



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: June 3, 2020

IBA Report Number: 20-13

City Council Docket Date: June 8, 2020

Item Number: 600

Review of the FY 2020 Third Quarter Budget Monitoring Report

OVERVIEW

The Fiscal Year 2020 Third Quarter Budget Monitoring Report (Third Quarter Report) was issued on May 19, 2020 and was presented to the Budget Review Committee on May 21, 2020. The Third Quarter Report describes the status of revenues and expenditures and provides year-end projections based on actual (unaudited) data from nine months of the fiscal year. The Third Quarter Report also provides useful details about major revenues, departmental operations, and other programmatic items. The purpose of the IBA review of the Third Quarter Report is to provide clarification and additional information for items outlined in that report.

Overall, our Office concurs with the year-end expenditure and revenue projections included in the FY 2020 Third Quarter Report. Additionally, the Third Quarter Report appropriation adjustment requests appear reasonable. Note that any remaining deficits at year-end are planned to be remedied through use of the annual year-end budget control authorities requested in the report. Details of select revenue and expenditure projections included in the Third Quarter Report, including major General Fund revenue projections, expenditure variances in salaries and wages, as well as significant issues identified by our Office, are discussed in the following sections.

GENERAL FUND REVENUES

General Fund revenues for FY 2020 are projected to be \$1.5 billion at the end of the fiscal year, which is a decrease of \$44.5 million (0.9%) from the FY 2020 Adopted Budget. Major Revenues are projected to decline by \$66.3 million (-5.5%) while other revenues are projected to decline by \$57.4 million (-18.3%). The majority of the declines are related to decreases in the City's Transient Occupancy Tax (TOT), which is affecting the General Fund by \$82.8 million compared to the Adopted Budget. These declines are offset with \$79.1 million in funding from the CARES Act to fund operations related to the COVID-19 pandemic.

FY 2020 Projected General Fund Revenue (<i>\$ in millions</i>)					
Revenue Source	Adopted Budget	Mid-Year Projection	Year-End Projection	Variance: Adopted to Year-End	Variance: Mid-Year to Year-End
Major General Fund Revenues					
Property Tax	\$ 601.9	\$ 607.4	\$ 610.9	\$ 9.0	\$ 3.5
Sales Tax	297.9	300.2	276.1	(21.8)	(24.1)
Transient Occupancy Tax	136.9	133.6	93.4	(43.5)	(40.2)
Franchise Fees	80.0	79.6	73.8	(6.2)	(5.8)
TOT Discretionary	24.3	23.7	16.4	(7.9)	(7.3)
Other Major Revenues	64.5	66.4	68.6	4.1	2.2
<i>Subtotal Major Revenues</i>	<i>\$ 1,205.5</i>	<i>\$ 1,210.9</i>	<i>\$ 1,139.2</i>	<i>\$ (66.3)</i>	<i>\$ (71.7)</i>
Other Revenues					
TOT Fund Reimbursement	55.2	52.9	23.8	(31.4)	(29.1)
READ Lease Revenue	53.6	55.5	42.4	(11.2)	(13.1)
Transportation Revenue	72.2	72.2	64.4	(7.8)	(7.8)
Other Departmental Revenue	162.8	170.3	155.8	(7.0)	(14.5)
<i>Subtotal Other Revenue</i>	<i>\$ 343.8</i>	<i>\$ 350.9</i>	<i>\$ 286.4</i>	<i>\$ (57.4)</i>	<i>\$ (64.5)</i>
CARES Funding	-	-	79.1	79.1	79.1
Total Revenue	\$ 1,549.2	\$ 1,561.8	\$ 1,504.7	\$ (44.5)	\$ (57.1)

Property Tax

Total Property Tax revenue in FY 2020 is projected to be at \$610.9 million, which is an increase of \$9.0 million from the Adopted Budget. This increase is attributable to increased revenue from the Redevelopment Property Tax Trust Fund (RPTTF) which has increased by \$7.0 million due to revised projections received from the County for the deposits into the RPTTF prior to the disbursements and Recognized Obligation Payment Schedule (ROPS) requirements. The ROPS was also approved by the State DOF on April 15, 2020, and the City is not contesting any of the findings. Our Office agrees with the projections.

