

The City of  
**SAN DIEGO**



**FISCAL YEAR 2019**  
**CAPITAL IMPROVEMENTS PROGRAM**  
**YEAR-END BUDGET MONITORING REPORT**



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MAY 2019

# INTRODUCTION

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The Fiscal Year 2019 Capital Improvements Program (CIP) Year-End Budget Monitoring Report presents a semi-annual update on the City's CIP cash management process improvements and other CIP streamlining efforts. This includes an update on the state of internal process improvements as well as a request for City Council action that supplements the City's capital budgeting and internal monitoring processes.

Included in this report are details of the \$62.1 million in requested City Council approvals for new budget appropriations, reallocations of funds, and other CIP project savings resulting from the City's continued cash management and streamlining efforts:

- **CIP Budget Review:** This process has saved an estimated 500 staff hours and resources by consolidating over 100 actions into one semi-annual request. These requests include:
  - Expedited appropriation of \$26.6 million from fund balance to projects
  - Reallocation of \$26.3 million in project savings and excess funding to priority projects
  - Accelerated de-appropriation of \$5.3 million in excess or expired funding to fund balance
  - Expedited appropriation of \$4.0 million in new grant funding awards to active projects.
- **CIP Budget Monitoring:** Provides an update on several significant CIP funds.
- **Commercial Paper Program:** Provides a status update on the commercial paper program, including the Public Utilities program that began in Fiscal Year 2017 and the General Fund program that was approved in Fiscal Year 2018.
- **Encumbrance of Future Revenue:** Provides a status update on the encumbrance process improvement.
- **Pooled Project Contingencies:** Provides a status update on the Public Utilities pilot project that began in Fiscal Year 2017.

Requests for City Council action to adjust CIP project budgets are summarized in Attachments I and II. Additionally, City Council approval is requested for the items summarized in Attachment III and IV, which includes the following:

- Authority to amend the TransNet Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding
- Authority to approve of the 2018 TransNet Audit Schedule Adjustments
- Authority to close CIP projects and rename projects
- Authority to transfer projects and sub-projects between annual allocations

## CASH MANAGEMENT INITIATIVES

Effective cash management allows for reallocation of idle funds to higher priority projects and assures that flow of funds is not an impediment to the effective execution of priority CIP projects. The Department of Finance (DoF), previously known as Financial Management, has provided a semi-annual report to the City Council on the status of these process improvements since Fiscal Year 2016.

The Fiscal Year 2019 CIP Year-End Budget Monitoring Report includes updates on the results of the cash management process improvements. It also includes a request for City Council approval of new budget appropriations, reallocations of funds, and other CIP project changes.

### CIP Budget Review

Since Fiscal Year 2016, DoF has provided asset managing departments with an opportunity to include all needed CIP City Council actions on one consolidated semi-annual report. This provides significant time and resource savings citywide.

By consolidating approximately 100 separate actions in this report, the departments have significantly reduced the staff time required to route individual Council actions. As an internal performance metric, DoF has estimated the time savings provided by the Semi-Annual CIP Budget Review Report. For this report alone, DoF estimates that over 500 hours of staff time have been saved and re-allocated to other priority projects.

### CIP Budget Adjustment Requests

**Table 1** summarizes CIP Budget Adjustment Requests by the categories outlined in the report.

**Table 1: Summary of CIP Budget Adjustment Requests**

Action	Decreasing CIP Adjustments	Increasing CIP Adjustments	Net Change in CIP
Appropriation Adjustments	(5,056,169)	26,611,483	21,555,314
Transfers within the CIP	(26,133,262)	26,133,262	-
Transfer from Operations	(150,000)	150,000	-
Grant Appropriations	(197,081)	3,998,200	3,801,119
<b>Total</b>	<b>(31,536,512)</b>	<b>56,892,945</b>	<b>25,356,433</b>

Details, including request justifications, are contained within Attachments I- II. No negative impacts to project delivery or timeframes are expected from these adjustments. In summary, staff is requesting four types of budget adjustments as follows:

- Increasing Appropriation: addition of new budgeted funds to projects from fund balance
- Decreasing Appropriation: return of budgeted funds from projects back to fund balance
- Transfer in the CIP: moving budgeted funds between CIP projects
- Transfer from Operations: moving budgeted funds between the Operating Budget and the CIP Budget

There is \$30.6 million requested to increase appropriations, 79 percent of this funding is comprised of three revenue sources:

- \$15.5 million from Developer Fees
- \$4.8 million from Fiesta Island Sludge Mitigation Fund
- \$4.0 million from Grant awards

There is \$26.3 million in appropriation transfers, 83 percent of these actions are comprised of three resources:

- \$10.3 million from Commercial Paper Proceeds
- \$9.4 million from Capital Outlay Funds
- \$2.2 million from Developer Fees

As in previous monitoring reports, Enterprise and Developer Fee funding represents the bulk of the budget adjustments requested in the semi-annual CIP actions.

General Fund Contributions to the CIP, Capital Outlay, and Commercial Paper funds are the most flexible funding sources for capital improvements and are historically dedicated to General Fund assets. Significant budget transfers in these funds are discussed in detail in the respective fund sections.

### **CIP Grant Funding Appropriation Requests**

On June 29, 2018 City Council Approved Ordinance 20954 which amended various Municipal Code sections establishing the procedures for implementation of the Grants Review Team and formalizing a centralized process for the review and acceptance of grants. The Municipal Code amendments also authorized the Mayor to accept, appropriate, and expend grants with an aggregate value of \$1,000,000 or less, upon the recommendation of the Grants Review Team, and consistent with the Annual Appropriation Ordinance.

The Fiscal Year 2019 Annual Appropriation Ordinance 20952, Section 17, authorizes the CFO to apply, accept, appropriate, and expend grants received by the City in accordance with the Municipal Code. However, per Municipal Code Section 22.5204, any grants allocating funds for capital improvement projects still require City Council approval.

To provide a streamlined appropriation process for grants awarded to capital improvement projects, Attachment II seeks authority to accept, appropriate and expend the funds via this action.

