

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: NOVEMBER 10, 2008

SUBJECT: CASH FLOW PROJECTION – SEPTEMBER 2008

RECOMMENDATION

Accept the Cash Flow Projection for September 2008.

BACKGROUND

The attached Cash Flow Projection is a forecast of expected cash receipts and payments for FY 2008-2009. This document is also used by the City's Finance Treasury Division to facilitate its investment decisions in investing the Agency's money sent to the City's Cash and Investment Pool. These projections are subject to change due to internal and external circumstances, such as changing economic conditions, which may affect revenues and/or expenditures.

The figures in the Cash Flow Projection can be expected to differ from the figures in the Adopted Budget. For example, the total on the Capital Projects Expenditure line item in the Cash Flow Projection will not equal the total of the Capital Expenditures in the Adopted Budget. These figures differ because the capital budget primarily tracks encumbrances (commitments) rather than cash payments. The budget shows the full amount of a contract in the year awarded while the Cash Flow Projection shows payments made over the life of the contract. This difference is especially pronounced in the Redevelopment Agency, where many projects extend beyond a single fiscal year.

In addition, the figures in the actual columns of the Cash Flow Projection differ from the financial statements due to the method of recognizing revenues and expenditures. The actual figures reported in the Cash Flow Projections are actual cash transactions, whereas the financial statements are based on accrual method of accounting whereby revenues and expenditures are recognized when earned and incurred regardless of timing of receipts and disbursements.

The Cash Flow Projection covers a period of one fiscal year. Because much of the information is dependent upon timing of contract awards, bond issues, and other unscheduled events, the projection is subject to change, particularly in the later months of the fiscal year. For the purpose of guiding the City's Treasury Division on investments, the earlier months of the projection provide the most pertinent information.

ANALYSIS

SEPTEMBER 2008 ACTIVITY

The Agency's cash balance decreased by a net amount of \$4.2 million in September 2008, ending the month at \$120.4 million. Cash receipts include \$711,000 in interest income (different from the Financial Statements that uses the accrual method of accounting and recognizes interest as earned as opposed to when received); \$597,000 in miscellaneous income which includes rent and other revenue participation payments; \$19,000 grant from Economic Development Administration for the Electronic Transportation Development Center project; and \$2,000 in supplemental assessments.

Cash disbursements include \$3.9 million for capital project expenditures; \$1.0 million for capital direct and indirect operating costs; \$597,000 in general operating costs; and \$2,000 Letter of credit/fiscal agent fees.

Major capital project cash expenditures include \$1.0 million for the acquisition of property located at 5647 Gallup Drive for the future Hoffman/Via Monte Community Center; and \$697,000 payment to LMN Architects for services in connection with the San Jose McEnery Convention Center Expansion and Renovation project.

COORDINATION

This report has been coordinated with the Agency's General Counsel.


HARRY S. MAVROGENES
Executive Director

Attachment

Cash Flow Rpt

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2008-2009

Cash and Investment - Unrestricted

(Dollars Expressed in Thousands)

	ACTUAL			FORECAST									Total
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	
CASH AND INVESTMENTS:													
Beginning Balance	\$ 156,566	\$ 145,049	\$ 124,566	\$ 120,352	\$ 118,065	\$ 145,569	\$ 139,825	\$ 131,167	\$ 115,807	\$ 106,391	\$ 92,459	\$ 70,120	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	18,415	56,168	23,058	-	18,415	56,132	-	23,033	195,222
Supplemental Assessments	-	698	2	88	95	129	496	6	41	101	345	-	2,000
Interest Income (City Pool)	-	1,148	24	306	298	330	357	339	309	278	249	203	3,839
Interest Income (Other)	5	15	687	7	7	7	7	7	7	7	7	7	772
Bond Issue (Net)	-	-	-	-	70,250	-	-	-	-	-	-	-	70,250
Loan from City Sewer Fund	-	-	-	35,000	-	-	-	-	-	-	-	-	35,000
Return from Bond Trustee	-	-	-	-	-	-	-	-	-	-	-	40,675	40,675
Grant	-	203	19	-	-	149	-	-	-	-	-	-	371
City's contribution for Edenvale Community Center Dimension (360 Residences) Promissory Note	-	-	-	5,300	-	-	-	-	-	-	-	-	5,300
Historic First Church of Christ Scientist Building Sale	-	-	-	-	-	1,350	-	-	-	-	-	-	1,350
Imwalle- Sale of SW Corner of Story & King	-	-	-	-	-	-	-	-	1,600	-	-	-	1,600
Block 2 (Sale of Land) - Mesa	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Adobe sale of land- Tower I	6,771	-	-	-	-	-	-	-	-	-	-	-	6,771
Other	268	329	597	440	412	437	475	461	539	478	521	464	5,420
Total Cash Receipts	7,044	2,393	1,328	41,141	89,478	58,570	24,394	813	20,911	56,996	1,123	68,382	372,570
Cash Payments - Uses													
Capital Project Expenditures	5,927	8,588	3,901	6,348	6,513	6,425	7,343	8,363	7,908	9,836	8,811	17,569	97,531
Capital Direct Operating Costs	292	901	620	573	563	615	589	872	581	600	689	1,691	8,586
Capital Indirect Operating Costs	231	507	422	409	390	409	490	490	453	439	439	858	5,537
General Operating Costs	669	422	597	780	794	641	809	794	717	663	608	657	8,153
Transfer To Housing - 20% Tax Increment	-	140	-	-	3,683	11,234	4,612	-	3,683	11,226	-	4,607	39,184
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	14,732	44,935	18,446	-	14,732	44,906	-	18,426	156,178
Transfer To Fiscal Agent for Debt Service (US Bank)	3,255	-	-	-	3,000	-	-	-	-	-	-	3,500	9,755
Payment to City for Sewer project	-	-	-	35,000	-	-	-	-	-	-	-	-	35,000
CSJ-4th St. Garage Bonds	-	1,682	-	-	-	-	-	1,700	-	-	-	-	3,382
State of CA - ERAF Payment	-	-	-	-	2,247	-	-	-	2,247	-	12,900	-	17,394
HUD 108 Loan Interest/ Principal Payment	526	-	-	292	-	-	480	-	-	480	-	-	1,778
AB 1290 Pass-Through	-	-	-	-	-	-	-	-	-	723	-	-	723
Letters of Credit/ Fiscal Agent Fees	161	21	2	26	51	55	283	12	5	136	15	59	826
Arena Pass-Through	-	-	-	-	325	-	-	-	-	-	-	-	325
County Delegated (20% of Net Bond proceeds)	-	-	-	-	14,050	-	-	-	-	-	-	-	14,050
County Settlement	7,500	-	-	-	-	-	-	-	-	-	-	-	7,500
County Pass-through	-	-	-	-	15,624	-	-	-	-	-	-	-	15,624
County Administration Fee	-	-	-	-	-	-	-	-	-	1,917	-	-	1,917
Convention Center Bonds	-	10,617	-	-	-	-	-	3,942	-	-	-	-	14,559
Total Cash Payments	18,560	22,876	5,542	43,429	61,973	64,314	33,052	16,173	30,327	70,927	23,462	47,367	438,002
Monthly Activity - Net	(11,517)	(20,483)	(4,214)	(2,288)	27,505	(5,744)	(8,658)	(15,360)	(9,416)	(13,931)	(22,340)	21,015	
Ending Balance	\$ 145,049	\$ 124,566	\$ 120,352	\$ 118,065	\$ 145,569	\$ 139,825	\$ 131,167	\$ 115,807	\$ 106,391	\$ 92,459	\$ 70,120	\$ 91,135	