

Memorandum

To: Councilmember Jim Madaffer
From: Donald Steele
Date: January 30, 2002
Re: ENVIRONMENTAL GROWTH FUND: REVENUE & BUDGET ISSUES

ISSUE

The revenues derived from the Franchise Tax on the transmission of energy sources within the city authorized by Charter Section 103.12, Environmental Growth Fund (EGF), are presently larger owing to the recent changes in the state's regulatory regime and market forces. There are unallocated revenues this fiscal year, and it is anticipated the level of these revenues may continue at a higher level in subsequent years.

This situation presents the Mayor and City Council the following options regarding the disposition of the unanticipated revenue streams:

1. Allocate the current year surplus and anticipated increased future revenues to the existing programs funded through EGF,
2. Allocate these increased revenues for new programs through EGF,
3. Allocate these increased revenues to both existing programs and fund new programs through EGF,
4. After the Bond Debt is paid off, use these revenues to fund the Multiple Species Conservation Plan (MSCP),
5. Re-negotiate the Agreement with the Franchise Holders so as to maintain the revenues and the revenue stream at current levels, i.e., reduce the tax.

BACKGROUND

City Charter section 103.12 discusses the prescriptions and opportunities provided through the Environmental Growth Fund (EGF). Revenues are derived from taxes levied by the City Council from franchises on the transmission and distribution of gas, steam, and electricity within the City. This Charter provision was approved by a vote of the

people in 1972 by a margin of 53.32% to 46.68%. The argument in favor was supported by Mayor Pete Wilson, Deputy Mayor Floyd Morrow, and Citizens Coordinate-Century 3 Executive Committee Chair John Hobbs. The opposing argument was authored by San Diego Taxpayers Association President Richard Hibbard. Copies of the Charter Section and the ballot supporting information are attached.

The 2/3 portion provides funding to pay off any voter approved bond debt and interest used to acquire, improve, and maintain open space to be used for park and recreational purposes. Presently this portion is used for debt service for bonds approved in the 1970s for open space acquisition. Those obligations should be discharged in ~~2007~~ ²⁰⁰⁹. At that time, this portion can be used to fund projects, programs and/or acquisitions whose purpose is to preserve and enhance the environment of the City deemed appropriate by the City Council.

The 1/3 portion presently provides funding for several annual operating budgets and CIP projects as approved by Council in its annual budget deliberations. These include the following:

Allocations to Maintenance Assessment Districts: currently \$25.00 per acre for maintenance of City-owned open space within the boundaries of the respective districts.

Allocations for Regional Park Maintenance: currently as follows:

- A. Balboa Park--CD 3
- B. Shoreline Parks-CD 1 & 2
- C. Black Mountain/San Pasqual Open Space Parks (& Crest Canyon)-CD 1 & 5
- D. Tecolote Canyon Natural Park (& Rose Canyon Open Space Park, Marian Bear Memorial Park, Mission Valley Preserve)-CD 1 & 6
- E. Mission Trails Regional Park-CD 7
- F. General Regional Open Space Maintenance-all CDs, benefiting 4 & 3 especially

Allocations to Open Space CIPs: currently annual allocation of \$200,000.00

The allocations to the Maintenance Assessment Districts of \$25.00 per acre reflect the average costs at the time (mid 1970s) of all city-owned open space regardless of who maintained it.

Balboa Park and Shoreline have the longest histories with only modest changes, those owing mostly to the increase in costs of water and sewer, which are funded in these budgets. The other Regional Park Maintenance budgets were implemented in the late 1990s at the request of the Open Space District Manager as an issue of funding equity for communities in all Council Districts and as modest complements to the Open Space General Fund programs.

The Open Space CIP annual allocation of \$200,000.00 was recommended by the Open Space Administrator and concurred in by the department Director in the late 1970s. Its purpose was to provide start-up funding for capital projects for open space infrastructure and master plans. These allocations accrue from year to year until sufficient funding or matching grants are obtained to phase the work until project completion. Current Open Space CIPs include:

Old Mission Dam Dredging (Mission Trails Regional Park)
Mohnike Adobe Restoration (Los Penasquitos Canyon Preserve)
El Cuervo Adobe Interpretive Master Plan (Los Penasquitos Canyon Preserve)
East Fortuna Equestrian Staging Area (Mission Trails Regional Park)
Tecolote Canyon Resource Management Plan (Tecolote Canyon Natural Park)

A list of the current year budget appropriations is attached.

