

Appendix: Legislative Actions

Mayor's May Revision to the Fiscal Year 2009 Proposed Budget

A memorandum that presents the Mayor's recommended revisions to the Fiscal Year 2009 Proposed Budget, dated May 16, 2008. A memorandum dated May 29, 2008 includes the revised May Revision spreadsheet.

ATTACHMENT A

Recommended Revisions to the Fiscal Year 2009 Proposed Budget

Office of the Independent Budget Analyst, Report number 08-57, dated May 30, 2008 and the revision to the report, dated June 6, 2008.

ATTACHMENT B

Resolution R-303797

A resolution of the Council of the City of San Diego adopting the Mayor's Fiscal Year 2008-2009 budget, with specific modifications, first approved by the City Council on June 9, 2008. The Mayor's Line Item Veto is dated June 16, 2008. The City Council voted to override the Mayor's Veto on June 23, 2008.

ATTACHMENT C

Appropriation Ordinance O-19774

Adopting the Fiscal Year 2009 Annual Budget and appropriating the necessary money to operate the City of San Diego for said fiscal year on July 28, 2008.

ATTACHMENT D

Resolution R-303940

A resolution of the Council of the City of San Diego adopting the Statement of Budgetary Principles with respect to administration by the Mayor of the Fiscal Year 2009 Annual Budget on July 21, 2008.

ATTACHMENT E

Appendix: Legislative Actions

Legislative Budget Actions

The creation of the Fiscal Year 2009 Budget began in a legislative sense, with the Mayor's updated Five-Year Financial Outlook. The Five-Year Financial Outlook for Fiscal Years 2009-2013 provides guidance and structure for the creation of the Fiscal Year 2009 Annual Budget, as well as for the budgets in the four subsequent years. The City Council budget priorities for Fiscal Year 2009 were detailed in a report released by the Office of the Independent Budget Analyst (IBA) on January 17, 2008. This report was discussed by Council on January 28, 2008, and then submitted to the Mayor as an indication of Council priorities and expectations for the upcoming budget hearings.

The creation of the Fiscal Year 2009 Proposed Budget was a concerted effort undertaken by both the Mayor's Office and City Departments. The Fiscal Year 2009 Proposed Budget was presented to City Council on Tuesday, April 15, 2008. In addition to the aforementioned presentation held at Council, the Chief Financial Officer (CFO) also presented the Proposed Budget to the Committee on Budget and Finance on April 16, 2008. Subsequent to the CFO's presentation of the Proposed Budget, six meetings were held by the Budget Review Committee in order to provide the public with an opportunity to give feedback on the Proposed Budget as well as to hear Council discussion about the budget document. The Mayor also presented the Proposed Budget and answered public inquiries at eight town hall meetings that took place between April 15 and April 29, 2008 in each council district of the City.

On May 16, 2008, the Mayor issued a May Revision to the earlier Proposed Budget, and on May 29, 2008, a Memorandum from the CFO added a special pay adjustment.

To help the Council in their deliberations on the Mayor's Proposed Budget and the May Revision, the IBA issued several reports that analyzed the budget and took into account Council priorities. On April 29, 2008, the IBA issued a response to the Fiscal Year 2009 Proposed Budget, followed by its report on May 16, 2008 that offered the City Council a tool to aid in their discussion of the May Revision. A May 30, 2008 report from the IBA offered recommendations for revisions to the Fiscal Year 2009 Proposed Budget; these recommendations were reiterated for Council in a June 6, 2008 report. The Council considered the Proposed Budget and the Mayor's revisions in light of the public input received, as well as numerous IBA reports and recommendations.

On June 9, 2008 the City Council approved the Fiscal Year 2009 Budget that included \$4.3 million in budget restorations and additions that had been recommended by the IBA (R-303797). On June 16, 2008 the Mayor signed the budget with, as allowed under the City's Charter, a line-item veto of the Council's budget modifications that were recommended by the IBA in the June 6, 2008 report. On June 23, 2008, within the five business days allowed under the Charter, the Council overrode the Mayor's veto, thereby approving the Mayor's Fiscal Year 2009 Proposed Budget including the modifications made by the May Revision, the May 29, 2008 Memorandum from the CFO, and the recommendations in the IBA's June 6, 2008 report.

On July 9, 2008 the 2009 Appropriations Ordinance was presented at the Budget and Finance Committee, and was approved by the City Council on the second hearing on July 29, 2008.



**THE CITY OF SAN DIEGO
MAYOR JERRY SANDERS
M E M O R A N D U M**

DATE: May 16, 2008

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

FROM: Mary Lewis, Chief Financial Officer
Nader Tirandazi, Financial Management Department Director

Handwritten signatures of Mary Lewis and Nader Tirandazi.

SUBJECT: Mayor's May Revision to the Fiscal Year 2009 Proposed Budget

This memorandum presents the Mayor's recommended revisions to the Fiscal Year 2009 Proposed Budget (May Revision). The General Fund Budget has been reduced by a net \$0.5 million in both revenues and expenditures due to necessary adjustments in the projected revenues for sales tax, property tax, Transient Occupancy Tax (TOT) and interest earnings. In addition, the adjustments in the Mayor's May Revision factor in the projected year-end status of the General Fund Reserves and the effect of the decline in revenues in Fiscal Year 2008. The General Fund remains balanced and the following summary outlines the significant adjustments to the budget. An overall summary of adjustments can be reviewed in *Attachment 1*.

The net \$0.5 million reduction in the General Fund is the result of a reduction in revenue projections of approximately \$6.9 million and transfers of revenues into the General Fund of \$6.4 million.

OVERVIEW

Personnel Adjustments

A total of 6.46 Full Time Equivalent (FTE) positions are added in the May Revision. The Parks and Recreation Department is adding positions to support the Brush Management Program and oversee recreational activities in Balboa Park, Mission Bay Park, and community recreational facilities. The Personnel and City Comptroller departments are each adding 1.00 FTE Program Manager to backfill positions assigned to the "OneSD" Enterprise Resource Planning (ERP) project. The ERP Project will absorb the costs of these two positions.

Revenues

The General Fund revenue growth projections have been reduced. The projected revenues from property tax, sales tax, Transient Occupancy Tax (TOT) and vehicle license fees have been

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reduced by a combined total of \$5.1 million (\$3.9 million in General Fund and an additional \$1.3 million in Non-General Fund) due to a continued slowdown in the economy. Anticipated interest earnings were also reduced by \$3.0 million due to a projected lower interest rate environment.

One-time revenue adjustments of \$6.4 million to the General Fund include transfers from the Environmental Growth Fund, Seized and Forfeited Assets Fund, and Concourse and Parking Garage Fund. These transfers were implemented to alleviate revised shortfalls in major General Fund revenues projected for Fiscal Year 2009.

In addition, reimbursements from the Federal Emergency Management Agency (FEMA) and California Disaster Assistance Act (CDAA) will be reduced due to the greater than expected revenue reimbursement occurring in the current fiscal year instead of Fiscal Year 2009. The receipt of this revenue in Fiscal Year 2008 allows for an adjustment to the budgeted reserves in Fiscal Year 2009. Also, reimbursements from the Federal Highway Administration (FHWA) and State of California Office of Emergency Services (OES) for actual work incurred in the restoration of Soledad Mountain Road are included in the May Revision.

Appropriations

The Fiscal Year 2009 Proposed Budget included \$13.6 million for salary increases for Local 145 and the Police Officers' Association. These funds are sufficient to support the base salary increases in both departments as well as the related additional costs for special pays including overtime. However, a redistribution of the budgeted contingency allocation is necessary in the May Revision. There is a \$1.2 million increase in the Fire Department's personnel budget above the amount budgeted for salary increases in the Fiscal Year 2009 Proposed Budget while the Police Department's budget is being decreased by a \$1.1 million. Other personnel expenditure adjustments include changes to the Workers' Compensation and Flexible Benefits fringe appropriations.

Additional funding has been added in the May Revision for fuel cost increases based on current fuel prices and historical trends.

The budgeted amount for the General Fund Reserve contribution in Citywide Program Expenditures was decreased from \$6.0 million to \$3.7 million. This adjustment of \$2.3 million still allows the City to meet its 6.5 percent reserve policy goal for the General Fund in Fiscal Year 2009 based on the estimated Fiscal Year 2008 year-end General Fund Balance.

GENERAL FUND REVENUES

Community Development Block Grant (CDBG)

Revenue Adjustment: \$9,465

The Fiscal Year 2009 CDBG budget was adopted by City Council on May 6, 2008. Please refer to *Attachment 2* for details of the changes to the Proposed Fiscal Year 2009 CDBG budget allocations in City departments.

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Concourse and Parking Garages Transfer

Revenue Adjustment: \$1,439,334

Based on the Fiscal Year 2008 year-end estimated fund balance, the revised revenue transfer to the General Fund is \$1.7 million, an increase of \$1.4 million over the Fiscal Year 2009 Proposed Budget.

Federal Emergency Management Agency (FEMA) and California Disaster Assistance Act (CDAA) Reimbursement

Revenue Adjustment: (\$2,100,000)

Based on the latest projections from the Office of Homeland Security, it is estimated that the City will receive \$11.7 million General Fund reimbursements from FEMA and CDAA over the next two fiscal years. The reduction to the Fiscal Year 2009 Proposed Revenue Budget is \$2.1 million due to the timing of the receipt of the revenue with reimbursement projected to be higher in Fiscal Year 2008.

Federal Highway Administration (FHWA) and the State of California Office of Emergency Services (OES) Reimbursement

Revenue Adjustment: \$2,000,000

The Federal Highway Administration (FHWA) and the State of California Office of Emergency Services (OES) will reimburse for emergency work performed on the Mt. Soledad landslide. Two million is budgeted to be received in Fiscal Year 2009. The reimbursement will be for actual work incurred in the restoration of Soledad Mountain Road.

Interest Earnings

Revenue Adjustment: (\$3,027,237)

Interest Earnings revenue has been reduced by \$3.0 million based on recent updated projections from the Office of the City Treasurer. The Federal Reserve has continued to lower interest rates and the revised projected lower rate environment has resulted in a reduction in interest earnings for the General Fund estimated for Fiscal Year 2009.

Property Tax

Revenue Adjustment: (\$326,646)

Based on updated information from the County Assessor's Office on the estimated Assessed Valuation for the City of San Diego and the latest Fiscal Year 2008 year-end projections, property tax revenue has been revised downward from \$411.5 million to \$411.1 million. This is the result of a decrease in the growth rate from 6.0 percent to 5.75 percent. Property tax is built on the assumption of a continued decline in assessed values in the local housing market

Sales Tax

Revenue Adjustment: (\$1,555,114)

Based on the latest Fiscal Year 2008 year-end projections, Sales tax has been revised downward from \$223.6 million to \$222.1 million. This is the result of a decrease in the growth rate from 1.25 percent to 0.75 percent. The performance of taxable sales in San Diego County for the second half of calendar year 2008 is expected to continue to slow compared to calendar year 2007 based on growing unemployment in the construction and real estate/finance industries, moderating household income growth, and the continuing increase in energy prices.

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Tobacco Settlement Revenue (TSR)

Revenue Adjustment: \$438,414

In Fiscal Year 2008, Tobacco Settlement Revenues (TSR) will exceed the \$10.1 million securitized in Fiscal Year 2006 by \$438,000 based on recently obtained information from the State of California Attorney's Office. The City is entitled to receive TSR revenue above the \$10.1 million and \$438,414 has been added to the May Revision.

Transient Occupancy Tax (TOT) - General Fund

Revenue Adjustment: (\$1,643,560)

Based on expectations of a continued slowdown in the tourism industry and lower than expected current year Transient Occupancy Tax (TOT) receipts, the growth rate for Fiscal Year 2009 in TOT has been adjusted downward from 7.5 percent to 6.0 percent. Currently, the Fiscal Year 2009 Proposed Budget for General Fund TOT revenue is \$92.0 million per Council Policy 100-03 which authorizes that 5.5 cents of every 10.5 cents of TOT collected be used for general governmental purposes. As a result of the growth rate adjustment, the General Fund TOT revenue budget for Fiscal Year 2009 will be revised to \$90.6 million, a reduction of \$1.4 million.

As a result of the reduction in the TOT growth rate and other recommended adjustments described in the "Special Promotional Programs TOT" section of this memorandum, a reduction of \$252,856 will be made to the transfer of the one cent of TOT. (This one cent is the discretionary amount City Council may use for any purpose which is authorized by Council Policy 100-03). Currently, the Fiscal Year 2009 Proposed Budget transfers \$16.5 million of TOT from the Special Promotional Programs Fund to the General Fund. The revised General Fund TOT transfer in Fiscal Year 2009 will be \$16.3 million, or a reduction of \$252,856.

Vehicle License Fees

Revenue Adjustment: (\$344,475)

Based on updated receipts from the State and changes to the Fiscal Year 2008 year-end projections, Vehicle License Fees have been revised downward from \$7.2 million to \$6.9 million. This is the result of a continued decline in auto sales, as well as an increase in DMV administration costs.

RESERVES and OTHER CITY-WIDE CONSIDERATIONS

Flexible Benefits

Total Expenditure Adjustment: \$1,262,914

General Fund Expenditure Adjustment: \$1,227,978

The Fiscal Year 2009 Proposed Budget included estimates for flexible benefits costs that have been revised. As a result, the May Revision includes an additional \$1.3 million to more accurately reflect expected actual costs.

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Fuel Cost Increases

Fleet Services Revenue Adjustment: **\$1,912,912**

Fleet Services Expense Adjustment: **\$1,912,912**

Non-General Fund Expense Allocation: **\$646,470**

General Fund Expense Allocation: **\$1,266,442**

The projected unleaded fuel price has increased from \$3.20 to \$3.50 and the projected diesel fuel price has increased from \$3.40 to \$4.00 since the proposed budget was released. The total expenditures and usage revenue added to Fleet Services is \$1.9 million. The adjustment to usage rates to the General Fund departments is an increase of \$1.3 million and the adjustment to usage rates to the Non-General Fund departments is an increase of \$646,470.

General Fund Reserves

General Fund Expenditure Adjustment: **(\$2,312,282)**

The City's recently adopted reserve policy for the General Fund calls for 6.5 percent of General Fund revenues to be held in reserve for Fiscal Year 2009. The Fiscal Year 2009 Proposed Budget included \$6.0 million as a contribution toward the General Fund reserve goal. Based on Fiscal Year 2008 year-end projections for the reserves, the policy target will be met by budgeting \$3.7 million, a reduction of \$2.3 million.

Currently, the Fiscal Year 2009 Proposed Budget and Mayor's May Revision does not include an allocation to the Appropriated Reserves. A recommendation to establish the Appropriated Reserves for Fiscal Year 2009 will be brought forward in July 2008 with the Appropriation Ordinance. The amount that will be presented with the Appropriation Ordinance depends upon the Fiscal Year 2008 year-end results.

San Diego Employees' Retirement System (SDCERS) and Other Fringe Rate Adjustments

As a result of salary increases, a city-wide fringe rate adjustment will be necessary to ensure the Annual Required Contribution (ARC) payment of \$161.7 million to the SDCERS is fully allocated in the final budget for Fiscal Year 2009. The salary increases will generate a higher expenditure among the variable fringe rates associated with salary to the Police and Fire-Rescue Departments. A reduction of budgeted fringe, including the ARC allocation, in other departments will be necessary to confirm that fringe allocations are wholly budgeted, and that the expense is appropriately distributed.

Workers' Compensation Reserves

Total Expenditure Adjustment: **(\$1,000,000)**

General Fund Expenditure Adjustment: **(\$770,000)**

The Fiscal Year 2009 Proposed Budget includes \$5.0 million for the Workers' Compensation Reserve which will increase the reserve to above the policy target of 15 percent of outstanding claims for next fiscal year. In order to balance the revenue reductions in sales, TOT and property tax, the budgeted contribution to the Workers Compensation Reserve is being reduced by \$1.0 million, \$770,000 of which is a reduction to the General Fund expense.

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DEPARTMENTAL ADJUSTMENTS

CITY PLANNING AND DEVELOPMENT

City Planning & Community Investments (CPCI)

Expenditure Adjustment: **\$250,554**

Community Development Block Grant (CDBG) Administration

The CPCI Department oversees the administration of the CDBG program. The expenditure budget for CDBG is increased in the May Revision by \$250,554. This adjustment provides additional resources to hire a consultant so that the City's CDBG program meets the standards requested by the U.S. Department of Housing and Urban Development (HUD). These standards include the creation of management, monitoring, and fair housing plans, as well as a citizenship participation process.

Concourse and Parking Garages

Expenditure Adjustment: **\$1,664,334**

The Fiscal Year 2008 estimated fund balance for the Concourse and Parking Garages Operating Fund is projected to total \$1.3 million. Similarly, the fund has established an operating reserve of an additional \$550,000. These adjustments will be reflected on the Concourse and Parking Garage Fiscal Year 2009 Final Budget Revenue and Expense Statement. Due to the large fund balance and operating reserve amounts, \$1.7 million will be transferred to the General Fund as explained in the General Fund Revenue section. This adjustment results in an increase of \$1.7 million in additional expenditures in the Concourse and Parking Garages Fund. A detailed presentation of these adjustments can be found in *Attachment 3*.

Technical corrections will be made in Schedules I, III, V, VI for the Concourse and Parking Garages Fund to include the operating reserve of \$550,000 as part of their operating expenses. Currently, the operating reserve is included within the fund's proposed budget and the budget Schedules need to be updated to reflect these amounts.

Development Services Department - Neighborhood Code Compliance

Expenditure Adjustment: **(\$242,612)**

Community Development Block Grant (CDBG)

This represents a decrease \$242,612 in the personnel budget to offset the reduction in CDBG revenue from Council District allocations for services provided by the Neighborhood Code Compliance, Proactive Code Enforcement Division. It is anticipated that these positions may be funded once the HUD plan is completed and the positions will not be eliminated from the budget at this time. Instead, the department's vacancy savings will be increased to balance the revenue reduction.

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Development Services Department (DSD): Non-General Fund

Revenue Adjustment: \$700,000

Fire Recovery Permit Waiver

At the time the Fiscal Year 2009 Proposed Budget was prepared, the expenditure estimates incurred by DSD during disaster relief were not available. DSD now estimates \$700,000 in reimbursements are required from the General Fund for fees waived for fire victims (R-2008-373).

COMMUNITY SERVICES

Environmental Services Department: Non-General Fund

Expenditure Adjustment: \$500,000

Revenue Adjustment: \$500,000

Automated Refuse Container Replacement Fund

The Fiscal Year 2009 Proposed Budget did not include revenues or expenditures associated with the Council approved Automated Refuse Container Replacement Fee. Since Council did not approve the fee implementation until November 2007, the department did not have a solid projection for fees to include in the proposed budget. At this time, the department is projecting \$500,000 in revenues and expense for container replacement.

Library Department

Expenditure Adjustment: \$59,345

In order to reflect new pricing agreements and living wage increases for custodial, landscaping, and waste removal services, an expenditure increase of \$59,435 in Non-Personnel Expenditures (NPE) is necessary to support Living Wage Ordinance contractual requirements in Fiscal Year 2009.

Park & Recreation Department

FTE Adjustment: 4.96

General Fund Revenue Adjustment: \$2,000,000

General Fund Expenditure Adjustment: \$36,515

Brush Management Program Support Restoration and Offset

The budget for the Open Space Division is being reduced by 0.50 FTE Principal Drafting Aid position and \$185,568 in NPE in order offset a required increase to Brush Management support and personnel costs for a 1.00 FTE Associate Planner, 0.50 FTE Biologist III, and 1.00 FTE Administrative Aide II. The Associate Planner position is needed to fulfill FEMA grant requirements with responsibility for environmental compliance, and GIS mapping. The Biologist III is needed to ensure brush management activities are in compliance with the Endangered Species Act and the Multiple Species Conservation Program. The Administrative Aide II position will provide support needed for tracking and reporting expenditures to FEMA. These adjustments result from a recent assessment of program support needs.

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New Facility- Carmel Valley Skate Park

The Carmel Valley Skate Park was scheduled to open in Fiscal Year 2010. Due to revised project timelines, the skate park is now scheduled to open in Fiscal Year 2009. The opening of the skate park results in the addition of a 0.38 FTE Grounds Maintenance Worker and \$13,802 of NPE.

Position Restoration and Offset

A reduction of 0.42 FTE Recreation Aid position, a decrease of \$142,157 in NPE, and an increase of Vacancy Savings to the Developed Regional Parks Division by \$174,471 are included in the May Revision in order to restore 3.00 FTE District Manager positions. The positions will be restored in the Community Park II Division recreation centers sites and the Developed Regional Parks Division for Balboa Park and Mission Bay Park. These adjustments result from identifying additional non-essential expenditures to bring back increased supervision to the City's regional and community parks.

Park & Recreation Non-General Funds

Environmental Growth Fund (EGF) 1/3rd

Fund 105051 EGF 1/3rd has a revised fund balance of \$171,791. Changes in fund balances resulted from adjustments to current year revenue and expenditure estimates and reserves for prior year capital costs and encumbrances. This correction to the Fiscal Year 2009 Proposed Revenue and Expense Statement can be reviewed in *Attachment 4*.

Environmental Growth Fund (EGF) 2/3rd

Revenue Adjustment: \$727,422

Expenditure Adjustment: \$2,000,000

Fund 105052 EGF 2/3rd has a revised fund balance of \$1.3 million. A transfer of \$2.0 million from the EGF 2/3rd will support the Park & Recreation Department. An amount of \$1.4 million will fund the Open Space Division for existing open space activities and \$600,000 will support the Developed Regional Parks Division for existing park maintenance efforts. In addition, changes in fund balances resulted from adjustments to current year revenue and expenditure estimates as well as reserves for prior year capital costs and encumbrances. Additionally, \$727,422 will be transferred from the Open Space Park Facilities District Fund. Please refer to *Attachment 4* to review the revised Revenue and Expense Statements for this fund.

Open Space Park Facilities District Fund

Expenditure Adjustment: \$727,422

Fund 71631 Open Space Park Facilities District will expire in Fiscal Year 2009. This fund is used for debt service payments on the Open Space Bonds which will mature in January 2009. The remaining balance will be transferred to Fund 105052 EGF 2/3rd. Please refer to *Attachment 4* to review the revised Revenue and Expense Statements for this fund.

Maintenance Assessment Districts

Technical corrections will be made to the Maintenance Assessment District Schedule VII in Volume I to reflect the correct information in the Financial Management Information System (FMIS). Please refer to *Attachment 5* to review these adjustments.

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NON-MAYORAL DEPARTMENTS

Council Administration

FTE Adjustment: (0.50)
Expenditure Adjustment: \$92,156

Committee Consultant

A reduction of 0.50 FTE Council Committee Consultant position is based on the pro-rated assessment for the Ad-Hoc Fire Prevention and Recovery Committee for the fiscal year. This Committee's work is expected to conclude at the end of calendar year 2008.

Terminal Leave

This adjustment represents an increase of \$150,000 in projected Terminal Leave Pay for personnel expected to leave the City's employment in Council Districts 1, 3, 5, and 7.

Personnel Department

FTE Adjustment: 1.00
Expenditure Adjustment: \$147,000
Revenue Adjustment: \$147,000

Funding for Enterprise Resource Planning (OneSD) Limited Position

Addition of 1.00 limited Program Manager and associated revenue to backfill FTE assigned to the OneSD project implementation.

OFFICE OF THE CHIEF FINANCIAL OFFICER

City Comptroller

FTE Adjustment: 1.00
Expenditure Adjustment: \$173,365
Revenue Adjustment: \$173,365

Funding for Enterprise Resource Planning (OneSD) Limited Position

Addition of 1.00 limited Program Manager and associated revenue to backfill FTE assigned to the OneSD project implementation.

Citywide Program Expenditures

Net Expenditure Adjustment: \$520,981

Fire Recovery Permit Waiver

At the time of the Fiscal Year 2009 Proposed Budget was prepared, the expenditure estimates incurred by the Development Services Department (DSD) during disaster relief were not available. DSD estimates \$700,000 of expenses to be reimbursed by the General Fund for fees waived for disaster relief (R-2008-373).

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Transfer to the Tax Revenue Interest Anticipation Notes (TRANS) Fund

The estimated TRANS issuance for Fiscal Year 2009 is \$150.0 million with an estimated net cost to the General Fund of \$2.3 million. The General Fund is responsible for the cost since cash is needed before the first property tax payment is received in December. The Fiscal Year 2009 Proposed Budget included a transfer of \$2.4 million to the TRANS Fund. A reduction of \$179,019 is included in the May Revision based on the TRANS projected net cost of \$2.3 million in Fiscal Year 2009.

OFFICE OF ETHICS & INTEGRITY

Expenditure Adjustment: (\$15,000)

Employee Hotline Contract

The oversight of the Employee Hotline will be transferred to the City Auditor from the Office of Ethics & Integrity. The transfer of this amount to the City Auditor's department will allow staff to manage the contract with the call-in center vendor.

OFFICE OF THE MAYOR AND CHIEF OPERATING OFFICER

Office of the Chief Information Officer (OCIO)

Expenditure Adjustment: \$4,699

Position Restoration and Offset

This adjustment corrects a position in the proposed budget by replacing 0.07 FTE Communications Technician Supervisor position with 0.07 FTE Senior Communications Technician position.

Budgeting of A-List Project Fund Balance for the Enterprise Resource Planning (OneSD) Allocation

General Fund Expense Adjustment: (\$1,432,759)

Non-General Fund Expense Adjustment: (\$1,131,347)

The A-List Fund has historically been used to fund new city-wide projects prioritized by the IT Governance Committee. The fund is managed by the Office of the CIO and supports existing business applications such as FMIS. The Fiscal Year 2009 Proposed Budget has no new allocations to the A-List Project Fund, as City resources will primarily be focused on the OneSD project. The current A-List fund balance is comprised of prior year contributions from the General Fund and Non-General departments. The estimated total fund balance of \$3.3 million will be used for two purposes: 1) \$2.5 million to offset Fiscal Year 2009 allocations paid by General Fund and Non-General Fund departments for OneSD project maintenance and licensing costs not related to development; and 2) \$800,000 to fund the remaining projects within the A-List fund. Please see *Attachment 6* for the revised department allocations for OneSD.

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City Auditor

Expenditure Adjustment: \$15,000

Employee Hotline Contract

The oversight of the Employee Hotline will be transferred to the City Auditor from the Office of Ethics & Integrity. The transfer of this amount to the City Auditor's department will allow staff to manage the contract with the call-in center vendor.

OTHER FUNDS

Special Promotional Programs Transient Occupancy Tax (TOT)

Revenue Adjustment: (\$1,264,276)

Expenditure Adjustment: (\$252,856)

Council Policy 100-03 authorizes that four of every 10.5 cents of TOT collected be used solely for the purpose of promoting the City. This revenue is budgeted in the Special Promotional Programs Fund for a total of \$83.7 million. Based on the recommended reduction to the growth rate for Transient Occupancy Tax revenues from 7.5 percent to 6.0 percent, budgeted revenues in the Special Promotional Programs Fund will be reduced by \$1.3 million. The revised Special Promotional Program's TOT budget in Fiscal Year 2009 will be \$82.4 million.

There is a reduction in expenditures in the fund for the transfer of one cent of TOT revenue to the General Fund by \$252,856 due to the reduction in the TOT growth rate as explained previously in the "TOT – General Fund" section of this memorandum.

