

THE CITY OF SAN DIEGO



Golden Hill Fire Station



Otay Mesa
Transportation Improvements



Mission Valley Branch Library

A CITIZEN'S GUIDE TO INFRASTRUCTURE



Cherokee Park



Canyonside Recreation Center



Bill and Maxine Wilson Skate Park

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This guide was developed by our office to provide a solid foundation of knowledge about infrastructure and the City of San Diego's Capital Improvements Program (CIP) for interested citizens.

A Quick Look at Infrastructure

What is infrastructure, and why is it important?

Infrastructure includes the basic physical structures, systems, and facilities needed to provide services to residents and for the functioning of a community and its economy, such as sidewalks, streets, parks, fire stations, police facilities, and water and sewer systems. Infrastructure impacts the public health, safety, and the quality of life for San Diego communities as well as the tourism industry which is an important part of the City's economy. Decisions made regarding infrastructure projects are very important because they are generally large and expensive, and the assets they create will likely be required for decades of public use.

What infrastructure is within the City's area of responsibility?

Different entities are responsible for installing and maintaining the infrastructure that they own and operate and that is within their boundaries or jurisdiction. The City of San Diego is responsible for installing and maintaining a significant number of infrastructure assets as shown in the green box, such as storm drains, streets and facilities.

The City is not responsible for the trolley, rail, or bus systems which are owned and operated by the Metropolitan Transit System (MTS)—a California public agency. The County of San Diego, State of California, and U.S. governments also have responsibility for assets within the City of San Diego, including applicable facilities, roads, and highways.

What are the City's responsibilities with regard to infrastructure?

The City's is responsible for the care and upkeep of existing assets, also known as Maintenance & Repair (M&R), as well as rehabilitation or replacement of those assets when needed. In addition, the City is responsible for providing needed new or expanded infrastructure.¹

What happens when infrastructure assets are not maintained?

Providing ongoing M&R, such as resurfacing streets and repairing or replacing leaky roofs, is vital for maintaining the condition of assets. When M&R is not fully funded, it contributes to deferred maintenance and capital costs. The City has not fully funded M&R due to tight budgetary constraints and competing priorities. As a result the City now has an estimated \$898 million backlog in deferred capital projects just for streets, facilities, and storm drains. This estimate is anticipated to significantly increase as information is collected in FY 2014 on the condition of City facilities, sidewalks, and park assets.

Compounding the problem, as assets continue to

Infrastructure within City's Area of Responsibility

- Airports (Brown and Montgomery Fields)
- Miramar Landfill
- Fire Stations
- Libraries
- City Parks & Recreation Centers
- Police Departments
- Water and Sewer Systems
- City Buildings
- QUALCOMM Stadium
- City-owned Real Estate
- Storm Drain System
- Streets, Sidewalks, Street Lights, and Traffic Signals

Asset	Estimated Backlog
Buildings	\$ 185 million
Streets	\$ 478 million
Storm Drains	\$ 235 million
Total	\$ 898 million

¹ Note that the operation of infrastructure assets, such as a fire station, is also the responsibility of the City. Operations are generally funded through the City's General Fund. Budgeting for operations is discussed in *A Citizen's Guide to the City's Budget Process*.

deteriorate, the cost of repair will exponentially increase and can result in peripheral damage. For example, deferring roof replacement could later result in needing to replace the roof structural members, walls, and floor of a building as was recently the case with the Museum of Man roof replacement project.

How can the City effectively maintain infrastructure assets?

Asset management is a recommended practice for effectively and sustainably managing assets at a desired level of service for the lowest life cycle cost. Asset Management provides needed information on existing assets, such as condition, so that City staff can develop optimal strategies for maintenance and rehabilitation or replacement of assets. The City has several important Asset Management efforts underway, including conducting condition assessments and developing standard Citywide minimum guidelines for managing assets. Ultimately, Asset Management will provide a sound basis for the City to identify the magnitude of the backlog; prioritize needed capital projects; and effectively focus limited resources.

Core Asset Management Questions:

1. What is the current state of my assets?
2. What is my required level of service?
3. Which assets are critical to sustained performance?
4. What are my best operations and maintenance and CIP investment strategies?
5. What is my best long-term funding strategy?

How does the City identify needed infrastructure?

Optimally, identifying infrastructure needs for existing and new assets should be a collaboration between City staff and members of the public. City staff from departments that operate, manage, or maintain infrastructure assets have knowledge, experience, and expertise to identify capital needs as well as an understanding of related legal requirements and Mayoral and Council direction. As Citywide Asset Management is implemented, City staff will have a sound basis for identifying and prioritizing needs. Needed infrastructure is also identified through various long- and mid-range plans, such as the Regional Transportation Improvement Plan. In addition, City staff work with communities to identify needed public infrastructure and facilities, including new or expanded infrastructure, to be included in Community and Public Facilities Financing Plans (PFFP).

Public input is necessary for understanding desired levels of service for assets as well as community priorities. Members of the public observe and understand the needs in their communities. Recognizing that thoughtful public input can add great value to infrastructure planning, the City now has a formal public input process on infrastructure needs and priorities through the Community Planners Committee (CPC).

How do infrastructure needs become funded capital projects?

Like many cities, the City of San Diego has a Capital Improvements Program (CIP) for installing new and replacing or rehabilitating existing infrastructure. Currently, the City's mechanism for getting projects approved and implemented is the annual CIP budget process. This is because the City currently does not have a Citywide Multi-Year Capital Improvements Plan. Recognizing the importance of such a plan to provide an overall, transparent view of where the City is with regard to infrastructure, staff are in early stages of developing a draft plan.

This is an important step because a Multi-Year Capital Plan will show what projects are planned; what projects are needed; what revenue is projected from existing funding sources; and what priority projects lack a funding source. This will help the City to identify a more comprehensive solution for infrastructure problems. Additionally, City staff can more effectively plan for CIP projects to address community needs over five-years (or more) rather than in an annual budget.

How does the annual CIP process work?

Understanding the City's CIP is important to enable citizens to effectively become involved and provide thoughtful input on new and existing capital improvement projects. Capital projects generally take multiple years to complete, require special funding sources, and are included in the CIP Budget which is separate from the City's Operating Budget.

Keys to Understanding the CIP:

- 1. The CIP is a complex process.** As shown on page 4, this process includes identifying, prioritizing, and finding funding for needed projects; developing and approving the annual CIP Budget; and implementing multi-year capital improvement projects.
- 2. Many City departments and organizations are involved in the CIP.** Some key players include:
 - ✚ *Asset-owning departments* identify, prioritize, and—working with the Mayor, Council, and appropriate City departments—find funding for needed capital improvement projects. Asset-owning departments or divisions includes Airports, Environmental Services, Fire-Rescue, Library, Park & Recreation, Police, Public Utilities, Public Works-General Services, QUALCOMM Stadium, Real Estate Assets, and Transportation & Storm Water.
 - ✚ The *Financial Management (FM) Department* reviews project funding requests, confirms the availability of funds, and develops the CIP budget.
 - ✚ The *Mayor's CIP Review and Advisory Committee (CIPRAC)* reviews proposed CIP projects from a Citywide perspective and forwards proposed budget recommendations for the Mayor's and, during the annual budget process, City's Council's approval. CIPRAC includes senior-level officials from City departments that are involved with the CIP.
 - ✚ The *Public Works Department (formerly Engineering & Capital Projects)* implements and manages approved projects in the CIP Budget and provides status updates to the City Council.
- 3. The CIP is constrained by limited available funding and funding sources that have specific restrictions on how they can be used. The General Fund is not a primary source of funding for the CIP, because it is used to fund the City's core community services, such as Police, Fire, and Park & Recreation.**
 - ✚ The City's infrastructure needs significantly exceed available resources, so the City has competing priorities for limited funds.
 - ✚ The CIP is funded from various sources which often have restrictions on how they can be used, for example based on the type of project or a specific community or geographic location.
 - ✚ As a result, there is relatively little discretionary funding available and some Departments, such as Public Utilities which is supported through water and sewer rates, have significantly more available funds than others.
- 4. The annual CIP Budget process is the City's mechanism for getting projects approved and implemented.**
 - ✚ In recent years, the majority of the CIP budget has funded ongoing projects and only a small portion has been available to begin new projects.
 - ✚ Given funding constraints and competing priorities, many capital projects have been deferred resulting in a backlog. To address the backlog, the City has issued two of six planned bond issuances as part of the Five-Year Deferred Capital Funding Plan.
 - ✚ The CIP Budget includes five years of funding for (1) ongoing projects started in previous years and (2) new projects starting in the current fiscal year. Currently, the CIP Budget does not include new projects starting in later fiscal years. These could be included in the Multi-Year Capital Improvements Plan currently in early stages of development by staff.

Identifying Projects for the CIP Budget

Asset-owning City departments that operate, manage, or maintain capital assets—such as Public Utilities, Transportation & Storm Water, and Park & Recreation—are responsible for identifying needed capital projects. Each department has its own way of identifying needs depending on available resources.

How staff identify projects

Department staff generally identify needed CIP projects based on one or more of the following:

- City policy and direction from Mayor and City Council.
- Legal requirements or mandates.
- Long- and mid-range plans that guide implementation of Citywide, regional, departmental, and/or community goals.
- Formal assessments of the condition of assets and systems that use this information to identify the best approach for addressing needs.
- Department staff assessments of needs based on experience, repair and maintenance records, and observations.
- City Council priorities and requests.
- Public input through Council Members, planning or advisory committees, and/or budget hearings.

★ New Formal Public Input Process

The City recently formalized the process to obtain public input on community infrastructure needs and priorities through the CPC (Council Policy 000-32). The FY 2015 round was kicked off at the June CPC meeting.

Identifying Funding and Prioritizing Projects

Identifying Funding – The General Fund is not a primary source of funding for the CIP. Asset-owning department staff—working with the Mayor, City Council, and appropriate City Departments—identify funding for proposed projects, but must do so within several constraints:

- Needs greatly exceed available resources so there are competing priorities for limited funds.
- Many of the funding sources for capital improvement projects have restrictions on how they can be spent, including:
 - on a specific project type, such as water system or transportation, and/or
 - within a certain community or geographical area.

As a result, there has been relatively little discretionary funding available.

Prioritizing Projects – Asset-owning department staff provide a ranking for each project based on [Council Policy 800-14](#) which includes guidelines and weighted factors, such as

- impact to health and safety (25%),
- impact of deferring the project (15%), and
- community investment (10%).

Public Works Department staff refine the priority score during implementation.

Given the constraints discussed above, CIP projects typically do not compete across different project categories, funding sources, or project phases.

★ New Priority Ranking Factors

Public Works staff are revising and improving upon the existing priority ranking factors. These will be included in a Mayoral Directive after approved by the Mayor, potentially in September 2013.

Budgeting for the CIP (FY 2015)

July-August	Education and outreach to the public via the Community Planning Groups. One training session will be held in each of the nine Council Districts.
July-October	Community Planning Groups conduct outreach and gather recommended CIP projects and submit to CPC (Sept. 24). CPC compiles and forwards list to the City (October).
November - January	Asset-owning department staff assess projects requested by public. Asset-owning departments submit proposed projects and requested funding to Financial Management (FM). FM confirms availability of requested funds. CIPRAC reviews proposed projects and funding requests, may make adjustments, and submits for Mayor's approval.
January - March	FM works with asset-owning departments and prepares Proposed Budget.
April 15	Mayor releases Proposed Budget to the Public.
May	City Council holds public budget hearings, including separate hearing for the CIP. Council may recommend changes to Proposed Budget. Mayor's May Revision to Proposed Budget released.
June	City Council reviews final changes and approves budget.
July 1	New Fiscal Year begins.

Implementation of Projects in the Approved CIP Budget

Public Works is primarily responsible for implementation and management of approved projects from the CIP Budget (as shown below). In a few cases, such as if a department has specialized needs, the asset-owning department will manage the project.

Capital improvement projects frequently are large, expensive, and take multiple years to complete.

