



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 blue ink that reads "Tracy McCraner".

SUBJECT: Fiscal Year 2016 Budget Review Committee Referral Response

This memorandum is in response to questions asked at the Review Committee Meeting held on May 5, 2015. The responses are listed by department in the order that they were reviewed by the Committee.

INFRASTRUCTURE/PUBLIC WORKS

COUNCIL DISTRICT 8

QUESTION:

Please provide a report detailing the Enterprise Asset Management (EAM) system.

RESPONSE:

Enterprise Asset Management (EAM)

The City owns and is responsible for maintaining a large and complex network of infrastructure assets valued in the billions, such as, sidewalks, storm drains, facilities, water and sewer assets, and parks. The City has not had an effective strategy for managing these assets, and currently has many outdated departmental systems with varying degrees of sophistication that do not talk to one another.

EAM Program - In Fiscal Year 2015, the City established the EAM Program to begin the process of comprehensively implementing Asset Management. This is an industry best business practice for managing infrastructure assets to minimize the total cost of owning and operating them, while delivering the desired service levels. In order to implement Asset Management, a software tool or EAM solution is critical given the large number of City assets; complex and

significant amount of information that must be collected and analyzed to implement cost-effective asset management strategies; and need to optimize the City's limited funds.

EAM Project – The EAM Project is a citywide strategic initiative currently in the pre-planning phase to implement an EAM solution. This new EAM system will enable staff to use information on assets, including condition and maintenance history, to assess and measure lifecycle costs, evaluate the broader costs and benefits of infrastructure projects and to develop optimal maintenance and capital investment strategies.

The City chose to implement the SAP EAM solution because it will enable participating departments to integrate with existing SAP applications in the City, such as finance and procurement, and leverage existing investments in SAP. The project includes:

- Improving the City's business processes
- Implementing new software solutions,
- Migrating from the multiple, old, disparate systems to a single new system
- And, training business users to enable them with the new capabilities

Over the last six months the Project Team has reached out to City departments to prioritize the initiatives/components of the overarching EAM Project and is developing an implementation strategy for phase 1 (foundation phase) and future phases. With the support of the new Program Coordinator, the team plans to refine the budget and schedule to reflect the final scope. The Core Team is currently focused on development of the RFP for the Systems integrator, which should be one board in early Fiscal Year 2016, and then the project will move full speed ahead.

ENGINEERING & CAPITAL PROJECTS

COUNCIL DISTRICT 8

QUESTION:

Please provide updates/progress reports for Streetscape Improvement Project (e.g. streets, sidewalks, streetlights) as well as the Otay Mesa Road Project.

RESPONSE:

The Public Works-Engineering & Capital Projects Department currently has 162 streetscape improvement projects. Of those projects, seven are in pre-design, 81 are in design, 15 are in award, and 59 are in construction.

In mid-April 2015, all bidders on the Old Otay Mesa Road Project (S00870) were deemed non-responsive for not passing the Equal Opportunity Contracting requirements of the bid. Public Works has analyzed the bids to consider alternatives in moving the project forward and are currently anticipating re-advertisement of the project in late May/early June 2015 which could result in construction starting next fall. Additional interim measures are also being evaluated.

COUNCIL DISTRICT 7

QUESTION:

The Linda Vista Skate Park project received \$3.0 million in grant funding. The contract cost is listed at \$1.7 million; what is the other \$1.3 million being used for?

RESPONSE:

Since approval of the General Development Plan (GDP), staff refined the projected budget to reflect hard costs (construction) as approximately \$2.2 million and soft costs (project management, consultant design, permits and inspection) as approximately \$0.8 million, for a total project budget of \$3.0 million. These changes will be reflected in the Fiscal Year 2016 Adopted Budget Publication.

COUNCIL DISTRICT 7

QUESTION:

On the construction contract list, the Rancho Mission Canyon Park total project cost is listed as \$792,000, which is less than the construction contract of \$1.2 million. Please explain.

RESPONSE:

The Public Works-Engineering & Capital Projects Department is currently in the process of hiring a consultant to prepare the construction documents for the Rancho Mission Neighborhood Park Play Area Upgrade (\$15004). The project is anticipated to start construction by the end of 2016 and complete construction by fall 2017. The total project cost and the construction contract cost of this project were transposed in the Fiscal Year 2016 Proposed Budget Publication and will be corrected in the Adopted Budget Publication.

COUNCIL DISTRICT 4

QUESTION:

Please provide updates/progress reports for the following projects:

- Malcolm X Library Repairs
- Webster Neighborhood ID Sign
- Skyline Hills Library
- Paradise Hills Library
- MLK Rec Center
- North Chollas Comfort Station
- MLK Promenade
- South Chollas Landfill
- Valencia Park

Honorable Council Member Todd Gloria, Budget Review Committee Chair and
Budget Review Committee Members
May 19, 2015

RESPONSE:

Councilmember Myrtle Cole requested progress updates regarding a number of Capital Improvement Projects (CIP). These projects are listed below with information provided by the Public Works-Engineering & Capital Projects Department as well as client departments.