DISCUSSION

Revenue Stream

With the increase in the cost of electricity, it is reasonable to assume that revenues to the city from the Franchise Tax will remain at the current increased level and rise even more as the population in the city increases. The conservation measures taken by electricity users, both businesses and homeowners, have, to a large extent, been internalized into the market so that any additional improvements in technology and further energy reduction measures taken by end users may be marginal as it relates to the revenues generated. It is reasonable, given those assumptions, that the short-term and long-term revenues accruing to this fund will be at a consistently higher level.

2009
A second, and more important, consideration is that the bond debt is to be paid off in ~~2007~~. At that time, that 2/3 component of the EGF can be made available as the Council so determines in accordance with the prescriptions of the Charter Section. These revenues would significantly increase funding available for projects and programs consistent with EGF guidelines.

Allocation Options

Given the stability of the existing revenues for the current budgeted allocations, as well as the subsequent additional accrued revenues (unallocated this fiscal year), it is reasonable to continue the level of funding for the currently budgeted programs and consider increases and additional allocations. Following are some proposals for your consideration which are informed by my own familiarity with and responsibility for some of the existing budgets/programs when I served as the Grounds Maintenance Manager for Balboa Park, District Manager for most of the Maintenance Assessment Districts, and the Open Space Division District Manager in the years before my retirement in 2000. It would be helpful in making those allocations that consideration be given to what are

internally determined to be the prioritized unfunded needs for current and newly proposed projects/programs and reconcile those with the desires of the public through our input mechanisms, both formal and informal, i.e., the Park and Recreation Board system, Citizens' Advisory/Task Force system, Community Planning Boards, relevant Council Committees, and the general public.

RECOMMENDATIONS

Maintenance Assessment Districts

Consider raising the per acre EGF contribution from \$25.00 to \$34.00 for open space maintenance. This will bring that amount up to the level per acre discussed in the Multiple Species Conservation Plan (MSCP). This MSCP figure was arrived at as an average cost of undifferentiated open space and is statistically justifiable. This can also be argued as an issue of equity.

Regional Park Maintenance Programs

Prior to recommending increases in each of these and/or adding additional programs, it would be helpful to validate the current individual budgets. For instance, the internal budget allocations by object account for Balboa Park are precisely the same allocations I made in 1987; they should be moved to the appropriate object accounts or eliminated. While a budget is not a bookkeeping device, those budgetary and bookkeeping functions should be reconciled at some time. Generally, it takes 3 to 4 fiscal years to establish a credible history and validate the internal budgetary allocations by object account. Even that depends on how unique the project, facility, or program and its complexity and the frequency of non-periodic or unanticipated expenses. The existing EGF programs are rather routine in nature, with the Open Space operating budgets now having sufficient histories so that internal allocations to more appropriate object accounts can occur for FY2003.

Both Balboa Park and Shoreline, two major regional assets, could receive increased allocations. The Open Space Parks programs listed also deserve consideration for increases and will also be addressed below as part of the MSCP funding discussion.

The General Regional Open Space Maintenance, could be considered for a similar increase as this program serves as a complement to the General Fund Open Space Maintenance Program, a city-wide program.

Open Space CIPs

Currently funded at \$200,000.00 annually, it is strongly recommended to increase this level of funding. With the ever-increasing importance the public place on the city's open space--its intrinsic, functional, and recreational value--it is incumbent on elected representatives and staff to fund projects and programs in a prudent manner consistent with those communicated desires as a significant quality of life issue. Cultural and

Natural Resource Management Plans, visitor amenities, infrastructure improvements, interpretive structures, and restoration projects are but few of the projects in need of funding. The MSCP discussion below addresses this element from that perspective.

Proposed Additional Projects/Programs

For the next budget year, it would be advisable to implement an operating budget in EGF for Otay Valley Regional Park. The concept plan for the park has only recently been approved by the managing jurisdictions, and a City Senior Park Ranger was also assigned to work with staff from the other jurisdictions to manage and maintain this valuable open space park and implement educational, interpretive, and stewardship programs for the communities served, especially in CD 8 within the city.

