



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: September 28, 2015 REPORT NO: 15-073
ATTENTION: Honorable Council President and Members of the City Council
SUBJECT: Status of the Utility Undergrounding Program
REFERENCE: Council Policy 600-08, Underground Conversion of Utility Lines
by Utility Company

REQUESTED ACTION:

1. Accept the report regarding the status of the City's Utility Undergrounding Program (UUP), including the status of all allocated underground conversion projects, program expenditures, and underground conversion fund as provided by City staff in accordance with Council Policy 600-08, section (D)(3).
2. Per Council Policy 600-08, approve revisions to the 2009 Undergrounding Master Plan.
3. In accordance with Council Policy 600-08, section (B)(3)(a) and section (B)(3)(b), approve a list of proposed Surcharge projects and projects that meet the criteria of the California Public Utilities Commission Interim Order, Decision No. 73078, Case No. 8209 (CPUC Rule 20A).

STAFF RECOMMENDATION:

Approve the requested actions.

BACKGROUND:

The City's Utility Undergrounding Program consists of two parts, the Rule 20A Component and the Surcharge Component. Since 1967, underground conversions in the State of California have been performed under California Public Utility Commission (CPUC) Rule 20 which has three parts: A, B and C. Under Part A, undergrounding in the City of San Diego is paid for and performed by the local electric utility, San Diego Gas & Electric (SDG&E). Expenses associated with approved CPUC undergrounding are reimbursed via electricity rates charged to electric customers. Parts B and C provide for undergrounding funded through entities other than SDG&E ratepayers, such as governmental agencies or private entities through maintenance assessment districts.

The CPUC rules govern how undergrounding funds are spent and what types of utility lines can be undergrounded. While the rules cite specific criteria, generally speaking, to qualify for Rule 20A, a

street or right-of-way must meet "general public benefit" criteria, such as a heavy volume of vehicular or pedestrian traffic. Most residential streets do not qualify for undergrounding under Rule 20A.

SDG&E's current Franchise Agreement with the City, signed in 1970, contains a provision addressing the level of funding SDG&E would budget each year for the purpose of converting existing overhead utilities within the City of San Diego according to Rule 20A. The term of the Franchise Agreement is 50 years with a re-opener for stipulations for the final 20 years.

In January 2001, the City and SDG&E agreed to stipulations for the final 20 years of the Franchise Agreement which included the continuation of the 20A component of the Undergrounding Program for major roads and the establishment of a Surcharge component to underground utilities in residential areas which do not meet Rule 20A criteria as set forth by the CPUC.

Under the Surcharge component of the Program, the fee collected from the ratepayers is not embedded in electricity rates, rather, it is shown as a surcharge on their monthly bill. SDG&E collects the surcharge fee and remits the funds to the City in quarterly installments. In addition to the expenses incurred by SDG&E for undergrounding projects associated with Rule 20A and the Surcharge, there are additional expenses to other involved parties and utilities as well. Utilizing the surcharge fund, the City installs new streetlights, provides connections to traffic signals, restores street pavement, installs curb ramps on impacted streets, and provides overall management of the program, while residents who live within an undergrounding project area incur a cost for upgrading their electric meters to meet current electric codes as required by Ordinance when an Underground Utility District is created by the City Council. In addition, cable and phone service providers pay for the undergrounding of their facilities.

Per the Memorandum of Understanding (MOU) with SDG&E dated December 11, 2001 which was subsequently approved by the CPUC (Resolution E-3788), the surcharge funds are to be used solely for approved undergrounding expenses, including work required on private properties (excluding the costs to bring a non-compliant meter up to code). In accordance with Section (13) of the MOU, SDG&E performs the undergrounding design and construction work, however, the City has the option to hire outside contractors to perform any or all aspects of this work if it so desires after providing a minimum 24-month notice to SDG&E.

In addition to undergrounding of overhead utilities, the Utilities Undergrounding Program also provides for slurry sealing curb-to-curb all trenched streets, installing new streetlights in accordance with the Street Design Manual Standards, and installing curb ramps in compliance with Americans with Disabilities Act (ADA) requirements, in addition to planting of street trees in coordination with adjacent property owners.

As of this report, approximately 388 miles of overhead utility lines have been undergrounded with over 1,000 miles of overhead utility lines remaining to be undergrounded. Since 2003, with the addition of the surcharge component, the Utilities Undergrounding Program has installed nearly 2,994 streetlights, 2,339 curb ramps, 1,176 street trees, and resurfaced or slurry sealed 159 miles of roadway.

Coincident with establishing the Surcharge component, the City developed an Undergrounding Master Plan (approved by Council in October 2003) which established planned undergrounding district

boundaries, priority and estimated costs. This was a comprehensive plan which included both Rule 20A Projects, and Surcharge Projects, and covered the entire jurisdictional area of the City. The first major update to the Undergrounding Master Plan was in 2009 (approved by Council in April 2010) reflecting more detailed engineering analyses which improved the accuracy of project boundaries and improved the level of detail needed for better cost estimates. The current Undergrounding Master Plan can be viewed on the City of San Diego website at www.sandiego.gov/undergrounding.

Based on the current Undergrounding Master Plan, it is estimated that all major and collector streets will be completed in 15 years under the Rule 20A component and nearly all residential areas will be completed in approximately 52 years. Approximately \$50 to \$60 million is spent annually to place overhead utility lines underground and it is estimated that when the program is finally completed, the total cost will have been \$2.7 billion, not including the costs incurred by phone and cable companies.

Table A shows the progress of the Underground Utility Program from its inception through the middle of Fiscal Year 2015.

**Table A
Undergrounding Progress**

Period	# of Years	20A Miles	Surcharge Miles	Total Miles
1970 to 1979	10	80		80
1980 to 1989	10	60		60
1990 to 1999	10	61		61
2000 to 2009	10	60.3	65.7	126
CY 2010	1	1.3	10.7	12
CY 2011	1	0.1	15.9	16
CY 2012 (first half)	0.5	0	0	0
FY 2013	1	2.0	16.7	18.7
FY 2014	1	2.2	5.2	7.4
FY 2015 (mid-year)	0.5	1.9	4.7	6.7
Total	45	266.8	118.9	387.8

DISCUSSION:

Today's first action is to accept a report on the status of the Utilities Undergrounding program as provided in the discussion that follows.

Status of All Allocated Underground Conversion Projects

After projects are allocated, environmental review is completed and underground utility districts are established by the City Council by way of a public hearing. Once districts are established, design and construction may proceed. The status of previously allocated undergrounding projects that are not yet completed is summarized in Table B, with additional details provided in *Attachment 1*.

Table B
Status of Allocated Projects
(as of mid-year FY 2015)

Phase	# of Projects	Length (Miles)	Cost Estimate	Customers
Allocated CPUC Rule 20A Projects				
Construction	19	13.0	\$26,074,801	1,140
Design	14	5.2	\$13,132,622	428
Pre-Design	10	4.3	\$12,178,199	501
Total	43	22.5	\$51,385,622	2,069
Allocated Surcharge Projects				
Construction	14	37.6	\$98,840,812	5,163
Design	8	18.7	\$ 51,105,603	2,559
Pre-Design	8	19.4	\$52,635,468	2,645
Total	30	75.7	\$202,581,883	10,367
All Allocated Projects Combined				
Construction	33	50.6	\$124,915,613	6,303
Design	22	23.9	\$ 64,238,225	2,987
Pre-Design	18	23.7	\$64,813,667	3,146
Total	73	98.2	\$253,967,505	12,436

Source: Underground Utilities Program Monthly Status Update for December 2014

Status of Program Expenditures and Underground Conversion Fund

Because the practices for calculating revenue and managing the funds are distinct between Surcharge Projects and Rule 20A Projects, they will be addressed separately according to subheadings that follow. Additional details are provided in *Attachment 1*.

Status of Underground Surcharge Fund and Expenditures:

Revenue for Surcharge Projects is collected by SDG&E, as approved by the CPUC, at a rate of 3.53% of gross receipts, and delivered to the City on a quarterly basis. The City makes these revenues available for projects by way of Fund 200217 and Fund 200218, collectively referred to as the Underground Surcharge Fund. Because these funds are managed by the City, reporting is based on the City's fiscal year calendar. At the end of Fiscal Year 2014 the Underground Surcharge Fund had a fund balance of \$68,139,017.06. Expenditures for Fiscal Year 2014 including non-capital costs were \$37,853,936.

Fiscal Year 2015 budgeted \$50,592,739 in additional revenue. Through Period 6 of Fiscal Year 2015, expenditures including non-capital costs were \$9,454,087. The requested action to approve a list of Surcharge Projects will allow future year expenditures of an estimated \$55,824,012 in addition to expenditures previously authorized for undergrounding projects.

Status of Rule 20A Fund and Expenditures: Revenue for Rule 20A Projects is collected by SDG&E, as approved by the CPUC, at a rate of 1.15% of gross receipts. SDG&E uses the accumulated revenue to design and construct Rule 20A projects that have been allocated by the City.

Because SDG&E manages the fund reporting is based on the calendar year, consistent with SDG&E's fiscal reporting.

For calendar year 2014, SDG&E had a required expenditure obligation of \$29,416,066. This figure combines unexpended obligation from prior years in the amount of \$15,448,403 with new obligations for 2014 in the amount of \$13,967,663 (based on 1.15% of annual gross revenue). Actual expenditures for 2014 are \$10,906,748, resulting in \$18,509,318 of unspent revenue that carries forward into calendar year 2015.

Calendar year 2015 begins with the carry forward amount of \$18,509,318 added to new expenditure obligation in the amount of \$16,128,411 (based on 1.15% of annual gross revenue) resulting in a total calendar year 2015 expenditure obligation of \$34,637,729. SDG&E's cost estimate to complete all currently allocated but not completed Rule 20A Projects is \$100,674,827, thus requiring \$66,037,098 in future revenue. The list of Rule 20A Projects to be approved by today's action, once allocated, will increase this cost estimate by an amount of \$11,665,755.

Approval of Revisions to 2009 Undergrounding Master Plan

Today's second action is approval of a revision to the existing Undergrounding Master Plan as detailed in *Attachment 2*. This revision consolidates eleven Rule 20A projects into five projects, allowing more efficient execution of 4.4 miles of underground conversion. By evaluating opportunities to merge projects that share a boundary, and that do not exceed Rule 20A funding when combined, City staff have identified this opportunity for improving efficiency. The benefits will be realized immediately; three of the merged projects will move forward with approval of today's allocation list, and two of the merged projects will be allocated at a public hearing later this fiscal year.

Not as part of today's action, but of relevance, City staff plan to bring a significantly restructured Undergrounding Master Plan to Council for approval in December 2016. Benefiting from the knowledge that City staff has gained in earlier years of program implementation, and the assistance of a professional services consultant, further program efficiencies can be realized with this comprehensive update of the plan.

Approval of a List of Proposed Surcharge Projects and Rule 20A Projects

Today's third action is to approve a list of proposed Surcharge Projects and Rule 20A Projects to be next in line for design and construction. This list of projects, selected according to the allocation rules set by Council Policy 600-08, is provided as *Attachment 3*. This list identifies eight Surcharge Projects and eight Rule 20A Projects, and is consistent with the current Undergrounding Master Plan. Upon approval of the list, City staff will initiate preliminary engineering and environmental review so that these projects may move forward to establishment of underground utility districts by way of a public hearing. Once the districts are established, design and construction may proceed. Completion of these projects will convert 28 miles of overhead utilities at an estimated cost of \$70 million.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal # 1: Provide high quality public service

Objective # 1: Promote a customer-focused culture that prizes accessible, consistent, and predictable delivery of services.

Goal # 1: Provide high quality public service

Objective # 2: Improve external and internal coordination and communication

Goal # 1: Provide high quality public service

Objective # 3: Consistently collect meaningful customer feedback

Goal # 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective # 3: Invest in infrastructure

FISCAL CONSIDERATIONS:

The requested action to approve a list of Surcharge Projects will allow future year expenditures of an estimated \$55,824,012. No additional appropriations are being requested with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

December 11, 2001: Approved the MOU with SDG&E to implement the Surcharge Program, established Council Policy 600-08, and established the Surcharge Fund.

November 27, 2006: Changed reporting periods for Master Plan approval to every five years.

April 20, 2010: Approved the 2009 Master Plan.

COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

As of this reporting period, the Utility Undergrounding Program has construction underway that affects approximately 6,014 property owners, and has projects in various stages of design or awaiting public hearings affecting approximately 3,900 property owners. The Undergrounding Program mails several thousand correspondences annually, tracks and documents return forms, and assists property owners throughout the undergrounding process. In addition, the Utility Undergrounding Program maintains a comprehensive community outreach effort that includes:

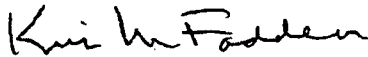
- A website that includes monthly project updates, the City's Undergrounding Master Plan, and relevant documents, reports, and links
- A video "What to expect during the course of an underground project" on the City's website
- Presentations to community planning groups
- A Pre-Design Meeting for each project, prior to starting design
- A Community Forum for each project, prior to starting construction
- A map of proposed utilities infrastructure locations that is sent to affected residents, along with

- a phone number to call for more information
- A series of door hangers to alert property owners of construction activities and issues
- Tracking of all information and complaint calls to identify systemic issues
- Mailing a Utilities Undergrounding Program brochure to property owners and distributing the brochure at public forums and events

On the undergrounding web site, <http://www.sandiego.gov/undergrounding>, citizens are able to learn about the undergrounding master plan and where their properties lie within the master plan, see individual project updates, learn about the public hearing process, and receive pre-construction notifications. The public can also see a list of all active projects, completed undergrounding projects since 1970, surcharge revenues and expenditures, a detailed history of undergrounding in San Diego, as well as various Utilities Undergrounding Program status reports.

KEY STAKEHOLDERS AND PROJECTED IMPACTS

The primary stakeholders are the citizens of San Diego who benefit from removal of overhead utilities across the city. The process of undergrounding creates impacts typically associated with construction in the street right-of-way, including lane closures. Private property owners are impacted by construction on their property to connect the underground lines. These inconveniences are minimized through planning and notification.



Kris McFadden
Transportation & Storm Water Director



Paz Gomez, PE, CEM, GBE
Deputy Chief/Chief Operating Officer
Infrastructure/Public Works

- Attachments(s):
1. Program Status Information
 2. Proposed Revisions to the Undergrounding Master Plan
 3. Proposed List of Projects to Prepare for Public Hearing

REPORT TO THE CITY COUNCIL

Status of the Utility Undergrounding Program

Attachment 1

Program Status Information

- a) Status of Allocated Underground Conversion Projects
- b) Program Expenditures

CITY OF SAN DIEGO

UTILITIES UNDERGROUNDING PROGRAM

Information reflects mid-year status for Fiscal Year 2015

	NUMBER OF PROJECTS	ESTIMATED			
		COST	MILES	FOOTAGE	PROPERTIES
RULE 20A	19	\$26,074,801	13.0	68,423	1,140
SURCHARGE	14	\$98,840,812	37.6	198,585	5,163
Construction	33	\$124,915,613	50.6	267,008	6,303
RULE 20A	14	\$13,132,622	5.2	27,464	428
SURCHARGE	8	\$51,105,603	18.7	98,892	2,559
Design	22	\$64,238,225	23.9	126,356	2,987
RULE 20A	10	\$12,178,199	4.3	22,942	501
SURCHARGE	8	\$52,635,468	19.4	102,375	2,645
Pre-Design	18	\$64,813,667	23.7	125,317	3,146
GRAND TOTAL	73	\$253,967,505	98.2	518,681	12,436

CITY OF SAN DIEGO

UTILITIES UNDERGROUNDING PROGRAM

Projects in Construction

RULE 20A

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	5	UU587	Eastgate Mall	Eastgate Dr to I-805 SB	\$579,808	1,063	0
2	6	UU300	Moraga Avenue (Phase I)	Moraga Ct to Idlewild Wy	\$1,366,144	3,368	64
2	6	UU301	Moraga Avenue (Phase II)	Moraga Ct to Monair Dr	\$2,499,770	4,900	135
2	2	UU992	Sunset Cliffs Boulevard	Coronado Ave to Newport Av	\$1,169,086	2,278	37
3	3	UU63	30th Street PH III A	Juniper St to Ash St	\$1,660,551	5,149	91
3	8	UU221	30th Street PH III B	A St to K St	\$436,839	8,581	15
3	3	UU306	Lincoln Avenue	30th St to Wabash Av	\$1,020,321	2,414	42
4	4	UU573	Paradise Valley Road	Potomac St to Parkland Wy	\$324,145	728	0
4	4	UU570	Potomac Street	Calle Tres Lomas to Sea Breeze Dr	\$1,151,482	2,067	70
4	4	UU506	San Vicente Street Ph 1	San Vicente Ct to Ashmore Ln	\$1,908,996	1,843	62
8	8	UU447	24th Street	G St to Imperial Ave	\$968,733	2,314	43
8	8	UU50	Island Avenue (Phase I)	16th St to 24th St	\$1,643,259	3,221	43
8	8	UU267	Island Avenue (Phase II)	26th St to 30th St	\$1,502,391	2,717	52
8	8	UU558	K Street (Phase I)	19th St to 24th St	\$823,264	1,314	16
8	8	UU559	K Street (Phase II)	26th St to 30th St	\$1,752,983	2,642	72
9	7	UU5	Altadena, Wightman, Winona	El Cajon Blvd to Euclid	\$1,661,723	8,530	136
9	3	UU610	Euclid Avenue	Euclid Ave to University Ave	\$2,020,680	3,315	137
9	8	UU381	National Avenue	32nd St to 43rd St	\$2,407,400	9,135	73
9	7	UU100	Trojan Avenue Ph I	56th St to 60th St	\$1,177,226	2,844	52
Source Total		19 Projects	13.0 Miles		\$26,074,801	68,423	1,140

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Construction

SURCHARGE

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
2	2	UU856	Residential Project Block 2T	Pacific Beach North	\$7,220,699	14,799	361
2	6	UU409	Residential Project Block 6DD	Bay Ho 3	\$7,559,180	15,189	423
3	2	UU235	Residential Project Block 2E	Mission Hills	\$14,197,225	30,743	605
3	8	UU494	Residential Project Block 8A	Golden Hill	\$6,381,520	10,552	516
3	8	UU786	Residential Project Block 8B	Sherman Heights 3	\$6,429,745	12,034	400
4	4	UU901	Residential Project Block 4AA	Paradise Hills	\$8,660,766	17,313	460
4	4	UU423	Residential Project Block 4N	Broadway Heights	\$5,674,698	12,246	267
4	4	UU900	Residential Project Block 4Z	Paradise Hills North	\$6,950,651	14,273	341
6	5	UU591	Gold Coast Drive Transmission	Maya Linda Rd to Thanksgiving Ln	\$1,235,441	3,554	0
7	7	UU968	Residential Project Block 7R	Allied Gardens	\$6,243,318	12,364	392
8	8	UU834	Residential Project Block 8F	Sherman Heights	\$7,951,749	12,500	396
8	8	UU787	Residential Project Block 8G	Sherman Heights 2	\$5,793,992	10,320	345
9	3	UU352	Residential Project Block 3HH	Talmadge 3	\$7,750,780	16,123	377
9	7	UU704	Residential Project Block 7A	Fox Canyon	\$6,791,048	16,575	280
Source Total			14 Projects	37.6 Miles	\$98,840,812	198,585	5,163
Status Total			33 Projects	50.6 Miles	\$124,915,613	267,008	6,303

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO

UTILITIES UNDERGROUNDING PROGRAM

Projects in Design

RULE 20A

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	1	UU590	Via de la Valle Ph 1	Highland CV to Via de la Valle	\$764,320	2,004	0
1	1	UU589	Via de la Valle Ph 2	San Andres Dr to Via de la Valle	\$1,186,426	3,300	0
2	2	UU8	Fanuel Street (Phase I)	Archer St to Tourmaline St	\$427,577	1,823	14
2	2	UU188	Fanuel Street (Phase III)	Grand Av to Pacific Beach Dr / Bay	\$1,744,516	2,823	134
2	6	UU624	Illion Street Ph II	Gardena Ave to Milton St	\$859,565	1,635	39
3	3	UU71	Howard Avenue Ph 1	Park Blvd to Texas St	\$1,421,848	2,697	59
4	4	UU10	Cardiff Street	Wade Street to Carlisle Dr	\$543,238	1,232	7
4	4	UU505	San Vicente Street Ph 2	Meadowbrook Dr to San Vicente CT	\$431,103	723	19
6	6	UU21	Mount Alifan Drive	Genesee Av to Mt Everest Bl	\$562,101	1,410	2
8	8	UU9	28th Street	Island Ave to Clay Ave	\$1,267,157	2,145	59
8	8	UU220	30th Street Ph 3C	Ocean View to K St	\$2,079,996	4,039	49
8	8	UU11	31st Street (Distribution)	Market to L St	\$800,763	1,526	23
8	8	UU386	32nd Street Ph 1	Market St to F St	\$423,246	772	13
9	7	UU99	Trojan Avenue Ph 2	54th St to 56th St	\$620,766	1,335	10
Source Total		14 Projects	5.2 Miles		\$13,132,622	27,464	428

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Design

SURCHARGE

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	1	UU659	Residential Project Block 1M	West Muirlands Drive	\$6,184,744	13,479	238
1	1	UU994	Via de la Valle	Highland Cove to Polo Point	\$3,962,042	10,032	0
2	2	UU977	Residential Project Block 2S1	South Mission	\$8,629,978	13,755	768
2	6	UU410	Residential Project Block 6DD1	Moraga Avenue	\$9,621,394	20,614	457
3	8	UU495	Residential Project Block 8C	C Street	\$5,334,226	8,781	428
4	4	UU446	Paradise Valley Road (Transmission)	Brookhaven Rd to Meadowbrook Dr	\$4,500,000	6,250	0
4	4	UU525	Residential Project Block 4J1	Date Street	\$5,964,825	11,942	330
9	7	UU973	Residential Project Block 7O1	Walsh Way	\$6,908,394	14,039	338
Source Total		8 Projects	18.7 Miles		\$51,105,603	98,892	2,559
Status Total		22 Projects	23.9 Miles		\$64,238,225	126,356	2,987

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Pre-Design

RULE 20A

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
2	6	UU302	Baker Street /Shawnee Road	Morena Bl to Shawnee Rd N	\$2,483,924	4,640	118
2	2	UU15	Hancock Street	Witherby St to Washington St	\$1,336,529	3,120	21
2	2	UU30	Mission Boulevard	Loring St to Tourquoise St.	\$946,538	1,379	69
3	3	UU72	Howard Avenue Ph 2	Texas St to I-805	\$2,485,735	4,553	114
4	4	UU16	Woodrow Avenue	Calvacado St to Armacost Rd	\$725,639	1,347	33
8	8	UU995	25th (SB) Street	Coronado Av to Grove Av	\$401,292	929	4
8	8	UU17	32nd Street Job 2	Market St to Imperial Av	\$1,156,955	2,293	27
9	4	UU617	Hilltop Drive	Boundary St to Toyne St	\$1,290,758	2,324	55
9	7	UU629	Seminole Drive Ph 1	Stanley Ave to Estelle St	\$642,897	1,034	29
9	3	UU388	Wightman Street	Chamoune Av to 47th St	\$707,932	1,323	31
Source Total			10 Projects	4.3 Miles	\$12,178,199	22,942	501

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Pre-Design

SURCHARGE

CD	OD	GP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	1	UU379	Residential Project Block 1J	Vallecitos	\$6,081,016	13,341	216
1	1	UU231	Residential Project Block 1J PHII	Via Capri	\$4,219,157	8,263	263
1	1	UU311	Residential Project Block 1M1	New Kirk Dr	\$5,497,160	12,061	202
2	2	UU982	Residential Project Block 2S2	Jersey Court	\$8,153,551	11,097	485
2	6	UU874	Residential Project Block 6H	Trenton Av	\$10,206,251	20,740	560
4	4	UU889	Residential Project Block 4Y	San Felipe St	\$6,012,397	11,601	312
8	8	UU667	Residential Project Block 8R	Date Av	\$5,624,468	11,646	243
9	7	UU209	Residential Project Block 7G2	Acorn St	\$6,841,468	13,626	364
Source Total			8 Projects	19.4 Miles	\$52,635,468	102,375	2,645
Status Total			18 Projects	23.7 Miles	\$64,813,667	125,317	3,146
Grand Total			73 Projects	98.2 Miles	\$253,967,505	518,681	12,436

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

Expenditures for CIP Work at Rule 20A Project Sites

Underground Surcharge Fund
As of March 30, 2015
Source: SAP

PROJECT	CIP ID	TITLE	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
B00705	UU267	Island Ave from 20th to 30th UUD	\$ 15,688	\$ 3,432	\$ 6,328	\$ 20,814	\$ 46,262
B00717	UU221	30th Street Phase III Broadway to K UUD	\$ 1,974	\$ 2,848	\$ 377	\$ 16,879	\$ 22,078
B00718	UU100	Trojan Ave 56th to 60th UUD	\$ 7,052	\$ 2,002	\$ 844	\$ 9,459	\$ 19,356
B00719	UU63	30th Street Phase III Juniper to Ash	\$ 4,974	\$ 12,799	\$ 89,125	\$ 44,421	\$ 151,318
B00720	UU992	Sunset Cliffs Dr Coronado to Newport UUD	\$ 2,443	\$ 1,926	\$ 1,768	\$ 1,643	\$ 7,780
B00724	UU592	LJ Scenic Dr Torrey Pines to Sugarman UUD	\$ (14)	\$ -	\$ -	\$ 1,700	\$ 1,686
B00725	UU506	San Vicente Street to Ashmore UUD	\$ 10,062	\$ 3,239	\$ 1,310	\$ 8,470	\$ 23,082
B00726	UU300	Moraga Ave to Idelwild UUD	\$ 3,866	\$ 14,511	\$ 4,641	\$ 61,570	\$ 84,588
B00787	UU381	Natl Ave (32nd to 43rd) UUD	\$ 5,272	\$ 1,077	\$ 287	\$ 35,147	\$ 41,782
B00788	UU301	Moraga Ave Ph II - Moraga Ct to Monair UUD	\$ 1,926	\$ 670	\$ 5,611	\$ 8,287	\$ 16,493
B00846	UU41	Garrison St- Clove St to Rosecrans UUD	\$ 1,801	\$ 2,342	\$ 1,037	\$ 767	\$ 5,948
B00847	UU2	Monroe Ave - Winona to Collwood UUD	\$ 1,021	\$ 3,188	\$ 799	\$ -	\$ 5,008
B00848	UU1	Briarwood-Brookhaven Rd to Nebraska UUD	\$ -	\$ -	\$ 597	\$ (26)	\$ 571
B00849	UU4	Jutland Dr - Camino Coralina to Luna UUD	\$ 10,780	\$ 7,142	\$ 2,871	\$ 107,298	\$ 128,091
B00850	UU5	Altadena/Wightman/Winona-El Cajon UUD	\$ 10,053	\$ 3,062	\$ 1,935	\$ 114,941	\$ 129,992
B00851	UU559	K Street - 19th to 30th UUD	\$ 7,424	\$ 2,420	\$ 552	\$ 19,934	\$ 30,330
B00988	UU40	Cannon Street from Rosecrans to Evergreen UUD	\$ 32,232	\$ (4,221)	\$ 82	\$ -	\$ 28,093
B10197	UU447	24th ST UUD Streetlights (G St - Imperial)	\$ (269)	\$ 5,749	\$ 2,496	\$ -	\$ 7,976
B11131	UU610	Euclid Ave UUD Streetlights (Euclid-Univ)	\$ 638	\$ 3,849	\$ 5,471	\$ 2,732	\$ 12,690
B12001	UU220	Stlight Design & Install 30th St - Ocean Vw - K St	\$ -	\$ -	\$ 1,401	\$ 66	\$ 1,466
B12066	UU306	Lincoln Av UUD (30th St-Wabash Av)	\$ 1,491	\$ 865	\$ 92	\$ 879	\$ 3,327
B12068	UU7	Regents Road UUD (Executive Dr-Regents Rd)	\$ -	\$ -	\$ 123	\$ -	\$ 123
B12069	UU570	Potomac St UUD (Calle Tres Lomas-Sea Breeze)	\$ 634	\$ 1,917	\$ 657	\$ 36,486	\$ 39,693
B13143	UU11	31st Street UUD (Market St - L St)	\$ -	\$ -	\$ 473	\$ (48)	\$ 425
B13145	UU10	Cardiff Street UUD (Carlisle Dr - Wade St)	\$ -	\$ -	\$ -	\$ 6,005	\$ 6,005
B13149	UU573	Paradise Valley Rd UUD (Potomac St-Parkland Wy)	\$ -	\$ -	\$ -	\$ 681	\$ 681
B13156	UU9	28th Street UUD (Island Av - Clay St)	\$ -	\$ -	\$ 11,416	\$ 1,477	\$ 12,892
Total 20A Project Expenditures			\$ 119,047	\$ 68,815	\$ 140,293	\$ 499,581	\$ 827,737

Expenditures for General Program Functions

Underground Surcharge Fund
As of March 30, 2015
Source: SAP

Internal Order	Description	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
21002155	Planning & Environmental Review	\$ 2,029	\$ (2,029)	\$ -	\$ -	\$ -
21002637	Bldg Permit Inspection	\$ 188,060	\$ 187,172	\$ 173,490	\$ 187,765	\$ 736,487
21002638	Bldg Permit Administration	\$ 1,624	\$ 1,920	\$ 290	\$ 764	\$ 4,597
21002639	UUP-Archaeological Monitoring	\$ 164,797	\$ 87,048	\$ 330,052	\$ 274,711	\$ 856,608
21002641	UUP-Tree Planting	\$ 29,213	\$ 30,182	\$ 30,147	\$ 3,495	\$ 93,037
21002642	UUP-Planning & Environmental Review	\$ 8,936	\$ 12,284	\$ 5,502	\$ 6,105	\$ 32,826
21002643	UUP-Mitigation Monitoring Coordination	\$ (353)	\$ 69	\$ -	\$ -	\$ (284)
21002644	Field Inspection	\$ 105,403	\$ 108,258	\$ 129,567	\$ 126,163	\$ 469,391
21002645	Surveying	\$ 232,741	\$ 246,144	\$ 177,513	\$ 100,743	\$ 757,140
21002646	UUP-PIO Svcs	\$ 245	\$ -	\$ -	\$ 1,465	\$ 1,710
21002647	Analyst/Admin Support	\$ 204,614	\$ 153,611	\$ 176,163	\$ 149,562	\$ 683,951
21002649	UUP-Design Review	\$ 5,344	\$ 2,533	\$ -	\$ 14,068	\$ 21,945
21003103	DSD/NCC Support to Undergrounding	\$ 51,904	\$ 40,902	\$ 15,744	\$ 11,595	\$ 120,145
Total Program Expenditures FY 2014		\$ 994,558	\$ 868,093	\$ 1,038,467	\$ 876,435	\$ 3,777,553

Expenditures for CIP Work and SDG&E Construction at Undergrounding Surcharge Project Sites

Underground Surcharge Fund
As of March 30, 2015
Source: SAP, SDG&E/Access

PROJECT	CIP ID	TITLE	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
B00703	UU53	Mesa College Dr from Linda Vista UUD	\$ 69,887	\$ 13,320	\$ 808	\$ 194	\$ 84,209
		SDG&E	\$ 30,576	\$ 8,352	\$ -	\$ 2,036	\$ 40,964
B00708	UU380	District 1 Block 1-F UUD	\$ 93	\$ 1,416	\$ 5,672	\$ 14,947	\$ 22,127
		SDG&E	\$ -	\$ -	\$ 347	\$ -	\$ 347
B00709	UU235	District 2 Block 2-E UUD	\$ 21,338	\$ 44,035	\$ 156,532	\$ 367,735	\$ 589,641
		SDG&E	\$ 84,646	\$ 248,535	\$ 87,364	\$ 146,833	\$ 567,377
B00710	UU351	District 3 Block 3-FF UUD	\$ 694	\$ 8,132	\$ 10,522	\$ 14,895	\$ 34,244
		SDG&E	\$ 2,504	\$ 903	\$ -	\$ 2,632	\$ 6,039
B00711	UU902	District 4 Block 4-G District 4 UUD	\$ -	\$ 5,839	\$ 1,925	\$ 17,570	\$ 25,333
		SDG&E	\$ 248,258	\$ (80,533)	\$ (14)	\$ 107,057	\$ 274,768
B00714	UU834	District 8 Block 8-F UUD	\$ 126,399	\$ 65,954	\$ 3,760	\$ 33,349	\$ 229,460
		SDG&E	\$ 59,369	\$ 86,779	\$ 7,377	\$ 113,452	\$ 266,976
B00821	UU555	28th Street from Sampson to Harbor UUD	\$ -	\$ -	\$ 499	\$ 652	\$ 1,152
		SDG&E	\$ 237	\$ 148,429	\$ 91,544	\$ 60,288	\$ 300,498
B00823	UU171	District 1 Block 1R UUD	\$ 13,166	\$ 35,063	\$ 223,965	\$ 16,899	\$ 289,093
		SDG&E	\$ -	\$ -	\$ (14,533)	\$ -	\$ (14,533)
B00824	UU234	District 2 Block 2J UUD	\$ 31,534	\$ (9,360)	\$ 3,466	\$ 3,002	\$ 28,641
		SDG&E	\$ (7,510.00)	\$ 38,454	\$ -	\$ -	\$ 30,944
B00825	UU350	District 3 Block 3EE UUD	\$ 501	\$ 8,858	\$ 15,860	\$ 577,466	\$ 602,684
		SDG&E	\$ 5,882	\$ (59,492)	\$ -	\$ -	\$ (53,610)
B00826	UU901	District 4 Block 4AA UUD	\$ 9,597	\$ 2,612	\$ 6,284	\$ 7,316	\$ 25,809
		SDG&E	\$ -	\$ 25,910	\$ -	\$ 62,564	\$ 88,474
B00827	UU521	District 6 Block 6J UUD	\$ 12,397	\$ 9,277	\$ 669	\$ 1,286	\$ 23,629
		SDG&E	\$ -	\$ 1,059	\$ 35,858	\$ (3,316)	\$ 33,601
B00828	UU975	District 7 Block 7CC UUD	\$ 34,945	\$ 42,271	\$ 40,732	\$ 329,599	\$ 447,547
		SDG&E	\$ 882	\$ -	\$ 618,976	\$ 206,362	\$ 826,220
B00829	UU787	District 8 Block 8G UUD	\$ 4,187	\$ 18,460	\$ 21,110	\$ 4,755	\$ 48,511
		SDG&E	\$ 23,265	\$ 7,476	\$ 121,148	\$ 85,048	\$ 236,937
B00833	UU439	Ridgemanor - Madra Ave UUD	\$ 2,961	\$ 72,511	\$ 29,448	\$ 2,131	\$ 107,051
		SDG&E	\$ 13,298	\$ (5,672)	\$ 4,405	\$ 58,252	\$ 70,283
B00835	UU856	District 2 Block 2-T UUD	\$ 3,327	\$ 9,749	\$ 132,173	\$ 48,850	\$ 194,099
B12050	UU856	BLOCK 2T PACIFIC BEACH N Alley Improvement	\$ 528	\$ 16	\$ -	\$ 5,243	\$ 5,767
		SDG&E	\$ 438,798	\$ 1,173,901	\$ 222,243	\$ 175,961	\$ 2,010,903
B00837	UU352	District 3 Block 3-HH UUD	\$ 595	\$ 5,046	\$ 6,591	\$ (48)	\$ 12,164
		SDG&E	\$ -	\$ 4,855	\$ 560,725	\$ 1,908,545	\$ 2,474,125
B00838	UU900	District 4 Block 4-Z UUD	\$ 10,619	\$ 10,985	\$ 6,024	\$ 241,050	\$ 268,678
		SDG&E	\$ 768,440	\$ 61,982	\$ 148,979	\$ 118,722	\$ 1,098,122
B00839	UU817	District 6 Block 6-I UUD	\$ 1,241	\$ 4,037	\$ 1,042	\$ 221,160	\$ 227,481
		SDG&E	\$ 57,045	\$ 19,432	\$ 45,881	\$ 20,143	\$ 142,501
B00840	UU89	Patrick Henry High Block UUD	\$ 3,849	\$ 41,642	\$ 37,824	\$ 6,081	\$ 89,395
		SDG&E	\$ 98,085	\$ 8,024	\$ 2,550	\$ 197,023	\$ 305,682
B00841	UU786	District 8 Block 8-B UUD	\$ 340	\$ 6,168	\$ 10,314	\$ 95,908	\$ 112,730
		SDG&E	\$ 1,408,409	\$ 3,184,650	\$ 825,839	\$ 509,529	\$ 5,928,427
B00842	UU704	District 7 Block 7-A UUD	\$ 5,158	\$ 12,663	\$ 17,724	\$ 4,499	\$ 40,044
		SDG&E	\$ 1,459,459	\$ 965,179	\$ 633,055	\$ 454,342	\$ 3,512,034

Expenditures for CIP Work and SDG&E Construction at Undergrounding Surcharge Project Sites (cont'd)

Underground Surcharge Fund
As of March 30, 2015
Source: SAP, SDGE/Access

PROJECT	CIP ID	TITLE	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
B12055	UU423	Block 4N North Encanto UUD	\$ (953)	\$ 2,915	\$ 1,491	\$ 10,017	\$ 13,471
		SDG&E	\$ 263,841	\$ 341,161	\$ 943,516	\$ 1,192,012	\$ 2,740,530
B12064	UU968	Block 7R Allied Gardens UUD	\$ 19,381	\$ 24,852	\$ 9,697	\$ 11,601	\$ 65,531
		SDG&E	\$ -	\$ 228	\$ 10,678	\$ 2,482	\$ 13,388
B12065	UU409	Block 6DD Bay HO 3 UUD	\$ (256)	\$ 6,635	\$ 5,038	\$ 14,425	\$ 25,842
		SDG&E	\$ 8,505	\$ 325,235	\$ 497,184	\$ 2,391,020	\$ 3,221,944
	UU437	Camino Del Norte (Transmission)	\$ -	\$ -	\$ -	\$ 35,757	\$ 35,757
	UU442	Ocean View Blvd	\$ -	\$ -	\$ (33,493)	\$ -	\$ (33,493)
	UU448	Island Avenue Transmission line	\$ 1,549,614	\$ 342,738	\$ 269,810	\$ 96,931	\$ 2,259,093
	UU568	CCDC A1 P2 J1 (Transmission)	\$ (629,531)	\$ 19,005	\$ -	\$ -	\$ (610,526)
	UU591	Gold Coast Drive Transmission	\$ 16,474	\$ -	\$ 4,808	\$ 36,362	\$ 57,644
B00713	UU972	District 7 Block 7-F UUD	\$ 10,982	\$ 29,636	\$ 379,192	\$ 11,209	\$ 431,219
B00836	UU379	District 1 Block 1-J UUD	\$ -	\$ -	\$ 242	\$ -	\$ 242
B12036	UU520	Blk6Z Serra Mesa Ph2 St.Maint Asphalt/Slurry Seal	\$ 440,766	\$ 517,434	\$ 104,854	\$ 74	\$ 1,063,128
B12056	UU494	Block 8A Golden Hill UUD	\$ 1,608	\$ 2,157	\$ 9,553	\$ 13,666	\$ 26,984
B12067	UU977	Block 2S1 South Mission Beach UUD	\$ -	\$ -	\$ -	\$ 3,229	\$ 3,229
B13151	UU659	Block 1M UUD (La Jolla 4)	\$ -	\$ 167	\$ (81)	\$ -	\$ 105
B13154	UU410	Block 6DD1 UUD (Clairemont Mesa)	\$ -	\$ 6,899	\$ (896)	\$ -	\$ 6,003
B13156	UU495	Block 8C UUD (Greater Golden Hill)	\$ -	\$ 229	\$ (92)	\$ -	\$ 137
B10096	N/A	Installation of Curb Ramps for UUP	\$ 303,867	\$ 80,567	\$ 242,572	\$ 111,461	\$ 738,487
B10103	N/A	Asphalt Overlay Group II FY10	\$ -	\$ -	\$ 2	\$ -	\$ 2
B14096	N/A	FY14 Job Order Contract 1	\$ -	\$ -	\$ -	\$ 755,036	\$ 755,036
Subtotal CIP Expenditures			\$ 1,144,443	\$ 1,083,855	\$ 1,490,841	\$ 3,276,699	\$ 6,995,838
Subtotal SDG&E Expenditures			\$ 5,900,546	\$ 6,866,590	\$ 5,084,245	\$ 7,980,035	\$ 25,831,416
Total Expenditures of Surcharge Projects			\$ 7,044,989	\$ 7,950,445	\$ 6,575,086	\$ 11,256,734	\$ 32,827,253

REPORT TO THE CITY COUNCIL
Status of the Utility Undergrounding Program

Attachment 2

Proposed Revisions to the 2009 Undergrounding Master Plan

PROPOSED REVISIONS TO 2009 MASTER PLAN

UPDATE PROJECT LIMITS				ESTIMATED	COST
20A PROJECTS				FOOTAGE	ESTIMATE
DISTRICT	GP ID	TITLE	LIMITS		
Merge					
2	UU143	Cass Street	Reed Ave to Pacific Beach Dr	1,026	\$544,169
2	UU524	Cass Street	Grand Ave to Reed Ave	722	\$391,448
Info					
2	UU143	Cass Street	Grand Ave to Pacific Beach Drive	1,748	\$935,617
Merge					
3	UU611	Redwood Street	Pershing Dr to 31st St	2,314	\$1,195,930
3	UU612	Redwood Street	31st St to Boundary St	2,716	\$1,489,492
Info					
3	UU611	Redwood Street	Pershing Dr to Boundary St	5,030	\$2,685,422
Merge					
3	UU598	San Diego Avenue	Bandini St to Old Town Ave	1,920	\$978,990
3	UU597	San Diego Avenue	W Washington St to Bandini St	2,023	\$978,241
Info					
3	UU598	San Diego Avenue	Old Town Ave to McKee St	3,943	\$1,957,231
Merge					
6	UU378	Beagle Street	Apollo St to Auburndale St	3,001	\$1,583,866
6	UU465	Marlesta Drive	Beagle St to Genesee Ave	1,415	\$668,436
6	UU622	Beagle Street	Apollo St to Ashford St	798	\$428,608
Info					
6	UU465	Marlesta Dr/Beagle St	Genesee Av to Beagle St/ Marlesta Dr to Ashford St	5,214	\$2,680,910
Merge					
7	UU633	Twain Avenue	Mission Gorge Rd to Vandever Av	3,554	\$1,499,169
7	UU628	Fairmount Avenue	Vandever Ave to Friars Rd	318	\$188,225
Info					
7	UU628	Fairmount Avenue	Mission Gorge Rd to Sheridan Ln	3,872	\$1,687,394

REPORT TO THE CITY COUNCIL
Status of the Utility Undergrounding Program

Attachment 3

Proposed List of Projects to Prepare for Public Hearing

LIST OF PROPOSED SURCHARGE AND RULE 20(A) PROJECTS

DISTRICT	CIP ID	TITLE	LIMITS	ESTIMATED COST	ESTIMATED FOOTAGE	PROPERTIES
RULE 20A						
1	UU76	Sorrento Valley Road	Sorrento Valley Rd to I-805 SB off RA	\$1,966,997	4,992	5
2	UU123	Ingulf Street	Morena Blvd to Erie St	\$507,700	1,102	10
3	UU611	Redwood Street	Pershing Dr to Boundary St	\$2,685,422	5,030	107
4	UU616	Hilltop Drive	44th St to Euclid Ave	\$2,314,706	4,631	80
6	UU465	Marlesta Drive/Beagle Street	Genesee Av to Beagle St/Marlesta Dr to Ashord St	\$2,680,910	5,214	108
7	UU628	Fairmount Avenue	Mission Gorge Rd to Sheridan Ln	\$1,687,394	3,872	31
8	UU602	Sampson Street	Main St to Clay Ave	\$1,780,965	3,380	59
9	UU24	Orange Avenue	Central Ave to Fairmount Av	\$1,030,322	1,536	51
FUND TOTAL		8 Projects	5.6 Miles	\$14,654,416	29,757	451
SURCHARGE						
1	UU798	Residential Project Block 1Y	Del Mar Heights / Carmel Valley	\$5,693,920	13,987	82
2	UU875	Residential Project Block 6H1	Bay Park	\$10,853,079	21,380	660
3	UU908	Residential Project Block 3DD	Adams North	\$7,046,760	14,886	387
4	UU789	Residential Project Block 4Y1	Jamacha Lomita	\$6,269,772	12,289	312
6	UU857	Residential Project Block 6K1	North Clairemont	\$7,740,107	15,805	395
7	UU65	Residential Project Block 7T	Allied Gardens	\$7,392,949	14,947	389
8	UU668	Residential Project Block 8R1	Egger Highlands	\$5,317,215	10,813	244
9	UU957	Residential Project Block 7O	College West	\$5,510,210	13,065	113
FUND TOTAL		8 Projects	22.2 Miles	\$55,824,012	117,172	2,582
GROUP TOTAL		16 Projects	27.8 Miles	\$70,478,428	146,929	3,033



DISTRICT 1
Sorrento Valley Road - UU76
(Sorrento Valley Rd to I-805 SB off RA)
Community Plan: Torrey Pines



No Scale

LEGEND

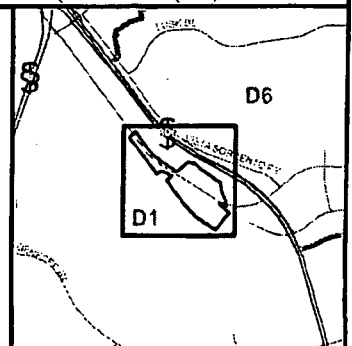
- BLOCK PROJECT
- DISTRICT BOUNDARY

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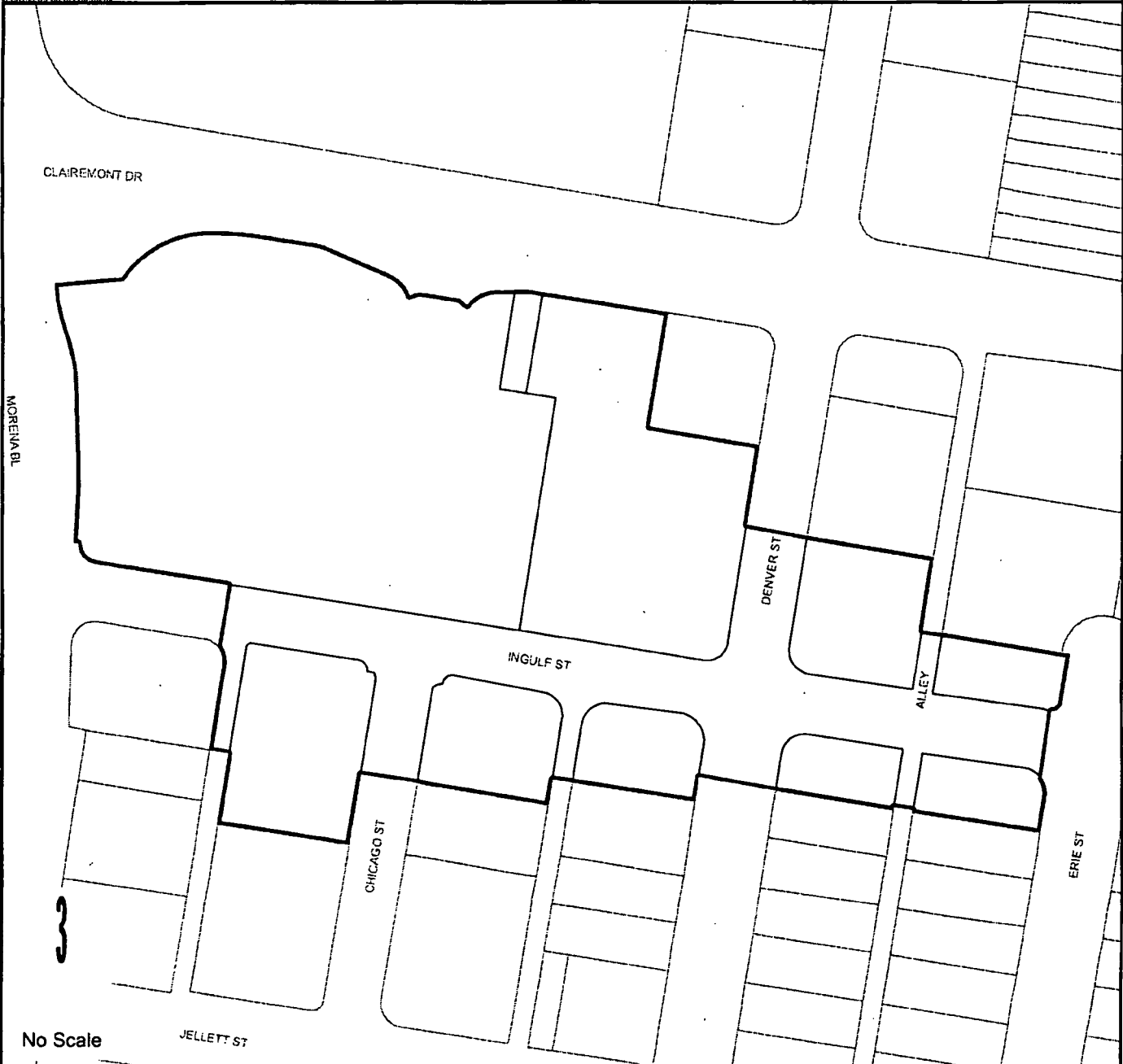
PROJECT STATISTICS