Malcolm X Library Facility Repairs (B10038) - This project is in the process of finalizing design and is anticipated to award for construction in early 2016 and be completed by the summer of 2016. Additionally, other maintenance work was completed in 2014 such as upgrades to Heating, Ventilation, and Air Conditioning (HVAC) units, electrical repairs, lighting repairs, re-plastering of walls, and fencing improvement.

Webster Community Sign (S14005) - This project is fully funded and anticipated to advertise in Fiscal Year 2016.

Skyline Hills Branch Library (S00692) - This project is being delivered as a design/build contract that anticipates beginning construction activities in the summer of 2015 and is on target to be completed in the winter of 2016.

Paradise Hills Library (S00810) - Paradise Hills Library is currently underfunded and will remain inactive pending the identification of additional funding.

MLK Recreation Center (B00777) - The MLK Recreation Center has been completed and a Notice of Completion (NOC) has been filed.

North Chollas Community Park Comfort Station (TBD) - The project is currently underfunded and needs to update design, bid/awards, and construct the facility. The Park & Recreation Department is currently working with the Economic Development Department and Civic San Diego to determine if this project can utilize bond proceeds from Redevelopment Agency (RDA) funds.

MLK Promenade (S13020) - The City of San Diego Commission for Arts and Culture is currently working with the community to hire an artist, develop the concept and design, and install the art exhibits. After this project is completed, a new project will be created to widen the sidewalk to accommodate the art installation.

South Chollas Landfill Improvements Project (S15022) - This project is currently under construction and is anticipated to be completed by January of 2016.

Valencia Park Project (S11103) - This project is in the final stages of hiring a design consultant. The project has enough funding to complete the design phase, but will need additional funds in order to proceed with construction. Once those funds are identified, it is anticipated that construction will take approximately one year.

COUNCIL DISTRICT 4

QUESTION:

Of the new projects being added, how many came from the community input process? (Outreach was conducted in 2013/14)

RESPONSE:

Community Planning Groups submitted a total of 337 possible projects through the outreach conducted in 2013/2014. Of those projects: 10 were budgeted in Fiscal Year 2015, 40 are scheduled to be budgeted in the next five years, 169 will be considered for future projects, and 98 have been determined to not be capital in nature.

PUBLIC UTILITIES

COUNCIL DISTRICT 1

QUESTION:

How many recycled water meters are currently in place so far in Fiscal Year 2015 and what is anticipated in Fiscal Year 2016?

RESPONSE:

There is recycled water service currently to 607 individual connections. The Public Utilities Department is working to complete Phase II of the Recycled Water Master Plan, which will extend recycled water distribution along the Highway 56 corridor, from Los Penasquitos to the Carmel Valley. This is projected to add approximately 70 to 100 additional individual connections to the recycled water system in Fiscal Year 2016. The Department is also continuously working to add new "in-fill" connections to the recycled water system at sites located in close proximity to the existing distribution system.

COUNCIL DISTRICT 1

QUESTION:

What savings have been generated this year as a result of the turf replacement program?

RESPONSE:

In Fiscal Year 2015, the Public Utilities Department and Transportation & Storm Water Department provided \$790,000 in total funding for the turf replacement program, which has been fully allocated to customers for the current fiscal year. The rebate program provides \$1.50 per square foot of turf replaced, so the funds allocated to the program in Fiscal Year 2015 will eliminate the need to water over 12 acres of turf for about 20 years on average. This will save approximately 460 million gallons of potable water.

COUNCIL DISTRICT 2

QUESTION:

Why are the Public Information Clerk and Golf Course Manager classifications in the Public Utilities Department?

RESPONSE:

The Public Information Clerk positions provide services in our records management area, which are different than the Public Information Officers positions that were transferred to the Communications Department. The Golf Course Manager positions are positions in our reservoir recreation division. Originally, the reservoir recreation division was a part of the Park and Recreation Department and was transferred to the Public Utilities Department (PUD). When the positions were with the Park and Recreation Department, the classification "Golf Course Manager" was utilized for senior level reservoir managers that supervised staff. This classification was maintained after the transfer of the positions to PUD due to the lack of an alternate job classification that would have provided the same duties that these managers were currently performing.

COUNCIL DISTRICT 9

QUESTION:

How much more revenue will need to be generated as a result of drought response?

RESPONSE:

The Public Utilities Department is currently undertaking a cost of service study for the Water Fund that is anticipated to be completed in the first quarter of Fiscal Year 2016. Once finalized, this will determine how much additional revenue will be needed to address all aspects of the ongoing drought conditions.

TRANSPORTATION & STORM WATER

COUNCIL DISTRICT 1

QUESTION:

How much was collected for street trenching damage fees?

RESPONSE:

This fiscal year Transportation & Storm Water has collected \$936,417 in street damage fees.

COUNCIL DISTRICT 4

QUESTION:

Do you have a list of sidewalks to be repaired in District 4?

