

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO				CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)	
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): Financial Management		DATE: 6/6/2016	
SUBJECT: Approve the Fiscal Year 2017 Appropriation Ordinance.					
PRIMARY CONTACT (NAME, PHONE): Matthew Vespi, 619-236-6882			SECONDARY CONTACT (NAME, PHONE): Adrian Del Rio, 619-235-5717		
COMPLETE FOR ACCOUNTING PURPOSES					
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE):					
ROUTING AND APPROVALS					
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	
Liaison Office		ORIG DEPT.	Vespi, Matthew	06/08/2016	
		CFO			
		DEPUTY CHIEF	Lewis, Mary	06/14/2016	
		COO			
		CITY ATTORNEY			
		COUNCIL PRESIDENTS OFFICE			
PREPARATION OF:	<input type="checkbox"/> RESOLUTIONS	<input type="checkbox"/> ORDINANCE(S)	<input type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)	
STAFF RECOMMENDATIONS: Approve the requested action.					
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)					
COUNCIL DISTRICT(S):	All				
COMMUNITY AREA(S):	N/A				
ENVIRONMENTAL IMPACT:	This activity is not a "project" and is therefore not a subject to CEQA pursuant to State CEQA Guidelines Section 15060 (c)(3).				

CITY CLERK
INSTRUCTIONS:

Please send a signed stamped copy to Tracy McCraner, Matthew Vespi, and Adrian Del Rio, MS 8A and to CFO Mary Lewis.

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 6/6/2016

ORIGINATING DEPARTMENT: Financial Management

SUBJECT: Approve the Fiscal Year 2017 Appropriation Ordinance.

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Matthew Vespi/619-236-6882

DESCRIPTIVE SUMMARY OF ITEM:

The Appropriation Ordinance defines the legal levels at which the Mayor and Chief Financial Officer (CFO) are allowed to control operational and capital expenditures. Pursuant to Section 71 of the Charter of the City of San Diego, the Appropriation Ordinance shall be adopted during the month of July for Operating and Capital Improvement Program (CIP) budgets. Authorities are requested to allow for the financial transactions required to conduct the affairs of the City of San Diego throughout Fiscal Year 2017.

STAFF RECOMMENDATION:

Approve the requested action.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The Fiscal Year 2017 Appropriation Ordinance (AO) appropriates the Fiscal Year 2017 Adopted Budget.

On June 14, 2016, the Fiscal Year 2017 Adopted Budget was approved via Resolution No. R-310506. On June 15, 2016, the proposed AO language and AO strikeout was released (without attachments). On June 22, 2016, it is anticipated that the Budget and Government Efficiency Committee (B&GE) will hold a hearing on the proposed AO language and AO strikeout (without attachments). Subsequent to anticipated Committee action, the proposed AO (with attachments) will be available and appended to this item. On July 11, 2016, City Council is scheduled to review the proposed AO (with attachments) and adopt the Fiscal Year 2017 Budget.

As compared to prior fiscal years, the process for approving the FY 2017 AO is anticipated to occur earlier. The reason for this streamlining is to provide the authority to appropriate and expend the Capital Improvements Program budget sooner. As a result of the accelerated timeline, only the AO language will be available to be presented to the B&GE Committee. While, AO attachments: (I) Operating and CIP Appropriations, (II) Excerpt from Council Policy 100-03, (III) Fiscal Year 2017 Underfunded CIP Projects, and (IV) CIP Park District Funds will be available by June 28, 2016, in time for City Council's review of the proposed AO.

To provide additional context, the AO also includes: (1) the Change Letter detailing adjustments to the Mayor's Proposed Budget, (2) the FY 2017 Budget Resolution R-310506, and (3) the AO strikeout showing changes to the FY 2016 AO. Items (1) and (2) will be available by June 28, 2016, along with the other previously mentioned AO Attachments.

SUMMARY OF CHANGES:

The following section summarizes the recommended changes made to the Fiscal Year 2016 Appropriation Ordinance and additional authorities requested in the Fiscal Year 2017 Appropriation Ordinance. AO changes are categorized as either I. Streamline & Efficiencies, II. Authority no longer needed, or III. Technical adjustments.

I. Streamline & Efficiencies

1. Section 2.C.7. Development Impact Fee Community Funds and Developer Contributions-CIP.

This change supports CIP streamlining improvements and development of cash management processes. This change removes references to “Facilities Benefit Assessment (FBA)” per Ordinances O-20626 and O-20627 adopted in April 2016. Additionally, this change adds authority to appropriate Developer Contributions Fund (Fund No. 200636) in accordance with Council-approval. Currently, CIP projects may be delayed while awaiting appropriation of funds from developer contributions.

2. Section 2.C.11 Technically Complete (TECO)

This change supports CIP streamlining improvements and development of cash management processes. This change revises language to include unexpended capital bonds fund appropriations from “TECO” (i.e. technically complete) projects to existing CFO authority. Currently, the CFO has authority “to transfer unexpended capital bond fund appropriations from completed and closed CIP projects to an Annual Allocation for the same asset type (e.g., facilities, streets or storm drains) in order to expedite the expenditure of capital bond funds.”

