

# FY: 2017

Appendix



CITY OF SAN DIEGO

## ADOPTED BUDGET

MAYOR KEVIN L. FAULCONER

The City of  
**SAN  
DIEGO**



# Appendix

## **Fiscal Year 2017 Changes in Full-time Equivalent (FTE) Positions**

**ATTACHMENT A**

Information reflecting changes in FTE positions from the Fiscal Year 2016 Adopted Budget by fund and department.

## **Fiscal Year 2017-2021 Five-Year Financial Outlook**

**ATTACHMENT B**

A report that guides long-range fiscal planning for Fiscal Years 2017 through 2021 and served as the framework for the development of the Fiscal Year 2017 Adopted Budget, dated November 13, 2015.

## **Fiscal Year 2017 City Council Budget Priorities**

**ATTACHMENT C**

City Council budget priorities for Fiscal Year 2017

## **May Revision to the Fiscal Year 2017 Proposed Budget**

**ATTACHMENT D**

A memorandum that presents the Mayor's recommended revisions to the Fiscal Year 2017 Proposed Budget, dated May 17, 2016

## **Review of the Fiscal Year 2017 May Revise and Recommended Revisions to the Mayor's Fiscal Year 2017 Budget**

**ATTACHMENT E**

Office of the Independent Budget Analyst, Report Number 16-11, dated June 8, 2016

## **Fiscal Year 2017 Councilmember Budget Priority Memos**

**ATTACHMENT F**

City Council budget priorities in response to the Mayor's Fiscal Year 2017 May Revised Budget

## **Resolution R- 310506**

**ATTACHMENT G**

A Resolution of the Council of the City of San Diego adopting the Fiscal Year 2017 Budget, including approving the Mayor's Fiscal Year 2017 Proposed Budget, the May Revision to the Proposed Budget, the Independent Budget Analyst's recommended revisions to the Proposed Budget and other changes as approved by the City Council.

## **Resolution R- 310594**

**ATTACHMENT H**

Resolution of the Council of the City of San Diego adopting the Statement of Budgetary Principles with respect to administration by the Mayor of the Fiscal Year 2017 Budget.

## **Appropriation Ordinance O- 20669**

**ATTACHMENT I**

An ordinance adopting the annual budget for Fiscal Year 2017 and appropriating the necessary money to operate the City of San Diego for said fiscal year on July 11, 2016.



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**Table 1** below reflects the changes in Full-time Equivalent (FTE) positions in the General Fund from the Fiscal Year 2016 Adopted Budget by department. Descriptions of these changes in positions immediately follow.

**Table 1: General Fund FTE Changes by Department**

Department	FY 2016 Adopted Budget	FY 2017 Adopted Budget	FTE Change
City Attorney	355.58	361.10	5.52
City Auditor	22.00	22.00	-
City Clerk	45.32	46.32	1.00
City Comptroller	84.75	87.51	2.76
City Treasurer	109.73	111.38	1.65
Communications	32.16	33.50	1.34
Council Administration	16.12	16.37	0.25
Council District 1	10.00	10.00	-
Council District 2	10.00	10.00	-
Council District 3	10.00	10.00	-
Council District 4	10.00	10.00	-
Council District 5	10.00	10.00	-
Council District 6	10.00	10.00	-
Council District 7	10.00	10.00	-
Council District 8	10.00	10.00	-
Council District 9	10.00	10.00	-
Debt Management	19.00	21.00	2.00
Development Services	70.00	70.00	-
Economic Development	51.35	56.00	4.65
Environmental Services	137.55	157.11	19.56
Ethics Commission	5.00	5.00	-
Financial Management	32.00	32.00	-
Fire-Rescue	1,176.21	1,220.53	44.32
Human Resources	20.84	25.50	4.66
Infrastructure/Public Works	5.00	5.00	-
Internal Operations	1.50	1.50	-
Library	463.21	475.86	12.65
Neighborhood Services	5.50	6.50	1.00
Office of Homeland Security	16.40	18.05	1.65
Office of the Assistant COO	11.00	12.00	1.00
Office of the Chief Financial Officer	2.00	2.00	-
Office of the Chief Operating Officer	5.35	5.35	-
Office of the IBA	10.00	10.00	-
Office of the Mayor	29.00	29.50	0.50
Park & Recreation	860.13	899.78	39.65
Performance & Analytics	11.00	15.00	4.00
Personnel	67.99	71.00	3.01
Planning	67.08	65.07	(2.01)
Police	2,632.01	2,644.01	12.00
Public Works - Contracts	20.00	21.00	1.00
Public Works - General Services	151.00	174.00	23.00
Purchasing & Contracting	59.96	59.96	-
Real Estate Assets	33.00	34.00	1.00
Transportation & Storm Water	580.74	625.79	45.05
<b>Total General Fund FTE Changes</b>	<b>7,299.48</b>	<b>7,530.69</b>	<b>231.21</b>

## General Fund FTE Changes

### City Attorney: 5.52 FTE Increase

- 0.25 Addition of 0.25 Deputy City Attorney to maintain current service levels.
- 1.00 Addition of 1.00 Deputy City Attorney to provide legal services in support of the Capital Improvements Program.
- 1.00 Addition of 1.00 Paralegal for the Community Justice Division.
- 2.00 Addition of 2.00 Deputy City Attorneys to address homelessness.
- 0.27 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 1.00 Addition of 1.00 Deputy City Attorney to provide legal services to the Real Estate Assets Department.

### City Clerk: 1.00 FTE Increase

- 1.00 Addition of 1.00 Program Coordinator to coordinate the administrative functions within the Office of the City Clerk.

### City Comptroller: 2.76 FTE Increase

- 0.25 Addition of 0.25 Accountant 4 to maintain current levels of service.
- 0.25 Addition of 0.25 Principal Accountant to maintain current levels of service.
- 1.26 Addition of 1.26 Student Intern - Hourly to support the Internal Controls section.
- 1.00 Addition of 1.00 Accountant 4 to support the Payroll and Disbursements section.

### City Council: 0.25 FTE Increase

- 0.25 Addition of 0.25 Management Intern-Mayor/Council - Hourly to support various research assignments and other administrative tasks.
- 2.00 Addition of 2.00 Program Managers to meet department operational needs.
- (2.00) Reduction of 1.00 Committee Consultant Secretary and 1.00 Information Systems Analyst 3.

### City Treasurer: 1.65 FTE Increase

- 0.35 Addition of 0.35 Account Clerk - Hourly to support the Financial Operations Division.
- (0.70) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 2.00 Addition of 2.00 Accountant 2s for TOT/TMD compliance audits and research.

### Communications: 1.34 FTE Increase

- 1.00 Transfer of 1.00 Parking Enforcement Officer 1 from the Police Department to the Communications Department to centralize communication support.
- 1.00 Transfer of 1.00 Program Manager from the Fire-Rescue Department to the Communications Department to centralize communication support.
- (0.66) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

### Debt Management: 2.00 FTE Increase

- 3.00 Addition of 1.00 Program Manager, 1.00 Senior Management Analyst, and 1.00 Associate Management Analyst to implement and administer the Infrastructure and Utilities Loan Program.
- (1.00) Reduction of 1.00 Associate Economist position due to a reorganization within the department.

**Economic Development: 4.65 FTE Increase**

2.00 Addition of 1.00 Associate Management Analyst and 1.00 Community Development Specialist 4 to manage Successor Agency activities as mandated by State Assembly Bill 1X 26 (The Dissolution Act).

1.00 Addition of 1.00 Payroll Specialist to support payroll and human resources activities.

1.00 Addition of 1.00 Senior Planner to support the implementation and maintenance of the City's Climate Action Plan.

(0.35) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

1.00 Transfer of 1.00 Community Development Specialist 4 from the Planning Department to the Economic Development Department.

**Environmental Services: 19.56 FTE Increase**

1.00 Addition of 1.00 Community Development Specialist 3 to support lead paint settlement planning.

2.00 Addition of 2.00 Sanitation Driver 2s to support current services levels.

18.00 Transfer of 18.00 FTE positions for code enforcement from the Refuse Disposal Fund to the General Fund related to the Zero Waste Plan.

(1.04) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

(0.40) Department restructure to better align the financial structure with the department's operations.

**Fire-Rescue: 44.32 FTE Increase**

1.00 Addition of 1.00 Building Service Technician to maintain and repair Fire-Rescue Department facilities.

4.81 Addition of 4.00 Fire Dispatchers and 0.81 Fire Dispatcher - Hourly to increase service levels at the communications center.

1.00 Addition of 1.00 Lifeguard Sergeant to coordinate lifeguard training and support special operations.

2.88 Addition of 2.88 Lifeguard 1s - Hourly for an advanced lifeguard academy.

(1.00) Transfer of 1.00 Program Manager from the Fire-Rescue Department to the Communications Department to centralize communication support.

32.00 Addition of 32.00 FTE positions related to the conversion of overtime to FTE positions for East Mission Valley and Temporary Skyline Fire Stations and two Fast Response Squads.

2.02 Addition of 2.02 Lifeguard 1s - Hourly to increase seasonal lifeguard hours for advanced training.

1.00 Addition of 1.00 Lifeguard 3 to coordinate training and oversee lifeguard operations at Mission Bay.

(2.88) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

2.00 Addition of 2.00 Lifeguard 3s for coastal cliff rescues and water rescue at Ocean Beach.

1.49 Addition of 1.49 Lifeguard 1s - Hourly to increase seasonal lifeguard services at Sunset Cliffs.

**Human Resources: 4.66 FTE Increase**

0.50 Addition of 0.50 Clerical Assistant 2 to support the City Information Desk.

0.16 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

2.00 Addition of 2.00 Program Coordinators to support Citywide Public Records Act requests.

2.00 Transfer of the Employee Assistance Program from the Risk Management Department to the Human Resources Department.

**Library: 12.65 FTE Increase**

2.00 Addition of 2.00 Librarian 3s to support education and community engagement and development programs.

1.00 Addition of 1.00 Senior Management Analyst to support the Library's Capital Improvements Program (CIP) projects.

3.36 Addition of 1.00 Administrative Aide 2 and 2.36 Tutor Learner Coordinators - Hourly to support the existing Do Your Homework @ the Library after-school program.

2.00 Addition of 2.00 FTE positions to support the new Skyline Hills Library.

4.29 Addition of 1.00 Librarian Assistant, 2.00 Librarian Clerks, and 1.29 Librarian Aides - Hourly to provide staff coverage at the Youth Education Center located at the Valencia Park/Malcolm X Library.

**Neighborhood Services: 1.00 FTE Increase**

1.00 Addition of 1.00 Administrative Aide 2 to support the Neighborhood Services Branch.

**Office of Homeland Security: 1.65 FTE Increase**

(1.35) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

3.00 Addition of 1.00 Supervising Management Analyst, 1.00 Associate Management Analyst, and 1.00 Administrative Aide 2 to support grant management.

**Office of the Assistant COO: 1.00 FTE Increase**

1.00 Addition of 1.00 Program Manager to coordinate the centralization of citywide parking services.

**Office of the Mayor: 0.50 FTE Increase**

0.50 Addition of 0.50 Management Intern-Mayor/Council - Hourly for administrative support.

**Park & Recreation: 39.65 FTE Increase**

- 2.00 Addition of 2.00 Area Managers to support increased hours of operation at recreation centers and new facilities.
- 1.86 Addition of 1.86 Recreation Aide - Hourly to support operations at 18 recreation centers.
- 0.33 Addition of 0.33 Grounds Maintenance Worker 2 to support the operation and maintenance of the Phyllis Place park.
- 1.10 Addition of 0.88 Pool Guard 2 - Hourly and 0.22 Pool Manager - Hourly to support increased programming at pool facilities.
- 1.00 Addition of 1.00 Grounds Maintenance Supervisor to increase supervision of maintenance crews at Balboa Park.
- 2.27 Addition of 2.27 Grounds Maintenance Worker 2s to support the operation and maintenance of the Black Mountain Ranch community park.
- 0.19 Addition of 0.19 Grounds Maintenance Worker 2 to support the operation and maintenance of the Canyonside community park.
- 7.00 Addition of 2.00 Seven-Gang Mowers, 3.00 Light Equipment Operator, 1.00 Equipment Technician, and 1.00 Pesticide Applicator to support the expansion, maintenance, and operations of parks.
  
- 0.63 Addition of 0.63 Grounds Maintenance Worker 2 to support the operation and maintenance of the joint use facility.
- 0.38 Addition of 0.38 Grounds Maintenance Worker 2 to support the operation and maintenance of the joint use Cubberly Elementary park.
- 0.86 Addition of 0.86 Grounds Maintenance Worker 2 to support the operation and maintenance of the Del Mar Mesa neighborhood park.
- 0.94 Addition of 0.94 Grounds Maintenance Worker 2 to support the operation and maintenance of the Del Sur neighborhood park.
- 0.62 Addition of 0.62 Grounds Maintenance Worker 2 to support the operation and maintenance of the joint use Gage Elementary park.
- 0.50 Addition of 0.50 Grounds Maintenance Worker 2 to support the operation and maintenance of the Linda Vista skate park.
- 0.18 Addition of 0.18 Grounds Maintenance Worker 2 to support the operation and maintenance of the joint use McKinley Elementary park.
- 1.25 Addition of 1.25 Grounds Maintenance Worker 2 to support the operation and maintenance of the Mira Mesa community park.
- 2.00 Addition of 2.00 Grounds Maintenance Worker 2 to provide year-round restroom access at Mission Bay Park.
- (2.54) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 2.50 Addition of 1.00 Assistant Recreation Center Director, 0.50 Recreation Leader 1, and 1.00 Grounds Maintenance Worker 1 to provide support to the North Clairemont senior center facility.
- 4.00 Addition of 2.00 Park Rangers, 1.00 Pesticide Applicator, and 1.00 Grounds Maintenance Manager to support operation and maintenance of additional acreage.
- 0.33 Addition of 0.33 Grounds Maintenance Worker 2 to support the operation and maintenance of the Angier Elementary park.
- 3.00 Addition of 2.00 Equipment Technician 2s and 1.00 Utility Worker 2 for the repair of playground rubberized surfacing and playground equipment.
- 10.00 Addition of 8.00 Assistant Recreation Center Directors and 2.00 Recreation Leaders - Hourly to increase weekly operating hours at eight recreation centers from 45 to 60 hours.
- (1.50) Reduction of 1.50 positions to reflect the conclusion of the Balboa Park Centennial Celebration.
- 0.00 Adjustments to reflect the annualization of the Fiscal Year 2016 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- 0.50 Addition of 0.50 Recreation Leader 2 - Hourly to support the Senior Therapeutic Recreation Program at Park de la Cruz.
- 0.20 Addition of 0.20 Grounds Maintenance Worker 2 to support the operation and maintenance of the Ward Canyon dog park.
- 0.05 Addition 0.05 Grounds Maintenance Worker 2 to support the operation and maintenance of a pocket park at Old San Ysidro Fire Station.

## Performance & Analytics: 4.00 FTE Increase

- 1.00 Addition of 1.00 Program Coordinator to expand Open Data initiatives and analytics.
- 3.00 Addition of 2.00 Program Coordinators and 1.00 Program Manager to support the development and deployment of the 311-style Customer Experience and Service Delivery Program.

## Personnel: 3.01 FTE Increase

- 1.00 Addition of 1.00 Test Administration Specialist to support new employee examination and testing.
- 2.00 Addition of 1.00 Word Processing Operator and 1.00 Associate Personnel Analyst to support hiring related needs.
- 0.01 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

## Planning: 2.01 FTE Decrease

- 1.00 Addition of 1.00 Senior Planner to provide environmental review support to the Transportation & Storm Water Department.
- (1.01) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 3.00 Transfer of 3.00 FTE as a result of the restructure of the Land Development Code function from the Development Services Department to the Planning Department.
- (1.00) Transfer of 1.00 Community Development Specialist 4 from the Planning Department to the Economic Development Department.
- (4.00) Transfer of 4.00 FTE as a result of the restructure of the Historical Resources function from the Planning Department to the Development Services Department.

## Police: 12.00 FTE Increase

- 5.00 Addition of 5.00 FTE civilian positions to support the Police Department's operations.
- 3.00 Addition of 3.00 Police Officer 2s to support the Police Department's operations.
- (1.00) Transfer of 1.00 Parking Enforcement Officer 1 from the Police Department to the Communications Department to centralize communication support.
- 5.00 Addition of 5.00 FTE positions to support the crime lab unit.

## Public Works - Contracts: 1.00 FTE Increase

- 1.00 Addition of 1.00 Assistant Engineer-Civil to support the expansion of the Capital Improvements Program.

## Public Works - General Services: 23.00 FTE Increase

- 1.00 Addition of 1.00 Assistant Trainer and 1.00 Safety and Training Manager to support training of new employees, supervisory readiness, and manage risk of trade employees to meet OSHA standards. Reduction of 1.00 Executive Secretary position to offset expenditures.
- 2.00 Addition of 1.00 Apprentice 2 - Electrician and 1.00 Apprentice 2 - Refrigerator Mechanic for the Apprenticeship Program.
- 21.00 Addition of 21.00 FTE positions to increase the facilities maintenance and repair service levels.
- (1.00) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

## Real Estate Assets: 1.00 FTE Increase

- 1.00 Addition of 1.00 Property Agent position to manage city leases.

## Transportation & Storm Water: 45.05 FTE Increase

- 1.00 Addition of 1.00 Program Manager to manage stakeholder relations for Transportation & Storm Water projects.
- 1.00 Addition of 1.00 Electrician to support Maintenance Assessment District (MAD) street light maintenance.
- 1.00 Addition of 1.00 Public Works Superintendent to provide additional oversight of Street Division's Electrical Section.
- 1.00 Addition of 1.00 Utility Worker 2 to enhance nighttime response to priority service requests and minor repairs within the right-of-way, offset by a reduction in overtime.
- 5.00 Addition of 1.00 Public Works Supervisor, 2.00 Utility Worker 1s, and 2.00 Utility Worker 2s for catch basin cleaning to improve storm water quality.
- 13.00 Addition of 13.00 FTE positions for storm drain channel cleaning and maintenance to support flood risk management.
- 4.00 Addition of 3.00 Associate Planners and 1.00 Program Manager for environmental permitting to support flood risk management.
- 6.00 Addition of 6.00 FTE positions to support graffiti abatement.
- (0.95) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 6.00 Addition of 6.00 FTE positions for pipe repairs to support flood risk management.
- 2.00 Addition of 1.00 Code Compliance Officer and 1.00 Clerical Assistant 2 to support the implementation of the Street Preservation Ordinance and One Dig Strategy.
- 6.00 Addition of 6.00 Heavy Truck Driver 2s to support storm drain channel clearing and street paving projects.

**Table 2** below reflects the changes in Full-time Equivalent (FTE) positions in the Non-General Fund from the Fiscal Year 2016 Adopted Budget by fund. Descriptions of these changes in positions immediately follow.

**Table 2: Non-General Funds FTE Changes by Fund**

Fund	FY 2016 Adopted Budget	FY 2017 Adopted Budget	FTE Change
Airports Fund	19.00	22.00	3.00
Central Stores Fund	23.00	23.00	-
City Employee's Retirement System Fund	63.00	63.00	-
Concourse and Parking Garages Operating Fund	2.00	2.00	-
Development Services Fund	449.15	472.45	23.30
Energy Conservation Program Fund	13.25	17.35	4.10
Engineering & Capital Projects Fund	598.60	644.70	46.10
Facilities Financing Fund	16.70	16.35	(0.35)
Fire/Emergency Medical Services Transport Program Fund	30.00	31.00	1.00
Fleet Services Operating Fund	201.50	207.00	5.50
GIS Fund	2.00	2.00	-
Golf Course Fund	98.00	101.76	3.76
Information Technology Fund	44.00	42.00	(2.00)
Junior Lifeguard Program Fund	1.00	1.00	-
Local Enforcement Agency Fund	6.00	6.00	-
Los Penasquitos Canyon Preserve Fund	2.00	2.00	-
Maintenance Assessment District (MAD) Management Fund	25.00	25.00	-
Metropolitan Sewer Utility Fund	462.21	462.20	(0.01)
Municipal Sewer Revenue Fund	409.32	400.71	(8.61)
OneSD Support Fund	23.00	28.00	5.00
Parking Meter Operations Fund	15.00	15.00	-
PETCO Park Fund	1.00	1.00	-
Publishing Services Fund	10.00	10.00	-
QUALCOMM Stadium Operations Fund	38.00	38.00	-
Recycling Fund	106.60	108.25	1.65
Refuse Disposal Fund	148.98	132.60	(16.38)
Risk Management Administration Fund	83.28	87.23	3.95
Transient Occupancy Tax Fund	13.00	14.00	1.00
Underground Surcharge Fund	9.00	11.00	2.00
Water Utility Operating Fund	781.83	781.83	-
Wireless Communications Technology Fund	46.00	46.00	-
<b>Total Non-General Fund FTE Changes</b>	<b>3,741.41</b>	<b>3,814.42</b>	<b>73.01</b>

## Non-General Fund FTE Changes

### Airports Fund: 3.00 FTE Increase

- 1.00 Addition of 1.00 Biologist 3 specialized in State and Federal airport requirements to conduct mandated environmental studies.
- 2.00 Addition of 1.00 Airport Operations Assistant and 1.00 Property Agent to maintain current service levels.

### Development Services Fund: 23.30 FTE Increase

- 1.00 Addition of 1.00 Associate Engineer - Civil to review geotechnical reports.
- 2.00 Addition of 2.00 Associate Engineers - Civil to perform technical reviews for the Drainage and Grades section.
- 1.00 Addition of 1.00 Associate Engineer - Traffic to train personnel in the Traffic Safety section.
- 1.00 Addition of 1.00 Associate Planner to improve customer service for plan intake and reviews in the Environmental Analysis section.
- 4.00 Addition of 4.00 Associate Planners to meet increased workloads in the Expedite Program.
- 1.75 Addition of 0.70 Structural Engineering Associate - Hourly, 0.35 Senior Drafting Aide - Hourly, 0.35 Mechanical Inspector 2 - Hourly, and 0.35 Combination Inspector 2 - Hourly to provide additional staff support.
- 0.25 Addition of 0.25 Plan Review Specialist 3 to perform landscape reviews.
- 2.00 Addition of 2.00 Plan Review Specialist 3s to assist with the implementation of the Accela project tracking system.
- 1.00 Addition of 1.00 Plan Review Specialist 3 to improve customer service and plan intake reviews.
- 1.00 Addition of 1.00 Program Manager to manage and improve operational functions in the Field Inspection section.
- 2.00 Addition of 2.00 Public Information Clerks to support reviews and inspections of solar photovoltaic and solar panel permits.
- 2.00 Addition of 2.00 Structural Engineering Associates to perform project reviews and assist with the implementation of the Accela project tracking system.
- 0.50 Addition of 0.50 Word Processing Operator to support electrical and photovoltaic inspections.
- (0.20) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 1.00 Addition of 1.00 Associate Planner to perform environmental analysis and permit reviews for Capital Improvements Program (CIP) projects.
- 4.00 Transfer of 4.00 FTE related to the restructure of the Historical Resources function from the Planning Department to the Development Services Department.
- (3.00) Transfer of 3.00 FTE related to the restructure of the Land Development Code function from the Development Services Department to the Planning Department.
- 2.00 Addition of 2.00 Assistant Engineers - Traffic to perform technical reviews for the Traffic Safety section.

**Energy Conservation Program Fund: 4.10 FTE Increase**

1.00 Addition of 1.00 Junior Engineer-Civil to support energy efficiency projects.

1.00 Addition of 1.00 Program Coordinator to support the management of energy conservation projects.

2.10 Department restructure to better align the financial structure with the department's operations and personnel structure.

**Engineering & Capital Projects Fund: 46.10 FTE Increase**

49.50 Addition of 49.50 FTE positions to support the expansion of the Capital Improvements Program.

(3.40) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

**Facilities Financing Fund: 0.35 FTE Decrease**

(0.35) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

**Fire/Emergency Medical Services Transport Program Fund: 1.00 FTE Increase**

1.00 Addition of 1.00 Program Manager to manage the Resource Access/Community Paramedic Program (RAP).

**Fleet Services Operating Fund: 5.50 FTE Increase**

0.50 Addition of 0.50 Associate Management Analyst to support the Fleet Acquisition section.

1.00 Addition of 1.00 Department Director to oversee long term planning, personnel management, management systems, and department financials.

1.00 Addition of 1.00 Fleet Team Leader to support maintenance and repair operations at the Chollas maintenance shop.

3.00 Addition of 1.00 Fleet Parts Buyer and 2.00 Stock Clerks to maintain inventory and assist with clean-up duties.

**Golf Course Fund: 3.76 FTE Increase**

1.60 Addition of 1.60 Golf Starters - Hourly to support the operations of the Balboa Golf Course Pro Shop.

0.50 Addition of 0.50 Golf Starter to support the operations of the golf course pro shop.

(0.01) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

1.67 Addition of 1.67 Ground Maintenance Worker 1s to improve the Torrey Pines Golf Course - North Course.

### Information Technology Fund: 2.00 FTE Decrease

1.00 Addition of 1.00 Program Coordinator to support the City's cable-related needs.

(3.00) Transfer of 3.00 Program Managers from the Information Technology Fund to the OneSD Support Fund to realign ERP system security functions.

### Maintenance Assessment District (MAD) Management Fund: 0.00 FTE Change

(0.50) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

0.50 Addition of 0.50 Management Intern to support Maintenance Assessment Districts with Geographic Information System mapping services.

### Metropolitan Sewer Utility Fund: 0.01 FTE Decrease

(0.36) Reduction of 0.24 Associate Management Analyst and 0.12 Senior Management Analyst associated with the centralization of the Infrastructure and Utilities Loan program under the Debt Management Department.

(0.63) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

0.98 Reallocation among funds as a result of departmental efficiency efforts.

### Municipal Sewer Revenue Fund: 8.61 FTE Decrease

(0.19) Reduction of 0.13 Associate Management Analyst and 0.06 Senior Management Analyst associated with the centralization of the Infrastructure and Utilities Loan program under the Debt Management Department.

(1.68) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

(6.74) Reallocation among funds as a result of departmental efficiency efforts.

### OneSD Support Fund: 5.00 FTE Increase

1.00 Addition of 1.00 Program Coordinator to support citywide financial data reporting and dashboards.

1.00 Addition of 1.00 Program Coordinator to support citywide SAP training.

3.00 Transfer of 3.00 Program Managers from the Information Technology Fund to the OneSD Support Fund to realign ERP system security functions.

### Recycling Fund: 1.65 FTE Increase

0.20 Addition of 0.20 Public Works Dispatcher - Hourly to maintain current service levels.

1.00 Addition of 1.00 Sanitation Driver 2 to support waste collection services.

2.00 Addition of 2.00 Sanitation Drive 2s to support current service levels.

(1.30) Department restructure to better align the financial structure with the department's operations and personnel structure.

(2.25) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

2.00 Addition of 1.00 Supervising Recycling Specialist and 1.00 Recycling Specialist 3 to support the Zero Waste Plan.

### Refuse Disposal Fund: 16.38 FTE Decrease

1.00 Addition of 1.00 Principal Planner to support the Zero Waste Plan, assist with environmental regulation compliance and California Environmental Quality Act (CEQA) review.

1.00 Addition of 1.00 Heavy Truck Driver 1 to support waste collection services.

1.00 Addition of 1.00 Heavy Truck Driver 1 to support waste collection services for California's Used Mattress Recovery and Recycling Program.

1.00 Addition of 1.00 Supervising Management Analyst to support department fiscal operations.

(18.00) Transfer of 18.00 FTE positions for code enforcement from the Refuse Disposal Fund to the General Fund related to the Zero Waste Plan.

(1.98) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

(0.40) Department restructure to better align the financial structure with the department's operations.

### Risk Management Administration Fund: 3.95 FTE Increase

1.00 Addition of 1.00 Claims Representative 2 to support the Public Liability & Loss Recovery Division.

1.00 Addition of 1.00 Program Coordinator for information technology support.

(0.05) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

(2.00) Transfer of the Employee Assistance Program from the Risk Management Department to the Human Resources Department.

4.00 Addition of 1.00 Program Coordinator, 1.00 Workers' Compensation Claims Aide, and 2.00 Claims Clerks to support state-mandated business functions in the Workers' Compensation Division.

### Transient Occupancy Tax Fund: 1.00 FTE Increase

1.00 Addition of 1.00 Program Manager to support and develop the programs administered by the Commission for Arts and Culture programs.

### Underground Surcharge Fund: 2.00 FTE Increase

2.00 Addition of 1.00 Assistant Engineer and 1.00 Associate Engineer to provide additional oversight for the Utilities Undergrounding Program.

### Water Utility Operating Fund: 0.00 FTE Change

(1.45) Reduction of 0.63 Associate Management Analyst and 0.82 Senior Management Analyst associated with the centralization of the Infrastructure and Utilities Loan program under the Debt Management Department.

(4.31) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

5.76 Reallocation among funds as a result of departmental efficiency efforts.

THE CITY OF SAN DIEGO

# FY 2017-2021

Five-Year Financial Outlook

November 13, 2015



**Kevin L. Faulconer**  
Mayor

**Scott Chadwick**  
Chief Operating Officer

**Mary Lewis**  
Chief Financial Officer

**Tracy McCraner**  
Financial Management Director

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## Executive Summary

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The City of San Diego (City) Fiscal Year (FY) 2017-2021 Five-Year Financial Outlook (Outlook) guides long-range fiscal planning and serves as the framework for the development of the FY 2017 Adopted Budget. This is the eleventh Outlook the City has published since November 2006 and incorporates projected General Fund revenues and information on the methodology and basis for those projections, and priority appropriation needs in General Fund departments over the next five fiscal years. This Outlook focuses on priority initiatives for the coming fiscal years and additional information on departmental requests submitted to support those initiatives during the development of the Outlook. This document is not a budget, and therefore does not include all departmental requests that may be identified and considered in the preparation of the FY 2017 or future budgets.

Overall, the FY 2017-2021 Outlook forecasts revenues to continue to modestly improve. Major General Fund revenues are anticipated to increase in each year of the Outlook; however, the rate of increase is projected to slow in the outer years returning to more stable and moderate growth levels. The Outlook also projects increases in nearly all expenditure categories which includes the allocation of new resources to priority initiatives with an emphasis on investments in infrastructure and neighborhood services which is projected to more than double during the Outlook period.

The priority initiatives identified in the Outlook are: 1) Infrastructure and Neighborhood Investment; 2) Public Safety; 3) Technology Improvements, and; 4) Customer Service and Open Government. Priority departmental submissions for future budgetary consideration have been grouped in these categories for the FY 2017 budget and future years.



Per the City Charter, the Mayor will present a balanced budget for the City Council's consideration in April 2016. This Outlook provides the City Council and the public information in advance of the budget meetings to facilitate an informed discussion during development of the FY 2017 Adopted Budget. The Outlook is a planning tool to assist in budget decisions and to assist in the allocation of limited General Fund resources required to meet the service needs of the residents of San Diego.

## Forecast and Report Overview

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The City's General Fund is the focus of the FY 2017-2021 Five-Year Financial Outlook. The Outlook forecasts General Fund revenues and expenditures for five fiscal years beginning in FY 2017 and is divided into three distinct sections: Baseline Projections, Priority Initiatives, and Reserves. In preparation for this report, City departments submitted a total of \$929.5 million in both operating and capital expenditure requests over the next five fiscal years. These department submissions were classified into the following four priority initiative categories:

- Infrastructure and Neighborhood Investment;
- Public Safety;
- Technology Improvements, and;
- Customer Service and Open Government.

The priority initiative categories support the City's continued commitment to prudent financial management practices while investing in the City's infrastructure, neighborhoods, and public safety. Not all future capital projects have been included in the Outlook because the General Fund is the primary operating fund for the City and is not intended to be the main source of funding for the City's Capital Improvement Program (CIP). Examples of the other major funding sources for the City's CIP include Capital Outlay (which is General Fund land sales restricted by City Charter for permanent public improvements), developer fees, Transnet, Water and Wastewater to name a few. While the General Fund is not a primary funding source of the City's CIP, this Outlook demonstrates the Mayor's continued commitment to improving the City's Infrastructure and Neighborhood Services by increasing General Fund contributions to the City's CIP. For those items not included in the baseline projections or priority initiative sections, a separate list has been included as Attachment 3: FY 2017-2021 Not Included Operational and Capital Needs.

### Baseline Projections

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The baseline projections section of the Outlook primarily consists of the City's projections for the next five years for the General Fund's ongoing revenues and expenditures, as displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook. The baseline projections section includes revenue and expenditure adjustments necessary to support current service levels provided by the City. The FY 2016 Adopted Budget, with one-time

revenues and expenditures removed, serves as the starting point for the Baseline Projections. One-time revenues and expenditures that have been removed from the Baseline Projections are detailed in Attachment 2: FY 2016 Adopted Budget – One-time Revenues and Expenditures.

Considering the baseline projections, growth in ongoing revenues is anticipated to outpace growth in ongoing expenditures. This structurally balanced projection is largely the result of several years of disciplined budgetary decisions by the Mayor and City Council. The FY 2016 Adopted Budget continued the City’s prudent financial management policies while increasing funding for infrastructure, neighborhood services, and improving public safety. The FY 2017-2021 Outlook maintains a strong commitment to fiscal discipline by allocating projected baseline surpluses toward priority needs during the Outlook period. Table 1 displays the City’s FY 2017-2021 baseline projections for General Fund revenues and expenditures and surplus available for the priority initiatives discussed in the following section.

(\$ in millions)

TABLE 1: BASELINE PROJECTIONS	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Baseline General Fund Revenues	\$ 1,309.1	\$ 1,356.2	\$ 1,406.0	\$ 1,455.7	\$ 1,501.9
Baseline General Fund Expenditures	\$ 1,260.0	\$ 1,278.4	\$ 1,292.3	\$ 1,306.2	\$ 1,317.0
<b>BASELINE PROJECTED REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ 49.1</b>	<b>\$ 77.9</b>	<b>\$ 113.8</b>	<b>\$ 149.5</b>	<b>\$ 184.9</b>

## Priority Initiatives

The four priority initiative’s are the focus of the Outlook and reinforce the City’s commitment to allocating limited future resources to investments in infrastructure, neighborhoods, public safety, technology improvements, and customer service and open government priorities. The Outlook also ensures the City continues to adhere to prudent financial management practices and maintains a structurally balanced operation projected over the long term. The priority initiative categories identify revenues and expenditures for programs and services that are in excess of the General Fund’s ongoing revenues and expenditures included in the FY 2017-2021 baseline projections. The priority initiative categories identified are as follows:

- Infrastructure and Neighborhood Investment;
- Public Safety;
- Technology Improvements, and;
- Customer Service and Open Government.

The following table displays the total revenue and expenditures identified for the priority initiatives and the impact on the City's FY 2017-2021 Outlook baseline projections surplus shown in Table 1 above.

(\$ in millions)

TABLE 2: PRIORITY INITIATIVES	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>BASELINE PROJECTED REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ 49.1</b>	<b>\$ 77.9</b>	<b>\$ 113.8</b>	<b>\$ 149.5</b>	<b>\$ 184.9</b>
Priority Initiative Revenues	\$ 2.0	\$ 2.1	\$ 1.5	\$ 1.6	\$ 1.6
Priority Initiative Expenditures	\$ 50.8	\$ 72.1	\$ 90.2	\$ 104.7	\$ 112.8
<b>NET PROJECTED REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ 0.2</b>	<b>\$ 7.9</b>	<b>\$ 25.1</b>	<b>\$ 46.4</b>	<b>\$ 73.7</b>

As displayed in Table 2, the FY 2017-2021 baseline surplus projections allow for significant investments in the priority initiatives. The following table displays the revenue and expenditure amounts identified for each of the four priority initiative categories.

(\$ in millions)

TABLE 3: PRIORITY INITIATIVES	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>Infrastructure and Neighborhood Investment</b>					
Revenue	\$ 1.3	\$ 1.5	\$ 0.9	\$ 1.0	\$ 1.0
Expense	\$ 41.6	\$ 53.6	\$ 76.4	\$ 86.8	\$ 94.0
<b>Public Safety</b>					
Revenue	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Expense	\$ 4.9	\$ 13.4	\$ 9.8	\$ 14.6	\$ 16.1
<b>Technology Improvements</b>					
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ 3.0	\$ 3.7	\$ 2.5	\$ 2.2	\$ 1.9
<b>Customer Service and Open Government</b>					
Revenue	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Expense	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.1	\$ 0.8
<b>Total Revenue</b>	<b>\$ 2.0</b>	<b>\$ 2.1</b>	<b>\$ 1.5</b>	<b>\$ 1.6</b>	<b>\$ 1.6</b>
<b>Total Expense</b>	<b>\$ 50.8</b>	<b>\$ 72.1</b>	<b>\$ 90.2</b>	<b>\$ 104.7</b>	<b>\$ 112.8</b>

As displayed above in Table 3, the Infrastructure and Neighborhood Investment and Public Safety categories are the primary recipients of projected revenue growth during the FY 2017-2021 Outlook period. The Infrastructure and Neighborhood Investment category includes allocations for streets, sidewalks, storm water, park and recreation facilities, and libraries, and demonstrates the Mayor's pledge of dedicating at least 50 percent of new major revenue growth to investments in infrastructure. Table 4, New Major General Fund Revenues, displays the annual amount of new major revenue growth projected in each year of the Outlook and the infrastructure projects identified for expenditure within the Infrastructure and Neighborhood Investment Priority Initiative category. Detailed descriptions of the new major General Fund revenue growth can be found in the baseline projection section of this report, while detailed descriptions of each of the infrastructure projects can be found in the priority initiatives section.

(\$ in millions)

TABLE 4: NEW MAJOR GENERAL FUND REVENUES	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>TOTAL NEW MAJOR GENERAL FUND REVENUES<sup>1</sup></b>	<b>\$ 31.2</b>	<b>\$ 43.7</b>	<b>\$ 39.9</b>	<b>\$ 39.5</b>	<b>\$ 34.0</b>
<b>50% OF NEW MAJOR GENERAL FUND REVENUES TO FUND INFRASTRUCTURE</b>	<b>\$ 15.6</b>	<b>\$ 21.8</b>	<b>\$ 20.0</b>	<b>\$ 19.8</b>	<b>\$ 17.0</b>

PRIORITY INITIATIVE EXPENDITURES FOR INFRASTRUCTURE	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Industry Standard/CIP Infrastructure Maintenance	\$ 2.2	\$ 4.0	\$ 5.7	\$ 7.5	\$ 9.3
Infrastructure Asset Management (IAM)	\$ 7.0	\$ 3.5	\$ -	\$ -	\$ -
Compressed Natural Gas Fueling Station	\$ 0.6	\$ 0.4	\$ 0.2	\$ (0.2)	\$ (0.3)
Playground Outlay and Rubberized Surfacing	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Pershing Joint Use Synthetic Turf Replacement	\$ 0.5	\$ 0.7	\$ -	\$ -	\$ -
Storm Water-Flood Risk Management	\$ 2.3	\$ 2.8	\$ 2.5	\$ 2.3	\$ 2.3
Storm Water-Water Quality Projects	\$ 0.4	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7
Streets, Sidewalks, and Active & Other Transportation	\$ 6.2	\$ 10.3	\$ 20.5	\$ 22.0	\$ 27.9
Police Headquarters Facility Improvements & Feasibility Study	\$ 0.3	\$ 2.5	\$ -	\$ -	\$ -
<b>TOTAL PRIORITY INITIATIVE EXPENDITURES FOR INFRASTRUCTURE</b>	<b>\$ 19.7</b>	<b>\$ 24.9</b>	<b>\$ 29.8</b>	<b>\$ 32.5</b>	<b>\$ 40.0</b>

1. New major General Fund revenues include increases in Property Tax, Sales Tax, Transient Occupancy Tax (TOT), and Franchise Fees.

Table 4 demonstrates the Mayor's commitment to allocating at least 50 percent of new major revenue growth to infrastructure. In FY 2017, the largest projected allocations towards infrastructure include the Infrastructure Management Project (IAM), Storm Water projects, and Streets, Sidewalks, and Other Transportation projects. In FY 2018 through FY 2021 the allocations to infrastructure continue to grow, even as major revenue growth stabilizes.

The Public Safety Priority Initiative continues to be an essential focus of the FY 2017-2021 Outlook. Revenue growth allocated to this initiative will improve public safety services in all communities by funding additional civilian and sworn positions, safety equipment for officers, financing for the new Computer-Aided Dispatch System and also proposes funding for critical capital facility improvements for the Police Department. The Police capital requests were a few of the capital needs selected for inclusion in the Outlook from limited General Fund resources, which as stated earlier, are typically not allocated for capital improvements. The Fire-Rescue Department funding will support an increase in academies and staff and equipment needed for new fire station facilities. In addition to increases for infrastructure, neighborhoods, and public safety, the Customer Service and Open Government initiative focuses on improving transparency by increasing the ease of public access to City information, records, and online resources. The Technology Improvements Priority Initiative upgrades the City's technology to improve operational efficiencies and increase resource allocations to enhance cyber security.

Not all department requests submitted in the preparation of the Outlook are included in the priority initiatives of the FY 2017-2021 Outlook. Those requests submitted by departments not listed in the initiatives are detailed in Attachment 3: FY 2017-2021 Not Included Operational and Capital Needs. While items categorized as "Not Included" are separate from

the FY 2017-2021 Outlook projections, the estimated future financial impact of these programs and projects are provided to present a complete picture of General Fund department requests. As mentioned earlier, the primary reason for requested items not being incorporated into the Outlook were those of a capital nature. The capital projects will be addressed in the Multi-Year CIP report and the funding will be discussed in detail in that report which is scheduled to be released in early December, 2015. Additionally, requests were not included if deemed discretionary and not directly tied to a priority initiative. Departments were encouraged to submit these discretionary items for consideration as part of the FY 2017 Proposed Budget process if department management still deemed the expenditure to be necessary for operations.

## Reserves

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The City's Reserve Policy (Council Policy 100-20) documents the City's approach to establishing and maintaining strong reserves across the spectrum of City operations, including the General Fund and risk management. The reserves section of the FY 2017-2021 Outlook primarily focuses on the reserves of the General Fund, but also discusses the reserves of the Public Liability Fund, Workers' Compensation Fund, and Long-Term Disability Fund. The City's Reserve Policy establishes funding targets for each of these funds and all reserve targets are projected to be met during the Outlook period.

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## Baseline Projections

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The baseline projections section is divided into two main components: General Fund revenues and General Fund expenditures. The General Fund revenues section is then further divided by revenue category while the General Fund expenditures section is divided by both personnel and non-personnel expenditure categories, as displayed in the baseline projections section of Attachment 1: FY 2017-2021 Five-Year Financial Outlook.

It is important that the reader carefully review the narrative descriptions of the risks and possible variances in revenue and expenditure projections to understand the bottom line estimated surpluses displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook.

## General Fund Revenues

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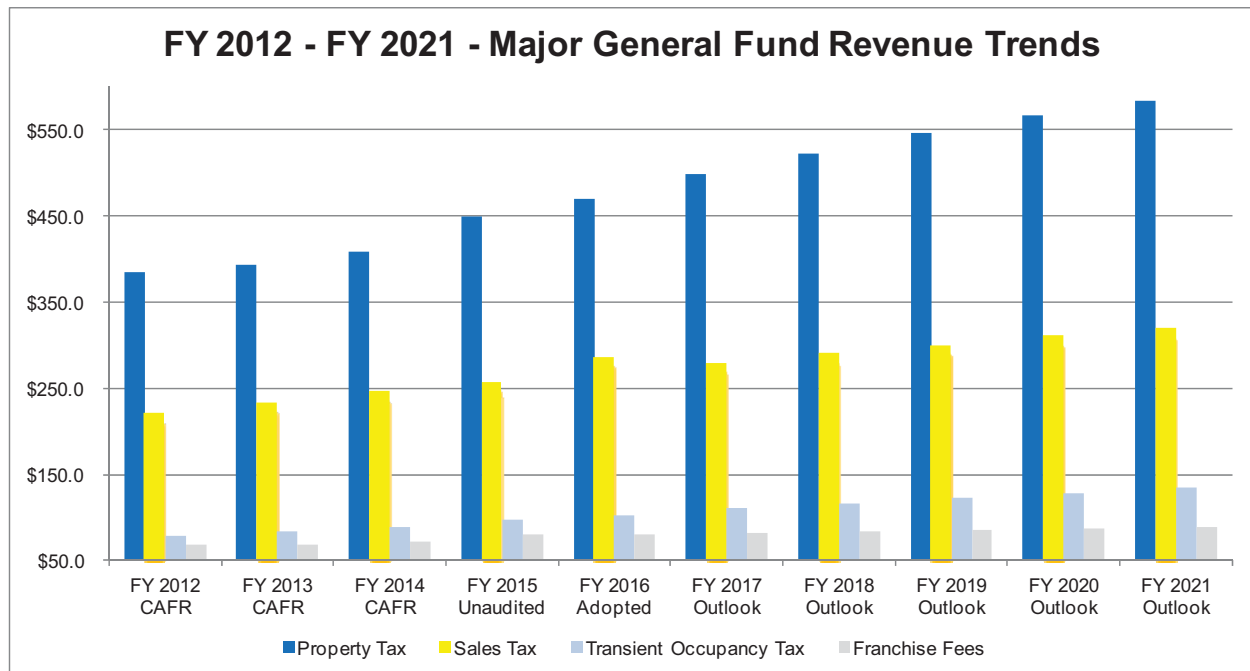
The following section provides details of the City of San Diego's FY 2017-2021 Five-Year Financial Outlook revenue projections. This section discusses each of the General Fund revenue categories displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook. The details provided for each revenue category include a description of the revenue source, the economic indicators affecting the revenue source, the projected growth rates, and any potential risks that may cause actual revenue receipts to vary from the projection.

It should be noted that in addition to growth rate percentages applied in each of the revenue categories, other adjustments have been included based on known and anticipated events that are detailed within each category. To assist in evaluating potential risks to revenue projections, each of the major General Fund revenue sections include a projection based on current and alternative assumptions. The alternative assumption projections quantify the impacts of potential risks or uncertainties for each of the major revenue sources.

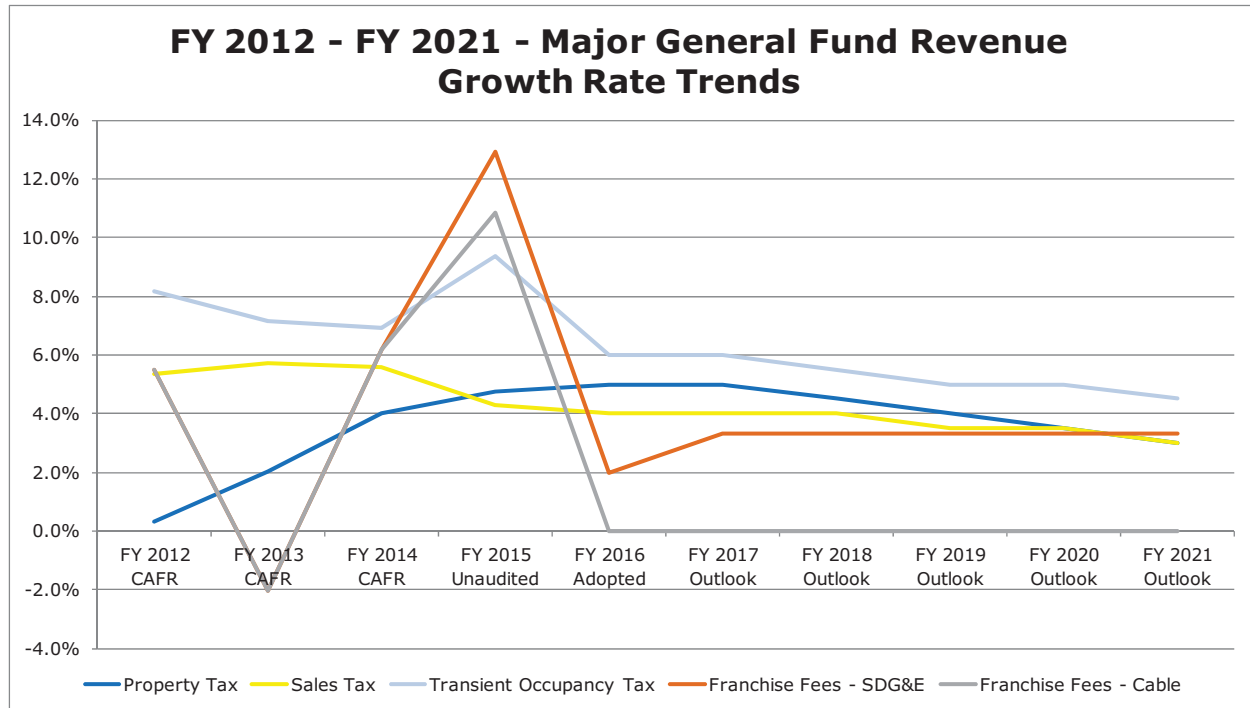
In the FY 2016 Adopted Budget, the City's four major revenues sources, Property tTax, Sales Tax, Transient Occupancy tax , and Franchise Fees, made up 73.2 percent of the budgeted General Fund revenue. All four major revenue sources are projected to increase through the Outlook period; however, the rate of increase is expected to slow in the outer years. This overall expectation and projection for the City's revenues is consistent with information received from the City's sales tax and property tax consultant (HdL Companies), the San Diego Tourism Authority, and the UCLA Anderson Forecast. In addition to the major

revenue projections, the baseline projections for the General Fund's other departmental revenue sources are based on various economic assumptions, known and anticipated events, and historical trend analysis.

The following graph displays the growth trend in receipts for the City's four major General Fund revenue sources: Property Tax, Sales Tax, Transient Occupancy Tax (TOT), and Franchise Fees. The revenue trends reflect audited actuals from FY 2012-2014, unaudited actuals for FY 2015, the FY 2016 Adopted Budget, and a forecast for the FY 2017-2021 Outlook period.



In addition, the graph below displays the growth rate trend for the City's major General Fund revenue sources. Although still positive, suppressed growth rates during the FY 2017-2021 Outlook period reflect slowing growth as the economy stabilizes in anticipation of a potential rise in federal interest rates, which may soften long-term financing and slow the economy. Furthermore, other possible impacts to General Fund major revenues include slowing in the rate of growth in consumer spending and travel. While all major revenues are projected to improve each year of the Outlook, the City's consultants and major economic indicators all point to this stabilization in the economy.



## Property Tax

Property tax is the City's largest revenue source and includes several components. The primary component of the property tax category is the 1.0 percent levy on the assessed value of all real property within the City limits. The property tax category also includes the Motor Vehicle License Fee (MVLFF) backfill payment, which is a result of MVLFF being reduced from 2.0 percent to 0.65 percent in 2005. Additionally, the category includes pass-through and residual property tax payments as a result of the dissolution of Redevelopment Agencies (RDA) statewide. The FY 2017 projection for the property tax category is \$498.3 million, a \$28.2 million increase over the FY 2016 Adopted Budget of \$470.1 million. The following table shows the forecast for FY 2017 through FY 2021 for the property tax category.

(\$ in millions)						
Property Tax	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate	5.0%	5.0%	4.5%	4.0%	3.5%	3.0%
Projection	\$ 470.1	\$ 498.3	\$ 523.1	\$ 545.7	\$ 566.8	\$ 584.2

The major factors influencing property tax revenue are the California Consumer Price Index (CCPI), home sales, home price, and foreclosures. The CCPI drives assessed valuation under Proposition 13. Proposition 13 specifies that a property's value may increase at the

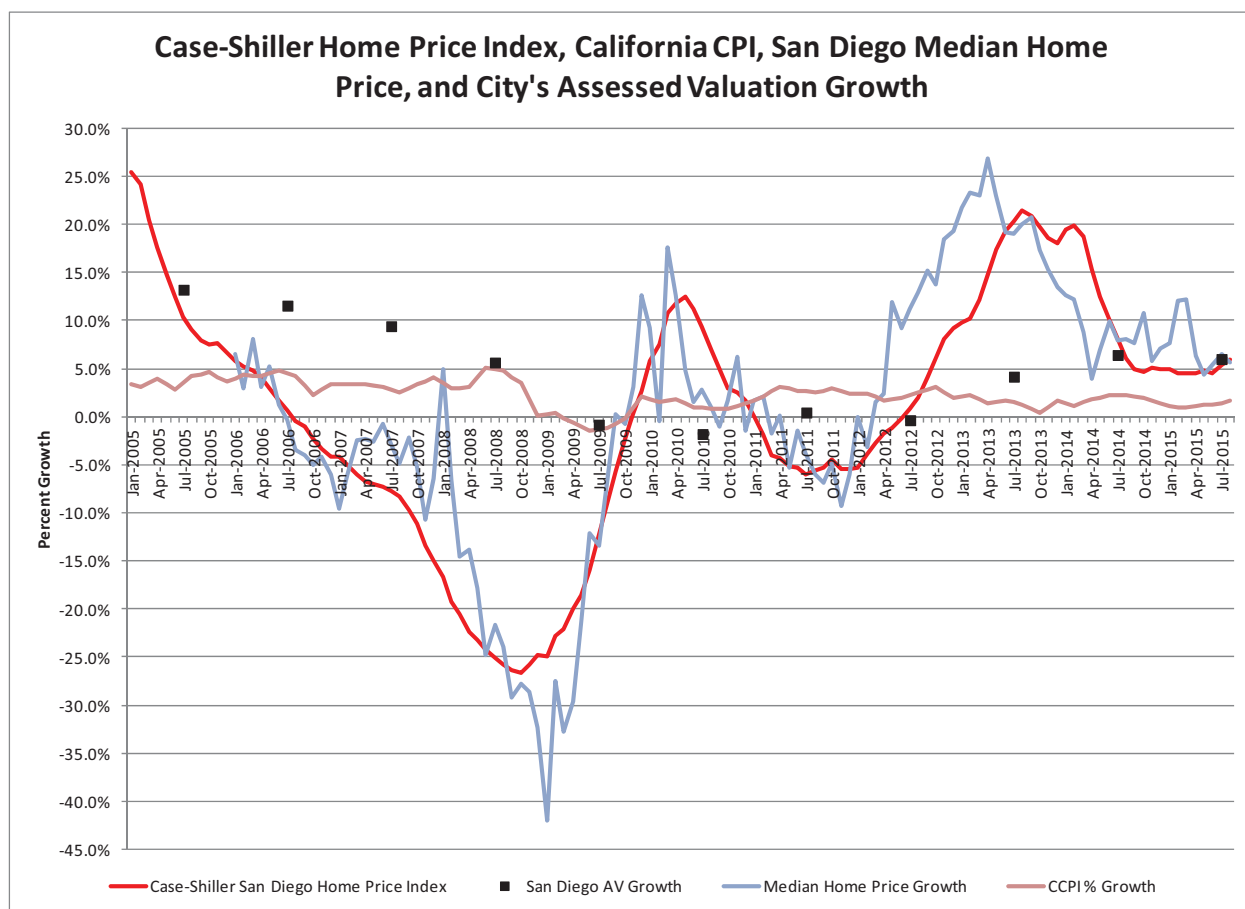
rate of the CCPI, but cannot exceed 2.0 percent per year unless the property is improved or sold to establish a new assessed value.

The San Diego County Assessor's Office uses the October CCPI to assess property values under Proposition 13. However, at the time of preparing this report, the October CCPI has not been released. The latest CCPI released by the California Department of Finance was 251.253 for the month of August, a 1.6 percent increase over the August CCPI of 247.259. Assuming the CCPI holds constant, the assessed valuation of properties not improved or sold will increase by approximately 1.6 percent, below the 2.0 percent threshold, for FY 2017.

The City of San Diego has experienced positive growth in home prices, with an increase of 5.7 percent in the median home price from August 2014 to August 2015, while year-to-date home sales have increased 7.7 percent over the same time period.

- Based on property sales that have occurred as of August 2015 and an approximate 1.6 percent increase in the CCPI, it is estimated the City's assessed valuation will see a positive increase in assessed valuation for FY 2017
- In addition to positive home price growth in the City, there are year-to-date declines of 9.9 percent in notices of default and declines of 15.0 percent in foreclosures in the County of San Diego as of September 2015
- The Case-Shiller home price index as of August 2015 is 215.4, a 5.9 percent increase over the August 2014 index of 203.32

The Case-Shiller graph on the next page displays the correlation of several economic factors described above since calendar year 2005 and the resulting impact on the City's assessed valuation. The graph shows that while the Case-Shiller Home Price Index and median home price has fluctuated significantly over the years, the CCPI has remained relatively stable. As CCPI is the main driver of the change in the City's assessed valuation, the stability in this indicator has allowed the annual change in assessed valuation to remain steadier than the Case-Shiller Home Price Index and the local median home price. Finally, the graph displays the lag of approximately 12-18 months between activity in the local real estate market and the resulting impact on the City's assessed valuation.



Other factors to consider in developing a revenue projection for property tax include mortgage rates and property tax refunds. Over the past year, interest rates have remained relatively level as the economy continues to improve. Also, there has been sustained growth in the number of homes sold and increases in the median home price experienced through the third quarter of calendar year 2015. While property tax revenue growth is expected to remain positive throughout the Outlook period, property tax growth is anticipated to return to more normal levels of growth in outer years. Additionally, as the economy has continued to improve, fewer property owners have requested reassessments, which has led to lower property tax refunds and an increase to the City's overall property tax receipts.

In addition to the 1.0 percent levy and the MVLFF backfill payment, the projection reflects additional property tax revenue as a result of rescinding the suspension of the City's receipt of revenues from the City Heights Redevelopment Project Area. City Heights 33676 revenues are no longer needed to support the debt service on previously issued bonds due to the strong growth in property values within the project area. There is no longer an

economic need for the City to forego its right to the revenues; therefore, the City has requested the County Auditor-Controller reinstate its entitlement to receive the ongoing revenues as authorized by Health and Safety Code, section 33676 and Resolution No. R-279727. This revenue is projected at \$1.1 million in FY 2017 and increases to \$1.3 million in FY 2021. As of the issuance of this report, the County has not yet implemented the City's rescission of the suspension of this revenue.

Additionally, as a result of the dissolution of the Redevelopment Agencies (RDA), pass-through and residual property tax payments to the City from the Redevelopment Property Tax Trust Fund (RPTTF) are included in the property tax forecast. These payments are difficult to predict on various factors described below. Pass-through payments are agreements between former redevelopment areas and the local entities to provide payments from the RPTTF deposits to local entities. The residual property tax payment is the City's proportionate share of funds remaining in the RPTTF after the Recognized Obligation Payment Schedule (ROPS) requirements have been met. The forecasted RPTTF residual payment considers the approval of State Bill 107 (SB 107) in its projection. SB 107 streamlines and modifies various aspects of the statewide redevelopment wind-down process. As a result, the bill allows enforceable obligations previously denied by the California Department of Finance (DOF) to be placed on the ROPS for reconsideration. If approved, the enforceable obligations will increase, leading to a decrease in the RPTTF residual balance available for distribution to local entities. The increase in enforceable obligations lowers the City's RPTTF residual payment in the early years of the Outlook period, but residual payments are projected to gradually increase as the enforceable obligations are paid down.

