



THE CITY OF SAN DIEGO

## Report to the City Council

DATE ISSUED: November 28, 2016

REPORT NO: 16-108

ATTENTION: Honorable Council President Sherri Lightner and Members of the City Council

SUBJECT: Fiscal Year 2017 Capital Improvements Program (CIP) Mid-Year Budget Monitoring Report and CIP Budget Revisions

REFERENCE: CIP Mid-Year Budget Monitoring Report, #16-108

**REQUESTED ACTION:**

Accept the report and approve the requested CIP budget revisions as outlined on Attachments I and II to this report.

**STAFF RECOMMENDATION:**

Accept the report and approve the requested CIP budget revisions as outlined.

**EXECUTIVE SUMMARY OF ITEM BACKGROUND:**

The CIP Mid-Year Budget Monitoring Report provides updates on the City's cash management process improvements, which have been implemented to improve the efficiency and effectiveness of the CIP.

This report provides updates on the following internal process improvement initiatives, as well as a consolidated request for City Council action on behalf of all City departments:

- CIP Budget Review
- Internal CIP Monitoring
- Commercial Paper Program
- Encumbrance Process Improvements
- Pooled Project Contingencies
- Underfunded CIP Projects List

This report and request for Council action to reallocate excess funds to priority projects represents a collaborative effort by Financial Management (FM), Public Works, and the asset managing departments to ensure greater efficiencies in the allocation of CIP resources. This effort improves cash management by identifying projects that have excess funds that can be redistributed to other priority projects in need of funding. Additionally, City Council approval is requested to remove restrictions from certain funding sources to reallocate funds to other critical CIP Projects as follows:

- Authority to amend the Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding
- Authority to add projects to the CIP, close CIP projects, and transfer expenditures between projects

All other approvals requested from City Council to remove restrictions on funding sources for reallocation or otherwise modify the CIP are summarized in Attachment II.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal #1: Provide high quality public service

Objective #2: Improve external and internal coordination and communication

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective #3: Invest in infrastructure

FISCAL CONSIDERATIONS:

See attachment: Fiscal Year 2017 CIP Mid-Year Budget Monitoring Report, #16-108

EQUAL OPPORTUNITY CONTRACTING INFORMATION (if applicable):

N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

N/A

COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

N/A

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Originating Department

Deputy Chief/Chief Operating Officer

# Fiscal Year 2017 CIP Mid-Year Budget Monitoring Report



Financial  
Management

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Scott Chadwick  
Chief Operating Officer

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Mary Lewis  
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Matthew Vespi  
Financial Management Acting Director

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Michael Clark  
Budget Coordinator

## INTRODUCTION

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The Fiscal Year 2017 Capital Improvements Program (CIP) Mid-Year Budget Monitoring Report presents a semi-annual update on the City's CIP cash management process improvements. This includes an update on the status of internal process improvements, as well as requests requiring City Council action that supplement the City's capital budgeting and internal monitoring processes.

Included in this report are details on \$115 million in project savings and reallocations from cash management and streamlining efforts:

- **CIP Budget Review:** This process has saved an estimated 450 staff hours and resources by consolidating multiple actions into one semi-annual request. \$115 million of prior appropriations will be released, subject to Council approval, making funds available for priority projects. This includes:
  - Expedited appropriation of \$33 million from fund balance to projects including \$21 million in impact fees.
  - Reallocation of \$63 million in excess funding to priority projects.
  - Accelerated de-appropriation of \$20 million in excess funding to fund balance.
- **Internal CIP Monitoring:** Provides an update on the monitoring of the Transportation & Storm Water CIP projects as well as several large CIP funds.
- **Commercial Paper Program:** Provides a status update on the commercial paper program, including a Public Utilities program that is currently working its way to the City Council and an anticipated General Fund program later in Fiscal Year 2017.
- **Encumbrance Process Improvements:** Provides a status update on this program.
- **Pooled Project Contingencies:** Provides a status update on the Public Utilities pilot project that began in Fiscal Year 2017.
- **Underfunded CIP Projects List:** Updates the City Council on the funding status for projects on the Underfunded CIP Projects List (i.e. the waterfall list).

Requests for City Council action to adjust CIP project budgets are summarized in Attachment I. Additionally, City Council approval is requested to remove restrictions from funding sources listed below to be reallocated to fund other critical CIP Projects ready to move forward:

- Authority to amend the Regional Transportation Improvement Program (RTIP) to allow for reallocations of TransNet funding
- Approval to add projects to the CIP, close CIP projects, and transfer expenditures between projects

All other authorities requested from City Council to remove restrictions on funding sources for reallocation or otherwise modify the CIP are summarized in Attachment II.

## CASH MANAGEMENT INITIATIVES

Effective cash management supports timely completion of Capital Improvement Program (CIP) projects, capitalization of assets for accurate financial reporting, and reallocation of excess funds to other priority projects. FM has provided a semi-annual report to the City Council on the status of these process improvements since Fiscal Year 2016.

The Fiscal Year 2017 CIP Mid-Year Budget Monitoring Report includes updates on the results of the cash management process improvements, as well as requesting City Council approval of new budget appropriations, reallocations of funds, and other CIP project changes.

### CIP Budget Review

Since Fiscal Year 2016, FM has provided asset managing departments with an opportunity to include all needed CIP council actions on one consolidated semi-annual report. This provides significant time savings to the asset-managing departments. Under the prior practice, asset managing departments identified capital projects with excess budget or project closures and then individually prepared and routed a Council Action to request approval of project budget amendment. Now FM compiles all needed CIP council actions and prepares semi-annual reports to assist departments and save time and resources citywide.

By consolidating these separate actions, the departments have significantly reduced the time and labor required to route individual council actions. As an internal performance metric, FM has begun estimating the time savings provided by the Semi-Annual CIP Budget Review. In Fiscal Year 2016, FM estimated that 600 hours were saved for department staff through this exercise. For this report, FM estimates up to 450 hours were saved for City staff.

**Table 1** summarizes the CIP budget adjustment requests by the categories outlined in the report. Details including a justification for each request are included in the tables following the summary in Attachment I. There are three types of budget adjustments being requested in this section:

- Appropriation: addition of new budgeted funds to a project from fund balance
- Deappropriation: return of budgeted funds from a project back to fund balance
- Transfer: moving budgeted funds between projects or with the operations & maintenance budget

**Table 1: Summary of CIP Budget Adjustment Requests (\$ millions)**

Funding Type	Appropriations	Deappropriations	Transfers	Total
TransNet	\$ 0.2	\$ -	\$ 0.5	\$ 0.7
Impact Fees	20.6	-	-	20.6
Redevelopment Bond Proceeds	0.1	-	14.5	14.6
Water/Sewer Funds	6.8	16.0	39.9	62.7
Other Funds	4.9	3.6	7.8	16.3
<b>Total</b>	<b>\$ 32.7</b>	<b>\$ 19.6</b>	<b>\$ 62.7</b>	<b>\$ 115.0</b>

All CIP Budget Adjustment requests are summarized and included in Attachment I. Any additional authorities requested are included in Attachment II.

## TransNet

TransNet, a one-half cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects. For this action, the Transportation & Storm Water department (TSW) has identified \$300,000 in older TransNet fund balance that is not currently programmed in the CIP. These funds will be added to CIP projects to help meet the City's goal to fully expend these funds by the end of the fiscal year.