Sales Tax

Sales tax is projected to be \$21.8 million, or 7.3%, under the \$297.9 million budget in FY 2020. This revenue was projected at slightly over budget at Mid-Year. Fourth quarter (April-June 2020) sales tax revenue projections reflect a -45.81% growth rate and are roughly half of the revenue that was anticipated in the third quarter (January-March 2020). The significant reduction in projected sales tax revenue is directly related to the impacts of business closures from COVID-19. The projection prepared by the Department of Finance also takes into account tax deferments and the impacts of increased unemployment. Safety sales tax, which supports Police and Fire-Rescue Departments, is also projecting a shortfall of \$1.1 million, for a total impact of \$22.9 million to the General Fund.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) revenue is the most significantly impacted of the major revenue sources during this COVID-19 pandemic. Total City TOT revenue for FY 2020 was budgeted at \$260.3 million and is now projected at \$177.2 million, reflecting a reduction of \$83.1 million or 31.2%. Revenue projections for the final quarter of the fiscal year were revised downward by

64.0% for April and 90.0% for May and June. Of the total TOT shortfall of \$83.1 million to the City, \$82.8 million impacts the General Fund:

- The 5.5 cents of TOT that is directly deposited in the General Fund is projected \$43.5 million under budget.
- Various General Fund departments (Fire-Rescue, Parks and Recreation, Police and Library) receive TOT reimbursement revenue from Special Promotional Programs for tourism and safety related activities. These reimbursements are projected to be \$31.4 million under budget for FY 2020.
- The 1.0 cent of discretionary TOT that is deposited into Special Promotional Programs but then transferred to the General Fund per the Adopted Budget is projected to be \$7.9 million under budget.

Franchise Fees

Franchise Fees are projected to be at \$73.8 million at the end of FY 2020, which is a decrease of \$6.2 million (-7.8%) from the Adopted Budget. The majority of this decrease is due to a lower than anticipated clean-up payment from SDG&E, resulting in a decline of \$3.3 million for FY 2020. There are also projected declines of \$2.0 million in refuse hauler collections and \$0.6 million for cable television. Our Office agrees with these projections.

Other Departmental Revenues

Real Estate Assets: Leases

The Real Estate Assets Department is projecting revenue to be approximately \$11.2 million under budget in FY 2020. Mission Bay and Pueblo Land rents and concessions are each projected to be under budget by over 30% by fiscal year end. Mission Bay revenues are projected under budget by \$10.3 million and Pueblo Lands under by \$2.4 million, with slight overages in other revenue areas of the Department netting to \$11.2 million. The shortfalls in Mission Bay and Pueblo Land rents are directly related to business closures (such as Sea World), rent deferrals and reductions in performance-based leases as a result of COVID-19. According to the Third Quarter Report, the department is estimating that approximately \$6.0 million of the above rents may be received in FY 2021. The \$10.3 million reduction in revenue from Mission Bay rents and concessions results in an equivalent \$10.3 million reduction in funding transferred from the General Fund (Citywide Program Expenditures) to the park improvement funds for capital projects.

Transportation and Storm Water Department Revenues

Departmental revenues for the Transportation and Storm Water Department are projected to decline by \$7.8 million in FY 2020 due to the COVID-19 pandemic. The reduction is made up of lower revenue transfers from the Gas Tax Fund (\$5.0 million) due to lower projections for gas tax proceeds from the State, as well as lower parking citation revenue (\$2.2 million) as a result of limited parking enforcement and issuance of citations due to the Mayor's Executive Order related to the pandemic.

CARES Act – Coronavirus Relief Fund

Of the \$248.5 million that the City received in Coronavirus Relief Funds (CRF) authorized by the federal CARES Act, \$88.4 million has been included in the FY 2020 Third Quarter Report

projections to support eligible expenses beginning on March 1, 2020 through the end of FY 2020. Use of CRF for the identified expenses largely reduces the expenses that would otherwise need to be covered by the General Fund with reserves or additional reductions.

