

The City of
SAN DIEGO



FISCAL YEAR 2022
CAPITAL IMPROVEMENTS PROGRAM
MID-YEAR BUDGET MONITORING REPORT



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NOVEMBER 2021

INTRODUCTION

The Fiscal Year 2022 Capital Improvements Program (CIP) Mid-Year 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 \$44.2 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 nearly 60 fund management actions into one semi-annual budget adjustment request, saving significant staff hours and resources. These requests include:
 - Expedited appropriation of \$23.8 million from fund balance to projects
 - Reallocation of \$12.2 million in excess funding to priority projects
 - Accelerated de-appropriation of \$2.1 million in excess funding to fund balance
 - Transfer of \$82,500 from Non-CIP to the CIP program
 - 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, a request for City Council approval to amend the TransNet Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding is included in Attachment III.

- **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
 - Capital Debt Financing 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 2022 CIP Mid-Year 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 requests to City Council for actions necessary to allocate newly available financial 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 CIP Budget Adjustment Requests by the categories outlined in the report.

Table 1: Summary of CIP Budget Adjustment Requests

Action	Decreasing Adjustments	Increasing CIP Adjustments	Net Change in Allocation
Appropriation Adjustments	\$ (2,080,042)	\$ 23,830,284	\$ 21,750,242
Transfers within the CIP	(12,206,427)	12,206,427	-
Transfers from Non-CIP	(82,500)	82,500	-
Park Fund Transfers	(5,840,109)	5,840,109	-
Total	\$ (20,209,078)	\$ 41,959,320	\$ 21,750,242

Details, including justifications for each request, are included in the tables in Attachments I & II. All adjustments will positively impact project delivery timelines, and in summary, there are four 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
- Transfer from Non-CIP: moving budgeted funds between a Non-CIP Budget and the CIP Budget

Of the \$23.8 million in increasing appropriations, 94 percent of the funding comes from two restricted funding sources:

- \$17.1 million from Developer Fees
- \$5.3 million from TransNet Regional Transportation Congestion Improvement Program (RTCIP) Fees

Of the \$18.1 million in appropriation transfers, 98 percent of the actions came from three restricted funding sources:

- \$2.3 million from TransNet Extension Congestion Relief Funds
- \$7.4 million from San Diego Regional Parks and Mission Bay Park Improvement Funds, as approved by the respective Oversight Committees
- \$8.0 million from Refuse Disposal CIP Fund

Of the \$2.1 million in decreasing appropriations, 95 percent is from Refuse Disposal CIP Fund, which are being returned to fund balance due to a canceled project.

Mission Bay Park and San Diego Regional Parks Improvement Funds

The Mission Bay Park 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.

Significant growth in revenues in the last quarter of Fiscal Year 2021 triggered a \$1.7 million transfer to the RPIF. Due to the late receipt of these revenues, they were not budgeted as part of the Fiscal Year 2022 Budget Development Process. However, these funds were appropriated administratively through authority granted in the Appropriations Ordinance as discussed later in this report.

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 RPIF 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 MBIF Oversight Committee on October 5, 2021, and items that were approved by the RPIF Oversight Committee on October 21, 2021.

Additional Approvals Requested

In addition to the requested CIP budget adjustments, City Council is requested to amend the TransNet Regional Transportation Improvement Program (RTIP) pursuant to TransNet Extension Ordinance requirements and approve CIP adjustments related to the expenditure of TransNet funds. The request is detailed in Attachment III.

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 the Transportation Department 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 September 30, 2021.

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

Sources of TransNet Extension Assets	Congestion Relief	Maintenance	Admin
Available Fund Balance as of 06/30/2021 (Unaudited)	\$ 33.2	\$ 3.7	\$ 0.0
Revenues as of 09/30/2021 (Unaudited)	3.3	2.7	0.0
Expenditures/Encumbrances as of 09/30/2021	(12.8)	(2.7)	(0.1)
<i>Expenditures</i>	(3.5)	(2.7)	(0.1)
<i>Encumbrances</i>	(9.3)	0.0	0.0
Remaining Fund Balance as of 09/30/2021 (Unaudited)	23.7	3.7	(0.1)
FY22 Estimated Remaining Revenues	22.0	8.1	0.3
FY22 Remaining Appropriated Budget for Projects	(43.6)	(8.1)	(0.3)
Uncommitted Fund Balance	\$ 2.2 ²	\$ 3.7 ³	\$ 0.0

1. Table totals may not sum due to rounding.

2. Anticipated to be programmed to support TransNet Commercial Paper Debt Service, subject to City Council approval.

3. Anticipated to be programmed to support slurry seal maintenance in Fiscal Year 2023, subject to City Council approval.

