

The City of
SAN DIEGO

FISCAL YEAR 2021
CAPITAL IMPROVEMENTS PROGRAM
YEAR-END BUDGET MONITORING REPORT



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INTRODUCTION

The Fiscal Year 2021 Capital Improvements Program (CIP) Year-End Budget Monitoring Report presents a semi-annual review and monitoring overview of the City's CIP available allocations and key funding source activity. This includes a request for City Council to approve budget adjustments that supplement the City's capital budgeting and internal monitoring processes.

Included in this report are details of the \$13.2 million in requested City Council approvals for new budget appropriations, reallocations of funds, and de-appropriation of CIP project savings resulting from the City's continued cash management and streamlining efforts:

- **Summary of CIP Budget Adjustments:** A thorough CIP budget review process has consolidated over 50 budget related actions into one semi-annual request, saving significant staff hours and resources. These requests include:
 - Expedited appropriation of \$6.5 million from fund balance
 - Reallocation of \$3.7 million in excess funding to priority projects
 - Accelerated de-appropriation of \$171k in excess funding to fund balance
 - Mission Bay Park & San Diego Regional Parks Improvement Funds Reallocations

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

- Authority to close projects
 - Authority to adjust operating revenues
 - Authority to use city forces
 - Authority to amend the TransNet Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding
- **CIP Fund Monitoring:** Provides an update on several significant areas and CIP funding sources including:
 - TransNet Funds
 - Gas Tax Funds
 - General Fund Asset Funds
 - Appropriation Ordinance Uses
 - Commercial Paper Programs

CIP BUDGET MONITORING

Proactive budget monitoring allows for the timely reallocation of idle funds to higher priority projects; and assures that, where available, the availability of funds is not an impediment to the effective execution of priority CIP projects. The Fiscal Year 2021 CIP Year-End Budget Monitoring Report includes the results of internal budget monitoring and cash management processes. It also includes a request for City Council approval of new budget appropriations, reallocations of funds, and other CIP project changes.

Summary of CIP Budget Adjustments

The Department of Finance (DoF) works in collaboration with the Engineering and Capital Projects Department (ECP) and asset managing departments to review project activity, available resources, and planned project funding needs. As part of the semi-annual reporting effort, DoF has provided asset managing departments with an opportunity to include CIP City Council actions necessary to allocate newly available resources to projects with a known funding need. This effort expedites the use of the most restricted funding sources and fills project funding needs that previously did not have an identified funding source to meet that need.

CIP Budget Adjustment Requests

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

Table 1: Summary of Budget Adjustment Requests

Action	Decreasing Adjustments	Increasing Adjustments	Net Change in Allocation
Appropriation Adjustments	(170,672)	6,468,396	6,297,724
Transfers within the CIP	(3,741,272)	3,741,272	-
Park Fund Transfers	(2,857,175)	2,857,175	-
Total	(6,769,119)	13,066,843	6,297,724

Details, including justifications for each request, are included in the tables in Attachment I. All adjustments will positively impact project delivery timelines, and in summary, there are three types of budget adjustments being requested:

- 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 within the CIP: moving budgeted funds between CIP projects

The \$6.5 million in increasing appropriations, is made up of the following:

- \$3.3 million from increased TransNet and TransNet RTCIP revenue estimates and receipts
- \$2 million from Infrastructure Fund and 2015 Deferred Capital Bonds as a result of a Stormwater project expense refund
- \$1 million from Public Utilities – Metro CIP Funds

Of the \$6.6 million in appropriation transfers, 81 percent of the actions came from three types of funding sources:

- \$3.2 million from Mission Bay and San Diego Regional Parks Improvement funds
- \$1.1 million from Enterprise Funds, including Public Utilities and Environmental Services
- \$1 million of Capital Outlay Funds for new Sidewalks in Council District 4

The \$170k in decreasing appropriations, are predominantly Developer Funds being returned to fund balance as a result of project savings in completed projects.

Mission Bay Park and San Diego Regional Parks Improvement Funds

The Mission Bay Improvement Fund (MBIF) and San Diego Regional Parks Improvement Fund (RPIF) are two capital improvement project funds that receive Mission Bay Park lease revenues from leaseholds in Mission Bay Park. The two funds were established by voter approval in November 2008, adding Article V, Section 55.2 to the City Charter, and became effective on July 1, 2009 with the start of Fiscal Year 2010. The Charter was further amended by voter approval in November 2016 with revisions to the allocation of revenue for capital improvement expenditures.

In accordance with Charter Section 55.2, c (3), “Once the projects identified in (c)(1) (A-E) have completed, additional projects shall be prioritized and funded only for Capital Improvements as identified in the Mission Bay Park Master Plan, recommended by the Mission Bay Park Improvement Fund Oversight Committee, and approved by the City Council.”

Also, according to Charter Section 55.2, d, “Priority for Capital Improvements hereunder shall be recommended by the San Diego Regional Parks Improvement Fund Oversight Committee, in accordance with the master plans for each of the San Diego Regional Parks and approved by the City Council.”

Thus, allocations of MBIF and RPIF revenue must be approved by both the appropriate oversight committee and the City Council. Attachment II details the specific budget requests that were most recently approved by the Mission Bay Park Improvement Fund Oversight Committee on April 6, 2021 and May 4, 2021, and the RPIF items that were approved by the Regional Park Improvement Fund Oversight Committee on March 18, 2021.

