



CITY OF SAN DIEGO

FISCAL YEAR
2007
ANNUAL
BUDGET

APPENDIX: LEGISLATIVE ACTIONS



**OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M**

No. 06-9

DATE: May 26, 2006

TO: City Council President Scott Peters and City Council Members

FROM: Andrea Tevlin, Independent Budget Analyst

SUBJECT: Final Recommended Modifications to the Fiscal Year 2007 Budget

On Wednesday, May 24, 2006, the Budget & Finance Committee had its final meeting to consider the FY 2007 Proposed Budget. The action of the Committee was to tentatively approve the recommendations of the IBA as contained in IBA Report 06-26 and forward recent City Attorney and CFO information to the IBA for analysis. The motion was passed by a vote of 4-1 by the Committee with Council Members Faulconer and Hueso also supporting the action.

This memo summarizes the proposed action for the City Council's budget deliberation on May 30 and provides further analysis and information as requested by the committee.

IBA Report 06-26

The Committee supported the recommendations as provided in the IBA report dated May 19. Attachment I to this memorandum is provided to summarize these proposals. Since the publication of the May 19 report, the IBA has been informed that Tweet Street Park, which will be completed in FY 2007, will require funding of \$33,071 and 0.33 Grounds Maintenance Worker. As recommended in the IBA report, this funding should be included in the FY 2007 Budget. Attachment I to this report reflects the IBA recommendations from May 19, modified to include this expense. A corresponding reduction has been identified in the contribution to the General Reserves.

CFO's Technical Corrections

The CFO presented a final list of technical corrections via his memo of May 23 (Attachment II). The corrections result in an additional \$652,384 available in the General Fund. In addition, the CFO has captured the Council-approved payment by CCDC as a revenue of \$620,000.

The IBA has reviewed the items recommended for inclusion in the FY 2007 budget as introduced by the CFO. The IBA recommends that the CCDC payment of \$620,000 be approved, as well as the items as listed on Attachment 1 to that memo, with the following exceptions:

1. Line item 5 for Community & Legislative Services: Remove \$127,706 in revenue from the Water Department due to elimination of the Binational Affairs Liaison to Mexico Service Level Agreement with the Water Department, as identified in the Chief Financial Officer's May 23, 2006 Memorandum to Councilmember Frye.

2. Line item 4 for Citywide Program Expenditures: this should be modified to reflect a reduction of (\$243). The funding correction for Accessible San Diego is already accounted for in the IBA's report 06-26, so approving this item would "double count" that funding. However, this reduction of (\$243) in the transfer to Special Promotional Programs is still required because the Proposed Budget inadvertently transferred excess funding to Special Promotional Programs.

The CFO has also provided a summary of departments and activities that have been restructured for FY 2007 (see Attachment II).

Service Level Agreement Modifications

It is clear that the City of San Diego must reform its practices with respect to the use of Service Level Agreements (SLAs). In response to the finding of a Grand Jury investigation of the Water and Sewer Enterprise Funds, the Mayor has recommended elimination of several SLAs that currently provide revenue to the General Fund. It is not appropriate to continue to budget this revenue in light of the reforms that must be enacted. However, a full report has not yet been made to the City Council on the grand jury findings, current proposed actions, or strategies for future actions. As previously recommended by the IBA, the City Council should be briefed on these plans, to include a comprehensive package of reforms that require City Council approval. Nevertheless, the IBA does support the recommendation made in the CFO's May 23rd memo (Attachment II) to take immediate steps to eliminate practices that are deemed to be inappropriate in the FY 2007 Budget. As a result, approximately \$3.0 million in revenue from Enterprise Funds that is currently budgeted in General Fund Departments will be removed. In addition, the elimination of these SLAs should result in corresponding expenditure savings for all of the appropriate Non-General Fund Departments.

In accordance with the recommended modifications described above, the CFO's memo proposes to remove all of the Water Fund revenue to the Park and Recreation Department for the operations of concessions at reservoirs. While the memo does not recommend removal of the associated General Fund expenditures in the Park and Recreation budget, the Mayor's Press release of May 15 states that the Water Department will establish a contract with a vendor to operate these concessions by June 1 and through September 30, and that a long-term cost-neutral program through a private vendor should be in place after that. Since Park and Recreation will no longer operate these concessions in FY 2007, the expense of that operation should be removed as well. The IBA recommends removal of 19.58 FTE and \$1,692,858 from the Park and Recreation budget. The savings realized through this action should be redirected to the General Fund Reserve. The Park and Recreation Department is in the process of placing staff that formerly operated reservoir concessions into vacancies elsewhere in the Department.

All other impacts to existing programs that result from the loss of revenues associated with the SLA corrections should be reported to the City Council.

Final General Fund Modifications

The table below summarizes the recommended actions taken above, and directs excess available funds to the General Reserves.

GENERAL FUND MODIFICATIONS		
	Expense	Revenue
IBA Recommended Modifications Report 06-26	(\$364,665,820)	(\$364,665,820)
Add'l IBA Recommended Modifications (Tweet Street)	\$33,071	-
CFO Technical Modifications (as recommended by IBA)	\$536,032	\$1,072,422
CCDC Revenue	-	\$620,000
SLA Revenue Adjustment (as recommended by IBA)	-	(\$2,842,201)
SLA Expenditure Adjustment (Reservoir Concessions)	(\$1,692,858)	-
Adjustment to General Fund Reserve	(26,024)	
Subtotal Revised Modifications	(\$365,815,599)	(\$365,815,599)

If approved as proposed, the final contribution to the General Reserves will be as follows:

IBA Recommended General Reserve Contribution (Report 06-26)	\$7,226,121
Adjustment to General Fund Reserve (see above)	(26,024)
Final Proposed General Reserve Contribution	\$7,200,097

Deferred Maintenance Projects

The IBA recommends that the City Council adopt the attached list of deferred maintenance projects (Attachment III) to be executed in FY 2007 with the \$10.6 million available in the Proposed Budget. Of the Mayor's original plan for \$20 million funding for deferred maintenance projects, the General Services Department has created a prioritized list of projects totaling \$10.6 million.

Environmental Growth Fund Projects

In accordance with Report 06-26, the IBA recommends that the City Council appropriate funds from the balance of the Environmental Growth Fund 2/3. This onetime source of revenue could

be utilized for one or more projects that preserve and enhance the environment. The Park and Recreation Department has identified a prioritized list of needs for City Council consideration (Attachment IV). The IBA recommends that the City Council approve these projects to be included in the FY 2007 Budget.

Funding for Police Recruitment and Retention

The City Council recognizes that the recruitment and retention of Police Officers is critical to public safety in the City of San Diego. Currently, a comprehensive recruitment and retention plan has not been identified by the Police department. The Police Chief has indicated that a plan is forthcoming and will be presented to the Public Safety & Neighborhoods Services Committee in June. The IBA recommends that funding not be allocated for recruitment and retention until a specific action plan is brought forward by the Mayor and Police Chief, and is approved by Council. We recommend this be done as soon as possible. If the City Council deems the recruitment and retention plan acceptable, then funding should be identified for these efforts from additional General Fund revenues or reserves.

Arts & Culture Council Discretionary Funds

The IBA continues to recommend that funding not be increased or reallocated at this time to augment City Council discretionary funding. Consistent with the "time-out" approach suggested by our office, it is not recommended that major reductions or additions to programs be implemented in FY 2007. The policy objectives of the Special Promotional Programs, including Arts & Culture funding, should be discussed in anticipation of the FY 2008 budget process.

