

The City of
SAN DIEGO



FISCAL YEAR 2018
CAPITAL IMPROVEMENTS PROGRAM
YEAR-END BUDGET MONITORING REPORT



Kevin L. Faulconer
Mayor

Kris Michell
Chief Operating Officer

Rolando Charvel
Chief Financial Officer

Tracy McCraner
Financial Management Director and City Comptroller

Adam Jones
Budget Coordinator

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INTRODUCTION

The Fiscal Year 2018 Capital Improvements Program (CIP) Year-end Budget Monitoring Report presents a semi-annual update on the City's CIP cash management process improvements and other CIP streamlining efforts. This includes an update on the status of internal process improvements, as well as a request for City Council action that supplements the City's capital budgeting and internal monitoring processes.

Included in this report are details of the \$114.8 million in requested City Council approvals for new budget appropriations, reallocations of funds, and other CIP project savings resulting from the City's continued cash management and streamlining efforts:

- **CIP Budget Review:** This process has saved an estimated 240 staff hours and resources by consolidating 94 actions into one semi-annual request. \$119.8 million of funds will be released to fund balance and/or made available for priority projects, subject to Council approval. These requests include:
 - Expedited appropriation of \$90.5 million from fund balance to projects.
 - Reallocation of \$24.3 million in funding to priority projects.
 - Accelerated de-appropriation of \$4.9 million in excess funding to fund balance.
- **CIP Budget Monitoring:** Provides an update on several significant CIP funds.
- **Commercial Paper Program:** Provides a status update on the Public Utilities commercial paper program and General Fund commercial paper
- **Encumbrance of Future Revenue:** Provides a status update on the encumbrance process improvement, including the release of \$24.0 million in otherwise encumbered funds.
- **Pooled Project Contingencies:** Provides a status update on the Public Utilities pilot project that began in Fiscal Year 2017.

Requests for City Council action to adjust CIP project budgets are summarized in Attachment I. Additionally, City Council approval is requested for the items summarized in attachment II, which includes the following:

- Authority to amend the TransNet Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding
- Authority to close CIP projects, and rename projects
- Authority to transfer projects and sub-projects between annual allocations

CASH MANAGEMENT INITIATIVES

Effective cash management allows for reallocation of idle funds to higher priority projects and assures that flow of funds is not an impediment to the effective execution of priority Capital Improvement Program (CIP) projects. FM has provided a semi-annual report to the City Council on the status of these process improvements since Fiscal Year 2016.

The Fiscal Year 2018 CIP Year-End Budget Monitoring Report includes updates on the results of the cash management process improvements. It also includes a request for City Council approval of new budget appropriations, reallocations of funds, and other CIP project changes.

CIP Budget Review

Since Fiscal Year 2016, FM has provided asset managing departments with an opportunity to include all needed CIP City Council actions on one consolidated semi-annual report. This provides significant time and resource savings citywide.

CIP Budget Adjustment Requests

Table 1 summarizes the CIP Budget Adjustment requests by the categories outlined in the report.

Table 1: Summary of CIP Budget Adjustment Requests

Action	Decreasing CIP Adjustments	Increasing CIP Adjustments	Net Change in CIP
Appropriation Adjustment	\$ (4,908,773)	\$ 90,530,799	\$ 85,622,026
Transfers within the CIP	(21,298,361)	21,298,361	-
Transfers from Operations	-	3,039,631	3,039,631
Total	\$ (26,207,134)	\$ 114,868,791	\$ 88,661,657

Details, including a justification for each request, are included in the tables in Attachment I. In Summary, there are four types of budget adjustments being requested:

- Increasing Appropriation: addition of new budgeted funds to a project from fund balance
- Decreasing Appropriation: return of budgeted funds from a project back to fund balance
- Transfer in the CIP: moving budgeted funds between CIP projects
- Transfer from Operations: moving budgeted funds between the Operating Budget and the CIP Budget

All CIP Budget Adjustment requests are detailed in Attachment I.

Of the \$90.5 Million in appropriations from fund balance, 80% of the funding came from 2 sources:

- \$55 million from Developer Fees
- \$17.5 million from Enterprise Funds

Of the \$24.3 million in appropriation transfers, 76% of the actions came from Enterprise Funds (\$18.4 million)

Additional Approvals Requested

In addition to the requested CIP budget adjustments, City Council is requested to approve CIP adjustments related to the expenditure of funds and the addition of projects to the CIP. These requests are summarized below and detailed in Attachment II:

- Approval to amend the TransNet Regional Transportation Improvement Program (RTIP);
- Approval to amend the CIP by closing projects, renaming projects, and transfer sublets amongst annual allocations.

