

CITY OF SAN DIEGO
FY 2016-2020

Five-Year Financial Outlook
November 14, 2014



Kevin L. Faulconer
Mayor

Scott Chadwick
Chief Operating Officer

Mary Lewis
Chief Financial Officer

Tracy McCraner
Financial Management Director

Disclaimer:

The City files its disclosure documents, including official statements, audited financial statements, comprehensive annual financial reports, annual financial information, material event notices, and voluntary disclosures with the Municipal Securities Rule Making Board's Electronic Municipal Market Access ("EMMA") system. The Five-Year Financial Outlook is not filed on EMMA and investors should not rely upon the Five-Year Financial Outlook to make any investment decisions. The City will provide the Five-Year Financial Outlook to the rating agencies, its bond insurers and other interested parties, and welcomes and encourages their careful review of this document. Readers are cautioned that the numbers presented in this document are the City's best estimate for the next five years based on facts and factors currently known to the City and do not represent actual performance. No representation is made by the City that, as of the date this document is read, there is not a material difference between the City's actual performance as of such date and the financial data presented in the Five-Year Financial Outlook. Certain statements in this document constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements. Forward-looking statements involve, and are subject to known and unknown risks, uncertainties and other factors which could cause the City's actual results, performance (financial or operating) or achievements to differ materially from the future results, performance (financial or operating) or achievements expressed or implied by such forward-looking statements. All forward-looking statements herein are expressly qualified in their entirety by the abovementioned cautionary statement. The City disclaims any obligation to update forward-looking statements contained in this document.

This Page Intentionally Left Blank

Table of Contents

Executive Summary	1
Forecast and Report Overview	2
Baseline Projections	2
Priority Initiatives	3
Reserves	5
Baseline Projections	7
General Fund Revenues	7
Property Tax	8
Sales Tax	12
Transient Occupancy Tax	15
Franchise Fees	17
Property Transfer Tax	19
Licenses and Permits	20
Fines, Forfeitures and Penalties	20
Revenue from Money and Property	21
Interest Earnings	21
Revenue from Federal and Other Agencies	22
Charges for Services	23
Other Revenue	24
Transfers In	24
General Fund Expenditures	26
Salaries and Wages	26
Employee Organization Agreements	27
Retirement Actuarially Determined Contribution (ADC)	28
Flexible Benefits	30
Other Post Employment Benefits	31
Workers' Compensation	31
Supplemental Pension Savings Plan (SPSP)	32
Employee Offset Savings	33
Other Fringe Benefits	33

Public Liability Reserve Contribution 34

Supplies 35

Contracts 35

Information Technology 37

Energy and Utilities 37

Other Expenditures 38

Priority Initiatives 39

 Infrastructure and Neighborhood Investment 40

 Public Safety 52

 Technology Improvements 58

 Transparency and Open Data 60

Reserves 63

Conclusion 67

Attachments 67

 FY2016-2020 Five-Year Financial Outlook Attachment 1

 FY2015 Adopted Budget – One-time Revenues and Expenditures Attachment 2

 Discretionary Operational Needs Attachment 3

Executive Summary

The City of San Diego (City) Fiscal Year (FY) 2016-2020 Five-Year Financial Outlook (Outlook) guides long-range fiscal planning and serves as the framework for the development of the FY 2016 Adopted Budget. This is the tenth Outlook the City has published since November 2006 and incorporates projected General Fund revenues and information on the methodology and basis for those projections, and priority appropriation needs in General Fund departments over the next five fiscal years. This Outlook focuses on identified Priority Initiatives for the coming fiscal years, as well as providing additional information on departmental requests submitted in the development of the Outlook. This document is not a budget, and therefore does not include all departmental requests that may be identified and considered in the preparation of the FY 2016 and future budgets.

The Priority Initiatives identified in the Outlook are: 1) Infrastructure and Neighborhood Investments; 2) Public Safety; 3) Technology Improvements to better serve the public, and; 4) Transparency and Open Data Initiatives. Priority departmental submissions for future budgetary appropriations have been grouped in these categories for the FY 2016 budget and beyond.

Overall, the FY 2016-2020 Outlook forecasts revenues to continue to modestly improve. Major General Fund revenues are anticipated to increase in each year of the Outlook; however, the rate of increase is projected to slow in the outer years of the Outlook returning to more stable levels of growth. Offsetting the increased revenues are projected increases in nearly all expenditure categories to allocate resources to the identified Priority Initiatives.



Per the City Charter, the Mayor will present a balanced budget for the City Council's consideration in April 2015. This Outlook provides the City Council and the public information to facilitate an informed discussion during development of the FY 2016 Adopted Budget regarding the allocation of limited resources to meet the service needs of the residents of San Diego.

Forecast and Report Overview

The City's General Fund is the focus of the FY 2016-2020 Five-Year Financial Outlook. The Outlook forecasts General Fund revenues and expenditures for five fiscal years beginning in FY 2016 and is divided into three distinct sections: Baseline Projections, Priority Initiatives, and Reserves. In preparation for this report, City departments submitted a total of \$600.0 million in requests over the next five fiscal years. These department submissions were classified into the following four Priority Initiative categories:

- Infrastructure and Neighborhood Investments;
- Public Safety;
- Technology Improvements, and;
- Transparency and Open Data.

The Priority Initiative categories support the City's continued commitment to prudent financial management practices while investing in the City's infrastructure, neighborhoods, and public safety. Not all department requests have been included in the Priority Initiatives section. For those items not included in the Baseline Projections or Priority Initiative sections, a separate list has been included as Attachment 3: FY 2016-2020 Discretionary Operational Needs.

Baseline Projections

The Baseline Projections section of the Outlook primarily consists of the City's projections for the next five years for the General Fund's ongoing revenues and expenditures, as displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook. The Baseline Projections section includes revenue and expense adjustments necessary to support current service levels provided by the City. The Fiscal Year 2015 Adopted Budget, with one-time revenues and expenditures removed, serves as the starting point for the Baseline Projections. One-time revenues and expenditures that have been removed from the Baseline Projections are detailed in Attachment 2: FY 2015 Adopted Budget – One-time Revenues and Expenditures.

Considering the Baseline Projections, growth in ongoing revenues is anticipated to outpace growth in ongoing expenditures. This structurally balanced projection is largely the result of several years of disciplined budgetary decisions by the City. The FY 2015 Adopted Budget continued the City's prudent financial management policies while increasing funding for

infrastructure, neighborhood services, and improving public safety. The FY 2016-2020 Outlook continues this focus through the identification of Priority Initiatives to deploy the surpluses projected for the Outlook Period for priority needs. Table 1 displays the City’s FY 2016-2020 Baseline Projections for General Fund revenues and expenditures and remaining funding available for the Priority Initiatives discussed in the following section.

(\$ in millions)

TABLE 1: BASELINE PROJECTIONS	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Baseline General Fund Revenues	\$ 1,241.4	\$ 1,279.2	\$ 1,316.0	\$ 1,361.8	\$ 1,404.2
Baseline General Fund Expenditures	\$ 1,182.9	\$ 1,189.9	\$ 1,206.5	\$ 1,229.8	\$ 1,240.2
BASELINE SURPLUS / (DEFICIT)	\$ 58.5	\$ 89.3	\$ 109.5	\$ 132.0	\$ 164.1

Priority Initiatives

The four Priority Initiative categories are the focus of the Outlook to continue the City’s commitment to allocating resources to investments in infrastructure, neighborhoods, public safety, technology improvements, and transparency while maintaining responsible financial management practices. The Priority Initiative categories identify revenues and expenditures for programs and services that are in excess of the General Fund’s ongoing revenues and expenditures included in the FY 2016-2020 Baseline Projections. The Priority Initiative categories identified are as follows:

- Infrastructure and Neighborhood Investments;
- Public Safety;
- Technology Improvements, and;
- Transparency and Open Data.

The following table displays the total revenue and expenditures identified for the Priority Initiatives and the resulting effect on the City’s FY 2016-2020 Outlook Baseline Projections surplus shown in Table 1 above.

(\$ in millions)

TABLE 2: PRIORITY INITIATIVES	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
BASELINE SURPLUS / (DEFICIT)	\$ 58.5	\$ 89.3	\$ 109.5	\$ 132.0	\$ 164.1
Priority Initiative Revenues	\$ 1.4	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7
Priority Initiative Expenditures	\$ 57.0	\$ 69.9	\$ 85.4	\$ 95.9	\$ 104.0
SURPLUS / (DEFICIT) INCLUDING PRIORITY INITIATIVES	\$ 2.9	\$ 21.1	\$ 25.8	\$ 37.8	\$ 61.8

As displayed in Table 2, the FY 2016-2020 Baseline surplus projections allow for significant investments in the identified Priority Initiatives while leaving a small surplus in FY 2016. The use of this surplus will be considered during the development of the FY 2016 budget for

requests not currently identified within the Priority Initiatives categories. The following table displays the revenue and expenditure amounts identified for each of the four Priority Initiative categories.

(\$ in millions)

TABLE 3: PRIORITY INITIATIVES	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Infrastructure and Neighborhood Investment					
Revenue	\$ 1.3	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6
Expense	\$ 31.5	\$ 46.8	\$ 50.9	\$ 53.8	\$ 56.2
Public Safety					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 21.9	\$ 21.2	\$ 30.8	\$ 40.8	\$ 46.5
Technology Improvements					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 2.7	\$ 1.2	\$ 3.0	\$ 0.8	\$ 0.8
Transparency and Open Data					
Revenue	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Expense	\$ 0.9	\$ 0.7	\$ 0.6	\$ 0.4	\$ 0.4
Total Revenue	\$ 1.4	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7
Total Expense	\$ 57.0	\$ 69.9	\$ 85.4	\$ 95.9	\$ 104.0

As displayed above in Table 3, the Infrastructure and Neighborhood Investment and Public Safety categories are the primary uses of projected revenue growth during the FY 2016-2020 Outlook period. The Infrastructure and Neighborhood Investment category includes allocations for streets, sidewalks, storm water, park and recreation facilities, and libraries, and demonstrates the Mayor’s pledge of dedicating at least 50 percent of new major revenue growth to invest in infrastructure. The next table displays the annual amount of new major revenue growth projected in each year of the Outlook and the infrastructure projects identified for expenditure within the Infrastructure and Neighborhood Investment Priority Initiative category. Detailed descriptions of the new major General Fund revenue growth can be found in the Baseline Projection section of this report, while detailed descriptions of each of the infrastructure projects can be found in the Priority Initiatives section.

(\$ in millions)

TABEL 4: NEW MAJOR GENERAL FUND REVENUES	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
TOTAL NEW MAJOR GENERAL FUND REVENUES¹	\$ 57.5	\$ 29.6	\$ 25.3	\$ 35.7	\$ 32.3
50% OF NEW MAJOR GENERAL FUND REVENUES TO FUND INFRASTRUCTURE	\$ 28.8	\$ 14.8	\$ 12.6	\$ 17.9	\$ 16.2

PRIORITY INITIATIVE EXPENDITURES FOR INFRASTRUCTURE	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Deferred Capital Debt Service	\$ 7.5	\$ 12.8	\$ 18.1	\$ 18.1	\$ 18.1
Enterprise Asset Management (EAM)	3.7	3.0	0.1	0.1	0.1
Environmental Services Department - CNG Fueling Station	0.1	0.6	0.3	(0.1)	(0.5)
Parks Condition Assessment / Asset Management	0.3	0.3	0.3	0.3	0.3
Facilities Condition Assessment	1.0	0.5	0.5	-	-
Flood Risk Management	9.2	12.3	11.8	11.0	14.6
Comprehensive Load Reduction Plan (CLRP)	5.5	12.7	9.9	12.9	11.3
Streets Division	2.7	2.0	7.0	8.0	9.0
TOTAL PRIORITY INITIATIVE EXPENDITURES FOR INFRASTRUCTURE	\$ 30.0	\$ 44.2	\$ 47.9	\$ 50.3	\$ 52.9

1. New major General Fund revenues include increases in Property Tax, Sales Tax, Transient Occupancy Tax (TOT), Franchise Fees, and Property Transfer Tax.

Table 4 demonstrates the Mayor's commitment to allocating at least 50 percent of new major revenue growth to infrastructure in FY 2016. In FY 2017 through FY 2020 the allocations to infrastructure continue to grow, even as major revenue growth slows.

The Public Safety Priority Initiative also continues to be an essential focus of the FY 2016-2020 Outlook. Revenues will improve services by funding civilian and sworn positions and police officer retention programs for the Police Department, an increase in academies and new fire station facilities for the Fire-Rescue Department and a vessel replacement plan for Lifeguards. In addition to increases for infrastructure, neighborhoods, and public safety, the Transparency and Open Data initiative focuses on improving transparency by increasing the ease of access by the public to the City's online resources. The Technology Improvements initiative upgrades the City's technology to improve operational efficiencies and increase cyber security.

Not all department requests submitted in the preparation of the Outlook are included in the FY 2016-2020 Outlook. Those requests not listed in the initiatives are detailed in Attachment 3: FY 2016-2020 Discretionary Operational Needs. While items categorized as discretionary are not included within the FY 2016-2020 Outlook projections, the estimated future financial impact of these programs and projects are included to provide a complete picture of General Fund department requests.

Reserves

The City's Reserve Policy documents the City's approach to establishing and maintaining strong reserves across the spectrum of City operations, including the General Fund and risk management. The Reserves section of the FY 2016-2020 Outlook primarily focuses on the reserves of the General Fund, but also discusses the reserves of the Public Liability Fund,

Workers' Compensation Fund, and Long Term Disability Fund. The City's Reserve Policy establishes funding targets for each of these funds and all reserve targets are projected to be met during the Outlook period.

Baseline Projections

The Baseline Projections section of this report is divided into two main components: General Fund Revenues and General Fund Expenditures. The General Fund Revenues section is then further divided by revenue category while the General Fund Expenditures section is divided by both personnel and non-personnel expenditure categories, as displayed in the Baseline Projections section of Attachment 1: FY 2016-2020 Five-Year Financial Outlook.

It is important that the reader carefully review the narrative descriptions of the risks and possible variances in revenue and expenditure projections to understand the bottom line estimated surpluses displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook.

General Fund Revenues

The following section provides details of the City of San Diego's FY 2016-2020 Five-Year Financial Outlook revenue projection. This section discusses each of the General Fund revenue categories displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook. The details provided for each revenue category include a description of the revenue source, the economic indicators affecting the revenue source, the projected growth rates, and any potential risks that may cause actual revenue receipts to vary from the projection.

It should be noted that in addition to growth rate percentages applied in each of the revenue categories, other adjustments have been included based on known and anticipated events that are detailed within each category. To assist in evaluating potential risks to revenue projections, each of the major General Fund revenue sources' sections includes a projection based on current and conservative assumptions. The conservative assumption projections quantify the impacts of potential risks or uncertainties to each of the major revenue sources.

In the FY 2015 Adopted Budget, the City's four major revenues sources, property tax, sales tax, transient occupancy tax (TOT), and franchise fees, made up 73.0 percent of the budgeted General Fund revenue. All four major revenue sources are projected to increase through the Outlook period; however, the rate of increase is expected to slow in the outer years returning to more normal levels of growth. This overall expectation and projection for the City's revenues is consistent with information received from the City's sales tax and property tax consultant (HdL Companies), the County Tax Collector and Appraiser, the San

Diego Tourism Authority, and the UCLA Anderson Forecast. In addition to the major revenue projections, the Baseline Projections for the General Fund’s other departmental revenue sources are based on various economic assumptions, anticipated events, and historical trend analysis.

Property Tax

Property Tax is the City’s largest revenue source and the category includes several components. The primary component of the Property Tax category is the 1.0 percent levy on the assessed value of all real property within the City limits. The Property Tax category also includes the Motor Vehicle License Fee (MVLFF) backfill payment, which is a result of MVLFF being reduced from 2.0 percent to 0.65 percent in 2005. Additionally, the category includes pass-through and residual property tax payments as a result of the dissolution of Redevelopment Agencies (RDA) statewide. The FY 2016 projection for the Property Tax category is \$462.0 million, a \$16.6 million increase over the FY 2015 Adopted Budget of \$445.4 million. The following table shows the forecast for FY 2016 through FY 2020 for the Property Tax category.

(\$ in millions)

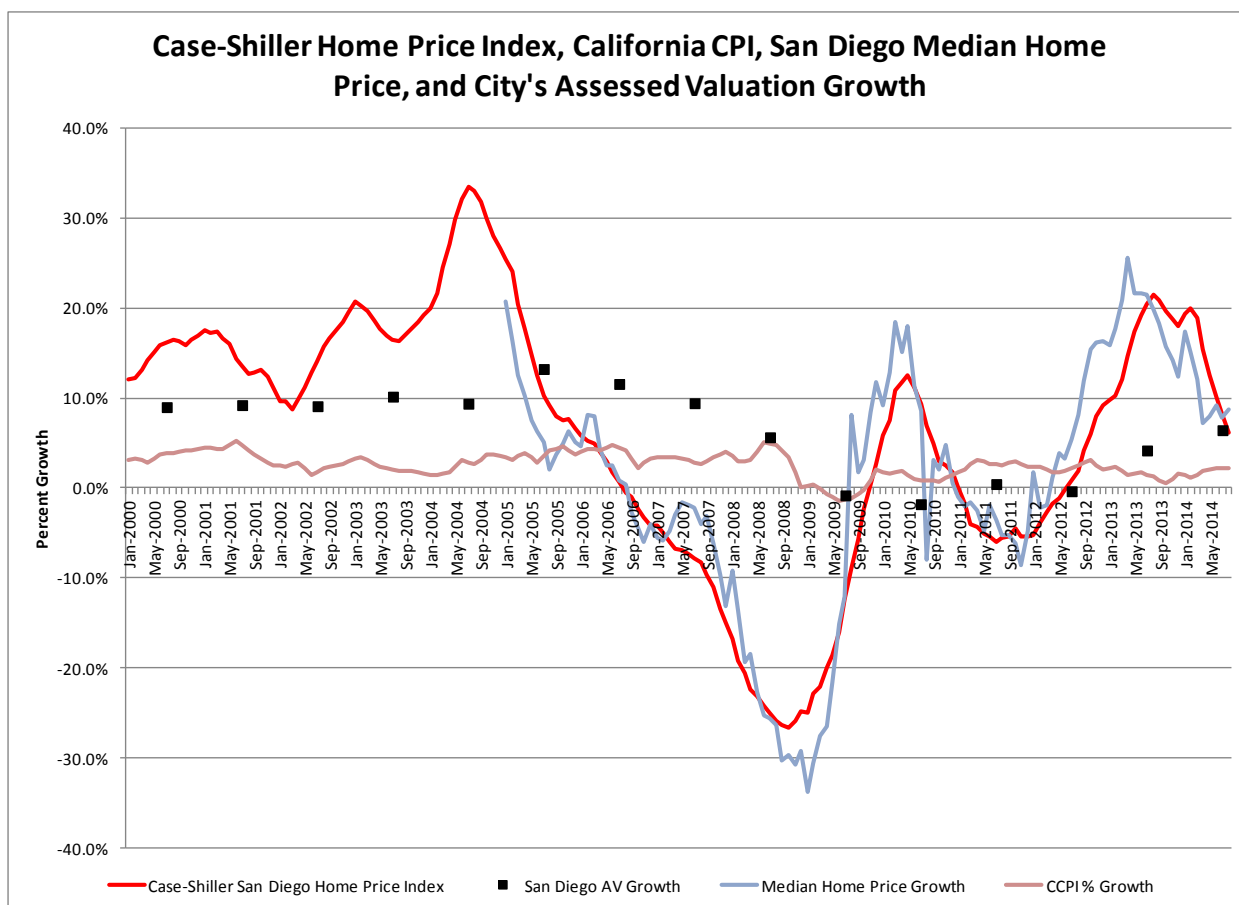
Property Tax	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate	5.1%	4.0%	3.5%	3.0%	3.0%	2.5%
Projection	\$ 445.4	\$ 462.0	\$ 479.6	\$ 495.6	\$ 512.1	\$ 526.5

The major factors influencing Property Tax revenue are the California Consumer Price Index (CCPI), home sales, home price, and foreclosures. The California CPI drives assessed valuation under Proposition 13. Proposition 13 specifies that a property's value may increase at the rate of the California CPI, but cannot exceed 2.0 percent per year unless the property is improved or sold to establish a new assessed value.

The California Department of Finance forecasts 2014 California CPI growth of 2.25 percent; therefore, the assessed valuation of properties not improved or sold will increase by 2.0 percent for FY 2016. The County of San Diego has experienced positive growth in home prices, with an increase of 6.3 percent in the median home price from September 2013 to September 2014, while home sales have decreased 3.2 percent over the same time period. Based on property sales that have occurred as of September 2014 and a 2.0 percent increase in California CPI, it is estimated the City’s assessed valuation would increase by 3.47 percent for FY 2016. In addition to positive home price growth, there are year-to-date declines of 26.6 percent in notices of default and 41.6 percent in foreclosures as of

September 2014. Finally, the Case-Shiller home price index as of August 2014 is 203.7, a 6.2 percent increase over the August 2013 index of 191.78.

The following table displays the correlation of several of the factors described above since Fiscal Year 2000 and the resulting impact on the City’s assessed valuation. The table shows that while the Case-Shiller Home Price Index and median home price has fluctuated significantly over the years, California CPI has remained relatively stable. As California CPI is the main driver of the change in the City’s assessed valuation, the stability in this indicator has allowed the annual change in assessed valuation to remain steadier than the Case-Shiller Home Price Index and the local median home price. Finally, the table displays the lag of approximately 12-18 months between activity in local real estate market and the resulting impact on the City’s assessed valuation.



