

R. 76-2750

RESOLUTION NO. 216429

JUL 14 1976

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA, AUTHORIZING THE ISSUANCE OF AND THE ADVERTISING FOR BIDS FOR THE PURCHASE OF TAX ANTICIPATION NOTES IN THE AGGREGATE AMOUNT OF SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$16,100,000) AND HIRING BOND COUNSEL FOR AN OPINION REGARDING SAID NOTES.

WHEREAS, funds are needed to meet the cash requirements of The City of San Diego for the fiscal year 1976-77, including but not limited to the payment of current expenses, capital expenditures and the discharge of any obligations or indebtedness; and

WHEREAS, Section 92 of the Charter of The City of San Diego permits the issuance of notes for the purpose of borrowing money in anticipation of the collection of taxes in any fiscal year (herein sometimes called "Notes"); and

WHEREAS, The City of San Diego contemplates the issuance of Notes in the aggregate amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000), said Notes to be dated August 4, 1976 and to be paid on May 20, 1977; and

WHEREAS, the issuance of Notes should be accomplished by inviting competitive bids; and

WHEREAS, the successful bidder should be furnished, at the expense of City, a legal opinion regarding the validity of the Notes; and

WHEREAS, the law firm of O'Melveny & Myers has indicated its willingness to review the record of the proceedings and

render its opinion regarding the validity of the Notes by a letter dated June 11, 1976, a copy of which is on file in the office of the City Clerk as Document No. 755975;

NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

1. This Council finds and determines that it is necessary for the City to issue Tax Anticipation Notes in the aggregate amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000) in order to meet the cash requirements of the City during the fiscal year 1976-77, which Notes will be issued in anticipation of the collection of taxes during the fiscal year 1976-77.
2. The City Clerk is hereby directed to advertise inviting bids for the purchase of Tax Anticipation Notes in the aggregate amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000) to be repaid on May 20, 1977.
3. The Notice Inviting Bids shall be published once at least five (5) days prior to the opening of the bids. Bids shall be opened on July 28, 1976, and the award made the same day.
4. A legal opinion as to the validity of the Notes shall be secured at the expense of City from the law firm of O'Melveny & Myers and shall be furnished to the successful bidder for the purchase of the Notes. For rendering its opinion, O'Melveny & Myers shall receive the sum of One Thousand Six Hundred Ten

Dollars (\$1,610). A legal opinion as to the validity of the Notes shall also be rendered by the City Attorney and shall be furnished to the successful bidder.

5. The Notice Inviting Bids shall be substantially in the form of Exhibit A attached hereto and incorporated herein.

6. Bids shall be submitted substantially in the form of Exhibit B attached hereto and incorporated herein.

7. The Resolution of Award shall be substantially in the form of Exhibit C attached hereto and incorporated herein.

8. The Notes to be issued by the City shall be substantially in the form of Exhibit D attached hereto and incorporated herein; and they shall be manually signed by the Acting City Treasurer or City Treasurer and facsimile signatures of the Mayor and City Clerk shall be used.

9. The Treasurer's Receipt for the money received shall be substantially in the form of Exhibit E attached hereto and incorporated herein.

10. The Official Statement which shall be provided to any interested bidder, shall provide certain information relating to the City's budget, finances, economic condition, tax base, debt management and certain contingent liabilities, and shall be substantially in the form of Exhibit F attached hereto and incorporated herein.

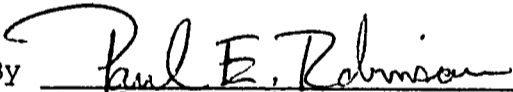
11. The Notes shall be dated as of August 4, 1976 and shall be in the denomination of One Hundred Thousand Dollars (\$100,000) each, or any multiple thereof, at the option of the

successful bidder and shall be paid by the City on May 20, 1977. They shall bear interest at a rate not to exceed five percent (5%) per annum from the date of said Notes to and including May 20, 1977, computed on the basis of a 360-day year.

12. Both the principal of and the interest on the Notes shall be payable by the City in lawful money of the United States of America at the office of the City Treasurer, City Administration Building, 202 C Street, San Diego, California.

13. The Notes shall be payable by City from taxes to be received during the fiscal year 1976-77 during which the Notes are to be issued; provided, however, the principal of the Notes and any interest thereon may be paid from any other monies of the City lawfully available therefor.

APPROVED: JOHN W. WITT, City Attorney

By   
Paul E. Robinson  
Deputy City Attorney

PER:k:113  
7-12-76  
Or.Dept.: Treasurer

216429

NOTICE INVITING BIDS FOR THE PURCHASE OF  
TAX ANTICIPATION NOTES TO BE ISSUED BY THE  
CITY OF SAN DIEGO IN THE AGGREGATE SUM OF  
SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$16,100,000).

NOTICE IS HEREBY GIVEN by The City of San Diego that pursuant to Resolution No. \_\_\_\_\_ of said City sealed bids shall be received in the office of the City Clerk on the 12th Floor, City Administration Building, 202 C Street, San Diego, California, until 10:00 a.m. Pacific Daylight Saving Time, on July 28, 1976, at which time the bids will be removed to the Council Chambers to be publicly opened and an award made for the issuance of Tax Anticipation Notes in the aggregate amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000). Each bid is subject to acceptance until the conclusion of Council business on July 28, 1976. Each Note shall be in the principal amount of One Hundred Thousand Dollars (\$100,000), or any multiple thereof, at the option of the successful bidder, and numbered one (1) through one hundred sixty-one (161), or as appropriate. The form of the Notes is attached as Exhibit D to Resolution No. \_\_\_\_\_. The Notes are to be issued in anticipation of the collection of taxes and shall be repaid out of such taxes to be received during the fiscal year 1976-77 (or lawfully available funds) and shall be paid on May 20, 1977.