Additionally, TSW is requesting the transfer of \$400,000 between annual allocations in order to expedite spending of TransNet Extension Funds. The details of this request are included on Attachment I. All changes to TransNet Extension allocations require the City to revise the 2016 Regional Transportation Improvement Program (RTIP). The RTIP is a multi-billion dollar, multi-year program of transportation projects including the TransNet funded projects. In order to modify the 2016 RTIP, the City Council is requested to approve the additional TransNet resolutions listed in Attachment II.

Further discussion on monitoring of TransNet expenditures can be found in the Internal CIP Monitoring discussion of this report.

## Impact Fees

Development Impact Fees (DIF) are collected to mitigate the impact of new development in urbanized communities. Additionally, the City maintains a special impact fee required under TransNet Extension known as the Regional Transportation Congestion Improvement Program (RTCIP) Fee. This fee is used to ensure that new development directly invests in the region's transportation system to offset the negative impact of growth on congestion and mobility.

As was the case in Fiscal Year 2016, FM has coordinated with the Planning Department-Facilities Financing section to prepare a consolidated request to appropriate \$21 million in DIF and RTCIP fee allocations to existing projects, as outlined in Attachment I. New projects that received a recommendation for funding will be reviewed to be included for City Council consideration as part of the Fiscal Year 2018 Proposed CIP Budget.

## Redevelopment Bond Proceeds

On October 9, 2015, the City Council passed Ordinance O-20566, authorizing the refunding of several old tax allocation bonds issued by the former redevelopment agency. Since the refunding, the City has been closely monitoring the expenditures of these funds in order to make sure they are spent in a timely fashion.

In order to fully expend the remaining bond proceeds, including interest earned, Council is requested to approve the appropriation of up to \$20,000 of tax exempt bond proceeds within eligible projects listed in Attachment I. This is similar to the authority granted in the Fiscal Year 2017 Appropriation Ordinance to close out old Park Service District Funds that are no longer receiving new revenue.

A second round of bond refunding was approved by the City Council on October 19, 2016 with Ordinance O-20735. This refunding is currently expected to occur in January 2017. In order to fully expend newly refunded bond proceeds, FM will recommend that the FY 2018 Appropriation Ordinance include language that will allow to increase the CIP by up to \$20,000 in each of the bond proceeds funds, including interest earnings, for the purpose of closing out these funds.

For the second round of bond refunding, City Council is also requested to approve City staff to adjust the CIP to account for any funding sources that change as a result of the refunding action. This will allow the projects to continue spending after the bond proceeds are refunded. The requested amount for the reallocation represents a maximum amount of remaining budget in each CIP project as of mid-November 2016 when this report was finalized. The actual amount for the reallocation will depend on the amount of bond proceeds remaining in each project at the time of the refunding.

## **Water/Sewer and Other Funds**

All other departmental requests to adjust CIP budgets that do not fall under one of the above categories are described in Attachment I. Of the \$79 million in other requests, the Water and Sewer Funds represent the largest share with \$63 million, or 79 percent, of the total other requests. Individual justifications are given for each action on the attachment.

In addition to the requested CIP budget adjustments, Council is requested to approve a number of miscellaneous CIP adjustment requests relating to the expenditure of funds and the addition of projects to the CIP. These requests are summarized in Attachment II.

## **Internal CIP Monitoring**

FM, Public Works, and the CIP asset managing departments have continued to put additional focus on the ongoing monitoring of the CIP program. Since Fiscal Year 2016, FM, Public Works, and TSW have been working on an internal pilot program to monitor TSW CIP project cash flows. This report provides an update to the City Council on the status of this program and other CIP cash flow monitoring activities.

## **Transportation & Storm Water Monitoring**

Since Fiscal Year 2016, FM, TSW, and Public Works have worked on an internal pilot program to monitor the CIP budget for all TSW assets (TSW Program). The intent of this program is to systematically compare CIP cash flow projections across multiple projects to better manage budget and cash across the entire capital program. Cash flows are developed by TSW and Public Works for their respective projects. Projections are then analyzed by FM with the goal of identifying opportunities to better align budgets with cash flows, including requests to Council to modify CIP budgets as necessary.

The biggest challenge of this pilot program continues to be that projections are manually developed and reviewed, which is a time-consuming process. To make the monitoring process more efficient and effective, FM, TSW, and Public Works are taking the following measures in the second year of the pilot program:

1. Reducing the reporting periods for the TSW Program from four times a year to two times a year.
2. Public Works is working with a consultant to complete a self-assessment to identify system improvements to Public Works project scheduling software tool with the goal of turning the development of cash flows into a more automated process.
3. Enhancing training for project managers on the importance of developing accurate cash flows in conjunction with project delivery schedules.

In order to best align the now semi-annual TSW Program with the budget cycle, cash flow projections will be developed at the end of the first and third quarters of the fiscal year. The

first round of data collection and projections was completed in October 2016. The results of these projections will be compared to actual expenditures after the close of the third quarter in April 2017, and the next round of cash flow projections will be developed at that time. FM will include a discussion of these results in the Fiscal Year 2017 CIP Year-End Budget Monitoring Report.

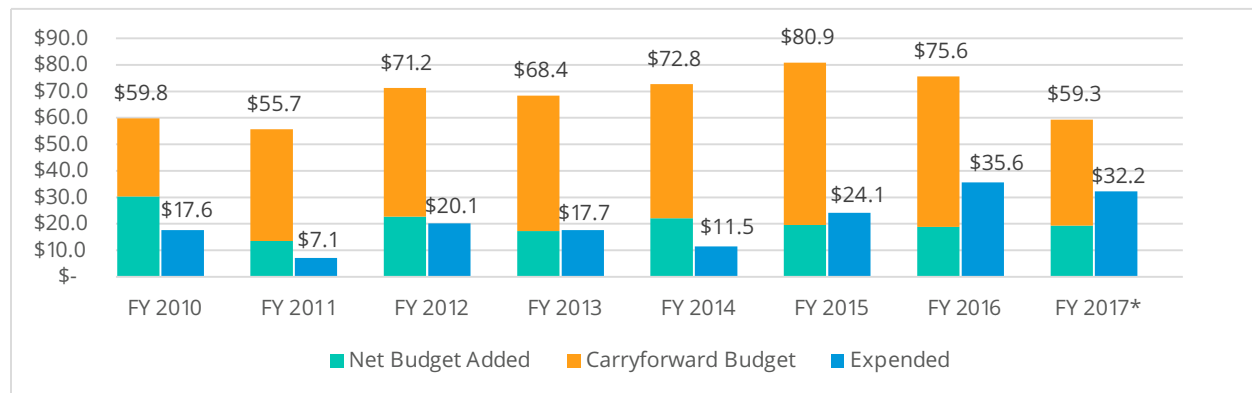
At the time this report was released, the self-assessment of the project scheduling software tool was still in process. Any further changes to the program will depend on the completion of this assessment. As changes are rolled out, Public Works will continue to provide training to project managers on developing cash flow projections.

While the TSW Program continues to develop, FM, Public Works, and other asset managing departments continue to monitor cash flows for critical CIP funds, particularly TransNet and the Deferred Capital Bond funds. Details for progress on these funds are provided below.

## TransNet Update

On November 2, 2016, FM issued a memorandum to the City Council providing an update on cash balances and expenditure trends for TransNet, among other infrastructure funds. As a result of the City's cash management efforts, the amount of TransNet CIP Budget carried forward from year to year has been reduced by almost 35 percent from a high of \$61.3 million at the beginning of Fiscal Year 2015 to \$40.0 million at the beginning of Fiscal Year 2017. Actual unaudited CIP expenditures for Fiscal Year 2016 were \$35.6 million, exceeding the City's January 2016 projection of \$33.4 million by \$2.2 million, or 7 percent. **Figure 1** shows the budget and expenditure trends for the TransNet CIP since Fiscal Year 2010.

