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# IBA

## Charter Section 103.1a Environmental Growth Fund

Committee on the Environment  
November 30, 2015

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# PURPOSE OF EGF

- In 1972, City Charter section 103.1a was approved by voters which called for creation of EGF using 25% of franchise fee revenues collected for gas, electricity and steam.
- EGF to be used exclusively for the purpose of preserving and enhancing the environment; however, two-thirds of EGF funds were to be used to pay debt service on bonds for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes.

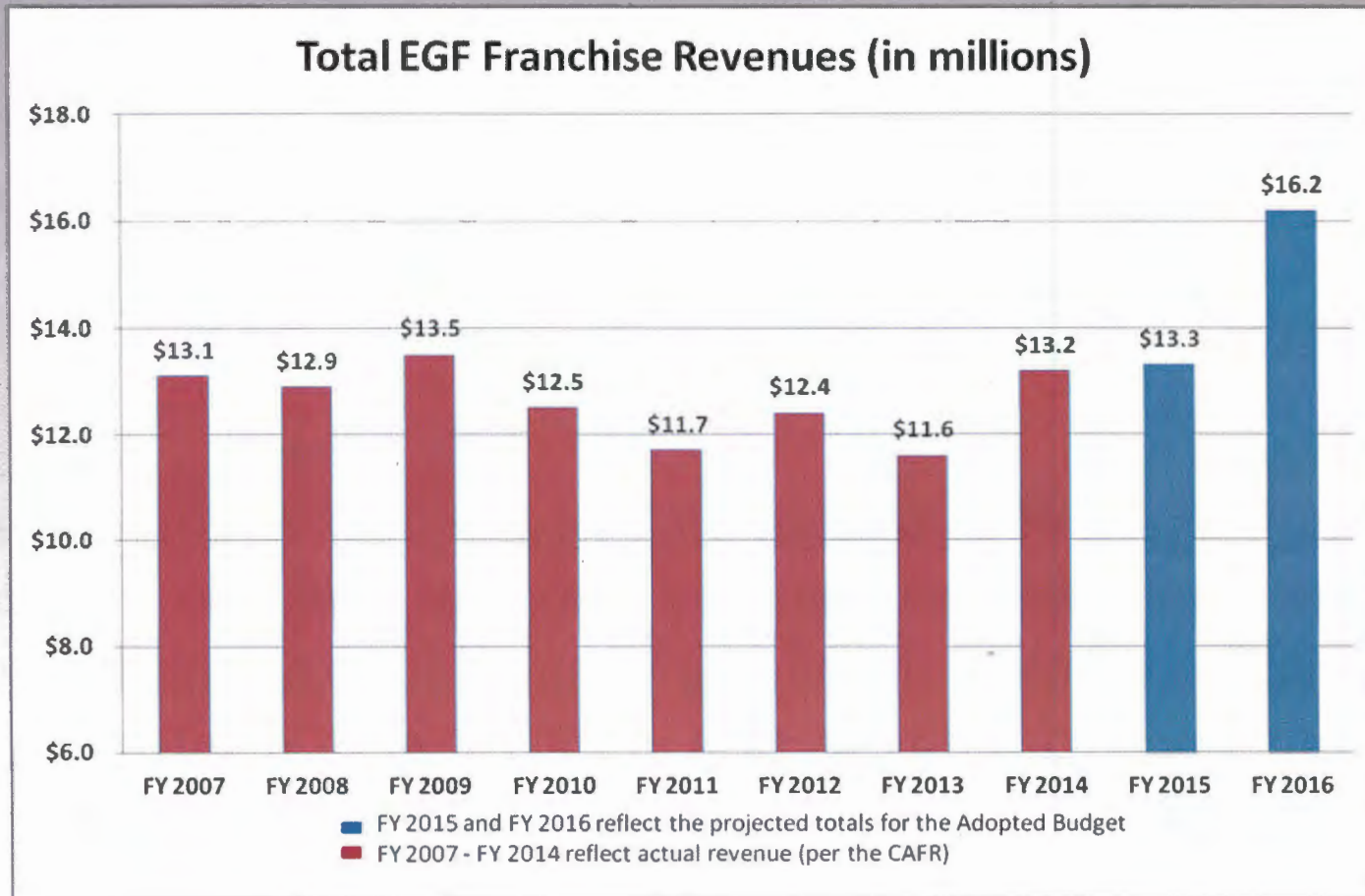


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# EGF Revenue History



# EGF Expenditure Stipulations

- **Charter 103.1a**: If 2/3rds EGF exceeds debt service due on bonds, or if bonds have been paid off, then funds to be used exclusively for the purpose of preserving and enhancing the environment of the City in whatever manner is deemed appropriate by the City Council.
- **Municipal Code (section 63.30)**: Provides additional EGF expenditure requirements and priorities, and also includes a provision to allow the Mayor/Council to temporarily suspend compliance with this section in the event of insufficient revenues to maintain existing City services for environment.



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# CHANGE IN USE OF EGF

- As the City began to pay off Open Space bonds in FY 2004, the use of EGF monies shifted from debt service to eligible Park & Recreation expenses
- Open Space bonds paid off in FY 2009 freeing up more EGF monies for other eligible environmental programs/purposes.
- The economic downturn in FY 2009 put pressure on the General Fund to maintain service levels. City used EGF to cover eligible Park & Recreation expenses that were previously funded by the General Fund.



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# CURRENT USE OF EGF

EGF is now entirely used to cover eligible Park & Recreation program expenses, thereby allowing the same amount of General Fund revenue to be used for other public services.

EGF currently used to cover the following expenses:

- Maintenance for Developed Regional and Open Space parks
- Energy and utility expenses supporting Balboa Park, Shoreline Parks and Open Space areas
- Capital Improvements in parks
- General benefit contributions for open space in MADs



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# CHARTER REVIEW COMMITTEE REQUEST

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- Charter Review Committee requests feedback and/or recommendation from Environment Committee related to the possibility of asking voters to eliminate or amend Charter section 103.1a – Environmental Growth Fund.



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# POSSIBLE OPTIONS FOR CONSIDERATION

- 1) No change – Charter Section 103.1a is sufficiently permissible to allow for a broad array of expenditures to preserve and enhance the environment of the City.
- 2) Ask voters to amend Charter section 103.1a to more accurately reflect current EGF expenditure practices.
- 3) Ask voters to amend Charter section 103.1a to make certain environment priorities (e.g., park land acquisition or Climate Action Plan) explicitly eligible for EGF funding.

**\*\* If other environmental priorities to be addressed with EGF, City must identify new General Fund revenues, or cut expenses, to cover P&R programs currently funded with EGF.**



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