



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** June 16, 2009

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Approved *Christine J. Shippey*

Date *6/14/09*

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Council District: City-Wide

**SUBJECT: ADOPTION OF AMENDMENTS TO THE ANNUAL APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION FOR VARIOUS OPERATING AND CAPITAL FUNDS TO REFLECT ESTIMATED 2008-2009 REVENUE RECEIPTS, EXPENSES AND ENCUMBRANCES**

**RECOMMENDATION**

It is recommended that the City Council approve 2008-2009 Appropriation Ordinance and Funding Sources Resolution amendments in various funds as detailed in Attachments A (General Fund), B (Special Funds) and C (Capital Funds) of this memorandum.

**OUTCOME**

Approval of the recommended budget adjustments will help ensure that appropriations are not over-expended at the end of 2008-2009, will align revenues and expenditures with actual performance, and will recognize new revenues and associated expenditures.

**BACKGROUND**

Over the course of the last several weeks, the Budget Office has conducted a final detailed review of existing appropriations and revenue estimates as compared to year-end projected levels. This review was performed using financial reports identifying year-to-date expenditures, encumbrances and revenues.

As a result of this review, the following types of adjustments to the Appropriation Ordinance and Funding Sources Resolution are recommended in this report:

### BACKGROUND (CONT'D.)

- Adjustments to assure adequate funding in various departments, city-wide expenses and capital projects is available through the end of the fiscal year based on estimated expenditure levels or project schedules;
- Technical adjustments identified in recent months, including changes to reflect the proper accounting treatment of various transactions, such as interest earnings; and
- Adjustments to bring revenue estimates in line with the latest information and to recognize funding from other agencies or reimbursement for activities and appropriate those funds.

As in the past, an effort has been made to provide for adjustments in those cases where it appears there is a possibility that appropriations would be exceeded by year-end. These actions are intended to be responsive to Council direction to prevent after-the-fact ratifications of over-expenditures.

### ANALYSIS

Provided below is a brief overview of the budget actions recommended in this report. Descriptions of the individual transactions recommended in the General Fund, Special Funds and Capital Funds are provided in Attachments A (General Fund), B (Special Funds) and C (Capital Funds). The recommended actions result in a net decrease of \$5.52 million in total General Fund appropriations and revenues, a net decrease of \$7.0 million in Special Funds appropriation and revenues and a net increase of \$15.0 million in Capital Funds appropriations and revenues. Most of these proposed revisions fall into one of the following categories:

- **Net-Zero Movements Between Appropriation Categories:** The largest number of proposed net-zero adjustments involve situations where total departmental level allocations will not be exceeded by year-end, but adjustments between expenditure categories within a department are required to prevent an over-expenditure of an appropriation category or to complete an important planned expenditure. For example, there are several shifts between Personal Services and Non-Personal/Equipment appropriations to align with actual expenditures during the year. Also included in this category are adjustments where savings from one appropriation are used to create a new appropriation or there are reallocations from one departmental or City-Wide Expenses appropriation to another departmental or City-Wide Expenses appropriation to correctly align actual expenditures or prevent over-expenditures.
- **Technical Adjustments:** Various technical adjustments are recommended to reflect transactions in the appropriate fund or appropriation. Also included in this category are reductions to various appropriations to reflect the General Fund, Capital Funds and Special Fund's fair share of the City Hall Debt Service payments.

**ANALYSIS (CONT'D.)**

- **Revenue-Related Changes:** There are several proposed transactions in the General Fund and other funds that recognize new revenue and appropriate those funds associated with grants, reimbursement for services, fee activities, transfers from other funds and new legislation under the American Recovery and Reinvestment Act (ARRA). Revisions are proposed to several funds in order to reflect transfers among funds required to comply with operating agreements or to properly reflect required accounting treatment of various financial transactions, such as interest earnings. Recommendations are also made in a number of funds, including the General Fund, in order to reflect anticipated year-end revenue collections.
- **Appropriation Adjustments for Capital Projects that Require Additional Funding:** Within this category, there are adjustments recommended to provide funding for previously directed Capital projects. Revisions are proposed in a number of capital funds to reflect revised project scopes, expenditure estimates or schedules. In each instance, funding is available within the involved fund to offset the required adjustment or there are expenditure savings in other appropriations to offset the proposed increases.

**EVALUATION AND FOLLOW-UP**

This memorandum presents recommended budget adjustments to bring 2008-2009 year-end revenues and expenditures in line with year-end estimated levels. The final reconciliation of the 2008-2009 fiscal year will be presented in the 2008-2009 Annual Report scheduled to be released on September 30, 2009 and the 2008-2009 Comprehensive Annual Financial Report (CAFR) scheduled to be released fall 2009.

**PUBLIC OUTREACH / INTEREST**

- X **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. This memorandum is posted on the City website for the June 23, 2009 Council Agenda.

**COORDINATION**

The adjustments recommended in this document have been coordinated with the various City departments.

**FISCAL/POLICY ALIGNMENT**

The proposed budget actions are consistent with the City's budget policies, which state that the City will maintain the fiscal integrity of its operating, debt service, and capital improvement budgets, which provide services and maintain public facilities, streets, and utilities.

**COST SUMMARY/IMPLICATIONS**

A series of budget actions is recommended in the General Fund, Special Funds, and Capital Funds to reflect anticipated year-end performance. There are sufficient resources in each fund to support the recommended budget actions.

  
JENNIFER A. MAGUIRE  
Budget Director

Attachments

I hereby certify that there will be available for appropriation in the amounts as listed in the fiscal year 2008-2009 monies in excess of those heretofore appropriated therefrom:

Airport Operations and Maintenance Fund (523)	3,122,271
Benefit Fund (160)	610,000
Building and Structure Construction Tax Fund (429)	1,750,000
Business Improvement District Fund (351)	21,000
Civic Center Construction Fund (425)	120,000
Civic Center Parking Fund (433)	688
Central Construction and Conveyance Tax Fund (390)	1,929,000
Communications Construction and Conveyance Tax Fund (397)	153,000
Community Development Block Grant (441)	2,700,463
Construction Excise Tax Fund (465)	9,023,000
Dental Insurance Fund (155)	1,200
Downtown Property and Business Improvement District Fund (302)	17,500
Emergency Reserve Fund (406)	146,000
Fire Construction and Conveyance Tax Fund (392)	142,000
General Purpose Parking Fund (533)	33,744

Gift Trust Fund (139)	14,500
Integrated Waste Management Fund (423)	24,054
Library Construction and Conveyance Tax Fund (393)	449,000
Multi-Source Housing Fund (448)	4,128,763
North San José Traffic Impact Fee Fund (349)	195,000
Park Yards Construction and Conveyance Tax Fund (398)	71,000
Residential Construction Tax Contribution Fund (420)	42,000
San José/Santa Clara Treatment Plant Capital Fund (512)	349,297
San José/Santa Clara Treatment Plant Operating Fund (513)	311,758
Sanitary Sewer Connection Fee Fund (540)	235,000
Service Yards Construction and Conveyance Tax Fund (395)	117,000
Services for Redevelopment Capital Projects Fund	312,000
Sewer Service and Use Charge Fund (541)	9,004
Stores Fund (551)	26,000
Storm Draining Fee Fund (413)	28,000
Storm Sewer Operating Fund (446)	475,839
Subdivision Park Trust Fund (375)	55,000
Vehicle Maintenance and Operations Fund (552)	59,000
Workforce Investment Act (290)	15,500

