

The City of  
**SAN DIEGO**



**FISCAL YEAR 2020**  
**CAPITAL IMPROVEMENTS PROGRAM**  
**MID-YEAR BUDGET MONITORING REPORT**



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DECEMBER 2019

# INTRODUCTION

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The Fiscal Year 2020 Capital Improvements Program (CIP) Mid-Year Budget Monitoring Report presents a semi-annual review and monitoring overview of the City's CIP available allocations and key funding source activity. This includes a request for City Council to approve budget adjustments that supplement the City's capital budgeting and internal monitoring processes.

Included in this report are details of the \$139.9 million in requested City Council approvals for new budget appropriations, reallocations of funds, and de-appropriation of CIP project savings resulting from the City's continued cash management and streamlining efforts:

- **Summary of Budget Adjustments:** A thorough CIP budget review and reporting process has consolidated nearly 100 actions into one semi-annual request, saving significant staff hours and resources. These requests include:
  - Expedited appropriation of \$19.7 million from fund balance to projects
  - Reallocation of \$39.7 million in excess funding to priority projects
  - Accelerated de-appropriation of \$19.4 million in excess or expired funding to fund balance
  - Transfer of \$2.5 million from operating funds to the CIP program
  - Mission Bay Park & San Diego Regional Parks Improvement Funds Reallocations
- **CIP Fund Monitoring:** Provides an update on several significant CIP funding sources including:
  - TransNet Fund
  - Gas Tax Funds
  - General Fund Asset Funds
  - Developer Impact Fees
  - Commercial Paper Programs

Requests for City Council action to adjust CIP project budgets are detailed in Attachments I and II. Additionally, City Council approval is requested for the items in attachments III and IV, which include the following:

- Authority to close projects
- Authority to rename projects
- Authority to use City Force Work for CIP Projects
- Authority to amend the TransNet Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding
- Authority to approve the Fiscal Year 2019 TransNet Audit Schedule Adjustments

# CIP BUDGET MONITORING

Proactive budget monitoring allows for the timely reallocation of idle funds to higher priority projects; and assures that, where available, the availability of funds is not an impediment to the effective execution of priority CIP projects. The Fiscal Year 2020 CIP Mid-Year Budget Monitoring Report includes the results of internal budget monitoring and cash management processes. It also includes a request for City Council approval of new budget appropriations, reallocations of funds, and other CIP project changes.

## Summary of CIP Budget Adjustments

Since Fiscal Year 2016, the Department of Finance (DoF) has worked in collaboration with Public Works and asset managing departments to review project activity and funding needs, and has provided asset managing departments with an opportunity to include all needed CIP City Council actions for project budget technical adjustments on one consolidated semi-annual report. This provides significant time and resource savings citywide.

By consolidating approximately 100 separate actions in this report, the departments have significantly reduced the staff time required to route individual Council actions, and have expedited the availability of project funding. As an internal performance metric, DoF has estimated the time savings provided by the Semi-Annual CIP Budget Review Report. For this report alone, DoF estimates that over 500 hours of staff time have been saved.

## CIP Budget Adjustment Requests

**Table 1** summarizes CIP Budget Adjustment Requests by the categories outlined in the report.

**Table 1: Summary of CIP Budget Adjustment Requests**

Action	Decreasing CIP Adjustments	Increasing CIP Adjustments	Net Change in CIP
Appropriation Adjustments	(19,405,151)	19,738,770	333,619
Transfers within the CIP	(39,718,407)	39,718,407	-
Transfers from Operations	-	2,536,330	2,536,330
Park Fund Transfers	(9,386,457)	9,386,457	-
<b>Total</b>	<b>(68,510,015)</b>	<b>71,379,964</b>	<b>2,869,949</b>

Details, including justifications for each request, are included in the tables in Attachment I. All of these adjustments will positively impact project delivery timelines and, in summary, there are four types of budget adjustments being requested:

- Increasing Appropriation: addition of new budgeted funds to projects from fund balance
- Decreasing Appropriation: return of budgeted funds from projects back to fund balance
- Transfer within the CIP: moving budgeted funds between CIP projects
- Transfer from Operations: moving budgeted funds between the Operating Budget and the CIP Budget

Of the \$19.7 million in increasing appropriations, 71 percent of the funding comes from two sources:

- \$7.8 million from Sewer (Muni) Enterprise Funds
- \$6.3 million from Developer Fees

Of the \$49.1 million in appropriation transfers, 92 percent of the actions came from the following funding sources:

- \$35.9 million from Water and Sewer Enterprise Funds
- \$9.4 million from Regional and Mission Bay Improvement Funds

Of the \$19.4 million in decreasing appropriations, 95 percent is from Sewer (Metro) Enterprise Funds which are not needed at this time to support anticipated current year cash flow projections.

As in previous monitoring reports, enterprise funding continues to represent the majority of the budget adjustments requested in the semi-annual CIP actions.

### **Mission Bay Park and San Diego Regional Parks Improvement Funds**

The Mission Bay Improvement Fund (MBIF) and San Diego Regional Parks Improvement Fund (RPIF) are two capital improvement project funds that receive Mission Bay Park lease revenues from leaseholds in Mission Bay Park. The two funds were established by voter approval of revisions to the City Charter, Article V, Section 55.2 and became effective July 1, 2009, with the start of Fiscal Year 2010. The Charter was further amended by voter approval in November 2016 to define the process of allocating revenue for capital improvement expenditures.

In accordance with Charter Section 55.2, c (3), “Once the projects identified in (c)(1) (A-E) have completed, additional projects shall be prioritized and funded only for Capital Improvements as identified in the Mission Bay Park Master Plan, recommended by the Mission Bay Park Improvement Fund Oversight Committee, and approved by the City Council.”

