

# THE CITY OF SAN DIEGO

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[www.sandiego.gov/iba/otherdocs](http://www.sandiego.gov/iba/otherdocs)

# A Citizen's Guide to the Capital Improvements Program: Quick Look

# IBA

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# Quick Look: Capital Improvements Program

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Infrastructure includes the basic physical structures, systems, and facilities needed to provide services to residents and for the functioning of a community and its economy, such as sidewalks, streets, parks, fire stations, police facilities, and water and sewer systems. Like many cities, the City of San Diego has a Capital Improvements Program (CIP) for installing new and replacing or rehabilitating existing infrastructure. Decisions made regarding the CIP are very important because capital improvements projects are generally large and expensive, and the assets they create will likely be required for decades of public use. Capital projects generally take multiple years to complete, require special funding sources, and are included in the CIP Budget which is separate from the City's Operating Budget.

Understanding the City's CIP is important to enable citizens to effectively become involved and provide thoughtful input on new and existing capital improvement projects.

## Keys to Understanding the CIP

- 1. The CIP is a complex process.** As shown on page 2, this process includes identifying, prioritizing, and finding funding for needed projects; developing and approving the annual CIP Budget; and implementing multi-year capital improvement projects.
- 2. Many City departments and organizations are involved in the CIP.** Some key players include:
  - ✚ *Asset-owning departments* identify, prioritize, and—working with the Mayor, Council, and appropriate City departments—find funding for needed capital improvement projects. Asset-owning departments or divisions includes Airports, Environmental Services, Fire-Rescue, Library, Park & Recreation, Police, Public Utilities, Public Works-General Services, QUALCOMM Stadium, Real Estate Assets, and Transportation & Storm Water.
  - ✚ The *Financial Management (FM) Department* reviews project funding requests, confirms the availability of funds, and develops the CIP budget.
  - ✚ The *Mayor's CIP Review and Advisory Committee (CIPRAC)* reviews proposed CIP projects from a Citywide perspective and forwards proposed budget recommendations for the Mayor's and, during the annual budget process, City's Council's approval. CIPRAC includes senior-level officials from City departments that are involved with the CIP.
  - ✚ The *Public Works-Engineering & Capital Projects (E&CP) Department* implements and manages approved projects in the CIP Budget and provides status updates to the City Council.
- 3. The CIP is constrained by limited available funding and funding sources that have specific restrictions on how they can be used.**
  - ✚ The City's infrastructure needs significantly exceed available resources, so the City has competing priorities for limited funds.
  - ✚ The CIP is funded from various sources which often have restrictions on how they can be used, for example based on the type of project or a specific community or geographic location.
  - ✚ As a result, there is relatively little discretionary funding available and some Departments, such as Public Utilities which is supported through water and sewer rates, have significantly more available funds than others.
- 4. The annual CIP Budget process is the City's mechanism for getting projects approved and implemented.**
  - ✚ In recent years, the majority of the CIP budget has funded ongoing projects and only a small portion has been available to begin new projects.
  - ✚ Given funding constraints and competing priorities, many capital projects have been deferred resulting in a backlog. To address the backlog, the City recently issued the second of six planned bond issuances.
  - ✚ The CIP Budget includes five years of funding for (1) ongoing projects started in previous years and (2) new projects starting in the current fiscal year. Currently, the CIP Budget does not include new projects starting in later fiscal years due to limited funds, among other things.

### Identifying Needed CIP Projects

Asset-owning City departments that operate, manage, or maintain capital assets—such as Public Utilities, Transportation & Storm Water, and Park & Recreation—are responsible for identifying needed capital projects. Each department has its own way of identifying needs depending on available resources.

#### How staff identify projects

Department staff generally identify needed CIP projects based on one or more of the following:

- City policy and direction from Mayor and City Council.
- Legal requirements or mandates.
- Long- and mid-range plans that guide implementation of Citywide, regional, departmental, and/or community goals.
- Formal assessments of the condition of assets and systems that use this information to identify the best approach for addressing needs.
- Department staff assessments of needs based on experience, repair and maintenance records, and observations.
- City Council priorities and requests.
- Public input through Council Members, planning or advisory committees, and/or budget hearings.

#### New Opportunity for Public Input

City staff are working with the Community Planners Committee (CPC) to obtain public input for the FY 2014 CIP Budget.