**Figure 1: TransNet CIP Trends (\$ millions)**



\*Projected expenditures for FY 2017 by June 30, 2017. Net budget added for FY 2017 includes the projected appropriation of an additional \$300,000 of old TransNet funds from fund balance to the CIP requested in Attachment 1 of this report and estimated revenues anticipated to be received by June 30, 2017.

In Fiscal Year 2017, the City is projecting \$32.2 million in TransNet CIP expenditures. This is made up of \$30.0 million in TransNet Extension CIP expenditures, as well as full expenditure of the remaining \$2.2 million in older TransNet funds in CIP projects. If these projections are achieved, the anticipated TransNet CIP carryforward for Fiscal Year 2018 will be approximately \$27.0 million. This represents a reduction of \$12.9 million, or over 30 percent, compared to the CIP carryforward for Fiscal Year 2017 (\$40.0 million).

In addition to CIP expenditures, the \$13.2 million budgeted in Fiscal Year 2017 for transportation operations are on track to be fully expended by the end of the fiscal year. This



includes \$9.9 million budgeted for maintenance and administration and \$3.3 million for project development and implementation (e.g., congestion relief).

Given current and anticipated cash flows, TSW currently estimates that the TransNet Extension cash balance held at SANDAG will be approximately \$27.0 million by June 30, 2017 as demonstrated in **Table 2** below. This represents a year-over-year decrease of \$10.6 million, or 28 percent, compared to the TransNet Extension Fund Balance of \$37.6 million on June 30, 2016.

**Table 2: TransNet Extension Cash Flow Estimate (\$ millions)**

	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Estimate Fiscal Year 2017
<b>Fund Balance at SANDAG (July 1, Beginning of Fiscal Year)</b>	<b>\$53.7</b>	<b>\$55.5</b>	<b>\$37.9</b>
SANDAG Revenue Estimate	30.0	31.0	32.3
Actual Revenue Received	29.9	30.8	
<b>Disbursement:</b>	<b>(28.3)</b>	<b>(48.7)</b>	<b>(43.2)</b>
Congestion Relief	(19.4)	(39.2)	(33.3)
Admin & Maintenance	(8.9)	(9.5)	(9.9)
<b>Fund Balance at SANDAG (June 30, End of Fiscal Year)</b>	<b>\$55.3</b>	<b>\$37.6</b>	<b>\$27.0</b>
Interest Earned (SANDAG)	\$0.2	\$0.3	

As a result of the progress the City has made in reducing fund balance held on deposit at SANDAG, the City is now above the monitoring thresholds for TransNet expenditures set by the TransNet Independent Taxpayer Oversight Committee (ITOC). As of June 30, 2016, the City of San Diego has expended approximately \$204.0 million, or 83 percent, of cumulative TransNet Extension funds received from Fiscal Year 2008 to Fiscal Year 2016. By the end of Fiscal Year 2017, it is projected that the City will have expended 90 percent of cumulative TransNet Extension funds received.

On November 7, 2016, TSW, Public Works, and FM attended a TransNet ITOC meeting to update the committee on spend down of TransNet cash held at SANDAG. The committee was once again pleased with the update and the progress that the City has made in spending down its TransNet cash balance and its management of the TransNet program. The committee requested that the City report back again in one year. The City will continue to provide updates on the TransNet CIP program and cash balances to ITOC as well as semi-annual updates to City Council in future CIP Budget Monitoring Reports.

### Deferred Capital Bonds Update

The City issues lease revenue bonds to finance General Fund capital improvement projects for deferred capital improvements to streets, storm water, and city facilities across most General Fund asset managing departments. The City commits to spend tax exempt bond proceeds in accordance with IRS requirements. The proceeds of these bonds should be spent within three years of issuance, and are prioritized to be spent before other eligible funding sources without expenditure deadlines.

Public Works, the financial departments, and the asset managing departments continue to hold monthly meetings to monitor the status of expenditures in the City's Deferred Capital Lease Revenue Bonds. Through these meetings, staff reviews the status of the projects funded

with Deferred Capital Bonds to ensure that they are spent down in accordance with the bond expenditure requirements. As necessary, bond proceeds are reallocated between projects where the net reallocation does not result in a net increase to project budgets, as authorized by the Fiscal Year 2017 appropriations ordinance, section 2.C.6. These reallocations are necessary to ensure that the City is able to abide by the expenditure requirements for these projects.

**Table 3** provides the status of the deferred capital bonds as of October 31, 2016:

**Table 3: Deferred Capital Bonds Status as-of 10/31/16 (\$ millions)**

Year Issued	Bond	Original Budget	Encumbered <sup>1</sup>	Expended	Available Budget
FY 2010	DC1	\$ 103.3	\$ -	\$ 103.3	\$ -
FY 2012	DC2	75.0	-	75.0	-
FY 2013	DC2A	35.0	-	35.0	-
FY 2015	DC3	120.0	35.8	31.5	52.7

1. Includes pre-encumbered funds for Comptroller certifications and purchase orders in process

As of Fiscal Year 2017, a combined \$213.3 million in bond proceeds for DC1, DC2, and DC2A have been fully expended. This has allowed City staff to turn all their focus into spending down DC3. The 85 percent expenditure benchmark for DC 3 is April 2018. As of October 2016, the City has expended \$31.5 million, or 26 percent, of DC3 bond proceeds. An additional \$35.8 million, or 30 percent, is either encumbered in contracts or in process to be encumbered. The City will continue to monitor trends to ensure that expenditures are on track for timely spend down of bond proceeds.

The latest Five-Year Financial Outlook (Outlook) identifies the continued issuance of deferred capital bonds as a critical strategic expenditure to ensure that the City continues to have the funding available to invest in public infrastructure. The Outlook identified the issuance of deferred capital bonds on an 18-month basis over three debt issuances of \$90 million. These issuances were projected to occur in FY 2018, FY 2020 and FY 2021. However, the actual timing and size of the bond issuances will be determined by the continued monitoring of the City's CIP and the cash flow needs. The timing of these bonds may also be affected by a General Fund Commercial Paper program, which is described in more detail in the section below.

## Commercial Paper Program

Commercial paper, a short term financing mechanism, will allow for "just-in time" borrowing instead of issuing the full amount of the long term bonds upfront. In this way, the City is able to borrow when funds are required (as capital project spending occurs). Commercial Paper principal and interest can then be paid down from the proceeds of long-term debt issuances as needed.

At the time this report was published, the Water Revenue Commercial Paper Notes Program was expected to be heard at City Council in December 2016. If the program is approved, the first note issuance is anticipated to occur by the end of January 2017. The initial commercial paper issuance size is in an amount not to exceed \$250 million based on approximately two years of Water Utility financing needs. Additional details on the Water Revenue Commercial Paper Notes Program are available in Report to the City Council No. 16-090.

Once the Water Utility Program has begun, Debt Management anticipates reviewing General Fund supported capital needs that are dependent on financing proceeds and propose a similar commercial paper program for Council approval to continue to fund ongoing General Fund capital projects. The actual timing of this program will be based on the spend down of the outstanding proceeds from the 2015 bond issuances and financing cash flow needs in Fiscal Year 2017 and Fiscal Year 2018.

