



Adopted Budget
Fiscal Year
2020



Page Intentionally Left Blank

Capital Improvements Program

The Fiscal Year 2020 Adopted Capital Improvements Program (CIP) Budget is \$710.8 million. This budget allocates existing funds and anticipated revenues to both new and continuing projects in the City’s \$9.55 billion multi-year CIP. The allocation of funds is based upon an analysis of available funding sources as well as a review of project needs and priorities. The City’s CIP needs often outweigh available resources; therefore, the Adopted CIP budget is constrained by the availability of funds.



The Fiscal Year 2020 Adopted CIP budget, as summarized in **Table 1** below, is funded by a variety of sources, including water and sewer enterprise funds, TransNet, General Fund Infrastructure and park improvement funds. Further details on these funding sources and the specific projects included in the Adopted CIP Budget can be found in Volume III of the Fiscal Year 2020 Adopted Budget.

Table 1: Fiscal Year 2020 Adopted CIP Budget

Funding Source	2020 Adopted Budget	Percent of Total CIP Budget
Development Impact Fees	\$ 48,500	0.01 %
Fleet Services Internal Service Fund	1,270,598	0.18 %
Gas Tax Fund	4,156,286	0.58 %
General Fund	6,058,000	0.85 %
Golf Course Enterprise Fund	3,000,000	0.42 %
Infrastructure Fund	7,600,622	1.07 %
Mission Bay Park Improvement Fund	7,734,786	1.09 %
Mission Trails Regional Park Fund	195,332	0.03 %
Recycling Fund	1,100,000	0.15 %
Refuse Disposal Fund	4,300,000	0.60 %
San Diego Regional Parks Improvement Fund	3,500,000	0.49 %
Sewer Funds	304,465,573	42.83 %
TransNet Funds	20,589,394	2.90 %
Trench Cut/Excavation Fee Fund	2,000,000	0.28 %
Utilities Undergrounding Program Fund	5,000,000	0.70 %
Water Fund	339,793,064	47.80 %
Grand Total	\$ 710,812,155	

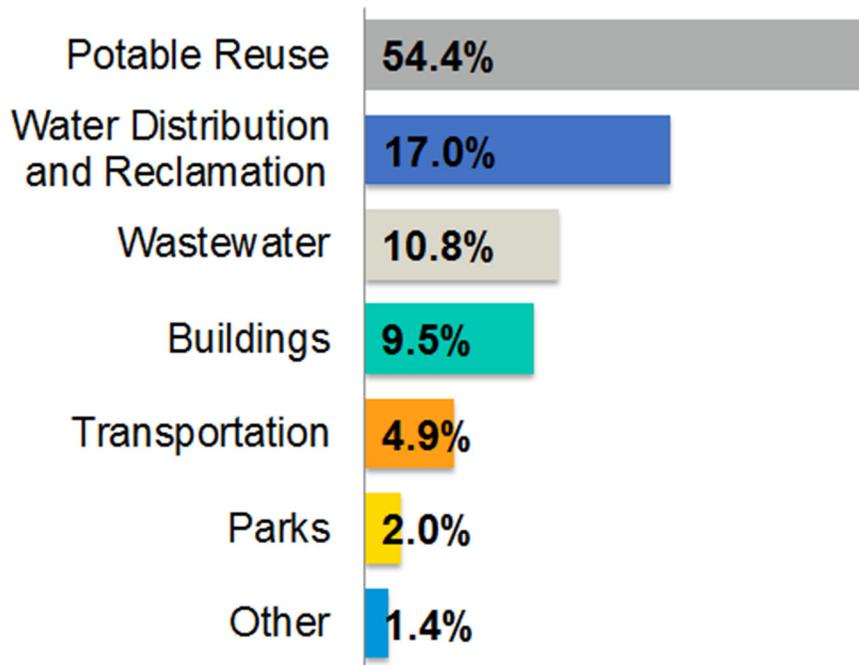
An additional \$191.1 million of funding is anticipated to be received during Fiscal Year 2020. This anticipated funding is not included in the Adopted Budget amount of \$710.8 million because the funding sources either require additional City Council approval, such as Facilities Benefit

Capital Improvements Program

Assessments and grants, or the funding sources are tentative, and staff will request City Council approval to appropriate when the funds have been received. Anticipated funding includes a variety of funding such as donations, grants, developer funding, and Facilities Benefit Assessments.