3. Section 8. Lease Revenue Proceeds

This change adds language that authorizes the CFO to appropriate additional revenue and expenditures based on capital lease agreements approved by City Council. Currently, there may be an inability to expend against Council-approved capital lease agreements (that span multiple fiscal years) since budget (appropriations) may be understated due to challenges in forecasting the delivery of the project and equipment (i.e. vehicles) at the time of budget development. In effect, this authority will ensure there are no delays in the ordering and receipt of essential equipment (i.e. vehicles) funded through capital leases. This additional authority is consistent with updates to the Budget Policy approved by City Council on June 14, 2016.

II. Authority no longer needed

4. Section 2.D.3 Water Funds, paragraphs (b) & (c)

This change removes paragraphs (b) and (c) because they no longer apply. As referenced in 2.D.3.(b), the Bid to Goal Public Contract Operations program has been completed, as such, the authority to transfer from fund balance to increase appropriations for the program is no longer needed. As referenced in 2.D.3.(c), CIP appropriations and associated fund balances have been transferred to CIP funds. This change updates the AO to no longer include non-applicable language.

5. Section 2.E.3. Appropriating Expenditures from Unanticipated Revenues

This change removes Engineering and Capital Projects Fund (Fund 720057) from the list of internal service funds. The Engineering and Capital Projects Fund is no longer an internal service. This change updates the AO to no longer include non-applicable language.

III. Technical adjustments.

6. 2.A.9. Successor Agency

This change revises the language to reference the City of San Diego as the designated successor agency to the former Redevelopment Agency (RDA). Currently, the language inaccurately references Civic San Diego as the designated successor agency to the former RDA. This language clarifies existing authority.

7. 2.C.8. Regional Park Improvements Fund

This change reflects the updated CIP Project table (allocation) for Fiscal Year 2017 for Capital Improvements in San Diego Regional Parks, as recommended and prioritized by the San Diego Regional Park Improvement Fund Oversight Committee, pursuant to Charter section 55.2.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):Goal#3: Create and sustain a resilient and economically prosperous City.

Objective#1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability.

FISCAL CONSIDERATIONS: The Fiscal Year 2017 Appropriation Ordinance appropriates the Fiscal Year 2017 Adopted Budget.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): Not applicable.

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): It is anticipated that the Budget and Government Efficiency Committee will take action on this item on June 22, 2016. It is further anticipated that the item will then be heard by the City Council on July 11, 2016.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Vespi, Matthew
Originating Department

Lewis, Mary
Deputy Chief/Chief Operating Officer

ORDINANCE NUMBER O- _____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2017 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR FISCAL YEAR 2017.

WHEREAS, San Diego City Charter (Charter) section 71 requires that the form, arrangement and itemization of the Appropriation Ordinance be determined and prescribed by the Chief Financial Officer and the City Attorney; and

WHEREAS, in accordance with Charter section 290, the annual Salary Ordinance and the adopted budget are controlling documents for the preparation of the Appropriation Ordinance; and

WHEREAS, on April 24, 2016 Ordinance No. 20642, the Salary Ordinance, was approved by the City Council in accordance with Charter section 290; and

WHEREAS, on June 14, 2016, the Mayor approved R-310506 (Budget Resolution), adopting the Fiscal Year 2017 Budget; NOW, THEREFORE,

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

Section 1. The budget for the expense of conducting the affairs of the City of San Diego (City) for the fiscal year commencing July 1, 2016, and ending June 30, 2017 (Fiscal Year), heretofore prepared and submitted to this City Council by the Mayor is hereby adopted as the Annual Budget for the Fiscal Year.

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

A. GENERAL FUND

1. The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.
2. The provisions in the Library Ordinance, San Diego Municipal Code section 22.0228, restricting funding are hereby waived.
3. The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.
4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Charter or City Council Policy approved programs:
 - Business and Industry Incentive Program (Council Policy 900-12)
 - Small Business Enhancement Program (Council Policy 900-15)
 - Storefront Improvement Program (Council Policy 900-17), and
 - Mission Bay and Other Regional Park Improvements (San Diego Charter section 55.2b).
5. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved Community Parking District Policy (Council Policy 100-18).
The CFO is authorized to transfer funds from Community Parking District Funds to the General Fund, and to appropriate and expend those funds for the purpose of implementing City Council approved Community Parking

District Plans in accordance with the Community Parking District Policy (Council Policy 100-18).

6. The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.
7. City Council Community Projects, Programs and Services
 - (a) The City Council Community Projects, Programs and Services funds shall be administered in accordance with Council Policy 100-06.
 - (b) Upon written direction from the City Councilmember, the CFO is authorized to transfer and appropriate funds from that Councilmember's Community Projects, Programs and Services account to other General Fund departments, Non General Funds, and/or existing capital improvement projects to implement the project, program, or service identified by the Councilmember.
 - (c) Upon written direction from the City Councilmember, the CFO is authorized to transfer excess non-personnel appropriations from the administration of that Councilmember's office to the Councilmember's Community Projects, Programs and Services account.
8. Upon written direction from the City Councilmember, the CFO is authorized to transfer funds from EDCO Community Fund (Fund No. 700042) to the General Fund and to appropriate and expend those funds

for the purpose that fund was created which is to enhance community activities (Park and Recreation and Library) in neighborhoods near the EDCO Transfer Station.