Project Implementation Phases



Monitoring and Oversight – Per CIP streamlining and transparency initiatives, Public Works staff report on the state of the CIP two times annually and are available to present to Committees or the full Council upon request.

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Abbreviations

We tried to minimize the use of abbreviations, but you will hear many of these in discussions about infrastructure or the CIP.

ADA	Americans with Disabilities Act
CDBG	Community Development Block Grant
CDP	Coastal Development Permit
CIP	Capital Improvements Program
CIPRAC	CIP Review and Advisory Committee
CPC	Community Planners Committee
DIF	Development Impact Fees
FBA	Facilities Benefits Assessment
FM	Financial Management Department
FY	Fiscal Year
GO	General Obligation
IBA	Office of the Independent Budget Analyst
MACC	Multiple Award Construction Contracts
MAD	Maintenance Assessment District
M&R	Maintenance & Repair
PFFP	Public Facilities Financing Plan
PIO	Public Information Officer
PPP or P3	Public-Private Partnership
SDP	Site Development Permit

Introduction

The mission of the Office of the Independent Budget Analyst (IBA) is to provide clear, objective, and unbiased budgetary and policy analysis and advice to the City Council and the public. Our office developed this Guide to provide a solid foundation of knowledge about the City of San Diego's infrastructure issues and Capital Improvements Program (CIP) for interested citizens.

☆ We changed the title from *A Citizen's Guide to the Capital Improvements Program* to *A Citizen's Guide to Infrastructure*, because infrastructure issues are a top priority for the City and encompass more than the CIP Budget. Understanding infrastructure issues is important to enable citizens to effectively become involved and provide thoughtful input on new and existing capital improvement projects. Ultimately, citizens will play a critical role in helping the City to identify and implement a more comprehensive solution to address infrastructure problems.

Note that this guide can be used in conjunction with our [Citizen's Guide to the City's Operating Budget](#) which provides an outline of how the monies coming into the City will be spent to operate and maintain City functions and services. These documents will be updated annually to reflect changes to the processes. For additional information on the City's budget and other important topics, please visit our website www.sandiego.gov/iba, email sdiba@sandiego.gov, or phone (619) 236-6555.

Overview of Infrastructure

Infrastructure includes the basic physical structures, systems, and facilities needed to provide services to residents and for the functioning of a community and its economy, such as sidewalks, streets, parks, fire stations, police facilities, and water and sewer systems. Infrastructure impacts the public health, safety, and the quality of life for San Diego communities as well as the tourism industry which is an important part of the City's economy.

Different entities are responsible for installing and maintaining the infrastructure that they own and operate and that is within their boundaries or jurisdiction. For example the

Infrastructure within City's Area of Responsibility

- ✚ Airports (Brown and Montgomery Fields)
- ✚ Miramar Landfill
- ✚ Fire Stations
- ✚ Libraries
- ✚ City Parks & Recreation Centers
- ✚ Police Departments
- ✚ Water and Sewer Systems
- ✚ City Buildings
- ✚ QUALCOMM Stadium
- ✚ City-owned Real Estate
- ✚ Storm Drain System
- ✚ Streets, Sidewalks, Street Lights, and Traffic Signals

City of San Diego is responsible for maintaining its storm drains, streets and facilities. The City is not responsible for the trolley rail, or bus systems which are owned and operated by the Metropolitan Transit System—a California public agency. The County of San Diego, State of California, and U.S. governments also have responsibility for assets within the City of San Diego, including applicable facilities, roads, and highways.

Identifying Infrastructure Needs

Optimally, identifying infrastructure needs for existing and new assets should be a collaboration between City staff and members of the public. City staff from departments that operate, manage, or maintain infrastructure assets have knowledge, experience, and expertise to identify capital needs as well as an understanding of related legal requirements and Mayoral and Council direction. As Citywide Asset Management is implemented, City staff will have a sound basis for identifying and prioritizing needs. Needed infrastructure is also identified through various long- and mid-range plans, such as the Regional Transportation Improvement Plan. In addition, City staff work with communities to identify needed public infrastructure and facilities, including new or expanded infrastructure, to be included in Community and Public Facilities Financing Plans (PFFP).

Public input is necessary for understanding desired levels of service for assets as well as community priorities. Members of the public observe and understand the needs in their communities. Recognizing that thoughtful public input can add great value to infrastructure planning, the City now has a formal public input process on infrastructure needs and priorities through the Community Planners Committee (CPC).

The City's Mechanism for Getting Infrastructure Projects Approved and Implemented

Like many cities, the City of San Diego has a Capital Improvements Program (CIP) for installing new and replacing or rehabilitating existing infrastructure. The CIP is a portfolio of all of the City's capital improvements projects. Capital improvement projects are construction projects that provide tangible, long-term improvements or additions of a fixed or permanent nature, such as a new or expanded library or replacement of aging water pipes. Decisions made regarding the CIP are very important, because capital improvements projects are generally large

IMPORTANT FACTS: CIP PROJECTS VERSUS MAINTENANCE & REPAIR

It is important to distinguish CIP projects from maintenance, since maintenance is not part of the CIP Budget and many of the funding sources used for capital projects cannot be used for maintenance.

- ✚ CIP projects provide tangible, long-term improvements, such as constructing a new or expanding an existing library, replacing aging water pipes, or installing a new roof.
- ✚ Maintenance includes ongoing upkeep and repairs, such as patching a roof or painting a building. Maintenance is generally funded by the City's General Fund and some other sources like Prop 42 Replacement Funds for street slurry seal projects.

and expensive, and the assets they create will likely be required for decades of public use.

Currently, the City’s mechanism for getting projects approved and implemented is the annual CIP budget process. This is because the City does not have a Citywide Multi-Year Capital Improvements Plan. Recognizing the importance of such a plan to provide an overall, transparent view of where the City is with regard to infrastructure, staff are in early stages of developing a draft plan.

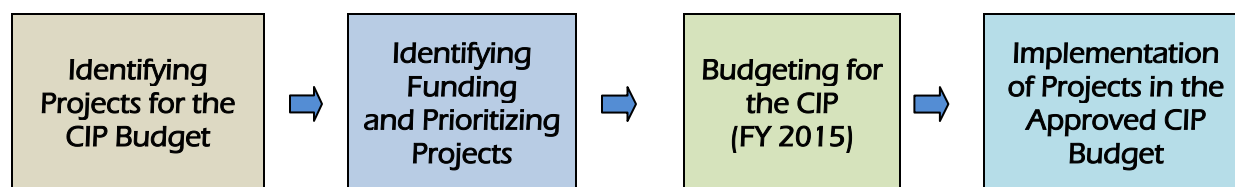
☆ A Multi-Year Capital Improvements Plan is an important step toward identifying a more comprehensive solution for infrastructure issues. Such a plan will show what projects are planned; what projects are needed; what revenue is projected from existing funding sources; and what priority projects lack a funding source. City staff can more effectively plan for infrastructure projects to address community needs over five-years (or more) rather than in an annual budget. A Multi-year Plan will also enable staff to plan in advance to identify needed funding for projects, such as bond issuances, federal and state grants, and other opportunities.

Cities with successful infrastructure programs—such as San Antonio, TX, Denver, CO, and San Francisco, CA—have comprehensive **Multi-Year Capital Improvements Plans** (IBA-12-39). Similar to these cities, San Diego can use its Multi-Year Plan to identify priority unfunded needs and develop strategies for financing these needs, such as General Obligation Bond Programs.

The CIP Process Is Complex and Involves Many Players

The City’s CIP process is complex—it involves various players and funding sources and differs across departments and asset types. Although the process is complicated, gaining an understanding of how an infrastructure need becomes a CIP project and ultimately a capital asset is important to enable citizens to effectively become involved and provide thoughtful input.

The process generally includes:



Along with the Mayor and City Council, many City departments and organizations are responsible for various aspects of the CIP process. Note that, with the exception of project implementation which is centralized in the Public Works Department (formerly Engineering & Capital Projects), the overall CIP process is decentralized and the City does not have one leader or department that provides coordination and oversight. However, Mayor Filner recently discussed creating a position in his office to oversee all infrastructure programs.

Mayor – Provides policy direction for identifying and prioritizing capital improvements projects and proposes an annual CIP Budget.

City Council – May request CIP projects and make changes to the proposed budget; holds public budget hearings and provides recommendations to the Mayor; approves the CIP budget and provides oversight and monitoring of projects through biannual updates to the Budget and Finance Committee; and works with the Mayor to develop funding options and multi-year funding plans.

Asset-owning Departments and Divisions – Eleven City departments that operate, manage, or maintain capital assets identify, prioritize, and work with the Mayor, City Council, and other departments to find funding for needed CIP projects.

Disability Services – Identifies and advocates for needed CIP projects to ensure that the City complies with the Americans with Disabilities Act and other applicable laws so that City facilities are fully accessible to people with disabilities.

Financial Management (FM) Department – Reviews project funding requests, confirms availability of funds, and develops the CIP budget.

Public Works Department – Implements and manages approved projects in the CIP Budget. This includes project initiation, planning, design, construction bid & award, construction, and post-construction.

Development Services Department – Updates General, Community, and Public Facilities Financing Plans (which include needed infrastructure); identifies available funding from developer fees; and issues building, environmental, and other permits.

Comptroller's Office – Ensures that funds are available prior to contract expenditures and capitalizes assets when projects are complete.

CIPRAC Membership

Assistant Chief Operating Officer (Chair)

Senior Level Officials from:

- ✚ Asset-owning Departments/Divisions
- ✚ Disability Services
- ✚ Financial Management
- ✚ Public Works
- ✚ Development Services
- ✚ Comptroller's Office
- ✚ Equal Opportunity Contracting

Asset-owning Departments and Divisions

- Airports
- Environmental Services
- Fire-Rescue
- Library
- Park & Recreation
- Police
- Public Utilities
- Public Works-General Services
- QUALCOMM Stadium
- Real Estate Assets
- Transportation & Storm Water

Equal Opportunity Contracting – Manages City's Small and Local Business Enterprise Program.

The Mayor's CIP Review and Advisory Committee (CIPRAC) – Reviews proposed projects from a Citywide perspective and forwards budget recommendations for the Mayor's approval. CIPRAC includes senior-

level officials from City departments that have responsibility for the CIP. Other City staff attend CIPRAC meetings to represent the Enterprise Asset Management Steering Committee and Facilities Maintenance Division (part of the Public Works- General Services Department).

Identifying Projects for the CIP Budget

The process for identifying needed capital improvements projects for the CIP Budget is decentralized in the 11 asset-owning City departments and divisions. Each department has its own way of identifying needed projects which largely depends on available resources. Department contacts for each asset type are shown in the table on the next page.

How do department staff identify needed CIP projects?

Department staff generally identify needed CIP projects based on one or more of the following:

- Policy and direction from the Mayor and City Council
- Legal requirements or mandates
- Long- and mid-range plans that guide implementation of Citywide, regional, departmental, and/or community goals
- Asset Management (Condition assessments and Asset Management systems)
- Unfunded needs lists
- Staff assessments based on repair and maintenance records, observations, and experience
- City Council priorities and requests
- Public input through Council Members, planning or advisory committees, budget hearings, and/or the new public input process

Policy and Direction from the Mayor and City Council – This is provided informally to staff by the Mayor as well as through formal policies, reports, and plans adopted by the City Council.

Legal Requirements or Mandates – Some CIP projects must be done to comply with laws and regulations, such as the Clean Water Act, or may be mandated in legal agreements. For example, the the City is currently operating under a California Department of Public Health Compliance Order that requires certain water projects.

IMPORTANT FACTS: PROJECTS REQUIRED TO COMPLY WITH LAWS OR MANDATES

Some funding in the FY 2014 CIP Budget is being spent on projects required to comply with laws or mandates. For example, about 42% of water funds are for projects needed to comply with a California Department of Public Health Compliance Order.

Note that the City is completing the final remaining sewer projects that had been required as part of the Consent Decree with the U.S. Environmental Protection Agency (through continuing appropriations). No funds are budgeted for these projects in FY 2014.

