



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: May 31, 2018

IBA Report Number: 18-14

City Council Docket Date: June 11, 2018

Item Number: TBD

FY 2019 Councilmember Budget Modification Memoranda

As part of the FY 2019 budget development process, Councilmembers submitted budget modification memoranda to our Office on May 21, 2018, which are included in their entirety as attachments to this report. These memos identify specific expenditure priorities and potential new funding sources not included in the FY 2019 Proposed Budget or the May Revision.

Our Office reviewed the budget modifications mentioned by a majority of Councilmembers – five or more – in their memoranda, and we discuss these prioritized expenditures in IBA Report 18-13 (*Recommended City Council Modifications to the Mayor's Proposed FY 2019 Budget and May Revision*). In that report we recommend funding for all of the City Council's majority expenditure priorities using a combination of available resources. The IBA's final budget recommendations will be considered by the City Council at the meeting of June 11, 2018.

Chris Olsen
Fiscal & Policy Analyst

APPROVED: Andrea Tevlin
Independent Budget Analyst

Attachment: 1. Councilmember Budget Modification Memoranda



**COUNCILMEMBER BARBARA BRY
CITY OF SAN DIEGO**

DISTRICT 1

MEMORANDUM

DATE: May 21, 2018
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Barbara Bry, First Council District *Barbara Bry*
SUBJECT: Fiscal Year 2019 Final Budget Priorities

After weeks of Budget review with my Council colleagues, the Independent Budget Analyst, and our San Diego community members, I am pleased to submit my Fiscal Year 2019 Final Budget Priorities.

I commend the Mayor on a balanced budget with a respite for the arts, a commitment to Climate Action Campaign goals, and the addition of critical positions in the City Attorney's Office.

Further, I thank the Mayor for funding allocations to Scripps Park Comfort Station, La Jolla Recreation Centers, as well as asphalt resurfacing and traffic signage in District 1.

As Budget and Government Efficiency Committee Chair, I look forward to working with Committee Members, the Independent Budget Analyst (IBA), full City Council, Mayor and staff, and the community to make continuous improvements and keep San Diego imaginative, innovative and inclusive. As such, my final priorities include:

FY2019 Final Budget Priorities

Public Safety

- Lifeguard Clerical Assistant II, as per the Lifeguard Division 5 Year Plan
- Lifeguard Children's Pool III, as per the Lifeguard Division 5 Year Plan
- Police Department Racial Impact Report AB 953
- Police Department Restorative Justice training
- Fire Rescue Resource Access Program
- San Diego Police Department Housing Incentives \$500K

Environment

- Restoration of \$900,000 for shade tree pruning

Infrastructure

District 1 priorities:

- Carmel Valley Recreation Center Pool
- Carmel Valley Recreation Center Crosswalk
- La Jolla Azul to Poole Sidewalk
- La Jolla Dunaway Drive
- La Jolla Casa de Manana Street Panels
- La Jolla Neptune Broken Pipe
- Torrey Pines Los Pen Restoration and Sorrento Channel

Neighborhood Services

- Library security \$250,000 and programming \$50,000
- 2 FTEs Code Compliance
- Graffiti abatement \$100,000

Council Administration

- 1 FTE Council Representative position in Council Administration

All one-time costs may be paid for by excess equity. Ongoing positions may be funded by redirecting funds from Recreation Council administration.

Thank you for your consideration of the priorities I've outlined here. If you have any questions or concerns, please contact Budget Committee Consultant Victoria Joes at vcjoes@sanidiego.gov or (619) 236-6611.



MEMORANDUM

DATE: May 21, 2018
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Lorie Zapf, Council District 2
SUBJECT: Final Budget Suggestions for FY 2019

It continues to be my priority to protect and preserve the safety and integrity of our beach and bay communities. I am happy to see many of these priorities, such as maintaining funding levels to Arts and Culture, a second trash pick-up in Mission Beach to address the health and safety for residents and businesses, and continued investment in infrastructure projects like the street repaving program included by the Mayor.

Below is a list of Council District 2 priorities that I, on behalf of my council district, will continue to advocate for and would like to see included in the FY 2019 budget:

Clean SD

Proposed Reallocation: \$177,000

The proposed \$4.2 million allocation towards the Clean SD program includes much needed services for clean-up and sanitation efforts throughout our city. Currently, the Library budget includes \$130,000 for additional janitorial services at the Central Library. I am proposing that Clean SD funds cover this expenditure. Therefore, the \$130,000 previously allocated to the Library Department's budget can be used towards library programming. The Park and Recreation Department budget includes \$47,000 to expand restroom hours at Balboa Park. I am proposing that funds from Clean SD cover this cost and that the budgeted expenditure previously allocated to the Park and Recreation Department be used to restore citywide park maintenance staff.

Council Administration Position

Proposed Allocation: \$66,000

Include \$66,000 to fund a Council Representative I position. This position will provide complex administration support for all City Council Offices. This position will also assist in the

implementation of funding grant cycles and grant tracking, manage the grant approval process and ensure City department contracting requirements are met.

Eliminate Recreation Center Fund Support

Proposed Reallocation: \$291,000

Staff disclosed administration of the new structure for Recreation Councils which includes budget development and monitoring, contract management, and payment processing would be maintained by current staff levels and that additional staff support would not be needed.

Library

Proposed Allocation: \$288,000

Increased security guard services were not included in the May Revise and with on-going public safety concerns throughout our branch library locations, I am requesting that \$288,000 be allocated to expand the number of hours and increase the caliber of guards trained for workplace violence. Families should feel safe bringing their children to libraries in their community. In addition, Library staff should be in a safe working environment.

Tree Trimming

Proposed Allocation: \$881,000

I believe that we must prioritize the upkeep and care of trees within our community and suggest that we move to restore \$881,000 in the budget to provide for tree trimming services. Neglecting tree trimming is detrimental to community and motorist safety and increases the city's liability in claims involving tree-related incidents. Overgrown tree branches may block stop signs and other traffic signs, potentially contributing to traffic accidents and injuries. Pedestrians and powerlines are at risk when tree branches fall, either from weather or breaking off. It is the duty of the city to properly manage and take care of trees in public right-of ways. The possibility of damages and injuries resulting from negligence and improper care of trees may lead to costly claims against the city.

Clerical Assistant II for San Diego Lifeguards

Proposed Allocation: \$66,000

Ensuring that our Lifeguard Division is sufficiently staffed must be a high priority for our city and I propose that we include in the budget \$66,848 for Fire-Rescue, Lifeguard Division, to recruit for the position of Clerical Assistant II. Outlined in the "Lifeguard Division Five Year Needs Assessment," the Clerical Assistant II position will assume a supportive role in all aspects of the Lifeguard Division's front office operations. Currently, employees in the Lifeguard position are handling clerical duties such as invoicing, answering front counter calls, and other non-rescue responsibilities. Having to handle these clerical duties is a misuse of time and skill of

highly trained and qualified Lifeguards, taking them away from supervising and protecting our beaches and waters. I propose that we include in the budget sufficient funding so that a Clerical Assistant II may be hired to support all clerical aspects of the Lifeguard Division's front office operations and so that Lifeguards may re-assume their intended roles of beach supervision and rescue.

Installation of City Owned Street Lights and Traffic Signal Modifications and Upgrades

Proposed Allocation: \$734,841

I propose that we allocate the remaining \$734,841 of the Infrastructure Fund to citywide traffic signal upgrades and modifications and to the installation of city owned streetlights citywide. Upgrading our traffic signals reduces congestion and delay and the installation of pedestrian countdown timers helps to implement Vision Zero. Installation of city owned street lights also helps to promote walkability and safety. I recommend the allocation of \$367,000 to both annual allocations, AIL00005 – Traffic Signal Upgrades and to AIH0001- City Owned Street Light Installations.

Brush Management

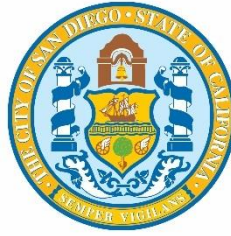
Proposed Allocation: \$554,696

In order to provide fire safety, especially during these dry seasons, I would like to suggest we allocate \$554,696 for additional brush management. The additional funds would enable the improved service frequency from 24 months to 21 months.

Roundabout at West Point Loma Blvd. and Bacon Street Traffic Circle

Proposed Allocation: \$500,000

The installation of a traffic circle at West Point Loma Blvd. and Bacon Street is a high priority item for the Ocean Beach community and I believe we should move to allocate \$500,000 of the budget to fund this traffic project. The intersection of West Point Loma Blvd. and Bacon Street is a high traffic area, due to motorists coming from Sunset Cliffs Blvd. and Nimitz Blvd, that becomes congested from the 4-way stop. The installation of a roundabout will contribute to a more fluid traffic flow and reduce the backup of cars that results from motorists awaiting their turn through the intersection. Additionally, this traffic circle proposal, deemed as the top priority of the Ocean Beach Planning Board, meets goals outlined in the Climate Action Plan, the Bike Master Plan, the Ocean Beach Community Plan Bike Boulevard, and the SANDAG Smart Growth Corridor.



