ATTACHMENT D

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

M E M O R A N D U M

DATE: May 22, 2007

TO: Honorable Mayor and Councilmembers

FROM: Council President Scott Peters

SUBJECT: FY 2008 Budget Recommendations

On January 22, 2007, I submitted my list of priorities to the Mayor and my Council colleagues, reflecting my vision for Council District One and the City of San Diego in Fiscal Year ("FY") 2008. I stressed the importance of protecting core services the City provides to our citizens and using the Mayor's Five-Year Financial Forecast as a tool to shape our budget priorities.

Many of my goals reflect the priorities of the Mayor, City Council and the Independent Budget Analyst ("IBA"). I support the Mayor's tough choices in streamlining City services, his commitment to increase funding for deferred maintenance and compliance with the American Disability Act ("ADA"), and his goals to increase annual payments to the pension system, retiree health system, and the City's (general fund, public liability and worker's compensation) reserves.

During the upcoming council budget deliberations, I look forward to cooperatively working with the Mayor and my colleagues to move these priorities forward. It is important that the City exercise fiscal restraint in developing long term solutions to establish a foundation which restores fiscal integrity to our City. I submit the following recommendations and items of concern for consideration. In addition to consideration for the IBA final budget report, I would respectfully request a response from mayoral staff to these requests and suggestions.

Public Safety

1) Fire-Rescue. The issue of overtime salaries earned by San Diego Fire Fighters has garnered much media and public attention over the past few years. My March 7, 2007 memorandum (see attachment# 1) requested a study be conducted which compares the costs and savings of the City's current "constant staffing" policy versus the hiring of additional full-time, benefited employees to cover the hours currently covered by

overtime. The Mayor's April 6, 2007 memorandum (see attachment #2) assured that a comprehensive study of this issue would be available on or about June 1, 2007. I respectfully request this study be presented to the Public Safety and Neighborhood Services Committee as soon as possible. In addition, I support the IBA's recommendation of adding a separate line item in the Fire-Rescue department's budget to properly keep track of overtime associated with the currently used "constant staffing" policy.

2) Fire-Rescue. I request that funding for the construction of the three La Jolla lifeguard station projects (La Jolla Cove, La Jolla Shores and Children's Pool) be included in the next Safety Bond offering, whether that is a private or public offering. I also request a list of all projects that are being considered for the next Public Safety Bond.

3) Fire-Rescue. On September 6, 2005, the Council adopted "Brush Management Revisions to the Land Development Code Resulting from the Cedar Fire." Even though this plan called for additional staff members for the Fire Prevention Bureau ($679,000 for staff) and Park and Recreation ($4 million for open space brush management), the City Manager did not recommend action at that time. As the IBA and the Fire Chief pointed out, the budget eliminates one vacant 1.00 Code Compliance Officer from the department, which will reduce the Fire Prevention Bureau's ability to perform proactive brush management by 50%. The Council unanimously approved the proactive brush management plan to prevent another catastrophic wildfire similar to the Cedar Fire. I am requesting at least 1.0 FTE for a brush management code compliance officer at a cost of $72,300. I request these funds be allocated from the department healthcare plan consolidation savings.

4) Police. Due to current police staffing levels within the department, 19.00 sworn FTEs that were requested by the department for the new Northwestern Police Station in Carmel Valley were not included in the budget. The developers and the community of Carmel Valley committed over $19 million to build a police station to improve response times in their neighborhood and surrounding communities. Statistics show that these communities have some of the worst response times in the City and this new station should drastically improve the response times. While the station is adequately staffed for FY 2008 with at least 30 sworn officers, I requested that the 19.00 FTE positions be included as vacant positions in the FY 2008 budget, with a corresponding increase in the vacancy factor in this year's budget. This will better reflect the future full staffing needs of the Northwestern Police Station as the communities of Carmel Valley, Pacific Highlands Ranch, Torrey Hills, Torrey Highlands and Black Mountain Ranch are fully built out.

5) Police. I support including an additional $1 million in the FY 2008 budget to increase the police technology budget to begin the funding of new mobile laptops. This equipment allows our officers to communicate with emergency dispatchers, which is critical to responding to the urgent needs of citizens in distress. I request that before the funding is allocated, the department reevaluate the one laptop per officer policy and explore the use of flash drives to lessen the need for laptop computers, as recommended

by Councilmember Jim Madaffer during the May 9, 2007 Council Budget Committee meeting.