### Identifying Funding and Prioritizing Projects

**Identifying Funding** – The General Fund is not a primary source of funding for the CIP. Asset-owning department staff—working with the Mayor, City Council, and appropriate City Departments—identify funding for proposed projects, but must do so within several constraints:

- Needs greatly exceed available resources so there are competing priorities for limited funds.
- Many of the funding sources for capital improvement projects have restrictions on how they can be spent, including:
  - on a specific project type, such as water system or transportation, and/or
  - within a certain community or geographical area.

As a result, there has been relatively little discretionary funding available.

**Prioritizing Projects** – Asset-owning department staff provide a ranking for each project based on [Council Policy 800-14](#) which includes guidelines and weighted factors, such as

- impact to health and safety (25%),
- impact of deferring the project (15%), and
- community investment (10%).

Public Works-Engineering & Capital Projects (E&CP) Department staff refine the priority score during implementation.

Given the constraints discussed above, CIP projects typically do not compete across different project categories, funding sources, or project phases.



### Budgeting for the CIP (FY 2014)

<b>August - September</b>	<i>New in FY 2014</i> – Education and outreach to the public via the CPC.
<b>October - November</b>	<i>New in FY 2014</i> – Community Planning Groups develop requests for CIP projects and submit to CPC. CPC compiles and submits to City staff.
<b>November - January</b>	<i>New in FY 2014</i> – Task force of staff from asset-owning departments and E&CP assess projects requested by public.  Asset-owning departments submit proposed projects and requested funding to Financial Management (FM).  FM confirms availability of requested funds.  CIPRAC reviews proposed projects and funding requests, may make adjustments, and submits for Mayor’s approval.
<b>January - March</b>	FM works with asset-owning departments and prepares Proposed Budget.
<b>April 15</b>	Mayor releases Proposed Budget to the Public.
<b>May</b>	City Council holds public budget hearings, including separate hearing for the CIP.  Council may recommend changes to Proposed Budget.  Mayor’s May Revision to Proposed Budget released.
<b>June</b>	City Council reviews final changes and approves budget.
<b>July 1</b>	New Fiscal Year begins.

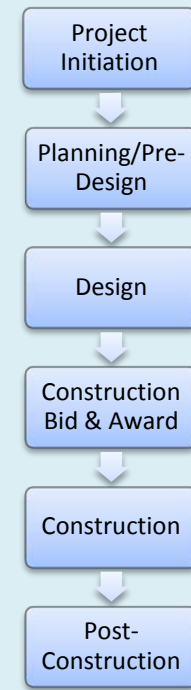


### Implementation of Projects in the Approved CIP Budget

E&CP is primarily responsible for implementation and management of approved projects from the CIP Budget (as shown below). In a few cases, such as if a department has specialized needs, the asset-owning department will perform project management functions.

Capital improvement projects frequently are large, expensive, and take multiple years to complete.

#### Project Implementation Phases



**Monitoring and Oversight** – Per recent CIP streamlining and transparency initiatives, E&CP staff report on the status of the CIP to the City Council biannually and are available to present to Committees or the full Council upon request.

# Important Resources

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## Documents

### [City of San Diego FY 2013 Approved Budget](#)

On June 11, 2012, the City of San Diego approved the FY 2013 which began on July 1, 2012. The budget document consists of three volumes:

1. Budget Overview & Schedules
2. Department Detail for the City's Operating Budget
3. Capital Improvements Program (CIP) Budget

The FY 2013 budget and past year's budgets can be found on the Financial Management Department's (FM) website at [www.sandiego.gov/fm/annual](http://www.sandiego.gov/fm/annual).

### [City Council Budget Policy 000-02](#)

This Council Policy establishes guidelines and standards relating to the operating and CIP budgets, budgetary controls, and revenues and expenditures.

### [City Council Project Prioritization Policy 800-14](#)

The purpose of this Council Policy is to establish an objective process for ranking CIP projects. Asset-owning departments utilize this policy when ranking their needs lists before submitting them to CIPRAC.

### [City Council Transparency Policy 000-31](#)

The CIP Transparency Policy establishes the standard requirements for enhancing CIP transparency and improving access to publicly available information related to the CIP. It also establishes the framework for making the information readily available to interested parties by using a combination of presentations to the City Council, stakeholder meetings, and media including the City's Website.

### [City Council Community Planners Committee Policy 600-09](#)

This Policy establishes a citizens' organization responsible in an advisory capacity to the City on those matters related to the General Plan and respective Community Plans. Among other duties, this committee serves in an advisory capacity to the Community Planning Committees to ensure optimal coordination on a comprehensive or citywide basis and promotion of solutions of matters of mutual concern shared among the communities of San Diego.