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, as required per the TransNet Extension Ordinance. These requests are detailed in Attachment IV.

Additional requests are summarized below and detailed in Attachment III:

- Approval to amend the CIP by closing projects;
- Approval to rename projects; and
- Approval for City Forces work in the CIP.

CIP Fund Monitoring

DoF, ECP, and CIP asset managing departments have put additional focus on the monitoring of CIP expenditures over the last several fiscal years. These efforts have focused on providing improved budget monitoring and cash management of CIP funds. This has been achieved by increasing coordination between technical project managers and financial support staff in ECP,

DoF and Debt Management. The following sections provide updates on the status of these ongoing efforts, which include updates on key CIP funds.

TransNet Funds

DoF and Transportation & Stormwater Departments (TSWD) closely monitor the expenditure trends and available project budgets in the TransNet Funds, which derive revenue from a one-half cent local sales tax and must be used for congestion relief related improvements to the City right-of-way.

Table 2 summarizes the fund balance estimates for TransNet Funds through March 31, 2021.

Table 2: TransNet Extension Fund Balances (\$ millions)¹

Sources of TransNet Extension Assets	Congestion Relief	Maintenance	Admin
Available Fund Balance as of 06/30/2020 (Unaudited)	\$ 28.5	\$ 0.1	\$ 0.0
Revenues as of 03/31/2021 (Unaudited)	12.5	7.2	0.2
Expenditures/Encumbrances as of 03/31/2021	(23.3)	(7.2)	(0.3)
<i>Expenditures</i>	(11.8)	(7.2)	(0.3)
<i>Encumbrances</i>	(11.5)	-	-
Remaining Fund Balance as of 03/31/2021 (Unaudited)	17.7	0.1	(0.1)
FY21 Estimated Revenues	11.8	3.2	0.1
FY21 Remaining Appropriated Budget for Projects	(27.5)	(2.5)	(0.1)
FY21 Estimated Commercial Paper Debt Service - Pending Appropriations	(0.2)	-	-
FY21 Uncommitted Fund Balance – Pending Appropriation	(1.8)	(0.8)	-
Uncommitted Fund Balance	-	-	-

1. Table totals may not sum due to rounding.

As of December 31, 2020, the City of San Diego has expended approximately 93.4 percent of cumulative TransNet Extension funds received from Fiscal Year 2008 through mid-Fiscal Year 2021. As a result of the progress the City has made in reducing fund balance held on deposit at SANDAG, the City is above the monitoring thresholds for TransNet expenditures set by the TransNet Independent Taxpayer Oversight Committee (ITOC).

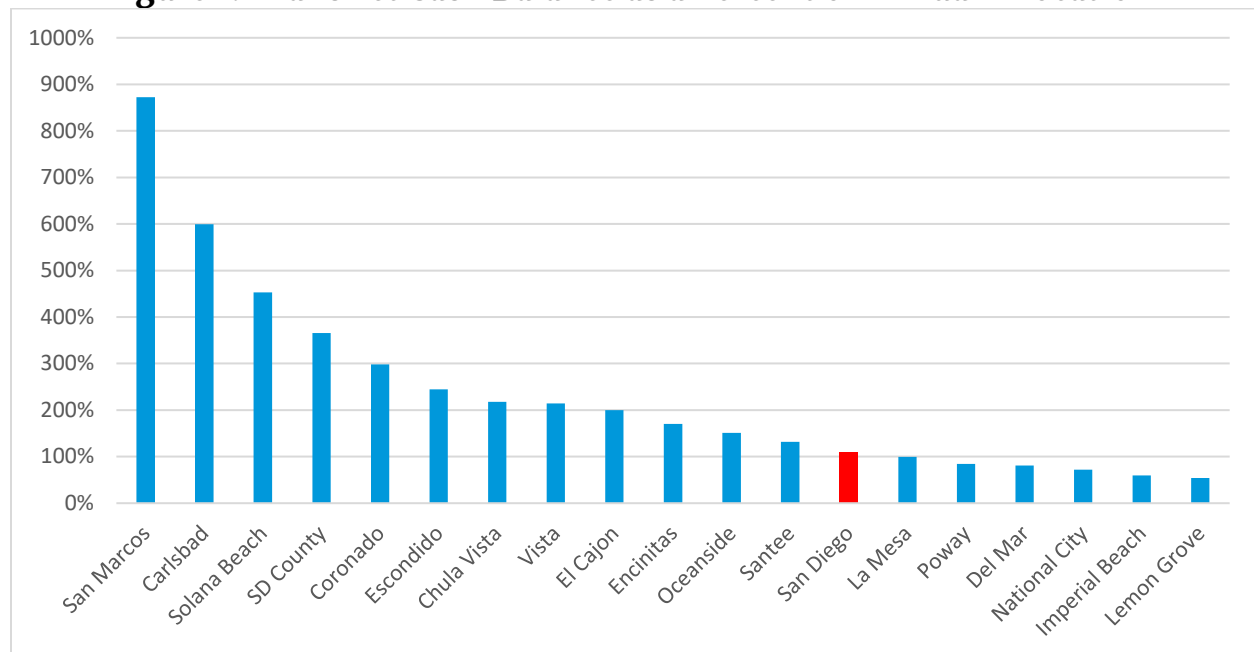
Fiscal Year 2021 TransNet expenditures are estimated to be approximately \$35.0 million; \$24.2 million for Congestion-Relief activities and \$10.7 million for Administration and Maintenance Activities. The Congestion-Relief expenditures are expected primarily in storm drain and street resurfacing projects, Otay Mesa Truck Route Phase 4, and Market Street- 47th to Euclid Avenue - Complete Street Project.