Additionally, Attachment II also requests the deappropriation of expired grants. These grant funds are no longer eligible to incur costs or to seek reimbursement, therefore for accurate reporting, they should be removed from the available project budgets. These deappropriation requests are for completed projects and will not impact the project delivery schedules.

### **Additional Approvals Requested**

In addition to the requested CIP budget adjustments, City Council is requested to approve CIP adjustments related to the expenditure of TransNet funds and the addition of projects to the CIP. These requests are summarized below and detailed in Attachment III and IV:

- Approval to amend the TransNet Regional Transportation Improvement Program (RTIP) pursuant to Transnet Extension Ordinance requirements; and
- Approval to amend the CIP by adding projects, closing projects, renaming projects, and transfer sublets amongst annual allocations.
- Authority to approve of the 2018 TransNet Audit Schedule Adjustments

## CIP Budget Monitoring

DoF, Public Works, and CIP asset managing departments have continued to increase review and analysis toward monitoring of CIP expenditures over the last several fiscal years. These efforts have focused on providing improved cash management and cash flow of CIP funds. This has been achieved by increasing coordination between technical project managers and financial support staff in Public Works, DoF and Debt Management. The following sections provide updates on the status of these ongoing efforts, which include updates on key CIP funds.

### TransNet Update

Beginning in Fiscal Year 2016, DoF began providing periodic updates on the expenditure trends for TransNet Funds. These funds derive revenue from a one-half cent local sales tax and must be used for improvements to the City right-of-way.

**Table 2** summarizes the cash flow estimates for TransNet Funds through the end of Fiscal Year 2019.

**Table 2: TransNet Extension Fund Balance Estimate (\$ millions)**

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Actual	Fiscal Year 2019 Estimate
<b>Fund Balance at SANDAG (July 1, Beginning of Fiscal Year)</b>	\$ 55.5	\$ 37.9	\$ 33.3	\$ 32.7
Revenue	30.8	31.9	32.7	33.4
<b>Disbursement:</b>	<b>(48.7)</b>	<b>(37.0)</b>	<b>(33.7)</b>	<b>(38.6)</b>
Congestion Relief	(39.2)	(27.4)	(23.7)	(28.4)
Admin & Maintenance	(9.5)	(9.6)	(10.0)	(10.2)
<b>Fund Balance at SANDAG (June 30, End of Fiscal Year)</b>	\$ 37.6	\$ 32.8	\$ 32.3	\$ 27.5
Interest Earned (SANDAG)	0.3	0.5	0.4	

The Transportation & Storm Water Department currently estimates that the TransNet Extension cash balance held at SANDAG will be approximately \$27.5 million by June 30, 2019. This represents a decrease of \$28.0 million, or a 50 percent reduction in fund balance when compared to the TransNet Extension Fund Balance of \$55.5 million on June 30, 2015; and reflects \$158 million in TransNet disbursements since Fiscal Year 2016.

Because of the progress the City has made in reducing fund balance held on deposit at SANDAG, the City continues to be above the monitoring thresholds for TransNet expenditures set by the TransNet Independent Taxpayer Oversight Committee (ITOC). As of March 31, 2019, the City

of San Diego has expended approximately 88.9 percent of cumulative TransNet Extension funds received since Fiscal Year 2008.

### Other Major CIP Funds

In addition to TransNet, there are six other general fund asset CIP funding sources that represent 5 percent of the continuing CIP budget. These funds can be categorized as funds that focus on improvements to public right-of-way and funds that have an unrestricted general use. The three major funding sources for projects in the public right-of-way are Gas Tax, Proposition 42 Replacement Gas Tax (Prop 42), and the Road Maintenance and Rehabilitation Account (RMRA). The three more flexible funding sources in the CIP are the Capital Outlay Fund, the Infrastructure Fund and the General Fund Contributions to the CIP.

On April 28, 2017, Governor Brown signed SB1: Road Repair and Accountability Act. This bill, among other changes, increased fuel taxes beginning on November 1, 2017 and stabilized the Prop 42 rate at its FY 2011 level beginning on July 1, 2019. Prop 42 revenues have been combined with the traditional gas tax revenue in the Gas Tax Fund and the new gas taxes from SB 1 (RMRA) are deposited in a separate fund due to enhanced reporting requirements for those funds.

Table 3 provides updates on cash balance trends for each fund as of March 31, 2019.

**Table 3: Fund Balances (\$ millions)<sup>1</sup>**

Fund Name	Gas Tax <sup>2</sup>	Prop 42 <sup>2</sup>	RMRA <sup>2</sup>
<b>Available Fund Balance as of 06/30/2018 (Unaudited)</b>	\$ 12.0	\$ 7.0	\$ 3.3
Revenues as of 03/31/2019 (Unaudited)	15.5	0.1	15.0
Expenditures/Encumbrances as of 03/31/2019	(22.8)	(5.0)	(15.9)
<i>Expenditures</i>	(17.8)	(2.8)	(6.8)
<i>Encumbrances</i>	(5.0)	(2.2)	(9.1)
<b>Remaining Fund Balance as of 03/31/2019 (Unaudited)</b>	4.7	2.1	2.4
FY19 Remaining Estimated Revenues	16.0	0.0	8.3
FY 19 Remaining Appropriated Budget for Projects	(20.8)	(2.1)	(10.7)
<b>Uncommitted Fund Balance</b>	0.0	0.0	0.0

1. Table totals may not add due to rounding.
2. These funds are used in both the Operating and Capital Budget.

The City has shown considerable progress in spending down the balances in the funds and anticipates these trends continuing for the remainder of Fiscal Year 2019. Based on the budgeted revenue and expenses, all three funds are expected to continue to be fully allocated for right-of-way improvements throughout the fiscal year. These funds support important infrastructure projects and must be spent in the right-of-way, unlike the Capital Outlay Fund and the General Fund Contributions to the CIP Fund which are less restrictive sources of funding and can support projects for any General Fund Asset.

The Capital Outlay Fund and Infrastructure Fund can support acquisition, financing, and construction costs for permanent public improvements across all asset types, whereas funding from General Fund Contributions to the CIP are the least restrictive and can be used for any General Fund purpose. Public Works, the Finance Branch, and asset managing departments, work together to propose the best uses for these flexible funding sources as part of the CIP budget.