Also, according to Charter Section 55.2, d, “Priority for Capital Improvements hereunder shall be recommended by the San Diego Regional Parks Improvement Fund Oversight Committee, in accordance with the master plans for each of the San Diego Regional Parks and approved by the City Council.”

Thus, allocations of MBIF and RPIF revenue must be approved by both the appropriate oversight committee and the City Council. Attachment II details the specific budget requests that were approved by the Mission Bay Park Improvement Fund Oversight Committee on September 10, 2019, and the RPIF items that were approved by the Regional Park Improvement Fund Oversight Committee on October 17, 2019.

### **Additional Approvals Requested**

In addition to the requested CIP budget adjustments, City Council is requested to approve CIP adjustments related to the expenditure of TransNet funds and the addition of projects to the CIP. These requests are summarized below and detailed in Attachments III and IV:

- Approval to amend the CIP by closing projects and renaming projects
- Approval to amend the TransNet Regional Transportation Improvement Program (RTIP) pursuant to Transnet Extension Ordinance requirements; and
- Approval of the Fiscal Year 2019 TransNet Audit Schedule Adjustments

## CIP Fund Monitoring

DoF, Public Works, and CIP asset managing departments have put additional focus on the monitoring of CIP expenditures over the last several fiscal years. These efforts have focused on providing improved budget monitoring and cash management of CIP funds. This has been achieved by increasing coordination between technical project managers and financial support staff in Public Works, DoF and Debt Management. The following sections provide updates on the status of these ongoing efforts, which include updates on key CIP funds.

### TransNet Funds

Beginning in Fiscal Year 2016, DoF began providing periodic updates on the expenditure trends for TransNet Funds. These funds derive revenue from a one-half cent local sales tax and must be used for improvements to the City right-of-way.

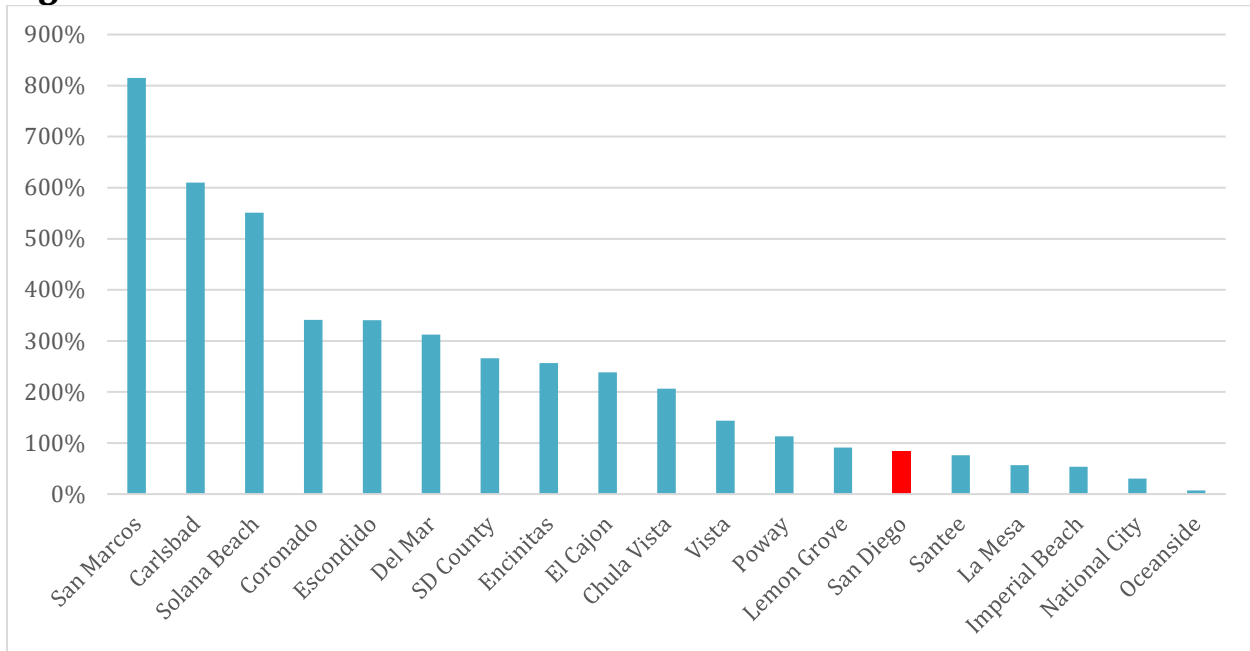
**Table 2** summarizes the fund balance estimates for TransNet Funds through October 31, 2019.

**Table 2: TransNet Extension Fund Balances (\$ millions)<sup>1</sup>**

Sources of TransNet Extension Assets	Total
<b>Available Fund Balance as of 06/30/2019 (Unaudited)</b>	<b>\$ 25.7</b>
Revenues as of 10/31/2019 (Unaudited)	3.1
Expenditures/Encumbrances as of 10/31/2019	(9.7)
<i>Expenditures</i>	(5.1)
<i>Encumbrances</i>	(4.6)
<b>Remaining Fund Balance as of 10/31/2019 (Unaudited)</b>	<b>19.1</b>
FY20 Estimated Revenues	21.3
FY20 Remaining Appropriated Budget for Projects	(40.4)
<b>Uncommitted Fund Balance</b>	<b>0.0</b>

1. Table totals may not sum due to rounding.

**Figure 1: TransNet Cash Balance as a % of Annual Allocation<sup>1</sup>**



1. Data source: SANDAG.

The Transportation & Storm Water Department currently estimates that the TransNet Extension cash balance held at SANDAG will be approximately \$25.4 million by June 30, 2020. This represents a decrease of \$30.1 million, or a 54 percent reduction in fund balance when compared to the TransNet Extension Fund Balance of \$55.5 million on June 30, 2015; and reflects over \$195 million in TransNet disbursements from Fiscal Year 2016.