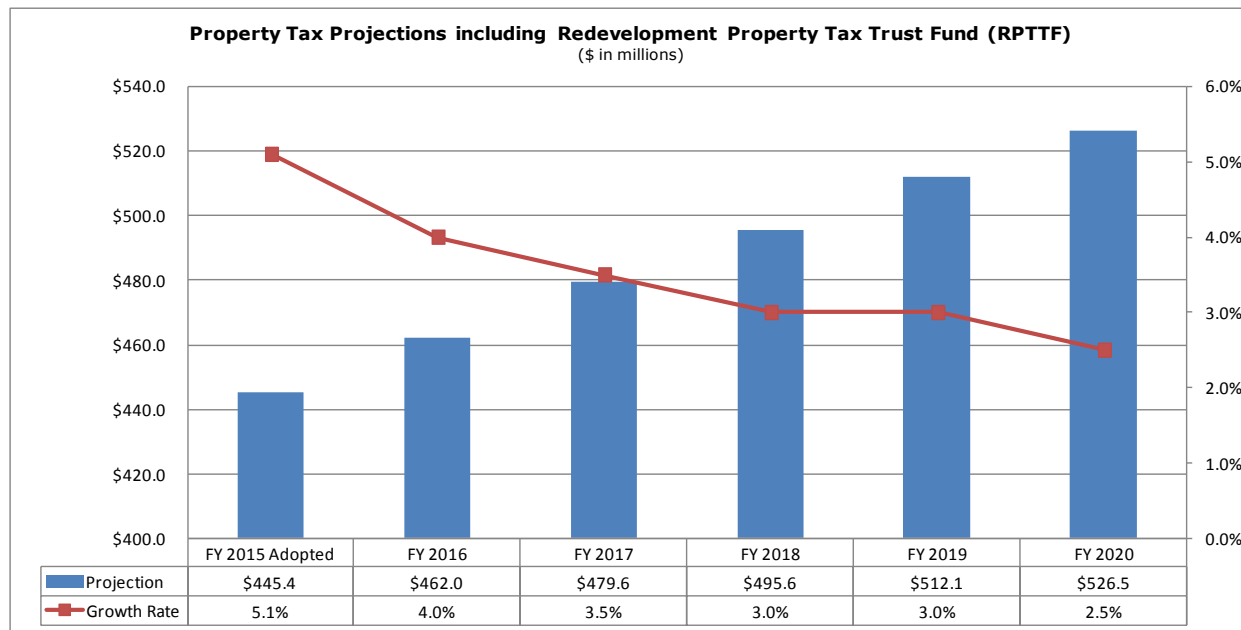
Other factors to consider in developing a revenue projection for property tax include mortgage rates and Property Tax refunds. Over the past year, interest rates have slowly increased as the economy continues to improve; this has lead to higher mortgage rates and

growth in home sales and home price slowing from the rate of increase experienced in FY 2013 and FY 2014. While property tax revenue growth is expected to remain positive throughout the Outlook period as interest rates continue to increase, property tax growth is anticipated to return to more normal levels of growth in outer years. Additionally, as the economy has continued to improve, fewer property owners have requested reassessments, which has led to lower property tax refunds and an increase to the City's overall property tax receipts.

The following table and graph provides details on the components of the FY 2015 Adopted Budget for Property Tax and the forecasted property tax revenue for FY 2016 through FY 2020. It should be noted that the base used in projecting Property Tax revenues for FY 2016 through FY 2020 has been modified from the FY 2015 Adopted Budget due to the actual increase in assessed value exceeding the budgeted amount. The FY 2015 Adopted Budget assumed growth in assessed value of 5.1 percent; however, the actual increase in assessed value for FY 2015 was 6.4 percent. Additionally, as a result of the dissolution of the Redevelopment Agencies (RDA), pass-through and residual Property Tax payments to the City from the Redevelopment Property Tax Trust Fund (RPTTF) are included in the General Fund Property Tax revenue projections.

(\$ in millions)

Fiscal Year	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate	5.1%	4.0%	3.5%	3.0%	3.0%	2.5%
1% Property Tax	\$ 314.3	\$ 326.3	\$ 337.8	\$ 348.2	\$ 358.9	\$ 368.2
MVLF Backfill	\$ 114.0	\$ 119.9	\$ 124.1	\$ 127.9	\$ 131.7	\$ 135.0
RPTTF Pass-Through Tax Sharing Payment	\$ 4.2	\$ 4.4	\$ 4.5	\$ 4.7	\$ 4.8	\$ 4.9
RPTTF Residual Property Tax Payment	\$ 12.9	\$ 11.4	\$ 13.1	\$ 14.9	\$ 16.7	\$ 18.4
Total Property Tax Projection	\$ 445.4	\$ 462.0	\$ 479.6	\$ 495.6	\$ 512.1	\$ 526.5



Risk to Property Tax Projection

The factors described above combine to make up the projection; however, should one or several of these factors not perform as projected, Property Tax revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a Current Assumption scenario and a Conservative Assumption scenario.

The projections for Property Tax revenues displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook reflect the Current Assumption scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the Current Assumption scenario and the Conservative Assumption scenario and quantifies the potential risks to the City’s Property Tax revenues.

(\$ in millions)

Scenario	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Current Assumption	4.0% \$ 462.0	3.5% \$ 479.6	3.0% \$ 495.6	3.0% \$ 512.1	2.5% \$ 526.5
Conservative Assumption	3.0% \$ 457.4	2.5% \$ 470.1	2.0% \$ 481.0	2.0% \$ 492.2	1.5% \$ 501.0

The Conservative Assumption scenario is based on the economic assumption that the growth in the CCPI will be less than 2.0 percent in all five fiscal years. This will lead to less growth in the City’s assessed valuation. The Conservative Assumption scenario also assumes that mortgage rates will increase rapidly in the next five years. Increased

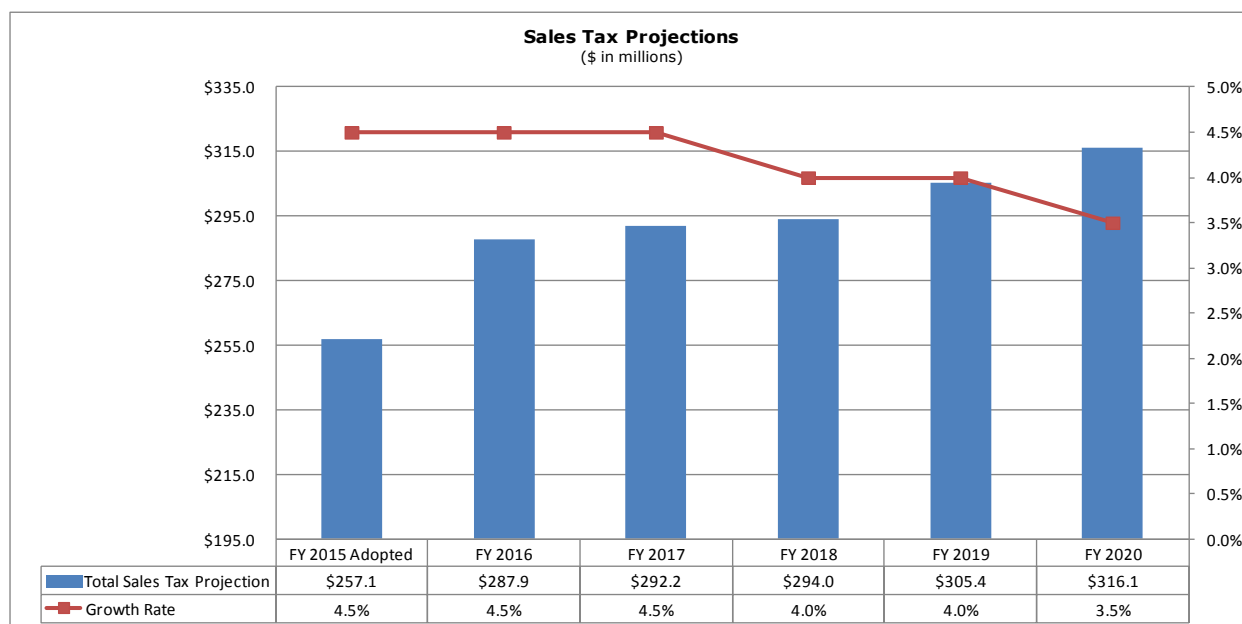
mortgage rates raise the cost of home ownership, thereby slowing the number of home sales and median home price growth. This will inhibit the City’s assessed valuation growth. In addition, the Conservative Assumption scenario assumes that due to the higher than anticipated positive assessed valuation growth in FY 2014 and FY 2015, not as many homes will be reassessed in FY 2016. This will lead to lower annual assessed valuation growth rates for FY 2016 through FY 2020. Based on the Conservative Assumption scenario, property tax revenue would be approximately \$4.6 million lower in FY 2016 leading to a larger decrease of \$25.5 million in FY 2020.

Sales Tax

The City’s second largest revenue source is Sales Tax. Sales Tax is collected at the point of sale and remitted to the State Board of Equalization, which allocates tax revenue owed to the City in monthly payments. The total Citywide Sales Tax rate in San Diego is 8.0 percent, of which the City receives approximately 1.0 percent. The FY 2016 projection for the Sales Tax is \$287.9 million, a \$30.8 million increase over the FY 2015 Adopted Budget of \$257.1 million. The following table displays the forecast for FY 2016 through FY 2020 for Sales Tax.

(\$ in millions)

Sales Tax	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate	4.5%	4.5%	4.5%	4.0%	4.0%	3.5%
Sales Tax Projection	\$ 257.1	\$ 275.3	\$ 282.7	\$ 294.0	\$ 305.4	\$ 316.1
Sales Tax - End of Triple Flip One-Time Adjustments	\$ -	\$ 12.6	\$ 9.5	\$ -	\$ -	\$ -
Total Sales Tax Projection	\$ 257.1	\$ 287.9	\$ 292.2	\$ 294.0	\$ 305.4	\$ 316.1



The major local economic drivers of the City's Sales Tax include the unemployment rate and consumer confidence. The Sales Tax projection for FY 2016 assumes that the unemployment rate will continue to decrease, approaching historical averages for the region. As of September 2014, the San Diego unemployment rate was 5.9 percent, compared to a rate of 7.3 percent in September 2013, as reported by the California Employment Development Department. For comparison, the local unemployment rate in the years 2000 through 2008 in the region ranged between 4.0 and 5.0 percent. As the local unemployment rate continues to improve and become closer to historical averages, consumer confidence is also projected to increase, leading to continued improvements in the City's Sales Tax receipts.

The City of San Diego experienced a steady increase in Sales Tax revenue in FY 2014. Sales Tax data from HdL Companies (HdL), the City's Sales and Property Tax consultant, indicate expected gains in taxable sales from fuel and service stations, building and construction, and restaurant and hotels should help maintain this trend through FY 2015. Moderate growth in sales tax is expected to continue as unemployment decreases and consumer confidence increases; however, while growth is projected to remain positive, it is projected to slow in the outer years of the Outlook period. Additionally, the UCLA Anderson September 2014 Forecast projects growth of taxable sales in California to average 4.5 percent in calendar year 2015 and 5.0 percent in calendar year 2016. The California State Board of Equalization projects an average growth rate of 6.3 percent in statewide Sales Tax receipts for FY 2015, which is higher than the UCLA Anderson Forecast.¹ These growth rates are statewide and do not directly correspond to the San Diego region Sales Tax growth rates included in the Outlook; however, these projections provide support for the positive growth in consumer spending that is anticipated to occur within the City.

Sales Tax projections include the anticipated end of the 'triple flip', which was enacted by the State of California in FY 2005 to pay economic recovery bonds and is now scheduled to come to an end in FY 2016. The end of the 'triple-flip' is anticipated to result in two separate one-time increases in sales tax revenue recognized by the City. Based on current estimates of the timeline to unwind the 'triple flip', the City's accrual practices are anticipated to result in a one-time increase of \$12.6 million in sales tax revenue recognized in FY 2016. In FY 2017, it is anticipated that the City will be made whole on \$9.5 million of sales tax revenue

¹ State Board of Equalization, Projected Statewide Taxable Sales, March 2014

not received when the 'triple-flip' was implemented in FY 2005. These one-time adjustments are shown separately in Attachment 1: FY 2016 Five-Year Financial Outlook to allow for growth in Sales Tax revenue to be displayed. The collection of the full 1.0 percent Bradley-Burns Sales Tax (currently 0.75 percent) is projected to resume upon the end of the 'triple-flip'.

Risks to Sales Tax

The number of factors described above combine to make up the Sales Tax projection; however, should one or several of these factors not perform as projected, Sales Tax revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a Current Assumption scenario and a Conservative Assumption scenario.

The projections for Sales Tax revenues displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook reflect the Current Assumption scenario as these are the amounts the City anticipates to receive over the next five years. However, the following table displays both the Current Assumption scenario and the Conservative Assumption scenario to quantify the potential risks to the City's Sales Tax revenues.

(\$ in millions)

Scenario	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Current Assumption	4.5% \$ 287.9	4.5% \$ 292.2	4.0% \$ 294.0	4.0% \$ 305.4	3.5% \$ 316.1
Conservative Assumption	4.0% 286.2	4.0% 289.2	3.5% 289.5	3.5% 299.2	3.0% 308.2

The Conservative Assumption scenario reflects that continued above average unemployment and lower consumer confidence in the local and State economies will impact projected growth rates. The Conservative Assumption scenario also reflects the significant increases in online sales reducing point of sales transactions for brick and mortar stores within the City limits. In addition, the Conservative Assumption scenario assumes that the City will not be made whole on \$9.5 million of sales tax revenue withheld by the State when the 'triple-flip' was implemented in FY 2005.

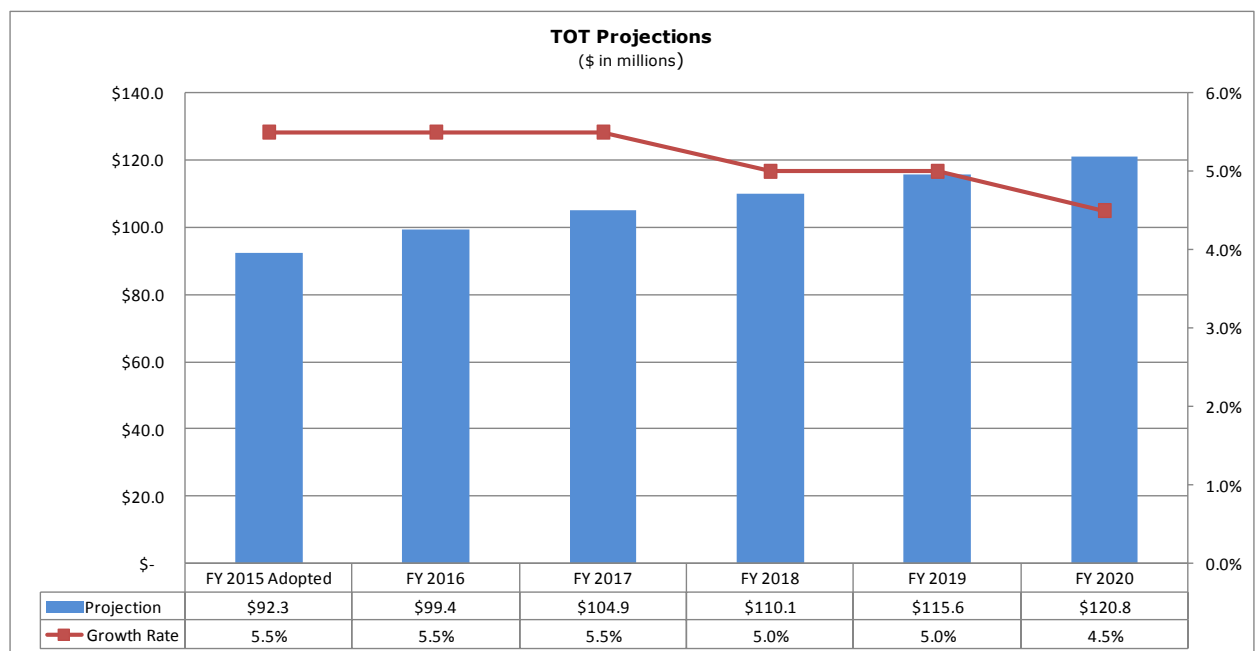
It is important to note that based on the revenue trends experienced by the City during the recent great recession, Sales Tax and Transient Occupancy Tax (discussed in the next section) are both highly sensitive to an economic downturn, with declines in both revenues trending downward immediately as the recession took hold. The decline in Property tax revenue during the recession lagged negative economic indicators by 12 to 18 months.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) is the City’s third largest revenue source. TOT is levied at 10.5 cents per dollar of the daily room price of hotels, motels, and vacation rentals in which the transient’s stay is less than 30 consecutive days. The use of TOT is guided by the City’s Municipal Code, which stipulates that 5.5 cents shall be applied toward general government purposes, 4.0 cents shall be applied toward promoting the City as a tourist destination, and the remaining 1.0 cent shall be allocated for any purpose approved by the City Council. The FY 2016 projection for TOT is \$99.4 million, a \$7.1 million increase over the FY 2015 Adopted Budget of \$92.3 million. The following table shows the forecast for FY 2016 through FY 2020 for TOT.

(\$ in millions)

Transient Occupancy Tax	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate	5.5%	5.5%	5.5%	5.0%	5.0%	4.5%
Projection	\$ 92.3	\$ 99.4	\$ 104.9	\$ 110.1	\$ 115.6	\$ 120.8



Major economic drivers for TOT revenue include seasonal and non-seasonal tourism, business travel, and conventions. Sustained positive tourism growth has occurred since the economic turnaround began in FY 2010 and this trend is expected to continue through FY 2015, according to the August 2014 Quarterly Travel Forecast from the San Diego Tourism Authority (SDTA). Slow but steady growth in hotel room demand and occupancy is

forecasted through FY 2017, and is then expected to level off in outlying years as displayed in the following table prepared by Tourism Economics, Inc.

Tourism Forecast	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Visitor Growth	2.4%	2.3%	2.5%	1.9%	1.6%
Overnight	3.6%	1.2%	1.8%	1.5%	1.4%
Room Demand	5.7%	2.0%	1.8%	1.5%	0.9%
Occupancy	74.6%	75.4%	75.7%	76.0%	76.0%
Average Daily Rate	\$ 141.73	\$ 150.29	\$ 159.11	\$ 166.64	\$ 174.00

Another large driver of TOT receipts in the City of San Diego is the Convention Center. There are approximately 70 conventions scheduled for calendar year 2014 with an estimated 549,400 attendees. Currently, there are approximately 64 conventions scheduled for calendar year 2015 with an estimated 544,474 attendees. Although the current estimated number of attendees is slightly lower for calendar year 2015, it should be noted that the number of conventions and estimated attendees for calendar year 2015 are still subject to change should new bookings occur. Furthermore, the San Diego Tourism Authority (SDTA) resumed marketing San Diego as a preferred vacation and meeting destination as of January 2014. Advertising campaigns have expanded in such categories as lodging, dining, arts and attraction, among others through the use of Tourism Marketing District (TMD) funds. The FY 2016 through FY 2020 TOT forecast is in line with the Quarterly Travel Forecast by Tourism Economics, the SDTA's travel consultant and San Diego was listed as the "No. 1 destination in the United States this year for people looking to vacation at a beach, according to Priceline.com's website".²

Additionally, the Hampton Inn – Mission Valley has added 182 new hotel rooms to San Diego's hotel room inventory as of March 2014, while an additional 87 rooms are expected to open in March 2015 when the Holiday Inn – Mission Valley opens in Hotel Circle. Other hotels expected to add to San Diego's hotel inventory in calendar year 2015 include the Courtyard by Marriott on 6th Avenue with 90 new rooms, Homewood Suites on Pacific Highway with 160 rooms, and Hilton Garden Inn on Pacific Highway with 204 rooms. For calendar year 2016, a luxury hotel in Downtown San Diego's Gaslamp Quarter is expected to open with a projected 320 new hotel rooms. The new hotels anticipated will positively impact the City's TOT receipts.

² San Diego Source, Daily Transcript: June 2014

Risks to Transient Occupancy Tax

The number of factors described above combine to make up the TOT projection; however, should one or several of these factors not perform as projected, TOT revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a Current Assumption scenario and a Conservative Assumption scenario.

The projections for TOT revenues displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook reflect the Current Assumption scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the Current Assumption scenario and the Conservative Assumption scenario and quantifies the potential risks to the City’s TOT revenues.

(\$ in millions)

Scenario	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Current Assumption	5.5% \$ 99.4	5.5% \$ 104.9	5.0% \$ 110.1	5.0% \$ 115.6	4.5% \$ 120.8
Conservative Assumption	4.5% \$ 98.5	4.5% \$ 102.9	4.0% \$ 107.0	4.0% \$ 111.3	3.5% \$ 115.2

The Conservative Assumption scenario reflects slower recovery in spending in both leisure and business travel in FY 2015, affecting growth in FY 2016 and beyond. This effect would be a result of lowered spending due to high unemployment rates and reduced travel. In addition, as a result of the court ruling on the financing of the Convention Center Expansion Project, current development has been delayed, potentially limiting growth in bookings of larger conventions. Finally, it should be noted that TOT projections for FY 2017 through FY 2019 are reduced by \$12.7 million from prior editions of the City’s Five-Year Financial Outlook as result of the delay of the Convention Center Expansion Project.

Franchise Fees

The Franchise Fees revenue category includes payments from San Diego Gas and Electric (SDG&E) and cable television providers for the use of the City’s rights-of-way. The City also collects refuse hauler fees based on the total amount of refuse hauled annually. The FY 2016 projection for the Franchise Fees category is \$73.4 million, a \$1.4 million increase over the FY 2015 Adopted Budget of \$72.0 million. The following table shows the forecast for FY 2016 through FY 2020 for the Franchise Fees category.

(\$ in millions)

Franchise Fees	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
SDG&E Growth Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Cable Growth Rate	3.5%	-0.5%	-1.0%	-1.0%	-1.5%	-2.0%
Projection	\$ 72.0	\$ 73.4	\$ 73.7	\$ 74.1	\$ 74.3	\$ 74.4

Natural gas and electricity prices and consumption are expected to increase during the Outlook period, according to the U.S. Energy Information Administration. Based on average growth over the last 10 years and the forecast for price and consumption, SDG&E Franchise Fee revenues are projected to increase at a rate of 2.0 percent for FY 2016 through FY 2020. Revenue from cable franchise fees is based on the increasing demand for internet and telephone services and declining television subscriptions; therefore, negative growth of 0.5 percent is projected in FY 2016, negative 1.0 percent in FY 2017 and FY 2018, negative 1.5 percent in FY 2019, and negative 2.0 percent in FY 2020.

