

ORDINANCE NUMBER O- 19976 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 26 2010

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR  
THE FISCAL YEAR 2011 AND APPROPRIATING THE  
NECESSARY MONEY TO OPERATE THE CITY OF  
SAN DIEGO FOR SAID FISCAL YEAR.

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

**SECTION 1.** The budget for the expense of conducting the affairs of the City of San Diego for the Fiscal Year commencing July 1, 2010, and ending June 30, 2011 (Fiscal Year), heretofore prepared and submitted to this City Council by the Mayor and amended through the Mayor's Revision submitted May 14, 2010, by recommendations from the Office of the Independent Budget Analyst, and by changes from the City Council, all of which was approved by Council on June 14, 2010, and on file in the Office of the City Clerk as Resolution No. R-305886 and the Mayor's veto and subsequent override of said veto by the Council on June 29, 2010, is hereby adopted as the Annual Budget for said Fiscal Year.

**SECTION 2.** There is hereby appropriated for expenditure out of the funds of said City for municipal purposes the amounts set forth in Attachment I and in the approved Capital Improvements Program Budget, which defines the legal levels at which the Chief Financial Officer (CFO), as designee of the Mayor, shall control operational and capital project spending.

**I. GENERAL FUND**

(A) The CFO is authorized and directed to deposit any revenues in excess of expenditures at Fiscal Year end to the General Fund Unappropriated Reserve.

(B) The CFO is authorized and directed to increase expenditure appropriations of the General Fund Appropriated Reserve from revenue in excess of expenditures at Fiscal Year end

and/or the General Fund Unappropriated Reserve for the purpose of achieving the 5% minimum General Fund Emergency Reserve balance at year end, as defined in the City's Reserve Policy.

(C) The CFO is authorized, upon adopted City Council resolution, to transfer appropriations from the General Fund Appropriated Reserve to other General Fund departments.

(D) The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.

(E) The provisions in the Library Ordinance, San Diego Municipal Code section 22.0228, restricting funding are hereby waived.

(F) The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.

(G) The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved economic development, business incentive and other programs that include the Business and Industry Incentive Program (Council Policy 900-12), the Housing Impact Fee Waiver-Enterprise Zones Program (Council Policy 900-12), the Small Business Enhancement Program (Council Policy 900-15), the Storefront Improvement Program (Council Policy 900-17), the Community Parking District Policy (Council Policy 100-18), and Mission Bay and Other Regional Park Improvements (San Diego Charter section 55.2b).

(H) The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.

## II. SPECIAL REVENUE FUNDS

### (A) Transient Occupancy Tax Fund (200205)

(1) The provisions in San Diego Municipal Code section 35.0128(a) restricting the use of Transient Occupancy Tax revenues are hereby waived.

(2) The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the City Council hereby waives certain provisions of Council Policy 100-03, see Attachment II, for the entities set forth below:

Horton Plaza Theatres Foundation

B-1, B-2, and B-4

(3) The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations authorized by City Council for Fiscal Year 2011. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

### (B) Environmental Growth Funds (200110, 200111, 200109)

(1) It is the intent of the City Council that the Environmental Growth Fund(s) appropriations are to be expended for those purposes described in Charter section 103.1a. The provisions in the San Diego Municipal Code Section 63.30, as amended by Ordinance No. O-19159 dated March 17, 2003, are hereby waived.

(2) Any monies deposited in the Environmental Growth Fund(s) in excess of estimated revenue as described in Charter section 103.1a and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by City Council resolution. The City Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional monies to the

Environmental Growth Fund from sources other than those enumerated in Charter section 103.1a. In that event, those additional monies shall not be subject to any fractional allocation but shall be used solely and exclusively for the program purpose designated by City Council.

**(C) Maintenance Assessment District Funds**

(1) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District Funds excess revenue or reserves to increase the appropriations to reimburse the Maintenance Assessment District Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.

(2) The CFO is authorized to appropriate any monies deposited in the Maintenance Assessment District Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which said Fund(s) was created.

**(D) Zoological Exhibits Fund (Fund No. 200219)**

The CFO is authorized to appropriate and expend unanticipated revenues or fund balance for the purpose of transferring funds to support zoological exhibits in accordance with Charter section 77A.

**(E) Utilities Undergrounding Program Fund (Fund No. 200217)**

The CFO is authorized to reallocate appropriations among the Utilities Undergrounding Program Fund's capital improvement project (AID00001) and the annual operating budget for costs associated with San Diego Gas and Electric provided that such reallocation does not increase or decrease the total Utilities Undergrounding Program Fund appropriations.

### III. DEBT SERVICE FUNDS

#### **General Obligation Bond Interest and Redemption Fund (Fund No. 300000)**

There is hereby appropriated the current year's proceeds from the tax levy as required to pay debt service on the issuance of \$25.5 million aggregate principal amount of General Obligation bonds authorized in an election held on June 5, 1990, by a favorable vote of more than two-thirds of all the voters voting on the proposition.