**COUNCILMEMBER CHRISTOPHER WARD
COUNCILMEMBER GEORGETTE GÓMEZ
M E M O R A N D U M**

DATE: May 21, 2018

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Christopher Ward, Third Council District
Councilmember Georgette Gómez, Ninth Council District

RE: Final Budget Priorities and Revisions to the Fiscal Year 2019 Budget

This memorandum contains our joint priorities for the Fiscal Year 2019 budget, which align with our commitment to create a spending plan for San Diego that balances fiscal responsibility with the need to make bold and equitable investments in our City's future.

We believe the priorities which receive funding should be designed to not only maintain the fiscal health of the city in FY 2019. This should include efforts to ensure that city functions are performed in a cost-effective manner by city staff rather than outside contracted support.

Additionally, while it's necessary to keep our budget balanced, we should also continue efforts to match ongoing commitments with ongoing funding. Stopgap efforts may be unavoidable in certain cases, but the city should make every effort to avoid normalizing these funding approaches. This provides stability for city programs, avoiding year-to-year uncertainty for businesses, community organizations, and citizens and allowing them to better serve the region.

Fiscal prudence is important because the City's *Fiscal Year 2019-2023 Five-Year Financial Outlook* projects the Council to be in a position to mitigate a \$34.6 million deficit in the FY 2020 budget. This is due to the softening of growth in our major revenue sources, while projected baseline and critical strategic expenditures are expected to increase. This makes the FY 2019 budget especially important, as the investments made next year must be fiscally responsible and equitable so we make a positive impact in our diverse communities.

We look forward to working closely to provide appropriate support for these FY 2019 programs and hope to continue strengthening our budgetary practices going forward.

HOMELESSNESS & AFFORDABLE HOUSING

The proposed budget increases spending on homeless programs at the expense of dedicated funding to support the creation of affordable housing. We made the decisions to move forward with the bridge structures, safe parking and storage facilities in order to provide safe and sanitary conditions for our fellow San Diegans. We must identify funding to sufficiently backfill that money to the Housing Commission to make the progress we need on Housing First priorities. The final FY 19 budget must reflect the City of San Diego's commitment to permanent supportive housing opportunities through a coordinated and collaborative approach to our homeless crisis.

- **Establishment of a Flexible Spending Pool (FSP):** Creation of the bridge structures has provided 700 beds for unsheltered individuals but exits to permanent housing remain low. This is in part because we have not invested in the end of the pipeline to provide units needed at affordable rates. The Rapid Rehousing Initiative conducted through the Select Committee on Homelessness this past fall identified delays which underscored the need for centralized housing navigation, and the need for additional, flexible financial resources. The City should initiate the development of a flexible spending account that can allocate funding to an expanded range of Housing First opportunities. Through the combined resources of the City, the San Diego Housing Commission, local government partners, and philanthropic assistance, this pool can be used to fill gaps in rental payments, security deposits, and other additional services needed to efficiently connect individuals to permanent housing.
Approximate cost: \$500,000 (Start-Up)
- **Increased Funding for Homeless Prevention and Diversion Services:** An additional \$1 million allocation to the San Diego Housing Commission can assist up to 1,450 households at risk of experiencing homelessness, helping to reduce the inflow of newly homeless individual and families into the system.
Approximate cost: \$1.0 million.
- **Workforce Development and Job Training:** Employment is critical for ending homelessness and outlined as a key strategy in the United States Interagency Council on Homelessness (USICH) federal plan to prevent and end homelessness. Rapid Re-Housing (RRH) is a Housing First intervention targeted to mid-range acuity households (both families and single adults) who will need some support but ultimately will be self-sufficient over a period of time. By providing targeted intensive employment supports to RRH households, it is expected that employment outcomes will improve housing stability at RRH exit and further stability over time. The pilot is expecting to serve a minimum of 200 households enrolled in City of San Diego RRH programs. Employment services will be provided by the San Diego Workforce Partnership (SDWP) and the San Diego Housing Commission's (SDHC) Achievement Academy.
Approximate cost: \$325,000 total with \$25,000 investment from the City of San Diego
- **Tiny Home Bridge Community Pilot:** Cities such as Seattle and Portland have developed programs through offering public land and funding to support temporary "tiny home

communities” for people experiencing homelessness. The bridge communities can provide a safer environment than sleeping on the street, improve access to services, and help individuals transition to permanent housing. The City should identify a minimum of one City-owned parcel for a two-year pilot program, with funding provided to support services, security, and operations at the bridge community. The community could contain approximately 15 temporary “tiny home” sleeping cabins under 120 square feet to provide safe and temporary shelter for these vulnerable individuals.

Approximate cost: \$400,000.

- **Housing Preservation Coordinator:** We recommend that the San Diego Housing Commission hire a Housing Preservation Coordinator to annually conduct an inventory of at-risk units, connect owners to financing and subsidy resources available for preservation, and/or facilitate sales to qualified affordable housing developers.

Approximate Cost: \$108,000 for 1.0 FTE.

PUBLIC SAFETY

- **Funding to Implement AB 953:** The Racial and Identity Profiling Act of 2015 only requires that the data be sent to the State Department of Justice. San Diego residents must have an opportunity to hear from the San Diego Police Department directly through an annual independent Racial Impact Report. The report should include information about any racial bias complaints and the outcomes of such complaints, as well as any action taken by SDPD to mitigate racial biases. The report should also make recommendations based on the data collected. Analysis of data we are already required to report will allow for us to see if we are making progress to deal with the disparities identified in the SDSU study, as well as under AB 953.

Approximate cost: \$75,000

- **Balboa Park SDPD dedicated team:** Balboa Park is our City’s crown jewel and a regional park in our urban core with more than 1,200 acres. Previously, the park had a dedicated team in SDPD assigned. As we staff up officers, we request the restoration of the critical team under the neighborhood policing division.

Approximate cost: Reallocation of staff resources.

- **Police Performance Metrics:** The addition of performance metrics related to 911 call wait time is helpful to provide an overview of response times in comparison to best practices and help align resources to meet our targets. The FY 19 budget allocation of 10.0 FTE (9.0 Dispatch and 1.0 Dispatch Supervisor) is an important step to improve San Diego Police Department Non-Emergency and Other Communication Channels. However, additional metrics are needed to allow the City to be better informed about how to address staffing. The FY 19 budget should include the following performance metrics for the Police Department, including dispatch division:

- Comparison of actual sworn staffing with the sworn staffing goals remaining in the SDPD five-year plan;

- Budgeted and actual sworn officers per 1,000 population (appeared in FY 15, FY 14, and FY 13 adopted budgets) and how they compare with the average of other large cities;
 - Average non-emergency call wait time;
 - The number of abandoned non-emergency calls, and the number of abandoned non-emergency calls that received a call back;
 - The number of sworn officer hours dedicated to dispatch, and the cost, including overtime pay.
- **Community Oriented Policing:** We are encouraged by the creation of the new Neighborhood Policing Division and the centralization of the Homeless Outreach Team, Quality of Life Teams, and Psychiatric Emergency Response Team programs but need to remain committed to investing in a community policing philosophy departmentwide. It is imperative that the Police Department present a restoration plan to ensure a robust community policing strategy. Specifically, we request that additional Community Relations Officers and multi-lingual Police Officers/Police Services Officers be added as the Police Department continues to rebuild. Increase RSVP program to provide more resources to our neighborhoods and more opportunities for engaged residents to volunteer. More eyes on the streets in our neighborhoods increases sense of community based police presence.
Approximate Cost: Reallocation of existing resources.
 - **Resource Access Program (RAP):** We are encouraged to learn that the RAP program will be reinstated through the upcoming RFP for EMS. The San Diego EMS Resource Access Program is a paramedic-based surveillance and case management system that intercepts high EMS users and seeks to reduce dependence on EMS and acute care services by linking individuals with appropriate resources for their underlying medical, mental health, and social needs. RAP has saved taxpayers approximately \$2 million dollars in diverted public health costs and we would like to see the RFP include 4.0 FTE Community Paramedics for this program.
 - **Downtown Park Ranger:** The FY 19 proposed budget includes an additional Park Ranger dedicated to the San Diego River. As the City's fastest growing neighborhood, Downtown San Diego is continuously adding park space. However, they are not supported by a dedicated Park & Recreation Department ranger. In light of ongoing public safety issues at Horton Plaza Park, Fault Line Park and Children's Park, and to meet the standard of activation and support afforded to communities throughout the City, the Downtown neighborhoods of Core, Marina, Gaslamp Quarter, Little Italy, East Village, and Cortez Hill should have a dedicated ranger.
Approximate Cost: \$75,000
 - **Restorative Justice Funding:** Funding toward the training of San Diego Police Department Officers in Restorative Justice practices. Restorative Justice prioritizes mediation, counseling and communication for certain youth offenses. The overarching goal is to keep youth out of the school to prison pipeline, a path that youth of color disproportionately find themselves on because they face harsher punishments and are more heavily prosecuted for minor offenses. The City Council and Mayor recently renewed their commitment and investment in addressing Police Officer retention issues and have vowed continued support. A revenue from the City's Marijuana Tax (Measure N) continues to increase, it is appropriate for some

of this new funding to be invested in Restorative Justice practices including training for 125 SDPD Officers.