## **Encumbrance Process Improvements**

In Fiscal Year 2016, FM, Comptroller, and Public Works worked on a pilot program to improve the City's process of encumbering funds for construction contracts. Rather than encumbering the entire amount needed for the construction contract for S00851 SR163/Friars Road, the Comptroller's Office certified that cash was on hand for the amount needed for Fiscal Year 2016, and that an additional \$10 million would be available to add in Fiscal Year 2017 as well as \$2 million in Fiscal Year 2018. This certification was backed by projected TransNet revenues, a reliable source of ongoing revenue. This freed up \$12 million in cash in Fiscal Year 2016 that would have otherwise been sitting in this project for up to two years before being expended. The \$10 million needed for FY 2017 has been added to this project and the remaining \$2 million is expected to be added as part of the Fiscal Year 2018 Proposed Budget.

The next step in this improvement is to expand this program to other funding sources and projects. FM has identified the Five Year Capital Infrastructure Planning Outlook as the primary document to identify these reliable revenue sources. Prospective funding sources identified so far in addition to TransNet could include the Mission Bay Improvements Fund, Regional Park Improvements Fund, or the Infrastructure Fund created by Charter Section 77.1.

For less reliable revenue sources that vary depending on outside factors (e.g. development impact fees that depend on the level of development, grant funds that depend on grant applications, etc.), this process improvement would only be applied in cases where anticipated budget is backed with cash on hand. This approach to certifying funds would only be used in limited cases, such as when bids come in higher than expected for a Council-approved project. This approach was used to certify funds for the construction contract for project S00649 Cesar Solis Community Park, which allowed construction to proceed on schedule despite higher than anticipated bids. Facilities Financing will request the City Council to approve an update to the Otay Mesa Public Facilities Financing Plan to account for these cost increases.

FM and Public Works are currently working on finalizing the guidelines for which projects are appropriate to use this process improvement by balancing risks and benefits of this funding strategy by asset type and project delivery method. Once these guidelines are finalized, FM and Public Works will provide training to City staff on applying this process more broadly. FM will continue to provide the City Council with updates on this program as more information becomes available.

## **Pooled Project Contingencies**

As previously reported, FM has been working with the Public Utilities and Public Works Departments, and the Office of the City Comptroller to develop a pilot program for pooled contingencies. This pilot program began in Fiscal Year 2017 with the water and sewer main replacements annual allocations. An internal process narrative has been developed on how to manage projects participating in the pooled contingency, and training has been provided to participating City staff. The status of the pooled contingency is reported out internally to City staff on a monthly basis.

The table below provides an update on the projected available cash over the lifetime of the projects participating in the program starting in Fiscal Year 2017.

**Table 4: Pooled Contingency Savings & Projections**

Project	Total Construction Cost	5% Contingency	3% Contingency	Available Cash
Sewer Mains	\$ 36,660,437	\$ 1,833,022	\$ 1,099,813	\$ 733,209
Water Mains	\$ 35,950,511	\$ 1,797,526	\$ 1,078,515	\$ 719,011
<b>Total</b>	<b>\$ 72,610,948</b>	<b>\$ 3,630,548</b>	<b>\$ 2,178,328</b>	<b>\$ 1,452,220</b>

Since the May 2016 Semi-Annual Report, projected net construction costs for water and sewer mains scheduled to be advertised/awarded in Fiscal Year 2017 have decreased from \$98.2 million to \$72.6 million. The \$25.6 million net decrease is the result of the following factors:

- \$53.8 million decrease due to projects being removed from the estimate
- \$22.6 million increase due to new projects added to the estimate
- \$5.6 million increase due to updated construction cost estimates for specific projects

As a result of the net decrease in anticipated construction costs for projects scheduled to be advertised/awarded in FY 2017, there is also a modest decrease in the projected available cash that will be freed up by using the pooled 3% contingency rate rather than an individual 5% contingency rate, from \$2.0 million to \$1.5 million.

As of November 2016, four projects have contributed \$204,707 to the pool. Because they are all early along in the construction phase, no projects have had to pull funding from the pooled contingency. The current values of the pooled contingency are summarized in the table below.

**Table 5: Pooled Contingency Status (November 2016)**

Project	Participating Projects	Contributions to Pooled Contingency	Use of Pooled Contingency	Current Pooled Contingency
Sewer Mains	3	\$ 182,166	\$ -	\$ 182,166
Water Mains	1	\$ 22,541	\$ -	\$ 22,541
<b>Total</b>	<b>4</b>	<b>\$ 204,707</b>	<b>\$ -</b>	<b>\$ 204,707</b>

FM will continue to document the pilot program in Fiscal Year 2017 and will return to City Council for options to expand the pooled contingency program beyond water and sewer mains based on the results of the pilot.

## Underfunded CIP Projects List Update

As of November 2016, only \$20,309 has been transferred from either closed or technically completed projects to the Fiscal Year 2017 Underfunded CIP Projects List, also known as the waterfall list. Council approved this waterfall list as part of the FY 2017 Adopted Budget. Projects are funded in the order they are listed on the waterfall list and based on legal restrictions in the use of funds. Because the \$20,309 added via the Waterfall List was all TransNet, all funds have been allocated to Drainage Projects (ACA00001), which is the highest listed TransNet-eligible project.

Departments are encouraged to continue to actively search for alternative funding sources for projects that are on the waterfall list. As shown in the table below, only the Scripps Miramar

Ranch Library project (S00811) has received funding in Fiscal Year 2017 by other means. This funding was added through section 2.C.7.(a) of the Fiscal Year 2017 Appropriation Ordinance (O-20669), which authorizes the CFO to modify project appropriations in accordance with City Council-approved Community Public Facilities Financing Plans provided funding is available for such action.

**Table 6: Funding of Projects on the Waterfall List**

#	Project	Amount	Transferred During FY2017	Remaining to Fund
1	Police Range Refurbishment / S10118	\$ 6,999,593	\$ -	\$ 6,999,593
2	Olive Grove Community Park Improvements / S15028	750,000	-	750,000
3	Skyline Hills Community Park ADA Improve / S15038	750,000	-	750,000
4	Rancho Bernardo Library / S00812	3,467,682	-	3,467,682
5	Scripps Miramar Ranch Library / S00811	1,090,400	1,090,400	-
6	Kensington/Normal Heights Library / S00795	2,246,530	-	2,246,530
7	Switzer Canyon Bridge Enhancement Prog / S10054	175,000	-	175,000
8	Pomerado Median Improve-N of R Bernardo / S10035	200,000	-	200,000
9	College Area Fire Station / S16015	800,000	-	800,000
10	Fire Station No. 54 - Paradise Hills / S00785	800,000	-	800,000
11	Ocean Beach Lifeguard Station / S10121	600,000	-	600,000
12	Americans with Disabilities Improvements / ABE00001	5,000,000	-	5,000,000
13	Drainage Projects / ACA00001	1,000,000	20,309	979,691
14	Guard Rails / AIE00002	1,500,000	-	1,500,000
15	Resurfacing of City Streets / AID00005	5,000,000	-	5,000,000
16	New Walkways / AIK00001	3,000,000	-	3,000,000
	<b>Total:</b>	<b>\$ 26,379,612</b>	<b>\$ 1,110,709</b>	<b>\$ 25,268,903</b>

As a result of the City's cash management efforts, standalone CIP projects now have less funds available to transfer to the Waterfall List when they are technically completed or closed. This is consistent with trends in Fiscal Year 2016, when only \$860,000 was transferred from closed or technically completed projects to that fiscal year's waterfall list.

The main reason for the reduced use of the waterfall list is that departments are identifying project savings earlier. As savings are identified, the departments are requesting Council approval to reallocate the savings to projects that are determined by the department to have a higher immediate need for those funds, but are not included on the Waterfall List. These reallocations are either requested as standalone requests for council action or included on the CIP Semi-Annual Budget Monitoring Report (e.g. Attachment I of this report).