We note that the May Revision to the FY 2021 Proposed Budget includes \$155.0 million in CRF to support eligible expenses anticipated in FY 2021 through December 30, 2020. On May 19, 2020, Council approved \$5.0 million in CRF to provide childcare vouchers for essential workers and other vulnerable populations. These funds, in addition to the \$88.4 million reflected in the Third Quarter Report, reflect full utilization of the City's \$248.5 million CRF allocation.

GENERAL FUND EXPENDITURES

As of the Third Quarter Report, projected year-end General Fund expenditures of \$1.58 billion are \$372,000 million higher than the FY 2020 Adopted Budget^{1,2}, or 0.02%. The third quarter projected expenditures are \$6.4 million lower than projected at mid-year. Variances include additional salary savings (primarily vacancy savings, including those from the hiring freeze), which are offset by fringe benefits increases. There was also a \$10.3 million decrease in the transfer to the Parks Improvement Funds, which was partially offset by increases in other non-personnel expenditures, largely related to COVID-19 and public safety activities. The Department of Finance has provided explanations for many of the budget variances in the Third Quarter Report.

The remainder of this General Fund Expenditures section will focus on salaries and wages, which are projected to be lower than the Adopted Budget by a net \$3.8 million. As reported in our review of the Mid-Year Budget Monitoring Report, there are significant overages in overtime and other wage components which are offset by additional vacancy savings that are above budgeted vacancy savings. Our report discusses those aspects in the following pages.

Salaries and Wages

The table on the following page compares the FY 2020 Third Quarter expenditure projections to the Adopted Budget for various salaries and wages categories. The fourth column shows that salaries and wages in total are projected to be \$3.8 million lower than what was included in the FY 2020 Adopted Budget.

Looking at the separate rows in the table, we can see that there is \$16.7 million in salary savings, primarily related to higher vacancies than anticipated in the Adopted Budget. We can also see that this \$16.7 million in vacancy savings offsets overages in other salaries and wages categories: special pay, overtime, and termination pay.

The most significant overage, \$10.4 million in overtime, is largely related to the Fire-Rescue and Police Departments – \$6.7 million and \$1.6 million, respectively. Note that an additional \$3.9 million in Police overtime was budgeted and is being projected in the Seized Assets Fund. We

¹ Budget and projected expenditures totals in this analysis do not include amounts for the FY 2020 General Fund Reserve contribution.

² In this report, the General Fund expenditures projections are compared to the FY 2020 Adopted Budget. The Third Quarter Report compares the projections to the Current Budget, which includes budget modifications such as mid-year adjustments approved by Council.

have concerns regarding transparency and year-over-year comparability with the overtime expenditures split between two funds.

FY 2020 Salaries and Wages Expenditures - General Fund				
	Adopted Budget	Third-Quarter Projections	Variance: Third-Quarter to Adopted¹	Variance %: Third-Qtr. to Adopted
Salaries	\$ 510,817,000	\$ 494,122,000	\$ 16,695,000	3.3%
Special Pay	38,359,000	41,365,000	(3,006,000)	(7.8%)
Overtime	72,872,000	83,297,000	(10,425,000)	(14.3%)
Hourly	14,245,000	13,934,000	311,000	2.2%
Vacation Pay-in-Lieu of Annual Leave	6,601,000	5,050,000	1,551,000	23.5%
Termination Pay	2,190,000	3,546,000	(1,356,000)	(61.9%)
Total	\$ 645,084,000	\$ 641,314,000	\$ 3,769,000	0.6%

Note: Table may not total due to rounding.

¹ Positive variances are spending below budget levels. Negative variances are overages, or spending above budget levels.

Departmental Variances

The next table displays FY 2020 projected departmental spending variances (as compared to the Adopted Budget) for various salaries and wages categories. Again, the total salaries and wages spending variance of \$3.8 million – which is the net of all categories’ overages and under-budget spending – is shown in the right-most column.