As a result of the progress the City has made in reducing fund balance held on deposit at SANDAG, the City is above the monitoring thresholds for TransNet expenditures set by the TransNet Independent Taxpayer Oversight Committee (ITOC). As of June 30, 2019, the City of San Diego has expended approximately 91.7 percent of cumulative TransNet Extension funds received from Fiscal Year 2008 through Fiscal Year 2019.

As of June 30, 2019, the City’s TransNet cash balance was approximately 85% of its annual allocation. It is important to note that all available TransNet cash is budgeted in capital projects or towards operations and maintenance activities. **Figure 1** compares the City’s TransNet cash balance as a percent of its annual allocation in relation to all other jurisdictions in the region. The City has one of the lowest cash balances as a percentage of annual revenue.

### Gas Tax Funds

In addition to TransNet, there are three other major funding sources for projects that implement improvements in the public right-of-way. These three funding sources are Gas Tax, Proposition 42 Replacement Gas Tax (Prop 42), and the Road Maintenance and Rehabilitation Account (RMRA).

On April 28, 2017, Governor Brown signed SB1: Road Repair and Accountability Act. This bill, among other changes, increased fuel taxes beginning on November 1, 2017 and stabilized the Prop 42 rate at the FY 2011 level beginning on July 1, 2019. Prop 42 revenues have been combined with the traditional gas tax revenue in the Gas Tax Fund and the new gas taxes from

SB 1 (RMRA) are deposited in a separate fund due to enhanced reporting requirements for those funds.

**Table 3** provides updates on cash balance trends for each fund as of October 31, 2019.

**Table 3: Fund Balances (\$ millions)<sup>1</sup>**

<b>Fund Name</b>	<b>Gas Tax<sup>2</sup></b>	<b>Prop 42<sup>2</sup></b>	<b>RMRA<sup>2</sup></b>
<b>Available Fund Balance as of 06/30/2019 (Unaudited)</b>	<b>\$ 17.0</b>	<b>\$ 3.5</b>	<b>\$ 16.3</b>
Revenues as of 10/31/2019 (Unaudited)	3.5	0.0	4.8
Expenditures/Encumbrances as of 10/31/2019	(14.5)	(2.1)	(8.1)
<i>Expenditures</i>	(11.6)	(0.6)	(2.2)
<i>Encumbrances</i>	(2.9)	(1.5)	(5.9)
<b>Remaining Fund Balance as of 10/31/2019 (Unaudited)</b>	<b>5.9</b>	<b>1.4</b>	<b>13.0</b>
FY20 Estimated Revenues	33.9	0.0	16.7
FY20 Remaining Appropriated Budget for Projects	(40.0)	(1.4)	(29.8)
<b>Uncommitted Fund Balance</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

1. Table totals may not sum due to rounding.
2. These funds are used in both the Operating and Capital Budget.

The City has shown considerable progress in spending down the balances in these funds and anticipates the trend continuing for the remainder of Fiscal Year 2020. Based on the budgeted revenue and expenses, all three funds are expected to be fully expended by the end of the Fiscal Year. These funds support important infrastructure projects and must be spent in the right-of-way, unlike the Capital Outlay Fund and the General Fund Contributions to the CIP Fund, which are less restrictive sources of funding.

### General Fund Asset Funds

The Capital Outlay Fund and Infrastructure Fund can support activities including: acquisition, financing, and construction costs for permanent public improvements across all asset types, whereas funding from General Fund Contributions to the CIP are the least restrictive and can be used for any General Fund purpose. Public Works, the Finance Branch, and asset managing departments, work together to propose the best uses for these flexible funding sources as part of the CIP budget process.

Table 4 provides updates on cash balance trends for each fund as of October 31, 2019.

**Table 4: Fund Balances (\$ millions)<sup>1</sup>**

Fund Name	GF Contrib. to CIP	Capital Outlay	Infrastructure Fund <sup>2</sup>
<b>Available Fund Balance as of 06/30/2019 (Unaudited)</b>	\$ 33.8	\$ 24.8	\$ 14.1
Revenues as of 10/31/2019 (Unaudited)	3.3	1.3	0.0
Expenditures/Encumbrances as of 10/31/2019	(17.4)	(9.8)	(8.8)
<i>Expenditures</i>	(3.5)	(4.3)	(3.0)
<i>Encumbrances</i>	(13.9)	(5.5)	(5.8)
<b>Remaining Fund Balance as of 10/31/2019 (Unaudited)</b>	<b>19.7</b>	<b>16.3</b>	<b>5.3</b>
Pending Revenue Transfers from Gen Fund	5.8	0.0	24.1
Pending Requests for Council Action	(2.3)	(1.6)	0.0
<b>Adjusted Fund Balance</b>	<b>23.2</b>	<b>14.7</b>	<b>29.3</b>
FY 20 Remaining Appropriated Budget for Projects	23.2	14.7	29.3
<b>Uncommitted Fund Balance</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

1. Table totals may not sum due to rounding.
2. These funds are used in both the Operating and Capital Budget.

The Economic Development Department is in the process of bringing forward an action to request the appropriation and expenditure of \$1.7 million of funding from the General Fund Contributions to the CIP fund, and \$800,000 of Capital Outlay funds. The request is for the repayment of the \$2.5 million Valencia Business Park HUD Section 108 loan. Once the loan is repaid, the funding would be returned to the City in the form of Community Development Block Grant (CDBG) Program Revenue that would become available for Capital Projects.

Included in Attachment I of this report is a request to allocate \$840,000 of available Capital Outlay Fund Balance to Citywide Drainage Improvements. Also requested in Attachment I of this report is a request to allocate \$550,000 of available General Fund Contributions to CIP Fund Balance to the Citywide Drainage Improvements. Storm Water drainage assets have a significant and immediate funding need. Previous allocations for drainage improvements have been redirected from their planned projects to unplanned emergency replacements.