Approximate cost: \$300,000

- **Lifeguard Division Staffing:** Last year, San Diego Lifeguards made approximately 7,000 water rescues, cliff rescues, river rescues, boat rescues, medical aids, and enforcement calls. In order to continue providing an adequate level of service, we request the addition of a 1.0 FTE Clerical Assistant II to support the Lifeguard Division's front office operation.
Approximate cost: \$67,000 for 1.0 FTE.

NEIGHBORHOOD SERVICES

- **Code Compliance Officers in the Development Services Department:** Despite budget requests from a majority of Council offices, the Mayor's proposed FY 19 budget decreases the number of code compliance officers. The Development Services Department's Neighborhood Code Compliance Division provides significant value to neighborhoods by enforcing our municipal code and protecting the public from a variety of health and safety violations. Our districts contain some of the oldest neighborhoods in the City, which rely on code enforcement to mitigate such nuisances as illegal businesses operations, high occupancy housing issues, noise generators, accumulation of materials in yards, and unsafe and unsanitary housing conditions. We ask for an additional 2.0 FTE Combination Inspectors (\$64,000 each) and 2.0 FTE Zoning Investigators (\$56,000 each) be added to the FY 19 budget.
Approximate cost: \$240,000. This cost could be offset by increased activity (i.e. issuance of permits for compliance, citations, etc.)
- **Brush Abatement for Urban Canyons:** Increased accumulation of brush within our canyons creates a concern in our neighborhoods of potential fire hazard. While staff has begun to work through the backlog of fire risk violations we need the resources for Park and Recreation to increase abatement specifically within our urban canyons. Our FY19 proposed Brush Management Budget is \$4,437,568. We request increased service frequencies from 24 months (452 acres per year) to 21 months (509 acres per year, 12.5% increase
Approximate cost: \$554,696 per fiscal year.
- **Library Services and Programming:**
 - **Library Security:** In order for patrons to feel safe in our branch libraries additional security is needed. Currently only 24 out of our 36 branch libraries have security. We believe this responsibility should fall under the jurisdiction of our City employees and be filled with classified positions. If contracting out for this upcoming FY is necessary we request staff return with a report on the cost to add these position in next year's budget.
Approximate cost: \$288,000

- **Restoration of Programming Budget:** Today's libraries are not just about what we have for people – but what we do for and with people. The \$600,000 of city-funded Library programming over the last two years allowed the Library to develop equitable, system-wide science and technology initiatives that prepare middle and high school students for college and the workforce. That city investment was leveraged into \$1.2 million in donations from Library donors for these programs. We request the restoration of \$100,000 in recurring funds for Library programming to ensure these impactful programs continue.
Approximate cost: \$100,000
- **Penny for the Arts:** The Penny for the Arts Blueprint (Blueprint) adopted by the City Council in 2012 included a goal of restoring annual Arts, Culture, and Community Festivals allocations to 9.52% of the City's transient occupancy tax (TOT) revenues by FY17. In the years since, the City has not met the Blueprint's annual funding targets. Rather, even as TOT revenue has grown, the city has fallen further behind its Blueprint targets. In order to ensure that Penny for the Arts funding levels do not continue to fall even further behind Blueprint goals of 9.52% of TOT, funding should, at a minimum, be maintained at FY 2018's adopted level of 6.32% (Fiscal Year 2019 equivalent: \$15,432,191).
Approximate cost: \$1,000,000
- **Business Cooperation Program:** The Business Cooperation Program (BCP) was created to capture additional sales and use tax revenues from large research, manufacturing, or construction projects. Program revenues have decreased significantly in recent years and only two companies are currently enrolled in the program. I request that the City invest in 1.0 FTE to support this program, especially in the midst of a construction boom where numerous projects of \$50 million or more have been developed in recent years. Given this, the City has likely missed out on additional revenues – potentially hundreds of thousands to more than \$1 million in recent years.
Approximate cost: \$160,000 for 1.0 FTE.
- **Graffiti Abatement Contract Restoration:** We request that the Mayor restore this contract to ensure that the continuation of abatement services on residential private property. This represents a service level reduction of 15%, which is unnecessary considering the need for such services in the older neighborhoods that we represent.
Approximate cost: \$300,000.

INFRASTRUCTURE & SUSTAINABILITY

- **Storm Water Channel and Storm Drain Maintenance:** No additional channel clearing resources are in the proposed budget. The city has engaged in an effort to enhance the maintenance of its storm water channels and storm drains to ensure that life and property are protected during winter storm season. Much of the work has been through emergency permitting. In order to avoid the need to do last minute emergency permits, the City should continue funding our storm water channel and storm drain maintenance program at an enhanced level that proactively addresses high flood risk locations.
Approximate cost: \$1.4 million.

- **Urban Forestry Program:** The maintenance and management of our urban tree canopy is necessary to implement the CAP. Trees are a significant piece in improving the quality of life for our neighborhoods by providing benefits towards public health, air and water quality, shade, and reduction of the heat-island effect. To continue implementing the Urban Forestry Five-Year Plan and the CAP, we should make the following investments:
 - **Addition of Urban Forestry Staff:** The FY 19 proposed budget only transfers 1.0 FTE and does not provide additional funding for staff and resources as identified in the Five-Year Urban Forest Management Plan and Climate Actions plan goals. We request the 2.0 FTE Urban Forestry professionals (\$200,000) with the expectation of an additional 2.0 FTE in FY 20.
Approximate cost: \$200,000 for 2.0 FTEs.
 - **Restoration of Tree Trimming Contract:** Fund the current shade tree trimming program at current levels by restoring the proposed reduction of \$882,000 from the tree trimming contract. Reducing broadleaf tree trimming from once every 9 years to once every 21 years is counter to our Climate Action plan goals and targets for urban canopy and poses a public safety risk in several of our older neighborhoods.
Approximate cost: \$882,000.
 - **Free Tree Initiative:** Continue funding the “free tree” initiative, which is a small but visible and measurable implementation step for the Climate Action Plan. If discontinued, the momentum towards tree canopy investment will be lost.
Approximate cost: \$300,000.
- **Community Choice Energy (CCE) Local Buildout Study:** While the City of San Diego is making progress on reaching a 100% clean energy future, I recommend that we allocate funds for an analysis of local clean energy buildout scenarios and how they impact economic development in our region. The City must ensure that public dollars are invested in the creation of good jobs to grow our changing economy, especially in underserved communities. *Approximate cost: \$75,000 in addition to secured NREL funds.*
- **Safe Routes to School Program:** This program is part of a national movement to encourage safety for more walking and bicycling around schools. Our City must do better in providing safe and pedestrian-friendly facilities to ensure that students can get to school on foot or by bike. Committing to a Safe Routes to School program will keep kids safe, and provide co-benefits to the Climate Action Plan and Vision Zero commitments. I propose that the City seek Caltrans’ Active Transportation Program funds to fund this program for 40 schools in San Diego’s most dangerous corridors, two of which are in our districts (El Cajon Boulevard and University Avenue).
Approximate cost: \$500,000 to be funded by an available Caltrans Active Transportation Program grant that the City should seek.

PLANNING

- **College Area Community Plan Update:** The College Area Community Plan was last updated in 1989 and has been experiencing serious development pressures that have resulted in significant adverse impacts to the low-density neighborhoods that surround San Diego State University. This plan has not provided transit-supportive regulations to stimulate pedestrian-oriented growth along the major corridors. It's important that a complete update to this plan be funded and commence in FY19 to address the issues associated with Residential High Occupancy Permits (RHOP) and to proactively plan for future growth along major transit corridors.

Approximate cost: \$1.0 million.

OPERATIONAL NEEDS

- **Earned Sick Leave & Minimum Wage Program Staffing & Outreach:** The City Treasurer's pivot towards full enforcement of the Earned Sick Leave & Minimum Wage Ordinance has been encouraging. However, more can be done to ensure that we are protecting low-wage workers from predatory employers. The City Council should maintain FY18 funding for current staffing levels in the enforcement program and allocate additional funds for community outreach contracts and public service announcements. With this money, the City can broaden outreach for the ordinance and educate more people in vulnerable communities, many of whom are going to nonprofit service providers (instead of the City Treasurer) to receiving information on combating predatory employers.

Approximate cost: \$200,000 for contracts.

- **Equal Opportunity Contracting (EOC) Disparity Study:** The City's EOC Program implements programs to support small and local businesses by working to ensure diversity and inclusion in City purchasing and contracting. Recent reports have showcased discouraging statistics in City procurement, particularly for firms from disadvantaged communities. In order to better understand how to reform EOC, a disparity study must first be commissioned to remedy any perceived discrimination in City contracting. We highly recommend the funding of an EOC disparity study.

Approximate cost: \$1.0 million.

- **Council Administration Support:** We request the addition of 1.0 FTE Council Representative position in Council Administration to support service levels to the Council Offices, perform key responsibilities, and provide assistance with Public Records Act requests.

Approximate cost: \$66,000 for 1.0 FTE.