Risks to Franchise Fees Projection

Fluctuations in natural gas and/or electricity prices will affect the actual growth of SDG&E Franchise Fee revenue throughout the Outlook period. Similarly, fluctuations in the demand for TV subscriptions, internet, and/or telephone services will affect the actual growth of cable Franchise Fee revenue. To account for these fluctuations, a sensitivity analysis was conducted. This sensitivity analysis resulted in a Current Assumption scenario and a Conservative Assumption scenario.

The projections for Franchise Fee revenues displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook reflect the Current Assumption scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the Current Assumption scenario and the Conservative Assumption scenario and quantifies the potential risks to the City's Franchise Fee revenues.

(\$ in millions)

Scenario	Franchise Fee	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Current Assumption	SDG&E	2.0%	2.0%	2.0%	2.0%	2.0%
	Cable	-0.5%	-1.0%	-1.0%	-1.5%	-2.0%
	Projection	\$ 73.4	\$ 73.7	\$ 74.1	\$ 74.3	\$ 74.4
Conservative Assumption	SDG&E	1.0%	1.0%	1.0%	1.0%	1.0%
	Cable	-1.5%	-2.0%	-2.0%	-2.5%	-3.0%
	Projection	\$ 72.8	\$ 72.6	\$ 72.3	\$ 72.0	\$ 71.4

The Conservative Assumption would be appropriate if natural gas and/or electricity prices and the demand for internet and/or telephone services decrease rather than increase as projected throughout the Outlook period.

Property Transfer Tax

Property Transfer Tax is levied on the sale of real property. The County of San Diego collects \$1.10 per \$1,000 of the sale price when any real property is sold, of which the City receives half, or \$0.55 per \$1,000. The FY 2016 projection for Property Transfer Tax is \$9.6 million; which is a \$0.4 million increase over the FY 2015 Adopted Budget of \$9.2 million. The following table shows the forecast for FY 2016 through FY 2020 for the Property Transfer Tax category.

(\$ in millions)

Property Transfer Tax	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate	10.0%	10.0%	9.5%	9.0%	8.5%	8.0%
Projection	\$ 9.2	\$ 9.6	\$ 10.5	\$ 11.5	\$ 12.5	\$ 13.5

The volume of home sales and home prices influence Property Transfer Tax revenue and, unlike Property Tax revenue, Property Transfer Tax reflects current economic conditions without a lag time. The County of San Diego has experienced positive growth in home prices, with an increase of 6.3 percent in the median home price from September 2013 to September 2014, while home sales have decreased 3.2 percent over the same time period. Similar to property tax, this revenue is anticipated to continue to increase; however, as mortgage rates return to more normal levels, growth in property transfer tax is expected to level off.

Risks to Property Transfer Tax Projection

The number of factors described above combine to make up the Property Transfer Tax projection; however, should one or several of these factors not perform as projected, Property Transfer Tax revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a Current Assumption scenario and a Conservative Assumption scenario.

The projections for Property Transfer Tax revenues displayed in Attachment 1: FY 2016-2020 Five-Year Financial Outlook reflect the Current Assumption scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the Current Assumption scenario and the Conservative Assumption scenario and quantifies the potential risks to the City's Property Transfer Tax revenues.

(\$ in millions)

Scenario	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Current Assumption	10.0%	9.5%	9.0%	8.5%	8.0%
	\$ 9.6	\$ 10.5	\$ 11.5	\$ 12.5	\$ 13.5
Conservative Assumption	8.0%	7.5%	7.0%	6.5%	6.0%
	\$ 9.4	\$ 10.2	\$ 10.9	\$ 11.6	\$ 12.3

The Conservative Assumption scenario assumes high mortgage rates in the local real estate market resulting in increased cost of home ownership; thereby slowing the number of home sales and average home price growth and increasing foreclosure counts.

Licenses and Permits

The Licenses and Permits revenue category consists primarily of user fee revenues, including business tax, rental property taxes, and other permits, such as alarm permits and occupational licenses. The FY 2016 projection for Licenses and Permits is \$25.1 million, a \$0.6 million increase over the FY 2015 Adopted Budget of \$24.5 million. The following table displays the forecast for FY 2016 through FY 2020 for the Licenses and Permits category.

(\$ in millions)

Licenses and Permits	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		2.5%	2.5%	2.5%	2.5%	2.5%
Projection	\$ 24.5	\$ 25.1	\$ 25.8	\$ 26.4	\$ 27.1	\$ 27.7

A growth rate of 2.5 percent is applied from FY 2016 through FY 2020 based on historical average annual increases in the Licenses and Permits category over the past 10 years. It should be noted that per Council Policy 100-02, a comprehensive analysis of General Fund user fees is currently being conducted for implementation at the beginning of FY 2016. The Outlook does not include revenue adjustments related to the user fee analysis.

Fines, Forfeitures and Penalties

The Fines, Forfeitures and Penalties category includes revenues from parking citations, vehicle code citations, collection referral revenues, and litigation awards. The FY 2016 projection for Fines and Forfeitures is \$29.2 million, a \$0.3 million increase from the FY 2015 Adopted Budget of \$28.9 million. The following table displays the forecast for FY 2016 through FY 2020 for the Fines and Forfeitures category.

(\$ in millions)

Fines, Forfeitures and Penalties	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		0.5%	0.5%	0.5%	0.5%	0.5%
Projection	\$ 28.9	\$ 29.2	\$ 29.4	\$ 29.5	\$ 29.7	\$ 29.8

The increase from the FY 2015 Adopted Budget to the FY 2016 projection is the result of a growth rate of 0.5 percent that is applied from FY 2016 through FY 2020 based on historical average increases in the Fines, Forfeitures and Penalties category over the past 10 years.

Revenue from Money and Property

The Revenue from Money and Property category primarily consists of rental revenue generated from City-owned properties including Mission Bay, Pueblo Lands, and the Midway area properties. This category also includes interest earnings, which are discussed in detail below. The FY 2016 projection for Revenue from Money and Property is \$48.4 million, a \$1.1 million increase from the FY 2015 Adopted Budget of \$47.3 million. The following table displays the forecast for FY 2016 through FY 2020 for the Revenue from Money and Property category.

(\$ in millions)

Revenue from Money and Property	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		2.5%	2.5%	2.5%	2.5%	2.5%
Projection	\$ 47.3	\$ 48.4	\$ 50.4	\$ 51.6	\$ 52.9	\$ 54.1

A growth rate of 2.5 percent is applied from FY 2016 through FY 2020 based on historical average increases in the Revenue from Money and Property category over the past 10 years.

Additional adjustments to the Revenue from Money and Property category include revenue from Mission Bay rents and concessions which are increased based on projections from the Real Estate Assets Department. Per Proposition C and City Charter Section 55.2, \$20.0 million of Mission Bay rents and concessions will remain in the General Fund. The remainder of funds greater than the threshold amount will be allocated to the San Diego Regional Park Improvements Fund and the Mission Bay Improvements Fund. The San Diego Regional Park Improvements Fund is to receive 25.0 percent of revenues in excess of the threshold amount or \$2.5 million, whichever is greater, with 75.0 percent or the remaining amount allocated to the Mission Bay Improvements Fund.

Interest Earnings

(\$ in millions)

Interest Earnings	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Estimated Yield		1.5%	2.5%	3.0%	3.5%	4.0%
Projection	\$ 1.4	\$ 1.5	\$ 2.5	\$ 3.0	\$ 3.5	\$ 4.0

In accordance with the City Charter and the authority granted by the City Council, the City Treasurer is responsible for investing the City's cash assets, exclusive of City Trust Funds. With the exception of certain bond funds, all City funds are pooled and invested in the City Treasurer's Pooled Investment Fund (Fund) to manage the City's cash flow requirements. The Fund's investments must comply with the City Treasurer's Investment Policy and the State of California Government Code guidelines and restrictions. The maximum maturity of any investment may not exceed five years. Selection of an investment is based on safety, liquidity, risk, interest rate environment, and the cash flow requirements of the City. Deviations in returns from one fiscal year to the next can generally be attributed to changes in market interest rates or the actual average amount invested during the fiscal year. Past interest earnings performance is no guarantee or indicator of future results.

Interest rates have remained historically low since the financial crisis of 2008. The federal funds rate has remained at a target of 0.00 to 0.25 percent during the entire period even as economic activity has expanded. At its October 2014 meeting, the Federal Open Market Committee (FOMC) stated that it "anticipates, based on its current assessment, that it likely will be appropriate to maintain the 0 to ¼ percent target range for the federal funds rate for a considerable time following the end of its asset purchase program this month, especially if projected inflation continues to run below the Committee's 2.0 percent longer-run goal, and provided that longer-term inflation expectations remain well anchored." Based on the FOMC's economic projections and most recent statement, it is expected that they will begin raising interest rates sometime in mid to late 2015. The result will be a gradual rise in interest earnings beginning in Fiscal Year 2016 until rates normalize several years later. It should be noted that interest rates are market driven and subject to a number of uncontrollable or unpredictable factors, resulting in outcomes different from the projections in the Outlook.

Revenue from Federal and Other Agencies

The Revenue from Federal and Other Agencies category includes federal and State grants, and reimbursements to the City from other agencies, including court crime lab revenue, urban search and rescue grants, and service level agreements. The FY 2016 projection for Revenue from Federal and Other Agencies is \$9.3 million, a \$0.2 million decrease from the FY 2015 Adopted Budget of \$9.5 million. The following table displays the forecast for FY 2016 through FY 2020 for the Revenue from Federal and Other Agencies category.

(\$ in millions)

Revenue from Federal and Other Agencies	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		0.0%	0.0%	0.0%	0.0%	0.0%
Projection	\$ 9.5	\$ 9.3	\$ 9.3	\$ 9.3	\$ 9.2	\$ 9.2

The FY 2015 Adopted Budget included \$0.1 million in one-time State reimbursements for a Regional Maritime Planner position within the Lifeguard Division. This one-time revenue has been removed from the FY 2016 through FY 2020 projections. No other adjustments are included in this category for the FY 2016 through FY 2020 Outlook period.

Charges for Services

The revenue forecasted in the Charges for Services category is comprised of charges for services provided to the public and other City funds. This category includes TOT 4.0 cent reimbursements to the General Fund, General Government Services Billings (GGSB), and other user fee revenues. The FY 2016 projection for the Charges for Services category is \$116.7 million, a \$4.0 million decrease from the FY 2015 Adopted Budget of \$120.7 million. The following table displays the forecast for FY 2016 through FY 2020 for the Charges for Services category.

(\$ in millions)

Charges for Services	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		3.0%	3.0%	3.0%	3.0%	3.0%
Projection	\$ 120.7	\$ 116.7	\$ 119.2	\$ 125.6	\$ 132.1	\$ 136.6

The Outlook also includes the removal of \$2.0 million of one-time revenues, included in the FY 2015 Adopted Budget, primarily from a transfer of fund balance from the Pilot Helicopter Program Fund. A growth rate of 3.0 percent has been applied from FY 2016 through FY 2020 based on historical average increases in the Charges for Services category over the past 10 years.

The Outlook includes an adjustment in General Fund reimbursements from the TOT 4.0 cent revenue allocation in FY 2016 for department expenses related to the promotion of tourism and safety and maintenance of visitor-related facilities. The Outlook also includes an adjustment in Abandoned Vehicle Abatement (AVA) revenue, as the budget is being reduced from \$1.0 million in FY 2015 to zero for FY 2016 through FY 2020 due to end of program. Additionally, the Outlook also reflects minor increases to revenue related to contracts with University of California, San Diego for lifeguard coverage at Scripps and Black’s Beach.

Per City Council Policy 100-02, a comprehensive analysis of the General Fund’s user fees is currently being conducted for implementation at the beginning of FY 2016. The Outlook

does not include revenue adjustments related to the user fee analysis. The fee analysis and recommendations for fee adjustments will be presented to the Budget and Government Efficiency Committee in January 2015.

Other Revenue

The Other Revenue category includes library donations, ambulance fuel reimbursements, corporate sponsorships, and other miscellaneous revenues. The FY 2016 projection for the Other Revenue category is \$4.4 million, which is the same as the FY 2015 Adopted Budget. The following table displays the forecast for FY 2016 through FY 2020 for the Other Revenue category.

(\$ in millions)

Other Revenue	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		0.0%	0.0%	0.0%	0.0%	0.0%
Projection	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 2.4	\$ 2.4

No adjustments or growth is projected within the Other Revenue category for the FY 2016 through FY 2020 forecast period.

Transfers In

The Transfers In category represents transfers to the General Fund from non-general funds and other agencies. The major components in this category are transfers from the Safety Sales Tax, Storm Drain, Gas Tax and TransNet Funds, the one-cent TOT revenue transfer from the Transient Occupancy Tax Fund, and the backfill of the tobacco securitized revenue. The FY 2016 projection for the Transfers In category is \$75.8 million, a decrease of \$1.3 million from the FY 2015 Adopted Budget of \$77.1 million. The following table displays the forecast for FY 2016 through FY 2020 for the Transfers In category.

(\$ in millions)

Transfers In	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		0.0%	0.0%	0.0%	0.0%	0.0%
Projection	\$ 77.1	\$ 75.8	\$ 79.9	\$ 84.0	\$ 88.5	\$ 93.0

No growth rate is applied to the Transfers In category for the FY 2016 through FY 2020 forecast period; however, the FY 2016 projection includes the removal of \$4.2 million in one-time revenues that were included in the FY 2015 Adopted Budget. The one-time revenues being removed from the projection include a transfer of fund balance from the Wireless Antenna Fund, disaster recovery reimbursements, and reimbursements for the Convention Center Expansion Phase III Project.

In addition to the removal of one-time revenues, the transfers in from the Safety Sales Tax Fund, the Gas Tax Fund, and the TransNet Fund are adjusted based on the projection for each respective revenue. Gas Tax and Transnet are projected to increase based on historical actuals, while Safety Sales Tax reimbursements to the Police and Fire-Rescue Departments are projected to increase consistent with sales tax revenue, as this revenue is a component of the Citywide sales tax rate.

Safety Sales Tax revenue is derived from a half-cent sales tax resulting from the enactment of Proposition 172 in 1994. Annually, a certain amount of Safety Sales Tax revenue is allocated to the Fire and Lifeguard Facilities Fund for the payment of debt obligations associated with Fire and Lifeguard facility improvements. The remaining revenue is distributed to the General Fund equally between the Police and Fire-Rescue Departments' budgets to support public safety needs.

General Fund Expenditures

General Fund expenditures are comprised of both personnel and non-personnel expenditures including debt service and other non-discretionary payments. This section provides details on each of the General Fund expenditure categories displayed in the Baseline Projections section of Attachment 1: FY 2016-2020 Five-Year Financial Outlook.

Personnel expenses made up approximately 68.6 percent of the City’s General Fund FY 2015 Adopted Budget. Personnel expenses are projected to increase during the Outlook period, primarily as a result of the inclusion of non-pensionable compensation increases resulting from the five year Employee Organization Agreements between the City and its labor unions.

Projections for ongoing non-personnel expenses are also included in the Baseline Projections and are based on anticipated events and historical trend analysis. Significant adjustments to non-personnel expenditure projections include reserve contributions to the Public Liability and Long Term Disability funds, adjustments to debt payments based on respective debt service schedules, and an increase in the transfer of Mission Bay lease revenues to the Mission Bay and Developed Regional Park Improvement Funds. In addition, notable non-personnel expenditure increases include Supplies, Contracts, and Energy and Utilities.

Salaries and Wages

The Salaries and Wages category is the largest General Fund expenditure category and is comprised of regular salaries and wages, special pays, overtime, step increases, and salary annual leave. The FY 2015 Adopted Budget for salaries and wages was \$493.4 million and included 6,975.29 full-time equivalents (FTEs). The following table shows the forecast for FY 2016 through FY 2020 for the Salaries and Wages category.

(\$ in millions)

Salaries and Wages	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 493.4	\$ 494.1	\$ 494.2	\$ 495.1	\$ 495.2	\$ 494.6

Adjustments within the Salaries and Wages category are limited as projected increases in salaries resulting from position additions are captured within the Priority Initiatives section discussed later in this report.

The adjustments that are included within the Salaries and Wages category are step increases and salary annual leave payouts. Step increases included in the Outlook are

displayed in the table below and are equal to the average of the amount budgeted for step increases over the past five fiscal years. The amount projected for step increases is anticipated to remain constant throughout the Outlook period.

(\$ in millions)

Step Increases	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

The Salaries and Wages category also includes an adjustment for salary annual leave payouts (or Deferred Retirement Option Plan (DROP) payouts), which are projected based on DROP participants’ exit date and projected annual leave balances. While a portion of future leave liability expense will be absorbed in departmental budgets, there are a large number of employees with high leave balances expected to retire over the next several years. The number of DROP participants anticipated to retire and projected salary annual leave payout amounts for FY 2016 through FY 2020 are displayed in the table below.

(\$ in millions)

Salary Annual Leave (DROP)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 ¹
Projected Number of Retirees	122	116	146	164	-
Projection	\$ 2.9	\$ 3.0	\$ 3.9	\$ 4.0	\$ 3.5

1. FY 2020 Salary Annual Leave projection based on an average of FY 2016 through FY 2019 projected payouts as the number DROP participants anticipated to retire in FY 2020 is not yet available.

An estimate for the number of DROP participants anticipated to retire in FY 2020 is not yet available as DROP is a five-year program. As a result, the \$3.5 million projection for FY 2020 is based on an average of salary annual leave payouts projected for FY 2016 through FY 2019.

Employee Organization Agreements

During FY 2013, the City reached a five-year agreement for non-pensionable compensation increases with each of its recognized employee organizations that began in FY 2014 and continue through FY 2018. The following table displays the non-pensionable compensation increases as result of the five-year agreements that are included in the FY 2016-2020 Outlook.

(\$ in millions)

Five-Year Employee Organization Agreements	FY 2016	FY 2017	FY 2018	FY 2019 ¹	FY 2020 ¹
FY 2016 Compensation Increase	\$ 9.3	\$ 9.3	\$ 9.3	\$ 9.3	\$ 9.3
FY 2017 Compensation Increase	\$ -	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
FY 2018 Compensation Increase	\$ -	\$ -	\$ 1.74	\$ 1.74	\$ 1.74
FY 2019 Compensation Increase	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2020 Compensation Increase	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 9.3	\$ 11.0	\$ 12.7	\$ 12.7	\$ 12.7

1. The projection for non-pensionable compensation increases in FY 2018 remains unchanged for FY 2019 through FY 2020 due to the uncertain outcome of future negotiations with the City’s recognized employee organizations.

The five-year labor agreements contain clauses to re-open meet and confer for non-pensionable compensation increases for FY 2017 and FY 2018. As a result, no additional non-pensionable compensation increases are assumed for FY 2019 and beyond as the outcome of future negotiations with the City’s recognized employee organizations are unknown.

The following table displays percentage increases to non-pensionable compensation for each of the City’s recognized employee organizations for FY 2016 through FY 2020.

Labor Group	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Teamsters Local 911	1.75%	-	-	-	-
IAFF Local 145	1.75%	-	-	-	-
POA	2.00%	1.00%	1.00%	-	-
AFCME Local 127	1.75%	-	-	-	-
MEA	1.75%	-	-	-	-
DCAA	1.75%	-	-	-	-

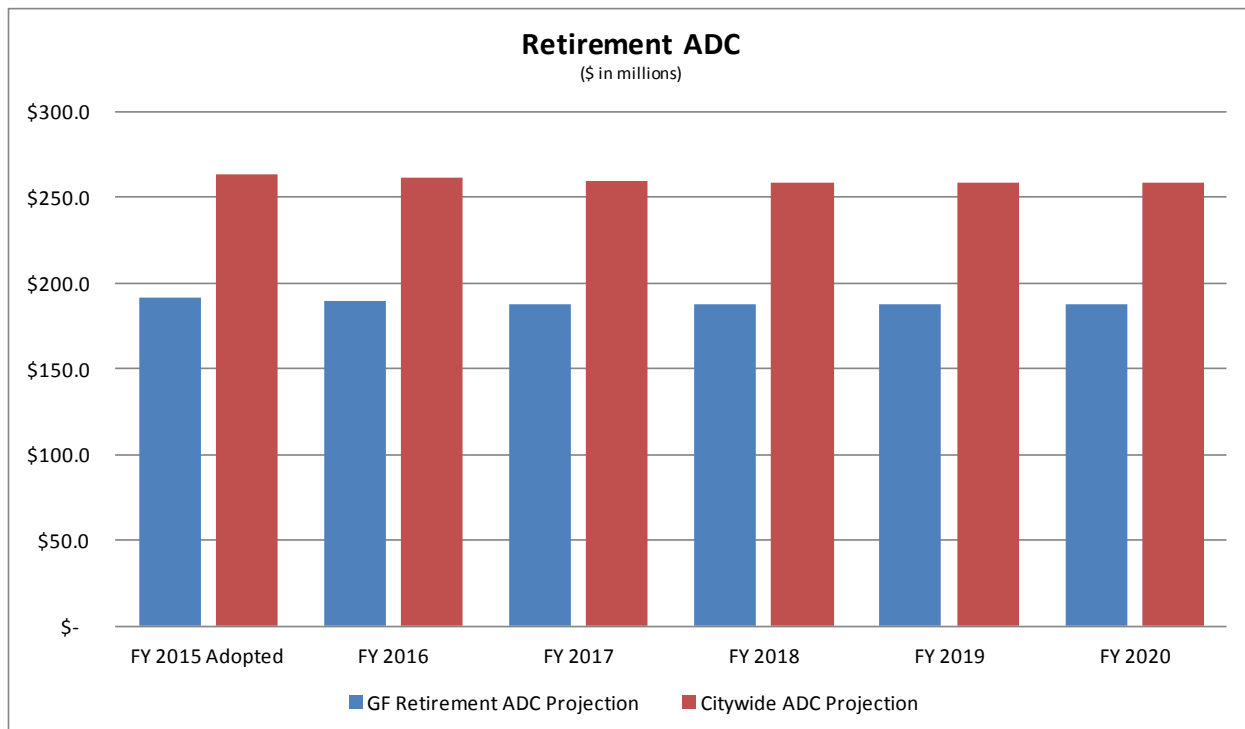
Retirement Actuarially Determined Contribution (ADC)

The Retirement Actuarially Determined Contribution (ADC) paid by the City in FY 2015 was based on the San Diego City Employees Retirement System (SDCERS) Actuarial Report prepared by the system actuary, Cheiron, as of June 30, 2013. This valuation is the most recent actuarial report and is the source in the Outlook for the projected ADC for FY 2016 through FY 2020. The updated projected ADC for the Outlook period will be included in the valuation report based on the June 30, 2014 measurement date. This report will be released and approved by the SDCERS Board in early 2015 and the FY 2016 ADC will be included in the FY 2016 budget.