PROPERTIES: 5
ESTIMATED MILES: 0.95
ESTIMATED COST: \$1,966,997





DISTRICT 2
Ingulf Street - UU123
(Morena Blvd to Erie St)
Community Plan: Clairemont Mesa



No Scale

LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY

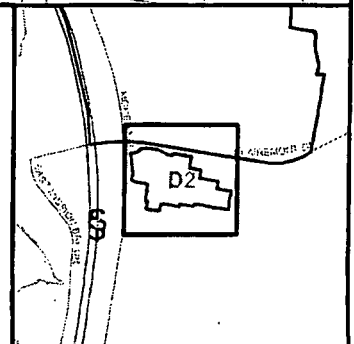
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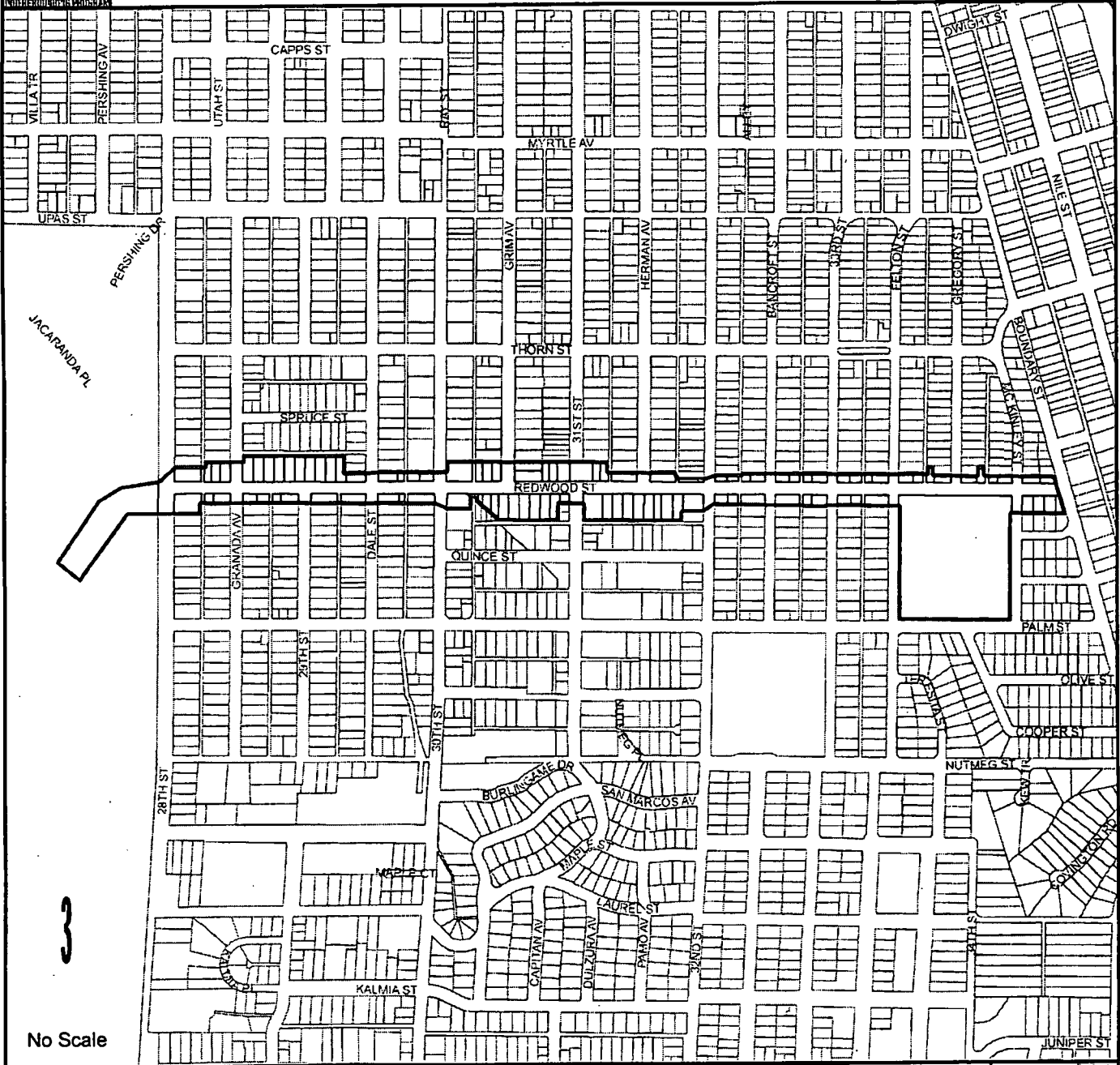
PROJECT STATISTICS

PROPERTIES: 10
ESTIMATED MILES: 0.21
ESTIMATED COST: \$507,700





DISTRICT 3
Redwood Street - UU611
(Pershing Dr to Boundary St)
Community Plan: Greater North Park



No Scale

LEGEND



BLOCK PROJECT



DISTRICT BOUNDARY



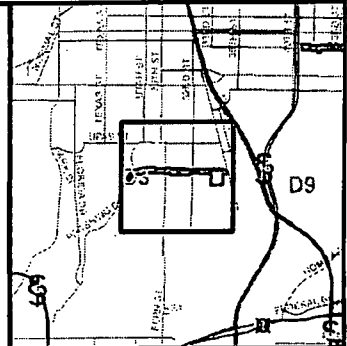
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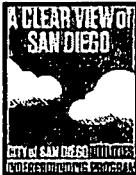
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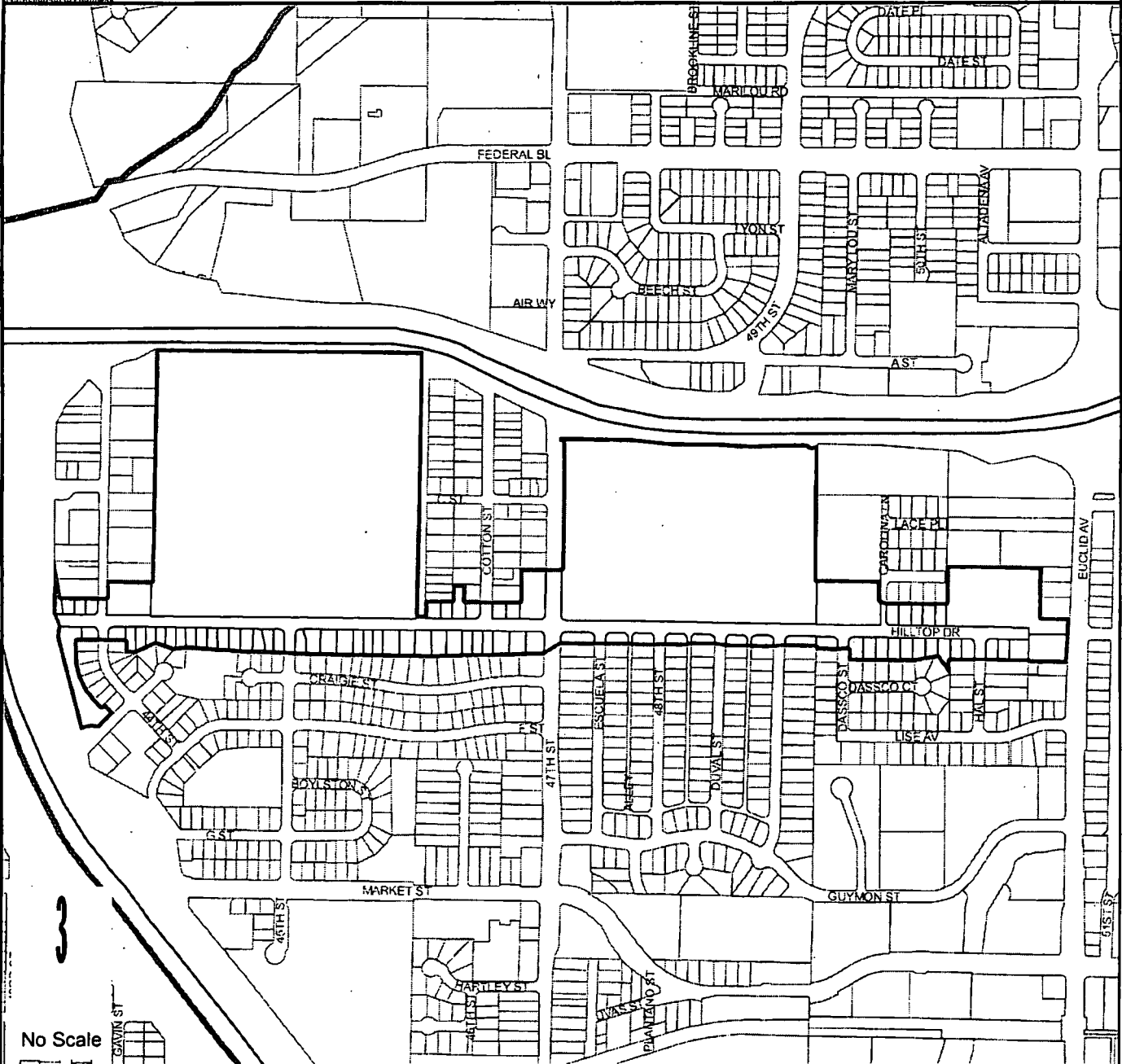
PROJECT STATISTICS

PROPERTIES:	107
ESTIMATED MILES:	0.95
ESTIMATED COST:	\$2,685,422







DISTRICT 4
Hilltop Drive - UU616
(44th St to Euclid Ave)
Community Plan: Encanto Neighborhoods



LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

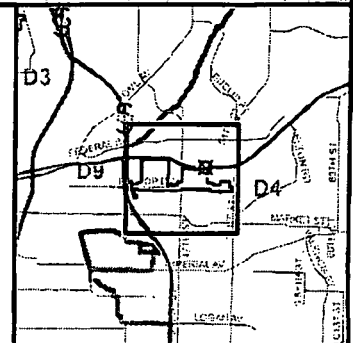
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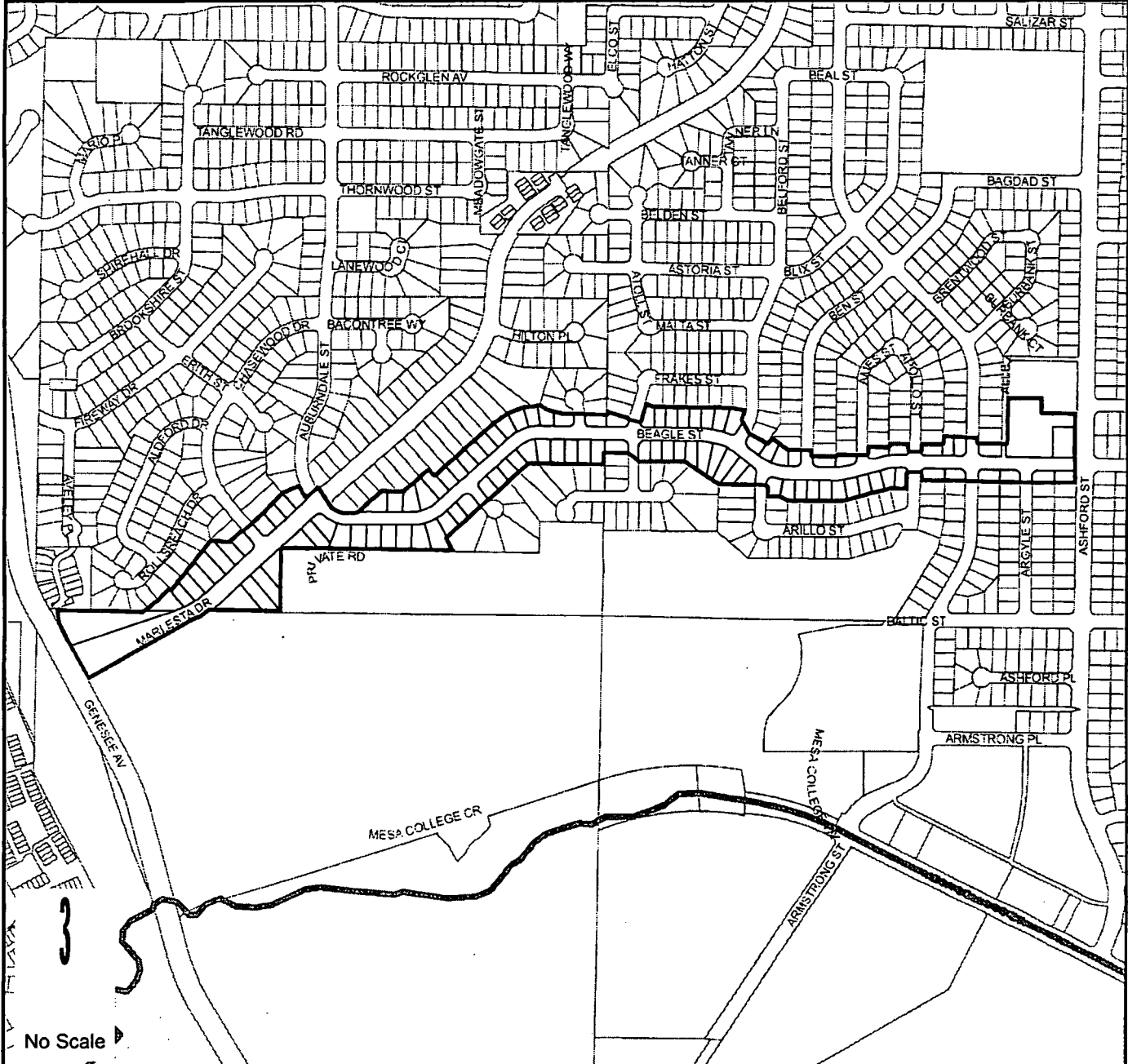
PROJECT STATISTICS

PROPERTIES: 80
ESTIMATED MILES: 0.88
ESTIMATED COST: \$2,314,706







DISTRICT 6
Marlesta Drive/Beagle Street - UU465
(Genesee Av to Beagle St/Marlesta Dr to Ashford St)
Community Plan: Clairemont Mesa



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

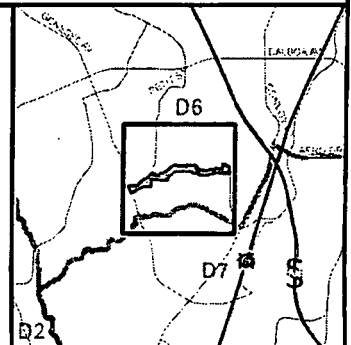
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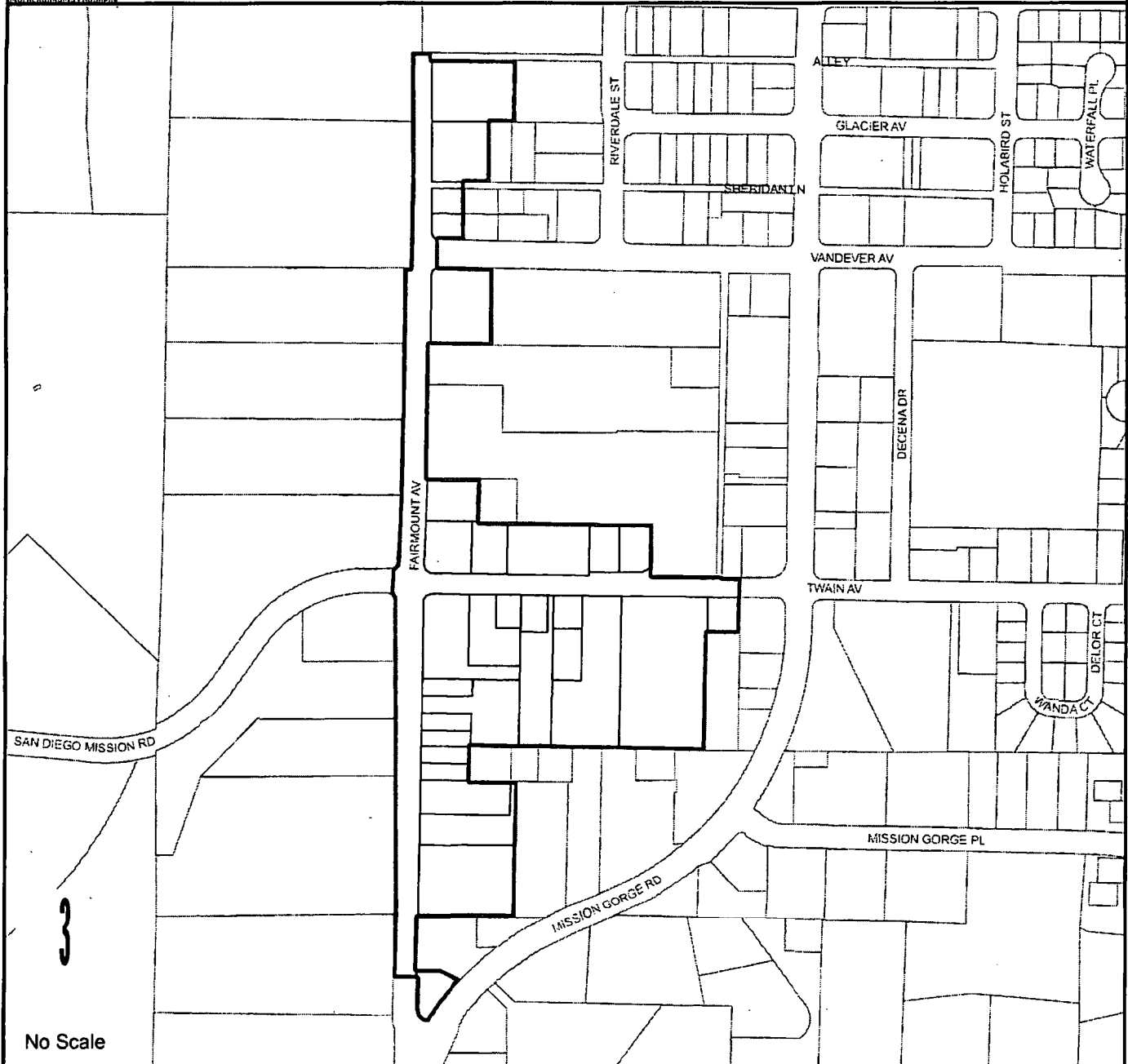
PROJECT STATISTICS

PROPERTIES: 108
ESTIMATED MILES: 0.99
ESTIMATED COST: \$2,680,910





DISTRICT 7
Fairmount Avenue - UU628
(Mission Gorge Rd to Sheridan Ln)
Community Plan: Navajo



LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY

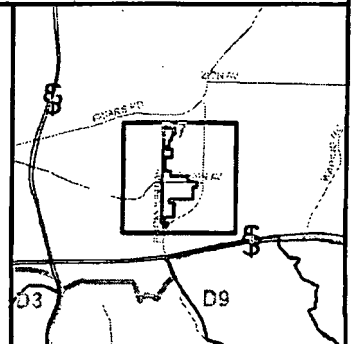
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PROJECT STATISTICS

PROPERTIES: 31
ESTIMATED MILES: 0.73
ESTIMATED COST: \$1,687,394







DISTRICT 8
Sampson Street - UU602
(Main St to Clay Ave)
Community Plan: SE San Diego / Barrio Logan



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

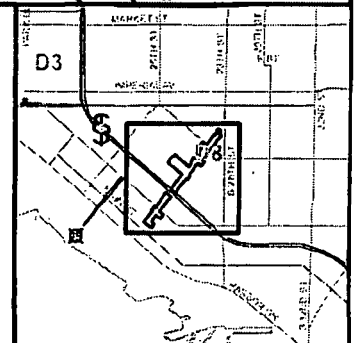
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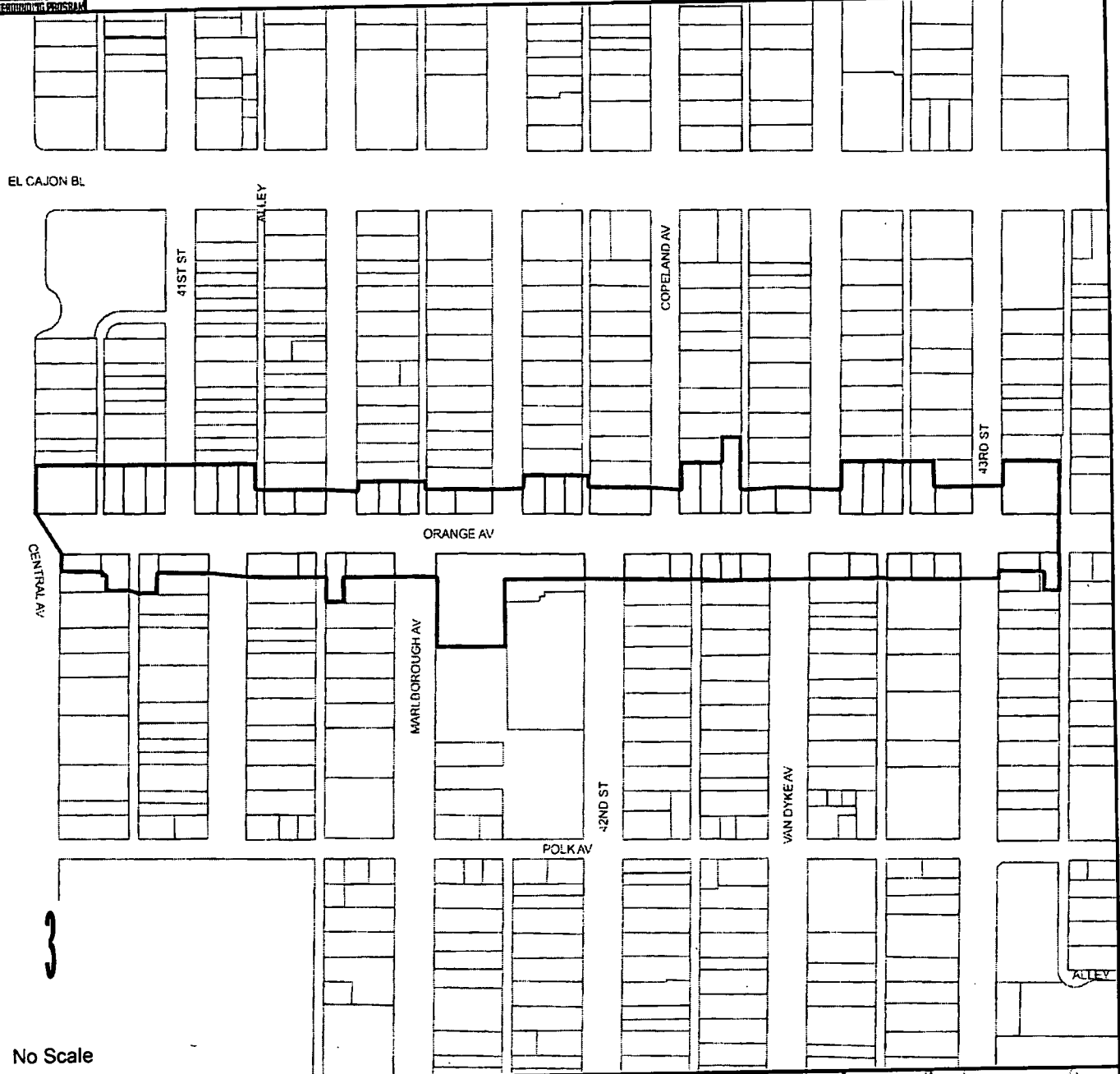
PROJECT STATISTICS

PROPERTIES:	59
ESTIMATED MILES:	0.64
ESTIMATED COST:	\$1,780,965







DISTRICT 9
Orange Avenue - UU24
(Central Ave to Fairmount Av)
Community Plan: Mid City: City Heights



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

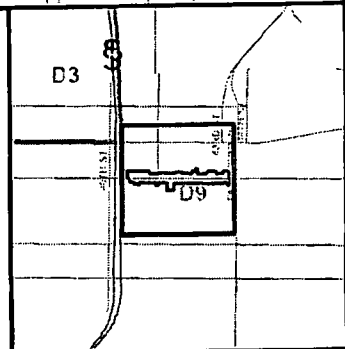
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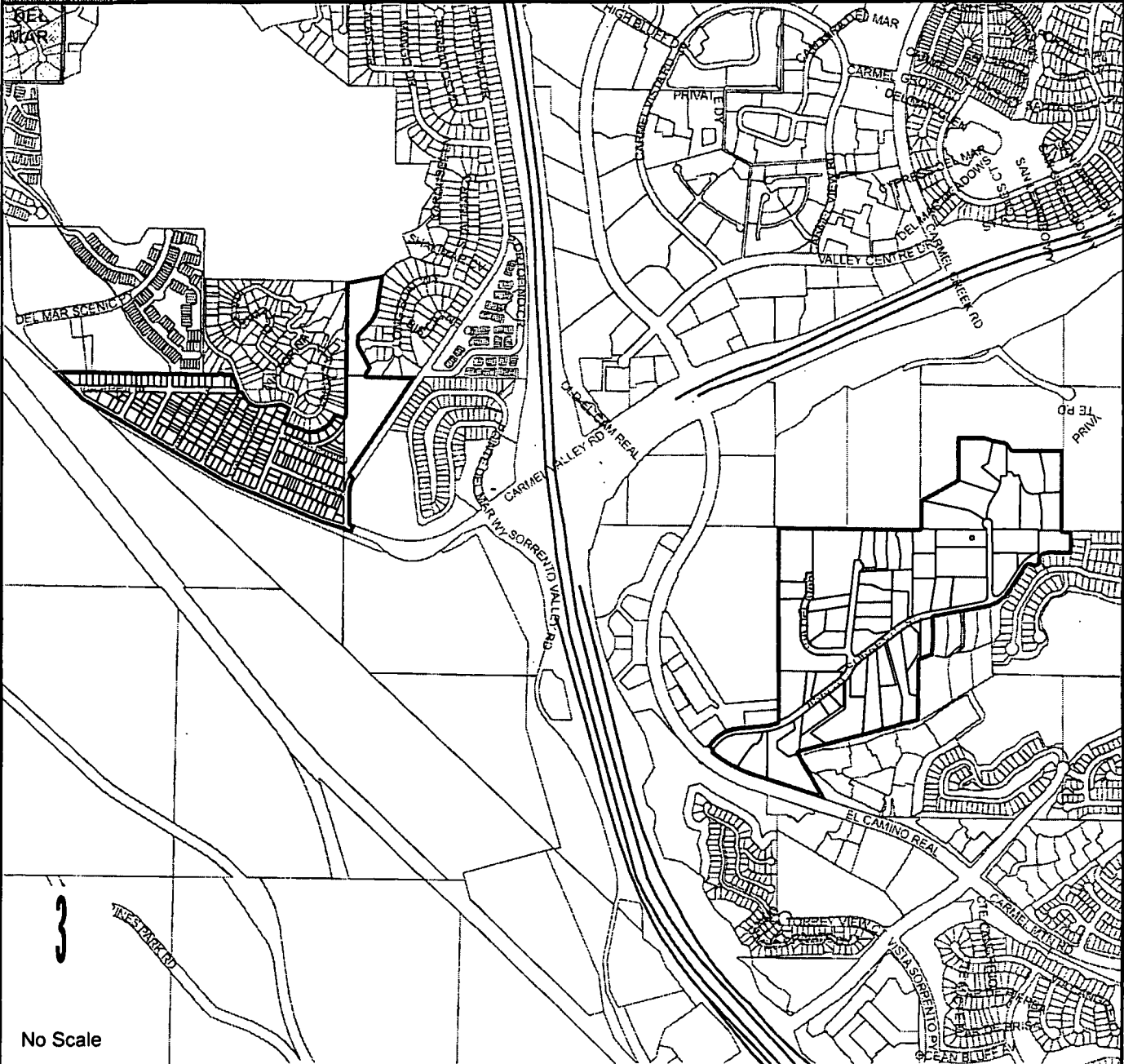
PROJECT STATISTICS

PROPERTIES: 51
ESTIMATED MILES: 0.29
ESTIMATED COST: \$1,030,322







DISTRICT 1
Residential Project Block 1Y - UU798
(Del Mar Heights / Carmel Valley)
Community Plan: Torrey Pines / Carmel Valley



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

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PROJECT STATISTICS

PROPERTIES:	82
ESTIMATED MILES:	2.65
ESTIMATED COST:	\$5,693,920

PACIFIC OCEAN





DISTRICT 2
Residential Project Block 6H1 - UU875
(Bay Park)
Community Plan: Clairemont Mesa



3

No Scale

- LEGEND**
- BLOCK PROJECT
 - DISTRICT BOUNDARY

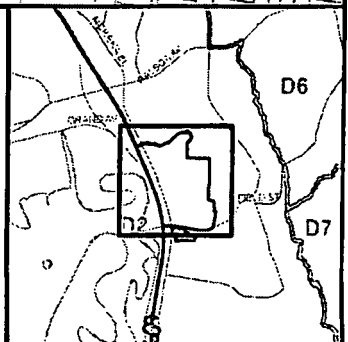
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PROJECT STATISTICS

PROPERTIES: 660
ESTIMATED MILES: 4.05
ESTIMATED COST: \$10,853,079







DISTRICT 3
Residential Project Block 3DD - UU908
(Adams North)
Community Plan: Mid-City: Normal Heights



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

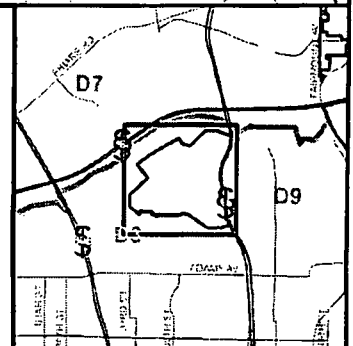
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PROJECT STATISTICS



PROPERTIES: 387
ESTIMATED MILES: 2.82
ESTIMATED COST: \$7,046,760



DISTRICT 4
Residential Project Block 4Y1 - UU789
 (Jamacha Lomita)
 Community Plan: Skyline-Paradise Hills



LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

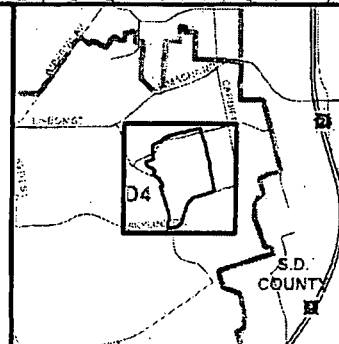
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PROJECT STATISTICS

PROPERTIES: 312
ESTIMATED MILES: 2.33
ESTIMATED COST: \$6,269,772







DISTRICT 6
Residential Project Block 6K1 - UU857
(North Clairemont)
Community Plan: Clairemont Mesa



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY



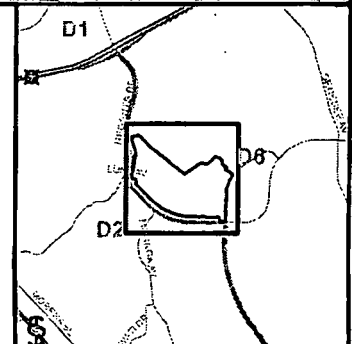
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PROJECT STATISTICS

PROPERTIES:	395
ESTIMATED MILES:	2.99
ESTIMATED COST:	\$7,740,107







DISTRICT 7
Residential Project Block 7T - UU65
(Allied Gardens)
Community Plan: Navajo



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

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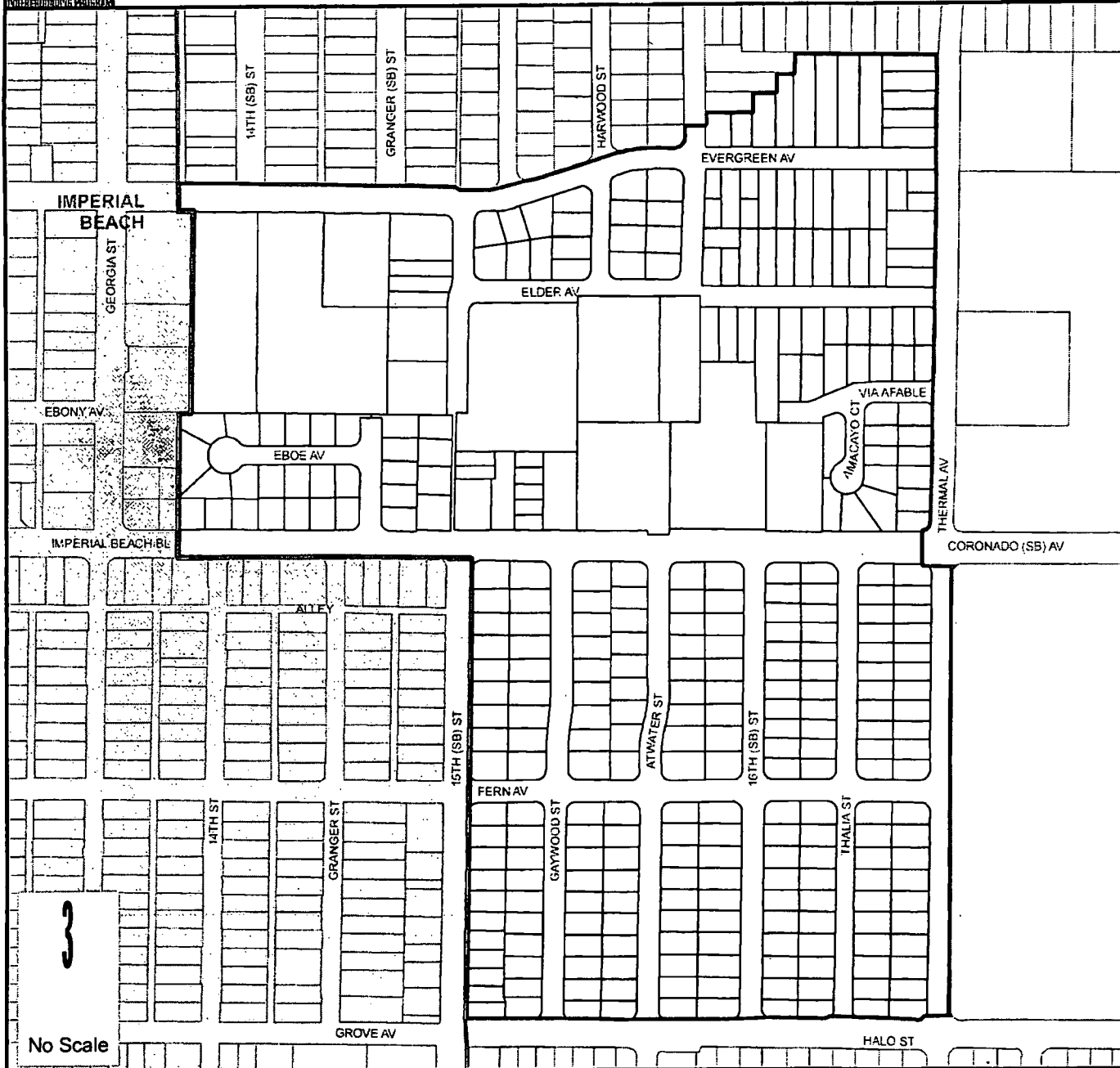
PROJECT STATISTICS

PROPERTIES:	389
ESTIMATED MILES:	2.83
ESTIMATED COST:	\$7,392,949





DISTRICT 8
Residential Project Block 8R1 - UU668
(Egger Highlands)
Community Plan: Otay Mesa - Nestor



LEGEND

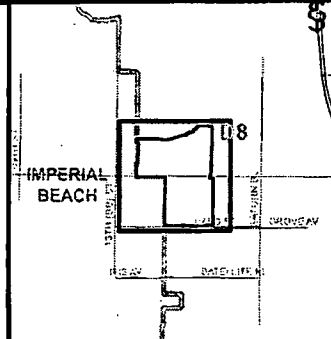
- BLOCK PROJECT
- DISTRICT BOUNDARY

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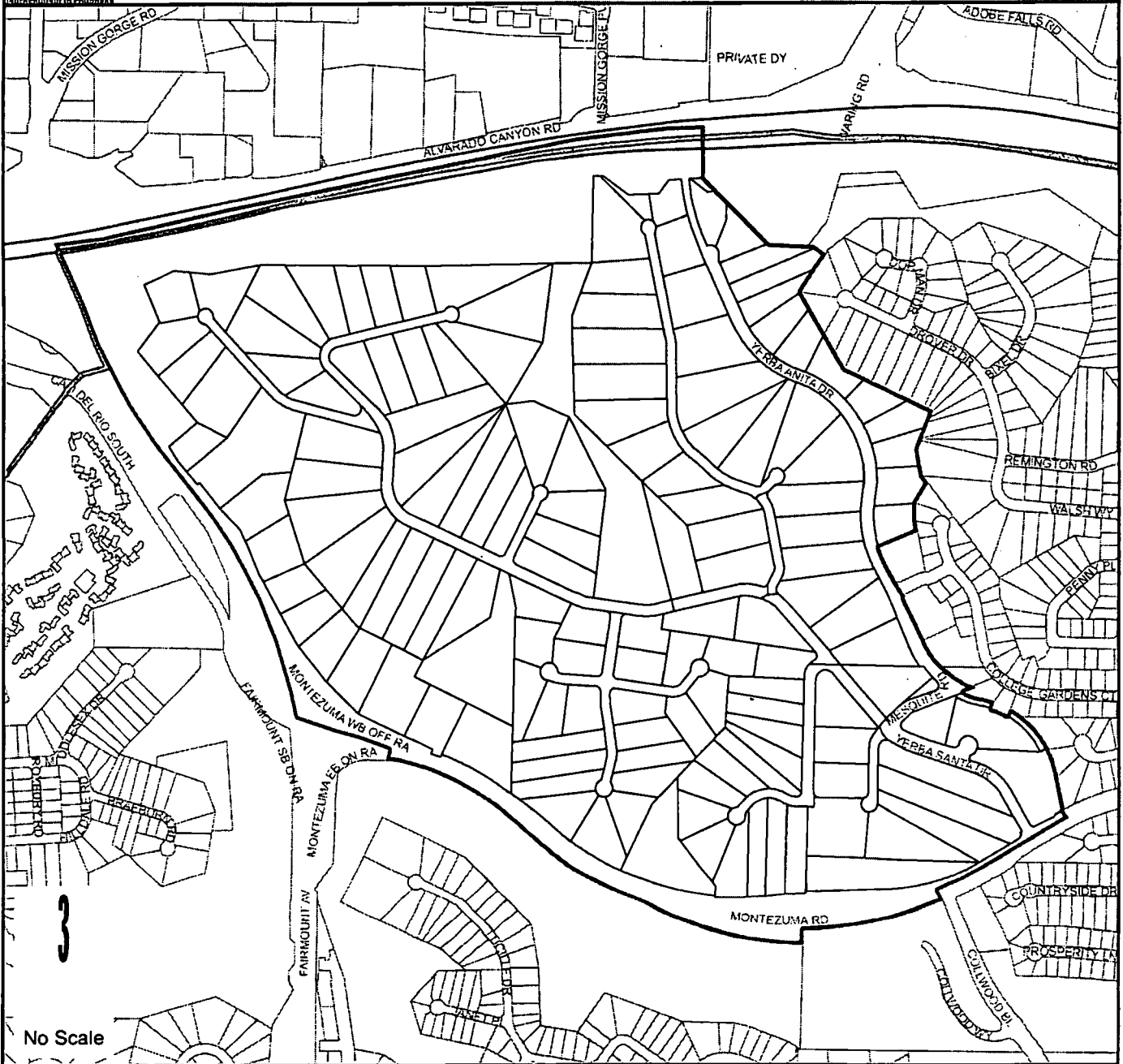
PROJECT STATISTICS

PROPERTIES: 244
ESTIMATED MILES: 2.05
ESTIMATED COST: \$5,317,215







DISTRICT 9
Residential Project Block 70 - UU957
(College West)
Community Plan: College Area



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

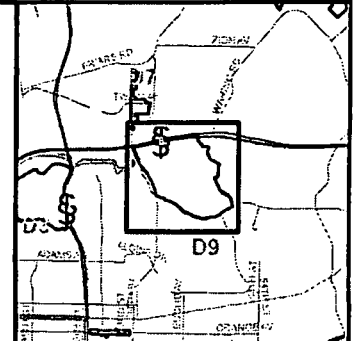
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PROJECT STATISTICS

PROPERTIES:	113
ESTIMATED MILES:	2.47
ESTIMATED COST:	\$5,510,210



COMMITTEE ACTION SHEET

COUNCIL DOCKET OF _____

☐ Supplemental ☐ Adoption ☐ Consent ☐ Unanimous Consent

R -

O -

Status of the Utility Undergrounding Program and Approval of New Undergrounding Projects

☒ Reviewed ☐ Initiated By ENVIRO On 10/7/15 Item No. 7

RECOMMENDATION TO:

Motion by Councilmember Gloria to recommend Council adopt the resolution. Second by Councilmember Cate.

VOTED YEA: Alvarez, Gloria, Cate

VOTED NAY:

NOT PRESENT: Emerald

CITY CLERK: Please reference the following reports on the City Council Docket:

REPORT TO THE CITY COUNCIL NO.

INDEPENDENT BUDGET ANALYST NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

COUNCIL COMMITTEE CONSULTANT



310156

DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO
EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION

DATE:
August 25, 2015

SUBJECT: Status of the Utility Undergrounding Program and Approval of New Underground Projects

GENERAL CONTRACT INFORMATION

Recommended Agency: N/A
Amount of this Action: N/A
Funding Source: N/A
Goal: N/A

SUBCONTRACTOR PARTICIPATION

There is no subcontractor associated with this action; however, subsequent actions must adhere to funding agency requirements.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity: Required

Any necessary agreements between the City and utility companies associated with this work are subject to California Public Utility Commission (CPUC) Equal Opportunity Contracting guidelines and mandates. Any work that does not fall under CPUC authority shall be subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

ADDITIONAL COMMENTS

Per Council Policy 600-08, approve revisions to the 2009 Undergrounding Master Plan.

RW

R 310156

Date 11/3/2015 Docket Item Number 331
Subject Utility Undergrounding

REQUEST TO SPEAK

IN FAVOR

of the

☐

APPEAL

☒

ITEM

PRINT
NAME

KATHY VALDIVIA

8330 Century Park Ct.

ADDRESS: NUMBER

STREET

CITY

San Diego, CA 92123

STATE

ZIP

TELEPHONE

kvaldivia@sempvutilities.com

E-MAIL ADDRESS

SDG&E

REPRESENTING

CHECK BELOW, IF APPLICABLE:

- ☐ I would like to register my position but I do not wish to speak.
☐ Yo voy a hablar en español y necesito la asistencia de un interprete.
(I will be speaking in Spanish and request the assistance of an interpreter.)

**ARE YOU PART OF AN ORGANIZED PRESENTATION?
IF YES, LIST SPEAKERS IN ORDER OF PRESENTATION.**

PLEASE READ GUIDE TO SPEAKING AT PUBLIC MEETING
ON REVERSE SIDE. THE CHAIRPERSON WILL CALL
YOU TO THE MICROPHONE AT THE APPROPRIATE TIME.

CC-1599 (Rev. 4-07)



R-310156 THE CITY OF SAN DIEGO

HOW TO ADDRESS THE CITY COUNCIL

TO ADDRESS COUNCIL ON AN AGENDA ITEM

Members of the public wishing to address the Council must submit a "Request to Speak" form to the City Clerk **prior** to the agenda item being called. Please note that "Request to Speak" forms will not be accepted once the item is called.

Speaker forms are available in the Council Chambers prior to each meeting. Fill out a speaker slip "In Favor" or "In Opposition" to the RECOMMENDATION listed *first* on the Docket for the subject item, and submit the form to the City Clerk prior to the agenda item being called. Speakers will be called by name to address the City Council when the item is heard. **Time allotted to each speaker is determined by the Chair and, in general, is limited to three (3) minutes;** moreover, testimony by all those present in support or opposition shall be limited to no more than fifteen (15) minutes **total per side**, whether or not all speakers are part of an organized presentation.

PLEASE NOTE: ITEMS PULLED FOR DISCUSSION FROM THE CONSENT AGENDA BY MEMBERS OF THE PUBLIC OR BY A COUNCILMEMBER WILL BE TRAILED AND DISCUSSED FOLLOWING ACTION ON THE ADOPTION AGENDA ITEMS.





THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: May 20, 2014 REPORT NO: 14-043

ATTENTION: Budget Review Committee Meeting of the City Council
Agenda of May 21, 2014

SUBJECT: Fiscal Year 2014 Year-End Budget Monitoring Report, #14-043

REFERENCE: Fiscal Year 2014 Mid-Year Budget Monitoring Report, #14-020
Fiscal Year 2014 First Quarter Budget Monitoring Report, #13-095

REQUESTED ACTION:

Accept the report on Fiscal Year 2014 Year-End Budget Monitoring and approve the requested actions as outlined in the report.

STAFF RECOMMENDATION:

Approve the requested actions.

SUMMARY:

See attachment: Fiscal Year 2014 Year-End Budget Monitoring Report, #14-043

FISCAL CONSIDERATIONS:

Appropriation adjustments and authorities are requested to bring the General Fund and other funds into balance at year-end. Also included are requests to close incomplete capital projects and to de-appropriate excess funding in capital projects. Finally, authorities are included that are typically requested at year-end to maintain compliance with the City Charter and Municipal Code.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This item will be heard at the Budget Review Committee of the City Council on May 21, 2014 and at City Council on June 9, 2014. This item does not require two Council hearings and will be amending the budget via resolution.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Attachment: Fiscal Year 2014 Year-End Budget Monitoring Report, #14-043

Fiscal Year 2014 Year-End Budget Monitoring Report



City of San Diego Financial Management Department May 2014

signature on file

Scott Chadwick
Chief Operating Officer

signature on file

Mary Lewis
Chief Financial Officer

signature on file

Tracy McCraner
Financial Management Director

signature on file

Alia Khouri
Budget Coordinator

INTRODUCTION

The FY 2014 Year-End Budget Monitoring Report (Year-End Report) presents year-end projections of revenues and expenditures for funds with budgeted personnel expenditures. Year-end projections were developed using actual (unaudited) data from July 2013 through March 2014, which provides nine accounting periods of actual activity, and departments' anticipated spending trends for the remaining three accounting periods of the fiscal year.