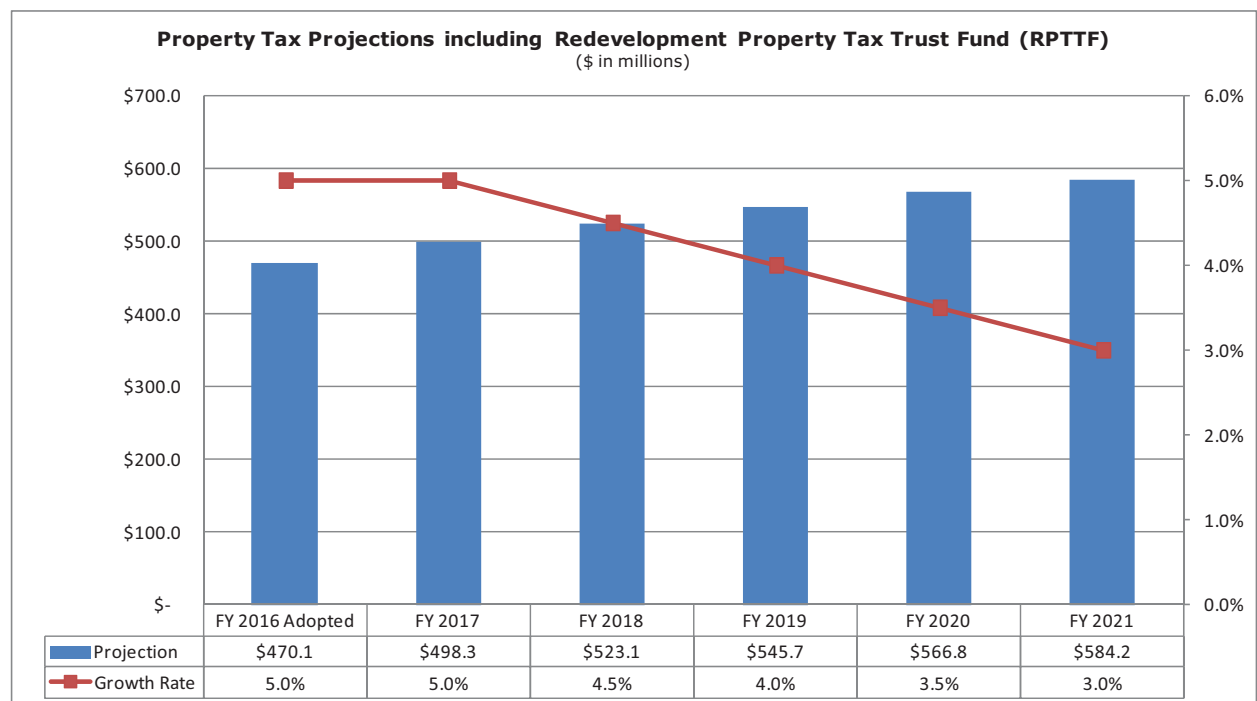
An example of the impact of SB 107, in the final determination letter for ROPS 13-14A (Fiscal Year 2014), the DOF invalidated the NTC Section 108 Loan Agreement between the City and the former Redevelopment Agency (RDA) and denied the use of redevelopment funds to repay the \$6.2 million owed to the City. The NTC Section 108 Loan Agreement memorialized the Former RDA's preexisting obligation, as of early 2011, to repay the outstanding balance of the Section 108 Loan issued by the U.S. Department of Housing and Urban Development (HUD) in 2004. This was a response to an application submitted by the City and the Former RDA related to the rehabilitation of several historic buildings in the Naval Training Center Redevelopment Project Area. The invalidation of the agreement places the responsibility of repaying HUD the outstanding \$6.2 million balance of the Section 108 Loan on the City's General Fund. However, SB 107 reverses the DOF's

invalidation of the NTC Section 108 Loan Agreement and the item is now being placed on the latest ROPS for reconsideration from the DOF to use RPTTF funds to pay the outstanding balance.

The following table and graph provides details on the components of the FY 2016 Adopted Budget for property tax and the forecasted property tax revenue for FY 2017 through FY 2021. It should be noted that the base used in projecting property tax revenues for FY 2017 through FY 2021 has been modified from the FY 2016 Adopted Budget due to the actual increase in assessed value exceeding the budgeted amount. The FY 2016 Adopted Budget assumed a property tax growth rate of 5.0 percent; however, the actual increase in assessed value for FY 2016 was 6.1 percent.

(\$ in millions)

Fiscal Year	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate	5.0%	5.0%	4.5%	4.0%	3.5%	3.0%
1% Property Tax	\$ 331.3	\$ 349.3	\$ 364.7	\$ 379.1	\$ 392.2	\$ 403.9
MVLF Backfill	\$ 121.1	\$ 128.4	\$ 134.2	\$ 139.5	\$ 144.4	\$ 148.7
City Heights Revenue #33676	\$ -	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3
RPTTF Pass-Through Tax Sharing Payme	\$ 3.8	\$ 4.4	\$ 4.6	\$ 4.8	\$ 4.9	\$ 5.1
RPTTF Residual Property Tax Payment	\$ 13.9	\$ 15.1	\$ 18.5	\$ 21.1	\$ 24.0	\$ 25.2
<b>Total Property Tax Projection</b>	<b>\$ 470.1</b>	<b>\$ 498.3</b>	<b>\$ 523.1</b>	<b>\$ 545.7</b>	<b>\$ 566.8</b>	<b>\$ 584.2</b>



**Risks to Property Tax Projection**

The factors described above combine to make up the projection; however, should one or several of these factors not perform as projected, property tax revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a current scenario and an alternative scenario based on risks.

The projections for property tax revenues displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook reflect the current scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the current scenario and the alternative scenario and quantifies the potential risks to the City's property tax revenues.

(\$ in millions)

Scenario - Property Tax	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Current Scenario	5.0% \$ 498.3	4.5% \$ 523.1	4.0% \$ 545.7	3.5% \$ 566.8	3.0% \$ 584.2
Alternative Scenario Based on Risks	4.0% \$ 493.5	3.5% \$ 513.1	3.0% \$ 530.1	2.5% \$ 545.4	2.0% \$ 556.7

The current scenario is based on the economic assumption that the growth in the CCPI will be less than 2.0 percent in all five fiscal years. This will lead to less growth in the City's assessed valuation. The alternative scenario also assumes that mortgage interest rates will increase rapidly in the next five years. Increased mortgage rates raise the cost of home ownership, thereby slowing the number of home sales and median home price growth. In addition, the alternative scenario assumes that due to the higher than anticipated positive assessed valuation growth in FY 2014 through FY 2016 and increases in the median home price and home sales count, not as many homes will see as large of a reassessment in FY 2017 as in previous years. This will lead to lower annual assessed valuation growth rates for FY 2017 through FY 2021. Based on the alternative scenario, property tax revenue would be approximately \$4.8 million lower in FY 2017, leading to a larger decrease of \$27.5 million in FY 2021.

One additional factor that may influence the property tax forecast but not reflected in the alternative scenario relates to rescinding the suspension of the City's receipt of revenues from the City Heights Redevelopment Project Area. If the County does not implement the City's rescission of the suspension of revenue, then the City must continue to forego, on average, \$1.2 million per year in property tax revenue.

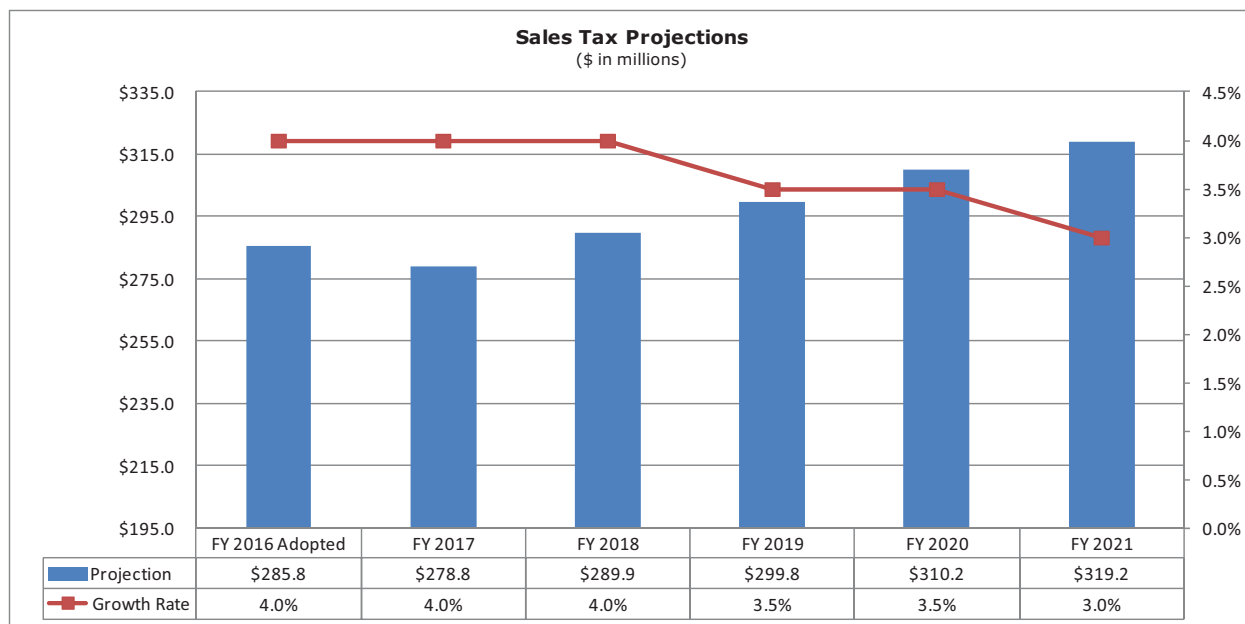
Another factor that may influence the property tax forecast relates to the DOF's review and denial of enforceable obligations on the ROPS. If enforceable obligations are denied, the ROPS payment will decrease, leading to an increase in the RPTTF residual balance available for distribution to local entities. A decrease in enforceable obligations will increase the City's RPTTF residual payment throughout all fiscal years of the outlook.

There is also an outstanding dispute between the County of San Diego and various local entities within the County that may influence the property tax forecast for the City. The dispute resides in how the RPTTF residual payments are calculated and the trial court decision was in favor of the City and other local entities. It is anticipated that this positive decision would allow the City to receive a lump sum of past residual payments, along with an increase in RPTTF residual payments going forward throughout the Outlook period. At the time this report was written, it was unknown if the County will appeal the trial court decision, postponing the distribution of additional RPTTF residual revenue until proceedings have concluded.

## Sales Tax

The City's second largest revenue source is sales tax. Sales tax is collected at the point of sale and remitted to the State Board of Equalization, which allocates tax revenue owed to the City in monthly payments. The total Citywide sales tax rate in San Diego is 8.0 percent, of which the City receives approximately 1.0 percent. The FY 2017 projection for sales tax is \$278.8 million, a \$7.0 million decrease over the FY 2016 Adopted Budget of \$285.8 million, due to the 'triple-flip' and discussed later in this section. The following table displays the sales tax forecast for FY 2017 through FY 2021.

(\$ in millions)						
Sales Tax	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate	4.0%	4.0%	4.0%	3.5%	3.5%	3.0%
Projection	\$ 285.8	\$ 278.8	\$ 289.9	\$ 299.8	\$ 310.2	\$ 319.2



The major local economic drivers of the City's sales tax include the unemployment rate, consumer confidence, and consumer spending. The sales tax projection for FY 2017 assumes that the unemployment rate will continue to slightly decrease but approaching historical averages for the region. As of September 2015, the City of San Diego unemployment rate was 4.4 percent, compared to a rate of 5.8 percent in September 2014, as reported by the California Employment Development Department. For comparison, the local unemployment rate in the years 2000 through 2008 in the region ranged between 4.0 and 5.0 percent. The City of San Diego's unemployment rate is now within the historical average experienced prior to the Great Recession. In addition, growth in consumer confidence is also projected to increase, leading to continued improvement in the City's sales tax receipts.

The City experienced a steady increase in sales tax revenue in FY 2015. Sales tax data from HdL Companies, the City's sales and property tax consultant, indicate expected gains in taxable sales from autos and transportation, building and construction, and restaurant and hotels major industry groups. Increases in these sectors should help maintain the positive trend through FY 2016. Lower retail gas and jet fuel prices brought on by a decreased global demand for crude oil in FY 2015 has continued to negatively impact sales tax revenue through FY 2016. However, gas prices are anticipated to continue growing. Although fuel prices are anticipated to remain low, moderate growth in sales tax is expected to continue as unemployment decreases and consumer confidence increases. While growth is projected to remain positive, it is projected to slow in the outer years of the Outlook period.

Additionally, the UCLA Anderson September 2015 Forecast projects mild conditions of growth in taxable sales in California to average 4.5 percent in calendar year 2016 and 4.2 percent in calendar year 2017. The California State Board of Equalization projects an average growth rate of 5.1 percent in statewide sales tax receipts for FY 2016, which is higher than the UCLA Anderson Forecast.<sup>1</sup> These growth rates are statewide and do not directly correspond to the San Diego region sales tax growth rates included in the Outlook; however, these projections provide support for the positive growth in consumer spending that is anticipated to occur within the City.

Sales tax projections include the anticipated end of the 'triple flip', which was enacted by the State of California in FY 2005 to pay economic recovery bonds and is now scheduled to come to an end in FY 2016. Based on current estimates of the timeline to unwind the 'triple flip', the City's accrual practices are anticipated to result in a one-time increase of \$12.7 million in sales tax revenue recognized in FY 2016. This projected accrual fluctuation is a result of the increase in monthly cash collections to be received towards the end of FY 2016 and is supported by a 'triple flip' true-up reconciliation prepared by the City's sales tax consultant, HdL Companies. Although the 4.0 percent growth in sales tax is projected to hold constant from the FY 2016 Adopted through FY 2018 and the corresponding growth in projected receipts is collected, the one-time adjustment reflects a decrease of \$7.0 million in FY 2017 when compared to FY 2016 due to larger collections in FY 2017 being accrued back to FY 2016. Upon the end of the 'triple-flip' the City's collection of the full 1.0 percent Bradley-Burns Sales Tax (currently 0.75 percent) is projected to resume beginning January 1, 2016 and anticipated to receive the additional 0.25 percent allocation in March 2016 for the first quarter of calendar year 2016 taxable sales.

### **Risks to Sales Tax Projection**

The number of factors described above combine to make up the sales tax projection; however, should one or several of these factors not perform as projected, sales tax revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a current scenario and an alternative scenario based on risks.

The projections for sales tax revenues displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook reflect the current scenario as these are the amounts the City anticipates

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<sup>1</sup> State Board of Equalization, Projected Statewide Taxable Sales, May 2015

to receive over the next five years. However, the following table displays both the current scenario and the alternative scenario to quantify the potential risks to the City's sales tax revenues.

(\$ in millions)

Scenario - Sales Tax	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Current Scenario	4.0% \$ 278.8	4.0% \$ 289.9	3.5% \$ 299.8	3.5% \$ 310.2	3.0% \$ 319.2
Alternative Scenario Based on Risks	3.0% \$ 275.5	3.0% \$ 283.8	2.5% \$ 290.5	2.5% \$ 297.8	2.0% \$ 303.4

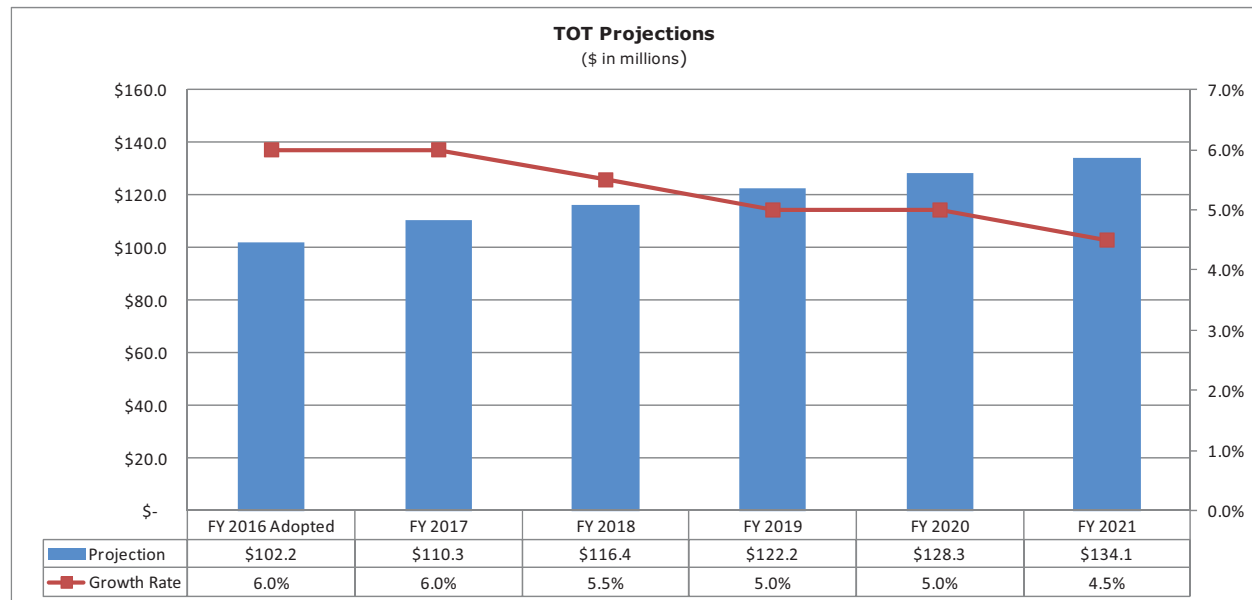
The alternative scenario reflects that higher unemployment and lower consumer confidence in the local and State economies will impact projected growth rates. The alternative scenario also reflects the significant increases in online sales reducing point of sales transactions for brick and mortar stores within the City limits. In addition, the alternative scenario assumes guarding against the potential negative impact of a rise in the federal interest rates, particularly affecting the auto industry for sales tax. Lastly, a delay in the unwinding of the 'triple-flip' would affect projected sales tax receipts in FY 2017 and beyond.

### Transient Occupancy Tax

Transient Occupancy Tax (TOT) is the City's third largest revenue source. TOT is levied at 10.5 cents per dollar of the daily room price of hotels, motels, and vacation rentals in which the transient's stay is less than 30 consecutive days. The use of TOT is guided by the City's Municipal Code, which stipulates that 5.5 cents shall be applied toward general government purposes, 4.0 cents shall be applied toward promoting the City as a tourist destination, and the remaining 1.0 cent shall be allocated for any purpose approved by the City Council. The FY 2017 General Fund projection for TOT is \$110.3 million, an \$8.1 million increase over the FY 2016 Adopted Budget of \$102.2 million. The following table shows the forecast for FY 2017 through FY 2021 for TOT.

(\$ in millions)

Transient Occupancy Tax	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate	6.0%	6.0%	5.5%	5.0%	5.0%	4.5%
Projection	\$ 102.2	\$ 110.3	\$ 116.4	\$ 122.2	\$ 128.3	\$ 134.1



Major economic drivers for TOT revenue include room rates, average occupancy rates, seasonal and non-seasonal tourism, 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 FY 2016, according to the July 2015 Quarterly Travel Forecast from the San Diego Tourism Authority (SDTA). Slow but steady growth in hotel occupancy is forecasted through calendar year 2020, however, room demand growth while still positive, is expected to level off in outlying years as displayed in the following table prepared by Tourism Economics, Inc.

Calendar Year Tourism Forecast	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Total Visitor Growth	2.6%	2.1%	1.6%	1.4%	1.9%
Overnight Visitor Growth	2.4%	2.2%	1.8%	1.4%	2.5%
Room Demand Growth	2.4%	2.2%	1.5%	1.2%	1.5%
Average Occupancy Percentage Rate	78.1%	78.6%	79.0%	79.1%	79.4%
Average Daily Rate	\$ 159.09	\$ 166.05	\$ 173.25	\$ 180.05	\$ 186.45

Another large driver of TOT receipts in the City of San Diego is the Convention Center. Currently, there are approximately 66 conventions and 107 events scheduled in calendar year 2015 with an estimated 544,074 attendees. Although the current estimated number of attendees remains relatively flat when compared to calendar year 2014, it should be noted that the number of conventions and estimated attendees are subject to change should new bookings occur. As of March 2015, the Convention Center Corporation anticipates to produce record room night production for calendar years 2016 and 2017 through incremental room night production as a result of short-term booking activity.

Furthermore, the San Diego Tourism Authority (SDTA) resumed marketing San Diego as a preferred vacation and meeting destination as of January 2014. Advertising campaigns have expanded in such categories as lodging, dining, arts and attraction, among others through the use of Tourism Marketing District (TMD) funds. Visitor spending is projected to decrease slightly from the 9.7 percent peak in growth experienced in calendar year 2014, to 9.5 percent in calendar year 2015 due to vacationers still making the destination trip; however, opting for activities requiring less spending such as parks, beaches, and museums. The FY 2017 through FY 2021 TOT forecast is in line with the July 2015 Quarterly Travel Forecast by Tourism Economics, the SDTA's travel consultant.

In FY 2015, the San Diego Padres bid to host the 87<sup>th</sup> annual 2016 Major League Baseball All-Star Game at PETCO Park in the City of San Diego. The bid was accepted and the All-Star Game along with associated events are scheduled to occur in July of Fiscal Year 2017. Some of the events include; Fan Fest (to be held at the San Diego Convention Center), a celebrity softball game, and the Homerun Derby. According to the SDTA, the internationally recognized baseball game and related events are estimated to attract approximately 160,000 people to San Diego. It is also estimated that as many as 60,000 attendees would be from outside the San Diego region and will generate approximately 47,000 room nights resulting in an nearly \$1.5 million TOT revenue for the General Fund. It is anticipated that the City will provide minimal in-kind Police and Fire-Rescue services; however, the SDTA considers the direct and indirect benefits to the City to out-weigh the cost of the services provided.

New hotel projects within the City add to the supply of hotel room inventory. A total of 273 additional rooms were added in calendar year 2015, 186 of which were in the downtown area. Additionally, an estimated 1,456 more rooms are in the pipeline for calendar year 2016, 651 of which are slated for the downtown area, while the majority of the remaining rooms are to be added along Harbor Drive and Pacific Highway. Calendar year 2017 includes 332 rooms for the Crowne Plaza and Staybridge Suites on Ash Street in downtown. Other hotels expected to add to San Diego's hotel inventory in calendar year 2018 include a grouping of three hotels in Liberty Station totaling 650 rooms, and an upscale hotel off Harbor Drive with 400 rooms to be named, Lane Field South. The new hotels are anticipated to positively impact the City's TOT receipts.

## Penny for the Arts

The San Diego Commission for Arts and Culture (Commission) is the City's officially designated local arts agency established in 1988. The Commission's objective is to serve in an advisory capacity to the Mayor and City Council on promoting and increasing support for the region's artistic and cultural assets, as well as showcasing San Diego as an international tourist destination. On October 22, 2012, the City Council passed Resolution 307760, approving the Penny for the Arts Five-Year Blueprint, authorizing the Commission to implement the Blueprint as TOT revenues increase. The five recommendations comprising the Penny for the Arts Five-Year Blueprint include the following:

- Restoring funding to the Organizational Support and Creative Communities programs
- Funding towards Cultural Tourism Promotions
- Contribution of annual allocations to the Public Art Fund for art conservation
- Funding to support the Arts Education Enrichment Initiative for K-12 students
- Support for Arts and Culture Contractor Incubator pilot program

The amounts funded in the Blueprint each fiscal year reflect reductions to the TOT 4 cent General Fund revenue included in the Outlook. However, these allocations bring the total funding allocation for the Penny for the Arts Blueprint closer to the amounts originally approved by the City Council. The goal of the Blueprint is to increase Arts & Culture funding in the City of San Diego equivalent to 1.0 cent of total TOT revenues. The incremental change from the FY 2016 Adopted Budget and Council-approved total allocations for the Penny for the Arts Blueprint are displayed in the following table.

(in millions)

Penny for the Arts Blueprint	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Total Citywide TOT Revenue</b>	<b>\$ 195.0</b>	<b>\$ 210.6</b>	<b>\$ 222.2</b>	<b>\$ 233.3</b>	<b>\$ 244.9</b>	<b>\$ 256.0</b>
General Fund TOT Revenue	\$ 102.2	\$ 110.3	\$ 116.4	\$ 122.2	\$ 128.3	\$ 134.1
Blueprint Percent of Total TOT Revenue	6.44%	6.44%	6.44%	6.44%	6.44%	6.44%
Current/Projected Blueprint Funding	<b>\$ 12.6</b>	<b>\$ 13.6</b>	<b>\$ 14.3</b>	<b>\$ 15.0</b>	<b>\$ 15.8</b>	<b>\$ 16.5</b>
Blueprint Goal Percentage (%)	8.55%	9.50%	9.50%	9.50%	9.50%	9.50%
Blueprint Goal in Dollars	\$ 16.7	\$ 20.0	\$ 21.1	\$ 22.2	\$ 23.3	\$ 24.3
<b>Blueprint Dollars to Funding Goal</b>	<b>\$ (4.1)</b>	<b>\$ (6.4)</b>	<b>\$ (6.8)</b>	<b>\$ (7.1)</b>	<b>\$ (7.5)</b>	<b>\$ (7.8)</b>

## Risks to Transient Occupancy Tax Projection

The number of factors described above combine to make up the TOT projection; however, should one or several of these factors not perform as projected, TOT revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a current scenario and an alternative scenario based on risks.

The projections for TOT revenues displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook reflect the current scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the current scenario and the alternative scenario and quantifies the potential risks to the City's TOT revenues.

(\$ in millions)					
Scenario - Transient Occupancy Tax	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Current Scenario	6.0%	5.5%	5.0%	5.0%	4.5%
	\$ 110.3	\$ 116.4	\$ 122.2	\$ 128.3	\$ 134.1
Alternative Scenario Based on Risks	5.0%	4.5%	4.0%	4.0%	3.5%
	\$ 109.3	\$ 114.2	\$ 118.7	\$ 123.5	\$ 127.8

The alternative scenario reflects slower recovery in spending in both leisure and business travel in FY 2016, affecting growth in FY 2017 and beyond. This effect would be a result of lowered spending due to an increase in the unemployment rate and reduced travel. In addition, while travel may continue, the spending habits of visitors on vacation remains uncertain. Finally, it remains unknown how the court ruling on the financing of the Convention Center Expansion Project may potentially limit growth in bookings of larger conventions, specifically the largest generator of TOT for the City, Comic-Con.

## Franchise Fees

The franchise fees revenue category includes payments from San Diego Gas and Electric (SDG&E) and cable television providers for the use of the City's rights-of-way. The City also collects refuse hauler fees based on the total amount of refuse hauled annually. The FY 2017 projection for the franchise fees category is \$82.5 million, a \$1.8 million increase over the FY 2016 Adopted Budget of \$80.8 million. The following table shows the forecast for FY 2017 through FY 2021 for the franchise fees category.

(\$ in millions)						
Franchise Fees	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
SDG&E Growth Rate	2.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Cable Growth Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Projection	\$ 80.8	\$ 82.5	\$ 84.2	\$ 85.9	\$ 87.7	\$ 89.5

Natural gas and electricity prices and consumption are expected to increase during the Outlook period, according to the U.S. Energy Information Administration. Based on the industry average forecast for price and consumption, SDG&E Franchise Fee revenues are projected to increase at a rate of 3.3 percent for FY 2017 through FY 2021. Revenue from cable franchise fees is based on the increasing demand for internet and telephone services

and declining television subscriptions; therefore, no growth is projected within the Outlook Period.

### Risks to Franchise Fees Projection

Fluctuations in natural gas and/or electricity prices will affect the actual growth of SDG&E Franchise Fee revenue throughout the Outlook period. Similarly, fluctuations in the demand for TV subscriptions, internet, and/or telephone services will affect the actual growth of cable Franchise Fee revenue. To account for these fluctuations, a sensitivity analysis was conducted. This sensitivity analysis resulted in a current scenario and an alternative scenario based on risks.

The projections for franchise fee revenues displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook reflect the current scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the current scenario and the alternative scenario and quantifies the potential risks to the City's franchise fee revenues.

(\$ in millions)						
Scenario - Franchise Fees	Franchise Fee	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Current Scenario	SDG&E	3.3%	3.3%	3.3%	3.3%	3.3%
	Cable	0.0%	0.0%	0.0%	0.0%	0.0%
	Projection	\$ 82.5	\$ 84.2	\$ 85.9	\$ 87.7	\$ 89.5
Alternative Scenario Based on Risks	SDG&E	2.3%	2.3%	2.3%	2.3%	2.3%
	Cable	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
	Projection	\$ 81.9	\$ 82.8	\$ 83.8	\$ 84.8	\$ 85.9

The alternative scenario would be appropriate if natural gas and/or electricity prices and the demand for internet and/or telephone services decrease rather than increase as projected throughout the Outlook period.

### Property Transfer Tax

Property transfer tax is levied on the sale of real property. The County of San Diego collects \$1.10 per \$1,000 of the sale price when any real property is sold, of which the City receives half, or \$0.55 per \$1,000. The FY 2017 projection for property transfer tax is \$9.5 million; which is a \$1.1 million increase over the FY 2016 Adopted Budget of \$8.4 million. The following table shows the forecast for FY 2017 through FY 2021 for the property transfer tax category.

(\$ in millions)

Property Transfer Tax	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Projection	\$ 8.4	\$ 9.5	\$ 9.7	\$ 10.0	\$ 10.2	\$ 10.5

The volume of home sales and home prices influence property transfer tax revenue and, unlike property tax revenue, property transfer tax reflects current economic conditions without a lag time. The City of San Diego has experienced positive growth in home prices, with an increase of 5.7 percent in the median home price from August 2014 to August 2015, while number of homes sold has increased 11.7 percent over the same time period. Similar to property tax, this revenue is anticipated to continue to increase; however, as mortgage rates return to more normal levels, growth in property transfer tax is expected to level off.

### Risks to Property Transfer Tax Projection

The number of factors described above combine to make up the property transfer tax projection; however, should one or several of these factors not perform as projected, property transfer tax revenues will vary from the current projection. To account for variances in these factors, a sensitivity analysis was conducted. This sensitivity analysis resulted in a current scenario and an alternative scenario based on risks. The projections for property transfer tax revenues displayed in Attachment 1: FY 2017-2021 Five-Year Financial Outlook reflect the current scenario as these are the amounts the City anticipates to receive over the next five years. However, the table below displays both the current scenario and the alternative scenario and quantifies the potential risks to the City's property transfer tax revenues.

(\$ in millions)

Scenario - Property Transfer Tax	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Current Scenario	3.0% \$ 9.5	3.0% \$ 9.7	2.5% \$ 10.0	2.5% \$ 10.2	2.5% \$ 10.5
Alternative Scenario Based on Risks	2.0% \$ 9.4	2.0% \$ 9.5	1.5% \$ 9.7	1.5% \$ 9.8	1.5% \$ 10.0

The alternative scenario assumes high mortgage rates in the local real estate market resulting in increased cost of home ownership; thereby slowing the number of home sales and average home price growth and increasing foreclosure counts.

## Licenses and Permits

The Licenses and Permits revenue category consists primarily of user fee revenues, including business tax, rental property taxes, and other permits, such as alarm permits and occupational licenses. The FY 2017 projection for Licenses and Permits is \$24.7 million, a

\$0.6 million increase over the FY 2016 Adopted Budget of \$24.1 million. The following table displays the forecast for FY 2017 through FY 2021 for the Licenses and Permits category.

(\$ in millions)

Licenses and Permits	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate		2.5%	2.5%	2.5%	2.5%	2.5%
Projection	\$ 24.1	\$ 24.7	\$ 25.3	\$ 25.9	\$ 26.6	\$ 27.3

A growth rate of 2.5 percent is applied from FY 2017 through FY 2021 based on historical average annual increases in the Licenses and Permits category over the past three years. It should be noted that per Council Policy 100-02, a comprehensive analysis of General Fund user fees was conducted during FY 2015 and implemented at the beginning of FY 2016. The Outlook reflects revenue adjustments related to the user fee analysis.

### Fines, Forfeitures and Penalties

The Fines, Forfeitures and Penalties category includes revenues from parking citations, vehicle code citations, collection referral revenues, and litigation awards. The FY 2017 projection for fines and forfeitures is \$29.8 million, a \$0.1 million increase from the FY 2016 Adopted Budget of \$29.7 million. The following table displays the forecast for FY 2017 through FY 2021 for the fines and forfeitures category.

(\$ in millions)

Fines, Forfeitures and Penalties	FY 2016 Adopted	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Growth Rate		0.5%	0.5%	0.5%	0.5%	0.5%
Projection	\$ 29.7	\$ 29.8	\$ 30.0	\$ 30.1	\$ 30.3	\$ 30.4

The increase from the FY 2016 Adopted Budget to the FY 2017 projection is the result of a growth rate of 0.5 percent that is applied from FY 2017 through FY 2021 based on historical average increases in the fines, forfeitures and penalties category over the past three years.

### Revenue from Money and Property

The Revenue from the Money and Property category primarily consists of rental revenue generated from City-owned properties including Mission Bay, Pueblo Lands, and the Midway area properties. This category also includes interest earnings, which are discussed in detail below. The FY 2017 projection for revenue from money and property is \$47.9 million, a \$1.7 million increase from the FY 2016 Adopted Budget of \$46.2 million. The following table displays the forecast for FY 2017 through FY 2021 for the Revenue from Money and Property category.



## THE CITY OF SAN DIEGO

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** January 22, 2016**IBA Report Number:** 16-03**Committee on Budget and Government Efficiency Docket Date:** January 27, 2016**Item Number:** 8

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## FY 2017 City Council Budget Priorities

### OVERVIEW

The initial step for the City Council in the City's annual budget process is the development of a City Council Budget Priorities Resolution, as outlined in the Fiscal Year 2017 Budget Process and Fiscal Year 2016 Budget Monitoring Key Dates adopted by the City Council on October 20, 2015. The FY 2017 Budget Priorities Resolution is compiled from individual Councilmember memoranda outlining Councilmember budget priorities for the upcoming fiscal year.

On January 4, 2016, Budget and Government Efficiency Committee Chair Todd Gloria issued a memorandum requesting that all Councilmembers submit their budget priorities for the FY 2017 Proposed Budget to the Office of the Independent Budget Analyst by January 15, 2016. All nine Council Districts submitted their priorities and are represented in this Report.

This Report identifies the highest priority fiscal and policy items recurring throughout Councilmember memoranda. For FY 2017, all Councilmembers requested two priorities: support for public safety and increased spending on infrastructure. A majority of Councilmembers also requested funding for a variety of community investments including youth programs and services, arts and culture, economic development resources, the recently approved Climate Action Plan, the City's Code Enforcement Program, and for assistance to the City's homeless population.

In this Report we have compiled priorities that received a majority of support from City Councilmembers, and have also included priorities that were mentioned by a significant number of Councilmembers (four) for discussion purposes. All priorities submitted by Councilmembers can be found in their memoranda<sup>1</sup> which are included as Attachment 1 to this Report.

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<sup>1</sup> As in the prior fiscal year, Councilmembers Cole, Alvarez, and Emerald submitted a joint budget priority memorandum.

## FISCAL/POLICY DISCUSSION

City Councilmember budget priority memoranda include a wide range of City programs for FY 2017 but two clear priorities for all Councilmembers emerged: funding to support the City's public safety departments and support for a greater investment in infrastructure. Infrastructure funding requests include support for parks projects, pedestrian and cycling safety improvements, accessibility investments, installation and maintenance of the City's streetlights and sidewalks, increased storm drain maintenance, and new or upgraded public safety facilities. Other priorities receiving a majority of Councilmember support are discussed in the Youth Programs and Services, Penny for the Arts, Economic Development, Climate Action Plan, Code Enforcement, Programs for the Homeless, and Parks and Libraries sections below.

In Committee Chair Gloria's call for priorities, it was requested that Councilmembers include specific dollar amounts for each priority contained in their memorandum where available. In developing the resolution for Councilmember priorities, we have not included these dollar amounts in the submitted memoranda as these amounts will continue to be refined by our Office and the Financial Management Department during the development of the FY 2017 Proposed Budget. Submitted dollar amounts can be found in each Councilmember's budget priority memorandum included in Attachment 1.

### **Public Safety**

All Councilmember budget priority memoranda included support for public safety, and a majority of Councilmembers requested additional funds to support police officer retention, reinstating civilian positions in the Police Department, and increasing Fire-Rescue staffing.

- Support for Civilian Positions—Police (Council Districts 1, 4, 5, 6, 7, 8, 9)

Seven Councilmembers prioritized the addition of non-sworn positions in the Police Department. Six memoranda spoke to the need to reduce call wait times by adding dispatcher positions in the Communications Division. Several memoranda further noted the need to address ongoing recruitment and retention issues for dispatchers who are currently working under mandatory overtime. A number of Councilmember memoranda also prioritized restoring Police Investigative Service Officer positions in order to provide operational support to sworn officers.

- Support for Police Officer Retention (Council Districts 1, 3, 4, 6, 8, 9)

Six Councilmember memoranda raised concerns that police officer recruitment and retention efforts included in the FY 2016 Adopted Budget may not have reduced officer attrition rates as anticipated. These Councilmembers prioritized further analysis of Police Department attrition and a majority of Councilmembers requested additional funding to continue to address police officer retention in FY 2017.

- Firefighter Staffing (Council Districts 1, 2, 5, 6, 7)

A majority of Councilmembers included funding for additional staff in order to convert the South University City Fast Response Squad (FRS) to a temporary fire station staffed 24 hours per day instead of the current 12 hours.

- Support for Lifeguard Five-Year Plan (Council Districts 1, 2, 4, 8, 9)

The Fire-Rescue Department's Lifeguard Division's Five-Year Plan was prioritized by a majority of Councilmembers. Support for the Lifeguard's Five-Year Plan included requests for additional Lifeguard Division positions, and a request by a significant number of Councilmembers that permanent lifeguard staff receive the same or similar presumptive medical coverage as sworn Fire-Rescue and Police Department staff.

- Additional Public Safety Funding Priorities

Public safety items not receiving majority support but still receiving significant mentions include the following:

- Funding for additional staffing or contractual support for the Citizens Review Board
- Additional support for the implementation and staffing of a community oriented policing plan
- Funding for a feasibility study to replace the current Police Department Traffic Division modular facility with a permanent building

## **Infrastructure**

All Councilmembers prioritized infrastructure investments and improvements in their FY 2017 budget priority memoranda, building on their FY 2016 effort to focus attention on maintaining the City's physical resources. While the repair, maintenance, and construction of parks, streets, streetlights, and sidewalks were prioritized again this year, Councilmembers also focused on infrastructure that promotes pedestrian and cycling safety as well as Americans with Disabilities Act (ADA) improvements to City parks, facilities, and other public infrastructure.

- Park Capital Improvement Program (CIP) Projects (Council Districts 1, 2, 3, 4, 5, 6, 7, 8, 9)

CIP parks projects, including the creation of new parks in park deficient neighborhoods or improvements to existing Park & Recreation equipment and facilities, were an FY 2017 priority for all Councilmembers. A number of Park & Recreation Department projects received several mentions in Councilmember memoranda including:

- Tubman Charter School Joint Use Park
- Upgrades and maintenance of the Grant Hill Park
- Amenities for the Clay Park pocket park
- Funding to continue work on the Bay Terraces Community Park Senior Center/Recreation Building

- Facility improvements for the Martin Luther King, Jr. Recreation Center

For a complete list of requests for CIP parks projects, refer to the Councilmember memoranda included as Attachment 1 to this report.

- Pedestrian and Cycling Safety (Council Districts 1, 2, 3, 4, 5, 6, 7, 8, 9)

All Councilmembers prioritized projects or administrative support in their memoranda, designed to enhance pedestrian and cycling safety in FY 2017. A variety of requests were made as part of this priority including:

- Prioritizing funding for infrastructure improvements in the corridors identified as part of Vision Zero
- Initiating traffic calming measures such as raised delineators or electronic (V-Calm) signs
- Installing lighted crosswalks, bike lanes, and pedestrian and cycling safety upgrades in high collision corridors

- ADA Improvements (Council Districts 1, 2, 4, 5, 6, 7, 8, 9)

A majority of Councilmembers identified ADA projects and improvements as priorities for FY 2017. Many of these requests were for ADA improvements for parks and playgrounds, although other infrastructure requests such as the installation of street curb ramps and audible pedestrian signals were also included.

- Streetlight Installation, Maintenance, and Repair (Council Districts 1, 2, 4, 6, 7, 8, 9)

A majority of Councilmembers prioritized the installation or upgrades of streetlights in their memoranda, characterizing a lack of streetlights as a public safety concern. A majority of memoranda also requested that streetlights be prioritized according to the Transportation & Storm Water Department's Streets Division unfunded needs list, while taking into account any public safety concerns.

- Storm Drain Maintenance (Council Districts 4, 5, 6, 7, 8, 9)

Storm drain maintenance was listed as a priority by a majority of Councilmembers, several of whom cited concerns about El Niño and the need for adequate drainage of storm water runoff. While a general enhancement of the storm water maintenance program was prioritized by a majority of Councilmembers, a number of those Councilmembers also requested that the current annual maintenance of 2-3 channels be increased to 5-6 channels.

- Sidewalk Maintenance, Repair, and Installation (Council Districts 1, 3, 4, 6, 8, 9)

The repair, maintenance, and installation of sidewalks were prioritized by a majority of Councilmembers in their memoranda, with a significant number of Councilmembers voicing support for the continued funding of the Market Street sidewalk project, and providing support for the design of the sidewalk project in Paradise Hills.

- Street Maintenance and Repair (Council Districts 1, 4, 5, 6, 8, 9)

A majority of Councilmembers prioritized funding for the repaving, resurfacing, and restoring of City streets. A number of Councilmembers also requested that the City develop a process or plan to address “Unimproved Roads” that are currently within City limits but not maintained by City staff.

- Public Safety Facilities (Council Districts 1, 2, 4, 8, 9)

A majority of Councilmembers prioritized the construction or upgrade of public safety departments’ facilities. The highest number of mentions were for fire station construction or repair including: a permanent Skyline Hills fire station, the establishment of a permanent facility for the Encanto FRS, and Otay Mesa fire station upgrades. Additionally, as noted earlier, several memoranda also supported funding a feasibility study to replace the Police Department Traffic Division facility.

- Additional Infrastructure Funding Priorities

One infrastructure item that did not receiving majority support but still received significant mentions from Councilmembers is the funding for traffic signal optimization upgrades, especially along Friars Road in Fashion Valley.

### **Youth Programs and Services**

A majority of Councilmember memoranda prioritized programs and services that benefit the community as a whole, but also those that specifically target the City’s youth. Councilmembers requested that in FY 2017 there should be an emphasis on economic opportunities for young adults, as well as an increase in recreational programs such as additional swimming pool hours and funding for library programs.

- Funding for the CONNECT2Careers Program (Council Districts 1, 4, 6, 7, 8, 9)

Six Councilmembers requested support to expand the CONNECT2Careers Program that provides work experiences for young adults during the summer months. Councilmembers noted that the number of youth participating in the program has grown each year and that the economic benefits of the program extend from the student to the participating businesses and the community at large.

- Restoration of Swimming Pool Hours (Council Districts 1, 4, 7, 8, 9)

A majority of Councilmembers prioritized the restoration of swimming pool hours in their memoranda, including an increase in ‘off-season’ hours. A significant number of Councilmembers also requested the expansion of the Park & Recreation Department’s temporary pool program in those areas of the City that do not have a permanent swimming pool.

- Community and Youth Library Programs (Council Districts 1, 2, 4, 6, 8, 9)

Support for library programs were requested in a majority of Councilmember memoranda, including a request for a programming budget that would be an ongoing funding source for programs that currently rely on the availability of donations. Programs supported by this request include youth literacy programs and Maker Camps.

### **Penny for the Arts** (Council Districts 1, 2, 3, 4, 8, 9)

The Penny for the Arts Blueprint (Blueprint) adopted by the City Council in 2012 included a goal of restoring annual Arts, Culture, and Community Festivals allocations to 9.5% of the City's Transient Occupancy Tax (TOT) revenues by FY 2017. The City has not met the Blueprint's annual funding targets, although in FY 2016 the City Council increased the Penny for the Arts allocation in the Adopted Budget by \$1.0 million, or from 5.7% to 6.44% of TOT. A majority of Councilmember budget priority memoranda request that Blueprint funding continue to be increased above 6.44% of TOT revenues in FY 2017.

### **Economic Development**

A majority of Councilmember budget priority memoranda included some support for a variety of economic development programs, especially support for San Diego's small businesses.

- Support for Small Businesses (Council Districts 2, 4, 6, 8, 9)

Support for San Diego's small businesses was prioritized in a majority of Councilmember memoranda, and included requests for the addition of a Community Development Specialist for Small Business Programs in the Economic Development Department, development of an online business portal for ease of access to the City's business services, and resources to support the establishment of a Small Business Bonding Assistance Program.

### **Climate Action Plan (CAP)** (Council Districts 1, 3, 4, 8, 9)

A majority of Councilmembers indicated that support for the recently approved CAP is a priority in FY 2017. Memoranda included funding requests for a CAP implementation plan as well as any Phase 1 activities. Councilmembers also indicated significant support for the planting of 2,000 trees in FY 2017, restoration of the City's Tree Warden position, and the implementation of a policy requiring the City to include trees as an element of street projects as opposed to classifying them as an amenity.

### **Code Enforcement** (Council Districts 1, 3, 4, 8, 9)

Support for the City's Code Enforcement Program was prioritized in a majority of Councilmember memoranda. Councilmembers noted the importance of this Program as protecting the public's health, safety, and property, and requested an analysis of Program resource capacity, with additional funds allocated in order to meet Program needs and improve response times.

**Programs for the Homeless** (Council Districts 1, 3, 4, 8, 9)

A majority of Councilmembers prioritized providing additional funding and resources to assist San Diego's homeless population. Requests included support for the plan to house 1,000 homeless veterans, expanding homeless outreach services outside of the downtown core, and expanding the Serial Inebriate Program.

**Parks and Libraries** (Council Districts 1, 2, 3, 4, 6, 8, 9)

A majority of Councilmember memoranda included funding for a number of parks- and libraries-related requests such as: non-capitalizable upgrades to the Park & Recreation and Library departments' facilities; the addition of staff time to support maintenance activities or increased recreation center hours; and funding to plan for future upgrades or increased service and program budgets. Specific items receiving significant support from Councilmembers include the request to fully fund the Library Ordinance and support for an increase in park maintenance staff.

**Other Significant Priorities**

Additional Councilmember funding priorities that did not receive majority support but that received a significant number of mentions include the following items:

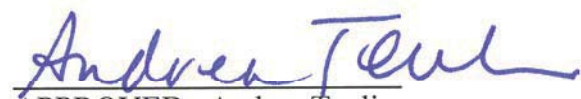
- 311 – Four Councilmembers prioritized using one-time resources to implement a 311 customer service system as recommended in the City Auditor's March 2015 Audit: *Performance Audit of the City's Public Right-of-Way Maintenance Activities*
- Council Administration Support – A significant number of Councilmembers prioritized an increase in administrative support for the Council Administration Department, as well as the replacement of old and broken furniture

**CONCLUSION**

Our Office recommends that the Budget and Government Efficiency Committee review and discuss the budget priorities highlighted in this report, and forward it with any desired modifications to City Council for formal adoption of the FY 2017 Budget Priorities Resolution.



Christiana Gauger  
Fiscal & Policy Analyst



APPROVED: Andrea Tevlin  
Independent Budget Analyst

Attachments: 1. Councilmember Memoranda



**CITY OF SAN DIEGO  
COUNCIL PRESIDENT SHERRI S. LIGHTNER  
DISTRICT ONE**

**MEMORANDUM**

DATE: January 15, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Council President Sherri S. Lightner *Sherri S. Lightner*

SUBJECT: Fiscal Year 2017 Budget Priorities

The following are my priorities for funding in the Fiscal Year 2017 budget:

**Priorities for Ongoing Funding:**

**Public Safety:**

- San Diego Police Department Five Year Plan
  - With the reduction in the Police Department's budget in previous fiscal years and the high level of attrition, it is critical that the City continues to support the Five Year Plan and allocate funds for recruitment and retention. The Plan should be reviewed to assess progress and shortfalls.
  - Closely analyze San Diego Police Department attrition to determine if the recruiting program needs modification, or the MOU needs adjusting to better attract qualified candidates.
  - Funding for implementation and training, as required by AB 953, which addresses racial profiling in law enforcement.
  - Support for Police Department dispatching, to include continued funding support for the Computer Assisted Dispatch system, and assessment/improvement of the recruitment and retention program for police dispatchers.
  - Funding for a new K9 facility.
- Fire-Rescue Department
  - Additional staff for the South University City FAST response squad to convert it to a temporary fire station that is staffed 24/7. (\$2.0 million)
  - Temporary fire station in the Torrey Hills community, to be located as identified in the Citygate report at Carmel Mountain Road and Canter Heights Drive, to

- alleviate the burden on the Carmel Valley fire station and improve response times. (\$2.6 million)
  - FAST response squad in Torrey Pines in anticipation of possible delays caused by construction projects in the Carmel Valley area. (\$857,000)
- Lifeguard Five-Year Needs Assessment
  - Support for, and implementation of, the Year 3 recommendations in the Lifeguard Five-Year Needs Assessment, specifically items 13 (expand the River Rescue Team) and 14 (Expand the Lifeguard Dive Team) as outlined in the assessment.
  - As a carryover from the Lifeguard Division Five-Year Needs list in years 1 and 2:
    - Develop a plan to provide permanent lifeguard staff with the same or similar presumptive medical coverage as that of fire and police personnel. (Year 1)
    - Addition of one Training/Special Operations Sergeant. This position is required to organize and coordinate training during the three months of summer. During the remaining nine months of the year this position could be used to support several operational, planning, and administrative areas. (Year 2)
    - Addition of one daily (two FTE) Lifeguard III at Ocean Beach. The staff at this beach are responsible for coastal cliff rescues and outside, unguarded water rescue responses. Throughout the year, outside responses may result in leaving the main beach with a limited staff, or it may require that only one person respond to an outside emergency, with backup coming from a distance. Additionally, during daylight savings time, staggered shift starts leave the beginning of the day and the end of the day with limited staffing. (Year 2)
- Additional Shoreline Ranger for Shoreline Parks
  - Approximately \$80,500 to fund a Park Ranger patrolling the coastline, including the Torrey Pines Gliderport, to enforce rules/regulations and improve public safety at the Gliderport. (~\$80,500)

#### **Community Services:**

- Continued funding for the La Jolla Cove odor-neutralizing treatments, currently done three times per month.
- Funding for consultant services to develop a plan for the creation of a coastal regional park to provide for better maintenance, patrol and staffing of coastal areas from Point Loma to Torrey Pines. (~\$200,000)
- Trash Collection Evaluation: Evaluation of trash receptacles and collection cycles in the shoreline parks and beaches to determine if there are adequate receptacles and/or collections. The shoreline parks and beaches are heavily used, and historically have had inadequate trash services.
- Homelessness: Continued support for homelessness programs, including the Mayor's new "Housing Our Heroes" program, to address the issue of chronic homelessness (particularly prevalent in Districts 2 and 3).
- Park and Recreation Facilities Hours Extension
  - There are a total of 56 recreation centers citywide, and 23 centers have not yet been restored to their full 60 hours per week operations, including the La Jolla Recreation Center.

- Staff hires required to fully restore pre-recession service levels at the recreation centers: 23 full-time Assistant Recreation Center Directors and 9.75 part-time Recreation Leaders (level I) for a total of 32.75 FTEs. (\$1,337,500)
- Swimming Pool Hours Extension
  - Restoration of swimming pool hours, including Standley Pool in University City and the Carmel Valley Pool, to pre-recession service levels. There are 13 pools in the city, currently operating at an average of 56.6 hours per pool, per week in the summer, and 34.9 hours per pool, per week in the winter off-season. Requesting hours to be increased to 61.2 hours per pool, per week in the summer, and 42.5 hours per pool, per week in the winter off-season. This increase in hours would necessitate the hiring of one hourly Pool Manager (2.44 FTEs) and one hourly Pool Guard II (14.17 FTEs). (\$640,000)
- Library Services
  - Restore the library materials budget to pre-recession levels, and add additional funds to support supplies for the expanded programs, services, and modern facilities now available at the libraries.
  - Maker Space / Fab Lab Funding
    - Fab Labs / Maker Spaces have had a proven, positive impact on communities. The labs re-engage citizens of all ages, and transform the way libraries are able to serve the public by working with young and emerging entrepreneurs and businesses using cutting edge technology. Requesting funding for two labs in each Council district at \$10,000 - \$15,000 each, which would fund two 3-D printers, a ten pack of filament, and a one-year warranty plan, as well as provide additional support for the labs. Districts 1 and 3 have one lab each, leaving 16 labs to be funded. (\$160,000 - \$240,000)
- Tree Warden: Restoration of the Tree Warden position to address code enforcement of permit landscaping provisions and citizen complaints. (~\$100,000)
- Youth Services and Education-Related Development
  - Additional support to expand the "Do Your Homework" program, not to be drawn from the Library materials budget.
  - Funding for the San Diego Festival of Science and Engineering, which encourages children to become science, technology, engineering, and math (STEM) innovators. (\$50,000)
  - Support for the San Diego Workforce Partnership Connect2Careers program. This program helps to close the job skills gap in San Diego by training local youths and pairing them with businesses, preparing them with vital skills necessary for entering the workforce.

#### **Operational Needs:**

- Personnel Department
  - Addition of one Word Processing Operator to help the Services Section better meet the needs of the Civil Service Commission by providing assistance with monthly meetings, as well as regular disciplinary and termination appeal hearings. (\$37,918)

- Addition of one Test Administration Specialist to support the Testing Section. Since the implementation of the NEOGOV system online applications have doubled, and this position would enter, modify, and review exam and applicant data, helping to prevent slowdowns in the hiring process. (\$45,513)
- Public Records Act Request Support
  - Additional staff to support Public Records Act requests
    - One Program Manager (new position)
    - One Program Coordinator, in addition to the one position currently funded through the Human Resources Department.
    - One Advisory Attorney (this position would be held and funded through the City Attorney's Office)
  - Online Public Records Act Request system (\$25,000)
- Code Enforcement
  - Additional personnel to support improvements in Code Enforcement operational efficiencies and improve response times.
    - Administrative Aide (\$81,646)
    - Combination Inspector (\$93,940)
    - Two Zoning Investigator IIs (\$89,371)
- Council Administration
  - Clerical Assistant II, to assist with reception coverage as needed. (\$5,193)
  - Management Intern, working 20 hours per pay period, to assist with various research assignments and provide administrative support for Council Administration. (\$7,866)
  - Replacement of old and broken chairs for conference rooms A and C on the third floor, and the conference room on the twelfth floor. (\$20,000)
- Council Offices
  - Recommendation to create equity in City Council office budgets by bringing all office budgets to the level of the highest office.
- Performance and Analytics
  - Two additional Program Coordinator positions to create operational efficiencies in support of the Open Data program. (\$170,000)

#### City Commitments:

- Arts & Culture
  - Increased funding for Penny for the Arts to continue to bring the City closer to the Blueprint goal of 8.55% of 1 cent of TOT.
- Climate Action Plan (CAP)
  - Funding for the implementation of the CAP, including an Implementation Plan and activities identified in Phase I of the plan.
  - Plant 2,000 additional trees in FY17 as a "down payment" on the climate resiliency strategy as outlined in the CAP, at \$500 per tree to include planting and three years of watering, monitoring, and pruning. (~\$1.0 million)
  - For funded FY17 Capital Improvement Projects, incorporate trees as a street element, rather than an amenity, to include sidewalk replacements, street improvements, and new/upgraded parks.
  - Allocate additional funds for shade tree pruning in FY17. (~\$400,000)

**One Time Costs:****Public Safety:**

- Funding for a feasibility study to build a new Traffic Division headquarters. (\$250,000)
- Floodgates: Barricades are not an effective deterrent in flooded areas during heavy rains, and motorists will often drive around them, creating safety hazards. Officers must be stationed at the barricades to prevent this from happening, but if floodgates were installed, officers would be able to close the streets, and would not need to be stationed at those locations.

**Infrastructure:**

- Traffic Signal Optimization
  - Traffic signal optimization in the Golden Triangle to alleviate construction related traffic congestion. Streets to include Genesee Avenue from State Route 52 to Interstate 5, and La Jolla Village Drive from Interstate 5 to Interstate 805, with the possible consideration of other arterials. (~\$50,000 per intersection)
  - Traffic signal optimization at three intersections along Friars Road in Fashion Valley to improve traffic flow, and alleviate congestion along a highly traveled corridor. (\$400,000)
- Streetlights
  - As prioritized in the Streets Division unfunded needs list, install approximately 100 streetlights citywide to increase public safety in areas with higher pedestrian activity.
- Sidewalks
  - Sidewalk replacement and installation in priority areas as identified in the sidewalk conditions assessment.
  - Funding for the construction of the Market Street sidewalk project, and for the design of the Paradise Hills sidewalk project.
- Belvedere Promenade: Funding for the design of this La Jolla community project located at the intersection of Prospect St. and Girard Ave., which would make the area more pedestrian friendly, provide a public plaza with ocean view, and improve ADA accessibility.

**Community Services:**

- Torrey Pines Corridor Project: Funding for the design of Phase III of the Torrey Pines Corridor Project.
- Concrete Streets: Concrete streets in the city have fallen into disrepair, and pothole patches are unsightly, diminishing the character of the streets. Specifically, requesting funding to repave Cave Street, between Prospect Place and Coast Blvd., and Virginia Way in La Jolla. (~\$1.5 million)
- University Community Library: Funding to begin the design process for a 5,000 square foot expansion of the University Community Library. The existing decades-old facility has approximately 10,000 square feet of space, and the expansion would create much needed space to accommodate community meetings and activities.