The Transportation & Stormwater Department (TSW) currently estimates that the TransNet Extension cash balance held at SANDAG will be approximately \$22.5 million by June 30, 2021, representing approximately 70 percent of the City’s annual allocation.

As of March 31, 2021, the City’s TransNet cash balance was approximately \$38.2 million. It is important to note that all available TransNet cash is budgeted in capital projects or towards operations and maintenance activities.

Figure 1 compares the City’s TransNet cash balance as a percent of its annual allocation in relation to all other jurisdictions in the region. The City has one of the lowest cash balances as a percentage of annual revenue in the region.

Figure 1: TransNet Cash Balance as a Percent of Annual Allocation ¹



1. Data source: SANDAG.

Fiscal Year 2021 TransNet revenues are projected to be approximately \$2 million higher than originally estimated. These projections are being used to support the request to add funding to multiple right-of-way improvement projects as shown in Attachment I.

Gas Tax Funds

In addition to TransNet, there are three other major funding sources for projects that implement improvements in the public right-of-way. These three funding sources are Gas Tax, Proposition 42 Replacement Gas Tax (Prop 42), and the Road Maintenance and Rehabilitation Account (RMRA).

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 the Fiscal Year 2011 level beginning on July 1, 2019.

Table 3 provides updates on cash balance trends for each fund through March 31, 2021.

Table 3: Fund Balances (\$ millions)¹

Fund Name	Gas Tax ²	Prop 42 ²	RMRA ²
Available Fund Balance as of 06/30/2020 (Unaudited)	\$ 14.5	\$ 1.5	\$ 32.0
Revenues as of 03/31/2021 (Unaudited)	18.3	-	15.6
Expenditures/Encumbrances as of 03/31/2021	(31.3)	(0.6)	(18.8)
<i>Expenditures</i>	(27.6)	(0.3)	(14.3)
<i>Encumbrances</i>	(3.7)	(0.3)	(4.5)
Remaining Fund Balance as of 03/31/21 (Unaudited)	1.5	0.9	28.8
FY21 Estimated Remaining Revenues	14.7	-	9.7
FY21 Remaining Appropriated Budget for Projects	(15.7)	(0.8)	(38.1)
FY21 Uncommitted Fund Balance – Proposed for Fiscal Year 2022	-	(0.1)	-
Uncommitted Fund Balance	0.5	-	0.4

1. Table totals may not sum 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 these funds and anticipates the trend continuing for the remainder of Fiscal Year 2021. While the table above shows anticipated surplus based upon estimated revenues, a request for allocation is not being made at this time. If projected revenues are received as anticipated, a request for appropriation will be made with a future monitoring report. 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.

General Fund Asset Funds

The Capital Outlay Fund and Infrastructure Fund can support activities including acquisition, financing, and construction related 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. DoF, ECP, and CIP asset managing departments, work together to propose the best uses for these flexible funding sources as part of the CIP budget process.

Table 4 provides updates on cash balance trends for each fund as of March 31, 2021.

Included in Attachment I of this report is a request to allocate \$120,000 of General Fund Contributions to CIP to support Governmental IT Projects and begin the procurement and implementation of software upgrades necessary to comply with Financial Reporting requirements outlined in GASB 87 regarding capital lease reporting requirements. Also requested in Attachment I of this report is a request to allocate \$1.1 million of available Infrastructure Fund Balance to the Citywide Drainage Improvements. The Infrastructure fund has available fund balance as a result of a refund for prior year expenses incurred on a Stormwater Drainage project. This available fund balance is being requested to be returned to the Stormwater Drainage Annual Allocation.

ECP and TSWD are utilizing available Infrastructure Funds primarily to support Slurry Seal activities, Sidewalk improvements, and other right-of-way infrastructure improvements including Vision Zero traffic calming efforts.

Table 4: Fund Balances (\$ millions)¹

Fund Name	GF Contrib. to CIP	Capital Outlay	Infrastructure Fund ²
Available Fund Balance as of 06/30/2020 (Unaudited)	\$ 18.5	\$ 13.0	\$ 26.9
Revenues as of 3/31/2021 (Unaudited)	-	42.6	1.3
Expenditures/Encumbrances as of 3/31/21	(13.6)	(25.2)	(14.2)
<i>Expenditures</i>	(7.1)	(19)	(5.8)
<i>Encumbrances</i>	(6.5)	(6.3)	(8.4)
Remaining Fund Balance as of 3/31/21 (Unaudited)	4.9	30.4	14.0
FY21 Estimated Remaining Revenues	0.6	-	5.4
FY 21 Remaining Appropriated Budget for Projects	(5.4)	(7.0)	(18.3)
Fund Balance Reserved for Stadium Debt Service	-	(23.5)	-
Adjusted Fund Balance	0.1	(0.1)	1.1
FY21 Uncommitted Fund Balance – Pending Appropriation	(0.1)	-	(1.1)
Uncommitted Fund Balance	-	(0.1)	-

1. Table totals may not sum due to rounding.

2. These funds are used in both the Operating and Capital Budget.

Appropriation Ordinance Uses

The Fiscal Year 2021 Appropriation Ordinance (O-21206) authorizes the CFO to modify project appropriations, for various fund or project management purposes, under certain conditions. During the first half of the fiscal year, several budget adjustments were made that amended the overall CIP Program budget, using various authorities granted to the CFO via the Appropriation Ordinance.