Financial Management will continue to monitor the performance of the Waterfall List, and may recommend either modifying or eliminating it as part of the Fiscal Year 2018 Proposed Budget.

## CONCLUSION

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The CIP Mid-Year Budget Monitoring Report demonstrates the continued progress that the City has made in improving cash management in the CIP program. As a result of the cash management efforts, streamlining initiatives, and requests for City Council Action detailed in this report, \$115 million in project savings and reallocations will be realized.

As mentioned in the Fiscal Year 2018-2022 Five-Year Financial Outlook, City staff are currently reviewing the overall CIP for opportunities to free up excess unrestricted cash in ways that will minimally impact project execution. These funds could then be used to provide relief from the short-term projected operating budget shortfall in the General Fund. Any adjustments to the CIP that are identified through this exercise will be included on the Fiscal Year 2017 Year-End CIP Budget Monitoring Report so that funds can be available in Fiscal Year 2018.

## ATTACHMENTS

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- I. CIP Budget Adjustment Requests
- II. Additional Approvals Requested

## CIP Budget Adjustment Requests

### Summary

The table below summarizes the CIP budget adjustment requests by the categories outlined in the report. Details including a justification for each request are included in the tables following the summary. There are three types of CIP budget requests included in this report:

- Appropriation: Addition of new budgeted funds to a project from fund balance
- Deappropriation: Return of budgeted funds from a project back to fund balance
- Transfer: Moving budgeted funds between projects or with the operations & maintenance (O&M) budget

Funding Type	Appropriations	Deappropriations	Transfers	Total
<b>TransNet</b>	\$ 229,373.00	\$ -	\$ 482,058.00	\$ 711,431.00
<b>Impact Fees</b>	20,621,585.28	-	-	20,621,585.28
<b>Redevelopment Bond Proceeds</b>	100,000.00	-	14,511,000.00	14,611,000.00
<b>Water/Sewer Funds</b>	6,811,460.00	16,000,000.00	39,870,029.00	62,681,489.00
<b>Other Funds</b>	4,916,610.69	3,628,990.91	7,804,305.85	16,349,907.45
<b>Total</b>	<b>\$ 32,679,028.97</b>	<b>\$ 19,628,990.91</b>	<b>\$ 62,667,392.85</b>	<b>\$ 114,975,412.73</b>

### Transnet

#### Appropriation

Funded Program	Fund	Amount	Justification
AIK00001 - New Walkways	400156 - TransNet (Prop A 1/2% Sales Tax)	229,373.00	Appropriate TransNet funding to support construction of the Market St-Euclid to Pitta Ped Improvement (South) project (B15048).

#### Transfer between O&M and CIP

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
13001917 - Non TransNet Surplus	AIK00001 - New Walkways	400156 - TransNet (Prop A 1/2% Sales Tax)	82,058.00	Appropriate TransNet funding to support construction of the Market St-Euclid to Pitta Ped Improvement (South) project (B15048).

**Transfer in CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
AIL00002 - Install T/S Interconnect Systems	AIL00005 - Traffic Signals Modification	400169 - TransNet Extension Congestion Relief Fund	400,000.00	Transfer from Install Traffic Signal Interconnect Systems - TSCMP Group 2 (B17014) to Traffic Signal Modifications to support Traffic Signal Mods Group 16 (B16151).

**Impact Fees****Appropriation**

Funded Program	Fund	Amount	Justification
S00851 - SR 163/Friars Road	400174 - TransNet Extension RTCI Fee	4,000,000.00	Addition of funds for increased right-of-way acquisition cost and revised construction cost estimate.
AIL00002 - Install T/S Interconnect Systems	400174 - TransNet Extension RTCI Fee	2,400,000.00	Addition of funds for Traffic Signal Interconnect System locations included in the Regional Arterial System (RAS): Miramar Road, La Jolla Village Drive and Genesee Avenue in accordance with City's Traffic Signal Communication Master Plan.
AIK00001 - New Walkways	400174 - TransNet Extension RTCI Fee	2,100,000.00	Addition of funds for new sidewalk installation on streets included in the RAS: Genesee Ave, University Ave, and Balboa Ave.
AIE00002 - Guard Rails	400174 - TransNet Extension RTCI Fee	625,000.00	Addition of funds for guard rail installation on streets included in the RAS: Black Mountain Rd, Pomerado Rd, and North Torrey Pines Rd.
AIE00001 - Bridge Rehabilitation	400174 - TransNet Extension RTCI Fee	600,000.00	Addition of funds for the Fairmount Avenue Bridge Rehabilitation project
S00905 - SR 163/Clairemont Mesa Blvd Interchange	400174 - TransNet Extension RTCI Fee	500,000.00	Addition of funds for increased construction costs due to unforeseen conditions.
S00880 - Miramar Road-I-805 Easterly Ramps	400174 - TransNet Extension RTCI Fee	500,000.00	Addition of funds for increased right-of-way acquisition cost and revised construction cost estimate.
AIL00005 - Traffic Signals Modification	400174 - TransNet Extension RTCI Fee	450,000.00	Addition of funds for the traffic signal modifications at 58th & University, College Ave & College Grove Center, and Aragon & University.



**Appropriation**

Funded Program	Fund	Amount	Justification
AIA00001 - Minor Bike Facilities	400122 – Centre City DIF	2,500,000.00	Addition of funds to modify 95 traffic signals locations to accommodate the downtown cycle network.
S13022 - Mission Hills-Hillcrest Library	400121 - Uptown Urban Comm	1,400,000.00	Addition of funds for construction due to revised cost estimates.
ACA00001 - Drainage Projects	400115 - Midway/Pacific Hwy Urban Comm	703,625.00	Addition of funds for design and construction of Pump Stations D and L to increase capacity and reliability.
S00800 - San Carlos Branch Library	400116 - Navajo Urban Comm	702,000.00	Addition of funds to finalize the design of a new library.
S00851 - SR 163/Friars Road	400135 - Mission Valley-Urban Comm.	610,000.28	Addition of funds for the construction contract.
ABE00001 - Americans with Disabilities Improvements	400114 – Mid-City Urban Comm	440,000.00	Addition of funds to install missing curb ramps and sections of sidewalks on the east side of College Grove btw Judy McCarty & Livingston St; Livingston St to Aragon Dr; and NW side of Meridian btw College Ave & Zena Dr (B16107).
S15031 - Egger/South Bay Community Park ADA Improvements	400125 - Otay Mesa/Nestor Urb Comm	389,000.00	Addition of funds to complete design of ADA improvements.
ABE00001 - Americans with Disabilities Improvements	400122 – Centre City DIF	385,000.00	Addition of funds for the installation of accessible pedestrian signal and curb ramps at 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , and Broadway (B16098).
AIL00001 – Traffic Calming	400122 – Centre City DIF	300,000.00	Addition of funds for installation of a pedestrian hybrid beacon at the intersection of Kettner Blvd & A St.
AIL00004 - Traffic Signals - Citywide	400099 - Rancho Bernardo-Fac Dev Fund	300,000.00	Addition of funds for the installation of a new traffic signal at Technology Drive and West Bernardo Dr.
AIL00002 - Install T/S Interconnect Systems	400125 - Otay Mesa/Nestor Urb Comm	300,000.00	Addition of funds for upgrades to the traffic signal interconnect along major corridors in the Otay Mesa/Nestor community to Ethernet/IP communications, install traffic monitoring stations, and develop and implement new signal coordination timing.
ABE00001 - Americans with Disabilities Improvements	400112 – North Park Urban Comm	265,000.00	Addition of funds to install and/or relocate storm drains and install 8 missing curb ramps at 30th & Redwood (B13066).
S15012 - Fire-Rescue Air Operations Facility	400136 - Kearny Mesa-Urban Comm	250,000.00	Addition of funds to complete design and construction of Phase I of this project, including tenant improvements and structural enhancements to the existing building, parking pads for firefighting aircraft, and other needed infrastructure.

