



THE CITY OF SAN DIEGO
MAYOR JERRY SANDERS
M E M O R A N D U M

DATE: May 16, 2008

TO: Honorable Council President Scott Peters and Members of the City Council

FROM: Mary Lewis, Chief Financial Officer
Nader Tirandazi, Financial Management Department Director

SUBJECT: Mayor's May Revision to the Fiscal Year 2009 Proposed Budget

This memorandum presents the Mayor's recommended revisions to the Fiscal Year 2009 Proposed Budget (May Revision). The General Fund Budget has been reduced by a net \$0.5 million in both revenues and expenditures due to necessary adjustments in the projected revenues for sales tax, property tax, Transient Occupancy Tax (TOT) and interest earnings. In addition, the adjustments in the Mayor's May Revision factor in the projected year-end status of the General Fund Reserves and the effect of the decline in revenues in Fiscal Year 2008. The General Fund remains balanced and the following summary outlines the significant adjustments to the budget. An overall summary of adjustments can be reviewed in *Attachment 1*.

The net \$0.5 million reduction in the General Fund is the result of a reduction in revenue projections of approximately \$6.9 million and transfers of revenues into the General Fund of \$6.4 million.

OVERVIEW

Personnel Adjustments

A total of 6.46 Full Time Equivalent (FTE) positions are added in the May Revision. The Parks and Recreation Department is adding positions to support the Brush Management Program and oversee recreational activities in Balboa Park, Mission Bay Park, and community recreational facilities. The Personnel and City Comptroller departments are each adding 1.00 FTE Program Manager to backfill positions assigned to the "OneSD" Enterprise Resource Planning (ERP) project. The ERP Project will absorb the costs of these two positions.

Revenues

The General Fund revenue growth projections have been reduced. The projected revenues from property tax, sales tax, Transient Occupancy Tax (TOT) and vehicle license fees have been

reduced by a combined total of \$5.1 million (\$3.9 million in General Fund and an additional \$1.3 million in Non-General Fund) due to a continued slowdown in the economy. Anticipated interest earnings were also reduced by \$3.0 million due to a projected lower interest rate environment.

One-time revenue adjustments of \$6.4 million to the General Fund include transfers from the Environmental Growth Fund, Seized and Forfeited Assets Fund, and Concourse and Parking Garage Fund. These transfers were implemented to alleviate revised shortfalls in major General Fund revenues projected for Fiscal Year 2009.

In addition, reimbursements from the Federal Emergency Management Agency (FEMA) and California Disaster Assistance Act (CDAA) will be reduced due to the greater than expected revenue reimbursement occurring in the current fiscal year instead of Fiscal Year 2009. The receipt of this revenue in Fiscal Year 2008 allows for an adjustment to the budgeted reserves in Fiscal Year 2009. Also, reimbursements from the Federal Highway Administration (FHWA) and State of California Office of Emergency Services (OES) for actual work incurred in the restoration of Soledad Mountain Road are included in the May Revision.

Appropriations

The Fiscal Year 2009 Proposed Budget included \$13.6 million for salary increases for Local 145 and the Police Officers' Association. These funds are sufficient to support the base salary increases in both departments as well as the related additional costs for special pays including overtime. However, a redistribution of the budgeted contingency allocation is necessary in the May Revision. There is a \$1.2 million increase in the Fire Department's personnel budget above the amount budgeted for salary increases in the Fiscal Year 2009 Proposed Budget while the Police Department's budget is being decreased by a \$1.1 million. Other personnel expenditure adjustments include changes to the Workers' Compensation and Flexible Benefits fringe appropriations.

Additional funding has been added in the May Revision for fuel cost increases based on current fuel prices and historical trends.

The budgeted amount for the General Fund Reserve contribution in Citywide Program Expenditures was decreased from \$6.0 million to \$3.7 million. This adjustment of \$2.3 million still allows the City to meet its 6.5 percent reserve policy goal for the General Fund in Fiscal Year 2009 based on the estimated Fiscal Year 2008 year-end General Fund Balance.

GENERAL FUND REVENUES

Community Development Block Grant (CDBG)

Revenue Adjustment: \$9,465

The Fiscal Year 2009 CDBG budget was adopted by City Council on May 6, 2008. Please refer to *Attachment 2* for details of the changes to the Proposed Fiscal Year 2009 CDBG budget allocations in City departments.

Concourse and Parking Garages Transfer

Revenue Adjustment: **\$1,439,334**

Based on the Fiscal Year 2008 year-end estimated fund balance, the revised revenue transfer to the General Fund is \$1.7 million, an increase of \$1.4 million over the Fiscal Year 2009 Proposed Budget.

Federal Emergency Management Agency (FEMA) and California Disaster Assistance Act (CDAA) Reimbursement

Revenue Adjustment: **(\$2,100,000)**

Based on the latest projections from the Office of Homeland Security, it is estimated that the City will receive \$11.7 million General Fund reimbursements from FEMA and CDAA over the next two fiscal years. The reduction to the Fiscal Year 2009 Proposed Revenue Budget is \$2.1 million due to the timing of the receipt of the revenue with reimbursement projected to be higher in Fiscal Year 2008.

Federal Highway Administration (FHWA) and the State of California Office of Emergency Services (OES) Reimbursement

Revenue Adjustment: **\$2,000,000**

The Federal Highway Administration (FHWA) and the State of California Office of Emergency Services (OES) will reimburse for emergency work performed on the Mt. Soledad landslide. Two million is budgeted to be received in Fiscal Year 2009. The reimbursement will be for actual work incurred in the restoration of Soledad Mountain Road.

Interest Earnings

Revenue Adjustment: **(\$3,027,237)**

Interest Earnings revenue has been reduced by \$3.0 million based on recent updated projections from the Office of the City Treasurer. The Federal Reserve has continued to lower interest rates and the revised projected lower rate environment has resulted in a reduction in interest earnings for the General Fund estimated for Fiscal Year 2009.

Property Tax

Revenue Adjustment: **(\$326,646)**

Based on updated information from the County Assessor's Office on the estimated Assessed Valuation for the City of San Diego and the latest Fiscal Year 2008 year-end projections, property tax revenue has been revised downward from \$411.5 million to \$411.1 million. This is the result of a decrease in the growth rate from 6.0 percent to 5.75 percent. Property tax is built on the assumption of a continued decline in assessed values in the local housing market

Sales Tax

Revenue Adjustment: **(\$1,555,114)**

Based on the latest Fiscal Year 2008 year-end projections, Sales tax has been revised downward from \$223.6 million to \$222.1 million. This is the result of a decrease in the growth rate from 1.25 percent to 0.75 percent. The performance of taxable sales in San Diego County for the second half of calendar year 2008 is expected to continue to slow compared to calendar year 2007 based on growing unemployment in the construction and real estate/finance industries, moderating household income growth, and the continuing increase in energy prices.

Tobacco Settlement Revenue (TSR)

Revenue Adjustment: **\$438,414**

In Fiscal Year 2008, Tobacco Settlement Revenues (TSR) will exceed the \$10.1 million securitized in Fiscal Year 2006 by \$438,000 based on recently obtained information from the State of California Attorney's Office. The City is entitled to receive TSR revenue above the \$10.1 million and \$438,414 has been added to the May Revision.

Transient Occupancy Tax (TOT) - General Fund

Revenue Adjustment: **(\$1,643,560)**

Based on expectations of a continued slowdown in the tourism industry and lower than expected current year Transient Occupancy Tax (TOT) receipts, the growth rate for Fiscal Year 2009 in TOT has been adjusted downward from 7.5 percent to 6.0 percent. Currently, the Fiscal Year 2009 Proposed Budget for General Fund TOT revenue is \$92.0 million per Council Policy 100-03 which authorizes that 5.5 cents of every 10.5 cents of TOT collected be used for general governmental purposes. As a result of the growth rate adjustment, the General Fund TOT revenue budget for Fiscal Year 2009 will be revised to \$90.6 million, a reduction of \$1.4 million.