Capital Infrastructure Assets	Responsible Department or Division	Website	Contacts	
			For capital needs	For ongoing CIP projects
Brown & Montgomery Fields	Airports Division	www.sandiego.gov/airports	Brown: 619-424-0455 Montgomery: 858-573-1440	619- 533-4207 engineering@sandiego.gov
Fire and lifeguard stations and related facilities	Fire-Rescue Department	www.sandiego.gov/fire	Asst. Chief Ken Barnes 619-533-4302; kbarnes@sandiego.gov	
Central Library and 35 branch libraries	Library Department	www.sandiego.gov/public-library	Stephanie Gilbert 619-236-5889; sgilbert@sandiego.gov	
Golf courses, parks, playgrounds, recreation centers, and swimming pools	Park & Recreation Department	www.sandiego.gov/park-and-recreation	Jim Winter, Project Officer II 619-235-5257; JWinter@sandiego.gov	
Police stations, firing ranges, and related facilities	Police Department	www.sandiego.gov/police	Lt. Kevin Mayer, 619-531-2675, kmayer@pd.sandiego.gov Detective Gary Hassen 619-531-2900; GHassen@pd.sandiego.gov	
Water and sewer pipelines, pump stations, treatment centers, reservoirs and related facilities	Public Utilities Department	www.sandiego.gov/publicutilities	Arian Collins, Supervising PIO 619-527-3121; ACollins@sandiego.gov	
Upgrades and capital repairs to City facilities, such as HVAC replacement and roof repairs	Public Works-General Services Department	www.sandiego.gov/generalservices	Racquel Vasquez, Senior PIO 619-533-3196; RVasquez@sandiego.gov Pierrette Storey, Senior PIO 619-533-3781; PStorey@sandiego.gov	
Upgrades and capital repairs to QUALCOMM Stadium	QUALCOMM Stadium	www.sandiego.gov/qualcomm	Stadium Contact: 619-641-3100 stadium@sandiego.gov	
City-owned real estate such as the City Concourse & Parkade	Real Estate Assets Department	www.sandiego.gov/real-estate-assets	Division Contact: 619-236-6020	
Bikeways, Streets, Sidewalks, Street Lights, Traffic Signals; and storm drains, pipes, and outfalls	Transportation & Storm Water Department	Transportation: www.sandiego.gov/planning/programs/transportation Storm Water: www.sandiego.gov/stormwater	Bill Harris, Supervising PIO 858-541-5354; BillHarris@sandiego.gov	
Landfills (Active & Inactive); Energy Efficient Programs for City Facilities	Environmental Services Department	www.sandiego.gov/environmental-services	Dennis Williams, PIO 858-573-1241; WilliamsDL@sandiego.gov Jose Ysea, PIO 858-573-1291; JYsea@sandiego.gov	

Long- and Mid-range Plans – Various City plans include infrastructure needs and goals and guide staff in identifying needed projects, as discussed in more details on the next pages, including the strategic-level General Plan; Community and Public Facilities Financing Plans; departmental plans; and various other Citywide, regional, and asset-specific plans.

☆ **Asset Management (Condition Assessments and Maintenance Management Systems)** – Some Departments have conducted physical assessments of the condition of their assets and use this information to identify and prioritize needed projects. For example, the Transportation & Storm Water Department uses its Pavement Management System which stores current and historical information on the overall condition of streets, to find the most cost-effective plan for street resurfacing. Given budgetary constraints, the system identifies which streets should be resurfaced and the type of treatment they should get.

Departments that do not have resources or are responsible for assets that are difficult to physically assess, such as underground water pipes, may rely on staff assessments of needs based on repair and maintenance records, observations, and experience.

Unfunded Needs Lists – Several General Fund departments do not have the resources to conduct condition assessments or develop a plan for their assets. These departments have developed lists of unfunded needs; however, the approach for developing this information and format and level of detail of the lists varies greatly across departments. These lists are available to the public: www.sandiego.gov/planning/community/cpc/resources.shtml

City Council Requests and Priorities – Council Members can make requests for specific projects throughout the year. Implementation of these projects generally depends on available funding and existing priorities. In addition, the criteria for determining Council priorities are formally established in the [Council Member Budget Priority Memoranda](#) issued by the IBA and communicated to department staff during Council and Committee meetings.

Public Input – Citizens can provide input on needed CIP projects through various avenues, including:

- ✚ Contacting your City Council Member www.sandiego.gov/citycouncil;
- ✚ Contacting staff from the applicable asset-owning department;
- ✚ Attending meetings or contacting representatives from community planning or recreation committees and other groups; www.sandiego.gov/planning/involved/how.shtml.

☆ ✚ Participating in the newly formalized process to obtain public input on community infrastructure needs and priorities through the CPC (City Council Policy 000-32). This process is discussed in more detail on pages 24-27 of this Guide.

Infrastructure Planning in the City of San Diego

General Plan

The General Plan provides a long-term vision and comprehensive policy framework for how the City should grow and develop, provide public infrastructure and services, and maintain the qualities that define the City of San Diego. The General Plan does not change land use designations or zoning on individual properties, but provides policy direction for future Community Plan updates, discretionary project review, and implementation programs.

The Plan includes an introductory Strategic Framework section and the following elements: Land Use and Community Planning; Mobility; Economic Prosperity; Public Facilities, Services and Safety; Urban Design; Recreation; Historic Preservation; Conservation; and Noise. The Housing Element is provided under separate cover, due to the need for more frequent updates in accordance with State law.

Community Plans and Public Facilities Financing Plans

The City's 46 Community Plans are components of the City's General Plan. Community Plans provide land use designations, assign density ranges, and contain detailed policies and guidelines at the community level. They also identify public infrastructure needed to serve the community based on the community's vision and policies in the City's General Plan. This includes identifying needed new infrastructure. This infrastructure is included in the community's 42 Public Facilities Financing Plans (PFFP) which identifies priorities as well as existing and potential funding sources. Portions of the financing plans are funded through Development Impact Fees (DIF) or Facilities Benefits Assessments (FBA) which are fees assessed on developers to mitigate the impact of new development.

☆ **Plan Updates** – Many of the City's Community and PFFPs were not updated during the previous administration and are considered to be significantly out of date. PFFPs are generally updated as part of the Community Plan update process; 10 Community Plans and 12 PFFPs are currently in various stages of the update process. As public facilities needs and costs have changed over time, many of the financing plans are underfunded. The PFFP updates are intended to provide an impact fee structure that is proportionate with current costs of facilities, which could result in increases to FBAs and DIFs.

Development Impact Fee (DIF) – Communities that are at or near build out collect impact fees on infill or revitalization efforts. DIF generally provides less than 10% of the funding needed for identified public facilities. DIF is collected upon building permit issuance and can be used to fund community Police, Fire, Library, Park & Recreation, and Transportation facilities.

Facilities Benefit Assessment (FBA) – Communities that are relatively early in their planned development have an FBA that provides up to 100% of funds for public facilities projects identified in the community's Public Facilities Financing Plan. At the time of building permit issuance, the owner of the parcel being developed is assessed a fee that is determined by the type and size of the development and based on the FBA Fee Schedule. The FBA fee schedule is projected based on anticipated development, among other things. Given the economic downturn over previous years, FBA revenue has been less than anticipated which has resulted in a delay in funding PFFP.

IMPORTANT FACTS: DIF AND FBA

- ✚ Both DIFs and FBAs are collected, placed in an interest-bearing revenue account, and used within the community solely for administrative costs and those capital improvements identified in the applicable Community and Public Facilities Financing Plans. Neither DIFs nor FBAs can be used for repairs, maintenance, or operation of facilities.
- ✚ Communities that have FBAs also have a DIF equal to the FBA to mitigate the impact of additional development on properties that have either already paid FBAs and/or that have never been assessed.
- ✚ Communities transition from FBA to DIF upon collection of all FBA revenue and subsequent expenditure of all funds within the interest-bearing FBA account.

Infrastructure Planning in the City of San Diego

Departmental Plans

Depending on available resources, some asset-owning departments have multi-year plans for needed projects. For example, Public Utilities relies on water and sewer enterprise funds and has developed long-term plans for capital improvements to the City's water and sewer systems.

Departments that do not have resources to develop multi-year capital improvement plans, such as Park & Recreation, generally maintain lists of unfunded needs so they can be addressed as funding becomes available, such as bond funding.

Other Plans

The City has other plans, such as the Regional Transportation Improvement Plan and Bicycle Master Plan, which identify needed capital improvements projects for specific assets. In addition, the City's Five-Year Deferred Capital Funding Plan outlines a mix of cash and bond financing to address specific deferred CIP projects for streets, facilities, and storm drains.

IMPORTANT FACTS: DEFERRED CAPITAL

Deferred Capital is needed capital improvements, refurbishment, or expansion to existing facilities that have been put off, generally due to limited available funding. Based on condition assessments, the City has estimated that it has \$898 million in deferred capital projects just for streets, facilities, and storm drains.

☆ This estimate is anticipated to significantly increase as information is collected in FY 2014 on the condition of City facilities, sidewalks, and park assets. For our recent **Infrastructure Status Report**, see [IBA Report 13-27](#).

\$478 million	Streets
185 million	Facilities
235 million	Storm Drains
\$898 million	Total Backlog

To address this backlog, the City issued the second of a series of six planned deferred capital bonds and the City Council approved a Five-Year Deferred Capital Funding Plan in March 2012.

Finding Funding and Prioritizing Projects

Once needed projects are identified, asset-owning department staff work with the Mayor, City Council, and appropriate City Departments, such as Financial Management (FM) and Debt Management, to identify funding. However, they must do so within two major constraints. First, the City's infrastructure needs greatly exceed available resources as evidenced by the backlog of \$898 million for deferred capital projects for streets, facilities, and storm drains. As a result, there are competing priorities for limited funds.

The **General Fund**, which includes tax revenues, is the primary source of funding for the City's core community services, such as Police, Fire, Park & Recreation, and Libraries. The Mayor, City Council, and department staff develop the Operating Budget and make decisions on how to use the limited revenues which are largely dedicated to fund day-to-day operations.

Second, in part due to competing priorities in the Operating Budget, the CIP does not rely on the General Fund. Instead, capital improvements projects are primarily funded from various sources that often have specific restrictions on how they can be spent:

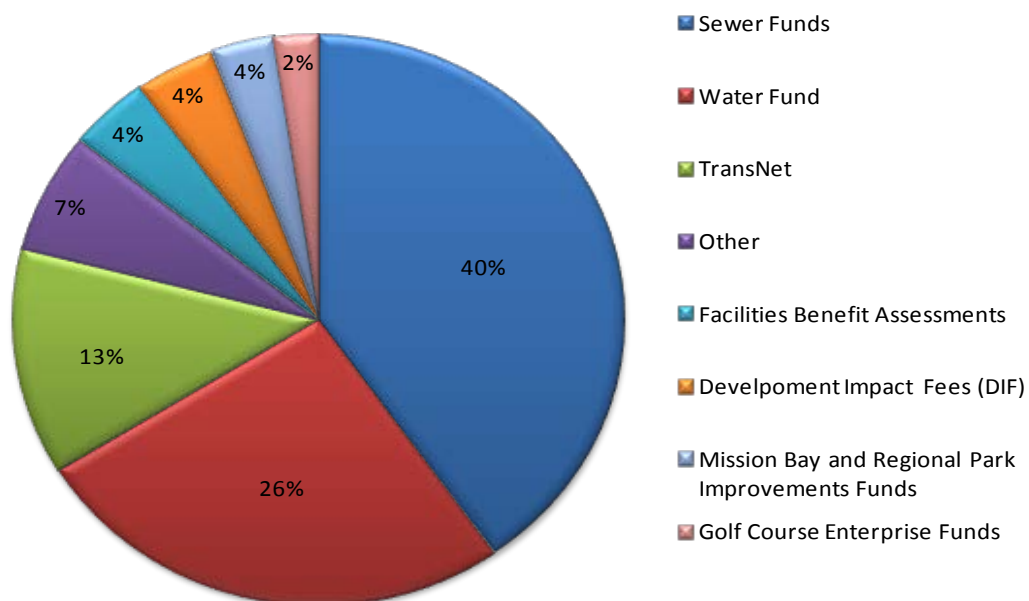
Types of projects – Many funding sources must be spent on a specific project or asset type. For example, enterprise funds—including the airports, golf course, and water and sewer funds— can only be spent on projects to improve or maintain the condition of the assets for which the fees were collected.

