THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: February 21, 2014 REPORT NO: 14-020

ATTENTION: Budget and Government Efficiency Committee
Agenda of February 26, 2014

SUBJECT: Fiscal Year 2014 Mid-Year Budget Monitoring Report

REFERENCE: Fiscal Year 2014 First Quarter Budget Monitoring Report, #13-095

REQUESTED ACTION:

Approve the requested actions and recommendation for the use of Excess Equity as outlined in the Fiscal Year 2014 Mid-Year Budget Monitoring Report, #14-020.

STAFF RECOMMENDATION:

Approve the requested actions.

SUMMARY:

The FY 2014 Mid-Year Budget Monitoring Report (Mid-Year Report) presents year-end projections of revenues and expenditures for funds with budgeted personnel expenditures. Year-end projections were developed using actual (unaudited) data from July 2013 through December 2013, which provides six accounting periods of actual activity, and departments' anticipated spending trends for the remaining six accounting periods of this fiscal year. This report includes discussion of year-end revenue and expenditure projections that vary from the FY 2014 current budget by $0.5 million or more as well as discussion of departments with current vacancies significantly exceeding budgeted vacancies.

The Mid-Year Report also includes an update regarding the reserves for various City funds in accordance with the revised City's Reserve Policy and pursuant to Municipal Code Section 22.0229, Mid-Year Amendments to the Adopted General Fund Budget, the report includes recommendations for the use of the budgetary surplus projected in FY 2014. Finally, the report includes requests for budget adjustments for those departments and funds with over budget projections in order to continue operations through the end of fiscal year.

FISCAL CONSIDERATIONS:

The General Fund is projected to end the fiscal year with $28.4 million of revenues in excess of expenditures. This projection represents a $50.8 million budgetary surplus, an improvement from the FY 2014 budget that assumed the use of $22.4 million of fund balance. The budgeted use of fund balance supported various one-time expenditures as well as the non-pensionable compensation increases approved in the five-year agreements with the City's six recognized employee organizations. There are many factors contributing to the projected surplus; however,

the primary factor is over budget revenues of $39.0 million as a result of the dissolution of the Redevelopment Agency (RDA). Of this amount, approximately $34.9 million is one-time revenue.

Of the $50.8 million projected budgetary surplus, $37.0 million is available for appropriation after taking into consideration the loan to the Successor Agency and the 14.0 percent General Fund reserve requirement approved by City Council on February 10, 2104 (R-308740). Of this amount, $20.9 million of Excess Equity, as defined in the revised General Fund Reserve Policy, is recommended to be appropriated for critical expenditures this fiscal year. The remaining $16.1 million, or 1.5 percent, is recommended to remain unappropriated to account for variances in projected financial activity through the end of the fiscal year as a buffer to maintain the 14.0 percent General Fund reserve target.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:
This item will be heard at Budget and Government Efficiency Committee on February 26, 2014 and at City Council on March 3, 2014. This item does not require two Council hearings and will be amending the budget via resolution.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None

Attachment: Fiscal Year 2014 Mid-Year Budget Monitoring Report, #14-020

Fiscal Year 2014
Mid-Year
Budget Monitoring Report

City of San Diego
Financial Management Department
February 2014

signature on file
Scott Chadwick
Chief Operating Officer

signature on file
Mary Lewis
Chief Financial Officer

signature on file
Julio Canizal
Interim Financial Management Director

signature on file
Alia Khouri
Budget Coordinator

INTRODUCTION

The FY 2014 Mid-Year Budget Monitoring Report (Mid-Year Report) presents year-end projections of revenues and expenditures for funds with budgeted personnel expenditures. Year-end projections were developed using actual (unaudited) data from July 2013 through December 2013, which provides six accounting periods of actual activity, and departments' anticipated spending trends for the remaining six accounting periods of this fiscal year. This report includes discussion of year-end revenue and expenditure projections that vary from the FY 2014 current budget by $0.5 million or more as well as discussion of departments with current vacancies significantly exceeding budgeted vacancies.

The Mid-Year Report also includes an update regarding the reserves for various City funds in accordance with the revised City's Reserve Policy (Council Policy 100-20). The City's Reserve Policy documents the City's approach to establishing and maintaining adequate reserves across the spectrum of City operations, including General Fund, risk management, and enterprise fund operations. In accordance with the revised City's Reserve Policy, a status report of the reserves and the projections of the future reserve levels are to be presented in the quarterly budget monitoring reports. A description of the changes to the Reserve Policy is included in the General Fund Reserves Section of the report.

Municipal Code Section 22.0229, Mid-Year Amendments to the Adopted General Fund Budget, states that any surplus or deficit projected in the Mid-Year Report from the adopted budget shall be reported to the City Council. In addition, the Municipal Code requires that the Mayor provide a recommendation to address any projected surplus or deficit. It further specifies that the Mayor may recommend budgeting all, a portion, or none of the projected surplus, and the City Council may approve the Mayor's recommendation, or modify in whole, or in part. However, the City Council may only increase the amount recommended to be used by the Mayor if the amount is less than $5.0 million. Additionally, the total amount is limited to $5.0 million or 50.0 percent of the total projected budgetary surplus, whichever is less. The amendments to the Municipal Code were approved via Ordinance No. 20084 in August 2011, commonly referred to as the "Mid-Year Ordinance".

The Mid-Year Report provides a high-level summary of projected revenues and expenditures including the impact of the projected activity on the unrestricted fund balance of the General Fund and reserve targets. The report also includes an in-depth summary of the General Fund major revenues and discusses factors contributing to the latest projection. Additionally, explanations of projected variances for departments and funds over $0.5 million or more are included in the report as well as updates on significant budget items included in the FY 2014 budget. The report includes appropriation adjustments requests for departments and funds with over budget projections and the recommended use of the Excess Equity to fund critical needs for the General Fund.

GENERAL FUND

OVERVIEW

The General Fund is projected to end the fiscal year with $28.4 million of revenues in excess of expenditures as reflected in Table 1: Summary of FY 2014 General Fund Projections. This projection represents a $50.8 million budgetary surplus, an improvement from the FY 2014 budget that assumed the use of $22.4 million of fund balance. The budgeted use of fund balance supported various one-time expenditures as well as the non-pensionable compensation increases approved in the five-year agreements with the City's six recognized employee organizations. There are many factors contributing to the projected surplus; however, the primary factor is over budget revenues of $39.0 million as a result of the dissolution of the Redevelopment Agency (RDA). Of this amount, approximately $34.9 million is one-time revenue.

Summary of FY 2014 General Fund Projections

Table 1 *in millions*

Revenue/Expenditures	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 1,203.0	$ 1,204.0	$ 1,265.4	$ 61.4	5.1%
Expenditures	1,225.5	1,226.5	1,237.0	(10.5)	-0.9%
Net Year-End Projection	**$ (22.4)**	**$ (22.4)**	**$ 28.4**	**$ 50.8**	

The current projection is also an improvement from the projections presented in the FY 2014 First Quarter Budget Monitoring Report (First Quarter Report) by $10.4 million as reflected in Table 2: Comparison of FY 2014 General Fund Projections. The improved projection is due to a decrease in expenditures of $6.4 million and an increase in revenues of $4.0 million.

Comparison of FY 2014 General Fund Projections

Table 2 *in millions*

Revenue/Expenditures	First Quarter	Mid-Year Report	Variance	Change %
Projected Revenue	$ 1,261.4	$ 1,265.4	$ 4.0	0.3%
Projected Expenditures	1,243.4	1,237.0	(6.4)	-0.5%
Personnel Expenditures	893.4	890.8	(2.6)	-0.3%
Non-Personnel Expenditures	349.9	346.2	(3.7)	-1.1%
Net Year-End Projection	**$ 18.0**	**$ 28.4**	**$ 10.4**	

The increased revenue projection is primarily due to higher departmental revenue projections of $2.7 million primarily in the Police and Fire-Rescue Departments. The General Fund Major Revenues projection has increased by $1.2 million since the First Quarter Report with increases of $4.0 million in property tax, $1.8 million over original estimates from the San Diego Data Processing Center (SDDPC) dissolution, and $1.3 million in franchise fees. These increases are partially offset by a decreased projection of $4.6 million in sales tax revenue and $0.9 million in transient occupancy tax.

The decrease in expenditures is primarily due to a $2.6 million decrease in personnel expenditures due to delays in filling vacant positions and a $3.7 million decrease in non–personnel expenditures, primarily in the Contracts category. Several landscaping contracts in the Park and Recreation Department have been delayed and rent savings are projected as a result of the renegotiated lease for office space at the Executive Complex building. In addition, the expenditure projections for the two unbudgeted Mayoral special elections, primary and run-off, have decreased by approximately $1.5 million.

REVENUE

Total General Fund revenues are projected to exceed budget by $61.4 million ($44.7 million is one-time revenue) with $56.1 million in the General Fund Major Revenues and $5.3 million in departmental revenue as displayed in Table 3: Summary of FY 2014 General Fund Revenue Projections.

Summary of FY 2014 General Fund Revenue Projections

Table 3 *in millions*

Revenue	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Projected Revenue					
General Fund Major Revenues	$ 894.9	$ 895.9	$ 952.0	$ 56.1	6.3%
Departmental Revenue	308.1	308.1	313.4	5.3	1.7%
Total	**$ 1,203.0**	**$ 1,204.0**	**$ 1,265.4**	**$ 61.4**	**5.1%**

General Fund Major Revenues

The General Fund Major Revenues are projected to exceed budget by $56.1 million, of which $48.9 million is projected in property tax. The over budget property tax projection is primarily the result of $39.0 million in revenue associated with the dissolution of the RDA and by $9.9 million in base property tax due to an increase in assessed valuation. The General Fund Major Revenues are also projected to be over budget by $1.5 million in franchise fees and $9.8 million due to the cash received from the dissolution of SDDPC. These increases are partially offset by a decreased projection of $4.2 million in sales tax revenue due to lower than expected consumer spending.

Departmental Revenue

Total departmental revenue is projected to exceed budget by $5.3 million. The Fire-Rescue Department revenue is projected to exceed budget by $3.7 million primarily due to reimbursements from the Airport Authority for services performed in FY 2013 and Strike Team deployments. The Transportation and Storm Water Department is projecting over budget revenue due to increased reimbursable work, primarily on Americans with Disabilities Act (ADA) Capital Improvements Program (CIP) projects. The City Treasurer Department revenue is also projected to exceed budget in business tax due to an on-going trend of increased collections reflected in recent fiscal years.

EXPENDITURES

The General Fund expenditures are projected to exceed budget by $10.5 million: $3.7 million in personnel expenditures and $6.8 million in non-personnel expenditures. The over budget projection is primarily due to $7.8 million for two unanticipated Mayoral special elections, primary and run-off, and over budget pay-in-lieu of annual leave and overtime expenditures primarily in the Police and Fire-Rescue Departments.

Personnel Expenditures

The Salaries and Wages category is projected to exceed budget by $3.4 million, as displayed in Table 4: FY 2014 General Fund Personnel Expenditure Projections, which is primarily the result of pay-in-lieu of annual leave in the Police, Fire-Rescue, and Park and Recreation Departments. Overall, departments are experiencing savings in salaries due to higher vacancies citywide than were assumed in the FY 2014 budget. The Police and Fire-Rescue Departments are projecting the most significant surplus in salaries of $4.2 million and $2.6 million, respectively. The savings in salaries offset the over budget projections in overtime and pay-in-lieu of annual leave. The majority of the over budget overtime expenditures are also in the Police and Fire-Rescue Departments, which are projecting to exceed overtime budgets by $4.5 million and $4.1 million, respectively.

FY 2014 General Fund Personnel Expenditure Projections

Table 4 *in millions*

Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Salaries and Wages	$ 515.9	$ 516.3	$ 519.7	$ (3.4)	-0.6%
Fringe Benefits	370.5	370.8	371.1	(0.3)	-0.1%
Total	**$ 886.4**	**$ 887.1**	**$ 890.8**	**$ (3.7)**	**-0.4%**

The projection for the Fringe Benefits category is over budget by $0.3 million as displayed in Table 5: FY 2014 General Fund Fringe Benefits Projections. Due to higher citywide vacancies, savings are projected in most of the variable fringes. However, the surplus is entirely offset by an over budget projection in the retirement contributions for employees that are eligible to receive the Interim Defined Contribution Plan (Proposition B). The number of employees eligible for this benefit was unkown at the time of the FY 2014 budget preparation. These expenditures are categorized as variable fringe and are the primary cause of the over budget projection in the Fringe Benefits category.

FY 2014 General Fund Fringe Benefits Projections

Table 5 *in millions*

Fringe Benefits Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Fixed	$ 288.5	$ 288.5	$ 288.2	$ 0.3	0.1%
Variable	82.1	82.3	82.9	(0.6)	-0.8%
Total	**$ 370.5**	**$ 370.8**	**$ 371.1**	**$ (0.3)**	**-0.1%**

Non-Personnel Expenditures

Non-personnel expenditures are projected to be $6.8 million over budget primarily due to a $7.8 million expense for two unanticipated Mayoral special elections as displayed in Table 6: FY 2014 General Fund Non-Personnel Expenditure Projections.

FY 2014 General Fund Non-Personnel Expenditure Projections

Table 6 *in millions*

Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Contracts	$ 148.5	$ 163.7	$ 170.9	$ (7.2)	-4.4%
Supplies	25.0	26.2	27.3	(1.0)	-3.9%
Information Technology	29.7	29.8	30.8	(1.0)	-3.4%
Energy and Utilities	38.7	38.6	37.1	1.5	4.0%
Transfers Out	81.9	67.5	66.8	0.8	1.2%
Other	5.7	5.5	5.4	0.0	0.1%
Debt	4.9	4.9	4.9	(0.0)	0.0%
Capital Expenditures	2.7	3.1	3.1	0.0	1.3%
Appropriated Reserve[1]	2.0	-	-	-	0.0%
Total	**$ 339.1**	**$ 339.4**	**$ 346.2**	**$ (6.8)**	**-2.0%**

[1] The FY 2014 budget includes $2.0 million budgeted in the General Fund Appropriated Reserve for the purpose of funding a Police Officer retention program. City Council approved the use of this budget to increase uniform and equipment allowance, and provided funding for police officer recruitment activities on August 28, 2013 (R-308405).

The unanticipated expenditures for the Mayoral special elections are the primary cause of the over budget projection in the Contracts category for the General Fund. Other increases in the Contracts category are primarily in vehicle fleet usage rates charged by the Fleet Operating Fund due to the delayed implementation of the Most Efficient Government Organization (MEGO). Savings in contracts related to delayed Community Plan Updates and lower anticipated costs of auditing the City's Comprehensive Annual Financial Report (CAFR) are slightly offsetting the over budget election costs and the vehicle fleet usage expenditures.

The Supplies category is projected to exceed budget by $1.0 million. This is due to road and sidewalk repair materials, body armor for the Special Weapons and Tactics (SWAT) team, and bicycle counters in support of the Climate Action Plan.

The Information Technology (IT) category is projected to be $1.0 million over budget. Several unbudgeted IT projects in the City Treasurer Department are projected to exceed budget. In addition, the Public Works – Engineering and Capital Projects Department is projecting over budget expenditures to establish IT services as a result of the relocation of office space from 600 B Street to 525 B Street.

The Energy and Utilities category is projected to be under budget by $1.5 million primarily due to fuel savings from lower fuel costs experienced citywide. There are also savings from energy efficient upgrades to citywide street lights contributing to the projected surplus in the Transportation and Storm Water Department.

The Transfers Out category is projected to be under budget by $0.8 million primarily in the Fire-Rescue Department. This surplus is the result of less than anticipated vehicle financing and lease obligations.

The Other, Debt, and Capital Expenditures categories are projected to exceed budget by $0.1 million combined due to minor fluctuations in a variety of items citywide.

The FY 2014 budget includes a $2.0 million appropriation in the General Fund Appropriated Reserve for funding a police officer retention program. City Council approved the expense of this budget to increase uniform allowance and provided funding for police officer recruitment activities on August 28, 2013 (R-308405). More information on the sworn officer retention program is provided in the Significant Budget Items section of this report.

FUND BALANCE

The FY 2013 ending unrestricted fund balance was $179.5 million as displayed in Table 7: FY 2014 Summary of Fund Balance Use/Contributions. The FY 2014 budget assumed the use of $22.4 million of the FY 2013 ending unrestricted fund balance that would have resulted in a FY 2014 ending unrestricted fund balance of $157.1 million without any other changes. With the projected budgetary surplus of $50.8 million and the loan to the Successor Agency of $21.1 million, the FY 2014 projected ending unrestricted fund balance is $186.9 million, or 17.5 percent of revenues. To meet the General Fund reserve policy target of 14.0 percent of revenues, $149.8 million of the FY 2014 projected ending unrestricted fund balance is to be held in reserves which results in a projected $37.0 million Excess Equity available for appropriation.

FY 2014 Summary of Fund Balance Use/Contributions

Table 7 *in millions*

Description		Amount	Revenue % [1]
FY 2013 Ending Unrestricted Fund Balance	**$**	**179.5**	**16.8%**
FY 2014 Adopted Budget - Use of Excess Equity		(22.4)	
		157.1	14.7%
FY 2014 Budgetary Surplus		50.8	
Loan to Successor Agency		(21.1)	
FY 2014 Projected Ending Unrestricted Fund Balance	**$**	**186.9**	**17.5%**
FY 2014 Required Reserve Level	**$**	**149.8**	**14.0%**
Excess Equity[2]		37.0	3.5%
Recommended Use of Surplus		(20.9)	
Remaining Excess Equity[2]		16.1	1.5%
FY 2014 Revised Projected Ending Unrestricted Fund Balance	**$**	**165.9**	**15.5%**

[1] The General Fund Reserve percentage calculation and measurement target is based on the most recent three year average of annual audited General Fund operating revenues. The most recent three year average of annual audited General Fund operating revenues is $1.1 billion.

[2] Excess Equity is spendable and unrestricted fund balance that is not otherwise assigned to General Fund Reserves and is available for appropriation. Excess Equity is most commonly a non-recurring source of revenue.

Of the $37.0 million in projected Excess Equity, $20.9 million is recommended for appropriation this fiscal year. The remaining $16.1 million, or 1.5 percent, is recommended to remain unappropriated to account for variances in projected financial activity through the end of the fiscal year as a buffer to maintain the 14.0 percent General Fund reserve target. Given the size of the City's General Fund budget of $1.2 billion and that fund balance is a projection of results from operations at fiscal year end, maintaining a cushion of 1.5 percent of Excess Equity is reasonable.

GENERAL FUND RESERVES

Amendments to the City's Reserve Policy (Council Policy 100-20) were presented and approved by City Council on February 10, 2014 (R-308740). Significant revisions to the Reserve Policy impacting the General Fund are:

- Increase of the total required reserve level target from 8.0 percent to 14.0 percent, with the Emergency Reserve level target at 8.0 percent and the Stability Reserve level target at 6.0 percent;
- Change of the revenue basis for the reserve percentage from current revenues to a three-year average of the most recent audited operating revenues; and,
- Definition of funds above the required reserve level as Excess Equity and provisions for its use.

