



CITY OF SAN DIEGO

COUNCIL PRESIDENT PRO TEM SHERRI S. LIGHTNER, DISTRICT ONE

COUNCILMEMBER MYRTLE COLE, DISTRICT FOUR

COUNCILMEMBER DAVID ALVAREZ, DISTRICT EIGHT

COUNCILMEMBER MARTI EMERALD, DISTRICT NINE

JOINT BUDGET MEMORANDUM

DATE: January 17, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Sherri S. Lightner

Councilmember Myrtle Cole

Councilmember David Alvarez

Councilmember Marti Emerald

SUBJECT: Fiscal Year 2015 Proposed Budget Priorities

San Diego is made up of a number of diverse communities, all of which have different characteristics that make them unique and valuable to the rest of the City. It is this fabric of diverse communities made up of even more neighborhoods that makes San Diego strong. As such, our offices are pleased to collaborate on a joint budget proposal that has a primary focus of prioritizing the needs of neighborhoods throughout the entire city. Every community deserves to have resources that their tax dollars pay for, such as adequate fire-rescue, police and lifeguard services, streets that are paved and also well lit by streetlights, safe sidewalks, libraries, parks and many more services. For far too long, the City budget has not reflected equality to all areas of San Diego. This proposed budget aims to put an end to that and focus on neighborhoods first.

The following are our priorities for additional funding in the Fiscal Year 2015 Budget:

Priorities for Ongoing Funding:

Public Safety:

- **San Diego Police Department Five Year Plan:** \$2,300,000 in additional funding for FY15 to continue implementing the Five Year Plan that was unanimously approved by Council on November 5, 2013. Over the past several years, our Police Department's budget has been reduced in many areas, including personnel and equipment. This Five Year Plan will begin rebuilding the police department and will create safer neighborhoods throughout the city. The funding includes \$1,100,000 for 16.0 FTE sworn positions and \$1,200,000 for 16.0 FTE civilian positions for a total of \$2,300,000.
- **Fire-Rescue Department implementation of Citygate recommendations for new fire stations:** \$3,621,637 in FY15 to move forward with the recommendations contained in the Citygate report regarding the addition of new fire stations to improve fire-rescue coverage, citywide. Three new fire stations are anticipated to be added within the next five years—Eastside Mission Valley, Home Avenue, and Skyline Hills. The FY15 Budget must include operating and maintenance costs for the Eastside Mission Valley Fire Station, which is anticipated to open in FY15. The cost includes the addition of 12.0 FTEs. The new fire stations will improve fire safety within the City by reducing delays and service deficiencies in response to fire and medical emergencies.
- **Lifeguard Boating Safety Unit:** \$554, 812 to fund one Boating Safety Unit (BSU) Lifeguard III position 24 hours a day, 7 days a week. This is the equivalent of 4.0 FTEs. This increase in staffing is needed because there has been no increased staffing at the BSU for over 25 years, while duties, responsibilities and Lifeguard safety issues have increased significantly. This position will provide much needed staffing for operations during the day and also improve staffing during emergencies on nighttime responses.
- **Brush Management:** \$924,000 for the proactive Brush Management Program, which decreases the risk of wildfire by thinning out vegetation that could become increasingly flammable over years of drought. The program was developed and implemented in 2008 by the Fire-Rescue Department as a result of the 2007 wildfires. Prior to 2008, the Department responded to citizen complaints only. The Park and Recreation Department manages and conducts brush management in the City's open space lands. Brush Management contractual costs have increased from \$2,051 per acre to \$5,720 per acre since the expansion of the program in 2008. The contract covers 300 of the 452 acres required to be thinned annually. The remaining acreage is managed by City staff and budgeted contracts with non-profit groups. The addition of funds will enable the Park and Recreation Department to continue brush management services as required by the City's brush management policy.

- **Skyline Drive Temporary Fire Station:** \$2,741,637 for the addition of personnel and non-personnel expenditures related to a temporary fire station to be located at the intersection of Skyline Drive and Sychar Road. The FY 2015 costs include \$1.5 million for personnel for 12.0 FTEs, \$0.8 million for a new fire engine, and \$0.4 million for demolition and setup costs of the temporary station.
- **Chollas Lake Park Ranger:** \$80,456 for one Park Ranger to patrol Chollas Lake Regional Park, consistent with other regional parks, to address quality of life issues that are currently being handled by Police. The total cost for one (1) Park Ranger for one year including PE, NPE and a onetime outlay for a vehicle is \$80,456. *(Please note that for future years, the cost decreases to \$50,456 when you subtract the onetime cost of \$30,000 for a vehicle.)*
- **La Jolla Shoreline Park Ranger:** \$80,456 for one Park Ranger to patrol the La Jolla coastline to address quality of life issues that are currently being handled by Police and Lifeguards, resulting in both departments being called away from their primary missions to respond to issues that could better and more cost-effectively be addressed by a Park Ranger. The total cost for one (1) Park Ranger for one year including PE, NPE and a onetime outlay for a vehicle is \$80,456. *(Please note that for future years, the cost decreases to \$50,456 when you subtract the onetime cost of \$30,000 for a vehicle.)*

Community Services:

- **Park and Recreation New Facilities:** \$566,187 for the addition of personnel and non-personnel expenses for new park facilities anticipated to open during FY 2015.
 - \$566,187 is needed for the new facilities, including Montgomery Academy, Civita Central Park, Cabrillo Heights Neighborhood Park, Canyonside Community Park, Cypress Canyon Community Park, Ed Cramer Park, Gonzales Canyon Neighborhood Park, Mira Mesa Community Park, Wedgeforth Elementary, Creekside Park, Morley Green, and Angier Elementary.
 - An additional \$352,000 will be needed in future years for the ongoing operations and maintenance of additional facilities for which we are advocating one-time construction costs in this memo, including Pacific Breezes Neighborhood Park (\$218,000), Riviera del Sol Neighborhood Park (\$63,000), Hidden Trails Neighborhood Park (\$48,000) and Wightman Street Neighborhood Park (\$23,000).
- **Library Hours:** \$1,707,941 for the addition of personnel expenses to increase Central and Branch Library hours. This item provides funding to increase Central Library hours by three bringing the total to 52 hours per week and Branch Library hours by four to reach a core library schedule of 48 hours per week.
- **Homelessness Services:** \$1,900,000 for outcomes-focused services and critical program enhancements that result in the most effective use of our resources and a coordinated

system to help end homelessness, including an enhanced single adult winter shelter and veterans winter shelter, a Homeless Management Information System, Serial Inebriate Program expansion, enhancement of the Neil Good Day Center services and Homeless Outreach Team, a homeless transitional storage facility and Connections Housing Downtown gap funding.

- **La Jolla Cove Cleanup:** \$100,000 for the ongoing cleanup of accumulated bird guano along the bluffs at La Jolla Cove. Odor-neutralizing treatments will be applied on an as-needed basis, likely before and after bird nesting season each year, at a cost of approximately \$50,000 per treatment.

Operational Needs:

- **City Clerk:** \$174,135 for the addition of revenue, personnel and non-personnel expenditures related to projects the Office of the City Clerk is required to implement. The projects to be implemented include:
 - New master record schedule
 - Records Retention Management Program
 - City Council chamber upgrades
 - NetFile contract increase
 - Passport Acceptance Facility Program
 - Scanning operations
 - Election support
- **Civil Service Hiring Improvements:** \$566,998 for 8.0 FTEs in the Personnel Department to improve the civil service hiring process and decrease the amount of time it takes to hire city employees by setting up a background check and medical one stop shop and adding personnel to the recruitment and exam management section. This is critical to make sure existing vacancies in each city department are filled in a timely manner and are not eliminated from the budget. Doing so will help the City to provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. For example, the Neighborhood Code Compliance Department currently has 13 vacant positions that must be filled in FY15.
- **Improvement of Government Operations:** \$1,158,962 in additional revenue for the Improvement of Government Operations Plan as approved by City Council on October 28, 2013. Expenditure additions include funding for a management academy, efficiency study, and personnel expenses for the following positions:
 - 3.0 FTE Deputy Chief Operating Officers
 - 3.0 FTE Executive Secretaries
 - FTE Planning Director
 - FTE Assistant Planning Director

Partially offsetting the increased expenditures is a projected increase in General Government Services Billing (GGSP) revenue allocations to the General Fund, which will increase as a result of the implementation of this plan. Additionally, this plan included the reduction of three positions that assisted in offsetting the projected additional expenditures.

- **Department of Information Technology:** \$233,890 to address critical needs, including capital lease reduction, public safety communication equipment and other information technology operating needs.
- **Open Data Policy:** \$76,672 for the addition of 1.0 FTE Program Manager (Chief Data Officer) to support the City Council's request to establish an open data program.