FY 2020 Variances for Salaries and Wages Expenditures - General Fund							
Variations: Third-Quarter Projection to Adopted Budget¹	Salaries	Overtime	Special Pay	Hourly	Vacation Pay-in-Lieu	Termination Pay	Total Salaries and Wages
Fire-Rescue	\$ 6,576,000	\$ (6,653,000)	\$(1,453,000)	\$ (102,000)	\$ 584,000	\$ 300,000	\$ (748,000)
Transportation & Storm Water	2,077,000	(224,000)	(528,000)	144,000	65,000	(176,000)	1,358,000
Department of Finance	1,050,000	16,000	(4,000)	19,000	1,000	(67,000)	1,015,000
City Treasurer	980,000	4,000	(2,000)	(1,000)	(7,000)	(5,000)	969,000
Parks & Recreation	939,000	(586,000)	(20,000)	127,000	108,000	(55,000)	513,000
Police	851,000	(1,649,000)	(982,000)	421,000	764,000	(934,000)	(1,529,000)
Economic Development	748,000	(16,000)	18,000	4,000	3,000	(14,000)	743,000
Environmental Services	488,000	(886,000)	(4,000)	(18,000)	19,000	(29,000)	(430,000)
Facilities Services	469,000	(230,000)	(31,000)	(6,000)	3,000	(13,000)	192,000
Smart & Sustainable Communities	452,000	-	-	-	-	-	452,000
Purchasing & Contracting	434,000	(57,000)	1,000	25,000	(4,000)	(9,000)	390,000
Real Estate Assets	373,000	-	-	(25,000)	(7,000)	(6,000)	335,000
City Auditor	349,000	-	-	(38,000)	(1,000)	(14,000)	296,000
Office of Homeland Security	347,000	(5,000)	1,000	39,000	8,000	(16,000)	374,000
Office of the Mayor	316,000	-	1,000	(14,000)	(14,000)	(11,000)	278,000
Planning	310,000	-	13,000	-	(3,000)	(8,000)	312,000
Personnel	213,000	(32,000)	2,000	28,000	7,000	(6,000)	212,000
Development Services	188,000	32,000	(8,000)	(6,000)	(1,000)	(3,000)	202,000
City Attorney	(791,000)	(56,000)	(15,000)	(354,000)	10,000	(159,000)	(1,365,000)
Library	(897,000)	(76,000)	5,000	202,000	(4,000)	(39,000)	(809,000)
Other Departments	1,223,000	(7,000)	(1,000)	(133,000)	20,000	(93,000)	1,009,000
Total	\$16,695,000	\$ (10,425,000)	\$(3,007,000)	\$ 312,000	\$ 1,551,000	\$(1,357,000)	\$ 3,769,000

Note: Table may not total due to rounding.

¹ Positive variances are spending below budget levels. Negative variances are overages, or spending above budget levels.

A majority of departments’ under budget salaries (shown as positive amounts in the second column of the table and totaling \$16.7 million) more than offset over-spending in the other salaries and wages categories. Conversely, the City Attorney’s Office and Library Department have overages in salaries, as well as the total salaries and wages column. Additional discussion on the overages in the City Attorney’s Office is discussed later. Further, the three departments with the highest over budget overtime (Fire-Rescue, Police, and Environmental Services) have net overages for total salaries and wages.

Vacancy Savings

Under budget salaries – again primarily due to vacancies and totaling \$16.7 million – are shown in the second column of the table above. This \$16.7 million in vacancy savings is in addition to the \$38.0 million in budgeted vacancy savings for FY 2020. Adding the budgeted vacancy savings to the additional vacancy savings yields a total vacancy savings of \$54.7 million. Additionally, for a historical perspective, the City’s actual vacancy savings has been trending higher than budgeted amounts as shown in the following table.

Annual Vacancy Savings Comparison - General Fund			
<i>(\$ in millions)</i>	Budgeted Vacancy Savings	Additional Vacancy Savings	Total Year-End Vacancy Savings ¹
FY 2020	\$ 38.0	\$ 16.7	\$ 54.7
FY 2019	33.2	22.2	55.4
FY 2018	29.7	19.9	49.6
FY 2017	30.4	15.7	46.1
FY 2016	21.5	21.9	43.4

Note: Table may not total due to rounding.

