

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: DAVID BAUM CHIEF FINANCIAL OFFICER
SUBJECT: CASH FLOW PROJECTION – FEBRUARY 2009	DATE: MARCH 30, 2009
APPROVED:	DATE:

RECOMMENDATION

Accept the Cash Flow Projection for February 2009.

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. Much of the information is dependent upon timing of contract awards, bond issues and other unscheduled events, so the projection is subject to change, particularly in the later months of the fiscal year. For guiding the City's Treasury Division on investments, earlier months of the projection provide the most pertinent information.

ANALYSIS

FEBRUARY 2009 ACTIVITY

The Agency's cash balance increased by a net amount of \$8.6 million in February 2009, ending the month at \$152.5 million. Cash receipts include \$22.8 million in bond proceeds currently invested with the fiscal agent; \$1.6 million from the sale of land located at the southwest corner of Story & King Roads; \$522,000 in miscellaneous income which includes rent and other revenue participation payments; \$416,000 in supplemental assessments; and \$110,000 in interest income (different from the Financial Statements that use the accrual method of accounting and recognize interest as earned as opposed to when received).

Cash disbursements include \$8.6 million for capital project expenditures; \$3.7 million for debt service on the Convention Center bonds; \$1.7 million for debt service on the 4th Street Garage bonds; \$1.3 million in General Fund operating costs (cash outlay contrasted to the accrual method used in the Financial Statements that result in a different amount); \$1.1 million for capital direct and indirect operating costs; \$348,000 payment for the San Jose Arena Pass-through; \$83,000 for the 20% housing-set-aside fund; and \$4,000 in fiscal agent fees.

Major capital project cash expenditures include \$1.6 million for acquisition of property located at 292 Stockton Ave and 610 West Julian St, \$306,000 to LMN Architects in connection with the Convention Center Expansion project and \$300,000 to Pacific Properties under the Owner Participation Agreement for the renovation of the St. Claire Building.

COORDINATION

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



DAVID BAUM
Chief Financial Officer

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				
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
CASH AND INVESTMENTS:													
Beginning Balance	\$ 156,566	\$ 145,050	\$ 124,566	\$ 120,352	\$ 116,450	\$ 147,426	\$ 187,761	\$ 143,912	\$ 152,528	\$ 142,005	\$ 132,848	\$ 122,056	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	18,414	56,123	23,017	-	18,503	56,132	-	23,033	195,222
Supplemental Assessments	-	698	2	87	912	1,277	1,157	416	41	51	-	-	4,641
Interest Income (City Pool)	-	1,148	24	912	5	10	829	103	185	184	172	159	3,731
Interest Income (Other)	5	15	687	7	5	1	4	7	4	4	4	4	747
Bond Issue (Net)	-	-	-	-	55,655	5,701	-	-	-	-	-	-	61,356
Bond proceeds invested with fiscal agent	-	-	-	-	-	-	-	22,805	-	-	-	-	22,805
Loan from City Sewer Fund	-	-	-	34,460	-	-	-	-	-	-	-	-	34,460
Return from Bond Trustee	-	-	-	-	-	-	-	-	-	14,300	10,000	11,487	35,787
Grant	-	203	19	-	-	-	43	-	-	-	-	149	414
City's contribution for Edenvale Community Center	-	-	-	-	5,307	-	-	-	-	-	-	-	5,307
Historic First Church of Christ Scientist Building Sale	-	-	-	-	-	-	-	-	-	1,350	-	-	1,350
Imwalle- Sale of SW Corner of Story & King	-	-	-	-	-	-	-	1,579	-	-	-	-	1,579
Adobe sale of land- Tower I	6,771	-	-	-	-	-	-	-	-	-	-	-	6,771
Other	268	329	597	274	923	347	769	522	431	239	352	525	5,576
Total Cash Receipts	7,044	2,393	1,328	35,740	81,222	63,459	25,819	25,433	19,164	72,260	10,528	35,357	379,747
Cash Payments - Uses													
Capital Project Expenditures	5,848	8,518	3,901	3,354	8,285	1,950	3,364	8,614	6,510	6,276	6,422	7,051	70,091
Capital Direct Operating Costs	315	927	620	608	635	647	768	661	626	644	734	1,402	8,586
Capital Indirect Operating Costs	272	543	422	383	402	419	524	401	542	465	439	726	5,536
General Operating Costs	671	430	597	482	485	527	538	1,322	801	707	801	797	8,157
Transfer To Housing - 20% Tax Increment	-	140	-	18	3,865	11,480	4,835	83	3,709	11,237	-	4,607	39,973
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	15,329	8,095	57,894	-	15,199	44,947	-	18,426	159,890
Transfer To Fiscal Agent for Debt Service (US Bank)	3,255	-	-	-	3,216	-	-	-	-	-	-	3,300	9,771
Payment to City for Sewer project	-	-	-	34,464	-	-	-	-	-	-	-	-	34,464
CSJ-4th St. Garage Bonds	-	1,682	-	-	-	-	-	1,682	-	-	-	-	3,364
State of CA - ERAF Payment	-	-	-	-	2,247	-	-	-	2,247	-	12,900	-	17,394
HUD 108 Loan Interest/ Principal Payment	526	-	-	292	-	-	214	-	-	215	-	-	1,248
AB 1290 Pass-Through	-	-	-	-	-	-	1,347	-	-	-	-	-	1,347
Letters of Credit/ Fiscal Agent Fees	174	21	2	42	158	5	186	4	55	96	24	59	826
Arena Pass-Through	-	-	-	-	-	-	-	348	-	-	-	-	348
County Delegated (20% of Net Bond proceeds)	-	-	-	-	-	-	-	-	-	16,832	-	-	16,832
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	-	-	-	-	-	3,701	-	-	-	-	14,318
Total Cash Payments	18,560	22,876	5,542	39,642	50,246	23,124	69,669	16,817	29,687	81,418	21,319	38,285	417,184
Monthly Activity - Net	(11,516)	(20,484)	(4,214)	(3,902)	30,976	40,336	(43,850)	8,616	(10,523)	(9,157)	(10,792)	(2,927)	
Ending Balance	\$ 145,050	\$ 124,566	\$ 120,352	\$ 116,450	\$ 147,426	\$ 187,761	\$ 143,912	\$ 152,528	\$ 142,005	\$ 132,848	\$ 122,056	\$ 119,128	