The Council might consider implementing an operating budget for the new San Diego River Park project. Presently there are both General Fund and EGF operating budgets which provide funding for staffing and non-personnel expenses for the 51 acre Mission Valley Preserve at the west end of the river valley and Mission Trails Regional Park at the east end of the city limits. The riverine property immediately to the west of the Mission Valley Preserve is part of Mission Bay Park with Famosa Slough abutting MBP to the south; these two entities are managed passively and actively, respectively, by park staff assisted by highly competent and successful structured volunteer components from the San Diego Audubon Society and the Friends of Famosa Slough. Other city owned property is located in the river valley, but is presently managed by other departments. Additionally, the First San Diego River Project (FISDRIP), a Maintenance Assessment District, was established some years ago as a flood control and habitat enhancement project and is administered by Park and Recreation Department staff; there is no city owned property, only easements. Initiating an EGF operating budget to fund non-personnel expenses in the next fiscal year would serve as another signal to the public of the commitment the Mayor and Council are making to protect and enhance the city's natural and cultural resources. Such a budget could assist the staff person, Jeff Harkness, who acts as liaison to this project. When the form and structure for SDRP are determined and the necessary management guidelines and infrastructure desires are identified, it would then be advisable to consider including some of these in the EGF CIP budget.

Another option is to consider implementing a modest EGF operating budget for the non-personnel expense associated with the Park Ranger Program at Chollas Lake. While this program does not rise to the level of significance as the other current programs, it, nevertheless, is a quality of life issue and a valuable environmental amenity for the adjacent communities. It could be viewed also as an issue of equity.

Multiple Species Conservation Plan (MSCP)

Most all of the open space property managed by the Open Space section of Northern Parks Division is part of the MSCP and is in the Preserve Area of this important program. All of our Ranger-managed regional open space parks, those identified herein as C, D, and E, and much of F, compose the major part of the city's MSCP inventory. It is,

therefore, important, especially politically, that they be managed to the best extent possible and be allocated the funding and resources to meet the management, maintenance, and monitoring criteria to which the city legally obligated itself.

Our Ranger-managed open space parks have been, to the greatest extent possible, managed in accordance with the MSCP guidelines even prior to the adoption of the MSCP. The purpose of implementing a Park Ranger Program for our open space was to enhance its management and maintenance consistent with best management practices for cultural and natural resources preservation, public educational and interpretive programs, implementation of public stewardship programs, and protection of those resources through enforcement actions when necessary. With the recent addition of a Senior Park Ranger to the Otay Valley Regional Park, all of the major open space parks have at least a Park Ranger presence, supported with budgetary allocations, however modest.

A General Fund budget of \$370,000.00 specifically named MSCP was approved by Council this fiscal year which provides funding for some staffing and non-personnel expenses. This is very helpful, but not sufficient for the long term. The revenues for this budget are from the city's share of the State Tobacco Settlement. I would argue that this is a tenuous revenue source owing to the unsettled legal status and that the decision-makers are external to the City. It would be advisable, while continuing of course to use these funds, to identify a secure funding source over which the city has full control.

Given this discussion, it is recommended that the Council continue increasing the rather modest EGF operating Open Space Parks budgets discussed above and adding one each for Otay Valley Regional Park and the San Diego River Park as proposed above.

As discussed previously, the open space bond debt will be paid off in ~~2007~~ ²⁰⁰⁹. At that time, consider using that 2/3 portion to fund the MSCP to the greatest extent possible. Hopefully by that time, economic conditions will have stabilized allowing development to proceed, and our proposed MSCP acquisitions will have been consummated. If those conditions prevail, then all of the 2/3 portion of the EGF could be allocated as is the 1/3 portion for operating budgets and relevant CIPs. This would then allow the whole MSCP to be funded as a single program with a single, readily identifiable funding source. This would sufficiently address the issues of clarity, transparency, and accountability requested by local environmental groups and the regulatory agencies.

FISCAL IMPACT

The fiscal impacts of the above recommendations were partially addressed in the discussion section. There are only a few additional comments I would offer.

