



THE CITY OF SAN DIEGO

Report to the City Council

DATE ISSUED: May 16, 2017 REPORT NO: 17-027

ATTENTION: Budget Review Committee
Agenda of May 18, 2017

SUBJECT: Fiscal Year 2017 Year-End Budget Monitoring Report

REFERENCE: Fiscal Year 2017 Mid-Year Budget Monitoring Report, #17-010
Fiscal Year 2017 First Quarter Budget Monitoring Report, # 16-099

REQUESTED ACTION:

Approve the requested authorities and recommendation for appropriations as outlined in the Fiscal Year 2017 Year-End Budget Monitoring Report, #17-027.

STAFF RECOMMENDATION:

Approve the requested actions.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

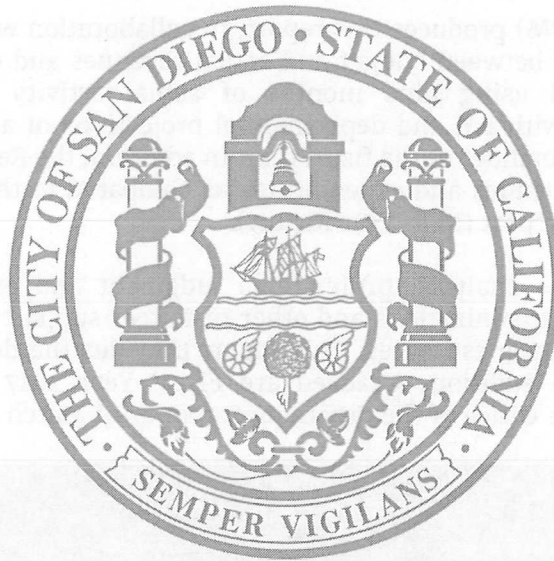
The Fiscal Year 2017 Year-End Budget Monitoring Report (Year-End Report) presents year-end projections of revenues and expenditures for funds with budgeted personnel expenditures.

Per City Council Budget Policy (Policy No. 000-02), Quarterly Reports are presented to the Budget and Government Efficiency Committee and the City Council each fiscal year. The purpose of the Year-End Report is to compare year-end projections to the current fiscal year's budget. This report is an integral part of the budget process; it provides transparency to the City's budget and finances and delivers critical data for informed decision-making.

Financial Management (FM) produces this report, in collaboration with all City departments, to forecast year-end results between budget and actual revenues and expenditures. The Year-End Report is compiled using nine months of actual activity in budgeted operating departments, combined with FM and departmental projections of anticipated spending and revenue trends for the remainder of the fiscal year. In addition, the Report includes significant variances in projected revenues and expenditures as compared to the Fiscal Year 2017 Mid-Year Budget Monitoring Report (Mid-Year Report).

Statistical data, economic analysis, professional judgment and expertise from economic consultants, professional organizations and other resources support the year-end revenue and expenditure projection. This report provides the detail and analysis of the year-end projections. In addition, attached are Fiscal Year 2017 Charter 39 Supporting Schedules prepared by the City Comptroller's Office as of March 31, 2017.

Fiscal Year 2017 Year-End Budget Monitoring Report May 2017



Financial Management

signature on file

Scott Chadwick
Chief Operating Officer

signature on file

Mary Lewis
Chief Financial Officer

signature on file

Tracy McCraner
Financial Management Director

signature on file

Vanessa Montenegro
Budget Coordinator

Charter and Municipal Code are detailed within this report. Additional details regarding each appropriation adjustment request is included later in this Report.

Account	Original Budget	Amended Budget	Actual	Variance
100-000000-0000-0000	1000000	1000000	1000000	0
100-000000-0000-0001	1000000	1000000	1000000	0
100-000000-0000-0002	1000000	1000000	1000000	0
100-000000-0000-0003	1000000	1000000	1000000	0
100-000000-0000-0004	1000000	1000000	1000000	0
100-000000-0000-0005	1000000	1000000	1000000	0
100-000000-0000-0006	1000000	1000000	1000000	0
100-000000-0000-0007	1000000	1000000	1000000	0
100-000000-0000-0008	1000000	1000000	1000000	0
100-000000-0000-0009	1000000	1000000	1000000	0
100-000000-0000-0010	1000000	1000000	1000000	0
100-000000-0000-0011	1000000	1000000	1000000	0
100-000000-0000-0012	1000000	1000000	1000000	0
100-000000-0000-0013	1000000	1000000	1000000	0
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100-000000-0000-0018	1000000	1000000	1000000	0
100-000000-0000-0019	1000000	1000000	1000000	0
100-000000-0000-0020	1000000	1000000	1000000	0
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100-000000-0000-0026	1000000	1000000	1000000	0
100-000000-0000-0027	1000000	1000000	1000000	0
100-000000-0000-0028	1000000	1000000	1000000	0
100-000000-0000-0029	1000000	1000000	1000000	0
100-000000-0000-0030	1000000	1000000	1000000	0
100-000000-0000-0031	1000000	1000000	1000000	0
100-000000-0000-0032	1000000	1000000	1000000	0
100-000000-0000-0033	1000000	1000000	1000000	0
100-000000-0000-0034	1000000	1000000	1000000	0
100-000000-0000-0035	1000000	1000000	1000000	0
100-000000-0000-0036	1000000	1000000	1000000	0
100-000000-0000-0037	1000000	1000000	1000000	0
100-000000-0000-0038	1000000	1000000	1000000	0
100-000000-0000-0039	1000000	1000000	1000000	0
100-000000-0000-0040	1000000	1000000	1000000	0
100-000000-0000-0041	1000000	1000000	1000000	0
100-000000-0000-0042	1000000	1000000	1000000	0
100-000000-0000-0043	1000000	1000000	1000000	0
100-000000-0000-0044	1000000	1000000	1000000	0
100-000000-0000-0045	1000000	1000000	1000000	0
100-000000-0000-0046	1000000	1000000	1000000	0
100-000000-0000-0047	1000000	1000000	1000000	0
100-000000-0000-0048	1000000	1000000	1000000	0
100-000000-0000-0049	1000000	1000000	1000000	0
100-000000-0000-0050	1000000	1000000	1000000	0

Because the projected to exceed budget by \$1.1 million, primarily due to increased receipts...

The primary budget adjustment to the 2017 budget is an increase in the general fund revenue...

The primary factor in the 2017 budget increase is a structural increase in the...

The year budget expenditures of \$1.1 million are attributed to various factors. The...

Tables may not foot due to rounding.

with commensurate fringe benefit impacts. Details of this projection are discussed in more detail later in the report.

The Transportation and Storm Water Department is projecting over budget expenditures of \$3.7 million as a result of an increase in overtime, equipment rental expenditures and emergency contract work related to winter storms. Lastly, the Police Department projects over budget expenditures of \$1.9 million primarily as a result of an increase in overtime expenditures, as well as supplies and contract expenditures. These over budget projections are offset with savings in energy and utilities as a result of a decrease in fuel costs and information technology expenditures as a result of departments decreasing non-essential spending.

The over budget department expenditures discussed above are offset with departmental expenditure savings primarily in Park and Recreation, Environmental Services and Real Estate Assets; and, departmental revenue in excess of budget primarily in Police, Fire-Rescue and City Treasurer departments.

The City has strong budgetary controls and monitoring processes in place to maintain a balanced budget. The analysis and projections presented in this report, combined with FM's continued monitoring of departmental projections of revenues and expenditures are critical to maintaining a balanced budget. Significant variance explanations are detailed later in this report.

CHANGES SINCE THE MID-YEAR REPORT

The current net year-end projection has increased by \$15.4 million, an improvement of 0.4% in revenues and 0.7% in expenditures, from the Mid-Year Report as reflected in Table 2: Quarterly Comparison of FY 2017 General Fund Projections.

Revenue/Expenditures	Mid-Year Report	Year-End Report	Variance	Change %
Resources				
Projected Revenue	\$ 1,339.4	\$ 1,345.4	\$ 6.0	0.4%
Major General Fund Revenues	1,054.1	1,061.6	7.5	0.7%
Departmental Revenue	285.4	283.8	(1.6)	-0.6%
Budgeted Use of Fund Balance (Excess Equity)	8.0	8.0	-	0.0%
Total Resources	1,347.4	1,353.4	6.0	0.4%
Total Projected Expenditures	\$ 1,351.6	\$ 1,342.2	\$ (9.4)	-0.7%
Personnel Expenditures	924.2	916.6	(7.6)	-0.8%
Non-Personnel Expenditures	427.4	425.6	(1.8)	-0.4%
Net Year-End Projection	\$ (4.2)	\$ 11.2	\$ 15.4	

Projected revenue has increased by \$6.0 million, or 0.4%, since the Mid-Year Report. This projection includes a projected increase in major General Fund revenues of \$7.5 million, offset with a projected decrease in departmental revenue of \$1.6 million. The major General Fund revenues have primarily increased as a result of property tax associated to an increase in home sales during the fiscal year, and increases in distribution of residual funds from the Redevelopment Property Tax Trust Fund (RPTTF). Also contributing to this increase in revenue is sales tax revenue as a result of improved consumer confidence and a large one-time correction to past sales tax distributions. In addition, transient occupancy tax revenue is projected to increase due to continued strong tourism activity projected through the end of the fiscal year.

GENERAL FUND REVENUE

General Fund revenues are projected to exceed budget by \$15.4 million at fiscal year-end. This is attributed to an over budget collection of \$12.4 million in major General Fund revenues and \$3.0 million in departmental revenue. Assumptions influencing the major General Fund revenues are detailed in this Report, including any significant variances from the adopted budget.

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Major General Fund Revenues	\$ 1,049.2	\$ 1,049.2	\$ 1,061.6	\$ 12.4	1.2%
Departmental Revenue	280.8	280.8	283.8	3.0	1.1%
Total	\$ 1,330.0	\$ 1,330.0	\$ 1,345.4	\$ 15.4	1.2%

MAJOR GENERAL FUND REVENUES

The City's major General Fund revenues are projected to exceed budget by \$12.4 million primarily as a result of one-time revenue for the annexation of property near the Mount Hope Cemetery. This one-time revenue source is offset by lower franchise fee revenue from San Diego Gas and Electric (SDG&E) and cable television providers. Table 4: FY 2017 Major General Fund Revenue Projections summarizes the projections by each major General Fund revenue category.

Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Tax	\$ 502.0	\$ 502.0	\$ 506.2	\$ 4.2	0.8%
Sales Tax	272.8	272.8	274.1	1.3	0.5%
Transient Occupancy Tax ¹	113.3	113.3	114.5	1.2	1.1%
Franchise Fees ²	81.0	81.0	70.9	(10.1)	-12.5%
Property Transfer Tax	9.6	9.6	9.8	0.3	2.7%
Miscellaneous Revenue	70.5	70.5	86.1	15.6	22.1%
Total	\$ 1,049.2	\$ 1,049.2	\$ 1,061.6	\$ 12.4	1.2%

¹ Total City FY 2017 current revenue budget for transient occupancy tax is \$216.3 million and the projection is \$218.6 million. The balance is budgeted in the Transient Occupancy Tax Fund.

² Total City FY 2017 current revenue budget for franchise fees is \$167.6 million and the projection is \$141.5 million. The balance is budgeted in the Environmental Growth and Underground Surcharge Funds.

The major General Fund revenue projections are supported by the most recent economic information available and actual revenue distributions to the City during the first nine months of the fiscal year. The Fiscal Year 2017 budget for the major General Fund revenues reflected a continued improvement in the local, state, and national economies. The projections indicate that the positive signs shown by the local economic indicators during the development of the

leading to the slight increase in the 1.0% property tax base, the Motor Vehicle License Fee (MVLFF) backfill payment, and the projected Redevelopment Property Tax Trust Fund (RPTTF) tax sharing pass-through payments as displayed in Table 8: FY 2017 Property Tax Revenue Projection Details.

Overall, property tax revenue is projected to be slightly over budget at fiscal year-end. Since the Mid-Year Report, the most significant change to the projection for property tax revenue is due to additional assessed value growth, increases in revenues in supplemental property taxes related to home sales during the fiscal year, and increases in distribution of residual funds from the RPTTF. When compared to the Adopted Budget, the year-end projection has increased by 1.2%.

FY 2017 Property Tax Revenue Projection Details					
<i>Table 8</i>					<i>in millions</i>
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
1.0% Property Tax	\$ 353.7	\$ 353.7	\$ 354.7	\$ 1.0	0.3%
MVLFF Backfill	128.4	128.4	129.3	0.9	0.7%
RPTTF Tax Sharing Pass-through Payments	5.1	5.1	6.3	1.2	23.7%
RPTTF Residual Property Tax	14.8	14.8	15.9	1.1	7.2%
Total	\$ 502.0	\$ 502.0	\$ 506.2	\$ 4.2	0.8%

Sales Tax

FY 2017 Sales Tax Revenue Projections					
<i>Table 9</i>					<i>in millions</i>
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Sales Tax Growth Rate	3.5%	3.5%	4.4%	0.9%	N/A
Sales Tax Projection	\$ 272.8	\$ 272.8	\$ 274.1	\$ 1.3	0.5%

Sales Tax revenue is expected to be over budget at fiscal year-end by \$1.3 million. This is an increase of \$2.6 million from the Mid-Year Report, primarily due to one-time sales tax corrections and the improvement of taxable sales during the fiscal year.

Sales tax revenues are driven by the sale of taxable goods within in the City. The City’s sales tax consultant reviews and audits sales tax distributed to City. During Fiscal Year 2017, the City collected approximately \$3.8 million in significant one-time corrections.

After adjusting for a one-time correction, the first quarter sales tax growth rate was 1.2%. This indicated the continuation of the Fiscal Year 2016 trend of lower than expected sales tax growth. The second quarter, however, showed improvement with growth in receipts of 3.3%. Preliminary data for the third quarter indicated strong growth at 6.7%; however, this included additional one-time corrections of sales tax to the City, which when removed, result in an adjusted growth rate of 1.9% for the quarter. The fourth quarter is projected to grow at 3.0%, resulting in an overall sales tax growth rate of 4.4% from Fiscal Year 2016 to Fiscal Year 2017.

In addition to the increases in consumer confidence during Fiscal Year 2017, unemployment, interest rates, and fuel prices have remained relatively low. These factors led to the growth in sales tax related to restaurants, automobile sales, building materials, and industrial sales. Strong growth was also seen in the County Pool which includes sales tax generated from online sales. These increases were offset by weaker brick and mortar retail sales and continued contractions in fuel and energy sales due to low fuel prices. Sales tax is expected to continue at a growth rate of 3.0% for the remainder of Fiscal Year 2017.

Transient Occupancy Tax (TOT)

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	\$ 113.3	\$ 113.3	\$ 114.5	\$ 1.2	1.1%

¹Total City FY 2017 current revenue budget for transient occupancy tax is \$216.3 million and the projection is \$214.7 million. The balance is budgeted in the Transient Occupancy Tax Fund.

The General Fund Transient Occupancy Tax (TOT) is projected to come in above budget at fiscal year-end by \$1.2 million or 1.1%. This is an increase from the Mid-Year Monitoring Report due to higher than expected tourism activity in the months of November and December. The December 2016 Travel Forecast from the San Diego Tourism Authority (SDTA) and Tourism Economics, Inc. forecasts San Diego to outperform the nation in room demand and revenue per available room (RevPAR) growth in calendar year 2017. As a result of continued positive tourism trends, the monthly growth rate of 6.0%, included in the Fiscal Year 2017 Adopted Budget, is projected for the remainder of the fiscal year.

The positive tourism growth that has occurred since the economic turnaround began in 2010 is expected to continue through fiscal year-end according to the December 2016 Travel Forecast from SDTA and Tourism Economics, Inc. Table 11: San Diego County Visitor Industry provides a summary of the projected growth in economic indicators that impact the City's TOT receipts.

Property Transfer Tax

FY 2017 Property Transfer Tax Projections					
<i>Table 13</i>					<i>in millions</i>
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Property Transfer Tax Growth Rate	3.0%	3.0%	3.0%	0.0%	N/A
Property Transfer Tax Projection	\$ 9.6	\$ 9.6	\$ 9.8	\$ 0.3	2.7%

Property transfer tax is a levy 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% 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 County collects the funds and transfers the City's portion on a monthly basis.

The growth in property transfer tax revenue is consistent with the rise in home sales and median home prices as displayed in Table 14: Local Real Estate Market Indicators. For Fiscal Year 2017, property transfer tax revenue is projected to be over budget at year-end. The increase is due to actual receipts exceeding budgeted amounts during the first half of the fiscal year. Due to slightly increased receipts in recent months, the year-end projection is being adjusted up by \$260,000 from the Mid-Year Report to \$9.8 million.

Local Real Estate Market Indicators			
<i>Table 14</i>			
Economic Indicator	Calendar Year 2015 ¹	Calendar Year 2016 ¹	Variance %
City of San Diego Average Median Home Price	\$476,315	\$506,313	6.3%
City of San Diego Home Sales	16,478	16,897	2.5%
San Diego County Foreclosures	1,853	1,194	-35.6%
San Diego County Notices of Default	5,142	4,352	-15.4%

Source: CoreLogic and County of San Diego Assessor/Recorder/County Clerk

Miscellaneous Revenue

FY 2017 Miscellaneous Revenue					
<i>Table 15</i>					<i>in millions</i>
Revenue Source	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Miscellaneous Revenue Projection	\$ 70.5	\$ 70.5	\$ 86.1	\$ 15.6	22.1%

The Miscellaneous Revenue category includes General Governmental Services Billing (GGSB), which is a reimbursement from other City funds that use General Fund services, one-cent TOT transfer into the General Fund to support tourism related services, interest earnings

DEPARTMENTAL REVENUE

General Fund departmental revenues are projected at \$283.8 million by fiscal year-end which represents an increase of \$3.0 million, or 1.1%, from the current budget. The following section discusses the significant factors contributing to the increase in projected departmental revenue.

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Fire-Rescue	\$ 27.0	\$ 27.0	\$ 29.1	\$ 2.1	7.6%
Office of Homeland Security	1.7	1.7	1.0	(0.6)	-37.8%
Office of the City Attorney	4.2	4.2	3.5	(0.6)	-14.8%
Office of the City Treasurer	19.3	19.3	20.7	1.4	7.0%
Park and Recreation	44.3	44.3	42.9	(1.4)	-3.2%
Police	45.1	45.1	48.2	3.2	7.0%
Public Works - General Services	3.7	3.7	2.9	(0.9)	-23.7%
All Other General Fund Departments	135.5	135.5	135.5	(0.1)	0.0%
Total	\$ 280.8	\$ 280.8	\$ 283.8	\$ 3.0	1.1%

Fire-Rescue

The Fire-Rescue Department projects revenue over budget by \$2.1 million at fiscal year-end primarily due to the following increases:

- \$790,000 in strike team deployment reimbursements from the California Office of Emergency Services, which is an increase of \$450,000 from the Mid-Year Report.
- \$500,000 in Urban Areas Security Initiative (USAI) grant reimbursements for operations, training, reimbursements for Regional Maritime Emergency Preparedness Manager and Geographic Information Systems (GIS) grant reimbursable revenue
- \$400,000 increase in revenue for Fire-Rescue services provided to the Airport Authority.
- \$320,000 increase in alarm permit fees and special events.

The current projection has decreased by a net \$500,000 from the Mid-Year Report primarily due to the following decreases:

- \$280,000 in transfer-in revenue from the Fire/EMS Transport Program Fund
- \$190,000 in anticipated inspection fee revenue.
- \$190,000 due to fewer than anticipated alarm permits and permits for special events.
- \$130,000 related to reduced grant reimbursable positions.

Office of Homeland Security

The Office of Homeland Security projects revenue to be under budget by \$640,000 at fiscal year-end primarily attributed to vacant grant reimbursable positions. The current projection represents a decrease of \$100,000 from the Mid-Year Report.

Office of the City Attorney

The Office of the City Attorney projects revenue under budget by \$620,000 at fiscal year-end primarily due to the following:

GENERAL FUND RESERVES

The City's Reserve Policy (Council Policy 100-20) documents the City's approach to establishing and maintaining strong reserves across City operations. In April 2016, amendments to the City's Reserve Policy were approved by the City Council to increase the General Fund Reserves and to establish a Pension Payment Stabilization reserve (Pension Reserve). Subsequently, in February 2017 amendments to the Reserve Policy, which are discussed in detail later in this report, were approved by City Council.