  
JENNIFER A. MAGUIRE  
Budget Director

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<b>GENERAL FUND</b>		<b>2008-2009</b>	<b>2008-2009</b>
<b>Dept/Project</b>	<b>Appropriation</b>	<b>Use</b>	<b>Source</b>
City Attorney	<b>Non-Personal/Equipment:</b> A decrease to the City Attorney's Non-Personal/Equipment appropriation is recommended to offset the Personal Services appropriation increase described below. Savings from contractual services are sufficient to cover this action. The Office reduced the number and amount of consultant contracts related to litigation, transaction and support services.	(290,000)	
"	<b>Personal Services:</b> An increase to the City Attorney's Personal Services appropriation is recommended to fund higher than anticipated expenditures due to large vacation sellbacks and the hiring of temporary employees to perform special legal services projects (\$290,000). Funding for cost of living adjustments and overtime related to the new Police Officers' Association agreement for the three sworn positions in the Attorney's Office is also recommended (\$23,000) to be reallocated from the Police Department's Personal Services appropriation. Funds were inadvertently appropriated to the Police Department rather than the Attorney's Office when the funds were distributed earlier this year.	313,000	
City Clerk	<b>Non-Personal/Equipment:</b> A decrease to the Clerk's Office Non-Personal/Equipment appropriation is recommended to offset the Personal Services appropriation increase for temporary employees described below. Savings from contractual services are sufficient to cover this action.	(25,000)	
"	<b>Personal Services:</b> An increase to the Clerk's Office Personal Services appropriation is recommended to fund higher than anticipated expenditures due to the hiring of temporary employees to perform special projects related to the District 7 Special Election and other "best practice" Office improvements such as for the City's Boards and Commission program, the City's Records program, and online Municipal Code.	25,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<b>GENERAL FUND</b>		<b>2008-2009</b>	<b>2008-2009</b>
<u>Dept/Project</u>	<u>Appropriation</u>	<u>Use</u>	<u>Source</u>
City Manager	<p><b>Non-Personal/Equipment/Other Revenue:</b> This action increases the City Manager's Non-Personal/Equipment appropriation and recognizes a donation received from the Knight Foundation to support the City's Wikiplanning project. Wikiplanning is an online solution for improving civic engagement, an important component of most urban planning initiatives. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.</p>	10,000	10,000
"	<p><b>Personal Services:</b> This action reallocates funding from the City Manager's Personal Services appropriation to the City-Wide Expenses - City Manager Special Projects appropriation. Savings are available due to a high level of vacancies throughout the year. Funding will provide support for the transition of the Office of Emergency Services to the Fire Department, special studies, and unanticipated City Council referrals. A corresponding increase to the City Manager Special Projects appropriation is described elsewhere in this document.</p>	(225,000)	
Economic Development	<p><b>Non-Personal/Equipment:</b> This action recommends a technical adjustment to reallocate Office of Economic Development's non-personal/equipment funding to the City-Wide Expenses appropriation entitled Festivals, Parades, and Celebrations. Funds for gated event revenues are currently appropriated to the Office of Economic Development's Non-Personal Equipment appropriation and earmarked to be dedicated to the Festivals, Parades, and Celebrations grant program; with this technical adjustment, there is no longer a need to budget the funds in the Office's Non-Personal/Equipment appropriation. The corresponding increase to the Festivals, Parades, and Celebrations appropriation is described elsewhere in this document.</p>	(27,372)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
Emergency Services	<b>Non-Personal/Equipment:</b> An increase to the Office of Emergency Services' Non-Personal/Equipment appropriation is recommended to fund higher than expected expenditures related to emergency communications equipment and printing costs.	5,000	
"	<b>Personal Services:</b> A decrease to the Office of Emergency Services' Personal Services appropriation is recommended to offset the Non-Personal/Equipment increase described above. Savings are available in this Office due to vacancies.	(5,000)	
Environmental Services	<b>Non-Personal/Equipment:</b> A reallocation of funding from the Environmental Services Department's Non-Personal/Equipment appropriation to the Department's Personal Services appropriation for staff time funded by the Silicon Valley Energy Watch Grant is recommended. During the year, there was an increased need for renewable energy expertise, and in order to meet this additional program interest, additional staff time was needed. Staff provided assistance on tasks that support the use of renewable energy in the community, such as educating the public about renewable energy, and evaluating methods to increase renewable energy use by the City. Personal services and non-personal/equipment expenditures are completely reimbursable by the grant. The corresponding increase in the Department's Personal Services appropriation is described below.	(12,000)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Environmental Services	<p><b>Personal Services:</b> A reallocation of funding to the Environmental Services Department's Personal Services appropriation from the Department's Non-Personal/Equipment appropriation for staff time funded by the Silicon Valley Energy Watch Grant is recommended. During the year, there was an increased need for renewable energy expertise, and in order to meet this additional program interest, additional staff time was needed. Staff provided assistance on tasks that support the use of renewable energy in the community, such as educating the public about renewable energy, and evaluating methods to increase renewable energy use by the City. It was determined that the work could be performed more effectively with in-house staff. Personal services and non-personal/equipment expenditures are completely reimbursable by the grant. The corresponding decrease in the Department's Non-Personal/Equipment appropriation is described above.</p>		12,000	
Fire	<p><b>Non-Personal/Equipment:</b> A decrease to the Fire Department's Non-Personal/Equipment appropriation is recommended, with a reallocation to a City-Wide Expenses appropriation for Fire Self-Contained Breathing Apparatus (SCBA) replacement, as described elsewhere in this document. Savings are available in centrally determined details (gas, electric and vehicle maintenance and operations).</p>		(440,000)	
"	<p><b>Non-Personal/Equipment:</b> A decrease of \$50,000 to the Fire Department's Non-Personal/Equipment appropriation is recommended, offset by an increase to the Department's Personal Services appropriation described below. The Department budgeted for consultant services to support analysis and negotiations for the County's Emergency Medical Services (EMS) Contract redesign. It has been determined that the work could be done more effectively with in-house staff.</p>		(50,000)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
Fire	<b>Non-Personal/Equipment/Other Revenue:</b> An increase to the Fire Department's Non-Personal/Equipment appropriation is recommended, offset by a corresponding increase to the Other Revenue estimate. This action appropriates a Health Trust Good Samaritan Grant that was awarded to the Fire Department for the Heart Safe City project. The grant funds the purchase of CPR Anytime Kits, Automated External Defibrillators (AEDs), and educational materials.	25,000	25,000
"	<b>Personal Services:</b> A decrease to the Fire Department's Personal Services appropriation is recommended, with a reallocation to a City-Wide Expenses appropriation entitled Executive Recruitments as described elsewhere in this document. Savings are available due to a high number of vacancies from recent retirements.	(100,000)	
"	<b>Personal Services:</b> This action increases the Fire Department's Personal Services appropriation to fund a portion of the Department's Emergency Services Manager in 2009-2010. A Battalion Chief will be appointed in an acting role due to the expected vacancy in this position for six months and the costs exceed the amount of funding budgeted for the Manager position. This action is offset by a decrease to the Transfer to the City Hall Debt Service Fund described elsewhere in this document. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.	75,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<b>GENERAL FUND</b>		<b>2008-2009</b>	<b>2008-2009</b>
<b>Dept/Project</b>	<b>Appropriation</b>	<b>Use</b>	<b>Source</b>
Fire	<b>Personal Services:</b> An increase of \$50,000 to the Fire Department's Personal Services appropriation is recommended to support the EMS Contract redesign, offset by a decrease to the Department's Non-Personal/Equipment appropriation described above. This reallocation would provide temporary staff support to free up capacity for existing Department staff with EMS contract expertise. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.	50,000	
"	<b>Personal Services:</b> This action would increase the Fire Department's Personal Services appropriation to fund a position that was eliminated in 2008-2009, but has remained in place as a temporary position until the employee can be placed. The employee will have to remain on staff until workers' compensation and disability absences are resolved and a placement can occur when the employee returns to work in Summer 2009. This action is offset by a decrease to the Transfer to the City Hall Debt Service Fund described elsewhere in this document.	45,000	
"	<b>Personal Services/Revenue from Federal Government/Revenue from State of California:</b> This action increases the Fire Department's Personal Services appropriation and recognizes reimbursements of \$11,963 from the federal government and \$118,775 from the State for Strike Teams that responded to out-of-county wild land fire incidents in 2008-2009.	130,738	130,738
General Services	<b>Non-Personal/Equipment:</b> This action reallocates funding from the Police Department's Non-Personal/Equipment appropriation to the General Services Department's Non-Personal/Equipment appropriation. This action is recommended due to the unanticipated mechanical failure of the Heating, Ventilation, and Air Conditioning System (HVAC) at the Police Administration Building. A corresponding action to decrease the Police Department's Non-Personal/Equipment appropriation is recommended elsewhere in this document.	136,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>		<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
General Services	<p><b>Non-Personal/Equipment:</b> This action reallocates funding from the City-Wide Expenses - Energy Efficiency Program appropriation to the General Services' Non-Personal/Equipment appropriation. As part of the 2007-2008 Annual Report, per previous City Council policy, an estimate of first year energy savings resulting from various energy efficiency capital projects was made and that amount was removed from both the General Services and Fire Departments and reallocated to the Energy Efficiency Program appropriation. It has now been determined that a portion of those savings were overstated and should be returned to the General Services Department.</p>			90,000	
Human Resources	<p><b>Non-Personal/Equipment:</b> This action reallocates funding from the Human Resources Department's Non-Personal/Equipment appropriation to the Department's Personal Services appropriation. Due to unforeseen expenditures including vacation sell backs, temporary employee placements, and vacation and compensation payouts, the Human Resources Department anticipates exceeding their personal services budget by year-end. Savings are available in the Non-Personal/Equipment appropriation as a result of contractual savings and prioritization of expenditures. This action would be offset by an increase in the Human Resources Personal Services appropriation as described below.</p>			(140,000)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
Human Resources	<b>Personal Services:</b> This action reallocates funding from the Human Resources Department's Non-Personal/Equipment appropriation to the Department's Personal Services appropriation. Due to unforeseen expenditures including vacation sell backs, temporary employee placements, and vacation and compensation payouts, the Human Resources Department anticipates exceeding their personal services budget by year-end. This action would be offset by savings anticipated in the Human Resources Department's Non-Personal/Equipment appropriation as described above.	140,000	
Independent Police Auditor	<b>Personal Services:</b> A decrease to the Office of the Independent Police Auditor's Personal Services appropriation is recommended, with a reallocation to a City-Wide appropriation for Executive Recruitments. Savings are available from the vacant Independent Police Auditor position.	(10,000)	
Library	<b>Library Grants/Other Revenue:</b> This action increases the Other Revenue estimate by \$2,500 from the Voices From the Writers Project grant. This grant supports the presentation of five public humanities programs that explore the works of the Works Progress Administration Writers' Project. An associated increase to the Library Grants appropriation is also recommended.	2,500	2,500
"	<b>Library Grants/Revenue from Local Agencies:</b> This action recognizes revenue from the Read Aloud Collaborative grant. This grant supports the San José Public Library story time training, best practices Smart Start San José Early Start Childhood conference, and Festival of Books on Wheels. A corresponding increase to the Revenue from Local Agencies estimate and an associated increase to the Library Grants appropriation is recommended.	21,500	21,500

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Library	<p><b>Library Grants/Revenue from State of California:</b> This action recognizes revenue from the State of California totaling \$2,111 from the California Library Literacy Services (CLLS) grant. This grant supports Adult Literacy and Families for Literacy Programs which help adults increase their basic literacy skills and learn how to support the emerging literacy needs of their young children. An associated increase to the Library Grants appropriation is also recommended.</p>		2,111	2,111
Mayor/Council	<p><b>Council District #1/Other Revenue:</b> An increase to the Council District 1 appropriation is recommended to reimburse the District for items purchased and reimbursed by other agencies. Council District 1 co-sponsored a Disability Awareness Day and was reimbursed by Valley Medical Foundation. A corresponding increase to Other Revenue is also recommended.</p>		1,289	1,289
"	<p><b>Council District #3/Other Revenue:</b> An increase to the Council District 3 appropriation is recommended to reimburse the District for items purchased and reimbursed by other agencies. Council District 3 purchased a computer for the Cities Association and was reimbursed. A corresponding increase to Other Revenue is also recommended.</p>		872	872
Parks, Rec & Neigh Svcs	<p><b>Non-Personal/Equipment:</b> This action reallocates savings in the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation to the City-Wide Expenses - Banking Services appropriation to cover additional costs associated with higher than anticipated credit card fees for the PRNS Registration and E-Commerce system (RECS) pilot program. A corresponding increase to the City-Wide Expenses - Banking Services appropriation is described elsewhere in this document.</p>		(25,000)	
"	<p><b>PRNS Fee Activities/Departmental Charges:</b> An increase to the PRNS Fee Activities appropriation is recommended due to costs associated with increased youth participation in fee classes and camps, which is offset by increased fee revenue. A corresponding increase to the estimate for revenue from Departmental Charges is also recommended.</p>		400,000	400,000

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
Police	<b>Non-Personal/Equipment:</b> This action reallocates funding from the Police Department's Non-Personal/Equipment appropriation to the General Services Department's Non-Personal/Equipment appropriation. This action is recommended due to the unanticipated mechanical failure of the Heating, Ventilation, and Air Conditioning System (HVAC) at the Police Administration Building. Savings in vehicle maintenance and operating costs are available to fund this unanticipated expenditure. A corresponding action to increase the General Services Department's Non-Personal/Equipment appropriation is recommended elsewhere in this document.	(136,000)	
"	<b>Personal Services:</b> A reallocation of \$23,000 in the Police Department's Personal Services appropriation to the Attorney's Office Personal Services appropriation is recommended. Funding for cost of living adjustments and overtime related to the new Police Officers' Association agreement for the three sworn positions in the Attorney's Office were inadvertently appropriated to the Police Department rather than the Attorney's Office when the funds were distributed earlier this year.	(23,000)	
Public Works	<b>Non-Personal/Equipment:</b> A decrease to the Public Works Department's Non-Personal/Equipment appropriation is recommended to account for lower than anticipated activity in the Public Works Development Fee Program. Savings has resulted from decreased expenditures in training, travel, and supplies and materials. A corresponding decrease to the Public Works Development Fee Program revenue estimate is also recommended as described elsewhere in this document.	(55,000)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
Public Works	<b>Personal Services:</b> A decrease to the Public Works Department's Personal Services appropriation is recommended to account for lower than anticipated activity in the Public Works Development Fee Program. Savings has resulted from the redeployment of 4.5 positions to the capital program in response to the reduced activity as well as vacancy savings. A corresponding decrease to the Public Works Development Fee Program revenue estimate is also recommended as described elsewhere in this document.	(392,000)	
Redevelopment Agency	<b>Personal Services/Revenue from Local Agencies:</b> This action increases the Personal Services appropriation in order to provide sufficient funding for staffing costs primarily due to higher than budgeted salary costs of several positions. The Redevelopment Agency fully reimburses these costs therefore a corresponding increase to the Revenue from Local Agencies estimate is recommended to offset this action.	130,000	130,000
Transportation	<b>Non-Personal/Equipment:</b> This action decreases the Department of Transportation's non-personal/equipment funding to provide funding for the Transfer to Downtown Property and Business Improvement District Fund as recommended in this document. A corresponding increase to the Transfer to Downtown Property and Business Improvement District Fund appropriation is also recommended as described elsewhere in this document.	(17,500)	
"	<b>Personal Services:</b> A decrease to the Department of Transportation's Personal Services appropriation is recommended to reflect lower than anticipated activity in the Public Works Development Fee Program. Included in the 2008-2009 Mid-Year Budget Review was the elimination of a portion of a position that delivered services for Public Works' development fee program. At the time, funding was inadvertently not reduced. A corresponding decrease to the Public Works Development Fee Program revenue estimate is also recommended as described below.	(88,000)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>		<b>2008-2009 Use</b>	<b>2008-2009 Source</b>
City-Wide Expenses	<p><b>2006 State Homeland Security Grant Program (SHSGP)/Revenue from Local Agencies:</b> A decrease to the 2006 SHSGP appropriation is recommended in order to align expenditures with available funding. The 2006 SHSGP ended on June 30, 2008 and the Office of Emergency Services only expended \$58,194 of the \$64,172 grant. A corresponding reduction to the Revenue from Local Agencies estimate is also recommended.</p>			(5,978)	(5,978)
"	<p><b>Banking Services:</b> This action reallocates savings in the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation to the City-Wide Expenses - Banking Services appropriation to cover additional costs associated with higher than anticipated credit card fees for the PRNS Registration and E-Commerce system (RECS) pilot program. A corresponding decrease to the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation is described elsewhere in this document.</p>			25,000	
"	<p><b>City Manager Special Projects:</b> This action reallocates funding from the City Manager's Personal Services appropriation to the City-Wide Expense - City Manager Special Projects appropriation. Funding will provide support for the transition of the Office of Emergency Services to the Fire Department, special studies, and unanticipated City Council referrals. A corresponding decrease to the City Manager's Personal Services appropriation is described elsewhere in this document. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.</p>			225,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
City-Wide Expenses	<b>City-Wide Broadband Network:</b> A technical adjustment to reallocate funding in the City-Wide Broadband Network appropriation to the Computer Systems Remediation Project appropriation is recommended. Funding previously designated for costs associated with a wireless network is recommended to be redirected to assist with costs associated with various computer system remediation issues. A corresponding action to the Computer Systems Remediation Projects appropriation is described elsewhere in this document.	(50,000)	
"	<b>Computer Systems Master Plan:</b> A technical adjustment to reallocate funding in the Computer Systems Master Plan appropriation to the Computer Systems Remediation Project appropriation is recommended. Funding previously designated for costs associated with a master plan is recommended to be redirected to assist with costs associated with various computer system remediation issues. A corresponding action to the Computer Systems Remediation Projects appropriation is described elsewhere in this document.	(119,000)	
"	<b>Computer Systems Remediation Projects:</b> A technical adjustment to reallocate funding in the Computer Systems Master Plan (\$119,000) and City-Wide Broadband Network (\$50,000) appropriations to the Computer Systems Remediations Project appropriation is recommended. Funding previously designated for costs associated with a wireless network and a master plan are recommended to be redirected to assist with costs associated with various computer system remediation issues. Corresponding decreases to the Computer Systems Master Plan and City-Wide Broadband Network appropriations are described elsewhere in this document. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.	169,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u>	<u>2008-2009</u>	<u>2008-2009</u>
	<u>Appropriation</u>	<u>Use</u>	<u>Source</u>
City-Wide Expenses	<p><b>Energy Efficiency Program:</b> This action reallocates funding from the City-Wide Expenses - Energy Efficiency Program appropriation to the General Services' Non-Personal/Equipment appropriation. As part of the 2007-2008 Annual Report, per previous City Council policy, an estimate of first year energy savings resulting from various energy efficiency capital projects was made and that amount was removed from both the General Services and Fire Departments and reallocated to the Energy Efficiency Program appropriation. It has now been determined that a portion of those savings were overstated and should be returned to the General Services Department for gas and electricity costs.</p>	(90,000)	
"	<p><b>Energy Efficiency Program/Other Revenue:</b> This action recognizes additional revenue from PG&amp;E rebates that have been received in 2008-2009. PG&amp;E reimburses the City for installing qualifying energy efficiency products such as energy efficient lighting, thermostats and controls. By City Council policy, these funds could be used to deliver more energy efficient projects on City facilities. An increase to the Other Revenue estimate and an increase to the Energy Efficiency Program appropriation are recommended. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.</p>	46,290	46,290