It is fiscally prudent to use EGF revenues to increase funding for non-personnel expenses in the existing complementary EGF budgets and the proposed additions. Such an action reduces the need to use General Fund revenues for those purposes and provides greater flexibility in fiscal resource allocation and management. This suggestion is not meant to imply, since these regional parks qualify for EGF in accordance with a "strict interpretation" of

the letter and intent of the Charter Section, that, therefore, the General Fund budgets for these parks should be reduced, *quid pro quo*, only that these increased revenues can provide greater latitude for the responsible fiscal parties.

Using EGF revenues to support the MSCP endeavor would reduce the fiscal impact to the General Fund as discussed above. If the recommendation to use the 2/3 portion, after the bond debt is paid, to fully fund the costs of the MSCP, including staffing, then the fiscal impact to the General Fund would be a significant positive outcome.

These recommendations present no perceived adverse fiscal impacts to either the current EGF programs nor to the General Fund. If these recommendations are implemented, partially or totally, the outcomes would be a net fiscal benefit, freeing up General Fund revenues that might otherwise be allocated for some or all of these programs.

It is not recommended to pursue re-negotiating the Franchise Agreement with the purpose of reducing that tax. The levy itself is actually paid by the end-user of the energy source, a large and dispersed group of all citizens and visitors in many different contexts, which results in only a modest, marginal increase to that individual payer. Allocating these additional revenues to public-benefit projects consistent with the prescriptions of the Charter Section would produce a net positive outcome for the community as a whole given the marginal cost to the individual who actually pays the levy.

OTHER CONSIDERATIONS

Although outside the scope of this topic, but nevertheless related, is the significant issue of identifying the responsible party (department(s)) for management of the MSCP and related programs involving natural and cultural resource management. As you know, the Council can identify funding and appropriate it; however, if the managing entity is directed by and managed by those who have demonstrated little knowledge, skill, competency, or substantive commitment to the program's mission, goals, and objectives, then the Council action, however well intended, will come to naught.

By separate letter to you, I shall be forwarding for your consideration some suggestions on reorganizing the Park and Recreation Department that may be helpful in meeting the MSCP requirements and the mission, goals, and objectives of the department in general. Included will be some recommendations regarding how the department might be operated in a manner more consistent with the city's Norms and Values, more prudent and thoughtful in its human and fiscal resources management, as well as addressing the issues of transparency and accountability in the decision-making and internal governance processes.

I hope these suggestions are helpful. As a retired employee who still cares deeply about the hard-working people I left behind and the many projects and programs I had input on, I appreciate your welcome efforts to do the right thing on behalf of our beautiful city and all the people who visit or call it "Home."

Attachments

SECTION 103. FRANCHISES.

The Council shall have power to grant to any person, firm or corporation, franchises, and all renewals, extensions and amendments thereof, for the use of any public property under the jurisdiction of the City. Such grants shall be made by ordinance adopted by vote of two-thirds (2/3) of the members of the Council and only after recommendations thereon have been made by the Manager and an opportunity for free and open competition and for public hearings have been given. No ordinance granting a franchise or a renewal, extension or amendment of an existing franchise shall be effective until thirty days after its passage, during which time it shall be subject to the referendum provisions of this Chapter. No franchises shall be transferable except with the approval of the Council expressed by ordinance. For purposes of this section, a council approved transfer shall be required when there is any change in the legal structure of the entity which holds the franchise, which change alters the ownership or control of the entity. Such changes include, but are not necessarily limited to, sale, lease, assignment, corporate merger, stock swap, leveraged buy-out reorganization, or any other method heretofore or hereafter devised which results in a change of ownership or control of the entity. Absent Council approval, the franchise shall not be deemed to have been transferred to the new entity. This amendment is intended to be declaratory in nature as an explanation of the existing transfer of franchise provisions as set forth above and in the various City franchises presently in existence.

(Amendment voted 04-22-1941; effective 05-08-1941.)
(Amendment voted 11-04-1969; effective 01-29-1970.)
(Amendment voted 11-03-1992; effective 12-18-1992.)

SECTION 103.1. REGULATION OF PUBLIC UTILITIES.