Table 4 provides updates on cash balance trends for each fund as of March 31, 2019.

**Table 4: Fund Balances (\$ millions)<sup>1</sup>**

Fund Name	GF Contrib. to CIP <sup>2</sup>	Capital Outlay	Infrastructure Fund <sup>2</sup>
<b>Available Fund Balance as of 06/30/2018 (Unaudited)</b>	\$ 44.9	\$ 29.4	\$ 5.3
Revenues as of 03/31/2019 (Unaudited)	1.4	2.6	7.1
Expenditures/Encumbrances as of 03/31/2019	(22.7)	(13.5)	(9.4)
<i>Expenditures</i>	(9.3)	(3.3)	(5.0)
<i>Encumbrances</i>	(13.4)	(10.2)	(4.4)
<b>Remaining Fund Balance as of 03/31/2019 (Unaudited)</b>	<b>23.6</b>	<b>18.5</b>	<b>3.0</b>
Pending Revenue Receipts	0.2	0.4	10.0
Pending Requests for Council Action	(1.9)	0.0	0.0
<b>Adjusted Fund Balance</b>	<b>22.0</b>	<b>18.9</b>	<b>13.0</b>
FY 19 Remaining Appropriated Budget for Projects	(21.6)	(15.9)	(13.0)
Proposed FY20 Budget Allocations	(0.3)	(2.9)	0.0
<b>Uncommitted Fund Balance</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

1. Table totals may not add due to rounding
2. These funds are used in both the Operating and Capital Budget

The Economic Development Department will be bringing forward an action to request the appropriation and expenditure of \$1.7 million of funding from the General Fund Contributions to the CIP fund. The request is for the repayment of the Valencia Business Park HUD Section 108 loan. Once the loan is repaid, the funding would be returned to the City in the form of Community Development Block Grant (CDBG) Program Income that would become available for Capital Projects.

Included in Attachment I of this report are several requests to allocate anticipated revenues to the General Fund Contributions to the CIP Fund (GFCIP). \$210,000 of fund balance made available by allocating a grant to a previously GFCIP funded IT project is proposed to be allocated to the General Fund IT Projects – Delinquent Account System upgrades. Finally, \$3.25 million of anticipated revenue resulting from a settlement agreement related to the Avenida de la Playa Storm Drain emergency project is requested to be allocated to the Citywide Drainage Improvements Annual Allocation to support several new emergency storm drain projects.

Also requested in Attachment 1 of this report is a request to transfer Capital Outlay funding of \$9.3 million from the closed Plaza de Panama project to the Regional Park Improvements Annual Allocation Project. This appropriation transfer will fund various improvements in Balboa Park, consistent with recently conducted park and facility condition assessments as well as stakeholder input.

## Commercial Paper Program

Commercial paper, a short-term financing mechanism, allows for “just-in time” borrowing instead of issuing the full amount of the long-term bonds upfront. This allows the City to borrow when funds are required (as capital project spending occurs) and reduces the interest costs paid. Commercial paper principal and interest can then be refunded with the proceeds of long-term debt issuances, as needed, and later.

### Water Utility Commercial Paper Update

The City launched a commercial paper program for the Water Utility in January 2017, with a not to exceed amount of \$250 million to fund the water capital program. Priority funded projects include pipeline replacement, water storage and transmission components, and the Pure Water program.

In January 2019, a portion of the Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Series 2018A were used to pay down \$205.9 million of outstanding principal commercial paper notes, which reset program capacity. An additional \$8 million in commercial paper notes were issued on March 27, 2019, under the initial authorization and project list.

Debt Management and Public Utilities Departments will seek City Council approval of the second installment of up to \$250 million of commercial paper notes in June 2019. Public Utilities expects to utilize a second installment starting in June 2019 on an as-needed basis for CIP expenditures.

As of March 27, 2019, \$8.0 million in commercial paper notes are outstanding and the last note issuances received at an interest rates of 1.60 percent.

### General Fund Commercial Paper

On May 15, 2018, the City Council authorized the creation of a General Fund Commercial Paper program and approved an increase in the Fiscal Year 2018 CIP budget in the amount of \$80 million. Resolution 311956, approved on August 14, 2018, increased the Commercial Paper Program authorization to \$88.5 million. This resolution also increased CIP appropriations by \$7.8 million, and authorized \$500k in one-time issuance costs.

Expenses in the CIP are primarily construction contract costs, which require bids, contract negotiations, contractor initialization and contractor invoicing before most expenses occur. As a result, there can be a sizeable lag between the time a CIP project requires budget authority and when the funding (debt proceeds) are needed to pay these expenses. This typical timing gap between program authorization and issuance of the commercial paper debt make the “just in time” nature of Commercial Paper ideal for long term capital projects. The first Commercial Paper Notes were issued on November 27, 2018 for \$6,868,000.

Included in Attachment 1 of this report is a request to transfer \$10 million in Commercial Paper Allocations from the Citywide Streets Resurfacing and Reconstruction Annual Allocation to the Drainage Improvements Annual Allocation. This transfer will help support several storm drain emergency projects and the ongoing storm water program. It is also anticipated to expedite the spenddown of the available commercial paper funds.



Figure 1 summarizes Commercial Paper Activity through March 31, 2019.