City Commitments:

- **Climate Action Plan:** \$122,210 for a Program Manager (1.0 FTE) to move the Climate Action Plan forward and track its progress and success. The Mayor's Office and the City Council's Committee on the Environment have held a number of hearings regarding the process of updating the City's Climate Action Plan (CAP). The CAP is a critical step in implementing policies that will allow the City to prepare for the known impacts of climate change. Once approved, the CAP will require staffing to allow for coordination among city departments and community partners.
- **Living Wage Ordinance:** \$230,000 for the addition of 2.0 FTEs, including fringe, for a Program Manager and Senior Management Analyst to perform monitoring and ensure compliance with the newly expanded living wage program that was approved by the Economic Development and Intergovernmental Relations Committee in January 2014 and is anticipated to be approved by Council in February 2014.
- **Neighborhood Parking Protection Ordinance:** \$1,473,097 to implement the Neighborhood Parking Protection Ordinance, which amends the municipal code to prohibit the overnight parking of oversized, non-motorized, and recreational vehicles throughout the entire City of San Diego. Permits will be issued to residents or their guests to allow them to park oversized, non-motorized, and recreational vehicles on the street for up to 72 hours in order to prepare/unload the vehicles. Additional funding is required to implement and enforce the Neighborhood Parking Protection Ordinance; at the same time, additional revenue is expected from permitting fees and citation fines in the amount of \$2,826,667 that will offset the costs to implement the ordinance.
- **Prevailing Wage Ordinance:** \$608,904 to implement the expanded prevailing wage program approved by Council in 2013. The Prevailing Wage Program ensures that the City complies with federal labor wage laws for projects receiving federal funds and State prevailing wage laws for projects receiving State funds. Additionally, at the inception of the program, the City was required to be in compliance with the State's prevailing wage

laws on all water and/or sewer fund projects whose estimated construction costs exceed \$10.0 million. San Diego Municipal Code §22.3019 expanded the Prevailing Wage Program in July 2013 to apply the State's prevailing wage laws to all City projects that are "public works" within the meaning of the State prevailing wage law. The addition of expenditures and positions in the Purchasing & Contracting Department would support the additional workload resulting from the expansion of the program.

- **Property Value Protection Ordinance:** \$67,804 to increase compliance with the Property Value Protection Ordinance, which requires all lenders to register defaulted and foreclosed residential properties within the City of San Diego. The ordinance also requires code enforcement officials to track, inspect and monitor these properties so they do not fall into neglect and further lower property values. The addition of 1.00 Zoning Inspector 2 in the Development Services Department is needed to assist with the program. The addition of revenue is anticipated through fines levied for non-compliance.

One Time Costs:

Public Safety:

- **Police Equipment:** \$867,000 for equipment identified in the SDPD Five Year Plan, including 12 new police vehicles at a cost of \$732,000 and equipment for new recruits at a cost of \$135,000 for a total of \$867,000.
- **Police Retention Program:** \$2,000,000 for department recruitment and retention programs to be determined by the San Diego Police Department in cooperation with the San Diego Police Officers Association.
- **Relocation of Park and Rec Carpenter Garage from Lifeguard Headquarters:** An estimated \$200,000 to relocate the Park and Recreation Department's Carpenter Garage out of Lifeguard Headquarters at Quivira Basin in order to create a centralized location in Mission Bay for marine-related public safety operations involving Lifeguards, Coast Guard and Police.

Infrastructure:

- **Street Resurfacing:** \$3 million to resurface approximately six additional miles of streets identified in the street condition assessment survey as critical priorities for resurfacing.
- **Sidewalks:** \$2 million to construct sidewalks as determined by the sidewalk condition assessment to be the most critical for public safety.

- **Streetlights:** \$1 million to install approximately 100 streetlights citywide in areas with the most urgent public safety needs for additional streetlights, as identified in the Street Division streetlight unfunded needs list. Street lighting can be an important tool in combating crime, as well as increasing safety for motorists and pedestrians. Considerable savings can be achieved by locating new lighting fixtures on existing poles, where available.

- **Ocean View Hills Park Acreage:** The Ocean View Hills community has three shovel-ready park projects that have a temporary funding gap totaling approximately \$11 million. Each project is under the Otay Mesa Facilities Benefit Assessment. Due to the fact they are FBA funded, the opportunity for reimbursement to the city for project costs in the future exists, decreasing the actual city cost of funding for these specific projects. Using existing funds to fill the funding gap to construct these parks would create approximately 24 acres of parkland in this area of the city and provide an immediate benefit to the community.
 - **Pacific Breezes Neighborhood Park:** This project constructs a 15 acre community park in Ocean View Hills that includes lighted softball fields, playground areas, comfort station, concession stand, storage, off-street parking, turf areas, picnic shelters, benches, drinking fountain and storm water detention areas. The project is permit-ready. Construction documents are complete and ready to go to bid.
 - Total Cost: \$16,450,000
 - Additional Funding Required: \$5,516,028

 - **Riviera Del Sol Neighborhood Park:** This project constructs a 4.9 acre neighborhood park in Ocean View Hills that includes turf areas, playground areas, a basketball court, benches, a drinking fountain, exercise stations and a storm water detention area.
 - Total Cost: \$6,400,000
 - Additional Funding Required: \$2,850,000

 - **Hidden Trails Neighborhood Park:** This project constructs a 3.9 acre neighborhood park in Ocean View Hills that includes multi-purpose courts, children’s play areas, comfort station, turfed areas, picnic facilities, walkways, security lighting, landscaping and storm water detention areas. The consultant design for this project is currently in the process of being executed.
 - Total Cost: \$5,340,000
 - Additional Funding Required: \$2,920,000

- **Wightman Street Neighborhood Park, CIP S00767.** \$969,366 to build a new neighborhood park on an approximately one acre City-owned site at 5024 Wightman St. in the Fox Canyon community. This park is in a community that is severely park deficient. The park would provide a play area, basketball courts, picnic area, trails, landscaping, etc. The project would also provide creek enhancements to support

habitat on a tributary of Chollas Creek that flows through the site. The total additional funding requested for construction of the park is \$969,366. *(Note: the remainder of the \$3,186,000 needed for design and construction of the park has been/will be allocated from non-general fund sources)*

Community Services:

- **Citywide Tree Trimming:** During the FY13 Mid-Year Budget deliberations, the City Council appropriated \$300,000 to support citywide tree maintenance within the public right-of-way. Unfortunately, delays with contracting have occurred, and this service was not carried out. This service should be delivered in FY15.
- **Coastal Management Plan:** An estimated \$200,000 to hire expert consultants to develop a coastal management plan to address the proliferation of marine mammals and seabirds along the City's coast, particularly in La Jolla Cove.
- **Youth Services and Education-Related Development:** \$300,000 to support youth services and education-related development, including the Connect2Careers Hire-a-Youth Program and other programs. \$200,000 is to support the San Diego Workforce Partnership program that pairs young adults (ages 16 – 21) with local employers to provide paid summer jobs to participants. In addition, we would recommend that a Youth Advisor position be created in the FY15 budget to advise the Mayor and Council on youth related policy and practices and to assist in coordination with regional youth services.

Operational Needs:

- **Charter Review Committee:** approximately \$210,000 for the City Council to form a charter review committee to make recommendations on updates needed to bring the San Diego City Charter into the 21st Century. Over the past few years there have been various charter related issues that have arisen that indicate a need to revise and update the City Charter. As such, the City Council should form a Charter Review Committee to provide recommended changes to the Mayor and City Council. Some funding will be required to provide staffing to the committee, including \$160,000 for an IBA Fiscal and Policy Analyst (1.0 FTE) and approximately \$50,000 for a Committee Assistant in the Council Administration Department (0.5 FTE) for a total of approximately \$210,000.

Potential Revenue Sources:

In order to fund the proposed projects, programs, and services recommended above, we have identified the following areas in which additional revenue can be generated in order to offset our additional budget recommendations. While we recommend adjustments to several

revenue sources and the General Fund reserve, we acknowledge the importance of budget flexibility and maintaining a healthy reserve level of no less than 12% of the General Fund.

- **Increase to Property Tax Base:** \$1,000,000 can be generated by increasing the assumptions on the property tax revenue.
- **Adjust Property Tax Growth Rate from 3.5% to 4.0%:** \$1,500,000 can be generated by increasing the projected property tax growth rate from the conservative 3.5% projection to a 4.0% projection.
- **Additional Annual Property Tax Revenue from Redevelopment Property Tax Trust Fund (RPTTF):** Per the dissolution of California redevelopment agencies, the City receives additional property tax revenue from the RPTTF (formerly tax increment). In FY13, the actual residual distribution to the City was \$8,500,000. These distributions are anticipated to increase over time. We have included \$6,500,000 in our revenue projection.
- **Adjust Sales Tax Growth Rate from 4.5% to 5.0%:** \$1,500,000 can be generated by increasing the projected sales tax growth rate from the conservative 4.5% projection to 5.0%.
- **Reduced Workers' Compensation Reserve Contribution:** \$5,400,000 in savings to the General Fund can be generated if \$31,800,000 in revenue in excess of the 12% reserve level is placed in the workers' compensation reserve.

