COUNCILMEMBER SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: January 22, 2007

TO: Honorable Councilmembers

FROM: Council President Scott Peters

SUBJECT: Budget Priorities for Fiscal Year 2008

The strategic budget prioritization process at the Budget Committee meeting on January 17, 2007 was an opportunity to discuss my budget priorities with my Council colleagues, and gave me a better understanding which services are most important to my fellow councilmembers.

The Mayor's Five-Year Budget outlines a difficult upcoming budget year. As the Council works with the Mayor to shape our budget priorities for Fiscal Year 2008, it is essential that we protect core services the City provides to our citizens. We must exercise fiscal restraint to develop long term solutions which erase projected deficits in the future.

I look forward to working with each of you, Mayor Sanders, IBA, City staff and the citizens of the City of San Diego to establish a foundation which restores fiscal integrity to our City.

My budget priorities are as follows:

1) Keep our communities safe: Offer competitive salary and benefits packages to police officers and fire fighters.

2) Protect priority services: Establish and maintain sustainable revenue source for City services such as trash collection and the maintenance of our water and wastewater systems. We have a duty to be responsible to the taxpayers by approaching funding and budgeting decisions in a way that is realistic but fair.

3) Fix our streets and environment: Fund Americans with Disabilities Act (ADA) projects, clean water initiatives and wastewater and stormwater runoff projects.

4) Save the City money: Engage in productive and positive discussions with employee groups to recover additional monies at the bargaining table, rather than seeking to reduce our liabilities through costly and unsuccessful lawsuits.

5) Reduce pension costs: Continue to pay down pension liabilities in a way that preserves the City's ability to deliver day-to-day neighborhood services.

6) Boost savings: Bring the City's Unallocated General Fund Reserves to a healthy ratio with best municipal practices.

7) Reduce healthcare costs: Work with employee unions to aggregate members in a reduced number of current employee and retirement healthcare plans. This can reduce administrative costs and the per-employee costs paid by the City and the employees. I invite labor groups to join us in a conversation about how to reduce health care costs for both the City and individual employees.

8) Bring more money home: Work with San Diego Assemblymembers, State Senators and our Congressional delegation in Washington to secure additional state and federal revenue for local infrastructure projects.

9) Maximize real estate assets: Review City leases and real estate holdings to determine how these properties can be used to the City's best advantage.

Finally, we must clarify Council and Mayoral authority over budget line items as part of this budget cycle. I look forward to working with Mayor Sanders, his staff and my Council colleagues to create a system that is transparent and responsible to taxpayers.

cc: Honorable Mayor Jerry Sanders
Honorable Attorney Mike Aguirre
Ronne Froman, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Jay Goldstone, Chief Financial Officer

COUNCILMEMBER KEVIN FAULCONER
CITY OF SAN DIEGO
DISTRICT TWO

MEMORANDUM

DATE: **January 22, 2007**

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

FROM: **Councilmember Kevin Faulconer**

SUBJECT: **Budget Priorities for FY 2008**

As we enter the budget process for Fiscal Year 2008, I wish to focus on three areas of interest:

- Public Safety Recruiting and Retention
- Mission Bay Park Funding
- Fiscal and Operational Reform

Public Safety Recruiting and Retention

The results of the Police Classification Compensation and Benefits Survey clearly demonstrate that the City of San Diego is not competitive in a very tight market for police officers. Even though the Fire Department Compensation and Benefit Survey is still being conducted, the recent challenges in recruiting new firefighters further highlight the need to make progress in recruiting and retaining qualified public safety personnel. It is conceivable there are efficiencies that could be gained by simplifying the variety of health plans, but there can be no doubt that we must move aggressively to implement better recruitment and retention programs for our public safety departments.

Mission Bay Park Funding

We must not ignore the positive financial impact our environment has on tourism, not to mention the physical and mental well-being of our citizens. Mission Bay Park goes a step further by actually contributing over $17 million dollars per year to the City's financial bottom line through TOT and lease revenues. What is sometimes forgotten is that the hotels and commercial leases were allowed in park land to provide funding for public improvements identified in the Mission Bay Park Master Plan. Currently there is more than $250 million in deferred maintenance and capital projects in Mission Bay Park. In 2004, the City Council attempted to slow the siphoning of funds out of Mission Bay Park by enacting the Mission Bay Ordinance which required the City to keep revenues over $20 million in Mission Bay Park. However, the Ordinance has been waived every single year until FY2007. This year, we must continue our support of the

Mission Bay Ordinance and budget for the Mission Bay Park Improvement Fund. Additionally, I will be seeking a plan to wean the City's General Fund from Mission Bay Park revenues permanently.