The following discusses the projected reserves and unrestricted fund balance for the General Fund in accordance with the amended City's Reserve Policy. It also takes into consideration the projected activity for this fiscal year and includes the recommended use of projected surplus pursuant to the Mid-Year Ordinance as displayed in Table 8: FY 2014 General Fund Reserve Estimates.

FY 2014 General Fund Reserve Estimates

Table 8 *in millions*

Description		Amount	Revenue % [1]
FY 2013 Ending Unrestricted Fund Balance	**$**	**179.5**	**16.8%**
FY 2014 Projected Activity			
Projected Revenue		1,265.4	
Projected Expenditures		(1,237.0)	
	$	28.4	
Loan to Successor Agency	$	(21.1)	
Recommended Use of Excess Equity[2]		(20.9)	
FY 2014 Projected Ending Unrestricted Fund Balance	**$**	**165.9**	**15.5%**
Emergency Reserve		85.6	8.0%
Stability Reserve		64.2	6.0%
FY 2014 Required Reserve Level	**$**	**149.8**	**14.0%**
Remaining Excess Equity[2]		16.1	1.5%

[1] The General Fund Reserve percentage calculation and measurement target is based on the most recent three year average of annual audited General Fund operating revenues. The most recent three year average of annual audited General Fund operating revenues is $1.1 billion.

[2] Excess Equity is spendable and unrestricted fund balance that is not otherwise assigned to General Fund Reserves and is available for appropriation. Excess Equity is most commonly a non-recurring source of revenue.

The FY 2013 ending unrestricted fund balance was $179.5 million or 16.8 percent of General Fund revenues. Based on the projected activity of $28.4 million, the Successor Agency loan of $21.1 million, and the recommended use of surplus of $20.9 million, the FY 2014 projected ending unrestricted fund balance is $165.9 million, or 15.5 percent. Of this amount, $149.8 million, or 14.0 percent, is required to meet the targets for the Emergency and Stability Reserves for the General Fund leaving $16.1 million, or 1.5 percent, in remaining Excess Equity.

An itemized list and full discussion of each item recommended for the use of surplus is included in the Appropriation Adjustments section later in this report.

GENERAL FUND MAJOR REVENUES

As reflected in Table 9: FY 2014 General Fund Major Revenue Projections, the City's major revenues are projected to be over budget by $56.1 million. The primary contributor to the positive variance is property tax revenue, which is projected to end the year over budget due to unanticipated residual distributions from the Redevelopment Property Tax Trust Fund (RPTTF) and the receipt of funds following the dissolution of the SDDPC. Further contributing to the positive variance are projected surpluses in revenue from franchise fees, property transfer tax, and motor vehicle license fees. The surpluses in these categories are slightly offset by under budget projections in transient occupancy and sales tax revenues.

FY 2014 General Fund Major Revenue Projections

Table 9 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Tax	$ 408.0	$ 409.0	$ 457.9	$ 48.9	12.0%
Sales Tax	248.1	248.1	243.9	(4.2)	-1.7%
Transient Occupancy Tax[1]	87.9	87.9	86.8	(1.1)	-1.2%
Franchise Fees[2]	67.0	67.0	68.6	1.5	2.2%
Property Transfer Tax	7.0	7.0	8.0	1.0	14.2%
Motor Vehicle License Fees	-	-	0.6	0.6	100.0%
Other Major Revenue	76.9	76.9	86.2	9.3	12.2%
Total	**$ 894.9**	**$ 895.9**	**$ 952.0**	**$ 56.1**	**6.3%**

[1] Total City FY 2014 current revenue budget for transient occupancy tax is $167.7 million and the projection is $165.7 million. The remaining balance is budgeted in the Transient Occupancy Tax Fund.

[2] Total City FY 2014 current revenue budget for franchise fees is $129.1 million and the projection is $129.3 million. The remaining balance is budgeted in the Environmental Growth and Underground Surcharge Funds.

The projections for General Fund major revenues are based on the most recent economic information and revenue distributions to the City. When the FY 2014 budget for the General Fund major revenues was developed, it incorporated a projection of continuing improvement in the local, State, and national economies for the fiscal year. The positive signs shown by local economic indicators during the development of the budget have generally continued through the first half of the fiscal year, as reflected in Table 10: Local Economic Indicators, although not at the pace anticipated. While there has been some slowing in the rate of improvement of the economy during the first half of FY 2014, possibly due to an over-correction following the ending of the recession, economic growth is projected to continue at rates that are closer to historical averages.

Local Economic Indicators

Table 10

Economic Indicator	December 2012	December 2013	Change %
City of San Diego Unemployment	8.2%	6.4%	-1.8%
City of San Diego Number of Unemployed	58,500	45,400	-22.4%
USD Index of Leading Econ. Indicators	123.2	128.1	4.0%
San Diego County Home Sales	3,773	3,101	-17.8%
San Diego County Median Home Price	$378,919	$425,747	12.4%
San Diego County Foreclosures	445	148	-66.7%
San Diego County Notices of Default	978	448	-54.2%

Source: California Employment Development Department, DataQuick Information Systems, USD Index of Leading Economic Indicators, San Diego County Assessor/Recorder/County Clerk's Office

The unemployment rate in the City of San Diego for December 2013 has dropped by 1.8 percent when compared to December 2012, while the total number of unemployed has decreased by 22.4 percent. There have also been significant decreases in foreclosures and notices of default when compared to the same time period last fiscal year. In addition to local employment and real estate indicators showing improvement, the University of San Diego's (USD) Index of Leading Economic Indicators also reflects a positive change. This index provides a broader picture of the local economy, as it summarizes data across several areas, including building permits, unemployment, stock prices, consumer confidence, help wanted advertising, and the national economy.

The local economic indicators and projected year-end surplus in General Fund major revenues support the position that the economy is continuing to improve, however, not at the pace anticipated. Although it is expected that improvement in the local economy will continue through the remainder of FY 2014, economic indicators will be closely monitored for potential impacts to the General Fund's major revenues.

Property Tax

FY 2014 Property Tax Revenue Projections

Table 11 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Tax Growth Rate	2.2%	2.2%	4.0%	1.8%	N/A
Property Tax Projection	$ 408.0	$ 409.0	$ 457.9	$ 48.9	12.0%

A surplus is projected for property tax revenue at year-end as compared to the current budget. The projected increase from the current budget is primarily due to a residual distribution from the RPTTF, and increases in the 1.0 percent base property tax, and in the Motor Vehicle License Fee (MVLF) backfill payment. The Mid-Year projection also reflects a $4.0 million increase from the projection in the First Quarter Report due to a $1.2 million increase in the 1.0 percent

base property tax receivables, a $0.9 million increase in the tax sharing pass-through payment, and a $1.9 million increase in the RPTTF payment.

The year-end projection for the 1.0 percent base property tax varies from the current budget by $7.9 million due to higher than anticipated assessed valuation growth in FY 2014 and a projected decrease in refunds. The MVLF backfill payment varies from the current budget by $2.0 million as a result of the actual payment being higher than budgeted.

Approved assessed valuation appeals result in refunds of property taxes to the applying property owner, which negatively impacts the total projected property tax revenue to be received by the City. However, a significant number of temporary assessed valuation reductions granted during the recession were eliminated due to the recovery of the local economy. Financial Management continues to monitor and analyze property tax reassessment and refund amounts reported by the San Diego County Assessor/Recorder/County Clerk's Office. As the economy continues to improve, it is anticipated that fewer applications for assessed valuation appeals will be submitted to the County and the temporary reassessments granted will be eliminated. As a result, the FY 2014 year-end property tax projection includes lower property tax refunds compared to prior fiscal years.

The FY 2014 year-end property tax projection includes a total tax sharing pass-through payment of $4.3 million from the former RDA based on projections for the upcoming Recognized Obligation Payments Schedule (ROPS). The $4.3 million payment reflects a $1.3 million increase over the current budget. In addition to tax sharing pass-through payments, the City will receive residual property tax payments. The residual property tax payment is the City's proportionate share of funds remaining in the RPTTF after ROPS requirements have been met. The anticipated residual property tax payment is approximately $11.0 million; however, it should be noted that it is difficult to accurately project RPTTF residual distributions due to ongoing uncertainties surrounding the dissolution of redevelopment agencies.

In addition to the residual payments from the ROPS, and in accordance with the Dissolution Laws, the Successor Agency to the former RDA was required to conduct a Due-Diligence Review (DDR) of the Successor Agency's Non-Housing Assets and report to the California Department of Finance (DOF). Following a review of the Non-Housing DDR by the DOF and subsequent meet and confer proceedings, the DOF issued a final determination which required the Successor Agency to remit $167.3 million to the San Diego County Auditor and Controller to be distributed to the local taxing entities as general property taxes on a pro rata basis. As a result of the Successor Agency's payment of the Non-Housing DDR demand amount to the San Diego County Auditor and Controller, the City received approximately 21.0 percent, or $34.9 million, of this payment back from the San Diego County Auditor and Controller as a one-time residual distribution of RPTTF.

Non-Housing DDR "Clawback" Amounts

Table 12 *in millions*

Disallowed Payments	2nd Quarter CY 2014
Pecto Park Debt Service Payment[1]	$ 11.3
OIG/HUD CDBG Debt Payments	3.3
Convention Center PH II Debt Service Payment[1]	2.0
Long Term City Debt payment[1]	1.0
NTC HUD Section 108 Loan payments[2]	0.2
Mt. Hope HUD Section 108 Loan payments[1]	0.0
Payments to the City for the Barrio Logan Community Plan Update	0.2
Convention Center Phase III loan between the SDCCC and Agency	3.0
Total	**$ 21.1**

[1] Disallowed in ROPS 3 – Letter from DOF dated December 27, 2012

[2] Disallowed in ROPS 4 – Letter from DOF dated May 17, 2013

As result of an increase in ROPS residual distributions and the one-time distribution following the Non-Housing DDR payment, the year-end projection includes a total residual property tax payment of $45.9 million, a $37.7 million increase over the current budget. Combined, these components in the property tax projection result in a net projected surplus of $48.9 million, as displayed in Table 13: FY 2014 Property Tax Revenue Projections Details.

FY 2014 Property Tax Revenue Projections Details

Table 13 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
1% Property Tax	$ 290.4	$ 291.4	$ 299.3	$ 7.9	2.7%
MVLF Backfill	106.4	106.4	108.4	2.0	1.9%
RPTTF Tax Sharing Pass-through Payments	3.0	3.0	4.3	1.3	44.2%
RPTTF Residual Property Tax	8.2	8.2	45.9	37.7	458.8%
Total	**$ 408.0**	**$ 409.0**	**$ 457.9**	**$ 48.9**	**12.0%**

Sales Tax

FY 2014 Sales Tax Revenue Projections

Table 14 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Sales Tax Growth Rate	5.5%	5.5%	4.5%	-1.0%	N/A
Sales Tax Projection	$ 248.1	$ 248.1	$ 243.9	$ (4.2)	-1.7%

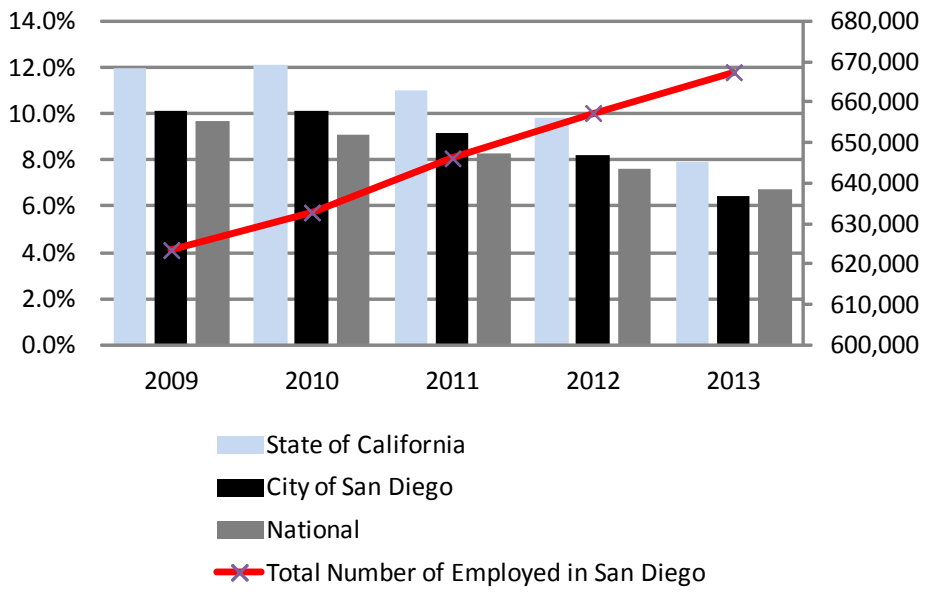
Sales tax revenue is projected to be under budget at year-end as compared to the current budget. The decrease is primarily due to weak growth in consumer spending including lower gas prices

during the first half of FY 2014; as a result, the growth rate of 5.5 percent included in the FY 2014 budget is being decreased to 4.5 percent for the remainder of the fiscal year. Despite the lowered growth rate and under budget projection for FY 2014, sales tax revenue receipts are projected to increase from FY 2013.

Major local economic drivers of the City's sales tax receipts include the unemployment rate and consumer confidence and spending. As of December 2013, the San Diego unemployment rate was 6.4 percent, down from 6.9 percent for the month of November, as reported by the California Employment Development Department. The unemployment rates for both the State of California and the nation are 7.9 percent and 6.7 percent, respectively, as shown in Graph 1: Unemployment Rates. As the local unemployment rate improves, consumer confidence typically increases, which results in continued growth in the City's sales tax receipts.

Unemployment Rates

Graph 1 ***as of December 2013***



Source: State of California, Employment Development Department

While not reaching levels projected in the FY 2014 budget, the City of San Diego continues to experience a steady increase in sales tax revenue when compared to FY 2013, with gains reported in all economic sectors as displayed in Table 15: Quarterly Sales Tax Revenue. Sales tax data from MuniServices, LLC, the City's sales tax consultant, indicates that expected gains in taxable sales from apparel stores, automobile sales, construction materials, and business equipment should help maintain this trend throughout the remainder of FY 2014.

Quarterly Sales Tax Revenue

Table 15 *in millions*

Economic Category	1st Quarter FY 2013	1st Quarter FY 2014	Variance %
General Retail	$ 14.9	$ 15.3	2.8%
Food Products	12.9	13.2	2.3%
Transportation	10.9	11.3	3.6%
Business to Business	4.0	4.3	8.5%
Construction	9.2	9.9	7.2%
Total	**$ 51.8**	**$ 53.9**	**4.1%**

Source: MuniServices, LLC

Looking ahead, information on holiday season taxable sales performance, which will become available in the middle of March 2014, will provide further indication of economic growth and consumer confidence. Any potential increase or decrease in local taxable sales performance will directly impact the City's sales tax projection and will be reflected in the FY 2014 Year End Budget Monitoring Report (Year End Report).

Transient Occupancy Tax (TOT)

FY 2014 Transient Occupancy Tax (TOT) Revenue Projections

Table 16 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
TOT Growth Rate	6.0%	6.0%	6.0%	0.0%	N/A
TOT Projection	$ 87.9	$ 87.9	$ 86.8	$ (1.1)	-1.2%

General Fund TOT revenue is projected to be higher at year-end than the amount received in FY 2013 due to the positive tourism growth expected to be sustained throughout FY 2014; however, this category is projected to be under budget as a result of lower year-to-date receipts as compared to the FY 2014 budget.

Major economic drivers of TOT include hotel occupancy rates, daily room rates, business travel, and conventions. Sustained positive tourism growth has occurred since the economic turnaround began in FY 2010 and this trend is expected to continue through FY 2014, according to the December 2013 Quarterly Travel Forecast from the San Diego Tourism Authority (SDTA) and Tourism Economics, Inc. Table 17: San Diego County Visitor Industry provides a summary of the projected growth in economic indicators that impact the City's transient occupancy tax receipts.

San Diego County Visitor Industry

Table 17

	CY 2011	CY 2012	CY 2013	CY 2014[1]
Visitors				
Total Visits (millions)	31.1	32.3	33.0	33.5
Overnight Visits (millions)	15.8	16.1	16.4	16.8
Hotel Sector				
Avg. Occupancy	68.7%	70.5%	71.5%	72.4%
Avg. Daily Rate	$ 125.59	$ 131.22	$ 135.02	$ 140.36
Rev PAR[2]	$ 86.27	$ 92.56	$ 96.50	$ 101.68
Room Demand (growth)	3.7%	2.9%	2.2%	2.8%

Source: San Diego Tourism Authority and Tourism Economics Inc.

[1] Forecast - Tourism Economics Inc. July 2013

[2] Revenue Per Available Room (Average Occupancy multiplied by Average Daily Rate)

Franchise Fees

FY 2014 Franchise Fee Revenue Projections

Table 18 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
SDG&E Growth Rate	2.0%	2.0%	2.0%	0.0%	N/A
Cables Growth Rate	4.0%	4.0%	4.0%	0.0%	N/A
Franchise Fee Projection	$ 67.0	$ 67.0	$ 68.6	$ 1.5	2.2%

A surplus is projected for franchise fee revenue at year-end as compared to the current budget. Franchise fee revenue is generated from agreements with private utility companies and refuse haulers in exchange for the use of the City's rights-of-way. Currently, the City has franchise agreements with SDG&E, Cox Communications, Time Warner Cable, AT&T, and refuse haulers. Approximately 90.0 percent of franchise fee revenue is comprised of receipts from SDG&E and the cable companies. The revenue received from the agreements with SDG&E and the cable companies is based on a percentage of gross sales while the revenue received from refuse haulers is based on tonnage.

The over budget projection for franchise fees is attributed to an increase in revenue from SDG&E and refuse haulers. The revenue increase is partially offset by a decrease in revenue from cable companies. The increase in SDG&E franchise fee revenue is primarily due to increased energy consumption and seasonal natural gas sales and consumption. Offsetting the increases in SDG&E franchise fees, revenue receipts associated with cable franchise fees have decreased for two consecutive quarters. The decrease in cable franchise fees is consistent with recent publications that cite a general decline in demand for cable services.

Property Transfer Tax

FY 2014 Property Transfer Tax Projections

Table 19 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Transfer Tax Growth Rate	8.0%	8.0%	10.0%	2.0%	N/A
Property Transfer Tax Projection	$ 7.0	$ 7.0	$ 8.0	$ 1.0	14.2%

Property transfer tax is levied on the sale of residential and commercial real estate property and is highly reflective of the activity in the housing market, which makes property transfer tax revenues generally more volatile to market changes than the 1.0 percent property tax levy. The County of San Diego collects $1.10 per $1,000 of the sale price when any real property is sold. The City is credited $0.55 per $1,000 against the County's charge, giving both the County and City each $0.55 per $1,000 of the sale price. The funds are collected by the County upon a sale of real property within City limits and transferred to the City on a monthly basis.