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<b>2008-2009 Use</b>	<b>2008-2009 Source</b>
City-Wide Expenses	<p><b>Executive Recruitments:</b> This action would establish a City-Wide appropriation for Executive Recruitments, using anticipated personal services savings from the Fire Department and Independent Police Auditor appropriations. The following positions will require nationwide recruitments: Independent Police Auditor, Emergency Services Manager, Fire Deputy Chief - Bureau of Fire Prevention, Fire Deputy Director - Bureau of Administrative Services, and Fire Deputy Director - Bureau of Support Services. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.</p>		110,000	
"	<p><b>Festivals, Parades, and Celebrations:</b> This action recommends a technical adjustment to reallocate Office of Economic Development's non-personal/equipment funding to the City-Wide Expenses appropriation entitled Festivals, Parades, and Celebrations. Funds from this grant program are used to help subsidize events such as the San José Jazz Festival, Cinequest Film Festival and Music in the Park. Funds for gated event revenues are currently recognized and appropriated to the Office of Economic Development's Non-Personal Equipment appropriation and dedicated to this grant program; with this technical adjustment, there is no longer a need to budget the funds in the Department's Non-Personal/Equipment appropriation. The corresponding decrease to the Office of Economic Development's non-personal/equipment funding is described elsewhere in this document. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget a total of \$33,000 for this appropriation.</p>		27,372	

**Recommended 2008-2009 Budget Adjustments**

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<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>		<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
City-Wide Expenses	<p><b>Festivals, Parades, and Celebrations/Other Revenue:</b> This action recognizes gated event revenues of \$5,954 with a corresponding increase to the Festivals, Parades, and Celebrations appropriation. All revenues from gated events that are permitted by Cultural Affairs are earmarked for festivals, parades and celebrations. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget a total of \$33,000 for the Festivals, Parades and Celebrations appropriation.</p>			5,954	5,954
"	<p><b>Fire Self-Contained Breathing Apparatus:</b> This action would establish a City-Wide Expenses appropriation for Self-Contained Breathing Apparatus (SCBA) replacement purchases. The Department applied for a \$1.8 million grant to fund replacement of devices for 334 front-line and ready-relief personnel to bring the devices to current fire fighter safety standards. Should the grant be successful, this sets aside the City's required 20% matching funds. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.</p>			440,000	
"	<p><b>Housing Loan Settlement:</b> A technical adjustment is recommended to reallocate funding from the Senior Staff Home Loan Assistance appropriation and establish a new city-wide appropriation, Housing Loan Settlement, to be used for a recent settlement in relation to a home loan administered by the City. A corresponding decrease to the Senior Staff Home Loan Assistance appropriation is described elsewhere in this document.</p>			250,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
City-Wide Expenses	<b>Northern California Regional Intelligence Center (NCRIC) SUASI - Police/Revenue from the Federal Government:</b> This action appropriates funding from the Bay Area Super Urban Area Security Initiative (SUASI) to the Police Department NCRIC SUASI appropriation to fund salary, benefits, overtime, and travel costs for a Police Lieutenant position as a member of the NCRIC for the period of January 1, 2009 - June 30, 2009. This action also recognizes Revenue from the Federal Government for this activity.	108,735	108,735
"	<b>Parent Project/Departmental Charges:</b> This action provides funding to the Parks, Recreation and Neighborhood Services Department for the Parent Project. This appropriation, which is supported from registration fees by program participants, will be used to provide skills training for parents in San José. The project is a 12-session (three hours each) skills training for parents of troubled youth. The classes are taught by two-person teams (made up of a trained and certified police officer and civilian staff). A corresponding increase to Departmental Charges is also recommended.	16,735	16,735
"	<b>San José After School - Year 3 District Contracts/Revenue from Local Agencies:</b> This action recognizes and appropriates funding to the Parks, Recreation and Neighborhood Services Department from the Santa Clara Unified School District to provide temporary staffing and non-personal/equipment funding for school programs within the district. The San José After School Program provides education, literacy, arts, nutrition, recreation, and enrichment services to San José students. A corresponding increase to Revenue from Local Agencies is also recommended.	98,978	98,978
"	<b>San José Cycling Classic Event/Other Revenue:</b> This action decreases the San José Cycling Classic Event appropriation and corresponding revenue estimate to accurately reflect sponsorship and registration fees received. The scale of the event was adjusted proportionately to ensure that expenditures did not exceed revenues. A corresponding decrease to the Other Revenue estimate is also recommended.	(61,000)	(61,000)

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>GENERAL FUND</u> <u>Appropriation</u>	<u>2008-2009</u> <u>Use</u>	<u>2008-2009</u> <u>Source</u>
City-Wide Expenses	<b>Senior Staff Home Loan Assistance Program:</b> The reallocation of \$250,000 in funding from the Senior Staff Home Loan Assistance appropriation to a new City-Wide Expenses appropriation entitled Housing Loan Settlement is recommended. This new appropriation is will be used for a recent settlement in relation to a home loan administered by the City. A corresponding action for the Housing Loan Settlement appropriation is described elsewhere in this document.	(250,000)	
"	<b>Summer Safety Initiative Pilot Program/Revenue from Local Agencies:</b> This action provides funding to the Parks, Recreation and Neighborhood Services Department from the County of Santa Clara's District Attorney's Office for the Safe Summer Initiative. The Safe Summer Initiative provides unique recreational and/or educational opportunities not normally available to at-risk, high-risk, and Impacted youth to keep them safe, active and engaged in pro-social behaviors during the months of June through September. A corresponding increase to Revenue from Local Agencies estimate is also recommended.	100,000	100,000
"	<b>Workers' Compensation Claims Payments:</b> An increase to the City-Wide Workers' Compensation Claims Payments appropriation is recommended. This is primarily due to a 22% increase in medical costs and a 38% increase for permanent disability rates. This increase in medical costs is due to an increase in the number of disability retirements, an increased number of requests for medical-legal examinations which allows for second opinions regarding medical treatment, and a general increase in the number of claims. This action is offset by a decrease to the Transfer to the City Hall Debt Service Fund described elsewhere in this document.	654,043	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Capital/Public Safety	<p><b>South San José Police Substation FF&amp;E:</b> This action reallocates funds from the Future Capital Projects (FF&amp;E) Reserve to a Capital Contributions appropriation for furniture, fixtures, and equipment (FF&amp;E) purchases for the new South San José Police Substation. In the 2009-2010 Proposed Operating Budget, \$1,522,000 was allocated from the Future Capital Projects (FF&amp;E) Reserve to fund furniture, fixtures and equipment for the new Police substation. A portion of this funding (\$340,000) is now expected to be used in 2008-2009 for the purchase of furniture. As a result, the amount of funding allocated in 2009-2010 is recommended to be reduced by \$340,000 in the 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46). In addition, \$340,000 from the Future Capital Projects (FF&amp;E) Reserve that was expected to be carried over to 2009-2010 as Beginning Fund Balance to support expenditures in 2009-2010 will no longer be available.</p>		340,000	
Transfers	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed. Savings from this appropriation, as described elsewhere in this document, are recommended to fund projected overages in Workers' Compensation Claims (\$654,043), additional Fire Department's Personal Services appropriation costs (\$120,000) and loss of overhead associated with the Public Works Department's Fee Program (\$93,988).</p>		(868,031)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<b>Dept/Project</b>	<b>Appropriation</b>	<b>GENERAL FUND</b>		<b>2008-2009 Use</b>	<b>2008-2009 Source</b>
Transfers	<p><b>Transfer to the Downtown Property and Business Improvement District Fund:</b> This action increases the Transfer to Downtown Property and Business Improvement District Fund for a cost of living adjustment as approved in the agreement with the Property and Business Improvement District. There is a corresponding recommendation to reduce the Department of Transportation's Non-Personal/Equipment appropriation to provide funding for this action as described in the Transportation Department section elsewhere in this document.</p>			17,500	
Earmarked Reserves	<p><b>Fee Supported Reserve - Public Works:</b> The elimination of the Public Works' Fee Supported Reserve is recommended to partially offset a decrease to the Public Works Fee Program Departmental Charges revenue estimate. A corresponding decrease to the Public Works Development Fee Program revenue estimate is also recommended as described below.</p>			(131,012)	
"	<p><b>Future Capital Projects (FF&amp;E):</b> This action reallocates funds from the Future Capital Projects (FF&amp;E) Reserve to a Capital Contributions appropriation for furniture, fixtures, and equipment (FF&amp;E) purchases for the new South San José Police Substation. In the 2009-2010 Proposed Operating Budget, \$1,522,000 was allocated from the Future Capital Projects (FF&amp;E) Reserve to fund furniture, fixtures and equipment for the new Police substation. A portion of this funding (\$340,000) is now expected to be used in 2008-2009 for the purchase of furniture. As a result, the amount of funding allocated in 2009-2010 is recommended to be reduced by \$340,000 in the 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46). In addition, \$340,000 from the Future Capital Projects (FF&amp;E) Reserve that was expected to be carried over to 2009-2010 as Beginning Fund Balance to support expenditures in 2009-2010 will no longer be available.</p>			(340,000)	