- **Gilman Drive Improvements:**
  - Installation of a sidewalk on Gilman Drive, underneath the La Jolla Village Drive overpass. There are missing segments of sidewalk, and this improvement would create a safer route to UCSD for students living off campus in the University City area.
  - Installation of sidewalk and retaining wall at Gilman Drive and Villa La Jolla where an existing MTS bus stop is located. Bus passengers wait on the street, because the hillside is eroding.
  - Identify funding for the Coastal Rail Trail Project improvements along Gilman Drive from the UCSD campus to the existing Rose Creek bike route adjacent to the Interstate 5 and Gilman Drive interchange.
- **Class II Bike Facility:** Installation of a class II bike lane on Nobel Drive from Interstate 5 to Regents Road. The City's Transportation Engineering and Operations group has identified this project as an unfunded need, and it is identified as project number 38 in the City's Bicycle Master Plan. This section of Nobel Drive is used by UCSD students commuting to school via bicycle, and improvements would create a safer route to school.
- **Morley Green Mini ADA Park:** Funding for the design and build of the Morley Green Mini ADA Park to be located in a low-moderate income neighborhood that is notably devoid of parks. The Linda Vista community in District 7 has been waiting for this park for an extended period of time, and it would be a considerable community benefit. (~\$1.25 million)
- **Olive Grove Community Park:** Funding for design, project approvals, and construction of the necessary ADA improvements to the Olive Grove Community Park in District 6. Improvements will include upgrades to the existing comfort station, enhancements to the children's play areas, and upgrades to the paths of travel. (\$500,000)
- **Whale View Point Shoreline Enhancement:** Funding for sidewalk design for Coast Blvd Park / Cuvier Park in La Jolla.
- **Fay Avenue Bike Path:** Funding for the dedication of the Fay Avenue Bike Path in La Jolla and its General Development Plan.
- **Coast Blvd Restoration:** Facility painting for the gazebo, benches, restrooms, and fences along Coast Blvd. in La Jolla.
- **Island Park:** Island Park improvements in Council District 8 including ADA compliance enhancements and tot-lot preparations. (\$200,000)
- **Tubman Charter School Joint Use Park:** Funding for a joint use park in the underserved College Area community in District 9, to be located at 6880 Mohawk Street, on a 1.72 acre site, shared with the San Diego Unified School District. (\$2.7 million)
- **Handheld Ticketing Devices:** Parking enforcement and Oversized Vehicle Ordinance enforcement is a chronic issue in the coastal communities. Requesting eight handheld ticketing devices and printers, as well as two charging stations to create efficiencies and better equip Public Safety Investigative Officers and Parking Enforcement Officers in the Northern and Western Divisions. (\$27,624)
- **311 Program:** To provide better customer service to citizens and reduce unnecessary calls to 911, recommend funding to implement a 311 program. (~\$2.0 million)

**Operational Needs:**

- Carpet Replacement
  - City Administration Building: Funding was allocated in FY16 to replace the deteriorated and hazardous carpet in the City Administration Building. This amount covered the cost of floors 3, 8, 9, and 12. Requesting additional funds to replace the carpet on floors 2, 5, 6, 7, 10, 11, and 13. (\$550,000)
  - Personnel Department, third floor, Civic Center Plaza: The carpet in the Personnel Department is worn and hazardous with significant tears which have been taped down to avoid trips and falls. (\$100,000)
- Library Department
  - Library sorting machine for processing branch-to-branch transfers of library materials. (\$250,000 - \$450,000)
- Personnel Department
  - CitiCall: Upgrade for NEOGOV software to add the CitiCall module, which will automatically calculate and update test scores to NEOGOV. (\$25,000)
  - City ID Cards: Previously, ID cards were purchased by the Department of Homeland Security using a grant, but Personnel is now responsible for this cost. (\$10,000)
  - Office Furniture: Necessary upgrades for ergonomic workstations as needed to replace aging furniture, and prevent injuries. (\$20,000)
- Charter Review Committee
  - Funding to hire an outside consultant to advise the Committee and assist in preparing language for ballot measures. (~\$200,000)
  - Funding for ballot initiatives for the November 2016 ballot, as recommended by Council. (~\$5.5 million)

Thank you for your consideration of these budget priorities and options.



## M E M O R A N D U M

**DATE:** January 15, 2016

**TO:** Andrea Tevlin, Independent Budget Analyst

**FROM:** Councilmember Lorie Zapf

**SUBJECT:** FY 2017 Budget Suggestions

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Below is a list of Council District 2 priorities that I would like to see included in the upcoming budget discussions for the Fiscal Year 2017.

***Hand held ticketing devices for Police Investigative Service Officers (PISOs):*** In order to assist with the enforcement of the Neighborhood Parking Protection Ordinance, I would like to request \$28,000 for electronic ticketing devices and printers for the PISOs who are charged with ticketing oversized vehicles illegally parked on streets. The hand held devices would enable the officers to issue citations more efficiently.

***Street Vacuuming in Mission Beach:*** Fly infestations plague the Mission Beach community in the summer months. This has created a public health issue in an area that serves thousands of San Diego residents and tourists. The addition of street vacuuming in FY 2016 assisted with picking up fallen trash and debris that leads to increased fly activity. An allocation of \$40,000 is necessary to resume street vacuuming once a week from July-September to continue to assist in the prevention of fly breeding.

***Programming Budget for Youth Literacy Programs at Libraries:*** Encouraging literacy and reading especially before 3<sup>rd</sup> grade should be the focus for proficiency and future success. Libraries offer programs for youth reading to assist in critical skills enhancement. I would like to create a youth literacy program budget to guarantee the Summer Reading, The Families for Literacy, and Story Time programs continue on a permanent basis. This budget would also allow the continuation of successful programs like Coding and Maker Camps, as well as the Admit one College Prep Academy. I urge the allocation of \$500,000 to assist with our libraries literacy programs.

***Increase Library's Books and Materials Budget:*** The demand for library materials continues to grow at our local libraries, increasing by 4% from FY11 to FY15. E-circulation is also in high demand growing 44% from FY 12 to FY 15. These trends indicate an increased need for the library system's materials budget. The growing inflation rates of books and materials has grown over 22% in the past decade though funding levels have remained the same. I would like to increase our materials budget to ensure our libraries have the adequate resources to engage, inspire and educate our youth and communities.

***Traffic Calming:*** In order to help slow speeds and increase safety for pedestrians and residents, I would like to request \$48,000 for the installation of six electronic speed signs at three high traffic areas in District 2 that have been requested by the community and assessed by the Traffic and Engineering Department as feasible locations.

One sign for each direction at:

- 1) Talbot Street between Rosecrans Street and Canon Street
- 2) Foothill Boulevard between Beryl Street and Fanuel Street
- 3) Waco Street between Ute Drive and Dakota Street

***Street Light Repair and Maintenance:*** Street lights are critical pieces of infrastructure that provide increased public safety for pedestrians, bicycle riders and drivers. They have also been known to reduce crime and ensure that residents feel safe in our neighborhoods. While I applaud the addition of new street lights for all communities, I would like to make street light maintenance and repair a priority. Ensuring that our existing street lights are repaired quickly is not only more cost effective than installing new street lights, but is also a basic city service. This is why I recommend the addition of 2 FTE Electricians (\$100,000 FTE) be added to the FY17 budget to ensure timely repairs to our existing infrastructure. I would also ask that an additional \$2.5 million be added to Transportation and Storm Water expenses to upgrade our street light electrical systems reducing future outages.

***Sunset Cliffs Natural Park Hillside Improvements, Phase 2, CIP #S-10091:*** The design and environmental documentation for this project is complete and phase 1 construction was scheduled to begin in the fall of 2015. This request for \$1,000,000 in funding will initiate phase 2 construction of this project. The phase 2 would include trail re-alignments, trail improvements, and storm water and erosion control measures to protect newly constructed trails. It will also re-vegetate disturbed areas within the park utilizing native coastal plants. It is anticipated by staff that phase 2 construction will begin in the summer of 2016 and be substantially completed by the middle of 2017. Plant establishment within the re-vegetated areas will continue to be closely monitored for a minimum of five years after planted operations are complete. This proposed allocation is consistent with the approved five-year RPIF plan and consistent with the Sunset Cliffs Master Plan.

***Online Business Portal Software, Economic Development Department:*** San Diego needs to continue to be a leader in attracting new and innovative businesses. This is why I believe we need to implement an Online Business Portal. This software will provide business owners with detailed information regarding zoning laws, land use restrictions, and permit requirements for a specific property in advance of starting a business. I recommend the purchase and implementation of this software and a budget allocation of \$200,000. This will be a great tool for any entrepreneur looking to start a business, allow for a better use of City staff time, and continue to grow our regional economy and create jobs.

***Addition of a Senior Park Ranger for Tecolote Canyon:*** Ranger staffing is one of the most critical missing components of Open Space land management. We currently have 23 rangers for 26,000 acres while the benchmark number would be 40 rangers for this amount of acreage. In addition to an insufficient number of rangers is the fact that the City continues to acquire more open space acreage every year. The IBA has noted the deficiency in two previous reports. In order to assist with need of land and trail enhancement management in Tecolote Canyon and enforcement of park regulations, please consider adding \$101,500 for a Senior Park Ranger to the Fiscal Year 2017 budget.

***Support for Penny for the Arts:*** Each year the City of San Diego contracts with local nonprofits to provide a rich array of arts and culture services through performances, exhibits, parades, festivals, public art and interactive classes to children and families in San Diego's neighborhoods. Additional funding for enriching arts and culture education programs and increased opportunities to partner with our local libraries, recreation centers and other City facilities are critical for the betterment of our young generation. Students who participate in these types of programs are more likely to benefit from improved graduation rates, life skills and academic performance. This type of investment in arts and culture proves to provide a positive social and economic return.

***Expansion of Ocean Beach Library Annex:*** 2015 was a year of progress for the Ocean Beach Library as a much needed air-conditioning was funded to be installed. Working on that momentum, the Ocean Beach Library is still in need of expansion as called for in the recently passed Ocean Beach Community Plan Update and Public Facilities Financing Plan. While I support a new Ocean Beach Library, I ask that the Mayor consider a feasibility study on the expanded space of the annex building next door. The building was purchased in 2001 with a CDBG loan intended to be used as a space for an expansion. According to the Real Estate Assets Department, leases for the building will begin to expire in October of 2016. I am asking for a feasibility study that would evaluate all potential and future library uses for the space. This is a wonderful opportunity to efficiently increase meeting and book space as we continue to advocate for a new, expanded Ocean Beach Library.

***Additional Fire Staffing for South University City:*** South University City has been served by a FAST response squad. In order to more efficiently serve the residents in South University City, I am recommending \$2,000,000 to convert the FAST response squad to a temporary fire station that would be staffed 24/7.

***Addition of one Community Development Specialist for Small Business Programs, Economic Development Department:*** An additional Community Development Specialist would help Economic Development staff develop new small business programs and expand the successful New Business Walk outreach program. The position would also increase the capacity of the Economic Development Department by assisting various businesses with their questions and concerns. Lastly, it would help our City implement the Economic Development Strategy by dedicating staff time to a new “shop local” campaign which will support many of San Diego’s hardworking small business owners. I am proposing an allocation \$80,000 to fund the position.

***OB Lifeguard Station CIP#S-10121:*** A new Ocean Beach Lifeguard Station remains a top priority for the residents of Ocean Beach. Built in 1980, the station has become inadequate to accommodate lifeguard staff and equipment. According to the Capital Improvement Program, the Ocean Beach Lifeguard station has a priority score of 79 making it the second highest priority of CIP buildings that is underfunded. It is also considered a top priority by Lifeguard staff per the presentation of the Lifeguard Division Five Year Needs Assessment to the Public Safety Committee in February of 2014. Therefore, I would recommend spending \$600,000 to begin design on the Ocean Beach Lifeguard Station.

***Addition of one Lifeguard Training/Special Operations Sergeant:*** This position is required to organize and coordinate training during the three months of summer. During the remaining nine months of the year this position will be used to support several operational, planning and administrative areas. Four specific examples include:

- a. Ambassador/Beach Concession Management: There are a wide variety of water-related concession operations in the beach and bay areas that require continuous monitoring, management, and enforcement. There is a perpetual need to either create concession RFP's for new operations or renew RFP's for contract operations that have expired.
- b. Special Events: Lifeguards are involved in a large number of water related special events that require permit review, permit approval, planning, staffing, coordination, and follow-up.
- c. Incident Action Plan (IAP) and Event Action Plan (EAP) planning and development.
- d. Assist with Lifeguard recruiting coordination.

(Salary, Fringe, EMT: \$100,240)

***Morley Green Park ADA upgrades:*** The Morley Green Park has been a community priority in Linda Vista for many years. Several requests for CDBG funding for ADA improvements have been denied over the last few years. The park was originally in the Redevelopment Agency and funds for development of the park never materialized. Now, several years after the end of the Redevelopment Agency, the Department of Finance finally relinquished the park back to the City so the upgrades and further development of the park can be completed. In order to develop this park for the residents of Linda Vista, I would like to see an updated cost estimate and funding for the park’s completion.



## OFFICE OF COUNCILMEMBER TODD GLORIA COUNCIL DISTRICT THREE

### M E M O R A N D U M

DATE: January 15, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Todd Gloria, Third Council District *Todd Gloria*

SUBJECT: Council District Three Budget Priorities for Fiscal Year 2017

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The following are my priorities for the FY 2017 City budget, which are in line with my established policy priorities including public safety, neighborhood services, infrastructure, the environment, ending homelessness and helping low income San Diegans make ends meet.

### FY 2017 BUDGET PRIORITIES

#### PUBLIC SAFETY

- **Public Safety:** The relationship between the San Diego Police Department (SDPD) and the San Diego community is critical to the maintenance of public safety and the prevention of crime. Some members of the public have expressed serious concerns about the independence of the Citizens Review Board on Police Practices (CRB). As calls for CRB reform grow, I recommend \$500,000 be allocated to CRB specifically for contracted independent investigators and legal counsel as an investment for public trust. The City should also work with community groups, the SDPD, CRB and the San Diego Police Officers Association to review and propose modifications to the current CRB policies and procedures to be implemented for FY 2017. Additionally, the City Council should consider changes

It is also my hope that we can focus more efforts on community oriented policing to ensure that our law enforcement officers are building ties and working closely with our citizens and neighborhood groups. I request that the department develop and present a community-policing restoration plan for the current year, and that adequate funding is allocated to the department to ensure a robust community policing strategy.

Further, the recruitment and retention of SDPD sworn officers have not been as positively impacted as forecast by the new memorandum of understanding with the San Diego Police Officers Association. We must continue to examine the staffing levels of SDPD so we can recommend additional funding adjustments.

- **Serial Inebriate Program (SIP) Expansion:** Established in January 2000, SIP has positively impacted hundreds of chronic, homeless alcoholics who cycle in and out of detoxification centers, County jail, and local emergency rooms. With case management services provided by the County and housing funded by the City and Housing Commission, this nationally recognized program is an example of the City and County collaboratively implementing best practices to address homelessness. I appreciate the Council and the Mayor supporting my request in FY 2015 to restore the SIP program to its 2007 funding levels, which allowed us to nearly triple the number of individuals served, and serve women for the first time.

I request \$75,000 in the FY 2016 Mid-Year budget allocation and \$150,000 in the FY 2017 budget to further expand the bed capacity of this program as soon as possible, to be matched with services funding from the County. We should also consider working with the County to expand the scope of this program to provide case management, mental health care and drug counseling services to those who cycle in and out of the system for low level offenses.

### **NEIGHBORHOOD SERVICES**

- **Library:** I continue to be a strong advocate for our library system and am concerned that we are still not committing the required 6.0% of General Funds to the library as outlined in the City's Library Ordinance. I would like to see a steady increase to City-wide library hours to make progress toward this goal. Additionally, in recent years, the library materials budget was not fully funded until the May Revise. This should receive full funding in the proposed budget.
- **Arts & Culture Commission:** Funding of the Penny for Arts Blueprint is critical to protecting and enhancing arts and culture in our City. While I recognize we are unable to fund the full blueprint amount, I would like to see an upward trajectory in the spirit of the Penny for the Arts Blueprint.
- **Film Commission:** Last year, the Council allocated significant funding during the budget process to re-establish the San Diego Film Commission. This effort has the potential to bring \$100 million in local spending by film and television companies each year and will create thousands of good paying jobs annually for the San Diego economy. Coupled with these benefits, San Diego would be eligible for the related 5% tax credit authorized by the state legislature. I'd like to see the process for establishing a Commission expedited so that San Diego can take advantage of these benefits.
- **Code Enforcement Officers:** The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, noise, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. I ask that the resource capacity of the department be analyzed and that funding for additional Code Enforcement Officers be considered in FY 2017.
- **Historic Resources Board:** The number of historic designations increases every year, and we do not have sufficient staffing levels to keep up with the needs of the community. I request funding for two Associate Planners for the Historic Resources Board at a cost of \$203,850.

- **Balboa Park Maintenance Staff:** In order to ensure that Balboa Park is maintained in a manner befitting of its status as our City's crown jewel, I request funding to reinstate the Balboa Park maintenance staff that was cut during the recession, including a Grounds Maintenance Supervisor, two Grounds Maintenance Workers, and a Custodial Supervisor at an estimated cost of \$266,594. These positions will go a long way toward making the Balboa Park visitor experience better.
- **Park Ranger for Urban Core:** Community members have been increasingly calling my office to report safety concerns in the parks in our urban core. I request funding for a Park Ranger at a cost of \$77,815 to patrol these community parks in my district based on call volume.

## **ENVIRONMENT**

- **Climate Action Plan:** I look forward to overseeing the implementation of San Diego's Climate Action Plan, which is based largely on the plan I authored when I served as Interim Mayor. I strongly advocate for adequate funding for implementation of this plan, including any necessary staff positions.

## **INFRASTRUCTURE**

- **Comprehensive Infrastructure Investment Strategy:** Without a sustainable new revenue source to address our infrastructure, San Diego's streets, sidewalks, and public buildings will continue to deteriorate. I remain committed to strengthening San Diego's infrastructure in a fiscally responsible way and hope to see a comprehensive long-term solution to this multi-billion dollar problem.
- **Vision Zero:** In 2015, the Mayor and Council supported a Resolution for Vision Zero to enhance pedestrian and bicyclist safety on our streets. When that resolution came before Council, I shared my concerns that Transportation and Storm Water staff was not presenting an item to add their expertise to how to best implement the projects that will make the identified corridors safer. I ask that the Mayor work with staff to identify the needs for the eight identified Vision Zero corridors and make funding available for infrastructure improvements.
- **Sidewalk Maintenance:** Interest in the Sidewalk 50/50 Cost Sharing Program has increased dramatically since FY 2014, and the wait list for new applicants is estimated to be approximately two years. While the City works on a long-term sustainable solution to our deferred maintenance issues, we should consider expanding funding for this program for property owners who want to participate.
- **Infrastructure Priorities in District Three:**
  - **Ward Canyon Neighborhood Park:** I appreciate the inclusion of funding for a temporary dog park for the Ward Canyon Neighborhood Park in Normal Heights and believe this is an important step toward realizing this long awaited and significant community asset. I would like to see this interim solution completed as quickly as

possible in FY 2016, and hope that we can make progress towards designing Phase I of the permanent park improvements in FY 2017.

- **Balboa Park Facilities Maintenance:** I request that adequate funding be provided for public facilities maintenance at historic buildings in the park, including the Marston House.
- **North Park Mini Park Street Scape Improvements:** The North Park community is anxiously awaiting the development of the North Park Mini Park at North Park Way and 29<sup>th</sup> Street, which is fully funded through construction. During the community outreach process for that park, the community worked extensively with staff to identify associated streetscape enhancements that have been removed from the Mini Park CIP and will be implemented by Transportation and Storm Water. I ask that the Mayor identify funding to allocate towards those improvements to enhance the neighborhood and access to the park.

### **ASSITANCE FOR LOW INCOME SAN DIEGANS**

- **Water Rate Fund:** As a follow-up to the water rate case approved by the City Council in November 2015, staff is currently exploring options to establish a low-income water rate assistance program. I request that adequate funding be set aside to establish this program as soon as possible. The City should also explore a corporate partnership model to provide a long term revenue stream for this fund, potentially leveraging a water bill insert in exchange for fund contributions.
- **Ending Homelessness:** I am proud that the City has adopted a Housing First approach to ending homelessness. As Chair of the Regional Continuum of Care Council (RCCC), I will continue to advocate for a regionalized, coordinated and data-driven approach that moves people off the streets as efficiently as possible into permanent housing. As such, the RCCC has set the goal of ending veteran homelessness by the end of 2016, and is leading the effort to coordinate and align resources to house homeless veterans across the region. I look forward to working with the Mayor, the San Diego Housing Commission, and the County of San Diego to implement the \$12.5 million plan to house 1,000 homeless veterans, which will make a significant impact on our regional goals.
- **Living Wage Enforcement:** The Living Wage Ordinance (LWO) advances the San Diego economy by ensuring local jobs pay enough to keep workers and their families out of poverty. More than half of the program's investigations result in violations, yet the LWO Program has not been adequately staffed since inception to enforce these violations and ensure contractor education and compliance. The FY 2017 Budget should include 1.0 additional Program Manager for the LWO Program at a cost of \$162,158. Some cost recovery may be achieved through assessment and collection of fines for violations. However, such monies must be deposited in the General Fund and cannot provide direct support for LWO Program staffing.
- **Earned Sick Leave and Minimum Wage Ordinance Enforcement:** In October 2014, the City Council voted to place the Earned Sick Leave and Minimum Wage Ordinance on the June 2016 ballot. This measure will result in a stronger economy and help keep workers and their families out of poverty by securing five earned sick days per year for 279,000 working San Diegans and raises for at least 172,000 San Diegans. If approved

by the voters, the City of San Diego will need to allocate appropriate resources to expand the Living Wage Office to responsibly implement and enforce this Ordinance, educate workers and employers on their rights and requirements, and proactively investigate compliance with the law.

### FY 2017 ADDITIONAL REVENUE SOURCES

The FY 2017-FY 2021 Five-Year Financial Outlook projects a baseline General Fund surplus of \$49.1 million. Additional revenue and cost savings opportunities are identified below:

- I am proud to serve as **the Budget & Government Efficiency Committee** Chair for the sixth consecutive year in 2016, and will continue to focus on promoting collaboration, transparency and public participation in the budget development process. As indicated in my 2015 Budget & Government Efficiency Committee Year-End Report, the Committee will concentrate its efforts in 2016 on government efficiency initiatives, including oversight of long- and short-term process improvements, as well as identification of areas for cost savings within various City functions, contracts and financing mechanisms.
- The **Huron Competitive Initiatives Analysis Report**, which was funded at my request as part of my plan to reorganize City government when serving as Interim Mayor, identified 24 strategy, process and employee relations options to improve the managed competition program in order to ensure cost savings and efficiencies are realized through this process. On February 24, 2016, the Budget & Government Efficiency Committee will hear a status update on the implementation of recommendations laid out in the Huron report to streamline ongoing operations and achieve cost savings in Fleet, Real Estate Assets, and Purchasing and Contracting.
- **Encourage Corporate Sponsorships and Public-Private Partnerships:** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These partnerships benefit our taxpayers and strengthen our General Fund.
- In May 2015, the Budget & Government Efficiency Committee heard a report on the first set of **San Diego Works** proposal awards, which resulted in \$476,613 in savings in FY 2016 May Revise. At the time, 37 additional proposals were recommended for further study and 8 proposals were recommended to be piloted. Efficiency and cost savings from these proposals should be evaluated and included in the FY 2017 Budget.

Thank you for your guidance in consolidating our priorities, which will help to ensure an effective and informed budget development process. I look forward to working with you, the Council, the Mayor, and our citizens to deliver a balanced and responsible budget for Fiscal Year 2017.

TG/jl



## CITY OF SAN DIEGO

**COUNCILMEMBER MYRTLE COLE, DISTRICT FOUR  
COUNCILMEMBER DAVID ALVAREZ, DISTRICT EIGHT  
COUNCIL PRESIDENT PRO TEM MARTI EMERALD, DISTRICT NINE**

**JOINT BUDGET MEMORANDUM**

DATE: January 15, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Myrtle Cole  
Councilmember David Alvarez  
Council President Pro Tem Marti Emerald

SUBJECT: Fiscal Year 2016 Mid-Year and Fiscal Year 2017 Proposed Budget Priorities

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We are pleased to once again present joint budget priorities which focus on the needs of historically underserved neighborhoods South of Interstate 8. Our priorities aim to establish equity, to build a San Diego that we can all be proud of and to establish a level playing field for every community so that they each have the resources essential to a quality life—adequate police and fire-rescue resources and personnel, streets that are paved and also well lit by streetlights, safe sidewalks, libraries, parks and more. The following are our priorities for funding in the Fiscal Year 2016 Mid-Year and 2017 Budget:

**Public Safety**

Police Recruitment and Retention

Public safety remains our highest budget priority. The City must continue to prioritize the recruitment and retention of police officers. Recent efforts to increase retention has not resulted in decreased attrition rates. The City should conduct an in depth analysis of attrition to determine if it is necessary to open the MOU and/or modify its recruiting program. Recruiting is down over 1,100 applications year over year. According to subject matter experts, the City needs a pool of 5,000 applicants to reach its goal of 200 recruits in the academy annually.

Community Oriented Policing

The crime prevention measures, problem-solving, community engagement, and community partnerships that result from Community Oriented Policing must be prioritized. It is imperative

that we continue to invest resources to expand the program to continue to build the trust and relationship between our residents and police officers. We request that additional Community Relations Officers be identified as the Police Department continues to rebuild. Additionally, having multi-lingual Police Officers/Police Service Officers who are able to serve individuals who do not speak English as their first language will assist in bridging the cultural divide that exists in some of our communities.

#### Restoration of Police Civilian Positions

There is cost benefit in restoring civilian positions. The elimination of these critical positions over the years has resulted in slower police non-emergency response times, additional overtime costs, decreased revenues from permit and fee collections, case backlogs and other impacts. The restoration of civilian staff will allow existing sworn officers to return to patrol duties.

We specifically ask that the addition of positions within the Communications/Dispatch Division be prioritized. There is currently a shortage of positions, resulting in mandatory overtime. The San Diego Police Department's Communications Division receives on average, 1.2 million calls annually. Emergency calls should be answered and dispatched within the State standard of ten seconds. Due to recruitment and retention challenges, the City is in jeopardy of not meeting this State standard. To attempt to cure this challenge, the Communications Division instituted mandatory overtime three years ago.

Due to ongoing challenges faced by the Communications Department, the need to develop and implement a recruitment and retention program for police dispatchers is essential. Although there are 134 budgeted staffing positions, staffing levels have remained at dismal levels creating public safety concerns citywide.

A recruitment and retention program specifically targeting qualified dispatchers and retaining current and dedicated dispatchers is needed to maintain the State standard. A recruitment and retention program for police dispatchers could include (as examples):

- One-time, non-pensionable retention bonuses for current and new employees
- Streamlining the process for hiring to reduce the months of application process time

#### Additional Police Officers at Southern Division

The Southern Division Service Area requires additional staffing to ensure affected communities receive sufficient patrols. Additionally, during the holiday season the area surrounding the Plazas Americas Outlet in San Ysidro gets extremely congested and requires additional Traffic Enforcement Officers.

#### Police Department's Traffic/Special Events Division

The current structure was designed to accommodate the needs of Traffic Division in 1999. Since that time, the demands placed on the facility have grown. The City Council approved a resolution to fund a feasibility study for a permanent Traffic Division facility. In order to allow Public Works to work with the Police Department to analyze property issues, operational needs, desired facility conditions, and to develop a project scope, budget, and schedule, the Council should fund a feasibility study. Public Works has provided an estimated cost of \$250,000.

#### Police Department Portable Force Options Simulator

We request the purchase of a Force Option Simulators (FOS) solely owned and operated by the Police Department. The approximate cost is \$33,000. FOS is a law enforcement, video based,

interactive scenario training system. This system is a very useful law enforcement training tool to assist police agencies with training their recruits and in-service personnel in the areas of decision making, increased familiarity with different force options and the legal aspects of the use of force in a controlled environment. Currently, the Department has access to a FOS system owned by the San Diego Community College District. This system is installed at the San Diego Regional Public Safety Training Institute located at Miramar College and is not portable. The proposed funding would be used to acquire an FOS that is easily transportable and adapted with a computer loaded with a training scenario library of over 500 scenarios.

#### Homeless Outreach Program Expansion

In addition to reserved CPPS funds for this project and money raised by community groups, additional funds are needed to ensure that year round services are provided by the Alpha Project to help address homelessness in various areas throughout city (outside of downtown), particularly in neighborhood canyons, parks and beneath bridges.

#### Permanent Skyline Hills Fire Station (FS 51)

Temporary FS 51 opened in 2015, immediately improving emergency response times. Progress must continue to identify funding to construct a permanent facility for the health and safety of our fire-rescue personnel and also a facility that residents deserve and can be proud of.

#### Permanent Facility for the Encanto Fast Response Squad (FRS 55)/Encanto Fire Station

A cost-effective and efficient approach to implementing additional Citygate recommendations is to convert the existing Encanto Fast Response Squad (FRS 55) into a full service fire station (FS/Engine 55). The call volume and severity of incidents in the Encanto neighborhoods warrant the permanent addition of additional fire-rescue resources. This would require the identification and purchase of land and the construction of a permanent facility.

#### Otay Mesa Fire Station (FS 6) Upgrades

Fire Station 6 (Otay Mesa service area) is in need of badly needed repairs and upgrades. To ensure the area receives adequate fire-rescue services, these repairs should be prioritized this year.

#### Fire-Rescue Department's Lifeguard Service's Five-Year Plan

The City should expand the Lifeguard Dive Team by adding 4 Lifeguards II positions. This requires no additional FTEs. The cost will be for the additional special team pay, equipment and training for new members. Approximate cost: \$45,472.

#### Lifeguard Presumptive Medical Coverage

The cost is undetermined, but should be studied and provided for in the FY17 budget.

#### Citizens Review Board (CRB) on Police Practices

Additional resources should be identified to ensure the independence of the CRB and to include the addition of one FTE (independent investigator). This will enable complaints to come directly to the CRB and to be investigated independently of SDPD Internal Affairs. Additional funding may be needed pending the outcome of Council deliberation on this matter.

#### Neighborhood Code Compliance

The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value

through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. For too long, the staffing levels in the Division have been dismal and enforcement priorities have been adjusted downward to keep pace. We request that the resource capacity of the department be analyzed and considered for additional funding.

### **Infrastructure**

The City must make infrastructure improvements and maintenance a higher priority going forward, particularly in areas which have historically been underserved. We seek to achieve equity for the neighborhoods we represent, which means targeted infrastructure investments are needed to address the substandard conditions which have presented roadblocks to true economic and social opportunities. The following focused investments into our low-income urban neighborhoods will not only address the visual conditions, they will create jobs, promote economic growth, foster environmental sustainability and meaningfully address pressing community needs.

#### Streetlights

No less than \$1 million should be identified to install streetlights citywide in areas with the most urgent public safety needs for additional streetlights, as identified in the Street Division streetlight unfunded needs list. Installation priorities include area with high pedestrian activity, including parks, community centers, schools, business corridors, and transit stations. Street lighting can be an important tool in combating crime, as well as increasing safety for motorists, cyclists, and pedestrians. Considerable savings in reducing the backlog can be achieved by locating new lighting fixtures on existing poles, where available.

#### Storm Water Channel and Storm Drain Maintenance

The City has engaged in an effort to enhance the maintenance of its storm water channels and storm drains to ensure that life and property are protected during this year's El Nino winter storms. However, much of the work being performed by the department is through emergency permitting. In order to avoid the need to do last minute emergency permits to prevent flooding, the City should fund an enhanced storm water channel and storm drain maintenance program that addresses high flood risk locations in FY17 and beyond.

#### Aldine Road Improvements

The storm drains at the specified location continue to fail during seasonal rains. The problem was exacerbated during the recent El Nino storms. In addition to repairing and maintain the current storm drains at the area, we are requesting an initial pre design study for road improvements at the location. Based on recommendation from city staff, road improvements are needed to fully address the issue of flooding at the area during rains. Approximate cost: \$100,000.

#### Maintenance and Repair of Streets Classified as "Unimproved Roads"

The City must either develop a process to provide for the repair and maintenance of "Unimproved Roads" or develop a plan to upgrade or construct these roads into complete streets. Residents throughout the City, particularly in parts of Encanto, Logan Heights and Stockton, are unable to request common street improvements due to this technicality. (Examples of "Unimproved Roads" include: Weaver St., 6500-6900 Broadway)

### Transition Dangerous Corridors to Complete Corridors

The City of San Diego's 2014 Citywide Pedestrian Collision Analysis found that people in neighborhoods in low-income census tracts, such as City Heights, Greater Logan Heights, and Southeastern San Diego are 10 times more likely to be hit by cars while walking than people in other neighborhoods. Improving lighting, sidewalks, crossings, and bike lanes (and other elements of Complete Street design) increases safety. Therefore, we request that the budget make a real commitment to funding the design, engineering, and construction of Complete Street projects in high collision corridors (Market Street, El Cajon Boulevard, University Avenue, Euclid Avenue, and Imperial Avenue).

#### *Pedestrian and Cycling Safety Upgrades*

\$3.8 million (as estimate based on unit costs from the 2013 Pedestrian Master Plan and 2013 Bicycle Master Plan) to implement biking and walking safety improvements in several key corridors identified by SANDAG as among the five corridors representing 19% of pedestrian crashes that have occurred over the last 15 years. The focus is on Market Street from 31st Street to I-805 including at least \$915,000 to support curb extensions, high visibility crosswalks, countdown signals, EVPE, road and lane diets, and cycle tracks; Euclid Avenue from Hilltop to Imperial including at least \$1.1 million to support curb extensions, high visibility crosswalks, countdown signals, road and lane diets, and cycle tracks, ADA compliant curb ramps, and Class II bike lanes; and El Cajon Boulevard from 35th Street to 43rd Street including at least \$1.7 million for curb extensions, high visibility crosswalks, countdown signals, pedestrian refuge, and restricted right turn on reds. Curb ramp installation projects surrounding undergrounding activities are also critically needed (including sidewalk and streetscape resurfacing) along 24th Street (G to Imperial) and K Street (19th to 30th Streets).

### Bike Infrastructure

Increasing bicycle ridership throughout the city is an important part of the Climate Action Plan goals. The following items should be considered in development of the FY17 budget:

- Budget for the installation of bicycle infrastructure and signage in conjunction with street overlay and repaving projects and suggest the budget reflect this continuing and expanding effort in FY 2016-2017. Increase staffing to apply for grants to supplement City funding for bicycle infrastructure;
- Prioritize funding for biking and walking infrastructure improvements along Vision Zero corridors, specifically 22nd Street to Euclid Avenue Safety Improvements. Funding of staff time to establish a Market Street Working Group to implement safety improvements conceptualized in Southeastern and Encanto Community Plans, and the Pedestrian Master Plan and associated improvements include curb extensions, high visibility crosswalks, protected bicycle lanes. Approximate cost: \$1.2 million.

### Council District Four Sidewalks: Market Street and Paradise Hills Community

Funding is needed to construct critical pedestrian/public safety needs in Council District Four. The sidewalk on Market Street between Pitta Street and the Malcolm X library should be designed this calendar year. Funding is needed to construct the sidewalk. The current condition puts children as well as their parents at risk. Additionally, for over 25 years, the residents of Paradise Hills, supported by its official Community Planning Group, have been advocating for the installation of sidewalks at 48 various locations. Funding and grant opportunities should be identified to make the community more pedestrian friendly.

Altadena and El Cajon Boulevard

There have been a number of pedestrian collisions at the intersection of Altadena and El Cajon Blvd., many of which go unreported due to fear, language barriers, and other challenges faced by new immigrants who are not comfortable navigating the reporting process. We have been notified that engineering work is currently being completed for this intersection. We would like to see continued funding for staff time and engineering for improvements for the Altadena and El Cajon Blvd intersection.

City Heights Urban Greening Plan

Community members have prioritized the implementation of the City Heights Urban Greening Plan pilot projects listed below. These pilot projects still require engineering before moving toward implementation. As a result, we request that funding is specifically set aside for engineering for these pilot projects, and if possible, funding for construction as well.

- Pilot Project 1: 52nd St. between El Cajon Blvd. & Orange Ave.
- Pilot Project 3: University Ave. between Euclid Ave. & Winona Ave.
- Pilot Project 8 & 9 ALT.1: 43RD St. & Fairmount Ave. between El Cajon Blvd. & University Ave.)
- Pilot Project 10: University Ave. between Swift Ave. to 39th Street

El Cajon Blvd Mobility Study (ECB from 54th -70th)

The request is to develop a comprehensive corridor plan that examines operational improvements addressing multimodal needs along El Cajon Blvd between 54th St. and 73rd St, traversing Mid City and College areas. This type of effort is done in two steps using consultant services. The first step entails developing planning level mobility concepts and the second step entails preparing engineering feasibility study. The administration of the first step falls under the purview of Planning. Given the complexity and coverage of the study area, a high level cost estimate of this planning study is between \$350,000 to \$500,000.

District 8 ADA Upgrades

ADA compliant infrastructure is vital to the wellbeing of our communities. We must ensure that city facilities, sidewalks, and roads are fully accessible in every neighborhood. The following ADA upgrades should be prioritized in District 8:

- Audible Pedestrian signal - New installation: E. San Ysidro Blvd & E. Beyer Blvd.;
- Path of travel: Harbor Drive & 32nd St.;
- Sidewalk, Existing Not accessible: 32nd St. & Main St.;
- Curb Ramp, Missing, Require install: Alaquinas Dr. & Diza Rd.;
- Curb Ramp, Missing, Require install: Sampson Street and Kearney Ave. (Both sides).

Otay Mesa Bus Stop Upgrades on City Property

There are currently a total of 43 bus stops in Otay Mesa, ten stops are in need of City funded capital improvements, such as ADA loading pad and sidewalks in order to receive upgrades such as benches and shelters. The locations below should be prioritized in order to be eligible receive needed upgrades from MTS. Specific locations are as follows: Airway Rd./Dublin Dr., La Media Rd./Airway Rd., Siempre Viva Rd/Paseo De Las Americas, Siempre Viva Rd/Sarnen St., Siempre Viva Rd/Avenida Costa Brava, La Media Rd./Airway Rd., Otay Mesa Rd./Otay Mesa Center, Otay Mesa Rd./Gailes Blvd., Otay Mesa Rd./Cactus Rd., Otay Mesa Rd./Heritage Rd.

49th & Adams Traffic Circle (Talmadge)

Raised delineators and additional traffic calming measures at the 49th & Adams traffic circle to increase pedestrian safety and bring the intersection up to date with the Manual on Uniform Traffic Control Devices. Approximate cost: \$275,000.

## Parks

The Mayor announced in his State of the City address a parks initiative that proposes groundbreaking on fifty new or upgraded parks over the next five years. Below are parks projects that will help achieve that goal:

Accelerate Citywide Park and Recreation Condition Assessment

\$1.5 million to provide full funding to complete the condition assessment at an accelerated pace rather than the scheduled five years. The City must complete this assessment in order to direct investment to under-resourced public parks and help address system-wide needs for park equity throughout our city's neighborhoods.

Chollas Creek Master Plan

Chollas Creek traverses the City Heights, Eastern, Encanto, Southeastern San Diego, and Barrio Logan Communities. Chollas Creek is within communities that are largely underserved and it is time to provide these communities and the San Diego region with a unique regional park that focuses on habitat, nature, trails, passive recreation, culture, history and geography. The proposed Chollas Creek Regional Park proceeds directly from and builds upon the framework of the 2002 Chollas Creek Enhancement Program (CCEP) to develop a multi-use creek trail and continuous greenbelts throughout the Chollas Creek Watershed.

In November 2015 the Park and Recreation Board Unanimously voted to accept the Chollas Creek Regional Park Designation Feasibility Study and recommended updating and expanding the 2002 Chollas Creek Enhancement Program. The next step would involve the preparation of a Master Plan to be developed under the direction of the City of San Diego Planning Department. The total cost of the Master Plan is estimated to be \$1.0 million based on the costs of the San Diego River Park Master Plan/CEQA document. However, Park Planning staff reports that the Master Plan could be funded in phases over a three year time period.

Southcrest Park Security Lights

Park security lights are requested for Southcrest Park. The park is in a high crime neighborhood and has large sections of unlit areas. Additional lighting has been requested by the Recreation Council and Park and Recreation staff for a number of years. The goal of the lights is to increase safety for community members at the park. Approximate cost: \$200,000 to \$500,000.

San Ysidro Senior Center

The center needs significant improvements, including a kitchen remodel, furniture, new floors, base boards, windows, and re-pavement of parking lot.

Bay Terraces Community Park ("Tooma Park") Senior Center/Recreation Building

The Bay Terraces community has been promised a Senior Center/Recreation Building at Tooma Park for over 25 years. In the 1990s, the City laid the concrete foundation, but the project has since been stalled. Staff has estimated that the cost to construct the facility totals approximately \$2.1 million.

Martin Luther King, Jr. Recreation Center Facility Improvements

The flooding of the racquetball courts, administrative offices, and gymnasium has been an ongoing issue at the MLK, Jr. Recreation Center. A permanent fix is necessary to have the sidewalk and soil removed next to the building and the foundation wall properly sealed with a drain line installed. This type of repair is estimated to be \$200,000 to \$300,000.

Marie Widman Memorial Park Public Safety Redesign and Enhancements

Reconfiguration of the park is needed to enhance public safety. Marie Widman Memorial Park has been the site of several violent crimes/murders in recent years. Enhancements to park amenities can increase park usage and activity, thereby deterring crime.

Clay Park Neighborhood Park (CD9)

\$674,852 in matching funds is requested for improvements to Clay Park. The CentrepoinTE/Blvd 63 litigation settlement included \$150,000 for Clay Park. The Rolando Community Council has put together a list of improvements that exceed \$150,000. The list includes: entryway improvements (\$59,028), linear improvements (\$226,222), native plant area (\$12,751), tot lot shade (\$250,000), upgrades (benches, trash cans, bike racks, trees) (\$24,695), perimeter path (\$102,156).

Tubman Charter School Joint Use Park, CIP S-13000

\$2.7 million should be identified to build a new neighborhood park on an approximately 1.72 acre site shared with the San Diego City School District at 6880 Mohawk Street in the College Area community. This park is in a community that is severely park deficient. The park would potentially provide play fields, and other active areas, and landscaping. A General Development Plan of the park has been completed.

San Ysidro Skate Park

Initiation of planning and design for a skate park at the City-owned property on the southwest corner of the intersection of Beyer Blvd. and Beyer Way adjacent to 325 Mesa Ave. The City's Public Works department should begin planning and design to determine the funding and time needed to construct a skateboard park on this property. Approximate cost: \$100,000.

Beyer Park GDP

To move forward with this CIP, the General Development Plan must be updated. This project would create a 12.6 acre community park serving the San Ysidro and Otay Mesa communities. Approximate cost: \$300,000.

Grant Hill Park

Grant Hill community is a hidden jewel in northern Council District 8, with spectacular views. After years of no maintenance and due to erosion, the park needs a retaining wall and landscape on the west side (on J Street side), new grass, sitting benches, barbecue pits for residents to use the park more. Approximate cost: \$750,000.

Island Avenue Pocket Park

This park was first created for toddlers. No upgrades have been performed here for several years. After receiving feedback from students and parents in surrounding schools on what their vision is for this park, community volunteers are currently working on submitting design plans

for Planning Department consideration. Funding would include ADA compliance and leveling the ground where park is located. Approximate cost: \$200,000.

#### Clay Park Pocket Park (CD8)

This is a pocket park in a residential area. Park use would increase if more amenities were available. Amenities needed: ADA upgrades, benches, barbecue grills, night lighting, synthetic grass and upgraded playground equipment. Approximate cost: \$100,000.

#### Memorial Recreation Center/School Master Planning

In order to revitalize the Memorial Recreation Center and School site, a master plan must be created. Retention of a consultant to create the master plan could be a shared cost between the City and the San Diego Unified School District.

#### Memorial Park and Recreation Center staffing

Additional supervision is needed for those using the facilities and programs at the Memorial Recreation Center and Park. Approximate cost: \$40,000.

#### Additional Grounds Maintenance for City Heights and Encanto Area Parks

Additional Grounds Maintenance Worker II positions are requested for City Heights and Encanto area parks. Approximate cost: \$70,600 per FTE

#### Sherman Heights Community Center

Playground equipment: This is the only community center in northern Council District 8. It previously had a playground, but with time the condition of the playground equipment deteriorated. The last piece of playground equipment was removed a couple of years ago. Approximate cost: \$70,000.

#### Year-Round Pool Hours

City pools should be run year-round, as many youth, adult and senior programs operate on a year-round basis. Previous service levels were reduced due to budgetary concerns and should be reversed to ensure that city pools are only close for one month of the year for maintenance purposes. Approximate cost: \$640,000

#### Temporary Pool Program

This hugely successful program provides access to pools during hot summer months to communities that do not have the benefit of a pool facility at their local recreation center. The cost of this program is low, while the positive impact on pool users is very high. The following locations recreation center locations should be funded for a temporary pool in FY17: Robert Egger, Linda Vista, Montgomery Waller, San Ysidro, Encanto, Skyline Hills, Southcrest. Approximate cost: \$52,500 (\$7,500 per location).

### **Operational Needs**

While Public Safety and Infrastructure needs remain the twin areas of focus for our districts, there are significant citywide operational needs that should be accounted for in the FY16 Mid-Year and FY17 budget. The priorities listed below will benefit all City residents, and many of them have particular impact for the communities we serve.

Library Ordinance

The Library Appropriation Ordinance requires that the Library Department budget equal six percent of the General Fund's budget each fiscal year. The anticipated budget for the library for FY17 is \$49.3 million, which is approximately \$29.3 million short of compliance with the Ordinance. In order to strive to achieve compliance with the Ordinance, we request an increased allocation to the Library Department budget beginning with the following items:

*Library Programs*

Many library programs are funded via donations, which can vary year-to-year. Creation of a programming budget for the City's branch libraries would allow programs to be consistent year to year and relatively equal across all branch libraries. Approximate cost: \$500,000.

*Library Hours*

Increase library hours for an additional 4 hours per week at the Central Library and 8 hours per week at 22 branches and 9.5 hours per week at 13 branches. The Library Foundation has indicated that this would carry an approximate cost of \$5.7 million.

Penny for the Arts

Currently, the Mayor's 5-year Outlook shows 6.44% of projected TOT revenue budgeted to support the Penny for the Arts Blueprint, falling short of the Blueprint's stated 9.5% goal for FY17. This means that for the next five years, Arts and Culture funding will continue to be millions of dollars short of the Blueprint's commitment. Fully funding the Penny for the Arts program for FY17 is critical to the continued growth of our arts and culture programs across the City. Approximate cost: \$6.4 million.

Fiber Optic Network Feasibility Study

Reliable high speed internet access is a critical for large metropolitan areas to invest in in order to attract new and retain current industries to the region and to enhance educational facilities throughout the city. The City should initiate a feasibility study to analyze potential financial models and partnership structures to provide a fiber optic network in San Diego that protects the financial interests of the city and its residents and helps ameliorate the digital divide in low income neighborhoods. Approximate cost: \$50,000.

Equal Opportunity Contracting (EOC) Improvements/City of San Diego Disparity Study

The City's EOC Program is intended to ensure diversity and to safeguard against discrimination in City contracts. Its purpose is to ensure fairness in the expenditure of taxpayer dollars. In order for the City to improve its EOC program goals and in order to adopt a race or gender-conscious preference program to remedy any perceived discrimination, the City must first commission a disparity study specific to the San Diego marketplace. We request that this study be funded in FY17. Approximate cost: \$1 million (can be phased over a two-year period).

Small Business Bonding Assistance Program

Resources should be identified to establish a Small Business Bonding Assistance Program similar to one in place at the San Diego County Regional Airport Authority and across California, as a supplement to the City's existing SLBE/ELBE program, and as an alternative to addressing the bonding needs of small construction firms. One major barrier to SLBEs from competing successfully in public works bidding is the challenge of being bonded. A Small

Business Bonding Assistance Program would greatly enhance the opportunities of small and emerging local construction businesses in the City.

Small Business Bonding Assistance Programs have existed in California for almost two decades. Currently San Francisco, Oakland, and Los Angeles all have active programs which have shown great benefits. The Bonding Programs these cities have adopted increase the pool of businesses that have the capacity to bid and be awarded municipal contracts. This makes the field more competitive and results in cost savings for the City.

By adopting this program, other cities in California have benefitted from expanding the existing pool of bondable contractors, thereby increasing competition and reducing costs.

#### Youth Services/Youth Workforce Development/Connect2Careers (C2C) Program Expansion

C2C/San Diego Workforce Partnership provides work readiness, job matching, and job placement for 16-24 year-olds in San Diego. The program has grown from placing 202 youth in 2013, 334 in 2014, and 447 in 2015. With a strong team, deep community connections, best-in class web-portal and IT solution, we have the foundation needed to dramatically expand the program in FY17 to rival youth employment programs in other large cities.

We request that \$750,000 be allocated to the Workforce Partnership to expand the C2C program. This costs includes a budget for 7 staff (one manager, 3 job developers, and 3 trainers) and 10 paid C2C interns that provide one-to-one job coaching to youth enrolled in the program, as well as IT system support, communications supplies and costs, and event supplies and costs.

#### Climate Action Plan (CAP) Implementation

The implementation of the City's Climate Action Plan is critical to ensuring that the goals outlined in the plan are achieved. As such it is critical that the FY17 budget fully fund the implementation efforts needed for Phase I and preparations for Phase II goals. Below are a few critical items that should be considered for FY17 funding in addition to funding identified in the Mayor's implementation plan expected for release by April 1, 2016:

- *Social Equity Compliance:* An important part of CAP implementation is ensuring social equity is monitored and protected in each goal. Consideration of a new staff position, or enhancement of a current staff position to ensure compliance is critical.
- *Community Choice Aggregation:* Sufficient funding to conduct a study that will allow the City to explore and potentially implement a CCA in Phase II of the Climate Action Plan. Partial funding was allocated in FY14, but additional funding is required to move forward. Approximate cost: \$200,000.

#### Urban Forest

A critical part of the Climate Action Plan is growing the City's urban forest. Trees make vital contributions to livable neighborhoods, resilient and prosperous communities, environmental quality, and public health as they sequester carbon, reduce energy use, and make neighborhoods cooler and more walkable. As such it is important that the city increase resources to plant and maintain trees throughout the city. The following FY17 budget allocations are vital to meeting the CAP goals related to growing our urban forest:

- Restore the "tree warden" position for code compliance and citizen complaints: \$100,000;

- Plant 2,000 additional trees in FY 2017, with funding of \$1,000,000. This would allocate enough resources for the initial planting and three years of watering, monitoring and pruning;
- For Capital Improvement Projects funded in FY 2017, incorporate trees as a street element (just as pavement, signage) not an amenity. This includes sidewalk replacements, street improvements, and new and upgraded Parks in the Mayor's initiative announced last evening.

#### Council Administration

Funding to replace chairs for public meeting spaces in the City Administration Building and additional positions for reception and administrative support are important to ensure the Council provides the public with adequate accommodations and services while visiting City Hall.

- \$5,193 for one Clerical Assistant II position is requested to assist Council Administration with reception coverage when necessary during the year due to various absences. The methodology used is based on 30 days of coverage;
- \$7,866 for one management intern is requested to assist with various research assignments and other administrative support for Council Administration. The methodology is based on 20 hours per pay period;
- \$20,000 for the purchase of conference room chairs for CAB 3 A and C and CAB 12, old closed session room.

#### Use of Redevelopment Property Tax Trust Fund (RPTTF) to Ensure Economic Revitalization and Job Creation

The IBA's December 8, 2015 report of the Five-Year Outlook noted that the adjusted residual RPTTF revenue over the next five years increases from \$9.3M to \$23.7M, for a total of \$107.5M. The \$9.3M in RPTTF anticipated in FY17 should be used to fund CIP projects in the economically disadvantaged areas previously designated as redevelopment areas. Using this revenue going forward to invest in San Diego's economically disadvantaged communities, as originally intended allows areas in the greatest need of economic investment an opportunity to attract new commercial activity, which in turn creates new jobs and greater tax revenue for the City's general fund. We would request allocation of this funding towards CIP projects or incentive programs that impact economically disadvantaged areas in your FY17 budget and beyond. The prioritized investment of these RPTTF funds is intended to supplement, not replace, funding identified in the Mayor's Five-Year Outlook.

#### Community Development Block Grant (CDBG) Program

SB 107, approved in 2015, provides substantial reform of the redevelopment wind-down process and ensures that San Diego will properly receive CDBG repayment/recovery of nearly \$240 million. The City should ensure that funds are reinvested in San Diego's economically disadvantaged communities in the form of infrastructure investment, job creation and economic development.

This memo reflects our top priorities and will serve as the basis for our support of the upcoming budget. We will only support a budget that is equitable, responsive and one that strives to continually identify and seize opportunities to improve the quality of life in all communities.



City of San Diego  
**MARK KERSEY**  
 CITY COUNCILMAN, FIFTH DISTRICT

## MEMORANDUM

**DATE:** January 15, 2016

**TO:** Andrea Tevlin, Independent Budget Analyst

**FROM:** Councilman Mark Kersey

**RE:** Fiscal Year 2017 Budget Priorities

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This is in response to Budget and Government Efficiency Committee Chair Todd Gloria's January 4, 2016 memorandum requesting Councilmember input in the development of the Fiscal Year 2017 Budget. As San Diego's trend of economic growth continues, restoring services to neighborhoods and addressing the infrastructure backlog to rebuild San Diego should be top priorities. I applaud Mayor Faulconer's commitment to dedicating 50% of new major revenues to infrastructure and encourage a continued commitment to identifying needs while chipping away at the backlog. To the extent that revenues are available, I respectfully put forward the following items, in no particular order, for consideration in the Fiscal Year 2017 Budget.

**Rebuild San Diego.** The City of San Diego faces over \$1.3 billion in deferred maintenance over the next five years. While the Council is making progress through historic investment and the development of the City's first-ever Multi-Year Capital Improvement Plan, it will take the continued diligence of the Council to make our neighborhoods whole.

- **Increase Traffic Signal Optimization.** (\$400,000) Traffic congestion is a source of frustration for San Diegans across all districts. By using technology to make traffic flow more efficiently, the City will save citizens time, reduce the amount of fuel wasted by idling cars, and live up to our reputation as one of the world's "Smart Cities." I recommend continued investment in traffic signal optimization of major thoroughfares, beginning with corridors that have pre-existing fiber optic cables to accommodate smart signals.
- **Bring Neighborhood Parks into ADA Compliance.** (\$1,000,000) In order to provide a safe play environment for all children, our parks must be brought up to current Americans with Disabilities Act (ADA) standards. Once this important work is complete,

the City can and should prioritize upgrade or replacement of aging playground equipment.

- Restore Transportation in the San Pasqual Valley.** (\$3,000,000) The San Pasqual Valley is home to the City's last remaining dairy farm, a highly-used hiking trail system, and the San Diego Zoo Safari Park. Ysabel Creek Road is the main thoroughfare between Bandy Canyon Road, where farmers package their products, and San Pasqual Valley Road, where the Zoo Safari Park and the Archaeological Society are located. However, severe storms have moved much of the asphalt off Ysabel Creek Road, leaving the road dangerous and inconsistent with the City's Street Design Manual. In order to avoid road hazards, people drive off the loosely-defined path onto watershed property, potentially affecting water quality. Access is insufficient for local farmers and could prevent timely evacuation from the valley in the event of a wildfire. I request funding for an engineering analysis to determine options for restoring Ysabel Creek Road and development of a CIP to begin restoring transportation access to the community. I further request an overlay of the entire length of San Pasqual Valley Road within City limits.
- Increase Access to Lake Hodges and the Coast to Crest Trail.** (\$100,000) Lake Hodges is a world-class windsurfing location and the only inland reservoir in the County to allow windsurfing. In 2014, the City reinstated windsurfing there after 10 years of being closed due to construction on a nearby pump station. However, since its reopening, windsurfing use has been limited due to lake access and parking issues. Hundreds of local windsurfers have plead that the parking lot on the west side of Lake Hodges be reopened to provide easier access to the water's edge and the lake's most prominent wind section. In addition, reopening this lot would provide more access to the Coast to Crest Trail that borders the lake in this area. Parks and Recreation has determined that in order to reopen the existing parking lot, ADA improvements need to be made. This funding would improve the access road leading to the parking lot as well as complete required improvements to the lot itself.
- Implement Vision Zero.** In 2015, San Diego joined other big cities around the world in a commitment to improving the safety of pedestrians and cyclists on our roadways. Design and construction of Complete Street projects in high collision corridors is a priority for both mobility and public safety. Where possible, these projects should be combined with other types of roadwork that are already planned.
- Continue the Momentum from El Niño.** Due to our focus on street repairs and repaving, the City has fared remarkably well during recent El Niño storms. It is critical that we sustain this momentum, even after current El Niño conditions end. This effort should include clearing storm channels and repairing and replacing storm drains.

**Improve Public Safety.** One of a City's primary responsibilities is to protect the life and property of citizens. In order to fulfill this role, the City must provide our first responders with the manpower and equipment they need, while addressing challenges creatively.

- Improve Fire-Rescue Response Times in Northeastern San Diego.** (\$600,000) The rural community of San Pasqual would greatly benefit from a Fast Response Squad or a dedicated ambulance. A majority of calls in this area are for medical aid at the San Diego

Zoo Safari Park and minor car accidents that do not require a full engine company. The Valley is currently served by Fire Station 33 in Rancho Bernardo. When there is no traffic, Engine 33 can get to the Zoo Safari Park in 15 minutes, far exceeding national response time standards. While Engine 33 is out on a 30-minute minimum call to the San Pasqual Valley, Rancho Bernardo residents are left waiting for life-saving services from Carmel Mountain Ranch or Rancho Peñasquitos. Placing a Fast Response Squad or dedicated ambulance unit at the Zoo Safari Park can relieve the stress on the first responder system in northeastern San Diego and keep residents and tourists safe while visiting this world-renowned destination.

- **Increase the Number of SDPD PISOs.** (\$647,000) Police Investigative Service Officers (PISOs) perform a range of services that support sworn police officers. The addition of nine PISOs would be a step toward restoring San Diego Police Department service areas adversely impacted by budget reductions during the recession.
- **Reduce Wait Times for Non-Emergency Calls to SDPD.** (\$5,000,000) The wait time for non-emergency calls to the San Diego Police Department can be as long as 40 minutes or more. In order to continue meeting the goals of the SDPD Five-Year Plan and achieve acceptable wait times for non-emergency calls, I request the addition of seventy-four dispatchers to the Department.
- **Convert South University City FRS to a Temporary Station.** (\$2,000,000) South University City Fast Response Squad is currently staffed with a two-man unit in a “mini fire engine” for 12 hours per day. Until the planned fire station is complete, staff and equipment should be increased to be consistent with a temporary fire station that operates around the clock.