9. The CFO is authorized to modify revenue and expenditure appropriations for the purpose of transferring funds to Civic San Diego in accordance with any approved adjustments to the Fiscal Year 2017 Budget for the City of San Diego, solely in its capacity as the designated successor agency to the former Redevelopment Agency (Successor Agency).

B. SPECIAL REVENUE FUNDS

1. Transient Occupancy Tax Fund (Fund No. 200205)
 - (a) The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the City Council hereby waives certain provisions of Council Policy 100-03, *see* Attachment II, for the entities set forth below:

Horton Plaza Theatres Foundation	B-1, B-2, and B-4
CONNECT2Careers Program	B-I, B-2, B-3 and B-4
 - (b) The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations for Fiscal Year 2017. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

2. Public Art Fund (Fund No. 200002)
 - (a) The CFO is authorized to transfer, appropriate, and expend Arts, Culture, & Community Festivals funds between the Transient Occupancy Tax (TOT) Fund and the Public Art Fund, in accordance with the budget.
 - (b) The CFO is authorized to appropriate and expend unbudgeted revenues or fund balance in the Public Art Fund to support public art and civic enhancement-related programs, projects, administration costs and activities in accordance with San Diego Municipal Code section 26.0701.

3. Environmental Growth Funds (Funds Nos. 200110, 200111, 200109)
 - (a) It is the intent of the City Council that the Environmental Growth Fund(s) appropriations are to be expended for those purposes described in Charter section 103.1a. The provisions in the San Diego Municipal Code Section 63.30 as amended by Ordinance No. O-19159 dated March 17, 2003, are hereby waived.
 - (b) Any monies deposited in the Environmental Growth Fund(s) in excess of estimated revenue as described in Charter section 103.1a and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by City Council resolution. The City Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional

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

4. Maintenance Assessment District Funds

- (a) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District (MAD) Funds excess revenue or reserves to increase the appropriations to reimburse the MAD Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.
- (b) The CFO is authorized to appropriate and expend any monies deposited in the MAD Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which each Fund(s) was created.
- (c) The CFO is authorized to transfer Capital Improvements Program (CIP) appropriations and any remaining fund balances from the MAD Capital Projects Funds to the appropriate MAD Funds, where the reallocation does not change the CIP project budget nor the funding source, and close the MAD Capital Projects Funds.

MAD	CIP Fund No.	MAD Fund No.
Camino Santa Fe	200624	200081
Carmel Valley	200620	200033
El Cajon Boulevard	200050	200095
First SD River Improvement Project	200054	200053

Genesee/No. Torrey Pines Road	200623	200068
North Park	200064	200063
Penasquitos East	200628	200039
Rancho Bernardo	200622	200038
Talmadge	200077	200076

5. Zoological Exhibits Fund (Fund No. 200219)

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

6. Utilities Undergrounding Program Fund (Fund No. 200217)

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

7. Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306)

The CFO is authorized to adjust operating appropriations in the Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306) at the end of the fiscal year based on actual revenues received and/or available fund balance.

C. CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENTS PROGRAM

1. The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the CIP.

2. The CFO is authorized to close completed CIP projects and transfer unexpended balances to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to the maximum amount listed, or to the appropriate reserve, or to Fund Balance.
3. Once an asset has been put into service (Technically Completed “TECO”), the CFO is authorized to transfer unexpended balances not required to close the project to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to a maximum amount listed, or to fund balance.
4. Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Annual Allocations, earned interest or Unappropriated Fund Balances to CIP projects to support remaining project costs in excess of approved appropriations in order to complete and/or close the project.
5. The CFO is authorized to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and engineering costs of projects included in the long-range CIP Budget. Such advances shall be reimbursed to the respective Fund upon appropriation. In addition, the CFO is authorized and directed to advance funds as required for grant funded projects based on earned grant revenue

receivable. Advances will be returned upon the payment of the grant receivable.

6. The CFO is authorized to reallocate revenue sources between CIP projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.
7. Development Impact Fee Community Funds and Developer Contributions-CIP (Fund Nos. 400080-400095, 400111-400137, 400097-400110, 400849, 400855-400858, 400863-400864, and 200636).
 - (a) The CFO is authorized to modify individual project appropriations and/or add new projects to the CIP in accordance with City Council-approved Community Public Facilities Financing Plans and Impact Fee Studies provided funding is available for such action.
 - (b) The CFO is authorized to reallocate Development Impact Fee (DIF) Community Funds funded appropriations between City Council-approved projects to expedite the use of DIF Community Funds in accordance with AB1600 requirements.
 - (c) The CFO is authorized to appropriate in the DIF Community Funds a sufficient and necessary amount to reimburse the administrative costs incurred by other City funds.
8. Mission Bay Improvements Fund (Fund No. 200386) and Regional Park Improvements Fund (Fund No. 200391)

- (a) Capital Improvements in San Diego Regional Parks, as recommended and prioritized by the San Diego Regional Park Improvement Fund Oversight Committee, pursuant to Charter section 55.2, are hereby approved as set forth below.