¹ Total vacancy savings for FY 2016 through FY 2019 are unaudited actual amounts. The FY 2020 vacancy savings amount is the third-quarter projection.

A factor that is expected to lessen vacancy savings overages in the future is the salary reductions which have been made between the FY 2020 Adopted Budget and FY 2021 Proposed Budget/May Revision. Vacancy savings has increased by \$3.2 million, from \$38.0 million to \$41.2 million (which reduces budget for salaries by that amount). Additionally, net standard-hour position reductions total \$6.0 million and 123.32 FTE positions; and further salary reductions include \$3.9 million for non-Mayoral departments (a 4% reduction applied by the Mayor to these departments).

City Attorney: Personnel Expenditure Overage

The Office of the City Attorney is projecting to be approximately \$1.7 million over budget by year end. This is entirely in personnel expenditures with over \$1.4 million in salaries and wages and the rest being associated fringe expenses. This projection is consistent with the \$1.7 million over budget projection reported in the FY 2020 Mid-Year Budget Monitoring Report. The \$1.3 million overage in salaries and wages reflects 4.0% of the City Attorney’s salaries and wages budget for FY 2020. As of period 9, they had spent 77.7% of the budget and are projecting the same monthly expense for the remaining three months of the fiscal year as was spent in March 2020. They also note that they are maintaining 12.00 FTE positions vacant through the remainder of the fiscal year. As this trend has been consistent in FY 2020 projections prepared by the Office of the City Attorney, our Office continues to note that the budgeted vacancy savings appears to be too high

for the City Attorney's Office and in our Recommended City Council Modifications to the Mayor's Proposed FY 2021 Budget (IBA Report No. 20-11), we recommend reducing the budgeted vacancy savings for FY 2021 back to the FY 2019 level.

Homelessness Strategies: Housing Navigation Center

The Third Quarter Report projects \$180,000 in federal fund savings for the operation of the Housing Navigation Center out of the \$1.6 million budgeted for FY 2020, assuming a full fiscal year of operations. However, the Center opened in December 2019. Prior to the program's opening, the operator performed outreach to gather clients and ramp-up activities to prepare for the opening. In response to COVID-19, the report states that program operations have adjusted by providing mostly remote case management and limited on-site services offered by partner agencies. Since opening, the Center has placed 12 individuals into permanent or longer-term housing.

Homelessness Strategies: Operation Shelter to Home

The Third Quarter Report includes \$3.2 million in Coronavirus Relief Funds authorized by the federal CARES Act for Operation Shelter to Home to fund costs through the end of FY 2020. The program is also using \$7.1 million in state COVID-19 grant funds (non-General Fund expenses), for a total of \$10.3 million. These costs are in addition to the FY 2020 Bridge Shelter Program budget. Since the beginning of April, 72 individuals have been placed into housing.

The Third Quarter Report reflects \$5.8 million in one-time state Homeless Emergency Aid Program (HEAP) funds that are projected to carryforward for use in FY 2021. These funds were originally expected to be spent over multiple years. In addition, the City was awarded \$22.5 million in another one-time state funding source called Homeless Housing, Assistance, and Prevention (HHAP). Staff is expected to come forward with an item requesting approval from Council for use of HEAP carryforward funds as well as allocation of new HHAP funds in June. In addition to funding the FY 2021 Bridge Shelter Program, some of these funds may be used to help facilitate successful exits from the Operation Shelter to Home program.

GENERAL FUND RESERVES

The mid-year estimate for excess equity was \$27.9 million, as shown in the following table. That has changed with recent revenue declines due to the COVID-19 pandemic. Some of the revenue declines have been mitigated with CARES Act and other funds, but excess equity is now projected to be depleted, and further, \$12.8 million of General Fund Reserve will be used to balance FY 2020 expenditures. The \$12.8 million reduction in Reserve will bring the Reserve balance from the \$205.6 million FY 2020 Reserve target to \$192.8 million, the FY 2019 Reserve target. The table below shows the General Fund Reserve activity, with the resulting FY 2020 Reserve target deficit of \$12.8 million.