Please note that this memo serves as a starting point for discussion. Similar to the Five-Year Financial Outlook presented and analyzed last year by the Interim Mayor and by your office, we also anticipate a budget deficit in the coming year, although we are optimistic that our financial condition will improve as we near year-end. We look forward to receiving the mid-year financial reports and stand prepared to work to continue to find organizational efficiencies, streamline city processes, identify new savings from lease renegotiations, new corporate partnerships, and other efforts. We look forward to the collaborative work ahead to weigh the numerous competing priorities in order to deliver a balanced and responsible budget.

Thank you for your consideration of these budget priorities and options for revenue generation. See Attachment A for details.

FISCAL YEAR 2015

GENERAL FUND REVENUES	
Financial Management Baseline Budget	1,216.2
GENERAL FUND EXPENDITURES	
Financial Management Baseline Budget	1,235.3
SURPLUS/(DEFICIT)	
(19.1)	
RECOMMENDED REVISIONS TO GENERAL FUND BASELINE REVENUES	
<u>Ongoing Sources:</u>	
Enterprise Zone Dissolution Revenue Reduction	(0.4)
Neighborhood Parking Protection Ordinance	2.8
Property Value Protection Ordinance	0.1
DMV/Collection Referral Fee Increase	0.3
Increase to Property Tax Base	1.0
Adjust Property Tax Growth Rate from 3.5% to 4.0%	1.5
Additional Annual Property Tax Revenue from RPTTF	6.5
Adjust Sales Tax Growth Rate from 4.5% to 5.0%	1.5
Reduced Workers' Comp Reserve Contribution*	5.4
Savings from Actuarially Determined Contribution (ADC)	12.0
Use of TOT Fund Balance	4.6
TOTAL	
35.3	
REVISED GENERAL FUND BASELINE REVENUE	
1,251.5	

*Revenue in excess of 12% reserve level (\$31.8M) is placed in Workers' Comp Reserve

RECOMMENDED REVISIONS TO GENERAL FUND BASELINE EXPENDITURES	
<u>Additions to FM Baseline:</u>	
Storm Water Compliance O&M ¹	9.9
Storm Water Compliance Debt Service ²	1.0
Natural Resources Management Plans	0.1
Federal Mandates	11.0
Mobile Home Park Code Enforcement	0.1
State Mandates	0.1
TOTAL ADDITIONS TO BASELINE	
11.1	
REVISED GENERAL FUND BASELINE EXPENDITURES	
1,246.4	
REVISED SURPLUS/(DEFICIT)	
5.1	

¹ Includes CLRP and flood risk management activities, related to M&R, and code compliance officer in DSD

² Estimated debt service for planned/authorized Deferred Capital Bond funding for CIP needs as outlined in Enhanced Option B only. Does not address unfunded CIP needs.

NON-DISCRETIONARY GENERAL FUND EXPENDITURES (ONGOING)	
<u>Public Safety and Infrastructure:</u>	
Implementation of Police Five-Year Plan	2.3
Implementation of City Gate	3.6
Interim Skyline Hills Fire Station	2.7
Lifeguard Five-Year Plan (Boating Safety Unit)	0.6
Regional Park Ranger Program: Coastal Beaches and Chollas Lake	0.2
Brush Management	0.9
10.2	
<u>City Commitments:</u>	
Prevailing Wage Compliance	0.6
Neighborhood Parking Protection Ordinance	1.5
Property Value Protection Ordinance	0.1
Climate Action Plan Staffing and Implementation	0.1
2.3	
<u>Operational Needs:</u>	
Improvement of Government Operations Plan	0.7
Information Technology	0.3
City Clerk	0.2
Chief Data Officer/Open Data Program	0.1
1.3	
<u>Community Services:</u>	
Increase to Library Hours	1.7
Park and Recreation New Facilities	0.6
La Jolla Cove Clean-up	0.1
2.4	
TOTAL PRIORITY SERVICES/PROGRAMS OPERATING EXPENDITURES (ONGOING)	
16.2	
NON-DISCRETIONARY GENERAL FUND EXPENDITURES (ONE-TIME)	
<u>Public Safety and Infrastructure:</u>	
Critical Police Equipment	0.9
Police Recruitment and Retention Program	2.0
Relocation of Park and Recreation Carpenter Garage from Lifeguard Headquarters	0.2
Street Resurfacing	3.0
Sidewalks	2.0
Streetlights	1.0
Ocean View Hills Park Acreage General Fund Advance of FBA	11.0
Wightman Street Neighborhood Park	1.0
21.0	
<u>Operational Needs:</u>	
Charter Review Committee Support	0.2
0.2	
<u>Community Services:</u>	
Coastal Management Plan	0.2
Youth Services and Education-Related Development	0.3
Citywide Tree Trimming	0.3
0.8	
TOTAL PRIORITY SERVICES/PROGRAMS OPERATING EXPENDITURES (ONE-TIME)	
22.0	
TOTAL PRIORITY SERVICES/PROGRAMS OPERATING EXPENDITURES	
38.2	
REVISED SURPLUS/(DEFICIT)	
(33.1)	



**COUNCILMEMBER KEVIN L. FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT**

M E M O R A N D U M

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Kevin L. Faulconer
SUBJECT: Fiscal Year 2015 Budget Priorities

Thank you for the opportunity to provide my 2015 budget priorities which continue to reflect the greatest needs of our neighborhoods. San Diego must invest in repairing its crumbling streets, sidewalks, and community infrastructure while continuing to make public safety a top priority to protect our neighborhoods and quality of life.

I remain committed to the financial reforms such as managed competition that have put San Diego back on sound financial ground and will continue to create the financial savings necessary to pay for the restoration of these vital neighborhood services. As San Diego continues to emerge from the economic troubles of the past decade, it is even more critical that the City reaffirms its commitment to the financial reforms that have allowed for steady restoration of neighborhood services and will ensure a sustainable path forward.

Eliminating Waste and Identifying Efficiencies through Managed Competition

Managed competition was overwhelmingly approved by voters in 2006 and is a proven method for identifying departmental efficiencies that save taxpayers millions of dollars that can be reinvested into vital neighborhood services. To recognize additional savings, it is imperative to prevent any further delays in the implementation of this critical program.

Repairing Streets and Neighborhood Infrastructure

As financial crises and unsustainable pension benefits took tax dollars away from San Diego communities, the City of San Diego developed a backlog of neighborhood repairs estimated to be as high as \$3 billion. The City Council must continue to make infrastructure repair a top priority.

- **General Fund Asset Management Coordinator**

Historically the City did not adequately maintain infrastructure assets and delayed critical maintenance. Different asset owning departments did not coordinate, and the City did not effectively maximize scarce resources. Delaying maintenance for extended periods of time can lead to more expensive emergency repairs. To ensure the City is properly maintaining all of its infrastructure assets cost effectively and to increase accountability and coordination, it is imperative to create a position that has oversight over the City's entire General Fund infrastructure inventory.

- **Fund Street and Facility Needs Assessments**

Critical needs assessments are essential to understanding the depth and complexity of the City's infrastructure needs and better plan for the future. The City needs up-to-date facilities and street condition assessments.

- **Invest in Critical Maintenance and Repair**

To prevent further deterioration in the City's assets, the City must increase its investment in maintenance and repair consistent with the City Council approved five year spending plan, plus additional resources for facility maintenance to bring funding levels closer to recognized best practices.

Rebuild the San Diego Police Department

The dire recruitment and retention challenges faced by the San Diego Police Department highlight the immediate need for increased investment in the City's policing function. The department is struggling to retain officers and currently needs additional sworn and civilian personnel to meet appropriate staffing levels and after years of service reductions in the department, it is critical to prioritize opportunities discussed in the department's five-year plan to enhance operations and officer retention.

Reduce Emergency Response Times

The City is not consistently meeting its emergency response time goals. In 2011, the City hired an independent consultant, Citygate, to analyze Fire-Rescue staffing and response times. The

Andrea Tevlin, Independent Budget Analyst

January 17, 2014

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Citygate report provided important insight to reduce emergency response times so that San Diegans have greater confidence that emergency crews will arrive in the required time. To ensure progress is made to reduce emergency response times, I support funding a temporary fire station in Skyline and providing the funds necessary to staff the Eastside Mission Valley Fire Station and Home Avenue Fire Station. I believe the Fire-Rescue Department should pursue the implementation of a fast response squad pilot program to further improve emergency response times.