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Earmarked Reserves	<p><b>Economic Uncertainty Reserve:</b> This action decreases the Economic Uncertainty Reserve from \$15.3 million to \$9.5 million (an additional \$5.0 million is recommended for use in the 2009-2010 Proposed Budget bringing the Reserve balance to \$4.5 million) to offset a portion of the reduction in Sales Tax estimated for 2008-2009. Sales Tax receipts dropped by 8.5% in the second quarter and 29.3% in the third quarter of 2008-2009, far exceeding the budgeted decline. On an overall basis, a \$10.4 million reduction to the 2008-2009 Sales Tax estimate is proposed in this document, which would be offset by the use of the Economic Uncertainty Reserve (\$5.8 million), the use of sale of surplus property proceeds (\$1.4 million), and other positive revenue variances (\$3.2 million).</p>	(5,792,000)	
Revenue Adjustments	<p>The actions recommended below are based on actual 2008-2009 collection trends as described in the Bi-Monthly Financial Reports and are necessary to bring the year-end revenue estimates in line with current projections. In addition, technical adjustments are recommended in the Use of Money and Property and Transfers and Reimbursements categories to comply with GASB Statement No. 31, which addresses the treatment of interest earnings from other funds that are allocated to the General Fund.</p>		
"	<p><b>Property Tax Revenue Estimate:</b> This action increases the Property Tax estimate to reflect the following: an increase to the Secured Property Tax estimate based on updated information from the County (up \$931,000), an increase to the SB 813 Property Tax estimate based on current collection trends (\$1.5 million), an increase to the Unsecured Property Tax based on actual collections (\$570,000), and a decrease to the Homeowners Property Tax relief estimate based on collection trends (down \$37,000). With these adjustments, Property Tax receipts are expected to total \$210.4 million, an increase of 3.3% over the 2007-2008 collection level of \$203.7 million.</p>		2,964,000

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Revenue Adjustments	<p><b>Sales Tax Revenue Estimate:</b> This action decreases the General Sales Tax estimate by \$10,370,000 to reflect the following: an 8.5% actual decline in the 2nd Quarter; a 29.3% actual decline in the 3rd Quarter; and an assumed 10% decline in the fourth quarter of 2008-2009. When the Sales Tax estimate was modified as part of the 2008-2009 Mid-Year Budget Review, only first quarter data was available. With the recommended downward adjustment, General Sales Tax receipts are projected to decline 12% in 2008-2009. A decrease of \$23,000 is also recommended for the Proposition 172 Sales Tax estimate based on current collection trends. Overall Sales Tax receipts are expected to total \$135.9 million in 2008-2009, well below the 2007-2008 collection level of \$154.0 million.</p>			(10,393,000)
"	<p><b>Transient Occupancy Tax Revenue Estimate:</b> This action decreases the Transient Occupancy Tax estimate by \$1.1 million based on the significant decline in receipts experienced in the second half of the fiscal year. An overall decline of 17.2% is now projected in 2008-2009, bringing the revised estimate to \$7.8 million.</p>			(1,100,000)
"	<p><b>Telephone Line Tax Revenue Estimate:</b> This action establishes a \$6 million estimate for the Telephone Line Tax that was approved by voters in November 2008. This tax replaced the Emergency Communication System Support (ECSS) Fee and was fully implemented in April 2009. A reduction of \$7 million to the Transfers and Reimbursements estimate is recommended to reflect a reduction in the Transfer from the Emergency Communication System Support Fee Fund. (On an overall basis, the projected revenue from the ECSS Fee and the Telephone Line Tax is projected to fall below the 2008-2009 estimate of \$24 million by \$1 million based on current collection trends and the decrease in the rate for the new tax.)</p>			6,000,000

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**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Revenue Adjustments	<p><b>Franchise Fees Revenue Estimate:</b> This action decreases the Franchise Fee revenue estimate by a net of \$431,000 to reflect the following: a decrease of \$1.2 million to the Commercial Solid Waste Franchise Fee; a decrease of \$176,000 to the Electric Franchise Fee; a decrease of \$140,000 to the City Generated Tow Franchise Fee; a decrease of \$4,000 to the Water Franchise Fee; an increase of \$790,000 to the Gas Franchise Fee; and an increase of \$299,000 to the Cable Television Franchise Fee based on current year receipts.</p>			(431,000)
"	<p><b>Utility Tax Revenue Estimate:</b> This action increases the Utility Tax revenue estimate by a net \$1.2 million to reflect the following: a decrease of \$931,000 to the Electric Utility Tax estimate; a decrease of \$850,000 to the Gas Utility Tax estimate; an increase of \$2.4 million to the Telephone Utility Tax estimate; and an increase of \$595,000 to the Water Utility Tax estimate based on current collection trends.</p>			1,214,000
"	<p><b>Licenses and Permits Revenue Estimate:</b> This action increases the Licenses and Permits revenue estimate to reflect an increase of \$800,000 to the Cardroom Tax revenue estimate, partially offset by a decrease of \$650,000 to the Disposal Facility Tax revenue estimate.</p>			150,000
"	<p><b>Fines, Forfeitures &amp; Penalties Revenue Estimate:</b> This action decreases several of the Fines, Forfeitures and Penalties categories based on current collection trends including the following: a decrease of \$648,000 to the Parking Fines revenue estimate (from \$8.95 million to \$8.3 million); a decrease of \$325,000 to vehicle code fines and other fines collected by the County of Santa Clara; a decrease of \$325,000 to the Administrative Citation Fines and Penalties; and a decrease of \$50,000 to the Animal Licensing Fines.</p>			(1,348,000)

**Recommended 2008-2009 Budget Adjustments**

**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Revenue Adjustments	<p><b>Use of Money and Property Revenue Estimate:</b> This action decreases the Use of Money and Property revenue estimate by \$3.8 million. A reduction of \$3.9 million is recommended to comply with GASB Statement No. 31, which requires interest earnings from other funds that had been swept directly to the General Fund to be initially reflected in the fund that reports the earnings and then transferred to the General Fund. There is an associated increase of \$3.4 million in the Transfers and Reimbursements line item based on current interest earnings estimates for these funds. In addition, a reduction of \$300,000 to the General Fund interest earnings estimate is recommended based on lower actual receipts. These reductions are partially offset by an increase of \$150,000 to the Real Property Rentals revenue estimate and an increase of \$175,000 to the Rental of Communications Facilities revenue estimate.</p>			(3,830,000)
"	<p><b>Revenue from Local Agencies Estimate:</b> This action increases the estimated revenue from Local Agencies to reflect higher Central Fire reimbursements based on actual collections (\$792,000) and higher net reimbursement from the Redevelopment Agency (\$850,000) for past graffiti abatement services (\$1.0 million) partially offset by lower reimbursement for City services based on actual expenditures (\$150,000).</p>			1,642,000
"	<p><b>Revenue from the State of California Estimate:</b> This action increases the estimated revenue from the State to reflect higher actual collections in the Airplane In-Lieu category.</p>			260,000
"	<p><b>Revenue from the Federal Government Estimate:</b> This action recognizes revenue from the 2003-2004 COPS Interoperability Communications Grant. The timing of the receipt of this revenue was not known when the 2008-2009 budget was developed.</p>			2,642,000

**Recommended 2008-2009 Budget Adjustments**

Attachment A

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Revenue Adjustments	<p><b>Departmental Charges Revenue Estimate:</b> This action decreases the Departmental Charges estimate by \$2.0 million based on lower collections in several categories. A downward adjustment of \$1,260,000 is recommended to the Public Works Development Fee Program revenue estimate (from \$7,510,545 to \$6,250,545) to reflect the significant drop off in development activity experienced in 2008-2009. While growth of 4.3% over the prior year is necessary to meet the current budget estimate, collections are now expected to end the year 13.2% below 2007-2008 levels. In order to partially close the gap between anticipated revenues and expenditures, corresponding decreases to Public Works' Personal Services (\$392,000) and Non-Personal/Equipment (\$55,000) and Transportation's Personal Services (\$88,000) appropriations and the elimination of remaining funding in Public Works' Earmarked Fee Reserve (\$131,012) are recommended. A downward adjustment of \$250,000 to the Planning Development Fee Program revenue estimate is also recommended based on the significant decline in development-related Planning activity.</p> <p>This would bring the 2008-2009 revenue estimate to \$4.5 million, a decline of 31.6% from the 2007-2008 actual receipts. Other adjustments include a reduction of \$350,000 to the Solid Waste Enforcement Fee revenue estimate and a \$150,000 reduction to the Police Department fee revenues based on actual collection trends.</p>			(2,010,000)
"	<p><b>Other Revenue Estimate:</b> This action increases the Other Revenue estimate to reflect the following: an increase of \$1,365,000 to the Sale of Surplus Property estimate to recognize proceeds from the sale of the Stockton Warehouse at Stockton and Julian; a decrease of \$290,000 to the Tree Maintenance revenue estimate based on actual collection trends and delays in implementing this program; and a decrease of \$100,000 to the Sidewalk Repairs revenue estimate based on current year collections.</p>			975,000

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**Attachment A**

<u>Dept/Project</u>	<u>Appropriation</u>	<b>GENERAL FUND</b>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
Revenue Adjustments	<p><b>Transfers and Reimbursements Revenue Estimate:</b> A net reduction of \$3.3 million is recommended. This includes a decrease of \$7.0 million to the Transfer from the Emergency Communication System Support Fee (ECSS) Fund due to the replacement of the ECSS fee with the Telephone Line Tax approved by voters in November 2008 and fully implemented in April 2009. The ECSS fee revenue was recorded in the ECSS Fund and transferred to the General Fund to reimburse the General Fund for eligible ECSS costs. An increase of \$3.4 million to the Transfers category is recommended to reflect a technical adjustment to transfer interest earnings from various funds to the General Fund to comply with GASB Statement No. 31. These interest earnings had previously been swept directly to the General Fund. A corresponding reduction to the Use of Money and Property category is recommended. An increase of \$842,000 is recommended to reflect higher capital-related overhead reimbursements. A decrease of \$500,000 to the Gas Tax reimbursement is also recommended based on current collection trends.</p>		(3,287,000)	
<b>GENERAL FUND GRAND TOTAL</b>			<b>(5,518,276)</b>	<b>(5,518,276)</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Airport Maintenance and Operations Fund (523)</b>			
Airport	<b>Transfers - Emergency Reserve Fund:</b> This action establishes a Transfer to the Airport Maintenance and Operations Fund to account for expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Airport Maintenance and Operations Fund and have subsequently been reimbursed to the Emergency Reserve Fund.		31,483
"	<b>Transfer from the Airport Revenue Fund/Reserve per Master Trust Agreement:</b> This action increases the Transfer from the Airport Revenue Fund (521) and the Reserve per Master Trust Agreement - Ending Fund Balance to correctly allocate by fund an adjustment to the Reserve per Master Trust Agreement that resulted from the year-end Ending Fund Balance reconciliation process.	3,090,788	3,090,788
"	<b>Reserve per Master Trust Agreement:</b> An increase to the Reserve per Master Trust Agreement is recommended to offset the Transfer from the Emergency Reserve Fund, as described above.	31,483	
<b>Airport Maintenance and Operations Fund Total</b>		<b>3,122,271</b>	<b>3,122,271</b>
<b>Airport Revenue Fund (521)</b>			
Airport	<b>Transfer to the Airport Maintenance and Operation Fund:</b> This action increases the Transfer to the Airport Maintenance and Operation Fund (523) as an offset to the action above that correctly allocates by fund an adjustment to the Reserve per Master Trust Agreement that resulted from the year-end Ending Fund Balance reconciliation process.	3,090,788	
"	<b>Ending Fund Balance/Reserve per Master Trust Agreement:</b> A decrease to the Ending Fund Balance is recommended to offset the above transaction.	(3,090,788)	
<b>Airport Revenue Fund Total</b>		<b>0</b>	<b>0</b>

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>American Recovery and Reinvestment Act Fund (299)</b>			
Housing	<b>Recovery Act - Community Development Block Grant Program/Recovery Act-Federal Revenue:</b> This technical adjustment eliminates the Recovery Act - Community Development Block Grant Program appropriation and decreases the estimate for Federal Revenue received from the American Recovery and Reinvestment Act (ARRA). This appropriation and corresponding revenue is recommended to be displayed in the Community Development Block Grant Fund as described below.	(2,700,463)	(2,700,463)
"	<b>Recovery Act - Homeless Prevention and Rapid Re-housing Program/Recovery Act-Federal Revenue:</b> This technical adjustment eliminates the Recovery Act - Homeless Prevention and Rapid Re-housing Program appropriation and decreases the estimate for Federal Revenue received from the American Recovery and Reinvestment Act (ARRA). This appropriation and corresponding revenue is recommended to be displayed in the Multi-Source Housing Fund as described below.	(4,128,763)	(4,128,763)
<b>American Recovery and Reinvestment Act Fund Total</b>		<b>(6,829,226)</b>	<b>(6,829,226)</b>