### IV. CAPITAL PROJECTS FUNDS

(A) Any additions to or deletions from the Capital Improvements Program, as may be required, shall be made by City Council resolution provided funding is available for such action. The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the Capital Improvements Program.

(B) The CFO is authorized to close completed Capital Improvements Program projects and transfer unexpended balances to the appropriate Unallocated Reserve, Annual Allocation or Fund Balances as a result of the closure.

(C) Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Unallocated Reserves, Annual Allocations, earned interest or Unappropriated Fund Balances to Capital Improvements Program projects to support remaining project costs in excess of approved appropriations in order to complete and close the project.

(D) The CFO is authorized to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and engineering costs of projects included in the long-range Capital Improvements Program Budget. Such advances shall be reimbursed to the respective Fund upon appropriation. In addition, the CFO is authorized and directed to advance funds as

required for grant funded projects based on earned grant revenue receivable. Advances will be returned upon the payment of the grant receivable.

(E) The CFO is authorized to reallocate revenue sources between Capital Improvements Program projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.

**(F) Facilities Benefit Assessment Funds and Development Impact Fee Funds (Fund Nos. 400080-400095, 400111-400136, 400097-400110)**

(1) The CFO is authorized to modify individual project appropriations in accordance with City Council-approved Community Public Facilities Financing Plans provided funding is available for such action.

(2) The CFO is authorized to reallocate Development Impact Fee Funds (DIF) funded appropriations between City Council-approved projects to expedite the use of DIF funds in accordance with AB1600 requirements.

(3) The CFO is authorized to appropriate DIF funds for the purpose of transferring monies to the Redevelopment Agency of the City of San Diego (Agency) for reimbursable capital project expenditures as authorized by City Council Resolution No. R-300013 dated December 7, 2004 and the Redevelopment Agency Resolution No. R-03862. The transfers will be limited to availability of funds within DIF funds and to projects identified in the Centre City Public Facilities Financing Plan.

(4) The CFO is authorized to appropriate in the Facilities Benefit Assessment Funds (FBA) and DIF funds a sufficient and necessary amount to reimburse the administrative costs incurred by other City funds.

**(G) Infrastructure Improvement Funds (400680-400688)**

(1) Any carryover monies from the previous fiscal year in the Infrastructure Improvement Funds are hereby appropriated for the purpose of financing capital improvements and major maintenance of streetlights, sidewalks, traffic signals, libraries, parks and recreation facilities, and roadways, or any other general fund purposes or activities as identified by the Mayor or individual City Council Districts.

(2) Funds from the Infrastructure Improvement Funds may be transferred and appropriated upon the direction of the Mayor for purposes identified by the Mayor for the Mayor's Infrastructure Improvement Fund (Fund No. 400680) or by the City Council Districts for the individual Council District's Infrastructure Improvement Funds. Any request by the Mayor or individual City Council Districts to use funds from the Infrastructure Improvement Funds for programs or activities of external organizations requires an additional Council resolution.

(3) The CFO is authorized to add and establish capital improvement projects not currently in the Capital Improvements Program for purposes identified by the Mayor for the Mayor's Infrastructure Improvement Fund (Fund No. 400680) or by the City Council Districts for the individual Council District's Infrastructure Improvement Funds. The CFO is authorized to transfer any Infrastructure Improvement Funds deemed to be surplus in a project to the individual Infrastructure Improvement Fund.

**V. ENTERPRISE FUNDS**

(A) All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.

(B) Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The CFO is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City's Reserve Policy.

**(C) Water Utility Operating Fund (Fund No. 700011) and Metropolitan Sewer Utility Funds (Fund Nos. 700000 and 700001)**

(1) The CFO may reallocate appropriations and associated encumbrances from any City Council approved budgeted project in the Capital Improvement Program to the Fund's annual operating budget for costs associated with extended environmental monitoring for re-vegetation. Such reallocation shall decrease the total appropriation and encumbrance for the project and increase the appropriation and encumbrance in the annual operating budget by an equal amount provided that the reallocation is no greater than 5% of the Capital Project Budget.

(2) The CFO is authorized to increase expenditure appropriations for the purpose of implementing the Metropolitan Wastewater Department and Water Department Memorandum of Understanding for Bid to Goal Public Contract Operations Agreements.

**VI. INTERNAL SERVICE FUNDS**

(A) The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to appropriate contributing funds or between employee benefit-related internal service funds.

**(B) Equipment Operating Fund (Fund No. 720000) and Equipment Replacement Funds**

The CFO is hereby authorized to redistribute contributions among the Equipment Operating and Equipment Replacement Internal Service Funds or to advance funds between these internal service funds.



**(C) Central Stores Fund (Fund No. 720040), Publishing Services Fund (Fund No. 720041), Equipment Operating Fund (Fund No. 720000), Equipment Replacement Funds, and Risk Management Administration Fund (Fund No. 720048)**

The CFO is hereby authorized to appropriate expenditures from unanticipated revenues for the purpose of allowing for the uninterrupted provision of services.