Bidders must offer to purchase all of the Notes, and bids including premium or discount will be considered. The Notes will bear interest at a rate not to exceed five percent (5%) per annum, from the date of said Notes to and including May 20, 1977, computed on the basis of a 360-day year. All Notes shall

EXHIBIT A

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bear the same rate of interest. The award of the Notes shall be made to the bidder who bids the lowest net interest cost to the City after considering premium or discount bid. The resolution of the Council of The City of San Diego making the award shall be substantially in the form of Exhibit E attached to Resolution No. \_\_\_\_\_.

All bids shall be submitted on forms to be obtained from the office of the Treasurer of The City of San Diego.

Each bid shall be accompanied by a certified or cashier's check payable to the order of The City of San Diego and drawn on a responsible bank or trust company in the amount of Fifty Thousand Dollars (\$50,000) as a guarantee that the bidder will accept the Notes in the form attached as Exhibit D to Resolution No. \_\_\_\_\_. The check of the successful bidder shall immediately be applied toward the total Sixteen Million One Hundred Thousand Dollars (\$16,100,000). If such bid is accepted but the successful bidder for any reason fails or refuses to perform, unless such failure or refusal shall be caused by an act or omission of the City, the guarantee shall be retained by the City. The remaining purchase price, including accrued interest from the date of the Notes (August 4, 1976) to the date of delivery, computed on a 360-day basis, shall be paid to the City in the office of the City Treasurer on the date of delivery which shall be not later than 10:00 a.m. Pacific Daylight Saving Time, August 11, 1976, provided, however, that City and purchaser may identify a later delivery date by mutual consent.

The City Clerk shall return all bid checks other than that of the best bidder as soon after the bid opening as is practical.

The City reserves the right to waive any infirmities in any bid and at any stage in these proceedings to reject all bids and return all deposits accompanying the bids and at its sole option to abandon all proceedings or to readvertise in a like manner.

The successful bidder shall be furnished, at the expense of City, a legal opinion to be issued by the firm of O'Melveny & Myers and a legal opinion to be issued by the City Attorney, approving the validity of the Notes.

Dated at San Diego, California, this \_\_\_\_\_ day of \_\_\_\_\_, 1976.

THE CITY OF SAN DIEGO

By \_\_\_\_\_  
City Clerk

BID  
FOR THE PURCHASE OF  
CITY OF SAN DIEGO TAX ANTICIPATION NOTES

July 28, 1976

City Clerk  
Twelfth Floor  
City Administration Building  
San Diego, California 92101

In behalf of \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and pursuant to a notice inviting bids, we offer to purchase Sixteen Million One Hundred Thousand Dollars (\$16,100,000) principal amount, all or none, of the \_\_\_\_\_% Notes dated August 4, 1976 designated as City of San Diego Tax Anticipation Notes of fiscal year 1976-77, particularly described in the Notice and to pay \_\_\_\_\_% of the par value of such Notes on the date of delivery and \$\_\_\_\_\_ premium. We estimate that this bid will result in a net interest cost of \$\_\_\_\_\_.

We desire the Notes to be numbered and to be of the denomination as follows:

EXHIBIT B

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Number

Denomination\*

Net Interest Cost  
of Entire Bid

\*Notes shall be in the denomination of One Hundred Thousand Dollars (\$100,000) each or multiples thereof.

This proposal is made subject to all of the terms and conditions published in the Notice Inviting Bids which by this reference is incorporated herein.

This proposal is subject to acceptance until the conclusion of Council business on July 28, 1976, as specified in the Notice Inviting Bids.

There is enclosed herewith a certified or cashier's check for Fifty Thousand Dollars (\$50,000) payable to the order of The City of San Diego as a guarantee that the successful bidder will accept the Notes in the form attached as Exhibit D to Resolution No. \_\_\_\_\_.

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RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO, CALIFORNIA, AWARDING THE  
AGGREGATE AMOUNT OF SIXTEEN MILLION ONE  
HUNDRED THOUSAND DOLLARS (\$16,100,000) IN  
TAX ANTICIPATION NOTES TO THE BEST BIDDER  
AND REJECTING ALL OTHER BIDS.

WHEREAS, at the time and place fixed for the opening of bids the purchase of the aggregate amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000) Tax Anticipation Notes of The City of San Diego, California, pursuant to notice inviting the bids, all bids were publicly opened, examined and read, and tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the Notes; NOW, THEREFORE,

The City Council of The City of San Diego does hereby  
RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. The Bid of \_\_\_\_\_  
\_\_\_\_\_ offering \_\_\_\_\_% of par and a net interest cost of \$ \_\_\_\_\_ is hereby accepted and the Notes are hereby awarded to the best bidder in accordance with the notice inviting bids and Resolution No. \_\_\_\_\_.
2. All bids other than the one accepted herein are rejected and the checks accompanying them shall be returned to the respective unsuccessful bidders by the City Clerk.
3. The interest on the Notes is hereby fixed at \_\_\_\_\_ percent ( \_\_\_\_\_%) per annum.

4. The City Treasurer is hereby directed to deliver the Notes to the successful bidder on receipt of \_\_\_\_\_ (\$ \_\_\_\_\_).

5. The total estimated appropriations of the General Fund of City for the fiscal year 1976-77 are \$112,000,000. The amount of the Notes hereby authorized to be issued does not exceed twenty-five percent (25%) of the total estimated appropriations of The City of San Diego for the fiscal year 1976-77. The City of San Diego has no other tax anticipation notes outstanding issued under Section 92 of the Charter or otherwise.

6. The City Clerk is hereby authorized and directed to publish this resolution once at least ten (10) days after its adoption in the City official newspaper, a newspaper of general circulation published in said City.