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Anti-Tobacco Master Settlement Agreement Fund (426)</b>			
Finance	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>	(3,676)	
"	<p><b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the action as described above.</p>	3,676	
<b>Anti-Tobacco Master Settlement Agreement Fund Total</b>		<b>0</b>	<b>0</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Benefit Fund (160)</b>			
Human Resources	<b>COBRA Subsidy/Earned Revenue:</b> This action establishes an estimate for Earned Revenue in the amount of \$10,000 in order to comply with newly passed legislation under the American Recovery and Reinvestment Act (ARRA), enacted on February 17, 2009. This new legislation requires the City to pay 65% of COBRA premium costs for qualified COBRA participants which is then reimbursed by the Federal Government. A corresponding action establishing an appropriation for COBRA expenditures is also recommended.	10,000	10,000
"	<b>FICA-Medicare/FICA-Medicare:</b> An increase to the FICA-Medicare appropriation is recommended to bring this appropriation in line with year-end revenue and expenditure estimates. Expenditures are expected to exceed the appropriation due to higher than anticipated growth in the number of eligible employees. A corresponding increase to FICA Medicare revenues is also recommended.	600,000	600,000
"	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(3,189)	
"	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the action as described above.	3,189	
<b>Benefit Fund Total</b>		<b>610,000</b>	<b>610,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Business Improvement District Fund (351)</b>			
Finance	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Business Improvement District Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>	21,000	21,000
<b>Business Improvement District Fund Total</b>		<b>21,000</b>	<b>21,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>City Hall Debt Service Fund (210)</b>			
Finance	<b>Earned Revenue:</b> This action increases the estimate for interest receipts earned in this fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.		439,604
"	<b>Transfers:</b> This action decreases the estimate for Transfers reflecting the fair share of City Hall Debt Service costs among the City's funds. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009 and higher than anticipated interest receipts.		(1,141,413)
"	<b>City Hall Debt Service:</b> This action decreases the City Hall Debt Service appropriation based on an update to projected debt service payments which can vary based on financial market conditions.	(986,360)	
"	<b>City Hall Garage Debt Service:</b> This action decreases the City Hall Debt Service appropriation based on an update to projected debt service payments which can vary based on financial market conditions.	(542,566)	
"	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the recommended changes above. These actions were assumed as part of the calculations developed in the 2009-2010 Proposed Operating Budget.	827,117	
<b>City Hall Debt Service Fund Total</b>		<b>(701,809)</b>	<b>(701,809)</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Community Development Block Grant Fund (441)</b>			
Housing	<b>Housing Rehabilitation Loans and Grants:</b> This action increases the Housing Rehabilitation Loans and Grants appropriation. Projects in this appropriation are not encumbered at the time of approval, rather, expenditures are applied to the appropriation as the projects progress. This action would ensure the appropriate level of funding for various housing rehabilitation projects that moved more quickly than anticipated.	230,000	
"	<b>CDBG Program Development and Monitoring:</b> This action increases the CDBG Program Development and Monitoring appropriation to account for higher than anticipated administration and workers' compensation costs in the Community Development Block Grant Program.	50,000	
"	<b>Recovery Act - Community Development Block Grant Program/Recovery Act-Federal Revenue:</b> This action establishes the Recovery Act - Community Development Block Grant Program appropriation and increases the estimate for Federal Revenue to recognize revenue received from the American Recovery and Reinvestment Act (ARRA). This funding was recently allocated in the American Recovery and Reinvestment Act Fund, which is now not recommended to be established. The allocation of Recovery Act funds will now be programmed in separate appropriations within existing program funds in order to facilitate implementation, while ensuring funds are tracked and reported separately. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.	2,700,463	2,700,463
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the actions described above.	(280,000)	
<b>Community Development Block Grant Fund Total</b>		<b>2,700,463</b>	<b>2,700,463</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Convention and Cultural Affairs Fund (536)</b>			
Convention Facilities	<p><b>Earned Revenue:</b> This action increases the estimate for Earned Revenue as a result of higher than anticipated Operating Revenues at the City's Convention Center and other cultural facilities. The increased revenue is largely attributable to higher than budgeted contract labor expenses, which are reimbursed by the user. An addition to the Non-Personal/Equipment appropriation (\$400,000), from which the contract labor expenses are paid, is also recommended in this document. While contract labor expenses are reimbursed by the user, building rentals and other revenue categories are performing at lower than anticipated levels. As a result, only \$300,000 in additional revenue can be recognized to offset this augmentation, with the remaining \$100,000 offset by lower than budgeted Personal Services expenses.</p>		300,000
"	<p><b>Transfer from the General Purpose Parking Fund:</b> This action increases the Transfer from the General Purpose Parking Fund by \$283,000 due to a higher than estimated net profit as a result of receiving higher than budgeted revenues, coupled with decreased capital expenditures in 2008-2009 for the Convention Center Garage Deck Repairs project. A corresponding recommendation to increase the transfer to the Convention and Cultural Affairs Fund in the General Purpose Parking Fund is also included in this document.</p>		283,000
"	<p><b>Non-Personal/Equipment:</b> This action increases the Non-Personal/Equipment appropriation as a result of higher than anticipated contract labor expenses, which are reimbursed by the user. An increase to the estimate for Earned Revenue is also recommended in this document.</p>	400,000	

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Convention and Cultural Affairs Fund (536) (Cont'd.)</b>			
Convention Facilities	<b>Personal Services:</b> A decrease to the Personal Services appropriation is recommended to fund the net effect of higher than budgeted non-personal/equipment expenditures. Throughout 2008-2009 there have been approximately 16 vacancies in the Convention Facilities Department. A majority of the savings from these positions was used in the 2008-2009 Mid-Year Budget Review to augment the Non-Personal/Equipment appropriation for other labor expenses, however additional savings of \$100,000 are projected, which can be used to further augment that appropriation, as described above.	(100,000)	
"	<b>Transfer from the Transient Occupancy Tax Fund:</b> This action reduces the transfer from the Transient Occupancy Tax Fund due to lower than anticipated Transient Occupancy Tax receipts, as described in detail in the Transient Occupancy Tax Fund section of this document. This reduction was anticipated in the development of the 2009-2010 Proposed Operating Budget.		(950,000)
"	<b>Ending Fund Balance:</b> A decrease to the Fund Balance is recommended to offset actions in this fund as described above.	(667,000)	
<b>Convention and Cultural Affairs Fund Total</b>		<b>(367,000)</b>	<b>(367,000)</b>

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Dental Insurance Fund (155)</b>			
Human Resources	<b>COBRA Subsidy/Earned Revenue:</b> This action establishes an estimate for Earned Revenue in the amount of \$1,200 in order to comply with newly passed legislation under the American Recovery and Reinvestment Act (ARRA), enacted on February 17, 2009. This new legislation requires the City to pay 65% of COBRA premium costs for qualified COBRA participants. A corresponding action to establish a COBRA Subsidy appropriation is also recommended.	1,200	1,200
"	<b>Payment of Claims:</b> An increase to the Payment of Claims appropriation is recommended to ensure that the appropriation is not exceeded due to increased enrollment in the Delta Dental PPO Plan, effective January 1, 2009. A corresponding decrease in Ending Fund Balance is recommended to offset this cost.	200,000	
"	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(1,372)	
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the actions in this fund as described above.	(198,628)	
<b>Dental Insurance Fund Total</b>		<b>1,200</b>	<b>1,200</b>

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Downtown Property and Business Improvement District Fund (302)</b>			
Transportation	<b>Transfer from the General Fund:</b> This action increases the Transfer from the General Fund to the Downtown Property and Business Improvement District Fund for a cost of living adjustment as approved in the agreement with the Property and Business Improvement District.		17,500
"	<b>Downtown Property and Business Improvement District:</b> This action increases the Downtown Property and Business Improvement District appropriation to fund specific enhanced cleaning, ambassador services, and image enhancements in the Downtown area. The services and improvements are funded by assessments collected from individual property owners within the district, and the funds are restricted to services and improvements provided within the district.	82,500	
"	<b>Downtown Transit Mall:</b> This action increases the Downtown Transit Mall appropriation to fund cleaning services in the Downtown area. The services (including sidewalk and street furniture cleaning and scrubbing, power washing, sweeping, and trash collection) are funded by the assessments collected from the individual property owners within the district, and the funds are restricted to services provided within the district.	5,000	
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the recommended changes above.	(70,000)	
<b>Downtown Property and Business Improvement District Fund Total</b>		<b>17,500</b>	<b>17,500</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Economic Development Enhancement Fund (439)</b>			
Economic Development	<b>Transfer to the General Fund:</b> This action reduces the Transfer to the General Fund. A position was erroneously budgeted in this fund, therefore, overhead should not have been assessed in this fund.	(24,063)	
"	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the action as described above.	24,063	
<b>Economic Development Enhancement Fund Total</b>		<b>0</b>	<b>0</b>
<b>Emergency Communication System Support Fee Fund (154)</b>			
Finance	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Emergency Communication System Support Fee Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	152,000	152,000
"	<b>Earned Revenue/Transfer to the General Fund:</b> This action decreases the revenue estimate for Emergency Communication System Support (ECSS) fees. The ECSS fee was discontinued as of April 1, 2009 as a result of a November 2008 ballot measure. The collections from this fee had been recorded in the ECSS Fee Fund and transferred to the General Fund to reimburse the General Fund for eligible ECSS costs. A corresponding reduction to the Transfer to the General Fund is also recommended.	(7,000,000)	(7,000,000)
<b>Emergency Communication System Support Fee Fund Total</b>		<b>(6,848,000)</b>	<b>(6,848,000)</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Emergency Reserve Fund (406)</b>			
Finance	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Emergency Reserve Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>	146,000	146,000
"	<p><b>Transfers - Airport Maintenance and Operations:</b> This action establishes a Transfer to the Airport Maintenance and Operations Fund to account for prior year expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Airport Maintenance and Operations Fund, have subsequently been reimbursed to the Emergency Reserve Fund, and are now recommended to be transferred back to that fund.</p>	31,483	
"	<p><b>Transfers - Integrated Waste Management:</b> This action establishes a Transfer to the Integrated Waste Management Fund to account for prior year expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Integrated Waste Management Fund, have subsequently been reimbursed to the Emergency Reserve Fund, and are now recommended to be transferred back to that fund.</p>	24,054	
"	<p><b>Transfers - San Jose/Santa Clara Treatment Plant Capital:</b> This action establishes a Transfer to the San Jose/Santa Clara Treatment Plant Capital Fund to account for prior year expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the San Jose/Santa Clara Treatment Plant Capital Fund, have subsequently been reimbursed to the Emergency Reserve Fund, and are now recommended to be transferred back to that fund.</p>	349,297	

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SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Emergency Reserve Fund (406) (Cont'd.)</b>			
Finance	<b>Transfers - San Jose/Santa Clara Treatment Plant Operating:</b> This action establishes a Transfer to the San Jose/Santa Clara Treatment Plant Operating Fund to account for prior year expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the San Jose/Santa Clara Treatment Plant Operating Fund, have subsequently been reimbursed to the Emergency Reserve Fund, and are now recommended to be transferred back to that fund.	311,758	
"	<b>Transfers - Sewer Service and Use Charge:</b> This action establishes a Transfer to the Sewer Service and Use Charge Fund to account for prior year expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Sewer Service and Use Charge Fund, have subsequently been reimbursed to the Emergency Reserve Fund, and are now recommended to be transferred back to that fund.	9,004	
"	<b>Transfers - Storm Sewer Operating Fund:</b> This action establishes a Transfer to the Storm Drainage Services Use Charge Fund to account for prior year expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Storm Drainage Services Use Charge Fund, have subsequently been reimbursed to the Emergency Reserve Fund, and are now recommended to be transferred back to that fund.	475,839	
"	<b>FEMA Audit Recovery - 1998 Flood:</b> This action establishes the FEMA Audit Recovery - 1998 Flood appropriation to allow for expenses related to an audit on the 1998 Flood completed by FEMA.	7,696	
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the action as described above.	(1,209,131)	
<b>Emergency Reserve Fund Total</b>		<b>146,000</b>	<b>146,000</b>