The following table displays both the Citywide Retirement ADC and the General Fund’s proportionate share for FY 2016 through FY 2020.

(\$ in millions)

Retirement ADC	FY 2015 Adopted	FY15 GF % of Total ARC	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GF Retirement ADC Projection	\$ 191.1	72.5%	\$ 189.3	\$ 187.9	\$ 187.2	\$ 187.2	\$ 187.5
Citywide ADC Projection	\$ 263.6		\$ 261.0	\$ 259.1	\$ 258.1	\$ 258.2	\$ 258.6



Potential Adjustments to Retirement ADC

The City’s FY 2015 ADC Payment was \$263.6 million, with \$191.1 million allocated to the General Fund. Based on the current discount rate of 7.25 percent, the Retirement ADC for FY 2016 (as estimated by the SDCERS actuary, Cheiron, in the June 30, 2013 actuarial report), is to be \$261.0 million, with \$189.3 million to be allocated to the General Fund. Currently, the ADC payment is projected to remain fairly consistent through the Outlook period based on the June 30, 2013 valuation report; however, the SDCERS Board will consider several items that may affect the City’s ADC payment.

Based on SDCERS Board discussion at the September 2014 Board meeting, the Board may consider reducing the discount rate used in the actuarial assumptions to determine the City’s ADC. The discount rate has a significant impact on the Unfunded Actuarial Liability (UAL), which affects the ADC. SDCERS estimated that if all actuarial assumptions remain the same and there are no other gains and losses in the June 30, 2014 valuation, if the discount rate is lowered to 7.00 percent, the FY 2016 ADC would increase by approximately \$14.4 million (\$10.4 million for the General Fund).

In addition, the SDCERS Board will consider another actuarial change in the June 30, 2014 valuation. Historically, SDCERS administrative expenses have been amortized over 15 years, but due to a new Actuarial Standard of Practice (ASOP #27); the administrative

expenses will be explicitly added to the annual ADC calculation. This standard applies to valuations after the June 30, 2014 measurement date. The SDCERS Board will consider options for implementation of the new ASOP, including immediate implementation of the new standard in the June 30, 2014 valuation or a phased approach to add a portion of the administrative expenses in the ADC over the next few years until the full amount is added on an annual basis thereafter. If full payment of the SDCERS administrative expenses is added to the ADC calculation in the 2014 valuation, the City’s ADC in FY 2016 is estimated to increase by \$12.9 million (\$9.4 million General Fund).

In addition, investment gains during FY 2014 will be factored into the ADC by the actuary. Holding all other factors constant in the 2014 valuation, (including other gains and losses, no addition of administrative expenses in the ADC, and no change to the discount rate), the City’s ADC would decrease in FY 2016 by approximately \$11.4 million (\$8.3 million for the General Fund). This is a theoretical, estimated reduction to the ADC not included in the FY 2016-2020 Outlook since other factors that would reduce these savings have yet to be determined by the SDCERS Board in consultation with the system’s actuary. This decrease to the FY 2016 ADC may be partially or completely offset by the first two items.

The FY 2016 budget will include the full ADC amount determined by the actuary in the 2014 valuation report.

Flexible Benefits

Flexible Benefits is an Internal Revenue Service (IRS) qualified benefits program offered to all eligible employees. The program allows employees in one-half, three-quarter, or full-time status to choose benefit plans tailored to the employee’s individual needs. The City provides each eligible employee an individual credit amount on a biweekly basis for use in the Flexible Benefits Plan Program. The credit each employee is entitled to differs based on, but not limited to, employee association, standard working hours, and selected coverage plans. Flexible Benefits include optional and required benefits, such as Medical, Dental, Vision, and Basic Life Insurance plans. For the FY 2015 Adopted Budget, \$55.8 million was budgeted in flexible benefits. The following table displays the projection for Flexible Benefits for FY 2016 through FY 2020.

(\$ in millions)

Flexible Benefits	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 55.8	\$ 55.8	\$ 55.8	\$ 55.8	\$ 55.8	\$ 55.8

Flexible Benefit costs are fixed by position, and total flexible benefit costs vary as the number of positions change. As a result, the Flexible Benefits projection is held constant throughout the Outlook period as all position additions are reflected within the Priority Initiatives section of this report.

Other Post Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) represent the cost of retiree healthcare. The Retiree Health or Other Post Employment Benefits (OPEB) Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2013 was approximately \$444.1 million and the annual required contribution was determined to be \$38.2 million. In FY 2012, the City entered into a 15-year memorandum of understanding with each of the recognized employee organizations regarding reforms to the retiree healthcare benefit for health-eligible employees. The agreements set the City's OPEB contribution at \$57.8 million for FY 2013 through FY 2015, with annual increases of up to 2.5 percent that may be negotiated after FY 2015 based on actuarial valuations prepared by Buck Consultants. The following table displays both the Citywide OPEB projection and the General Fund’s proportionate share for FY 2016 through FY 2020.

(\$ in millions)

Other Post Employment Benefits (OPEB)	FY 2015 Adopted	FY15 GF % of Total ARC	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate			0.0%	0.0%	0.0%	0.0%	0.0%
GF OPEB Projection	\$ 38.2	66.1%	\$ 38.2	\$ 38.2	\$ 38.2	\$ 38.2	\$ 38.2
Citywide OPEB Projection	\$ 57.8		\$ 57.8	\$ 57.8	\$ 57.8	\$ 57.8	\$ 57.8

The FY 2015 Adopted Budget included \$38.2 million for the General Fund portion of OPEB. The General Fund portion is determined by the percentage of full-time equivalent (FTE) positions budgeted within the General Fund versus non-general funds. The General Fund’s proportionate share of the OPEB payment is projected to remain consistent for FY 2016 through FY 2020. This amount is projected to remain at \$38.2 million throughout the Outlook period as this expense is subject to future labor negotiations.

Workers’ Compensation

State Workers' Compensation laws ensure that employees who are injured or disabled on the job are provided with monetary compensation. These laws are intended to reduce litigation and to provide benefits for workers (and dependents) who suffer work-related accidents or illnesses. State Workers' Compensation statutes establish the framework of laws for the City of San Diego.

The City's Workers' Compensation expenses are comprised of two components. Operating is the first component which covers the cost of current medical expenses and claims, while the second component covers contributions to the Workers' Compensation Reserve Fund. The following table displays the projection for Workers' Compensation for FY 2016 through FY 2020.

(\$ in millions)

Workers' Compensation	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Operating	\$ 18.1	\$ 19.9	\$ 20.3	\$ 20.7	\$ 21.1	\$ 21.5
Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 18.1	\$ 19.9	\$ 20.3	\$ 20.7	\$ 21.1	\$ 21.5

Operating projections for FY 2016 through FY 2020 are based on actual prior year experience and projected to increase by 2.0 percent annually. The Workers' Compensation Reserve Fund target of 25.0 percent of outstanding claims is projected to be met at end of FY 2015; therefore, no reserve contributions are projected for FY 2016 through FY 2020. Additional information on the Workers' Compensation Reserve Fund can be found in the Reserves section of this report.

Supplemental Pension Savings Plan (SPSP)

In January 1982, the City established the Supplemental Pension Savings Plan (SPSP). SPSP accounts provide a way for eligible employees to add to savings for retirement income with contributions matched by the City. Employee eligibility for SPSP is determined by hire date and labor organization. Employees hired between July 1, 2009 and July 20, 2012 are not eligible for entry into SPSP but rather were placed in 401(a) and retiree medical trust plans. Employees hired after July 20, 2012, other than sworn police officers, are placed in the SPSP-H Plan which is being used as an Interim Defined Contribution Retirement Plan for benefited employees. Eligible new hires who are non-safety employees will be required to contribute 9.2 percent of compensation to the plan, which will be matched by a 9.2 percent employer contribution. For safety employees, the mandatory employee and matching employer contribution will be 11.0 percent of compensation. The following table displays the projection for SPSP for FY 2016 through FY 2020.

(\$ in millions)

Supplemental Pension Savings Plan (SPSP)	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 12.5	\$ 12.5	\$ 12.5	\$ 12.5	\$ 12.5	\$ 12.5

SPSP is a fringe benefit that is projected based on a percentage of employees' salaries. In the FY 2015 Adopted Budget, SPSP was approximately 2.5 percent of General Fund salaries. For the Outlook period, SPSP as a percentage of salaries is projected to remain consistent at

2.5 percent. A minor increase from the FY 2015 Adopted Budget to the FY 2016 through FY 2020 projections is a result of anticipated salary step increases, which are included within the Salaries and Wages category. Additionally, this projection is based on the number of employees that were enrolled in the SPSP-H Plan during the development of the FY 2015 Adopted Budget. All position additions included in the Priority Initiatives section of this report are based on the assumption that new employees are hired post Proposition B.

Employee Offset Savings (EOS)

The labor negotiations in FY 2005 resulted in a reduction of the City's Retirement Offset Contribution. These agreements specified that the savings the City realizes as a result of this reduction must be used to address the City's pension Unfunded Actuarial Accrued Liability (UAAL). Each City department is charged based upon its respective payroll and these funds are transferred into the Employee Offset Savings (EOS) account. In FY 2006, the City issued approximately \$100.0 million in Tobacco Securitization Bonds and transferred these funds to SDCERS as a contribution to the pension system above the ARC to address the UAAL. In order to backfill the Tobacco Settlement Revenues securitized in FY 2006 and to protect the programs previously supported with the Tobacco Settlement Revenues, a portion of the EOS funds is transferred each year to the General Fund. The following table displays the projection for Employee Offset Savings for FY 2016 through FY 2020.

(\$ in millions)

Employee Offset Savings (EOS)	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 8.0	\$ 8.0	\$ 8.0	\$ 8.0	\$ 8.0	\$ 8.0

EOS is a fringe benefit that is projected based on a percentage of eligible employees' salaries. In the FY 2015 Adopted Budget, EOS was approximately 1.6 percent of General Fund salaries. For the Outlook period, EOS as a percentage of salaries is projected to remain consistent at 1.6 percent. A minor increase from the FY 2015 Adopted Budget to the FY 2016 through FY 2020 projections is a result of anticipated salary step increases included within the Salaries and Wages category.

Other Fringe Benefits

The Other Fringe Benefits category is comprised of Long Term Disability, Medicare, Retiree Medical Trust, 401(a) contributions, DROP payout fringe, Risk Management Administration, and Unemployment Insurance expenditures, among others. The following table displays the projection for Other Fringe Benefits for FY 2016 through FY 2020.

(\$ in millions)

Other Fringe Benefits	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 16.2	\$ 17.8	\$ 16.7	\$ 16.7	\$ 16.7	\$ 16.7

Other Fringe Benefits are projected based on a percentage of employees' salaries. In the FY 2015 Adopted Budget, Other Fringe Benefits were approximately 3.0 percent of General Fund salaries. For the Outlook period, Other Fringe Benefits as a percentage of salaries are projected to remain consistent at 3.0 percent. A minor increase from the FY 2015 Adopted Budget to the FY 2016 through FY 2020 projections is a result of anticipated salary step increases included within the Salaries and Wages category.

The City is in negotiations with its recognized employee organizations regarding a Long Term Disability benefit plan for employees hired after July 19, 2012 due to the passage of Proposition B. This plan is anticipated to provide disability benefits which were discontinued for employees not eligible for entry to SDCERS due to Proposition B. The City is currently evaluating potential options to provide disability benefits for post Proposition B employees.

Additionally, the Long Term Disability Reserve Policy target of 100.0 percent of a three year average of outstanding actuarial liability is projected to be met with a reserve contribution of \$1.6 million (\$1.1 million from the General Fund) in FY 2016. No reserve contributions are projected for FY 2017 through FY 2020 as a result of funding requirements being met. Contributions to the Public Liability Reserve are discussed in detail in the following section, while additional information on the Long-Term Disability Reserve Fund can be found in the Reserves section of this report.

Public Liability Reserve Contribution

In accordance with the Reserve Policy (Council Policy 100-20), the City will maintain a Public Liability Reserve for General Fund claims equal to 50.0 percent of the value of outstanding public liability claims. This reserve level recognizes that not all claims will be due and payable at one point in time and that not all claims will be awarded, yet there may be more than one large claim that could require an immediate payment. A smoothing methodology using the annual actuarial liability valuations for the three most recent fiscal years is used to determine the value of outstanding public liability claims for purposes of calculating the reserve level. The following table displays the FY 2016 through FY 2020 projections for the Transfers to Public Liability Reserve.

(\$ in millions)

Transfer to Public Liability Reserve	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projection	\$ 12.8	\$ 2.8	\$ 2.8	\$ 3.8	\$ 2.8	\$ -

While it was anticipated the Public Liability Reserve Policy target of 50 percent would be met with the \$12.8 million contribution from excess equity included in the FY 2015 Adopted Budget, due to several large payouts further contributions are now anticipated during the FY 2016 through FY 2020 Outlook period. The Public Liability Reserve Policy target is projected to be met with reserve contributions of \$2.8 million in FY 2016 and FY 2017, \$3.8 million in FY 2018, and \$2.8 million in FY 2019. No reserve contributions are projected for FY 2020.

Supplies

The Supplies category includes costs for office supplies, books, tools, uniforms, safety supplies, and building and electrical materials. The following table displays the FY 2016 through FY 2020 projections for the Supplies category.

(\$ in millions)

Supplies	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		3.5%	3.5%	3.5%	3.5%	3.5%
Projection	\$ 27.0	\$ 22.8	\$ 23.6	\$ 24.4	\$ 25.3	\$ 26.2

The FY 2015 Adopted Budget included \$5.0 million in one-time expenditures primarily for the Holiday Pay Side Letter with the Police Officers Association, equipment for new Police Officer positions, and Personal Protective Equipment (PPE) and rescue tools for the Fire-Rescue Department. These one-time expenditures have been removed from the FY 2016 through FY 2020 projections.

Additionally, a 3.5 percent increase has been applied for FY 2016 through FY 2020 based on historical average increases in the Supplies category over the past 10 years.

Contracts

Contracts is a non-personnel expense category that includes the cost of legal fees, insurance, refuse disposal fees, fleet vehicle usage and assignment fees, rent expenses, and other contractual expenses. The following table displays the FY 2016 through FY 2020 projections for the Contracts category.

(\$ in millions)

Contracts	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		3.5%	3.5%	3.5%	3.5%	3.5%
Projection	\$ 173.7	\$ 174.8	\$ 176.8	\$ 184.8	\$ 202.9	\$ 209.7

Adjustments within the Contracts category include the removal of one-time expenditures included in the FY 2015 Adopted Budget, an annual percentage increase of 3.5 percent

based on a historical analysis, and other adjustments based on known and anticipated events.

The FY 2015 Adopted Budget included \$7.7 million in one-time expenditures within the Contracts category for condition assessments, Storm Water permit compliance, Kinder-Morgan litigation, Lifeguard facility improvements, moving expenses, and tenant improvements.

In addition to the removal of one-time expenditures included in the FY 2015 Adopted Budget, the following adjustments have been incorporated in the Outlook based on anticipated events:

- Due to projected increases in insurance expenses and anticipated claim pay outs, the FY 2016 through FY 2020 projections for the Public Liability Operating expenses have been increased. For FY 2016, the Public Liability Operating expense is projected to be \$19.9 million decreasing to \$16.7 million for FY 2017 through FY 2020.
- In FY 2016, FY 2017, and FY 2020, Citywide election expenses have been increased by \$0.6 million bringing the total projected election expense for these three fiscal years to \$2.4 million, which provides sufficient funding for the elections scheduled to occur.
- FY 2016 includes \$0.3 million for the completion of a Citywide compensation survey that began during FY 2015.
- Vehicle assignment fees are projected at \$8.2 million in FY 2016, a decrease of \$4.8 million from the FY 2015 Adopted Budget based on an ongoing analysis of vehicle replacement fund balance and vehicles to be replaced during the Outlook period. Vehicle assignment fees are projected to increase from FY 2017 through FY 2020.
- Property Tax Administration Fees are projected to increase at the same growth rates as included within the Property Tax revenue category.
- Rent expense has been adjusted to reflect increases for corporate leases and the General Fund allocation of the Ridgehaven facility rent.
- For FY 2016 through FY 2020, contributions to Civic San Diego and the homeless shelters have been reallocated to the Contracts category from the Transfers Out

category. This reallocation reduces the Other Expenditures category projection, while increasing the Contracts category by an offsetting amount.

In addition to the adjustments listed above, a 3.5 percent increase has been applied for FY 2016 through FY 2020 based on historical average increases in the Contracts category over the past 10 years.

Information Technology

The Information Technology category includes both discretionary expenses and non-discretionary allocations to General Fund departments. The Information Technology category includes the costs related to hardware and software maintenance, help desk support, and other information technology (IT) services. The following table displays the FY 2016 through FY 2020 projections for the Information Technology category.

(\$ in millions)

Information Technology	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		0.0%	0.0%	0.0%	0.0%	0.0%
Projection	\$ 25.9	\$ 26.4	\$ 26.4	\$ 26.4	\$ 26.4	\$ 26.4

IT costs are projected to increase in FY 2016 based on non-discretionary contract cost estimates. The Information Technology category is projected to remain constant throughout the Outlook period as additions are reflected within the Priority Initiatives section of this report.

Energy and Utilities

The Energy and Utilities category includes the General Fund’s costs for electricity, fuel, and other utility and energy expenses. The following table displays the FY 2016 through FY 2020 projections for the Energy and Utilities category.

(\$ in millions)

Energy and Utilities	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		9.0%	9.0%	9.0%	9.0%	9.0%
Projection	\$ 40.5	\$ 44.1	\$ 48.1	\$ 52.4	\$ 57.1	\$ 62.3

A 9.0 percent increase has been applied for FY 2016 through FY 2020 based on historical average increases in the Energy and Utilities category over the past 10 years.

Other Expenditures

Expenses included in this category are debt service payments, transfers out to other funds, capital expenses, and other miscellaneous expenditures. The following table displays the FY 2016 through FY 2020 projections for the Other Expenditures category.

(\$ in millions)

Other Expenditures	FY 2015 Adopted	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Growth Rate		0.0%	0.0%	0.0%	0.0%	0.0%
Projection	\$ 102.0	\$ 67.2	\$ 67.6	\$ 67.7	\$ 67.9	\$ 68.0

The Outlook includes several adjustments within the Other Expenditures category including debt service payments and transfers to other non-general funds which are detailed below.

- Deferred capital debt service payments have been adjusted based on the payments included in each debt service schedules.
- The last interest and principal payment of \$8.0 million for the McGuigan settlement was made during FY 2015 and has been removed from the Outlook.
- Contributions to Civic San Diego and the homeless shelters have been reallocated from the Other Expenditures category to the Contracts category for FY 2016 through FY 2020. This reallocation reduces the Other Expenditures category projection, while increasing the Contracts category by an offsetting amount.
- Per Proposition C and City Charter Section 55.2, the Transfer Out group reflects an increase in Mission Bay lease revenues to be transferred to the San Diego Regional Park Improvements Fund and the Mission Bay Improvements Fund.
- The estimated payment for Supplemental Cost of Living Adjustments (COLA) was increased from the FY 2015 Adopted Budget amount of \$1.6 million to \$1.7 million for FY 2016 based on the SDCERS Supplemental COLA reserve being fully expended in FY 2014. Beyond FY 2016, Supplemental COLA expenses are projected to decrease annually.

Priority Initiatives

The FY 2016-2020 Outlook focuses on four Priority Initiatives:

- Infrastructure and Neighborhood Investment
- Public Safety
- Technology Improvements
- Transparency and Open Data

The following sections provide a detailed description of each of the Priority Initiative revenue and expenditure adjustments and the anticipated improvements to City services and police retention. The Priority Initiatives are based on requests from General Fund departments for the FY 2016-2020 Outlook period. In total, the implementation of the Priority Initiatives is projected to increase expenditures by approximately \$57.0 million in FY 2016 and revenues by \$1.4 million primarily due to reimbursable positions. The investment in Priority Initiatives throughout the Outlook period is cumulatively \$412.2 million in expenditures and \$8.1 million in revenue from FY 2016 to FY 2020. The following table displays the total revenue and expenditure adjustments identified within each of the four Priority Initiatives.

Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Infrastructure and Neighborhood Investment					
Revenue	\$ 1,300,282	\$ 1,558,413	\$ 1,558,413	\$ 1,558,413	\$ 1,558,413
Expense	\$ 31,496,628	\$ 46,831,739	\$ 50,896,411	\$ 53,815,578	\$ 56,215,796
Public Safety					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 21,868,139	\$ 21,244,823	\$ 30,847,643	\$ 40,829,730	\$ 46,522,395
Technology Improvements					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 2,731,005	\$ 1,150,418	\$ 3,048,418	\$ 772,418	\$ 772,418
Transparency and Open Data					
Revenue	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997
Expense	\$ 917,644	\$ 715,159	\$ 615,159	\$ 440,159	\$ 440,159
Total Revenue	\$ 1,416,279	\$ 1,674,410	\$ 1,674,410	\$ 1,674,410	\$ 1,674,410
Total Expense	\$ 57,013,416	\$ 69,942,139	\$ 85,407,631	\$ 95,857,885	\$ 103,950,767

Infrastructure and Neighborhood Investment

The Infrastructure and Neighborhood Investment Priority Initiative focuses on revitalizing communities by prioritizing infrastructure investments. The City's General Fund departments have identified critical programs and projects that are anticipated to occur during the Outlook period and will allow the City to provide enhancements to parks, recreational facilities, libraries, and operational support. In addition, capital improvement projects have been identified to focus on road and storm drain infrastructure, facilities maintenance, as well as sidewalk and streetlight repairs to improve transportation and improved access to services.