A high-level summary of projected revenues and expenditures, including the impact of the projected activity on the unrestricted fund balance of the General Fund and reserve targets, are discussed in this report. Projections of operating results at fiscal year-end are compared to the FY 2014 Mid-Year Budget Monitoring Report (Mid-Year Report) issued February 21, 2014. An in-depth summary of the General Fund major revenues and discussion on the factors contributing to the latest projection is also included. In addition, this report includes explanations of projected variances for departments and funds over \$500,000, as well as, updates on priority items included in the FY 2014 current budget. Current vacancies in comparison to the budgeted vacancies for every department and fund are displayed in an attachment to the report. The current status of these vacancies with the hiring process can be found in the Status of Vacant Positions Memorandum distributed by Tracy McCraner, Financial Management Director, on May 2, 2014 and is attached to this report for reference.

This report also includes a request for City Council approval of appropriation adjustments for departments and funds which project to exceed budget as well as administrative authorities to ensure the fiscal year is closed with departments and funds in balance.

In accordance with the revised City's Reserve Policy (Council Policy 100-20), the Year-End Report includes an update regarding the reserves for various City funds. The City's Reserve Policy documents the City's approach to establishing and maintaining adequate reserves across the spectrum of City operations, including General Fund, risk management, and enterprise fund operations. In accordance with the revised City's Reserve Policy, a status report of the current reserves and projections of future reserve levels are to be presented in the quarterly budget monitoring reports. A description of the changes to the Reserve Policy is included in the General Fund Reserves Section of this report.

The tables throughout this report may not foot due to rounding.

GENERAL FUND

OVERVIEW

The General Fund is projected to end the fiscal year with \$9.9 million of revenue in excess of expenditures as shown in Table 1: Summary of FY 2014 General Fund Projections. Revenue is projected to exceed budget by \$23.3 million, or 1.9 percent, and expenditures are projected to end the year \$9.0 million, or less than a percent under budget. This is a \$32.3 million improvement from the current budget, which includes the use of \$22.4 million in General Fund fund balance (included in the Fiscal Year 2014 Adopted Budget). The current projection for FY 2014 year-end includes a General Fund reserve of \$149.8 million, or 14.0 percent, and \$18.5 million or 1.7 percent of Excess Equity.

Summary of FY 2014 General Fund Projections					
<i>Table 1</i>		<i>in millions</i>			
Revenue/Expenditures	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	\$ 1,203.0	\$ 1,244.9	\$ 1,268.1	\$ 23.3	1.9%
Expenditures	1,225.5	1,267.3	1,258.3	9.0	0.7%
Net Year-End Projection	\$ (22.4)	\$ (22.4)	\$ 9.9	\$ 32.3	

The current projected General Fund expenditure savings of \$9.0 million is reduced from the Mid-Year Report by \$18.5 million as reflected in Table 2: Comparison of FY 2014 General Fund Projections. The reduced savings is primarily due to \$22.9 million of projected Excess Equity appropriated to fund critical needs presented in the Mid-Year Report and approved by City Council on March 13, 2014 in the Mid-Year Adjustment Resolution (R-308783).

Comparison of FY 2014 General Fund Projections				
<i>Table 2</i>		<i>in millions</i>		
Revenue/Expenditures	Mid-Year Report	Year End Report	Variance	Change %
Projected Revenue	\$ 1,265.4	\$ 1,268.1	\$ 2.7	0.2%
Projected Expenditures	1,237.0	1,258.3	21.3	1.7%
Personnel Expenditures	890.8	890.4	(0.4)	0.0%
Non-Personnel Expenditures	346.2	367.9	21.7	6.3%
Net Year-End Projection	\$ 28.4	\$ 9.9	\$ (18.5)	

The \$22.9 million appropriation increase approved in the Mid-Year Adjustment Resolution (R-308783) is projected to be fully expended with the exception of \$1.3 million in the Economic Development Department for budget overruns in the North Embarcadero Visionary Plan (NEVP) and \$4,000 in the Personnel Department for optimization of the NEOGOV software. The \$1.3 million decrease in anticipated spending and other unanticipated fluctuations in revenue and expenditure projections have occurred since the Mid-Year Report. The unanticipated increase in

revenue is \$2.7 million and the unanticipated decrease in expenditures is \$1.6 million. These fluctuations result in a net increase in savings of \$4.4 million as displayed in Table 3: Unanticipated Fluctuation in Projections from the Mid-Year Report.

Unanticipated Fluctuation in Projections from the Mid-Year Report				
Table 3		in millions		
	Approved Use of Surplus ¹	Current Projection Variance	Unanticipated Change	
Revenue	\$ -	\$ 2.7	\$	2.7
Expenditures	22.9	21.3	\$	(1.6)
Net Change	\$ (22.9)	\$ (18.5)	\$	4.4

¹ Approved Mid-Year Adjustment Resolution (R-308783)

The most notable change in the revenue projection is a \$3.7 million increase reflected in the General Fund Major Revenues, and is primarily due to improved Sales Tax, Franchise Fee and Transient Occupancy Tax (TOT) revenue projections. Other notable revenue increases include \$1.1 million in the Real Estate Assets Department due to improved performance of Mission Bay leases, and \$1.1 million in the Police Department for reimbursable work in support of the abandoned vehicle abatement program performed in FY 2012. Minor revenue increases in various departments totaling \$1.1 million also contribute to the overall improvement. Decreased revenue projections in the Office of the City Attorney of \$1.6 million, Public Works – Engineering and Capital Projects of \$1.3 million, and Economic Development of \$1.1 million, as well as \$300,000 in various departments, offset the increased revenue projections. Details about the projections for departments with significant variances are included in the department summaries section later in this report.

After taking into account the increased expenditures from the use of Excess Equity approved in the Mid-Year Adjustment Resolution (R-308783), the most notable change in the expenditure projection is a \$3.5 million increase in Citywide Program Expenditures to support increased claims in the Public Liability Fund, and a \$1.2 million increase in the Police Department for Fringe Benefits. Minor expenditure increases in other departments totaling \$900,000 are also contributing to the change in projection. The increased expenditure projections in these departments are more than offset by decreased expenditure projections of \$7.4 million. The Economic Development Department includes the most significant decrease with \$1.9 million; however, \$1.3 million is due to savings from the NEVP project, which was included in the \$22.9 million approved use of Excess Equity. The Fire-Rescue Department includes a \$700,000 decrease and decreases of \$600,000 in each of the Office of the City Attorney and Environmental Services and Development Services Departments are also included. Additional significant decreases include \$400,000 in each of the City Treasurer, Public Works – Engineering and Capital Projects, Transportation and Storm Water and Real Estate Assets Departments. Other minor expenditure decreases in various departments totaling \$1.4 million are also offsetting the increased projections and are primarily in Salaries and Wages due to vacancies. The Vacant Positions Memorandum released on May 2, 2014 includes detailed explanations of the hiring

status of current vacancies and is included in this report as Attachment VI: Status of Vacant Positions Memorandum and Attachments. Details about the projections for departments with significant variances are included in the department summaries section later in this report.

Referring to the current year-end projection displayed in Table 1: Summary of FY 2014 General Fund Projections, the revenue projection exceeds budget by \$23.3 million and the expenditure projection is under budget by \$9.0 million, resulting in \$18.5 million in projected Excess Equity.

REVENUE

As displayed in Table 4: Summary of FY 2014 General Fund Revenue Projections, revenue is projected to exceed budget by \$23.3 million, or 1.9 percent.

The General Fund Major Revenues are projected to exceed budget by \$19.0 million primarily due to Property Tax revenue. Also contributing to the over budget projection is Franchise Fees, however, this improvement is offset by under budget Sales Tax projections.

Summary of FY 2014 General Fund Revenue Projections					
<i>Table 4</i>					<i>in millions</i>
Revenue	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Projected Revenue					
General Fund Major Revenues	\$ 894.9	\$ 936.7	\$ 955.7	\$ 19.0	2.0%
Departmental Revenue	308.1	308.1	312.4	4.3	1.4%
Total	\$ 1,203.0	\$ 1,244.9	\$ 1,268.1	\$ 23.3	1.9%

Departmental revenue is projected to exceed budget by \$4.3 million. The over budget revenue projection can primarily be attributed to the Fire-Rescue Department and is due to reimbursements for work performed in prior years for Strike Team deployments and the Airport Authority, as well as, a refund from a discontinued helicopter maintenance program.

EXPENDITURES

The overall positive expenditure projection variance is \$9.0 million. The variance is comprised of budgetary savings of \$6.0 million in personnel expenditures and \$3.0 million in non-personnel expenditures.

Personnel Expenditures

The current projection for personnel expenditures is under budget by \$6.0 million, as displayed on Table 5: FY 2014 General Fund Personnel Expenditure Projections.

FY 2014 General Fund Personnel Expenditure Projections					
<i>Table 5</i>		<i>in millions</i>			
Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Salaries and Wages	\$ 515.9	\$ 521.6	\$ 517.8	\$ 3.8	0.7%
Fringe Benefits	370.5	374.8	372.6	2.3	0.6%
Total	\$ 886.4	\$ 896.4	\$ 890.4	\$ 6.0	0.7%

The Salaries and Wages category is under budget by \$3.8 million primarily due to savings in salaries attributed to higher vacancies citywide than was assumed in the FY 2014 Adopted Budget. The most significant savings in salaries are projected in the Police and Fire-Rescue Departments. The savings in salaries offset the over budget projections in overtime and pay-in-lieu of annual leave that are primarily in the Police and Fire-Rescue Departments. Hourly wages are also projected to exceed budget in the Park and Recreation Department.

Overall, the Fringe Benefits category is projected to be under budget by \$2.3 million. The fixed and variable fringe benefit expenditure projections exceed budget by \$500,000 and \$300,000, respectively. While the fixed fringe benefit expenditures are adjusted to meet the targeted budget amounts by fiscal year-end, slight variances from the fixed targets are present. When the FY 2014 Adopted Budget was developed, these expenses were distributed among City departments and funds based upon budgeted positions; however, actual expenditures to date combined with year-end projections reflect shifts in personnel activity from the budgeted amounts. Over budget variable fringe benefit expenditures are primarily the result of increased Supplemental Pension Savings Plan (SPSP) contributions by the City, as discussed in the Mid-Year Report. As shown below in Table 6: FY 2014 General Fund Fringe Benefit Projections, the budget for Fringe Benefits increased by \$3.1 million as approved by City Council on October 28, 2013 to support the Improvement of Government Operations plan (R-308540) and on March 3, 2014 to support the Mid-Year Adjustment Resolution (R-308783). As a result, total Fringe Benefits are projected to be \$2.3 million under budget at fiscal year-end.

FY 2014 General Fund Fringe Benefits Projections					
<i>Table 6</i>		<i>in millions</i>			
Fringe Benefits Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Fixed	\$ 288.5	\$ 289.7	\$ 290.2	\$ (0.5)	-0.2%
Variable	82.1	82.1	82.4	(0.3)	-0.4%
Other ¹	-	3.1	-	3.1	100.0%
Total	\$ 370.5	\$ 374.8	\$ 372.6	\$ 2.3	0.6%

¹ Approved Mid-Year Adjustment Resolution (R-308783)

Non-Personnel Expenditures

The General Fund Non-Personnel Expenditure Projections include \$3.0 million in projected savings of non-personnel expenditures. A \$1.7 million variance in Energy and Utilities is

primarily due to savings in Fleet fuel costs in the Fire-Rescue and Environmental Services Departments. The Fleet fuel budget was developed using a zero based budgeting method in FY 2013, as a result of the separation of Fleet fuel expenditures from Fleet usage expenditures for greater transparency in accounting essential under the Most Efficient Government Organization (MEGO). Due to the new budgeting method, limited data was available at the time the FY 2014 budget was developed, thus resulting in a positive variance in a few departments which makes up the majority of the projected savings in non-personnel expenditure projections.

FY 2014 General Fund Non-Personnel Expenditure Projections					
<i>Table 6</i>	<i>in millions</i>				
Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Contracts	\$ 148.5	\$ 183.1	\$ 182.2	\$ 0.9	0.5%
Supplies	25.0	27.4	27.5	(0.1)	-0.4%
Information Technology	29.7	31.8	31.7	0.1	0.3%
Energy and Utilities	38.7	38.7	36.9	1.7	4.4%
Transfers Out	81.9	76.8	76.8	-	0.0%
Other	5.7	5.7	5.6	0.1	1.8%
Debt	4.9	4.9	4.9	-	0.0%
Capital Expenditures	2.7	2.6	2.3	0.3	11.7%
Appropriated Reserve ¹	2.0	-	-	-	0.0%
Total	\$ 339.1	\$ 370.9	\$ 367.9	\$ 3.0	0.8%

¹ The FY 2014 budget includes \$2.0 million budgeted in the General Fund Appropriated Reserve for the purpose of funding a Police Officer retention program. City Council approved the use of this budget to increase uniform and equipment allowance, and provided funding for police officer recruitment activities on August 28, 2013 (R-308405).

Savings in Contracts of \$850,000 is due to delayed equipment rental contracts in the Transportation and Storm Water Department as well as savings related to delayed Community Plan Updates (CPUs) in the Development Services Department. Delays in the tree trimming contract in the Park and Recreation and Transportation and Storm Water Departments are also contributing to the under budget projection. These savings are partially offset by increased Contracts expenditures of \$3.2 million in Citywide Program Expenditures for Public Liability Fund claims.

Savings in Capital Expenditures of \$250,000 are due to expenditures for lifeguard towers and vehicles in the Fire-Rescue Department, which were expended at the end of FY 2013, thus resulting in savings this fiscal year.

Other minor variances displayed in the table are due to a variety of operational causes. Details of significant variances are included in the summaries by department later in this report.

GENERAL FUND RESERVES

Amendments to the City's Reserve Policy (Council Policy 100-20) were presented and approved by City Council on February 10, 2014 (R-308740). The following provides a summary of significant revisions to the Reserve Policy impacting the General Fund.

- Increase of the total required reserve level target from 8.0 percent to 14.0 percent, with the Emergency Reserve level target at 8.0 percent and the Stability Reserve level target at 6.0 percent;
- Change of the revenue basis for the reserve percentage from current revenues to a three-year average of the most recent audited operating revenues, and;
- Definition of funds above the required reserve level as Excess Equity and provisions for its use.

The following discusses the projected reserves and unrestricted fund balance for the General Fund in accordance with the amended City's Reserve Policy based on year-end projected activity as displayed in Table 7: FY 2014 General Fund Reserve Estimates.

FY 2014 General Fund Reserve Estimates		
<i>Table 7</i>		<i>in millions</i>
Description	Amount	Revenue %¹
FY 2013 Ending Unrestricted Fund Balance	\$ 179.5	16.8%
FY 2014 Projected Activity		
Projected Revenue	1,268.1	
Projected Expenditures	(1,258.3)	
	\$ 9.9	
Loan to Successor Agency	\$ (21.1)	
FY 2014 Projected Ending Unrestricted Fund Balance	\$ 168.3	15.7%
Emergency Reserve	85.6	8.0%
Stability Reserve	64.2	6.0%
FY 2014 Required Reserve Level	\$ 149.8	14.0%
Excess Equity ²	18.5	1.7%
City Council Community Projects, Programs and Services	(1.7)	
Revised Excess Equity	16.8	1.6%

¹ The General Fund Reserve percentage calculation and measurement target is based on the most recent three year average of annual audited General Fund operating revenues.

² Excess Equity is spendable and unrestricted fund balance that is not otherwise assigned to General Fund Reserves and is available for appropriation. Excess Equity is most commonly a non-recurring source of revenue.

The FY 2013 Ending Unrestricted Fund Balance was \$179.5 million. After taking into account the net gain from the projected activity of \$9.9 million and the Loan to the Successor Agency of \$21.1 million, the FY 2014 Projected Ending Unrestricted Fund Balance is \$168.3 million or 15.7 percent. The required reserve levels under the revised City's Reserve Policy is 14.0 percent

of the most recent three year average of annual audited revenue which is currently \$149.8 million as displayed in the table. After accounting for the required reserve level and the funding required to support the City Council Community Projects, Programs and Services in FY 2015, the available unrestricted fund balance defined by the City's Reserve Policy as Excess Equity is \$16.8 million, or 1.6 percent.

The 1.6 percent is recommended to remain available in the General Fund to fully fund the Public Liability Reserve through the FY 2015 May Revise. Any amount of Excess Equity available above the funding needed for the Public Liability Reserve would be utilized for anticipated fluctuations in activity through the end of the fiscal year for public safety department costs related to the recent wildfires, as well as to support potential expenditures related to the dissolution of the Redevelopment Agency (RDA). The FY 2015 May Revise includes a recommendation to use \$12.8 million of the projected Excess Equity to fund the Public Liability Reserve, which would meet the 50.0 percent reserve target as outlined in the City's Reserve Policy. Use of Excess Equity to fund the Public Liability Reserve is consistent with City Council Budget Policy (Policy No. 000-02) limiting the use of one-time revenue to support one-time expenditures.

MAJOR GENERAL FUND REVENUES

As reflected in Table 8: FY 2014 General Fund Major Revenue Projections, the City's major revenues are projected to exceed budget by \$19.0 million. The primary contributor to the positive variance is property tax revenue, which is projected to exceed budget due to unanticipated residual distributions from the Redevelopment Property Tax Trust Fund (RPTTF), and the receipt of funds following the dissolution of the San Diego Data Processing Corporation (SDDPC). Also contributing to the positive variance in General Fund major revenues are franchise fees, property transfer tax, and motor vehicle license fee revenues. The over budget projection in these categories are slightly offset by under budget projections in transient occupancy and sales tax revenues.

FY 2014 General Fund Major Revenue Projections					
<i>Table 8</i>					<i>in millions</i>
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Tax	\$ 408.0	\$ 443.9	\$ 458.0	\$ 14.1	3.2%
Sales Tax	248.1	248.1	245.3	(2.8)	-1.1%
Transient Occupancy Tax ¹	87.9	87.9	87.5	(0.3)	-0.4%
Franchise Fees ²	67.0	67.0	69.6	2.5	3.8%
Property Transfer Tax	7.0	7.0	8.3	1.2	17.6%
Motor Vehicle License Fees	-	-	0.6	0.6	100.0%
Other Major Revenue	76.9	82.7	86.5	3.7	4.5%
Total	\$ 894.9	\$ 936.7	\$ 955.7	\$ 19.0	2.0%

¹ Total City FY 2014 current revenue budget for transient occupancy tax is \$167.7 million and the projection is \$167.1 million. The balance is budgeted in the Transient Occupancy Tax Fund.

² Total City FY 2014 current revenue budget for franchise fees is \$129.1 million and the projection is \$133.7 million. The balance is budgeted in the Environmental Growth and Underground Surcharge Funds.

The FY 2014 current budget is increased by \$41.8 million from the FY 2014 budget primarily due to the critical funding needs presented in the Mid-Year Report and approved by City Council via Mid-Year Adjustment Resolution (R- 308783). This increase in the FY 2014 current budget includes a \$34.9 million increase for RPTTF residual distributions and a \$5.9 million increase for funds received following the dissolution of SDPPC.

The projections for General Fund major revenues are based on the most recent economic information and revenue distributions to the City. When the FY 2014 budget for the General Fund major revenues was developed, it incorporated a projection of continuing improvement in the local, State, and national economies for the fiscal year. The positive signs shown by local economic indicators during the development of the budget have generally continued through the first three quarters of the fiscal year, as reflected in Table 9: Local Economic Indicators. While the improvement in the local economy has been modest during the first three quarters of FY 2014, Moody's Investor Services believes the worst has passed and that the City entered an era that has been titled as the 'new stable'. Moody's projects the 'new stable' to be a 12 to 18 month period in which revenue growth is positive but constrained. This expectation and projection for the City's revenue is consistent with information received from the City's sales tax consultant, the San Diego Tourism Authority, and the UCLA Anderson Forecast.

Local Economic Indicators			
<i>Table 9</i>			
Economic Indicator	April 2013	April 2014	Change %
City of San Diego Unemployment	7.2%	6.0%	-1.2%
City of San Diego Number of Unemployed	51,000	42,500	-16.7%
San Diego County Home Sales	3,801	3,662	-3.7%
San Diego County Median Home Price	\$419,596	\$450,067	7.3%
San Diego County Foreclosures	354	234	-33.9%
San Diego County Notices of Default	770	526	-31.7%
Source: California Employment Development Department, DataQuick Information Systems, San Diego County Assessor/Auditor/Recorder's Office			

The unemployment rate in the City of San Diego for April 2014 has dropped by 1.2 percent when compared to April 2013, while the total number of unemployed has decreased by 16.7 percent. There has also been a continuation in the significant decreases in foreclosures and notices of default when compared to the same time period last fiscal year. In addition to local employment and real estate indicators showing improvement, the most recent update to the University of San Diego's (USD) Index of Leading Economic Indicators reflects positive changes. This index provides a broader picture of the local economy, as it summarizes data across several areas, including building permits, unemployment, stock prices, consumer confidence, help wanted advertising, and the national economy.

The local economic indicators and over budget projection in the General Fund major revenues support the position that the economy is continuing to modestly improve. Although it is expected that improvement in the local economy will continue through the last quarter of FY 2014,

economic indicators will be closely monitored for potential impacts to the General Fund's major revenues.

Property Tax

FY 2014 Property Tax Revenue Projections					
<i>Table 10</i>	<i>in millions</i>				
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Tax Growth Rate	2.2%	2.2%	4.0%	1.8%	N/A
Property Tax Projection	\$ 408.0	\$ 443.9	\$ 458.0	\$ 14.1	3.2%

Property tax revenue is projected to be over budget at year-end as compared to the current budget. The projected increase from the current budget is primarily due to the 1.0 percent base property tax and the MVLFF backfill payment. The year-end projection for the 1.0 percent base property tax varies from the current budget by \$7.0 million due to higher than anticipated assessed valuation growth in FY 2014 and a projected decrease in refunds. The FY 2014 Adopted Budget incorporated a growth rate of 2.2 percent based on preliminary assessed valuation estimates from the San Diego County Assessor/Recorder/Clerk; however, the City's final assessed valuation exceeded preliminary estimates. Additionally, the MVLFF backfill payment varies from the current budget by \$2.0 million as a result of the actual payment being higher than budgeted.

The year-end projection also reflects a \$100,000 increase from the projection in the Mid-Year Report due to a \$1.3 million increase in residual tax sharing revenue, which is offset by decreases of \$900,000 in the 1.0 percent base property tax and a \$300,000 decrease in tax sharing distribution. Additionally, the current budget reflects an increase of \$35.9 million from the FY 2014 Adopted Budget as approved by City Council on October 28, 2013 to support the Improvement of Government Operations plan (R-308540) and on March 3, 2014 to support the Mid-Year Adjustment Resolution (R-308783). These increases to the current budget are primarily the result of increased residual tax sharing revenue.

Approved assessed valuation appeals result in refunds of property taxes to the applying property owner, which negatively impacts the total projected property tax revenue to be received by the City. However, a significant number of temporary assessed valuation reductions granted during the recession have been eliminated due to the recovery of the local economy. Financial Management continues to monitor and analyze property tax reassessment and refund amounts reported by the San Diego County Assessor/Recorder/County Clerk's Office. As the economy continues to improve, it is anticipated that fewer applications for assessed valuation appeals will be submitted to the County, and the temporary reassessments previously granted will be eliminated. As a result, the FY 2014 year-end property tax projection includes lower property tax refunds compared to prior fiscal years.

The FY 2014 year-end property tax projection includes a total tax sharing pass-through payment of \$4.0 million from the former RDA, based on projections for the upcoming Recognized

Obligation Payments Schedule (ROPS). The \$4.0 million payment reflects a \$1.0 million increase over the current budget. In addition to tax sharing pass-through payments, the City will receive residual property tax payments. The residual property tax payment is the City's proportionate share of funds remaining in the RPTTF after ROPS requirements have been met. The anticipated residual property tax payment is currently projected to be \$12.3 million; however, it should be noted that it is difficult to accurately project RPTTF residual distributions due to ongoing uncertainties surrounding the dissolution of redevelopment agencies.

In addition to the residual payments from the ROPS, and in accordance with the Dissolution Laws, the Successor Agency to the former RDA was required to conduct a Due-Diligence Review (DDR) of the Successor Agency's Non-Housing Assets and report to the California Department of Finance (DOF). Following a review of the Non-Housing DDR by the DOF and subsequent meet and confer proceedings, the DOF issued a final determination which required the Successor Agency to remit \$167.3 million to the San Diego County Auditor and Controller to be distributed to the local taxing entities as general property taxes on a pro rata basis. The Non-Housing DDR payment included the "clawback" of \$21.1 million of payments made by the Successor Agency as a result of being disallowed by the DOF. Table 11: Non-Housing DDR "Clawback" Amounts details the disallowed payments. Additionally, as a result of the Successor Agency's payment of the Non-Housing DDR demand amount to the San Diego County Auditor and Controller, the City received approximately 21.0 percent, or \$34.9 million, of this payment back from the San Diego County Auditor and Controller as a one-time residual distribution of RPTTF.

Non-Housing DDR "Clawback" Amounts	
<i>Table 11</i>	<i>in millions</i>
Disallowed Payments	2nd Quarter CY 2014
Pecto Park Debt Service Payment ¹	\$ 11.3
OIG/HUD CDBG Debt Payments	3.3
Convention Center PH II Debt Service Payment ¹	2.0
Long Term City Debt payment ¹	1.0
NTC HUD Section 108 Loan payments ²	0.2
Mt. Hope HUD Section 108 Loan payments ¹	-
Payments to the City for the Barrio Logan Community Plan Update	0.2
Convention Center Phase III loan between the SDCCC and Agency	3.0
Total	\$ 21.1

¹ Disallowed in ROPS 3 – Letter from DOF dated December 27, 2012

² Disallowed in ROPS 4 – Letter from DOF dated May 17, 2013

As result of an increase in ROPS residual distributions and the one-time distribution following the Non-Housing DDR payment, the year-end projection includes a total residual property tax payment of \$47.2 million, a \$4.0 million increase over the current budget. Combined, these components in the property tax projection result in a net over budget projection of \$14.1 million, as displayed in Table 12: FY 2014 Property Tax Revenue Projections Details.

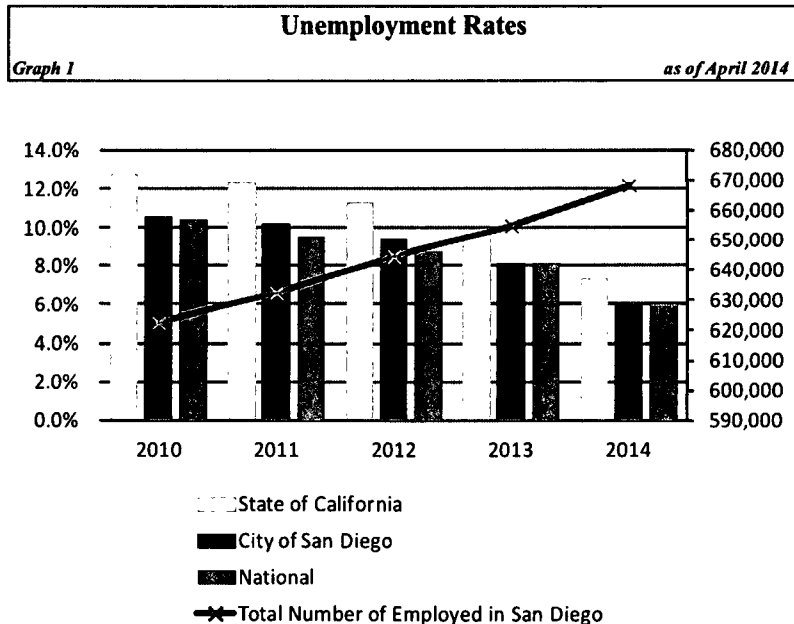
FY 2014 Property Tax Revenue Projections Details					
<i>Table 12</i>	<i>in millions</i>				
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
1% Property Tax	\$ 290.4	\$ 291.4	\$ 298.4	\$ 7.0	2.4%
MVLF Backfill	106.4	106.4	108.4	2.0	1.9%
RPTTF Tax Sharing Pass-through Payments	3.0	3.0	4.0	1.0	35.1%
RPTTF Residual Property Tax	8.2	43.2	47.2	4.0	9.4%
Total	\$ 408.0	\$ 443.9	\$ 458.0	\$ 14.1	3.2%

Sales Tax

FY 2014 Sales Tax Revenue Projections					
<i>Table 13</i>	<i>in millions</i>				
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Sales Tax Growth Rate	5.5%	5.5%	4.5%	-1.0%	N/A
Sales Tax Projection	\$ 248.1	\$ 248.1	\$ 245.3	\$ (2.8)	-1.1%

Sales tax revenue is projected to be under budget at year-end as compared to the current budget. The decrease is primarily due to weak growth in consumer spending, including lower gas prices during the first half of FY 2014, as well as weak holiday sales performance compared to expectations of the modestly improving economy. The growth rate of 5.5 percent included in the FY 2014 budget was decreased to 4.5 percent for the second half of the fiscal year to adjust for the weaker growth. Despite the lowered growth rate and under budget projection for FY 2014, sales tax revenue receipts are projected to increase from FY 2013.

Major local economic drivers of the City's sales tax receipts include the unemployment rate, and consumer confidence and spending. As of April 2014, the San Diego unemployment rate was 6.0 percent, as reported by the California Employment Development Department. The unemployment rates for both the State of California and the nation are 7.3 percent and 5.9 percent, respectively, as shown



Source: State of California, Employment Development Department

in Graph 1: Unemployment Rates. As the local unemployment rate improves, consumer confidence typically increases, which is anticipated to lead to continued growth in the City's sales tax receipts.

While not reaching levels projected in the FY 2014 budget, the City of San Diego continues to experience a steady but moderate increase in sales tax revenue when compared to FY 2013, with gains reported in all economic sectors as displayed in Table 14: Quarterly Sales Tax Revenue. The year-end projection reflects a \$1.4 million increase from the projection in the Mid-Year Report due to actual holiday sales exceeding expectations. Sales tax data from MuniServices, LLC, indicates that expected gains in taxable sales from apparel stores, restaurants, liquor stores, automobile sales, and construction materials should help maintain this trend throughout the remainder of FY 2014.

Quarterly Sales Tax Revenue				
<i>Table 14</i>	<i>in millions</i>			
Economic Category	2nd Quarter FY 2013	2nd Quarter FY	Variance %	
General Retail	\$ 17.5	\$ 17.9	2.3%	
Food Products	11.9	12.5	5.0%	
Transportation	10.4	10.9	4.8%	
Business to Business	3.9	4.0	2.6%	
Construction	9.2	9.3	1.1%	
Total	\$ 52.9	\$ 54.6	3.2%	

Source: MuniServices, LLC

Transient Occupancy Tax (TOT)

FY 2014 Transient Occupancy Tax (TOT) Revenue Projections					
<i>Table 15</i>	<i>in millions</i>				
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
TOT Growth Rate	6.0%	6.0%	6.0%	0.0%	N/A
TOT Projection	\$ 87.9	\$ 87.9	\$ 87.5	\$ (0.3)	-0.4%

General Fund TOT revenue is projected to be higher at year-end than the amount received in FY 2013 due to the positive tourism growth expected to be sustained throughout FY 2014; however, this category is projected to be slightly under budget as a result of lower year-to-date receipts as compared to the FY 2014 budget. Recent TOT activity in February and March are promising, but as of the date of this report do not represent enough of a trend to warrant increasing the projections for year-end.

Major economic drivers of TOT include hotel occupancy rates, daily room rates, business travel, and conventions. Sustained positive tourism growth has occurred since the economic turnaround began in FY 2010 and this trend is expected to continue through the remainder of FY 2014,

according to the December 2013 Quarterly Travel Forecast from the San Diego Tourism Authority (SDTA) and Tourism Economics, Inc. Table 16: San Diego County Visitor Industry provides a summary of the projected growth in economic indicators that impact the City's transient occupancy tax receipts.

San Diego County Visitor Industry				
<i>Table 16</i>				
	CY 2011	CY 2012	CY 2013	CY 2014¹
Visitors				
Total Visits (millions)	31.1	32.3	33.0	33.5
Overnight Visits (millions)	15.8	16.1	16.4	16.8
Hotel Sector				
Avg. Occupancy	68.7%	70.5%	71.5%	72.4%
Avg. Daily Rate	\$ 125.59	\$ 131.22	\$ 135.02	\$ 140.36
Rev PAR ²	\$ 86.27	\$ 92.56	\$ 96.50	\$ 101.68
Room Demand (growth)	3.7%	2.9%	2.2%	2.8%

Source: San Diego Tourism Authority and Tourism Economics Inc.

¹ Forecast - Tourism Economics Inc. December 2013

² Revenue Per Available Room (Average Occupancy multiplied by Average Daily Rate)

The year-end projection for TOT reflects a \$700,000 increase from the projection in the Mid-Year Report as a result of the City's actual TOT receipts for February and March exceeding projections. The increased receipts during the third quarter of FY 2014 may be partially attributed to the SDTA seasonal advertising campaign that began in January 2014.

Franchise Fees

FY 2014 Franchise Fee Revenue Projections					
<i>Table 17</i>					
<i>in millions</i>					
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
SDG&E Growth Rate	2.0%	2.0%	2.0%	0.0%	N/A
Cables Growth Rate	4.0%	4.0%	4.0%	0.0%	N/A
Franchise Fee Projection	\$ 67.0	\$ 67.0	\$ 69.6	\$ 2.5	3.8%

Franchise fee revenue is projected to exceed budget by fiscal year-end as compared to the current budget. Franchise fee revenue is generated from agreements with private utility companies and refuse haulers in exchange for the use of the City's rights-of-way. Currently, the City has franchise agreements with SDG&E, Cox Communications, Time Warner Cable, AT&T, and refuse haulers. Approximately 90.0 percent of franchise fee revenue is comprised of receipts from SDG&E and the cable companies. The revenue received from the agreements with SDG&E and the cable companies is based on a percentage of gross sales while the revenue received from refuse haulers is based on tonnage.

The excess revenue projection for franchise fees is attributed to an increase in revenue from SDG&E and refuse haulers. The revenue increase is partially offset by a decrease in revenue from cable companies. The increase in SDG&E franchise fee revenue is primarily due to increased energy consumption and seasonal natural gas sales and consumption. The increase in refuse hauler franchise fee revenue is attributed to favorable economic indicators and one-time penalty payments. Offsetting the increases in SDG&E franchise fees, revenue receipts associated with cable franchise fees have decreased for two consecutive quarters. The decrease in cable franchise fees is consistent with recent publications that cite a general decline in demand for cable services.

Property Transfer Tax

FY 2014 Property Transfer Tax Projections					
<i>Table 18</i>		<i>in millions</i>			
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Transfer Tax Growth Rate	8.0%	8.0%	10.0%	2.0%	N/A
Property Transfer Tax Projection	\$ 7.0	\$ 7.0	\$ 8.3	\$ 1.2	17.6%

Property transfer tax is levied on the sale of residential and commercial real estate property and is highly reflective of the activity in the housing market, which makes property transfer tax revenues generally more volatile to market changes than the 1.0 percent property tax levy. The County of San Diego collects \$1.10 per \$1,000 of the sale price when any real property is sold. The City is credited \$0.55 per \$1,000 against the County's charge, giving both the County and City each \$0.55 per \$1,000 of the sale price. The funds are collected by the County upon a sale of real property within City limits and transferred to the City on a monthly basis.

Property transfer tax revenue is projected to be over budget by fiscal year-end as compared to the current budget. The increased year-end projection is due to actual receipts exceeding budgeted amounts during the first three quarters of the fiscal year. Also, a positive outlook in the local housing market continues to suggest a higher than anticipated growth rate for year-end revenue receipts. The 8.0 percent growth rate included in the FY 2014 budget was increased to 10.0 percent in the Mid-Year Report and will remain at this rate for the remainder of the fiscal year. Table 19: Local Economic Indicators displays the latest indicators on the local real estate market. The positive statistics contribute to the projection of increased property transfer tax revenue at year-end.

Local Economic Indicators			
<i>Table 19</i>			
Economic Indicator	March 2013	March 2014	Variance %
San Diego County Home Sales	3,808	3,057	-19.7%
San Diego County Median Home Price	\$395,979	\$443,658	12.0%
San Diego County Foreclosures	320	175	-45.3%
San Diego County Notices of Default	669	495	-26.0%

Source: DataQuick Information Systems, San Diego County Assessor/Recorder/County Clerk's Office

Motor Vehicle License Fee (MVLF)

The FY 2014 budget did not include revenue from MVLF due to the passage of State of California Senate Bill 89, which eliminated MVLF allocations to cities and redirected this revenue to the State's General Fund to support public safety grants. Although no MVLF revenue was included in the budget for this fiscal year, during the first quarter the City received a payment of \$600,000 from the State for penalties and interest on late MVLF payments. No additional receipts are projected for the remainder of FY 2014.

Other Major Revenue

FY 2014 Other Major Revenue Projections					
<i>Table 20</i>	<i>in millions</i>				
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Other Major Revenue Projections	\$ 76.9	\$ 82.7	\$ 86.5	\$ 3.7	4.5%

The Other Major Revenue category includes General Governmental Services Billing (GGSB), which is a reimbursement from other City funds that utilize General Fund services, the one-cent TOT transfer into the General Fund, interest earnings attributable to the General Fund from the City investment pool, and Refuse Collector Business Tax. Other Major Revenue is projected to end the year over budget primarily due to the unbudgeted one time revenue of \$9.8 million resulting from the dissolution of the SDDPC.

GENERAL FUND SUMMARIES BY DEPARTMENT

Citywide Program Expenditures

Expenditures	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Assessments to Public Property	\$ 0.5	\$ 0.5	\$ 0.6	\$ (0.1)	-19.8%
Business Cooperation Program	0.4	0.4	0.3	\$ -	0.0%
Citywide Elections	1.8	8.4	8.7	\$ (0.3)	-3.6%
Corporate Master Leases Rent	9.6	9.6	9.5	\$ 0.1	1.0%
Deferred Capital Debt Service	10.7	10.7	10.7	\$ -	0.0%
Employee Personal Property Claims	0.0	0.0	-	\$ -	0.0%
Insurance	1.6	1.6	1.6	\$ -	0.0%
McGuigan Settlement	8.0	8.0	8.0	\$ -	0.0%
Memberships	0.6	0.6	0.7	\$ (0.1)	-15.9%
Preservation of Benefits	1.7	1.7	1.7	\$ -	0.0%
Property Tax Administration	3.8	3.8	3.8	\$ -	0.0%
Public Liability Claims Transfer - Claims Fund	14.5	24.6	28.1	\$ (3.5)	-14.2%
Public Liability Claims Transfer - Reserves	0.1	3.3	3.3	\$ -	0.0%
Public Use Leases	1.6	1.6	1.6	\$ -	0.0%
Special Consulting Services	3.2	3.2	2.7	\$ 0.6	18.5%
Supplemental COLA	1.4	1.4	1.4	\$ -	0.0%
TRANS Interest Expense Transfer Fund	0.3	0.3	-	\$ 0.3	95.5%
Transfer to Capital Improvements Program	-	-	0.7	\$ (0.7)	0.0%
Transfer to Park Improvement Funds	5.6	5.6	5.6	\$ -	0.0%
Transportation Subsidy	0.7	0.7	0.7	\$ -	0.0%
Total	\$ 66.1	\$ 86.0	\$ 89.6	\$ (3.7)	-4.3%

Expenditures:

Citywide Program Expenditures are projected to exceed budget primarily due to additional funding needed in the Public Liability Fund for increased claim costs. Appropriation increases for over budget mayoral special election costs were requested in the Mid-Year Report and approved by City Council; however, these costs have decreased by \$1.0 million since the mid-year, which is partially offsetting the increased expenditure projections. The FY 2015 reserve contribution to the Public Liability Reserve Fund as well as a \$10.1 million transfer to the Public Liability Operating Fund were also requested in the Mid-Year Report. These requests were approved in the Mid-Year Adjustment Resolution (R-308783) and the budget was increased accordingly. The current projection is an increase over the funding needed in the Mid-Year Report due to increased claims costs. Also contributing to the increased projection are transfer expenditures to fund two Capital Improvements Program (CIP) projects. The Crystal Pier Improvements (S11014) CIP project will receive \$200,000 and the Convention Center Phase II Expansion (S12022) CIP project will receive \$500,000 for engineering studies. The transfer to the Convention Center CIP is a loan to be paid back in FY 2015 when the Convention Center bonds are issued. Authorities requested in this report to close the fiscal year in balance will allow for corrections to the budget at year-end to address the over budget expenditure projections.

Development Services

<i>in millions</i>								
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 3.4	\$ 3.4	\$ 4.0	\$ 0.6	17.0%
2.00	6.00	4.00	Personnel Expenditures	11.7	11.7	11.0	0.7	5.7%
			Non-Personnel Expenditures	3.4	3.4	2.1	1.3	39.2%
			Expenditures	\$ 15.0	\$ 15.0	\$ 13.1	\$ 2.0	13.3%

Revenue:

Revenue in the Development Services – Planning and Neighborhood Code Compliance Department is projected to exceed budget due to higher than anticipated revenue from registration fees generated by the new Property Value Protection Ordinance program. The over budget revenue is also attributed to General Plan Maintenance fees from increased applications for development as a result of the improving economy. The slight increase in revenue projection from the Mid-Year Report is primarily due to additional Property Value Protection Ordinance Program revenue.

Expenditures:

Similar to the Mid-Year Report, personnel expenditures are projected to be under budget due to a delay in filling vacancies resulting from hiring process delays and management review of the organizational needs under the new structure. The Department has projected to fill 2.00 Program Manager positions and 1.00 Senior Management Analyst position by the end of the fiscal year. The savings related to vacancies in salaries and Fringe Benefits are partially offset by over budget projections in pay-in-lieu of annual leave, termination pay, and overtime.

Non-personnel projections are under budget primarily due to unforeseen Community Plan Update (CPU) program delays. Delayed CPU programs include Uptown, North Park, Golden Hill, Grantville, Southeastern San Diego, and Encanto. It is important to note that the FY 2015 Proposed Budget includes additional resources to support the CPU updates. Savings from the Phyllis Place road extension project in Mission Valley is also contributing to the under budget projection and is due to a delay in the environmental and traffic impact studies. These studies are pending further evaluation by Caltrans of roadway alignment impacts to the area in relation to I-805 ramps.

Economic Development

<i>in millions</i>								
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 8.2	\$ 8.2	\$ 7.1	\$ (1.1)	-13.9%
1.00	7.00	6.00	Personnel Expenditures	5.2	5.5	5.0	0.5	9.0%
			Non-Personnel Expenditures	7.8	10.0	8.2	1.8	17.9%
			Expenditures	\$ 12.9	\$ 15.5	\$ 13.2	\$ 2.3	14.7%

Revenue:

Economic Development Department revenue is projected to be under budget by fiscal year-end, which is a significant decrease since the Mid-Year Report. The under budget projection is

primarily due to vacant reimbursable positions and a decrease in the reimbursable revenue which supports the Successor Agency budget. The reimbursable revenue decrease is due to expenditures for housing projects being realized in the Housing Successor Agency Fund rather than through Economic Development Department.

Expenditures:

Similar to the Mid-Year Report, personnel expenditures are projected to be under budget in Salaries and Wages and Fringe Benefits, primarily due to vacancies.

Non-personnel expenditures are projected to be under budget by fiscal year-end, which is a significant change since the Mid-Year Report. Appropriation increases to support extending the homeless shelters and the budget overrun in the North Embarcadero Visionary Plan Phase I (NEVP) project were approved in the Mid-Year Adjustment Resolution (R-308783). The expenditures to support extending the homeless shelters are projected to be fully expended by fiscal year-end; however, the funds for the NEVP will not be spent, and savings are projected for this expense. The budget overrun expenditures for the NEVP were approved as part of the upcoming ROPS. The City had appropriated funds as a contingency only and believed the State should approve the payment as an enforceable obligation. The other contributor to the under budget projection is the corresponding reduction in the expenditures for housing projects being realized in the Housing Successor Agency Fund rather than Economic Development, as mentioned above in the revenue section.

Fire-Rescue

<i>in millions</i>								
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 24.0	\$ 24.0	\$ 27.6	\$ 3.6	15.1%
75.00	83.00	8.00	Personnel Expenditures	189.4	191.8	192.3	(0.5)	-0.3%
			Non-Personnel Expenditures	33.2	33.9	32.6	1.2	3.6%
			Expenditures	\$ 222.7	\$ 225.6	\$ 224.9	\$ 0.7	0.3%

Revenue:

Revenue in the Fire-Rescue Department is projected to exceed budget by fiscal year-end, primarily due to reimbursements received this fiscal year for work performed in prior years for the San Diego County Regional Airport Authority, Strike Team deployments and the discontinued helicopter maintenance program. The current projection is similar to the Mid-Year Report and includes under budget projections for the Combustible Explosive and Dangerous Materials (CEDMAT) inspection fee revenue, which is offset by the refunds and reimbursements previously mentioned.

Expenditures:

Personnel expenditure projections in the Fire-Rescue Department are projected to slightly exceed budget at fiscal year-end primarily due to Fringe Benefits and overtime. The over budget Fringe Benefits projection is slightly offset by an under budget projection in Salaries and Wages due to vacancies within the department. The savings related to vacancies offset the over budget overtime projection. Although the overtime projection has increased since the Mid-Year Report,

the trend is still lower than the overtime experienced by the Department in previous fiscal years due to the addition of new recruits in the workforce. The academies and new additions to the workforce are also anticipated to offset the large number of employees expected to retire. Financial Management and the Fire-Rescue Department will continue to monitor personnel expenditures and staffing levels.

Non-personnel expenditures are projected to be under budget at year-end. The projection has decreased slightly since the Mid-Year Report primarily due to lower fuel, wellness and electricity costs. Similar to the mid-year projections, vehicle usage and assignment fees are projected to exceed budget due to the delayed implementation of the Fleet Services MEGO, which is offset by under budget projections for vehicle leases satisfied in prior years. The most significant savings are projected in Fleet fuel expenditures, which are lower than originally budgeted.

Office of the City Attorney

			<i>in millions</i>				
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance %
FTE			Revenue	\$ 5.6	\$ 5.6	\$ 3.8	\$ (1.8) -32.8%
17.50	21.00	3.50	Personnel Expenditures	42.5	42.9	42.1	0.7 1.7%
			Non-Personnel Expenditures	3.2	3.2	3.2	- 0.0%
			Expenditures	\$ 45.7	\$ 46.1	\$ 45.4	\$ 0.7 1.5%

Revenue:

The Office of the City Attorney revenue is projected to be under budget due to lower than anticipated revenue from court settlement cases, which are difficult to predict. In addition, fewer services are being rendered to other departments for litigation work done on behalf of customer departments, which further decreases the revenue projection. The current projections are lower than anticipated in the Mid-Year Report due to settlement revenue that has not been received or credited to the Office of the City Attorney. The FY 2015 May Revise includes a reduction to this revenue category to more accurately reflect actual settlement revenue.

Expenditures:

Personnel expenditures in the Office of the City Attorney are projected to be under budget at fiscal year-end primarily due to savings in Fringe Benefits. The expenditure projection has declined slightly since the Mid-Year Report as a result of unexpected leave of absences without pay and delays in filling vacant positions. Non-personnel expenditures in the Department are projected to be close to budget at fiscal year-end.

