

# Capital Improvements Program

## Glossary

**ACCOUNTING PERIOD:** The City of San Diego's fiscal year is divided into 12 accounting periods. Each accounting period is a month and may have two or three pay periods.

**ADOPTED BUDGET:** The Mayor and City Council's approved plan for the City's financial operations, which includes an estimate of expenditures and revenues for a given fiscal year.

**AMERICANS WITH DISABILITIES ACT (ADA):**

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of telecommunications device for the deaf (TDD)/telephone relay services.

**ANNUAL ALLOCATION:** A specific project type which typically receives budget on an annual basis and that provides for the establishment of sublet projects which fall under the budgetary threshold guidelines.

**ANNUALIZATION:** Prorating expenditures for a portion of a year over 12 months for the purpose of estimating annual costs.

**APPROPRIATION:** A legal authorization to make expenditures and to incur obligations for specific purposes.

**APPROPRIATION ORDINANCE:** The official enactment by the City Council to establish legal authority for City officials to expend and obligate resources.

**ASSET TYPE:** Capital assets are generally large and expensive and expected to last for at least one year but may be required for decades of public use and include complex underground water distribution and wastewater collection systems to buildings, parks, streets, and bridges.

**ASSET MANAGEMENT:** Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide City management with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing facilities in a cost effective manner.

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

**BOND PROCEEDS:** Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

**BUDGET:** Proposed plan of expenditure and revenue over a specified period of time such as a fiscal year or accounting period.

**BUDGET CALENDAR:** The schedule of major events in the development of the annual budget including the proposed budget, budget hearings, budget deliberations, and the adoption of the annual Appropriation Ordinance.

**BUDGET DELIBERATIONS:** The timeframe, after the completion of public hearings, of which the City Council reviews and amends or approves the Mayor's Proposed Budget.

**BUDGET DOCUMENT:** The instrument utilized to present the City's comprehensive financial plan to the City Council and the public.

**BUSINESS IMPROVEMENT DISTRICT (BID) FUNDS:** A special assessment levied upon business owners within a district with specifically defined boundaries established by City Ordinance. These assessments finance improvements within the district.

**CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET:** A multi-year financial plan of capital projects and the authorized means of their expenditures over a given period of time.

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**CAPITAL IMPROVEMENT PROJECT:** A capital improvement is generally a large construction project such as the development of park land, the construction of an overpass, the installation of a traffic signal, the acquisition of land, or the construction or remodeling of a City building. Funds for these projects are derived largely from the issuance of bonds, water and sewer fees, and a one-half cent local sales tax for transportation improvements (TransNet), grants, and developer impact fees.

**CAPITAL IMPROVEMENTS PROGRAM ADVISORY COMMITTEE**

**(CIPRAC):** This committee provides oversight for prioritizing and approving CIP projects for the annual budget process. CIPRAC is primarily comprised of the asset-owning department management to advise on CIP related matters such as project listings and prioritizations.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS:**

Funds established to account for revenues from the federal government and expenditures as prescribed under the Community Development Block Grant Program.

**CONTINUING APPROPRIATIONS:** Funding approved in prior fiscal years, but not expended within the respective fiscal year, are carried forward into subsequent fiscal years for their intended purpose.

**CONTRACTS:** Expenditures for services provided by outside organizations and businesses, including consultant and construction activities.

**DEBT:** Payment of interest and principal on an obligation resulting from the issuance of bonds.

**DEFERRED CAPITAL:** A capital program established for street pavement, buildings, and storm drains improvements funded through a series of deferred maintenance bonds.

**DEPARTMENT:** A basic organizational unit of government that may be sub-divided into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

**DEFERRED MAINTENANCE:** A backlog of needed repairs to City facilities or other assets such as streets, roof repairs, heating and cooling system upgrades, painting, floor covering repair, structural repairs, and slurry sealing of streets.

**DEVELOPMENT IMPACT FEES (DIF):** Fees that are collected within urbanized communities which are near build-out to mitigate the impact of new development.

**ENCUMBRANCE:** An encumbrance designates or reserves funds for a specific purpose as approved by the appropriate authority. When the goods and services are received, the encumbrance is released and the expenditure is recorded for the actual costs.

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

**ENVIRONMENTAL GROWTH FUND (EGF):** This fund was established in accordance with Section 103.1a of the City Charter to receive 25 percent of all funds derived from the revenues accruing to the City from gas, electricity, and steam franchises.

**EXPENDITURE:** The actual outlay of monies from the City treasury.

**EXPENSES:** Charges incurred for operations, maintenance, interest, or other charges.

**FACILITIES BENEFIT ASSESSMENT (FBA):** An FBA generally provides 100% of funds for public facilities projects that service a designated area of benefit and are identified in the Public Facilities Financing Plan (PFFP).

