Mayor’s May Revision to the Fiscal Year 2015 Proposed Budget

May 21, 2014

Highlights

• A net $22.7 million increase in General Fund appropriations
  – Primarily funded by an increase of $8.6 million in Major Revenues (Property Tax and TOT revenue)
  – A one-time reduction of $1.7 million in Deferred Capital debt service
  – And the use of $12.8 million in Excess Equity to fund the Public Liability Reserve
  – Other adjustments

• Funds ongoing projects with ongoing resources

• Continues to provide additional funding for Infrastructure, Public Safety, & Neighborhood Services

• Includes General Fund reserve projection at 14.0%
## General Fund Overview

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 Proposed Budget</td>
<td>$1,177.2</td>
<td>$1,179.0</td>
</tr>
<tr>
<td>May Revision Adjustments</td>
<td>10.0</td>
<td>22.7</td>
</tr>
<tr>
<td>FY 2014 Excess Equity*</td>
<td>14.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Revised FY 2015 Budget</td>
<td>$1,201.7</td>
<td>$1,201.7</td>
</tr>
</tbody>
</table>

* $1.7 million allocated to Community Projects, Programs, and Services and $12.8 million recommended to fund the Public Liability Fund Reserve

## Excess Equity & PL Reserve

($ in millions)

### Excess Equity

<table>
<thead>
<tr>
<th>FY 2014 Projected Excess Equity</th>
<th>$18.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Projects, Programs, &amp; Services</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Public Liability Reserve Contribution</td>
<td>(12.8)</td>
</tr>
<tr>
<td>FY 2015 Projected Excess Equity</td>
<td>$4.0</td>
</tr>
</tbody>
</table>

### Public Liability Reserve

<table>
<thead>
<tr>
<th>FY 2014 Projected Public Liability Reserve</th>
<th>$35.4</th>
<th>37.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess Equity Contribution – 50.0%</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Compliance Claims</td>
<td>(9.5)</td>
<td></td>
</tr>
<tr>
<td>FY 2015 Projected Public Liability Reserve</td>
<td>$38.7</td>
<td>40.0%</td>
</tr>
</tbody>
</table>
## 2015 PROPOSED BUDGET

### GF Ongoing Resources and Uses

**($ in millions)**

#### Ongoing Resources - $9.4

- Property Tax (4.75% Growth Rate) $6.0
- Transient Occupancy Tax (TOT) Revenues 1.4
- Redevelopment Property Tax Trust Fund (RPTTF) 1.1
- TOT Reimbursement (Tourism-Related) 0.8
- Other Adjustments 0.1

#### Ongoing Uses - $7.4

- Police Helicopter Support $1.5
- City Attorney Projected Revenue Reduction 1.4
- Defined Contribution Plan 1.2
- Brush Management Contract 0.5
- County of San Diego Animal Services Contract 0.5
- County of San Diego Property Tax Administration 0.3
- Communications Restructure and Director (16.30 FTEs) 0.5
- San Dieguito River Park JPA 0.3
- Mayor Representative 2s (2.00 FTEs) 0.3
GF Ongoing Resources and Uses ($ in millions)

Ongoing Uses (cont.)
- Analytics & Performance Mgmt. Director (1.00 FTE) $0.2
- Council Administration Support (2.00 FTE) 0.2
- Sustainability Program Manager (1.00 FTE) 0.2
- Trench Cut Revenue Transfer 0.2
- Windansea Beach Lifeguard (1.00 FTE) 0.0
- Other Adjustments 0.1

NET Difference (Resources vs. Uses) $2.0

GF One-Time Resources and Uses ($ in millions)

One-Time Resources - $15.6
- FY 2014 Year-End Excess Equity $12.8
- Deferred Capital Debt Service Payment Reduction 1.7
- Convention Center Bond Proceeds Reimbursement 0.5
- Risk Management Fund Balance 0.5
- Other Adjustments 0.1

One-Time Uses - $17.6
- Public Liability Fund Reserve Transfer $12.8
- Infrastructure expenditures for CIP 2.7
  - Citywide Street Light Installation CIP ($1.0)
  - Wightman Street Neighborhood Park CIP ($1.0)
  - Silver Wing Neighborhood Park Sports Field/Lighting CIP ($0.6)
  - Trail for All People CIP ($0.1)
  - Tierrasanta Community Park Sports Field/Lighting CIP ($0.0)
### GF One-Time Resources and Uses ($ in millions)

**One-Time Uses (cont.)**

- Fire-Rescue Personal Protective/Emergency Operations Equipment $0.7
- Tenant Improvements/Moving Expenses 0.5
- Civic San Diego Funding 0.3
- Regional Water Quality Control Board Settlement 0.2
- 25 Homeless Triage Beds 0.2
- Other Adjustments 0.2

**NET Difference (Resources vs. Uses)** ($2.0)

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### Capital Improvements Program

- The CIP budget increased by $12.3 million from the Fiscal Year 2015 Proposed CIP Budget of $297.7 million.
- The revised Fiscal Year 2015 CIP Budget is $310.0 million.
- Adjustments are primarily due to identification of additional funding, re-prioritization, or correction of proposed allocations.
Conclusion

- Continues to provide additional funding for Infrastructure, Public Safety, & Neighborhood Services
- General Fund remains balanced at $1.20 billion
- Proposes the use of a portion of Excess Equity, contingent upon its availability, to fund the Public Liability Reserve
- Includes General Fund reserve projection at 14.0%

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