QUALCOMM Parking Fee Increase

Consistent with Report 06-26, the IBA recommends that the issue of parking fees at QUALCOMM be revisited by the City Council as soon as possible. This item has been docketed for Tuesday, May 30th. If parking fees are increased, the General Fund subsidy for that stadium would be reduced, freeing up approximately \$312,000 for the General Fund Reserve.

Take Back the Streets

In IBA Report 06-26, we recommended including \$300,000 for the Alpha Project's Take Back the Street Program. If this recommendation is approved, the Environmental Services Department will administer the contract with the Alpha Project, and will make recommendations to the City Council regarding the types of services and the service areas that will be covered by the Program.

Retirement System Proposed Additional Positions

At the Budget & Finance Committee Meeting on May 24th, the Retirement System Administrator, David Wescoe, informed the committee that he will be asking that the Retirement Board of Administration approve the addition of several new positions to the Retirement System Administration budget. Three of these positions currently exist in the City Auditor & Comptroller's budget. Since the Retirement Board is not scheduled to review or approve the Administrator's Proposed Budget prior to the passage of the City's budget, the IBA does not

Page 5
Council President and City Council
May 26, 2006

recommend the removal of the positions and associated revenue from the Auditor's budget at this time. However, should the Retirement Board approve the addition of these positions, they should be removed from the Auditor's budget at the next opportunity.

Non-General Fund Modifications

This memorandum has largely been focused on General Fund modifications. However, there are several Non-General Fund modifications that were identified by the CFO in his May 23rd memo, and are recommended by the IBA. Refer to Attachment II for more information on these modifications.



Andrea Tevlin
Independent Budget Analyst

Attachments

IBA REPORT 06-26


Summary of General Fund Modifications				
Item #	Description	FTE	Expense	Revenue
Citywide Recommendations				
1	Retiree Health Care and Trust Fund Establishment	0.00	(\$883,547)	\$0
2	Employee Offset Savings	0.00	\$0	\$9,334,180
3	Remove Pension Obligation Bond Revenue and Expense	0.00	(\$374,000,000)	(\$374,000,000)
4	Unallocated Reserve (General Fund Reserve)	0.00	\$7,193,050	\$0
5	General Fund Revenue Adjustments	0.00	\$0	TBD
Community and Economic Development				
6	Commission on Gang Prevention	0.00	\$62,194	\$0
7	Staffing for Disability Services	1.00	\$73,212	\$0
Environmental Services Department				
8	Recycling (AB 939) Fees	0.00	(\$1,162,872)	\$0
9	Increase Funding for "Take Back the Streets Program"	0.00	\$300,000	\$0
Ethics Commission				
10	Vacancy Factor/Supplemental Positions	1.25	\$273,379	\$0
11	Additional Staffing	2.00	\$201,359	\$0
Library				
12	New Facilities Correction	0.00	\$15,575	\$0
13	Temporary Help Correction	0.00	\$36,545	\$0
14	Restoration of Youth-Related Programs (Youth Services Librarian)	1.00	\$84,137	\$0
Neighborhood Code Compliance				
15	Graffiti Control Program	2.00	\$378,300	\$0
Park & Recreation				
16	FY 2007 New Facilities	16.35	\$1,951,011	\$0
17	Restoration of Youth-Related Programs (Asst Director - Robb Field & Hourly Rec Leaders)	7.68	\$271,925	\$0
Planning				
18	Historical Resources/Overtime	1.00	\$215,996	\$0
QUALCOMM Stadium				
19	Increase General Fund subsidy to QUALCOMM in lieu of parking fee increases	0.00	\$312,204	\$0
San Diego Police Department				
20	Increase to Vacancy Factor	0.00	(\$2,000,000)	\$0
21	Civilian Positions to Return Officers to Patrol	30.00	\$2,000,000	\$0
Special Promotional Programs				
22	Accessible San Diego Funding Correction	0.00	\$11,712	\$0
Total:		62.28	(\$364,665,820)	(\$364,665,820)
Surplus/Deficit:			\$0	

Summary of Non-General Fund Modifications				
Item #	Description	FTE	Expense	Revenue
Citywide Recommendations				
23	Proposition 42 - Street Resurfacing/Slurry Seal	0.00	\$5,000,000	\$5,000,000
24	Retiree Health Care and Trust Fund Establishment	0.00	(\$503,624)	\$0
Environmental Growth Fund				
25	Surplus Balance	0.00	\$2,500,000	\$0
Environmental Services				
26	Recycling (AB 939) Fees	0.00	\$0	(\$2,600,000)
Total:		0.00	\$6,996,376	\$2,400,000

CITY OF SAN DIEGO
M E M O R A N D U M

DATE: May 23, 2006

TO: City Council President Peters and Members of the City Council

FROM: Jay M. Goldstone, Chief Financial Officer 

RE: Request to Consider Technical Corrections for Inclusion in the Fiscal Year 2007 Budget

Attachment 1 is a chart summarizing technical changes not specifically included in the Independent Budget Analyst's recommendations; however, were referenced in the IBA's report of May 19, 2006 and the Mayor's Recommended Revisions to the Fiscal Year 2007 Proposed Budget distributed to City Council on May 15, 2006. These changes include corrections to the budget associated with restructuring and errors that were not discovered until after the publication of the Mayor's Fiscal Year 2007 Proposed Budget of April 14, 2006.

I respectfully request that these items be considered by Budget and Finance Committee and the full City Council for inclusion in the Fiscal Year 2007 Budget. This information has been previously submitted to the Office of the Independent Budget Analyst.

The net result of the technical corrections in Attachment 1 is an additional \$652,384 available to be added to the unallocated General Fund reserve.

In addition to the above noted adjustments, staff is requesting that two additional adjustments to General Fund revenues be incorporated into the final budget. First, is a reduction of \$2,969,907. This is the result the elimination of general fund revenue from the enterprise funds as a result of reforms enacted by the Mayor to correct prior Service Level Agreement (SLA) charging practices. Attachment 2 describes the effect on the Fiscal Year 2007 Proposed Budget of the cancellation of these SLAs.

The second adjustment is to increase General Fund revenues by \$620,000 in order to capture a payment to the City from CCDC.

The net result of all of these adjustments means that \$5,528,598 will be available to be allocated to the unappropriated General Fund reserve in fiscal year 2007. The adjustments are outlined below.