Geographic location – Development Impact Fees (DIF), Facilities Benefits Assessments (FBA), and Park Service District funds generally must be used within the specific community or district where they were collected.

Contracts – Often funding sources have restrictions written into the contracts. For example, projects that are even partially funded by federal and state grants are required to use prevailing wages for the entire project, which increases the overall cost.

As a result of these restrictions, there is relatively little discretionary funding available and some asset types or departments have significantly more funds than others. For example, as shown below, Public Utilities represents about 66% of the total FY 2014 CIP Budget. These funds are supported by water and sewer rates and can only be used for capital improvements to the City’s water and sewer systems.

**Projects by Funding Source;
Percent of Total Budget (\$ 179 million)**



Other category includes Airport Funds; Bus Stop Capital Improvement Fund; Developer Funding; Donations; Energy Conservation Program Fund; EGS Funds; Grant Funding; MADs; Park Service District Funds; Prop 42 funding; Qualcomm Stadium Fund; Refuse Disposal Fund; and Trench Cut Fee Fund

Funding Source	Description and Restrictions	FY 2013 Budget <i>Millions</i>	Percent of Total Budget
Airports Fund	The Airports Fund is an enterprise fund that includes revenue from the operations of the Montgomery and Brown Field Airports and can only be used for capital projects that improve and/or maintain the condition of these airports.	\$ 2.4	1.3
Bus Stop Capital Improvement Fund	This fund receives a portion of bus stop advertising revenue from San Diego's Metropolitan Transit System (MTS). These funds are used for the installation of concrete bus pads or other transit improvements at bus stop locations selected by and located in the City.	\$ 0.1	0.05
Developer Funding	Developer funding includes contributions from developers to support CIP projects to satisfy conditions placed on development and are usually restricted to certain projects or project types within specific areas.	\$ 1.3	0.7
Development Impact Fees (DIF)	DIF includes fees assessed on developers to mitigate the impacts of development on a community and must be used in the same community that they were assessed to expand existing or build new City facilities that support the increased population. Communities that are at or near build out collect impact fees on infill or revitalization efforts. DIF generally provides less than 10% of the funding needed for identified public facilities. DIF is collected upon building permit issuance and can be used to fund community Police, Fire, Library, Park & Recreation, and Transportation facilities.	\$ 7.5	4.2
Donations	Projects may be funded by contributions or donations from private sources, such as residents, developers, private organizations and businesses.	\$ 0.1	0.05
Energy Conservation Program Fund	The Energy Conservation Program Fund is an internal fund that includes funding from City departments, grants, and rebates. This fund must be used to support energy costs at City facilities and to implement conservation programs.	\$ 0.2	0.1
Environmental Growth Funds	A portion of franchise fee revenue from the transmission and distribution of gas, electricity, and steam is allocated to this fund, and used for environmental preservation and enhancement.	\$ 0.4	0.2
Facilities Benefit Assessments (FBA)	Generally provides 100% of funds for public facilities projects which service a designated area of benefit and are identified in the PFFP. Fees are paid on the actual development when permits are issued. Available revenue from FBAs is projected based on anticipated development, among other things. Given the economic downturn over previous years, FBA revenue has been less than anticipated which has resulted in a delay in funding projects in communities' Public Facilities Financing Plans. The available FBA revenue is prioritized based on the project schedule in the financing plan.	\$ 7.8	4.6

Funding Source	Description and Restrictions	FY 2013 Budget <i>Millions</i>	Percent of Total Budget
Grant Funding	Some projects are entirely or partially funded by grants and reimbursements from the State and federal government, as well as other agencies. For the FY 2014 Adopted Budget, grant funding from the State of California Department of Housing and Community Development is included to fund the creation of parks to support affordable housing.	\$ 0.8	0.5
Maintenance Assessment Districts	Property owners in Maintenance Assessment Districts pay fees to be used for capital improvements, maintenance, services and activities within their specific district/community.	\$ 1.3	0.7
Mission Bay Improvements Fund	The Mission Bay Improvements Fund includes revenue from Mission Bay rents and concessions and may only be spent for capital improvements within Mission Bay Park.	\$ 3.1	1.7
Park Service District Funds	Park Service District Funds must be used for capital park improvements within the specific districts, but all remaining funds are being exhausted in FY 2013 since these Funds have been replaced by DIF and Facilities Benefits Assessments.	\$ 0.2	0.1
Proposition 42-Transportation Relief Fund	This revenue is collected from a portion of the gasoline sales tax and is used for transportation purposes.	\$ 2.0	1.1
QUALCOMM Stadium Fund	This fund receives revenue from hosted events at Qualcomm. Revenue is used for regular upgrades and renovations to the stadium.	\$ 0.8	0.4
Refuse Disposal Fund	The Refuse Disposal Fund is an enterprise fund that includes revenues from the operation of the City's active landfill (Miramar). Funding is restricted to operation and maintenance of the active and inactive landfills and for capital projects needed to ensure regulatory compliance.	\$ 0.6	0.3
Regional Park Improvements Fund	The Regional Park Improvements Fund includes revenues from Mission Bay rents and concessions and may only be used for capital improvements to regional parks.	\$ 3.0	1.7
Sewer Funds	The Metropolitan and Municipal Sewer Funds include revenue from sewer rates, bond financing, state revolving fund loans, and grants and must be used for capital projects to improve the sewer system and comply with a Consent Decree and the Clean Water Act.	\$ 72.2	40.2

Funding Source	Description and Restrictions	FY 2013 Budget <i>Millions</i>	Percent of Total Budget
TransNet	The TransNet Fund includes revenue from the City's share of a one-half cent local sales tax that can only be used for projects in the City's right-of-way which include roadway improvements, bicycle facilities, bridges, pedestrian facilities and traffic signals. 70% must be used for capital projects and 30% may be used for maintenance.	\$ 23.0	12.8
Trench Cut/Excavation Fee Fund	This fund collects revenue from Street Damage Fees which are assessed on utilities that excavate in the public right-of-way. These funds are intended to recover costs of the additional resurfacing and repairs needed to mitigate the impact of the excavation.	\$ 2.0	1.1
Water Fund	The Water Fund is an enterprise fund that includes revenue from water rates, bond financing, state revolving fund loans, and grants and must be used for capital improvements to the City's water system and to meet State and federal requirements for water quality.	\$ 46.6	26.0
TOTAL		\$ 179.4	100%

Source: The City's Financial Management Department and IBA analysis of the FY 2014 Adopted Budget

IMPORTANT FACTS: CIP FUNDING

- ✚ Given limited available funding, the majority of the CIP budget has funded ongoing projects and only a small portion has been used to begin new standalone projects. For example, the FY 2014 CIP Budget includes 112 projects, 16 of which are new standalone projects. Project numbers for standalone projects begin with the letter “S” in the budget.
- ✚ The CIP Budget also includes annual allocations which are essentially pots of monies that may be used to fund ongoing maintenance and repair projects throughout the fiscal year. These are typically smaller projects that are expected to last for less than one year. The FM Director and City Comptroller set caps for these projects at \$8 million for enterprise-funded projects and \$2 million for other projects. Project numbers for annual allocations begin with the letter “A” in the budget.
- ✚ The City uses “phased funding” for CIP projects which is a good cash management practice. For example, a project will be started when it has sufficient funds to complete planning and design. The remaining funds needed for project completion are shown in the budget as “unidentified funding.” It is anticipated that funding to complete the construction of the project will be identified when it is needed in a future fiscal year. In some cases, funding cannot be identified when needed which can cause projects to be put on hold. The projects are generally shown in the CIP budget as “unfunded or underfunded.”
- ✚ Although about \$11.5 million of General Fund money was used to fund CIP projects in FY 2013, this was due to the unexpected surplus in FY 2012 and the amount of General Fund money available in future years may be much less.
- ✚ Even though the General Fund is generally not used to fund CIP projects, new or expanded infrastructure will frequently increase operations and maintenance costs for the asset-owning department. For this reason, department staff are required to include the estimated impact to the General Fund for each proposed CIP project.

Other Funding Sources

In addition to the funding sources used in FY 2013, the City has used or could potentially use several other sources to fund capital improvements projects. Most of these have restrictions on how they can be spent.

Federal and State Grants – The federal and state governments provide grant funds for capital improvements projects.

- ✚ For example, the U.S. Department of Housing and Urban Development provides funds each year through the **Community Development Block Grant (CDBG) Program** to benefit low and moderate income citizens through

IMPORTANT FACTS: CDBG

The City will be developing its 2015-2019 Consolidated Plan this year which outlines the City’s goals, objectives, and priorities for allocating CDBG funds.

The City runs an email distribution list in order to keep interested parties informed about the CDBG allocation process. If you would like to be included in this list, please send a message to CDBG@sandiego.gov stating “please add me to the list” and provide your e-mail address.

improvements to local communities. These funds have certain restrictions on how they can be spent, for example, funds cannot be used for project planning and design or project delivery costs. Because of these restrictions CDBG funds need to be used in conjunction with other funds, like DIF. The City will have about \$14.7 million in CDBG funding in FY 2014 for public services, community economic development and CIP projects. Note that this amount may change based on a number of factors, such as changes to projects which have been allocated funds.

Capital Outlay Fund – The capital outlay fund includes proceeds from the City’s land sales. The current Mayor has generally dedicated these funds for Americans with Disabilities Act (ADA) projects. For example, in FY 2013 about \$2 million of capital outlay funds were paired with funds from the second deferred capital bond to fund ADA projects.

Municipal Bonds – Bonds are issued by state and local governments to finance funds for public works projects. Bonds proceeds may be used to construct or expand capital infrastructure, but cannot be used for operations or maintenance purposes. There are two types of municipal bonds typically used to finance public infrastructure—revenue bonds and general obligation (GO) bonds. The difference between the two is the source of repayment of the debt financing (which includes principal and interest).

✚ **Revenue Bonds** – A revenue bond guarantees repayment solely from revenue generated by a specified entity associated with the purpose of the bonds, rather than from a tax increase. Revenue bonds may carry a slightly higher interest rate, because the revenue source is perceived to be slightly less secure than that of GO bonds, which are considered the most secure type of municipal bonds. Revenue bonds are typically issued for a term of 20 to 30 years. Since debt service payments are made from the General Fund, each time the City issues this type of bond, it adds a long-term obligation to the already overly burdened General Fund.

The City issued two of six planned lease revenue bonds for deferred capital which are backed by the General Fund.

- The first bond issuance was for \$103 million in March 2009 and about \$97 million or 93% of funds were drawn down as of April 2013.
- The second issuance was for \$75 million in June 2012 and about \$28 million or 32% of funds were drawn down.
- ☆ ➤ The City is issuing an additional \$35 million in lease revenue bonds to fund certain CIP projects in July 2013.

🚧 **General Obligation (GO) Bonds** – GO bonds are backed by the full faith and credit of the issuing municipality, including the ability to raise taxes to make debt financing payments. GO bonds require two-thirds voter approval and are typically the least expensive type of debt available to municipalities. Lower rates will significantly reduce the final costs of capital improvements projects as the bonds are paid off over a 20 to 30 year period.

Public-Private Partnerships (PPP or P3) – A P3 is when a public agency partners with one or more private entities to share responsibility for the completion, management and/or financing of a public project, such as public transportation networks, parks and convention centers. P3s have been used extensively by Canada and other countries to fund infrastructure projects. While used to a lesser extent in the

IMPORTANT FACTS: P3S

President Obama is encouraging private investment to address the nation's significant infrastructure needs through the **Rebuild America Partnership**.