SUGGESTED REVENUE SOURCES

While we acknowledge the City's budgetary constraints, we offer the following revenue sources to continue progress and prevent any reductions to public safety and critical neighborhood services. These sources are meant to provide funding options and specifically related to cash balance and reserves are not intended to be depleted completely:

- **General Fund Excess Equity – \$1.8 million:** Per the *FY18 Year-End Budget Monitoring Report* and FY 19 May Revise, about \$1.8 million in Excess Equity is expected to be available for Council appropriation. Of the \$1.8 million, nearly \$1.6 million is available to ongoing expenditures, while \$200,000 is available to one-time expenditures in FY19.
- **Infrastructure Fund - \$735,000:** Per the FY19 May Revise, nearly \$735,000 is available for Council appropriation in the Infrastructure Fund for the acquisition of real property, construction, reconstruction, rehabilitation, repair, and maintenance infrastructure.
- **Capital Outlay Fund - \$2.0 million:** Per the *FY18 CIP Year-End Budget Monitoring Report*, there is a remaining fund balance in the Capital Outlay Fund of \$2.0 million to be utilized to support acquisition, financing, and construction costs for permanent public improvements across all asset types.
- **Potential Revenue from Short-Term Vacation Rentals – Unknown revenue:** The City Council must take immediate action and adopt sound policy regarding short-term vacation rentals. In doing so, the city will be better suited to track business activity and will create opportunities to generate revenue in the form of permit fees and Transient Occupancy Tax that can support code enforcement to ensure compliance of applicable laws.
- **TransNet Extension Cash Balance - \$9.8 million:** Per the *FY18 CIP Year-End Budget Monitoring Report*, a \$32.5 million fund balance is estimated to be carried over to FY19. This is approximately one year's worth of TransNet revenue remaining on deposit. We request that the City spend down 30% of the fund balance, or \$9.8 million, to fund improvements in the City right-of-way.
- **Excess Risk Management Reserves - \$8.3 million:** Per Independent Budget Analyst (IBA) analysis of the FY19 Proposed Budget, there is a projected \$8.3 million in excess resources attributed to the General Fund in the Long-Term Disability Fund and Workers' Compensation Reserve Fund. These resources are expected to be encumbered to cover operating expenses in FY20, however, Council may choose to appropriate these funds in FY19 for one-time expenditures.
- **Use of Redevelopment Property Tax Trust Fund (RPTTF) - \$19.4 million:** Per the FY19-FY23 Five-Year Financial Outlook, the adjusted residual RPTTF revenue amounts to \$19.4 million in FY19. Using this revenue going forward to invest in San Diego's economically disadvantaged communities, as originally intended, allows areas in the greatest need of economic investment an opportunity to attract new commercial activity, which in turn creates new jobs and greater tax revenue for the City's General Fund. The prioritized investment of these residual RPTTF funds could fund many capital projects across the City that currently do not have identified funding source.

ADDENDUM A

- **Aldine Drive Stormwater Study:** The storm drains along Aldine Dr. in Kensington and Talmadge continue to fail during seasonal rains. While the City has engaged in efforts to repair and replace storm drains, there is still much work to do. In addition to repairing and maintaining the current storm drains in the area, I am requesting an initial pre-design study for road improvements at the location in order to begin to implement Facilities Financing Project T-1. Based on recommendation from city staff, road improvements are needed to fully address the issue of flooding at the area during rains. The full cost to implement Project T-1 is \$6,000,000. It is estimated that \$250,000 would be needed to begin evaluating the project through a commissioned storm water study. This project was also listed in my FY18 budget priority memo from January 2017 and CIP prioritization memo from November 2017. *Approximate cost: \$250,000.*
- **Balboa Park Restroom Rehabilitation/Modernization:** Improvements are critically needed to the restrooms in Balboa Park near, specifically the Juniper St. restroom, South Palisades restroom between the Automotive Museum and the Air & Space Museum, at Spanish Village, Pepper Grove and Morley Field. Self-cleaning, single-use style restrooms should be considered in addition to the use of the streamlined design/bulk purchase and installation to reduce the cost per unit. *Approximate cost: \$300,000.*
- **Bridge Deck Restroom Operations & Maintenance:** The Bridge Decks overlooking the Interstate 15 serve both of our districts and represent a tremendous opportunity for increased mobility in Mid-City. They are located in a heavily trafficked area along two transit corridors and residents that utilize public transportation will need access to public restrooms while experiencing their daily commutes. We request funding to open, operate, and maintain the restrooms located on the I-15 Bridge Decks. *Approximate cost: Unknown.*
- **Chollas Triangle Street Closure & Park Development:** In the neighborhood of El Cerrito, the Chollas Triangle section of the Eastern Area Neighborhoods Element is a high priority project. Listed in the Mid-City Public Facilities Financing Plan as Project P-26, this development provides for the design and construction of a 5-acre neighborhood park. In addition to this effort, Mid-City Public Facilities Financing Plan Project T-22 would begin by evaluating either the reduction in the width or closure of all or part of Chollas Parkway between 54th street and University Avenue in order to construct the Chollas Triangle neighborhood park. I would like to request that the initial assessment for the street closure be included along with funding for a General Development Plan for the future park. This project was also listed in my FY18 budget priority memo from January 2017 and CIP prioritization memo from November 2017. *Approximate cost: \$5.0 million for design and construction.*
- **City Heights Pool Repairs:** We request funding to make the necessary repairs to the pool facilities at the City Heights Recreation Center. Due to a microfracture in the pool, the pool is now out of service for a projected two to three years. In order to start the repair project and

potentially accelerate the opening of the pool facilities, we request funding for repairs.
Approximate cost: \$500,000.

- **Clay Park Improvements:** In Rolando Village, improvements are needed to address park deficiencies in Clay Park as well as the accommodation of the additional use by the Centrepointe/Blvd 63 project, which is a 332 unit multi-unit housing complex adjacent to the park. Proposed improvements include installing a comfort station, installing a shade structure for the playground equipment, upgrading sidewalks to meet ADA standards, installing a security camera to address crime prevention, and the addition of an off-leash dog park. There is no CIP established for this project. This project was also listed in Councilmember Gomez's FY18 budget priority memo from January 2017 and CIP prioritization memo from November 2017.
Approximate cost: \$800,000.
- **College Fire Station:** The construction of a new fire station on College Avenue is a priority for the College Area, especially with anticipated neighborhood growth due to expansions by San Diego State University.
Approximate cost: Unknown.
- **Golf Course Drive Improvement/ CIP S-15040:** This project provides for the design and construction of a paved pedestrian pathway and bike facility along Golf Course Drive, connecting the existing Golden Hill Recreation Center to 28th St. A feasibility study was completed and presented to Greater Holden Hill Planning Committee which moved to approve of "Alternative 1" and "Alternative 2" as presented within the WBS S-15040 Feasibility Study provided to our office from Park & Recreation.
Approximate cost: \$4.5 million
- **Eastern Area Mobility Study:** The eastern section of El Cajon Boulevard includes College Area, El Cerrito, and Rolando Village. These neighborhoods are in dire need of improvements in the public Right-of-Way to facilitate pedestrian, bicyclist, and motorist traffic. I request that the City commission a mobility study for El Cajon Boulevard from 54th Street to Keeney Street and implement recommended sidewalk improvements, bike facilities, streetscape improvements, and signal coordination to improve the mobility of pedestrians and bicyclists on El Cajon Boulevard. A full cost estimate is not available at this time.
Approximate cost: \$250,000 to establish a CIP and begin design and construction drawings.
- **Lorca Drive Catwalk and Storm Drain:** The Rolando Village catwalks are paved pathways connecting the streets, allowing neighbors to quickly traverse the canyons that separate different parts of the community. The westernmost catwalk between Cartagena and Lorca Drives has a wooden stairwell in deteriorated condition that has been a concern of the community for quite some time. The original concrete stairway has been unusable for many years due to being undermined by the damaged storm drain located directly beneath the stairs. A wooden stairway was subsequently installed, and repaired, however this is an interim solution. Our office would like to request a CIP evaluation to permanently repair the storm drain and restore the concrete stairs, improving the safety and walkability of the catwalk.
Approximate cost: Unknown.