Fiscal Year 2017 General Fund Reserve Projections

The following table, Table 17: FY 2017 General Fund Balances and Reserve Estimates, displays the calculation for projected ending fund balance (excess equity).

FY 2017 General Fund Balances and Reserve Estimates		
<i>Table 17</i>		<i>in millions</i>
Description	Amount	Revenue %
FY 2016 Audited Budgetary Fund Balance	\$ 192.4	16.3%
FY 2017 Projected Activity:		
Projected Revenue	1,345.4	
Projected Expenditures	1,342.2	
Net Projected Activity	\$ 3.2	
FY 2017 Projected Ending Fund Balance (Excess Equity)	\$ 195.6	16.6%
Emergency Reserve	94.3	8.0%
Stability Reserve	79.5	6.75%
FY 2017 Required Reserve Level¹	\$ 173.8	14.75%
FY 2017 Adjustments:		
Adjustment for Low-Flow Diversion Capacity Charges	3.0	
FY 2017 Budgeted General Fund Reserve Contribution	7.6	
FY 2017 Projected Budgetary Fund Balance (Excess Equity)	\$ 26.4	2.2%
FY 2018 Proposed Budgeted Use of Fund Balance (Excess Equity)	8.3	
FY 2018 May Revision Budgeted Use of Fund Balance (Excess Equity)	14.1	
FY 2017 Projected Remaining Budgetary Fund Balance (Excess Equity)	\$ 4.0	0.3%

¹Based on FY 2014 through FY 2016 audited operating revenues in accordance with the City's Reserve Policy (CP 100-20).

The Fiscal Year 2017 projected remaining fund balance in excess of required reserves (excess equity) is \$4.0 million, or 0.3%, after taking into account the following:

- \$3.2 million in net projected surplus for Fiscal Year 2017 activity.
- \$173.8 million, or 14.75%, required Fiscal Year 2017 reserve contribution.
- \$3.0 million adjustment for low flow diversion capacity charges to accrue for remaining charges owed to the Public Utilities Department from the Transportation and Storm Water Department.
- \$7.6 million Fiscal Year 2017 budgeted General Fund reserve contribution.

management practices to prepay reserves in anticipation of a budgetary shortfall in Fiscal Year 2019 as projected in the 2018-2022 Five Year Outlook. This action will free up ongoing revenues next year.

- \$2.4 million for the Penny for the Arts program. This is one-time funding to support the Penny for the Arts program during Fiscal Year 2018 only, and should be utilized for one-time needs of the Arts program.
- \$150,000 for a Police recruitment and retention study.
- \$100,000 for Police Chief recruitment services.

If approved, the remaining Fiscal Year 2017 projected ending fund balance (excess equity) is projected at \$4.0 million.

Pension Payment Stabilization Reserve

The Pension Payment Stabilization Reserve (Pension Reserve) was established per the City's Reserve Policy to mitigate any unanticipated increases in the annual pension payment, the Actuarially Determined Contribution (ADC). The Pension Reserve is intended to supplement unanticipated increases in the ADC payment as calculated in the most recent Actuarial Valuation Report produced for the San Diego City Employees' Retirement System's (SDCERS) actuary.

In Fiscal Year 2016, a total of \$20.8 million citywide was contributed to the Pension Reserve with the use of excess equity. The contribution was based on the most recent three-year average of the ADC as reported in the Actuarial Valuation Reports produced by SDCERS' actuary as of June 30, 2015. The City's Fiscal Year 2017 payment was made on July 1, 2016 without drawing from the Pension Reserve.

The June 30, 2016 Actuarial Valuation Report produced by SDCERS' actuary Cheiron was approved by the SDCERS Board of Administration on March 10, 2017 and incorporates the actuarial assumptions in the Board approved 2011-2015 Experience Study. The SDCERS Board approved a significant change to mortality assumptions that increased the plan liability and the annual pension payment. The pension payment is \$324.5 million citywide in Fiscal Year 2018. This is an increase of \$63.4 million citywide, \$45.2 million in the General Fund, over the Fiscal Year 2015 pension payment. Based on the June 30, 2015 Actuarial Report, the City had anticipated a pension payment of \$267.9 million for Fiscal Year 2018, an increase of \$6.8 million prior to the approval of the SDCERS 2011-2015 Experience Study on September 9, 2016. The unanticipated portion of the increase in the pension payment of \$56.6 million is partially mitigated through the use of \$20.8 million of the Pension Payment Stabilization Reserve. Per the City's Reserve Policy, use of the Pension Payment Stabilization Reserve requires the Mayor to prepare a plan to replenish the balance to policy levels no later than one year from the use of the Reserve. The Fiscal Year 2019-2023 Five-Year Financial Outlook, scheduled to be released in November 2017, will include a plan for the replenishment of the Pension Payment Stabilization Reserve in compliance with the City's Reserve Policy.

As a result of the projected year end budgetary surplus, the enhanced hiring review has been discontinued.

Salaries and Wages

The current projection for personnel expenditures is over budget by \$5.1 million primarily due to an increase in salaries and wages, as displayed in Table 19: FY 2017 General Fund Personnel Expenditure Projections.

Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Salaries and Wages	\$ 534.5	\$ 534.5	\$ 540.8	\$ (6.3)	-1.2%
Fringe Benefits	376.9	376.9	375.7	1.2	0.3%
Total	\$ 911.5	\$ 911.5	\$ 916.6	\$ (5.1)	-0.6%

The salaries and wages expenditure category is comprised of five distinct types of wages: salaries, hourly wages, overtime, pay-in-lieu of annual leave, and payment of leave balances upon termination. Salaries include compensation for benefited employees, while hourly wages include compensation for non-benefited employees. The expenditures in overtime include the total compensation at time and a half for both salaried and hourly employees. Pay-in-lieu of annual leave and payment of leave balances upon termination represent compensation in-lieu of use of annual leave. Payment of leave balances expenditures occur upon the employees' separation from the City.

Salaries and Wages Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Salaries	\$ 457.0	\$ 457.0	\$ 447.5	\$ 9.5	2.1%
Overtime	53.4	53.4	65.4	(12.0)	-22.4%
Hourly	14.0	14.0	14.0	0.0	0.3%
Pay-in-Lieu of Annual Leave	7.2	7.2	10.0	(2.8)	-38.8%
Termination Pay	2.8	2.8	3.9	(1.0)	-36.9%
Total	\$ 534.5	\$ 534.5	\$ 540.8	\$ (6.3)	-1.2%

Salaries and wages expenditures are projected over budget by \$6.3 million at fiscal year-end as displayed in Table 20: FY 2017 General Fund Salaries and Wages Expenditure Projections. The salaries category is projected under budget by \$9.5 million, or 2.1% of current budget, at fiscal year-end offset by over spending in the other four personnel expenditure categories. The variances in the personnel expenditure categories are primarily due to the following factors:

- \$9.5 million in salary savings attributed to vacancies, primarily attributed to the following Departments:
 - \$3.0 million in the Police Department.
 - \$1.2 million in the Transportations and Storm Water Department.
 - \$1.4 million in the Park and Recreation Department.
 - \$1.3 million in the Public Works - General Services Department.

Employment Benefits (OPEB), Unemployment Insurance and Risk Management Administration (RMA). The projected decrease in the fixed fringe benefit category is primarily due to the use of reserves for both WC and LTD. The net savings of \$1.5 million in WC is attributed to the use of fund balance in excess of reserves of \$2.0 million (\$2.5 million citywide), offset by an increase of \$550,000 due to a relocation based on actual filled positions in the General Fund and the non-General Funds. The allocation is based on the number of filled positions at the time of the personnel expenditure extraction. The shift in positions from General Fund to non-General Funds primarily occurs due to departmental transfers, attrition and/or vacancies. Similarly, a net savings of \$470,000 in LTD is due to the use of \$610,000 (\$900,000 citywide) in LTD fund balance in excess of reserves, off-set by an increase of \$140,000 due to a in the allocation based on actual filled positions in the General Fund and the non-General Funds.

The projected savings described above are offset by a projected increase in the General Fund's proportionate share of the ADC and OPEB. The projected variances in ADC and OPEB are \$560,000, and \$400,000, respectively. Fixed fringe costs are considered annual liabilities; therefore, the change due to filled positions in the General Fund and the non-General Funds has had an effect on actual and projected expenditures. The fringe cost allocations are based on budgeted positions and then the expense allocation is trued up at the end of the fiscal year based on actual filled positions.

Variances within the variable fringe benefits categories are projected under budget by \$330,000 or 0.3% from current budget. This is due primarily to the following:

- \$3.3 million reduction in flexible benefits expenditures. Flexible benefits are budgeted based on the health coverage selections of employees at the time the budget is developed. Variances from budget can be attributed to changes in coverage selections during open enrollment, which occurs subsequent to the adoption of the budget.
- \$1.6 million and \$1.4 million in over budget expenditures in Supplemental Pension Savings Plan (SPSP) and Medicare, respectively. SPSP and Medicare expenditures are projected to exceed budget due to projected over budget overtime expenditures primarily in the Fire-Rescue Department.

Fire-Rescue Department - Personnel Expenditures

The Fire-Rescue Department projects a \$10.9 million increase in expenditures over budget. This is comprised of the following increases:

- \$6.2 million in salaries and wages
- \$4.7 million in fringe benefits

This is partially offset with a projected savings of \$1.0 million in energy and fuel costs, savings of \$480,000 in information technology expenditures, and savings from the deferred transfer to the Vessel Replacement Fund as a result of the proposed elimination of the on-going transfer in Fiscal Year 2018.

The \$6.2 million increase in salaries and wages is primarily the result of the following factors:

- \$1.8 million in salaries, vacation, special pays, sick leave, and all other salaries and wages accounts. This is primarily the result of increasing the size of the 81st, 82nd and 83rd academies, from 36 to 48 recruits, to mitigate attrition and expedite hiring. As a result, the Fire-Rescue Department is projecting to be fully-staffed by the end of Fiscal

NON-PERSONNEL EXPENDITURES

The General Fund non-personnel expenditures are projected at \$425.6 million by fiscal year-end. This represents a decrease of \$900,000, or 0.2% of current budget. The following section discusses the variances for non-personnel expenditures by category and highlights the significant variances within the General Fund departments.

