



The City of San Diego

# ADOPTED BUDGET



## Appendix: Legislative Actions

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# Appendix: Legislative Actions

<b>City Council Fiscal Year 2013 Budget Priorities</b>	<b>ATTACHMENT A</b>
Memoranda that present City Council budget priorities for Fiscal Year 2013.	
<b>City Council Budget Priorities for Fiscal Year 2013</b>	<b>ATTACHMENT B</b>
Office of the Independent Budget Analyst, Report Number 12-12 REV, dated March 15, 2012.	
<b>Mayor’s May Revision to the Fiscal Year 2013 Proposed Budget</b>	<b>ATTACHMENT C</b>
A memorandum that presents the Mayor’s recommended revisions to the Fiscal Year 2013 Proposed Budget, dated May 23, 2012.	
<b>IBA Review of the FY 2013 May Revise and Recommended Revisions to the Mayor’s FY 2013 Budget</b>	<b>ATTACHMENT D</b>
Office of the Independent Budget Analyst, Report Number 12-24, dated June 6, 2012.	
<b>City Council Fiscal Year 2013 Budget Priorities and Issues for Consideration</b>	<b>ATTACHMENT E</b>
Memoranda that provide additional City Council budget priorities and issues for consideration for Fiscal Year 2013.	
<b>Resolution R-307483</b>	<b>ATTACHMENT F</b>
A resolution of the Council of the City of San Diego adopting the Fiscal Year 2013 budget, including approving the Mayor’s Fiscal Year 2013 Proposed Budget, and May Revision, with modifications recommended by the Independent Budget Analyst and as revised by the City Council.	
<b>Resolution R-307482</b>	<b>ATTACHMENT G</b>
A resolution of the Council of the City of San Diego approving the establishment of new rates and fees and adjustments to existing rates and fees for inclusion in the ratebook of City fees and charges maintained in the Office of the City Clerk.	
<b>Resolution Number R-307618</b>	<b>ATTACHMENT H</b>
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 2013 Budget.	
<b>Appropriation Ordinance O-20185</b>	<b>ATTACHMENT I</b>
An ordinance adopting the annual budget for Fiscal Year 2013 and appropriating the necessary money to operate the City of San Diego for said fiscal year on July 17, 2012.	

## Appendix: Legislative Actions

### Resolution R-307349

A resolution of the Council of the City of San Diego supporting the Mayor's proposal to address the City's Deferred Capital Backlog according to the Report to the City Council Number 12-021.

**ATTACHMENT J**



# Appendix: Legislative Actions

## Legislative Budget Actions

The Fiscal Year 2013 budget process began with the release of the Mayor's updated Five-Year Financial Outlook. The Five-Year Financial Outlook for Fiscal Years 2013 - 2017 provided guidance and structure for the creation of the Fiscal Year 2013 Adopted Budget as well as for the budgets in the four subsequent years. The Five-Year Financial Outlook, which was released by the Mayor on October 12, 2011, was reviewed and analyzed in a report released by the Office of the Independent Budget Analyst (IBA) on November 10, 2011.

The creation of the Fiscal Year 2013 Proposed Budget was a combined effort undertaken by the Mayor's Office and City Departments. The Fiscal Year 2013 Proposed Budget was presented to the City Council on April 16, 2012. Subsequent to the presentation of the Proposed Budget, a public hearing was held on May 14, 2012, and six budget hearing meetings were held by the Budget Review Committee in order to provide the public with an opportunity to provide feedback on the Proposed Budget as well as to hear Council discussion about the budget proposal.

On May 23, 2012, the Mayor issued a May Revision to the Proposed Budget. To help the Council in their deliberations on the Mayor's Proposed Budget and the May Revision, the IBA issued reports that analyzed the budget and took into consideration Council priorities. On April 27, 2012, the IBA issued a response to the Fiscal Year 2013 Proposed Budget, followed by its report on June 6, 2012 that offered recommendations for revisions to the Fiscal Year 2013 Proposed Budget and May Revision. The Council considered the Proposed Budget and the Mayor's revisions in light of the public input received, as well as the IBA Reports and recommendations.

On June 11, 2012, the City Council approved the Fiscal Year 2013 Budget that included the Fiscal Year 2013 Proposed Budget and the May Revision, with modifications recommended by the IBA, and as revised by the City Council. In addition, the Mayor was requested to return to the City Council or one of its committees with a proposal for an urban forestry program, and \$257,000 will be budgeted in the Appropriated Reserve for such purpose.

On June 11, 2012, the City Council also approved certain additions and adjustments to the City's General Fund User Fees pursuant to Resolution Number R-307485 as revised by the City Council.

On July 11, 2012, the Fiscal Year 2013 Appropriation Ordinance was presented to the Budget and Finance Committee, and was introduced and adopted by the City Council on July 16, 2012.



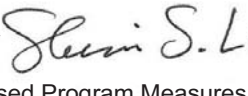
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## Attachment A



CITY OF SAN DIEGO  
COUNCILMEMBER SHERRI S. LIGHTNER  
DISTRICT ONE

### MEMORANDUM

DATE: March 2, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Sherri S. Lightner   
SUBJECT: FY13 Budget Priorities and Proposed Program Measures

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We must continue to approach the FY13 Budget with a sense of cautious optimism. While we hope the above projected growth in major General Fund revenue continues to reduce our projected \$10.2 million deficit, there remain a number of variables that could negatively impact the General Fund budget. For example, the restructuring of redevelopment and potential costs associated with an unusually high number of city retirees might both result in additional costs to the City. We also must continue to look for opportunities to create efficiencies and generate savings or additional revenue.

#### **Budget Priorities**

In previous year's budget memos, I prioritized funding for public safety (police, fire-rescue, and lifeguards), parks and recreation, libraries, and streets. These should all remain our priorities for FY13.

#### **Potential General Fund Surplus Priorities**

Given the possibility of a modest General Fund surplus in FY13, we have the following additional suggestions for use of surplus funds.

1. Assure Continued Financial Stability
  - a. We should consider creation of a reserve fund that the City could use to smooth required annual payments for pension (ARC) and retiree healthcare. If actual ARC or retiree healthcare payments are less than projected, savings should be directed into this fund for years when the ARC or retiree healthcare payments are greater than projected.

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2. Improve Infrastructure
  - a. Increase cash funding for deferred capital projects, including streets and other infrastructure.
3. Restore and Improve Service Levels
  - a. Fireboat: \$1 million. This is a one-time cost, as requested in my joint memo dated February 15, 2012.
  - b. Restore police civilian positions cut in previous budgets, including PSOs and Investigative Aids.
  - c. Increase cadet positions at police and fire academies to at least the minimum level needed to keep up with attrition.
  - d. Maintain the library and recreation center hours increases proposed in the FY12 Mid-Year adjustments: \$1 million and \$381,000 respectively. As the City's fiscal situation improves, more should be done to increase recreation center hours and library hours using the Library Ordinance requirements as a goal.
  - e. Restore three lifeguard relief positions cut in previous budgets: \$333,000
  - f. Assign a new or existing city park ranger to the San Dieguito River Park Joint Powers Authority.
  - g. End rotating pool closures: \$609,495
  - h. End seasonal park restroom closures: \$240,419
  - i. Improve city web functions for businesses.

### Priorities for Continued Savings or Additional Revenue

The following are additional opportunities for savings or increased revenue, some of which have not yet been evaluated.

1. Continue to seek ways to reform City pensions.
2. Continue to implement managed competition while ensuring adequate oversight.
3. Expand use of alternative work schedules, such as 4/10/5.
4. Request presentation of status update on fiscal reforms adopted by Council on June 8, 2009.
5. Partnering with other agencies, such as county, state, federal, and other local governments.
6. Establishing cost recovery agreements with other local agencies and institutions.
7. Improve fairness for City licensed businesses by reducing fees for responsible businesses while increasing fines for negligent businesses.
8. Expand the use of matching programs for gifts.
9. Assure that special events comply with their City permits.
10. Expand use of volunteers.
11. Continue to implement marketing partnerships.
12. Consolidate City office space and eliminate the use of underused rental space. Council should request a status update from Financial Management on this issue.
13. Seek grants or other sources of funding to do energy retrofits for all City buildings for affordable energy and operational savings as well as providing job opportunities to local green businesses.

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### **Proposed Policy and Program Measures**

As requested, the following are suggested additions and modifications to the measures listed in the IBA Report 12-08, Attachment 1:

### **Financial Trends**

- Dollar Amount and Type of Claims Against the City Received by Risk Management
- Dollar Amount and Type of Settlements Paid by the City

### **Economic Development Trends**

- *Modify:* "Number of Large Businesses Assisted/Retained"
- Convention Center:
  - o Number of Conventions
  - o Number of Convention Days Booked
  - o Number of Convention-related Hotel Room Nights Booked
  - o Number of Convention-related Hotel Room Nights Actually Used

For existing economic development programs provide:

- Number of Applications Processed
- Number of Program Participants
- Total Jobs Created/Retained. This is already being tracked department-wide, but specifics should be provided for each program.
- Programs include:
  - o The Business Cooperation Program
  - o The Guaranteed Water for Industry Program
  - o The Enterprise Zone Program
  - o The Foreign Trade Zone Program
  - o Business Finance Program
  - o Economic Development & Tourism Support Program
  - o Small Business Enhancement Program
  - o The Storefront Improvement Program
  - o The Small Local Business Enterprise Program
- Tax Revenue Generated by Businesses Assisted
- New Business Financing Provided by the City
- %/Number of Projects that Participated in the Sustainable Development Incentive Program
- %/Number of Projects that Participated in the Affordable/In-Fill Housing Expedite Program
- Number of Customers Assisted by the Small Business Liaison by Type of Assistance
- Number of Customers Assisted by the Small Business Ambassador by Type of Assistance
- % of Forms that Can Be Completed and Submitted Online
- %/Number of Projects that Use the FBA/DIF Deferral Program
- Total Housing Impact Fee Revenue Generated
- Total FBA and DIF Revenue Generated

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**City Service Trends**

- Number of Fire Fighters per 1,000 Population
- Number of Lifeguards per 1,000 Population
- Average Caller Hold Time for 911 and Non-emergency Response Phone Numbers
- Average Fee for Park and Recreation Programs
- Number of Aquatic Program Hours
- Number of Pool Hours per Week
- Acres of Brush Clearance Completed
- % of Neighborhood Code Compliance Violations Resolved and Average Time to Complete
- Number of Homeless Assisted in the Emergency Winter Shelter Program
- Number of Affordable Housing Units Built
- Annual or Biannual Customer Satisfaction Survey for City of San Diego

**Infrastructure Trends**

- *Modify:* “% of Storm Drain Structures Cleaned/Repaired”
- *Modify:* “Number of ADA Curb Ramps Installed” may not be a valuable performance measure in the long-term because eventually all curb ramps will be replaced.
- % of Design-Build Contracts vs. % Separate Contracts
- % of Storm Drains Replaced/Repaired as % of Miles of Storm Drains
- Number of Sewer Drain/Pipeline Breaks
- Miles of Bike Lanes/Sharrows
- Number of City-installed Bike Racks

**Environmental Trends**

- *Modify:* “% of Streets Swept & How Often Swept”
- *Modify:* “Number of Sanitary Sewer Overflow and Amount of Overflow”
- *Modify:* “Average Gallons of Recycled Water Used” should specify “per day” or other length of time.
- Number of EV Charging Stations

**Human Resource Trends**

- Annual Number of Retirees
- Annual Attrition Number
- Annual Hiring Number

If you have any questions, please contact my office at (619) 236-6611.

SL/jm






## Attachment A

COUNCIL PRESIDENT PRO TEM KEVIN L. FAULCONER  
CITY OF SAN DIEGO  
SECOND DISTRICT

### MEMORANDUM

**DATE:** March 5, 2012  
**TO:** Councilmember Todd Gloria, Budget and Finance Committee Chair  
**FROM:** Council President Pro Tem Kevin L. Faulconer   
**SUBJECT:** Budget Priorities for Fiscal Year 2013

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Through a combination of reforms such as managed competition and a modest economic recovery, the City is anticipating a \$16.5 million surplus in the remainder of Fiscal Year 2012. To achieve this result, the City Council, working beside Mayor Jerry Sanders, has made the tough decisions necessary to restore San Diego's financial health. This fiscal restraint must continue.

I support the Mayor's mid-year recommendation to add 15 cadets to the next police academy and restore previously reduced operating hours for local libraries and recreation centers. As we move forward into budget deliberations, I will continue to advocate for the restoration of these services. I look forward to working with the Mayor and my Council colleagues to achieve our remaining goals in Fiscal Year 2013.

#### Expanding Investment in Streets and Public Assets

The City Council must make its \$850 million deferred capital maintenance backlog a top priority. I support the Mayor's proposed unprecedented investment in deferred capital maintenance. To prevent further deterioration of capital assets, the City needs to invest more in operating and maintenance expenditures for streets, storm drains, and facilities.

As discussed at the February 29, 2012, Budget and Finance Committee, to prevent a 5-10% deterioration of the City's capital assets over five years, additional funds for operating and maintenance need to be identified on an annual basis. I agree with the Independent Budget Analyst's initial recommendation<sup>1</sup> to allocate the projected budget surplus of \$8.3 million to operating and maintenance funding for deferred capital maintenance in Fiscal Year 2013. As the City Auditor noted in his 2010 Streets Maintenance Audit<sup>2</sup>, infrastructure becomes increasingly

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<sup>1</sup> Independent Budget Analyst Report 12-11: Review of Mid-Year Budget Monitoring Report

<sup>2</sup> Office of the City Independent Auditor Report OCA-11-009: Street Maintenance  
City Needs to Improve Planning, Coordination, and Oversight to Effectively Manage Transportation Assets

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more expensive to repair when it falls into poor condition. Spending \$1 on pavement preservation when a street is in fair condition eliminates spending \$6-\$14 on rehabilitation or reconstruction of a street in poor condition. Given this knowledge, we must address the deferred capital backlog now to avoid increased repair costs in the future.

### Restoration of Vital Community Services

Keeping libraries and recreation centers open in the face of severe budget deficits has always been a priority for me. I am proud that we been successful in keeping libraries open in the face of proposed closures, and now we are in a position to increase library hours. I am a strong supporter of the Mayor's mid-year recommendation to increase library operating hours at all of the City's branch libraries and recreation centers and will advocate maintaining this restoration of service levels in Fiscal Year 2013.

### Protecting Our Beaches and Bays

The Mission Beach boardwalk and seawall are San Diego icons that have been enjoyed by San Diegans and visitors for many decades and are utilized daily for recreational activities. The Mission Beach seawall provides vital protection of life and property from flooding during large ocean storms. Built in the 1920s, the Mission Beach seawall is approaching its 100<sup>th</sup> anniversary. With years of neglect, it is in desperate need of repair. It is extremely important to me that the City invests in maintaining this important and historic structure.

Fire pits have been a part of the San Diego experience for decades and continue to provide priceless memories for locals and visitors. For the past two years, a coalition of nonprofits has funded the fire pits through generous donations. If private funding is not available in Fiscal Year 2013, it is crucial to identify permanent funding for these cherished community assets.

Dedicated in 1983, the 68-acre Sunset Cliffs Natural Park is a national treasure that must be preserved for the future. Excessive erosion of the cliffs is the result of significant water runoff. Recently the *Union-Tribune*<sup>3</sup> reported that these cliffs have been named one of the nation's top five most disappearing places. To prevent further erosion from unmitigated water runoff, the City must continue its commitment to protect this natural wonder.

KF:km

cc: Honorable Mayor Jerry Sanders  
Honorable Jan Goldsmith, City Attorney  
Honorable Councilmembers  
Andrea Tevlin, Independent Budget Analyst  
Eduardo Luna, City Auditor

<sup>3</sup> Lee, Mike. "Disappearing Park in Need of Erosion Control." *San Diego Union Tribune*. 7 January 2012

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**OFFICE OF COUNCILMEMBER TODD GLORIA  
COUNCIL DISTRICT THREE**

**M E M O R A N D U M**

DATE: March 2, 2012

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Todd Gloria, Third Council District *Todd Gloria*

SUBJECT: Council District Three Budget Priorities for FY 2013 and Recommendations for City Council Policy and Program Measures for FY 2013 and Beyond

I am submitting the following items as recommended priorities for the FY 2013 City budget. San Diegans have dealt with the challenges brought on by the City's fiscal difficulties for years. As pleased as I am that the economy is improving and our reforms are reaping benefits for taxpayers, I believe fiscal restraint is appropriate. My priorities are a) for San Diego to never have a structural budget deficit again, b) to remain focused on core services like public safety and infrastructure, and c) to make economic development investments that help create jobs. The following recommendations are made should additional efficiencies and reforms be achieved and savings found, with the recognition that we must continue to meet our long term financial obligations and live within our means while we strive to provide excellent service and quality of life to the residents of San Diego. I look forward to working with you, the public, my Council colleagues and the Mayor to develop another responsive and responsible budget for the next fiscal year.

**FY 2013 BUDGET PRIORITIES**

**PUBLIC SAFETY: POLICE, FIRE, INFRASTRUCTURE, CODE COMPLIANCE, ETC.**

- **Police.** Despite what recent crime index data may show, residents in our core urban communities are increasingly alarmed by the number of robberies, assaults and other violent crimes in their neighborhoods. Several key preventive steps will help address these concerns, such as continued support and funding for Community Service Officers, Community Relations Officers, the Multicultural and other Neighborhood-based Police Storefronts, as well as continued investment in graffiti eradication. In addition, we must continue to make the recruitment and retention of highly-qualified police officers a financial priority. While I support the Mayor's efforts to add 15 more cadets to the next police academy, I ask that he also consider and analyze the cost benefit of the restoration of the Department's civilian positions. The restoration of civilian staff will allow existing sworn officers to return to patrol duties and will also address findings in a recent performance audit of the Permits and Licensing Section of the Department.
- **Fire-Rescue.** We have learned painful lessons from the tragic 2003 and 2007 wildfires and the decommissioning of fire engines and must invest as much as we can in fire prevention and fighting resources. For these reasons, I support the Mayor's

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recommendation to fund the one-time expense for the replacement of an outdated fire station alerting system to ensure that our City's 47 fire stations are connected to the dispatch center. I also support a one-time \$1,000,000 expenditure to fund a new fire boat. Both firefighting vessels used by San Diego lifeguards are often out of service for maintenance and repair, vastly decreasing their availability to help safeguard San Diegans and visitors along our coastline. The funding of a fire boat is included in the Fire-Rescue Department's budget plans in the next five years, and moving the purchase date to FY 13 should be considered as long as other core public safety programs are not jeopardized.

Additionally, the Fire-Rescue Department expects 80 personnel to retire from service in March 2012. The application process is underway for a fire academy this summer, which will be the first since 2009. An additional fire academy, at the cost of approximately \$1,050,000 in FY 13 will help the City maintain an appropriate level of staffing to keep our residents and visitors safe.

- **Infrastructure.** Smooth roads and reliable sewer and water pipelines are also critical public safety issues. As the Council considers alternatives for ongoing financing of our municipal infrastructure and closing infrastructure deficits, it must prioritize the maintenance and upkeep of its current assets. I ask that the Mayor commit any remaining surplus (currently estimated at \$8,000,000) to increasing cash funding of deferred capital projects. Based on the deferred capital funding options proposed by his staff, this additional allocation would increase deferred capital cash funding in FY 13 from \$45,800,000 to \$54,100,000, and would achieve the "status quo" funding level for O&M deferred capital projection in FY 13. This additional investment could, for example, fund the resurfacing of sixteen additional miles of streets.

In addition to General Fund O&M expenditures, I ask that the other funding sources often used to address our deferred capital and infrastructure needs also be identified and credited toward our infrastructure investment in the upcoming budget—i.e. Water/Sewer and Golf Enterprise Funds, Mission Bay and Regional Park Improvement Funds.

I believe that these focused investments and systemic reform will take us one step closer to achieving a sustainable capital infrastructure and maintenance program so that the City no longer falls behind in caring for its assets.

- **Neighborhood Code Compliance.** The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. For too long, the staffing levels in the Division have been dismal and enforcement priorities have been adjusted downward to keep pace. I ask that the resource capacity of the department be analyzed and considered for additional funding in FY 13.
- **Tree Maintenance.** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District. Funding for uniform maintenance of trees on public property should be restored to the City's budget in FY 13.



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### **NEIGHBORHOOD SERVICES: LIBRARIES, PARKS AND RECREATION, ETC.**

The coming year's budget must seek to improve the current levels of services to citizens in areas that are key to quality of life, especially in older, urban areas of the City. There should absolutely be no reduction of hours or personnel at parks and recreation centers or libraries.

- **Libraries.** It is clear that the public highly values these facilities. I support the Mayor's recommendations to increase operating hours at all 35 branch libraries in the City by an additional four hours per week, bringing every library up to 40 hours per week. I ask that the issue of high vacancies and upcoming retirements be aggressively addressed so that the department is staffed and resourced at its budgeted levels in FY 13.
- **Parks and Recreation Centers.** There are numerous community benefits created by parks and recreation centers. They make communities desirable places to live, work, play, and visit, thereby contributing to the ongoing economic vitality of communities throughout our country. The programming promotes healthy lifestyles, deters crime, and helps our youth develop into contributing members of our communities; and the greenways and open spaces are critical components to protecting and preserving our natural environment. For these reasons, I am supportive of the Mayor's recommendation to add five hours per week to operations at all of the City's 55 recreation centers. On January 30, 2012, the Department Director notified Council that the Department is anticipating a large number of retirements and would be experiencing vacancies in supervisory and managerial positions. I ask that this matter be aggressively addressed to ensure that the department is staffed at its budgeted levels in FY 13.

### **JOB CREATION AND ECONOMIC DEVELOPMENT: REDEVELOPMENT, LAND USE, AFFORDABLE HOUSING, HOMELESS PREVENTION**

- **Redevelopment.** The City potentially faces fiscal challenges as a result of the dissolution and unwinding of the City's Redevelopment Agency. Estimated impacts to the budget are unknown at this time, but could possibly impact the annual debt service to Petco Park; costs associated with the expansion of the Convention Center Phase II; the City's Community Development Block Grant repayment to the U.S. Department of Housing and Urban Development; and repayment for general long term debt owed to the City. Despite this uncertainty, we do know that the City has lost a dedicated funding source for neighborhood investment, blight removal and revitalization. I encourage the Mayor and Council to collaborate on creating a local economic development and redevelopment program that will continue the efforts of the former Redevelopment Agency. We must begin by approving a transition plan for the Redevelopment Department of the City, CCDC and SEDC and analyze potential costs of sustaining a new program.
- **Community Plan Updates.** I am pleased to see the Mayor's recommendation for continued funding for the updating of community plans. These plans serve as community-specific "Land Use Constitutions" and establish the vision for long-term growth. As we continue to grapple with the elimination of redevelopment agencies, this is a wise investment to keep these plans updated in order to attract investment and appropriate infrastructure and development to our neighborhoods.
- **Affordable Housing Funding.** Due to the impacts of the State's elimination of redevelopment and as the state-issued Proposition 1C bond proceeds run out, it is necessary now, more than ever, to create a permanent source of funding for the preservation and development of affordable housing. At the very minimum, the Mayor and Council must finish the discussion and make a policy decision on Commercial Linkage Fees.

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- **Public Facilities Financing Plans.** The Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration in advance of the release of the FY 13 budget. For example, the Mid-City PFFP update was completed approximately three years ago. The City adopted the FY 2010 budget without first adopting the new PFFP, and we're nearing adoption of the FY2013 budget, also without benefit of the new PFFP. Approval of these plan updates could result in additional revenue for the Facilities Financing Division and also increase their reimbursement of administrative expenses from Development Impact Fees.
- **Infrastructure Financing Districts/Special Assessment Districts.** The City should fund an adequate level of resources to assist individual neighborhoods in the formation of special assessment districts. With the elimination of redevelopment tax increment, this is an investment the City can make to allow each neighborhood to determine the level of City services and infrastructure they are willing to fund on their own.
- **Neil Good Day Center.** Identifying \$500,000 to operate the Neil Good Center for FY 13 would be a smart investment. The Neil Good Day Center provides the critical function of giving San Diego's homeless individuals a safe and clean location to spend their days, take showers, receive mail and secure assessment, counseling and information and referral services. In addition to the direct benefit of helping break the cycle of homelessness, the positive impacts for the City are great. Without the Neil Good Day Center, San Diego's homeless would have no choice but spend days on the streets of local neighborhoods, decreasing the likelihood of obtaining needed services and potentially increasing the need for law enforcement and Neighborhood Code Compliance activities.

### RESPONSIBLE GOVERNANCE

- **City Reserve Policy.** With the adoption of an updated Reserve Policy for the City, the Council and the Mayor established prudent goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals for providing "rainy day" protection for the City.
- **General Fund User Fee Policy.** In 2009, the City Council adopted a comprehensive General Fund User Fee Policy to assist with determining the appropriate level of user fees for services and related cost-recovery revenues. The Policy was intended to require a fee review and adjustment process as part of the City's annual budget process. I am concerned that this process is not being followed. Annual inflationary or other technical adjustments to fees should be considered each year as part of the budget process. The City must achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees. Additionally, I recommend that the User Fee Policy be revisited and amended as appropriate to ensure conformance with Proposition 26 which was approved by voters in November 2010.
- **Compliance with Mandates and Other Best Practices.** On several occasions in the past year, the City has found itself unable to meet its responsibilities to monitor, audit, and review its activities. In a number of cases, lack of sufficient staffing has been given as the reason for this failure. We must provide sufficient funds for staffing for such activities as producing the City's annual audits, maintaining prudent internal controls on financial transactions, ensuring equal opportunity in our contracting program, and complying with the requirements of all state and federally funded programs.
- **Vacancies.** Provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core city services. The City must aggressively fill vacancies and find



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efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels.

- **Transparency, Reform and Efficiencies.** The Mayor and City Council must continue to examine departments for greater efficiency and innovation. Examples include the implementation of streamlining of Capital Improvements Program to complete projects at a quicker pace, diversify the workforce and increase City staff capacity. I also support and encourage efforts to make the City's website more business and user friendly.

### OTHER ISSUES FOR CONSIDERATION

- **Encourage Corporate Sponsorships and Public-Private Partnerships.** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These Partnerships are sure to benefit our taxpayers and strengthen our General Fund.
- **New Revenues.** It comes as no surprise that with the current revenue structure, the City has insufficient income to maintain services at the levels desired by our constituency. This was the case even during healthier economic times. The public has indicated they will no longer accept reduced levels of neighborhood services. I urge the Mayor and my colleagues to begin discussions regarding a potential Infrastructure Financing Bond to narrow our focus on revenue options that would best serve our General Fund and address our infrastructure needs.
- **2015 Balboa Park Centennial.** Council Policy 100-03 indicates that recommended funding levels for all categories and specific program funding for Citywide Economic Development, Safety and Maintenance of Visitor-Related Facilities, Capital Improvements, and Major Events will be made by the Office of the City Manager/Mayor. I ask that \$50,000 in Transient Occupancy Tax funding be identified to assist in the planning effort for the 2015 Centennial Celebration in Balboa Park. Additional funds should be added to project this budget year and each year thereafter. The funds should be recommended for deposit into the Major Events Revolving Fund so that it may be used to cover permitting costs and other City expenses for the Celebration.
- **Bidder Registration System.** In August 2007, the Mayoral Equal Opportunity Task Force requested that the Purchasing and Contracting Department develop a mandatory, automated, online centralized bidder registration system for all bidders, contractors, sub-contractors and vendors which would measure availability, utilization and disparity of disadvantaged business enterprises of all kinds and would outreach to all segments of the business community.

The FY 12 budget included \$900,000 for implementation of the Supplier Relationship Management module in SAP as a start to creating a fully functional SAP bidder registration program. To date, the City has not put the SRM module into use. I ask the Mayor to prioritize implementation of this critical outreach tool which would assist in our efforts to streamline CIP projects and service delivery. Should future budgets continue to look optimistic, it would be prudent to phase in the remaining funding to once and for all, allow the City to launch an SAP bidder registration system that is fully functional with abilities beyond SRM.

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### CITY COUNCIL POLICY AND PROGRAM MEASURES FOR FY 2013 AND BEYOND

Thank you for introducing this new concept of City Council Policy and Program Measures. I am completely supportive of this new tool and look forward to highlighting performance metrics and service trends from City operations that are of high interest to the Council and the community. These measures will allow and encourage us as policy makers to assess effectiveness in addressing issues pertaining to quality of life in the City.

I am supportive of the measures proposed in *IBA Report No. 12-08* and encourage a more outcome-based approach. Additionally, I recommend the use of broader trends. I am providing the following as an example of the general categories I seek to monitor:

#### **Business and Economic Development**

- Job Creation
- Urban Renewal/Vibrancy
- Economic Development

#### **People and Community**

- Public Safety
- Civic Pride
- Culture, Arts and Recreation
- Clean Healthy Environment

#### **Governance and Service**

- Finance
- Civic Investment
- Workforce
- Efficient, Effective, and Economical Government

#### **Growth and Development**

- Transportation
- Sustainability
- Development Review
- Livability

I'd like to conclude by thanking and acknowledging you and your staff. Your guidance in consolidating our priorities will ensure that Council once again asserts its role early on, resulting in a more collaborative, better informed and more effective budget process. I have great confidence that we will join together to establish another responsible spending plan reflective of true community priorities for FY 13.

TG:pi

## Attachment A



**CITY OF SAN DIEGO  
OFFICE OF COUNCIL PRESIDENT ANTHONY YOUNG  
FOURTH COUNCIL DISTRICT**

**DATE: March 1, 2012**

**TO: Councilmember Todd Gloria, Chair Committee on Budget and Finance  
Andrea Tevlin, Independent Budget Analyst**

**FROM: Council President Anthony Young**

**SUBJ: Budget Priorities for Fiscal Year 2013 Budget**

It was great news that the structural deficit as we knew it has ended. As we begin this new era of developing and maintaining a disciplined budget based on spending priorities, I am recommending the following spending priorities:

Expansion of library hours from the proposed 40 hours per week to 48 hours per week.

Expansion of park and recreation center hours and include installing free Wi-Fi access in all park and recreation centers.

Additional funding to the police department for technology equipment that enhances their ability to be more efficient and effective while on patrol.

Additional funding of at least \$500,000 for Life Guard services to address the need for additional lifeguards, relief positions, training and outreach.

It is very clear that we continue to take action on recommendations from our Menu of Budget options that will provide savings and additional sources of on-going revenue. Additional on-going resources will assist with enhancing our fire departments and provide additional funding for street repairs and addressing other infrastructure needs.

I am very encouraged by this Council's actions towards developing FY2013 budget recommendations that are balanced, protects public safety, provides for additional park and library services, and provides for various city services with limited resources. I look forward to us continuing our efforts to do even more in 2013 and beyond.

I support the IBA's recommendations contained in her report on city policy and program measures for FY2013 and beyond. Highlighting city service trends that reflect performance measures go hand in hand with our new approach of a budget based on spending priorities that the public can easily see and understand.

## Attachment A



City of San Diego  
**CARL DEMAIO**  
CITY COUNCILMEMBER - DISTRICT 5

### MEMORANDUM

DATE: March 2, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Carl DeMaio   
RE: Fiscal Year 2013 Budget Recommendations and Priorities

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At the request of Councilmember Todd Gloria, Chair of the Budget and Finance Committee, I am submitting my budget priorities for fiscal year 2012-2013.

Last week, San Diego taxpayers were told that the City has a \$16.5 million surplus. As I expressed at this week's Budget Committee meeting, I encourage my colleagues on the Council to address the realities of our fiscal situation.

I am pleased to see the City on better financial footing than we have been in recent years. However, the unfortunate reality is that **we are still very much in the middle of a fiscal crisis**. Just this month we learned that the City's backlog of deferred maintenance on streets, storm drains, and facilities has grown to almost \$900 million. It is also anticipated that infrastructure conditions will continue to get worse over the next five years.

My initial priority in this year's budget process will be for complete openness, honesty, and transparency about the fiscal realities facing San Diego.

For years I have called for the inclusion of the infrastructure deficit in the City's budget so that we have a full measure of our financial situation. Just as the pension system's ARC is displayed as a line-item in the budget, proper funding for streets and other infrastructure should be viewed by Mayor Sanders and this Council as a required payment each year.

I also encourage the Council to address the realities of our pension system's \$2.2 billion unfunded liability, as well as retiree healthcare liabilities. In addition to the infrastructure deficit, these items are frequently not addressed when discussing our budget outlook. I encourage my colleagues to include these items in our discussion of the FY2013 budget.

Additionally, I continue to ask my colleagues to pursue cost-savings and efficiencies by encouraging the use of volunteers, public-private partnerships, and other means. I believe that we can begin restoring city services at lower cost than before by utilizing innovative new ways to deliver services to taxpayers.

## Attachment A




City of San Diego  
**CARL DEMAIO**  
CITY COUNCILMEMBER -DISTRICT 5

### MEMORANDUM

DATE: March 2, 2012

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Carl DeMaio 

RE: Fiscal Year 2013 Performance Measure Recommendations

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I am very glad to see the City Council embracing the use of performance measures to evaluate the delivery of city services. At the request of Councilmember Todd Gloria, Chair of the Budget and Finance Committee, I am submitting my recommendations for City Council program measures for FY 2013.

The report which your office released on February 3, 2012, made a very important observation: the annual budget provides very little in the way of performance metrics.

I encourage the City Council to press for the inclusion of performance data for every city department in the annual budget. Just as we are provided budget adjustments year-by-year for each department, the public should be able to easily determine if the city is getting better or worse each year in the delivery of services. This will only be done through the development and reporting of key performance data.

In the category of "Human Resource Trends," I also recommend the inclusion of overtime, bonuses, and specialty pay broken down each year. In addition, Financial Management should provide detailed compensation information on police, fire, lifeguards, and general employees each year. It is important to determine how much overtime is being utilized to carry out the performance of city activities so that we can get a comprehensive picture of city staffing year-by-year and make appropriate adjustments.

## Attachment A



### MEMORANDUM

**DATE:** March 2, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember Lorie Zapf- Council District 6  
**SUBJECT:** Budget Suggestions for FY 2012/2013

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Below is a list of Council District 6 priorities and identified savings options (not in a ranked order) that I would like to see included in the upcoming budget discussions:

- 1. Use Anticipated IT Contract Savings to Fund Online Services:** There are more than 70,000 small businesses in the City of San Diego, which make up 92 percent of all businesses in the City.<sup>1</sup> For these reasons, it is imperative that we do everything we can to help and encourage small business growth. As part of last year's budget the City re-instituted a small business liaison position within DSD to help small business owners to expand, improve, and grow their businesses. The ED&S committee has been having discussions on ways to automate and move online permit processing and other DSD functions in order to create a more small business-friendly structure and make the process streamlined, efficient, and less costly. This year as the City finalizes its Informational Technology contract it would be worthwhile to explore using part or all of the savings generated by the new RFP to pay for the costs of moving a number of customer interactions online.
- 2. Flexing Library Hours:** Even with the Mayor's decision to use some of this year's surplus to expand library hours, City libraries will only be open 40 hours a week. Currently, their hours open have been left entirely to the discretion of the library department staff. Staff has chosen to have every library open during the exact same hours and for many communities some of the traditionally highest use hours have been neglected (in particular Sundays). As noted in our memo from May of last year, it may be possible to spend almost the same amount of money and increase the level of service we provide to our residents. Because our libraries are staffed by an average of 4.5 FTEs per branch there is some room for flexing staff out so that the entire staff is not working all of the same hours. The IBA, in a previous budget proposal prior to the May Revise, suggested Express Service for some libraries. It may be that adjusting to an express model at the beginning and at the end of the day for an hour or two will allow us to extend branch hours each day by two to four hours. While it may

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<sup>1</sup> City of San Diego Economic Development Department. Small Business Assistance website. [www.sandiego.gov/economic-development/business-assistance/small-business/](http://www.sandiego.gov/economic-development/business-assistance/small-business/)



## Attachment A

be necessary to bring on a few extra librarians for relief purposes to cover vacations and sick leave, the cost would be worth it to expand library hours system wide.

3. **Mini Targeted Community Plan Updates:** Because of the City's budget woes many of our community plan updates have been put on hold. In LU&H over the next six months we will be exploring whether smaller targeted plans could be crafted and expedited for important commercial and industrial areas to increase economic development.
4. **Decrease SDCERS Overhead Costs:** A recent audit performed by the Office of the City Auditor demonstrated that overhead costs from SDCERS were considerably higher than other like-sized systems. It behooves the Council and the City Attorney to negotiate with SDCERS to bring these costs down. Because some of the costs are tied to existing litigation, the City in closed session should determine via cost analysis the viability of the litigation. Decreasing the overhead costs could save the City several million dollars.
5. **Replace Lifeguard Fireboat:** In a memo from February 15, Councilmembers Faulconer and Lightner joined me in asking the Mayor's office to fund a new Fireboat for the City's Lifeguards. The City of San Diego's aging fireboats are in dire need of replacement. The City currently houses two fireboats in Mission Bay that are crucial to lifeguard operations, including the ability to fight boat and dock fires along the San Diego coast. In addition, fireboats are a key fixture in the ongoing training of San Diego's lifeguards. We requested approximately \$1 million in one-time use funds to equip San Diego's lifeguards with one new fireboat. We believe that the purchase of a new fireboat is the most cost-effective solution for the City of San Diego, instead of continuing to pay for major ongoing repairs to our fireboats.
6. **Reform of Purchasing and Contracting:** Yesterday the City Auditor issued a performance audit of the Purchasing and Contracting Department that identified several issues. While I am not usually supportive of funding consultants, the City should bring in an outside consultant to help the new Director redesign our current purchasing and contracting process. Not only will a redesign have the potential to save money but it could speed up the process, encourage accountability and reduce liability by better matching processes with state and federal law.
7. **Changing the Work Week for Non-Public Safety related Functions:** Last year the IBA suggested that the City explore a 4 day/10 hour work week as a way to save costs. The City should explore this alternative for some departments as well as a 9 day/80 work period as exists in some local governments.
8. **Managed Competition for Trash Collection:** In the coming Fiscal Year the City should pursue a Managed Competition for Trash Collection Services. Even a 10% savings in this department would result in \$3 million annually in savings.
9. **Manage Aggressively the Disability Program:** The City should consider bringing in an outside firm to perform aggressive disability audits to identify and prevent potential fraud, as well as developing a more active W-2 spotting program. Even if we achieve only minimal savings, the City will head off potential scandals that have plagued other local governments.

signed: AT  
d.c. - staff  
VM 3/5/12

**Attachment A**



**CITY OF SAN DIEGO  
COUNCILMEMBER MARTI EMERALD  
DISTRICT SEVEN**

**M E M O R A N D U M**

REF: M-12-03-01

**DATE:** March 2, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember Marti Emerald *Marti Emerald*  
**SUBJECT:** FY2013 Budget Priorities

In light of the budget cuts set forth in past years, I am very encouraged by increased revenues and budget revisions that will better protect and restore public safety and neighborhood resources.

I have outlined budget priorities that will keep tax dollars focused on core city services and provide accountability to the tax payers. They include funding:

- 1) **Citygate Working Group 5 Year Plan Recommendations** - In order to stay on track to complete the recommendations outlined in the report the City will need to fund \$17.9M in FY2013.
- 2) **Restoration of Lifeguard Services** - Currently the City's Lifeguard Services Department is lacking the necessary resources to ensure the highest level of safety at our beaches and bays. I would like to see the FY2013 budget include funding for lifeguard wellness, a new fireboat in Mission Bay and 3 lifeguard relief positions.
- 3) **Police & Fire Academies** - Our Fire-Rescue Department is currently short 65 firefighters and is projected to be down over 80 firefighters after March 2012. To ensure sufficient fire safety I would like the FY2013 budget to include least two fire academies. As well, the Police Department has steadily been losing sworn officers for several years and Police Academies will need to be funded.
- 4) **Restoration of all Revenue Generating Positions** - Over the past few years the City has cut revenue generating positions from its budget. These positions include grant writers & enforcement officers who provide more revenue than the cost of their position. I would like to see a comprehensive report that outlines all revenue generating positions that have been cut and the loss of revenue associated with the position. All positions that are cost neutral or better should be restored immediately.
- 5) **Issuance of a Public Safety Bond** - In 2002 the City of San Diego issued the Fire & Life Safety Facilities Lease Revenue Bonds for the construction of various lifeguard & fire station improvements. The Citygate Report has indicated that the City of San Diego needs a minimum of 10 new fire stations. Some of these new fire stations could also include police storefronts and help us rebuild our community policing efforts.

**Attachment A**

Page 2  
Councilmember Marti Emerald  
March 2, 2012

- 6) **Increasing Library and Park & Recreation hours and programs** – As we are able, I would like the City to restore library & recreation center hours. The mid-year budget amendment is a good start but we need to do more as our budget allows.

In closing, I look forward to approving a FY2013 City budget that responds to community concerns and focuses on funding our core city services, most notably public safety.

ME: de

**Attachment A**

Original: Andrea  
cc: alv  
um 3/5/12



**COUNCILMEMBER DAVID ALVAREZ**

City of San Diego  
Eighth District

**MEMORANDUM**

**DATE:** March 2, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember David Alvarez  
**SUBJECT:** Budget Priorities for Fiscal Year 2013

For the purpose of discussion during the City Council's upcoming budget review process, below is a list of my priorities for the next budget year:

**General Fund Budget:**

- **Restoration of Lifeguard Positions and Resources:** Our beach and coastal areas are visited by tens of thousands of people every year, which requires the need for the city to provide adequate lifeguard services to ensure a safe environment for those visitors. However, the city's lifeguards have seen numerous cuts to their staffing and resources in recent budgets. The following positions and resources should be restored:
  - Three Relief Positions
  - Scheduling/Administrative Sergeant
  - Training Coordinator
  - Outreach and Recruitment Lifeguard
  - Lifeguard Captain/Operations personnel
  - Fire/Multipurpose vessel
  - Wellness Program
  - Boating Academies
  - Fireboat repair and replacement



## Attachment A

- **Implementation of Citygate Working Group Five-Year plan:** The update to the five-year plan at the January 25, 2012 PS&NS meeting outlined the funding needs for Year 2 of the implementation plan. In order to provide proper fire and life safety to San Diegans, the City must continue to stay on target with these funding needs. Each item from Years 1 & 2 of the plan should be funded in FY13.
- **Two Fire Academies for FY13:** Fire-Rescue Department staffing levels need to be increased as many employees have been subject to mandatory callbacks to fully staff fire engines. In order to address the current and projected shortfall in staffing, at least two academies should be funded for FY13.
- **Restoration of Civilian Positions in the Police Department:** Cutting civilian positions within the Police Department has a direct impact on sworn police officers' ability to be actively patrol our neighborhoods. Police support staff are vital and need to be retained so that our sworn officers are free to have a greater presence in our communities.
- **City Auditor Staff Position and Software Enhancements:** It is important that we continue to increase the staff resources of the City Auditors Office. The City Auditor's ability to conduct comprehensive audits on various city departments and functions is vital in promoting accountability, efficiency and transparency in our city government. As such the FY13 budget should add at least one performance auditor position and allow for the procurement of an automated work paper software system. The software is common in the industry and will reduce the amount of staff time required on each audit.
- **Public Access to Council Docket Materials:** It is important that the Council support the City Clerk's efforts to increase public access to Council dockets and streamline the distribution of docket material to the Council. To do so the FY13 budget should include:
  - Reclassification of the Council Administrator II (CA II) position to an ISA position in an effort to launch, maintain and improve upon public access initiatives spearheaded by and residing in the Office of the City Clerk;
  - Adequate funding for the annual licensing fees of an iPad application to give current docket binder users the ability to create an annotated version of the Docket and backup materials in support of the Office of the City Clerk's transition to a near-paperless docket.
- **Support Staff for Managed Competition Processes:** Managed competition is an important tool the City has in achieving efficiency and budgetary savings. As such, the Business Office should add a staff position to ensure that functions going through managed competition are able to do so efficiently and effectively. Additionally, the Independent Budget Analyst should add an additional staff position in order to effectively monitor and report to the Council on functions going through managed competition.
- **Neighborhood Parks and Recreation Centers Prioritization:** Neighborhood parks and recreation centers throughout the city provide safe areas for recreation and family activities. The community parks that receive the most use, and therefore require higher levels of upkeep and

## Attachment A

maintenance, should be prioritized in the budget.

- **Expansion of Marketing Partnership Program:** In the last year I have been impressed with the city's efforts to enter into marketing partnerships, which helps bring in much needed funding for various city services. I believe investing in an expansion of city efforts to find additional partnerships will yield greater benefits to the general fund.
- **Community Plan Update Funding:** Continuing to update our community plans throughout the city is vital in providing a clear vision for the development preferences of each community. Allowing a process that brings all stakeholders to the table can only result in better planning within our communities. Funding for community plan updates needs to be retained and expanded to the fullest extent possible in order to allow our communities to properly plan for development and community amenities.