The Fiscal Year 2020 Adopted CIP Budget of \$710.8 million will support various types of projects, as displayed in **Figure 1** below, such as water and sewer facilities, buildings, and transportation projects. Because the allocation of resources is primarily driven by the availability of funds, the distribution of the Adopted CIP Budget is concentrated on those project types with dedicated funding sources. The Water and Sewer Funds account for the majority of the Adopted CIP Budget and support water and wastewater project types. In addition, 88.9 percent of the CIP budget allocation for City buildings is for buildings that are maintained and operated by the Public Utilities Department and are funded by the Water and Sewer Funds. Transportation projects are primarily funded by TransNet, which may also fund transportation components of other project types in the right-of-way. Landfill, airport, and golf project types are funded by enterprise funds. Parks, and other building projects, such as police, fire, and library buildings compete for scarce resources, including development impact fees and the City's General Fund.

Figure 1: Fiscal Year 2020 Adopted Budget by Project Type



Capital Improvements Program

The City's multi-year CIP includes assets which are maintained and operated by a variety of City departments, as shown in **Table 2**. The largest funding allocation in the Fiscal Year 2020 Adopted CIP Budget is for the Public Utilities Department's projects, receiving \$644.3 million, or 90.6 percent, of the Adopted CIP Budget. The next largest portion is for the Transportation & Storm Water Department's projects, with \$38.1 million, or 5.4 percent, of the Adopted CIP Budget. This distribution of funding for each department's projects is primarily dependent upon the availability of funding for the types of assets maintained by each department, combined with the amount, size and condition of those assets.

Table 2: Multi-Year CIP

Department	Prior Year	2020 Proposed	Future Years	Total
Airports	\$ 19,213,963	\$ -	\$ -	\$ 19,213,963
Citywide	54,848,945	1,528,598	691,238,385	747,615,928
Department of Information Technology	501,679	-	-	501,679
Environmental Services	81,028,879	3,550,000	4,600,000	89,178,879
Fire-Rescue	119,287,710	-	56,187,695	175,475,405
Library	63,046,068	798,500	29,868,800	93,713,368
Parks & Recreation	455,647,904	19,527,951	128,610,643	603,786,498
Police	18,585,096	-	-	18,585,096
Public Utilities	1,761,350,819	644,258,637	2,179,624,343	4,585,233,799
Real Estate Assets - Facilities Services	39,251,746	3,064,500	87,401,000	129,717,246
Sustainability	31,732,349	-	2,000,000	33,732,349
Transportation & Storm Water	1,056,412,452	38,083,969	1,961,880,908	3,056,377,329
Grand Total	\$ 3,700,907,610	\$ 710,812,155	\$ 5,141,411,774	\$ 9,553,131,539

The Fiscal Year 2020 Adopted CIP Budget will add \$710.8 million to the City's \$9.55 billion multi-year CIP. The City Council previously approved \$3.70 billion towards projects that are continuing from previous fiscal years. An estimated \$5.14 billion of additional funding will be needed in future years to complete the projects currently in the City's CIP and to fund annual ongoing capital expenses, such as road resurfacing and pipe replacements. The City's CIP does not include all of the City's unfunded CIP needs or new projects which may be added in future years.

Priority Scores are given to projects as a way to compare them to other similar projects of the same project type within the Capital Improvement Program (CIP). Council Policy 800-14, Prioritizing CIP Projects, outlines the process for scoring and prioritizing projects. The policy establishes a capital planning process that ultimately leads to decisions that optimize the use of available resources for projects competing for funding, resulting in the maximum benefit from the projects delivered. This policy takes into account the emergency status of a project, the risk to environment, the sustainability of resources, and provides guidelines and procedures to maintain consistency in application across all asset-managing departments by requiring an asset specific scoring methodology using unique operational needs and an objective scoring tool in prioritizing CIP projects. More details regarding the project prioritization process can be found in the Project Prioritization section of Volume III of the Fiscal Year 2020 Adopted Budget.

Capital Improvements Program

Five-Year Capital Infrastructure Planning Outlook

Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to the City's constituents. Therefore, the procurement, construction, and maintenance of capital assets are a critical activity of the City. Careful planning involves ongoing review of the City's capital needs and funding programs to develop an integrated capital asset management system. A prudent multi-year capital plan will identify and prioritize expected needs based on a community's strategic plan, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs that will expand well beyond one year.

On January 24, 2019, the Public Works Department released its Fiscal Year 2020-2024 Five-Year Capital Infrastructure Planning Outlook (CIP Outlook) report. The CIP Outlook presents a comprehensive overview of the City's CIP including current driving factors, reviews of service level standards, a discussion of condition assessment impacts, and a cost analysis which spans over multiple fiscal years. The CIP Outlook will be released on an annual basis and will be used as a guide in developing the City's Annual Capital Improvement Program Budget.