CIP Budget Monitoring

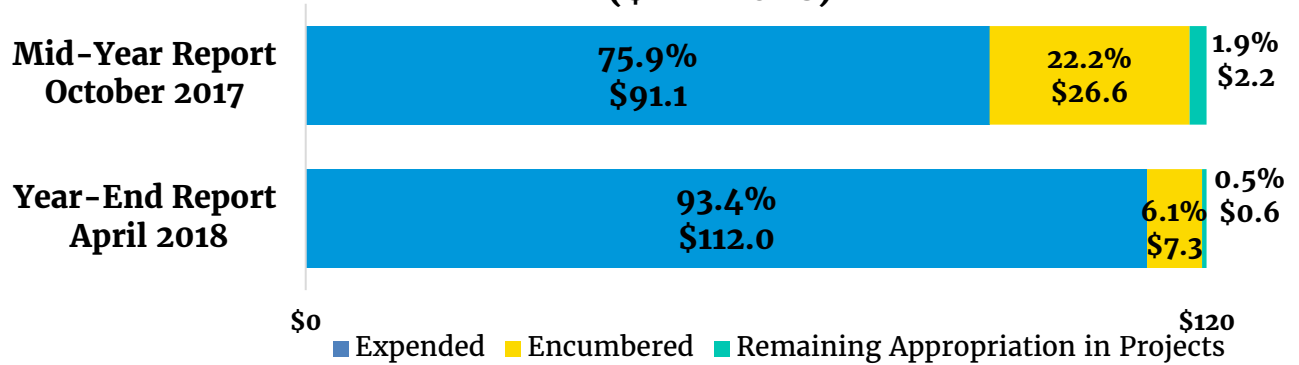
FM, Public Works, and the CIP asset managing departments have put additional focus on the monitoring of the CIP expenditures over the last several fiscal years. These efforts have focused on providing improved cash management of CIP funds. This has been achieved by increasing coordination between technical project managers and financial support staff in Public Works, FM, Comptrollers and Debt Management. The following sections provide updates on the status of these ongoing efforts, which include updates on key CIP funds.

Lease Revenue Bonds Update

The City has issued tax exempt lease revenue bonds to finance General Fund capital improvements, including deferred capital needs. Projects have included streets, storm water, and General Fund facilities. Spending of tax-exempt lease revenue bond proceeds are prioritized to meet IRS guidelines that approximately 85% of these funds be spent within three years of issuance.

Only the Lease Revenue Bonds Series 2015 A and B issued in April of Fiscal Year 2015 (DC3 bonds) have unspent proceeds. **Figure 1** shows the changes since the CIP Year-End Monitoring Report:

**Figure 1: Financial Snapshot of DC3 Bonds
(\$ millions)**



As of April 30, 2018:

- \$7.9 million of the DC3 bonds proceeds are appropriated but not spent in projects, which represents 6.6% of the bond issuance amount of \$120 Million.
- Monthly expenditures have averaged \$3.7 million since July 2017 for a total of \$37.3 million spent over the past ten months.
- The City exceeded the 85 percent expenditure benchmark (\$102 million expended) for DC3 before April 2018 and anticipates expending all proceeds by the end of the next fiscal year

City Staff was able to meet this benchmark through the combined efforts of Public Works, the Finance Branch, and the asset managing departments. Additionally, through City Council’s authorization of Section 2.C.7 of Fiscal Year 2018 Appropriation Ordinance, bond proceeds were able to be reallocated between projects where the reallocation did not result in a net increase to project budgets. This allowed staff to actively manage bond expenditures and was instrumental to meeting timely spending requirements.

TransNet Update

Beginning in Fiscal Year 2016, FM began providing periodic updates on the expenditure trends for TransNet Funds. These funds derive revenue from a one-half cent local sales tax, and must be used for improvements to the City right-of-way.

Table 2 summarizes the cash flow estimates for the TransNet Funds through the end of Fiscal Year 2018.

Table 2: TransNet Extension Fund Balance Estimate (\$ millions)

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Estimate
Fund Balance at SANDAG (July 1, Beginning of Fiscal Year)	\$ 55.5	\$ 37.9	\$ 33.3
Revenue	30.8	31.9	32.5
Disbursement:	(48.7)	(37.0)	(33.3)
Congestion Relief	(39.2)	(27.4)	(23.4)
Admin & Maintenance	(9.5)	(9.6)	(9.9)
Fund Balance at SANDAG (June 30, End of Fiscal Year)	\$ 37.6	\$ 32.8	\$ 32.5
Interest Earned (SANDAG)	0.3	0.5	

The Transportation & Storm Water Department currently estimates that the TransNet Extension cash balance held at SANDAG will be approximately \$32.5 million by June 30, 2018. This will be approximately one year's worth of TransNet revenue remaining on deposit with SANDAG and represents a decrease of \$23 million, or a 41% reduction in fund balance when compared to the TransNet Extension Fund Balance of \$55.5 million on June 30, 2015. Staff anticipates fund balance to continue its downward trend through Fiscal Year 2019.

As a result of the progress the City has made in reducing fund balance held on deposit at SANDAG, the City is above the monitoring thresholds for TransNet expenditures set by the TransNet Independent Taxpayer Oversight Committee (ITOC). As of March 31, 2018, the City of San Diego has expended approximately 85.5% of cumulative TransNet Extension funds received from Fiscal Year 2008 to Fiscal Year 2018.

Other Major CIP Funds

In addition to TransNet, there are six other general CIP funding sources that represent 10% of the continuing CIP budget. These funds can be categorized as funds that focus on improvements to public right-of-way and funds that have an unrestricted general use. The three major funding sources for projects in the public right-of-way are Gas Tax, Proposition 42 Replacement Gas Tax (Prop 42), and the Road Maintenance and Rehabilitation Account (RMRA). The three more flexible funding sources in the CIP are the Capital Outlay Fund, the Infrastructure Fund and the General Fund Contributions to the CIP.

Table 3 provides updates on cash balance each of the right-of-way funds as of April 30, 2018.

