



Office of the Independent Budget Analyst

**Proposed Council Response to County
Grand Jury Report
“BALBOA PARK CELEBRATION
LESSONS LEARNED”**

**Presentation for the
City Council
July 28, 2015
Item #333**



Overview

- The Grand Jury filed this report May 20, 2015, directed to the Mayor and City Council.
- The report discusses oversight issues related to the City's contract with the non-profit organization Balboa Park Celebration, Inc. for the planning and management of the 2015 centennial celebration.



Overview

- The report includes 6 findings and 6 recommendations.
 - 5 recommendations directed to the Mayor and City Council.
 - The remaining recommendation directed to the Council only.
- Mayor and City Council required to provide their response to Presiding Judge by August, 18 2015.



Overview

- The IBA's Office worked collaboratively with City staff, the City Attorney's Office and the Mayor's Office to develop a proposed joint Council/Mayoral response to the Grand Jury report (see Attachment 1 to IBA Report 15-29).



Overview

Prescribed Grand Jury responses include:

- For each Finding:
 - Agree
 - Disagree wholly or partially
- For each Recommendation:
 - Has been implemented
 - Has not yet been implemented, but will be
 - Requires further analysis
 - Will not be implemented because it is not warranted or is not reasonable



Highlights of Findings

1. *The Memorandum of Understanding (MOU) between BPCI and the City of San Diego lacked sufficient detail to define objectives adequately and to identify funding.*

-Disagree

The MOU contained specific objectives and deliverables with regard to project management and required BPCI to develop the funding model; and the MOU contained specific dates for deliverables.



Highlights of Findings

2. *BPCI did not exercise effective controls over expenditures.*
 - Agree
3. *A single City contract manager or managing department would have benefited the Balboa Park Celebration.*
 - Agree



Highlights of Findings

4. *Special projects of a unique cultural nature, such as the Balboa Park Celebration, would be more successful when their funding sources and schedules are specified prior to the initial start-up.*

–Partially Disagree

The intention of the partnership was that BPCI would develop the specifics of the funding mechanisms and sources, rather than establishing them prior to start-up of BPCI's work.



Highlights of Findings

5. *City officials did not adequately monitor the Balboa Park Celebration project.*

-Partially Disagree

While better monitoring of the project would have been preferred, many converging events and situations interfered with the project schedule; and a number of them related to a changing environment. With changing circumstances, there were adjustments to plans, and the deadlines for deliverables were not always able to be achieved.



Highlights of Findings

6. *Public presentation of the OCA Audit to the full City Council would enhance public exposure to the facts and could stimulate public debate.*

-Disagree

Public hearings related to this issue:

- Oct 6, 2014 Audit Committee hearing on the audit, with citywide coverage and public comment;
- 2 public hearings prior to release of the audit, regarding the termination of the BPCI MOU;
- A public hearing for Council vetting of these proposed responses to the Grand Jury.



Highlights of Recommendations

15-24 *Require the MOU or contract to define all objectives of the project and define the means by which they may be achieved.*

- Has been implemented

The City's past/current practice is to define project objectives and standards of performance. However, many contracts require specification of outcomes and methods/means are determined by the contractor within the scope of their expertise.



Highlights of Recommendations

15-25 *Require the MOU or contract to contain an executable project plan, detailed schedules, and funding agreement(s).*

- Has been implemented

The City's past/current practice is to include such plans and schedules, as well as identified public funding. However, there are contracts which rely on the contractor's development of private funding, for which the City may provide seed money.



Highlights of Recommendations

15-26 *Require a single government department be designated with full responsibility and authority for overseeing performance of the contract.*

- Has been implemented

Effective October 13, 2014, the standard language for City agreements includes the designation of a primary point of contact for day-to-day contract administration. This point of contact is normally the lead department.



Highlights of Recommendations

15-27 *Require funding sources or committed funding, be secured for any such corporation for the first year of project operation and identify an ongoing funding stream.*

- Will not be implemented because it is not warranted

The intention of the partnership was that BPCI would develop the specifics of the funding mechanisms and sources, rather than establishing them prior to start-up of BPCI's work.



Highlights of Recommendations

15-28 *Enforce all reporting responsibilities to the Council or designated Council Committee provided under the MOU or Contract.*

- Has not yet been implemented, but will be

Some MOUs and contracts require staff to periodically report to the Council. Steps will be taken to ensure that periodic updates to the Council consistently occur in these cases.



Highlights of Recommendations

15-29 *In the interests of transparency and to document lessons learned, docket before the full City Council a formal public presentation of the City Auditor's Audit Report of Balboa Park Celebration, Inc., dated October 1, 2014. In open session, Council members should discuss how major undertakings in the future would proceed with lessons learned in the face of the BPCI experience.*

- Will not be implemented because it is not warranted

Response text is same as Finding 6



Next Steps

We request Council approval of the response so it can be submitted to the Presiding Judge of the San Diego Superior Court by August 18, 2015.