CIP Project	Amount
Balboa Park West Mesa Comfort Station Replacement / S15036	\$ 300,000
Balboa Pk Bud Kearns Aquatic Complex Imp / S17000	\$ 500,000
EB Scripps Pk Comfort Station Replacement / S15035	\$ 700,000
Sunset Cliffs Natural Pk Hillside Imp Presrv / S10091	\$ 1,000,000

- (b) The CFO is authorized to increase and/or decrease appropriations in the Mission Bay Improvements project (AGF00004) and Regional Park Improvements project (AGF00005) at the end of the fiscal year based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.
9. The CFO is authorized to appropriate and expend the remaining fund balances and/or interest earnings from Park Service District funds up to \$15,000 as listed in Attachment IV – CIP Park Service District Funds. Park Service District funds shall be used solely for the purpose that the funds were intended and for Council-approved projects. The CFO is further directed to close Park Service District Funds where funds have been fully expended.
10. The CFO is authorized to appropriate and expend interest earnings from any bond construction funds for the purpose of transferring bond

construction fund interest earned to support debt service payments as permitted in the respective bond indenture(s).

11. The CFO is authorized to transfer unexpended capital bond fund appropriations from TECO, completed, and closed CIP projects to an Annual Allocation for the same asset type (e.g., facilities, streets or storm drains) in order to expedite the expenditure of capital bond funds.

D. ENTERPRISE FUNDS

1. All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.
2. Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The CFO is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City's Reserve Policy.
3. Water Funds (Fund Nos. 700010, 700011, 700012) and Sewer Funds (Fund Nos. 700000, 700001, 700002, 700008, 700009)
 - (a) The CFO may reallocate appropriations and associated encumbrances from any City Council approved budgeted project in the CIP to the Fund's annual operating budget for costs associated with extended environmental monitoring for re-vegetation. Such reallocation shall decrease the total appropriation and encumbrance for the project and increase the appropriation and encumbrance in

the annual operating budget by an equal amount provided that the reallocation is no greater than 5% of the Capital Project Budget.

E. INTERNAL SERVICE FUNDS

1. The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to the appropriate contributing funds.

2. Fleet Services Operating Fund (Fund No. 720000) and Fleet Services Replacement Funds (Fund Nos. 720001-720038, 720056)

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

3. Central Stores Fund (Fund No. 720040), Publishing Services Fund (Fund No. 720041), Fleet Services Operating Fund (Fund No. 720000), Fleet Services Replacement Funds (Fund No. 720001-720038, 720056), and Risk Management Administration Fund (Fund No. 720048)

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

4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations in Non General Funds for the purpose of reimbursing the Public Liability Operating Fund (Fund No. 720045) for Non General Fund claims incurred in the course of complying with Council Policy on Claims Against the City (Council Policy 000-09).

F. TRUST AND AGENCY FUNDS

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

G. GRANT FUNDS

Community Development Block Grant Funds

- (a) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG Funds on June 30, 2016, shall be carried forward to future years for the purpose of completing the authorized activities in accordance with Council Policy 700-02 which includes the requirement to use funds within 18 months of the start of the fiscal year for which the funds are allocated.
- (b) The CFO is authorized to transfer funds allocated to projects that have been completed, or where any portion has been deemed ineligible upon written confirmation from the sub-recipient or the CDBG Program office or in accordance with section 2.C.2 for the City's CIP projects, to Unobligated CDBG Funds to be reappropriated by the City Council.

- (c) In accordance with section 2.C.3 herein, the CFO is authorized to transfer and appropriate a maximum of \$100,000 per City CIP project from Unobligated CDBG Funds or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

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

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

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

Section 6. All Funds, not otherwise contained herein, established by the City Council in previous fiscal years or during the current fiscal year, are appropriated for the purposes established by applicable laws and/or in accordance with provisions of agreements authorized by Council and for projects contained in the Council-approved CIP or authorized by Council resolution. The CFO is authorized and directed to appropriate and expend monies within the funds for services provided by those funds. The CFO is authorized and directed to return any surplus monies to the contributing funds or, when the contributing funds cannot be legally determined, to the General Fund.

Section 7. The CFO is authorized and directed to transfer current and/or prior years' forfeited monies within the flexible spending accounts to the Risk Management Administration Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus monies between flexible benefit plan funds.

Section 8. The CFO is authorized to increase revenue and expenditure appropriations in accordance with City Council-approved capital lease agreements for the purpose of financing the acquisition of essential projects and equipment.

Section 9. The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

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

Section 10. The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

Section 11. All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission Bay Park and Ocean Beach Park as required by agreements with the State of California. Unanticipated revenues are hereby appropriated for such purposes and may be expended only by

Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

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

Section 12. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue may be transferred by the CFO to legally established reserve fund(s) or account(s). However, in no event shall the total appropriations of all tax revenues as defined by article XIII B of the California Constitution made pursuant to this ordinance exceed the City's legal limit.