As a result of the reduction in the TOT growth rate and other recommended adjustments described in the "Special Promotional Programs TOT" section of this memorandum, a reduction of \$252,856 will be made to the transfer of the one cent of TOT. (This one cent is the discretionary amount City Council may use for any purpose which is authorized by Council Policy 100-03). Currently, the Fiscal Year 2009 Proposed Budget transfers \$16.5 million of TOT from the Special Promotional Programs Fund to the General Fund. The revised General Fund TOT transfer in Fiscal Year 2009 will be \$16.3 million, or a reduction of \$252,856.

Vehicle License Fees

Revenue Adjustment: **(\$344,475)**

Based on updated receipts from the State and changes to the Fiscal Year 2008 year-end projections, Vehicle License Fees have been revised downward from \$7.2 million to \$6.9 million. This is the result of a continued decline in auto sales, as well as an increase in DMV administration costs.

RESERVES and OTHER CITY-WIDE CONSIDERATIONS

Flexible Benefits

Total Expenditure Adjustment: **\$1,262,914**

General Fund Expenditure Adjustment: **\$1,227,978**

The Fiscal Year 2009 Proposed Budget included estimates for flexible benefits costs that have been revised. As a result, the May Revision includes an additional \$1.3 million to more accurately reflect expected actual costs.

Fuel Cost Increases

Fleet Services Revenue Adjustment: **\$1,912,912**
Fleet Services Expense Adjustment: **\$1,912,912**

Non-General Fund Expense Allocation: **\$646,470**
General Fund Expense Allocation: **\$1,266,442**

The projected unleaded fuel price has increased from \$3.20 to \$3.50 and the projected diesel fuel price has increased from \$3.40 to \$4.00 since the proposed budget was released. The total expenditures and usage revenue added to Fleet Services is \$1.9 million. The adjustment to usage rates to the General Fund departments is an increase of \$1.3 million and the adjustment to usage rates to the Non-General Fund departments is an increase of \$646,470.

General Fund Reserves

General Fund Expenditure Adjustment: **(\$2,312,282)**

The City's recently adopted reserve policy for the General Fund calls for 6.5 percent of General Fund revenues to be held in reserve for Fiscal Year 2009. The Fiscal Year 2009 Proposed Budget included \$6.0 million as a contribution toward the General Fund reserve goal. Based on Fiscal Year 2008 year-end projections for the reserves, the policy target will be met by budgeting \$3.7 million, a reduction of \$2.3 million.

Currently, the Fiscal Year 2009 Proposed Budget and Mayor's May Revision does not include an allocation to the Appropriated Reserves. A recommendation to establish the Appropriated Reserves for Fiscal Year 2009 will be brought forward in July 2008 with the Appropriation Ordinance. The amount that will be presented with the Appropriation Ordinance depends upon the Fiscal Year 2008 year-end results.

San Diego Employees' Retirement System (SDCERS) and Other Fringe Rate Adjustments

As a result of salary increases, a city-wide fringe rate adjustment will be necessary to ensure the Annual Required Contribution (ARC) payment of \$161.7 million to the SDCERS is fully allocated in the final budget for Fiscal Year 2009. The salary increases will generate a higher expenditure among the variable fringe rates associated with salary to the Police and Fire-Rescue Departments. A reduction of budgeted fringe, including the ARC allocation, in other departments will be necessary to confirm that fringe allocations are wholly budgeted, and that the expense is appropriately distributed.

Workers' Compensation Reserves

Total Expenditure Adjustment: **(\$1,000,000)**
General Fund Expenditure Adjustment: **(\$770,000)**

The Fiscal Year 2009 Proposed Budget includes \$5.0 million for the Workers' Compensation Reserve which will increase the reserve to above the policy target of 15 percent of outstanding claims for next fiscal year. In order to balance the revenue reductions in sales, TOT and property tax, the budgeted contribution to the Workers Compensation Reserve is being reduced by \$1.0 million, \$770,000 of which is a reduction to the General Fund expense.

DEPARTMENTAL ADJUSTMENTS

CITY PLANNING AND DEVELOPMENT

City Planning & Community Investments (CPCI)

Expenditure Adjustment: **\$250,554**

Community Development Block Grant (CDBG) Administration

The CPCI Department oversees the administration of the CDBG program. The expenditure budget for CDBG is increased in the May Revision by \$250,554. This adjustment provides additional resources to hire a consultant so that the City's CDBG program meets the standards requested by the U.S. Department of Housing and Urban Development (HUD). These standards include the creation of management, monitoring, and fair housing plans, as well as a citizenship participation process.

Concourse and Parking Garages

Expenditure Adjustment: **\$1,664,334**

The Fiscal Year 2008 estimated fund balance for the Concourse and Parking Garages Operating Fund is projected to total \$1.3 million. Similarly, the fund has established an operating reserve of an additional \$550,000. These adjustments will be reflected on the Concourse and Parking Garage Fiscal Year 2009 Final Budget Revenue and Expense Statement. Due to the large fund balance and operating reserve amounts, \$1.7 million will be transferred to the General Fund as explained in the General Fund Revenue section. This adjustment results in an increase of \$1.7 million in additional expenditures in the Concourse and Parking Garages Fund. A detailed presentation of these adjustments can be found in *Attachment 3*.

Technical corrections will be made in Schedules I, III, V, VI for the Concourse and Parking Garages Fund to include the operating reserve of \$550,000 as part of their operating expenses. Currently, the operating reserve is included within the fund's proposed budget and the budget Schedules need to be updated to reflect these amounts.

Development Services Department - Neighborhood Code Compliance

Expenditure Adjustment: **(\$242,612)**

Community Development Block Grant (CDBG)

This represents a decrease \$242,612 in the personnel budget to offset the reduction in CDBG revenue from Council District allocations for services provided by the Neighborhood Code Compliance, Proactive Code Enforcement Division. It is anticipated that these positions may be funded once the HUD plan is completed and the positions will not be eliminated from the budget at this time. Instead, the department's vacancy savings will be increased to balance the revenue reduction.

Development Services Department (DSD): Non-General Fund

Revenue Adjustment: \$700,000

Fire Recovery Permit Waiver

At the time the Fiscal Year 2009 Proposed Budget was prepared, the expenditure estimates incurred by DSD during disaster relief were not available. DSD now estimates \$700,000 in reimbursements are required from the General Fund for fees waived for fire victims (R-2008-373).

COMMUNITY SERVICES

Environmental Services Department: Non-General Fund

Expenditure Adjustment: \$500,000

Revenue Adjustment: \$500,000

Automated Refuse Container Replacement Fund

The Fiscal Year 2009 Proposed Budget did not include revenues or expenditures associated with the Council approved Automated Refuse Container Replacement Fee. Since Council did not approve the fee implementation until November 2007, the department did not have a solid projection for fees to include in the proposed budget. At this time, the department is projecting \$500,000 in revenues and expense for container replacement.

Library Department

Expenditure Adjustment: \$59,345

In order to reflect new pricing agreements and living wage increases for custodial, landscaping, and waste removal services, an expenditure increase of \$59,435 in Non-Personnel Expenditures (NPE) is necessary to support Living Wage Ordinance contractual requirements in Fiscal Year 2009.

Park & Recreation Department

FTE Adjustment: 4.96

General Fund Revenue Adjustment: \$2,000,000

General Fund Expenditure Adjustment: \$36,515

Brush Management Program Support Restoration and Offset

The budget for the Open Space Division is being reduced by 0.50 FTE Principal Drafting Aid position and \$185,568 in NPE in order offset a required increase to Brush Management support and personnel costs for a 1.00 FTE Associate Planner, 0.50 FTE Biologist III, and 1.00 FTE Administrative Aide II. The Associate Planner position is needed to fulfill FEMA grant requirements with responsibility for environmental compliance, and GIS mapping. The Biologist III is needed to ensure brush management activities are in compliance with the Endangered Species Act and the Multiple Species Conservation Program. The Administrative Aide II position will provide support needed for tracking and reporting expenditures to FEMA. These adjustments result from a recent assessment of program support needs.