No person, firm or corporation shall establish and operate works for supplying the inhabitants of The City of San Diego with light, water, power, heat, transportation, telephone service, or other means of communication, or establish and carry on any business within said City which is designed to or does furnish services of a public utility nature to the inhabitants of said City, without the consent of said City manifested by ordinance of the Council. The Council shall have power to provide reasonable terms and conditions under which such businesses may be carried on and conducted within The City of San Diego.

(Addition voted 3-10-1953; effective 4-20-1953.)

(8-00)

SECTION 103.1a. ENVIRONMENTAL GROWTH FUND.

There is hereby created a fund in the City Treasury, to be known as the Environmental Growth Fund. Into this fund each year there shall be placed 25 percent of all moneys derived from the revenues accruing to the City from any franchises for the transmission and distribution of gas, electricity and steam within the City of San Diego.

The Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego; provided, however, that two-thirds of the moneys paid into the Environmental Growth Fund shall be used exclusively as debt service for bonds of any nature issued for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes. In connection with the issuance of any general obligation bonds for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes, the Council may pledge up to two-thirds of the Environmental Growth Fund to the payment or security of such general obligation bonds and the interest thereon and may so state in any ordinance calling an election authorizing the issuance of said general obligation bonds. If there are no such bonds outstanding or if two-thirds of the moneys paid into the Environmental Growth Fund exceed the amount necessary to service any outstanding bonds issued for the above purposes in any fiscal year, then in those events, and those events only, the moneys set aside for debt service of said bonds or that portion of said moneys which is not needed for debt service of said bonds, shall be used, if at all, exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego.

(Addition voted 6-6-1972; effective 8-3-1972.)

SECTION 104. TERM AND PLAN OF PURCHASE.

Within six months after this Charter takes effect, copies of all franchises existing at the time shall be deposited with the Manager. The Council shall certify to the existence of such franchises and shall recognize them for periods not longer than the date of expiration on each. The Manager shall keep a public record of all franchises, leases or permits granted for the use of the public property of the City. The Council may fix the term of each new franchise in accordance with the laws of the State of California, provided that any franchise may be terminated by ordinance whenever the City shall determine to acquire by condemnation

CERTIFICATE OF CITY CLERK

I, EDWARD NIELSEN, City Clerk of The City of San Diego, California, DO HEREBY CERTIFY the results of the canvass of the Special Municipal Election held on Tuesday, JUNE 6, 1972, to be as follows, to wit:

(a) The whole number of votes cast in the City was 237,428;

(b) The measures voted upon, and the number of votes given for and against each measure are as follows, to wit:

PROPOSITION A 0-10803

CITY OF SAN DIEGO CHARTER AMENDMENT. ADDS SECTION 103.1a TO THE CHARTER OF THE CITY OF SAN DIEGO.

Shall an Environmental Growth Fund be created which sets aside twenty-five (25) percent of revenues collected from franchises for the transmission and distribution of gas, electricity and steam to be used two-thirds for debt service on bonds of any nature which are subsequently authorized to acquire open space for park or recreational purposes and the remaining for the preservation and enhancement of the environment of the City of San Diego? If no such bonds are subsequently issued, the entire Environmental Growth Fund must be used exclusively for the preservation and enhancement of the environment of the City of San Diego.

For said proposition the vote was	<u>113,510</u>	53.32%
Against said proposition the vote was	<u>99,392</u>	42.18%
The total vote was	<u>212,902</u>	

PROPOSITION A

(THIS PROPOSITION WILL APPEAR ON THE BALLOT IN THE FOLLOWING FORM)

PROPOSITION A. CITY OF SAN DIEGO CHARTER AMENDMENT. ADDS SECTION 103.1a TO THE CHARTER OF THE CITY OF SAN DIEGO. Shall an Environmental Growth Fund be created which sets aside twenty-five (25) percent of revenues collected from franchises for the transmission and distribution of gas, electricity and steam to be used two-thirds for debt service on bonds of any nature which are subsequently authorized to acquire open space for park or recreational purposes and the remaining for the preservation and enhancement of the environment of the City of San Diego? If no such bonds are subsequently issued, the entire Environmental Growth Fund must be used exclusively for the preservation and enhancement of the environment of the City of San Diego.	YES	
	NO	

This proposition adds Section 103.1a to the Charter of The City of San Diego. portions to be added are underlined.

This proposition requires a majority vote.