The Federal Highway Administration encourages the consideration of P3s in the development of transportation improvements and notes that early involvement of the private sector can bring creativity, efficiency, and capital to address complex transportation problems facing state and local governments.

Cities like Los Angeles, New Orleans and Long Beach have been recognized for their use of P3s.

IMPORTANT FACTS: GO BONDS

The City of San Diego and many other California cities have a two-thirds voter-approval requirement to finance projects through GO bonds. Some cities only have a majority voter-approval requirement.

Cities like San Francisco, San Antonio, and Phoenix have successful GO bond programs to finance capital improvements to streets, parks, public buildings, and other types of infrastructure. In these cities, Citizens' GO Bond Oversight Committees have been used to develop community priorities and provide independent oversight of bond fund spending.

United States, P3s are increasingly being considered as another source of funding for infrastructure projects that does not require tax increases (although may require user fees depending on the project).

The U.S. Governmental Accountability Office ([GAO-08-44](#)) reported that Highway P3s have resulted in advantages from the perspective of state and local governments, such as the construction of new infrastructure without using public funding, but there are also potential costs and trade-offs. Therefore, significant up-front analysis is needed to determine whether a P3 is in the public interest.

Crowdfunding – Crowdfunding involves contributions, usually through the Internet, to finance a particular project or venture. Generally, Crowdfunding involves the collection of small contributions through many parties and provides individuals with the option of contributing just to the project(s) that they support.

Project Prioritization and CIPRAC

Because the City’s infrastructure needs exceed available funding, department staff must prioritize capital improvements projects. Asset owning department staff provide a ranking for each project based on [Council Policy 800-14](#) which includes guidelines and two sets of weighted factors—one for transportation projects and one for non-transportation projects, as shown below.

- ☆ Based on lessons learned from the application of the ranking factors and recommendations from the City Auditor (OCA-11-027 and OCA-12-001), Public Works staff have been working with asset-owning departments and the Community Planners Committee (CPC) to revise and improve upon the existing priority ranking factors. These will be included in a Mayoral Directive and presented to the Infrastructure Committee after approved by the Mayor, potentially in September 2013.

Priority Ranking Factors (Council Policy 800-14)

Transportation	
Health & Safety	25%
Capacity & Service (Mobility)	20%
Project Cost & Grant Funding Opportunity	20%
Revitalization, Community Support, & Community Plan Compliance	15%
Multiple Category Benefit	10%
Annual Recurring Cost or Increased Longevity of Asset	5%
Project Readiness	5%

Non-transportation	
Health & Safety Effects	25%
Regulatory or Mandated Requirements	25%
Implications of Deferring the Project	15%
Annual Recurring Cost or Increased Longevity of Asset	10%
Community Investment	10%
Implementation	5%
Project Cost & Grant Funding Opportunity	5%
Project Readiness	5%

Given the funding constraints discussed above, CIP projects typically do not compete across different project categories, funding sources, or project phases. CIPRAC reviews projects and their ranking scores that were submitted by asset-owning departments during the budget process. In rare cases when there is available discretionary funding or projects’ ranking scores are tied, CIPRAC assesses the needed projects and proposes which project(s) should receive the funding to the Mayor. CIPRAC makes an effort to assign funds to projects that will make the project whole, for example to enable a partially funded project to be completed, and spend the funds more quickly.

Budgeting for the CIP

Budget Overview

A budget represents an organization’s forecast of the revenues it will receive and expenditures it will incur in the upcoming year. Similar to many large cities, the City of San Diego’s Budget includes an Operating Budget and a CIP Budget. The Operating Budget provides an outline of how the monies coming into the City will be spent to operate and maintain City functions and services, including public safety and parks and recreation. In contrast, the CIP Budget allocates available revenue for capital projects to rehabilitate, improve, or build new public infrastructure, such as streets, libraries, parks, and water pipes.



Cities separate the CIP Budget because capital infrastructure projects are generally large and expensive, take multiple years to complete, and require special financing sources outside the City’s General Fund.

CIP Budget Process and Calendar

The annual CIP budget is the City’s mechanism for getting projects approved and implemented. The City’s budget takes many months and follows the guidelines and timeline established by the City Charter and [City Council Budget Policy 000-02](#). Although developed in conjunction with the Operating Budget, the CIP budget process generally begins earlier than that of the Operating Budget. In previous years, the CIP budget process was initiated in October with:

- ✚ The Public Works Department reviewing the status of ongoing CIP projects, and
- ✚ Asset-owning departments identifying and prioritizing their capital needs.

Because the City of San Diego has a strong mayor form of government, the budget is proposed by the Mayor with input from the City Council and public. The FY 2015 budget calendar is shown on page 26.

The CIP Budget Document for FY 2014

The CIP Budget is a “rolling” CIP which means that it includes five years of funding for: (1) projects started in previous years that are ongoing, and (2) new projects starting in the current fiscal year. Currently, the CIP Budget does not include all of the City’s unfunded needs or new projects starting in later fiscal years, but these will be included in the Multi-Year Capital Improvements Plan which is early stages of development. The

table below shows funds included in the FY 2014 Proposed CIP Budget by department or division. We show the Proposed Budget because all data is not yet available from the Adopted Budget.

- ✚ **“Prior Years”** includes a total of about \$3 billion of funding for ongoing CIP projects that was approved by the City Council in prior-year CIP budgets. This amount includes both funding that has been expended or designated for a specific purpose (encumbered) and carryover funding (continuing appropriations).
- ✚ **“FY 2014 Proposed Budget”** includes a total of about \$172 million of funds for new and ongoing projects that were approved by the City Council in June 2013.
- ✚ **“Future Years”** includes about \$3 billion in estimated funding that will be needed to complete existing projects and new projects approved in FY 2014. This funding is anticipated to be approved by the City Council in applicable future year budgets.
- ✚ The **“Total”** of around \$6 billion represents the City’s past, present, and future commitment for implementing ongoing and new CIP projects.

Millions of Dollars

Department or Division	Prior Years	FY 2014 Proposed Budget	Future Years	Total
Airports	\$ 15.8	\$ 0	\$ 15.8	\$ 31.6
Department of Information Technology	2.0	0	0	2.0
Environmental Services	95.8	0.6	2.3	98.7
Fire-Rescue	42.6	0.2	77.5	120.3
Library	217.3	1.1	84.4	302.8
Office of the Chief Operating Officer	1.0	0	0	1.0
Park & Recreation	165.1	16.2	203.8	385.1
Police	3.3	0	9.2	12.5
Public Utilities	1,330.8	119.7	1,047	2,497.5
Public Works-General Services	76.1	1.2	138.0	215.3
QUALCOMM Stadium	1.5	0.8	3.8	6.1
Special Promotional Programs	2.7	0	0	2.7
Transportation & Storm Water	1,048.6	31.8	1,499.9	2,580.3
Total	\$ 3,002.6	\$ 171.6	\$3,081.7	\$6,255.9

☆ **Newly Formalized Process for Obtaining Public Input on Infrastructure Needs and Priorities for the CIP Budget (and Future Multi-Year Capital Improvements Plan)**

Public involvement and support in an infrastructure improvement strategy is vital to its success—both in providing input on community needs and priorities and helping to identify and support future financing efforts so that Citywide and community goals can be achieved. Ultimately, citizens will play a critical role in helping the City to identify and implement a more comprehensive solution to address infrastructure problems.

Results from FY 2014 - In August-November, 2012 Public Works staff led the first ever process for obtaining public input on ongoing and needed capital projects for the FY 2014 CIP Budget through the Community Planners Committee (CPC). City staff—including Public Works and FM—provided important education and training for Community Planning Group leaders and interested representatives in September 2012 on the CIP and budget process which helped establish realistic expectations of available funding for projects. During the training, Public Works staff also distributed lists of existing projects for each community planning area and posted departmental lists of unfunded needs and condition assessments on [CPC's website](#). Despite a short timeframe, 29 of the 42 Community Planning Groups recommended a total of about 225 projects.

Since there is relatively little discretionary funding only 10 of the requested projects have been funded in the FY 2014 Budget, as shown on the next page. Community Planning Groups also prioritized/recommended several ongoing or existing CIP projects, such as continuing design of the Mission Hills-Hillcrest Library.

☆ It is important to note that a Multi-Year Capital Improvements Plan, which is currently in the early stages of development, will make the public input process and results more rewarding and transparent. City staff will be able to more effectively plan to include community recommended projects over five years rather than in annual budget. More importantly, the City can use the Multi-Year Capital Improvements Plan to identify priority unfunded needs and develop strategies for financing these needs, such as a General Obligation Bond Program or Public-Private Partnerships, so that infrastructure problems are more comprehensively addressed.

Community-Recommended Projects Included in the FY 2014 CIP Budget

Sidewalks

1. 63rd Street from Broadway to Imperial Avenue – Install new sidewalk on both sides
2. Bernardo Center Drive from Bernardo Center Court to Escala Drive – Install new sidewalk on east side
3. Rancho Bernardo Road from Via del Campo to Matinal Road – Install new sidewalk on south side
4. Genesee Avenue from Mt. Herbert Avenue to Chateau Drive – Install new sidewalk on east side

Streetlights

5. Beyer Boulevard west of Fantasy Lane 175' – Install streetlight west side
6. East Beyer Boulevard north of Hill (SB) Street 175' – Install streetlight east side
7. Hill (SB) Street north of Beyer Boulevard 150' – Install streetlight east side
8. Kelton Road north of Kelton Place 250' – Install streetlight west side
9. Kelton Road north of Kelton Place 500' – Install streetlight west side
10. Kelton Street at Kelton Court – Install Streetlight

FY 2015 – Council District 5 led the development of a Council Policy (000-32) to formalize the public input process, which was approved by Council on June 18, 2013. The round of public input for the FY 2015 CIP Budget cycle was kicked off during the June 2013 CPC meeting. The calendar on the next page includes key dates and steps in the CIP budget process for FY 2015.

CIP Budget Calendar (FY 2015)	
July-August	Education and outreach to the public via the Community Planning Groups. One training session will be conducted in each of the nine Council Districts.
July-October	Community Planning Groups conduct outreach and gather recommended CIP projects and submit to CPC (September 24). CPC compiles and forwards list to the City (October).
November-January	Asset-owning department staff assess projects requested by public. Asset-owning departments submit proposed projects and requested funding to Financial Management (FM). FM confirms availability of requested funds. CIPRAC reviews proposed projects and funding requests, may make adjustments, and submits for Mayor’s approval.
January-March	FM works with asset-owning departments and prepares Proposed Budget.
April 15	Mayor releases Proposed Budget to the Public.
May	City Council holds public budget hearings, including separate CIP hearing . Council may recommend changes to Proposed Budget. Mayor’s May Revision to Proposed Budget released.
June	City Council reviews final modifications and approves budget.
July 1	New Fiscal Year begins.

City staff will conduct education and outreach sessions for Community Planning Groups and all interested citizens in July and August 2013; one session will be held in each of the nine City Council districts. These sessions are important to provide an education on the CIP and budget process and establish realistic expectations of available funding for projects. The schedule of training sessions is shown on the next page.

During the training, Public Works will distribute lists of existing projects including project information, such as the amount of funding needed for completion, for each community planning area. Additionally, lists of unfunded needs from asset-owning departments, such as Transportation & Storm Water, and existing condition assessments are available on the CPC’s website: <http://www.sandiego.gov/planning/community/cpc/resources.shtml>

Community Planning Groups have been asked to expand their outreach to the community and to discuss community infrastructure needs and priorities over at least two meetings. Interested citizens can review this information, discuss and establish priorities within their Community Planning Groups. The groups will forward the community's recommendations to CPC by no later than September 24th. The CPC will subsequently compile this information and submit it to E&CP staff in November.