Tax Revenue Anticipation Notes (TRANS)

Revenue Adjustment: (\$2,004,019)

Revenue Adjustment: (\$2,004,019)

At the time the Fiscal Year 2009 Proposed Budget was prepared, the cash flow projection and borrowing need for Fiscal Year 2009 had not been completed and an assumption was made based on the Fiscal Year 2008 TRANS issuance of \$116.0 million. The City currently expects to borrow \$150.0 million in July 2008. The amount to be borrowed is based on the projected fiscal year cash need before the first property tax payment is received in December. Based on this information, both the proposed TRANS interest earning and interest expense will be reduced by \$2.0 million.

An action will be brought to the City Council in June of 2008 to authorize borrowing an amount not to exceed \$160.0 million. This amount is higher than the expected borrowing providing a cushion in the event the need to additional borrowing capacity is identified between the date of this report and the date the borrowing is executed in July 2008. If the issuance is higher than expected, the TRANS interest expense will be adjusted as a mid-year action in Fiscal Year 2009. The impact is a reduction in revenue of \$2.0 million and a reduction in expenditures of \$2.0 million.

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PUBLIC SAFETY and HOMELAND SECURITY

Fire-Rescue Department

Net Expenditure Adjustment: **\$1,592,969**

Fuel Cost Increases

Based on current fiscal year fuel usage and the addition of a second helicopter, an additional \$400,208 is added to the Fire-Rescue Department budget in the May Revision.

Local 145 Salary and Special Pays Adjustment

A salary increase of 5.0 percent will be implemented for the Local 145 employees next fiscal year. Of this 5.0 percent, a 3.0 percent increase will take effect on July 1, 2008 and an additional 2.0 percent increase will take effect on September 1, 2008. As a result, an increase of \$1.2 million is needed to supplement the budgeted contingency for projected salary increases in the Fiscal Year 2009 Proposed Budget. This amount includes the projected increases to special pays, including overtime, that are related to salary increases.

Police Department

General Fund Expenditure Adjustment: **(\$1,072,273)**

General Fund Revenue Adjustment: **\$2,302,715**

Police Officers' Association (POA) Salary and Special Pay Adjustment

A salary increase of 6.0 percent will be implemented for the POA employees in the next fiscal year. Of this 6.0 percent, a 3.0 percent increase will take effect on July 1, 2008 followed by another 3.0 percent increase on December 27, 2008. Based on revised calculations for personnel costs, a net reduction of \$1.1 million to the department's budget is included in the May Revision. The adjustments consist of a decrease of \$2.5 million in the budgeted contingency for the projected salary increases and an increase of \$1.4 million associated Special Pays, including Overtime, that relate to the salary increases.

Position Changes

The Fiscal Year 2009 Proposed Budget includes the reduction of 1.00 FTE Latent Print Examiner position and 3.00 FTE Cal-ID Technician positions. The department has since recruited a highly qualified candidate to fill the Latent Print Examiner position and a vacant Investigative Aide position will be eliminated. The 3.00 FTE Cal-ID Technicians are required for State-mandated Police records activities and 3.00 FTE vacant Police Records Clerks will be eliminated to maintain budget savings.

Support for PC Replacements

A transfer from the Seized Assets Fund of \$500,000 will pay the costs of the replacement of aging mobile computer terminals used by all sworn personnel in the Police Department. These new units will allow more applications to be run, thus increasing the availability of information to officers in the field.

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Support for the Police Helicopters Lease Payment

In prior years, the helicopter lease payments were budgeted in the Seized and Forfeited Asset Fund. In Fiscal Year 2009, a transfer of \$1.8 million from the Seized Asset and Forfeitures Fund will be used to support lease payments.

Police Non-General Funds

Seized and Forfeited Assets (10118, 10119, 10143)

Revenue Adjustment: \$200,000

Expenditure Adjustment: \$ 4,052,715

Fuel Costs, Supplies, and Equipment

Fuel consumption increased 55.7 percent despite no significant increase in flight hours due to the larger Eurocopter helicopters compared to the Bell helicopters. The Proposed Fiscal Year 2009 Budget increases the aviation fuel expenditure by \$500,000. There will also be an increase of \$250,000 for supplies or equipment and \$1.0 million for public safety enhancements in technology, communications, officer safety, and deferred maintenance that will be used in accordance with the Seized and Forfeited Assets Agreement.

Revenue Adjustment

Based on the revenue from the past three fiscal years and an increased fund balance, an increase in the budgeted revenue of \$200,000 to \$1.0 million has been included in the May Revision.

Transfer to General Fund

A transfer of \$500,000 from the Seized and Forfeited Assets Fund to the General Fund Police Department will pay for the costs of the replacement of aging mobile computer terminals used by all sworn personnel in the Police Department. These new units will allow more applications to be run, thus increasing the availability of information to officers in the field.

In prior years, the helicopter lease payments were budgeted in the Seized and Forfeited Asset Fund. In Fiscal Year 2009, a transfer of \$1.8 million from the Seized Asset and Forfeitures Fund will be used to support lease payments.

Please refer to *Attachment 7* to review the revised Revenue and Expense Statement.

Police Decentralization Fund (10355)

Expenditure Adjustment: \$118,083

Adjustments are made to more accurately reflect activity obligations in the form of an increase of \$124,443 in per diem and bed fees and a decrease of \$6,360 in rent.

Public Safety Department

Expenditure Adjustment: (\$14,000)

An adjustment of \$14,000 in NPE support is included in the May Revision as result of the reduction of 2.00 FTE Program Managers positions in the Fiscal Year 2009 Proposed Budget.

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PUBLIC UTILITIES

Metropolitan Wastewater Department (MWWD)

Revenue Adjustment: (\$224,877,000)

Expenditure Adjustment: (\$216,883,030)

A reduction in revenue of \$224.0 million and a decrease of \$216.0 million in expenditures is included in the May Revision to budget consistently the expected Sewer Revenue Notes, Series 2007 transaction. MWWD will record proceeds from debt issuances used to refund the principal on its short term notes in a manner consistent with the methodology used by the Water Department. In the Fiscal Year 2009 Proposed Budget, proceeds of an anticipated debt issuance were budgeted to repay the principal as revenue and the repayment of the principal as an expense.

A revised revenue estimate for disposing of trucked liquid waste (Truck Liquid Waste Fee) of (\$877,000) is necessary based on current fiscal year trends.

An increase in the Muni CIP Budget of \$593,951 is necessary to reflect program requirements. This revision reflects a decrease in Fiscal Year 2009 Proposed Budget of \$842,682 in Sewer Expansion and Replacement funding due to changes in municipal construction funding requirements and other project contingency needs.

A decrease in the Metro CIP Budget of \$1.6 million is necessary to reflect program requirements. This revision reflects a decrease in Fiscal Year 2009 of \$16,961 in Sewer Expansion funding due to changes in Metropolitan Clean Water Program construction funding requirements and other project contingency needs.

Water Department

Expenditure Adjustment: \$14,200,000

Revenue Adjustment: \$11,360,000

The adjustment reflects an increase in expenditures of \$14.2 million for the “Alvarado Water Treatment Plant – Upgrade and Expansion Capital Improvement Project” and an increase in revenue of \$11.4 million from bond proceeds to fund this project.

Technical corrections will be made in Schedules I, III, V, VI for the Water Department to include the operating reserve of \$19.9 million as part of the department’s operating expenses. Currently, the operating reserve is included within the proposed budget; however the Schedules do not reflect the operating reserves. These changes will result in the Water Department’s operating expenses increasing from \$336.7 million to \$356.6 million, and their total appropriation including Capital Improvement Program funds changing from \$500.4 million to \$520.3 million.

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PUBLIC WORKS

General Services Department

General Fund Expenditure Adjustment: (\$10,118)

Position Restoration and Offset

1.00 FTE Principal Engineering Aide position reduction will be restored and 1.00 FTE Construction Estimator will be reduced. The Principal Engineering Aide position was reclassified to an Electrician Supervisor, which is needed to supervise electricians.

CAPITAL IMPROVEMENT PROJECTS (CIP)

Adjustments to Capital Improvement Projects were made primarily due to updating project sheets or correcting planned allocations. The adjustments to CIP projects in Fiscal Year 2009 are listed below. Please refer to *Attachment 8* to review an itemized list of changes from the Fiscal Year 2009 Proposed Budget.

Engineering & Capital Projects Department

1. **58-191.0 (San Diego River Multi-Use Bicycle and Pedestrian Path)** This revision reflects a decrease in Fiscal Year 2009 of \$320,000 of Proposition A Bike Ways, 30301, funding. The Fiscal Year 2009 Proposed CIP Budget shows two budget entries for \$320,000 each. The entry for Proposition A Bike Ways, 30301, is incorrect and should be removed. The entry for \$320,000 of TransNet, 30300, is correct. By eliminating \$320,000 from Fund 30301, it will reduce the Fiscal Year 2009 project budget to \$320,000.
2. **37-064.0 (Annual Allocation - ADA Improvements Project)** This revision reflects an increase in Fiscal Year 2009 of \$620,979 in CDBG, 18502, funding to reflect Council's approved CDBG allocations for Fiscal Year 2009. The new Fiscal Year 2009 project budget is \$11.0 million.
3. **Soledad Mountain Road**
The department will be taking forward a 1472 to add funding to "Soledad Mountain Road Emergency Repair" CIP# 52-805.0 and therefore, no adjustments are being proposed at this time.

Park & Recreation Department

1. **22-965.0 (Annual Allocation – Mission Bay Improvements)** This revision reflects a decrease in Fiscal Year 2009 of \$265,000 in Mission Bay Improvement Fund, 10502, due to re-allocation of this funding to CIP 22-972.0 (North Crown Point Gazebo – Replacement). The new Fiscal Year 2009 project budget is \$76,802.
2. **22-972.0 (North Crown Point Gazebo – Replacement)** This revision reflects the addition of \$265,000 in Mission Bay Improvement Fund, 10502, transferred from CIP

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22-965.0 (Annual Allocation – Mission Bay Improvements). The new Fiscal Year 2009 project budget is \$265,000.

3. **29-941.0 (Language Academy/Montezuma Elementary School – JU Improvements)** This revision reflects an increase in Fiscal Year 2009 of \$18,000 in CDBG, 18537, funding to reflect Council's approved CDBG allocations for Fiscal Year 2009. The new Fiscal Year 2009 project budget is \$668,000.
4. **29-971.0 (Mission Dam Dredging Mitigation Project)** This revision reflects a decrease in Fiscal Year 2009 of \$169,594 in Environmental Growth, 10505, and Mission Trails Regional Park, 10580, funding. This project duplicates CIP 20-100.3 (Old Mission Dam Preservation). This project is being removed from the Capital Improvements Program.
5. **29-972.0 (Los Peñasquitos and Black Mountain Ranger Station)** This revision reflects a decrease in Fiscal Year 2009 of \$389,000 in Environmental Growth, 10505, funding. This project duplicates CIP 20-010.1 (Los Peñasquitos and Black Mountain Ranger Station). This project is being removed from the Capital Improvements Program.

Metropolitan Wastewater Department

1. **46-169.0 (East Mission Gorge Force Main Rehabilitation)** This revision reflects a decrease in Fiscal Year 2009 of \$2.0 million in Sewer Replacement, 41506, funding, which will be reprogrammed to Fiscal Year 2011 due to scheduling changes. The new Fiscal Year 2009 project budget is \$329,600; however, the total project cost remains the same.
2. **41-929.0 (Pump Station Upgrades)** This revision reflects an increase in Fiscal Year 2009 of \$4.3 million in Sewer Replacement, 41506, funding, which is reprogrammed from Fiscal Year 2012 in order to accelerate construction on this EPA Consent Decree project. The new Fiscal Year 2009 project budget is \$5.6 million; however the total project cost remains the same.
3. **45-988.0 (MBC Wastewater Forcemain Extension)** This revision reflects a decrease in Fiscal Year 2009 of \$722,184 in Sewer Replacement and Expansion, 41509, funding. Changes in the operations of Pump Station 86 allow more flow from the Metro Bio-solids Center, negating the need for this project. This project is being removed from the Capital Improvements Program.
4. **46-602.0 (Sewer Pump Station 41 Rehabilitation)** This Sewer Replacement, 41506, funded project was established as a sublet of CIP 46-106.0 (Annual Allocation - Sewer Pump Station Restorations) and is now proposed for the Fiscal Year 2009 Capital Improvement Program as a stand-alone project. The new Fiscal Year 2009 project budget is \$5.1 million.
5. **46-106.0 (Annual Allocation-Sewer Pump Station Restoration)** This revision reflects a decrease in Fiscal Year 2009 of \$5.1 million in Sewer Replacement funding due to the

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reclassification of CIP 46-602.0 (Sewer Pump Station 41 Rehabilitation) from a sublet funded from this Annual Allocation to a stand-alone project. This project will no longer have a Fiscal Year 2009 budget.

6. **41-940.0 (Pump Station 64 Fiber Optics Network)** This revision reflects a decrease in Fiscal Year 2009 of \$828,852 in Sewer Expansion, 41506, funding. A Business Case Evaluation was performed on this project and the result was to collaborate with other companies in the area to use their fiber optic or radio system instead of constructing a dedicated fiber optics line of the City. This project is being removed from the Capital Improvements Program.
7. **41-944.0 (NCWRP Effluent Pump Station Upgrade)** This revision reflects a decrease in Fiscal Year 2009 of \$140,608 in Sewer Replacement and Expansion, 41509, funding. This project was originally needed to correct a corrosion problem caused by chlorine gas fumes; however, this has been addressed by reversing exhaust fan rotations. This project is being removed from the Capital Improvements Program.
8. **45-940.0 (Wet Weather Storage Facility)** This revision reflects a decrease in Fiscal Year 2009 of \$674,918 in Sewer Expansion, 41509, due to delays in scheduling. This project will no longer have a Fiscal Year 2009 project budget.
9. **46-193.0 (Annual Allocation-CIP Contingencies)** This revision reflects a decrease in Fiscal Year 2009 of \$842,682 in Sewer Expansion and Replacement, 41506, funding due to changes in Municipal construction funding requirements and other project contingency needs. The new Fiscal Year 2009 project budget is \$458,709.
10. **46-502.0 (Annual Allocation-Clean Water Program Pooled Contingencies)** This revision reflects a decrease in Fiscal Year 2009 of \$16,961 in Sewer Expansion, 41509, funding due to changes in Metropolitan Clean Water Program construction funding requirements and other project contingency needs. The new Fiscal Year 2009 project budget is \$136,225.

Water Department

1. **73-261.3 (Alvarado Water Treatment Plant – Upgrade and Expansion)** This revision reflects an increase in Fiscal Year 2009 of \$14.2 million in Water, 41500, funding due to a change in project scope and scheduling. The new Fiscal Year 2009 project budget is \$36.9 million.

ML/jc

Attachments:

1. Mayor's May Revision Summarized Table of Changes to FY2009 Proposed Budget
2. Fiscal Year 2009 Community Development Block Grant Budget Allocation
3. Revised Fiscal Year 2009 Concourse and Parking Garage Operating Fund
4. Revised Fiscal Year 2009 Environmental Growth Fund

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5. Revised Fiscal Year 2009 Maintenance Assessment District Schedule
6. Revised Fiscal Year 2009 "OneSD" Enterprise Resource Planning System Allocation
7. Revised Fiscal Year 2009 Seized and Forfeiture Assets Fund
8. Revised Fiscal Year 2009 Capital Improvement Projects List

Cc: Honorable Mayor Jerry Sanders
Michael Aguirre, City Attorney
Jay M. Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Deputy Chief Operating Officers
Assistant Deputy Chief Operating Officers
Department Directors
Julio Canizal, Financial Manager
Angela Colton, Financial Manager
Irina Kumits, Financial Manager
Jaymie Bradford, Director of Council Affairs

Attachment 1: Mayor's May Revision to FY09 Proposed Budget

FISCAL YEAR 2009 MAYOR'S MAY REVISION SUMMARY TABLE						
BUDGETED DEPARTMENT-GF	CHANGE DESCRIPTION	FTE	PE	NPE	EXP	REVENUE
ADMINISTRATION	CDBG-MENTOR PROTÉGÉ PROGRAM	-	-	-	-	2,500
CITY AUDITOR	EMPLOYEE HOTLINE CONTRACT TRANSFER	-	-	15,000	15,000	-
CITY COMPTROLLER	CDBG-ACCOUNTING SERVICES	-	-	-	-	1,452
	ERP POSITION BACKFILL	1.00	173,365	-	173,365	173,365
CITY COUNCIL	POSITION REDUCTION	(0.50)	(57,844)	-	(57,844)	-
	TERMINAL LEAVE INCREASE	-	150,000	-	-	-
CITY PLANNING & COMM. INVESTMENT	CDBG- HUD REFORMS	-	-	250,554	250,554	250,625
CITYWIDE PROGRAM EXPENDITURES	WILD FIRES REIMBURSEMENT TO DSD	-	-	700,000	700,000	-
	ERP ALLOCATION REMOVAL	-	-	(1,432,759)	(1,432,759)	-
	GF RESERVES TRANSFER ADJUSTMENT	-	-	(2,312,282)	(2,312,282)	-
	TRANS INTEREST EXPENSE REDUCTION	-	-	(179,019)	(179,019)	-
DEVELOPMENT SERVICES	CDBG-ENVIRONMENTAL REVIEW	-	-	-	-	40,000
	CDBG-NCCD PROACTIVE CODE ENFORCEMENT	-	-	(242,612)	(242,612)	(242,612)
ENVIRONMENTAL SERVICES	CDBG-LEAD SAFE ENFORCEMENT & OUTREACH	-	-	-	-	102,500
FIRE-RESCUE	INCREASE IN FUEL	-	-	400,208	400,208	-
	LOCAL 145 SALARY/SPEC PAY ADJUSTMENT	-	1,192,761	-	1,192,761	-
FLEX BENEFITS - GF	FLEX BENEFITS ADJUSTMENT-GF	-	1,227,978	-	1,227,978	-
FUEL INCREASE - GF	FUEL INCREASE - GF	-	-	1,266,442	1,266,442	-
GENERAL SERVICES	POSITION RESTORATION & OFFSET	-	(10,118)	-	(10,118)	-
LIBRARY	LIVING WAGE ORDINANCE SUPPORT	-	-	59,345	59,345	-
MAJOR GENERAL FUND REVENUE	CONCOURSE & PARKING GARAGES FUND TRANSFER	-	-	-	-	1,439,334
	FEMA REIMBURSEMENTS ADJUSTMENT	-	-	-	-	(2,100,000)
	INTEREST EARNINGS	-	-	-	-	(3,027,237)
	MT SOLEDAD EMERGENCY RD REIMBURSEMENT	-	-	-	-	2,000,000
	PROPERTY TAX REDUCTION	-	-	-	-	(326,646)
	SALES TAX REDUCTION	-	-	-	-	(1,555,114)
	TABACCO SETTLEMENT REVENUE	-	-	-	-	438,414
	TOT REDUCTION	-	-	-	-	(1,390,704)
	TOT REDUCTION FROM DISCRETIONARY	-	-	-	-	(252,856)
	VEHICLE LICENSE FEES REDUCTION	-	-	-	-	(344,475)
OFFICE OF ETHICS & INTEGRITY	CDBG-DISABILITY SERVICES	-	-	-	-	(220,000)
	EMPLOYEE HOTLINE CONTRACT TRANSFER	-	-	(15,000)	(15,000)	-
PARKS & RECREATION	POSITION RESTORATION & OFFSET	4.58	327,725	(327,725)	-	-
	NEW FACILITY-CARMELO VALLEY SKATE PARK	0.38	22,713	13,802	36,515	-
	TRANSFER FROM EGF	-	-	-	-	2,000,000
PERSONNEL	ERP POSITION BACKFILL	1.00	147,000	-	147,000	147,000
POLICE	POSITION RESTORATION & OFFSET	-	42,589	-	42,589	-
	POA SALARY/SPEC PAY ADJUSTMENT	-	(1,114,862)	-	(1,114,862)	-
	TRANSFER FROM SEIZED ASSETS: LEASE PAYMENT	-	-	-	-	1,802,715
	TRANSFER FROM SEIZED ASSETS: PC SUPPORT	-	-	-	-	500,000
PUBLIC SAFETY	CDBG-ANTI GANG PROGRAMS	-	-	-	-	75,000
	NON-PERSONNEL EXPENSE REDUCTION	-	-	(14,000)	(14,000)	-
WORKERS COMP	WORKERS' COMPENSATION ADJUSTMENT-GF	-	(770,000)	-	(770,000)	-
GENERAL FUND TOTALS		6.46	1,331,307	(1,818,046)	(486,739)	(486,739)

Attachment A

Attachment 1: Mayor's May Revision to FY09 Proposed Budget

BUDGETED DEPARTMENT-NGF	CHANGE DESCRIPTION	FTE	PE	NPE	EXP	REVENUE
POLICE: SEIZED ASSETS FUND	SEIZED ASSETS FUND ADJUSTMENT	-	-	1,750,000	1,750,000	200,000
	TRANSFER TO GF- LEASE PMT AND PC SUPPORT	-	-	2,302,715	2,302,715	-
POLICE: DECENTRALIZATION	INCREASE PER DIEM IN BED FEES	-	-	118,083	118,083	-
SPECIAL PROMOTIONAL PROGRAMS	TOT GF TRANSFER DISCRETIONARY ADJUSTMENT	-	-	(252,856)	(252,856)	-
	SPECIAL PROMO TOT REVISION	-	-	-	-	(1,264,276)
ENVIRONMENTAL SERVICES	AUTOMATED REFUSE CONTAINERS REVENUE	-	-	500,000	500,000	500,000
METROPOLITAN WASTEWATER	MUNICIPAL CAPITAL IMPROVEMENT PROGRAM	-	-	593,951	593,951	-
	TRUCK LIQUID WASTE FEE REVENUE ADJUSTMENT	-	-	-	-	(877,000)
	PAYMENT FOR SEWER DEBT FINANCING	-	-	-	-	(224,000,000)
	REDUCTION OF DEBT SERVICES	-	-	(215,922,310)	(215,922,310)	-
GENERAL SERVICES- NGF	REDUCTION OF CIP BUDGET TRANSFER	-	-	(1,554,671)	(1,554,671)	-
OFFICE OF THE CIO	FUEL INCREASE	-	-	1,912,912	1,912,912	1,912,912
OTHER FUNDS	POSITION RESTORATION & OFFSET	-	4,699	-	4,699	-
	CONCOURSE & PARKING GARAGES TRANSFER TO GF	-	-	1,664,334	1,664,334	-
	TAX ANTICIPATION NOTES ISSUANCE	-	-	(2,004,019)	(2,004,019)	(2,004,019)
NON-GENERAL FUNDS	ERP ALLOCATION REMOVAL	-	-	(1,131,347)	(1,131,347)	-
	FLEX BENEFITS-NGF	-	34,936	-	34,936	-
	FUEL INCREASE - NGF	-	-	646,470	646,470	-
PARKS & RECREATION	WORKERS' COMPENSATION ADJUSTMENT-NGF	-	(230,000)	-	(230,000)	-
	TRANSFER FROM EGF 2/3RD & REVENUE ADJ	-	-	2,000,000	2,000,000	727,422
WATER	TRANSFER FROM OS FUND	-	-	727,422	727,422	-
	CIP EXPENDITURES/BOND REVENUE	-	-	14,200,000	14,200,000	11,360,000
	NON-GENERAL FUND TOTAL	-	(190,365)	(194,449,316)	(194,639,681)	(213,444,961)

Attachment A

Attachment 2: Fiscal Year 2009 Community Development Block Grant Budget Allocation

Fiscal Year 2009 - CDBG Budget for Non-Capital Expenditures

Department/ Activity	Project Title/Activity	Department Allocations	FY09 Proposed	FY09 Change
Office of Ethics & Integrity	Disability Services to CDBG (Admin)	120,000	340,000	(220,000)
Environmental Services Department, Lead Safe Neighborhood Program Enforcement & Outreach	Council District Office 1 Council District Office 3 Council District Office 6	102,500	-	102,500
Neighborhood Code Compliance Department, Proactive Code Enforcement	Council District Office 3 Council District Office 4 Council District Office 8 Council District Office 7	330,667	573,279	(242,612)
Mentor Protégé Program	Mentor Protégé Program - District 1 Mentor Protégé Program - District 4 Mentor Protégé Program - District 5 Mentor Protégé Program - Citywide	27,500	25,000	2,500
Park & Recreation	Powerbeach Wheel Chair Program Senior Citizen Services Therapeutic Recreation Services	674,604	674,604	-
Engineering & Capital Projects	Architectural Engineering Division to CDBG (Admin) To CDBG (Project Mgmt & Direct Delivery)	450,000	450,000	-
Public Safety, Commission on Gang Prevention	Capacity Bldg for Anti Gang Programs – CW Capacity Bldg for Anti Gang Programs - Council District Office 4	75,000	-	75,000
City Planning & Community Investment	CDBG Administration - HUD Reforms (Council Districts & Citywide) CDBG Administration - HUD Reforms (Citywide) CDBG Administration SS/ED Project Mgmt	1,475,000	1,224,375	250,625
Comptroller	CDBG Admin - Accounting Services to CDBG	135,000	133,548	1,452
Development Services	CDBG Admin - Environmental Review Services to CDBG	40,000	-	40,000
TOTALS		3,430,271	3,420,806	9,465

Attachment A

Attachment 3: Revised Fiscal Year 2009 Concourse and Parking Garage Operating Fund

CONCOURSE AND PARKING GARAGES OPERATING*

FUND 10322	FY 2009 PROPOSED	FY 2009 REVISED
BEGINNING BALANCE AND RESERVE		
Balance from Prior Year	-	1,269,737
Fund Balance Reserve	-	550,000
TOTAL BALANCE	-	1,819,737
REVENUE		
Other Centre City Rental	357,795	357,795
Municipal Parking Garage	2,005,100	2,005,100
HBJ Parking Garage	360,140	360,140
Concourse Event Revenue	600,000	600,000
TOTAL REVENUE	3,323,035	3,323,035
TOTAL BALANCE AND REVENUE	3,323,035	5,142,772
OPERATING EXPENSE		
Administration – Concourse	274,188	274,188
Operations – Concourse	1,484,157	1,484,157
Operations - Parking Garages	620,093	620,093
Operating Reserve Appropriation	550,000	550,000
Transfer to the General Fund	-	1,664,334
TOTAL OPERATING EXPENSE	2,928,438	4,592,772
TOTAL EXPENSE	2,928,438	4,592,772
RESERVE		
Fund Balance Reserve	-	550,000
TOTAL RESERVE	-	550,000
BALANCE	394,597	-
TOTAL EXPENSE, RESERVE AND BALANCE	3,323,035	5,142,772