**Increase Government Transparency and Efficiency through Open Data Enhancements.**

(\$170,000) An open, efficient, and accessible government is critical to gaining and maintaining the public’s trust. To that end, the City should continue to build on the progress of our Open Data Program. The Chief Data Officer and Data Visualizer need additional support to ensure that the data generated is analyzed and leveraged to streamline operations and track performance, and to get more data into the public’s hands. To enhance the deployment of open data and build out the analytics program which utilizes that data, I request the addition of two Program Coordinators.

**Improve Customer Service Through 311.** (\$2,000,000) The City is in the process of designing an integrated 311-style customer service program, as recommended in the City Auditor’s March 2015 *Performance Audit of the City’s Public Right-of-Way Maintenance Activities*. This program has the potential to not only enhance the customer service experience, but also streamline operations, reduce unnecessary calls to 911, and support open data efforts. Based on the start-up costs for Chicago, Houston, and Philadelphia, the auditor estimates that City’s implementation costs for a comparable 311 program will be between \$2.3 million and \$5.8 million over three years, with ongoing costs likely to be \$3 million to \$5 million per year. The Fiscal Year 2017 Budget should identify one-time resources of at least \$2 million to procure a CRM system and perform other technology upgrades, with additional consideration at Mid-Year when a more precise project cost may be available.



**COUNCILMEMBER CHRIS CATE  
CITY OF SAN DIEGO  
SIXTH DISTRICT**

**MEMORANDUM**

**DATE:** January 15, 2016  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember Chris Cate  
**SUBJECT:** Fiscal Year 2017 Budget Priority Memo

I appreciate the opportunity to share my budget priorities for Fiscal Year 2017 (FY17). I look forward to working collaboratively to address the City's most pressing issues and challenges.

The following are my priorities for FY17:

**Public Safety:**

- In 2015, several instances of unmanned aerial vehicles were reported (UAV) interfering with public safety officials' ability to respond to emergency situations. Funding for drone tracking technology should be identified to allow first responders to safely address illegal drone operations.
- Automated External Defibrillators (AED) are an asset to first responders. Funds should be allocated to support the procurement of 111 AED's for the Northern and Eastern Divisions of the San Diego Police Department (SDPD). (\$166,600)
- Reports show that wait times for non-emergency calls have risen to 30-40 minutes. Funding should be provided to continue meeting the goals of the SDPD Five-Year Plan by hiring seventy-four (74) dispatchers. (\$4,973,244)
- Police Investigative Service Officers (PISO) play an essential role in performing critical services that support and assist in the public safety work of sworn police officers. While the supportive services they provide are many, there are not enough PISO's on staff, with just fourteen currently working within SDPD. Sufficient funding to support the hiring of nine (9) full time positions should be provided. (\$646,425)
- Funding for floodgates should be identified to allow SDPD and other first responders to safely close flooded streets during heavy rains. This infrastructure can be implemented effectively to manage traffic while alleviating the need to establish barricades, freeing up first responders to address to other emergency situations. (\$50,000)

- The recruitment and retention of SDPD officers continues to be a top priority for the City of San Diego. Given the hourglass police force, the City should evaluate how to better recruit experienced police officers from other departments to ensure an experience gap is avoided.
- Funding should be allocated for additional staff for the South University City FAST response squad to convert it to a temporary fire station that is staffed 24/7. (\$2,000,000)

### **Neighborhood Services:**

#### **Libraries:**

- STEM education and curriculum are vital to ensure San Diego is developing a prepared workforce for the next generation. Fund a STEM-related interactive curriculum at the Mira Mesa Library. (\$3,500)

#### **Planning:**

- Community plan updates are critical to neighborhood identity and character while also providing certainty to San Diego's development process. Allocate the necessary resources and staff to initiate an update to the Mira Mesa Community Plan. (\$200,000)

#### **Economic Development:**

- Through its Connect 2 Careers program, the Workforce Partnership provides work readiness, job matching and job placement for San Diego's next generation of workers. Identify funding to support the Connect 2 Careers internship initiative that seeks to support 3,000 internship placements, with 1,000 hosted by the City of San Diego. (\$1,590,000)
- The City's Economic Development Department provides numerous programs and services of high value to San Diego's small business community and intends to expand its outreach efforts this year. Funding should be identified to support the addition of one (1) Community Development Specialist 2 and creation of an interactive, online business portal hosted by the City's website.
  - One Community Development Specialist 2: (\$88,737)
  - Online Business Portal: (\$200,000)

#### **Constituent Services:**

- Open Data is an effective tool that will create a municipal government that is more transparent and accessible to the public. The funding of two (2) Program Coordinators would allow Performance & Analytics Department to better automate the transferring of data sets, releasing data sooner and drive efficiencies. (\$170,000)
- The City is in the process of designing an integrated 311-style customer program, as recommended by the City Auditor's March 2015 Performance Audit of the City's Public Right-of-Way Maintenance Activities. The Fiscal Year 2017 Budget should identify one-time resources to procure a Customer Relationship Management system and perform other technology upgrades. (\$2,000,000)

### **Infrastructure:**

#### **Parks and Recreation Centers:**

- Olive Grove Community Park is an open Capital Improvement Project (CIP) in vital need of American with Disabilities Act (ADA) improvements to the existing comfort station, enhancements to the existing children's play areas, and upgrades to the

associated paths of travel. Funding should be provided for the design, project approvals and construction. (\$500,000)

- The safety of residents who visit City parks is paramount. Funding should be identified for the installation of new pour-in-place fall mats for the playground at North Clairemont Rec Center. (\$65,000)
- The facilities at the North Clairemont Recreation Center provide many community members the opportunity to experience a wide variety of sports-related activities. After much wear and tear, the basketball and tennis courts at the Recreation Center are in need of resurfacing. (\$233,000)
- Given the high volume of patrons visiting the North Clairemont Recreation Center, the parking lot is in need of resurfacing. (\$10,000)
- Funding should be allocated for replacement trees at the North Clairemont Recreation Center that were recently lost due to the drought. (\$7,500)
- Shade structures provide an enhanced park experience for patrons of all ages and demographics. Funding should be allocated for the design, project approvals, and construction of shade structures for Gershwin Park tot lot, Mesa Verde Neighborhood Park, Mesa Viking Park and Hourglass Community Park. (\$100,000 per structure)
- Adequate ventilation and circulation at the Canyonside Recreation Center gym is much-needed. A CIP should be established to install an air conditioning system to serve local patrons. (\$300,000)

#### **Libraries:**

- As a designated City of San Diego “cool zone,” the current HVAC ventilation system at the Mira Mesa Library is inadequate. The system needs to be replaced and ducts sanitized and cleaned. (\$188,000)
- The necessary funding should be allocated to repaint and restripe the parking lot of the Mira Mesa Branch Library. (\$2,780)
- The necessary funding should be allocated to resurface the parking lot of the Balboa Branch Library. (\$27,000)
- Funding should identified to replace the existing carpet at the Balboa Branch Library. (\$12,000)
- The necessary funds should be allocated to the North Clairemont Branch Library to replace the circulation and information desk. (\$40,000)
- The necessary funding should be allocated to resurface the parking lot of the North Clairemont Branch Library. (\$30,000)

#### **Public Right-of-Way Improvements:**

- Adequate drainage of stormwater runoff during this critical El Niño period should be prioritized. A CIP should be established to enhance the center median and storm drain infrastructure on Genesee Avenue between Leher Drive and SR-52.
- The existing sidewalk infrastructure on the east side of Genesee Avenue, between Mt. Herbert and Sauk Avenue, is currently lacking an adequate, accessible, and safe accommodation for pedestrians. A CIP should be established to commence the design phase of improving this asset.
- Given the anticipated heavy rain fall expected this winter, the City should continue its diligent efforts to maintain stormwater channels at serviceable levels in order to ensure

the public's safety. Increasing the annual maintenance from 2-3 channels to 5-6 is a proactive measure that will help insulate the City from costly litigation and large-scale cleanups.

### **Street Lights:**

- Many older San Diego neighborhoods are in need of additional street light infrastructure to ensure traffic visibility and bolster the safety of residents and pedestrians. The following locations have been identified as priority areas by the community, Streets Division, and SDPD:
  - Mt. Acadia Blvd between Mt. Alifan and Mt. Blanco
    - Add a street light mid-way
      - (\$18,000)
  - Carroll Way
    - Between Trade Street and Carroll Road
      - Specific number is TBD
  - Avenida del Gato south of Los Sabalos Street 449'
    - East side streetlight
      - (\$18,000)
  - Allocate funding for six (6) street lights on the 4100 block of Mt. Alifan
    - Mt. Alifan Drive east of Genesee Avenue 205', south side
      - (\$18,000)
    - Mt. Alifan Drive east of Genesee Avenue 545', south side
      - (\$18,000)
    - Mt. Alifan Drive east of Genesee Avenue 815', south side
      - (\$18,000)
    - Mt. Alifan Drive east of Mt Aguilar Drive 165', north side
      - (\$18,000)
    - Mt. Alifan Drive east of Mt Aguilar Drive 330', north side
      - (\$18,000)
    - Mt. Alifan Drive east of Mt Aguilar Drive 495', north side
      - (\$18,000)

### **Street Resurfacing:**

- As the City strives to reach the Mayor's goal of resurfacing 1,000 miles of roads by 2020, the following streets should be considered in conjunction with future group jobs and in accordance with the current street evaluation criteria:
  - Parkdale Avenue northbound to Mira Mesa Blvd., OCI-27
  - Gold Coast Drive eastbound from Camino Ruiz to Black Mt. Road, OCI-26
  - Pegasus Avenue northbound from Gemini Avenue to Polaris Drive, OCI-29
  - Miramar Road from Black Mt. Road to Eastgate Mall, OCI-34.33
  - Clairemont Mesa Blvd. from Clairemont Drive to I-805, OCI-16.92
  - SE Genesee Avenue between Mt. Alifan Drive and Marlesta Drive, OCI-46.13
  - Chateau Drive from Mt. Abernathy and Genesee, OCI-17.03
  - Balboa Arms Drive between Derrick Drive and Mt. Abernathy, OCI-55
  - Mt. Hubbard Avenue, OCI-27.57
  - Mt. Henry from Mt. Gaywas Drive to Mt. Hubbard, OCI-27.57

- Marbury Street, OCI-11.92
- Canis Lane from Libra Drive to Bootes Street (No OCI since 2002)

### **Traffic Control:**

- **Traffic Signals**

- Traffic Signal Optimization has demonstrated a reduction in travel time by over 20 percent. The City should continue identifying additional strategic locations that seek to benefit from this technology, including Friars Road in Fashion Valley, the entirety of Mira Mesa Blvd., Miramar Road, Kearny Villa Road, Clairemont Mesa Blvd. and Balboa Avenue.
- The Transportation and Stormwater Department's Traffic Signal Communications Master Plan is a significant effort to upgrade the City's traffic signal technology as a means to improve traffic flow, pedestrian and vehicle safety, and reduce greenhouse gas emissions. The following traffic signals have been identified as in need of replacement in order to be compatible with the new communications technology.
  - Aquarius Drive & Camino Ruiz
    - (\$275,000)
  - Carroll Canyon Road & Carroll Road
    - (\$275,000)
  - Chippewa Court & Clairemont Drive
    - (\$275,000)
  - Calle Fortunada (North) & Ruffin Road
    - (\$275,000)
  - Park Village Road & Spindletop Road
    - (\$275,000)
  - Clairemont Mesa Blvd. & Pocahontas Avenue
    - (\$275,000)
  - Carroll Road & Nancy Ridge Drive
    - (\$275,000)
  - Copley Drive/Ruffner Street & Copley Park Place
    - (\$275,000)
  - Camino del Sur & Carmel Mt. Road
    - (\$275,000)
  - Balboa Avenue & Ruffner Street
    - (\$275,000)

- **Crosswalks:**

- Lighted crosswalks and Rectangular Rapid Flashing Beacons (RRFB) are cost-effective traffic improvements that improve pedestrian safety and maintain traffic flow while avoiding unnecessary traffic signal installations. The following locations have been identified by the community and City staff as appropriate designations for these improvements:
  - Cowley Way n/o Field Street - Flashing Crosswalk Replacement
    - This project will replace the existing flashing crosswalk with a more modern version. The existing flashing crosswalk is not maintainable because the parts are no longer available.

- (\$110,000)
  - Eckstrom Avenue and Balboa Avenue - RRFB
    - This project will install an RRFB on Eckstrom Avenue.
    - (\$10,000)
- **V-Calm Signs:**
  - V-Calm Signs are highly effective traffic calming assets that directly result in the improvement of safety and travel conditions for both motorists and pedestrians. The following locations have been identified as unfunded needs by the Traffic Engineering Operations Division:
    - Balboa Avenue - Clairemont Drive to Mt. Culebra Avenue
      - This project will install two (2) electronic V-Calm signs on Balboa Avenue between Clairemont Drive and Mount Culebra Avenue.
      - (\$30,000)
    - Balboa Arms Drive - Derrick Drive to Mt. Abernathy Avenue
      - This project will install one (1) electronic V-Calm sign on Balboa Arms Drive between Derrick Drive and Mt. Abernathy Avenue.
      - (\$15,000)
    - Diane Avenue - Mt. Cresti Drive to Mt. Cervin Drive
      - This project will install two (2) electronic V-Calm signs in both directions of Diane Avenue between Mt. Cresti Drive and Mount Cervin Drive.
      - (\$30,000)
    - Mt. Herbert Avenue - Mt. Laudo Drive to Mt. Etna Drive
      - This project will install one (1) electronic V-Calm sign on Mt. Herbert Avenue between Mt. Laudo Drive and Mt. Etna.
      - (\$15,000)
    - Mt. Everest Boulevard - Mt. Etna Drive to Mt. Casa Drive
      - This project will install one (1) electronic V-Calm sign on Mt. Everest Boulevard facing southbound traffic between Mt. Etna Drive and Mt. Casa Drive
      - (\$15,000)
    - Mt. Acadia Boulevard - Mt. Alifan Drive to Acworth Avenue
      - This project will install one (1) electronic V-Calm sign on Mt. Acadia Boulevard between Mt. Alifan Drive and Acworth Avenue.
      - (\$15,000)
    - Mt. Aguilar Drive - Mt. Ainsworth Avenue to Mt. Abraham Avenue
      - This project will install two (2) electronic V-calm signs on Mt. Aguilar Drive between Mt. Ainsworth Avenue and Mt. Abraham Avenue. One sign in each direction.
      - (\$30,000)
    - Black Mt. Road - Gold Coast Drive to Carroll Canyon Road
      - This project will install one (1) electronic V-Calm sign on Black Mountain Road between Gold Coast Drive and Carroll Canyon Road.

- (\$15,000)
- Calle Cristobal - Near Frames Port Place
  - This project will install one (1) Electronic V-Calm sign facing the westbound direction of Calle Cristobal near Frames Port Place.
    - (\$15,000)

CC:ic



City of San Diego  
Councilmember Scott Sherman  
Seventh District

## MEMORANDUM

DATE: January 15, 2016  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Scott Sherman  
RE: FY17 Budget Priorities

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In response to your memo dated January 4, 2016, the following are my priorities for the upcoming fiscal year.

### **Linda Vista**

#### Morley Green Mini-ADA Park (\$1,250,000\*) cost in FY13

This project has been a top priority for the Linda Vista community for over a decade. Morley Green is centrally located in Linda Vista with a large number of families overlooking the space. Using a ¼ mile radius from the center of the park as the service area, it is estimated that 91% (4,119) of the 4,527 residents who will use the park are in the Low to Moderate Income bracket. The parks adjacent census tracts (86 & 88) have populations of under 18 year olds of 31.8% and 38.7% respectively, the city average is 24%. The average household size for these two census tracts is 3.67 and 3.47, the county average is 2.73. The two closest parks to these census tracts do not contain any equipment or facilities that cater to young children nor are they ADA accessible.

In the last year of redevelopment CCDC requested \$600,000 of CDBG funds to match their \$644,000 to complete the park but was denied funding. Historically, Linda Vista has received almost no redevelopment funding. On average the Linda Vista development project area receives less than \$100,000 annually while the North Park and City Heights redevelopment project areas received \$5.6M and \$8.5M respectively.

Finally after years of redevelopment wind down, the DOF has relinquished control of the land to the City in October of 2015. The residents of Linda Vista are in great need of increasing total park acreage and Morley Green is an ideal site to begin the expansion of park land in this community.

#### Linda Vista Elementary Joint Use (\$350,000)

The community of Linda Vista has limited available space for a park. A joint use agreement with Linda Vista Elementary is the best option to increase park land in the community. Linda Vista

Elementary has 2.6 acres available for joint use space, with the option for baseball or soccer fields. Adding 2.6 acres of park space is vital to recreation needs of the Linda Vista community.

### **Mission Valley**

#### **Traffic Signal Optimization (\$400,000)**

As one of the Discovery Channels “High-Tech Cities,” we should work to incorporate traffic signal optimization technology into our streets with the highest volume of traffic and major thoroughfares. Adaptive traffic signal control systems have been found to improve efficiency by up to 20% and have been recently recognized by the State to have positive climate benefits as a result of the reduction of idling of cars. The installation of three signals and an adaptive traffic signal control system along Friars Road in Fashion Valley would greatly improve the flow of traffic through this heavily congested corridor. This site along Friars Road has pre-existing fiber optic cables, a necessary infrastructure requirement for these smart signals, making this corridor an ideal candidate for this pilot program.

#### **Camino De La Reina - Lighting Under 163 Freeway Tunnel (\$80,000)**

Camino De La Reina has a pedestrian tunnel on its north side that is completely walled off from the street as it travels under the 163. Residents who live in the large apartment complexes directly to the east of this tunnel are concerned that with the lack of lighting in this tunnel both during the day and at night invites a large population of homeless into the area. The installation of permanent lighting fixtures in this pedestrian tunnel will encourage residents in the area to feel safe and improve the walkability of the Fashion Valley neighborhood.

### **Navajo**

#### **San Carlos Library (\$20,598,000) – CIP 35-088.0**

The San Carlos Branch Library has been a community staple for the last forty years. Initially planned as the flagship branch for the surrounding neighborhoods, the San Carlos Library has been in planning stages for a new library for almost twenty years. The DC-3 bond identified \$1 million in FY 2015 to finalize the design documents for the new San Carlos Library which will complete the last steps in preparation for construction. A financing plan needs to be put into place setting funding aside on an annual basis to build the San Carlos library residents have been patiently waiting for.

#### **Resurface of the lower parking lot of the San Carlos Recreation Center (\$18,000)**

The lower parking lot of the San Carlos Recreation Center serves as the primary parking area for those residents who wish to use the fields. With the number of teams using the fields, both youth and adult, the parking lot is consistently full. The resurfacing of the lot would alleviate the traffic concerns which arise from cars swerving to avoid pot holes and large cracks caused by tree roots and heavy use in an already congested parking lot.

#### **Resurfacing of the Allied Gardens Library parking lot (\$39,742)**

The Allied Gardens Library sees a number of visitors each month and serves residents from throughout the surrounding area. The current condition of the Allied Gardens Library parking lot has deteriorated to a level which is no longer serviceable for the number of visitors who use this parking lot. This project would ensure the administrators of the Allied Gardens Library are able to provide patrons of this library the level of service the City has always intended.

Rapid Flashing Beacon at Zion/Archwood Crosswalk (\$16,000)

This intersection is frequently traveled by members of the community and our office has received numerous inquiries on what the City will do to provide safer pedestrian access. The rapid flashing beacon will assist in alerting vehicular traffic as they are approaching a crosswalk with an active pedestrian.

**Tierrasanta**Villa Monserate Park ADA upgrades and Picnic Shelter (\$520,000)

Villa Monserate Park is located up the street from Vista Grande Elementary School and is used frequently by the residents who live in the area as well as the students who attend Vista Grande. Improving the park to acceptable ADA standards as well as the inclusion of a picnic shelter will ensure this park can be enjoyed by all residents of Tierrasanta.

Road Runner Park Picnic Shelter (\$165,000)

Road Runner Park includes a large grassy field, a tot lot, and a sandy area for children to play. There are a number of trees in the park, however the park lacks a central shaded location for families. A picnic structure would provide families with all the amenities necessary to fully utilize this park.

DePortola Middle School Joint Use (\$1,150,000)

The Tierrasanta Recreation Center borders DePortola Middle School and provides a unique opportunity for the recreation center to be able to utilize the four existing fields connected to the middle school. Currently, the demand for field space managed by the recreation center is exceeding capacity resulting in a very labor intensive scheduling process to ensure all teams are given an equal opportunity to play. A joint use agreement with DePortola Middle School will not only alleviate scheduling concerns, but will allow for more recreation activities to occur at the Tierrasanta Recreation Center complex.

**Serra Mesa**Cabrillo Heights Re-Turfing (\$900,000)

This project provides design and construction improvements to enhance the large fields currently maintained by Serra Mesa Recreation staff which are used by a number of residents in the Serra Mesa community. The improvements must include irrigation upgrades for the existing athletic fields and the re-turfing of the field once irrigation upgrades have been performed. This project will contribute to satisfying population-based park acreage requirements set forth in the City's General Plan in a community currently deficient in population-based parks per General Plan Guidelines.

**Citywide**Restoring Pool Hours Citywide (\$640,000)

In an effort to reduce costs, several years ago the City instituted a policy to close each pool on average for 3 ½ months out of the year. With the City's improved financial state, pool hours should be restored to previous service levels of each pool closing for only one month out of the year for required maintenance. City pools are a major component of the Park and Recreation system and expanding their hours would greatly benefit all residents in the City.

Adding the Portable Pool Program to Park and Recreation's Budget (\$40,000)

Due to prior budget cuts Councilmembers have been dedicating Community Projects, Programs,

and Services (CPPS) funds to operate the portable pool program at six sites citywide. Communities lacking aquatic facilities depend on this program and have come to expect this service to be provided by the City. Including the portable pool program as a line item in Park and Recreation's budget will ensure the longevity of this program.

#### Expansion of the Portable Pool Program

Currently, the City has the capacity to operate six portable pools citywide. I would like to see funds dedicated for the purchase of additional hardscape portable pools so this program is available to every community which does not have a permanent pool in place.

#### Connect 2 Careers (\$750,000)

High youth unemployment has been shown to negatively impact public safety and health, community development, and business and economic development within a healthy City. Connect 2 Careers works with San Diego youth to provide work readiness, job matching, and job placement for 16-24 year olds in San Diego. The program has seen tremendous success and has grown every year assisting 447 young adults in 2015. Connect 2 Careers has deep community connections, a team focused on assisting participants, and a web-portal which rivals similar programs. Ensuring the success of Connect 2 Careers provides a Citywide benefit and is necessary for the health of San Diego.

#### Increase the Annual Number of Storm Channels and Drainage Areas Being Cleared

In September of 2013, the City received approval for the Master Storm Water System Maintenance Plan. Currently, this plan allows the city to clean two to three channels each year. After the first storms of this El Niño season hit San Diego it is now clear the current plan may not be adequate to deal with the severity of these storms. To properly serve the residents of San Diego, Storm Water Division should work with various agencies at all levels of government to clear more drainage grates, maintain previous cleared channels, and clear a minimum of five to six channels per year. Avoiding costly re-mitigation of these sites by doing routine annual maintenance to keep these channels at serviceable levels is essential to the public safety of the residents of San Diego. Allocating the necessary funding for all mitigation and maintenance efforts associated with clearing the remaining channels and grates will save taxpayer dollars by avoiding large scale cleanups and potential legal suits.

#### Olive Grove Community Park ADA Upgrades CIP – S15028 (\$500,000)

The residents of North Clairemont have patiently waited for this open CIP to upgrade this frequently used park. Necessary upgrades include upgrades to the paths of travel, improvements to the existing comfort station, and enhancements to the existing children's play area. This funding will be used for design, project approvals and construction for the upgrades needed at Olive Grove Community Park.

#### Additional Police Investigative Service Officers (PISO) (\$646,425)

Currently, San Diego Police Department has fourteen PISOs on staff for the entire division to provide essential support services for sworn SDPD officers. PISOs work directly with non-emergency dispatchers to address many of the issues residents see every day in their neighborhood such as over-sized vehicle violations and with SDPD officers collecting evidence. Increasing SDPD's budget to include additional funding to place one PISO in each of the SDPD divisions will improve the level of service the department provides to San Diego residents.

Hand held ticketing devices for PISOs (\$28,000)

The implementation of the Neighborhood Parking Protection Ordinance requires a fast response from SDPD PISOs to initiate the citation and removal process of oversized vehicles. Providing these officers with hand held ticketing devices and printers will increase the efficiency of the citation process and will improve overall Citywide compliance to this ordinance.

Additional Staff for the South University FAST Response Squad (\$2,000,000)

Currently the staffing levels at the South University City FAST response squad is not staffed to the level where the team is on call 24/7. South University City was identified in a 2011 Citygate Report which detailed nineteen areas in the City which are currently underserved by fire and emergency medical services. The FAST response squad was created to reduce response time for this previously identified underserved community.

Improve the City's Customer Service through the Use of a 311 App (\$2,000,000)

In a 2015 audit of the City's Performance on Public Right-of-Way Maintenance the office of the City Auditor recommended the implementation of an integrated 311-style centralized customer service program. The creation of a 311 system would enhance efficiencies in a number of departments, streamline operations, and enhance customer service for those working or living in the City. Allocating at least \$2 million in funding to procure a CRM system and perform other technology upgrades will ensure the 311 system suggested by the City Auditor will be able to succeed.

ADA Upgrades to City Facilities in District 7

City facilities should be enjoyed by all residents and by upgrading City parks and buildings to current ADA standards ensures all residents an equal opportunity to enjoy all the City has to offer. The following projects are three of the most frequented City facilities in District 7:

- 1.) Tierrasanta Community Pool – This aquatic facility is one of two in District 7 and services approximately four hundred residents a month.
- 2.) Mission Trails: Cowles Mountain Comfort Station – This trail is the most popular trail in all of San Diego County and sees thousands of visitors a month.
- 3.) Mission Trails: Kumeyaay E. Comfort – This comfort station is used by those who stay at the recently opened camp grounds.

cc: Honorable Mayor Kevin Faulconer



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 17, 2016

TO: Honorable Council President Sheri Lightner and Members of the City Council

FROM: Scott Chadwick, Chief Operating Officer  
Mary Lewis, Chief Financial Officer  
Tracy McCraner, Financial Management Director

SUBJECT: May Revision to the Fiscal Year 2017 Proposed Budget

This memorandum presents the Mayor's recommended revisions (May Revision) to the Fiscal Year 2017 Proposed Budget. The May Revision is based on the most current financial information and economic assumptions available after the development of the Fiscal Year 2017 Proposed Budget. The May Revision contains recommended changes to the budget based on revised current year expenditure and revenue projections and adjustments to projects within the Capital Improvements Program. The May Revision continues the focus on investing in infrastructure, safe and livable neighborhoods, an economically prosperous City with opportunity in every community, and open government with excellent customer service.

In keeping with the Mayor's top priority of investing in infrastructure, there is \$21.7 million in new infrastructure expenditure additions included in the Proposed Budget and the May Revision for Fiscal Year 2017. This amount is \$5.8 million above the Mayor's pledge to dedicate at least 50 percent, or \$15.9 million, of all new major General Fund revenue growth toward infrastructure improvements in all neighborhoods.

As a result of the May revision changes, the proposed General Fund budget has increased by a net \$10.5 million and 11.25 full-time equivalent (FTE) positions. These additional expenditures and positions are primarily funded by an increase in Property Tax revenue, one-time revenue from a renegotiated lease agreement, and projected Fiscal Year 2016 year-end Excess Equity. This projected use of Fiscal Year 2016 year-end Excess Equity was recommended for City Council approval in the Fiscal Year 2016 Year-End Budget Monitoring Report also issued on May 17, 2016. Non-general fund budgets decreased by a net \$0.1 million and increased by 3.50 in FTE positions. After incorporating all May Revision adjustments, one-time uses still remain greater than one-time resources in keeping with the City's Budget Policy and best practices in governmental budgeting.

The following information provides an overview of significant adjustments to the Fiscal Year 2017 Proposed Budget. A summary of adjustments is also included in *Attachment 1*.

## **OVERVIEW**

### **Significant Adjustments – General Fund**

The May Revision includes an increase of \$10.5 million in both resources and uses for the General Fund. The following are significant adjustments for the General Fund:

#### **Resource Adjustments**

- \$5.5 million in projected Fiscal Year 2016 year-end Excess Equity (unrestricted fund balance) as requested in the Fiscal Year 2016 Year-End Budget Monitoring Report;
- \$3.0 million in revenue from a renegotiated lease agreement between the City of San Diego and MG Stonewood Garden Apartments, LP;
- \$2.3 million increase in Property Tax due to adjustments to incorporate the impact from the recent refunding of outstanding redevelopment debt and resumption of Section 33676 Property Tax revenues;
- \$430,000 increase related to the closure of funds and/or reduction of accumulated special fund balances found to be obsolete or excess funding over contract requirements; and
- Offsetting the above increases, is a decrease of \$597,729 in revenue due to the Communications Department's increased support of General Fund departments.

#### **Expenditure Adjustments**

- \$4.0 million to support Police Officer recruitment and retention efforts;
- \$1.5 million transfer to the Capital Improvements Program for the rehabilitation of the Thompson Medical Library/Eddy Auditorium building at Balboa Park;
- \$1.4 million in non-pensionable salary and benefit adjustments related to tentative agreements with four of the City's recognized employee organizations;
- \$757,768 to support citywide public facility major maintenance and repair projects;
- \$651,636 to support Police Dispatcher recruitment and retention efforts;
- \$500,000 for the transfer of franchise fees to the Trench Cut Fee/Excavation Fee fund;
- \$486,621 to expand both Fire academy participants from 36 to 48 participants;
- \$350,000 for the replacement of the light posts at Balboa Park's Central Mesa;
- \$116,741 to restore year-round (winter) restroom access at Mission Bay Park;
- \$105,476 to provide access to the senior center located in North Clairemont; and
- \$94,588 to increase supervision of maintenance crews at Balboa Park.

The May Revision on its own includes more in one-time resources than one-time uses; however, when combined with the Proposed Budget one-time uses still exceed one-time resources by approximately \$10.7 million. This is in keeping with our Budget Policy and best practices in governmental budgeting. For an updated list of one-time resources and expenditures included in the Proposed Budget and May Revision refer to *Attachment 2*.

#### **Excess Equity**

Based on the Fiscal Year 2016 Year-End Budget Monitoring Report, issued May 17, 2016, the Fiscal Year 2016 projected Excess Equity is approximately \$36.0 million. Of this amount, \$4.0 million is allocated for use in Fiscal Year 2017 to support Police retention and recruitment efforts, and \$1.5 million for the rehabilitation of the Thompson Medical Library/Eddy Auditorium building at Balboa Park.

## **CITYWIDE CONSIDERATION**

The following section summarizes May Revision adjustments with a citywide impact.

## **Tentative Labor Agreements**

In the Fiscal Year 2017 Proposed Budget, personnel expenditures included funding for anticipated non-pensionable compensation increases with the following recognized employee organizations: International Association of Firefighters (IAFF) Local 145, the American, Federation of State County and Municipal, Employees (AFSCME) Local 127, California, Teamsters Local 911, and the Deputy City Attorneys Association of San Diego (DCAA). Since the release of the Fiscal Year 2017 Proposed Budget and as of the date of this report, tentative labor agreements have been reached with these four recognized employee organizations and members of three of these organizations have ratified the terms of their tentative agreements. As a result, the May Revision includes non-pensionable adjustments to reflect increases in flex benefits, reimbursements for job-related training and professional development allowances, annual leave payouts and contributions to retiree health for IAFF Local 145, uniform allowance for IAFF Local 145 and Teamsters Local 911.

## **Fringe Benefit Adjustments**

As a result of position adjustments, a citywide fringe rate adjustment is included in the May Revision to ensure that the Actuarially Determined Contribution (ADC) payment to SDCERS is properly allocated to departments for all positions added in the May Revision to the Fiscal Year 2017 Proposed Budget. An adjustment of budgeted fringe also includes Other Post-Employment Benefits (OPEB), Workers' Compensation, Risk Management Administration, Long-Term Disability, and Unemployment Insurance allocations to all departments as adjusted in the May Revision. This ensures fringe allocations are fully budgeted and that the expense is appropriately distributed to all funds.

## **DEPARTMENTAL ADJUSTMENTS**

The following section includes departments or funds with departmental specific adjustments. It should be noted that the amounts in the tables included below reflect the tentative labor agreements and fringe benefit adjustments as well as all departmental specific adjustments. A summary of all adjustments is included in *Attachment 1*.

## **GENERAL FUND**

### **Major General Fund Revenues**

<b>FTE Adjustment</b>	<b>Expenditure Adjustment</b>	<b>Revenue Adjustment</b>
0.00	\$ -	\$ 2,608,329

### **Property Tax Revenue**

\$2.3 million in Property Tax revenue based on updated information from the California Department of Finance (DOF) and San Diego County Auditor-Controller. Due to the recent refunding of outstanding Redevelopment Agency bonds, debt service payments were reduced by approximately \$9.3 million to reflect the new debt service amounts. As a result of this adjustment, the City will receive an increase of \$1.2 million in the residual tax sharing from the Redevelopment Property Tax Trust Fund (RPTTF). Additionally, \$1.1 million in property tax revenue due to the resumption of property tax receipts as authorized under Health & Safety

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Honorable Councilmembers

May 17, 2016

Code section 33676 which was suspended since 1998 in support of the City Heights redevelopment project area.

**Other Financial Sources & Uses**

\$430,000 in additional Other Financial Sources & Uses revenue based on the closure and/or reduction of accumulated non-general fund balances. As part of the year-end process, funds are reviewed to determine if there are excess fund balances and/or funds ready to close. This review identified one-time revenue from two funds that should be closed as they are now obsolete. These funds were created with contributions from the General Fund or by receiving fee revenues for reimbursement of general fund costs:

- Urban Land Institute Study of Downtown established 11/3/1986 – \$14,000
- Industrial Development Bond Program established 6/15/1993 – \$67,000

A third fund, International Gateway Associates, established 1/13/2004, reserve account has grown to more than \$946,000 leaving excess reserves of approximately \$350,000 which will be returned to the General Fund.

**Transient Occupancy Tax (TOT) and Property Transfer Tax Revenue**

Reduction of \$57,154 and \$31,190 in Transient Occupancy Tax and Property Transfer Tax revenue, respectively, based on updated Fiscal Year 2016 receipts.

**City Attorney**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 507,253	\$ -

The allocation of the fringe benefit adjustments total \$217,753. The remaining adjustments in the Police Department are discussed below.

**Tuition Reimbursement**

\$289,500 in additional non-personnel expenditures for tuition reimbursement to reflect the terms included in tentative agreement between the City and the Deputy City Attorneys Association of San Diego (DCAA). Included in this agreement is tuition reimbursement for employees for attending Continuing Legal Education, seminars, training and other educational or professional development events which will maintain or enhance the employees job-related skills or knowledge or contribute to the employee's broadening and diversification of their skills.

**City Treasurer**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (49,031)	\$ -

**Reduction of Information Technology Expenditures**

As a result of the City's continuous efforts to identify process improvements and efficiencies, the Office of the City Treasurer has identified an additional reduction of \$70,500 in non-personnel expenditures for savings in the information technology expenditure category.

## Citywide Program Expenditures

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (4,648,701)	\$ -

Citywide Program Expenditures are comprised of programs and activities that benefit multiple departments in the General Fund. These Citywide Program Expenditures decreased by a net \$4.6 million in the May Revision due to the combined impact of the following adjustments.

### Tentative Labor Agreements Reallocation

\$5.1 million reduced expenditures in Citywide Program Expenditures which was then allocated to individual departmental budgets impacted as a result of the tentative labor agreements. The Fiscal Year 2017 Proposed Budget for the Citywide Program Expenditures Department included anticipated non-pensionable compensation increases with the City's bargaining groups to serve as a budgetary placeholder for impacted General Fund Departments. Since the release of the Fiscal Year 2017 Proposed Budget and as of the date of this report, tentative labor agreements have been reached with all four recognized employee organizations and members of three of these organizations have ratified the terms of their tentative agreements. As a result, the May Revision includes non-pensionable adjustments to reflect increases in flex benefits, reimbursements for job-related training and professional development allowances, annual leave payouts and contributions to retiree health for IAFF Local 145, uniform allowance for IAFF Local 145 and Teamsters Local 911.

### Corporate Master Lease Rent

\$287,868 in additional non-personnel expenditures for revised rent and operational expense estimates, primarily for Civic Center Plaza for Fiscal Year 2017.

### Kinder Morgan Litigation

\$250,000 in additional one-time non-personnel expenditures for legal services related to the ongoing Kinder Morgan litigation. The Fiscal Year 2017 Proposed Budget assumed this litigation would be resolved during Fiscal Year 2016.

### Animal Services Support

\$103,450 in additional non-personnel expenditures for increased contractual costs for animal services based on revised estimates from the County Department of Animal Services received after the release of the Fiscal Year 2017 Proposed Budget.

### Insurance

\$220,131 reduction in non-personnel expenditures due to the recent receipt of revised insurance estimates from the CSAC – Excess Insurance Authority for Fiscal Year 2017.

## Communications

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
2.00	\$ 410,610	\$ (597,729)

### Centralization of Communications

**ATTACHMENT D**

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Honorable Councilmembers

May 17, 2016

Transfer of 2.00 FTE positions from the Fire-Rescue and Police Departments to the Communications Department to continue the centralization of public information management functions citywide.

**Reimbursable Labor Revenue**

\$597,729 reduction in revenue due to an anticipated decrease in the reimbursable labor with non-general funds and an increase in support of General Fund departments.

**City Council**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 277,954	\$ -

**Community Projects, Programs, and Services Adjustment**

\$125,024 net addition in the Council Districts' budgets for Community Projects, Programs, and Services based on the estimated savings from the Fiscal Year 2016 Council Districts' budgets as detailed in the Fiscal Year 2016 Budget Monitoring Year-End Report.

**Development Services**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 150,570	\$ -

**Code Enforcement Abatement Fund Support**

\$150,000 in additional one-time non-personnel expenditures for the transfer to the Nuisance Abatement Fund. These funds will be used for the purpose of repairs, demolition, removal of abandoned properties deemed as a public nuisance. There is a need to replenish the Nuisance Abatement Fund with a one-time transfer due to delays in the receipt of proceeds related to liens on abated properties.

**Fire-Rescue**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
(1.00)	\$ 3,602,803	\$ -

The allocation of the tentative labor agreements and fringe benefit adjustments total \$3.3 million. The remaining adjustments in the Fire-Rescue Department are discussed below.

**Expansion of Fire Academy Participants**

The Fiscal Year 2017 Proposed Budget included the addition of one on-going academy for a total of two academies in Fiscal Year 2017. The May Revision includes an addition of \$486,621 in non-personnel expenditures to increase the two Fire academy participants from 36 to 48 participants.

**Centralization of Communications**

**ATTACHMENT D**

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Honorable Councilmembers

May 17, 2016

Transfer of 1.00 FTE position from the Fire-Rescue to the Communications Department to continue the centralization of public information management functions citywide.

**Library**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
2.00	\$ 125,458	\$ -

**Skyline Hills Branch Library**

Addition of 2.00 FTE positions and total expenditures of \$120,537 to provide operational support for the new Skyline Hills Branch Library. The Skyline Hills Branch Library is now anticipated to be completed in September of 2016 and result in a single-story, 15,500 square foot space, include reading areas, community room, computer lab, teen space, and public art.

**Office of the Assistant COO**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
1.00	\$ 136,831	\$ -

**Parking Mobility Centralization**

Addition of 1.00 Program Manager and total expenditures of \$130,363 to coordinate the centralization of citywide parking services. Additionally, this position will develop a proposal for a Multimodal Services/Mobility Department, evaluate existing parking functions, engage with internal/external stakeholders and Community Parking Districts, and assist with other key parking service initiatives.

**Park & Recreation**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
4.25	\$ 644,007	\$ -

**Balboa Park Light Post Replacement**

\$350,000 in additional one-time non-personnel expenditures for the replacement of 100 light posts within the Central Mesa of Balboa Park in Fiscal Year 2017.

**Mission Bay Park Winter Restrooms Restoration**

Addition of 2.00 FTE positions and total expenditures of \$116,741 to restore year-round restroom access at Mission Bay Park. There are 28 restrooms in Mission Bay Park, 11 of which are closed from November 1<sup>st</sup> through March 30<sup>th</sup> each year. This addition will restore these restrooms to being open year-round.

**Senior Center in North Clairemont**

Addition of 2.50 FTE limited positions and total expenditures of \$105,476 to provide access to the senior center facility located in North Clairemont while a permanent service provider is identified.

**Balboa Park Maintenance Supervisor**

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Honorable Councilmembers

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Addition of 1.00 Grounds Maintenance Supervisor and total expenditures of \$94,588 to increase supervision of maintenance crews at Balboa Park. The addition of this position will increase maintenance service levels in Balboa Park.

**Annualized Position Adjustment**

Addition of 0.25 FTE position and associated expenditures to reflect the annualization of a Recreation Specialist not included in the Fiscal Year 2017 Proposed Budget.

**Reduction of Limited Positions**

Annualized reduction of 1.50 FTE positions and total expenditures of \$194,950 to reflect the removal of limited positions dedicated to the Balboa Park Centennial Celebration that concluded in 2015.

**Mandatory General Benefit Contribution**

\$405,300 reduction in State-mandated funding for the general benefit contribution for City parks maintained by Maintenance Assessment Districts (MAD). These adjustments reflects the results from a recently completed Engineer's Assessment Report of the general benefit obligation to MADs.

**Personnel**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
4.00	\$ 300,762	\$ -

**Restoration of Hourly Funding**

Addition of 3.00 FTE hourly positions and total expenditures of \$107,262 to reflect the restoration of historical hourly funding levels not requested in the Fiscal Year 2017 Proposed Budget.

**New Employee Medical and Background Check Services**

\$75,000 in additional non-personnel expenditures for required pre-employment medical, drug testing, and background check services as a result of the number of new employees entering the City, primarily in the public safety departments.

**Public Safety Exam Management Support**

Addition of 1.00 Test Administration Specialist and total expenditures of \$63,656 to help streamline the examination process for Police Officer, Fire Fighter, and Dispatcher candidates.

**Employee ID Badges**

\$10,000 in additional non-personnel expenditures for the employee identification badges for new employees.

**Police**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
(1.00)	\$ 5,122,742	\$ -

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The allocation of the tentative labor agreements and fringe benefit adjustments total \$533,605. The remaining adjustments in the Police Department are discussed below.

**Police Officer Recruitment and Retention**

\$4.0 million in additional expenditures to fund Police Officer recruitment and retention efforts supported by the use of projected excess equity as proposed in the Fiscal Year 2016 Year-End Budget Monitoring Report. This item is subject to meet and confer.

**Dispatcher Recruitment and Retention**

\$651,636 in additional expenditures to fund Police Dispatcher recruitment and retention efforts. This item is subject to meet and confer.

**Centralization of Communications**

Transfer of 1.00 FTE position from the Police Departments to the Communications Department to continue the centralization of public information management functions citywide.

**Public Works**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 2,453,728	\$ -

**Rehabilitation of the Thompson Medical Library/Eddy Auditorium at Balboa Park**

\$1.5 million in transfers to the Capital Improvements Program for the rehabilitation of the Thompson Medical Library/Eddy Auditorium building at Balboa Park supported by the use of projected excess equity as proposed in the Fiscal Year 2016 Year-End Budget Monitoring Report. This rehabilitation will include historical preservation of the exterior and retrofit of the interior for usable office space for the Park and Recreation Department.

**Citywide Public Facility Maintenance Projects**

\$757,768 in additional non-personnel expenditures to support citywide public facility maintenance projects. These funds will be used to repair and maintain multiple General Fund facilities intended for public use. The repairs will include energy upgrades, such as new LED lighting, window replacements, energy efficient HVAC units, new plumbing fixtures, painting, and roof replacements.

**Real Estate Assets**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 27,702	\$ 2,952,000

**Document Scanning Services**

\$17,415 in additional non-personnel expenditures for document scanning services. This addition will include services provided by DocuLynx to scan and store lease and property documents into an electronic document retrieval system.

**Stonewood Garden Apartments Lease Agreement**

\$2.9 million in additional one-time revenue generated from a renegotiated lease agreement between the City of San Diego and MG Stonewood Garden Apartments, LP. MG Stonewood

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Garden Apartments, LP, requested a new 40 year lease in order to refinance the property and complete approximately \$7.6 million in capital improvements. As consideration to the City for this new 40 year lease, the MG Stonewood Garden Apartments, LP will pay the City a one-time negotiated amount of \$2.9 million payable in cash upon the commencement date of the new lease.

**Transportation & Storm Water**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 985,264	\$ -

The allocation of the tentative labor agreements and fringe benefit adjustments total \$485,264. The remaining adjustments in the Transportation and Storm Water Department are discussed below.

**Trench Cut/Excavation Fee Transfer**

\$500,000 in additional non-personnel expenditures to reflect the transfer to the Trench Cut Fee/Excavation Fee Fund. These funds represent the Street Damage Fees paid by SDG&E for excavation work within the right-of-way and are initially paid to the General Fund through SDG&E's franchise agreement with the City. They are transferred on an annual basis to partially recover the increased repaving and reconstruction costs incurred by the City attributed to the impact of the excavations.

**NON-GENERAL FUNDS****Concourse and Parking Garages Operating Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (139)	\$ 318,772

**Parking Garage Revenue**

\$318,772 in additional revenue due to revised parking garage revenue estimates for Fiscal Year 2017.

**Development Services Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 716,418	\$ -

**Rent Expense**

\$754,482 in additional non-personnel expenditures due to revised rent estimates for Fiscal Year 2017 related to the relocation of the Development Services Department to accommodate increased staffing and storage space for records.

**Engineering & Capital Projects Fund**

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FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (41,890)	\$ (41,890)

**Revised Revenue**

Adjustment to revenue to reflect revised revenue projections since the release of the Fiscal Year 2017 Proposed Budget.

**Facilities Financing Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (3,652)	\$ (3,652)

**Revised Revenue**

Adjustment to revenue to reflect revised revenue projections since the release of the Fiscal Year 2017 Proposed Budget.

**Fleet Services Operating Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
1.00	\$ 576,480	\$ -

The allocation of the tentative labor agreements and fringe benefit adjustments resulted in a reduction of \$409,833. The remaining adjustments in the Fleet Services Operating Fund are discussed below.

**Rent Expense**

\$800,000 in additional non-personnel expenditures due to revised rent estimates for Fiscal Year 2017 related to a new lease agreement for an additional facility to support fleet service operations.

**Department Director**

Addition of 1.00 Department Director and total expenditures of \$186,313. The Director will oversee operations, long term planning, meeting climate action plan goals, developing strategies for personnel management, optimizing maintenance management system for data driven growth strategies, and overseeing the Department's financials.

**Information Technology Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (32,572)	\$ 9,698

**Revised Revenue**

Adjustment to revenue to reflect revised revenue projections since the release of the Fiscal Year 2017 Proposed Budget.

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**Junior Lifeguard Program Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (538)	\$ (538)

**Revised Revenue**

Adjustment to revenue to reflect revised revenue projections since the release of the Fiscal Year 2017 Proposed Budget.

**Maintenance Assessment District (MAD) Funds**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.50	\$ (16,628)	\$ (125,548)

**Maintenance Assessment District (MAD) Funds Adjustment**

Reduction of \$16,628 in non-personnel expenditures and \$125,914 in revenue for various MAD Funds to reflect revised projections for Fiscal Year 2017.

**Non-Standard Hour Personnel Funding**

Addition of 0.50 FTE position and \$12,914 in non-standard hour personnel funding to support MAD Funds.

**Metropolitan Sewer Utility Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (1,434,445)	\$ -

**Rent Expense**

\$23,520 in additional non-personnel expenditures due to revised rent estimates for Fiscal Year 2017.

**Insurance**

\$196,339 reduction in non-personnel expenditures due to the recent receipt of revised insurance estimates from the CSAC – Excess Insurance Authority for Fiscal Year 2017.

**Debt Service**

\$1.2 million reduction in non-personnel expenditures based on reduced debt service payments associated with the sewer refunding bonds issued in 2015 and 2016.

**Municipal Sewer Revenue Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (1,603,637)	\$ -

**Insurance**

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\$14,335 reduction in non-personnel expenditures due to the recent receipt of revised insurance estimates from the CSAC – Excess Insurance Authority for Fiscal Year 2017.

**Debt Service**

\$1.5 million reduction in non-personnel expenditures based on reduced debt service payments associated with the sewer refunding bonds issued in 2015 and 2016.

**PETCO Park Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (213,421)	\$ -

**Debt Service**

\$212,296 reduction in non-personnel expenditures based on reduced debt service payments associated with the 2016 Ballpark Refunding Bonds. The Fiscal Year 2017 Proposed Budget included estimated debt service savings of \$1.8 million, however upon completion of the bond refunding, annual debt service savings will total \$2.0 million.

**Public Art Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 442,229	\$ 442,229

**Public Art Fund Allocation**

\$442,229 in additional Arts, Culture, and Community Festivals allocation from the Transient Occupancy Tax (TOT) Fund to the Public Art Fund to support artwork repair, conservation, installation, and other professional art collections management practices.

**Publishing Services Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (3,739)	\$ 76,085

**Revised Revenue**

Adjustment to revenue reflect revised revenue projections since the release of the Fiscal Year 2017 Proposed Budget.

**QUALCOMM Stadium Operations Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (30,692)	\$ -

**Insurance**

\$20,400 reduction in non-personnel expenditures due to the recent receipt of revised insurance estimates from the CSAC – Excess Insurance Authority for Fiscal Year 2017.

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**Refuse Disposal Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
1.00	\$ 105,259	\$ -

**Zero Waste Plan**

Addition of 1.00 Principal Planner and total expenditures of \$130,363 to support the implementation of the Zero Waste Plan. This position will assist with the planning and preparation of Zero Waste Plan documents, provide legislative analysis and environmental review support, and serve as the regulatory compliance liaison.

**Refuse Disposal Fund - Miramar Closure Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ -	\$ (450,000)

**Revised Revenue**

\$450,000 reduction in revenue to reflect a technical correction in the Fiscal Year 2017 Proposed Budget interest earnings projections.

**Risk Management Administration Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 231,022	\$ -

**Workers' Compensation Temporary Staffing**

\$250,000 in additional contractual expenditures for Workers' Compensation temporary staffing to support State-mandated business functions and reporting requirements.

**Transient Occupancy Tax Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
1.00	\$ 104,790	\$ (51,959)

**Film Program**

\$125,000 in additional non-personnel expenditures to secure specialized services to supplement the film program. Services include the outreach to studios and production executives, and host industry events to strengthen the film industry in San Diego.

**Transient Occupancy Tax (TOT) Revenue**

\$51,959 reduction in revenue based on TOT receipts in Fiscal Year 2016. This adjustment also reflects a revision to the one-cent discretionary TOT allocation. The City's actual TOT receipts for February did not meet expectations, resulting in a minor decrease in the Fiscal Year 2016 year-end projection which serves as the base for the Fiscal Year 2017 TOT budget.

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**One Cent Discretionary Allocation**

\$10,392 reduction in non-personnel One Cent Discretionary TOT expenditures to support the General Fund.

**Arts, Culture, and Community Festivals Allocation**

A budget neutral redistribution of \$1,523,909 within the Arts, Culture, and Community Festivals allocation to programs identified for funding in Fiscal Year 2017 by the Commission for Arts and Culture. This redistribution reflects an increase of 1.00 Program Manager and total expenditures of \$135,959 to support, develop, and implement programs administered by the Commission for Arts and Culture. The position will provide guidance and manage department operations, develop strategies for programmatic growth, and oversee the department's financials. Additionally, this redistribution reflects an increase of \$442,229 in the transfer to the Public Art Fund. Finally, this redistribution reflects a \$941,570 increase in expenditures to the Arts, Culture, and Community Festivals Programs, which includes Creative Communities Sand Diego (CCSD) and Organizational Support Program (OSP).

The May Revision includes *Attachment 3* (Excerpt from Council Policy 100-03: Transient Occupancy Tax) and *Attachment 4* (Transient Occupancy Tax Fund Allocations) for Fiscal Year 2017. Council Policy 100-03 directs the distribution and appropriation of TOT funds.

**Underground Surcharge Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (1,045)	\$ 5,392,967

**Underground Surcharge Fee**

\$5.4 million in additional revenue to reflect SDG&E undergrounding utility fee revenue not included in the Fiscal Year 2017 Proposed Budget.

**Water Utility Operating Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ 1,212,147	\$ 8,200,000

**State Revolving Fund (SRF) Loan Proceeds**

\$4.1 million in additional SRF loan proceeds revenue to support various Capital Improvements Program projects, such as Pacific Beach Pipeline South and Advanced Metering Infrastructure.

**Hodges Reservoir**

\$1.1 million in additional non-personnel expenditures and revenue for the installation of a hypolimnetic oxygenation system in the Hodges Reservoir and to purchase adjacent property to create an engineered wetland.

**Kinder Morgan Support**

\$250,000 in additional one-time non-personnel expenditures for legal services related to the ongoing Kinder Morgan litigation. The Fiscal Year 2017 Proposed Budget assumed this litigation would be resolved during Fiscal Year 2016.

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**Insurance**

\$13,658 reduction in non-personnel expenditures due to the recent receipt of revised insurance estimates from the CSAC – Excess Insurance Authority for Fiscal Year 2017.

**Water Bonds Interest Earnings**

\$3.0 million in additional revenue to reflect revised Fiscal Year 2017 interest earnings projections.

**Wireless Communications Technology Fund**

FTE Adjustment	Expenditure Adjustment	Revenue Adjustment
0.00	\$ (21,134)	\$ 20,900

**Sublease with SDG&E**

\$20,900 in additional revenue associated with a lease payment from SDG&E for the use of City property.

**CAPITAL IMPROVEMENTS PROGRAM (CIP)**

Adjustments to capital improvement projects are primarily due to the identification of additional funding and adjustments to bring project budget in line with revised project schedules. The Fiscal Year 2017 May Revision CIP adjustments total an increase of \$48.3 million to the Fiscal Year 2017 Proposed CIP Budget. *Attachment 5 – FY 2017 CIP May Revision Adjustments* provides an itemized list of the changes by project along with a brief description of each change.

**FY 2017 Underfunded Projects List**

With the approval of the Annual CIP Budget, the City Council will also be asked to approve a list of underfunded projects to be funded with other project savings. The list, originally published on page 15 of Volume 3 of the Mayor's Fiscal Year 2017 Proposed Budget, has been updated to remove project S00982 – Interstate 5 Underpass-Bikeway/Ped Conn. Additionally, after the release of the FY 2017 Proposed Budget, projects S15030 – Keiller Neighborhood Park ADA Improvements and S00752 – Beyer Park Development received or were proposed to receive funding in excess of what was requested on the FY 2017 Underfunded Projects List. *Attachment 6 – FY 2017 Underfunded Projects List* includes the updated list, which removes these projects.

**FY 2017 Planned Construction Contracts**

The list of capital projects anticipated to move forward to bid and award construction contracts during Fiscal Year 2017 has been updated as shown in *Attachment 7 – FY 2017 Planned Construction Contracts List*.

