

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: _____ REPORT NO: _____
ATTENTION: Council President and City Council
ORIGINATING DEPARTMENT: Financial Management
SUBJECT: Fiscal Year 2008 Mid-Year Appropriation Adjustments
COUNCIL DISTRICT(S): N/A
CONTACT/PHONE NUMBER: Nader Tirandazi/235.5880

REQUESTED ACTION:

1. Amend the Fiscal Year 2008 Appropriation Ordinance to authorize the City Comptroller to complete the following financial transactions.
 - a. Increase General Fund (100) expenditure appropriations by \$6,318,000 as follows:
 - i. \$1,392,000 in the Fire-Rescue Department (120) from additional revenues,
 - ii. \$4,926,000 in the Environmental Services Department (513) from these sources: additional departmental revenues of \$2,754,000 and \$2,172,000 from the General Fund unallocated reserve;
 - b. Transfer \$1,610,000 in salary appropriations from the Police Department (110) to the Fire-Rescue (120) Department;
 - c. Increase Publishing Services Internal Service Fund (50020) expenditure appropriations by \$1,016,177 from additional revenue of \$710,000 and the remainder from fund balance;
 - d. Increase the Golf Course Enterprise Fund (41400) expenditure appropriations by \$120,000 from fund balance;
2. Authorize the City Comptroller to establish a special fund for insurance proceeds to be received from property owners participating in the debris cleanup program; and
3. Authorize the reimbursement from that special fund to the General Fund (100) for debris removal expenses in an amount not to exceed \$2.5 million.

STAFF RECOMMENDATION: Approve the requested actions to amend the Fiscal Year 2008 Appropriation Ordinance and to authorize the City Comptroller to complete the financial transactions listed in this report.

EXECUTIVE SUMMARY: The Mid-Year Budget Monitoring Report, #08-005, presented to the Budget and Finance Committee on January 30, 2008 recommended appropriations adjustments based on year-end projections. Those recommendations, modified to advance the most critical departmental needs, include only wildfire-related over-budget General Fund expenses and non-general funds that require adjustment prior to the Year-End Report.

GENERAL FUND

Fire-Rescue

The Fire-Rescue Department requires a \$3.0 million increase in expenditure appropriations to be funded by \$1.4 million in additional revenues and a transfer of \$1.6 million in salary appropriations from the Police Department. The expenditure increases are to fund over budget staff overtime and associated fringe for approximately \$1.8 million and non-personnel expenditures including portable radios, fire suppression foam, brush gear, rented fire engines,

meals, transportation, hoses, fittings and nozzles associated with the response to the wildfires totaling approximately \$2.0 million. Excess revenue of \$800,000 has been received from other agencies for mutual aid agreement services provided during the wildfires. The remaining \$592,000 revenue increase is additional revenue from emergency medical services reimbursements due to increased Fire-Rescue personnel staffing ambulances.

Environmental Services

A \$4.9 million increase in expenditure appropriations is required for the Environmental Services Department in order to fund debris removal services provided to wildfire impacted city residents. The estimate for this service has increased to a total of \$9.4 million (a \$1 million increase) since the issuance of the Mid-Year Budget Monitoring Report. Of the \$9.4 million cost, \$3.0 million has already been approved by Council and \$1.5 million is estimated to be absorbed by the department. The requested \$4.9 million expenditure increase will be funded by \$2.8 million in additional revenue anticipated to be reimbursed from the State and approximately \$2.2 million from the General Fund unallocated reserves.

Authority is also requested to establish a special fund to receive and reimburse the General Fund in an amount not to exceed \$2.5 million with insurance proceeds from property owners participating in the debris cleanup program. The insurance proceeds received from property owners will be deducted from the total costs eligible for reimbursement by the Federal Emergency Management Agency (FEMA) and the State.

NON-GENERAL FUND

Publishing Services Internal Service Fund

A \$1.0 million increase in expenditure appropriations and a \$710,000 increase in revenue appropriations is requested for the Publishing Services Internal Service Fund due to increased requests for publishing services. The remaining expenditure increase is supported by revenues already budgeted in excess of the expenditure budget.

Golf Course Enterprise Fund

The Golf Course Enterprise Fund requires a \$120,000 increase in expenditure appropriations for additional maintenance staff to prepare for the 2008 US Open. This expenditure increase is supported by revenues already budgeted in excess of the expenditure budget.

FISCAL CONSIDERATIONS: The net impact of the General Fund adjustments requested is an appropriation from the unallocated reserves of approximately \$2.2 million. Adjustments are also requested for the Publishing Services Internal Service Fund and Golf Course Enterprise Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: Budget and Finance Committee review on January 30, 2008.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None

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