New Facility- Carmel Valley Skate Park

The Carmel Valley Skate Park was scheduled to open in Fiscal Year 2010. Due to revised project timelines, the skate park is now scheduled to open in Fiscal Year 2009. The opening of the skate park results in the addition of a 0.38 FTE Grounds Maintenance Worker and \$13,802 of NPE.

Position Restoration and Offset

A reduction of 0.42 FTE Recreation Aid position, a decrease of \$142,157 in NPE, and an increase of Vacancy Savings to the Developed Regional Parks Division by \$174,471 are included in the May Revision in order to restore 3.00 FTE District Manager positions. The positions will be restored in the Community Park II Division recreation centers sites and the Developed Regional Parks Division for Balboa Park and Mission Bay Park. These adjustments result from identifying additional non-essential expenditures to bring back increased supervision to the City's regional and community parks.

Park & Recreation Non-General Funds

Environmental Growth Fund (EGF) 1/3rd

Fund 105051 EGF 1/3rd has a revised fund balance of \$171,791. Changes in fund balances resulted from adjustments to current year revenue and expenditure estimates and reserves for prior year capital costs and encumbrances. This correction to the Fiscal Year 2009 Proposed Revenue and Expense Statement can be reviewed in *Attachment 4*.

Environmental Growth Fund (EGF) 2/3rd

Revenue Adjustment: \$727,422

Expenditure Adjustment: \$2,000,000

Fund 105052 EGF 2/3rd has a revised fund balance of \$1.3 million. A transfer of \$2.0 million from the EGF 2/3rd will support the Park & Recreation Department. An amount of \$1.4 million will fund the Open Space Division for existing open space activities and \$600,000 will support the Developed Regional Parks Division for existing park maintenance efforts. In addition, changes in fund balances resulted from adjustments to current year revenue and expenditure estimates as well as reserves for prior year capital costs and encumbrances. Additionally, \$727,422 will be transferred from the Open Space Park Facilities District Fund. Please refer to *Attachment 4* to review the revised Revenue and Expense Statements for this fund.

Open Space Park Facilities District Fund

Expenditure Adjustment: \$727,422

Fund 71631 Open Space Park Facilities District will expire in Fiscal Year 2009. This fund is used for debt service payments on the Open Space Bonds which will mature in January 2009. The remaining balance will be transferred to Fund 105052 EGF 2/3rd. Please refer to *Attachment 4* to review the revised Revenue and Expense Statements for this fund.

Maintenance Assessment Districts

Technical corrections will be made to the Maintenance Assessment District Schedule VII in Volume I to reflect the correct information in the Financial Management Information System (FMIS). Please refer to *Attachment 5* to review these adjustments.

NON-MAYORAL DEPARTMENTS

Council Administration

FTE Adjustment: (0.50)
Expenditure Adjustment: \$92,156

Committee Consultant

A reduction of 0.50 FTE Council Committee Consultant position is based on the pro-rated assessment for the Ad-Hoc Fire Prevention and Recovery Committee for the fiscal year. This Committee's work is expected to conclude at the end of calendar year 2008.

Terminal Leave

This adjustment represents an increase of \$150,000 in projected Terminal Leave Pay for personnel expected to leave the City's employment in Council Districts 1, 3, 5, and 7.

Personnel Department

FTE Adjustment: 1.00
Expenditure Adjustment: \$147,000
Revenue Adjustment: \$147,000

Funding for Enterprise Resource Planning (OneSD) Limited Position

Addition of 1.00 limited Program Manager and associated revenue to backfill FTE assigned to the OneSD project implementation.

OFFICE OF THE CHIEF FINANCIAL OFFICER

City Comptroller

FTE Adjustment: 1.00
Expenditure Adjustment: \$173,365
Revenue Adjustment: \$173,365

Funding for Enterprise Resource Planning (OneSD) Limited Position

Addition of 1.00 limited Program Manager and associated revenue to backfill FTE assigned to the OneSD project implementation.

Citywide Program Expenditures

Net Expenditure Adjustment: \$520,981

Fire Recovery Permit Waiver

At the time of the Fiscal Year 2009 Proposed Budget was prepared, the expenditure estimates incurred by the Development Services Department (DSD) during disaster relief were not available. DSD estimates \$700,000 of expenses to be reimbursed by the General Fund for fees waived for disaster relief (R-2008-373).

Transfer to the Tax Revenue Interest Anticipation Notes (TRANS) Fund

The estimated TRANS issuance for Fiscal Year 2009 is \$150.0 million with an estimated net cost to the General Fund of \$2.3 million. The General Fund is responsible for the cost since cash is needed before the first property tax payment is received in December. The Fiscal Year 2009 Proposed Budget included a transfer of \$2.4 million to the TRANS Fund. A reduction of \$179,019 is included in the May Revision based on the TRANS projected net cost of \$2.3 million in Fiscal Year 2009.

OFFICE OF ETHICS & INTEGRITY

Expenditure Adjustment: (\$15,000)

Employee Hotline Contract

The oversight of the Employee Hotline will be transferred to the City Auditor from the Office of Ethics & Integrity. The transfer of this amount to the City Auditor's department will allow staff to manage the contract with the call-in center vendor.

OFFICE OF THE MAYOR AND CHIEF OPERATING OFFICER

Office of the Chief Information Officer (OCIO)

Expenditure Adjustment: \$4,699

Position Restoration and Offset

This adjustment corrects a position in the proposed budget by replacing 0.07 FTE Communications Technician Supervisor position with 0.07 FTE Senior Communications Technician position.

Budgeting of A-List Project Fund Balance for the Enterprise Resource Planning (OneSD) Allocation

General Fund Expense Adjustment: (\$1,432,759)

Non-General Fund Expense Adjustment: (\$1,131,347)

The A-List Fund has historically been used to fund new city-wide projects prioritized by the IT Governance Committee. The fund is managed by the Office of the CIO and supports existing business applications such as FMIS. The Fiscal Year 2009 Proposed Budget has no new allocations to the A-List Project Fund, as City resources will primarily be focused on the OneSD project. The current A-List fund balance is comprised of prior year contributions from the General Fund and Non-General departments. The estimated total fund balance of \$3.3 million will be used for two purposes: 1) \$2.5 million to offset Fiscal Year 2009 allocations paid by General Fund and Non-General Fund departments for OneSD project maintenance and licensing costs not related to development; and 2) \$800,000 to fund the remaining projects within the A-List fund. Please see *Attachment 6* for the revised department allocations for OneSD.

City Auditor

Expenditure Adjustment: **\$15,000**

Employee Hotline Contract

The oversight of the Employee Hotline will be transferred to the City Auditor from the Office of Ethics & Integrity. The transfer of this amount to the City Auditor's department will allow staff to manage the contract with the call-in center vendor.

OTHER FUNDS

Special Promotional Programs Transient Occupancy Tax (TOT)

Revenue Adjustment: **(\$1,264,276)**

Expenditure Adjustment: **(\$252,856)**

Council Policy 100-03 authorizes that four of every 10.5 cents of TOT collected be used solely for the purpose of promoting the City. This revenue is budgeted in the Special Promotional Programs Fund for a total of \$83.7 million. Based on the recommended reduction to the growth rate for Transient Occupancy Tax revenues from 7.5 percent to 6.0 percent, budgeted revenues in the Special Promotional Programs Fund will be reduced by \$1.3 million. The revised Special Promotional Program's TOT budget in Fiscal Year 2009 will be \$82.4 million.

There is a reduction in expenditures in the fund for the transfer of one cent of TOT revenue to the General Fund by \$252,856 due to the reduction in the TOT growth rate as explained previously in the "TOT – General Fund" section of this memorandum.