APPROVED: JOHN W. WITT, City Attorney

By \_\_\_\_\_  
Paul E. Robinson  
Deputy City Attorney

THE CITY OF SAN DIEGO  
TAX ANTICIPATION NOTE

No. \_\_\_\_\_

FOR VALUE RECEIVED, The City of San Diego, California, a  
municipal corporation, promises to pay to \_\_\_\_\_

the sum of \_\_\_\_\_  
Dollars (\$ \_\_\_\_\_ ) with interest of \_\_\_\_\_

\_\_\_\_\_  
Dollars (\$ \_\_\_\_\_ ). Both principal and interest are  
payable on May 20, 1977, in lawful money of the United States  
of America at the office of the City Treasurer, 202 C Street,  
San Diego, California.

The principal of and the interest on this Note are payable  
from taxes to be received during the fiscal year 1976-77, during  
which this Note is issued. This Note is an obligation of the  
City and, to the extent not paid from such taxes, shall be  
paid with interest from any other monies of the City lawfully  
available.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts,  
conditions and things required by law to exist, happen and be  
performed precedent to and in the issuance of this Note, have  
existed, happened and been performed in due time, form and  
manner as required by law, and that the amount of this Note,  
together with all other indebtedness of the City, does not  
exceed any debt limit prescribed by the Charter of said City  
or by the laws or Constitution of the State of California.

EXHIBIT D

**216429**

IN WITNESS WHEREOF, said City of San Diego has caused this Note to be signed by the Mayor and the City Treasurer of said City and countersigned by the City Clerk of said City and sealed with the corporate seal of said City, and has caused this Note to be dated the 4th day of August, 1976.

COUNTERSIGNED:

Mayor of The City of San Diego

City Clerk of The City of San Diego

City Treasurer of The City of San Diego

APPROVED AS TO FORM BY: JOHN W. WITT, City Attorney

By Paul E. Robinson  
Deputy City Attorney

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STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN DIEGO ) ss.  
 )  
CITY OF SAN DIEGO )

TREASURER'S RECEIPT

The undersigned hereby certifies as follows:

That I am the duly selected, qualified and acting City Treasurer of The City of San Diego on the date of this receipt.

That pursuant to provisions of Resolution No. \_\_\_\_\_ of the City Council of The City of San Diego, City Council of said City authorized the issuance of \_\_\_\_\_ Tax Anticipation Notes in the aggregate amount of Sixteen Million One Hundred Thousand Dollars (\$16,100,000).

That I have this day delivered the notes to \_\_\_\_\_

\_\_\_\_\_  
the numbers and amounts of which are as follows:

That upon delivery of the same I received the sum of \_\_\_\_\_ (\$ \_\_\_\_\_).

Dated:

\_\_\_\_\_  
City Treasurer of The City of  
San Diego

EXHIBIT E

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OFFICIAL STATEMENT OF

THE CITY OF SAN DIEGO  
COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA

Relating to  
\$16,100,000 City of San Diego  
Tax Anticipation Notes

Council of The City of San Diego

Pete Wilson, Mayor

Maureen F. O'Connor, Deputy Mayor

Jim Ellis

Tom Gade

Jess D. Haro

Lee Hubbard

Gil Johnson

Floyd L. Morrow

Leon L. Williams

Hugh McKinley, City Manager

Eunice E. Winston, Acting City Treasurer

John W. Witt, City Attorney

W. G. Sage, Auditor and Comptroller

Bond Counsel, O'Melveny & Myers

Official Statement  
Draft for Adoption  
By the City Council of  
The City of San Diego  
July 14, 1976

EXHIBIT F

216429

OFFICIAL STATEMENT OF

THE CITY OF SAN DIEGO  
COUNTY OF SAN DIEGO  
STATE OF CALIFORNIA

Regarding  
\$16,100,000 City of San Diego  
Tax Anticipation Notes

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, summary statement and appendices, is to furnish information in connection with the sale by The City of San Diego (the "City") of \$16,100,000 City of San Diego Tax Anticipation Notes (the "Notes").

There follows in this Official Statement a brief description of the City, including its government and information regarding the City's budget, finances, economic condition, tax base and debt management, and information regarding the City's contingent liabilities. All financial and other data have been gathered by the City Auditor and Comptroller of the City and the information regarding the hereinafter mentioned contingent liabilities has been abstracted from the annual City financial statement for the fiscal year ended June 30, 1975. A copy of the annual audited financial statement is available on request.

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OFFICIAL STATEMENT

NEW ISSUE

Interest exempt, in the opinion of Bond Counsel, from Federal and State income taxes under existing statutes, regulations and decisions.

THE CITY OF SAN DIEGO

\$16,100,000 TAX ANTICIPATION NOTES

Dated: August 4, 1976

Due: May 20, 1977

The notes are of the denomination of \$100,000 each or in multiples thereof at option of bidder. Interest on the notes is payable May 20, 1977.

MATURITY SCHEDULE

<u>Year</u>	<u>Amount</u>
May 20, 1977	\$16,100,000

PURPOSES FOR WHICH NOTES WILL BE SOLD

To meet cash flow of City tax supported funds for fiscal year 1976-77.

The notes are offered for delivery when, as and if issued, subject to the receipt of the approving legal opinion of O'Melveny and Myers, Bond Counsel. The notes in definitive form will be available for delivery not later than August 11, 1976, in San Diego City, provided, however, that City and purchaser may identify a later delivery date by mutual consent.

Dated: July 14, 1976

SUMMARY STATEMENT

(Subject in all respects to more complete information  
contained in this Official Statement)

Purpose: The \$16,100,000 Tax Anticipation Notes (the "Notes") are being issued for funds needed by The City of San Diego for certain expenditures including but not limited to the payment of current expenses or capital expenditures.