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment A

Attachment 4: Environmental Growth Fund Revised Revenue and Expense Statements

Environmental Growth Fund 1/3 * (Fund 105051)	FY 2008	FY 2009	FY 2009
	BUDGET	PROPOSED	(REVISED)
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	1,738,411	983,574	1,031,903
Reserve Advance/Deposit	-	-	-
Reserve for Subsequent Year's Expenditures	138,197	240,000	863,401
Reserve for Encumbrances	274,728	330,000	136,672
Change in Prior Year Expenditures	-	-	-
TOTAL BALANCE	2,151,336	1,553,574	2,031,976
REVENUE			
Franchises	4,713,742	4,738,842	4,738,842
Interest Earnings	53,500	53,500	53,500
TOTAL OPERATING REVENUE	4,767,242	4,792,342	4,792,342
TOTAL BALANCE AND REVENUE	6,918,578	6,345,916	6,824,318
EXPENSE			
Open Space Capital Projects		200,000	200,000
Park Systems Master Plan	-	-	-
SD River Master Plan	-	-	-
TOTAL CAPITAL IMPROVEMENTS PROGRAM	-	200,000	200,000
Regional Park/ Open Space Maintenance	2,594,970	2,816,029	2,816,029
Transfer to Los Penasquitos	55,000	55,000	55,000
Reimbursement of Eligible Park Maint.	1,548,441	1,548,441	1,548,441
Reimbursement of Eligible Open Space Maint.	350,000	350,000	350,000
Payment for Scripps MAD Fire Expenses	-	-	-
Turf and Field Rehabilitation Reimbursement	330,000	330,000	330,000
MAD Reimbursements	172,415	172,415	172,415
Transfer to MAD Revolving Development Fund	-	-	-
Assessment Reserve	17,242	17,242	17,242
Prior Year Expenditures	-	-	-
TOTAL OPERATING EXPENSE	5,068,068	5,289,127	5,289,127
TOTAL CIP & OPERATING EXPENSE	5,068,068	5,489,127	5,489,127
RESERVE	1,000,073	300,000	1,163,400
BALANCE	850,437	556,789	171,791
TOTAL EXPENSE, RESERVE AND BALANCE	6,918,578	6,345,916	6,824,318

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment A

Environmental Growth Fund 2/3*

Environmental Growth Fund 2/3 (Fund 105052)

	FY 2008	FY 2009	FY 2009
	BUDGET	PROPOSED	PROPOSED (REVISED)
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	547,559	1,791,104	2,386,428
Reserve for Continuing Appropriations	1,769,988	2,338,663	1,769,988
TOTAL BALANCE	2,317,547	4,129,767	4,156,416
REVENUE			
Franchise Revenue/Sales Taxes	9,427,485	9,477,683	9,477,683
Interest Earnings	53,500	53,500	53,500
Transfer from Open Space Facilities District Fund	-	-	727,422
TOTAL OPERATING REVENUE	9,480,985	9,531,183	10,258,605
TOTAL BALANCE AND REVENUE	11,798,532	13,660,950	14,415,021
EXPENSE			
Park Maintenance Reimbursement	8,896,882	8,896,882	8,896,882
District No. 1 for Bond Interest and Redemption	437,025	434,600	434,600
Transfer to Open Space and Developed Reg Parks	-	-	2,000,000
TOTAL OPERATING EXPENSE	9,333,907	9,331,482	11,331,482
RESERVE	-	-	-
Reserve for Continuing Appropriations	1,769,988	-	1,769,988
TOTAL RESERVE	1,769,988	-	1,769,988
BALANCE	694,637	4,329,468	1,313,551
TOTAL EXPENSE, RESERVE AND BALANCE	11,798,532	13,660,950	14,415,021

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment A

OPEN SPACE PARK FACILITIES DISTRICT FUND*

OPEN SPACE PARK FACILITIES DISTRICT FUND 71631

	FY 2008	FY 2009	FY 2009
	BUDGET	PROPOSED	PROPOSED (REVISED)
BEGINNING BALANCE AND RESERVE			
Reserve Carried forward for July 1 Interest Payment	647,966	464,654	673,922
Designated for Unrealized Gains	-	-	-
TOTAL BALANCE	647,966	464,654	673,922
REVENUE			
Revenue from other agencies	-	-	-
Interest on Investments	53,500	53,500	53,500
Environmental Growth Fund Transfer	437,025	434,600	434,600
TOTAL OPERATING REVENUE	490,525	488,100	488,100
TOTAL BALANCE AND REVENUE	1,138,491	952,754	1,162,022
EXPENSE			
Bond debt proceed payment	-	-	-
Bond Interest and Redemption	437,025	434,600	434,600
Transfer to EGF 2/3 rd Fund	-	-	727,422
TOTAL OPERATING EXPENSE	437,025	434,600	1,162,022
RESERVE	673,922	518,154	-
BALANCE	-	-	-
TOTAL EXPENSE, RESERVE AND BALANCE	1,110,947	952,754	1,162,022

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment A

Attachment 5: Maintenance Assessment District Revised Fiscal Year 2009 Schedule

Title	FY09 Proposed NPE	FY09 Revised NPE	Change
Assessment District Management	897,909	982,561	84,652
Street Light District #1 MAD	712,312	706,586	(5,726)
Scripps/Mirmar Ranch MAD	1,130,592	1,115,080	(15,512)
Tierrasanta MAD	1,913,073	1,902,852	(10,221)
Campus Point MAD	32,200	32,214	14
Mission Boulevard MAD	124,628	124,661	33
Carmel Valley MAD	2,782,128	2,754,876	(27,252)
Sabre Springs MAD	283,530	282,056	(1,474)
Mira Mesa MAD	1,544,763	1,541,294	(3,469)
Rancho Bernardo MAD	869,561	869,901	340
Penasquitos East MAD	476,438	476,778	340
Coronado View MAD	44,087	44,106	19
Park Village MAD	585,556	585,827	271
Eastgate Technology Park MAD	248,724	250,439	1,715
Calle Cristobal MAD	410,095	406,893	(3,202)
Gateway Center East MAD	269,324	266,487	(2,837)
Miramar Ranch North MAD	1,933,251	1,923,692	(9,559)
Carmel Mountain Ranch MAD	633,012	633,216	204
La Jolla Village Drive MAD	85,083	84,638	(445)
First SD River Imp Project MAD	347,574	344,230	(3,344)
Linda Vista Community MAD	265,658	265,829	171
Washington Street MAD	146,930	136,963	(9,967)
Otay International Center MAD	417,186	417,743	557
Carmel Valley Nbhd #10 MAD	559,367	559,506	139
North Park MAD	977,425	987,710	10,285
Kings Row MAD	12,534	12,553	19
Webster-Federal Boulevard MAD	82,676	82,709	33
Stonecrest Village MAD	1,195,264	1,195,673	409
North Torrey Pines Road MAD	988,814	974,389	(14,425)
Torrey Hills MAD	2,334,175	2,317,248	(16,927)
Coral Gate MAD	174,622	172,961	(1,661)
Torrey Highlands MAD	1,393,313	1,394,606	1,293
Talmadge MAD	433,072	431,526	(1,546)
Camino Santa Fe MAD	681,576	681,678	102
Black Mtn Ranch South MAD	2,155,981	2,156,220	239
Bay Terraces - Parkside MAD	68,345	68,364	19
Bay Terraces - Honey Drive MAD	27,728	27,742	14
University Heights MAD	69,681	69,074	(607)
Hillcrest MAD	28,098	27,882	(216)
El Cajon Boulevard MAD	561,396	556,673	(4,723)
Ocean View Hills MAD	1,214,837	1,087,483	(127,354)
Robinhood Ridge MAD	170,589	170,685	96
Pacific Highlands Ranch MAD	292,635	290,604	(2,031)
Rancho Encantada MAD	350,812	350,846	34
Total	29,926,554	29,765,054	(161,500)

Attachment A

Attachment 6: Revised Fiscal Year 2009 “OneSD” Enterprise Resource Planning System Debt Service Allocation

Department Title Non-General Fund	FY09 Proposed	FY09 Revised	Change
Airports	6,199	-	(6,199)
City Planning and Community Investment	34,521	-	(34,521)
City Retirement System	132,747	-	(132,747)
Development Services	122,429	-	(122,429)
Environmental Services	63,148	-	(63,148)
General Services	51,312	-	(51,312)
Metropolitan Wastewater	299,831	-	(299,831)
Park & Recreation	10,454	-	(10,454)
Purchasing & Contracting	17,204	-	(17,204)
QUALCOMM Stadium	11,612	-	(11,612)
Risk Management	99,990	-	(99,990)
Water	281,900	-	(281,900)
Non-General Fund Sub-total	1,131,347	-	(1,131,347)
Department Title General Fund	FY09 Proposed	FY09 Revised	Change
Citywide Program Expenditures	1,432,759	-	(1,432,759)
Total	2,564,106	-	(2,564,106)

Attachment A

Attachment 7: Revised Fiscal Year 2009 Seized and Forfeiture Assets Fund

SEIZED & FORFEITED ASSETS* 10118, 10119, 10143 & 10144

	FY 2009 PROPOSED	FY 2009 REVISED
BEGINNING BALANCE AND RESERVE		
Balance from Prior Year	5,013,903	5,013,903
Prior Year Reserves	-	-
TOTAL BEGINNING BALANCE AND RESERVE	5,013,903	5,013,903
REVENUE		
Proceeds from Sale of Helicopters	-	-
Seized and Forfeited Assets	800,000	1,000,000
	-	-
TOTAL REVENUE	800,000	1,000,000
TOTAL BALANCE AND REVENUE	5,813,903	6,013,903
EXPENSE		
TOTAL CAPITAL IMPROVEMENTS PROGRAM (CIP)		
CIP Expenditures	-	-
CIP Expenditures of Prior Year Appropriations	-	-
TOTAL CIP EXPENSE	-	-
OPERATING EXPENSE		
Elementary School Safety Program	20,000	20,000
Helicopter Unit Operations	1,448,706	1,448,706
Helicopter Fuel	-	500,000
Helicopter Lease Payment	-	-
Public Safety Enhancements	-	1,000,000
Sales Tax & Lease Payment	-	-
Supplies, Services, Outlay	-	250,000
Sport Training Academics Recreation Program	-	-
Transfer to General Fund PC Support	-	500,000
Transfer to General Fund Lease Payment	-	1,802,715
TOTAL OPERATING EXPENSE	1,468,706	5,521,421
TOTAL EXPENSES	1,468,706	5,521,421
RESERVE	-	-
BALANCE	4,345,197	492,482
TOTAL EXPENSE, RESERVE AND BALANCE	5,813,903	6,013,903

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment 8: Revised Fiscal Year 2009 Capital Improvement Projects List

Mayor's May Revision CIP List

Project #	Project Title	Fund	FY09 Proposed	Change	FY09 Revised
73-261.3	Alvarado Water Treatment Plant - Upgrade and Expansion	41500	22,727,440	14,200,000	36,927,440
46-169.0	East Mission Gorge Force Main Rehabilitations	41506	2,329,600	(2,000,000)	329,600
41-929.0	Pump Station Upgrades	41506	1,311,591	4,265,485	5,577,076
45-988.0	MBC Wastewater Forcemain Extension	41509	722,184	(722,184)	-
46-602.0	Sewer Pump Station 41 Rehabilitation	41506	-	5,137,176	5,137,176
46-106.0	Annual Allocation - Sewer Pump Station Restoration	41506	5,137,176	(5,137,176)	-
41-940.0	Pump Station 64 Fiber Optics Network	41506	828,852	(828,852)	-
41-944.0	NCWRP Effluent Pump Station Upgrade	41509	140,608	(140,608)	-
45-940.0	Wet Weather Storage Facility	41509	674,918	(674,918)	-
46-193.0	Annual Allocation - CIP Contingencies	41506	1,301,391	(842,682)	458,709
46-502.0	Annual Allocation - Clean Water Program Pooled Contingencies	41509	153,186	(16,961)	136,225
29-971.0	Mission Dam Dredging Mitigation Project	10505 /10580	169,594	(169,594)	-
29-972.0	Los Penasquitos and Black Mountain Ranger Station	10505	389,000	(389,000)	-
37-064.0	Annual Allocation - ADA Improvements Project	18502	340,000	620,979	960,979
58-191.0	San Diego River Multi-Use Bicycle and Pedestrian Path	30301	320,000	(320,000)	-
22-972.0	North Crown Point Gazebo - Replacement	10502	-	265,000	265,000
22-965.0	Annual Allocation - Mission Bay Improvements	10502	341,802	(265,000)	76,802
29-941.0	Language Academy/Montezuma Elementary School - JU Improvements	18537	400,000	18,000	418,000
	TOTAL		37,287,342	12,999,665	50,287,007



THE CITY OF SAN DIEGO
MAYOR JERRY SANDERS

MEMORANDUM

DATE: May 29, 2008
TO: Honorable Council President Scott Peters and Council Members
FROM: Mary Lewis, Chief Financial Officer *Mary Lewis*
SUBJECT: Fiscal Year 2009 Proposed Budget Amendment

This memorandum is an addition to the Mayor's May Revision dated May 16, 2008 and revises the General Fund and Non-General Fund Fiscal Year 2009 budget to include an additional special pay adjustment for the Fire-Rescue and Development Services departments. This adjustment is needed for the "Administrative Assignment Pay" category since the application of this special pay to other classifications and the increase from 10 percent to 15 percent for current firefighters assigned to straight-day assignment was not included in the May Revision.

Included in the Local 145 Memorandum of Understanding (MOU) for Fiscal Year 2009 is a five percent special pay increase to "Administrative Assignment Pay" (from 10 percent to 15 percent) along with the addition of job classifications that work in the Fire Prevention Bureau. The new labor agreement identifies Fire Prevention Inspectors, Fire Prevention Supervisors, and the Assistant Fire Marshall as being eligible for the 15 percent special pay in addition to the firefighters assigned to straight-day assignment.

The Fire-Rescue Department currently has 20.00 FTE budgeted Fire Prevention Inspector positions, 5.00 FTE budgeted Fire Prevention Supervisor positions, and 1.00 FTE Assistant Fire Marshall for a budgeted total of 26.00 FTE. The projected increase in expenditures necessary to support this special pay for these new job classifications added to the agreement and the five percent increase to current firefighters assigned to straight-day assignment is approximately \$418,000. This amount includes the assumed impact from the five percent salary increase.

The Development Services Department has 14.00 FTE Fire Prevention Inspectors and 2.00 FTE Fire Prevention Supervisors for a budgeted total of 16.00 FTE. The projected increase in expenditures necessary to support this special pay is approximately \$182,000. This amount includes the assumed impact from the five percent salary increase.

Attachment A

Page 2

Honorable Council President Scott Peters and Council Members
May 28, 2008

In order to maintain a balanced budget and offset the increase in General Fund expenditures in the Fire Department, the Special Consulting Services budget in the Citywide Program Expenditures Department is being reduced by \$418,000 as part of the May Revision to the Proposed Fiscal Year 2009 Budget.

Attachment I includes these additional changes to the Fiscal Year 2009 Proposed Budget and replaces the schedule that was included in the May Revision dated May 16, 2008.

Mary Lewis

ML/jc

Attachment I

cc: Honorable Mayor Jerry Sanders
Michael Aguirre, City Attorney
Jay M. Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Jill Olen, Public Safety Deputy Chief Operating Officer
William Anderson, Community Development & Planning Deputy Chief Operating Officer
Tracy Jarman, Fire Chief
Kelly Broughton, Development Services Department Director
Nader Tirandazi, Financial Management Director
Dean Roberts, Assistant to the Fire Chief
Jaymie Bradford, Director of Council Affairs

ATTACHMENT I: UPDATED FISCAL YEAR 2009 MAYOR'S MAY REVISION SUMMARY TABLE

BUDGETED DEPARTMENT-GF	CHANGE DESCRIPTION	FTE	PE	NPE	EXP	REVENUE
ADMINISTRATION	CDBG-MENTOR PROTÉGÉ PROGRAM	-	-	-	-	2,500
CITY AUDITOR	EMPLOYEE HOTLINE CONTRACT TRANSFER	-	-	15,000	15,000	-
CITY COMPTROLLER	CDBG-ACCOUNTING SERVICES	-	-	-	-	1,452
	ERP POSITION BACKFILL	1.00	173,365	-	173,365	173,365
CITY COUNCIL	POSITION REDUCTION	(0.50)	(57,844)	-	(57,844)	-
	TERMINAL LEAVE INCREASE	-	150,000	-	150,000	-
CITY PLANNING & COMM. INVESTMENT	CDBG- HUD REFORMS	-	-	250,554	250,554	250,625
CITYWIDE PROGRAM EXPENDITURES	WILD FIRES REIMBURSEMENT TO DSD	-	-	700,000	700,000	-
	ERP ALLOCATION REMOVAL	-	-	(1,432,759)	(1,432,759)	-
	GF RESERVES TRANSFER ADJUSTMENT	-	-	(2,312,282)	(2,312,282)	-
	TRANS INTEREST EXPENSE REDUCTION	-	-	(179,019)	(179,019)	-
	SPECIAL CONSULTING SERVICES REDUCTION	-	-	(418,000)	(418,000)	-
DEVELOPMENT SERVICES	CDBG-ENVIRONMENTAL REVIEW	-	-	-	-	40,000
	CDBG-NCCD PROACTIVE CODE ENFORCEMENT	-	-	(242,612)	(242,612)	(242,612)
ENVIRONMENTAL SERVICES	CDBG-LEAD SAFE ENFORCEMENT & OUTREACH	-	-	-	-	102,500
FIRE-RESCUE	INCREASE IN FUEL	-	-	400,208	400,208	-
	LOCAL 145 SALARY/SPEC PAY ADJUSTMENT	-	1,610,761	-	1,610,761	-
FLEX BENEFITS - GF	FLEX BENEFITS ADJUSTMENT-GF	-	1,227,978	-	1,227,978	-
FUEL INCREASE - GF	FUEL INCREASE - GF	-	-	1,266,442	1,266,442	-
GENERAL SERVICES	POSITION RESTORATION & OFFSET	-	(10,118)	-	(10,118)	-
LIBRARY	LIVING WAGE ORDINANCE SUPPORT	-	-	59,345	59,345	-
MAJOR GENERAL FUND REVENUE	CONCOURSE & PARKING GARAGES FUND TRANSFER	-	-	-	-	1,439,334
	FEMA REIMBURSEMENTS ADJUSTMENT	-	-	-	-	(2,100,000)
	INTEREST EARNINGS	-	-	-	-	(3,027,237)
	MT SOLEDAD EMERGENCY RD REIMBURSEMENT	-	-	-	-	2,000,000
	PROPERTY TAX REDUCTION	-	-	-	-	(326,646)
	SALES TAX REDUCTION	-	-	-	-	(1,555,114)
	TABACCO SETTLEMENT REVENUE	-	-	-	-	438,414
	TOT REDUCTION	-	-	-	-	(1,390,704)
	TOT REDUCTION FROM DISCRETIONARY	-	-	-	-	(252,856)
	VEHICLE LICENSE FEES REDUCTION	-	-	-	-	(344,475)
OFFICE OF ETHICS & INTEGRITY	CDBG-DISABILITY SERVICES	-	-	-	-	(220,000)
	EMPLOYEE HOTLINE CONTRACT TRANSFER	-	-	(15,000)	(15,000)	-
PARKS & RECREATION	POSITION RESTORATION & OFFSET	4.58	327,725	(327,725)	-	-
	NEW FACILITY-CARMEL VALLEY SKATE PARK	0.38	22,713	13,802	36,515	-
	TRANSFER FROM EGF	-	-	-	-	2,000,000
PERSONNEL	ERP POSITION BACKFILL	1.00	147,000	-	147,000	147,000
POLICE	POSITION RESTORATION & OFFSET	-	42,589	-	42,589	-
	POA SALARY/SPEC PAY ADJUSTMENT	-	(1,114,862)	-	(1,114,862)	-
	TRANSFER FROM SEIZED ASSETS: LEASE PAYMENT	-	-	-	-	1,802,715
	TRANSFER FROM SEIZED ASSETS: PC SUPPORT	-	-	-	-	500,000
PUBLIC SAFETY	CDBG-ANTI GANG PROGRAMS	-	-	-	-	75,000
	NON-PERSONNEL EXPENSE REDUCTION	-	-	(14,000)	(14,000)	-
WORKERS COMP	WORKERS' COMPENSATION ADJUSTMENT-GF	-	(770,000)	-	(770,000)	-
GENERAL FUND TOTALS		6.46	1,749,307	(2,236,046)	(486,739)	(486,739)

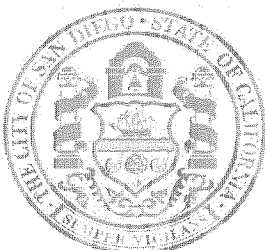
Attachment A

BUDGETED DEPARTMENT-NGF	CHANGE DESCRIPTION	FTE	PE	NPE	EXP	REVENUE
POLICE: SEIZED ASSETS FUND	SEIZED ASSETS FUND ADJUSTMENT	-	-	1,750,000	1,750,000	200,000
	TRANSFER TO GF- LEASE PMT AND PC SUPPORT	-	-	2,302,715	2,302,715	-
POLICE: DECENTRALIZATION	INCREASE PER DIEM IN BED FEES	-	-	118,083	118,083	-
SPECIAL PROMOTIONAL PROGRAMS	TOT GF TRANSFER DISCRETIONARY ADJUSTMENT	-	-	(252,856)	(252,856)	-
	SPECIAL PROMO TOT REVISION	-	-	-	-	(1,264,276)
ENVIRONMENTAL SERVICES	AUTOMATED REFUSE CONTAINERS REVENUE	-	-	500,000	500,000	500,000
METROPOLITAN WASTEWATER	MUNICIPAL CAPITAL IMPROVEMENT PROGRAM	-	-	593,951	593,951	-
	TRUCK LIQUID WASTE FEE REVENUE ADJUSTMENT	-	-	-	-	(877,000)
	PAYMENT FOR SEWER DEBT FINANCING	-	-	-	-	(224,000,000)
	REDUCTION OF DEBT SERVICES	-	-	(215,922,310)	(215,922,310)	-
GENERAL SERVICES- NGF	REDUCTION OF CIP BUDGET TRANSFER	-	-	(1,554,671)	(1,554,671)	-
DEVELOPMENT SERVICES	FUEL INCREASE	-	-	1,912,912	1,912,912	1,912,912
	SPECIAL PAY INCREASE	-	182,000	-	182,000	-
	FIRE RECOVERY PERMIT WAIVER	-	-	-	-	700,000
OFFICE OF THE CIO	POSITION RESTORATION & OFFSET	-	4,699	-	4,699	-
OTHER FUNDS	CONCOURSE & PARKING GARAGES TRANSFER TO GF	-	-	1,664,334	1,664,334	-
	TAX ANTICIPATION NOTES ISSUANCE	-	-	(2,004,019)	(2,004,019)	(2,004,019)
NON-GENERAL FUNDS	ERP ALLOCATION REMOVAL	-	-	(1,131,347)	(1,131,347)	-
	FLEX BENEFITS-NGF	-	34,936	-	34,936	-
	FUEL INCREASE - NGF	-	-	646,470	646,470	-
	WORKERS' COMPENSATION ADJUSTMENT-NGF	-	(230,000)	-	(230,000)	-
PARKS & RECREATION	TRANSFER FROM EGF 2/3RD & REVENUE ADJ	-	-	2,418,000	2,418,000	727,422
	TRANSFER FROM OS FUND	-	-	727,422	727,422	-
WATER	CIP EXPENDITURES/BOND REVENUE	-	-	14,200,000	14,200,000	11,360,000
	NON-GENERAL FUND TOTAL	-	(8,365)	(194,031,316)	(194,039,681)	(212,744,961)

Recommended Revisions to the Fiscal Year 2009 Proposed Budget

**Report by the
Office of the
Independent Budget Analyst**

**IBA Report 08-57
May 30, 2008**



IBA

OFFICE OF THE
INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO

Attachment B

Recommended Revisions to the Proposed Budget

Introduction

The IBA's preliminary review of the Mayor's Proposed FY 2009 Budget was issued on April 29, 2008, as IBA Report No. 08-41. This final report builds upon our earlier review and analysis, and presents final recommended changes to the Mayor's Proposed FY 2009 Budget for City Council consideration. Our recommendations take into account the priorities reflected in City Council budget memoranda; the results of the Mayor's May Revise; input received from the public during the hearing process; additional IBA research and analysis; and further discussions with City operational staff. Based on this input, as well as further review and analysis, our final report proposes the following revisions to the FY 2009 Proposed Budget.

IBA Proposal

Part 1 – Recommended Priority Service Restorations Totaling \$1.5 million

The service restorations recommended in the first part of our proposal align closely with those discussed at a special public hearing on the Park and Recreation and Library budgets as part of the Public Safety and Neighborhood Services meeting on May 14, 2008. Due to the response from the public at the first hearing on April 30th, this additional hearing was scheduled to provide the Council further opportunity to discuss the possibility of restorations in these key service areas. For this hearing, our office presented IBA Report 08-44, which outlined the top priority restorations as identified by departmental staff for Park and Recreation and Library. At this special hearing, the Council expressed strong support for the priorities as identified by the department and outlined in the IBA Report. Council priorities budget memoranda further indicated strong support for the restorations discussed at this hearing.

As indicated in the chart on page four, Part 1 provides for \$1.5 million of service restorations including all Skate Park supervision; five Park and Recreation Area Managers; a Grounds Maintenance Supervisor; 8.5 Library Assistants, 3.0 Librarians II's and a Custodian for the Central Library. Also included in Part 1 is a small amount of funding to provide overnight camping on weekends only at Kumeyaay Campground.

Restorations in Part 1 are funded through utilization of the Environmental Growth Fund balance; elimination of FY 2009 funding for the Jefferson Wells contract; and a partial reduction to Managed Competition consulting support.

Recommended Revisions to the Proposed Budget

Introduction (cont'd)

Part 2 – Recommended Priority Service Restorations Totaling \$2.9 million

The second part of our proposal builds on Part 1 by recommending further priority service restorations for Park and Recreation and Library primarily to maintain key services at FY 2008 service levels. A single service enhancement- returning all swimming pools to year-round operations - is proposed consistent with Council priorities. These recommendations also respond to extensive input from the public at budget hearings.

To return services to FY 2008 levels in the area of park management and oversight, restoration of five additional Area Managers and two additional District Managers is recommended. For the Library, four more Library Assistants are restored as well as \$500,000 for the matching funds program. A Graffiti Control supervisor reduced from Neighborhood Code Compliance is also recommended for restoration to maintain FY 2008 service levels.

Partial restorations include four non-sworn Police personnel; four positions for Street Maintenance and four positions for Facilities Maintenance - the priorities for which were developed by City departmental staff. Three additional items not previously considered in the budget are also recommended including temporary staffing for the Children's Pool Lifeguard Station, an Administrative Aide and overtime funding for the City Clerk and a Fiscal and Policy Analyst for the Office of the Independent Budget Analyst.

Part 2 is funded by an increase to the Redevelopment Agency loan repayment from \$5.0 million to \$7.5 million and a partial reduction in the funds set aside for booking fee expenses, leaving \$1.5 million as a contingency. These recommendations are also illustrated in the chart on page 4.

Mayor's May Revise

The IBA also recommends approval of the Mayor's May Revise as issued on May 14, 2008 and as amended by the Chief Financial Officer per memorandum dated May 29, 2008. The May Revise outlines adjustments to the Proposed Budget, including revenue revisions and expenditure changes, based on new information received since the budget was published. We concur with the reductions in revenue growth rates proposed in the May Revise as more reflective of economic conditions. \$9.2 million of the resource options identified in our Preliminary Report are being utilized in the May Revise to offset reduced revenues.

Attachment B

Recommended Revisions to the Proposed Budget

Introduction (cont'd)

IBA Policy Matrix

We would note that in past years this report has provided a number of policy and technical recommendations that typically require further research and analysis in the coming fiscal year. These recommendations form a policy matrix which is utilized to track progress and report status of the issues to the Budget and Finance Committee several times a year. This year we will be presenting the policy and technical recommendations in a separate report at the end of the budget process, and will request that this item be docketed for Budget and Finance Committee discussion this summer.

Next Steps

On June 4, 2008, the IBA will present the recommendations contained in this report to the Budget and Finance Committee for their consideration. The full Council will hear the Budget and Finance Committee's recommendations for final changes to the Proposed Budget on June 9, 2008.