**Attachments:**

1. FY 2017 May Revision Summary Table
2. FY 2017 One-Time Resources and Uses List
3. Excerpt from Council Policy 100-03: Transient Occupancy Tax
4. FY 2017 Transient Occupancy Tax Fund Allocations

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5. FY 2017 CIP May Revision Adjustments
6. FY 2017 Underfunded Projects (Waterfall List)
7. FY 2017 Construction Contracts List

cc: Honorable Mayor Kevin L. Faulconer  
Stephen Puetz, Chief of Staff, Office of the Mayor  
Felipe Monroig, Deputy Chief of Staff/Community Engagement, Office of the Mayor  
Jaymie Bradford, Deputy Chief of Staff/Chief of Policy, Office of the Mayor  
Katherine Johnston, Director of Infrastructure and Budget Policy, Office of the Mayor  
Marshall Anderson, Director of Council Affairs, Office of the Mayor  
Stacey LoMedico, Assistant Chief Operating Officer  
Paz Gomez, Deputy Chief Operating Officer, Infrastructure and Public Works  
David Graham, Deputy Chief Operating Officer, Neighborhood Services  
Ronald H. Villa, Deputy Chief Operating Officer, Internal Operations  
Andrea Tevlin, Independent Budget Analyst  
Matthew Vespi, Deputy Director of Financial Management  
Adrian Del Rio, Budget Coordinator, Financial Management  
Department Directors / Assistant Directors  
Deputy Directors / Assistant Deputy Directors  
Department Analysts  
Financial Management Staff

## FY 2017 MAY REVISION SUMMARY TABLE

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GENERAL FUND	DEPARTMENT	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REV
City Attorney	Tuition Reimbursement		-	\$ -	\$ 289,500	\$ 289,500	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 217,753	\$ -	\$ 217,753	\$ -
City Attorney Total			-	\$ 217,753	\$ 289,500	\$ 507,253	\$ -
City Auditor	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 30,625	\$ -	\$ 30,625	\$ -
	City Auditor Total		-	\$ 30,625	\$ -	\$ 30,625	\$ -
City Clerk	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 5,639	\$ -	\$ 5,639	\$ -
	City Clerk Total		-	\$ 5,639	\$ -	\$ 5,639	\$ -
City Comptroller	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 28,502	\$ -	\$ 28,502	\$ -
	City Comptroller Total		-	\$ 28,502	\$ -	\$ 28,502	\$ -
City Treasurer	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 21,469	\$ -	\$ 21,469	\$ -
	Reduction of Information Technology Expenditures		-	\$ -	\$ (70,500)	\$ (70,500)	\$ -
City Treasurer Total			-	\$ 21,469	\$ (70,500)	\$ (49,031)	\$ -
Citywide Program Expenditures	Corporate Master Lease Rent		-	\$ -	\$ 287,868	\$ 287,868	\$ -
	Kinder Morgan Litigation		-	\$ -	\$ 250,000	\$ 250,000	\$ -
	Animal Services Support		-	\$ -	\$ 103,450	\$ 103,450	\$ -
	Insurance		-	\$ -	\$ (220,131)	\$ (220,131)	\$ -
	Tentative Labor Agreements Reallocation		-	\$ (4,296,679)	\$ (773,209)	\$ (5,069,888)	\$ -
Citywide Program Expenditures Total			-	\$ (4,296,679)	\$ (352,022)	\$ (4,648,701)	\$ -
Communications	Centralization of Communications		2.00	\$ 228,734	\$ -	\$ 228,734	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 181,876	\$ -	\$ 181,876	\$ -
Communications Total			-	\$ -	\$ -	\$ -	\$ (597,729)
Council Administration	Tentative Labor Agreement/Fringe Benefit Adjustment		2.00	\$ 410,610	\$ -	\$ 410,610	\$ (597,729)
	Council Administration Total		-	\$ 22,287	\$ -	\$ 22,287	\$ -
Council District 1	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 22,287	\$ -	\$ 22,287	\$ -
	Council District 1 Total		-	\$ 14,109	\$ -	\$ 14,109	\$ -
Council District 1 - CPPS	Community Projects Programs, and Services Adjustment		-	\$ -	\$ (9,172)	\$ (9,172)	\$ -
	Council District 1 - CPPS Total		-	\$ -	\$ (9,172)	\$ (9,172)	\$ -
Council District 2	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 14,482	\$ -	\$ 14,482	\$ -
	Council District 2 Total		-	\$ 14,482	\$ -	\$ 14,482	\$ -
Council District 2 - CPPS	Community Projects Programs, and Services Adjustment		-	\$ -	\$ 27,741	\$ 27,741	\$ -
	Council District 2 - CPPS Total		-	\$ -	\$ 27,741	\$ 27,741	\$ -
Council District 3	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 13,974	\$ -	\$ 13,974	\$ -
	Council District 3 Total		-	\$ 13,974	\$ -	\$ 13,974	\$ -
Council District 3 - CPPS	Community Projects Programs, and Services Adjustment		-	\$ -	\$ 53,016	\$ 53,016	\$ -
	Council District 3 - CPPS Total		-	\$ -	\$ 53,016	\$ 53,016	\$ -
Council District 4	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 14,634	\$ -	\$ 14,634	\$ -
	Council District 4 Total		-	\$ 14,634	\$ -	\$ 14,634	\$ -
Council District 4 - CPPS	Community Projects Programs, and Services Adjustment		-	\$ -	\$ 9,323	\$ 9,323	\$ -
	Council District 4 - CPPS Total		-	\$ -	\$ 9,323	\$ 9,323	\$ -
Council District 5	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 14,916	\$ -	\$ 14,916	\$ -
	Council District 5 Total		-	\$ 14,916	\$ -	\$ 14,916	\$ -
Council District 5 - CPPS	Community Projects Programs, and Services Adjustment		-	\$ -	\$ 4,085	\$ 4,085	\$ -
	Council District 5 - CPPS Total		-	\$ -	\$ 4,085	\$ 4,085	\$ -
Council District 6	Tentative Labor Agreement/Fringe Benefit Adjustment		-	\$ 14,881	\$ -	\$ 14,881	\$ -
	Council District 6 Total		-	\$ 14,881	\$ -	\$ 14,881	\$ -

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GENERAL FUND	DEPARTMENT	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REV
	Council District 6 - CPPS	Community Projects Programs, and Services Adjustment	-	\$ -	\$ (2,261)	\$ (2,261)	\$ -
	Council District 6 - CPPS Total		-	\$ -	\$ (2,261)	\$ (2,261)	\$ -
	Council District 7	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 14,877	\$ -	\$ 14,877	\$ -
	Council District 7 Total		-	\$ 14,877	\$ -	\$ 14,877	\$ -
	Council District 7 - CPPS	Community Projects Programs, and Services Adjustment	-	\$ -	\$ (2,158)	\$ (2,158)	\$ -
	Council District 7 - CPPS Total		-	\$ -	\$ (2,158)	\$ (2,158)	\$ -
	Council District 8	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 14,403	\$ -	\$ 14,403	\$ -
	Council District 8 Total		-	\$ 14,403	\$ -	\$ 14,403	\$ -
	Council District 8 - CPPS	Community Projects Programs, and Services Adjustment	-	\$ -	\$ 13,121	\$ 13,121	\$ -
	Council District 8 - CPPS Total		-	\$ -	\$ 13,121	\$ 13,121	\$ -
	Council District 9	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 14,367	\$ -	\$ 14,367	\$ -
	Council District 9 Total		-	\$ 14,367	\$ -	\$ 14,367	\$ -
	Council District 9 - CPPS	Community Projects Programs, and Services Adjustment	-	\$ -	\$ 31,329	\$ 31,329	\$ -
	Council District 9 - CPPS Total		-	\$ -	\$ 31,329	\$ 31,329	\$ -
	Debt Management	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 14,856	\$ -	\$ 14,856	\$ -
	Debt Management Total		-	\$ 14,856	\$ -	\$ 14,856	\$ -
	Development Services	Code Enforcement Abatement Fund Support	-	\$ -	\$ 150,000	\$ 150,000	\$ -
	Development Services Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 570	\$ -	\$ 570	\$ -
	Economic Development	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 570	\$ 150,000	\$ 150,570	\$ -
	Economic Development Total		-	\$ 570	\$ 150,000	\$ 150,570	\$ -
	Environmental Services	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 30,144	\$ -	\$ 30,144	\$ -
	Environmental Services Total		-	\$ 30,144	\$ -	\$ 30,144	\$ -
	Ethics Commission	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 134,231	\$ -	\$ 134,231	\$ -
	Ethics Commission Total		-	\$ 134,231	\$ -	\$ 134,231	\$ -
	Financial Management	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 6,558	\$ -	\$ 6,558	\$ -
	Financial Management Total		-	\$ 6,558	\$ -	\$ 6,558	\$ -
	Fire-Rescue	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 9,150	\$ -	\$ 9,150	\$ -
	Fire-Rescue Total		-	\$ 9,150	\$ -	\$ 9,150	\$ -
	Human Resources	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 2,818,017	\$ 464,400	\$ 3,282,417	\$ -
	Human Resources Total		-	\$ 2,818,017	\$ 464,400	\$ 3,282,417	\$ -
	Infrastructure/Public Works	Expansion of Fire Academy Participants	-	\$ 206,474	\$ 280,147	\$ 486,621	\$ -
	Infrastructure/Public Works Total	Centralization of Communications	(1.00)	\$ (166,235)	\$ -	\$ (166,235)	\$ -
	Internal Operations	Tentative Labor Agreement/Fringe Benefit Adjustment	(1.00)	\$ 2,858,256	\$ 744,547	\$ 3,602,803	\$ -
	Internal Operations Total		-	\$ 2,858,256	\$ 744,547	\$ 3,602,803	\$ -
	Library	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 27,308	\$ -	\$ 27,308	\$ -
	Library Total		-	\$ 27,308	\$ -	\$ 27,308	\$ -
	Major Revenues	Property Transfer Tax	-	\$ -	\$ -	\$ -	\$ (31,190)
	Major Revenues Total	Transient Occupancy Tax	-	\$ -	\$ -	\$ -	\$ (57,154)
		Property Tax Revenue	-	\$ -	\$ -	\$ -	\$ 2,266,770
		Other Financial Sources & Uses	-	\$ -	\$ -	\$ -	\$ 429,903
			-	\$ -	\$ -	\$ -	\$ 2,608,329

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## ATTACHMENT D

GENERAL FUND		FTE	PE	NPE	EXP	REV
DEPARTMENT	BUDGET ADJUSTMENT					
Neighborhood Services	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 18,063	\$ -	\$ 18,063	\$ -
Neighborhood Services Total		-	\$ 18,063	\$ -	\$ 18,063	\$ -
Office of Homeland Security	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 10,353	\$ -	\$ 10,353	\$ -
Office of Homeland Security Total		-	\$ 10,353	\$ -	\$ 10,353	\$ -
Office of the Assistant COO	Parking Mobility Centralization	1.00	\$ 130,363	\$ -	\$ 130,363	\$ -
Office of the Assistant COO Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 6,468	\$ -	\$ 6,468	\$ -
Office of the Chief Financial Officer	Tentative Labor Agreement/Fringe Benefit Adjustment	1.00	\$ 136,831	\$ -	\$ 136,831	\$ -
Office of the Chief Financial Officer Total		-	\$ 1,078	\$ -	\$ 1,078	\$ -
Office of the Chief Operating Officer	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 3,663	\$ -	\$ 3,663	\$ -
Office of the Chief Operating Officer Total		-	\$ 3,663	\$ -	\$ 3,663	\$ -
Office of the IBA	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 13,303	\$ -	\$ 13,303	\$ -
Office of the IBA Total		-	\$ 13,303	\$ -	\$ 13,303	\$ -
Office of the Mayor	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 39,957	\$ -	\$ 39,957	\$ -
Office of the Mayor Total		-	\$ 39,957	\$ -	\$ 39,957	\$ -
Park & Recreation	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 563,418	\$ -	\$ 563,418	\$ -
	Balboa Park Light Post Replacement	-	\$ -	\$ 350,000	\$ 350,000	\$ -
	Mission Bay Park Winter Restrooms Restoration	2.00	\$ 106,741	\$ 10,000	\$ 116,741	\$ -
	Senior Center in North Clairemont	2.50	\$ 95,591	\$ 9,885	\$ 105,476	\$ -
	Balboa Park Maintenance Supervisor	1.00	\$ 59,588	\$ 35,000	\$ 94,588	\$ -
	Annualized Position Adjustment	0.25	\$ 14,034	\$ -	\$ 14,034	\$ -
	Reduction of Limited Positions	(1.50)	\$ (194,950)	\$ -	\$ (194,950)	\$ -
	Mandatory General Benefit Contribution	-	\$ -	\$ (405,300)	\$ (405,300)	\$ -
Park & Recreation Total		4.25	\$ 644,422	\$ (415)	\$ 644,007	\$ -
Performance & Analytics	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 13,973	\$ -	\$ 13,973	\$ -
Performance & Analytics Total		-	\$ 13,973	\$ -	\$ 13,973	\$ -
Personnel	Restoration of Hourly Funding	3.00	\$ 107,262	\$ -	\$ 107,262	\$ -
	New Employee Medical and Background Check Services	-	\$ -	\$ 75,000	\$ 75,000	\$ -
	Public Safety Exam Management Support	1.00	\$ 63,656	\$ -	\$ 63,656	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 44,844	\$ -	\$ 44,844	\$ -
	Employee ID Badges	-	\$ -	\$ 10,000	\$ 10,000	\$ -
Personnel Total		4.00	\$ 215,762	\$ 85,000	\$ 300,762	\$ -
Planning	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 10,919	\$ -	\$ 10,919	\$ -
Planning Total		-	\$ 10,919	\$ -	\$ 10,919	\$ -
Police	Police Officer Recruitment and Retention	-	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -
	Dispatcher Recruitment and Retention	-	\$ 651,636	\$ -	\$ 651,636	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 533,605	\$ -	\$ 533,605	\$ -
	Centralization of Communications	(1.00)	\$ (62,499)	\$ -	\$ (62,499)	\$ -
Police Total		(1.00)	\$ 1,122,742	\$ 4,000,000	\$ 5,122,742	\$ -
Public Works	Rehabilitation of the Thompson Medical Library/Eddy Auditorium at Balboa Park	-	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
	Citywide Public Facility Maintenance Projects	-	\$ -	\$ 757,768	\$ 757,768	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 195,960	\$ -	\$ 195,960	\$ -
		-	\$ 195,960	\$ 2,257,768	\$ 2,453,728	\$ -
Public Works Total		-	\$ 195,960	\$ 2,257,768	\$ 2,453,728	\$ -
Purchasing & Contracting	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 10,811	\$ -	\$ 10,811	\$ -
Purchasing & Contracting Total		-	\$ 10,811	\$ -	\$ 10,811	\$ -

# FY 2017 MAY REVISION SUMMARY TABLE

ATTACHMENT 1

## ATTACHMENT D

GENERAL FUND		BUDGET ADJUSTMENT						
DEPARTMENT		FTE	PE	NPE	EXP	REV		
Real Estate Assets	Document Scanning Services	-	\$ -	\$ 17,415	\$ 17,415	\$ -		
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 10,287	\$ -	\$ 10,287	\$ -		
	Stonewood Garden Apartments Lease Agreement	-	\$ -	\$ -	\$ -	\$ 2,952,000		
Real Estate Assets Total		-	\$ 10,287	\$ 17,415	\$ 27,702	\$ 2,952,000		
Transportation & Storm Water	Trench Cut/Excavation Fee Transfer	-	\$ -	\$ 500,000	\$ 500,000	\$ -		
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 485,264	\$ -	\$ 485,264	\$ -		
Transportation & Storm Water Total		-	\$ 485,264	\$ 500,000	\$ 985,264	\$ -		
Grand Total		11.25	\$ 2,686,983	\$ 7,775,617	\$ 10,462,600	\$ 4,962,600		

## FY 2017 MAY REVISION SUMMARY TABLE

## ATTACHMENT D

NON-GENERAL FUNDS						
FUND	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REV
Airports Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (1,584)	\$ (1,212)	\$ (2,796)	\$ -
Airports Fund Total		-	\$ (1,584)	\$ (1,212)	\$ (2,796)	\$ -
Bay Terraces - Honey Drive MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (202)
Bay Terraces - Honey Drive MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (202)
Bay Terraces - Parkside MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (1,045)
Bay Terraces - Parkside MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (1,045)
Bird Rock MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (3,725)
Bird Rock MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (3,725)
Black Mountain Ranch North MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (288)
Black Mountain Ranch North MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (288)
Black Mountain Ranch South MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (10,319)
Black Mountain Ranch South MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (10,319)
Calle Cristobal MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (2,782)
Calle Cristobal MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (2,782)
Camino Santa Fe MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ (30,000)	\$ (30,000)	\$ (1,812)
Camino Santa Fe MAD Fund Total		-	\$ -	\$ (30,000)	\$ (30,000)	\$ (1,812)
Campus Point MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (4,568)
Campus Point MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (4,568)
Carmel Mountain Ranch MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (7,307)
Carmel Mountain Ranch MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (7,307)
Carmel Valley MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (8,314)
Carmel Valley MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (8,314)
Carmel Valley NBHD #10 MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 193
Carmel Valley NBHD #10 MAD Fund Total		-	\$ -	\$ -	\$ -	\$ 193
Central Stores Fund	Revised Revenue	-	\$ -	\$ -	\$ -	\$ (1,287)
Central Stores Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (1,287)	\$ -	\$ (1,287)	\$ -
Civita MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ 20,400	\$ 20,400	\$ (170)
Civita MAD Fund Total		-	\$ -	\$ 20,400	\$ 20,400	\$ (170)

## FY 2017 MAY REVISION SUMMARY TABLE

## ATTACHMENT D

NON-GENERAL FUNDS		BUDGET ADJUSTMENT							
FUND		FTE	PE	NPE	EXP	REV			
Concourse and Parking Garages Operating Fund	Parking Garage Revenue	-	\$ -	\$ -	\$ -	\$ 318,772			
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (139)	\$ -	\$ (139)	\$ -			
Concourse and Parking Garages Operating Fund Total		-	\$ (139)	\$ -	\$ (139)	\$ 318,772			
Coral Gate MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (5,361)			
Coral Gate MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (5,361)			
Coronado View MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (4,030)			
Coronado View MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (4,030)			
Development Services Fund	Rent Expense	-	\$ -	\$ 754,482	\$ 754,482	\$ -			
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (33,259)	\$ (4,805)	\$ (38,064)	\$ -			
Development Services Fund Total		-	\$ (33,259)	\$ 749,677	\$ 716,418	\$ -			
Eastgate Technology Park MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (15,166)			
Eastgate Technology Park MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (15,166)			
El Cajon Boulevard MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 23,962			
El Cajon Boulevard MAD Fund Total		-	\$ -	\$ -	\$ -	\$ 23,962			
Energy Conservation Program Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (174)	\$ (328)	\$ (502)	\$ -			
Energy Conservation Program Fund Total		-	\$ (174)	\$ (328)	\$ (502)	\$ -			
Engineering & Capital Projects Fund	Revised Revenue	-	\$ -	\$ -	\$ -	\$ (41,890)			
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (37,810)	\$ (4,080)	\$ (41,890)	\$ -			
Engineering & Capital Projects Fund Total		-	\$ (37,810)	\$ (4,080)	\$ (41,890)	\$ (41,890)			
Facilities Financing Fund	Revised Revenue	-	\$ -	\$ -	\$ -	\$ (3,652)			
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (2,864)	\$ (788)	\$ (3,652)	\$ -			
Facilities Financing Fund Total		-	\$ (2,864)	\$ (788)	\$ (3,652)	\$ (3,652)			
Fire/Emergency Medical Services Transport Program Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (11,136)	\$ 4,684	\$ (6,452)	\$ -			
Fire/Emergency Medical Services Transport Program Fund Total		-	\$ (11,136)	\$ 4,684	\$ (6,452)	\$ -			
First SD River Imp. Project MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 12,201			
First SD River Imp. Project MAD Fund Total		-	\$ -	\$ -	\$ -	\$ 12,201			
Fleet Services Operating Fund	Rent Expense	-	\$ -	\$ 800,000	\$ 800,000	\$ -			
	Department Director	1.00	\$ 186,313	\$ -	\$ 186,313	\$ -			
Fleet Services Operating Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (403,360)	\$ (6,473)	\$ (409,833)	\$ -			
		1.00	\$ (217,047)	\$ 793,527	\$ 576,480	\$ -			
Gateway Center East MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (753)			
Gateway Center East MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (753)			

## FY 2017 MAY REVISION SUMMARY TABLE

## ATTACHMENT D

NON-GENERAL FUNDS						
FUND	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REV
Genesee/North Torrey Pines Road MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (5,232)
Genesee/North Torrey Pines Road MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (5,232)
GIS Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (446)	\$ -	\$ (446)	\$ -
GIS Fund Total		-	\$ (446)	\$ -	\$ (446)	\$ -
Golf Course Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (15,057)	\$ -	\$ (15,057)	\$ -
Golf Course Fund Total		-	\$ (15,057)	\$ -	\$ (15,057)	\$ -
Hillcrest MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (503)
Hillcrest MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (503)
Information Technology Fund	Revised Revenue	-	\$ -	\$ -	\$ -	\$ 9,698
Information Technology Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (24,306)	\$ (8,266)	\$ (32,572)	\$ -
Junior Lifeguard Program Fund	Revised Revenue	-	\$ -	\$ -	\$ -	\$ 9,698
Junior Lifeguard Program Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (538)	\$ -	\$ (538)	\$ -
Kensington Manor MAD	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ (538)	\$ -	\$ (538)	\$ (538)
Kensington Manor MAD Total		-	\$ -	\$ -	\$ -	\$ (514)
Kensington Park North MAD	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (514)
Kensington Park North MAD Total		-	\$ -	\$ -	\$ -	\$ (293)
Kings Row MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 147
Kings Row MAD Fund Total		-	\$ -	\$ -	\$ -	\$ 147
La Jolla Village Drive MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (2,237)
La Jolla Village Drive MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (2,237)
Liberty Station/NTC MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (803)
Liberty Station/NTC MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (803)
Linda Vista Community MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (1,024)
Linda Vista Community MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (1,024)
Local Enforcement Agency Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (1,102)	\$ -	\$ (1,102)	\$ -
Local Enforcement Agency Fund Total		-	\$ (1,102)	\$ -	\$ (1,102)	\$ -
Los Penasquitos Canyon Preserve Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (217)	\$ -	\$ (217)	\$ -
Los Penasquitos Canyon Preserve Fund Total		-	\$ (217)	\$ -	\$ (217)	\$ -
Maintenance Assessment District (MAD) Management Fund	Non-Standard Hour Personnel Funding	0.50	\$ 12,914	\$ -	\$ 12,914	\$ -
Maintenance Assessment District (MAD) Management Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (3,922)	\$ (1,020)	\$ (4,942)	\$ -
		0.50	\$ 8,992	\$ (1,020)	\$ 7,972	\$ -

## FY 2017 MAY REVISION SUMMARY TABLE

## ATTACHMENT D

NON-GENERAL FUNDS									
FUND	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REV			
Metropolitan Sewer Utility Fund	Rent Expense	-	\$ -	\$ 23,520	\$ 23,520	\$ -			
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (71,909)	\$ (1,829)	\$ (73,738)	\$ -			
	Insurance	-	\$ -	\$ (196,339)	\$ (196,339)	\$ -			
	Debt Service	-	\$ -	\$ (1,187,888)	\$ (1,187,888)	\$ -			
Metropolitan Sewer Utility Fund Total		-	\$ (71,909)	\$ (1,362,536)	\$ (1,434,445)	\$ -			
Mira Mesa MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 3,160			
Mira Mesa MAD Fund Total		-	\$ -	\$ -	\$ -	\$ 3,160			
Miramar Ranch North MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (26,950)			
Miramar Ranch North MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (26,950)			
Mission Boulevard MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (2,636)			
Mission Boulevard MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (2,636)			
Mission Hills Special Lighting MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (6)			
Mission Hills Special Lighting MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (6)			
Municipal Sewer Revenue Fund	Insurance	-	\$ -	\$ (14,335)	\$ (14,335)	\$ -			
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (72,083)	\$ (2,362)	\$ (74,445)	\$ -			
	Debt Service	-	\$ -	\$ (1,514,857)	\$ (1,514,857)	\$ -			
		-	\$ (72,083)	\$ (1,531,554)	\$ (1,603,637)	\$ -			
Municipal Sewer Revenue Fund Total		-	\$ -	\$ -	\$ -	\$ (3,730)			
North Park MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (3,730)			
North Park MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (3,730)			
Ocean View Hills MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (5,323)			
Ocean View Hills MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (5,323)			
OneSD Support Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (7,821)	\$ (2,410)	\$ (10,231)	\$ -			
OneSD Support Fund Total		-	\$ (7,821)	\$ (2,410)	\$ (10,231)	\$ -			
Otay International Center MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (5,741)			
Otay International Center MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (5,741)			
Pacific Highlands Ranch MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (7,142)			
Pacific Highlands Ranch MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (7,142)			
Park Village MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (5,191)			
Park Village MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (5,191)			
Parking Meter Operations Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (4,049)	\$ -	\$ (4,049)	\$ -			
Parking Meter Operations Fund Total		-	\$ (4,049)	\$ -	\$ (4,049)	\$ -			
Penasquitos East MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (8,243)			
Penasquitos East MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (8,243)			

## FY 2017 MAY REVISION SUMMARY TABLE

## ATTACHMENT D

NON-GENERAL FUNDS									
FUND	BUDGET ADJUSTMENT				FTE	PE	NPE	EXP	REV
PETCO Park Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$	(615)	\$	(510)	\$	(1,125)	\$ -
	Debt Service	-	\$	-	\$	(212,296)	\$	(212,296)	\$ -
PETCO Park Fund Total		-	\$	(615)	\$	(212,806)	\$	(213,421)	\$ -
Public Art Fund	Public Art Fund Allocation	-	\$	-	\$	442,229	\$	442,229	\$ 442,229
Public Art Fund Total		-	\$	-	\$	442,229	\$	442,229	\$ 442,229
Publishing Services Fund	Revised Revenue	-	\$	-	\$	-	\$	-	\$ 76,085
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$	(1,699)	\$	(2,040)	\$	(3,739)	\$ -
Publishing Services Fund Total		-	\$	(1,699)	\$	(2,040)	\$	(3,739)	\$ 76,085
QUALCOMM Stadium Operations Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$	(10,292)	\$	-	\$	(10,292)	\$ -
	Insurance	-	\$	-	\$	(20,400)	\$	(20,400)	\$ -
QUALCOMM Stadium Operations Fund Total		-	\$	(10,292)	\$	(20,400)	\$	(30,692)	\$ -
Rancho Bernardo MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ 15,717
Rancho Bernardo MAD Fund Total		-	\$	-	\$	-	\$	-	\$ 15,717
Rancho Encantada MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ 5,973
Rancho Encantada MAD Fund Total		-	\$	-	\$	-	\$	-	\$ 5,973
Recycling Fund	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$	(22,755)	\$	(184)	\$	(22,939)	\$ -
Recycling Fund Total		-	\$	(22,755)	\$	(184)	\$	(22,939)	\$ -
Refuse Disposal Fund	Zero Waste Plan	1.00	\$	130,363	\$	-	\$	130,363	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$	(24,246)	\$	(858)	\$	(25,104)	\$ -
Refuse Disposal Fund Total		1.00	\$	106,117	\$	(858)	\$	105,259	\$ -
Refuse Disposal Fund - Miramar Closure Fund	Revised Revenue	-	\$	-	\$	-	\$	-	\$ (450,000)
Refuse Disposal Fund - Miramar Closure Fund Total		-	\$	-	\$	-	\$	-	\$ (450,000)
Remington Hills MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ (987)
Remington Hills MAD Fund Total		-	\$	-	\$	-	\$	-	\$ (987)
Risk Management Administration Fund	Workers' Compensation Temporary Staffing	-	\$	-	\$	250,000	\$	250,000	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$	(12,114)	\$	(6,864)	\$	(18,978)	\$ -
Risk Management Administration Fund Total		-	\$	(12,114)	\$	243,136	\$	231,022	\$ -
Robinson Ridge MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ (443)
Robinson Ridge MAD Fund Total		-	\$	-	\$	-	\$	-	\$ (443)
Sabre Springs MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ (6,849)
Sabre Springs MAD Fund Total		-	\$	-	\$	-	\$	-	\$ (6,849)
Scripps/Miramar Ranch MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ (12,263)
Scripps/Miramar Ranch MAD Fund Total		-	\$	-	\$	-	\$	-	\$ (12,263)
Stonecrest Village MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$	-	\$	-	\$	-	\$ (4,971)
Stonecrest Village MAD Fund Total		-	\$	-	\$	-	\$	-	\$ (4,971)

## FY 2017 MAY REVISION SUMMARY TABLE

## ATTACHMENT D

NON-GENERAL FUNDS						
FUND	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REV
Street Light District #1 MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (10,277)
Street Light District #1 MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (10,277)
Talmadge MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ (15,000)	\$ (15,000)	\$ 569
Talmadge MAD Fund Total		-	\$ -	\$ (15,000)	\$ (15,000)	\$ 569
Talmadge Park South MAD	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (278)
Talmadge Park South MAD Total		-	\$ -	\$ -	\$ -	\$ (278)
Tierrasanta MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (793)
Tierrasanta MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (793)
Torrey Highlands MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 18,415
Torrey Highlands MAD Fund Total		-	\$ -	\$ -	\$ -	\$ 18,415
Torrey Hills MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (16,778)
Torrey Hills MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (16,778)
Transient Occupancy Tax Fund	Arts, Culture, and Community Festivals - Programs (CCSD & OSP)	-	\$ -	\$ 941,570	\$ 941,570	\$ -
	Arts, Culture, and Community Festivals - Public Art Fund Allocation	-	\$ -	\$ 442,229	\$ 442,229	\$ -
	Commission for Arts and Culture - Program Manager	1.00	\$ 135,959	\$ -	\$ 135,959	\$ -
	Special Events - Film Program	-	\$ -	\$ 125,000	\$ 125,000	\$ -
	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ 8,040	\$ -	\$ 8,040	\$ -
	One Cent Discretionary Allocation	-	\$ -	\$ (10,392)	\$ (10,392)	\$ -
	Tentative Labor Negotiation Agreement/Fringe Benefit Adjustment	-	\$ (12,099)	\$ (1,608)	\$ (13,707)	\$ -
	Arts, Culture, and Community Festivals - Penny for the Arts	-	\$ -	\$ (1,523,909)	\$ (1,523,909)	\$ -
	Transient Occupancy Tax (TOT) Revenue	-	\$ -	\$ -	\$ -	\$ (51,959)
		1.00	\$ 131,900	\$ (27,110)	\$ 104,790	\$ (51,959)
Underground Surcharge Fund	Underground Surcharge Fee	-	\$ -	\$ -	\$ -	\$ 5,392,967
Underground Surcharge Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (1,045)	\$ -	\$ (1,045)	\$ -
University Heights MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ 5,392,967
University Heights MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (4,239)
Washington Street MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	\$ -	\$ (4,239)
Washington Street MAD Fund Total		-	\$ -	\$ -	\$ -	\$ (6,200)
Water Utility Operating Fund	Hodges Reservoir	-	\$ -	\$ 1,119,000	\$ 1,119,000	\$ 1,119,000
	Kinder Morgan Support	-	\$ -	\$ 250,000	\$ 250,000	\$ -
	State Revolving Fund Loan Proceeds	-	\$ -	\$ -	\$ -	\$ 4,099,000
	Water Bonds Interest Earning	-	\$ -	\$ -	\$ -	\$ 2,982,000
	Insurance	-	\$ -	\$ (13,658)	\$ (13,658)	\$ -
Water Utility Operating Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (131,651)	\$ (11,544)	\$ (143,195)	\$ -
		-	\$ (131,651)	\$ 1,343,798	\$ 1,212,147	\$ 8,200,000

# FY 2017 MAY REVISION SUMMARY TABLE

ATTACHMENT 1

## ATTACHMENT D

NON-GENERAL FUNDS									
FUND	BUDGET ADJUSTMENT				FTE	PE	NPE	EXP	REV
Webster-Federal Boulevard MAD Fund	Maintenance Assessment District (MAD) Funds Adjustment	-	\$ -	\$ -	-	\$ -	-	\$ -	\$ (397)
Webster-Federal Boulevard MAD Fund		-	\$ -	\$ -	-	\$ -	-	\$ -	\$ (397)
Total									
Wireless Communications Technology Fund	Sublease with SDG&E	-	\$ -	\$ -	-	\$ -	-	\$ -	\$ 20,900
Wireless Communications Technology Fund Total	Tentative Labor Agreement/Fringe Benefit Adjustment	-	\$ (20,377)	\$ (20,377)	-	\$ (20,377)	(757)	\$ (21,134)	\$ -
Wireless Communications Technology Fund Total		-	\$ (20,377)	\$ (20,377)	-	\$ (20,377)	(757)	\$ (21,134)	\$ 20,900
Grand Total		3.50	\$ (456,367)	\$ 376,102	3.50	\$ (456,367)	376,102	\$ (80,265)	\$ 13,785,777
City Total		14.75	\$ 2,230,616	\$ 8,151,719	14.75	\$ 2,230,616	8,151,719	\$ 10,382,335	\$ 18,748,377

<b>One-Time Resources</b>	
<b>FY 2017 Proposed Budget</b>	
Transient Occupancy Tax Fund Balance	\$ 8,049,811
Return of General Fund CIP Contributions related to Bayside Fire Station	5,000,000
Fleet Operating Fund Balance	3,399,136
Infrastructure Asset Management Project Reimbursements	1,682,987
Tobacco Securitized Fund Balance Transfer	1,068,569
Storm Drain Fund Balance	700,000
IT Funds Fund Balance	691,643
Automated Refuse Container Fund Pay-Back	600,000
Urban Area Security Initiative Grant Revenue	338,216
Fire/Emergency Medical Services Transport Program Fund Balance	188,454
Revenue due to Reinspection Enhancements	120,000
Event Fees related to Aquatics Program	20,000
<b>FY 2017 Proposed Budget Subtotal</b>	<b>\$ 21,858,816</b>
<b>FY 2017 May Revision</b>	
Fiscal Year 2016 Excess Equity	\$ 5,500,000
Stonewood Garden Apartments Lease Agreement	2,952,000
Excess Fund Balance	440,295
<b>FY 2017 May Revision Subtotal</b>	<b>8,892,295</b>
<b>Total</b>	<b>\$ 30,751,111</b>

<b>One-Time Uses</b>	
<b>FY 2017 Proposed Budget</b>	
General Fund Reserves	\$ 7,600,000
Transfer to Watershed Projects	4,000,000
Public Liability Reserves	2,800,000
Office Relocation/ Tenant Improvements	2,631,193
Transfer to Sidewalk Repair/Replacement Projects	2,000,000
Citywide Ballot Measures and Elections	1,773,583
Transfer to Drainage Projects	1,525,000
Transfer to Street Light Circuit Upgrade Project	1,350,000
Vehicles for Catch Basin Cleaning	1,303,025
Vehicles for Pipe Repair Crew	1,200,000
Dump Trucks for Channel Cleaning and Street Paving	1,120,854
Transfer to Compressed Natural Gas Fueling Station Project	900,000
Improvement/Maintenance of Police Facilities	750,000
Vehicles for Facilities Repairs and Maintenance	619,000
Vehicles and Equipment for New and Enhanced Park & Recreation Facilities	598,305
Replacement of Artificial Turf (Pershing Middle School Joint Use Field)	500,000
Vehicles for Channel Inspection & Cleaning	415,000
Implementation Costs Related to 311 Service Delivery Program	400,000
Body Worn Cameras for Police Officers	300,000
City Administration Building (CAB) Carpet Replacement	255,000
Elevator & Energy Feasibility Study for Police Facilities	250,000
Facilities Condition Assessment SAP/IAM	250,000
Vactor Purchase for Catch Basin Cleaning	250,000
Water Blaster for Transportation & Storm Water	250,000
Vehicles for Graffiti Abatement	190,000
Termination Pay for Departing Council Member Staff	177,868
Consultant Services for the Otay Mesa Enhanced Infrastructure Financing District	150,000
Specialized Aircraft Tools	150,000
Vehicles for Open Space Acreage Expansion	136,800
Safety Supplies and Vehicles for Sworn Positions	126,000
Advanced Lifeguard Academy	113,350
Vehicles for Canine Unit	100,000
Infrastructure Asset Management Training	75,384
Vehicle for Playground Outlay and Rubberized Surfacing	60,000
Contracts for the Maintenance of NEOGOV and CritiCall Interface	25,000
Vehicle to support the Street Preservation Ordinance	20,000
Vehicle for Streets Superintendent	16,900
Professional Services for the Infrastructure and Public Utilities Loan Program Unit	15,000

<b>One-Time Uses</b>	
<b>FY 2017 Proposed Budget</b>	
Supplies for OSHA Standards Training	7,000
Supplies for the Library Department	2,500
Reduction of Non-Personnel Expenditures Related to Department Reductions and Efficiency Savings	(102,064)
<b>FY 2017 Proposed Budget Subtotal</b>	<b>\$ 34,304,698</b>
<b>FY 2017 May Revision</b>	
Police Officer Recruitment and Retention	\$ 4,000,000
Rehabilitation of Thompson Medical Library/Eddy Auditorium at Balboa Park	1,500,000
Citywide Public Facility Maintenance Projects	757,768
Balboa Park Light Posts Replacement	350,000
Kinder Morgan Litigation	250,000
Code Enforcement Abatement Fund Support	150,000
Senior Center in North Clairemont	105,476
Vehicle for Balboa Park Maintenance Supervisor	30,000
<b>FY 2017 May Revision Subtotal</b>	<b>\$ 7,143,244</b>
<b>Total</b>	<b>\$ 41,447,942</b>

Excerpt from Council Policy 100-03: Transient Occupancy Tax  
Attachment A: General Requirements and Conditions  
Section B: Funding

1. Expenses must be both incurred and paid by an organization before the City will release funding to the organization, except as otherwise may be provided.
2. Expenses must be incurred during the City's fiscal year (July 1 - June 30) for which the program is funded, except as otherwise may be provided.
3. City funds may not be used for alcoholic beverages. In addition, City funds may not be used for travel, meals, lodging, or entertainment expenses, except as otherwise may be provided. Waivers to this provision will be considered for expenditures within the Economic Development Program categories. Organizations receiving waivers may use City funds for travel, meals, or lodging within the following parameters:
  - a. Travel – when use of public air carrier transport is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of coach airfare only. City funds may not be applied toward any upgrades.
  - b. Meals – when provision of meals is required in order to perform the contractual scope of services to the City, City funds may be applied toward a maximum of \$50 per day per person for meals (excluding sales tax and a maximum 15% gratuity, which are also eligible expenses). This daily maximum is further limited by meal, as follows: \$10, \$15, and \$25 are the maximum City funds that can be applied toward breakfast, lunch, and dinner, respectively, per person. If alcoholic beverages are consumed with meals, they may not be paid for with City funds. In the event that meals are provided to individuals who are not members of the funded organization within the scope of a business development meeting, documentation containing the purpose of the meeting, the benefit to the City, and a list of attendees must be provided to the City in order for City funding to be utilized.
  - c. Lodging – when out-of-town lodging is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of the cost of a standard room in a business class hotel, or toward the conference rates of the host hotel when attending a conference.
  - d. Sponsorships – the City acknowledges the business requirement of event sponsorships by promotional organizations in order to market San Diego as a convention destination in a highly competitive market, and to attract businesses to

the region. The primary objective of a funded organization's participation in such events is to gain exposure for San Diego and secure access to important decision makers representing prominent convention groups and businesses. Financial sponsorship of such events is an acceptable application of City funds. If alcoholic beverages are consumed during event sponsorships, they may not be paid for with City funds.

4. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the buildup of reserves.
5. Matching fund requirements will be determined by the appropriate application process as called for in the specific funding guidelines within each funding category, if applicable.
6. Organizations requesting funds should possess, at a minimum, a three-year track record of operations. Annual requests for funding may be for one-time events or projects, though applicant organizations must have a three-year history.

## Fiscal Year 2017 Transient Occupancy Tax Fund Allocations

ORGANIZATION/PROGRAM	FY 17 Allocation
<b>Arts, Culture, and Community Festivals - Organizational Support</b>	
Art of Elan	18,915
Athenaeum Music & Arts Library	106,152
Bach Collegium San Diego	29,938
Balboa Park Cultural Partnership	239,868
Balboa Park Online Collaborative, Inc.	84,004
California Ballet Association, Inc	131,373
Camarada, Inc.	21,082
Center for World Music	23,097
Choral Consortium of San Diego	1,673
City Ballet, Inc	78,666
Classics for Kids, Inc.	36,612
Culture Shock Dance Troupe, Inc	16,386
Cygnnet Theatre Company	165,560
Diversions Theatre	62,355
Fern Street Community Arts, Inc	14,639
Finest City Performing Arts, Inc.	41,397
Flying Leatherneck Historical Foundation	36,142
Gaslamp Quarter Historical Foundation	49,818
Intrepid Shakespeare Company	15,336
Ion Theatre Company	24,318
Japanese Friendship Garden Society of San Diego	94,436
La Jolla Historical Society	85,006
La Jolla Music Society	244,286
La Jolla Symphony and Chorus Association	54,335
Lambda Archives of San Diego	10,411
Mainly Mozart, Inc.	163,932
Malashock Dance & Company	57,980
Maritime Museum Association of San Diego	282,569
Media Arts Center San Diego	89,778
Mingei International, Inc.	213,466
Moxie Theatre, Inc.	27,079
Museum of Contemporary Art San Diego	368,399
Museum of Photographic Arts	230,686
New Americans Museum	28,939
NTC Foundation	66,068
Old Globe Theatre	542,761
Outside the Lens	41,358
Pacific Arts Movement	84,782
Persian Cultural Center	38,669
Playwrights Project	43,264
Prophet World Beat Productions	34,811
Reuben H. Fleet Science Center	366,559

## Fiscal Year 2017 Transient Occupancy Tax Fund Allocations

ORGANIZATION/PROGRAM	FY 17 Allocation
SACRA/PROFANA	15,710
San Diego Air & Space Museum	347,724
San Diego Archaeological Center	32,800
San Diego Art Institute	41,025
San Diego Automotive Museum	71,620
San Diego Ballet	57,974
San Diego Center for Jewish Culture	151,632
San Diego Children's Choir	50,267
San Diego Chinese Historical Society and Museum	21,696
San Diego Civic Youth Ballet. Inc.	64,492
San Diego Dance Theater	49,952
San Diego Guild of Puppetry, Inc	10,541
San Diego Hall of Champions	67,486
San Diego History Center	107,539
San Diego Junior Theatre	102,064
San Diego Master Chorale	13,849
San Diego Model Railroad Museum	79,386
San Diego Museum Council, Inc.	23,808
San Diego Museum of Art	413,486
San Diego Museum of Man	285,113
San Diego Musical Theatre	62,349
San Diego Opera	428,318
San Diego Repertory Theatre	196,576
San Diego Society of Natural History Balboa Park	542,819
San Diego Symphony Orchestra Association	543,245
San Diego Theatres, Inc	137,594
San Diego Watercolor Society	34,870
San Diego Women's Chorus	10,312
San Diego Writers, Ink	24,727
San Diego Youth Symphony and Conservatory	152,921
Save Our Heritage Organisation	118,049
Scripps Ranch Theatre	22,863
Sledgehammer Theatre	3,308
So Say We All	8,652
Spreckels Organ Society	30,790
The AjA Project	43,632
The New Children's Museum	184,669
The PGK Project, Inc	12,984
Theater and Arts Foundation of San Diego County	501,560
Timken Museum of Art	128,231
Villa Musica	65,186
Women's History Reclamation Project, Inc	21,007
Young Audiences of San Diego	66,881
Youth Philharmonic Orchestra	2,006

## Fiscal Year 2017 Transient Occupancy Tax Fund Allocations

ORGANIZATION/PROGRAM	FY 17 Allocation
<b>Arts, Culture, and Community Festivals - Organizational Support Total*</b>	<b>9,718,618</b>
<b>Arts, Culture, and Community Festivals - Creative Communities San Diego</b>	
America's Finest City Dixieland Jazz Society	43,531
Armed Services YMCA- SD Branch	67,799
Asian Story Theater Inc	5,342
Balboa Park Conservancy	72,390
BAME Renaissance Community Development Corporation	7,633
Brazilian Institute for Arts & Culture	12,633
Cabrillo Festival, Inc.	5,732
California Lawyers for the Arts	3,751
Casa Familiar	7,016
Contact Arts DBA San Diego Fringe Festival	62,859
Hillcrest Business Improvement Association	22,908
Indian Fine Arts Academy of San Diego	25,693
Italian American Art and Cultural Association of San Diego	21,767
Jacobs and Cushman San Diego Food Bank	43,201
Jacobs Center for Neighborhood Innovation	17,291
KARAMA	4,852
Karen Organization of San Diego	2,648
La Maestra	4,910
Linda Vista Multi-Cultural Fair, Inc.	8,721
Little Italy Association	25,482
Little Saigon San Diego Foundation	34,369
Mariachi Juvenil de San Diego	37,189
Mariachi Scholarship Foundation	18,631
Martin Luther King Jr. Community Choir of San Diego	3,048
Media Heritage Inc.	16,659
Musicians For Education, Inc.	16,129
Ocean Beach Merchants Association, Inc.	25,840
Pacific Beach Business Improvement Association	15,865
PASACAT, Inc.	6,503
Point Loma Summer Concerts	12,870
Rancho de los Penasquitos Town Council	7,724
Rolando Community Council, Inc	6,123
San Diego Audubon Society	17,769
San Diego Chinese Center	7,481
San Diego City College Foundation	7,568
San Diego Earth Day	29,035
San Diego Film Foundation	81,492
San Diego Lesbian, Gay, Bisexual, Transgender Pride	106,110
San Diego Music Foundation	30,984
San Diego Performing Arts League	5,471
San Diego Shakespeare Society	6,887
San Diego State University Research Foundation for KPBS	25,413
Space 4 Art, Inc.	5,633
The Bon Temps Social Club	106,110
The Cooper Family Foundation	5,539

## Fiscal Year 2017 Transient Occupancy Tax Fund Allocations

ORGANIZATION/PROGRAM	FY 17 Allocation
Torrey Pines Kiwanis Foundation	41,477
transcenDANCE Youth Arts Project	15,641
Write Out Loud	7,473
<b>Arts, Culture, and Community Festivals - Creative Communities Total *</b>	<b>1,167,192</b>
<b>Citywide Economic Development</b>	
CleanTECH San Diego	45,000
CyberHive, Inc.	40,000
EvoNexus (formerly CommNexus San Diego)	30,000
Hera Labs	30,000
Maritime Alliance Foundation	95,000
Mission Trails Regional Park Foundation, Inc.	45,000
Old Town San Diego Chamber of Commerce	15,000
Sweedish-American Chamber of Commerce	15,000
<b>Citywide Economic Development Total</b>	<b>315,000</b>
<b>Economic Development and Tourism Support</b>	
Adams Avenue Business Association	56,908
Asian Business Association	43,471
Biocom Institute	56,908
Cabrillo National Monument Foundation	56,908
City Heights Community Development Corporation	56,908
Hostelling International-American Youth Hostels	56,908
Japan Society of San Diego and Tijuana	53,165
North Park Main Street	52,843
Otay Mesa Chamber of Commerce	56,908
San Diego Diplomacy Council	44,714
South County Economic Development Council	56,469
South Park Business Group, Inc.	15,414
Travelers Aid Society of San Diego	56,908
Urban Corps of San Diego County	35,568
<b>Economic Development and Tourism Support Subtotal</b>	<b>700,000</b>
<b>Other</b>	
Business Expansion, Attraction, and Retention (BEAR)	515,000
Economic Development Program Administration	180,000
<b>Other Subtotal</b>	<b>695,000</b>
<b>Economic Development - Economic Development and Tourism Support Total</b>	<b>1,710,000</b>
*Funding award recommendations are tentative until June 30, 2016 because a variety of factors in the City's budget process can cause fluctuations in the numbers.	

### Park and Recreation

#### Beyer Park Development - S00752

Fund	Proposed	Change	Revised
400126 San Ysidro Urban COMM	-	\$280,000	\$280,000

An additional \$280,000 in Development Impact Fees has been allocated to this project for Fiscal Year 2017 to support the Environmental Study and General Development Plan (GDP) phases.

#### Regional Park Improvements - AGF00005

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	-	\$1,500,000	\$1,500,000

An additional \$1.5 million in Contribution from the General Fund funding has been allocated to this project for Fiscal Year 2017 for the facility improvements in Balboa Park.

### Police

#### CAD System Replacement Project - S13100

Fund	Proposed	Change	Revised
200724 CIP Lease Financing	-	\$2,073,923	\$2,073,923

An additional \$2.1 million in CIP Lease Financing funding has been allocated to this project for Fiscal Year 2017; Equipment and Vehicle Financing Program Funds have been identified as an alternative funding source.

### Transportation & Storm Water

#### Resurfacing of City Streets - AID00005

Fund	Proposed	Change	Revised
200203 Trench Cut Fee	\$1,500,000	\$2,258,329	\$3,758,329

An additional \$2.3 million in Trench Cut Fees has been allocated to this project for Fiscal Year 2017. This increase is comprised of \$500,000 in fund balance, \$1.3 million of back payments from the General Fund as outlined in the FY16 Year-End Monitoring Report, and \$500,000 in ongoing transfers from the General Fund as outlined in the FY17 May Revision for Transportation & Storm Water General Fund operations.

#### I5 to SR56 Freeway Connectors - S00707

Fund	Proposed	Change	Revised
200636 Developer Contributions CIP	-	\$580,000	\$580,000

An additional \$580,000 in Developer funding has been allocated to this project for Fiscal Year 2017 to support the design phase of the project.

#### El Camino Real to Via Del La Valle (1/2 mile) - S00856

Fund	Proposed	Change	Revised
200636 Developer Contributions CIP	-	\$714,354	\$714,354

An additional \$714,354 in Developer funding has been allocated to this project for Fiscal Year 2017 to support the design phase of the project.

#### State Route 56 Freeway Expansion - RD14000

Fund	Proposed	Change	Revised
200636 Developer Contributions CIP	-	\$12,091,000	\$12,091,000

An additional \$12.1 million in Developer funding has been allocated to this project for Fiscal Year 2017 to support the design phase of the project.

# Capital Improvements Program (CIP)

## FY2017 May Revision

### Public Utilities

#### Water Department Security Upgrades – S00050

Fund	Proposed	Change	Revised
700010 Water Utility – CIP Funding Source	\$1,500,000	(\$1,500,000)	–

This change reflects the removal of \$1.5 million in Water funding for Fiscal Year 2017 due to revised project schedule.

#### Cielo & Woodman Pump Station – S12012

Fund	Proposed	Change	Revised
700010 Water Utility – CIP Funding Source	\$2,085,000	(\$1,585,000)	\$500,000

This change reflects the removal of \$1.6 million in Water funding for Fiscal Year 2017 due to revised project schedule.

#### Otay 1st/2nd PPL West of Highland Avenue – S12016

Fund	Proposed	Change	Revised
700010 Water Utility – CIP Funding Source	\$900,000	(\$350,000)	\$550,000

This change reflects the removal of \$350,000 in Water funding for Fiscal Year 2017 due to revised project schedule.

#### University Heights Water Tower Seismic – S17006

Fund	Proposed	Change	Revised
700010 Water Utility – CIP Funding Source	\$600,000	(\$150,000)	\$450,000

This change reflects the removal of \$150,000 in Water funding for Fiscal Year 2017 due to revised project schedule.

#### Pipeline Rehabilitation – AJA00002

Fund	Proposed	Change	Revised
700008 Muni Sewer – CIP Funding Source	\$43,000,000	(\$5,017,879)	\$37,982,121

This change reflects the removal of \$5.0 million in Sewer funding for Fiscal Year 2017 due to the use of carry-forward budget from previous fiscal year to cover Fiscal Year 2017 needs.

#### AMI Implementation – S17008

Fund	Proposed	Change	Revised
700008 Muni Sewer – CIP Funding Source	–	\$19,187,795	\$19,187,795
700010 Water Utility – CIP Funding Source	–	\$19,187,795	\$19,187,795

An additional \$38.4 million in Water and Sewer funding has been allocated to this new project for Fiscal Year 2017 to support the Advanced Metering Infrastructure (AMI) Implementation project.

#### MWWD Trunk Sewers – AJB00001

Fund	Proposed	Change	Revised
700009 Metro Sewer – CIP Funding Source	\$3,600,000	(\$1,000,000)	\$2,600,000

This change reflects the removal of \$1.0 million in Sewer funding for Fiscal Year 2017 due to the use of carry-forward budget from previous fiscal year to cover Fiscal Year 2017 needs.

<b>Total CIP</b>	<b>\$53,185,000</b>	<b>\$48,270,317</b>	<b>\$101,455,317</b>
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# FY 2017 CIPRAC-Approved Underfunded Projects List

ATTACHMENT 6

## ATTACHMENT D

Project	Priority Score	Phase	Remaining to Fund
Police Range Refurbishment / S10118	81	Construction	6,999,593
Olive Grove Community Park Improvements / S15028	65	Construction	750,000
Skyline Hills Community Park ADA Improve / S15038	62	Construction	750,000
Rancho Bernardo Library / S00812	62	Construction	3,467,682
Scripps Miramar Ranch Library / S00811	59	Construction	1,090,400
Kensington/Normal Heights Library / S00795	49	Construction	2,246,530
Switzer Canyon Bridge Enhancement Prog / S10054	47	Construction	175,000
Pomerado Median Improve-N of R Bernardo / S10035	44	Construction	200,000
College Area Fire Station / S16015	65	Land Acquisition	800,000
Fire Station No. 54 - Paradise Hills / S00785	81	Design	800,000
Ocean Beach Lifeguard Station / S10121	79	Design	600,000
Americans with Disabilities Improvements / ABE00001	Annual		5,000,000
Drainage Projects / ACA00001	Annual		1,000,000
Guard Rails / AIE00002	Annual		1,500,000
Resurfacing of City Streets / AID00005	Annual		5,000,000
New Walkways / AIK00001	Annual		3,000,000
			<b>26,379,612</b>

Project	Project ID	Delivery Method	Estimated Construction Contract	Estimated Total Project Cost*
<b>Airports</b>				
Brown Field Runway 8L-26R Rehab Phase 2	B16150	Design Bid Build	5,800,000	7,500,000
<b>Airports Total</b>			<b>\$ 5,800,000</b>	<b>\$ 7,500,000</b>
<b>Fire-Rescue</b>				
Fire Station 3 Improvements	B13187	Design Bid Build	745,019	1,135,019
Fire Station 14 Roof & HVAC Replacement	B13189	Design Bid Build	501,000	755,000
Fire Station 19 Roof & HVAC Replacement	B13190	Design Bid Build	666,500	1,000,000
FIRE STA #5 - HILLCREST	S00788	Design Bid Build	7,316,923	9,661,923
Fire Station #8 Mission Hills	S10029	Design Bid Build	508,500	858,500
Fire Station 15 Expansion	S13011	Design Bid Build	425,000	675,000
<b>Fire-Rescue Total</b>			<b>\$ 10,162,942</b>	<b>\$ 14,085,442</b>
<b>Library</b>				
Malcolm X Library Facility Repairs	B10038	Design Bid Build	516,800	725,000
SAN YSIDRO BRANCH LIBRARY	S00802	Design Build	9,050,000	12,827,000
Mission Hills - Hillcrest Library	S13022	Design Build	14,847,523	17,847,523
<b>Library Total</b>			<b>\$ 24,414,323</b>	<b>\$ 31,399,523</b>
<b>Park &amp; Recreation</b>				
Balboa Park GC Fuel Tank Installation	B12019	Design Bid Build	370,000	535,406
Orchard Av, Capri by Sea & Old Salt Pool	B14073	Design Bid Build	290,000	495,000
Cesar Solis Community Park	S00649	Design Bid Build	11,200,000	16,800,000
Torrey Meadows Neighborhood Park	S00651	Design Bid Build	3,683,300	7,922,755
MISSION BAY GOLF COURSE PRACTICE CENTER	S01090	Design Bid Build	963,882	1,400,000
Mission Bay Golf Course Renovation & Recon	S11010	Design Bid Build	2,100,000	2,960,000
Canyonside Community Park Improvements	S12004	Design Bid Build	711,548	1,000,841
Chicano Park ADA Upgrades	S13003	Design Bid Build	1,049,000	1,640,000
Evans Pond Reclaimed Water Pipeline Inst	S13010	Design Bid Build	300,000	419,500
Chollas Lake Pk Playground Improvements	S14002	Design Bid Build	1,181,807	1,739,000
El Cuervo Adobe Improvements	S14006	Design Bid Build	273,480	621,368
MTRP Equestrian & Multi Use Staging Area	S14016	Design Bid Build	3,600,000	4,218,000
Mid City Skate Park-Park de la Cruz Neighborhood Park Improv	S15003	Design Bid Build	6,818,102	10,297,708
Rancho Mission Neigh Pk Play Area Upgrade	S15004	Design Bid Build	792,000	1,271,983
Rolling Hills Neighborhood Park ADA Upgr	S15021	Design Bid Build	240,000	400,000
San Ysidro Community Pk ADA Improvements	S15033	Design Bid Build	608,400	870,000
University Village Park Tot Lot	S13005	Design Bid Build	377,500	545,253
<b>Park &amp; Recreation Total</b>			<b>\$ 34,559,019</b>	<b>\$ 53,136,814</b>
<b>Police</b>				
Police Range Refurbishment	S10118	Design Bid Build	900,000	1,078,000
Police HQ Co-Generation Repower Project Phase II	S10131	Design Bid Build	1,522,100	1,854,653
<b>Police Total</b>			<b>\$ 2,422,100</b>	<b>\$ 2,932,653</b>
<b>Public Utilities</b>				
Sewer & AC Water Group 697A (S)	B00346	Design Bid Build	2,979,400	4,149,893
Sewer & AC Water Group 764A (S)	B00380	Design Bid Build	2,691,518	4,112,092
Sewer & AC Water Group Job 776 (S)	B00387	Design Bid Build	5,893,255	7,806,664
SEWER GJ 798C	B00409	Design Bid Build	212,420	484,380
Sewer Group 818	B00414	Design Bid Build	2,340,300	3,304,592
SEWER GROUP 786	B00421	Design Bid Build	5,915,495	7,358,201
Buchanan Canyon Sewer B (UP)	B00429	Design Bid Build	3,487,493	4,894,396
SPS 13 14 16 25A & 85 Dual FM	B00501	Design Bid Build	1,790,880	2,341,880
SEWER GROUP JOB 830	B11019	Design Bid Build	411,400	604,000
La Jolla Country Club Reservoir	B11024	Design Bid Build	4,534,250	6,782,000
ROSE CANYON TS (RCTS) JOINT REPAIR	B11025	Design Bid Build	12,834,000	14,252,295
Water Group Job 952	B11048	Design Bid Build	2,621,000	4,307,181
Water and Sewer Group Job 966 (S)	B12085	Design Bid Build	1,221,700	1,711,100
CI - Water and Sewer Group Job 966 (W)	B12086	Design Bid Build	1,447,100	2,122,400
Tyrian St/Soledad Ave Sewer Main Replace	B12111	Design Bid Build	915,000	1,346,500
Sewer Group 835	B13157	Design Bid Build	2,330,057	2,629,264
Water and Sewer GJ 955 (W)	B13186	Design Bid Build	2,719,392	3,973,952
Sewer & AC Water Group 776 (W)	B13197	Design Bid Build	1,411,906	1,775,688