City Council – Technical Corrections for Inclusion in the Fiscal Year 2007 Budget
May 23, 2006 – page 2

Unallocated General Fund Reserve IBA Report May 19, 2006	\$7,226,121
Adjustment to Reserve from Additional Technical Corrections Attachment 1	\$652,384
SLA Revenue Adjustment to Reserve Attachment 2	(\$2,969,907)
Inclusion of Revenue from CCDC	\$620,000
Proposed revised unallocated General Fund Reserve	<u>\$5,528,598</u>

Attachments:

Fiscal Year 2007 Proposed Budget Technical Corrections
Memorandum to Council Member Donna Frye: Effect on the
Fiscal Year 2007 Proposed Budget of Discontinuing Service Level Agreements

cc: Mayor Sanders
Ronne Froman, Chief Operating Officer
Mary Lewis, Financial Management Director
Andrea Tevlin, Independent Budget Analyst

FY 2007 Proposed Budget Technical Corrections

(Does not include recommended changes from the IBA Office)

Attachment 1

General Fund

Department	Action	FTE	PE	NPE	Total	Revenue
Business & Grant Administration	Restructuring: Reversal of previous addition of 1.00 Payroll Specialist to the Administration staff.	-1.00	\$ (61,962)	\$ -	\$ (61,962)	\$ -
City Auditor and Comptroller	Restructuring: Transfer 1.00 Accountant III from Auditor to Office of Ethics & Integrity.	-1.00	\$ (97,992)	\$ -	\$ (97,992)	\$ -
City Council - All Districts	Adjustments ranging from \$4K to \$5K to balance each Council Office to prescribed \$990K budgets.	0.00	\$ 4,659	\$ -	\$ 4,659	\$ -
Citywide Program Expenditures	Transfer from General Fund for revenue source in Special Promotional Programs.	0.00	\$ -	\$ 11,469	\$ 11,469	\$ -
Community & Legislative Svcs	Restructuring: Convert 1.00 Program Manager from 1.00 Assistant Deputy Director, transfer of revenue and NPE for BI-National Affairs, from Governmental Relations and NPE	1.00	\$ 147,721	\$ 14,669	\$ 162,390	\$ 248,803
Customer Services	Restructuring: Transfer Director and associated non-personnel expense from Neighborhood Code Compliance.	1.00	\$ 190,181	\$ 3,000	\$ 193,181	\$ -
E&CP - Architectural Engineering & Contracts	Restructuring: Reinstate 1.00 Contracts Processing Clerk transferred in error to Purchasing and Contracting. Transfer out or revenue to Purchasing and Contracting	1.00	\$ 57,437	\$ -	\$ 57,437	\$ (335,035)
General Svcs - Parking Management	Restructuring: Convert 1.00 Program Manager from Streets Division to Assistant Deputy Chief in Public Works Department.	-1.00	\$ (142,465)	\$ -	\$ (142,465)	\$ -
Governmental Relations	Restructuring: Transfer out of 1.00 Assistant Deputy Director and associated revenue and NPE to Community & Legislative Services.	-1.00	\$ (166,737)	\$ (14,669)	\$ (181,406)	\$ (141,896)
Human Resources	Restructuring: Transfer in of Benefit Plan Services and Long Term Disability Payment Processing from Risk Management.	4.50	\$ 336,834	\$ 220,275	\$ 557,109	\$ 568,901
Neighborhood Code Compliance	Restructuring: Transfer out of 1.00 Director position and associated non-personnel expense to Customer Services Department.	-1.00	\$ (169,524)	\$ (3,000)	\$ (192,524)	\$ -
Office of Ethics & Integrity	Adjustment of \$25,000 to cover cost of statutorily mandated administrative hearings by the Citizen's Review Board of Police Practices.	0.00	\$ -	\$ 25,000	\$ 25,000	\$ -
Park & Recreation	Adjustment to reduce NPE to cover a supplemental .50 Word Processing Operator	0.50	\$ 29,726	\$ (29,869)	\$ (143)	\$ -
Park & Recreation - Developed Regional Parks	Transfer 1.00 Park Ranger from Special Promotional Program to more appropriately budget in Developed Regional Parks Division.	1.00	\$ 88,181	\$ 100	\$ 88,281	\$ 88,281
Public Safety	Adjustment to Remove contribution in aid expenditure budgeted in error during the development of the Fiscal Year 2007 Proposed Budget.	0.00	\$ -	\$ (250,000)	\$ (250,000)	\$ -
Purchasing & Contracting	Restructuring: Transfer Water and Sewer Design Contracts Section to Purchasing and Contracting.	5.00	\$ 382,883	\$ 49,264	\$ 432,147	\$ 781,074
Purchasing & Contracting	Restructuring: Removal of 1.00 Contracts Processing Clerk transferred in error from Architectural Engineering and Contracts.	-1.00	\$ (57,437)	\$ -	\$ (57,437)	\$ -

Enterprise Funds

Department	Action	FTE	PE	NPE	Total	Revenue
Development Services	Adjustment to redistribute the \$4.5M Vacancy Factor across six divisions	0.00	\$ -	\$ -	\$ -	\$ -
Metropolitan Wastewater	Adjustment to increase 45 Day Operating Reserve to 12.5% of operating expenditures.	0.00	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Metropolitan Wastewater	Adjustment of \$2.9M to reconcile the CIP expenditures in the division operating budgets.	0.00	\$ -	\$ 2,855,751	\$ 2,855,751	\$ -
Water	Adjustment to reflect an increase of \$3,118 to the CIP budget and offset the 45 Day Reserve by the same amount.	0.00	\$ -	\$ -	\$ -	\$ -

Internal Service Funds

Department	Action	FTE	PE	NPE	Total	Revenue
E&CP - Water & Sewer Design	Adjustment to revenue to balance with department expenditures.	0.00	\$ -	\$ -	\$ -	\$ (34,240)
E&CP - Water & Sewer Design	Restructuring: Transfer out of Water and Sewer Design Contracts Section to Purchasing and Contracting.	-5.00	\$ (388,931)	\$ (49,264)	\$ (438,195)	\$ (446,039)
E&CP - Water/Wastewater Field Engineering	Adjustment to revenue to balance with department expenditures.	0.00	\$ -	\$ -	\$ -	\$ (52,022)
Risk Management	Restructuring: Transfer of Benefit Plan Svcs and Long Term Disability (LTD) Payment Processing to Human Resources.	-4.50	\$ (336,834)	\$ 338,626	\$ 1,792	\$ -

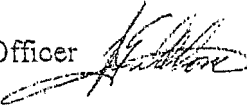
Special Revenue Funds

Department	Action	FTE	PE	NPE	Total	Revenue
C&ED - Redevelopment	Adjustment to revenue to balance with department expenditures.	0.00	\$ -	\$ -	\$ -	\$ 288,678
Environmental Svcs	Adjustment to Revenue to balance with department expenditures.	0.00	\$ -	\$ -	\$ -	\$ (1,526)
Special Promo - Commission for Arts & Culture	Adjustment to revenue to match the new FY07 position cost of 1.25 FTE (Associate Management Analysts).	0.00	\$ -	\$ -	\$ -	\$ (661)
Special Promotional Programs	Reinstate Accessible San Diego budget and adjust revenue from General Fund to balance Special Promotional Programs.	0.00	\$ -	\$ 11,712	\$ 11,712	\$ 11,469
Special Promotional Programs	Restructuring: Transfer out of 1.00 Senior Park Ranger to the Park and Recreation Department. Special Promotional Programs will still fund this position. No net impact to the General Fund or the TOT Fund.	-1.00	\$ (88,181)	\$ 88,181	\$ -	\$ -

File: M-013
Attachment 2CITY OF SAN DIEGO
M E M O R A N D U M

DATE: May 23, 2006

TO: Council Member Donna Frye

FROM: Jay M. Goldstone, Chief Financial Officer 

SUBJECT: Effect on the Fiscal Year 2007 Proposed Budget of Discontinuing Service Level Agreements

In the Fact Sheet that addressed the San Diego County Grand Jury's recommendations regarding Service Level Agreements (SLAs) with enterprise funds, the Mayor committed to various actions to address irregularities in the execution and administration of these SLAs. Included in those commitments was the elimination of several SLAs where provision of services to enterprise funds did not appear to justify the charges to those funds.