Enhance Government Transparency and Efficiency with Technology

There is a great opportunity for the City of San Diego to enhance public access while improving the City's ability to make informed decisions that maximize scarce resources. The City is years behind in its ability to apply technology which inhibits economic growth in the private sector, limits effective resource management at the City as well as the accessibility of information and data available to the public.

- **Chief Data Officer**

A Chief Data Officer would allow the City to more effectively incorporate objective data and information into its decision making to better utilize taxpayer funds. The Chief Data Officer could examine the relationship between functioning street lights and crime rates, enhancing the City's ability to make complex connections. Increased awareness would allow the City to more effectively spend taxpayer dollars. Additionally, the Chief Data Officer would enable the City to enhance public access and transparency by more effectively communicating data. For example, the City currently funds street repair through multiple sources, but there is no central location that contains all of the funding available for street repair. The Chief Data Officer would increase the City's ability to effectively compile and communicate information so the public can easily access and digest this information.

- **Revamp the City's Website**

The City's website is challenging to navigate and has not kept up with changing technology. It is critical that the City invests in the initial process to revamp its website to improve online permitting, availability of City data and information, and enhanced mobile application functions to more effectively communicate with the public.

I look forward to working with my colleagues to achieve these goals and continue to keep our City on stable financial ground.

KLF:kj



**OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Council President Todd Gloria, Third Council District *Todd Gloria*
SUBJECT: Council District Three Budget Priorities for Fiscal Year 2015

The following items are my priorities for the FY 2015 City budget. I offer these recommendations with fiscal constraint in mind as we continue to maintain and protect core City services, while developing long term solutions to address our financial obligations and strengthen the City's fiscal integrity. I further offer these recommendations while advocating for continued reforms that will result in efficiencies, improved quality of life, taxpayer savings, and economic growth. These budget priorities are in line with my priorities established in past years, which champion Public Safety, Neighborhood Services, Job Creation/Economic Development, Homeless Prevention, and Responsible Governance.

FY 2015 BUDGET PRIORITIES

PUBLIC SAFETY: POLICE, FIRE-RESCUE, INFRASTRUCTURE, CODE COMPLIANCE, ETC.

Public safety must always be the City's top priority. I support a budget with increased investments in our public safety professionals who perform tremendous services daily. I further support a budget with a focus on long-term investments to address the City's deteriorating infrastructure, which continues to be our greatest challenge.

- **Police.** The Police Department's Five-Year Plan (FY 2014 – FY 2018) was approved by City Council on November 5, 2013 as a framework to begin the process of rebuilding the Department in the areas most impacted by past budget reductions. The plan includes \$66 million of both personnel and equipment needs over five years, including 142 sworn positions and 96 civilian positions. Our public safety plans are the most important of the City's multi-year needs assessments. However, given the projected deficit in next year's budget, difficult decisions must be made and incremental progress toward the goals laid out in this plan will necessary. Though full implementation is likely fiscally unfeasible in five years, I support a budget which incrementally adds sworn and civilian positions each year, making progress toward these targets. It is critical that any new positions added are also supported with correlating funding levels for new recruit equipment and vehicles.

Additionally, annual maintenance costs to support the replacement of the Computer Aided Dispatch (CAD) system will be necessary beginning in FY 16. I support the inclusion of these essential costs in future year's budgets.

- **Fire-Rescue.** We have learned painful lessons from the tragic wildfires and the decommissioning of fire engines and must invest as much as we can in fire prevention and fighting resources. In particular, new fire stations are necessary to reduce delays and service deficiencies in response to fire emergencies in the City. I support the construction of the three new fire stations identified for funding in the Deferred Capital Bond Three. Additional funding for personnel and non-personnel operating expenditures will be necessary to support these new facilities. I support a budget that includes these additional operating expenses, estimated at \$3,621,637 in FY 15.
- **Infrastructure.** Improving the city's infrastructure will continue to be one of my top priorities in FY 15. San Diegans are tired of driving over potholes and tripping over sidewalks, and smooth roads and reliable sewer and water pipelines are critical public safety issues. The Council's passage of Deferred Capital Bond Three is another step in the right direction, and I continue to support our long-term deferred capital projects bond program. I urge the public to provide input on what infrastructure improvements make sense for San Diego through our ongoing community workshops as we develop the City's first Multi-Year Infrastructure Plan. The City's sidewalk assessment, now underway, will also provide an unprecedented evaluation of the conditions we are facing. These condition assessments provide thorough and cost-effective analyses of building and other infrastructure conditions, assist in prioritizing projects, and help us to develop funding plans for all infrastructure needs. I support the continued allocation of one-time resources to perform condition assessments.

These focused investments and systemic reform will take us one step closer to achieving a sustainable capital infrastructure and maintenance program so that the City no longer falls behind in caring for its assets. Councilmember Kersey has done an excellent job leading this charge through his Chairmanship of the Infrastructure Committee. I look forward to continuing to work with and support him in this role. To remain economically competitive, we must also continue to work together to develop a comprehensive long term solution for how we will pay for the remaining infrastructure upgrades. I look forward to working with my Council colleagues on this agenda in the year ahead.

- **Neighborhood Code Compliance.** The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, noise, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. For too long, the staffing levels in the Division have been dismal and enforcement priorities have been adjusted downward to keep pace, particularly in enforcing conditional use permits. I ask that the resource capacity of the department be analyzed and considered for additional funding in FY 15. I also recommend that staff reestablish a working group to update noise regulations in urban areas, which continues to be an issue in my District.

NEIGHBORHOOD SERVICES: LIBRARIES, PARKS AND RECREATION, ETC.

The coming year's budget must prioritize critical services that are key to quality of life, especially in older, urban areas of the City. The public has indicated they will no longer accept reduced levels of neighborhood services. The FY 15 budget should seek to restore and improve the current levels of these critical community services to citizens, and there should be absolutely be no reduction of hours or personnel at parks and recreation centers or libraries.

- **Libraries.** It is clear that the public highly values these facilities. I would support a budget that increases Central Library operating hours by three, bringing the total to 52 hours per week, and increases Branch Library operating hours by four, to reach a core library schedule of 48 hours per week. This includes an additional \$1,707,941 in personnel expenses per year. Service levels at libraries can also be improved by filling vacancies in a timely manner. Finally, I recommend funding for additional electronic resources.

- **Parks and Recreation Centers.** There are numerous community benefits created by parks and recreation centers. They make communities desirable places to live, work, play, and visit, thereby contributing to the ongoing economic vitality of communities throughout our country. The programming promotes healthy lifestyles, deters crime, and helps our youth develop into contributing members of our communities; and the greenways and open spaces are critical components to protecting and preserving our natural environment. For these reasons, I would support a budget that increased operating hours at the City's recreation centers. Service levels at recreation centers can also be enhanced by immediately filling vacancies. I request that the department be fully staffed and resourced at its budgeted levels in FY 15.
- **Urban Forestry Program/Citywide Tree Maintenance.** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District. Recommendations for a Citywide Urban Forestry Program and funding for uniform maintenance of trees on public property should be included in the FY 15 budget. This includes an Urban Forestry Coordinator position, requiring about \$150,000 in personnel and related non-personnel expenses, and an additional \$100,000 for Citywide tree maintenance.

JOB CREATION AND ECONOMIC DEVELOPMENT: REDEVELOPMENT, LAND USE, AFFORDABLE HOUSING

- **Redevelopment and Civic San Diego.** The City continues to face fiscal challenges as a result of the dissolution and unwinding of the City's Redevelopment Agency, and the City has lost a dedicated funding source for neighborhood investment, blight removal, and revitalization. I encourage the City Council to approve the corresponding amendment to the Civic San Diego Consulting agreement, which will allow them to continue the work of the former Redevelopment Agency, expand economic development opportunities throughout the City, and support future applications for Federal New Market Tax Credits and other innovative financing sources. I also encourage granting Civic San Diego additional one-time resources for long range planning and community outreach, as well as \$75,000 for an adaptive reuse study for the old library to ensure that we bring this building back to a useful life for the community and re-activate the block.
- **Community Plan Updates.** I would support a budget that recommends continued funding for the updating of community plans. These plans serve as community-specific "Land Use Constitutions" and establish the vision for long-term growth. As we continue to grapple with the elimination of redevelopment agencies, this is a wise investment to keep these plans updated in order to attract investment and appropriate infrastructure and development to our neighborhoods. Specifically, this includes the addition of \$2,786,243 in contractual expenditures to fund the completion of the Uptown, North Park, Golden Hill, and Otay Mesa Community Plan Updates and Grantville Community Plan Amendment; the continuation of the Mission Valley update; and initiation of the next plan updates.
- **Public Facilities Financing Plans.** The City's Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration in advance of the release of the FY 15 budget. For example, the Mid-City PFFP update was completed approximately four years ago. The City adopted the FY 2010 budget without first adopting the new PFFP, and we adopted the FY 14 budget also without benefit of the new PFFP. I am pleased that progress is now underway to update the Mid City PFFP, and this update is expected to come to Council in the coming months. Approval of these plan updates could result in additional revenue for the Facilities Financing Division and also increase their reimbursement of administrative expenses from Development Impact Fees.
- **Affordable Housing/Infrastructure Financing Districts/Special Assessment Districts.** With the State's elimination of redevelopment, it is necessary now, more than ever, to continue to

explore new, additional or enhanced sources of funding for the preservation and development of affordable housing and neighborhood infrastructure. I applaud the Council's approval of the Workforce Housing Offset update this past December. Governor Brown's Proposed FY 15 Budget proposes expanding Infrastructure Financing Districts (IFDs) as a potential source of funding for affordable housing. Similar to former redevelopment law, IFDs use tax increment financing to fund neighborhood infrastructure, facilities, and transportation projects. The City should fund an adequate level of resources to assist individual neighborhoods in the formation of IFDs and special assessment districts, and position San Diego to leverage the potential expansion of this program.