Project	Project ID	Delivery Method	Estimated Construction Contract	Estimated Total Project Cost*
Sewer & AC Water Group 764A (W)	B13201	Design Bid Build	1,212,402	1,767,738
Sewer and AC Water Group 837 (S)	B13214	Design Bid Build	2,420,950	3,186,140
Pipeline Rehabilitation AE-1	B14030	Design Bid Build	5,789,162	7,059,149
S Mission Valley TS Accelerated Project	B14068	Design Bid Build	315,000	600,000
Water and Sewer Group 955 (S)	B14069	Design Bid Build	504,300	738,700
Water Group 969	B14100	Design Bid Build	1,404,700	2,047,000
AC Water Group 1008	B14117	Design Bid Build	3,240,655	4,600,720
SPS 23T - Reliability Improvements	B14131	Design Bid Build	1,179,861	1,592,861
SPS 76 Generator	B14168	Design Bid Build	41,500	75,000
AC Water & Sewer Group 1011 (S)	B15040	Design Bid Build	580,000	773,000
AC Water & Sewer Group 1011 (W)	B15041	Design Bid Build	3,179,000	4,239,000
Miramar PL Segment Replacement	B15050	Design Bid Build	805,000	1,185,770
Sewer and AC Water Group 837 (W)	B15071	Design Bid Build	960,050	1,252,820
AC Water & Sewer Group 1017 (S)	B15116	Design Bid Build	385,000	513,400
AC Water & Sewer Group 1017 (W)	B15119	Design Bid Build	5,673,600	7,564,900
Otay Valley Manhole Improvements Phase 3	B15123	Design Bid Build	2,932,500	3,650,000
AC Water and Sewer Group 1029 (S)	B15172	Multiple Award Construction Contract	995,000	1,326,000
AC Water and Sewer Group 1029 (W)	B15174	Multiple Award Construction Contract	5,140,000	6,854,000
Pipeline Rehabilitation AI-1	B15187	Design Bid Build	3,893,375	4,986,045
Pipeline Rehabilitation AJ-1	B15201	Design Bid Build	4,924,881	5,759,126
Remaining Small Diameter CI Water Ph I	B15206	Design Bid Build	1,886,700	2,903,700
Sewer and AC Water Group 697A (W)	B15207	Design Bid Build	813,325	1,230,000
Tyrian St/Soledad Ave & AC Wtr Main (W)	B15216	Design Bid Build	583,000	982,000
Pipeline Rehabilitation AM-1	B16002	Design Bid Build	5,026,900	6,456,800
Morena Reservoir Outlet Tower Upgrade	S00041	Design Bid Build	18,600,000	21,500,000
Lower Otay Reservoir Emerg Outlet Improv	S00044	Design Bid Build	1,725,930	3,146,971
PS2 Power Reliability & Surge Protection	S00312	Design Bid Build	34,300,000	43,330,000
Montezuma PPL/Mid City Pipeline Ph 2	S11026	Design Bid Build	24,843,000	31,555,000
WDSU - Reservoirs & Dams - Ph II	S11106	Design Build	4,500,000	6,000,000
69th & Mohawk Pump Station	S12011	Design Bid Build	10,650,000	14,800,000
Tierrasanta (Via Dominique) Pump Station	S12040	Design Bid Build	13,251,833	16,688,861
Chollas Building	S11025	Design Build	17,500,000	22,500,000
Hodges Resv Hypolimnetic Oxygenation Sys	B15195	Design Build	2,792,051	3,600,000
MOC 5 Materials Bins	B14133	Design Bid Build	570,000	760,000
EMTS Boat Dock and Steam Line Relocation	S00319	Design Bid Build	1,547,325	2,018,535
Chollas Material Bins	S15043	Design Build	970,000	1,200,000
SBWRP Loop Control System & Valve Master Station Improvements	B16132	Design Build	724,488	900,000
Water & Sewer Group 965 (W)	B12057	Design Bid Build	2,081,600	2,934,600
Water & Sewer Group 965 (S)	B12048	Design Bid Build	2,182,900	2,932,600
Pipeline Rehabilitation AG1	B14118	Design Bid Build	4,417,000	5,437,000
Water Group Job 939	B11035	Design Bid Build	1,390,000	1,853,000
Water and Sewer Group 954(S)	B13203	Design Bid Build	526,700	666,200
Water and Sewer Group 954(W)	B10187	Design Bid Build	1,619,600	2,049,400
Tecolote Canyon Sewer	B11111	Design Bid Build	585,000	1,193,005
Sewer and Water Group 701 (S)	B00452	Design Bid Build	3,656,800	5,987,600
Sewer and Water Group 701 (W)	B00039	Design Bid Build	192,800	437,192
AC Water Group 1018A	B16146	Design Bid Build	4,500,000	5,200,000
Otay 2nd Pipeline Phase 2	B15046	Design Build	9,170,000	12,227,000
AC Woodman St. Pipeline Replacement	B15081	Design Build	2,126,000	2,834,000
<b>Public Utilities Total</b>			<b>\$ 274,066,454</b>	<b>\$ 357,051,311</b>

Project	Project ID	Delivery Method	Estimated Construction Contract	Estimated Total Project Cost*
<b>Public Works - General Services</b>				
Bay Bridge Community Center ADA	B13076	Design Bid Build	304,000	608,000
SY Comm and Rec CTR-ADA Barrier Removal	B13078	Design Bid Build	696,200	1,240,000
Carmel Valley Rec Ctr ADA Access Impr	B14152	Design Bid Build	380,000	583,000
Carmel Creek Park Comft St ADA Access Im	B14153	Design Bid Build	159,185	234,000
Carmel Del Mar Comft St ADA Access Impro	B14154	Design Bid Build	317,200	431,000
ADA Accessibility Improvements Group I	B15222	Design Bid Build	1,516,000	1,665,600
William Heath Davis House ADA Accessibil	B15223	Design Bid Build	281,012	389,600
ADA Accessibility Improvements Group II	B15229	Design Build	1,486,100	1,624,800
ADA Accessibility Improvements Group IV	B15230	Design Build	556,400	620,000
Miramar PI Fleet Servs Elect & Fac Impvts.	L14002.1	Design Bid Build	459,500	770,000
Rose Canyon Fleet Servs Elect & Fac Impvts.	L14002.2	Design Bid Build	153,000	273,000
Colina Del Sol Pool ADA	B13077	Design Bid Build	480,960	836,477
<b>Public Works - General Services Total</b>			<b>\$ 6,789,557</b>	<b>\$ 9,275,477</b>
<b>QUALCOMM Stadium</b>				
Qualcomm Stdm Fiber Optic & CATV	B14071	Design Build	335,000	500,000
<b>QUALCOMM Stadium Total</b>			<b>\$ 335,000</b>	<b>\$ 500,000</b>
<b>Transportation &amp; Storm Water</b>				
Ashley Falls Lg Scale Storm Flow Storage	B14007	Design Bid Build	585,000	1,025,000
Beta Street and 37th Street Green Alley	B11057	Design Bid Build	585,100	786,959
Bonillo Dr (4150) Storm Drain Replace	B12033	Design Bid Build	179,000	388,000
Camino del Este Path Xing Improvements	B13088	Design Bid Build	302,542	449,640
Burroughs & W Dunlop Sts Storm Dr Repl	B13101	Design Bid Build	492,929	860,887
El Cajon & 59th Obstruction DIF CR DS	B13105	Design Bid Build	152,584	211,648
Southeastern Obstruction DIF 13 CR	B13106	Design Bid Build	169,000	300,000
Group Job 13I North Park DIF CR	B13111	Design Bid Build	308,700	466,800
Group Job 13J Peninsula DIF CR	B13112	Design Bid Build	438,000	737,500
4th Ave & Date St Traffic Signal	B13137	Design Bid Build	214,589	275,000
36th St & El Cajon Bl Traffic Signal	B13138	Design Bid Build	252,993	330,000
Pacific Beach 3 SL Circuit Upgrade	B13140	Design Bid Build	825,063	1,013,063
Sunset Cliffs 3 SL Circuit Upgrade	B13141	Design Bid Build	696,900	943,500
Whitney Ct (6969) Storm Drain Replacement	B13210	Design Bid Build	299,282	490,282
New Streetlights - 19 Locations	B14012	Design Bid Build	282,450	389,200
Beyer Bl @ Smythe Ave Traffic Signal	B14015	Design Bid Build	235,900	320,000
Bikeway Striping Improvements-Citywide	B14040	Design Bid Build	79,500	114,000
Golden Hill CR Obstruction DIF 14	B14052	Design Bid Build	131,000	250,500
City Street Lights - 25 Locations	B14106	Design Bid Build	184,600	275,300
Alamo, Salvation, 68th Street Basins LID	B14120	Design Bid Build	2,024,000	2,771,845
Division St @ Valencia Pky TS	B15008	Design Bid Build	232,155	301,000
31st St & Market St School Traffic Sgnal	B15014	Design Bid Build	192,000	275,000
Division St & Osborn St Traffic Signal	B15047	Design Bid Build	212,200	275,000
Storm Drain Group 1008	B15062	Design Bid Build	231,035	315,138
Green Infrastructure Group 1014	B15104	Design Bid Build	2,268,880	2,887,500
Guardrail Projects Group 1501	B15224	Design Bid Build	219,300	385,000
Torrey Pines Road Slope Restoration	S00877	Design Bid Build	1,800,000	2,831,576
Miramar Road I-805 Easterly Ramps	S00880	Design Bid Build	4,823,519	6,548,073
Euclid Ave & Home Improvements	S00886	Design Bid Build	60,000	65,000
La Jolla Mesa Drive Sidewalk	S00928	Design Bid Build	585,900	837,000
Bikeway Striping Improvements-Citywide	S00955	Design Bid Build	73,500	97,000
Trojan Ave 56th to 60th UUD	B00718	Design Bid Build	405,320	748,075
Sunset Cliffs Dr Coronado to Newport UUD	B00720	Design Bid Build	309,512	464,581
Fanual Street Phase II Grand to Reed UUD	B00722	Design Bid Build	319,000	478,000
San Vicente Street to Ashmore UUD	B00725	Design Bid Build	300,000	400,000
Moraga Ave to Idelwild UUD	B00726	Design Bid Build	290,941	529,341
Moraga Ave Ph II -Moraga Ct to Monair UUD	B00788	Design Bid Build	319,887	587,388
District 1 Block 1-J UUD	B00836	Design Bid Build	83,483	96,083
District 4 Block 4-Z UUD	B00838	Design Bid Build	1,467,469	1,766,756
District 8 Block 8-B UUD	B00841	Design Bid Build	1,936,852	2,514,050
District 7 Block 7-A UUD	B00842	Design Bid Build	1,404,046	1,716,434

Project	Project ID	Delivery Method	Estimated Construction Contract	Estimated Total Project Cost*
Altadena/Wightman/Winona-El Cajon UUD	B00850	Design Bid Build	634,884	817,879
Euclid Ave UUD Streetlights (Euclid-Univ)	B11131	Design Bid Build	558,802	740,718
Block 4N North Encanto UUD	B12055	Design Bid Build	899,654	1,874,539
Block 8A Golden Hill UUD	B12056	Design Bid Build	190,045	231,445
Block 7R Allied Gardens UUD	B12064	Design Bid Build	1,832,436	3,686,139
Block 6DD Bay HO 3 UUD	B12065	Design Bid Build	1,313,715	1,790,978
Lincoln Av UUD (30th St-Wabash Av)	B12066	Design Bid Build	677,901	721,638
Potomac St UUD (Calle Tres Lomas-Sea Breeze)	B12069	Design Bid Build	392,616	465,634
32nd Street UUD (Market St - F St)	B13144	Design Bid Build	70,000	91,000
Cardiff Street UUD (Carlisle Dr - Wade St)	B13145	Design Bid Build	270,000	375,000
Howard Avenue UUD (Park Bl - I-805)	B13146	Design Bid Build	266,400	333,000
Mount Alifan Dr UUD (Genesee Ave-Mt Everest Blvd)	B13148	Design Bid Build	82,400	103,000
Paradise Valley Rd UUD (Potomac St-Parkland Wy)	B13149	Design Bid Build	63,000	88,000
Block 1M UUD (La Jolla 4)	B13151	Design Bid Build	316,800	396,000
Block 4-J1 UUD (Mid City)	B13152	Design Bid Build	324,000	405,000
Block 6DD1 UUD (Clairemont Mesa)	B13153	Design Bid Build	439,200	549,000
Block 7O1 UUD (College Area)	B13154	Design Bid Build	388,800	486,000
Block 8C UUD (Greater Golden Hill)	B13155	Design Bid Build	345,600	432,000
28th Street UUD (Island Av - Clay St)	B13156	Design Bid Build	265,000	337,000
Block 1M1 UUP (La Jolla)	B15084	Design Bid Build	297,000	356,400
Block 7G2 UUP - CIP	B15085	Design Bid Build	1,324,002	1,558,780
Block 6H UUP	B15086	Design Bid Build	423,000	507,600
25th (SB) Street UUP (Coronado-SB to Grove) - 20A	B15088	Design Bid Build	36,000	43,200
32nd Street UUP (Market to Imperial) - 20A	B15089	Design Bid Build	72,000	86,400
Baker St/Shawnee Rd UUP (Morena to Shawnee)	B15090	Design Bid Build	108,000	129,600
Woodrow Ave UUP (Calvacado to Aemacost) - 20A	B15091	Design Bid Build	54,000	64,800
Wightman Street UUP (Chamoune to Euclid) - 20A	B15092	Design Bid Build	72,000	86,400
Seminole Drive UUP (Stanley to Estelle) - 20A	B15093	Design Bid Build	45,000	54,000
Mission Blvd UUP (Loring to Tourquoise) - 20A	B15094	Design Bid Build	90,000	108,000
Hilltop Drive UUP (Boundary to Toyne) - 20A	B15095	Design Bid Build	126,000	151,200
Hancock Street UUP (Witherby to Tourquoise) - 20A	B15096	Design Bid Build	63,000	75,600
Block 2S2 UUP	B15098	Design Bid Build	306,000	367,200
30th Street Phase III Broadway to K UUD	B00717	Design Bid Build	669,000	870,550
Block 7G2 UUP	21003598	Design Bid Build	3,795,000	5,272,688
Mission Village-Ronda to Qualcomm Sdkw	B15004	Design Bid Build	705,100	1,034,100
Grove Ave/Ingrid Ave@Hollister St TS	B13179	Design Bid Build	266,000	349,500
31st St @ Ocean View Bl Traffic Signal	B14014	Design Bid Build	211,541	272,500
41st St @ National Ave Traffic Signal	B14016	Design Bid Build	271,541	335,000
Campanile Dr & Montezuma Rd Signal Mod	B13134	Design Bid Build	100,100	155,200
Traffic Signal Upgrades Citywide FY14	B14048	Design Bid Build	626,700	814,400
Callado Rd Green St Infiltration BMP	B13198	Design Bid Build	1,000,000	1,650,000
3rd Ave @ Washington St Traffic Signal	B14062	Design Bid Build	303,200	395,100
Block 2S1 South Mission Beach UUD	B12067	Design Bid Build	302,400	378,000
Illion Street UUD (Gardena Av - Milton St)	B13147	Design Bid Build	83,000	125,000
Group Job 13F Linda Vista DIF CR	B13108	Design Bid Build	293,560	377,278
<b>Transportation &amp; Storm Water Total</b>			<b>\$ 46,948,528</b>	<b>\$ 66,059,585</b>
<b>Total</b>			<b>\$ 405,497,923</b>	<b>\$ 541,940,805</b>

\* Estimated Total Project Costs may not represent what was published in the Fiscal Year 2017 Proposed Budget and will be revised as necessary for the Fiscal Year 2017 Adopted Budget publication.



## THE CITY OF SAN DIEGO

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** June 8, 2016**IBA Report Number:** 16-11**City Council Docket Date:** June 13, 2016**Item Number:** 202

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## **Review of the FY 2017 May Revision and Recommended Revisions to the Mayor's FY 2017 Budget**

This report presents the IBA's final FY 2017 budget review and recommendations for Council budget modifications. The recommendations are based on the following: our analysis of the FY 2017 May Revision to the Proposed Budget (May Revise), the FY 2016 Year-End Budget Monitoring Report (Year-End Report) discussed in IBA Report Number 16-13, and the FY 2017 Proposed Budget. Recommendations also reflect our review of Councilmember budget priority memoranda that were submitted to our Office on May 27, 2016 and released as IBA Report Number 16-12, as well as our consideration of feedback from the public, City staff, and City Councilmembers received during the budget review hearings.

This report is released at the end of a budget development process that has included extensive reviews of the Mayor's FY 2017 Proposed Budget by the City Council and the IBA, including:

- The IBA's review of the Mayor's FY 2017 Proposed Budget issued on April 29, 2016 as IBA Report No. 16-05
- Departmental and agency budget hearings with the Budget Review Committee that took place on May 4, 5, 9, and 10, 2016
- An evening City Council meeting held on May 16, 2016, in order to solicit input from the community on the Mayor's budget proposals and Council's budget priorities for FY 2017
- The discussion of the May Revise and Year-End Report (both of which were released on May 17, 2016) at the Budget Review Committee on May 19, 2016
- Financial Management responses to Budget Review Committee requests for additional information released on May 13, May 20, May 24, and June 2, 2016

In addition to approving final budget modifications, our Office recommends that the City Council designate modifications made as either one-time or ongoing expenditures, in order to avoid confusion about their funding status in future budgets. Council is also being asked to request that the Mayor consider Council priorities for the upcoming Deferred Capital 4 (DC4) capital bond

issuance. And finally, Council is being asked to authorize the transfer of revenues available in the Low-Income Housing Revenue Fund to the General Fund or to the Housing Authority for use by the Housing Commission to address homelessness and expand the Serial Inebriate Program. These requests for authorities are itemized in the concluding section of this report.

## OVERVIEW OF THE FY 2017 MAY REVISION AND KEY ISSUES

The May Revise increases the Mayor's FY 2017 General Fund expenditures budget by approximately \$10.5 million or 0.8% over the Proposed Budget, from \$1.33 billion to \$1.34 billion. General Fund revenues budgeted at \$1.33 billion in the Proposed Budget increased by \$5.0 million or 0.4% in the May Revise. The May Revise also increased the net number of General Fund full-time equivalent (FTE) positions by 11.25 from the Proposed Budget to a total of 7,528.69 FTEs—a proposed overall General Fund increase of 229.21 FTEs from FY 2016.<sup>1</sup>

Expenditure increases in the May Revise are \$5.5 million more than new resources, although the budget is still in balance due to the proposed use of Excess Equity. The FY 2017 Proposed Budget and May Revise are also balanced using a total of approximately \$30.8 million in one-time resources. The use of these resources remains in keeping with the City's Budget Policy as there is a total of \$41.4 million in proposed one-time expenditures in FY 2017, meaning that \$10.7 million in proposed one-time expenditures are funded with on-going resources.

### **Primary Resources Used to Balance the May Revise**

The increased expenditures included in the May Revise are funded through a variety of sources: an increase in lease revenue, an increase in property tax revenue, return of excess fund balances to the General Fund, and the use of \$5.5 million in projected FY 2016 year-end Excess Equity. An overview of revenue and equity resources that fund the net \$10.5 million in expenditure increases is displayed in the table below.

<i><b>Resources for May Revise Expenditures</b></i>	<i><b>FY 2017</b></i>
Excess Equity - Police Officer Retention and Recruitment	4,000,000
Excess Equity - Rehabilitation of Historical Library at Balboa Park	1,500,000
MG Stonewood Garden Apartments Renegotiated Lease	2,952,000
Property Tax Revenue	2,266,770
Return of Excess Fund Balances to the General Fund	429,903
Reimbursable Labor Revenue - Communications Department	(597,729)
Transient Occupancy Tax	(57,154)
Property Transfer Tax	(31,190)
<b>TOTAL RESOURCES</b>	<b>\$10,462,600</b>

<sup>1</sup> The increase in 229.21 FTE positions is proposed for the General Fund in FY 2017; the proposed FY 2017 citywide increase is 302.22 FTE positions.

Overall, our Office considers the use of these resources to be appropriate. We provide a review of projected FY 2016 year-end Excess Equity later in this report and in our review of the Year-End Report released as IBA Report 16-13.

### **Significant May Revise Additions**

Our Office has reviewed the additions included in the May Revise and note their overall appropriateness. In many cases they fall in line with Councilmember budget priorities, as noted in Council Budget Priority memoranda, or Councilmember comments made during the Budget Review Committee hearings. In the following sections we highlight and discuss a number of items included in the May Revise that reflect City Council priorities of public safety and parks infrastructure support.

#### *Fire-Rescue Department – Expanded Fire Academies*

The May Revise includes the addition of \$487,000 in personnel and non-personnel expenditures to increase the number of fire academy participants from 36 to 48 per academy in FY 2017. As we noted in our budget review, the FY 2017 Proposed Budget includes funding for two fire academies, which is a reduction from the three academies funded in FY 2016. Increasing the size of the two academies proposed for FY 2017, as the May Revision provides, will lessen the impact of moving from three academies to two. The Fire-Rescue Department has indicated that expanded fire academies in FY 2017 will mitigate the effects of in-academy attrition and advance the Department's goal of achieving full fire suppression staffing in FY 2017.

#### *Thompson Medical Library/Eddy Auditorium (Old Navy Hospital Library Building #8)*

The May Revise includes \$1.5 million in funding for improvements to a portion of the Old Navy Hospital Library. This building is located in the southeastern part of Balboa Park, adjacent to the Developed Regional Park Administration Building and the Balboa Park Maintenance Yard. Built in 1970, this building is a two-story building measuring 8,700 gross square feet including 5,500 square feet on the street level and 2,200 square feet on the sub-street level (including a small auditorium). This building was used by the Navy for many years and was acquired by the City in the 1990s as part of the Navy Hospital upgrade. In 2000, the building was to be converted into the American Indian Culture Center and Museum. However, in 2003 with the conversion partially complete, the project stopped and was no longer pursued. The building has been vacant since 2003.

This building was evaluated as part of the condition assessments for City-owned facilities conducted by the Public Works Department in FY 2015. Based upon the inspection of the building, the facility received a condition rating of Fair and a Facility Condition Index (FCI) score of 30.<sup>2</sup> Based upon the condition assessment default target of restoring the facility to a condition rating of Good and FCI score of 0, the facility was determined to need approximately \$2.1 million in improvements for the entire building.

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<sup>2</sup>Additional information related to the calculation of the FCI for the condition assessments is presented in Report to the City Council No. 16-014, dated March 10, 2016. Appendix A of Report No. 16-014 includes FCI scores for all the City-owned facilities including those in Balboa Park. Actual FCI scores for facilities within Balboa Park range from 0 to 70.

While several organizations such as the Friends of the Park and the San Diego Zoo have inquired about the building for lease/administrative space, the estimated improvement costs have been an impediment to leasing the facility.<sup>3</sup>

The proposed funding of \$1.5 million in the May Revise would allow for improvements to the 5,500 square foot street level area and would accommodate the transfer of up to 50 Park & Recreation Department Open Space Division employees from the City Administration Building (CAB) to Balboa Park. Of the \$1.5 million in allocated funding, \$1.1 million would be used for capital improvements to lower the FCI score for the improved space to 15 (per recommendations within Report to the City Council No. 16-014) and \$400,000 would be used for necessary tenant improvements. The Open Space Division is the only Park & Recreation Department division not located within Balboa Park. Per the Park & Recreation Department, the transfer of employees would facilitate improved communication and work efficiencies.

Additionally, the transfer of Open Space Division employees would allow staff from other City departments to occupy the vacated space downtown. Based upon the vacated space of approximately 5,500 square feet within CAB, the Real Estate Assets Department estimates the potential of approximately \$175,000 to \$200,000 in avoided annual lease payments as other City employees are moved from third party leased space to the vacated space within CAB.

#### *Police Department – Sworn Recruitment and Retention*

The FY 2016 Year-End Report proposes the use of \$4.0 million of projected Excess Equity to fund expanded Police sworn recruitment and retention efforts in FY 2017, which is a top priority for the City. This proposed expenditure is included in the May Revise, although the details of the proposed expenditure are subject to negotiation and are not yet known. In their budget modification memoranda, several Councilmembers requested that more information on this proposal be provided timely, noting a need to evaluate its effectiveness in improving sworn staffing. Details on the proposed \$4.0 million Police recruitment and retention expenditure should be provided expeditiously to the Council.

#### *Police Department – Dispatcher Recruitment and Retention*

The May Revise includes the addition of \$652,000 in expenditures for Police dispatcher recruitment and retention efforts, which is also a matter of top priority for the City. As with the May Revision's proposal for Police sworn recruitment and retention, the details of this proposed expenditure are subject to negotiation and are not yet known. We recommend that this information be provided timely to the Council, as well as the provision of monthly reports on Police Department Communications Division staffing and dispatch performance measures.

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<sup>3</sup>A typical lease agreement between the City and a not-for-profit agency would require the City to make the initial required improvements to make the facility inhabitable and only charge the administrative costs for the building (\$3,450 per year) to the not-for-profit organization.

## IBA PROPOSED MODIFICATIONS TO THE MAYOR'S FY 2017 BUDGET

The following table represents the IBA's recommended funding revisions and additions to the FY 2017 Proposed Budget and the May Revise. These recommendations are largely based on City Councilmembers' Budget Priority memoranda that were submitted to our Office on Friday, May 27, 2016. IBA staff carefully reviewed the proposals and discussed issues for clarification with appropriate City staff as needed. The Council memoranda are distributed for public review in IBA Report Number 16-12, which is provided as back-up to this Council item.

Description	Recommended Amount	One-Time/Ongoing
<b><i>Proposed FY 2017 Budget Revisions for Council Consideration</i></b>		<b><i>IBA Recommendation</i></b>
Funding to restore the Balboa Park Botanical Building: recommendation is 50% of project cost of \$2.7 million	\$ 1,350,000	One-time
Increased support for the Penny for the Arts Blueprint goal from 6.44% to 6.72% of TOT	\$ 600,000	Ongoing
Library programming support which increases support for the Library Ordinance goal from 3.85% to 3.86% of General Fund expenditures	\$ 500,000	Ongoing
Addition of 1.00 Associate Personnel Analyst and 1.00 Word Processing Operator in the Personnel Department to support City hiring	\$ 155,000	Ongoing
Second trash collection in Mission Beach for summer months	\$ 80,000	One-time <sup>1</sup>
Transfer of \$25,000 from Citywide Program Expenditures Department to the Office of the DCOO for the Neighborhood Services Branch for outside counsel for the Citizens' Review Board <sup>2</sup>	\$ 25,000	Ongoing
Corrective option to help restore equity in City Council operating budgets	\$ 275,000	Ongoing
<b>Total Suggested Budget Revisions</b>	<b>\$ 2,985,000</b>	
<b><i>Proposed New Resources</i></b>		<b><i>Availability</i></b>
Excess Equity	\$ 2,000,000	One-time
Excess funds in the Long-Term Disability Reserve	\$ 610,000	One-time
<b><i>Proposed Reallocations</i></b>		<b><i>Availability</i></b>
Allocating \$350,000 of the proposed \$758,000 in facilities maintenance funding in the May Revise, to partially support the one-time allocation recommended for the Balboa Park Botanical Building project	\$ 350,000	One-time
Transfer of \$25,000 from Citywide consulting funds for outside counsel for the Citizens' Review Board	\$ 25,000	Ongoing
<b>Total Available Resources</b>	<b>\$ 2,985,000</b>	
<b>Net Balance</b>	<b>\$ -</b>	

<sup>1</sup> Our Office recommends that the need for this expenditure be evaluated annually as part of the budget process.

<sup>2</sup> Funds are available for this purpose in the Citywide Program Expenditures Department's special consulting services budget. Our Office is recommending a transfer of \$25,000 to the Office of the DCOO for the Neighborhood Services Branch for outside counsel for the Citizens' Review Board.

The FY 2017 Proposed Budget remains balanced with these recommendations and is in keeping with the City's Budget Policy. One-time funding of approximately \$1.4 million has been utilized

to fund one-time costs of the Botanical Garden restoration and a second trash collection in Mission Beach in the summer months. The remaining amount of approximately \$1.6 million in expenditures would be funded primarily with one-time resources in FY 2017. Our Office notes that due to the mix of one-time and ongoing expenditures and resources included in the FY 2017 budget, there is sufficient flexibility for Council to designate future funding for the proposed modifications as ongoing if that is the Council's desired intent.

This budgetary flexibility was discussed by Financial Management in their May Revision, where they noted "the May Revision on its own includes more in one-time resources than one-time uses; however, when combined with the Proposed Budget one-time uses still exceed one-time resources by approximately \$10.7 million."

As indicated in the table above, our Office recommends the following:

- That support for Penny for the Arts, Library, corrections to Council District budgets, Personnel, and the outside counsel for the Citizens' Review Board be designated as *ongoing* expenditures
- That the funding for the Balboa Park Botanical Building be considered a *one-time* expenditure
- That the funding for the trash collection in Mission Beach be considered a *one-time* expenditure, although the need for this expense should be reviewed annually

We recommend that the intent for either ongoing or one-time funding for each item be stated in final Council budget actions to ensure clarification in future budgets.

### **KEY RESULTS OF COUNCILMEMBERS' FINAL BUDGET PRIORITY MEMORANDA AND ADDITIONAL IBA RECOMMENDATIONS**

The following items were mentioned by five or more members of the City Council in their budget priority memoranda, and have been included in the IBA recommended revisions to the FY 2017 Budget.

#### **Councilmember Proposals—Majority Priority Expenditures Recommended for Funding**

##### ***Balboa Park Botanical Building Restoration - \$1,350,000***

The Botanical Building, situated in the center of Balboa Park, is a single story building measuring 14,460 gross square feet, displaying more than 2,100 varieties of plants and flowers. The building was originally built in 1914 for the 1915 Panama California Exposition and was one of four structures intended to permanently remain in the park. The other permanent structures from the 1915 Panama California Exposition include the Cabrillo Bridge, the Spreckels Organ Pavilion, and the California Building (Museum of Man). The last renovation to the Botanical Building, consisting of the removal of the arcades surrounding and framing the building, occurred in 1957.

In 2014, the City conducted a limited update to a 2009 condition assessment for the Botanical Building by reviewing the 2009 data and incorporating maintenance to the facility since 2009.

Based upon the review, the facility received a condition rating of Fair and a FCI score of 28.<sup>4</sup> To restore the facility to a condition rating of Good and FCI score of 0, the facility was determined at that time to need approximately \$2.3 million in improvements.<sup>5</sup>

The Balboa Park Conservancy (Conservancy) is a public-benefit 501(c)3 not-for-profit organization which was established in 2011 to raise funds, develop public-private partnerships, and collaborate with Balboa Park stakeholders to identify and implement improvement projects within Balboa Park. In September 2013, the Conservancy's Board of Directors selected the restoration of the Botanical Building as the Conservancy's first major park improvement. The Conservancy has taken steps to initiate the restoration of the Botanical Building including: hiring an architectural firm for the project planning and design phase, completing an updated cost estimate for the full restoration of the facility (updated restoration cost estimate is \$2.7 million), securing \$500,000 in contributions toward the project, and initiating public outreach on the proposed design for the restorations. The Conservancy manages the projects it undertakes in Balboa Park.

In a May 27, 2016, letter to the City Council and the Office of the Independent Budget Analyst, the Conservancy requested the City Council to consider funding \$2.0 million of the \$2.7 million estimated project cost.

A majority of the Councilmembers' FY 2017 May Revision priority memoranda included providing support to the restoration of the Botanical Building, with the proposed funding ranging from \$1.0 million to \$2.0 million. These Councilmembers requested that the funding source be Excess Equity. In order to address other funding priorities stated in a majority of the Council memoranda, with a limited amount of surplus funding our Office is proposing the City contribute \$1,350,000 or 50% of the estimated total project cost. Our Office recommends using \$1.0 million in Excess Equity and \$350,000 from the facilities maintenance funding included in the May Revise, and that funding for this expenditure be designated as *one-time*. The Conservancy has already raised \$500,000 for the building, an additional \$850,000 of donations would need to be raised to complete the project.

### **Related Issues to Consider:**

We are recommending this budget modification, however, we raise a number of issues for Council discussion.

- *Cash Management:* It is important to note that the appropriation of \$1.35 million coupled with the \$500,000 raised by the Conservancy falls approximately \$850,000 short of the \$2.7 million estimate for the restoration project. As the City strives to improve the efficiency and effectiveness of the Capital Improvement Program (CIP), efforts are being made to better manage cash and appropriate funds to priority projects when they are ready

<sup>4</sup>Additional information related to the calculation of the FCI for the condition assessments is presented in Report to the City Council No. 16-014, dated March 10, 2016. Appendix A of Report No. 16-014 includes FCI scores for all the City-owned facilities including those in Balboa Park. Actual FCI scores for facilities within Balboa Park range from 0 to 70.

<sup>5</sup>Per Report to the City Council No. 16-014, rehabilitating existing facilities to an FCI of zero by completing the entire maintenance backlog is not industry Best Management Practice and is not a recommended service level.

for funding. It is possible that a phased funding approach may be appropriate for this restoration project, in which case the proposed use of funds would be timely in FY 2017. However, more information is needed from City staff including the Public Works, Park & Recreation, City Attorney's Office, and Real Estate Assets departments to better understand how this project will be managed from a construction perspective, as well as a financial and legal perspective.

- *Fundraising:* With this funding proposal it will be necessary for the Conservancy to raise an additional \$850,000 in private donations. Council may want to discuss with the Conservancy how viable this is and how much time would be needed to do so. Council may also want to stipulate as part of budget actions a timeframe for the private funds to be raised to ensure full funding is in place before City dollars are expended.
- *Conformance with the City's CIP Process:* The Botanical Garden is not an existing City CIP project. To do so, this project will need to be consistent with City Council Policy 800-14, "Prioritizing Capital Improvement Program Projects."

Council Policy 800-14 provides guidelines for the City's CIP prioritization process. Prioritization factors include health and safety risks, environmental concerns, mandated requirements, asset condition and related cost considerations, community investment considerations, and project readiness.

Council Policy 800-14 also provides that needs for CIP projects are generally derived based on input from stakeholders, such as the public, elected officials, or the Community Planning Group. The department with oversight of the project area analyzes the scope of a suggested project and rates the project, providing a priority score to the Capital Improvements Program Review and Advisory Committee (CIPRAC). CIPRAC recommends approvals to the Mayor, who approves projects included in the proposed CIP budget. Once the CIP project is included in an approved budget, it will be evaluated further as to scope, cost, and schedule by the Public Works Department.

- *Status of City Condition Assessment of Botanical Building:* To date, the City has completed new condition assessments only for non-leased facilities in Balboa Park such as the Balboa Park Club, Thompson Medical Library (Old Navy Hospital Library), and numerous information kiosks and comfort stations. Updated assessments for all City leased facilities including the Botanical Building are currently underway and results will not be available until the fall. At this point, it is difficult to assess the priority of the Botanical Building in terms of its condition as compared to other leased facilities in the park (e.g. museums, international houses, etc.) The City has been working toward a process whereby condition assessments are a major factor in the prioritization of capital funding.
- *Conservancy's Projected Project Timeline:* From the perspective of the Conservancy, the conceptual design could be completed by the end of July 2016, with the construction documentation, approvals, and permitting phase beginning immediately thereafter. If funding were available today, the Conservancy believes construction drawings could be completed and permitted within six months, and the actual restoration of the historic

structure would take an additional six months. Preservation of plant collections could extend the project timeframe a few more months. Additionally, this schedule could be impacted by private fundraising timeframes. Council may wish to request an update from the Conservancy on how they plan to incorporate public input on the design.

### ***Increased Support for the Penny for the Arts Blueprint Goal - \$600,000***

The FY 2017 Proposed Budget increased funding for the Penny for the Arts Five-Year Blueprint (Blueprint) from approximately \$12.6 million to \$13.9 million, an increase of \$1.4 million or 11.1% over FY 2016. This increase maintains the FY 2016 funding level of 6.44% of transient occupancy tax (TOT) dollars. The May Revise included the addition of 1.00 Program Manager to the City's Arts and Culture Department that was recommended by the Commission for Arts and Culture. This position is funded through a redistribution of the FY 2017 Proposed Budget allocation for arts and culture as opposed to an increase in funding support.

The Blueprint specifies that allocations to Arts, Culture, and Community Festivals programs should equal 9.52% of TOT in FY 2017—a percent that would establish the full 'penny' for the arts. In FY 2017, TOT is projected to be approximately \$216.5 million; 9.52% of that total equals \$20.6 million or \$6.7 million more than the \$13.9 million currently proposed.

A majority of Councilmembers indicated support for increasing the allocation to the Blueprint as an additional step toward meeting the City's arts and culture funding plan, with funding recommendations ranging from approximately \$131,000 to \$1.2 million. The City's Commission for Arts and Culture Department staff has indicated that any increase in funding will be proportionally distributed across budget line items as recommended by the Commission, including Arts, Culture, and Community Festivals Programs; the City's Public Arts program; and Penny for the Arts special initiatives. Our Office recommends that an increase of \$600,000 be allocated to the Blueprint, which would bring total funding to approximately \$14.5 million or 6.72% of TOT. We recommend that this funding be designated as *ongoing*.

### ***Library Programming - \$500,000***

A majority of the Councilmembers' FY 2017 Budget Priority memoranda included providing increased support for the Library Department's programming efforts. The Department has indicated a need to develop a community input based programming plan to better utilize programming resources, similar to the process used for developing the programming at the Library System's Innovation Labs. The FY 2017 Proposed Budget includes 2.00 Librarian positions to research educational programs such as Science, Technology, Engineering, and Mathematics (STEM) programming, conduct community outreach, and assist in the development of a programming plan. A recent Performance Audit of the San Diego Public Library System conducted by the City's Independent Auditor also found that opportunities exist to provide a more equitable distribution of public resources and improve management decisions related to program resources.

While the Library Department has been allocated resources for the development of a programming plan, no additional resources have been allocated to the Department for implementing new programming. In addition to the Department's goal of establishing a programming plan, the

Library Foundation, the Friends of the Library, and the Board of Library Commissioners have identified the establishment of a library programming budget as one of their collective top priorities. These organizations note that participation in the library programs has more than doubled over the last five years, and funding for library programs would allow for enhanced programming and support the Library Foundation and Friends of the Library in leveraging private donations for program funding.

A majority of the Councilmembers' Budget Priority memoranda included providing support to the Library System, with the proposed increased funding ranging from \$500,000 to \$1.0 million. In considering the Councilmembers' memoranda and the Department's goal of creating and implementing community-based programming, our Office recommends allocating \$500,000 in *ongoing* funding to library programming to serve as funding for new library programs. The Department has indicated that the development of the programming plan may take several months and funding allocated in FY 2017 would likely be expended in the latter part of the fiscal year as new programs are implemented.

Based upon recommendations within the May Revise and recommendations provided in this report, the allocation of \$500,000 for library programming to the FY 2017 Library budget would increase the Library's budget as a percentage of the General Fund budget from 3.85% to 3.86% for FY 2017. We recommend this funding be designated as an *ongoing* expenditure.

#### ***Addition of Personnel Staff to Support City Hiring - \$155,000***

During the FY 2017 Proposed Budget process, Personnel requested two additional positions that were not funded: a Word Processing Operator (WPO) and a Test Administration Specialist. These additions were discussed by the Budget Review Committee in May along with a third position, an Associate Personnel Analyst. These positions would assist the Department with its increased workload resulting from the City's increased hiring activity and additional positions that have been added to the City's budgets in the last couple of years.

One of the three requested positions was funded in the May Revise: the Test Administration Specialist to support the Testing Section. This position will also be involved in traveling out-of-state to assist the Police Department with recruitment efforts.

In their FY 2017 Budget Priorities memoranda, a majority of Councilmembers included the other two positions as budget priorities. We have included \$155,000 for these positions (\$152,000 for personnel costs and \$3,000 for associated non-personnel expenditures) in the proposed revisions to the Mayor's budget, and we recommend this as an *ongoing* expenditure.

#### ***Additional Weekly Trash Collection Service for the Mission Beach Community in the Summer Months - \$80,000***

A majority of the Councilmembers' FY 2017 Budget Priority memoranda requested a second weekly trash collection be provide in the Mission Beach community during the summer months, to address a seasonal fly infestation issue. In order to comply with the People's Ordinance (Municipal Code section 66.0127) and ensure only eligible households receive the second weekly

collection service, City staff may need to establish a citywide administrative procedure which defines eligibility for this service.

Additionally, the City would need to establish a reasonable basis, such as health and safety concerns, to justify the additional weekly collection service as it would exceed services being provided to other communities. As the People's Ordinance provides broad authority to the Environmental Services Department to administer refuse collection services, the Environmental Services Department would be charged with making the administrative decision to provide additional collection services to communities.

Based on the requested additional weekly service for the Mission Beach community for the summer months (15 weeks between Memorial Day and Labor Day), the Environmental Services Department estimates that the additional service would cost approximately \$80,000. If the City did not provide additional trash collection services to the Mission Beach community, the community may explore other alternatives such as the establishment of a Maintenance Assessment District, to address additional trash collection services. We recommend this as a *one-time* expenditure for FY 2017 to be re-evaluated in the FY 2018 budget process.

***Support for Outside Legal Counsel for the Citizens' Review Board on Police Practices - \$25,000***

A significant number of Councilmembers requested in their Budget Priority memoranda that funding be provided for independent outside legal counsel for the Citizens' Review Board on Police Practices (CRB). While this request did not receive majority support in the memoranda, our Office recommends approval for two primary reasons. First, both the Public Safety & Livable Neighborhoods Committee and the Rules Committee recently have adopted motions recommending that the Mayor include funding in FY 2017 for CRB outside counsel. Second, this action is budget-neutral. Sufficient funding for this purpose exists in the proposed FY 2017 Citywide Program Expenditures (Citywide) budget for special consulting services. We recommend that \$25,000 be transferred from Citywide special consulting services to the Office of the DCOO for the Neighborhood Services Branch budget for contracted outside counsel for the CRB, and that this be an *ongoing* expenditure.

***Corrective Option to Help Restore Equity in City Council Operating Budgets - \$275,000***

For the FY 2016 Budget, Financial Management made corrective adjustments to address Council operating budget disparity; however, the corrections were not carried through into FY 2017 when the budget was developed. This situation, coupled with other normal changes in projected fringe expenses, has resulted in significant Council budget disparity in the FY 2017 Proposed Budget as displayed in the following table. The difference between high and low Council operating budgets in the FY 2017 Proposed Budget is approximately \$397,000. Prior to FY 2010, Council offices had equal annual operating budgets.

CURRENT FY 2017 PROPOSED BUDGET					
Council District	PE	Fringe	NPE	Total	FY16 to FY17 Change
1	\$ 665,346	\$ 500,643	\$ 141,288	\$ 1,307,277	\$ 241,436
2	625,212	372,246	182,372	1,179,830	82,862
3	673,055	536,993	106,281	1,316,329	89,894
4	625,219	323,719	121,831	1,070,769	4,993
5	623,625	236,524	184,454	1,044,603	(21,025)
6	600,460	230,640	88,585	919,685	(146,076)
7	650,538	252,853	167,173	1,070,564	(60,633)
8	530,462	380,401	117,357	1,028,220	(89,397)
9	676,985	410,199	154,225	1,241,409	175,635
<b>Total</b>	<b>\$5,670,902</b>	<b>\$3,244,218</b>	<b>\$1,263,566</b>	<b>\$ 10,178,686</b>	
<b>Average</b>	\$630,100.22		\$140,396.22	\$1,130,965.11	
<b>Key</b>	High Budget	Low Budget			

**IBA Recommendation:** As part of their Budget Priority memoranda, three Councilmembers requested consideration of budget adjustments to establish equity among the budgets of the nine Council offices. Other Councilmembers have expressed similar concerns. In response to these concerns, our Office is recommending adjusting those Council office budgets (excluding fringe), that are currently budgeted at less than the average of all Council office budgets, to the average. This option would increase the FY 2017 Proposed Budget for six of the nine offices. It would also mean that six Council office budgets are higher than they were in FY 2016 and three are lower. These changes will reduce the high-low discretionary budget differential by two-thirds.

The second part of this recommendation involves Council discussing future operating budget needs during FY 2017 and requesting that PE and NPE budgets be permanently equalized at a stipulated level beginning mid-year FY 2017 or in the FY 2018 budget. This will require additional review, and may or may not require additional ongoing resources depending on the new PE and NPE budget levels.

Our Office recommends this option to correct City Council operation budgets after evaluating various other options including:

- Adjusting all Council office operating budgets (excluding fringe) to the average amount budgeted in the FY 2017 Proposed Budget (annual ongoing cost: budget neutral)
- Adjusting all Council office operating budgets (excluding fringe) to the highest amount budgeted in the FY 2017 Proposed Budget (annual ongoing cost: \$818,000)
- Adjusting all Council office operating budgets (including fringe) to the average amount budgeted in the FY 2017 Proposed Budget, unless the average budget is less than the amount budgeted for the office in FY 2016 (annual ongoing cost: \$96,000)

All options considered by our Office are discussed in detail in Attachment 1 of this report.

### **Councilmember Proposals—Majority Priority Recommended Resource**

#### ***Use of Excess Equity - \$2,000,000***

As shown in the following table, the estimated FY 2016 beginning General Fund Reserve balance is \$196.5 million. Based on the Year-End Report, two activities are projected to impact the reserve:

- \$2.5 million reduction for the FY 2016 year-end projected use of Excess Equity for General Fund operations
- \$1.0 million addition to adjust for a FY 2015 accrual of capacity charges (to avoid double-counting the \$1.0 million expenditure occurring in FY 2016)

<b><i>FY 2016 Year-End Excess Equity Estimate (\$ in millions)</i></b>	
Beginning FY 2016 Reserve Balance	\$ 196.5
FY 2016 Projected Use of Excess Equity per Year-End Report	(2.5)
Adjustment for FY 2015 Accrued Low Flow Diversion Capacity Charges	1.0
Year-End FY 2016 Reserve Estimate	\$ 195.0
FY 2016 14.5% Reserve Requirement	\$ 164.7
<b>FY 2016 Year-End Excess Equity Estimate</b>	<b>\$ 30.3</b>

Adjusting the beginning Reserve for the items described above leaves \$195.0 million in FY 2016 estimated year-end Reserve. Comparing the estimated year-end Reserve to the FY 2016 Reserve requirement of \$164.7 million yields projected Excess Equity of \$30.3 million for the fiscal year-end.

In the Year-End Report and May Revise, budget adjustment requests have been made to transfer most of the projected General Fund Excess Equity to other reserves and for specific CIP projects. If approved, these budget adjustments would leave a relatively small excess of \$2.0 million, as shown in the following table.

<i><b>Remaining Excess Equity After Recommended Uses (\$ in millions)</b></i>	
FY 2016 Year-End Excess Equity Estimate	\$ 30.3
<i><b>FY 2016 Year-End Budget Adjustment Requests</b></i>	
Pension Payment Stabilization Reserve	(16.0)
Public Liability Reserve	(3.0)
Workers' Compensation Reserve	(2.5)
Replacement of Synthetic Turf - Pershing Middle School	(0.7)
Bay Terrace Community Park - Tooma Park Senior Center	(0.5)
Fire-Rescue Fire Station 6 Asbestos Abatement	(0.1)
<i><b>FY 2017 May Revise Proposed Use of Excess Equity</b></i>	
Police Officer Retention and Recruitment	(4.0)
Rehabilitation of Historical Library at Balboa Park	(1.5)
<b>Estimated Excess Equity After Proposed Uses</b>	<b>\$ 2.0</b>

In the FY 2017 Budget Priorities memoranda, all nine Councilmembers included the use of the remaining \$2.0 million in estimated Excess Equity for Council priorities. We concur with such use of these funds.

### **Other Resources Utilized**

#### ***Councilmember Proposals—Less than Majority Support - \$610,000***

The projected Long-Term Disability (LTD) Reserve balance of approximately \$18.4 million exceeds the current \$14.9 million target by approximately \$3.5 million—approximately \$2.4 million for the General Fund and \$1.1 million for Non-General Funds. In the FY 2017 Budget Priorities memoranda, four Councilmembers proposed the reallocation of this excess LTD Reserve for Council priorities.

Financial Management had originally proposed that the \$3.5 million excess amount be maintained in anticipation of additional costs related to pending negotiations regarding death and disability benefits with the City's recognized employee organizations.<sup>6</sup> The most recent estimate for funding needed to support the new death and disability benefits is approximately \$2.6 million citywide; however, the actual amount needed will not be certain until the negotiation process is completed.

Based on this recent estimate, approximately \$900,000 citywide is projected to be available for reallocation, of which \$610,000 would be General Fund amounts that could be utilized for Council priorities. Since negotiations over death and disability benefits are ongoing, the death and disability cost is not yet finalized. However, this is the best and most recent estimate, and we are

<sup>6</sup> Pending negotiations relate to the provision of new death and disability benefits, including LTD, for employees who fall under the City's 2012 Proposition B provisions and are not eligible for similar benefits in the defined benefit pension plan.

recommending the use of the \$610,000 General Fund portion of the excess as a resource for Council priorities.

***Funding Added in the May Revise to Support Citywide Public Facility Major Maintenance and Repair Projects - \$350,000***

The May Revise includes the addition of \$758,000 for city-wide public facilities maintenance. Based on facilities that have been generating a number of concerns and calls to Engineering staff, the Public Works Department has prepared a list of 19 maintenance projects it believes should occur in FY 2017, though costs for the entire list total \$1.3 million. Projects largely consist of lighting upgrades, roof repairs, and HVAC maintenance at various facilities throughout the City, though Department staff has indicated that this list may be subject to some change throughout the year, should immediate needs and maintenance requests shift.

Due to competing Council priorities and limited surplus funding, we are proposing that about half of this facilities maintenance funding (\$350,000) be dedicated to the Balboa Park Botanical Gardens restoration.

**Councilmember Proposals—Other Expenditure Priorities Not Funded**

The following items were mentioned by four members of the City Council in their budget priority memoranda and are listed here for discussion purposes.

- *Resources to implement and enforce the Earned Sick Leave and Minimum Wage Ordinance, should the ballot measure be approved*

Four Councilmembers requested appropriate resources be allocated to implement the City's new earned sick leave and minimum wage law. Management has preliminarily estimated the annual cost for administration and enforcement to be \$400,000. These funds were not included in the FY 2017 Proposed Budget. Once the Council has adopted the City certification of election results (expected in July 2016), the City will need to immediately disseminate information regarding its new law to businesses and employees operating in the City. Additionally, the City should be prepared to monitor implementation, investigate complaints, and take legal action when necessary to enforce the law.

- *Addition of funding for a disparity study*

As noted in IBA Report Number 16-08, disparity studies are complex reports that involve collecting qualitative and quantitative data on businesses within a defined market area, and providing an analysis of that information within the context of the area's governing laws and regulations, and the purchasing program of the city commissioning the study. The Purchasing & Contracting Department has not been allocated funds for a disparity study in FY 2017. Staff has indicated that a recommended first step in producing a disparity study would be to work with a consultant to determine the scope of the project and draft a request for proposal for the study itself. Staff estimates that this initial consultant cost would be approximately \$50,000.

- *Funding for sidewalks on 54<sup>th</sup> Street*

Several Councilmember budget priority memos requested that funding for a sidewalk along 54<sup>th</sup> Street be funded in FY 2017. Staff indicates that \$200,000 for sidewalk installation at this location has been identified for reallocation from cost savings in other completed projects, and that additional budgetary action is not necessary to complete installation of this sidewalk.

- *Expansion of the temporary/portable pools program*

Several of the Councilmembers' FY 2017 May Revision priority memoranda requested \$52,000 in one-time funding to provide temporary pools during the summer months for seven different locations. For 2016, the Park and Recreation Department has developed a service schedule for the Department's three portable pools that includes three week-long sessions at five different park locations. In order to increase the number of locations for service, the Department would either need to augment their service schedule to start earlier or end later, adjust the number of sessions offered at each location, or increase the number of portable pools and staffing.

- *Replacement of old and broken furniture on floors three and 12 in the City Administration Building*

The Council Administration Director submitted a budget request for \$20,000 to replace old and broken chairs for public meeting places in three conference rooms on the 3rd and 12th floors in the City Administration Building. Citing the need to provide the public with adequate accommodations for meetings while visiting City Hall, four Councilmembers have reiterated their support for this request in their most recent budget priority memoranda. Funding to replace the old and broken chairs was not included in the FY 2017 Proposed Budget or the May Revision.

- *Police Department support*

A significant number of Councilmembers expressed support in their memoranda for increased resources to assist the Police Department in achieving the goals in its Five-Year Plan and to improve sworn and civilian staffing. A discussion of proposed Police recruitment and retention expenditures is provided in our review of items included in the May Revision. A significant number of memos also requested that additional Community Relations Officers (CROs) be identified by the Police Department. This request is budget-neutral as the number of existing Police Officer positions assigned to work as CROs is based on an operational decision by the Department.

- *Funding to Expand the Homeless Outreach Team (HOT)*

Councilmember memoranda included a significant number of requests for additional resources to expand HOT. Currently, HOT is staffed by six full-time San Diego Police Department officers, three provisional officers, one County Psychiatric Emergency

Response Team (PERT) clinician, and two County Health and Human Services Agency (HHSA) specialists. HOT has access to four emergency cots at PATH/Connections Housing for single-night use, and 50 homeless triage beds at St. Vincent de Paul, which are funded through the Housing Commission. The number of officers assigned to HOT is based on an operational decision by the Police Department. The Department has indicated that officers assigned to HOT have citywide responsibility and respond where needed.

### **Councilmember Proposals—Resource Priority Not Utilized**

- *Reduction of customer experience & service delivery program resources added to the Performance & Analytics Department in the FY 2017 Proposed Budget*

The FY 2017 Proposed Budget included approximately \$1.1 million in personnel and non-personnel expenditure support for an application-based, citywide customer service system in the Performance & Analytics Department. Department staff has indicated that they anticipate coming to Council with a roadmap for the program sometime before the end of the first quarter of FY 2017.

Four Councilmembers suggested a reduction to the FY 2017 customer service system allocation. FY 2017 is envisioned as a first phase of the program, focused on technology to enable better customer service, and begins with the recently launched pilot program that allows for the reporting of right-of-way issues via an online portal or mobile application. Discussions and decisions on future program phases, including whether the City moves toward a full 311 call center, have not taken place. We believe this discussion with the Council should occur before reductions are made, as a reduction in the FY 2017 customer service budget could compromise the Department's ability to implement the program beyond the recently launched pilot.

### **Other Resources Considered**

City Council Budget Priority memoranda included proposals for resources to support expenditure requests, including unanimous support for the use of Excess Equity, and significant support for a reduction in the proposed allocation to the Performance & Analytics Department for the customer service & service delivery program, and the use of the General Fund portion of the over-target amount of the Long Term Disability Fund. These resource proposals were reviewed by our Office and are discussed in the preceding sections. Our Office also considered a number of other potential resources, some of which were proposed in Councilmember memoranda but did not receive majority or significant support.

- *Reallocation of a portion of new revenue growth – Implemented*

The FY 2017 Proposed Budget includes a number of on-going resources that support one-time funding needs. The Financial Management Department noted in the May Revise that in FY 2017 the Mayor's total budget proposal is balanced with \$10.7 million of ongoing resources supporting one-time expenditures. As we have noted elsewhere in this report, this allows the Council to consider allocating funds to ongoing expenditures despite the one-time nature of the majority of the available resources. The \$1.6 million of ongoing

budget modifications recommended in this report are supported by a corresponding amount of one-time resources that are “swapped” for ongoing resources currently supporting one-time expenditures, as identified in the May Revise.

- *Increase in the FY 2017 Vacancy Savings allocation – Not Recommended*

FY 2017 salaries are increasing by \$25.0 million from the FY 2016 projection, in anticipation of the new 2016 positions being filled for a complete year in FY 2017, as well as filling new FY 2017 positions.<sup>7</sup> Although the hiring pace has increased in FY 2016, it is difficult to predict how timely these positions can be filled; and therefore, it is also hard to predict how much vacancy savings will accumulate in FY 2017. If positions are not filled in a timely manner, vacancy savings could exceed the \$30.4 million budgeted for FY 2017.

Excess vacancy savings can help offset salary and wage categories that are over-budget, which has been the experience in recent years. For example, the over-budget amount for such salary and wage categories (those other than “salary”) is projected to be \$14.4 million for FY 2016. Projected excess vacancy savings of \$18.9 million in FY 2016 offsets these overages, with all salary and wage categories netting to an under-budget amount of \$4.5 million.

For expenditure categories other than salary (special pay, overtime, hourly wages, vacation pay-in-lieu, and termination pay), there is less budgeted in FY 2017 than anticipated to be spent in FY 2016.<sup>8</sup> If recent spending patterns are not adjusted, there is the potential for at least \$8.0 million in overages for these other salary and wage categories.

To balance out any overages in other salary and wage categories, there would need to be increased revenues or savings in other areas of the budget, including excess vacancy savings. With doubt about the timeliness of filling new and other vacant positions, there may be excess vacancy savings in FY 2017. Further, there could be excess vacancy savings beyond amounts needed to offset other salary and wage categories. The amount is indeterminate: it could be millions of dollars, or it could be nothing. Therefore, we do not recommend lowering the General Fund salaries and wages budget by increasing vacancy savings. A full discussion of General Fund salaries and wages and vacancy issues is provided in our review of the Year-End Report released as IBA Report 16-13.

- *Increase in the FY 2017 Vacancy Savings allocation, Police Department Only – Not Recommended*

We have been asked whether the Police Department has potential excess vacancy savings that could be budgeted elsewhere. While the Police Department could have excess vacancy savings in FY 2017, there is also the potential for these savings to offset over-budget overtime. The FY 2016 projection for overtime is \$24.0 million, whereas the FY 2017 budget as of the May Revision is \$21.0 million. Additionally, the FY 2016 projection for

<sup>7</sup> Note that FY 2017 budget amounts are based on the FY 2017 Proposed Budget plus the May Revise adjustments.

<sup>8</sup> Vacation pay-in-lieu appears to be an exception, as FY 2017 has a higher budget than FY 2016. However, the increase is due to additional negotiated labor costs beginning in FY 2017.

Police Department salaries and wages in total is essentially the same as the FY 2017 budget, \$213.0 million. Therefore, we do not recommend lowering the Police Department salaries and wages budget by increasing vacancy savings. A full discussion of General Fund salaries and wages and vacancy issues is provided in our review of the Year-End Report released as IBA Report 16-13.

- *Redevelopment Property Tax Trust Fund (RPTTF) Funding – Not Recommended*

RPTTF revenue is used to pay for ongoing enforceable obligations that were entered into by the former Redevelopment Agency. As those obligations are paid off, a residual amount of RPTTF becomes available, and is received by the City as part of its General Fund property tax revenue. Several Councilmembers have indicated a desire to dedicate residual RPTTF revenue to the former Redevelopment Agency project areas.

The allocation or dedication of these revenues, which are currently used to support the City's General Fund expenditures, is a policy decision for Council that requires further discussion. The May Revision projects a total of \$14.8 million in residual RPTTF revenue in FY 2017.

#### **Deferred Capital 4 Bond Priorities**

In the memorandum requesting Councilmember FY 2017 Budget Priorities issued by the Budget and Government Efficiency Chair on May 12, 2016, Councilmembers were asked to recommend their top priority projects for the \$90.0 million deferred capital bond currently planned for issuance at the end of fiscal year 2017. These Council recommendations are listed in the following table, while additional details on each project are included in the Budget Priority memoranda attached to IBA Report 16-12.

Item	Budget Priority Mentions
Design funding for upgrading the OB lifeguard tower	7
Transportation in the San Pasqual Valley	4
Canyon Hills Resource Park Improvements	4
Olive Grove Community Park Improvements	4
Improvements to Wangenheim Joint Use Facility	4
Improvements to Hickman Fields Athletic Area	4
Construction for the San Carlos Library	4
Construction of Villa Monserate Park improvements	4
Morley Green Mini-Park	4
Picnic shelter for Road Runner Park	4
Re-turfing and irrigation upgrades for Cabrillo Heights	4
Installation of a traffic signal at Ulric and Osler	4
Permanent Skyline Hills Fire Station (FS 51)	3
Vision Zero Implementation: funding for the design, engineering, and construction of Complete Street projects in high collision corridors	3
Installation of missing sidewalks in Paradise Hills	3
ADA upgrades in District 8 including audible pedestrian signal, path of travel, sidewalk accessibility, and curb ramps	3
Upgrades for 10 Otay Mesa bus stops on City property	3
Design for a new sidewalk on the west side of Saturn Boulevard	3
Installation of rapid flashing beacons in front of Montgomery Middle School	3
Installation of a traffic signal at San Ysidro Blvd and Averil Road	3
Installation of a guardrail at the intersection of Smythe and Via De La Melodia	3
Provide funding for City Heights Urban Greening plan projects	3
Pre-design study for road improvements including the storm drains at Aldine Drive	3
Reconfiguration of the Marie Widman Memorial Park to enhance public safety	3
Update to the General Development Plan in order to move into the design phase of Beyer Park	3
Playground equipment and rubberized turf for the Sherman Heights Community Center	3
Planning and design for a skate park in San Ysidro	3
Improvements to Clay Park in Council District 9 (perimeter path and tot lot shade)	3
Initiate Chollas Triangle Park CIP	3
Otay Mesa/Nestor Library beam replacement for the trellis	3
Permanent fix to the flooding at the Martin Luther King, Jr. Recreation Center	3
Creation of a master plan for the Memorial Recreation Center and School	3
Improvements to the San Ysidro Senior Center	3
Ward Canyon Neighborhood Park: construction of permanent park improvements	1
Balboa Park: request for substantial funding invested in the park, in particular the rehabilitation of the Marston House	1
Children's Park: construction phase	1

### **Other Significant Issues – State Department of Finance Denial of \$3.6 Million in Recognized Obligation Payment Schedule Project Management Costs**

In our review of the Agency Budget for the Redevelopment Successor Agency, we noted that the State Department of Finance (DOF) had questioned inclusion of \$3.6 million in project management costs on the most recent Recognized Obligation Payment Schedule (ROPS), despite

the DOF approving similar amounts in each past ROPS cycle. Since that time, the DOF has gone on to deny the \$3.6 million in funding requested for project management costs.