Table 3: Fund Balances (\$ millions)¹

Fund Name	Gas Tax²	Prop 42²	RMRA²
Available Fund Balance as of 6/30/2017 (audited)	\$ 6.2	\$ 16.2	\$ 0.0
Revenues as of 4/30/2018 (Unaudited)	22.4	0.1	2.9
Expenditures/Encumbrances as of 4/30/2018	(29.5)	(13.7)	(8.1)
<i>Expenditures</i>	(23.1)	(6.0)	(0.1)
<i>Encumbrances</i>	(6.4)	(7.7)	(8.0)
Remaining Fund Balance as of 4/30/2018 (Unaudited)	(4.4)	2.6	(5.2)
Estimated Revenue for Remainder of Fiscal Year	4.4	0.0	5.2
Estimated Fund Balance at End of Fiscal Year	0.0	0.0	0.0

1. Table totals may not add due to rounding.

2. These funds are used in both the Operating and Capital Budget.

- The Gas Tax fund is on track to have no residual fund balance by the end of the year if revenue continues to come in at the yearly average of \$2.2 million a month.
- The Prop 42 fund is expected to spend all fund balance by the end of FY 2019.
- The RMRA fund is on track to have no residual fund balance by the end of the year if revenue continues as predicted by the State and the League of California Cities.

These funds support important infrastructure projects and must be spent in the right-of-way, unlike the Capital Outlay Fund and the General Fund Contributions to the CIP Fund which are less restrictive sources of funding

The Capital Outlay Fund and Infrastructure Fund can support acquisition, financing, and construction costs for permanent public improvements across all asset types, whereas funding from General Fund Contributions to the CIP are the least restrictive and can be used for any General Fund permanent public improvement. Public Works, the Finance Branch, and the asset managing departments, work together to propose the best uses for these flexible funding sources as part of the CIP budget.

Table 4 provides updates on cash balance trends for each fund as of April 30, 2018.

Table 4: Fund Balances (\$ millions)^{1,2}

Fund Name	GF Contrib. to CIP	Capital Outlay	Infrastructure Fund
Available Fund Balance as of 6/30/2017 (audited)	\$ 52.2	\$ 28.2	\$ 0.0
Revenues as of 4/30/2018 (Unaudited)	1.2	8.7	17.8
Expenditures/Encumbrances as of 4/30/2018	(22.2)	(12.6)	(13.6)
<i>Expenditures</i>	(4.9)	(9.0)	(9.2)
<i>Encumbrances</i>	(17.3)	(3.6)	(4.4)
Remaining Fund Balance as of 4/30/2018 (Unaudited)	31.2	24.3	4.2
Adjustment for Police Emergency Vehicle Operations Course (EVOC) project approved per Council Resolution R-310504	0.0	(3.0)	0.0
Proposed swap for Police Emergency Vehicle Operations Course (EVOC) from Pueblo Land Sales Fund	0.0	3.0	0.0
Adjusted Fund Balance	31.2	24.3	4.2
FY 18 Remaining Appropriated Budget for Projects	31.2	12.4	4.2
Uncommitted Fund Balance	0.0	11.9	0.0

1. These funds are used in both the Operating and Capital Budget
2. Table totals may not add due to rounding.

An appropriation of \$9.5 million in uncommitted Capital Outlay Fund Balance is requested as part of this action to pay for General Fund capital improvements for the 101 Ash Street Building; the remaining fund balance of approximately \$2 million is expected to be allocated by the Office of the IBA as part of their revisions to the Fiscal Year 2019 Budget. Additional appropriations for 101 Ash Street are included as part of the year-end appropriations listed in Attachment 1 and total nearly \$13.2 million. An informational item regarding the project will be heard before this item at the Infrastructure Committee on May 23rd.

Commercial Paper Program

Commercial paper, a short term financing mechanism, allows for “just-in time” borrowing instead of issuing the full amount of the long term bonds upfront. This allows the City to borrow when funds are required (as capital project spending occurs) and reduces the interest costs paid. Commercial paper principal and interest can then be refunded with the proceeds of long-term debt issuances, as needed, at a later date. This section will be expanded in the Mid-Year report to provide updates on the General Fund Commercial Paper program.

Water Utility Commercial Paper Update

The City launched a commercial paper program for the Water Utility in January 2017, with a not to exceed amount of \$250 million to fund the water capital program during Fiscal Year 2017 through 2019. Priority funded projects include pipeline replacement, water storage and transmission components, and the PURE Water program.

General Fund Commercial Paper Update

On May 15, 2018, the City Council authorized the creation of a General Fund commercial paper program and approved an increase in the Fiscal Year 2018 CIP budget in the amount of \$80 million.

The following asset types received appropriations:

Table 5: Assets funded with Commercial Paper

Asset Type	Amount
Drainage	\$ 11,154,002
Facilities	8,723,591
Park	4,664,631
Special - New Signal - TSW	300,000
Street	47,700,000
Transportation	540,000
Watershed	6,467,776
Guard rails	450,000
Grand Total	\$ 80,000,000

Staff will provide future updates regarding the status of commercial paper spending in subsequent reports to City Council.