Office of the City Treasurer

<i>in millions</i>								
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 26.0	\$ 26.0	\$ 27.5	\$ 1.5	5.8%
4.00	8.00	4.00	Personnel Expenditures	11.5	11.5	10.9	0.6	5.1%
			Non-Personnel Expenditures	9.0	9.1	8.9	0.1	1.5%
			Expenditures	\$ 20.5	\$ 20.6	\$ 19.9	\$ 0.7	3.5%

Revenue:

Revenue in the Office of the City Treasurer is projected to exceed budget by year-end, which is an improvement from the Mid-Year Report. The over budget revenue is due to additional rental unit business tax and business tax revenue as a result of existing businesses hiring more employees. Increased compliance revenue related to the Franchise Tax Board Compliance Program is also contributing to the over budget revenue.

Expenditures:

Personnel expenditure projections are under budget due to ongoing vacancies, including vacancies related to the Parking Meter Utilization Plan (PMUP), which has not been fully implemented this fiscal year.

The Department is projected to be under budget in non-personnel expenditures due to savings in postage, mailing supplies, and parking meter maintenance. There are also savings in miscellaneous professional and technical services as a result of savings from a new banking contract. The increased savings since the Mid-Year Report are primarily due to additional vacancies in the third quarter, and actual parking citation processing expenditures being lower than projected in the Mid-Year Report.

Police

<i>in millions</i>								
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 44.1	\$ 44.1	\$ 45.3	\$ 1.2	2.8%
130.50	158.50	28.00	Personnel Expenditures	354.1	359.2	360.0	(0.8)	-0.2%
			Non-Personnel Expenditures	64.4	70.4	70.8	(0.4)	-0.6%
			Expenditures	\$ 418.5	\$ 429.7	\$ 430.8	\$ (1.2)	-0.3%

Revenue:

The Police Department revenue is projected to exceed budget by fiscal year-end. Similar to the Mid-Year Report, revenue associated with parking citations, Assembly Bill 109 Public Safety Realignment (AB 109), and reimbursable Police services at Chargers home games are projected to exceed budget. These over budget revenues are partially offset by lower municipal court revenue attributed to the discontinuance of the red light photo enforcement program. The year-end projection has increased since the Mid-Year Report due to an unexpected Abandoned Vehicle Abatement (AVA) program revenue reimbursement for work performed in prior years.

Expenditures:

Personnel expenditures in the Police Department are projected to exceed budget due to Fringe Benefits as discussed in the Personnel Expenditures section of this report. Non-personnel expenditures are slightly over budget primarily due to higher than anticipated costs for photocopy services in the Contracts category. Authorities requested in this report to close the fiscal year in balance will correct the Police Department budget to address the over budget expenditure projection.

Public Works– Engineering and Capital Projects

			<i>in millions</i>				
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance %
FTE			Revenue	\$ 56.5	\$ 56.5	\$ 55.2	(1.3) -2.3%
17.00	32.00	15.00	Personnel Expenditures	55.3	55.8	55.7	0.1 0.2%
			Non-Personnel Expenditures	6.6	7.9	7.5	0.4 5.1%
			Expenditures	\$ 61.9	\$ 63.7	\$ 63.2	\$ 0.5 0.8%

Revenue:

The Public Works – Engineering and Capital Projects Department revenue is projected to be under budget by fiscal year-end. This under budget projection represents a decrease from the Mid-Year Report due to less cost recoverable project work anticipated to be completed during the remainder of the fiscal year as a result of vacancies within the Department.

Expenditures:

Personnel expenditure projections are under budget primarily due to savings in salaries and hourly wages, which are partially offset by over budget expenditures in pay-in-lieu of annual leave, overtime, and Fringe Benefits. The Department currently anticipates hiring 22.00 FTE positions by the end of the fiscal year which is less than the number of positions anticipated to be hired in the Mid-Year Report.

The Department is projecting non-personnel expenditures to be under budget primarily due to delayed IT projects that are now anticipated to be completed in FY 2015. Partially offsetting the savings from delayed IT projects are IT costs related to the relocation from 600 B Street to 525 B Street that were not included in the FY 2014 budget but for which the Department received an appropriation increase via the Mid-Year Adjustment Resolution (R-308783). The current projection represents a decrease from the Mid-Year Report primarily due to savings from the delayed IT projects.

Public Works – General Services

in millions

Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 3.9	\$ 3.9	\$ 3.7	\$ (0.2)	-4.7%
4.00	12.00	8.00	Personnel Expenditures	10.9	10.9	10.3	0.6	5.4%
			Non-Personnel Expenditures	6.0	6.0	6.0	-	0.0%
			Expenditures	\$ 16.8	\$ 16.8	\$ 16.2	\$ 0.6	3.6%

Revenue:

The Public Works – General Services Department revenue is projected to be under budget at year-end. Similar to the Mid-Year Report, the under budget revenue is attributed to performing less reimbursable work for non-general fund departments. If this trend continues, a further decline in revenue could occur.

Expenditures:

Personnel expenditures in the Department are projected to be under budget at year-end. The under budget in Salaries and Wages is offset by over budget projections in pay-in-lieu of annual leave, hourly wages, and overtime. The under budget variance is attributed to 8.00 FTE vacant positions above the budgeted vacancies. The Mid-Year projection anticipated filling the majority of the vacant positions by March 2014; however, due to various delays in the hiring process and a limited pool of candidates, all of the positions are now anticipated to be filled by June 2014.

Similar to the Mid-Year Report, non-personnel expenditures are projected to be close to budget due to a savings in the City's current contracting protocol, and Energy and Utilities from a decrease in water usage. Projected over budget expenditures in Supplies are due to the continued increase in costs for the Maintenance, Repair and Operations (MRO) contracts, and the need to address the ongoing as-needed repairs of various City facilities. The over budget projection in Supplies is offset by savings in Contracts and Energy and Utilities.

Real Estate Assets

in millions

Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 43.3	\$ 43.3	\$ 44.3	\$ 0.9	2.2%
1.00	4.00	3.00	Personnel Expenditures	3.5	3.5	3.3	0.2	4.5%
			Non-Personnel Expenditures	1.4	1.4	1.1	0.3	20.2%
			Expenditures	\$ 4.9	\$ 4.9	\$ 4.4	\$ 0.4	9.0%

Revenue:

The Real Estate Assets Department revenue is projected to exceed budget by fiscal year-end, which is an improvement from the Mid-Year Report. The over budget is due to increased revenue from rents, which is collected based on a percentage of revenue collected by lessees. The current projection is significantly higher than the mid-year projection due to the improved performance by lessees through higher sales derived from an increase in patronage, which is consistent with the City's transient occupancy tax receipts over the last quarter.

Expenditures:

Personnel expenditures are projected to be under budget by fiscal year-end primarily due to decreased Fringe Benefits expenditures resulting from vacancies within the department. Non-personnel expenditures are projected to be under budget at fiscal year-end due to savings in Contracts, including savings from appraisal services, waste removal services, and staff training. Current expenditure projections are lower than projected in the Mid-Year Report primarily due to vacancies within the Department.

Transportation and Storm Water

in millions

Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 46.9	\$ 46.9	\$ 48.1	\$ 1.2	2.5%
16.00	43.00	27.00	Personnel Expenditures	42.6	42.7	41.3	1.4	3.3%
			Non-Personnel Expenditures	49.5	52.6	52.9	(0.3)	-0.5%
			Expenditures	\$ 92.1	\$ 95.3	\$ 94.1	\$ 1.1	1.2%

Revenue:

Revenue projections in the Transportation and Storm Water Department are projected to exceed budget in Charges for Current Services. As discussed in the Mid-Year Report, the over budget revenue is primarily due to reimbursable services performed on construction projects, and street sweeping work. Similar to the Mid-Year Report, parking citation revenue is projected to be over budget while gas tax revenue is projected to be under budget. The gas tax revenue projection is based on the State Department of Finance gas tax projections released in January 2014.

Expenditures:

Personnel expenditure projections are lower than the Mid-Year Report and include under budget Salaries and Wages and Fringe Benefits attributed to a number of unfilled vacancies through the second half of the fiscal year. The majority of the Department's hires have been promotional hires, which has resulted in continuing vacancies throughout the Department. Some of these positions are expected to remain vacant while the Department identifies new efficiencies as an alternative to the Street and Sidewalk Maintenance MEGO. The salary savings from the vacant positions are partially offset by over budget overtime expenditures caused by channel work in the Tijuana River Valley and pay-in-lieu of annual leave.

Non-personnel expenditures are projected to be under budget in Energy and Utilities and Contracts. The projection for Energy and Utilities has continued to decrease since the Mid-Year Report due to energy efficient upgrades to street lights. The savings in Contracts is due to a delay in awarding the heavy construction equipment rental and tree trimming contracts. The positive variance is offset by reimbursement of Caltrans grant expenditures and increased vehicle usage fees due to the delay in implementation of the Fleet Services MEGO.

NON-GENERAL FUNDS

Central Stores Fund

in millions

Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 13.4	\$ 13.4	\$ 11.9	\$ (1.5)	-11.3%
1.00	2.00	1.00	Personnel Expenditures	1.6	1.6	1.7	(0.1)	-5.3%
			Non-Personnel Expenditures	11.7	11.7	10.1	1.6	13.9%
			Expenditures	13.4	13.4	11.8	1.5	11.6%
			Net Year-End Projection	\$ -	\$ -	\$ -	\$ -	

Revenue:

The Central Stores Fund is projected to be under budget in revenue by fiscal year-end primarily due to a decline in demand of storeroom items by City departments. This projection is a decrease since the Mid-Year Report due to a further decrease in demand for storeroom items than previously anticipated.

Expenditures:

Personnel expenditures are projected to exceed budget primarily due to Fringe Benefits. This projection is a slight improvement from the Mid-Year Report. Non-personnel expenditures are projected to be under budget by fiscal year-end due to a continued decrease in demand for storeroom items. The Department is currently projected to maintain lower inventory levels in order to adjust to the level of demand anticipated. Demand for storeroom items has decreased since the Mid-Year Report resulting in lower expenditures than previously projected. The Fund is projected to end the fiscal year with revenues in excess of expenditures.

Development Services Fund

in millions

Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 45.6	\$ 47.4	\$ 46.8	\$ (0.5)	-1.2%
145.75	119.50	(26.25)	Personnel Expenditures	34.7	36.5	36.7	(0.1)	-0.4%
			Non-Personnel Expenditures	11.2	11.2	10.7	0.5	4.7%
			Expenditures	45.9	47.7	47.3	0.4	0.8%
			Net Year-End Projection	\$ (0.3)	\$ (0.3)	\$ (0.5)	\$ (0.2)	

Revenue:

The Development Services Fund revenue is projected to be under budget at the end of the fiscal year. The decline in revenue is primarily attributed to under budget reimbursements from CIP projects and other City departments as result of the Department charging fixed rates for permitting of City projects in an effort to increase the efficiencies and prevent delays. Also contributing to the under budget projection is a technical correction to the accounting of revenue received from bond proceeds. These under budget projections are partially offset by increased revenue from plan reviews and building permits as a result of the improving economy and the

expectation that customers will submit plans prior to the implementation increased in building code fees that will become effective July 1, 2014. Overall, the revenue projection has decreased significantly since the Mid-Year Report due to the new accounting of bond proceeds.

Expenditures:

Personnel expenditures in the Development Services Fund are projected to slightly exceed budget by fiscal year-end. The over budget projection is primarily due to hourly wages, pay in lieu of annual leave and overtime which are offset by savings in salaries and Fringe Benefits as a result of vacancies. The Department is projecting to hire 16.00 FTE positions by the end of the fiscal year to support the increased plan reviews and building permits as a result of the improving economy. The personnel expenditure projection has slightly decreased since the Mid-Year Report primarily as a result of delays in filling vacancies.

Non-personnel expenditures are projected to be under budget primarily due to conservative spending on office furniture and equipment. The non-personnel expenditure projection has slightly increased since the Mid-Year Report primarily due to additional purchases of modular furniture, as part of a re-configuration of the permitting lobby to offer more efficient customer service; the release of a record retention contract that was anticipated to be delayed in the Mid-Year Report; and higher than anticipated mileage reimbursement expenditures. The Fund is projecting expenditures to exceed revenue at the end of the fiscal year, which will be mitigated by the use of fund balance.

Fire/Emergency Medical Services Transportation Program Fund

			<i>in millions</i>					
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 10.8	\$ 10.8	\$ 10.8	\$ -	0.0%
0.00	3.00	3.00	Personnel Expenditures	5.3	5.4	5.3	0.1	2.4%
			Non-Personnel Expenditures	6.2	6.7	6.1	0.6	9.3%
			Expenditures	11.5	12.1	11.4	0.8	6.2%
			Net Year-End Projection	\$ (0.7)	\$ (1.4)	\$ (0.6)	\$ 0.8	

Revenue:

The Fire/Emergency Medical Services Transportation Program Fund revenue is projected to be at budget by fiscal year-end.

Expenditures:

Personnel expenditures in the Fund are projected to be slightly under budget by fiscal year-end, with minimal savings in both Salaries and Wages and Fringe Benefits. Non-personnel expenditures are projected to be under budget primarily due to a decrease in the transfer to the General Fund. The Fund is projected to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

Fleet Services Operating Fund

			<i>in millions</i>					
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
<i>FTE</i>			Revenue	\$ 51.6	\$ 52.8	\$ 53.1	\$ 0.2	0.4%
0.00	24.00	24.00	Personnel Expenditures	16.6	17.8	20.0	(2.2)	-12.4%
			Non-Personnel Expenditures	35.2	35.4	31.7	3.7	10.4%
			Expenditures	51.8	53.2	51.7	1.5	2.7%
			Net Year-End Projection	\$ (0.1)	\$ (0.3)	\$ 1.3	\$ 1.7	

Revenue:

The Fleet Services Operating Fund revenue is projected to exceed budget by fiscal year-end. Revenue has decreased since the Mid-Year Report due to a further decline in fuel revenue as a result of fewer gallons consumed. A decrease in usage fee revenue due to changes in fleet inventory is also contributing to the variance.

Expenditures:

Personnel expenditures in the Fund are projected to exceed budget in Salaries and Wages due to unbudgeted positions attributed to the delayed implementation of the Fleet Services MEGO. Overtime is also projected to exceed budget due to maintaining the fire engine reserve and packer fleets.

Non-personnel expenditure projections include under budget Energy and Utilities due to a decrease in gallons consumed citywide, which is a decline in fuel expenditure projections since the Mid-Year Report. The Fund is projected to end the fiscal year with revenue in excess of expenditures.

Golf Course Fund

			<i>in millions</i>					
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 18.4	\$ 18.4	\$ 19.6	\$ 1.2	6.8%
4.00	6.00	2.00	Personnel Expenditures	7.3	7.3	7.3	-	0.0%
			Non-Personnel Expenditures	8.4	8.4	8.3	-	0.0%
			Expenditures	15.7	15.7	15.7	-	0.0%
			Net Year-End Projection	\$ 2.7	\$ 2.7	\$ 4.0	\$ 1.2	

Revenue:

Revenue in the Golf Course Fund is projected to exceed budget primarily due to increased golf play and concessions revenue resulting from the improved golf course conditions and improving economy. This trend has continued throughout the fiscal year.

Expenditures:

Personnel and non-personnel expenditure projections are expected to be close to budget by fiscal year-end. The Fund projects to end the fiscal year with revenue in excess of expenditures.

Information Technology Fund

								<i>in millions</i>
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 9.1	\$ 9.1	\$ 9.6	\$ 0.5	5.6%
2.00	3.00	1.00	Personnel Expenditures	5.2	5.2	4.8	0.4	7.7%
			Non-Personnel Expenditures	5.0	5.0	4.6	0.4	8.5%
			Expenditures	10.2	10.2	9.4	0.8	8.1%
			Net Year-End Projection	\$ (1.1)	\$ (1.1)	\$ 0.2	\$ 1.3	

Revenue:

The Information Technology Fund revenue is projected to exceed budget by fiscal year-end. This is mainly attributed to the funding received to upgrade the City's website approved in the Mid-Year Adjustment Resolution (R-308783). The website upgrade project is scheduled to conclude in FY 2015.

Expenditures:

Personnel expenditure projections are under budget in Salaries and Wages due to three vacant positions that are not projected to be filled this fiscal year. The under budget Salaries and Wages projection is offset by over budget pay-in-lieu of annual leave and termination pay.

Non-personnel expenditure projections are under budget in Contracts is primarily due to expenditures related to the Rose Canyon facility. The Rose Canyon facility was acquired by the City through the dissolution of SDDPC. Various contracts related to security and other turnkey needs are anticipated to be under budget. The savings in Contracts are mitigating the over budget projection in Energy and Utilities also related to the Rose Canyon facility. The Fund is projected to end the fiscal year with revenue in excess of expenditures.

Recycling Fund

								<i>in millions</i>	
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %	
FTE			Revenue	\$ 17.8	\$ 17.8	\$ 19.5	\$ 1.7	9.8%	
4.28	3.44	(0.84)	Personnel Expenditures	9.9	9.9	9.6	0.3	3.0%	
			Non-Personnel Expenditures	13.4	13.4	12.2	1.3	9.3%	
			Expenditures	23.3	23.3	21.7	1.5	6.6%	
			Net Year-End Projection	\$ (5.5)	\$ (5.5)	\$ (2.2)	\$ 3.3		

Revenue:

The revenue in the Recycling Fund is projected to exceed budget by fiscal year-end, which is an improvement from the Mid-Year Report. The positive variance is primarily due to Assembly Bill 939 eligible tons from the Tijuana River Valley sediment removal project, and unanticipated reimbursement from the State of California's Container Redemption Value (CRV) program.

Expenditures:

Personnel Expenditures in the Recycling Fund are projected to be slightly under budget by fiscal year-end. Non-personnel expenditures in the Fund are projected to be under budget due to lower

than budgeted fuel costs, savings in HazMat waste removal, and lower vehicle lease expenditures due to a delay in vehicle replacements. The current projection reflects an increase in the savings from the Mid-Year Report primarily due to an increased savings in fuel expenditures. The Fund is projected to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

Refuse Disposal Fund

			in millions					
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 29.4	\$ 29.4	\$ 28.0	\$ (1.4)	-4.8%
6.34	15.55	9.21	Personnel Expenditures	14.4	14.4	14.5	(0.1)	-0.6%
			Non-Personnel Expenditures	17.5	17.5	17.3	0.3	1.5%
			Expenditures	31.9	31.9	31.8	0.2	0.5%
			Net Year-End Projection	\$ (2.6)	\$ (2.6)	\$ (3.8)	\$ (1.2)	

Revenue:

Revenue in the Refuse Disposal Fund is projected to be under budget at fiscal year-end primarily due to less tipping fee revenue resulting from a decline in refuse disposed at the landfill. Although the revenue is projected to be under budget the current projection is an improvement from the Mid-Year Report due to unanticipated tonnage disposed at the landfill from the Tijuana River Valley sediment removal project.

Expenditures:

The personnel expenditures in the Refuse Disposal Fund are projected to be at budget by fiscal year-end with minimal variances. The non-personnel expenditures in the Fund are projected to be under budget due to savings in the Ridgehaven roofing project and fuel costs. The under budget projections are partially offset by an unbudgeted capital expense for the purchase of a new tub grinder in order to meet the current air pollution control compliance. The expenditure projections have decreased since the Mid-Year Report primarily due to an increased savings in fuel costs. The Fund is projected to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

Sewer Utility Funds

			<i>in millions</i>					
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 409.2	\$ 409.2	\$ 409.9	\$ 0.8	0.2%
40.40	88.17	47.77	Personnel Expenditures	86.6	86.6	84.8	1.8	2.1%
			Non-Personnel Expenditures	252.8	253.5	240.0	13.5	5.3%
			Expenditures	339.4	340.1	324.8	15.3	4.5%
			Net Year-End Projection	\$ 69.8	\$ 69.0	\$ 85.1	\$ 16.1	

Revenue:

Similar to the Mid-Year Report, the Sewer Utility Funds revenue is projected to slightly exceed budget by fiscal year-end. The over budget projection is primarily due to higher capacity fee

revenue from strong permit activity within the commercial and multi-family housing categories. Offsetting the over budget capacity fee revenue are reduced reimbursements from State Revolving Fund loans for improvements at the Metro Biosolids Center in Kearny Mesa, which have been delayed due to lease negotiations with the Department of the Navy and are anticipated to be resolved in FY 2015.

Expenditures:

Personnel expenditures for the Sewer Utility Funds are projected to be under budget by fiscal year-end due to savings in salaries and Fringe Benefits attributed to vacancies, which are partially offset by over budget projections in pay-in-lieu of annual leave and overtime.

Non-personnel expenditures are projected to be under budget by fiscal year-end primarily due to lower bond interest payments resulting from unanticipated debt service reserve credit and the transfer of IT services from a single vendor to a citywide vendor under the new IT Sourcing contract. Also contributing to the under budget projection are lower than anticipated expenditures for condition assessment projects and central support warehouse contracts. Additionally, the appropriated reserve is not anticipated to be expended this fiscal year which further contributes to the under budget projection. The expenditure projection has declined since the Mid-Year Report primarily due to a delay in the implementation of the condition assessments and less than anticipated Energy and Utilities expenditures based on year-to-date actual data. The Funds are projected to end the fiscal year with revenue in excess of expenditures.

Water Utility Operating Fund

<i>in millions</i>								
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 427.6	\$ 427.6	\$ 459.5	\$ 31.9	7.5%
36.60	42.08	5.48	Personnel Expenditures	68.1	68.1	68.6	(0.5)	-0.8%
			Non-Personnel Expenditures	371.2	371.4	370.0	1.4	0.4%
			Expenditures	439.3	439.5	438.6	0.9	0.2%
			Net Year-End Projection	\$ (11.7)	\$ (11.9)	\$ 20.9	\$ 32.8	

Revenue:

The Water Utility Operating Fund is projected to exceed budget in revenue as a result of the water rate increases that were approved by the City Council for 2014 and 2015, in order to meet the wholesale pass-through cost increases while maintaining sufficient debt service coverage levels for the City's outstanding water revenue bonds. Additionally, the over budget projections are due to increased capacity fee revenue from strong permit activity within the commercial and multi-family housing categories as a result of the improving economy. The Fund also received SDG&E settlement revenue from the 2007 wildfires. The revenue projection is increased from the Mid-Year Report mainly due to increases in water sales and capacity fee revenue.

Expenditures:

Personnel expenditures are projected to slightly exceed budget by fiscal year-end. Savings in salaries due to vacancies within the Department are offset by over budget expenditures in overtime and pay-in-lieu of annual leave. Non-personnel expenditures are projected to be slightly

under budget due to delays in condition assessment projects and the expenses related to the Sweetwater Authority settlement agreement. A decrease in hardware and software procurement, as well as a delay in the Graphic Information System (GIS) Assessment project are also contributing to the under budget non-personnel expenditures. These savings are partially offset by the increased cost of wholesale water purchases, higher than anticipated electrical costs as a result of SDG&E rate increases, and unbudgeted expenses related to the relocation to 525 B Street. The current projection represents a decrease from the Mid-Year Report primarily due to anticipated savings related to the Sweetwater Authority Agreement Settlement and delays in condition assessment projects. The Fund is projected to end the fiscal year with revenue in excess of expenditures.

Wireless Communications Technology Fund

								<i>in millions</i>
Budgeted Vacancies	Current Vacancies	Variance	Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
FTE			Revenue	\$ 7.5	\$ 7.5	\$ 7.6	\$ -	0.0%
2.00	8.00	6.00	Personnel Expenditures	5.0	5.0	4.2	0.8	15.2%
			Non-Personnel Expenditures	3.9	3.9	3.9	-	0.0%
			Expenditures	8.9	8.9	8.1	0.8	8.6%
			Net Year-End Projection	\$ (1.3)	\$ (1.3)	\$ (0.5)	\$ 0.8	

Revenue:

Revenue in the Wireless Communications Technology Fund is projected to be at budget by fiscal year-end.

Expenditures:

Personnel expenditures are projected to be under budget due to vacant positions in the Department. During the mid-year, three of the seven vacant positions in the Fund were projected to be filled by the end of the fiscal year. However, due to various delays, the Fund is now projected to fill 8.00 FTE vacant positions by July 2014, which has increased the savings in personnel expenditures since the Mid-Year Report. The savings in Salaries and Wages is slightly offset with over budget overtime and pay-in-lieu of annual leave.

Non-personnel expenditures are projected to be at budget by fiscal year-end. The Fund is projected to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

FY 2014 PRIORITY BUDGET ITEMS

City Attorney

City Attorney's Budget Restoration:

The Office of the City Attorney's personnel budget was reduced by \$508,000 during the FY 2014 budget process. During the mid-year budget monitoring process, the Office of the City Attorney received a budget adjustment of \$300,000, as a partial restoration of the reduction included in the FY 2014 budget and they are projected to end the year with a \$700,000 surplus.

City-wide (Transportation and Storm Water, Park and Recreation, MADs)

Tree Trimming:

The City's tree trimming services are divided into five main categories, Maintenance Assessment Districts (MAD) tree trimming, public right of way tree trimming, parks maintenance tree trimming, City golf course tree trimming, and general city-wide tree trimming services. The MAD tree trimming contract was approved by City Council in December 2013 and the contract was executed in January 2014. Award of the remaining four tree-trimming contracts has been delayed and is now anticipated to be awarded by October 2014.

The public right of way tree trimming, parks maintenance tree trimming, and City golf course tree trimming services underwent a Request for Proposals (RFP) process in the winter of 2013 through the spring of 2014. During the solicitation process it was determined by City staff that it was in the best interest of the City to reject proposals and re-issue the solicitations. City staff is working on releasing an Invitation to Bid (ITB) for the public right of way tree trimming by June 2014. The parks maintenance tree trimming services ITB's will follow soon after, by July 2014, and the City golf course tree trimming, and general city-wide tree trimming services by August 2014. Assuming there is a responsive and responsible bidder for the ITB's, the contracts will be brought forward to City Council for approval in September 2014 and the contracts will be in place no later than October 2014.

Tree trimming in the public right of way is currently utilizing the interim tree trimming services cooperative contract agreements. Multiple vendors require a higher level of internal coordination to track daily trimming and monthly reconciliation of invoices. Additionally, vendor's resources are limited, reducing the total number of trees trimmed in the public right of way. Despite the delay, the planned tree trimming work for this fiscal year will be completed through a combination of in-house crews and cooperative contracts with the City of Encinitas and the San Diego Unified School District to ensure that the City continues to have tree trimming services in the interim.

Citywide Program Expenditures

Kinder Morgan Litigation:

The FY 2014 budget includes \$700,000 for Kinder Morgan litigation expenditures. Due to ongoing delays in the litigation, it is not expected that the full \$700,000 budgeted in FY 2014 will be expended before the end of the fiscal year. Therefore, the FY 2015 Proposed Budget includes \$450,000 in one-time expenditures that are not expected to be fully expended in FY 2014 to continue support for this litigation.

Public Liability Operating Fund:

In FY 2014, the Public Liability Fund has experienced larger than anticipated expenditures related to insurance premium increases and claim losses. Insurance premiums have increased from the prior year due to a negative claims experience. In addition, there have been several large claims settled this year that were paid from the Public Liability Operating Fund. The requested \$10.1 million, as approved in the Mid-Year Adjustment Resolution (R-308783) was transferred from the General Fund to the Public Liability Operating Fund in period nine to support the anticipated expenditures. The majority of this funding has been depleted due to \$8.7 million in claims paid for the Lexin case. It is anticipated that additional funding will be needed for the remainder of the fiscal year for day-to-day claim expenditures. The current needs in the Public Liability Operating Fund have increased due to litigation costs and an additional \$3.5 million will be transferred to support these expenditures by year-end.

Public Liability Fund Reserve Contribution:

Per the City's Reserve Policy (Council Policy 100-20), the required reserve target for the Public Liability Fund is 50.0 percent of the value of outstanding public liability claims, or \$48.3 million. Annual contributions of \$3.2 million beginning in FY 2015 through FY 2019 are required to reach the target. As part of the Mid-Year Adjustment Resolution (R-308783), an additional \$3.2 million was approved as an advance of the required contribution for FY 2015 and this amount was transferred in period nine. The pre-funding of the Public Liability Reserve with one-time Excess Equity will free up funds to balance the expenditures in the FY 2015 budget. The May Revise is also recommending to use Excess Equity to fully fund the Public Liability Reserve once the Comprehensive Annual Financial Report (CAFR) is complete in fall of 2014.

Department of Information Technology**San Diego Data Processing Corporation (SDDPC) Dissolution:**

The dissolution of SDDPC was completed on December 30, 2013. All assets have been transferred to the City, which included buildings, property, equipment, and cash. The assets are valued at approximately \$8.7 million and the cash received was \$9.8 million. Final corporate dissolution papers have been filed with the California State Attorney General's Office. The City will retain two former SDDPC buildings, which will now be managed by the Real Estate Assets Department.

Update the City's Website:

The City's current website is based on an outdated platform and coding and is in need of an upgrade. The estimated full cost to upgrade the website is \$500,000. The funding needed was approved in the Mid-Year Adjustment Resolution (R-308783) and transferred to the Department of Information Technology Fund in period nine. The website upgrade project has begun and is scheduled to be completed in FY 2015. The Department of Information Technology is finalizing requirements and is working with the Purchasing and Contracts Department to finalize the Request for Proposals (RFP). The Department of Information Technology is currently working with the Mayor's office to determine if and how the project will be phased.

Development Services

Community Plan Updates (CPU):

The total FY 2014 budget for CPUs is \$1.8 million. The current projection for CPU expenditures is \$483,000, resulting in projected savings of \$1.3 million. This under budget projection, as reported in the previous budget monitoring reports, was largely due to longer than anticipated contracting and public outreach processes, traffic modeling capacity, delays in the start dates of Environmental Impact Reports (EIRs), and diversions of staff time as other projects required immediate attention. The largest component of the CPU budgets are for the traffic modeling capacity studies and EIRs, thus delays to those studies greatly affect the timing of expenditures.

Single Adult Emergency and Veterans Emergency Homeless Shelters:

The FY 2014 budget includes \$1.9 million to support the shelters for a full year of operations. Both shelters are managed by the San Diego Housing Commission (SDHC) with funding provided by the City and grants from various agencies. While the budgeted allocation was intended to provide funding for the full year, revised cost estimates projected the funding would only support operations through March 2014. As a result, the Emergency Single Adult and Veterans' Shelter Programs received \$1.0 million, as approved in the Mid-Year Adjustment Resolution (R- 308783), from Excess Equity to extend the operations of both shelters through the end of the fiscal year (from April 1 until June 30). The Department of the Navy has agreed to extend the authority to use its property for the Veterans Shelter for this extended period and both shelter operators have agreed to continue operations through June 30, 2014. As of this date, both shelters will continue to operate with the final shelter night being June 30, 2014. It is anticipated the shelter tear down process will begin immediately thereafter and conclude on or before July 11, 2014.

Homeless Check-In Center:

The FY 2014 budget includes \$50,000 to support the Homeless Check-In Center. The Homeless Check-In Center is currently managed by the Girls Think Tank (GTT), a community advocacy group, through a contract administered by the San Diego Housing Commission (SDHC). The Homeless Check-In Center is operated on a site donated by St. Vincent de Paul at 16th Street and Commercial Street. St. Vincent de Paul notified the SDHC that they cannot sustain the donation of the space and would begin to charge rent. The San Diego Housing Commission offered to lease a site it owns to the GTT for the continued operation of the Check-In Center. The lease was approved by the SDHC Board on April 11, 2014 and has been executed. The lease start date was May 1, 2014, and the term is for two years with three one-year options to renew, and rent is \$1.00 per month. As a result of the reduction in rent expense, the GTT will be experiencing significant rent savings in May and June and it is anticipated that some of the allocated budget will shift from rent to moving costs. It is anticipated the full General Fund allocation of \$50,000 will be fully expended by fiscal year-end.

North Embarcadero Visionary Plan:

The completion of Phase 1 of the North Embarcadero Visionary Plan (NEVP) is currently projected to exceed original cost estimates by approximately \$2.5 million. As agreed by the members of the Joint Powers Authority (JPA), the Port and the Former RDA were to split the cost of constructing Phase 1 of the plan on a 50/50 basis; however, with the dissolution of the RDA, the Successor Agency has become responsible for the Former RDA's obligations related

to the NEVP. On May 16, 2014, the Successor Agency received DOF approval of an increase of approximately \$1.3 million in the total outstanding obligation on the Recognized Obligation Payment Schedule (ROPS) 14-15A to meet the Former RDA's obligation to pay 50.0 percent of the cost overrun.

Environmental Services:

Downtown Port-a-Potty and Portland Loo Public Restrooms:

The FY 2014 budget includes \$50,000 to support this expenditure, which was transferred to Civic San Diego in September 2013 to support the servicing of the port-a-potties through the end of this fiscal year. Six port-a-potty restrooms were relocated in April 2014 to a new location at 14th Street and Imperial Avenue and are being maintained on a daily basis. Two Portland Loo public restrooms are expected to be installed in FY 2015: one Portland Loo public restroom will be located at Park Boulevard and Market Street and the second at 14th Street and L Street. After the two Portland Loo public restrooms are installed, two of the six existing port-a-potty restrooms will be removed.

South Chollas Landfill Improvements:

As a result of a Notice of Violation from the Regional Water Quality Control Board and the Local Enforcement Agency, improvements at the South Chollas Landfill are required. The cost estimate for construction and project management of \$11.4 million (approximately \$5.7 million for the General Fund) was provided by a consultant to implement a conceptual grading plan, which will include demolition, removal and replacement of some parking areas, and installation of drainage systems. The expenditures to support the project will be in the Refuse Disposal, Public Utilities and Fleet Services Operating Funds, and the Transportation and Storm Water Department of the General Fund. Funding to support the General Fund portion was approved in the Mid-Year Adjustment Resolution (R-308783) and was transferred to the CIP in period nine. The remaining estimated funding to complete the project, including project management costs from the Public Works – Engineering & Capital Projects Department, has been included in the FY 2015 Proposed Budget.

Fire-Rescue

Temporary Fire Station:

The 2011 Citygate Standards of Coverage Report recommended that a fire station be located on City owned land on Skyline Drive and Sychar Road; however, to immediately address the coverage gap, a temporary fire station is needed. The \$420,000 approved in the Mid-Year Adjustment Resolution (R-308783) has been transferred to the Skyline Fire Station CIP project to support demolition and site preparation as well as trailers and other set-up costs to establish the temporary station, which is scheduled to open January 2015. The Public Works — Engineering and Capital Projects Department is in the process of hiring an as-needed consultant to provide architectural and engineering services for site planning, construction, and, design of a modular unit, canopy, and living quarters for firefighting personnel. The consultant will also obtain the necessary permits and approval for construction. Funding for the personnel expenditures is included in the FY 2015 Proposed Budget.

Outfitting of Lifeguard Vehicles:

The Fire-Rescue Department previously entered into a two-year corporate sponsorship agreement with Toyota for the use of 34 Lifeguard vehicles. The previous agreement with Toyota expired in March 2014; however, the City and Toyota have entered into a new agreement for an additional two years. The Fire-Rescue Department will be returning the current vehicles in exchange for 34 new vehicles. The funding of \$200,000, as approved in the Mid-Year Adjustment Resolution (R-308783), will support the outfitting of the 34 new vehicles. Currently, three replacement vehicles have been delivered. The current vehicles will be replaced at a rate of 3-4 per week to allow sufficient time for installation of equipment while maintaining adequate coverage on beaches and bays. The entire fleet is anticipated to be replaced by fiscal year-end.

Library**Free Parking at the New Central Library:**

Free parking with validation was extended from one to two hours in January 2014. The impact to revenue is expected to be minimal as the expanded validation period was included in the revenue projections in the Mid-Year Report.

Long Term Disability:**Long Term Disability Fund Reserve:**

Per the City's Reserve Policy (Council Policy 100-20), the required reserve target for the Long-Term Disability Fund is \$17.0 million. Annual contributions of \$1.6 million beginning in FY 2015 and ending in FY 2016 are required to reach the target. The General Fund portion of the required contributions is approximately 74.0 percent or \$1.2 million. Appropriations to pre-fund the reserve by making the FY 2015 General Fund contribution in FY 2014 were approved in the Mid-Year Adjustment Resolution (R-308783) and are expected to be fully expended by fiscal year-end. The non-general fund portion is also projected to be fully expended by fiscal year-end; however, an appropriation increase was not necessary as the expenditure increase is able to be absorbed.

Park and Recreation**2015 Centennial Celebration:**

Calendar Year 2015 marks the 100th anniversary of the 1915 Panama-California Exposition in Balboa Park. The FY 2014 budget includes limited positions to support the Celebration. The District Manager, Program Manager and Clerical Assistant II positions added in the FY 2014 budget have been filled. These positions will continue to work closely with Balboa Park and the City's Special Events Management to execute celebration programming. The 2015 Centennial Celebration is anticipated to kick off with December Nights on December 5, 2014.

Balboa Park Traffic Management Plan:

The FY 2014 budget includes \$300,000 to support a traffic management plan in the Plaza de Panama at Balboa Park. The temporary traffic management plan has been completed with half of the \$300,000 budget utilized. The remaining amount funded the CIP project, Balboa Park Alcazar Garden Parking Lot Improvements (S-14013). This project was not originally part of the traffic management plan; however, it will provide additional accessible parking spaces to the Central Mesa (West Prado) area of Balboa Park. The project was completed and opened to the public in May 2014. No additional fiscal impacts are anticipated.

Brush Management:

The brush management for-profit contract covers 300 of the 452 acres required to be thinned annually, with the remaining acreage being completed by City staff and budgeted non-profit contracts. Bids for the for-profit contract work have increased from \$2,051 per acre to \$5,268 per acre since the previous contract in 2008. The FY 2015 Proposed Budget included \$500,000 and the May Revise includes an additional \$500,000 for a total of \$1.0 million in FY 2015 to help offset anticipated increases to the contract. Work under the for-profit contract started on September 1, 2013 and 83 acres of brush have been thinned as of March 2014. As projected in the Mid-Year Report, 156 acres are anticipated to be thinned by fiscal year-end.

Park Assets Condition/Needs Assessment:

The FY 2014 budget includes \$250,000 to support a park assets condition and needs assessment. The Public Works – Engineering and Capital Projects Department has collaborated with the Park and Recreation Department in selecting consultants to perform the assessments, which has expedited the process. The Department has identified 30 park sites to be assessed and anticipates the assessments will be completed by fiscal year-end. The current projection includes fully expending the budgeted amount by fiscal year-end. The Facility Condition Assessment Contract was executed on May 16, 2014 and the assessment work has begun. The Department anticipates to fully expend the budgeted amount by fiscal year-end. The FY 2015 Proposed Budget includes funding to support 1.00 Park Designer and 0.50 in hourly wages for a Management Intern and associated non-personnel expenditures for the assessments.

Weekend Overnight Camping at Kumeyaay Campground:

The Kumeyaay Campground is currently open for day use only. An amount of \$71,250 was funded, as approved in the Mid-Year Adjustment Resolution (R-308783), from the projected Excess Equity to support 1.00 Park Ranger and 0.50 Center Director and associated non-personnel expenditures necessary to offer weekend overnight camping. The half-time Recreation Center Director position has been filled and interviews for the Park Ranger position are expected to be conducted by the end of May 2014. Additionally, the Park Ranger vehicle has been purchased. The FY 2015 Proposed Budget includes \$140,000 in expenditures and \$40,00 in revenue to support the weekend overnight camping through next fiscal year. It is anticipated the campground will open for overnight camping on June 13, 2014.

Mission Trails Visitor Center Energy Efficiency Lighting Project:

A lighting upgrade project at the Mission Trails Visitor Center to create energy efficiencies received funding of \$60,000 through the Mid-Year Adjustment Resolution (R-308783). Following a meeting with the Facilities Maintenance Division in May 2014, it was decided that City staff would handle the project. The Department anticipates fully expending the funds by fiscal year-end.

Police

Body Worn Cameras:

Funding of \$1.0 million was added to the Police Department budget via the Mid-Year Adjustment Resolution (R-308783) for the purchase of 300 body worn cameras for patrol officers and supporting equipment, licenses, and data storage. Body worn cameras are worn by police officers to record interactions with the public. The audio and visual recordings would be

stored digitally and could be used as evidence in court and for Departmental purposes. The FY 2015 Proposed Budget includes an additional \$1.0 million for the purchase of 300 more body worn cameras. The Police Department intends to eventually equip every patrol officer with a body worn camera, which would be approximately 1,000 cameras. A purchase order is in place, and 300 cameras have been ordered and are expected to arrive in June. Cameras will be deployed once officers have been trained and a policy has been approved. The Department estimates it will have cameras in the field by the end of June.

Public Safety Realignment (AB 109):

The FY 2014 budget includes \$700,000 for the addition of overtime expenditures for sworn personnel funded by AB 109 funds for the monitoring of non-violent offenders post-release. The Department received a second unbudgeted \$800,000 disbursement of AB 109 Funds in FY 2014, which will partially offset the over budget expenditures in overtime. The program has been successfully implemented and the Department has expended \$500,000 to date. Every division in the Department has conducted at least one detail and most have conducted two to three details. There have been dozens of arrests of both AB 109 probationers and other probationers that were contacted during these details. The Department has met with the Probation Department to ensure consistency in the management of the program as it relates to AB 109 subjects, compliance checks, and violations. The Department's Crime Analysis Unit has partnered with their counterparts from probation and the Law Enforcement Coordinating Committee (LECC) to ensure accuracy of information, and has disseminated that information to the program managers. Between October 2013 and March 2014, AB 109 enforcement resulted in 415 arrests.

Academies and Attrition:

The Police Department expects a total of four academies to take place in FY 2014, as shown in the table below. In the continued effort to hire additional police officers, \$182,000 was approved in the Mid-Year Adjustment Resolution (R-308783) from the projected Excess Equity to increase the fourth academy in FY 2014 by nine Police Recruits. The academy started in May with 43 recruits, an increase of nine recruits from the original academy size of 34. In alignment with the Police Department's Five-Year Plan, the FY 2015 Proposed Budget includes funding to support the addition of 27.00 FTE sworn personnel which includes the on-going expenditures for the nine positions added mid-year. As of March 2014, the Department is experiencing an attrition rate of 10.00 FTE per month.

Police Department Academies in 2014				
	August	October	February	May
Enrollment	31	39	37	43
Graduates	29	33	35 ¹	TBD

¹Estimated number of graduates as of May 2014. Academy graduation date is August 2014.

Civilian Positions:

The FY 2014 budget added 4.00 FTE civilian positions including 2.00 Dispatcher IIs, 1.00 Latent Print Examiner II, and 1.00 Police Investigative Service Officer II to support the Police Department's operations. All of these positions have been filled. The FY 2015 Proposed Budget includes funding for an additional 17.00 FTE civilian positions including 9.00 Police Investigative Service Officers, 2.00 Clerical Assistants 2s, 1.00 Associate Management Analyst, 1.00 Word Processing Operator, 1.00 Police Dispatcher, 1.00 Police Property and Evidence Clerk, 1.00 Interview and Interrogation Specialist and 1.00 Criminalist 2.

Helicopter Maintenance and Fuel Expenditures:

Helicopter maintenance is budgeted in the Seized Assets Funds in FY 2014. The Department estimates that the Seized Assets Funds will be able to support maintenance needs this fiscal year. Helicopter fuel, historically budgeted in the Seized Assets Funds, is budgeted in the General Fund in FY 2014 and is funded through one-time SAFE funds. The Police Department does not have any concerns regarding funding for air support fuel or maintenance expenditures in FY 2014. The FY 2015 May Revise includes the addition of \$1.5 million in the General Fund to support the Air Support operations, with the remaining funding of \$1.8 million budgeted in the Seized Assets Funds.

Sworn Officer Retention Program:

The FY 2014 budget includes \$2.0 million budgeted in the General Fund Appropriated Reserve for the purpose of funding a Police Officer Retention Program. City Council approved the use of this budget to increase uniform allowance, and funding for police officer recruitment activities on August 28, 2013 (R-308405). The budget has been transferred to the Police Department and uniform allowance has been distributed to current officers that were eligible to receive the retention program allocation. Each eligible officer received approximately \$1,030 in additional uniform allowance. The FY 2015 budget includes an increase of \$3.2 million to continue the Police Officer Retention Program next fiscal year.

Sworn Officer Equipment:

The FY 2014 budget includes \$1.1 million for the purchase of sworn police officer equipment. The Department has spent \$600,000 of the funds to date on various equipment, and is working on procuring the rest of the items. The Department is projected to expend all of the funds by fiscal year-end. In FY 2015 the Department expects to receive grant funds to support the vehicle and equipment needs.

Neighborhood Parking Protection Ordinance:

On July 23, 2013, City Council passed the Neighborhood Parking Protection Ordinance (NPPO) (O-20281), prohibiting the parking of oversized, non-motorized or recreational vehicles in residential areas within the City of San Diego between the hours of 2:00 a.m. and 6:00 a.m. without a permit. Funding of \$664,000 to implement the citywide Neighborhood Parking Protection Program was approved in the Mid-Year Adjustment Resolution (R-308783).

- \$511,970 was added to the Police Department for eight Police Investigative Service Officers (PISOs), non-personnel expenditures for the positions, related vehicle costs, and a license plate reader camera system. The Department is in the process of hiring and purchasing the vehicles and equipment.
- \$70,000 was added to the Transportation and Storm Water Department for the fabrication and installation of approximately 257, 30" by 36" signs. The signs are to be placed at the entrances to the City from all freeway off-ramps and all classified roads entering the City from other jurisdictions. Installation began in May of the large signs. Any additional smaller signs that are needed in the future will be installed on an as-needed basis at specific locations, most likely near the beaches and bays.
- \$83,000 was added to the Office of the City Treasurer for 2.00 Public Information Clerks and the new permitting system. The City Treasurer has filled 1.00 Public Information Clerk position and 0.50 of this position will be dedicated to the NPPO. Due to

efficiencies gained from issuing the NPPO permits online the additional 1.50 Public Information Clerks will not be needed and has been reduced in the FY 2015 May Revise. A vendor has been selected for the online NPPO permitting system and all permits will be processed through this online application. The estimated cost in FY 2014 is approximately \$15,000. Implementation of the NPPO online permitting process is anticipated for July 2014.

Public Works– General Services – Facilities

Deferred Capital Support Positions:

The FY 2014 budget includes \$880,000 for the addition of 9.00 FTE positions to provide additional support for operations and maintenance for deferred capital backlog. Currently, 6.00 positions have been filled: one Roofer, two Painters, one Electrician, one Painter Supervisor and one Plumber Supervisor. A Plumber and Refrigeration Mechanic position are pending background and medical checks. Due to a lack of qualified candidates, a Carpenter Supervisor position has not been filled, however, the position is projected to be filled by June 2014. The FY 2015 Proposed Budget includes funding to support an increase of 7.00 FTE positions to provide additional facilities maintenance support.

Facilities Condition/Needs Assessment:

The FY 2014 budget includes \$1.0 million to support a facilities condition and needs assessment. Assessments of various City facilities have been conducted and the current projection anticipates fully expending the budgeted amount by fiscal year-end. In addition, the FY 2015 Proposed Budget includes an on-going expenditure addition of \$1.0 million to support the facilities assessments for the next five years.

Transportation and Storm Water

Sidewalk Condition/Needs Assessment:

The FY 2014 budget includes \$1.0 million to support a sidewalk condition and needs assessment. All of the staff have been hired, which included 24 student engineers and two Jr. Civil Engineers. The assessment officially began on January 21, 2014 and is scheduled to take twelve months. The current projection includes a savings of \$300,000. A survey of 1,046 miles of sidewalk (3,500 city blocks) including the GPS capture of trees and curb ramps along those blocks has been completed. By June 30, 2014, the Department will have completed approximately 1,500 miles of sidewalk survey. The Department will continue to monitor and report on the progress of the assessments.