Tax Revenue Anticipation Notes (TRANS)

Revenue Adjustment: **(\$2,004,019)**

Revenue Adjustment: **(\$2,004,019)**

At the time the Fiscal Year 2009 Proposed Budget was prepared, the cash flow projection and borrowing need for Fiscal Year 2009 had not been completed and an assumption was made based on the Fiscal Year 2008 TRANS issuance of \$116.0 million. The City currently expects to borrow \$150.0 million in July 2008. The amount to be borrowed is based on the projected fiscal year cash need before the first property tax payment is received in December. Based on this information, both the proposed TRANS interest earning and interest expense will be reduced by \$2.0 million.

An action will be brought to the City Council in June of 2008 to authorize borrowing an amount not to exceed \$160.0 million. This amount is higher than the expected borrowing providing a cushion in the event the need to additional borrowing capacity is identified between the date of this report and the date the borrowing is executed in July 2008. If the issuance is higher than expected, the TRANS interest expense will be adjusted as a mid-year action in Fiscal Year 2009. The impact is a reduction in revenue of \$2.0 million and a reduction in expenditures of \$2.0 million.

PUBLIC SAFETY and HOMELAND SECURITY

Fire-Rescue Department

Net Expenditure Adjustment: **\$1,592,969**

Fuel Cost Increases

Based on current fiscal year fuel usage and the addition of a second helicopter, an additional \$400,208 is added to the Fire-Rescue Department budget in the May Revision.

Local 145 Salary and Special Pays Adjustment

A salary increase of 5.0 percent will be implemented for the Local 145 employees next fiscal year. Of this 5.0 percent, a 3.0 percent increase will take effect on July 1, 2008 and an additional 2.0 percent increase will take effect on September 1, 2008. As a result, an increase of \$1.2 million is needed to supplement the budgeted contingency for projected salary increases in the Fiscal Year 2009 Proposed Budget. This amount includes the projected increases to special pays, including overtime, that are related to salary increases.

Police Department

General Fund Expenditure Adjustment: **(\$1,072,273)**

General Fund Revenue Adjustment: **\$2,302,715**

Police Officers' Association (POA) Salary and Special Pay Adjustment

A salary increase of 6.0 percent will be implemented for the POA employees in the next fiscal year. Of this 6.0 percent, a 3.0 percent increase will take effect on July 1, 2008 followed by another 3.0 percent increase on December 27, 2008. Based on revised calculations for personnel costs, a net reduction of \$1.1 million to the department's budget is included in the May Revision. The adjustments consist of a decrease of \$2.5 million in the budgeted contingency for the projected salary increases and an increase of \$1.4 million associated Special Pays, including Overtime, that relate to the salary increases.

Position Changes

The Fiscal Year 2009 Proposed Budget includes the reduction of 1.00 FTE Latent Print Examiner position and 3.00 FTE Cal-ID Technician positions. The department has since recruited a highly qualified candidate to fill the Latent Print Examiner position and a vacant Investigative Aide position will be eliminated. The 3.00 FTE Cal-ID Technicians are required for State-mandated Police records activities and 3.00 FTE vacant Police Records Clerks will be eliminated to maintain budget savings.

Support for PC Replacements

A transfer from the Seized Assets Fund of \$500,000 will pay the costs of the replacement of aging mobile computer terminals used by all sworn personnel in the Police Department. These new units will allow more applications to be run, thus increasing the availability of information to officers in the field.

Support for the Police Helicopters Lease Payment

In prior years, the helicopter lease payments were budgeted in the Seized and Forfeited Asset Fund. In Fiscal Year 2009, a transfer of \$1.8 million from the Seized Asset and Forfeitures Fund will be used to support lease payments.

Police Non-General Funds

Seized and Forfeited Assets (10118, 10119, 10143)

Revenue Adjustment: **\$200,000**

Expenditure Adjustment: **\$ 4,052,715**

Fuel Costs, Supplies, and Equipment

Fuel consumption increased 55.7 percent despite no significant increase in flight hours due to the larger Eurocopter helicopters compared to the Bell helicopters. The Proposed Fiscal Year 2009 Budget increases the aviation fuel expenditure by \$500,000. There will also be an increase of \$250,000 for supplies or equipment and \$1.0 million for public safety enhancements in technology, communications, officer safety, and deferred maintenance that will be used in accordance with the Seized and Forfeited Assets Agreement.

Revenue Adjustment

Based on the revenue from the past three fiscal years and an increased fund balance, an increase in the budgeted revenue of \$200,000 to \$1.0 million has been included in the May Revision.

Transfer to General Fund

A transfer of \$500,000 from the Seized and Forfeited Assets Fund to the General Fund Police Department will pay for the costs of the replacement of aging mobile computer terminals used by all sworn personnel in the Police Department. These new units will allow more applications to be run, thus increasing the availability of information to officers in the field.

In prior years, the helicopter lease payments were budgeted in the Seized and Forfeited Asset Fund. In Fiscal Year 2009, a transfer of \$1.8 million from the Seized Asset and Forfeitures Fund will be used to support lease payments.

Please refer to *Attachment 7* to review the revised Revenue and Expense Statement.

Police Decentralization Fund (10355)

Expenditure Adjustment: **\$118,083**

Adjustments are made to more accurately reflect activity obligations in the form of an increase of \$124,443 in per diem and bed fees and a decrease of \$6,360 in rent.

Public Safety Department

Expenditure Adjustment: **(\$14,000)**

An adjustment of \$14,000 in NPE support is included in the May Revision as result of the reduction of 2.00 FTE Program Managers positions in the Fiscal Year 2009 Proposed Budget.

PUBLIC UTILITIES

Metropolitan Wastewater Department (MWWD)

Revenue Adjustment: (\$224,877,000)

Expenditure Adjustment: (\$216,883,030)

A reduction in revenue of \$224.0 million and a decrease of \$216.0 million in expenditures is included in the May Revision to budget consistently the expected Sewer Revenue Notes, Series 2007 transaction. MWWD will record proceeds from debt issuances used to refund the principal on its short term notes in a manner consistent with the methodology used by the Water Department. In the Fiscal Year 2009 Proposed Budget, proceeds of an anticipated debt issuance were budgeted to repay the principal as revenue and the repayment of the principal as an expense.

A revised revenue estimate for disposing of trucked liquid waste (Truck Liquid Waste Fee) of (\$877,000) is necessary based on current fiscal year trends.

An increase in the Muni CIP Budget of \$593,951 is necessary to reflect program requirements. This revision reflects a decrease in Fiscal Year 2009 Proposed Budget of \$842,682 in Sewer Expansion and Replacement funding due to changes in municipal construction funding requirements and other project contingency needs.

A decrease in the Metro CIP Budget of \$1.6 million is necessary to reflect program requirements. This revision reflects a decrease in Fiscal Year 2009 of \$16,961 in Sewer Expansion funding due to changes in Metropolitan Clean Water Program construction funding requirements and other project contingency needs.

Water Department

Expenditure Adjustment: \$14,200,000

Revenue Adjustment: \$11,360,000

The adjustment reflects an increase in expenditures of \$14.2 million for the “Alvarado Water Treatment Plant – Upgrade and Expansion Capital Improvement Project” and an increase in revenue of \$11.4 million from bond proceeds to fund this project.

Technical corrections will be made in Schedules I, III, V, VI for the Water Department to include the operating reserve of \$19.9 million as part of the department’s operating expenses. Currently, the operating reserve is included within the proposed budget; however the Schedules do not reflect the operating reserves. These changes will result in the Water Department’s operating expenses increasing from \$336.7 million to \$356.6 million, and their total appropriation including Capital Improvement Program funds changing from \$500.4 million to \$520.3 million.

PUBLIC WORKS

General Services Department

General Fund Expenditure Adjustment: (\$10,118)

Position Restoration and Offset

1.00 FTE Principal Engineering Aide position reduction will be restored and 1.00 FTE Construction Estimator will be reduced. The Principal Engineering Aide position was reclassified to an Electrician Supervisor, which is needed to supervise electricians.

CAPITAL IMPROVEMENT PROJECTS (CIP)

Adjustments to Capital Improvement Projects were made primarily due to updating project sheets or correcting planned allocations. The adjustments to CIP projects in Fiscal Year 2009 are listed below. Please refer to *Attachment 8* to review an itemized list of changes from the Fiscal Year 2009 Proposed Budget.