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>General Purpose Parking Fund (533)</b>			
Transportation	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(6,505)	
"	<b>Transfer to the Convention and Cultural Affairs Fund:</b> This action increases the Transfer to the Convention and Cultural Affairs Fund (536) due to a higher than estimated net profit as a result of receiving higher than budgeted revenues coupled with decreased capital expenditures in 2008-2009 for the Convention Center Garage Deck Repairs project. A corresponding increase is recommended in the Convention and Cultural Affairs Fund.	283,000	
"	<b>Transfer to the Redevelopment Agency/Interest Earnings:</b> This action increases the Transfer to the Redevelopment Agency to account for higher than budgeted interest earnings. The Redevelopment Agency funded the construction of the 4th Street and San Fernando Street Parking Garage, which the City maintains and operates. Per the bond covenants, the net interest earned on the loan is transferred on an annual basis to the Redevelopment Agency after all operating and maintenance obligations have been met.	33,744	33,744
"	<b>Ending Fund Balance:</b> This action decreases the Ending Fund Balance to offset the recommended changes above.	(276,495)	
<b>General Purpose Parking Fund Total</b>		<b>33,744</b>	<b>33,744</b>
<b>Gift Trust Fund (139)</b>			
City Clerk	<b>Earned Revenue/CommUnity Resource Fair:</b> An increase to the Clerk's Office CommUnity Resource Fair appropriation, through donations from outside sponsors, is recommended to fund the 2009 Fair that was held on June 7, 2009.	14,500	14,500
<b>Gift Trust Fund Total</b>		<b>14,500</b>	<b>14,500</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Integrated Waste Management Fund (423)</b>			
Environmental Services	<b>Non-Personal/Equipment:</b> This action decreases the Non-Personal/Equipment appropriation to offset the costs of actions described below. There are sufficient savings in the Department's supplies and materials and contractual services details to allow this reallocation of funding.	(41,000)	
"	<b>Personal Services:</b> This action increases the Environmental Services Personal Services appropriation. A Senior Maintenance Worker position responsible for public litter can maintenance was transferred to the Integrated Waste Management (IWM) Fund from the General Fund as part of the 2008-2009 Mid-Year Budget Review. It was assumed at that time that there were sufficient salary savings to cover the cost of the position for the remainder of the year, however it was subsequently determined that a clean-up adjustment of \$40,000 is needed. The recommended increase will allow the IWM Fund to cover the full cost of the position.	40,000	
"	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(43,259)	
"	<b>Transfers - Emergency Reserve Fund:</b> This action establishes a Transfer from the Emergency Reserve Fund to account for expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Integrated Waste Management Fund and have subsequently been reimbursed to the Emergency Reserve Fund.		24,054
"	<b>Workers' Compensation Claims:</b> This action increases the Workers' Compensation Claims appropriation to reflect higher than anticipated claims.	1,000	
"	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the actions described above.	67,313	
<b>Integrated Waste Management Fund Total</b>		<b>24,054</b>	<b>24,054</b>

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**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Library Parcel Tax Fund (418)</b>			
Library	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(1,929)	
"	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the above transaction.	1,929	
<b>Library Parcel Tax Fund Total</b>		<b>0</b>	<b>0</b>
<b>Life Insurance Fund (156)</b>			
Finance	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(260)	
"	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the above transaction.	260	
<b>Life Insurance Fund Total</b>		<b>0</b>	<b>0</b>

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Low and Moderate Income Housing Fund (443)</b>			
Information Technology	<b>Personal Services:</b> An increase to the Information Technology Department's Personal Services appropriation is recommended to ensure that it is not exceeded at year-end due to higher than anticipated expenditures related to vacation buy-back. A corresponding decrease to the Housing Department's Personal Services appropriation is recommended to offset this action.	5,000	
Housing	<b>Personal Services:</b> This action decreases the Housing Department's Personal Services appropriation to offset the cost described above. Sufficient savings are anticipated in this appropriation as a result of vacancies.	(5,000)	
"	<b>Contingency Reserve:</b> A technical adjustment to decrease the Contingency Reserve estimate in order to appropriately reflect a 2007-2008 year-end fund balance reconciliation is recommended.		(60,086)
"	<b>Beginning Fund Balance:</b> An increase to the Beginning Fund Balance is recommended to reflect the action described above.		60,086
"	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(40,975)	
"	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the above transaction.	40,975	
<b>Low and Moderate Income Housing Fund Total</b>		<b>0</b>	<b>0</b>

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Multi-Source Housing Fund (448)</b>			
Housing	<b>Housing and Economic Recovery Act Program:</b> This technical adjustment reallocates funding from the Housing and Economic Recovery Act Program appropriation to the Neighborhood Stabilization Program appropriation to more accurately reflect the intended use of these federal funds.	(5,628,283)	
"	<b>Neighborhood Stabilization Program:</b> This technical adjustment reallocates funding from the Housing and Economic Recovery Act Program appropriation to the Neighborhood Stabilization Program appropriation to more accurately reflect the intended use of these federal funds.	5,628,283	
"	<b>Recovery Act - Homeless Prevention and Rapid Re-housing Program/Recovery Act-Federal Revenue:</b> This action establishes the Recovery Act - Homeless Prevention and Rapid Re-housing Program appropriation and increases the estimate for Federal Revenue to recognize revenue received from the American Recovery and Reinvestment Act of 2009. This funding was recently allocated in the American Recovery and Reinvestment Act Fund, which is now not recommended to be established. The allocation of Recovery Act funds will now be programmed in separate appropriations within existing program funds in order to facilitate implementation, while ensuring funds are tracked and reported separately. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to rebudget the funds.	4,128,763	4,128,763
<b>Multi-Source Housing Fund Total</b>		<b>4,128,763</b>	<b>4,128,763</b>

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**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Public Works Program Support Fund (150)</b>			
Public Works	<b>Personal Services:</b> This action is recommended to ensure that the appropriation is not exceeded at year-end due to higher than anticipated expenditures related to personnel placements, records activities, and temporary staffing in support of the Capital Project Management System. This increase is recommended to be offset by a decrease in the Public Works Department's Non-Personal/Equipment appropriation.	85,000	
"	<b>Non-Personal/Equipment Services:</b> A decrease to the Non-Personal/Equipment appropriation is recommended to offset an increase to the Public Works Department's Personal Services appropriation as described above in order to ensure that its year-end budget is not exceeded. Savings are available in the Non-Personal/Equipment appropriation due to lower than anticipated expenses in training and travel.	(85,000)	
<b>Public Works Program Support Fund Total</b>		<b>0</b>	<b>0</b>
<b>San José/Santa Clara Treatment Plant Operating Fund (513)</b>			
Environmental Services	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(31,702)	
"	<b>Transfers - Emergency Reserve Fund:</b> This action establishes a Transfer from the Emergency Reserve Fund to account for expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the San Jose/Santa Clara Treatment Plant Operating Fund and have subsequently been reimbursed to the Emergency Reserve Fund.		311,758
"	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the actions described above.	343,460	
<b>San José/Santa Clara Treatment Plant Operating Fund Total</b>		<b>311,758</b>	<b>311,758</b>

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**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Sewage Treatment Plant Connection Fee Fund (539)</b>			
Finance	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Sewage Treatment Plant Connection Fee Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision - the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	59,000	59,000
Environmental Services	<b>Beginning Fund Balance/Ending Fund Balance:</b> This action decreases the Reserve for Plant Expansion in the Beginning Fund Balance and Ending Fund Balance to correct a Fund Balance reconciliation adjustment made in the fall of 2008.	(976,460)	(976,460)
<b>Sewage Treatment Plant Connection Fee Fund Total</b>		<b>(917,460)</b>	<b>(917,460)</b>

Recommended 2008-2009 Budget Adjustments

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Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Sewer Service and Use Charge Fund (541)</b>			
Transportation	<b>Non-Personal/Equipment:</b> This action increases the Department of Transportation's Non-Personal/Equipment appropriation as a result of higher than estimated expenditures for vehicle maintenance. The increased costs are a result of servicing old sewer equipment and sewer equipment rentals.	100,000	
Environmental Services	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(16,239)	
"	<b>Transfers - Emergency Reserve Fund:</b> This action establishes a Transfer from the Emergency Reserve Fund to account for expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Sewer Service and Use Charge Fund and have subsequently been reimbursed to the Emergency Reserve Fund.		9,004
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the actions described above.	(74,757)	
<b>Sewer Service and Use Charge Fund Total</b>		<b>9,004</b>	<b>9,004</b>

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Stores Fund (551)</b>			
Finance	<b>Inventory Purchases:</b> This action increases the Inventory Purchases appropriation to reflect higher than anticipated activity for materials and supplies requisitioned by departments from the City's Warehouse.	95,000	
"	<b>Postage Inventory:</b> A decrease to the Postage Inventory appropriation is recommended to offset the action as described above.	(95,000)	
"	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Stores Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	26,000	26,000
"	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(947)	
"	<b>Workers' Compensation Claims:</b> An increase to the Workers' Compensation Claims appropriation is recommended to reflect higher than anticipated claims. A corresponding decrease to the Ending Fund Balance is recommended to offset this adjustment.	21,000	
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the actions as described above.	(20,053)	
<b>Stores Fund Total</b>		<b>26,000</b>	<b>26,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Storm Sewer Operating Fund (446)</b>			
Environmental Services	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(9,769)	
"	<b>Transfers - Emergency Reserve Fund:</b> This action establishes a Transfer from the Emergency Reserve Fund to account for expenditures related to various public emergencies. Costs for these emergencies were originally borne out of the Storm Sewer Operating Fund and have subsequently been reimbursed to the Emergency Reserve Fund.		475,839
"	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.	485,608	
<b>Storm Sewer Operating Fund Total</b>		<b>475,839</b>	<b>475,839</b>

SPECIAL FUNDS

Dept/Project	Appropriation	2008-2009 Use	2008-2009 Source
<b>Transient Occupancy Tax Fund (461)</b>			
Finance	<p><b>Earned Revenue:</b> This action reduces the estimate for Earned Revenue by \$3.1 million. As a result of the downturn in the economy, Transient Occupancy Tax (TOT) receipts are not anticipated to meet the current budgeted estimate of \$14.9 million. As previously reported, 2008-2009 collections in the TOT Fund are anticipated to be approximately 18% below 2007-2008 collections, while the budget for TOT collections assumed modest growth of 4%. This reduction, as discussed in the 2008-2009 Mid-year Budget Review and Bi-Monthly Financial Reports, was anticipated in the development of the 2009-2010 Proposed Operating Budget. Cumulative reductions of \$1.9 million to the recipient organizations and a \$1.2 million reduction to Ending Fund Balance are recommended in this document to offset the lower revenue collection. In order to minimize the impact of the reduced collections on the recipient organizations while maintaining a positive balance in this fund, reductions totaling \$1.2 million have been deferred to 2009-2010.</p>		(3,092,440)
"	<p><b>Convention and Visitors Bureau:</b> This action reduces the allocation to the Convention and Visitor's Bureau by \$475,000 to offset the impact of lower than anticipated TOT collections in 2008-2009 as discussed above. A further reduction of \$300,000 has been programmed into the 2009-2010 allocation to fully account for lower than anticipated 2008-2009 collections.</p>	(475,000)	
"	<p><b>Cultural Grants:</b> This action reduces the Cultural Grants allocation by \$475,000 to partially offset the impact of lower than anticipated TOT collections as discussed above. A further reduction of \$300,000 has been programmed into the 2009-2010 allocation to fully account for lower than anticipated 2008-2009 collections.</p>	(475,000)	

Recommended 2008-2009 Budget Adjustments

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SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Transient Occupancy Tax Fund (461) (Cont'd.)</b>			
Finance	<b>Transfer to the Convention and Cultural Affairs Fund:</b> This action reduces the Transfer to the Convention and Cultural Affairs Fund by \$950,000 to partially offset the impact of lower than anticipated TOT collections as discussed above. A further reduction of \$600,000 has been programmed into the 2009-2010 allocation to fully account for lower than anticipated 2008-2009 collections.	(950,000)	
"	<b>Ending Fund Balance:</b> This action reduces the Ending Fund balance by \$1.2 million to partially offset the impact of lower than anticipated TOT collections.	(1,192,440)	
<b>Transient Occupancy Tax Fund Total</b>		<b>(3,092,440)</b>	<b>(3,092,440)</b>
<b>Unemployment Insurance Fund (157)</b>			
Finance	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(460)	
"	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the action as described above.	460	
<b>Unemployment Insurance Fund Total</b>		<b>0</b>	<b>0</b>