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

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

Section 13. The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year 2017 Tax Rate Ordinance as approved by Council.

Section 14. The CFO is authorized and directed to close obsolete or inactive funds and appropriate and expend for the purpose of returning residual balances of such funds to their source or, if the source cannot be determined, to the General Fund. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

Section 15. The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there

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

Section 16. Unless otherwise specified in this ordinance, the CFO is authorized to modify appropriations upon adopted City Council resolution, provided funding is available for such action and in accordance with funding source guidelines and applicable grant agreements.

Section 17. The powers of the City Council not delegated to the Mayor and CFO, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

Section 18. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

Section 19. This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

Section 20. The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
Brant C. Will
Deputy City Attorney

BCW:jdf
6/15/2016
Or.Dept: FM
Doc. No.: 1306428

RESOLUTION NUMBER R- 310506

DATE OF FINAL PASSAGE JUN 14 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE FISCAL YEAR 2017 BUDGET, INCLUDING APPROVING THE MAYOR'S FISCAL YEAR 2017 PROPOSED BUDGET, THE MAY REVISION TO THE PROPOSED BUDGET, THE INDEPENDENT BUDGET ANALYST'S RECOMMENDED REVISIONS TO THE PROPOSED BUDGET AND OTHER CHANGES AS APPROVED BY THE CITY COUNCIL.

WHEREAS, pursuant to San Diego Charter section 290(b), prior to June 15 of each year and after holding a minimum of two public hearings, the City Council shall adopt a resolution approving the City's budget as proposed by the Mayor or modified in whole or part; and

WHEREAS, on April 19, 2016, the Mayor's proposed budget (Proposed Budget) was presented to the City Council; and

WHEREAS, on May 19, 2016, the Mayor's May revision (May Revision) to the Proposed Budget, dated May 17, 2016 was presented to the City Council sitting as the Budget Review Committee; and

WHEREAS, on June 8, 2016, the Independent Budget Analyst issued her Review of the Fiscal Year 2017 May Revise and Recommended Revisions to the Mayor's Fiscal Year 2017 Budget, IBA Report No. 16-11 (IBA FY 2017 Budget Report); and

WHEREAS, between May 4 and June 13, 2016, the City Council held more than two public hearings to consider the City's Fiscal Year 2017 budget in accordance with San Diego Charter sections 290(b) and 71; and

WHEREAS, the Proposed Budget includes the use of revenue in the Low-Income Housing Lease Revenue Fund, which is dedicated to the use of the San Diego Housing Commission (Housing Commission) for the purpose of increasing the supply of low and moderate income housing in the City, to fund, in part, the Serial Inebriate Program; and

WHEREAS, the use of revenue in the Low-Income Housing Lease Revenue Fund to expand the Serial Inebriate Program, which is administered by the Housing Commission, will help address homelessness in the City by increasing the number of transitional housing beds and providing additional services to residents experiencing homelessness and struggling with substance abuse; and

WHEREAS, the City Council has determined that funding the Serial Inebriated Program with revenue available in the Low-Income Housing Lease Revenue Fund is an appropriate use of such revenue; and

WHEREAS, the City Council has determined to approve the City's Fiscal Year 2017 Budget, including the Mayor's Proposed Budget, as modified by the May Revision, including certain recommendations contained in the IBA FY 2017 Budget Report, and with other changes approved by the City Council as set forth below; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the Mayor's Proposed Budget, as modified by the May Revision, is hereby approved including the recommendations contained in the IBA FY 2017 Budget Report, and as modified by the City Council as set forth below:

1. Add \$400,000 in ongoing resources for Earned Sick Leave and Minimum Wage Ordinance administration and enforcement;

2. Increase support for the Penny for the Arts Blueprint goal from 6.44% to approximately 7%, with a funding commitment of \$1.2 million; and
3. Return \$350,000 to the Facilities Maintenance budget, as proposed in the May Revision.

BE IT FURTHER RESOLVED, that the Mayor is directed to present to the City Council the Fiscal Year 2017 First Quarter Budget Monitoring Report (First Quarter Budget Monitoring Report), along with the Five Year Financial Outlook, no later than November 30, 2016.

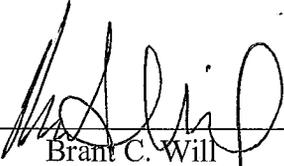
BE IT FURTHER RESOLVED, that the Mayor is directed to include \$1,350,000 for the Balboa Park Botanical Building in the next deferred capital bond (DC4 Bond) list, and request the Mayor consider the revised list of projects that have been identified as the top priorities of the Council in their memoranda for the DC4 Bond, as listed in the IBA FY 2017 Budget Report.

BE IT FURTHER RESOLVED, that the Mayor is requested to return to the City Council with a plan and cost estimate for a third party contractor to conduct exit interviews in the Police Department and include performance measures for the Police Department as outlined on Page 3 of the May 27, 2016 Joint Budget Memorandum by Councilmembers Cole and Alvarez and Council President Pro Tem Emerald.

