City of San Diego

COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: May 10, 2006

TO: Toni Atkins, Budget Committee Chair
Andrea Tevlin, Independent Budget Analyst

FROM: Council President Scott Peters

SUBJECT: FY 2007 Budget

In anticipation of the first Budget Committee hearing on January 18, 2006, I submitted a list of priorities reflecting my vision for Council District One and the City of San Diego for FY 2007. These include protecting our families and children, improving our parks and beaches, enhancing our neighborhoods, funding infrastructure, serving our older communities, and ensuring that our City Council is responsive to taxpayers.

This Mayor and City Council share many of my goals and we have worked well together in a short time to take move our priorities forward. With upcoming council budget deliberations and the Independent Budget Analyst's ("IBA") final report due shortly, I am submitting the following recommendations and items of concern for the Council's consideration.

True Overtime, Supplemental Employees and Non-Budgeted Position Costs

1) The budget must reflect rises in gasoline prices and the effect that it may have on city services.

2) Ethics Commission. I support the Executive Director's request for funding two additional positions.

3) Planning. I request that this department be given additional staff positions to address their staffing deficit. In particular, one additional staff member should be dedicated to historical reviews. I would also consider supporting a cost recovery fee for Mills Act historical review.

Leases and Real Estate Holdings

The City must compile a comprehensive list of our real estate assets to give the Mayor and Council a chance to evaluate our options with City property.

Public Safety

While the Mayor has taken laudable steps to increase several aspects of funding for public safety departments, there are several outstanding issues. The Mayor's proposed budget provides increased funding for some of the equipment needs of the Fire and Police Departments. I request that each department present a detailed report of its remaining equipment needs so that our public safety departments meet national standards.

1) Police. Due to retention problems, in FY07, it is expected that the number of officers leaving this department will exceed the number of police academy graduates. The number of officers expected to leave exceed the vacancy factor projected in the Mayor's Budget. Due to budget cuts in prior years, many of our officers have been forced to handle administrative tasks, resulting in fewer officers on the street. I support the IBA's suggestion to include 30 civilian positions in this year's budget so that more officers can be back out on patrol.

2) Police. Funding for the new Northwestern Police Substation (due to open Fall 2006) was not identified in the FY 2007 budget. However, I recently received memoranda from Chief Financial Officer Jay Goldstone detailing the plans to staff this station. I appreciate the support of the Mayor and my colleagues in providing adequate public safety in the rapidly growing Council District One.

3) Police. The grace period provided in the City's red light camera program has hindered the goals of this program, which were to decrease accidents at congested intersections and to save police officers from having to spend time patrolling these intersections. Statistics show that this program has not reduced the amount of accidents in our City and has become a drain on the general fund. I have over 15 intersections in District One waiting for funding so that cameras can be installed. I request that the City reduce or eliminate the grace period for public safety reasons and allow the program to become financially self-sufficient.

4) Fire-Rescue. While the Assistant San Diego Fire-Rescue Chief has indicated that she is satisfied with the budget, I am concerned to hear that the vacancy factor prediction will result in this department getting $3 million less for personnel expenses than FY 2006, continuing the pattern of under-budgeting the Fire Department. Considering this department has a very low turnover ratio, I request an explanation on the accuracy of the vacancy assumption.

5) Fire-Rescue. The Fire Department has a vehicle replacement program that is scheduled to fund three fire trucks this year. I request this program be funded and a detailed accounting of the funds be provided to the City Council.

6) Fire-Rescue. I request that funding for the three La Jolla lifeguard station projects that are currently in various stages of community review and design be included in the next Public Safety Bond offering, along with a number of fire stations requiring upgrades throughout the

city. I do not suggest that the bond proceeds be included in this year's revenues. I also request a copy of the items to be included in the next Public Safety Bond.

7) Fire-Rescue. I request that a study comparing the department's current constant staffing policy versus the costs of using the "rover" system be done in FY07.