HOMELESS PREVENTION

A year ago, I set the goal of ending homelessness in Downtown by the end of 2016. In addition to the direct benefit of helping individuals break the cycle of homelessness, investing in solutions has positive impacts for the City and saves taxpayer dollars. Without these critical homeless programs and services, we will continue to see an increase in the need for law enforcement, emergency services, and Neighborhood Code Compliance activities.

Consistent with the Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Services, funding for the Neil Good Day Center, the Veterans Shelter Program, Cortez Hill Family Center and the annual contribution to PATH Connections Housing should continue through the CDBG Program in an amount not to exceed \$1,318,078. Note that these discretionary funds no longer fund the Single Adult Emergency Shelter.

The FY 14 Budget committed an additional \$1.9 million from the General Fund to extend operations of both winter shelter programs. I recommend allocating the same level of General Funds for homeless services in the FY 15 budget, but directing these funds toward outcomes-focused services and critical program enhancements that result in the most effective use of our resources and a coordinated system to help end homelessness. I recommend that this FY 15 \$1.9 million allocation include:

- **Enhanced Single Adult Winter Shelter and Veterans Winter Shelter.** An investment of \$800,000 for an enhanced winter shelter program would enable shelter operators to improve the assessment and case management services offered and partner closely with the existing integrated homeless outreach efforts, increasing opportunities for homeless San Diegans residing at the shelters to be placed in more stable and permanent housing so we can end the cycle of homelessness for many neighbors while the shelters are open. Anticipated outcomes from this investment should be tracked and evaluated throughout the year to ensure its success. This allocation would fully fund an enhanced Single Adult Winter Shelter, which does not have any funding currently identified, and augment CDBG funding for the Veterans Winter Shelter, from November through March 31st during the coldest and wettest months of the year.
- **Homeless Management Information System (HMIS).** A one-time investment of \$400,000 would provide funding to support the Regional Continuum of Care's creation of a coordinated intake and assessment system, applicable to all organizations throughout the City and region and addressing the needs of our critical homeless housing and services programs. This is currently an unfunded federal mandate, and is a critical step in delivering coordinated and efficient services to homeless individuals, and identifying what our needs are and where to spend our limited resources. Furthermore, investing in this system is essential to bringing nearly \$16 million in federal funds from the U.S. Department of Housing and Urban Development to the City and County of San Diego every year for homeless programs and services. Because the HMIS serves the entire San Diego region, the City should also approach the County of San Diego for matching investment funds.

- **Serial Inebriate Program (SIP) Expansion.** Established in January 2000, SIP has positively impacted hundreds of chronic, homeless alcoholics who cycle in and out of detoxification centers, county jail, and local emergency rooms. By providing intensive case management and access to housing, clients are able to improve their well-being and achieve long-term recovery. Since 2007, SIP's budget has been cut 34 percent, or \$27,295, inhibiting its ability to operate at full capacity. At the same time, the economic recovery in the housing market is causing rents to increase thereby shortening the lifespan of the housing subsidies provided to SIP clients. An allocation of \$120,000 would restore SIP to its pre-reduction funding levels and nearly triple the number of individuals capable of being served, making an additional 20 units/beds available for SIP participants (raising the total SIP supported units/bed to 32).
- **Neil Good Day Center Service Enhancement.** Currently, the Neil Good Day Center provides homeless individuals access to showers, mail services, computers, medical care and case management. In addition, the Neil Good Day Center serves as a point-of-entry to San Diego's full array of homeless services. An additional \$80,000 would enhance the services that the Neil Good Day Center offers, including targeted case management that increases opportunities to connect homeless
- **Homeless Outreach Team Enhancement.** An allocation of \$40,000 to link the San Diego Police Department's Homeless Outreach Team's (HOT) efforts with local housing and service providers would enhance the street outreach and engagement services that HOT currently provides to homeless individuals. With this additional funding, each HOT rotation would include alternating members of the provider community. Together, the combined knowledge of police officers assigned to HOT and service providers would be a great asset for engaging homeless individuals and linking them with appropriate resources. SDHC would work with participating providers to set aside housing inventories for eligible homeless individuals encountered by HOT officers while they are on patrol.
- **Homeless Transitional Storage Facility.** Currently operated by Girls Think Tank, this storage facility provides a place for 350 homeless families and individuals to safely store their personal belongings. For the previous two years, the facility has been sustained with private contributions and funds allocated by the City Council. During this time, Girls Think Tank has worked diligently to locate a permanent home for the facility but has been unsuccessful. With the generous help of community partners such as Father Joe's Villages, the facility has been operating free-of-charge in a downtown San Diego parking lot. This is neither an ideal nor a permanent solution. Allocating \$150,000 per year would fully fund the facility's annual operating budget, including relocation funds to rent interior property.
- **Connections Housing Downtown Gap Funding.** In its first year in operation, Connections Housing Downtown has become an essential component of the City of San Diego's homeless services. More than 500 homeless individuals have been positively impacted since the center's grand opening in March 2013. After recognizing the higher level of services the building's residents required, the intensive services budget was implemented immediately, resulting in a budget gap of \$400,000. A commitment of \$300,000 per year will help ensure PATH's continued success and provision of essential services, and development partners will continue to pursue private fundraising and public grants to fill the remaining gap in operating funds.

RESPONSIBLE GOVERNANCE

- **City Reserve Policy.** This year, the Budget & Government Efficiency Committee will consider an update to the Reserve Policy for the City, reexamining goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals for providing "rainy day" protection for the City. In particular, this update

will also lay out a process for the utilization of reserve funds when a level is reached in excess of our established goals.

- **General Fund User Fee Policy.** In 2009, the City Council adopted a comprehensive General Fund User Fee Policy to assist with determining the appropriate level of user fees for services and related cost-recovery revenues. The Policy was intended to require a fee review and adjustment process as part of the City's annual budget process. I urge the incoming Mayor to adhere to this practice. Annual inflationary or other technical adjustments to fees should be considered each year as part of the budget process. The City must achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees.
- **Compliance with Mandates, Best Practices and Policies.** This year, the City has continued to find it is unable to meet its responsibilities to monitor, audit, and review its activities and programs due to a lack of sufficient staffing. We must provide sufficient funds for staffing for such activities as program compliance, maintaining prudent internal controls on financial transactions, ensuring equal opportunity in our contracting program, and complying with the requirements of state and federally funded programs.

In particular, since inception, the **Living Wage Ordinance (LWO) Program** has not been optimally staffed, and efficient administration of the proposed program amendment requires expanded monitoring. Adequate staffing for the LWO Program should include addition of a Program Manager and a Senior Management Analyst at a fully loaded cost of \$230,000. Some cost recovery may be achieved through assessment and collection of fines for violations, however, such monies must be deposited in the General Fund and cannot provide direct support for LWO Program staffing.

- **Transparency, Reform, and Efficiencies.** The incoming Mayor and City Council must continue to examine departments for greater efficiency and innovation. Examples include the continued streamlining of Capital Improvements Program to complete projects at a quicker pace, diversify the workforce and increase City staff capacity, the implementation of Labor Management Committees and Business Process Reengineering to achieve immediate efficiencies and taxpayer savings. I also support and encourage efforts to make the City's website more business and user friendly.
- **Fill Existing, Already Budgeted Vacancies.** We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. For the first time, the FY 2014 First Quarter Budget Monitoring Report provided a list of current vacant budgeted positions for General Fund Departments and non-general funds. The City must aggressively fill these identified vacancies and find efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels. Proper staffing will result in higher quality service delivery and overall performance.
- **Five-Year Financial Outlook.** The additional detail that was made available in this year's Five-Year Financial Outlook has allowed this Council to better assert its role and encouraged increased public input in the budget process. The report is much more user friendly, comprehensive, and transparent, in an effort to assist us in making the educated spending decisions necessary for implementing a balanced budget. I encourage this same level of detail to be included in the Outlook in future years, and support the continued enhancement of this document as a tool for long-term fiscal planning.