The impact of the cancellation of the SLAs on the proposed fiscal year 2007 budget is a loss of approximately \$2.9 million in revenue from the enterprise funds. These revenues were budgeted to be received primarily from the Water, Sewer, and Environmental Services enterprise funds. A detail breakout by department, by service provided, by fund is included in **Exhibit 1**.

The affected departments are as follows:

<u>Department/Program</u>	<u>Service Provided</u>	<u>Budgeted Revenues</u>
Planning Department	General Plan Update	\$ 539,395
Binational Affairs	Liaison to Mexico	\$ 127,706
Park & Recreation	Reservoir Concessions	\$1,710,330
Park & Recreation	Chollas Lake/Park Maintenance	\$ 70,000
Equal Opportunity Contracting	Minority Construc. Contracts	<u>\$ 522,476</u>
Total Unrealized FY 2007 Revenues		\$2,969,907

Mitigation activities will occur to offset in part the loss of these revenues in some affected departments. The Park and Recreation Department, for example, is in the process of placing staff that formerly operated reservoir concessions into vacancies elsewhere in the department. Equal Opportunity Contracting through restructuring may

File: M-013
Attachment 2

Council Member Donna Frye – Discontinuance of Selected Service Level Agreements
May 23, 2006 – Page 2

partially reduce the impact of the reduction in revenue. The loss of revenue, however, will need to be covered by reducing the contribution to the City's unappropriated General Fund reserves by a commensurate amount.

Attachment

cc: Mayor Sanders
Council Members
Ronne Froman, Chief Operating Officer
Mary Lewis, Financial Management Director
Andrea Tevlin, Independent Budget Analyst

Exhibit 1

Fiscal Year 2007 - General Fund SLAs with Enterprise Funds

Department	Water Revenues	Metro Revenues	ESD Revenues	Airports Revenues	Golf Course Revenues	DSD Revenues	Street Revenues*	TOTAL Revenues
Planning - General Plan Update	\$215,758	\$215,758	\$107,879	\$0	\$0	\$0	\$0	\$539,395
Binational Affairs Program (Dept 200)	\$35,474	\$70,948	\$21,284	\$0	\$0	\$0	\$14,190	\$127,706
Park & Rec Concessions (Dept 073)	\$1,710,330	\$0	\$0	\$0	\$0	\$0	\$0	\$1,710,330
Park & Rec Chollas Reservoir (Dept 444)	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000
EOCP - Minor Construction	\$238,477	\$254,302	\$18,538	\$900	\$10,259	\$0	\$0	\$522,476
TOTALS BY DEPARTMENT	\$2,270,039	\$541,008	\$147,701	\$900	\$10,259	\$0	\$14,190	\$2,969,907

**GENERAL SERVICES DEPARTMENT
FY07 Deferred Maintenance Projects**

Funding available in FY 07 budget:

\$10,593,222

Priority	Project	Budget
1	San Ysidro Rec Center Roof Replacement	\$ 110,000
2	Bud Kearns Memorial Pool Roof Replacement	\$ 135,000
3	San Ysidro Community Center Roof Replacement	\$ 90,000
4	Museum of Man Roof Replacement	\$ 290,000
5	Main Library Roof Replacement	\$ 550,000
6	Old Globe Roof Replacement	\$ 500,000
7	Malcolm X Library Roof Replacement	\$ 180,000
8	Museum of Art Roof Replacement	\$ 640,000
9	Repair 46th Street Slope Failure	\$ 270,000
10	Repair Talbot Street Slope Failure	\$ 1,000,000
11	Resurfacing approx 11 miles of streets	\$ 4,308,222
12	Slurry Sealing approx 40 miles of streets	\$ 2,520,000
		<u>\$ 10,593,222</u>

Projects identified, but funding not yet available:

Modernize Parkade Elevators	\$ 800,000
Tijuana River Valley Dredging	\$ 4,600,000
Storm Drains - Alta la Jolla	\$ 4,006,778
	<u>\$ 20,000,000</u>

Park and Recreation Department

As recommend by the Office of the Independent Budget Analyst in Report No. 06-26 (May 19, 2006): Recommended Modifications to the Mayor's Proposed Fiscal Year 2007 Budget: Non-General Fund Recommended Modifications; Department Specific Recommendations: Environmental Growth Fund (Surplus Balance), the Park and Recreation Department provides the following information on a prioritized list of projects that could be allocated in FY 2007.

Environmental Growth Fund List of Possible Projects - FY 2007

Priority	CD	CIP no.	Title	Budget	Project Estimate	Current Funding	Operating Budget Impact
1	8	29-424.0	Beyer Boulevard Local Staging Area and Trail	\$250,000	\$2,000,000	\$1,609,396	TBD
2	1,5	New Sublet	Open Space Improvements - Los Penasquitos	\$200,000	\$200,000		TBD
3	7	New Sublet	Open Space Improvements - Cowles Mountain Trails	\$200,000	\$200,000		None
4	6	New Sublet	Open Space Improvements - Tecolote Drainage	\$350,000	\$350,000		TBD
5	1,2	new	Coastal Bluff Erosion and Access	\$450,000	\$4,000,000	\$0	TBD
6	6	new	San Diego River Improvements	\$500,000	\$500,000	\$0	TBD
7	3	New Sublet	Open Space Improvements - Balboa Park - Arizona Landfill Reclamation Test Plot	\$300,000	\$1,000,000		TBD
8	4	New Sublet	Open Space Improvements - North Chollas Open Space Enhancement	\$250,000	\$250,000		TBD
				\$2,500,000	\$8,500,000	\$1,609,396	

Note 1: Current funding under CIP 29-424.0, Beyer Boulevard Local Staging Area and Trail includes \$259,396 from the Regional Park Improvements fund that is proposed for the Fiscal Year 2007 budget.

Note 2: Items 2, 3, 4, 7 and 8 are new sublets of a proposed new capital project, Open Space Improvements.

Note 3: Funding for Canyon Mapping, San Dieguito River Park and Turfing Team is not included. The department considered these items but does not recommend the allocation of one-time EGF funding for these ongoing expenses.

5/23/2006

(R-2006-645)

RESOLUTION NUMBER R- 301212

DATE OF FINAL PASSAGE FEB 03 2006

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ACCEPTING THE REPORT OF THE INDEPENDENT BUDGET ANALYST REGARDING CITY COUNCIL BUDGET PRIORITIES FOR THE FISCAL YEAR 2006-07 AND DIRECTING THAT SAID REPORT BE DELIVERED TO THE MAYOR TOGETHER WITH THE COUNCIL MEMBERS' BUDGET PRORITY MEMORANDA

BE IT RESOLVED by the Council of the City of San Diego that the report of the Independent Budget Analyst, dated January 25, 2006 [Report] concerning budget priorities for the Fiscal Year 2006-07 Budget is hereby endorsed and accepted, and the Independent Budget Analyst is hereby directed to deliver the Report, together with each Councilmembers' Fiscal Year 2007 Budget Priorities, by February 1, 2006 to the Mayor for his consideration.

BE IT FURTHER RESOLVED by the Council of the City of San Diego that the Mayor is hereby requested to provide to this Council by no later than mid-March 2006 the following information:

1. Fiscal Year 2006 mid-year budget status incorporating the following:
 - General Fund/Enterprise Funds/Internal Service funds expenditures and projections for the year end detailed by department.
 - All projected General Fund unbudgeted expenditures.
 - Current status of General Fund revenues and projections for the year-end.