Public Infrastructure

I support the Mayor's ten-year plan to fund deferred maintenance in the City, which the IBA has calculated to be at least $370 million.

1) Park and Recreation. In FY 2006, two City swimming pools in Council District One (Swanson/UC and Carmel Valley) were forced to close for three months. It is my understanding that some pools in other parts of the City remained open over the entire year. I ask that one or both the pools in my district be given the revenues to stay open in FY 2007.

2) Park and Recreation. Shell Beach staircase located in La Jolla has been closed for several months, prohibiting public access to the beach. The project is estimated to cost $100,000 for all required repairs to reopen this stairway. I am requesting this amount from the Mission Bay Costal Infrastructure funds to make the necessary repairs.

3) Park and Recreation/Water Department. City of San Diego is a member of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority, with significant property holdings in the Water Department. For the past four years, the City's member contributions have not increased due to our inability issue municipal bonds. My fellow board members and I agreed that we should locate funds to increase all member agency contributions; the City of San Diego's contribution would increase from $206,703 to $267,369, approximately a sixty thousand dollar increase. See attached memo.

Additional State Revenues

The Mayor and his administration have taken steps to meet with various officials from federal, state, and local legislature and should be commended for their efforts to bring fiscal respectability back to our City. I understand that several changes have occurred within the government affairs department. I request that the Council receive regular updates on intergovernmental relations and legislation.

Proposition 42, the Transportation Congestion Improvement Act, was overwhelmingly approved by the voters of California in March 2002. It requires gas tax revenues to be allocated to local governments to be used for street infrastructure improvements. I request a list of City projects expected to receive funding in FY07.

City Employee/Retiree Health Insurance

Under Governmental Standards Board 45, the City will be required to move toward amortized scheduled payments to our Post Employment Benefit cost liabilities. The Mayor has taken the initiative to included $5 million in the FY 2007 budget and the Council commissioned an actuary to determine our liabilities a year earlier than the required date of compliance for all municipalities. A detailed discussion and study of this issue is necessary at the budget committee in the near future. The

topics of this discussion and study should include the selection of the administrator of this fund (City or SDCERS); benchmarking the actuary's assumptions; consolidating health insurance plans for City employees/retirees and funding strategies for the required contributions in the future years.

Fees For City Services

Throughout the Council's continuous discussion of this year's budget, it is apparent that the City's revenues cannot support the services, including recreation, parking, trash, real estate and other services provided by the City, that are expected from taxpayers. I request that a comprehensive discussion take place at the Budget Committee regarding revenues and fees structure of many City services.

Throughout the City's Business Process Re-engineering process in the next fiscal year, it is essential that the City's fee structure be examined. But before this occurs, support and funding for new City facilities must receive the same priority as all other facilities in the City. The Mayor has included funding for the new Nobel Library in University City. I request the Chief Deputy Rick Reynolds update the Council in the near future on the progress of City's restructuring process.

Employee Retirement Fund Actuarial Required Contribution

The Mayor is working on forecasting a future budget for the City while SDCERS' actuary Cheiron, Inc., is working to revise the system's actuarial method and have provided a rough estimate on the City's actuarial required contribution payments for the future. The following issues below must be still addressed:

1) My April 24, 2006 memorandum to the Mayor and the Chief Financial Officer outlined the issue of financial impacts of pension litigations due to the actions of the City Attorney. It is essential that the Council understand the total costs of the City and SDCERS as a result of these pension litigation versus the retirement benefits increased due to Council's vote after the Corbett settlement. See attached memoranda.

2) As stated in the IBA report, the Gleason settlement requires the payment of the City's "Contribution Amount" by July 3, 2006 for FY 2007, in order to secure the return of the City's collateral. The Mayor's proposal with the pension obligation bonds shows the City only paying its normal costs until the bonds are issued. I request a written response from the City Attorney's Office and SDCERS' fiduciary and tax counsel on the Mayor's proposal.