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**FEDERAL GRANT FUNDS:** These funds were established to account for revenue from the federal government and expenditures as prescribed by grant provisions/agreements.

**FISCAL YEAR (FY):** A 12-month timeframe designating the beginning and ending period for recording financial transactions. The City of San Diego has specified July 1 through June 30 as the fiscal year.

**FIVE-YEAR CAPITAL INFRASTRUCTURE PLANNING REPORT:** Introduces the current state of capital planning efforts, provides definitions to critical components of capital planning, identifies challenges in maintaining multi-year capital planning efforts, and outlines future efforts in continuously enhancing multiyear capital planning.

**FIVE-YEAR FINANCIAL OUTLOOK:** The Five-Year Financial Outlook includes revenue and expenditure forecasts which are based on various assumptions, such as economic conditions or previous policy decisions. The Financial Outlook serves as a long-range planning tool which identifies priorities, economic trends, risks and opportunities, and guides the City in the development of future budgets.

**FULL-TIME EQUIVALENT (FTE):** The decimal equivalent of a part-time position converted to a fulltime basis, i.e., one person working half-time would count as a 0.50 FTE position.

**FUND:** A fiscal and accounting entity with a self balancing set of accounts to record revenues and expenditures.

**GENERAL FUND:** The City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings.

**GRANT:** A contribution by a government or other organization to support a particular function.

**INFRASTRUCTURE:** The basic facilities, services, and installations needed for the functioning of a community, such as transportation and communications systems, water and power lines, and public institutions.

**MAINTENANCE ASSESSMENT DISTRICT (MAD) FUNDS:** Property owners within a specified district are assessed for the purpose of financing maintenance of open space areas, street medians, rights-of-way, and in some cases, mini-parks and streetlights.

**NON-PERSONNEL EXPENSE (NPE):** Expenditures related to supplies, contracts, information technology, energy and utilities, other, capital expenditures, and debt.

**OPERATING BUDGET:** Authorized expenditures for ongoing municipal services (e.g., police and fire protection, street maintenance, parks, and libraries).

**OPERATING IMPACTS:** An estimate of a capital project's ongoing operating expenses upon completion and the impact on the City's operating budget.

**ORDINANCE:** A law adopted by the City Council. Ordinances usually amend, repeal, or supplement the Municipal Code; provide zoning specifications; or appropriate money for specific purposes.

**PERSONNEL EXPENSE (PE):** Expenditures related to employee compensation including wages and salaries, fringe benefits, retirement, and special pays such as shift differentials.

**PRELIMINARY ENGINEERING:** These projects are still in the planning phase of developing scope, schedule, and project cost.

**PROJECT TYPE:** Project types are a more specific manner of categorizing the kind of improvement provided by each capital project.

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**PROPOSED BUDGET:** The Mayor's recommendation for the City's financial operations, which includes an estimate of proposed expenditures and revenues for a given fiscal year. The proposed budget is delivered to City Council in April of each year.

**PUBLIC FACILITIES FINANCING PLAN (PFFP):** These plans implements the improvement requirements set forth in a designated area and provides funding by the FBA.

**REIMBURSEMENT:** Fees received as payment for the provision of specific municipal services.

### **REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT**

**PROGRAM FEE (RTCIP):** Fees that were established to ensure that new development directly invests in the region's transportation system to offset the negative impact of growth on congestion and mobility. This fee is only applicable on new residential development.

**REQUEST FOR PROPOSAL (RFP):** A document intended to elicit bids from potential vendors for a product or service. The quality of an RFP is very important to successful project management because it clearly delineates the deliverables associated with the project and establishes a framework for project execution. Ideally, RFPs stipulate the requesting organization's requirements and the conditions demanded of applicants clearly enough to minimize the possibility of misunderstandings and errors.

**RESOLUTION:** Formal expressions of opinion or intention of the City Council. Resolutions typically become effective upon their adoption.

**REVENUE:** Funds received from various sources and treated as income to finance expenditures.

**SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG):** A public agency which serves as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transportation;

and provides information on a broad range of topics pertinent to the region's quality of life.

**SEMI-ANNUAL CIP MONITORING REPORT:** A report that provides updates on the status of CIP process improvement measures and efficiencies gained, as well as a consolidated CIP requests for City Council action on behalf of all City departments.

**SMART GROWTH:** A development pattern that focuses on future community growth which maximizes the use of existing infrastructure (such as public transportation) while preserving open space and natural resources. Smart growth results in more housing and transportation choices for those who live and work within smart growth areas.

**TRANSNET FUNDS:** Funds derived from a one-half cent local sales tax, that is administered by SANDAG, which is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects.

**UNFUNDED NEEDS LIST:** A summary of projects with insufficient funding for project completion which identifies both the amount of funding required and the component of work that is not funded.

**UNIDENTIFIED FUNDING:** An amount required for project completion, but for which no funding source has been identified.