### Capital Improvement Program Budget:

- **New San Ysidro Library:** The current branch library in San Ysidro is one of the oldest (built in 1931), smallest (3,000 square feet) and outdated library facilities in the entire city. The construction of the new library has been long delayed. A site has been secured and the design and construction of the library needs to be funded. It is critical that this is a priority Capital Improvement Project in FY13.
- **Initiate Capital Improvement Project for La Media Road Improvements:** La Media Road, between I-905 and Siempre Viva Road in the Otay Mesa community, is a route used by commercial vehicles accessing the border. Significant improvements (such as widening) are required on La Media Road as the city moves forward with plans to improve the road, provide better access to commercial vehicles crossing the border and addressing significant flooding issues, which often make the road impassable. Currently, no CIP exists to address these deficiencies, which has prevented the project from moving forward and has hampered the city's ability to better facilitate international commerce.
- **Initiate Capital Improvement Project to Design Southwest Neighborhood Park in Otay Mesa/Nestor:** The City owns undeveloped park land on 27<sup>th</sup> Street in the Otay Mesa/Nestor community. The design and development of the 11.4 acres into a Neighborhood Park was first proposed in 1992 and would provide much needed park space and be of great benefit to all members of the community. Children from Southwest Middle School as well as condominiums, apartments, and mobile homes within walking distance would benefit from the use. Currently no CIP exists for this project and in order to move forward funds need to be dedicated to the design of the park.
- **Increase Number of Joint Use Park Facilities:** A number of areas throughout the city lack park space for residents to utilize. Partnering with local school districts to share the construction and/or maintenance and operation costs is an excellent way to open up existing or proposed park space to neighborhoods when the area is not being used by the school. Pursuing such



## **Attachment A**

partnerships, particularly with school districts which currently do not have agreement with the City, should be a goal in the upcoming year.

- **Pursue Outside Funding Opportunities for Capital Improvement Projects throughout the City:** As the city looks to identify funding for capital improvement projects, I believe both private and public (local, state and federal) funding sources should be actively pursued for projects not yet fully funded.

DAA/ks



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THE CITY OF SAN DIEGO

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** March 15, 2012

**IBA Report Number:** 12-12 REV

**City Council Docket Date:** March 19, 2012

**Item Number:** 150

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## FY 2013 City Council Budget Priorities

### OVERVIEW

On November 8, 2011, the City Council adopted the schedule of key dates for the Fiscal Year 2013 budget development process, which included hearings for Council input into the process. Budget & Finance Committee Chairman Todd Gloria requested Councilmembers to submit their individual budget priorities for the Fiscal Year 2013 Budget to the Office of the IBA by March 2, 2012.

This report compiles the individual budget priorities of each Councilmember as stated in each memorandum. These memoranda from Councilmembers are provided as Attachment Two to this report. Common themes have been identified to represent the budget priorities of the entire City Council. These themes will serve as the basis for the Budget Priorities Resolution to be adopted by City Council, and subsequently forwarded to the Mayor for his consideration as he develops the FY 2013 budget.

The Budget and Finance Committee reviewed the priorities compiled by our office from all eight Councilmember memoranda, and provided additional input and revisions to the priorities and outcome measures attached to this report. Committee member input has been incorporated into this revised report for City Council review and discussion at its meeting on March 19, 2012. The IBA requests that Council provide any additional input on these priorities highlighted below prior to adoption of the priorities resolution and submission of this report to the Mayor for his consideration in the FY 2013 Proposed Budget.

### FISCAL/POLICY DISCUSSION

#### FY 2013 City Council Budget Priorities

The Councilmember memoranda focused on continuing to provide increased services to the citizens of San Diego through efficiencies and effectiveness. Another theme consistent throughout was the continued emphasis on responsible and transparent governance and fiscal stability. As stated in Councilmember Todd Gloria's memorandum, the primary goal for the

**OFFICE OF THE INDEPENDENT BUDGET ANALYST**  
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## **Attachment B**

continued responsible governance is to assure the City never faces a structural budget deficit again. To achieve these goals, our Office continues to emphasize the eleven guiding principles adopted by City Council on February 22, 2010 (Attachment Three) for eliminating the structural budget deficit, including the maintenance of sufficient reserves.

In reviewing the memoranda submitted by each Councilmember, it became clear that many areas were consistently mentioned as budgetary priorities, either specifically or that could be captured in one of the following six categories:

### **Funding of Public Safety**

Adequate public safety spending for Fire-Rescue, Police, Lifeguards, and Neighborhood Code Compliance has been of significant Council concern during budget discussions, and the majority of Councilmembers have once again reflected this in their priorities. Priorities relating to funding of public safety in the memoranda include the following:

- Restoration of civilian positions within the Police Department (including Community Service Officers and Investigative Aides) to allow sworn officers to return to patrol duties
- Support for increasing 15 police recruits in the April academy as outlined in the FY 2012 Mid-Year Budget Monitoring Report. There is also support for a further increase in both Police and Fire-Rescue recruits / academies in FY 2013
- Restoration of previous Lifeguard cuts, including: 3.0 lifeguard positions, for training and outreach
- Review of the current capacity of the Neighborhood Code Compliance program, and providing additional funding to this division if they are unable to achieve desired service levels
- Consideration of implementing recommendations included in the Citygate Report for additional Fire-Rescue department resources
- Councilmembers have also supported the Mayor's recommendation for the final \$2.7 million investment in the fire alert system in FY 2012 to improve public safety and response times

### **Continued Restoration of Service Levels**

Due to the extreme budget constraints faced by the City after the onset of the economic recession, service levels throughout all City departments were reduced to balance the General Fund budget. As evidenced by the identified surplus in the FY 2012 Mid-Year Budget Monitoring Report, revenues have increased above budgeted amounts and a corresponding increase in revenues can be reasonably assumed for FY 2013 above previous levels forecasted in the latest Five-Year Financial Outlook. Based on the projected continued increase in revenues, Councilmembers have identified potential restoration of services in addition to possible efficiencies that would allow increased service levels. Some of these items included in the memoranda are as follows:

- Maintain and possibly increase the hours restored for Park & Recreation and Library in FY 2013 (increased in the FY 2012 Mid-Year Report)
- High vacancies reported to Council in the Library and Park & Recreation departments should be aggressively addressed through streamlining to allow proper service levels with proposed expanding hours
- Continue reforms and efficiencies in every department to create the highest service levels possible at the best cost

## **Attachment B**

- Evaluation of “Express Service” model for each library to allow the same staff levels to expand hours beyond the level restored in the FY 2012 Mid-Year Report

### **Investment in Streets and Public Assets**

The City has identified approximately \$900 million in deferred capital backlog of projects. Addressing these deferred capital projects in the most fiscally prudent manner is a Council priority in FY 2012, with both Committee and Council actions underway for the financing and selection of capital projects to be undertaken. Based on responses included in the memoranda, this remains a top priority for FY 2013. Councilmember memoranda supported increased cash funding for deferred capital projects, including streets and other infrastructure. This includes support for the Office of the IBA’s recommendation to request the Mayor to include up to \$8.3 million from FY 2012 Mid-Year surplus for additional cash funding for deferred capital projects in the FY 2013 Proposed Budget. This would achieve the “status quo” O&M spending level of \$54.1 million.

### **New Innovations and Partnerships**

Numerous Councilmembers identified new initiatives and ways to benefit the City and General Fund by expending or creating new opportunities. Some of these items in the Council memoranda include:

- Look into the continued use of volunteers to supplement City services where possible
- Find public / private partnerships that would benefit the City through potential cost savings and efficiencies
- Expansion of city services online for businesses and individuals (possible use of anticipated IT contract savings)
- Converting work hours shifts to 4/10 or 9/80 for positions that are not public safety related
- Continued managed competition processes to create savings and more efficient services to citizens of San Diego
- Continuation of marketing partnership program for new revenue sources

### **Economic Development Replacement**

With the State’s elimination of redevelopment programs, the City Council has emphasized finding ways to create economic stimulus in local communities as a budget priority for FY 2013. Although the fiscal impact to the City based on the Redevelopment Agency’s dissolution is currently unknown, replacing the positive impact it had on the City and additional programs that were identified in the memoranda to spur economic development include:

- Funding sufficient resources in FY 2013 to allow neighborhoods to establish special assessment districts so residents can determine the level of services they choose
- Community plan update funding to create long term planning to spur development
- Reduction of permit fees for responsible businesses while penalizing negligent businesses
- Provide continued opportunities for local green businesses

### **One-Time Items**

The following one-time funding items, which have no recurring impact on the City’s General Fund, were identified by Councilmembers in their memoranda:

## Attachment B

- Funding for a new Fire-Rescue multi-purpose rescue boat to provide core life safety services
- Approximate \$0.5 million funding for the Neil Good Day Center for homeless services to continue operations to provide San Diego's homeless population certain benefits.
- Prioritization of the implementation of the Supplier Relationship Management module in SAP, and if budget allows, the implementation of a full bidder registration system beyond SRM
- Funding for new Police Department technologies that would allow increased public safety through communication and other means

### City Council Outcome Measures

On February 3 and March 14, 2012 the Budget and Finance Committee discussed a concept regarding the City Council identifying a focused subset of City performance measures, from the City's 279 existing measures, or new measures if necessary, which best represent City Council priorities and policies. Committee members expressed strong support for this idea and requested the IBA to obtain feedback from individual City Council members regarding specific measures. The Committee emphasized the importance of focusing on meaningful outcome-based measures which will give policy makers and the public the tools to assess effectiveness in addressing issues pertaining to quality of life in our community. The Committee also emphasized that this subset should not replace the 279 department measures which are vital to assessing efficiency and effectiveness of departmental operations.

The attached list of 66 performance measures (Attachment One) have been selected to represent City Council priorities in five broad areas: Community Services; Business and Economic Development; Infrastructure Maintenance and Enhancement; Environment and Sustainability; and Efficient, Effective, and Economical Government. As part of the FY 2013 Budget Priorities Resolution the Council requests the Mayor to join with them in embracing these priority measures by consistently tracking these, along with his other departmental measures, and making them highly visible to the public by publishing them in the Executive Summary of the FY 2013 final budget document, the City's website, and other public areas.

### CONCLUSION

It is recommended that the City Council review and approve, or amend as desired, the budget priorities highlighted in this report, which will serve as a basis for the FY 2013 City Council Budget Priorities Resolution. We also recommend that the attached City Council Outcome Measures be reviewed and included as part of this resolution.



Seth Gates  
Fiscal & Policy Analyst



APPROVED: Andrea Tevlin  
Independent Budget Analyst

- Attachments:
1. City Council Outcome Measures
  2. Councilmember Memorandums
  3. Guiding Principles for Elimination of the Structural Budget Deficit

ATTACHMENT ONE  
CITY COUNCIL OUTCOME MEASURES  
*Community Services*

	FY 2012	FY 2013
- Average Police Response Times:		
Priority E Calls		
Priority 1 Calls		
Priority 2 Calls		
Priority 3 Calls		
Priority 4 Calls		
- Sworn Officers per 1000 Population		
- Violent Crimes per 1000 Population		
- Sworn Firefighters per 1000 Population		
- Fire Response Times:		
% of Time a Multi-Unit Response of at Least 17 Personnel Arrives in 10:30 Minutes / Seconds from the Time of the 911 Call Receipt in Fire Dispatch		
% of Time the First-Due Unit Arrives in 7:30 Minutes/Seconds from the Time of the 911 Call Receipt in Fire Dispatch		
% of Time Ambulance Response Time Complies with Citywide Standards		
- Lifeguards per 1000 Population		
- Ratio of Drowning Incidents to Beach Attendance at Guarded Beaches		
- Annual Park and Recreation Program Attendance:		
Adult Programs		
Youth Programs		
Recreation Center Hours per Week		
Aquatics Program Hours per Week (during season)		
Annual Library Circulation per 1,000 Population		
- Total Library Hours per Week:		
Central Library		
Branch Libraries		
- Annual Library Program Attendance:		
Adult Programs		
Youth Programs		
- Number of Library Patrons Signed Up to Use the Internet at Library Computers		
- Number of Homeless Individuals Assisted in Winter Shelter Program		
- Annual Creation of New Affordable Housing Units		
- Percent of Code Enforcement Cases Acted on Within 30 Days		

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ATTACHMENT ONE  
CITY COUNCIL OUTCOME MEASURES

<i>Infrastructure Maintenance and Expansion</i>	FY 2012	FY 2013
<ul style="list-style-type: none"> <li>- Percent of Programmed Capital Improvement Projects Completed Of:</li> <li style="padding-left: 20px;">Total Funded Projects (Excluding Public Utilities)</li> <li style="padding-left: 20px;">Total Funded Deferred Capital Projects</li> <li style="padding-left: 20px;">Total Funded Public Utilities Projects</li> <li>- Percent of CIP Projects Completed On Time and Under Budget</li> <li>- Average Number of Days from Bid of CIP Project to Contract Award</li> <li>- Average Number of Days from Time of Award to Start Construction</li> <li>- Miles of Streets Resurfaced / Slurry-Sealed</li> <li>- Miles of Streets Overlaid</li> <li>- Miles of Bike Lanes Completed</li> <li>- Average Cycle Time to Repair / Replace A Streetlight</li> <li>- Percent of Potholes Repaired in 3 Days or Less</li> <li>- Percent of Storm Drain Structures Cleaned Annually</li> <li>- Number of Water Main/Pipeline Breaks</li> <li>- Number of Storm Drain/Pipeline Breaks</li> <li>- Average Cycle Time to Repair / Replace Sewer Mains</li> <li>- Average Cycle Time to Repair / Replace Water Mains</li> <li>- Sanitary Sewer Overflows/Amount of Overflow</li> </ul>		

<i>Business and Economic Development</i>	FY 2012	FY 2013
<ul style="list-style-type: none"> <li>- Number of New Businesses Permitted</li> <li>- Number of New Jobs Created by Sector: <ul style="list-style-type: none"> <li>Military</li> <li>Manufacturing</li> <li>Tourism</li> <li>International Trade</li> <li>Technology</li> </ul> </li> <li>- Private Sector Investment Dollars Generated by Economic Development Programs / Jobs Created</li> <li>- Number of Enterprise Zone Vouchers Issued</li> <li>- Average Cycle Time for Completing Plans Review</li> <li>- Average Cycle Time for Completing Development Inspections</li> <li>- Average Number of Days from Purchasing and Contracting RFP Issuance to Contract Award</li> <li>- Percent of Contracts, Based on Total Dollar Value, Awarded to SBLE's (Including Minority and Woman-Owned Businesses)</li> <li>- Conventions Booked and Held Annually</li> <li>- Annual Convention Center Visitors</li> <li>- TOT Revenue Generated Annually</li> <li>- Number of City Processes That Can Be Completed On-Line</li> <li>- Number of City Forms That Can Be Completed and Submitted On-Line</li> </ul>		

ATTACHMENT ONE  
CITY COUNCIL OUTCOME MEASURES

<i>Environment and Sustainability</i>	FY 2012	FY 2013
<ul style="list-style-type: none"> <li>- Tons of Household Hazardous Waste Diverted from Landfill</li> <li>- Tons of Recyclable Materials Diverted from Landfill</li> <li>- Average Waste Disposal per 1000 Population</li> <li>- Tons of Solid Waste Disposed at Landfill</li> <li>- Landfill Compaction Level</li> <li>- Number of Acres of Parks and Open Space per 1000 Population</li> <li>- Percentage and Frequency of Streets Swept</li> <li>- Average Gallons of Water Used per Day per 1000 Population</li> <li>- Average Gallons of Recycled Water Used Annually</li> <li>- Number of Users of All-Electric Vehicle Car-Share Pilot Program (Car2Go)</li> <li>- Percent Reduction of Carbon Footprint of City's Fleet</li> </ul>		

<i>Efficient and Effective Government</i>	FY 2012	FY 2013
<ul style="list-style-type: none"> <li>- General Fund Lease Revenue Bond Ratings</li> <li>- Public Utility Bond Ratings: <ul style="list-style-type: none"> <li>Water</li> <li>Wastewater</li> </ul> </li> <li>- Percent of Charter 39 Reports Issued On Time In Conformance With City Charter Requirements</li> <li>- General Fund Reserves (as a % of Total General Fund Revenues) Compared to Goal</li> <li>- Public Liability Reserves Compared to Goal</li> <li>- Workers Compensation Reserves Compared to Goal</li> <li>- Debt Capacity Ratio (General Fund Backed Debt Service as a % of General Fund Revenue)</li> <li>- Ratio of City Monetary Benefits from Audit Activities to Audit Costs</li> <li>- Annual Savings from Managed Competition/Outsourcing Processes</li> <li>- Annual Savings/Cost Avoidance from City- Wide Volunteerism</li> </ul>		

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** February 24, 2010

**IBA Report Number:** 10-18

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## **Guiding Principles for Structural Budget Deficit Elimination Plan**

The purpose of this report is to transmit the eleven Guiding Principles as amended and adopted by the City Council on February 22, 2010. These Principles will guide the development of a comprehensive plan over the next several months to eliminate the City's structural budget deficit. The Mayor's Office has committed to working with the Independent Budget Analyst, the Budget and Finance Committee and the full City Council in the development and implementation of this Plan.

On December 9, 2009 the City Council adopted resolutions recommended by the Mayor to enact \$179 million in General Fund budgetary reductions in order to address budget shortfalls projected for FY 2010 and FY 2011. City Council approval was predicated on the commitment to address and solve the City's ongoing budgetary imbalances. This action provided an 18-month "bridge" allowing the City to work to achieve further structural reforms. The Mayor has preliminarily estimated a budget deficit of \$77 million for FY 2012.

In response to Council direction, on January 4, 2010 the IBA issued Report No. [10-01](#), "Developing a Structural Budget Deficit Elimination Plan" which proposed a set of guiding principles and key components deemed necessary to effectively address a structural budget deficit. The principles were discussed and amended by the Budget and Finance Committee on January 6 and 27, 2010 and referred to the City Council for final consideration. On February 22, 2010, the Council considered additional input from the Mayor's Office and the Independent Budget Analyst which resulted in Council adoption of the attached Guiding Principles.

**[SIGNED]**

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Andrea Tevlin  
Independent Budget Analyst

Attachment

## Attachment B

STRUCTURAL BUDGET DEFICIT ELIMINATION  
GUIDING PRINCIPLES  
AS ADOPTED BY THE CITY COUNCIL (2/22/2010)  
Resolution R-305615

1. Eliminate the General Fund structural budget deficit through a balanced approach of ongoing expenditure reductions and revenue generation, including identifying new revenue sources.
2. Until the City achieves its targeted General Fund reserve level of 8%, the City should not consider using reserve balances to balance any budget shortfall and should ensure that it does not drop below the current level of 7%.
3. Actively pursue alternative service delivery methods, including managed competition, efficiency improvements and elimination of service duplications.
4. Prepare a 5-year Outlook each year and provide numeric values for alternative budget balancing options based on input from City Council, Mayor, and IBA; be prepared each year to discuss alternative budget balancing options with the Budget Committee or City Council should the Outlook suggest an ongoing structural deficit.
5. One-time resources should be matched to one-time expenditures.
6. Achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees.
7. Reduce pension and retiree health care liability and annual City costs through the meet and confer process.
8. When deciding to construct new facilities or establish new programs, the City must take into consideration ongoing operation expenses and should identify ongoing funding to cover these expenses unless necessary to meet high priority needs.
9. Prioritize City services expenditures based on the City Charter requirements, Citizen Survey and other means of public input, benchmarking studies and departmental goals and performance data.
10. Maintain funding of the full annual required contributions (ARC) for the City's pension obligations in a manner compliant with City Charter and develop a plan to fully fund the Retiree Health Care ARC.
11. Develop a plan to fund deferred capital infrastructure and maintenance needs to reduce the current backlog, identify the level of funding necessary to prevent the problem from growing larger, and to reduce the potential of increasing costs to identify the level of funding. Discuss at Budget and Finance Committee a policy to calculate and identify the level of funding for deferred maintenance budget needs.



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**Attachment C**




THE CITY OF SAN DIEGO

**M E M O R A N D U M**

DATE: May 23, 2012

TO: Honorable Council President Tony Young and Members of the City Council

FROM: Jay M. Goldstone, Chief Operating Officer 

SUBJECT: Mayor's May Revision to the Fiscal Year 2013 Proposed Budget

This memorandum presents the Mayor's recommended revisions to the Fiscal Year 2013 Proposed Budget (May Revision). It includes adjustments to various department budgets that have arisen since the Fiscal Year 2013 Proposed Budget was released on April 11, 2012 as well as updates to major revenue projections based on three additional months of data. The May Revision includes the use of one-time resources to fund one-time expenditures and ongoing resources to fund ongoing expenditures. It reflects the Mayor's and Council's priorities by focusing additional resources on public safety, libraries, park & recreation, and street maintenance. As a result of the changes included in the May Revision, the proposed General Fund budget is increased by \$12.2 million. These expenditures are primarily funded by an increase in projected Transient Occupancy Tax (TOT) revenue for Fiscal Year 2012, additional savings expected from the refunding of bonds, Public Liability and Long-Term Disability fund balances, and a portion of the estimated Fiscal Year 2012 surplus. Incorporating these changes and the fiscal year Year-End Projection, the General Fund Reserve maintains a projection of 10.3 percent, which is above the 8.0 percent reserve target for Fiscal Year 2013.

In addition, due to the uncertainty of the full budget impact resulting from the dissolution of the Redevelopment Agency, the TOT fund balance of \$10.7 million was not used to fund these expenditures. The TOT fund balance could be used to mitigate any potential revenue shortfalls resulting from the State's determination on the validity of existing Redevelopment Agency obligations, specifically payments made to the City for debt service on Petco Park and the Convention Center Expansion which total \$13.8 million in Fiscal Year 2013. Additionally, an Appropriated Reserve of \$3.7 million is included in the May Revision to further protect services in Fiscal Year 2013 pending the approval of the Recognized Obligation Payment Schedule (ROPS). The \$10.7 million TOT fund balance plus the \$3.7 million Appropriated Reserve totals \$14.4 million in funding set aside to address the potential General Fund impact of the Redevelopment Agency dissolution.

The General Fund and other City non-general funds remain balanced. The following discussion covers the significant adjustments to the budget. A summary of adjustments is also included in *Attachment 1*.

## OVERVIEW

### Significant Appropriation Adjustments

The May Revision includes both ongoing adjustments and one-time adjustments to appropriations that fund one-time projects. A net total of 41.23 Full-Time Equivalent (FTE) positions in the General Fund budget are being added to the budget (the citywide net position addition is 54.48 FTE). The following are significant adjustments:

#### *Ongoing Appropriation Adjustments*

- Addition of \$1.1 million in funding to increase 3 operational hours at 35 branch libraries and 5 hours at the Central Library beginning in September 2012;
- A \$504,641 increase in the Park & Recreation Department to restore weekly mowing at all field sites;
- A \$700,000 reduction in the Tax and Revenue Anticipation Notes (TRANs) transfer based on the determination of the actual TRAN size and the projected cost;
- A net increase of \$628,833, including 5.83 FTE positions, to establish Council District 9, which was created as a result of the passage of Proposition D in June 2010;
- A \$500,000 reduction in projected debt service for the \$75 million Deferred Capital bond issuance due to improved interest rate assumptions and other bond structuring considerations;
- A \$228,146 decrease in vacancy savings for the City Attorney's Office;
- A \$367,984 reduction as a result of a revision to the Long-Term Disability contributions;
- Addition of \$262,140 in non-personnel expenditures to support an increase of Police Academy recruits from 25 to 30 for each of the four academies in Fiscal Year 2013; and
- A \$298,154 increase in the Development Services Department to restore 4.00 FTE positions for the Neighborhood Code Compliance Division's Graffiti Removal Team;

#### *One-Time Appropriation Adjustments*

- A \$2.9 million reduction in the Public Liability annual contribution;
- A \$1.1 million increase in the Fire-Rescue Department to implement a second fire academy consisting of 30 recruits;
- A \$1.1 million reduction in projected debt service for the \$75 million Deferred Capital bond issuance due to improved interest rate assumptions and other bond structuring considerations;
- An addition of \$600,000 in the Park & Recreation Department for the replacement of Pershing Yard trailers;
- Additional \$619,799 for anticipated Information Technology (IT) Sourcing costs associated with the conversion to the new IT service providers for all four towers;



- An addition of \$300,000 to support the Neil Good Day Center, which is intended to supplement \$250,000 in anticipated funding from the San Diego Housing Commission for a total funding of \$550,000;
- A \$230,511 increase in the Development Services Department for continued work on the Housing Element program, Community Plan Updates, and special projects; and
- A \$2.9 million increase to the Appropriated Reserve to mitigate potential Redevelopment Agency impacts.

### **Significant Revenue Adjustments**

The May Revision includes changes in revenues from the Fiscal Year 2013 Proposed Budget. These changes include both ongoing and one-time revenues. A discussion of significant adjustments follows:

#### *Ongoing Revenue Adjustments*

- A \$887,297 increase to Transient Occupancy Tax (TOT) revenues based on an increase in projected TOT revenue for Fiscal Year 2012;
- A \$745,523 increase in TOT reimbursements to the Park & Recreation Department for tourism-related expenditures based on an increase in projected TOT revenue for Fiscal Year 2012 and additional savings expected from the refunding of the Convention Center Expansion Lease Revenue Bonds;
- A \$1.2 million increase in Sales Tax revenue based on an increase in projected sales tax distributions for Fiscal Year 2012;
- A \$2.0 million decrease in Property Tax revenue based on preliminary assessed valuation information from the County Assessor's Office; and
- An increase of \$204,000 in Safety Sales Tax revenue to the Police and Fire-Rescue Departments as a result of lower debt service from the planned refunding of the Fire and Life Safety Revenue bonds.

#### *One-Time Revenue Adjustments*

- A \$536,617 increase in General Fund revenue resulting from the transfer of fund balance from the Public Safety Communications Bonds Fund;
- An increase of \$465,000 in Safety Sales Tax revenue to the Police and Fire-Rescue Departments as a result of lower debt service from the planned refunding of the Fire and Life Safety Revenue bonds;
- An additional \$420,000 in General Fund revenue from unclaimed monies;
- A \$200,000 reduction in Community Development Block Grant (CDBG) revenue which supported the Therapeutic Recreation Services program based on the decision by the Council Advisory Board; and
- An increase of \$146,027 in revenue due to the distribution of proceeds from the City Council-approved natural gas antitrust litigation settlements.

### **Re-budgeting of Appropriations and Use of FY12 Projected Surplus**

The May Revision also includes the re-budgeting of appropriations to continue work on projects, on-going legal proceedings, and Council Districts' Community Projects, Programs, and Services

that are re-budgeted each year based on estimated savings identified in the current year's Year-End Monitoring Report. The following describes these adjustments:

- A re-budgeting of \$258,924 for continued work on the Housing Element project, various Community Plan Updates, and special projects;
- \$160,011 in the Council Districts' budgets for Community Projects, Programs, and Services based on estimated savings from Fiscal Year 2012;
- A re-appropriation of \$150,000 in non-personnel expenditures to support the Kinder Morgan litigation;
- A transfer of \$8.3 million to deferred CIP projects using a portion of the estimated Fiscal Year 2012 surplus; and
- An increase of \$800,000 to the Appropriated Reserve to mitigate potential Redevelopment Agency impacts.

**Restructures**

**Economic Development and Economic Growth Services**

The Economic Development Division and the Office of the Mayor's Economic Growth Services (EGS) program are being transferred to the Development Services Department (DSD) to improve coordination of programs designed to invest in the community and support local businesses. By aligning the two groups and placing them within DSD, efficiencies will be realized and new opportunities for additional support for local businesses can be developed.

**Multimedia Services**

The CityTV program in the Office of the Mayor is transferring to a new department called Multimedia Services. The new department will provide audio/video services and multimedia support to City departments and elected officials.

**Docket Office**

The Docket Office is a technical and operational function of the City which ensures that City department Requests for Council Action are prepared, reviewed, and submitted for docketing. The Docket Office is being transferred from the Office of the Mayor to the Administration Department.

**Major General Fund Revenues**

*Net Revenue Adjustment:* *\$1,097,304*

**Unclaimed Monies**

Addition of \$420,000 in revenue to the General Fund due to unclaimed funds received through the escheatment process.

**Public Safety Communications Bonds Revenue**

Addition of \$536,617 in revenue due to a transfer of remaining fund balance from the Public Safety Communications Bonds Fund. The Public Safety Communications Bonds were paid in full in Fiscal Year 2012.



**Transient Occupancy Tax (TOT)**

An increase of \$887,297 in TOT revenue for Fiscal Year 2013 that is reflected in the Major Revenues Department results primarily from an increase in projected TOT revenue for Fiscal Year 2012. Overall, TOT revenues have been adjusted upwards by \$1.6 million.

**Property Tax**

Reduction of \$2.0 million in Property Tax revenue based on preliminary assessed valuation information from the County Assessor's Office.

**Sales Tax**

Increase of \$1.2 million in Sales Tax revenue for Fiscal Year 2013 due to an increase in projected sales tax revenue for Fiscal Year 2012.

**CITYWIDE CONSIDERATION**

**Natural Gas Antitrust Litigation Settlement**

*General Fund Revenue Adjustment:* \$146,027

*Non-General Fund Revenue Adjustment:* \$371,647

During the energy crisis from 1999 through 2001, a number of natural gas wholesale sellers engaged in anti-competitive conduct by manipulating the gas market. As a result, customers were overcharged, including the City of San Diego, resulting in anti-trust litigation. The litigation was resolved in a series of settlements approved by the City Council in 2007 and 2008. The litigation settlements resulted in the City receiving a pro-rata share of the settlement payments based on its actual gas usage during the relevant period. Individual company settlement proceeds resulted in a one-time recovery by the City in the amount of \$517,674. Distribution of these proceeds was approved by City Council on March 5, 2012, and the revenues are now included in the May Revision with the General Fund receiving \$146,027 and the non-general funds receiving \$371,647.

**Long-Term Disability (LTD) Contribution**

*General Fund Expenditure Adjustment:* (\$367,984)

*Non-General Fund Expenditure Adjustment:* (\$131,676)

The May Revision includes a reduction of \$499,660 in the LTD contributions, of which \$367,984 is the General Fund portion and \$131,676 is non-general fund. This adjustment will result in a total contribution of \$3.4 million to the LTD fund. The reduced contribution is based on the utilization of LTD fund balance. LTD contributions are expected to be reduced by approximately \$500,000 annually through Fiscal Year 2015, for a total reduction of \$1.5 million based on this utilization of the LTD fund balance.



**Information Technology (IT) Sourcing Strategy****General Fund Expenditure Adjustment:** \$619,799**Non-General Fund Expenditure Adjustment:** \$7,103,762

On March 14, 2011, the City Council accepted the final Updated IT Sourcing Strategy report, and as part of the City's IT Sourcing Strategy, a Request for Proposal (RFP) process was conducted for providing IT Services to the City. As a result of the RFP process, three firms were invited to enter into contract negotiations for their respective IT Service areas. CGI Technologies & Solutions, Inc. (CGI) was chosen to provide Application Development & Maintenance Services, Atos IT Solutions & Service, Inc. (Atos) to provide Data Center and Service Desk & Desktop Support Services, and Affiliated Computer Services, Inc. (ACS) to provide Voice/Data Network Services.

The Department of IT presented the IT Sourcing Strategy to the City Council Committee on Rules, Open Government, and Intergovernmental Relations on March 21, 2012. The Committee approved the contracts with CGI and Atos for their respective IT Services, and on May 14, 2012, City Council also approved the agreements. Completion of negotiations with ACS was delayed due to a formal protest, however approval of this contract is also anticipated; therefore, full sourcing costs have been included in the May Revision. All contracts with the new vendors will be managed by the Department of IT.

Costs associated with the new IT Services contracts have been included within the Fiscal Year 2013 Proposed Budget, including the allocation of the \$6.0 million in funding held in reserve in the Fiscal Year 2013 Proposed Budget for the General Fund portion of the IT Sourcing transition costs. The total one-time transition and transformation costs associated with the conversion from the City's incumbent vendor, San Diego Data Processing Corporation (SDDPC), to CGI, Atos and ACS resulted in an expenditure increase of \$619,799 to General Fund departments above the \$6.0 million included in the proposed budget, and an expenditure increase of \$7.1 million to the non-General Fund departments. The non-general fund costs were not included in the proposed budget.

**Transfer to Capital Improvement Projects (CIP)****General Fund Expenditure Adjustment:** \$8,300,000

Fiscal Year 2012 projected surplus will be utilized to transfer \$8.3 million to the following CIP projects: \$1.1 million to facilities projects (\$400,000 for Museum of Man Roof Replacement/S11101 and \$711,000 for City Facilities Improvements/ABT00001), \$4.6 million to street resurfacing (\$2,200,000 for Resurfacing of City Streets/AID00005 and \$2,382,000 for Concrete Streets/AID00006), and \$2.6 million to storm drain projects (\$1,107,000 Drainage Projects/ACA00001 and \$1,500,000 for Watershed CIP/ACC00001). The use of up to \$8.3 million of the projected Fiscal Year 2012 surplus was requested by the City Council on March 12, 2012.

**Fringe Benefit Adjustments**

As a result of salary and position adjustments, a citywide fringe rate adjustment is included in the May Revision to ensure that the Annual Required Contribution (ARC) payment of \$231.1 million to SDCERS is fully allocated in the budget for Fiscal Year 2013. An adjustment of

budgeted fringe, including the ARC, Other Post Employment Benefits (OPEB), Workers' Compensation, Risk Management Administration, Long-Term Disability, and Unemployment Insurance allocations to all departments is included in the May Revision to ensure that fringe allocations are fully budgeted and that the expense is appropriately distributed to all funds.

**DEPARTMENTAL ADJUSTMENTS**

**GENERAL FUND**

**Administration**

*General Fund FTE Adjustment:* 2.50  
*General Fund Expenditure Adjustment:* \$275,097

**Docket Office Transfer**

Transfer of the Docket Office, including 2.00 FTE positions and \$229,467 in expenditures, from the Office of the Mayor to the Administration Department.

**Executive Secretary Transfer**

Transfer of 0.50 Executive Secretary and associated personnel expenditures of \$45,630 from the Business Office to the Administration Department to provide required administrative support.

**Business Office**

*General Fund FTE Adjustment:* (0.50)  
*General Fund Expenditure Adjustment:* (\$45,630)

Transfer of 0.50 Executive Secretary and associated personnel expenditures of \$45,630 from the Business Office to the Administration Department to provide required administrative support.

**City Attorney**

*General Fund FTE Adjustment:* 1.00  
*General Fund Expenditure Adjustment:* \$428,696

**Addition of Deputy City Attorney**

Addition of 1.00 Deputy City Attorney and associated personnel expenditures of \$200,550 to provide legal advice to the Chief of Police. This position is being transferred from the Police Department.

**Vacancy Savings Adjustment**

Adjustment to reduce vacancy savings by \$228,146 to more accurately reflect the personnel savings anticipated by the department.

## Attachment C

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Honorable Council President Tony Young and Members of the City Council  
May 23, 2012

### City Council

*General Fund FTE Adjustment:* 5.83  
*General Fund Net Expenditure Adjustment:* \$788,844

### Community Projects, Programs, and Services Adjustment

Addition of \$160,011 in the Council Districts' budgets for Community Projects, Programs, and Services based on estimated savings from Fiscal Year 2012 as detailed in the Fiscal Year 2012 Year-End Budget Monitoring Report.

### Establishment of Council District 9

Addition of 5.83 FTE positions and net expenditures totaling \$628,833 to establish the initial budget for Council District 9 that was created as a result of the passage of Proposition D in June 2010. This budget was calculated as a prorated amount based on an average of the other Council District budgets, assuming a start date of December 2012.

### Citywide Program Expenditures

*General Fund Net Expenditure Adjustment:* (\$11,050,000)

### Kinder Morgan Litigation

Addition of \$150,000 in non-personnel expenditures supported by the Fiscal Year 2012 projected surplus, for Kinder Morgan litigation.

### Public Liability Contribution

The May Revision includes a reduction of \$2.9 million in the General Fund annual contribution to the Public Liability Fund. This adjustment will result in a total contribution of \$12.2 million to the Public Liability Fund. This reduction is based on the utilization of the Public Liability fund balance in Fiscal Year 2013.

### IT Sourcing Transition Costs

Reduction of \$6.0 million due to the reallocation of the IT Sourcing transition costs to General Fund departments.

### Deferred Capital Projects

Reduction of \$1.6 million in projected debt service expenditures for the \$75 million Deferred Capital bond issuance due to improved interest rate assumptions and other bond structuring considerations. Actual debt service will be known after the bond issue is completed.

### Tax and Revenue Anticipation Notes (TRANs) Transfer

Reduction of \$700,000 in the transfer to the TRANs Fund based on the determination of the actual TRAN size and the projected cost. Actual interest cost will be known after the note offering is completed.



**Debt Management**

*General Fund Revenue Adjustment:* (\$45,000)

Reduction of \$45,000 in revenue due to a revision to the Service Level Agreement between the Debt Management Department and the Public Utilities Department for Water and Wastewater support.

**Development Services**

*General Fund FTE Adjustment:* 17.44

*General Fund Revenue Adjustment:* \$1,024,855

*General Fund Expenditure Adjustment:* \$2,613,131

**Historic Resources Planning Interns**

Addition of 1.52 hourly Planning Interns and associated non-personnel expenditures and offsetting revenue of \$39,903 to provide staff support to the Historic Resources section in a variety of tasks. This includes processing of Mills Act contracts, performing inspections of properties, processing historic designations, performing project reviews, and completing historic surveys.

**Southeastern San Diego Community Plan Update Intern**

Addition of 0.76 hourly Planning Intern and associated non-personnel expenditures and offsetting revenue of \$19,952 to assist planners with the Southeastern San Diego Community Plan Update. Tasks include assisting with community outreach efforts, researching and assisting in the development of the future community plans, and gathering land-use information for existing conditions analysis and traffic modeling work.

**Project Funding**

Addition of one-time funding of \$489,435 for continued work on the Housing Element project, various Community Plan Updates, and special projects.

**Restoration of Graffiti Removal Team**

Addition of 2.00 Utility Worker 1s, 2.00 Utility Worker 2s, and \$298,154 in expenditures to restore the Neighborhood Code Compliance Division's Graffiti Removal Team.

**Economic Growth Services Transfer**

Transfer of the Economic Growth Services program, including 11.16 FTE positions, \$1.5 million in personnel and non-personnel expenditures, and \$965,000 in revenue, from the Office of the Mayor to the Economic Development Division of the Development Services Department.

**Neil Good Day Center**

Addition of \$300,000 to support the operations of the Neil Good Day Center, which is intended to supplement \$250,000 in anticipated funding from the San Diego Housing Commission for a total funding of \$550,000.

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Honorable Council President Tony Young and Members of the City Council  
May 23, 2012

**Disability Services**

*General Fund FTE Adjustment:* 1.00  
*General Fund Expenditure Adjustment:* \$76,153

Addition of 1.00 Administrative Aide 2 and associated personnel expenditures of \$76,153 to support the Disability Services Department.

**Fire-Rescue**

*General Fund FTE Adjustment:* (1.00)  
*General Fund Revenue Adjustment:* \$334,500  
*General Fund Net Expenditure Adjustment:* \$989,137

**Addition of Second Fire Academy**

Addition of \$1.1 million to implement a second fire academy in Fiscal Year 2013. This will increase staffing levels which have steadily declined due to attrition.

**Information Systems Analyst Transfer**

Transfer of 1.00 Information Systems Administrator and \$145,491 in expenditures from the Fire-Rescue Department to the Department of Information Technology (IT). This position oversees the Regional Command and Control Communications Project (3Cs) which is an inter-agency public safety communications project. 3Cs will allow public safety agencies to effectively work together during large and small-scale emergencies and disasters. The 3C's project is related to public safety communications and the engineering and maintenance of the 3C's project is currently budgeted under the Wireless Communications Division. The ISA position is being transferred to the Wireless Communications Division within the Department of IT to oversee the 3C's project.

**Safety Sales Tax**

Addition of \$102,000 in on-going and \$232,500 in one-time Safety Sales Tax revenue to support Fire-Rescue operations as a result of lower debt service from the planned refunding of the Fire and Life Safety Revenue bonds. Actual savings will be known after the refunding is completed.

**General Fund Appropriated Reserve**

*General Fund Expenditure Adjustment:* \$3,671,250

Addition of \$3.7 million to the General Fund Appropriated Reserve to mitigate potential Redevelopment Agency impacts.

**Library**

*General Fund FTE Adjustment:* 23.12  
*General Fund Revenue Adjustment:* \$26,508  
*General Fund Expenditure Adjustment:* \$1,099,804

**Serra Mesa Branch Library Sunday Hours**

Addition of 0.12 hourly Librarian 2, 0.13 hourly Library Assistant, 0.24 hourly Library Clerk, 0.24 hourly Library Aide, \$26,508 in expenditures and offsetting revenue to fund Sunday hours

## Attachment C

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Honorable Council President Tony Young and Members of the City Council  
May 23, 2012

at the Serra Mesa Branch Library. This will be funded by developer funds from the Kearny Mesa General Dynamics site development.

### Branch Libraries and Central Library Service Increase

Addition of 18.47 FTE positions and \$847,027 in expenditures to increase 3 operational hours at 35 branch libraries, and the addition of 3.92 FTE positions and \$226,269 for the addition of 5 Saturday hours at the Central Library beginning in September 2012.

### Multimedia Services

*General Fund FTE Adjustment:* 4.00  
*General Fund Revenue Adjustment:* \$113,300  
*General Fund Expenditure Adjustment:* \$416,084

Transfer of the CityTV program, including 4.00 FTE positions, \$416,084 in associated personnel and non-personnel expenditures, and \$113,300 in revenue, from the Office of the Mayor to the Department of Multimedia Services.

### Office of the Mayor

*General Fund FTE Adjustment:* (17.16)  
*General Fund Revenue Adjustment:* (\$1,078,300)  
*General Fund Expenditure Adjustment:* (\$2,111,263)

### Economic Growth Services Transfer

Transfer of the Economic Growth Services program, including 11.16 FTE positions, \$1.5 million in associated personnel and non-personnel expenditures, and \$965,000 in revenue, from the Office of the Mayor to the Economic Development Division of the Development Services Department.

### Docket Office Transfer

Transfer of the Docket Office, including 2.00 FTE positions and \$229,467 in expenditures, from the Office of the Mayor to the Administration Department.

### CityTV Program Transfer

Transfer of the CityTV program, including 4.00 FTE positions, \$416,084 in associated personnel and non-personnel expenditures, and \$113,300 in revenue, from the Office of the Mayor to the Department of Multimedia Services.

### Park & Recreation

*General Fund FTE Adjustment:* 6.00  
*General Fund Net Revenue Adjustment:* \$545,523  
*General Fund Expenditure Adjustment:* \$1,104,641

### Weekly Mowing Restoration

Addition of 5.00 Grounds Maintenance Worker 2s and \$504,641 in expenditures to restore weekly mowing at all field sites. The Fiscal Year 2013 Proposed Budget included the partial



## Attachment C

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restoration of weekly mowing at lighted athletic fields. This adjustment will fully restore weekly mowing at all fields.

### **Therapeutic Recreation Services**

Addition of 1.00 unfunded Clerical Assistant 2 to support the Therapeutic Recreation Services program.

### **Community Development Block Grant (CDBG) Revenue**

Reduction of \$200,000 in CDBG revenue which supported the Therapeutic Recreation Services program based on the decision by the Council Advisory Board.

### **Pershing Yard Trailer Replacement**

Addition of \$600,000 in one-time expenditures to purchase new trailers for the Pershing Yard facility. The existing trailers are over 20 years old and should be replaced, as they cannot be moved for the mandated grading of the Pershing Yard due to their poor condition.

### **Special Promotional Programs Transient Occupancy Tax (TOT) Transfer**

Transfer of \$745,523 in TOT revenue to the Park & Recreation Department in order to reimburse the department for tourism-related expenses.

### **Personnel**

*General Fund Expenditure Adjustment:* **\$30,000**

Addition of \$30,000 in non-personnel expenditures to extend the current Employee Fingerprint and Criminal Record and Identity Checks Program to include Federal Bureau of Investigation (FBI) background checks.

### **Police**

*General Fund Net FTE Adjustment:* **(1.00)**

*General Fund Revenue Adjustment:* **\$334,500**

*General Fund Net Expenditure Adjustment:* **\$91,561**

### **Reduction of Assistant to Police Chief – Civilian**

Reduction of 1.00 Assistant to Police Chief – Civilian and associated personnel expenditures of \$205,579 from the Police Department. This position is being transferred to the City Attorney's Office.

### **Officer Wellness**

Addition of \$35,000 in non-personnel expenditures to purchase gym equipment for area stations to support officer wellness.

### **Police Academy Recruits**

Addition of \$262,140 in non-personnel expenditures to support an increase in Police Academy recruits from 25 to 30 for each of the four academies in Fiscal Year 2013.

## Attachment C

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### Safety Sales Tax

Addition of \$102,000 in on-going and \$232,500 in one-time Safety Sales Tax revenue to support Police operations as a result of lower debt service from the planned refunding of the Fire and Life Safety Revenue bonds. Actual savings will be known after the refunding is completed.

### Public Works – Engineering & Capital Projects

*General Fund FTE Adjustment:* 0.00

*General Fund Expenditure Adjustment:* \$ -

### Addition of Program Manager

Addition of 1.00 unfunded Program Manager to ensure the successful implementation and coordination of administrative, policy, and financial responsibilities related to the Deferred Capital Program/CIP Streamlining process and general oversight of the department's expenditure and revenue activities.

### Reduction of Associate Management Analyst

Reduction of 1.00 unfunded Associate Management Analyst.

## NON-GENERAL FUNDS

### Automated Refuse Container Fund

*Non-General Fund Expenditure Adjustment:* \$300,000

Addition of \$300,000 for the purchase of automated refuse containers for new residential units and for replacement containers to be sold to residents.

### Convention Center Fund

*Non-General Fund Revenue Adjustment:* (\$477,237)

*Non-General Fund Expenditure Adjustment:* (\$477,237)

### Debt Service Savings

The adjustment of \$477,237 reflects estimated debt service savings resulting from the refunding of the Convention Center Expansion Lease Revenue Bonds.

### Revised Revenue

The adjustment of \$477,237 reflects a reduction in the transfer of TOT revenue resulting from estimated expenditure savings for debt service.

