

FY 2022/23 Budget Amendments

General Fund (001)			
Department/Item	Source of Funds	Use of Funds	Explanation
Property Tax	8,864,000		Increases the FY 2022/23 Property Tax revenue estimate by \$8,864,000 (from \$75,261,000 to \$84,125,000) based on the latest estimates from the County of Santa Clara. Of this amount, \$1,650,000 is recommended to be set aside in a Property Tax Excess Education Revenue Augmentation Fund (ERAF) Reserve. This amount accounts for 30% of the projected excess ERAF revenue the City will receive in FY 2022/23 that is at risk. The California School Boards Association has filed a lawsuit against the Controller of the State of California regarding the disbursement of the ERAF funds. Given this lawsuit, the County of Santa Clara has estimated that approximately 30% of the excess ERAF distribution is at risk (five affirmative Council votes required to appropriate additional revenue) .
Non-Departmental - Education Revenue Augmentation Fund Property Tax Contingency		(1,692,000)	As approved by the City Council as part of the FY 2021/22 Budget Year-End Report at the December 6, 2022 meeting, \$1,692,000 of the Education Revenue Augmentation Fund (ERAF) Property Tax revenue received in FY 2021/22 was set aside due to a legal challenge from the California School Boards Association regarding the distribution of these funds. This action reallocates this funding from the General Fund Non-Departmental budget to a new Property Tax Excess ERAF Reserve (majority affirmative Council votes required) .
Property Tax Excess ERAF Reserve		3,342,000	Establishes a Property Tax Excess ERAF Reserve in the amount of \$3,342,000 to set aside the funds that are potentially at risk due to the legal challenge from the California School Boards Association on the distribution of these funds as discussed above. This includes \$1,692,000 from FY 2021/22 and \$1,650,000 from FY 2022/23 (five affirmative Council votes required to appropriate additional revenue) .
Fire Department - Other Agencies Revenue (Wildland Deployment Reimbursements)	282,352	282,352	Recognizes Cal OES reimbursements for wildland deployments in 2022 for Mosquito fires and appropriates the funding to the Fire Department to cover the associated costs (five affirmative Council votes required to appropriate additional revenue) .

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General Fund (001) (Cont'd.)

Department/Item	Source of Funds	Use of Funds	Explanation
Fire Department - Other Revenue / Materials/Services/Supplies	26,150	26,150	Recognizes donations from Intel for 650 COVID-19 home tests and Buckingham Strategic Partners for Community Emergency Response Team (CERT) community education class supplies (five affirmative Council votes required to appropriate additional revenue) .
Fire Department - Other Fees for Services / Salaries	46,393	46,393	Recognizes \$46,393 in reimbursements from Intel to cover up to 25% of a Deputy Fire Marshal position costs in the Fire Department's Community Risk Reduction Division. The reimbursement covers costs for plan review and fire permit inspection services for Intel development and non-development projects (five affirmative Council votes required to appropriate additional revenue) .
Transfer to the Patrick Henry Drive Infrastructure Improvement Fund		69,205	Establishes a Transfer to the Patrick Henry Drive Infrastructure Improvement Fund. As impact fees are not anticipated to be collected in FY 2022/23, this transfer will cover the budgeted costs for administration. These funds are expected to be repaid once impact fees are received and have been factored into the FY 2023/24 and FY 2024/25 Proposed Operating Budget (five affirmative Council votes required for the use of unused balances) .
Capital Project Reserve		(69,205)	Decreases the Capital Project Reserve to transfer funds to the Patrick Henry Drive Infrastructure Improvement Fund for administrative costs. These funds are expected to be repaid once impact fees are received and have been factored into the FY 2023/24 and FY 2024/25 Proposed Operating Budget (five affirmative Council votes required for the use of unused balances) .
Charges for Services / Non-Departmental Stadium	1,400,000	1,400,000	Increases the estimate for Charges for Services and the Non-Departmental Stadium budget as a result of higher than anticipated expenses for events at Levi's Stadium including additional NFL games. These costs are reimbursable by the Forty Niners Stadium Management Company (five affirmative Council votes required to appropriate additional revenue) .

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General Fund (001) (Cont'd.)

Department/Item	Source of Funds	Use of Funds	Explanation
Transfer to the Fire Operating Grant Trust Fund		26,124	Establishes a transfer to the Fire Operating Grant Trust Fund for the 2021 Assistance to Firefighters Grant. This covers the required 10% City match of the total \$261,239 grant award. The grant covers costs for automated chest compression devices and firefighter annual physical exams (five affirmative Council votes required for the use of unused balances) .
Budget Stabilization Reserve		7,187,876	This action sets aside the additional net funding of \$7.2 million from the actions above into the Budget Stabilization Reserve. This additional funding is generated from higher property tax revenues projected for FY 2022/23. Of this amount, the FY 2023/24 and FY 2024/25 Proposed Biennial Operating Budget assumes that additional funding of \$5.0 million would be set aside in the BSR in FY 2022/23 to be carried over to FY 2023/24 to meet the BSR reserve target of 15% of expenditures in FY 2023/24 and FY 2024/25 (five affirmative Council votes required to appropriate additional revenue) .
	10,618,895	10,618,895	