3) Aside from the $7.5 million of employee contributions that the Mayor plans to securitize in FY 2006, what other revenue sources is the Mayor looking to leverage in his pension obligation plan?

4) After SDCERS' actuary revises the assumptions, liabilities and assets of the system, I request that the Council be presented with future actuarial required contribution amounts with and without the Mayor's planned pension obligation bonds.

Clean Water Funding

Since 2000, the City has made dramatic improvements in decreasing the number of sewer spills, and cleaning, replacing and monitoring our pipes. In order for the City to continue this progress, it is of utmost importance that we obtain our past audits and get access to the public bond markets.

1) The budget should clearly provide and identify the costs associated with regulatory compliance, storm drain maintenance, the Point Loma outfall and improved sewer and water infrastructure.

2) Metro Wastewater. The City is in the process of fixing the storm water flow from Torrey Glen Creek and Watson Ranch Road into McGonigle Canyon. The City is looking to turn over the canyon maintenance responsibilities to the Torrey Glen Home Owners Association after vacating the easement of the waterway crossing. According to Metro Wastewater Department staff, we are currently in the permitting stages. An estimate of this project is $151,500. I request that this amount to be identified in the City's Capital Improvement Project budget so that the City can proceed with handing off the maintenance responsibility of the canyon.

3) General Services/Metro Wastewater. The Mayor's proposal includes $5 million for storm drain maintenance. Currently, the City's storm drain fees cannot support the funds necessary to make necessary repairs and meet environmental regulations in the near future. I request that the Storm Drain Working Group schedule a discussion at the Budget Committee on the possibility of increasing storm drain fees in our City.

Managed Competition

1) Environmental Services. I request that Environmental Services maintain its Community Clean Up Day assistance, Mayor and Council office landfill pass program, Environmental Youth Forum and any other programs that assist community members. The concern is that in an effort to prepare for managed competition this department might begin to cut programs that are deemed "non essential." The preferable way to even the playing field would be for private bidders to be required to maintain the community service program.

2) Other Departments. The same issue of departments cutting "non essential" services in order to prepare for managed competition must be closely monitored. Instead of cutting these important services to the community, any bidders must be required to provide the same services.

Additional Questions

Office of The City Attorney. Our preliminary review indicates that non-pension related outside legal bills have increased from $4.2 million in FY 2004 to $14.35 million in FY 2005 and that $5.07 million thus far in FY 2006 with substantial pending invoices yet to be recorded. As part of our review of our budget for legal services, we need to understand how much work the City Attorney will contract out in FY 2007.

SHP:wjs

CC: Honorable Mayor and City Councilmembers
Jay Goldstone, Chief Financial Officer
Ronnie Froman, Chief Operating Officer

G

COUNCILMEMBER KEVIN FAULCONER
CITY OF SAN DIEGO
DISTRICT TWO

MEMORANDUM

DATE: May 11, 2006

TO: Councilmember Toni Atkins, Chair Budget & Finance Committee
Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Kevin Faulconer

SUBJECT: Suggested Budget Changes for FY2007

I am encouraged by the budget proposed by Mayor Sanders and believe it conveys a disciplined approach to handling our city's financial challenges. I join my council colleagues in a commitment to returning our city to a solid financial footing and ensuring accountability to taxpayers.

While I agree with the majority of proposed allocations, there are several areas where I would respectfully suggest modifications:

- **Park and Recreation Department – Robb Field**
  The Robb Field Recreation Center is a regional facility that encompasses over 100 acres and is home to 13 sports fields along with numerous other sports and recreation facilities. A valuable member of the Park and Recreation Department, Assistant Center Director (ACD) Mr. Rogelio "Yogi" Najera, was cut from that center's budget in 2005. The community places such high value on Mr. Najera's contribution that they raised the necessary funds last year to support his position. While the reduction of ACDs may not be as critical in other neighborhood recreation centers, it is very clear that the regional serving Robb Field Recreation Center is an exception. I request that approximately $60,000 be allocated to fund the ACD at at the Robb Field Recreation Center.