APPROPRIATION ADJUSTMENTS

The following appropriation adjustments and authorities are requested to bring the General Fund and other funds into balance at year-end. Also included are requests to close incomplete capital projects and to de-appropriate excess funding in capital projects. Finally, authorities are included that are typically requested at year-end to maintain compliance with the City Charter and Municipal Code.

REQUESTED AUTHORITIES

Authorities are requested to allow for budget transfers and de-appropriations between General Fund departments and other non-general funds as described below.

General Fund

Additional authorities are requested to allow for budget transfers among General Fund departments and to address unforeseen events that may occur prior to year-end.

Salary and Non-Personnel Budget Transfers

Authority is requested to transfer salary appropriations in one General Fund department for fringe and/or non-personnel appropriations in another General Fund department with no net increase to either departments' total budget. This will allow departments to remain balanced, within the Charter Section 73 requirement that salary appropriations may not be used for any other purpose.

Bottom Line Re-Appropriations

Authority is requested to transfer excess appropriations from one General Fund department to offset a deficit in another General Fund department during fiscal year closing. This will result in a change to the bottom-line department budgets; however, there will be no net change to the bottom-line General Fund budget. The bottom-line appropriation transfer authority is to be used at fiscal year close, if necessary, after salary appropriation budget transfers have been applied.

Non-General Fund

De-appropriate Fleet Replacement Funds

Authority is requested to de-appropriate excess carry forward budget in the Fleet Replacement Funds to accurately represent the fund balance.

Revise Budget for Prop 42 Replacement – Transportation Relief Fund

Adjust the Prop 42 Replacement – Transportation Relief Fund (200306) expenditure appropriations based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.

City-wide

Increase Appropriations from Available Sources

Authority is requested to adjust appropriations as needed for unforeseen events in order to close FY 2014 with departments and funds in balance.

Capital Improvements Program (CIP)

Revisions to CIP projects are requested to close certain projects and reduce appropriations that are no longer needed or to increase funding.

Close Incomplete CIP Projects

Authority is requested to close two canceled CIP projects, reduce the Fiscal Year 2014 CIP budget by \$275,000 and return the available funds to the original source.

- 1) The Ocean Beach Veterans Memorial (S14012) project received \$75,000 in donations in Fiscal Year 2014 which have been returned to the donor.
- 2) The Taylor Street – Bikeway (S00965) project improvements were incorporated into a sewer main project which has been completed. As a result, the remaining budget of \$200,000 is no longer required for this project and will be returned to the original source, the TransNet Prop A 1/2% Sales Tax Fund (400156).

Enterprise Asset Management (EAM) Project

Authority is requested to transfer \$1.1 million in OneSD Support Fund (200610) funding from the Enterprise Asset Management SAP (S13013) project to the EAM ERP Implementation (S14000) project and to cancel and close the Enterprise Asset Management SAP (S13013) project. The purpose of this action is to consolidate the two projects into one unified project. The funding from the OneSD Support Fund (200610) will support the implementation for the non-Public Utilities departments benefiting from the EAM System.

Pacific Highway Curb Ramps Project

Authority is requested to reduce the Fiscal Year 2014 CIP budget by \$750,000 for the Pacific Highway Curb Ramps (S11045) project and return the funds to the original source, the Midway/Pacific Hwy Urban Community Fund (400115). The original project cost estimate included the rebuilding and reallocation of storm drain inlets. After further assessment by the engineer, the replacement of piping is no longer required and as a result, \$750,000 of appropriations can be reduced.

Rancho Peñasquitos Skate Park Project

Authority is requested to increase the Fiscal Year 2014 CIP budget by \$30,400 for the Rancho Peñasquitos Skate Park (S12002) project to support additional costs for the park upgrade which currently exceeds the budget. There is available fund balance from the Black Mountain Ranch Development Agreement Fund (400245) which will support the additional expenditures for the review and inspection of the project by City staff and the current deficit. The use of this funding was approved by the Rancho Peñasquitos Planning Board.

Replenish CIP Emergency Reserve

The General Fund CIP Emergency Reserve was established in FY 2012 at \$1.0 million to provide an immediate source of funding for public works contracts in order to respond quickly to an emergency or natural disaster. When an emergency project receives funding, the asset-owning department is required to provide an alternative funding source within three months. When a funding source is identified the CIP Emergency Reserve is replenished.

In FY 2013, the Park and Recreation Department requested \$200,000 from the CIP Emergency Reserve to fund the Crystal Pier Emergency Repair project and the available budget in the Emergency CIP has not been replenished. A transfer from the Citywide Program Expenditures of \$200,000 is included in the current year-end projection to fund the Crystal Pier Improvements (S11014) project. This will provide funding to move the emergency expenditures realized in the Emergency CIP to the Crystal Pier Improvements (S11014) project. This will free up budget in the Emergency CIP returning the budget back to the recommended funding level of \$1.0 million.

Authority is requested to transfer \$200,000 from Citywide Program Expenditures (9912) in the General Fund (100000) to the CIP Contributions from the General Fund (400265) to fund the Crystal Pier Improvements (S11014) project. Authority is also requested to increase the Fiscal Year 2014 Capital Improvements Program Budget and appropriate \$200,000 in the Crystal Pier Improvements (S11014) project in the CIP Contributions from the General Fund (400265).

CONCLUSION

The General Fund is projected to end the fiscal year with \$9.9 million of revenue in excess of expenditures. Revenue is projected to exceed budget by \$23.3 million, or 1.9 percent, and expenditures are projected to end the year \$9.0 million, or less than a percent, under budget. This is a \$32.3 million improvement from the current budget, which includes the use of \$22.4 million in General Fund fund balance (included in the Fiscal Year 2014 Adopted Budget). The current projection maintains the required General Fund reserve of \$149.8 million, or 14 percent.

After accounting for the required reserve level and the funding required to support the City Council Community Projects, Programs and Services in FY 2015, the available unrestricted fund balance defined by the City's Reserve Policy as Excess Equity is \$16.8 million, or 1.6 percent.

The 1.6 percent is recommended to remain available in the General Fund to fully fund the Public Liability Reserve through the FY 2015 May Revise. Any amount of Excess Equity available above the funding needed for the Public Liability Reserve would be utilized for anticipated fluctuations in activity through the end of the fiscal year for Public Safety department costs related to the wildfires as well as to support potential expenditures related to the dissolution of the Redevelopment Agency (RDA). Use of Excess Equity to replenish the Public Liability Reserve is consistent with City Council Budget Policy (Policy No. 000-02) limiting the use of one-time revenue to support one-time expenditures.

Attachments:

- I. General Fund Projected Revenues
- II. General Fund Projected Expenditures
- III. Non-General Fund Projections
- IV. Budgeted Vacancies as of April 2014
- V. Non-General Fund Reserves
- VI. Status of Vacant Positions Memorandum and Attachments

General Fund Projected Revenues					
Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
General Fund Major Revenues					
Charges for Current Services	\$ 24,601,720	\$ 24,601,720	\$ 24,617,954	\$ 16,234	0.1%
Franchise Fees ¹	67,049,845	67,049,845	69,568,119	2,518,274	3.8%
Interest and Dividends	859,389	859,389	1,440,285	580,896	67.6%
Motor Vehicle License Fees	-	-	583,841	583,841	100.0%
Fines, Forfeitures, and Penalties	-	-	1,500	1,500	100.0%
Other Revenue	-	150,000	10,136,498	9,986,498	6657.7%
PropertyTax	408,003,167	443,929,982	458,023,711	14,093,729	3.2%
PropertyTransfer Tax	7,026,588	7,026,588	8,266,699	1,240,111	17.6%
Refuse Collector Business Tax	710,000	660,000	700,000	40,000	6.1%
Revenue from Federal and Other Agencies	-	-	1,061	1,061	100.0%
Revenue from Money and Property	-	555,876	555,876	-	0.0%
Sales Tax	248,138,819	248,138,819	245,306,478	(2,832,341)	-1.1%
Transfers In	50,682,208	55,905,872	49,012,465	(6,893,407)	-12.3%
Transient OccupancyTax ²	87,857,500	87,857,500	87,518,759	(338,741)	-0.4%
<i>Subtotal Major General Fund Revenues</i>	<i>\$ 894,929,236</i>	<i>\$ 936,735,591</i>	<i>\$ 955,733,246</i>	<i>\$ 18,997,655</i>	<i>2.0%</i>
Administration	\$ 403,761	\$ 403,761	\$ 403,761	\$ -	0.0%
City Auditor	-	-	34,363	34,363	100.0%
City Clerk	18,404	18,404	64,587	46,183	250.9%
City Comptroller	2,468,547	2,468,547	2,351,841	(116,706)	-4.7%
Citywide ProgramExpenditures	-	-	-	-	0.0%
Council Administration	-	-	81	81	100.0%
Council District 1	-	-	-	-	0.0%
Council District 1 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 2	-	-	-	-	0.0%
Council District 2 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 3	-	-	-	-	0.0%
Council District 3 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 4	-	-	-	-	0.0%
Council District 4 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 5	-	-	-	-	0.0%
Council District 5 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 6	-	-	-	-	0.0%
Council District 6 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 7	-	-	-	-	0.0%
Council District 7 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Council District 8	-	-	-	-	0.0%
Council District 8 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%

General Fund Projected Revenues					
Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Council District 9	\$ -	\$ -	\$ -	\$ -	0.0%
Council District 9 - CommunityProjects, Programs, and Services	-	-	-	-	0.0%
Debt Management	548,645	548,645	835,972	287,327	52.4%
Department of Information Technology	-	-	28,354	28,354	100.0%
Development Services - Planning and Neighborhood Code Compliance	3,412,712	3,412,712	3,992,139	579,427	17.0%
Economic Development	8,245,963	8,245,963	7,100,672	(1,145,291)	-13.9%
Environmental Services	1,259,829	1,259,829	1,352,276	92,447	7.3%
Ethics Commission	-	-	94,979	94,979	100.0%
Financial Management	5,000	5,000	24	(4,976)	-99.5%
Fire-Rescue	23,966,763	23,966,763	27,596,759	3,629,996	15.1%
Human Resources	-	-	13	13	100.0%
Library	4,125,753	4,125,753	3,634,025	(491,728)	-11.9%
Office of ADA Compliance and Accessibility	15,116	15,116	15,157	41	0.3%
Office of Homeland Security	930,957	930,957	865,304	(65,653)	-7.1%
Office of the Assistant Chief Operating Officer	-	-	-	-	0.0%
Office of the Chief Financial Officer	450,000	450,000	319,268	(130,732)	-29.1%
Office of the Chief Operating Officer	-	-	-	-	0.0%
Office of the City Attorney	5,581,169	5,581,169	3,752,501	(1,828,668)	-32.8%
Office of the City Treasurer	25,963,475	25,963,475	27,468,464	1,504,989	5.8%
Office of the Independent Budget Analyst	-	-	-	-	0.0%
Office of the Mayor	308,400	308,400	308,400	-	0.0%
Multimedia Services	113,300	113,300	138,864	25,564	22.6%
Park and Recreation	32,907,371	32,917,371	32,658,573	(258,798)	-0.8%
Personnel	6,000	6,000	14,510	8,510	141.8%
Police	44,102,071	44,102,071	45,320,046	1,217,975	2.8%
Public Utilities - Reservoir Recreation	940,000	940,000	1,206,858	266,858	28.4%
Public Works - Contracting	1,053,393	1,053,393	955,689	(97,704)	-9.3%
Public Works - Engineering and Capital Projects	56,527,343	56,527,343	55,232,912	(1,294,431)	-2.3%
Public Works - General Services	3,881,596	3,881,596	3,699,443	(182,153)	-4.7%
Purchasing and Contracting	659,554	659,554	599,741	(59,813)	-9.1%
Real Estate Assets	43,344,297	43,344,297	44,293,783	949,486	2.2%
Transportation and StormWater	46,879,695	46,879,695	48,070,798	1,191,103	2.5%
Total General Fund Revenues	\$ 1,203,048,350	\$ 1,244,864,705	\$ 1,268,143,403	\$ 23,278,698	1.9%

The current budget presented in this table is as of March 2014 (accounting period 9) unless otherwise noted.

¹ Total City FY 2014 current revenue budget for franchise fees is \$129.1 million and the projection is \$133.7million. The balance is budgeted in the Environmental Growth and Underground Surcharge Funds.

² Total City FY 2014 current revenue budget for Transient OccupancyTax is \$167.7 million and the projection is \$167.1 million. The balance is budgeted in the Transient OccupancyTax Fund.

General Fund Projected Expenditures					
Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Administration	\$ 1,802,385	\$ 1,568,542	\$ 1,659,276	\$ (90,734)	-5.8%
City Auditor	3,888,785	3,888,785	3,538,327	350,458	9.0%
City Clerk	5,314,707	5,314,707	5,098,786	215,921	4.1%
City Comptroller	11,035,845	11,035,845	10,727,555	308,290	2.8%
Citywide Program Expenditures					
Assessments to Public Property	504,200	504,200	565,801	(61,601)	-12.2%
Business Cooperation Program	350,000	350,000	310,000	40,000	11.4%
Citywide Elections	1,800,000	8,400,000	8,690,808	(290,808)	-3.5%
Corporate Master Leases Rent	9,570,118	9,570,118	9,458,565	111,553	1.2%
Deferred Capital Debt Service	10,699,819	10,699,819	10,722,350	(22,531)	-0.2%
Employee Personal Property Claims	5,000	5,000	-	5,000	100.0%
Insurance	1,562,879	1,562,879	1,562,879	-	0.0%
McGuigan Settlement	8,007,675	8,007,675	8,007,674	1	0.0%
Memberships	630,000	630,000	697,708	(67,708)	-10.7%
Preservation of Benefits	1,700,000	1,700,000	1,710,000	(10,000)	-0.6%
Property Tax Administration	3,823,343	3,823,343	3,786,904	36,439	1.0%
Public Liability Claims Transfer - Claims Fund	14,506,208	24,606,208	28,106,208	(3,500,000)	-14.2%
Public Liability Claims Transfer - Reserves	101,700	3,301,700	3,301,700	-	0.0%
Public Use Leases	1,582,144	1,582,144	1,582,144	-	0.0%
Special Consulting Services	3,240,000	3,240,000	2,690,000	550,000	17.0%
Supplemental COLA	1,400,858	1,400,858	1,400,858	-	0.0%
TRANS Interest Expense Transfer Fund	314,000	314,000	-	314,000	100.0%
Transfer to Capital Improvements Program	-	-	700,000	(700,000)	100.0%
Transfer to Park Improvement Funds	5,614,678	5,614,678	5,614,678	-	0.0%
Transportation Subsidy	659,179	659,179	659,102	77	0.0%
Subtotal Citywide Program Expenditures	\$ 66,071,801	\$ 85,971,801	\$ 89,567,378	\$ (3,595,577)	-4.2%
Council Administration	\$ 1,896,193	\$ 1,896,193	\$ 1,651,762	\$ 244,431	12.9%
Council District 1	1,036,717	1,036,717	914,190	122,527	11.8%
Council District 1 - Community Projects, Programs and Services	99,872	94,872	94,872	-	0.0%
Council District 2	1,014,968	1,014,968	765,264	249,704	24.6%
Council District 2 - Community Projects, Programs and Services	114,128	77,528	77,528	-	0.0%
Council District 3	1,116,696	1,116,696	883,516	233,180	20.9%
Council District 3 - Community Projects, Programs and Services	127,446	86,026	86,026	-	0.0%
Council District 4	1,090,395	1,090,395	1,086,715	3,680	0.3%
Council District 4 - Community Projects, Programs and Services	248,440	237,679	237,679	-	0.0%
Council District 5	1,106,870	1,106,870	746,844	360,026	32.5%
Council District 5 - Community Projects, Programs and Services	285,933	283,433	283,433	-	0.0%
Council District 6	1,077,243	1,077,243	906,934	170,309	15.8%
Council District 6 - Community Projects, Programs and Services	120,558	118,558	118,558	-	0.0%

General Fund Projected Expenditures					
Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Council District 7	\$ 1,091,570	\$ 1,091,570	\$ 985,833	\$ 105,737	9.7%
Council District 7 - Community Projects, Programs and Services	151,175	96,352	96,352	-	0.0%
Council District 8	1,145,266	1,145,266	961,579	183,687	16.0%
Council District 8 - Community Projects, Programs and Services	98,422	82,472	82,472	-	0.0%
Council District 9	1,083,123	1,083,123	840,971	242,152	22.4%
Council District 9 - Community Projects, Programs and Services	124,684	104,961	104,961	-	0.0%
Civic and Urban Initiatives	945,987	713,960	341,241	372,719	52.2%
Debt Management	2,447,811	2,447,811	2,367,882	79,929	3.3%
Department of Information Technology	2,600,000	2,858,000	2,600,000	258,000	9.0%
Development Services - Planning and Neighborhood Code Compliance	15,048,760	15,048,760	13,053,453	1,995,307	13.3%
Economic Development	12,944,622	15,496,154	13,212,630	2,283,524	14.7%
Environmental Services	36,169,845	36,185,345	35,911,458	273,887	0.8%
Ethics Commission	977,334	977,334	974,829	2,505	0.3%
Financial Management	4,091,604	4,091,604	3,915,622	175,982	4.3%
Fire-Rescue	222,679,306	225,646,767	224,941,801	704,966	0.3%
General Fund Appropriated Reserve	2,000,000	-	-	-	0.0%
Human Resources	2,990,862	2,990,862	2,982,718	8,144	0.3%
Library	43,811,917	43,830,337	43,346,124	484,213	1.1%
Multimedia Services	688,991	688,991	676,647	12,344	1.8%
Office of ADA Compliance and Accessibility	627,463	627,463	452,661	174,802	27.9%
Office of Homeland Security	1,735,205	1,735,205	1,869,268	(134,063)	-7.7%
Office of the Assistant Chief Operating Officer	1,291,039	1,546,039	1,526,192	19,847	1.3%
Office of the Chief Financial Officer	990,531	990,531	921,625	68,906	7.0%
Office of the Chief Operating Officer	568,630	1,470,103	1,232,750	237,353	16.1%
Office of the City Attorney	45,689,443	46,074,075	45,380,187	693,888	1.5%
Office of the City Treasurer	20,495,483	20,578,483	19,858,555	719,928	3.5%
Office of the Independent Budget Analyst	1,775,306	1,775,306	1,733,329	41,977	2.4%
Office of the Mayor	3,671,233	3,671,233	3,546,195	125,038	3.4%
Park and Recreation	89,967,980	91,003,229	91,157,535	(154,306)	-0.2%
Personnel	7,012,193	7,020,193	7,073,163	(52,970)	-0.8%
Police	418,542,912	429,668,384	430,826,097	(1,157,713)	-0.3%
Public Utilities - Reservoir Recreation	1,969,446	1,969,446	2,220,158	(250,712)	-12.7%
Public Works - Contracting	2,107,234	2,107,234	2,147,621	(40,387)	-1.9%
Public Works - Engineering and Capital Projects	61,907,263	63,711,989	63,221,506	490,483	0.8%
Public Works - General Services	16,830,075	16,835,063	16,230,059	605,004	3.6%
Purchasing and Contracting	4,804,683	4,804,683	4,498,866	305,817	6.4%
Real Estate Assets	4,852,350	4,852,350	4,413,443	438,907	9.0%
Transportation and Storm Water	92,112,469	95,260,018	94,133,319	1,126,699	1.2%
Total General Fund Expenditures	\$ 1,225,491,199	\$ 1,267,297,554	\$ 1,258,283,745	\$ 9,013,809	0.7%

The current budget presented in this table is as of March 2014 (accounting period 9) unless otherwise noted.

Non-General Fund Projections						
Fund	Revenue/ Expenditure	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Airports Fund	Revenue	\$ 4,690,334	\$ 4,690,334	\$ 4,690,334	\$ -	0.0%
	Expenditures	5,791,497	5,791,497	5,472,192	319,305	5.5%
Central Stores Fund	Revenue	13,356,784	13,356,784	11,853,984	(1,502,801)	-11.3%
	Expenditures	13,356,784	13,356,784	11,810,358	1,546,426	11.6%
Concourse and Parking Garages Operating Fund	Revenue	2,704,844	2,704,844	2,704,719	(126)	0.0%
	Expenditures	2,667,291	2,667,291	2,657,355	9,936	0.4%
Development Services Fund	Revenue	45,581,357	47,381,357	46,833,246	(548,111)	-1.2%
	Expenditures	45,915,463	47,715,463	47,333,901	381,562	0.8%
EnergyConservation Program Fund	Revenue	2,319,443	2,319,443	2,443,278	123,835	5.3%
	Expenditures	2,351,728	2,351,728	2,175,409	176,319	7.5%
Facilities Financing Fund	Revenue	2,110,074	2,110,074	1,912,707	(197,367)	-9.4%
	Expenditures	2,110,074	2,110,074	1,912,707	197,367	9.4%
Fire/EMS Transportation Program Fund	Revenue	10,770,000	10,770,000	10,792,764	22,764	0.2%
	Expenditures	11,516,495	12,123,995	11,372,269	751,726	6.2%
Fleet Services Operating Fund	Revenue	51,647,391	52,847,391	53,051,972	204,581	0.4%
	Expenditures	51,783,287	53,183,287	51,721,750	1,461,537	2.7%
GIS Fund	Revenue	1,616,274	1,616,274	1,379,482	(236,792)	-14.7%
	Expenditures	1,585,038	1,585,038	1,461,579	123,459	7.8%
Golf Course Fund	Revenue	18,371,747	18,371,747	19,616,953	1,245,206	6.8%
	Expenditures	15,670,084	15,670,084	15,664,313	5,771	0.0%
Information Technology Fund	Revenue	9,089,850	9,089,850	9,599,001	509,151	5.6%
	Expenditures	10,233,304	10,233,304	9,409,168	824,136	8.1%
Junior Lifeguard Program Fund	Revenue	596,027	596,027	600,886	4,859	0.8%
	Expenditures	596,027	598,027	572,361	25,666	4.3%
Local Enforcement Agency Fund	Revenue	795,693	795,693	724,781	(70,912)	-8.9%
	Expenditures	879,255	879,255	743,118	136,137	15.5%
Los Peñasquitos Canyon Preserve Fund	Revenue	186,000	186,000	298,720	112,720	60.6%
	Expenditures	221,253	221,253	220,148	1,105	0.5%
OneSD Support Fund	Revenue	21,101,243	21,101,243	21,105,887	4,644	0.0%
	Expenditures	21,185,217	21,185,217	21,139,046	46,171	0.2%

Non-General Fund Projections						
Fund	Revenue/ Expenditure	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Petco Park Fund	Revenue	\$ 16,494,163	\$ 16,494,163	\$ 16,567,800	\$ 73,637	0.4%
	Expenditures	17,405,049	17,405,049	17,361,443	43,606	0.3%
Publishing Services Fund	Revenue	3,413,041	3,413,041	3,400,477	(12,564)	-0.4%
	Expenditures	3,304,127	3,304,127	3,072,355	231,772	7.0%
Qualcomm Stadium Operations Fund	Revenue	16,477,809	16,477,809	16,854,574	376,765	2.3%
	Expenditures	17,090,437	17,090,437	16,755,799	334,638	2.0%
Recycling Fund	Revenue	17,777,651	17,777,651	19,512,561	1,734,910	9.8%
	Expenditures	23,292,297	23,292,297	21,744,392	1,547,905	6.6%
Refuse Disposal Fund	Revenue	29,374,301	29,374,301	27,961,066	(1,413,235)	-4.8%
	Expenditures	31,932,996	31,932,996	31,764,504	168,492	0.5%
Risk Management Administration Fund	Revenue	9,060,699	9,060,699	9,060,699	-	0.0%
	Expenditures	9,810,299	9,810,299	9,678,360	131,939	1.3%
Sewer UtilityFunds ¹	Revenue	409,155,844	409,155,844	409,910,951	755,107	0.2%
	Expenditures	339,369,494	340,106,335	324,809,818	15,296,517	4.5%
Transient Occupancy Tax Fund						
Commission for Arts and Culture Department	Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Special Events Department	Revenue	150,000	150,000	130,771	(19,229)	-12.8%
Special Promotional Programs	Revenue	79,870,455	79,870,455	79,562,508	(307,947)	-0.4%
<i>Total Transient Occupancy Tax Fund Revenue</i>		<i>\$ 80,020,455</i>	<i>\$ 80,020,455</i>	<i>\$ 79,693,279</i>	<i>\$ (327,176)</i>	
Commission for Arts and Culture Department	Expenditures	\$ 1,022,971	\$ 1,022,971	\$ 877,923	\$ 145,048	14.2%
Special Events Department	Expenditures	788,474	788,474	808,240	(19,766)	-2.5%
Special Promotional Programs	Expenditures	85,788,909	85,788,909	85,587,015	201,894	0.2%
<i>Total Transient Occupancy Tax Fund Expenditures</i>		<i>\$ 87,600,354</i>	<i>\$ 87,600,354</i>	<i>\$ 87,273,179</i>	<i>\$ 327,175</i>	
Underground Surcharge Fund	Revenue	\$ 49,091,916	\$ 49,091,916	\$ 48,950,718	\$ (141,198)	-0.3%
	Expenditures	49,092,936	49,092,936	49,074,073	18,863	0.0%
Water UtilityOperating Fund ¹	Revenue	427,607,269	427,607,269	459,529,402	31,922,133	7.5%
	Expenditures	439,290,546	439,479,961	438,617,095	862,866	0.2%
Wireless Communications TechnologyFund	Revenue	7,534,476	7,534,476	7,576,021	41,545	0.6%
	Expenditures	8,869,368	8,869,368	8,108,705	760,663	8.6%

The current budget presented in this table is as of March 2014 (accounting period 9) unless otherwise noted. Capital Improvements Program expenditure budgets are excluded.

¹ Revenues in the Sewer Utility and Water Utility Operating Funds support both Operating and Capital Improvements Program (CIP) activity; however, only operating expenditures are reflected in this report.

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
GENERAL FUND			
Administration			
Department Director		1.00	
Public Information Specialist		1.00	
Administration Total	1.00	2.00	1.00
City Comptroller			
Accountant 2		1.00	
Financial Operations Manager		2.00	
Principal Accountant		1.50	
Senior Account Audit Clerk		1.00	
City Comptroller Total	3.00	5.50	2.50
City Treasurer			
Accountant 2		1.00	
Accountant 3		1.00	
Clerical Assistant 2		1.00	
Parking Meter Technician		3.00	
Public Information Clerk		2.00	
City Treasurer Total	4.00	8.00	4.00
Civic and Urban Initiatives			
	-	-	-
Debt Management			
	1.00	-	(1.00)
Development Services - Planning and Neighborhood Code Compliance			
Deputy Director		1.00	
Payroll Specialist 1		1.00	
Program Manager		2.00	
Senior Management Analyst		1.00	
Senior Zoning Investigator		1.00	
Development Services - Planning and Neighborhood Code Compliance Total	2.00	6.00	4.00
Economic Development			
Account Clerk		1.00	
Administrative Aide 1		1.00	
Administrative Aide 2		1.00	
Assistant Planning Director		1.00	
Community Development Coordinator		1.00	
Community Development Specialist 2		1.00	
Senior Management Analyst		1.00	
Economic Development Total	1.00	7.00	6.00
Environmental Services			
Associate Management Analyst		1.00	
Hazardous Materials Inspector 2		1.00	
Information Systems Analyst 2		0.38	
Public Information Clerk		0.63	
Sanitation Driver 2		1.00	
Sanitation Driver 3		2.00	
Environmental Services Total	5.23	6.01	0.78
Financial Management			
Associate Budget Development Analyst		1.00	
Senior Budget Development Analyst		2.00	
Supervising Budget Development Analyst		4.00	
Financial Management Total	1.00	7.00	6.00

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Fire-Rescue			
Administrative Aide 2		1.00	
Associate Management Analyst		1.00	
Building Maintenance Supervisor		1.00	
Clerical Assistant 2		1.00	
Construction Estimator		1.00	
Deputy Fire Chief		2.00	
Fire Captain		4.00	
Fire Dispatcher		4.00	
Fire Engineer		17.00	
Fire Fighter 2		37.00	
Fire Fighter 3		5.00	
Fire Helicopter Pilot		2.00	
Fire Prevention Supervisor		1.00	
Information Systems Analyst 2		1.00	
Lifeguard 2		1.00	
Project Assistant		1.00	
Public Information Officer		1.00	
Senior Drafting Aide		1.00	
Storekeeper 1		1.00	
Fire-Rescue Total	75.00	83.00	8.00
Human Resources			
Program Manager		1.00	
Senior Department Human Resources Analyst		1.00	
Human Resources Total	-	2.00	2.00
Library			
Assistant Management Analyst		1.00	
Librarian 3		2.00	
Librarian 4		1.00	
Library Aide		11.50	
Library Clerk		0.50	
Library Total	14.50	16.00	1.50
Multimedia Services	-	-	-
Office of Homeland Security	1.00	-	(1.00)
Office of ADA Compliance and Accessibility	-	-	-
Office of the Chief Financial Officer	-	-	-
Office of the Assistant Chief Operating Officer	1.00	-	(1.00)
Office of the Chief Operating Officer	-	-	-
Office of the Mayor			
Mayor Representative 2		1.00	
Office of the Mayor Total	-	1.00	1.00
Park and Recreation			
Assistant Department Director		1.00	
Assistant Recreation Center Director		1.00	
Clerical Assistant 2		1.00	
Custodian 2		2.00	
District Manager		2.00	
Equipment Operator 1		1.00	
Equipment Technician 1		1.00	

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Executive Secretary		1.00	
Grounds Maintenance Manager		3.00	
Grounds Maintenance Worker 1		1.00	
Grounds Maintenance Worker 2		11.00	
Heavy Truck Driver 1		1.00	
Laborer		4.00	
Park Ranger		4.00	
Pesticide Applicator		1.00	
Principal Drafting Aide		1.00	
Recreation Center Director 1		1.00	
Recreation Specialist		0.50	
Seven-Gang Mower Operator		1.00	
Supervising Recreation Specialist		1.00	
Swimming Pool Manager 2		3.00	
Park and Recreation Total	23.50	42.50	19.00
Police			
Administrative Aide 2		2.00	
Associate Management Analyst		1.00	
Building Maintenance Supervisor		1.00	
Clerical Assistant 2		1.00	
Crime Scene Specialist		1.00	
Criminalist 2		1.00	
Dispatcher 2		2.00	
Information Systems Analyst 2		1.00	
Information Systems Analyst 4		1.00	
Information Systems Technician		1.00	
Latent Print Examiner 2		1.00	
Parking Enforcement Officer 1		6.00	
Parking Enforcement Officer 2		1.00	
Police Agent		1.00	
Police Captain		3.00	
Police Code Compliance Officer		2.00	
Police Code Compliance Supervisor		1.00	
Police Detective		50.00	
Police Dispatcher		8.00	
Police Investigative Aide 2		1.00	
Police Lead Dispatcher		1.00	
Police Lieutenant		3.00	
Police Officer 2		35.00	
Police Officer 3		1.00	
Police Property and Evidence Clerk		0.50	
Police Records Data Specialist		2.00	
Police Sergeant		24.00	
Senior Account Clerk		1.00	
Senior Refrigeration Mechanic		1.00	
Supervising Department Human Resources Analyst		1.00	
Supervising Latent Print Examiner		1.00	
Supervising Management Analyst		1.00	
Word Processing Operator		1.00	
Police Total	130.50	158.50	28.00
Public Works - Contracting			
Assistant Engineer-Civil		1.00	
Public Works - Contracting Total	1.00	1.00	-
Public Works - Engineering and Capital Projects			

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Account Clerk		1.00	
Administrative Aide 2		1.00	
Assistant Engineer-Civil		14.00	
Associate Engineer-Civil		5.00	
Associate Planner		2.00	
Land Surveying Assistant		1.00	
Principal Engineering Aide		5.00	
Principal Survey Aide		1.00	
Project Officer 2		1.00	
Word Processing Operator		1.00	
Public Works - Engineering and Capital Projects Total	17.00	32.00	15.00
Public Works - General Services			
Building Service Technician		1.00	
Carpenter		1.00	
Carpenter Supervisor		1.00	
Custodian 2		1.00	
Painter		1.00	
Plumber		2.00	
Refrigeration Mechanic		3.00	
Roofer		2.00	
Public Works - General Services Total	4.00	12.00	8.00
Purchasing and Contracting			
Contracts Processing Clerk		1.00	
Procurement Specialist		2.00	
Senior Management Analyst		2.00	
Word Processing Operator		1.00	
Purchasing and Contracting Total	1.00	6.00	5.00
Real Estate Assets			
Program Manager		3.00	
Property Agent		1.00	
Real Estate Assets Total	1.00	4.00	3.00
Transportation and Storm Water			
Assistant Engineer-Civil		2.00	
Assistant Engineer-Traffic		1.00	
Associate Engineer-Civil		3.00	
Associate Engineer-Traffic		1.00	
Deputy Director		1.00	
Equipment Operator 2		2.00	
Heavy Truck Driver 2		2.00	
Motor Sweeper Supervisor		1.00	
Parking Enforcement Officer 1		1.00	
Public Information Officer		1.00	
Public Works Supervisor		4.00	
Senior Civil Engineer		1.00	
Senior Clerk/Typist		1.00	
Senior Engineering Aide		2.00	
Sign Painter		1.00	
Supervising Management Analyst		1.00	
Traffic Signal Technician 2		2.00	
Utility Worker 1		14.00	
Utility Worker 2		1.00	
Word Processing Operator		1.00	
Transportation and Storm Water Total	16.00	43.00	27.00
Non-Mayoral Departments Total	24.50	44.50	20.00

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
General Fund Total	328.23	487.01	158.78
NON-GENERAL FUNDS			
Airports Fund			
Airport Manager		1.00	
Airports Fund Total	1.00	1.00	-
Central Stores Fund			
Auto Messenger 2		1.00	
Storekeeper 1		1.00	
Central Stores Fund Total	1.00	2.00	1.00
Concourse and Parking Garages Operating			
Account Clerk		1.00	
Concourse and Parking Garages Operating Fund Total	-	1.00	1.00
Development Services Fund			
Administrative Aide 2		1.00	
Apprentice 1-Electrician (4 Yr)		1.00	
Assistant Development Services Director		1.00	
Assistant Engineer-Civil		9.00	
Assistant Engineer-Traffic		4.00	
Associate Engineer-Civil		3.00	
Associate Planner		13.00	
Biologist 3		1.00	
Cashier		1.00	
Clerical Assistant 2		7.00	
Combination Inspector 2		11.00	
Deputy Director		1.00	
Development Project Manager 1		8.00	
Development Project Manager 3		1.00	
Junior Engineering Aide		1.00	
Mechanical Inspector 2		1.00	
Payroll Specialist 2		2.00	
Plan Review Specialist 3		3.00	
Plan Review Specialist 4		1.00	
Program Manager		1.00	
Public Information Clerk		9.00	
Senior Cashier		1.00	
Senior Civil Engineer		1.00	
Senior Clerk/Typist		4.00	
Senior Combination Inspector		1.00	
Senior Drafting Aide		5.00	
Senior Engineer-Fire Protection		1.00	
Senior Engineering Aide		1.00	
Senior Engineering Geologist		1.00	
Senior Mechanical Inspector		1.00	
Senior Planner		3.00	
Senior Public Information Officer		1.00	
Senior Structural Inspector		1.00	
Structural Engineering Associate		3.00	
Structural Inspector 2		3.00	
Supervising Plan Review Specialist		2.00	
Word Processing Operator		10.50	
Development Services Fund Total	145.75	119.50	(26.25)

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Energy Conservation Program Fund			
Associate Management Analyst		1.00	
ProgramManager		1.00	
Energy Conservation Program Fund Total	0.15	2.00	1.85
Facilities Financing Fund			
Associate Management Analyst		1.00	
Supervising Management Analyst		1.00	
Word Processing Operator		1.00	
Facilities Financing Fund Total	1.00	3.00	2.00
Fire/Emergency Medical Services Transport Program Fund			
Emergency Medical Technician		1.00	
ProgramManager		1.00	
QualityManagement Coordinator		1.00	
Fire/Emergency Medical Services Transport Program Fund Total	-	3.00	3.00
Fleet Services Operating Fund			
Account Clerk		1.00	
Associate Management Analyst		1.00	
Equipment Mechanic		14.00	
Equipment Service Writer		2.00	
Fleet Attendant		1.00	
Machinist		1.00	
Stock Clerk		1.00	
Storekeeper 1		2.00	
Welder		1.00	
Fleet Services Operating Fund Total	-	24.00	24.00
GIS Fund			
Information Systems Analyst 4		1.00	
GIS Fund Total	-	1.00	1.00
Golf Course Fund			
Clerical Assistant 2		1.00	
Greenskeeper		1.00	
Grounds Maintenance Worker 1		3.00	
Senior Public Information Officer		1.00	
Golf Course Fund Total	4.00	6.00	2.00
Information Technology Fund			
Graphic Designer		1.00	
Information Systems Analyst 3		1.00	
Information Systems Analyst 4		1.00	
Information Technology Fund Total	2.00	3.00	1.00
Junior Lifeguard Program Fund	-	-	-
Local Enforcement Agency Fund			
Hazardous Materials Inspector 3		1.00	
Local Enforcement Agency Fund Total	1.00	1.00	-
Los Penasquitos Canyon Preserve Fund	-	-	-
OneSD Support Fund	-	-	-
PETCO Park Fund	-	-	-
Publishing Services Fund			
Senior Publishing Specialist		1.00	
Publishing Services Fund Total	-	1.00	1.00

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
QUALCOMM Stadium Operating Fund			
Administrative Aide 2		1.00	
Building Service Technician		1.00	
QUALCOMM Stadium Operating Fund Total	1.00	2.00	1.00
Recycling Fund			
Hazardous Materials Inspector 2		0.50	
Information Systems Analyst 2		0.28	
Public Information Clerk		0.16	
Sanitation Driver 2		2.00	
Utility Worker 2		0.50	
Recycling Fund Total	4.28	3.44	(0.84)
Refuse Disposal Fund			
Assistant Engineer-Civil		1.00	
Code Compliance Officer		2.00	
Code Compliance Supervisor		1.00	
Equipment Technician 1		1.00	
General Utility Supervisor		1.00	
Information Systems Analyst 2		0.34	
Laborer		1.00	
Landfill Equipment Operator		1.00	
Public Information Clerk		0.21	
Public Works Supervisor		2.00	
Supervising Disposal Site Representative		1.00	
Utility Worker 1		4.00	
Refuse Disposal Fund Total	6.34	15.55	9.21
Risk Management Administration Fund			
Claims Representative 2		1.00	
Employee Benefits Administrator		1.00	
Senior Clerk/Typist		1.00	
Supervising Management Analyst		1.00	
Workers' Compensation Claims Representative 2		2.00	
Risk Management Administration Fund Total	2.00	6.00	4.00
Sewer Utility Funds			
Account Clerk		0.60	
Accountant 3		0.30	
Administrative Aide 1		0.51	
Administrative Aide 2		1.78	
Assistant Chemist		2.00	
Assistant Customer Services Supervisor		0.50	
Assistant Engineer-Civil		2.25	
Assistant Metropolitan Wastewater Director		0.51	
Associate Engineer-Civil		1.10	
Associate Engineer-Mechanical		0.77	
Associate Management Analyst		2.55	
Biologist 2		1.00	
Biologist 3		0.79	
Building Service Technician		0.67	
Clerical Assistant 2		1.50	
Code Compliance Officer		0.50	
Customer Information and Billing Manager		0.50	
Customer Services Representative		2.25	
Deputy Director		0.67	
Equipment Operator 1		3.00	
Equipment Operator 2		1.00	
Equipment Technician 1		2.00	
Equipment Technician 2		1.00	
Field Representative		1.50	

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Information Systems Analyst 2		1.59	
Information Systems Analyst 3		0.53	
Information Systems Analyst 4		1.00	
Instrumentation and Control Technician		2.00	
Laboratory Technician		6.00	
Marine Biologist 2		2.00	
Organization Effectiveness Specialist 3		0.61	
Plant Process Control Electrician		1.00	
Plant Process Control Supervisor		1.00	
Plant Technician 1		4.00	
Plant Technician 2		6.00	
Plant Technician 3		2.00	
Plant Technician Supervisor		2.00	
Power Plant Operator		3.00	
Power Plant Supervisor		1.00	
Program Manager		0.50	
Project Officer 1		0.79	
Pump Station Operator		3.00	
Recycling Program Manager		0.51	
Safety Representative 2		0.51	
Senior Customer Services Representative		0.50	
Senior Drafting Aide		0.51	
Senior Electrical Engineer		1.00	
Senior Engineering Aide		2.00	
Senior Management Analyst		0.37	
Storekeeper 2		1.00	
Supervising Field Representative		0.50	
Utility Worker 1		2.00	
Wastewater Operations Supervisor		1.00	
Wastewater Plant Operator		5.00	
Wastewater Pretreatment Inspector 2		1.00	
Wastewater Treatment Superintendent		1.00	
Water Utility Supervisor		3.00	
Water Utility Worker		1.00	
Sewer Utility Funds Total	40.40	88.17	47.77
Transient Occupancy Tax Fund			
Public Art Program Administrator		1.00	
Transient Occupancy Tax Fund Total	-	1.00	1.00
Underground Surcharge Fund			
	-	-	-
Water Utility Operating Fund			
Account Clerk		0.40	
Accountant 3		0.20	
Administrative Aide 1		0.49	
Administrative Aide 2		2.22	
Assistant Customer Services Supervisor		0.50	
Assistant Engineer-Civil		0.75	
Assistant Engineer-Corrosion		1.00	
Assistant Metropolitan Wastewater Director		0.49	
Assistant Reservoir Keeper		1.00	
Associate Engineer-Civil		0.90	
Associate Engineer-Mechanical		0.23	
Associate Management Analyst		2.20	
Biologist 3		0.21	
Building Service Technician		0.33	
Carpenter		1.00	

Budgeted Vacancies as of April 2014			
			FTE
Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Code Compliance Officer		0.50	
Customer Information and Billing Manager		0.50	
Customer Services Representative		2.25	
Deputy Director		0.33	
Field Representative		1.50	
Heavy Truck Driver 2		1.00	
Information Systems Analyst 2		1.41	
Information Systems Analyst 3		0.47	
Instrumentation and Control Technician		1.00	
Laboratory Technician		5.00	
Lake Aide 1		1.00	
Lake Aide 2		1.00	
Organization Effectiveness Specialist 3		0.39	
Program Manager		0.50	
Project Officer 1		0.21	
Recycling Program Manager		0.49	
Safety Representative 2		0.49	
Senior Customer Services Representative		0.50	
Senior Drafting Aide		0.49	
Senior Management Analyst		0.63	
Senior Water Distribution Operations Supervisor		1.00	
Supervising Field Representative		0.50	
Supervising Meter Reader		1.00	
Water Systems Technician 3		3.00	
Water Systems Technician 4		4.00	
Word Processing Operator		1.00	
Water Utility Operating Fund Total	36.60	42.08	5.48
Wireless Communications Technology Fund			
Associate Communications Engineer		1.00	
Communications Technician		3.00	
Equipment Technician 1		2.00	
Information Systems Administrator		1.00	
Senior Communications Technician Supervisor		1.00	
Wireless Communications Technology Fund Total	2.00	8.00	6.00

Non-General Fund Reserves

Fund	Reserve Type	FY 2014 Target	Status
Development Services Fund	Appropriated Reserve	\$ 341,744	On Target
	Fund Balance	1,724,452	On Target
Public Liability Fund ¹	Fund Balance	32,200,000	Above Target
Workers Compensation Fund	Fund Balance	43,000,000	On Target
Long-Term Disability Fund ²	Fund Balance	13,800,000	Above Target
Water Utility Funds	Appropriated Reserve ³	3,500,000	Budgeted
	Operating Reserve	30,662,165	On Target
	Capital Reserve	5,000,000	Budgeted
	Rate Stabilization Reserve	20,500,000	On Target
	Secondary Purchase Reserve	12,544,476	On Target
	Dedicated Reserve from Efficiency & Savings ⁴	29,901,772	N/A
Sewer Utility Funds	Appropriated Reserve	3,500,000	Budgeted
	Operating Reserve	43,314,185	On Target
	Capital Reserve	5,000,000	Budgeted
	Rate Stabilization Reserve	21,300,000	On Target
	Dedicated Reserve from Efficiency & Savings ⁴	27,043,918	N/A
Refuse Disposal Fund	Appropriated Reserve	920,000	Budgeted
	Fund Balance	3,680,000	On Target
Recycling Enterprise Fund	Appropriated Reserve	480,000	Budgeted
	Fund Balance	1,920,000	On Target

¹The Mid-Year Adjustment Resolution (R-308783) pre-funded the Public Liability Fund Reserve by \$3.2 million.

²The Mid-Year Adjustment Resolution (R-308783) pre-funded the Long-Term Disability Fund Reserve by \$1.6 million.

³Approximately \$2.7 million of Appropriated Reserve was used to support unanticipated expenditures in the first quarter. The Fund intends to replenish the Appropriated Reserve by fiscal year-end if potential savings are realized.

⁴The amount displayed for the Dedicated Reserve from Efficiency & Savings (DRES) represents the fund balance as of June 30, 2013, as a reserve target for this fund is not required.



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 3, 2015

REPORT NO: 15-043

ATTENTION: Budget Review Committee
Agenda of May 5, 2015

SUBJECT: Fiscal Year 2015 Six-Month State of the CIP Report

REQUESTED ACTION:

Accept the report.

STAFF RECOMMENDATION:

This is an informational item. Staff recommends accepting the report.

SUMMARY:

The following report, presented by the Capital Improvements Program Review and Advisory Committee, provides an update on the status of the City's Capital Improvements Program (CIP). This is the sixth State of the CIP report and covers CIP activity during the first six months of Fiscal Year 2015 (July through December, 2014). This report provides an overview of the City's CIP, highlighting major projects and programs as well as process improvements and accomplishments. Information is included about current trends and issues of importance to the CIP. The report provides additional staff recommendations to improve efficiencies and promote cost savings. In addition, performance data is provided regarding expenditures, project schedules, and contracting.

This status update on the City's CIP communicates the latest progress on active projects and updates City Council on any significant changes. This report provides up-to-date information on the status of active CIP projects managed by Public Works-Engineering and where available, projects managed by other City departments. The information in this report is also intended to help facilitate decision making in the upcoming budget cycle. While the annual budget process continues to be the primary mechanism for defining, prioritizing, and funding projects, the information provided in this Report augments the Fiscal Year 2016 CIP Budget. Additional information on the City's CIP is available on the City's website at www.sandiego.gov/cip.

This report also includes an update to the "CIP Fiscal Year 2015 Construction Award List".

FISCAL CONSIDERATIONS:

N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

See Council Policy 000-31.