Expenditure Category	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Supplies	\$ 35.9	\$ 36.9	\$ 37.6	\$ (0.7)	-1.9%
Contracts	240.2	238.5	247.6	(9.0)	-3.8%
Information Technology	28.8	30.1	27.8	2.3	7.6%
Energy and Utilities	46.9	46.9	43.3	3.6	7.7%
Transfers Out	61.4	62.3	57.7	4.7	7.5%
Other	5.3	5.3	5.1	0.2	3.8%
Debt	4.6	4.1	3.6	0.5	12.3%
Capital Expenditures	3.5	2.4	3.0	(0.6)	-25.2%
Total	\$ 426.5	\$ 426.5	\$ 425.6	\$ 0.9	0.2%

Supplies

The supplies category is projected to exceed budget by \$660,000, or 1.9% of current budget, at fiscal year-end primarily due to the following:

- \$1.2 million increase in the Police Department for supplies, including ammunition, medical supplies, official forms and documents, locks and security hardware, batteries, and other safety supplies. This projection represents an increase of \$140,000 from the Mid-Year Report primarily due to additional costs associated with uniform allowance.
- \$240,000 increase in the Park and Recreation Department primarily attributed to expenditures for plants, fertilization, irrigation supplies and playground equipment to maintain City parks.
- \$590,000 increase in the Fire-Rescue Department primarily for the replacement of thermal imaging cameras; the current model is obsolete and no longer supported by the manufacturer. This will allow firefighters to work more efficiently in finding victims and identify rapidly changing fire conditions in a structure fire. In addition, the increase is also associated with the purchase of personal escape systems.

The over budget projections noted above are partially offset by a projected savings of \$1.1 million in the Real Estates Assets Department not anticipated during the Mid-Year Report due to savings in furniture, fixtures and equipment expenses as a result of the delay in the Civic Center Plaza reconfiguration.

Contracts

The contracts category is projected to exceed budget by \$9.0 million, or 3.8% of current budget, at fiscal year-end primarily due to the following factors:

- \$4.7 million in the Citywide Program Expenditures Department for lease and operating expenses of the 101 Ash Street building.

- \$530,000 decrease in the Transportation and Storm Water Department related to delays in enhancements for the storm water code enforcement system and the Transportation Alternatives Program (TAP) system in the Transportation and Storm Water Department. This is a decrease of \$690,000 from the Mid-Year Report as a result in delays in delays in enhancements for the code enforcement system and TAP system, and delays in funding the 311 Customer Experience system.
- \$480,000 decrease in the Fire-Rescue Department due to \$390,000 in savings associated with Computer-Aided Dispatch oversight and maintenance expenditures and \$90,000 in savings from the deferred purchase of back-up dispatch center equipment. This projection represents an increase of \$120,000 from the Mid-Year Report.
- \$280,000 decrease in the Office of the City Treasurer attributed to the rescheduling of the Centralized Payment Processing Solution to Fiscal Year 2018 and less than anticipated expenses for the Parking Citation System implementation.
- \$220,000 decrease in the Office of the City Attorney due to delayed implementation of a software enhancement and efforts to reduce non-essential spending related to purchase of new hardware. This projection represents a decrease of \$180,000 from the Mid-Year Report.

Energy & Utilities

The energy and utilities category is projected under budget by \$3.6 million, or 7.7% of current budget, at fiscal year-end primarily due to the following:

- \$2.0 million savings in fleet fuel primarily due to \$1.2 million in the Police Department, and \$500,000 in the Environmental Services Department.
- \$1.9 million savings in electrical services primarily attributed to \$780,000 in the Park and Recreation Department, \$330,000 in the Library Department, and \$300,000 in the Police Department.
- \$1.0 million savings in the Fire-Rescue Department associated with diesel and aircraft fuel.

These savings are offset with the following increases:

- \$620,000 in the Park and Recreation Department associated with an increase in water usage.
- \$440,000 in the Police Department for modem and cellular phone service contracts.
- \$360,000 in the Transportation and Storm Water Department primarily attributed to energy expenses paid to Caltrans for shared street light electricity costs.

Since the Mid-Year Report, energy and utilities expenditures have decreased by \$1.3 million as a result of a decrease in projected electricity costs citywide.

Transfers Out

The transfers out category is projected under budget by \$4.7 million, or 7.5% of current budget, at fiscal year-end attributed to the following:

- \$4.7 million in the Citywide Program Expenditures Department primarily attributed to the reclassification of the Public Liability Reserve transfer of \$2.8 million to meet the reserve target to the contracts category, and \$1.9 million decrease in the transfer to the Park Improvement Fund associated with decreased lease revenues received from Mission Bay Park.
- \$440,000 in the Fire-Rescue Department associated with the elimination of the transfer to the Lifeguard Vessel Replacement Fund.

NON-GENERAL FUNDS

Central Stores Fund

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 13.4	\$ 13.4	\$ 9.3	\$ (4.1)	-30.4%
Personnel Expenditures	1.6	1.6	1.5	0.1	7.5%
Non-Personnel Expenditures	11.7	11.7	7.9	3.8	32.6%
Expenditures	13.4	13.4	9.4	3.9	29.6%
Net Year-End Projection	\$ (0.0)	\$ (0.0)	\$ (0.1)	\$ (0.1)	

Revenue:

The Central Stores Fund projects revenue under budget by \$4.1 million at fiscal-year end primarily due to the following factors:

- \$3.6 million decrease attributed to water meter sales and transfer of inventory to the Public Utilities Department.
- \$500,000 decrease in the demand for storeroom items by City departments. This projection is a decrease of \$400,000 from the Mid-Year Report.

Expenditures:

Similar to the Mid-Year Report, personnel expenditures in the Central Stores Fund are projected close to budget.

Non-Personnel expenditures are projected under budget by \$3.8 million at fiscal year-end primarily due to the following factors:

- \$3.6 million decrease attributed to water meter sales and transfer of inventory to the Public Utilities Department.
- \$500,000 decrease in the demand for storeroom items by City departments. This projection is a decrease of \$400,000 from the Mid-Year Report.

Development Services Fund

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 55.3	\$ 57.3	\$ 64.0	\$ 6.7	11.7%
Personnel Expenditures	44.8	44.8	45.8	(1.0)	-2.1%
Non-Personnel Expenditures	12.9	14.9	17.5	(2.7)	-18.0%
Expenditures	57.7	59.7	63.3	(3.6)	-6.1%
Net Year-End Projection	\$ (2.4)	\$ (2.4)	\$ 0.7	\$ 3.1	

Revenue:

The Development Services Fund projects revenue to exceed budget by \$6.7 million at fiscal year-end primarily due to the following factors:

- \$3.2 million increase in Council-approved new user fees primarily associated with engineering plan check fees that went into effect October 1, 2016.

Engineering and Capital Projects Fund

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	in millions
					Variance %
Revenue	\$ 83.2	\$ 83.2	\$ 76.9	\$ (6.4)	-7.7%
Personnel Expenditures	69.3	69.3	67.1	2.2	3.2%
Non-Personnel Expenditures	14.0	14.0	10.5	3.5	25.0%
Expenditures	83.2	83.2	77.6	5.7	6.8%
Net Year-End Projection	\$ -	\$ -	\$ (0.7)	\$ (0.7)	

Revenue:

Revenue in the Engineering and Capital Projects Fund is projected under budget by \$6.4 million due to vacant reimbursable positions offset with related savings in personnel expenditures.

Since the Mid-Year Report, revenues have decreased by \$4.1 million primarily due to the delayed hiring of reimbursable positions and 29.00 reimbursable positions projected to be filled next fiscal year.

Expenditures:

Personnel expenditures in the Engineering and Capital Projects Fund are projected under budget by \$2.2 million at fiscal year-end primarily due to the following decreases:

- \$2.3 million in salaries attributed to vacant reimbursable positions.
- \$400,000 in hourly expenditures attributed to vacant hourly positions.

The decrease in personnel expenditures is partially offset by the following increases:

- \$660,000 in pay-in-lieu of annual leave.
- \$620,000 in overtime expenditures primarily offset by reimbursable revenue.

Since the Mid-Year Report, personnel expenditures have decreased by \$2.2 million primarily attributed to a \$1.4 million decrease in salaries associated to the delayed hiring of positions and 39.00 positions projected to be filled next fiscal year.

Non-personnel expenditures are projected under budget by \$3.5 million primarily attributed to the following:

- \$2.0 million decrease in rent and tenant improvements for the property at 525 B Street. Rent expenditures came in lower than originally anticipated as a result of the timing of the lease negotiations and a one-time rental credit applied this fiscal year.
- \$800,000 decrease in training expenditures associated to vacant positions, this is an additional decrease of \$310,000 from the Mid-Year Report.
- \$700,000 decrease in information technology expenditures primarily attributed to consultant services for software and various applications. This is a decrease of \$570,000 from the Mid-Year Report attributed to the Primavera software and discretionary spending.
- \$460,000 decrease associated to accounting, administrative, and training services.

These savings in non-personnel expenditures are partially offset with an increase of \$400,000 in capital expenditures associated to furniture expenses for the relocation from Aero Drive to

Non-personnel expenditures for the Fleet Services Operating Fund are projected under budget by \$4.4 million at fiscal year-end due primarily due to the following:

- \$2.8 million decrease in fleet fuel as a result of lower cost per gallon for motor fuels than anticipated in the development of the current year budget.
- \$2.1 million decrease associated to the Fuel Focus System upgrade that is postponed for next fiscal year.
- \$940,000 decrease in rent and building improvements due to the delay in lease negotiations for the new fire facility located at 850 Othello.

These savings in non-personnel expenditures are offset with an increase of \$1.8 million in supplies as a result of an increase in billable work required to repair and outfit vehicles. These supplies include tires, repair and fitting parts.

Since the Mid-Year Report, non-personnel expenditures has decreased by \$2.5 million primarily attributed to savings associated to the delay of the Fuel Focus system upgrade that will take place next fiscal year.

Qualcomm Stadium Operations Fund

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 19.8	\$ 19.8	\$ 36.9	\$ 17.1	86.3%
Personnel Expenditures	3.6	3.6	3.6	(0.0)	-1.1%
Non-Personnel Expenditures	16.8	16.8	19.2	(2.4)	-14.5%
Expenditures	20.4	20.4	22.9	(2.5)	-12.1%
Net Year-End Projection	\$ (0.6)	\$ (0.6)	\$ 14.1	\$ 14.6	

Revenue:

The Qualcomm Stadium Operations Fund projects revenue over budget by \$17.1 million at fiscal year-end primarily due to the following:

- \$12.6 million increase from the early termination of the lease with the San Diego Chargers. This revenue is proposed to remain in fund balance to offset future year's debt service payments on the stadium bonds.
- \$2.7 million increase related to a telecom lease and vendor sale proceeds.
- \$1.7 million transfer from Transient Occupancy Tax revenue.