- **Ethics Commission**
  I applaud the work the Ethics Commission has been doing and view it as a valuable resource to city officials and the general public. While I admire the efficiency of the Commission's staff and the volume of work they have been able to complete, they clearly need additional assistance to adequately

comply with their mission. I believe the city would benefit by adding additional staff members to conduct training and investigations. Per the Ethics Commission request, I recommend its budget be increased by $202,000, so it can better dispatch its duties and complete the backlog of investigations that currently exist.

- **Police Department**
  Having the maximum number of officers on the street patrolling neighborhoods is a priority of every council district. I support further exploration and cost analysis of the IBA's recommendation to include 30 additional positions for civilians, so that more sworn officers can be made available for patrol and proactive law enforcement.

- **Housing Commission**
  The winter homeless shelter is an invaluable service that our city provides to homeless citizens. I appreciate and support the efforts the Housing Commission and CCDC are undertaking to provide future funding for the shelter next winter, but I believe as a city, we are setting our goals too low – we should be seeking a permanent year-round shelter for the homeless. I urge the Mayor to investigate allocating additional budget dollars to the Housing Commission in order to fund a temporary year-round shelter until plans can be developed to create a permanent solution.

- **General Services Department – Street Sweeping**
  Streets that cannot be cleaned because of illegally parked vehicles are nuisances that erode the quality of life in our neighborhoods – especially the beach communities. I strongly encourage allocating additional funding of approximately $136,000 for two additional Parking Enforcement Officers, so that our city can provide appropriate enforcement of street sweeping ordinances as well as extending the hours of evening enforcement. It is my understanding that the cost for these positions would be offset by the increased enforcement revenue that would be generated.

- **Planning Department**
  A major hurdle in protecting our historical buildings and residences that are an integral part of District 2 neighborhoods is a simple lack of confirmed factual research. I request that approximately $200,000 be allocated to support the Historical Resources Board with a senior planner and an associate planner in order to complete and verify the historical surveys of our neighborhoods. I would consider a cost recovery fee to assist with these historical review costs.

- **Commission of Arts & Culture**
  There are many community events that while smaller in nature, are equally deserving support through TOT funds. I request that the Council's discretionary funding be returned to levels consistent with previous years.

- **Streets Division**
  One of the most visible signs of our financial predicament is the poor condition of our streets. As another one of the fundamental services I believe we must provide as a city, street repair must be given more attention. I encourage the Mayor to consider reallocating the streets and traffic proposed CIP projects budget in order to provide additional dollars needed to resurface a greater number of neighborhood streets.

cc: Mayor Jerry Sanders
All Council Members

COUNCILMEMBER TONI ATKINS
City of San Diego
Third District

MEMORANDUM

DATE: May 10, 2006

TO: Honorable City Councilmembers

FROM: Councilmember Toni Atkins, Chair
Budget & Finance Committee

SUBJECT: Request for FY2007 Budget Changes

I have outlined my requests for changes to the fiscal year 2007 budget below. I remain very concerned about uncertainties on both the cost and revenue sides of the equation this year and next, and would urge my colleagues to take a conservative, two-year approach to this budget. I would like to see us direct any surplus revenues or savings that arise during the year into a contingency or reserve fund for this year that, if needed, could cover any vacancy factor shortfalls and, if unspent, could be carried forward to FY2008 for known pending cost increases, such as salary adjustments, higher current-year retiree health costs and, hopefully, higher police staffing levels.