A surplus is projected for property transfer tax revenue at year-end as compared to the current budget. The increased year-end projection is due to actual receipts exceeding budgeted amounts during the first half of the fiscal year. Also, a positive outlook in the local housing market suggests a higher than anticipated growth rate for year-end revenue receipts. Accordingly, the 8.0 percent growth rate included in the FY 2014 budget is being increased to 10.0 percent for the remainder of the fiscal year. Table 20: Local Economic Indicators displays the latest indicators on the local real estate market. The positive statistics contribute to the projection of increased property transfer tax revenue at year-end.

Local Economic Indicators

Table 20

Economic Indicator	December 2012	December 2013	Variance %
San Diego County Home Sales	3,773	3,101	-17.8%
San Diego County Median Home Price	$378,919	$425,747	12.4%
San Diego County Foreclosures	445	148	-66.7%
San Diego County Notices of Default	978	448	-54.2%

Source: DataQuick Information Systems, San Diego County Assessor/Recorder/County Clerk's Office

Motor Vehicle License Fee (MVLF)

The FY 2014 budget did not include revenue from MVLF due to the passage of State of California Senate Bill 89, which eliminated MVLF allocations to cities and redirected this revenue to the State's General Fund to support public safety grants. Although no MVLF revenue was included in the budget for this fiscal year, during the first quarter the City received a payment of $0.6 million from the State for penalties and interest on late MVLF payments. No additional receipts are projected for the remainder of FY 2014.

Other Major Revenue

FY 2014 Other Major Revenue Projections

Table 21 *in millions*

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Other Major Revenue Projections	$ 76.9	$ 76.9	$ 86.2	$ 9.3	12.2%

The Other Major Rrevenue category includes General Governmental Services Billing (GGSB), which is a reimbursement from other City funds that utilize General Fund services, the one-cent TOT transfer into the General Fund, interest earnings attributable to the General Fund from the City investment pool, and Refuse Collector Business Tax. Other Major Rrevenue is projected to end the year over budget primarily due to the unbudgeted one time revenue of $9.8 million resulting from the dissolution of the SDDPC.

GENERAL FUND SUMMARIES BY DEPARTMENT

City Auditor

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
0.00	0.00	0.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ -	$ -	$ -	$ -	0.0%
Personnel Expenditures	2.7	2.7	2.7	0.0	0.6%
Non-Personnel Expenditures	1.2	1.2	0.7	0.5	41.3%
Expenditures	$ 3.9	$ 3.9	$ 3.4	$ 0.5	13.1%

Revenue:
The Office of the City Auditor revenue is projected to exceed budget by $17,000 due to an unanticipated reimbursement of revenue from the audit of the San Diego Convention Center.

Expenditures:
Personnel expenditures in the Office of the City Auditor are projected to be at budget at fiscal year-end, which is similar to the First Quarter Report. The Department is projecting non-personnel expenditures to be under budget at fiscal year-end, which is an improvement from the First Quarter Report. The savings are due to lower actual expenditures than originally estimated related to the review of the City's FY 2013 and FY 2014 Comprehensive Annual Financial Report (CAFR).

City Treasurer

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
4.00	8.00	4.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 26.0	$ 26.0	$ 27.2	$ 1.2	4.7%
Personnel Expenditures	11.5	11.5	11.1	0.3	2.9%
Non-Personnel Expenditures	9.0	9.0	9.1	(0.0)	-0.5%
Expenditures	$ 20.5	$ 20.5	$ 20.2	$ 0.3	1.4%

Revenue:
The City Treasurer Department revenue is projected to exceed budget by year-end, which is an improvement from the First Quarter Report. The surplus is due to additional rental unit business tax, and business tax revenue as a result of existing businesses hiring more employees and the Franchise Tax Board Compliance Program generating additional revenue.

Expenditures:
Personnel expenditure projections include a surplus related to ongoing vacancies in the department. The increased surplus since the First Quarter Report is due to delays in filling vacancies. Similar to the First Quarter Report, non-personnel expenditures are projected to be at budget at fiscal year-end.

Citywide Program Expenditures

in millions

Expenditures	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Assessments to Public Property	$ 0.5	$ 0.5	$ 0.6	(0.1)	-12.8%
Business Cooperation Program	0.4	0.4	0.3	0.0	7.9%
Citywide Elections	1.8	1.8	9.8	(8.0)	-441.8%
Corporate Master Leases Rent	9.6	9.6	8.8	0.7	7.8%
Deferred Capital Debt Service	10.7	10.7	10.8	(0.1)	-0.7%
Employee Personal Property Claims	0.0	0.0	-	0.0	100.0%
Insurance	1.6	1.6	1.6	(0.0)	0.0%
McGuigan Settlement	8.0	8.0	8.0	0.0	0.0%
Memberships	0.6	0.6	0.7	(0.1)	-15.5%
Preservation of Benefits	1.7	1.7	1.5	0.2	13.8%
Property Tax Administration	3.8	3.8	3.8	-	0.0%
Public Liability Claims Transfer - Claims Fund	14.5	14.5	14.5	-	0.0%
Public Liability Claims Transfer - Reserves	0.1	0.1	0.1	-	0.0%
Public Use Leases	1.6	1.6	1.6	-	0.0%
Special Consulting Services	3.2	3.2	3.1	0.1	3.1%
Supplemental COLA	1.4	1.4	1.4	-	0.0%
TRANS Interest Expense Transfer Fund	0.3	0.3	-	0.3	100.0%
Transfer to Park Improvement Funds	5.6	5.6	5.4	0.2	3.1%
Transportation Subsidy	0.7	0.7	0.7	0.0	0.0%
Total	$ 66.1	$ 66.1	$ 72.7	$ (6.6)	-10.0%

Expenditures:
Citywide Program Expenditure projections include $7.8 million in unbudgeted costs for the two unanticipated Mayoral special elections, which were estimated at $9.3 million in the First Quarter Report. The projection has been adjusted due to receipt of the primary election invoice and the most recent estimate of the run-off election costs from the San Diego County Registrar of Voters. This is slightly offset by savings in Preservation of Benefits (POB), Tax Revenue Anticipation Notes (TRANS), and rent from the renegotiated lease for office space at the Executive Complex. As displayed in the table above, the savings projected in POB, TRANS, and rent only slightly offset the unbudgeted election costs.

Development Services – Planning and Neighborhood Code Compliance

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
2.00	9.00	7.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 3.4	$ 3.4	$ 3.9	$ 0.5	15.6%
Personnel Expenditures	11.7	11.7	11.3	0.4	3.1%
Non-Personnel Expenditures	3.4	3.4	2.3	1.0	31.0%
Expenditures	$ 15.0	$ 15.0	$ 13.6	$ 1.4	9.3%

Revenue:

Revenue projections in the Development Services – Planning and Neighborhood Code Compliance Department include higher than anticipated revenue from registration fees generated by the new Property Value Protection Ordinance program. Over budget revenue is also projected for General Plan Maintenance fees from increased applications for development as a result of the improving economy. The increased revenue projection from the First Quarter Report is primarily due to additional data collected for General Plan Maintenance Fees and for the Property Value Protection Ordinance Program.

Expenditures:

Similar to the First Quarter Report, personnel expenditures are projected to be under budget due to a delay in filling vacant positions. Due to various delays in the hiring process and a limited pool of candidates, the Department is projecting to fill the vacant positions by the end of the fiscal year. The savings are partially offset by over budget projections in pay-in-lieu of annual leave, termination pay, and hourly wages.

Non-personnel projections are under budget primarily due to unforeseen Community Plan Update (CPU) program delays. Delayed CPU programs include Uptown, North Park, Golden Hill, Grantville, Southeastern San Diego, and Encanto. The delays are resulting from public recommendations on land use maps and unforeseen traffic impacts. The additional surplus from the First Quarter Report is due to further delays than originally anticipated in the programs mentioned above as well as delays in start dates for the environmental impact reports. Although some CPUs are experiencing delays, the Otay Mesa and Ocean Beach CPUs will be completed by fiscal year-end.

Economic Development

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
1.00	7.00	6.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 8.2	$ 8.2	$ 8.2	$ 0.0	0.0%
Personnel Expenditures	5.2	5.5	5.1	0.4	6.8%
Non-Personnel Expenditures	7.8	7.8	7.8	(0.0)	0.0%
Expenditures	$ 12.9	$ 13.2	$ 12.9	$ 0.4	2.8%

Revenue:
Similar to the First Quarter Report, the Economic Development Department revenue is projected to be at budget by fiscal year-end.

Expenditures:
Personnel expenditures are projected to be under budget by year-end mainly due to 7.00 FTE vacant positions as a result of various delays in the hiring process and the need for re-classifications of positions. The Department is projecting to fill the vacancies by the end of March 2014. Similar to the First Quarter Report, non-personnel expenditures are projecting to end the fiscal year at budget.

Fire-Rescue

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
75.00	82.00	7.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 24.0	$ 24.0	$ 27.7	$ 3.7	15.5%
Personnel Expenditures	189.4	189.4	192.0	(2.5)	-1.3%
Non-Personnel Expenditures	33.2	33.2	32.8	0.4	1.3%
Expenditures	$ 222.7	$ 222.7	$ 224.8	$ (2.1)	-0.9%

Revenue:
Revenue projections in the Fire-Rescue Department include a surplus in charges for current services primarily due to prior year reimbursements from the Airport Authority. In addition, the Department received a one-time credit payment from the helicopter maintenance provider due to the discontinuance of the maintenance program, as mentioned in the First Quarter Report.

Also included is an under budget projection for the Combustible Explosive and Dangerous Materials (CEDMAT) inspection fee revenue, which is offset by reimbursable revenue resulting

from strike team deployments, higher than anticipated public assembly permit revenue and reimbursement from the Urban Area Security Initiative grant. The Department hired additional Fire Prevention Inspectors in December 2013 and is anticipating increased revenue next fiscal year. The increase in revenue projection from the First Quarter Report is primarily due to unbudgeted State reimbursements for strike team deployments, higher than anticipated public assembly permit revenue, and grant reimbursements.

Expenditures:
The personnel expenditure projection is over budget in overtime, pay-in-lieu of annual leave, hourly wages and Fringe Benefits. Offsetting the over budget projection are savings in Salaries and Wages and termination pay. Although overtime is projected to exceed budget, the current projection is $4.4 million less than FY 2013 actuals. This decrease is a result of a lower number of strike team deployments through the first part of the fiscal year as well as the addition of 55 new fire fighters into operations from two FY 2013 academies. The decrease in projection from the First Quarter Report is primarily due to 11 fewer Fire Recruit graduates than previously anticipated. The Department is currently in the process of assessing the impact of the new fire fighters to quantify the positive impact on overtime expenditures.

Similar to the First Quarter Report, non-personnel expenditure projections are under budget due to less than anticipated cost for fleet fuel and vehicle financing and lease obligations. This is partially offset with over budget expenditures for vehicle usage fees due to the delayed implementation of the Fleet Services MEGO and vehicle assignment fees.

Library

As of January 2014 — *FTE*

Budgeted Vacancies	Current Vacancies	Variance
14.50	18.50	4.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 4.1	$ 4.1	$ 3.5	$ (0.6)	-15.5%
Personnel Expenditures	30.5	30.5	30.0	0.5	1.6%
Non-Personnel Expenditures	13.3	13.3	13.3	0.1	0.4%
Expenditures	$ 43.8	$ 43.8	$ 43.3	$ 0.5	1.2%

Revenue:
The Library Department revenue is projected to be under budget at fiscal year-end, which is less than anticipated in the First Quarter Report. The under budget projection is primarily due to a reduced estimate in parking garage revenue at the new Central Library and lower than anticipated revenue related to reimbursements for Sunday hours at branch libraries. The parking revenue projection is trending lower than estimated based on revenue receipts since the December 2013 opening due in part to the phased implementation of the parking garage operating plan. In addition, library fines and meeting room fees are trending lower than in the First Quarter Report.

Expenditures:
Personnel expenditure projections include a surplus in Salaries and Wages related to the savings in hourly wages. The surplus in salaries is offset with over budget projections in overtime and pay-in-lieu of annual leave. The current projections are lower than anticipated in the first quarter due to higher than anticipated vacancies resulting from a difficulty in hiring hourly wage employees.

Non-personnel expenditures are projected to be under budget at fiscal year end. The current projection is an improvement from the First Quarter Report due to the savings as a result of the discontinuation of utilities at the old Central Library. In addition, utilities expenditures for the high school at the New Central Library are now directly billed to the high school. This savings is partially offset with increases in supply expenditure projections for necessary office, janitorial, and safety supplies and materials.

Park and Recreation

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
23.50	38.00	14.50

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 32.9	$ 32.9	$ 32.6	$ (0.3)	-0.9%
Personnel Expenditures	55.2	55.2	56.2	(1.0)	-1.8%
Non-Personnel Expenditures	34.7	34.8	34.5	0.3	0.9%
Expenditures	$ 90.0	$ 90.1	$ 90.8	$ (0.7)	-0.8%

Revenue:
The Park and Recreation Department revenue is projected to be under budget at fiscal year-end due to a decrease in TOT reimbursements and lower than anticipated Gas Tax reimbursement revenue as a result of the median maintenance non-personnel expenditures posting directly to the Gas Tax Fund. This projection is partially offset with a surplus in revenue associated with facility rentals outside of standard hours of operation, and the one-time receipt of funds from the San Diego School District for the loss of use of the Carroll Canyon mitigation site. The projection for TOT revenue to the General Fund has declined from the first quarter projection due to slower growth than previously anticipated.

Expenditures:
Similar to the First Quarter Report, personnel expenditures include over budget hourly wages, pay-in-lieu of annual leave, overtime and Fringe Benefits. The over budget hourly wages are mainly due to positions being paid at higher steps than budgeted, and staffing during non-standard hours of operation due to reimbursable facility rentals. The overtime projection is a result of holiday staffing and responding to emergencies such as critical maintenance or security issues. This projection is offset with savings in Salaries and Wages due to a variety of vacancies at different position levels, which the Department plans on filling by fiscal year-end.

Non-personnel expenditure projections include under budget contractual expenditures due to an unanticipated lengthy procurement process for large contracts including the multi-year tree maintenance and fencing contracts. The savings are also due to Gas Tax eligible expenditures posting directly to the Gas Tax Fund. The expenditures for the brush management contract are also projecting to be lower than anticipated in the First Quarter Report due to start-up delays.

Police

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
130.50	150.50	20.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 44.1	$ 44.1	$ 44.3	$ 0.1	0.3%
Personnel Expenditures	354.1	354.1	358.4	(4.2)	-1.2%
Non-Personnel Expenditures	64.4	66.4	69.0	(2.6)	-3.8%
Expenditures	$ 418.5	$ 420.6	$ 427.3	$ (6.8)	-1.6%

Revenue:

The Police Department is projected to exceed budget in parking citation revenue. Over budget parking citation revenue is also projected in the Transportation and Storm Water Department, and this trend is expected to continue in the second half of FY 2014. On January 22, 2014, the Interim Mayor's Office announced changes to local parking meter enforcement effective March 3, 2014. The one-year pilot program approved by Civic San Diego will change parking meter enforcement hours in the Downtown area from 10:00 a.m. to 8:00 p.m. (rather than 8:00 a.m. to 6:00 p.m.). Financial Management will monitor the effect of these changes on parking citation revenue and projections may be adjusted in the Year End Report.

In addition, the Police Department is also projected to exceed budget in revenue from other agencies due to unbudgeted revenue associated with Assembly Bill 109 Public Safety Realignment (AB 109). The other rents and concessions group is also projecting over budget revenue associated with Police services at Chargers home games. These surpluses are offset by lower municipal court revenue attributed to the discontinuance of the red light photo enforcement program. Reimbursement for the Abandoned Vehicle Abatement (AVA) program has also been discontinued as discussed in the First Quarter Report.

Expenditures:

Personnel expenditure projections include over budget overtime. A portion of the over budget over time is due to the increased need for front-line law enforcement related to AB 109 for the monitoring of non-serious, non-violent or non-sex offenders released from prison early and is offset with over budget revenue as mentioned above. Since the First Quarter Report, the over budget projection has increased in this category due to higher grant and task force related overtime. Pay-in-lieu of annual leave and Fringe Benefits are also projected to exceed budget.

Non-personnel expenditure projections are similar to the First Quarter Report and include over budget services paid to the County of San Diego for animal control services, consultant

expenditures for sworn staff promotional examinations, and red light photo adjudication expenditures. The Department's non-personnel expenditure projections are over budget in the Contracts category due to increased usage rates due to the delayed implementation of the Fleet Services MEGO and urgent repairs made to the emergency generator located at Police headquarters.

Public Works – Engineering and Capital Projects

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
17.00	32.00	15.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 56.5	$ 56.5	$ 56.5	$ (0.0)	-0.1%
Personnel Expenditures	55.3	55.3	55.7	(0.5)	-0.8%
Non-Personnel Expenditures	6.6	6.6	7.8	(1.2)	-17.5%
Expenditures	$ 61.9	$ 61.9	$ 63.5	$ (1.6)	-2.6%

Revenue:

The Public Works – Engineering and Capital Projects Department revenue is projected to be at budget by fiscal year-end, which is an improvement from the First Quarter Report due to increased cost recoverable projects.

Expenditures:

Personnel expenditure projections are over budget in Fringe Benefits, overtime, and unbudgeted pay-in-lieu of annual leave. The over budget projections are offset by a higher number of vacant positions than assumed in the First Quarter Report. Due to various delays in the hiring process and higher attrition, the Department is projecting to fill the vacant positions by the end of the fiscal year. Similar to the First Quarter Report, the over budget non-personnel expenditures are primarily due to unbudgeted costs related to the relocation from 600 B Street to 525 B Street.

Public Works — General Services

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
4.00	16.00	12.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 3.9	$ 3.9	$ 3.7	$ (0.2)	-4.6%
Personnel Expenditures	10.9	10.9	10.4	0.5	4.2%
Non-Personnel Expenditures	6.0	6.0	6.0	0.0	0.1%
Expenditures	$ 16.8	$ 16.8	$ 16.4	$ 0.5	2.7%

Revenue:
The Public Works – General Services Department revenue is projected to be under budget at year-end. Similar to the First Quarter Report, the under budget revenue is attributed to performing less reimbursable work for non-general fund departments. If this trend continues, a further decline in revenue could occur.

Expenditures:
The Department is projecting personnel expenditures to be under budget at year-end. The surplus in Salaries and Wages is offset by over budget projections in pay-in-lieu of annual leave, hourly wages, and overtime. The surplus is attributed to 12.00 FTE vacant positions over the budgeted vacancies. The first quarter projection anticipated filling all vacant positions by January 2014; however, due to various delays in the hiring process and a limited pool of candidates, the majority of the positions are now anticipated to be filled by the end of the fiscal year.

Similar to the First Quarter Report, non-personnel expenditures are projected to be slightly over budget due to the continued increase in costs for the Maintenance, Repair and Operations (MRO) contracts, and the need to address the ongoing as-needed repairs of various City facilities.