As discussed earlier in this report, the Mayor continues to commit 50 percent of new major General Fund revenues to infrastructure improvements within the City. For FY 2016, new major General Fund revenues are projected to total \$57.5 million, resulting in \$28.8 million to be allocated to infrastructure improvements. The Infrastructure and Neighborhood Priority Initiative totals \$31.5 million in expenditures for FY 2016, with \$30.0 million to be allocated to infrastructure exceeding the 50 percent commitment for FY 2016 through FY 2020.

For FY 2016 the Infrastructure and Neighborhood Investment Priority Initiative is projected to increase revenues by \$1.3 million and expenditures by \$31.5 million. For FY 2020, the Infrastructure and Neighborhood Investment Priority Initiative grows to \$1.6 million of revenue and \$56.2 million of expenditures. It is important to note that the FY 2016-2020 Outlook focuses on the General Fund investments in infrastructure and does not include other sources of funding (i.e. TransNet, Proposition 42 Replacement, Street Damage Fees, etc.) for capital investments. The following table displays the total revenue and expenditure adjustments by department identified within the Infrastructure and Neighborhood Investment Priority Initiative.

Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Planning	\$ 46,380	\$ 46,380	\$ 46,380	\$ 46,380	\$ 46,380
TSW - Street	\$ 1,253,902	\$ 1,512,033	\$ 1,512,033	\$ 1,512,033	\$ 1,512,033
Total Revenue	\$ 1,300,282	\$ 1,558,413	\$ 1,558,413	\$ 1,558,413	\$ 1,558,413
Citywide Program Expenditures	\$ 11,207,346	\$ 15,847,367	\$ 18,200,000	\$ 18,200,000	\$ 18,200,000
Environmental Services	\$ 102,809	\$ 597,439	\$ 298,482	\$ (97,960)	\$ (514,924)
Library	\$ -	\$ 545,794	\$ 605,794	\$ 890,786	\$ 545,786
Park & Recreation	\$ 1,262,544	\$ 1,872,649	\$ 2,152,864	\$ 2,397,487	\$ 2,555,084
Planning	\$ 552,873	\$ 552,873	\$ 552,873	\$ 552,873	\$ 552,873
PW - General Services	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ -	\$ -
TSW - Storm Water	\$ 14,712,352	\$ 24,952,914	\$ 21,623,694	\$ 23,909,688	\$ 25,914,270
TSW - Street	\$ 2,658,705	\$ 1,962,704	\$ 6,962,704	\$ 7,962,704	\$ 8,962,706
Total Expenditures	\$ 31,496,628	\$ 46,831,739	\$ 50,896,411	\$ 53,815,578	\$ 56,215,796

Condition Assessments

Facilities Condition Assessments - Public Works - General Services					
FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ -	\$ -
Park Condition Assessments - Park and Recreation Department					
FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

The City owns and maintains depreciable assets, including but not limited to infrastructure, streets, bridges, parks, public facilities, and airports. Due to tight financial constraints, the City has deferred maintenance and capital expenditures related to these assets, resulting in deteriorated structures, including parts of the City's infrastructure. Condition assessments are currently underway to evaluate approximately 1,200 City facilities and will continue through FY 2018. Condition assessments for streets are expected to be completed by June 2015. As these assessments are completed, the City will have a better understanding of funding needs related to maintenance and capital expenditures of its depreciable assets.

Funding for the FY 2016-2020 Outlook includes non-personnel expense for General Fund facility condition assessments that are anticipated to continue through Fiscal Year 2018. These assessments require a \$1.0 million increase in Public Works – General Services for FY 2016 and \$0.5 million in FY 2017 and FY 2018 to address the backlog of General Fund owned and operated facilities. The facility condition assessments are required for health and safety conditions of the building occupants, code violations, energy saving opportunities, and City planning.

This request also includes \$0.3 million for FY 2016 through FY 2020 for park condition assessments. Phase one of the park assets condition assessment is anticipated to be completed in early calendar year 2015 and phase two is anticipated to be completed by mid-calendar year 2015. The following phases of park asset condition assessments are anticipated to continue through FY 2020. These assessments require an additional \$0.3 million each year which will support the development, identification, and maintenance of the condition assessment study of all park assets (i.e. playgrounds, turf, etc.) within City limits.

Capital Investment

On March 20, 2012, the City Council approved a deferred capital funding plan, known as Enhanced Option B, which provides for bond funding totaling \$419.3 million over a five-year period from fiscal years 2013 through 2017, and increasing annual cash funding for maintenance and repair and capital expenditures from \$50.0 million in FY 2014 to \$79.0 million by FY 2017. The table below details the Council-approved Enhanced Option B funding plan approved in 2012.

Enhanced Option B (March 2012)	FY 2012	FY 2013	FY2014	FY 2015	FY 2016	FY 2017
Deferred Capital Component						
Operations and Maintenance		\$ 52,700,000	\$ 50,000,000	\$ 62,000,000	\$ 66,000,000	\$ 79,040,000
Capital (Debt Service)		\$ 5,608,845	\$ 11,591,614	\$ 17,649,167	\$ 24,379,781	\$ 31,067,020
Total Budget Appropriations		\$ 58,308,845	\$ 61,591,614	\$ 79,649,167	\$ 90,379,781	\$ 110,107,020
New Bond Issuance (Net)	\$ 75,000,000	\$ 80,000,000	\$ 81,000,000	\$ 90,000,000	\$ 84,160,000	\$ 84,160,000
Use of Projected Fiscal Year 2012 Surplus		\$ 6,900,000				
Total Capital/Maintenance Program		\$ 127,700,000	\$ 130,000,000	\$ 143,000,000	\$ 156,000,000	\$ 163,200,000

In February 2014, the City Council authorized the issuance of Public Facility Financing Authority (PFFA) lease revenue bonds, in a principal amount not to exceed \$130.0 million to provide approximately \$120.0 million for various General Fund capital improvements. The issuance of these bonds was delayed due to a lawsuit challenging the legality of the City's lease financing structure. On November 3, 2014, the Superior Court denied the legal challenge on 2014 Series A portion of the City Council authorization, allowing the City to proceed with the issuance of an installment of the bonds estimated at \$71.0 million. The City expects to issue the Series A 2014 installment in December 2014, subject to the City Council authorization of the updates to the bond offering statement.

The table below shows the budgeted maintenance and repair, cash-funded capital expenditures, and debt service costs for infrastructure funding, as well as the bond issuance authorizations in Fiscal Years 2009 through 2015. Fiscal Years 2016 through 2020 incorporate the Enhanced Option B proposal with the following:

- Bond issuances of \$84.2 million in FY 2016 and FY 2017
- 2.0 percent inflation factor each year for maintenance and repair and cash-funded capital expenditures for FY 2018 through FY 2020

FY2016-2020 Outlook (Updated November 2014)	FY 2009-2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cash Funding									
Maintenance and Repair ¹		\$ 45,800,000	\$ 52,608,369	\$ 53,090,687	\$ 66,000,000	\$ 79,040,000	\$ 80,620,800	\$ 82,233,216	\$ 83,877,880
Capital Expenditures ¹		\$ 8,300,000	\$ 3,500,000	\$ 17,266,945					
Bond Debt Service (Series 2009 - 2017) ²		\$ 10,700,000	\$ 14,100,000	\$ 16,600,000	\$ 21,700,000	\$ 27,000,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000
Total Cash Funding		\$ 64,800,000	\$ 70,208,369	\$ 86,957,632	\$ 87,700,000	\$ 106,040,000	\$ 112,920,800	\$ 114,533,216	\$ 116,177,880
Bond Issuance Authorization	\$178,298,000 ³	\$ 35,000,000	\$ -	\$ 120,000,000 ⁴	\$ 84,160,000 ⁵	\$ 84,160,000 ⁵	TBD	TBD	TBD
Total⁶		\$ 129,100,000	\$ 91,108,369	\$ 53,090,687	\$ 186,000,000	\$ 163,200,000	\$ 164,780,800	TBD	TBD

¹ Maintenance and Repair and Capital Expenditures cash funding are equivalent to the Operations and Maintenance category in Enhanced Option B. These two categories combined are classified as cash funding, from the General Fund or other funding sources such as TransNet, Prop 42 Replacement, and Street Damage Fees, to maintain an asset. The split between Maintenance and Repair and Capital Expenditures for Fiscal Years 2016 through 2020 will be determined during the development of each Fiscal Year's budget.

² Consists of actual debt service for issuances of \$103.3 million in 2009, \$75 million in 2012, and \$35 million in 2013 and estimated debt service for FY2015 - FY2017 issuances based on current interest rates which are subject to change. For planning purposes, all new bond issuances are assumed to occur in the 3rd quarter of a fiscal year resulting in the debt service impact commencing in the following fiscal year.

³ Consists of bond funds of \$103.3 million in FY2009 and \$75.0 million in FY2012.

⁴ \$120.0 million in Deferred Capital CIP bonds were approved by City Council in Fiscal Year 2014 and the Series A 2014 is anticipated to be issued in December 2014.

⁵ Consistent with Enhanced Option B. Actual bond issuances to occur based on spend down trends from previous issuances.

⁶ Total consists of the current Fiscal Year's Maintenance and Repair and Capital Expenditures cash funding, and the previous Fiscal Year's Bond Issuance Authorization since the bond proceeds are assumed to be received in the next Fiscal Year.

The following table displays the anticipated debt service payments for Fiscal Year 2016 through Fiscal Year 2020 for capital bond issuances.

Five Year Outlook - FY 2016 - 2020
CIP Bonds - Debt Service Projections
 (\$ in millions)

Bond Issuance	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
DC 1 - \$103.3 million	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000
DC 2 - \$75.0 million	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
DC 2A - \$35.0 million	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Proposed Issuances (1)						
DC 3 - \$120.0 million		\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
DC 4 - \$84.16 million			\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000
DC 5 - \$84.16 million				\$ 5,300,000	\$ 5,300,000	\$ 5,300,000
Subtotal - Increases for the FY 2016-2020 Outlook		7,500,000	\$ 12,800,000	\$ 18,100,000	\$ 18,100,000	\$ 18,100,000
Total	\$ 14,200,000	\$ 21,700,000	\$ 27,000,000	\$ 32,300,000	\$ 32,300,000	\$ 32,300,000

1. Assumptions: CIP Bonds, DC 3 - DC5, are assumed to be issued annually starting in early calendar year 2015; debt service for each of the bond series is assumed to commence in the following fiscal year. All projections for the Proposed Issuances are based on an assumed borrowing cost of approximately 4.6%.

Transportation & Storm Water Department – Storm Water Division

Flood Risk Management / Comprehensive Load Reduction Plan (CLRP)

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	29.00	44.00	57.00	62.00	66.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 14,712,352	\$ 24,952,914	\$ 21,623,694	\$ 23,909,688	\$ 25,914,270

The City of San Diego has over 48,000 storm drain structures, 700 miles of drainage pipe, and 15 storm water pump stations. On May 8, 2013, the Regional Water Quality Control Board (RWQCB) issued a new storm water permit in order to establish the conditions under which pollutants can be discharged from the City's storm drain system to local streams, coastal lagoons, and the ocean. The permit requires compliance with the federal Clean Water Act and storm water regulations. The City of San Diego is one of 21 entities in the San Diego region affected by the new storm water permit which took effect in July 2013, and requires all entities to come into compliance by calendar year 2018 per water quality regulations. This permit consolidated storm water regulations for Total Maximum Daily Load (TMDL) for metals and bacteria and Areas of Special Biological Significance (ASBS) requirements.

With a deadline of 2018 to comply with the new water quality regulations, the Storm Water Division will require significant increases in funding for both operating and capital expenses throughout the Outlook period. These operating increases amount to 29.00 FTEs and \$14.7 million in FY 2016 for Flood Risk Management and the Comprehensive Load Reduction Plan (CLRP). The amount of revenue growth projected in the Outlook allocated to these programs increases over the five year period to a total increase of 66.00 FTEs and \$25.9 million by FY 2020. In addition to these operating expenses, Capital Improvements Program (CIP) requirements to comply with the permit are significant each year with \$110.0 million needed in FY 2016 increasing to \$155.8 million by FY 2020. This Outlook addresses a small portion of the anticipated capital need through FY 2020. Of the \$120.0 million infrastructure bond authorization approved by the City Council in Fiscal Year 2014, \$22.0 million is anticipated to be allocated for storm drain infrastructure improvements. An additional \$2.9 million is anticipated to be transferred from the Storm Water Division's Operations and Maintenance budget each year, to support storm water CIP projects. To remain in compliance with the permit, an additional \$81.1 million is anticipated to be required in CIP storm water infrastructure funding in Fiscal Year 2016. These operating and capital funding needs are the minimum amounts necessary to meet and comply with the new storm water permit as it exists now and associated regulations by 2018. The following table displays the total amounts to be allocated to the Storm Water Division for compliance with the new storm water permit over the next five years. The Operations and Maintenance portion is included in this Outlook; however, the majority of the CIP needs remain unfunded.

Storm Water Funding

Storm Water Compliance Requirements	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Operations & Maintenance¹	\$ 48,078,861	\$ 58,319,423	\$ 54,990,203	\$ 57,276,197	\$ 59,280,779
Difference From Fiscal Year 2015					
Comprehensive Load Reduction Plan (CLRP)	\$ 5,472,302	\$ 12,693,499	\$ 9,860,413	\$ 12,872,064	\$ 11,271,735
Flood Risk Management	\$ 9,240,050	\$ 12,259,415	\$ 11,763,281	\$ 11,037,624	\$ 14,642,535
Total Difference From Fiscal Year 2015	\$ 14,712,352	\$ 24,952,914	\$ 21,623,694	\$ 23,909,688	\$ 25,914,270
Capital Improvements Program (CIP)	\$ 110,013,269	\$ 136,097,896	\$ 177,968,303	\$ 197,357,503	\$ 155,786,748
CIP Funding from Operations & Maintenance Budget	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000
CIP Bond Funding Planned	\$ 26,080,000	\$ 26,080,000	TBD	TBD	TBD
Additional Funding Needed	\$ 81,083,269	\$ 107,167,896	\$ 175,118,303	\$ 194,507,503	\$ 152,936,748
Total Storm Water Compliance Requirements	\$ 158,092,130	\$ 194,417,319	\$ 232,958,506	\$ 254,633,700	\$ 215,067,527

1. Amounts do not include fixed fringe benefits or Transfers to CIP for Fiscal Years 2016 through 2020.

If the City of San Diego does not meet the required storm water regulations by 2018, the City may incur penalties which can amount to \$10,000 per day per violation from the State (Regional Water Quality Control Board), and federal EPA penalties of \$27,500 per day per violation. The City can also potentially be subject to third party lawsuits. It is important to note that the City of San Diego is working with the California Regional Water Quality Control Board and the State Water Board to encourage reasonable and responsible implementation of storm water regulations in the State of California, which could beneficially impact the projected funding needs discussed above.

Transportation & Storm Water Department – Street Division

Construction - Roadways/Minor Contracts Support

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	6.00	6.00	6.00	6.00	6.00
Revenue	\$ 410,851	\$ 410,851	\$ 410,851	\$ 410,851	\$ 410,851
Expense	\$ 638,003	\$ 487,671	\$ 487,671	\$ 487,671	\$ 487,671

The Roadways/Minor Contracts Support request includes the addition of 6.00 FTEs, revenue, and associated non-personnel expenses to support Transportation Engineering Operations and other City departments for minor construction services of roadways. In-house construction crews will provide dedicated construction services to install missing sidewalks, curbs/gutters, ADA ramps, and crosswalk improvements. One-time expenses are included for vehicles along with asphalt and concrete supplies, materials, and maintenance expenses from FY 2016 through FY 2020.

Engineering Design and Construction Group/Minor Contracts Support

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	7.00	7.00	7.00	7.00	7.00
Revenue	\$ 445,885	\$ 445,885	\$ 445,885	\$ 445,885	\$ 445,885
Expense	\$ 743,746	\$ 562,466	\$ 562,466	\$ 562,466	\$ 562,467

The Engineering Design and Construction Group/Minor Contracts Support request includes the addition of 7.00 FTEs, revenue, and associated non-personnel expenses to support Transportation Engineering Operations (TEO) and other City departments. The Engineering Design and Construction Group will support design and construction services associated with reimbursable projects requested by TEO and Disability Services, increasing the number of infrastructure projects completed. This request also includes the addition of vehicles and one office trailer for the Engineering Design and Construction Group.

Construction-Traffic/Signal Condition Assessment

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	5.00	5.00	5.00	5.00	5.00
Revenue	\$ 307,549	\$ 565,680	\$ 565,680	\$ 565,680	\$ 565,680
Expense	\$ 591,526	\$ 383,526	\$ 383,526	\$ 383,526	\$ 383,526

The Construction Traffic/Signal Condition Assessment request includes the addition of 5.00 FTEs, revenue, and associated non-personnel expenses to support Transportation Engineering Operations and other City departments for traffic signal condition assessments. In-house construction crews will provide dedicated construction services to install traffic signals, traffic calming measures, crosswalk/flashing beacon improvements, installation of park and parking lot lighting and street light pole attachments. Traffic signal, street lighting parts, other supplies and materials are also included to provide minor construction services under \$250,000.

Operation & Maintenance - Roadways Backfill Sidewalk/Curb/Gutter/Mill and Pave

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	5.00	5.00	5.00	5.00	5.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 518,591	\$ 421,921	\$ 421,921	\$ 421,921	\$ 421,923

This request includes the addition of 5.00 FTEs, revenue, and associated non-personnel expenses to support the Transportation Engineering Operations and other City departments

for minor construction services of sidewalk, curb/gutter, and mill and pave improvements Citywide. This crew will complete small scale capital projects identified in the City’s capital needs assessments. This request also includes two vehicles to support the group and the addition of supplies for asphalt, concrete, and other materials.

Operation & Maintenance - Traffic Group/Bike Master Plan

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	2.00	2.00	2.00	2.00	2.00
Revenue	\$ 89,618	\$ 89,618	\$ 89,618	\$ 89,618	\$ 89,618
Expense	\$ 166,838	\$ 107,119	\$ 107,119	\$ 107,119	\$ 107,119

The Traffic Group/Bike Master Plan request includes the addition of 2.00 FTE, TransNet revenue, and associated non-personnel expenses to support installation and ongoing maintenance requirements for the Bike Master Plan Operations & Maintenance - Traffic Group. Utility workers will support the installation and ongoing maintenance of bike lane striping, legends, bike rakes, and lockers Citywide.

Streets, Sidewalks, and Streetlights Infrastructure

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ -	\$ 5,000,000	\$ 6,000,000	\$ 7,000,000

This request includes the addition of non-personnel costs related to installation and ongoing maintenance of streets, sidewalks, and streetlights beginning in Fiscal Year 2018. Although specific projects have not been identified for these funds, this request ensures continued General Fund increases in the commitment to improving the City’s infrastructure. This amount is in addition to other funding sources (i.e. TransNet, Proposition 42 Replacement, Street Damage Fees, etc.) for capital investments. The amount to be allocated to streets, sidewalks, and streetlights will be determined through the annual budget process.

Library Department

Branch Library Expansions

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	2.00	2.00	3.62	3.62
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ 270,794	\$ 270,794	\$ 545,786	\$ 545,786

Two branch libraries will undergo expansion during the Outlook period, the Skyline Branch Library and the Mission Hills Branch Library. The Skyline Branch will be expanding from 4,400 square feet to 15,000 square feet in FY 2017 and the Mission Hills Branch will be expanding from 3,850 square feet to 15,000 square feet in FY 2018. These branch library expansions have been identified for funding in the third Deferred Capital (DC3) bond issuance which will fund the capital cost of expanding these libraries, while the increase for additional personnel and non-personnel operating expenditures are reflected in the table above. Non-personnel expenditure additions include supplies, energy and utility costs, and contractual costs for landscaping, security, and janitorial services.

Radio Frequency Identification (RFID) Conversion

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ 275,000	\$ 335,000	\$ 345,000	\$ -

This request provides funding to continue the RFID conversion that began with the Downtown Central Library. This level of funding assumes the General Fund will bear the entire cost of the program if no other sources are available. All library branches are expected to be converted by Fiscal Year 2019. RFID technology lends itself better to automation and self-service in libraries, offers enhanced security, and ergonomic benefits.

Park & Recreation Department

Multiple Species Conservation Program (MSCP)

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 520,726	\$ 120,726	\$ 120,726	\$ 120,726	\$ 120,726

This request supports the General Fund portion of the Multiple Species Conservation Program (MSCP). The request includes the addition of one-time non-personnel expenses for the removal of accumulated silt behind the Old Mission Dam in FY 2016. The request also includes non-personnel expenses for biological monitoring contracts and baseline surveys for FY 2016 through FY 2020 for federally required Citywide Natural Resource Management Plans.

New Park and Recreation Facilities

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	2.52	10.73	14.37	16.28	17.68
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 441,818	\$ 1,451,923	\$ 1,732,138	\$ 1,976,761	\$ 2,134,358

This request includes the addition of FTE and non-personnel expenses for new Park and Recreation Facilities projected to open during the FY 2016-2020 Outlook period. This request displays the City's commitment to investing in neighborhood services by increasing the access to Park and Recreation facilities throughout the City. New Park and Recreation facilities projected for the FY 2016-2020 Outlook period include mini-parks, pocket parks, and joint-use athletic fields. These new facilities are listed below by fiscal year.

Fiscal Year 2016:

- City-Miramar College District Joint-Use
- Creekside Park
- Montgomery Academy Joint-Use
- Phyllis Place Park
- University Village Tot Lot Playground
- Wegforth Elementary School Joint-Use

Fiscal Year 2017:

- Angier Elementary School Joint-Use
- Black Mountain Ranch Community Park
- Canyonside Community Park Improvements
- Civita Central Park
- Del Mar Mesa Neighborhood Park
- Del Sur Neighborhood Park
- Linda Vista Skate Park
- Mira Mesa Community Park Expansion - Phase 1
- Torrey Hills Neighborhood Park
- Torrey Meadows Neighborhood Park

Fiscal Year 2018:

- Carmel Valley Neighborhood Park
- Fairbrook Neighborhood Park
- Franklin Ridge Pocket Park
- Salk Neighborhood Park & Joint-Use

Fiscal Year 2019:

- Canyon Hills Resource Park Improvements

- Treena Mesa Sports Field Joint-Use
- Wagenheim Joint-Use

Fiscal Year 2020:

- Pacific Highlands Ranch Community Park

Environmental Services Department

Compressed Natural Gas (CNG) Fueling Station

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 102,809	\$ 597,439	\$ 298,482	\$ (97,960)	\$ (514,924)

This request is for the construction of a Compressed Natural Gas (CNG) Fueling Station at the Miramar Operations Center. The CNG Fueling Station will allow for the conversion of the City’s fleet of refuse and recycling vehicles from diesel to natural gas, consistent with the strategies of the City’s Climate Action Plan. The amount requested includes the estimated General Fund share of debt service and operating expenses necessary to construct and operate the CNG fueling station. Once operational, the General Fund will directly benefit from this facility in the form of fuel cost savings.