I urge consideration of the following items in the FY07 budget:

- Redirect funds to the **unallocated reserve**. Since we are moving the POBs outside the budget – and because the timing of the POBs is uncertain – this budget has no addition to the city's reserves. While I applaud and support the mayor's steps to begin funding future retiree health care needs, some or all of that money may be better put into our reserve instead. Savings from the business process review (BPR) could also provide an opportunity to increase the reserve.
- Insert strong controls for any unanticipated revenues or savings and establishment of a council policy for allocating any new funding (e.g. among deferred maintenance, reserve, services). The allocation of such savings, including savings from BPR, should come to council for approval and re-allocation.
- Increase the police vacancy factor in order to provide $1.8 million for the 30 **SDPD civilian support positions** needed to move sworn officers back onto the streets in our existing districts.
- Explore scenarios for funding the new **Northwestern facility** this year, even if new money must be found so that no officers are drawn from the other police substations citywide. I would also like to see a two-year plan for fully staffing the new Northwestern Facility.

- Draw on the $10.3 million in employee pension savings that was not reflected in the original budget to:
  - Add $2.2 million for the 11 new **Parks & Recreation** facilities opening next year.
  - Provide an additional $500,000 for the **graffiti control** line item. The amount that was budgeted is not enough to maintain control over this growing problem, especially given the loss of CDBG funding for this program.
  - Restore cuts to the **Disclosure Practices Working Group**.
  - Add two new positions to the **Ethics Commission** and encourage the Commission and the Office of Ethics and Integrity to work together on training practices and potential areas of redundancy.
  - Replace **6 to 6** funding with funds for other youth-oriented programs, with priority to:
    - Assistant Director for Robb Field
    - Youth Commission (previously cut from CDBG funding)
    - Additional recreation leaders who would rove throughout the city
  - Add overtime funds for **Planning**.
  - Address the **Fire-Rescue Department's** $3 million shortfall between new money for overtime ($8 million) and its vacancy factor of $11 million.
- Examine non-financial approaches to increasing **public safety retention and recruitment**, with consideration for supplemental spending once a comprehensive retention and recruitment plan has been developed.
- Retain the **Museum of Man, Bud Kearns Pool,** and the **Old Globe Theatre** roof replacement projects on the deferred maintenance projects list for FY07.
- Provide clarification of where the 30 returned **CSO positions** will be placed.

As we begin to think about lessons learned from this first Strong Mayor budget, I also would recommend that we re-examine the budget calendar and lengthen it next year to allow adequate time for the IBA's analysis and departmental hearings.

I look forward to seeing the Office of the Independent Budget Analyst's analysis of the councilmembers' recommendations in its combined report next week.

TA: dgc

cc: Honorable Mayor Jerry Sanders
Andrea Tevlin, Independent Budget Analyst

CITY OF SAN DIEGO
OFFICE OF COUNCIL PRESIDENT PRO TEM ANTHONY YOUNG
MEMORANDUM

DATE: **May 10, 2006**

TO: **Tony Atkins, Chair Committee on Budget and Finance**

FROM: **Council President ProTem Anthony Young, Fourth Council District**

SUBJECT: **Recommendations for FY 2007 Budget**

Upon review of the Mayor's FY 06-07 proposed budget and participating in the subsequent Budget and Finance Committee hearings, I am making the following recommendations for the Council's consideration of changes to the Mayor's FY 06-07 Budget.

The Mayor's budget for Neighborhood Code Enforcement is proposing $213,110 for graffiti removal. However, $80,615 is for transportation allowance. It is my experience that intensive efforts to remove graffiti in a timely and efficient manner are necessary to combat gang activities and keep this city and our communities from becoming symbols of gangs and urban blight. I do not think that $132,495 (after transportation allowance) is enough for intensive graffiti removal efforts throughout the city. Additionally the costs of gasoline are rising astronomically and the transportation allowance may take up more of the proposed budget. **Therefore I am recommending we increase Neighborhood Code Compliance's budget for Graffiti Removal by a minimum of $400,000. I recommend that the funds come from the Civil Penalties Code Enforcement Fund and/ or the $10 million employee offset savings available as a result of the securitization of Tobacco Settlement Revenues**.