As required by Charter, the Council will return the budget to the Mayor with their recommendations "as soon as practicable." The Mayor has five business days to approve, veto or modify any line item approved by the Council and resubmit the budget. The Council then has five business days to take action to override any vetoes or modifications made by the Mayor.

The final steps of the FY 2009 budget process include the Budget and Finance Committee's review of the Appropriation Ordinance on July 9, 2008 and City Council public hearing and adoption of the Appropriation Ordinance on July 21, 2008 and July 28, 2008 respectively.

PROPOSAL

PROPOSAL Part 1		FTE	EXPENSE	REVENUE
RESOURCES				
1	Environmental Growth Fund Support for Appropriate General Fund Expenses	0.00	\$ -	\$ 1,485,000
2	Council Administration - Reduction to Jefferson Wells Contract	0.00	\$ (225,000)	\$ -
3	Business Office - Partial Reduction to Managed Competition Support	0.00	\$ (400,000)	\$ -
RESTORATIONS				
1	Park & Recreation - Skate Park Supervision	8.80	\$ 530,000	\$ 115,000
2	Park & Recreation - Partial Position Restorations	6.00	\$ 552,000	\$ -
3	Library - Position Restorations	12.50	\$ 980,840	\$ -
4	Park & Recreation - Overnight Camping at Kumeyaay Campground	0.50	\$ 83,000	\$ 27,000
TOTAL PART 1		27.80	\$ 1,520,840	\$ 1,627,000
PROPOSAL Part 2				
RESOURCES				
1	Redevelopment Agency Loan Repayment Increase - \$5.0M to \$7.5M	0.00	\$ -	\$ 2,500,000
2	Booking Fees Reduction	0.00	\$ (1,600,000)	
RESTORATIONS & ADDITIONS				
1	Park & Recreation - Further Position Restorations	7.00	\$ 700,000	
2	Park & Recreation - Year-round Swimming Pools	22.70	\$ 1,517,000	\$ 410,000
3	Library - Further Position Restorations	4.00	\$ 308,160	\$ -
4	Library - Matching Funds	0.00	\$ 500,000	\$ -
5	Fire-Rescue - Children's Pool temporary station staffing	0.00	\$ 162,000	\$ -
6	Fire-Rescue - Bomb Squad Training Hours	0.00	\$ -	\$ -
7	Fire-Rescue - Staffing for Helicopter 2	8.80	\$ -	\$ -
8	Development Services/NCC - Graffiti Control	1.00	\$ 86,100	\$ -
9	City Clerk - Administrative Aide II	1.00	\$ 78,200	\$ -
10	City Clerk - Overtime	0.00	\$ 25,000	\$ -
11	IBA - Staffing Plan Phase II	1.00	\$ 210,000	\$ -
12	Police - Technology Enhancements	0.00	\$ -	\$ -
13	Police Department - Non-Sworn Position Restorations	4.00	\$ 282,600	\$ -
14	General Services - Facilities Division Maintenance Positions	4.00	\$ 331,000	\$ -
15	General Services - Street Division Maintenance Positions	4.00	\$ 346,300	\$ -
16	Allocate \$10 million to Appropriated Reserve	0.00	\$ -	\$ -
TOTAL PART 2		57.50	\$ 2,946,360	\$ 2,910,000

PROPOSAL PART 1

Resources

1-Transfer Environmental Growth Fund Balance to the General Fund to Support Appropriate Expenses - \$1.49 million

Included in the FY 2009 Proposed Budget is the reimbursement of \$11.9 million to the General Fund from the Environmental Growth Fund (EGF) for eligible Park and Recreation activities. According to City Charter section 103.1a, these funds “shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego...” The May Revise includes an increase of \$2.0 million to this reimbursement, bringing the total to \$13.9 million. General Fund costs planned for reimbursement include Citywide park maintenance and Balboa Park maintenance in Developed Regional Parks, and Open Space Division activities excluding street median maintenance and brush management activities (already funded by the FEMA grant). At present, no reimbursement occurs for direct on-site maintenance costs within the divisions of Community Parks I and II, which total \$7.2 million and \$8 million, respectively, or for General Fund maintenance activities for beaches and shoreline parks (\$6.3 million) or at Mission Bay Park (\$6.9 million).

Based on a review of the revised EGF fund balances, it is recommended that an additional \$1,485,000 be utilized for reimbursement to the General Fund for eligible park and recreation activities, providing additional resources to the General Fund.

2-Eliminate FY 2009 Funding for Jefferson Wells – (\$225,000)

In the FY 2008 budget, \$225,000 was appropriated to hire a professional audit consultant (Jefferson Wells) to provide expert audit counsel to the City’s Audit Committee. The Audit Committee indicated that Jefferson Wells only be retained for one year, believing that expert assistance could subsequently be provided by an expanded Office of the City Auditor. Approximately 35% of the original appropriation remains and it is expected that this amount will enable Jefferson Wells to provide expert counsel to the Audit Committee for a few months into FY 2009. As another \$225,000 was proposed to be budgeted for Jefferson Wells in FY 2009, the IBA recommends that the City Council consider reprogramming this FY 2009 funding for other needs.

PROPOSAL PART 1

Resources (cont'd)

3-Reduce Partial Funding for Managed Competition Consultant – (\$400,000)

The Business Office Proposed Budget includes an expense of \$900,000 for Managed Competition consulting services for FY 2009. This recommendation would reduce FY 2009 funding to \$500,000. However, in addition to \$500,000 remaining in the FY 2009 budget, it is anticipated that Council will be asked in June to authorize \$400,000 from the FY 2008 Appropriated Reserves for this purpose. This pending request has already been accounted for in the FY 2008 General Fund Reserves status report. If approved, together these actions will result in \$900,000 being available for Managed Competition consulting support through FY 2009.

PROPOSAL PART 1

Restorations

PARK AND RECREATION

1-Restoration of Skate Park Supervision - \$415,000 net

Restore all skate park supervision (8.80 FTEs at net cost of \$415,000). Park and Recreation identified the restoration of supervision at the City's skate parks as its top priority, if funding were to be identified. In addition, several Council members specifically requested the restoration of skate park supervision in their budget priorities memoranda, due to the risk of possible increased liability. Supervision at existing skate park sites would require the addition of 7.30 FTEs at a cost of \$450,000 with expected revenue of \$100,000 for a net requirement of \$350,000. The addition of the Carmel Valley Skate Park will require 1.50 FTE at a cost of \$80,000, with expected revenue of \$15,000, resulting in net added costs of \$65,000. This is in addition to the maintenance added for the Carmel Valley Skate Park in the May Revise.

2-Restoration of Area Managers and Grounds Maintenance Supervision - \$552,000

Restore five Area Managers and one Grounds Maintenance Supervisor, consistent with Park and Recreation's top priorities. This item restores one Area Manager in Developed Regional Parks, two in Community Parks I, and two in Community Parks II. Reinstatement of the Area and District Managers was cited in Council members' budget priorities memoranda. Elimination of these positions would result in a reduction in service from the current year. Park and Recreation has indicated that restoration of these positions would provide more direct services to citizens and park users, and therefore is a higher priority than increasing services for year-round pool operations.

PROPOSAL PART 1

Restorations (cont'd)

LIBRARY

3-Position Restorations - \$980,840

Consistent with City Council and departmental priorities, the IBA recommends 1.00 Custodian (\$58,000), 8.50 Library Assistants (\$654,840), and 3.00 Librarian II positions (\$268,000), for restoration in the FY 2009 Budget. The reinstatement will assist the Library Department in continuing to provide quality service to its many patrons equal to that of FY 2008.

PARK AND RECREATION

4-Restoration of Weekend Overnight Camping at Kumeyaay Campground - \$56,000 net

Restore \$83,000 for weekend overnight camping, with \$27,000 in off-setting program revenue. As described by Councilmember Madaffer in his budget priorities memorandum, a proposal has been made to partially reinstate reductions made to eliminate overnight camping at the Kumeyaay Campground at Mission Trails Regional Park. Currently, overnight camping is permitted Thursday through Sunday nights. The proposal would allow overnight camping on Friday and Saturday nights, and would require the restoration of 0.50 Recreation Center Director I (\$34,800) and related NPE of \$48,100, for a net cost of \$56,000.

Attachment B

PROPOSAL PART 2

Resources

1-Increase Repayment from Redevelopment Agency from \$5.0 million to \$7.5 million - \$2.5 million

The Mayor's FY 2009 Proposed Budget includes a loan repayment of \$5 million from the Centre City redevelopment project area. The IBA recommends increasing this loan repayment by \$2.5 million to a revised total of \$7.5 million.

While CCDC has expressed concerns about possible project delays, the IBA believes that slight delays in some projects could result but the effect should not be significant. Normal project logistics and funding challenges are likely to also cause some natural delay in project schedules.

During the discussion of the Redevelopment Agency's Budget on May 20, 2008 the CCDC President discussed some possibilities as it relates to the mechanism for making a loan repayment. As an example, it may be possible for CCDC to take on eligible CDBG expenditures and shift to Tax Increment, thus allowing the Agency to repay funds with Tax Increment. The discussion on the mechanics of the loan repayment is still in process, but during the meeting it was stated that the ultimate goal was to provide the maximum flexibility to the City on use of these funds. It was further stated that it is anticipated that this issue would be resolved in 4-6 weeks and that a Memorandum of Understanding between the City and the Agency on how these funds would be applied would return to the Redevelopment Agency for discussion and authorization.

Also, the IBA recommends a technical adjustment to budget the redevelopment loan repayment directly in the General Fund instead of the TOT Fund and subsequently eliminate the \$5.0 million TOT Fund allocation to the General Fund for promotion-related expenses. The IBA does not believe that there is any nexus between the Redevelopment loan repayment and the TOT Fund. This technical adjustment will have a net-zero impact to both the General Fund and the TOT Fund.

2-Booking Fees - \$1.6 million

The FY 2009 Proposed Budget includes a \$3.1 million contingency for booking fee expenses. While negotiations are continuing with the County on the current MOU, we do not believe that there is a clear basis for a \$3.1 million contingency, as the current State budget only proposes a 10% reduction to booking fees reimbursements. We recommend reducing this contingency by \$1.6 million, leaving a \$1.5 million contingency for potential State impacts to City resources.

PROPOSAL PART 2

Restorations and Additions

Park and Recreation

1-Further Restoration of Area and District Managers - \$700,000

Restore five Area Managers and two District Managers. This item restores five Area Managers, two in Community Parks I, and three in Community Parks II. Also included are two District Managers, one each into Community Parks I and Community Parks II. These are in addition to 3.00 District Managers restored in the May Revise. Reinstatement of the Area and District Managers was cited in Council members' budget priorities memoranda. Elimination of these positions would result in a reduction in service from the current year. Park and Recreation has indicated that restoration of these positions would provide more direct services to citizens and park users, and therefore is a higher priority than increasing services for year-round pool operations.

2-Provide Funding for Year-Round Swimming Pool Hours - \$1,107,000 net

Currently, the City provides year-round operations at four pool locations, including Clairemont, Memorial, Ned Baumer and Vista Terrace. The Park and Recreation Department had previously indicated that an increase of \$1.4 million would be needed to fund year-round operations at all thirteen City pool locations. City Council Offices have identified the use of State park bond funds to augment the hours of pools in their Council Districts, including \$90,080 for Memorial, \$122,900 for Vista Terrace and \$85,000 for Allied Gardens. With the identification of these funding sources, the General Fund need is reduced to \$1,107,600, which we recommend be added to the budget at this time. To return all pools to year-round operations would require an additional 22.70 FTEs at a cost of \$1,517,000 with off-setting revenues of \$410,000, resulting in a net cost of \$1,107,000. Year-round operations for all thirteen pool locations were last funded in Fiscal Year 2004.

PROPOSAL PART 2

Restorations and Additions (cont'd)

LIBRARY

3-Further Position Restorations - \$308,160

As mentioned in several Councilmember memoranda, the IBA recommends that Council restore an additional 4.00 Library Assistants at a cost of \$308,160. This reinstatement would complete the restoration of 12.50 Library Assistant positions to the FY 2008 level of service. We note that the Library Assistant restoration does not include an additional 3.90 Library Assistant positions currently proposed for reduction in FY 2009. These positions were funded by the Library Grant Funds in FY 2008 and their restoration depends on securing continued Library Grant Funds in FY 2009.

4-Increase Library Matching Funds by \$500,000

As recommended in our preliminary report, the City Council priorities indicated support for raising the current \$1.0 million Library Matching Fund by up to \$500,000, to \$1.5 million. This increase will potentially generate a total \$1.0 million in additional funds to the department if matched by donations from the community. The IBA supports this increase, as Library staff has indicated this level would be achievable in FY 2009.

SAN DIEGO FIRE-RESCUE

5-Temporary Staffing Cost for Children's Pool Lifeguard Station - \$162,000

Since the development of the FY 2009 Proposed Budget, the Children's Pool Lifeguard Station has been condemned. To address the loss of this lifeguard station and maintain service, the department will need to operate two temporary stations until the permanent station is reopened. The department will need an additional \$162,000 in hourly wages.

6-Increase in Bomb Squad Training Hours - \$0

The Fire-Rescue Business Process Reengineering Report recommended an increase in the number of bomb squad training hours. The annual cost for this increase is estimated to be \$65,260. An additional recommendation identified that a reduction in overtime costs could be achieved (\$163,665) by discontinuing the Light and Air Unit. Due to timing concerns, the

PROPOSAL PART 2

Restorations and Additions (cont'd)

IBA is recommending to budget only a portion of these overtime savings (\$65,260) to offset the increased training hour costs. This recommendation is cost neutral.

7-FTEs for Additional Helicopter - \$0

The FY 2009 Proposed Budget included funding for a second helicopter; however, the additional FTEs were not included. The additional funding was achieved by reducing the department's vacancy factor. The IBA recommends the inclusion of the 8.80 FTEs (3.30 Fire Captains, 3.30 Pilots, and 2.20 Fire Fighters) needed to operate the second helicopter. The original action to lower the vacancy factor would subsequently be reversed, thus increasing the vacancy factor from \$6.6 million to \$8.0 million. This recommendation is cost neutral.

DEVELOPMENT SERVICES – NEIGHBORHOOD CODE COMPLIANCE

8-Graffiti Control Program - \$86,100

The FY 2009 Proposed Budget for Neighborhood Code Compliance includes the reduction of 1.00 Utility Supervisor from the Graffiti Control Program. The IBA recommends the restoration of this position to maintain FY 2008 service levels. The cost of this position is \$86,100.

CITY CLERK

9-Addition of Administrative Aide II - \$78,200

The City Clerk's office has taken on additional tasks due to growing demands for public information, including: increased processing, tracking and monitoring regarding the expansion of the new Lobbying Ordinance and Statement of Economic Interest filings; and processing and filing of the Water and Wastewater rate increase protests as part of the Proposition 218 process. The City Clerk has requested the addition of 1.00 Administrative Aide to fulfill the increased responsibilities in the Elections Section. The cost of this addition is \$78,200.

Attachment B

PROPOSAL PART 2

Restorations and Additions (cont'd)

10-Increased Overtime Funding - \$25,000

The Clerk's office has also requested an addition of \$25,000 for overtime pay. The requested overtime will ensure legal requirements are met for supporting Special and Emergency City Council Meetings, co-administering Project Area Committee elections, handling evening/off-site meetings, and properly distributing back-up or exhibit materials and noticing for supplemental items. In FY 2008, the Clerk's office had no money budgeted for overtime pay. However, as of May 23, 2008 the office expended almost \$16,000 for this purpose. The IBA supports budgeting funds for this anticipated expense.

OFFICE OF THE INDEPENDENT BUDGET ANALYST

11-IBA Staffing Plan Phase 2 - \$210,000

The IBA suggests implementing a revised approach to Phase 2 of the office staffing plan, which would include only one additional position at this time, a Fiscal & Policy Analyst for economic forecasting and revenue analysis. In addition, funding is included for necessary office build-out/remodeling, other non-personnel expense, and funding to engage consultants on special research projects as-needed. The cost of this addition is \$210,000.

POLICE

12-Technology Enhancements - \$0

The May Revise identified reimbursements from the Seized and Forfeited Assets Fund to support technology improvements in the Police Department. Specific details on how this funding will be used have not been provided at this time. The IBA recommends that the department develop a plan that addresses the Council members' priorities and return to the Public Safety and Neighborhood Services Committee with details on spending priorities by September 2008.

13- Restoration of Non-sworn Positions - \$282,600

The Proposed Budget included the reduction of 24.50 non-sworn positions. The IBA recommends the restoration of 4.00 FTEs, including 2.00 Police Records Clerks, 1.00 Police Investigative Aide II, and 1.00 Property and Evidence Supervisor. The Police Records

PROPOSAL PART 2

Restorations and Additions (cont'd)

Clerks are responsible for entering information on stolen vehicles and missing persons into the Department of Justice database. A Police Investigative Aide assists detectives by completing preliminary research, coordinating photo lineups, compiling suspect information and creating wanted bulletins. The Property and Evidence Supervisor assists with the handling of impounded property, including the proper disposal of items to accommodate all necessary property. The total cost of this restoration is \$282,600.

GENERAL SERVICES – FACILITIES DIVISION

14-Restoration of Maintenance Positions - \$331,000

The General Services Department has indicated that four of the positions eliminated from the Facilities Division in the FY 2009 Proposed Budget are the highest priority for restoration in order to support facility maintenance. These positions include 2.00 Carpenters and 2.00 Painters. The total cost for restoring these positions would be \$331,000.

GENERAL SERVICES – STREET DIVISION

15-Restoration of Maintenance Positions - \$346,300

The General Services Department has indicated that four of the positions eliminated from the Street Division in the FY 2009 Proposed Budget are the highest priority for restoration in order to support street maintenance. These positions include 2.00 Equipment Operator II, 1.00 Utility Worker II, and 1.00 Public Works Superintendent. The total cost for restoring these positions is \$346,300.

APPROPRIATED RESERVE

16-Designate Funding for Appropriated Reserve - \$10,000,000

According to the City's Reserve Policy, there are no minimum or maximum funding levels for the Appropriated Reserve for a given year. The Reserve Policy states that the Mayor will

PROPOSAL PART 2

Restorations and Additions (cont'd)

include an amount each year in the operating budget to fund the Appropriated Reserve. However, no funding has been allocated in the FY 2009 Proposed Budget for the Appropriated Reserve. The May Revise indicates that funding will be allocated to the Appropriated Reserve as part of the actions to approve the annual Appropriation Ordinance. The IBA recommends that the City Council discuss the allocation of \$10 million to the Appropriated Reserve as part of its final budget decision-making process, which will allow for direction to be given for the preparation of the Appropriation Ordinance. Any funds in the Appropriated Reserve are included in the calculation as part of the reserve target percentage. Because of this, the identification of additional funding is not necessarily required, but only that the designation of a portion of the Unallocated Reserve be made.

This allocation to the Appropriated Reserve would result in an increase of \$10 million to the General Fund budget.

Included in the FY 2009 Proposed Budget is the contribution of \$6 million to the General Fund reserve, in order to reach the City's Reserve Policy goal of 6.5% of the General Fund budget. The May Revise includes a reduction of \$2.3 million to this amount, leaving \$3.7 million, in order to achieve the reserve policy goal based on the latest estimate for year-end results. As part of the year-end closing process, the release of prior year encumbrances are likely to positively impact the year-end balance for the General Fund. For Fiscal Year 2008, this factor resulted in a \$7 million increase to the reserve balance. No recommendation has been offered by management to further reduce Fiscal Year 2009 budgeted contributions to the General Fund reserve, even in light of an expected higher reserve balance due to the release of prior year encumbrances. Reserve levels in excess of the policy goal may be desired, given the uncertain economic climate and possible continued negative impacts on the City's major General Fund revenues. The reserve may need to be accessed to supplement budgetary allocations, and serve as a contingent resource, should revenues not materialize as estimated. Our office makes no recommendations for revising the reserves contribution but note this issue in order to provide information to the City Council.

Conclusion

The IBA recommends City Council approval of the recommended revisions to FY 2009 Proposed Budget as outlined in this report. The IBA further recommends approval of the Mayor's May Revise as issued on May 14, 2008 and as amended by the Chief Financial Officer on May 29, 2008.

The IBA recognizes the significant time and effort that has gone into the development of the City's annual budget; and we wish to thank members of the City Council, particularly Councilwoman Toni Atkins, Chair of the Budget and Finance Committee, as well as the Mayor's financial team led by Chief Financial Officer Mary Lewis; City departmental staff, notably Park and Recreation and Library; and members of the public who were able to make a difference by attending public hearings and providing valuable input regarding priority City services.

Attachment B

[SIGNED]

Lisa Celaya
Fiscal & Policy Analyst

[SIGNED]

Tom Haynes
Fiscal & Policy Analyst

[SIGNED]

Jeff Sturak
Fiscal & Policy Analyst

[SIGNED]

Dominika Bukalova
Research Analyst

[SIGNED]

Judy Stone
Executive Assistant

[SIGNED]

Elaine DuVal
Fiscal & Policy Analyst

[SIGNED]

Jeff Kavar
Fiscal & Policy Analyst

[SIGNED]

Penni Takade
Deputy Director

[SIGNED]

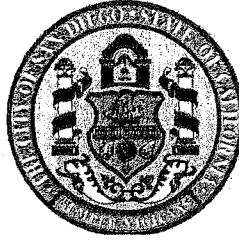
Michael Prinz
Research Analyst

[SIGNED]

Andrea Tevlin
Independent Budget Analyst

Attachments

Tel. (619) 236-6555
Web Site: <http://www.sandiego.gov/iba/index.shtml>



City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: May 22, 2008
TO: Honorable Mayor and Councilmembers
FROM: Council President Scott Peters
SUBJECT: FY 2009 Budget Recommendations – Amendments

A handwritten signature in black ink, appearing to be "Scott Peters", written over the "FROM:" line.

The following requests are additional amendments to my FY 2009 Budget Recommendation memorandum submitted on May 21, 2008.

Library

- 1) Library Matching Funds. I request \$500,000 (in addition to the currently allocated \$1,000,000) be added to be used for the department's matching grant program to allow the City to match more private donations for the library.
- 2) Library Grant Writer Position: I support the transfer of the department's grant writer position to the San Diego Library Foundation.

SHP:wjs


Attachments

CC: Honorable City Attorney Michael Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer



**COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE**

M E M O R A N D U M

DATE: May 21, 2008
TO: Honorable Mayor and Councilmembers
FROM: Council President Scott Peters 
SUBJECT: FY 2009 Budget Recommendations

On January 9, 2008, I submitted my list of priorities to the Mayor, my Council colleagues, and the Independent Budget Analyst ("IBA") reflecting my vision for Council District One and the City of San Diego in Fiscal Year ("FY") 2009. I stressed the importance of continuing the positive work being done by the Mayor and City Council to bring fiscal stability back to the City and developing longtime financial solutions while protecting core services the City provides to our citizens.

The City Council has been a strong supporter in the Mayor's reform agenda. I commend the Mayor for making tough choices in streamlining City services, for his commitment to increase funding for deferred maintenance and compliance with the American Disability Act ("ADA"), pension reform efforts and adequately funding the City's short and long term liabilities (General Fund Reserves, retiree health and pension liabilities, and public liability and worker's compensation funds). By working together, we have completed the City's backlog of audits, enacted strong financial reform and oversight mechanisms, placed key charter reform proposals on the ballot, drastically improved the health of the pension system, and restored the city's access to the public bond markets.

During the upcoming Council budget deliberations, I look forward to working cooperatively with everyone to identify potential resource options to plan for state actions while restoring much-needed services back into the budget, if funds are available.

Attachment B

ATTACHMENT

I submit the following recommendations and items of concern for the Council's and the IBA's consideration.

Public Safety

- 1) Fire-Rescue. The Ad-Hoc Committee on Fire Prevention and Recovery, the IBA and the Fire-Rescue Department have been working to identify a list of alternative measures and relevant costs to implement the Fire-Rescue Department Station Master Plan to eliminate the City's fire station and staffing deficits within the next ten years. (see attachment 1) On May 19, 2008, the IBA presented a list of department deficiencies and potential revenues and tax increases to fund this plan. While the Master Plan study will be completed in July or August of this year, we must start the work now to identify funding resources to implement the potential recommendations of the Fire-Rescue Department. I would request that the IBA report back to the committee with a comprehensive study and benchmarking of the City's current tax rates and any recommended action.
- 2) Fire-Rescue. I request that funding for the construction of the three La Jolla lifeguard station projects (La Jolla Cove, La Jolla Shores, Children's Pool) be included in the next Safety Bond offering, whether that is a private or public offering. I also request a list of all projects that are being considered for the next Public Safety Bond.
- 3) Fire-Rescue. I request that the COO and the Fire-Rescue Department review current fee structure for fire and emergency services and present it to the Ad-Hoc Committee on Fire Prevention and Recovery and then to the City Council.
- 4) Police. On March 24, 2008, I requested video camera installations in the La Jolla Shores Beach area and other locations identified by SDPD. (see attachment 2) I request that \$1 million from the Seized and Forfeited Assets be used to start the process of installing cameras in high crime areas throughout the City.
- 5) Police. On July 17, 2006, the City Council authorized \$250,000 in expenditures to fund the Police Officer Recruitment Program, including funds to hire a recruitment consultant by January 2007. I would request a presentation of the work done by the consultant to be presented to the Public Safety and Neighborhood Services Committee.
- 6) Police. I request that the COO and the Police Department work together to review the current fines in the municipal code, fees for permits and licensing, and any cost recovery measures for police services and present it to the Public Safety and Neighborhood Services Committee.
- 7) Police. I request that the Police Department fully staff the parking enforcement officer positions. It is my understanding that the Police Department has not fully staffed the parking enforcement officer positions requested and authorized by the Council. Hiring of these officers is generally revenue-neutral, as the costs to hire are less than the revenue produced to enforce our parking regulations.

Community Planning and Infrastructure

- 1) General Services-Street Division. I support the Mayor's commitment to addressing deferred maintenance and ADA infrastructure improvements. I agree with the Mayor and IBA that the City needs to place greater emphasis on preventive maintenance to minimize the list of deferred

2

Attachment B

ATTACHMENT

maintenance. In the case that fewer reserve allocations are needed to meet the 6.5% policy goal, I would request the savings fund the 19.00 FTE or \$1.5 million in funding that are proposed for elimination from the FY 2009 budget.

- 2) ADA and Disability Services. The City has embarked on an aggressive ADA infrastructure plan. I fully support the Mayor's initiative in funding this federal mandate.
- 3) Homeless Shelter Funding. I request that the Mayor and City Council work with the County of San Diego to address homeless issues. The County of San Diego is responsible for administering health and human services in our County and can partner with us to address this tough issue.
- 4) Centre City Development Corporation. I do not support increasing the budgeted repayment from the Redevelopment Agency since it can potentially slow down scheduled projects in the Downtown redevelopment area.

City Attorney

- 1) Case Management Program. I request that the City Attorney's Office work with city staff to prepare a presentation to the Budget and Finance Committee of the current case management program and benefits of potential upgrades.
- 2) Amendment to Appropriations Ordinance, Section 15. The amendment to the FY 2008 appropriation ordinance included language for the Comptroller to withhold payment of fees, costs and expenses associated with any case/claim filed by the City Attorney in which authorization to file such case or claim has not been pre-approved by the City Council. I intend to ask my colleagues to add similar language to the FY 2009 appropriations ordinance.
- 3) Outside Counsel. As part of my FY 2008 budget request memorandum, I requested that the City Attorney provide quarterly reports to the City Council on ongoing costs for outside legal counsel used in each fiscal year. No updates were given to the Council in this fiscal year. I request that this information be either be submitted in writing or presented to the Budget and Finance Committee at the earliest possible date.