Section 2C(2) authorizes the CFO to close completed CIP projects and transfer unexpended balances to the appropriate reserve, or to fund balance, or up to \$100,000 to an Annual Allocation of the same asset type. Since the issuance of the Fiscal Year 2021 Mid-Year CIP Monitoring Report, this authority has been used to return over \$3.6 million from completed projects to fund balance for reallocation. **Table 5** summarizes the top five projects using this authority.

Table 5: Appropriations Ordinance (O-21206) 2C(2) Budget Adjustments

Project Name	Fund	Amount
Water Department Security Upgrades	Water Utility – CIP Funding Source	\$1,545,115.06
Miramar Landfill Gas Recovery Improvement	Refuse Disposal – CIP	\$512,566.89
Del Sur Neighborhood Park	Black Mountain Ranch FBA	\$465,412.10
Paseo Del Sur (Potomac Ridge Rd-CDS)	Black Mountain Ranch FBA	\$333,473.28
Cmo San Bern (Nicole Rd E-City Limit)	Black Mountain Ranch FBA	\$211,570.30

Section 2C(3) authorizes the CFO to transfer unexpended balances not required to close the project to the appropriate reserve, or to fund balance, or up to \$100,000 to an Annual allocation of the same type, once an asset has been placed into service. **Table 6** summarizes the uses of this authority Since the issuance of the Fiscal Year 2021 Mid-Year CIP Monitoring Report.

Table 6: Appropriations Ordinance (O-21206) 2C(3) Budget Adjustments

Project Name	Fund	Amount
Carmel Creek NP Improvements	Carmel Valley Consolidated FBA and Carmel Valley DIF	\$68,000.00
Chollas Community Park Comfort Station	CR-TAB 2010A (TE) Proceeds	\$130,000.00

Section 2C(5) authorizes the CFO to transfer and appropriate a maximum of \$200,000 per project not to exceed 10 percent of the project budget from Annual Allocations, earned interest or unappropriated fund balances to CIP projects to support remaining project costs in excess of approved appropriations in order to complete and/or close the project, once an asset has been put into service. **Table 7** summarizes the uses of this authority.

Table 7: Appropriations Ordinance (O-21206) 2C(5) Budget Adjustments

From (Project Name or Fund Balance)	To (Project Name)	Fund	Amount
Street Resurfacing and Reconstruction	Streamview Drive Improvements	Gas Tax St Impr-Ann Appr Only	\$6,501.11
Median Installation	Balboa Avenue Corridor Improvements	SR 209 & 274 Co-Op with State	\$80,000.00
Fund Balance	Doyle Community Park ADA Upgrades	Antenna Lease Revenue	\$7,444.98

Section 2C(9)a authorizes the CFO to modify individual project appropriations, close projects, and/or add new projects to the CIP in accordance with City Council-Approved Development Impact Fee plans (Public Facilities Financing Plans and Impact Fee Studies), provided funding is available for such action. **Table 8** summarizes the uses of this authority.

Table 6: Appropriations Ordinance (O-21206) 2C(9) Budget Adjustments

Project Name	Fund	Amount
Montezuma Park GDP Amendment	College Area	\$100,000.00
Cmo Del Sur Wide-San Dieguito-Carmel Vly	Black Mountain Ranch FBA	\$355,838.76
Canyonside Community Park Improvements	Rancho Penasquitos FBA	\$200,000.00
Torrey Highlands Trail System	Torrey Highlands	\$28,655.00
Camino Del Sur Widening - South	Torrey Highlands and Rancho Penasquitos FBA	\$2,270,319.25
Camino Del Sur Widening - North	Torrey Highlands	\$2,381,925.64
Carmel Mountain Rd Widening	Torrey Highlands	\$1,319,879.87
TH 16" Water Mains	Torrey Highlands	\$263,475.84

Section 2C(11) authorizes the CFO to appropriate and expend the remaining fund balances and/or interest earnings from funds up to \$25,000 for the purpose of fully expending and closing that fund. Funds shall be used solely for their intended or restricted purpose and for previously Council approved projects. Approximately \$87 of SC Open Sp ACG/Rec Ctr Ph I funds and SC Open Sp ACG/Rec Ctr Ph II funds were added to the Villa Monserate Neighborhood Park Upgrades project, and the fund was fully expended and closed.

Commercial Paper Program Funds

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

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. The last paydown of outstanding notes was in May 2020, which reset program capacity. As of March 31, 2021, \$557.6 million in Water Utility commercial paper notes are outstanding and the most recent note issuance received an interest rate of 0.13 percent. Active use of the program is expected to continue through Fiscal Year 2022. Priority projects include pipeline replacement, water storage, pump stations, and water treatment plans.

On May 15, 2018, the City Council authorized the creation of a General Fund Commercial Paper program, which currently has a not-to-exceed authorization of \$88.5 million. In November 2018, the City issued its first General Fund Commercial Paper Notes (\$6.8 million); and by March 2021, the City had issued the remaining notes under the authorization, which funded the capital improvement projects summarized in **Table 6** below.