Security for the Notes: Said notes shall be payable from taxes to be received by the City during the fiscal year 1976-1977, said taxes being hereby pledged to repay said notes; provided, however, that if said taxes or any portion thereof when received by the City will be encumbered for a special purpose other than the repayment of said notes, then pursuant to Section 92 of the Charter of The City of San Diego, an equivalent amount of the proceeds of said notes shall be set aside for and used for said special purpose; and provided further that said notes with interest thereon may be paid from any other monies of the City lawfully available therefor.

DESCRIPTION OF THE NOTES

The Notes are issued pursuant to Section 92 of the Charter of The City of San Diego and in accordance with the Constitution of the State of California (the "State").

The Notes comprise an issue of \$16,100,000 Tax Anticipation Notes, dated August 4, 1976, and payable on May 20, 1977.

Proposals for the purchase of these Notes at par must be submitted to the City Clerk no later than 10:00 a.m., July 28, 1976, and must be for the entire amount of the issue. Interest must not exceed five percent per annum. The purchaser must pay accrued interest from the date of the notes to the date of delivery, which shall take place no later than August 11, 1976, provided, however, that City and purchaser may identify a later delivery date by mutual consent. The proposals shall also state the total amount of interest costs to the City. Interest cost shall be computed on a 360-day year basis.

Interest on the Notes will be payable at maturity at the rate specified in the proposal.

The purchaser shall have the option to receive delivery of the Notes in the denomination of \$100,000 or multiples thereof.

The uncollected taxes, income, revenue, cash receipts and other monies to be received by the City during the fiscal year 1976-1977 are estimated to be in excess of \$200,000,000.

The amount of the Notes hereby authorized to be issued, together with any other notes outstanding, if any, will not exceed 25% of said monies.

The Notes will be dated August 4, 1976, and will mature on May 20, 1977. The Notes and the interest thereon will be payable at the office of the Treasurer of The City of San Diego, 202 C Street, San Diego, California.

The purchaser will be furnished, at the expense of the City, a legal opinion to be issued by the firm of O'Melveny & Myers approving the validity of the Notes.

FISCAL YEAR 1976-77 PROJECTIONS

At the time of adoption of this Official Statement by the Council of The City of San Diego, the 1975-76 fiscal year has been completed. Figures for that year are not expected to be available until September, 1976. The post operational data found in Table 2 of the General Description of San Diego City sets forth information relating to the 1975-76 budget. The City followed the 1975-76 budget with no major departures. At this date the budget for the 1976-77 fiscal year has not been adopted. However, it can be anticipated that the 1976-77 budget will provide for at least \$200,000,000 in total expenditures.

The cash balance of property tax supported funds as of June 30, 1976, was \$6,862,621. Based upon cash flow projections for the fiscal year 1976-77, as shown in Table 6, the City property tax supported funds will have a cash flow deficit of approximately \$16,100,000 at December 16, 1976. Property tax collections for fiscal year 1976-77 are expected to be in excess of \$52,000,000.

The City has outstanding general obligation debt of \$44,858,000 as of June 30, 1976 as follows:

Water Purpose Bonds	\$ 2,025,000
Harbor Purpose Bonds	3,525,000
Wild Animal Park Bonds	5,400,000
General City Purposes	<u>33,908,000</u>
	\$44,858,000

The San Diego Unified Port District, the San Diego Zoological Society, and the City Utilities Department pay the debt service requirements of Harbor Bonds, Wild Animal Park Bonds, and Water General Obligation Bonds respectively. These bonds mature serially over the 18-year period ending in 1994 with the highest maximum principal amount due in 1980 when \$2,985,000 matures and total debt service aggregates \$4,535,927. There are no authorized but unsold bonds and the \$44,858,000 outstanding at June 30, 1976 represents only 1.7% of the City's assessed valuation. Allowable general obligation debt capacity is \$628,992,762 (15% of assessed valuation for water purposes, 10% of assessed valuation for General City purposes). For the last ten years the City has found it necessary to issue tax anticipation notes to help meet cash requirements of the tax supported funds. Such notes have been repaid without fail in the month of May of each succeeding year. Shown below are the amounts of such tax anticipation notes issued over a ten-year period:

1966-67 . . . . .	\$ 6,000,000	1971-72 . . . . .	\$ 5,690,000
1967-68 . . . . .	8,000,000	1972-73 . . . . .	3,300,000
1968-69 . . . . .	8,000,000	1973-74 . . . . .	6,300,000
1969-70 . . . . .	8,000,000	1974-75 . . . . .	8,000,000
1970-71 . . . . .	6,000,000	1975-76 . . . . .	13,500,000

Due primarily to the inflation factor of the mid-1970's, it has become necessary to increase the amount of the Notes from \$8,000,000 in 1974-75 to \$16,100,000 in the present 1976-77 issuance.

The City has entered into a number of leases for facilities used for operations. Those leases expire over the next 31 years and the total yearly payment by the City amounts to approximately \$4,000,000. Specifically these leases include the City Employees' Retirement System for the Charles C. Dail Community Concourse. The maximum annual rental payments are \$1.3 million. The termination date of such lease is the year 1986. Other leases of real property include the San Diego Stadium with a minimum annual rental payable on a year-to-year basis, amounting to \$1,506,250 extending through January, 2006 and with the San Diego Planetarium Authority for the Space Theatre with annual rental payable of \$246,750 through April, 2001. Lease of personal property, principally data processing and duplicating equipment, cost \$468,949 in 1974 and \$485,583 in 1975; such annual payments are subject to adjustment through negotiation.