The Public Works and Transportation and Storm Water Departments are utilizing available Infrastructure Funds primarily to support Slurry Seal activities, Sidewalk improvements, and other right-of-way infrastructure improvements including Vision Zero traffic calming efforts. It is anticipated that the Infrastructure Fund remain fully allocated for both operational and capital infrastructure needs.

### Development Impact Fee Funds

The Fiscal Year 2020 Appropriation Ordinance (O-21091) authorizes the CFO to modify project appropriations, from available Development Impact Fee fund balances, in accordance with City Council Approved Development Fee Plans (Public Facilities Financing Plans and Impact Fee Studies). Utilizing this authority, City Staff have appropriated \$9.9 million through October 31, 2019. Additionally, \$13.6 million will be appropriated to active projects across the City before the acceptance of this report.



**Table 5** summarizes the DIF Allocations made to capital projects in the first half of Fiscal Year 2020 by Community and Project Type.

**Table 5: DIF Allocations by Community**

Community	Project Type	Funding Allocated
Black Mountain Ranch	Transportation	\$ 6,767,076
Otay Mesa	Transportation	3,120,000
<b>Subtotal as of October 31, 2019</b>		<b>\$ 9,887,076</b>
Balboa Park	Transportation	183,205
College Area	Drainage	300,000
Greater North Park	Transportation	1,723,961
City Heights	Building	40,000
Kensington-Talmadge	Drainage	138,609
Mira Mesa	Park	343,554
Otay Mesa	Park	1,000,000
Otay Mesa – Nestor	Park	36,664
Scripps Miramar Ranch	Park	265,439
Skyline – Paradise Hills	Drainage	8,416
Southeastern	Park	150,000
Torrey Highlands	Transportation	8,313,000
University	Park	34,574
Uptown	Drainage	1,000,000
Uptown	Transportation	100,000
<b>Subtotal</b>		<b>\$ 13,637,422</b>
<b>Grand Total</b>		<b>\$ 23,524,498</b>

## Commercial Paper Program Funds

Commercial paper is a short-term financing mechanism that allows for “just-in-time” borrowing to support the CIP, instead of issuing the full amount of long-term bonds upfront. This allows the City to borrow when funds are required (as capital project spending occurs) and reduces the interest costs paid. Commercial paper principal and interest can then be refunded with the proceeds of long-term debt issuances, as needed, at a later date.

The City launched a commercial paper program for the Water Utility in January 2017, with a not to exceed amount of \$250 million to fund the water capital program. Priority funded projects include pipeline replacement, water storage and transmission components, and the Pure Water program.

As of November 15, 2019, \$77.5 million in Water Utility commercial paper notes are outstanding and the most recent note issuances received interest rates of 1.09-1.16 percent. Active use of the program is expected during Fiscal Year 2020, and the issuance of revenue bonds is expected in the second half of Fiscal Year 2020 to pay down outstanding commercial paper notes.

On May 15, 2018, the City Council authorized the creation of a General Fund Commercial Paper program and approved an increase in the Fiscal Year 2018 CIP budget in the amount of \$80 million. Resolution 311956, approved on August 14, 2018, increased the Commercial Paper

Program authorization to \$88.5 million. This resolution also increased CIP appropriations by \$7.8 million, and authorized \$500,000 in one-time issuance costs.

**Table 6** summarizes General Fund Commercial Paper Activity through October 31, 2019.

**Table 6: General Fund Commercial Paper Activity Update**

Asset Type	Authorized Appropriation Amount	Expended /Encumbered	Remaining
Drainage <sup>1</sup>	27,637,945	21,306,817	6,331,128
Facilities	14,725,349	5,913,486	8,811,863
Guard Rails	450,000	126,969	323,031
Park	6,320,706	4,401,623	1,919,084
Special – Traffic Calming	300,000	113,261	186,739
Street	26,478,436	6,917,576	19,560,860
Transportation	540,000	139,477	400,523
Watershed	11,421,033	6,103,859	5,317,174
<b>Total<sup>2</sup></b>	<b>87,873,470</b>	<b>45,023,068</b>	<b>42,850,402</b>

1. Available funding is anticipated to be encumbered for emergency contracts in the near future.
2. Difference between Total and Authorized Amount is primarily due to cost of issuance fees.
3. Table totals may not sum due to rounding.

Expenses in the CIP are primarily construction contract costs, which require bids, contract negotiations, contractor initialization and contractor invoicing before most expenses occur. As a result, there can be a sizeable lag between the time a CIP project requires budget authority and when the funding (debt proceeds) are needed to pay these expenses. This typical timing gap between program authorization and issuance of the commercial paper debt make the “just-in time” nature of Commercial Paper ideal for long term capital projects. The first Commercial Paper Notes were issued on November 27, 2018 for \$6.8 million. Through the first half of Fiscal Year 2020, a total of \$25.7 million General Fund commercial paper notes have been issued.

## CONCLUSION

Cash management and budget monitoring combined with the requests for Council Action detailed in this report, which consolidate nearly 100 individual actions, have saved an estimated 500 hours of staff time, and have resulted in over \$139.9 million of new budget appropriations, reallocations of funds, and other CIP project changes.

DoF will continue to provide these reports to the City Council on a semi-annual basis to ensure that the cash in the CIP continues to be managed as efficiently and effectively as possible.