Purchasing and Contracting

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
1.00	6.00	5.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 0.7	$ 0.7	$ 0.7	$ -	0.0%
Personnel Expenditures	4.2	4.2	4.0	0.2	4.8%
Non-Personnel Expenditures	0.6	0.6	0.6	0.0	1.5%
Expenditures	$ 4.8	$ 4.8	$ 4.6	$ 0.2	4.4%

Revenue:
Similar to the First Quarter Report, the revenue projections for the Purchasing and Contracting Department are projecting to be at budget by fiscal year-end.

Expenditures:
Personnel expenditure projections include under budget Salaries and Wages, Fringe Benefits, and hourly wages. The Department's first quarter projection included filling 9.00 FTE unbudgeted positions in support of the Prevailing Wage Ordinance by December 2013. However, due to delays in the hiring process, the Department is now projecting the positions to be filled in March 2014. The surplus related to the delay in filling vacant positions is offset with over budget projections in overtime, pay-in-lieu of annual leave, and termination pay. Similar to the First Quarter Report, non-personnel expenditure are projecting to be at budget by fiscal year-end.

Transportation and Storm Water

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
16.00	51.00	35.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 46.9	$ 46.9	$ 48.2	$ 1.3	2.8%
Personnel Expenditures	42.6	42.6	42.1	0.5	1.1%
Non-Personnel Expenditures	49.5	49.5	49.2	0.3	0.6%
Expenditures	$ 92.1	$ 92.1	$ 91.3	$ 0.8	0.8%

Revenue:

Revenue projections in the Transportation and Storm Water Department Department are projected to be over budget in charges for current services. As discussed in the First Quarter Report, the over budget revenue is primarily due to reimbursable services performed on construction projects, street and sidewalk maintenance, and street sweeping work. The Department is also projecting over budget parking citation revenue that is expected to continue through FY 2014. Since the First Quarter Report, the Gas Tax revenue projection has decreased based on the State Department of Finance Gas Tax projections released in January 2014. The under budget projection in Gas Tax revenue is more than offset by the surplus projected for charges for current services and parking citation revenue.

Expenditures:

Personnel expenditure projections are similar to the First Quarter Report and include under budget Salaries and Wages and Fringe Benefits attributed to a high number of vacancies through the first half of the fiscal year. Some of these positions are expected to remain vacant while the Department identifies new efficiencies as an alternative to the Street and Sidewalk Maintenance managed competition. The salary savings from the vacant positions are partially offset by over budget overtime expenditures caused by channel work in the Tijuana River Valley and pay-in-lieu of annual leave.

Non-personnel expenditures are projected to be under budget in Energy and Utilities, which is an increase from the First Quarter Report, due to energy efficient upgrades to street lights. The Department is also projecting a positive variance due to a delay in awarding heavy construction equipment rental contracts. Similar to the First Quarter Report, the positive variance is partially offset by over budget vehicle usage fees due to the delay in implementation of the Fleet Services MEGO.

NON-GENERAL FUNDS

Central Stores Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
1.00	2.00	1.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 13.4	$ 13.4	$ 11.8	$ (1.5)	-11.5%
Personnel Expenditures	1.6	1.6	1.7	(0.1)	-6.8%
Non-Personnel Expenditures	11.7	11.7	10.4	1.3	11.4%
Expenditures	13.4	13.4	12.1	1.2	9.2%
Net Year-End Projection	**$ -**	**$ -**	**$ (0.3)**	**$ (0.3)**	

Revenue:
The Central Stores Fund is projected to be under budget in revenue at year-end primarily attributed to an unanticipated decline in demand of storeroom items by City departments. While the Department is still projecting to be under budget in revenue, this is an improvement from the revenue projections in the First Quarter Report.

Expenditures:
Personnel expenditures are projected to be over budget due to overtime, pay-in-lieu of annual leave, and hourly wages.

Non-personnel expenditures are projected to be under budget by fiscal year-end due to a continued decrease in demand for storeroom items. The Department is currently projecting to maintain lower inventory levels in order to adjust to the level of demand anticipated. While the Department is still projecting to be under budget in expenditures, demand has increased since the First Quarter Report resulting in higher expenditures than previously projected. The Fund is projecting to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of available fund balance.

Development Services Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
145.75	114.50	(31.25)

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 45.6	$ 45.6	$ 47.8	$ 2.2	4.8%
Personnel Expenditures	34.7	34.7	37.5	(2.8)	-8.1%
Non-Personnel Expenditures	11.2	11.2	10.2	1.0	9.0%
Expenditures	45.9	45.9	47.7	(1.8)	-3.9%
Net Year-End Projection	**$ (0.3)**	**$ (0.3)**	**$ 0.1**	**$ 0.4**	

Revenue:

The Development Services Fund is projected to be over budget due to an increase in plan reviews and building permits as a result of the improving economy. In addition, customers had submitted plans prior to the implementation of the new increase in building code fees effective January 1, 2014. The surplus is partially offset by under budget reimbursements from other City departments and CIP projects. The revenue projection has decreased since the First Quarter Report due to a large number of plans submitted early to avoid the fee increase. The revenue projection was further reduced from the first quarter projection to account for permits that will be initiated or requested in FY 2014 but not issued until FY 2015, when the revenue will be realized.

Expenditures:

Personnel expenditure projections in the Development Services Fund include over budget Salaries and Wages, hourly wages, pay-in-lieu of annual leave, overtime, and Fringe Benefits. The Department is projecting to hire 26.00 FTE positions by the end of the fiscal year to support the increased plan reviews and building permits as a result of the improving economy. The expenditure projection has declined significantly since the first quarter primarily due to savings in personnel expenditures as a result of delays in the hiring process and to conservative spending in other areas.

Non-personnel expenditure projections include under budget Energy and Utilities due to lower cell phone usage by staff, and conservative spending in supplies, office equipment, and furniture. The Department is also projecting under budget in the employee transportation allowance program as a result of employees opting to use the new Annual Adult Regional Transportation Pass, which was introduced in FY 2014 at a lower rate. The Fund is projecting to end the fiscal year with revenue in excess of expenditures.

Fire/Emergency Medical Services Transportation Program Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
0.00	3.00	3.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 10.8	$ 10.8	$ 10.8	$ 0.0	0.1%
Personnel Expenditures	5.3	5.3	5.4	(0.1)	-1.8%
Non-Personnel Expenditures	6.2	6.2	6.7	(0.5)	-7.7%
Expenditures	11.5	11.5	12.1	(0.6)	-5.0%
Net Year-End Projection	**$ (0.7)**	**$ (0.7)**	**$ (1.3)**	**$ (0.6)**	

Revenue:
Revenue projections in the Fire/Emergency Medical Services (EMS) Transportation Program Fund are anticipated to be at budget at fiscal year-end.

Expenditures:
Personnel expenditures are projected to be over budget as a result of unbudgeted overhead. These expenditures are a result of a rotation of Fire Fighters from the Fire-Rescue Department General Fund to the Fire/EMS Transportation Program Fund to provide paramedic services on ambulances. The Fund is projecting to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use fund balance.

Fleet Services Operating Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
0.00	24.00	24.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 51.6	$ 51.6	$ 53.9	$ 2.3	4.4%
Personnel Expenditures	16.6	16.6	19.9	(3.3)	-19.9%
Non-Personnel Expenditures	35.2	35.2	33.0	2.2	6.2%
Expenditures	51.8	51.8	52.9	(1.1)	-2.2%
Net Year-End Projection	**$ (0.1)**	**$ (0.1)**	**$ 1.0**	**$ 1.2**	

Revenue:
The Fleet Services Operating Fund revenue is projected to be over budget by fiscal year-end. The surplus is primarily attributed to an increase in costs for services due to the delayed implementation of the Fleet Services MEGO. Revenue has decreased since the First Quarter Report due to a further decline in fuel revenue as a result of a lower cost per gallon. Note that a lower cost of fuel also results in expenditure savings in General Fund and non-general fund

departments. This decrease is partially offset by an increase in revenue due to a change in fleet inventory.

Expenditures:
Personnel expenditure projections in the Fleet Services Operating Fund include over budget Salaries and Wages due to unbudgeted filled positions attributed to the delayed implementation of the Fleet Services MEGO. Overtime is also projecting to exceed budget due to maintaining the fire engine reserve and packer fleet.

Non-personnel expenditure projections include a surplus due to a continued decrease in the citywide cost of fuel and gallons consumed which is a decrease in fuel expenditure projections from the First Quarter Report. Due to the continued delays in implementation of the MEGO the Fund is projecting to exceed budget; however, this projection is more than offset by the fuel surplus which is unrelated to the MEGO. The Fund is projecting to end the fiscal year with revenue in excess of expenditures.

Golf Course Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
4.00	4.00	0.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 18.4	$ 18.4	$ 19.4	$ 1.0	5.5%
Personnel Expenditures	7.3	7.3	7.3	(0.0)	-0.3%
Non-Personnel Expenditures	8.4	8.4	8.3	0.1	1.0%
Expenditures	15.7	15.7	15.6	0.1	0.4%
Net Year-End Projection	**$ 2.7**	**$ 2.7**	**$ 3.8**	**$ 1.1**	

Revenue:
The Golf Course Fund is projecting revenue to be over budget primarily due to increased golf play and concessions revenue resulting from the improved golf course conditions and improving economy. This trend has continued since the first quarter projections.

Expenditures:
Personnel and non-personnel expenditure projections are expected to be close to budget by fiscal year-end. The Fund projects to end the fiscal year with revenue in excess of expenditures.

Recycling Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
4.28	10.44	6.16

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 17.8	$ 17.8	$ 19.1	$ 1.3	7.3%
Personnel Expenditures	9.9	9.9	9.9	(0.0)	-0.3%
Non-Personnel Expenditures	13.4	13.4	12.4	1.0	7.4%
Expenditures	23.3	23.3	22.3	1.0	4.1%
Net Year-End Projection	**$ (5.5)**	**$ (5.5)**	**$ (3.2)**	**$ 2.3**	

Revenue:

The Recycling Fund projections include over budget revenue, similar to the first quarter projection. The surplus in revenue is primarily due to an expected increase in Assembly Bill 939 eligible tons from the Tijuana River Valley sediment removal project. In addition, the Fund is receiving increased revenue as a result of an unanticipated reimbursement from the State of California's Container Redemption Value (CRV) program.

Expenditures:

The Recycling Fund is projecting personnel expenditures to be slightly over budget in pay-in-lieu of annual leave and Fringe Benefits, which is partially offset with savings from vacancies. The Fund is projecting non-personnel expenditures to be under budget due to postponing vehicle replacements, and lower than budgeted fuel costs. The current projection reflects a decrease in the surplus from the First Quarter Report primarily due to an increase in fuel expenditures and purchases of additional blue recycling containers to meet higher demand. The Fund is projecting to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

Refuse Disposal Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
6.34	12.55	6.21

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 29.4	$ 29.4	$ 27.3	$ (2.1)	-7.0%
Personnel Expenditures	14.4	14.4	14.6	(0.3)	-1.7%
Non-Personnel Expenditures	17.5	17.5	17.6	(0.1)	-0.4%
Expenditures	31.9	31.9	32.3	(0.3)	-1.0%
Net Year-End Projection	**$ (2.6)**	**$ (2.6)**	**$ (5.0)**	**$ (2.4)**	

Revenue:
Similar to the First Quarter Report, the Refuse Disposal Fund is projecting under budget revenue by year-end. The under budget revenue projection is due to lower than anticipated refuse tonnage disposed at the Miramar Landfill.

Expenditures:
The Refuse Disposal Fund is projecting personnel expenditures to be over budget by year-end. This is primarily due to unbudgeted pay-in-lieu of annual leave and increased overtime associated with backfilling of staff who are on light duty or long-term disability. These expenditures are partially offset by vacancies.

The Fund is projecting non-personnel expenditures to be over budget due to an unbudgeted capital expense for the purchase of a new tub grinder in order to meet the current air pollution control compliance. The Fund is projecting to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

Sewer Utility Funds

As of January 2014 — *FTE*

Budgeted Vacancies	Current Vacancies	Variance
40.40	89.14	48.74

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 409.2	$ 409.2	$ 409.8	$ 0.7	0.2%
Personnel Expenditures	86.6	86.6	85.4	1.2	1.4%
Non-Personnel Expenditures	252.8	253.5	240.6	12.8	5.1%
Expenditures	339.4	340.1	326.0	14.1	4.1%
Net Year-End Projection	**$ 69.8**	**$ 69.1**	**$ 83.8**	**$ 14.7**	

Revenue:
The Sewer Utility Funds are projecting to be over budget in revenue by fiscal year-end. The department is experiencing a reduction in reimbursements from State Revolving Fund loans for improvements at the Metro Biosolids Center. The improvements have been delayed due to lease negotiations with the Department of the Navy taking longer than anticipated. This is mitigated entirely by over budget revenue due to higher capacity fee revenue from strong permit activity within the commercial and multi-family housing categories and in other reimbursements from State Revolving Fund loans for pipeline rehabilitation projects. The Sewer Utility Funds reflect additional surplus in revenues since the First Quarter Report, primarily due to additional capacity fee revenues and higher than anticipated receipts from State Revolving Fund loans.

Expenditures:
Personnel expenditures for the Sewer Utility Funds are projected to be under budget in salaries and Fringe Benefits, which are partially offset by over budget projections in pay-in-lieu of annual leave and overtime. The current projection includes 89 vacancies in a variety of positions, which are projected to be filled at various times throughout the fiscal year.

Non-personnel expenditures are projected to be under budget by fiscal year-end primarily due to lower bond interest payments resulting from unanticipated debt service reserve credit and the transfer of IT services from a single vendor to a citywide vendor under the new IT Sourcing contract for COMNET services. Also contributing to the surplus is the appropriated reserve as the current projection does not anticipate to expend the reserve this fiscal year.

Water Utility Operating Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
36.60	42.11	5.51

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 427.6	$ 427.6	$ 454.0	$ 26.4	6.2%
Personnel Expenditures	68.1	68.1	68.9	(0.8)	-1.2%
Non-Personnel Expenditures	371.2	371.4	370.8	0.5	0.1%
Expenditures	439.3	439.5	439.8	(0.3)	-0.1%
Net Year-End Projection	**$ (11.7)**	**$ (11.9)**	**$ 14.3**	**$ 26.2**	

Revenue:

The Water Utility Operating Fund is projecting to be over budget in revenue as a result of the water rate increases, that were approved by the City Council for 2014 and 2015, in order to meet the wholesale pass through cost increases and maintain sufficient debt service coverage levels for the City's outstanding water revenue bonds. Additional surplus is due to increased capacity fee revenue from strong permit activity within the commercial and multi-family housing categories. The Fund also received SDG&E settlement revenue from the wildfires. The revenue projection is an increase from the First Quarter Report mainly due to the water rate increase.

Expenditures:

Personnel expenditures in the Water Utility Operating Fund are projected to end the fiscal year slightly over budget. Savings in salaries due to vacancies are offset by over budget expenditures in overtime and pay-in-lieu of annual leave.

Non-personnel expenditures are projected to be under budget due to a decrease in hardware and software procurement as well as a delay in the Graphic Information System (GIS) Assessment project. This surplus is partially offset by higher costs of water resulting from the water rate increase and higher than anticipated electrical costs caused by SDG&E rate increases. The expenditures projection represents a decrease from the first quarter projection primarily due to a decrease in chemical suppplies, a reduction in liability claim payments, and delays in the GIS Assessment, and computer replacement projects. The Fund is projecting to end the fiscal year with revenues in excess of expenditures.

Wireless Communications Technology Fund

As of January 2014 *FTE*

Budgeted Vacancies	Current Vacancies	Variance
2.00	7.00	5.00

in millions

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Revenue	$ 7.5	$ 7.5	$ 7.6	$ 0.0	0.5%
Personnel Expenditures	5.0	5.0	4.4	0.6	12.7%
Non-Personnel Expenditures	3.9	3.9	3.9	(0.0)	0.0%
Expenditures	8.9	8.9	8.2	0.6	7.2%
Net Year-End Projection	**$ (1.3)**	**$ (1.3)**	**$ (0.7)**	**$ 0.7**	

Revenue:
The Wireless Communications Technology Fund is projecting revenue to be within budget by fiscal year-end.

Expenditures:
Personnel expenditures are projected to be under budget due to vacant positions in the department. The Fund is projecting to fill 4.00 FTE vacant positions by the end of the fiscal year. Non-personnel expenditures are projected to be at budget by fiscal year-end. The Fund is projecting to end the fiscal year with expenditures in excess of revenue, which will be mitigated by the use of fund balance.

SIGNIFICANT BUDGET ITEMS

City Attorney

Consumer and Environmental Protection and Proposition 64 Revenue:
The FY 2014 budget includes revenue of $0.9 million for reimbursable work on consumer protection from funding available in the Consumer Protection and Proposition 64 Funds. As of December 2013, the Consumer Protection Unit, consisting of three Deputy City Attorneys and five administrative support staff, has received $0.5 million. The year-end projection assumes this trend will continue and the Department will receive the budgeted amount.

Citywide Program Expenditures

Kinder Morgan Litigation:
The FY 2014 budget includes $0.7 million resulting from delays in litigation expenditures in FY 2013. Due to additional delays experienced this fiscal year, savings are again anticipated; however, the specific amount of savings is unknown at this time and the current projection reflects fully expending the budgeted amount. Financial Management will provide an update in the Year End Report.

MTS Bus Pass Program:
An agreement with the San Diego Unified School District (SDUSD) was executed on October 24, 2013 and a check for $0.2 million was distributed to the SDUSD on October 29, 2013. As of December 2013, 800 bus passes have been distributed to San Diego, Hoover, Lincoln, and Crawford High School students. Bus passes will last through the school year, and SDUSD is currently working on the evaluation of the program.

Taxi Cab Study:
The Taxi Cab study is placed on hold until a decision is made by the Mayor's Office to move forward with the transition of the taxi and for-hire vehicle administration and oversight from MTS to the City. Until then, Interim Mayor Gloria requested that MTS extend its current contract with the City (ending on June 30, 2014) to provide taxi and for-hire vehicle administration and oversight by five years. The proposed effective dates of the contract extension would be July 1, 2014 through June 30, 2019.

The City is awaiting MTS' decision as it deliberates on granting the five-year extension. To assist with deliberations, the MTS Board approved the formation of an Ad Hoc Committee for Taxicab Contract Negotiations on January 16, 2014. The Ad Hoc Committee serves two purposes: to establish a set of principles for the negotiating team with the City of San Diego; and to recommend whether it is in MTS' best interest to pursue a taxicab administration contract renewal at this time.

Civic and Urban Initiatives

Staffing and Program Update:
The FY 2014 budget includes 6.00 FTE positions for staffing of the Civic and Urban Initiative Program. Of the 6.00 FTE positions added, 2.00 FTE positions were permanently reduced to offset expenditures related to the Improvement of Government Operations Plan as approved by the City Council on October 28, 2013 and the remaining 4.00 FTE positions have been filled.

The Civic and Urban Initiatives Department will begin working with other City departments to identify and develop new ways to connect with the public and community stakeholders. The Department will develop pilot projects that transform underutilized sites and spaces into new civic environments in collaboration with communities, educational institutions, and other civic groups. The Department will also create initiatives that translate the lessons of the department projects into permanent improvements to City policies and processes that will accelerate implementation of ideas citywide.