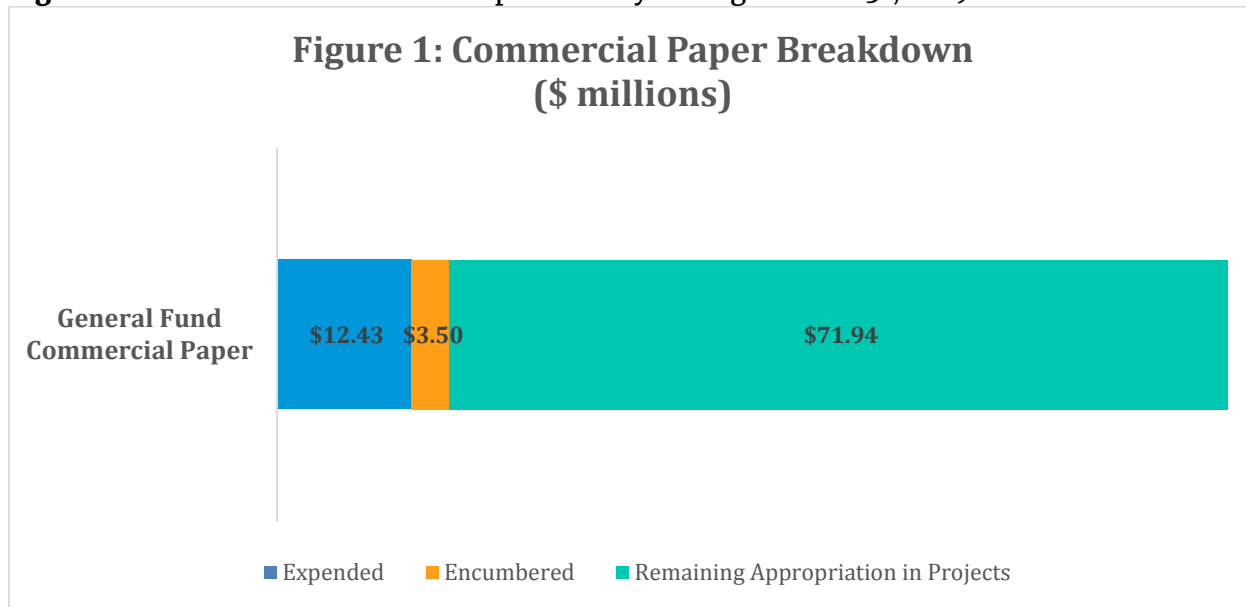


Table 5 summarizes Commercial Paper Activity by asset type through March 31, 2019.

**Table 5: Commercial Paper by Asset Type Activity Update**

Asset Type	Authorized Appropriation Amount	Expended /Encumbered	Remaining
Drainage	\$ 17,385,394	\$ 5,498,330	\$ 11,887,065
Facilities	13,539,267	2,745,623	10,793,644
Guard rails	450,000	83,871	366,129
Park	7,759,339	1,069,717	6,689,623
Special – Traffic Calming	300,000	25,615	274,385
Street	37,018,436	5,677,550	31,340,886
Watershed	11,421,033	836,659	10,584,374
<b>Total<sup>1</sup></b>	<b>\$ 87,873,470</b>	<b>\$ 15,937,364</b>	<b>\$ 71,936,106</b>

<sup>1</sup> Difference between Total and Authorized Amount is predominantly cost of issuance fees.

### Encumbrance of Future Revenue

DoF and Public Works are improving the City’s process of encumbering funds for construction contracts. Rather than encumbering the entire amount needed for construction contracts, DoF certifies that cash is on hand for the amount needed for the current Fiscal Year and that additional funds will be available in future fiscal years as needed. The certification of funds is backed by projected reliable sources of ongoing revenue and maintains compliance with the Chief Financial Officer’s obligations per the City Charter.

In Fiscal Year 2019, \$17.1 million has been identified as unencumbered cash that would have otherwise been reserved and sitting in projects for multiple years waiting to be expended. West



Mission Bay Drive Bridge is the specific project that made use of this revised policy to execute the \$110.7 million construction contract and released cash for higher priority needs.

DoF will use the Five-Year Capital Infrastructure Planning Outlook as the primary document to identify other reliable revenue sources that could be added to this program in Fiscal Year 2020 and will continue to provide the City Council with updates on this enhanced cash management process as more information becomes available.

## Pooled Project Contingencies

Since the beginning of Fiscal Year 2017, DoF has been working with the Public Utilities and Public Works departments to develop a pilot program for pooled contingencies. By pooling contingency budgets between multiple projects, risk is distributed among multiple projects, and overall contingency budgets can be reduced. This pilot program began in Fiscal Year 2017 with the water and sewer main replacements annual allocations. The status of the pooled contingency is reported out internally to City staff monthly.

As of March 31, 2019, 56 sub-projects have contributed \$4,290,357 to the pool. Now that construction contracts are well underway, draws from the pooled contingency are increasing. To-date, 13 projects have used the contingency pool for a total of \$2,191,324.

DoF and Public Works have continued to monitor and evaluate the program; and in Fiscal Year 2019 clarified and corrected the usage of the contingency pool so that projects with contractual scope changes contribute toward pooled contingency instead of depleting pooled contingency. This will help to ensure a healthy contingency pool is available for unforeseen conditions.

**Table 6** summarizes the status of Pooled Contingencies.

**Table 6: Pooled Contingency Status (March 31, 2019)**

Project	Participating Projects	Contributions to Pooled Contingency	Use of Pooled Contingency	Current Pooled Contingency
Sewer Mains	27	\$ 1,622,400	\$ 904,958	\$ 717,442
Water Mains	29	2,667,958	\$ 1,286,367	1,381,591
<b>Total</b>	<b>56</b>	<b>\$ 4,290,358</b>	<b>\$ 2,191,325</b>	<b>\$ 2,099,033</b>

## CONCLUSION

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Cash management efforts, streamlining initiatives, and the requests for Council Action detailed in this report consolidating nearly 100 individual actions, have saved over 500 hours of staff time, and resulting in over \$62.1 million of new budget appropriations, reallocations of funds, and other CIP project changes.

DoF will continue to provide these reports to the City Council on a semi-annual basis to ensure that the cash in the CIP continues to be managed as efficiently and effectively as possible.