In April 2021, the City issued long-term, tax-exempt lease-revenue bonds, which generated \$145 million in net proceeds to pay down outstanding commercial paper notes (\$88.5 million), thereby resetting the program, and to provide supplemental bond funds for the CIP (\$56.5 million). A City Council Request for authorization to appropriate these funds is anticipated to come before City Council prior to the end of Fiscal Year 2021. Once appropriated for expenditure, the utilization of tax-exempt proceeds will be prioritized, after which utilization of the General Fund Commercial Paper program will continue through FY22.

Table 6 summarizes General Fund Commercial Paper Activity through March 31, 2021.

Table 6: General Fund Commercial Paper Activity Update

Asset Type	Authorized Appropriation Amount	Expended	Encumbered	Remaining
Drainage	35,685,981	32,785,829	2,696,522	203,600
Facilities	6,652,313	6,533,819	31,264	87,230
Guard Rails	450,000	268,205	17,420	164,376
Park	6,320,706	2,660,383	2,253,023	1,407,300
Traffic Calming	300,000	113,261	-	186,739
Street	26,408,899	19,934,303	4,595,263	1,879,333
Transportation	215,000	142,620	-	72,380
Watershed	11,840,571	7,989,554	2,151,575	1,699,443
Total	87,873,470	70,427,974	11,745,096	5,700,400

CONCLUSION

Cash management and proactive budget monitoring, combined with the requests for Council Action detailed in this report, has resulted in the allocation of \$6.5 million in new funds to the CIP program as well as the reallocation of \$6.6M between projects in the CIP program. 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

- I. CIP Budget Adjustment Requests
- II. Mission Bay Improvement Fund and San Diego Regional Parks Improvement Fund
- III. Additional Approvals Requested
- IV. TransNet RTIP Amendment Resolution

CIP Budget Adjustment Requests

Summary

The table below summarizes the 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 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

Increasing Appropriation

Funded Program	Fund	Amount	Justification
ABP00002 - Metropolitan System Pump Stations	700009 - Metro Sewer Utility - CIP Funding Source	1,000,000.00	Funding is being allocated to support the design of B21001 - Penasquitos Pump Station Oxygenation System
ACA00001 - Drainage Projects	100012 - Infrastructure Fund (Proposition H)	1,092,810.26	Funding is being allocated to support the construction of B21115 - Cajon Way CMP Storm Drain Emergency
ACA00001 - Drainage Projects	400860 - PFFA Lease Revenue Bonds 2015B	915,770.42	Funding is being allocated to support the construction of B21126 - Campanile Way Storm Drain Emergency construction
AID00005 - Street Resurfacing and Reconstruction	400169 - TransNet Extension 70% Cap	44,471.54	Funding is being allocated to support the design of B21089 - Asphalt Overlay Group 2110
AIE00001 - Bridge Rehabilitation	400174 - TransNet Extension RTCIP Fee	50,000.00	Funding is being allocated to move less restricted funding from B17067 - Fairmount Ave Bridge Rehab West/Left
AIG00001 - Median Installation	400169 - TransNet Extension 70% Cap	292,000.00	Funding is being allocated to support the design of B18008 - Foothill Blvd & Loring St Roundabout
AIG00001 - Median Installation	400169 - TransNet Extension 70% Cap	265,000.00	Funding is being allocated to support the design of B20142 - 6th Ave @ Juniper St Roundabout

Funded Program	Fund	Amount	Justification
AIK00001 - New Walkways	400169 - TransNet Extension 70% Cap	8,633.00	Funding is being allocated to support the design of B18054 - ADA Mid-City MS TSW-1
AIK00001 - New Walkways	400169 - TransNet Extension 70% Cap	400,000.00	Funding is being allocated to support the design of B19020 - La Media Improvement-Siempre Viva to Truck Route
AIL00001 - Traffic Calming	400169 - TransNet Extension 70% Cap	23,693.00	Funding is being allocated to support the construction of B17100 - India St At West Palm St Hybrid Beacon
AIL00001 - Traffic Calming	400169 - TransNet Extension 70% Cap	150,000.00	Funding is being allocated to support B18024 - Coast Walk Parking Project
ATT00001 - Governmental Funded IT Projects	400265 - CIP Contributions from the General Fund	120,000.00	Funding is being allocated to support procurement of GASB 87 compliance software
S00871 - West Mission Bay Drive Bridge Over San D	400169 - TransNet Extension 70% Cap	210,000.00	Funding is being allocated to support debt service expense for S00871 - West Mission Bay Drive Bridge Over San Dan Diego River
S00905 - SR163/Clairemont Mesa Blvd Interchange	400174 - TransNet Extension RTCIP Fee	35,026.25	Funding is being allocated to move less restricted funding from S00905 - SR163/Clairemont Mesa Blvd Interchange
S11060 - Otoy Mesa Truck Route Phase 4	400169 - TransNet Extension 70% Cap	650,000.00	Funding is being allocated to support the construction of S11060 - Otoy Mesa Truck Route Phase 4
S14009 - SR94/Euclid Av Interchange Phase 2	400174 - TransNet Extension RTCIP Fee	418,317.46	Funding is being allocated to support construction (\$300,000), and also to move less restricted funding from S14009 - SR94/Euclid Av Interchange Phase 2
Non-Program	400171 - TransNet Extension 1% Admin	\$25,820	Additional anticipated revenues to support administrative operating expenses
Non-Program	400170 - TransNet Extension 30% Non-Cap	\$766,854	Additional anticipated revenues to support transportation planning expenses
Total Appropriations		\$6,468,395.93	