Commission for Arts and Culture

Penny for the Arts:

The FY 2014 budget includes $1.6 million to support the Penny for the Arts Blueprint. The Arts, Culture, and Community Festival Programs eligible for reimbursement are supported by $0.6 million of the allocated amount, which is anticipated to be fully expended by fiscal year-end. The remaining $1.0 million is currently proposed to be expended as follows:

- $750,000 for the Arts and Culture Festival Revolving Fund which will support the Balboa Park Centennial Celebration;
- $150,000 for Cultural Tourism Promotions to fund arts and culture promotional campaigns and events to attract visitors;
- $10,000 for the online application system used to convert the paper application process to fund programs to an online application system, and;
- $100,000 was anticipated to support the new online application system in the First Quarter Report; however, savings were realized as staff was able to complete the work internally which has resulted in an additional $90,000 to support Penny for the Arts initiatives.

Department of Information Technology

Replacement of Computers:

The citywide computer replacement project in support of the migration to Windows 7 software is currently underway. The Department has installed 1,350 of the proposed 3,440 General Fund computers identified for replacement. The Department is projecting to complete the computer replacements in April 2014 and expend the entire allocated amount of $2.1 million by fiscal year-end.

San Diego Data Processing Corporation (SDDPC) Dissolution:

The dissolution of SDDPC was completed on December 30, 2013. All assets have been transferred to the City, which included buildings, property, equipment, and cash. The assets are valued at approximately $8.7 million and the cash received was $9.8 million. Final corporate dissolution papers have been filed with the California State Attorney General's Office. The City will retain two former SDDPC buildings, which will now be managed by the Real Estate Assets Department.

Development Services – Planning and Neighborhood Code Compliance

Community Plan Updates (CPU):

The total FY 2014 budget for CPUs is $1.8 million. The current projection for CPU expenditures is $0.9 million, resulting in projected savings of $0.9 million. This projected surplus reported in the First Quarter Report was due to unforeseen program delays resulting from public

recommendations on land use maps, unforeseen traffic impacts, and less General Fund grant match expenditures than anticipated in the budget. The additional surplus is due to further delays than originally anticipated in the programs mentioned above as well as delays in start dates for the environmental impact reports. The CPUs delayed in FY 2014 include Uptown, North Park, Golden Hill, Grantville, Southeastern San Diego, and Encanto. Although some CPUs are experiencing delays, the Otay Mesa and Ocean Beach CPUs are expected to be complete by fiscal year-end.

Property Value Protection Ordinance:
A Property Value Protection Ordinance (O-20228), passed in December 2012, amended the Municipal Code requiring lenders who issue notices of default or foreclose on residential properties to register with the City. This registration information is made available to City staff to easily identify and contact the responsible party if the property lacks maintenance or security, thereby protecting the safety, welfare, and property values of neighborhoods. Since implementation of the program, nearly 1,800 notifications have been sent to lenders responsible for properties subject to the Ordinance. After two notices are sent and 50 days pass without a response, the lender is invoiced for the fee plus penalty. The Administrative Aide position, added in the FY 2014 budget, is providing administrative support services to record and track the notices, invoices, payments, and registration forms. Despite the current trend of declining foreclosures, there is a need for additional staff support to keep up with the administrative responsibilities. A total of $0.4 million in revenue has been received this fiscal year from registrations and penalties. The penalty portion is received in the Civil Penalty Enforcement Fund and is approximately 75.0 percent of the total revenue; the remaining fee portion of the revenue will be realized in the General Fund. The Development Services – Planning and Neighborhood Code Compliance Department will continue to monitor the revenue as this new program develops, and will provide more accurate projections going forward.

Economic Development

Business Improvement District (BID) Advocate Position:
The FY 2014 budget replaced the BID Council with a BID Advocate position and allocted the funding previously provided to the BID Council towards additional non-personnel expenditures, such as enhanced grants and increased technical assistance. The BID Advocate position was filled in July 2013 and is performing the same functions as the previous BID Council, as well as involvement in new projects that serve the BID associations. The BID Advocate is also involved in various City programs that affect the BIDs such as bike sharing, parking management, sidewalk cafes, sign ordinances, banner districts, food trucks, parklets, etc. Overall, direct support to the BID and Small Business Enhancement Programs has increased as a result of the BID Advocate position.

Single Adult Emergency and Veterans Emergency Homeless Shelters:
The FY 2014 budget includes $1.9 million to support the shelters for a full year of operations. Both shelters are managed by the San Diego Housing Commission (SDHC) with funding provided by the City and various agencies through grants. Both shelters are open and have remained in the same location as in previous years. The Single Adult Emergency Shelter is at 16th Street and Newtown Avenue, and the Veterans Emergency Shelter is on land owned by the Department of the Navy on Sports Arena Boulevard. While the budgeted allocation was intended

to provide funding for the full year, revised cost estimates project the funding will only support operations through March 2014, with both shelters closing the first week in April 2014.

Homeless Check-In Center:
The FY 2014 budget includes $50,000 to support the Homeless Check-In Center. The Homeless Check-In Center continues to operate at the site donated by St. Vincent de Paul at 16th and Commercial Streets. The Homeless Check-In Center is currently managed by the Girls Think Tank, a community advocacy group, through a contract administered by the SDHC. St. Vincent de Paul notified the SDHC that they cannot sustain the donation of the space and would begin to charge rent in January 2014. Since receiving the notice from St. Vincent de Paul, a working group was established to discuss alternative locations for the Homeless Check-In Center, and a new location has been identified. Discussions are ongoing to finalize an agreement for the continued operation of the Homeless Check-In Center over the next few years. In the interim, St. Vincent de Paul has lifted its January 2014 deadline to vacate the premises, with the understanding that a long-term solution will be identified shortly and the Girls Think Tank is able to sustain the nominal rent.

Environmental Services

Downtown Port-a-Potty and Portland Loo Public Restrooms:
Civic San Diego is coordinating the service and maintenance of the port-a-potty and Portland Loo public restrooms through the end of this fiscal year. The FY 2014 budget includes $50,000 to support this expenditure, which was transferred to Civic San Diego in September 2013. The six port-a-potty restrooms are located at the corner of 17th Street and Island Avenue and are maintained on a daily basis. The port-a-potty restrooms are scheduled to be relocated to a new location at 14th Street and Imperial Avenue by March 2014. Maintenance of the two Portland Loo public restrooms is expected to begin after installation, which is scheduled for June 2014. One Portland Loo public restroom will be located at Park Boulevard and Market Street and the second at 14th and L Streets. After the two Portland Loo public restrooms are installed, two of the six existing port-a-potty restrooms will be removed.

Fire-Rescue

Advanced Lifeguard Academy:
The FY 2014 budget includes $0.2 million to support one Advanced Lifeguard Academy, which began December 2013. The Advanced Lifeguard Academy offers five more weeks of training than a standard Lifeguard Academy. The participants include both Lifeguard I and Lifeguard II positions that have not attended an Advanced Academy in the past. Enrollment for the Advanced Lifeguard Academy is 13 lifeguards.

Fire Recruit Academy:
The FY 2014 budget includes funding to support one Fire Academy of 30 Fire Recruits. The academy began in October 2013, with 36 recruits. The academy concluded in January 2014 with 25 graduates.

Purchase of Cliff Rescue Vehicle:
The FY 2014 budget includes $0.5 million to replace one cliff rescue vehicle. The Department has issued the purchase order and anticipates delivery in 6 to 8 months.

Service Authority for Freeway Enterprise (SAFE) Funds:
The FY 2014 budget includes $0.2 million for SAFE related expenditures. The revenue was received in FY 2013 as a result of the San Diego Association of Governments (SANDAG) assuming responsibility for SAFE. The SAFE funds are to be used for improving highway safety and were allocated to support equipment for helicopters and fire engines. All of the equipment has been purchased and is in various stages of installation. The current projection includes fully expending the budgeted amounts by fiscal year-end.

Library

Free Parking at the New Central Library:
Free parking with validation had been extended from one to two hours in January 2014. The impact to revenue is expected to be minimal as the expanded validation period was included in the revenue projections in the First Quarter Report.

New Central Library Rental Space Revenue:
The FY 2014 budget includes $0.2 million in user fee revenue for rental space at the new Central Library. Public use and rental of the event spaces were unknown at the time the budget was developed. Sufficient data is still unavailable at this time, as the library was opened on September 30, 2013. The Department is expected to present an update to the Budget and Government Efficiency Committee on March 19, 2014 and this information will be incorporated in the Year End Report.

Replacement of Public Use Computers:
In FY 2013 approximately 271 computers, or 35.0 percent of branch public use computers, were replaced. The remaining computers are anticipated to be replaced in FY 2014; however, due to the high volume of City computer purchases for the MS Windows 7 migration, the Library's replacement timeline has been delayed three months, from February 2014 to May 2014.

Park and Recreation

2015 Centennial Celebration:
The FY 2014 budget includes $0.4 million for the addition of 3.00 FTE positions to support the 2015 Balboa Park Centennial Celebration. The Department anticipates the programming plans to be approved by Winter of 2014, at which time the Program Manager, District Manager, and Clerical Assistant II positions will be filled. Park and Recreation Department staff continue to work closely with the staff from the Special Events Department and Balboa Park Celebration, Inc. to ensure that the onsite staffing levels and logistical needs are met once celebration programming has been finalized.

Balboa Park Traffic Management Plan:
The FY 2014 budget includes $0.3 million to support a traffic management plan in the Plaza de Panama at Balboa Park. The temporary traffic management plan is complete, utilizing half of the $0.3 million budgeted. The remaining amount will fund the new CIP project, Balboa Park Alcazar Garden Parking Lot Improvements (S-14013). This project was not originally part of the traffic management plan; however, it will provide additional accessible parking spaces to the Central Mesa (West Prado) area of Balboa Park. This project has a planned completion date of June 2014 and is on schedule. A Memorandum to City Council, dated October 28, 2013,

provided an update on the expenditures progress on implementation of the plan and the new CIP project.

Brush Management:
The FY 2014 budget includes $0.4 million for brush management. The City is required to thin 452 acres of brush annually. The current brush management contract covers 300 acres of the required 452 for a total of $0.9 million. This expenditure exceeds the budget by $0.5 million. The budget assumed a price of $2,000 per acre; however, the bids were much higher at approximately $5,700 per acre. Due to savings in fuel and conservative spending in other areas, the Department is able to absorb the over budget brush management expenditures this fiscal year. City staff and other budgeted non-profit contracts will thin the remaining 152 acres. The contracted brush thinning work began September 2013 and is expected to thin 75.0 percent of the required 300 acres by fiscal year-end. The remaining 25.0 percent of acres to be thinned will continue into FY 2015 and may require additional budget to support this delayed expense.

Park Assets Condition/Needs Assessment:
The FY 2014 budget includes $0.3 million to support a park assets condition and needs assessment. The Public Works – Engineering and Capital Projects Department has collaborated with the Park and Recreation Department in selecting consultants to perform the assessments, which has expedited the process. Three consulting firms have been selected. One consulting firm is currently reviewing the scope of work including the initial selection of playgrounds and park parking lots. Pending the conclusion of contract negotiations, the other two consulting firms are expected to begin in March 2014. The current projection includes fully expending the budgeted amount by fiscal year-end.

Police

Public Safety Realignment (AB 109):
The FY 2014 budget includes $0.7 million for the addition of overtime expenditures for sworn personnel funded by AB 109 funds for the monitoring of non-violent offenders post-release. The program has been implemented and the Department has spent $0.5 million to date. The Department received a second unbudgeted $0.8 million disbursement of AB 109 Funds in FY 2014, which will partially offset the over budget expenditures in overtime. The Department has been successful with the program to date. Every Division in the Department has conducted at least one detail and most have conducted two to three details. There have been dozens of arrests of both AB 109 probationers and other probationers contacted during these details. The Department has met with the Probation Department to ensure consistency in the management of the program as it relates to AB 109 subjects, compliance checks, and violations. The Department's Crime Analysis Unit has partnered with their counterparts from probation and the Law Enforcement Coordinating Committee (LECC) to ensure accuracy of information, and have disseminated that information to the program managers. Between October and December 2013, AB 109 enforcement resulted in 231 arrests.

Academies and Attrition:
The Police Department expects a total of four academies to take place in FY 2014. The first academy began in August 2013 with 31 recruits, and expects to graduate 29 recruits in February 2014. The second academy began in October 2013 with 39 recruits, and expects to graduate 35 recruits in April 2014. The last two academies of the fiscal year are scheduled to begin in

February and May of 2014. The Department is experiencing an attrition rate of 9.00 FTE per month as of December 2013.

Civilian Positions:
The FY 2014 budget added 4.00 FTE civilian positions including 2.00 Dispatcher IIs, 1.00 Latent Print Examiner II, and 1.00 Police Investigative Service Officer II to support the Police Department's operations. The Department has filled the 2.00 Dispatcher II and 1.00 Latent Print Examiner II positions. The Department has received the certification list for the Police Investigative Service Officer II civilian position, will be holding interviews soon, and anticipates filling the position by the end of the fiscal year.

Helicopter Maintenance and Fuel Expenditures:
Helicopter maintenance is budgeted in the Seized Assets Funds in FY 2014. The Department estimates that the Seized Assets Funds will be able to support maintenance needs this fiscal year. Helicopter fuel is budgeted in the General Fund in FY 2014, and is funded through SAFE funds. The Police Department does not have any concerns regarding funding for air support fuel or maintenance expenditures in FY 2014; however, the Department has expressed concerns about FY 2015 funding as the Seized Assets Funds may not be able to support these expenditures and the SAFE funds are a one-time revenue source.

Red Light Photo Enforcement Support:
The Red Light Photo Enforcement program was canceled on January 1, 2013. The contract was previously managed and budgeted in the Transportation and Storm Water Department; however, the Police Department is now managing the contract. At the time of expiration, approximately 4,000 citations issued prior to January 1, 2013 had yet to be adjudicated in court. Due to a backlog in the court system at the time of expiration, trials were scheduled approximately ten months after the issue date of the citation, and the Police Department has proceeded with prosecution of these cases. Expenditures for the program are not budgeted in the Police Department in FY 2014, and the Department is anticipating unbudgeted expenditures of approximately $0.2 million. The Department budgeted $0.8 million in red light photo revenue and anticipates receiving approximately $0.2 million.

SAFE Funds:
The FY 2014 budget includes $1.5 million to support various Police activities as discussed below. The SAFE funds are to be used for sworn officer equipment, one gyro-stabilized camera system, helicopter fuel, and various trafice related equipment.

- Sworn Officer Equipment - The Department anticipates fully expending the budgeted amount by fiscal year-end on various sworn officer equipment items.
- Gyro-stabilized Camera System for Helicopters - The Air Support Unit is currently evaluating a new generation gyro-stabilized camera system, which will allow for steady images in difficult conditions. A vendor has been selected and the Air Support Unit is working on finalizing the contract.
- Helicopter Fuel - The Department currently has a contract and purchase order in place for FY 2014 helicopter fuel expenditures. The Department is currently applying helicopter fuel invoices to the SAFE funds, which are projected to be expended by the end of the fiscal year.

- Various Traffic-Related Equipment - The Department anticipates fully expending the budgeted amount by fiscal year-end on various traffic-related equipment.

Sworn Officer Retention Program:
The FY 2014 budget includes $2.0 million budgeted in the General Fund Appropriated Reserve for the purpose of funding a Police retention program. City Council approved the use of this budget to increase uniform allowance, and provided funding for police officer recruitment activities on August 28, 2013 (R-308405). The budget has been transferred to the Police Department and uniform allowance has been distributed to current officers that were eligible to receive the retention program allocation. Each eligible officer received approximately $1,030 in additional uniform allowance.

Sworn Officer Equipment:
The FY 2014 budget includes $1.1 million for the purchase of sworn police officer equipment. The Department has spent $0.3 million of the funds to date on body armor, and is working on procuring the rest of the items. The Department is projecting to expend all of the funds by fiscal year-end.

Public Works – General Services

Deferred Capital Support Positions:
The FY 2014 budget includes $0.9 million for the addition of 9.00 FTE positions to provide additional support for operations and maintenance for deferred capital backlog. Five of the nine positions have been filled: 1.00 Roofer, 2.00 Painters, 1.00 Painter Supervisor and 1.00 Plumber Supervisor. Candidates have been selected for the Electrician and Plumber positions and are expected to start work soon. The Refrigeration Mechanic and Carpenter Supervisor positions are being re-advertised with more specific work requirements. Due to a lack of qualified candidates, the Carpenter position has not been filled. All remaining positions are expected to be filled by March 2014. Financial Management will provide an update on the status of hiring the remaining positions as well as the impact to the deferred maintenance in the Year End Report.

Facilities Condition/Needs Assessment:
The FY 2014 budget includes $1.0 million to support a facilities condition and needs assessment. The Department has collaborated with the Public Works – Engineering and Capital Projects Department in selecting a consultant to perform the assessments, which has expedited the process. The selected consultant is expected to start the assessments in February 2014. The current projection anticipates fully expending the budgeted amount. The Department will continue to monitor the progress and provide an update in the Year End Report.

Purchasing and Contracting

Prevailing Wage Ordinance:
The Prevailing Wage Ordinance (O-20299), passed on September 23, 2013, requires that contractors and subcontractors comply with all provisions of the State prevailing wage law on municipal projects that are "public works" within the meaning of the State prevailing wage law. The Ordinance, which went into effect January 1, 2014, applies to construction work over $25,000 and maintenance/alteration/repair/demolition work over $15,000. Per the Ordinance, a written report to the City Council, evaluating the implementation of the Ordinance, recommendations for improvement, the successes and challenges of administering and

monitoring contractor compliance, and the fiscal impact shall be provided annually by October 1, following implementation on January 2014. The current projection includes the hiring of 9.00 FTE positions by March 2014 versus January 2014 as stated in the First Quarter Report. The delay in hiring is primarily due to a longer than expected hiring process. In addition to the new positions, a citywide working group has been established to assist with implementation.

Transportation and Storm Water

SAFE Funds:

The FY 2014 budget includes $2.4 million due to the receipt of SAFE funds as a result of SANDAG assuming responsibility for SAFE. The SAFE funds are to be used for improving highway safety and were allocated to support the upgrades to the City's traffic control system and provide partial funding for changeable message signs. The $2.0 million budgeted for the traffic control system will be transferred to the Traffic Signal Communications Master Plan (TSCMP) CIP project and is expected to be expended in FY 2015 after specific projects are identified. The changeable message signs are anticipated to be received in May or June 2014.

Sidewalk Condition/Needs Assessment:

The FY 2014 budget includes $1.0 million to support a sidewalk condition and needs assessment. All of the staff have been hired, which included 24 student engineers and two Jr. Civil Engineers. The assessment officially began on January 21, 2014 and is scheduled to take twelve months, ending in the middle of next fiscal year. The current projection includes a savings of $0.3 million that may be requested as a budget adjustment in FY 2015 to complete the work. The Department will continue to monitor the progress and provide an update in the Year End Report.

