



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 19, 2015

TO: Honorable Council Member Todd Gloria, Budget Review Committee Chair  
and Budget Review Committee Members

FROM: Tracy McCraner, Financial Management Director

A handwritten signature in black ink, reading "Tracy McCraner", written over the printed name.

SUBJECT: Fiscal Year 2016 Budget Review Committee Referral Response

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This memorandum is in response to questions asked at the Budget Review Committee Meeting held on May 4, 2015. The responses are listed by department in the order that they were reviewed by the Committee.

Hiring and Recruitment Plan

Several council members asked for management's plan regarding hiring more than 400 new positions, in addition to filling vacancies, and how does this impact departmental personnel budgets in FY 2016. New positions added in the Fiscal Year 2016 Proposed Budget are reflected as fully-funded full-time equivalent (FTE) positions. However, as part of the vacancy factor/savings process, each department's position additions, current and historical vacancy levels were considered in developing the appropriate level of personnel expenditures (PE) budget. For example, the vacancy savings included in the Fiscal Year 2016 Proposed Budget for the Engineering & Capital Projects Department was increased significantly due to the significant number of positions added in the budget and the planned staggering of hire dates expected throughout the fiscal year. Similarly, the vacancy savings for the Transportation & Storm Water Department in the Fiscal Year 2016 Proposed Budget was also increased to account for the time necessary to recruit and hire their multiple positions. Nearly half of the positions added in the Fiscal Year 2016 Proposed Budget are reimbursable meaning that any expenditure savings as a result of vacancies are offset by revenue shortfalls or budget neutral. This factor was also taken into consideration in the development of the PE budget for each department as no budgetary savings will be realized if the positions are not filled.

Management and Personnel have been working diligently over the past year to improve the recruitment and hiring process. Understanding that the creation of more than 400 positions will require an unprecedented number of individual recruitments, staff began working with the Personnel Department to ensure that the coordination and tasks of the hiring process began this fiscal year. On April 16, 2015 staff provided the list of job classifications added in the Fiscal Year 2016 Proposed Budget to the Personnel Department to assess the open job certification lists available for recruitment and open the recruitment for expired certification lists. In addition,

most departments have already begun the process of outlining their hiring priorities with their assigned personnel analyst. Financial Management has also identified a process improvement for the Unclassified hiring process. FM will now take the lead on coordinating one consolidated action for the Unclassified position additions requested in the FY 2016 budget. Working with Personnel, Human Resources, and City Departments FM will collect the information necessary to go to the Civil Service Commission one time for approval of all additions instead of having each department process the paperwork individually. The same will be true of the City Council approval, FM will coordinate one action to the City Council to get approval for all Unclassified positions added in the FY 2016 budget. This will save weeks and possibly months of processing time and expedite the hiring of these positions.

#### User Fees

Several council members also requested additional documentation and information on the various departmental user fees. The Mayor's Office worked with Council President Lightner to docket a third public meeting of the User Fees Tuesday May 19<sup>th</sup> at 2:00 p.m. to have a final discussion and vote of all user fees recommended for FY 2016. Specifically Councilman Cate also asked for a detail breakdown of the Police Department User Fee calculations and can be found in *Attachment 1*.

### **POLICE DEPARTMENT**

#### **COUNCIL DISTRICT 1**

##### **QUESTION:**

What is the department strategy to fill the Community Relations Officer positions?

##### **RESPONSE:**

*The information is currently being compiled and the complete response is forthcoming.*

#### **COUNCIL DISTRICT 3**

##### **QUESTION:**

How many Community Relations Officers are being requested by each community? How will these officers be allocated?

##### **RESPONSE:**

Per the Police Department, community policing is a philosophy that promotes working in partnership with the community to prevent and/or address crime based on the community's priorities and concerns, and is a way of policing that incorporates a community voice. It is not a program to be implemented by only a few officers. It is the Police Chief's vision, and was the intent with Community Oriented Policing implementation in the mid 90s, that every officer is a community relations officer, and any location where an officer is, serves as a community relations storefront.

**COUNCIL DISTRICT 3**

**QUESTION:**

What new resources are being allocated to the Homeless Outreach Team (HOT) system? What outreach to homeless is planned?

**RESPONSE:**

*The information is currently being compiled and the complete response is forthcoming.*

**COUNCIL DISTRICT 3**

**QUESTION:**

What are the primary factors adding to the \$2.3 million information technology increase?