- Current cost recovery levels for all fee supported programs and services and recommend actions for achieving higher cost recovery revenues, including known revenue changes.
- Projected General Fund deficit or surplus at the end of the fiscal year.
- Any other issues impacting the year end status of the General Fund/Enterprise Funds/Internal Service funds, including Kroll investigation costs, and known legal expenses.
- Current list of supplemental positions and associated costs by department.
- Current list of vacant positions by department.

2. Fiscal Year 2007 Budget overview for all General Fund and Non-General Fund departments, including:

- Pension obligations.
- Retiree health requirements.
- Labor contract requirements by bargaining unit.
- State & Federal compliance orders.
- Unfunded public safety requirements including personnel, equipment, and facilities costs.
- Deferred maintenance.
- Major General Fund revenue projections.
- Total cost of unbudgeted supplemental positions including corresponding revenue.

3. Updated list of City leases and real estate holdings to be presented to the City Council no later than April 15, 2006.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Mark D. Blake
Mark D. Blake
Chief Deputy City Attorney

MDB:ai
01/25/06
Or.Dept:IBA
R-20006-645

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at its meeting of JAN 30 2006.

ELIZABETH S. MALAND
City Clerk

By [Signature]
Deputy City Clerk

Approved: 2-3-06
(date)

[Signature]
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

JAN 30 2006

Passed by the Council of The City of San Diego on _____, by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FEB 03 2006

Date of final passage _____

AUTHENTICATED BY:

JERRY SANDERS
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By *Mary Cepeda*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 301212

RESOLUTION NUMBER R- 301515

DATE OF FINAL PASSAGE JUN 07 2006

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING MODIFICATIONS TO THE MAYOR'S FISCAL YEAR 2006-07 BUDGET AND DIRECTING THAT SAID MODIFICATIONS BE DELIVERED TO THE MAYOR AS SOON AS PRACTICABLE

WHEREAS, on April 14, 2006, the Mayor submitted the budget for the expense of conducting the affairs of the City of San Diego for the year commencing July 1, 2006 [Fiscal Year 2007 Proposed Budget] to the City Council in accordance with Charter section 69; and

WHEREAS, on April 28, 2006, the office of the Independent Budget Analyst [IBA] issued its preliminary report entitled "Mayor's Proposed Fiscal Year 2007 Budget" [IBA Report No. 06-18], which contained a review and analysis of the Fiscal Year 2007 Proposed Budget; and

WHEREAS, the City Council and the Budget and Finance Committee held public hearings on April 19, 26 and May 3, 4, 5, 15 and 24, 2006, at which public hearings the Mayor's Chief Financial Officer, together with department directors, presented budget overviews and responded to questions and comments from members of the Council and the public; and

WHEREAS, the Mayor has issued two additional budget documents for the Council's consideration entitled "Fiscal Year 2007 Budget Supplement" [April 26, 2006] and "Fiscal Year 2007 Proposed Budget Recommended Revisions" [May 15, 2006]; and

WHEREAS, on May 19, 2006, the IBA issued a final report entitled "Recommended Modifications to the Mayor's Proposed Fiscal Year 2007 Budget" and such report was heard at the Budget and Finance Committee meeting of May 24, 2006; NOW, THEREFORE,

BE IT RESOLVED by the Council of the City of San Diego that the modifications to the Mayor's Fiscal Year 2007 Proposed Budget recommended by the Independent Budget Analyst and summarized in IBA Memorandum No. 06-09 released on May 26, 2006 is hereby accepted and approved.

BE IT FURTHER RESOLVED by the Council of the City of San Diego that the Mayor's plan to transfer sixteen Community Relations Officers out of the communities they serve is returned and the Mayor is hereby requested to design an alternative plan that accomplishes the intent of hiring the thirty civilians in order to get thirty sworn officers onto street patrol prior to adoption of the City's 2006-2007 appropriation ordinance under Charter section 71.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to return the Mayor's Proposed Fiscal Year 2007 Budget, together with recommendations and changes of the Independent Budget Analyst, to the Mayor in accordance with section 290(b)(2)(A) of the Charter.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Mark D. Blake
Chief Deputy City Attorney

MDB:ali
05/17/06
5/31/06REV.
5/31/06REV2.
Or.Dept:IBA
R-2006-997

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 30 2006.

ELIZABETH S. MALAND
City Clerk

By [Signature]
Deputy City Clerk

Approved: June 7, 06
(date)

[Signature]
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

ORDINANCE NUMBER O- 19522 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 31 2006

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2006-2007 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR SAID FISCAL YEAR.

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

SECTION 1. The budget for the expense of conducting the affairs of the City of San Diego for the year commencing July 1, 2006, and ending June 30, 2007, heretofore prepared and submitted to this Council by the Mayor and amended through both the release of technical corrections and by recommendations from the Office of the Independent Budget Analyst all of which was approved by Council on May 30, 2006, and on file in the office of the City Clerk as Document No. OO-19491 is hereby adopted as the Annual Budget for said fiscal year.

SECTION 2. There is hereby appropriated for expenditure out of the funds of said City for municipal purposes the amounts set forth in Attachment 1:

I. GENERAL FUND

(A) The Mayor and City Auditor and Comptroller are hereby authorized to transfer to an appropriate account from the departmental appropriations as set forth in Attachment 1 an amount sufficient to assure that, in the event there is a shortfall in projected revenues, there are sufficient revenues to cover the remaining appropriations; provided that in the case that projected revenue estimates are met, the funds set aside may be returned to their respective appropriation accounts.

(B) The City Auditor and Comptroller is authorized and directed to deposit the \$7.2 million budgeted amount, as well as, any excess and unanticipated revenues to a special General Fund Unappropriated/Unallocated Reserve.

(C) The City Auditor and Comptroller is authorized and directed, upon approval of the Chief Financial Officer and/or the Financial Management Director, to appropriate and expend interest earnings generated from the issuance of Tax and Revenue Anticipation Notes for the purpose of financing expenditures related to their issuance.

II. SPECIAL REVENUE FUNDS

(A)(1) Community Development Block Grant Funds are appropriated for the purposes established by the grant provisions as approved and authorized by Council. All authorized but uncompleted program activities and unexpended monies related thereto remaining in the Community Development Block Grant Funds on June 30, 2007 shall be carried forward to future years for the purpose of completing said authorized activities.

(A)(2) The City Auditor and Comptroller is authorized, upon the direction of the Council, to allocate district reserves or reallocate appropriations from budgeted projects later determined ineligible to new or existing CDBG eligible projects.

(A)(3) The City Auditor and Comptroller is authorized and directed, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to transfer a maximum of \$100,000 per capital project from fund reserves or excess program income to projects for eligible costs, such as engineering, in excess of approved appropriations.

(B)(1) The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the Council hereby waives certain provisions of Council Policy 100-03 for the entities set forth below:

San Diego Convention & Visitors Bureau/Marketing Program	B-1
San Diego Convention & Visitors Bureau/Promotional Program	B-1
San Diego International Sports Council	B-3
San Diego North Convention & Visitors Bureau	B-3
San Diego Regional Economic Development Corporation	B-3
Horton Plaza Theatres Foundation	B-1, B-2, and B-4

Nothing contained in this paragraph shall be deemed to constitute a waiver of the ban prohibiting the use of TOT funds for the purchase of alcoholic beverages.

(C)(1) It is the intent of the Council that the Environmental Growth Fund appropriations are to be expended for those purposes described in City Charter Section 103.1a and San Diego Municipal Code Section 63.30, as amended by Ordinance 19159.