Finance

- 1) MOU requirements. In the FY 2006 MOU between the City and MEA, the employees agreed to contribute an additional 1% for their pension contribution beginning in FY 2008. There are approximately \$7 million worth of additional revenue from employee concessions which have not been leveraged since the issuance of the Tobacco Revenue Bond. I request a status update on the City's intentions of leveraging these revenues to allow the City to keep the current schedule.
- 2) Comptroller's Office. I support the Mayor's efforts to complete the remaining CAFRs at the earliest possible date. The additional \$375,000 for temporary help should remain in the budget until the City is current on all financial statements.

Environmental

Advanced Water Treatment Demonstration Project. I request that the Water Department provide a cost estimate for additional work in conjunction with the California Public Health Department to

Attachment B

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pursue the necessary approvals and to hire a consultant for outreach and education. Once the funding needs are determined, I request funding for this project.

Independent Budget Analyst.

- 1) I support allocating an additional \$20,000 for the IBA to utilize experts on as-needed special research projects.
- 2) The IBA has provided invaluable services to the City Council and the residents of the City in giving an independent view of the Mayor's fiscal and policy proposals. I request that the 1.00 FTE and costs associated with a Fiscal & Policy Analyst or Research Analyst be added to the department's budget.

Park and Recreation

- 1) Swimming Pools Closures. Over the past three years, both of the pools in Council District One-Swanson Pool and Carmel Valley Pool-were forced to close for three months as part of the City's rolling closure program while pools in other Council Districts were able to stay open. I request that the IBA investigate using the remaining balance of the Environmental Growth Fund or other encumbered, but unused funds be used to keep all 12 city pools open year-round.
- 2) Skate Park Supervision. I am in concurrence with the City Attorney and the IBA that eliminating supervision at skate parks can be a potential liability for the City. I request the restoration of 7.50 FTEs and \$450,000 in related costs to maintain current services at our skate parks. In addition, the Carmel Valley Skate Park is scheduled to open in November 2008. I request that any costs associated with supervising this facility be included in the budget with funds remaining from reserve allocations, excess tobacco settlement revenue or if funds set aside for booking fees become available.
- 3) Park Ranger Program. I request that La Jolla, specifically La Jolla Shores' Kellogg Park, be included in the City's Park Ranger program in one of the following ways: adding a Ranger position, reallocating existing Ranger resources to ensure that this area is monitored, or hiring a Ranger on a seasonal basis in order to cover the summer months, when the impact of residents and visitors to this Park is most acutely felt by the community.
- 4) District Manager for Shorelines and Beaches. I request that this position be continually funded even after current manager John Hudkins retires from his post. This position provides essential support to the beach going public.
- 5) Kumeyaay Campground. I support a partial position to allow for overnight camping on the weekends. I request that the Park and Recreation Department work with the IBA to determine the costs of this proposal.

Library

- 1) In the event that there are funds available, I request that positions be restored to this department in the following order.
 - Custodian II for Central Library (1.00 FTE at cost of \$58,000)

Attachment B

ATTACHMENT

- Librarian IIs (3.00 FTEs at cost of \$268,000)
- Library Assistants (8.50 FTEs at cost of \$654,000)

Neighborhood Code Compliance

1) Graffiti Control Program. A reduction of 1.0 FTE in the Graffiti Control Program will have a negative impact on graffiti control in the City. I request the position of Utility Supervisor be restored to this department if funds become available.

City Clerk

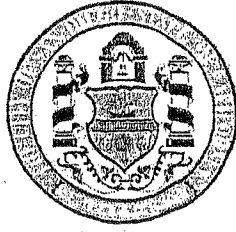
- 1) Election Section. Increased demand for Proposition 218 votes, and new requirements created by the lobbying ordinance have placed increased demands on this four-person division of the Clerk's office. I support the Clerk's request for 1.00 FTE position for this department.

SHP:wjs

Attachments

CC: Honorable City Attorney Michael Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer

Attachment B



ATTACHMENT

Attachment 1

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: November 29, 2007

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Council President Scott Peters *Elizabeth Kinsley for SHP*

SUBJECT: Firestorm 2007: Fire Department Staffing Deficiencies

In light of Senator Dianne Feinstein's comments at the U.S. Senate Committee on Appropriations Subcommittee meeting on November 27, 2007, I respectfully request a list of alternative measures and relevant costs to implement the Fire-Rescue Department's Station Master Plan to eliminate the City's fire station and staffing deficits within the next ten years. Please include cost estimates for land acquisition, design and construction, equipment and appropriate staffing, including associated pension and healthcare costs.

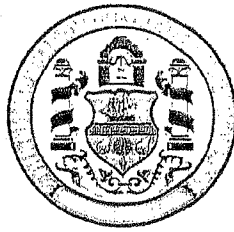
Alternatives should include cost projections for a public safety bond and potential property or sales tax increases to fully implement this plan.

Thank you for your assistance on this matter.

SHP:wjs

CC: Honorable Mayor and City Councilmembers
Jay Goldstone, Chief Operating Officer
Jill Olen, Deputy Chief Operating Officer for Public Safety
Chief Tracy Jarman, Fire-Rescue Department

Attachment B



ATTACHMENT

Attachment 2

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: March 24, 2008
TO: Chief William Lansdowne
FROM: Council President Scott Peters
SUBJECT: Video Cameras at La Jolla Shores Beach and High Crime Areas

I would like to commend you and the police department for the great work resulting in the drop in crime rates again in 2007. While this was great news for the City, there continue to be violent incidents and quality of life crimes throughout the City.

The five cameras installed on the Mission Beach boardwalk have been shown to be extremely effective in lowering criminal activity in targeted areas. I respectfully request the installation of video cameras in the La Jolla Shores beach area. I am happy to work with you and you staff on funding and citing issues.

Additionally, I would like to work with you, the Mayor and the City Council to explore the use of video cameras as a tool of law enforcement allowing patrol officers to attend to urgent needs of residents.

I respectfully request a list of the number of locations where SDPD would like to install video cameras in the City and the total costs associated with the purchasing, staffing and operation of the cameras. I would appreciate this information by April 15, 2008, in order to integrate the issues into the budget discussions.

Thank you for your assistance.

SHP: wjs

CC: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Honorable City Attorney Michael Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer
Jill Olen, Deputy Chief Operating Officer for Public Safety

Attachment B

ATTACHMENT

Labor Negotiations and Retirement System:

- 17) Negotiate fairly with all employees. Define the role for the City Council in labor negotiations consistent with practices in other Strong Mayor/Council cities. Engage in productive and positive discussions with employee groups to recover additional monies at the bargaining table, rather than seeking to reduce our liabilities through costly and unsuccessful lawsuits.
- 18) Reduce healthcare costs by working with all employee unions to aggregate members in a reduced number of current employee and retirement healthcare plans. This can reduce administrative costs and the per-employee costs paid by the City and the employees. Consolidating plans with the Police Officers' Association, Local 145 and the Deputy City Attorneys resulted in savings for the City in FY 2008. I invite the other labor groups to join me in a conversation about how to reduce health care costs for both the City and individual employees.
- 19) Continue to reduce pension costs by continuing to pay down pension liabilities in a way that preserves the City's ability to deliver day-to-day neighborhood services.

I look forward to working with each of you, Mayor Sanders, the Independent Budget Analyst, City staff and the citizens of the City of San Diego to build on the foundation we have established in restoring of fiscal integrity in our City.

SHP: wjs

Attachment

cc: Honorable Mayor Jerry Sanders
Honorable City Attorney Mike Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer

Attachment B

Chamber backs tax increase to fix potholes

By Michael Stetz
STAFF WRITER

April 23, 2005

The San Diego Regional Chamber of Commerce doesn't normally endorse tax increases. It supports the local business community, which thinks of taxes the way Dracula thinks of daybreak.

But these are strange times in San Diego.

The chamber announced yesterday that it wants the city to adopt a new tax and increase another one to rid the city's roads of potholes and to upgrade other infrastructure, such as water and sewer systems.

If enacted, the taxes could generate as much as \$50 million a year over five years under the chamber's best-case scenario. But the \$250 million would not be a total solution. The city estimated in 2001 that it would cost \$320 million just to bring streets and sidewalks up to standard.

Chamber officials said the nuts-and-bolts part of the city is falling apart at an alarming rate and that city government isn't doing enough. It's foundering under a crushing pension fund debt and under pressure from federal agencies looking to see what went wrong.

How radical is the chamber's proposal of a car rental fee and an increase in the real estate transfer tax?

"We searched our archives and can't remember doing anything like it," said Mitch Mitchell, the chamber's vice president for public policy.

John Hawkins, the chamber's immediate past chairman, cautioned that the tax increase is not a cure and that a more comprehensive infrastructure repair plan is needed. He and others likened the proposal to a Band-Aid.

The outbreak of potholes in city streets this year is not simply the result of the recent near-record amount of rain, but also of "years of neglect and shifting priorities," he said.

Because of budget problems, the city has all but quit resurfacing streets, *The San Diego Union-Tribune* recently reported, a move that has drastically affected the quality of the roads. Only six miles are budgeted to get the key maintenance this year. Last year, no streets were resurfaced.

San Diego has 2,800 miles of streets.

Meanwhile, potholes are festering. At one point, the city estimated that 60,000 were scattered throughout the city. From late December to April, the city filled more than 20,000 potholes.

While the chamber has supported such measures as an increase in the Transient Occupancy Tax, which is levied on hotel guests, it rarely supports general tax increases.

<http://signonsandiego.printthis.clickability.com/pt/cpt?action=cpt&title=Chamber+backs+ta...> 1/8/2008

"It's a break from the norm," Mitchell said.

The business leaders noted their frustrations with city leadership, saying elected officials have lost focus. It's why they're pushing the agenda.

"We have expressed our frustrations about the 'he said, she said' mentality that consistently appears at City Hall," said Mike Murphy, chairman of the chamber board. "As our population grows, so do the needs and expectations of the business and residential communities."

San Diego City Councilwoman Donna Frye said she can appreciate the chamber's frustrations but doesn't believe that such piecemeal steps are the answer. "It's like putting a Band-Aid on a big, gaping, bleeding wound."

The city needs to come clean with its problems and start finding real solutions, she said. The chamber, she added, has not always supported fees it found unpopular, such as an increase in water fees to big users.

"It cuts both ways," she said.

Mayor Dick Murphy responded to the chamber's proposal via e-mail. "Generally, I oppose new taxes. However, I would be willing to consider a car rental surcharge, which would be primarily paid by tourists if it were spent exclusively on road repair and resurfacing."

The chamber wants the city to place a \$2 fee on city car rental transactions and increase the real estate transfer tax from the current \$1.10 per thousand dollar value to \$3.60.

The city is home to 108 car rental businesses. The chamber predicts the tax could raise between \$1.2 million to nearly \$4 million annually, depending on how many cars are rented and for how long.

Even a \$2 fee would affect business, said John Basir, who works for Atwest Rent A Car on Rosecrans Street. It's a competitive business, he said. If you bump the price up, even a little bit, it'll hurt. And customers will grumble. "For them, it'll be a big deal," Basir said.

The real estate tax increase would raise much more money. If a home in San Diego County were resold at today's median price of \$535,000, the new transfer tax would generate \$2,088 instead of the current \$638. The county gets a portion of that. In fiscal year 2003, the city received about \$10 million from that tax.

That increase would need voter approval.

The San Diego Association of Realtors has "a great interest" in this issue but has yet to study the chamber's proposal, said Susan Tinsky, vice president of government affairs.

These tax increases have to be monitored closely to make certain the money goes where it's supposed to, noted Lisa Briggs, of the San Diego County Taxpayers Association.

Too often, the revenue ends up going elsewhere.

Her organization is no fan of the way the city has handled its infrastructure demands. Deferring maintenance only makes matters worse because repairs become more costly.

The chamber's proposal would include a so-called sunset clause, ending the tax after five years. Oversight panels would be created to check progress. Money from the car rental tax would go to pothole and street repair, while gains from the real estate tax would be dedicated to other infrastructure needs.

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Attachment B

The chamber has been more aggressive of late in city affairs. It's also pushing for more affordable housing programs.

•Michael Stetz: (619) 293-1720; michael.stetz@uniontrib.com

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Find this article at:

http://www.signonsandiego.com/uniontrib/20060423/news_1n23potholes.html

Check the box to include the list of links referenced in the article.

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**COUNCILMEMBER KEVIN FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT**

M E M O R A N D U M

DATE: May 20, 2008
TO: Council President Scott Peters
FROM: Councilmember Kevin Faulconer *Kevin Faulconer*
SUBJECT: Suggested Budget Changes for FY2009

I wish to thank both Councilmember Toni Atkins, chair of the Budget & Finance Committee, and the office of the Independent Budget Analyst (IBA), lead by Andrea Tevlin, for their continued efforts during the annual budget process.

I am supportive of the Mayor's plan for restoring fiscal integrity to the City. The 2009 Budget continues the strategic framework developed by the Mayor to address the City's long term obligations.

My suggested changes to the FY2009 Budget focus on three overall goals:

- Restoring fiscal integrity
- Preserving our parks, beaches, and bays
- Providing services for our neighborhoods

I respectfully request the following modifications to the FY2009 be examined and that the impacts and potential sources of funds be discussed:

Parks and Recreation

As the largest aquatic park in San Diego, Mission Bay Park attracts over 15 million visitors annually and spans 4,235 acres of land and water. Visitors to Mission Bay Park enjoy a wide variety of activities, including aquatic activities, volleyball, sailing, and family picnics. According to the Mayor's May budget revise, the FY09 budget includes restoration of \$110,000 to the Park and Recreation budget to maintain the District Manager position in Mission Bay Park. I support this addition and believe this position will benefit San Diegans and visitors who will use Mission Bay Park.

Attachment B

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Internal Audit

In the past year the City has begun establishing an effective Internal Audit Division with the selection of a new internal auditor and the placement of a fiscal reform measure on the ballot. If successful, this charter amendment could increase budget requirements. It is imperative that the City continues its efforts to establish a fully functioning proactive Internal Audit Division. I request that continued emphasis be placed on prioritizing the City's Internal Audit Division as we move forward with financial reforms.

General Services

The beaches in San Diego are enjoyed by not only visitors but also the residents of San Diego. Over 20 million people visit the City's beaches annually. It is important that we keep these beaches clean and pristine for everyone to enjoy. The City of San Diego currently has one mini sweeper which is used to clean all the bike paths and boardwalks in the City. I request \$180,000 to purchase a mini street sweeper to be used solely for cleaning the Mission Beach and Pacific Beach boardwalks.

Neighborhood Prosecution Unit

The Neighborhood Prosecution Unit of the City Attorney's office continually provides value to the citizens of San Diego through its work on important activities in our communities including the Beach Area Community Court, University Student Orientation, Sexual Assault Prevention Program and addressing the City's chronic transient-related crimes. While the City Attorney directs the allocation of his budget, I strongly encourage additional funding for the Neighborhood Prosecution Unit of the Attorney's Office.

Police

The installation of the five security cameras in Mission Beach has been a valuable tool for police officers in Mission Beach. The security cameras increase officers' ability to monitor multiple locations simultaneously and does not impact the number of officers on the streets. To increase the safety in the beach areas, I strongly encourage additional funding for the Police Department in the amount of \$120,000 for the installation of six security cameras in Pacific Beach.

Mission Bay Improvements Fund

The Mission Bay Improvements Fund was created by the Mission Bay Ordinance. The Mission Bay Ordinance requires the City to maintain a portion of revenues totaling over \$20 million in Mission Bay Park and other regional parks. The Mission Bay Improvements Fund is used for capital improvement and deferred maintenance in Mission Bay Park and other regional parks. The Fiscal Year 2009 proposed budget decreases the funding in the Mission Bay Improvements Fund by \$33,198 due to projected reductions in revenue. I request that any funds received in excess of projections be placed in the Mission Bay Improvements Fund. The City must continue to the support of the Mission Bay Ordinance in fiscal year 2009.

cc: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Ms. Andrea Tevlin, Independent Budget Analyst



**OFFICE OF COUNCILMEMBER TONI ATKINS
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: May 20, 2008
TO: Council President Scott Peters
FROM: Councilmember Toni Atkins
SUBJECT: Requested Changes to the FY 2009 Budget

This memorandum conveys my final priorities for changes to the FY 2009 City Budget. Before detailing my requests, I would like to make a few general observations about the process.

First, I want to thank and acknowledge the staff of the Office of the Independent Budget Analyst for their incredible work during this budget cycle. Even before the official start of the budget process, the IBA provided advice and expertise in areas such as the establishment of performance measures that have made the process a better-informed and more effective one. The IBA's detailed and excellent analyses and reports have made an immeasurable difference in the ability of the Council and the public to make sound decisions. And their outstanding publication, "A Citizen's Guide to the City's Budget Process" is an invaluable tool for members of the public who want to understand and participate in a government process that can seem arcane and intimidating.

I also want to thank my Council colleagues for their commitment to thorough and thoughtful deliberations on the budget. The process is long and intensive and I appreciate all of the time from their already busy schedules that each of them has dedicated.

My appreciation, as well, to the Mayor's budget team – Mary Lewis, Nader Tirandazi and Julio Canizal – for providing us with valuable overviews of the many departmental budgets and for being extraordinarily responsive to Councilmember's questions and requests for additional information. I especially appreciate their and the Mayor's responsiveness to several of my key budget concerns – adequate funding for the Uptown/North Park/Golden Hill Community Plan Update, increasing the staffing for the City Auditor as recommended by the Audit Committee, and restoring to the budget the position of District Manager for Balboa Park.

Attachment B

ATTACHMENT

One general matter I would like to address apart from specific budget requests is the reform of city employee pensions. We should seek to reduce the city's pension-related costs, while at the same time ensuring that the city remains a competitive employer and that city employees are appropriately compensated for their public service. I encourage the continued exploration of alternatives and an open and cooperative dialogue about what is best for the City in this regard.

I urge your consideration of the following changes to the Mayor's proposed FY'09 budget. In light of current projections for reduced revenues in the next fiscal year, along with the need to fund the priorities identified in the Mayor's Five Year Financial Outlook, I recognize that alternative revenue sources may need to be identified in order to fund these requests. The Independent Budget Analyst has identified a number of funding alternatives in their Report # 08-54, "City Council Discussion of the FY 2009 Proposed Budget" which I believe provide an excellent starting point for that process. I also urge that the Council and the Mayor move as quickly as possible to implement appropriate cost recovery on many of the services provided by the City.

One specific additional source of revenue that I urge be adopted is the reduction by half of the anticipated funding of the consultant contract for the development of Statements of Work as part of the Managed Competition program. Currently, the Mayor's office anticipates spending \$1.3 million on this contract, \$400,000 in FY 08 and \$900,000 in FY 09. As we curtail services to City residents, expect City employees to absorb the workload of positions cut from the budget, and ask everyone at the City to do more with less, it is prudent to be as conservative as possible with allocations for consultant services.

POLICE DEPARTMENT: Restore the following positions that are directly related to crime reduction and crime solving: one Investigative Aide in the crime laboratory, three Police Record Clerks related to custody identification, stolen vehicles database and arrest reports; two Police Code Compliance Officers in Permits and Licensing/Traffic; one Police Investigative Aide II; one Laboratory Technician in the crime laboratory; one Associate Management Analyst – Crime Analysis; one Police Records Clerk related to notifying owners when stolen vehicles are impounded or recovered; one Clerical Assistant II in Traffic, and one Senior Clerk/Typist in Central.

PARKS AND RECREATION DEPARTMENT

Manager Positions

I request that ten Area Manager positions be restored. The Area Managers serve a vital role in the community. They are front-line, first-responders. Our parks will suffer tremendously if staff is reduced, which may actually be more costly down the line when the City is not able to keep up with maintenance.

Moreover, based upon the following analysis of staff responsibilities if the proposed reductions were to occur, the unavoidable conclusion would seem to be that, contrary to the assertions by the Mayor's office, service levels must suffer if the proposed cuts are put into effect.

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Current (FY08) General Responsibilities

- DM: 75-100 subordinates; 3-7 direct reports; Ave. 50 parks/facilities; total acreage 1,200
- AM: 25-55 subordinates; 8-10 direct reports; Ave. 15 facilities/parks; total acreage 450

Proposed (FY09) General Responsibilities

- DM: 125+ subordinates; 5-10 direct reports; Ave. 80 facilities; total acreage 1,900+
- AM: 55+ subordinates; 12-15 direct reports; Ave. 25 facilities; total acreage 600 – 800+

Pool Operations

I propose that year-round operations be restored at the Bud Kearns Pool in my District. Geographic location of pools should be considered. In previous budgets, swimming pools Council Districts 1, 2, 3, 4 and 7 have never been funded to allow for year-round operations. It is also my understanding that the depth and capacity of Bud Kearns pool will allow for a wider variety of uses (water polo, lap swimming, etc.) along with a higher revenue stream than other pools.

Additionally, based on the requested restorations and to avoid meet and confer implications and additional expenditures (i.e. unemployment payments), I request that all Pool Managers and Supervision Recreation Specialists be reinstated to full-time status (rather than the proposed three-quarter status).

Skate Park Supervision

Given the City Attorney's opinion that the City will be exposed to greater liability if it changes operations at its skate parks, I request that skate park supervision be restored to FY08 levels.

LIBRARIES: Restore all Library Assistant positions, as these employees provide invaluable customer and staff support to our library system.

FIRE RESCUE: I urge that the staffing for the extremely important second Fire/Rescue helicopter be provided as a new budget item rather than utilizing already-identified vacant positions from elsewhere in the department. Vacant positions demonstrate where we have identified a need, even when we are not currently prepared to allocate funds to fill them, and should remain on the books as a measure of desired staffing levels.

GRAFFITI CONTROL: Graffiti control is a pro-active, cost effective, approach to crime prevention which also enhances the visual quality of life in our communities. I urge the restoration of one Supervisor of Graffiti Control in the Development Services Department budget. As a less expensive alternative, replacing that position with one Utility Worker would maintain our commitment to eradicating graffiti.

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NEIGHBORHOOD CODE COMPLIANCE: Currently, the combined CDBG allocations from only four of the Council offices leaves a \$242,612 shortfall in the amount needed to continue the FY 08 staffing level of 6.5 FTEs for this function. It is vital that there be a plan, with associated staffing and funding, for Citywide code compliance.

CITY CLERK: Add one Administrative Aide II position for the Elections Section, one Program Manager for the Records Management Division, and \$25,000 for overtime costs. The Elections Section provides critical services relating to legally mandated financial disclosures and protecting the integrity and effectiveness of the election process. The Records Management position was recommended in the department's BPR report and will be particularly critical this coming year with the leaving office of 4 Councilmembers. The requested overtime will ensure that the department can continue to meet legal requirements for noticing and providing materials for extra Council meetings that are inevitably scheduled during the year.

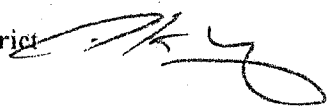
IBA: Add one Fiscal and Policy Analyst position to ensure the IBA will continue to be able to provide the analysis and support upon which the public and the Council rely.

cc: Honorable Councilmembers
Independent Budget Analyst



CITY OF SAN DIEGO
OFFICE OF COUNCILMEMBER ANTHONY YOUNG
COUNCIL DISTRICT FOUR

MEMORANDUM

DATE: May 20, 2008
TO: Councilmember Toni Atkins, Chair, Budget and Finance Committee
FROM: Councilmember Anthony Young, Fourth Council District 
SUBJECT: Fiscal Year 2009 Budget Recommendations

On January, 8, 2008, I submitted my budget priorities for fiscal year 2009. Unfortunately the Mayor's proposed budget was not as strong as would have liked to have seen in the priority areas of Park and Recreation and Library services. However, I was pleased to see that the Mayor's revised budget submitted on May 16th restored a few of the positions cut from Park and Recreation and provided funding for my public safety priority of enhancing the use of specialized technology for police. \$500,000 was provided to provide mobile computer terminals for all police officers and an additional \$1 million for enhancements in technology, communications, and officer safety.

My priority as a Councilmember and our focus as a Council will always be on utilizing our fiscal resources in the most efficient and effective manner possible in addition to maintaining this city in sound fiscal health. This is evidenced by our recent good news concerning our bond ratings. However, just as adjustments were made to make the aforementioned changes and other changes in the "May Revise" budget, it is my belief that we can do more to help ensure youth and families of this city receive the same or better park and recreation services, library services, public safety services and community services as last year. Therefore, I am requesting your support on the following:

Public Safety- \$1 million of Seized and Forfeited Assets funds for technology improvements in the police department including state of the art video surveillance cameras and other high tech equipment to assist with reducing crimes and violent gang activities.

Parks and Recreation- Increase the repayment amount from Centre City Development Corporation (CCDC) from the current \$5 million to \$7.5 million of which approximately \$1.25 million would be used to restore personnel and non-personnel support for skate parks in Community Parks I and II; Recreation Leaders and District Managers in Community Parks II.

Attachment B

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Libraries- Increase the repayment amount from Centre City Development Corporation (CCDC) from the current \$5 million to \$7.5 million of which approximately 1.25 million would be used to restore Librarian II positions, Library Assistant positions, and Library clerk positions.

I support the budgeting of all 12 city swimming pools operating in a year round capacity and would support increasing the amount of repayment from CCDC more than the \$2.5 million I have proposed, if it accomplishes this purpose.

Community Redevelopment-In 2007 I requested we expedite the Southeastern Community Plan Update. The FY 2009 Proposed Budget included community plan updates for (3) communities in 2009. When staff was asked why the Southeastern Community Plan Update was not being proposed for funding in FY 2009, we were told that it was due to the Southeastern Economic Development Corporations (SEDC) not having completed its Master Plan. However, it is my understanding that SEDC's Master Plan will be completed by July 2008. Since the Master Plan will be completed in 2008 and some bridge funding can also be provided by the redevelopment agency to assist in funding the Southeastern Community Plan update, I am requesting that funding and direction for initiating and conducting the Southeastern Community Plan Update is included in the FY 2009 budget. The amount of funding needed has not been provided to my office at the time this budget memo is due. However, I am confident the funding source for this community plan update would come from the following source.

Revenue- As in past years, the Administration has provided the Council with conservative estimates of general fund revenues for the budget. Last year revenues were underestimated by over \$40 million! This year the revenue estimates may not be off by as much as last year's. However, it is my belief that we can maintain our conservancy and still increase our estimates by several hundred thousand dollars in (2) "major categories" of revenue growth outlined in the budget. i.e., "Departmental Revenue" (\$49.5) and "Other Revenue Increases" (\$15.7). These categories include revenues from licenses and permits; fines, forfeitures, and penalties; money and property; other agency reimbursements; charges for current services; and miscellaneous revenues.

I am requesting that projections for "Departmental Revenue" be increased from \$49.5 million to \$50 million and projections for "Other Revenue" be increased from \$15.7 to \$16 million. This would give us an additional \$800,000 to apply towards Park and Recreation, Library services, and General Plan updates.

I am also aware that in most years almost all city departments under-spend their budgets by 1%-2%. I am requesting that this fact be given full consideration and factored into projections for additional funds to restore cuts to park and recreation, library and adding an additional community plan update.

Your favorable consideration and support of my recommendations is appreciated.