FY 2020 General Fund Projection Comparison			
	Mid-Year Projection	Third Qtr. Projection	Difference
<i>(\$ in millions)</i>			
Audited Beginning Fund Balance at June 30, 2019	\$ 256.5	\$ 256.5	\$ -
Less: 15.5% Reserve Target for FY 2020	(205.6)	(205.6)	-
<i>Fund Balance Before FY 2020 Projected Activity</i>	<i>\$ 50.9</i>	<i>\$ 50.9</i>	<i>\$ -</i>
<i>FY 2020 Projected Activity (Use of Fund Balance)</i>			
Projected Revenue	1,561.8	1,504.7	(57.1)
Use of CIP with no Activity as a Funding Source	-	10.0	10.0
Projected Expenditures	(1,584.9)	(1,578.5)	6.4
<i>Projected Use of Fund Balance - Excess Equity/General Fund Reserve</i>	<i>\$ (23.0)</i>	<i>\$ (63.7)</i>	<i>\$ (40.7)</i>
FY 2020 Projected Year-End Excess Equity/(Reserve Target Deficit)	\$ 27.9	\$ (12.8)	\$ (40.7)

Note: Table may not total due to rounding

REVIEW OF CIP BUDGET MONITORING

In this section we discuss:

1. Various requests for appropriations, including defunding certain projects with General Funds to mitigate the FY 2020 operating budget shortfall;
2. Requests to appropriate newly identified flexible funding, and
3. Projects that are anticipated to have funds backfilled with the upcoming commercial paper budget authorization.

Review of Requested Appropriations

FY 2020 Operating Budget Shortfall Mitigation

One of the actions to address the FY 2020 budget shortfall due to COVID-19 is to transfer \$10.0 million in General Funds from the Capital Improvements Program (CIP) budget to support the operating budget. Of this amount \$9.3 million is requested in the CIP Budget Monitoring Report to be defunded from the projects in the table below. The report states that these projects are anticipated to be backfilled in FY 2021 with the next commercial paper issuance. The remaining \$700,000 in General Funds is fund balance from completed project savings and swapping out fund sources using authority provided by the FY 2020 Appropriations Ordinance.

CIP Transfer of General Funds to Mitigate FY 2020 Operating Budget Shortfall	
Sidewalk Repair & Replacement	\$ 4,200,000
Installation City Owned Street Lights	1,486,000
Street Light Circuit Upgrades	1,300,000
Olive Grove Community Park ADA Improvement	1,050,000
Hickman Fields Athletic Area	1,000,000
Ocean Beach Pier Improvements	264,000
Total Amount Requested to be Defunded	\$ 9,300,000
Project Savings and Fund Swap Allowed by Appropriations Ordinance	700,000
Total Amount to Mitigate Budget Shortfall	\$ 10,000,000

Appropriation of Unallocated Flexible Funds – \$1.4 million in Capital Outlay Funds

Capital Outlay is a flexible funding source that can be used for CIP projects across all asset types. The CIP Budget Monitoring Report requests to allocate newly identified \$1.4 million in Capital Outlay funds resulting from a land sale. Council may choose to fund different projects than those reflected below.

Requested Appropriations for Capital Outlay Funds	
Sidewalk Repair & Replacement	\$ 1,020,000
City Facility Improvements	300,000
Park Improvements	50,000
Traffic Calming	30,000
Total	\$ 1,400,000

Net Change to Sidewalk Repair & Replacement Annual Allocation – \$3.3 million decrease

As shown in the tables above, \$4.2 million in General Funds is requested to be reduced, and \$1.0 million is requested to be added, for sidewalk repair. The report also transfers about \$140,000 from sidewalk repair to other projects, for a total net decrease of \$3.3 million for the sidewalk repair annual allocation.

