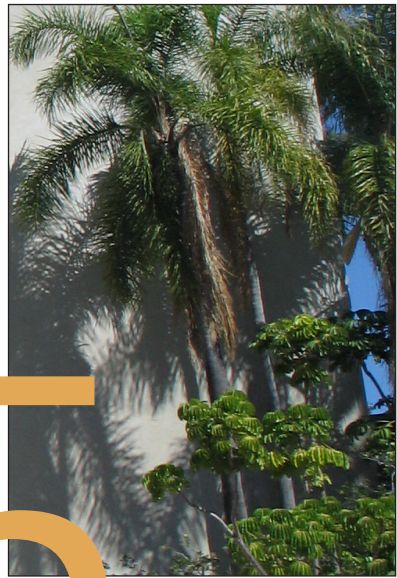
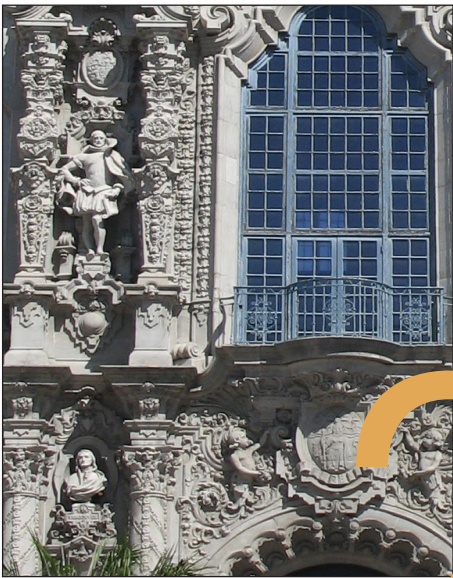
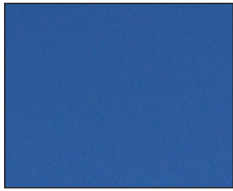


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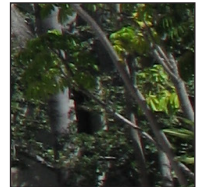


# ADOPTED BUDGET



# 2015

FISCAL  
YEAR



Capital Improvements Program



# Capital Improvements Program

The Fiscal Year 2015 Adopted Capital Improvements Program (CIP) Budget is \$310.0 million. This budget allocates existing funds and anticipated revenues to both new and continuing projects in the City's \$6.27 billion multi-year CIP. The allocation of funds is based upon an analysis of available funding sources as well as a review of project needs and priorities. The City's CIP needs often outweigh available resources; therefore, the Adopted CIP budget is constrained by the availability of funds. The Fiscal Year 2015 Adopted CIP budget, as summarized in **Table 1** below, is funded by a variety of sources, including water and sewer enterprise funds, TransNet, development impact fees and facilities benefit assessments. Further details on these funding sources and the specific projects included in the Adopted CIP Budget can be found in Volume III of the Fiscal Year 2015 Adopted Budget.



**Table 1: Fiscal Year 2015 Adopted CIP Budget**

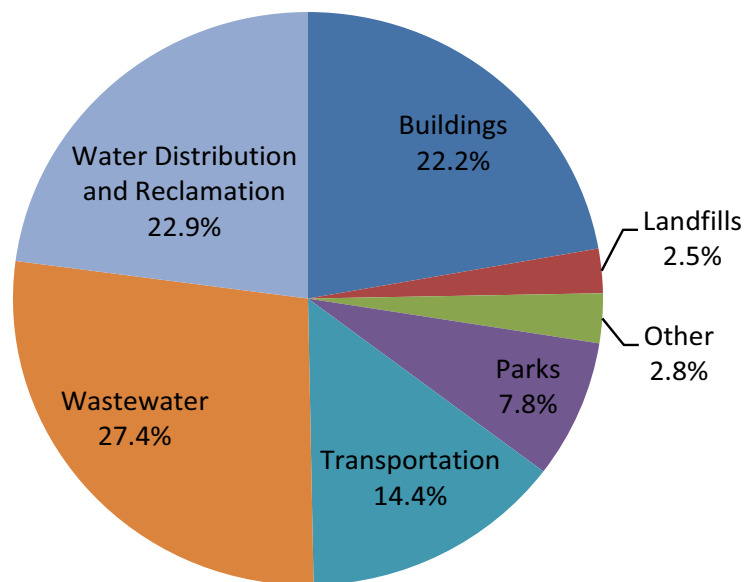
Funding Source	FY2015 Adopted Budget	Percent of Total CIP Budget
Bus Stop Capital Improvement Fund	\$ 100,000	0.03%
Developer Funding	480,400	0.15%
Development Impact Fees	17,671,925	5.70%
Facilities Benefit Assessments	25,891,197	8.35%
Fleet Services Internal Service Fund	1,654,028	0.53%
General Fund	10,116,668	3.26%
Golf Course Enterprise Fund	5,225,000	1.69%
Library System Improvement Fund	192,767	0.06%
Maintenance Assessment Districts	1,070,404	0.35%
Mission Bay Improvements Fund	3,249,951	1.05%
Park Service District Funds	727,664	0.23%
Proposition 42 Replacement - Transportation Relief Fund	1,907,720	0.62%
QUALCOMM Stadium Fund	750,000	0.24%
Recycling Fund	1,200,000	0.39%
Regional Transportation Congestion Improvement Program	3,549,927	1.15%
Sewer Funds	114,048,208	36.79%
Sunset Cliffs Natural Park Fund	456,000	0.15%
TransNet Funds	19,529,330	6.30%
Trench Cut/Excavation Fee Fund	2,000,000	0.65%
Water Fund	100,151,601	32.31%
<b>Grand Total</b>	<b>\$ 309,972,790</b>	

# Capital Improvements Program

An additional \$275.9 million of funding is anticipated to be received during Fiscal Year 2015. This anticipated funding is not included in the Adopted Budget amount of \$310.0 million because the funding sources either require additional City Council approval, such as debt financing and grants, or the funding sources are more tentative and staff will request City Council approval to appropriate when the funds have been received. Anticipated funding includes a variety of funding such as donations, grants, developer funding, and Facilities Benefit Assessments, as well as future bond proceeds from the deferred capital financing for \$120.0 million previously authorized by the City Council. A lawsuit currently exists against the proposed financing and bonds will be issued upon successful resolution of the litigation.