BE IT FURTHER RESOLVED, that revenue available in the Low-Income Housing Revenue Fund is hereby authorized for transfer to the General Fund or to the Housing Authority, for use by the Housing Commission, for the purpose of addressing homelessness and for increasing the supply of low and moderate income housing.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to return, as soon as practicable, the Approved Budget to the Mayor in accordance with section 290(b)(2)(A) of the Charter.

APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

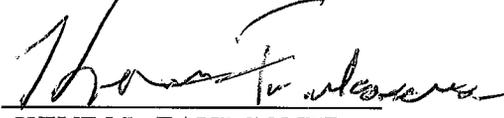
BCW:jdf
05/31/16
06/14/16 REV.
Or.Dept:IBA
Doc. No.: 1296575_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 6/13/16.

ELIZABETH S. MALAND City Clerk

By  _____
Deputy City Clerk

Approved: 6/14/16
(date)

 _____
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 13 2016, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 14 2016.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310506

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~

NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O- _____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR ~~2016 AND~~2017 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR ~~SAID~~-FISCAL YEAR 2017.

WHEREAS, San Diego City Charter (Charter) section 71 requires that the form, arrangement and itemization of the Appropriation Ordinance be determined and prescribed by the Chief Financial Officer and the City Attorney; and

WHEREAS, in accordance with Charter section 290, the annual Salary Ordinance and the adopted budget are controlling documents for the preparation of the Appropriation Ordinance; and

WHEREAS, on ~~April 21, 2015~~April 24, 2016 Ordinance No. ~~O-20484, 20642~~, the Salary Ordinance, was approved by the City Council in accordance with Charter section 290; and

WHEREAS, on ~~June 14, 2016~~June 10, 2015, the Mayor approved R-~~310506309779~~ (Budget Resolution), adopting the Fiscal Year ~~2016-2017~~ Budget; NOW, THEREFORE,

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

Section 1. The budget for the expense of conducting the affairs of the City of San Diego (City) for the fiscal year commencing July 1, ~~2015~~2016, and ending June 30, ~~2016~~2017 (Fiscal Year), heretofore prepared and submitted to this City Council by the Mayor is hereby adopted as the Annual Budget for ~~said the~~ Fiscal Year.

Section 2. There is hereby appropriated for expenditure out of the funds of ~~said the~~ City for municipal purposes the amounts set forth in Attachment I and in the approved Capital

Improvements Program (CIP) Budget, which defines the legal levels at which the Chief Financial Officer (CFO), as designee of the Mayor, shall control operational and capital project spending.

A. GENERAL FUND

1. The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.
2. The provisions in the Library Ordinance, San Diego Municipal Code section 22.0228, restricting funding are hereby waived.
3. The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.
4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Charter or City Council Policy ~~approved programs:~~approved programs:
 - Business and Industry Incentive Program (Council Policy 900-12)
 - Small Business Enhancement Program (Council Policy 900-15)
 - Storefront Improvement Program (Council Policy 900-17), and
 - Mission Bay and Other Regional Park Improvements (San Diego Charter section 55.2b).
5. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved Community Parking District Policy (Council Policy 100-18).
The CFO is authorized to transfer funds from Community Parking District

Funds to the General Fund, and to appropriate and expend those funds for the purpose of implementing City Council approved Community Parking District Plans in accordance with the Community Parking District Policy (Council Policy 100-18).

6. The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.
7. City Council Community Projects, Programs and Services
 - (a) The City Council Community Projects, Programs and Services funds shall be administered in accordance with Council Policy 100-06.
 - (b) Upon written direction from the City Councilmember, the CFO is authorized to transfer and appropriate funds from that Councilmember's Community Projects, Programs and Services account to other General Fund departments, Non General Funds, and/or existing capital improvement projects to implement the project, program, or service identified by the Councilmember.
 - (c) Upon written direction from the City Councilmember, the CFO is authorized to transfer excess non-personnel appropriations from the administration of that Councilmember's office to the Councilmember's Community Projects, Programs and Services account.

8. Upon written direction from the City Councilmember, the CFO is authorized to transfer funds from EDCO Community Fund (Fund No. 700042) to the General Fund and to appropriate and expend those funds for the purpose that fund was created which is to enhance community activities (Park and Recreation and Library) in neighborhoods near the EDCO Transfer Station.
9. The CFO is authorized to modify revenue and expenditure appropriations for the purpose of transferring funds to Civic San Diego in accordance with any approved adjustments to the Fiscal Year ~~2016~~2017 Budget for ~~the City of San Diego~~Civic San Diego, solely in its capacity as the designated successor agency to the former Redevelopment Agency (Successor Agency).

B. SPECIAL REVENUE FUNDS

1. Transient Occupancy Tax Fund (Fund No. 200205)

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

Horton Plaza Theatres Foundation	B-1, B-2, and B-4
CONNECT2Careers Program	B-I, B-2, B-3 and B-4

~~2.~~ (b) The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations for Fiscal Year ~~2016~~2017. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

~~3.2.~~ 3.2. Public Art Fund (Fund No. 200002)

- (a) The CFO is authorized to transfer, appropriate, and expend Arts, Culture, & Community Festivals funds between the Transient Occupancy Tax (TOT) Fund and the Public Art Fund, in accordance with the budget.
- (b) The CFO is authorized to appropriate and expend unbudgeted revenues or fund balance in the Public Art Fund to support public art and civic enhancement-related programs, projects, administration costs and activities in accordance with San Diego Municipal Code section 26.0701.