Fiscal and Operational Reform

This year we took a major step forward in fulfilling our legislative oversight responsibilities by creating the Audit Committee. As we move forward with this reform effort, it is imperative that we identify proper funding for our Audit functions:

- We must have the necessary resources to adequately review future comprehensive annual financial reports.
- We must give the public confidence that the savings identified through Business Process Reengineering efforts are realized.
- We must guarantee that the strictest audit standards are upheld and inextricably integrated into future business processes resulting from our migration to an ERP system.

We must ensure our Audit Department is headed by a world-class Auditor General, staffed with qualified personnel and provided the necessary tools to carry out their vital role.

cc: Honorable Mayor Jerry Sanders
Honorable City Attorney Mike Aguirre
Andrea Tevlin, IBA

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JAN 23 2007
Office of
Councilmember Toni Atkins

COUNCILMEMBER TONI ATKINS
DISTRICT THREE

MEMORANDUM

DATE: January 22, 2007

TO: Honorable Members of the City Council

FROM: Councilmember Toni Atkins

SUBJECT: Budget Priorities for Fiscal Year 2008

I am submitting the following recommendations as priorities for the FY 2008 budget. This list of priorities was developed with full recognition of the fiscal constraints faced by the City. As we develop the FY 08 budget, we will face the difficult task of balancing the challenges of living within our means, meeting our legal and other responsibilities, and maintaining an appropriate level of city services for residents.

1. **SDCERS:** Restoring the financial integrity of the City's retirement system, SDCERS, through full funding of the Annual Required Contribution (ARC,) plus making an additional payment into the system to reduce the Unfunded Actuarial Accrued Liability (UAAL.)

2. **Retiree Health Care:** Accurately reflecting the cost to the City of honoring the commitment we have made to former city employees through the retiree health program, including allocating funds to a trust fund that will ensure that we are able to meet anticipated increases in these costs in the future.

3. **Deferred Maintenance and Capital Improvements:** Repairing and restoring our aging infrastructure is vital. Not meeting our infrastructure needs will severely impact quality of life for residents, especially in the older areas of the City, and failure to do so now will cost us even more in the future, as the severity and cost of repairs increases exponentially. Our ability to do this work in a cost-effective manner will be impacted by the City's ability to borrow money; therefore, obtaining completed city audits must be a parallel priority.

4. **No Further Reductions of City Services.** Whether it is libraries, parks, or public safety, the cuts of the past couple of years have taken a serious toll on the City's ability to provide basic services. Instead, we should look to restructuring, BPR, cost recovery, and other avenues of reducing costs and increasing revenues to close our budget gap.

5. **Retaining Experienced Police Officers**. Providing a level of pay to police officers that will stop the exodus of experienced staff to other jurisdictions is essential to ensuring public safety.

6. Stormwater Runoff: We must comply with stormwater runoff regulations. Not only are we required by law to do so, but it is also critical that the cleanliness and health of our waterways and coast are preserved for our current residents, visitors to our city – who represent an important source of revenue for the city – and for the future.

7. **Reserves.** The General Fund Unappropriated Reserve should be increased in order to prudently provide for unanticipated expenses.

8. **Honoring Contract Commitments for Employee Pay.** Through the give and take of the meet and confer process, the City and employee organizations have negotiated pay increases for the coming year for certain employees. We must honor the commitments made through this process to the city staff whom we call on daily to serve residents at city pools, parks and libraries; to pick up the trash and to provide a host of other services critical to the well-being of residents.

9. **Urban Canyons.** Continue to work toward developing a comprehensive program to map, survey and dedicate San Diego's urban canyons.

10. **Graffiti Eradication.** Graffiti has a negative economic impact on urban communities and undermines efforts to revitalize these communities. Investing adequate resources for eradicating graffiti will more than pay for itself through the economic returns it will generate.

11. **Update Community Plans**. This work is an investment with long term and permanent implications for our city and should continue.