Convention Center Maintenance District (026)

Department/Item	Source of Funds	Use of Funds	Explanation
Material/Services/Supplies		(145,000)	Decreases the Material/Services/Supplies budget to account for the timing of asphalt construction work that is now expected to occur in FY 2023/24. The FY 2023/24 and FY 2024/25 Proposed Biennial Operating Budget assumes the carryover of these funds to FY 2023/24 for this work. This action is also assumed in the FY 2023/24 Director's Report brought forward to Council in RTC 23-196 on April 18, 2023 (majority affirmative Council votes required) .
Unrestricted Ending Fund Balance		145,000	Increases the Unrestricted Ending Fund balance to recognize unspent funds for the asphalt work. The additional fund balance will be carried over to FY 2023/24 to fund this work next fiscal year (majority affirmative Council votes required) .
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Electric Utility Debt Service Fund (491)

Department/Item	Source of Funds	Use of Funds	Explanation
Debt Service		20,579	Increases the Debt Service budget to align with the interest for the 2020-2 Loan and Bonds on the debt service schedule (five affirmative Council votes required for the use of unused balances) .
Reserve for Debt Service		(20,579)	Decreases the Unrestricted Ending Fund balance to offset the action above (five affirmative Council votes required for the use of unused balances) .
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Fire Operating Grant Trust Fund (178)

Department/Item	Source of Funds	Use of Funds	Explanation
Other Agencies Revenue / USAR Training Reimbursements	554	554	Recognizes Urban Search and Rescue training exercise reimbursements from the Menlo Park Fire Protection District. Reimbursements were received for the FY 2022/23 the Medical Mobilization drill (five affirmative Council votes required to appropriate additional revenue) .
Other Agencies Revenue / 2021 Emergency Management Preparedness Grant	2,800	2,800	Recognizes and appropriates \$2,800 in additional grant funding for the Santa Clara County Emergency Management Performance Grant (from \$33,000 to \$35,800). The additional funding will cover costs for the International Association of Emergency Managers training (five affirmative Council votes required to appropriate additional revenue) .
Other Agencies Revenue / USAR Deployment Reimbursement	9,273	9,273	Recognizes an Urban Search and Rescue deployment reimbursement from the Menlo Park Fire Protection District for the 2019 Tropical Cyclone Dorian deployment. The City received 75% of the reimbursement (\$25,629) after FEMA's initial review in FY 2019/20, and received the remaining 25% reimbursement (\$9,273) this FY 2022/23 after FEMA's final review (five affirmative Council votes required to appropriate additional revenue) .

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Fire Operating Grant Trust Fund (178) (Cont'd.)

Department/Item	Source of Funds	Use of Funds	Explanation
Other Agencies Revenue / 2021 Assistance to Firefighters Grant	261,239	261,239	Establishes a grant appropriation for the 2021 Assistance to Firefighters Grant in the amount of \$261,239. The grant will reimburse costs for the purchase of 10 automatic chest compression (CPR) devices and 116 firefighter annual physical exams to support the Fire Department's Emergency Medical Services Division. The grant requires an additional ten percent city match of \$26,124 for a total of \$287,363; a separate action below adds the matching funds (five affirmative Council votes required to appropriate additional revenue) .
Transfers from the General Fund / 2021 Assistance to Firefighters Grant Award - City Match	26,124	26,124	Establishes a transfer of \$26,124 from the General Fund to the Fire Operating Grant Trust Fund for the 2021 Assistance to Firefighters Grant to cover the required 10% city match funding associated with the grant (five affirmative Council votes required to appropriate additional revenue) .
	<u>299,990</u>	<u>299,990</u>	

Housing and Urban Development Fund (562)

Department/Item	Source of Funds	Use of Funds	Explanation
CDBG Administration		45,000	Increases the CDBG Administration project appropriation to reflect higher than anticipated staff costs associated with the CDBG grant administration (five affirmative votes required for the use of unused balances) .
COVID Emergency Rental Assistance Project		200	Establishes an appropriation for the COVID Emergency Rental Assistance project to reflect unanticipated staff time spent on related items (five affirmative votes required for the use of unused balances) .
HOME Administration		55,000	Increases the HOME Administration project appropriation to reflect higher than anticipated staff costs associated with the HOME grant administration (five affirmative votes required for the use of unused balances) .
Ending Fund Balance		(100,200)	Decreases the ending fund balance to offset the actions recommended above (five affirmative votes required for the use of unused balances) .
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FY 2022/23 Budget Amendments

Parks and Recreation Capital Fund (F532)