Section 103.1a ENVIRONMENTAL GROWTH FUND.

There is hereby created a fund in the City Treasury, to be known as the Environmental Growth Fund. Into this fund each year there shall be placed 25 percent of all moneys derived from the revenues accruing to the City from any franchises for the transmission and distribution of gas, electricity and steam within the City of San Diego.

The Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego; provided, however, that two-thirds of the moneys paid into the Environmental Growth Fund shall be used exclusively as debt service on bonds of any nature issued for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes. In connection with the issuance of any general obligation bonds for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes, the Council may pledge up to two-thirds of the Environmental Growth Fund to the payment or security of such general obligation bonds and the interest thereon and may so state in any ordinance calling an election authorizing the issuance of said general obligation bonds. If there are no such bonds outstanding or if two-thirds the moneys paid into the Environmental Growth Fund exceed the amount necessary to service any outstanding bonds issued for the above purposes in any fiscal year, then in those events and those events only, the moneys set aside for debt service of said bonds or that portion

said moneys which is not needed for debt service of said bonds, shall be used, if at all, exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego.

ARGUMENT FOR PROPOSITION A

The Special Environmental Growth Fund was established by action of the City Council of San Diego when it passed Ordinance 10575 on May 6, 1971. The fund now receives 25% from the revenues accruing to the City from franchises for transmission of gas, electricity and steam within the City of San Diego each year. The fund, which exists to improve environmental quality in San Diego, may be used by the Council for the purpose of purchasing, improving, and maintaining open space for parks and recreational purposes.

This proposition will eliminate the possibility of a future Council voting the fund out of existence or amending the Ordinance to use the monies from the fund for any other purpose. With the passage of this Charter amendment, the people will insure that this fund is perpetuated and cannot be used for any other purpose unless the matter is again submitted to the people for approval. This proposition does not of itself authorize the issuance of any open space park bonds. It does provide that this fund rather than the tax rate must support any such bonds subsequently voted by the electorate.

Land dedicated to park or open spaces makes a happy contribution to environmental quality in two ways. It is enjoyable both in itself and also in the relief it provides from other land use.

Perhaps, the greatest contribution the City could make to improving the quality of life in San Diego is the acquisition of as many desirable parcels as possible, as early as possible, before land prices soar out of reach.

We urge you to vote YES on Proposition A to insure the continued beautification of San Diego, additional open space and continuing improvement and maintenance of our present parks and recreational facilities for all the people to enjoy forever.

PETE WILSON,
Mayor

FLOYD L. MORROW,
Deputy Mayor

JOHN A. HOBBS,
Chairman of the Executive
Committee—Citizens
Coordinate—Century 3

ARGUMENT AGAINST PROPOSITION A

Proposition A would permanently establish in the City Charter an Environmental Growth Fund, denying the use of more than \$600,000 in annual City revenues for any other purpose than purchase of open space. If approved, San Diego taxpayers will soon be faced with a general obligation bond issue for open space purchase which would supposedly "not cost the taxpayer." However, these utility revenues could otherwise be used to offset approximately $4\frac{1}{2}\%$ per \$100 on the City tax rate.

In 1971 the City Council established, by ordinance, such an environmental growth fund,

ted by one-half of the recently negotiated increase in San Diego utility fees. A surcharge is presently applied to the San Diego gas and electric bills to fund the fee increase. This Council action was opposed by many community leaders since specific earmarking of revenues utterly destroys the Council's ability to apply all revenues of the City to expenditure needs on a priority basis. Taxpayer money can be "loafing" in an earmarked fund, unable to be used, while additional property taxes are levied for other high priority needs.

Such earmarking of revenues for specific purposes contradicts good budgeting techniques and costs the taxpayer. The present environmental growth fund should be eliminated and utility franchise revenues applied against priority needs of the City, whatever they may be. Certainly such a fund should not be locked inflexibly into the City Charter!