### **[City Council Community Planning Groups Policy 600-24](#)**

This policy identifies responsibilities and to establish minimum operating procedures governing the conduct of planning groups when they operate in their officially recognized capacity.

## **City Contacts**

### **City Council**

The San Diego City Council serves as the Legislative branch of City Government that sets policy direction; enacts, modifies, and reviews legislation; and adopts the Annual Budget. Currently, there are eight council districts within the City of San Diego. A ninth Council district will be added this fiscal year effective December 2012. To see which district your neighborhood falls in, or to find your Council Member's contact information visit [www.sandiego.gov/citycouncil](http://www.sandiego.gov/citycouncil).

### **Mayor's Office**

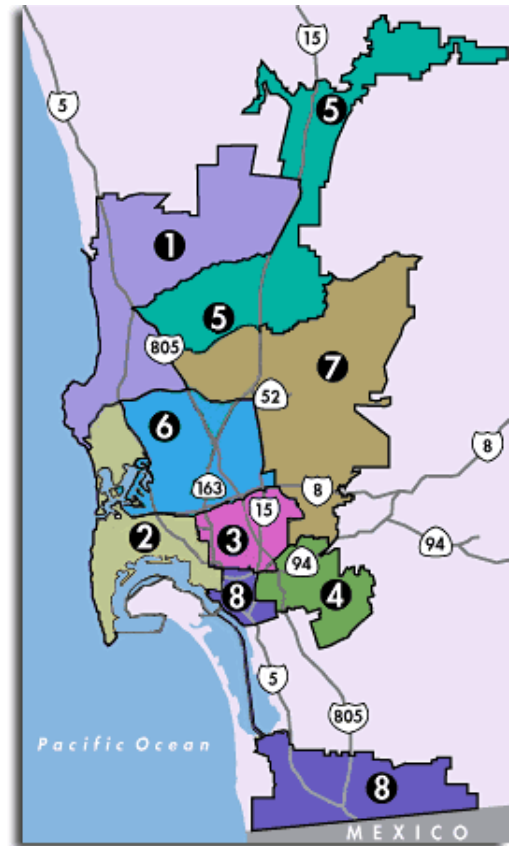
The Mayor serves as the City's Chief Executive Officer, similar to the governor or the president. Through the Chief Operating Officer, the office oversees the City's daily operations and implements programs and initiatives to carry out the City's policy objectives. The Mayor's office is also responsible for proposing the City's Annual Budget by April 15<sup>th</sup> of each fiscal year, revising as appropriate after input from the public and City Council through the May budget hearings, and then producing the final Adopted Budget that is approved in June. To contact the Office of the Mayor, call 619-236-6330 or go to the office's website at [www.sandiego.gov/mayor](http://www.sandiego.gov/mayor).

### **Public Works-Engineering & Capital Projects (E&CP) Public Information Officers (PIOs)**

Once a capital project is approved, E&CP is the department that implements, manages, and oversees the project throughout the process. A number of PIOs are utilized to update interested citizens on specific capital projects, and can be contacted via the CIP website's project information hotline: 619-533-4207 or email address: [engineering@sandiego.gov](mailto:engineering@sandiego.gov).

### **Office of the Independent Budget Analyst (IBA)**

The IBA objectively and independently provides analysis, reports, and advice on issues that affect the budget. Reports are presented to City Council during Council





meetings, budget hearings, and Committee meetings. To see IBA reports, presentations, and other related documents, visit: [www.sandiego.gov/iba](http://www.sandiego.gov/iba)

#### Asset-owning Department Contacts

In addition to the PIOs that are assigned to some of the departments to provide information about CIP projects, asset-owning departments may also be contacted by interested parties with questions or project input. See departments' websites and contact information below.