**RESPONSE:**

The reduction of \$2.3 million in the Equipment/Support for Information Technology (IT) significant budget adjustment is offset by the increase of \$2.1 million in IT expenditures, which is based on the reclassification of IT expenditures, primarily for operating costs for the Automated Regional Justice Information System (ARJIS) that were moved to the department's operating budget.

**COUNCIL DISTRICT 3**

**QUESTION:**

What are the budget implications associated with the Department of Justice report?

**RESPONSE:**

*The information is currently being compiled and the complete response is forthcoming.*

**FIRE-RESCUE DEPARTMENT**

**COUNCIL DISTRICT 3 & 5**

**QUESTION:**

What is the timeline for completion of the Bayside Fire Station?

**RESPONSE:**

The Bayside Fire Station is estimated to be completed during the first quarter of Fiscal Year 2018.

**COUNCIL DISTRICT 6**

**QUESTION:**

How do overtime levels for Fiscal year 2016 compare to previous years?

**RESPONSE:**

The Fiscal Year 2016 Proposed General Fund Budget includes \$29.9 million for overtime expenditures in the Fire-Rescue Department. The Fiscal Year 2015 Adopted Budget is \$26.7 million for overtime with a year-end projection of \$31.2 million. The department received a \$3.95 million mid-year budget adjustment during Fiscal Year 2015. In Fiscal Year 2014, \$23.7 million was included in the adopted budget for overtime and the Fire-Rescue Department incurred \$29.7 in actual expenses. A \$2.1 million mid-year adjustment was also allocated to the department during Fiscal Year 2014. The table below reflects a year-to-year comparison for overtime in the Fire-Rescue Department from Fiscal Years 2014-2016.

Fiscal Year 2014-2016 Overtime Comparison					
Fiscal Year	Adopted Budget	Mid-Year Budget Adjustment	Revised Budget	Actual / Projection	Variance
2014	\$23,736,840	\$2,100,000	\$25,836,840	\$29,730,633	\$(3,893,793)
2015	\$26,747,867	\$3,950,000	\$30,697,867	\$31,245,564	\$(547,697)
2016	\$29,942,071				

**COUNCIL DISTRICT 8 & 9**

**QUESTION:**

What is the annual cost to add presumptive illness for lifeguards?

**RESPONSE:**

This item is currently pending Meet & Confer, and is scheduled to be discussed during Closed Session on May 19, 2015 during which the Human Resources Department will provide an update and seek further direction from Council.

**OFFICE OF HOMELAND SECURITY**

**COUNCIL DISTRICT 6**

**QUESTION:**

How much of the proposed budget do you anticipate spending on training for internal operations?

**RESPONSE:**

\$3,000 is included in the Fiscal Year 2016 Proposed Budget for Office of Homeland Security (OHS) training cost, e.g. tuition, fees, certification etc. OHS staff routinely takes advantage of grant-funded training according to OHS Department Instruction.

## **RISK MANAGEMENT**

### **COUNCIL DISTRICT 8**

#### **QUESTION:**

Please provide an update on disability benefits.

#### **RESPONSE:**

This item is currently pending Meet & Confer, and is scheduled to be discussed during Closed Session on May 19, 2015 during which the Human Resources Department will provide an update and seek further direction from Council.

## **FINANCIAL MANAGEMENT**

### **COUNCIL DISTRICT 3**

#### **QUESTION:**

Regarding Zoological Exhibits, please provide a copy of the agreement and specifically what do they spend tax dollars on? Can we amend agreement to specify public improvements?

#### **RESPONSE:**

*Attachment 2* reflects the lease agreement between the City of San Diego and the Zoological Society.

Per the City Charter section below, the funds are “to be used exclusively for the maintenance in Balboa Park of zoological exhibits.” Any amendment to the agreement with the Zoological Society that expanded the use of funds beyond the maintenance of zoological exhibits would violate the City Charter and the California Constitution. Please refer to the 2004 memorandum from the City Attorney as discussed in *Attachment 3* which addresses, in part, this question. The full text of Charter section 77a is provided below.

#### **Section 77a: Provisions for Zoological Exhibits**

The Council shall levy annually, in addition to all other taxes provided for in this Charter, not less than two cents (\$0.02) on each one hundred dollars (\$100.00) of the assessed valuation of the real and personal property within the City, to be used exclusively for the maintenance in Balboa Park of zoological exhibits.