See State of the CIP Status Report of October 24, 2013, Report No. 13-093

See State of the CIP Report of April 4, 2014, Report No. 14-34

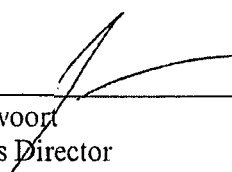
See the Fiscal Year 2014 State of the CIP Report of December 8, 2014

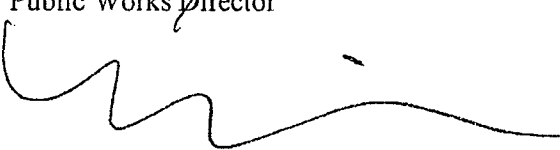
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

N/A



James Nagelvoort
Public Works Director

Marnell Gibson
Public Works Assistant Director

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO					CERTIFICATE NUMBER (FOR AUDITOR'S USE ONLY)	
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): Auditor			DATE: 10/16/2013	
SUBJECT: City Auditor's Performance Audit on the Transportation & Storm Water Department's Utilities Undergrounding Program						
PRIMARY CONTACT (NAME, PHONE): Chris Kime , 619-533-3039 605B				SECONDARY CONTACT (NAME, PHONE): , 619-533-3030 605B		
COMPLETE FOR ACCOUNTING PURPOSES						
FUND						
DEPT.						
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P./CAPITAL PROJECT No.						
AMOUNT	0.00	0.00	0.00	0.00	0.00	0.00
FUND						
DEPT.						
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P./CAPITAL PROJECT No.						
AMOUNT	0.00	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE):						
ROUTING AND APPROVALS						
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY		APPROVAL SIGNATURE		DATE SIGNED
Elser, Kyle Office of the City Auditor		ORIG DEPT.		Luna, Eduardo		10/28/2013
		CFO				
		COO				
		CITY ATTORNEY				
		COUNCIL PRESIDENTS OFFICE		Jurado-Sainz, Diana		12/5/2013
PREPARATION OF:		<input type="checkbox"/> RESOLUTIONS		<input type="checkbox"/> ORDINANCE(S)		<input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)
To accept the report and forward to the full Council						
STAFF RECOMMENDATIONS: Received the City Auditor's Performance Audit on the Transportation & Storm Water Department's Utilities Undergrounding Program						
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)						

COUNCIL DISTRICT(S):	
COMMUNITY AREA(S):	
ENVIRONMENTAL IMPACT:	
CITY CLERK INSTRUCTIONS:	

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 10/16/2013

ORIGINATING DEPARTMENT: Auditor

SUBJECT: City Auditor's Performance Audit on the Transportation & Storm Water
Department's Utilities Undergrounding Program

COUNCIL DISTRICT(S):

CONTACT/PHONE NUMBER: Chris Kime /619-533-3039 605B

REQUESTED ACTION:

Our office requests that this be a discussion item on the Council's Agenda

STAFF RECOMMENDATION:

Received the City Auditor's Performance Audit on the Transportation & Storm Water
Department's Utilities Undergrounding Program

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

This report was conducted in accordance with the City Auditor's Fiscal Year 2013 Audit Work Plan, and the report is presented in accordance with City Charter Section 39.2. The goal of the City of San Diego's Utilities Undergrounding Program (UUP) is to convert every residential overhead utility line in San Diego to underground service over the next 53 years. With roughly \$48 million in annual revenue from San Diego Gas and Electric (SDG&E) and another \$13 million in an expenditure obligation from SDG&E, our objectives were to determine whether SDG&E is remitting the proper amount of revenue to the City, the City is managing those funds correctly, and if SDG&E is meeting their expenditure obligation. The Office of the City Auditor conducted this performance audit of the UUP at the request of Audit Committee members Thomas Hebrank and former Councilmember Carl DeMaio.

Specifically, we found the following:

1) The SDG&E payments appeared correct and procedures are in place to verify SDG&E's remittance to the City; 2) The UUP keeps approximately one year of operating funds in total balance and reserves, of which \$20 million could be utilized for additional undergrounding; and 3) The UUP could improve financial oversight by reviewing labor expenditure reports and reviewing the SDG&E expenditure obligation.

We made four recommendations to address the issues we identified. The recommendations we made are intended to improve the control over and accountability for the UUP's expenditures.

The Transportation & Storm Water Department's UUP agreed to all four recommendations.

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

The report was presented to the Audit Committee on October 7, 2013, and the Committee took the following action:

Action: Motion by Councilmember Sherman, second by Committee Member Hebrank, to accept the report and forward to the full Council.

Vote - 5-0; Faulconer-yea, Sherman-yea, Schreiner-yea, Valdivia-yea, Hebrank – yea

Voted YEA: Faulconer, Sherman, Schreiner, Valdivia, Hebrank

No changes have been made to the report since it was presented to the Committee.

Luna, Eduardo

Originating Department

Performance Audit of the Utilities Undergrounding Program

**IMPROVED FINANCIAL PRACTICES COULD
BENEFIT THE PROGRAM**

AUGUST 2013

Audit Report

**Office of the City Auditor
City of San Diego**



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THE CITY OF SAN DIEGO

August 12, 2013

Honorable Mayor, City Council, and Audit Committee Members
City of San Diego, California

Transmitted herewith is an audit report on the Transportation & Storm Water Department's Utilities Undergrounding Program. This report is in accordance with City Charter Section 39.2. The Results in Brief is presented on page 1. The Administration's response to our audit recommendations can be found after page 18 of the report.

We would like to thank the Utilities Undergrounding Program's staff, as well as representatives from the City Treasurer and other City departments for their assistance and cooperation during this audit. All of their valuable time and efforts spent on providing us information is greatly appreciated. The audit staff responsible for this audit report is Shoshana Aguilar, Andy Horita, Chris Kime, and Kyle Elser.

Respectfully submitted,

Eduardo Luna
City Auditor

cc: Lee Burdick, Chief of Staff
Nelson Hernandez, Director of Policy
Walt Ekard, Interim Chief Operating Officer
Scott Chadwick, Assistant Chief Operating Officer
Greg Bych, Interim Chief Financial Officer
Ken Whitfield, City Comptroller
Kip Sturdevan, Director, Transportation & Storm Water Department
Hasan Yousef, Deputy Director, Transportation & Storm Water Department
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst
Gail Granewich, City Treasurer



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TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE (866) 809-3500



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Results in Brief

The goal of the City of San Diego's Utilities Undergrounding Program (UUP) is to convert every residential overhead utility line in San Diego to underground service over the next 53 years. With roughly \$48 million in annual revenue from San Diego Gas and Electric (SDG&E) and another \$13 million in an expenditure obligation from SDG&E, our objectives were to determine whether SDG&E is remitting the proper amount of revenue to the City, the City is managing those funds correctly, and if SDG&E is meeting their expenditure obligation. The Office of the City Auditor conducted this performance audit of the UUP at the request of Audit Committee members Thomas Hebrank and former Councilmember Carl DeMaio.

We evaluated the extent to which the City provides for effective control over and accountability for the UUP's revenue and expenses. We analyzed fund management data from the UUP from fiscal years (FY) 2010-2012 and found that improved financial practices and policies could benefit the program.

Specifically, we found the following:

- The SDG&E payments appeared correct and procedures are in place to verify SDG&E's remittance to the City;
- The UUP keeps approximately one year of operating funds in total balance and reserves, of which \$20 million could be utilized for additional undergrounding; and
- The UUP could improve financial oversight by reviewing labor expenditure reports and reviewing the SDG&E expenditure obligation.

We made four recommendations to address the issues we identified. The recommendations we made are intended to improve the control over and accountability for the UUP's expenditures.

If the UUP expands or accelerates utility undergrounding efforts in the future, adopting formal policies and increasing financial oversight will be necessary to keep pace with program administration demands. Audit objectives, scope, and methodology are found in Appendix A.

The Transportation & Storm Water Department's UUP agreed to all four recommendations.

Background

The goal of the City of San Diego (City) is to convert every residential overhead utility line in San Diego to underground service over the next 53 years. The City, through its Utilities Undergrounding Program (UUP), has relocated an average of 15 miles of overhead utility lines underground throughout the City each year since 2003. Overhead utility lines include power, cable, and telephone lines.

This audit focuses on the UUP, which is part of the Right of Way Coordination Division of the Transportation & Storm Water Department (TSWD). According to program management, there are two and one half full time equivalent positions assigned to the program in TSWD, with an expenditure of approximately \$40 million in FY 2012. A project engineer is responsible for managing the program on a daily basis. Numerous other City employees produce work for the program including four engineering positions that charge the bulk of their time to the UUP.

Exhibit 1 summarizes the UUP's Underground Surcharge Fund revenues and expenditures for FY 2012 to 2014. In FY 2012, management of the UUP was transferred from the Engineering & Capital Projects Department to TSWD.

Exhibit 1

Utilities Underground Surcharge Fund

	FY 2012 Actual	FY 2013 Budget	FY 2014 Proposed
Beginning Balance and Reserves	\$40,031,898	\$35,502,780	\$46,344,787
Electric Surcharge Revenue – SDG&E	48,051,392	48,944,555	48,791,916
Interest Earnings	357,027	500,000	300,000
Total Revenue	48,408,419	49,444,555	49,091,916
Total CIP Expenditures	4,389,787		
Operating Expense	35,296,835	49,444,555	49,091,916
CIP Expenditure of Prior Year Funds		15,000,000	3,000,000
Total Expense	39,686,622	64,444,555	52,091,916
Total Balance and Revenue less Total Expense	\$48,753,695	\$20,502,780	\$43,344,787

Source: City of San Diego FY 2014 Proposed Budget

The UUP is responsible for administering the underground surcharge fund, which includes: budgeting, processing invoices for payment, monitoring program revenues and expenditures, producing the undergrounding master plan, and coordinating and overseeing undergrounding activity with San Diego Gas and Electric (SDG&E). The UUP also conducts public outreach and manages Capital Improvement Program (CIP) work related to street repaving, installation of new streetlights, curb ramps, and underground connections to traffic signals. SDG&E handles the actual utility undergrounding project design, contracting, and construction management.

**Utilities Undergrounding
is a 100 Year Endeavor**

SDG&E has been undergrounding utility lines in the City since 1970 in compliance with California Public Utilities Commission (CPUC) Rule 20A. In 2003, the City began to actively manage the UUP with the ratification of the Memorandum of Understanding (MOU) between the City and SDG&E, and the City expects to move all lines underground in the coming five decades. According to the program's report to the City Council, an average of 15 miles of lines per year have been undergrounded since 2003, with 353 total miles completed and 1,086 miles of utility lines remaining as of December 31, 2011. The most recent master plan estimates that all construction will be complete by 2066. **Exhibit 2** shows a sample of undergrounding projects under construction.

Exhibit 2

Sample of Utilities Undergrounding Projects under Construction

Council District	Project Title	Location
1	La Jolla Scenic Drive	Surgarman Dr to Via Posada
2	Residential Project Block 2J	Point Loma
3	Residential Project Block 2E	Mission Hills
4	Residential Project Block 4G	Lincoln Park
5	No active projects	
6	Mesa College Drive	Ashford St
7	Residential Project Block 7CC	Del Cerro
8	Residential Project Block 8F	Sherman Heights
9	Monroe Ave	Winona to Collwood

Source: Transportation and Storm Water Department

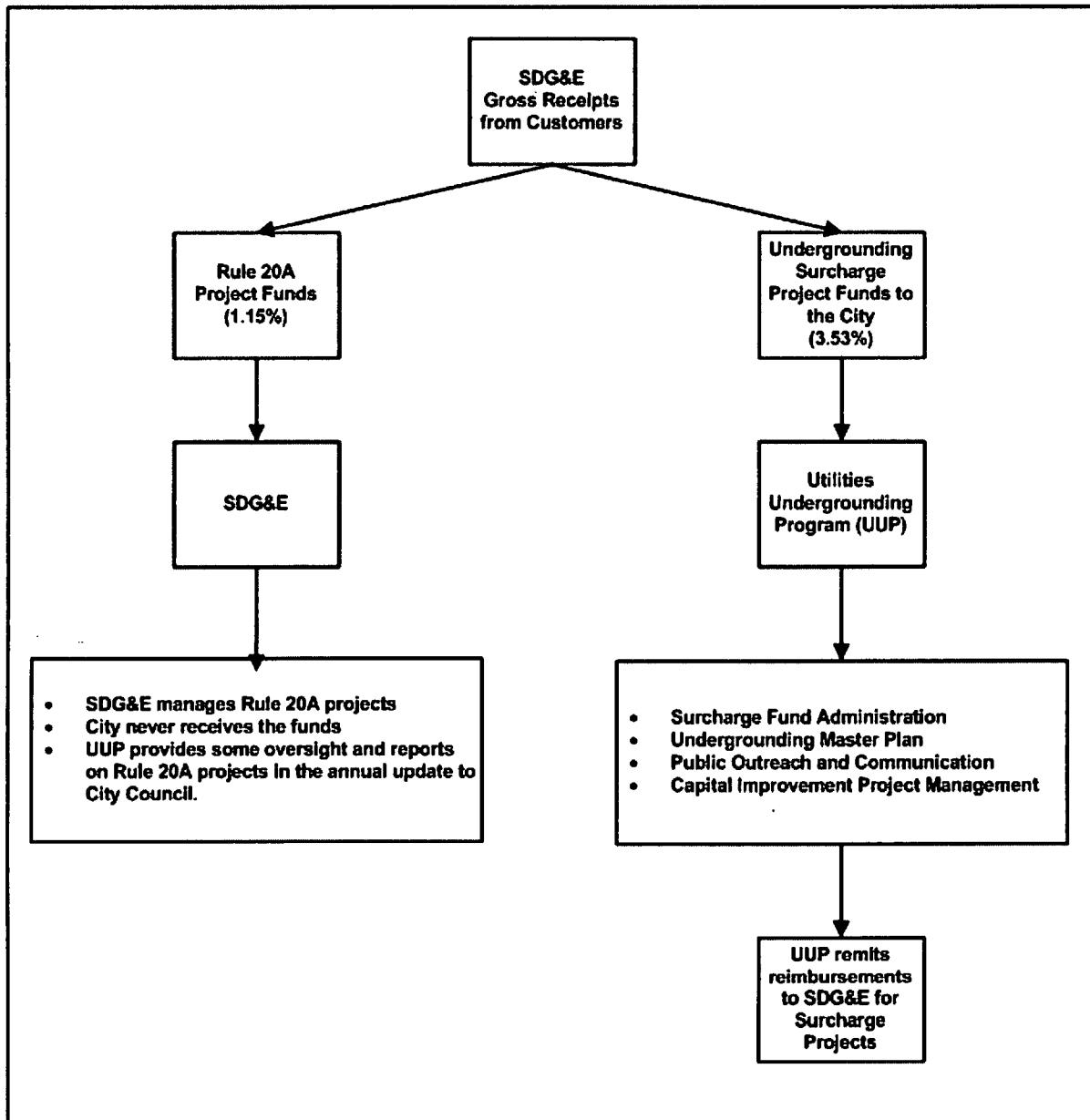
**Utilities Undergrounding
Has Two Primary
Funding Sources**

Utilities undergrounding is an approximately \$61 million per year endeavor funded by two revenue sources: Rule 20A and an undergrounding surcharge fee, displayed in **Exhibit 3**. The first funding source is a requirement of the CPUC Rule 20A that all utilities must spend a percentage of revenue to underground utility lines in the general public interest. In 2002, the City updated the franchise agreement, which requires SDG&E to devote 1.15 percent of gross receipts to undergrounding to comply with Rule 20A. In calendar year 2012, the Rule 20A spending obligation was approximately \$13 million. SDG&E manages these projects, and the City never receives the funds. However, the UUP does provide some oversight and reports on Rule 20A projects in the annual update to the City Council. Additionally, the UUP incorporates Rule 20A project information into the master plans for each council district and oversees City capital improvements work such as the installation of overhead streetlights and connections to traffic signals.

The second funding source for utility undergrounding work in the City is derived from a 3.53 percent surcharge fee based on gross receipts from utility customers. The collection and remittance to the City of the undergrounding surcharge fee on ratepayers' SDG&E utility bills began in 2003. It has increased the amount of available funding for utilities undergrounding. The 2003 MOU will expire in 2021. From surcharge funds, the City receives about \$48 million per year for undergrounding projects. SDG&E manages the construction work and bills the City for reimbursement, which the City remits from the surcharge fund to SDG&E. The City also uses the surcharge fund to cover CIP work, such as street repaving for all undergrounding projects, as well as to fund other undergrounding program expenses. The City's \$48 million surcharge fee and SDG&E's additional \$13 million for Rule 20A provide approximately \$61 million in total undergrounding dollars per year. **Exhibit 3** diagrams the funding streams and responsibilities of utilities undergrounding.

Exhibit 3

Diagram of Utilities Undergrounding Funding Streams and Responsibilities



Source: Office of the City Auditor

Audit Results

Finding 1: There are Existing Controls to Review the Accuracy of Revenue Received, but Improved Financial Practices and Policies Could Benefit the Utilities Undergrounding Program.

While there are opportunities for improvement with the overall financial management of the City's Utilities Undergrounding Program (UUP), program revenue is consistent and reliable. Specifically, our review of program revenue found that San Diego Gas and Electric (SDG&E) appears to remit the correct amount to the City for their utilities undergrounding surcharge fee obligation. SDG&E also appears to spend the correct amount on Rule 20A undergrounding within the City. We also found that the UUP keeps approximately one year of operating funds in total balance and reserves and should adopt a formal policy to establish a target cash balance amount and utilize any excess funds to increase the amount of undergrounding accomplished. The UUP could further improve financial oversight by reviewing labor expenditure reports and by reviewing the SDG&E spending obligation with more scrutiny.

**Controls are In Place to
Verify the SDG&E
Utilities Undergrounding
Revenue Obligations**

The San Diego Office of the City Treasurer (City Treasurer) conducts revenue reconciliation audits of City income including SDG&E's 3.53 percent undergrounding payment obligation. The Memorandum of Understanding (MOU) between the City and SDG&E requires that SDG&E pay 3.53 percent of gross receipts to the City for utilities undergrounding and spend an additional 1.15 percent of gross receipts to comply with California Public Utilities Commission (CPUC) Rule 20A. SDG&E appears to remit the correct amount to the City for their utilities undergrounding surcharge fee obligation and spends the correct amount on Rule 20A undergrounding within the City as well.

The City Treasurer conducts an audit of SDG&E payments every four years, reviewing the prior four calendar years. The City

Treasurer's audit methodology appears to be a reasonable and adequate means of ensuring that SDG&E remits the correct amount of undergrounding payments on a timely basis. We recalculated the underground surcharge fee obligation for calendar years 2005-2012, and, based on the information available, the SDG&E payments appeared correct.

However, the City Treasurer's audit does not include SDG&E's Rule 20A 1.15 percent spending obligation because the Treasurer's audits are limited to revenues that the City receives.

In 2012, the Rule 20A expenditure obligation was valued at over \$13 million. The MOU directs SDG&E to spend these funds without remitting them to the City. The City does not audit compliance with this MOU requirement, but program oversight would be stronger if SDG&E obligations were more closely monitored. SDG&E does report to the CPUC and the UUP on its Rule 20A obligation. According to SDG&E, the utility submits reports to the CPUC based on the twelve month period running November through October. We evaluated SDG&E's Rule 20A expenditure obligation based on the SDG&E January to December calendar year data we had available and found the payments appeared to be reasonable using the gross receipts information from the City Treasurer's audit. However, program oversight would be strengthened if the UUP reconciled the report it receives from SDG&E with the report SDG&E submits to the CPUC.

Recommendation # 1 The Utilities Undergrounding Program should obtain a copy of the yearly report that SDG&E submits to the California Public Utilities Commission on Rule 20A compliance and reconcile it to the report that SDG&E submits to the Utilities Undergrounding Program. Any discrepancies found should be investigated and resolved. (Priority Level 3)

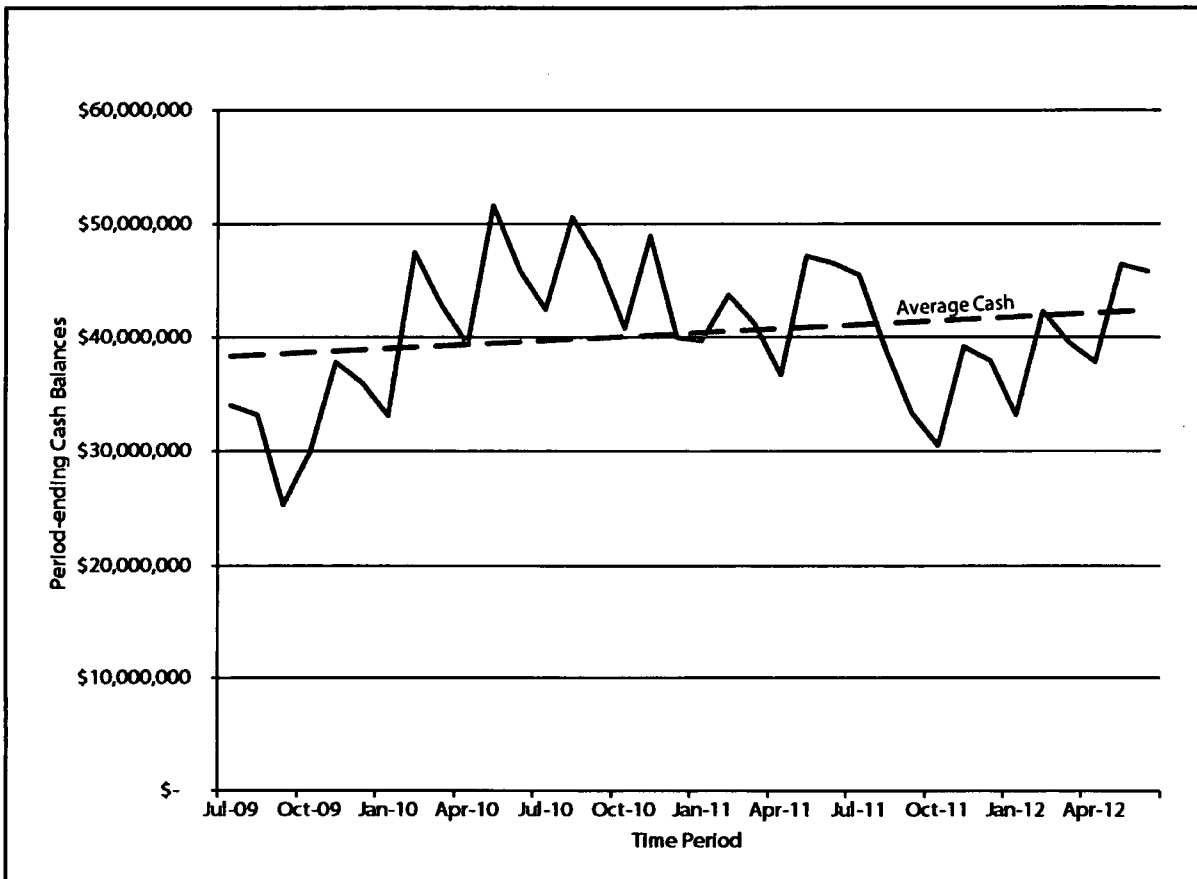
The Utilities Undergrounding Program has Approximately One Year of Operating Funds in Total Balance and Reserves, Some of Which Could be Utilized for Additional Undergrounding

Adopting a formal target for cash balances would provide greater fiscal accountability, reduce idle resources, and increase program responsiveness. While the UUP performs budgetary analysis to anticipate revenues and expenditures, management could implement some financial management best practices, such as formalizing policies and procedures regarding working capital targets. The UUP maintains an average of \$40 million in cash based on an analysis of cash balances for FY 2010-2012.

Exhibit 4 illustrates the cash balance in the fund over the last three fiscal years.

Exhibit 4

Utilities Undergrounding Program Monthly Cash Balance – Fiscal years 2010-2012



Source: Office of the City Auditor

**The Utilities
Undergrounding
Program has a
Consistent and Reliable
Revenue Stream**

SDG&E has remitted quarterly payments that have averaged approximately \$12 million for calendar years 2011 and 2012, and the utility will continue to remit quarterly payments for the duration of the MOU. According to UUP management, there is an internal practice of maintaining a cash reserve for anticipated expenditures as well as contingencies in the construction process.

The City spent approximately \$40 million in FY 2012 to place overhead utility lines underground. Therefore, the cash balance of \$40 million is enough to fund roughly 12 months of undergrounding operations. According to program management, the UUP prefers to maintain six months of cash on hand to prevent cash flow problems. If the UUP reduced its cash balance to cover six months of expenses, an additional \$20 million would be made available for undergrounding program expenses such as trenching, street light replacement, and street repaving.

The cash balance in the undergrounding fund can be compared to working capital levels. Working capital is the liquid portion of a fund that constitutes a margin or buffer for meeting obligations, such as revenue shortfalls and unanticipated expenses. According to the Government Finance Officers Association (GFOA), it is sound fiscal practice to have a clear policy that establishes a target amount of working capital. GFOA recommends starting with a baseline of 90 days' worth of working capital and then adjusting the target based on program characteristics, with 45 days as the minimum acceptable level. If the UUP reduced its cash balance to cover three months of expenses, an extra \$30 million would be made available for additional undergrounding program expenses.

In FY 2011 and FY 2012, the UUP budgeted but did not spend all appropriated undergrounding funds. On a budgetary basis, this practice is not always evident because revenues are fully appropriated each year. The funds have been appropriated for the undergrounding program and should be spent for the appropriated purpose in a timely manner with a reasonable amount kept in reserve for contingencies.

Recommendation # 2 **The Utilities Undergrounding Program should create a policy that defines an appropriate target amount for the fund cash balance reserve. (Priority Level 2)**

Recommendation # 3 **The Utilities Undergrounding Program should spend any cash balance above the targeted amount identified in Recommendation #2. (Priority Level 3)**

**The Utilities
Undergrounding
Program Could Improve
Financial Practices by
Reviewing Labor
Expenditure Reports**

According to program management, the UUP does not have a practice of reviewing labor charges for time that City employees bill to the program. Time spent on UUP activities — such as building permit inspection, archeological monitoring, tree planting, planning and environmental review, field inspection, surveying, and administration — are tracked using internal order numbers in the City's enterprise resource planning system, SAP. This system allows employees in an approved department to charge labor hours to a predefined activity, which is assigned a unique internal order number. The labor charges associated with an internal order number are then summarized in a labor detail report. The labor detail report for the first three quarters of FY 2013 listed 120 employees in six different departments who charged time to the internal order number associated with the underground surcharge fund. Total labor charges for the report were over \$1.2 million. The time billed by individual employees varied from twelve minutes per day to ten hours per day, with over 5,000 entries for a nine month period.

The program has information at its disposal, such as the labor detail reports, to increase financial oversight. According to program management, the UUP has relied on institutional knowledge to identify employees who should be listed on the labor detail report, rather than employing formal review procedures. The development of a procedure to periodically review labor detail reports would improve the oversight of undergrounding resources. Without periodic review, the UUP may be unaware of any incorrect charges to the undergrounding fund. If the UUP expands in the future, the labor detail report would increase in size and complexity as the program grows.

Recommendation # 4 **The Utilities Undergrounding Program should establish a standard operating procedure to review the labor detail reports periodically for allowable charges to the underground surcharge fund. (Priority Level 2)**

Conclusion

The City of San Diego's Utilities Undergrounding Program (UUP) is an ambitious long-term undertaking to move all utility lines below ground over the next five decades, with expenditures projected to exceed \$2 billion. Given the program's considerable scope, this audit sought to examine the City's management of undergrounding funds. We found that, while program revenues appear accurate, the UUP could improve its financial management. Specifically, we found that the UUP maintains approximately one year's worth of cash and lacks a formal policy to manage cash balances above a designated target amount. Further, the UUP does not review labor detail reports for incorrect personnel charges or review SDG&E's expenditure obligation. The Transportation and Storm Water Department's UUP agreed to implement all four of our recommendations, which will put in place stronger financial controls. The City's ability to provide good program stewardship is important given the magnitude of the undergrounding project and the possibility of program expansion in the coming years.

Recommendations

- Recommendation #1** The Utilities Undergrounding Program should obtain a copy of the yearly report that SDG&E submits to the California Public Utilities Commission on Rule 20A compliance and reconcile it to the report that SDG&E submits to the Utilities Undergrounding Program. Any discrepancies found should be investigated and resolved. (Priority Level 3)
- Recommendation #2** The Utilities Undergrounding Program should create a policy that defines an appropriate target amount for the fund cash balance reserve. (Priority Level 2)
- Recommendation #3** The Utilities Undergrounding Program should spend any cash balance above the targeted amount identified in Recommendation #2. (Priority Level 3)
- Recommendation #4** The Utilities Undergrounding Program should establish a standard operating procedure to review the labor detail reports periodically for allowable charges to the underground surcharge fund. (Priority Level 2)

Appendix A: Objectives, Scope, and Methodology

Objectives

As requested by the Audit Committee, the Office of the City Auditor (OCA) included an audit of the Utilities Undergrounding Program (UUP) in our fiscal year 2013 audit work plan. To define our audit scope, we compiled a risk and vulnerabilities assessment and identified the financial oversight of the program as a high risk area to audit. Given the high dollar value of the surcharge fund with roughly \$48 million in annual revenue, it was important to determine whether SDG&E is remitting the proper amount and whether the City is managing those funds correctly.

Our review of the UUP focused on the following objectives:

- Determine the extent to which the City receives the correct amount of revenue from SDG&E for utilities undergrounding;
- Evaluate the extent to which the City provides for effective control over and accountability for the Utilities Undergrounding Program's revenue and expenses; and
- Determine whether SDG&E is meeting their expenditure obligation.

The UUP is administered by the Right of Way Coordination Division of the Transportation & Storm Water Department.

Scope and Methodology

To accomplish our objectives, we performed the following audit procedures:

- Reviewed pertinent laws, regulations, and agreements related to utilities undergrounding;
- Interviewed relevant management and staff to obtain an understanding of the UUP, which included conducting site visits;
- Obtained and analyzed financial data from the Office of the City Treasurer, SAP, and the UUP; and
- Obtained and analyzed information from other cities on utilities undergrounding audits and financing options.

For testing of financial transactions, our scope included FY 2010-2012. We reviewed the most recently completed City Treasurer revenue audit of SDG&E franchise fees, which was completed in 2009. As of April 2013, the City Treasurer was in the process of conducting another such audit. We did not audit Rule 20A expenditures.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Definition of Audit Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3 AUDIT RECOMMENDATIONS

The Office of the City Auditor maintains a classification scheme applicable to audit recommendations and the appropriate corrective actions as follows:

Priority Class ¹	Description ²	Implementation Action ³
1	Fraud or serious violations are being committed, significant fiscal or equivalent non-fiscal losses are occurring.	Immediate
2	A potential for incurring significant or equivalent fiscal and/or non-fiscal losses exist.	Six months
3	Operation or administrative process will be improved.	Six months to one year

¹ The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number.

² For an audit recommendation to be considered related to a significant fiscal loss, it will usually be necessary for an actual loss of \$50,000 or more to be involved or for a potential loss (including unrealized revenue increases) of \$100,000 to be involved. Equivalent non-fiscal losses would include, but not be limited to, omission or commission of acts by or on behalf of the City which would be likely to expose the City to adverse criticism in the eyes of its residents.

³ The implementation time frame indicated for each priority class is intended as a guideline for establishing implementation target dates. While prioritizing recommendations is the responsibility of the City Auditor, determining implementation dates is the responsibility of the City Administration.

Appendix C: Projects Under Construction

New CD	Project Title	Limits	Old CD	Fund
1	La Jolla Scenic Drive	Sugarman Dr to Via Posada	1	20A
1	Regents Road	Executive Dr to Regents Rd	1	20A
3	30th St PH IIIA	Juniper St to Ash St	3	20A
9	Euclid Ave	Euclid Ave to University Ave	3	20A
2	Lincoln Ave	30th St to Wabash Ave	3	20A
9	Monroe Ave	Winona to Collwood	3	20A
4	Briarwood Rd	Brookhaven to Nebraska	4	20A
4	Potomac St	Calle Tres Lomas to Sea Breeze Dr	4	20A
1	Eastgate Mall	Eastgate Dr to I-805 SB	5	20A
2	Jutland Dr	Camino Coralina to Luna Ave	6	20A
2	Moraga Ave PH I	Moraga Ct to Idlewild Way	6	20A
9	Altadena, Wightman, Winona	El Cajon Bl to Euclid	7	20A
8	24th St	G St to Imperial Ave	8	20A
3,8	Island Ave PH I	16th St to 24th St	8	20A
8	Island Ave PH II	26th St to 30th St	8	20A
8	K Street PH I	19th St to 24th St	8	20A
8	K Street PH II	26th St to 30th St	8	20A
8,9	National Ave	32nd St to 43rd St	8	20A
3	Residential Project Block 2E	Mission Hills	2	Surcharge
2	Residential Project Block 2J	Point Loma	2	Surcharge
1,2	Residential Project Block 2T		2	Surcharge
9	Residential Project Block 3EE		3	Surcharge
9	Residential Project Block 3FF		3	Surcharge
4	Residential Project Block 4AA		4	Surcharge
4	Residential Project Block 4G		4	Surcharge
4	Residential Project Block 4Z		4	Surcharge
2	Residential Project Block 6I		6	Surcharge
9	Residential Project Block 7A		7	Surcharge
7	Residential Project Block 7CC		7	Surcharge
3,8	Residential Project Block 8B		8	Surcharge
8	Residential Project Block 8F		8	Surcharge
8	Residential Project Block 8G		8	Surcharge
6,7	Mesa College Drive		6	Surcharge
7	Ridge Manor Avenue		7	Surcharge
8	28th Street		8	Surcharge
7	Patrick Henry High Block		7	Surcharge

Source: Transportation & Storm Water Department

Appendix D: Management's Response



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: August 8, 2013

TO: Eduardo Luna, City Auditor

FROM: Garth K. Sturdevan, Director, Transportation & Storm Water Department

SUBJECT: Management Response to Performance Audit of the Utilities Undergrounding Program

The Transportation & Storm Water Department has reviewed the Audit report titled "Performance Audit of the Utilities Undergrounding Program" dated August 2013. The report provides a detailed analysis of the revenues and expenditures of the Utilities Undergrounding Program and provides recommendations to improve financial oversight of the program. The following is the Department's response to the report's findings and recommendations.

FINDING 1 – There are Existing Controls to Review the Accuracy of Revenues Received, but Improved Financial Oversight and Policies Could Benefit the Utilities Undergrounding Program.

Recommendation #1:

The Utilities Undergrounding Program should obtain a copy of the yearly report that SDG&E submits to the California Public Utilities Commission on Rule 20A compliance and reconcile it to the report that SDG&E submits to the Utilities Undergrounding Program. Any discrepancies found should be investigated and resolved. (Priority Level 3)

Response:

Agree. The Utilities Undergrounding Program (UUP) has obtained a copy and is in the process of reviewing SDG&E's most recent Rule 20A report to the California Public Utilities Commission (CPUC) "Report on Conversion of Overhead to Underground Electric Distribution Facilities, Year 2012". In accordance with the Auditor's recommendation, the UUP will continue to review SDG&E's reports to the CPUC and reconcile them with the reports provided to the UUP on an annual basis and take appropriate action as necessary.

Recommendation #2:

The Utilities Undergrounding Program should create a policy that defines an appropriate target amount for the fund cash balance reserve. (Priority Level 2)

Page 2

Management Response to Performance Audit of the Utilities Undergrounding Program

August 8, 2013

Response:

Agree. The UUP will work in conjunction with the Financial Management Department and Office of the City Comptroller to define and establish the appropriate target amount for the fund cash balance reserve. Given the large number of active undergrounding projects at various stages, careful consideration will be given to ensure this policy will not impact the progress of any active or planned undergrounding project.

Recommendation #3:

The Utilities Undergrounding Program should spend any cash balance above the targeted amount identified in Recommendation # 2. (Priority Level 3)

Response:

Agree. The UUP is currently working with SDG&E, other utilities, Development Services Department - Neighborhood Code Compliance, and Public Works Department - Engineering & Capital Projects to explore means to increase the efficiency of undergrounding project delivery. This will result in increased spending and therefore the cash balance will gradually be reduced to the appropriate target level.

Recommendation #4:

The Utilities Undergrounding Program should establish a standard operating procedure to review the labor detail reports periodically for allowable charges to the underground surcharge fund. (Priority Level 2)

Response:

Agree. The UUP will establish the recommended standard operating procedure by October 1, 2013 and begin to review allowable labor charges on a monthly basis. The UUP is in the process of filling an Associate Management Analyst position which will be tasked with ensuring the legitimacy of labor charges.

Respectfully,



Garth K. Sturdevan

cc: Walt Ekard, Interim Chief Operating Officer
Scott Chadwick, Assistant Chief Operating Officer
Hasan Yousef, Deputy Director, Transportation & Storm Water Department

Office of the City Auditor
City of San Diego

**Performance Audit of the
Utilities Undergrounding Program**

*Improved Financial Practices Could Benefit the
Program*

Presentation to the City Council

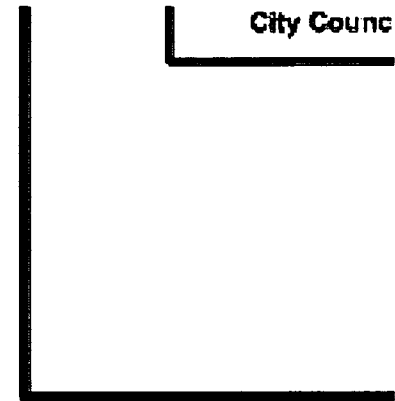
Objectives

1. Determine the extent to which the City receives the correct amount of revenue from SDG&E for utilities undergrounding.
2. Evaluate the extent to which the City provides for effective control over and accountability for the Utilities Undergrounding Program's revenue and expenses.
3. Determine whether SDG&E is meeting their expenditure obligation.

Background

- The Undergrounding Program is a \$61 million a year effort with the goal of undergrounding every line in the city over the next 53 years.
- Comprised of the Rule 20A program and Undergrounding Surcharge Fund.
- ∞ The City administers the Surcharge Fund program while SDG&E manages the construction work

Utilities Undergrounding Funding Streams and Responsibilities



Finding 1

There are Existing Controls to Review the Accuracy of Revenue Received, but Improved Financial Practices and Policies Could Benefit the Utilities Undergrounding Program.

Finding 1

- Controls are in place to verify the SDG&E Utilities Undergrounding revenue obligations
- The Utilities Undergrounding Program has approximately one year of operating funds in total balance and reserves, some of which could be utilized for additional undergrounding
- The Utilities Undergrounding Program could improve financial practices by reviewing labor expenditure reports

Recommendations

- ⌘ We made four recommendations to improve financial management and oversight of the utility undergrounding program.
- ⌘ Management agreed to implement all four recommendations.

UUP Audit Phase II

The FY 2014 Audit Work Plan includes Phase II of the UUP audit. The tentative objective is to determine if the City is effectively managing costs and achieving efficiencies for the program.

Requested Action

OCA requests that City Council accept the audit report.

CLERK'S FILE COPY

Tues 11/3/15 Item 331
(R-2016-183)

RESOLUTION NUMBER R- 310056

DATE OF FINAL PASSAGE NOV 20 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO ACCEPTING THE ANNUAL REPORT ON THE
STATUS OF THE UTILITY UNDERGROUNDING PROGRAM,
APPROVING REVISIONS TO THE UNDERGROUNDING
MASTER PLAN, AND APPROVING THE LIST OF
PROPOSED NEW UNDERGROUNDING PROJECTS.

WHEREAS, since 1970, overhead utilities in San Diego have been relocated
underground in accordance with the California Public Utility Commission (CPUC) Rule 20A;
and

WHEREAS, in 2003, the City established a Surcharge component which allowed
undergrounding to occur in neighborhoods which would not qualify under Rule 20A; and

WHEREAS, in accordance with Council Policy 600-08, City staff provides an annual
update on the status of all allocated underground conversion projects, as well as the status of
expenditures and the underground conversion account; and

WHEREAS, on April 20, 2010, the City Council approved the most recent revision of the
Undergrounding Master Plan, which is currently due for its five-year update; and

WHEREAS, Council Policy 600-08 provides that the City Council will approve an
annual list of proposed Surcharge Projects and CPUC Rule 20A Projects, so that City staff can
begin preparing materials for establishing corresponding underground utility districts at a future
public hearing; and NOW, THEREFORE,

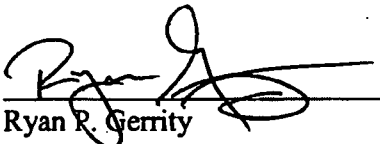
BE IT RESOLVED, by the Council of the City of San Diego, that the report on the status
of the City's Utility Undergrounding Program, including the status of all allocated underground

conversion projects, program expenditures, and the underground conversion fund as provided by City staff in accordance with Council Policy 600-08 (D)(3) is accepted.

BE IT FURTHER RESOLVED, in accordance with Council Policy 600-08 (D)(3), the proposed revisions to the Underground Master Plan are approved.

BE IT FURTHER RESOLVED, in accordance with Council Policy 600-08 (B)(3), the list of proposed Surcharge Projects and CPUC Rule 20A Projects is approved.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Ryan R. Gerrity
Deputy City Attorney

RPG:jls
October 13, 2015
Or.Dept:Transportation & Storm Water
Doc. No.: 1146769

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 03 2015.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11/19/15
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 03 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 20 2015

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310056

331

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO				CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) n/a	
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): Transportation&Storm Water Dept		DATE: 7/8/2015	
SUBJECT: Status of the Utility Undergrounding Program and approval of new undergrounding projects.					
PRIMARY CONTACT (NAME, PHONE): Hasan Yousef,(619) 533-3012, MS 608			SECONDARY CONTACT (NAME, PHONE): James Nabong, (619) 533-3712, MS 608		
COMPLETE FOR ACCOUNTING PURPOSES					
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE):					
ROUTING AND APPROVALS					
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	
Environmental Analysis		ORIG DEPT.	McFadden, Kris	07/17/2015	
Equal Opportunity Contracting		CFO			
Liaison Office		DEPUTY CHIEF	Gomez, Paz	09/25/2015	
		COO			
		CITY ATTORNEY	Gerrity, Ryan	10/13/2015	
		COUNCIL PRESIDENTS OFFICE	Jurado-Sainz, Diana	10/20/2015	
PREPARATION OF:		<input checked="" type="checkbox"/> RESOLUTIONS	<input type="checkbox"/> ORDINANCE(S)	<input type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)
<p>1. Accept the report regarding the status of the City's Utility Undergrounding Program (UUP), including the status of all allocated underground conversion projects, program expenditures, and underground conversion fund as provided by City staff in accordance with Council Policy 600-08, section (D)(3).</p> <p>2. Per Council Policy 600-08, approve revisions to the 2009 Undergrounding Master Plan.</p> <p>3. In accordance with Council Policy 600-08, section (B)(3)(a) and section (B)(3)(b), approve a list of proposed Surcharge Projects and projects that meet the criteria of the California Public Utilities Commission Interim Order, Decision No. 73078, Case No. 8209 (CPUC Rule 20A).</p>					

NOV 03 2015

310156

STAFF RECOMMENDATIONS: Approve requested actions.	
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)	
COUNCIL DISTRICT(S):	All
COMMUNITY AREA(S):	
ENVIRONMENTAL IMPACT:	This action to adopt resolutions regarding the status of the Utilities Undergrounding Program supports an activity that is considered a "project" as defined in CEQA guidelines section 15378(a). Although adoption of the program resolutions on their own accord will not cause any significant environmental impacts, projects identified in the report will require further environmental review, or have already undergone environmental review in accordance with CEQA section 15004, which provides direction to lead agencies on the appropriate timing for environmental review.
CITY CLERK INSTRUCTIONS:	Print docket supporting information both at the time of the resolution and at the time of the hearing. Send copy of the adopted resolution to Mario Reyes, MS608.

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 7/8/2015

ORIGINATING DEPARTMENT: Transportation & Storm Water Dept

SUBJECT: Status of the Utility Undergrounding Program and approval of new undergrounding projects.

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Hasan Yousef/(619) 533-3012, MS 608

DESCRIPTIVE SUMMARY OF ITEM:

This item presents the semi-annual report to City Council regarding the status of the Utilities Undergrounding Program. Along with the report, this item identifies a list of proposed Rule 20A Projects and Surcharge Projects. In addition, this item identifies revisions to the 2009 Master Plan to reflect the status of current projects.

STAFF RECOMMENDATION:

Approve requested actions.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

Starting in 1970, overhead utilities in San Diego have been relocated underground in accordance with the California Public Utility Commission (CPUC) Rule 20. In 2003 the City established a Surcharge component which allowed undergrounding to occur in neighborhoods which would not qualify under Rule 20. The Surcharge component also accelerated the rate of conversion and provided for resurfacing or slurry sealing curb-to-curb of trenched streets, installing new streetlights in accordance with the Street Design Manual Standards, installing curb ramps in compliance with Americans with Disabilities Act (ADA) requirements, and planting street trees in coordination with adjacent property owners. The attached report, in accordance with City Council Policy 600-08, provides an updated status of the City's Utility Undergrounding Program, and provides relevant information in support of today's Council actions.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal # 1: Provide high quality public service

Objective # 1: Promote a customer-focused culture that prizes accessible, consistent, and predictable delivery of services.

Objective # 2: Improve external and internal coordination and communication

Objective # 3: Consistently collect meaningful customer feedback

Goal # 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective # 3: Invest in infrastructure

FISCAL CONSIDERATIONS:

Today's action to approve a list of Surcharge Projects, once allocated, will increase future year expenditures by an estimated \$55,824,012. Costs are funded by SDG&E surcharge revenue paid to the City and managed by the Transportation & Storm Water Department.

310156

The list of Rule 20A Projects to be approved by today's action, once allocated, will increase future year expenditures by an estimated \$11,665,755. Costs are funded directly by SDG&E.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

Any necessary agreements between the City and utility companies associated with this work are subject to California Public Utility Commission (CPUC) Equal Opportunity Contracting guidelines and mandates. Any work that does not fall under CPUC authority shall be subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 1873, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

December 11, 2001: Approved the MOU with SDG&E to implement the Surcharge Program, established Council Policy 600-08 and Surcharge Fund. November 27, 2006: Changed reporting periods for Master Plan approval to every five years. April 20, 2010: Approved the 2009 Master Plan. On October 7, 2015 the Environment Committee reviewed Item No. 7 and made a recommendation for Council to adopt the resolution.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community participation and outreach efforts are undertaken at the time each district is formed as part of the undergrounding process. The attached report provides a description of a number of methods that the City uses for communicating with the public about the program.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The primary stakeholders are the citizens of San Diego and local utility companies.