VOTE NO ON PROPOSITION A

RICHARD D. HIBBARD, President
San Diego Taxpayers Association

PROPOSITION B

(THIS PROPOSITION WILL APPEAR ON THE BALLOT IN THE FOLLOWING FORM)

PROPOSITION B. CITY OF SAN DIEGO CHARTER AMENDMENT. AMEND SECTION 12 OF THE CHARTER OF THE CITY OF SAN DIEGO. Amend Section 12 to provide that the rate of pay for each Councilman shall be Seven Hundred Fifty Dollars (\$750.00) per month.	YES	
	NO	

This proposition amends Section 12 of the Charter of The City of San Diego by deleting certain provisions and by adding new provisions. The portions to be deleted are printed in STRIKE-OUT TYPE and the portions to be added are underlined.

This proposition requires a majority vote.

Section 12. THE COUNCIL.

The Council shall be composed of nine (9) Councilmen, including the Mayor, and shall be the legislative body of the City, each of the members of which, including the Mayor, shall have the right to vote upon all questions before it.

Councilmen, including the Mayor, shall be elected at a general municipal election held in the odd-numbered years and, except as hereinafter provided, shall hold office for the term of four years from and after 10 a.m. the first Monday after the first day of December next succeeding their election and until their successors are elected and qualified. Upon any redistricting, pursuant to the provisions of this Charter, incumbent councilmen will continue to represent the district in which they reside, unless as a result of such redistricting more than one incumbent councilman resides within any one district, in which case the City Council may determine by lot which councilman shall represent each district. At the next municipal primary and general elections following a redistricting, councilmen shall be elected from those districts not represented and from those districts represented by incumbent councilmen whose terms expire as of the general election in said year. If as a result of any redistricting more

REVENUE AND EXPENSE STATEMENT

ENVIRONMENTAL GROWTH FUND TWO-THIRDS 105052

	FY 2000 ACTUAL	FY 2001 ESTIMATED	FY 2002 FINAL
BEGINNING BALANCE AND RESERVE			
Balance From Prior Year	\$ 3,587,353	\$ 2,169,814	\$ 2,538,014
Reserve for Advances and Deposits	934,313	622,006	622,006
TOTAL BALANCE	\$ 4,521,666	\$ 2,791,820	\$ 3,160,020
REVENUE			
Franchise Revenue	\$ 5,037,000	\$ 6,192,251	\$ 7,002,711
Interest Earnings	51,549	63,068	53,500
Transfer from Other Funds	717,533	901,904	901,904
TOTAL REVENUE	\$ 5,806,082	\$ 7,157,223	\$ 7,958,115
TOTAL BALANCE AND REVENUE	\$ 10,327,748	\$ 9,949,043	\$ 11,118,135
EXPENSE			
Open Space Maintenance/Administration Reimbursement	\$ -	\$ -	\$ 1,400,000
District No. 1 for Bond Interest and Redemption	7,535,928	6,789,023	5,515,503
TOTAL EXPENSE	\$ 7,535,928	\$ 6,789,023	\$ 6,915,503
RESERVES			
Reserve for Advances and Deposits	\$ 622,006	\$ 622,006	\$ 1,054,141
TOTAL RESERVES	\$ 622,006	\$ 622,006	\$ 1,054,141
BALANCE	\$ 2,169,814	\$ 2,538,014	\$ 3,148,491
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 10,327,748	\$ 9,949,043	\$ 11,118,135