### Development Services Fund

*Non-General Fund Net Expenditure Adjustment:* \$ -

Redistribution of \$847,806 from the Development Services Fund Appropriated Reserve to fund core department activities within the Development Services Department. This redistribution results in a net zero impact to the Development Services Fund.

**Energy Conservation Program Fund**

*Non-General Fund Revenue Adjustment:* **\$1,850,000**

*Non-General Fund Expenditure Adjustment:* **\$50,000**

Addition of \$1.9 million in revenue from San Diego Gas and Electric rebates/incentives to support energy efficiency projects. Of this amount, \$1.8 million will be used to increase the Citywide Energy Improvements (ABT00003) CIP project to fund energy efficiency projects. Additionally, \$50,000 was added to the Energy Conservation Program Fund operating budget for City staff support of the street lighting projects.

**Information Technology Fund**

*Non-General Fund FTE Adjustment:* **5.00**

*Non-General Fund Expenditure Adjustment:* **\$1,303,260**

**Customer Relationship Management**

Addition of 5.00 Program Managers and \$831,760 in expenditures to support the Customer Relationship Management (CRM) function of the Department of Information Technology (IT) which manages IT service delivery to City departments. The CRM function is being housed in the Department of Information Technology to replace the service provided by the San Diego Data Processing Corporation (SDDPC) as part of the transition to the City's IT Sourcing Strategy.

**Capital Requirement Debt Service**

Addition of \$471,500 in expenditures for the lease payment for data center and network capital requirements.

**Junior Lifeguard Program Fund**

*Non-General Fund Expenditure Adjustment:* **\$36,074**

Addition of \$36,074 in non-personnel expenditures to cover reimbursements to the General Fund for overhead and labor load expenditures associated with positions in the Junior Lifeguard Program. These expenditures are reimbursable through tuition revenue, which is already included in the Fiscal Year 2013 Proposed Budget.

**PETCO Park Fund**

*Non-General Fund Revenue Adjustment:* **(\$300,000)**

Reduction of \$300,000 in TOT revenue in order to balance to the corresponding transfer-out amount from TOT. This adjustment will not affect the operations or ability of the fund to make debt service payments. As part of the budget process, the Financial Management Department reviews and adjusts the transfer-in of TOT to meet the projected expenses for PETCO Park.

**Public Safety Communication Bonds Fund**

*Non-General Fund Expenditure Adjustment:* **\$536,617**

Addition of \$536,617 in non-personnel expenditures to transfer the remaining fund balance to the General Fund. The Public Safety Communication Bonds were paid in full in Fiscal Year 2012.



**Recycling Fund**

*Non-General Fund Revenue Adjustment: (\$600,000)*

Reduction of \$600,000 in Curbside Recycling revenue as a result of revised Fiscal Year 2013 revenue projections.

**Refuse Disposal Fund**

*Non-General Fund Net Revenue Adjustment: (\$1,513,741)*

**Refuse Disposal Fund Revised Revenue**

Reduction of \$2.5 million in various disposal fees as a result of revised Fiscal Year 2013 revenue projections.

**Miramar Landfill Maintenance Revenue**

Addition of \$1.0 million in revenue for the Miramar Closure Fund to ensure adequate funding for the pending closure and post closure activities at the Miramar Landfill. The required transfer from the Refuse Disposal Fund into this fund is based on a variety of factors which include the remaining capacity of the Miramar Landfill, Consumer Price Index adjustments, and interest earnings within the Miramar Closure Fund.

**Risk Management Administration Fund**

*Non-General Fund Net FTE Adjustment: (0.50)*

*Non-General Fund Net Expenditure Adjustment: \$38,572*

**Rehabilitation Coordinator**

Reduction of 1.00 unfunded Rehabilitation Coordinator in the Risk Management Department.

**Claims Representative 2**

Addition of 0.50 Claims Representative 2 in the Risk Management Department.

**Tax and Revenue Anticipation Notes Fund**

*Non-General Fund Revenue Adjustment: (\$700,000)*

*Non-General Fund Expenditure Adjustment: (\$700,000)*

**Cost of Issuance**

Reduction of \$700,000 in expenditures to reflect the estimated cost of issuance for TRANs bonds in Fiscal Year 2013.

**Tax and Revenue Anticipation Notes (TRANs) Transfer**

Reduction of \$700,000 in revenue from the General Fund based on the determination of the actual TRAN size and the projected cost. Actual interest cost will be known after the note offering is completed.

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**Transient Occupancy Tax (TOT) Fund**

*Non-General Fund Net Revenue Adjustment: \$781,574*  
*Non-General Fund Net Expenditure Adjustment: \$734,601*

**Revised Revenue**

Addition of \$781,574 in TOT revenue due to the increase in projected TOT revenue in Fiscal Year 2013 based on the actual receipts in Fiscal Year 2012. Overall, TOT revenues have been adjusted upwards by \$1.6 million.

**Arts and Culture Program Allocation**

Addition of \$310,000 in expenditures to the Arts and Culture programs, which is equivalent to 5 percent and matches the estimated growth rate for TOT revenues in Fiscal Year 2013. Total allocation to Arts and Culture programs is \$6.5 million.

**Transfer to the Convention Center Fund**

Reduction of \$477,237 in expenditures due to a reduced transfer of TOT revenues to the Convention Center Fund due to expected savings resulting from the refunding of the Convention Center Expansion Lease Revenue Bonds.

**Transfer to the General Fund**

Addition of \$773,088 in expenditures for the transfer to the General Fund from the TOT Fund. Park & Recreation will receive \$745,523. The balance of \$27,565 will be transferred to the Major General Fund Revenues as an increase to the 1-cent Council Discretionary of TOT.

**City Council TOT Allocations**

An increase of \$128,750 to the City Council TOT allocations. This adjustment will provide \$40,000 to each Council District in Fiscal Year 2013.

**Trolley Extension Reserve Fund**

*Non-General Fund Revenue Adjustment: (\$100,000)*

Reduction of \$100,000 in TOT revenues in order to balance to the corresponding transfer-out amount in the TOT Fund.

**Wastewater Funds**

*Non-General Fund FTE Adjustment: 6.75*  
*Non-General Fund Expenditure Adjustment: \$402,126*

**Pipeline Condition Assessment**

Addition of \$175,000 in non-personnel expenditures to conduct inspections and condition assessments of wastewater pipelines. Measuring the condition and performance of this infrastructure will effectively identify asset deterioration and prevent system failure.

## Attachment C

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### **Non-Standard Hour Personnel Funding**

Addition of 2.50 Customer Service Representatives, 3.25 Field Representatives, 1.00 Management Intern – Hourly, and \$227,126 in expenditures to support the Customer Care Solution program in the Public Utilities Department.

### **Water Utility Operating Fund**

*Non-General Fund FTE Adjustment:* 1.00

*Non-General Fund Net Expenditure Adjustment:* (\$1,649,658)

### **Pipeline Condition Assessment**

Addition of \$275,000 in non-personnel expenditures to conduct inspections and condition assessments of water pipelines. Measuring the condition and performance of this infrastructure will effectively identify asset deterioration and prevent system failure.

### **Compliance and Metering Program Manager**

Addition of 1.00 Compliance and Metering Program Manager and associated personnel expenditures of \$146,542 to the Public Utilities Department.

### **State Revolving Fund (SRF) Adjustment**

Addition of \$1.1 million in contract funding to cover the minimum reserve amounts in the State Revolving Fund per the funding agreements for the Lindberg Field and Harbor Drive projects.

### **Water Purchases Reduction**

Reduction of \$3.1 million in non-personnel expenditures associated with water purchases. Increased rainfall has resulted in more water available from local resources, thereby reducing the need to purchase water from the Metropolitan Water District.

### **Wireless Communications Technology Fund**

*Non-General Fund FTE Adjustment:* 1.00

*Non-General Fund Expenditure Adjustment:* \$145,491

### **Information Systems Analyst Transfer**

Transfer of 1.00 Information Systems Administrator and \$145,491 in expenditures from the Fire-Rescue Department to the Department of Information Technology. This position oversees the Regional Command and Control Communications Project (3Cs) which is an inter-agency public safety communications project. 3Cs will allow public safety agencies to effectively work together during large and small-scale emergencies and disasters. The 3C's project is related to public safety communications and the engineering and maintenance of the 3C's project is currently budgeted under the Wireless Communications Division. The ISA position is being transferred to the Wireless Communications Division within the Department of IT to oversee the 3C's project.



**CAPITAL IMPROVEMENTS PROGRAM (CIP)**

Adjustments to capital improvement projects are primarily due to identification of additional funding, re-prioritization, or correction of proposed allocations. The adjustments total an increase of \$20.7 million to the Fiscal Year 2013 Proposed CIP Budget. Please refer to Attachment 2 for an itemized list of the changes by project. These revisions are highlighted below. In addition, the revised construction contract list for Fiscal Year 2013 is included as Attachment 3.

- Added \$8.3 million to facilities, streets and storm water deferred capital projects using a portion of the Fiscal Year 2012 General Fund surplus;
- Added \$1.8 million of SDG&E rebates to fund City energy efficiency projects;
- Added approximately \$800,000 of park service district funds and developer contributions for various park projects;
- Reallocated \$300,000 of Southeastern San Diego DIF from Gompers Neighborhood Park-Play Area Upgrades, which will receive CDBG funding in Fiscal Year 2013, to ADA Improvements in the same DIF area;
- Modified TransNet project budgets to match the RTIP as recently approved by City Council;
- Added \$9.9 million to Public Utilities projects primarily due to reassessment of project needs for Fiscal Year 2013, including adding 3 new projects.

Attachments:

1. Fiscal Year 2013 Mayor's May Revision Summary Table
2. Capital Improvements Program – FY2013 May Revision
3. Capital Improvements Program – FY2013 Construction Projects Contract Award List

cc: Honorable Mayor Jerry Sanders  
Jan I. Goldsmith, City Attorney  
Wally Hill, Assistant Chief Operating Officer  
Julie Dubick, Chief of Staff  
Andrea Tevlin, Independent Budget Analyst  
Department Directors  
Julio Canizal, Budget Manager  
Angela Colton, Financial Manager  
Irina Kumits, Financial Manager  
Aimee Faucett, Deputy Chief of Staff/Director of Policy  
Amy Gowan, Director of Council Affairs  
Almis Udrys, Deputy Director of IRD & Fiscal Policy  
Financial Management Staff  
Eduardo Luna, City Auditor

FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

GENERAL FUND	DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
		Fringe Adjustment	-	\$ (3,062)	\$ -	\$ (3,062)	\$ -
		Docket Office Transfer	2.00	\$ 228,267	\$ 1,200	\$ 229,467	\$ -
		Executive Secretary Transfer	0.50	\$ 45,630	\$ -	\$ 45,630	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 24,897	\$ 24,897	\$ -
		Administration Total	2.50	\$ 270,895	\$ 26,097	\$ 296,992	\$ -
		Fringe Adjustment	-	\$ (1,609)	\$ -	\$ (1,609)	\$ -
		Executive Secretary Transfer	(0.50)	\$ (45,630)	\$ -	\$ (45,630)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 8,513	\$ 8,513	\$ -
		Business Office Total	(0.50)	\$ (47,239)	\$ 8,513	\$ (38,726)	\$ -
		Fringe Adjustment	-	\$ 70,185	\$ -	\$ 70,185	\$ -
		Vacancy Savings Adjustment	-	\$ 228,146	\$ -	\$ 228,146	\$ -
		Addition of Deputy City Attorney	1.00	\$ 200,550	\$ -	\$ 200,550	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 368,772	\$ 368,772	\$ -
		City Attorney Total	1.00	\$ 498,861	\$ 368,772	\$ 867,633	\$ -
		Fringe Adjustment	-	\$ (3,507)	\$ -	\$ (3,507)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 22,023	\$ 22,023	\$ -
		City Auditor Total	-	\$ (3,507)	\$ 22,023	\$ 18,516	\$ -
		Fringe Adjustment	-	\$ (6,527)	\$ -	\$ (6,527)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 112,576	\$ 112,576	\$ -
		City Clerk Total	-	\$ (6,527)	\$ 112,576	\$ 106,049	\$ -
		Fringe Adjustment	-	\$ (15,851)	\$ -	\$ (15,851)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 95,772	\$ 95,772	\$ -
		City Comptroller Total	-	\$ (15,851)	\$ 95,772	\$ 79,921	\$ -
		Fringe Adjustment	-	\$ (17,001)	\$ -	\$ (17,001)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 201,375	\$ 201,375	\$ -
		City Treasurer Total	-	\$ (17,001)	\$ 201,375	\$ 184,374	\$ -
		Kindergarten Litigation	-	\$ -	\$ 150,000	\$ 150,000	\$ -
		Public Liability Contribution	-	\$ -	\$ (2,900,000)	\$ (2,900,000)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ (6,000,000)	\$ (6,000,000)	\$ -
		Deferred Capital Projects	-	\$ -	\$ (1,600,000)	\$ (1,600,000)	\$ -
		TRANS Transfer	-	\$ -	\$ (700,000)	\$ (700,000)	\$ -
		Citywide Program Expenditures Total	-	\$ -	\$ (11,050,000)	\$ (11,050,000)	\$ -
		Fringe Adjustment	-	\$ (2,577)	\$ -	\$ (2,577)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 12,020	\$ 12,020	\$ -
		Council Administration Total	-	\$ (2,577)	\$ 12,020	\$ 9,443	\$ -
		Fringe Adjustment	-	\$ (1,702)	\$ -	\$ (1,702)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 11,304	\$ 11,304	\$ -
		Adjustment to Baseline Level	-	\$ 1,702	\$ -	\$ 1,702	\$ -
		Council District 1 Total	-	\$ -	\$ 11,304	\$ 11,304	\$ -
		Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 21,727	\$ 21,727	\$ -
		Council District 1 - CPPS Total	-	\$ -	\$ 21,727	\$ 21,727	\$ -
		Fringe Adjustment	-	\$ (1,403)	\$ -	\$ (1,403)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 11,183	\$ 11,183	\$ -
		Adjustment to Baseline Level	-	\$ 1,403	\$ -	\$ 1,403	\$ -
		Council District 2 Total	-	\$ -	\$ 11,183	\$ 11,183	\$ -



FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

GENERAL FUND	DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
	Council District 2 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 12,209	\$ 12,209	\$ -
	Council District 2 - CPPS Total		-	\$ -	\$ 12,209	\$ 12,209	\$ -
	Council District 3	Fringe Adjustment	-	\$ (1,869)	\$ -	\$ (1,869)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 11,178	\$ 11,178	\$ -
		Adjustment to Baseline Level	-	\$ 1,869	\$ -	\$ 1,869	\$ -
	Council District 3 Total		-	\$ -	\$ 11,178	\$ 11,178	\$ -
	Council District 3 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 2,001	\$ 2,001	\$ -
	Council District 3 - CPPS Total		-	\$ -	\$ 2,001	\$ 2,001	\$ -
	Council District 4	Fringe Adjustment	-	\$ (1,985)	\$ -	\$ (1,985)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 12,424	\$ 12,424	\$ -
		Adjustment to Baseline Level	-	\$ 1,985	\$ -	\$ 1,985	\$ -
	Council District 4 Total		-	\$ -	\$ 12,424	\$ 12,424	\$ -
	Council District 4 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (17,982)	\$ (17,982)	\$ -
	Council District 4 - CPPS Total		-	\$ -	\$ (17,982)	\$ (17,982)	\$ -
	Council District 5	Fringe Adjustment	-	\$ (791)	\$ -	\$ (791)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 11,100	\$ 11,100	\$ -
		Adjustment to Baseline Level	-	\$ 791	\$ -	\$ 791	\$ -
	Council District 5 Total		-	\$ -	\$ 11,100	\$ 11,100	\$ -
	Council District 5 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 46,237	\$ 46,237	\$ -
	Council District 5 - CPPS Total		-	\$ -	\$ 46,237	\$ 46,237	\$ -
	Council District 6	Fringe Adjustment	-	\$ (1,310)	\$ -	\$ (1,310)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 10,441	\$ 10,441	\$ -
		Adjustment to Baseline Level	-	\$ 1,310	\$ -	\$ 1,310	\$ -
	Council District 6 Total		-	\$ -	\$ 10,441	\$ 10,441	\$ -
	Council District 6 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 12,574	\$ 12,574	\$ -
	Council District 6 - CPPS Total		-	\$ -	\$ 12,574	\$ 12,574	\$ -
	Council District 7	Fringe Adjustment	-	\$ (1,823)	\$ -	\$ (1,823)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 11,668	\$ 11,668	\$ -
		Adjustment to Baseline Level	-	\$ 1,823	\$ -	\$ 1,823	\$ -
	Council District 7 Total		-	\$ -	\$ 11,668	\$ 11,668	\$ -
	Council District 7 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 20,903	\$ 20,903	\$ -
	Council District 7 - CPPS Total		-	\$ -	\$ 20,903	\$ 20,903	\$ -
	Council District 8	Fringe Adjustment	-	\$ (1,288)	\$ -	\$ (1,288)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 12,000	\$ 12,000	\$ -
		Adjustment to Baseline Level	-	\$ 1,288	\$ -	\$ 1,288	\$ -
	Council District 8 Total		-	\$ -	\$ 12,000	\$ 12,000	\$ -
	Council District 8 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 62,342	\$ 62,342	\$ -
	Council District 8 - CPPS Total		-	\$ -	\$ 62,342	\$ 62,342	\$ -
	Council District 9	Establishment of Council District 9	5.83	\$ 544,624	\$ 84,209	\$ 628,833	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 993	\$ 993	\$ -
	Council District 9 Total		5.83	\$ 544,624	\$ 85,202	\$ 629,826	\$ -
	Debt Management	Fringe Adjustment	-	\$ (3,503)	\$ -	\$ (3,503)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 22,776	\$ 22,776	\$ -
		SLA Revenue Adjustment	-	\$ -	\$ -	\$ -	\$ (45,000)
	Debt Management Total		-	\$ (3,503)	\$ 22,776	\$ 19,273	\$ (45,000)

FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
	Fringe Adjustment	-	\$ (22,857)	\$ -	\$ (22,857)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 164,708	\$ 164,708	\$ -
	Economic Growth Services Transfer	11.16	\$ 1,321,920	\$ 143,767	\$ 1,465,687	\$ 965,000
	Neil Good Day Center	-	\$ -	\$ 300,000	\$ 300,000	\$ -
	Historic Resources Planning Interns	1.52	\$ 39,903	\$ -	\$ 39,903	\$ 39,903
	Southeastern San Diego Community Plan Update Intern	0.76	\$ 19,952	\$ -	\$ 19,952	\$ 19,952
	Project Funding	-	\$ -	\$ 489,435	\$ 489,435	\$ -
	Restoration of Graffiti Removal Team	4.00	\$ 280,154	\$ 18,000	\$ 298,154	\$ -
		17.44	\$ 1,639,072	\$ 1,115,910	\$ 2,754,982	\$ 1,024,855
	Fringe Adjustment	-	\$ (699)	\$ -	\$ (699)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 5,350	\$ 5,350	\$ -
	Administrative Aide 2 Addition	1.00	\$ 76,153	\$ -	\$ 76,153	\$ -
		1.00	\$ 75,454	\$ 5,350	\$ 80,804	\$ -
	Fringe Adjustment	-	\$ (19,975)	\$ -	\$ (19,975)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 80,314	\$ 80,314	\$ -
		-	\$ (19,975)	\$ 80,314	\$ 60,339	\$ -
	Fringe Adjustment	-	\$ (1,133)	\$ -	\$ (1,133)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 6,494	\$ 6,494	\$ -
		-	\$ (1,133)	\$ 6,494	\$ 5,361	\$ -
	Fringe Adjustment	-	\$ (6,067)	\$ -	\$ (6,067)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 44,597	\$ 44,597	\$ -
		-	\$ (6,067)	\$ 44,597	\$ 38,530	\$ -
	Fringe Adjustment	-	\$ (232,283)	\$ -	\$ (232,283)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 712,593	\$ 712,593	\$ -
	Addition of Second Fire Academy	-	\$ 870,886	\$ 263,732	\$ 1,134,628	\$ -
	Information Systems Analyst Transfer	(1.00)	\$ (145,491)	\$ -	\$ (145,491)	\$ -
	Safety Sales Tax Adjustment	-	\$ -	\$ -	\$ -	\$ 334,500
		(1.00)	\$ 483,122	\$ 976,325	\$ 1,469,447	\$ 334,500
	Appropriated Reserve	-	\$ -	\$ 3,671,250	\$ 3,671,250	\$ -
		-	\$ -	\$ 3,671,250	\$ 3,671,250	\$ -
	Fringe Adjustment	-	\$ (2,753)	\$ -	\$ (2,753)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 22,722	\$ 22,722	\$ -
		-	\$ (2,753)	\$ 22,722	\$ 19,969	\$ -
	Fringe Adjustment	-	\$ (42,304)	\$ -	\$ (42,304)	\$ -
	IT Sourcing Transition Costs	-	\$ -	\$ 643,291	\$ 643,291	\$ -
	Serra Mesa Branch Library Sunday Hours	0.73	\$ 26,508	\$ -	\$ 26,508	\$ 26,508
	Branch Libraries and Central Library Service Increase	23.39	\$ 976,616	\$ 96,660	\$ 1,073,296	\$ -
		23.12	\$ 960,820	\$ 739,971	\$ 1,700,791	\$ 26,508
	Natural Gas Antitrust Litigation Settlement	-	\$ -	\$ -	\$ -	\$ 146,027
	Unclaimed Monies	-	\$ -	\$ -	\$ -	\$ 420,000
	Public Safety Communication Bonds Revenue	-	\$ -	\$ -	\$ -	\$ 536,617
	Sales Tax Adjustment	-	\$ -	\$ -	\$ -	\$ 1,224,761
	TOT Adjustment	-	\$ -	\$ -	\$ -	\$ 887,287
	Property Tax Adjustment	-	\$ -	\$ -	\$ -	\$ (1,971,371)
		-	\$ -	\$ -	\$ -	\$ 1,243,331



FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

GENERAL FUND	DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
	IT Sourcing Transition Costs			\$ -	\$ 6,958	\$ 6,958	\$ -
	CityTV Program Transfer		4.00	\$ 315,700	\$ 100,384	\$ 415,084	\$ 113,300
	Multimedia Services Total		4.00	\$ 315,700	\$ 107,342	\$ 423,042	\$ 113,300
	Fringe Adjustment			\$ (1,946)	\$ -	\$ (1,946)	\$ -
	IT Sourcing Transition Costs			\$ (1,946)	\$ 58,380	\$ 56,434	\$ -
	Office of Homeland Security Total			\$ (489)	\$ 58,380	\$ 56,434	\$ -
	Fringe Adjustment			\$ (489)	\$ -	\$ (489)	\$ -
	IT Sourcing Transition Costs			\$ (489)	\$ 690	\$ 690	\$ -
	Office of the Assistant COO			\$ (851)	\$ 690	\$ 201	\$ -
	Fringe Adjustment			\$ (851)	\$ -	\$ (851)	\$ -
	IT Sourcing Transition Costs			\$ (851)	\$ 3,122	\$ 3,122	\$ -
	Office of the Assistant COO Total			\$ (742)	\$ 3,122	\$ 2,271	\$ -
	Fringe Adjustment			\$ (742)	\$ -	\$ (742)	\$ -
	IT Sourcing Transition Costs			\$ (742)	\$ 1,841	\$ 1,841	\$ -
	Office of the Chief Operating Officer			\$ (2,702)	\$ 1,841	\$ 1,099	\$ -
	Fringe Adjustment			\$ (2,702)	\$ -	\$ (2,702)	\$ -
	IT Sourcing Transition Costs			\$ -	\$ 9,113	\$ 9,113	\$ -
	Office of the IBA			\$ (2,702)	\$ 9,113	\$ 6,411	\$ -
	Fringe Adjustment			\$ (2,702)	\$ 9,113	\$ 6,411	\$ -
	Office of the IBA Total			\$ (7,345)	\$ -	\$ (7,345)	\$ -
	Docket Office Transfer		(2.00)	\$ (228,267)	\$ (1,200)	\$ (229,467)	\$ -
	IT Sourcing Transition Costs			\$ -	\$ 43,492	\$ 43,492	\$ -
	Office of the Mayor		(11.16)	\$ (1,321,945)	\$ (143,767)	\$ (1,465,712)	\$ (965,000)
	Economic Growth Services Transfer		(4.00)	\$ (315,700)	\$ (100,384)	\$ (416,084)	\$ (113,300)
	CityTV Program Transfer		(17.16)	\$ (1,873,257)	\$ (201,859)	\$ (2,075,116)	\$ (1,078,300)
	Fringe Adjustment			\$ (77,910)	\$ -	\$ (77,910)	\$ -
	IT Sourcing Transition Costs			\$ -	\$ 358,501	\$ 358,501	\$ -
	Therapeutic Recreation Services		1.00	\$ -	\$ -	\$ -	\$ -
	Weekly Mowing Restoration		5.00	\$ 300,738	\$ 203,903	\$ 504,641	\$ -
	CDBG Revenue			\$ -	\$ -	\$ -	\$ (200,000)
	Parking Yard Trailer Replacement			\$ -	\$ 600,000	\$ 600,000	\$ -
	TOT Transfer			\$ -	\$ -	\$ -	\$ 745,523
	Park & Recreation Total		6.00	\$ 222,828	\$ 1,162,404	\$ 1,385,232	\$ 545,523
	Fringe Adjustment			\$ (8,968)	\$ -	\$ (8,968)	\$ -
	IT Sourcing Transition Costs			\$ -	\$ 70,948	\$ 70,948	\$ -
	Employee Fingerprint and Criminal Record and Identify Checks Program			\$ -	\$ 30,000	\$ 30,000	\$ -
	Personnel Total			\$ (8,968)	\$ 100,948	\$ 91,980	\$ -
	Fringe Adjustment			\$ (544,691)	\$ -	\$ (544,691)	\$ -
	IT Sourcing Transition Costs			\$ -	\$ 2,224,870	\$ 2,224,870	\$ -
	Safety Sales Tax Adjustment			\$ -	\$ -	\$ -	\$ 334,500
	Police		(1.00)	\$ (205,579)	\$ -	\$ (205,579)	\$ -
	Reduction of Assistant to Police Chief - Civilian			\$ -	\$ 35,000	\$ 35,000	\$ -
	Officer Wellness			\$ -	\$ 262,140	\$ 262,140	\$ -
	Police Academy Recruits			\$ (750,270)	\$ 2,522,010	\$ 1,771,740	\$ 334,500
	Police Total		(1.00)	\$ (750,270)	\$ 2,522,010	\$ 1,771,740	\$ 334,500



FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

GENERAL FUND	DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
		Fringe Adjustment	-	\$ (86,325)	-	\$ (86,325)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 665,617	\$ 665,617	\$ -
	Public Works - Engineering & Capital Projects	Addition of Program Manager	1.00	\$ -	\$ -	\$ -	\$ -
		Reduction of Associate Management Analyst	(1.00)	\$ -	\$ -	\$ -	\$ -
	Public Works - Engineering & Capital Projects Total		-	\$ (86,325)	\$ 665,617	\$ 579,292	\$ -
		Fringe Adjustment	-	\$ (15,359)	-	\$ (15,359)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 65,939	\$ 65,939	\$ -
	Public Works - General Services	Transfer to CJP	-	\$ -	\$ 1,111,000	\$ 1,111,000	\$ -
	Public Works - General Services Total		-	\$ (15,359)	\$ 1,176,939	\$ 1,161,580	\$ -
	Purchasing & Contracting	Fringe Adjustment	-	\$ (4,093)	-	\$ (4,093)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 49,441	\$ 49,441	\$ -
	Purchasing & Contracting Total		-	\$ (4,093)	\$ 49,441	\$ 45,348	\$ -
	Real Estate Assets	Fringe Adjustment	-	\$ (4,513)	-	\$ (4,513)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 34,778	\$ 34,778	\$ -
	Real Estate Assets Total		-	\$ (4,513)	\$ 34,778	\$ 30,265	\$ -
	Transportation & Storm Water	Fringe Adjustment	-	\$ (61,692)	-	\$ (61,692)	\$ -
		IT Sourcing Transition Costs	-	\$ -	\$ 365,021	\$ 365,021	\$ -
	Transportation & Storm Water Total	Transfer to CJP	-	\$ -	\$ 7,189,000	\$ 7,189,000	\$ -
	General Fund Total		41.23	\$ 2,083,956	\$ 10,084,155	\$ 12,168,151	\$ 2,499,217

FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

NON-GENERAL FUNDS		FUND TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
Airports Fund		Fringe Adjustment	\$ (2,206)	-	\$ -	\$ (2,206)	\$ -	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ 246	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 20,822	\$ -	\$ -
Airports Fund Total			\$ (2,206)	-	\$ 20,822	\$ 18,616	\$ 246	
Automated Refuse Container Fund		Automated Refuse Containers	\$ -	-	\$ 300,000	\$ 300,000	\$ -	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ (2,679)	\$ -	\$ -
Automated Refuse Container Fund Total			\$ -	-	\$ 300,000	\$ 297,321	\$ -	
Central Stores Fund		Fringe Adjustment	\$ (2,679)	-	\$ -	\$ (2,679)	\$ -	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 1,465
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ -	\$ -	\$ -
Central Stores Fund Total			\$ (2,679)	-	\$ 18,951	\$ 18,951	\$ 1,465	
City Employee's Retirement System Fund		Fringe Adjustment	\$ (11,107)	-	\$ -	\$ (11,107)	\$ -	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ -	\$ -	\$ -
City Employee's Retirement System Fund Total			\$ (11,107)	-	\$ -	\$ (11,107)	\$ -	
Concourse and Parking Garages Operating Fund		Fringe Adjustment	\$ (357)	-	\$ -	\$ (357)	\$ -	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 843
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 4,770	\$ -	\$ -
Concourse and Parking Garages Operating Fund Total			\$ (357)	-	\$ 4,770	\$ 4,413	\$ 843	
Convention Center Expansion Administration Fund		Debt Service Savings	\$ -	-	\$ -	\$ -	\$ -	\$ -
		Revised Revenue	\$ -	-	\$ -	\$ (477,237)	\$ (477,237)	\$ -
Convention Center Expansion Administration Fund Total			\$ -	-	\$ (477,237)	\$ (477,237)	\$ -	
Development Services Fund		Fringe Adjustment	\$ (50,949)	-	\$ -	\$ (50,949)	\$ -	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 4,725
		IT Sourcing Transition Costs	\$ -	-	\$ 440,499	\$ 440,499	\$ -	\$ -
Development Services Fund Total			\$ (50,949)	-	\$ 440,499	\$ 389,550	\$ 4,725	
Energy Conservation Program Fund		Fringe Adjustment	\$ (2,239)	-	\$ -	\$ (2,239)	\$ -	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 23
		IT Sourcing Transition Costs	\$ -	-	\$ 42,477	\$ 42,477	\$ -	\$ -
		Street Lighting Projects Support	\$ -	-	\$ 50,000	\$ 50,000	\$ -	\$ -
		SDGE Rebates/Incentives	\$ -	-	\$ -	\$ -	\$ -	\$ 1,850,000
Energy Conservation Program Fund Total			\$ (2,239)	-	\$ 92,477	\$ 90,238	\$ 1,850,023	
Environmental Growth 1/3 Fund		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 3,227	\$ -	\$ -
		Fringe Adjustment	\$ (2,452)	-	\$ -	\$ (2,452)	\$ -	\$ -
Environmental Growth 1/3 Fund Total			\$ (2,452)	-	\$ 3,227	\$ 775	\$ -	
Facilities Financing Fund		Fringe Adjustment	\$ -	-	\$ -	\$ -	\$ -	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ 17,173	\$ 17,173	\$ -	\$ -
Facilities Financing Fund Total			\$ -	-	\$ 17,173	\$ 17,173	\$ -	
Fire/Emergency Medical Services Transport Program Fund		Fringe Adjustment	\$ (6,883)	-	\$ -	\$ (6,883)	\$ -	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ 28,116	\$ 28,116	\$ -	\$ -
Fire/Emergency Medical Services Transport Program Fund Total			\$ (6,883)	-	\$ 28,116	\$ 21,233	\$ -	
Fleet Services Operating Fund		Fringe Adjustment	\$ (23,000)	-	\$ -	\$ (23,000)	\$ -	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 6,045
		IT Sourcing Transition Costs	\$ -	-	\$ 157,229	\$ 157,229	\$ -	\$ -
Fleet Services Operating Fund Total			\$ (23,000)	-	\$ 157,229	\$ 134,229	\$ 6,045	



FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

NON-GENERAL FUNDS		FUND TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
GIS Fund		Fringe Adjustment	\$ (233)	-	\$ (233)	\$ -	\$ (233)	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 47,072	\$ 47,072	\$ -
GIS Fund Total			\$ (233)	-	\$ (233)	\$ 47,072	\$ 47,072	\$ -
Golf Course Fund		Fringe Adjustment	\$ (10,993)	-	\$ (10,993)	\$ -	\$ (10,993)	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 1,650
Golf Course Fund Total			\$ (10,993)	-	\$ (10,993)	\$ -	\$ (10,993)	\$ 1,650
Information Technology Fund		Fringe Adjustment	\$ (5,231)	-	\$ (5,231)	\$ -	\$ (5,231)	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 469,180	\$ 469,180	\$ -
Information Technology Fund Total			\$ (5,231)	-	\$ (5,231)	\$ 469,180	\$ 469,180	\$ -
Information Technology Fund Total		Customer Relationship Management	\$ 821,710	5.00	\$ 821,710	\$ 10,050	\$ 831,760	\$ -
		Capital Requirement Debt Service	\$ -	-	\$ -	\$ 471,500	\$ 471,500	\$ -
Information Technology Fund Total			\$ 816,479	5.00	\$ 816,479	\$ 950,730	\$ 1,767,209	\$ -
Junior Lifeguard Program Fund		Fringe Adjustment	\$ (207)	-	\$ (207)	\$ -	\$ (207)	\$ -
		Addition of Overhead and Labor Load	\$ -	-	\$ -	\$ 36,074	\$ 36,074	\$ -
Junior Lifeguard Program Fund Total			\$ (207)	-	\$ (207)	\$ 36,074	\$ 35,867	\$ -
Local Enforcement Agency Fund		Fringe Adjustment	\$ (1,000)	-	\$ (1,000)	\$ -	\$ (1,000)	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 7,537	\$ 7,537	\$ -
Local Enforcement Agency Fund Total			\$ (1,000)	-	\$ (1,000)	\$ 7,537	\$ 6,537	\$ -
Los Penasquitos Canyon Preserve Fund		Fringe Adjustment	\$ (335)	-	\$ (335)	\$ -	\$ (335)	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 8	\$ 8	\$ -
Los Penasquitos Canyon Preserve Fund Total			\$ (335)	-	\$ (335)	\$ 8	\$ (327)	\$ -
Maintenance Assessment District (MAD) Management Fund		Fringe Adjustment	\$ (3,961)	-	\$ (3,961)	\$ -	\$ (3,961)	\$ -
		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 19,439	\$ 19,439	\$ -
Maintenance Assessment District (MAD) Management Fund Total			\$ (3,961)	-	\$ (3,961)	\$ 19,439	\$ 15,478	\$ -
Metropolitan Sewer Utility Fund		Fringe Adjustment	\$ (70,579)	-	\$ (70,579)	\$ -	\$ (70,579)	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 333,992
Metropolitan Sewer Utility Fund Total			\$ (70,579)	-	\$ (70,579)	\$ -	\$ (70,579)	\$ 333,992
Municipal Sewer Revenue Fund		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 653,014	\$ 653,014	\$ -
		Pipeline Condition Assessment	\$ -	-	\$ -	\$ 160,000	\$ 160,000	\$ -
Municipal Sewer Revenue Fund Total			\$ -	-	\$ -	\$ 813,014	\$ 742,435	\$ -
Municipal Sewer Revenue Fund Total		Fringe Adjustment	\$ (58,207)	-	\$ (58,207)	\$ -	\$ (58,207)	\$ -
		Natural Gas Antitrust Litigation Settlement	\$ -	-	\$ -	\$ -	\$ -	\$ 5,566
Municipal Sewer Revenue Fund Total			\$ (58,207)	-	\$ (58,207)	\$ -	\$ (58,207)	\$ 5,566
OneSD Support Fund		IT Sourcing Transition Costs	\$ -	-	\$ -	\$ 509,589	\$ 509,589	\$ -
		Pipeline Condition Assessment	\$ -	-	\$ -	\$ 15,000	\$ 15,000	\$ -
OneSD Support Fund Total			\$ -	-	\$ -	\$ 227,126	\$ 227,126	\$ -
PETCO Park Fund		Non-Standard Hour Personnel Funding	\$ 168,919	6.75	\$ 168,919	\$ 524,589	\$ 693,508	\$ -
		Fringe Adjustment	\$ (3,636)	-	\$ (3,636)	\$ -	\$ (3,636)	\$ -
PETCO Park Fund Total			\$ 165,283	6.75	\$ 165,283	\$ 524,589	\$ 689,872	\$ -
PETCO Park Fund Total		IT Sourcing Transition Costs	\$ (3,636)	-	\$ (3,636)	\$ 3,154,021	\$ 3,154,021	\$ -
		Fringe Adjustment	\$ (302)	-	\$ (302)	\$ -	\$ (302)	\$ -
PETCO Park Fund Total			\$ (302)	-	\$ (302)	\$ 3,154,021	\$ 3,150,385	\$ -
PETCO Park Fund Total			\$ -	-	\$ -	\$ 1,103	\$ 1,103	\$ (300,000)
PETCO Park Fund Total			\$ (302)	-	\$ (302)	\$ 1,103	\$ 801	\$ (300,000)

FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

NON-GENERAL FUNDS		FUND TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
	Public Safety Communication Bonds Fund	Fund Balance Transfer		-	\$ -	\$ 536,617	\$ 536,617	\$ -
	Public Safety Communication Bonds Fund Total			-	\$ -	\$ 536,617	\$ 536,617	\$ -
	Publishing Services Fund	Fringe Adjustment		-	\$ (1,387)	\$ -	\$ (1,387)	\$ -
		Natural Gas Antitrust Litigation Settlement		-	\$ -	\$ -	\$ -	\$ 1,055
		IT Sourcing Transition Costs		-	\$ -	\$ 21,682	\$ 21,682	\$ -
	Publishing Services Fund Total			-	\$ (1,387)	\$ 21,682	\$ 20,295	\$ 1,055
	QUALCOMM Stadium Operations Fund	Fringe Adjustment		-	\$ (4,891)	\$ -	\$ (4,891)	\$ -
		Natural Gas Antitrust Litigation Settlement		-	\$ -	\$ -	\$ -	\$ 6,492
		IT Sourcing Transition Costs		-	\$ -	\$ 18,480	\$ 18,480	\$ -
	QUALCOMM Stadium Operations Fund Total			-	\$ (4,891)	\$ 18,480	\$ 13,589	\$ 6,492
	Recycling Fund	Fringe Adjustment		-	\$ (15,275)	\$ -	\$ (15,275)	\$ -
		Natural Gas Antitrust Litigation Settlement		-	\$ -	\$ -	\$ -	\$ 1,000
		IT Sourcing Transition Costs		-	\$ -	\$ 79,886	\$ 79,886	\$ -
		Curbside Recycling Revenue		-	\$ -	\$ -	\$ -	\$ (600,000)
	Recycling Fund Total			-	\$ (15,275)	\$ 79,886	\$ 64,611	\$ (599,000)
	Refuse Disposal Fund	Fringe Adjustment		-	\$ (23,331)	\$ -	\$ (23,331)	\$ -
		Natural Gas Antitrust Litigation Settlement		-	\$ -	\$ -	\$ -	\$ 350
		IT Sourcing Transition Costs		-	\$ -	\$ 142,235	\$ 142,235	\$ -
		Revised Revenue		-	\$ -	\$ -	\$ -	\$ -
		Miramar Landfill Maintenance Revenue		-	\$ -	\$ -	\$ -	\$ (2,513,741)
	Refuse Disposal Fund Total			-	\$ (23,331)	\$ 142,235	\$ 118,904	\$ (1,513,391)
	Risk Management Administration Fund	Fringe Adjustment		-	\$ 91,263	\$ -	\$ 91,263	\$ -
		IT Sourcing Transition Costs		-	\$ -	\$ 141,730	\$ 141,730	\$ -
		Rehabilitation Coordinator		(1.00)	\$ -	\$ -	\$ -	\$ -
		Claims Representative 2		0.50	\$ 38,572	\$ -	\$ 38,572	\$ -
	Risk Management Administration Fund Total			(0.50)	\$ 129,835	\$ 141,730	\$ 271,565	\$ -
	Tax and Revenue Anticipation Notes Fund	TRANS Transfer		-	\$ -	\$ -	\$ -	\$ (700,000)
		Cost of Issuance		-	\$ -	\$ (700,000)	\$ (700,000)	\$ -
	Tax and Revenue Anticipation Notes Fund Total			-	\$ -	\$ (700,000)	\$ (700,000)	\$ (700,000)
	Transient Occupancy Tax Fund	Fringe Adjustment		-	\$ (1,794)	\$ -	\$ (1,794)	\$ -
		IT Sourcing Transition Costs		-	\$ -	\$ 48,767	\$ 48,767	\$ -
		Revised Revenue		-	\$ -	\$ -	\$ -	\$ 781,574
		Arts and Culture Program Allocation		-	\$ -	\$ 310,000	\$ 310,000	\$ -
		Transfer to the General Fund		-	\$ -	\$ 773,088	\$ 773,088	\$ -
		Transfer to the Convention Center Fund		-	\$ -	\$ (477,237)	\$ (477,237)	\$ -
		Council District Discretionary TOT Adjustment		-	\$ -	\$ 128,750	\$ 128,750	\$ -
	Transient Occupancy Tax Fund Total			-	\$ (1,794)	\$ 783,368	\$ 781,574	\$ (100,000)
	Trolley Extension Reserve Fund	TOT Revenue		-	\$ -	\$ -	\$ -	\$ (100,000)
	Trolley Extension Reserve Fund Total			-	\$ -	\$ -	\$ -	\$ (100,000)
	Underground Surcharge Fund	Fringe Adjustment		-	\$ (448)	\$ -	\$ (448)	\$ -
		IT Sourcing Transition Costs		-	\$ -	\$ 14,948	\$ 14,948	\$ -
	Underground Surcharge Fund Total			-	\$ (448)	\$ 14,948	\$ 14,500	\$ -

FISCAL YEAR 2013 MAYOR'S MAY REVISION SUMMARY TABLE

FUND TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
	Fringe Adjustment	-	\$ (103,638)	\$ -	\$ (103,638)	\$ -
	Natural Gas Antitrust Litigation Settlement	-	\$ -	\$ -	\$ -	\$ 7,802
	IT Sourcing Transition Costs	-	\$ -	\$ 938,573	\$ 938,573	\$ -
Water Utility Operating Fund	Pipeline Condition Assessment	-	\$ -	\$ 275,000	\$ 275,000	\$ -
	Compliance and Metering Program Manager	1.00	\$ 146,542	\$ -	\$ 146,542	\$ -
	SRF Adjustment	-	\$ -	\$ 1,078,435	\$ 1,078,435	\$ -
	Water Purchases Reduction	-	\$ -	\$ (3,149,635)	\$ (3,149,635)	\$ -
Water Utility Operating Fund Total		1.00	\$ 42,904	\$ (857,627)	\$ (814,723)	\$ 7,802
	Fringe Adjustment	-	\$ (8,146)	\$ -	\$ (8,146)	\$ -
	Natural Gas Antitrust Litigation Settlement	-	\$ -	\$ -	\$ -	\$ 373
Wireless Communications Technology Fund	IT Sourcing Transition Costs	-	\$ -	\$ 55,703	\$ 55,703	\$ -
	Information Systems Analyst Transfer	1.00	\$ 145,491	\$ -	\$ 145,491	\$ -
Wireless Communications Technology Fund Total		1.00	\$ 137,345	\$ 55,703	\$ 193,048	\$ 373
Grand Total		13.25	\$ 1,055,238	\$ 6,444,170	\$ 7,499,408	\$ (687,757)



# Attachment C

Attachment 2

## Capital Improvements Program (CIP) FY2013 May Revision

### Environmental Services

#### Citywide Energy Improvements - ABT00003

Fund		Proposed	Change	Revised
200225	Energy Conservation Program CIP Fund		\$0 \$1,800,000	\$1,800,000

This funding will be received from San Diego Gas and Electric rebates/incentives for Citywide Street Lighting projects and will be used to fund energy efficiency capital projects required by terms and conditions of the Energy Efficiency and Conservation Block Grant (EECBG). The new Fiscal Year 2013 budget is \$1,800,000.

### Park & Recreation

#### Canyonside Community Park Improvements - S12004

Fund		Proposed	Change	Revised
400023	Penasquitos South-Major Dist		\$0 \$49,833	\$49,833

These funds will address additive alternates in the construction bidding and allow additional park improvements to be made during construction in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$49,833.

#### Central Avenue Mini Park Acquisition/Development - S00992

Fund		Proposed	Change	Revised
400059	Highland/Landis(East SD)-Major		\$0 \$5,673	\$5,673
400076	Pk/Rec Bldg Permit Fee Dist-D		\$0 \$21,041	\$21,041

This project is currently being designed. Due to unforeseen environmental issues, additional funding is needed to cover the cost of environmental studies in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$26,714.

#### Chicano Park ADA Upgrades - S13003

Fund		Proposed	Change	Revised
400061	Memorial(Southeast SD)Maj Dist		\$0 \$10,657	\$10,657

The exact scope of this project has not been fully identified. These funds will assist in the evaluation, scoping and design of the ADA upgrades in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$410,657, once added to the proposed budget of \$400,000.