The City Employees' Retirement System, established November, 1926, is a contributory-type plan covering substantially all employees. For the fiscal year ended June 30, 1975, contributions to the Retirement Fund amounted to approximately \$13,168,000 by the City and \$5,473,000 by employee members. Over the years the City has adopted a number of revisions to the Retirement System which have materially affected the liabilities and financing of the Retirement Fund. The cumulative effect of those revisions has resulted in an unfunded past service liability. The City is making contributions from the Employee Pension Tax Fund to amortize, during the next 25 years, its share of the unfunded liability. Additional costs resulting from inflationary impact on the cost of living benefit formula and death benefits are being paid on a current basis. At June 30, 1975, the date of the most recent actuarial valuation report, the actuarially computed unfunded liability was \$115,457,852. The Retirement System operates on a July 1-June 30 fiscal year and has an actuarial valuation prepared annually. Shown below are contributions for recent years and that budgeted for 1975-76.

1971-72 . . . . .	\$ 7,820,000
1972-73 . . . . .	9,123,000
1973-74 . . . . .	10,905,000
1974-75 . . . . .	13,032,000
1975-76 . . . . .	14,106,000

PRINCIPLES OF ACCOUNTING

The accounting policies of The City of San Diego follow generally accepted principles of municipal accounting and the latest recommendations of the National Committee on Governmental Accounting of the Municipal Finance Officers Association. The accounting system is on a modified accrual basis; that is, expenditures are entered into the accounting records when commitments are made, while revenue is recorded when received. This provides a conservative basis for reporting the City's financial position consistent with that of preceding years. The full accrual basis of accounting is utilized for the Enterprise Utility Funds. Trust and Agency funds reflect transactions by the City in fulfillment of its fiscal responsibilities for individuals having funds on deposit and for other agencies.

CITY OF SAN DIEGO  
TAX LEVIES AND TAX COLLECTIONS - SECURED PROPERTY  
Fiscal Years 1965-66 to 1974-75

Fiscal Year	Tax Levy	Collection Current Year's Taxes During Fiscal Year	Percentage of Levy Collected During Fiscal Year	Collection of Prior Years' Taxes During Fiscal Year	Total Tax Collections	Prior Years' Tax Levy Adjustments	Ratio of Total Collections to Tax Levy*	Accumulated Delinquent Taxes	Ratio of Accumulated Delinquent Taxes to Tax Levy*
1965-66	\$16,770,704	\$ 16,283,083	97.09%	\$ 312,502	\$16,595,585	\$ ( 13,317)	99.03%	\$ 731,990	4.37%
1966-67	18,266,064	17,781,113	97.35	414,906	18,196,019	( 40,786)	99.64	761,247	4.18
1967-68	18,528,468	18,127,816	97.84	473,376	18,601,194	( 24,990)	100.53	663,531	3.59
1968-69	18,698,427	18,346,780	98.13	487,910	18,836,690	---	100.74	525,268	2.81
1969-70	19,532,072	19,179,505	98.19	222,212	19,401,717	( 94,076)	99.81	561,547	2.87
1970-71	25,112,793	24,659,812	98.20	232,730	24,892,542	---	99.12	781,798	3.11
1971-72	26,784,657	26,156,613	97.66	373,262	26,529,875	( 349,246)	100.36	687,334	2.60
1972-73	28,892,140	28,411,699	98.34	573,285	28,984,984	( 93,880)	100.65	500,610	1.74
1973-74	30,116,557	29,150,392	96.79	375,222	29,525,614	( 54,182)	98.21	1,037,371	3.45
1974-75	34,689,548	33,419,741	96.34	505,031	33,924,772	( 363,524)	98.83	1,438,623**	4.19

\* After giving effect to prior years' tax levy adjustments.

\*\* Estimated.

TABLE 1

CITY OF SAN DIEGO  
THREE-YEAR COMPARISON OF FINANCIAL TRANSACTIONS  
GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS, DEBT SERVICE AND UTILITIES FUNDS  
AND 1975-76 BUDGET

SOURCE OF FUNDS	1972-73	1973-74	1974-75	Budget All Funds 1975-76
Property Taxes .....	\$ 35,025,049	\$ 38,313,498	\$ 43,547,638	\$ 47,417,291
Other Taxes .....	31,927,298	35,868,760	39,494,887	42,259,694
Licenses and Permits .....	4,211,778	4,052,044	3,834,548	4,293,900
Fines, Forfeitures and Penalties .....	3,434,438	3,569,150	4,005,466	4,039,500
Revenue from Use of Money and Property .....	8,310,866	13,324,067	13,829,113	11,504,706
Revenue from Other Agencies .....	21,124,931	21,835,221	20,608,954	16,794,168
Charges for Current Services .....	4,548,179	5,064,570	4,753,736	4,929,850
Water and Sewer Revenues .....	34,703,636	44,130,214	48,525,742	52,534,000
Sundry and Unclassified .....	535,920	748,251	1,303,195	236,245
Transfers from Other Funds .....	12,497,619	43,690,085	60,983,094	30,443,910
Due from Other Funds and Agencies .....	---	39,496,048	(22,455,277)	---
Prior Years' Reserves .....	23,243,213	19,765,270	67,890,089	4,584,400
Prior Years' Encumbrances Canceled and Reappropriated .....	---	---	818,492	---
Fund Balances/Retained Earnings Beginning of Year .....	32,792,734	36,192,319	28,824,775	29,090,442
<b>Total Sources of Funds .....</b>	<b>\$212,355,661</b>	<b>\$206,099,497</b>	<b>\$215,964,442</b>	<b>\$248,128,106</b>
<b>EXPENDITURES AND ENCUMBRANCES</b>				
General Government .....	\$ 24,001,833	\$ 27,751,697	\$ 25,882,170	\$ 31,435,728
Public Safety .....	30,090,105	31,870,508	46,805,490	51,763,599
Health and Sanitation .....	6,343,954	6,547,671	7,823,635	11,136,732
Libraries .....	3,218,586	3,513,947	4,363,034	5,867,502
Park and Recreation .....	16,801,272	26,860,594	28,225,718	29,743,767
Streets and Highways and Public Transportation .....	10,889,582	12,434,007	21,797,652	34,110,150
Retirement and Social Security Contributions .....	10,417,383	12,674,457	---	---
Debt Service .....	4,276,789	4,221,065	4,354,434	4,755,380
Water and Sewer Utilities .....	41,715,083	43,431,621	46,085,323	65,239,035
Inter-Fund Transfers .....	8,643,485	40,079,076	57,459,386	6,167,219
Unallocated Reserves .....	---	---	---	7,909,004
<b>Total Expenditures and Encumbrances</b>	<b>\$156,398,072</b>	<b>\$209,384,633</b>	<b>\$242,796,842</b>	<b>\$248,128,106</b>