The May Revise does not include any additional General Fund support for these project management costs. At present, Civic San Diego staff is going over the budgets and schedules of existing projects to see what adjustments and savings are possible, and Financial Management staff is working on determining additional funding sources for those projects. Likely funding sources include excess redevelopment bond proceeds, development impact fees, and allocation of some administrative allocations that were approved by the DOF in the most recent ROPS. This item will be discussed at Council on June 14, 2016.

## FINAL BUDGET RECOMMENDATIONS

In addition to approving final budget allocations, the City Council is also being asked for three additional actions: 1) the designation of final budget modifications as either one-time or ongoing, 2) requesting that the Mayor consider the projects prioritized by Council for the DC4 bonds, and 3) a request from the Financial Management Department to authorize the transfer of Low-Income Housing Revenue Funds. The transfer of these funds will be used to increase the supply of low and moderate income housing by expanding the Serial Inebriate Program (SIP) as allocated in the Mayor's FY 2017 Proposed Budget.

The requests for authority are outlined below.

1. Approve the Mayor's FY 2017 Proposed Budget, as modified by the May Revise.
2. Approve the recommendations in the IBA FY 2017 Budget Report, as modified by the City Council.
3. Clarify the Council's intent for either ongoing or one-time funding for each item added to the FY 2017 Budget, to ensure clarification in future budgets.

Our Office suggests that additional funding approved for Penny for the Arts, Library, corrections to Council District budgets, Personnel, and the outside counsel for the Citizens' Review Board be considered *ongoing* expenditures, while funding for the Balboa Park Botanical Building and additional summer trash collection in Mission Beach be considered *one-time* expenditures.

4. Request that the Mayor consider the projects that have been identified as top priorities of the Council in their memoranda for the upcoming DC4 bonds, as listed in the IBA FY 2017 Budget Report.
5. Authority to transfer revenues available in the Low-Income Housing Revenue Fund to the General Fund or to the Housing Authority for use by the Housing Commission to help expand the Serial Inebriate Program for the purpose of addressing homelessness, and for increasing the supply of low and moderate income housing.

This request for authority for the transfer of revenues from the Low-Income Housing Revenue Fund was added to the FY 2017 budget resolution at the request of the Financial Management Department. When the Low-Income Housing Revenue Fund was established several decades ago, its purpose was to increase the supply of low and moderate income housing. The Mayor's Proposed Budget uses these funds to expand SIP which will expand the number of transitional beds provided by the program. As this use falls outside of the scope originally established for the Low-Income Housing Revenue Fund, the Council is being asked to approve this transfer. Granting this authority will allow for the expansion of SIP as indicated in the Mayor's FY 2017 Proposed Budget.



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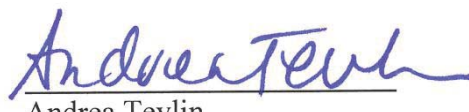
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Independent Budget Analyst



Jeff Kavar  
Deputy Director

Attachment: 1. Corrective Options to Help Restore Equity in City Council Operating Budgets

### ***Corrective Options to Help Restore Equity in City Council Operating Budgets***

As part of their Budget Priority memoranda, three Councilmembers requested consideration of budget adjustments to establish equity among the budgets of the nine Council offices. Other Councilmembers have expressed similar concerns. In response to these concerns, our Office has evaluated various options to permanently achieve this budgetary objective. These options are presented below for Council consideration.

Excluding the Community Projects, Programs, and Services (CPPS) budgets, the operating budget for each Council office is comprised of three components:

<b>Personnel Expense (PE):</b>	Employee compensation - salaries and wages
<b>Fringe Expense:</b>	Employee benefits - retirement, flexible benefits, insurance
<b>Non-personnel Expense (NPE):</b>	Supplies, contracts, information technology, miscellaneous

Two of these budget components (PE and NPE) are primarily allocated and expended on a discretionary basis, while the third (fringe expense) is a non-discretionary expense that is primarily determined based on staff characteristics (e.g., staff hire dates). Fringe expenses are more difficult to project and manage due to differences in staff demographics and staff turnover.

There are several possible approaches to restoring Council operating budget equity. Because FY 2017 Proposed Budget allocations for each Council office are different, each approach will impact the proposed operating budget for each office differently and require a different amount of ongoing resources be identified to facilitate the change. Of the four approaches presented below for Council consideration, the first three ignore fringe costs and instead focus on equalizing PE and NPE budget allocations. Fringe is ignored because it is a non-discretionary budget expense based on staff attributes that often change, and budgeting for fringe is considered to be outside of a department's control. The fourth approach is to simply equalize total operating budgets inclusive of fringe.

- 1) The IBA recommends initially adjusting low PE and NPE budgets up to the average amount in the FY 2017 Proposed Budget, and then working to permanently equalize Council office budgets. This option would increase the FY 2017 Proposed Budget for six of the nine offices. It would also mean that six Council office budgets are higher than they were in FY 2016 and three are lower. These changes will reduce the high-low discretionary budget differential by two-thirds. The second step involves Council discussing future operating budget needs during FY 2017 and requesting that PE and NPE budgets be permanently equalized at a stipulated level beginning mid-year FY 2017 or in the FY 2018 budget. This will require additional review, and may or may not require additional ongoing resources depending on the new PE and NPE budget levels. **IBA Recommended Approach - Initial Annual Ongoing Cost: \$275,000**

OPTION 1: ADJUST LOW PE & NPE BUDGETS TO AVERAGE PE & NPE BUDGET								
Council District	PE	Fringe	NPE	Total FY17 Option 1	Proposed Adjustment	FY16 Budget	Change from FY16 to FY17 Proposed	Change from FY16 to FY17 Option 1
1	\$ 665,346	\$ 500,643	\$ 141,288	\$ 1,307,277	\$ -	\$1,065,841	\$ 241,436	\$ 241,436
2	630,100	372,246	182,372	1,184,718	4,888	1,096,968	82,862	87,750
3	673,055	536,993	140,396	1,350,444	34,115	1,226,435	89,894	124,009
4	630,100	323,719	140,396	1,094,215	23,446	1,065,776	4,993	28,439
5	630,100	236,524	184,454	1,051,078	6,475	1,065,628	(21,025)	(14,550)
6	630,100	230,640	140,396	1,001,136	81,451	1,065,761	(146,076)	(64,625)
7	650,538	252,853	167,173	1,070,564	-	1,131,197	(60,633)	(60,633)
8	630,100	380,401	140,396	1,150,897	122,677	1,117,617	(89,397)	33,280
9	676,985	410,199	154,225	1,241,409	-	1,065,774	175,635	175,635
<b>Total</b>	<b>\$5,816,424</b>	<b>\$3,244,218</b>	<b>\$1,391,096</b>	<b>\$10,451,738</b>	<b>\$ 273,052</b>	<b>\$9,900,997</b>		
<b>Cost</b>	<b>\$ 145,522</b>		<b>\$ 127,530</b>	<b>\$ 273,052</b>				
<b>Key</b>	High Budget	Low Budget	Adjustment					

- 2) Adjust all PE and NPE budgets to the average amount budgeted in the FY 2017 Proposed Budget. This option would reduce the total FY 2017 proposed operating budget for six of the nine Council offices and increase it for three. Additionally, six Council office operating budgets would be higher than they were in FY 2016 and three would be lower. This approach eliminates the proposed PE and NPE budget differential in FY 2017. Differences in the total operating budget would be explained by differences in non-discretionary fringe costs. While unexpended fringe can enhance a Council office's CPPS funding, fringe budget allocations are not intended for CPPS. Potential changes to the CPPS Council Policy (e.g. requiring that all fringe savings be shared equally between all Council offices) could mitigate this unintended outcome. **Budget Neutral**

OPTION 2: ADJUST ALL PE & NPE BUDGETS TO AVERAGE PE & NPE BUDGET								
Council District	PE	Fringe	NPE	Total FY17 Option 2	Proposed Adjustment	FY16 Budget	Change from FY16 to FY17 Proposed	Change from FY16 to FY17 Option 2
1	\$ 630,100	\$ 500,643	\$ 140,396	\$ 1,271,139	\$ (36,138)	\$ 1,065,841	\$ 241,436	\$ 205,298
2	630,100	372,246	140,396	1,142,742	(37,088)	1,096,968	82,862	45,774
3	630,100	536,993	140,396	1,307,489	(8,840)	1,226,435	89,894	81,054
4	630,100	323,719	140,396	1,094,215	23,446	1,065,776	4,993	28,439
5	630,100	236,524	140,396	1,007,020	(37,583)	1,065,628	(21,025)	(58,608)
6	630,100	230,640	140,396	1,001,136	81,451	1,065,761	(146,076)	(64,625)
7	630,100	252,853	140,396	1,023,349	(47,215)	1,131,197	(60,633)	(107,848)
8	630,100	380,401	140,396	1,150,897	122,677	1,117,617	(89,397)	33,280
9	630,100	410,199	140,396	1,180,695	(60,714)	1,065,774	175,635	114,921
<b>Total</b>	<b>\$5,670,902</b>	<b>\$3,244,218</b>	<b>\$1,263,566</b>	<b>\$10,178,686</b>	<b>\$ (0)</b>	<b>\$ 9,900,997</b>		
<b>Cost</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>				
<b>Key</b>	High Budget	Low Budget	Adjustment					

- 3) Adjust all PE and NPE budgets to the highest Council office amount budgeted in the FY 2017 Proposed Budget. Option 3 increases the total FY 2017 proposed operating budget

for all nine Council offices. It would also mean that eight of the nine Council office budgets are higher than they were in FY 2016 and one Council office is \$17,000 lower. This approach eliminates the proposed PE and NPE budget differential in FY 2017. Differences in the total operating budget would be explained by differences in non-discretionary fringe costs. While unexpended fringe can enhance a Council office's CPPS funding, fringe budget allocations are not intended for CPPS. Potential changes to the CPPS Council Policy (e.g. requiring that all fringe savings be shared equally between all Council offices) could mitigate this unintended outcome. **Annual Ongoing Cost: \$818,000**

OPTION 3: ADJUST ALL PE & NPE BUDGETS TO THE HIGH PE & NPE BUDGET								
Council District	PE	Fringe	NPE	Total FY17 Option 3	Proposed Adjustment	FY16 Budget	Change from FY16 to FY17 Proposed	Change from FY16 to FY17 Option 3
1	\$ 676,985	\$ 500,643	\$ 184,454	\$1,362,082	\$ 54,805	\$ 1,065,841	\$ 241,436	\$ 296,241
2	676,985	372,246	184,454	1,233,685	53,855	1,096,968	82,862	136,717
3	676,985	536,993	184,454	1,398,432	82,103	1,226,435	89,894	171,997
4	676,985	323,719	184,454	1,185,158	114,389	1,065,776	4,993	119,382
5	676,985	236,524	184,454	1,097,963	53,360	1,065,628	(21,025)	32,335
6	676,985	230,640	184,454	1,092,079	172,394	1,065,761	(146,076)	26,318
7	676,985	252,853	184,454	1,114,292	43,728	1,131,197	(60,633)	(16,905)
8	676,985	380,401	184,454	1,241,840	213,620	1,117,617	(89,397)	124,223
9	676,985	410,199	184,454	1,271,638	30,229	1,065,774	175,635	205,864
<b>Total</b>	<b>\$6,092,865</b>	<b>\$3,244,218</b>	<b>\$1,660,086</b>	<b>\$10,997,169</b>	<b>\$ 818,483</b>	<b>\$ 9,900,997</b>		
<b>Cost</b>	\$ 421,963		\$ 396,520	\$ 818,483				
<b>Key</b>	High Budget	Low Budget	Adjustment					

- 4) Adjust total Council operating budgets to the average proposed FY 2017 operating budget UNLESS the average budget is less than the amount a Council office received in FY 2016 in which case it remains the same. This would increase the total FY 2017 proposed operating budget for five of the nine Council offices and decrease it for four offices. However, seven Council office operating budgets would be higher than they were in FY 2016 and two would remain unchanged. This approach significantly reduces the high-low total budget differential to approximately \$95,000 in FY 2017. While this approach begins to equalize total operating budgets, it does not address current or future differences in budgeted fringe expense which, in turn, can create budget disparity. For example, if one office's budgeted fringe is higher than another due to the characteristics of their employees (for example, longstanding City employees versus new hires), then an equalized total budget approach may limit the amount of salary they have to pay employees (PE) or the amount of funds they have for constituent mailers (NPE). For this reason, the IBA recommends focusing on equalizing PE and NPE only. By ignoring fringe differences or changing CPPS Policy, differences in budgeted fringe expense should not adversely impact Council budget parity. **Annual Ongoing Cost: \$96,000**

OPTION 4: ADJUST FY17 COUNCIL OPERATING BUDGETS TO AVERAGE TOTAL OPERATING BUDGET UNLESS LOWER THAN FY16 BUDGET								
Council District	PE	Fringe	NPE	Total FY17 Option 4	Proposed Adjustment	FY16 Budget	Change from FY16 to FY17 Proposed	Change from FY16 to FY17 Option 4
1	\$ 665,346	\$ 500,643	\$ (35,024)	\$ 1,130,965	\$(176,312)	\$ 1,065,841	\$ 241,436	\$ 65,124
2	625,212	372,246	133,507	1,130,965	(48,865)	1,096,968	82,862	33,997
3	673,055	536,993	16,387	1,226,435	(89,894)	1,226,435	89,894	-
4	625,219	323,719	182,027	1,130,965	60,196	1,065,776	4,993	65,189
5	623,625	236,524	270,816	1,130,965	86,362	1,065,628	(21,025)	65,337
6	600,460	230,640	299,865	1,130,965	211,280	1,065,761	(146,076)	65,204
7	650,538	252,853	227,806	1,131,197	60,633	1,131,197	(60,633)	-
8	530,462	380,401	220,102	1,130,965	102,745	1,117,617	(89,397)	13,348
9	676,985	410,199	43,781	1,130,965	(110,444)	1,065,774	175,635	65,191
<b>Total</b>	<b>\$5,670,902</b>	<b>\$3,244,218</b>	<b>\$1,359,267</b>	<b>\$10,274,387</b>	<b>\$ 95,701</b>	<b>\$ 9,900,997</b>		
<b>Cost</b>	\$ -		\$ -	\$ 95,701				
<b>Key</b>	High Budget	Low Budget	Adjustment					



THE CITY OF SAN DIEGO

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** June 8, 2016**IBA Report Number:** 16-12**City Council Docket Date:** June 13, 2016**Item Number:** 202

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## **FY 2017 Councilmember Budget Priority Memos**

On February 8, 2016 the City Council adopted the FY 2017 Council Budget Priorities Resolution No. 310237 that was forwarded to Mayor Faulconer for his consideration as he developed the FY 2017 Proposed Budget. As we noted in our review of the Proposed Budget, 17 of the 21 top priorities supported by a majority of the Councilmembers received at least partial funding.

As part of the FY 2017 budget development process, Councilmembers submitted budget priority memoranda to our Office on May 27, 2016, which are included in their entirety as attachments to this report. These memos identify specific expenditure priorities and potential new funding sources not yet included in the FY 2017 Proposed Budget or the May Revision.

Our Office reviewed the budget priorities mentioned by a majority of Councilmembers—five or more—in their memoranda, and we discuss these prioritized expenditures and resources in IBA Report 16-11 (*Review of the FY 2017 May Revision and Recommended Revisions to the Mayor's FY 2017 Budget*). In that report we recommended funding for all five of the majority expenditure priorities, as well as provide information on the budget priorities mentioned by a significant number of Councilmembers (four) in their memoranda for discussion purposes. The IBA's final budget recommendations will be considered by the City Council at the meeting of June 13, 2016.

Christiana Gauger  
Fiscal & Policy Analyst

APPROVED: Andrea Tevlin  
Independent Budget Analyst

Attachment: 1. Councilmember Budget Priority Memos



**CITY OF SAN DIEGO  
COUNCIL PRESIDENT SHERRI S. LIGHTNER  
DISTRICT ONE**

**MEMORANDUM**

DATE: May 27, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Council President Sherri S. Lightner

SUBJECT: Fiscal Year 2017 Budget Priorities in response to the Mayor's May Revised Budget

Thank you to Mayor Faulconer for acknowledging the needs and priorities of the citizens of San Diego in the proposed FY17 budget and subsequent May revised budget.

I am particularly pleased to see funding for the following items included in the FY17 budget and May revised budget:

- Critical public safety needs, such as funding to address Police Officer and Police Dispatcher recruitment and retention, as well as funding for 24 additional Fire academy positions.
- Community services, including the extension of hours at recreation centers, along with new parks and enhanced facilities.
- Infrastructure needs, such as \$1.6 million for sidewalk replacement, and \$1.35 million for street light circuit upgrades.
- Operational needs, including funding to assist with Public Records Act requests and additional Deputy City Attorneys to address homelessness issues.

The following are my priorities for additional funding in the FY17 budget:

**Priorities for Ongoing Funding:**

**Public Safety:**

- **Police Department Five-Year Plan:** In order to address the understaffing in both sworn and non-sworn positions, it is critical that the City continue to implement the Police Department's Five-Year plan and allocate funds for recruitment and retention.
- **Police Community Relations Officers (CROs):** Reallocation of Police Department Resources to create more Community Relations Officer positions. CROs have had a proven,

positive impact on their communities, and they empower citizens by facilitating community oriented policing.

- **HOT Team:** Request additional funding to expand the HOT Team. In 2015, the HOT Team contacted approximately 18,000 homeless individuals, resulting in 805 placements. This program, along with the Serial Inebriate Program, has been recognized by the United States Housing and Urban Development as “Best Practices” in resolving homelessness issues. Expansion of the HOT Team is a critical component of addressing chronic homelessness in the City of San Diego.

#### **Operational Needs:**

- **Personnel Department:** \$179,431 in funding for additional staff in the Personnel Department to address citywide vacancies, and create further efficiencies in the hiring process. Specifically, 1.00 Word Processing Operator to support the Services Section (\$37,918), 1.00 Test Administration Specialist to support the Testing Section (\$45,513), and 1.00 Associate Personnel Analyst (\$96,000).
- **Code Enforcement:** \$264,957 in additional personnel to support improvements in Code Enforcement operational efficiencies and address the chronic mini-dorm issue. The positions requested are 1.00 Administrative Aide (\$81,646), 1.00 Combination Inspector (\$93,940), and 1.00 Zoning Investigator II (\$89,371).

#### **Community Services:**

- **Shoreline Parks:** \$36,000 to provide shoreline park parking lot nighttime gate closures. Park parking lots in Districts 1 and 2 are left open overnight after the parks have closed, which attracts criminal overnight activities and creates a public safety issue for neighboring homes. The Park and Recreation Department previously closed parking lot gates each night and reopened them each morning, but this service was discontinued approximately 8 years ago during budget cuts, and the requested amount will re-establish the service at Kellogg Park, the Torrey Pines Gliderport, South Mission Beach Park and Sunset Cliffs.
- **Trash Collection:** \$80,000 to fund additional trash collection in Mission Beach to address the fly problem, which is a quality of life issue that negatively impacts local residents and businesses.

#### **One Time Costs:**

#### **City Commitments:**

- **Library Services:** \$1,000,000 for library programming and materials. In support of the Library Ordinance’s 6% funding goal, I am requesting an additional \$1,000,000 be allocated to the Library Department’s budget as one-time funding for materials and expanding or enhancing programming.
- **Penny for the Arts:** \$600,000 for Penny for the Arts, to fund one-time arts and culture programs citywide.
- **San Diego Festival of Science and Engineering (SDFSE):** \$50,000 to help fund the 2017 San Diego Festival of Science and Engineering, which encourages children to become science, technology, engineering, and math (STEM) innovators.

**Operational Needs:**

- **Council Administration:** \$20,000 for the replacement of old, broken chairs in conference rooms A and C on the third floor, and the conference room on the twelfth floor.
- **Communications Department:** \$2,000 for staff training, as a further reinvestment in City staff and their professional advancement.
- **Living Wage Ordinance Enforcement:** The Living Wage Program is a vital component of City contract management that ensures that businesses contracting with the City pay their employees no less than the current living wage and provide a minimum of 80 paid hours per year for vacation, illness, etc. The Supervising Management Analyst position responsible for managing and enforcing the Living Wage Program will soon become vacant, and it is imperative that the position be filled as quickly as possible.

**Community Services:**

- **Coastal Regional Park:** Funding in the amount of \$200,000 for consultant services to create a plan for the development of a coastal regional park to provide better maintenance, patrol and staffing of coastal areas from Point Loma to Torrey Pines.
- **Temporary Pool Program:** \$52,000 to provide access to pools in communities that do not have pool facilities during the summer months. Temporary pools are \$7,500 per location, and the requested amount would provide pools at the following recreation center locations: Southcrest, Skyline Hills, Encanto, Linda Vista, Robert Egger, Montgomery Waller, and San Ysidro.

**Infrastructure:**

- **Sidewalks:** Funding has been allocated for the north side of the Market Street sidewalk, and it is important to move forward with the design and environmental work as quickly as possible so that the City can pursue further funding from grant sources.

**Potential Revenue Sources:**

We have identified the following as potential funding sources for the proposed projects, programs, and services recommended above.

- **Excess Equity:** the one-time requests, totaling \$1,924,000 could be entirely funded through the use of the remaining \$2,000,000 in Excess Equity.
- **Long Term Disability Fund:** the General Fund contribution to the long-term disability fund is currently budgeted at \$2.5 million over the target funding level. That funding could be reallocated to excess equity to fund one-time Council priorities.
- **Reallocation of a portion of new revenue growth:** the Mayor has pledged to dedicate 50% of all new revenue growth to infrastructure. The Mayor is currently using \$5.8 million above and beyond that 50% pledge level of new revenue growth for infrastructure in the FY17 proposed budget. However, this new revenue growth is an ongoing funding source that is being used to fund one-time infrastructure investments. I propose transferring a portion of this \$5.8 million in new revenue growth to fund ongoing priorities, such as additional positions in Code Enforcement and Personnel. In exchange, some of the infrastructure improvements could be funded using one-time revenue sources, such as Excess Equity and the Long Term Disability Fund.

Thank you for your consideration of these budget priorities and options.



City of San Diego

## MEMORANDUM

DATE: May 27, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Lorie Zapf, Council District Two *Lorie Zapf*  
 Councilmember Mark Kersey, Council District Five *Mark Kersey*  
 Councilmember Chris Cate, Council District Six *Chris Cate*  
 Councilmember Scott Sherman, Council District Seven *Scott Sherman*

RE: Recommended Fiscal Year 2017 Budget Revisions

This memorandum is in response to Budget and Government Efficiency Committee Chair Todd Gloria's May 12, 2016 request for Councilmember budget priorities and adjustments to the Fiscal Year 2017 Budget, as well as recommended projects to be included in the deferred capital bond planned for issuance in FY 2017.

The FY 2017 Proposed Budget and May Revise reflect the priorities outlined by the City Council earlier this year. We applaud Mayor Kevin Faulconer for proposing a budget that prioritizes public safety, restoring services to neighborhoods, addressing our infrastructure backlog, and maintaining and expanding sound fiscal practices. We support approval of the allocations proposed by the Mayor in the May Revise and Year-End Monitoring Report as recommended. We recommend the following project for the remaining \$2 million in excess equity.

### **Balboa Park Botanical Building (\$2,000,000)**

The Botanical Building is one of the most iconic and most photographed locations in Balboa Park. The Balboa Park Conservancy has identified the restoration and upgrade of this beloved landmark as their top priority. The Botanical Building was originally built in 1914 for the 1915-1916 Exposition. The Conservancy aims to complete the project by 2018 in anticipation of Balboa Park's 150<sup>th</sup> anniversary. The Conservancy estimates a total project cost of \$3 million. To date, the Conservancy has raised over \$500,000 and has begun project planning and design. The City of San Diego should allocate the remaining \$2 million of excess equity to the rehabilitation of this regional asset.

**DC4 Bond Recommendations****District 2****Ocean Beach Lifeguard Station (~\$600,000)**

A new Ocean Beach Lifeguard Station remains a top priority for the residents of Ocean Beach. Built in 1980, the station has become inadequate to accommodate current lifeguard staff and equipment. The OB Lifeguard Station has a priority score of 79 making it the second highest priority of CIP buildings that are still underfunded. Staff estimates design of a new facility would cost approximately \$600,000.

**Mission Beach Street Vacuuming (\$40,000)**

Fly infestations plague the Mission Beach community during the summer months. This has created a public health issue in an area that serves thousands of San Diego residents and tourists. An allocation of \$40,000 will continue to assist the prevention of this nuisance.

**District 5****Transportation in the San Pasqual Valley (\$3,000,000)**

The San Pasqual Valley is home to the City's last remaining dairy farm, a highly-used hiking trail system, and the San Diego Zoo Safari Park. Ysabel Creek Road is the main thoroughfare between Bandy Canyon Road, where farmers package their products, and San Pasqual Valley Road, where the Zoo Safari Park and the Archaeological Society are located. However, severe storms have moved much of the asphalt off Ysabel Creek Road, leaving the road dangerous and inconsistent with the City's Street Design Manual. In order to avoid road hazards, people drive off the loosely-defined path onto watershed property, potentially affecting water quality. Access is insufficient for local farmers and could prevent timely evacuation from the valley in the event of a wildfire. We request funding for an engineering analysis to determine options for restoring Ysabel Creek Road and development of a CIP to begin restoring transportation access to the community. We further request an overlay of the entire length of San Pasqual Valley Road within City limits.

**District 6****Canyon Hills Resource Park Improvements (\$6,000,000)**

The community of Mira Mesa is currently in need of additional park space in order to properly serve its growing population of residents. The improvements to Canyon Hills Resource Park will contribute to the additional park acreage necessary to help meet City standards while also improving the quality of life for community members through new amenities, such as walkways, picnic areas, and benches.

**Olive Grove Community Park Improvements (\$2,600,000)**

The Olive Grove Community Park is located in the heart of Clairemont and serves a wide demographic of residents. The park is currently in need of improvements to enhance its disability access to park features and the on-site comfort station. The

project will also include critical upgrades to the children's play areas to ensure the safety and quality of life of local residents. It is important to note that though the project calls for \$2.1 million to reach full funding, Parks and Recreation staff believes \$750,000 is all that is needed to cover the remainder of the project. Furthermore, this proposal is the second highest ranked project on the Underfunded CIP Projects list.

#### **Wangenheim Joint Use Facility Improvements (\$5,300,000)**

The Mayor has presented a bold vision to build or upgrade 50 parks over the next five years. The planned improvements for the Wangenheim Joint Use Facility will help meet this goal while also addressing the community of Mira Mesa's population-based park acreage requirements. The enhancements for Wangenheim include multi-use sports fields and courts, walkways, lighting, and American with Disabilities (ADA) enhancements. The project only requires approximately \$300,000 to reach full funding.

#### **Hickman Fields Athletic Area (\$22,000,000)**

The Hickman Field Athletic Area in Kearny Mesa is a community-wide asset that serves a large demographic of residents from the Clairemont, Serra Mesa, and University City neighborhoods. The project will include improvements to the children's play areas, construction of a new comfort station and concession stands, and improved lighting and irrigation features. Phase I of this effort is expected to receive full funding in Fiscal Year 2016 for upgrades to the parking lot, adjacent street, and Americans with Disabilities Act (ADA) facilities. Funding for future phases of this project is crucial to meeting the City's General Plan guidelines, in addition to ensuring this community asset is fully maximized.

### **District 7**

#### **San Carlos Library (\$20,000,000)**

The San Carlos Branch Library has been a community staple for the last forty years. Initially planned as the flagship branch for the surrounding neighborhoods, the San Carlos Library has been in planning stages for a new library for almost twenty years. The DC3 bond identified \$1 million in FY 2015 to finalize the design documents for the new San Carlos Library, which will complete the last steps in preparation for construction. The design is near completion and funding for construction is now needed.

#### **Villa Monserate Park Improvements (\$~900,000)**

Villa Monserate Park is located up the street from Vista Grande Elementary School and is used frequently by the residents who live in the area as well as the students who attend Vista Grande. Park and Recreation allocated \$224,000 in the most recent DIF Bowl for design of the playground and ADA upgrades. The timing of the DC4 bond will likely coincide with the completion of the design resulting in a shovel-ready project that can be funded for construction.

**Morley Green ADA Mini-Park (1,250,000)**

This project has been a top priority for the Linda Vista community for over a decade. Morley Green is centrally located in Linda Vista with a large number of families overlooking the space. Using a ¼ mile radius from the center of the park as the service area, it is estimated that 91% (4,119) of the 4,527 residents who will use the park are in the Low to Moderate Income bracket.

In the last year of redevelopment, CCDC requested \$600,000 of CDBG funds to match their \$644,000 to complete the park but was denied funding. Historically, Linda Vista has received less than \$100,000 annually in redevelopment funding.

Finally after years of redevelopment wind down, the DOF relinquished control of the land to the City in October of 2015. The residents of Linda Vista are in great need of increasing total park acreage and Morley Green is an ideal site to begin the expansion of park land in this community.

**Road Runner Park Picnic Shelter (\$165,000)**

Road Runner Park includes a large grassy field, a tot lot, and a sandy area for children to play. There are a number of trees in the park, however the park lacks a central shaded location for families. A picnic structure would provide families with all the amenities necessary to fully utilize this park.

**Cabrillo Heights Re-turfing & Irrigation Upgrades (\$900,000)**

This project provides design and construction improvements to enhance the large fields which are used by a number of residents in the Serra Mesa community. The improvements include irrigation upgrades for the existing athletic fields and the re-turfing of the field once irrigation upgrades have been performed. This project will contribute to satisfying population-based park acreage requirements set forth in the City's General Plan in a community currently deficient in population-based parks per General Plan Guidelines.

**Traffic Signal at Ulric and Osler (\$250,000)**

The intersection of Ulric and Osler is located immediately adjacent to Linda Vista Elementary School. In addition, both streets provide the primary exit path for a large portion of the homes in Linda Vista. As a result, the intersection has long been a source of traffic congestion in the morning as residents leave for work and parents take their kids to school.

cc: Honorable Mayor Kevin Faulconer



**OFFICE OF COUNCILMEMBER TODD GLORIA  
COUNCIL DISTRICT THREE**

**M E M O R A N D U M**

DATE: May 27, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Todd Gloria, Third Council District *Todd Gloria*

SUBJECT: Council District Three Budget Priorities and Revisions for Fiscal Year 2017

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The following are my priorities for the FY 2017 City budget, which are in line with my established policy priorities including public safety, neighborhood services, infrastructure, the environment, ending homelessness and helping low income San Diegans make ends meet.

**FY 2017 BUDGET PRIORITIES**

**PUBLIC SAFETY**

- **Public Safety:** The recruitment and retention of San Diego Police Department (SDPD) sworn officers has not improved with the new memorandum of understanding with the San Diego Police Officers Association, and 9-1-1 call wait times remain a serious public safety concern. I am anxious to learn more about the Mayor's proposal to allocate \$4 million to support police officer recruitment and retention efforts, and \$651,636 to support police dispatcher recruitment and retention efforts. I believe the Council must know the details of this proposal in advance of adopting a budget in order to evaluate its effectiveness in addressing these serious problems.

Further, the relationship between the SDPD and the San Diego community is critical to maintaining public safety and preventing crime. Some members of the public have expressed serious concerns about the independence of the Citizens Review Board on Police Practices (CRB). I recommend \$25,000 be transferred from the Special Consulting Services budget in Citywide Program Expenditures budget to Neighborhood Services specifically for contracted independent legal counsel. This request is intended to be budget neutral.

- **City Attorney:** The budget should include funding for the Program Manager position requested by the City Attorney to expand the Community Justice Initiative, the Serial Inebriate Program (SIP) and San Diego Misdemeanants At-Risk Track (SMART). These programs seek to address the underlying needs of high-risk chronic offenders by collaborating with service partners to offer case management and housing placement as an alternative to incarceration. In expanding these programs, it is important that the provision of services remains the priority and that the homeless are not criminalized.

### NEIGHBORHOOD SERVICES

- **Balboa Park Maintenance Staff:** I appreciate the inclusion of a Grounds Maintenance Supervisor for Balboa Park in the May Revise. However, additional staffing is needed to bring back this service to pre-recession levels and improve the Balboa Park visitor experience. I request additional funding for two Grounds Maintenance Workers and a Custodial Supervisor at an estimated cost of \$171,594.
- **Historical Resources Board:** The number of historic designations increases every year, and we do not have sufficient staffing levels to keep up with the needs of the community. The transfer of Historical Resources staff from the Planning Department to the Development Services Department may increase efficiencies within this function, but it does not seem like it will be enough to satisfy the increasing demand of our neighborhoods. I request funding for one Associate Planner for the Historical Resources Board at a cost of \$101,925.
- **Personnel:** I would like to see funding for 1.00 Associate Personnel Analyst in the Classification and Compensation section at a cost of \$93,502 and the addition of 1.00 Word Processing Operator in the Services section at a cost of \$70,048, as requested by the Personnel Director. I am concerned that not funding these two positions would result in further delays in the hiring process.
- **Library:** I continue to be a strong advocate for our library system and am concerned that we are still not committing the required 6.0% of General Funds to the library as outlined in the City's Library Ordinance. I would like to see a steady increase to City-wide library hours to make progress toward this goal. The cost of increased library hours is a bargain given the positive impact it can have on our neighborhoods.
- **Arts & Culture Commission:** Funding of the Penny for Arts Blueprint is critical to protecting and enhancing arts and culture in our City. While I recognize we are unable to fund the full blueprint amount, I would like to see an upward trajectory in the spirit of the Penny for the Arts Blueprint.

### ENVIRONMENT

- **Climate Action Plan:** I look forward to overseeing the implementation of San Diego's Climate Action Plan, which is based largely on the plan I authored when I served as Interim Mayor. I strongly advocate for adequate funding for implementation of this plan in FY 2017 and beyond.

### INFRASTRUCTURE

- **Balboa Park:** I appreciate the commitment in the May Revise to rehabilitate the Thompson Medical Library/Eddy Auditorium building for office space for the Park and Recreation Department. However, this allocation does not satisfy the need for more funding for facilities maintenance in the park to enhance the resident and visitor experience. I ask that a portion of the \$757,768 allocated in the May Revise for citywide public facilities and repair projects be targeted for cosmetic maintenance and repair of the historic buildings in the park. Priority projects include upgraded electrical service and water line upgrades at International Cottages and structural and cosmetic repairs and upgraded HVAC at the Balboa Park Club.

Additionally, I request \$1 million to rehabilitate the Balboa Park Botanical Building and adjacent public space improvements. This City commitment could be leveraged to secure philanthropic funding for the full project, which is currently in design and estimated to cost approximately \$3 million.

- **Children's Park:** Children's Park, located across from the Convention Center and next to the New Children's Museum, is in dire need of general maintenance and upkeep to improve both public safety and the visitor experience. I am glad to see that Park and Recreation has committed to landscaping efforts in the near future, including tree trimming and removal of the dirt mounds. I also request that the grey cylinder blocks located throughout the park be painted in bright colors, at minimum cost.
- **Comprehensive Infrastructure Investment Strategy:** Without a sustainable new revenue source to address our infrastructure, San Diego's streets, sidewalks, and public buildings will continue to deteriorate. I remain committed to strengthening San Diego's infrastructure in a fiscally responsible way and hope to see a comprehensive long-term solution to this multi-billion dollar problem. SANDAG is pursuing a new funding measure that will provide an increment for local infrastructure, and I hope the City follows suit in identifying a new revenue source for this critical issue.
- **54<sup>th</sup> Street Sidewalks:** I was moved by the public testimony at the budget hearings regarding the critical need for sidewalks on 54<sup>th</sup> Street in City Heights. I would like to see this project funded in the FY 2017 budget.
- **Fiscal Year 2017 \$90 Million Deferred Capital Bond Recommended Projects:**
  - **Ward Canyon Neighborhood Park:** The temporary dog park for the Ward Canyon Neighborhood Park in Normal Heights was an important step toward realizing this long awaited and significant community asset. I would like to see the construction of these permanent park improvements included in the DC4 project list.
  - **Balboa Park:** As some of the park's buildings enter their second century, it is key that we maintain these treasures that make up our City's crown jewel. I recommend that a substantial part of DC4 be invested in Balboa Park. In particular, the rehabilitation of the Marston House is one of the top priority capital projects that should be included in this bond issuance.
  - **Children's Park:** Civic San Diego will kick off the General Development Plan and design phase for Children's Park in July, but completion of this project is contingent upon additional funds being identified for construction. The DC4 bond issuance should be considered as a funding source for the construction of this park, along with Development Impact Fees and any funding leftover from the design.

#### ASSITANCE FOR UNDERSERVED SAN DIEGANS

- **Ending Homelessness:** As Chair of the Regional Continuum of Care Council (RCCC), I am concerned about recent efforts that criminalize homelessness and undermine the progress we have made to shift our approach to a housing first and permanent supportive housing model. We must continue to focus on real solutions which are working in cities and states around the country to end homelessness. I applaud the City and San Diego Housing Commission's 1,000 Veterans Campaign and Housing First initiative, and will continue to advocate for a regionalized, coordinated and data-

driven approach that moves people off the streets as efficiently as possible into permanent housing.

- **Earned Sick Leave and Minimum Wage Ordinance Enforcement:** In October 2014, the City Council voted to place the Earned Sick Leave and Minimum Wage Ordinance on the June 2016 ballot. This measure will result in a stronger economy and help keep workers and their families out of poverty by securing five earned sick days per year for 279,000 working San Diegans and raises for at least 172,000 San Diegans. If approved by the voters, the City of San Diego will need to allocate appropriate resources to expand the Living Wage Office to responsibly implement and enforce this Ordinance, educate workers and employers on their rights and requirements, and proactively investigate compliance with the law.
- **Disparity Study:** I recommend commitment of \$500,000 to begin implementation of a disparity study as recommended by the Citizens Equal Opportunity Commission. A comprehensive disparity study is the next step toward improving Equal Opportunity Contracting program goals to encourage greater contracting participation by small, local and disadvantaged businesses, and adopting a race and/or gender conscious preference program to remedy any perceived discrimination. Per the Independent Budget Analyst's Disparity Study Overview, this program could be piloted with construction and architectural and engineering professional services (A&E) contracts, for which the City has sufficient diversity data for a consultant to immediately review.

Thank you for your guidance in consolidating our priorities. In my sixth and final year as Budget Chairman, I look forward to working with you, the Council and our citizens to deliver a responsible budget for Fiscal Year 2017 that is reflect of the needs of our neighborhoods.

#### RECOMMENDED FY 2017 BUDGET ADJUSTMENTS

RESOURCES		EXPENDITURES	
Performance & Analytics Proposed 3 FTE & NPE for Customer Experience & Service Delivery	\$ 1,108,354	Balboa Park Grounds Maintenance Staff	\$ 171,594
		Minimum Wage Administration & Enforcement	\$ 400,000
		City Attorney Program Manager	\$ 139,932
		1 Historic Resources Board Associate Planner	\$ 101,925
		1 Associate Personnel Analyst and 1 Word Processing Operator	\$ 163,550
		Penny for the Arts Blueprint	\$ 131,353
<b>Sub-Total Additional Ongoing Resources</b>	<b>\$ 1,108,354</b>	<b>Sub-Total Additional Expenditures Using Ongoing Resources</b>	<b>\$ 1,108,354</b>
Excess Equity	\$ 2,000,000	Balboa Park Botanical Building	\$ 1,000,000
		Disparity Study	\$ 500,000
		54 <sup>th</sup> Street Sidewalks	\$ 400,000
<b>Sub-Total Additional One Time Resources</b>	<b>\$ 2,000,000</b>	<b>Sub-Total Additional Expenditures Using One Time Resources</b>	<b>\$ 1,900,000</b>
<b>Total Additional Resources</b>	<b>\$ 3,108,354</b>	<b>Total Additional Expenditures</b>	<b>\$ 3,008,354</b>



## CITY OF SAN DIEGO

**COUNCILMEMBER MYRTLE COLE, DISTRICT FOUR  
COUNCILMEMBER DAVID ALVAREZ, DISTRICT EIGHT  
COUNCIL PRESIDENT PRO TEM MARTI EMERALD, DISTRICT NINE**

**JOINT BUDGET MEMORANDUM**

DATE: May 27, 2016

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Myrtle Cole  
Councilmember David Alvarez  
Council President Pro Tem Marti Emerald

SUBJECT: Budget Priorities and Revisions to the Fiscal Year 2017 Budget

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Our joint budget priorities illustrate our commitment to making San Diego an equitable city that is growing responsibly. The following are our final priorities for funding in the Fiscal Year 2017 budget:

**Public Safety**

Police Department

Public safety remains our highest budget priority. The City must continue to prioritize the recruitment and retention of police officers. Although the May revise allocated funding towards recruitment and retention efforts, similar efforts in previous budget years to increase retention have not resulted in decreased attrition rates. As such, in FY17, the City should appropriate sufficient funding to conduct an in-depth analysis of attrition to determine how best to modify retention efforts and its recruiting program. Recruiting is down over 1,100 applications year over year. According to subject matter experts, the City needs a pool of 5,000 applicants to reach its goal of 200 recruits in the academy annually. The City should retain a third party contractor to anonymously survey sworn and civilian police employees on job satisfaction and organizational commitment and to conduct exit interviews when employees decide to leave. By helping understand SDPD employee job satisfaction or reasons for leaving, these data could be invaluable in developing solutions to the San Diego police officer retention and the police dispatcher retention crisis.

Additionally, the Police Department should allocate the appropriate staffing and resources to review all cases where Sexual Assault Evidence Kits are not tested because victims are considered uncooperative or decline prosecution. The department should report annually to the PS&LN committee on the number of sexual assault evidence kits that are not tested and the reasons why.

#### Community Oriented Policing

The crime prevention measures, problem-solving, community engagement, and community partnerships that result from Community Oriented Policing must be prioritized. It is imperative that we continue to invest resources to expand the program to continue to build the trust and relationship between our residents and police officers. We request that additional Community Relations Officers be identified as the Police Department continues to rebuild. Additionally, having multi-lingual Police Officers/Police Service Officers who are able to serve individuals who do not speak English as their first language will assist in bridging the cultural divide that exists in some of our communities.

#### Filling of Police Civilian Positions

There is cost benefit in restoring civilian positions that support our sworn officers, particularly for Police Dispatchers. The neglect towards these critical positions in recent years has resulted in slower police 9-1-1 and non-emergency response times, additional overtime costs, decreased revenues from permit and fee collections, case backlogs and other impacts. More complete staffing for Police Dispatch by civilians will allow existing sworn officers to return to patrol duties. Further, resources should be allocated in the FY17 budget to further streamline the dispatcher background investigation process, as it currently takes six months to complete a background investigation for a dispatcher. When possible, components of the background investigation, such as the education and employment history check, the credit check, and the neighborhood check, should be performed by civilians rather than sworn officers. Having civilians assist with these four of the ten components of the POST dispatch background investigation process could help cut the time required for background investigations in half.

The May revise included \$651,636 for Dispatcher Recruitment and Retention. We specifically ask for the addition of positions within the Communications/Dispatch Division and that certain standards be prioritized. Although there are 134 budgeted staffing positions, actual staffing levels have remained at dismal levels creating public safety concerns citywide. The shortage of positions results in mandatory overtime. The San Diego Police Department's Communications Division receives on average, 1.2 million calls annually. Emergency calls should be answered and dispatched within the State standard of ten seconds. Due to recruitment and retention challenges, the City is in jeopardy of not meeting this State standard. Appropriate staffing and budget should be added to ensure that the dispatch division calls back every non-emergency call that is abandoned due to a call not being answered within the State standard.

In summary, a recruitment and retention program for police dispatchers could include (as examples):

- One-time, non-pensionable retention bonuses for current and new employees
- Streamlining the process for hiring to reduce the months of application process time
- Addition/filling of dispatcher positions

### Police Performance Measures

Having adequate performance measures that can be measured from year to year allows the City to be better informed about how to address staffing and operational issues as they arise. The final FY17 adopted budget should include the following performance measures for the Police Department, including dispatch division:

- Comparison of actual sworn staffing with the sworn staffing goals remaining in the SDPD five year plan;
- Budgeted and actual sworn officers per 1,000 population (appeared in FY15, FY14, and FY13 adopted budgets) and how they compare with the average of other large cities;
- The percentage of 911 calls answered within 10 seconds;
- The number of 911 calls that were abandoned after waiting longer than 10 seconds;
- The number of 911 calls with wait times less than 10 seconds, between 10 seconds and 1 minute, between 1 minute and 2 minutes, between 2 minutes and five minutes, between 5 minutes and 10 minutes, and surpassing 10 minutes;
- Average non-emergency call wait time.
- The number of non-emergency calls with wait times: 1 minute or less, between 1 minute and 5 minutes, between 5 minutes and 10 minutes, between 10 minutes and 30 minutes, and surpassing 30 minutes;
- The number of abandoned non-emergency calls, and the number of abandoned non-emergency calls that received a call back;
- The number of sworn officer hours dedicated to dispatch, and the cost, including overtime pay;
- Percentage of police dispatcher background checks completed within three months.

### Homeless Outreach Program Expansion

In addition to CPPS funds identified for homeless outreach efforts and money raised by community groups, supplementary funds are needed to ensure that year round services are provided by organizations such as the Alpha Project as well as the Police Department's Homeless Outreach Team to help address homelessness in various areas throughout the city (outside of downtown), particularly in neighborhood canyons, Business Improvement Districts, parks and beneath bridges.

### Citizens Review Board (CRB) on Police Practices

As referenced in the May 25, 2016 Grand Jury Report entitled "Citizens Oversight Boards of Police Behavior," the grand jury found that using the San Diego City Attorney as legal counsel to the Citizens Review Board while also defending SDPD represents a potential conflict of interest (Finding 02, pg. 6). Additional funding for independent outside counsel should be included in the FY17 budget to ensure the autonomy of the CRB.

### Summer Night Lights (SNL) Pilot Programs at Skyline Hills and Colina Park Recreation Centers

Summer Night Lights is based upon the 2003 "Summer of Success Baldwin Village Program" at Jim Gilliam Park in Los Angeles, CA. SNL integrates gang prevention, intervention, community, and law enforcement strategies to address violence in neighborhoods adjacent to parks and recreational centers across the city in gang-infested communities for eight weeks during the summer (July 4th through Labor Day). Programming is extended to communities and their residents from seven P.M. until midnight, Wednesday through Saturday when potential for violent crime is at its highest in the city. SNL began in 2008 at eight recreation and parks facilities in Los Angeles, expanded to 16 sites in 2009, to 24 in 2010 and most recently to 32

locations in 2011. Numerous organizational partners participate in SNL including city agencies, non-profits, the faith-based community, local foundations, and businesses. The SNL program was unanimously supported and recommended for implementation by our Commission on Gang Prevention and Intervention. Program costs: approximately \$40,000 per park.

#### Permanent Skyline Hills Fire Station (FS 51)

Temporary FS 51 opened in 2015, immediately improving emergency response times. While the station is temporary, the service need is permanent. Progress must continue to identify funding to construct a permanent facility for the health and safety of our fire-rescue personnel and also a facility that residents deserve and can be proud of. We ask that funding for a permanent fire station be included in the upcoming DC4 Bond (Spring 2017).

#### Fire-Rescue Department's Lifeguard Service's Five-Year Plan

The City should continue to expand lifeguard services by adding:

- 1.0 FTE Clerical Assistant II for Headquarters Administration
- 1.0 FTE Lifeguard II four days a week in the summer at South Mission Beach and one Relief Lifeguard in non-summer. Approximate cost: \$125,826
- Design funding for upgrading the Ocean Beach lifeguard tower. Approximate cost: \$660,000.

### **Infrastructure**

#### Maintenance and Repair of Streets Classified as "Unimproved Roads"

The City must either develop a process to provide for the repair and maintenance of "Unimproved Roads" or develop a plan to upgrade or construct these roads into complete streets. Residents throughout the City, particularly in parts of Encanto, Logan Heights and Stockton, are unable to request common street improvements due to this technicality. (Examples of "Unimproved Roads" include: Weaver St., 6500-6900 Broadway)

#### Vision Zero Implementation

The City of San Diego's 2014 Citywide Pedestrian Collision Analysis found that people in neighborhoods in low-income census tracts, such as City Heights, Greater Logan Heights, and Southeastern San Diego are 10 times more likely to be hit by cars while walking than people in other neighborhoods. Improving lighting, sidewalks, crossings, and bike lanes (and other elements of Complete Street design) increases safety. Therefore, we request that the budget make a real commitment to funding the design, engineering, and construction of Complete Street projects in high collision corridors (Market Street, El Cajon Boulevard, University Avenue, Euclid Avenue, and Imperial Avenue).

#### Urban Forestry Program

A critical part of the Climate Action Plan is growing the City's urban forest. Trees make vital contributions to livable neighborhoods, resilient and prosperous communities, environmental quality, and public health as they sequester carbon, reduce energy use, and make neighborhoods cooler and more walkable. As such it is important that the city increase resources to plant and maintain trees throughout the city. The following FY17 budget allocations are vital to meeting the CAP goals related to growing our urban forest:

- Restore the "tree warden" position for code compliance and citizen complaints: \$100,000;

- Plant 2,000 additional trees in FY17, with funding of \$1,000,000. This would allocate enough resources for the initial planting and three years of watering, monitoring and pruning;
- For Capital Improvement Projects funded in FY17, incorporate trees as a street element (just as pavement, signage) not an amenity. This includes sidewalk replacements, street improvements, and new and upgraded parks.

#### Council District Four Sidewalks: Paradise Hills Community

For over 25 years, the residents of Paradise Hills, supported by its official Community Planning Group, have been advocating for the installation of sidewalks at 48 various locations. Funding and grant opportunities should be identified to make the community more pedestrian friendly. While \$1.6 million was identified for new walkways in the FY17 proposed budget, we ask that a real commitment toward the installation of missing sidewalks in Paradise Hills be made a priority in the upcoming DC4 Bond (Spring 2017).

#### District 8 ADA Upgrades

ADA compliant infrastructure is vital to the wellbeing of our communities. We must ensure that city facilities, sidewalks, and roads are fully accessible in every neighborhood. The following ADA upgrades should be prioritized in District 8:

- Audible Pedestrian signal - New installation: E. San Ysidro Blvd & E. Beyer Blvd.;
- Path of travel: Harbor Drive & 32nd St.;
- Sidewalk, Existing Not accessible: 32nd St. & Main St.;
- Curb Ramp, Missing, Require install: Alaquinas Dr. & Diza Rd.;
- Curb Ramp, Missing, Require install: Sampson Street and Kearney Ave. (Both sides).

#### Otay Mesa Bus Stop Upgrades on City Property

There are currently a total of 43 bus stops in Otay Mesa, ten stops are in need of City funded capital improvements, such as ADA loading pad and sidewalks in order to receive upgrades such as benches and shelters. The locations below should be prioritized in order to be eligible receive needed upgrades from MTS. Specific locations are as follows: Airway Rd./Dublin Dr., La Media Rd./Airway Rd., Siempre Viva Rd/Paseo De Las Americas, Siempre Viva Rd/Sarnen St., Siempre Viva Rd/Avenida Costa Brava, La Media Rd./Airway Rd., Otay Mesa Rd./Otay Mesa Center, Otay Mesa Rd./Gailes Blvd., Otay Mesa Rd./Cactus Rd., Otay Mesa Rd./Heritage Rd.

#### Otay Mesa/Nestor Library: Removal and Reinstall Sections of the Trellis

Currently, the Otay Mesa/Nestor Library's trellis has rooting wood beams. The scope of work includes the replacement and installation of new beams for the trellis. Approximate cost \$239,000. (CDBG eligible).

#### Design for New Sidewalk on the west side of Saturn Boulevard (Palm Ave. and Saturn Blvd)

Design of a new sidewalk on the west side of Saturn Blvd (Palm Avenue & Saturn Boulevard). This sidewalk is next to a mobile home park across the street of Home Depot/Walmart and is on the Sidewalk Needs list. The scope of work includes the design and construction of the sidewalk. Approximate design cost: \$100,000.

#### Rectangular Rapid Flashing Beacons (RRFBs) in front of Montgomery Middle School

Installation of new Rectangular Rapid Flashing Beacons (RRFBs) as part of the improvements to

the crosswalk in front of Montgomery Middle School located at Picador Boulevard and Majestic Drive. Estimated cost: \$10,000.

Traffic Signal at San Ysidro Blvd & Averil Road (Southwestern College)

This location qualified for a traffic signal. It is badly needed and will increase public safety at this location. Approximate cost: \$275,000.

New Guardrail at the Intersection of Smythe and Via De la Melodia

This location qualified for the installation of a new guardrail in 2013 and is badly needed for pedestrian safety. Approximate cost: \$185,000.

City Heights Urban Greening Plan

Community members have prioritized the implementation of the City Heights Urban Greening Plan pilot projects. We request that funding is specifically set aside for: Pilot Project 1: 52nd St. between El Cajon Blvd. & Orange Ave. Approximate total cost \$325,000. We also ask for future funding for the other pilot projects.

54th Street Sidewalks

We and our constituents appreciate the response to our requests for safety improvements along 54th Street that include sidewalks on both sides of the street between Streamview Drive and Lea Street, as well as a dedicated bike lane. We urge swift implementation of this effort.

Aldine Drive Improvements/Study

The storm drains at the specified location continue to fail during seasonal rains. The problem was exacerbated during the recent El Nino storms. In addition to repairing and maintain the current storm drains at the area, we are requesting an initial pre design study for road improvements at the location. Based on recommendation from city staff, road improvements are needed to fully address the issue of flooding at the area during rains. Approximate cost: \$100,000.

## **Parks**

The Mayor announced in his State of the City address a parks initiative that proposes groundbreakings on fifty new or upgraded parks over the next five years. Below are parks projects and initiatives that will help achieve that goal:

Bay Terraces Community Park (“Tooma Park”) Senior Center/Recreation Building

With the recently identified \$500,000 for this project, we look forward to the timely design of the Tooma Park Senior Center. We request that the Community Based Competitive Design delivery method be used for this project to assure that it is the most expeditious and cost-effective.

Martin Luther King, Jr. Recreation Center Facility Improvements

The flooding of the racquetball courts, administrative offices, and gymnasium has been an ongoing issue at the MLK, Jr. Recreation Center. An immediate and permanent fix is necessary and must be prioritized. This type of repair is estimated to be \$200,000 to \$300,000.

Marie Widman Memorial Park Public Safety Redesign and Enhancements

Reconfiguration of the park is needed to enhance public safety. Marie Widman Memorial Park has been the site of several violent crimes/murders in recent years. Enhancements to park amenities can increase park usage and activity, thereby deterring crime.

Additional Grounds Maintenance for City Heights and Encanto Area Parks

Additional Grounds Maintenance Worker II positions are requested for City Heights and Encanto area parks. Approximate cost: \$70,600 per FTE

Baybridge Community Center Plumbing Upgrades

The Baybridge Community Center is a single story 9,890 gross square foot building located adjacent to Chicano Park. The facility was originally built in 1971 and is part of the Parks and Recreation Department. The building is in very poor condition with many pressing needs to be move in ready for the next tenant. Plumbing fixtures are original and beyond their useful life. Domestic water distribution is provided by copper piping with central water heaters. Sanitary sewer piping is comprised of ABS piping. Some problems with the plumbing systems and components were reported during the recent condition assessment. Estimated cost: \$167,428 (CDBG eligible).

Beyer Park GDP

To move forward with this CIP, the General Development Plan must be updated. This project would create a 12.6 acre community park serving the San Ysidro and Otay Mesa communities. There is sufficient funding to allow for the continuation of the previously funded environmental study and resumption of the General Development Plan process, which will be based on the outcome of the environmental study. As the environmental review and development of a GDP should help identify a first phase for design, additional funds should be sought for the design process, as there will be significant progress on the environmental study and GDP through the remainder of FY 2016 and FY 2017. This project should be considered for funding in the DC4 Bond (CDBG eligible).

Memorial Recreation Center/School Master Planning

In order to revitalize the Memorial Recreation Center and School site, a master plan must be created. Retention of a consultant to create the master plan could be a shared cost between the City and the San Diego Unified School District.

San Ysidro Senior Center

The center needs significant improvements, including a kitchen remodel, furniture, new floors, base boards, windows, and re-pavement of parking lot (CDBG eligible).

Sherman Heights Community Center

Playground equipment: This is the only community center in northern Council District 8. It previously had a playground, but with time the condition of the playground equipment deteriorated. The last piece of playground equipment was removed a couple of years ago. Additionally, with the FY17 Budget proposal for 3 FTE to install rubberized playground turf at various locations throughout the City, we would request that this location be added for FY17. Approximate cost: \$70,000 (CDBG eligible).

San Ysidro Skate Park

Initiation of planning and design for a skate park at the City-owned property on the southwest corner of the intersection of Beyer Blvd. and Beyer Way adjacent to 325 Mesa Ave. The City's Public Works department should begin planning and design to determine the funding and time needed to construct a skateboard park on this property. Approximate cost: \$100,000 (CDBG eligible).

Clay Park Neighborhood Park (CD9)

\$450,000 in matching funds is requested for improvements to Clay Park. The CentrepoinTE/Blvd 63 litigation settlement included \$150,000 for Clay Park. The Rolando Community Council has put together a list of improvements that exceed \$150,000. The list includes: perimeter path (\$150,000) and tot lot shade (\$300,000).