Encumbrance of Future Revenue

FM, the Comptroller’s Office, and Public Works are improving the City’s process of encumbering funds for construction contracts. Rather than encumbering the entire amount needed for construction contracts, the Comptroller’s Office certifies that cash is on hand for the amount needed for the current Fiscal Year, and that additional funds will be available in future fiscal years as needed. The certification of funds is backed by projected reliable source of ongoing revenue.

In Fiscal Year 2018, \$24.0 million has been identified as unencumbered cash that would have otherwise been reserved and sitting in projects for multiple years waiting to be expended. The specific project that made use of this revised policy and released cash for higher priority needs in Fiscal Year 2018 is given below in **Table 5**.

Table 6: Encumbrance of Future Revenue (\$ millions)

Project	FY 2019	FY 2020
S00851-SR 163/Friars Road	2.9	0.0
S00871- W Mission Bay Dr Bridge Over SD River	14.0	7.1
Total	\$ 16.9	\$ 7.1

Pooled Project Contingencies

Since the beginning of Fiscal Year 2017, the Finance Branch has been working with the Public Utilities Department (PUD) and the Public Works Department to develop a pilot program for pooled contingencies (PC). By pooling contingency budgets between multiple projects, risk is distributed among these projects and overall contingency budgets can be reduced. This pilot program began in Fiscal Year 2017 with the water and sewer main replacements annual allocations. The status of the pooled contingency is reported out internally to City staff on a monthly basis.

The table below provides an update on the projected available cash over the lifetime of the projects included in the pilot program.

Table 7: Pooled Contingency Savings & Projections

Project	Total Contraction Costs	5% Contingency	3% Contingency	Available Cash
Sewer Mains	\$ 49,279,600	\$ 2,463,980	\$ 1,478,388	\$ 985,592
Water Mains	84,924,406	4,246,220	2,547,732	1,698,488
Total	\$ 134,204,006	\$ 6,710,200	\$ 4,026,120	\$ 2,684,080

Since the Mid-Year Report, projected net construction costs for water and sewer mains awarded in Fiscal Year 2017 and scheduled to be advertised/awarded in Fiscal Year 2018 have decreased from \$152.2 million to \$134.2 million. The \$18.0 million net decrease is the result of the following factors:

- \$0.6 million increase due to new projects added to the estimate
- \$26.0 million decrease due to projects being removed from the estimate
- \$7.4 million increase due to updated construction cost estimates for specific projects

As a result of the net decrease in anticipated construction costs for projects awarded in Fiscal Year 2017 and scheduled to be advertised/awarded in Fiscal Year 2018, there is also a decrease in the projected available cash that will be freed up by using the pooled 3% contingency rate rather than an individual 5% contingency rate, from \$3.0 million to \$2.7 million.

In March 2018, PUD and Public Works determined that there were a few sub-projects with Multiple Award Construction Contracts (MACC) that mistakenly contributed to the Pooled Contingency. MACC's already have contingencies built into the contract as a bid item and do not need to be included in the contingency pool. The table below summarizes the return of funds from the pooled contingency commitment item back to the undistributed commitment item in each Annual Allocation.

Table 8: Pooled Contingency Returned to Annual Allocation

Project	Return Amount
Sewer Mains	(\$104,137)
Water Mains	(\$194,680)
Total	(\$298,817)

As of April 2018, 48 sub-projects have contributed \$2,995,864 to the pool. Since Fiscal Year 2017, eight sub-projects have required funding from the pooled contingency in the amount of \$1,283,199. The current value of the pooled contingency as of April 2018 for sewer and water mains are summarized in the table below.

Table 9: Pooled Contingency Status

Project	Participating Projects	Contributions to Pooled Contingency	Use of Pooled Contingency	Return of Pooled Contingency	Current Pooled Contingency
Sewer Mains	23	\$1,154,410	(\$770,316)	(\$104,137)	\$279,957
Water Mains	25	\$1,841,454	(\$512,883)	(\$194,680)	\$1,133,891
Total	48	\$2,995,864	(\$1,283,199)	(\$298,817)	\$1,413,848

Of the 48 sub-projects that have contributed to the pooled contingency, eight projects or 16.7% have pulled 42.8% or \$1.28 million from the pool. If these trends continue, it is anticipated that projects will continue to pull from the contingency faster than new projects would contribute and additional funding above the 3% contingency would be required.

When the pilot program started, the anticipation was if projects could pool funding contingencies it would free up available cash to use for new projects. By the close of the Fiscal Year, FM will have two years of data and will be able to better analyze the pilot program and may make policy changes to the pooled contingency program.

CONCLUSION

As a result of the cash management efforts, streamlining initiatives, and requests for City Council action detailed in this report 94 individual actions have been consolidated, saving 240 hours of staff time resulting in \$119.8 million of new budget appropriations, reallocations of funds, and other CIP project changes.

FM will continue to provide these reports to the City Council on a semi-annual basis to ensure that the cash in the CIP continues to be managed as efficiently and effectively as possible.