As of June 30, 2021, the City of San Diego has expended approximately 97.4 percent of cumulative TransNet Extension funds received from Fiscal Year 2008 through 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 were approximately \$32.6 million; \$21.8 million for Congestion-Relief activities and \$10.8 million for Administration and Maintenance Activities. The Congestion-Relief expenditures were primarily in storm drain and street resurfacing

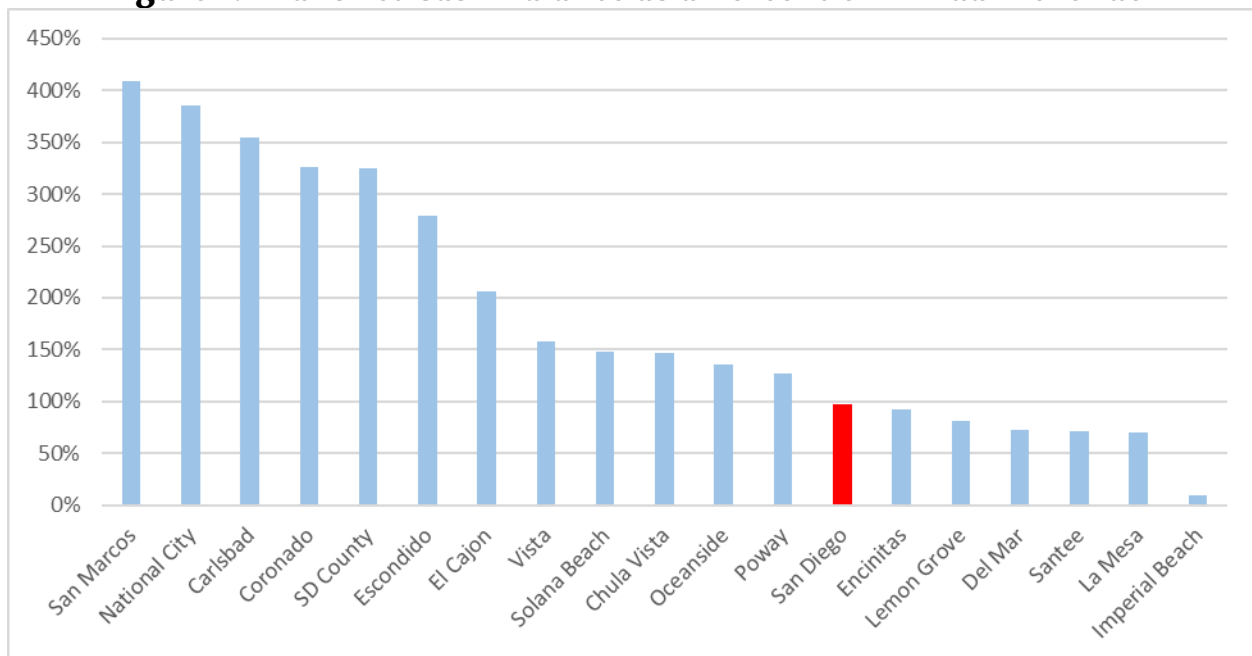
projects, as well as Otay Mesa Truck Route Phase 4, and Market Street- 47th to Euclid Avenue - Complete Street projects.

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 brought to City Council with a later budget action.

As of June 30, 2021, the City’s TransNet cash balance was approximately 97 percent of its annual allocation. **Figure 1** compares the City’s TransNet cash balance as a percent of its annual revenue 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.

The Transportation Department currently estimates that the TransNet Extension cash balance with the City and held at SANDAG will be approximately \$36.0 million by June 30, 2022, representing approximately 95 percent of the City’s annual revenue.

Figure 1: TransNet Cash Balance as a Percent of Annual Revenue¹



1. Data source: SANDAG.

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 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 through September 30, 2021.

Table 3: Fund Balances (\$ millions)^{1, 2}

Fund Name	Gas Tax	Prop 42	RMRA
Available Fund Balance as of 06/30/2021 (Unaudited)	\$ 11.8	\$ 1.0	\$ 41.8
Revenues as of 09/30/2021 (Unaudited)	3.2	0.0	2.5
Expenditures/Encumbrances as of 09/30/2021	(15.7)	(0.2)	(11.7)
<i>Expenditures</i>	(8.8)	(0.1)	(0.9)
<i>Encumbrances</i>	(6.9)	(0.1)	(10.8)
Remaining Fund Balance as of 09/30/21 (Unaudited)	(0.8)	0.8	32.6
FY22 Estimated Remaining Revenues	32.5	0.0	25.4
FY22 Remaining Appropriated Budget for Projects	(30.9)	(0.8)	(55.7)
Uncommitted Fund Balance	\$ 0.8	\$ 0.0	\$ 2.2

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 2022. 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 brought to City Council with a later budget action. 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 supports capital activities across all asset types, including acquisition, financing, and construction related costs only for permanent public improvements. The Infrastructure Fund supports those same activities as well as non-capital infrastructure efforts, such as Slurry Seal. Funding from General Fund Contributions to the CIP are the least restrictive and can be used for any General Fund purpose, including being returned to the General Fund to support general operations.