- **Open Space Parks/ CIP AGE-00001:** There are over 150 canyons throughout urban San Diego. We request that this CIP be amended to incorporate and properly fund the Canyon Enhancement Planning (CEP) Program produced by San Diego Canyonlands. Mission Valley trail connections through Buchanan Canyon (University Heights) and the 33rd Street Mini-Park (Normal Heights) be considered for restoration.
- **Reynard Way Neighborhood Park – Mission Hills:** This park is outlined as a park opportunity for Uptown in the Community Plan and would provide a much-needed neighborhood park resource for the community of Mission Hills, specifically south of Washington. I request that funding be identified to initiate a General Development Plan for this long-awaited community asset.
Approximate cost: \$250,000.
- **Streetlights:** There are neighborhoods in District 9 that are lacking adequate street lights. While some neighborhoods are lacking street lights altogether, there are some that are in dire need of maintenance and replacement. Below are my street light requests:
 - **City Heights:** The communities of Castle and Cherokee Point in City Heights lack sufficient street lighting and residents are often left in the dark. There are several streets in these neighborhoods that lack street lighting and serve as hubs for crime and illicit activity. It is imperative that we provide adequate lighting in the Castle and Cherokee Point neighborhoods. *Approximate cost: Unknown. However, this project could be funded through the annual allocation dedicated to the Installation of City Owned Street Lights (AIH-00001).*
 - **Southcrest:** This community lacks sufficient street and parks lighting. There are several streets in this neighborhood that are serviced by a single light. Often times these lights are out of commission, leaving entire blocks in the dark. We should provide adequate lighting in Southcrest, particularly around the Willie Henderson Sports Complex. *Approximate cost: Unknown. However, this project could be funded through the annual allocation dedicated to the Installation of City Owned Street Lights (AIH-00001).*
 - **Golden Hill:** This community also lacks sufficient street and parks lighting and there are pockets of the neighborhoods that are dark. We request street lights at 26th and Broadway as well as F Street between 21st and 24th St.
- **Trolley Barn Park Comfort Station:** Trolley Barn Park is an important asset to the neighborhood of University Heights. As identified in the Unfunded Park Improvement List, a comfort station should be added to the heavily utilized park.
Approximate cost: \$750,000.
- **Ward Canyon Neighborhood Park Phase II Completion:** The temporary dog park at Ward Canyon Neighborhood Park was an important step toward realizing this long awaited and significant community asset. We would like to see the construction of these permanent park improvements included in the next bond/funding to see the construction of these

permanent park improvements included in the next bond/funding opportunity. Phase II also called for the demolition of the Mock Building/Storefront located in the northwest corner of the park, as well as the construction of a new Mid-City police building on the western end, with windows facing the park for increased visibility and public safety.
Approximate cost: \$7.5 million (per Facilities Finance Program Estimation)



**CITY OF SAN DIEGO
OFFICE OF COUNCIL PRESIDENT MYRTLE COLE
FOURTH COUNCIL DISTRICT**

MEMORANDUM

DATE: May 21, 2018
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Council President Myrtle Cole *Myrtle Cole*
SUBJECT: FY 2019 Budget Priorities

I am disappointed to see that the Mayor's revised budget did not address our basic neighborhood services. I believe that we can still have a balanced FY 2019 budget, maintain current level of City services and strive for additional resources to fulfill essential operations and provide optimal customer service. My priorities continue to focus on building a San Diego of which we can all be proud. Below is a list of Council District 4 and Citywide priorities that I would like to see included in Fiscal Year 2019.

Public Safety:

Identify funding for Resource Access Program (RAP). The RAP program is an important component in addressing the needs of our homeless. RAP, a paramedic based surveillance and case management system, manages frequent users of the 911/EMS system. RAP paramedics connect homeless individuals with resources for their underlying medical, mental health, and social needs. The RAP program has many benefits including reducing calls to the 911/EMS system, thus freeing up time for serious emergencies and reducing the costs.

Identify and allocate funding for Death and Disability benefits for Firefighters as required by City Charter Section 151 and authorized by Proposition B. Firefighters hired after July 20, 2012 do not have a defined Death and Disability benefit if permanently disabled or killed in the line of duty. The Cheiron CPR Analysis dated March 7, 2012 provided a summary of benefits and costing intended to replace the previous Death and Disability benefit with a like benefit. The previous plan was closed to firefighters due to pension system changes under Proposition B. Fortunately, no permanent disabilities or deaths have occurred for post-Prop B new hires to date. As such, the City has incurred

no cost in the last 5 ½ years. Funding must be allocated to provide for Death and Disability benefits moving forward to prevent an unfunded liability to the City in the event a firefighter is permanently disabled or killed.

Lifeguard

Identify and allocate funding for:

- Addition of one Clerical Assistant II dedicated to supporting all aspects of the Lifeguard Division front office operation. **(PREVIOUSLY REQUESTED Senior Management Analyst)**
- Addition of one (two FTE) Lifeguard III at the Children's Pool/La Jolla Cove.

Support and Fund the Neighborhood Code Compliance Division of the Development Services Department to administer programs designed to protect the public's health, safety, welfare, and property value through enforcement.

Identify and allocate appropriate funding for additional Psychiatric Emergency Response Team staff to address expanding homeless populations in communities throughout San Diego.

Climate Action Plan:

Implement the Downtown Mobility Plan and the highest priority bike lanes, identified by the Bicycle Advisory Committee.

Funding for shade tree pruning, which is essential to maintaining the health of our existing tree canopy; allocation of funds to expand the canopy; and an increase in staffing capacity to implement the Phase 1 actions outlined in the Five-Year Urban Forest Management Plan.

Infrastructure:

Identify and allocate funding for completion of the Streamview Drive.

Improvements. Including traffic calming measures, installation of roundabouts, medians, angled parking, resurfacing of streets and construction of new sidewalks.

Continued funding for the Martin Luther King, Jr. Recreation Center Facility renovations and repairs.

Identify and allocate funding for Emerald Hills Community Park Renovations. Funding for improvements include, repainting of its tennis courts, resurfacing of basketball courts, and upgrading playground equipment of the two tot-lots.

Identify and allocate funding for a Permanent Skyline Hills Fire Station (FS 51). Identify funding to construct a permanent facility for the health and safety of our fire-rescue personnel.

Identify and allocate funding for a Permanent Home Avenue Fire Station (FS 1). This project will provide for the much-needed Fire Station to meet emergency response times in the community.

Identify and allocate funding to continue work on the Rolando Park Joint-Use Field project.

Identify funding to establish a CIP project to design and construct a new Oak Park Library.

Support Services for Planning Groups and Neighborhood Councils.

Fund improvements at 15 deadliest intersections. To ensure basic, low-cost pedestrian safety infrastructure improvements such as high visibility crosswalks, audible signals, and countdown signals.

Identify and allocate funding for increased lighting on Reo Drive between Rancho Hills Drive and Tonawanda Drive. This area is very dark and unsafe. It is not safe for pedestrians to walk this stretch of Reo Drive at night nor is it safe for the visibility for drivers on this road.

Identify and allocate funding for installation of sidewalks at several locations in Paradise Hills.

Identify funding for additional sidewalks and street lights in District 4 including, Paradise Hills, Community-Wide Pedestrian Improvements for North Encanto, and Northside of Market Street.

Economic Development and Neighborhood Services:

Allocate and Restore Services for Weed Abatement and Tree Trimming: These services are designed to protect the public's health, safety and welfare through abatement

Identify and allocate funding for Graffiti Abatement.

Continue to allocate additional funding for the Penny for the Arts Blueprint.

Library Services:

Identify and allocate funding for:

- An addition of at least \$100,000 for Library programming, and the adoption of a recurring budget line item for Library programming starting in FY19
- An additional \$288,000 added to the Library budget to ensure adequate Library security

Identify and allocate funding for a Small Business Bonding Assistance Program. The Small Business Bonding Assistance Program can serve as a supplement to the City's existing SLBE/ELBE program, and as an alternative to addressing the bonding needs of small construction firms.

Minimum Wage and Earned Sick Days Enforcement:

Continued funding for the current Minimum Wage and Earned Sick Days Program positions.

Identify and allocate funding for Park Maintenance Staff to maintain the 42,097 acres of park land in the City of San Diego.

Identify and allocate funding for Fleet Operations.

Identify funding to hire more Utility Workers. Repairing and improving streets has been a priority for both the Mayor and Council. Without more employees performing this work, the division will remain stretched thin and backlogged.

Identify and allocate funding for addition of 1 FTE Council Rep position in Council Administration to support and maintain service levels to support the Council Offices.

Revenue Opportunities:

To address funding for our FY 2019 budget priorities, following are some possible actions:

Excess Equity: There is an estimated \$1.8 million available for a one-time use.


Infrastructure Fund: There is an estimated \$934,841 allocation for FY 2019.

City of San Diego Land Sales.

We look forward to the collaborative work ahead and thank you for your consideration of our budget priorities.



COUNCILMEMBER MARK KERSEY

DATE: May 21, 2018
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Mark Kersey 
RE: Final Fiscal Year 2019 Budget Priorities


This is in response to Budget & Government Efficiency Committee Chair Barbara Bry's May 1, 2018 memorandum requesting final Councilmember input on the Fiscal Year 2019 Budget. My final requested budget modifications are:

- **Wheels of Change** (\$120,000): Wheels of Change, a workforce development program for homeless individuals, is in the pilot phase and has a waitlist of over 150 people. I request \$120,000 to continue the Wheels of Change program in Fiscal Year 2019.
- **Code Enforcement** (\$526,000): The City's Code Enforcement program improves safety and quality-of-life in our neighborhoods and helps weed out bad actors in a variety of industries, including the new adult-use cannabis industry. I request the addition of \$526,000 to the Code Enforcement Division budget to increase code compliance staffing.
- **Brush Management** (\$555,000): Regular brush management reduces the risk of wildfire in our open space parks and canyons. I request an additional \$555,000 be allocated to the Park & Recreation Department brush management budget to increase service frequency.
- **Tree Trimming** (\$882,000): A 21-year trimming cycle for trees in the public right-of-way is well below the industry standard and could leave the City vulnerable to litigation. I request restoration of \$882,000 to maintain FY18 funding levels for street tree trimming services.