ATTACHMENTS

- I. CIP Budget Adjustment Requests
- II. Additional Approvals Requested

CIP Budget Adjustment Requests

Summary

The table below summarizes the CIP budget adjustment requests by the categories outlined in the report. Details including a justification for each request are included in the tables following the summary. There are four types of CIP budget requests included in this report:

- Increasing Appropriation: addition of new budgeted funds to a project from fund balance
- Decreasing Appropriation: return of budgeted funds from a project back to fund balance
- Transfer in the CIP: moving budgeted funds between CIP projects
- Transfer from Operations: moving budget between the Operating Budget and the CIP Budget

101 Ash Appropriations

Transfers from the Operations Budget			
S17009 - 101 Ash Improvements	400265 - General Fund	2,100,000.00	Transfer of unused moving expenses from the operating budget to support tenant improvements at 101 Ash Street. Transfer is assumed in Year-end Operation Budget Monitoring Report in Real Estate Assets Department.
S17009 - 101 Ash Improvements	400265 - General Fund	180,781.00	Transfer of unused moving expenses from the operating budget to support tenant improvements at 101 Ash Street. Transfer is assumed in Year-end Operation Budget Monitoring Report in Department of IT Fund.
S17009 - 101 Ash Improvements	200001- Facilities Financing Fund	71,975.00	Transfer of unused moving expenses from the operating budget to support tenant improvements at 101 Ash Street. Transfer is assumed in Year-end Operation Budget Monitoring Report in Facilities Financing Fund.
S17009 - 101 Ash Improvements	400265 - General Fund	47,987.00	Transfer of unused moving expenses from the operating budget to support tenant improvements at 101 Ash Street. Transfer is assumed in Year-end Operation Budget Monitoring Report in Arts and Culture Fund

Appropriation from Fund Balance			
S17009 - 101 Ash Improvements	400265 - General Fund	573,417.00	Appropriation of Fund Balance from the Department of IT Fund to support tenant improvements at 101 Ash Street.
S17009 - 101 Ash Improvements	400265 - General Fund	490,725.00	Appropriation of Fund Balance from the Engineering and Capital Projects Fund to support tenant improvements at 101 Ash Street.



Appropriation from Fund Balance			
S17009 - 101 Ash Improvements	400265 - General Fund	203,631.00	Appropriation of Fund Balance from the Arts and Culture to support tenant improvements at 101 Ash Street.
S17009 - 101 Ash Improvements	400002 - Capital Outlay	9,517,649.00	Appropriation of Fund Balance from the Capital Outlay Fund to support the General Fund's Share of tenant improvements at 101 Ash Street.

Increasing Appropriation

Funded Program	Fund	Amount	Justification
S16052 - Miramar Landfill Gas Recovery Improvemen	700040 - Refuse Disposal Fund	1,850,000.00	Additional funds are needed to cover entire project costs associated with Miramar Landfill Gas Recovery Improvements.
L17000 - Miramar Landfill Facility Improvements	700049 - Recycling Fund	15,000,000.00	Additional funds are needed to cover project costs associated with resource Recovery and Organics Processing Facilities
S15001 - Coast Blvd Walkway Improvements	400123 - Development Impact Fees	187,000.00	Additional funds are needed to support construction.
P18002 - Ocean Beach Pier Condition Assessment	200402 - Ocean Beach Concession	94,203.32	Additional funds are needed to fund the restoration of the Ocean Beach Pier.
AGF00007 - Park Improvements	400864 - Development Impact Fees	50,000.00	Additional funds are needed to increases in estimated design costs for John F Kennedy comfort station and playground improvements.
S15021 - Rolling Hills Neighborhood Park ADA Upgr	400083 - Facilities Benefit Assessments	94,241.71	Additional funding is needed in order to award the construction contract which came in higher than anticipated.
S15021 - Rolling Hills Neighborhood Park ADA Upgr	400192 - Developer Funding	154,231.33	
S15021 - Rolling Hills Neighborhood Park ADA Upgr	400221 - Developer Funding	3,629.00	
S14007 - Salk Neighborhood Park & Joint Use Devel	200758 - Recreation Center Funds	100,000.00	Additional funding is needed to provide a shade structure over the playground at Maddox playground as requested by the Recreation Council.
S15003 - Park de la Cruz Neighborhood Park Improv	400114 - Development Impact Fees	300,000.00	Additional funding is needed to ensure the community center receives green certification.
ABT00001 - City Facility Improvements	200746 - Recreation Center Funds	200,000.00	Additional funding is needed to support HVAC improvements for the gymnasium at Canyonside Community Park at the request of the Recreation Council.
ABT00007 - Sewer CIP Emergency Reserve	700009 - Sewer Funds	580,000.00	Additional funding is needed to replenish Metro Sewer budget for emergency projects.