REVENUE AND EXPENSE STATEMENT

ENVIRONMENTAL GROWTH FUND ONE-THIRD
105051

	FY 2000 ACTUAL	FY 2001 ESTIMATED	FY 2002 FINAL
BEGINNING BALANCE AND RESERVE			
Balance From Prior Year	\$ 218,459	\$ 546,727	\$ 1,300,056
Reserve Advance/Deposit	226,386	226,386	226,386
Reserve for Subsequent Year's Expenditures	185,440	90,941	161,520
Reserve for Encumbrances	204,951	200,979	62,993
TOTAL BALANCE AND RESERVE	\$ 835,236	\$ 1,065,033	\$ 1,750,955
REVENUE			
Franchises	\$ 2,516,417	\$ 3,080,270	\$ 3,449,097
Interest Earnings	41,357	66,508	53,500
Other	-	9,966	-
TOTAL REVENUE	\$ 2,557,774	\$ 3,156,744	\$ 3,502,597
TOTAL BALANCE AND REVENUE	\$ 3,393,010	\$ 4,221,777	\$ 5,253,552
EXPENSE			
TOTAL CAPITAL IMPROVEMENTS PROGRAM	\$ 164,374	\$ 190,000	\$ 200,000
OPERATING EXPENSE			
Regional Park Maintenance*	\$ 1,267,055	\$ 1,284,976	\$ 1,466,558
Campus Point MAD ⁽¹⁾	625	625	625
Scripps Miramar MAD	11,850	11,850	11,850
Tierrasanta MAD	22,675	22,675	22,675
Bay Terraces MAD	100	100	100
Mira Mesa MAD	19,767	19,767	19,767
Penasquitos East MAD	2,175	2,175	2,175
Eastgate Technology Park MAD	1,775	1,775	1,775
Carmel Mountain Ranch MAD	4,250	4,250	4,250
Carmel Valley MAD	11,800	11,800	11,800
Park Village MAD	525	525	525
Sabre Springs MAD	12,625	12,625	12,625
Miramar Ranch North MAD	5,775	5,775	5,775
Prior Year Expenditures	85,073	-	-
Assessment Reserve	-	-	10,650
Transfer to Environmental Growth Fund 105052	717,533	901,904	901,904
TOTAL EXPENSE	\$ 2,163,603	\$ 2,280,822	\$ 2,473,054
TOTAL CIP AND OPERATING EXPENSE	\$ 2,327,977	\$ 2,470,822	\$ 2,673,054

*REGIONAL PARK MAINT. DETAIL

Balboa Pk.....	\$1,168,682.00
Shoreline.....	136,180.00
Mission Trails..	45,571.00
Tecolote.....	16,248.00
Black Mt.....	41,190.00
General Req. OS..	58,685.00
Total	\$1,466,556.00

PROPOSED ALLOCATIONS . EGF

PROGRAM ALLOCATIONS

<u>Current FY02 BUDGET</u>	<u>FY03 INCREASES/ADDITIONS</u> (<u>\$500,000.00</u>)	<u>FY03 INCREASES/ADDITIONS</u> (<u>\$750,000.00</u>)	<u>FY03 INCREASES/ADDITIONS</u> (<u>\$1,000,000.00</u>)
Open Space CIP.....\$ 200,000.00	\$175,000.00	\$250,000.00	\$300,000.00
Regional Park Maintenance:			
Balboa Park..... 1,168,682.00	200,000.00	275,000.00	375,000.00
Shoreline..... 136,180.00	30,000.00	50,000.00	80,000.00
Mission Trails..... 45,571.00	10,000.00	20,000.00	30,000.00
Tecolote..... 16,248.00	10,000.00	20,000.00	30,000.00
Black Mountain..... 41,190.00	10,000.00	20,000.00	30,000.00
General Regional OS... 58,685.00	15,000.00	40,000.00	60,000.00
<u>\$1,466,556.00</u>	<u>\$275,000.00</u>	<u>\$425,000.00</u>	<u>\$605,000.00</u>
Maintenance Assess. Dist...\$ 93,942.00	\$ 26,703.00	\$ 26,703.00	\$ 26,703.00
<u>\$1,760,498.00</u>	<u>\$476,703.00</u>	<u>\$701,703.00</u>	<u>\$931,703.00</u>
<u>Proposed Additions for FY03</u>			
Otay Valley River Park.....\$ 10,000.00		\$ 20,000.00	\$ 30,000.00
San Diego River Park..... 5,000.00		15,000.00	20,000.00
Chollas Lake..... 10,000.00		15,000.00	20,000.00
<u>\$ 25,000.00</u>		<u>\$ 50,000.00</u>	<u>\$ 70,000.00</u>
GRAND TOTAL-----INCREASES & ADDITIONS:	\$501,703.00	\$751,703.00	\$1,001,703.00

1. As Maintenance Assessment Districts which maintain city-owned openspace come on-line, there will be increases in that allocation.
2. The increases for Balboa Park, Shoreline in particular will enable the city to maintain buildings in a more pro-active manner, thereby reducing a deferred maintenance issue; the same will be true for MTRP & Tecolote Visitor & Interpretive Centers.
3. This spread sheet assumes a continuing transfer of \$901,904.00 to the 2/3 EGF for consistency of argument. This sum is a line item in the FY02 Expense column.