Attachment B

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Table of Proposed Changes to FY 2009 Budget:

Increase Repayment From CCDC from \$5 million to \$7.5 million	Allocate \$1.5 million to Park and Recreation Dept. Allocate \$1.5 million to Library Dept.		Total amount proposed for use of increased CCDC repayment: \$2.5 million
Seized and Forfeited Asset Fund	Allocate \$1 million for enhanced police technology for crime reduction and violent gang activities.		Total proposed: \$1 million
Increase "Departmental Revenue" projections from \$49.5 million to \$50 million	Allocate \$500,000 for Park and Recreation, Library and S/E Community Plan update.		Total Proposed: \$500,000
Increase "Other Revenue Increases" projections from \$15.7 million to \$16 million	Allocate \$300,000 for Park and Recreation, Library and S/E Community Plan update.		Total Proposed: \$300,000
Annual Departmental Under-spending estimated at 1%-2%	Factor .5% of additional savings from each department as a result of under-spending and allocate \$600,000 for Park and Recreation, Library and S/E Community Plan update.		Total Proposed: Approximately \$600,000

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COUNCILMEMBER BRIAN MAIENSCHIEIN

City of San Diego
Fifth District

MEMORANDUM

TO: Toni Atkins, Chair of the Budget Committee

FROM: Brian Maienschein

DATE: May 20, 2008

RE: Revised Fiscal Year 2009 Budget Priorities

Thank you for the opportunity to discuss my budget priorities with my Council colleagues.

In addition to my budget priorities as contained in my initial budget memorandum, my revised budget priorities are as follows:

1. As identified by the Independent Budget Analyst, increase funding by approximately \$1 million to restore positions for all skate park supervision, Area Manager, and a Grounds Maintenance Supervisor;
2. Restoration of winter operating hours for all city pools;
3. As identified by the IBA, increase funding to restore librarian and Library Assistant positions. I also support increasing the Library Matching Funds Program from \$1 million to \$1.5 million;
4. Increase of 13 FTE positions to assist with brush management citywide; and
5. The full use of funding slated for deferred maintenance, which shall include the repairs to Fire Station 38 and Pomerado Road.

I thank my colleagues for their consideration and I look forward to working with my fellow Councilmembers to bring forth the best budget possible for the citizens of my district and San Diego.

cc. Mayor Jerry Sanders
Andrea Tevlin, Independent Budget Analyst



COUNCILMEMBER DONNA FRYE
City of San Diego
Sixth District

MEMORANDUM

DATE: May 21, 2008
TO: Council President Scott Peters
FROM: Councilmember Donna Frye
SUBJECT: Fiscal Year 2009 Budget Priorities

The City budget has a structural deficit and it appears this will only get worse in FY 2009. However, after reviewing at public hearings, the Mayor's proposed Fiscal Year 2009 budget, I am generally in support of the recommendations proposed by the IBA. In addition, listed below are my proposed budget changes:

Revenues:

- 1. Increase the amount of loan repayment by the Redevelopment Agency (CCDC project area) to the city by \$5 million. If approved, this would increase revenue to the City to help fund the following recommendations. **Revenue: \$5 million**
- 2. Docket within 30 days a Council discussion regarding full cost recovery for public safety services provided for all events at PETCO Park and further cost recovery for events at Qualcomm Stadium. Public safety services at local colleges and universities should also be examined. **Potential Total Revenue: At least \$1 million**

TOTAL POTENTIAL REVENUE: \$6 million

Expenditures:

- 3. A total estimated savings of \$163,665 has been identified, in the Fire Department's BPR, due to the discontinued use of Light and Air Unit overtime. A portion of these savings (\$65,260) should be budgeted to support increased training hour costs. **Cost Neutral**
- 4. Allocate \$250,000 to the Office of the IBA for one additional Fiscal & Policy Analyst and one Research Analyst. This would also allow funding for the IBA to utilize experts for special research projects. **Total Cost: (\$250,000)**

Attachment B

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5. Restore one Area Manager (\$96,136) and one District Manager (\$109,595) from Community Parks I for District Six Park and Recreation facilities. **Total Cost: (\$205,731)**
6. Increase Recreation Center hours by adding two Recreation Leader I positions (\$58,904) for program purposes, specifically for Serra Mesa Recreation Center and Linda Vista Recreation Center, the latter location being requested specifically to help address the issue of increased gang activity within the community and the lack of safety that residents feel while using their community park. **Total Cost: (\$58,904)**
7. Restore hours at Kearny Mesa pool so that at least one community pool is open year round in District Six. **Total Cost: (\$93,200)**
8. Retain 12.55 full time library assistant positions from FY 2008 budget. **Total Cost: (\$966,846)**

TOTAL PROPOSED COSTS: \$1,574,681

Other:

9. Due to the decrease in the Mission Bay Improvements Fund contained in the FY 2009 budget, any funds in excess of projections should be placed in the Mission Bay Park Improvements Fund. **Total: TBD**

CC: Honorable City Council
Honorable Mayor Sanders
City Attorney, Michael Aguirre
Independent Budget Analyst, Andrea Tevlin
Chief Financial Officer, Jay Goldstone

DF/ks



City Of San Diego
COUNCILMEMBER JIM MADAFFER
DISTRICT SEVEN

MEMORANDUM

M-08-05-07 Please refer to this number when responding to this memo

DATE: May 19, 2008

TO: Council President Scott Peters

FROM: Councilmember Jim Madaffer *Jim Madaffer*

SUBJECT: FY09 Revisions to the Mayor's Budget

Park and Recreation

Add \$83,000 to the Park & Recreation budget in order to maintain Kumeyaay campground being open on weekends. (Net cost after revenues is \$55,989)

Library

The Library matching funds program is a valuable leveraging tool to assist with equipment and facility needs. We should continue to support this fund with annual contributions. This fund should be increased by \$500,000. A \$500,000 increase equates to \$1,000,000 more for libraries.

Attachment

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Mission Trails Regional Park Citizens' Advisory Committee

One Father Junipero Serra Trail
San Diego, California 92119-1008

ATTACHMENT

May 9, 2008

The Honorable Jim Madaffer
Council President Pro Tem
City of San Diego
202 C Street
San Diego, CA 92101

MAY 13 2008

Dear Councilmember Madaffer,

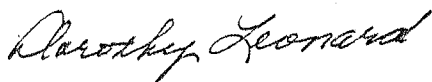
I am writing on behalf of the Mission Trails Regional Park Citizens' Advisory Committee (MTRP CAC) to voice opposition to the proposed closure of Kumeyaay Lake Campground for overnight camping. At the May 6, 2008 meeting, the members of the MTRP CAC present, after a lengthy discussion, unanimously adopted the following motion.

"That the Kumeyaay Lake Campground remain open four nights a week, that both staff positions proposed to be eliminated be maintained, and that campground rate adjustments be considered. As an alternative to maintaining campground operations at the current service level, that the campground be kept open Friday and Saturday nights to accommodate the youth groups that utilize it on the weekends, and that the two ranger positions be maintained."

Kumeyaay Lake Campground provides a night time wilderness experience for young people and their families in an area that is close to their urban homes. Providing an accessible and affordable overnight camping experience is important for the youth in our community. It is the Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire and other youth groups that will be the most severally impacted by its indefinite closure.

Kumeyaay Lake Campground is a unique facility that is accessible and affordable. It is important to maintain overnight camping as an option in order to prevent a slow and continuous degradation of this \$2 million city asset.

Sincerely,



Dorothy Leonard
Chair
Mission Trails Regional Park
Citizens' Advisory Committee



COUNCILMEMBER BEN HUESO
City of San Diego
Eighth District

MEMORANDUM

DATE: May 20, 2008
TO: Council President Scott Peters
FROM: Council Member Ben Hueso
SUBJECT: FY '09 Budget Recommendations

Sound fiscal management is top priority for me this year. I am happy working with the Mayor and the City Council to strengthen our City's budget while maintaining high service levels for all San Diego residents.

After review of the Mayor's FY 09 Proposed I would like to make the following recommendations:

Park and Recreation

1. As someone who believes that Parks are one of the most valuable resources in the City, I support maintaining each of the filled positions within the Park & Recreation Department. Furthermore, I support the IBA's recommendation to add 5.0 Area Managers, 1.0 Ground Maintenance Supervisor. In addition, I'd like to recommend that supervision at the City's skate parks be reinstated. Unsupervised public areas may put the City at a great risk as mentioned in the City Attorney's memo of June 18, 2007.

General Services

2. Deferred Maintenance has hindered our City for many years. I support the funding of \$109.1 million for Deferred Maintenance Citywide, but would like to see staff act on the IBA's recommendation of updating the City Council biannually on the progress made on the various projects.

Development Services

3. Neighborhood code compliance continues to be a major problem in our City. I strongly support the complete funding of the NCC Department and recommend adding a position at the cost of \$99,762 to address perennial remodels and vacant properties as a result of the increase in foreclosed homes.

Real Estate and Assets Department

4. The Historic Villa Montezuma is a valuable City asset. We must allocate funds for the repair of its foundation to ensure that this City-owned historical resource is reopened for the public to enjoy.

Libraries

5. Our libraries serve more San Diego citizens than both Sea World and the San Diego Zoo combined. It is vital that we continue to update our libraries with new books and equipment. I support increasing the Library Matching Funds Program from \$1 million to \$1.5 million and restoring all Library Assistant and Library II

Attachment B

ATTACHMENT

positions.

Environmental Services

6. I support the addition of 11 FTEs to help with Brush Management Citywide.

Thank you for considering my budget recommendations and look forward to discussing the FY '09 budget at the upcoming Budget and Finance Committee meetings.

cc: Mayor Jerry Sanders,
All Council Members
Andrea Tevlin, IBA
Jay Goldstone, Chief Operating Officer

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: June 6, 2008

IBA Report Number: 08-61

City Council Docket Date: June 9, 2008

Item Number: 200

FY 2009 Budget Deliberations

OVERVIEW

On June 4, 2008, the Budget & Finance Committee held its last hearing and deliberations on the FY 2009 Proposed Budget, including the final recommended revisions by the Independent Budget Analyst (IBA Report 08-57, attached). The committee took public comment, heard from City staff and discussed various options presented to them. At the conclusion of the meeting, the committee voted 4-0 to forward the IBA's recommendations to the full City Council for discussion, along with a number of referrals to staff for more information.

To reflect the discussion at the Committee meeting, including feedback from the CFO, we have made modifications to our original proposal. This revised proposal is discussed in detail below and is outlined in the table attached to this report.

FISCAL/POLICY DISCUSSION

PART 1

Our revised proposal has two parts. Part 1 of the proposal is a conservative scenario that suggests significant restorations of service to the public. However, some of these restorations are only partial restorations that do not return all services to FY 2008 levels.

The service restorations recommended in the first part of our proposal align closely with those discussed at a special public hearing on the Park and Recreation and Library budgets. As indicated in the chart on page four of our attached report, Part 1 provides for \$2.5 million of service restorations including all Skate Park supervision; five Park and Recreation Area Managers; a Grounds Maintenance Supervisor; 8.5 Library Assistants, 3.0 Librarians IIs and

Attachment B

a Custodian for the Central Library. Also included in Part 1 is a small amount of funding to provide overnight camping on weekends only at Kumeyaay Campground.

As previously noted, subsequent to the Committee's deliberations, we have made several modifications to our proposal, as shown in the attached table. Part 1 has been modified to include the restoration of pool operations to FY 2008 service levels. Restorations in Part 1 are funded through utilization of the Environmental Growth Fund balance; elimination of FY 2009 funding for the Jefferson Wells contract; and a partial reduction to Managed Competition consulting support.

PART 2

The second part of our proposal builds on Part 1 by recommending further priority service restorations for Park and Recreation and Library primarily to maintain key services at FY 2008 service levels. To return services to FY 2008 levels in the area of park management and oversight, restoration of five additional Area Managers and two additional District Managers is recommended. For the Library, four more Library Assistants are restored as well as \$500,000 for the matching funds program. A Graffiti Control supervisor reduced from Neighborhood Code Compliance is also recommended for restoration to maintain FY 2008 service levels. Partial restorations also include four non-sworn Police personnel. Three additional items not previously considered in the budget are also recommended including temporary staffing for the Children's Pool Lifeguard Station, an Administrative Aide for the City Clerk and a Fiscal and Policy Analyst for the Office of the Independent Budget Analyst. Part 2 is funded by an increase to the Redevelopment Agency loan repayment from \$5.0 million to \$7.5 million, as described in more detail below.

Based on discussions at Committee on June 4, we have revised our proposal, as shown in our attached table, to remove the reduction to Booking Fees as a resource. The money budgeted for this purpose will serve as the City's FY 2010 payment to the County and, given the high level of uncertainty with the negotiations on the MOU, as well as the state funding for this program, we do not recommend altering the funding proposed in the Mayor's budget. We have also eliminated the restoration of four positions each for Street Maintenance and Facilities Maintenance, as well as a proposal for year-round operations for all pools in the City. This is a more conservative approach that seeks to maintain services to the citizens at FY 2008 levels, but does not provide service enhancements.

Finally, there are also several technical corrections incorporated into the revised table, including the removal of duplicative City Clerk overtime funding, the addition of 1.00 FTE for the Fire helicopter (for a total of 9.80 FTE), and we have shown the State bond funding as a resource that is being used by several districts to restore pool operations to FY 2008 levels.

Redevelopment Agency Loan Repayment

The IBA continues to recommend the Redevelopment Agency Loan Repayment at \$7.5 million, as shown in the table. There are several questions that arose at the Committee discussion that warrant more clarity in order for the Council to consider this item.

Use of Tax Increment

As discussed by CCDC Chief Financial Officer Frank Alessi on June 4, the City Council and the Redevelopment Agency has to make certain findings to enable the Mayor's proposed use of tax increment to repay PETCO Park bonds. It is anticipated that a memo will be released with more detail on the proposed findings, and that the action itself will come to Council and the Agency at a later date to approve the mechanism. The IBA wishes to emphasize that the Council and Agency will have to make the findings for the Mayor's proposed \$5 million repayment as well as the additional \$2.5 million proposed here, should there be a desire to utilize these funds in the FY 2009 Budget.

Special Promotional Programs Budget

Originally, the IBA suggested budgeting this loan repayment directly in the General Fund for transparency and to provide the maximum flexibility to the City, as discussed by CCDC. We continue to recommend this as the best option for the City, particularly for the long-term of this loan repayment. However, based on additional information regarding the preferred mechanism to utilize tax increment for PETCO Park bonds, the IBA can support budgeting this funding in Special Promotional Programs for FY 2009.

Mechanically, this benefits the General Fund by freeing up more funding in Special Promotional Programs (otherwise needed to pay PETCO debt service) to be used for promotional activities currently supported by the General Fund. In the Mayor's memo of June 3, 2008, responding to our proposal for an additional \$2.5 million, the Mayor expressed concern about identifying another \$2.5 million of promotional activities in the General Fund. The IBA has reviewed the General Fund budget and has confirmed with the CFO that significant additional promotion-related expenses exist. The additional \$2.5 million could reimburse expenses ranging from turf maintenance at Mission Bay Park and beaches and shoreline parks to a portion of lifeguard operations. Should the Council wish to approve the additional \$2.5 million of Redevelopment Agency Loan Repayment, \$2.5 million in qualifying General Fund expenses will be reimbursed in order to restore the services as proposed in our attached table.

Project Delays

With both the \$5 million and the additional \$2.5 million in proposed Redevelopment Agency Loan Repayment, issues of project delays should be explored and discussed. It is our understanding that neither of these funding scenarios would cause undue delay in planned projects, but that specific information about each project should be provided to the City Council in an anticipated memo from CCDC.

Attachment B

The IBA suggests that, in addition to finalizing discussions on these proposals for FY 2009, the Council and Agency should engage in a policy discussion on the long-term strategy for the Agency loan repayment.

Committee Referrals

There were several items of information requested at the Committee meeting on June 4. Some of these items are being responded to by staff, such as the memo from the Financial Management Director regarding public safety cost recovery for universities and colleges, or the expected memo from CCDC's Chief Financial Officer regarding the findings needed to support the Redevelopment Agency Loan Repayment included in the budget. Below the IBA comments on two other items of information surfaced at the hearing.

Pool Operations Scenarios

As discussed in our Report 08-57, it would be possible to restore all City pools to year-round operations with an additional \$1 million of funding, above that shown in our table to restore operations to FY 2008 service levels. As an alternate scenario, staff has shown that additional funding of approximately \$620,000 could restore pool operations to provide for only eight weeks of closure at most pools, instead of the 3.5 months of closure planned in the budget.

Kumeyaay Campground

At public comment, one speaker requested that Council consider adding a Park Ranger, rather than 0.50 Recreation Center Director I for Kumeyaay Campground. The Park and Recreation Department felt the proposed partial Recreation Center Director could most effectively assist with some of the more administrative duties of opening the campground for weekends, and would also plan to have other Park Rangers at Mission Trails absorb some ranger duties related to weekend camping at Kumeyaay. However, should the Council wish to consider the restoration of a Park Ranger, the IBA notes the cost would be \$73,500. If 1.00 Park Ranger was swapped for the 0.50 Recreation Center Director I, this would be an additional cost of approximately \$39,000 over the funding proposed in our table.

CONCLUSION

As referenced in our Report 08-57, the IBA recommends approval of the FY 2009 Proposed Budget, as modified by the Mayor's Revise and CFO addendum of May 29, 2008. The IBA also supports the budget revisions in Parts 1 and 2 of the revised proposal as discussed herein.

[SIGNED]

Penni Takade
Deputy Director

[SIGNED]

APPROVED: Andrea Tevlin
Independent Budget Analyst

Attachment: IBA Report 08-57

Attachment B

PROPOSAL Part 1		FTE	EXPENSE	REVENUE
RESOURCES				
1	Environmental Growth Fund Support for Appropriate General Fund Expenses	0.00	\$ -	\$ 1,485,000
2	Council Administration - Reduction to Jefferson Wells Contract	0.00	\$ (225,000)	\$ -
3	Business Office - Partial Reduction to Managed Competition Support	0.00	\$ (400,000)	\$ -
RESTORATIONS				
1	Park & Recreation - Skate Park Supervision	8.80	\$ 530,000	\$ 115,000
2	Park & Recreation - Partial Position Restorations	6.00	\$ 552,000	\$ -
3	Park & Recreation - State bond funding for Memorial, Vista Terrace and Allied Gardens Pools	4.46	\$ 315,700	\$ 315,700
4	Park & Recreation - Restore Swimming Pools to FY 2008 Service Levels	1.79	\$ 135,500	\$ 13,000
5	Library - Partial Position Restorations	12.50	\$ 980,840	\$ -
6	Park & Recreation - Overnight Camping at Kumeyaay Campground	0.50	\$ 83,000	\$ 27,000
TOTAL PART 1		34.05	\$ 1,972,040	\$ 1,955,700
PROPOSAL Part 2				
RESOURCES				
1	Redevelopment Agency Loan Repayment Increase - \$5.0M to \$7.5M	0.00	\$ -	\$ 2,500,000
RESTORATIONS & ADDITIONS				
1	Park & Recreation - Further Position Restorations	7.00	\$ 700,000	
2	Library - Further Position Restorations	4.00	\$ 308,160	\$ -
3	Library - Matching Funds	0.00	\$ 500,000	\$ -
4	Fire-Rescue - Children's Pool temporary station staffing	0.00	\$ 162,000	\$ -
5	Fire-Rescue - Bomb Squad Training Hours	0.00	\$ -	\$ -
6	Fire-Rescue - Staffing for Helicopter 2	9.80	\$ -	\$ -
7	Development Services/NCC - Graffiti Control	1.00	\$ 86,100	\$ -
8	City Clerk - Administrative Aide II	1.00	\$ 78,200	\$ -
9	IBA - Staffing Plan Phase II	1.00	\$ 210,000	\$ -
10	Police - Technology Enhancements	0.00	\$ -	\$ -
11	Police - Non-Sworn Position Restorations	4.00	\$ 282,600	\$ -
12	Allocate \$10 million to Appropriated Reserve	0.00	\$ -	\$ -
TOTAL PART 2		27.80	\$ 2,327,060	\$ 2,500,000

Attachment C

(R-2008-1145)

RESOLUTION NUMBER R-303797

DATE OF FINAL PASSAGE JUN 23 2008

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE MAYOR'S FISCAL YEAR 2008-2009 BUDGET, MAKING MODIFICATIONS THERETO, AND AUTHORIZING AND DIRECTING THE CITY CLERK TO CAUSE SUCH FISCAL YEAR 2008-2009 BUDGET, AS SO MODIFIED, TO BE DELIVERED TO THE MAYOR AS SOON AS PRACTICABLE

WHEREAS, on April 14, 2008, the Mayor submitted the budget for the expense of conducting the affairs of the City of San Diego for the year commencing July 1, 2008 [Fiscal Year 2009 Proposed Budget] to the City Council in accordance with Charter sections 265(b)(15) and, 69; and

WHEREAS, on April 29, 2008, the office of the Independent Budget Analyst [IBA] issued its report entitled "Review of the Fiscal Year 2009 Proposed Budget" [IBA Report No. 08-41], which contained a review and analysis of the Fiscal Year 2009 Proposed Budget; and

WHEREAS, the City Council and the Budget and Finance Committee held several public hearings between April 16 and June 4, 2008, at which public hearings the Mayor's Chief Financial Officer or Financial Management Director, 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 issued an additional budget document revision for the Council's consideration entitled "Mayor's May Revision to the Fiscal Year 2009 Proposed Budget" [May 16, 2008]; and

Attachment C

(R-2008-1145)

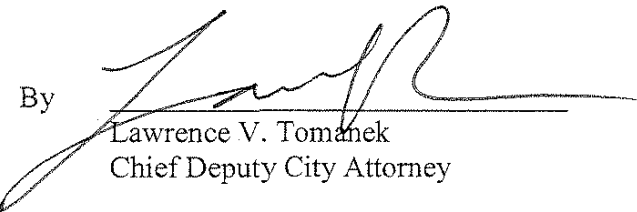
WHEREAS, on May 30, 2008, the IBA issued a report entitled "Recommended Revisions to the Fiscal Year 2009 Proposed Budget" [IBA Report No. 08-57], and such report was heard at the Budget and Finance Committee meeting of June 4, 2008; NOW, THEREFORE,

BE IT RESOLVED by the Council of the City of San Diego that the Mayor's Fiscal Year 2009 Proposed Budget, including the Mayor's revisions of May 16, 2008 and modifications to the Mayor's Revision in the Memorandum from the CFO of May 29, 2008, ~~together with the modifications to the Mayor's Fiscal Year 2009 Proposed Budget recommended by the Independent Budget Analyst and as further summarized in IBA Report No. 08-61, page 5 thereto, released on June 6, 2008,~~ is hereby approved.

JG
line item veto

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to return, as soon as practicable, the Mayor's Fiscal Year 2009 Proposed Budget, as modified as stated above, to the Mayor in accordance with section 290(b)(2)(A) of the Charter.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Lawrence V. Tománek
Chief Deputy City Attorney

LVT:jdf
06/09/08
Or.Dept:IBA
R-2008-1145

R-303797

Attachment C

(R-2008-1145)

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 09 2008.

ELIZABETH S. MALAND
City Clerk

By *Jenna Richard*
Deputy City Clerk

Line item veto

Approved except for the line(s) excluded
on page 2 of 3: 6-16-08
(date)

J.S.
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

On June 9, 2008, at a duly noticed hearing, the City Council adopted the Mayor's Proposed Fiscal Year 2009 Budget with modifications. Pursuant to Charter Section 290(b)(2) the modified budget was returned to the Mayor.

On June 16, 2008, pursuant to Charter Section 290 (b)(2)(A), the Mayor Line-Item Vetoed the Council's modifications and returned the budget to the Council.

On June 23, 2008, at a duly noticed hearing, the City Council reconsidered Council's modifications of the Mayor's Fiscal Year 2009 Proposed Budget; considered the Mayor's Line-Item Veto of Council's modifications, and; pursuant to Charter Section 290(b)(2)(B), the City Council voted to Override the Mayor's veto; NOW THEREFORE

Pursuant to Charter Section 290(b)(2)(C), the Fiscal Year 2009 Budget as modified by Council is the controlling document for preparation of the Annual Appropriation Ordinance.

R- 303787

Attachment C



MAYOR JERRY SANDERS LINE-ITEM VETO MESSAGE

June 16, 2008

On June 9, 2008, the City Council approved my recommended Fiscal Year 2009 Budget, along with the addition of \$4.3 million in restoration and additions recommended by the Independent Budget Analyst. This action included restoring and/or adding 62 positions to the budget, including an additional position for the IBA. The expenses I had eliminated to balance the budget for the next fiscal year were not made lightly but were critical as I look forward to fiscal year 2010 and beyond. **By way of this message and consistent with the powers given to me by the City's Charter, I hereby line-item veto the Council's budget modifications that were recommended by the IBA in the June 6, 2008 Report (08-61).**

These changes to the budget are not fiscally prudent due to the uncertainty surrounding the state budget deficit and its potential effect on the City, the possibility that the current economic slowdown in the region could further reduce the City's fiscal year 2009 revenues, and the projected budget deficit contained in my Five Year Financial Outlook for fiscal years 2010 through 2013.

The City Council authorized adding nearly 62 full time equivalent positions and other non-personnel costs that totaled \$4.3 million. These include adding a new position in the Office of the IBA and another position in the Office of the City Clerk. Council also authorized adding 9.80 FTE more positions to the budget in the Fire Rescue Department—positions that the Fire-Rescue Department has stated it does not need. I have already allocated \$1.4 million in additional funding in my Proposed 2009 Budget to the Fire-Rescue Department to staff the additional helicopter and the department will add the needed shifts using existing personnel. The City Council authorized adding back positions and expenses that I cut only after considerable review of the City's critical priorities in a time of decreasing revenues, increases costs, the need to fund the eight priority areas that have been neglected for years, and uncertainty of how the State will balance its \$15 billion deficit which we probably will not know until August.

Adding back expense at this time is not in the best interests of the City as we face a year where the economic forecast includes the possibility of a recession and where sales tax, transient occupancy tax and other key revenues may further decline. Reduced economic activity in the region may still negatively impact the growth in the City's major revenues and the City needs to maintain a fiscally prudent approach in establishing a budget.

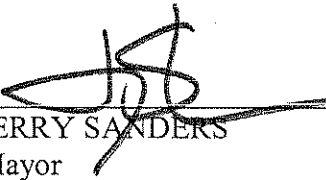
Attachment C

FY09 Budget Veto Message
Page 2

Should additional revenues be identified, I have stated that the City should keep these dollars in reserve as a cushion against the unanticipated and increased cost of doing business. For example, to maintain a buffer to pay for spikes in fuel costs, the increased costs of road repairs and for any emergencies that could arise during the upcoming fire season. If tax revenues decline, we will need all available resources to maintain the City's programs and initiatives that I have included in my 2009 budget. As such, I disagree fundamentally with the IBA's recommendations and City Council's changes to my Fiscal Year 2009 Budget.

Therefore, I hereby line-item veto all of the changes to my Fiscal Year 2009 Proposed Budget as approved by Council and summarized in IBA Report 08-61.

Respectfully submitted,



JERRY SANDERS
Mayor

June 16, 2008

This Line-Item Veto Message is attached to Resolution R-303797

Attachment D

(O-2009-4 Rev.)

201
7/28

ORDINANCE NUMBER O- 19774 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 28 2008

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR
THE FISCAL YEAR 2009 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 fiscal year commencing July 1, 2008, and ending June 30, 2009, heretofore prepared and submitted to this Council by the Mayor and amended through the Mayor's Revision submitted May 16 and 29, 2008, by recommendations from the Office of the Independent Budget Analyst, and by changes from the City Council and the Mayor's veto and subsequent Council override of said veto, all of which was approved by Council on June 23, 2008, and on file in the Office of the City Clerk as Resolution No. R-303797 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 and in the approved Capital Improvement Program Budget, which defines the legal levels at which the City Comptroller shall control operational and capital project spending.