Training and Education Sessions for the Public for FY 2015 CIP Budget Input Cycle

Council District	Date/Time	Location	Notes
1	Wednesday, July 24th at 6:30PM	Nobel Library North University City 8820 Judicial Drive, San Diego 92122 858-581-9637	Library closes at 8pm.
2	Tuesday, July 30th at 6:30PM	Pacific Beach Library 4275 Cass St., San Diego 92109 (858) 581-9934	Library closes at 8pm.
3	Wednesday, July 31st at 6:30PM	Balboa Park War Memorial Bldg Room 3 3325 Zoo Drive, San Diego	No library in District 3 with a meeting room.
4	Wednesday, August 14 at 6:30PM	Valencia Park/Malcolm X Library 5148 Market Street, San Diego 92114 (619) 527-3405	Library closes at 8pm.
5	Tuesday, August 27th at 6:30PM	Scripps Miramar Ranch Library 10301 Scripps Lake Dr., San Diego 92131 (858) 538-8158	Parking lot is very small; please park off site/on street parking. Library closes at 8pm.
6	Wednesday, August 28th at 6:30PM	North Clairemont Library 4616 Clairemont Dr., San Diego 92117 (858) 581-9931	Library closes at 8pm.
7	Tuesday, August 13th at 6:30PM	Serra Mesa-Kearny Mesa Library 9005 Aero Dr., San Diego 92123 (858) 573-1396	Library closes at 8pm.
8	Wednesday, August 7th at 6:30PM	Otay Mesa-Nestor Library 3003 Coronado Ave. San Diego CA 92154 (619) 424-0474	Library closes at 8pm.
9	Tuesday, August 20th at 6:30PM	City Heights/Weingart Library 3795 Fairmount Ave., San Diego 92105 (619) 641-6100	Library closes at 8pm.

Implementation of CIP Projects

Project implementation includes management and oversight of projects from initiation through project completion. For efficiency purposes, the implementation and management of CIP projects is centralized in the Public Works Department (formerly Engineering & Capital Projects). Public Works is currently managing over 90% of the 912 ongoing and new projects, many of which are large, expensive, and take multiple years to complete. The remaining 10% generally have specialized needs and are managed by the asset-owning departments, such the Environmental Services Department.

Following approval of the budget, project implementation will continue or move to the next phase for ongoing projects and new projects will be initiated. The project implementation phases generally depend on the contracting method being used. The City uses the “Design-Bid-Build” method for the majority of CIP projects. This method generally entails either designing the project in house or hiring a consultant for design and then going through the bid and award process for the construction contract. The implementation phases for this method are shown on the following page.

The City also uses other contracting methods when appropriate, such as Design-Build—where the design and construction are included in one contract; emergency contracting; and sole source contracting.

IMPORTANT FACTS: PROJECT IMPLEMENTATION

- ✚ CIP projects are generally large and expensive and take multiple years to complete.
- ✚ The Public Works Department is generally not involved in identifying capital needs or funding—this is primarily the responsibility of asset-owning departments, like Transportation & Storm Water or Park & Recreation, in concert with the Mayor, City Council, and other City departments. Public Works’ role is to implement projects once they have been approved in the CIP Budget.
- ✚ Original estimated costs of CIP projects are revised by Public Works during the Design when the project scope is refined and more detailed information is known on environmental and historical impacts and other issues.
- ✚ Public Works launched a CIP website in May 2012 that provides information on ongoing CIP projects via an interactive map. <http://www.sandiego.gov/cip/index.shtml>
The website also provides information on the award of and contracts for CIP projects. Some of the bugs are still being worked out, and Public Works staff are welcoming suggestions for what to include on the website to enhance transparency for the public. Contact: 619- 533-4207 or engineering@sandiego.gov.

Project Initiation

Asset-owning departments determine preliminary scope of project, confirm funds, and submit to Public Works.



Planning/Pre-Design

Public Works develops the preliminary scope of work and cost and schedule estimates; conducts needed research, surveys, and preliminary reviews; refines the priority score of project; and confirms funds.



Design

Public Works conducts design studies, investigations, and calculations; develops final construction plans, specifications, and engineer's estimates and related construction costs; conducts community outreach and notification; performs constructability review and related studies; acquires needed land or easement.



Construction Bid & Award

Public Works determines contract specifications, advertises projects for construction bids, conducts technical evaluation committee, and selects most responsive and responsible bidder.



Construction

Public Works oversees construction of project; performs quality assurance and control; tests construction materials; and manages project scope, cost, and schedule. Asset-owning department attends final walk-through.



Post-Construction

Public Works conducts warranty inspections; files project plans and drawings with the City Maps and Records Section; and provides long-term monitoring and reporting of environmental mitigation. The Comptroller's Office capitalizes the asset.

Improvements to Project Implementation

The City has taken steps to streamline the project implementation process and improve transparency of CIP projects for the City Council and the public.

Restructuring of Public Works Contracting – In the summer of 2012, Public Works Contracting was restructured from the Purchasing & Contracting Department to the Public Works Department to streamline the contracting process and reduce the time it takes to complete projects. Public Works convened a workshop with stakeholders to flowchart the contracting process, identify ways to reduce duplication, and obtain commitment on turnaround time from offices involved, such as the City Attorney’s Office and Equal Opportunity Commission. Public Works also established goals for reducing bid and award time and began tracking progress. As a result, the time for contract bid and award has been reduced from 6-8 months to 90 days which is the industry standard.

CIP Streamlining and Transparency – Public Works led an initiative to expedite the process of authorizing contracts and allocating resources and increase transparency of the CIP. The initiative, approved by the City Council in the spring of 2012, resulted in changes to the Municipal Code and development of a new [City Council Transparency Policy \(000-31\)](#). The following measures are included:

- ✚ City Council approval thresholds are increased for various types of contracts and agreements.
- ✚ Projects approved in the CIP budget not required to go back to Council to approve award of a consultant or construction contract, unless specifically requested by Council.
- ✚ Public Works is authorized to use Multiple Award Construction Contracts (MACC) for implementation of certain CIP projects (design and construction services for water, sewer, and storm drain pipeline projects). MACCs are contracts awarded as a result of a single solicitation that results in the award of task orders to multiple contractors.
- ✚ Beginning with the FY 2013 budget, the City Council dedicates a lengthy budget hearing specifically to the CIP.
- ✚ Savings from completed CIP projects are authorized to be transferred to projects on the “cascade” list of priority projects needing funds in the approved budget.
- ✚ Public Works will report on the State of the CIP to the City Council annually and is available to present to Committees or the full Council upon request.
- ✚ Public Works will maintain a [CIP Website](#) with project information, including contract award information that will be updated quarterly.

☆ ***CIP Streamlining – New Decision Process for Site Development and Coastal Development Permits*** - Site Development Permits (SDP) for environmentally sensitive lands and Coastal Development Permits (CDP) represent the majority of permits

required for construction of CIP projects. The Development Services Department led an effort to revise the decision making processes and permit requirements for an SDP and a CDP. The streamlined process is anticipated to reduce permit processing time by 1 ½ to 2 ½ months, and savings per capital project are estimated to be \$5,000 to \$30,000 per project. This item was discussed at Infrastructure Committee on June 24, 2013 and will be heard at Council on July 29, 2013.

Accountability and Oversight

City Council

As the legislative branch of government, the City Council are responsible for setting policy direction; enacting, reviewing, and modifying legislation as appropriate; and adopting the annual budget. The Legislative Branch provides a check and balance to the City's Executive Branch, which is run by the Mayor. As part of CIP streamlining measures adopted by the City Council in March 2012, Public Works staff will report to the City Council on the status of the CIP annually and are available to present to Committees or the full Council upon request.

- ☆ The City Council revised its Committee structure in December 2012 to create an Infrastructure Committee to bring needed focus to priority issues in the City. The new Committee structure retains seven Council committees to help Council Members analyze specific legislative matters in a focused and efficient manner.

In addition to the Infrastructure Committee, the Budget and Finance and Audit Committees are specifically charged with overseeing major components of City financial operations.

Infrastructure Committee

The new Infrastructure Committee will focus on the Capital Improvement Program (CIP), creation of a Multi-Year Capital Improvement Plan, Asset Management, additional streamlining opportunities, infrastructure financing strategies, and community CIP hearings, among other related topics. The Committee generally meets on the last Monday of the month at 9:00 am. The Committee is chaired by Council Member Mark Kersey and membership includes Councilmember Myrtle Cole as Vice Chair and Council Members Marti Emerald and Scott Sherman.

The Seven Council Committees

- 1) Budget & Finance Committee (B&FC)
- 2) Audit Committee
- 3) Public Safety and Neighborhood Services (PS&NS) Committee
- 4) Land Use and Housing (LU&H) Committee
- 5) Rules and Economic Development Committee (R&ED)
- 6) Natural Resources and Culture (NR&C) Committee
- 7) Infrastructure Committee

Budget & Finance Committee

The Budget and Finance Committee oversees (1) issues that directly impact both the

operating and capital budgets and (2) the annual budget development process including the public budget hearings held each May. During budget hearings, City Council Members may request that specific projects be brought back to Council prior to awarding the contract. These Committee meetings also allow members of the public to ask questions of City staff, provide input to Committee members relating to the annual budget, and provide an opportunity for the Council to thoroughly analyze any budget issues.

Audit Committee

The Audit Committee provides independent legislative oversight of the City's accounting and financial processes.

CIP Website

Also as part of CIP streamlining measures, the E&CP must maintain a website which will be updated quarterly to provide transparency over the CIP. <http://www.sandiego.gov/cip/index.shtml>

Financial Management Department

The Financial Management (FM) Department provides services to the Mayor and serves as an internal financial consultant to other City Departments. FM prepares the proposed and adopted operating and CIP budgets in accordance with the City Charter. During the fiscal year, FM monitors the City's expenses and revenues receipts, oversees budget transfers and adjustments, and reviews requests for City Council and Mayoral actions for both the operating and CIP budgets. FM also develops the City's Five-Year Financial Outlook.

Jeff Sturak
Director, Financial Management
[202 C Street](#), 8th Floor
San Diego, CA 92101
Phone: (619) 236-6060
Fax: (619) 533-3215
Email: financial_management@sandiego.gov

Office of the City Comptroller

The Office of the City Comptroller is responsible for providing oversight of City fiscal management through the City Comprehensive Annual Financial Report. In addition the Comptroller's Office ensures that funds are available for capital projects prior to contract expenditures and capitalizes assets when projects are complete.

Ken Whitfield
City Comptroller
202 C Street, MS-6A
San Diego, CA 92101
Email: comptroller@sandiego.gov

City Attorney's Office

The City Attorney serves the citizens of San Diego as the Chief Legal Advisor and misdemeanor prosecutor. The Advisory Division provides legal advice to City departments.

Jan Goldsmith
City Attorney
1200 Third Ave., Suite 1620
San Diego, CA 92101
Phone: (619) 236-6220
Fax: (619) 236-7215
cityattorney@sandiego.gov

Office of the Independent Budget Analyst (IBA)

The IBA objectively and independently provides analysis, reports, and advice on issues that affect the budget. Reports are presented to City Council during budget hearings, Committee meetings, and City Council meetings. Recent infrastructure-related reports are included in the Important Resources section below.

Office of the City Auditor

The City Auditor conducts performance audits, financial audits, and special investigations to promote accountability and improve efficiency and effectiveness. Recent infrastructure-related performance audit reports are included in the Important Resources section below.

Andrea Tevlin
Independent Budget Analyst
202 C Street, Third Floor
San Diego, CA 92101
Phone: (619) 236-6555
Fax: (619) 236-6556
Email: sdiba@sandiego.gov

Eduardo Luna
City Auditor
1010 Second Ave, 14th Floor
San Diego, CA 92101
Phone: (619) 533-3165
Fax: (619) 533-3036
E-mail: cityauditor@sandiego.gov
Fraud Hotline: (866) 809-3500

Important Resources

Documents

[City of San Diego FY 2014 Approved Budget](#)

In June 2013, the City of San Diego approved the FY 2014 Budget which began on July 1, 2013. The budget document consists of three volumes:

1. Budget Overview & Schedules
2. Department Detail for the City's Operating Budget
3. Capital Improvements Program (CIP) Budget

The FY 2014 budget and past year's budgets can be found on the Financial Management Department's (FM) website at www.sandiego.gov/fm/annual.