Decreasing Appropriation

Funded Program	Fund	Amount	Justification
AIK00001 - New Walkways	400856 - Otay Mesa Facilities Benefit Assessment	50,763.37	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIK00003 - Sidewalk Repair and Reconstruction	400099 - Rancho Bernardo-Fac Dev Fund	36,362.32	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIK00003 - Sidewalk Repair and Reconstruction	400125 - Otay Mesa/Nestor Urb Comm	0.04	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIL00005 - Traffic Signals Modification	400099 - Rancho Bernardo-Fac Dev Fund	15,132.83	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIL00005 - Traffic Signals Modification	400114 - Mid City Urban Comm	12,435.15	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIL00005 - Traffic Signals Modification	400129 - Clairemont Mesa - Urban Comm	5,217.97	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIL00005 - Traffic Signals Modification	400132 - Serra Mesa - Urban Community	5,764.97	No current sublets within the annual allocation are eligible for these community-restricted funds.
AIL00005 - Traffic Signals Modification	400133 - Torrey Pines - Urban Community	15,847.44	No current sublets within the annual allocation are eligible for these community-restricted funds.
ATT00001 - Governmental Funded It Projects	200218 - Underground Surcharge - CIP	29,147.80	The Utilities Undergrounding Program (UUP) Database project is complete.
Total Decreasing Appropriation		170,671.89	

Transfer within the CIP

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
AIE00001 - Bridge Rehabilitation	AIH00002 - Street Light Circuit Upgrades	400265 - CIP Contributions from the General Fund	40,000.00	Funding is being transferred to support construction of B16118 - Loma Palisades Streetlight Series Circuit Conversion
AIE00001 - Bridge Rehabilitation	AIK00001 - New Walkways	400265 - CIP Contributions from the General Fund	10,000.00	Funding is being transferred to support construction of B18054 - ADA Mid-City MS TSW-1
AIG00001 - Median Installation	AIL00005 - Traffic Signals Modification	400633 - Sr 209 & 274 Coop with State	220,000.00	Funding is being transferred to support design of B21101 - Rosecrans St @ Byron/Shelter Island Traffic Signal
AIK00003 - Sidewalk Repair and Reconstruction	AIK00001 - New Walkways	400002 - Capital Outlay-Misc Revenue	1,020,000.00	Funding is being transferred to support the installation of new sidewalks in Council District 4
L14002 - Fleet Operations Facilities	S00684 - South Chollas Landfill Improvements	400676 - Fleet Services CIP Fund	161,801.19	Funding is being transferred to support Fleet Department fair share costs of S15022 - S. Chollas Landfill BMP, LFG, & Overlay
S00684 - South Chollas Landfill Improvements	ACC00001 - Watershed CIP	400265 - CIP Contributions from the General Fund	309,921.19	Funding is being transferred to support construction of B19095 - Streamview Drive Green Infrastructure
S00684 - South Chollas Landfill Improvements	ACC00001 - Watershed CIP	700010 - Water Utility - CIP Funding Source	708,724.01	Funding is being transferred to support construction of B19095 - Streamview Drive Green Infrastructure
S00684 - South Chollas Landfill Improvements	ACC00001 - Watershed CIP	700040 - Refuse Disposal - CIP	415,265.29	Funding is being transferred to support construction of B19095 - Streamview Drive Green Infrastructure
S00858 - Del Sol Boulevard-Central	S00869 - Palm Avenue Interstate 805 Interchange	400093 - Otay Mesa-West (From 39067)	100,000.00	Funding is being transferred to support construction of S00869 - Palm Avenue Interstate 805 Interchange



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S00905 - SR163/Clairemont Mesa Blvd Interchange	AIK00001 - New Walkways	400265 - CIP Contributions from the General Fund	35,026.25	Funding is being transferred to support design of B18054 - ADA Mid-City MS TSW-1
S14009 - SR94/Euclid Av Interchange Phase 2	AIH00001 - Installation of City-Owned Street Lights	100012 - Infrastructure Fund (Proposition H)	35,461.00	Funding is being transferred to support construction of B19052 - Citywide Street Lights 1901
S14009 - SR94/Euclid Av Interchange Phase 2	AIH00001 - Installation of City-Owned Street Lights	100012 - Infrastructure Fund (Proposition H)	28,300.00	Funding is being transferred to support construction of B19079 - Reo Drive New Streetlights
S14009 - SR94/Euclid Av Interchange Phase 2	AIH00001 - Installation of City-Owned Street Lights	100012 - Infrastructure Fund (Proposition H)	30,416.00	Funding is being transferred to support construction of B19080 - Castle Neighborhood New Streetlights
S14009 - SR94/Euclid Av Interchange Phase 2	AIK00001 - New Walkways	400265 - CIP Contributions from the General Fund	24,140.46	Funding is being transferred to support construction of B18054 - ADA Mid-City MS TSW-1
AGF00005 - Regional Park Improvements	AGF00006 - Coastal Erosion and Access	200391 - San Diego Regional Park Improvements	326,104.47	Funding being transferred to support design of B18026 - Narraganset Avenue Access
S16060 - Bay Terrace Senior Center	P18010 - Southwest Neighborhood Park	400265 - CIP Contributions from the General Fund	276,112.10	Funding is being transferred to support design of P18010 - Southwest Neighborhood Park
Total Transfer			\$3,741,271.96	