The Climate Equity Fund (CEF) is a new revenue source available for expenditure starting with the Fiscal Year 2022 CIP Budget. Revenues are derived from a portion of the gas and electric franchise fees. CEF projects must have an impact on reducing greenhouse gas emissions, enhancing safety in the public right-of-way, relieving congestion, or achieving other climate equity concerns. Eligible projects must also be in a disadvantaged community, located within an area that scores between 0 and 60 on the Climate Equity Index.

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 September 30, 2021.

The Capital Outlay Fund received approximately \$0.5 million in property sales revenue, as well as returned approximately \$0.2 million to fund balance at the end of Fiscal Year 2021. Included in this report is a request to allocate \$0.7 million from Capital Outlay Fund Balance to the Flood Resiliency Annual Allocation to support the ongoing Stormwater funding needs. There is an additional \$20.2 million held in fund balance for future debt service payments on Public Facilities Financing Authority Stadium Debt.

ECP and Transportation Departments 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. \$0.8 million has been made available from prior year transportation project savings. As part of this report, these funds are requested to be reallocated to the Flood Resiliency Annual Allocation to support the ongoing Stormwater funding needs.

Table 4: Fund Balances (\$ millions)¹

Fund Name	GF Contrib. to CIP	Capital Outlay	Infrastructure Fund ²	Climate Equity
Available Fund Balance as of 06/30/2021 (Unaudited)	\$ 10.2	\$ 35.3	\$ 24.6	\$ 0.0
Revenues as of 9/30/2021 (Unaudited)	0.0	0.0	0.0	0.0
Expenditures/Encumbrances as of 9/30/21	(4.7)	(8.1)	(8.1)	0.0
<i>Expenditures</i>	(1.1)	(1.4)	(3.2)	0.0
<i>Encumbrances</i>	(3.6)	(6.8)	(4.9)	0.0
Remaining Fund Balance as of 9/30/21 (Unaudited)	5.5	27.2	16.5	0.0
Pending Revenue Transfers from Gen Fund	7.7	0.0	10.0	7.0
Fund Balance Reserved for Stadium Debt Service	0.0	(20.2)	0.0	0.0
Adjusted Fund Balance	13.3	6.9	26.5	7.0
FY 22 Remaining Appropriated Budget for Projects	(13.2)	(6.2)	(25.6)	(7.0)
Pending Request for Council Action	0.0	(0.7)	(0.8)	0.0
Uncommitted Fund Balance	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

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

Tables 5 reflects the current CIP budget allocation to the various asset managing departments as of September 30, 2021. Limited funding resources are being used across all General Fund asset types, with an emphasis on both Transportation and Parks & Recreation assets.

Table 5: Current CIP Budgets¹

Asset-Managing Department	GF Contrib. to CIP	Capital Outlay	Infrastructure Fund ²	Climate Equity
Citywide	\$ 6,420,496	\$ 662,059	\$ 11,087,456	\$ -
DoIT	720,020	-	-	-
Fire-Rescue	487,482	1,891,938	3,133	-
Library	692,502	-	387,670	-
Parks & Recreation	2,481,048	1,547,178	2,773,547	3,700,000
Police	108,381	1,564,012	-	-
Stormwater	3,709,225	1,938,692	3,797,522	-
Transportation	3,269,766	2,650,856	5,310,704	3,265,178
Total	\$ 17,888,920	\$10,254,734	\$ 23,360,032	\$ 6,965,178

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 2022 Appropriation Ordinance (O-21348) authorizes the CFO to modify project appropriations, for various fund or project management purposes, under certain conditions. During the first quarter 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. **Table 6** summarizes the uses of this authority.

Table 6: Appropriations Ordinance (O-21348) 2C(2) Budget Adjustments

From Project Name	Fund	To	Amount
Fire Station 15 Expansion	Infrastructure Fund (Proposition H)	Fund Balance	\$ 2,397.42
Fire Station 15 Expansion	Peninsula Urban Comm	Fund Balance	14,424.99
Fire Station #8 Mission Hills	Uptown Urban Comm	Fund Balance	7,882.74
Fire Station #8 Mission Hills	Old San Diego - Urban Comm	Fund Balance	595.61
Carmel Creek Neighborhood Park Improvements	Carmel Valley Consolidated FBA	Fund Balance	4,482.70
Citrus & Conifer Reconstruction	Infrastructure Fund (Proposition H)	Fund Balance	128,989.30
Citrus & Conifer Reconstruction	Infrastructure Fund (Proposition H)	Road Resurfacing & Reconstruction Annual Allocation	100,000.00

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 7** summarizes the uses of this authority.