Funded Program	Fund	Amount	Justification
S00915 - University Avenue Mobility	200306 - Proposition 42 Replacement - Transportation Relief Fund	52,128.78	Additional funding is needed to support to higher cost estimates for design and construction.
S00943 - Poway Road Bicycle Path - Class I	400082 - Facilities Benefit Assessments	150,000.00	Additional funding is needed to support the project.
S00881 - Regents Rd Widening-Genesee to Executive	400080 - Facilities Benefit Assessments	300,000.00	Additional funding is needed to support the construction phase of the project.
S00856 - El Camino Real to ViaDeLaValle (1/2mile)	400097 - Facilities Benefit Assessments	58,000.00	Additional funding is needed to support the design phase of the project.
S00831 - Balboa Avenue Corridor Improvements	400633 - SR 209 & 274 State Co-op	75,000.00	Additional funding is needed to support the construction phase of the project.
13000735 - Surplus Due to Savings	400169 - TransNet Funds	2,576,000.00	Appropriate TransNet funding to support a reimbursement to SANDAG for overpayment related to the SR56/Black Mountain Road project which is complete.
L16002 - Mira Mesa Community Pk Improvements	400858 - Development Impact Fees	656,844.89	Additional funding needed to support construction phase of the project. Additional funding will be needed closer to the awarding of the construction contract.
L16002 - Mira Mesa Community Pk Improvements	400085 - Facilities Benefit Assessments	16,136,471.11	
S00811 - Scripps Miramar Ranch Lib	400863 - Development Impact Fees	1,076,376.92	Additional funding ensures that the project is fully funded through construction.
S00811 - Scripps Miramar Ranch Lib	400086 - Facilities Benefit Assessments	3,324,400.00	
S01083 - Fairbrook Neighborhood Park - Developmen	400086 - Facilities Benefit Assessments	365,606.00	Additional funding ensures that the project is fully funded through construction.
S16035 - Sage Canyon Np Concession Bldg-Develop	400088 - Facilities Benefit Assessments	264,834.66	Additional funding ensures that the project is fully funded through construction.
S16035 - Sage Canyon Np Concession Bldg-Develop	400855 - Development Impact Fees	66,936.34	
S00982 - I-5 Underpass - Bikeway/Ped Connect	400088 - Facilities Benefit Assessments	1,095,229.00	Additional funding ensures that the project is fully funded through construction.
S00856 - El Camino Real To Viadelavalle (1/2mile)	400101 - Development Impact Fees	377,000.00	Additional funding will be used to support land acquisition.
RD16002 - PHR Community Park And Rec Bldg	400089 - Facilities Benefit Assessments	1,304,550.00	Additional funding ensures that the project is fully funded through construction.



Funded Program	Fund	Amount	Justification
S14023 - Pacific Highlands Ranch Branch Library	400089 - Facilities Benefit Assessments	774,915.00	Additional funding is needed per the project reimbursement agreement.
AGE00001 - Resource Based Open Space Parks	400089 - Facilities Benefit Assessments	614,504.00	Additional funding is needed per the project reimbursement agreement for the Del Mar Mesa Hiking and Equestrian Trail.
RD16002 - PHR Community Park And Rec Bldg	400090 - Facilities Benefit Assessments	11,543,175.00	Additional funding is needed per the project reimbursement agreement.
RD12003 - Pacific Highlands Ranch Hiking & Biking	400090 - Facilities Benefit Assessments	366,999.00	Additional funding is needed per the project reimbursement agreement.
S15018 - La Media Road Improvements	400092 - Facilities Benefit Assessments	36,000.00	Additional funding is needed per the FY 2019 Proposed Budget
RD15000 - Camino Del Sur-2 Lns Torry SF to Dorm Rd	400094 - Facilities Benefit Assessments	3,245,000.00	Additional funding is needed per the project reimbursement agreement.
S15040 - Golf Course Drive Improvements	400111 - Development Impact Fees	832,000.00	Additional funding is needed to support the design phase of the project.
S17000 - Balboa Pk Bud Kearns Aquatic Complex Imp	400112 - Development Impact Fees	593,127.00	Additional funding ensures that the project is fully funded through construction.
S16012 - East Village Green Phase 1	400122 - Development Impact Fees	2,000,000.00	Additional funding is needed per the FY 2019 Proposed Budget
S00751 - Hickman Fields Athletic Area	400129 - Development Impact Fees	216,000.00	Additional funding is needed to support the construction phase of the project.
S00751 - Hickman Fields Athletic Area	400136 - Development Impact Fees	59,000.00	
S00751 - Hickman Fields Athletic Area	400259 - Developer Funding	4,583.00	
RD14000 - State Route 56 Freeway Expansion	400181 - Other Funding	450,627.00	Additional funding is needed per the project reimbursement agreement.
Rd14000 - State Route 56 Freeway Expansion	400246 - Other Funding	129,216.00	
ABT00001 - City Facility Improvements	400209 - Developer Funding	5,378.00	Additional funding is needed to support the Torrey Hills Comfort Station ADA improvements
RD11001 - Via De La Valle Widening Add 2 Lanes	400272 - Developer Funding	34,537.00	Additional funding is needed per the project reimbursement agreement.
S00999 - Riviera Del Sol Neighborhood Park	400856 - Facilities Benefit Assessments	700,000.00	Additional funding ensures that the project is fully funded through construction.

Funded Program	Fund	Amount	Justification
S00636 - Denny Ranch Neighborhood Park	400856 - Facilities Benefit Assessments	689,000.00	Additional funding is needed per the project reimbursement agreement.
S00870 - Old Otay Mesa Road-Westerly	400093 - Facilities Benefit Assessments	47,000.00	Additional funding is needed to support the construction phase of the project.
S00870 - Old Otay Mesa Road-Westerly	400856 - Facilities Benefit Assessments	153,000.00	Additional funding is needed to support the construction phase of the project.
S15018 - La Media Road Improvements	400856 - Facilities Benefit Assessments	5,504,000.00	Additional funding is needed per the FY 2019 Proposed Budget
S11103 - La Paz Mini Park	400864 - Development Impact Fees	588,033.00	Additional funding ensures that the project is fully funded through construction.
S15029 - Rolando Joint Use Facility Development	400114 - Development Impact Fees	840,000.00	Additional funding is needed to support the construction phase of the project.
ABT00001 - City Facility Improvements	400222 - Developer Funding	4,234.00	Additional funding will support improvements to the Rancho Peñasquitos Branch
S15004 - Rancho Mission Neigh Pk Play Area Upgrad	400116 - Development Impact Fees	250,000.00	Additional funding is needed to support the construction phase of the project.
T18000 - Get It Done Expansion (311 Customer Exp)	700008- Muni Sewer	111,750.00	Additional Funding needed for 311 support of Food Establishment Wastewater Discharge services.
S18007- Fire-Rescue Air Ops Facility- PH II	300379- Tobacco Bond Proceeds (Taxable)	460,616.03	Additional taxable proceeds resulting from refunding of Tobacco Bonds.
Emergency Vehicle Operations Center (EVOC)	400006- Capital Outlay-Pueblo Lands	3,000,000.00	Fully funds the City's commitment for the joint use facility and frees up capital outlay funding for other uses.