Department or Division	Website	Contact Information
Airports Division	<a href="http://www.sandiego.gov/airports">www.sandiego.gov/airports</a>	Brown: 619-424-0455 Montgomery: 858-573-1440
Fire-Rescue	<a href="http://www.sandiego.gov/fire">www.sandiego.gov/fire</a>	Maurice Luque, Program Manager 619-533-4418; <a href="mailto:MLuque@sandiego.gov">MLuque@sandiego.gov</a>
Library	<a href="http://www.sandiego.gov/public-library">www.sandiego.gov/public-library</a>	Marion Hubbard, Senior PIO 619-236-5848; <a href="mailto:MHubbard@sandiego.gov">MHubbard@sandiego.gov</a>
Park & Recreation	<a href="http://www.sandiego.gov/park-and-recreation">www.sandiego.gov/park-and-recreation</a>	Jim Winter, Project Officer II 619-235-5257; <a href="mailto:JWinter@sandiego.gov">JWinter@sandiego.gov</a>
Police	<a href="http://www.sandiego.gov/police">www.sandiego.gov/police</a>	Lieutenant Andra Brown 619-531-2675; <a href="mailto:AEBrown@pd.sandiego.gov">AEBrown@pd.sandiego.gov</a> Detective Gary Hassen 619-531-2900; <a href="mailto:GHassen@pd.sandiego.gov">GHassen@pd.sandiego.gov</a>
Public Utilities	<a href="http://www.sandiego.gov/publicutilities">www.sandiego.gov/publicutilities</a>	Arian Collins, Supervising PIO 619-527-3121; <a href="mailto:ACollins@sandiego.gov">ACollins@sandiego.gov</a> Kurt Kidman, Customer Support, Supervising PIO 619-533-4185; <a href="mailto:KKidman@sandiego.gov">KKidman@sandiego.gov</a> Eric Symons, Long-Range Planning & Water Resources, Supervising PIO 858-614-5795; <a href="mailto:ESymons@sandiego.gov">ESymons@sandiego.gov</a>
Public Works- General Services	<a href="http://www.sandiego.gov/generalservices">www.sandiego.gov/generalservices</a>	Racquel Vasquez, Senior PIO 619-533-3196; <a href="mailto:RVasquez@sandiego.gov">RVasquez@sandiego.gov</a> Pierrette Storey, Senior PIO 619-533-3781; <a href="mailto:PStorey@sandiego.gov">PStorey@sandiego.gov</a>
QUALCOMM Stadium	<a href="http://www.sandiego.gov/qualcomm">www.sandiego.gov/qualcomm</a>	Stadium Contact: 619-641-3100 <a href="mailto:stadium@sandiego.gov">stadium@sandiego.gov</a>
Real Estate Assets	<a href="http://www.sandiego.gov/real-estate-assets">www.sandiego.gov/real-estate-assets</a>	Division Contact: 619-236-6020
Transportation & Storm Water	<a href="http://www.sandiego.gov/planning/programs/transportation">www.sandiego.gov/planning/programs/transportation</a> <a href="http://www.sandiego.gov/stormwater">www.sandiego.gov/stormwater</a>	Bill Harris, Supervising PIO 858-541-5354; <a href="mailto:BillHarris@sandiego.gov">BillHarris@sandiego.gov</a>
Environmental Services	<a href="http://www.sandiego.gov/environmental-services">www.sandiego.gov/environmental-services</a>	Dennis Williams, PIO 858-573-1241; <a href="mailto:WilliamsDL@sandiego.gov">WilliamsDL@sandiego.gov</a> Jose Ysea, PIO 858-573-1291; <a href="mailto:JYsea@sandiego.gov">JYsea@sandiego.gov</a>

## Community Groups, Committees and Districts

### **Community Planning Committee (CPC)**

The Community Planning Committee was created to ensure communication between the various Community Planning Groups and to solicit public input on Citywide issues through the CPGs. Each Community Planning Group designates their chairperson to act as their community's representative to the CPC. For information on CPC meeting agendas, minutes and other information visit:

[www.sandiego.gov/planning/community/cpc](http://www.sandiego.gov/planning/community/cpc)

### **Community Planning Groups (CPGs)**

Community Planning Groups act as a formal mechanism for community input in the CIP decision-making process. They give citizens an opportunity for involvement in suggesting projects to the City Council, the Planning Commission, asset-owning departments, and other decision makers. For more information on your community's CPG visit: [www.sandiego.gov/planning/community/pdf/cpg/contactlist.pdf](http://www.sandiego.gov/planning/community/pdf/cpg/contactlist.pdf)

### **Park & Recreation Committees**

Park and recreation boards and committees act as a vehicle for public input to the Park & Recreation board which makes recommendation to City Council via Council or committee meetings. For more information please visit:

[www.sandiego.gov/park-and-recreation/general-info](http://www.sandiego.gov/park-and-recreation/general-info)

### **Maintenance Assessment District**

A Maintenance Assessment District (MAD) is a portion of a community in which property owners can vote to assess themselves to receive enhanced maintenance, landscaping, and lighting services. These services are above and beyond the City's baseline general services. For more information visit:

[www.sandiego.gov/park-and-recreation/general-info/mad.shtml](http://www.sandiego.gov/park-and-recreation/general-info/mad.shtml)

To see what MAD may exist in your community refer to this map:

[www.sandiego.gov/park-and-recreation/pdf/madmap.pdf](http://www.sandiego.gov/park-and-recreation/pdf/madmap.pdf)

# Frequently Asked Questions (FAQs)

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## 1. What is the difference between the City's Operating Budget and the CIP Budget?