~~4.3.~~ 4.3. Environmental Growth Funds (Funds Nos. 200110, 200111, 200109)

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

and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by City Council resolution. The City Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional 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.

5.4. Maintenance Assessment District Funds

- (a) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District (MAD) Funds excess revenue or reserves to increase the appropriations to reimburse the MAD Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.
- (b) The CFO is authorized to appropriate and expend any monies deposited in the MAD Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which ~~said~~ each Fund(s) was created.
- (c) The CFO is authorized to transfer Capital Improvements Program (CIP) appropriations and any remaining fund balances from the

MAD Capital Projects Funds to the appropriate MAD Funds, where the reallocation does not change the CIP project budget nor the funding source, and close the MAD Capital Projects Funds.

MAD	CIP Fund No.	MAD Fund No.
Camino Santa Fe	200624	200081
Carmel Valley	200620	200033
El Cajon Boulevard	200050	200095
First SD River Improvement Project	200054	200053
Genesee/No. Torrey Pines Road	200623	200068
North Park	200064	200063
Penasquitos East	200628	200039
Rancho Bernardo	200622	200038
Talmadge	200077	200076

6.5. Zoological Exhibits Fund (Fund No. 200219)

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

7.6. Utilities Undergrounding Program Fund (Fund No. 200217)

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

8.7. Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306)

The CFO is authorized to adjust operating appropriations in the Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306) at the end

of the fiscal year based on actual revenues received and/or available fund balance.

C. CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENTS PROGRAM

1. The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the CIP.
2. The CFO is authorized to close completed CIP projects and transfer unexpended balances to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to the maximum amount listed, or to the appropriate reserve, or to Fund Balance.
3. Once an asset has been put into service (Technically Completed “TECO”), the CFO is authorized to transfer unexpended balances not required to close the project to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to a maximum amount listed, or to fund balance.
4. Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Annual Allocations, earned interest or Unappropriated Fund Balances to CIP projects to support remaining project costs in excess of approved appropriations in order to complete and/or close the project.
5. The CFO is authorized to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and

engineering costs of projects included in the long-range CIP Budget. Such advances shall be reimbursed to the respective Fund upon appropriation.

In addition, the CFO is authorized and directed to advance funds as required for grant funded projects based on earned grant revenue receivable. Advances will be returned upon the payment of the grant receivable.

6. The CFO is authorized to reallocate revenue sources between CIP projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.
7. ~~Facilities Benefit Assessment Funds and~~ Development Impact Fee Community Funds and Developer Contributions-CIP (Fund Nos. 400080-400095, 400111-400137, 400097-400110, 400849, 400855-400858, 400863-400864, and 200636).
 - (a) The CFO is authorized to modify individual project appropriations and/or add new projects to the CIP in accordance with City Council-approved Community Public Facilities Financing Plans and Impact Fee Studies provided funding is available for such action.
 - (b) The CFO is authorized to reallocate Development Impact Fee (DIF) Community Funds ~~(DIF)~~ funded appropriations between City Council-approved projects to expedite the use of DIF

Community funds-Funds in accordance with AB1600 requirements.

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

8. Mission Bay Improvements Fund (Fund No. 200386) and Regional Park Improvements Fund (Fund No. 200391)

- (a) Capital Improvements in San Diego Regional Parks, as recommended and prioritized by the San Diego Regional Park Improvement Fund Oversight Committee, pursuant to Charter section 55.2, are hereby approved as set forth below.

<u>CIP Project</u>	<u>Amount</u>
<u>Junipero Serra Museum ADA Improvements / S15034</u>	<u>\$500,000</u>
<u>Mohnike Adobe and Barn Restoration / S13008</u>	<u>\$500,000</u>
<u>Resource Based Open Space Parks / AGE00001</u>	<u>\$500,000</u>
<u>La Jolla Pkwy/Mt Soledad Open Space Eros / B10089</u>	<u>-</u>
<u>Sunset Cliffs Park Drainage Improvements / L14005</u>	<u>\$1,000,000</u>

<u>CIP Project</u>	<u>Amount</u>
<u>Balboa Park West Mesa Comfort Station Replacement / S15036</u>	<u>\$ 300,000</u>
<u>Balboa Pk Bud Kearns Aquatic Complex Imp / S17000</u>	<u>\$ 500,000</u>
<u>EB Scripps Pk Comfort Station Replacement / S15035</u>	<u>\$ 700,000</u>
<u>Sunset Cliffs Natural Pk Hillside Imp Presrv / S10091</u>	<u>\$ 1,000,000</u>

- (b) The CFO is authorized to increase and/or decrease appropriations in the Mission Bay Improvements project (AGF00004) and Regional Park Improvements project (AGF00005) at the end of the

fiscal year based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.