TABLE 2

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TABLE 3

**ASSESSED VALUATION OF ALL TAXABLE PROPERTY**  
Fiscal Years 1966-67 to 1975-76

	1975-76	1974-75	1973-74	1972-73	1971-72	1970-71	1969-70	1968-69	1967-68	1966-67
<b>GROSS:</b>										
Secured - Locally Assessed .....	\$ 2,406,106,260	\$ 2,137,749,816	\$ 1,882,303,566	\$ 1,600,728,191	\$ 1,509,525,663	\$ 1,307,274,248	\$ 1,151,476,633	\$ 1,044,626,700	\$ 987,257,166	\$ 917,356,190
Delinquent - State Assessed .....	133,029,320	127,331,410	120,416,360	116,765,790	111,514,870	114,420,990	110,265,509	109,439,479	107,296,309	106,545,259
Total Secured Valuation .....	\$ 2,539,135,580	\$ 2,265,081,226	\$ 2,002,720,926	\$ 1,717,493,981	\$ 1,621,040,533	\$ 1,421,695,238	\$ 1,261,742,142	\$ 1,154,066,179	\$ 1,094,553,475	\$ 1,023,901,449
Unsecured - Locally Assessed .....	356,285,665	319,242,068	282,225,384	253,271,881	224,878,260	203,067,591	189,814,289	142,440,620	130,463,678	103,729,769
Total Gross Valuation .....	\$ 2,895,421,245	\$ 2,584,323,294	\$ 2,284,946,310	\$ 1,970,765,862	\$ 1,845,918,793	\$ 1,624,762,829	\$ 1,451,556,431	\$ 1,296,506,799	\$ 1,225,017,153	\$ 1,127,631,218
<b>EXEMPTIONS (EXCLUDING NONRESIDENTS' AND BUSINESS EXEMPTIONS):</b>										
Secured - Locally Assessed .....	\$ 90,739,840	\$ 78,271,060	\$ 70,860,237	\$ 74,934,307	\$ 72,406,378	\$ 74,237,866	\$ 72,790,692	\$ 73,110,060	\$ 70,241,180	\$ 66,268,400
Delinquent - State Assessed .....	---	---	---	---	---	---	---	---	---	---
Total Secured Exemptions .....	\$ 90,739,840	\$ 78,271,060	\$ 70,860,237	\$ 74,934,307	\$ 72,406,378	\$ 74,237,866	\$ 72,790,692	\$ 73,110,060	\$ 70,241,180	\$ 66,268,400
Unsecured - Locally Assessed .....	7,643,728	5,362,187	3,600,483	2,948,824	2,810,372	2,721,526	1,151,450	1,249,000	1,025,450	1,543,430
Total Exemptions .....	\$ 98,383,568	\$ 83,633,247	\$ 74,460,720	\$ 77,883,132	\$ 75,216,750	\$ 76,959,392	\$ 73,942,142	\$ 74,359,060	\$ 71,266,630	\$ 67,811,830
<b>NET ASSESSED VALUATION FOR TAX RATE:</b>										
Secured - Locally Assessed .....	\$ 2,315,366,440	\$ 2,079,478,758	\$ 1,811,333,329	\$ 1,525,793,884	\$ 1,447,119,285	\$ 1,233,016,380	\$ 1,078,686,946	\$ 971,516,640	\$ 917,015,986	\$ 831,077,750
Delinquent - State Assessed .....	133,029,320	127,331,410	120,416,360	116,765,790	111,514,870	114,420,990	110,265,509	109,439,479	107,296,309	106,545,259
Net Secured .....	\$ 2,448,395,760	\$ 2,206,810,168	\$ 1,931,749,689	\$ 1,642,559,674	\$ 1,558,634,155	\$ 1,347,437,370	\$ 1,188,952,455	\$ 1,080,956,119	\$ 1,024,312,295	\$ 937,622,999
Unsecured - Locally Assessed .....	368,637,167	312,529,881	284,633,501	250,323,056	222,661,888	200,246,065	168,122,820	141,191,620	129,197,048	104,184,339
Net Assessed Valuation for Tax Rate .....	\$ 2,797,033,137	\$ 2,519,340,049	\$ 2,216,383,190	\$ 1,892,882,730	\$ 1,781,296,043	\$ 1,547,683,435	\$ 1,357,075,275	\$ 1,222,147,739	\$ 1,153,509,343	\$ 1,041,807,338