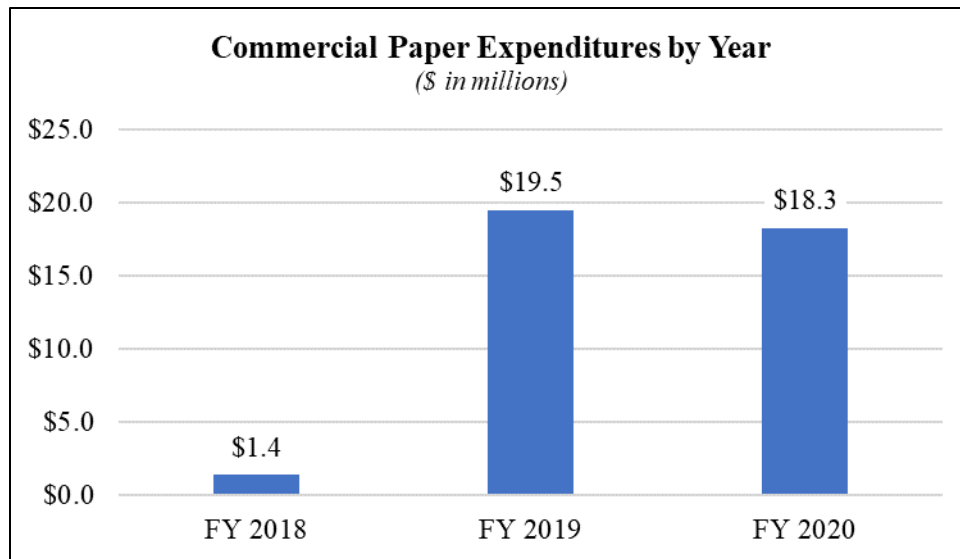
Note that our Office’s Recommended City Council Modifications to the Mayor’s Proposed FY 2021 Budget (IBA Report No. 20-11) suggests using part of the Infrastructure Fund true-up payment to support sidewalk repair and replacement.

Net Change to Storm Water – \$1.0 million increase

The CIP Budget Monitoring Report transfers \$1.0 million from various projects to support both the Drainage and Watershed Annual Allocations.

General Fund Commercial Paper Program

The CIP Budget Monitoring Report provides an update on the expenditure of the commercial paper program for General Fund assets. About 45% (\$39.2 million) of the total \$87.8 million has been expended since authorization of the program in May and August of 2018. As reflected in the report, \$23.5 million is currently encumbered and \$25.2 million is allocated to projects, but not yet encumbered. The table below reflects the \$39.2 million spent by fiscal year. Note that the first issuance occurred in November 2018 and FY 2020 reflects expenditures through March 2020.



Projects Anticipated to be Backfilled with Commercial Paper Funding

As previously mentioned, staff intends to come to Council to appropriate additional debt financing for General Fund assets in FY 2021. We note that many projects have given up funding in FY 2020 and are anticipated to be backfilled with the upcoming commercial paper authorization. The amounts transferred from projects to support storm water emergency projects include:

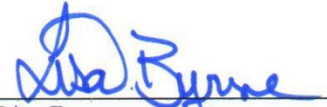
- \$13.9 million from seven projects³ approved by Council on May 12
- Approximately \$14.0 million from 49 currently stalled storm water projects
- \$2.0 million in storm drain relining provided in the FY 2020 Adopted Budget

This is in addition to the previously mentioned \$9.3 million in General Funds transferred from projects to mitigate the FY 2020 budget shortfall that will also need to be replenished.

CONCLUSION

Overall, our Office concurs with the year-end expenditure and revenue projections included in the FY 2020 Third Quarter Report and recommend approval of the FY 2020 appropriation adjustments and authorities as proposed in the FY 2020 Third Quarter Report.


 Angela Colton
 Fiscal & Policy Analyst


 Lisa Byrne
 Fiscal & Policy Analyst

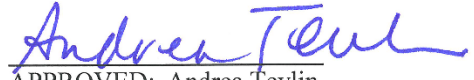
³ Projects include: Wightman Street Neighborhood Park (S00767), San Carlos Branch Library (S00800), Fire Station No. 51 - Skyline Hills (S14017), Balboa Park Federal Building Improvements (AGF00005/B20066), Beyer Park Development (S00752), Regional Park Improvements (AGF00005), Fire-Rescue Air Ops Facility - PH II (S18007)



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