**VII. TRUST AND AGENCY FUNDS**

These Funds are established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example, federal and state income taxes withheld from employees, 401(k) and deferred compensation plans, parking citation revenues, and employee benefit plans. The CFO is authorized and directed to establish the appropriate agency funds and to deposit and disburse funds in accordance with the respective agency relationships.

**VIII. GRANT FUNDS**

(A) Any appropriation of grant funds shall be made by City Council resolution and in accordance with the grant agreement.

**(B) Community Development Block Grant Funds**

(1) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG Funds on June 30, 2011, shall be carried forward to future years for the purpose of completing said authorized activities in accordance with Council Policy 700-02 which includes the requirements to use funds within three years of allocation.

(2) The CFO is authorized, upon the direction of the respective City Council District, to allocate the Council District's reserves or reallocate appropriations from budgeted projects later determined ineligible to new or existing CDBG eligible projects.

(3) The CFO is authorized to transfer a maximum of \$100,000 per capital project from fund reserves or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

**SECTION 3.** The Mayor is hereby authorized to execute appropriate initial and continuing contracts and agreements for the conduct of activities associated with the allocations authorized by City Council and in accordance with provisions of grant agreements.

**SECTION 4.** The CFO is authorized and directed to make inter-fund loans, including interest at the City's pooled rate of return, between funds to cover cash needs. These loans may, if appropriate, extend beyond the current Fiscal Year.

**SECTION 5.** All interest earnings generated by any fund which has been established pursuant to a legal or contractual requirement, externally imposed restriction, or by enabling legislation (including, but not limited to, the Appropriation Ordinance) shall remain in said fund solely for the purpose the fund was intended.

**SECTION 6.** All Funds, not otherwise contained herein, established by the City Council in previous fiscal years or during the current fiscal year, are appropriated for the purposes established by applicable laws and/or in accordance with provisions of agreements authorized by Council and for projects contained in the Council-approved Capital Improvements Program or authorized by Council resolution. The CFO is authorized and directed to appropriate and expend monies within the funds for services provided by those funds. The CFO is authorized and directed to return any

surplus monies to the contributing funds or, when the contributing funds cannot be legally determined, to the General Fund.

**SECTION 7.** The CFO is authorized and directed to transfer current and/or prior years' surplus monies within the Flexible Benefit/Management Benefit Programs' reimbursement funds after fiscal year end. Any remaining surplus monies (excluding flexible spending accounts) in the reimbursement funds may be transferred by the CFO to the Risk Management Administration Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus/reserves within other employee benefit funds or to reallocate these monies to other fringe benefit funds.

**SECTION 8.** The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

The CFO may transfer funds to related City entities in accordance with the Annual Budget Document and appropriate funding source rules and regulations.

**SECTION 9.** The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

**SECTION 10.** All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission Bay Park and Ocean Beach Park as required by agreements with the State of California. Unanticipated

revenues are hereby appropriated for said purposes and may be expended only by Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

All revenues generated by sovereign trust lands granted by the State of California to the City pursuant to California Public Resources Code section 6306 are hereby appropriated for purposes consistent with the Public Trust.

**SECTION 11.** All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue are hereby transferred by the CFO to legally established reserve fund(s) or account(s). However, in no event shall the total appropriations of all tax revenues as defined by article XIII B of the California Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is \$2,756,277,473 a portion of which will be derived from proceeds of taxes as defined within article XIII B of the California Constitution.

It is the intent of this ordinance to comply with article XIII B of the California Constitution.

**SECTION 12.** The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year 2011 Tax Rate Ordinance as approved by Council. Further, the CFO is directed to modify the Annual Budget Document in accordance with the Tax Rate Ordinance.

**SECTION 13.** The CFO is authorized and directed to close obsolete or inactive funds; residual balances of such funds shall be returned to their source or, if the source cannot be determined, to the General Fund Unappropriated Reserve. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

**SECTION 14.** The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there is a

shortfall in projected revenues, there are sufficient revenues to cover the remaining appropriations; provided that in the case that projected revenue estimates are met, the restricted funds may be released.

**SECTION 15.** It is the express intent of the City Council that, notwithstanding anything to the contrary herein, any economic benefit, savings, or effect of this ordinance shall not be used, directly or indirectly, to fund, support in any way, or ratify any employment or retirement benefit determined to be illegal by a court of law.

**SECTION 16.** The powers of the City Council not delegated to the Mayor and CFO, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

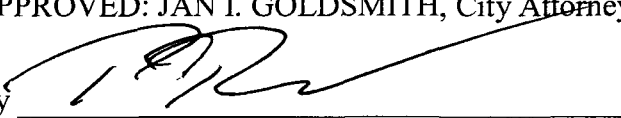
**SECTION 17.** That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

**SECTION 18.** This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

**SECTION 19.** The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Paul F. Prather  
Deputy City Attorney

PFJ:jab  
07/06/10  
07/15/10 COR. COPY  
07/26/10 REV.  
Or.Dept: Mayor  
Attachments