OTHER ISSUES FOR CONSIDERATION

- **2015 Balboa Park Centennial.** In previous years, Transient Occupancy Tax funding in the amount of \$150,000 has been identified to assist in the planning effort for the 2015 Centennial Celebration in Balboa Park. At a minimum, the same level of funding should be included in FY 15

and FY 16 for the planning and implementation of this celebration, in addition to any remaining unused funds from FY 14. The funds should be deposited into the Major Events Revolving Fund so that it may be used to cover permitting costs and other City expenses for the Celebration.

- **Climate Action Plan.** The City is currently in the process of updating our Climate Action Plan with new goals, strategies and actions that put us on the path of achieving carbon neutrality and preparing for the impacts of a changing climate. In order to begin our implementation measures for climate protection, we need Citywide coordination, cross-functioning and planning among City departments, as well as our regional and community partners. Based on current staff analysis, at least 3 full-time equivalent (FTE) staffers (Climate Protection and Preparedness Coordinators/Policy Advisors) will be necessary over the next two years to steer this initiative forward and prepare our annual monitoring reports to track our success. This includes the addition of one Program Manager in the Office of the Mayor in FY 15 at a fully loaded cost of \$122,210 per year, and the addition of one Associate Planner and one Associate Management Analyst in the Environmental Services Department in FY 16 at a combined fully loaded cost of \$188,157 per year.
- **Purchasing and Contracting Department Staffing and Resources.** The Purchasing and Contracting Department interacts as a customer service department to the City and vendors. The department ensures the competitive process is utilized for best price and highest quality while conforming to purchasing regulations. The Department must be properly staffed and resourced in the FY 15 budget so it may provide for efficient and orderly administration of all purchasing and contracting activities. In addition, I encourage the Department's ongoing efforts to find efficiencies within existing operations and look forward to monitoring this progress at the Budget & Government Efficiency Committee in 2014.
- **Encourage Corporate Sponsorships and Public-Private Partnerships.** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These Partnerships are sure to benefit our taxpayers and strengthen our General Fund.

In addition to Council District Three Budget Priorities, I support the Deferred Capital Bond Three project list approved by City Council. I have attached my [Project Recommendations for Deferred Capital Bond Three](#). For projects not included in this round of bond financing, I offer these recommendations for priority in the CIP budget and future financing opportunities, as well as the Starlight Bowl, which is in critical need of repair and rehabilitation. These projects would provide improvements for the neighborhoods I represent.

Thank you for your guidance in consolidating our priorities. This process will once again ensure that Council asserts its role early on, resulting in a more collaborative, better informed and more effective budget process. I look forward to working with you, the management team, and our neighbors to develop a balanced budget for Fiscal Year 2015, and I urge us all to consider these critical issues as we consider policy commitments throughout the year.

TG:jl

Attachments:

1. Project Recommendations for Deferred Capital Bond Three;
<http://www.sandiego.gov/citycouncil/cd3/pdf/news/2013/memo130517.pdf>



**OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: May 17, 2013

TO: Tony Heinrichs, Director, Public Works Department
James Nagelvoort, Assistant Director, Public Works Department

FROM: Council President Todd Gloria *Todd Gloria*

SUBJECT: Project Recommendations for Deferred Capital Bond Number Three

In response to your memo dated April 25, 2013, I am urging your consideration of the following Council District Three projects for inclusion in Deferred Capital Bond Number Three. I am including some projects which have received previous funding and some new projects that fit the intent of the Deferred Capital Bond program. These projects would provide much-needed improvements for the neighborhoods I represent.

Balboa Park

- **Municipal Gym:** roof repair, mold remediation, and rehabilitation
- **Balboa Park Chess Club:** roof repair

Bankers Hill

- **First, Fourth, Fifth, and Sixth Avenue:** pedestrian and streetscape improvements

Downtown

- **Neil Good Day Center:** rehabilitation, renovation and upgrades

Golden Hill/South Park

- **25th Street Renaissance Project:** complete construction of pedestrian amenities, traffic calming, streetscape improvements, and parking along 25th Street from Highway 94 to Balboa Park. The focus of the improvements is between E Street and B Street.
- **Greater Golden Hill Community Park:** restoration of fountain
- **Juniper Street:** complete construction of a new sidewalk along the north side of Juniper Street between Fenton Street and Westland Avenue, remove and replace guardrails, and add three retaining walls

Hillcrest and Marston Hills

- **Fire Station No. 05:** existing fire station will be demolished and replaced by a new, modern fire station.
- **Richmond Street:** pedestrian/sidewalk improvements on Richmond Ave, between Myrtle, Brookes, and Pennsylvania Avenues and crossing the canyons.

Mission Hills

- **Mission Hills/Hillcrest Library:** complete design and new construction
- **Pioneer Park:** restroom renovation
- **Pioneer Park and Grant Elementary School Joint Use Field with Multi-Purpose Gym:** need design and construction funding

North Park

- **North Park Recreation Center:** upgrades to facilities gym floor, roof, tennis courts
- **El Cajon Boulevard Streetscape Improvements:** streetscape improvements, including the installation of street lights and replacement of sidewalks, curbs, and gutters along El Cajon Boulevard
- **McKinley Elementary School Joint Use Improvements:** design and construction of approximately 1.2 acres of joint-use facilities at McKinley Elementary School, including natural or synthetic turf multi-purpose sportsfields, multi-purpose courts, walkways, landscaping, and Americans with Disabilities Act (ADA) accessibility upgrades
- **Switzer Canyon Bridge Enhancement Program:** bridge landscaping, hardscape, tree planting, signage, sidewalk, median, design of traffic calming devices, and pedestrian safety features for the Switzer Canyon/30th Street Bridge
- **University Ave Pipeline Replacement:** replacement of 23,072 linear feet of the existing cast iron University Avenue Pipeline with a new 16-inch distribution line along the entire alignment of the pipeline
- **Georgia Street Bridge:** complete rehabilitation

Normal Heights

- **El Cajon Boulevard Streetscape Improvements:** (see description above)
- **Ward Canyon Park/Normal Heights Community Park:** expansion of the current five-acre park site to an approximately six-acre site to provide the community with additional recreational opportunities as well as enhance the visual quality in an area that is park deficient

Old Town

- **Junípero Serra Museum in Presidio Park:** renovation and upgrades

University Heights

- **1600 Adams Avenue** (nearest cross street is Mission Cliffs): repair of failed storm drain

In addition to the projects listed above, I offer my continued support for a Citywide Asset Management Program and a multi-year Capital Improvements Program. These efforts will assist in prioritizing projects that address the true needs of our neighborhoods. Most importantly, the data will assist in the development of future budgets and investments and will address community parity and equity issues.

Thank you for your consideration of this request. Any questions regarding this memo may be directed to Pamela Ison of my staff, pison@sanidiego.gov or x67787.

TG:pi

cc: Mayor Bob Filner
Andrea Tevlin, Independent Budget Analyst
Scott Chadwick, Acting Chief Operating Officer
Nelson Hernandez, Assistant Chief Operating Officer
Francisco Estrada, Mayor's Office



City of San Diego
MARK KERSEY
CITY COUNCILMAN, FIFTH DISTRICT

MEMORANDUM

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilman Mark Kersey
RE: Fiscal Year 2015 Budget Priorities

This memorandum is in response to Council President Gloria's January 6, 2014 memorandum requesting Councilmember input in the development of the Fiscal Year 2015 budget. As the economy improves and the City recovers from one of the most devastating economic times in memory, it is important to focus on restoring services to neighborhoods and making government more accessible to residents while exercising fiscal prudence. With property values increasing and sales tax revenue trending upward, we have the potential to provide additional services to residents. To the extent that the City identifies additional revenues to pay for service restoration and enhancements, I respectfully submit the following Fiscal Year 2015 budget priorities for consideration.

Identify and Implement Government Efficiency Measures. With the new operational structure in place, it is an ideal time to conduct a comprehensive review of city processes and identify cost-saving measures through employee-inspired efficiencies and managed competition. Reviewing and updating the strategic plan and performance measures will keep the City accountable.

Increase City Reserve Levels. The City's current reserve policy requires 8% reserve levels. Years of prudent saving and careful planning have resulted in a projected year-end reserve of 14.2% and recent credit rating upgrade. To keep costs low for the infrastructure investment program, the City Council should review the existing reserve policy and increase minimum funding requirements.