Councilmember Madaffer and I submitted a memo dated May 5, 2006 regarding budget recommendations for the Police Department. **As I have often stated, the recruitment and retention of police officers is a top priority. In addition to the aforementioned memo submitted for your consideration, I am also recommending you consider initiating a pilot project with the San Diego Film Commission for use of off-duty police officers on movie and television production sites in San Diego.** It is my understanding the film industry paid approximately $117,000 for use of off-duty officers last year. However, this costs the City approximately $250,000. A Pilot project in which the film industry not only would pay approximately $40-50.00 per hour to off-duty

uniformed officers but also pay for liability and insurance, would significantly reduce, if not eliminate any costs to the City and also have more uniform officers present in our streets and communities where filming is taking place. This could be one prong of a multi-pronged approach to retaining police officers.

The Mayor's proposed budget includes a vacancy factor of $11.2 million for the Fire and Rescue Department. The IBA has serious problems with how this is being implemented. I share this concern. **I would like to know what it will cost to truly address the staffing and overtime issues with the department and make recommendations to increase the Department's budget where appropriate and/or reduce the vacancy factor amount.**

There is a recommendation from the Commission for Arts and Culture to have the Council consider returning $72,900 of the Councils discretionary TOT allocations to the Commission for distribution. I recommend we not support this request. There are many events that happen in my district that attract tourist, however the organizers do not get an opportunity to apply for/or receive TOT funds:

> The Filipino Heritage Festival attracted over 2,000 participants to the 4th District. Many of whom were from outside the city and county of San Diego.
>
> The Heritage Day Parade included Hollywood stars, national professional entertainers, and California celebrities and attracted participants from throughout the nation.
>
> The ATA 90th Annual National Tennis Championships are being held in San Diego this year and sponsored by the Mountain View Sports and Racket Club (MVSRC). This historical event was last held in California in 1977. They are expecting thousands of visitors from throughout the nation to attend this week long tournament/ festival**. I was very disturbed and concerned when I was told that MVSRC was informed by the Commission's staff that they could not apply for TOT funds because the event was a sporting event. As you are aware, several organizations sponsoring sporting events are funded with TOT funds**.
>
> None of the aforementioned events which attract out-of-town visitors were recommended for TOT funds. I am pleased the Mayor will be reviewing the application process during the next fiscal year. However, the discretionary funds my office receives goes to support the efforts of organizations that are left out of a complicated process to apply for funds or are systematically denied from applying for funds. **Therefore, I am requesting an increase to the Council's discretionary funds, per Council office, so that all Council members can support certain events that occur in their communities, attract tourist, and for some reason or another do not have access to the Commission's allocation process. I am also requesting we allocate $10,000 to the MVSRC from TOT funds to assist with sponsoring the ATA 90th Annual Tennis Championships.**

Unfortunately, budget hearings have not concluded and there may be other recommendations coming forth from my office. Your favorable consideration of my requests is appreciated.

Cc: Honorable Mayor Jerry Sanders
Honorable Councilmembers
Andrea Tevlin, Independent Budget Analyst

COUNCILMEMBER BRIAN MAIENSCHEIN

City of San Diego
Fifth District

MEMORANDUM

TO: Toni Atkins, Chair of the Budget Committee

FROM: Brian Maienschein

DATE: May 10, 2006

RE: Fiscal Year 2007 Budget Priorities

My priorities are to maintain or add to the Mayor's proposed increase to the Public Safety (Police and Fire-Rescue) budgets to fill positions and purchase equipment and to maintain the $10.6 million to catch up on deferred maintenance such as street and roof repairs, make no cuts in library and park hours and resources from Fiscal Year 2006 levels, make the full actuarial contribution to the pension system, and fund operation and maintenance of all new parks and police facilities.

cc. Andrea Tevlin, Independent Budget Analyst

COUNCILMEMBER DONNA FRYE

City of San Diego
Sixth District

MEMORANDUM

DATE: **May 10, 2006**

TO: **Councilmember Toni Atkins, Chair, Budget & Finance Committee**

FROM: **Councilmember Donna Frye** Donna Frye

SUBJECT: **Budget Priority**

At this time it is difficult to prioritize the proposed 2006-2007 budget without the official Annual Required Contribution (ARC) having been provided to the City by the San Diego City Employees Retirement System. It is my understanding that on May 19, 2006 the SDCERS Board of Trustees will receive the actuarial report regarding the City's ARC. I believe it is likely that the ARC will be significantly more than the $162 million payment that this budget has been based upon. Once I know what the full ARC actually is, I will follow up with my comments and concerns.