**Recommended 2008-2009 Budget Adjustments**

**Attachment B**

**SPECIAL FUNDS**

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Vehicle Maintenance and Operations Fund (552)</b>			
General Services	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(3,641)	
Finance	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Vehicle Operations and Maintenance Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	59,000	59,000
"	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to reflect the technical correction described above.	3,641	
<b>Vehicle Maintenance and Operations Fund Total</b>		<b>59,000</b>	<b>59,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment B

SPECIAL FUNDS

<u>Dept/Project</u>	<u>Appropriation</u>	<u>2008-2009 Use</u>	<u>2008-2009 Source</u>
<b>Water Utility Fund (515)</b>			
Environmental Services	<b>Reserve for Workers' Compensation Claims:</b> This action decreases the Reserve for Workers' Compensation Claims to provide funding for Workers Compensation Claims Payments.	(22,000)	
"	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the Transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(5,524)	
"	<b>Workers' Compensation Claims:</b> This action increases the Worker's Compensation Claims appropriation to reflect higher than anticipated claims. A corresponding decrease to the Reserve for Workers Compensation Claims is recommended to offset this adjustment.	22,000	
"	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.	5,524	
<b>Water Utility Fund Total</b>		<b>0</b>	<b>0</b>
<b>Workforce Investment Act Fund (290)</b>			
Economic Development	<b>Learning Labs Capacity Building Grant/Grant Revenue:</b> This action establishes an appropriation for the Local Learning Labs Capacity Building grant for capacity building activities and staff development efforts for local work2future staff, Employment Development Department staff, and staff of other local partners. The term of these funds, from the State of California's Employment Development Department, is October 1, 2008 to December 31, 2009. A corresponding increase to the Grants Revenue Estimate is recommended to offset this action.	15,500	15,500
<b>Workforce Investment Act Fund Total</b>		<b>15,500</b>	<b>15,500</b>

<b>CAPITAL FUNDS</b>		<b>2008-2009</b>	<b>2008-2009</b>
<u>Fund</u>	<u>Appropriation</u>	<u>Use</u>	<u>Source</u>
<b>AIRPORT CAPITAL PROGRAM</b>			
<b>Airport Capital Improvement Fund (520)</b>			
	<b>South Apron Replacement:</b> This action increases the South Apron Replacement appropriation in 2008-2009 to reflect acceleration of funding from 2009-2010 in order to maximize grant opportunities. This allocation represents the grant portion of funding; there is a corresponding action in the Airport Revenue Bond Improvement Fund (Fund 526) that reflects the local share match. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation that reduces the funding in 2009-2010.	474,000	
	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the action as described above.	(474,000)	
<b>Airport Capital Improvement Fund Total</b>		<b>0</b>	<b>0</b>
<b>Airport Revenue Bond Improvement Fund (526)</b>			
	<b>South Apron Replacement:</b> This action increases the South Apron Replacement appropriation in 2008-2009 to reflect acceleration of funding from 2009-2010 in order to maximize grant opportunities. This allocation represents the local share match; there is a corresponding action in the Airport Capital Improvement Fund (Fund 520) that reflects the grant portion of funding for this project. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation that reduces the funding in 2009-2010.	26,000	
	<b>Terminal Area Improvement Phase II:</b> This action decreases the Terminal Area Improvement Phase II appropriation by \$15.0 million. Due to activity levels at the Airport, progression of phase II of this project has been postponed.	(15,015,000)	

Recommended 2008-2009 Budget Adjustments

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CAPITAL FUNDS		2008-2009	2008-2009
Fund	Appropriation	Use	Source
<b>AIRPORT CAPITAL PROGRAM (CONT'D.)</b>			
<b>Airport Revenue Bond Improvement Fund (526) (Cont'd.)</b>			
	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to offset the action as described above.	14,989,000	
<b>Airport Revenue Bond Improvement Fund Total</b>		<b>0</b>	<b>0</b>
<b>AIRPORT CAPITAL PROGRAM TOTAL</b>		<b>0</b>	<b>0</b>
<b>COMMUNICATIONS CAPITAL PROGRAM</b>			
<b>Communications Construction and Conveyance Tax Fund (397)</b>			
	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Communications Construction and Conveyance Tax Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	153,000	153,000
	<b>Fire Radio Infrastructure System:</b> This action increases the Fire Radio Infrastructure System appropriation to reflect higher than anticipated shipping costs for the additional radio receivers.	3,000	

<b>CAPITAL FUNDS</b>		<b>2008-2009</b>	<b>2008-2009</b>
<u>Fund</u>	<u>Appropriation</u>	<u>Use</u>	<u>Source</u>
<b>COMMUNICATIONS CAPITAL PROGRAM (CONT'D.)</b>			
<b>Communications Construction and Conveyance Tax Fund (397) (Cont'd.)</b>			
	<b>Ending Fund Balance:</b> This action decreases the Ending Fund Balance to fund the net effect of the changes as described above.	(3,000)	
<b>Communications Construction and Conveyance Tax Fund Total</b>		<b>153,000</b>	<b>153,000</b>
<b>COMMUNICATIONS CAPITAL PROGRAM TOTAL</b>		<b>153,000</b>	<b>153,000</b>
<b>DEVELOPER ASSISTED PROJECTS CAPITAL PROGRAM</b>			
<b>Underground Utility Fund (416)</b>			
	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(1,000)	
	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to fund the change described above.	1,000	
<b>Underground Utility Fund Total</b>		<b>0</b>	<b>0</b>

Fund	Appropriation	CAPITAL FUNDS		2008-2009 Use	2008-2009 Source
<b>DEVELOPER ASSISTED PROJECTS CAPITAL PROGRAM (CONT'D.)</b>					
<b>Residential Construction Tax Contribution Fund (420)</b>					
	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Residential Construction Tax Contribution Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.			42,000	42,000
<b>Residential Construction Tax Contribution Fund Total</b>				<b>42,000</b>	<b>42,000</b>
<b>DEVELOPER ASSISTED PROJECTS CAPITAL PROGRAM TOTAL</b>				<b>42,000</b>	<b>42,000</b>
<b>LIBRARY CAPITAL PROGRAM</b>					
<b>Library Construction and Conveyance Tax Fund (393)</b>					
	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Library Construction and Conveyance Tax Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.			449,000	449,000

CAPITAL FUNDS		2008-2009	2008-2009
Fund	Appropriation	Use	Source
<b>LIBRARY CAPITAL PROGRAM (CONT'D.)</b>			
<b>Library Construction and Conveyance Tax Fund (393) (Cont'd.)</b>			
	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(5,000)	
	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to reflect the net effect of the change above.	5,000	
<b>Library Construction and Conveyance Tax Fund Total</b>		<b>449,000</b>	<b>449,000</b>
<b>LIBRARY CAPITAL PROGRAM TOTAL</b>		<b>449,000</b>	<b>449,000</b>
<b>MUNICIPAL IMPROVEMENTS CAPITAL PROGRAM</b>			
<b>Civic Center Parking Fund (433)</b>			
	<b>Earned Revenue:</b> An increase to the Earned Revenue estimate in the Civic Center Parking Fund is recommended to recognize interest earnings received in 2008-2009 and allow for the close-out of the Civic Center Parking Fund.		688
	<b>New City Hall Parking Garage:</b> A decrease to the New City Hall Parking Garage project is recommended to reallocate this funding to the Civic Center Construction Fund and allow for the close-out of the Civic Center Parking Fund.	(100,000)	

Recommended 2008-2009 Budget Adjustments

Attachment C

CAPITAL FUNDS		2008-2009 Use	2008-2009 Source
Fund	Appropriation		
<b>MUNICIPAL IMPROVEMENTS CAPITAL PROGRAM (CONT'D.)</b>			
<b>Civic Center Parking Fund (433) (Cont'd.)</b>			
	<b>Transfer to the Civic Center Construction Fund:</b> This action establishes a transfer to the Civic Center Construction Fund to support the New City Hall Parking Garage project and to allow for the close-out of the Civic Center Parking Fund.	100,688	
<b>Civic Center Parking Fund Total</b>		<b>688</b>	<b>688</b>
<b>Civic Center Construction Fund (425)</b>			
	<b>Earned Revenue:</b> An increase to the Earned Revenue estimate in the Civic Center Construction Fund is recommended to recognize interest earnings received in 2008-2009, which will be used toward funding the painting of the fire sprinkler system in the employee parking garage.		19,312
	<b>Transfers:</b> This action establishes a transfer from the Civic Center Parking Fund to the Civic Center Construction Fund for the New City Hall Parking Garage project and to allow for the close-out of the Civic Center Parking Fund.		100,688
	<b>New City Hall Parking Garage:</b> This action establishes a New City Hall Parking Garage appropriation to fund the painting of the fire sprinkler system in the employee parking garage. The majority of funding for this project is recommended to be reallocated from the Civic Center Parking Fund.	120,000	
<b>Civic Center Construction Fund Total</b>		<b>120,000</b>	<b>120,000</b>
<b>MUNICIPAL IMPROVEMENTS CAPITAL PROGRAM TOTAL</b>		<b>120,688</b>	<b>120,688</b>

Recommended 2008-2009 Budget Adjustments

Attachment C

CAPITAL FUNDS		2008-2009	2008-2009
Fund	Appropriation	Use	Source
<b>PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM</b>			
<b>Council District 10 Construction and Conveyance Tax Fund (389)</b>			
	<b>TRAIL: Guadalupe Creek and Almaden Expressway Pedestrian Bridge:</b>	(416,000)	
	A decrease to the TRAIL: Guadalupe Creek and Almaden Expressway Pedestrian Bridge project is recommended due to project costs being lower than originally anticipated.		
	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to reflect the net effect of the change above.	416,000	
<b>Council District 10 Construction and Conveyance Tax Fund Total</b>		<b>0</b>	<b>0</b>
<b>Central Construction and Conveyance Tax Fund (390)</b>			
	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Parks Central Construction and Conveyance Tax Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	1,929,000	1,929,000

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)</b>				
<b>Central Construction and Conveyance Tax Fund (390) (Cont'd.)</b>				
		<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>	(20,000)	
		<p><b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to reflect the net effect of the change above.</p>	20,000	
<b>Central Construction and Conveyance Tax Fund Total</b>			<b>1,929,000</b>	<b>1,929,000</b>
<b>City-Wide Construction and Conveyance Tax Fund (391)</b>				
		<p><b>Alum Rock Park New Entrance Restroom:</b> A decrease to the Alum Rock Park New Entrance Restroom project is recommended due to project costs being lower than originally anticipated.</p>	(120,000)	
		<p><b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to reflect the net effect of the change above.</p>	120,000	
<b>City-Wide Construction and Conveyance Tax Fund Total</b>			<b>0</b>	<b>0</b>

Recommended 2008-2009 Budget Adjustments

Attachment C

CAPITAL FUNDS		2008-2009	2008-2009
Fund	Appropriation	Use	Source
<b>PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)</b>			
<b>Park Yards Construction and Conveyance Tax Fund (398)</b>			
	<b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Park Yards Construction and Conveyance Tax Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.	71,000	71,000
<b>Park Yards Construction and Conveyance Tax Fund Total</b>		<b>71,000</b>	<b>71,000</b>
<b>Lake Cunningham Fund (462)</b>			
	<b>City-wide Skateboard Park Development:</b> A decrease to the City-wide Skateboard Park Development project is recommended due to project costs being lower than originally anticipated.	(27,000)	
	<b>Lake Cunningham Skate Park Sports Lighting:</b> This action establishes the Lake Cunningham Skate Park Sports Lighting project for \$240,000. This project provides funding for the installation of night lights at Lake Cunningham Skate Park.	240,000	
	<b>Ending Fund Balance:</b> A decrease to the Ending Fund Balance is recommended to reflect the net effect of the changes above.	(213,000)	
<b>Lake Cunningham Fund Total</b>		<b>0</b>	<b>0</b>