Traffic Signal Communications Master Plan (TSCMP):

The FY 2014 budget includes $0.2 million to support the TSCMP and Pedestrian Safety studies. The TSCMP project was awarded in January 2014 and will be completed by the end of the fiscal year. The Pedestrian Safety Study is underway and will also be completed by the end of the fiscal year.

Tree Trimming:

Award of the tree-trimming contract has been delayed three months due to a longer than anticipated procurement process, and is now anticipated to be awarded in March 2014. Despite the delay, the planned tree trimming work for this fiscal year will be completed through a combination of in-house crews, an interim contract used during the first half of the year, and the new contract for the remainder of the fiscal year.

APPROPRIATION ADJUSTMENTS

This section discusses the appropriation adjustments recommended in the Mid-Year Report. The Required Budget Adjustments include increases to departments and funds that have over budget projections and require budget increases in order to continue operations through the end of the fiscal year. The Recommended Use of Projected General Fund Excess Equity discusses the use of Excess Equity as defined in the City's Reserve Policy and pursuant to Municipal Code Section 22.0229, Mid-Year Amendments to the Adopted General Fund Budget.

REQUIRED BUDGET ADJUSTMENTS

Increases in appropriations are required for certain General Fund and non-general fund departments to support projected over budget expenditures. These increases are offset by an increase in the General Fund Major Revenues. Adjustments for non-general funds are supported by additional revenues or fund balance. The requested changes are summarized in Table 22: FY 2014 Mid-Year Appropriation Adjustments.

FY 2014 Mid-Year Appropriation Adjustments

Table 22 *in millions*

Fund/Department	Expenditures	Revenue	Net Impact[1]
General Fund			
General Fund Major Revenues	$ -	$ 17,900,000	$ 17,900,000
Citywide Program Expenditures	6,600,000	-	(6,600,000)
Fire-Rescue	2,100,000	-	(2,100,000)
Park and Recreation	700,000	-	(700,000)
Police	6,800,000	-	(6,800,000)
Public Works - Engineering and Capital Projects	1,700,000	-	(1,700,000)
General Fund Total	$ 17,900,000	$ 17,900,000	$ -
Non-General Funds			
Development Services Fund	$ 1,800,000	$ 1,800,000	$ -
Fire/EMS Transportation Program Fund	600,000	-	(600,000)
Fleet Services Operating Fund	1,200,000	1,200,000	-

[1]Remaining balances in non-general funds will be offset with fund balance.

General Fund Appropriation Adjustments

General Fund Major Revenues

The General Fund major revenues require a $17.9 million increase in budgeted revenue to balance the expenditure appropriation increases in General Fund departments. This is supported by the over budget revenue projections in property tax as discussed earlier in this report.

Citywide Program Expenditures

The Citywide Program Expenditures Department requires an increase in expenditure appropriations of $6.6 million primarily due to unbudgeted costs for two unanticipated Mayoral special elections as discussed earlier in this report.

Fire-Rescue
The Fire-Rescue Department requires a $2.1 million increase in expenditure appropriations to support the projected over budget overtime, pay-in-lieu of annual leave, hourly wages, and Fringe Benefits as discussed earlier in this report.

Park and Recreation
The Park and Recreation Department requires a $0.7 million increase in expenditure appropriations primarily due to higher than anticipated costs for pay-in-lieu of annual leave as discussed earlier in this report.

Police
The Police Department requires a $6.8 million increase in expenditure appropriations due to overtime, Fringe Benefits, and various contractual expenditures as discussed earlier in this report.

Public Works – Engineering and Capital Projects
The Public Works – Engineering and Capital Projects Department requires an increase in expenditure appropriations of $1.7 million primarily due to unbudgeted costs as a result of the relocation of office space from 600 B Street to 525 B Street and over budget personnel expenditures as discussed earlier in this report.

Non-General Fund Appropriation Adjustments

Development Services Fund
The Development Services Fund requires an increase in expenditure appropriations of $1.8 million. This increase will support projected over budget personnel expenditures primarily due to increased plan reviews and building permits as discussed earlier in this report. The over budget expenditures will be offset by a $1.8 million increase in the revenue budget.

Fire/EMS Transportation Program Fund
The Fire/Emergency Medical Services (EMS) Transportation Program Fund requires an expenditure appropriation increase of $0.6 million primarily due to over budget overhead expenditures as discussed earlier in this report. The over budget expenditures will be supported by fund balance.

Fleet Services Operating Fund
The Fleet Services Operating Fund requires an appropriation increase of $1.2 million primarily due to increased personnel expenditures resulting from delays in the full implementation of the Fleet Services MEGO as discussed earlier in this report. The over budget expenditures will be offset by a $1.2 million increase in the revenue budget.

RECOMMENDED USE OF PROJECTED GENERAL FUND EXCESS EQUITY

This section discusses the recommended use of a portion of the projected Excess Equity. Of the $37.0 million in projected Excess Equity, $20.9 million is recommended for appropriation this fiscal year as displayed in Table 23: Recommended Use of FY 2014 Projected Excess Equity.

Recommended Use of FY 2014 Projected Excess Equity
Table 23

Description		Amount	Revenue %
FY 2014 Projected Unrestricted Fund Balance	$	186,869,795	17.5%
FY 2014 Required Reserve Level	$	149,836,447	14.0%
Excess Equity	**$**	**37,033,348**	**3.5%**
Recommended Use of FY 2014 Projected Excess Equity			
Public Liability Pay-Go – Citywide Program Expenditures	$	(10,100,000)	
Public Liability Fund Reserve Contribution – Citywide Program Expenditures		(3,200,000)	
South Chollas Landfill Improvement - Transportation and Storm Water		(3,000,000)	
North Embarcadero Visionary Plan – Economic Development		(1,250,000)	
Long-Term Disability Fund Reserve Contribution – General Fund		(1,200,000)	
Neighborhood Parking Protection Ordinance		(664,970)	
$511,970 – Police			
$83,000 – City Treasurer			
$70,000 – Transportation and Storm Water			
Temporary Fire Station - Fire-Rescue		(420,000)	
Budget Restoration– City Attorney		(300,000)	
Update the City's Website – Information Technology		(258,000)	
Outfitting of Lifeguard Vehicles – Fire-Rescue		(200,000)	
Additional Police Recruits – Police		(182,000)	
Weekend Overnight Camping at Kumeyaay Campground – Park and Recreation		(71,250)	
Mission Trails Visitor Center Energy Efficient Lighting Project – Park and Recreation		(60,000)	
NEOGOV Technology Improvements – Personnel		(8,000)	
Subtotal	$	(20,914,220)	
Remaining Excess Equity	**$**	**16,119,128**	**1.5%**

Public Liability Pay-Go: $10,100,000

In FY 2014, the Public Liability Fund has experienced larger than anticipated expenditures related to insurance premium increases and claim losses. Insurance premiums have increased from the prior year due to a negative claims experience. There were several large claims settled this year that were paid from the Public Liability Fund. It is anticipated that additional funding will be needed for the remainder of the fiscal year for day-to-day claim expenditures. Additionally, there is one significantly large outstanding judgment against the City, which is in the final appeal process. A decision is expected prior to the end of the fiscal year and, in the event the City's appeal is unsuccessful, that judgment will be payable immediately.The $10.1 million recommended use of the projected Excess Equity will support the anticipated expenditures in the Public Liability Fund.

Public Liability Fund Reserve Contribution: $3,200,000
Per the City's Reserve Policy (Council Policy 100-20), the required reserve target for the Public Liability Fund is 50.0 percent of the value of outstanding public liability claims, or $48.3 million. Annual contributions of $3.2 million beginning in FY 2015 through FY 2019 are required to reach the target. The $3.2 million recommended from the projected surplus is the required contribution for FY 2015. The pre-funding of the Public Liability Reserve with one-time Excess Equity will free up funds to balance the expenditures in the FY 2015 budget.

South Chollas Landfill Improvements: $3,000,000
As a result of a Notice of Violation by the Regional Water Quality Control Board and the Local Enforcement Agency, improvements at the South Chollas Landfill are required. The cost estimate for construction and project management of $11.5 million (approximately $6.8 million for the General Fund) was provided by a consultant and Public Works – Engineering and Capital Projects Department to implement a conceptual grading plan which will include demolition, removal, and replacement of some parking areas, and installation of drainage systems. The expenditures to support the project will be in the Refuse Disposal, Public Utilities and Fleet Services Operating Funds, and the Transportation and Storm Water Department of the General Fund. While the Financial Management Department analyzes the estimated cost and allocation of the expenses to City departments, $3.0 million is recommended to be provided for the General Fund portion of this project. The remaining funding to complete the project, including project management costs from the Public Works – Engineering & Capital Projects Department, will be requested in the FY 2015 budget pending Financial Management review.

North Embarcadero Visionary Plan: $1,250,000
The completion of Phase 1 of the North Embarcadero Visionary Plan (NEVP) is currently projected to exceed original cost estimates by approximately $2.5 million, although the total actual cost overrun could be greater depending on factors that have not been determined at this time. As agreed by the members of the Joint Powers Authority (JPA), the Port and the Former RDA were to split the cost of constructing Phase 1 of the plan on a 50/50 basis; however, with the dissolution of the RDA, the Successor Agency has become responsible for the Former RDA's obligations related to the NEVP. The Successor Agency has requested an increase of approximately $1.3 million in the total outstanding obligation for the NEVP shown in Recognized Obligation Payment Schedule (ROPS) 14-15A and has requested monies from the Redevelopment Property Tax Trust Fund (RPTTF) in ROPS 14-15A to meet the Former RDA's obligation to pay 50.0 percent of the currently estimated cost overrun related to the NEVP for Phase 1. If the Successor Agency's request for additional RPTTF is not approved as a part of ROPS 14-15A, and if litigation is not pursued or is unsuccessful, then any future agreement by the City to fund the completion of Phase 1 of the Plan in lieu of the Successor Agency would become a General Fund expense. $1.3 million is recommended as a potential loan to the Successor Agency for cost overruns in phase 1 of the North Embarcadero Visionary Plan.

Long-Term Disability Fund Reserve Contribution: $1,200,000
Per the City's Reserve Policy (Council Policy 100-20), the required reserve target for the Long-Term Disability Fund is $17.0 million. Annual contributions of $1.6 million beginning in FY 2015 and ending in FY 2016 are required to reach the target. The General Fund portion of the required contributions is approximately 74.0 percent. The $1.2 million recommended from the projected surplus is the required contribution from the General Fund for FY 2015; the non-

general fund contribution of $0.3 million can be absorbed within the non-general fund departments' current budgets. The pre-funding of the Long-Term Liability Reserve with one-time Excess Equity will free up funds to balance the expenditures in the FY 2015 budget.

Neighborhood Parking Protection Ordinance: $664,970

On July 23, 2013, City Council passed the Neighborhood Parking Protection Ordinance (NPPO) (O-20281), prohibiting the parking of oversized, non-motorized or recreational vehicles in residential areas within the City of San Diego between the hours of 2:00 a.m. and 6:00 a.m. without a permit. The $664,970 is recommended for the implementation of a citywide Neighborhood Parking Protection Program.

- $511,970 to the Police Department is recommended for eight Police Investigative Service Officers (PISOs), non-personnel expenditures for the positions, related vehicle costs, and a license plate reader camera system. The Police Department determined that the PISOs will allow for greater flexibility and efficiencies to address patrol and investigative priorities. They will be able to respond to, and address, the Neighborhood Parking Protection issues and other parking concerns, such as illegal parking in closed beach lots, vehicles parked for more than 72 hours, or illegal overnight lodging in vehicles. The PISOs will also help prevent illegal overnight lodging, such as clearing Fiesta Island and securing the front gate. They will also respond to, and investigate, other calls for service, such as crime reports, evidence collection, interviewing of victims and witnesses, crime prevention information, and computer follow-up. Having the PISOs respond to these lower priority calls when not actively addressing the Neighborhood Parking Protection issues will assist sworn officers by providing them more time to respond to higher priority calls and to prevent and deter crime.
- $70,000 to the Transportation and Storm Water Department is recommended for the fabrication of approximately 257 signs and for installation of the signs and posts. These will be the larger 30" by 36" signs at the entrances to the City from all freeway off-ramps and all classified roads entering the City from other jurisdictions. Any additional smaller signs that are needed in the future will be installed on an as-needed basis at specific locations, most likely near the beaches and bays.
- $83,000 to the City Treasurer's Office is recommended for 2.00 Public Information Clerks and the new permitting system. The City Treasurer is working to solidify an administrative process that will allow for the issuance of permits and Financial Management will provide an update in the Year End Report.

Temporary Fire Station: $420,000

The 2011 Citygate Standards of Coverage Report recommended that a fire station be located on City owned land on Skyline Drive and Sychar Road; however, to immediately address the coverage gap, a temporary fire station is needed. The $420,000 recommended from the projected Excess Equity will be transferred to the fire station CIP project to support the demolition and site preparation as well as trailers and other set-up costs to establish and open the temporary station. The site preparation is anticipated to be nine months, with the temporary station opening in FY 2015. The Fire-Rescue Department has determined that personnel expenditures are not necessary to staff the temporary station while it is being sited. Funding for the personnel expenditures will be requested in the FY 2015 budget.

City Attorney's Budget Restoration: $300,000
The Office of the City Attorney's personnel expenditures budget was reduced by $508,000 in the FY 2014 budget. As a result, the Department is exceeding their personnel expenditures budget. The amount recommended will support over budget personnel costs for the second half of the fiscal year.

Update the City's Website: $258,000
The City's current website is based on an outdated platform and coding. The estimated full cost to upgrade the website is $500,000. The recommended amount of $258,000 is the General Fund portion. The non-general fund portion will also be transferred in the current fiscal year to the Information Technology Fund; however, these expenditures can be absorbed in the non-general fund departments' current budgets. The website upgrade project is expected to begin in FY 2014 and conclude in FY 2015.

Outfitting of Lifeguard Vehicles: $200,000
The Fire-Rescue Department previously entered into a two-year corporate sponsorship agreement with Toyota for the use of 34 Lifeguard vehicles. The current agreement with Toyota expires in March 2014 and the City and Toyota have agreed to renew the agreement for an additional two years. The Fire-Rescue Department will be returning the current vehicles in exchange for 34 new vehicles. The recommended amount will support the outfitting of 34 new vehicles.

Additional Police Recruits: $182,000
In the continued effort to hire additional police officers, it is recommended to increase the May 2014 academy by 9 Police Recruit positions. This will increase the academy size to 43 Police Recruits, which is the requested increase in the Council Budget Priorities for FY 2015 and in alignment with the Police Department's Five-Year Plan.

Weekend Overnight Camping at Kumeyaay Campground: $71,250 (Exp) $10,000 (Rev)
The Kumeyaay Campground is currently open for day use only. The recommended amount will support 1.0 FTE Park Ranger and 0.5 FTE Center Director and associated non-personnel expenditures required to offer weekend overnight camping. Additional revenue generated from the overnight camping fees is also anticipated.

Mission Trails Visitor Center Energy Efficiency Lighting Project: $60,000
A lighting upgrade project at the Mission Trails Visitor Center to create energy efficiencies is recommended to be funded by the FY 2014 surplus. The recommended amount of $60,000 will support the upgrade project.

NEOGOV Technology Improvements: $8,000
Based upon a recent audit of citywide vacancies and the hiring process, the Personnel Department has identified a need to expand the utilization of the NEOGOV software. Consulting services to provide recommendations for increased optimization of the NEOGOV system and software changes to enhance tracking of hiring timeframes are the recommended improvements. The results of the optimization recommendations may require additional funding and will be reviewed by Financial Management when available.

CONCLUSION

The General Fund is projected to end the fiscal year with $28.4 million of revenues in excess of expenditures. This projection represents a $50.8 million budgetary surplus, an improvement from the FY 2014 budget that assumed the use of $22.4 million of fund balance. The budgeted use of fund balance supported various one-time expenditures as well as the non-pensionable compensation increases approved in the five-year agreements with the City's six recognized employee organizations. There are many factors contributing to the projected surplus; however, the primary factor is over budget revenues of $39.0 million as a result of the dissolution of the Redevelopment Agency (RDA). Of this amount, approximately $34.9 million is one-time revenue.

Of the $50.8 million projected budgetary surplus, $37.0 million is available for appropriation after taking into consideration the loan to the Successor Agency and the 14.0 percent General Fund reserve requirement approved by City Council on February 10, 2104 (R-308740). Of this amount, $20.9 million of Excess Equity, as defined in the revised General Fund Reserve Policy, is recommended to be appropriated for critical expenditures this fiscal year. The remaining $16.1 million, or 1.5 percent, is recommended to remain unappropriated to account for variances in projected financial activity through the end of the fiscal year as a buffer to maintain the 14.0 percent General Fund reserve target.