McFadden, Kris

Originating Department

Gomez, Paz

Deputy Chief/Chief Operating Officer

Utility Undergrounding Program Semi-Annual Status Report

City Council Meeting

November 3, 2015

Item 331



1

Requested Action

- Accept the Program Status Report
- Approve Minor Revisions to the Master Plan
- Approve Proposed Surcharge & Rule 20A Projects

2

Program Accomplishments

396 Miles of Overhead Utilities Undergrounded

2,994 New Streetlights Installed

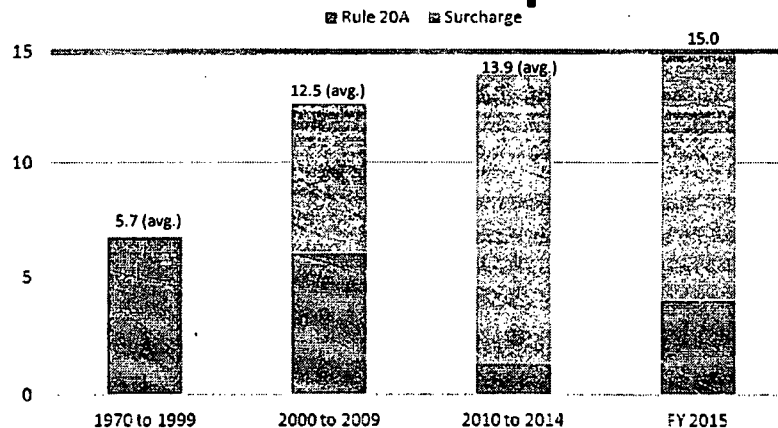
2,339 Curb Ramps Installed/Upgraded

159 Miles of Streets Resurfaced or Slurry Sealed

1,176 Street Trees Planted

3

Annual Miles Completed



4

Rule 20A Fund Status (SDG&E)

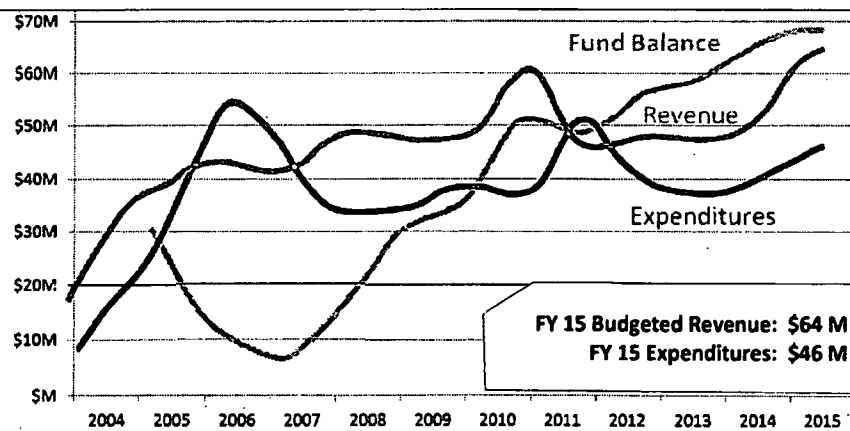
Calendar Year 2015:

- 2014 carry forward expenditure obligation \$19 M
- 2015 base spending obligation \$16 M

- Total SDG&E 2015 expenditure obligation \$35 M

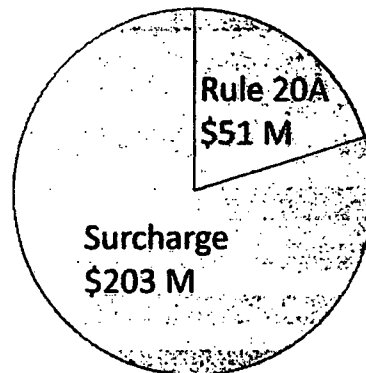
5

Surcharge Fund Status



6

Active Projects By Fund



Total cost of active projects \$254 Million

7

Proposed Rule 20A Projects

CD	Project Title	Location	Cost
1	Sorrento Valley Road	Sorrento Valley Rd to I-805	\$2.0 M
2	Ingulf Street	Morena Blvd to Erie St	\$0.5 M
3	Redwood Street	Pershing Dr to Boundary St	\$2.7 M
4	Hilltop Drive	44 th St to Euclid Ave	\$2.3 M
6	Marlesta Drive / Beagle Street	Genesee Ave to Ashford St	\$2.7 M
7	Fairmount Avenue	Mission Gorge Rd to Sheridan Ln	\$1.7 M
8	Sampson Street	Main St to Clay Ave	\$1.8 M
9	Orange Avenue	Central Ave to Fairmont Ave	\$1.0 M

8 Projects Totaling \$15 M

8

Proposed Surcharge Projects

CD	Project Title	Location	Cost
1	Residential Project Block 1Y	Del Mar Heights / Carmel Valley	\$5.7 M
2	Residential Project Block 6H1	Bay Park	\$10.8 M
3	Residential Project Block 3DD	Adams North	\$7.0 M
4	Residential Project Block 4Y1	Jamacha Lomita	\$6.3 M
6	Residential Project Block 6K1	North Clairemont	\$7.7 M
7	Residential Project Block 7T	Allied Gardens	\$7.4 M
8	Residential Project Block 8R1	Egger Highlands	\$5.3 M
9	Residential Project Block 7O	College West	\$5.5 M

8 Projects Totaling \$56 M

9

Program Improvements/Master Plan Update

Planning work started

- Analyzing the most efficient conversion process
- Changes to project boundaries
- Changes to project scheduling

Public outreach Spring 2016

- Council Offices and Community Planners Committee (CPC)
- Community forums

Final report expected June 2017

10

Program Improvements

More responsive to the community

- Community input on placement of utility boxes
- Smarter equipment to reduce number of boxes
- Public Information Clerk for Info Line
- Dedicated services from Communications Department
- Monthly E-Newsletters for projects in construction
- Enhanced website
- Reporting the status of the program to Council twice per year
- Graffiti response centralized

11

Program Improvements

More efficient project execution

- Dedicated environmental planner
- Dedicated project management staff
- SLA with Development Services for code enforcement and inspection
- Utilizing web application for inspections
- JOC for work on private property

12

Ongoing Program Improvements

Increased oversight and control

- Annual verification of SDG&E costs
- Addressing variances in project schedules
- Developing project management software
- Executing more projects in-house
- Ongoing review of program efficiencies and implementing changes as needed

13

Conclusion

- Continue working with the community
- Improve coordination with Utilities
- Improve efficiency of project execution
- Increase oversight and control

14

Questions?

15



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: September 28, 2015 REPORT NO: 15-073
ATTENTION: Honorable Council President and Members of the City Council
SUBJECT: Status of the Utility Undergrounding Program
REFERENCE: Council Policy 600-08, Underground Conversion of Utility Lines
by Utility Company

REQUESTED ACTION:

1. Accept the report regarding the status of the City's Utility Undergrounding Program (UUP), including the status of all allocated underground conversion projects, program expenditures, and underground conversion fund as provided by City staff in accordance with Council Policy 600-08, section (D)(3).
2. Per Council Policy 600-08, approve revisions to the 2009 Undergrounding Master Plan.
3. In accordance with Council Policy 600-08, section (B)(3)(a) and section (B)(3)(b), approve a list of proposed Surcharge projects and projects that meet the criteria of the California Public Utilities Commission Interim Order, Decision No. 73078, Case No. 8209 (CPUC Rule 20A).

STAFF RECOMMENDATION:

Approve the requested actions.

BACKGROUND:

The City's Utility Undergrounding Program consists of two parts, the Rule 20A Component and the Surcharge Component. Since 1967, underground conversions in the State of California have been performed under California Public Utility Commission (CPUC) Rule 20 which has three parts: A, B and C. Under Part A, undergrounding in the City of San Diego is paid for and performed by the local electric utility, San Diego Gas & Electric (SDG&E). Expenses associated with approved CPUC undergrounding are reimbursed via electricity rates charged to electric customers. Parts B and C provide for undergrounding funded through entities other than SDG&E ratepayers, such as governmental agencies or private entities through maintenance assessment districts.

The CPUC rules govern how undergrounding funds are spent and what types of utility lines can be undergrounded. While the rules cite specific criteria, generally speaking, to qualify for Rule 20A, a

street or right-of-way must meet "general public benefit" criteria, such as a heavy volume of vehicular or pedestrian traffic. Most residential streets do not qualify for undergrounding under Rule 20A.

SDG&E's current Franchise Agreement with the City, signed in 1970, contains a provision addressing the level of funding SDG&E would budget each year for the purpose of converting existing overhead utilities within the City of San Diego according to Rule 20A. The term of the Franchise Agreement is 50 years with a re-opener for stipulations for the final 20 years.

In January 2001, the City and SDG&E agreed to stipulations for the final 20 years of the Franchise Agreement which included the continuation of the 20A component of the Undergrounding Program for major roads and the establishment of a Surcharge component to underground utilities in residential areas which do not meet Rule 20A criteria as set forth by the CPUC.

Under the Surcharge component of the Program, the fee collected from the ratepayers is not embedded in electricity rates, rather, it is shown as a surcharge on their monthly bill. SDG&E collects the surcharge fee and remits the funds to the City in quarterly installments. In addition to the expenses incurred by SDG&E for undergrounding projects associated with Rule 20A and the Surcharge, there are additional expenses to other involved parties and utilities as well. Utilizing the surcharge fund, the City installs new streetlights, provides connections to traffic signals, restores street pavement, installs curb ramps on impacted streets, and provides overall management of the program, while residents who live within an undergrounding project area incur a cost for upgrading their electric meters to meet current electric codes as required by Ordinance when an Underground Utility District is created by the City Council. In addition, cable and phone service providers pay for the undergrounding of their facilities.

Per the Memorandum of Understanding (MOU) with SDG&E dated December 11, 2001 which was subsequently approved by the CPUC (Resolution E-3788), the surcharge funds are to be used solely for approved undergrounding expenses, including work required on private properties (excluding the costs to bring a non-compliant meter up to code). In accordance with Section (13) of the MOU, SDG&E performs the undergrounding design and construction work, however, the City has the option to hire outside contractors to perform any or all aspects of this work if it so desires after providing a minimum 24-month notice to SDG&E.

In addition to undergrounding of overhead utilities, the Utilities Undergrounding Program also provides for slurry sealing curb-to-curb all trenched streets, installing new streetlights in accordance with the Street Design Manual Standards, and installing curb ramps in compliance with Americans with Disabilities Act (ADA) requirements, in addition to planting of street trees in coordination with adjacent property owners.

As of this report, approximately 388 miles of overhead utility lines have been undergrounded with over 1,000 miles of overhead utility lines remaining to be undergrounded. Since 2003, with the addition of the surcharge component, the Utilities Undergrounding Program has installed nearly 2,994 streetlights, 2,339 curb ramps, 1,176 street trees, and resurfaced or slurry sealed 159 miles of roadway.

Coincident with establishing the Surcharge component, the City developed an Undergrounding Master Plan (approved by Council in October 2003) which established planned undergrounding district

boundaries, priority and estimated costs. This was a comprehensive plan which included both Rule 20A Projects, and Surcharge Projects, and covered the entire jurisdictional area of the City. The first major update to the Undergrounding Master Plan was in 2009 (approved by Council in April 2010) reflecting more detailed engineering analyses which improved the accuracy of project boundaries and improved the level of detail needed for better cost estimates. The current Undergrounding Master Plan can be viewed on the City of San Diego website at www.sandiego.gov/undergrounding.

Based on the current Undergrounding Master Plan, it is estimated that all major and collector streets will be completed in 15 years under the Rule 20A component and nearly all residential areas will be completed in approximately 52 years. Approximately \$50 to \$60 million is spent annually to place overhead utility lines underground and it is estimated that when the program is finally completed, the total cost will have been \$2.7 billion, not including the costs incurred by phone and cable companies.

Table A shows the progress of the Underground Utility Program from its inception through the middle of Fiscal Year 2015.

**Table A
Undergrounding Progress**

Period	# of Years	20A Miles	Surcharge Miles	Total Miles
1970 to 1979	10	80		80
1980 to 1989	10	60		60
1990 to 1999	10	61		61
2000 to 2009	10	60.3	65.7	126
CY 2010	1	1.3	10.7	12
CY 2011	1	0.1	15.9	16
CY 2012 (first half)	0.5	0	0	0
FY 2013	1	2.0	16.7	18.7
FY 2014	1	2.2	5.2	7.4
FY 2015 (mid-year)	0.5	1.9	4.7	6.7
Total	45	266.8	118.9	387.8

DISCUSSION:

Today's first action is to accept a report on the status of the Utilities Undergrounding program as provided in the discussion that follows.

Status of All Allocated Underground Conversion Projects

After projects are allocated, environmental review is completed and underground utility districts are established by the City Council by way of a public hearing. Once districts are established, design and construction may proceed. The status of previously allocated undergrounding projects that are not yet completed is summarized in Table B, with additional details provided in *Attachment 1*.

Table B
Status of Allocated Projects
(as of mid-year FY 2015)

Phase	# of Projects	Length (Miles)	Cost Estimate	Customers
Allocated CPUC Rule 20A Projects				
Construction	19	13.0	\$26,074,801	1,140
Design	14	5.2	\$13,132,622	428
Pre-Design	10	4.3	\$12,178,199	501
Total	43	22.5	\$51,385,622	2,069
Allocated Surcharge Projects				
Construction	14	37.6	\$98,840,812	5,163
Design	8	18.7	\$ 51,105,603	2,559
Pre-Design	8	19.4	\$52,635,468	2,645
Total	30	75.7	\$202,581,883	10,367
All Allocated Projects Combined				
Construction	33	50.6	\$124,915,613	6,303
Design	22	23.9	\$ 64,238,225	2,987
Pre-Design	18	23.7	\$64,813,667	3,146
Total	73	98.2	\$253,967,505	12,436

Source: Underground Utilities Program Monthly Status Update for December 2014

Status of Program Expenditures and Underground Conversion Fund

Because the practices for calculating revenue and managing the funds are distinct between Surcharge Projects and Rule 20A Projects, they will be addressed separately according to subheadings that follow. Additional details are provided in *Attachment 1*.

Status of Underground Surcharge Fund and Expenditures:

Revenue for Surcharge Projects is collected by SDG&E, as approved by the CPUC, at a rate of 3.53% of gross receipts, and delivered to the City on a quarterly basis. The City makes these revenues available for projects by way of Fund 200217 and Fund 200218, collectively referred to as the Underground Surcharge Fund. Because these funds are managed by the City, reporting is based on the City's fiscal year calendar. At the end of Fiscal Year 2014 the Underground Surcharge Fund had a fund balance of \$68,139,017.06. Expenditures for Fiscal Year 2014 including non-capital costs were \$37,853,936.

Fiscal Year 2015 budgeted \$50,592,739 in additional revenue. Through Period 6 of Fiscal Year 2015, expenditures including non-capital costs were \$9,454,087. The requested action to approve a list of Surcharge Projects will allow future year expenditures of an estimated \$55,824,012 in addition to expenditures previously authorized for undergrounding projects.

Status of Rule 20A Fund and Expenditures: Revenue for Rule 20A Projects is collected by SDG&E, as approved by the CPUC, at a rate of 1.15% of gross receipts. SDG&E uses the accumulated revenue to design and construct Rule 20A projects that have been allocated by the City.

Because SDG&E manages the fund reporting is based on the calendar year, consistent with SDG&E's fiscal reporting.

For calendar year 2014, SDG&E had a required expenditure obligation of \$29,416,066. This figure combines unexpended obligation from prior years in the amount of \$15,448,403 with new obligations for 2014 in the amount of \$13,967,663 (based on 1.15% of annual gross revenue). Actual expenditures for 2014 are \$10,906,748, resulting in \$18,509,318 of unspent revenue that carries forward into calendar year 2015.

Calendar year 2015 begins with the carry forward amount of \$18,509,318 added to new expenditure obligation in the amount of \$16,128,411 (based on 1.15% of annual gross revenue) resulting in a total calendar year 2015 expenditure obligation of \$34,637,729. SDG&E's cost estimate to complete all currently allocated but not completed Rule 20A Projects is \$100,674,827, thus requiring \$66,037,098 in future revenue. The list of Rule 20A Projects to be approved by today's action, once allocated, will increase this cost estimate by an amount of \$11,665,755.

Approval of Revisions to 2009 Undergrounding Master Plan

Today's second action is approval of a revision to the existing Undergrounding Master Plan as detailed in *Attachment 2*. This revision consolidates eleven Rule 20A projects into five projects, allowing more efficient execution of 4.4 miles of underground conversion. By evaluating opportunities to merge projects that share a boundary, and that do not exceed Rule 20A funding when combined, City staff have identified this opportunity for improving efficiency. The benefits will be realized immediately; three of the merged projects will move forward with approval of today's allocation list, and two of the merged projects will be allocated at a public hearing later this fiscal year.

Not as part of today's action, but of relevance, City staff plan to bring a significantly restructured Undergrounding Master Plan to Council for approval in December 2016. Benefiting from the knowledge that City staff has gained in earlier years of program implementation, and the assistance of a professional services consultant, further program efficiencies can be realized with this comprehensive update of the plan.

Approval of a List of Proposed Surcharge Projects and Rule 20A Projects

Today's third action is to approve a list of proposed Surcharge Projects and Rule 20A Projects to be next in line for design and construction. This list of projects, selected according to the allocation rules set by Council Policy 600-08, is provided as *Attachment 3*. This list identifies eight Surcharge Projects and eight Rule 20A Projects, and is consistent with the current Undergrounding Master Plan. Upon approval of the list, City staff will initiate preliminary engineering and environmental review so that these projects may move forward to establishment of underground utility districts by way of a public hearing. Once the districts are established, design and construction may proceed. Completion of these projects will convert 28 miles of overhead utilities at an estimated cost of \$70 million.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal # 1: Provide high quality public service

Objective # 1: Promote a customer-focused culture that prizes accessible, consistent, and predictable delivery of services.

Goal # 1: Provide high quality public service

Objective # 2: Improve external and internal coordination and communication

Goal # 1: Provide high quality public service

Objective # 3: Consistently collect meaningful customer feedback

Goal # 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective # 3: Invest in infrastructure

FISCAL CONSIDERATIONS:

The requested action to approve a list of Surcharge Projects will allow future year expenditures of an estimated \$55,824,012. No additional appropriations are being requested with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

December 11, 2001: Approved the MOU with SDG&E to implement the Surcharge Program, established Council Policy 600-08, and established the Surcharge Fund.

November 27, 2006: Changed reporting periods for Master Plan approval to every five years.

April 20, 2010: Approved the 2009 Master Plan.

COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

As of this reporting period, the Utility Undergrounding Program has construction underway that affects approximately 6,014 property owners, and has projects in various stages of design or awaiting public hearings affecting approximately 3,900 property owners. The Undergrounding Program mails several thousand correspondences annually, tracks and documents return forms, and assists property owners throughout the undergrounding process. In addition, the Utility Undergrounding Program maintains a comprehensive community outreach effort that includes:

- A website that includes monthly project updates, the City's Undergrounding Master Plan, and relevant documents, reports, and links
- A video "What to expect during the course of an underground project" on the City's website
- Presentations to community planning groups
- A Pre-Design Meeting for each project, prior to starting design
- A Community Forum for each project, prior to starting construction
- A map of proposed utilities infrastructure locations that is sent to affected residents, along with

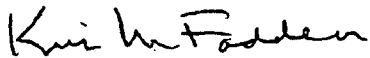
a phone number to call for more information

- A series of door hangers to alert property owners of construction activities and issues
- Tracking of all information and complaint calls to identify systemic issues
- Mailing a Utilities Undergrounding Program brochure to property owners and distributing the brochure at public forums and events

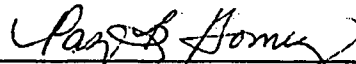
On the undergrounding web site, <http://www.sandiego.gov/undergrounding>, citizens are able to learn about the undergrounding master plan and where their properties lie within the master plan, see individual project updates, learn about the public hearing process, and receive pre-construction notifications. The public can also see a list of all active projects, completed undergrounding projects since 1970, surcharge revenues and expenditures, a detailed history of undergrounding in San Diego, as well as various Utilities Undergrounding Program status reports.

KEY STAKEHOLDERS AND PROJECTED IMPACTS

The primary stakeholders are the citizens of San Diego who benefit from removal of overhead utilities across the city. The process of undergrounding creates impacts typically associated with construction in the street right-of-way, including lane closures. Private property owners are impacted by construction on their property to connect the underground lines. These inconveniences are minimized through planning and notification.



Kris McFadden
Transportation & Storm Water Director



Paz Gomez, PE, CEM, GBE
Deputy Chief/Chief Operating Officer
Infrastructure/Public Works

Attachments(s):

1. Program Status Information
2. Proposed Revisions to the Undergrounding Master Plan
3. Proposed List of Projects to Prepare for Public Hearing

REPORT TO THE CITY COUNCIL
Status of the Utility Undergrounding Program

Attachment 1
Program Status Information

- a) Status of Allocated Underground Conversion Projects
- b) Program Expenditures

CITY OF SAN DIEGO

UTILITIES UNDERGROUNDING PROGRAM

Information reflects mid-year status for Fiscal Year 2015

	NUMBER OF PROJECTS	ESTIMATED			
		COST	MILES	FOOTAGE	PROPERTIES
RULE 20A	19	\$26,074,801	13.0	68,423	1,140
SURCHARGE	14	\$98,840,812	37.6	198,585	5,163
Construction	33	\$124,915,613	50.6	267,008	6,303
RULE 20A	14	\$13,132,622	5.2	27,464	428
SURCHARGE	8	\$51,105,603	18.7	98,892	2,559
Design	22	\$64,238,225	23.9	126,356	2,987
RULE 20A	10	\$12,178,199	4.3	22,942	501
SURCHARGE	8	\$52,635,468	19.4	102,375	2,645
Pre-Design	18	\$64,813,667	23.7	125,317	3,146
GRAND TOTAL	73	\$253,967,505	98.2	518,681	12,436

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Construction

RULE 20A

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	5	UU587	Eastgate Mall	Eastgate Dr to I-805 SB	\$579,808	1,063	0
2	6	UU300	Moraga Avenue (Phase I)	Moraga Ct to Idlewild Wy	\$1,366,144	3,368	64
2	6	UU301	Moraga Avenue (Phase II)	Moraga Ct to Monair Dr	\$2,499,770	4,900	135
2	2	UU992	Sunset Cliffs Boulevard	Coronado Ave to Newport Av	\$1,169,086	2,278	37
3	3	UU63	30th Street PH III A	Juniper St to Ash St	\$1,660,551	5,149	91
3	8	UU221	30th Street PH III B	A St to K St	\$436,839	8,581	15
3	3	UU306	Lincoln Avenue	30th St to Wabash Av	\$1,020,321	2,414	42
4	4	UU573	Paradise Valley Road	Potomac St to Parkland Wy	\$324,145	728	0
4	4	UU570	Potomac Street	Calle Tres Lomas to Sea Breeze Dr	\$1,151,482	2,067	70
4	4	UU506	San Vicente Street Ph 1	San Vicente Ct to Ashmore Ln	\$1,908,996	1,843	62
8	8	UU447	24th Street	G St to Imperial Ave	\$968,733	2,314	43
8	8	UU50	Island Avenue (Phase I)	16th St to 24th St	\$1,643,259	3,221	43
8	8	UU267	Island Avenue (Phase II)	26th St to 30th St	\$1,502,391	2,717	52
8	8	UU558	K Street (Phase I)	19th St to 24th St	\$823,264	1,314	16
8	8	UU559	K Street (Phase II)	26th St to 30th St	\$1,752,983	2,642	72
9	7	UU5	Altadena, Wightman, Winona	El Cajon Blvd to Euclid	\$1,661,723	8,530	136
9	3	UU610	Euclid Avenue	Euclid Ave to University Ave	\$2,020,680	3,315	137
9	8	UU381	National Avenue	32nd St to 43rd St	\$2,407,400	9,135	73
9	7	UU100	Trojan Avenue Ph I	56th St to 60th St	\$1,177,226	2,844	52
Source Total		19 Projects	13.0 Miles		\$26,074,801	68,423	1,140

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Construction

SURCHARGE

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
2	2	UU856	Residential Project Block 2T	Pacific Beach North	\$7,220,699	14,799	361
2	6	UU409	Residential Project Block 6DD	Bay Ho 3	\$7,559,180	15,189	423
3	2	UU235	Residential Project Block 2E	Mission Hills	\$14,197,225	30,743	605
3	8	UU494	Residential Project Block 8A	Golden Hill	\$6,381,520	10,552	516
3	8	UU786	Residential Project Block 8B	Sherman Heights 3	\$6,429,745	12,034	400
4	4	UU901	Residential Project Block 4AA	Paradise Hills	\$8,660,766	17,313	460
4	4	UU423	Residential Project Block 4N	Broadway Heights	\$5,674,698	12,246	267
4	4	UU900	Residential Project Block 4Z	Paradise Hills North	\$6,950,651	14,273	341
6	5	UU591	Gold Coast Drive Transmission	Maya Linda Rd to Thanksgiving Ln	\$1,235,441	3,554	0
7	7	UU968	Residential Project Block 7R	Allied Gardens	\$6,243,318	12,364	392
8	8	UU834	Residential Project Block 8F	Sherman Heights	\$7,951,749	12,500	396
8	8	UU787	Residential Project Block 8G	Sherman Heights 2	\$5,793,992	10,320	345
9	3	UU352	Residential Project Block 3HH	Talmadge 3	\$7,750,780	16,123	377
9	7	UU704	Residential Project Block 7A	Fox Canyon	\$6,791,048	16,575	280
Source Total		14 Projects	37.6 Miles		\$98,840,812	198,585	5,163
Status Total		33 Projects	50.6 Miles		\$124,915,613	267,008	6,303

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Design

RULE 20A

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	1	UU590	Via de la Valle Ph 1	Highland CV to Via de la Valle	\$764,320	2,004	0
1	1	UU589	Via de la Valle Ph 2	San Andres Dr to Via de la Valle	\$1,186,426	3,300	0
2	2	UU8	Fanuel Street (Phase I)	Archer St to Tourmaline St	\$427,577	1,823	14
2	2	UU188	Fanuel Street (Phase III)	Grand Av to Pacific Beach Dr / Bay	\$1,744,516	2,823	134
2	6	UU624	Illion Street Ph II	Gardena Ave to Milton St	\$859,565	1,635	39
3	3	UU71	Howard Avenue Ph 1	Park Blvd to Texas St	\$1,421,848	2,697	59
4	4	UU10	Cardiff Street	Wade Street to Carlisle Dr	\$543,238	1,232	7
4	4	UU505	San Vicente Street Ph 2	Meadowbrook Dr to San Vicente CT	\$431,103	723	19
6	6	UU21	Mount Alifan Drive	Genesee Av to Mt Everest Bl	\$562,101	1,410	2
8	8	UU9	28th Street	Island Ave to Clay Ave	\$1,267,157	2,145	59
8	8	UU220	30th Street Ph 3C	Ocean View to K St	\$2,079,996	4,039	49
8	8	UU11	31st Street (Distribution)	Market to L St	\$800,763	1,526	23
8	8	UU386	32nd Street Ph 1	Market St to F St.	\$423,246	772	13
9	7	UU99	Trojan Avenue Ph 2	54th St to 56th St	\$620,766	1,335	10
Source Total		14 Projects	5.2 Miles		\$13,132,622	27,464	428

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Design

SURCHARGE

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	1	UU659	Residential Project Block 1M	West Muirlands Drive	\$6,184,744	13,479	238
1	1	UU994	Via de la Valle	Highland Cove to Polo Point	\$3,962,042	10,032	0
2	2	UU977	Residential Project Block 2S1	South Mission	\$8,629,978	13,755	768
2	6	UU410	Residential Project Block 6DD1	Moraga Avenue	\$9,621,394	20,614	457
3	8	UU495	Residential Project Block 8C	C Street	\$5,334,226	8,781	428
4	4	UU446	Paradise Valley Road (Transmission)	Brookhaven Rd to Meadowbrook Dr	\$4,500,000	6,250	0
4	4	UU525	Residential Project Block 4J1	Date Street	\$5,964,825	11,942	330
9	7	UU973	Residential Project Block 7O1	Walsh Way	\$6,908,394	14,039	338
Source Total		8 Projects	18.7 Miles		\$51,105,603	98,892	2,559
Status Total		22 Projects	23.9 Miles		\$64,238,225	126,356	2,987

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Pre-Design

RULE 20A

C D	O D	CIP_ID	TITLE	LIMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
2	6	UU302	Baker Street /Shawnee Road	Morena Bl to Shawnee Rd N	\$2,483,924	4,640	118
2	2	UU15	Hancock Street	Witherby St to Washington St	\$1,336,529	3,120	21
2	2	UU30	Mission Boulevard	Loring St to Tourquoise St.	\$946,538	1,379	69
3	3	UU72	Howard Avenue Ph 2	Texas St to I-805	\$2,485,735	4,553	114
4	4	UU16	Woodrow Avenue	Calvacado St to Armacost Rd	\$725,639	1,347	33
8	8	UU995	25th (SB) Street	Coronado Av to Grove Av	\$401,292	929	4
8	8	UU17	32nd Street Job 2	Market St to Imperial Av	\$1,156,955	2,293	27
9	4	UU617	Hilltop Drive	Boundary St to Toyne St	\$1,290,758	2,324	55
9	7	UU629	Seminole Drive Ph 1	Stanley Ave to Estelle St	\$642,897	1,034	29
9	3	UU388	Wightman Street	Chamoune Av to 47th St	\$707,932	1,323	31
Source Total			10 Projects	4.3 Miles	\$12,178,199	22,942	501

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

CITY OF SAN DIEGO UTILITIES UNDERGROUNDING PROGRAM

Projects in Pre-Design

SURCHARGE

CD	OD	GIP_ID	TITLE	UMITS	COST ESTIMATE	ESTIMATED FOOTAGE	PROPERTIES TO CONVERT
1	1	UU379	Residential Project Block 1J	Vallecitos	\$6,081,016	13,341	216
1	1	UU231	Residential Project Block 1J PHII	Via Capri	\$4,219,157	8,263	263
1	1	UU311	Residential Project Block 1M1	New Kirk Dr	\$5,497,160	12,061	202
2	2	UU982	Residential Project Block 2S2	Jersey Court	\$8,153,551	11,097	485
2	6	UU874	Residential Project Block 6H	Trenton Av	\$10,206,251	20,740	560
4	4	UU889	Residential Project Block 4Y	San Felipe St	\$6,012,397	11,601	312
8	8	UU667	Residential Project Block 8R	Date Av	\$5,624,468	11,646	243
9	7	UU209	Residential Project Block 7G2	Acorn St	\$6,841,468	13,626	364
Source Total			8 Projects	19.4 Miles	\$52,635,468	102,375	2,645
Status Total			18 Projects	23.7 Miles	\$64,813,667	125,317	3,146
Grand Total			73 Projects	98.2 Miles	\$253,967,505	518,681	12,436

CD – Council District OD – Old Council District

Information reflects mid-year status for Fiscal Year 2015

Expenditures for CIP Work at Rule 20A Project Sites

Underground Surcharge Fund
As of March 30, 2015
Source: SAP

PROJECT	CIP ID	TITLE	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
B00705	UU267	Island Ave from 20th to 30th UUD	\$ 15,688	\$ 3,432	\$ 6,328	\$ 20,814	\$ 46,262
B00717	UU221	30th Street Phase III Broadway to K UUD	\$ 1,974	\$ 2,848	\$ 377	\$ 16,879	\$ 22,078
B00718	UU100	Trojan Ave 56th to 60th UUD	\$ 7,052	\$ 2,002	\$ 844	\$ 9,459	\$ 19,356
B00719	UU63	30th Street Phase III Juniper to Ash	\$ 4,974	\$ 12,799	\$ 89,125	\$ 44,421	\$ 151,318
B00720	UU992	Sunset Cliffs Dr Coronado to Newport UUD	\$ 2,443	\$ 1,926	\$ 1,768	\$ 1,643	\$ 7,780
B00724	UU592	LJ Scenic Dr Torrey Pines to Sugarman UUD	\$ (14)	\$ -	\$ -	\$ 1,700	\$ 1,686
B00725	UU506	San Vicente Street to Ashmore UUD	\$ 10,062	\$ 3,239	\$ 1,310	\$ 8,470	\$ 23,082
B00726	UU300	Moraga Ave to Idelwild UUD	\$ 3,866	\$ 14,511	\$ 4,641	\$ 61,570	\$ 84,588
B00787	UU381	Natl Ave (32nd to 43rd) UUD	\$ 5,272	\$ 1,077	\$ 287	\$ 35,147	\$ 41,782
B00788	UU301	Moraga Ave Ph II -Moraga Ct to Monair UUD	\$ 1,926	\$ 670	\$ 5,611	\$ 8,287	\$ 16,493
B00846	UU41	Garrison St- Clove St to Rosecrans UUD	\$ 1,801	\$ 2,342	\$ 1,037	\$ 767	\$ 5,948
B00847	UU2	Monroe Ave - Winona to Collwood UUD	\$ 1,021	\$ 3,188	\$ 799	\$ -	\$ 5,008
B00848	UU1	Brianwood-Brookhaven Rd to Nebraska UUD	\$ -	\$ -	\$ 597	\$ (26)	\$ 571
B00849	UU4	Jutland Dr - Camino Coralina to Luna UUD	\$ 10,780	\$ 7,142	\$ 2,871	\$ 107,298	\$ 128,091
B00850	UU5	Altadena/Wightman/Winona-El Cajon UUD	\$ 10,053	\$ 3,062	\$ 1,935	\$ 114,941	\$ 129,992
B00851	UU559	K Street - 19th to 30th UUD	\$ 7,424	\$ 2,420	\$ 552	\$ 19,934	\$ 30,330
B00988	UU40	Cannon Street from Rosecrans to Evergreen UUD	\$ 32,232	\$ (4,221)	\$ 82	\$ -	\$ 28,093
B10197	UU447	24th ST UUD Streetlights (G St - Imperial)	\$ (269)	\$ 5,749	\$ 2,496	\$ -	\$ 7,976
B11131	UU610	Euclid Ave UUD Streetlights (Euclid-Univ)	\$ 638	\$ 3,849	\$ 5,471	\$ 2,732	\$ 12,690
B12001	UU220	Stlight Design & Install 30th St - Ocean Vw - K St	\$ -	\$ -	\$ 1,401	\$ 66	\$ 1,466
B12066	UU306	Lincoln Av UUD (30th St-Wabash Av)	\$ 1,491	\$ 865	\$ 92	\$ 879	\$ 3,327
B12068	UU7	Regents Road UUD (Executive Dr-Regents Rd)	\$ -	\$ -	\$ 123	\$ -	\$ 123
B12069	UU570	Potomac St UUD (Calle Tres Lomas-Sea Breeze)	\$ 634	\$ 1,917	\$ 657	\$ 36,486	\$ 39,693
B13143	UU11	31st Street UUD (Market St - L St)	\$ -	\$ -	\$ 473	\$ (48)	\$ 425
B13145	UU10	Cardiff Street UUD (Carlisle Dr - Wade St)	\$ -	\$ -	\$ -	\$ 6,005	\$ 6,005
B13149	UU573	Paradise Valley Rd UUD (Potomac St-Parkland Wy)	\$ -	\$ -	\$ -	\$ 681	\$ 681
B13156	UU9	28th Street UUD (Island Av - Clay St)	\$ -	\$ -	\$ 11,416	\$ 1,477	\$ 12,892
Total 20A Project Expenditures			\$ 119,047	\$ 68,615	\$ 140,293	\$ 499,581	\$ 827,737

Expenditures for General Program Functions

Underground Surcharge Fund
As of March 30, 2015
Source: SAP

Internal Order	Description	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
21002155	Planning & Environmental Review	\$ 2,029	\$ (2,029)	\$ -	\$ -	\$ -
21002637	Bldg Permit Inspection	\$ 188,060	\$ 187,172	\$ 173,490	\$ 187,765	\$ 736,487
21002638	Bldg Permit Administration	\$ 1,624	\$ 1,920	\$ 290	\$ 764	\$ 4,597
21002639	UUP-Archaeological Monitoring	\$ 164,797	\$ 87,048	\$ 330,052	\$ 274,711	\$ 856,608
21002641	UUP-Tree Planting	\$ 29,213	\$ 30,182	\$ 30,147	\$ 3,495	\$ 93,037
21002642	UUP-Planning & Environmental Review	\$ 8,936	\$ 12,284	\$ 5,502	\$ 6,105	\$ 32,826
21002643	UUP-Mitigation Monitoring Coordination	\$ (353)	\$ 69	\$ -	\$ -	\$ (284)
21002644	Field Inspection	\$ 105,403	\$ 108,258	\$ 129,567	\$ 126,163	\$ 469,391
21002645	Surveying	\$ 232,741	\$ 246,144	\$ 177,513	\$ 100,743	\$ 757,140
21002646	UUP-PIO Svcs	\$ 245	\$ -	\$ -	\$ 1,465	\$ 1,710
21002647	Analyst/Admin Support	\$ 204,614	\$ 153,611	\$ 176,163	\$ 149,562	\$ 683,951
21002649	UUP-Design Review	\$ 5,344	\$ 2,533	\$ -	\$ 14,068	\$ 21,945
21003103	DSD/NCC Support to Undergrounding	\$ 51,904	\$ 40,902	\$ 15,744	\$ 11,595	\$ 120,145
Total Program Expenditures FY 2014		\$ 994,558	\$ 868,093	\$ 1,038,467	\$ 876,435	\$ 3,777,553

Expenditures for CIP Work and SDG&E Construction at Undergrounding Surcharge Project Sites

Underground Surcharge Fund
As of March 30, 2015
Source: SAP, SDG&E/Access

PROJECT	CIP ID	TITLE	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
B00703	UU53	Mesa College Dr from Linda Vista UUD	\$ 69,887	\$ 13,320	\$ 808	\$ 194	\$ 84,209
		SDG&E	\$ 30,576	\$ 8,352	\$ -	\$ 2,036	\$ 40,964
B00708	UU380	District 1 Block 1-F UUD	\$ 93	\$ 1,416	\$ 5,672	\$ 14,947	\$ 22,127
		SDG&E	\$ -	\$ -	\$ 347	\$ -	\$ 347
B00709	UU235	District 2 Block 2-E UUD	\$ 21,338	\$ 44,035	\$ 156,532	\$ 367,735	\$ 589,641
		SDG&E	\$ 84,646	\$ 248,535	\$ 87,364	\$ 146,833	\$ 567,377
B00710	UU351	District 3 Block 3-FF UUD	\$ 694	\$ 8,132	\$ 10,522	\$ 14,895	\$ 34,244
		SDG&E	\$ 2,504	\$ 903	\$ -	\$ 2,632	\$ 6,039
B00711	UU902	District 4 Block 4-G District 4 UUD	\$ -	\$ 5,839	\$ 1,925	\$ 17,570	\$ 25,333
		SDG&E	\$ 248,258	\$ (80,533)	\$ (14)	\$ 107,057	\$ 274,768
B00714	UU834	District 8 Block 8-F UUD	\$ 126,399	\$ 65,954	\$ 3,760	\$ 33,349	\$ 229,460
		SDG&E	\$ 59,369	\$ 86,779	\$ 7,377	\$ 113,452	\$ 266,976
B00821	UU555	28th Street from Sampson to Harbor UUD	\$ -	\$ -	\$ 499	\$ 652	\$ 1,152
		SDG&E	\$ 237	\$ 148,429	\$ 91,544	\$ 60,288	\$ 300,498
B00823	UU171	District 1 Block 1R UUD	\$ 13,166	\$ 35,063	\$ 223,965	\$ 16,899	\$ 289,093
		SDG&E	\$ -	\$ -	\$ (14,533)	\$ -	\$ (14,533)
B00824	UU234	District 2 Block 2J UUD	\$ 31,534	\$ (9,360)	\$ 3,466	\$ 3,002	\$ 28,641
		SDG&E	\$ (7,510.00)	\$ 38,454	\$ -	\$ -	\$ 30,944
B00825	UU350	District 3 Block 3EE UUD	\$ 501	\$ 8,858	\$ 15,860	\$ 577,466	\$ 602,684
		SDG&E	\$ 5,882	\$ (59,492)	\$ -	\$ -	\$ (53,610)
B00826	UU901	District 4 Block 4AA UUD	\$ 9,597	\$ 2,612	\$ 6,284	\$ 7,316	\$ 25,809
		SDG&E	\$ -	\$ 25,910	\$ -	\$ 62,564	\$ 88,474
B00827	UU521	District 6 Block 6J UUD	\$ 12,397	\$ 9,277	\$ 669	\$ 1,286	\$ 23,629
		SDG&E	\$ -	\$ 1,059	\$ 35,858	\$ (3,316)	\$ 33,601
B00828	UU975	District 7 Block 7CC UUD	\$ 34,945	\$ 42,271	\$ 40,732	\$ 329,599	\$ 447,547
		SDG&E	\$ 882	\$ -	\$ 618,976	\$ 206,362	\$ 826,220
B00829	UU787	District 8 Block 8G UUD	\$ 4,187	\$ 18,460	\$ 21,110	\$ 4,755	\$ 48,511
		SDG&E	\$ 23,265	\$ 7,476	\$ 121,148	\$ 85,048	\$ 236,937
B00833	UU439	Ridgemanor - Madra Ave UUD	\$ 2,961	\$ 72,511	\$ 29,448	\$ 2,131	\$ 107,051
		SDG&E	\$ 13,298	\$ (5,672)	\$ 4,405	\$ 58,252	\$ 70,283
B00835	UU656	District 2 Block 2-T UUD	\$ 3,327	\$ 9,749	\$ 132,173	\$ 48,850	\$ 194,099
B12050	UU656	BLOCK 2T PACIFIC BEACH N Alley Improvement	\$ 528	\$ 16	\$ -	\$ 5,243	\$ 5,787
		SDG&E	\$ 438,798	\$ 1,173,901	\$ 222,243	\$ 175,961	\$ 2,010,903
B00837	UU352	District 3 Block 3-HH UUD	\$ 595	\$ 5,046	\$ 6,591	\$ (48)	\$ 12,164
		SDG&E	\$ -	\$ 4,855	\$ 560,725	\$ 1,908,545	\$ 2,474,125
B00838	UU900	District 4 Block 4-Z UUD	\$ 10,619	\$ 10,985	\$ 6,024	\$ 241,050	\$ 268,678
		SDG&E	\$ 768,440	\$ 61,982	\$ 148,979	\$ 118,722	\$ 1,098,122
B00839	UU817	District 6 Block 6-I UUD	\$ 1,241	\$ 4,037	\$ 1,042	\$ 221,160	\$ 227,481
		SDG&E	\$ 57,045	\$ 19,432	\$ 45,881	\$ 20,143	\$ 142,501
B00840	UU89	Patrick Henry High Block UUD	\$ 3,849	\$ 41,642	\$ 37,624	\$ 6,081	\$ 89,395
		SDG&E	\$ 98,085	\$ 8,024	\$ 2,550	\$ 197,023	\$ 305,682
B00841	UU786	District 8 Block 8-B UUD	\$ 340	\$ 6,168	\$ 10,314	\$ 95,908	\$ 112,730
		SDG&E	\$ 1,408,409	\$ 3,184,650	\$ 825,839	\$ 509,529	\$ 5,928,427
B00842	UU704	District 7 Block 7-A UUD	\$ 5,158	\$ 12,663	\$ 17,724	\$ 4,499	\$ 40,044
		SDG&E	\$ 1,459,459	\$ 965,179	\$ 633,055	\$ 454,342	\$ 3,512,034

Expenditures for CIP Work and SDG&E Construction at Undergrounding Surcharge Project Sites (cont'd)

Underground Surcharge Fund
As of March 30, 2015
Source: SAP, SDGE/Access

PROJECT	CIP ID	TITLE	FY 2014 1st Quarter	FY 2014 2nd Quarter	FY 2014 3rd Quarter	FY 2014 4th Quarter	FY 2014 Totals
B12055	UU423	Block 4N North Encanto UUD	\$ (953)	\$ 2,915	\$ 1,491	\$ 10,017	\$ 13,471
		SDG&E	\$ 263,841	\$ 341,161	\$ 943,516	\$ 1,192,012	\$ 2,740,530
B12064	UU968	Block 7R Allied Gardens UUD	\$ 19,381	\$ 24,852	\$ 9,697	\$ 11,601	\$ 65,531
		SDG&E	\$ -	\$ 228	\$ 10,678	\$ 2,482	\$ 13,388
B12065	UU409	Block 6DD Bay HO 3 UUD	\$ (256)	\$ 6,635	\$ 5,038	\$ 14,425	\$ 25,842
		SDG&E	\$ 8,505	\$ 325,235	\$ 497,184	\$ 2,391,020	\$ 3,221,944
	UU437	Camino Del Norte (Transmission)	\$ -	\$ -	\$ -	\$ 35,757	\$ 35,757
	UU442	Ocean View Blvd	\$ -	\$ -	\$ (33,493)	\$ -	\$ (33,493)
	UU448	Island Avenue Transmission line	\$ 1,549,614	\$ 342,738	\$ 269,810	\$ 96,931	\$ 2,259,093
	UU568	CCDC A1 P2 J1 (Transmission)	\$ (629,531)	\$ 19,005	\$ -	\$ -	\$ (610,526)
	UU591	Gold Coast Drive Transmission	\$ 16,474	\$ -	\$ 4,808	\$ 36,362	\$ 57,644
B00713	UU972	District 7 Block 7-F UUD	\$ 10,982	\$ 29,836	\$ 379,192	\$ 11,209	\$ 431,219
B00836	UU379	District 1 Block 1-J UUD	\$ -	\$ -	\$ 242	\$ -	\$ 242
B12036	UU520	Blk6Z Serra Mesa Ph2 St.Maint Asphalt/Slurry Seal	\$ 440,766	\$ 517,434	\$ 104,854	\$ 74	\$ 1,063,128
B12056	UU494	Block 8A Golden Hill UUD	\$ 1,608	\$ 2,157	\$ 9,553	\$ 13,666	\$ 26,984
B12067	UU977	Block 251 South Mission Beach UUD	\$ -	\$ -	\$ -	\$ 3,229	\$ 3,229
B13151	UU659	Block 1M UUD (La Jolla 4)	\$ -	\$ 167	\$ (81)	\$ -	\$ 105
B13154	UU410	Block 6DD1 UUD (Clairemont Mesa)	\$ -	\$ 6,899	\$ (896)	\$ -	\$ 6,003
B13156	UU495	Block 8C UUD (Greater Golden Hill)	\$ -	\$ 229	\$ (92)	\$ -	\$ 137
B10096	N/A	Installation of Curb Ramps for UUP	\$ 303,867	\$ 80,567	\$ 242,572	\$ 111,461	\$ 738,487
B10103	N/A	Asphalt Overlay Group II FY10	\$ -	\$ -	\$ 2	\$ -	\$ 2
B14096	N/A	FY14 Job Order Contract 1	\$ -	\$ -	\$ -	\$ 755,036	\$ 755,036
Subtotal CIP Expenditures			\$ 1,144,443	\$ 1,083,855	\$ 1,490,841	\$ 3,276,699	\$ 6,995,838
Subtotal SDG&E Expenditures			\$ 5,900,546	\$ 6,866,590	\$ 5,084,245	\$ 7,980,035	\$ 25,831,416
Total Expenditures of Surcharge Projects			\$ 7,044,989	\$ 7,950,445	\$ 6,575,086	\$ 11,256,734	\$ 32,827,253

REPORT TO THE CITY COUNCIL
Status of the Utility Undergrounding Program

Attachment 2

Proposed Revisions to the 2009 Undergrounding Master Plan

PROPOSED REVISIONS TO 2009 MASTER PLAN

UPDATE PROJECT LIMITS						
20A PROJECTS						
DISTRICT	CIP ID	TITLE	LIMITS	ESTIMATED FOOTAGE	COST ESTIMATE	
Merge						
2	UU143	Cass Street	Reed Ave to Pacific Beach Dr	1,026	\$544,169	
2	UU524	Cass Street	Grand Ave to Reed Ave	722	\$391,448	
Into						
2	UU143	Cass Street	Grand Ave to Pacific Beach Drive	1,748	\$935,617	
Merge						
3	UU611	Redwood Street	Pershing Dr to 31st St	2,314	\$1,195,930	
3	UU612	Redwood Street	31st St to Boundary St	2,716	\$1,489,492	
Into						
3	UU611	Redwood Street	Pershing Dr to Boundary St	5,030	\$2,685,422	
Merge						
3	UU598	San Diego Avenue	Bandini St to Old Town Ave	1,920	\$978,990	
3	UU597	San Diego Avenue	W Washington St to Bandini St	2,023	\$978,241	
Into						
3	UU598	San Diego Avenue	Old Town Ave to McKee St	3,943	\$1,957,231	
Merge						
6	UU378	Beagle Street	Apollo St to Auburndale St	3,001	\$1,583,866	
6	UU465	Marlesta Drive	Beagle St to Genesee Ave	1,415	\$668,436	
6	UU622	Beagle Street	Apollo St to Ashford St	798	\$428,608	
Into						
6	UU465	Marlesta Dr/Beagle St	Genesee Av to Beagle St/ Marlesta Dr to Ashford St	5,214	\$2,680,910	
Merge						
7	UU633	Twain Avenue	Mission Gorge Rd to Vandever Av	3,554	\$1,499,169	
7	UU628	Fairmount Avenue	Vandever Ave to Friars Rd	318	\$188,225	
Into						
7	UU628	Fairmount Avenue	Mission Gorge Rd to Sheridan Ln	3,872	\$1,687,394	