Engineering & Capital Projects Department

1. **58-191.0 (San Diego River Multi-Use Bicycle and Pedestrian Path)** This revision reflects a decrease in Fiscal Year 2009 of \$320,000 of Proposition A Bike Ways, 30301, funding. The Fiscal Year 2009 Proposed CIP Budget shows two budget entries for \$320,000 each. The entry for Proposition A Bike Ways, 30301, is incorrect and should be removed. The entry for \$320,000 of TransNet, 30300, is correct. By eliminating \$320,000 from Fund 30301, it will reduce the Fiscal Year 2009 project budget to \$320,000.
2. **37-064.0 (Annual Allocation - ADA Improvements Project)** This revision reflects an increase in Fiscal Year 2009 of \$620,979 in CDBG, 18502, funding to reflect Council's approved CDBG allocations for Fiscal Year 2009. The new Fiscal Year 2009 project budget is \$11.0 million.
3. **Soledad Mountain Road**
The department will be taking forward a 1472 to add funding to "Soledad Mountain Road Emergency Repair" CIP# 52-805.0 and therefore, no adjustments are being proposed at this time.

Park & Recreation Department

1. **22-965.0 (Annual Allocation – Mission Bay Improvements)** This revision reflects a decrease in Fiscal Year 2009 of \$265,000 in Mission Bay Improvement Fund, 10502, due to re-allocation of this funding to CIP 22-972.0 (North Crown Point Gazebo – Replacement). The new Fiscal Year 2009 project budget is \$76,802.
2. **22-972.0 (North Crown Point Gazebo – Replacement)** This revision reflects the addition of \$265,000 in Mission Bay Improvement Fund, 10502, transferred from CIP

22-965.0 (Annual Allocation – Mission Bay Improvements). The new Fiscal Year 2009 project budget is \$265,000.

3. **29-941.0 (Language Academy/Montezuma Elementary School – JU Improvements)** This revision reflects an increase in Fiscal Year 2009 of \$18,000 in CDBG, 18537, funding to reflect Council's approved CDBG allocations for Fiscal Year 2009. The new Fiscal Year 2009 project budget is \$668,000.
4. **29-971.0 (Mission Dam Dredging Mitigation Project)** This revision reflects a decrease in Fiscal Year 2009 of \$169,594 in Environmental Growth, 10505, and Mission Trails Regional Park, 10580, funding. This project duplicates CIP 20-100.3 (Old Mission Dam Preservation). This project is being removed from the Capital Improvements Program.
5. **29-972.0 (Los Peñasquitos and Black Mountain Ranger Station)** This revision reflects a decrease in Fiscal Year 2009 of \$389,000 in Environmental Growth, 10505, funding. This project duplicates CIP 20-010.1 (Los Peñasquitos and Black Mountain Ranger Station). This project is being removed from the Capital Improvements Program.

Metropolitan Wastewater Department

1. **46-169.0 (East Mission Gorge Force Main Rehabilitation)** This revision reflects a decrease in Fiscal Year 2009 of \$2.0 million in Sewer Replacement, 41506, funding, which will be reprogrammed to Fiscal Year 2011 due to scheduling changes. The new Fiscal Year 2009 project budget is \$329,600; however, the total project cost remains the same.
2. **41-929.0 (Pump Station Upgrades)** This revision reflects an increase in Fiscal Year 2009 of \$4.3 million in Sewer Replacement, 41506, funding, which is reprogrammed from Fiscal Year 2012 in order to accelerate construction on this EPA Consent Decree project. The new Fiscal Year 2009 project budget is \$5.6 million; however the total project cost remains the same.
3. **45-988.0 (MBC Wastewater Forcemain Extension)** This revision reflects a decrease in Fiscal Year 2009 of \$722,184 in Sewer Replacement and Expansion, 41509, funding. Changes in the operations of Pump Station 86 allow more flow from the Metro Bio-solids Center, negating the need for this project. This project is being removed from the Capital Improvements Program.
4. **46-602.0 (Sewer Pump Station 41 Rehabilitation)** This Sewer Replacement, 41506, funded project was established as a sublet of CIP 46-106.0 (Annual Allocation - Sewer Pump Station Restorations) and is now proposed for the Fiscal Year 2009 Capital Improvement Program as a stand-alone project. The new Fiscal Year 2009 project budget is \$5.1 million.
5. **46-106.0 (Annual Allocation-Sewer Pump Station Restoration)** This revision reflects a decrease in Fiscal Year 2009 of \$5.1 million in Sewer Replacement funding due to the

reclassification of CIP 46-602.0 (Sewer Pump Station 41 Rehabilitation) from a sublet funded from this Annual Allocation to a stand-alone project. This project will no longer have a Fiscal Year 2009 budget.

6. **41-940.0 (Pump Station 64 Fiber Optics Network)** This revision reflects a decrease in Fiscal Year 2009 of \$828,852 in Sewer Expansion, 41506, funding. A Business Case Evaluation was performed on this project and the result was to collaborate with other companies in the area to use their fiber optic or radio system instead of constructing a dedicated fiber optics line of the City. This project is being removed from the Capital Improvements Program.
7. **41-944.0 (NCWRP Effluent Pump Station Upgrade)** This revision reflects a decrease in Fiscal Year 2009 of \$140,608 in Sewer Replacement and Expansion, 41509, funding. This project was originally needed to correct a corrosion problem caused by chlorine gas fumes; however, this has been addressed by reversing exhaust fan rotations. This project is being removed from the Capital Improvements Program.
8. **45-940.0 (Wet Weather Storage Facility)** This revision reflects a decrease in Fiscal Year 2009 of \$674,918 in Sewer Expansion, 41509, due to delays in scheduling. This project will no longer have a Fiscal Year 2009 project budget.
9. **46-193.0 (Annual Allocation-CIP Contingencies)** This revision reflects a decrease in Fiscal Year 2009 of \$842,682 in Sewer Expansion and Replacement, 41506, funding due to changes in Municipal construction funding requirements and other project contingency needs. The new Fiscal Year 2009 project budget is \$458,709.
10. **46-502.0 (Annual Allocation-Clean Water Program Pooled Contingencies)** This revision reflects a decrease in Fiscal Year 2009 of \$16,961 in Sewer Expansion, 41509, funding due to changes in Metropolitan Clean Water Program construction funding requirements and other project contingency needs. The new Fiscal Year 2009 project budget is \$136,225.

Water Department

1. **73-261.3 (Alvarado Water Treatment Plant – Upgrade and Expansion)** This revision reflects an increase in Fiscal Year 2009 of \$14.2 million in Water, 41500, funding due to a change in project scope and scheduling. The new Fiscal Year 2009 project budget is \$36.9 million.

ML/jc

Attachments:

1. Mayor's May Revision Summarized Table of Changes to FY2009 Proposed Budget
2. Fiscal Year 2009 Community Development Block Grant Budget Allocation
3. Revised Fiscal Year 2009 Concourse and Parking Garage Operating Fund
4. Revised Fiscal Year 2009 Environmental Growth Fund

5. Revised Fiscal Year 2009 Maintenance Assessment District Schedule
6. Revised Fiscal Year 2009 "OneSD" Enterprise Resource Planning System Allocation
7. Revised Fiscal Year 2009 Seized and Forfeiture Assets Fund
8. Revised Fiscal Year 2009 Capital Improvement Projects List

Cc: Honorable Mayor Jerry Sanders
Michael Aguirre, City Attorney
Jay M. Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Deputy Chief Operating Officers
Assistant Deputy Chief Operating Officers
Department Directors
Julio Canizal, Financial Manager
Angela Colton, Financial Manager
Irina Kumits, Financial Manager
Jaymie Bradford, Director of Council Affairs