I. GENERAL FUND

(A) The Mayor and City Comptroller are hereby authorized to transfer to an appropriate account from the departmental appropriations as set forth in Attachment 1 an amount

Attachment D

(O-2009-4 Rev.)

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 Comptroller is authorized and directed to deposit the \$3.7 million budgeted amount as well as any revenues in excess of expenditures at fiscal year end to the General Fund Unappropriated Reserve.

(C) The City Comptroller is authorized and directed to increase expenditure appropriations of the General Fund Appropriated Reserve from revenue in excess of expenditures at fiscal year end and/or the General Fund Unappropriated Reserve for the purpose of achieving the 5% minimum General Fund Emergency Reserve balance at year end, as defined in the City Reserve Policy.

(D) The City Comptroller is authorized, upon adopted Council resolution, to transfer appropriations from the General Fund Appropriated Reserve to other General Fund departments.

(E) The City Comptroller is authorized and directed to increase expenditure appropriations of the General Fund Appropriated Reserve by \$10.0 million dollars from the General Fund Unappropriated Reserve.

(F) The City Comptroller is to appropriate and expend interest earnings generated from the issuance and administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance.

(G) The provisions in the Library Ordinance, Municipal Code Section 22.0228, restricting funding are hereby waived.

(O-2009-4 Rev.)

(H) The City Comptroller is authorized and directed, upon approval of the Mayor, to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.

(I) The City Comptroller is authorized, upon the direction of the Mayor, to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing Council approved economic development, business incentive and other programs that include the Business and Industry Incentive Program (Council Policy 900-12), the Housing Impact Fee Waiver-Enterprise Zones Program (Council Policy 900-12), the Small Business Enhancement Program (Council Policy 900-15), the Storefront Improvement Program (Council Policy 900-17), the Community Parking District Policy (Council Policy 100-18), and Mission Bay and Other Regional Park Improvements (Municipal Code Section 22.0229).

(J) The City Comptroller is authorized, upon the direction of the Mayor, to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.

II. SPECIAL REVENUE FUNDS

(A) Community Development Block Grant Funds

(i) Community Development Block Grant Funds are appropriated for the purposes established by the grant provisions as approved and authorized by Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the Community Development Block Grant Funds on June 30, 2009 shall be carried forward to future years for the purpose of completing said authorized activities in accordance with Council Policy 700-02.

Attachment D

(O-2009-4 Rev.)

(2) The City Comptroller is authorized, upon the direction of the respective Council District, to allocate the Council District's reserves or reallocate appropriations from budgeted projects later determined ineligible to new or existing CDBG eligible projects.

(B) Transient Occupancy Tax Fund (10220)

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. The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations authorized by Council for Fiscal Year 2009. It is the intent of the Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with the Council Policy 100-03.

(C) Environmental Growth Funds (10505, 105051, 105052)

(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. The provisions in the San Diego Municipal Code Section 63.30, as amended by Ordinance 19159 are hereby waived.

(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.

III. DEBT SERVICE FUNDS

General Obligation Bond Interest and Redemption Fund (21640)

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) 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 Comptroller, at the direction of the Mayor, is authorized and directed to add maintenance projects funded elsewhere which are determined to be of a capital nature to the Capital Improvements Program.

(B) The City Comptroller is authorized and directed upon the direction of the Mayor, 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.

(C) The City Comptroller is authorized and directed, upon the direction of the Mayor, to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from appropriate Unallocated Reserves, Annual Allocations, earned interest or

Attachment D

(O-2009-4 Rev.)

Unappropriated Fund Balances to Capital Improvements Program projects to reimburse eligible costs in excess of approved appropriations at project completion.

(D) The City Comptroller is authorized 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. In addition, the City 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.

(E) The City Comptroller is authorized and directed, upon the direction of the Mayor, to reallocate revenue sources between Capital Improvements Program projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.

(F) Facilities Benefit Assessment Funds and Development Impact Fee Funds (79001-79016), (79501-79535), (39051-39095)

(1) The City Comptroller is authorized, upon the direction of the Mayor, to modify individual Capital Improvements Program project budgets in accordance with Council-approved Community Public Facilities Financing Plans.

(2) The City Comptroller is authorized, upon the direction of the Mayor, to reallocate DIF funded appropriations between Council-approved projects in order to expedite the use of DIF funds in accordance with AB1600 requirements, provided that the City Council is first notified via memorandum of the purpose and amount of the reallocation.

Attachment D

(O-2009-4 Rev.)

(3) The City Comptroller is authorized, upon the direction of the Mayor, to appropriate and transfer monies from DIF funds to the Redevelopment Agency of the City of San Diego (Agency) for reimbursable capital project expenditures as authorized by City Council resolution RR-300013 dated December 7, 2004 and the Redevelopment Agency resolution R-03862. The transfers will be limited to availability of funds within DIF funds and to projects identified in the Centre City Public Facilities Financing Plan.

(4) The City Comptroller is authorized, upon the direction of the Mayor, to appropriate in the FBA and DIF funds a sufficient and necessary amount to reimburse the administrative costs incurred by other City funds.

(G) TransNet and TransNet Extension Funds (30300-30306, 30308-30319)

(1) The TransNet Extension Funds (30310-30319) are hereby appropriated for the purposes authorized by Proposition A - San Diego County Transportation Improvement; the Regional Transportation Improvement Program (RTIP) and the Annual Budget Document.

(2) The City Comptroller may reallocate funding among the projects contained in the RTIP and the Capital Improvements Program Budget, upon the request of the responsible department director and upon the approval of the Mayor, provided that such reallocation does not increase the total TransNet appropriations. The City Comptroller may, upon the direction of the Mayor, appropriate and reallocate TransNet Extension Congestion Relief cash, TransNet Extension Congestion Relief commercial paper, and TransNet (original program) cash appropriations among Council approved TransNet Funded projects in order to reduce the use of debt and maximize the use of cash in these funds. The Mayor is authorized as the Council

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designee to direct the San Diego Association of Governments (SANDAG) to amend the RTIP for such reallocations.

(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 Comptroller, upon the direction of the Mayor, provided that such an increase is part of the RTIP.

(H) Infrastructure Improvement Fund (10529)

(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.

(2) Funds from the Infrastructure Improvement Fund may be transferred and appropriated to the General Fund upon the direction of the Mayor 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.

(3) The City Comptroller is authorized to add and establish CIP projects as identified by the Mayor and City Council that are not currently in the Capital Improvements Program. The City Comptroller is authorized, upon the direction of the Mayor to return any Infrastructure Improvement Funds deemed to be surplus in a project.

V. ENTERPRISE FUNDS

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

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(B) Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The City Comptroller is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City Reserve Policy.

(C) The City Comptroller may reallocate appropriations in the Capital Improvement Program, changing the total appropriation for any given project contained in the Council-approved Capital Improvements Program to cover costs related to a redistribution of program wide contracts for Construction Management.

(D) The City Comptroller may reallocate appropriations and associated encumbrances from any Council approved budgeted project in the Capital Improvement Program to the Fund's annual operating budget for costs associated with extended environmental monitoring for re-vegetation. Such reallocation shall decrease the total appropriation and encumbrance for the project and increase the appropriation and encumbrance in the annual operating budget by an equal amount provided that the reallocation is no greater than 5% of the capital project budget.

(E) The City Comptroller is authorized, upon the direction of the Mayor, to increase expenditure appropriations for the purpose of implementing the Metropolitan Wastewater Department Memorandum of Understanding for Bid to Goal Public Contract Operations Agreement.

VI. INTERNAL SERVICE FUNDS

(A) The City Comptroller is hereby authorized, upon the direction of the Mayor, to distribute surplus retained earnings or excess contributions from various internal service funds

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back to appropriate contributing funds or between employee benefit-related internal service funds.

(B) Equipment Operating Fund (50030) and Equipment Replacement Fund (50031)

The City Comptroller is hereby authorized and directed, upon the direction of the Mayor, to redistribute contributions among the Equipment Operating and Equipment Replacement internal service funds or to advance funds between these internal service funds.

(C) Central Stores Fund (50010), Publishing Services Fund (50020), Equipment Operating Fund (50030), Equipment Replacement Fund (50031), and Risk Management Administration Fund (50061)

The City Comptroller is hereby authorized, upon direction of the Mayor, to appropriate expenditures from unanticipated revenues for the purpose of allowing for the uninterrupted provision of services.

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 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.

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SECTION 4. The City Comptroller is authorized, upon direction of the Mayor, to release excess rate stabilization funds and debt service stabilization funds to the appropriate unallocated reserve or fund balance, consistent with the City Reserve Policy.

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

SECTION 6. All interest earnings generated by any fund which has been established pursuant to a legal or contractual requirement, externally imposed restriction, or by enabling legislation (including, but not limited to, the Appropriation Ordinance) shall remain in said fund solely for the purpose the fund was intended.

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 Comptroller is authorized and directed to expend monies within the funds for services provided by those funds. The City Comptroller is authorized and directed, upon approval of the Mayor, to return any surplus monies to the contributing funds.

SECTION 8. The City Comptroller is authorized and directed, upon the direction of the Mayor, 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 Comptroller, upon the direction of the Mayor, to the Risk

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Management Administration Fund (50061) to be expended, up to the full forfeited amount, for programs which benefit City employees.

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

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

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

SECTION 10. The City 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

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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 Mayor, are hereby transferred by the City 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 \$3,126,712,395 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. The City Comptroller is authorized and directed, upon direction of the Mayor, to modify budgets in accordance with the Fiscal Year 2009 Tax Rate Ordinance as approved by Council. Further, the Financial Management Department is directed to modify the Annual Budget Document in accordance with the Tax Rate Ordinance.

SECTION 14. The City 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 General Fund Unappropriated Reserve. The City Comptroller shall

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periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

SECTION 15. The City Comptroller is directed to withhold payment of fees, costs and expenses associated with any case/claim filed by the City Attorney in which the authorization to file such case or claim has not been pre-approved by the City Council. This includes but is not limited to such fees, costs and expenses for outside legal fees, expert witnesses/testimony, and investigative expenses.

When submitting requests for payment to the City Comptroller, the City Attorney shall provide the following information in addition to the invoice prior to payment by the City Comptroller:

1. The letter of engagement for the services being provided by outside legal counsel or contract or purchase order for other related services, and
2. A memorandum signed by a representative of the City Attorney's Office indicating a) that these services have been approved by the City Council, b) the resolution or ordinance number, and/or the Statute of Limitations date for the matter requiring filing prior to City Council approval; or
3. A memorandum signed by a representative of the City Attorney's Office indicating that these services are unrelated to any ongoing pending action authorized/approved by the City Council.

In litigation invoking situations 2 and 3 above, the City Comptroller is directed to present a report to the City Council (in the form of a 1472) for review and approval in those instances

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where an invoice is submitted for payment and prior City Council authorization has not been received.

This provision does not apply to payroll expenditures for City Attorney Staff nor does it restrict the City Attorney from filing a claim against a defendant if the City Attorney is subject to a statute of limitation deadline and cannot seek City Council approval prior to the expiration of such statute of limitation. Under this situation, the City Attorney shall minimize expenditures and notify outside counsel, if appropriate, that City Council approval is necessary to proceed and shall seek City Council approval within 30 days from the date of filing. Should City Council approval not be secured, the action will be dismissed without prejudice. This provision also does not apply to costs incurred by the City Attorney in defending the City against claims filed against it.

SECTION 16. 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 17. The powers of the Council not delegated to the Mayor, Chief Financial Officer, Director of Financial Management and City Comptroller, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

SECTION 18. 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.

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SECTION 19. 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 20. 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


Lawrence V. Tomasek
Chief Deputy City Attorney

07/08/2008
Or.Dept: Mayor
O-2009-4
7/24/2008
O-2009-4 Rev.
Attachment I

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUL 28 2008.

ELIZABETH S. MALAND
City Clerk

By  for Mary Zumaya
Deputy City Clerk

Attachment 1
Fiscal Year 2009 Operating and Capital Appropriations

OPERATING APPROPRIATIONS	Salary & Wages	Fringe & Non- Personnel	FY 2009 Appropriation
General Fund			
Administration	\$ 1,174,461	\$ 722,919	\$ 1,897,380
Business Office	\$ 875,727	\$ 1,073,197	\$ 1,948,924
City Attorney	\$ 22,861,762	\$ 13,529,412	\$ 36,391,174
City Auditor	\$ 1,058,936	\$ 618,692	\$ 1,677,628
City Clerk	\$ 2,383,743	\$ 2,112,653	\$ 4,496,396
City Comptroller	\$ 7,061,831	\$ 5,035,661	\$ 12,097,492
City Council - District 1	\$ 508,432	\$ 481,568	\$ 990,000
City Council - District 2	\$ 427,809	\$ 562,191	\$ 990,000
City Council - District 3	\$ 571,845	\$ 418,155	\$ 990,000
City Council - District 4	\$ 541,097	\$ 448,903	\$ 990,000
City Council - District 5	\$ 501,630	\$ 488,370	\$ 990,000
City Council - District 6	\$ 450,889	\$ 539,111	\$ 990,000
City Council - District 7	\$ 478,559	\$ 511,441	\$ 990,000
City Council - District 8	\$ 563,146	\$ 426,854	\$ 990,000
City Planning and Community Investment	\$ 6,157,210	\$ 11,740,916	\$ 17,898,126
City Planning and Development	\$ 340,010	\$ 194,088	\$ 534,098
City Treasurer	\$ 6,655,607	\$ 8,261,967	\$ 14,917,574
Citywide Program Expenditures	\$ -	\$ 67,542,463	\$ 67,542,463
Community & Legislative Services	\$ 2,174,551	\$ 2,012,254	\$ 4,186,805
Community Services	\$ 220,011	\$ 128,574	\$ 348,585
Council Administration	\$ 1,151,967	\$ 823,191	\$ 1,975,158
Customer Services	\$ 1,258,083	\$ 1,070,914	\$ 2,328,997
Debt Management	\$ 1,607,470	\$ 1,146,446	\$ 2,753,916
Development Services	\$ 3,499,449	\$ 2,999,898	\$ 6,499,347
Engineering and Capital Projects	\$ 37,701,657	\$ 27,458,276	\$ 65,159,933
Environmental Services	\$ 8,730,945	\$ 31,780,376	\$ 40,511,321
Ethics Commission	\$ 650,622	\$ 355,677	\$ 1,006,299
Family Justice Center	\$ 332,048	\$ 311,634	\$ 643,682
Financial Management	\$ 2,290,787	\$ 1,980,877	\$ 4,271,664
Fire-Rescue	\$ 107,635,617	\$ 83,061,160	\$ 190,696,777
General Services	\$ 19,406,673	\$ 49,918,204	\$ 69,324,877
Labor Relations	\$ 626,799	\$ 336,748	\$ 963,547
Library	\$ 18,053,308	\$ 18,960,249	\$ 37,013,557
Office of Ethics & Integrity	\$ 998,161	\$ 1,089,007	\$ 2,087,168
Office of Homeland Security	\$ 786,848	\$ 817,060	\$ 1,603,908
Office of the Chief Financial Officer	\$ 405,481	\$ 619,688	\$ 1,025,169
Office of the CIO	\$ -	\$ 24,963,599	\$ 24,963,599
Office of the IBA	\$ 999,800	\$ 615,415	\$ 1,615,215
Office of the Mayor and COO	\$ 470,434	\$ 305,516	\$ 775,950
Park & Recreation	\$ 32,127,052	\$ 56,206,384	\$ 88,333,436
Personnel	\$ 3,826,313	\$ 2,632,102	\$ 6,458,415
Police	\$ 231,156,290	\$ 179,514,555	\$ 410,670,845
Public Safety	\$ 472,416	\$ 1,949,491	\$ 2,421,907
Public Works	\$ 194,006	\$ 130,382	\$ 324,388
Purchasing & Contracting	\$ 2,522,529	\$ 1,917,686	\$ 4,440,215
Real Estate Assets	\$ 2,340,869	\$ 1,721,251	\$ 4,062,120

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OPERATING APPROPRIATIONS	Salary & Wages	Fringe & Non-Personnel	FY 2009 Appropriation
General Fund (continued)			
Storm Water	\$ 7,449,257	\$ 41,371,079	\$ 48,820,336
General Fund Total	\$ 541,702,137	\$ 650,906,254	\$ 1,192,608,391
Debt Service and Tax Funds			
Public Safety Communication Bonds	\$ -	\$ 2,332,272	\$ 2,332,272
Tax and Revenue Anticipation Notes Fund	\$ -	\$ 3,094,061	\$ 3,094,061
Zoological Exhibits	\$ -	\$ 8,946,525	\$ 8,946,525
Debt Service and Tax Funds Total	\$ -	\$ 14,372,858	\$ 14,372,858
Special Revenue Funds			
AB 2928 - Transportation Relief	\$ -	\$ 12,676,642	\$ 12,676,642
Automated Refuse Container Fd	\$ -	\$ 500,000	\$ 500,000
Concourse and Parking Garages	\$ 181,808	\$ 4,410,653	\$ 4,592,461
Convention Center Complex	\$ -	\$ 20,718,894	\$ 20,718,894
Emergency Medical Services	\$ 4,140,921	\$ 2,964,367	\$ 7,105,288
Energy Conservation Program Fund	\$ 648,674	\$ 1,144,494	\$ 1,793,168
Environmental Growth Fund 1/3	\$ -	\$ 5,489,127	\$ 5,489,127
Environmental Growth Fund 2/3	\$ -	\$ 12,816,482	\$ 12,816,482
Facilities Financing Fund	\$ 1,068,901	\$ 1,586,386	\$ 2,655,287
Fire and Lifeguard Facilities Fund	\$ -	\$ 1,657,420	\$ 1,657,420
Gas Tax	\$ -	\$ 24,403,398	\$ 24,403,398
Information Technology Fund	\$ 5,627,312	\$ 6,435,555	\$ 12,062,867
Los Penasquitos Canyon Preserve	\$ 110,007	\$ 117,831	\$ 227,838
New Convention Center	\$ 50,000	\$ 4,289,198	\$ 4,339,198
PETCO Park	\$ 55,000	\$ 17,613,821	\$ 17,668,821
Police Decentralization Fund	\$ -	\$ 7,092,333	\$ 7,092,333
Public Art Fund	\$ -	\$ 30,000	\$ 30,000
QUALCOMM Stadium Operating Fund	\$ 2,376,824	\$ 15,586,063	\$ 17,962,887
Redevelopment Fund	\$ 1,997,042	\$ 1,341,574	\$ 3,338,616
Seized & Forfeited Assets Fund	\$ -	\$ 5,521,984	\$ 5,521,984
Solid Waste Local Enforcement Agency	\$ 408,512	\$ 526,338	\$ 934,850
Special Promotional Programs	\$ 704,771	\$ 89,385,072	\$ 90,089,843
STOP-Serious Traffic Offenders Program	\$ -	\$ 1,200,000	\$ 1,200,000
Storm Drain Fund	\$ -	\$ 6,046,746	\$ 6,046,746
TransNet Extension	\$ -	\$ 10,458,978	\$ 10,458,978
Trolley Extension Reserve	\$ -	\$ 4,108,096	\$ 4,108,096
Utilities Undergrounding Program	\$ 391,057	\$ 755,518	\$ 1,146,575
Special Revenue Funds Total	\$ 17,760,829	\$ 258,876,970	\$ 276,637,799
Enterprise Funds			
City Airport Fund	\$ 1,017,664	\$ 2,163,289	\$ 3,180,953
Development Services Enterprise Fund	\$ 22,588,878	\$ 26,692,285	\$ 49,281,163
Golf Course Enterprise	\$ 4,082,755	\$ 9,542,545	\$ 13,625,300
Recycling Fund	\$ 7,032,701	\$ 16,020,521	\$ 23,053,222
Refuse Disposal Fund	\$ 8,695,491	\$ 24,893,591	\$ 33,589,082
Sewer Funds	\$ 53,688,994	\$ 343,511,054	\$ 397,200,048
Water Department Fund	\$ 44,576,486	\$ 311,447,352	\$ 356,023,838
Enterprise Funds Total	\$ 141,682,969	\$ 734,270,637	\$ 875,953,606

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OPERATING APPROPRIATIONS	Salary & Wages	Fringe & Non- Personnel	FY 2009 Appropriation
Internal Service Funds			
Balboa / Mission Bay Improvement	\$ -	\$ 6,955,219	\$ 6,955,219
Central Stores Internal Service Fund	\$ 852,948	\$ 22,920,368	\$ 23,773,316
ERP Fund	\$ -	\$ 4,064,106	\$ 4,064,106
Fleet Services	\$ 13,511,743	\$ 75,740,291	\$ 89,252,034
Publishing Services Internal Fund	\$ 1,093,255	\$ 3,451,731	\$ 4,544,986
Risk Management Administration	\$ 4,634,618	\$ 4,233,492	\$ 8,868,110
Internal Service Funds Total	\$ 20,092,564	\$ 117,365,207	\$ 137,457,771
Other Service Funds			
City Employees' Retirement System	\$ 5,249,776	\$ 36,310,573	\$ 41,560,349
Open Space Park Facilities	\$ -	\$ 1,162,022	\$ 1,162,022
Other Service Funds Total	\$ 5,249,776	\$ 37,472,595	\$ 42,722,371
TOTAL OPERATING APPROPRIATIONS			
	\$ 726,488,275	\$ 1,813,264,521	\$ 2,539,752,796

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		FY2009 Appropriation
Airports		
31-001.0	Annual Allocation - Montgomery Field	\$ 600,000
31-001.1	Annual Allocation - Brown Field	\$ 1,800,000
	Airports Total	\$ 2,400,000
City Comptroller		
92-000.0	Enterprise Resource Planning System Core Project	\$ 6,825,624
	City Comptroller Total	\$ 6,825,624
City Planning and Community Investment		
37-446.0	Chollas Creek South Branch Phase One Implementation	\$ 394,000
39-803.0	Annual Allocation - Downtown Parking Projects	\$ 1,500,000
	City Planning and Community Investment Total	\$ 1,894,000
Engineering & Capital Projects		
12-152.0	Famosa Slough Salt Marsh Restoration	\$ 24,000
13-501.0	Talbot Street Slope	\$ 856,000
29-914.0	Martin Luther King Junior Community Park - Recreation Center Roof Replacement	\$ 61,000
37-028.0	Annual Allocation-Underground of City Utilities	\$ 60,000,000
37-064.0	Annual Allocation - ADA Improvements	\$ 10,960,979
39-086.0	Azalea Park Roadway Improvements and Neighborhood Identification	\$ 50,000
39-209.0	El Cajon Boulevard Commercial Revitalization - Interstate 805 to 54th Street	\$ 50,000
39-216.0	Washington/Goldfinch Improvements	\$ 100,000
39-234.0	El Cajon Boulevard Median Improvements	\$ 160,000
52-293.0	Annual Allocation - Street Lights - Citywide	\$ 617,460
52-307.0	Spring Canyon Road between Scripps Ranch Boulevard and Pomerado Road	\$ 750,000
52-403.0	Camino del Sur, San Dieguito Road to Carmel Valley Road - Street Improvements	\$ 5,330,000
52-409.0	43rd Street and Logan/National Avenue Intersection	\$ 7,422,375
52-411.0	Carmel Mountain Road - Neighborhood 10 Boundary to Del Mar Mesa Road	\$ 900,000
52-417.0	Eastgate Mall - Miramar Road to San Diego Gas and Electric (SDG&E) Easement	\$ 450,000
52-455.0	State Route 163 and Friars Road	\$ 5,000,000
52-479.0	El Camino Real - San Dieguito Road to Via de la Valle	\$ 300,000

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CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		FY2009
Engineering & Capital Projects (continued)		Appropriation
52-492.0	Del Sol Boulevard - Central	\$ 4,000,000
52-517.0	Carmel Valley Road - 300 Feet East of Portofino Drive to Del Mar	\$ 120,000
52-519.0	Annual Allocation - Bridge Rehabilitation - Citywide	\$ 100,000
52-554.0	First Avenue Bridge over Maple Canyon - Rehabilitation	\$ 300,000
52-555.0	Georgia Street Bridge/University Avenue Separation Replacement	\$ 671,000
52-588.0	Streamview Drive Improvement - 54th Street to College Avenue	\$ 430,000
52-592.0	Aldine Drive and Fairmount Avenue - Slope Restoration	\$ 1,825,000
52-640.0	Palm Avenue/Interstate 805 Interchange	\$ 1,729,000
52-642.0	Old Otay Mesa Road - Westerly	\$ 2,400,000
52-643.0	West Mission Bay Drive Bridge over San Diego River	\$ 100,000
52-653.0	Camino del Sur - Carmel Mountain Road to 1,600 Feet North of Park Village Road	\$ 1,509,633
52-676.0	Mira Sorrento Place - Scranton Road to Vista Sorrento Parkway	\$ 60,000
52-679.0	Miramar Road - Interstate 805 Easterly Ramps to 300 Feet East of Eastgate Mall	\$ 500,000
52-682.1	Otay Truck Route Widening Phase III & IV	\$ 2,386,253
52-683.0	Annual Allocation - Debt Service for TransNet Commercial Paper Funded Projects	\$ 142,188
52-696.0	Pershing Drive/Redwood Street Intersection	\$ 900,000
52-700.0	Rancho Bernardo Street and Sidewalk Improvements	\$ 80,000
52-706.0	Sea World Drive Widening and Interstate 5 Interchange Improvements	\$ 1,000,000
52-713.0	Alvarado Canyon Road Realignment	\$ 100,000
52-715.0	Annual Allocation - Sidewalks - Citywide	\$ 350,000
52-725.0	Camino del Sur - Widen to Six Lanes Northerly of State Route 56	\$ 3,649,810
52-733.0	Carmel Valley Road - Four/Six lanes southerly of Street A	\$ 1,300,000
52-743.0	Euclid Avenue Corridor Improvements	\$ 116,000
52-745.0	Clairemont Mesa Boulevard/SR-163 Improvements	\$ 1,000,000
52-747.0	Carmel Valley Road - Street A to Neighborhood Parkway	\$ 6,900,000
52-754.0	Linda Vista Road at Genesee Avenue	\$ 70,000
52-763.0	Skyline Drive Median & Parkway Improvements	\$ 1,275,000
52-764.0	Palm Avenue Roadway Improvements	\$ 419,000
52-765.0	Sorrento Valley Road & Interstate 5 Interchange	\$ 3,394,000
52-766.0	University Avenue Mobility Project	\$ 500,000
52-769.0	Normal Street Median Improvements	\$ 65,000
52-773.0	Cherokee Street Improvements	\$ 70,000
52-774.0	34th and 35th at Madison Avenue - Curb, Gutter and Sidewalk (CD3 Sidewalk)	\$ 120,000
52-775.0	Old Otay Mesa Road Sidewalk	\$ 200,000
52-776.0	Prospect Street/Silverado Street Roundabout	\$ 770,000
52-808.0	Annual Allocation - Median Installation	\$ 300,000
52-810.0	Hollister Street Widening	\$ 200,000
53-044.0	Regents Road Bridge	\$ 10,700,000
53-050.0	North Torrey Pines Road Bridge over Los Penasquitos Creek	\$ 496,000
53-061.0	Laurel Street (Cabrillo) Bridge over Highway 163 - Structural Retrofit	\$ 50,000
54-012.0	Shoal Creek Pedestrian Bridge	\$ 255,000
58-127.0	State Route 15 Bikeway	\$ 40,000
58-153.0	City Bicycle Master Plan	\$ 150,000
58-171.0	State Route 56 Bike Interchanges	\$ 1,750,000
58-191.0	San Diego River Multi-Use Bicycle and Pedestrian Path	\$ 320,000
58-204.0	Minor Bicycle Facilities	\$ 15,000
59-021.0	Annual Allocation - Transportation Grant Matches	\$ 935,000
59-023.0	Annual Allocation - Preliminary Engineering for Congestion Relief Projects	\$ 1,175,956
61-001.0	Annual Allocation - Traffic Control/Calming Measures	\$ 791,414
62-266.0	Safe Routes to School Program - Willow Elementary School	\$ 150,000