Chollas Triangle Park

We request that a Capital Improvement Project be initiated for the Chollas Triangle Park. In July 2015, the City Council approved a Community Plan Amendment for the Chollas Triangle, an approximately 36-acre site within the Eastern Area bounded by 54th Street to the west, Chollas Creek to the south and east, and University Avenue to the north. The area is approved for a mixed-use transit-oriented village. A primary focal point of Chollas Triangle is the creation of an approximately five-acre active use neighborhood park in the location of the vacated Chollas Parkway providing passive and active open space uses as well as restored riparian habitat along Chollas Creek. Approximate cost: \$250,000.

Chollas Creek Master Plan

Chollas Creek traverses the City Heights, Eastern, Encanto, Southeastern San Diego, and Barrio Logan Communities. Chollas Creek is within communities that are largely underserved and it is time to provide these communities and the San Diego region with a unique regional park that focuses on habitat, nature, trails, passive recreation, culture, history and geography. The proposed Chollas Creek Regional Park proceeds directly from and builds upon the framework of the 2002 Chollas Creek Enhancement Program (CCEP) to develop a multi-use creek trail and continuous greenbelts throughout the Chollas Creek Watershed.

In November 2015 the Park and Recreation Board Unanimously voted to accept the Chollas Creek Regional Park Designation Feasibility Study and recommended updating and expanding the 2002 Chollas Creek Enhancement Program. The next step would involve the preparation of a Master Plan to be developed under the direction of the City of San Diego Planning Department. The total cost of the Master Plan is estimated to be \$1.0 million based on the costs of the San Diego River Park Master Plan/CEQA document. However, Park Planning staff reports that the Master Plan could be funded in phases over a three year time period.

Temporary Pool Program

This hugely successful program provides access to pools during hot summer months to communities that do not have the benefit of a pool facility at their local recreation center. The cost of this program is low, while the positive impact on pool users is very high. The following locations recreation center locations should be funded for a temporary pool in FY17: Robert Egger, Linda Vista, Montgomery Waller, San Ysidro, Encanto, Skyline Hills, Southcrest. Approximate cost: \$52,500 (\$7,500 per location).

## Operational Needs

### Library Ordinance/Library Programming Budget:

In an effort to create programming equity across all branch libraries in all areas of the City, the budget for programming should be increased. Funding could also develop a plan to incorporate Innovation Labs (featuring state of the art technology like 3D printers) throughout the library system. Estimated cost: \$500,000.

### Penny for the Arts

Currently, the Mayor's 5-year Outlook shows 6.44% of projected TOT revenue budgeted to support the Penny for the Arts Blueprint, falling short of the Blueprint's stated 9.5% goal for FY17. This means that for the next five years, Arts and Culture funding will continue to be millions of dollars short of the Blueprint's commitment. Raising the percent allocated by 0.56% would increase arts and culture funding by \$1.2 million for an FY17. The Penny for the Arts program for FY17 is critical to the continued growth of arts and culture programs across the City. Approximate cost: \$1.2 million.

### Administration and Enforcement of the Earned Sick Leave and Minimum Wage Ordinance

City administration and enforcement of the application of minimum wage is critical to the stability of the City's workforce and overall economy. As such, it is critical that appropriate staffing and budget is allocated for this purpose in the FY17 budget. Approximate cost: \$400,000.

### Equal Opportunity Contracting (EOC) Improvements/City of San Diego Disparity Study

The City's EOC Program is intended to ensure diversity and to safeguard against discrimination in City contracts. Its purpose is to ensure fairness in the expenditure of taxpayer dollars. In order for the City to improve its EOC program goals and in order to adopt a race or gender-conscious preference program to remedy any perceived discrimination, the City must first commission a disparity study specific to the San Diego marketplace. A cost sharing partnership on a disparity study with SANDAG should be explored. We request that immediate funding for an RFP for the study be funded in FY17. Approximate cost: \$100,000.

### Development Services Department Permit Processing

It is critical that the Development Services Department improve permit application processing times in order to provide faster and more efficient services to the public submitting project applications. Filling vacancies at a faster pace is likely to help speed up processing times, however, the following options should be explored in FY17:

1. Implementing a "Self Certification" process that allows a licensed professional designer to certify that their plans meet required standards and signing an affidavit that places any potential liability related to the permit issuance on them;
2. Take the appropriate steps to consider additional resources to improve and expedite the department's Plan Check services. Careful consideration should be given regarding the utilization of a "Third Party Plan Check," which uses third party review companies to complete a plan check on an applicant and notify the City that an applicant is eligible to pull the required permit.

An approach by the department that utilizes the above options, in combination with filling the current vacant positions will result in permits being issued faster and more efficiently to project applicants that rely on the City for timely processing in order to complete their projects.

Fiber Optic Network Feasibility Study

Reliable high speed internet access is a critical for large metropolitan areas to invest in in order to attract new and retain current industries to the region and to enhance educational facilities throughout the city. The City should initiate a feasibility study to analyze potential financial models and partnership structures to provide a fiber optic network in San Diego that protects the financial interests of the city and its residents and helps ameliorate the digital divide in low income neighborhoods. Approximate cost: \$50,000.

Personnel Department/Improvements to City's Hiring Process

The volume of work for the Personnel Department has increased tremendously. As the City continues to increase hiring and in order to improve and expedite the hiring of public safety professionals, we request the addition of:

- 1.00 FTE Word Processing Operator. Approximate cost: \$70,048.
- 1.00 FTE Associate Personnel Analyst. Approximate cost: \$93,502.

Equity in Council Offices Budgets

We request that the appropriate adjustments be made to establish equity amongst the budgets of the nine Council Offices.

Council Administration

Funding to replace chairs for public meeting spaces in the City Administration Building are important to ensure the Council provides the public with adequate accommodations while visiting City Hall.

- \$20,000 for the purchase of conference room chairs for CAB 3 A and C and CAB 12, old closed session room.

**Proposed Revenue Sources**

In order to fund the proposed projects, programs, and services recommended above, we have identified the following areas in which additional revenue can be generated in order to offset our final budget recommendations.

Use of Redevelopment Property Tax Trust Fund (RPTTF) to Ensure Economic Revitalization and Job Creation

The IBA's December 8, 2015 report of the Five-Year Outlook noted that the adjusted residual RPTTF revenue over the next five years increases from \$9.3M to \$23.7M, for a total of \$107.5M. Using this revenue going forward to invest in San Diego's economically disadvantaged communities, as originally intended allows areas in the greatest need of economic investment an opportunity to attract new commercial activity, which in turn creates new jobs and greater tax revenue for the City's general fund. The prioritized investment of these RPTTF funds is intended to supplement, not replace, funding identified in the Mayor's Five-Year Outlook. We would request an allocation \$100,000 for a study to create an effective policy for the use of these funds moving forward to ensure they are used to revitalize communities, improve infrastructure and create jobs in areas of the City that require the most economic development and investment.

Community Development Block Grant (CDBG) Program

SB 107, approved in 2015, provides substantial reform of the redevelopment wind-down process and ensures that San Diego will properly receive CDBG repayment/recovery of nearly \$240

million. Beginning Fall 2016, the City should ensure that these funds are reinvested in San Diego's economically disadvantaged communities in the form of infrastructure investment, job creation and economic development.

#### Performance and Analytics Department

The Performance and Analytics department requested 3.0 FTE in the FY17 budget to support activities associated with the 3-1-1 Customer Experience & Service Delivery Program. These positions come at a cost of \$341,854 and associated non-personnel costs of \$766,500, totaling \$1.1 million. Given the multi-year roll out of the 3-1-1 system, we would request that only the Program Manager position (\$128,872) is funded in FY17, while future Program Coordinator positions (\$212,982) could be added in future years as needed. With the development of the program taking place over multiple years, the associated NPE can also be reduced. This action would effectively make approximately \$500,000 available for more immediate General Fund purposes.

#### Excess Equity

\$2,000,000 in Excess Equity remains unallocated. Consideration should be given for use of this funding for critical one-time needs.

#### Long-Term Disability

Per the City Reserve Policy, the LTD overall target reserve level is 100% of the outstanding actuarial liability for LTD. The outstanding liability is based on the average of the annual actuarial liabilities for the three most recent fiscal years. With the June 30, 2015 valuation completed, that average decreased from \$18.3 million to \$14.9 million. The current reserve balance of \$18.4 million exceeds that target by approximately \$3.5 million. We recommend that the \$3.5 million be allocated toward more immediate community needs.

#### Vacancy Savings

The City should closely monitor departmental vacancies. Positions that become vacant or remain unfilled during the year generate savings that could be allocated to address more immediate needs.

#### Expand Alternative or Flexible Work Schedule

Citywide implementation of an expanded alternative or flexible work schedule, such as the 4/10 schedule already being used in the Environmental Services Department at a savings of \$6,000,000.

#### Upcoming Infrastructure/DC4 Bond

Projects identified in this memo are high priority community needs. Consideration should be provided to those eligible for upcoming bond funding.

This memo reflects our top priorities and will serve as the basis for our support of the upcoming budget.

RESOLUTION NUMBER R- 310506DATE OF FINAL PASSAGE JUN 14 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE FISCAL YEAR 2017 BUDGET, INCLUDING APPROVING THE MAYOR'S FISCAL YEAR 2017 PROPOSED BUDGET, THE MAY REVISION TO THE PROPOSED BUDGET, THE INDEPENDENT BUDGET ANALYST'S RECOMMENDED REVISIONS TO THE PROPOSED BUDGET AND OTHER CHANGES AS APPROVED BY THE CITY COUNCIL.

WHEREAS, pursuant to San Diego Charter section 290(b), prior to June 15 of each year and after holding a minimum of two public hearings, the City Council shall adopt a resolution approving the City's budget as proposed by the Mayor or modified in whole or part; and

WHEREAS, on April 19, 2016, the Mayor's proposed budget (Proposed Budget) was presented to the City Council; and

WHEREAS, on May 19, 2016, the Mayor's May revision (May Revision) to the Proposed Budget, dated May 17, 2016 was presented to the City Council sitting as the Budget Review Committee; and

WHEREAS, on June 8, 2016, the Independent Budget Analyst issued her Review of the Fiscal Year 2017 May Revise and Recommended Revisions to the Mayor's Fiscal Year 2017 Budget, IBA Report No. 16-11 (IBA FY 2017 Budget Report); and

WHEREAS, between May 4 and June 13, 2016, the City Council held more than two public hearings to consider the City's Fiscal Year 2017 budget in accordance with San Diego Charter sections 290(b) and 71; and

WHEREAS, the Proposed Budget includes the use of revenue in the Low-Income Housing Lease Revenue Fund, which is dedicated to the use of the San Diego Housing Commission (Housing Commission) for the purpose of increasing the supply of low and moderate income housing in the City, to fund, in part, the Serial Inebriate Program; and

WHEREAS, the use of revenue in the Low-Income Housing Lease Revenue Fund to expand the Serial Inebriate Program, which is administered by the Housing Commission, will help address homelessness in the City by increasing the number of transitional housing beds and providing additional services to residents experiencing homelessness and struggling with substance abuse; and

WHEREAS, the City Council has determined that funding the Serial Inebriated Program with revenue available in the Low-Income Housing Lease Revenue Fund is an appropriate use of such revenue; and

WHEREAS, the City Council has determined to approve the City's Fiscal Year 2017 Budget, including the Mayor's Proposed Budget, as modified by the May Revision, including certain recommendations contained in the IBA FY 2017 Budget Report, and with other changes approved by the City Council as set forth below; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the Mayor's Proposed Budget, as modified by the May Revision, is hereby approved including the recommendations contained in the IBA FY 2017 Budget Report, and as modified by the City Council as set forth below:

1. Add \$400,000 in ongoing resources for Earned Sick Leave and Minimum Wage Ordinance administration and enforcement;

2. Increase support for the Penny for the Arts Blueprint goal from 6.44% to approximately 7%, with a funding commitment of \$1.2 million; and
3. Return \$350,000 to the Facilities Maintenance budget, as proposed in the May Revision.

BE IT FURTHER RESOLVED, that the Mayor is directed to present to the City Council the Fiscal Year 2017 First Quarter Budget Monitoring Report (First Quarter Budget Monitoring Report), along with the Five Year Financial Outlook, no later than November 30, 2016.

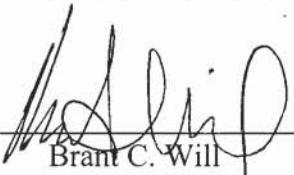
BE IT FURTHER RESOLVED, that the Mayor is directed to include \$1,350,000 for the Balboa Park Botanical Building in the next deferred capital bond (DC4 Bond) list, and request the Mayor consider the revised list of projects that have been identified as the top priorities of the Council in their memoranda for the DC4 Bond, as listed in the IBA FY 2017 Budget Report.

BE IT FURTHER RESOLVED, that the Mayor is requested to return to the City Council with a plan and cost estimate for a third party contractor to conduct exit interviews in the Police Department and include performance measures for the Police Department as outlined on Page 3 of the May 27, 2016 Joint Budget Memorandum by Councilmembers Cole and Alvarez and Council President Pro Tem Emerald.

BE IT FURTHER RESOLVED, that revenue available in the Low-Income Housing Revenue Fund is hereby authorized for transfer to the General Fund or to the Housing Authority, for use by the Housing Commission, for the purpose of addressing homelessness and for increasing the supply of low and moderate income housing.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to return, as soon as practicable, the Approved Budget to the Mayor in accordance with section 290(b)(2)(A) of the Charter.


APPROVED: JAN I. GOLDSMITH, City Attorney

By \_\_\_\_\_  
Brant C. Will  
Deputy City Attorney

BCW:jdf  
05/31/16  
06/14/16 REV.  
Or.Dept:IBA  
Doc. No.: 1296575\_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 6/13/16.

ELIZABETH S. MALAND City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: 6/14/16  
(date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

**ATTACHMENT G**

Passed by the Council of The City of San Diego on JUN 13 2016, 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 JUN 14 2016.


(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- 310506

RESOLUTION NUMBER R- 310594DATE OF FINAL PASSAGE JUL 19 2016RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO ADOPTING THE STATEMENT OF  
BUDGETARY PRINCIPLES WITH RESPECT TO  
ADMINISTRATION BY THE MAYOR OF THE FISCAL  
YEAR 2017 BUDGET

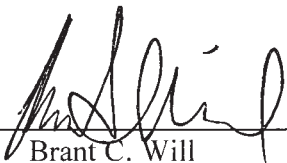
WHEREAS, in accordance with San Diego Charter sections 71 and 290, on July 11, 2016, the City Council is expected to adopt the Appropriation Ordinance to provide for the appropriation and expenditure of funds for the Fiscal Year 2017; and

WHEREAS, the Mayor and the City Council desire to provide for the effective administration of the Fiscal Year 2017 budget; and

WHEREAS, the Independent Budget Analyst, in consultation with the Mayor, has prepared a Statement of Budgetary Principles, on file with the City Clerk as Document No. RR-310594, which acknowledges the duties of the Mayor as Chief Budget Officer and Chief Fiscal Officer of the City, and the City Council as sole legislative and lawmaking body of the City; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Council hereby adopts the Statement of Budgetary Principles.


APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Brant C. Will  
Deputy City Attorney

BCW:jdf  
6/27/2016  
Or.Dept:IBA  
Doc. No.: 1314290

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 12 2016.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 7/19/16  
(date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

**ATTACHMENT H**

**JUL 12 2016**

Passed by the Council of The City of San Diego on \_\_\_\_\_, 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 JUL 19 2016.

(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.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- **310594**

(O-2016-154)

ORDINANCE NUMBER O- **20669** (NEW SERIES)

DATE OF FINAL PASSAGE JUL 11 2016

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2017 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR FISCAL YEAR 2017.

WHEREAS, San Diego City Charter (Charter) section 71 requires that the form, arrangement and itemization of the Appropriation Ordinance be determined and prescribed by the Chief Financial Officer and the City Attorney; and

WHEREAS, in accordance with Charter section 290, the annual Salary Ordinance and the adopted budget are controlling documents for the preparation of the Appropriation Ordinance; and

WHEREAS, on April 24, 2016 Ordinance No. 20642, the Salary Ordinance, was approved by the City Council in accordance with Charter section 290; and

WHEREAS, on June 14, 2016, the Mayor approved R-310506 (Budget Resolution), adopting the Fiscal Year 2017 Budget; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. The budget for the expense of conducting the affairs of the City of San Diego (City) for the fiscal year commencing July 1, 2016, and ending June 30, 2017 (Fiscal Year), heretofore prepared and submitted to this City Council by the Mayor is hereby adopted as the Annual Budget for the Fiscal Year.

Section 2. There is hereby appropriated for expenditure out of the funds of the City for municipal purposes the amounts set forth in Attachment I and in the approved Capital Improvements Program (CIP) Budget, which defines the legal levels at which the Chief Financial Officer (CFO), as designee of the Mayor, shall control operational and capital project spending.

(O-2016-154)

## A. GENERAL FUND

1. The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.
2. The provisions in the Library Ordinance, San Diego Municipal Code section 22.0228, restricting funding are hereby waived.
3. The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.
4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Charter or City Council Policy approved programs:
  - Business and Industry Incentive Program (Council Policy 900-12)
  - Small Business Enhancement Program (Council Policy 900-15)
  - Storefront Improvement Program (Council Policy 900-17), and
  - Mission Bay and Other Regional Park Improvements (San Diego Charter section 55.2b).
5. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved Community Parking District Policy (Council Policy 100-18).  
The CFO is authorized to transfer funds from Community Parking District Funds to the General Fund, and to appropriate and expend those funds for the purpose of implementing City Council approved Community Parking

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District Plans in accordance with the Community Parking District Policy (Council Policy 100-18).

6. The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.
7. City Council Community Projects, Programs and Services
  - (a) The City Council Community Projects, Programs and Services funds shall be administered in accordance with Council Policy 100-06.
  - (b) Upon written direction from the City Councilmember, the CFO is authorized to transfer and appropriate funds from that Councilmember's Community Projects, Programs and Services account to other General Fund departments, Non General Funds, and/or existing capital improvement projects to implement the project, program, or service identified by the Councilmember.
  - (c) Upon written direction from the City Councilmember, the CFO is authorized to transfer excess non-personnel appropriations from the administration of that Councilmember's office to the Councilmember's Community Projects, Programs and Services account.
8. Upon written direction from the City Councilmember, the CFO is authorized to transfer funds from EDCO Community Fund (Fund No. 700042) to the General Fund and to appropriate and expend those funds

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for the purpose that fund was created which is to enhance community activities (Park and Recreation and Library) in neighborhoods near the EDCO Transfer Station.

9. The CFO is authorized to modify revenue and expenditure appropriations for the purpose of transferring funds to Civic San Diego in accordance with any approved adjustments to the Fiscal Year 2017 Budget for the City of San Diego, solely in its capacity as the designated successor agency to the former Redevelopment Agency (Successor Agency).

#### B. SPECIAL REVENUE FUNDS

1. Transient Occupancy Tax Fund (Fund No. 200205)

- (a) The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the City Council hereby waives certain provisions of Council Policy 100-03, *see* Attachment II, for the entities set forth below:

Horton Plaza Theatres Foundation	B-1, B-2, and B-4
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CONNECT2Careers Program	B-I, B-2, B-3 and B-4
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- (b) The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations for Fiscal Year 2017. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

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2. Public Art Fund (Fund No. 200002)
  - (a) The CFO is authorized to transfer, appropriate, and expend Arts, Culture, & Community Festivals funds between the Transient Occupancy Tax (TOT) Fund and the Public Art Fund, in accordance with the budget.
  - (b) The CFO is authorized to appropriate and expend unbudgeted revenues or fund balance in the Public Art Fund to support public art and civic enhancement-related programs, projects, administration costs and activities in accordance with San Diego Municipal Code section 26.0701.
3. Environmental Growth Funds (Funds Nos. 200110, 200111, 200109)
  - (a) It is the intent of the City Council that the Environmental Growth Fund(s) appropriations are to be expended for those purposes described in Charter section 103.1a. The provisions in the San Diego Municipal Code Section 63.30 as amended by Ordinance No. O-19159 dated March 17, 2003, are hereby waived.
  - (b) Any monies deposited in the Environmental Growth Fund(s) in excess of estimated revenue as described in Charter section 103.1a and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by City Council resolution. The City Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional

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monies to the Environmental Growth Fund from sources other than those enumerated in Charter section 103.1a. In that event, those additional monies shall not be subject to any fractional allocation but shall be used solely and exclusively for the program purpose designated by City Council.

4. Maintenance Assessment District Funds

- (a) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District (MAD) Funds excess revenue or reserves to increase the appropriations to reimburse the MAD Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.
- (b) The CFO is authorized to appropriate and expend any monies deposited in the MAD Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which each Fund(s) was created.
- (c) The CFO is authorized to transfer Capital Improvements Program (CIP) appropriations and any remaining fund balances from the MAD Capital Projects Funds to the appropriate MAD Funds, where the reallocation does not change the CIP project budget nor the funding source, and close the MAD Capital Projects Funds.

MAD	CIP Fund No.	MAD Fund No.
Camino Santa Fe	200624	200081
Carmel Valley	200620	200033
El Cajon Boulevard	200050	200095
First SD River Improvement Project	200054	200053

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Genesee/No. Torrey Pines Road	200623	200068
North Park	200064	200063
Penasquitos East	200628	200039
Rancho Bernardo	200622	200038
Talmadge	200077	200076

5. Zoological Exhibits Fund (Fund No. 200219)

The CFO is authorized to appropriate and expend unanticipated revenues or fund balance for the purpose of transferring funds to support zoological exhibits in accordance with Charter section 77A.

6. Utilities Undergrounding Program Fund (Fund No. 200217)

The CFO is authorized to reallocate appropriations among the Utilities Undergrounding Program Fund's capital improvement project (AID00001) and the annual operating budget for costs associated with San Diego Gas and Electric provided that such reallocation does not increase or decrease the total Utilities Undergrounding Program Fund appropriations.

7. Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306)

The CFO is authorized to adjust operating appropriations in the Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306) at the end of the fiscal year based on actual revenues received and/or available fund balance.

C. CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENTS PROGRAM

1. The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the CIP.

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2. The CFO is authorized to close completed CIP projects and transfer unexpended balances to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to the maximum amount listed, or to the appropriate reserve, or to Fund Balance.
3. Once an asset has been put into service (Technically Completed “TECO”), the CFO is authorized to transfer unexpended balances not required to close the project to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to a maximum amount listed, or to fund balance.
4. Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Annual Allocations, earned interest or Unappropriated Fund Balances to CIP projects to support remaining project costs in excess of approved appropriations in order to complete and/or close the project.
5. The CFO is authorized to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and engineering costs of projects included in the long-range CIP Budget. Such advances shall be reimbursed to the respective Fund upon appropriation. In addition, the CFO is authorized and directed to advance funds as required for grant funded projects based on earned grant revenue

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receivable. Advances will be returned upon the payment of the grant receivable.

6. The CFO is authorized to reallocate revenue sources between CIP projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.
7. Development Impact Fee Community Funds and Developer Contributions-CIP (Fund Nos. 400080-400095, 400111-400137, 400097-400110, 400849, 400855-400858, 400863-400864, and 200636).
  - (a) The CFO is authorized to modify individual project appropriations and/or add new projects to the CIP in accordance with City Council-approved Community Public Facilities Financing Plans and Impact Fee Studies provided funding is available for such action.
  - (b) The CFO is authorized to reallocate Development Impact Fee (DIF) Community Funds funded appropriations between City Council-approved projects to expedite the use of DIF Community Funds in accordance with AB1600 requirements.
  - (c) The CFO is authorized to appropriate in the DIF Community Funds a sufficient and necessary amount to reimburse the administrative costs incurred by other City funds.
8. Mission Bay Improvements Fund (Fund No. 200386) and Regional Park Improvements Fund (Fund No. 200391)

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- (a) Capital Improvements in San Diego Regional Parks, as recommended and prioritized by the San Diego Regional Park Improvement Fund Oversight Committee, pursuant to Charter section 55.2, are hereby approved as set forth below.

CIP Project	Amount
Balboa Park West Mesa Comfort Station Replacement / S15036	\$ 300,000
Balboa Pk Bud Kearns Aquatic Complex Imp / S17000	\$ 500,000
EB Scripps Pk Comfort Station Replacement / S15035	\$ 700,000
Sunset Cliffs Natural Pk Hillside Imp Presrv / S10091	\$ 1,000,000

- (b) The CFO is authorized to increase and/or decrease appropriations in the Mission Bay Improvements project (AGF00004) and Regional Park Improvements project (AGF00005) at the end of the fiscal year based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.
9. The CFO is authorized to appropriate and expend the remaining fund balances and/or interest earnings from Park Service District funds up to \$15,000 as listed in Attachment IV – CIP Park Service District Funds. Park Service District funds shall be used solely for the purpose that the funds were intended and for Council-approved projects. The CFO is further directed to close Park Service District Funds where funds have been fully expended.
10. The CFO is authorized to appropriate and expend interest earnings from any bond construction funds for the purpose of transferring bond

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construction fund interest earned to support debt service payments as permitted in the respective bond indenture(s).

11. The CFO is authorized to transfer unexpended capital bond fund appropriations from TECO, completed, and closed CIP projects to an Annual Allocation for the same asset type (e.g., facilities, streets or storm drains) in order to expedite the expenditure of capital bond funds.

#### D. ENTERPRISE FUNDS

1. All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.
2. Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The CFO is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City's Reserve Policy.
3. Water Funds (Fund Nos. 700010, 700011, 700012) and Sewer Funds (Fund Nos. 700000, 700001, 700002, 700008, 700009)
  - (a) The CFO may reallocate appropriations and associated encumbrances from any City Council approved budgeted project in the CIP to the Fund's annual operating budget for costs associated with extended environmental monitoring for re-vegetation. Such reallocation shall decrease the total appropriation and encumbrance for the project and increase the appropriation and encumbrance in

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the annual operating budget by an equal amount provided that the reallocation is no greater than 5% of the Capital Project Budget.

E. INTERNAL SERVICE FUNDS

1. The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to the appropriate contributing funds.
2. Fleet Services Operating Fund (Fund No. 720000) and Fleet Services Replacement Funds (Fund Nos. 720001-720038, 720056)  
  
The CFO is hereby authorized to redistribute contributions among the Fleet Services Operating and Fleet Services Replacement Internal Service Funds or to advance funds between these internal service funds.
3. Central Stores Fund (Fund No. 720040), Publishing Services Fund (Fund No. 720041), Fleet Services Operating Fund (Fund No. 720000), Fleet Services Replacement Funds (Fund No. 720001-720038, 720056), and Risk Management Administration Fund (Fund No. 720048)  
  
The CFO is hereby authorized to appropriate expenditures from unanticipated revenues for the purpose of allowing for the uninterrupted provision of services.
4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations in Non General Funds for the purpose of reimbursing the Public Liability Operating Fund (Fund No. 720045) for Non General Fund claims incurred in the course of complying with Council Policy on Claims Against the City (Council Policy 000-09).

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F. TRUST AND AGENCY FUNDS

These Funds are established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example, federal and State income taxes withheld from employees, 401(k) and deferred compensation plans, parking citation revenues, and employee benefit plans. The CFO is authorized and directed to establish the appropriate agency funds and to deposit and disburse funds in accordance with the respective agency relationships.

G. GRANT FUNDS

Community Development Block Grant Funds

- (a) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG Funds on June 30, 2016, shall be carried forward to future years for the purpose of completing the authorized activities in accordance with Council Policy 700-02 which includes the requirement to use funds within 18 months of the start of the fiscal year for which the funds are allocated.
- (b) The CFO is authorized to transfer funds allocated to projects that have been completed, or where any portion has been deemed ineligible upon written confirmation from the sub-recipient or the CDBG Program office or in accordance with section 2.C.2 for the City's CIP projects, to Unobligated CDBG Funds to be reappropriated by the City Council.

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- (c) In accordance with section 2.C.3 herein, the CFO is authorized to transfer and appropriate a maximum of \$100,000 per City CIP project from Unobligated CDBG Funds or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

Section 3. The Mayor is hereby authorized to execute appropriate initial and continuing contracts and agreements for the conduct of activities associated with the allocations authorized by City Council and in accordance with provisions of grant agreements.

Section 4. The CFO is authorized and directed to make inter-fund loans, including interest at the City's pooled rate of return, between funds to cover cash needs. These loans may, if appropriate, extend beyond the current Fiscal Year.

Section 5. All interest earnings generated by any fund which has been established pursuant to a legal or contractual requirement, externally imposed restriction, or by enabling legislation (including, but not limited to, the Appropriation Ordinance) shall remain in such fund solely for the purpose the fund was intended.

Section 6. All Funds, not otherwise contained herein, established by the City Council in previous fiscal years or during the current fiscal year, are appropriated for the purposes established by applicable laws and/or in accordance with provisions of agreements authorized by Council and for projects contained in the Council-approved CIP or authorized by Council resolution. The CFO is authorized and directed to appropriate and expend monies within the funds for services provided by those funds. The CFO is authorized and directed to return any surplus monies to the contributing funds or, when the contributing funds cannot be legally determined, to the General Fund.

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Section 7. The CFO is authorized and directed to transfer current and/or prior years' forfeited monies within the flexible spending accounts to the Risk Management Administration Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus monies between flexible benefit plan funds.

Section 8. The CFO is authorized to increase revenue and expenditure appropriations in accordance with City Council-approved capital lease agreements for the purpose of financing the acquisition of essential projects and equipment.

Section 9. The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

The CFO may transfer funds to related City entities in accordance with the Annual Budget Document and appropriate funding source rules and regulations.

Section 10. The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

Section 11. All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission Bay Park and Ocean Beach Park as required by agreements with the State of California. Unanticipated revenues are hereby appropriated for such purposes and may be expended only by

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Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

All revenues generated by sovereign trust lands granted by the State of California to the City pursuant to California Public Resources Code section 6306 are hereby appropriated for purposes consistent with the Public Trust.

Section 12. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue may be transferred by the CFO to legally established reserve fund(s) or account(s). However, in no event shall the total appropriations of all tax revenues as defined by article XIII B of the California Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is \$3,387,810,263, a portion of which will be derived from proceeds of taxes as defined within article XIII B of the California Constitution.

It is the intent of this ordinance to comply with article XIII B of the California Constitution.

Section 13. The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year 2017 Tax Rate Ordinance as approved by Council.

Section 14. The CFO is authorized and directed to close obsolete or inactive funds and appropriate and expend for the purpose of returning residual balances of such funds to their source or, if the source cannot be determined, to the General Fund. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

Section 15. The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there

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is a shortfall in projected revenues, there are sufficient revenues to cover the remaining appropriations; provided that in the case that projected revenue estimates are met, the restricted funds may be released.

Section 16. Unless otherwise specified in this ordinance, the CFO is authorized to modify appropriations upon adopted City Council resolution, provided funding is available for such action and in accordance with funding source guidelines and applicable grant agreements.

Section 17. The powers of the City Council not delegated to the Mayor and CFO, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

Section 18. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

Section 19. This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

Section 20. The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Brant C. Will  
Deputy City Attorney

BCW:jdf  
6/15/2016  
Or.Dept: FM  
Doc. No.: 1306428\_2

**Fiscal Year 2017 Operating and Capital Appropriations**

<b>OPERATING APPROPRIATIONS</b>	<b>Salary &amp; Wages</b>	<b>Fringe &amp; Non-Personnel</b>	<b>FY 2017 Appropriation</b>
<b>General Fund</b>			
City Attorney	\$27,683,484	\$22,145,632	\$49,829,116
City Auditor	\$2,029,960	\$1,852,423	\$3,882,383
City Clerk	\$2,548,644	\$3,125,392	\$5,674,036
City Comptroller	\$5,926,354	\$5,525,216	\$11,451,570
City Treasurer	\$6,263,184	\$9,989,696	\$16,252,880
Citywide Program Expenditures	-	\$109,701,751	\$109,701,751
Communications	\$2,128,429	\$1,744,516	\$3,872,945
Council Administration	\$1,412,701	\$1,123,619	\$2,536,320
Council District 1	\$665,346	\$656,197	\$1,321,543
Council District 1 - CPPS	-	\$90,076	\$90,076
Council District 2	\$625,212	\$574,075	\$1,199,287
Council District 2 - CPPS	-	\$97,190	\$97,190
Council District 3	\$673,055	\$691,544	\$1,364,599
Council District 3 - CPPS	-	\$111,823	\$111,823
Council District 4	\$625,219	\$483,695	\$1,108,914
Council District 4 - CPPS	-	\$224,011	\$224,011
Council District 5	\$623,625	\$442,389	\$1,066,014
Council District 5 - CPPS	-	\$125,241	\$125,241
Council District 6	\$600,460	\$415,577	\$1,016,037
Council District 6 - CPPS	-	\$149,677	\$149,677
Council District 7	\$650,538	\$434,923	\$1,085,461
Council District 7 - CPPS	-	\$150,473	\$150,473
Council District 8	\$530,462	\$634,935	\$1,165,397
Council District 8 - CPPS	-	\$96,471	\$96,471
Council District 9	\$676,985	\$578,898	\$1,255,883
Council District 9 - CPPS	-	\$94,171	\$94,171
Debt Management	\$1,757,846	\$1,405,693	\$3,163,539
Department of Information Technology	-	\$500,000	\$500,000
Development Services	\$3,851,413	\$3,634,997	\$7,486,410
Economic Development	\$3,754,595	\$11,252,936	\$15,007,531
Environmental Services	\$8,594,552	\$31,284,016	\$39,878,568
Ethics Commission	\$499,085	\$688,358	\$1,187,443
Financial Management	\$2,451,492	\$1,892,673	\$4,344,165
Fire-Rescue	\$120,938,045	\$115,842,250	\$236,780,295
Human Resources	\$2,110,517	\$1,774,150	\$3,884,667
Infrastructure/Public Works	\$491,822	\$501,777	\$993,599
Internal Operations	\$220,424	\$197,695	\$418,119
Library	\$20,517,882	\$31,141,787	\$51,659,669
Neighborhood Services	\$634,669	\$376,131	\$1,010,800
Office of Homeland Security	\$1,325,637	\$1,365,485	\$2,691,122
Office of the Assistant COO	\$1,087,748	\$858,187	\$1,945,935
Office of the Chief Financial Officer	\$276,666	\$310,398	\$587,064
Office of the Chief Operating Officer	\$589,918	\$499,564	\$1,089,482
Office of the IBA	\$1,118,180	\$856,675	\$1,974,855
Office of the Mayor	\$2,352,822	\$2,118,298	\$4,471,120
Park & Recreation	\$37,146,869	\$71,169,686	\$108,316,555
Performance & Analytics	\$1,184,079	\$1,750,560	\$2,934,639
Personnel	\$4,424,882	\$3,930,176	\$8,355,058
Planning	\$4,871,373	\$5,661,729	\$10,533,102
Police	\$213,041,084	\$225,748,179	\$438,789,263
Public Utilities	-	\$2,577,246	\$2,577,246

<b>OPERATING APPROPRIATIONS</b>	<b>Salary &amp; Wages</b>	<b>Fringe &amp; Non-Personnel</b>	<b>FY 2017 Appropriation</b>
<b>General Fund (continued)</b>			
Public Works - Contracts	\$1,281,003	\$1,021,718	\$2,302,721
Public Works - General Services	\$8,793,128	\$15,343,889	\$24,137,017
Purchasing & Contracting	\$3,514,856	\$3,058,760	\$6,573,616
Real Estate Assets	\$2,455,164	\$5,579,341	\$8,034,505
Transportation & Storm Water	\$31,572,362	\$99,857,651	\$131,430,013
<b>General Fund Total</b>	<b>\$534,521,771</b>	<b>\$803,459,616</b>	<b>\$1,337,981,387</b>
 <b>Capital Project Funds</b>			
TransNet Extension Administration & Debt Fund	-	\$322,970	\$322,970
TransNet Extension Congestion Relief Fund	-	\$3,351,330	\$3,351,330
TransNet Extension Maintenance Fund	-	\$9,592,209	\$9,592,209
<b>Capital Project Funds Total</b>	<b>-</b>	<b>\$13,266,509</b>	<b>\$13,266,509</b>
 <b>Enterprise Funds</b>			
Airports Fund	\$1,231,872	\$3,847,298	\$5,079,170
Development Services Fund	\$27,929,136	\$29,773,145	\$57,702,281
Golf Course Fund	\$4,400,302	\$13,103,778	\$17,504,080
Recycling Fund	\$5,632,183	\$18,090,550	\$23,722,733
Refuse Disposal Fund	\$7,503,599	\$20,831,461	\$28,335,060
Sewer Funds	\$52,234,866	\$302,006,418	\$354,241,284
Water Utility Operating Fund	\$44,968,251	\$459,242,141	\$504,210,392
<b>Enterprise Funds Total</b>	<b>\$143,900,209</b>	<b>\$846,894,791</b>	<b>\$990,795,000</b>
 <b>Internal Service Funds</b>			
Central Stores Fund	\$820,591	\$12,542,832	\$13,363,423
Energy Conservation Program Fund	\$1,301,765	\$2,030,910	\$3,332,675
Fleet Services Operating Fund	\$11,914,840	\$44,176,247	\$56,091,087
Fleet Services Replacement Fund	-	\$30,370,181	\$30,370,181
Publishing Services Fund	\$479,599	\$3,453,048	\$3,932,647
Risk Management Administration Fund	\$4,944,872	\$5,828,722	\$10,773,594
<b>Internal Service Funds Total</b>	<b>\$19,461,667</b>	<b>\$98,401,940</b>	<b>\$117,863,607</b>
 <b>Special Revenue Funds</b>			
Automated Refuse Container Fund	-	\$1,700,000	\$1,700,000
Concourse and Parking Garages Operating Fund	\$120,841	\$3,202,266	\$3,323,107
Convention Center Expansion Funds	-	\$13,800,450	\$13,800,450
Engineering & Capital Projects Fund	\$42,437,260	\$40,805,797	\$83,243,057
Environmental Growth 1/3 Fund	-	\$4,278,367	\$4,278,367
Environmental Growth 2/3 Fund	-	\$10,458,591	\$10,458,591

<b>OPERATING APPROPRIATIONS</b>	Salary & Wages	Fringe & Non-Personnel	FY 2017 Appropriation
<b>Special Revenue Funds (continued)</b>			
Facilities Financing Fund	\$1,165,558	\$1,243,329	\$2,408,887
Fire and Lifeguard Facilities Fund	-	\$1,388,781	\$1,388,781
Fire/Emergency Medical Services Transport Program Fund	\$3,034,107	\$9,492,463	\$12,526,570
Gas Tax Fund	-	\$25,878,454	\$25,878,454
GIS Fund	\$110,697	\$1,775,292	\$1,885,989
Information Technology Fund	\$3,773,544	\$7,977,906	\$11,751,450
Junior Lifeguard Program Fund	\$71,760	\$523,316	\$595,076
Local Enforcement Agency Fund	\$337,167	\$473,012	\$810,179
Los Penasquitos Canyon Preserve Fund	\$112,236	\$121,936	\$234,172
Maintenance Assessment District (MAD) Funds	\$1,550,255	\$36,124,621	\$37,674,876
Mission Bay/Balboa Park Improvement Fund	-	\$2,120,941	\$2,120,941
New Convention Facility Fund	-	\$3,436,000	\$3,436,000
OneSD Support Fund	\$2,746,012	\$24,446,585	\$27,192,597
Parking Meter Operations Fund	\$766,491	\$9,031,855	\$9,798,346
PETCO Park Fund	\$114,998	\$16,002,062	\$16,117,060
Prop 42 Replacement - Transportation Relief Fund	-	\$3,226,733	\$3,226,733
Public Art Fund	-	\$596,872	\$596,872
Public Safety Services & Debt Service Fund	-	\$9,166,621	\$9,166,621
QUALCOMM Stadium Operations Fund	\$2,152,383	\$18,258,354	\$20,410,737
Seized Assets - California Fund	-	\$11,919	\$11,919
Seized Assets - Federal DOJ Fund	-	\$1,622,869	\$1,622,869
Seized Assets - Federal Treasury Fund	-	\$119,187	\$119,187
State COPS	-	\$2,140,000	\$2,140,000
Storm Drain Fund	-	\$6,400,000	\$6,400,000
Transient Occupancy Tax Fund	\$1,082,382	\$110,221,911	\$111,304,293
Trolley Extension Reserve Fund	-	\$1,063,650	\$1,063,650
Underground Surcharge Fund	\$745,639	\$58,164,496	\$58,910,135
Wireless Communications Technology Fund	\$3,056,180	\$5,673,925	\$8,730,105
Zoological Exhibits Maintenance Fund	-	\$12,581,204	\$12,581,204
<b>Special Revenue Funds Total</b>	<b>\$63,377,510</b>	<b>\$443,529,765</b>	<b>\$506,907,275</b>

<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$761,261,157</b>	<b>\$2,205,552,621</b>	<b>\$2,966,813,778</b>
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## CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS

FY 2017  
Appropriation

### Citywide

S14000 I AM San Diego Project

\$22,700,030

**Citywide Total**

**\$22,700,030**

### Environmental Services

ABT00003 Citywide Energy Improvements

\$300,000

S15000 CNG Fueling Station for Refuse & Recycling

\$1,720,000

**Environmental Services Total**

**\$2,020,000**

### Fire-Rescue

S17002 Fire Station No 39 Replacement

\$850,000

**Fire-Rescue Total**

**\$850,000**

### Library

S00800 San Carlos Branch Library

\$155,605

**Library Total**

**\$155,605**

### Park & Recreation

AEA00002 Balboa Park Golf Course

\$500,000

AGE00001 Resource-Based Open Space Parks

\$800,000

AGF00004 Mission Bay Improvements

\$6,157,723

AGF00005 Regional Park Improvements

\$1,500,000

L12000 Convert RB Medians-Asphalt to Concrete

\$175,000

L16000 Southeastern Mini Park Improvements

\$675,000

S00752 Beyer Park Development

\$280,000

S00826 El Cajon Blvd Streetscape Improvements

\$30,000

S10091 Sunset Cliffs Natural Pk Hillside Imp Presrv

\$1,000,000

S11009 Torrey Highlands Community ID & Enhance

\$50,000

S13010 Evans Pond Reclaimed Water Pipeline Inst

\$165,000

S14006 El Cuervo Adobe Improvements

\$256,000

S14016 MTRP Equestrian & Multi Use Staging Area AdminBldg

\$1,375,373

S15035 EB Scripps Pk Comfort Station Replacement

\$700,000

S15036 Balboa Park West Mesa Comfort Station Replacement

\$300,000

S17000 Balboa Pk Bud Kearns Aquatic Complex Imp

\$500,000

S17001 Talmadge Traffic Calming Infrastructure

\$160,000

S17007 Pershing MidSch Joint Use Synthet Turf Replacement

\$500,000

**Park & Recreation Total**

**\$15,124,096**

### Police

S13100 CAD System Replacement Project

\$2,073,923

**Police Total**

**\$2,073,923**

**CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS** FY 2017  
Appropriation

**Public Utilities**

ABJ00001	Water Pump Station Restoration	\$3,710,000
ABL00001	Standpipe and Reservoir Rehabilitations	\$3,400,000
ABM00001	Groundwater Asset Development Program	\$100,000
ABO00001	Metro Treatment Plants	\$1,500,000
AHC00004	Recycled Water Systems Upgrades	\$950,000
AJA00001	Sewer Main Replacements	\$45,300,000
AJA00002	Pipeline Rehabilitation	\$37,982,121
AJA00003	Unscheduled Projects	\$2,500,000
AJB00001	Metropolitan Waste Water Department Trunk Sewers	\$2,600,000
AKA00003	Large Diameter Water Transmission PPL	\$2,250,000
AKB00002	Freeway Relocation	\$595,273
AKB00003	Water Main Replacements	\$8,624,318
ALA00001	PURE Water Program	\$76,000,000
RD16001	Harbor Dr TS Participation Agreement	\$2,991,250
S00041	Morena Reservoir Outlet Tower Upgrade	\$4,300,000
S00070	Del Mar Heights Pipeline Relocation	\$1,400,000
S00312	PS2 Power Reliability & Surge Protection	\$7,000,000
S00323	MBC Odor Control Facility Upgrades	\$1,100,000
S10008	El Monte Pipeline No 2	\$200,000
S11021	University Ave Pipeline Replacement	\$7,450,000
S11022	Upas St Pipeline Replacement	\$14,600,000
S11024	Miramar Clearwell Improvements	\$22,180,091
S11025	Chollas Building	\$4,500,000
S11026	Montezuma/Mid-City Pipeline Phase II	\$3,500,000
S12008	Catalina 12inch Cast Iron Mains	\$6,072,816
S12009	La Jolla Scenic Drive 16inch Main	\$4,832,598
S12010	30th Street Pipeline Replacement	\$750,000
S12011	69th & Mohawk Pump Station	\$6,000,000
S12012	Cielo & Woodman Pump Station	\$500,000
S12013	Alvarado 2nd Extension Pipeline	\$1,500,000
S12015	Pacific Beach Pipeline South (W)	\$5,900,000
S12016	Otay 1st/2nd PPL West of Highland Avenue	\$550,000
S12018	Lower Otay Outlet Tower	\$500,000
S13015	Water & Sewer Group Job 816 (W)	\$8,850,000
S15019	Alvarado Trunk Sewer Phase IV	\$1,000,000

**CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS**

FY 2017  
Appropriation

**Public Utilities (continued)**

S15027	La Jolla View Reservoir	\$500,000
S16027	Morena Pipeline	\$1,500,000
S17006	University Heights Water Tower Seismic Retrofit	\$450,000
S17008	AMI Implementation	\$38,375,590
<b>Public Utilities Total</b>		<b>\$332,014,057</b>

**Public Works - General Services**

ABE00001	Americans with Disabilities Improvements	\$759,600
ABT00001	City Facilities Improvements	\$250,000
<b>Public Works - General Services Total</b>		<b>\$1,009,600</b>

**Transportation & Storm Water**

ACA00001	Drainage Projects	\$2,825,000
ACC00001	Watershed CIP	\$4,000,000
AIA00001	Minor Bike Facilities	\$750,000
AID00005	Resurfacing of City Streets	\$3,758,329
AIE00001	Bridge Rehabilitation	\$250,000
AIG00001	Median Installation	\$718,325
AIH00001	Installation of City Owned Street Lights	\$1,260,000
AIH00002	Street Light Circuit Upgrades	\$1,350,000
AIK00001	New Walkways	\$1,658,619
AIK00002	School Traffic Safety Improvements	\$100,000
AIK00003	Sidewalk Repair and Reconstruction	\$2,000,000
AIL00001	Traffic Calming	\$760,000
AIL00002	Install T/S Interconnect Systems	\$1,413,547
AIL00004	Traffic Signals - Citywide	\$150,000
AIL00005	Traffic Signals Modification	\$100,000
RD14000	State Route 56 Freeway Expansion	\$12,091,000
S00707	I5 to SR56 Freeway Connectors	\$580,000
S00851	SR 163/Friars Road	\$3,000,000
S00856	El Camino Real to ViaDeLaValle (1/2 mile)	\$714,354
S00915	University Avenue Mobility	\$3,200,000

**CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS**

FY 2017  
Appropriation

**Transportation & Storm Water (continued)**

S00944	Bayshore Bikeway	\$20,000
S14009	SR94/Euclid Av Interchange Phase 2	\$3,050,000
S15023	Torrey Pines Road Improvement Phase 2	\$1,300,000
<b>Transportation &amp; Storm Water Total</b>		<b>\$45,049,174</b>

<b>TOTAL CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS</b>	<b>\$420,996,485</b>
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<b>TOTAL COMBINED APPROPRIATIONS</b>	<b>\$3,387,810,263</b>
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## MAINTENANCE ASSESSMENT DISTRICT APPROPRIATIONS

Fund	Maintenance Assessment District Fund	Salary & Wages	Fringe & Non-Personnel	FY 2017 Appropriation
200023	Maintenance Assessment District (MAD) Management Fund	\$1,550,255	\$2,635,932	\$4,186,187
200025	Street Light District #1 MAD Fund	-	\$739,316	\$739,316
200028	Scripps/Miramar Ranch MAD Fund	-	\$2,485,015	\$2,485,015
200030	Tierrasanta MAD Fund	-	\$1,975,949	\$1,975,949
200031	Campus Point MAD Fund	-	\$69,235	\$69,235
200032	Mission Boulevard MAD Fund	-	\$155,077	\$155,077
200033	Carmel Valley MAD Fund	-	\$3,290,544	\$3,290,544
200035	Sabre Springs MAD Fund	-	\$359,082	\$359,082
200037	Mira Mesa MAD Fund	-	\$1,264,154	\$1,264,154
200038	Rancho Bernardo MAD Fund	-	\$769,187	\$769,187
200039	Penasquitos East MAD Fund	-	\$599,073	\$599,073
200040	Coronado View MAD Fund	-	\$57,569	\$57,569
200042	Park Village MAD Fund	-	\$575,908	\$575,908
200044	Eastgate Technology Park MAD Fund	-	\$266,284	\$266,284
200045	Calle Cristobal MAD Fund	-	\$371,376	\$371,376
200046	Gateway Center East MAD Fund	-	\$341,184	\$341,184
200047	Miramar Ranch North MAD Fund	-	\$1,771,637	\$1,771,637
200048	Carmel Mountain Ranch MAD Fund	-	\$669,249	\$669,249
200052	La Jolla Village Drive MAD Fund	-	\$107,286	\$107,286
200053	First SD River Imp. Project MAD Fund	-	\$432,489	\$432,489
200055	Newport Avenue MAD Fund	-	\$75,996	\$75,996
200056	Linda Vista Community MAD Fund	-	\$314,410	\$314,410
200057	Washington Street MAD Fund	-	\$145,891	\$145,891
200058	Otay International Center MAD Fund	-	\$647,418	\$647,418
200059	Del Mar Terrace MAD Fund	-	\$353,016	\$353,016
200061	Adams Avenue MAD Fund	-	\$63,194	\$63,194
200062	Carmel Valley NBHD #10 MAD Fund	-	\$397,231	\$397,231
200063	North Park MAD Fund	-	\$729,777	\$729,777
200065	Kings Row MAD Fund	-	\$18,556	\$18,556
200066	Webster-Federal Boulevard MAD Fund	-	\$48,141	\$48,141
200067	Stonecrest Village MAD Fund	-	\$1,011,155	\$1,011,155
200068	Genesee/North Torrey Pines Road MAD Fund	-	\$454,830	\$454,830
200070	Torrey Hills MAD Fund	-	\$1,687,790	\$1,687,790

Fund	Maintenance Assessment District Fund	Salary & Wages	Fringe & Non-Personnel	FY 2017 Appropriation
200071	Coral Gate MAD Fund	-	\$199,990	\$199,990
200074	Torrey Highlands MAD Fund	-	\$939,162	\$939,162
200076	Talmadge MAD Fund	-	\$152,120	\$152,120
200078	Central Commercial MAD Fund	-	\$454,885	\$454,885
200079	Little Italy MAD Fund	-	\$1,246,516	\$1,246,516
200080	Liberty Station/NTC MAD Fund	-	\$218,320	\$218,320
200081	Camino Santa Fe MAD Fund	-	\$181,491	\$181,491
200083	Black Mountain Ranch South MAD Fund	-	\$1,068,624	\$1,068,624
200084	College Heights Enhanced MAD Fund	-	\$575,643	\$575,643
200086	C&ED MAD Management Fund	-	\$225,000	\$225,000
200087	City Heights MAD Fund	-	\$436,774	\$436,774
200089	Black Mountain Ranch North MAD Fund	-	\$589,234	\$589,234
200091	Bay Terraces - Parkside MAD Fund	-	\$84,609	\$84,609
200092	Bay Terraces - Honey Drive MAD Fund	-	\$34,337	\$34,337
200093	University Heights MAD Fund	-	\$99,185	\$99,185
200094	Hillcrest MAD Fund	-	\$41,436	\$41,436
200095	El Cajon Boulevard MAD Fund	-	\$675,752	\$675,752
200096	Ocean View Hills MAD Fund	-	\$989,606	\$989,606
200097	Robinhood Ridge MAD Fund	-	\$182,005	\$182,005
200098	Remington Hills MAD Fund	-	\$57,190	\$57,190
200099	Pacific Highlands Ranch MAD Fund	-	\$595,517	\$595,517
200101	Rancho Encantada MAD Fund	-	\$182,388	\$182,388
200103	Bird Rock MAD Fund	-	\$314,782	\$314,782
200105	Hillcrest Commercial Core MAD Fund	-	\$138,182	\$138,182
200614	Mission Hills Special Lighting MAD Fund	-	\$116,786	\$116,786
200707	Barrio Logan Community Benefit MAD Fund	-	\$636,431	\$636,431
200714	Civita MAD Fund	-	\$621,575	\$621,575
200717	Kensington Heights MAD	-	\$72,372	\$72,372
200718	Kensington Manor MAD	-	\$38,047	\$38,047
200719	Kensington Park North MAD	-	\$25,051	\$25,051
200720	Talmadge Park North MAD	-	\$16,982	\$16,982
200721	Talmadge Park South MAD	-	\$31,678	\$31,678
<b>MAINTENANCE ASSESSMENT DISTRICT TOTAL</b>		<b>\$1,550,255</b>	<b>\$36,124,621</b>	<b>\$37,674,876</b>

**Excerpt from Council Policy 100-03: Transient Occupancy Tax**  
Attachment A: General Requirements and Conditions  
Section B: Funding

1. Expenses must be both incurred and paid by an organization before the City will release funding to the organization, except as otherwise may be provided.
2. Expenses must be incurred during the City's fiscal year (July 1 - June 30) for which the program is funded, except as otherwise may be provided.
3. City funds may not be used for alcoholic beverages. In addition, City funds may not be used for travel, meals, lodging, or entertainment expenses, except as otherwise may be provided. Waivers to this provision will be considered for expenditures within the Economic Development Program categories. Organizations receiving waivers may use City funds for travel, meals, or lodging within the following parameters:
  - a. Travel – when use of public air carrier transport is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of coach airfare only. City funds may not be applied toward any upgrades.
  - b. Meals – when provision of meals is required in order to perform the contractual scope of services to the City, City funds may be applied toward a maximum of \$50 per day per person for meals (excluding sales tax and a maximum 15% gratuity, which are also eligible expenses). This daily maximum is further limited by meal, as follows: \$10, \$15, and \$25 are the maximum City funds that can be applied toward breakfast, lunch, and dinner, respectively, per person. If alcoholic beverages are consumed with meals, they may not be paid for with City funds. In the event that meals are provided to individuals who are not members of the funded organization within the scope of a business development meeting, documentation containing the purpose of the meeting, the benefit to the City, and a list of attendees must be provided to the City in order for City funding to be utilized.

- c. Lodging – when out-of-town lodging is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of the cost of a standard room in a business class hotel, or toward the conference rates of the host hotel when attending a conference.
  - d. Sponsorships – the City acknowledges the business requirement of event sponsorships by promotional organizations in order to market San Diego as a convention destination in a highly competitive market, and to attract businesses to the region. The primary objective of a funded organization's participation in such events is to gain exposure for San Diego and secure access to important decision makers representing prominent convention groups and businesses. Financial sponsorship of such events is an acceptable application of City funds. If alcoholic beverages are consumed during event sponsorships, they may not be paid for with City funds.
- 4. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the buildup of reserves.
  - 5. Matching fund requirements will be determined by the appropriate application process as called for in the specific funding guidelines within each funding category, if applicable.
  - 6. Organizations requesting funds should possess, at a minimum, a three-year track record of operations. Annual requests for funding may be for one-time events or projects, though applicant organizations must have a three-year history.

## FY 2017 Underfunded CIP Projects (Waterfall List)

#	Project	Amount
1	Police Range Refurbishment / S10118	6,999,593
2	Olive Grove Community Park Improvements / S15028	750,000
3	Skyline Hills Community Park ADA Improve / S15038	750,000
4	Rancho Bernardo Library / S00812	3,467,682
5	Scripps Miramar Ranch Library / S00811	1,090,400
6	Kensington/Normal Heights Library / S00795	2,246,530
7	Switzer Canyon Bridge Enhancement Prog / S10054	175,000
8	Pomerado Median Improve-N of R Bernardo / S10035	200,000
9	College Area Fire Station / S16015	800,000
10	Fire Station No. 54 - Paradise Hills / S00785	800,000
11	Ocean Beach Lifeguard Station / S10121	600,000
12	Americans with Disabilities Improvements / ABE00001	5,000,000
13	Drainage Projects / ACA00001	1,000,000
14	Guard Rails / AIE00002	1,500,000
15	Resurfacing of City Streets / AID00005	5,000,000
16	New Walkways / AIK00001	3,000,000

**CIP Park Service District Funds**

<b>Fund #</b>	<b>Fund Name</b>
400021	RANCHO BERNARDO-MAJOR DISTRICT
400022	CARMEL MT EAST-MAJOR DISTRICT
400023	PENASQUITOS SOUTH-MAJOR DIST
400025	NORTH CENTER-MAJ DIST
400026	DEL MAR HILLS/CARMEL VLY-MAJ D
400029	SCRIPPS/MIRAMAR-MAJOR DISTRICT
400030	SCRIPPS/PLAN AMEND. AREA
400031	TIERRASANTA(ELLIOTT WEST)MAJ D
400032	SAN CARLOS - MAJOR DISTRICT
400035	SERRA MESA - MAJOR DISTRICT
400036	LINDA VISTA-MAJOR DISTRICT
400037	TECOLOTE - MAJOR DISTRICT
400039	KEARNY MESA - MAJOR DISTRICT
400040	OLIVE GROVE - MAJOR DISTRICT
400042	CADMAN - MAJOR DISTRICT
400044	UNIV CITY CENTRAL-MAJOR DIST
400045	UNIV CITY NORTH - SUB DIST
400046	LA JOLLA - MAJOR DISTRICT
400048	MISSION BAY - MAJOR DISTRICT
400054	BALBOA PARK WEST-MAJOR DIST
400055	NORTH PARK - MAJOR DISTRICT
400056	NORMAL HGTS/KENSINGTON MAJ DIS
400057	COLINA DEL SOL-MAJOR DISTRICT
400060	GOLDEN HILL - MAJOR DISTRICT
400066	SKYLINE HILLS - MAJOR DISTRICT
400069	MONTGOMERY/WALLER-MAJOR DIST
400070	SOUTH BAY - MAJOR DISTRICT
400072	OTAY MESA SOUTH-MAJOR DISTRICT

Reference: FY 2017 A.O. (Section 2.C.8a)

Passed by the Council of The City of San Diego on JUL 11 2016, 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 JUL 11 2016.

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 [Signature], Deputy

I HEREBY CERTIFY that the foregoing ordinance was passed on the day of its introduction, to wit, on JUL 11 2016, said ordinance being of the kind and character authorized for passage on its introduction by Sections 71, 275, and 295 of the Charter.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

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

By [Signature], Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- **20669**