[City Council Budget Policy 000-02](#)

This Council Policy establishes guidelines and standards relating to the operating and CIP budgets, budgetary controls, and revenues and expenditures.

[City Council Project Prioritization Policy 800-14](#)

The purpose of this Council Policy is to establish an objective process for ranking CIP projects. Asset-owning departments utilize this policy when ranking their needs lists before submitting them to CIPRAC.

[City Council Transparency Policy 000-31](#)

The CIP Transparency Policy establishes the standard requirements for enhancing CIP transparency and improving access to publicly available information related to the CIP. It also establishes the framework for making the information readily available

to interested parties by using a combination of presentations to the City Council, stakeholder meetings, and media including the City's Website.

✦ [City Council Community Planners Committee Policy 600-09](#)

This Policy establishes a citizens' organization responsible in an advisory capacity to the City on those matters related to the General Plan and respective Community Plans. Among other duties, this committee serves in an advisory capacity to the Community Planning Committees to ensure optimal coordination on a comprehensive or citywide basis and promotion of solutions of matters of mutual concern shared among the communities of San Diego.

✦ [City Council Community Planning Groups Policy 600-24](#)

This policy identifies responsibilities and to establish minimum operating procedures governing the conduct of planning groups when they operate in their officially recognized capacity.

✦ [City Council Policy on Neighborhood Input on Infrastructure Needs and Priorities 000-032](#)

This policy formalizes the role and process for neighborhood input on infrastructure needs and priorities for consideration in the City's CIP Budget and [future] Multi-Year Capital Improvements Plan.

Infrastructure –Related Reports

Public Works Department

- ✦ [State of the CIP](#) (Report 13-036, May 22, 2013)
- ✦ [State of the CIP](#) (Report 12-116, October 24, 2012)

Office of the IBA

- ✦ [San Diego Infrastructure Status Report and Important Next Steps](#) (IBA-13-27, June 20, 2013)
- ✦ [Review of Proposal to Require Compliance with the State's Prevailing Wage Laws on all City Public Works Projects](#) (IBA-13-26, June 18, 2013)
- ✦ [Asset Management: Citywide Practices for Maintaining Infrastructure and Identifying Capital Needs](#) (IBA-13-16, March 15, 2013)
- ✦ [2013 Lease Revenue Bonds - \\$30 Million Capital Improvement Projects Financing: Background Information and Options for Consideration](#) (IBA-13-15, March 8, 2013)
- ✦ [2013A Lease Revenue Bonds – \\$30M Capital Improvement Projects Financing combined with the Refunding of two Bonds Originally Issued in 2003](#) (IBA-13-10, March 1, 2013)
- ✦ [Street Preservation Ordinance and Damage Fee](#) (IBA-12-51REV, December 3, 2012)
- ✦ [Capital Improvement Program: Public Input and the Need for a Multi-Year Plan](#) (IBA-12-39, September 21, 2012)

- ✦ [Response to Grand Jury Report Titled "San Diego City Street Repair, Funding, and Reforms"](#) (IBA-12-27REV, June 22, 2012)
- ✦ [Deferred Capital](#) (IBA-12-13, March 20, 2012)
- ✦ [Deferred Capital Funding Options](#) (IBA-12-09, Feb. 6, 2012)
- ✦ [CIP Streamlining and Contracting Improvements](#) (IBA-12-04 Update, March 15, 2012)
- ✦ [Deferred Capital](#) (IBA-11-63, Nov. 2, 2011)

Office of the City Auditor

- ✦ [Capital Improvements Program](#) (OCA-11-027, June 2011)
- ✦ [Public Utilities Capital Improvement Program](#) (OCA-12-001, Sep. 2011)
- ✦ [General Services – Facilities’ Maintenance Division](#) (OCA-13-008, Nov. 2012)
- ✦ [Street Divisions Pothole Repair Operations](#) (OCA-12-012, April 2013)

City Contacts

✦ City Council

The San Diego City Council serves as the Legislative branch of City Government that sets policy direction; enacts, modifies, and reviews legislation; and adopts the Annual Budget. Currently, there are nine council districts within the City of San Diego. To see which district your neighborhood falls in visit www.sandiego.gov/citycouncil. Council district contact information is as follows:

District 1 – Sherri Lightner (Council President Pro-Tem)

Email: sherrilightner@sandiego.gov
 Phone: (619) 236-6611

District 2 – Kevin Faulconer

Email: kevinfaulconer@sandiego.gov
 Phone: (619) 236-6622

District 3 – Todd Gloria (Council President)

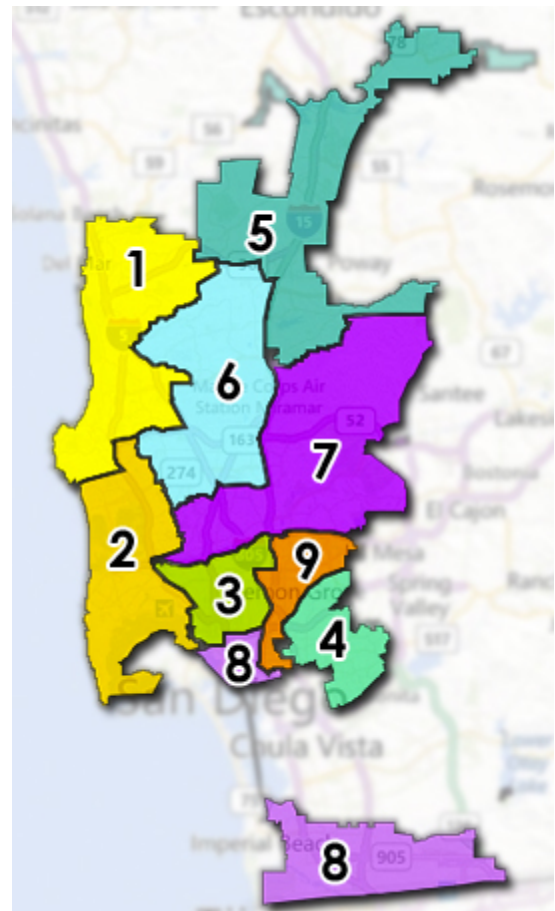
Email: toddgloria@sandiego.gov
 Phone: (619) 236-6633

District 4 – Myrtle Cole

Email: myrtlecole@sandiego.gov
 Phone: (619) 236-6644

District 5 – Mark Kersey

Email: markkersey@sandiego.gov
 Phone: (619) 236-6655



District 6 – Lorie Zapf

Email: loriezapf@sandiego.gov

Phone: (619) 236-6616

District 7 – Scott Sherman

Email: scottsherman@sandiego.gov

Phone: (619) 236-6677

District 8 – David Alvarez

Email: davidalvarez@sandiego.gov

Phone: (619) 236-6688

District 9 – Marti Emerald

Email: martiemerald@sandiego.gov

Phone: (619) 236-6699

✚ Mayor's Office

The Mayor serves as the City's Chief Executive Officer, similar to the governor or the president. Through the Chief Operating Officer, the office oversees the City's daily operations and implements programs and initiatives to carry out the City's policy objectives. The Mayor's office is also responsible for proposing the City's Annual Budget by April 15th of each fiscal year, revising as appropriate after input from the public and City Council through the May budget hearings, and then producing the final Adopted Budget that is approved in June. To contact the Office of the Mayor, call 619-236-6330 or go to the office's website at www.sandiego.gov/mayor.

✚ Public Works Department Public Information Officers (PIOs)

Once a capital project is approved, E&CP is the department that implements, manages, and oversees the project throughout the process. A number of PIOs are utilized to update interested citizens on specific capital projects, and can be contacted via the CIP website's project information hotline: 619-533-4207 or email address: engineering@sandiego.gov.

✚ Office of the Independent Budget Analyst (IBA)

The IBA objectively and independently provides analysis, reports, and advice on issues that affect the budget. Reports are presented to City Council during Council meetings, budget hearings, and Committee meetings. To see IBA reports, presentations, and other related documents, visit: www.sandiego.gov/iba

✚ Asset-owning Department Contacts

In addition to the PIOs that are assigned to some of the departments to provide information about CIP projects, asset-owning departments may also be contacted by interested parties with questions or project input. See departments' websites and contact information in the table below.

Department or Division	Website	Contact Information
Airports Division	www.sandiego.gov/airports	Brown: 619-424-0455 Montgomery: 858-573-1440
Fire-Rescue	www.sandiego.gov/fire	Asst. Chief Ken Barnes 619-533-4302; KBarnes@sandiego.gov
Library	www.sandiego.gov/public-library	Stephanie Gilbert 619-236-5889; SGilbert@sandiego.gov
Park & Recreation	www.sandiego.gov/park-and-recreation	Jim Winter, Project Officer II 619-235-5257; JWinter@sandiego.gov
Police	www.sandiego.gov/police	Lt. Kevin Mayer, 619-531-2675, kmayer@pd.sandiego.gov Detective Gary Hassen 619-531-2900; GHassen@pd.sandiego.gov
Public Utilities	www.sandiego.gov/publicutilities	Arian Collins, Supervising PIO 619-527-3121; ACollins@sandiego.gov
Public Works- General Services	www.sandiego.gov/generalservices	Racquel Vasquez, Senior PIO 619-533-3196; RVasquez@sandiego.gov Pierrette Storey, Senior PIO 619-533-3781; PStorey@sandiego.gov
QUALCOMM Stadium	www.sandiego.gov/qualcomm	Stadium Contact: 619-641-3100 stadium@sandiego.gov
Real Estate Assets	www.sandiego.gov/real-estate-assets	Division Contact: 619-236-6020
Transportation & Storm Water	www.sandiego.gov/planning/programs/transportation www.sandiego.gov/stormwater	Bill Harris, Supervising PIO 858-541-5354; BillHarris@sandiego.gov
Environmental Services	www.sandiego.gov/environmental-services	Dennis Williams, PIO 858-573-1241; WilliamsDL@sandiego.gov Jose Ysea, PIO 858-573-1291; JYsea@sandiego.gov

Community Groups, Committees and Districts

Community Planning Committee (CPC)

The Community Planning Committee was created to ensure communication between the various Community Planning Groups and to solicit public input on Citywide issues through the CPGs. Each Community Planning Group designates their chairperson to act as their community's representative to the CPC. For information on CPC meeting agendas, minutes and other information visit: www.sandiego.gov/planning/community/cpc

Community Planning Groups (CPGs)

Community Planning Groups act as a formal mechanism for community input in the CIP decision-making process. They give citizens an opportunity for involvement in suggesting projects to the City Council, the Planning Commission, asset-owning departments, and other decision makers. For more information on your community's CPG visit: www.sandiego.gov/planning/community/pdf/cpg/contactlist.pdf

Park & Recreation Committees

Park and recreation boards and committees act as a vehicle for public input to the Park & Recreation board which makes recommendation to City Council via Council or committee meetings. For more information please visit:

www.sandiego.gov/park-and-recreation/general-info

Maintenance Assessment District

A Maintenance Assessment District (MAD) is a portion of a community in which property owners can vote to assess themselves to receive enhanced maintenance, landscaping, and lighting services. These services are above and beyond the City's baseline general services. For more information visit:

www.sandiego.gov/park-and-recreation/general-info/mad.shtml

To see what MAD may exist in your community refer to this

map: www.sandiego.gov/park-and-recreation/pdf/madmap.pdf

Frequently Asked Questions (FAQs)

1. What is the difference between the City's Operating Budget and the CIP Budget?

The Operating Budget provides an outline of how the monies coming into the City will be spent to operate and maintain City functions and services, including public safety and parks and recreation. The Operating Budget is primarily supported by the General Fund and is used for day-to-day recurring expenses for City services and functions. In contrast, the CIP Budget allocates available revenue for capital projects to rehabilitate, improve, or build new public infrastructure, such as streets, libraries, parks, and water pipes. The CIP is funded from various sources that often have restrictions on how they can be spent. For more information refer to pages 14-18 of this Guide.