It is also important that we begin to discuss the impact of the following on the Fiscal Year 2007-2008 budget:

- Employee Salary Increases
- Employee Health Care Costs
- 15-year amortization of the UAAL

DF/ks

City Of San Diego
COUNCILMEMBER JIM MADAFFER
DISTRICT SEVEN

MEMORANDUM

M-06-01-05 Please refer to this number when responding to this memo

DATE: May 10, 2006

TO: Councilmember Toni Atkins
Chair, Budget & Finance Committee

FROM: Councilmember Jim Madaffer

SUBJECT: Recommended Changes to the FY 2007 Proposed Budget

I am pleased to submit my recommended changes to the FY'07 Proposed Budget.

Park & Recreation *See Attachment: A*

Program	Expense	Revenue
Fund staff and NPE for new facilities. Funding source: Implement non-resident parking fees at beach parking lots.	$ 1,100,000	
Rotate winter pool closures taking into account scheduled activities and past rotations. Funding source: Falls within existing budget.	–	–
Implement non-resident parking fees at beach parking lots.		$ 1,150,000

Library

Program	Expense	Revenue
Restore Friday and Saturday hours. Funding source: Employee pick-up savings.	$ 841,000	
Restore Mission Valley library hours to 62 hours/week. Funding source: Employee pick-up savings.	$ 258,000	
Increase matching funds cap to $1,500,000. Funding source: Employee pick-up savings.	$ 500,000	
Explore moving Development Officer and staff to the Library Foundation. Funding source: Falls within existing budget.	–	–

Engineering & Capital Projects

Program	Expense	Revenue
Implement a 180 day pilot project to eliminate the ½ second grace period on red light cameras and report back to City Council.	–	–

General Services

Program	Expense	Revenue
Increase new Parking Enforcement Officer positions that back up street sweepers from three to six. Funding source: These positions generate revenues in excess of their cost.	–	–
Study a centralized maintenance program for all City vehicle fleets. Funding source: Falls within existing budget.	–	–

Community & Economic Development

Program	Expense	Revenue
Implement a Tourism Improvement District		$ 12,000,000
Economic Development & Neighborhood Infrastructure Fund (Mayor: $1.0 million, Council Districts: $ 500,000 each.)	$ 5,000,000	

Police *See Attachment: B*

Program	Expense	Revenue
Hire up to 30 civilian staff to replace sworn officers doing desk duty. Funding source:Employee pick-up savings.	$ 2,000,000	
Implement an officer retention program that would provide cash bonuses to assist with increases in health care, uniform and fuel costs. Funding source: Employee pick-up savings.	$ 2,000,000	
Implement a hiring bonus for new officer recruitment. ($20k paid out over 10 years w/10-year commitment) Funding source: Employee pick-up savings.	$ 200,000	
Implement an "off-duty work program" that allows officers to supplement their income. Funding source: Administration of program falls within existing budget.	–	–

Fire

Program	Expense	Revenue
Restore funding to lease/purchase (seven years) three fire trucks. {FY'07 sales tax on 3 trucks = $200k} Funding source: Unbudgeted TSR ($10.0+ m) plus interest on encumbered funds.	$ 200,000	

