

ORDINANCE NUMBER O- 18651 (NEW SERIES)

ADOPTED ON JUN 1 0 1999

AN ORDINANCE AMENDING ORDINANCE NO. O-18551 (NEW SERIES), AS AMENDED, ENTITLED "AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 1998-99 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR SAID FISCAL YEAR" BY AMENDING DOCUMENT NO. OO-18551, AS AMENDED AND ADOPTED THEREIN, BY AUTHORIZING CERTAIN YEAR-END BUDGET ADJUSTMENTS INCLUDING MAKING ADDITIONAL APPROPRIATIONS AND TRANSFERS THAT MAY BE NECESSARY TO BALANCE FUND CARRYOVERS AND EXPENDITURES/APPROPRIATIONS FOR FISCAL YEAR 1999.

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

Section 1. That Ordinance No. O-18551 (New Series), as amended, entitled "AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 1998-99 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR SAID FISCAL YEAR," be and the same is hereby amended by amending Document No. OO-18551, as amended and adopted therein to authorize certain year-end budget adjustments including making additional appropriations and transfers that may be necessary to balance fund carryovers and expenditures/appropriations for fiscal year 1999, as specified in City Manager's Report No. 99-117, attached hereto as Exhibit A.

Section 2. That the City Auditor and Comptroller is hereby authorized to complete the transfers, appropriation increases, and other financial transactions specified in City Manager's Report No. 99-117.

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 4. This ordinance shall take effect and be in force immediately upon its adoption after two public hearings, pursuant to the authority contained in Sections 16, 17 and 71 of the Charter of The City of San Diego.

APPROVED: CASEY GWINN, City Attorney

By Stuart H. Swett
Stuart H. Swett
Deputy City Attorney

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THE CITY OF SAN DIEGO

MANAGER'S REPORT

DATE ISSUED: June 4, 1999 **REPORT NO.** 99-117

ATTENTION: Honorable Mayor and City Council
Docket of June 8, 1999

SUBJECT: Fiscal Year 1999 Year-End Financial Status and Budget
Adjustments

SUMMARY

Issues:

1. Should the City Council accept the Fiscal Year 1999 General Fund Financial Status Report?
2. Should the City Council authorize the City Auditor and Comptroller to:
 - a. transfer General Fund monies between departments to offset projected department deficits and to the Allocated Reserve to fund projects that will not be completed in the current fiscal year;
 - b. transfer monies within and between funds, increase budgets, add projects, and authorize expenditures for the purposes specified in this report;
 - c. increase the General Fund appropriations from revenues received in excess of estimates for certain departments projected to exceed their budgeted appropriation;
 - d. increase the General Fund appropriations from revenues received in excess of estimates in order to advance funds to the City Med/Blue Cross Fund
 - e. make any additional appropriation adjustments and fund transfers that may be necessary to reconcile revenues to expenditures?

Manager's Recommendations:

1. Accept the Fiscal Year 1999 General Fund Financial Status Report.
2. Authorize the City Auditor and Comptroller to complete the financial transactions listed in this report.

Other Recommendations: None

ATTACHMENT A

0-18651

Fiscal Impact: The total impact on the General Fund for transfers from appropriations in various departments to the Allocated Reserve is approximately \$1.4 million.

BACKGROUND

General Fund revenues and expenditures are monitored and analyzed throughout the fiscal year. This report, commonly referred to as the "Fourth Quarter Adjustment", is the final financial status report of the fiscal year provided to the Mayor and City Council. The primary purpose of the report is to identify the financial transactions needed to balance all funds prior to the conclusion of the fiscal year.

This Fourth Quarter Adjustment report is comprised of two sections - summary information regarding the financial status of the General Fund, and a listing of the financial transactions needed to appropriately balance all funds prior to the conclusion of the fiscal year. It is requested that the Mayor and City Council authorize the Auditor and Comptroller to complete the described transactions.

DISCUSSION

General Fund Year-End Financial Status

MAJOR REVENUE SOURCES (in millions)		
FISCAL YEAR 1999		
REVENUE SOURCE	BUDGET	YEAR END PROJECTION
Property Tax	\$128.9	\$130.7
Sales Tax	\$151.8	\$151.8
Transient Occupancy Tax	\$89.1	\$91.8
Motor Vehicle License Fees	\$48.2	\$52.7

Revenue activity throughout Fiscal Year 1999 continues to reflect a strong economy. The major General Fund revenue sources, including property tax, sales tax, transient occupancy tax, and motor vehicle license fees, comprise 61% of the total General Fund budget. All of these major sources are exhibiting increases over

prior year receipts. These excess revenues offset other revenues which fell short of budget estimates and also contribute to the anticipated revenue carryover expected at year-end for purposes of financing the Fiscal Year 2000 Budget. Final receipts are still to be received for most revenue sources, and may affect the final growth rates and total revenues received for Fiscal Year 1999.