Table 7: Appropriations Ordinance (O-21348) 2C(3) Budget Adjustments

Project Name	Fund	Amount
Villa Monserate Neighborhood Park Upgrades	Infrastructure Fund (Proposition H)	\$ 53,482.00
Bay Terrace Senior Center	Antenna Lease Revenue	38,568.22

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 8** summarizes the uses of this authority.

Table 8: Appropriations Ordinance (O-21348) 2C(5) Budget Adjustments

From (Project Name or Fund Balance)	To (Project Name)	Fund	Amount
Fund Balance	Morena Reservoir Outlet Tower Upgrade	Water Utility - CIP Funding Source	\$ 96.75
City Facility Improvements Annual Allocation	Balboa Park West Mesa Comfort Station Replacement	CIP Contributions from the General Fund	30,949.78
Fund Balance	Balboa Park West Mesa Comfort Station Replacement	Infrastructure Fund (Proposition H)	53,482.00
Fund Balance	Balboa Park West Mesa Comfort Station Replacement	Antenna Lease Revenue	38,568.22

Section 2C(7) authorizes the CFO to reallocate revenue sources between CIP projects in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets. **Table 9** summarizes the uses of this authority.

Table 9: Appropriations Ordinance (O-21348) 2C(7) Budget Adjustments

From (Project Name)	To (Project Name)	Fund	Amount
Flood Resilience Annual Allocation	Fire Station No. 51 Skyline Hills	Capital Outlay	\$250,000
Flood Resilience Annual Allocation	SD River Dredging Qualcomm Way to SR163	Capital Outlay	100,000
Fire Station No. 51 Skyline Hills	Flood Resilience Annual Allocation	General Fund CIP Debt	250,000
SD River Dredging Qualcomm Way to SR163	Flood Resilience Annual Allocation	General Fund CIP Debt	100,000

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 10** summarizes the uses of this authority.

Table 10: Appropriations Ordinance (O-21348) 2C(9) Budget Adjustments

Project Name	Fund	Amount
McGonigle Canyon Neighborhood Park Phase II	Pacific Highlands Ranch FBA	\$ 7,993,629
Pacific Highlands Ranch Branch Library	Black Mountain Ranch FBA	576,788
Pacific Highlands Ranch Branch Library	Del Mar Mesa FBA	59,158
Pacific Highlands Ranch Branch Library	Pacific Highlands Ranch FBA	554,603
Pacific Highlands Ranch Branch Library	Torrey Highlands	288,394
Dennery Ranch Neighborhood Park	Otay Mesa Facilities Benefit Assessment	2,200,000

Section 2C(10)c authorizes the CFO to increase and/or decrease appropriations in the MBIF and RPIF Projects based on actual revenues received and/or available fund balance. Using this authority \$1.9 million was added to the Regional Parks Improvements Annual Allocation project and \$0.6 million was added to the Mission Bay Improvements Annual Allocation project for revenues received in Fiscal Year 2021.

Section 2C(14) authorizes the CFO to modify the accounting of CIP projects to ensure the use of the most appropriate project type among the following types: P: Preliminary Engineering, S: Standalone, L: Large, and RD: Reimbursement to Developer. Using this authority, S00636-Dennery Ranch Neighborhood Park was converted to RD22001 - Dennery Ranch Neighborhood Park and S22000 - Alvarado Laboratory Improvements was converted to L22000 - Alvarado Laboratory Improvements. These two conversions were made to better reflect the project delivery methods and timelines. Dennery Ranch will be a developer-built project where the City will reimburse developer expenditures as the project is accepted by the City. Alvarado Laboratory will be designed, constructed, and put into service in multiple phases and fiscal years.

Capital Program General Fund Debt Financing

The City has access to both short and long-term financing instruments to fund capital needs via the traditional municipal bond and commercial paper markets, capital leases, as well as State and federal loan programs. The following discussion focuses on City’s use of its commercial paper note program and lease revenue bonds issued for General Fund assets.

Bonds are long-term financings, typically 30-year borrowings, which can fund a mix of asset types with both short and long-term useful lives.

Commercial paper is a short-term financing mechanism that allows for “just-in-time”, interim borrowing to support the CIP, instead of issuing long-term bonds up front before all funds are needed. This allows the City to borrow when funds are required, as capital project spending occurs, at short term interest rates (typically much lower than long term interest rates). Commercial paper principal can then be refunded with the proceeds of long-term bond issuances, as needed, at a later date.



Commercial Paper Notes

In August 2018 the City launched a General Fund Commercial Paper Program with an authorized not to exceed amount of \$88.5 million to provide interim financing for citywide capital projects including City facility improvements, drainage, parks, transportation, and watershed projects, as well as other miscellaneous projects.