Water

Program	Expense	Revenue
Restore bi-monthly billings.		$ 1,000,000

TOT – Special Promotional Programs *See Attachment: C*

Program	Expense	Revenue
Increase Mayor / Council discretionary funds in the budget as in FY'06. ($20,000 per office) Funding Source: FY'07 TOT revenues in excess of budget estimate.	$ 108,000	
Increase funding for the Holiday Bowl to $459,000 Funding source: FY'07 TOT revenues in excess of budget estimate.	$ 68,000	
Increase funding for Rock n' Roll Marathon to $119,519 Funding source: FY'07 TOT revenues in excess of budget estimate	$ 100,000	
Increase funding for California State Games to $30,000. Funding source: FY'07 TOT revenues in excess of budget estimate.	$ 15,000	

Environmental Services *See Attachment: D*

Program	Expense	Revenue
Implement Alpha Project's *Take Back the Streets* program. Funding source: Refuse Disposal Fund	$ 300,000	
Implement a self-sufficiency program for refuse and recycling containers.		$ 500,000

Office of Ethics and Integrity

Program	Expense	Revenue
Remove Human Relations Commission Executive Director and Secretary positions. Consequences: Duties can be absorbed by other staff positions.		$ 222,116

Ethics Commission

Program	Expense	Revenue
Fund additional Investigator Funding Source: Transfer position/savings from OEI reduction.	$ 97,000	
Fund Training Officer Funding Source: Transfer position/savings from OEI reduction.	$ 99,000	
Fund Non Personnel Expenses for FY'07	$ 6,000	
Funding Source: Transfer position/savings from OEI reduction.		

General Fund Revenues

Program	Expense	Revenue
Include Employee Pick-up Savings in FY'07 Budget		$10,100,000
Include Excess Tobacco Settlement Revenues in FY'07 Budget		$ 300,000
Deposit in Unappropriated Reserves	$12,380,116	

	Expense	Revenue
TOTAL Expenses and Savings/Revenues	**$25,272,116**	**$25,272,116**

JM/dm

Attachments

cc: Honorable Mayor and Councilmembers
Andrea Tevlin, Director, Independent Budget Analyst Department
John Torell, City Auditor
Ronne Froman, Chief Operating Officer
Jay Goldstone, Chief Financial Officer
Liz Maland, City Clerk
City Attorney Mike Aguirre

CM

RECEIVED
MAY 10 2006
Office of
Councilmember Toni Atkins

COUNCILMEMBER BEN HUESO
City of San Diego
Eighth District

MEMORANDUM

DATE: May 9, 2006

TO: Toni Atkins, Chair of Committee on Budget & Finance

FROM: Ben Hueso, Council Member

SUBJECT: Budget Recommendations

After carefully reviewing the Mayor's proposed budget for Fiscal Year 2006-07, I would like to recommend the following changes and request answers to the following questions:

1. Environmental Services: allocate $300,000 for trash pick-up, as provided by the "Take Back the Streets Program". Please see Memo, dated April 6, 2006, signed by my District and Districts 1, 5, and 7 attached.

2. Neighborhood Code Compliance: The proposed budget recommends allocating $213,000 to the graffiti division. This does not reflect NEW monies. This is a decrease to the current year's budget. In order to be effective in combating the problem of graffiti city-wide, we need an additional $213,000, enough to fund two graffiti crews.

3. TOT/Special Promotional Programs: a) The Council's Discretionary $72,900 funding recommended by the Commission of Arts & Culture should be allocated in the same manner as previous years, i.e., each District has discretion as to its own allocation; b) All TOT distributions should be based on a formula considering each applicant's return to the City, not based on prior-year allocations. Please provide the reasoning behind amounts recommended to each TOT recipient.

4. Special Revenue Funds: $360,000 is proposed for street light conversions and $300,000 for electrical circuit replacement. Please provide lists of where these monies will be spent. Please include how the list was compiled, e.g., was it complaint-driven or based on highest need?

5. What is the total TransNet budget and what projects will these monies fund?

6. Deferred maintenance: The $10.6 million recommended for deferred maintenance should be allocated based on highest need. How was the current list compiled? Please include a copy of the list and identify each project specifically.

cc: Jerry Sanders, Mayor
Andrea Tevlin, IBA
All Council Members

Attachment