6) Police. On July 17, 2006, the City Council authorized $250,000 in expenditures to fund the Police Officer Recruitment Program, including funds to hire a recruitment consultant by January 2007. To date, this consultant has not been hired. I request that the Mayor expedite the hiring of the consultant and bring the consultant agreement contract to the Council at the soonest possible date.

Community Planning and Infrastructure

1) General Services-Street Division. I support the Mayor's commitment to addressing deferred maintenance and ADA infrastructure improvements. I agree with the Mayor and IBA that the City needs to place greater emphasis on preventive maintenance to minimize the list of deferred maintenance. I request the lowering of the Street Division's vacancy level to 2.0%, rather than the proposed vacancy factor of 5.3%. This is an increase of approximately $740,180 to the FY 2008 budget, which I request be funded with the additional $4 million in revenue recently identified by the CFO.

2) General Services- Street Division. The FY 2008 budget proposes $24.8 million in financing for deferred maintenance need. These funds are contingent on the City's ability to regain access to the public bond market. I request a priority list of all deferred maintenance projects, and that the projects with the highest priority be cash-funded, with the financing tied to the specific projects that could not be cash-funded.

3) ADA and Disability Services. The City has embarked on an aggressive ADA infrastructure plan. I fully support the Mayor's initiative in funding this federally mandate and I request that the Mayor fill the budgeted vacant Disability Services Director position as soon as possible.

4) Planning Department. I request that 1.0 FTE associate administrative analyst position and 1.0 FTE clerical assistant position be added to the budget. The new planning board bylaw shell and adherence to the Brown Act will require enormous administrative support. The additional staff will alleviate pressure on the current planners, who will be focused on updating the community plans. This proposal is an increase of approximately $150,000 to the FY 2008 budget, which I request to be funded from the additional $4 million in revenue recently identified by the CFO.

5) Neighborhood Code Compliance Department ("NCCD"). Proposed cuts to the Development Services Department budget could significantly affect customer service. In particular, Neighborhood Code Compliance will lose personnel as a result of Business Process Re-engineering. Of the proposed personnel cuts, the two utility workers and three code compliance officers are of most concern. Last year, a proposal to eliminate two utility workers was disconcerting to the Council. Consequently, the two positions were filled during the Council's final budget deliberations. Utility workers do more than just paint over graffiti. They investigate graffiti locations, issue warnings and levy fines to

private citizens who do not maintain their property. I request a restoration of 1.0 FTE utility worker position which will cost an additional $92,000 in FY 2008.

The City recently launched a new pilot program in the College Area which will require public safety and neighborhood code compliance resources. If the pilot program proves to be successful and becomes implemented citywide, the proposed cuts would put greater strain on NCCD. Therefore, I request restoration of 2.0 FTE Code Compliance Officer positions. This is an increase of approximately $184,000 to the FY 2008 budget, which I request be funded from the additional $4 million in revenue recently identified by the CFO.

City Attorney

1) Case Management Program. The City Attorney has requested $175,000 for a new case management program to improve monitoring of ongoing cases in the City. I respectfully request that the City Attorney's Office work with the Office of the CIO and the Mayor's Business Office to advertise a Request For Proposal ("RFP"). The Risk Management Department should have access to this system to better understand potential liabilities from City-related lawsuits. The proposal can then be presented to the City Council with the true costs and necessary information before funding for this request is authorized.

2) Public Liability Fund. The IBA's report referenced KPMG's March 23, 2007 "Yellow Book Report," which noted the lack of communication between the City Attorney's Office and the Risk Management Department regarding ongoing litigation and the public liability fund. Potential liabilities of $1.3 million against the City were included in the mid-year budget adjustment process only after I issued a memorandum on the issue. I request that the City Attorney and Risk Management Director work with Assistant Chief Operating Officer Rick Reynolds to develop a communication plan to periodically update the Council and the public on the City's potential legal claims.

3) Supplemental Positions. The IBA's presentation during the City Attorney's budget discussion showed that the City Attorney's office has a high number of attorneys and staff, compared to comparable jurisdictions in California which handle both civil and criminal litigation. In additional to the high number of outside counsel used, the City Attorney's office represents 3.17% FTEs as a percent of total FTEs in the City, which ranks them first among the ten largest California Cities. I request that the supplemental positions not be included in the FY 2008 budget for the City's Attorney's office, and that the City Attorney reevaluate and reorganize his department to improve its efficiency in providing legal service to various City departments.