REPORT TO THE CITY COUNCIL
Status of the Utility Undergrounding Program

Attachment 3

Proposed List of Projects to Prepare for Public Hearing

LIST OF PROPOSED SURCHARGE AND RULE 20(A) PROJECTS

DISTRICT	CIP ID	TITLE	LIMITS	ESTIMATED COST	ESTIMATED FOOTAGE	PROPERTIES
RULE 20A						
1	UU76	Sorrento Valley Road	Sorrento Valley Rd to I-805 SB off RA	\$1,966,997	4,992	5
2	UU123	Ingulf Street	Morena Blvd to Erie St	\$507,700	1,102	10
3	UU611	Redwood Street	Pershing Dr to Boundary St	\$2,685,422	5,030	107
4	UU616	Hilltop Drive	44th St to Euclid Ave	\$2,314,706	4,631	80
6	UU465	Marlesta Drive/Beagle Street	Genesee Av to Beagle St/Marlesta Dr to Ashord St	\$2,680,910	5,214	108
7	UU628	Fairmount Avenue	Mission Gorge Rd to Sheridan Ln	\$1,687,394	3,872	31
8	UU602	Sampson Street	Main St to Clay Ave	\$1,780,965	3,380	59
9	UU24	Orange Avenue	Central Ave to Fairmount Av	\$1,030,322	1,536	51
FUND TOTAL		8 Projects	5.6 Miles	\$14,654,416	29,757	451
SURCHARGE						
1	UU798	Residential Project Block 1Y	Del Mar Heights / Carmel Valley	\$5,693,920	13,987	82
2	UU875	Residential Project Block 6H1	Bay Park	\$10,853,079	21,380	660
3	UU908	Residential Project Block 3DD	Adams North	\$7,046,760	14,886	387
4	UU789	Residential Project Block 4Y1	Jamacha Lomita	\$6,269,772	12,289	312
6	UU857	Residential Project Block 6K1	North Clairemont	\$7,740,107	15,805	395
7	UU65	Residential Project Block 7T	Allied Gardens	\$7,392,949	14,947	389
8	UU668	Residential Project Block 8R1	Egger Highlands	\$5,317,215	10,813	244
9	UU957	Residential Project Block 7O	College West	\$5,510,210	13,065	113
FUND TOTAL		8 Projects	22.2 Miles	\$55,824,012	117,172	2,582
GROUP TOTAL		16 Projects	27.8 Miles	\$70,478,428	146,929	3,033



DISTRICT 1
Sorrento Valley Road - UU76
(Sorrento Valley Rd to I-805 SB off RA)
Community Plan: Torrey Pines



No Scale

LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY



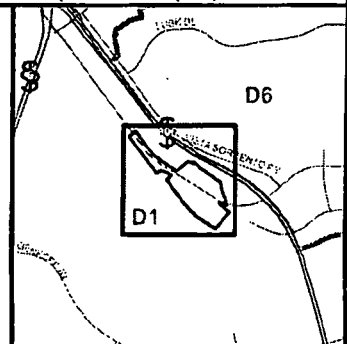
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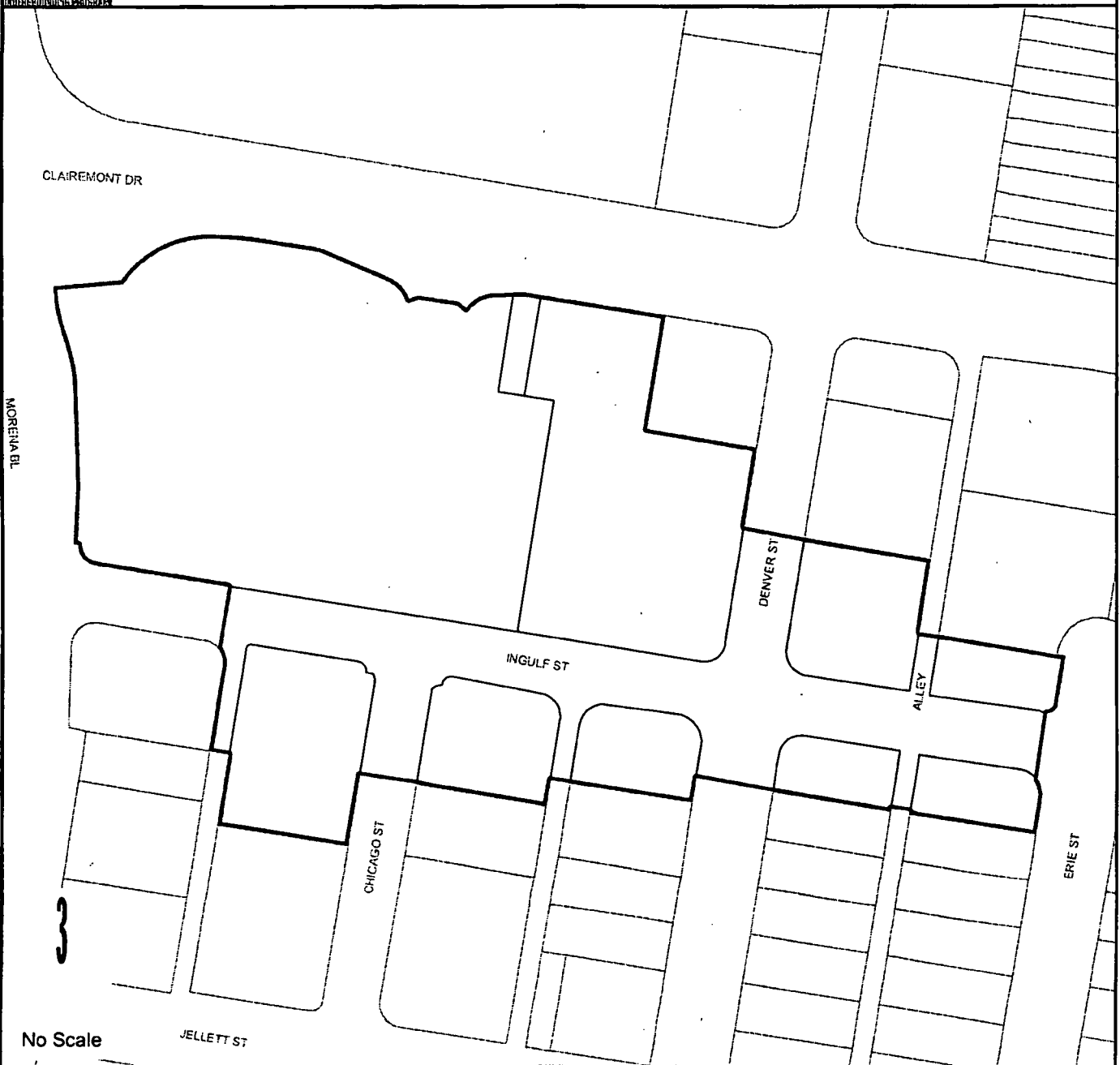
PROJECT STATISTICS

PROPERTIES: 5
ESTIMATED MILES: 0.95
ESTIMATED COST: \$1,966,997







DISTRICT 2
Ingulf Street - UU123
(Morena Blvd to Erie St)
Community Plan: Clairemont Mesa



LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

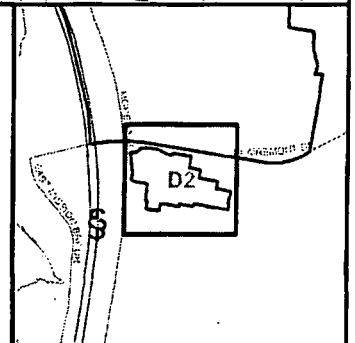
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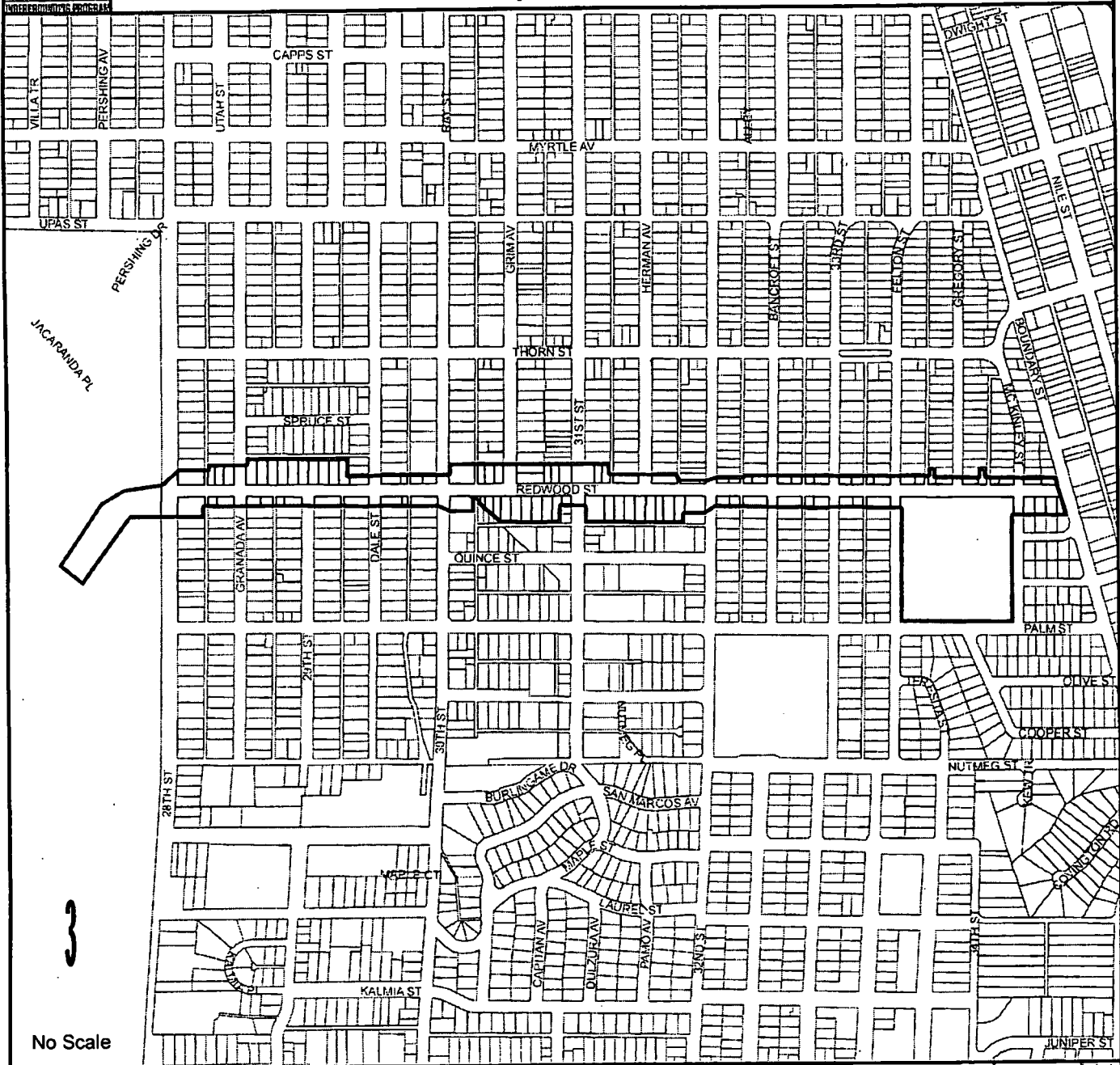
PROJECT STATISTICS

PROPERTIES:	10
ESTIMATED MILES:	0.21
ESTIMATED COST:	\$507,700





DISTRICT 3
Redwood Street - UU611
(Pershing Dr to Boundary St)
Community Plan: Greater North Park



LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY

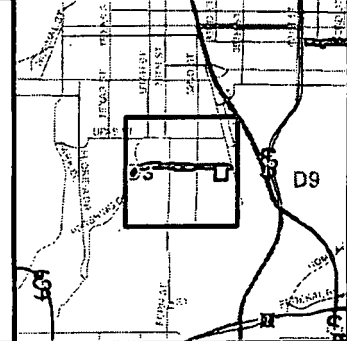
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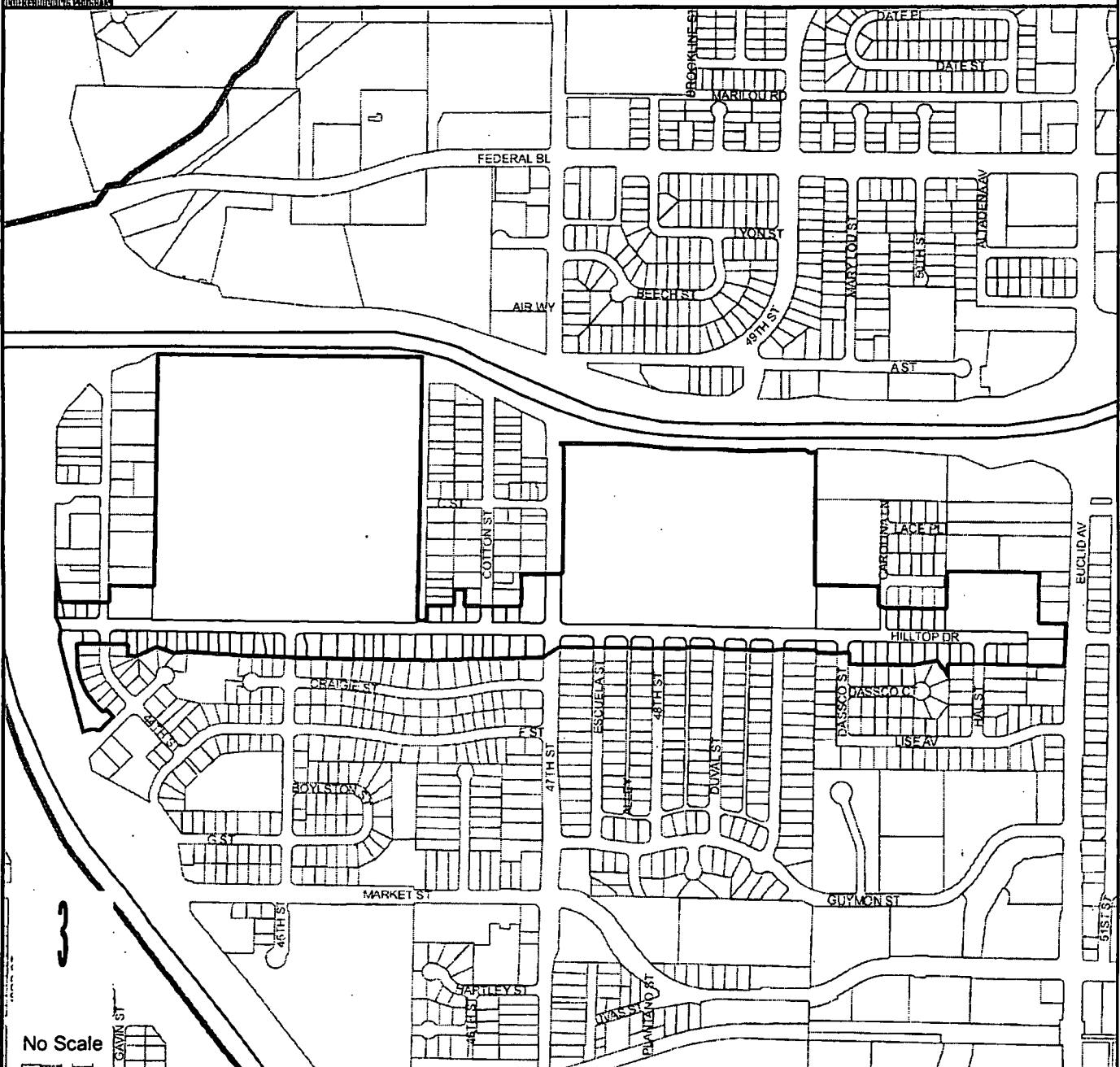
PROJECT STATISTICS

PROPERTIES: 107
ESTIMATED MILES: 0.95
ESTIMATED COST: \$2,685,422







DISTRICT 4
Hilltop Drive - UU616
(44th St to Euclid Ave)
Community Plan: Encanto Neighborhoods



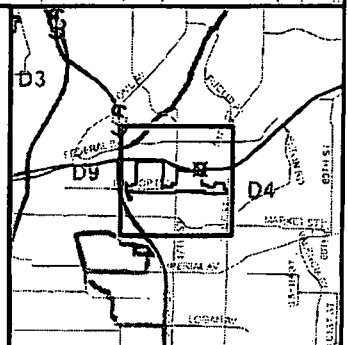
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LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

PROJECT STATISTICS

PROPERTIES: 80
ESTIMATED MILES: 0.88
ESTIMATED COST: \$2,314,706



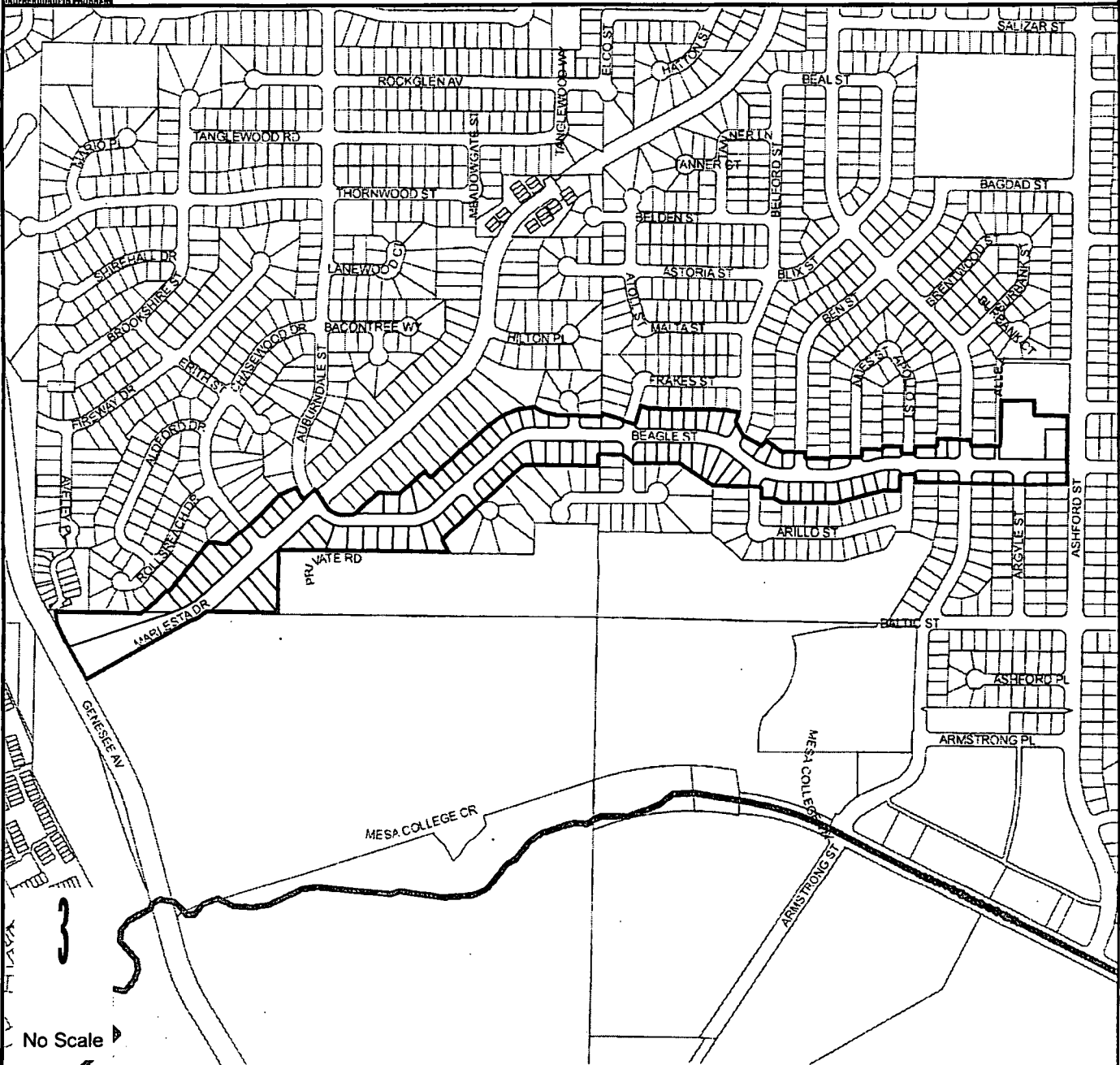
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DISTRICT 6
Marlesta Drive/Beagle Street - UU465
(Genesee Av to Beagle St/Marlesta Dr to Ashord St)
Community Plan: Clairemont Mesa

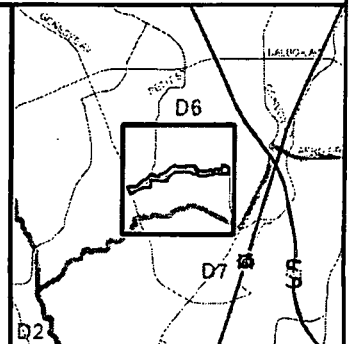


LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY

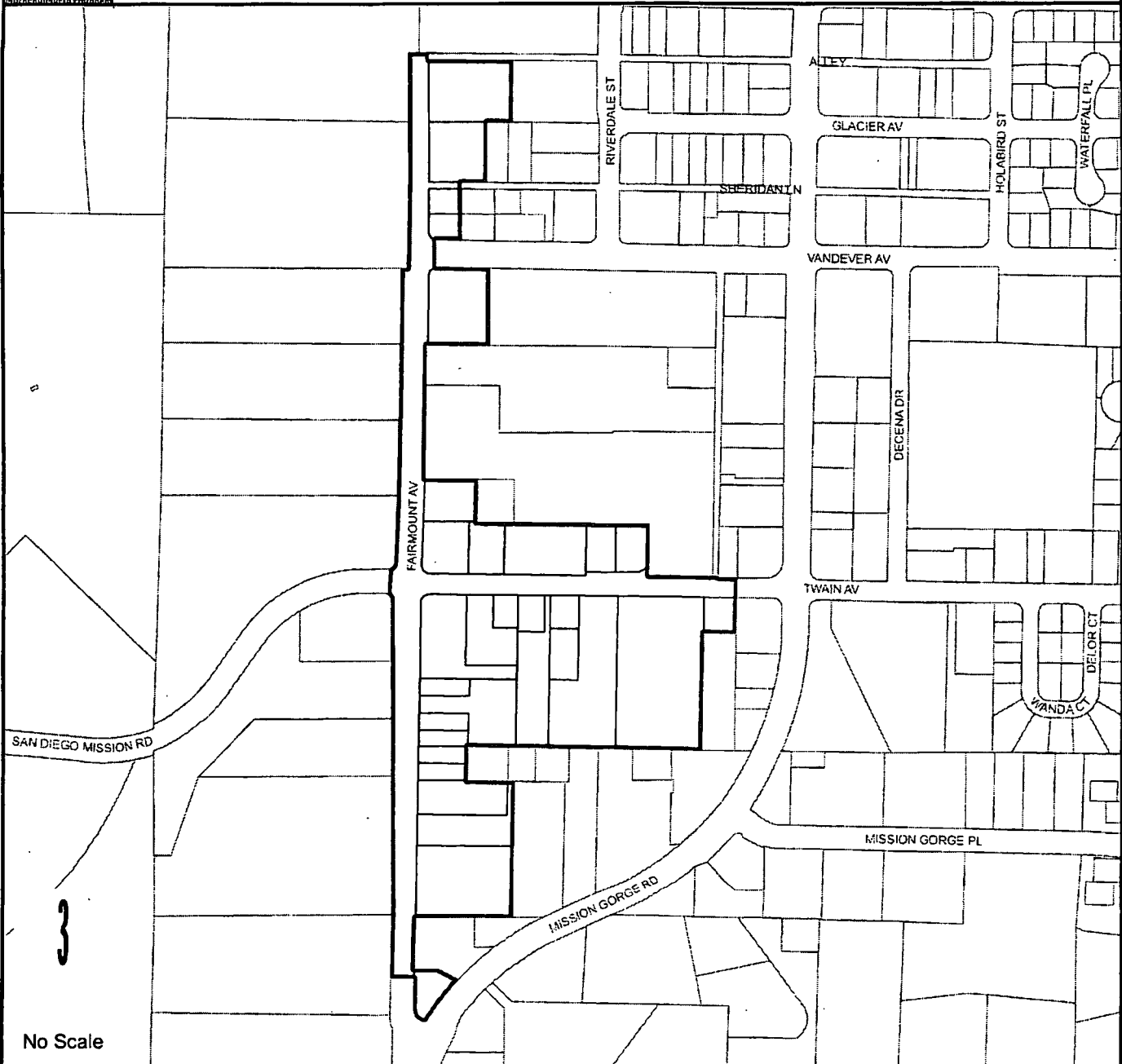
PROJECT STATISTICS

PROPERTIES: 108
ESTIMATED MILES: 0.99
ESTIMATED COST: \$2,680,910





DISTRICT 7
Fairmount Avenue - UU628
(Mission Gorge Rd to Sheridan Ln)
Community Plan: Navajo

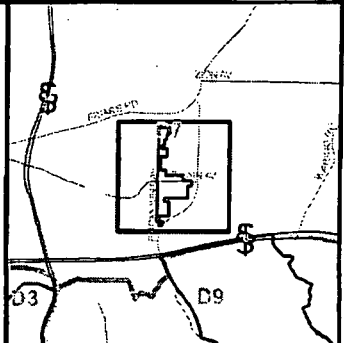


LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY

PROJECT STATISTICS

PROPERTIES: 31
ESTIMATED MILES: 0.73
ESTIMATED COST: \$1,687,394







DISTRICT 8
Sampson Street - UU602
(Main St to Clay Ave)
Community Plan: SE San Diego / Barrio Logan



No Scale

LEGEND

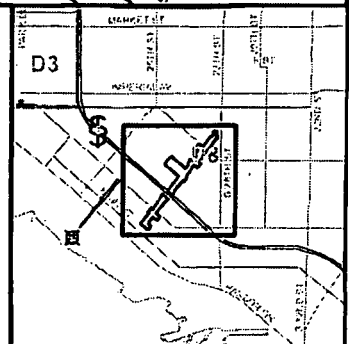
-  BLOCK PROJECT
-  DISTRICT BOUNDARY

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PROJECT STATISTICS

PROPERTIES: 59
ESTIMATED MILES: 0.64
ESTIMATED COST: \$1,780,965







DISTRICT 9
Orange Avenue - UU24
(Central Ave to Fairmount Av)
Community Plan: Mid City: City Heights



LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

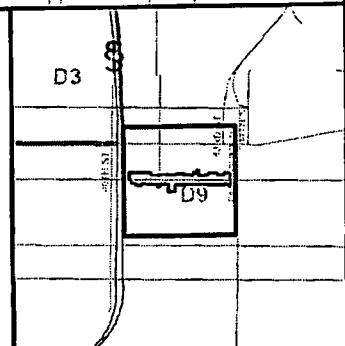
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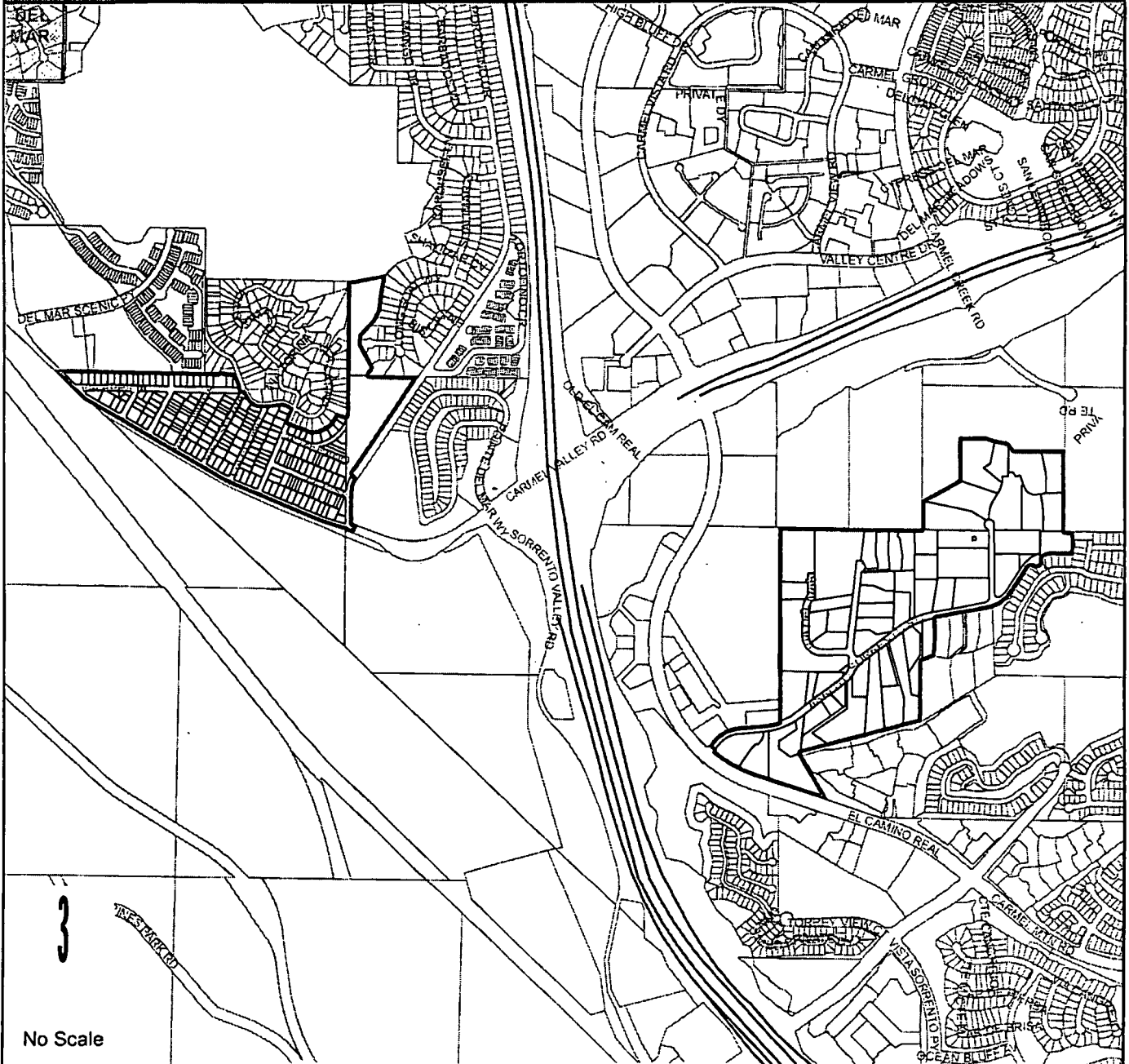
PROJECT STATISTICS

PROPERTIES: 51
ESTIMATED MILES: 0.29
ESTIMATED COST: \$1,030,322







DISTRICT 1
Residential Project Block 1Y - UU798
(Del Mar Heights / Carmel Valley)
Community Plan: Torrey Pines / Carmel Valley



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

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PROJECT STATISTICS

PROPERTIES:	82
ESTIMATED MILES:	2.65
ESTIMATED COST:	\$5,693,920

PACIFIC OCEAN



D6



DISTRICT 2
Residential Project Block 6H1 - UU875
(Bay Park)
Community Plan: Clairemont Mesa



No Scale

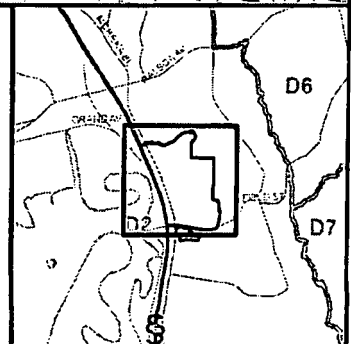
LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY

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PROJECT STATISTICS

PROPERTIES:	660
ESTIMATED MILES:	4.05
ESTIMATED COST:	\$10,853,079







DISTRICT 3
Residential Project Block 3DD - UU908
(Adams North)
Community Plan: Mid-City: Normal Heights



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY

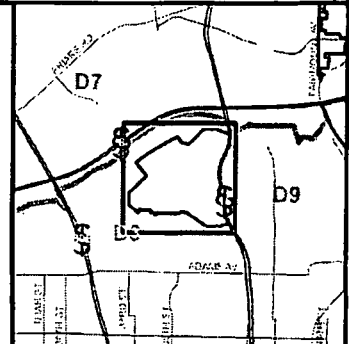
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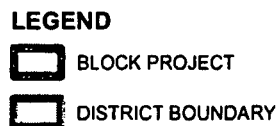
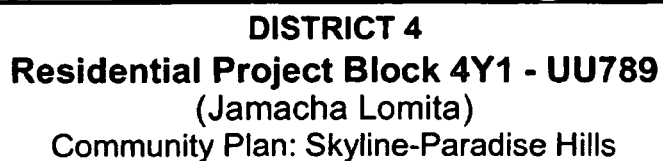
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PROJECT STATISTICS

PROPERTIES: 387
ESTIMATED MILES: 2.82
ESTIMATED COST: \$7,046,760





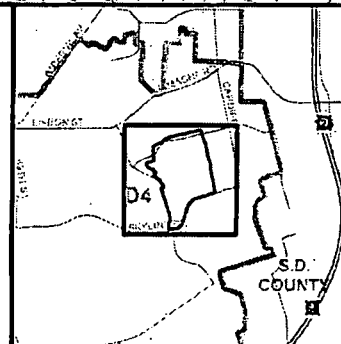
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PROJECT STATISTICS

PROPERTIES: 312
ESTIMATED MILES: 2.33
ESTIMATED COST: \$6,269,772







DISTRICT 6
Residential Project Block 6K1 - UU857
(North Clairemont)
Community Plan: Clairemont Mesa



LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY



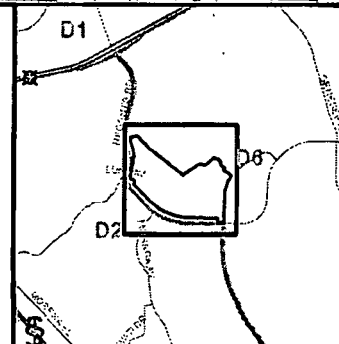
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PROJECT STATISTICS

PROPERTIES: 395
ESTIMATED MILES: 2.99
ESTIMATED COST: \$7,740,107







DISTRICT 7
Residential Project Block 7T - UU65
(Allied Gardens)
Community Plan: Navajo



No Scale

LEGEND

-  BLOCK PROJECT
-  DISTRICT BOUNDARY



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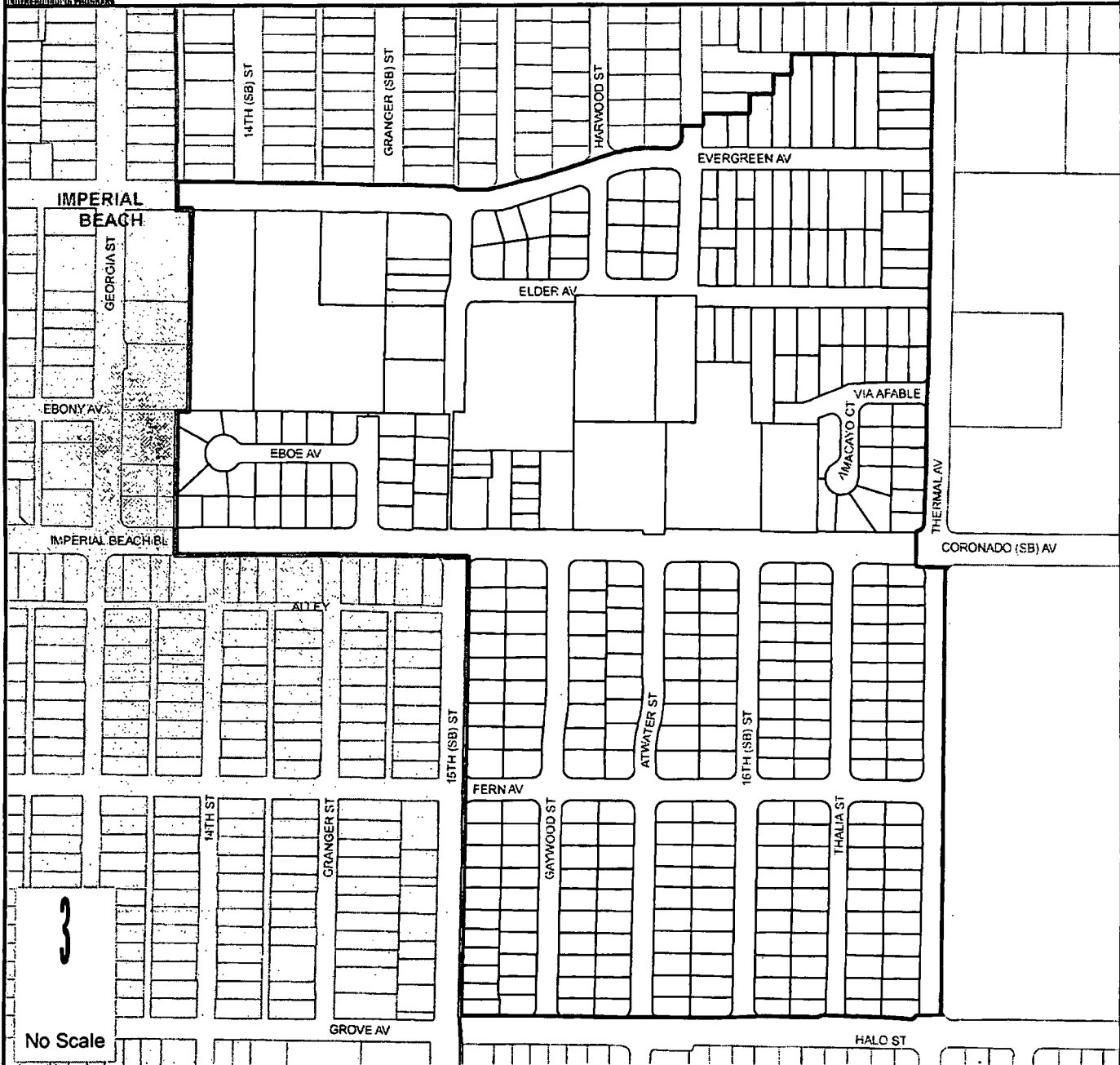
PROJECT STATISTICS

PROPERTIES:	389
ESTIMATED MILES:	2.83
ESTIMATED COST:	\$7,392,949





DISTRICT 8
Residential Project Block 8R1 - UU668
(Egger Highlands)
Community Plan: Otay Mesa - Nestor



LEGEND

- BLOCK PROJECT**
- DISTRICT BOUNDARY**

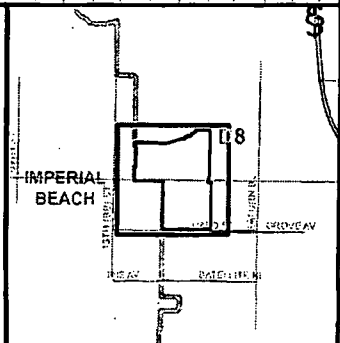
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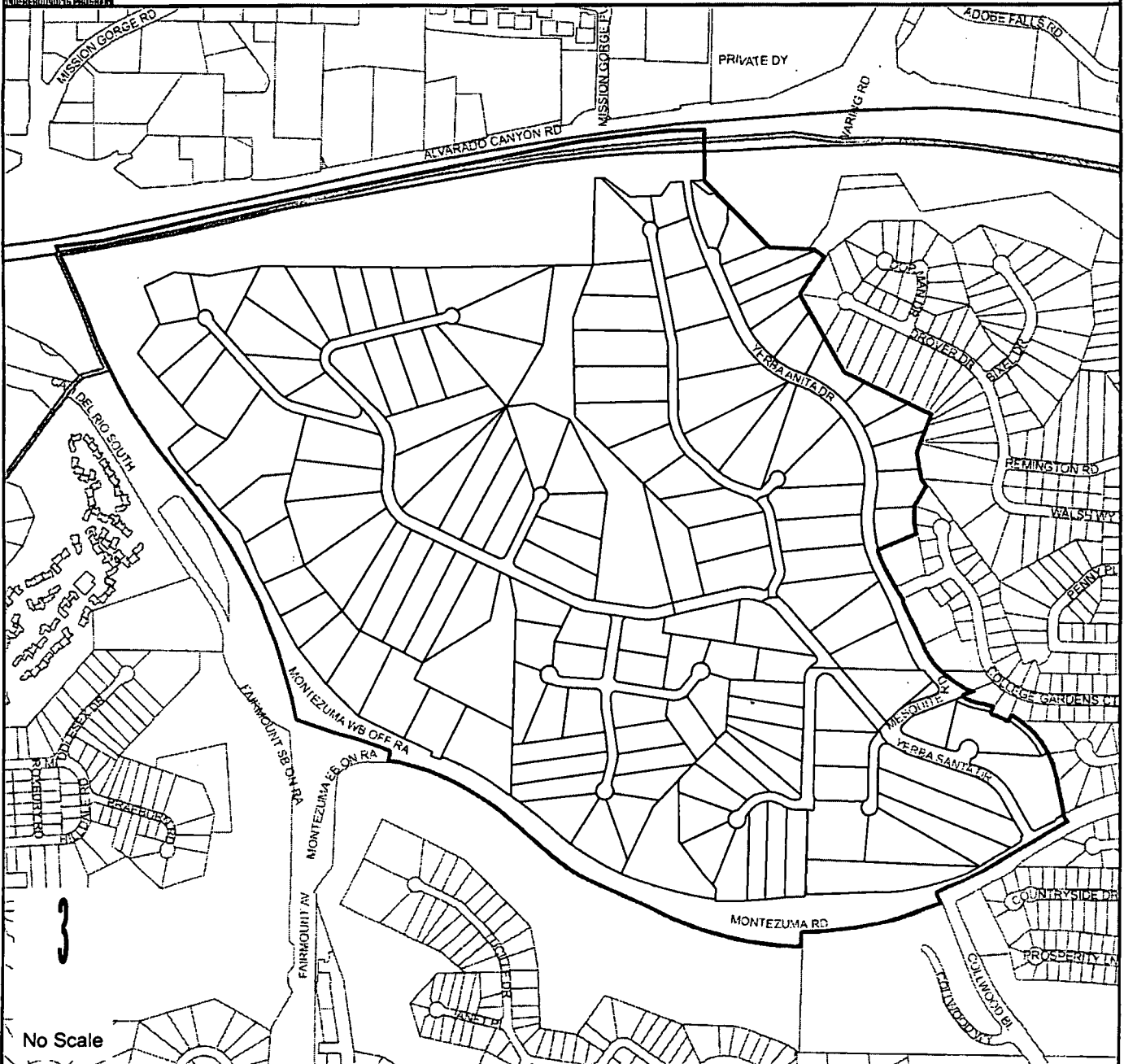
PROJECT STATISTICS

PROPERTIES: 244
ESTIMATED MILES: 2.05
ESTIMATED COST: \$5,317,215





DISTRICT 9
Residential Project Block 70 - UU957
(College West)
Community Plan: College Area



No Scale

LEGEND

- BLOCK PROJECT
- DISTRICT BOUNDARY



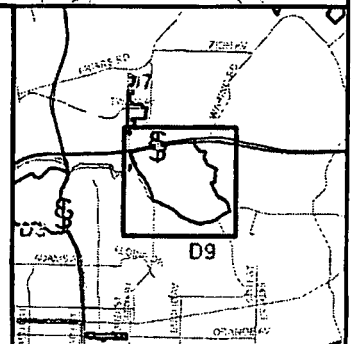
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PROJECT STATISTICS

PROPERTIES:	113
ESTIMATED MILES:	2.47
ESTIMATED COST:	\$5,510,210



COMMITTEE ACTION SHEET

COUNCIL DOCKET OF _____

☐ Supplemental ☐ Adoption ☐ Consent ☐ Unanimous Consent

R -

O -

Status of the Utility Undergrounding Program and Approval of New Undergrounding Projects

☒ Reviewed ☐ Initiated By ENVIRO On 10/7/15 Item No. 7

RECOMMENDATION TO:

Motion by Councilmember Gloria to recommend Council adopt the resolution. Second by Councilmember Cate.

VOTED YEA: Alvarez, Gloria, Cate

VOTED NAY:

NOT PRESENT: Emerald

CITY CLERK: Please reference the following reports on the City Council Docket:

REPORT TO THE CITY COUNCIL NO.

INDEPENDENT BUDGET ANALYST NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

COUNCIL COMMITTEE CONSULTANT



310156

**DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO
EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION**

DATE:
August 25, 2015

SUBJECT: Status of the Utility Undergrounding Program and Approval of New Underground Projects

GENERAL CONTRACT INFORMATION

Recommended Agency: N/A
Amount of this Action: N/A
Funding Source: N/A
Goal: N/A

SUBCONTRACTOR PARTICIPATION

There is no subcontractor associated with this action; however, subsequent actions must adhere to funding agency requirements.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity: Required

Any necessary agreements between the City and utility companies associated with this work are subject to California Public Utility Commission (CPUC) Equal Opportunity Contracting guidelines and mandates. Any work that does not fall under CPUC authority shall be subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

ADDITIONAL COMMENTS

Per Council Policy 600-08, approve revisions to the 2009 Undergrounding Master Plan.

RW

R 310156

Date 11/3/2015 Docket Item N. 331
Subject Utility Underground

REQUEST TO SPEAK

IN FAVOR

of the

☐

APPEAL

☒

ITEM

PRINT
NAME

KATHY VALDIVIA

8330 Century Park Ct.

ADDRESS: NUMBER

STREET

CITY

San Diego, CA 92123

STATE

ZIP

TELEPHONE

kvaldivia@semprautilities.com

E-MAIL ADDRESS

SDG&E

REPRESENTING

CHECK BELOW, IF APPLICABLE:

- ☐ I would like to register my position but I do not wish to speak.
☐ Yo voy a hablar en español y necesito la asistencia de un interprete.
(I will be speaking in Spanish and request the assistance of an interpreter.)

**ARE YOU PART OF AN ORGANIZED PRESENTATION?
IF YES, LIST SPEAKERS IN ORDER OF PRESENTATION.**

**PLEASE READ GUIDE TO SPEAKING AT PUBLIC MEETING
ON REVERSE SIDE. THE CHAIRPERSON WILL CALL
YOU TO THE MICROPHONE AT THE APPROPRIATE TIME.**

CC-1599 (Rev. 4-07)



THE CITY OF SAN DIEGO

R-310156

HOW TO ADDRESS THE CITY COUNCIL

TO ADDRESS COUNCIL ON AN AGENDA ITEM

Members of the public wishing to address the Council must submit a "Request to Speak" form to the City Clerk **prior** to the agenda item being called. Please note that "Request to Speak" forms will not be accepted once the item is called.

Speaker forms are available in the Council Chambers prior to each meeting. Fill out a speaker slip "In Favor" or "In Opposition" to the RECOMMENDATION listed *first* on the Docket for the subject item, and submit the form to the City Clerk prior to the agenda item being called. Speakers will be called by name to address the City Council when the item is heard. **Time allotted to each speaker is determined by the Chair and, in general, is limited to three (3) minutes;** moreover, testimony by all those present in support or opposition shall be limited to no more than fifteen (15) minutes **total per side**, whether or not all speakers are part of an organized presentation.

PLEASE NOTE: ITEMS PULLED FOR DISCUSSION FROM THE CONSENT AGENDA BY MEMBERS OF THE PUBLIC OR BY A COUNCILMEMBER WILL BE TRAILED AND DISCUSSED FOLLOWING ACTION ON THE ADOPTION AGENDA ITEMS.