Whenever the Council deems it to be for the best interests of the City, the Council may enter into a contract, upon such terms and conditions as the Council may prescribe, for the maintenance in Balboa Park of zoological exhibits, with any organization formed primarily for the purposes of maintaining zoological gardens and zoological exhibits and conducting general zoological work; and may make available to such organization the proceeds of the special tax levy provided for in this section.

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Subsequent to the adoption of Charter section 77a, Section 135 of the California Revenue and Taxation Code changed the definition of assessed valuation to “full value” where it had previously been 25 percent of “full value”. Pursuant to Section 135(d) of the California Revenue and Taxation code, a conversion factor of one-fourth (1/4) is applied to the tax rate, which changes the levy to \$0.005 per \$100 of assessed value for purposes of translating the Charter Section 77a tax rates to the new definition.

**CITY TREASURER**

**COUNCIL DISTRICT 3**

**QUESTION:**

Can you explain the \$6.2 million transfer from the Parking Meter Operations Fund? Please provide a breakdown of what the \$6.2 million is spent on.

**RESPONSE:**

The anticipated transfer from the Parking Meter Operations Fund is to be split 45 percent to Community Parking District (CPD) funds and 55 percent to the City’s CPD Admin Fund.

Of the 45 percent to the CPD funds, it would be split roughly:

Downtown	\$2,020,000
Uptown	\$ 700,000
Mid-City	<u>\$ 70,000</u>
Total CPD	\$2,790,000

The balance to the City’s CPD Admin Fund is \$3,410,000.

Please note that because the split/transfer occurs at fiscal year-end (i.e. June/July 2016), the CPD will budget the funds from Fiscal Year 2016 in Fiscal Year 2017 and would be presented to the City Council in June 2016.

On the City side, the City Treasurer’s Office is planning to use the City funds for parking technology upgrades. To the extent that it can be determined during Fiscal Year 2016 that some or all of the available funds are not needed for the upgrades, the funds can be budgeted for eligible activities (within the respective areas from which the funding was generated) as part of the Fiscal Year 2016 mid-year adjustment or with the Fiscal Year 2017 budget.

## **CITYWIDE PROGRAM EXPENDITURES**

### **COUNCIL DISTRICT 3**

#### **QUESTION:**

Why is there a large percentage increase in energy and utilities for Citywide Program Expenditures? Which facilities are included?

#### **RESPONSE:**

Of the total increase of \$3,599, \$1,291 is due to an increase in electricity services costs at the former Community Service Center located at 11885 Cypress Canyon Rd. An additional \$2,308 increase is due to the creation of budget for water services for a leased commercial property in San Ysidro but was not included in the budget. Most other major corporate rent leases pay their utilities bills bundled with their rent payments.

### **COUNCIL DISTRICT 3**

#### **QUESTION:**

Why is there such a large increase in the Corporate Master Lease Agreement Rent?

#### **RESPONSE:**

The majority of the change in the Corporate Master Lease is due to a technical change in how the lease for Civic Center Plaza is budgeted for in Fiscal Year 2016. Since the General Fund is leasing the building to own, it will pay the full rent amount in Fiscal Year 2016. This is a change from the prior year practice where the General Fund only paid the pro-rated rent for the office space occupied by General Fund departments. In Fiscal Year 2016, non-general fund departments that also occupy space in this building will reimburse the General Fund with a transfer payment of \$1.0 million rather than paying rent directly to the vendor. Additionally, the City has budgeted \$1.1 million in new revenue related to parking revenue and rent received from the King Chavez High School building. These revenues are budgeted in Major General Fund Revenues. Therefore, when the transfers in to the General Fund and other revenues are taken into account, the net impact to General Fund for Corporate Master Leases is approximately \$800,000. Additional information on the terms of the new lease for Civic Center Plaza is available in the Report to City Council 14-073 (*Attachment 4*).

### **COUNCIL DISTRICT 1, 6**

#### **QUESTION:**

Do we need money for elections?

#### **RESPONSE:**

Every election is different, so it is difficult to give a certain estimate more than 88 days in advance. Fiscal Year 2016 candidate races are currently estimated at \$1.1 to \$1.5 million. A 10

page ballot proposition is estimated at \$440,000 to \$540,000. A 50 page ballot proposition is currently estimated at \$814,000 to \$914,000.

**OFFICE OF THE ACOO**

**COUNCIL DISTRICT 2**

**QUESTION:**

Please provide a list of Public/Private partnerships in the pipeline.