#### Chollas Community Park - S00654

Fund		Proposed	Change	Revised
400058	Chollas - Major District		\$0 \$20,695	\$20,695

These funds will help fill some of the possible funding gap if redevelopment funds are no longer available and keep the project moving forward to construction in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$20,695.

#### Dailard Neighborhood Park-Play Area Upgrades - S10028

Fund		Proposed	Change	Revised
400075	Pk/Rec Bldg Permit Fee Dist C		\$0 \$10,335	\$10,335

The design phase for these park improvements is nearing completion and construction is slated to begin in Fiscal Year 2013. These funds will be used to provide additional park amenities during the construction phase. The new Fiscal Year 2013 budget is \$10,335.

#### Gompers Neighborhood Park- Play Area Upgrades - S11030

Fund		Proposed	Change	Revised
400120	S.E. San Diego Urban Comm	\$300,000	(\$300,000)	\$0

This project received construction funding from CDBG. Southeastern San Diego DIF funding will be reallocated to Americans with Disabilities Improvements for the installation of curb ramps. The Fiscal Year 2013 budget is \$0 with \$690,000 anticipated in CDBG funds.

#### Lake Murray Community Park Play Area Expansion - S11018

Fund		Proposed	Change	Revised
400033	Lake Murray/Del Cerro-Maj Dist		\$0 \$454	\$454

This project will be moving to construction in late Fiscal Year 2012 and into Fiscal Year 2013. The project has a large community donation component and this funding will support the City's ADA portion of the work to ensure the project can be completed. The new Fiscal Year 2013 budget is \$454.

## Attachment C

### Larsen Field ADA Improvements Phase II - S13004

Fund		Proposed	Change	Revised
400071	San Ysidro - Major District		\$0 \$5,876	\$5,876
400078	San Ysidro-Sub Dist		\$0 \$3,299	\$3,299

The exact scope of this project has not been fully identified. These funds will assist in the evaluation, scoping and design of the ADA upgrades in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$689,175, once added to the proposed budget of \$680,000.

### Linda Vista Community Park Picnic Area - S01068

Fund		Proposed	Change	Revised
400036	Linda Vista-Major District		\$0 \$965	\$965
400113	Linda Vista Urban Comm	\$47,500	(\$47,500)	\$0

This project received construction funding from CDBG, which allows for the removal of \$47,500 in DIF funding. Adding Linda Vista Major District Park funds to the project will help secure additional park amenities during the construction phase. The new Fiscal Year 2013 budget is \$965 with \$100,000 anticipated in CDBG funds.

### Mission Bay Athletic Area Comfort Stn Modernize - S10021

Fund		Proposed	Change	Revised
400048	Mission Bay - Major District		\$0 \$9,057	\$9,057

Adding funding to this project will help the project be viewed more favorably when applying for grants to fill the project's funding gap. The new Fiscal Year 2013 budget is \$9,057.

### Mountain View Neighborhood Park Area Upgrades - S11019

Fund		Proposed	Change	Revised
400062	Southcrest - Major District		\$0 \$59,686	\$59,686
400063	Southcrest Sub Dist		\$0 \$9,900	\$9,900

This project is currently in the design phase and is projected to move to construction in Fiscal Year 2013. These funds are needed for construction. The new Fiscal Year 2013 budget is \$69,586.

### Museum of Man Roof Replacement - S11101

Fund		Proposed	Change	Revised
400265	CIP Contributions from General Fund		\$0 \$400,000	\$400,000

This change reflects an increase of \$400,000 in additional deferred capital in Fiscal Year 2012 from Fiscal Year 2012 General Fund surplus. This funding will be needed to address interior damage caused by the many years of water intrusion into the building. Work will include removal, repair and repainting of the damaged plaster walls and ceilings throughout the museum particularly at the main and three side domes as well as repair and repainting of damaged windows. The new Fiscal Year 2013 budget is \$400,000.

### North Park Mini-Park and Streetscape Improvements - S10050

Fund		Proposed	Change	Revised
400055	North Park - Major District		\$0 \$39,274	\$39,274

This additional funding will help complete the design phase of the project and environmental review in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$86,274, once added to the proposed budget of \$47,000.

### Ocean Beach CDC - N Ocean Beach Revitalization - S01057

Fund		Proposed	Change	Revised
400050	Ocean Beach - Major District		\$0 \$2,913	\$2,913
400052	Loma Portal - Major District		\$0 \$38,287	\$38,287

This project is funded by community donations and City funds. These additional funds will move phase 2 of the project forward in Fiscal Year 2013. The new Fiscal Year budget is \$41,200.

### Palisades Park Comfort Station Replacement - S10026

Fund		Proposed	Change	Revised
400047	Pacific Beach-Major District		\$0 \$12,712	\$12,712

This project will be moving to construction in Fiscal Year 2013. This funding will be needed to address additive alternates in the bid process and assist with unforeseen expenses during construction. The new Fiscal Year 2013 budget is \$12,712.

## Attachment C

### Rancho Penasquitos Skate Park - S12002

Fund		Proposed	Change	Revised
400022	Carmel Mt East-Major District		\$0 \$29,384	\$29,384
400024	Penasquitos North-Major Dist		\$0 \$14,374	\$14,374
400073	Pk/Rec Bldg Permit Fee Dist-A		\$0 \$5,547	\$5,547

This project is nearing design completion and these funds will help address additive alternates identified in the construction documents and allow additional park amenities to be included in the construction phase slated to begin in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$49,305.

### Silver Wing Neighborhood Park Sports Fld & Sec Lgt - S11051

Fund		Proposed	Change	Revised
400069	Montgomery/Waller-Major Dist		\$0 \$1,801	\$1,801
400077	Pk/Rec Bldg Permit Fee Dist E		\$0 \$34,523	\$34,523

This project is nearing the completion of the design phase and will be constructed in phases. These funds will help move the security light phase of the project to construction in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$36,324.

### Sunroad Neighborhood Park - Development - S10048

Fund		Proposed	Change	Revised
200636	Monetary Conditions Placed on Future Deposits		\$0 \$105,326	\$105,326

This funding is the result of a developer contribution as required per terms of Park Development Agreement between the City and Developer. The new Fiscal Year 2013 budget is \$105,326.

### Sunset Cliffs Natural Park Hillside Improvements - S10091

Fund		Proposed	Change	Revised
400051	Point Loma - Major District		\$0 \$5,594	\$5,594

This project is nearing the completion of the design phase and will use the additional funding for environmental review and approval of the construction documents. The new Fiscal Year 2013 budget is \$5,594.

### Tierrasanta Community Park Sports Field Lighting - S11011

Fund		Proposed	Change	Revised
200636	Monetary Conditions Placed on Future Deposits		\$0 \$300,000	\$300,000
400031	Tierrasanta(Elliott West)Maj D		\$0 \$3,876	\$3,876

This project needs additional funding and the Park and Recreation Department will aggressively pursue grants and other funding sources to move this project to construction. The allocation of Tierrasanta (East Elliott) Major Park District funds helps when applying for grants. This change also reflects an increase of \$300,000 from a developer contribution for the sports field lighting project as required per Tentative Map approval. The new Fiscal Year 2013 budget is \$453,876, once added to the proposed budget of \$150,000.

### University Village Park Tot Lot - S13005

Fund		Proposed	Change	Revised
400074	Pk/Rec Bldg Permit Fee Dist-B		\$0 \$253	\$253

This project has very limited funds and these funds will assist in the design phase to be initiated in Fiscal Year 2013. The new Fiscal Year 2013 budget is \$300,253, once added to the proposed budget of \$300,000.

### Walker Neighborhood Park Playground Upgrades - S10092

Fund		Proposed	Change	Revised
400028	Mira Mesa East-Major District		\$0 \$3,100	\$3,100

This project is scheduled for bid, award and construction in Fiscal Year 2013. These additional funds will assist in providing additional park amenities during the construction phase. The new Fiscal Year 2013 budget is \$3,100.



## Attachment C

### Public Utilities

#### Balboa Terrace Trunk Sewer - S12035

Fund		Proposed	Change	Revised
700008	Muni Sewer Utility - CIP Funding Source	\$0	\$7,696,500	\$7,696,500

This change reflects an increase of \$7,696,500 for the Balboa Terrace Trunk Sewer (S12035). The new Fiscal Year 2013 budget is \$7,696,500.

#### MWWD Trunk Sewers (Muni) - AJB00001

Fund		Proposed	Change	Revised
700008	Muni Sewer Utility - CIP Funding Source	\$9,449,532	(\$7,696,500)	\$1,753,032

This change reflects a decrease of \$7,696,500 which is reallocated to the Balboa Terrace Trunk Sewer (S12035) project. The new Fiscal Year 2013 budget is \$1,753,032.

#### North City Reclamation System - AHC00002

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$652,933	\$125,000	\$777,933

This change reflects an increase of \$125,000 to cover increased scope for the Camino Del Sur Pipeline-North of SR56 sublet. The new Fiscal Year 2013 budget is \$777,933.

#### Otay 1st/2nd PPL Abandon West of Highland Avenue - S12016

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$1,000,000	(\$850,000)	\$150,000

This change reflects a decrease of \$850,000 based upon a reassessment of project schedule to support Fiscal Year 2013 needs. The new Fiscal Year 2013 project budget is \$150,000.

#### Pump Station 64,65, Penasquitos, E Mission Gorge - ABP00003

Fund		Proposed	Change	Revised
700008	Muni Sewer Utility - CIP Funding Source	\$2,500,000	\$880,000	\$3,380,000

This change reflects an increase of \$880,000 for the Pump Station 65 Capacity Project. The new Fiscal Year project budget is \$3,380,000.

#### Recycled Water System Upgrades - S10010

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$0	\$1,400,000	\$1,400,000

This change reflects an increase of \$1.4 million to cover bids coming in higher than anticipated. The new Fiscal Year 2013 budget is \$1,400,000.

#### Tierrasanta (Via Dominique) Pump Station - S12040

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$0	\$4,722,736	\$4,722,736

This change reflects an increase of \$4.7 million to cover Fiscal Year 2013 project needs. The new Fiscal Year 2013 project budget is \$4,722,736.

#### Water Treatment Plants - ABI00001

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$0	\$100,000	\$100,000

This is a newly established annual allocation for Fiscal Year 2013 with an initial budget of \$100,000.

#### Water and Sewer Group Job 816 (W) - S13015

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$0	\$500,000	\$500,000

This is a newly established pipeline replacement project for Fiscal Year 2013. The new Fiscal Year 2013 project budget is \$500,000.

#### Miramar Contract A Roof System Redesign - S13016

Fund		Proposed	Change	Revised
700010	Water Utility - CIP Funding Source	\$0	\$3,000,000	\$3,000,000

This is a newly established project for the design and construction of the Miramar WTP roof system. The new Fiscal Year 2013 project budget is \$3,000,000.



## Attachment C

### Public Works - General Services

#### Americans with Disabilities Improvements - ABE00001

Fund		Proposed	Change	Revised
400053	Presidio - Major District		\$0 \$7,086	\$7,086
400120	S.E. San Diego Urban Comm		\$0 \$300,000	\$300,000

The Presidio Major Park funding will assist in constructing ADA upgrades within Pioneer Park. The Southeastern DIF funding will be utilized for the installation of curb ramps at approximately seven identified locations in the Southeastern area. The new Fiscal Year 2013 budget is \$2,918,086, once added to the proposed budget of \$2,611,000.

#### City Facilities Improvements - ABT00001

Fund		Proposed	Change	Revised
400265	CIP Contributions from General Fund		\$0 \$711,000	\$711,000

This change reflects an increase of \$711,000 in additional funding for deferred capital in Fiscal Year 2013 is being allocated from General Fund surplus in Fiscal Year 2012. The new Fiscal Year 2013 budget is \$711,000.

### Real Estate Assets

#### Evan V. Jones Parkade Parking Equipment Upgrade - S11034

Fund		Proposed	Change	Revised
200300	Concourse and Parking Garages Operating Fund	\$50,000	(\$50,000)	\$0

This change reflects a decrease of \$50,000 to the Fiscal Year 2013 budget. Due to bid amounts coming in higher than anticipated, project is on hold and will be re-evaluated. Project budget will not be increased at this time. The new Fiscal Year 2013 budget is \$0.

### Transportation & Storm Water

#### Concrete Streets - AID00006

Fund		Proposed	Change	Revised
400265	CIP Contributions from General Fund		\$0 \$2,382,000	\$2,382,000

This change reflects an increase of \$2,382,000 in additional funding for deferred capital in Fiscal Year 2013 from General Fund surplus in Fiscal Year 2012. The new Fiscal Year 2013 budget is \$2,382,000.

#### Drainage Projects - ACA00001

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$723,350	(\$723,350)	\$0
400265	CIP Contributions from General Fund		\$0 \$1,107,000	\$1,107,000

This change reflects a decrease of \$723,350 in TransNet funding and an increase of \$1,107,000 from additional funding for deferred capital in Fiscal Year 2013 from General Fund surplus in Fiscal Year 2012. The new Fiscal Year 2013 budget is \$1,107,000.

#### Median Installation - AIG00001

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$141,000	\$300,000	\$441,000

This change reflects an increase of \$300,000 to provide funding for higher priority median projects to support Fiscal Year 2013 needs. The new Fiscal Year 2013 budget is \$441,000.

#### Palm Avenue Roadway Improvements - S00913

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund		\$0 \$749,106	\$749,106

This change reflects an increase of \$749,106 of Transnet funds to support Fiscal Year 2013 needs. The new Fiscal Year 2013 budget is \$749,106.

#### Pershing Drive/Redwood Street Intersection - S00885

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$100,000	(\$100,000)	\$0

This change reflects a decrease of \$100,000 of TransNet funds. This project is being re-evaluated and may be cancelled. No further funding is required. The new Fiscal Year 2013 budget is \$0.

## Attachment C

### Resurfacing of City Streets - AID00005

Fund		Proposed	Change	Revised
400265	CIP Contributions from General Fund	\$0	\$2,200,000	\$2,200,000

This change reflects an increase of \$2,200,000 in additional funding for deferred capital in Fiscal Year 2013 from General Fund surplus in Fiscal Year 2012. The new Fiscal Year 2013 budget is \$2,200,000.

### Rose & Tecolote Creeks Water Quality Improvements - ACC00002

Fund		Proposed	Change	Revised
400265	CIP Contributions from General Fund	\$50,000	(\$50,000)	\$0

This funding was originally identified for the Mt. Abernathy Green Street component of this project. Construction bids came in lower than estimated and this funding will not be needed. The \$50,000 will be reallocated to the the Watershed CIP annual allocation (ACC00001). The new Fiscal Year 2013 budget is \$0.

### San Diego River Multi-Use Path - S00958

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$0	\$79,000	\$79,000

This change reflects an increase of \$79,000 in Transnet funds to support Fiscal Year 2013 needs. The new Fiscal Year 2013 budget is \$79,000.

### Saturn Blvd Roadway Improvements - S11028

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$477,866	(\$477,866)	\$0

This change reflects a decrease of \$477,866 in TransNet funding. This project is at 60% design and construction estimates have been refined reducing funding requirements. The remaining Fiscal Year 2013 budget is \$350,000.

### School Traffic Safety Improvements - AIK00002

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$246,100	(\$40,000)	\$206,100

This change reflects a decrease of \$40,000 based on a reallocation of TransNet funding to other higher priority projects to support Fiscal Year 2013 needs. The new Fiscal Year budget is \$206,106.

### SR-94/Euclid Ave Interchange Improvements - S11046

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$579,000	(\$579,000)	\$0

This change reflects a decrease of \$579,000. No further funding is required. The new Fiscal Year 2013 budget is \$0.

### State Route 163/Clairemont Mesa Blvd Interchange - S00905

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$314,000	\$14,000	\$328,000

This change reflects an increase of \$14,000 in Transnet funds to support Fiscal Year 2013 needs. The new Fiscal Year 2013 budget is \$328,000.

### State Route 163/Friars Road - S00851

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$3,100,000	(\$264,000)	\$2,836,000

This change reflects a decrease of \$264,000. Other funding through SANDAG recently became available for use in this project, therefore Transnet funding requirements are lower than previously anticipated to support Fiscal Year 2013 needs. The new Fiscal Year 2013 budget is \$2,836,000.

### Streamview Drive Improvements - S00864

Fund		Proposed	Change	Revised
400169	TransNet Extension Congestion Relief Fund	\$0	\$1,045,000	\$1,045,000

This change reflects an increase of \$1,045,000 in Transnet funds to support Fiscal Year 2013 needs. The new Fiscal Year 2013 budget is \$1,045,000.

### Watershed CIP - ACC00001

Fund		Proposed	Change	Revised
400265	CIP Contributions from General Fund	\$2,740,000	\$1,550,000	\$4,290,000

Funding of \$50,000 reallocated from the Rose and Tecolote Creeks Water Quality Improvements project and additional funding for deferred capital in Fiscal Year 2013 from General Fund surplus in Fiscal Year 2012 in the amount of \$1,500,000 will provide additional funding for construction of water quality improvement projects. The new Fiscal Year 2013 budget is \$4,290,000.

Total CIP \$ 194,222,696 \$ 20,694,647 \$ 214,917,343



## Attachment C

### Attachment 3

**Capital Improvements Program  
FY2013 Construction Projects Contract Award List**

Project	Delivery Method	Estimated Construction Contract
<b>Airports</b>		
Montgomery Field / AAA00001		
MYF Twy C Rehab & New Run-Up Pads / B11059	Design Bid Build	\$ 762,200
<b>Environmental Services</b>		
South Chollas Landfill / S00776	Design Bid Build	\$ 1,050,000
South Chollas Landfill Improvements / S00684 *	Design Bid Build	\$ 450,000
<b>Fire-Rescue</b>		
Children's Pool Lifeguard Station / S00644	Design Build	\$ 1,934,000
La Jolla Cove Lifeguard Station / S00792	Design Bid Build	\$ 1,130,000
Mission Beach Lifeguard Station / S00793 *	Design Bid Build	\$ 450,796
SDFD Station Alerting / L12002	Design Build	\$ 4,400,000
<b>Library</b>		
Skyline Hills Library / S00692	Design Build	\$ 7,800,000
<b>Park and Rec</b>		
Angier Elementary School Joint Use / S00762	Design Bid Build	\$ 1,580,000
Bird Rock Median Lighting / S11007 *	Design Bid Build	\$ 140,000
Carmel Grove Mini Park Play Area Upgrade / S00659	Design Build	\$ 336,156
Chollas Community Park / S00654	Design Bid Build	\$ 2,790,000
Del Mar Trails Park Play Area Upgrades / S11016	Design Build	\$ 440,366
Linda Vista Community Park Picnic Area / S01068 *	Design Bid Build	\$ 134,624
Memorial Pool Improvements / S00970	Design Bid Build	\$ 1,740,000
Mission Bay Golf Course and Practice Center / AEA00003		
Mission Bay Golf Course - Upgrades / B12020	JOC	\$ 63,000
Mission Bay Improvements / AGF00004		
North Crown Point Comfort Station / B10088 *	Design Bid Build	\$ 315,513
Mission Hills Historic Street Lighting / S11008 *	Design Bid Build	\$ 228,000
Montgomery Academy Joint Use Improvements / S00973	Design Bid Build	\$ 745,000
Pacific Breezes (Ocean View Hills) Community Park / S00649	Design Bid Build	\$ 11,200,000
Palisades Park Comfort Station Replacement / S10026 *	Design Bid Build	\$ 358,275
Rancho Bernardo Community Park-Sports Field Lights / S11012	Design Bid Build	\$ 580,700
Rancho Penasquitos Skate Park / S12002	Design Build	\$ 403,000
Rancho Penasquitos Towne Centre Park Improvements / S12003 *	Design Bid Build	\$ 50,000
<b>Resource-Based Open Space Parks / AGE00001</b>		
Los Pen Canyon - Blk Mtn Ranger Station / B00619	Design Bid Build	\$ 1,145,000
Roosevelt Middle School Improvements / S00761	Design Bid Build	\$ 838,622
Wegeforth Elementary School Joint Use / S00764	Design Bid Build	\$ 2,216,000
<b>Police</b>		
Police Headquarters Cogeneration Repower Project / S10131	Design Build	\$ 900,000
<b>Public Utilities</b>		
<b>Dams and Reservoirs / ABK00001</b>		
Scripps Ranch Rsvr Slope Rpr&Bracket Rpl / B10165 *	Design Bid Build	\$ 230,000
El Capitan Pipeline #2 Valves / S10005	Design Build	\$ 470,000
Lindbergh Field 16" Cast Iron Main Replacement / S10055	Design Bid Build	\$ 4,818,000
Lower Otay Reservoir Emergency Outlet Improvements / S00044	Design Bid Build	\$ 1,050,000
MBC Biosolids Storage Silos / S00322	Design Bid Build	\$ 5,720,000
MBC Dewatering Centrifuges Replacement / S00339	Design Build	\$ 10,260,000
<b>Metropolitan Waste Water Department Trunk Sewers / AJB00001</b>		
Alvarado TS Ph III 11/12 EPA / B00481	Design Bid Build	\$ 1,946,000
Rose Canyon TS (RCTS) Joint Repair / B11025	Design Build	\$ 4,711,000

## Attachment C

Project	Delivery Method	Estimated Construction Contract
Montezuma Trunk Sewer / S00332	Design Bid Build	\$ 4,425,000
NCWRP Sludge Pump Station Upgrade / S00309 *	Design Bid Build	\$ 361,000
North City Reclamation System / AHC00002		
Camino Del Sur Recycled Water / B10200	Design Bid Build	\$ 750,000
Otay Water Treatment Plant Upgrade & Expansion / S00030		
Otay WTP Concrete Work / S11059	Design Build	\$ 727,500
Pipeline Rehabilitation / AJA00002		
Pipeline Rehabilitation R-1 / B11062	Design Bid Build	\$ 3,339,242
Pipeline Rehabilitation S-1 / B11078	Design Bid Build	\$ 4,404,790
Pump Station 64,65, Penasquitos, E Mission Gorge / ABP00003		
Pump Station 65 Capacity Upgrade / B00306	Design Bid Build	\$ 4,400,000
Pump Station 84 Upgrade & Pump Station 62 Abandon / S00308	Design Bid Build	\$ 10,000,000
Pump Station Restorations / ABP00001		
Sewer Pump Station 77 (Add) / B10177	JOC	\$ 350,000
SPS 13 REHAB / B00476 *	Design Bid Build	\$ 448,500
Recycled Water System Upgrades / S10010	Design Build	\$ 700,000
Sewer Main Replacements / AJA00001		
3014 - Swr & Wtr Grp 685 (CH3) (04)-1 / B00333 (1)	Design Bid Build	\$ 3,781,964
3014 - Swr & Wtr Grp 770 (CH) / B00410 (1)	Design Bid Build	\$ 1,620,000
Buchanan Canyon Sewer B (UP) / B00429	Design Bid Build	\$ 2,487,492
Sewer & Water Group 687B / B00445 (2)	Design Bid Build	\$ 5,305,912
Sewer & Water Group 693 (GP3) (05) / B00447 (3)	Design Bid Build	\$ 2,610,000
Sewer & Water Group 723 (MH11) (04)-1 / B00462 (5)	Design Bid Build	\$ 2,336,000
Sewer & Water Group 758 / B00365 (6)	Design Bid Build	\$ 2,716,000
Sewer & Water Group 761 / B00372 (7)	Design Bid Build	\$ 2,722,200
Sewer & Water Group 788 (EA) / B00379 (8)	Design Bid Build	\$ 3,551,574
Sewer & Water Group 799 - PHASE II / B00420 (9)	Design Bid Build	\$ 264,000
Sewer Group 549 / B00442	Design Bid Build	\$ 3,400,000
Sewer Group 703A / B00461	Design Bid Build	\$ 2,600,950
Sewer Group 784 (EA) / B00378	Design Bid Build	\$ 2,175,638
Sewer Group 787 / B00393	Design Bid Build	\$ 3,400,000
Water & Sewer Group 930 (S) / B11022 (10)	Design Bid Build	\$ 1,314,100
Water & Sewer Group 957 / B11152 (11)	Design Bid Build	\$ 632,800
Water & Sewer Group Job 956(S) / B11151 (12)	Design Bid Build	\$ 159,426
Standpipe and Reservoir Rehabilitations / ABL00001		
Catalina Standpipe Renovation / B00155	Design Build	\$ 2,882,600
Unscheduled Projects / AJA00003		
False Bay RR Trunk Sewer / B00507	Design Bid Build	\$ 1,026,011
Water Department Security Upgrades / S00050		
WDSU - Reservoirs & Dams - Ph II / S11106	Design Build	\$ 685,000
Water Main Replacements / AKB00003		
3014 - Swr & Wtr Grp 685 (CH3) (04) / B00081 (1)	Design Bid Build	\$ 674,340
3014 - Swr & Wtr Grp 770 (CH)-1 / B00099 (1)	Design Bid Build	\$ 475,000
Sewer & Water Group 687B / B00114 (2)	Design Bid Build	\$ 550,800
Sewer & Water Group 693 (GP3) (05)-1 / B00036 (3)	Design Bid Build	\$ 172,500
Sewer & Water Group 723 (MH11) (04) / B00050 (5)	Design Bid Build	\$ 245,000
Sewer & Water Group 758 / B00074 (6)	Design Bid Build	\$ 91,560
Sewer & Water Group 761 (CC)-1 / B00080 (7)	Design Bid Build	\$ 700,302
Sewer & Water Group 788 (EA)-1 / B00106 (8)	Design Bid Build	\$ 205,500
Sewer & Water Group 799 PHASE II / B00105 (9)	Design Bid Build	\$ 1,786,000
Water & Sewer Group 930 (W) / B10190 (10)	Design Bid Build	\$ 2,444,000
Water & Sewer Group 957 / B11154 (11)	Design Bid Build	\$ 2,358,560



## Attachment C

Project	Delivery Method	Estimated Construction Contract
Water & Sewer Group Job 956(W) / B11153 (12)	Design Bid Build	\$ 951,348
Water Group 616 / B00018	Design Bid Build	\$ 4,283,550
Water Group 914 CI (PB) / B00125	Design Bid Build	\$ 5,079,053
Water Group 964 (W) / B12041 *	Design Bid Build	\$ 425,000
Water Group Job 935 / B11005	Design Bid Build	\$ 1,105,712
Water Group Job 941 / B11037	Design Bid Build	\$ 854,848
Water Group Job 949 / B11045 (14)	MACC	\$ 5,000,000
Water Group Job 953 / B11049	Design Bid Build	\$ 1,065,000
Water Group Job 958 / B11137	Design Bid Build	\$ 3,960,000
Water Group Job 959 / B11138	Design Bid Build	\$ 2,080,688
Water Group Job 960 / B12016 *	Design Bid Build	\$ 423,000
W & S GJ 946(w) / B11042 (14)	MACC	\$ 3,311,300
W & S GJ 946(s) / B12071 (14)	MACC	\$ 816,816
Backup Generators at SPS's, TP, & EMTS	Design Build	\$ 4,900,000
AC Shawnee Road Emergency PPL	Design Build	\$ 1,720,000
W PTL Intercept & PS2 FM Siphon Repair	Design Build	\$ 1,200,000
<b>Public Works - General Services</b>		
Americans with Disabilities Improvements / ABE00001		
ADULTCTR ESTSD493FA4077FRMTFY09 / B00944	JOC	\$ 192,675
Allied Gardens Pool - ADA Improvements / B10167 *	Design Bid Build	\$ 306,500
Juniper Sidewalk - Felton & Westland FY09 / B00947	Design Bid Build	\$ 906,888
Pioneer Park and Comfort Station - ADA / B12005	Design Build	\$ 201,000
POLICE STRFRNT770FAC 5319ORANGE / B00936 *	Design Bid Build	\$ 120,000
POOL VISTA TER1026 FAC 301 ATHEY / B00933	JOC	\$ 192,845
<b>City Facilities Improvements / ABT00001</b>		
Air & Space Museum Elev Modernization / B10035 (15)	Design Build	\$ 96,500
Casa Del Balboa Elevator Modernization / B10039	Design Build	\$ 295,500
Casa Del Prado Elevator Modernization / B10041	Design Build	\$ 159,500
Casa Del Prado HVAC / B00940 *	Design Bid Build	\$ 106,000
Museum of Art Elevator Modernization / B10042	Design Build	\$ 353,000
Museum of Man Elevator Modernization / B10044 (15)	Design Build	\$ 120,500
North Park Library Parking Lot	JOC	\$ 24,000
Old Globe Theater Elevator Modernization / B10045 (15)	Design Build	\$ 208,500
Police Headquarters Reseal Windows / B10011	Design Build	\$ 697,417
Police Headquarters Roof Replacement / B10148	Design Bid Build	\$ 826,000
Rancho Bernardo Library Elevator / B10046	Design Build	\$ 28,500
San Diego Muni Gym Roof Rep / B00972 *	Design Bid Build	\$ 205,000
SPANISH VILLAGE PLMBGREPWTRSERV / B00953 *	Design Bid Build	\$ 481,440
Various Rec Ctrs Prkg Lot Resurfacing / B10036	Design Build	\$ 54,697
Various Sr Cntrs Prkg Lt Resurfac / B10017	Design Build	\$ 182,400
Villa Montezuma Building Systems Repairs / B10129 *	Design Bid Build	\$ 500,000
<b>Transportation &amp; Storm Water</b>		
25th Street Renaissance Project / S00985	Design Bid Build	\$ 1,500,000
34th Street Storm Drain / S11001 *	Design Bid Build	\$ 47,235
38th Street Improvements / S00930	Design Bid Build	\$ 1,105,231
Azalea Park Neighborhood Identification / S00699		
Azalea Park Artistic Enhancement / S00700 *	Design Bid Build	\$ 240,000
Carmel Valley Rd-Via Albutura to Camino Del Sur / S00854	Design Bid Build	\$ 1,983,689
Coolidge Street Storm Drain / S11003 *	Design Bid Build	\$ 164,000
<b>Drainage Projects / ACA00001</b>		
Arden Way Storm Drain Pipe Replacement / B10063	JOC	\$ 198,214
El Camino Real/State Route 56 Bike Path Connector / S00981 *	Design Bid Build	\$ 326,700

## Attachment C

Project	Delivery Method	Estimated Construction Contract
Five Points Neighborhood Pedestrian Improvements / S00988 * (16)	Design Bid Build	\$ 128,000
Florence Griffith Joyner Elem Safe Route to School / S10061	Design Bid Build	\$ 741,845
Fourth Avenue and Quince Street / S11055 *	Design Bid Build	\$ 255,510
Fourth Avenue/Fifth Avenue & Nutmeg Str / S11056 *	Design Bid Build	\$ 439,524
Genesee Avenue - Widen Interstate 5 Crossing / S00839	Design Build	\$ 40,950,000
Holly Dr. Street Improvements / S11033	Design Bid Build	\$ 1,306,637
Installation of City Owned Street Lights / AIH00001		
Citywide Streetlights FY 2011 / B11147 *	Design Bid Build	\$ 66,800
Install of SL's in Southcrest Redev Area / B10133 *	Design Bid Build	\$ 419,584
Kelton Road Pedestrian Improvements / S10154 *	Design Bid Build	\$ 188,200
La Jolla Ecological Reserve Area of ASBS / S00607	Design Bid Build	\$ 1,800,000
La Jolla Village Drive and Regents Road / S00867	Design Bid Build	\$ 641,907
Maryland Street Storm Drain Replacement / S10056 *	Design Bid Build	\$ 181,780
Miramar Road-Interstate 805 Easterly Ramps / S00880	Design Bid Build	\$ 3,500,000
New Walkways / AIK00001		
Clairemont Dr Sdwlk, Morena to Burgener / B11107 *	Design Bid Build	\$ 238,337
Green Bay St from Iris to Rimbey / B10159 *	Design Bid Build	\$ 191,650
North Park Lighting Improvements / S00823	JOC	\$ 100,067
North Torrey Pines Roadway & Median Enhancements / S00868	Design Bid Build	\$ 2,130,959
Park Boulevard and Essex Street / S11054 *	Design Bid Build	\$ 162,692
Regents Road Widening-Genesee to Executive / S00881	Design Bid Build	\$ 3,500,000
Resurfacing of City Streets / AID00005		
FY13 Asphalt Overlay Group 1	Design Bid Build	\$ 9,000,000
FY13 Asphalt Overlay Group 2	Design Bid Build	\$ 9,000,000
FY13 Asphalt Overlay Group 3	Design Bid Build	\$ 10,000,000
FY13 Asphalt Overlay Group 4	Design Bid Build	\$ 2,290,000
Rose & Tecolote Creeks Water Quality Improvements / ACC00002		
Mt Abernathy Dr - Green St / B00663	Design Bid Build	\$ 770,000
San Diego River Multi-Use Path / S00958	Design Bid Build	\$ 910,000
SR25 Traffic Safety Projects Grant #1 / L00010 *	Design Bid Build	\$ 364,311
Stockton Street Lights / S10130	JOC	\$ 122,270
Ted Williams Pkwy Bridge/Shoal Creek Dr / S00941	Design Bid Build	\$ 2,480,000
Traffic Calming / AIL00001		
40th St at Alpha St-Pop-Outs (4) / B11055 * (17)	Design Bid Build	\$ 233,950
40th St at National Ave-Pop-Outs (4) / B11054 * (17)	Design Bid Build	\$ 242,000
Park Blvd @ Cypress Ave Pop-Outs & Crosswalk / B00994 *	Design Bid Build	\$ 189,241
Pop-outs (2)/Lighted Crosswalk on Girard / B10216 *	Design Bid Build	\$ 228,000
Traffic Signals Modification / AIL00005		
Ash St @ 2nd, 3rd, 7th, 9th Ave T/S Mods / B10198 *	Design Bid Build	\$ 325,443
T/S Mods at 8 High Accident Locations / B00983	Design Bid Build	\$ 572,800
Traffic Signal Modifications FY2011 / B11108	Design Bid Build	\$ 572,000
University Ave/Alabama Bike & Ped Safety Imp / S00960 *	Design Bid Build	\$ 250,000
Washington Street Improvements Phase II / S00703		
Washington St @ India St Median Improve / S00704 * (16)	Design Bid Build	\$ 147,000
Watershed CIP / ACC00001		
Beta Street and 37th Street Green Alley / B11057 *	Design Bid Build	\$ 382,000

\* SLBE/ELBE

(#) Project with the same number will be implemented under one construction contract award.



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**THE CITY OF SAN DIEGO**

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** June 6, 2012**IBA Report Number:** 12-24**City Council Docket Date:** June 11, 2012**Item Number:** 151

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## **IBA Review of the FY 2013 May Revise and Recommended Revisions to the Mayor's FY 2013 Budget**

The IBA's review of the Mayor's Proposed FY 2013 budget was issued on April 27, 2012 as IBA Report No. 12-16. In this report we provided a matrix of City Council budget priorities that were included in the Council's FY 2013 Budget Priorities Resolution and noted which items had been addressed in the Mayor's Proposed Budget. On May 23, 2012 the Mayor issued a May Revision to his FY 2013 Proposed Budget. On the following pages we have updated this matrix to highlight the additional Council priorities that the Mayor has included in the FY 2013 Budget based on the May Revise. Also identified on this matrix are those expenditures our office recommends Council consider as final modifications to the Mayor's Budget. These recommendations are derived from the priorities expressed in Councilmembers' June 1<sup>st</sup> collective memos to our office and at Council budget hearings, as well as our analysis of the Proposed Budget, the May Revise and the FY 2012 Year-End Budget Monitoring Report.

### **OVERVIEW OF MAY REVISE**

Our office supports the recommendations in the May Revise to increase TOT and sales tax base estimates for FY 2013, based on FY 2012 collections to date, which is estimated to increase revenues next year by \$1.7 million. As the Mayor revised only the base estimates but not the economic growth rates for FY 2013, we also recommend conservative increases be made to economic growth projections for both sales tax and TOT. This is estimated to generate an additional \$739,000 in TOT revenue and \$619,000 in sales tax revenue next year.

Our office also concurs with the May Revise recommendation to reduce property tax revenue projections from original estimates in the Proposed Budget by \$2.0 million. In our review of the Mayor's Proposed Budget we noted concerns about the proposed growth factor next year of 0.8% and cautioned that the property tax forecast was a risk to the FY 2013 revenue assumptions. While we are not recommending further reductions to property tax revenue at this time, this is an area that we believe is still vulnerable and will need to be closely monitored. This issue is discussed in more detail in the "Recap of Major Revenues".

**OFFICE OF THE INDEPENDENT BUDGET ANALYST**  
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## Attachment D

On the expenditure side, the most significant programmatic revisions in the May Revise closely align with the Council Budget Priorities Resolution. The May Revise incorporated the following expenditures into next year's budget: additional funding for both the Police and Fire Academies; restoration of the Graffiti Team (previously eliminated in the Proposed Budget); an additional three hours of library branch hours, increasing all branches from 41 to 44 hours per week; restoration of five Saturday hours at the Central Library; providing partial funding for the Neil Good Day Center for homeless services; and a funding increase for Community Plan Updates for a total of \$670,000.

The Mayor has also included in the May Revise the City Council's requested action of March 12, 2012 to increase cash funding of deferred capital projects by \$8.3 million, utilizing the projected FY 2012 surplus. This will increase deferred capital cash funding from \$45.8 million to \$54.1 million to achieve "status quo" for operations and maintenance cash funding for FY 2013, and will increase total FY 2013 funding to \$129.1 million (including \$75 million in bond proceeds).

Finally, our office supports recommendations in the May Revise to 1.) Set aside a \$10.7 million projected TOT fund balance and \$3.7 million in an Appropriated Reserve for a total of \$14.4 million, to address impacts of the dissolution of the redevelopment agency, and 2.) To establish a General Fund Reserve of \$118.9 million or 10.3% of General Fund revenues, exceeding the policy target of 8% for FY 2013. Both of these actions are fiscally responsible given the unknowns related to the unwinding of redevelopment, as well as an unpredictable global economy. Our resolute commitment to increasing the City's General Fund reserve levels over the past five years has been noted recently by Moody's, Standard & Poor's and Fitch rating agencies as a positive action by our City.

<b>RESULTS OF COUNCIL BUDGET PRIORITIES RESOLUTION</b>					
PRIORITY AREA	PROPOSED BUDGET	MAY REVISE	IBA PROPOSED	COMMENTS	
<b>FUNDING OF PUBLIC SAFETY</b>					
1.	Restoration of civilian positions within Police Department			√	Police Department to address their five-year staffing plan at PS&NS July 2012, IBA proposal includes five positions hired January 2013
2.	Support for increasing 15 Police recruits in the April 2012 academy				Funded in FY 2012 Budget
3a.	Support for increasing Police recruits/academies		√		Increased from 25 to 30 recruits for FY 2013 for four academies
3b.	Support for increasing Fire-Rescue recruits/academies	√	√		One new academy funded in Proposed Budget, second academy in May Revise
4.	Restoration of previous Lifeguard cuts			√	IBA proposal includes three positions
5.	Additional funding for the Neighborhood Code Compliance program if unable to achieve desired service levels		√		Existing Graffiti program funding was eliminated in Proposed Budget but restored in May Revise
6.	Implement recommendations included in Citygate Report for additional Fire-Rescue resources				See Item 7. Other recommendations will require multi-year funding
7.	Investment of \$2.7 million in the fire alert system				Funded in FY 2012, part of Citygate recommendations

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(CONTINUED)					
PRIORITY AREA	PROPOSED BUDGET	MAY REVISE	IBA PROPOSED	COMMENTS	
<b>CONTINUED RESTORATION OF SERVICE LEVELS</b>					
8.	Maintain and increase the hours restored for Park & Recreation and Library	√	√		FY 2012 restorations continued in FY 2013 for both; and additional 3 Library hours funded in May Revise for branch libraries, 5 hours for Central Library
9.	Aggressively address vacancies in Library and Park & Recreation				Underway by departments
10.	Continue reforms and efficiencies in all departments	√			
11.	Evaluate alternative service models for branch libraries				Under study by the Business Office, per Councilmember Zapf's memo IBA will work with the Mayor's Office on this matter
<b>INVESTMENT IN STREETS AND PUBLIC ASSETS</b>					
12.	Increase funding for deferred capital projects	√			Five-Year Funding Plan adopted by Council and included in FY 2012 and FY 2013 budgets
13.	Include up to \$8.3 million from FY 2012 surplus for additional cash funding for deferred capital projects		√		Deferred capital cash funding increased from \$45.8 million in Proposed Budget to \$54.1 million in May Revise per Council action
<b>NEW INNOVATIONS AND PARTNERSHIPS</b>					
14.	Continued use of volunteers to supplement City services	√			New Volunteer Coordinator position funded in FY 2013
15.	Find public / private partnerships that would benefit the City through cost savings and efficiencies				
16.	Expansion of City services online for businesses and individuals	√			Positions added in Treasurer's Office to implement online permitting in FY 2013
17.	Convert work hour shifts to 4/10 or 9/80 for non-public safety positions				ESD has achieved significant savings through 4/10 largely through more efficient collections routes, studies may be necessary in other departments before implementing
18.	Continue managed competition processes	√			General Fund savings of \$3.4 million included in FY 2013 for Fleet, Street Sweeping and Publishing Services
19.	Continuation of marketing partnership program for new revenue sources	√			\$600,000 revenue included, wi-fi a new area of focus for FY 2013

## Attachment D

(CONTINUED)					
PRIORITY AREA	PROPOSED BUDGET	MAY REVISE	IBA PROPOSED	COMMENTS	
<b>ECONOMIC DEVELOPMENT REPLACEMENT</b>					
20.	Funding for sufficient resources to allow neighborhoods to establish special assessment districts or other initiatives			√	IBA proposal includes \$250,000 in seed money for neighborhood redevelopment initiatives
21.	Fund community plan updates		√		\$670,000 in General Funds budgeted in FY 2013
22.	Reduce permit fees for responsible businesses				
23.	Continue to provide opportunities for local green businesses				LU&H amendment to Council Policy 600-27 increases incentives for sustainable energy projects
<b>ONE-TIME EXPENDITURE ITEMS</b>					
24.	Funding for a new Fire-Rescue multi-purpose rescue boat	√			Lease purchase of three vehicles funded in FY 2013
25.	Funding of approximately \$550,000 for the Neil Good Day Center for homeless services		√	√	\$300,000 in May Revise, IBA proposal includes \$250,000
26.	Prioritize the implementation of the Supplier Relationship Management module in SAP	√			\$900,000 carried over from FY 2012, transferred to IT Department for same use, report to B&FC June
27.	Implement a full bidder registration system beyond SRM				P&C to report to B&FC on status in June 2012
28.	Funding for new Police Department technologies	√			Pawn shop enforcement technologies underway

### RECAP OF MAY REVISE SIGNIFICANT REVENUE REVISIONS

#### TOT

The May Revise includes an \$887,297 increase in the General Fund Transient Occupancy Tax (TOT) projection, and a \$781,574 increase to the TOT Fund, totaling \$1.7 million in additional revenue. Of the increase to the General Fund TOT, \$27,565 is related to an increase in the 1-cent Council Discretionary transfer to the General Fund. The total General Fund projection is revised from the proposed budget of \$80.5 million to \$81.3 million, a 1.1% increase. The revised projection is reflective of 5.0% growth over projected FY 2012 year-end collections. This revision is related to an increase in the projected year-end revenue for the FY 2012 base year. Year-to-date TOT actuals July-March demonstrate 6.9% growth over the same period in FY 2011. TOT is projected to show 5.5% growth over the same period in FY 2011 for the remaining months of the year, resulting in a total year-over-year growth of 6.6%.

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### **Sales Tax**

The May Revise includes a \$1.2 million increase in the sales tax revenue projection, revising the total budget to \$235.6 million, representing a 0.5% increase from the \$234.4 million projected in the FY 2013 Proposed Budget. Overall, the May Revise sales tax budget represents a 5.7% increase over the FY 2012 year-end projection for sales tax.

The \$1.2 million adjustment is due to an increase in the projected year-end revenue for FY 2012, which is the base for projected growth in FY 2013. The year-end revenue projection for sales tax has increased by \$750,000, to \$222.8 million from the amount assumed as the base for the FY 2013 Proposed Budget. This increase is reflective of an increase in the assumed growth rate for the fourth quarter of FY 2012 from 5.0% to 6.0% in consideration of actual growth for the first, second, and third quarters averaging 9.0% over the same period in the previous year.

### **Property Tax**

The May Revise includes a \$2.0 million reduction in the property tax revenue projection, bringing the total FY 2013 projection to \$387.1 million. This represents a 0.5% reduction from the \$389.1 million projected in the Proposed Budget. This reduction is based on preliminary information from the County Assessor's Office relaying the potential for negative assessed valuation growth.

In our office's review of the new projection, and further discussions with the County Assessor's Office, we have determined that there is the potential for additional reductions in the property tax revenue. While the property tax projection in the May Revise represents a reduction from the Proposed Budget, it represents 0.44% growth over the FY 2012 year-end projection of \$385.4 million. With information relaying the likelihood of negative growth in assessed valuation, this projection is a risk to the FY 2013 revenue assumptions. Each 0.5% reduction in collections over the current year-end projection would lead to a \$3.6 million reduction in property tax collections in the upcoming fiscal year from that projected in the May Revise.

It is also anticipated, however, that the County Assessor's efforts to proactively reassess properties for the FY 2013 property tax roll will lead to fewer refunds in FY 2013 from property owner initiated reassessment requests. The May Revise property tax budget assumes \$5.7 million in refunding activity during the fiscal year. A reduction in refunding activity in FY 2013 could offset in part the impact of declines in collections due to negative assessed valuation growth. This revenue category will need to be closely monitored throughout the fiscal year.