Department/Item	Source of Funds	Use of Funds	Explanation
Mitigation Fee Act Revenue	(1,978,618)		Decreases the Mitigation Fee Act (MFA) revenue estimate by \$1,978,618 (from \$25,216,358 to \$23,237,740) based on a correction to MFA revenues recorded this FY 2022/23, year-to-date (majority affirmative Council votes required) .
Park Impact Fees Monitoring Project		(39,572)	Decreases the Park Impact Fees Project appropriation by \$39,752, based on the Mitigation Fee Act revenue correction above in FY 2022/23. The appropriations are based on a calculation of two percent (2%) of received Quimby and MFA fees that are transferred to this project annually, (City Chapter 17.35 of the City Code) to support staff and studies related to the park in-lieu program (majority affirmative Council votes required) .
Ending Fund Balance		(1,939,046)	Decreases the ending fund balance to offset the recommended actions above (majority affirmative Council votes required) .
	(1,978,618)	(1,978,618)	

Patrick Henry Drive Infrastructure Improvement Fund (542)

Department/Item	Source of Funds	Use of Funds	Explanation
Patrick Henry Drive Infrastructure Impact Fee Revenue	(69,205)		Eliminates the estimated Patrick Henry Drive Infrastructure Impact Fee revenue as impact fees are not anticipated to be collected in FY 2022/23 (majority affirmative Council votes required) .
Transfer From the General Fund - Capital Project Reserve	69,205		Establishes a transfer from the General Fund Capital Project Reserve. As impact fees are not anticipated to be collected in FY 2022/23, this transfer will cover costs for budgeted administration. These funds are expected to be repaid once impact fees are received to replenish the Capital Projects Reserve and has been factored into the FY 2023/24 and FY 2024/25 Proposed Biennial Operating Budget (five affirmative Council votes required to appropriate additional revenue) .
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Recycled Water Capital Fund (597)

Department/Item	Source of Funds	Use of Funds	Explanation
Transfer to Water Recycling Fund		1,300,000	Establishes a transfer to the Water Recycling Fund in the amount of \$1.3 million to cover higher costs in that operating fund. There is sufficient fund balance in the Recycled Water Capital Fund to cover project costs (five affirmative votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		(1,300,000)	Decreases the ending fund balance to offset the action recommended above (five affirmative votes for the use of unused balances) .
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Streets and Highways Capital Fund (533)

Department/Item	Source of Funds	Use of Funds	Explanation
TDA 21 Bicycle Facilities Upgrade		37,356	Increases the TDA 21 Bicycle Facilities Upgrade project to align with the selected bid. This project will upgrade existing striping and signage for bicycle facilities at the following locations to improve bicycle safety: 1. Along San Tomas Aquino Creek Trail; 2. Monroe Street (Homestead Road to Newhall Street); 3. Los Padres Boulevard (Monroe Street to Saratoga Avenue); and 4. Calabazas Boulevard at Georgetown Place. Transportation Development Act grant funding of \$94,054 was initially appropriated by Council and additional funding of \$37,356 is provided from the Pedestrian and Bicycle Enhancement Facilities project (majority affirmative Council votes required) .
Pedestrian and Bicycle Enhancement Facilities		(37,356)	Decreases the Pedestrian and Bicycle Enhancement Facilities project to provide funding for the TDA 21 Bicycle Facilities Upgrade project (majority affirmative Council votes required) .
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Vehicle Replacement Fund (050)

Department/Item	Source of Funds	Use of Funds	Explanation
Capital Outlay		292,000	Increases the Capital Outlay budget for higher than anticipated costs for various city vehicles including a street sweeper, flatbed truck, aerial lift for the Public Works Department Streets Division and mowers, a roller, and turf trucks for the Parks Department. The costs for these budgeted replacements came in higher than previously budgeted. Funding from the unrestricted fund balance is available to cover the increased cost due to previously collected funding for streets vehicles no longer needed for replacement (five affirmative Council votes required for the use of unused balances) .
Capital Outlay (Advancing Funding for EV Vehicle)		45,000	Increases the Capital Outlay budget to fund an electric vehicle replacement for the Electric Utility Department. This vehicle was planned for replacement in FY 2023/24, however, funding is recommended to be advanced to FY 2022/23 to replace in this fiscal year to make use of existing contract pricing. Funding in FY 2023/24 will be reduced to align with the advance replacement. This action advances the City's progress towards fleet electrification and reduced GHG emissions (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		(337,000)	Decreases the unrestricted ending fund balance to offset the actions above (five affirmative Council votes required for the use of unused balances) .
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Water Recycling Fund (097)			
Department/Item	Source of Funds	Use of Funds	Explanation
Transfer From the Recycled Water Capital Fund	1,300,000		Recognizes a transfer from the Recycled Water Capital Fund as there is sufficient fund balance in the capital fund to cover capital project costs. This funding is recommended to help offset the increase in Resource/Production costs (five affirmative votes required to appropriate additional revenue) .
Resource/Production		1,750,000	Increases the Resource/Production appropriation to cover higher than anticipated usage of recycled water (five affirmative votes required to appropriate additional revenue and for the use of unused balances) .
Unrestricted Ending Fund Balance		(450,000)	Decreases the unrestricted ending fund balance to offset the action above (five affirmative Council votes required for the use of unused balances) .
	1,300,000	1,300,000	