## ATTACHMENTS

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- I. CIP Budget Adjustment Requests
- II. Grant Requests
- III. Additional Approvals Requested
- IV. FY18 TransNet Audit Schedule Adjustments

# CIP Budget Adjustment Requests

## Summary

The table below summarizes the CIP budget adjustment requests by the categories outlined in the report. Details including a justification for each request are included in the tables following the summary. There are three types of CIP budget requests included in this report:

- Increasing Appropriation: addition of new budgeted funds to a project from fund balance
- Decreasing Appropriation: return of budgeted funds from a project back to fund balance
- Transfer in the CIP: moving budgeted funds between CIP projects
- Transfer from Operations: moving budget between the Operating Budget and the CIP Budget

## Increasing Appropriation

Funded Program	Fund	Amount	Justification
ACA00001 - Drainage Projects	400264 - Private & Others Contribution-CIP	150,000.00	Allocate funding received as terms of a settlement agreement for storm drain property damage at 3601-3605 Fifth Ave.
ACA00001 - Drainage Projects	400265 - CIP Contributions from the General Fund	3,250,000.00	Allocate funding to be received as terms of a settlement agreement from the design consultant for Avenida de la Playa.
AGE00001 - Resource Based Open Space Parks	200403 - Mission Trails Regional Park	669,220.49	Allocate funding to initiate design activities for the West Sycamore Staging Area.
AGF00004 - Mission Bay Improvements	200389 - Fiesta Island Sludge Mitigation	4,841,784.47	Allocate funding to initiate the design of projects included in the Fiesta Island Master Plan, and not otherwise funded by the Mission Bay Improvement Fund.
AGF00007 - Park Improvements	400221 - Pv Est-Other P & R Facilities	1,656.44	Funding to initiate design of sports field lighting at Rancho Bernardo Community Park. Together with other requests funds will fully support design costs.
AGF00007 - Park Improvements	400107 - Rancho Bernardo-Park Dev Fund	811.66	
AGF00007 - Park Improvements	400109 - Mid-City - Park Dev Fund	4,597.36	Allocate funding to complete design and initiate construction efforts of City Heights Pool Reconstruction (B19068).



Funded Program	Fund	Amount	Justification
AGF00007 - Park Improvements	400126 - San Ysidro Urban Comm	1,052,657.47	Allocate funding to support design activities for the Coral Gate Neighborhood Park Playground.
AGF00007 - Park Improvements	400134 - University City So.- Urban Comm	93,695.86	Allocate funding to support design activities for Marcy Park (B19188).
AGF00007 - Park Improvements -	400128 - Barrio Logan	528,825.00	Allocate funding to support design activities of Chicano Park Improvements Phase III.
AIA00001 - Minor Bike Facilities	400128 - Barrio Logan	410,000.00	Allocate funding to support the design of Chollas Creek to Bayshore Bikeway (B17113).
AIA00001 - Minor Bike Facilities	400122 - Downtown DIF	600,000.00	Allocate funding to support design activities of the Downtown Complete Street Implementation (B17056).
AIK00001 - New Walkways	400114 - Mid City Urban Comm	300,000.00	Allocate funding to support the construction of ADA SW Group 4E College and Jamacha (B16107).
AIK00003 - Sidewalk Repair & Replacement	400122 - Downtown DIF	400,000.00	Allocate funding to support the construction of Curb Ramp Improvement Group 1701 (B17114).
AIL00004 - Traffic Signals - Citywide	400121 - Uptown Urban Comm	300,000.00	Allocate funding to support the construction of 3rd Ave @ Washington St Traffic Signal (B14062).
AIL00005 - Traffic Signals - Modify & Modernize	400197 - Westfield Development Trust	17,000.00	Allocate funding to support the installation of a pedestrian crossing at Mission Center Rd @ Civita Blvd (B16151).
AIL00005 - Traffic Signals - Modify & Modernize	400121 - Uptown Urban Comm	100,000.00	Allocate funding to support the construction of ADA APS Group 2E - Washington St. (B16099).
ATT00001 - Governmental Funded It Projects	400265 - CIP Contributions from the General Fund	210,000.00	Funding for on-going upgrades to the Delinquent Account System (B19154)
L14005 - Sunset Cliffs Park Drainage Improvements	200463 - Sunset Cliffs Natural Park	108,088.52	Allocate funding to support construction activities.
L16002 - Mira Mesa Comm. Park Improvements	400262 - M.M. Senior Center-Shapell Cont.	7,959.63	Allocate funding to support design and construction activities.
L16002 - Mira Mesa Community Park Improvements	400858 - Mira Mesa Development Impact Fee	590,060.50	
P18001 - North Park Recreation Center Expansion	400110 - Park North-East - Park Dev Fd	40,924.71	Allocate funding for preliminary design and environmental review efforts



Funded Program	Fund	Amount	Justification
P18001 - North Park Recreation Center Expansion	400112 - North Park Urban Comm	249,866.72	
P18008 - Ocean Beach Lifeguard Station	400124 - Ocean Beach Urban Comm	49,487.18	Allocate funding to support preliminary engineering and GDP efforts.
RD11001 - Via De La Valle Widening Add 2 Lanes	400272 - San Andres Cost Reimbursement. Dist.	18,500.00	Allocate funding to support construction activities.
S00751 - Hickman Fields Athletic Area	400250 - Gen Dyna-Community Improvement	1,035,285.65	Allocate funding to support construction activities.
S00751 - Hickman Fields Athletic Area	400136 - Kearny Mesa-Urban Comm	85,983.22	
S00752 - Beyer Park Development	400093 - Otay Mesa-West (From 39067)	38,138.10	Allocate funding to support ongoing design activities.
S00752 - Beyer Park Development	400102 - Otay Mesa-Western DIF	15,539.92	
S00752 - Beyer Park Development	400126 - San Ysidro Urban Comm	1,052,657.47	
S00752 - Beyer Park Development	400857 - Otay Mesa Development Impact Fee	313,596.18	
S00869 - Palm Avenue Interstate 805 Interchange	400092 - Otay Mesa-East (From 39062)	450,000.00	Allocate funding to support design activities.
S00869 - Palm Avenue Interstate 805 Interchange	400857 - Otay Mesa Development Impact Fee	550,000.00	
S00871 - West Mission Bay Drive Bridge Over San D	400174 - Transnet Extension RTCIP Fee	250,000.00	Allocate funding to support construction activities.
S00880 - Miramar Road I-805 Easterly Ramps	400080 - North University City-FBA	915,000.00	Allocate funding to support construction activities.
S00886 - Euclid Ave & Home Improvements	400114 - Mid City Urban Comm	20,000.00	Allocate funding to support construction activities.
S00935 - N Torrey Pines Rd Bridge/Los Penasquitos	400133 - Torrey Pines - Urban Community	150,000.00	Allocate funding to support construction activities.