Attachment 1: Mayor's May Revision to FY09 Proposed Budget

FISCAL YEAR 2009 MAYOR'S MAY REVISION SUMMARY TABLE						
BUDGETED DEPARTMENT-GF	CHANGE DESCRIPTION	FTE	PE	NPE	EXP	REVENUE
ADMINISTRATION	CDBG-MENTOR PROTÉGE PROGRAM	-	-	-	-	2,500
CITY AUDITOR	EMPLOYEE HOTLINE CONTRACT TRANSFER	-	-	15,000	15,000	-
CITY COMPROLLER	CDBG-ACCOUNTING SERVICES	-	-	-	-	1,452
	ERP POSITION BACKFILL	1.00	173,365	-	173,365	173,365
CITY COUNCIL	POSITION REDUCTION	(0.50)	(57,844)	-	(57,844)	-
	TERMINAL LEAVE INCREASE	-	150,000	-	150,000	-
CITY PLANNING & COMM. INVESTMENT	CDBG- HUD REFORMS	-	-	250,554	250,554	250,625
CITYWIDE PROGRAM EXPENDITURES	WILD FIRES REIMBURSEMENT TO DSD	-	-	700,000	700,000	-
	ERP ALLOCATION REMOVAL	-	-	(1,432,759)	(1,432,759)	-
	GF RESERVES TRANSFER ADJUSTMENT	-	-	(2,312,282)	(2,312,282)	-
	TRANS INTEREST EXPENSE REDUCTION	-	-	(179,019)	(179,019)	-
DEVELOPMENT SERVICES	CDBG-ENVIRONMENTAL REVIEW	-	-	-	-	40,000
	CDBG-NCCD PROACTIVE CODE ENFORCEMENT	-	-	(242,612)	(242,612)	(242,612)
ENVIRONMENTAL SERVICES	CDBG-LEAD SAFE ENFORCEMENT & OUTREACH	-	-	-	-	102,500
FIRE-RESCUE	INCREASE IN FUEL	-	-	400,208	400,208	-
	LOCAL 145 SALARY/SPEC PAY ADJUSTMENT	-	1,192,761	-	1,192,761	-
FLEX BENEFITS - GF	FLEX BENEFITS ADJUSTMENT-GF	-	1,227,978	-	1,227,978	-
FUEL INCREASE - GF	FUEL INCREASE - GF	-	-	1,266,442	1,266,442	-
GENERAL SERVICES	POSITION RESTORATION & OFFSET	-	(10,118)	-	(10,118)	-
LIBRARY	LIVING WAGE ORDINANCE SUPPORT	-	-	59,345	59,345	-
MAJOR GENERAL FUND REVENUE	CONCOURSE & PARKING GARAGES FUND TRANSFER	-	-	-	-	1,439,334
	FEMA REIMBURSEMENTS ADJUSTMENT	-	-	-	-	(2,100,000)
	INTEREST EARNINGS	-	-	-	-	(3,027,237)
	MT SOLEDAD EMERGENCY RD REIMBURSEMENT	-	-	-	-	2,000,000
	PROPERTY TAX REDUCTION	-	-	-	-	(326,646)
	SALES TAX REDUCTION	-	-	-	-	(1,555,114)
	TABACCO SETTLEMENT REVENUE	-	-	-	-	438,414
	TOT REDUCTION	-	-	-	-	(1,390,704)
	TOT REDUCTION FROM DISCRETIONARY	-	-	-	-	(252,856)
VEHICLE LICENSE FEES REDUCTION	-	-	-	-	(344,475)	
OFFICE OF ETHICS & INTEGRITY	CDBG-DISABILITY SERVICES	-	-	-	-	(220,000)
	EMPLOYEE HOTLINE CONTRACT TRANSFER	-	-	(15,000)	(15,000)	-
PARKS & RECREATION	POSITION RESTORATION & OFFSET	4.58	327,725	(327,725)	-	-
	NEW FACILITY-CARMEL VALLEY SKATE PARK	0.38	22,713	13,802	36,515	-
	TRANSFER FROM EGF	-	-	-	-	2,000,000
PERSONNEL	ERP POSITION BACKFILL	1.00	147,000	-	147,000	147,000
POLICE	POSITION RESTORATION & OFFSET	-	42,589	-	42,589	-
	POA SALARY/SPEC PAY ADJUSTMENT	-	(1,114,862)	-	(1,114,862)	-
	TRANSFER FROM SEIZED ASSETS: LEASE PAYMENT	-	-	-	-	1,802,715
	TRANSFER FROM SEIZED ASSETS: PC SUPPORT	-	-	-	-	500,000
PUBLIC SAFETY	CDBG-ANTI GANG PROGRAMS	-	-	-	-	75,000
	NON-PERSONNEL EXPENSE REDUCTION	-	-	(14,000)	(14,000)	-
WORKERS COMP	WORKERS' COMPENSATION ADJUSTMENT-GF	-	(770,000)	-	(770,000)	-
GENERAL FUND TOTALS		6.46	1,331,307	(1,818,046)	(486,739)	(486,739)

Attachment 1: Mayor's May Revision to FY09 Proposed Budget

BUDGETED DEPARTMENT-NGF	CHANGE DESCRIPTION	FTE	PE	NPE	EXP	REVENUE
POLICE: SEIZED ASSETS FUND	SEIZED ASSETS FUND ADJUSTMENT	-	-	1,750,000	1,750,000	200,000
	TRANSFER TO GF- LEASE PMT AND PC SUPPORT	-	-	2,302,715	2,302,715	-
POLICE: DECENTRALIZATION	INCREASE PER DIEM IN BED FEES	-	-	118,083	118,083	-
SPECIAL PROMOTIONAL PROGRAMS	TOT GF TRANSFER DISCRETIONARY ADJUSTMENT	-	-	(252,856)	(252,856)	-
	SPECIAL PROMO TOT REVISION	-	-	-	-	(1,264,276)
ENVIRONMENTAL SERVICES	AUTOMATED REFUSE CONTAINERS REVENUE	-	-	500,000	500,000	500,000
METROPOLITAN WASTEWATER	MUNICIPAL CAPITAL IMPROVEMENT PROGRAM	-	-	593,951	593,951	-
	TRUCK LIQUID WASTE FEE REVENUE ADJUSTMENT	-	-	-	-	(877,000)
	PAYMENT FOR SEWER DEBT FINANCING	-	-	-	-	(224,000,000)
	REDUCTION OF DEBT SERVICES	-	-	(215,922,310)	(215,922,310)	-
	REDUCTION OF CIP BUDGET TRANSFER	-	-	(1,554,671)	(1,554,671)	-
GENERAL SERVICES- NGF	FUEL INCREASE	-	-	1,912,912	1,912,912	1,912,912
OFFICE OF THE CIO	POSITION RESTORATION & OFFSET	-	4,699	-	4,699	-
OTHER FUNDS	CONCOURSE & PARKING GARAGES TRANSFER TO GF	-	-	1,664,334	1,664,334	-
	TAX ANTICIPATION NOTES ISSUANCE	-	-	(2,004,019)	(2,004,019)	(2,004,019)
NON-GENERAL FUNDS	ERP ALLOCATION REMOVAL	-	-	(1,131,347)	(1,131,347)	-
	FLEX BENEFITS-NGF	-	34,936	-	34,936	-
	FUEL INCREASE - NGF	-	-	646,470	646,470	-
	WORKERS' COMPENSATION ADJUSTMENT-NGF	-	(230,000)	-	(230,000)	-
PARKS & RECREATION	TRANSFER FROM EGF 2/3RD & REVENUE ADJ	-	-	2,000,000	2,000,000	727,422
	TRANSFER FROM OS FUND	-	-	727,422	727,422	-
WATER	CIP EXPENDITURES/BOND REVENUE	-	-	14,200,000	14,200,000	11,360,000
NON-GENERAL FUND TOTAL		-	(190,365)	(194,449,316)	(194,639,681)	(213,444,961)

Attachment 2: Fiscal Year 2009 Community Development Block Grant Budget Allocation