A recent paydown of \$88.5 million in outstanding General Fund commercial paper notes occurred in April 2021 through the issuance of lease revenue bonds, which effectively reset program capacity. As of September 30, 2021, there are no commercial paper notes outstanding. However, there is \$12.5 million in unspent note proceeds available as of September 30, 2021.

Table 11 summarizes General Fund Commercial Paper Activity through September 30, 2021.

Table 11: General Fund Commercial Paper Activity Update

Asset Type	Authorized Appropriation Amount	Expended	Encumbered	Remaining
Drainage	\$ 35,685,981	\$ 34,157,566	\$ 575,133	\$ 953,282
Facilities	6,652,313	6,554,266	31,099	66,948
Guard Rails	450,000	285,322	75.43	164,602
Parks	6,320,706	2,712,811	2,253,023	1,354,873
Traffic Calming	300,000	113,261	-	186,739
Streets	26,408,899	21,986,296	3,803,632	618,971
Transportation	215,000	142,620	-	72,380
Watershed	11,840,571	9,297,087	1,622,794	920,690
Total	\$ 87,873,470¹	\$ 75,249,230	\$ 8,285,757	\$4,338,484

1. Reflects total proceeds (\$88.5 million in CP notes, less the cost of issuance).

2021 Long-Term Bonds

Also, in April 2021, additional new money lease revenue bonds were issued to generate \$56.5 million in bond proceeds. Given the \$68 million available (\$56.5 million in bond proceeds, \$12.5 million in commercial paper notes proceeds), the City does not anticipate the drawdown of commercial paper notes to fund the CIP in this fiscal year. Usage of the program to fund the CIP is expected to resume during Fiscal Year 2023.

General Fund Debt-Supported Priority Needs

In August 2021, City Council approved the appropriation of \$145 million for general fund CIP projects (comprised of the \$88.5 million Commercial Paper and \$56.5 million bond proceeds described above). Council also approved an additional \$148 million future bond/note authorization for capital projects including large equipment and vehicle purchases, of which \$15.4 million was allocated to the CIP for cash-management purposes. The combined authorization of \$293 million in projects will use existing and/or future bond/note proceeds, spending existing bond proceeds first.

Table 12 below shows the AMD breakdown of the \$160.4 million described above (\$56.5 million in bond proceeds, \$88.5 in Commercial Paper notes, and \$15.4 million in future bond/note

authorization). Encumbrance and expenditure activity are expected to ramp up during the current Fiscal Year.

Table 12: Current Budget – General Fund CIP Debt¹

Asset-Managing Department	Current Budget ²
Citywide	\$ 13,889,142
DoIT	550,000
Environmental Services	5,071,600
Library	940,000
Parks & Recreation	21,239,578
Stormwater	48,869,515
Transportation	69,861,765
Total	\$ 160,421,600

1. Table totals may not sum due to rounding.
2. As of 9/30/2021.

CONCLUSION

Cash management and proactive budget monitoring, combined with the requests for Council Action detailed in this report have resulted in the allocation of \$23.8 million in new funds to the CIP program, as well as the reallocation of over \$18.1 million 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 Park Improvements Fund and San Diego Regional Parks Improvement Fund
- III. Fiscal Year 2021 TransNet Audit Schedule Adjustment

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. Additionally, an “X” in the CAP column indicates that the Funded Program to the left was included in the FY 2022 Climate Action Plan Budget Analysis. There are four 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 Non-CIP: moving budget between the Non-CIP Budget and the CIP Budget

Increasing Appropriation

Funded Program	CAP	Fund	Amount	Justification
AGF00007 - Park Improvements	X	400120 - S.E. San Diego Urban Community	\$ 172,000.00	Funding is being allocated to support design activities related to B20096 - Willie Henderson Sports Complex Improvements
AGF00007 - Park Improvements	X	400126 - San Ysidro Urban Community	183,700.00	Funding is being allocated to support B20097 - San Ysidro Activity Center Parking Lot & ADA Improvements
AGF00007 - Park Improvements	X	400126 - San Ysidro Urban Community	80,300.00	Funding is being allocated to support B20057 - Coral Gate Neighborhood Park Playground Improvements
AIH00001 - Installation of City Owned Street Lights	X	200095 - El Cajon Boulevard MAD	150,000.00	Funding is being allocated to support construction of B21065 - El Cajon Blvd (Mid-City) Streetlights
AIK00001 - New Walkways	X	400174 - TransNet Extension RTCIP Fee	618,000.00	Funding is being allocated to support B15168 - Genesee Ave-Chateau to Sauk Sidewalk