## **RECAP OF MAY REVISE SIGNIFICANT EXPENDITURE REVISIONS**

### **Increasing Recruits in Police Academies**

The May Revise includes an addition of \$262,140 to support primarily non-personnel expenditures associated with an increase in the number of recruits in each of the four police academies by five in FY 2013, from 25 to 30. The funding will support pre-employment activities and equipment for the new recruits, with \$11,529 in expenditures to support additional overtime and non-personnel recruiting costs.

IBA Report 12-19 reviewed the sworn and civilian staffing challenges faced by the Police Department, particularly noting issues with attrition leading to more sworn officers leaving on an



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annual basis than being retained as recruits. At current attrition rates and the FY 2013 Proposed Budget planned academy size of 25, the Police Department would not have been able to staff sworn personnel at their budgeted levels in the upcoming fiscal year. Sworn departures at the publication of IBA Report 12-19 averaged 8 per month, with departures projected at 96 for the year; academy attrition averaged 11.1%, with 88 recruits being retained. These attrition issues are exacerbated by a FY 2012 beginning year staffing deficit of 40.50 sworn FTE beyond those accounted for in the department's vacancy factor.

In reviewing sworn officer attrition rates within the limits of the need to maintain budgeted salary savings, our office concluded that academy sizes could be increased by up to five recruits in FY 2013 without the need for additional personnel budget. This is due to sworn vacancies being projected to exceed those assumed for the year, leaving budgetary savings, assuming a continuance of current rates of sworn officer and academy attrition. In FY 2013 we recommend the Department be authorized flexibility to alter the size of each of the academies based on the number of qualified recruits available and attrition exceeding expectations. Since the publication of IBA Report 12-19, the monthly attrition rate in the Department has increased from 8 to 9 sworn officers per month. A continuance of such a trend would warrant the addition of more recruits. As recommended in our report, the Police Department should present a report on a quarterly basis to PS&NS on sworn and civilian recruitment, attrition, and staffing levels to keep the Council abreast of staffing progress or any continuing challenges.

### **Second Fire Academy**

Included in the May Revise is the addition of \$1.1 million to fund a second 30 member fire academy. Of the total, \$870,896 is related to personnel costs, and \$263,732 to non-personnel costs. At the time of the IBA review of the FY 2013 Proposed Budget, Fire-Rescue expressed that a second academy may be required in FY 2013 to meet staffing needs due to attrition. As of the beginning of May, the Department had 120 sworn vacancies, with 44 of the vacancies being related to retirements. The two 30 recruit academies will allow the Department to begin to address the vacancies left due to sworn attrition. The Department anticipates that some of the personnel costs associated with the second fire academy may be offset by salary and fringe savings from vacancies. If this is the case, a second academy may be able to be conducted for less than \$1.1 million.

The \$1.1 million budget addition represents an approximate \$328,000 increase over the \$806,000 cost for an additional academy referenced during the Department's budget hearing. The additional funding will support the 10-week post academy personnel costs for the new fire-fighters.

### **Additional Library Hours**

The May Revise provided for the addition of approximately \$1.1 million and 22.39 FTEs for the addition of three operational hours at 35 branch libraries and five operational hours for Saturdays at the Central Library. The projected increase in expenditures as presented in the May Revise is for a full fiscal year. However, as the additional hours are anticipated to become effective at the branch libraries on September 17, 2012 and effective at the Central Library on September 15, 2012, the full projected expenditure amount may not be realized due to the effective dates occurring after the beginning of the fiscal year.

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The average number of service hours at each branch library will increase from 41 hours per week to 44 hours per week. The Central Library is currently not open on Saturdays and this action would open the Central Library for five hours on Saturdays. The specific scheduling of the additional hours will be determined in the near future. In determining the scheduling of hours at the branch and Central libraries, the Library Department receives input from stakeholders through regular meetings with the Friends of the Library groups and through monthly Library Commission meetings. Proposals for changes to services are discussed with these groups. Additionally, the Library Department receives regular and direct input from patrons who use the libraries. As the new fiscal year progresses and staffing and services stabilize, the Library Department - with feedback from stakeholders - will examine its hours and services to see if adjustments are needed. Additionally in response to Councilmember Zapf's budget memo, the IBA will work with the Mayor's Office to explore options for flexible hours among branch libraries that are within close proximity of one another.

### **Restoration of the Graffiti Removal Team**

The May Revise included 4.00 FTEs and \$298,154 in expenditures for restoration of the Graffiti Removal Team which was eliminated in the Proposed Budget. The Graffiti Removal Team is currently part of the Neighborhood Code Compliance Division within the Development Services Department. However, consideration is being given to transferring this activity to the Transportation & Storm Water Department which is responsible for related functions including Storm Water property maintenance. The Graffiti Removal Team currently operates out of a Transportation & Storm Water facility and uses the Transportation & Storm Water's service yard to house equipment. Transferring the Graffiti Team to the Transportation & Storm Water Department could provide opportunities for operational synergy and efficiencies.

### **Arts & Culture Allocations**

The May Revise increases the allocation to Arts & Culture programs by \$310,000. As a part of the Budget Hearing for Special Promotional Programs, the Arts & Culture Commission requested a 5.0% increase to the arts and culture allocation of \$6.2 million included in the FY 2013 Proposed Budget. This increase equates to the \$310,000 added in the May Revise. It is intended to reflect the projected growth in TOT revenues that is assumed in the FY 2013 Proposed Budget. With the adjustment, the Arts & Culture Commission will be able to increase FY 2013 allocations for organizations, and provide funding to five additional organizations as a part of their Organization Support Program (OSP) and one more Creative Communities San Diego Programs (CCSP) project. In total, 77 OSP organizations will be funded and 44 CCSP projects. The May Revise also increases the funding for Mayor and City Council discretionary allocations by \$128,750, from \$234,500 to \$363,250. Eight Council District allocations will be increased from \$25,000 to \$40,000, with the 9<sup>th</sup> district to receive a prorated amount of \$8,750, increasing its allocation to \$23,250. This increase will allow Council Districts to provide additional funding to support more community based arts and culture organizations and projects. In total, the revisions increase the arts and culture allocation in the FY 2013 Budget to \$6.6 million.

A number of Councilmembers have expressed the desire to receive more information regarding the Return on Investment (ROI) associated with the arts allocations provided to arts and culture organizations. Although arts and culture allocations support organizations and programs that generate revenue and attract cultural tourism to the City, it is difficult to quantify the Return on

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Investment (ROI) associated with them given that the majority of the allocations generally support operations, and not specific projects or programs that have a direct relationship to the funding. Also, those organizations or projects funded may not always have a quantifiable ROI, with the benefits being more qualitative in nature in enhancing quality of life, diversity, regional character, neighborhoods and creating opportunities for youth. Despite this difficulty in quantifying the direct relationship between Arts & Culture funding and ROI, it is known that arts and culture organizations produce events and attractions that increase tourism to the City. This increased tourism benefits TOT collections with overnight stays and sales tax with tourist spending. The Arts & Culture Commission Annual Economic Impact Study for 2011 also speaks to the impact of allocations in supporting organizations that stimulate the economy with over \$170.0 million in direct expenditures, supporting a workforce of 6,000 and generating \$202.0 million in revenues.

### **Funding for Community Plan Updates**

The May Revise provided for the re-budgeting of \$258,924 from the FY 2012 budget and the addition of \$230,511 for continued work on various community plan updates and several other projects. The additional funds will bring the total General Fund amount budgeted in FY 2013 for these projects to approximately \$1.15 million, with approximately \$670,000 allocated specifically to community plan updates. Additional funding such as grants will contribute to the amount used to fund community plan updates in FY 2013. There will be one major community plan amendment and ten community plan updates that will be worked on during FY 2013. The community plan amendment will be for the Navajo community, and the community plans updates are for: Barrio Logan, Golden Hill, the Midway Pacific Hwy Corridor, North Park, Ocean Beach, Old Town San Diego, Otay Mesa, San Ysidro, Southeastern, and Uptown communities. Additionally, there will be ongoing work on the Housing Element update and completion of the Affordable Housing Parking Study.

## IBA RECOMMENDED BUDGET REVISIONS – ONGOING

Our recommendations are derived from the priorities expressed in Councilmembers' June 1<sup>st</sup> collective memos to our office and at Council budget hearings, as well as our analysis of the Proposed Budget, the May Revise and the FY 2012 Year-End Budget Monitoring Report.

### ***ONGOING RESOURCES***

#### **1) TOT- \$739,000**

Given year-to-date TOT performance and industry forecasts of continued modest improvements in hotel occupancy and average daily rates, the IBA recommends that the assumed growth rate for TOT for FY 2013 is increased from 5.0% to 5.5%. This 0.5% increase in the assumed growth rate would equate to an additional \$739,305 in TOT revenue, with \$387,254 being allocated to the General Fund and \$352,051 to the TOT Fund. The \$352,051 allocated to the TOT Fund could be utilized to offset tourism and promotional related expenses within the General Fund, and be applied as an increase to the 1% Council discretionary transfer into the General Fund.

#### **2) Sales Tax - \$619,000**

Sales tax performance has improved substantially, with current projections of 6.6% growth over FY 2011 in FY 2012. (With the removal of a one-time payment of sales tax from previous years,

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the growth is 5.5%.) Based on current year performance, and forecasted continual improvements in the San Diego economy, the IBA recommends a modest increase in the year-over-year assumed growth from 5.7% to 6.0%. This would equate to an additional \$619,000 in additional structural revenue for the FY 2013 Budget.

### ***ONGOING EXPENDITURES***

#### **1) Restoration of 5 Police Civilian Positions-\$212,000 (Half-Year Funding)**

Over the past few fiscal years, 193.25 civilian positions, including 88 filled and 105.25 vacant, have been eliminated from the budget. These reductions impacted all areas of the Police department. As noted in IBA Report 12-19, the Department is committed to restoring some of the civilian positions reduced in the past, however, has noted that their first priority is to increase sworn officer strength and fill their existing civilian vacancies, totaling 63.75 FTE. In the report, we recommended that if the restoration of previously cut civilian positions remained a Council priority, and if funding was identified, that consideration could be given to restoring civilian positions based on the priorities identified by the Police Chief.

Given the Chief's first priority to fill current budgeted sworn and civilian vacancies amid timing challenges associated with the hiring process, we recommend funding for 5 civilian positions to be identified by the Chief for half of the fiscal year. Delaying the new hires until January 2013 will allow the Department to have completed and vetted a new five-year staffing plan for both civilians and sworn positions with PS&NS and the City Council, as well as allow time for existing vacancies to be filled. Salary and fringe costs for each civilian position would average approximately \$85,000. Funding for half of the year would total approximately \$212,000. Full year costs in FY 2014 are estimated at \$425,000.

#### **2) Relief Lifeguards-\$291,000**

The Fire-Rescue Department has requested restoration of three additional Lifeguard relief positions, totaling \$291,179. The 3.00 FTE positions would consist of 2.00 FTE Lifeguard 2's and 1.00 FTE Lifeguard Sergeant. Relief lifeguards are assigned to stations and duties as needed. The restoration of these positions and the flexibility that they offer would lessen the current strain on the lifeguard scheduling system, reduce the use of mandatory overtime to maintain constant staffing levels, and support scheduling personnel training. The IBA recommends the addition of funding to support the 3.00 FTE Lifeguard relief positions.

#### **3) Lifeguard Wellness Program- \$81,000**

The Risk Management Department and the City's Industrial Medicine Group are currently undertaking a study to evaluate a potential Wellness Program for lifeguard staff to mitigate work related injuries. This report will be completed by June 30<sup>th</sup>, and will be presented to Human Resources for discussion during the FY 2014 Meet and Confer process. The Mayor's Office has indicated that Meet and Confer is the appropriate venue for this issue rather than the budget process. However, there is no clear precedent on this. The Wellness Program for firefighters resulted from a meet and confer process while the Police Wellness Program did not.

With the participation of all 91.00 FTE budgeted full-time lifeguards, the program would cost \$981 per employee, totaling \$89,271. This total includes an assumed CPI increase of 4.2% over previous year costs. Given that annual exams covered by a Lifeguard Wellness Program are already required and budgeted for Boating Safety Unit and Dive Team lifeguards, totaling \$8,805, the net budgetary increase necessary to fund a Lifeguard Wellness Program is



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approximately \$81,000. The IBA recommends the addition of \$81,000 to fund a Lifeguard Wellness Program in FY 2013, but recommends that this program be implemented after review and consideration of the results of the study being conducted by Risk Management and the City's Industrial Medicine Group anticipated for June 30<sup>th</sup>.

### **4) Investment to explore new funding sources for economic development and redevelopment - \$250,000**

We are recommending an ongoing expenditure of \$250,000 to enable a successor agency for the Centre City Development Corporation (CCDC) and Southeastern Economic Development Corporation (SEDC) or internal economic development agency to explore and identify new funding sources for economic development and neighborhood revitalization activities communitywide. With the dissolution of California redevelopment agencies on February 1, 2012 per AB 26, the City's Redevelopment Department employees underwent a Reduction in Force. CCDC's and SEDC's funding sources have restrictions on use and are limited to winding down the affairs of the former Redevelopment Agency, planning and processing permits for private development Downtown, and managing Downtown's parking district.

This investment will provide seed money for a successor agency or internal economic development agency to conduct research and retain needed experts to identify alternative funding, such as grants and new market tax credits, to Tax Increment Funding that was available under California Redevelopment Law. Alternative funding sources are needed to conduct important activities previously funded by TIF that would otherwise be eliminated and to explore these activities communitywide. This includes:

- urban planning and studies for parks, transit, mobility, and sustainability;
- economic development for creating jobs, attracting businesses, and retaining both;
- implementing critical infrastructure improvements to accommodate anticipated population growth; and
- identifying homelessness solutions.

### **5) Funding for the Teen Nights programs - \$40,000**

The Teen Nights programs are currently provided at five recreation centers that have established Teen Centers (Encanto, City Heights, Memorial, Southcrest, and Mountain View), and the programs run from May through mid-September. State grant funding (CalGrip grant) will provide funding for these programs through September 2012, which will allow these programs to continue through the summer of 2012. However, no State funding has been identified beyond September 2012. The May Revise did not provide funding for these programs for the beginning of summer of 2013. The addition of \$40,000 to the FY 2013 Budget for the Park and Recreation Department would allow for these programs to continue during May and June 2013. Funding these programs beyond FY 2013 would be a consideration for future budgets.

In response to Councilmember Emerald's request to add the Teen Nights program at an additional site (Linda Vista), the space and current programs at this site are being evaluated as to the appropriateness of the space and steps necessary to establish a Teen Center at this site, as a Teen Center does not currently exist at this location.

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### **6) San Diego Circuit (County Library Cooperation) – Funded Through D6 CPPS**

A new service that will be available to citizens in FY 2013 is the San Diego Circuit (“Circuit”). The Circuit is a service that allows library users from participating libraries to quickly borrow books from other San Diego Circuit libraries if the books are not owned by their home library or if their library's copy is already checked-out. The service was originally launched to the public in January 1998 and is currently in active use by the following institutions: UC San Diego, San Diego State University, CSU San Marcos, University of San Diego, University of San Diego Law Library, and San Diego County Library.

Councilmember Zapf has committed to fund the initial set up costs and the annual fee associated with the first year of service for the City through Community Projects, Programs and Services (CPPS) funding allocated to District 6. The initial set up cost of \$31,000 is being addressed in FY 2012 while the annual costs of \$44,500 will be addressed in FY 2013. A funding source for the annual costs beyond FY 2013 will need to be identified in future budgets for the service to continue.

Becoming an active member in the Circuit will allow the San Diego Public Library (SDPL) to offer its patrons access to the vast print collections of the other Circuit libraries. Patrons with a valid SDPL library card will have the ability to place a hold request on books shelved at any Circuit library and have the requested materials delivered to their local SDPL branch library. Materials can be borrowed for up to 28 days and then returned to any SDPL branch. There is no fee for patrons opting to use this service, provided that materials are returned on time and in good condition.

### **7) Funding Internal Control Audits - \$0 - \$150,000**

The Audit Committee has repeatedly discussed and reaffirmed their interest in an independent audit of the City's internal controls to begin in FY 2013. An independent audit of internal controls was initially recommended in the 2006 Kroll Report given concerns about substantive weaknesses in the City's internal controls. Funding for an internal controls audit was not included in the FY 2013 Proposed Budget.

In recent discussions with the COO, Comptroller and the City Auditor, the potential cost and readiness for a comprehensive audit of all City internal controls were cited as concerns. It was decided that a more reasonable approach would be to commission smaller annual audits of internal controls covering certain City operational or process areas – particularly those areas impacting financial reporting. These internal control audits could either be performed by City Auditor staff (by acquiring specialized audit expertise) or by a qualified outside audit firm. The Comptroller suggested disclosure, payroll and treasury functions as initial internal control audit possibilities.

The possibility of performing limited annual internal controls audits (by either the Office of the City Auditor or the City independent auditor – Macias Gini & O'Connell) with existing resources was also discussed. The City Auditor is in the process of researching the costs and considerations associated with either internal or external audits. Depending on the results of this research, this work may be able to be absorbed within existing contracts or reprioritization of internal audits. However, we recommend setting aside \$150,000 for this purpose until further information is available.

**Attachment D**

**8) Office of the City Auditor - \$77,000**

On May 7, 2012, the Audit Committee discussed the City Auditor’s FY 2013 budget requests. The Committee recommended adding \$51,850 to purchase an “electronic workpaper” software system. The system is considered an ongoing expense as it requires roughly equivalent recurring annual costs for licensing, maintenance & support and related computer server costs. The Audit Committee additionally recommended a one-time increase of \$25,000 to fund an increase in employee “close-out” audits associated with the transition of mayoral administrations. Based on the Audit Committee’s recommendation, this funding is included in the IBA Proposal.

<b>IBA Recommended Revisions for Ongoing Expenditures and Resources</b>	
<b>Resources</b>	
Increase TOT growth from 5% to 5.5%	739,000
Increase sales tax growth from 5.7% to 6.0%	619,000
<b>Total</b>	<b>\$1,358,000</b>
<b>Expenditures</b>	
5 Police civilians (half year)	212,000
3 Relief Lifeguards	291,000
Lifeguard wellness program	81,000
Economic Development Seed Money	250,000
Teen Nights (May/June 2013)	40,000
Library Circuit - Councilmember Zapf funding of \$75,000	0
Internal Controls Audit	0 - 150,000
Auditor Software, close out audits	77,000
<b>Total</b>	<b>\$951,000 - \$1,101,000</b>
<b>Remaining Funding</b>	<b>\$257,000 - \$407,000</b>

**IBA RECOMMENDED BUDGET REVISIONS – ONE-TIME**

***ONE-TIME RESOURCES***

**1) Estimated Revenue from two Revenue Recovery Audits concluding in FY 2013 - \$350,000**

Two revenue recovery audits were initiated late in FY 2012. In April, the Council authorized the Comptroller to enter into an agreement with an independent auditor to perform an audit of the City’s accounts payable over the last three years. This audit is scheduled to begin in June and conclude in July or August of 2012. In the third quarter of FY 2012, the City Treasurer initiated a review/audit of Court fees the City receives from the County of San Diego; however, the results of this audit are not expected until July or August of 2012.

It is difficult to predict in advance the amount of revenue that might result from revenue recovery audits. Although \$500,000 was estimated and budgeted to result from these audits in FY 2012, the receipt of this one-time revenue is now more probable in FY 2013. This revenue was not included in the FY 2013 Proposed Budget. The IBA now believes it is more reasonable to budget approximately \$350,000 of one-time revenue to result from these two audits in FY 2013.

**Attachment D**

**ONE-TIME EXPENDITURES**

**1) Neil Good Day Center- \$250,000**

The Housing Commission request for \$550,000 in FY 2013 CDBG grant monies to support the Neil Good Day Center was not approved. At the March 2011 CDBG hearing at Council, the Housing Commission committed to fund \$250,000 of the need, leaving an outstanding funding need of \$300,000. The May Revise includes the addition of \$300,000 to supplement the \$250,000 committed by the Housing Commission to fully fund the \$550,000 cost to support the operations of the Neil Good Day Center in FY 2013.

During the Housing Commission Budget Hearing, the Housing Commission informed the City Council of a potential funding need for a contingency arrangement for a Homeless Emergency Winter Shelter if it is the case that the Connections Housing Facility is not ready to provide housing by December 1<sup>st</sup> as planned. The total not-to-exceed anticipated cost for this contingency arrangement is \$457,000. The Housing Commission has expressed that it will pose a challenge for the agency to provide funding to support both the Neil Good Day Center and a potential contingency arrangement for a Homeless Emergency Winter Shelter.

With this outstanding funding need, the IBA recommends one-time General Fund support to fund the \$250,000 pledged by the Commission to support the Neil Good Day Center. Removing this funding obligation will help the Commission to address funding needs that may arise relating to the Winter Shelter. In the future, as discussed by Council during Budget Hearings, it is the intent of the Council to improve the CDBG allocation process to ensure that funding for the Neil Good Day Center is required “off-the-top” before other funding allocations are deliberated by the Consolidated Plan Advisory Board, and subsequently approved by the City Council.

**2) Funding for the Workforce Partnership’s Hire-A-Youth Program - \$100,000**

Councilmembers have expressed interest in supporting the San Diego Workforce Partnership’s Hire-A-Youth program. Based on information provided to the IBA, the Workforce Partnership seeks one-time seed funding to enable them to pursue grants, corporate partnerships and otherwise develop a sustainable youth employment program. The proposal envisions budgeting \$100,000 in FY 2013 to be matched by another \$100,000 from Council CPPS funds. The process of securing FY 2013 commitments for CPPS matching funds is already underway. Given Councilmember support for a sustainable and high-quality youth employment program, \$100,000 of one-time funding is included in the IBA Proposal.

<b>IBA Recommended Revisions for One-Time Expenditures and Resources</b>	
<b>Resources</b>	
Revenue recovery audit	350,000
<i>Total</i>	<i>\$350,000</i>
<b>Expenditures</b>	
Neil Good Day Center	250,000
Hire-A-Youth <i>(to match to Council CPPS funding of \$100,000)</i>	100,000
<i>Total</i>	<i>\$350,000</i>



**IMPACTS OF PROPOSED REVISIONS ON FY 2013 BUDGET**

All ongoing expenditure changes recommended by the IBA are funded with ongoing resources and one-time resources have been identified for new one-time expenditures, consistent with the Council Adopted Structural Budget Deficit Principles. There will be no negative structural impacts to the budget upon approval of these recommendations.

The following table shows the number of FTEs added/restored in the May Revision (41.23 General Fund and 13.25 non-General Fund FTEs), and the number of FTEs that would be restored as a result of the IBA recommended changes to the Mayor’s revised budget (8.00 General Fund FTE’s). Attachment 1 provides the May Revision position changes by department.

<b>SUMMARY OF FTE CHANGES</b>							
<b>Fund</b>	<b>FY 2012 Adopted</b>	<b>FY 2013 Proposed</b>	<b>Difference from 2012</b>	<b>FY 2013 May Revision</b>	<b>FY 2013 IBA Changes</b>	<b>FY 2013 Final</b>	<b>Difference from 2012</b>
General Fund	7,036.62	7,105.42	68.80	41.23	8.00	7,154.65	118.03
Non General Funds	3,071.64	2,954.02	(117.62)	13.25	-	2,967.27	(104.37)
<b>Total City</b>	<b>10,108.26</b>	<b>10,059.44</b>	<b>(48.82)</b>	<b>54.48</b>	<b>8.00</b>	<b>10,121.92</b>	<b>13.66</b>

After accounting for all changes, 118.03 General Fund FTE’s would be added and 104.37 non-General Fund FTEs would be reduced in the FY 2013 budget as compared to the FY 2012 Adopted Budget.

**OTHER ISSUES FOR DISCUSSION**

**Preserving Funds for Impact of Redevelopment Dissolution**

The FY 2013 May Revise includes \$14.4 million to address the potential impact to the General Fund of the dissolution and unwinding of the former Redevelopment Agency per AB 26—\$10.7 million in TOT fund balance and \$3.7 million of Appropriated Reserve. In addition, the FY 2012 Year-End Budget Monitoring Report recommended that \$5.0 million of the projected \$17.8 million revenue surplus be retained in reserves to be available for unforeseen circumstances or to mitigate impacts related to dissolution.

Furthermore, the City has received additional property tax trust fund revenues, above the amount needed to pay enforceable obligations, from the County’s June 1, 2012 allocations. The City received \$15.7 million of the \$66.7 million of the June 1st County distribution (based on property taxes received February-May 2012). Of this amount \$10.9 million is needed to pay enforceable obligations and the administrative budget for ROPS I and II. This leaves a remaining \$4.8 million; however, it is unclear to which fiscal year these funds will be attributed.

As there are many unknowns and risks, the cautious approach is to preserve these funds to mitigate these risks which include the following and are discussed in greater detail below:

- Ongoing and future scrutiny of enforceable obligations by the Successor Agency Oversight Board, County Auditor and Controller (A/C), and State Department of Finance (DOF);

## Attachment D

- State Controller's order to unwind asset transfers not allowed by AB 26 from redevelopment agencies to their creator City or County; and
- City's less than anticipated allocation of property tax revenues due to the timing of payments and County's method of allocating monies.

These funds may also be needed to offset administrative costs in excess of the Administrative Allowance of \$308,000.

### Governing Entities' Review of Enforceable Obligations

On May 25, 2012, DOF approved the initial Recognized Obligation Payment Schedule (ROPS) covering payments on enforceable obligations for January through June 2012 and second ROPS for July through December 2012. The approved ROPS II included \$13.8 million in debt service for improvements to Petco Park (\$11.3 million) and the expansion of the Convention Center Phase II (\$2.5 million in FY 2013). In its approval letter, DOF reserved the right to question and remove items included in future ROPS that are not enforceable obligations even if they were not removed from a previous ROPS. The third ROPS, which has not yet been forwarded to the Oversight Board or DOF for approval, will cover the second half of FY 2013.

Enforceable obligations included in the ROPS are also subject to closer scrutiny by both the Successor Agency Oversight Board and the County A/C. AB 26 requires that the County A/C conduct an agreed-upon procedures audit to certify the initial ROPS, which is expected to be completed in July 2012.

### State Controller's Order to Unwind Asset Transfers Not Allowed by AB 26

The City has not yet responded to the State Controller's April 20, 2012 order requiring that asset transfers not allowed by AB 26 from former redevelopment agencies to the City or County that created the agency be immediately reversed. Such assets include cash reserves and properties of the former redevelopment agency that were transferred during the 13-month period commencing in January 2011 that are not contractually committed to a third party. This clawback provision could impact payments made by the City on enforceable obligations using reserves, among other things.

### City's Less Than Anticipated Share of Property Tax

Per AB 26, property tax monies will be distributed to taxing entities by the County A/C on June 1 and January 16 of each year. However, the City's allocation of property tax is less than anticipated, due to two factors. First, by making payments to taxing entities on June 1, all receipts will not be included, such as late payments.

Second, AB 26 has contradictory language with regard to distribution and has been interpreted differently by various entities. The League of California Cities and the City, among others, advocate the "universal" method which allocates property taxes based on the pro-rata share of taxing entities. DOF and the County advocate the allocation of monies based on the "waterfall" method. (In a May 23, 2012 letter, the County reiterated its legal position that the waterfall method trumps the universal method.) The County distributes the first tier of funds based on pass through payments (statutory and negotiated) that would have been received under Community Redevelopment Law. Given that cities generally receive relatively smaller pass through payments, this approach results in a smaller allocation for the City.

## Attachment D

This smaller than expected share of property taxes impacts the administrative budget of the successor agency, which is calculated as 3.0% of anticipated ROPS enforceable obligations payable from property taxes, and could have a more significant effect as reserves of the former Redevelopment Agency are exhausted.

As shown in the table below, the City has relied upon reserves and other revenues such as bond proceeds of the former Redevelopment Agency to pay the majority of enforceable obligations for ROPS I and II:

	Initial ROPS January-June 2012	ROPS II (revised) July-December 2012
Total Outstanding Debt or Obligation	\$6,471.8	\$6,265.7
Total Enforceable Obligations for Six-Month Period	207.0	95.0
<b>Resources for Enforceable Obligations</b>		
Available Revenues Other Than Property Tax	203.7	84.3
Anticipated Funding from Property Tax Monies	3.3	10.6
Administrative Allowance	-	0.3
<b>Total Resources for Enforceable Obligations</b>	<b>207.0</b>	<b>95.2</b>

*\$ in millions*

*Note: Totals may not add due to rounding*

### **General Fund Reserve**

The status of the General Fund reserve is discussed in detail in the IBA’s review of the FY 2012 Year-End Budget Monitoring Report, which was issued June 6, 2012. Note that this report will also be discussed at the Council meeting of June 11, 2012. Below is a brief discussion regarding the General Fund Reserve.

A total of \$12.8 million in reserves is anticipated to be utilized in the FY 2013 budget, including the following items: \$3.7 million for amounts budgeted in FY 2012 that will be re-budgeted in FY 2013; \$8.3 million to increase cash funding for FY 2013 deferred capital projects (in order to reach the “Status Quo” operations and maintenance funding level); and \$0.8 million to fund a portion of the FY 2013 appropriated reserve.

The General Fund reserve target is 8 percent of annual General Fund revenues, as prescribed by the City’s Reserve Policy. Below is a table which shows the projected excess General Fund reserve over 8 percent of General Fund revenues for FY 2013, as well as the total projected General Fund Reserve as a percent of FY 2013 projected revenues.

#### **General Fund Reserve as a Percent of General Fund Revenues**

FY 2013 Reserve - Projected Ending Balance	\$118.9
8% of General Fund Revenues	92.0
FY 2013 Projected Reserve Over 8% of Revenues	\$26.9
 Total FY 2013 Reserve (Projected Ending Balance) as a Percent of FY 2013 Revenues - Based on May Revision	 10.3%

## **Attachment D**

The IBA recommended changes to the Mayor's revised FY 2013 budget that are discussed in this report would have a negligible impact to the reserve projections discussed above. Note that the projected FY 2013 General Fund Reserve of \$118.9 million does not include the potential addition of any unbudgeted revenue received from property tax trust fund distributions that are in excess of the City's required obligations from the Redevelopment Agency's dissolution. For more information on redevelopment dissolution, see the previous section entitled, "Preserving Funds for Impact of Redevelopment Dissolution."

### **Outstanding Public Safety Issues**

The IBA Review of the FY 2013 Proposed Budget (IBA Report 12-16) highlighted a number of anticipated public safety expense and revenue issues that were not addressed in the Proposed Budget. This included Police Department needs totaling \$1.6 million. These needs include: a net \$392,000 increase in the Animal Services Contract costs, a \$340,000 contractual Uniform Allowance expense obligation, and \$900,000 to support the overhaul of a police helicopter due to insufficient monies in the Seized Assets Funds to support the expense. These funding needs are not addressed in the May Revise. Our office has concerns that this will arise as an issue in FY 2013, unless the Department is able to absorb these costs in identifying offsetting savings in other areas of its budget. In FY 2012, the Police Department's budget was adjusted Mid-Year to cover overages in supplies primarily pertaining to Uniform Allowance expenses. While the need for \$900,000 to support the overall of a police helicopter arose in the FY 2012 First Quarter Monitoring Report, COPS funding was identified as a funding source later in the year.

IBA Report 12-16 also highlighted the need for additional funding for diesel fuel costs for fire trucks and engines in FY 2013. The Fire-Rescue Department's budget was increased by \$1.0 million as a Mid-Year adjustment in FY 2012 to address this need. The Department's request for additional funding for diesel fuel costs as part of the FY 2013 May Revise was not approved. Fire-Rescue has expressed that it may be able to absorb the costs, but that any significant over budget expenses would have to be addressed as an appropriation adjustment during the fiscal year.

The IBA also remains concerned regarding the ability of the Fire-Rescue Department to achieve budgeted expectations for their Alarm Permit Fee program in FY 2013. In the 2012 Year-End Report, the projection for Alarm Permit Fee revenue was reduced by \$715,652 from the \$910,000 budgeted due to the number of permits issued and penalty billings assessed being less than that originally assumed. Despite this, the FY 2013 Budget has not been adjusted to reflect a reduction in Alarm Permit Fee revenue, with the budget remaining at \$910,000. The Department has expressed that since the program is still new, with little data to base an adjustment on, it is premature to modify the budget at this time.



## Attachment D

### SUMMARY OF IBA RECOMMENDATIONS

The IBA recommends Council consideration of the following actions:

1. Approval of the Mayor's FY 2013 Proposed Budget as issued on April 11, 2012 and as amended by the Mayor's May Revise issued on May 23, 2012;
2. Approval of the IBA recommended FY 2013 budget revisions for ongoing and one-time expenditures and resources as detailed below:

IBA Recommended Revisions for Ongoing and One-Time Expenditures and Resources			
ONGOING		ONE-TIME	
<i>Resources</i>			
Increase TOT growth from 5% to 5.5%	739,000	Revenue recovery audit	350,000
Increase sales tax growth from 5.7% to 6%	619,000		
<b>Total</b>	<b>\$1,358,000</b>	<b>Total</b>	<b>\$350,000</b>
<i>Expenditures</i>			
5 Police civilians (half year)	212,000	Neil Good Day Center	250,000
3 Relief Lifeguards	291,000	Hire-A-Youth	
Lifeguard wellness program	81,000	<i>(to match Council CPPS funding of \$100,000)</i>	100,000
Economic Development Seed Money	250,000		
Teen Nights (May/June 2013)	40,000		
Library Circuit- Councilmember Zapf funding of \$75,000	0		
Internal Controls Audit	0 - 150,000		
Auditor Software, close out audits	77,000		
<b>Total</b>	<b>\$951,000 - \$1,101,000</b>	<b>Total</b>	<b>\$350,000</b>
<b>Remaining Funding</b>	<b>\$257,000 - \$407,000</b>		<b>\$0</b>

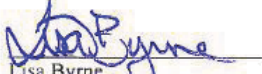
For your reference we have provided in Attachment 2 a list of other policy issues identified in individual Councilmember budget memos. Additionally, Attachment 3 provides information on Councilmember revenue and expenditure proposals not included in final budget proposals.

### NEXT STEPS

The following key steps remain in the FY 2013 budget adoption process:


- |            |   |
|------------|---|
| June 11    | Council decisions on final budget modifications                     |
| June 11    | Adoption of new and increased fees proposed for FY 2013             |
| June 12    | Available if needed for final Council budget decisions              |
| June 13-14 | City Clerk transmits resolution to Mayor within 48 hours of passage |
| June 13    | Mayor's veto period begins (five business days)                     |
| June 19    | Mayor's veto period ends  |
| July 16    | First public hearing: Adoption of Appropriation Ordinance           |
| July 23    | Second public hearing: Adoption of Appropriation Ordinance          |
| July 23    | Adoption of Tax Rate Ordinance                                      |


**Attachment D**


  
Lisa Byrne  
Fiscal & Policy Analyst

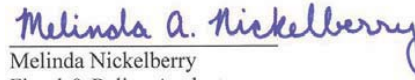
  
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Jeff Sturak  
Deputy Director

- Attachments: 1. General Fund FTE Changes By Department Based on May Revision  
2. Other Fiscal Policy Matters Identified In Council Budget Memos  
3. Councilmember Identified Potential Revenues & Expenditure Proposals not Included in IBA Proposal

**Attachment D**  
IBA Report 12-24, Attachment 1

**General Fund FTE Changes for the May Revision**

Department	FY 2013 Proposed Budget	FY 2013 May Revision Change	FY 2013 May Revision Budget	FY 2012 Adopted Budget	2013-2012 Difference
Administration	20.45	2.50	22.95	18.45	4.50
Business Office	8.25	(0.50)	7.75	7.25	0.50
City Attorney	344.99	1.00	345.99	343.35	2.64
City Auditor	20.00	-	20.00	19.50	0.50
City Clerk	45.12	-	45.12	45.39	(0.27)
City Comptroller	79.75	-	79.75	79.75	-
City Treasurer	118.63	-	118.63	116.63	2.00
Council	92.30	5.83	98.13	91.89	6.24
Debt Management	18.00	-	18.00	18.00	-
Development Services	104.79	17.44	122.23	100.54	21.69
Disability Services	3.38	1.00	4.38	3.00	1.38
Economic Development	33.26	-	33.26	33.30	(0.04)
Environmental Services	135.01	-	135.01	129.80	5.21
Ethics Commission	5.00	-	5.00	6.00	(1.00)
Financial Management	31.03	-	31.03	31.12	(0.09)
Fire-Rescue	1,144.40	(1.00)	1,143.40	1,148.89	(5.49)
Human Resources	16.00	-	16.00	12.75	3.25
Library	385.16	23.12	408.28	359.23	49.05
Multimedia Services	4.00	4.00	8.00	3.00	5.00
Office of Homeland Security	13.39	-	13.39	13.40	(0.01)
Office of the Assistant COO	1.00	-	1.00	1.00	-
Office of the CFO	3.75	-	3.75	3.00	0.75
Office of the COO	2.00	-	2.00	2.00	-
Office of the IBA	10.00	-	10.00	10.00	-
Office of the Mayor	37.32	(17.16)	20.16	35.17	(15.01)
Park & Recreation	762.93	6.00	768.93	741.21	27.72
Personnel	59.04	-	59.04	59.05	(0.01)
Police	2,513.85	(1.00)	2,512.85	2,514.85	(2.00)
Public Works - Eng. & Capital Projects	479.67	-	479.67	469.03	10.64
Public Works - General Services	116.00	-	116.00	112.00	4.00
Purchasing & Contracting	30.39	-	30.39	39.39	(9.00)
Real Estate Assets	28.00	-	28.00	27.00	1.00
Transportation & Storm Water	438.56	-	438.56	441.68	(3.12)
<b>TOTAL</b>	<b>7,105.42</b>	<b>41.23</b>	<b>7,146.65</b>	<b>7,036.62</b>	<b>110.03</b>

Summary of General Fund FTE changes for the May Revision:

- Council District 9: add 5.83 FTE's for establishment of the district.
- Development Services: add 2.28 hourly Planning Interns; add 4.00 FTE's for the restoration of the Graffiti Removal Team.
- Disability Services: add 1.00 Administrative Aide 2.
- Library: add 18.47 FTE's for an increase of three weekly hours for branch libraries; add 3.92 FTE's for an increase of five Saturday hours at the Central Library (beginning September 2012); add .73 hourly FTE's for Sunday hours at the Serra Mesa Branch Library (utilizing developer funds from the Kearny Mesa General Dynamics site development).
- Park & Recreation: add 5.00 Grounds Maintenance Worker 2's to restore weekly mowing at all field sites; add 1.00 unfunded Clerical Assistant 2 for the Therapeutic Recreation Services program.
- Transfer 0.50 Executive Secretary from the Business Office to Administration.
- Transfer 2.00 Docket Office FTE's from the Office of the Mayor to Administration.
- Transfer 11.16 Economic Growth Services FTE's from the Office of the Mayor to Development Services.
- Transfer 4.00 CityTV FTE's from Office of the Mayor to Multimedia Services.
- Transfer 1.00 Information Systems Administrator from Fire-Rescue to the Department of Information Technology.
- Transfer 1.00 Assistant to Police Chief-Civilian from the Police Department to the City Attorney's Office.

## **Attachment D**

IBA Report 12-24, Attachment 2

### **OTHER FISCAL POLICY MATTERS IDENTIFIED IN COUNCIL BUDGET MEMOS**

In addition to providing feedback on budget priorities for the FY 2013 budget, individual Council memos addressed a number of longer range budget and policy issues the City should continue to pursue:

- Alternative staffing models for flexing library hours to provide expanded service to those library branches with highest use at no additional cost to the General Fund;
- Placing additional City forms and services online (permit history for the Development Services Department) and making the City's website more business and user friendly;
- Research potential additional funding to increase cash fund of CIP from the close-out of CIP projects;
- Updated Public Facilities Financing Plans for CIP prior to the development of the FY 2014 budget;
- Continued investment in economic development projects to help facilitate the creation of local jobs;
- Working towards implementation of the Citygate Working Group five year plan, with a possible public safety bond issuance approved by the citizens of San Diego to properly implement recommendations;
- Implementation of an alternative or flexible working schedule (i.e. 4/10/5);
- Neighborhood Code Compliance Department Graffiti Removal Team consolidation with the Transportation & Storm Water Department's Graffiti Removal Team to realize efficiencies and increase oversight;
- Aggressively fill vacant positions throughout the City and find efficiencies in recruitment process to ensure staff is at budgeted levels;
- Investigate raising the goal for the General Fund reserve level to 10.0 percent, continue to review and establish prudent reserve goals;
- Continuing to strive for increased transparency, efficiency, and innovation (i.e. implement ongoing improvements to the CIP website);
- Providing sufficient resources for compliance with mandates and other best practices, such as producing audits and maintaining prudent internal controls on financial transactions;
- Continued investment in City streets and other public assets with possibility of additional revenue beyond forecasted levels utilized for deferred maintenance;
- Pursuing alternative service delivery methods, efficiency improvements, and eliminating service duplications through a regional consolidation of services;
- Implementation of DROP cost neutrality through eliminating the DROP interest rate, increase contribution rates for participants to maximum allowable rate, and reducing participant salaries by an equal amount to the pension paid out to the participant;



## **Attachment D**

IBA Report 12-24, Attachment 2

- Continued pursuit of cost savings through use of volunteers and public-private partnerships.

## Attachment D

IBA Report 12-24, Attachment 3

### Councilmember Identified Potential Revenues & Expenditure Proposals Not Included in IBA Proposal

COUNCILMEMBER IDENTIFIED POTENTIAL REVENUES AND BUDGETARY SAVINGS			
REVENUE OPTION	ESTIMATED REVENUE	IBA INCLUDED	COMMENTS
1.) Re-allocation of Supply Resource Module Implementation	\$ 900,000		Expecting results of study at B&FC in June
2.) Utilization of Excess Appropriated Reserves	\$ 600,000		Retain in reserves for unknown needs
3.) Elimination of Flex Management Benefits	\$ 1,400,000		Could consider for future budgets
4.) Elimination of 10 Management Analyst Positions	\$ 750,000		Could consider for future budgets
5.) One Week Unclassified/Unrepresented Employee Furlough	\$ 1,120,000		Could consider for future budgets
6.) Consolidation of Public Information Officer Positions	\$ 180,000		Could consider for future budgets
7.) Utilization of General Fund Reserves Above 8% Target	up to \$26.9m		Retain in General Fund reserves to achieve 10.3%
8.) Weather Channel Reality Show Renewal Income	-		
9.) Increase in Property Tax Due to Redevelopment Elimination	-		May be needed for future ROPS
10.) Increase Sales Tax Growth Rate in FY 2013	\$ 618,000	X	IBA proposes an increase in sales tax revenue for FY2013 that will be on-going
11.) Increase Transient Occupancy Tax Growth Rate in FY 2013	\$ 739,000	X	IBA proposes an increase in transient occupancy tax revenue for FY2013 that will be on-going
12.) Revenue Recovery Audit	\$ 350,000	X	\$350,000 as a one-time revenue source included in IBA proposal
13.) Adjusting Long Term Disability Contribution	\$ 735,000		May Revise reduced LTD by \$500,000 over three years
14.) Utilization of Transient Occupancy Tax Fund Balance	up to \$10.7m		Included in reserves for potential impacts from redevelopment
15.) Close-out of Unused CIP Funds	-		Financial Management is currently investigating original funding sources
16.) Savings from Managed Competition of Street & Sidewalk Maintenance	-		Timing of implementation / savings uncertain, RFP issued & responses due 6/21
17.) Auctioning Surplus City Vehicles / Reduce Fleet Size	-		Reducing the City fleet size will save funds in addition to auction proceeds
18.) Increasing the General Plan Maintenance Fee to 100% Cost Recovery	\$ 800,000		Current cost recovery is 56% based on proposed user fee increase, 100% not considered for FY 2013
19.) Review Need for Additional Positions Added to FY 2013 Budget	-		109 positions were added in Mayor's Proposed Budget and May Revise for various functions
20.) Reduction of Overtime by 50%	-		
21.) Cut Mayor & Council District Budgets by 15% for Cost Neutral CD9	-		

COUNCILMEMBER EXPENDITURE PROPOSALS NOT INCLUDED IN IBA PROPOSAL		
EXPENDITURE OPTION	ESTIMATED COST	COMMENTS
1.) Increase Library Matching Funds	\$ 300,000	As recommended by Board of Library Commissioners
2.) Addition / Reassignment of City Park Ranger to San Dieguito JPA	\$ 100,000	
3.) Restoration of Urban Forestry / Tree Maintenance	\$500,000 - \$2.4m	Cost dependent on level of trimming in public rights-of-way
5.) Urban Forester / Certified Arborist Position	\$ 31,130	Estimate for half-year funding without additional fringe costs
6.) Internet Wi-Fi availability at Park & Recreation Centers	-	Being considered in FY 2013 marketing program
7.) Addition of Administrative Assistant and Training in City Auditor's Office	\$ 107,000	Funding for software was first priority
8.) Mission Valley Fire Station	\$ 2,000,000	
9.) Restoration of Executive Director to Citizen's Review Board on Police Practices	\$ 150,000	
10.) Mission Trails Regional Park Campground Restorations	\$ 226,000	Restore Kumeyaay Lake campground, 2 full time rangers and center director
11.) Teen Nights at Linda Vista Recreation Center	-	This site is being evaluated by the Park & Recreation Department
12.) Transfer Funding from SRM Module to Neighborhood Services	\$ 900,000	Funds transferred to IT for original purpose
13.) Youth Development Office Funding	-	
14.) Mission Beach Boardwalk & Seawall / Ocean Beach Lifeguard Station	\$ 900,000	Suggested possibility from next CIP bond issuance



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**Attachment E**

Original: Andrea  
cc: ALL  
um 6/1/12



**CITY OF SAN DIEGO  
COUNCILMEMBER SHERRI S. LIGHTNER  
DISTRICT ONE**

**MEMORANDUM**

DATE: June 1, 2012

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Sherri S. Lightner *Sherri S. Lightner*

SUBJECT: Fiscal Year 2013 Proposed Budget Priorities

Many of my budget priorities were included in the May Revise, including increasing the number of police academy recruits, adding a second fire academy, and additional funding for infrastructure projects. I appreciate the work that your office, the Mayor, and my colleagues have put into finding resources to make these restorations.