Citywide Program Expenditures

Enterprise Asset Management (EAM)

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 3,707,346	\$ 3,047,367	\$ 100,000	\$ 100,000	\$ 100,000

The ERP Enterprise Asset Management (EAM) implementation is a strategic project for investment in, and support of, the Citywide ERP System. The EAM project includes General Fund implementation costs and ongoing software maintenance. This project provides for the establishment of an integrated, real-time ERP asset management software solution that builds upon the existing Citywide ERP platform and will enable staff to conduct in-depth analysis of the maintenance activities, develop effective predictive and preventative maintenance and capital renewal plans, and better leverage resources. Citywide, multiple legacy maintenance management systems will be replaced with one solution resulting in increased operational efficiencies while reducing annual software maintenance expenses.

Planning Department

Support for Community Plan Updates & Amendments

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	3.00	3.00	3.00	3.00	3.00
Revenue	\$ 46,380	\$ 46,380	\$ 46,380	\$ 46,380	\$ 46,380
Expense	\$ 552,873	\$ 552,873	\$ 552,873	\$ 552,873	\$ 552,873

This request includes the addition of 3.00 FTEs, revenue, and non-personnel expenses to perform General Plan maintenance and additional community plan updates. The requested positions would provide additional professional staff to speed the completion of community plan updates currently being performed and to assist in the completion of additional community plan updates.

Public Safety

The Public Safety Priority Initiative focuses on critical public safety needs by prioritizing projected new revenues for Police, Fire, and Lifeguard services. These General Fund departments have identified critical programs and projects during the Outlook period that will support increased public safety.

For FY 2016, the Public Safety Priority Initiative is projected to increase expenditures by \$21.9 million. For FY 2020, Public Safety Priority Initiative grows to expenditures of \$46.5 million. The following table displays the total expenditure adjustments by department identified within the Public Safety Priority Initiative.

Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fire-Rescue	\$ 6,999,462	\$ 9,204,045	\$ 11,706,196	\$ 15,196,608	\$ 16,331,681
Lifeguard	\$ 321,944	\$ 321,944	\$ 279,167	\$ 279,167	\$ 233,333
Police	\$ 14,546,733	\$ 11,718,835	\$ 18,862,280	\$ 25,353,955	\$ 29,957,381
Total Expense	\$ 21,868,139	\$ 21,244,824	\$ 30,847,643	\$ 40,829,730	\$ 46,522,395

Fire-Rescue Department

Public Safety – Computer Aided Dispatch (CAD) System

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 169,230	\$ 1,552,692	\$ 437,307	\$ 62,500	\$ 62,500

This request includes an estimate of the Fire-Rescue Department's share of the replacement of the Public Safety CAD System. The CAD System supports the City's 911 emergency call services and is used to dispatch and monitor the status of public safety resources in the field. Cost estimates include hardware, software, installation, and ongoing maintenance expenses. A Request for Proposals (RFP) was issued during the first quarter of FY 2015 and proposals are currently being reviewed. It is anticipated that installation of the Fire-Rescue Department's CAD System will occur during FY 2017.

Fire Academies

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,339,428	\$ 1,339,428	\$ 1,339,428	\$ 1,339,428	\$ 1,339,428

The FY 2016-2020 Baseline Projections includes funding for one fire academy in each year of the Outlook period. This request provides funding for two additional fire academies in each fiscal year for a total of three fire academies per year. This request includes the personnel expense for the academy coordinator, classroom instructors, administrative support, and the backfilling of positions to conduct candidate interviews. The request also includes funding for non-personnel expenditures related to candidate screening, supplies, and equipment.

Exhaust Extraction System Repair/Replacement

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

This request includes the addition of expenditures related to the replacement of fire station exhaust extraction equipment as required by the memorandum of understanding between the City and the Firefighter’s labor union (Local 145).

Fast Response Squad

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,474,242	\$ 1,474,242	\$ 1,474,242	\$ 1,474,242	\$ 1,474,242

The FY 2015 Adopted Budget included one-time funding for a pilot Fast Response Squad. This request provides funding for continuation of the pilot Fast Response Squad and adds funding for an additional Fast Response Squad throughout the Outlook period. Each Fast Response Squad is staffed by a Fire Captain and a Firefighter for 12 hours per day. The request includes both personnel expense as well non-personnel expense for supplies and equipment.

New Fire Station Facilities

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	12.00	30.00	36.00	72.00	84.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 3,966,562	\$ 4,787,683	\$ 8,405,220	\$12,270,438	\$13,405,511

Six new fire stations are anticipated to be added within the Fire-Rescue Department during the Outlook period. Based on the FY 2015 Adopted Capital Improvement Program (CIP), new stations are anticipated to become operational in the following years:

Fiscal Year 2016:

- Eastside Mission Valley Fire Station

Fiscal Year 2017:

- Bayside Fire Station
- Skyline Hills Fire Station

Fiscal Year 2019:

- Home Avenue Fire Station
- Permanent Paradise Hills Fire Station

Fiscal Year 2020:

- College Avenue Fire Station

This request provides funding for operational expenses as each new fire station will require personnel, the purchase of a new fire engine(s), and non-personnel expenditures such as firefighter safety tools and apparatus equipment.

Lifeguard Services

Vessel Replacement Plan

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 321,944	\$ 321,944	\$ 279,167	\$ 279,167	\$ 233,333

The Lifeguard Vessel Replacement Plan creates a fund for the replacement of the Lifeguard Division’s fire, bay patrol boats, and surf rescue boats. This fund is similar to the City’s vehicle assignment fees in which funds are transferred into each year in order to maintain a regular replacement schedule of vessels.

Police Department

The Police Department developed a Five-Year Plan (FY 2014 – FY 2018) as a framework to begin the process of rebuilding the Department in the areas most impacted by past budget reductions. The Department’s Five-Year Plan was first presented to City Council during FY

2013 but was updated and approved by City Council on November 5, 2013. The approved plan includes both civilian and sworn personnel and equipment needed to achieve greater levels of service in the coming years. Although the full Police Department Five-Year Plan is not included within the FY 2016-2020 Outlook, the Plan is the basis for prioritizing the Department's requests within the City's limited resources.

The following tables detail the sworn and civilian positions as well as equipment expenditures included within the FY 2016-2020 Outlook.

Civilian Positions and Equipment

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	13.50	27.00	40.50	54.00	54.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 853,048	\$ 1,604,576	\$ 2,356,105	\$ 3,127,133	\$ 3,127,133

This request provides for the addition of 54.00 civilian positions and related equipment within the Police Department during the FY 2016-2020 Outlook period. Civilian positions requested include Dispatchers, Crime Lab staff, Property Clerks, Records staff, Police Service Officers, Police Investigative Aides, Analyst staff, and support positions. The request also includes non-personnel expense for equipment and supplies for the new civilian positions.

Police Officer Positions and Equipment

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	32.00	64.00	96.00	96.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,090,198	\$ 2,817,490	\$ 5,798,406	\$ 8,779,322	\$ 8,942,748

This request provides for the addition of non-personnel expense funding in FY 2016 to support an increase in the Police Department's funded positions for new recruits. The Outlook does not include the addition of Police Officer positions in FY 2016, as the Department currently has sufficient vacant Police Officer positions to be filled with new recruits. Beyond FY 2016, this request provides for the addition of 96.00 Police Officer positions that will allow the Department to continue to hold four academies per year from FY 2017 through FY 2020. In addition to personnel expense, this request includes non-personnel expense for equipment and supplies for the new Police Officer positions.

Police Department Air Support Maintenance & Engine Overhauls

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,115,000	\$ 1,190,000	\$ 1,275,000	\$ 1,360,000	\$ 1,450,000

This request provides funding for the overhaul of the Police Department’s helicopter engines. Historically, helicopter engine overhaul, maintenance, and fuel expenses have been funded by a combination of grant funding and the Seized & Forfeited Assets Fund; however, insufficient funding is available from these sources to continue to fund maintenance and engine overhaul expenses. The Seized & Forfeited Assets Fund will continue to fund annual fuel expenses.

Police Body Worn Cameras

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,572,585	\$ 216,000	\$ 162,000	\$ -	\$ -

This request includes expenses associated with the purchase of body worn cameras to implement the program throughout the entire Police Department. Body worn cameras are worn by police officers to record interactions with the public. The audio and visual recordings are stored digitally and used as evidence in court and for Department purposes. This request will provide the Police Department with 400 new cameras in FY 2016, for a total of 1,000 body worn cameras.

Public Safety – Computer Aided Dispatch (CAD) System

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 4,975,902	\$ 950,768	\$ 850,769	\$ 187,500	\$ 187,500

This request includes an estimate of the Police Department’s share of the replacement of the Public Safety CAD System. The CAD System supports the City’s 911 emergency call services and is used to dispatch and monitor the status of public safety resources in the field. Cost estimates include hardware, software, installation, and ongoing maintenance expenses. A Request for Proposals (RFP) was issued during the first quarter of FY 2015 and

proposals are currently being reviewed. It is anticipated that installation of the Police Department’s CAD System will occur during FY 2016.

First Proposal to San Diego Police Officers Association

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,740,000	\$ 1,740,000	\$ 5,220,000	\$ 8,700,000	\$13,050,000

The City is currently undergoing negotiations with the San Diego Police Officers Association. The amounts displayed in the table above reflect the City’s First Proposal to the San Diego Police Officers Association. This expense projection is subject to negotiation. Upon conclusion of the negotiations, the final amounts will be included in the FY 2016 Proposed Budget.

Holiday Pay Side Letter with San Diego Police Officers Association

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000	\$ 3,200,000

The City is currently undergoing negotiations with the San Diego Police Officers Association. The amounts displayed in the table above reflect the City’s proposal to continue the Holiday Pay Side Letter with the San Diego Police Officers Association. This expense projection is subject to negotiation. Upon conclusion of the negotiations, the final amounts will be included in the FY 2016 Proposed Budget.

Technology Improvements

The Technology Improvements Priority Initiative focuses on improving the City's technology assets including upgrading operating systems, increased IT security, and enhancements to the Purchasing and Contracting, Human Resources and Financial Management modules within SAP. The City's Department of Information Technology has identified critical programs and projects that are anticipated to occur during the Outlook period and will allow the City to provide enhancements to technological assets that will increase operational efficiency and improve cyber security.

For FY 2016 the Technology Improvements Priority Initiative is projected to require an investment of \$2.7 million. For FY 2020, the Technology Improvements Priority Initiative expenditure is reduced to \$0.8 million as a result of efficiencies as the Department's requests move from implementation to ongoing maintenance. The following table displays the total expenditure adjustments within the Technology Improvements Priority Initiative.

Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Department of IT	\$ 2,731,005	\$ 1,150,418	\$ 3,048,418	\$ 772,418	\$ 772,418
Total Expense	\$ 2,731,005	\$ 1,150,418	\$ 3,048,418	\$ 772,418	\$ 772,418

Department of Information Technology (IT)

Microsoft Desktop Operating System Upgrade

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -

This request provides one-time funding for support of the migration of General Fund departments to the latest version of the Microsoft Desktop Operating System. This migration is anticipated to occur during FY 2018.

Transfer to Information Technology Fund

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,249,663	\$ 781,816	\$ 679,816	\$ 679,816	\$ 679,816

This request provides funding for the General Fund portion of Information Technology Fund expenditures identified by the Department of IT to occur during the FY 2016-2020 Outlook Period. This request includes funding of an upgrade to Microsoft Office 2013, support for IT and SAP security and anti-virus solutions, consultant services for the City’s IT sourcing strategy, and replacement of the City’s public meeting electronic docketing system known as SIRE.

Transfer to OneSD Support Fund

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 1,481,342	\$ 368,602	\$ 368,602	\$ 92,602	\$ 92,602

This request provides funding for the General Fund portion of the OneSD Support Fund expenditures identified by the Department of IT to occur during the FY 2016-2020 Outlook Period. This request includes funding for enhancements and upgrades for the Accounts Receivable/Accounts Payable, Public Budget Formulation, Purchasing and Contracting, and Success Factors Performance modules within SAP.

Transparency and Open Data

The Transparency and Open Data Initiative focuses on increasing transparency through technology, increasing the ease of access to online resources for City searches, storage and retention of City emails, and implementation of the Open Data Policy. The City's General Fund departments have identified critical programs and projects that are anticipated to occur during the Outlook period and will allow the City to provide enhancements to software systems, compliance programs, and business processes to improve reporting, account management, and overall efficiency.

For FY 2016, the Transparency and Open Data Investment Priority Initiative is projected to increase revenues by \$0.1 million and expenditures by \$0.9 million. The following table displays the total revenue and expenditure adjustments by department identified within the Transparency and Open Data Priority Initiative.

Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
City Treasurer	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997
Total Revenue	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997
City Comptroller	\$ 500,000	\$ 100,757	\$ 100,757	\$ 100,757	\$ 100,757
City Treasurer	\$ 417,644	\$ 614,402	\$ 514,402	\$ 339,402	\$ 339,402
Total Expenditures	\$ 917,644	\$ 715,159	\$ 615,159	\$ 440,159	\$ 440,159

Office of the City Comptroller

Document Retention Software

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	1.00	1.00	1.00	1.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 500,000	\$ 100,757	\$ 100,757	\$ 100,757	\$ 100,757

Addition of one FTE and expenditures related to the retention of accounting records. As the current system nears capacity, the Office of the Comptroller will need to identify a software solution for document retention of grant and bond documents, in addition to other accounting records. This will ensure the adequacy of documents needed for audit and public information requests.

Office of the City Treasurer

PCI Compliance

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	1.00	1.00	1.00	1.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ 86,757	\$ 86,757	\$ 86,757	\$ 86,757

This request includes the addition of one FTE to partner with the Department of IT in administration of the Payment Card Industry (PCI) Compliance program, assist in annual compliance certification, review Citywide PCI documentation and policies and conduct training for the City's workforce to safeguard credit card information.

Business Regulatory and Taxation Consolidation Project Phase II - Fire Permits

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ 260,000	\$ 10,000	\$ 10,000	\$ 10,000

Addition of expenditures related to Phase II of the Business Regulatory and Taxation Consolidation Project. This phase of the project adds the Fire-Rescue Department's permitting process to the Business Regulatory functions in the Office of the City Treasurer. Expenditures include an increase in postage, printing, and banking expenses.

Treasury Cashiering System

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 120,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000

Addition of expenditures related to the replacement and ongoing maintenance of a Point of Sale (POS) Cashiering system that will fully integrate with the City's ERP system.

Delinquent Accounts Collections System Upgrade and Replacement

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 40,000	\$ 40,000	\$ 240,000	\$ 65,000	\$ 65,000

This request includes the addition of expenditures related to the upgrade and replacement of the Delinquent Accounts Collection System. This project will provide enhanced reporting and improved account management.

Payment Hub - Consolidation of Online Payments into One System

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -

Addition of expenditures related to the City’s centralized payment transaction system. This system will provide an enterprise solution that allows conformity with a standardized electronic payment solution.

Online Residential Parking Permit System

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	-	-	-	-	-
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

Addition of expenditures related to the implementation of an online residential parking permitting system. The new system will provide residential parking customers more options in completing the annual permitting process.

Transient Occupancy Tax (TOT)/Tourism Marketing District (TMD) Revenue Audit

FTE/Rev/Exp	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FTE	2.00	2.00	2.00	2.00	2.00
Revenue	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997	\$ 115,997
Expense	\$ 142,644	\$ 142,644	\$ 142,644	\$ 142,644	\$ 142,644

This request includes the addition of revenue, personnel, and non-personnel expenditures related to the enhanced enforcement of short term rental properties. The addition of two FTEs will allow for increased TOT/TMD outreach and enforcement of the City’s tax provisions as they relate to short term rental properties. It is anticipated these compliance efforts will generate additional revenue to offset the increased expenses.

Reserves

The City’s Reserve Policy was last amended by the City Council in July 2014 to increase the reserve level in the General Fund and grow and maintain the Risk Management reserves to support the City’s fiscal position and resilience. The Reserve Policy establishes reserve targets and funding schedules for all major funds to help withstand the economic impact of unanticipated events such as natural disasters or significant reductions in revenues. This section primarily focuses on the reserves of the General Fund, but also discusses the General Fund’s contributions to the Public Liability Fund, Workers’ Compensation Fund, and Long Term Disability Fund.

The City’s General Fund Reserve is comprised of the Emergency Reserve and the Stability Reserve. The City’s Reserve Policy requires that the Emergency Reserve and Stability Reserve equal 8.0 percent and 6.0 percent, respectively, of the most recent three-year average of annual audited General Fund revenues. Combined, the Emergency Reserve and Stability Reserve result in a total General Fund Reserve target level of 14.0 percent of General fund operating revenues.

Based on the most recent three year average of audited actuals, the FY 2015 General Fund Reserve target of 14.0 percent is \$149.8 million. At the time of release of this Outlook, the FY 2015 ending fund balance of the General Fund is projected to be \$167.2 million or 15.6 percent of General Fund operating revenues, slightly in excess of the reserve target.

The following table displays a projection of the 14.0 percent General Fund Reserve target over the next five years based on projected revenues included in the FY 2016-2020 Outlook.

(\$ in millions)

GENERAL FUND RESERVES ¹	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020	
Projected General Fund Reserve	\$ 157.5	14.0%	\$ 161.0	14.0%	\$ 162.2	14.0%	\$ 167.9	14.0%	\$ 172.9	14.0%
Emergency Reserve - 8.0%	\$ 90.0	8.0%	\$ 92.0	8.0%	\$ 92.7	8.0%	\$ 95.9	8.0%	\$ 98.8	8.0%
Stability Reserve - 6.0%	\$ 67.5	6.0%	\$ 69.0	6.0%	\$ 69.5	6.0%	\$ 71.9	6.0%	\$ 74.1	6.0%

1. Reserve percentage calculations based on projected operating revenues for previous three fiscal years (ie. FY 2016 percentages based on estimated FY 2013-2015 operating

With the General Fund Reserve target set at 14.0 percent of operating revenues, as the operating revenue of the General Fund grow each fiscal year, the amount required to meet the reserve target also increases as shown in the table above. The FY 2016-2020 Outlook assumes the City will maintain General Fund Reserve targets in each fiscal year through the use of excess equity if available, or by appropriating contributions to the reserves through the budget development or monitoring process.

Workers' Compensation Fund Reserve

The City works to build sufficient reserves to pay accrued and forecasted Workers' Compensation liabilities based on annual valuation reports prepared by an independent actuary. The annual actuarial liability valuations for the three most recent fiscal years are used to determine the Workers' Compensation value of outstanding liability for the purpose of calculating the reserve level. Per the City's Reserve Policy, the annual reserve contributions are reassessed every two years.

The City's workers' compensation liability is \$220.5 million as of June 30, 2014 based on the valuation conducted by Buck Consultants. Using this latest valuation, the average liability for FY 2012 through FY 2014 is \$193.8 million in Workers' Compensation for claims Citywide.

The City's Reserve Policy states that 25.0 percent of the average value of outstanding actuarial liability, or \$48.5 million, shall be placed in reserves. As of June 30, 2014, the balance of the Workers' Compensation Reserve is approximately \$47.5 million or 24.5 percent of the average outstanding liability for FY 2012 through FY 2014. The FY 2015 Adopted Budget included a \$1.0 million contribution (\$0.8 million General Fund) to the Workers' Compensation Reserve. Including this amount in the Workers' Compensation Reserve balance, the reserve is projected to be met with \$48.5 million or 25.0 percent of the average of the outstanding liability in FY 2015. As a result, no contributions to the Workers' Compensation Fund Reserve are projected for the FY 2016-2020 Outlook.

(\$ in millions)

Workers' Compensation Reserve	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Beginning Reserve Balance	\$ 48.5	\$ 48.5	\$ 48.5	\$ 48.5	\$ 48.5
General Fund Contribution	-	-	-	-	-
Citywide Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Reserve Balance	\$ 48.5	\$ 48.5	\$ 48.5	\$ 48.5	\$ 48.5
Ending Reserve Balance as a Percent of Outstanding Liability	25.0%	25.0%	25.0%	25.0%	25.0%

As new actuarial valuations are completed, and the three year average liability changes, the workers' compensation reserve policy will be revised as required to adjust the policy target to maintain a 25.0 percent reserve.

Public Liability Fund Reserve

The City continues with the Reserve Policy goal to build sufficient reserves to pay outstanding and forecasted claim obligations, similar to the Workers' Compensation Fund Reserve. The City's Reserve Policy requires that the Public Liability Fund Reserve equal 50.0

percent of the value of the outstanding public liability claims. The annual actuarial liability valuations for the three most recent fiscal years are used to determine the value of the public liability for the purpose of calculating the reserve level. Per the City's Reserve Policy, the annual reserve contributions are reassessed every two years in order to ensure that the targeted goal is met in a manner that is balanced with other budget priorities. Based on the FY 2012 through FY 2014 annual actuarial valuations, the average value of the liability is \$94.8 million.

The contribution to the Public Liability Fund reserve is solely funded by the General Fund. As of June 30, 2014, the balance of the Public Liability Fund Reserve was approximately \$35.4 million or 37.0 percent of the average value of the outstanding actuarial liability. The FY 2015 Adopted Budget included a \$12.8 million contribution to the Public Liability Fund resulting in a projected ending balance of \$39.0 million, or 41.1 percent of the average outstanding liability. There are several large outstanding liabilities that are anticipated to be paid in FY 2015 and as a result the FY 2016-2020 Outlook includes General Fund contributions of \$2.8 million in FY 2016, \$2.8 million in FY 2017, \$3.8 million in FY 2018 and \$2.8 million in FY 2019 to the Public Liability Reserve. These projected contribution are required to meet the reserve target of 50.0 percent of the average value of the outstanding liability by FY 2019. The following table displays the contributions to Public Liability Reserve included in the FY 2016-2020 Outlook.