Fiscal Year 2009 - CDBG Budget for Non-Capital Expenditures

Department/ Activity	Project Title/Activity	Department Allocations	FY09 Proposed	FY09 Change
Office of Ethics & Integrity	Disability Services to CDBG (Admin)	120,000	340,000	(220,000)
Environmental Services Department, Lead Safe Neighborhood Program Enforcement & Outreach	Council District Office 1 Council District Office 3 Council District Office 6	102,500	-	102,500
Neighborhood Code Compliance Department, Proactive Code Enforcement	Council District Office 3 Council District Office 4 Council District Office 8 Council District Office 7	330,667	573,279	(242,612)
Mentor Protégé Program	Mentor Protégé Program - District 1 Mentor Protégé Program - District 4 Mentor Protégé Program - District 5 Mentor Protégé Program - Citywide	27,500	25,000	2,500
Park & Recreation	Powerbeach Wheel Chair Program Senior Citizen Services Therapeutic Recreation Services	674,604	674,604	-
Engineering & Capital Projects	Architectural Engineering Division to CDBG (Admin) To CDBG (Project Mgmt & Direct Delivery)	450,000	450,000	-
Public Safety, Commission on Gang Prevention	Capacity Bldg for Anti Gang Programs – CW Capacity Bldg for Anti Gang Programs - Council District Office 4	75,000	-	75,000
City Planning & Community Investment	CDBG Administration - HUD Reforms (Council Districts & Citywide) CDBG Administration - HUD Reforms (Citywide) CDBG Administration SS/ED Project Mgmt	1,475,000	1,224,375	250,625
Comptroller	CDBG Admin - Accounting Services to CDBG	135,000	133,548	1,452
Development Services	CDBG Admin - Environmental Review Services to CDBG	40,000	-	40,000
TOTALS		3,430,271	3,420,806	9,465

Attachment 3: Revised Fiscal Year 2009 Concourse and Parking Garage Operating Fund

FUND 10322	FY 2009 PROPOSED	FY 2009 REVISED
BEGINNING BALANCE AND RESERVE		
Balance from Prior Year	-	1,269,737
Fund Balance Reserve	-	550,000
TOTAL BALANCE	-	1,819,737
Other Centre City Rental	357,795	357,795
Municipal Parking Garage	2,005,100	2,005,100
HBJ Parking Garage	360,140	360,140
Concourse Event Revenue	600,000	600,000
TOTAL REVENUE	3,323,035	3,323,035
TOTAL BALANCE AND REVENUE	3,323,035	5,142,772
Administration – Concourse	274,188	274,188
Operations – Concourse	1,484,157	1,484,157
Operations - Parking Garages	620,093	620,093
Operating Reserve Appropriation	550,000	550,000
Transfer to the General Fund	-	1,664,334
TOTAL OPERATING EXPENSE	2,928,438	4,592,772
TOTAL EXPENSE	2,928,438	4,592,772
Fund Balance Reserve	-	550,000
TOTAL RESERVE	-	550,000
BALANCE	394,597	-
TOTAL EXPENSE, RESERVE AND BALANCE	3,323,035	5,142,772

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment 4: Environmental Growth Fund Revised Revenue and Expense Statements

Environmental Growth Fund 1/3 * (Fund 105051)	FY 2008	FY 2009	FY 2009
BEGINNING BALANCE AND RESERVE	BUDGET	PROPOSED	(REVISED)
Balance from Prior Year	1,738,411	983,574	1,031,903
Reserve Advance/Deposit	-	-	-
Reserve for Subsequent Year's Expenditures	138,197	240,000	863,401
Reserve for Encumbrances	274,728	330,000	136,672
Change in Prior Year Expenditures	-	-	-
TOTAL BALANCE	2,151,336	1,553,574	2,031,976
 REVENUE			
Franchises	4,713,742	4,738,842	4,738,842
Interest Earnings	53,500	53,500	53,500
TOTAL OPERATING REVENUE	4,767,242	4,792,342	4,792,342
 TOTAL BALANCE AND REVENUE	6,918,578	6,345,916	6,824,318
 EXPENSE			
Open Space Capital Projects		200,000	200,000
Park Systems Master Plan	-	-	-
SD River Master Plan	-	-	-
TOTAL CAPITAL IMPROVEMENTS PROGRAM	-	200,000	200,000
 Regional Park/ Open Space Maintenance	2,594,970	2,816,029	2,816,029
Transfer to Los Penasquitos	55,000	55,000	55,000
Reimbursement of Eligible Park Maint.	1,548,441	1,548,441	1,548,441
Reimbursement of Eligible Open Space Maint.	350,000	350,000	350,000
Payment for Scripps MAD Fire Expenses	-	-	-
Turf and Field Rehabilitation Reimbursement	330,000	330,000	330,000
MAD Reimbursements	172,415	172,415	172,415
Transfer to MAD Revolving Development Fund	-	-	-
Assessment Reserve	17,242	17,242	17,242
Prior Year Expenditures	-	-	-
TOTAL OPERATING EXPENSE	5,068,068	5,289,127	5,289,127
 TOTAL CIP & OPERATING EXPENSE	5,068,068	5,489,127	5,489,127
 RESERVE	1,000,073	300,000	1,163,400
 BALANCE	850,437	556,789	171,791
TOTAL EXPENSE, RESERVE AND BALANCE	6,918,578	6,345,916	6,824,318

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Environmental Growth Fund 2/3*
Environmental Growth Fund 2/3 (Fund 105052)

	FY 2008	FY 2009	FY 2009
	BUDGET	PROPOSED	PROPOSED (REVISED)
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	547,559	1,791,104	2,386,428
Reserve for Continuing Appropriations	1,769,988	2,338,663	1,769,988
TOTAL BALANCE	2,317,547	4,129,767	4,156,416
REVENUE			
Franchise Revenue/Sales Taxes	9,427,485	9,477,683	9,477,683
Interest Earnings	53,500	53,500	53,500
Transfer from Open Space Facilities District Fund	-	-	727,422
TOTAL OPERATING REVENUE	9,480,985	9,531,183	10,258,605
TOTAL BALANCE AND REVENUE	11,798,532	13,660,950	14,415,021
EXPENSE			
Park Maintenance Reimbursement	8,896,882	8,896,882	8,896,882
District No. 1 for Bond Interest and Redemption	437,025	434,600	434,600
Transfer to Open Space and Developed Reg Parks	-	-	2,000,000
TOTAL OPERATING EXPENSE	9,333,907	9,331,482	11,331,482
RESERVE	-	-	-
Reserve for Continuing Appropriations	1,769,988	-	1,769,988
TOTAL RESERVE	1,769,988	-	1,769,988
BALANCE	694,637	4,329,468	1,313,551
TOTAL EXPENSE, RESERVE AND BALANCE	11,798,532	13,660,950	14,415,021

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

OPEN SPACE PARK FACILITIES DISTRICT FUND***OPEN SPACE PARK FACILITIES DISTRICT FUND 71631**

	FY 2008	FY 2009	FY 2009
	BUDGET	PROPOSED	PROPOSED (REVISED)
BEGINNING BALANCE AND RESERVE			
Reserve Carried forward for July 1 Interest Payment	647,966	464,654	673,922
Designated for Unrealized Gains	-	-	-
TOTAL BALANCE	647,966	464,654	673,922
REVENUE			
Revenue from other agencies	-	-	-
Interest on Investments	53,500	53,500	53,500
Environmental Growth Fund Transfer	437,025	434,600	434,600
TOTAL OPERATING REVENUE	490,525	488,100	488,100
TOTAL BALANCE AND REVENUE	1,138,491	952,754	1,162,022
EXPENSE			
Bond debt proceed payment	-	-	-
Bond Interest and Redemption	437,025	434,600	434,600
Transfer to EGF 2/3 rd Fund	-	-	727,422
TOTAL OPERATING EXPENSE	437,025	434,600	1,162,022
RESERVE	673,922	518,154	-
BALANCE	-	-	-
TOTAL EXPENSE, RESERVE AND BALANCE	1,110,947	952,754	1,162,022

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment 5: Maintenance Assessment District Revised Fiscal Year 2009 Schedule