ATTACHMENTS

I. General Fund Projected Revenues
II. General Fund Projected Expenditures
III. Non-General Fund Projections
IV. Budgeted Vacancies as of January 2014
V. Non-General Fund Reserves

General Fund Projected Revenues

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
General Fund Major Revenues					
Charges for Current Services	$ 24,601,720	$ 24,601,720	$ 24,617,954	$ 16,234	0.1%
Franchise Fees[1]	67,049,845	67,049,845	68,552,521	1,502,676	2.2%
Interest and Dividends	859,389	859,389	1,440,284	580,895	67.6%
Motor Vehicle License Fees	-	-	583,841	583,841	100.0%
Fines, Forfeitures, and Penalties	-	-	900	900	100.0%
Other Revenue	-	150,000	150,000	-	0.0%
Property Tax	408,003,167	408,995,302	457,941,039	48,945,737	12.0%
Property Transfer Tax	7,026,588	7,026,588	8,026,782	1,000,194	14.2%
Refuse Collector Business Tax	710,000	660,000	700,000	40,000	6.1%
Revenue from Money and Property	-	555,876	555,876	-	0.0%
Sales Tax	248,138,819	248,138,819	243,927,240	(4,211,579)	-1.7%
Transfers In	50,682,208	50,026,332	58,717,536	8,691,204	17.4%
Transient Occupancy Tax[2]	87,857,500	87,857,500	86,781,936	(1,075,564)	-1.2%
Subtotal Major General Fund Revenues	*$ 894,929,236*	*$ 895,921,371*	*$ 951,995,909*	*$ 56,074,538*	*6.3%*
Administration	$ 403,761	$ 403,761	$ 403,761	$ -	0.0%
City Attorney	5,581,169	5,581,169	5,317,235	(263,934)	-4.7%
City Auditor	-	-	-	-	0.0%
City Clerk	18,404	18,404	44,905	26,501	144.0%
City Comptroller	2,468,547	2,468,547	2,232,742	(235,805)	-9.6%
City Treasurer	25,963,475	25,963,475	27,173,939	1,210,464	4.7%
Citywide Program Expenditures	-	-	-	-	0.0%
Council Administration	-	-	-	-	0.0%
Council District 1	-	-	-	-	0.0%
Council District 1 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 2	-	-	-	-	0.0%
Council District 2 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 3	-	-	-	-	0.0%
Council District 3 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 4	-	-	-	-	0.0%
Council District 4 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 5	-	-	-	-	0.0%
Council District 5 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 6	-	-	-	-	0.0%
Council District 6 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 7	-	-	-	-	0.0%
Council District 7 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Council District 8	-	-	-	-	0.0%
Council District 8 - Community Projects, Programs, and Services	-	-	-	-	0.0%

General Fund Projected Revenues

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Council District 9	$ -	$ -	$ -	$ -	0.0%
Council District 9 - Community Projects, Programs, and Services	-	-	-	-	0.0%
Debt Management	548,645	548,645	653,885	105,240	19.2%
Department of Information Technology	-	-	-	-	0.0%
Development Services - Planning and Neighborhod Code Compliance	3,412,712	3,412,712	3,945,327	532,615	15.6%
Economic Development	8,245,963	8,245,963	8,245,964	1	0.0%
Environmental Services	1,259,829	1,259,829	1,394,165	134,336	10.7%
Ethics Commission	-	-	12,670	12,670	100.0%
Financial Management	5,000	5,000	-	(5,000)	-100.0%
Fire-Rescue	23,966,763	23,966,763	27,678,047	3,711,284	15.5%
Human Resources	-	-	-	-	0.0%
Library	4,125,753	4,125,753	3,485,096	(640,657)	-15.5%
Office of ADA Compliance and Accessibility	15,116	15,116	15,116	-	0.0%
Office of Homeland Security	930,957	930,957	843,283	(87,674)	-9.4%
Office of the Assistant Chief Operating Officer	-	-	-	-	0.0%
Office of the Chief Financial Officer	450,000	450,000	285,813	(164,187)	-36.5%
Office of the Chief Operating Officer	-	-	-	-	0.0%
Office of the Independent Budget Analyst	-	-	-	-	0.0%
Office of the Mayor	308,400	308,400	308,400	-	0.0%
Multimedia Services	113,300	113,300	113,300	-	0.0%
Park and Recreation	32,907,371	32,907,371	32,615,368	(292,003)	-0.9%
Personnel	6,000	6,000	12,797	6,797	113.3%
Police	44,102,071	44,102,071	44,250,423	148,352	0.3%
Public Utilities - Reservoir Recreation	940,000	940,000	1,173,558	233,558	24.8%
Public Works - Contracting	1,053,393	1,053,393	931,249	(122,144)	-11.6%
Public Works - Engineering and Capital Projects	56,527,343	56,527,343	56,496,907	(30,436)	-0.1%
Public Works - General Services	3,881,596	3,881,596	3,704,100	(177,496)	-4.6%
Purchasing and Contracting	659,554	659,554	659,554	-	0.0%
Real Estate Assets	43,344,297	43,344,297	43,236,055	(108,242)	-0.2%
Transportation and Storm Water	46,879,695	46,879,695	48,172,407	1,292,712	2.8%
Total General Fund Revenues	**$ 1,203,048,350**	**$ 1,204,040,485**	**$ 1,265,401,975**	**$ 61,361,490**	**5.1%**

The current budget presented in this table is as of December 2013 (accounting period 6) unless otherwise noted.

[1] Total City FY 2014 current revenue budget for franchise fees is $129.1 million and the projection is $129.3 million. The balance is budgeted in the Environmental Growth and Underground Surcharge Funds.

[2] Total City FY 2014 current revenue budget for Transient Occupancy Tax is $167.7 million and the projection is $165.7 million. The balance is budgeted in the Transient Occupancy Tax Fund.

General Fund Projected Expenditures

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Administration	$ 1,802,385	$ 1,568,542	$ 1,638,984	$ (70,442)	-4.5%
City Attorney	45,689,443	45,689,443	45,630,226	59,217	0.1%
City Auditor	3,888,785	3,888,785	3,377,856	510,929	13.1%
City Clerk	5,314,707	5,314,707	5,184,320	130,387	2.5%
City Comptroller	11,035,845	11,035,845	10,961,428	74,417	0.7%
City Treasurer	20,495,483	20,495,483	20,209,384	286,099	1.4%
Citywide Program Expenditures					
Assessments to Public Property	504,200	504,200	568,864	(64,664)	-12.8%
Business Cooperation Program	350,000	350,000	322,275	27,725	7.9%
Citywide Elections	1,800,000	1,800,000	9,752,639	(7,952,639)	-441.8%
Corporate Master Leases Rent	9,570,118	9,570,118	8,825,703	744,415	7.8%
Deferred Capital Debt Service	10,699,819	10,699,819	10,776,246	(76,427)	-0.7%
Employee Personal Property Claims	5,000	5,000	-	5,000	100.0%
Insurance	1,562,879	1,562,879	1,562,879	(0)	0.0%
McGuigan Settlement	8,007,675	8,007,675	8,007,674	1	0.0%
Memberships	630,000	630,000	727,850	(97,850)	-15.5%
Preservation of Benefits	1,700,000	1,700,000	1,465,000	235,000	13.8%
Property Tax Administration	3,823,343	3,823,343	3,823,343	-	0.0%
Public Liability Claims Transfer - Claims Fund	14,506,208	14,506,208	14,506,208	-	0.0%
Public Liability Claims Transfer - Reserves	101,700	101,700	101,700	-	0.0%
Public Use Leases	1,582,144	1,582,144	1,582,144	-	0.0%
Special Consulting Services	3,240,000	3,240,000	3,140,000	100,000	3.1%
Supplemental COLA	1,400,858	1,400,858	1,400,858	-	0.0%
TRANS Interest Expense Transfer Fund	314,000	314,000	-	314,000	100.0%
Transfer to Park Improvement Funds	5,614,678	5,614,678	5,443,383	171,295	3.1%
Transportation Subsidy	659,179	659,179	659,102	77	0.0%
Subtotal Citywide Program Expenditures	*$ 66,071,801*	*$ 66,071,801*	*$ 72,665,866*	*$ (6,594,065)*	*-10.0%*
Council Administration	$ 1,896,193	$ 1,896,193	$ 1,667,628	$ 228,565	12.1%
Council District 1	1,036,717	1,036,717	899,643	137,074	13.2%
Council District 1 - Community Projects, Programs and Services	99,872	99,872	99,872	-	0.0%
Council District 2	1,014,968	1,014,968	829,333	185,635	18.3%
Council District 2 - Community Projects, Programs and Services	114,128	114,128	114,128	-	0.0%
Council District 3	1,116,696	1,116,696	732,339	384,357	34.4%
Council District 3 - Community Projects, Programs and Services	127,446	91,026	91,026	-	0.0%
Council District 4	1,090,395	1,090,395	1,089,946	449	0.0%
Council District 4 - Community Projects, Programs and Services	248,440	238,452	238,452	-	0.0%

General Fund Projected Expenditures

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Council District 5	$ 1,106,870	$ 1,106,870	$ 725,268	$ 381,602	34.5%
Council District 5 - Community Projects, Programs and Services	285,933	285,933	285,933	-	0.0%
Council District 6	1,077,243	1,077,243	906,025	171,218	15.9%
Council District 6 - Community Projects, Programs and Services	120,558	120,558	120,558	-	0.0%
Council District 7	1,091,570	1,091,570	961,120	130,450	12.0%
Council District 7 - Community Projects, Programs and Services	151,175	98,352	98,352	-	0.0%
Council District 8	1,145,266	1,145,266	971,662	173,604	15.2%
Council District 8 - Community Projects, Programs and Services	98,422	89,272	89,272	-	0.0%
Council District 9	1,083,123	1,083,123	836,647	246,476	22.8%
Council District 9 - Community Projects, Programs and Services	124,684	104,961	104,961	-	0.0%
Civic and Urban Initiatives	945,987	713,960	449,009	264,951	37.1%
Debt Management	2,447,811	2,447,811	2,370,704	77,107	3.2%
Department of Information Technology	2,600,000	2,600,000	2,600,148	(148)	0.0%
Development Services - Planning and Neighborhod Code Compliance	15,048,760	15,048,760	13,642,337	1,406,423	9.3%
Economic Development	12,944,622	13,246,154	12,878,655	367,499	2.8%
Environmental Services	36,169,845	36,169,845	36,498,798	(328,953)	-0.9%
Ethics Commission	977,334	977,334	975,548	1,786	0.2%
Financial Management	4,091,604	4,091,604	4,086,583	5,021	0.1%
Fire-Rescue	222,679,306	222,679,306	224,774,098	(2,094,792)	-0.9%
General Fund Approriated Reserve	2,000,000	-	-	-	0.0%
Human Resources	2,990,862	2,990,862	2,976,304	14,558	0.5%
Library	43,811,917	43,830,337	43,287,171	543,166	1.2%
Multimedia Services	688,991	688,991	689,513	(522)	-0.1%
Office of ADA Compliance and Accessibility	627,463	627,463	450,932	176,531	28.1%
Office of Homeland Security	1,735,205	1,735,205	1,867,306	(132,101)	-7.6%
Office of the Assistant Chief Operating Officer	1,291,039	1,546,039	1,437,762	108,277	7.0%
Office of the Chief Financial Officer	990,531	990,531	935,188	55,343	5.6%
Office of the Chief Operating Officer	568,630	1,470,103	1,252,504	217,599	14.8%
Office of the Independent Budget Analyst	1,775,306	1,775,306	1,722,144	53,162	3.0%
Office of the Mayor	3,671,233	3,671,233	3,637,070	34,163	0.9%
Park and Recreation	89,967,980	90,062,296	90,751,240	(688,944)	-0.8%
Personnel	7,012,193	7,012,193	7,060,695	(48,502)	-0.7%
Police	418,542,912	420,552,912	427,326,217	(6,773,305)	-1.6%
Public Utilities - Reservoir Recreation	1,969,446	1,969,446	2,032,489	(63,043)	-3.2%
Public Works - Contracting	2,107,234	2,107,234	2,173,236	(66,002)	-3.1%
Public Works - Engineering and Capital Projects	61,907,263	61,907,263	63,532,334	(1,625,071)	-2.6%
Public Works - General Services	16,830,075	16,835,063	16,373,063	462,000	2.7%
Purchasing and Contracting	4,804,683	4,804,683	4,592,320	212,363	4.4%

General Fund Projected Expenditures

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Real Estate Assets	$ 4,852,350	$ 4,852,350	$ 4,767,178	$ 85,172	1.8%
Transportation and Storm Water	92,112,469	92,112,849	91,347,102	765,747	0.8%
Total General Fund Expenditures	**$ 1,225,491,199**	**$ 1,226,483,334**	**$ 1,237,017,879**	**$ (10,534,545)**	**-0.9%**

The current budget presented in this table is as of December 2013 (accounting period 6) unless otherwise noted.

Non-General Fund Projections

Fund	Revenue/ Expenditure	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Airports Fund	Revenue	$ 4,690,334	4,690,334	$ 4,618,528	$ (71,806)	-1.5%
	Expenditures	5,791,497	5,791,497	5,897,070	(105,573)	-1.8%
Central Stores Fund	Revenue	13,356,784	13,356,784	11,817,901	(1,538,883)	-11.5%
	Expenditures	13,356,784	13,356,784	12,121,583	1,235,201	9.2%
Concourse and Parking Garages Operating Fund	Revenue	2,704,844	2,704,844	2,704,719	(125)	0.0%
	Expenditures	2,667,291	2,667,291	2,664,745	2,546	0.1%
Development Services Fund	Revenue	45,581,357	45,581,357	47,776,621	2,195,264	4.8%
	Expenditures	45,915,463	45,915,463	47,704,078	(1,788,615)	-3.9%
Energy Conservation Program Fund	Revenue	2,319,443	2,319,443	2,330,122	10,679	0.5%
	Expenditures	2,351,728	2,351,728	2,185,821	165,907	7.1%
Facilities Financing Fund	Revenue	2,110,074	2,110,074	1,952,166	(157,908)	-7.5%
	Expenditures	2,110,074	2,110,074	1,952,166	157,908	7.5%
Fire/EMS Transportation Program Fund	Revenue	10,770,000	10,770,000	10,775,773	5,773	0.1%
	Expenditures	11,516,495	11,516,495	12,089,053	(572,558)	-5.0%
Fleet Services Operating Fund	Revenue	51,647,391	51,647,391	53,930,678	2,283,287	4.4%
	Expenditures	51,783,287	51,783,287	52,904,725	(1,121,438)	-2.2%
GIS Fund	Revenue	1,616,274	1,616,274	1,570,404	(45,870)	-2.8%
	Expenditures	1,585,038	1,585,038	1,507,663	77,375	4.9%
Golf Course Fund	Revenue	18,371,747	18,371,747	19,387,347	1,015,600	5.5%
	Expenditures	15,670,084	15,670,084	15,611,882	58,202	0.4%
Information Technology Fund	Revenue	9,089,850	9,089,850	9,090,993	1,143	0.0%
	Expenditures	10,233,304	10,233,304	10,329,815	(96,511)	-0.9%
Junior Lifeguard Program Fund	Revenue	596,027	596,027	596,027	0	0.0%
	Expenditures	596,027	596,027	576,616	19,411	3.3%
Local Enforcement Agency Fund	Revenue	795,693	795,693	678,959	(116,734)	-14.7%
	Expenditures	879,255	879,255	735,890	143,365	16.3%
Los Peñasquitos Canyon Preserve Fund	Revenue	186,000	186,000	299,262	113,262	60.9%
	Expenditures	221,253	221,253	219,569	1,684	0.8%
OneSD Support Fund	Revenue	21,101,243	21,101,243	21,095,680	(5,563)	0.0%
	Expenditures	21,185,217	21,185,217	21,166,721	18,496	0.1%

Non-General Fund Projections

Fund	Revenue/ Expenditure	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Petco Park Fund	Revenue	$ 16,494,163	$ 16,494,163	$ 16,402,672	$ (91,491)	-0.6%
	Expenditures	17,405,049	17,405,049	17,350,499	54,550	0.3%
Publishing Services Fund	Revenue	3,413,041	3,413,041	3,346,310	(66,731)	-2.0%
	Expenditures	3,304,127	3,304,127	3,031,094	273,033	8.3%
Qualcomm Stadium Operations Fund	Revenue	16,477,809	16,477,809	16,845,436	367,627	2.2%
	Expenditures	17,090,437	17,090,437	16,782,522	307,915	1.8%
Recycling Fund	Revenue	17,777,651	17,777,651	19,084,264	1,306,613	7.3%
	Expenditures	23,292,297	23,292,297	22,330,359	961,938	4.1%
Refuse Disposal Fund	Revenue	29,374,301	29,374,301	27,310,281	(2,064,020)	-7.0%
	Expenditures	31,932,996	31,932,996	32,262,006	(329,010)	-1.0%
Risk Management Administration Fund	Revenue	9,060,699	9,060,699	9,060,699	(0)	0.0%
	Expenditures	9,810,299	9,810,299	9,824,953	(14,654)	-0.1%
Sewer Utility Funds[1]	Revenue	409,155,844	409,155,844	409,824,105	668,261	0.2%
	Expenditures	339,369,494	340,061,253	325,993,584	14,067,669	4.1%
Transient Occupancy Tax Fund						
Commission for Arts and Culture Department	Revenue	$ -	$ -	$ -	$ -	0.0%
Special Events Department	Revenue	150,000	150,000	145,864	(4,136)	-2.8%
Special Promotional Programs	Revenue	79,870,455	79,870,455	78,892,670	(977,785)	-1.2%
Total Transient Occupancy Tax Fund Revenue		*$ 80,020,455*	*$ 80,020,455*	*$ 79,038,534*	*$ (981,921)*	
Commission for Arts and Culture Department	Expenditures	$ 1,022,971	$ 1,022,971	$ 871,380	$ 151,591	14.8%
Special Events Department	Expenditures	788,474	788,474	796,025	(7,551)	-1.0%
Special Promotional Programs	Expenditures	85,788,909	85,788,909	84,951,029	837,880	1.0%
Total Transient Occupancy Tax Fund Expenditures		*$ 87,600,354*	*87,600,354*	*$ 86,618,434*	*$ 981,920*	
Underground Surcharge Fund	Revenue	$ 49,091,916	$ 49,091,916	$ 48,973,587	$ (118,329)	-0.2%
	Expenditures	49,092,936	49,092,936	49,090,947	1,989	0.0%
Water Utility Operating Fund[1]	Revenue	427,607,269	427,607,269	454,047,172	26,439,903	6.2%
	Expenditures	439,290,546	439,476,961	439,757,531	(280,570)	-0.1%
Wireless Communications Technology Fund	Revenue	7,534,476	7,534,476	7,570,887	36,411	0.5%
	Expenditures	8,869,368	8,869,368	8,234,985	634,383	7.2%

The current budget presented in this table is as of December 2013 (accounting period 6) unless otherwise noted. Capital Improvements Program expenditure budgets are excluded.

[1] Revenues in the Sewer Utility and Water Utility Operating Funds support both Operating and Capital Improvements Program (CIP) activity; however, only operating expenditures are reflected in this report.