**COUNCILMEMBER CHRIS CATE
CITY OF SAN DIEGO
SIXTH DISTRICT**

MEMORANDUM

DATE: May 21, 2018
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Chris Cate 
SUBJECT: Recommended Fiscal Year 2019 Budget Revisions

The City continues to be in a precarious financial situation. In January of this year, the projected deficit for Fiscal Year (FY) 19 was anticipated to be above \$24 million, largely due to an increase in the General Fund portion of the Actuarially Determined Contribution (ADC) payment. To maintain basic neighborhood services for FY19, such as library and recreation center hours, road repair efforts, and responsive Police and Fire-Rescue Departments, City departments were asked to submit 2% operational reductions, primarily in non-personnel expenditures and in the elimination of vacant positions. Other strategies involved the use of excess equity and fund balances in the sum of \$26.7 million. These operational cuts ensured that critical strategic expenditures, such as the Clean SD program and Bridge Shelters, received the necessary support they needed to operate in FY19. Nevertheless, the multitude of ongoing expenditures that may require support beyond FY19 are expected to be affected by the City's budget going forward into FY20.

FY2020 Projected Deficit

Based on the projections from the most recent Five-Year Financial Outlook and current revenues and expenditures outlined in the FY19 Proposed Budget, the City can expect a deficit in FY20. The City's pension payment is expected to grow by another \$24.5 million, bringing next year's total payment to \$347.4 million, with an \$18.1 million hit to the General Fund. Based on growth rates included in the Five-Year Financial Outlook, General Fund revenues are expected to grow by \$39.5 million, while expenditures are anticipated to grow by \$73.8 million. Furthermore, in light of the Council pre-funding the FY19 reserve contribution in FY18 by \$10.3 million, the City can expect a \$9.6 million obligation in FY20 to meet reserve targets. The following table uses the same format of that outlined in the Five-Year Financial Outlook:

	FY2019 5yr	FY2019 Budget	FY2020 Projection
General Fund Revenues			
Property Tax	\$563.7	\$559.5	\$586.1
Sales Tax	\$281.8	\$281.9	\$289.8
TOT	\$130.6	\$127.9	\$135.3
Franchise Fees	\$77.7	\$78.9	\$80.5
Property Transfer Tax	\$10.5	\$10.9	\$11.3
Licenses & Permits	\$19.7	\$25.3	\$25.8
Cannabis Business Tax*	\$5.5	\$0.0	\$0.0
Fines	\$32.0	\$31.4	\$31.6
Revenue from Money & Property	\$60.3	\$59.8	\$61.8
Revenue from Other Federal Agencies	\$4.5	\$5.5	\$4.5
Charges for Services	\$163.5	\$159.3	\$162.6
Other Revenue	\$2.5	\$3.0	\$2.5
Transfers In	\$82.2	\$91.9	\$83.8
Removal of One-Time Resources/Interest		\$0.7	
Baseline	\$1,434.5	\$1,436.0	\$1,475.5
General Fund Expenditures			
Salaries & Wages	\$549.5	\$581.6	\$581.6
Employee Agreements	\$40.3	\$0.0	\$40.3
ADC	\$231.4	\$238.9	\$257.0
Flexible Benefits	\$82.8	\$94.1	\$82.8
OPEB	\$41.9	\$41.7	\$42.7
Workers' Comp	\$23.2	\$19.7	\$21.2
SPSP	\$18.9	\$19.5	\$19.0
Other Fringe	\$25.9	\$24.0	\$25.8
Personnel Expenditures	\$1,013.9	\$1,019.5	\$1,069.7
Infrastructure Fund	\$16.9	\$16.2	\$17.7
Supplies	\$31.2	\$30.2	\$31.7
Contracts	\$236.9	\$236.8	\$245.1
IT	\$34.5	\$32.0	\$32.6
Energy & Utilities	\$45.5	\$49.0	\$51.3
Reserve Contributions	\$5.0	\$4.2	\$13.5
Other Expenditures	\$51.9	\$59.9	\$59.9
Non-Personnel Expenditures	\$421.9	\$428.2	\$451.8
Total Expenditures	\$1,435.8	\$1,447.7	\$1,521.5
Baseline Difference	(\$1.3)	(\$11.7)	(\$46.0)

*Included within Licenses & Permits in FY19 Budget & FY20 Projection

As noted, this projection does not include the FY20 Five-Year Critical Strategic Expenditures for items, such as Clean SD, SDPD, and Fire-Rescue positions and equipment, software maintenance, and technology upgrades, that were included in the previous Five-Year Financial Outlook. In total, not including costs for the Bridge Shelters, Storage Center Operations, and Othello Fleet Services Improvements, these critical expenditures account for an additional \$25.6 million in expenditures in FY20.

FY20 5-Year Critical Strategic Expenditures	
City Clerk	\$0.5
Chief Operating Officer	\$0.3
City Treasurer	\$0.3
Citywide Program Expenditures	\$0.6
Environmental Services	\$0.3
Fire-Rescue	\$7.9
Fleet Operations	\$4.6
Hepatitis A Response	\$0.7
Homelessness (Safe Parking)	\$0.2
Library	\$0.6
Park & Recreation	\$4.2
Performance and Analytics	\$0.7
Police Body Worn Cameras and Tasers	\$0.4
Police Civilian Positions and Equipment	\$1.0
Transportation and Storm Water	\$3.3
Total	\$25.6

Upon taking into consideration the modest revenue growth and the above-mentioned expenditures, we project the City to have an approximately \$46.0 million budget deficit in FY20. This projection is limited in scope and does not include any additional ongoing expenditures that may be included in the FY19 adopted budget, nor does it include any initiatives or critical strategic expenditures necessary to be fulfilled during the FY20 budget deliberations.

FY20 Totals	
Total Revenues	\$1,475.5
Total Expenditures	\$1,521.5
5-Year Critical Strategic Expenditures	\$25.6
Surplus/Deficit	(\$46.0)

We must respond to these financial challenges by exercising strong fiscal discipline and maximizing one-time revenue sources for critical needs that ensure the public's safety and delivery of quality neighborhood services.

FY2019 Priorities

In response to the public hearings regarding the proposed budget and Mayor's May Revise, I recommend the following allocations for the remaining \$1.8 million of excess equity:

San Diego Police Department Housing Incentives (\$500,000)

The City Council and Mayor should continue prioritizing resources and funding to address the recruitment and retention crisis of the San Diego Police Department (SDPD). Staffing levels continue to be 200 officers below the nearly 2,000 budgeted for the department. To meet full staffing goals, the City should consider instituting a housing incentive pilot program for officers willing to reside within City limits. The program should include down payment and closing cost assistance by leveraging matching funds from financial institutions. \$500,000 should be allocated to initiate this pilot.

Mira Mesa Epicentre Facility Improvements (\$234,157)

Vacant since 2016, the Mira Mesa Epicentre provided San Diego youth a host of services since first opening in 1999, including educational activities, recreational services, a concert venue, and an entrepreneurial program for young adults. The facility has struggled to find a replacement tenant due to substantial, outstanding retrofits, and specific covenants tied to the receipt of prior Community Development Block Grants. To make the Epicentre more marketable and attractive to prospective tenants, the following improvements, identified as critical needs in a 2014 facility assessment, should be considered for funding from the remaining excess equity:

- Foundation Repair: \$107,760
- Slab on Grade Repairs: \$77,280
- Domestic Water Distribution: \$15,120
- Total: \$200,160
- Total with Inflation: \$234,157

Citywide Brush Management (\$554,696)

As the City enters a long-term drought, the maintenance of brush adjacent to residents and businesses is paramount. To mitigate the potential for future fire damage, the City should move forward with an increase to the Brush Management Budget of the Park and Recreation Department by \$554,696.

Wheels of Change (\$120,000)

Wheels of Change is a proven program that provides homeless individuals with the opportunity to earn a fair wage for a day's work. Modeled after Albuquerque's "There's a Better Way" program, Wheels of Change gives San Diego's homeless an opportunity to better their lives. Operated by the Alpha Project, there is currently a list of over 150 individuals waiting to participate. As such, this program is hoping to secure \$120,000 to expand its days of operation to five days per week.

Street Repairs (~\$500,000)

I recommend the following street repairs be funded through \$734,841 of unallocated dollars from the General Fund transfer to the Infrastructure Fund:

- Glasgow Drive from Merrimac Avenue to north cul-de-sac, OCI 16, 0.3 mile
- Clairemont Mesa Blvd. between the 163 and 805, OCI 40, 1.0 mile
- Pegasus Avenue from Capricorn Way to Polaris Drive, OCI 29, 0.5 mile

Private Property Graffiti Abatement (\$234,841)

In the Mayor's Proposed Budget, the City's Private Property Graffiti Abatement program was eliminated from the Transportation and Storm Water Department's budget. This program previously utilized a contract with Urban Corps to help residents abate graffiti on their property. To help individuals who may not have the physical or financial means to abate graffiti, the full reinstatement of this funding should be prioritized. I recommend that \$300,000 of the \$1.3 million General Fund transfer to the Capital Improvement Program (CIP) Budget be reallocated for this purpose. The CIP Budget should be backfilled with remaining dollars from the unallocated Infrastructure Fund transfer outlined in the May Revise.