## ATTACHMENTS

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- I. CIP Budget Adjustment Requests
- II. Mission Bay Improvement Fund and San Diego Regional Parks Improvement Fund
- III. Additional Approvals Requested
- IV. Fiscal Year 2019 TransNet Audit Schedule Adjustment

# CIP Budget Adjustment Requests

## Summary

The table below summarizes the CIP budget adjustment requests by the categories outlined in the report. Details including a justification for each request are included in the tables following the summary. There are three types of CIP budget requests included in this report:

- Increasing Appropriation: addition of new budgeted funds to a project from fund balance
- Decreasing Appropriation: return of budgeted funds from a project back to fund balance
- Transfer within the CIP: moving budgeted funds between CIP projects
- Transfer from Operations: moving budget between the Operating Budget and the CIP Budget

## Increasing Appropriation

Funded Program	Fund	Amount	Justification
ABT00001 - City Facility Improvements	200324 - Antenna Lease Revenue	75,167.68	To support MLK Rec Center Moisture Intrusion (B19001).
ABT00001 - City Facility Improvements	200313 - Public Safety Training Inst.	94,000.00	To support public safety facilities improvement projects such as the Tactical Training Center at NTC.
ACA00001 - Drainage Projects	400002 - Capital Outlay-Misc Revenue	841,490.65	To support drainage improvement projects.
ACA00001 - Drainage Projects	400265 - CIP Contributions from the General Fund	550,281.61	To support drainage improvement projects.
AGE00001 - Resource Based Open Space Parks	400035 - Serra Mesa - Major District	61,981.35	To support Ruffin Trail Improvements.
AGE00001 - Resource Based Open Space Parks	400132 - Serra Mesa - Urban Community	167,117.46	
AGF00007 - Park Improvements	400090 - Pacific Highlands Ranch FBA	300,000.00	To fund PHR Pump Track Fence (B20031).
AID00007 - Bus Stop Improvements	400691 - Bus Stop Capital Improvement Fund	4,700.00	To support bus stop improvement projects.
AIE00001 - Bridge Rehabilitation	200636 - Developer Contributions CIP	100,000.00	To support Citywide Bridge Deck Rehab Grp 17 (B17122).



Funded Program	Fund	Amount	Justification
AIE00001 - Bridge Rehabilitation	200636 - Developer Contributions CIP	300,000.00	To support Fairmount Ave Bridge Rehab East (B17066).
AIE00001 - Bridge Rehabilitation	200636 - Developer Contributions CIP	300,000.00	To support Fairmount Ave Bridge Rehab West (B17067).
AIE00002 - Guard Rails	200306 - Prop 42 Repl - Transportation Relief	55,000.00	To support Regional Arterial Guardrail Group 2 (B17155).
AIG00001 - Median Installation	400633 - SR 209 & 274 Coop with State	1,950,000.00	To support median installations and improvements along the Rosecrans St corridor (B19049 & B19165).
AIL00001 - Traffic Calming	200636 - Developer Contributions CIP	64,000.00	To support Traffic Calming in Serra Mesa (B19046).
AIL00005 - Traffic Signals - Modify & Modernize	400633 - SR 209 & 274 Coop with State	300,000.00	To support Left Hand Turn Traffic Signal Improvements (B19071).
AIL00005 - Traffic Signals - Modify & Modernize	400128 - Barrio Logan	89,000.00	To support Traffic Signal Modifications in Barrio Logan (B13010).
AJA00001 - Sewer Main Replacements	700008 - Muni Sewer Utility - CIP Funding Source	5,200,000.00	To support citywide Sewer Main Replacements.
AJA00002 - Pipeline Rehabilitation	700008 - Muni Sewer Utility - CIP Funding Source	2,600,000.00	To support citywide Sewer Pipeline Rehabilitation.
S00751 - Hickman Fields Athletic Area	400250 - Gen Dyna-Community Improvement	10,368.68	To support Hickman Fields Athletic Area.
S00752 - Beyer Park Development	400126 - San Ysidro Urban Community	127,707.89	To support Beyer Park Development.
S00752 - Beyer Park Development	400857 - Otay Mesa Development Impact Fee	69,851.23	
S00870 - Old Otay Mesa Road-Westerly	200636 - Developer Contributions CIP	111,532.00	To support Old Otay Mesa Road- Westerly.
S00871 - West Mission Bay Drive Bridge Over San Diego River	200636 - Developer Contributions CIP	20,000.00	To support West Mission Bay Drive Bridge Over San Diego River.
S00871 - West Mission Bay Drive Bridge Over San D	400174 - Transnet Extension RTCIP Fee	1,700,000.00	



Funded Program	Fund	Amount	Justification
S00871 - West Mission Bay Drive Bridge Over San D	200385 - Sea World Traffic Mitigation	185,000.00	To support West Mission Bay Drive Bridge Over San Diego River.
S00880 - Miramar Road I-805 Easterly Ramps	400080 - North University City-FBA	231,000.00	To support Miramar Road I-805 Easterly Ramps.
S01083 - Fairbrook Neighborhood Park - Development	400029 - Scripps/Miramar-Major District	40,596.58	To support Fairbrook Neighborhood Park.
S01083 - Fairbrook Neighborhood Park - Development	400257 - Scripps/Miramar Misc	118,269.00	
S10051 - Olive St Park Acquisition and Development	400121 - Uptown Urban Community	1,900,000.00	To support Olive St Park Acquisition and Development.
S11103 – La Paz Mini Park	400864 - Encanto Neighborhoods DIF	158,541.95	To support La Paz Mini Park.
S14009 - Sr94/Euclid Av Interchange Phase 2	200636 - Developer Contributions CIP	300,000.00	To support SR94/Euclid Av Interchange Phase 2.
S15007 - Wangenheim Joint Use Facility	400182 - Mira Mesa Community Fund	957,620.54	To support Wangenheim Joint Use Facility.
S15007 - Wangenheim Joint Use Facility	400241 - Wuest-Fire Station	30,902.00	
S15018 - La Media Road Improvements	200636 - Developer Contributions CIP	117,500.00	To support La Media Road Improvements.
S15023 - Torrey Pines Road Improvement Phase 2	200636 - Developer Contributions CIP	63,182.74	To support Torrey Pines Road Improvement Phase 2.
S15023 - Torrey Pines Road Improvement Phase 2	400174 - Transnet Extension RTCI Fee	175,285.26	
S16047 - Cañon Street Pocket Park	400118 - Peninsula Urban Community	53,505.99	To support Cañon Street Pocket Park.
S17001 - Talmadge Traffic Calming Infrastructure	200076 - Talmadge Mad	30,000.00	To support Talmadge Traffic Calming Infrastructure.
S18000 - Streamview Drive Improvements Phase 2	400696 - Cr-Tab 2010A (TE) Proceeds	124,054.86	To support Streamview Drive Improvements Phase 2.