Funded Program	Fund	Amount	Justification
S01083 - Fairbrook Neighborhood Park - Development	400086 - Scripps Miramar Ranch FBA	73,124.40	Allocate funding to support construction activities.
S01083 - Fairbrook Neighborhood Park - Development	400863 - Scripps Miramar Ranch DIF	46,277.85	
S01083 - Fairbrook Neighborhood Park - Development	400195 - Village & Country Settlement	129,644.52	
S11103 - Valencia Park Acquisition & Development	400864 - Encanto Neighborhoods DIF	39,427.00	Allocate funding to support construction activities.
S14009 - Sr94/Euclid Av Interchange Phase 2	400174 - Transnet Extension RTCIP Fee	250,000.00	Allocate funding to support construction activities.
S14023 - Pacific Highlands Ranch Branch Library	400089 - Del Mar Mesa FBA	224,030.44	This request will fully fund construction activities and the purchase of books for the new Pacific Highlands Ranch Branch Library.
S14023 - Pacific Highlands Ranch Branch Library	400090 - Pacific Highlands Ranch FBA	2,100,285.38	
S14023 - Pacific Highlands Ranch Branch Library	400091 - Black Mountain Ranch FBA	2,184,296.79	
S14023 - Pacific Highlands Ranch Branch Library	400094 - Torrey Highlands	1,092,148.40	
S15028 - Olive Grove Community Park Ada Improvement	400129 - Clairemont Mesa - Urban Comm	25,484.42	Allocate funding to support construction activities.
S15031 - Egger/South Bay Community Park ADA Improvements	400125 - Otay Mesa/Nestor Urban Community	270,144.57	Allocate funding to fully fund construction activities.
S15034 - Junipero Serra Museum Ada Improvements	400305 - San Diego Park Dist. No 3	42,019.82	Allocate funding to support construction activities.
S15040 - Golf Course Drive Improvements	400111 - Golden Hill Urban Comm	46,758.56	Allocate funding to support ongoing design efforts.



Funded Program	Fund	Amount	Justification
S16013 - Children's Park Improvements	400122 - Downtown DIF	421,453.46	Allocate funding to support construction activities.
S16047 - Cañon Street Pocket Park	400118 - Peninsula Urban Comm	322,900.54	Allocate funding to support future construction activities.
S16048 - Villa Monserate Neighborhood Park Upgrades	400098 - Tierrasanta - DIF	52,149.96	Allocate funding to support construction activities.
S16048 - Villa Monserate Neighborhood Park Upgrades	200324 - Antenna Lease Revenue	100,000.00	
S16059 - Park de la Cruz Community Center & Gym	200324 - Antenna Lease Revenue	70,000.00	Allocate funding to support construction activities.
S16060 - Bay Terrace Senior Center	200324 - Antenna Lease Revenue	200,000.00	Allocate funding to support construction activities.
T19002 - CPPS - Phase 1	700008 - Muni Sewer Utility - CIP Funding Source	25,000.00	Allocate funding to support the replacement of the Centralized Payment Processing Technology Solution.
T19002 - CPPS - Phase 1	700010 - Water Utility - CIP Funding Source	25,000.00	
<b>Total Appropriations</b>		<b>26,611,482.65</b>	





### Decreasing Appropriation

Funded Program	Fund	Amount	Justification
ABL00001 - Standpipe & Reservoir Rehabilitations	700010 - Water Utility - CIP Funding Source	1,361,000.00	Funds are not needed at this time to support anticipated project cash flow activities.
ACC00001 - Watershed CIP	400265 - CIP Contributions from the General Fund	250,000.00	Funds are being returned to fund balance so that they can be requested to be allocated for the creation of a new project for the Maple Canyon Storm Drain Upgrade as part of the Fiscal Year 2020 May Revise Process.
P18002 - Ocean Beach Pier Condition Assessment	200402 - Ocean Beach Pier (Concessions)	150,000.00	Funds will be used to support the pier repair activities, which are not capital in nature.
RD15000 - Camino Del Sur-2 Lanes	400094 - Torrey Highlands	3,245,000.00	Funds are being returned to fund balance to support future projects.
S10067 - Crest Canyon Resource Management Plan	200109 - EGF O/S Acq. & Debt Serv (2/3)	27,521.00	Project is not capitalizable. Planning activities will take place outside of the CIP program.
S10068 - Gonzales Canyon Resource Management Plan	200109 - EGF O/S Acq. & Debt Serv (2/3)	22,648.31	Project is not capitalizable. Planning activities will take place outside of the CIP program.
<b>Total Decreasing Appropriation</b>		<b>5,253,250.21</b>	



**Transfer in the CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
ABP00003 - Ps # 64, 65 Penasquitos & Emission Gorg	ABP00001 - Pump Station Restorations	700008 - Muni Sewer Utility - Cip Funding Source	758,086.57	ABP00003 Is being combined with ABP00001. All expense, encumbrance and budget activity will be moved.
S13018 - Avenida de la Playa Infrastructure – Storm Drain	ACA00001 - Drainage Projects	400265 - CIP Contributions from the General Fund	294,894.46	Avenida de la Playa is completed with savings. Funding not needed to close the project is being allocated to support Storm Drain projects.
S13018 - Avenida de la Playa Infrastructure – Storm Drain	ACA00001 - Drainage Projects	400002 - Capital Outlay-Misc Revenue	5,105.54	
S15022 - S. Chollas Landfill BMP, LFG, & Overlay	ACA00001 - Drainage Projects	400265 - CIP Contributions from the General Fund	84,720.19	S. Chollas Landfill is nearly completed with project savings. Funding not needed to close the project is being allocated to support Storm Drain projects.
AGF00005 - Regional Park Improvements	ACA00001 - Drainage Projects	400869 - General Fund Commercial Paper Notes	252,551.00	Funding is being transferred to support Storm Drain emergency projects.
AID00005 - Street Resurfacing and Reconstruction	ACA00001 - Drainage Projects	400869 - General Fund Commercial Paper Notes	10,000,000.00	
AGF00004 - Mission Bay Improvements	AGF00005 - Regional Park Improvements	200386 - Mission Bay Park Improvements	400,000.00	Funding is being transferred to support OB Dog Beach ADA Improvements (B19000).
L17002 - Balboa Park Plaza De Panama Project	AGF00005 - Regional Park Improvements	400002 - Capital Outlay-Misc Revenue	8,000,000.00	Funding is being transferred to support facilities and other priority project improvements in Balboa Park.
L17002 - Balboa Park Plaza De Panama Project	AGF00005 - Regional Park Improvements	400000 - Capital Outlay-Sales Tax	1,300,000.00	