(\$ in millions)

Public Liability Reserve	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Beginning Reserve Balance	\$ 35.1	\$ 37.9	\$ 40.8	\$ 44.6	\$ 47.4
General Fund Contribution	2.8	2.8	3.8	2.8	
Ending Reserve Balance	\$ 37.9	\$ 40.8	\$ 44.6	\$ 47.4	\$ 47.4
Ending Reserve Balance as a Percent of Outstanding Liability	40.0%	43.0%	47.0%	50.0%	50.0%

Long Term Disability Fund Reserve

The City's Reserve Policy has a Long Term Disability Fund (LTD) Reserve target of \$18.3 million and is expected to be achieved in FY 2016. As of June 30, 2014, the balance in the Long Term Disability Reserve was approximately \$14.7 million. The FY 2015 Adopted Budget included a Citywide contribution of \$2.0 million (\$1.4 million General Fund) resulting in a projected balance of \$16.7 million, or 91.0 percent of the average outstanding liability. The FY 2016-2020 Outlook includes a contribution of \$1.6 million (\$1.1 million General Fund) in FY 2016. With the FY 2016 reserve contribution, the Long Term Disability Reserve

is projected to be met at \$18.3 million. The target reserve balance will be maintained to support the goal to transition to a fully insured long term disability program.

(\$ in millions)

Long Term Disability Reserve	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Beginning Reserve Balance	\$ 16.7	\$ 18.3	\$ 18.3	\$ 18.3	\$ 18.3
General Fund Contribution	1.1	-	-	-	-
Citywide Contribution	\$ 1.6	\$ -	\$ -	\$ -	\$ -
Ending Reserve Balance	\$ 18.3	\$ 18.3	\$ 18.3	\$ 18.3	\$ 18.3
Ending Reserve Balance as a Percent of Outstanding Liability	100%	100%	100%	100%	100%

Conclusion

This Outlook focuses on the four Priority Initiative categories which continue the commitment to allocating resources to investments in infrastructure, neighborhoods, public safety, technology improvements, and transparency while maintaining the City's responsible financial management practices. While the main focus of the Outlook is the Priority Initiatives, additional information on departmental requests not included in the Outlook are also included as an attachment. However, this document is not a budget, and therefore does not include all departmental requests that may be identified and considered in the preparation of the FY 2016 and future budgets.

Per the City Charter, the Mayor will present a balanced budget for the City Council's consideration in April 2015. This Outlook provides the City Council and the public information to facilitate an informed discussion during development of the FY 2016 Adopted Budget regarding the allocation of limited resources to meet the service needs of the residents of San Diego.

ATTACHMENT 1: FY 2016 - 2020 FIVE-YEAR FINANCIAL OUTLOOK
(\$ in millions)

BASELINE PROJECTIONS	GENERAL FUND REVENUES					
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
	Property Taxes	\$ 462.0	\$ 479.6	\$ 495.6	\$ 512.1	\$ 526.5
	Sales Taxes	275.3	282.7	294.0	305.4	316.1
	Sales Taxes - End of Triple Flip One-Time Adjustments ¹	12.6	9.5	-	-	-
	Transient Occupancy Tax	99.4	104.9	110.1	115.6	120.8
	Franchise Fees	73.4	73.7	74.1	74.3	74.4
	Property Transfer Tax	9.6	10.5	11.5	12.5	13.5
	Licenses and Permits	25.1	25.8	26.4	27.1	27.7
	Fines, Forfeitures and Penalties	29.2	29.4	29.5	29.7	29.8
Revenue from Money and Property	48.4	50.4	51.6	52.9	54.1	
Revenue from Federal and Other Agencies	9.3	9.3	9.3	9.2	9.2	
Charges for Services	116.7	119.2	125.6	132.1	136.6	
Other Revenue	4.4	4.4	4.4	2.4	2.4	
Transfers In	75.8	79.9	84.0	88.5	93.0	
BASELINE GENERAL FUND REVENUES	\$ 1,241.4	\$ 1,279.2	\$ 1,316.0	\$ 1,361.8	\$ 1,404.2	
GENERAL FUND EXPENDITURES						
	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
Salaries & Wages	\$ 494.1	\$ 494.2	\$ 495.1	\$ 495.2	\$ 494.6	
Five-Year Employee Organization Agreements ²	9.3	11.0	12.7	12.7	12.7	
Retirement Actuarially Determined Contribution (ADC) ³	189.3	187.9	187.2	187.2	187.5	
Flexible Benefits	55.8	55.8	55.8	55.8	55.8	
Other Post Employment Benefits (OPEB)	38.2	38.2	38.2	38.2	38.2	
Workers' Compensation	19.9	20.3	20.7	21.1	21.5	
Supplemental Pension Savings Plan (SPSP)	12.5	12.5	12.5	12.5	12.5	
Employee Offset Savings (EOS)	8.0	8.0	8.0	8.0	8.0	
Other Fringe Benefits	17.8	16.7	16.7	16.7	16.7	
Personnel Expenditures	\$ 844.8	\$ 844.6	\$ 846.9	\$ 847.4	\$ 847.6	
Supplies	\$ 22.8	\$ 23.6	\$ 24.4	\$ 25.3	\$ 26.2	
Contracts	174.8	176.8	184.8	202.9	209.7	
Information Technology	26.4	26.4	26.4	26.4	26.4	
Energy and Utilities	44.1	48.1	52.4	57.1	62.3	
Public Liability Reserve Contribution	2.8	2.8	3.8	2.8	-	
Other Expenditures	67.2	67.6	67.7	67.9	68.0	
Non-Personnel Expenditures	\$ 338.1	\$ 345.3	\$ 359.6	\$ 382.4	\$ 392.6	
BASELINE GENERAL FUND EXPENDITURES	\$ 1,182.9	\$ 1,189.9	\$ 1,206.5	\$ 1,229.8	\$ 1,240.2	
SURPLUS / (DEFICIT)	\$ 58.5	\$ 89.3	\$ 109.5	\$ 132.0	\$ 164.1	
PRIORITY INITIATIVES	PRIORITY INITIATIVE CATEGORY					
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
	Infrastructure and Neighborhood Investment					
	Revenues	\$ 1.3	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6
	Expenditures	31.5	46.8	50.9	53.8	56.2
	Public Safety					
	Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
	Expenditures	21.9	21.2	30.8	40.8	46.5
	Technology Improvements					
	Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	2.7	1.2	3.0	0.8	0.8	
Transparency and Open Data						
Revenues	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	
Expenditures	0.9	0.7	0.6	0.4	0.4	
Revenues Total	\$ 1.4	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	
Expenditures Total	\$ 57.0	\$ 69.9	\$ 85.4	\$ 95.9	\$ 104.0	
SURPLUS / (DEFICIT)	\$ 2.9	\$ 21.1	\$ 25.8	\$ 37.8	\$ 61.8	

1. Sales tax projections include the anticipated end of the 'triple-flip' in FY 2016 which is projected to result in two separate one-time sales tax allocations to the City. The City's accrual practices will result in a one-time increase in sales tax revenue recognized in FY 2016, projected to be \$12.5 million. In FY 2017, it is anticipated that the City will be made whole on \$9.5 million of sales tax revenue not received when the 'triple-flip' was implemented in FY 2005. The collection of the full 1.0 percent Bradley-Burns Sales Tax (currently 0.75 percent) is projected to resume upon the end of the 'triple-flip'.

2. Outlook includes non-pensionable compensation adjustments for FY 2016 through FY 2018 based on five-year employee organization agreements. The increase in non-pensionable compensation included in FY 2018 is projected to remain constant for FY 2019 and FY 2020.

3. Based on June 30, 2013 actuarial valuation, the Citywide FY 2016 Actuarially Determined Contribution (ADC) is projected to be \$261.0 million, of which \$189.3 million is the General Fund contribution.

* Numbers may not add to exact figures due to rounding.

ATTACHMENT 2: FY 2015 ADOPTED BUDGET - ONE-TIME REVENUES AND EXPENDITURES

GENERAL FUND REVENUES

Revenue from Federal and Other Agencies	\$ 143,000
Reimbursable Revenue for Regional Maritime Planner	\$ 143,000
Charges for Services	\$ 2,011,560
Revenue for SAFE Funds	\$ 1,940,665
Reimbursable Revenue for Interns in Various Departments	\$ 50,895
Revenue Adjustment for the Infrastructure/Public Works Department	\$ 20,000
Transfers In	\$ 4,200,000
Disaster Recovery Reimbursement Revenue	\$ 2,200,000
Reimbursable Revenue for Convention Center Project Expenditures	\$ 1,500,000
Transfer of Fund Balance from the Antenna Lease Fund	\$ 400,000
National Geographic's "Smart World Cities" Program	\$ 100,000
REVENUES TOTAL	\$ 6,354,560

GENERAL FUND EXPENDITURES

Personnel Expenditures	\$ 1,314,890
Fire Academy	\$ 532,538
Fast Response Pilot Program	\$ 527,000
Sidewalk Assessment	\$ 133,953
Regional Maritime Planner	\$ 73,336
Interns in Various Departments	\$ 48,063
Fringe Benefits	\$ (452,407)
Sidewalk Assessment	\$ 39,646
Interns in Various Departments	\$ 2,822
Risk Management Administration Fund Balance	\$ (494,875)
Supplies	\$ 4,998,515
Police Officers Association Holiday Pay Side Letter	\$ 3,200,000
Fire-Rescue Department - Personal Protective Equipment & Rescue Tools	\$ 499,000
Fire Academy	\$ 429,246
Enterprise Asset Management (EAM) Project	\$ 371,160
Police Department - Sworn Positions	\$ 244,409
Restoration of Library Materials	\$ 209,500
Fast Response Pilot Program	\$ 36,000
Support for New Staff Members in Various Department	\$ 8,200
Support to Administer the Bilingual Retest Program	\$ 1,000
Contracts	\$ 7,703,694
Storm Water Permit Compliance	\$ 3,046,000
Facilities Condition & Needs Assessment of City Facilities	\$ 1,000,000
Streets Condition Assessment	\$ 560,000
Lifeguard Facility Improvement	\$ 500,000
Relocation & Tenant Improvements for City Departments	\$ 500,000
Kinder Morgan Litigation	\$ 450,000
Park and Recreation - Parking Lot and Park Road Repairs	\$ 300,000
Park and Recreation - Asset Condition Assessments	\$ 250,000
Regional Water Quality Control Board Settlement	\$ 246,367
Consulting Services to Develop SAP Financial Reports for City Departments	\$ 217,000
Civic San Diego Transfer	\$ 125,000
Fire Academy	\$ 124,327
National Geographic Film Support	\$ 100,000
Fire-Rescue Department - Personal Protective Equipment	\$ 72,000
Financial Advisory Services for Non-Bond Transaction Needs	\$ 52,000
La Jolla Bird Cleanup	\$ 50,000
Sexual Harassment Prevention Training	\$ 40,000
Fast Response Pilot Program	\$ 36,000
Surety Document Tracking System Upgrades	\$ 35,000
Public Liability Reserve Contribution	\$ 12,800,000
Public Liability Reserve Contribution	\$ 12,800,000
Transfers Out	\$ 7,316,668
South Chollas Landfill, Storm Water Improvements and Facility Upgrades	\$ 2,584,000
Sidewalks and Street Lights Improvements	\$ 2,400,000
Development of Wightman Street Neighborhood Park	\$ 970,000
Silver Wing Neighborhood Park Sports Field Security Lighting System	\$ 600,000
Coordinated Assessment, Entry, and Homeless Management Information	\$ 400,000
Homeless Shelter Triage Beds	\$ 150,000
Trail for All People Construction Support	\$ 100,000
Parking Lot and Park Road Repairs in San Ysidro	\$ 65,668
Tierrasanta Community Park Sports Field Lighting	\$ 47,000
Capital Expenditures	\$ 2,048,903
Police Body-Worn Cameras	\$ 1,090,000
Storm Water Permit Compliance	\$ 614,000
Rescue Tools for Fire-Rescue Department	\$ 147,403
Maintenance and Operational Support for Various Neighborhood Parks and Open Space	\$ 106,000
Fire Vessel Repair	\$ 60,000
Operational Support for La Jolla Coastline Park Ranger	\$ 31,500
EXPENDITURES TOTAL	\$ 35,730,263

ATTACHMENT 3: FY 2016 - 2020 DISCRETIONARY OPERATIONAL NEEDS

City Auditor

Addition of Staff Auditors	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 2.0 Staff Auditor positions per the Jefferson Wells report presented and accepted at the March 24, 2008 Audit Committee Meeting, which recommended that a City the size of San Diego have an independent Audit function with 25 staff auditors.	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 254,115	\$ 254,115	\$ 254,115	\$ 254,115	\$ 254,115

City Clerk

Internal Department Hardware and Software Program	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Internal Department hardware and software program.	FTE	-	-	-	-	-
	Revenue	\$ 1,146	\$ -	\$ -	\$ 1,146	\$ 1,146
	Expense	\$ 90,200	\$ 53,000	\$ 40,000	\$ 38,000	\$ 39,000
Addition of Program Manager	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Program Manager position for Passport and Marriage Solemnization programs with anticipated increase to core services and revenue associated with services provided.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ 52,732	\$ 47,032	\$ 48,632	\$ 47,032	\$ 52,732
	Expense	\$ 96,273	\$ 151,273	\$ 88,773	\$ 93,773	\$ 68,773

City Comptroller

Business Objects Reports Enhancement	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Development costs for a comprehensive reporting tool that allows departments to efficiently extract data and satisfy basic reporting needs for finance departments.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 400,000	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000
Addition of Internal Controls Positions	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 2.0 Accountant II positions for Citywide Internal Control work as a result of increasing focus on Internal controls at the federal and State level.	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 148,574	\$ 148,574	\$ 148,574	\$ 148,574	\$ 148,574

City Treasurer

Plaza Hall Janitorial	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Janitorial service expense associated with Parking Administration move to Plaza Hall.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500

Communications - Multimedia Services

Addition of Senior Management Analyst	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.00 Senior Management Analyst position to support the newly created Communications Department.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 81,757	\$ 81,757	\$ 81,757	\$ 81,757	\$ 81,757
Addition of Word Processing Operator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.00 Word Processing Operator position to support the newly created Communications Department.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000

Development Services

Addition of Word Processing Operator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 WPO position due to adoption of Property Value Protection Ordinance (O-20228) in December 2012, requiring lenders responsible for properties in default to register with the City to ensure proper maintenance of the property in default.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 43,000	\$ 43,001	\$ 43,001	\$ 43,001	\$ 43,001
Addition of Combination Inspector	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Combination Inspector position for inspection of mobile home parks and mobile homes to ensure that the living conditions meet health and safety standards per the CA Health and Safety Code 15800-18518 and the Mobile Home Parks Act.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 75,823	\$ 75,822	\$ 75,822	\$ 75,822	\$ 75,822
Addition of Public Information Clerk	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Public Information Clerk position to respond to citizen inquiries via division general telephone line, provide over the counter information to patrons, and respond to complaint forms received via mail or submitted to the division online email account.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 43,000	\$ 43,001	\$ 43,001	\$ 43,001	\$ 43,001
Marijuana Dispensary Enforcement	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 2.0 Zoning Investigator 2, and 1.0 Combination Inspector in Code Enforcement Division responsible for investigating illegal medical marijuana consumer collectives.	FTE	3.00	3.00	3.00	3.00	3.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 213,933	\$ 213,932	\$ 213,932	\$ 213,932	\$ 213,932

Economic Development

Addition of Global Trade Program Manager	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Global Trade Program Manager position to work with the San Diego Regional EDC, federal and State agencies and other economic development organizations to implement the findings of the export market and international business initiative.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 125,140	\$ 125,140	\$ 125,140	\$ 125,140	\$ 125,140

Environmental Services

Addition of Non-Personnel Expense Hazmat Inspector 2	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of non-personnel expense related to maintenance of generator for the Alternate Emergency Operations Center.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 3,656	\$ 3,656	\$ 3,656	\$ 3,656	\$ 3,656
Addition of Hazmat Inspector 2	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 0.50 Hazmat Inspector 2 position for Hazardous Materials Management Program is needed to maintain current service levels. This position is 50% cost recoverable from non-general funds.	FTE	0.50	0.50	0.50	0.50	0.50
	Revenue	\$ 15,142	\$ 15,142	\$ 15,142	\$ 15,142	\$ 15,142
	Expense	\$ 38,623	\$ 38,623	\$ 38,623	\$ 38,623	\$ 38,623
Addition of Code Enforcement Officers	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 2.0 Code Enforcement Officer positions for Citywide Recycling Ordinance Enforcement for Citywide recycling ordinance enforcement as per Audit Recommendation No. 7 (OCA-15-003).	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 143,155	\$ 143,155	\$ 143,155	\$ 143,155	\$ 143,155
Addition of Sanitation Drivers	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 2.0 Sanitation Driver 2 positions to maintain current service levels due to the impact of contractual discretionary leave time granted to employees and an increase in the use of Family Medical Leave Act.	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 122,701	\$ 122,701	\$ 122,701	\$ 122,701	\$ 122,701

Ethics Commission

Addition of Supplemental Senior City Attorney Investigator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Senior City Attorney Investigator position for a period of six months to provide unique and complex aspects of investigation training under incumbent before retirement.	FTE	1.00	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 43,963	\$ -	\$ -	\$ -	\$ -

ATTACHMENT 3: FY 2016 - 2020 DISCRETIONARY OPERATIONAL NEEDS

Financial Management

PBF Upgrade and FM Module Improvements	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Budget Coordinator and 1.0 Associate Budget Development Analyst positions for upgrade of PBF and improvements to FM Module as part of comprehensive financial reporting initiative.	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 207,132	\$ 207,132	\$ 207,132	\$ 207,132	\$ 207,132

Fire-Rescue

Addition of Code Compliance Officers	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 8.00 Code Compliance Officer positions for bi-annual inspection of the 43,000 parcels subject to brush management regulation.	FTE	8.00	8.00	8.00	8.00	8.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 436,116	\$ 436,116	\$ 436,116	\$ 436,116	\$ 436,116
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Back-Up Dispatch Center	FTE	-	-	-	-	-
Fire-Rescue portion of cost associated with outfitting of a Back-Up Dispatch Center. The costs are anticipated to be shared with the San Diego Police Department.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ -	\$ 800,000	\$ 25,000	\$ 25,000	\$ 25,000
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Building Service Technician	FTE	1.00	1.00	1.00	1.00	1.00
Addition of 1.00 Building Service Technician position to address ongoing needs to maintain the buildings at the Training facility at Naval Training Center.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 45,421	\$ 45,421	\$ 45,421	\$ 45,421	\$ 45,421
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Chief Battalion Unit	FTE	3.00	3.00	3.00	3.00	3.00
Addition of 3.00 Battalion Chief positions and associated capital expenditures to properly allocate the span of control of fire suppression activities as recommended within the Citygate Report.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 473,820	\$ 473,820	\$ 473,820	\$ 473,820	\$ 473,820
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Continuing Education	FTE	-	-	-	-	-
Addition of training budget for continuing education to meet Title Code of California Regulations (8 CCR) for Confined Space Technician, Swiftwater Technician, Trench Rescue, Rope Rescue Technician, Structure Collapse Technician, and Auto Extrication Technician.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 117,607	\$ 117,607	\$ 117,607	\$ 117,607	\$ 117,607
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Display Processing Equipment	FTE	-	-	-	-	-
Addition of one-time request to purchase display processing equipment for the incident command post.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 90,000	\$ -	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Drill Prop	FTE	-	-	-	-	-
Purchase of a portable Drill Prop to be located at Fire Station 10 for use by Fire Recruits and Fire Companies located in the eastern part of the City.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 156,000	\$ -	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Elimination of Cross-Staffing for Bomb Squad	FTE	12.00	12.00	12.00	12.00	12.00
Addition of 12.0 Bomb Squad positions to provide dedicated staff to the Bomb Squad unit to increase efficiency and reduce out-of-service time resulting from current cross-staffing.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 1,715,073	\$ 1,715,073	\$ 1,715,073	\$ 1,715,073	\$ 1,715,073
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Elimination of Cross-Staffing for HAZMAT Unit	FTE	12.00	12.00	12.00	12.00	12.00
Addition of 12.0 HAZMAT Unit positions to provide dedicated staff to the HAZMAT unit to increase efficiency and reduce out-of-service time for Engine and Truck 44 resulting from current cross-staffing.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 1,715,073	\$ 1,715,073	\$ 1,715,073	\$ 1,715,073	\$ 1,715,073
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fire Prevention Bureau Administrative Support	FTE	3.00	3.00	3.00	3.00	3.00
Addition of 1.00 Senior Clerk Typist and 2.00 Clerical Assistant II positions for Fire Prevention Bureau Administrative Support.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 132,332	\$ 132,332	\$ 132,332	\$ 132,332	\$ 132,332
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fire Station Furnishings	FTE	-	-	-	-	-
Installation of security fencing around the Fire-Rescue Department's Training facilities located at NTC. Lease of a portable classroom for training purposes. Replacement of Fire Station furnishings at approximately 60 Fire-Rescue facilities.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 164,300	\$ 114,300	\$ 114,300	\$ 61,400	\$ 61,400
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Inspection Management Program	FTE	-	-	-	-	-
Purchase of an Inspection Management Program to include software, hardware, licenses, data conversion, training and maintenance.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 250,000	\$ -	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Medical Equipment	FTE	-	-	-	-	-
Purchase of additional medical equipment to meet the needs of large scale incidents. This item is a recommendation from the Bernardo Fire After Action Report (AAR).	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 855,264	\$ -	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Mobile Data Computers	FTE	-	-	-	-	-
Purchase of 60 Mobile Data Computers (MDC's) to replace outdated hardware that is no longer compatible with new software. MDC's are an operational necessity and interact with the Computer Aided Dispatch (CAD) system.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 231,000	\$ -	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Night Inspection Detail	FTE	-	-	-	-	-
Reinstatement of the Night Inspection Detail Program to inspect downtown restaurant/bar/business establishments during peak evening hours and special events	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 62,492	\$ 62,492	\$ 93,739	\$ 124,984	\$ 124,984
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Outfit Type I Engines	FTE	-	-	-	-	-
Outfitting of five Type I engines for immediate deployment during high risk wild land fire days.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 118,060	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Parking Lot and Apron Sweeping	FTE	-	-	-	-	-
Contract to provide required parking lot and apron sweeping for stormwater compliance at all Fire-Rescue facilities.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Protective Equipment (Wildland Web Gear)	FTE	-	-	-	-	-
Replacement of aging wildland web gear for current fire suppression personnel.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 45,000	\$ 45,000	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Purchase of a Third Helicopter	FTE	-	-	-	-	-
Purchase of a helicopter to increase the number of City fire/rescue medium-lift helicopters to three to ensure the Fire-Rescue Department's ability to provide aerial fire suppression and rescue.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 1,074,590	\$ 1,074,590	\$ 1,074,590	\$ 1,074,590	\$ 1,074,590
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Rescue Tools/Equipment	FTE	-	-	-	-	-
Replacement of aging Amkus hydraulic rescue tools for vehicle extrication on Fire Trucks.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 25,000	\$ -	\$ -	\$ -	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Self-Contained Breathing Apparatus	FTE	-	-	-	-	-
Replacement Self Contained Breathing Apparatus (SCBA) bottles.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 163,900	\$ 110,260	\$ 50,660	\$ 96,000	\$ -
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Senior Management Analyst	FTE	1.00	1.00	1.00	1.00	1.00
Addition of 1.00 Senior Management Analyst position to the Fire-Rescue Department's Fiscal and Administrative Services Division.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 81,758	\$ 81,758	\$ 81,758	\$ 81,758	\$ 81,758
	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Training Facilities	FTE	-	-	-	-	-
Replacement of the HVAC and hot water systems at the Fire-Rescue Department's training facility.	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 250,000	\$ -	\$ -	\$ -	\$ -