The Operating Budget provides an outline of how the monies coming into the City will be spent to operate and maintain City functions and services, including public safety and parks and recreation. The Operating Budget is primarily supported by the General Fund and is used for day-to-day recurring expenses for City services and functions. In contrast, the CIP Budget allocates available revenue for capital projects to rehabilitate, improve, or build new public infrastructure, such as streets, libraries, parks, and water pipes. The CIP is funded from various sources that often have restrictions on how they can be spent. For more information refer to page 18 of this Guide.

## 2. Is the CIP budget a multi-year plan?

The CIP Budget is a "rolling" CIP which means that it includes five years of funding for: (1) projects started in previous years that are ongoing, and (2) new projects starting in the current fiscal year. Currently, the CIP Budget does not include the City's unfunded needs or new projects starting in later fiscal years.

## 3. Can the City use more funds from the General Fund for CIP projects?

The General Fund is not used as a primary funding source for the CIP budget. Because it is the primary funding source for basic City services, and those funds are limited, General Fund monies are only used for the most urgent capital projects that do not have any other available funding sources. The use of the General Fund for capital projects impacts the operational budgets of the City departments requesting these funds.

## 4. How can I determine if my project is capital in nature?

Capital improvements projects are construction projects that provide tangible long-term improvements or additions of a fixed or permanent nature; have value; and can be depreciated, such as a new or expanded library, replacement of aging water pipes, or a new streetlight. In contrast, maintenance includes ongoing upkeep and repairs, such as patching a roof, planting trees, painting a building, or replacing carpeting. Asset-owning department staff can provide additional clarification, if needed (see contact information on page 28 of this Guide.)

## 5. Where can I find an asset-owning department's unfunded needs list?

City staff have posted departmental lists of unfunded needs and condition assessments on CPC's website:

[www.sandiego.gov/planning/community/cpc/resources.shtml](http://www.sandiego.gov/planning/community/cpc/resources.shtml).

Contact the asset-owning departments directly if you need more information (see contact information on page 28 of this Guide).

## 6. What is CIPRAC?

The Capital Improvement Program Review & Advisory Committee (CIPRAC) is an internal decision-making body made up of senior-level officials from City departments (See page 6 of this Guide for member departments). They review projects and



corresponding ranking scores submitted by asset-owning departments during the budget process, and make project recommendations to the Mayor for inclusion in the Mayor's budget. Their goal is to ensure that the projects are appropriately ranked from a City-wide perspective, balancing needs and budget with policy objectives.

**7. Why are CIPRAC's meetings closed to the public?**

CIPRAC is an internal decision-making body of departmental staff, so their meetings are not subject to the same legal requirements for public meetings. CIPRAC meetings occur later in the CIP budget process when project prioritization becomes finalized based on public, City Council, and City department input. Public input should optimally occur earlier in the CIP budget process (see budget process calendar on page 19 of this Guide). Public input on the CIP budget can be made by contacting: asset-owning departments while they are compiling their needs list; your City Council Member; your Community Planning Group; or the Mayor's Office.

**8. Why do projects with lower priority scores make it into the budget and receive funding over projects with higher scores?**

Although this may differ on a case by case basis, generally this occurs as a result of funding limitations and other rules associated with funds. For example, Water & Sewer Funds can only be expended for water and sewer projects, thus creating a situation where a low scored water or sewer project may be funded before a higher priority scored park or street project.

**9. How many projects were funded in FY 2013, and how many of those were new projects?**

For the FY 2013 CIP budget, there were 150 projects funded for a total of about \$215 million. Of those 150 projects, 16 are new and 134 are continuing projects from previous fiscal years.

**10. How will I know if a project I am interested in is funded?**

Projects that are proposed to be funded for the next fiscal year will be released in the Mayor's Proposed Budget by April 15th of the prior fiscal year, per City Charter requirements. The potential releasing a list of funded capital projects before this date (if available) is subject to mayoral policies.