**Appropriation**

<b>Funded Program</b>	<b>Fund</b>	<b>Amount</b>	<b>Justification</b>
S13011 - Fire Station No. 15 - Ocean Beach Expansion	400118 - Peninsula Urban Comm	190,000.00	Addition of funds to complete construction phase of the expansion.
S15001 - Coast Blvd Walkway Improvements	400123 - La Jolla Urban Comm	180,000.00	Addition of funds to complete construction of the improvements.
AIL00002 - Install T/S Interconnect Systems	400127 - College Area	110,000.00	Addition of funds for upgrades to the traffic signal interconnect along Montezuma Road to Ethernet/IP communications.
S15026 - Taft Joint Use Facility Development	400132 - Serra Mesa - Urban Community	100,000.00	Addition of funds to complete design and construction of joint use facility.
S15040 - Golf Course Drive Improvements	400111 - Golden Hill Urban Comm	80,000.00	Addition of funds to complete design of improvements.
AIL00005 - Traffic Signals Modification	400864 - Encanto Neighborhoods DIF	50,000.00	Addition of funds to improve pedestrian safety by providing countdown timers at 30 traffic signal locations in the Encanto community.
AIL00005 - Traffic Signals Modification	400125 - Otay Mesa/Nestor Urb Comm	50,000.00	Addition of funds to improve pedestrian safety by providing countdown timers at 30 traffic signal locations in the Otay Mesa/Nestor community.
AIL00005 - Traffic Signals Modification	400120 - S.E. San Diego Urban Comm	50,000.00	Addition of funds to improve pedestrian safety by providing countdown timers at 30 traffic signal locations in the Southeast San Diego community.
S16058 - Chollas Community Park Comfort Station	400109 - Mid-City - Park Dev Fund	45,960.00	Addition of funds to complete design of comfort station.
S15038 - Skyline Hills Community Park ADA Improve	400119 - Skyline/Paradise Urb Comm	35,000.00	Addition of funds to complete design of ADA improvements.
AIL00005 - Traffic Signals Modification	400132 - Serra Mesa - Urban Community	11,000.00	Addition of funds for minor Traffic Signal Modifications at Gramercy Road, Greyling Dr, and Sandrock Rd.

## Redevelopment Bond Proceeds

### Appropriation

Funded Program	Fund	Amount	Justification
S15044 - City Heights Pedestrian Improvements	400308 - 99A(TE) Bonds (Oper) - City Hts	20,000.00	Addition of funds to fully expend the bond proceeds fund, including interest earnings.
S15042 - Fire Station No. 02 - Bayside	400332 - 2001A(TE) Bonds (Oper) - Ctr City	20,000.00	Addition of funds to fully expend the bond proceeds fund, including interest earnings.
S15042 - Fire Station No. 02 - Bayside	400369 - CCE-2004A (TE) Bonds (Oper)	20,000.00	Addition of funds to fully expend the bond proceeds fund, including interest earnings.
S00826 - El Cajon Blvd Streetscape Improvements	400306 - NP 2000 TE Bonds Rf-Oper	20,000.00	Addition of funds to fully expend the bond proceeds fund, including interest earnings.
S00826 - El Cajon Blvd Streetscape Improvements	400317 - NP 2003B(TE)Bonds Oper	20,000.00	Addition of funds to fully expend the bond proceeds fund, including interest earnings.

### Bond Refunding Transfer

Funded Program	Fund (Reducing)	Fund (Increasing)	Amount	Justification
S15044 - City Heights Pedestrian Improvements	400694 - CH-TAB 2010A (TE) Proceeds	Refunded Bond Proceeds	3,625,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S16058 - Chollas Community Park Comfort Station	400696 - CR-TAB 2010A (TE) Proceeds	Refunded Bond Proceeds	3,140,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S10050 - North Park Mini Park & Streetscape Improvements	400672 - NP-Tab 2009A (TE) Proceeds	Refunded Bond Proceeds	2,875,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S01071 - Southcrest Trails 252 Corr Park Imp-Ph2	400309 - SC/TE TI Bonds 2007B	Refunded Bond Proceeds	1,990,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S00802 - San Ysidro Branch Library	400698 - SY-TAB 2010A (TE) Proceeds	Refunded Bond Proceeds	1,400,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
B15210 - El Cajon Blvd Pedestrian Improvements	400696 - CR-TAB 2010A (TE) Proceeds	Refunded Bond Proceeds	1,045,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S00826 - El Cajon Blvd Streetscape Improvements	400672 - NP-Tab 2009A (TE) Proceeds	Refunded Bond Proceeds	430,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S15003 - Park de la Cruz NP Improvements	400694 - CH-TAB 2010A (TE) Proceeds	Refunded Bond Proceeds	5,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.
S10040 - North Park/Main St Sidewalk Improvements	400672 - NP-Tab 2009A (TE) Proceeds	Refunded Bond Proceeds	1,000.00	Technical Adjustment to account for refunding of RDA Bond Proceeds.

## Water/Sewer Funds

### Appropriation

Funded Program	Fund	Amount	Justification
S11024 - Miramar Clearwell Improvements	700010 - Water Utility - CIP Funding Source	5,600,000.00	Addition of funds as a result of revised cash flow needs for Fiscal Year 2017.
S00312 - PS2 Power Reliability & Surge Protection	700009 - Metro Sewer Utility - CIP Funding Source	975,232.00	Addition of funds to award contract in Fiscal Year 2017.
AJA00003 - Unscheduled Projects	700008 - Muni Sewer Utility - CIP Funding Source	236,228.00	Addition of funds as a result of revised cash flow estimates for Fiscal Year 2017.

### Deappropriation

Funded Program	Fund	Amount	Justification
AJA00002 - Pipeline Rehabilitation	700008 - Muni Sewer Utility - CIP Funding Source	5,000,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
AJA00001 - Sewer Main Replacements	700008 - Muni Sewer Utility - CIP Funding Source	4,000,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
RD16001 - Harbor Dr TS Participation Agreement	700008 - Muni Sewer Utility - CIP Funding Source	2,500,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
S00319 - EMTS Boat Dock and Steam Line Relocation	700009 - Metro Sewer Utility - CIP Funding Source	1,500,000.00	Return of excess budget; project is on hold pending permits.
AJB00001 - Metropolitan Waste Water Department Trunk Sewers	700008 - Muni Sewer Utility - CIP Funding Source	1,000,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
ABP00001 - Pump Station Restorations	700008 - Muni Sewer Utility - CIP Funding Source	900,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
S00314 - Wet Weather Storage Facility	700009 - Metro Sewer Utility - CIP Funding Source	500,000.00	Return of excess budget; project is on hold pending permits.
S12036 - Backup Generators at SPS's, TP & EMTS	700008 - Muni Sewer Utility - CIP Funding Source	300,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
ABP00002 - Metropolitan System Pump Stations	700009 - Metro Sewer Utility - CIP Funding Source	200,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.
S12036 - Backup Generators at SPS's, TP & EMTS	700009 - Metro Sewer Utility - CIP Funding Source	100,000.00	Return of excess budget in the annual allocation as a result of an updated cash flow analysis.