Mission Bay Improvement Fund and San Diego Regional Parks Improvement Fund

Regional Parks Improvement Fund Actions

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00006 - Coastal Erosion and Access	B18026 - Narragansett Avenue Access	200391 - San Diego Regional Parks Improvements	33,666.64	Funding is being transferred to support the design of B18026 - Narragansett Avenue Access
Total Transfer			33,666.64	

Mission Bay Park Improvement Fund

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 - Mission Bay Improvements	B17179 - Mission Bay Athletic Comfort Station Modifications	200386 - Mission Bay Park Improvements	\$1,222,972.95	Funding is being transferred to support the preliminary engineering of B17179 - Mission Bay Athletic Comfort Station Modifications
AGF00004 - Mission Bay Improvements	B18230 - Bonita Cove West Comfort Station Improvements	200386 - Mission Bay Park Improvements	\$150,000.00	Funding is being transferred to support the construction of B18230 - Bonita Cove West Comfort Station Improvements
AGF00004 - Mission Bay Improvements	B18234 - North Cove Comfort Station Improvements	200386 - Mission Bay Park Improvements	\$200,535.55	Funding is being transferred to support the design of B18234 - North Cove Comfort Station Improvements

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 - Mission Bay Improvements	B19029 - Santa Clara Playground Improvements	200386 - Mission Bay Park Improvements	\$700,000.00	Funding is being transferred to support the design of B19029 - Santa Clara Playground Improvements
AGF00004 - Mission Bay Improvements	B19156 - Hospitality Point Parking Lot Improvements	200386 - Mission Bay Park Improvements	\$100,000.00	Funding is being transferred to support the design of B19156 - Hospitality Point Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B19163 - Rose Marie Starns Parking Lot Improvements	200386 - Mission Bay Park Improvements	\$50,000.00	Funding is being transferred to support the preliminary engineering of B19163 - Rose Marie Starns Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B19179 - Hospitality Point Comfort Station Improvements	200386 - Mission Bay Park Improvements	\$200,000.00	Funding is being transferred to support the design of B19179 - Hospitality Point Comfort Station Improvements
AGF00004 - Mission Bay Improvements	B20107 - Deanza North East Parking Lot	200386 - Mission Bay Park Improvements	\$200,000.00	Funding is being transferred to support the design of B20107 - Deanza North East Parking Lot
Total Transfer			\$2,823,508.50	

Additional CIP Adjustment Requests

Close CIP Projects

1. Close S15012, Fire-Rescue Air Operations Facility
 - a. This project is complete but is currently the parent project of S18007, Fire-Rescue Air Operations Facility, Phase II. The request is to end the parent-child relationship and close S15012.
2. Close S00041, Morena Reservoir Outlet Tower Upgrade
 - a. This project has been on hold for several years pending the completion of a larger condition assessments of dams and reservoirs. PUD does not have any determined start date for the existing project. Therefore, this project is being canceled/abandoned and a new project will be created in the fiscal year it is needed.

Rename CIP Project

1. Rename ACA00001, "Drainage Projects" to "Flood Resiliency Infrastructure"
2. Rename ACC00001, "Watershed Projects" to "Stormwater Green Infrastructure"

Authorize City Force Work

Per Municipal Code Section 22.3105, City forces shall not be used on a public works project if the cost of using City forces exceeds \$100,000 unless the City Council has approved use of City forces on the project. As such, the Public Utilities Department is making the following requests for specific sewer and water main projects. The authorization is for work involving the cut and plugs of existing pipeline to allow the contractor to replace the main and the reconnection of the new pipelines. It also covers highlining to install temporary water lines to avoid disruption of service to customers during construction. Staff requests the authority for City Forces to perform or oversee work to ensure it is done by those with the proper certification and to ensure minimal interruptions to utilities operations for the following projects:

1. Authorize the Chief Financial Officer to expend an amount not to exceed \$112,500 from CIP ABL00001, Standpipe and Reservoir Rehabilitations, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B11024, La Jolla Country Club Reservoir.
2. Authorize the Chief Financial Officer to expend an amount not to exceed \$140,000 from CIP AKA00003, Large Diameter Water Transmission PPL, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15046, Otay 2nd Pipeline Phase II.
3. Authorize the Chief Financial Officer to expend an amount not to exceed \$130,000 from CIP AKA00003, Large Diameter Water Transmission PPL, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15134, 16-in & Larger CI WS Main Replacement Group A (W).
4. Authorize the Chief Financial Officer to expend an amount not to exceed \$168,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B11035, Water Group Job 939.
5. Authorize the Chief Financial Officer to expend an amount not to exceed \$176,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B12086, CI - Water and Sewer Group Job 966 (W).
6. Authorize the Chief Financial Officer to expend an amount not to exceed \$387,738 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B14099, Water Group 968.
7. Authorize the Chief Financial Officer to expend an amount not to exceed \$160,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15081, AC Woodman St. Pipeline Replacement.
8. Authorize the Chief Financial Officer to expend an amount not to exceed \$390,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15106, SEWER and AC Water GROUP 764 (W).
9. Authorize the Chief Financial Officer to expend an amount not to exceed \$270,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15107, Sewer & AC Water Group 821 (W).
10. Authorize the Chief Financial Officer to expend an amount not to exceed \$130,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15119, AC Water & Sewer Group 1017 (W).
11. Authorize the Chief Financial Officer to expend an amount not to exceed \$402,076 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15120, AC Water & Sewer Group 1023 (W).

