

EXECUTIVE SUMMARY

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: June 5, 2014

IBA Report Number: 14-20 REV.

City Council Docket Date: June 9, 2014

Item Number: 200

Review of the FY 2015 May Revise and Recommended Revisions to the Mayor's FY 2015 Budget

This report presents our final FY 2015 budget review and recommendations which are based on the following: our analyses of the FY 2015 May Revise, the FY 2014 Year-End Monitoring Report and the FY 2015 Proposed Budget; review and consideration of outstanding budget issues communicated by Councilmembers in their May 23rd budget priority memos; and consideration of feedback from the public, City staff and City Council members during the budget hearings. Detailed information regarding recommendations presented below are included in the full report.

SUMMARY OF IBA RECOMMENDATIONS

IBA RECOMMENDED REVISIONS FOR FY 2015 BUDGET			
RESOURCES		EXPENDITURES	
Increase in Property Tax Revenue Projection	\$ 1,544,000	1.00 FTE Park Ranger	\$ 115,000
Reallocation of Civic San Diego Funding ¹	50,000	1.00 FTE Urban Forestry Position	186,000
		1.00 FTE Combination Inspector II for Storm Water Regulation	115,000
		2.00 FTEs Personnel Department	221,000
		1.00 FTE Living Wage Ordinance	116,000
		Restoration of Arts & Culture Funding	252,000
		1.00 FTE Planning Department Clerical Assistant II & Community Planning Group Support	87,500
		Restoration of Library Materials Using Ongoing Resources ³	451,500
		Police Body Camera Bandwidth Subscription Costs ²	50,000
Sub-Total Additional Ongoing Resources	\$ 1,594,000	Sub-Total Additional Expenditures Using Ongoing Resources	\$ 1,594,000
Utilization of Excess Equity	\$ 138,500	Restoration of Library Materials Budget Using Excess Equity ³	\$ 48,500
		Bandwidth Expansion for Police Body Cameras ²	90,000
Sub-Total Additional One Time Resources	\$ 138,500	Sub-Total Additional Expenditures Using One Time Resources	\$ 138,500
Total Additional Resources	\$ 1,732,500	Total Additional Expenditures	\$ 1,732,500

1- Technical correction to address a double funding of Portland Loos maintenance in both Civic SD and the Environmental Services Department

2- Required one-time and on-going information technology upgrades to fully support body worn cameras

3 - Total cost of restoration of library materials is \$500,000

The IBA recommends Council consideration of the following actions:

1. Approval of the Mayor's FY 2015 Proposed Budget as issued on April 15, 2014 and as amended by the Mayor's May Revise issued on May 20, 2014;
2. Approval of the IBA recommended FY 2015 budget revisions for newly identified ongoing resources, appropriation of excess equity, and expenditures as shown in the table on the previous page.

RECOMMENDATION #1 – Increase Property Tax Revenue Projection

Based on new information from the San Diego County Assessor's Office, we recommend that the City Council adopt a revised Property Tax revenue projection with a 5.1% growth estimate for all categories of Property Tax revenues. Adjusting Property Tax projections for a 5.1% growth rate provides approximately \$1.5 million in additional resources for Council direction during final budget deliberations.

RECOMMENDATION #2 – Reallocate Duplicative Civic San Diego Funding

We believe that \$50,000 for Civic San Diego (CivicSD) to maintain the downtown public restrooms and port-a-potties, which was included in the FY 2015 base budget in the Environmental Services Department, may have been overlooked and has been included in the May Revise, as well. As a result, we believe \$50,000 of the \$300,000 funded in the May Revise is available for reallocation.

RECOMMENDATION #3 – 1.00 FTE Park Ranger

The three areas identified in Council priority memos for needing additional ranger support were Chollas Lake, the La Jolla Coastline and Sunset Cliffs Park. Based on discussions with the Department, they anticipate the most critical need at this time to be the Coastline area. Funding a new ranger for this area would begin to build a pool of ranger resources in this location similar to what has developed in the Balboa Park area.

RECOMMENDATION #4 – 1.00 FTE Urban Forestry Position

We recommend initial funding of \$186,000 in personnel and related non-personnel expenses to start this program in FY 2015 and consideration of adding additional funds for non-personnel expenses in future years.

RECOMMENDATION #5 – 1.00 FTE Combination Inspector II for Storm Water Regulations

The addition and dedication of one Combination Inspector II to the Code Enforcement Division of DSD for storm water regulations is needed for proactive storm water inspections, enforcement of current violations, and preparation of remedial actions.

RECOMMENDATION #6 – 2.00 FTEs for Personnel Department

The Personnel Department has indicated that Personnel staffing increases are necessary in order to continue making improvements and keep up with the increased workload (Information Systems Analyst II would support NEOGOV system maintenance and upgrades & Associate Personnel Analyst would directly assist the hiring departments). Lastly, the Personnel Department also requested increased funding of \$5,000 for staff training related to NEOGOV, which was not funded in the FY 2015 Proposed Budget or May Revise.

RECOMMENDATION #7 – 1.00 FTE for Living Wage Ordinance

Based on our conversations with the LWO Program Supervisor, the IBA recommends Council add \$116,000 for 1.00 Senior Management Analyst at this time and that Council Committee review the adequacy of staffing during the next scheduled annual report on the Program in FY 2015.

RECOMMENDATION #8 – Restoration of Arts & Culture Funding

To restore funding to the same percentage of total TOT as in FY 2014, an additional \$252,000 in resources is required to be allocated to the Commission.

RECOMMENDATION #9 – 1.00 FTE Planning Department Clerical Assistant II and Community Planning Group Support

An additional clerical position would provide support for existing duties as well as provide enhanced support to the CPGs. We are recommending funding 1.00 Clerical Assistant 2 at \$67,000 annually plus \$20,500 for non-personnel expenses for total funding needs of \$87,500.

RECOMMENDATION #10 – Restoration of Library Materials

The FY 2015 Proposed Budget reduced the library materials budget by \$500,000 to support the new pilot Do Your Homework @ the Library Afterschool Program. The proposed reduction would decrease the total library materials budget; however, our office has identified \$48,500 in one-time funding from excess equity as a funding source, and \$451,500 from the proposed property growth rate increase to fully restore the library materials budget.

RECOMMENDATION #11 – Police Body Worn Camera Bandwidth Costs

Since the release of the May Revise, the department has identified that its current information technology infrastructure will not support the full body worn camera project and will require upgrades. While exact costs have not yet been finalized, the department estimates that these infrastructure upgrades will likely cost up to \$140,000 in FY 2015 (\$90,000 one-time & \$50,000 ongoing).

RECOMMENDATION #12 – Appropriation of Excess Equity

Utilization of \$138,500 of the \$4.0 million in excess equity to provide one-time funding for critical expenditures.