Expenditures:

Personnel Expenditures in the Qualcomm Stadium Operations Fund are projected to be close to budget by fiscal year-end.

Non-personnel expenditures are projected over budget by \$2.4 million at fiscal year-end due to the following factors:

- \$1.8 million payment to the stadium's concession vendor related to the San Diego Chargers early lease termination.
- \$1.4 million primarily due to a transfer to the Qualcomm Stadium Capital Improvement Project Fund to replenish a fund balance deficit.

- \$140,000 decrease in contractual services for Recycling Education and Outreach projects.

Refuse Disposal Fund

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 31.3	\$ 31.3	\$ 33.3	\$ 2.0	6.5%
Personnel Expenditures	13.0	13.0	13.1	(0.0)	-0.2%
Non-Personnel Expenditures	15.3	15.3	17.1	(1.8)	-11.8%
Expenditures	28.3	28.3	30.2	(1.8)	-6.5%
Net Year-End Projection	\$ 3.0	\$ 3.0	\$ 3.2	\$ 0.2	

Revenue:

The Refuse Disposal Fund projects revenue to exceed budget by \$2.0 million at fiscal year-end primarily due to the following factors:

- \$1.7 million increase associated to non-franchised haulers such as small businesses, residents, and non-profit organizations disposing trash at the City landfills.
- \$110,000 increase in the interest earnings on invested funds.
- \$80,000 increase in reimbursements for Ridgehaven facility maintenance expenses and office space rent, which is an increase not anticipated in the Mid-Year Report.
- \$70,000 increase in sales of green commodities such as mulch, compost, and woodchips in the Miramar Greenery for drought resistant landscape. This projection represents a decrease of \$70,000 from the Mid-Year Report.

Expenditures:

Personnel expenditures in the Refuse Disposal Fund are projected to be close to budget at fiscal year-end. This is a decrease of \$390,000 from the Mid-Year Report primarily due to less than anticipated overtime as more vacancies have been filled.

Similar to the Mid-Year Report, non-personnel expenditures for the Refuse Disposal Fund are projected over budget by \$1.8 million at fiscal year-end. The over budget expenditures are primarily due to an increase of \$2.0 million for leasing of heavy landfill equipment. This increase is partially offset with decreases in fleet fuel, electric services, and capital expenditures.

Sewer Utility Funds

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 394.8	\$ 394.8	\$ 389.1	\$ (5.8)	-1.5%
Personnel Expenditures	87.8	87.8	85.8	1.9	2.2%
Non-Personnel Expenditures	266.5	266.5	243.9	22.6	8.5%
Expenditures	354.2	354.3	329.7	24.6	6.9%
Net Year-End Projection	\$ 40.6	\$ 40.5	\$ 59.4	\$ 18.8	

Transient Occupancy Tax Fund¹

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 103.1	\$ 103.1	\$ 104.2	\$ 1.1	1.1%
Personnel Expenditures	1.7	1.7	1.4	0.3	18.2%
Non-Personnel Expenditures	109.6	109.6	109.6	(0.0)	0.0%
Expenditures	111.3	111.3	111.0	0.3	0.2%
Net Year-End Projection	\$ (8.2)	\$ (8.2)	\$ (6.8)	\$ 1.4	

¹The Transient Occupancy Tax Fund represents the Non-General Fund portion of the Transient Occupancy Tax revenue. Total City FY 2017 current revenue budget for the Transient Occupancy Tax is \$216.3 million and the projection is \$218.6 million. The balance of TOT revenue is budgeted in the General Fund.

Revenue:

The Transient Occupancy Tax (TOT) Fund is projected to be over budget by \$1.1 million at fiscal year-end. As discussed in the Major General Fund Revenues section of this report, this is largely due to higher than expected tourism activity during the third quarter of Fiscal Year 2017.

Expenditures:

Personnel expenditures in the TOT Fund are projected under budget by \$310,000 at fiscal year-end primarily due to three vacant positions in the Commission for Arts and Culture Department of which one position is expected to be filled by fiscal year-end.

Non-personnel expenditures are projected close to budget by fiscal year-end.

Underground Surcharge Fund

Rev/PE/NPE	Adopted Budget	Current Budget	Year-End Projection	Variance	<i>in millions</i>
					Variance %
Revenue	\$ 68.8	\$ 68.8	\$ 55.8	\$ (12.9)	-18.8%
Personnel Expenditures	1.3	1.3	1.1	0.2	13.0%
Non-Personnel Expenditures	57.6	57.6	15.0	42.6	74.0%
Expenditures	58.9	58.9	16.1	42.8	72.7%
Net Year-End Projection	\$ 9.9	\$ 9.9	\$ 39.7	\$ 29.9	

Revenue:

The Underground Surcharge Fund projects revenue to be under budget by \$12.9 million at fiscal year-end attributed to a \$13.6 million decrease in payments from San Diego Gas and Electric (SDG&E) being less than anticipated. This is a \$15.9 million decrease from the Mid-Year Report.

This decrease is offset by a \$700,000 increase from interest proceeds

Expenditures:

Personnel Expenditures are projected to be \$170,000 under budget due to vacant positions.

- \$2.1 million decrease due to water meters originally budgeted in the operating budget, but are now being expensed through the Advanced Metering Infrastructure (AMI) CIP project.
- \$2.1 million decrease in energy. This projection is a decrease of \$1.6 million from the Mid-Year Report.
- \$1.6 million decrease in supplies due to purchasing less than anticipated asphalt cement and road materials. This projection is a decrease of \$1.6 million from the Mid-Year Report.
- \$1.2 million decrease due to delays in purchasing various capital equipment such as pumps, compressors, and other equipment. This projection is a decrease of \$660,000 from the Mid-Year Report.

The current non-personnel projection decreased by \$25.8 million from the Mid-Year Report primarily due to a decline in water purchases due to conservation impacts and local rainfall events, unanticipated excess reserves from debt service reserve funds, additional delays in information technology projects, and overestimated impacts from SDG&E rate increases.

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Expenditures in electrical services are projected under budget by \$6.6 million citywide at fiscal year-end. This projection represents a decrease in expenditures of \$1.9 million in the General Fund and \$4.8 million in the non-General Funds. The electrical services projection was based on a straight-line methodology. Since the Mid-Year Report, actuals have come in lower than anticipated reducing the projected expenditures by \$1.3 million. The Mid-Year Report was based on the first five periods of the fiscal year, which had higher energy expenditures in both the General Fund and non-General Funds resulting in over budget projections. The delayed Fiscal Year 2016 SDG&E billing for accounts undergoing correction and delayed receipts of other energy vendor invoices, primarily in the Public Utilities Department, have been resolved. The Environmental Services Department continues to develop and enhance their detailed analysis of electricity savings and FM will continue to monitor their analysis through Fiscal Year 2018.

Facilities Maintenance and Repairs

The Fiscal Year 2017 Adopted Budget included the addition of 21.00 FTE positions in the Facilities Division. To date the Facilities Division has filled 13.00 FTE positions. Six of the remaining eight vacant positions are anticipated to be filled by the end of this fiscal year with these additional vacancies projected to be filled in Fiscal Year 2018. The remaining two vacant positions, 1.00 Plasterer and 1.00 Roofer, will be reduced as part of the proposed budget reductions for Fiscal Year 2018.

Fuel Cost Analysis

FY 2017 Fuel Cost Projections						<i>in millions</i>
Fund	Adopted Budget	Current Budget	Year-End Projection	Variance		Variance %
General Fund	\$ 8.5	\$ 8.5	\$ 6.4	\$ 2.1		24.1%
Non-General Fund	3.1	3.1	2.4	0.7		22.5%
Total	\$ 11.6	\$ 11.6	\$ 8.8	\$ 2.8		23.7%

Similar to the Mid-Year Report, the Fleet Services Operating Fund is projecting a \$2.8 million savings citywide in fuel expenditures by fiscal year-end. The projected savings are primarily due to a lower price per gallon in motor fuels than anticipated during the development of the Fiscal Year 2017 Adopted Budget. During the Fiscal Year, fuel consumption has remained consistent. Monthly unleaded fuel consumption is similar to that of the past two fiscal years. On the other hand, average diesel fuel consumption has slightly increased when compared to prior fiscal years. Similar to the Mid-Year Report, the fuel expenditure projection assumes an inflation rate of 4.0% for the remainder of the fiscal year to allow for price fluctuations in the cost per gallon.

Infrastructure Asset Management (I AM) San Diego Project

During the third quarter of Fiscal Year 2017, the Systems Integrator completed design of the “to be” solution and commenced the testing phase of the Project in April. As anticipated in the Mid-Year Report, the Project continued its proof of concept (POC) for the Asset Management Planning component of the system for right-of-way assets, which was launched in early February 2017. As of the third quarter of Fiscal Year 2017, the project has expended \$11.2 million and encumbered \$11.1 million in associated expenditures. The year-end projection anticipates that the majority of the budgeted expenditures will be expended with the exception

- The Miramar Landfill CIP will include initial facility improvements such as a resource recovery facility, and an organics diversion facility.
- Franchise Haulers were required to meet 25.0% annual waste diversion goal by December 31, 2016, and 29.0% by December 31, 2017, which will be accomplished through the Franchise Agreement with refuse haulers. Staff is currently reviewing the hauler's current year 2016 report submittals to determine whether they met the 25.0% requirement.
- City Council approval of revisions to San Diego Municipal Code regarding Recyclable Materials Franchise Exclusions, and how AB 939 Fees are charged to Franchise Haulers. The amendments serve three important purposes: (1) providing for safe and efficient collection of these materials; (2) to achieve City compliance with AB 1826; and (3) to provide necessary funding to implement the Zero Waste Plan. These amendments will take effect July 1, 2017.
- Purchase \$500,000 in recycling containers for use in parks and other public spaces.