**Transfer in CIP**

<b>Funded Program (Sending)</b>	<b>Funded Program (Receiving)</b>	<b>Fund</b>	<b>Amount</b>	<b>Justification</b>
ABL00001 - Standpipe and Reservoir Rehabilitations	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	3,500,000.00	Transfer of excess budget to annual allocation in need of additional funding.
ALA00001 - PURE Water Program	S12015 - Pacific Beach Pipeline South (W)	700010 - Water Utility - CIP Funding Source	3,236,046.00	Transfer of excess budget to cover Pacific Beach pipeline - Fiscal Year 2017 Phase Award.
ALA00001 - PURE Water Program	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	3,129,807.00	Transfer of excess budget to annual allocation in need of additional funding.
S00041 - Morena Reservoir Outlet Tower Upgrade	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	3,000,000.00	Transfer of excess budget to annual allocation in need of additional funding.
S11022 - Upas St Pipeline Replacement	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	2,500,000.00	Transfer of excess budget to annual allocation in need of additional funding.
S12008 - Catalina 12inch Cast Iron Mains	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	2,500,000.00	Transfer of excess budget to annual allocation in need of additional funding.
S12011 - 69th & Mohawk Pump Station	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	2,500,000.00	Transfer of excess budget to annual allocation in need of additional funding.
S13015 - Water & Sewer Group Job 816 (W)	S11024 - Miramar Clearwell Improvements	700010 - Water Utility - CIP Funding Source	2,428,724.00	Transfer of excess budget to cover Miramar Clearwells Fiscal Year 2017 Phase Award.
S00044 - Lower Otay Reservoir Emer Outlet Improve	S11024 - Miramar Clearwell Improvements	700010 - Water Utility - CIP Funding Source	1,920,029.00	Transfer of excess budget to cover Miramar Clearwells Fiscal Year 2017 Phase Award.
S13015 - Water & Sewer Group Job 816 (W)	S12015 - Pacific Beach Pipeline South (W)	700010 - Water Utility - CIP Funding Source	1,028,814.00	Transfer of excess budget to cover Pacific Beach pipeline - Fiscal Year 2017 Phase Award.
S13015 - Water & Sewer Group Job 816 (W)	AKA00003 - Large Diameter Water Transmission PPL	700010 - Water Utility - CIP Funding Source	1,000,000.00	Transfer of excess budget to annual allocation in need of additional funding.
ALA00001 - PURE Water Program	AKA00003 - Large Diameter Water Transmission PPL	700010 - Water Utility - CIP Funding Source	550,000.00	Transfer of excess budget to annual allocation in need of additional funding.
S12012 - Cielo & Woodman Pump Station	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	500,000.00	Transfer of excess budget to annual allocation in need of additional funding.
AHC00004 - Recycled Water Systems Upgrades	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	500,000.00	Transfer of excess budget to annual allocation in need of additional funding.
S13015 - Water & Sewer Group Job 816 (W)	ABJ00001 - Water Pump Station Restoration	700010 - Water Utility - CIP Funding Source	442,462.00	Transfer of excess budget to annual allocation in need of additional funding.

**Transfer in CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
AHC00002 - North City Reclamation System	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	400,000.00	Transfer of excess budget to annual allocation in need of additional funding.
ALA00001 - PURE Water Program	S11024 - Miramar Clearwell Improvements	700010 - Water Utility - CIP Funding Source	384,147.00	Transfer of excess budget to cover Miramar Clearwells Fiscal Year 2017 Phase Award.
S12016 - Otay 1st/2nd PPL West of Highland Avenue	AKB00003 - Water Main Replacements	700010 - Water Utility - CIP Funding Source	350,000.00	Transfer of excess budget to annual allocation in need of additional funding.

**Other Requested Council Actions****Appropriation**

Funded Program	Fund	Amount	Justification
AGF00004 - Mission Bay Improvements	200386 - Mission Bay Improvements Fund	3,214,032.77	Addition of funds as a result of adjustments to calculations for prior year Mission Bay Parks Rents and Concessions revenue.
AGF00005 - Regional Park Improvements	200391 - Regional Park Improvements Fund	928,078.56	Addition of funds as a result of adjustments to calculations for prior year Mission Bay Parks Rents and Concessions revenue.
AIL00002 - Install T/S Interconnect Systems	400185 - Belmont/Mission Beach Develop	200,000.00	Addition of funds for the installation of traffic monitoring and interconnect systems on Mission Blvd.
S15045 - Park Boulevard At-Grade Crossing	400161 - Ballpark Land/Infra-Port	84,852.03	Addition of funds designated for use around the ballpark area for an eligible project.
S15045 - Park Boulevard At-Grade Crossing	400159 - Ballpark Infra-2001 Bonds	22,712.92	Addition of funds designated for use around the ballpark area for an eligible project.
L12001 - Talmadge Historic Gates	200076 - Talmadge MADFund	90,000.00	Addition of funds to increase funding for Decorative Concrete Bulb-Outs. The Talmadge Advisory Group approved this request.
S10131 - Police HQs CoGeneration Repower Project	200312 - Tow Dispatch Computer Interface Fund	89,464.24	Addition of funds as a result of revised project costs to achieve CA Fire Code Compliance.
L16000 - Southeastern Mini Park Improvements	700042 - EDCO Community Fund	85,000.00	Addition of funds to continue design for this project.
AIL00001 - Traffic Calming	400211 - Lusk-Gen'l Traffic Imprvmts	80,000.00	Addition of funds for Electronic Speed Signs at five locations in Tierrasanta.
S10118 - Police Range Refurbishment	200312 - Tow Dispatch Computer Interface Fund	69,778.17	Addition of funds due to increase in contractor's bid.

**Appropriation**

Funded Program	Fund	Amount	Justification
AID00007 - Bus Stop Improvements	400691 - Bus Stop Capital Improvement Fund	38,692.00	Addition of funds for concrete pad improvements at bus stops.
S13001 - Trail for All People	400221 - PV Est-Other P & R Facilities	14,000.00	Addition of funds as a result of project overruns. This action was approved by planning board in September.

**Deappropriation**

Funded Program	Fund	Amount	Justification
AIL00004 - Traffic Signals - Citywide	400133 - Torrey Pines - Urban Community	350,000.00	Return of funds because community does not support traffic signal installation project (Del Mar Heights and Mercado).
ABT00001 - City Facilities Improvements	400265 - CIP Contributions from General Fund	250,000.00	Return of funds for the Police Headquarters feasibility study that will be expended though the operating budget rather than as a CIP project.
S11048 - Pacific Beach Curb Ramp Barrier Removal	400117 - Pacific Beach Urban Comm	193,682.80	Return of funds because project will be constructed as part of larger pipeline project (B13125).

**Transfer between CIP and O&M**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
13000015 - Tow Dispatch Computer Interface Fund	S10131 - Police HQs CoGeneration Repower Project	200312 - Tow Dispatch Computer Interface Fund	110,535.76	Addition of funds as a result of revised project costs to achieve CA Fire Code Compliance.

**Transfer in CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S10091 - Sunset Cliffs Natural Pk Hillside Imp Presrv	L16001 - Sunset Cliffs Natural Pk Hillside Imp Preserv Phas	200391 - Regional Park Improvements Fund	1,135,371.72	Transfer of remaining budget to a new standalone project for future phases.
S10091 - Sunset Cliffs Natural Pk Hillside Imp Presrv	L16001 - Sunset Cliffs Natural Pk Hillside Imp Preserv Phas	400206 - FY09 Sunset Cliffs Natural Par	89,001.37	Transfer of remaining budget to a new standalone project for future phases.
S10091 - Sunset Cliffs Natural Pk Hillside Imp Presrv	L16001 - Sunset Cliffs Natural Pk Hillside Imp Preserv Phas	200463 - Sunset Cliffs Natural Park	19,919.45	Transfer of remaining budget to a new standalone project for future phases.