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Fund	Appropriation	CAPITAL FUNDS		2008-2009 Use	2008-2009 Source
<b>PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)</b>					
<b>Subdivision Park Trust Fund (375)</b>					
	<p><b>Calabazas Park Play Lot Renovation:</b> This action establishes the Calabazas Park Play Lot Renovation project for \$100,000. The 2009-2010 Proposed Capital Budget allocated this funding in 2009-2010, however, since this project is now beginning in the current fiscal year, it is necessary to advance these funds from next year to the current year. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to reallocate this funding from the Calabazas Park Play Lot Renovation project in 2009-2010.</p>		100,000		
	<p><b>Cypress Senior Center Parking Lot Expansion and Outdoor Patio:</b> This action establishes the Cypress Senior Center Parking Lot Expansion and Outdoor Patio project for \$25,000. The 2009-2010 Proposed Capital Budget allocated this funding in 2009-2010, however, since this project is now beginning in the current fiscal year, it is necessary to advance these funds from next year to the current year. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to reallocate this funding from the Cypress Senior Center Parking Lot Expansion and Outdoor Patio project in 2009-2010.</p>		25,000		
	<p><b>Piercy Turnkey Park/Earned Revenue:</b> This action establishes the Piercy Turnkey Park project and recognizes Parkland Dedication Ordinance funding received from a developer related to design, review, and inspection costs for Piercy Turnkey Park.</p>		55,000		55,000

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Attachment C

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM (CONT'D.)</b>				
<b>Subdivision Park Trust Fund (375) (Cont'd.)</b>				
	<p><b>Saint Elizabeth Park Turnkey Park Developer Reimbursement:</b> This action increases the Saint Elizabeth Park Turnkey Park Developer Reimbursement allocation in 2008-2009 due to insufficient funding being allocated to reimburse the developer for park development costs that are in excess to the developers parkland obligation.</p>		550	
	<p><b>TRAIL: Penitencia Creek Reach II:</b> This action eliminates the TRAIL: Penitencia Creek Reach II project in 2008-2009 due to the project completing with lower than anticipated costs. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to reallocate this funding to the TRAIL: Penitencia Creek Reach VI project in 2009-2010.</p>		(82,000)	
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>		(4,000)	
	<p><b>Reserve: Future PDO/PIFO Projects:</b> A decrease to the Reserve: Future PDO/PIFO Projects is recommended to reflect the net effect of the changes above.</p>		(39,550)	
<b>Subdivision Park Trust Fund Total</b>			<b>55,000</b>	<b>55,000</b>
<b>PARKS AND COMMUNITY FACILITIES DEVELOPMENT CAPITAL PROGRAM TOTAL</b>			<b>2,055,000</b>	<b>2,055,000</b>

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>PUBLIC SAFETY CAPITAL PROGRAM</b>				
<b>Fire Construction and Conveyance Tax Fund (392)</b>				
	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Fire Construction and Conveyance Tax Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>		142,000	142,000
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>		(8,000)	
	<p><b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.</p>		8,000	
<b>Fire Construction and Conveyance Tax Fund</b>			<b>142,000</b>	<b>142,000</b>
<b>PUBLIC SAFETY CAPITAL PROGRAM TOTAL</b>			<b>142,000</b>	<b>142,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment C

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>REDEVELOPMENT AGENCY CITY-SIDE CAPITAL PROGRAM</b>				
<b>Services for Redevelopment Capital Projects Fund (450)</b>				
	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Services for Redevelopment Capital Projects Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>		312,000	312,000
<b>Services for Redevelopment Capital Projects Fund Total</b>			<b>312,000</b>	<b>312,000</b>
<b>REDEVELOPMENT AGENCY CITY-SIDE CAPITAL PROGRAM</b>			<b>312,000</b>	<b>312,000</b>

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>SANITARY SEWER SYSTEM CAPITAL PROGRAM</b>				
<b>Sanitary Sewer Connection Fee Fund (540)</b>				
	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Sanitary Sewer Connection Fee Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>		235,000	235,000
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>		(2,000)	
	<p><b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.</p>		2,000	
<b>Sanitary Sewer Connection Fee Fund Total</b>			<b>235,000</b>	<b>235,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment C

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>SANITARY SEWER SYSTEM CAPITAL PROGRAM (CONT'D.)</b>				
<b>Sewer Service and Use Charge Capital Improvement Fund (545)</b>				
	<b>Transfer to the City Hall Debt Service Fund:</b>	This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(7,000)	
	<b>Ending Fund Balance:</b>	This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.	7,000	
<b>Sewer Service and Use Charge Capital Improvement Fund Total</b>			<b>0</b>	<b>0</b>
<b>SANITARY SEWER SYSTEM CAPITAL PROGRAM TOTAL</b>			<b>235,000</b>	<b>235,000</b>

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>SERVICE YARDS CAPITAL PROGRAM</b>				
<b>Service Yards Construction and Conveyance Tax Fund (395)</b>				
	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Service Yards Construction and Conveyance Tax Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>		117,000	117,000
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>		(3,000)	
	<p><b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.</p>		3,000	
<b>Service Yards Construction and Conveyance Tax Fund Total</b>			<b>117,000</b>	<b>117,000</b>
<b>SERVICE YARDS CAPITAL PROGRAM TOTAL</b>			<b>117,000</b>	<b>117,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment C

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>STORM SEWER SYSTEM CAPITAL PROGRAM</b>				
<b>Storm Drainage Fee Fund (413)</b>				
	<p><b>Interest Revenue/Transfer to the General Fund:</b> This action recognizes interest earnings in the Storm Drainage Fee Fund that were previously swept directly into the General Fund. An associated Transfer to the General Fund is recommended to reflect the transfer of this interest earnings to the General Fund. This technical adjustment is recommended to comply with Governmental Accounting Standards Board (GASB) Statement No. 31, which states that when investment income is assigned to another fund for other than legal or contractual reasons -- for example management decision -- the income should be recognized in the fund that reports the investments. The transfer of that income to the recipient fund should be reported as an operating transfer.</p>		28,000	28,000
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>		(1,000)	
	<p><b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.</p>		1,000	
<b>Storm Drainage Fee Fund Total</b>			<b>28,000</b>	<b>28,000</b>

<b>CAPITAL FUNDS</b>		<b>2008-2009</b>	<b>2008-2009</b>
<b>Fund</b>	<b>Appropriation</b>	<b>Use</b>	<b>Source</b>
<b>STORM SEWER SYSTEM CAPITAL PROGRAM (CONT'D.)</b>			
<b>Storm Sewer Capital Fund (469)</b>			
	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(2,000)	
	<b>Ending Fund Balance:</b> This action increases the Ending Fund Balance to offset the lower than anticipated Transfer to the City Hall Debt Service Fund.	2,000	
<b>Storm Sewer Capital Fund Total</b>		<b>0</b>	<b>0</b>
<b>STORM SEWER CAPITAL PROGRAM TOTAL</b>		<b>28,000</b>	<b>28,000</b>
<b>TRAFFIC CAPITAL PROGRAM</b>			
<b>North San José Traffic Impact Fee Fund (349)</b>			
	<b>Earned Revenue/Ending Fund Balance:</b> This action recognizes revenue and increases the Ending Fund Balance to reflect revenue collected from a developer for a new parking structure in the North San José area.	195,000	195,000
<b>North San José Traffic Impact Fee Fund Total</b>		<b>195,000</b>	<b>195,000</b>

Recommended 2008-2009 Budget Adjustments

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Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>TRAFFIC CAPITAL PROGRAM (CONT'D.)</b>				
<b>Major Collectors and Arterials Fund (421)</b>				
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p> <p><b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the recommended changes above.</p>	(1,000)		
<b>Major Collectors and Arterials Fund Total</b>			<b>0</b>	<b>0</b>
<b>Building and Structure Construction Tax Fund (429)</b>				
	<p><b>Earned Revenue/Ending Fund Balance:</b> This action recognizes revenue and increases the Ending Fund Balance to reflect revenue collected from Hitachi Global Storage Technologies for improvements to the Route 101/Blossom Hill Road Interchange.</p>		1,750,000	1,750,000

Recommended 2008-2009 Budget Adjustments

Attachment C

CAPITAL FUNDS		2008-2009	2008-2009
Fund	Appropriation	Use	Source
<b>TRAFFIC CAPITAL PROGRAM (CONT'D.)</b>			
<b>Building and Structure Construction Tax Fund (429) (Cont'd.)</b>			
	<p><b>ITS: Light Rail Controller Upgrade Phase II:</b> This action increases the ITS: Light Rail Controller Upgrade Phase II project to reflect the acceleration of funding for this project. This project, which is funded by the Transportation Fund for Clean Air grant, will upgrade 53 Light Rail Transit (LRT) traffic signal controllers to enhance LRT signal timing functionality. The 2009-2010 Proposed Capital Budget allocated this funding in 2009-2010, however, since this project is now beginning in the current fiscal year, it is necessary to advance these funds from next year to the current year. The 2009-2010 Proposed Operating and Capital Budgets Clean-Ups and Rebudgets Manager's Budget Addendum (MBA #46) includes a corresponding recommendation to reallocate this funding from the ITS: Light Rail Controller Upgrade Phase II project in 2009-2010.</p>	15,000	
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>	(24,000)	
	<p><b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the recommended changes above.</p>	9,000	
<b>Building and Structure Construction Tax Fund Total</b>		<b>1,750,000</b>	<b>1,750,000</b>

Recommended 2008-2009 Budget Adjustments

Attachment C

CAPITAL FUNDS		2008-2009	2008-2009
Fund	Appropriation	Use	Source
<b>TRAFFIC CAPITAL PROGRAM (CONT'D.)</b>			
<b>Construction Excise Tax Fund (465)</b>			
	<b>Earned Revenue/Ending Fund Balance:</b> This action increases the Ending Fund Balance and recognizes the following revenue received: Prop 1B funds (\$8.4 million) that would provide for pavement maintenance activities, developer funds (\$120,000) to purchase mechanical units that filter/clean the storm water generated from public streets within the City's rights of way, funds from Hitachi Global Systems (\$92,000) to be used for landscape maintenance around Hitachi Global Systems, and traffic impact fees assessed to a developer (\$11,000) for traffic improvements within the Evergreen Area.	8,623,000	8,623,000
	<b>Fiber Optics Permit Engineering/Fiber Optics Permit Fees:</b> This action increases the Fiber Optics Permit Engineering appropriation and recognizes the corresponding revenue for fiber optics permit fees. The additional permit fees collected from fiber cable companies are for the installation of conduits, vaults, and cables in the public right-of-way.	400,000	400,000
	<b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.	(26,000)	
	<b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the recommended changes above.	26,000	
<b>Construction Excise Tax Fund Total</b>		<b>9,023,000</b>	<b>9,023,000</b>
<b>TRAFFIC CAPITAL PROGRAM TOTAL</b>		<b>10,968,000</b>	<b>10,968,000</b>

Fund	Appropriation	CAPITAL FUNDS	2008-2009 Use	2008-2009 Source
<b>WATER POLLUTION CONTROL CAPITAL PROGRAM</b>				
<b>San José/Santa Clara Treatment Plant Capital Fund (512)</b>				
	<p><b>Transfers - Emergency Reserve Fund:</b> This action increases the estimate for Transfers to reimburse this fund from the Emergency Reserve Fund for costs related to various public emergencies. Costs for these emergencies were originally borne out of the San Jose/Santa Clara Treatment Plant Capital Fund and have subsequently been reimbursed to the Emergency Reserve Fund.</p>			349,297
	<p><b>Transfer to the City Hall Debt Service Fund:</b> This action reduces the transfer to the City Hall Debt Service Fund to reflect this fund's fair share of these costs. Reductions in this allocation primarily result from lower than anticipated debt service payments required to be made in 2008-2009. In addition, lower transfers are required in order to credit funds for higher than anticipated 2008-2009 interest receipts earned in the City Hall Debt Service Fund that occurred as a result of the timing of when transfers are made and debt service payments are processed.</p>		(1,000)	
	<p><b>Ending Fund Balance:</b> An increase to the Ending Fund Balance is recommended to offset the recommended changes above.</p>		350,297	
<b>San José/Santa Clara Treatment Plant Capital Fund Total</b>			<b>349,297</b>	<b>349,297</b>
<b>WATER POLLUTION CONTROL CAPITAL PROGRAM TOTAL</b>			<b>349,297</b>	<b>349,297</b>