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
GENERAL FUND			
Administration Total	**-**	**-**	**-**
City Comptroller			
Accountant 2		2.00	
Accountant 3		2.00	
Administrative Aide 2		1.00	
Financial Operations Manager		1.00	
Payroll Audit Specialist 2		1.00	
Principal Accountant		0.50	
City Comptroller Total	**3.00**	**7.50**	**4.50**
City Treasurer			
Account Clerk		1.00	
Administrative Aide 2		1.00	
Clerical Assistant 2		1.00	
Information Systems Analyst 3		1.00	
Parking Meter Technician		4.00	
City Treasurer Total	**4.00**	**8.00**	**4.00**
Civic and Urban Initiatives			
Program Coordinator		2.00	
Civic and Urban Initiatives Total	**-**	**2.00**	**2.00**
Debt Management			
Program Coordinator		1.00	
Word Processing Operator		1.00	
Debt Management Total	**1.00**	**2.00**	**1.00**
Development Services - Planning and Neighborhood Code Compliance			
Associate Engineer-Traffic		1.00	
Associate Management Analyst		1.00	
Associate Planner		1.00	
Park Designer		1.00	
Principal Engineering Aide		1.00	
Program Manager		2.00	
Senior Planner		1.00	
Zoning Investigator 2		1.00	
Development Services - Planning and Neighborhood Code Compliance Total	**2.00**	**9.00**	**7.00**
Economic Development			
Account Clerk		1.00	
Accountant 2		1.00	
Administrative Aide 1		1.00	
Administrative Aide 2		1.00	
Assistant Deputy Director		1.00	
Community Development Specialist 2		2.00	
Economic Development Total	**1.00**	**7.00**	**6.00**
Environmental Services			
Associate Management Analyst		1.38	
Hazardous Materials Inspector 3		1.00	
Public Information Clerk		0.63	
Sanitation Driver 1		3.50	
Sanitation Driver 3		2.00	
Environmental Services Total	**5.23**	**8.51**	**3.28**

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Financial Management			
Associate Budget Development Analyst		1.00	
Deputy Director		1.00	
Senior Budget Development Analyst		1.00	
Financial Management Total	**1.00**	**3.00**	**2.00**
Fire-Rescue			
Administrative Aide 2		1.00	
Building Maintenance Supervisor		1.00	
Building Service Technician		1.00	
Construction Estimator		2.00	
Deputy Fire Chief		2.00	
Fire Captain		11.00	
Fire Dispatcher		6.00	
Fire Engineer		17.00	
Fire Fighter 2		28.00	
Fire Fighter 3		4.00	
Fire Helicopter Pilot		2.00	
Fire Prevention Inspector 2		1.00	
Fire Prevention Supervisor		1.00	
Information Systems Analyst 2		1.00	
Lifeguard 2		1.00	
Payroll Specialist 2		1.00	
Senior Drafting Aide		1.00	
Storekeeper 1		1.00	
Fire-Rescue Total	**75.00**	**82.00**	**7.00**
Human Resources			
Program Coordinator		1.00	
Program Manager		1.00	
Human Resources Total	**-**	**2.00**	**2.00**
Library			
Assistant Management Analyst		1.00	
Clerical Assistant 2		1.00	
Information Systems Technician		1.00	
Library Aide		10.50	
Library Assistant		3.00	
Library Technician		1.00	
Supervising Librarian		1.00	
Library Total	**14.50**	**18.50**	**4.00**
Multimedia Services			
Multimedia Production Coordinator		1.00	
Multimedia Services Total	**-**	**1.00**	**1.00**
Office of Homeland Security	**1.00**	**-**	**(1.00)**
Office of ADA Compliance and Accessibility	**-**	**-**	**-**
Office of the Chief Financial Officer			
Executive Secretary		1.00	
Office of the Chief Financial Officer Total	**-**	**1.00**	**1.00**
Office of the Assistant Chief Operating Officer			
Assistant to the Director		1.00	
Office of the Assistant Chief Operating Officer Total	**1.00**	**1.00**	**-**
Office of the Chief Operating Officer	**-**	**-**	**-**

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Office of the Mayor			
Mayor		1.00	
Mayor Representative 2		2.00	
Office of the Mayor Total	**-**	**3.00**	**3.00**
Park and Recreation			
Assistant Department Director		1.00	
Assistant Recreation Center Director		1.00	
Clerical Assistant 2		1.00	
Custodian 2		2.00	
District Manager		1.00	
Equipment Operator 1		1.00	
Equipment Technician 1		1.00	
Executive Secretary		1.00	
Grounds Maintenance Manager		2.00	
Grounds Maintenance Worker 1		1.00	
Grounds Maintenance Worker 2		8.00	
Laborer		2.00	
Park Ranger		4.00	
Program Manager		1.00	
Recreation Center Director 3		2.00	
Recreation Specialist		1.00	
Senior Park Ranger		2.00	
Seven-Gang Mower Operator		1.00	
Supervising Recreation Specialist		1.00	
Swimming Pool Manager 2		3.00	
Utility Worker 1		1.00	
Park and Recreation Total	**23.50**	**38.00**	**14.50**
Police			
Account Clerk		1.00	
Accountant 3		1.00	
Administrative Aide 2		1.00	
Associate Management Analyst		1.00	
Building Maintenance Supervisor		1.00	
Clerical Assistant 2		1.00	
Criminalist 2		2.00	
Dispatcher 2		2.00	
Information Systems Analyst 3		2.00	
Information Systems Technician		1.00	
Latent Print Examiner 2		1.00	
Parking Enforcement Officer 1		5.00	
Police Code Compliance Officer		2.00	
Police Code Compliance Supervisor		1.00	
Police Detective		43.00	
Police Dispatch Administrator		1.00	
Police Dispatcher		2.00	
Police Investigative Aide 2		1.00	
Police Lieutenant		3.00	
Police Officer 2		47.00	
Police Officer 3		1.00	
Police Property and Evidence Clerk		0.50	
Police Records Clerk		2.00	
Police Records Data Specialist		1.00	
Police Sergeant		21.00	
Program Manager		1.00	
Supervising Latent Print Examiner		1.00	

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Word Processing Operator		4.00	
Police Total	**130.50**	**150.50**	**20.00**
Public Works - Contracting			
Administrative Aide 2		1.00	
Public Works - Contracting Total	**1.00**	**1.00**	**-**
Public Works - Engineering and Capital Projects			
Account Clerk		1.00	
Assistant Engineer-Civil		13.00	
Associate Engineer-Civil		2.00	
Associate Planner		2.00	
Clerical Assistant 2		1.00	
Deputy Director		1.00	
Principal Engineering Aide		5.00	
Principal Traffic Engineering Aide		1.00	
Project Officer 2		1.00	
Senior Civil Engineer		1.00	
Senior Land Surveyor		1.00	
Senior Public Information Officer		1.00	
Senior Survey Aide		1.00	
Word Processing Operator		1.00	
Public Works - Engineering and Capital Projects Total	**17.00**	**32.00**	**15.00**
Public Works - General Services			
Building Service Technician		3.00	
Carpenter		1.00	
Carpenter Supervisor		1.00	
Electrician		2.00	
Heating, Ventilation, and Air Conditioning Supervisor		1.00	
Plumber		2.00	
Plumber Supervisor		1.00	
Refrigeration Mechanic		3.00	
Roofer		2.00	
Public Works - General Services Total	**4.00**	**16.00**	**12.00**
Purchasing and Contracting			
Associate Management Analyst		2.00	
Program Manager		1.00	
Senior Management Analyst		1.00	
Senior Procurement Specialist		1.00	
Supervising Management Analyst		1.00	
Purchasing and Contracting Total	**1.00**	**6.00**	**5.00**
Real Estate Assets			
Supervising Property Agent		1.00	
Real Estate Assets Total	**1.00**	**1.00**	**-**
Transportation and Storm Water			
Administrative Aide 2		1.00	
Assistant Engineer-Civil		2.00	
Associate Engineer-Civil		1.00	
Associate Engineer-Traffic		1.00	
Associate Planner		1.00	
Biologist 2		1.00	
Clerical Assistant 2		1.00	
Equipment Operator 2		2.00	
Heavy Truck Driver 2		2.00	
Information Systems Analyst 2		1.00	

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Motor Sweeper Operator		2.00	
Motor Sweeper Supervisor		1.00	
Parking Enforcement Officer 1		1.00	
Principal Traffic Engineering Aide		1.00	
Program Manager		1.00	
Public Works Supervisor		3.00	
Senior Civil Engineer		2.00	
Senior Clerk/Typist		1.00	
Senior Engineering Aide		2.00	
Senior Public Information Officer		1.00	
Sign Painter		1.00	
Traffic Signal Technician 2		3.00	
Utility Worker 1		18.00	
Utility Worker 2		1.00	
Transportation and Storm Water Total	**16.00**	**51.00**	**35.00**
Non-Mayoral Departments Total	**24.50**	**50.50**	**26.00**
General Fund Total	**327.23**	**501.51**	**174.28**
NON-GENERAL FUNDS			
Airports Fund	**1.00**	**-**	**(1.00)**
Central Stores Fund			
Auto Messenger 2		1.00	
Storekeeper 1		1.00	
Central Stores Fund Total	**1.00**	**2.00**	**1.00**
Concourse and Parking Garages Operating Fund	**-**	**-**	**-**
Development Services Fund			
Administrative Aide 2		1.00	
Apprentice 1-Electrician (4 Yr)		1.00	
Assistant Development Services Director		1.00	
Assistant Engineer-Civil		9.00	
Assistant Engineer-Traffic		3.00	
Associate Engineer-Civil		2.00	
Associate Planner		11.00	
Biologist 3		1.00	
Cashier		1.00	
Clerical Assistant 2		8.00	
Combination Inspector 2		10.00	
Deputy Director		1.00	
Development Project Manager 1		5.00	
Development Project Manager 2		2.00	
Development Project Manager 3		1.00	
Junior Engineering Aide		1.00	
Land Surveying Assistant		2.00	
Mechanical Inspector 2		1.00	
Payroll Specialist 2		2.00	
Plan Review Specialist 3		1.00	
Plan Review Specialist 4		1.00	
Program Manager		1.00	
Public Information Clerk		9.00	
Senior Cashier		1.00	
Senior Civil Engineer		2.00	
Senior Clerk/Typist		4.00	
Senior Combination Inspector		1.00	

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Senior Drafting Aide		5.00	
Senior Engineer-Fire Protection		1.00	
Senior Engineering Aide		1.00	
Senior Engineering Geologist		1.00	
Senior Land Surveyor		1.00	
Senior Mechanical Inspector		1.00	
Senior Planner		2.00	
Senior Public Information Officer		1.00	
Senior Structural Inspector		1.00	
Structural Engineering Associate		2.00	
Structural Inspector 2		4.00	
Supervising Plan Review Specialist		2.00	
Word Processing Operator		9.50	
Development Services Fund Total	**145.75**	**114.50**	**(31.25)**
Energy Conservation Program Fund			
Associate Management Analyst		1.00	
Program Manager		1.00	
Energy Conservation Program Fund Total	**0.15**	**2.00**	**1.85**
Facilities Financing Fund			
Associate Management Analyst		1.00	
Program Manager		1.00	
Word Processing Operator		1.00	
Facilities Financing Fund Total	**1.00**	**3.00**	**2.00**
Fire/Emergency Medical Services Transport Program Fund			
Emergency Medical Technician		1.00	
Program Manager		1.00	
Quality Management Coordinator		1.00	
Fire/Emergency Medical Services Transport Program Fund Total[1]	**-**	**3.00**	**3.00**
Fleet Services Operating Fund			
Account Clerk		1.00	
Associate Management Analyst		1.00	
Equipment Mechanic		11.00	
Equipment Service Writer		3.00	
Fleet Attendant		1.00	
Senior Motive Service Technician		3.00	
Stock Clerk		1.00	
Storekeeper 1		2.00	
Welder		1.00	
Fleet Services Operating Fund Total	**-**	**24.00**	**24.00**
GIS Fund			
Applications Programmer 2		1.00	
GIS Fund Total	**-**	**1.00**	**1.00**
Golf Course Fund			
Grounds Maintenance Worker 1		2.00	
Pesticide Applicator		1.00	
Senior Public Information Officer		1.00	
Golf Course Fund Total	**4.00**	**4.00**	**-**
Information Technology Fund			
Graphic Designer		1.00	
Information Systems Analyst 3		1.00	
Information Systems Analyst 4		1.00	
Information Technology Fund Total	**2.00**	**3.00**	**1.00**
Junior Lifeguard Program Fund	**-**	**-**	**-**

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Local Enforcement Agency Fund			
Hazardous Materials Inspector 3		1.00	
Local Enforcement Agency Fund Total	**1.00**	**1.00**	**-**
Los Penasquitos Canyon Preserve Fund	**-**	**-**	**-**
OneSD Support Fund	**-**	**-**	**-**
PETCO Park Fund	**-**	**-**	**-**
Publishing Services Fund			
Senior Publishing Specialist		1.00	
Publishing Services Fund Total	**-**	**1.00**	**1.00**
QUALCOMM Stadium Operating Fund			
Administrative Aide 2		1.00	
Clerical Assistant 2		1.00	
QUALCOMM Stadium Operating Fund Total	**1.00**	**2.00**	**1.00**
Recycling Fund			
Associate Management Analyst		0.28	
Hazardous Materials Inspector 2		0.50	
Public Information Clerk		0.16	
Sanitation Driver 1		5.00	
Sanitation Driver 2		3.00	
Utility Worker 2		1.50	
Recycling Fund Total	**4.28**	**10.44**	**6.16**
Refuse Disposal Fund			
Assistant Engineer-Civil		1.00	
Associate Management Analyst		0.34	
Code Compliance Officer		2.00	
Code Compliance Supervisor		1.00	
Equipment Technician 1		1.00	
Public Information Clerk		0.21	
Public Works Supervisor		1.00	
Supervising Disposal Site Representative		1.00	
Utility Worker 1		2.00	
Utility Worker 2		3.00	
Refuse Disposal Fund Total	**6.34**	**12.55**	**6.21**
Risk Management Administration Fund			
Claims Clerk		1.00	
Claims Representative 2		1.00	
Employee Benefits Administrator		1.00	
Supervising Management Analyst		1.00	
Workers' Compensation Claims Aide		2.00	
Workers' Compensation Claims Representative 2		1.00	
Risk Management Administration Fund Total	**2.00**	**7.00**	**5.00**
Sewer Utility Funds			
Account Clerk		0.60	
Accountant 3		0.30	
Administrative Aide 1		0.51	
Administrative Aide 2		0.50	
Assistant Chemist		2.00	
Assistant Engineer-Civil		1.75	
Associate Engineer-Civil		1.30	
Associate Engineer-Mechanical		0.77	
Associate Management Analyst		2.72	
Associate Planner		0.79	
Biologist 2		1.00	

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Biologist 3		0.79	
Building Service Technician		0.67	
Cashier		0.50	
Clerical Assistant 2		1.50	
Code Compliance Officer		0.50	
Customer Information and Billing Manager		0.50	
Customer Services Representative		6.00	
Deputy Director		0.67	
Equipment Technician 2		1.00	
Heavy Truck Driver 2		1.00	
Information Systems Analyst 2		0.53	
Information Systems Analyst 3		1.59	
Information Systems Analyst 4		1.00	
Instrumentation and Control Technician		2.00	
Laboratory Technician		5.00	
Marine Biologist 2		1.00	
Organization Effectiveness Specialist 3		0.61	
Payroll Specialist 2		0.51	
Plant Technician 1		4.00	
Plant Technician 2		6.00	
Plant Technician Supervisor		4.00	
Power Plant Operator		2.00	
Program Manager		1.50	
Pump Station Operator		2.00	
Recycling Program Manager		0.51	
Safety and Training Manager		1.02	
Safety Representative 2		0.51	
Senior Customer Services Representative		0.50	
Senior Drafting Aide		1.02	
Senior Electrical Engineer		1.00	
Senior Engineering Aide		2.00	
Senior Management Analyst		0.97	
Senior Power Plant Supervisor		1.00	
Senior Water Utility Supervisor		5.00	
Storekeeper 2		1.00	
Supervising Field Representative		0.50	
Utility Worker 1		10.00	
Wastewater Operations Supervisor		1.00	
Wastewater Plant Operator		4.00	
Wastewater Pretreatment Inspector 2		1.00	
Water Utility Worker		1.00	
Sewer Utility Funds Total	**40.40**	**89.14**	**48.74**
Transient Occupancy Tax Fund			
Public Art Program Administrator		1.00	
Transient Occupancy Tax Fund Total	**-**	**1.00**	**1.00**
Underground Surcharge Fund	**-**	**-**	**-**
Water Utility Operating Fund			
Account Clerk		0.40	
Accountant 3		0.20	
Administrative Aide 1		0.49	
Administrative Aide 2		0.50	
Assistant Engineer-Civil		0.25	
Assistant Engineer-Corrosion		1.00	
Associate Engineer-Civil		0.20	
Associate Engineer-Corrosion		1.00	

Budgeted Vacancies as of January 2014

As of January 8, 2014 *FTE*

Department Name / Position Job Name	Budgeted Vacancies	Current Vacancies	Variance
Associate Engineer-Mechanical		0.23	
Associate Management Analyst		3.03	
Associate Planner		0.21	
Biologist 3		0.21	
Building Service Technician		0.33	
Carpenter		1.00	
Cashier		0.50	
Clerical Assistant 2		1.00	
Code Compliance Officer		0.50	
Customer Information and Billing Manager		0.50	
Customer Services Representative		6.00	
Deputy Director		0.33	
Heavy Truck Driver 2		1.00	
Information Systems Analyst 2		0.47	
Information Systems Analyst 3		1.41	
Instrumentation and Control Technician		1.00	
Laboratory Technician		4.00	
Lake Aide 1		1.00	
Lake Aide 2		1.00	
Organization Effectiveness Specialist 3		0.39	
Payroll Specialist 2		0.49	
Program Manager		0.50	
Recycling Program Manager		0.49	
Safety and Training Manager		0.98	
Safety Representative 2		0.49	
Senior Backflow and Cross Connection Specialist		3.00	
Senior Customer Services Representative		0.50	
Senior Drafting Aide		0.98	
Senior Management Analyst		1.03	
Supervising Field Representative		0.50	
Water Systems Technician 3		1.00	
Water Systems Technician 4		4.00	
Water Utility Operating Fund Total	**36.60**	**42.11**	**5.51**
Wireless Communications Technology Fund			
Associate Communications Engineer		1.00	
Communications Technician		1.00	
Deputy Director		1.00	
Equipment Technician 1		1.00	
Equipment Technician 2		1.00	
Information Systems Administrator		1.00	
Senior Communications Technician		1.00	
Wireless Communications Technology Fund Total	**2.00**	**7.00**	**5.00**
City Total	**575.75**	**831.25**	**255.50**

Non-General Fund Reserves

Fund	Reserve Type	FY 2014 Target	Status
Development Services Fund	Appropriated Reserve	$ 341,744	On Target
	Fund Balance	1,724,452	On Target
Public Liability Fund[1]	Fund Balance	32,200,000	On Target
Workers Compensation Fund	Fund Balance	43,000,000	On Target
Long-Term Disability Fund[2]	Fund Balance	13,800,000	On Target
Water Utility Funds	Appropriated Reserve[3]	3,500,000	Budgeted
	Operating Reserve	30,662,165	On Target
	Capital Reserve	5,000,000	Budgeted
	Rate Stabilization Reserve	20,500,000	On Target
	Secondary Purchase Reserve	12,544,476	On Target
	Dedicated Reserve from Efficiency & Savings[4]	29,901,772	N/A
Sewer Utility Funds	Appropriated Reserve	3,500,000	Budgeted
	Operating Reserve	43,314,185	On Target
	Capital Reserve	5,000,000	Budgeted
	Rate Stabilization Reserve	21,300,000	On Target
	Dedicated Reserve from Efficiency & Savings[4]	27,043,918	N/A
Refuse Disposal Fund	Appropriated Reserve	920,000	Budgeted
	Fund Balance	3,680,000	On Target
Recycling Enterprise Fund	Appropriated Reserve	480,000	Budgeted
	Fund Balance	1,920,000	On Target

[1]The Mid-Year Report includes a recommendation to pre-fund the Public Liability Fund Reserve by $3.2 million. The pre-funding of the Public Liability Fund Reserve with one-time Excess Equity will free up funds to balance the expenditures in the FY 2015 budget.

[2]The Mid-Year Report includes a recommendation to pre-fund the Long-Term Disability Fund Reserve by $1.6 million. The pre-funding of the Long-Term Disability Fund Reserve with one-time Excess Equity will free up funds to balance the expenditures in the FY 2015 budget.

[3]Approximately $2.7 million of Appropriated Reserve was used to support unanticipated expenditures in the first quarter. The Fund intends to replenish the Appropriated Reserve by fiscal year-end if potential savings are realized.

[4]The amount displayed for the Dedicated Reserve from Efficiency & Savings (DRES) represents the fund balance as of June 30, 2013, as a reserve target for this fund is not required.