Item	Amount	Category

Item	Amount	Category

Item	Amount	Category

Item	Amount	Category

Item	Amount	Category

Item	Amount	Category

Item	Amount	Category

Item	Amount	Category

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errors and omissions. For Fiscal Year 2017, the City's Reserve Policy requires that the Public Liability Fund Reserve equal 43.0% of the average value of the annual actuarial liability for the three most recent fiscal years, or \$33.6 million. This reserve target has decreased by \$5.9 million from the Fiscal Year 2017 target included in the Fiscal Year 2017 Adopted Budget as a result of incorporating the Fiscal Year 2016 actuarial valuation in the three year average value of the annual actuarial liability. The current balance of the Public Liability Fund Reserve is approximately \$33.6 million or 43.0%, of the three year average of the annual actuarial liability, which meets the Fiscal Year 2017 Public Liability Fund Reserve target.

Workers' Compensation Reserve

The Workers' Compensation reserve provides funding for medical and disability costs for injuries and illnesses occurring in the workplace. On February 21, 2017, amendments to the Reserve Policy were approved by City Council to reduce the Workers' Compensation Reserve target from 25.0% to 12.0% of the three-year average of outstanding actuarial liabilities. As a result, the Workers' Compensation Reserve Fund Fiscal Year 2017 policy goal is 12.0% of the most recent three year average of the annual actuarial liability, or \$28.2 million. This amount is approximately one year of operating cash for the Workers' Compensation program. The current projected balance of the Workers' Compensation Reserve is approximately \$54.0 million or 23.0% of the three year average.

The Fiscal Year 2018 Proposed Budget recommends the use of \$14.7 million of the excess Workers' Compensation reserves for the following:

- \$7.0 million to fully fund the General Fund Reserve to the Fiscal Year 2018 policy target level of 15.0%
- \$3.1 million to fully fund the Public Liability Fund Reserve to the Fiscal Year 2018 policy target level of 47.0%
- \$4.6 million reduction in workers' compensation operating expenses

The remaining excess Workers' Compensation reserves will be used to support workers' compensation operating reserves through Fiscal Year 2020.

Economic Development

The Economic Development Department is projected to have \$500,000 in expenditure savings due to the projected savings in contracts associated with Civic San Diego. These savings will be utilized to offset over budget projections above.

Environmental Services

The Environmental Services Department is projected to have \$700,000 in expenditure savings due to the projected savings in fleet fuel and contracts associated to equipment rent usage and assignment fees. These savings will be utilized to offset over budget projections in other General Fund departments.

Fire-Rescue

The Fire-Rescue Department requires a \$2.0 million increase in expenditure appropriations to support the projected over budget vacation pay-in-lieu and overtime expenditures. In addition, the department will also require a \$2.0 million increase in revenue appropriations to partially offset the over budget expenditures.

Human Resources

The Human Resources Department requires an \$82,000 increase in expenditure appropriations to support over budget expenditures in fringe benefits.

Major General Fund Revenues

The Major General Fund Revenues are projected to have \$1.7 million in excess revenue due to an increase property tax as a result of additional assessed value growth related to an increase in home sales and an increase projected residual receipts from the Redevelopment Property Tax Trust Fund (RPTTF). These over budget revenues will be utilized to offset the over budget projected expenditures above.

Office of the City Treasurer

The Office of the City Treasurer is projected to have \$400,000 in expenditure savings due to the projected savings in contractual expenditures and delayed information technology projects. These savings will be utilized to offset over budget projections in other General Fund departments.

Personnel

The Personnel Department requires a \$216,000 increase in expenditure appropriations to support over budget expenditures in fringe benefits.

Real Estate Assets

The Real Estate Assets Department is projected to have \$2.2 million savings in contracts associated to moving expenses due to the delay in the Civic Center Plaza reconfiguration. This expenditure savings will be utilized to offset over budget projections in other General Fund departments.

Transportation and Storm Water

The Transportation and Storm Water Department requires a \$3.0 million increase in expenditure appropriations to support over budget expenditures in contracts related to equipment rental, as-needed emergency contracts, and overtime associated to recent winter storms.

BUDGET CONTROL AUTHORITIES

Additional authorities are requested which are typically requested at year-end to maintain budgetary control through the end of the fiscal year and compliance with the City Charter and Municipal Code.

General Fund

Additional authorities are requested to allow for budget transfers and de-appropriations between General Fund departments to address unanticipated events that may occur prior to year-end. These authorities are typically requested at year-end to maintain budgetary control through the end of the fiscal year and to maintain compliance with the City Charter and Municipal Code.

Salary and Non-Personnel Budget Transfers

Authority is requested to transfer salary appropriations in one General Fund department for fringe and/or non-personnel appropriations in another General Fund department with no net increase to either departments' total budget. This will allow departments to remain balanced, within the Charter Section 73 requirement that salary appropriations may not be used for any other purposes.

Bottom Line Re-Appropriations

Authority is requested to transfer excess appropriations from one General Fund department to offset a deficit in another General Fund department during fiscal year closing. This will result in a change to the bottom-line department budgets; however, there will be no net change to the bottom-line General Fund budget. The bottom-line appropriation transfer authority is to be used at fiscal year close, if necessary, after salary appropriation budget transfers have been applied.

Citywide

Increase Appropriations from Available Sources

Authority is requested to adjust appropriations as needed for unforeseen events in order to close Fiscal Year 2017.

ATTACHMENTS

- I. General Fund Projected Revenues
- II. General Fund Projected Expenditures
- III. Non-General Fund Projections
- IV. Non-General Fund Reserves
- V. Fiscal Year 2017 Charter 39 Supporting Schedules, as of March 31, 2017

General Fund Projected Revenues

Department	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Economic Development	\$ 8,141,001	\$ 8,141,001	\$ 7,723,135	\$ (417,866)	-5.1%
Environmental Services	1,444,446	1,444,446	1,510,794	66,348	4.6%
Ethics Commission	-	-	17,274	17,274	100.0%
Financial Management	-	-	1,824	1,824	100.0%
Fire-Rescue	26,989,270	26,989,270	29,052,542	2,063,272	7.6%
Human Resources	5,000	5,000	5,310	310	6.2%
Infrastructure/Public Works	138,840	138,840	147,499	8,659	6.2%
Internal Operations	-	-	-	-	0.0%
Library	4,425,753	4,425,753	4,617,013	191,260	4.3%
Neighborhood Services	-	-	143	143	100.0%
Office of Homeland Security	1,682,280	1,682,280	1,046,896	(635,384)	-37.8%
Office of the Assistant Chief Operating Officer	391,021	391,021	503,981	112,960	28.9%
Office of the Chief Financial Officer	-	-	-	-	0.0%
Office of the Chief Operating Officer	-	-	-	-	0.0%
Office of the City Attorney	4,159,963	4,159,963	3,544,030	(615,933)	-14.8%
Office of the City Treasurer	19,329,499	19,329,499	20,683,648	1,354,149	7.0%
Office of the Independent Budget Analyst	-	-	-	-	0.0%
Office of the Mayor	328,245	328,245	328,348	103	0.0%
Park and Recreation	44,287,244	44,287,244	42,882,173	(1,405,071)	-3.2%
Performance and Analytics	-	-	8,043	8,043	100.0%
Personnel	1,000	1,000	4,782	3,782	378.2%
Planning	2,869,175	2,869,175	3,361,968	492,793	17.2%
Police	45,065,930	45,065,930	48,232,099	3,166,169	7.0%
Public Utilities	1,609,000	1,609,000	1,300,001	(308,999)	-19.2%
Public Works - Contracting	1,181,777	1,181,777	1,210,946	29,169	2.5%
Public Works - General Services	3,747,579	3,747,579	2,859,918	(887,661)	-23.7%
Purchasing and Contracting	1,458,716	1,458,716	1,510,194	51,478	3.5%
Real Estate Assets	52,275,295	52,275,295	52,504,383	229,088	0.4%
Transportation and Storm Water	56,439,871	56,439,871	56,479,724	39,853	0.1%
Total General Fund Revenues	\$ 1,329,961,580	\$ 1,329,961,580	\$ 1,345,380,665	\$ 15,419,085	1.2%

The current budget presented in this table is as of March 2017 (accounting period 9) unless otherwise noted.

¹ Total City FY 2017 current revenue budget for franchise fees is \$167.6 million and the projection is \$141.5 million. The balance is budgeted in the Environmental Growth and Underground Surcharge Funds.

² Total City FY 2017 current revenue budget for transient occupancy tax is \$216.3 million and the projection is \$218.6 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 %
Office of the City Treasurer	\$ 16,252,880	\$ 16,252,880	\$ 15,225,785	\$ 1,027,095	6.3%
Office of the Independent Budget Analyst	1,974,855	1,974,855	1,899,588	75,267	3.8%
Office of the Mayor	4,471,120	4,471,120	4,355,001	116,119	2.6%
Park and Recreation	108,316,555	108,427,581	106,548,221	1,879,360	1.7%
Performance and Analytics	2,934,639	2,934,639	2,824,710	109,929	3.7%
Personnel	8,355,058	8,355,058	8,494,946	(139,888)	-1.7%
Planning	10,533,102	10,533,102	9,651,403	881,699	8.4%
Police	438,789,263	438,843,017	440,695,217	(1,852,200)	-0.4%
Public Utilities	2,577,246	2,577,246	2,121,914	455,332	17.7%
Public Works - Contracting	2,302,721	2,302,721	1,968,595	334,126	14.5%
Public Works - General Services	24,137,017	24,144,217	22,534,491	1,609,726	6.7%
Purchasing and Contracting	6,573,616	6,573,616	5,776,566	797,050	12.1%
Real Estate Assets	8,034,505	8,034,505	5,643,541	2,390,964	29.8%
Transportation and Storm Water	131,430,013	131,430,013	135,165,980	(3,735,967)	-2.8%
Total General Fund Expenditures	\$ 1,337,981,387	\$ 1,337,981,387	\$ 1,342,169,516	\$ (4,188,129)	-0.3%

The current budget presented in this table is as of March 2017 (accounting period 9) unless otherwise noted.