The following are my priorities for \$2.068 million in additional restorations in the FY 2013 Budget:

- Restoration of 3-5 Police Department civilian positions based on priorities identified by the Police Chief, as recommended in my March budget memo (approximately \$255,000 to \$425,000).
- Restoration of three Lifeguard relief positions (\$300,000).
- Funding for the Lifeguard wellness program (\$68,000).
- Support for the San Diego Workforce Partnership's Hire-A-Youth program. With the support of local government, educational, private, public and nonprofit organizations, they are seeking to develop a quality and sustainable youth employment program that will provide meaningful job placement now and in the years to come (\$100,000 to be matched by FY13 CPPS funds).
- Full funding of the Neil Good Day Center, in order to allow the San Diego Housing Commission to use available funds to fund the winter shelter program, if necessary (\$250,000).
- Funding for Phase II of the Citizen Survey of City Services (\$25,000).
- Increase Library Matching Funds, as requested by the Board of Library Commissioners (up to \$300,000).
- Addition or reassignment of existing city park ranger to the San Dieguito River Park Joint Powers Authority (approximately \$100,000).
- Funds to explore redevelopment funding alternatives (up to \$500,000).



## Attachment E

Page 2  
Tevlin  
June 1, 2012

- Sufficient funding for placing City forms and services online. Improving online accessibility of permit history in the Development Services Department is one of my top priorities.

Additional request:

- A report to the Economic Development and Strategies committee on the reorganization of the City's economic development programs and functions as this reorganization is implemented and additional transition information becomes available.

Additional revenue options:

- General Fund reserve balance in excess of our 8% goal. The General Fund reserve balance is currently projected to be funded at 10.3%. We should investigate raising the goal for our General Fund reserve balance to 10%. Using the 0.3% reserve balance above the 10% threshold would yield approximately \$3.5 million that could be used to restore city services in FY2013.
- Auctioning of surplus City vehicles, such as lifeguard vehicles.
- Implementation of an expanded alternative or flexible work schedule, such as 4/10/5.

Please contact my office at (619) 236-6611 or [sherrilghtner@sandiego.gov](mailto:sherrilghtner@sandiego.gov) if we may provide additional information.



**COUNCIL PRESIDENT PRO TEM KEVIN L. FAULCONER  
CITY OF SAN DIEGO  
SECOND DISTRICT**

**MEMORANDUM**

**DATE:** June 4, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Council President Pro Tem Kevin L. Faulconer  
**SUBJECT:** Budget Priorities for Fiscal Year 2013

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I am proud of the tough decisions the Mayor and City Council have made to guard taxpayer dollars and bring the City's expenditures in line with revenues. Financial reforms such as managed competition have saved millions of taxpayer dollars and delivered real results for San Diegans. The proposed budget includes several of my highest priorities. I am a strong supporter of the Mayor's proposal to begin restoring library and recreation hours as well as increase funding for public safety and park maintenance services. These are the type of core neighborhood services that taxpayers should expect from their City government. Below are my additional priorities for Fiscal Year 2013.

**Guarding San Diego Tax Dollars Through Strong Internal Controls**

The Audit Committee discussed and reaffirmed its interest in completing an audit of internal controls. The Kroll Report recommended that a "reputable independent auditing firm should be retained by the City's new Auditing Committee which should in connection with the annual audit of the financial statements of the City... conduct an audit of the City's internal controls."

It is important to complete the remaining Kroll Report recommendation to ensure that the City has accountable and transparent fiscal practices. If the City anticipates completing the necessary work to prepare for an internal control audit in Fiscal Year 2013, it is imperative that sufficient funding be made available to ensure the City has remediated internal control weaknesses identified in the 2006 Kroll Report. An estimated cost for a targeted scope internal control audit is \$150,000.

## **Attachment E**

### **Maximizing Efficiencies in the Office of the Independent Auditor**

The Office of the City Auditor (OCA) plays an integral role in providing accountability and oversight and has identified millions of dollars in savings and efficiencies. It is necessary that OCA has the tools to remain effective so that the City maintains sound fiscal practices. On May 7, 2012, the Audit Committee recommended and approved that OCA Fiscal Year 2013 budget include \$51,850 to purchase a performance audit electronic work paper software system and \$25,000 for one time closeout audits to quickly and efficiently transition to a new mayoral administration. The work paper software system will allow for OCA to transition from manually prepared performance audit work papers to an electronic process which can help increase staff productivity.

### **Commitment to Public Safety**

I support the increase from 25 to 30 cadets in each of the four police academies and a second fire-rescue academy of 30 cadets, both scheduled for the upcoming fiscal year. It is critical to have a fully staffed Police Department to ensure public safety. I urge the City Council to restore up to five civilian positions to the Police Department to support and enhance department operations. The partial restorations of these positions will reduce the administrative burden on sworn police officers allowing them to focus on public safety.

### **Sustaining Neighborhood Revitalization and Economic Development**

The State of California action to dissolve redevelopment has deprived San Diego of a powerful economic engine. Centre City Development Corporation (CCDC) played a central role in building a vibrant downtown community. I recommend that CCDC continues to perform long-range planning to provide stability and continuity for downtown revitalization efforts during this time of transition. I support allocating adequate funding to ensure CCDC can continue to provide planning services for the downtown community.

### **Protecting Our Beaches and Bays**

Our beaches and bays host millions of San Diegans and visitors each year. As the economy shows signs of improvement and visits to the beach increase, we must make certain public safety is protected for residents, families and tourists. I support the Fire-Rescue Department's request for \$368,000 to restore two lifeguard positions and include lifeguards in the department's wellness program, which helps prevent injuries and ensures more lifeguards are on the beach serving the public.

I am pleased that \$1 million of funding has been identified to repair the Mission Beach boardwalk and seawall in the proposed budget. An additional \$650,000 of funding may become available if a pending state grant application is awarded to the City. The \$1.65 million of available funding would then be applied to design of the first phase of the project. Additional funding is required for construction. The remaining funds necessary to complete the first phase of the project is \$800,000. It is very important to me and the beach communities that the City invests and maintains this historic structure. I recommend that the City invests additional funding from the next deferred capital maintenance bond.

The Ocean Beach Lifeguard Station requires immediate work to increase pedestrian safety. The path that provides public access to the beach travels through the vehicle storage area of the lifeguard station. Emergency vehicles that enter and leave the facility must traverse the public access path. It is essential to rearrange the path so pedestrians can access the beach safely.

## **Attachment E**

The first phase of the project will cost approximately \$100,000. There is currently no Capital Improvement Project fund established for this project. I recommend that this project is included in the Capital Improvement Program so that the first phase can begin as soon as possible.

### **Continued Investment in Streets and Public Assets**

The City Council must continue its focus on reducing the City's deferred capital maintenance backlog. I strongly support the Mayor's recent action to allocate \$8.3 million of the Fiscal Year 2012 surplus to deferred capital maintenance, but even more must be done. This year, the City has a shortfall of approximately \$30 million that must be identified to ensure our public assets do not continue to deteriorate. Additional revenue that becomes available during the fiscal year should be allocated towards deferred capital maintenance during mid-year budget revisions.

I look forward to working with the Mayor and my Council colleagues to achieve our remaining goals for Fiscal Year 2013.

KLF:km





**OFFICE OF COUNCILMEMBER TODD GLORIA  
COUNCIL DISTRICT THREE**

**M E M O R A N D U M**

DATE: June 1, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Todd Gloria, Third Council District *Todd Gloria*  
SUBJECT: Fiscal Year 2013 Budget Priorities and Issues for Consideration

As the chairman of the Budget and Finance Committee, I am proud that the reforms we have worked so hard on are generating real and lasting cost savings for taxpayers. That is demonstrated in the current budget proposal before us—a budget that prioritizes critical services, and for the first time in several years, restores, rather than cuts, community services.

Over the last several months, and during our budget review hearings, I have heard from community members about what City services they value most. Additionally, our deliberations have revealed a strong will to find alternate solutions to restore and fund some important services. The priorities I offer today are in response to citizen requests and are in line with the budget priorities I established earlier this year which champion Public Safety, Neighborhood Services, Job Creation/Economic Development, and Responsible Governance.

**FY 2013 BUDGET PRIORITIES**

**PUBLIC SAFETY**

- **Police.** Despite what recent crime index data may show, residents in our core urban communities are increasingly alarmed by the number of robberies, assaults and other violent crimes in their neighborhoods. A few key preventive steps will help address these concerns, such as prioritizing the hiring of budgeted sworn and civilian positions that currently stand vacant. Additionally, the restoration of civilian staff (dispatchers, property and records management staff, analysts, word processing clerks, etc.) can alleviate the duties of existing officers and allow them to return to covering responsibilities that can only be performed by sworn officials.
- **Infrastructure.** Smooth roads and reliable sewer and water pipelines are also critical public safety issues. As the Council considers the close-out of certain CIP projects, additional funding may become available to further increase cash funding of deferred capital projects. Continued, focused investments will take us one step closer to achieving a sustainable capital infrastructure and maintenance program so that the City no longer falls behind in caring for its assets.

## Attachment E

- **Tree Maintenance.** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District.

There are approximately 32,000 palm trees and 20,000 shade trees within the City's public right-of-way. The approximate cost to trim a palm tree is \$30 and \$50 for a shade tree. The funding I recommend would cover the maintenance cost for approximately 50% of the trees. The City should incrementally increase this service as additional resources become available.

- **Graffiti Removal Team.** The May Revision restored 4.00 FTE positions for the Neighborhood Code Compliance Division's (NCCD) Graffiti Removal Team. I recommend that the NCCD Graffiti Removal Team be consolidated with the Transportation and Storm Water Department's Graffiti Removal Team. Efficiencies and increased oversight may be realized by having one department in charge. Additionally, the public will benefit by having a central point of contact.

### NEIGHBORHOOD SERVICES

- **Programming for Teens.** State grant funding for the current Teen Night programs ends after this summer. I am recommending that funding be identified to sustain teen programming at the five existing recreation centers. Additionally, I would encourage the Park and Recreation Department and community members to consider programming additional hours, as they see fit, to prioritize the needs of teens in particular neighborhoods.
- **City Heights Skate Park.** As the Council considers the close-out of certain capital projects, there is an opportunity that funding specific to Mid-City could be reallocated for the creation of a community skate park. Additionally, I would encourage staff to seek grant opportunities to bring this project to fruition.

### JOB CREATION AND ECONOMIC DEVELOPMENT: REDEVELOPMENT, LAND USE, AFFORDABLE HOUSING, HOMELESS PREVENTION

- **Redevelopment.** I encourage the Mayor and Council to collaborate on creating a local economic development and redevelopment program that will continue the efforts of the former Redevelopment Agency. We must begin by approving a transition plan for the Redevelopment Department of the City, CCDC and SEDC and analyze potential costs of sustaining a new program. Additionally, we must identify funding to support a new program/organization to allow it to seek ongoing resources to continue the revitalization of blighted communities, and create more affordable housing, parks, and other facilities that have long been envisioned.
- **Neil Good Day Center.** In order to ensure that the Neil Good Day Center is fully funded while also enabling the San Diego Housing Commission to direct their available funds toward operation of the Adult Homeless Emergency Winter Shelter if necessary, I request that an additional \$250,000 (one-time expenditure) be identified for operation of the Neil Good Day Center. The Neil Good Day Center provides the critical function of giving San Diego's homeless individuals a safe and clean location to spend their days, take showers, receive mail and secure assessment, counseling and information and referral services. In addition to the direct benefit of helping break the cycle of homelessness, the positive impacts for the City are great. Without the Neil Good Day Center, San Diego's homeless would have no choice but spend days on the streets of

## Attachment E

local neighborhoods, decreasing the likelihood of obtaining needed services and potentially increasing the need for law enforcement and Neighborhood Code Compliance activities.

- **Youth Services and Development: Hire-A-Youth Program.** The Workforce Partnership is seeking to develop a sustainable youth employment program through the support of local government, education, private, public and nonprofit organizations. I recommend that the City identify funding to develop a quality and sustainable San Diego Hire-A-Youth (HAY) employment program that will provide youth with meaningful job placements now and in the years to come.
- **Public Facilities Financing Plans.** The Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration in advance of the production of the FY 2014 budget. For example, the Mid-City PFFP update was completed approximately three years ago. The City adopted the FY 2010 budget without first adopting the new PFFP, and we're nearing adoption of the FY2013 budget, also without benefit of the new PFFP. Approval of these plan updates could result in additional revenue for the Facilities Financing Division and also increase their reimbursement of administrative expenses from Development Impact Fees.

### RESPONSIBLE GOVERNANCE

- **City Reserve Policy.** The Council and the Mayor should continue to revisit and establish prudent goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals to not only provide "rainy day" protection, but also to sustain the City's favorable credit rating.
- **Compliance with Mandates and Other Best Practices.** We must provide sufficient resources for such activities as producing audits, maintaining prudent internal controls on financial transactions, and other mandates. I request that funding be identified for an Internal Controls Audit as recommended in the Kroll Report as well as funding for the acquisition of specialized audit management software.
- **Vacancies.** We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. The City must aggressively fill vacancies citywide and find efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels.
- **Transparency, Reform and Efficiencies.** The Mayor and City Council must continue to strive for increased transparency, efficiency and innovation. One example is to implement ongoing improvements to the Capital Improvements Program website. I also support and encourage efforts to make the City's website more business and user friendly.

As I have mentioned previously, my goals are a) for San Diego to never have a structural budget deficit again, b) to remain focused on core services like public safety and infrastructure, and c) to make economic development investments that help create jobs. My budget recommendations are made should additional efficiencies and reforms be achieved and savings found, with the recognition that we must continue to meet our long term financial obligations and

## **Attachment E**

live within our means while we strive to provide excellent service and quality of life to the residents of San Diego.

**Attachment A** of my memorandum provides a list of sources and uses based on the priorities listed above.

I would like to conclude by acknowledging you and your staff. Your ongoing guidance is instrumental in creating a better informed and more effective process. My appreciation, as well, to the Mayor and his staff, particularly his budget team, for providing us with overviews of the many departmental budgets and for being responsive to Councilmembers' questions and requests for additional information. The collaboration that occurred during this year's budget process will result in a more responsible and responsive budget—one that our citizens expect and deserve. It is amazing what can be done when we come together to govern.

TG:pi



# Attachment E

## ATTACHMENT A

### COUNCILMEMBER TODD GLORIA FY 2013 RECOMMENDED BUDGET MODIFICATIONS SOURCES AND USES OF FUNDS

ONGOING SOURCES	LEVEL ONE	LEVEL TWO
Adjust FY 2013 Sales Tax Revenue Estimates by 0.5%	\$1,200,000	\$1,200,000
Adjust FY 2013 Transient Occupancy Tax Revenue Estimates by 0.5%	\$800,000	\$800,000
<b>Sub-Total Ongoing Sources</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
ONE-TIME SOURCES	LEVEL ONE	LEVEL TWO
Further Adjust FY 2013 Long Term Disability Contribution	\$184,000	\$735,000
Unclaimed Monies	\$420,000	\$420,000
Revenue Recovery Audit	\$500,000	\$500,000
<b>Sub-Total One-Time Sources</b>	<b>\$1,104,000</b>	<b>\$1,655,000</b>
<b>TOTAL SOURCES</b>	<b>\$3,104,000</b>	<b>\$3,655,000</b>
ONGOING USES	LEVEL ONE	LEVEL TWO
Restore Police Civilian Positions		
- Addition of Three Civilian Positions	(\$255,000)	N/A
- Addition of Five Civilian Positions	N/A	(\$425,000)
Restore Urban Forestry/Tree Maintenance		
- Tree Maintenance of 50% of Palm Trees in Public Right-of-Way	(\$500,000)	(\$500,000)
- Tree Maintenance of 50% of Shade Trees in Public Right-of-Way	N/A	(\$700,000)
Spring/Summer Teen Nights Programming at Existing Five Recreation Centers (May-June 2013)	(\$50,000)	(\$50,000)
<b>Sub-Total Ongoing Uses</b>	<b>(\$805,000)</b>	<b>(\$1,675,000)</b>
ONE-TIME USES	LEVEL ONE	LEVEL TWO
Complete Funding for the Operation of the Neil Good Day Center	(\$250,000)	(\$250,000)
Start-up Funding for Citywide Community and Economic Development (Post-Redevelopment)	(\$400,000)	(\$500,000)
Youth Services and Development: Hire-A-Youth Program	(\$100,000)	(\$100,000)
Kroll Report Recommendation: Internal Controls Audit	(\$150,000)	(\$200,000)
Specialized Audit: Management Software	(\$51,850)	(\$51,850)
<b>Sub-Total One-Time Uses</b>	<b>(\$951,850)</b>	<b>(\$1,101,850)</b>
<b>TOTAL USES</b>	<b>(\$1,756,850)</b>	<b>(\$2,776,850)</b>
OTHER POTENTIAL SOURCES	LEVEL ONE	LEVEL TWO
Transient Occupancy Tax Fund Balance	\$0 - \$10.7M	
Redevelopment Property Tax Trust Fund Allocations and Distribution	\$2.7M - \$10.3M	
Close-out of Unused CIP funds (Capital Outlay, General Fund, Transnet, etc.)	\$0 - \$300K	
Savings from Managed Competition of Street and Sidewalk Maintenance	\$0-\$1.5M	
<b>Total Other Potential Sources</b>	<b>\$2.7M - \$22.8M</b>	

## Attachment E



**CITY OF SAN DIEGO  
OFFICE OF COUNCIL PRESIDENT ANTHONY YOUNG  
FOURTH COUNCIL DISTRICT**

**DATE: June 1, 2012**

**TO: Andrea Tevlin, Independent Budget Analyst**

**FROM: Council President Anthony Young**

**SUBJ: Budget Priorities for Fiscal Year 2013 Budget**

I support the Mayor's May revision to the fiscal year 2013 proposed budget. As we begin this new era of developing and maintaining a disciplined budget based on spending priorities and as you conduct your review of the proposed FY13 budget, I am recommending the following spending priorities if you identify appropriate funding:

Additional funding to the Police Department for civilian positions to be selected at the discretion of the police chief.

Additional funding for Life Guard Services to address the need for additional lifeguard relief positions.

Additional funding for the Library Department to fully fund the County Library Cooperation

Additional funding for Park and Recreation Department to provide Wi-Fi availability at park and recreation centers.

Additional funding for the San Diego Workforce Partnership to help provide jobs for the Hire –A-Youth Program.

I look forward to us continuing our efforts to do even more in 2013 and beyond.

## Attachment E



City of San Diego

**CARL DEMAIO**  
CITY COUNCILMEMBER –DISTRICT 5

### MEMORANDUM

DATE: June 5, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Carl DeMaio   
RE: Budget Priorities for FY 13 Budget

At the request of Councilmember Todd Gloria, Chairman of the Budget and Finance Committee, I am submitting my budget priorities for the FY 13 Budget.

Since taking office, my top priorities have been fixing the City's finances, supporting reforms that make city government more efficient and cost effective for taxpayers, and restoring services to our neighborhoods.

I am pleased to see the City on better financial footing than we have been in recent years and I commend my colleagues on the City Council for implementing many reforms. However, much work remains and the unfortunate reality is that we are still very much in the middle of a fiscal crisis. The City's backlog of deferred maintenance on streets, storm drains, and facilities has grown to almost \$900 million. It is also anticipated that infrastructure conditions will continue to get worse over the next five years.

I have made street and infrastructure repair one of my top priorities since taking office and I will continue to push to ensure we deliver on that core responsibility of city government.

In addition, I offer the following budget options for inclusion in the IBA's final report on recommended changes to the Mayor's proposed budget.

- **Regional Consolidation of Services:** The City must actively pursue alternative service delivery methods, efficiency improvements, and eliminate service duplications. If the City were to partner with regional government agencies to eliminate these duplications, taxpayers could save upwards of \$10 million annually.
- **DROP Cost Neutrality:** The DROP program has almost 1,000 city retirees currently collecting payouts from the program, almost 1,200 employees enrolled in the program, and 5,600 employees eligible for the program in the future. The following DROP

## Attachment E

reforms are based on legal analysis conducted by City Attorney Jan Goldsmith and would save taxpayers \$24 million annually.

- **Eliminate DROP Interest Rate:** DeMaio is proposing that the SDCERS Board remove the guaranteed interest rate on DROP accounts and return any interest to the pension system, removing this burden on taxpayers.
  - **Increase Contribution Rates for DROP Participants to Maximum Allowed:** Increase the city employee contribution rate from the current 3.05% to a range of 6.7% to 17.6% depending on their age and classification.
  - **Reduce DROP Participant Salaries:** To eliminate the “double dipping” nature of DROP entirely, reduce each active DROP participants’ salary by an amount equal to the pension payout paid to the employee. If an employee does not want a reduction in salary, they simply would not enter the DROP program.
- **Reduce Overtime by 50%:** The proposed FY 13 budget includes additional funds for overtime expenses. These increases are a result of overages in previous budgets and highlight the need to reevaluate the constant staffing budgeting methodology employed in the Fire Department and overtime practices citywide.
  - **Cut Mayoral and City Council Budgets by 15% for a Cost –Neutral Council District 9**

Additionally, I continue to ask my colleagues to pursue cost-savings and efficiencies by encouraging the use of volunteers, public-private partnerships, and other means. I believe that we can begin restoring city services at lower cost than before by utilizing innovative new ways to deliver services to taxpayers.

cc: Honorable Mayor and City Councilmember





**M E M O R A N D U M**

**DATE:** June 1, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember Lorie Zapf- Council District 6  
**SUBJECT:** Final Budget Suggestions

A handwritten signature in blue ink that reads "Lorie Zapf".

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As we near the final budget vote for FY 2013, below is my final list of budgetary suggestions:

***Restore the 3 Relief Positions for Lifeguards and Add Wellness Program:*** As we look to restore the public safety cuts we were forced to make in the past few fiscal years, we have yet to restore the lost relief lifeguard positions. I would encourage the City to add back in 3 relief lifeguards at a cost of approximately \$285,000. Additionally, the only public safety department without a wellness program in place is Lifeguards. I would strongly urge the Council to find the \$68,000 in funding.

***Restore 3-5 Civilian Positions within Police Department:*** I was pleased by the Mayor's recommendation to add another Police Academy in order to increase the number of sworn officers we have on the street. While I understood the need to cut these positions due to prior fiscal constraints in prior fiscal years, I recommend consideration be given to restoring 3-5 civilian positions based on the priorities identified by the Police Chief. The Council could address this matter as part of its FY 2013 final budget decisions if ongoing funding can be identified. These positions are less expensive than sworn officers and would free up sworn officers from administrative duties and instead be used for core public safety functions.

***D6 CPPS Funding for the Library Circuit-*** My office has worked with Financial Management to use our FY12 funding (\$31,000 for one time set up costs) and FY13 funding (\$44,500 for the first year annual costs). By participating in the San Diego Library Circuit, we will enable our residents to have access to materials from university and public libraries throughout the region. This means millions more materials available to those who use the San Diego Public Library. Participation in the circuit was recommended by the San Diego Library Commission.

***Flexing Library Hours:*** Even with full restoration, City libraries will only be open 44 hours a week. Currently, their hours open have been left entirely to the discretion of the library department staff. Staff has chosen to have every library open the exact same hours and for many communities some of the traditionally highest use hours have been neglected (in particular Sundays). Park and Recreation facilities have faced similar cutbacks. The Park and Recreation

## **Attachment E**

Department has gone to each community and asked residents which hours (within their department's budgeted limits) they would like their facilities to be open. Obviously, this makes staffing for absences and vacations a little bit more difficult but it is accomplished by private businesses and other City departments (such as park and recreation, fire and police) each and every day. Additionally, it may be worthwhile to flex nearby libraries so that greater coverage might be accomplished within sub-regions of the City.

It may be possible to spend almost the same amount of money and increase the level of service we provide to our residents. It is my understanding that the COO's office is exploring staffing models in other departments around the state and country. Over the next six months we would like for the IBA's office to work with the Mayor's Office and bring suggestions back to Council regarding flexing out librarians to stretch hours out even farther.

***Preserving Reserves:*** I would urge my colleagues to not touch the various reserve funds recommended by the Mayor in his May Revise. I worry that the soft international and national economy could hurt the local economy in the next year. Our best defense will be strong reserves.



**CITY OF SAN DIEGO  
COUNCILMEMBER MARTI EMERALD  
DISTRICT SEVEN**

**M E M O R A N D U M**

REF: M-12-06-01

**DATE:** June 1, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember Marti Emerald  
**SUBJECT:** FY2013 Budget Priorities

I am very encouraged by the Mayor's May Revise that will better protect and restore public safety services and neighborhood resources. In addition, I support increased funding for recreation centers, libraries and arts & culture programs. I commend the Mayor for increasing our reserves to 10.3%, or \$26.9 million above our targeted level of 8%. While I support this funding I believe we should review our policy to keep it in alignment with best practices and credit rating agency expectations.

My FY 2013 budgetary priorities below were developed with recommendations from constituent communications, public dialogue, and IBA recommendations. I have outlined additional budgetary priorities that will keep tax dollars focused on core city services while providing accountability to taxpayers. I have listed some budget savings actions to draw from and I am awaiting the IBA's report on projected revenues that was not available for this memo. The options I propose would produce the least impact to the City's operations while increasing public safety & neighborhood services.

- 1) **\$900K Returned From SRM Module Implementation** – Last year the council approved \$900,000 to implement the SRM module for SAP. Unfortunately this project was not implemented. I propose re-allocating this \$900,000 for neighborhood services.
- 2) **\$1.1M in Bond Obligation Savings** - \$10.7 Million in TOT Balance and \$3.7 Million in appropriated reserves have been set aside to pay Petco Park and Convention Center bonds. The \$14.4 Million set aside is \$1,100,000 more than the maximum amount needed for the bond payments.

**Proposed Budgetary Savings**

ITEM	ACTION	AMOUNT
1	900K returned from SRM Module not being implemented	\$900K
2	Excess reserves above bond obligations	\$1.1M
	<b>TOTAL</b>	<b>\$2M</b>

With the Proposed savings outlined above, restoration of the following services is critical to public safety and our neighborhoods:

- 3) **Mission Valley Fire Station** - Cost: \$2 Million needed to build this vital fire station.

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 Councilmember Marti Emerald  
 June 1, 2012

- 4) **Restoration of Lifeguard Services** – Cost: \$368,000.  
 Currently City Lifeguards lack the resources they need to ensure the highest level of safety at our beaches and bays. I would like to see the FY13 budget include funding for lifeguard wellness and 3 lifeguard relief positions.
  
- 5) **Restoration of the Executive Director Position to Citizens Review Board on Police Practices.** Cost: Approximately \$150,000.
  
- 6) **Restoration of Civilian Officers in PD** – Cost: Approximately \$350,000  
 The City's MOU with the Municipal Employees Association specifically refers to the City's intent to restore civilian positions in the Police Department that were eliminated during recent budget cuts. After filling more than 50 current civilian vacancies in 911 dispatch, labs and property rooms, I propose we add up to five civilian police officer positions as outlined in the IBA report.
  
- 7) **Funding for a Youth Development Office** – Cost: \$25,000.  
 The Community Budget Alliance is actively pursuing a Youth Development Office. They currently have MOU's with the city, county and San Diego Unified School District. They are seeking an additional \$25-\$50,000 for start-up and overhead costs.
  
- 8) **Funding for the Teen Nights Program** – Cost: \$80,000.  
 The Teen Night Program is endorsed by our Park and Recreation staff and San Diego Police, to keep kids off the streets during the summer and out of trouble. The cost to continue the Teen Nights Program at its current locations and to add the program in Linda Vista would be \$80,000.
  
- 9) **Mission Trails Regional Park Campground Restorations** – Cost: \$226,000.  
 Funding to restore Kumeyaay Lake Campground, with overnight camping during FY2013. To restore the facility to its original operational days would require two full-time rangers and one full-time center director.
  
- 10) **Addition of Admin Position and Training for City Auditor's Office** – Cost: \$75,000.  
 The City Auditor makes a good case for adding one administrative position and a training budget. The cost of adding one additional administrative position would be \$50,000. The auditor says the extra staff and training would help his office work more efficiently and complete more audits in the next fiscal year.

### Proposed Services Funding

ITEM	ACTION	AMOUNT
3	Mission Valley Fire Station	\$2M
4	Restoration of Lifeguard Services	\$368K
5	Restoration of Citizens Review Board Executive Director	\$150K
6	Restoration of 3-5 Civilian Officers in PD	\$350K
7	Funding for a Youth Development Office	\$25K
8	Funding for the Teen Nights Program	\$80K
9	Mission Trails Regional Park Restorations	\$226K
10	Administrative Position & Training for City Auditor's Office	\$75K
	<b>TOTAL</b>	<b>\$3.27M</b>

An additional item of note is the Citygate Working Group 5 Year Plan Recommendations. In



## **Attachment E**

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order to stay on track to complete the recommendations outlined in the Citygate report, we will need to fund \$17.9 Million in FY13 and similar amounts for each of the next three years. I intend to pursue support for a public safety bond to pay for these necessary improvements.

As well, it is critical that we maintain our FY2012 level of airtime for our police helicopters. Currently the police department is anticipating possible shortages in seized asset and COP grant dollars. While the amount remains uncertain, I would like to see a reasonable cushion.

In closing, I look forward to approving the new City Council budget that will benefit the communities we serve.

ME: de

**Attachment E**



**COUNCILMEMBER DAVID ALVAREZ**

City of San Diego  
Eighth District

**MEMORANDUM**

**DATE:** June 1, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember David Alvarez  
**SUBJECT:** Final FY 2013 Budget Modifications

The Mayor's May revision of his proposed FY 2013 budget addressed many suggestions made by the City Council over the last few weeks. I was particularly appreciative of the restoration of funding for the City's Graffiti Removal Team and the inclusion of additional Fire-Rescue and Police academies. However, I believe that there are a number of essential city services that the public deserves to receive, which I have listed below with corresponding funding sources:

**Proposed General Fund Budget Restorations:**

- **Restoration of Lifeguard Relief Positions and Injury Prevention Program:** Our beach and coastal areas are visited by tens of thousands of people every year, which requires the need for the city to provide adequate lifeguard services to ensure a safe environment for those visitors. Restoring the level of lifeguard training needed to keep our lifeguards up-to-date in current safety and rescue procedures is critical to providing a high level of safety at our beaches, bays, lakes and pools. Restoration of three lifeguard relief positions will allow lifeguard personnel to attend training while others perform regular lifeguard duties. Maintaining a high standard of lifeguard training is a critical function that the city must provide. The following positions and resources should be restored:
  - 3 Relief Positions: \$300,000
  - Injury Prevention Program: \$65,000
- **Restoration of Civilian Positions in the Police Department:** Cutting civilian positions within the Police Department has a direct impact on sworn police officers' ability to be actively patrol our neighborhoods. Police support staff are vital and need to be retained so that our sworn

## Attachment E

officers are free to have a greater presence in our communities. As referenced in IBA Report 12-19, restoring at least 3-5 civilian positions based on priorities identified by the Police Chief in FY13 is critical as we move towards putting more officers on our streets.

- 3-5 Civilian positions (half year funding): \$127,500-\$212,500
- **Teen Nights Program and Youth Development Office:** State grants funding the current Teen Night programs ends after this summer. The 5 existing Teen Nights will not have the funding to hold the program next summer. The Teen Night programs run from May-September, but that the funds for next summer would need to be appropriated in the FY 13 budget because two of the months fall in FY13. The Teen Nights program is a vital service to our young people that should not be discontinued. Additionally, a Youth Development Office should be formed utilizing not only city funds but also available state grant funding.
  - Teen Nights Program: \$50,000
- **Neil Good Day Center Funding:** The Neil Good Day Center provides a safe environment for homeless individuals during the day. Although the Mayor restored \$300,000 in funding for the Neil Good Day Center, I believe it is critical that the City fully fund the operations of the Center. Fully funding the Neil Good Day Center requires an additional \$250,000 in funds.
  - Fully fund Neil Good Day Center: \$250,000
- **Urban Forester/Certified Arborist Position:** Growing and maintaining the urban forest in our city is vital. More trees planted throughout our communities result in everything from increased savings on energy costs to slowing down traffic on our neighborhood streets. Restoring this position will allow us to grow our urban forest as well as take advantage of state and federal funds to plant trees throughout our communities.
  - Urban Forester/Certified Arborist Position (half year funding): \$31,130
- **Tree Trimming:** There is a major shortage in maintaining all City owned palm and shade trees. I have had numerous residents contact my office with their concerns about the lack of maintenance on these trees. Even when residents volunteer to trim the trees, they do not have the proper equipment to deal with the palm trees that drop waste from high above. As a safety concern, a plan to restore at least some of these services should be a priority.
  - Restoration tree trimming: \$2.4 million
- **Citywide Community and Economic Development Office:** Should property tax funding become available, a Community and Economic Development Office should be established to allow for long range planning for all former redevelopment areas (SEDC, CCDC and all other project areas), establish programmatic EIRs and seek additional funding and grant opportunities.
  - Citywide Community and Economic Development Office: \$400,000
- **City Auditor Staff Position and Resources:** It is important that we continue to increase the staff resources of the City Auditors Office. The City Auditor's ability to conduct comprehensive audits on various city departments and functions is vital in promoting accountability, efficiency and transparency in our city government. As such the FY13 budget should add at least one administrative assistant position. The cost of hiring an administrative assistant is significantly less than that of hiring an additional performance auditor, but would have much the same impact



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by allowing current staff to focus solely on audit work. To further assist in allowing the City Auditor to efficiently produce various audits, the FY13 budget should allow for the procurement of a specialized audit management software system. The software is common in the industry and will reduce the amount of staff time required on each audit. Finally, it is critical the City follow through with the Kroll Report recommendation to produce an internal controls audit and the FY13 budget should allow for this work to move forward.

- 1 Administrative Assistant Position: \$82,462
- Specialized Audit Management Software: \$51,850
- Internal Controls Audit: \$100,000

**Proposed Funding Sources:** Each of the above items can be funded via any combination of the following options:

- **Elimination of flex management benefits:** \$1.4 million
- **Elimination of 10 management analyst positions:** \$750,000
- **One Week Unclassified/Unrepresented employee furlough:** \$1.12 million
- **Consolidation of Public Information Officer Positions:** \$180,000
- **Reserves:** Use of existing reserves over 8% funding level for one time funding items, such as Neil Good Day Center operations is appropriate. Reserves currently stand at \$118.9 million after accounting for the increase in deferred capital O&M spending. This is \$26.9 million above the 8% policy.
- **General Plan Maintenance Fee Increase:** Currently this fee is only 56% cost recoverable. It should be 100% cost recoverable. Increasing this fee to be 100% cost recoverable would result in additional \$800,000 and would allow funds currently subsidizing the service to be used for other critical city services.
- **Increased property taxes due to elimination of redevelopment agencies:** Unknown, but should provide funding for ongoing expenses.
- **'Lifeguards' Weather Channel Reality Show Renewal:** Potential revenue unknown, but could provide funding for one-time expense.
- **109 New Positions Added to FY13 Budget:** Some positions do not increase service levels to the public, these positions should be reviewed and funding for those not increasing service levels to the public should be considered as potential funding for other purposes. Other positions are duplicative or do not justify expenditure. The following positions are a few examples:
  - 1 Program Manager position (Administration): \$170,629
  - 1 Information Technology Security Position (Dept. of IT): \$169,112
  - 2.24 Public Information Clerk positions (ESD): \$69,395
  - 2 Program Manager positions (Human Resources): \$170,254
  - 1 Community Development Coordinator position and 1 Program Manager position (Office of the Mayor): \$307,973\*

*\*Note these positions could fund most of the Community and Economic Development Office discussed earlier*

In addition to the above funding recommendations, the following CIP projects are high priority and should see significant progress through FY13 or should be prepared to be included in the FY14 CIP budget:

## Attachment E

- **New San Ysidro Library CIP:** The current branch library in San Ysidro is one of the oldest (built in 1931), smallest (3,000 square feet) and outdated library facilities in the entire city. The construction of the new library has been long delayed. A site has been secured and the design and construction of the library needs to be funded. It is critical that this is a priority Capital Improvement Project in FY13.
- **Silver Wing Neighborhood Park Sports Field and Security Lighting CIP:** Security lights are highly recommended for operational purposes as there have been on-going requests and complaints from the surrounding residents about the need for additional security lighting in the park. The design for this project is nearly complete and construction can be phased throughout the fiscal year. Security lighting at this location is important and it is imperative that this phase of the project stay on schedule.
- **Old Otay Mesa Road-Westerly CIP:** This project provides for design and construction of Old Otay Mesa Road from the Princess Park Subdivision (Crescent Bay Drive) to the Remington Hills Subdivision (Hawken Drive). This project includes approximately 2,400 linear feet of a two-lane collector street, sidewalks, curb, gutter, street lighting, new roadway sections, guardrail and traffic calming facilities. Most importantly, this project will address a dangerous situation for pedestrians using the road to walk to San Ysidro High School, as there is not an adequate sidewalk area for students to utilize going to and coming from the school. According to the FY13 CIP Budget document, this project is slated for construction in FY14 and it is crucial to student and pedestrian safety that the project be prepared to move forward by FY14 or sooner.
- **Palm Ave Roadway Improvements CIP:** This project provides for traffic safety improvements on Palm Avenue from Beyer Way to Interstate 805. The improvements include installation of raised center medians, turn pockets, traffic signals, a pedestrian refuge area, crosswalks, landscaping, striping and signage. These improvements will benefit the community by increasing the safety and flow of traffic. It is imperative that this project progress and move to construction by the next fiscal year.
- **Initiate Capital Improvement Project for La Media Road Improvements:** La Media Road, between I-905 and Siempre Viva Road in the Otay Mesa community, is a route used by commercial vehicles accessing the border. Significant improvements (such as widening) are required on La Media Road as the city moves forward with plans to improve the road, provide better access to commercial vehicles crossing the border and addressing significant flooding issues, which often make the road impassable. Currently, no CIP exists to address these specific deficiencies, which has prevented the project from moving forward and has hampered the city's ability to better facilitate international commerce.
- **Initiate Capital Improvement Project to Design Southwest Neighborhood Park in Otay Mesa/Nestor:** The City owns undeveloped park land on 27<sup>th</sup> Street in the Otay Mesa/Nestor community. The design and development of the 11.4 acres into a Neighborhood Park was first proposed in 1992 and would provide much needed park space and be of great benefit to all members of the community. Children from Southwest Middle School as well as condominiums,



## Attachment E

apartments, and mobile homes within walking distance would benefit from the use. Currently no CIP exists for this project and in order to move forward funds need to be dedicated to the design of the park.

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101  
6/11/12

RESOLUTION NUMBER R- 307483

DATE OF FINAL PASSAGE JUN 26 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE FISCAL YEAR 2013 BUDGET, INCLUDING APPROVING THE MAYOR'S FISCAL YEAR 2013 PROPOSED BUDGET, AND MAY REVISION, WITH MODIFICATIONS RECOMMENDED BY THE INDEPENDENT BUDGET ANALYST AND AS REVISED BY THE CITY COUNCIL.

WHEREAS, pursuant to San Diego Charter section 290(b), prior to June 15 of each year and after holding a minimum of two public hearings, the City Council shall adopt a resolution approving the City's budget as proposed by the Mayor or modified in whole or part; and

WHEREAS, on April 16, 2012, the Mayor's proposed budget (Proposed Budget) was presented to the City Council; and

WHEREAS, on May 25, 2012, the Mayor's May revision (May Revision) to the Proposed Budget was presented to the City Council; and

WHEREAS, on June 6, 2012, the Independent Budget Analyst's Final Budget Report and Recommendations on the FY 2013 Budget (IBA FY 2013 Budget Report) was issued; and

WHEREAS, between May 2 and May 25, 2012, the City Council held more than two public hearings to consider the City's Fiscal Year 2013 budget in accordance with San Diego Charter sections 290(b) and 71; and

WHEREAS, on June 11, 2012, the City Council approved certain additions and adjustments to the City's General Fund user fees pursuant to Resolution No. R-307485 as revised by the City Council; and

**Attachment F**

(R-2012-638 REV)

WHEREAS, the City Council has determined to approve the City's Fiscal Year 2013 Budget, including the Mayor's Proposed Budget, as modified by the May Revision, including the recommendations in the IBA FY 2013 Budget Report and as revised by the City Council; NOW, THEREFORE,

BE IT RESOLVED, that the Council of the City of San Diego that the Mayor's Proposed Budget, as modified by the May Revision, and including the recommendations in the IBA FY 2013 Budget Report, is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is requested to return to the City Council or one of its committees with a proposal for an urban forestry program and that \$257,000 be budgeted in the Appropriated Reserve for such purpose.

BE IT FURTHER RESOLVED, that the Council District 3 transient occupancy tax allocations in an amount of \$34,000, as provided to the City Clerk's office, be added to the Special Promotional Programs budget as follows:

\$10,000 to the Public Art Fund to augment the \$50,000 already identified for the care and conservation of City-owned art for the Balboa Park 2015 Centennial Celebration;

\$4,000 to the Prophet World Beat Center for cultural programming in Balboa Park;

\$4,000 to the Japanese Friendship Garden for the Garden Expansion Project;

\$3,500 to San Diego Artlink for Art Around Adams;

\$2,500 to the South Park Business Group for the South Park Old House Fair;

\$2,500 to the Victoria House Corporation for the North Park Toyland Parade;

-PAGE 2 OF 4-



**Attachment F**

(R-2012-638 REV)

\$2,500 to the Hillcrest Business Improvement Association for the 2012 Hillcrest

Hoedown/Fall Festival;

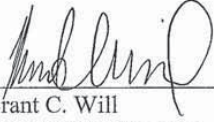
\$2,500 to the San Diego Asian Film Foundation for Youth Day and Film Festival Access;

and

\$2,500 to the Veterans Museum and Memorial Center for the Exhibit Renovation Project  
and Veteran's Day Parade.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to  
return, as soon as practicable, the Approved Budget to the Mayor in accordance with section  
290(b)(2)(A) of the Charter.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
\_\_\_\_\_  
Brant C. Will  
Deputy City Attorney

BCW:jdf  
05/29/12  
06/12/12 REV  
Or.Dept:IBA  
Doc. No. 377610

**Attachment F**

(R-2012-638 REV)

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 6/11/12

ELIZABETH S. MALAND  
City Clerk

By [Signature] for Debbie  
Deputy City Clerk

Approved: 6.26.12  
(date)

[Signature]  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

RESOLUTION NUMBER R- 307432

DATE OF FINAL PASSAGE JUN 26 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE ESTABLISHMENT OF NEW RATES AND FEES AND ADJUSTMENTS TO EXISTING RATES AND FEES FOR INCLUSION IN THE RATEBOOK OF CITY FEES AND CHARGES MAINTAINED IN THE OFFICE OF THE CITY CLERK.

WHEREAS, under Council Policy 100-05, general fund departments are required to conduct comprehensive user fee studies every three years; and

WHEREAS, these fee studies ensure City departments identify and recover all reasonable and allowable costs incurred in providing government services; and

WHEREAS, each general fund department requesting user fee adjustments and additions for Fiscal Year (FY) 2013 obtained a legal opinion on their fee proposals from the Office of the City Attorney in light of Proposition 26; and

WHEREAS, approved by the voters in 2010, Proposition 26 amended articles XIII A and XIII C of the California Constitution to provide that a levy, charge, or exaction of any kind imposed, increased, or extended by a local government is a tax unless an exception applies; and

WHEREAS, exceptions to Proposition 26 include user fees; government service or product fees; regulatory fees; government property entrance fees; fines and penalties imposed by a court or local government; property development impact fees; and assessments and property-related fees governed by Proposition 218; and

WHEREAS, each Proposition 26 exception involves its own legal standard for determining the amount of a legally permissible fee; and

**Attachment G**

(R-2012-636 REV.)

WHEREAS, user fees and regulatory costs in support of the proposed user fee adjustments and additions for FY 2013 may not exceed the reasonable costs of providing a service, product, or regulation which includes all reasonable direct and indirect expenses incurred by the City; and

WHEREAS, depending on the particular type of fee and individual department activities, staff for each City department developed their proposed FY 2013 user fee adjustments and additions using the comprehensive Citywide method developed by Financial Management and Comptroller staff; and

WHEREAS, City staff reports in support of proposed user fees and regulatory costs for FY 2013 explain the link between the cost and the service, product, or regulation; and

WHEREAS, Financial Management presented Report No. 12-044 to the Budget and Finance Committee on April 25, 2012, wherein the department requested approval of proposed FY 2013 user fee adjustments and additions for ten general fund departments including the City Clerk, Development Services, Financial Management, Fire-Rescue, Library, Police, Public Utilities, Real Estate Assets, Transportation and Stormwater, and the City Treasurer; and

WHEREAS, Financial Management and each of the general departments mentioned above provided a detailed report to the Budget and Finance Committee explaining proposed FY 2013 user fees and adjustments and their cost recovery calculations; and

WHEREAS, each report included a Memorandum from the Office of the City Attorney analyzing their proposal in light of Proposition 26; and

WHEREAS, the Police Department's Report No. 12-045 is on file with the Office of the City Clerk and available for public review; and

**Attachment G**

(R-2012-636 REV.)