Funded Program	Fund	Amount	Justification
S18001 - University Avenue Complete Street Phase1	200636 - Developer Contributions CIP	29,500.00	To support University Avenue Complete Street Phase 1.
S20010 - North Park Recreation Center Expansion	400110 - Park North-East - Park Dev Fund	28,040.76	To support North Park Recreation Center Expansion.
S20011 - Ocean Beach Pier Improvements	200402 - Ocean Beach Pier Concession	103,571.31	To support Ocean Beach Pier Retrofit.
<b>Total Appropriations</b>		<b>19,738,769.54</b>	

### Decreasing Appropriation

Funded Program	Fund	Amount	Justification
ACA00001 - Drainage Projects	400133 - Torrey Pines - Urban Community	541,447.71	Funds are not needed this fiscal year to support anticipated cash flow projections.
S13100 - CAD System Replacement Project	200724 - CIP Projects Lease Financing	403,981.74	Lease Financing Budget is not needed because project is complete and anticipated to be closed in Fiscal Year 2020.
S15020 - Tecolote Canyon Trunk Sewer Improvement	700008 - Muni Sewer Utility - CIP Funding Source	395,056.00	Funds are not needed this fiscal year to support anticipated cash flow projections.
S17012 - NCWRP Improvements to 30 Mgd	700009 - Metro Sewer Utility - CIP Funding Source	8,927,400.00	Funds are not needed this fiscal year to support anticipated cash flow projections.
S17013 - MBC Equipment Upgrades	700009 - Metro Sewer Utility - CIP Funding Source	9,137,266.00	Funds are not needed this fiscal year to support anticipated cash flow projections.
<b>Total Decreasing Appropriation</b>		<b>19,405,151.45</b>	

**Transfer within the CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
ALA00001 - Pure Water	ABJ00001 - Water Pump Station Restoration	700010 - Water Utility - CIP Funding Source	600,000.00	Funding is being transferred to support city wide water pump station restorations.
S17013 - MBC Equipment Upgrades	ABO00001 - Metro Treatment Plants	700009 - Metro Sewer Utility - CIP Funding Source	1,650,000.00	Funding is being transferred to support Metro Treatment Plant projects.
S17013 - MBC Equipment Upgrades	ABP00002 - Metropolitan System Pump Stations	700009 - Metro Sewer Utility - CIP Funding Source	350,000.00	Funding is being transferred to support Metro Pump Stations 1 and 2 Cooling Tower Replacements.
S00788 - Fire Station #5 - Hillcrest	ABT00001 - City Facility Improvements	100012 - Infrastructure Fund (Proposition H)	25,000.00	Funding is being transferred from a completed project to support ongoing Fire Station 3 Improvements.
S10119 - North Pacific Beach Lifeguard Station	ABT00001 - City Facility Improvements	400002 - Capital Outlay-Misc Revenue	4,749.82	Funding is being transferred to support ongoing Fire Station 3 Improvements.
S10119 - North Pacific Beach Lifeguard Station	ABT00001 - City Facility Improvements	400265 - CIP Contributions from the General Fund	28,331.60	
S00673 - Charles Lewis III Memorial Park	AIE00001 - Bridge Rehabilitation	400169 - Transnet Extension 70% Cap	66.59	Funding is being transferred from a completed project to support Citywide Bridge Deck Rehab Grp 17 (B17122).
S15020 - Tecolote Canyon Trunk Sewer Improvement	AJA00001 - Sewer Main Replacements	700008 - Muni Sewer Utility - CIP Funding Source	3,636,965.00	Funding is being transferred to support Sewer Main Replacements.
S15020 - Tecolote Canyon Trunk Sewer Improvement	AJA00002 - Pipeline Rehabilitation	700008 - Muni Sewer Utility - CIP Funding Source	1,347,979.00	Funding is being transferred to support Pipeline Rehabilitation.





Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S15020 - Tecolote Canyon Trunk Sewer Improvement	AJB00001 - MWWD Trunk Sewers	700008 - Muni Sewer Utility - CIP Funding Source	320,000.00	Funding is being transferred to support Trunk Sewer activities.
ALA00001 - Pure Water	AKB00003 - Main Replacements	700010 - Water Utility - CIP Funding Source	8,478,896.00	Funding is being transferred to support Water Main Replacements.
S16027 - Morena Pipeline	AKB00003 - Main Replacements	700010 - Water Utility - CIP Funding Source	12,307,386.00	Funding is being transferred to support Water Main Replacements.
S16027 - Morena Pipeline	ATT00002 - Enterprise Funded It Projects	700010 - Water Utility - CIP Funding Source	76,324.00	Funding is being transferred to support Chollas Security Operations Center (B20011).
S16027 - Morena Pipeline	ATT00002 - Enterprise Funded It Projects	700010 - Water Utility - CIP Funding Source	571,476.00	Funding is being transferred to support Chollas Department Operations Center (B20012).
AFA00001 - Minor Improvements to Landfills	L17000 - Miramar Landfill Facility Improvements	700040 - Refuse Disposal - CIP	2,000,000.00	Funding is being transferred to Miramar Landfill Trailer Installation.
S00649 - Cesar Solis Community Park	S00752 - Beyer Park Development	400856 - Otay Mesa Facilities Benefit Assessment	1,039,439.29	Funding is being transferred from a completed project to support Beyer Park Development.
S16027 - Morena Pipeline	S11025 - Chollas Building	700010 - Water Utility - CIP Funding Source	3,000,000.00	Funding is being transferred to support Chollas Building.
S16027 - Morena Pipeline	S11026 - Montezuma Pipeline/Mid-City Pipeline Ph 2	700010 - Water Utility - CIP Funding Source	1,600,000.00	Funding is being transferred to support Montezuma Pipeline/Mid-City Pipeline Ph 2.
S16027 - Morena Pipeline	S12009 - La Jolla Scenic Dr. 16" Main	700010 - Water Utility - CIP Funding Source	1,000,000.00	Funding is being transferred to support La Jolla Scenic Dr. 16" Main.



Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S16027 - Morena Pipeline	S12040 - Tierrasanta (Via Dominique) Pump Station	700010 - Water Utility - CIP Funding Source	200,000.00	Funding is being transferred to support Tierrasanta (Via Dominique) Pump Station.
ALA00001 - Pure Water	S13015 - Water & Sewer GJ 816 (W)	700010 - Water Utility - CIP Funding Source	200,000.00	Funding is being transferred to support Water Group Job 816.
S15020 - Tecolote Canyon Trunk Sewer Improvement	S15019 - Alvarado Trunk Sewer Phase 4	700008 - Muni Sewer Utility - CIP Funding Source	300,000.00	Funding is being transferred to support Alvarado Trunk Sewer Phase 4.
S16030 - Ocean Air Cp - Turf Upgrades	S16031 - Ocean Air Cp Comfort Station & Park Improvements	400088 - Carmel Valley Consolidated FBA	300,000.00	Ocean Air Community Park Turf Upgrades Project is being cancelled. Funding is being transferred to support the Ocean Air Comfort Station & Park Improvements Project.
AIK00003 - Sidewalk Repair & Replacement	S18000 - Streamview Drive Improvements Phase 2	400696 - Cr-Tab 2010A (TE) Proceeds	181,794.05	Funding is being transferred to support Streamview Drive Improvements Phase 2.
S13100 - CAD System Replacement Project	S18005 - Police Range Refurbishment Phase 2	400265 - CIP Contributions from The General Fund	200,000.00	Funding is being transferred from a completed project to support Police Range Refurbishment Phase 2.
S16027 - Morena Pipeline	S20001 - Otay 2nd Pipeline Phase 4	700010 - Water Utility - CIP Funding Source	300,000.00	Funding is being transferred to support Otay 2nd Pipeline Phase 4.
<b>Total Transfer</b>			<b>39,718,407.35</b>	



**Transfer from O&M**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
100000/Non-Program	ABT00001 - City Facility Improvements	400265 - CIP Contributions from The General Fund	1,036,330.00	Funding is being transferred to support Civic Center Plaza Elevator Modernization emergency project. This is a technical adjustment and is not a change in the planned uses of the original budget allocation.
700043/Non-Program	AEA00001 - Torrey Pines Golf Course	700045 - Torrey Pines Golf Course-CIP	1,000,000.00	Transfer Enterprise Funds to Torrey Pines Golf Course Improvements.
700043/Non-Program	AEA00002 - Balboa Park Golf Course	700044 - Balboa Park Golf Course-CIP	500,000.00	Transfer Enterprise Funds to Balboa Park Golf Course Improvements.
<b>Total Transfer</b>			<b>2,536,330.00</b>	

# Mission Bay Improvement Fund and San Diego Regional Parks Improvement Fund

## Regional Parks Improvement Fund Actions

### Transfer in CIP

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00005 – Regional Park Improvements	L12003 - Museum of Man Seismic Retrofit	200391 – San Diego Regional Parks Improvements	\$200,000	To support Museum of Man Seismic Retrofit.
<b>Total</b>			<b>\$200,000</b>	

## Mission Bay Park Improvement Fund

### Allocation Approvals

Funding Program (Sending)	Funding Program (Receiving)	Fund	Amount	Justification
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$960,000	B19021 – Crown Point Playground Improvements
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$101,698	B16095 – ADACA Crown Point Missing Walkways Group 16
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$414,000	B18220 – Deanza North Parking Lot Improvements
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$600,000	B17179 – Mission Bay Athletic Comfort Station Modification
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$100,000	B19212 – Robb Field Gateway Path
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$350,000	B19157 – Robb Field Parking Lot Improvements
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$1,351,778	B18233 – Tecolote North Comfort Station Improvements
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$1,964,000	B18232 – Tecolote North Playground Improvements
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$1,317,981	B19015 – Tecolote South Comfort Station Improvements
AGF00004 – Mission Bay Improvements	AGF00004 – Mission Bay Improvements	200386 – Mission Bay Park Improvements	\$2,027,000	B19016 – Tecolote South Playground Improvements
<b>Total</b>			<b>\$9,186,457</b>	

# Additional CIP Adjustment Requests

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## Close CIP Projects

1. Close S16030, Ocean Air CP – Turf Upgrades
2. Close P18006, Kumeyaay Lakes Berm Restoration Dredging
3. Close P19000, Fleet Management Software Upgrade

## Rename CIP Project

1. Rename AFA00001, “Minor Improvements to Landfills” to “Landfill Improvements.”

## Authorize City Forces

1. Authorize the Chief Financial Officer to expend an amount not to exceed \$150,000 from CIP AJA00001, Sewer Main Replacements, Fund 700008, Sewer Muni CIP for City Forces Work related expenses for B19183 – 1444 Island Avenue Sewer Main Replacement.
2. Authorize the Chief Financial Officer to expend an amount not to exceed \$300,000 from CIP S12010 – 30<sup>th</sup> Street Pipeline Replacement, Fund 700010, Water Utility CIP, for City Forces Work related expenses.