Non - General Fund Projections						
Fund	Revenue/ Expenditure	Adopted Budget	Current Budget	Year-End Projection	Variance	Variance %
Petco Park Fund	Revenue	\$ 15,457,773	\$ 15,457,773	\$ 15,723,341	\$ 265,568	1.7%
	Expenditures	16,117,060	16,117,060	16,473,311	(356,251)	-2.2%
Publishing Services Fund	Revenue	3,614,996	3,614,996	3,554,044	(60,952)	-1.7%
	Expenditures	3,932,647	4,062,647	3,574,151	488,496	12.0%
Qualcomm Stadium Operations Fund	Revenue	19,823,595	19,823,595	36,949,586	17,125,991	86.4%
	Expenditures	20,410,737	20,410,737	22,885,982	(2,475,245)	-12.1%
Recycling Fund	Revenue	21,217,651	21,217,651	23,092,380	1,874,729	8.8%
	Expenditures	23,722,733	23,722,733	21,270,659	2,452,074	10.3%
Refuse Disposal Fund	Revenue	31,289,624	31,289,624	33,324,698	2,035,074	6.5%
	Expenditures	28,335,060	28,335,060	30,165,242	(1,830,182)	-6.5%
Risk Management Administration Fund	Revenue	10,529,309	10,529,309	10,707,046	177,737	1.7%
	Expenditures	10,773,594	10,773,594	10,620,098	153,496	1.4%
Sewer Utility Funds ¹	Revenue	394,806,222	394,806,222	389,051,700	(5,754,522)	-1.5%
	Expenditures	354,241,284	354,281,295	329,686,151	24,595,144	6.9%
Transient Occupancy Tax Fund	Revenue	\$ -	\$ -	\$ 18,069	\$ 18,069	100.0%
Commission for Arts and Culture Department	Revenue	75,000	75,000	76,523	1,523	2.0%
Special Events Department	Revenue	103,022,585	103,022,585	104,151,631	1,129,046	1.1%
Special Promotional Programs	Revenue	103,097,585	103,097,585	104,246,224	1,148,639	
Total Transient Occupancy Tax Fund	Revenue	\$ 1,136,983	\$ 1,136,983	\$ 884,384	\$ 252,599	22.2%
Commission for Arts and Culture Department	Expenditures	1,425,982	1,425,982	1,335,203	90,779	6.4%
Special Events Department	Expenditures	108,741,328	108,741,328	108,809,881	(68,553)	-0.1%
Special Promotional Programs	Expenditures	111,304,293	111,304,293	111,029,467	274,826	
Total Transient Occupancy Tax Fund	Expenditures	\$ 68,781,508	\$ 68,781,508	\$ 55,849,673	\$ (12,931,835)	-18.8%
Underground Surcharge Fund	Revenue	58,910,135	58,910,135	16,104,090	42,806,045	72.7%
	Expenditures	602,144,391	602,144,391	594,450,700	(7,693,691)	-1.3%
Water Utility Operating Fund ¹	Revenue	504,210,392	504,210,392	458,449,036	45,761,356	9.1%
	Expenditures	8,667,773	8,667,773	8,742,747	74,974	0.9%
Wireless Communications Technology Fund	Revenue	8,730,105	8,730,105	8,722,705	7,400	0.1%
	Expenditures					

The current budget presented in this table is as of March 2017 (accounting period 9) 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.

Financial Performance Report Fiscal Year 2017

As of March 31, 2017



**Finance Branch
Office of the City Comptroller**

General Fund Summary
As of Period 9, Ended March 31, 2017 (75% Completed)
(Unaudited)

	FY17 Adopted	FY17 Current Budget	FY17 Year-to-Date Actuals	FY17 % of Current Budget	FY16 Year-to-Date Actuals	Actuals FY17/FY16 Change	FY17/FY16 % Change
Revenue							
Property Taxes	\$ 501,965,689	\$ 501,965,689	\$ 283,887,156	56.6%	\$ 268,783,187	\$ 15,103,969	5.6%
Sales Taxes	272,798,685	272,798,685	164,960,962	60.5%	130,076,647	34,884,315	26.8%
Transient Occupancy Taxes	113,324,844	113,324,844	74,411,824	65.7%	69,407,893	5,003,931	7.2%
Property Transfer Taxes	9,570,508	9,570,508	4,966,063	51.9%	5,701,424	(735,361)	-12.9%
Licenses & Permits	23,884,896	23,884,896	19,356,470	81.0%	19,222,949	133,521	0.7%
Fines & Forfeitures	29,791,276	29,687,478	20,289,297	68.3%	19,551,367	737,930	3.8%
Interest & Dividends	588,851	588,851	228,840	38.9%	283,152	(54,312)	-19.2%
Franchises & Other Local Taxes	82,567,503	82,567,503	35,301,349	42.8%	42,479,968	(7,178,619)	-16.9%
Rents & Concessions	55,134,706	55,134,706	35,570,735	64.5%	36,314,056	(743,321)	-2.0%
Revenues from Other Agencies ²	8,132,919	8,132,919	17,646,241	217.0%	5,721,468	11,924,773	208.4%
Charges for Current Services	136,522,695	143,526,569	81,199,059	56.6%	77,950,639	3,248,420	4.2%
Other Revenue	4,290,137	4,290,137	2,208,575	51.5%	5,899,311	(3,690,736)	-62.6%
Transfers	91,388,871	84,488,795	32,011,390	37.9%	28,689,930	3,321,460	11.6%
Total General Fund Revenue¹	\$ 1,329,961,580	\$ 1,329,961,580	\$ 772,037,961	58.0%	\$ 710,081,991	\$ 61,955,970	8.7%
Expenditures							
Personnel Services	\$ 534,521,771	\$ 534,541,817	\$ 403,829,353	75.5%	\$ 386,828,046	\$ 17,001,307	4.4%
Fringe Benefits	376,931,378	376,931,378	280,141,824	74.3%	261,633,129	18,508,695	7.1%
Supplies	35,875,490	36,939,677	28,497,373	77.1%	22,226,235	6,271,138	28.2%
Contracts	240,227,387	238,502,807	173,471,162	72.7%	151,068,800	22,402,362	14.8%
Information Technology	28,797,696	30,089,230	15,363,516	51.1%	12,818,561	2,544,955	19.9%
Energy & Utilities	46,892,421	46,902,025	31,450,249	67.1%	26,295,447	5,154,802	19.6%
Capital Expenditure	3,466,473	2,382,549	744,077	31.2%	986,159	(242,082)	-24.5%
Debt	4,594,433	4,080,665	2,171,365	53.2%	2,978,453	(807,088)	-27.1%
Other Expenditures	5,293,132	5,270,265	3,291,139	62.4%	2,725,073	566,066	20.8%
Transfers	61,381,206	62,340,974	33,284,854	53.4%	63,297,187	(30,012,333)	-47.4%
Total NPE	803,459,616	803,439,570	568,445,559	70.7%	544,029,044	24,386,515	4.5%
Total General Fund Expenditures¹	\$ 1,337,981,387	\$ 1,337,981,387	\$ 972,244,912	72.7%	\$ 930,857,090	\$ 41,387,822	4.4%
General Fund Encumbrances			68,872,904		66,936,843	1,936,061	
Net Impact	\$ (8,019,807)	\$ (8,019,807)	\$ (269,079,855)		\$ (287,711,942)	\$ 18,632,087	

¹ Includes adjustments made in future periods

² Includes Chargers' early termination payment

General Fund Expenditure Status Report
As of Period 9, Ended March, 2017 (75% Completed)

(Unaudited)

	FY17	FY17	FY17	FY16	FY17/FY16	FY17/FY16
	Year-to-Date	Current	%	Year-to-Date	Change	% Change
	Expenditure	Budget	Consumed	Expenditure		
Mayor						
Office of the Mayor	\$ 3,252,445	\$ 4,471,120	72.7%	\$ 3,157,751	\$ 94,694	3.0%
Chief Operating Officer						
Office of Chief Operating Officer	850,826	1,089,482	78.1%	756,963	93,863	12.4%
Communications	2,497,340	3,872,945	64.5%	2,520,730	(23,390)	-0.9%
Public Safety						
Fire-Rescue	180,564,899	236,809,309	76.2%	172,281,373	8,283,526	4.8%
Police	331,630,534	438,843,017	75.6%	321,217,488	10,413,046	3.2%
Office of Homeland Security	1,785,078	2,691,122	66.3%	1,594,987	190,091	11.9%
Office of the Chief Financial Officer						
City Comptroller	8,349,447	11,451,570	72.9%	8,351,051	(1,604)	0.0%
City Treasurer	10,619,377	16,252,880	65.3%	10,526,290	93,087	0.9%
Citywide Program Expenditures	75,547,115	109,701,751	68.9%	66,918,958	8,628,157	12.9%
Debt Management	2,027,500	3,163,539	64.1%	1,852,579	174,921	9.4%
Financial Management	2,998,530	4,344,165	69.0%	2,889,772	108,758	3.8%
Office of the Chief Financial Officer	387,527	587,064	66.0%	372,239	15,288	4.1%
Performance & Analytics	1,709,302	2,934,639	58.2%	1,286,903	422,399	32.8%
Office of the Assistant COO						
Office of the Assistant Chief Operating Officer	1,200,697	1,945,935	61.7%	1,269,562	(68,865)	-5.4%
Infrastructure & Public Works						
Environmental Services	28,903,106	39,892,063	72.5%	25,469,055	3,434,051	13.5%
Public Utilities	1,663,984	2,577,246	64.6%	1,587,693	76,291	4.8%
Public Works	516,487	993,599	52.0%	507,875	8,612	1.7%
Public Works - Contracting	1,387,369	2,302,721	60.2%	1,402,984	(15,615)	-1.1%
Public Works - General Services	16,052,276	24,144,217	66.5%	19,808,827	(3,756,551)	-19.0%
Transportation & Storm Water	92,844,803	131,430,013	70.6%	92,075,983	768,820	0.8%
Internal Operations						
Internal Operations	329,599	418,119	78.8%	297,488	32,111	10.8%
Department of Information Technology	47,542	500,000	9.5%	18,642	28,900	155.0%
Human Resources	3,026,137	3,884,667	77.9%	2,344,448	681,689	29.1%
Purchasing & Contracting	4,034,351	6,573,616	61.4%	3,985,347	49,004	1.2%
Real Estate Assets	3,702,678	8,034,505	46.1%	3,522,649	180,029	5.1%

Citywide Program Expenditure Status Report
As of Period 9, Ended March, 2017 (75% Completed)
(Unaudited)

