



City of San José

Review of City's Unfunded General Fund Initiatives and Needs and Major General Fund Service Reductions for Past Five Years

February 22, 2007 Study Session

NEW AND UNFUNDED GENERAL FUND INITIATIVES/PROGRAMS

UNFUNDED INITIATIVE/PROGRAM	ESTIMATED COST*
1. GASB 43/45	\$98,000,000
2. Police Staffing Plan	20,200,000
3. General Obligation Bond Projects	18,200,000
4. Watson Park	7,900,000
5. City-wide Aquatics Plan	7,400,000
6. Trees-Maintenance and Enforcement	3,850,000
7. Open Government Initiatives/Reed Reforms	2,000,000
8. Network Operations Center Back-Up Cooling	1,300,000
9. Night Shift Custodial Services at City Hall	1,200,000
10. Shopping Center Improvement Pilot Program	1,200,000
11. General Plan Update	820,000
12. Mexican Heritage Plaza	700,000
13. Small Business Bonding Program	250,000
TOTAL	\$163,020,000

* Represents 2007-2008 costs to fully fund initiative on desired schedule, where possible.

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UNMET/DEFERRED INFRASTRUCTURE AND MAINTENANCE NEEDS

INFRASTRUCTURE/MAINTENANCE AREA	ESTIMATED COST
General Fund Needs	
1. Transportation Infrastructure	\$ 391,514,000
2. Information Technology Infrastructure	3,978,000
3. Vehicle/Equipment Replacement	3,025,000
4. General Services Maintenance	1,166,000
<i>Subtotal of General Fund Needs</i>	<i>\$ 399,683,000</i>
Potential Use of Other Funds to Partially Fund	
1. Parks Facilities	\$ 29,664,000
2. General Services Maintenance	11,670,000
3. Convention & Cultural Facilities	4,290,000
<i>Subtotal Potential Other Funding Sources</i>	<i>\$ 45,624,000</i>
TOTAL	\$ 445,307,000

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MAJOR GENERAL FUND REDUCTIONS (2002-2003 THROUGH 2006-2007)

CITY SERVICE AREA	GENERAL FUND REDUCTIONS*
Neighborhood Services	\$ 27,879,000
Strategic Support	15,390,000
Transportation & Aviation Services	11,675,000
Public Safety	10,343,000
Community and Economic Development	3,353,000
Environmental & Utility Services	609,000
TOTAL	\$69,249,000

* Reduction amounts are based on costs in the year the reduction occurred and have not been updated for current year values.

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CUMULATIVE IMPACT OF GENERAL FUND BUDGET SHORTFALL, UNMET NEEDS AND RECENT MAJOR BUDGET REDUCTIONS

	Funding Impact
2008-2012 Preliminary November General Fund Shortfall	\$ 19,849,000
New and Unfunded General Fund Initiatives/Programs	163,020,000
Unmet/Deferred Infrastructure and Maintenance Needs	445,307,000
Major General Fund Reductions (2002-2003-2006-2007)	69,249,000
TOTAL	\$ 697,425,000

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STATEMENT OF NET ASSETS

Governmental Activities

(\$000's)

	JUNE 30, 2002	JUNE 30, 2003	JUNE 30, 2004	JUNE 30, 2005	JUNE 30, 2006
Total Assets	\$10,185,330	\$10,233,946	\$9,987,674	\$9,996,045	\$9,917,374
Total Liabilities	2,670,843	3,163,049	3,422,385	3,678,542	3,887,015
Net Assets					
Capital Assets	6,629,815	6,252,648	6,118,214	5,755,755	5,402,375
Restricted	376,155	551,968	229,871	380,102	735,931
Unrestricted	<u>508,517</u>	<u>266,281</u>	<u>217,204</u>	<u>181,646</u>	<u>(107,947)</u>
Total Net Assets	<u>\$ 7,514,487</u>	<u>\$ 7,070,897</u>	<u>\$ 6,565,289</u>	<u>\$ 6,317,503</u>	<u>\$ 6,030,359</u>

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