4) Authority to File Civil Litigation. On March 26, 2007, by a vote of 6 to 2, the City Council took action to provide budgetary oversight on plaintiff litigation filed by the City. The amendment to the FY 2007 appropriation ordinance is as follows:

The City Auditor & Comptroller is not authorized to allow expenditures to be made for any litigation where the City is the plaintiff without authorization by an affirmative vote of

the City Council. Nothing in this section shall prevent the City Auditor & Comptroller from acting to comply with any statute of limitations; provided, however, that the City Council ratify any such actions with in 60 days.

I intend to support the inclusion of similar language in the FY 2008 appropriations ordinance.

5) Position Control Policy. A successful policy developed by the Business Office enables them to track positions in the budget versus people on payroll, in an effort to eliminate supplemental employees hired above the appropriated amount. Prior to being given permission to hire, Mayoral departments must submit a memo requesting to fill or reclassify the position to the Assistant City Operating Officer ("ACOO"). The ACOO must take responsibility and sign for each new position. I request a similar policy be instituted in the City Attorney's office.

6) Outside Counsel. I request that the City Attorney provide quarterly reports to the City Council and the public on ongoing costs for outside legal counsel used in each fiscal year. These updates can either be submitted in writing or given time on the Rules Committee agenda.

7) Monitoring Performance Measures. The San Diego County Counsel's Office includes a matrix of the results of their performance in each fiscal year (see attachment #3). I request that the City Attorney's Office use a similar tool to benchmark efficiency and performance in the City Attorney's Office. This approach would complement the Business Process Reengineering ("BPR") and service level measurements being developed by the Mayor for mayoral departments.

Finance

1) Healthcare consolidation. Based on current health plan enrollment, the City expects to save approximately $2.2 million in healthcare plan consolidation. I have long being an advocate of consolidating the City's health insurance plans and commend the Mayor on his initiative to start solving this costly problem. While the final savings will not be known until total employee health insurance enrollment is determined in July 2007, none of the savings were included in this year's budget. I agree with the IBA that at least 50% of the current expected savings should be used to fund the needs of the City. Any additional savings can be presented to the City Council during the City's mid-year budget adjustment period.

2) Retiree Health: Upon learning of the new Other Post Employment Benefits ("OPEB") provisions of Government Accounting Standard Board ("GASB") 45, the Council agreed to have an independent actuary perform an actuarial valuation of the City's retiree health liabilities. This puts the City at the forefront of other municipalities in the country. I agree with the Mayor in his aggressive plan to pre-fund this liability to prevent the costs been burdened to future taxpayers. I respectfully request an update to the Budget Committee from the CFO on the status of establishing a trust fund account to pre-fund

this liability. The topic of this discussion and study should include the selection of the administrator of this fund (City or SDCERS); benchmarking the actuary's assumptions and consolidating retiree health insurance plans.

3) Employee Retirement Fund issues. As part of the FY 2006 MOU between the City and AFCME Local 127, the City agreed to infuse a total of $600 million into the retirement system by June 30, 2008. Along with concessions given by City employees since FY 2006, MEA employees will also contribute an additional 1% for their pension contribution beginning in FY 2008. There are approximately $7 million worth of additional revenue from employee concessions which have not been leveraged since the issuance of the Tobacco Revenue Bond. In addition, the City's tentative settlement in the McGuigan case requires the City to contribute $73 million dollars with interest to the pension fund over the next five years. I request a presentation at a future Budget Committee meeting regarding the Mayor's plans to fund these obligations, leveraging these revenues and the potential consequences of not fulfilling our obligations in this MOU.

4) FY 2009 Actuarially Required Contribution ("ARC"). In FY 2008, the City will be required to make contributions based on SDCERS's request for a new 20-year amortization schedule using the Entry Age Normal ("EAN") method. Additional contributions will be needed to eliminate negative amortization. The Mayor's Five-Year Financial Outlook assumes the system will stay on the current schedule with additional payments to eliminate negative amortization. I request that the Mayor's Five-Year Financial Outlook be revised to include the new contribution requirements recently formalized by SDCERS.

5) Budget Analyst support for City Council and the IBA. Since the transition to a Mayor/Council form of government, there have been some adjustments to the relationship between the Council offices and the level of budget analysis available to the individual Council districts, City Council administration and IBA staff. In the past, the Council Offices have relied upon staff within Financial Management to assist them with internal budgeting functions. With a combined FTE of 101 positions, the Council staff submits various requests for budget forecasts throughout the year, which must be turned around in a timely manner. The CFO stated in a May 10, 2007 memorandum (attachment # 4) that it would be more appropriate that these functions be performed by staff directly working for the Council. I request a recommendation and appropriate action plan in the IBA's budget modification report.