Decreasing Appropriation

Funded Program	Fund	Amount	Justification
Emergency Vehicle Operations Center (EVOC)	400002- Capital Outlay Fund	3,000,000.00	Decreasing appropriation is used to offset increased contribution from the Capital Outlay Pueblo Lands fund.
S00851 - SR163/Friars Road	400135 - Development Impact Fees	1,400,000.00	Decreasing appropriation needed due to lower than anticipated fund balance. This funding will be partially restored with a grant.
S00852 - Genesee Ave - Nobel Dr to SR 52	400080 - Facilities Benefit Assessments	508,773.22	Decreasing appropriation needed due to project closure. The City Council approved removing the project from the Community Plan.



Transfer in the CIP

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
L17000 - Miramar Landfill Facility Improvements	L18002 - Miramar Landfill Storm Water Improvement	700040 - Refuse Disposal Fund	16,400,000.00	Transfer of funding to cover Refuse Disposal funded project L18002 Miramar Landfill Storm Water Improvements.
L17000 - Miramar Landfill Facility Improvements	AFA00001 - Minor Improvements to Landfills	700040 - Refuse Disposal Fund	1,000,000.00	Transfer of funding to cover additional costs for trailer replacements at the Miramar Landfill.
S00783 - Fire Station No. 17	S13011 - Fire Station 15 Expansion	400265 - General Fund	125,000.00	Transfer of funding to support construction phase of project. Fire Station is already open and does not require the funding.
S00783 - Fire Station No. 17	ABT00001 - City Facility Improvements	400265 - General Fund	100,000.00	Transfer of funding to support construction phase of Fire Station 3 roof & HVAC replacement project.
S00673 - Charles Lewis Iii Memorial Park	S00767 - WIGHTMAN STREET NEIGHBORHOOD PARK	200109 - Environmental Growth Funds	50,000.00	Transfer is needed to close out S00767.
S13014 - Los Penasquitos Canyon Preserve South Tr	S14016 - East Fortuna Staging Area Field Stn Blg	200110 - Environmental Growth Funds	393,638.09	Transfer of funding is needed in order to be in compliance with Mission Trails Regional Park funding agreement.
S13001 - Trail For All People	S15021 - Rolling Hills Neighborhood Park ADA Upgr	400265 - General Fund	9,913.28	Transfer of funding is needed in order to award the construction contract which came in higher than anticipated.
S13001 - Trail For All People	S15021 - Rolling Hills Neighborhood Park ADA Upgr	400221 - Developer Funding	14,000.00	
AGE00001 - Resource Based Open Space Parks	S15021 - Rolling Hills Neighborhood Park ADA Upgr	200110 - Environmental Growth Funds	147,897.96	
S17007 - Pershing Midsch Joint Use Synthetic Turf	AGF00007 - Park Improvements	400265 - General Fund	56,422.00	Transfer of funding is needed for phase two improvements at the newly opened Linda Vista Skate Park.



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S00889 - Del Mar Mesa Southern Multi-Use Trail	AGE00001 - Resource Based Open Space Parks	400089 - Facilities Benefit Assessments	101,683.09	Both projects have a similar scope and it is the Department's intent to combine them under AGE00001.
S00892 - Del Mar Mesa Northern Hiking/Eqstrn Trail	AGE00001 - Resource Based Open Space Parks	400089 - Facilities Benefit Assessments	355,495.96	
S17007 - Pershing Midsch Joint Use Synthetic Turf	S15001 - Coast Blvd Walkway Improvements	400265 - General Fund	48,000.00	Additional funds are needed to support construction.
S17007 - Pershing Midsch Joint Use Synthetic Turf	S15008 - Linda Vista Skate Park	400265 - General Fund	30,000.00	Transfer of funding is needed to close out the project.
AGE00001 - Resource Based Open Space Parks	S14016 - East Fortuna Staging Area Field Stn Blg	200110 - Environmental Growth Funds	90,962.46	Transfer of funding is required to support higher than expected contract bids.
S13008 - Mohnike Adobe And Barn Restoration	S14016 - East Fortuna Staging Area Field Stn Blg	200109 - Environmental Growth Funds	614,570.58	
S14021 - Bayview Reservoir Solar Project	S11025 - Chollas Building	700010 - Water Fund	1,000,000.00	Transfer of funding is due to project savings and will cover increased need due to unforeseen conditions at the Chollas Building.
S00673 - Charles Lewis Iii Memorial Park	S16061 - Market St-47th St to Euclid Complete St	400169 - TransNet Funds	50,000.00	Transfer of excess funding to support a consultant agreement.
S00673 - Charles Lewis Iii Memorial Park	S00915 - University Avenue Mobility	400169 - TransNet Funds	101,371.22	Transfer of excess funding to support higher cost estimates for design and construction.
S00914 - Sorrento Valley Road & Interstate 5 Inte	S16061 - Market St-47th St to Euclid Complete St	400169 - TransNet Funds	47,906.67	Transfer of excess funding to support to support a consultant agreement.
S00943 - Poway Road Bicycle Path - Class I	S00915 - University Avenue Mobility	400265 - General Fund	110,500.00	Transfer of funding to support higher cost estimates for design and construction.
S00943 - Poway Road Bicycle Path - Class I	S00915 - University Avenue Mobility	400002 - Capital Outlay	26,000.00	
S00928 - La Jolla Mesa Drive Sidewalk	S00915 - University Avenue Mobility	400169 - TransNet Funds	110,000.00	
ACA00001 - Drainage Projects	S00907 - Linda Vista/Genesee Intersection Improve	400265 - General Fund	15,000.00	Transfer of funding to support project closeout costs.