Attachment D

		FY2009
CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		Appropriation
Engineering & Capital Projects (continued)		
62-331.0	Annual Allocation - Traffic Signal Interconnect Projects	\$ 100,000
62-332.0	25th Street Renaissance Project	\$ 200,000
62-333.0	Via Capri Traffic Calming Project	\$ 100,000
68-001.0	Traffic Signals - Cooperative Projects	\$ 200,000
68-006.0	Annual Allocation - Guard Rails	\$ 200,000
68-010.0	Annual Allocation - Traffic Signals - Citywide	\$ 471,635
68-011.0	Annual-Allocation - Traffic Signals - Modifications/Modernization	\$ 1,372,189
68-017.0	Annual Allocation - School Traffic Safety Improvements	\$ 329,900
	Engineering & Capital Projects Total	\$ 151,885,792
Environmental Services		
32-010.0	Unclassified Disposal/Burn Site Closures	\$ 155,000
32-011.0	Arizona Landfill - Closure	\$ 60,000
32-014.0	West Miramar Phase II - Landfill Gas System	\$ 480,000
32-017.0	Annual Allocation - Groundwater Monitoring Network	\$ 250,000
32-018.0	South Chollas Landfill - Gas Upgrades	\$ 1,040,000
32-024.0	South Miramar Landfill Slopes	\$ 1,500,000
37-004.0	Annual Allocation - Minor Landfill Requirements	\$ 250,000
37-041.0	Citywide Energy Improvements	\$ 500,000
37-056.0	West Miramar Refuse Disposal Facility - Phase II	\$ 300,000
37-057.0	Miramar Landfill Greenery Expansion	\$ 200,000
37-074.0	Environmental Services Facilities Improvement	\$ 122,194
37-254.0	Future Waste Management Disposal and Processing Facilities	\$ 1,750,000
	Environmental Services Total	\$ 6,607,194
Fire-Rescue		
33-105.0	Fire Station 47 - Pacific Highlands Ranch	\$ 21,000
	Fire-Rescue Total	\$ 21,000
General Services		
37-068.0	Annual Allocation - City Facilities Improvements	\$ 31,800,000
59-001.0	Resurfacing of City Streets	\$ 45,437,544
59-002.0	Sidewalks - Replacement and Reconstruction	\$ 7,500,000
63-002.0	Traffic Signals - Replace Obsolete Controllers	\$ 75,000
	General Services Total	\$ 84,812,544
Library		
35-101.0	Logan Heights Branch Library	\$ 600,000
	Library Total	\$ 600,000
Metropolitan Wastewater		
40-931.0	South Mission Valley Trunk Sewer	\$ 3,500,000
40-933.0	Annual Allocation - MWWD Trunk Sewers	\$ 3,374,592
41-926.0	Annual Allocation - Metropolitan System Pump Stations	\$ 6,500,000
41-927.0	Annual Allocation - Pump Stations 64, 65, Penasquitos and East Mission Gorge	\$ 2,100,000
41-929.0	Pump Station Upgrades	\$ 5,577,076
41-942.0	NCWRP Sludge Pump Station Upgrade	\$ 216,320
42-913.0	Annual Allocation - Metro Biosolids Center	\$ 674,918
42-926.0	Annual Allocation - North City Water Reclamation Plant	\$ 473,741
42-930.0	SBWRP Demineralization Facility Phases 1&2	\$ 508,439

Attachment D

		FY2009
		Appropriation
CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		
Metropolitan Wastewater (continued)		
44-001.0	Annual Allocation - Sewer Main Replacements	\$ 25,871,872
45-932.0	Annual Allocation - South Bay Water Reclamation Plant	\$ 168,730
45-943.0	Point Loma - Grit Processing Improvements	\$ 3,204,342
45-956.0	Annual Allocation - Metro Operations Center	\$ 129,075
45-966.0	Metro Facilities Control System Upgrade	\$ 2,306,407
45-975.0	Annual Allocation - Developer Projects	\$ 562,432
45-982.0	MBC Centrate Collection Upgrades	\$ 1,687,295
45-983.0	MBC Dewatering Centrifuges Replacement	\$ 158,995
45-992.0	NCWRP - EDR Upgrade	\$ 476,513
46-050.0	Annual Allocation - Pipeline Rehabilitation	\$ 31,496,192
46-119.0	Annual Allocation - Point Loma Treatment Plant/Related Facilities	\$ 772,335
46-169.0	East Mission Gorge Force Main Rehabilitations	\$ 329,600
46-193.0	Annual Allocation - CIP Contingencies	\$ 458,709
46-194.0	Annual Allocation - Trunk Sewer Rehabilitations	\$ 3,507,155
46-195.6	East Point Loma Trunk Sewer	\$ 2,200,000
46-195.8	Miramar Road Trunk Sewer	\$ 23,398
46-197.6	USIU Trunk Sewer	\$ 23,397
46-205.0	Harbor Drive Trunk Sewer Replacement	\$ 112,486
46-206.0	Annual Allocation - Accelerated Projects	\$ 224,973
46-501.0	Annual Allocation - Metropolitan Sewer Pooled Contingencies	\$ 81,095
46-502.0	Annual Allocation - Clean Water Program Pooled Contingencies	\$ 136,225
46-505.0	Annual Allocation - Unscheduled Projects	\$ 1,124,864
46-502.0	Sewer Pump Station 41 Rehabilitation	\$ 5,137,176
	Metropolitan Wastewater Total	\$ 103,118,352
Office of the CIO		
37-508.0	Public Safety Communications Project	\$ 3,341,763
	Office of the CIO Total	\$ 3,341,763
Park & Recreation		
20-013.0	Annual Allocation-Park and Recreation Grant Match Funding	\$ 446,955
21-870.0	Balboa Park - Myrtle Way Pergola	\$ 350,000
21-875.0	Balboa Park - Morley Field Evaluation and Repair of Collapsed Storm Drain	\$ 50,000
21-876.0	Balboa Park - Florida Canyon Evaluation and Repair of Broken Storm Drain	\$ 1,000,000
21-877.0	Balboa Park - Marston Point Evaluation and Repair of Collapsed Storm Drain	\$ 50,000
22-965.0	Annual Allocation - Mission Bay Improvements	\$ 76,802
22-966.0	West Ski Island - Shoreline Stabilization	\$ 500,000
22-968.0	Mariner's Point Road Curbs and Parking Lot - Improvements	\$ 400,000
22-969.0	Mission Bay Park Drinking Fountains - Replacement	\$ 150,000
22-970.0	Mission Point/Bayside Walk Security Lighting - Upgrade	\$ 275,000
22-972.0	North Crown Point Gazebo - Replacement	\$ 265,000
22-976.0	Sunset Point Parking Lot - Security Lighting	\$ 150,000
22-977.0	Vacation Isle North Cove Parking Lot - Security Lighting	\$ 150,000
22-978.0	Vacation Isle North Cove Road Improvements	\$ 150,000
22-979.0	Vacation Isle Northeast Parking Lot Security Lighting	\$ 150,000
22-980.0	West Bonita Cove Children's Play Area Upgrades	\$ 200,000
25-008.0	Balboa Park Golf Course: Concrete Step and Hand Railing Replacement	\$ 150,000
29-282.1	Hilltop Community Park - Development, Phases I, II & III	\$ 621,889
29-407.0	Carmel Valley Community Park South - Recreation Building	\$ 153,000
29-408.0	Dennery Ranch Neighborhood Park - Acquisition and Construction	\$ 2,000,956

Attachment D

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		FY2009
Park & Recreation (continued)		Appropriation
29-427.0	Black Mountain Ranch Community Park - Acquisition and Development	\$ 450,000
29-547.0	Torrey Highlands Neighborhood Park	\$ 840,000
29-610.0	Rancho Encantada Park - Neighborhood No. 1	\$ 3,200,000
29-651.0	Riviera Del Sol Neighborhood Park - Acquisition and Development	\$ 2,100,000
29-666.0	San Diego River Park Master Plan	\$ 50,000
29-688.0	Del Sur Neighborhood Park North (Black Mountain Neighborhood Park North)	\$ 3,700,000
29-689.0	Carmel Grove Mini-Park - Play Area Upgrade	\$ 352,712
29-692.0	Public Roads Supporting Park Access	\$ 100,000
29-727.0	McAuliffe Community Park - Development	\$ 2,301,157
29-757.0	Mira Mesa Community Park - Expansion (Carrolli Neighborhood Park - Development)	\$ 5,000,000
29-764.0	Carmel Valley Community Park South - Neighborhood #8A	\$ 207,983
29-864.0	Rancho Penasquitos Parks - Playground Upgrades	\$ 900,000
29-865.0	Home Avenue Neighborhood Park - Development	\$ 50,000
29-887.0	Carmel Valley Skate Park	\$ 210,000
29-909.0	Regional Park Improvements	\$ 41,803
29-916.0	Vista Terrace Park Tot Lot Upgrades	\$ 381,617
29-932.0	Treena Mesa Joint Use Sports Field	\$ 3,500,000
29-941.0	Language Academy/Montezuma Elementary School - JU Improvements	\$ 668,000
29-951.0	Martin Luther King Jr. Community Park - Play Area Upgrades	\$ 500,000
29-953.0	Encanto Community Park Concession Stand Expansion at Verna Quinn Fields	\$ 155,000
29-954.0	Montgomery Academy - Joint Use Improvements	\$ 909,000
29-966.0	Mission Trails Regional Park Cowles Mountain Trail Rehabilitation	\$ 400,000
29-967.0	Mission Trails Regional Park Trail Realignment	\$ 300,000
29-969.0	Azalea Neighborhood Park Recreation Center - Improvements	\$ 141,713
29-973.0	Marshall Elementary School - Joint Use Improvements	\$ 35,000
29-974.0	Gonzales Canyon Resource Management Plan	\$ 200,000
29-975.0	Crest Canyon Resource Management Plan	\$ 75,000
39-010.0	Talmadge Streetscape and Lighting Improvements	\$ 375,566
39-011.0	Switzer Canyon/30th Street Bridge Enhancement Program	\$ 5,000
52-660.0	Carmel Valley Multi-use Trail - Neighborhood 10	\$ 40,600
52-719.0	Mission Beach Bulkhead Preservation	\$ 149,500
	Park & Recreation Total	\$ 34,629,253
QUALCOMM Stadium		
34-200.0	Annual Allocation - QUALCOMM Stadium Improvements	\$ 750,000
	QUALCOMM Stadium Total	\$ 750,000
Storm Water		
13-005.0	Annual Allocation - Emergency Drainage Projects	\$ 12,205,000
	Storm Water Total	\$ 12,205,000
Water		
70-910.7	Miramar Pipeline Monitoring & Reinspection	\$ 70,097
70-942.0	Annual Allocation - CIP Contingencies - Reclaimed Water Distribution System/RWDS	\$ 250,000
70-949.0	Annual Allocation - Reclaimed Water Extension	\$ 500,000
70-954.0	North City Reclamation System	\$ 2,229,340
70-957.0	Harbor Drive Pipeline	\$ 419,801
73-024.0	Annual Allocation - Freeway Relocation	\$ 2,994,197
73-083.0	Annual Allocation - Water Main Replacements	\$ 41,600,000
73-261.3	Alvarado Water Treatment Plant -Upgrade and Expansion	\$ 36,927,440

Attachment D

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		FY2009
Water (continued)		Appropriation
73-284.0	Miramar Water Treatment Plant - Upgrade and Expansion	\$ 44,026,817
73-285.0	Otay Water Treatment Plant - Upgrade and Expansion	\$ 9,308,292
73-286.0	Otay Second Pipeline Improvements	\$ 8,617,978
73-314.0	San Diego 17 Flow Control Facility and Pump Station	\$ 11,705,514
73-331.0	Annual Allocation - CIP Contingencies	\$ 7,000,000
73-342.0	Rancho Penasquitos Pump Station	\$ 5,219,831
73-361.0	Annual Allocation - Meter Boxes	\$ 500,000
73-900.0	Annual Allocation - Pressure Reduction Facility Upgrades	\$ 200,000
73-910.0	Annual Allocation - Seismic Upgrades	\$ 344,710
74-925.0	Annual Allocation - Dams and Reservoirs	\$ 250,000
75-931.0	Water Department Security Upgrades	\$ 1,943,966
75-932.0	Groundwater Asset Development Program	\$ 2,981,094
75-939.0	South County Raw Water Reservoir Intertie Study	\$ 780,000
	Water Total	\$ 177,869,077
TOTAL CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		\$ 586,959,599
TOTAL COMBINED APPROPRIATIONS		\$ 3,126,712,395

Attachment D

Fiscal Year 2009 Operating Maintenance Assessment District Fund Appropriations

Fund	Maintenance Assessment District Fund Name	Salary & Wages	Fringe & Non-Personnel	FY 2009 Appropriation
070208	Assessment District Management	\$ 597,172	\$ 1,283,540	\$ 1,880,712
070210	Street Light District #1	\$ -	\$ 706,586	\$ 706,586
070211	Scripps/Miramar Ranch	\$ 61,903	\$ 1,146,669	\$ 1,208,572
070214	Tierrasanta	\$ 61,903	\$ 1,934,441	\$ 1,996,344
070218	Campus Point	\$ 1,238	\$ 32,845	\$ 34,083
070219	Mission Boulevard	\$ 3,095	\$ 126,242	\$ 129,337
070220	Carmel Valley	\$ 89,760	\$ 2,800,681	\$ 2,890,441
070221	Sabre Springs	\$ 18,571	\$ 291,532	\$ 310,103
070223	Mira Mesa	\$ 49,523	\$ 1,566,565	\$ 1,616,088
070224	Rancho Bernardo	\$ 30,952	\$ 885,696	\$ 916,648
070225	Penasquitos East	\$ 30,952	\$ 492,573	\$ 523,525
070226	Coronado View	\$ 1,857	\$ 45,054	\$ 46,911
070228	Park Village	\$ 24,761	\$ 598,464	\$ 623,225
070229	Eastgate Technology Park	\$ 9,286	\$ 255,178	\$ 264,464
070230	Calle Cristobal	\$ 6,191	\$ 410,054	\$ 416,245
070231	Gateway Center East	\$ 12,381	\$ 272,807	\$ 285,188
070232	Miramar Ranch North	\$ 61,903	\$ 1,955,281	\$ 2,017,184
070233	Carmel Mountain Ranch	\$ 18,571	\$ 642,692	\$ 661,263
070238	La Jolla Village Drive	\$ 11,143	\$ 90,325	\$ 101,468
070240	First SD River Imp Project	\$ 18,571	\$ 353,706	\$ 372,277
070241	Newport Avenue	\$ -	\$ 52,204	\$ 52,204
070242	Linda Vista Community	\$ 15,476	\$ 273,725	\$ 289,201
070243	Washington Street	\$ 3,095	\$ 138,544	\$ 141,639
070244	Otay International Center	\$ 38,999	\$ 437,641	\$ 476,640
070246	Del Mar Terrace	\$ -	\$ 447,729	\$ 447,729
070247	Adams Avenue	\$ -	\$ 51,268	\$ 51,268
070248	Carmel Valley Nbhd #10	\$ 12,381	\$ 565,821	\$ 578,202
070249	North Park	\$ 25,999	\$ 1,000,979	\$ 1,026,978
070250	Kings Row	\$ 1,857	\$ 13,501	\$ 15,358
070251	Webster-Federal Boulevard	\$ 3,095	\$ 84,290	\$ 87,385
070252	Stonecrest Village	\$ 37,142	\$ 1,214,627	\$ 1,251,769
070253	North Torrey Pines Road	\$ 12,381	\$ 980,709	\$ 993,090
070254	Torrey Hills	\$ 61,903	\$ 2,348,837	\$ 2,410,740
070255	Coral Gate	\$ 7,428	\$ 176,752	\$ 184,180

Attachment D

Fund	Maintenance Assessment District Fund Name	Salary & Wages	Fringe & Non-Personnel	FY 2009 Appropriation
070258	Torrey Highlands	\$ 61,904	\$ 1,426,197	\$ 1,488,101
070259	Talge	\$ 4,952	\$ 434,055	\$ 439,007
070260	Central Commercial	\$ -	\$ 334,276	\$ 334,276
070261	Little Italy	\$ -	\$ 621,854	\$ 621,854
070263	Liberty Station/NTC	\$ -	\$ 263,421	\$ 263,421
070264	Camino Santa Fe	\$ 9,286	\$ 686,417	\$ 695,703
070265	Black Mtn Ranch South	\$ 21,666	\$ 2,167,276	\$ 2,188,942
070266	College Heights	\$ -	\$ 436,229	\$ 436,229
070267	CED Management	\$ -	\$ 193,255	\$ 193,255
070268	City Heights	\$ -	\$ 491,404	\$ 491,404
070270	Black Mountain Ranch North	\$ -	\$ 521,550	\$ 521,550
070271	Bay Terraces - Parkside	\$ 1,857	\$ 69,312	\$ 71,169
070272	Bay Terraces - Honey Drive	\$ 1,238	\$ 28,373	\$ 29,611
070273	University Heights	\$ 3,095	\$ 70,655	\$ 73,750
070274	Hillcrest	\$ 3,095	\$ 29,463	\$ 32,558
070275	El Cajon Boulevard	\$ 24,762	\$ 569,309	\$ 594,071
070276	Ocean View Hills	\$ 43,332	\$ 1,109,598	\$ 1,152,930
070277	Robinhood Ridge	\$ 8,666	\$ 175,107	\$ 183,773
070278	Remington Hills	\$ -	\$ 87,876	\$ 87,876
070279	Pacific Highlands Ranch	\$ 9,286	\$ 295,344	\$ 304,630
070280	Rancho Encantada	\$ 3,095	\$ 352,426	\$ 355,521
070281	Bird Rock	\$ -	\$ 420,887	\$ 420,887
070401	Downtown PBID	\$ -	\$ 5,649,652	\$ 5,649,652
MAINTENANCE ASSESSMENT DISTRICT TOTAL		\$ 1,525,723	\$ 40,111,494	\$ 41,637,217

CLERK'S FILE COPY

(R-2009-52)

(200)

7/21

MEET

RESOLUTION NUMBER R- 303940

DATE OF FINAL PASSAGE JUL 29 2008

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE STATEMENT OF BUDGETARY PRINCIPLES WITH RESPECT TO ADMINISTRATION BY THE MAYOR OF THE FISCAL YEAR 2009 BUDGET

WHEREAS, in accordance with sections 71 and 290 of the Charter, the Council will adopt the Appropriation Ordinance in order to provide for the appropriation and expenditure of funds for the Fiscal Year 2008-2009; and

WHEREAS, the Mayor and the Council desire to provide for a more effective administration of the Fiscal Year 2009 budget; and

WHEREAS, the Independent Budget Analyst, in consultation with the Mayor, has prepared a Statement of Budgetary Principles (attached hereto as Exhibit A) which acknowledges the duties of the Mayor as Chief Budget Officer and Chief Fiscal Officer of the City, and the Council as sole legislative and law making body of the City; and

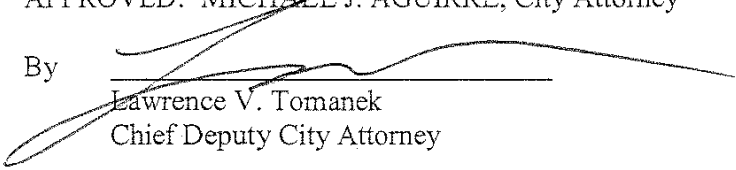
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Diego, as follows:

Section 1. That the Council hereby adopts the Statement of Budgetary Principles.

Section 2. This resolution shall go into effect immediately upon passage of the Fiscal Year 2008-2009 Appropriation Ordinance.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Lawrence V. Tomanek
Chief Deputy City Attorney

LVT:ca
07/8/08

Attachment E

(R-2009-52)

Or.Dept:IBA
R-2009-52

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 21 2008.

ELIZABETH S. MALAND
City Clerk

By Sara Richardson
Deputy City Clerk

Approved: 7-29-08
(date)

JS
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

FY 2009 STATEMENT OF BUDGETARY PRINCIPLES

WHEREAS, pursuant to section 265(b)(15) of the City Charter the Mayor is required to propose a budget to the Council and make it available for public view no later than April 15 of each year; and

WHEREAS, on April 14, 2008, the Mayor released the Fiscal Year 2009 Budget to the Council and to the public; and

WHEREAS, the Council has duly considered the Mayor's Fiscal Year 2009 Budget and discussed such budget at several public meetings beginning on April 30, 2008 and ending on May 21, 2008, and at such meetings members of the public were invited to comment on and ask questions about the Fiscal Year 2009 Budget; and

WHEREAS, on May 16 and May 29, 2008, the Mayor delivered supplementary budget reports to the Council making technical changes to the Fiscal Year 2009 Budget; and

WHEREAS, on May 20, 2008, each Council member delivered his or her budgetary priorities for the Fiscal Year 2009 budget for review by the City's Independent Budget Analyst; and

WHEREAS, on June 4, 2008, the Budget and Finance Committee reviewed the Report of the Independent Budget Analyst, dated May 30, 2008, entitled "Recommended Revisions to the Fiscal Year 2009 Proposed Budget", and recommended to the City Council adoption of the Mayor's Fiscal Year 2009 Budget, including certain amendments thereto; and

WHEREAS, on June 9, 2008 the Council approved the Fiscal Year 2009 Budget, together with budget modifications as recommended by the IBA, and forwarded the same to the Mayor for his consideration under Charter section 290(b)(2); and

WHEREAS, on June 16, 2008 the Mayor approved the Fiscal Year 2009 Budget, with a line-item veto to the Council's budget modifications, in accordance with Charter section 290(b)(2)(A); and

WHEREAS, on June 23, 2008 the Council voted to override the Mayor's line-item veto, as allowed under Charter section 290(b)(2)(B), and approved the Fiscal Year 2009 Budget, together with certain amendments including Council's budget modifications; and

Attachment E

Attachment

WHEREAS, in accordance with Charter section 290(b)(2), on June 23, 2008 the Fiscal Year 2009 Budget became the controlling document for purposes of preparing the annual appropriation ordinance; and

WHEREAS, pursuant to Charter section 71 and 290(c), the Council is required to adopt an appropriation ordinance during the month of July to establish budgetary appropriations for the Fiscal Year 2009 Budget; and

WHEREAS, the Mayor and the Council acknowledge that the Fiscal Year 2009 Budget reflects the best estimate of the Mayor and the Council regarding projected revenues and expenditures and that such estimate is simply a financial plan that may require adjustments in view of the available resources; and

WHEREAS, this Statement of Budgetary Principles is intended to facilitate better communication on fiscal matters between the Council and the Mayor and to establish a framework for the administration by the Mayor of the Fiscal Year 2009 Budget in light of the respective duties of the Mayor as Chief Executive Officer and Chief Budget Officer of the City, and the duties of the Council as the legislative and policy setting body of the City, and in light of the obligation of public officials to keep the public apprised of the conduct of the City's financial affairs;

Accordingly, the Mayor and the Council hereby agree to adhere to the following budgetary principles for the Fiscal Year 2009 Budget:

Fiscal Year 2009 Budget---Communication

1. The Mayor, or his designee, will provide reports to the Council on a quarterly basis regarding the administration of the affairs of the City. These reports can be given verbally, and are intended to improve the flow of information between the Mayor, Council and public.
2. The Council President will provide time on the Council's agenda for the Report of the Mayor.
3. Under pre-defined criteria as set forth below, the Mayor will provide Council with prior written notice of the elimination of any program or service funded by the Fiscal Year 2009 Budget. The notice shall describe with reasonable specificity the budgetary and/or fiscal rationale supporting the elimination of the program or service, and the service level impact, if any.
4. The Mayor will also provide Council with prior written notice of a material or significant reduction in any program or service affecting the community based on the criteria set forth below. Such notice will consist of a memo from the Mayor to the Council and the City Clerk describing the budgetary and/or fiscal reasons supporting the change, and the likely

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Attachment E

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service level impact. Notwithstanding the forgoing, the Mayor need not give notice of any change or modification that results in a more efficient delivery of public services and that accomplishes the legislative intent.

Written notification of a service or program reduction will be triggered by criteria based on four categories of Activity Level (OCA) as identified in the City's Financial Accounting System and the corresponding size of the proposed service reduction:

Cost of Activity (OCA)	Up to \$2.0M	\$2.0M to \$5.0M	\$5.0M to \$10.0M	\$10.0 M Plus
Service Criteria Trigger	\$200,000+	\$500,000+	\$1.0M+	\$1.5M+

Notwithstanding anything herein to the contrary, the Mayor shall provide written notice to the Council, as part of the Auditor's reports as required by Charter Section 39, and also as part of the Mayor's next quarterly report to the Council, when the cumulative amount of Fiscal Year 2009 budgetary reductions undertaken for any reasons reaches 3% of the General Fund of the City, or 3% of any other Major Fund of the City (provided that any such reductions shall not cause the City to breach or violate any covenant or other obligation to which such Major Fund may be subject). Such notice shall describe the nature of the budgetary reductions, the fiscal reasons therefor, and the impact on City services, if any. For purposes of this paragraph, Major Fund of the City shall mean the Water Enterprise Fund, the Sewer Enterprise Fund, the Development Services Enterprise Fund, and the Airports Enterprise Fund.

Fiscal Year 2009 Budget---Appropriation Ordinance

- 1 Neither the Mayor nor the Council has unilateral authority to make changes to the spending authority contained in the Fiscal Year 2009 Budget.
- 2 The Mayor shall in good faith fulfill the legislative intent reflected in the adopted Fiscal Year 2009 Budget, including the appropriations reflected in the Fiscal Year 2009 Appropriation Ordinance. However, the Mayor has discretion to effectively and efficiently spend public monies, and shall not be obligated to spend all the money the Council has appropriated if there is a less costly means of accomplishing the Council's stated purposes.
- 3 The Council shall have no authority to make or adopt changes to the Fiscal Year 2009 Budget without first receiving a funding recommendation of the Mayor. The Mayor will provide such funding recommendation within 30 calendar days of the Council request, or such later period as contained in the request of the Council.

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R. 303940

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4. In accordance with Charter sections 28 and 81, the Mayor has the authority to allocate Fiscal Year 2009 Budget appropriations within departments in order to best carry out the Council's legislative intent.
5. The Appropriation Ordinance implements the Fiscal Year 2009 Budget, as approved by the Council. The Appropriation Ordinance shall specify the spending authority by Department and by Fund, and all other conditions, authorizations and requirements appropriate therefore. The Appropriation Ordinance will include necessary budget delegation to carry out the business of the City; provided however, the Appropriation Ordinance will not include Policy directions.
6. The Council may restore a program or service which has been recommended for elimination or reduction by the Mayor by docketing and considering such action upon the request of four Council members.

The Statement of Budgetary Principles applies to departments and programs that are under the direction and authority of the Mayor, and shall not apply to offices independent of the Mayor. This Statement of Budgetary Principles is subject in all respects to the provisions of the City Charter.

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08 JUL 10 PM 12:59
CITY CLERKS OFFICE
SAN DIEGO, CA

6/30/2008

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