I further recommend the following positions be added to the FY19 Budget by reallocating \$587,097 from the City Attorney's Office per the funding increase outlined in the Mayor's May Revise. This reallocation will not include the additions associated with the Family Justice Center and Tuition Reimbursement.

5.00 Full Time Equivalent (FTE) Positions for Marijuana-Related Code Compliance (~\$525,716)

With the implementation of Proposition 64 in January of this year, the City will continue to see an escalation of marijuana-related business activity, particularly as the 40 new production facilities go on-line. Measure N, passed by the voters in November 2016, authorizes a levy of gross receipts tax to properly regulate the marijuana industry without the diversion of resources from core City services. In the Proposed FY19 Budget, no code compliance officers were added. As such, approximately \$500,000 should be allocated to support the addition of 5.00 new FTE positions for code compliance to help regulate the local marijuana industry.

1.00 FTE Position for Council Administration (\$66,000)

Council Administration provides critical services to City Council offices. Their workload includes managing items appearing before Council committees, ensuring Councilmembers receive docket information and closed session material, providing Information Technology support, overseeing payroll, and processing Community, Projects, Programs and Services (CPPS) documentation. Recently, new filing deadlines issued by the City Attorney's Office have had a significant effect on the turnaround time for Council Administration to process CPPS items. 1.00 FTE position should be added to Council Administration to help alleviate the delays this has caused.

CC:ic



City of San Diego
Councilmember Scott Sherman
Seventh District

MEMORANDUM

DATE: May 21, 2018
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Scott Sherman
RE: Fiscal Year 2019 Final Budget Priorities

The following are my budget priorities for funding in the FY19 Budget.

Reduction of Four City Attorney Positions

I propose the reduction of four City Attorney positions from the May Revise totaling \$587,097. This reduction would not include the proposed Assistant Management Analyst position for the Family Justice Center. The Office of the City Attorney currently has 29 vacant FTE's, which is 8% of the current budget. Due to the high number of vacancies, the reduction of proposed positions should not have an impact.

Addition of Five Code Enforcement Officers (~\$500,000)

Due to the passage of Proposition 64 and a possible resolution related to Short Term Vacation Rentals, there is a need for additional Code Enforcement Officers. These officers would provide much needed additional resources to the department as they take on these additional enforcement responsibilities. The passage of Measure N provided a new revenue stream, but no positions were added to provided enforcement from that revenue stream. The funding for these positions would come from the reduction of four City Attorney positions recommended in the May Revise.

Wheels of Change (\$120,000)

Wheels of Change is a homeless workforce development program that is currently in the pilot phase. It is operated two times/week out of the Alpha Project tent. The program is modeled after Albuquerque's program called "There's a Better Way." The San Diego program was initially funded with \$80,000 from a private donation. There is currently a wait

list of over 150 individuals that want to participate in the program. I request \$120,000 to continue the program in FY19.

Mira Mesa Epicentre Facility Improvements (\$235,000)

The Mira Mesa Epicentre has historically provided San Diego youth with a host of services since first opening in 1999. The facility was closed in 2016 and has struggled to find a replacement tenant due to substantial retrofits that are required. I request additional funding to assist in repairs from the remaining excess equity.

Increase Fire Safety through additional Brush Management (~\$550,000)

San Diego has approximately 500 linear miles of Wildland Urban Interface (WUI). San Diego is extremely susceptible to fires, especially as a result of the last two winters. The annual allocation for brush management ensures that City land is serviced once every 24 months. An increase of ~\$550,000 would drop the service frequency by 3 months to once every 21 months.

Additional FTE for Council Administration (\$66,000)

Council Administration provides support for the San Diego City Council. The level of support required by the City Council has risen in recent years due to the addition of a new Council District and a variety of other factors. There is a need for an additional FTE for a department that has not seen any adjustments in recent years.


cc: Honorable Mayor Kevin Faulconer



COUNCILMEMBER DAVID ALVAREZ
City of San Diego
Eighth District
MEMORANDUM

DATE: May 21, 2018

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember David Alvarez 

SUBJECT: Final Budget Priorities and Revisions to the Fiscal Year 2019 Budget

Over the last few weeks the Council has heard from many citizens regarding their priorities in the City's proposed budget. Taking that public testimony and staff responses to Council questions into account, as well as the May Revisions to the proposed budget released on May 15, 2018, I submit this memorandum which contains my priorities for the Fiscal Year 2019 budget. I have proposed \$2.5 million in new expenditures and suggested \$5.7 million in budgetary resources.

EXPENDITURES

NEIGHBORHOOD SERVICES

Library Programming

The Library Department programming budget is a vital tool to ensure equity across the Library system by helping to sustain programming for branches in underserved and less affluent neighborhoods, which don't have access to private support.

Approximate cost: \$100,000

Penny for the Arts

FY19 funding for arts related programs should remain consistent at FY18 funding levels using recurring revenue.

Approximate cost: \$566,500

Council Administration

Addition of one position (one FTE Council Rep 1) in order to maintain daily operational service needs in Council Administration's ability to assist the Council in serving the public.

Approximate cost: \$66,000

Micro Business Improvement Districts

Funding should be made available to support the Micro BIDs, specifically targeting Imperial Avenue and Logan Avenue.

Approximate cost: \$20,000

INFRASTRUCTURE & SUSTAINABILITY

Baybridge Community Center Improvements

The Baybridge Community Center is a single story 9,890 gross square foot building located adjacent to Chicano Park. The facility was built in 1971 and is part of the Parks and Recreation Department. The building is in very poor condition with many pressing needs to be move-in ready for the next tenant. A roof replacement is identified as a critical need in the most recent facilities assessment report. Other critical improvements are electrical and HVAC upgrades.

Approximate cost: \$500,000

Tree Trimming and Weed Abatement

The current budget would increase tree trimming maintenance from every nine years to every twenty-one years. I am requesting funding for tree trimming and weed abatement to be restored in the FY19 budget. This will ensure that the City takes proactive measures to reduce fire risk during the upcoming fiscal year. Moreover, an increased frequency for services will help to reduce future potential liability to the City.

Approximate cost: \$800,000

Growing Our Urban Forest

Growing our urban forest is a critical piece of our Climate Action Plan. The City must invest in the professional staff needed to maintain and manage existing trees and a robust planting program. I request the addition of 2.0 FTE for horticulturalists/urban foresters.

Approximate cost: \$200,000

Private Property Graffiti Abatement Program

Restore the private property graffiti abatement program. The elimination of this service would be detrimental to the City, leading to an increase in blight in some communities. Additionally, the need for code enforcement officers to help to monitor and provide enforcement to ensure the graffiti abatement occurs, can ultimately end up costing the City more money.

Approximate cost: \$300,000

Southwest Neighborhood Park

The project would provide for the design and construction of 11.54 gross / 6.82 useable acres on city owned dedicated parkland and will include a new comfort station and play area. An earlier request to allocate \$460,000 in Otay Mesa/Nestor DIF to this project to allow the development of the General Development Plan (GDP) was granted. Currently, the CIP for this project does not

appear under the FY19 proposed CIP budget or in the Mayor's Revise. I respectfully request this project to be reflected in the Adopted FY19 Budget.
Approximate cost: None

Otay Mesa/Nestor Community Plan Update

Include the Otay Mesa-Nestor Community Plan Update in the FY19 community plan update work plan. The first Otay Mesa-Nestor Community Plan was adopted in 1979 and it was last updated in 1997.
Approximate cost: None

Performance Metrics

The following performance metrics should be included under the Development Services Department and/or Planning Department in the FY19 budget:

- Number of building permits issued
- Number of residential units built
- Percentage of RHNA city allocation units permitted
- Percentage of RHNA allocation units built

The following performance metrics should be included under the Housing Commission in the FY19 budget:

- Number of affordable units preserved
- Percentage of units preserved in danger of losing their affordability clause

Future Infrastructure/Commercial Paper/Bond Issuances and/or CDBG Reprogramming:

The projects listed in Attachment A are high priority community needs for the FY19 budget. Consideration should be provided to those projects eligible for FY19 funding opportunities.

SUGGESTED REVENUE SOURCES

I offer the following revenue sources to continue progress and prevent any reductions to public safety and critical neighborhood services:

Excess Equity

The May Revise indicated that \$1.8 million remains unused in excess equity.
Available resource: \$1.8 million.

Infrastructure Fund

The May Revise resulted in an increase to the allocation made to the infrastructure Fund. This funding should be used to fund the infrastructure items prioritized in this memorandum.
Available resource: \$739k

Contracts

The City utilizes outside contractors for a variety of services totaling \$240 million. The City should utilize the appropriate termination clause language within each contract to renegotiate the cost of each contract. A simple 1% overall reduction in contracts for outside services would provide the City with \$2.4 million for more immediate General Fund purposes.
Available resource: \$2.4 million.