	FY17 Year-to-Date Expenditure	FY17 Current Budget	% Consumed	FY16 Year-to-Date Expenditure	FY17/FY16 Change	FY17/FY16 % Change
Citywide Program Expenditures						
Animal Services	\$ 7,173,879	\$ 9,503,450	75.5%	6,782,544	\$ 391,335	5.8%
Assessments To Public Property	719,754	634,684	113.4%	155,348	564,406	363.3%
Citywide Elections	4,421,446	4,173,583	105.9%	18,826	4,402,620	23385.8%
Corporate Master Leases Rent	12,830,492	12,287,669	104.4%	8,671,620	4,158,872	48.0%
Deferred Capital Debt Service	15,181,296	20,958,853	72.4%	15,248,736	(67,440)	-0.4%
Engineering and Capital Projects	80,397	250,000	32.2%	79,521	876	1.1%
General Fund Reserve	-	7,600,000	0.0%	-	-	0.0%
Insurance	1,564,447	2,094,644	74.7%	1,492,804	71,643	4.8%
Memberships	752,063	735,000	102.3%	687,472	64,591	9.4%
PL Claims Trans - Ins	10,800,000	10,800,000	100.0%	-	10,800,000	100.0%
Preservation of Benefits	44,411	1,500,000	3.0%	54,044	(9,633)	-17.8%
Property Tax Administration	242,765	4,430,636	5.5%	232,472	10,293	4.4%
Public Liability Claims Xfer-Claims Fund	14,400,000	14,400,000	100.0%	21,700,000	(7,300,000)	-33.6%
Public Liab Claims Xfer-Reserves	2,800,000	2,800,000	100.0%	5,800,000	(3,000,000)	-51.7%
Public Use Leases	1,582,144	1,582,144	100.0%	1,582,144	-	0.0%
Special Consulting Services	1,314,502	2,945,000	44.6%	1,340,271	(25,769)	-1.9%
Supplemental COLA Benefit	1,464,039	1,595,033	91.8%	1,599,656	(135,617)	-8.5%
Transfer to Capital Improvement Program	-	-	0.0%	1,265,000	(1,265,000)	-100.0%
Transfer to Park Improvement Funds	(33,020)	10,951,876	-0.3%	-	(33,020)	-100.0%
Transportation Subsidy	208,500	459,179	45.4%	208,500	-	0.0%
Total Citywide Program Expenditures¹	\$ 75,547,115	\$ 109,701,751	68.9%	\$ 66,918,958	\$ 8,628,157	12.9%

¹ Includes adjustments made in future periods

Other Budgeted Funds Revenue Status Report
As of Period 9, Ended March 31, 2017 (75% Completed)
(Unaudited)

	FY17 Year-to-Date Revenue	FY17 Current Budget	FY17 % of Current Budget	FY16 Year-to-Date Revenue	FY17/FY16 Change	FY17/FY16 % Change
Airports Fund	\$ 3,589,767	\$ 5,022,359	71.5%	\$ 3,417,505	\$ 172,262	5.0%
Automated Refuse Container Fund	828,353	900,000	92.0%	768,886	59,467	7.7%
Central Stores Internal Service Fund	6,909,642	13,363,176	51.7%	7,025,093	(115,451)	-1.6%
Concourse and Parking Garages Operating Fund	2,765,035	3,639,233	76.0%	3,306,230	(541,195)	-16.4%
Convention Center Complex Funds	13,453,874	13,407,993	100.3%	13,230,794	223,081	1.7%
Development Services Fund	50,965,146	57,304,677	88.9%	44,652,233	6,312,913	14.1%
Energy Conservation Program Fund	3,114,561	3,333,565	93.4%	2,060,462	1,054,099	51.2%
Engineering and Capital Projects	56,697,867	83,243,057	68.1%	50,325,347	6,372,520	12.7%
Environmental Growth Fund 1/3	2,254,030	5,500,676	41.0%	2,716,934	(462,904)	-17.0%
Environmental Growth Fund 2/3	4,471,646	11,008,352	40.6%	5,421,476	(949,830)	-17.5%
Facilities Financing Fund	1,546,953	2,408,887	64.2%	1,578,781	(31,828)	-2.0%
Fire/Emergency Medical Services Fund	9,341,860	12,344,106	75.7%	9,285,105	56,755	0.6%
Fire and Lifeguard Facilities Fund	1,387,559	1,383,570	100.3%	1,381,634	5,925	0.4%
Fleet Services Funds	60,172,021	80,068,330	75.2%	55,850,740	4,321,281	7.7%
Gas Tax Fund	16,480,996	24,719,725	66.7%	14,394,608	2,086,388	14.5%
GIS Fund	1,575,846	1,643,241	95.9%	1,550,415	25,431	1.6%
Golf Course Fund	11,706,440	18,750,847	62.4%	13,814,074	(2,107,634)	-15.3%
Information Technology Fund	10,570,442	10,552,747	100.2%	12,718,581	(2,148,139)	-16.9%
Junior Lifeguard Program Fund	4,644,603	595,053	78.1%	587,232	(122,629)	-20.9%
Los Penasquitos Canyon Preserve Fund	178,840	186,000	96.2%	144,250	34,590	24.0%
Maintenance Assessment District (MAD) Funds	17,481,869	23,174,508	75.4%	16,879,385	602,484	3.6%
Mission Bay/Balboa Park Improvement Fund	1,353,037	2,025,000	66.8%	1,419,855	(66,818)	-4.7%
Mission Bay Improvement Fund	159,304	8,213,907	1.9%	75,235	84,069	111.7%
New Convention Facility Fund	3,436,000	3,436,000	100.0%	3,402,611	33,389	1.0%
OneSD Support Fund	26,808,620	27,192,944	98.6%	26,615,555	193,065	0.7%
Parking Meter Operations	8,150,102	10,767,852	75.7%	8,023,239	126,863	1.6%
PETCO Park Fund	14,545,240	15,457,773	94.1%	16,063,014	(1,517,774)	-9.4%
Prop 42 Replacement - Transportation Relief Fund	2,807,719	3,226,733	87.0%	4,950,926	(2,143,207)	-43.3%
Public Art Fund	645,089	669,289	96.4%	222,365	422,724	190.1%
Public Safety Needs & Debt Service Fund	5,148,749	9,166,621	56.2%	6,015,016	(866,267)	-14.4%
Publishing Services Internal Fund	2,385,442	3,614,996	66.0%	2,386,616	(1,174)	0.0%
QUALCOMM Stadium Operating Fund	17,358,363	19,823,595	87.6%	14,762,369	2,595,994	17.6%

Continued on Next Page

Other Budgeted Funds Expenditure Status Report
As of Period 9, Ended March 31, 2017 (75% Completed)
(Unaudited)

	FY17	FY17	FY17	FY16	FY17/FY16	FY17/FY16
	Year-to-Date	Current	%	Year-to-Date	Change	% Change
	Expenditures	Budget	Consumed	Expenditures	Change	% Change
	\$	\$		\$	\$	
Airports Fund	2,763,390	5,079,170	54.4%	2,741,387	22,003	0.8%
Automated Refuse Container Fund	1,274,188	1,700,000	75.0%	649,469	624,719	96.2%
Central Stores Internal Service Fund	6,904,317	13,363,423	51.7%	6,718,527	185,790	2.8%
Concourse and Parking Garages Operating Fund	1,560,582	3,323,107	47.0%	1,323,093	237,489	17.9%
Convention Center Complex Funds	2,639,445	13,800,450	19.1%	12,963,451	(10,324,007)	-79.6%
Development Services Fund	4,491,087	59,687,224	75.2%	41,208,131	3,702,745	9.0%
Energy Conservation Program Fund	2,206,811	3,332,675	66.2%	1,691,640	515,171	30.5%
Engineering and Capital Projects	56,923,854	83,243,057	68.4%	49,673,070	7,250,784	14.6%
Environmental Growth Fund 1/3	6,319,211	8,665,144	72.9%	1,857,444	4,461,767	240.2%
Environmental Growth Fund 2/3	-	10,458,591	0.0%	-	-	0.0%
Facilities Financing Fund	1,842,675	2,408,887	76.5%	1,573,441	269,234	17.1%
Fire/Emergency Medical Services Fund	5,895,787	12,526,570	47.1%	5,935,584	(39,797)	-0.7%
Fire and Lifeguard Facilities Fund	693,575	1,388,781	49.9%	690,253	3,322	0.5%
Fleet Services Funds	70,624,924	155,641,164	45.4%	61,107,987	9,516,937	15.6%
Gas Tax Fund	17,214,660	25,878,454	66.5%	16,161,398	1,053,262	6.5%
GIS Fund	1,432,301	1,885,989	60.0%	1,554,212	(421,911)	-27.1%
Golf Course Fund	11,213,648	17,504,080	64.1%	12,013,370	(799,722)	-6.7%
Information Technology Fund	7,620,643	11,751,450	64.8%	7,747,700	(127,057)	-1.6%
Junior Lifeguard Program Fund	4,62,519	595,076	77.7%	456,301	6,218	1.4%
Los Penasquitos Canyon Preserve Fund	175,101	234,172	74.8%	168,338	6,763	4.0%
Maintenance Assessment District (MAD) Funds	16,361,071	38,501,110	42.5%	14,777,630	1,583,441	10.7%
Mission Bay/ Balboa Park Improvement Fund	2,019,003	2,322,364	86.9%	1,720,721	298,282	17.3%
New Convention Facility Fund	3,436,000	3,436,000	100.0%	3,405,000	31,000	0.9%
OneSD Support Fund	15,561,446	27,192,597	57.2%	13,374,791	2,186,655	16.3%
Parking Meter Operations	2,682,918	9,798,346	27.4%	2,429,878	253,040	10.4%
PETCO Park Fund	14,846,405	16,117,060	92.1%	16,419,389	(1,572,984)	-9.6%
Police Decentralization Fund	-	-	0.0%	2,458,813	(2,458,813)	-100.0%
Prop 42 Replacement - Transportation Relief Fund	6,868,992	16,085,284	42.7%	6,701,296	167,696	2.5%
Public Art Fund	103,803	715,265	14.5%	60,490	43,313	71.6%
Public Safety Needs & Debt Service Fund	4,515,516	9,166,621	49.3%	1,380,369	3,135,147	227.1%
Publishing Services Internal Fund	2,498,526	4,062,647	61.5%	2,378,357	120,169	5.1%
QUALCOMM Stadium Operating Fund	16,390,920	20,410,737	80.3%	14,625,141	1,765,779	12.1%

Continued on Next Page