Maintain Infrastructure and Continue the Condition Assessment Program. (\$13,760,000)

One of the largest issues the City is facing is the deteriorating infrastructure. This Council has worked together to make progress in addressing the growing backlog of needs. The City must continue to conduct condition assessments and increase maintenance and repair funding. The following priorities should be considered for funding:

- Facility condition assessments (\$1,000,000)
- Streets condition assessment update (\$560,000)
- Park and Recreation condition assessments
- Street and storm drain maintenance consistent with the Enhanced Option B funding plan (\$5,900,000)
- Facility maintenance and repairs, including \$750,000 for Police Department asset maintenance, to be consistent with national standards and the San Diego Police Department Five-Year Plan (\$6,300,000)

Increase Walkability of San Diego Neighborhoods. The City is in the process of conducting its first citywide sidewalk condition assessment. It is anticipated to identify many previously unreported sidewalk hazards. The City allocates \$400,000 each year for temporary sidewalk repairs, of which \$100,000 goes toward the 50/50 program, which assists homeowners with the cost of sidewalk repairs. Increasing funding for the 50/50 program and the cost of material for addressing immediate hazards will make our neighborhoods more walkable and help limit potential future liabilities.

Accelerate Delivery of Infrastructure Projects. The most recent performance audit of the Department of Public Works (DPW) found the department does not have sufficient capacity to service client departments and improve coordination and functionality of the Capital Improvement Program process. Subsequently, the Independent Budget Analyst noted that if the Department takes on too much work that projects could not be completed expediently. Under this Council's leadership, the city is moving forward with multiple large construction projects which will further strain department resources. Increasing DPW staff will assist in delivering projects on time, restoring citizens' trust in the City. These positions are cost recoverable through the capital improvement projects being processed.

Fill Sworn Police Officer Vacancies. (\$7,175,915) The San Diego Police Department (SDPD) is facing challenges with recruitment and retention of officers. While the Council works to identify strategies to improve retention rates, four additional police academies would train enough recruits to fill 140 vacant sworn positions within the SDPD. Continued commitment to holding police academies will help bridge the gap between existing and necessary staffing levels. This is a key component of the SDPD Five-Year Plan, which should also be considered by Council.

Improve Fire-Rescue Department Response Times. (\$2,104,191) The most recent performance indicators have shown that the City is only meeting national standards for Fire-Rescue response times 69% of the time. Failure to meet national standards could result in significant damage to life and property.

One way to improve response times is to reduce reliance on cross-staffing. Cross-staffing is the practice of utilizing one four-person crew to staff both a fire engine and a specialty vehicle. When a specialty call comes in, the cross-staffed fire engine is unstaffed and unavailable for calls

until the specialty call is completed. The Fire-Rescue Department currently employs cross-staffing for the Hazardous Materials (HazMat) Unit. Because of cross-staffing, each HazMat Unit call takes an engine at Fire Station 44 in Mira Mesa out of service for an average of 61 minutes. Left without adequate protection, the responsibility of responding to emergency incidents within Fire Station 44's coverage area falls to surrounding communities' fire stations. Insufficient coverage leads to longer response times and overall reduced services to residents. \$1,214,656 million would eliminate cross-staffing in the HazMat Unit of the Fire-Rescue Department.

Another method to improve response times is to implement a Fast Response Squad pilot program. In 2011 the City hired an outside consultant firm, Citygate, to analyze Fire-Rescue staffing, deployment models, and response times. The Citygate working group recommended a Fast Response Squad pilot program, with recent cost estimates at \$889,535. Fire Station 33 in Rancho Bernardo, with the largest coverage area of any fire station in the city, currently serves the San Pasqual Valley. Because of the need to respond to medical calls at the San Diego Zoo Safari Park and unusually large coverage area of Fire Station 33, San Pasqual is an ideal location to begin implementation of this innovative service delivery model and evaluate its impact on response times. The combination of eliminating cross-staffing of the HazMat Unit and launching the Fast Response Squad pilot program should improve fire and medical service response times by reducing inter-station dependency.

Restore Dedicated Lifeguard Headquarters. The City owns a property at Quivira Court that originally served as the Lifeguard Headquarters. The property is now jointly occupied by the Lifeguard Division and the Park and Recreation Department. The Park and Recreation Department uses a large portion of the property for carpentry, which can be done at many locations in the city. Moving this Park and Recreation function and remodeling the property to provide facilities for lifeguards will allow for future expansion of the Boating Safety Unit and keep our shoreline safe.

Designate a Chief Data Officer and Create a User-Friendly City Website. (\$128,672) The City's technology infrastructure and the public's ability to access city information and services are critical to a transparent and inclusive government. With the dissolution of the San Diego Data Processing Corporation, the general fund will receive revenues for reinvestment in technological advances. The top priorities for this revenue should be open data implementation and website upgrades. An open data advisory group is currently meeting to develop a policy and implementation plan. The City will need a Chief Data Officer to lead the open data efforts. Additionally, the City's current website is archaic and needs customer service enhancements, including being mobile-friendly and easily searchable.

Reinvest Former Redevelopment Agency Dissolution Funds for Neighborhood Investment and Economic Development. The most recent Five Year Financial Outlook reports the City is expected to continue to receive revenues as a result of the dissolution of the former Redevelopment Agency. To maintain consistency with the original mission of the former Redevelopment Agency, funds should be reinvested in neighborhood infrastructure like libraries, fire stations, and parks, as well as economic development purposes.



MEMORANDUM

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Lorie Zapf- Council District 6
SUBJECT: Budget Suggestions for FY 2014/2015

In addition to closing the gap in the upcoming budget the City should consider a series of small targeted increases in services. Below is a list of Council District 6 priorities and identified savings options (not in a ranked order) that I would like to see included in the upcoming budget discussions:

- 1. *Seek Aggressive Funding for Police Department Five Year Plan:*** The Council unanimously approved the five year plan for the San Diego Police Department. Public safety should be any city's number one priority and this reasonable plan provides a blueprint for how we might be best restore services for our police. Increasing the Police Department Budget by \$11 million in lean budget times is a big ask but public safety has to be our number one priority as a city.
- 2. *Continue and Accelerate the Uniform Allowance as a Tool to Boost Retention:*** The additional funds added to the uniform allowance last year has shown a positive boost to officer retention but it must not be a one year hit. Instead we should fund again this year and even consider supplementing it in a similar way in order to continue to positively impact retention.
- 3. *Add one Lifeguard III in Pacific Beach:*** This year the PS&LN committee is slated to adopt a Five Year plan to restore our lifeguard equipment and staffing levels. In the meantime, I respectfully request the addition of one Lifeguard III at the currently understaffed station in Pacific Beach (2 FTE). Pacific Beach is one of the busiest beaches in San Diego, and we must have adequate staffing for tourists and locals at this location year round. (Estimated cost for this is \$277,406 including salary, fringe, and the EMT bonus)
- 4. *Implement 2 Fast Response Units for San Diego Fire:*** The 2011 Citygate report proposed the creation of Fast Response Squads (FRS) to help reduce fire department response times, and the wear-and-tear on our fire trucks and engines. According to a February 13, 2013 report to PS&NS, the program is ready to be implemented but has remained unfunded. Chief Mainar estimated that the FRS pilot program would cost \$769,000 for the pilot year. As we try to do the most possible with our limited

financial resources, we must invest in the FRS pilot program to see if it is an effective way to reduce fire department response times and enhance public safety citywide.

5. ***Use Anticipated IT Contract Savings to Fund Online Services:*** As we requested last year the City should consider how to use some of the savings that will be secured in this budget year from the IT switch over to putting more services online as a way to create transparency and increase customer service. There are more than 70,000 small businesses in the City of San Diego, which make up 92 percent of all businesses in the City.¹ For these reasons, it is imperative that we do everything we can to help and encourage small business growth.
6. ***Implementation of Penny for the Arts in particular Festival Funding:*** TOT revenues have been a bright spot in the City's financials but even as TOT, which is the funding source for our arts and culture program, has recovered, arts and culture funding remains well below what it was in 2002. The City Charter specifically identifies supporting arts & culture as a core city service. Additionally, it is an investment that generates revenue for the City and that investment yields a significant return – because of revenue generated from TOT, from sales tax, and more. The return on our investment in the arts is how we fund neighborhood services, public safety, and infrastructure. If San Diego doesn't offer these options to our tourists, they will travel elsewhere. They're ready to stay twice as long and spend twice as much as an average tourist. They should be doing that here, not in LA or San Francisco. The plan approved by Council calls for a significant increase in spending this year. We would strongly urge the Council and Mayor to implement the plan that was approved by Council in particular front loading monies to be used for the 2015 Centennial Celebration.
7. ***Fund Design Costs for Starlight Bowl Repair:*** I am requesting \$100,000 be added to the FY 2015 budget in order to conduct design and other preliminary work in order to repair and rehabilitate the Starlight Bowl. The Bowl is listed as a contributor to the Balboa Park National Register Historic Landmark District. Over the years it has deteriorated and is now in critical need of repair and rehabilitation. As an outdoor venue, it is exposed to the elements which have inflicted a heavy toll over time. In 2013 my office, along with Council District 3 contributed CPPS funds toward a Conditions Assessment Report and Feasibility Study, which was completed by Heritage Architecture. The report confirmed that the venue is in need of upgrading and revamping of its infrastructure (plumbing, electrical) systems, structural repairs, security doors and fencing, storage facilities, and theatrical systems. A critical issue with respect to restoring this venue to performance quality is the mitigation of overflying aircraft noise.
8. ***Decrease SDCERS Overhead Costs:*** An audit performed a few years back by the Office of the City Auditor demonstrated that overhead costs from SDCERS were considerably higher than other like-sized systems. It behooves the Council and the City Attorney to negotiate with SDCERS to bring these costs down, now that the

¹ City of San Diego Economic Development Department. Small Business Assistance website. www.sandiego.gov/economic-development/business-assistance/small-business/

Substantially Equal Litigation is drawing to an end. Decreasing the overhead costs could save the City several million dollars.