(C)(2) Any monies deposited in the Environmental Growth Fund in excess of estimated revenue as described in Section 103.1a of the City Charter and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by Council resolution. The Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional monies to the Environmental Growth Fund from sources other than those enumerated in Section 103.1a of the Charter. In that event, those additional monies shall not be subject to any fractional allocation but shall be used solely and exclusively for the program purpose designated by Council.

(D) The provisions in the Peoples Library Ordinance restricting funding are hereby waived.

III. DEBT SERVICE FUNDS

There is hereby appropriated the current year's proceeds from the tax levy as required to pay debt service on the issuance of \$25.5 million aggregate principal amount of General Obligation bonds authorized in an election held on June 5, 1990 by a favorable vote of more than two-thirds of all the voters voting on the proposition.

IV. CAPITAL PROJECTS FUNDS

(A)(1) Any additions to or deletions from the Capital Improvements Program, as may be required, shall be made by Council resolution provided funding is available for such action. The City Auditor and Comptroller, at the direction of the Chief Financial Officer and/or the Financial Management Director, is authorized and directed to add maintenance projects funded elsewhere which are determined to be of a capital nature to the Capital Improvements Program.

(A)(2) The City Auditor and Comptroller is authorized and directed to transfer unexpended balances in completed current year Capital Improvements Program projects to the appropriate Capital Improvements Program Unallocated Reserve, Annual Allocation or Fund Balances.

(A)(3) The City Auditor and Comptroller is authorized and directed, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to transfer and appropriate a maximum of \$100,000 per project from appropriate Unallocated Reserves, Annual Allocations, or Unappropriated Fund Balances to Capital Improvements Program projects to reimburse eligible costs in excess of approved appropriations at project completion.

(A)(4) The City Auditor and Comptroller is authorized and directed to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and engineering costs of projects included in the long-range Capital Improvements Program Budget. Such advances shall be reimbursed to the respective Fund upon appropriation. Advance

expenses shall be rebated should appropriation action be abandoned. In addition, the City Auditor and Comptroller is authorized and directed to advance funds as required for grant funded projects based on earned grant revenue receivable. Advances will be returned upon the payment of the grant receivable.

(A)(5) The City Auditor and Comptroller is authorized and directed, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to reallocate revenue sources between Capital Improvements Program projects within a Department, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the funding sources.

(B)(1) The TransNet Funds (30300-30303, 30306) are hereby appropriated for the purposes authorized by Proposition A - San Diego Transportation Improvement Program Ordinance and Expenditure Plan; The Regional Transportation Improvement Program (RTIP) and the Annual Budget Document.

(B)(2) The City Auditor and Comptroller may reallocate funding among the projects contained in the RTIP and the Capital Improvements Program Budget, upon the direction of the Chief Financial Officer and/or the Financial Management Director, provided that such reallocation does not increase the total appropriations. The City Auditor and Comptroller, upon the direction of the Chief Financial Officer and/or the Financial Management Director, is authorized and directed to reallocate sources between TransNet and commercial paper funded projects as may be appropriate to reduce the use of commercial paper. The City Auditor and Comptroller may, upon the direction of the Chief Financial Officer and/or the Financial Management Director, appropriate and reallocate Gas Tax and AB 2928 Funds for Council approved TransNet Funded projects in order to reduce the use of debt and maximize the use of

cash in both funds. The Mayor is authorized as the Council designee to direct the San Diego Association of Governments (SANDAG) to amend the RTIP for such reallocations.

(B)(3) Any monies deposited in the TransNet funds in excess of estimated revenue and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which said Funds were created and may be appropriated and expended by the City Auditor and Comptroller, upon the direction of the Chief Financial Officer and/or the Financial Management Director, provided that such an increase is part of the RTIP.

(C)(1) Any carryover monies from the previous fiscal year in the Infrastructure Improvement Fund (10529) are hereby appropriated for the purpose for which said fund was created.

(C)(2) Funds from the Infrastructure Improvement Fund may be transferred and appropriated to the General Fund upon the direction of the Chief Financial Officer and/or the Financial Management Director for purposes identified by the Mayor for the Mayor's Infrastructure Improvement Fund or by the Council Districts for the individual Council District's Infrastructure Improvement Funds.

V. ENTERPRISE FUNDS

All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.

Funds appropriated for capital improvements are for those projects contained in the Council-approved Capital Improvements Program.

Any monies deposited in the Enterprise Funds in excess of the estimated revenue and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which said Fund was created.

Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The City Auditor and Comptroller is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required. Any monies deposited in Reserve Funds in excess of estimated revenue and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which said Fund was created.

The City Auditor and Comptroller may reallocate appropriations, (not changing total appropriations), within the Capital Improvement Program, changing the total appropriation for any given project contained in the Council-approved Capital Improvements Program if the reallocation is to cover costs related to a redistribution of program wide contracts, such as the Owner Controlled Insurance Program, extended environmental monitoring and re-vegetation, or Construction Management.

The appropriated Unallocated Reserve and the unappropriated Fund Balance of the Sewer and Water Utilities shall be expended only by Council resolution to meet contingencies which may arise during the fiscal year.

VI. INTERNAL SERVICE FUNDS

The City Auditor and Comptroller is hereby authorized, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to distribute surplus retained earnings or excess contributions from various internal service funds back to appropriate contributing funds or between employee benefit-related internal service funds. The City Auditor and Comptroller is hereby authorized and directed, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to redistribute contributions among the various internal service funds or to advance funds between the various internal service funds.

VII. TRUST AND AGENCY FUNDS

These funds are established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example, federal and state income taxes withheld from employees, 401(k) and deferred compensation plans, parking citation revenues, and employee benefit plans. The City Auditor and Comptroller is authorized and directed to establish the appropriate agency funds and to deposit and disburse funds in accordance with the respective agency relationships.

SECTION 3. The Mayor is hereby authorized to execute appropriate initial and continuing contracts and agreements for the conduct of activities associated with the allocations authorized by Council and in accordance with provisions of grant agreements.

SECTION 4. The City Auditor and Comptroller is authorized and directed, upon approval of the Chief Financial Officer and/or the Financial Management Director, to transfer appropriations for costs avoided in one budget unit within a department by an agreement to incur them in another budget unit within a department.

SECTION 5. The City Auditor and Comptroller is authorized and directed, upon the direction of the Mayor, to make inter-fund loans between funds to cover cash needs. These loans may, if appropriate, extend beyond the current fiscal year.

SECTION 6. Interest earnings generated by a Fund will be deposited in said respective Fund.

SECTION 7. All Funds, established by Council in previous fiscal years or during the current fiscal year, are appropriated for the purposes established by applicable laws and/or in accordance with provisions of agreements authorized by Council and for projects contained in the Council-approved Capital Improvements Program or authorized by Council resolution. The

City Auditor and Comptroller is authorized and directed to expend monies within the funds for services provided by those funds. The City Auditor and Comptroller is authorized and directed, upon approval of the Chief Financial Officer and/or the Financial Management Director, to return any surplus monies to the contributing funds.

SECTION 8. The City Auditor and Comptroller is authorized and directed, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to transfer current and/or prior years' surplus monies within the Flexible Benefit/Management Benefit Programs reimbursement funds after fiscal year end. Any remaining surplus monies (excluding flexible spending accounts) in the reimbursement funds may be transferred by the City Auditor and Comptroller, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to the Risk Management Administration Fund (50061) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The City Auditor and Comptroller is authorized and directed, upon the direction of the Chief Financial Officer and/or the Financial Management Director, to transfer surplus/reserves within other employee benefit funds or to reallocate these monies to other fringe benefit funds.