**RESPONSE:**

As discussed during the budget hearing, the current Public/Private partnerships are DecoBike and Car Share (in process). As more partnerships become available, the programs will be brought to City Council for consideration.

**COUNCIL DISTRICT 3**

**QUESTION:**

Are the Capital Improvements Program Improvements (Americans with Disabilities Act) including retrofits in Pioneer Park in Mission Hills based on a lot of citizen complaints?

**RESPONSE:**

No. The Pioneer Park architectural barrier removal project was identified in the City's Transition Plan.

**Clarification on Office of ACOO/Special Events Vacancies:**

To clarify the joint Office of ACOO/Special Events presentation, there are currently no vacancies in the Office of the ACOO's budget; however, there are 2.00 vacancies in the Special Events Office, which was not stated clearly in the presentation.

**COUNCIL DISTRICT 8**

**QUESTION:**

Are ADA complaints that aren't completed rolled over?

**RESPONSE:**

Yes. The Office of ADA Compliance and Accessibility maintains a database of all complaints that are not completed. As funding becomes available, the Office works with the Transportation & Storm Water and/or Engineering and Capital Projects Departments to perform the work necessary to consider a complaint completed or fixed.



## **COUNCIL DISTRICT 6**

### **QUESTION:**

Please provide the Major Events Revolving Fund fund balance.

### **RESPONSE:**

As of May 4, 2015, the fund balance for the Major Events Revolving Fund was \$2.1 million. Year-to-date actual revenue is \$213,212 and actual expenditures are \$204,000. In addition, a \$150,000 transfer in of TOT revenue is scheduled for June 2015.

## **SPECIAL EVENTS**

### **COUNCIL DISTRICT 3**

### **QUESTION:**

Please provide more information on the Film Office?

### **RESPONSE:**

An additional \$125,000 in non-personnel expenditures to collaborate with the County of San Diego and San Diego Foundation is proposed in order to evaluate the feasibility of a regional public-private or nonprofit organization San Diego Film Office to address the regional needs of the production community, as well as assist production companies in taking full advantage of expanded incentive programs announced last year by the State of California.

### **Next Steps for the Creation of the San Diego Film Office**

- County Supervisor Dave Roberts is simultaneously seeking County approval of funding support of \$125,000 to match City support for creating a San Diego Film Office
- San Diego Foundation simultaneously seeking funding support to match City and County contributions
- Other possible public and private funders to be approached
- Prepare and issue an RFI (Request for Information) to film industry stakeholders resulting in Statements of Ideas (SOIs) for re-envisioning a San Diego Film Office. RFI will solicit SOIs on the structure, size, staffing, roles and responsibilities of the San Diego Film Office. The RFI will be issued after completion of the economic impact report and after funding is secured. The Program Manager and Mayor's office will guide the RFI preparation and issuance, with a proposed 45 day turn around for SOIs to be received.
- Dependent on responses from RFI and funding secured at that point, craft and issue an Request for Proposal seeking an entity/individual or organization to create/run the San Diego Film Office
- The organization designated to create/run the San Diego Film Office will also seek additional funds, both additional public agencies and private, to augment the funds committed at that point and to ensure long term sustainability.

Benefits of a Regional San Diego Film Office

The film production industry is clean, non-polluting, produces revenue to local communities, is a desirable industry that connects the arts with economic development, and fits well under the City's emphasis on innovation. More specifically, the benefits generated by a San Diego Film Office will fall into the following categories:

- 1) Local economic generator through creation of local jobs (for gaffers, videographers, make-up artists, talent scouts, etc.)
- 2) Local economic generator through tourism dollars (through 'heads in beds' and uses of restaurants and other services when visiting studios stay in town to make movies, TV programs, or commercials).
- 3) Local tourism and Public Relations booster resulting in economic generation (through seeking high profile film and TV shoots in town which draws attention, visitors, and raises San Diego profile).
- 4) Enrichment of arts and culture in San Diego.

COMMUNICATIONS DEPARTMENT

**COUNCIL DISTRICT 1**

**QUESTION:**

When will you have your performance measures ready?

**RESPONSE:**

Performance measures will be established during the tactical planning process, which is expected to begin in July 2015. Council District communication staff met with the Communications Department on Monday, May 11, 2015 to discuss information flow. Most Communication Department subjects and activities are topical rather than district related in nature.