2. Is the CIP budget a multi-year plan?

The CIP Budget is a "rolling" CIP which means that it includes five years of funding for: (1) projects started in previous years that are ongoing, and (2) new projects starting in the current fiscal year. Currently, the CIP Budget does not include the City's unfunded needs or new projects starting in later fiscal years.

3. Can the City use more funds from the General Fund for CIP projects?

The General Fund is not used as a primary funding source for the CIP budget. Because it is the primary funding source for basic City services, and those funds are limited, General Fund monies are only used for the most urgent capital projects that do not have any other available funding sources. The use of the General Fund for capital projects impacts the operational budgets of the City departments requesting these funds.

- 4. How can I determine if my project is capital in nature?**

Capital improvements projects are construction projects that provide tangible long-term improvements or additions of a fixed or permanent nature; have value; and can be depreciated, such as a new or expanded library, replacement of aging water pipes, or a new streetlight. In contrast, maintenance includes ongoing upkeep and repairs, such as patching a roof, planting trees, painting a building, or replacing carpeting. Asset-owning department staff can provide additional clarification, if needed (see contact information on page 37 of this Guide.)
- 5. Where can I find an asset-owning department's unfunded needs list?**

City staff have posted departmental lists of unfunded needs and condition assessments on CPC's website: www.sandiego.gov/planning/community/cpc/resources.shtml. Contact the asset-owning departments directly if you need more information (see contact information on page 37 of this Guide).
- 6. What is CIPRAC?**

The Capital Improvement Program Review & Advisory Committee (CIPRAC) is an internal decision-making body made up of senior-level officials from City departments (See page 9 of this Guide for member departments). They review projects and corresponding ranking scores submitted by asset-owning departments during the budget process, and make project recommendations to the Mayor for inclusion in the Mayor's budget. Their goal is to ensure that the projects are appropriately ranked from a City-wide perspective, balancing needs and budget with policy objectives.
- 7. Why are CIPRAC's meetings closed to the public?**

CIPRAC is an internal decision-making body of departmental staff, so their meetings are not subject to the same legal requirements for public meetings. CIPRAC meetings occur later in the CIP budget process when project prioritization becomes finalized based on public, City Council, and City department input. Public input should optimally occur earlier in the CIP budget process (see budget process calendar on page 26 of this Guide). Public input on the CIP budget can be made by contacting: asset-owning departments while they are compiling their needs list; your City Council Member; your Community Planning Group; or the Mayor's Office.
- 8. Why do projects with lower priority scores make it into the budget and receive funding over projects with higher scores?**

Although this may differ on a case by case basis, generally this occurs as a result of funding limitations and other rules associated with funds. For example, Water & Sewer Funds can only be expended for water and sewer projects, thus creating a situation where a low scored water or sewer project may be funded before a higher priority scored park or street project.
- 9. How many projects were funded in FY 2014, and how many of those were new projects?**

For the FY 2014 CIP budget, there were 112 projects funded for a total of about \$179 million. Of those 112 projects, 16 are new projects and the others are continued from previous fiscal years.

10. How will I know if a project I am interested is funded?

Projects that are proposed to be funded for the next fiscal year will be released in the Mayor's Proposed Budget by April 15th of the prior fiscal year, per City Charter requirements. The potential releasing a list of funded capital projects before this date (if available) is subject to mayoral policies.

11. What happens to projects that do not make it into the CIP Budget?

Asset-owning departments keep track of their unfunded needs, and any feasible project not selected for implementation remains on the department's unfunded needs list.

12. How can I follow the progress of an approved capital project?

The CIP website, www.sandiego.gov/cip/projectinfo, provides an updated interactive map and tools for public use that displays information on current approved capital projects. You may also contact the corresponding project manager listed in Volume 3 of the City's Adopted Budget – Capital Improvements Program found on the Financial Management Department's website www.sandiego.gov/fm/annual, contact your Council District's office, or contact the asset-owning department.

13. Why would an approved project not have any funding identified for the current fiscal year even though it was identified for funding in previous fiscal years?

The City uses "phased funding" for CIP projects which is a good cash management practice. For example, a project will be started when it has sufficient funds to complete planning and design in order to get it off the ground. The remaining funds needed for project completion are shown in the budget as "unidentified funding."

It is anticipated that funding to complete the construction of the project will be identified when it is needed in a future fiscal year. In some cases, funding cannot be identified when needed which can cause projects to be put on hold. The projects are generally shown in the CIP budget as "unfunded or underfunded." These projects remain in their current implementation phase until more funding can be identified or they are removed from the CIP budget.

14. How is a capital project removed from the CIP budget?

A project comes off of the capital project list (and CIP budget) once it is completed or constructed, or through Council approval.

15. Why do some projects languish without receiving money even though they have been approved as a capital project?

A common cause for this stems from a lack of available or eligible funding. Other issues may be that the proposed project is affected by legal or environmental requirements, or it may lack community support.

16. Who do I contact regarding questions about a project that is unfunded?

If a project has already been approved and initiated, contact Public Works Department Public Information Officers via the CIP website's project information hotline: 619-533-4207 or engineering@sandiego.gov. In addition, Volume 3 of the City's Adopted Budget – Capital Improvements Program, has a project page on each

approved CIP project, including the project manager and their contact information. www.sandiego.gov/fm/annual

17. Is there available funding throughout the year that is not part of the regular budget to do small capital projects?

No additional planned funding is set aside throughout the fiscal year, but state and federal grants or other opportunities may become available. In addition, the CIP Budget includes Annual Allocations which are essentially pots of monies that may be used to fund ongoing maintenance and repair projects throughout the fiscal year. These are typically smaller projects that are expected to last for less than one year.

18. Does the age of a community affect the investments it receives from the City?

The City does not prioritize specific communities over others, but there are two important points related to the age and level of development in a community.

- ✚ First, more established communities will have older assets that may require improvement or replacement. This will increase the priority ranking score of the project.
- ✚ Second, as discussed in more detail on page 13, more established communities that are at or near build out are only able to collect Development Impact Fees (DIF) on developer infill or revitalization efforts. This generally provides less than 10% of the funding needed for identified public facilities. In contrast, communities that are relatively early in their planned development assess fees as development occurs. In this case, the Facilities Benefit Assessment (FBA) provides up to 100% of funds for public facilities projects identified in the community's financing plan.

19. How does the legislation relating to the elimination of redevelopment money affect CIP projects that previously used this funding source?

Many CIP projects have lost their funding source. As a result, they now compete for other funding sources.

20. What qualifies a capital project as an emergency project?

A capital project becomes an emergency project once there is a threat to the lives and safety of the public, such as to replace a failed water main and repair sidewalks streets and other public property damaged by the resultant flooding.

21. When and how can I provide input into the projects that are selected for next year's CIP process?

Citizens can provide input on needed CIP projects through various avenues, including:

- ✚ Contacting your City Council Member www.sandiego.gov/citycouncil;
- ✚ Providing public comment during City Council budget hearings;
- ✚ Contacting staff from the applicable asset-owning department shown in the table below; and/or
- ✚ Attending meetings or contacting representatives from community planning or recreation committees and other groups <http://www.sandiego.gov/planning/involved/how.shtml>.

- ✚ Participating in the newly formalized process to obtain public input on community infrastructure needs and priorities through the CPC (City Council Policy 000-32). This process is discussed in more detail on pages 24-27 of this Guide.

In order to provide input for the following fiscal year, it is most effective to become involved early in the CIP budget process before the asset-owning departments begin to compile and prioritize their needs lists. After the Mayor releases the Proposed Budget by April 15th, the public also has an opportunity for input through budget hearings that are held in May.

Glossary

Asset Management – A recommended practice for effectively and sustainably managing assets at a desired level of service for the lowest life cycle cost. Asset Management provides needed information on existing assets, such as condition and desired level of service, so that City staff can develop optimal strategies for maintenance and rehabilitation or replacement of assets.

Asset-owning Departments - The departments identify, prioritize, and funding for needed projects. For San Diego, this includes the following departments: Airports; environmental Services; Fire-Rescue; Library; Park & recreation; Police; Public Utilities; Public Works-General Services

Bond – A funding tool representing a written promise to pay a specific sum (face value or principal amount) in the future (maturity date), plus interest. In California, municipal government bonds are only used to finance capital improvements.

Capital Asset - Land, structures, equipment, and intellectual property that have an estimated life of one year or more.

Capital Improvement Project – The construction, purchase, or major renovation of buildings, utility systems, and other facilities as well as land acquisition and roadway projects.

Capital Improvements Program (CIP) - The long-range plan for all individual capital improvement projects and funding sources. CIP Projects are unique construction projects that aim to install new, replace old, or rehabilitate existing infrastructure.

CIP Budget - A financial plan of capital projects and the authorized means of their expenditures over a given period of time.

CIP Review and Advisory Committee (CIPRAC) - A committee comprised of senior-level officials from City departments which reviews proposed CIP projects from a Citywide perspective and forwards the proposed budget recommendations for the Mayor's approval.

Community Plan - Community Plans provide land use designations, assign density ranges, and contain detailed policies and guidelines at the community level. They also

identify needed public infrastructure needed to serve the community based on the community's vision and policies in the City's General Plan.

Deferred Capital – Needed capital improvements, refurbishment, or expansion to existing facilities that have been put off. Postponing capital projects is generally due to limited available funding, but often will increase the cost of repairs as the condition of facilities, roadways, and other infrastructure gets worse.

Development Impact Fees (DIF) – Fees that are collected within urbanized communities which are near build-out to mitigate the impact of new development.

Enterprise Funds – Funds established to account for specific services funded directly by fees and charges to users such as water and sewer services. These funds are intended to be self-supporting.

Facilities Benefits Assessments (FBA) – An FBA generally provides 100% of funds for public facilities projects that service a designated area of benefit and are identified in the Public Facilities Financing Plan (PFFP).

General Fund – The City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services.

General Obligation (GO) Bond - GO bonds are backed by the full faith and credit of the issuing municipality, including the ability to raise taxes to make debt financing payments. GO bonds require two-thirds voter approval and are typically the least expensive type of debt available to municipalities. Lower rates will significantly reduce the final costs of capital improvements projects as the bonds are paid off over a 20 to 30 year period.

Grant – A contribution by a government or other organization to support a particular function.

Infrastructure – The basic structures and underlying facilities needed for the functioning of a community and its economy, such as public facilities, streets, roads, bridges, tunnels, parks, storm drains, and water and sewer systems.

Maintenance Assessment District – Property owners within a specified district are assessed for the purpose of financing maintenance of open space areas, street medians, rights-of-way, and in some cases, mini-parks and streetlights.

Maintenance & Repair - The care and upkeep of existing assets, such as resurfacing streets and replacing leaking roofs.

Operating Budget – A budget that identifies revenues and spending for ongoing services and operations, such as police, fire, parks, and libraries.

Public Facilities Financing Plan (PFFP) – PFFPs establish priorities for infrastructure needs that are identified in the related community plan as well as existing and potential funding sources. Generally the plans are funded through Development Impact Fees

(DIF) or Facilities Benefits Assessments (FBA) which are fees assessed on developers to mitigate the impact of new development.

Revenue Bonds – A revenue bond guarantees repayment solely from revenue generated by a specified entity associated with the purpose of the bonds, rather than from a tax increase. Revenue bonds may carry a slightly higher interest rate, because the revenue source is perceived to be slightly less secure than that of GO bonds, which are considered the most secure type of municipal bonds.

Unfunded needs list – A summary of projects with insufficient funding for project completion which identifies both the amount of funding required and the component of work that is not funded. This information can be found by department in the City's CIP budget document.

Unidentified funding – An amount required for project completion, but for which no funding source has been identified. This information can be found in the City's CIP budget document.