SECTION 9. The City Auditor and Comptroller is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

The City Auditor and Comptroller may, upon the direction of the Mayor and appropriate clearing authorities, transfer funds to related City entities in accordance with the Annual Budget Document and appropriate funding source rules and regulations.

SECTION 10. The City Auditor and Comptroller is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

SECTION 11. All revenues generated consistent with the Public Trust pursuant to Section 6306 of the Public Resources Code in relation to operation of Mission Bay Park and Ocean Beach Park in excess of expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission Bay Park and Ocean Beach Park as required by agreements with the State of California. Excess revenues are hereby appropriated for said purposes and may be expended only by Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

All revenues generated by sovereign trust lands granted by the State of California to the City of San Diego pursuant to section 6306 of the Public Resources Code are hereby appropriated for purposes consistent with the public trust.

SECTION 12. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue as determined by the Chief Financial Officer and/or the Financial Management Director, are hereby appropriated by the City Auditor and Comptroller to legally established reserve fund(s) or account(s). However, in no event shall the total appropriations of all tax revenues as defined by Article XIII B of the California State Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is \$2,688,662,655 a portion of which will be derived from proceeds of taxes as defined within Article XIII B of the State Constitution.

It is the intent of this ordinance to comply with Article XIII B of the California State Constitution.

SECTION 13. It is the express intent of the City Council that, notwithstanding anything to the contrary herein, any economic benefit, savings, or effect of this ordinance shall not be used, directly or indirectly, to fund, support in any way, or ratify any employment or retirement benefit determined to be illegal by a court of law.

SECTION 14. The Council hereby acknowledges that the Mayor has initiated Business Process Reengineering [BPR], and that departmental budgets as presented in this Fiscal Year 2007 Appropriation Ordinance may from time to time require amendment in order to implement the BPR process, all in accordance with the terms of Ordinance No. 0-19523 of the Council. Subject to City Council review per the terms of said Ordinance, the City Auditor and Comptroller is authorized, upon the direction of the Chief Financial Officer or Chief Financial Officer and/or the Financial Management Director, to reallocate appropriations and/or positions as required between and within restructured departments and programs to maintain the same departmental or office functions as necessary to accommodate the reengineering. All such reallocations and departmental reorganizations being subject to City Council approval as set forth in Ordinance No. 0-19523 shall be reported to the City Council no less than twice per fiscal year, with a report stating the rationale for the transfer, the savings, if any, resulting from the reallocation, the dollar amount of the reallocation(s), position(s) and functions/services reallocated, and a statement that the services provided have remained the same or have been improved.

SECTION 15. The City Auditor and Comptroller is authorized and directed to close obsolete or inactive funds; residual balances of such funds shall be returned to their source or, if to the General Fund, to a special General Fund Unappropriated/Unallocated Reserve. The Chief Financial Officer shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

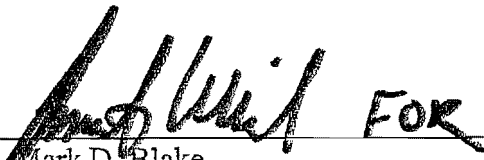
SECTION 16. The powers of the Council not delegated to the Mayor as specifically set forth herein are reserved to the Council in accordance with the terms of the Charter.

SECTION 17. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

SECTION 18. This ordinance is declared to take effect and be in force immediately upon its passage after two (2) public hearings pursuant to the authority contained in Sections 71, 275, and 295 of the Charter of the City of San Diego.

SECTION 19. The Mayor shall have no veto power over this ordinance pursuant to Section 280(a)(4) of the Charter of the City of San Diego.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By  FOR
Mark D. Blake
Chief Deputy City Attorney

MDB:ai
07/13/06
Or.Dept:Mayor
O-2007-13

ATTACHMENT A

City of San Diego Attachment to Fiscal Year 2007 Appropriation Ordinance Operating and Capital Improvement Program Appropriations

Department Title - Operating Budgets	Salaries and Wages	Fringe and Non-Personnel Expense	Total
Business & Grant Administration	\$ 548,063	\$ 398,174	\$ 946,237
Business & Support Services	\$ 578,117	\$ 490,297	\$ 1,068,414
Chief Operating Office	\$ 1,980,231	\$ 1,002,398	\$ 2,982,629
City Attorney	\$ 23,637,172	\$ 12,567,986	\$ 36,205,158
City Auditor and Comptroller	\$ 6,990,858	\$ 6,268,946	\$ 13,259,804
City Clerk	\$ 2,244,746	\$ 1,879,798	\$ 4,124,544
City Council - District 1	\$ 555,430	\$ 434,570	\$ 990,000
City Council - District 2	\$ 510,625	\$ 479,375	\$ 990,000
City Council - District 3	\$ 569,338	\$ 420,662	\$ 990,000
City Council - District 4	\$ 553,318	\$ 436,682	\$ 990,000
City Council - District 5	\$ 540,555	\$ 449,445	\$ 990,000
City Council - District 6	\$ 504,816	\$ 485,184	\$ 990,000
City Council - District 7	\$ 554,545	\$ 435,455	\$ 990,000
City Council - District 8	\$ 558,461	\$ 431,539	\$ 990,000
City Treasurer	\$ 4,400,425	\$ 5,688,644	\$ 10,089,069
Citywide Program Expenditures	\$ -	\$ 46,383,612	\$ 46,383,612
Community & Legislative Services	\$ 1,864,047	\$ 1,940,342	\$ 3,804,389
Community and Economic Development	\$ 2,938,624	\$ 8,010,162	\$ 10,948,786
Council Administration	\$ 1,619,679	\$ 1,209,154	\$ 2,828,833

Department Title - Operating Budgets	Salaries and Wages	Fringe and Non-Personnel Expense	Total
Customer Services	\$ 1,000,992	\$ 1,059,788	\$ 2,060,780
Department of Finance	\$ 142,821	\$ 58,535	\$ 201,356
Engineering and Capital Projects	\$ 20,617,104	\$ 14,624,640	\$ 35,241,744
Environmental Services	\$ 7,286,111	\$ 30,936,570	\$ 38,222,681
Equal Opportunity Contracting	\$ 1,404,267	\$ 1,025,579	\$ 2,429,846
Ethics Commission	\$ 652,371	\$ 356,014	\$ 1,008,385
Family Justice Center	\$ 343,627	\$ 327,101	\$ 670,728
Financial Management	\$ 3,144,421	\$ 2,889,662	\$ 6,034,083
Financing Services	\$ 1,124,804	\$ 650,893	\$ 1,775,697
General Services	\$ 27,029,023	\$ 49,237,752	\$ 76,266,775
Human Resources	\$ 2,179,963	\$ 2,339,067	\$ 4,519,030
Information Technology & Communications	\$ -	\$ 12,594,392	\$ 12,594,392
Library	\$ 19,338,026	\$ 19,405,660	\$ 38,743,686
Mayor	\$ 114,129	\$ 114,529	\$ 228,658
Metropolitan Wastewater	\$ 1,518,861	\$ 12,042,747	\$ 13,561,608
Neighborhood Code Compliance	\$ 3,756,189	\$ 2,951,848	\$ 6,708,037
Office of Ethics & Integrity	\$ 540,926	\$ 653,757	\$ 1,194,683
Office of Homeland Security	\$ 773,114	\$ 789,652	\$ 1,562,766
Park & Recreation	\$ 35,235,046	\$ 48,905,313	\$ 84,140,359
Personnel	\$ 4,054,713	\$ 2,936,672	\$ 6,991,385
Planning	\$ 4,060,541	\$ 2,786,183	\$ 6,846,724
Police	\$ 206,401,136	\$ 153,733,589	\$ 360,134,725
Public Safety	\$ 148,168	\$ 2,079,802	\$ 2,227,970
Public Works	\$ 135,000	\$ 55,520	\$ 190,520