- 9. *San Diego River Park Master Plan Implementation:*** The City Council approved the City's San Diego River Park Master Plan. The City should heed the recommendation of the Park and Recreation Board and add a Project Director position to Park and Recreation or to Development Services to implement the approved Master Plan. Alternatively the City could take one of the new planners tasked to the vision team created by Mayor Filner and task them with these duties. It is critical that the City have a dedicated person to coordinate with property owners, public agencies and non-profits that own property or are working in the San Diego River basin.
- 10. *Continued Funding for Library Circuit:*** We contributed a significant source of funding for startup costs and the first years contract from my Council District CPPS funding to get the City back into the Countywide Library Circuit. I would like to ensure that we continue funding this important program.



City of San Diego
Councilmember Scott Sherman
Seventh District

MEMORANDUM

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Scott Sherman
RE: Fiscal Year 2015 Budget Priorities

In the aftermath of the economic recession and pension crisis that forced the City to underfund its infrastructure needs, cut public safety and slash neighborhood services, we are finally in a position where we can start reinvesting in our neighborhoods. This is due, in part, to the difficult financial decisions that were made by previous councils.

However, much of that credit must also be attributed to the thousands of San Diegans that took to the ballot box and mandated that the City reform its pension system and implement managed competition. The City would not be in this position if it were not for them and it is imperative that we do not lose sight of that as we begin the Fiscal Year 2015 budget process.

The following are my budget priorities for FY 2015:

Common Sense Fiscal Reforms:

Identify Cost Savings in Traffic Engineering

There is the potential to realize millions of dollars in cost savings in Traffic Engineering Operations by moving forward with managed competition. Managed competition was passed overwhelmingly in 2006, and after some progress was made this cost-saving, common-sense program was stalled. It is one of my top budget priorities to see managed competition in areas such as Traffic Engineering Operations move forward so that those savings can be reinvested back into our neighborhoods.

Maintain Reserves at High Levels

The Council and Mayor must continue maintaining high reserve amounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts from unfunded mandates, will not pose insurmountable

challenges. We must rigorously adhere to our goal to not only provide “rainy day” protection but also to sustain the City’s favorable credit rating. This is particularly important with the city increasing the amount of its total debt service with the recent addition and planned addition of large infrastructure bonds.

Rollover the FY 2014 Budget Surplus into FY 2015

The Financial Management Department projects an \$18.0¹ million budgetary surplus in FY 2014 based on unanticipated receipts from the Redevelopment Property Tax Fund and the dissolution of the San Diego Data Processing Corporation. Given the looming \$19.1 million budget deficit in the upcoming fiscal year, I support rolling all or the majority of that over to address next year’s projected budget deficit.

Improve Efficiencies in Landfill Collection

Landfill Collection services are used by every citizen in the City of San Diego. Improving efficiencies in this department should be an important goal for our leaders. One tool that should be used is managed competition. This program will not only improve efficiencies in a necessary service but also identify ways to save costs for the City and taxpayers. Some of these savings can then be invested in workforce incentive programs.

Expand Marketing Partnerships

A common-sense way to generate funds for the city is to expand marketing partnerships between the city and private entities. Official sponsorship, naming rights, advertising, and exclusive rights are just some of the forms of revenue-generating marketing partnerships available to the city. To its credit, the city already has some marketing partnerships - which have generated approximately \$16 million cumulatively in revenues. An example is the successful agreement between Toyota and San Diego Lifeguards and the recent partnership with Sewer Lines of America. The City should commit to exploring and committing to new options.

Implement Zero-based Budgeting

Zero-based budgeting is an approach to budgeting which reverses the working process of traditional budgeting. The City of San Diego uses traditional incremental budgeting, whereby department managers justify only variances versus past years, based on the assumption that the "baseline" is automatically approved.

By contrast, in zero-based budgeting, every line item of the budget must be approved, rather than only changes. During the budget process, no reference is made to the previous level of expenditure. Zero-based budgeting requires the budget request be re-evaluated thoroughly, starting from the zero-base. This process is independent of whether the total budget or specific line items are increasing or decreasing. Approaching our budget in this manner would require that the existence of a program or expenditure be justified in each fiscal year, as opposed to simply basing budgeting decisions on a previous year’s funding level. Zero-based budgeting has been used in the private and public sectors for decades.

¹ FY2014 First Quarter Budget Report

I encourage the Financial Management Department, the Mayor and my colleagues on the City Council to consider this new way of developing our budget in future years.

Improve Storm Water Operations and Maintenance

In September 2013, Interim Mayor Todd Gloria announced that the Preliminary Statement of Work for the Storm Water Operations and Maintenance managed competition was null and void due to the new permitting requirements that were put into place by the California Coastal Commission and the San Diego Regional Water Quality Control Board.

Despite this unanticipated delay, the City Council and Mayor should renew its commitment to improving Storm Water Operations and Maintenance through managed competition.

Invest Cost Savings into Neighborhoods:

Restore Median Maintenance Program Funding

Due to budget shortfalls during the recession, Park and Recreation's Median Maintenance Program was cut by almost half in FY 2011. This program maintains the medians for communities throughout the City. The current dilapidated state of both the concrete and landscaped medians does not reflect well on San Diego's title as America's Finest City. While not only an aesthetic aspect to our city, medians are another source of infrastructure that has fallen to the wayside.

With almost \$43 million for streets in the recent infrastructure bond, I encourage the Mayor and City Council to restore \$575,000 to the Median Maintenance Program that was appropriated to Street Division in 2011. This figure is consistent with the \$552,000 reduction made in 2011.

Support the Police Department's Five-Year Plan

I am committed to working with the Police Department and continuing to find ways to address their recruitment and retention issues. The safety of our citizens should be a top priority and our support of the Police Department's Five-Year Plan should reflect this priority.

If the Mayor and City Council push forward on common-sense reforms like managed competition and increased marketing partnerships throughout the city, this increase in public safety service levels is attainable.

Continued Support for the San Carlos Branch Library

The San Carlos Branch Library has been a community staple for the last 40 years. Initially planned as the flagship branch for the surrounding neighborhoods, the San Carlos Library has been in planning stages for a new Library for almost 20 years. In January 2014, the San Carlos Library kicked off its year-long 40th Anniversary Celebration. The recent infrastructure bond identified \$1 million for FY 2015 to finalize the design documents for the new San Carlos Library which will complete the last steps

in preparation for construction. After the design phase is completed, I request that the Mayor and City Council continue to help prioritize funding for the San Carlos Library.

Restore Mission Trails Regional Park Campground Facilities

Much of San Diego's identity and culture centers around the outdoors. The City of San Diego operated a campground in Mission Trails Regional Park (MTRP) until budget cuts closed this area to overnight camping in 2009. Because it is located relatively close to our urban neighborhoods Kumeyaay Lake provides a unique, affordable and nearby opportunity for San Diego residents to camp overnight.

During last year's budget process, the Council was supportive of re-opening the overnight Kumeyaay Lake Campground but our efforts were ultimately halted by Bob Filner. Moving forward, I recommend allocating \$200,000 to restore staffing to resume overnight camping and provide funding for improvements to the visitor center. The additional staffing would add approximately \$140,000 in personnel costs for the Park and Recreation Department. The remaining \$60,000 would be utilized to rehabilitate the MTRP Visitor Center into a LEED building using the Level I and Level II Energy Efficient Assessment Reports that the City has already completed.

Prioritize Mission Valley Community Plan Update

Mission Valley has been a rapidly growing community over the last 15 years. As a result of this rapid development, the community plan needs to be updated to reflect the needed changes in zoning and facility needs. Mission Valley is a community that is accessed by four major freeways and contains multiple stops on the Orange trolley line. A community plan update will prepare this community for continued expansion that is predicted by SANDAG in the area.

The planned completion of the Grantville Master Plan in June is a testament to the progress we have made in prioritizing community plan updates. As the Grantville Master Plan process winds down, I recommend that the Mayor and City Council fund the initial phase of the Mission Valley Community Plan Update.