12. **Balboa Park Centennial.** TOT or other appropriate funds should be dedicated to begin the planning effort for a 2015 Centennial Celebration in Balboa Park to commemorate the defining event of our world-renowned park.

cc: Councilmembers
Independent Budget Analyst

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Office of
Councilmember Toni Atkins

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

DATE: **January 23, 2007**

TO: **Council Member Toni Atkins, Chair, Budget and Finance Committee**

FROM: **Council President Pro Tem Anthony Young**

SUBJECT: **Budget Priorities for Fiscal Year 2008**

Again, we will be reacting to a budget submitted to us by the Mayor that will be somewhat reflective of his Five Year Financial Outlook Fiscal Years 2008-2012. The Financial Outlook indicates that salaries, wages, retirement and other benefits make up 73.3% of general fund expenditures. It anticipates at least a 4% growth in salaries for fiscal year 2008. However, in 2008 revenues are anticipated to increase also, including a 3.5 % increase in property tax revenues, 3% in sales tax, and 6% in transient occupancy tax revenues. Additionally, the Actuarial Valuation Report for the city's retirement system calls for a $143 million contribution to the retirement system in 2008. This is $13 million less than the Financial Outlook anticipated. In essence, it appears that we as a Council have some flexibility towards addressing budget priorities.

At the very top of my priority list is that we handle our finances and financial assets in the most efficient and effective ways possible. Therefore, my budget priorities are as follows:

Ensuring that the budget we submit back to the Mayor is fair and responsive to all districts and at its worst maintains the service levels for public safety, parks, libraries and streets at the 2006-2007 service levels or greater.

Increase our efforts to address graffiti removal and prevention in communities throughout the city.

Continued funding of the Commission on Gang Prevention and Intervention and providing additional staff support in anticipation of sub-committees being formed by the Commission.

Improve our maintenance efforts for city streets and sidewalks including, the installation of street lights, traffic lights, crosswalks and other traffic safety and traffic flow measures.

Continuing community clean-up and recycling events sponsored by the City that keep our streets and properties free of junk and debris.

Expediting the community plan updates for communities whose plans have not been updated for decades, particularly 4th District community plans that have not been updated for 35 years!

Continuing neighborhood code enforcement without a reduction in services.

Continuing expeditious responses from city departments to constituent concerns and complaints.

Thank you.

Cc: Honorable Mayor Jerry Sanders
Honorable City Council members
Honorable City Attorney
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: January 22, 2007

RE: Fiscal Year 2008 Budget Priorities

My citywide priorities are as follows: increase funding for Public Safety (Police and Fire-Rescue), catch up on deferred maintenance (such as street and roof repairs), maintain library and park hours and resources at Fiscal Year 2007 levels, make the full actuarial contribution to the pension system, fund operation and maintenance of all new parks and police facilities, and strengthen Homeland Security, with an emphasis on completing a Citywide Emergency Evacuation plan.

My District 5 priorities include the following: road resurfacing and reslurry, manage brush and trimming trees, repair sidewalks, retime traffic lights, implement traffic calming measures adjacent to schools, repair Rancho Bernardo Fire Station #33, repair Pomerado Road, and provide a funding match to complete Carroll Canyon Road.

cc. Mayor Jerry Sanders
Andrea Tevlin, Independent Budget Analyst

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Office of
Councilmember Toni Atkins

COUNCILMEMBER DONNA FRYE
City of San Diego
Sixth District

MEMORANDUM

DATE: January 23, 2007

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

FROM: Councilmember Donna Frye Donna Frye

SUBJECT: Budget Priorities for Fiscal Year 2007-2008

For the purpose of discussion at the January 31, 2006 Budget & Finance Committee budget review, below is a list of my budget priorities for the upcoming fiscal year:

City-wide issues:

- Pay Annual Required Contribution to the pension fund
- Update Community Public Facility Financing Plans
- Restore Police Officer salary and benefits
- Retain all existing Community Relations Officers and Community Service Officers
- Comply with the NPDES Municipal Stormwater Permit
- Fund backlogged traffic, road and ADA improvements
- Fund tree-root damaged sidewalks repairs
- Fund increased code enforcement of neglected vacant properties
- Fund more frequent brush and weed abatement enforcement
- Maintain existing staffing and service levels for the Park Ranger Program

Specific Programs:

- Fund San Diego River pedestrian and bike pathway
- Fund "walkable community" traffic improvements in the West Clairemont/Morena area
- Do not waive the Mission Bay Ordinance
- Maintain current levels of ground maintenance workers in Mission Bay Park
- Maintain existing hours and staffing for the Clairemont Community Service Center
- Maintain existing library hours
- Maintain existing staffing and service levels, including pool hours at all Recreation Centers
- Fund one additional grounds maintenance worker at the Linda Vista Recreation Center
- Fund turfing projects at Wegeforth and Angier Elementary Schools joint-use parks
- Fund design and construction of a canyon trail connecting the Serra Mesa/Kearny Mesa Library and the Serra Mesa Recreation Center
- Prioritize the design and construction of phase II of the Balboa Avenue median project in Kearny Mesa

cc: Honorable Mayor and City Councilmembers
Honorable City Attorney
Andrea Tevlin, Independent Budget Analyst