RESPONSE:

This list is being developed based on the results of the Sidewalk Condition Assessment. Approximately 1,125 locations citywide are funded in Fiscal Year 2016. Locations in each district will be selected based on the amount of uplift and the proximity to high pedestrian areas. The map of the results and the specific areas that will be repaired will be available later this calendar year.

New Sidewalk projects proposed for the Fiscal Year 2016 CDBG Grant Funds are as follows:

63rd St-Broadway to Imperial West Side Sidewalk
S. Boundary St from Ocean View Blvd to T St Sidewalk

COUNCIL DISTRICT 8

QUESTION:

Please provide the citywide locations of sidewalk, street light, and tree trimming improvements and installations in FY16.

RESPONSE:

New street lights to be funded in Fiscal Year 2016 will be identified by the end of July 2015. At that time, the Transportation & Storm Water Department will provide a list of street light locations citywide; approximately 80 to 100 new street lights will be installed.

The table below provides a Fiscal Year 2016 Tree Trimming list, which shows the tentative schedule by community for palm trimming. A similar schedule for non-palms is being developed. Please note that only a portion of the trees in each listed community will be trimmed, as many were recently trimmed in Fiscal Year 2014 or Fiscal Year 2015. The proposed funding will allow all palm trees in the right-of-way to have been trimmed within the last two years.

Fiscal Year 2016 Tree Trimming by Community

Month	Community Scheduled	Zip Codes in Area	Council District(s)
July 2015	Clairemont/University	92117, 92122	1,2,6
August 2015	Uptown/Downtown	92103, 92116, 92104	3
September 2015	Greater North Park	92103, 92104	3
October 2015	Normal Heights/City Heights	92116, 92105	3,9
November 2015	Golden Hill/Barrio Logan/ SESD	92104, 92102, 92113	3,8,9
December 2015	Talmadge/Kensington/College	92116, 92115, 92182	9
January 2016	Skyline/Encanto/Navajo	92115, 92119, 92139	4,7
February 2016	Otay Mesa/San Ysidro	92154, 92173	8
March 2016	Mission Beach/Pacific Beach	92109	2

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May 19, 2015

April 2016	Ocean Beach/Pt Loma/Midway	92106, 92107, 92140	2
May 2016	La Jolla	92037	1
June 2016	Serra/Kearny Mesa/Linda Vista Tierrasanta/Mission Valley	92123, 92124, 92108 92111, 92110	2,7

Not all palm trees in each listed community will be trimmed. Specific areas within each neighborhood that are scheduled for Fiscal Year 2016 are being developed.

The locations for Sidewalk improvements are being developed based on the results of the Sidewalk Condition Assessment. Approximately 1,125 locations citywide will be funded in Fiscal Year 2016. Locations in each district will be selected based on the amount of uplift and the proximity to high pedestrian areas. The map of the results and the specific areas that will be repaired will be available later this calendar year.

ENVIRONMENTAL SERVICES DEPARTMENT

COUNCIL DISTRICT 1

QUESTION:

Is algae base fuel possible to use for the Environmental Service Department's trash/recycling vehicles?

RESPONSE:

The commercial use of algae bio-fuel is still several years away both in terms of availability and cost. Currently a gallon of algae derived fuel is three to four times more than other alternative fuel options. The Environmental Services Department (ESD) will monitor the development of algae based bio-fuels. However, in the meantime, ESD will proceed with the conversion of the diesel gas trucks to compressed natural gas.

COUNCIL DISTRICT 2

QUESTION:

Look at the make-up of Mission Beach & eligibility of the residents to see if they meet the requirements of the People Ordinance.

RESPONSE:

The Environmental Services Department is working with the City Attorney's Office to apply the eligibility requirements of the People's Ordinance to the Mission Beach area.

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May 19, 2015

COUNCIL DISTRICT 2

QUESTION:

Would the situation (fly problem) in Mission Beach trigger an enhanced level of service or preferential treatment during the summer period?

RESPONSE:

The Environmental Services Department is working with the City Attorney's Office to determine if an enhanced level of service or preferential treatment is allowed.

Council Members Cole and Alvarez also requested a list of sublets for the Annual Allocations receiving funding in Fiscal Year 2016 during the budget hearings. *Attachment 1* reflects the list of projects funded by the Annual Allocations which was provided to the Council Members on April 30, 2015.

Tracy McCraner

SM/mc

Attachment:

1. FY 2016 Proposed CIP Budget: Anticipated Projects Funded by Annual Allocations

cc: Honorable Mayor Kevin L. Faulconer
Honorable Council Members
Stephen Puetz, Chief of Staff
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Mary Lewis, Chief Financial Officer
David Graham, Deputy Chief Operating Officer
Ron Villa, Deputy Chief Operating Officer
Brian Pepin, Director of Council Affairs
Andrea Tevlin, Independent Budget Analyst
James Nagelvoort, Public Works Director
Halla Razak, Public Utilities Director
Kris McFadden, Public Works Director
Mario Sierra, Environmental Services Director
Julio Canizal, Financial Management Deputy Director
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