WHEREAS, Fire-Rescue's Report No. 12-046 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, Development Services' Report No. 12-047 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, the Library's Report No. 12-048 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, the Real Estate Assets Department's Report No. 12-049 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, the Public Utilities Department's Report No. 12-050 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, the Department of Transportation and Stormwater's Report No. 12-051 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, the City Treasurer's Report No. 12-052 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, the City Clerk's Report No. 12-053 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, Financial Management's Report No. 12-054 is on file with the Office of the City Clerk and available for public review; and

WHEREAS, after considering the presentations made, the reports and materials presented, and engaging in discussion regarding the proposed FY 2013 fee adjustments and additions, the Budget and Finance Committee forwarded the proposed FY 2013 user fees to the



**Attachment G**

(R-2012-636 REV.)

City Council along with some requests for additional information to be provided to the Council at a hearing to further consider the proposed FY 2013 fees; NOW, THEREFORE,

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

1. That the following FY 2013 fee additions and adjustments are adopted for the purpose of recovering costs incurred by the City of San Diego in providing services, goods, or regulation, or as otherwise permitted under articles XIII A and XIII C of the California

Constitution:

- (1) The Police Department's Adult Entertainer Permit fee of \$245.00 per year decreases to \$238.00.
- (2) The Police Department's Annual Card Room Table Fee (per table) of \$3,090.00 per year increases to \$3,689.00 per year.
- (3) The Police Department's Arcade fee of \$72.00 per year increases to \$100.00 per year.
- (4) The Police Department's Auto Dismantler permit fee of \$344.00 per year increases to \$438.00 per year.
- (5) The Police Department's Bingo regulatory fee of \$65.00 per year increases to \$83.00 per year.
- (6) The Police Department's Card Room Employee permit fee of \$65.00 per year decreases to \$52.00 per year.
- (7) The Police Department's Card Owner/Business Fee of \$25 per year is eliminated.

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(R-2012-636 REV.)

- (8) The Police Department's Casino Party fee of \$65.00 per party increases to \$237.00 per party.
- (9) The Police Department's Curb Painter regulatory fee of \$59.00 per year is eliminated.
- (10) The Police Department's Entertainment fee of \$1,252.00 (for 50+ people for a single event) decreases to \$175.00.
- (11) The Police Department's Entertainment fee (ongoing after-hours) of \$1,927.00 per year decreases to \$494.00 per year.
- (12) The Police Department's Entertainment fee (single event, after-hours) of \$1,145.00 decreases to \$381.00.
- (13) The Police Department's Entertainment per event fee (for 49 people or less) of \$201.00 is eliminated.
- (14) The Police Department's Entertainment annual fee (for 49 people or less, ongoing, no alcohol) of \$283.00 decreases to \$172.00.
- (15) The Police Department's Entertainment annual fee (50 people or more, ongoing, no alcohol) of \$718.00 increases to \$732.00.
- (16) The Police Department's Entertainment annual fee (ongoing, 100-249 people, alcohol) of \$2,382.00 decreases to \$1,977.00.
- (17) The Police Department's annual Entertainment fee (ongoing, 250-399 people, alcohol) of \$3,176.00 decreases to \$2,987.00.

**Attachment G**

(R-2012-636 REV.)

- (18) The Police Department's Firearms Dealer fee of \$660.00 per year increases to \$1,755.00 per year.
- (19) The Police Department's Firearms Dealer Employee fee of \$104.00 per year decreases to \$45.00 per year.
- (20) The Police Department's Going out-of-Business Regulatory fee of \$128.00 per event decreases to \$69.00 per event.
- (21) The Police Department's Holistic Health Practitioner fee (business) of \$1,693.00 per year decreases to \$1,104.00.
- (22) The Police Department's Holistic Health Practitioner fee (individual) of \$175.00 per year decreases to \$101.00 per year.
- (23) The Police Department's investigative fee of \$104.00 is eliminated.
- (24) The Police Department's Massage Establishment Business fee of \$1,707.00 per year increases to \$2,042.00 per year.
- (25) The Police Department's Massage Therapist fee of \$237.00 per year decreases to \$193.00 per year.
- (26) The Police Department's Massage Therapist (Off-Premise Business) fee of \$552.00 per year increases to \$693.00 per year.
- (27) The Police Department's Massage Trainee fee of \$573.00 per license is eliminated.

## **Attachment G**

(R-2012-636 REV.)

- (28) The Police Department's Money Exchange fee of \$505.00 per year increases to \$865.00 per year.
- (29) The Police Department's Nude Entertainer Business/Club fee of \$5,656.00 per year decreases to \$5,562.00 per year.
- (30) The Police Department's Outcall Nude Entertainer fee of \$940.00 per year decreases to \$744.00 per year.
- (31) The Police Department's Outcall Nude Entertainer Business fee of \$15,702.00 per year decreases to \$9,219.00 per year.
- (32) The Police Department has created a new classification for secondhand dealers who deal in tangible property called Pawnshop/Secondhand Tangible, and persons who fall within this classification pay a fee of \$315 per year.
- (33) The Police Department's Peep Show fee of \$200.00 per year per booth increases to \$207.00 per year per booth.
- (34) The Police Department's Poolroom/Bowling Alley fee of \$72.00 per year increases to \$119.00 per year.
- (35) The Police Department's Promoter Regulatory permit fee of \$654.00 per year decreases to \$310.00 per year.
- (36) The Police Department has created a new classification for secondhand dealers who deal in non-tangible property called Secondhand Non-tangible, and persons who fall within this classification pay a fee of \$162 per year.

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- (37) The Police Department's Solicitor Regulatory fee of \$54.00 per year increases to \$166.00 per year.
- (38) The Police Department's Swap Meet Permit (annual) of \$1,276.00 per year increases to \$1,684.00 per year.
- (39) The Police Department's swap meet quarterly fee of \$319.00 is eliminated.
- (40) The Police Department's tobacco application fee of \$104.00 per license is eliminated.
- (41) The Police Department's Tobacco Permit Fee of \$212.00 per year decreases to \$131.00 per year.
- (42) Fire-Rescue's FCIP - Assembly fee of \$200.00 per inspection (0 - 5,000 sq. ft.) increases to \$235.50 per inspection.
- (43) Fire-Rescue's FCIP - Assembly fee of \$223.00 per inspection (5,001-10,000 sq. ft.) increases to \$294.40 per inspection.
- (44) Fire-Rescue's FCIP - Assembly fee of \$234.00 per inspection (10,001-12,000 sq. ft.) increases to \$353.25 per inspection.
- (45) Fire-Rescue's FCIP - Assembly fee of \$242.00 per inspection (12,001- 50,000 sq. ft.) increases to \$412.15 per inspection.
- (46) Fire-Rescue's FCIP - Assembly fee of \$671.00 per inspection (50,001 sq. ft. and above) decreases to \$471.00 per inspection.



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(R-2012-636 REV.)

- (47) Fire-Rescue's FCIP – Business fee of \$279.00 per inspection  
(0-5,000 sq. ft.) decreases to \$235.50 per inspection.
- (48) Fire-Rescue's FCIP – Business fee per inspection of \$326.00  
(5,001-10,000 sq. ft.) decreases to \$294.40 per inspection.
- (49) Fire-Rescue's FCIP – Business fee of \$445.00 per inspection  
(10,001-12,000 sq. ft.) decreases to \$353.25 per inspection.
- (50) Fire-Rescue's FCIP – Business fee of \$445.00 per inspection  
(12,001-50,000 sq. ft.) decreases to \$412.50 per inspection.
- (51) Fire-Rescue's FCIP – Business fee of \$445.00 per inspection  
(50,001 sq. ft. and above) increases to \$471.00 per inspection.
- (52) Fire-Rescue's FCIP - Education fee of \$201.00 per inspection  
(0 - 5,000 sq. ft.) increases to \$235.50 per inspection.
- (53) Fire-Rescue's FCIP - Education fee of \$216.00 per inspection  
(5,001 - 10,000 sq. ft.) increases to \$294.40 per inspection.
- (54) Fire-Rescue's FCIP - Education fee of \$272.00 per inspection  
(10,001 - 12,000 sq. ft.) increases to \$353.25 per inspection.
- (55) Fire-Rescue's FCIP - Education fee of \$272.00 per inspection  
(12,001 - 50,000 sq. ft.) increases to \$412.15 per inspection.

## Attachment G

(R-2012-636 REV.)

- (56) Fire-Rescue's FCIP - Education fee of \$272.00 per inspection  
(larger than 50,000 sq. ft.) increases to \$471.00 per inspection.
- (57) Fire-Rescue's FCIP - Health Care fee of \$111.00 per inspection  
(0 - 5,000 sq. ft.) increases to \$235.50 per inspection.
- (58) Fire-Rescue's FCIP - Health Care fee of \$130.00 per inspection  
(5,001 - 10,000 sq. ft.) increases to \$294.40 per inspection.
- (59) Fire-Rescue's FCIP - Health Care fee of \$317.00 per inspection  
(10,001 - 12,000 sq. ft.) increases to \$353.25 per inspection.
- (60) Fire-Rescue's FCIP - Health Care fee of \$317.00 per inspection  
(12,001 - 50,000 sq. ft.) increases to \$412.15 per inspection.
- (61) Fire-Rescue's FCIP - Health Care fee of \$421.00 per inspection (larger  
than 50,000 sq. ft.) increases to \$471.00 per inspection.
- (62) Fire-Rescue's FCIP - Residential fee of \$217.00 per inspection  
(0 - 5,000 sq. ft.) increases to \$235.50 per inspection.
- (63) Fire-Rescue's FCIP - Residential fee of \$246.00 per inspection  
(5,001 - 10,000 sq. ft.) increases to \$294.40 per inspection.
- (64) Fire-Rescue's FCIP - Residential fee of \$470.00 per inspection  
(10,001 - 12,000 sq. ft.) decreases to \$353.25 per inspection.
- (65) Fire-Rescue's FCIP - Residential fee of \$470.00 per inspection  
(12,001 - 50,000 sq. ft.) decreases to \$412.15 per inspection.

-PAGE 10 OF 22-

## Attachment G

(R-2012-636 REV.)

- (66) Fire-Rescue's FCIP - Residential fee of \$470.00 per inspection (larger than 50,000 sq. ft.) increases to \$471.00 per inspection.
- (67) Fire-Rescue's FCIP - Large Family Day Care Facilities fee of \$190.00 per facility inspection increases to \$235.50.
- (68) Fire-Rescue's fee of \$148.00 for each fire lane increases to \$235.50.
- (69) Fire-Rescue's FCIP - Residential Care/Group Facilities fee of \$161.00 per inspection (0 - 6,000 sq. ft.) increases to \$235.50 per inspection.
- (70) Fire-Rescue's FCIP - Residential Care/Group Facilities fee of \$212.00 per inspection (larger than 6,000 sq. ft.) increases to \$294.40 per inspection.
- (71) Fire-Rescue's CEDMAT - permit fee of \$46.00 increases to \$106.75.
- (72) Fire-Rescue's CEDMAT - inspection fee of \$112.00 per inspection increases to \$213.50 per inspection.
- (73) Fire-Rescue's Tech. Services/HazMat - Above Ground Tank Installation Permit fee (up to 3 tanks) of \$1,130.00 increases to \$1,152.35.
- (74) Fire-Rescue's Tech. Services/HazMat - Above Ground Tank Removal Permit fee (up to 3 tanks) of \$320.00 increases to \$460.90.
- (75) Fire-Rescue's Tech. Services/HazMat - Underground Tank Installation Permit fee (up to 3 tanks) of \$723.00 increases to \$1,152.35.
- (76) Fire-Rescue's Tech. Services/HazMat - Underground Tank Removal Permit fee (up to 3 tanks) of \$719.00 decreases to \$460.90.

## Attachment G

(R-2012-636 REV.)

- (77) Fire-Rescue's Tech. Services/HazMat - Tank/Gas Re-Pipe Permit fee (per re-pipe) of \$970.00 decreases to \$921.85.
- (78) Fire-Rescue's Tech. Services/HazMat - Liquefied Petroleum Gas Installation permit fee (up to 3 systems) of \$957.00 decreases to \$691.40.
- (79) Fire-Rescue's Tech. Services/HazMat - Compressed Natural Gas Installation permit fee (per system) of \$1,538.00 decreases to \$1,152.35.
- (80) Fire-Rescue's Tech. Services/HazMat - Compressed Gas/Med Gas Installation permit fee (up to 3 systems) of \$1,538.00 decreases to \$1,152.35.
- (81) Fire-Rescue's Tech. Services/HazMat - Cryogen Tank and System Installation permit fee (per system) of \$996.00 increases to \$1,152.35.
- (82) Fire-Rescue's Tech. Services/HazMat - Pressurized Solvent System permit fee (per system) of \$555.00 increases to \$691.40.
- (83) Fire-Rescue's Tech. Services/HazMat - Soil Remediation permit fee (per site) of \$565.00 decreases to \$460.90.
- (84) Fire-Rescue's Tech. services/HazMat - Mobile Re-Fueling Tanker/Site permit fee (per tanker/site) of \$182.00 increases to \$460.90.
- (85) Fire-Rescue's Tech. Services/HazMat - Overtime Inspection fee of \$96.00 per hour increases to \$110.90.
- (86) Fire-Rescue's Tech. Services/HazMat fee of \$96.00 per hour for additional services increases to \$230.45.

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## Attachment G

(R-2012-636 REV.)

- (87) Fire-Rescue's Special Events - Public Assembly permit fee of \$91.00 per event increases to \$111.10 per event.
- (88) Fire-Rescue's Special Events - Fireworks/Pyrotechnics permit fee of \$182.00 per event increases to \$222.25 per event.
- (89) Fire-Rescue's Special Events - Trade Show permit fee of \$182.00 per event increases to \$222.25 per event.
- (90) Fire-Rescue's Special Events - Tent/Canopy permit fee (401-2,000 sq. ft.) of \$91.00 increases to \$222.25 per event.
- (91) Fire-Rescue's Special Events - Tent/Canopy permit fee (2,001 - 10,000 sq. ft.) of \$182.00 increases to \$277.85 per event.
- (92) Fire-Rescue's Special Events - Tent/Canopy permit fee (larger 10,000 sq. ft.) of \$364.00 per event decreases to \$333.40 per event.
- (93) Fire-Rescue's Special Events - Standby Services fee of \$95.00 per hour (2 hour minimum - Fire Inspector II) increases to \$110.90 per hour.
- (94) Fire-Rescue's Special Events - Standby Services fee of \$95.00 per hour (2 hour minimum - Fire Inspector Supervisor) increases to \$127.90 per hour.
- (95) Fire-Rescue's Special Events - Standby Services fee of \$95.00 per hour (2 hour minimum - Assistant Fire Marshall) increases to \$149.05 per hour.



## **Attachment G**

(R-2012-636 REV.)

- (96) Fire-Rescue's Special Events - Standby Services of \$138.00 per hour  
(4 hour minimum - Fire Inspector II) decreases to \$110.90 per hour.
- (97) Fire-Rescue's Special Events - Standby Services (4 hour minimum - Fire  
Inspector Supervisor) of \$138.00 per hour decreases to \$127.90 per hour.
- (98) Fire-Rescue's Special Events - Standby Services (4 hour minimum -  
Assistant Fire Marshall) of \$138.00 per hour increases to \$149.05 per  
hour.
- (99) Fire-Rescue's Special Events - Standby Services fee of \$138.00 per hour  
increases to \$149.05 per hour.
- (100) Fire-Rescue's PI - Pre-Inspection fee of \$50.00 per pre-inspection  
increases to \$200.95.
- (101) Fire-Rescue's PI - Special Survey Inspection fee per pre-inspection of  
\$228.00 increases to \$301.40.
- (102) Fire-Rescue's Knox Box Installation Inspection fee of \$137.00 increases  
to \$207.00.
- (103) Fire-Rescue's Explosive Permits and Inspection fee of \$465.00 per  
site/event increases to \$576.15.
- (104) Fire-Rescue's Fire Prevention, Foaming of Boat Bilges fee of \$435.00 per  
incident decreases to \$357.10.
- (105) Fire-Rescue's LG Safety Protection - Fire Boat fee, which is a new fee,  
is \$71.20.

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## Attachment G

(R-2012-636 REV.)

- (106) Fire-Rescue's LG Safety Protection - LG I EMT fee of \$41.00 per hour decreases to \$37.20 per hour.
- (107) Fire-Rescue's LG Safety Protection - LG II fee of \$41.00 per hour increases to \$77.80 per hour.
- (108) Fire-Rescue's LG Safety Protection - LG III fee of \$41.00 per hour increases to \$85.75 per hour.
- (109) Fire-Rescue's LG Safety Protection - LG SGT fee of \$41.00 per hour increases to \$93.85 per hour.
- (110) Fire-Rescue's LG Safety Protection - Pick Up Truck, which is a new fee, is \$6.60 per hour.
- (111) Fire-Rescue's LG Safety Protection – PWC, which is a new fee, is \$10.40 per hour.
- (112) Fire-Rescue's LG Safety Protection – Sr. Clerk, which is a new fee, is \$55.20 per hour.
- (113) Fire-Rescue's LG Safety Protection - Surf Boat, which is a new fee, is \$41.85 per hour.
- (114) Fire-Rescue's LG Safety Protection – SUV, which is a new fee, is \$6.20 per hour.
- (115) Fire-Rescue's Vessel Pumping and Salvage fee of \$569.00 per incident increases to \$686.60 per incident.

**Attachment G**

(R-2012-636 REV.)

- (116) Fire-Rescue's Vessel Storage fee of \$50.00 per day increases to \$59.35.
- (117) Fire-Rescue's Vessel Towing/Vessel Impounding of \$219.00 per hour increases to \$292.45 per hour.
- (118) Fire-Rescue's Event Permit Processing Fee of \$110.00 per permit increases to \$110.45 per permit.
- (119) Development Services' General Plan Maintenance Fee of \$108.00 per item is increased to \$275.00 per item.
- (120) Development Services' Mills Act Application Fee of \$590.00 per item is decreased to \$456.00 per item.
- (121) Development Services' Mills Act Enforcement Fee of \$949.00 per item is decreased to \$750.00 per item.
- (122) Development Services' Mills Act Monitoring Fee of \$492.00 per item is decreased to \$232.00 per item.
- (123) Development Services' fee of \$15.00 for a news rack permit increases to \$20.00.
- (124) Development Services' fee of \$40.00 for a noise permit increases to \$167.00.
- (125) Development Services' building reinspection fee of \$105.00 increases to \$288.00.
- (126) Development Services' housing reinspection fee of \$105.00 increases to \$288.00.

**Attachment G**

(R-2012-636 REV.)

- (127) Development Services' zoning reinspection fee of \$98.00 increases to \$269.00.
- (128) Development Services' removal of recorded notice or violation fee (no appeal) of \$766.00 decreases to \$625.00.
- (129) Development Services' removal of recorded notice or violation fee (with appeal) of \$976.00 decreases to \$967.00.
- (130) Library's per item fee of \$1.00 for lost/damaged materials (mounted pictures) is eliminated.
- (131) Library's per item fee of \$.50 for lost/damaged materials (unmounted pictures/envelopes) is eliminated.
- (132) Library's per item fee of \$1.00 for lost/damaged materials (printed music) is eliminated.
- (133) Library's per item fee of \$.25 for lost/damaged materials (pamphlet) is eliminated.
- (134) Library's per item fee of \$.50 for lost/damaged materials (pamphlet envelopes) is eliminated.
- (135) Library's photocopy fee (computer printing) of \$.15 per page is eliminated.
- (136) Library's photocopy fee (black/white copies) of \$.15 per page is eliminated.

## **Attachment G**

(R-2012-636 REV.)

- (137) Library's photocopy fee (color copies) of \$1.00 per page is eliminated.
- (138) Library's miscellaneous - messenger collection fee of \$2.00 per message is eliminated.
- (139) Library's miscellaneous - non-resident library card fee of \$30.00 per card per year decreases to \$28.00 per card per year.
- (140) Library's miscellaneous - test monitoring fee of \$20.00 per test is eliminated.
- (141) The Real Estate Assets Department's fee of \$1,680.00 for Consent to Assignment of Leasehold Interest - Long Term Agreements increases to \$2,000.00.
- (142) The Real Estate Assets Department's fee of \$560.00 for Consent to Assignment of Leasehold Interest - Short Term or Non Revenue Agreements increases to \$670.00.
- (143) The Real Estate Assets Department's fee of \$600.00 for Consent to Sublease increases to \$727.00.
- (144) The Real Estate Assets Department's fee of \$1,590.00 for Easement or Rights on City Property increases to \$1,750.00.
- (145) The Real Estate Assets Department's fee of \$3,970.00 for Leases-New, Renewed or Amended - Long Term Agreements increases to \$4,454.00.

-PAGE 18 OF 22-



## **Attachment G**

(R-2012-636 REV.)

- (146) The Real Estate Assets Department's fee of \$600.00 for Leases-New, Renewed or Amended - Short Term or Non Revenue Agreements increases to \$727.00.
- (147) The Real Estate Assets Department's fee of \$600.00 for Permits, Rights of Entry and other Temporary Uses increases to \$727.00.
- (148) The Real Estate Assets Department's Valuation Processing Fee of \$1,000 per item increases to \$1,200.00.
- (149) Public Utilities Department's Boating - Rowboats (all day per rowboat) rental fee of \$15.50 is eliminated.
- (150) Public Utilities Department's Boating - Rowboats (half-day noon to closing) fee of \$10.50 per rowboat is eliminated.
- (151) Public Utilities Department's Boating - Motorboats (all day) rental fee of \$45.00 per motorboat is eliminated.
- (152) Public Utilities Department's Boating - Motorboats (half-day noon to closing) fee of \$32.50 per motorboat is eliminated.
- (153) Public Utilities Department's Boating - Kayaks (single person; available at Hodges and Lower Otay) rental fee of \$6.50 per hour is eliminated.
- (154) Public Utilities Department's Boating - Kayaks-Tandem (available at Hodges and Lower Otay) rental fee of \$10.00 per hour is eliminated.
- (155) Department of Transportation and Stormwater's Blue Curb Evaluation & Installation Fee of \$281.00 increases to \$296.00.

## Attachment G

(R-2012-636 REV.)

- (156) Department of Transportation and Stormwater's Color Curb Evaluation & Installation Fee of \$281.00 per item increases to \$296.00 per item.
- (157) Department of Transportation and Stormwater's Pedicab Decal of \$41.00 per item increases to \$156.00.
- (158) Department of Transportation and Stormwater's Pedicab Operator Permit of \$41.00 per permit increases to \$91.00 per permit.
- (159) Department of Transportation and Stormwater's Valet Parking Permit (new) fee of \$715.00 per permit decreases to \$675.00 per permit.
- (160) Department of Transportation and Stormwater's Valet Parking Permit (renewal) fee of \$306.00 per permit increases to \$311.00 per permit.
- (161) City Treasurer's Residential Parking Permit Fee of \$7.00 per half-year permit increases to \$13.00.
- (162) City Treasurer's Residential Parking Permit Fee of \$3.50 per temporary permit increases to \$12.00.
- (163) City Clerk's fee for a cassette recording of a City Council meeting of \$28.40 is eliminated.
- (164) City Clerk's fee of \$7.55 for a compact disc recording of a City Council meeting decreases to \$7.45 per disc.
- (165) City Clerk's fee of \$11.50 for a copy of the City Charter increases to \$12.05.

-PAGE 20 OF 22-

**Attachment G**

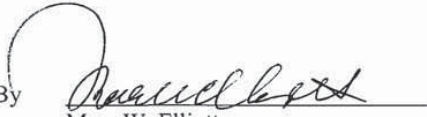
(R-2012-636 REV.)

(166) A new citywide paper copy fee is added at \$.25 per page unless the fee is otherwise established by law.

2. That, with regard to Development Services' General Maintenance Fee, staff is directed to develop performance metrics to gauge the progress of community plan updates and to report semi-annually on the development of these performance metrics to the appropriate City Council committee; to prioritize community plan updates in areas of the City that have the potential for growth; and to prioritize the preparation of programmatic Environmental Impact Reports for future community plan updates.
3. That the Proposed Fee Schedule shall be effective beginning July 1, 2012.
4. That the City Clerk is hereby directed to amend the Ratebook of City Fees and

Charges maintained in the Office of the City Clerk to include the fees described above.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Mara W. Elliott  
Deputy City Attorney

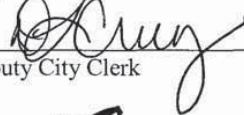
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6/11/2012 REV.  
Or.Dept: FM  
Doc. No.: 363614\_5

**Attachment G**

(R-2012-636 REV.)

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 11 2012.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 6.26.12  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

RESOLUTION NUMBER R- 307618

DATE OF FINAL PASSAGE AUG 15 2012

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 2013 BUDGET

WHEREAS, in accordance with San Diego Charter sections 71 and 290, the City Council has adopted the Appropriation Ordinance to provide for the appropriation and expenditure of funds for the Fiscal Year 2013; and

WHEREAS, the Mayor and the City Council desire to provide for a more effective administration of the Fiscal Year 2013 budget; and

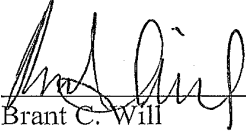
WHEREAS, the Independent Budget Analyst, in consultation with the Mayor, has prepared a Statement of Budgetary Principles (attached hereto as Exhibit A) which acknowledges the duties of the Mayor as Chief Budget Officer and Chief Fiscal Officer of the City, and the City Council as sole legislative and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

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

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

Section 2. That this resolution shall go into effect immediately upon passage of the Fiscal Year 2013 Appropriation Ordinance.

APPROVED: JAN I. GOLDSMITH, City Attorney

By  \_\_\_\_\_  
Brant C. Will  
Deputy City Attorney

BCW:jdf  
7/17/2012  
Or.Dept:IBA

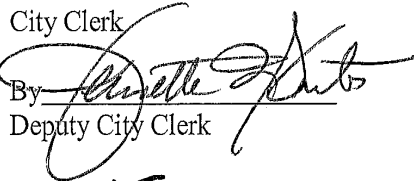


**Attachment H**

Doc. No.: 403957

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 30 2012

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 8.15.12  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

## **Attachment H**

### Attachment One

#### **FY 2013 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 11, 2012, the Mayor released the Fiscal Year 2013 Proposed Budget to the Council and to the public; and

WHEREAS, the Council has duly considered the Mayor's Fiscal Year 2013 Budget; and

WHEREAS, between May 2 and June 11, 2012 the City Council held more than two public hearings to consider the City's Fiscal Year 2013 Budget in accordance with San Diego Charter sections 290(b) and 71, and at such meetings members of the public were invited to comment on and ask questions about the Fiscal Year 2013 Budget; and

WHEREAS, on May 25, 2012, the Mayor's May revision (May Revision) to the Proposed Budget was presented to the City Council; and

WHEREAS, Council members submitted their budget ideas to the Independent Budget Analyst on June 1, 2012 to assist with the development of final budget recommendations; and

WHEREAS, May 23, 2012, the Chief Operating Officer and the Financial Management Director provided the City Council with their May Revision to the Fiscal Year 2013 Proposed Budget (May Revision); and

WHEREAS, on June 6, 2012, the Independent Budget Analyst's Final Budget Report and Recommendations on the FY 2013 Budget (IBA Review of the FY 2013 May Revise and Recommended Revisions to the Mayor's FY 2013 Budget) was issued; and

WHEREAS, on June 11, 2012, the City Council approved the City's Fiscal Year 2013 Budget, including the Mayor's Proposed Budget, as modified by the May Revision, and including the recommendations in the IBA FY 2013 Budget, with revisions proposed by the City Council, and directed the City Clerk to return the same to the Mayor for his consideration under Charter section 290(b)(2); and; and

WHEREAS, on June 26, 2012 the Mayor approved the Fiscal Year 2013 Budget, in accordance with Charter section 290(b)(2)(A); and

WHEREAS, in accordance with Charter section 290(b)(2), on June 26, 2012 the Fiscal Year 2013 Budget became the controlling document for purposes of preparing the annual appropriation ordinance; and

## Attachment H

### Attachment One

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 2013 Budget; and

WHEREAS, the Mayor and the Council acknowledge that the Fiscal Year 2013 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, the City Council adopted Ordinance 20084 on August 4, 2011, which outlined amendments to the Municipal Code in regard to reporting mid-year budget adjustments to address any projected surplus or deficit in addition to reporting significant reductions in programs or services; 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 2013 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 2013 Budget:

#### Fiscal Year 2013 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. Consistent with O-20084, prior to any significant reduction or elimination of programs or services affecting the community, the Mayor, or designee, shall provide written notice to the City Council regarding such reductions and provide a fiscal justification thereof and a description of expected service levels impacts. In the event there is any disagreement between the Mayor and City Council regarding what constitutes a significant reduction, the City Council may establish specific funding reduction levels by resolution.

## Attachment H

### Attachment One

4. **Notwithstanding the forgoing, the Mayor need not provide prior written notice of any change or modification that results in a more efficient delivery of public services and that accomplishes the legislative intent. However, in these circumstances the Mayor is requested to provide the Council with an informational memo upon implementation.**

#### Fiscal Year 2013 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 2013 Budget.
2. The Mayor shall in good faith fulfill the legislative intent reflected in the adopted Fiscal Year 2013 Budget, including the appropriations reflected in the Fiscal Year 2013 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 2013 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.
4. In accordance with Charter sections 28 and 81, the Mayor has the authority to allocate Fiscal Year 2013 Budget appropriations within departments in order to best carry out the Council's legislative intent.
5. The Appropriation Ordinance implements the Fiscal Year 2013 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 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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5500  
7/17

ORDINANCE NUMBER O-20185 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 20 2012

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2013 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 (City) for the fiscal year commencing July 1, 2012, and ending June 30, 2013 (Fiscal Year), heretofore prepared and submitted to this City Council by the Mayor and amended through the Mayor's Revision submitted May 25, 2012, by recommendations from the Office of the Independent Budget Analyst, and by changes from the City Council, all of which was approved by Council on June 11, 2012, and on file in the Office of the City Clerk as Resolution No. 307483 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 I and in the approved Capital Improvements Program Budget, which defines the legal levels at which the Chief Financial Officer (CFO), as designee of the Mayor, shall control operational and capital project spending.

I. GENERAL FUND

- (A) The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.

**Attachment I**  
(O-2013-1)

- (B) The provisions in the Library Ordinance, San Diego Municipal Code section 22.0228, restricting funding are hereby waived.
- (C) The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.
- (D) The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City 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 (San Diego Charter section 55.2b).
- (E) The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.
- (F) City Council Community Projects, Programs and Services
  - (1) The City Council Community Projects, Programs and Services funds shall be administered in accordance with Council Policy 100-06.

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- (2) Upon written direction from the City Councilmember, the CFO is authorized to transfer and appropriate funds from that Councilmember's Community Projects, Programs and Services account to other City departments and/or existing capital improvement projects to implement the project, program or service identified by the Councilmember.
  - (3) Upon written direction from the City Councilmember, the CFO is authorized to transfer excess non-personnel appropriations from the administration of that Councilmember's office to the Councilmember's Community Projects, Programs and Services account.
- (G) The CFO is authorized to increase revenue and expenditure appropriations for the purpose of transferring funds to Civic San Diego in accordance with the Fiscal Year 2013 Budget for Civic San Diego (R-307536) and/or upon request from the City of San Diego, solely in its capacity as the designated successor agency to the former Redevelopment Agency (Successor Agency).

II. SPECIAL REVENUE FUNDS

- (A) Transient Occupancy Tax Fund (Fund No. 200205)
  - (1) The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the City Council

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hereby waives certain provisions of Council Policy 100-03, see Attachment II, for the entities set forth below:

Horton Plaza Theatres Foundation                      B-1, B-2, and B-4

- (2) The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations set forth in Attachment III for Fiscal Year 2013. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

(B) Environmental Growth Funds (Funds Nos. 200110, 200111, 200109)

- (1) It is the intent of the City Council that the Environmental Growth Fund(s) appropriations are to be expended for those purposes described in Charter section 103.1a. The provisions in the San Diego Municipal Code Section 63.30, as amended by Ordinance No. O-19159 dated March 17, 2003, are hereby waived.
- (2) Any monies deposited in the Environmental Growth Fund(s) in excess of estimated revenue as described in Charter section 103.1a 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 City Council resolution. The City 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

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those enumerated in Charter section 103.1a. 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 City Council.

(C) Maintenance Assessment District Funds

- (1) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District Funds excess revenue or reserves to increase the appropriations to reimburse the Maintenance Assessment District Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.
- (2) The CFO is authorized to appropriate and expend any monies deposited in the Maintenance Assessment District Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which said Fund(s) was created.
- (3) The CFO is authorized to transfer Capital Improvements Program (CIP) appropriations and any remaining fund balances from the Maintenance Assessment District (MAD) Capital Projects Funds to the appropriate MAD Funds, where the reallocation does not change the CIP project budget nor the funding source, and close the (MAD) Capital Projects Funds.



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MAD	CIP Fund No.	MAD Fund No.
Camino Santa Fe	200624	200081
Carmel Valley	200620	200033
Del Mar Terrace	200060	200059
El Cajon Boulevard	200050	200095
First SD River Improvement Project	200054	200053
Genesee/No. Torrey Pines Road	200623	200068
Mira Mesa	200621	200037
North Park	200064	200063
Penasquitos East	200628	200039
Park Village	200043	200042
Rancho Bernardo	200622	200038
Talmadge	200077	200076

(D) Zoological Exhibits Fund (Fund No. 200219)

The CFO is authorized to appropriate and expend unanticipated revenues or fund balance for the purpose of transferring funds to support zoological exhibits in accordance with Charter section 77A.

(E) Utilities Undergrounding Program Fund (Fund No. 200217)

The CFO is authorized to reallocate appropriations among the Utilities Undergrounding Program Fund's capital improvement project (AID00001) and the annual operating budget for costs associated with San Diego Gas and Electric provided that such reallocation does not increase or decrease the total Utilities Undergrounding Program Fund appropriations.

(F) Redevelopment Cooperation Agreement Funds

(1) The Cooperation Agreement for Payment of Costs Associated with Certain Redevelopment Agency Funded Projects (Cooperation Agreement) provides that the former Redevelopment Agency

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(Former RDA) shall transfer funds to the City and that the City shall utilize such funds to implement redevelopment projects, programs and activities as specified in the Schedule of Projects attached to the Cooperation Agreement. On February 1, 2011, the Former RDA dissolved by operation of law, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's rights, powers, and obligations under the California Community Redevelopment Law.

- (2) Upon written request of the Mayor or designee on the Successor Agency's behalf, the CFO is authorized to reallocate, increase or decrease appropriations within any redevelopment project area within the City, provided funding is available and consistent with the permitted use of such funds.
- (3) The CFO is authorized to transfer Cooperation Agreement funds from the City to the Successor Agency, upon written request of the Mayor or designee, comprising of (i) any monies unused by the City under the Cooperation Agreement and (ii) any monies needed with respect to any redevelopment projects, programs and activities that will be implemented by the Successor Agency, provided funding is available and consistent with the permitted use of such funds, and (iii) any monies otherwise needed to comply with the Successor Agency's obligations under State law.

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III. CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENTS  
PROGRAM

- (A) The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the Capital Improvements Program.
- (B) The CFO is authorized to close completed Capital Improvements Program projects and transfer unexpended balances to the underfunded projects listed below in priority order, contingent upon eligibility for the funding source and up to the maximum amount listed, or to the appropriate Unallocated Reserve, Annual Allocation or Fund Balance.

No.	Project	Amount
1	Windwood II Mini Park Play Area Upgrades / S11017	42,917
2	Mission Trails Regional Park Equestrian Comfort Station / S01073	104,000
3	Mission Bay Athletic Area Comfort Station Modernization / S10021	320,000
4	North Pacific Beach Lifeguard Station / S10119	4,185,444
5	Fire Station No. 22 – Point Loma / S00787	4,679,839
6	Fire Station No. 32 – Skyline North / S00687	8,162,149
7	Old Otay Mesa Road – Westerly / S00870	3,500,000
8	Palm Avenue Roadway Improvements / S00913	3,200,000
9	34 <sup>th</sup> Street Storm Drain / S11001	108,000

- (C) Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Unallocated Reserves, Annual Allocations, earned interest or Unappropriated Fund Balances to Capital Improvements Program projects to support remaining project costs in excess of approved appropriations in order to complete and close the project.
- (D) The CFO 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 CFO 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 CFO is authorized 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 (Fund Nos. 400080-400095, 400111-400136, 400097-400110)
  - (1) The CFO is authorized to modify individual project appropriations and/or add new projects to the Capital Improvements Program in accordance with City Council-approved Community Public Facilities Financing Plans provided funding is available for such action.
  - (2) The CFO is authorized to reallocate Development Impact Fee Funds (DIF) funded appropriations between City Council-approved projects to expedite the use of DIF funds in accordance with AB1600 requirements.
  - (3) The CFO is authorized to appropriate in the Facilities Benefit Assessment Funds (FBA) and DIF funds a sufficient and necessary



amount to reimburse the administrative costs incurred by other City funds.

- (G) Mission Bay Improvements Fund (Fund No. 200386) and Regional Park Improvements Fund (Fund No. 200391)

The CFO is authorized to increase and/or decrease appropriations in the Mission Bay Improvements project (AGF00004) and Regional Park Improvements project (AGF00005) at the end of the fiscal year based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.

- (H) Deferred Maintenance Revenue 2012A (Fund No.400848), Deferred Maintenance Revenue 2009A (Fund No. 400624) and Fire/Life Safety Facilities 2002B (Fund N. 400157) Construction Funds. The CFO is authorized to appropriate and expend interest earnings for the purpose of transferring bond construction fund interest earned to support debt service payments as permitted in the respective bond indenture(s).

#### IV. ENTERPRISE FUNDS

- (A) All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.
- (B) Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The CFO is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City's Reserve Policy.



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- (C) Water Funds (Fund Nos. 700011, 700010) and Sewer Funds (Fund Nos. 700000, 700001, 700008, 700009)
- (1) The CFO may reallocate appropriations and associated encumbrances from any City 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.
  - (2) The CFO is authorized to increase expenditure appropriations for the purpose of implementing the Metropolitan Wastewater Department and Water Department Fiscal Years 2011 and prior Memorandums of Understanding for Bid to Goal Public Contract Operations Agreements.

V. INTERNAL SERVICE FUNDS

- (A) The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to the appropriate contributing funds or between employee benefit-related internal service funds.
- (B) Equipment Operating Fund (Fund No. 720000) and Equipment Replacement Funds.

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The CFO is hereby authorized 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 (Fund No. 720040), Publishing Services Fund (Fund No. 720041), Equipment Operating Fund (Fund No. 720000), Equipment Replacement Funds, and Risk Management Administration Fund (Fund No. 720048).

The CFO is hereby authorized to appropriate expenditures from unanticipated revenues for the purpose of allowing for the uninterrupted provision of services.

VI. 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 CFO is authorized and directed to establish the appropriate agency funds and to deposit and disburse funds in accordance with the respective agency relationships.

VII. GRANT FUNDS

Community Development Block Grant Funds

- (A) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG

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Funds on June 30, 2013, shall be carried forward to future years for the purpose of completing said authorized activities in accordance with Council Policy 700-02 which includes the requirement to use funds within 18 months of the start of the fiscal year for which the funds are allocated.

- (B) The CFO is authorized to transfer remaining funds allocated to projects that have been completed, upon written confirmation from the sub-recipients or in accordance with section 2.III.B for the City's Capital Improvements Program projects, to Unobligated CDBG Funds to be reappropriated by the City Council.
- (C) In accordance with section 2.III.C herein, the CFO is authorized to transfer and appropriate a maximum of \$100,000 per City Capital Improvements Program project from Unobligated CDBG Funds or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

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 City Council and in accordance with provisions of grant agreements.

SECTION 4. The CFO is authorized and directed 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 5. 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 6. All Funds, not otherwise contained herein, established by the City 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 CFO is authorized and directed to appropriate and expend monies within the funds for services provided by those funds. The CFO is authorized and directed to return any surplus monies to the contributing funds or, when the contributing funds cannot be legally determined, to the General Fund.

SECTION 7. The CFO is authorized and directed 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 CFO to the Risk Management Administration Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus/reserves within other employee benefit funds or to reallocate these monies to other fringe benefit funds.

SECTION 8. The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

The CFO may transfer funds to related City entities in accordance with the Annual Budget Document and appropriate funding source rules and regulations.



SECTION 9. The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

SECTION 10. All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than 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. Unanticipated revenues are hereby appropriated for said purposes and may be expended only by Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

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

SECTION 11. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue are hereby transferred by the CFO 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 Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is \$2,752,141,860 a portion of which will be derived from proceeds of taxes as defined within article XIII B of the California Constitution.



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

SECTION 12. The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year 2013 Tax Rate Ordinance as approved by Council.

SECTION 13. The CFO is authorized and directed to close obsolete or inactive funds; residual balances of such funds shall be returned to their source or, if the source cannot be determined, to the General Fund Unappropriated Reserve. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

SECTION 14. The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there is a shortfall in projected revenues, there are sufficient revenues to cover the remaining appropriations; provided that in the case that projected revenue estimates are met, the restricted funds may be released.

SECTION 15. Unless otherwise specified in this ordinance, the CFO is authorized to modify appropriations upon adopted City Council resolution, provided funding is available for such action and in accordance with funding source guidelines and applicable grant agreements.