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
ABT00001 - City Facility Improvements	AGF00007 - Park Improvements	400099 - Rancho Bernardo-Fac Dev Fund	133,000.00	The Rancho Bernardo Comfort Station ADA Improvements Project completed with savings that are being transferred to initiate design of the Rancho Bernardo Community Park Sport Field Lighting Project.
AIA00001 - Minor Bike Facilities	AIE00001 - Bridge Rehabilitation	100012 - Infrastructure Fund (Proposition H)	550,000.00	Funding is being transferred to support the construction phase of the Nimitz Bridget at NTC Rehab and Voltaire St Bridge Rehab projects (B15198 & B00870).
AIA00001 - Minor Bike Facilities	AIE00001 - Bridge Rehabilitation	400265 - CIP Contributions from the General Fund	50,000.00	
S00667 - Mira Mesa Community Park - Exp & Aquatic	L16002 - Mira Mesa Community Pk Improvements	400085 - Mira Mesa - FBA	1,812,266.00	Mira Mesa Community Park phase 1 project is nearly completed with project savings. Funding not needed to close the project is being allocated to support Mira Mesa Community Park phase 2 design and construction.
S00783 - Fire Station No. 17	S00791 - South Mission Beach Station	400265 - CIP Contributions from the General Fund	42,508.62	Projects have completed with savings. Funds not needed to close the projects are being transferred to support the construction of S. Mission Beach Lifeguard Station.
S00788 - Fire Sta #5 - Hillcrest	S00791 - South Mission Beach Station	100012 - Infrastructure Fund (Proposition H)	73,608.26	
S00788 - Fire Sta #5 - Hillcrest	S00791 - South Mission Beach Station	400002 - Capital Outlay-Misc Revenue	67,000.51	



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S00788 - Fire Sta #5 - Hillcrest	S00791 - South Mission Beach Station	400265 - CIP Contributions from the General Fund	139,781.39	
S13011 - Fire Station 15 Expansion	S00791 - South Mission Beach Station	400265 - CIP Contributions from the General Fund	13,054.32	
S00880 - Miramar Road I-805 Easterly Ramps	S00851 - SR163/Friars Road	400174 - Transnet Extension RTCIP Fee	500,000.00	Miramar Road requires eminent domain proceedings before moving to the next phase of the project. Funds are being transferred to support the ongoing construction of SR163/Friars Rd.
S00880 - Miramar Road I-805 Easterly Ramps	S00851 - SR163/Friars Road	400169 - Transnet Extension 70% Cap	300,000.00	
P18001 - North Park Recreation Center Expansion	S10050 - North Park Mini-Park and Streetscape Imp	400112 - North Park Urban Comm	275,000.00	Transfer is needed to support construction of the North Park Mini Park.
P18001 - North Park Recreation Center Expansion	S10050 - North Park Mini-Park and Streetscape Imp	400110 - Park North-East - Park Dev Fund	99,000.00	
AGF00005 - Regional Park Improvements	S15035 - EB Scripps Park Comfort Station Replacement	200391 - San Diego Regional Parks Improvements	211.97	Funding is being transferred to support the construction phase of the EB Scripps Park Comfort Station Replacement.
AGF00006 - Coastal Erosion and Access	S15035 - EB Scripps Park Comfort Station Replacement	200391 - San Diego Regional Parks Improvements	164,000.00	
S10065 - Mission Trails Reg Park Cowles Mountain Trail Rehab	S15035 - EB Scripps Park Comfort Station Replacement	200391 - San Diego Regional Parks Improvements	248,654.57	
S10066 - Mission Trails Regional Park Trail Realignments	S15035 - EB Scripps Park Comfort Station Replacement	200391 - San Diego Regional Parks Improvements	349,818.46	



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
ABT00001 - City Facility Improvements	S15035 - EB Scripps Park Comfort Station Replacement	200391 - San Diego Regional Parks Improvements	85,000.00	
ABT00001 - City Facility Improvements	S15035 - EB Scripps Park Comfort Station Replacement	200391 - San Diego Regional Parks Improvements	85,000.00	
S16030 - Ocean Air Cp - Turf Upgrades	S16037 - Carmel Creek Np Improvements	400088 - Carmel Valley Consolidated Fba	50,000.00	Transfer is needed to support construction of the Carmel Creek Np Improvements.
<b>Total Transfer</b>			<b>26,133,261.86</b>	

**Transfer from O&M**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
Non-Program	T19002 - CPPS - Phase 1	400265 - CIP Contributions from the General Fund	150,000.00	Funding is being allocated from O&M budget savings to support the ongoing Central Payment Processing Solution System Replacement.
<b>Total Transfer</b>			<b>150,000.00</b>	



# CIP Budget Grant Requests

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## Grant Highway Safety Improvement Program Grant

1. The Chief Financial Officer is authorized to accept, appropriate and expend an amount not to exceed \$998,200 if the grant funding is secured; and
2. The Chief Financial Officer is authorized to establish a special interest-bearing account for the grant, if required; and
3. The Chief Financial Officer is authorized to increase the Capital Improvement Program Budget in CIP Annual Allocation AIE00002 – Guard Rails, and to appropriate and expend an amount not to exceed \$998,200, from fund 600000, Grant Fund-Federal, Earmark Repurposing grant funding, contingent upon receipt of a fully executed grant agreement.