Fourth Quarter Adjustments

A. *Reallocation of Departmental Appropriations (General Fund)*

As indicated in previous City Manager Reports, Fire and Life Safety Services is projected to exceed their budget in the personnel and non-personnel expense categories, primarily due to overtime expenditures. Environmental Services is projected to exceed their budget in the non-personnel expense category due to the anticipated disposal of refuse tonnage exceeding budgeted levels. The overexpenditures in these departments will be funded with revenues received in excess of budgeted projections.

Fiscal Year 1999	
FOURTH QUARTER ADJUSTMENT	
Expenditures	
Fire and Life Safety Services	\$ (3.4) million
Environmental Services	\$ (2.4) million
TOTAL	\$ (5.8) million
Revenues	
Property Tax	\$ 1.5 million
Property Transfer Tax	\$ 1.4 million
Interest	\$ 2.0 million
Motor Vehicle License Fees	\$ 0.9 million
TOTAL	\$ 5.8 million

With regard to departmental revenue and appropriation savings, Park and Recreation is projected to have a net savings of approximately \$1.4 million, which is primarily due to the delay in opening several new facilities. The new facilities whose openings were delayed include the Balboa Park Activity Center, Kumeyaay Campground, Carmel Valley Community Recreation Center and Pool, Mira Mesa Hourglass Pool, Scripps Ranch Recreation Center, Challenger Junior High Joint Use Area, and Lopez Ridge Neighborhood Park. Other savings in Park and Recreation resulted from vacancies in positions due to reclassifications, evaluations for rehabilitation employees, recruitment problems and difficulty in filling the Grounds Maintenance Worker classification.

Transfers to the Allocated Reserve (General Fund)

There are a number of General Fund projects in progress that cannot be completed during the current fiscal year. The departments responsible for these projects have asked that funds budgeted in the current fiscal year be transferred to the Allocated Reserve to provide for the anticipated expenditure of these funds in Fiscal Year 2000. It is requested that the Mayor and City Council authorize the Auditor and Comptroller to transfer these budgeted funds to the Allocated Reserve contingent upon sufficient appropriation savings being available at the conclusion of the Fiscal Year. The specific projects are as follows:

- *City Clerk (\$15,000)*
Replacement of the LEGIS automated information system
- *Information Technology & Communications – Communications Division (\$5,200)*
Wireless Engineering Services Contract
- *Real Estate Assets – Facilities Maintenance Division (\$949,957)*
Development Services Center Elevator Modernization (\$374,957)
Improvements and Repairs to Park and Recreation Facilities
– Metro Parks (\$375,000)
Improvements and Repairs to Park and Recreation Facilities
– Inland Parks (\$200,000)
- *Park and Recreation (\$181,900)*
Boating and Waterways Matching Grant – (\$10,000)
Repair of Bud Kearns Swimming Pool – (\$150,000)
Repair of Willie Henderson Sports Complex Multi-Purpose Court (\$21,900)
- *Citywide Program Expenditures – Equal Opportunity Investigative Unit (\$239,000)*
Implementation of the Equal Opportunity Investigative Unit

B. City Med/Blue Cross Fund

- Authorize the Auditor and Comptroller to appropriate \$1.9 million to advance to the City Med/Blue Cross Fund from appropriate contributing funds.

C. Gas Tax Fund

- Authorize the City Auditor and Comptroller to appropriate Gas Tax Fund balances as may be required to advance funds related to the TransNet Fund projects in order to reduce the use of TransNet short term debt issuances.

- Authorize the City Auditor and Comptroller to appropriate and expend up to the following amounts as may be available from the Gas Tax Fund:
 - Cash Management Project Administration
\$200,000
 - Street Division Operating Fund up to \$2,765,138 for the following services:
 - Asphalt Paving
 - Slurry Seal
 - Pedestrian Ramps
 - Other Roadway Improvements

D. Carryover of Non-General Funds Budgeted in Fiscal Year 1999

- *Water (\$500,000)*

Authorize the Auditor and Comptroller to carry over up to \$500,000 budgeted in Fiscal Year 1999 Water Fund (41500) for Data Processing costs which include: \$85,000 for Employee Roster; \$245,000 for BEACH (Electrical, Facility Relationships and Addresses); \$50,000 for TRIM Scanner; \$50,000 for Meter Reading Upgrade, and \$70,000 for Records Management projects.


- *Arts and Culture (\$78,224)*

Transfer of funds to Grant Matching Fund

CONCLUSION

San Diego's economic recovery has led to increased revenue receipts during the current fiscal year. Additionally, the majority of City departments have provided services within their established budgets. These factors have limited the number of Fourth Quarter Adjustments required for Fiscal Year 1999, and enabled the City to utilize current year funds to help finance the Fiscal Year 2000 Budget.

Respectfully submitted,



MICHAEL T. UBERUAGA
City Manager