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

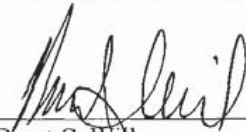
SECTION 17. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

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(O-2013-1)

SECTION 18. This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

SECTION 19. The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

APPROVED: JAN I. GOLDSMITH, City Attorney

By  \_\_\_\_\_  
Brant C. Will  
Deputy City Attorney

BCW:jdf  
7/3/2012  
Or.Dept:Mayor

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUL 17 2012

ELIZABETH S. MALAND  
City Clerk

By  \_\_\_\_\_  
Deputy City Clerk

Approved: 7-20-12  
(date)

 \_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

# Attachment I

## ATTACHMENT I Fiscal Year 2013 Operating and Capital Appropriations

OPERATING APPROPRIATIONS	Salary & Wages	Fringe & Non- Personnel	FY 2013 Appropriation
<b>General Fund</b>			
Administration	\$ 1,480,758	\$ 1,450,513	\$ 2,931,271
Business Office	\$ 523,586	\$ 599,406	\$ 1,122,992
City Attorney	\$ 24,529,692	\$ 19,072,339	\$ 43,602,031
City Auditor	\$ 1,758,631	\$ 2,050,474	\$ 3,809,105
City Clerk	\$ 2,217,607	\$ 2,592,199	\$ 4,809,806
City Comptroller	\$ 5,518,089	\$ 4,677,134	\$ 10,195,223
City Council	\$ 5,573,723	\$ 7,168,172	\$ 12,741,895
City Treasurer	\$ 6,351,178	\$ 13,297,351	\$ 19,648,529
Citywide Program Expenditures	-	\$ 66,937,965	\$ 66,937,965
Debt Management	\$ 1,333,884	\$ 1,022,972	\$ 2,356,856
Department of Information Technology	-	\$ 500,000	\$ 500,000
Development Services	\$ 6,824,365	\$ 7,419,520	\$ 14,243,885
Disability Services	\$ 296,891	\$ 278,858	\$ 575,749
Economic Development	\$ 2,860,088	\$ 3,961,642	\$ 6,821,730
Environmental Services	\$ 7,582,251	\$ 26,910,356	\$ 34,492,606
Ethics Commission	\$ 389,489	\$ 539,434	\$ 928,923
Financial Management	\$ 2,353,866	\$ 1,855,164	\$ 4,209,030
Fire-Rescue	\$ 108,428,449	\$ 93,133,664	\$ 201,562,113
General Fund Appropriated Reserve	-	\$ 3,928,250	\$ 3,928,250
Human Resources	\$ 1,334,168	\$ 1,070,396	\$ 2,404,564
Library	\$ 17,053,935	\$ 22,237,707	\$ 39,291,642
Multimedia Services	\$ 204,960	\$ 218,054	\$ 423,014
Office of Homeland Security	\$ 842,196	\$ 902,269	\$ 1,744,465
Office of the Assistant COO	\$ 185,001	\$ 129,035	\$ 314,036
Office of the Chief Financial Officer	\$ 384,353	\$ 457,643	\$ 841,996
Office of the Chief Operating Officer	\$ 317,914	\$ 220,110	\$ 538,024
Office of the IBA	\$ 1,017,552	\$ 684,116	\$ 1,701,668
Office of the Mayor	\$ 2,120,158	\$ 1,982,421	\$ 4,102,579
Park & Recreation	\$ 30,907,451	\$ 55,064,399	\$ 85,971,850
Personnel	\$ 3,549,326	\$ 2,997,264	\$ 6,546,590
Police	\$ 209,814,459	\$ 196,715,186	\$ 406,529,645
Public Utilities	-	\$ 1,706,193	\$ 1,706,193
Public Works - Engineering & Capital Projects	\$ 33,189,898	\$ 27,896,391	\$ 61,086,289
Public Works - General Services	\$ 5,668,375	\$ 9,523,470	\$ 15,191,845

## Attachment I

	Salary & Wages	Fringe & Non- Personnel	FY 2013 Appropriation
<b>OPERATING APPROPRIATIONS (continued)</b>			
<b>General Fund (continued)</b>			
Purchasing & Contracting	\$ 1,666,434	\$ 1,500,313	\$ 3,166,747
Real Estate Assets	\$ 2,007,554	\$ 2,534,196	\$ 4,541,750
Transportation & Storm Water	\$ 23,228,817	\$ 69,193,074	\$ 92,421,891
<b>General Fund Total</b>	<b>\$ 511,515,098</b>	<b>\$ 652,427,650</b>	<b>\$ 1,163,942,747</b>
<b>Capital Project Funds</b>			
Capital Outlay Fund	-	\$ 1,940,000	\$ 1,940,000
TransNet Extension Administration & Debt Fund	-	\$ 271,352	\$ 271,352
TransNet Extension Congestion Relief Fund	-	\$ 1,200,000	\$ 1,200,000
TransNet Extension Maintenance Fund	-	\$ 8,059,163	\$ 8,059,163
<b>Capital Project Funds Total</b>	<b>\$ -</b>	<b>\$ 11,470,515</b>	<b>\$ 11,470,515</b>
<b>Debt Service and Tax Funds</b>			
Public Safety Communication Bonds Fund	-	\$ 536,617	\$ 536,617
Tax and Revenue Anticipation Notes Fund	-	\$ 500,000	\$ 500,000
<b>Debt Service and Tax Funds Total</b>	<b>\$ -</b>	<b>\$ 1,036,617</b>	<b>\$ 1,036,617</b>
<b>Enterprise Funds</b>			
Airports Fund	\$ 868,666	\$ 5,014,244	\$ 5,882,910
Development Services Fund	\$ 20,106,989	\$ 24,032,137	\$ 44,139,126
Golf Course Fund	\$ 4,039,439	\$ 10,717,898	\$ 14,757,337
Metropolitan Sewer Utility Fund	\$ 27,909,909	\$ 188,423,068	\$ 216,332,977
Municipal Sewer Revenue Fund	\$ 23,018,458	\$ 105,381,742	\$ 128,400,200
Recycling Fund	\$ 5,738,607	\$ 17,561,420	\$ 23,300,027
Refuse Disposal Fund	\$ 8,660,535	\$ 25,887,521	\$ 34,548,056
Water Utility Operating Fund	\$ 39,326,153	\$ 397,598,036	\$ 436,924,189
<b>Enterprise Funds Total</b>	<b>\$ 129,668,756</b>	<b>\$ 774,616,065</b>	<b>\$ 904,284,822</b>
<b>Internal Service Funds</b>			
Central Stores Fund	\$ 846,199	\$ 12,495,859	\$ 13,342,058
Energy Conservation Program Fund	\$ 870,941	\$ 1,490,483	\$ 2,361,424
Fleet Services Operating Fund	\$ 9,496,612	\$ 38,539,977	\$ 48,036,589
Fleet Services Replacement Fund	-	\$ 18,943,165	\$ 18,943,165
Publishing Services Fund	\$ 460,099	\$ 2,928,052	\$ 3,388,151
Risk Management Administration Fund	\$ 4,396,686	\$ 5,133,494	\$ 9,530,180
<b>Internal Service Funds Total</b>	<b>\$ 16,070,537</b>	<b>\$ 79,531,030</b>	<b>\$ 95,601,567</b>

## Attachment I

OPERATING APPROPRIATIONS <i>(continued)</i>	Salary & Wages	Fringe & Non- Personnel	FY 2013 Appropriation
<b>Special Revenue Funds</b>			
Automated Refuse Container Fund	-	\$ 800,000	\$ 800,000
Concourse and Parking Garages Operating Fund	\$ 119,884	\$ 2,522,060	\$ 2,641,944
Convention Center Expansion Administration Fund	-	\$ 14,140,038	\$ 14,140,038
Environmental Growth 1/3 Fund	-	\$ 4,408,198	\$ 4,408,198
Environmental Growth 2/3 Fund	-	\$ 8,078,081	\$ 8,078,081
Facilities Financing Fund	\$ 1,026,884	\$ 1,040,266	\$ 2,067,150
Fire and Lifeguard Facilities Fund	-	\$ 1,676,337	\$ 1,676,337
Fire/Emergency Medical Services Transport Program Fund	\$ 2,977,636	\$ 12,017,964	\$ 14,995,600
Gas Tax Fund	-	\$ 20,920,006	\$ 20,920,006
GIS Fund	\$ 118,615	\$ 1,521,844	\$ 1,640,459
Information Technology Fund	\$ 2,722,860	\$ 6,362,836	\$ 9,085,716
Junior Lifeguard Program Fund	\$ 69,607	\$ 498,109	\$ 567,716
Local Enforcement Agency Fund	\$ 338,662	\$ 512,394	\$ 851,056
Los Penasquitos Canyon Preserve Fund	\$ 109,430	\$ 92,374	\$ 201,804
Maintenance Assessment District (MAD) Funds*	\$ 1,443,260	\$ 31,928,640	\$ 33,371,900
Mission Bay/Balboa Park Improvement Fund	-	\$ 2,059,694	\$ 2,059,694
New Convention Facility Fund	-	\$ 3,405,000	\$ 3,405,000
OneSD Support Fund	\$ 1,716,620	\$ 23,982,324	\$ 25,678,944
PETCO Park Fund	\$ 106,701	\$ 17,359,608	\$ 17,466,309
Police Decentralization Fund	-	\$ 7,242,553	\$ 7,242,553
Prop 42 Replacement - Transportation Relief Fund	-	\$ 15,248,190	\$ 15,248,190
Public Art Fund	-	\$ 56,300	\$ 56,300
Public Safety Needs & Debt Service	-	\$ 7,781,541	\$ 7,781,541
QUALCOMM Stadium Operations Fund	\$ 2,048,248	\$ 14,500,826	\$ 16,549,074
Seized Assets - California Fund	-	\$ 10,000	\$ 10,000
Seized Assets - Federal DOJ Fund	-	\$ 1,389,093	\$ 1,389,093
Seized Assets - Federal Treasury Fund	-	\$ 100,000	\$ 100,000
Storm Drain Fund	-	\$ 5,446,746	\$ 5,446,746
Transient Occupancy Tax Fund	\$ 626,507	\$ 73,806,133	\$ 74,432,640
Trolley Extension Reserve Fund	-	\$ 1,180,374	\$ 1,180,374
Underground Surcharge Fund	\$ 161,524	\$ 49,283,031	\$ 49,444,555
Wireless Communications Technology Fund	\$ 3,135,937	\$ 6,733,756	\$ 9,869,693
Zoological Exhibits Fund	-	\$ 8,081,538	\$ 8,081,538
<b>Special Revenue Funds Total</b>	<b>\$ 16,722,395</b>	<b>\$ 344,165,854</b>	<b>\$ 360,888,249</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$ 673,976,786</b>	<b>\$ 1,863,247,731</b>	<b>\$ 2,537,224,517</b>

\* Maintenance Assessment District (MAD) Funds are listed in the Maintenance Assessment District Appropriations section.



## Attachment I

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS		FY 2013 Appropriation
<b>Airports</b>		
AAA00001	Montgomery Field	\$ 600,000
AAA00002	Brown Field	\$ 1,500,000
S00680	Montgomery Field Rehabilitation	\$ 300,000
<b>Airports Total</b>		<b>\$ 2,400,000</b>
<b>Department of Information Technology</b>		
S13013	Enterprise Asset Management - SAP	\$ 1,100,000
<b>Department of Information Technology Total</b>		<b>\$ 1,100,000</b>
<b>Environmental Services</b>		
ABT00003	Citywide Energy Improvements	\$ 1,800,000
AFA00001	Minor Improvements to Landfills	\$ 320,000
S00682	Arizona Street Landfill Closure and Modifications	\$ 85,000
S00684	South Chollas Landfill Improvements	\$ 600,000
S00776	South Chollas Landfill	\$ 43,000
S01088	Future Waste Mgmt Disposal & Processing Facilities	\$ 1,750,000
<b>Environmental Services Total</b>		<b>\$ 4,578,000</b>
<b>Fire-Rescue</b>		
S10029	Fire Station No. 08 - Mission Hills	\$ 600,000
S13011	Fire Station No. 15 - Expansion	\$ 400,000
<b>Fire-Rescue Total</b>		<b>\$ 1,000,000</b>
<b>Park &amp; Recreation</b>		
AEA00002	Balboa Park Golf Course	\$ 700,000
AGF00004	Mission Bay Improvements	\$ 503,095
AGF00005	Regional Park Improvements	\$ 2,500,000
L12001	Talmadge Historic Gates	\$ 125,000
S00605	Famosa Slough Salt Marsh Creation	\$ 20,000
S00654	Chollas Community Park	\$ 20,695
S00673	Home Avenue Park	\$ 150,000
S00760	West Maple Canyon Mini-Park	\$ 200,000
S00826	El Cajon Boulevard Streetscape Improvements	\$ 50,000
S00992	Central Avenue Mini Park Acquisition/Development	\$ 26,714
S01057	Ocean Beach CDC - N Ocean Beach Revitalization	\$ 41,200
S01068	Linda Vista Community Park Picnic Area	\$ 965
S01090	Mission Bay Golf Course Practice Cntr Bldg Improve	\$ 300,000
S10000	NTC Aquatic Center	\$ 1,040,000
S10021	Mission Bay Athletic Area Comfort Stn Modernize	\$ 9,057
S10026	Palisades Park Comfort Station Replacement	\$ 12,712
S10028	Dailard Neighborhood Park-Play Area Upgrades	\$ 10,335
S10035	Pomerado Rd Median Improvements-n/o of R Bernardo	\$ 250,000
S10037	Camino Santa Fe Median Improvements	\$ 30,000

## Attachment I

	FY 2013 Appropriation
<b>CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS (continued)</b>	
<b>Park &amp; Recreation (continued)</b>	
S10038 Del Mar Terrace Street Improvements	\$ 65,000
S10048 Sunroad Neighborhood Park - Development	\$ 105,326
S10050 North Park Mini-Park and Streetscape Improvements	\$ 89,274
S10054 Switzer Canyon/30th Street Bridge Enhancement Prgm	\$ 45,000
S10091 Sunset Cliffs Natural Park Hillside Improvements	\$ 5,594
S10092 Walker Neighborhood Park Playground Upgrades	\$ 3,100
S11011 Tierrasanta Community Park Sports Field Lighting	\$ 453,876
S11012 Rancho Bernardo Community Park-Sports Field Lights	\$ 170,000
S11013 San Ysidro Athletic Area & Larsen Field Lighting	\$ 120,000
S11018 Lake Murray Community Park Play Area Expansion	\$ 454
S11019 Mountain View Neighborhood Park Area Upgrades	\$ 69,586
S11051 Silver Wing Neighborhood Park Sports Fld & Sec Lgt	\$ 36,324
S11101 Museum of Man Roof Replacement	\$ 400,000
S12001 McKinley Elementary School Joint Use Improvements	\$ 72,500
S12002 Rancho Penasquitos Skate Park	\$ 49,305
S12004 Canyonside Community Park Improvements	\$ 49,833
S12006 Rancho Bernardo Road Streetscape	\$ 25,000
S13000 Tubman Charter School Joint Use Improvements	\$ 290,000
S13001 Trail for All People	\$ 50,000
S13003 Chicano Park ADA Upgrades	\$ 410,657
S13004 Larsen Field ADA Improvements Phase II	\$ 689,175
S13005 University Village Park Tot Lot	\$ 300,253
S13007 Torrey Hills Neighborhood Park Development	\$ 1,000,000
S13010 Evans Pond Reclaimed Water Pipeline Installation	\$ 165,000
<b>Park &amp; Recreation Total</b>	<b>\$ 10,655,030</b>
 <b>Public Utilities</b>	
ABI00001 Water Treatment Plants	\$ 100,000
ABK00001 Dams and Reservoirs	\$ 386,405
ABL00001 Standpipe and Reservoir Rehabilitations	\$ 1,441,084
ABM00001 Groundwater Asset Development Program	\$ 1,250,000
ABO00001 Metro Treatment Plants	\$ 6,919,000
ABP00001 Pump Station Restorations	\$ 200,000
ABP00002 Metropolitan System Pump Stations	\$ 100,000
ABP00003 Pump Station 64,65, Penasquitos, E Mission Gorge	\$ 3,380,000
AHC00001 Reclaimed Water Extension	\$ 460,000
AHC00002 North City Reclamation System	\$ 777,933
AHC00004 Recycled Water Systems Upgrades	\$ 337,422
AJA00002 Pipeline Rehabilitation	\$ 18,000,000
AJB00001 Metropolitan Waste Water Department Trunk Sewers	\$ 4,843,032
AKB00002 Freeway Relocation	\$ 100,000

# Attachment I

		FY 2013 Appropriation
<b>CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS (continued)</b>		
<b>Public Utilities (continued)</b>		
AKB00003	Water Main Replacements	\$ 38,000,000
L10000	Metro Facilities Control Systems Upgrade	\$ 633,184
S00041	Morena Reservoir Outlet Tower Upgrade	\$ 273,694
S00050	Water Department Security Upgrades	\$ 3,000,000
S00308	Pump Station 84 Upgrade & Pump Station 62 Abandon	\$ 5,263,502
S00312	PS2 Power Reliability & Surge Protection	\$ 1,750,000
S00315	Point Loma Grit Processing Improvements	\$ 8,400,000
S00319	EMT&S Boat Dock and Steam Line Relocation	\$ 1,497,884
S00322	MBC Biosolids Storage Silos	\$ 155,676
S00323	MBC Odor Control Facility Upgrades	\$ 1,471,151
S00332	Montezuma Trunk Sewer	\$ 4,513,112
S00336	Harbor Drive Trunk Sewer Replacement	\$ 3,414,076
S00339	MBC Dewatering Centrifuges Replacement	\$ 2,500,000
S10008	El Monte Pipeline #2	\$ 200,000
S10010	Recycled Water System Upgrades	\$ 1,400,000
S10055	Lindbergh Field 16" Cast Iron Main Replacement	\$ 4,437,779
S11021	University Ave Pipeline Replacement	\$ 3,326,908
S11022	Upas Street Pipeline Replacement	\$ 2,065,326
S11025	Chollas Building	\$ 3,700,000
S11026	Montezuma Pipeline/Mid-City Pipeline Phase II	\$ 303,089
S12008	Catalina 12inch Cast Iron Mains	\$ 400,000
S12009	La Jolla Scenic Drive 16inch Main	\$ 240,258
S12010	30th Street Pipeline Replacement	\$ 371,187
S12012	Cielo & Woodman Pump Station	\$ 541,303
S12014	Recycled Water Tank Modifications	\$ 541,984
S12015	Pacific Beach Pipeline	\$ 1,500,000
S12016	Otay 1st/2nd PPL Abandon West of Highland Avenue	\$ 150,000
S12019	Scripps Ranch Pump Station	\$ 8,008,000
S12028	Harbor Drive Pipelines Replacement	\$ 9,331,398
S12035	Balboa Terrace Trunk Sewer	\$ 7,696,500
S12040	Tierrasanta (Via Dominique) Pump Station	\$ 4,722,736
S13015	Water & Sewer Group Job 816 (W)	\$ 500,000
S13016	Miramar Contract A Roof System Redesign	\$ 3,000,000
<b>Public Utilities Total</b>		<b>\$ 161,603,623</b>
<b>Public Works - General Services</b>		
ABE00001	Americans with Disabilities Improvements	\$ 2,918,086
ABT00001	City Facilities Improvements	\$ 711,000
<b>Public Works - General Services Total</b>		<b>\$ 3,629,086</b>

## Attachment I

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS <i>(continued)</i> Transportation & Storm Water	FY 2013 Appropriation
ACA00001 Drainage Projects	\$ 1,107,000
ACC00001 Watershed CIP	\$ 4,290,000
AIA00001 Minor Bike Facilities	\$ 352,000
AID00005 Resurfacing of City Streets	\$ 2,200,000
AID00006 Concrete Streets	\$ 2,382,000
AIE00001 Bridge Rehabilitation	\$ 448,056
AIG00001 Median Installation	\$ 441,000
AIH00001 Installation of City Owned Street Lights	\$ 405,000
AIJ00001 Architectural Barrier Removal - DIF Funded	\$ 100,000
AIK00001 New Walkways	\$ 1,007,516
AIK00002 School Traffic Safety Improvements	\$ 206,100
AIK00003 Sidewalk Repair and Reconstruction	\$ 400,000
AIL00001 Traffic Calming	\$ 647,615
AIL00002 Install T/S Interconnect Systems	\$ 400,000
AIL00003 Cooperative Traffic Signal Projects	\$ 40,000
AIL00004 Traffic Signals - Citywide	\$ 791,376
AIL00005 Traffic Signals Modification	\$ 1,675,600
S00609 Taibot Street Slope Restoration	\$ 300,000
S00845 43rd Street Widening	\$ 60,000
S00851 State Route 163/Friars Road	\$ 2,836,000
S00856 El Camino Real - Half Mile to Via De La Valle	\$ 950,000
S00863 Georgia Street Bridge Improvements	\$ 500,000
S00864 Streamview Drive Improvements	\$ 1,045,000
S00865 Aldine Drive and Fairmount Drive Slope Restoration	\$ 300,000
S00871 West Mission Bay Drive Bridge Over San Diego River	\$ 2,500,000
S00878 Mira Sorrento Place-Scranton to Vista Sorrento	\$ 100,000
S00905 State Route 163/Clairemont Mesa Blvd Interchange	\$ 328,000
S00907 Linda Vista Rd at Genesee Intersection Improvement	\$ 110,000
S00913 Palm Avenue Roadway Improvements	\$ 749,106
S00914 Sorrento Valley Road & Interstate 5 Interchange	\$ 625,000
S00915 University Avenue Mobility Project	\$ 200,000
S00921 Cherokee Street Improvements	\$ 480,000
S00922 35th & 34th at Madison Avenue Improvements	\$ 46,235
S00928 La Jolla Mesa Drive Sidewalk	\$ 100,000
S00939 Laurel Street Bridge Over State Route 163	\$ 250,000
S00943 Poway Road Bicycle Path - Class I	\$ 800,000
S00958 San Diego River Multi-Use Path	\$ 79,000

**Attachment I**

		FY 2013
		Appropriation
<b>CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS (continued)</b>		
<b>Transportation &amp; Storm Water (continued)</b>		
S11028	Saturn Blvd Roadway Improvements	\$ 350,000
S11060	Olay Mesa Truck Route Phase 4	\$ 350,000
	<b>Transportation &amp; Storm Water Total</b>	<b>\$ 29,951,604</b>
<b>TOTAL CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS</b>		<b>\$ 214,917,343</b>
<b>TOTAL COMBINED APPROPRIATIONS</b>		<b>\$ 2,752,141,860</b>



## Attachment I

### MAINTENANCE ASSESSMENT DISTRICT APPROPRIATIONS

Fund	Maintenance Assessment District Fund	Salary & Wages	Fringe & Non- Personnel	FY 2013 Appropriation
200023	Maintenance Assessment District (MAD) Management Fund	\$ 1,443,260	\$ 2,215,652	\$ 3,658,912
200025	Street Light District #1 MAD Fund	-	\$ 519,385	\$ 519,365
200028	Scripps/Miramar Ranch MAD Fund	-	\$ 1,576,333	\$ 1,576,333
200030	Tierrasanta MAD Fund	-	\$ 1,971,874	\$ 1,971,874
200031	Campus Point MAD Fund	-	\$ 45,353	\$ 45,353
200032	Mission Boulevard MAD Fund	-	\$ 119,241	\$ 119,241
200033	Carmel Valley MAD Fund	-	\$ 3,194,041	\$ 3,194,041
200035	Sabre Springs MAD Fund	-	\$ 370,619	\$ 370,619
200037	Mira Mesa MAD Fund	-	\$ 1,572,392	\$ 1,572,392
200038	Rancho Bernardo MAD Fund	-	\$ 722,213	\$ 722,213
200039	Penasquitos East MAD Fund	-	\$ 528,188	\$ 528,188
200040	Coronado View MAD Fund	-	\$ 31,844	\$ 31,844
200042	Park Village MAD Fund	-	\$ 654,370	\$ 654,370
200044	Eastgate Technology Park MAD Fund	-	\$ 246,079	\$ 246,079
200045	Calle Cristobal MAD Fund	-	\$ 372,634	\$ 372,634
200046	Gateway Center East MAD Fund	-	\$ 271,367	\$ 271,367
200047	Miramar Ranch North MAD Fund	-	\$ 1,981,159	\$ 1,981,159
200048	Carmel Mountain Ranch MAD Fund	-	\$ 697,562	\$ 697,562
200052	La Jolla Village Drive MAD Fund	-	\$ 92,135	\$ 92,135
200053	First SD River Imp. Project MAD Fund	-	\$ 367,683	\$ 367,683
200055	Newport Avenue MAD Fund	-	\$ 57,510	\$ 57,510
200056	Linda Vista Community MAD Fund	-	\$ 268,344	\$ 268,344
200057	Washington Street MAD Fund	-	\$ 130,044	\$ 130,044
200058	Otay International Center MAD Fund	-	\$ 439,116	\$ 439,116
200059	Del Mar Terrace MAD Fund	-	\$ 95,120	\$ 95,120
200061	Adams Avenue MAD Fund	-	\$ 53,203	\$ 53,203
200062	Carmel Valley NBHD #10 MAD Fund	-	\$ 510,205	\$ 510,205
200063	North Park MAD Fund	-	\$ 663,321	\$ 663,321
200065	Kings Row MAD Fund	-	\$ 12,118	\$ 12,118
200066	Webster-Federal Boulevard MAD Fund	-	\$ 65,203	\$ 65,203
200067	Stonecrest Village MAD Fund	-	\$ 971,026	\$ 971,026
200068	Genesee/North Torrey Pines Road MAD Fund	-	\$ 562,242	\$ 562,242
200070	Torrey Hills MAD Fund	-	\$ 1,624,379	\$ 1,624,379
200071	Coral Gate MAD Fund	-	\$ 198,220	\$ 198,220
200074	Torrey Highlands MAD Fund	-	\$ 702,228	\$ 702,228
200076	Talmadge MAD Fund	-	\$ 258,948	\$ 258,948
200078	Central Commercial MAD Fund	-	\$ 333,497	\$ 333,497
200079	Little Italy MAD Fund	-	\$ 882,263	\$ 882,263
200080	Liberty Station/NTC MAD Fund	-	\$ 176,015	\$ 176,015
200081	Camino Santa Fe MAD Fund	-	\$ 248,621	\$ 248,621

## Attachment I

		Salary & Wages	Fringe & Non- Personnel	FY 2013 Appropriation
<b>MAINTENANCE ASSESSMENT DISTRICT APPROPRIATIONS (continued)</b>				
200083	Black Mountain Ranch South MAD Fund	-	\$ 968,112	\$ 968,112
200084	College Heights Enhanced MAD Fund	-	\$ 435,118	\$ 435,118
200086	C&ED MAD Management Fund	-	\$ 225,000	\$ 225,000
200087	City Heights MAD Fund	-	\$ 305,134	\$ 305,134
200089	Black Mountain Ranch North MAD Fund	-	\$ 555,480	\$ 555,480
200091	Bay Terraces - Parkside MAD Fund	-	\$ 85,250	\$ 85,250
200092	Bay Terraces - Honey Drive MAD Fund	-	\$ 17,649	\$ 17,649
200093	University Heights MAD Fund	-	\$ 58,714	\$ 58,714
200094	Hillcrest MAD Fund	-	\$ 28,671	\$ 28,671
200095	El Cajon Boulevard MAD Fund	-	\$ 439,157	\$ 439,157
200096	Ocean View Hills MAD Fund	-	\$ 787,434	\$ 787,434
200097	Robinhood Ridge MAD Fund	-	\$ 154,058	\$ 154,058
200098	Remington Hills MAD Fund	-	\$ 82,911	\$ 82,911
200099	Pacific Highlands Ranch MAD Fund	-	\$ 412,789	\$ 412,789
200101	Rancho Encantada MAD Fund	-	\$ 375,896	\$ 375,896
200103	Bird Rock MAD Fund	-	\$ 302,008	\$ 302,008
200105	Hillcrest Commercial Core MAD Fund	-	\$ 138,182	\$ 138,182
200106	Greater Golden Hill MAD Fund	-	\$ 667,829	\$ 667,829
200614	Mission Hills Special Lighting MAD Fund	-	\$ 87,521	\$ 87,521
<b>MAINTENANCE ASSESSMENT DISTRICT TOTAL</b>		<b>\$ 1,443,260</b>	<b>\$ 31,928,640</b>	<b>\$ 33,371,900</b>

**ATTACHMENT II**

Excerpt from Council Policy 100-03: Transient Occupancy Tax  
Attachment A: General Requirements and Conditions  
Section B: Funding

1. Expenses must be both incurred and paid by an organization before the City will release funding to the organization, except as otherwise may be provided.
2. Expenses must be incurred during the City's fiscal year (July 1 - June 30) for which the program is funded, except as otherwise may be provided.
3. City funds may not be used for alcoholic beverages. In addition, City funds may not be used for travel, meals, lodging, or entertainment expenses, except as otherwise may be provided. Waivers to this provision will be considered for expenditures within the Economic Development Program categories. Organizations receiving waivers may use City funds for travel, meals, or lodging within the following parameters:
  - a. Travel – when use of public air carrier transport is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of coach airfare only. City funds may not be applied toward any upgrades.
  - b. Meals – when provision of meals is required in order to perform the contractual scope of services to the City, City funds may be applied toward a maximum of \$50 per day per person for meals (excluding sales tax and a maximum 15% gratuity, which are also eligible expenses). This daily maximum is further limited by meal, as follows: \$10, \$15, and \$25 are the maximum City funds that can be applied toward breakfast, lunch, and dinner, respectively, per person. If alcoholic beverages are consumed with meals, they may not be paid for with City funds. In the event that meals are provided to individuals who are not members of the funded organization within the scope of a business development meeting, documentation containing the purpose of the meeting, the benefit to the City, and a list of attendees must be provided to the City in order for City funding to be utilized.
  - c. Lodging – when out-of-town lodging is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of the cost of a standard room in a business class hotel, or toward the conference rates of the host hotel when attending a conference.
  - d. Sponsorships – the City acknowledges the business requirement of event sponsorships by promotional organizations in order to market San Diego as a convention destination in a highly competitive market, and to attract businesses to

## Attachment I

the region. The primary objective of a funded organization's participation in such events is to gain exposure for San Diego and secure access to important decision makers representing prominent convention groups and businesses. Financial sponsorship of such events is an acceptable application of City funds. If alcoholic beverages are consumed during event sponsorships, they may not be paid for with City funds.

4. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the buildup of reserves.
5. Matching fund requirements will be determined by the appropriate application process as called for in the specific funding guidelines within each funding category, if applicable.
6. Organizations requesting funds should possess, at a minimum, a three-year track record of operations. Annual requests for funding may be for one-time events or projects, though applicant organizations must have a three-year history.



**ATTACHMENT III**  
**Fiscal Year 2013 Transient Occupancy Tax Fund Allocations**

<b>ORGANIZATION/PROGRAM</b>	<b>FY 2012 Allocation</b>
<b>Arts, Culture, and Community Festivals - Organizational Support</b>	
AjA Project, The	\$ 22,937
Art of Elan	\$ 8,139
Athenaeum Music & Arts Library	\$ 89,444
California Ballet Association, Inc.	\$ 58,060
Camarada, Inc.	\$ 9,003
Center for World Music	\$ 14,772
City Ballet, Inc.	\$ 43,212
Classics for Kids	\$ 22,531
Culture Shock Dance Troupe	\$ 8,651
Cygnnet Theatre Company	\$ 107,418
Diversionsary Theatre Productions	\$ 34,986
Eveoke Dance Theatre	\$ 22,942
Japanese Friendship Garden	\$ 52,243
La Jolla Chapter, SPEBSQSA, Inc.	\$ 1,156
La Jolla Historical Society	\$ 21,729
La Jolla Music Society	\$ 174,367
La Jolla Playhouse	\$ 369,007
La Jolla Symphony & Chorus	\$ 29,267
Mainly Mozart, Inc.	\$ 82,942
Malashock Dance & Company	\$ 34,956
Maritime Museum	\$ 209,483
Media Arts Center San Diego	\$ 72,753
Mingei International, Inc.	\$ 195,936
Mojalet Dance Collective	\$ 3,038
Mo'olelo Performing Arts Company	\$ 20,546
Moxie Theatre	\$ 6,816
Museum of Contemporary Art	\$ 289,799
Museum of Photographic Arts, The	\$ 99,870
New Children's Museum, The	\$ 236,361
Old Globe Theatre	\$ 411,721
Patricia Rincon Dance Collective	\$ 9,913
Persian Cultural Center	\$ 23,081
PGK Project	\$ 5,213
Playwrights Project	\$ 27,316
Prophet World Beat Productions	\$ 23,708
Reuben H. Fleet Science Center	\$ 281,066
San Diego Air & Space Museum	\$ 250,169
San Diego Archaeological Center	\$ 17,285
San Diego Art Institute, The	\$ 38,302



## Attachment I

	FY 2012 Allocation
<b>Arts, Culture, and Community Festivals - Organizational Support (continued)</b>	
San Diego Asian Film Foundation	\$ 47,510
San Diego Automotive Museum	\$ 37,845
San Diego Ballet	\$ 27,770
San Diego Center for Jewish Culture	\$ 112,189
San Diego Chamber Orchestra dba Orchestra Nova San Diego	\$ 65,073
San Diego Children's Choir	\$ 21,549
San Diego Chinese Historical	\$ 16,735
San Diego Civic Youth Ballet, Inc.	\$ 21,870
San Diego Dance Theater	\$ 29,166
San Diego Early Music Society	\$ 9,311
San Diego Gay Men's Chorus	\$ 25,035
San Diego Guild of Puppetry, Inc.	\$ 6,884
San Diego History Center	\$ 100,651
San Diego Junior Theatre	\$ 82,267
San Diego Master Chorale, Inc.	\$ 15,165
San Diego Model Railroad	\$ 37,991
San Diego Museum Council, Inc.	\$ 9,045
San Diego Museum of Art	\$ 283,691
San Diego Museum of Man	\$ 117,091
San Diego Natural History	\$ 306,193
San Diego Opera Association	\$ 368,199
San Diego Repertory Theatre, Inc.	\$ 128,091
San Diego Symphony	\$ 400,344
San Diego Watercolor Society	\$ 22,196
San Diego Women's Chorus	\$ 1,836
San Diego Writers Ink	\$ 8,453
San Diego Young Artists Music	\$ 12,466
San Diego Young Artists Symphony	\$ 13,074
San Diego Youth Symphony	\$ 62,831
Save Our Heritage Organisation	\$ 54,424
Scripps Ranch Theatre	\$ 13,168
Spreckels Organ Society	\$ 16,039
Timken Museum of Art	\$ 83,111
Veterans Memorial Center, Inc.	\$ 23,180
Villa Musica	\$ 17,626
Westwind Brass, Inc.	\$ 9,910
Women's History Museum	\$ 10,717
Young Audiences of San Diego	\$ 58,577
<b>Arts, Culture, and Community Festivals - Organizational Support Total \$ 6,107,411</b>	

## Attachment I

	FY 2012 Allocation
<b>Arts, Culture, and Community Festivals - Creative Communities San Diego</b>	
America's Finest City Dixieland Jazz Society	\$ 19,429
Asian Story Theater Incorporated	\$ 4,499
Balboa Park Cultural Partnership	\$ 9,566
Bon Temps Social Club of San Diego, The	\$ 20,452
Cabrillo Festival, Inc.	\$ 3,204
Casa Familiar	\$ 8,385
Central Commercial District Revitalization Corporation / Fiscal Agent for San Diego Afterschool Strings Program	\$ 4,499
Centre City Development Corporation	\$ 4,381
College Area Economic Development Corporation	\$ 7,861
Gaslamp Quarter Association	\$ 7,089
Hillcrest Business Improvement Association Incorporated	\$ 11,979
Historic Old Town Community Foundation, The	\$ 13,867
Italian American Art and Culture Association of San Diego	\$ 11,054
Jacobs Center for Neighborhood Innovation	\$ 15,339
Kalusugan Community Services	\$ 11,248
Kiwanis International K08275 Tierrasanta San Diego	\$ 2,153
Linda Vista Multi-Cultural Fair, Inc.	\$ 4,938
Little Italy Association	\$ 18,279
Media Heritage, Inc. dba Filmout San Diego	\$ 7,149
Mira Mesa Theatre Guild	\$ 3,592
Musicians for Education	\$ 4,499
North Park Organization of Businesses, Inc.	\$ 7,797
NTC Foundation	\$ 4,678
Nu-Way Operation BHILD	\$ 3,952
Ocean Beach Merchants Association	\$ 14,004
Pacific Beach Community Development Corporation	\$ 9,887
Pacific Southwest Wildlife Arts, Inc.	\$ 6,305
PASACAT	\$ 2,853
Point Loma Summer Concerts	\$ 10,009
Rancho de los Penasquitos Town Council, Inc.	\$ 3,469
Rolando Community Council, Inc.	\$ 4,363
San Diego Armed Services YMCA	\$ 20,452
San Diego Audubon Society	\$ 11,575
San Diego Chinese Center	\$ 4,663
San Diego Earth Day	\$ 15,151
San Diego Film Foundation	\$ 20,452
San Diego Fleet Week Foundation	\$ 9,014
San Diego Music Foundation	\$ 8,385
San Diego Shakespeare Society, Inc.	\$ 4,502
Springfest Inc.	\$ 9,392
St. Madeleine Sophie's Center	\$ 9,408

## Attachment I

	FY 2012 Allocation
<b>Arts, Culture, and Community Festivals - Creative Communities San Diego (continued)</b>	
Torrey Pines Kiwanis Foundation	\$ 20,452
Transcendance Youth Arts Project	\$ 4,806
Write Out Loud	\$ 3,558

<b>Arts, Culture, and Community Festivals - Creative Communities San Diego Total</b>	<b>\$ 402,589</b>
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**Economic Development - City Economic Development**

CleanTECH San Diego	\$ 30,000
CommNexus San Diego	\$ 25,000
Horton Plaza Theatre Foundation	\$ 435,000
Mission Trails Regional Park Foundation, Inc.	\$ 40,000
San Diego Regional Economic Development Corporation	\$ 40,000

<b>Economic Development - City Economic Development Total</b>	<b>\$ 570,000</b>
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**Economic Development - Economic Development and Tourism Support**

City Heights Community Development Corp.	\$ 48,690
Hostelling International	\$ 48,690
Old Town San Diego Chamber of Commerce	\$ 33,032
Otay Mesa Chamber of Commerce	\$ 48,690
South County Economic Development Council	\$ 48,690
Traveler's Aid Society of San Diego	\$ 48,690
Adams Avenue Business Association	\$ 43,200
BID Council	\$ 40,000
Greater San Diego Business Association	\$ 39,040
San Diego CONVIS	\$ 41,600
San Diego East Visitors Bureau	\$ 26,162
Asian Business Association San Diego	\$ 22,752
Japan Society of San Diego and Tijuana	\$ 25,382
San Diego Diplomacy Council	\$ 25,382

<b>Economic Development - Economic Development and Tourism Support Total</b>	<b>\$ 540,000</b>
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RESOLUTION NUMBER R- 307349

DATE OF FINAL PASSAGE APR 05 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN  
DIEGO SUPPORTING THE MAYOR'S PROPOSAL TO  
ADDRESS THE CITY'S DEFERRED CAPITAL BACKLOG.

WHEREAS, according to the Report to the City Council No. 12-021, the City has a deferred capital backlog of \$898 million in streets, buildings and storm drains that are supported by the general fund; and

WHEREAS, the City Council desires to reduce this deferred capital backlog as quickly as funding reasonably allows; and

WHEREAS, the Mayor proposed different 5-year deferred capital improvement funding options in Report to the City Council No. 12-021; and

WHEREAS, a multi-year plan for catching up on the deferred capital backlog serves as a valuable planning document, subject to updates as new revenue, expense, and condition assessment information become available; and

WHEREAS, the Budget & Finance Committee recommended funding option B, as set forth in Attachment 1 to the Report to the City Council No. 12-021, and requested that the Mayor commit an additional \$8.3 million in projected surplus from fiscal year 2012 towards deferred capital in the fiscal year 2013 budget; and

WHEREAS, the City Council, on March 12, 2012 requested that the Mayor commit up to an additional \$8.3 million in projected surplus identified in the fiscal year 2012 mid-year budget monitoring report towards deferred capital in the fiscal year 2013 budget;



**Attachment J**


(R-2012-455)

NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the City Council supports funding option B to address the City's deferred capital backlog.

BE IT FURTHER RESOLVED, that the Mayor is requested to include funding option B in the fiscal year 2013 budget, with an additional \$8.3 million in projected surplus from fiscal year 2012.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Ryan Kohut  
Deputy City Attorney

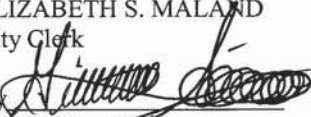
TCZ:cfq  
March 6, 2012  
Or.Dept:ECP/ PITS  
Doc. No. 332184

**Attachment J**

(R-2012-455)

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 20 2012.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 4.5.12  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: February 22, 2012 REPORT NO. 12-021

ATTENTION: Budget and Finance Committee

SUBJECT: Infrastructure Condition Update

REQUESTED ACTION: Decision on Deferred Capital Funding Option.

STAFF RECOMMENDATION: None.

**BACKGROUND:**

**Deferred Capital Backlog:**

At the February 8, 2012 Budget and Finance Committee meeting staff presented updated information on the current estimated backlog of deferred capital work for the City's streets, buildings and storm drains that are supported by the general fund budget. The source for this presentation was report number 12-012 dated February 1, 2012. With the most recent street condition assessment information reported to the Council Land use and Housing Committee in November 2011 and with the funding investments for these infrastructure assets over the last couple of years, the current deferred capital backlog is estimated to be as follows:

Streets	\$478 million
Buildings	\$185 million
Storm Drains	<u>\$235 million</u>
<b>Total Backlog</b>	<b>\$898 million</b>

This result does not include assessments of non-general fund infrastructure (e.g. water and sewer) and some specific general fund assets. Specifically, the following types of assets were excluded from previous condition assessments: water and sewer infrastructure; alleys and sidewalks; right of way features (signs, signals, guardrails); piers, seawalls and related Park and Recreation managed structures; storm drainage channels; bridges; San Diego Convention Center; and Qualcomm Stadium and Petco Park.

Staff also explained the information contained in Attachment 1: Updated projections of general fund surplus/deficits for fiscal years FY 2013 through 2017; the current funding option for

## Attachment J

infrastructure reflected in the Mayor's FY 2013 five year outlook; the "status quo" funding option discussed above; and the funding options A and B which increase annually over the five year period.

### DISCUSSION:

During the February 8, 2012 meeting, the committee requested additional information on performance measures, funding forecasts and project lists before recommending an infrastructure improvement funding option to the Council for consideration. For the "status quo" service level model and funding options A and B shown in Attachment 1, the Committee wanted to know what the expected condition of the City's streets, buildings and storm drains would be for these funding options for the 2013-2017 five year period. This information is shown on Attachment 2. It is important to note that expected service levels for funding option A and B are the same because the total investment objectives are the same. Service levels for funding options A and B are not as good as the status quo option because funding amounts over the 2013-2017 five year period are less than those for the status quo option. The Budget and Finance Committee also requested the types of projects funded out of routine operations and maintenance (O&M) and deferred capital funding. These lists are found in Attachment 3.

### SUMMARY:

The level of deferred capital backlog for City street, building and storm drains is now estimated to be \$898 million. In March 2011, staff presented two models known as Alternative Service Level 1 and 2 to the Budget and Finance Committee for consideration. Staff recommended that the Committee and Council should set Alternative Service Level 1 as the initial goal for reducing the deferred capital backlog. Since these were information only items, the Committee did not take any specific action. Since last November, staff has reconsidered its earlier recommendation and has developed a more affordable and practical "status quo" alternative and an approach to gradually increase funding in order to achieve it. This represents the most realistic course of action at this time. Staff has estimated what the relative service levels will be with the status quo and funding option A and B scenarios and has provided lists of projects that typically are funded from annual O&M budgets as well as deferred capital bond proceeds.

As such, staff is recommending that the City Council consider this approach and decide the total associated funding that is reflected on either lines 21 and 28 of Attachment 1.

Respectfully submitted:



Tony Heinrichs  
Director  
Public Works



Garth K. Sturdevan  
Interim Director  
Transportation and Storm Water

Attachment 1: Deferred Capital Improvement Funding Options  
Attachment 2: Infrastructure Assessment Summary  
Attachment 3: Project List

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# Attachment J

ATTACHMENT 1

## DEFERRED CAPITAL IMPROVEMENT FUNDING OPTIONS

(as of February 8, 2012)

	A	B	C	D	E	F
	2012	2013	2014	2015	2016	2017
1 Projected Surplus (Deficit)*		(31,800,000)	(36,600,000)	(28,100,000)	(5,600,000)	22,700,000
2 Previous GF Pension Payment/Projections		(198,000,000)	(213,100,000)	(227,400,000)	(241,100,000)	(254,400,000)
3 Revised GF Pension Payment/Projections		178,400,000	182,400,000	187,500,000	193,000,000	199,100,000
4 Revised Projected Surplus (Deficit)		(12,200,000)	(5,900,000)	11,800,000	42,500,000	78,000,000
<b>CURRENT</b>						
5 Deferred Capital Component						
6 Operations & Mtce	45,800,000	45,800,000	45,800,000	45,800,000	45,800,000	45,800,000
7 Capital (Debt Service)		7,200,000	14,700,000	22,200,000	29,700,000	37,200,000
7 Total Budget Appropriations		53,000,000	60,500,000	68,000,000	75,500,000	83,000,000
8 New Bond Issuance (Net)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
9 Total Capital/Maintenance Program	59,100,000	145,800,000	145,800,000	145,800,000	145,800,000	145,800,000
<b>"STATUS QUO"</b>						
10 Deferred Capital Component						
11 Operations & Mtce		53,800,000	54,876,000	55,973,520	57,092,990	58,234,850
12 Capital (Debt Service)		7,478,460	14,956,921	22,435,381	29,913,842	37,392,302
12 Total Budget Appropriations		61,278,460	69,832,921	78,408,901	87,006,832	95,627,152
13 New Bond Issuance (Net)	105,200,000	105,200,000	105,200,000	105,200,000	105,200,000	105,200,000
14 Total Capital/Maintenance Program		159,000,000	160,076,000	161,173,520	162,292,990	163,434,850
15 Adjusted Projected Surplus (Deficit)		(20,478,460)	(15,232,921)	1,391,099	30,993,168	65,372,848
<b>FUNDING OPTION A (Traditional)</b>						
16 Deferred Capital Component						
17 Operations & Mtce		45,800,000	50,000,000	53,000,000	56,000,000	58,000,000
18 Capital (Debt Service)		5,608,845	11,591,614	18,322,228	25,800,689	33,668,029
18 Total Budget Appropriations		51,408,845	61,591,614	71,322,228	81,800,689	91,668,029
19 New Bond Issuance (Net)	75,000,000	80,000,000	90,000,000	100,000,000	105,200,000	105,200,000
20 Bonds to Cash - Capital Funding Ratio	100%	100%	100%	100%	100%	100%
21 Total Capital/Maintenance Program		120,800,000	130,000,000	143,000,000	156,000,000	163,200,000
22 Adjusted Projected Surplus (Deficit)		(10,608,845)	(6,991,614)	8,477,772	36,199,311	69,331,971
<b>FUNDING OPTION B (Incremental Cash vs Bonds)</b>						
23 Deferred Capital Component						
24 Operations & Mtce		45,800,000	50,000,000	62,000,000	66,000,000	73,780,000
25 Capital (Debt Service)		5,608,845	11,591,614	17,649,167	24,379,781	31,067,020
25 Total Budget Appropriations		51,408,845	61,591,614	79,649,167	90,379,781	104,847,020
26 New Bond Issuance (Net)	75,000,000	80,000,000	81,000,000	90,000,000	89,420,000	84,160,000
27 Bonds to Cash - Capital Funding Ratio	100%	100%	90%	90%	80%	80%
28 Total Capital/Maintenance Program		120,800,000	130,000,000	143,000,000	156,000,000	163,200,000
29 Adjusted Projected Surplus (Deficit)		(10,608,845)	(6,991,614)	150,833	27,620,219	56,152,980

\* The projected surplus (deficit) in line 1 of this document updates the Mayor's October 2011 Five Year Financial Outlook to reflect the City's new Annual Required Contribution (ARC) received from SDCERS on January 13, 2012, as well as the projected future ARC contained in the same January 2012 Actuarial Valuation Report for the City of San Diego.



Attachment 2

Infrastructure Assessment Summary

Assessments	Status quo service level	FY 2013 cost to maintain status quo (O&M and capital)	Estimated service level in five years Funding Option A or B
<b>Streets</b>			
Streets	Assess every 4 years (~\$400K) Next assessment scheduled for FY 2015	Condition - Good 42% Fair 36% Poor 22%	\$81.4M
<b>Storm Drains</b>			
Reinforced Concrete Pipe (RCP)	~700 miles to televise Assess 1% (7 miles) annually (~\$250K) ~\$25M to assess all RCP Based on business risk exposure	Risk - Low 37% Medium 53% High 10%	\$22.6M (+\$5M channel maint.)
Corrugated Metal Pip (CMP)	~40 miles to televise Completed in FY 2012 (\$1.7M)		\$15M
Pump Stations	14 pump stations Completed recently (\$300K) Assess every 4 years (\$250K)	Condition - Good 14% Fair 72% Poor 14%	\$1M
Canyon Outfalls	1,700 outfalls 642 assessed to date (\$645K) Completion in FY 2014 (\$400K) Assess every 10 years (\$1M)	Condition - Good 36% Fair 10% Poor 54%	\$2M
<b>Facilities</b>			
Facilities	443 General Fund facilities Completed in FY 2009 (~\$1M) Assess every 4 years (\$500K-\$1M) Next assessment scheduled for 2014	Condition - Good 45% Fair 27% Poor 28%	\$32M

Estimated overall 5-10% service level reduction for all asset classes