CITY OF SAN DIEGO  
COMBINED BALANCE SHEET  
YEARS ENDING JUNE 30, 1974 AND 1975

	General Fund		Special Revenue Funds		Debt Service Funds		Intragovernmental Service Funds		Trust and Agency Funds		Water and Sewer Utility Funds	
	1974	1975	1974	1975	1974	1975	1974	1975	1974	1975	1974	1975
<b>ASSETS</b>												
Cash in Treasury or in Pooled Cash Equivalents	\$ 4,088,107	\$ 2,962,844	\$3,582,309	\$2,196,633	\$656,352	\$ 897,786	\$1,858,738	\$2,060,825	\$ 7,281,181	\$ 6,749,102	\$ 10,742,307	\$ 14,691,573
Cash with Custodian	3,000,000	200,000	---	---	---	---	---	---	---	---	---	---
Cash in Interest Bearing Bank Deposits	199,613	5,933,829	1,724,177	808,789	---	---	99,500	99,500	1,367,000	1,517,000	10,656,174	10,439,781
Investments in Street Lighting and Closing Certificates	---	---	---	---	---	---	---	---	---	---	---	---
Investments on Investments Purchased	112	95	---	---	---	---	---	---	---	---	---	---
Accrued Interest Receivable	611,030	783,031	384,988	287,144	---	---	---	---	---	---	---	---
Accounts/Claims Receivable	---	---	---	---	---	---	---	---	---	---	---	---
Contracts and Notes Receivable	65,561	23,367	---	---	---	---	---	---	---	---	---	---
Due from Other Funds	10,750	10,750	15,000	8,782	---	---	---	---	---	---	---	---
Due from Other Agencies	---	---	---	---	---	---	---	---	---	---	---	---
Taxes Receivable - Impounded	537,918	296,727	414,238	209,703	---	---	---	---	---	---	---	---
Taxes Receivable - Delinquent Working Capital Advances and Working Capital Advances and Deposits	4,976,140	5,180,817	---	---	---	---	---	---	---	---	---	---
Deferred Charges	---	---	---	---	---	---	---	---	---	---	---	---
Inventory - Materials and Supplies	---	---	---	---	---	---	---	---	---	---	---	---
Inventory of Mater in Storage	---	---	---	---	---	---	---	---	---	---	---	---
Present Value of Future Contributions for Actuarial Deficiency	---	---	---	---	---	---	---	---	---	---	---	---
Land	---	---	---	---	---	---	---	---	---	---	---	---
Plant in Service	---	---	---	---	---	---	---	---	---	---	---	---
Machinery and Equipment	---	---	---	---	---	---	---	---	---	---	---	---
Other Property	---	---	---	---	---	---	---	---	---	---	---	---
Construction Work in Progress	---	---	---	---	---	---	---	---	---	---	---	---
<b>TOTAL ASSETS</b>	<b>\$13,488,231</b>	<b>\$16,171,851</b>	<b>\$6,120,212</b>	<b>\$4,924,776</b>	<b>\$941,562</b>	<b>\$1,034,533</b>	<b>\$6,872,956</b>	<b>\$7,592,553</b>	<b>\$221,395,049</b>	<b>\$247,759,507</b>	<b>\$338,597,254</b>	<b>\$343,175,301</b>
<b>LIABILITIES</b>												
Accrued Payroll	\$ ---	\$ 1,881,437	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accounts/Contracts Payable	---	5,730	25,200	---	350	---	---	---	---	---	---	---
Consumer's and Spacer Guarantees	---	---	---	---	---	---	---	---	---	---	---	---
Deposits	283	---	---	---	11,037	---	---	---	---	---	---	---
Deferred Credits	---	---	---	---	---	---	---	---	---	---	---	---
Advance from Municipality	---	---	---	---	---	---	---	---	---	---	---	---
Working Capital Advances and Deposits	---	---	---	---	---	---	---	---	---	---	---	---
General and Special Obligation Bonds Payable	---	---	---	---	---	---	---	---	---	---	---	---
Revenue Bonds Payable	---	---	---	---	---	---	---	---	---	---	---	---
<b>TOTAL LIABILITIES</b>	<b>283</b>	<b>1,887,167</b>	<b>25,200</b>	<b>14,421</b>	<b>117,951</b>	<b>117,951</b>	<b>6,866,754</b>	<b>7,128,451</b>	<b>---</b>	<b>1,542</b>	<b>63,892,727</b>	<b>60,359,972</b>
<b>RESERVE AND FUND BALANCE/RETAINED EARNINGS</b>												
Continuing Appropriations	49,651	27,693	30,368	121,143	---	---	---	---	---	---	---	---
Reserve for Matured Bonds Payable	---	---	---	---	---	---	---	---	---	---	---	---
Reserve for Matured Interest Payable	---	---	---	---	---	---	---	---	---	---	---	---
Reserve for Investment in Street Lighting and Closing Certificates	112	95	---	---	---	---	---	---	---	---	---	---
Reserve for Receivables	687,341	817,148	399,988	310,926	---	---	---	---	---	---	---	---
Reserve for Taxes Receivable-Delinquent and Impounded	537,918	1,027,118	414,238	810,428	85,215	---	---	---	---	---	---	---
Reserve for Encumbrances	3,867,295	2,225,978	1,036,726	750,100	---	---	---	---	---	---	---	---
Reserve for Working Capital Advances and Deposits	4,976,139	5,180,817	---	---	---	---	---	---	---	---	---	---
Reserve for Employees' Retirement System	---	---	---	---	---	---	---	---	---	---	---	---
Reserve for Undistributed Earnings	---	---	---	---	---	---	---	---	---	---	---	---
Contributions in Aid of Construction	---	---	---	---	---	---	---	---	---	---	---	---
Investment in General Fixed Assets	---	---	---	---	---	---	---	---	---	---	---	---
Fund Balance/Retained Earnings	3,369,492	5,005,815	4,214,192	2,919,758	674,401	733,008	(55,824)	452,970	-7,107,173	9,529,298	9,438,124	12,615,015
<b>TOTAL RESERVE AND FUND BALANCE/RETAINED EARNINGS AND FUND BALANCE/RETAINED EARNINGS</b>	<b>13,487,948</b>	<b>14,284,684</b>	<b>6,095,512</b>	<b>4,912,355</b>	<b>961,567</b>	<b>1,034,533</b>	<b>6,202</b>	<b>464,102</b>	<b>221,395,049</b>	<b>247,759,507</b>	<b>284,704,527</b>	<b>282,817,379</b>