Funded Program	CAP	Fund	Amount	Justification
AIL00004 - Traffic Signals - Citywide	X	400133 - Torrey Pines - Urban Community	\$ 310,000.00	Funding is being allocated to support B22046 - Mercado Dr At Del Mar Heights Traffic Signal
L16002 - Mira Mesa Community Park Improvements		400085 - Mira Mesa FBA/DIF	9,990,000.00	Funding is being allocated to support L16002 - Mira Mesa Community Park Improvements
S00751 - Hickman Fields Athletic Area		400136 - Kearny Mesa - Urban Community	1,000,000.00	Funding is being allocated to support additional construction costs for S00751 - Hickman Fields Athletic Area
S15018 - La Media Road Improvements	X	400174 - TransNet Extension RTCIP Fee	1,400,000.00	Funding is being allocated to support S15018 - La Media Road Improvements
S15028 - Olive Grove Community Park Ada Improvements		400129 - Clairemont Mesa - Urban Community	778,000.00	Funding is being allocated to support S15028 - Olive Grove Community Park ADA Improvements
S15040 - Golf Course Drive Improvements		400111 - Golden Hill Urban Community	338,000.00	Funding is being allocated to support preliminary engineering efforts on S15040 - Golf Course Drive Improvements
S16034 - Carmel Del Mar Neighborhood Park Comfort Station - Development		400088 - Carmel Valley Consolidated FBA	400,000.00	Funding is being allocated to support S16034 - Carmel Del Mar Neighborhood Park Comfort Station - Development
L20000 - Rancho Bernardo Community Park Improvements		400099 - Rancho Bernardo - Facility Development Fund	800,000.00	Funding is being allocated to support L20000 - Rancho Bernardo Community Park Improvements
L14005 - Sunset Cliffs Park Drainage Improvements	X	200463 - Sunset Cliffs Natural Park	113,142.30	Funding is being allocated to support L14005 - Sunset Cliffs Park Drainage Improvements
S16036 - Torrey Highlands Neighborhood Park Upgrade		400088 - Carmel Valley Consolidated FBA	660,000.00	Funding is being allocated to support S16036 - Torrey Highlands Neighborhood Park Upgrade
S00951 - Coastal Rail Trail	X	400174 - TransNet Extension RTCIP Fee	2,250,000.00	Funding is being allocated to support S00951 - Coastal Rail Trail



Funded Program	CAP	Fund	Amount	Justification
S18001 - University Avenue Complete Street Phase 1	X	400174 - TransNet Extension RTCIP Fee	\$ 1,000,000.00	Funding is being allocated to support S18001 - University Avenue Complete Street Phase 1
ACA00001 - Flood Resilience Infrastructure	X	100012 - Infrastructure Fund (Prop H)	800,000.00	Funding is being allocated to support citywide roadway needs in ACA00001 - Flood Resilience Infrastructure
ACA00001 - Flood Resilience Infrastructure	X	400002 - Capital Outlay-Misc Revenue	700,000.00	Funding is being allocated to support citywide drainage needs in ACA00001 - Flood Resilience Infrastructure
ACA00001 - Flood Resilience Infrastructure	X	400114 - Mid City Urban Community	478,000.00	Funding is being allocated to support B12096 - Highland & Monroe Aves Storm Drain Replacement
ACA00001 - Flood Resilience Infrastructure	X	400117 - Pacific Beach Urban Community	32,380.00	Funding is being allocated to support B17109 - Buena Vista St Storm Drain Emergency Replacement
ACA00001 - Flood Resilience Infrastructure	X	400121 - Uptown Urban Community	632,600.00	Funding is being allocated to support B19073 - 5Th And Brookes Storm Drain Upgrade
ACA00001 - Flood Resilience Infrastructure	X	400121 - Uptown Urban Community	227,000.95	Funding is being allocated to support B13102 - Adams Ave (1620) Storm Drain Replacement
ACA00001 - Flood Resilience Infrastructure	X	400121 - Uptown Urban Community	217,160.39	Funding is being allocated to support B14108 - Uptown Storm Drain Replacement
ACA00001 - Flood Resilience Infrastructure	X	400127 - College Area	500,000.00	Funding is being allocated to support B19126 - 6500 Montezuma Rd Storm Drain Emergency
Total Appropriations			\$ 23,830,283.64	



Decreasing Appropriation

Funded Program	CAP	Fund	Amount	Justification
AIK00001 - New Walkways	X	400111 - Golden Hill Urban Community	\$ 105,020.11	Funding to be deappropriated due to the completion of B18156 - Date St. - 28th to Granada Sidewalk. There are currently no other sublets in the annual eligible for this funding.
ABT00001 - City Facilities Improvements	X	700040 - Refuse Disposal - CIP	1,969,450.82	Funding to be deappropriated due to cancelation of B20062 - Ridgehaven Roof & HVAC Replacement. Roof and HVAC replacement to be evaluated through Sustainability Department's Energy Savings Performance Contracting (ESCO) program.
AIE00002 - Guard Rails	X	600000 - Grant Fund - Federal	5,571.75	Grant funding to be deappropriated due to the completion of B13163 - Ulrich St K Rail.
Total Decreasing Appropriation			\$2,080,042.68	