The Fiscal Year 2015 Adopted CIP Budget of \$310.0 million will support various types of projects, as displayed in **Figure 1** below, such as water and sewer facilities, buildings, and transportation projects. Because the allocation of resources is primarily driven by the availability of funds, the distribution of the Adopted CIP Budget is concentrated on those project types with dedicated funding sources. The Water and Sewer Funds account for the majority of the Adopted CIP Budget and support water and wastewater project types. In addition, 80.5 percent of the CIP budget allocation for City buildings is for buildings that are maintained and operated by the Public Utilities Department and are funded by the Water and Sewer Funds. Transportation projects are primarily funded by TransNet, which may also fund transportation components of other project types in the right-of-way. Landfills, airports, and golf project types are funded by enterprise funds. Parks, and other building projects, such as police, fire, and library buildings, compete for scarce resources, including development impact fees and the City's General Fund.

**Figure 1: Fiscal Year 2015 Adopted Budget by Project Type**



The City's multi-year CIP includes assets which are maintained and operated by a variety of City departments, as shown in **Table 2** below. The largest funding allocation in the Fiscal Year 2015



# Capital Improvements Program

Adopted CIP Budget is for the Public Utilities Department's projects, receiving \$211.4 million, or 68.2 percent, of the Adopted CIP Budget. The next largest portion is for the Transportation & Storm Water Department's projects, with \$47.0 million, or 15.2 percent, of the Adopted CIP Budget. This distribution of funding for each department's projects is primarily dependent upon the availability of funding for the types of assets maintained by each department, combined with the amount, size and condition of those assets.

**Table 2: Multi-Year CIP**

Department	Prior Year	FY2015 Adopted	Future Years	Total
Airports	\$ 17,881,299	- \$	12,000,000 \$	29,881,299
Environmental Services	88,062,346	7,716,922	2,075,000	97,854,268
Fire-Rescue	51,862,886	8,725,000	116,496,509	177,084,395
Library	208,379,549	1,591,767	97,826,335	307,797,651
Office of the Chief Operating Officer	1,000,000	-	-	1,000,000
Park & Recreation	177,668,978	30,443,870	320,185,499	528,298,347
Police	8,647,258	-	11,413,261	20,060,519
Public Utilities	997,026,043	211,420,915	1,077,031,293	2,285,478,251
Public Works - General Services	60,445,464	2,344,339	142,302,981	205,092,784
QUALCOMM Stadium	1,896,689	750,000	3,750,000	6,396,689
Special Promotional Programs	3,232,728	-	514,050,000	517,282,728
Transportation & Storm Water	729,854,053	46,979,977	1,320,797,229	2,097,631,259
<b>Grand Total</b>	<b>\$ 2,345,957,292</b>	<b>\$ 309,972,790</b>	<b>\$ 3,617,928,107</b>	<b>\$ 6,273,858,189</b>

The Fiscal Year 2015 Adopted CIP Budget will add \$310.0 million to the City's \$6.27 billion multi-year CIP. City Council previously approved \$2.35 billion towards projects that are continuing from previous fiscal years. An estimated \$3.62 billion of additional funding will be needed in future years to complete the projects currently in the City's CIP and to fund annual ongoing capital expenses, such as road resurfacing and pipe replacements. The City's CIP does not include all of the City's unfunded CIP needs or new projects which may be added in future years.

Priority Scores are given to projects as a way to compare them to other similar projects of the same project type within the Capital Improvement Program (CIP). Council Policy 800-14, Prioritizing CIP Projects, updated in November 2013, outlines the process for scoring and prioritizing projects. The policy establishes a capital planning process that ultimately leads to decisions that optimize the use of available resources for projects competing for funding, resulting in the maximum benefit from the projects delivered. This policy takes into account the emergency status of a project, the risk to environment, the sustainability of resources, and provides guidelines and procedures to maintain consistency in application across all asset-owning departments by requiring an asset specific scoring methodology using unique operational needs and an objective scoring tool in prioritizing CIP projects. More details regarding the project prioritization process can be found in the Project Prioritization section of Volume III of the Fiscal Year 2015 Adopted Budget.

# Capital Improvements Program

## Multi-Year CIP Plan

Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to the City's constituents. Therefore, the procurement, construction, and maintenance of capital assets are a critical activity of the City. Careful planning involves ongoing review of the City's capital needs and funding programs to develop an integrated capital asset management system. In addition, the CIP Audit of 2011 elaborated on how important it was for the City to implement a comprehensive multi-year plan in addition to the annual CIP budget. A prudent multi-year capital plan will identify and prioritize expected needs based on a community's strategic plan, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs that will expand well beyond one year.

To this end, the Public Works Department has been working with the Community Planners Committee to gather public input and with all asset-owning departments in the City to identify infrastructure needs. While there are many multi-year capital plans currently available, this will be the first ever consolidated CIP plan, spanning multiple fiscal years, which will also identify service level goals and any funding gaps. The Capital Improvement Program Review and Advisory Committee, along with the Public Works Department, look forward to discussing the City's first consolidated multi-year CIP plan in the coming months. The plan is scheduled to be finalized and submitted to the Infrastructure Committee by January 2015.