12. Authorize the Chief Financial Officer to expend an amount not to exceed \$800,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15156, AC Water & Sewer Group 1013 (W).
13. Authorize the Chief Financial Officer to expend an amount not to exceed \$450,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B15157, AC Water & Sewer Group 1020 (W).
14. Authorize the Chief Financial Officer to expend an amount not to exceed \$370,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B16023, Remaining Small Diameter CI Water Ph2.
15. Authorize the Chief Financial Officer to expend an amount not to exceed \$600,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B16036, AC Water Group 1031.
16. Authorize the Chief Financial Officer to expend an amount not to exceed \$200,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B16081, AC Water & Sewer Group 1018 (W).
17. Authorize the Chief Financial Officer to expend an amount not to exceed \$120,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B16144, Sewer & AC Water Crown Point West (W).
18. Authorize the Chief Financial Officer to expend an amount not to exceed \$768,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B16146, AC Water Group 1018A.
19. Authorize the Chief Financial Officer to expend an amount not to exceed \$250,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B17091, Remaining Small Diameter CI Water Ph 3.
20. Authorize the Chief Financial Officer to expend an amount not to exceed \$653,543 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B17105, Sewer and AC Water Group 1032 (W).
21. Authorize the Chief Financial Officer to expend an amount not to exceed \$244,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B17115, Sewer and AC Water Group 812 (W).
22. Authorize the Chief Financial Officer to expend an amount not to exceed \$400,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B17116, Sewer and AC Water Group 763 (W).

23. Authorize the Chief Financial Officer to expend an amount not to exceed \$150,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B17139, Plaza De Panama Pipeline Replacement (W).
24. Authorize the Chief Financial Officer to expend an amount not to exceed \$608,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B17186, AC Water & Sewer Group 1044 (W).
25. Authorize the Chief Financial Officer to expend an amount not to exceed \$130,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B18028, Mission Cliff Drive Water Main Repl.
26. Authorize the Chief Financial Officer to expend an amount not to exceed \$285,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B18038, AC WATER GROUP 1043.
27. Authorize the Chief Financial Officer to expend an amount not to exceed \$485,447 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B18093, AC Water & Sewer Group 1053 (W).
28. Authorize the Chief Financial Officer to expend an amount not to exceed \$130,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B18109, Manzana Water Replacement.
29. Authorize the Chief Financial Officer to expend an amount not to exceed \$331,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B18196, AC Water Group 1059.
30. Authorize the Chief Financial Officer to expend an amount not to exceed \$124,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B19100, 30th Street Pipeline Replacement A.
31. Authorize the Chief Financial Officer to expend an amount not to exceed \$150,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B19202, Bay Ho Improv 2A (W).
32. Authorize the Chief Financial Officer to expend an amount not to exceed \$120,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B20022, Park Villa Dr Water & Sewer Main Replacement (W).
33. Authorize the Chief Financial Officer to expend an amount not to exceed \$250,000 from CIP AKB00003, Water Main Replacements, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses for B20126, Rolando Improv 1 (w).

34. Authorize the Chief Financial Officer to expend an amount not to exceed \$180,000 from S12008, Catalina 12in Cast Iron Mains, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses.
35. Authorize the Chief Financial Officer to expend an amount not to exceed \$180,000 from S12009, La Jolla Scenic Dr 16in main, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses.
36. Authorize the Chief Financial Officer to expend an amount not to exceed \$800,000 from S12010, 30th Street Pipeline Replacement, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses.
37. Authorize the Chief Financial Officer to expend an amount not to exceed \$750,000 from S12016, Otay 1st/2nd PPL West of Highland Avenue, Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses.
38. Authorize the Chief Financial Officer to expend an amount not to exceed \$164,000 from S13015, Water & Sewer GJ 816 (W), Fund 700010, Water Utility - CIP Funding Source for City Forces Work related expenses.
39. Authorize the Chief Financial Officer to increase the not to exceed amount for B21039, 4045 30th St Sewer Main Replacement, Fund 700008, Muni Sewer Utility - CIP Funding Source to \$200,000 for City Forces Work related expenses.

TransNet RTIP Amendment Resolutions

TransNet

1. That the City of San Diego requests that SANDAG make the following changes to its 2020 POP (“the Amendment”) as programmed in the 2021 RTIP; and
2. 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 cumulative revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment.
3. That pursuant to Section 4(E)(3) of the TransNet Extension Ordinance, the City of San Diego certifies that all new projects, or major reconstruction projects, 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 City of San Diego’s public hearing process for the Amendment.
4. That the City of San Diego does hereby certify that all applicable provisions of the TransNet Extension Ordinance and SANDAG Board Policy No. 31 have been met.
5. 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 related to City of San Diego’s TransNet funded projects.