9. The CFO is authorized to appropriate and expend the remaining fund balances and/or interest earnings from Park Service District funds up to \$15,000 as listed in Attachment IV – CIP Park Service District Funds. Park Service District funds shall be used solely for the purpose that the funds were intended and for Council-approved projects. The CFO is further directed to close Park Service District Funds where funds have been fully expended.
10. The CFO is authorized to appropriate and expend interest earnings from any bond construction funds for the purpose of transferring bond construction fund interest earned to support debt service payments as permitted in the respective bond indenture(s).
11. The CFO is authorized to transfer unexpended capital bond fund appropriations from TECO, completed, and closed CIP projects to an Annual Allocation for the same asset type (e.g., facilities, streets or storm drains) in order to expedite the expenditure of capital bond funds.

D. ENTERPRISE FUNDS

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

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

3. Water Funds (Fund Nos. 700010, 700011, 700012) and Sewer Funds (Fund Nos. 700000, 700001, 700002, 700008, 700009)

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

~~(b) The CFO is authorized to increase expenditure appropriations for the purpose of implementing the Metropolitan Wastewater Department and Water Department Fiscal years 2011 and prior Memorandums of Understanding for Bid to Goal Public Contract Operations Agreements.~~

~~(c) The CFO is authorized to transfer CIP appropriations and associated fund balances from the Water and Sewer operating funds (Fund Nos. 700000, 700001, 700002, 700011, 700012) into Water and Sewer CIP funds (Fund Nos. 700010, 700008, 700009)~~

~~where the reallocation does not change the CIP project budget nor the funding source.~~

E. INTERNAL SERVICE FUNDS

1. The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to the appropriate contributing funds.

2. Fleet Services Operating Fund (Fund No. 720000) and Fleet Services Replacement Funds (Fund Nos. 720001-720038, 720056)

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

3. Central Stores Fund (Fund No. 720040), Publishing Services Fund (Fund No. 720041), Fleet Services Operating Fund (Fund No. 720000), Fleet Services Replacement Funds (Fund No. 720001-720038, 720056), and Risk Management Administration Fund (Fund No. 720048), ~~and Engineering and Capital Projects Fund (Fund No 720057)~~

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

4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations in Non General Funds for the purpose of reimbursing the Public Liability Operating Fund (Fund No. 720045) for

Non General Fund claims incurred in the course of complying with Council Policy on Claims Against the City (Council Policy 000-09).

F. TRUST AND AGENCY FUNDS

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

G. GRANT FUNDS

Community Development Block Grant Funds

- (a) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG Funds on June 30, ~~2015,2016~~, shall be carried forward to future years for the purpose of completing ~~said the~~ authorized activities in accordance with Council Policy 700-02 which includes the requirement to use funds within 18 months of the start of the fiscal year for which the funds are allocated.
- (b) The CFO is authorized to transfer funds allocated to projects that have been completed, or where any portion has been deemed ineligible upon written confirmation from the sub-recipient or the CDBG Program office

or in accordance with section 2.C.2 for the City's CIP projects, to Unobligated CDBG Funds to be reappropriated by the City Council.

- (c) In accordance with section 2.C.3 herein, the CFO is authorized to transfer and appropriate a maximum of \$100,000 per City CIP project from Unobligated CDBG Funds or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

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

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

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

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

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

Section 7. The CFO is authorized and directed to transfer current and/or prior years' forfeited monies within the flexible spending ~~accounts to~~accounts to the Risk Management Administration Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus monies between flexible benefit plan funds.

Section 8. The CFO is authorized to increase revenue and expenditure appropriations in accordance with City Council-approved capital lease agreements for the purpose of financing the acquisition of essential projects and equipment.

Section ~~8.9~~. The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

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

Section ~~9.10~~. The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

Section ~~10.11~~. All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission

Bay Park and Ocean Beach Park as required by agreements with the State of California.

Unanticipated revenues are hereby appropriated for ~~said~~such 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 ~~11.12~~. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue may be transferred by the CFO to legally established reserve fund(s) or account(s). However, in no event shall the total appropriations of all tax revenues as defined by article XIII B of the California Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is \$ 3,275,073,254, 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 ~~12.13~~. The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year ~~2016-2017~~ Tax Rate Ordinance as approved by Council.

Section ~~13.14~~. The CFO is authorized and directed to close obsolete or inactive funds and appropriate and expend for the purpose of returning residual balances of such funds to their source or, if the source cannot be determined, to the General Fund. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

Section ~~14.15~~. The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there 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 ~~15.16~~. Unless otherwise specified in this ordinance, the CFO is authorized to modify appropriations upon adopted City Council resolution, provided funding is available for such action and in accordance with funding source guidelines and applicable grant agreements.

Section ~~16.17~~. The powers of the City Council not delegated to the Mayor and CFO, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

Section ~~17.18~~. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

Section ~~18.19~~. This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

Section ~~19.20~~. The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
Brant C. Will
Deputy City Attorney

DRAFT

~~(O-2016-2)~~(0-216-154)

7/7/2015

BCW:jdf

6/15/2016

Or.Dept: FM

Doc. No.: 1306428

DRAFT