Title	FY09 Proposed NPE	FY09 Revised NPE	Change
Assessment District Management	897,909	982,561	84,652
Street Light District #1 MAD	712,312	706,586	(5,726)
Scripps/Mirmar Ranch MAD	1,130,592	1,115,080	(15,512)
Tierrasanta MAD	1,913,073	1,902,852	(10,221)
Campus Point MAD	32,200	32,214	14
Mission Boulevard MAD	124,628	124,661	33
Carmel Valley MAD	2,782,128	2,754,876	(27,252)
Sabre Springs MAD	283,530	282,056	(1,474)
Mira Mesa MAD	1,544,763	1,541,294	(3,469)
Rancho Bernardo MAD	869,561	869,901	340
Penasquitos East MAD	476,438	476,778	340
Coronado View MAD	44,087	44,106	19
Park Village MAD	585,556	585,827	271
Eastgate Technology Park MAD	248,724	250,439	1,715
Calle Cristobal MAD	410,095	406,893	(3,202)
Gateway Center East MAD	269,324	266,487	(2,837)
Miramar Ranch North MAD	1,933,251	1,923,692	(9,559)
Carmel Mountain Ranch MAD	633,012	633,216	204
La Jolla Village Drive MAD	85,083	84,638	(445)
First SD River Imp Project MAD	347,574	344,230	(3,344)
Linda Vista Community MAD	265,658	265,829	171
Washington Street MAD	146,930	136,963	(9,967)
Otay International Center MAD	417,186	417,743	557
Carmel Valley Nbhd #10 MAD	559,367	559,506	139
North Park MAD	977,425	987,710	10,285
Kings Row MAD	12,534	12,553	19
Webster-Federal Boulevard MAD	82,676	82,709	33
Stonecrest Village MAD	1,195,264	1,195,673	409
North Torrey Pines Road MAD	988,814	974,389	(14,425)
Torrey Hills MAD	2,334,175	2,317,248	(16,927)
Coral Gate MAD	174,622	172,961	(1,661)
Torrey Highlands MAD	1,393,313	1,394,606	1,293
Talmadge MAD	433,072	431,526	(1,546)
Camino Santa Fe MAD	681,576	681,678	102
Black Mtn Ranch South MAD	2,155,981	2,156,220	239
Bay Terraces - Parkside MAD	68,345	68,364	19
Bay Terraces - Honey Drive MAD	27,728	27,742	14
University Heights MAD	69,681	69,074	(607)
Hillcrest MAD	28,098	27,882	(216)
El Cajon Boulevard MAD	561,396	556,673	(4,723)
Ocean View Hills MAD	1,214,837	1,087,483	(127,354)
Robinhood Ridge MAD	170,589	170,685	96
Pacific Highlands Ranch MAD	292,635	290,604	(2,031)
Rancho Encantada MAD	350,812	350,846	34
Total	29,926,554	29,765,054	(161,500)

**Attachment 6: Revised Fiscal Year 2009 “OneSD” Enterprise Resource Planning System
Debt Service Allocation**

Department Title Non-General Fund	FY09 Proposed	FY09 Revised	Change
Airports	6,199	-	(6,199)
City Planning and Community Investment	34,521	-	(34,521)
City Retirement System	132,747	-	(132,747)
Development Services	122,429	-	(122,429)
Environmental Services	63,148	-	(63,148)
General Services	51,312	-	(51,312)
Metropolitan Wastewater	299,831	-	(299,831)
Park & Recreation	10,454	-	(10,454)
Purchasing & Contracting	17,204	-	(17,204)
QUALCOMM Stadium	11,612	-	(11,612)
Risk Management	99,990	-	(99,990)
Water	281,900	-	(281,900)
Non-General Fund Sub-total	1,131,347	-	(1,131,347)
Department Title General Fund	FY09 Proposed	FY09 Revised	Change
Citywide Program Expenditures	1,432,759	-	(1,432,759)
Total	2,564,106	-	(2,564,106)

Attachment 7: Revised Fiscal Year 2009 Seized and Forfeiture Assets Fund

SEIZED & FORFEITED ASSETS* 10118, 10119, 10143 & 10144

	FY 2009 PROPOSED	FY 2009 REVISED
BEGINNING BALANCE AND RESERVE		
Balance from Prior Year	5,013,903	5,013,903
Prior Year Reserves	-	-
TOTAL BEGINNING BALANCE AND RESERVE	5,013,903	5,013,903
Proceeds from Sale of Helicopters	-	-
Seized and Forfeited Assets	800,000	1,000,000
	-	-
TOTAL REVENUE	800,000	1,000,000
TOTAL BALANCE AND REVENUE	5,813,903	6,013,903
TOTAL CAPITAL IMPROVEMENTS PROGRAM (CIP)		
CIP Expenditures	-	-
CIP Expenditures of Prior Year Appropriations	-	-
TOTAL CIP EXPENSE	-	-
Elementary School Safety Program	20,000	20,000
Helicopter Unit Operations	1,448,706	1,448,706
Helicopter Fuel	-	500,000
Helicopter Lease Payment	-	-
Public Safety Enhancements	-	1,000,000
Sales Tax & Lease Payment	-	-
Supplies, Services, Outlay	-	250,000
Sport Training Academics Recreation Program	-	-
Transfer to General Fund PC Support	-	500,000
Transfer to General Fund Lease Payment	-	1,802,715
TOTAL OPERATING EXPENSE	1,468,706	5,521,421
TOTAL EXPENSES	1,468,706	5,521,421
RESERVE	-	-
BALANCE	4,345,197	492,482
TOTAL EXPENSE, RESERVE AND BALANCE	5,813,903	6,013,903

*At the time of publication, audited financial statements for Fiscal Year 2007 were not available. Therefore in Fiscal Years 2007 and 2008 columns reflect final budget amounts from Fiscal Year 2007 and 2008 Annual Budgets. As such, balances and reserves do not reflect carryover from the previous fiscal year.

Attachment 8: Revised Fiscal Year 2009 Capital Improvement Projects List

Mayor's May Revision CIP List

Project #	Project Title	Fund	FY09 Proposed	Change	FY09 Revised
73-261.3	Alvarado Water Treatment Plant - Upgrade and Expansion	41500	22,727,440	14,200,000	36,927,440
46-169.0	East Mission Gorge Force Main Rehabilitations	41506	2,329,600	(2,000,000)	329,600
41-929.0	Pump Station Upgrades	41506	1,311,591	4,265,485	5,577,076
45-988.0	MBC Wastewater Forcemain Extension	41509	722,184	(722,184)	-
46-602.0	Sewer Pump Station 41 Rehabilitation	41506	-	5,137,176	5,137,176
46-106.0	Annual Allocation - Sewer Pump Station Restoration	41506	5,137,176	(5,137,176)	-
41-940.0	Pump Station 64 Fiber Optics Network	41506	828,852	(828,852)	-
41-944.0	NCWRP Effluent Pump Station Upgrade	41509	140,608	(140,608)	-
45-940.0	Wet Weather Storage Facility	41509	674,918	(674,918)	-
46-193.0	Annual Allocation - CIP Contingencies	41506	1,301,391	(842,682)	458,709
46-502.0	Annual Allocation - Clean Water Program Pooled Contingencies	41509	153,186	(16,961)	136,225
29-971.0	Mission Dam Dredging Mitigation Project	10505 /10580	169,594	(169,594)	-
29-972.0	Los Penasquitos and Black Mountain Ranger Station	10505	389,000	(389,000)	-
37-064.0	Annual Allocation - ADA Improvements Project	18502	340,000	620,979	960,979
58-191.0	San Diego River Multi-Use Bicycle and Pedestrian Path	30301	320,000	(320,000)	-
22-972.0	North Crown Point Gazebo - Replacement	10502	-	265,000	265,000
22-965.0	Annual Allocation - Mission Bay Improvements	10502	341,802	(265,000)	76,802
29-941.0	Language Academy/Montezuma Elementary School - JU Improvements	18537	400,000	18,000	418,000
	TOTAL		37,287,342	12,999,665	50,287,007