**11. What happens to projects that do not make it into the CIP Budget?**

Asset-owning departments keep track of their unfunded needs, and any feasible project not selected for implementation remains on the department's unfunded needs list.

**12. How can I follow the progress of an approved capital project?**

The CIP website, [www.sandiego.gov/cip/projectinfo](http://www.sandiego.gov/cip/projectinfo), provides an updated interactive map and tools for public use that displays information on current approved capital projects. You may also contact the corresponding project manager listed in Volume 3 of the City's Adopted Budget – Capital Improvements Program found on the Financial Management Department's website [www.sandiego.gov/fm/annual](http://www.sandiego.gov/fm/annual), contact your Council District's office, or contact the asset-owning department.

**13. Why would an approved project not have any funding identified for the current fiscal year even though it was identified for funding in previous fiscal years?**

The City uses “phased funding” for CIP projects which is a good cash management practice. For example, a project will be started when it has sufficient funds to complete planning and design in order to get it off the ground. The remaining funds needed for project completion are shown in the budget as “unidentified funding.”

It is anticipated that funding to complete the construction of the project will be identified when it is needed in a future fiscal year. In some cases, funding cannot be identified when needed which can cause projects to be put on hold. The projects are generally shown in the CIP budget as “unfunded or underfunded.” These projects remain in their current implementation phase until more funding can be identified or they are removed from the CIP budget.

**14. How is a capital project removed from the CIP budget?**

A project comes off of the capital project list (and CIP budget) once it is completed or constructed, or through Council approval.

**15. Why do some projects languish without receiving money even though they have been approved as a capital project?**

A common cause for this stems from a lack of available or eligible funding. Other issues may be that the proposed project is affected by legal or environmental requirements, or it may lack community support.

**16. Who do I contact regarding questions about a project that is unfunded?**

If a project has already been approved and initiated, contact Public Works-Engineering & Capital Project’s (E&CP) Public Information Officers via the CIP website’s project information hotline: 619-533-4207 or [engineering@sandiego.gov](mailto:engineering@sandiego.gov). In addition, Volume 3 of the City’s Adopted Budget – Capital Improvements Program, has a project page on each approved CIP project, including the project manager and their contact information. [www.sandiego.gov/fm/annual](http://www.sandiego.gov/fm/annual)

**17. Is there available funding throughout the year that is not part of the regular budget to do small capital projects?**

No additional planned funding is set aside throughout the fiscal year, but state and federal grants or other opportunities may become available. In addition, the CIP Budget includes Annual Allocations which are essentially pots of monies that may be used to fund ongoing maintenance and repair projects throughout the fiscal year. These are typically smaller projects that are expected to last for less than one year.

**18. Does the age of a community affect the investments it receives from the City?**

The City does not prioritize specific communities over others, but there are two important points related to the age and level of development in a community.

- ✚ First, more established communities will have older assets that may require improvement or replacement. This will increase the priority ranking score of the project.
- ✚ Second, more established communities that are at or near build out are only able to collect Development Impact Fees (DIF) on developer infill or

revitalization efforts. This generally provides less than 10% of the funding needed for identified public facilities. In contrast, communities that are relatively early in their planned development assess fees as development occurs. In this case, the Facilities Benefit Assessment (FBA) provides up to 100% of funds for public facilities projects identified in the community's financing plan.

**19. How does the legislation relating to the elimination of redevelopment money affect CIP projects that previously used this funding source?**

Many CIP projects have lost their funding source. As a result, they now compete for other funding sources.

**20. What qualifies a capital project as an emergency project?**

A capital project becomes an emergency project once there is a threat to the lives and safety of the public, such as to replace a failed water main and repair sidewalks streets and other public property damaged by the resultant flooding.

**21. When and how can I provide input into the projects that are selected for next year's CIP process?**

Citizens can provide input on needed CIP projects through various avenues, including:

- ✚ Contacting your City Council Member [www.sandiego.gov/citycouncil](http://www.sandiego.gov/citycouncil);
- ✚ Providing public comment during City Council budget hearings;
- ✚ Contacting staff from the applicable asset-owning department shown in the table below; and/or
- ✚ Attending meetings or contacting representatives from community planning or recreation committees and other groups  
<http://www.sandiego.gov/planning/involved/how.shtml>.

In order to provide input for the following fiscal year, it is most effective to become involved early in the CIP budget process before the asset-owning departments begin to compile and prioritize their needs lists. After the Mayor releases the Proposed Budget by April 15<sup>th</sup>, the public also has an opportunity for input through budget hearings that are held in May.