## Bridge Preventative Maintenance Program Grant

1. The Chief Financial Officer is authorized to accept, appropriate and expend an amount not to exceed \$3,000,000 if the grant funding is secured; and
2. The Chief Financial Officer is authorized to establish a special interest-bearing account for the grant, if required; and
3. The Chief Financial Officer is authorized to increase the Capital Improvement Program Budget in CIP Annual Allocation AIE00001, Bridge Rehabilitation, and to appropriate and expend an amount not to exceed \$3,000,000, from fund 600000, Grant Fund-Federal, contingent upon receipt of a fully executed grant agreement.

## Grant Deappropriations

1. The Chief Financial Officer is authorized to reduce the Capital Improvement Program budget by de-appropriating \$182,287.00 in fund 710000, Grant Fund-Enterprise Federal, Grant Number 1000518-2015, CIP AAA00002, Brown Field, for the purpose of closing the completed grant.
2. The Chief Financial Officer is authorized to reduce the Capital Improvement Program budget by de-appropriating \$14,793.90 in fund 710001, Grant Fund-Enterprise State, Grant Number 1000523-2015, CIP AAA00002, Brown Field, for the purpose of closing the completed grant.

# CIP Budget Adjustment Requests

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## TransNet

1. That the City of San Diego requests that SANDAG make the following changes to its 2018 POP (“the Amendment”); and
2. That the Mayor, or his designee, is authorized to approve adjustments to *TransNet* funded projects, according to Attachment I, in compliance with SANDAG Board Policy No. 31, Rule #7 and Rule #17; and
3. That pursuant to Section 2(C)(1) of the *TransNet* Extension Ordinance, the City of San Diego certifies that no more than 30 percent of its annual revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment; and
4. That pursuant to Section 4(E)(3) of the *TransNet* Extension Ordinance, the City of San Diego certifies that all new or changed projects, or major reconstruction projects, included in the Amendment and funded by *TransNet* revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed, shall be clearly noticed as part of the City of San Diego’s public hearing process for the Amendment; and
5. That pursuant to Section 8 of the *TransNet* Extension Ordinance, the City of San Diego certifies that the required minimum annual level of local discretionary funds to be expended for street and road purposes will be met throughout the 5-year period consistent with the most recent Maintenance of Effort Requirements adopted by SANDAG; and
6. That pursuant to Section 9A of the *TransNet* Extension Ordinance, the City of San Diego certifies that it will exact \$2,483.48, plus all applicable annual increases, from the private sector for each newly constructed residential housing unit in that jurisdiction (unless exempted under the *TransNet* Extension Ordinance,) and shall contribute such exactions to the Regional Transportation Congestion Improvement Program (RTCIP).
7. That pursuant to Section 13 of the *TransNet* Extension Ordinance, the City of San Diego certifies that it has established a separate Transportation Improvement Account for *TransNet* revenues with interest earned expended only for those purposes for which the funds were allocated.
8. That pursuant to Section 18 of the *TransNet* Extension Ordinance, the City of San Diego certifies that each project of \$250,000 or more will be clearly designated during construction with *TransNet* project funding identification signs.
9. The City of San Diego does hereby certify that all other applicable provisions of the *TransNet* Extension Ordinance and SANDAG Board Policy No. 31 have been met.

10. That the City of San Diego continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims to local *TransNet* funded projects.

The action will allow the City to adjust project balances to conform to the “2018 Audit Schedule Adjustments” by transferring and reauthorizing funding as detailed on Attachment IV. The audit schedule adjustments affect neither the City’s budget nor *TransNet* fund programming in the RTIP.

### Close CIP Project

1. Close S10065, Mission Trails Reg Pk Cowles Mtn Tl Reh
2. Close S10066, Mission Trails Reg Pk Trail Realignments
3. Close S10067, Crest Canyon Resource Management Plan
4. Close S10068, Gonzales Canyon Resource Management Plan
5. Close L17002, Balboa Park Plaza de Panama
6. Close S00317, S. Metro Sewer Rehabilitation Phase 3B

### Rename CIP Projects

1. Rename AIA00001, Annual Allocation – “Minor Bike Facilities” to “Bicycle Facilities.”

### Transfer of Projects between Annual Allocations

1. Transfer up to \$758,086.57 in appropriations, expenditures, and encumbrances from CIP ABP00003, Annual Allocation – Pump Station 64, 65 Peñasquitos, E Mission Gorge (B00306 PS 65 Capacity upgrade), into CIP ABP00001, Annual Allocation – Pump Station Restorations.



## Fiscal Year 2018 TransNet Audit Schedule Adjustment

MPOID	WBS #	Project Name	Fiscal Year 2018 Audit Schedule Ending Balance (TransNet 2)	Audit Schedule Adjustments from TransNet 2	Fiscal Year 2017 Revised Audit Schedule Ending Balance	Notes
SD19	S00864	Streamview Drive (ARRA)	(7,714)	7,714	-	Active Project
SD29	S00845	43rd Street Widening	2	(2)	-	Active Project
SD106	S00726	Mission Beach Boardwalk	12,238	(12,238)	-	Project Complete
SD120	S00958	San Diego River Multi-Use Bicycle & Pedestrian Path	13,869	(13,869)	-	Project Complete
SD137	S00913	Palm Avenue Roadway Improvements	(145,967)	145,967	-	Active Project
SD153	S00985	25th Street Renaissance Project	(7,963)	7,963	-	Active Project
SD156	S00922	34th & 35th at Madison Improvements	74,399	(74,399)	-	Project Complete
SD162	S00673	Home Avenue Street Improvement	158,649	(49,340)	109,309	Active Project
SD179	S00907	Linda Vista Road and Genesee	(18,179)	18,267	88	Active Project
		<b>Interest - 70% Capital</b>	<b>30,063</b>	<b>(30,063)</b>	-	
		<b>Total TransNet 2 Audit Schedule Adjustments - 70% Cap</b>	<b>109,397</b>	<b>-</b>	<b>109,397</b>	