**Transfer in CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S13008 - Mohnike Adobe and Barn Restoration	AGF00006 - Coastal Erosion and Access	200391 - Regional Park Improvements Fund	858,402.01	Transfer of funds that are not needed until Fiscal Year 2018 to priority/emergency projects (B17029 202 Coast Boulevard Stairs, B14073 Orchard Av, Capri by Sea & Old Salt Pool, and a new Bermuda Avenue Stairs project). The Regional Park Improvement Fund Oversight Committee has approved this request.
S16045 - Guymon Ngh Pk & Horton ES Joint Use Dev	S15008 - Linda Vista Skate Park	600001 - Grant Fund - State	450,000.00	Transfer of excess grant funds to support increased construction needs (grant #1000360-2017).
AIH00001 - Installation of City Owned Street Lights	AIL00001 - Traffic Calming	200306 - Prop 42 Replacement - Transportation Relief	200,000.00	Transfer of funding between annual allocations to support the installation of V-Calm Signs and Rapid Flashing Beacons Citywide.
B15068 - Hall of Nations Foundation Repair	B10042 - Museum of Art Elevator Modernization	200391 - Regional Park Improvements Fund	120,000.00	Project is included to meet the requirement of Charter Section 55.2 for transfers between projects. The Regional Park Improvement Fund Oversight Committee has approved this request. Both projects are sublets of City Facilities Improvements (ABT00001).
ABT00001 - City Facilities Improvements	S10035 - Pomerado Median Improve-N of R Bernardo	400021 - Rancho Bernardo-Major District	14,381.39	Transfer of surplus funds to an eligible project.

**Close Project and Deappropriation**

Funded Program	Fund	Amount	Justification
S00614 - Balboa Park Golf Course - Clubhouse	700044 - Balboa Park Golf Course CIP Fund	1,672,190.79	Closure of project; the department is currently focusing on upgrades needed to the Torrey Pines Golf Course in advance of the US Open, scheduled for Torrey Pines in 2021.
S01088 - Future Waste Mgmt Disposal & Pro Fac	700040 - Refuse Disposal CIP Fund	765,258.86	Closure of project that will be handled as part of Miramar Landfill Facility Improvements (L17000).
S00975 - Miramar Landfill Greenery Expansion	700040 - Refuse Disposal CIP Fund	397,858.46	Closure of project that will be handled under a separate project going forward.



**Close Project and Transfer in CIP**

Funded Program (Sending)	Funded Program (Receiving)	Fund	Amount	Justification
S00342 - Sewer CIP Emergency Reserve	ABT00007 - Sewer CIP Emergency Reserve	700009 - Metro Sewer Utility - CIP Funding Source	5,000,000.00	Convert accounting for Sewer CIP Emergency Project from a standalone "S" to an annual allocation "A".
S00048 - Water CIP Emergency Reserve	ABT00008 - Water CIP Emergency Reserve	700010 - Water Utility - CIP Funding Source	5,000,000.00	Convert accounting for Water CIP Emergency Project from a standalone "S" to an annual allocation "A".
S00654 - North Chollas Comm Park Comfort Station	S16058 - Chollas Community Park Comfort Station	400696 - CR-TAB 2010A (TE) Proceeds	3,147,274.00	Convert accounting so that Phase 1 can be capitalized. Phase 2 will occur in the new project.
S00654 - North Chollas Comm Park Comfort Station	S16058 - Chollas Community Park Comfort Station	200700 - Redevelopment Obligation Retirement Fund	75,000.00	Convert accounting so that Phase 1 can be capitalized. Phase 2 will occur in the new project.
S00654 - North Chollas Comm Park Comfort Station	S16058 - Chollas Community Park Comfort Station	200357 - Crossroads Redev CIP Contribs	446.88	Convert accounting so that Phase 1 can be capitalized. Phase 2 will occur in the new project.
S11051 - Silver Wing NP Sports Field/Lighting	S16051 - Silver Wing Pk Ballfield Lighting - Ph 2	400265 - CIP Contributions from General Fund	679,951.49	Convert accounting so that Phase 1 can be capitalized. Phase 2 will occur in the new project.
S11051 - Silver Wing NP Sports Field/Lighting	S16051 - Silver Wing Pk Ballfield Lighting - Ph 2	400069 - Montgomery/Waller Major Dist.	27,808.10	Convert accounting so that Phase 1 can be capitalized. Phase 2 will occur in the new project.
S15030 - Keiller Neighborhood Park ADA Improvements	S15038 - Skyline Hills Community Park ADA Improve	400265 - CIP Contributions from General Fund	380,247.29	Closure of projects and transfer of remaining budget for additional needs for Skyline Hills Community Park.
S15030 - Keiller Neighborhood Park ADA Improvements	S15038 - Skyline Hills Community Park ADA Improve	400119 - Skyline/Paradise Urb Comm	91,650.89	Closure of projects and transfer of remaining budget for additional needs for Skyline Hills Community Park.
S15030 - Keiller Neighborhood Park ADA Improvements	S15038 - Skyline Hills Community Park ADA Improve	400000 - Capital Outlay-Sales Tax	358.46	Closure of projects and transfer of remaining budget for additional needs for Skyline Hills Community Park.
S16019 - Lomita Nghbrhood Pk Plygrnd ADA Upgrades	S15038 - Skyline Hills Community Park ADA Improve	400265 - CIP Contributions from General Fund	403,957.04	Closure of projects and transfer of remaining budget for additional needs for Skyline Hills Community Park.

# Additional Approvals Requested

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## TransNet

1. That the City of San Diego requests that SANDAG make the following changes to its 2016 POP (the “Amendment”): and
2. That pursuant to Section 2(C)(1) of the TransNet Extension Ordinance, the City of San Diego certifies that no more than 30 percent of its annual revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment.
3. That pursuant to Section 4(E)(3) of the TransNet Extension Ordinance, the City of San Diego certifies that all new or changed projects, or major reconstruction projects included in the Amendment and funded by TransNet revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed was clearly noticed as part of the City of San Diego’s public meeting process for the Amendment.
4. That the City of San Diego does hereby certify that all applicable provisions of the TransNet Extension Ordinance and SANDAG Board Policy No. 31 have been met.
5. That the City of San Diego continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to City of San Diego’s TransNet funded projects.

## Add Projects to the CIP

1. Add ABT00007, Sewer CIP Emergency Reserve, to the CIP.
2. Add ABT00008, Water CIP Emergency Reserve, to the CIP.
3. Add S16 058, Chollas Community Park Comfort Station, to the CIP.
4. Add S16 051, Silver Wing Pk Ballfield Lighting – Ph 2, to the CIP.

## Close CIP Projects

1. Close S00342, Sewer CIP Emergency Reserve.
2. Close S00048, Water CIP Emergency Reserve.
3. Close S006 54, North Chollas Comm Park Comfort Station.
4. Close S11051, Silver Wing NP Sports Field/Lighting.
5. Close S16 019, Lomita Nghbrhood Pk Plygrnd ADA Upgrades.
6. Close S15030, Keiller Neighborhood Park ADA Improvements.
7. Close S00614, Balboa Park Golf Course – Clubhouse.
8. Close S01088, Future Waste Mgmt Disposal & Pro Fac.
9. Close S00975, Miramar Landfill Greenery Expansion.
10. Close S00808, Balboa Branch Library.