Transfer within the CIP

Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
AGF00005 - Regional Park Improvements		ABT00001 - City Facilities Improvements	X	200391 - San Diego Regional Parks Improvement	\$ 500,000.00	Funding is being transferred to support B20116 - Air & Space Museum Roof Replacement



Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
AGF00005 - Regional Park Improvements		ABT00001 - City Facilities Improvements	X	200391 - San Diego Regional Parks Improvement	\$ 181,642.00	Funding is being transferred to support B20055 - Cowles Mountain Comfort Station Accessibility Upgrades
AGF00005 - Regional Park Improvements		AGF00004 - Mission Bay Improvements		200386 - Mission Bay Park Improvements	80,000.00	Funding is being transferred to support B19179 - Hospitality Point Comfort Station Improvement
AGF00005 - Regional Park Improvements		AGF00006 - Coastal Erosion and Access		200391 - San Diego Regional Parks Improvement	4,460.36	Funding is being transferred to support B18027 - Santa Cruz Ave Access Stairs and Walkway
AGF00005 - Regional Park Improvements		L14005 - Sunset Cliffs Park Drainage Improvements	X	200391 - San Diego Regional Parks Improvement	163,358.00	Funding is being transferred to support L14005 - Sunset Cliffs Park Drainage Improvements
AGF00005 - Regional Park Improvements		S13008 - Mohnike Adobe And Barn Restoration		200391 - San Diego Regional Parks Improvement	295,000.00	Funding is being transferred to support S13008 - Mohnike Adobe And Barn Restoration



Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
L18002 - Miramar Landfill Storm Water Improvements		L17000 - Miramar Landfill Facility Improvements		700040 - Refuse Disposal - CIP	\$ 8,000,000.00	Funding is being transferred to support L17000.2 - Organics Facility
S18002 - Torrey Pines South Golf Course Renovation		AGF00006 - Coastal Erosion and Access		200391 - San Diego Regional Parks Improvement	46,464.73	Funding is being transferred to support B18027 - Santa Cruz Ave Access Stairs and Walkway
S18002 - Torrey Pines South Golf Course Renovation		L14005 - Sunset Cliffs Park Drainage Improvements	X	200391 - San Diego Regional Parks Improvements	68,535.27	Funding is being transferred to support L14005 - Sunset Cliffs Park Drainage Improvements
S18002 - Torrey Pines South Golf Course Renovation		S13008 - Mohnike Adobe And Barn Restoration		200391 - San Diego Regional Parks Improvement	35,000.00	Funding is being transferred to support S13008 - Mohnike Adobe and Barn Restoration
S20005 - Balboa Park Botanical Building Improvements		AGF00006 - Coastal Erosion and Access		200391 - San Diego Regional Parks Improvement	47,000.00	Funding is being transferred to support B18027 - Santa Cruz Ave Access Stairs and Walkway
L18001.1 - Chollas Lake Improvements - Electrical Service		AGF00006 - Coastal Erosion and Access		200391 - San Diego Regional Parks Improvement	9,966.30	Funding is being transferred to support B18027 - Santa Cruz Ave Access Stairs and Walkway



Funded Program (Sending)	CAP	Funded Program (Receiving)	CAP	Fund	Amount	Justification
L18001.1 - Chollas Lake Improvements – Electrical Service		S15035 - EB Scripps Park Comfort Station Replacement		200391 - San Diego Regional Parks Improvement	\$ 200,000.00	Funding is being transferred to support S15035 - EB Scripps Park Comfort Station Replacement
S00951 - Coastal Rail Trail	X	S11060 - Otay Mesa Truck Route Phase 4		400169 - TransNet Extension 70% Cap	2,250,000.00	Funding is being transferred to support S11060 - Otay Mesa Truck Route Phase 4
S00606 - SD River Dredging Qualcomm Way to SR163		S20003 - Maple Canyon Storm Drain Upgrade		400002 - Capital Outlay-Misc Revenue	75,000.00	Funding is being transferred to support S20003 - Maple Canyon Storm Drain Upgrade
ABP00001 - Pump Station Restorations		ACA00001 - Flood Resilience Infrastructure		700008 - Muni Sewer Utility - CIP Funding Source	250,000.00	Funding is being transferred to support B22036 - 728 Pacific Beach Dr Pump Station G & 17 Emergency
Total Transfer					\$12,206,426.66	