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
ACA00001 - Drainage Projects	S11002 - Hayes Ave Storm Drain	400265 - General Fund	300,000.00	Transfer of funding to support the construction phase.

Transfer from O&M

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
NON-PROGRAM	T18000 - Get It Done Expansion (311 Customer Exp)	400265 - General Fund	600,000.00	Transfer to 311 CIP Project to ensure proper capitalization of Staff Labor. Transfer has a net zero General fund impact between FY 2018 and FY 2019
NON-PROGRAM	AIA00001 - Minor Bike Facilities	400265 - General Fund	38,888.88	Appropriate General Fund funding received from Deco Bikes to support the Downtown Mobility Plan project.



CIP Budget Adjustment Requests

TransNet

1. That the City of San Diego requests that SANDAG make the following changes to its 2016 POP (“the Amendment”); and
2. That the Mayor, or his designee, is authorized to approve adjustments to *TransNet* funded projects, according to Attachment I, in compliance with SANDAG Board Policy No. 31, Rule #7 and Rule #17; and
3. That pursuant to Section 2(C)(1) of the *TransNet* Extension Ordinance, the City of San Diego certifies that no more than 30 percent of its annual revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment; and
4. That pursuant to Section 4(E)(3) of the *TransNet* Extension Ordinance, the City of San Diego certifies that all new or changed projects, or major reconstruction projects, included in the Amendment and funded by *TransNet* revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed, shall be clearly noticed as part of the City of San Diego’s public hearing process for the Amendment; and
5. That the City of San Diego does hereby certify that all applicable provisions of the *TransNet* Extension Ordinance and SANDAG Board Policy No. 31 have been met; and
6. That the City of San Diego continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims to local *TransNet* funded projects.

Close CIP Projects

1. Close AGG00001, Open Space Improvements
2. Close S00889, Del Mar Mesa Southern Multi-Use Trail
3. Close S00892, Del Mar Mesa Northern Hiking/Eqstrn Trail

Rename CIP Projects

1. Rename L12003, “California Tower Seismic Retrofit” to “Museum of Man Seismic Retrofit”
2. Rename S00319, “EMTS Boat Dock and Steam Line Relocation” to “EMTS Boat Dock Esplanade”
3. Rename S00667, “Aquatic Complex – Mira Mesa CP Expansion” to “Mira Mesa CP Expansion Phase I”
4. Rename S13023, “Elizabeth Rabbit NP Phase II” to “Del Mar Mesa Neighborhood Park”
5. Rename S15004, “Rancho Mission Neigh Pk Play Area Upgrades” to “Rancho Mission Canyon Park Upgrades”

Transfer of Projects between Annual Allocations

1. Transfer up to \$1,161,328.70 in appropriations, expenditures, and encumbrances from CIP ABT00001, Annual Allocation – City Facility Improvements (B18087 Convert Bldg 619 @ NTC into Rec Center), into CIP AGF00007, Annual Allocation – Park Improvements.
2. Transfer up to \$580,000 in appropriations, expenditures, and encumbrances from CIP ABT00007, Annual Allocation – Sewer CIP Emergency Reserve (B18105 Sewer Pump Stn 1 Emergency Conveyor Repl), into CIP ABP00002, Annual Allocation – Metropolitan System Pump Stations.
3. Transfer up to \$1,430,138.38 in appropriations, expenditures, and encumbrances from CIP AGF00005, Annual Allocation – Regional Park Improvements (B17036 Thompson Med Library/Eddy Auditor Rehab), into CIP ABT00001, Annual Allocation – City Facility Improvements.
4. Transfer up to \$109,150.04 in appropriations, expenditures, and encumbrances from CIP AGG00001, Annual Allocation – Open Space Improvements (B13015 Rancho Mission Slope Movement), into CIP AGE00001, Annual Allocation – Resource Based Open Space Parks.
5. Transfer up to \$330,000 in appropriations, expenditures, and encumbrances from CIP AIA00001, Annual Allocation – Minor Bike Facilities (B17003 El Cajon Blvd-Highland to 50th Improvmnt), into CIP AIL00001, Annual Allocation – Traffic Calming.