DF/ks

City Of San Diego
COUNCILMEMBER JIM MADAFFER
DISTRICT SEVEN

M E M O R A N D U M

M-07-01-05 **Please refer to this number when responding to this memo**

DATE: **January 22, 2007**

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

FROM: **Councilmember Jim Madaffer**

SUBJECT: **Budget Priorities for FY 2008**

I am pleased to submit my budget priorities for fiscal year 2008.

Public Safety & Constituent Services

- Increase police take home pay
- Fund police compensation package to be competitive with other local jusidictions
- Create and fund a Police retention program
- Fully fund the City's pension obligations
- Fully fund State & Federal compliance orders of water and sewer infrastructure
- Restore City's credit rating in order to leverage City dollars
- Work with SANDAG, League of Cities as well as our local state delegation to get City's fair share of statewide infrastructure bond revenues
- Establish transportation priorities within each Council District; take necessary steps to leverage FY09 TransNet revenues to initiate design / planning to accelerate these priorities
- Funding for deferred maintenance including increased funding for street and sidewalk repairs
- Funding for additional street lights
- Upgrade police fleet & communication systems
- Maintain funding for citywide CERT Program
- Fund citywide brush and weed abatement
- Maintain current library, recreation center and pool hours
- Fully fund code enforcement of nuisance properties throughout the City

- Adequate funding for City's Homeland Security including water, sewer, bridge and other infrastructure facilities
- Funding for neighborhood traffic calming measures adjacent to parks and schools including Safe Routes Schools Program

Internal City Operations

- Implement reorganization of Redevelopment Agency in order to bond as a separate agency; Board of Commissioners appointed by Mayor and confirmed by City Council acting as the Redevelopment Agency; Executive Director hired by City Council acting as the Redevelopment Agency.
- Implement a revenue and funding mechanism through DSD to update Community Plans and fund the completion of the City's Progress Guide and General Plan
- Create a fiscal control mechanism that requires any civil lawsuits contemplated to be filed on behalf of the City or in the name of the people or the San Diego Judicial District first be approved by the City Council
- Implement a program to align the Municipal Code and the City Charter through a Mayor and Council appointed Charter Review process

I look forward to discussing these priorities and those of my fellow Councilmembers at future Budget & Finance Committee and City Council meetings.

cc: Honorable Mayor and Councilmembers
Andrea Tevlin, Director, Independent Budget Analyst Department
Ronne Froman, Chief Operating Officer
Jay Goldstone, Chief Financial Officer

COUNCILMEMBER BEN HUESO
City of San Diego
Eighth District

MEMORANDUM

DATE: **January 22, 2007**

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

FROM: **Ben Hueso, Council Member**

SUBJECT: **FY '08 Budget Recommendations**

After carefully assessing the needs of my district and the City as a whole, I would like to recommend the following budget allocations for FY '08:

1. Environmental Services: It is imperative that we prioritize funding for trash and weed removal, hardship abatement, and community clean-ups. The funding should be at the same (or a higher) level as FY '07.
2. Development Services: a) Graffiti eradication funding must continue. The funding should be at the same (or higher) level as FY '07; and b) Increase the funding for one additional code compliance officer in the amount of $73,000.
3. Police Department: The City has suffered from increased gang and related criminal activity. We must add one position, at a minimum, to the gang suppression unit. The additional fund required would be $111,000 for a PO2 uniformed officer.
4. Park & Recreation Department: a) Keep the city-sponsored swim teams, including the Blue Level; b) ensure fund for park maintenance is adequately funded; c) add recreation leaders to centers in high-crime areas, e.g., Memorial Recreation Center; and, d) upgrade park lighting in tot lots, external buildings, and ball parks.
5. General Services: a) Increased funding to streets division for new lighting, conversion of lighting, and maintenance of lighting giving priority to high-crime areas; b) increase funding for monthly (not every two months) street-sweeping and, c) increase funding for sidewalk repairs.
6. Engineering and Capital Improvements: increase funding for new sidewalks.
7. District Infrastructure Funds: allocate $100,000 to each District's Fund 10529 for infrastructure needs, as defined in the Appropriation Ordinance for FY '05-06.

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