**COUNCIL DISTRICT 2**

**QUESTION:**

Are Public Information Officers available to the media after 5:00PM and on weekends? If so, what is the process?

**RESPONSE:**

Until completion of Meet and Confer, media requests that are received after normal work hours, 6:00 a.m. to 6:00 p.m., will be handled by the Communications Director and/or Deputy Director. They will determine the urgency of the request and take appropriate action in a timely fashion. After Meet and Confer, the Communications Department will develop a rotating schedule for Public Information Officers to be responsive to urgent media requests based on the City's standby policies and procedures. There is one current exception in that a Supervising Public Information Officer for the Public Utilities Department is currently on-call at all hours of the day for emergencies in PUD's Distribution and Collection Branch.

**COUNCIL DISTRICT 2**

**QUESTION:**

Do you have any system in place to inform each council district of events that are occurring in their district?

**RESPONSE:**

Yes. Council Public Information Officers are on the Communication Department's media distribution lists. The Communications Department is hyper-sensitive to ensuring that all information is distributed to City Council so that the Council is aware of newsworthy activities happening in their districts.

**COUNCIL DISTRICT 2**

**QUESTION:**

Are all Public Information Officers currently on the Communication Department emergency contact information list in case the City is contacted after hours or on weekends?

**RESPONSE:**

Yes. The Communications Department also provided updates to comprehensive emergency contact cards on May 11, 2015.

**CITY ATTORNEY**

**COUNCIL DISTRICT 8**

**QUESTION:**

How many Deputy City Attorneys were added in the Fiscal Year 2016 Proposed Budget?

**RESPONSE:**

There are 6.00 additional Deputy City Attorneys included in the FY16 Proposed Budget and, like all City Attorney positions, these are budgeted in the General Fund; however 2.00 of these Deputy City Attorneys include reimbursable revenue by the Office of Traffic Safety (OTS) grant and the Consumer Environmental Protection Unit (CEPU) Fund as indicated in the table below.

**FY 2016 Proposed City Attorney Position Adjustments**

Job Name	Publication Description	FTE	PE	NPE	Total Expense	Revenue	Notes
Deputy City Attorney	Criminal Litigation Adjustments	4.00	338,171	16,000	354,171		
Deputy City Attorney	Consumer Environmental Protection Unit	1.00	84,543	4,000	88,543	88,543	Reimbursed by CEPU Fund.
Deputy City Attorney	Alcohol and Drug Impaired Driver Vertical Prosecution Program	1.00	102,450		102,450	102,450	Reimbursed by a State Grant-Office of Traffic Safety (OTS).
City Attorney Investigator	Alcohol and Drug Impaired Driver Vertical	1.00	96,368	2,329	98,697	98,697	Reimbursed by a State Grant-Office

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	Prosecution Program						of Traffic Safety (OTS).
Public Information Clerk	Criminal Litigation and Civil Advisory Reductions	(1.00)	(51,405)		(51,405)		
Assistant City Attorney	Criminal Litigation and Civil Advisory Reductions	(1.00)	(220,380)		(220,380)		
Non-Standard Hour Positions	Non-Standard Hour Funding	(0.27)	(24,562)		(24,562)		
		<b>4.73</b>	<b>325,185</b>	<b>22,329</b>	<b>347,514</b>	<b>289,690</b>	

Tracy McCraner

SM/mc

Attachments:

1. Police Department User fee calculations
2. Lease agreement between the City of San Diego and Zoological Society
3. Memorandum from City Attorney's Office dated June 22, 2004
4. Report to City Council 14-073: Lease of 1200 Third Avenue and 201 A Street

cc: Honorable Mayor Kevin L. Faulconer  
 Honorable Council Members  
 Jan Goldsmith, City Attorney  
 Stephen Puetz, Chief of Staff  
 Scott Chadwick, Chief Operating Officer  
 Stacey LoMedico, Assistant Chief Operating Officer  
 Mary Lewis, Chief Financial Officer  
 Ron Villa, Deputy Chief Operating Officer  
 David Graham, Deputy Chief Operating Officer  
 Brian Pepin, Director of Council Affairs  
 Andrea Tevlin, Independent Budget Analyst  
 Shelley Zimmerman, Chief of Police  
 Javier Mainar, Fire Chief  
 Greg Bych, Risk Management Director  
 Gail Granewich, City Treasurer  
 Amelia Brazell, Communications Director  
 Julio Canizal, Financial Management Deputy Director  
 Financial Management Staff