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## STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 1975

<b>DIRECT BONDED DEBT</b>		
Outstanding General Obligation Bonds for:		
Water Purposes .....	\$ 2,625,000	
Harbor Purposes .....	4,050,000	
General City Purposes .....	40,943,000	\$ 47,618,000
Outstanding Revenue Bonds for:		
Water Purposes .....	\$ 5,660,000	
Sewer Purposes .....	48,750,000	54,410,000
<b>TOTAL GROSS DIRECT BONDED DEBT .....</b>		<b>\$102,028,000</b>
Less: Amounts Available for Debt Service:		
General Obligation Bonds:		
Harbor Purposes .....	\$ 277,963	
General City - Wild Animal Park .....	424,705	
General City - Other .....	50,340	\$ 753,008
Revenue Bonds:		
Water Purposes .....	\$ 40,263	
Sewer Purposes .....	3,916,587	3,956,850
Total Available for Debt Service .....		4,709,858
<b>NET DIRECT BONDED DEBT .....</b>		<b>\$ 97,318,142</b>
<b>NET OVERLAPPING BONDED DEBT (City's Share Based on 1974-75 Assessed Valuation Ratio):</b>		
City of San Diego Penasquitos Sewer District (100%) .....	\$ 7,420,665	
County of San Diego (50% of \$4,571,603) .....	2,285,802	
San Diego Unified Port District (84.83% of \$34,270,000) .....	29,071,241	
San Diego Unified School District (99.60% of \$37,070,213) .....	36,921,932	
San Diego County Water Authority (58.13% of \$76,613,889) .....	44,535,654	
Metropolitan Water District of Southern California (6.80% of \$582,545,849) .....	39,613,118*	
Other School and Special Districts .....	24,978,231	
<b>NET OVERLAPPING BONDED DEBT .....</b>		<b>184,826,643</b>
<b>TOTAL DIRECT AND OVERLAPPING BONDED DEBT .....</b>		<b>\$282,144,785</b>
Less: Portion of Debt Supported by Water and Sewer Revenue, San Diego Unified Port District, and Zoological Society of San Diego:		
<b>Direct Debt:</b>		
City of San Diego General Obligation Water Bonds .....	\$ 2,625,000	
City of San Diego General Obligation Harbor Bonds .....	3,772,037	
City of San Diego General Obligation Wild Animal Park Bonds .....	5,155,295	
City of San Diego Water Revenue Bonds .....	5,619,737	
City of San Diego Sewer Revenue Bonds .....	44,833,413	
Total Direct Debt .....	\$ 62,005,482	
<b>Overlapping Debt:</b>		
Metropolitan Water District of Southern California .....	\$ 39,613,118	
City's Share of Metropolitan Water District of Southern California Annexation Charges Paid Direct to the District .....	6,233,039*	
Total Overlapping Debt .....	\$ 45,846,157	
<b>TOTAL BONDED DEBT SUPPORTED BY OTHER THAN PROPERTY TAX .....</b>		<b>107,851,639</b>
<b>NET DIRECT AND OVERLAPPING BONDED DEBT .....</b>		<b>\$174,293,146</b>
<b>NET DIRECT AND OVERLAPPING BONDED DEBT PER CAPITA .....</b>		<b>\$ 225.48</b>

\* The City's share of Metropolitan Water District of Southern California annexation charges, which is included in the \$44,535,654 overlapping debt of the San Diego County Water Authority, is paid directly to the Metropolitan Water District by the City from water revenue.

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TABLE 5

CITY OF SAN DIEGO

Property Tax Supported Funds

Estimated Cash Flow

1976-77	Receipts	Disbursements	Projected Cash Balances
Balance Forward			\$ 6,862,621
July 1 - July 29, 1976	\$4,779,001	\$ 11,802,022	(160,400)
July 30 - Aug. 26, 1976	7,828,618	10,880,674	(3,212,456)
Aug. 27 - Sept. 23, 1976	10,465,622	10,141,632	(2,888,466)
Sept. 24 - Oct. 21, 1976	8,755,258	9,969,735	(4,102,943)
Oct. 22 - Nov. 18, 1976	8,835,342	9,521,545	(4,789,146)
Nov. 19 - Dec. 16, 1976	9,523,209	10,529,900	(5,795,837)
Dec. 17, 1976 - Jan. 13, 1977	22,335,648	10,390,983	6,148,828
Jan. 14 - Feb. 10, 1977	9,160,980	11,110,248	4,199,560
Feb. 11 - March 10, 1977	9,020,560	9,995,705	3,224,415
March 11 - April 7, 1977	6,315,962	9,917,835	(377,458)
April 8 - May 5, 1977	19,252,501	10,947,702	7,927,341
May 6 - June 2, 1977	10,802,342	10,890,886	7,838,797
June 3 - June 30, 1977	6,155,190	10,459,261	3,524,726

216429

TABLE 6

JUL 14 1976

Passed and adopted by the Council of The City of San Diego on \_\_\_\_\_,  
by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lee Hubbard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Gade	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jess D. Haro	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON

Mayor of The City of San Diego, California.

(Seal)

EDWARD NIELSEN

City Clerk of The City of San Diego, California.

By *Laverne E. Miller*, Deputy.

*LB*  
RECEIVED  
CITY CLERK'S OFFICE  
1976 JUL 13 AM 10:30  
SAN DIEGO, CALIF.

Office of the City Clerk, San Diego, California

Resolution Number **216429** Adopted **JUL 14 1976**