ATTACHMENT 3: FY 2016 - 2020 DISCRETIONARY OPERATIONAL NEEDS

Wellness Program	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Increasing contractual costs associated with the Wellness Program.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 54,928	\$ 54,928	\$ 54,928	\$ 54,928	\$ 54,928
Turnout Gear - Personal Protective Equipment						
Replacement of aging turnout gear for current fire suppression personnel.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 167,200	\$ 622,600	\$ 154,000	\$ 327,800	\$ -
Purchase of 800 MHz Apex Radios						
Purchase of 800 MHz Radios (Apex Model) to replace outdated radio equipment no longer being manufactured.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000
Additional Radios and Batteries for Large-Scale Incidents						
Purchase of additional radios and batteries to meet the needs of large-scale incidents. This item is a recommendation from the Bernardo Fire After Action Report (ARR).						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 230,500	\$ -	\$ -	\$ -	\$ -
Technical Rescue Team - Personal Protective Equipment						
Replacement of outdated personal protective equipment for the Technical Rescue Team.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Replacement of Holmatro Hydraulic Rescue Tools						
Replacement of Holmatro hydraulic rescue tools for vehicle extrication on Fire Engines.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -

Infrastructure Public Works

Complete Gov Coordination & Clerical Support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Clerical Assistant II position to support the Citywide Complete Gov ADA Complaint Database and to provide clerical support.						
FTE		1.00	1.00	1.00	1.00	1.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 41,256	\$ 41,256	\$ 41,256	\$ 41,256	\$ 41,256

Library

Library Materials	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Permanent restoration of funding of the Library materials budget currently funded with one-time resources.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 209,500	\$ 209,500	\$ 209,500	\$ 209,500	\$ 209,500
Public Internet at Branch Libraries						
Minimal internet bandwidth at all branch libraries would be increased. Would allow for public service enhancement and computer maintenance efficiencies. Central Library does not need increased bandwidth.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 98,400	\$ 98,400	\$ 98,400	\$ 98,400	\$ 98,400
Public Use PC Replacement						
All library public use PCs were renewed in FY 2014. This request replaces these computers on a five-year plan. Public use PCs are not currently covered under the City's staff use computer replacement plan.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000

Lifeguard Services

Addition Clerical Assistant II	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Clerical Assistant II position to support all aspects of the Lifeguard Division's front office operation. Duties include processing misdemeanor citations, special event billing, invoicing, process Lifeguard Division staffs.						
FTE		1.00	1.00	1.00	1.00	1.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 41,256	\$ 41,256	\$ 41,256	\$ 41,256	\$ 41,256
Addition of Marine Safety Captain						
Addition of a Marine Safety Captain to provide direct management level control of Mission Bay and the Boating Safety Unit (BSU). This position will manage all aspects of routine and emergency operations at the Boating Safety Unit.						
FTE		-	-	-	-	1.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ -	\$ -	\$ -	\$ 128,696
Addition of Lifeguard III for Ocean Beach						
Addition of 2.0 Lifeguard III positions at Ocean Beach. This beach is responsible for coastal cliff rescues and outside, unguarded water rescue responses. Throughout the year, outside responses may result in leaving the main beach with a limited staff.						
FTE		2.00	2.00	2.00	2.00	2.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 161,937	\$ 161,937	\$ 161,937	\$ 161,937	\$ 161,937
Addition of Lifeguard III for Pacific Beach						
Addition of 2.0 Lifeguard III positions at Pacific Beach on weekdays throughout the year and relief three days per week. Activity at this beach during non-summer months often necessitates bringing in additional staff to handle crowds and conditions.						
FTE		2.00	2.00	2.00	2.00	2.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 161,937	\$ 161,937	\$ 161,937	\$ 161,937	\$ 161,937
Advanced Lifeguard Academy						
Addition of ongoing personnel and non-personnel expense for hourly wages for an advanced lifeguard academy. Critical to maintain adequate levels of trained staff. Funding for hourly wages, overtime, and non-personnel expense for academies in FY 2016, FY 2018 and FY 2020.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 273,447	\$ -	\$ 273,447	\$ -	\$ 273,447
Fire Boat						
Addition of Fire Boat in FY 2020. Having a second fire boat capable of responding to a vessel fire increases ability for rescue, fire suppression and safety for rescue personnel. We currently cannot consistently provide two fire boats to every vessel fire due to maintenance and repair.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
Increase in Seasonal Lifeguard Hours						
Increase in hourly wages budget for seasonal lifeguard hours to provide enhanced training to entry level ocean front lifeguards. Increase in seasonal hours is equivalent to five Lifeguard I positions for 15 weeks.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ -	\$ 18,774	\$ 18,774	\$ 18,774
Lifeguard Dive Team Expansion						
Increase in Lifeguard Dive Team budget to fund the cost of additional special team pay, equipment, and training for new members.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ 43,225	\$ 43,225	\$ 43,225	\$ 43,225
Replacement of Current Locker Room Trailer						
Replacement of current locker room which has exhausted its useful life cycle and currently is below standard.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ -	\$ 189,000	\$ -	\$ -
River Rescue Team Expansion						
Expansion of the River Rescue Team by adding special team pay, equipment and training for five Lifeguards II and two Lifeguard Sergeants. This will provide two additional emergency response squads and requires no additional FTE.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ 59,638	\$ 59,638	\$ 59,638	\$ 59,638
Addition of Special Operations Sergeant						
Addition of 1.0 Special Operations Sergeant required to organize and coordinate training and special enforcement operations during summer months. During the remaining nine months of the year this position will be used to support several operational, planning and administrative areas.						
FTE		1.00	1.00	1.00	1.00	1.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 88,736	\$ 88,736	\$ 88,736	\$ 88,736	\$ 88,736
Addition of Lifeguard Overtime						
Increase the department overtime budget to provide additional training in support of succession planning for the Boating Safety Unit. This additional time will provide dedicated training for Level 1, Level 2, and Level 3 boating academies, as well as rescue academies.						
FTE		-	-	-	-	-
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ 120,134	\$ 120,134	\$ 120,134	\$ 120,134	\$ 120,134
Addition of Lifeguard III at Wind-n-Sea						
Addition of 1.0 Lifeguard III position three days a week at Wind-n-Sea during summer months and at the Boating Safety Unit in the non-summer months.						
FTE		-	1.00	1.00	1.00	1.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ 80,968	\$ 80,968	\$ 80,968	\$ 80,968
Addition of Lifeguard III for Training at Mission Bay						
Addition of 1.0 Lifeguard III position for training at Mission Bay and for operations to support oversight and leadership in emergency operations.						
FTE		-	-	1.00	1.00	1.00
Revenue		\$ -	\$ -	\$ -	\$ -	\$ -
Expense		\$ -	\$ -	\$ 80,968	\$ 80,968	\$ 80,968

ATTACHMENT 3: FY 2016 - 2020 DISCRETIONARY OPERATIONAL NEEDS

Addition of Lifeguard II for South Mission Beach	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Lifeguard II position at South Mission Beach in the summer months and one Lifeguard II relief guard in the non-summer months.	FTE	-	-	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ -	\$ -	\$ 80,968	\$ 80,968	\$ 80,968
Conversion of Boating Safety Unit to Specialty Team	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Convert the BSU to a Specialty Team. This will help address the issue of succession planning at the BSU, increase management rights and controls, increase accountability and productivity, and recognize and compensate those with additional boat operator responsibility.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ -	\$ -	\$ 222,992	\$ 222,992	\$ 222,992
Increase Seasonal Lifeguard Hours	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Increase of hourly wages budget for seasonal lifeguard hours to provide enhanced training to entry level ocean front lifeguards. This is equivalent to five Lifeguards I positions for 15 weeks.	FTE	-	-	2.02	2.02	2.02
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ -	\$ -	\$ 74,676	\$ 74,676	\$ 74,676
Enhance La Jolla Operations and Increase Night Crew	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Convert one daily Lifeguard II position in La Jolla to a daily 24 hour Lifeguard III. This position will improve Lifeguard coverage during daytime operations in La Jolla.	FTE	-	-	-	-	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ 176,962
	Expense	\$ 847,448	\$ 757,831	\$ 1,698,656	\$ 1,236,209	\$ 2,915,315

Office of Homeland Security

Grant Funded Position - Homeland Security Coordinator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Funding Source Change - 0.5 FTE Homeland Security Coordinator to migrate from grant funding to ensure continuity of the position to support EOC operations independent of external grant sources.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ (35,880)
	Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Funded Position - Supervising Homeland Security Coordinator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Funding Source Change - 0.5 FTE Supervising Homeland Security Coordinator to migrate from grant funding to ensure continuity of the position to support Finance and Recovery operations independent of external grant sources.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ (40,446)	\$ (40,446)	\$ (80,892)	\$ (80,892)
	Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Funded Position - Supervising Homeland Security Coordinator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Funding Source Change - 0.5 FTE Supervising Homeland Security Coordinator to migrate from grant funding to ensure continuity of the position to support emergency planning and preparedness independent of external grant sources.	FTE	-	-	-	-	-
	Revenue	\$ (40,446)	\$ (40,446)	\$ (80,892)	\$ (80,892)	\$ (80,892)
	Expense	\$ -	\$ -	\$ -	\$ -	\$ -

Park & Recreation

ADA upgrades for Facilities	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Upgrades for Park and Recreation Department facilities to be in compliance with the Americans with Disabilities Act.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 250,000	\$ 250,000	\$ 300,000	\$ 350,000	\$ 400,000
Addition of Horticulturalist	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Horticulturalist position responsible for direct oversight of the Departments Water Conservation Program and provide training and outreach to Department personnel as it relates to irrigation infrastructure. Citywide Park Maintenance Water Resource Management.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 72,631	\$ 72,631	\$ 72,631	\$ 72,631	\$ 72,631
Addition of Park Ranger	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.00 Park Ranger position and related non-personnel expense at a rate of one Park Ranger per 200 new acres per year in an effort to approach the benchmark of one ranger for each 648 acres.	FTE	1.00	2.00	3.00	4.00	5.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 103,091	\$ 171,982	\$ 240,873	\$ 309,764	\$ 378,655
Assistant Recreation Center Directors	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of Assistant Recreation Center Director positions, and associated non-personnel expense at recreation centers (57 sites citywide) to improve internal controls, operating hours, safety, customer service and programming.	FTE	10.00	19.00	25.00	29.00	29.00
	Revenue	\$ 2,000	\$ 3,000	\$ 5,000	\$ 6,000	\$ 6,000
	Expense	\$ 428,337	\$ 813,841	\$ 1,070,844	\$ 1,242,193	\$ 1,242,193
Assistant Recreation Center Directors	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of Assistant Recreation Center Director positions will allow staff to take time to perform playground sites visits and complete a written safety inspection form at least biweekly as recommended in the Auditor's Performance Audit of the Park and Recreation Department's Playground Maintenance Program.	FTE	6.00	11.00	18.00	24.00	24.00
	Revenue	\$ 3,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Expense	\$ 257,002	\$ 471,171	\$ 771,007	\$ 1,028,022	\$ 1,028,022
Citywide Maintenance Support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 4.0 maintenance positions to form an additional Tree Crew in Park Forestry Unit due to expansion of citywide park system. Includes vehicle and chipper to perform related work such as mowing, irrigation, and park forestry support.	FTE	4.00	4.00	4.00	4.00	4.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 447,719	\$ 121,719	\$ 121,719	\$ 121,719	\$ 121,719
Addition for Maintenance of City Owned Properties	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 0.5 Ground Maintenance Worker 2 positions, personnel expense, and associated non-personnel expense to support maintenance of various properties transferred from Real Estate Assets Department.	FTE	0.50	0.50	0.50	0.50	0.50
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 21,669	\$ 21,669	\$ 21,669	\$ 21,669	\$ 21,669
Addition for Maintenance of City Owned Properties	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 0.50 Ground Maintenance Worker 2 positions, to support various properties transferred from Real Estate Assets Department.	FTE	0.50	0.50	0.50	0.50	0.50
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 21,669	\$ 21,669	\$ 21,669	\$ 21,669	\$ 21,669
Turf Fertilization of City Parks and Athletic Fields	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Turf fertilization of City parks and athletic fields in order to maintain safe and playable conditions for park users.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Administrative Support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Reallocation of 0.25 Payroll Specialist position reduced in FY 2015 from Open Space budget and reallocated to the MADS' budget, to continue assisting the Developed Regional Parks.	FTE	0.25	0.25	0.25	0.25	0.25
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850
Administrative Support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 clerical support position and related non-personnel expense to address phones, water complaints and general office support.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 46,256	\$ 46,256	\$ 46,256	\$ 46,256	\$ 46,256
Brush Management Program Support 1	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Biologist III position and related non-personnel expense to support the Brush Management Program where one biologist can process 150 acres per year.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 90,532	\$ 90,532	\$ 90,532	\$ 90,532	\$ 90,532
Brush Management Program Support 2	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Assumption of brush management responsibility for 53 acres within Paper Street right-of-way.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 335,000	\$ 345,050	\$ 355,402	\$ 366,064	\$ 377,045
Brush Management Program Support 3	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Brush management of approximately 14 acres related to the Otay Valley Regional Park agreement, based on expected costs of \$6,322/acre (escalated by 3%).	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 88,500	\$ 91,155	\$ 93,890	\$ 96,706	\$ 99,608
Brush Management Program Support 4	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
The brush management contract with the current vendor ends in Fiscal Year 2015 with requested increases to renew the contract in Fiscal Years 2016 - 2020.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 158,000	\$ 162,740	\$ 167,622	\$ 172,651	\$ 177,830

Performance and Analytics

Addition of Open Data Program Manager	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.00 Program Manager position to support implementation of the Open Data Policy.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 125,140	\$ 125,140	\$ 125,140	\$ 125,140	\$ 125,140

ATTACHMENT 3: FY 2016 - 2020 DISCRETIONARY OPERATIONAL NEEDS

Planning

Addition of Associate Planner for Historic Resources	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Associate Planner position to assist in historic project reviews/ inspections and work on Historic Nominations and be in compliance of Mills Act agreement.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 77,931	\$ 77,931	\$ 77,931	\$ 77,931	\$ 77,931
Additional Support for Community Plan Updates & Amendments	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Park Designer and 1.0 Planner positions, non-personnel expense, and associated revenue provides additional professional staff to prepare the Recreation elements of community plan updates and to maintain the General Plan.	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ 14,660	\$ 14,660	\$ 14,660	\$ 14,660	\$ 14,660
	Expense	\$ 134,727	\$ 134,727	\$ 134,727	\$ 134,727	\$ 134,727
Climate Adaptation Plan	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Funding for contractual services to develop a Climate Adaptation Plan following adoption of the City's Climate Action Plan.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 100,000	\$ 150,000	\$ 75,000	\$ -	\$ -
Support for a Citywide Parks Master Plan	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Funding for contractual services to develop a Parks Master Plan (PMP). The preparation of PMP would contribute to active living and improved public health by working toward improved availability and access to park and recreation facilities.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 350,000	\$ 350,000	\$ 350,000	\$ -	\$ -

Police

Increase for Photocopy Expense	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of non-personnel expenses increase for Photocopy services.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Increase for Sergeant and Lieutenant Exams	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of non-personnel budget for Sergeant and Lieutenant exams.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 150,000
Increase in Budget for Uniform Allowance Expense	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Increase in budget for Uniform Allowance expense, for the Citywide Police force.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Maintenance of Existing Facilities	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of maintenance costs associated with Police Department facilities per the Police Department Five-Year Plan.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
Police Decentralization Fund Transfer	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Increase in the General Fund transfer to the Police Decentralization Fund to cover higher expenses due to increased jail bookings.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 300,000	\$ 315,000	\$ 330,750	\$ 347,288	\$ 364,652
Police Range Refurbishment	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Refurbishment of the Police Department's shooting range facility.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -
Replace Outdated Equipment	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Increase to replace end of life and outdated equipment per the Police Department Five-Year Plan.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 2,854,210	\$ 3,536,193	\$ 2,227,858	\$ 2,307,870	\$ 2,129,273
Restoration of Able and Canine Hours	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Restoration of Able (helicopter) and canine hours per the Police Department's Five-Year Plan.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 412,500	\$ 458,267	\$ 509,901	\$ 566,534	\$ 618,168

Public Works - General Services

Facilities Maintenance Industry Standard	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of various positions, personnel expense, and associated non-personnel expense to meet facilities maintenance industry standards.	FTE	37.00	66.00	96.00	125.00	153.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 4,188,820	\$ 7,446,407	\$ 10,774,179	\$ 14,012,009	\$ 16,880,543
General Services Administration Coordinator	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Program Manager position with offsetting revenue, to coordinate General Services division's fiscal and administrative functions and manage publishing services and convenience copier program.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
	Expense	\$ 143,911	\$ 143,911	\$ 143,911	\$ 143,911	\$ 143,911
Emergency Backup Generators for Police and Fire Departments	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 3.00 electrician positions and associated non-personnel expense related to the Citywide generator maintenance increase, specifically the Police and Fire Department generators.	FTE	3.00	3.00	3.00	3.00	3.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 353,866	\$ 263,866	\$ 263,866	\$ 263,866	\$ 263,866

Real Estate Assets

Addition of Supervising Property Agent	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Supervising Property Agent position to perform appraisal support for the increasing appraisal needs of City departments such as Debt Management, Public Utilities Department, and Comptrollers.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 101,363	\$ 101,363	\$ 101,363	\$ 101,363	\$ 101,363

Transportation and Storm Water - Administration & Right-of-Way Coordination

Department-wide IT support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Information Systems Analyst III position for support of the Department's IT needs.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 81,758	\$ 81,758	\$ 81,758	\$ 81,758	\$ 81,758

Transportation and Storm Water - Storm Water

Rosecreek Survey for Parkland Dedication	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of Rose creek Survey for Parkland Dedication budget. The Storm Water Division is being offered Rosecreek Land for Parkland Dedication where a survey is needed to determine if this is feasible.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 354,000	\$ -	\$ -	\$ -	\$ -

Transportation and Storm Water - Street

Pedestrian Bridge at Petco Park	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of non-personnel expense related to the annual maintenance contract to support Petco Park Pedestrian Bridge and other Citywide bridges.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000
Street Division Administrative Support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.00 Associate Management Analyst and associated non-personnel expense to support Operation and Maintenance and CIP budget preparation and monitoring.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 76,087	\$ 74,287	\$ 74,287	\$ 74,287	\$ 74,287
Street Division Equipment Maintenance Support	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 1.0 Equipment Technician 2 position and related non-personnel expense to support in small equipment repair and maintenance.	FTE	1.00	1.00	1.00	1.00	1.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 97,123	\$ 97,123	\$ 97,123	\$ 97,123	\$ 97,123
Graffiti Abatement Program Enhancement	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Addition of 2.0 Graffiti Abatement personnel and associated non-personnel expenditures to consolidate and enhance Graffiti Abatement efforts Citywide.	FTE	2.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 737,606	\$ 648,526	\$ 648,526	\$ 648,526	\$ 648,526

ATTACHMENT 3: FY 2016 - 2020 DISCRETIONARY OPERATIONAL NEEDS

Transportation and Storm Water - Transportation Engineering Operations

	FTE/Revenue/Expense	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Bicycle Initiatives						
Addition of non-personnel expense to support the City's Bicycle Initiatives.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Bike Program						
Addition of non-personnel expense to support the Citywide Bike Program.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Intelligent Transportation Systems (ITS)						
Addition of 1.0 position to support the Intelligent Transportation Systems (ITS).	FTE	1.00	2.00	3.00	3.00	3.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 91,623	\$ 171,011	\$ 250,400	\$ 250,400	\$ 250,400
Transportation Demand Management Program (TDM)						
Addition of 1.0 position to support the Transportation Demand Management Program (TDM).	FTE	1.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 89,748	\$ 167,680	\$ 167,680	\$ 167,680	\$ 167,680
Addition of Civil Engineer to Support CIP Planning Programs						
Addition of 2.0 Civil Engineer positions to support Capital Improvement Program (CIP) Planning.	FTE	2.00	3.00	3.00	3.00	3.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 171,011	\$ 250,400	\$ 250,400	\$ 250,400	\$ 250,400
Addition of Assistant Traffic Engineer for Sidewalk Improvements						
Addition of 1.0 Assistant Traffic Engineer position for sidewalk improvements Citywide.	FTE	1.00	2.00	2.00	2.00	2.00
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 79,389	\$ 158,778	\$ 158,778	\$ 158,778	\$ 158,778
Increase in Training						
Addition of non-personnel expense to support training for engineers, Citywide.	FTE	-	-	-	-	-
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000