Transfer from Non-CIP

Funded Program (Sending)	Funded Program (Receiving)	CAP	Fund	Amount	Justification
200636/13000951	AID00005 - Street Resurfacing and Reconstruction	X	200636 - Developer Contributions CIP	\$ 82,500.00	Developer Funds are on deposit with the City for improvements at Enrico Fermi Dr & Airway Rd. As such, funds will be transferred to B22053 - Enrico Fermi Dr & Airway Rd. Improvements.
Total Transfer				\$ 82,500.00	



Mission Bay Park Improvement Fund and San Diego Regional Parks Improvement Fund

San Diego Regional Parks Improvement Fund

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00005 - Regional Park Improvements	B20119 - Balboa Park Club Renovations	200391 - San Diego Regional Parks Improvement	\$ 560,000.00	Funding is being transferred to support B20119 - Balboa Park Club Renovations
AGF00006 - Coastal Erosion and Access	B18027 - Santa Cruz Ave Access Stairs and Walkway	200391 - San Diego Regional Parks Improvement	339,108.61	Funding is being transferred to support B18027 - Santa Cruz Ave Access Stairs and Walkway
Total Transfer			\$899,108.61	

Mission Bay Park Improvement Fund

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 - Mission Bay Improvements	B18220 - Deanza North Parking Lot Improvements	200386 - Mission Bay Park Improvement	\$ 50,000.00	Funding is being transferred to support B18220 - Deanza North Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B18229 - Bonita Cove West Playground Improvements	200386 - Mission Bay Park Improvement	27,816.67	Funding is being transferred to support B18229 - Bonita Cove West Playground Improvements

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 – Mission Bay Improvements	B18234 - North Cove Comfort Station Improvements	200386 – Mission Bay Park Improvement	\$ 1,237,698.00	Funding is being transferred to support B18234 - North Cove Comfort Station Improvements
AGF00004 - Mission Bay Improvements	B19021 - Crown Point Playground Improvements	200386 – Mission Bay Park Improvements	748,500.00	Funding is being transferred to support B19021 - Crown Point Playground Improvements
AGF00004 - Mission Bay Improvements	B19022 - Crown Point Parking Lot Improvements	200386 - Mission Bay Park Improvements	748,500.00	Funding is being transferred to support B19022 - Crown Point Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B19159 - Sunset Point Parking Lot Improvements	200386 - Mission Bay Park Improvements	357,034.00	Funding is being transferred to support B19159 - Sunset Point Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B19162 - Playa Pacifica N. Parking Lot Improvements	200386 - Mission Bay Park Improvements	151,000.00	Funding is being transferred to support B19162 - Playa Pacifica N. Parking Lot Improvements
AGF00004 - Mission Bay Improvements	B19176 - Sunset Point Comfort Station Improvements	200386 - Mission Bay Park Improvements	75,000.00	Funding is being transferred to support B19176 - Sunset Point Comfort Station Improvements
AGF00004 - Mission Bay Improvements	B19179 - Hospitality Point Comfort Station Improvements	200386 - Mission Bay Park Improvements	1,545,451.33	Funding is being transferred to support B19179 - Hospitality Point Comfort Station Improvements
Total Transfer			\$4,941,000.00	

TransNet Schedule Adjustments

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.

Fiscal Year 2021 TransNet Audit Schedule Adjustment

The action will allow the City to adjust project balances to conform to the “2021 Audit Schedule Adjustments” by transferring and reauthorizing funding as detailed in the table below. The audit schedule adjustments affect neither the City’s budget nor TransNet fund programming in the RTIP.

MPOID	WBS #	Project Name	Fiscal Year 2021 Audit Schedule Ending Balance (TransNet 2)	Audit Schedule Adjustments from TransNet 2	Fiscal Year 2021 Revised Audit Schedule Ending Balance (TransNet 2)	Notes
SD38	S00863	Georgia Street Bridge Improvements	(39,721)	39,721	-	
SD83	S00851	State Route 163 and Friars Road	(184,530)	184,530	-	
SD129	S00915	University Avenue Mobility	(21,184)	21,184	-	
SD137	S00913	Palm Avenue Roadway Improvements	(13,050)	13,050	-	
SD200	S14009	SR56 / Euclid Avenue Interchange Phase 2	(36,825)	36,825	-	
SD208	S00602	Juan Street Concrete Street	203,902	(203,902)	-	Closed Project
SD209	S00877	Torrey Pines Road Slope Reconstruction	(1,006)	1,006	-	
SD226	S00870	Old Otay Mesa Road Westerly	(1,133)	1,133	-	

MPOID	WBS #	Project Name	Fiscal Year 2021 Audit Schedule Ending Balance (TransNet 2)	Audit Schedule Adjustments from TransNet 2	Fiscal Year 2021 Revised Audit Schedule Ending Balance (TransNet 2)	Notes
SD235	S15023	Torrey Pines Road Improvement Phase 2	(6,825)	6,825	-	
		Congestion Relief Interest	196,775	(100,372)	96,403	
			96,403	-	96,403	