Department Title - Operating Budgets	Salaries and Wages	Fringe and Non-Personnel Expense	Total
Purchasing & Contracting	\$ 809,832	\$ 835,830	\$ 1,645,662
Real Estate Assets	\$ 2,470,110	\$ 2,316,685	\$ 4,786,795
San Diego Fire-Rescue	\$ 99,887,907	\$ 69,621,753	\$ 169,509,660
Special Projects	\$ 525,242	\$ 617,646	\$ 1,142,888
General Fund Total	\$ 495,843,494	\$ 525,359,604	\$ 1,021,203,098

City Treasurer	\$ 431,096	\$ 443,030	\$ 874,126
Commission for Arts and Culture	\$ 468,298	\$ 439,464	\$ 907,762
Community and Economic Development	\$ 2,790,788	\$ 1,873,290	\$ 4,664,078
Convention Center	\$ 50,000	\$ 18,438,101	\$ 18,488,101
Development Services	\$ 396,654	\$ 503,920	\$ 900,574
Engineering and Capital Projects	\$ 689,772	\$ 847,192	\$ 1,536,964
Environmental Services	\$ 679,688	\$ 1,331,297	\$ 2,010,985
Gas Tax	\$ -	\$ 24,117,687	\$ 24,117,687
Library	\$ 394,494	\$ 286,554	\$ 681,048
Maintenance Assess Districts	\$ 1,498,806	\$ 32,969,614	\$ 34,468,420
Mission Bay Improvements Fund	\$ -	\$ 1,097,595	\$ 1,097,595
Municipal Parking Garage	\$ 192,820	\$ 2,624,213	\$ 2,817,033
Office of the CIO	\$ 5,484,099	\$ 4,419,209	\$ 9,903,308
Park & Recreation	\$ 104,861	\$ 14,577,324	\$ 14,682,185
PETCO Park	\$ 111,600	\$ 21,083,735	\$ 21,195,335
Planning	\$ 1,134,276	\$ 1,440,622	\$ 2,574,898
Police	\$ 797,904	\$ 12,788,945	\$ 13,586,849
QUALCOMM Stadium	\$ 2,292,087	\$ 13,700,921	\$ 15,993,008

Department Title - Operating Budgets	Salaries and Wages	Fringe and Non-Personnel Expense	Total
Regional Park Improvement Fund	\$ -	\$ 1,097,595	\$ 1,097,595
San Diego Fire-Rescue	\$ 5,018,036	\$ 5,085,287	\$ 10,103,323
Special Promotional Programs	\$ -	\$ 70,214,792	\$ 70,214,792
Storm Drain Fund	\$ -	\$ 6,046,746	\$ 6,046,746
TransNet	\$ -	\$ 42,327,539	\$ 42,327,539
Transportation	\$ -	\$ 5,000,000	\$ 5,000,000
Trolley Extension Reserve	\$ -	\$ 4,113,932	\$ 4,113,932
Special Revenue Funds Total	\$ 22,535,279	\$ 286,868,604	\$ 309,403,883

Bond Interest and Redemption	\$ -	\$ 2,329,935	\$ 2,329,935
Tax Anticipation Notes	\$ -	\$ 2,130,000	\$ 2,130,000
Zoological Exhibits	\$ -	\$ 7,676,765	\$ 7,676,765
Debt Service Funds Total		\$ 12,136,700	\$ 12,136,700

Development Services	\$ 34,271,253	\$ 27,058,111	\$ 61,329,364
Environmental Services	\$ 17,983,086	\$ 42,936,571	\$ 60,919,657
General Services	\$ 906,345	\$ 2,233,687	\$ 3,140,032
Metropolitan Wastewater	\$ 63,231,152	\$ 350,704,420	\$ 413,935,572
Park & Recreation	\$ 3,956,656	\$ 7,733,368	\$ 11,690,024
Water	\$ 50,372,788	\$ 308,982,142	\$ 359,354,930
Enterprise Funds Total	\$ 170,721,280	\$ 739,648,299	\$ 910,369,579

Engineering and Capital Projects	\$ 11,408,524	\$ 14,021,363	\$ 25,429,887
Financial Management	\$ 837,732	\$ 17,859,323	\$ 18,697,055

Department Title - Operating Budgets	Salaries and Wages	Fringe and Non-Personnel Expense	Total
General Services	\$ 10,054,315	\$ 35,565,667	\$ 45,619,982
Risk Management	\$ 3,316,041	\$ 6,652,244	\$ 9,968,285
Special Promotional Programs: Balboa/Mission Bay Improvements	\$ -	\$ 6,948,990	\$ 6,948,990
Internal Service Funds Total	\$ 25,616,612	\$ 81,047,587	\$ 106,664,199

City Retirement System	\$ 4,410,146	\$ 35,060,447	\$ 39,470,593
Trust and Agency Funds Total	\$ 4,410,146	\$ 35,060,447	\$ 39,470,593

Park & Recreation	\$ -	\$ 438,300	\$ 438,300
Related City Entity Funds Total	\$ -	\$ 438,300	\$ 438,300

Grand Total - Operating Budget	\$ 719,126,811	\$ 1,680,559,541	\$ 2,399,686,352
---------------------------------------	-----------------------	-------------------------	-------------------------

Capital Improvement Program Budget	Total
Community/Economic Development Total	\$ 3,226,326
Engineering & Capital Projects Total	\$ 139,953,148
Environmental Services Total	\$ 6,457,000
General Services - Administration Total	\$ 2,950,000
Library Total	\$ 30,277,092
Metropolitan Wastewater Total	\$ 39,520,884
Office of the CIO-Information Technology Total	\$ 1,250,000
Park & Recreation Total	\$ 25,020,455
QUALCOMM Stadium Total	\$ 750,000
San Diego Fire-Rescue Total	\$ 8,519,291

Water Total	\$ 31,052,107
Grand Total - Capital Improvement Program	\$ 288,976,303

TOTAL APPROPRIATION	\$ 2,688,662,655 ⁽¹⁾
---------------------	---------------------------------

⁽¹⁾ The total appropriation amount includes the operating and capital budget. Some capital costs were also budgeted in the operating budget and counted twice in the total. The total appropriation amount will be adjusted in a future Council action.

Passed by the Council of The City of San Diego on JUL 31 2006, by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 31 2006

AUTHENTICATED BY: JERRY SANDERS
Mayor of The City of San Diego, California.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.
By Mary Cepeda, Deputy

I HEREBY CERTIFY that the foregoing ordinance was passed on the day of its final passage, to wit, on JUL 31 2006, said ordinance being of the kind and character authorized for passage on its introduction by Section 16 of the Charter.

~~I FURTHER CERTIFY that the final reading of said ordinance was in full.~~

I FURTHER CERIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

(Seal) ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.
By Mary Cepeda, Deputy

Office of the City Clerk, San Diego, California
Ordinance Number <u>0-19522</u>