# TransNet Schedule Adjustments

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## TransNet

1. That the City of San Diego requests that SANDAG make the following changes to its 2020 POP (“the Amendment”); and
2. That the Mayor, or his designee, is authorized to approve adjustments to *TransNet* funded projects, according to Attachment I, in compliance with SANDAG Board Policy No. 31, Rule #7 and Rule #17; and
3. That pursuant to Section 2(C)(1) of the *TransNet* Extension Ordinance, the City of San Diego certifies that no more than 30 percent of its annual revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment; and
4. That pursuant to Section 4(E)(3) of the *TransNet* Extension Ordinance, the City of San Diego certifies that all new or changed projects, or major reconstruction projects, included in the Amendment and funded by *TransNet* revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed, shall be clearly noticed as part of the City of San Diego’s public hearing process for the Amendment; and
5. That pursuant to Section 8 of the *TransNet* Extension Ordinance, the City of San Diego certifies that the required minimum annual level of local discretionary funds to be expended for street and road purposes will be met throughout the 5-year period consistent with the most recent Maintenance of Effort Requirements adopted by SANDAG; and
6. That pursuant to Section 9A of the *TransNet* Extension Ordinance, the City of San Diego certifies that it will exact \$2,483.48, plus all applicable annual increases, from the private sector for each newly constructed residential housing unit in that jurisdiction (unless exempted under the *TransNet* Extension Ordinance,) and shall contribute such exactions to the Regional Transportation Congestion Improvement Program (RTCIP).
7. That pursuant to Section 13 of the *TransNet* Extension Ordinance, the City of San Diego certifies that it has established a separate Transportation Improvement Account for *TransNet* revenues with interest earned expended only for those purposes for which the funds were allocated.
8. That pursuant to Section 18 of the *TransNet* Extension Ordinance, the City of San Diego certifies that each project of \$250,000 or more will be clearly designated during construction with *TransNet* project funding identification signs.

9. The City of San Diego does hereby certify that all other applicable provisions of the TransNet Extension Ordinance and SANDAG Board Policy No. 31 have been met.
10. That the City of San Diego continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims to local TransNet funded projects.

### Fiscal Year 2019 TransNet Audit Schedule Adjustment

The action will allow the City to adjust project balances to conform to the “2019 Audit Schedule Adjustments” by transferring and reauthorizing funding as detailed in the table below. The audit schedule adjustments affect neither the City’s budget nor TransNet fund programming in the RTIP.

MPOID	WBS #	Project Name	Fiscal Year 2019 Audit Schedule Ending Balance (TransNet 1)	Audit Schedule Adjustments from TransNet 1	Fiscal Year 2019 Revised Audit Schedule Ending Balance (TransNet 1)	Notes
SD15	A-IH.00001	Street light installation	(1)	1	-	
SD17	A-IE.00002	Guard Rails - AA	15,894	(15,894)	-	Closed Project
SD18	A-IL.00001	Signal installation - AA	(2,135)	2,135	-	
SD34	S-00856	El Camino Real Road and Bridge Widening	14,279	(14,279)	-	
SD51	S-00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	45,594	(45,594)	-	
SD96	A-ID.00005	Resurfacing City Streets	(73,630)	73,630	-	
SD175	S-00609	Talbot Street Slope Reconstruction	(1)	1	-	
<b>Total</b>			-	-	-	



MPOID	WBS #	Project Name	Fiscal Year 2019 Audit Schedule Ending Balance (TransNet 2)	Audit Schedule Adjustments from TransNet 2	Fiscal Year 2019 Revised Audit Schedule Ending Balance (TransNet 2)	Notes
SD23	A-CA.00001	Drainage Projects	(376,581)	195,082	(181,499)	Reimbursed in FY20
SD70	S-00871	West Mission Bay Drive Bridge over San Diego River	(1,106,022)	1,660	(1,104,362)	Reimbursed in FY20
SD86	S-00605	Famosa Slough Salt Marsh Restoration	16,691	(16,691)	-	Closed Project
SD92	S-00699 & S00700	Azalea Park Roadway Improvements and Neighborhood Identification	16,272	(16,272)	-	Closed Project
SD97	A-IK.00002	School Traffic Safety Improvements	9,184	(9,184)	-	Closed Project
SD108	S-00944	Bayshore Bikeway	105,564	(105,564)	-	Closed Project
SD129	S-00915	University Avenue Mobility Project	(25,786)	25,786	-	
SD137	S-00913	Palm Avenue Roadway Improvements	(57,106)	57,106	-	
SD141	S-00943	Poway Road Bike Path	82,133	(82,133)	-	Closed Project
SD153	S-00985	25th Street Renaissance Project	(13,561)	13,561	-	
SD154	S-00928	La Jolla Mesa Drive Sidewalk	68,072	(68,072)	-	Closed Project

MPOID	WBS #	Project Name	Fiscal Year 2019 Audit Schedule Ending Balance (TransNet 2)	Audit Schedule Adjustments from TransNet 2	Fiscal Year 2019 Revised Audit Schedule Ending Balance (TransNet 2)	Notes
SD162	S-00673	Home Avenue Street Improvements	109,309	(109,309)	-	Closed Project
SD175	S-00609	Talbot Street Slope Reconstruction	131,533	(131,533)	-	Closed Project
SD209	S-00877	Torrey Pines Road slope reconstruction	(460,903)	160,903	(300,000)	Reimbursed in FY20
SD210	S-00988	Five Points Neighborhood Pedestrian Improvements	(41,159)	41,159	-	
SD235	S-15023	Torrey Pine Road Improvement Phase 2	(187,819)	83,668	(104,151)	Reimbursed in FY20
		Congestion Relief Interest	44,147	(40,167)	3,980	
<b>Total</b>			<b>(1,686,032)</b>		<b>(1,686,032)</b>	