Park and Recreation Department position reduction:

During FY18, there was a change in the way Recreation Council's across the City process the use of their funding. At the time this change was approved by Council, it was anticipated that current staff will absorb the work produced. For FY19 there is a request for 3 additional FTEs in support of the work produced by this change. I request that this line be removed from the Park and Recreation Budget, as staff previously stated that it had the capacity to absorb the work.
Available resource: \$300,000

Business Expansion, Attraction, and Retention (BEAR)

Recently, an audit was published which highlighted various issues with the current Business Incentive Program. The Audit Committee made a recommendation for this program to be suspended until the Economic Development Department implements all the recommendations to reform the program. Given this recommendation, I am requesting that this funding be suspended and allocated to other business support programs.
Available resource: \$515,000

Thank you for your consideration of these priorities. This memo reflects my top priorities and will serve as the basis for my support of the budget.

ATTACHMENT A

Baybridge Community Center Improvements

The Baybridge Community Center is a single story 9,890 gross square foot building located adjacent to Chicano Park. The facility was originally built in 1971 and is part of the Parks and Recreation Department. The building is in very poor condition with many pressing needs to be move-in ready for the next tenant. The current roof needs replacement and is identified as a critical need in the City's most recent facilities assessment report. Other repairs such as HVAC and electrical upgrades also need to be done.

Approximate cost: \$500,000

Beyer Community Park

This project would create a 12.6 acre community park serving the San Ysidro and Otay Mesa communities. The General Development Plan and design of the project will soon be complete. The next step would be to fund the project's initial construction phase.

Approximate cost: \$400,000

Chollas Creek Master Plan Restoration and Active Transportation Improvement Project

Chollas Creek is a significant asset that traverses the City Heights, Eastern, Encanto, Southeastern San Diego, and Barrio Logan communities. Planning work has been completed as part of the 2015 Southeastern and Encanto Community Plans; Chollas Triangle Plan amendment; Southcrest Trails Park General Development Plan; and improvements from private development projects along the creek that implement the 2002 Chollas Creek Enhancement Plan. The total cost of the Master Plan is estimated to be \$1.0 million based on the costs of the San Diego River Park Master Plan/CEQA document. However, Park Planning staff reports that the Master Plan could be funded in phases over a three year time period.

La Media Road CIP

Completion of this CIP is critical to our cross-border economy. \$9.7 million in Transnet funding should be allocated to it in FY19.

Pedestrian/Safe Routes to School Improvement Projects

- Picador Boulevard and Majestic Drive (Montgomery Middle School) Crosswalk/Rectangular Rapid Flash Beacon (RRFB)

- Hemlock Avenue and Hollister Street (Nestor Academy) Crosswalk/Rectangular Rapid Flash Beacon (RRFB)

Funding should be provided to install these much needed RRFBs in order to provide a safe zone for students crossing the street.

Approximate cost: \$20,000

Sidewalks

Sidewalks throughout District 8 are in disrepair and need immediate attention. The list below should be considered priority locations in the FY19 budget.

-Saturn Boulevard Sidewalk Improvements between Dalia Ave. to Elm St. This stretch along Saturn Boulevard has long needed the installation of sidewalks in order to provide a safe environment for pedestrians.

-Installation of a sidewalk on Evergreen Ave. between Thermal Ave. to 16th St.

- Imperial Ave. & 25th St. Sidewalk Repairs: The condition of the sidewalks at the following stretches are riddled with potholes, the concrete blocks are broken, missing and protruding. These conditions are dangerous for pedestrians and pose a liability risk to the City.

- o Imperial Avenue from 19th St. to 30th St.
- o 25th St. from Imperial Ave. to G St.

-San Ysidro locations:

- o -Howard Ave. (east side) between Village Pine Dr. and Iris Ave. (50/50 cost share – \$22,500 San Ysidro & \$22,500 Otay Mesa-Nestor)
- o -Smythe Ave. (both sides) between Beyer Blvd. and SR-905.
- o -Cottonwood Rd. (both sides) between W. San Ysidro Blvd. and Vista Ln.
- o -Seaward Ave. (south side) between Cottonwood Rd. and West Park Ave.
- o -Border Village Rd. (both sides) between the north and south connections to E. San Ysidro Blvd.
- o -Calle Primera (north side) between Via De San Ysidro and Willow Rd.
- o -Cottonwood Rd. (west side) Beyer Blvd. to Foothill Rd.
- o -Smythe Ave. (both sides) between Sunset Ln. and W. San Ysidro Blvd.
- o -Alverson Rd. (both sides) between Sunset Ln. and W. San Ysidro Blvd.
- o W. San Ysidro Blvd between Dairy Mart Rd. and I-805; E. San Ysidro Blvd between I-805 & San Ysidro border crossing.

Approximate cost \$1.1 million

Streetlights

District 8 communities are deficient in sufficient street and parks lighting. It is imperative that we provide and repair lighting in our neighborhoods and public facilities. The following are priorities to provide and repair lighting:

- o Dahlia Avenue between Saturn Boulevard and 18th Street qualifies for three additional street lights. Their proposed locations are as follows:
 - o Dahlia Avenue west of Saturn Blvd 305' south side \$ 2,500
 - o Dahlia Avenue west of Saturn Blvd 105' south side \$ 2,500
 - o Dahlia Avenue east of 18th Street 160' south side \$ 2,500
- o East Beyer Boulevard north west of Center Street 600', west side \$ 15,000
- o G Street east of 30th Place 150', south side \$ 10,000
- o Antares Drive east of Caithness Drive 190', south side \$ 18,000
- o Beyer Boulevard west of East Beyer Boulevard 300', south side \$ 20,000
- o 28th Street south of Imperial Avenue 153', west side streetlight \$ 2,000
- o 34th Street (South) north of Spring Garden Place 120', east side streetlight \$ 2,000

○ Logan Avenue northwest of Sigsbee Street 184', south side streetlight	\$ 2,000
○ Acacia St at Delta Street, southeast corner	\$ 1,000
○ Spring Garden Place west of 34TH Street 180', in cul-de-sac streetlight	\$ 2,000
○ Pickwick Street east of 34th Street 495', south side	\$ 2,000
○ 33rd Street north of Imperial Avenue 130', west side at alley streetlight	\$ 2,000
○ Clay Avenue at Sampson Street, at alley, northwest corner streetlight	\$ 1,000
○ Franklin Avenue east of 29th Street 183', south side streetlight	\$ 2,000
○ Sampson Street west of Kearney Avenue 60' south side	\$ 8,000
○ 28th Street south of Imperial Avenue 153', west side	\$ 8,000
○ Gamma Street east of South 42nd Street 160', north side	\$ 8,000
○ 24th Street, 135' north of Imperial Av, east side	\$ 10,000
○ F Street east of 31st Street 265', south side	\$ 10,000
○ Irving Avenue east of Sicard Street 155', south side	\$ 10,000
○ Harrison Avenue north of Sicard Street 310', west side	\$ 10,000
○ G Street west of 31th Street 150', north side	\$ 10,000
○ Harrison Avenue west of Evans Street (south) 300', south side	\$ 10,000
○ Harrison Avenue east of S Evans Street 325', north side	\$ 10,000
○ Everett Avenue east of S Evans Street 205', south side	\$ 10,000
○ Everett Avenue west of S 28th Street 140', north side	\$ 10,000
○ Birch Street northeast of Vesta Street 210', northeast side	\$ 15,000
○ Irving Avenue east of Dewey Street 300', south side	\$ 15,000
○ Irving Avenue west of Sicard Street 155', south side	\$ 15,000
○ F Street west of 33rd Street 130', south side	\$ 18,000
Total	\$ 264,000

Southeast Mini-Parks 4 mini-parks are included in CIP L16000:

- Gamma Street Mini-Park ADA Improvements: This project provides for the design and construction of ADA improvements at the existing Gamma Street Mini-Park in the Southeastern Community. Improvements include upgrades to the children's play area and associated path of travel. Design is in its final phase and the project is ready to begin the construction award process once funding has been added to the project.

Approximate Cost: \$1.3 million

- Clay Avenue (CD8): Play structure ages 5-12, installation of tables and BBQ grills and ADA improvements.

Approximate Cost: \$1 million

- Island Ave: Complete design and construction, including ADA improvements, playground and amenities.

Approximate Cost: \$1 million

- J St: ADA improvements and playground upgrade.

Approximate Cost: \$1 million

Southwest Neighborhood Park

This project is P-13 in the Otay Mesa/Nestor Community Plan Update's Public Facilities Financing Plan. The project would provide for the design and construction of 11.54 gross / 6.82

useable acres on city owned dedicated parkland, and will include a new comfort station and play area. The total estimated cost of the project is \$8.8M. A CIP is being created for inclusion in the FY19 Budget and funding will be allocated to allow a General Development Plan (GDP) to move forward. After the GDP is complete the project will need additional design and construction funding.

Approximate cost \$8.8 million

Villa Montezuma

This historic City facility requires immediate attention for the following deficiencies:

1. Plumbing upgrades, which will allow for functional and ADA compliant restrooms and a new hot water heater. Approximate cost: \$150,000
2. Exterior painting prep, such as tenting for termites and rodents, and fixing deteriorating/termite damaged exterior wood boards: Approximate cost: \$150,000
3. Replacement of carpet for third story: Approximate cost: \$10,000