6) Tourism Marketing District ("TMD"). I support the Tourism Marketing District, but do not support the Mayor's decision to include the anticipated revenue in this year's budget since TMD ballots still need to be approved. I agree with the IBA recommendation that the revenue be included as part of the mid-year budget adjustment if it is approved. I look forward to seeing the details of this ordinance and would support bringing the ordinance back in a timely manner.

7) Real Estate Assets Department. The proposed budget allocates funds raised as a result of land sales to ADA improvements. Because those funds will become available intermittently as land is sold and not all at one time, the FY 2008 budget should include a priority list of ADA projects so that the public and the Council will know how projects will be selected as those funds become available.

8) Budget Authority. I still support the budget authority compromise proposal reached among the Mayor, Council President Pro Tem Tony Young and me (see attachment #5). Before the appropriation ordinance is adopted, we must clarify Council and Mayoral authority over budget line items. I believe the Budget Committee will hear this issue on July 11, 2007 and I look forward to this discussion.

9) Restatement of Hourly Positions. I agree with the IBA that hourly positions should be included as Full Time Equivalents ("FTEs") in the budget. I believe reflecting the hourly positions as FTEs provides a more accurate representation of the number of employees serving each respective department. I therefore request that the hourly positions be included as FTEs in the budget.

10) Charter Review Committee. The Mayor's Charter Review Committee appointed in March of this year has embarked on one of the most important jobs of this year and for San Diego's future - updating the City Charter. As important as the conversion to Mayor-Council was in 2005 and 2006, in order for this system to continue to serve the City of San Diego efficiently, changes are needed. In addition to correcting inconsistencies created by the conversion to our new system of government, the committee is also contending with structural improvements recommended in the Kroll report. To meet important deadlines and to ensure quality recommendations to the Rules Committee, it is critical that this committee have the resources to quickly research and analyze the options presented to it. For these reasons, I support adequate funding for outside consultants required to assist the committee, and additional resources the committee may need. We should determine the need for any additional positions and costs. In addition, I agree with the Mayor's recommended revisions which include $1,250,000 for the City Clerk budget to cover possible ballot measures on the two citywide elections which will occur in FY 2008.

11) Internal Auditing. As the City gets closer to completing our past due Comprehensive Annual Financial Reports ("CAFRs"), it is important that we start establishing and operating the Internal Audit functions at full capacity. I agree with the IBA that the "Accounting Operations" group change its title to "Internal Auditing" and assign the remaining two employees to internal audit functions as soon as possible.

Environmental

1) Water. Given that the City must import 90 percent of its water supply, the City has a responsibility to take advantage of opportunities for water conservation, non-potable reclaimed water, and, most importantly, indirect potable reuse ("IPR"). In order to thoroughly investigate the viability of implementing IPR, I recommend that the Water

Department allocate funds specifically to outreach and education on this topic, and that the department dedicate staff toward this effort. I request that any savings from the newly adopted bi-monthly billing practices to be used for this purpose.

2) Environmental Services. I particularly appreciate several special constituent services currently provided by the Environmental Services Department, and I want to ensure that those services continue. Specifically, those services include providing landfill passes for community clean-up events and offering consultations to residents interested in starting voluntary recycling programs. Providing these types of services will reduce the City's need to respond to illegal dumping removal requests.

3) Environmental Services. I am concerned about the looming costs associated with replacing aging trash, recycling, and greenery receptacles in the coming years. As of April 2007, over 12,500 containers had been replaced in FY 2007 at a cost of over $620,000, while the Department had budgeted only $500,000 for that purpose. The number of containers needing replacement in FY 2008 is expected to exceed last year's figure, yet the FY 2008 budget allocates only $500,000 to fund the replacements. The balance would have to come from the General Fund. As one possible solution, the IBA recommended an annual fee of $12-$13 to cover the costs of replacement on an ongoing basis. I recommend that the Council enact this recommendation in the final FY 2008 budget deliberations or increase the line item for this item by an additional $150,000.

4) Undergrounding. I request that the Engineering and Capital Projects Department investigate how to accelerate the utilities undergrounding efforts in the City without negatively affecting existing project schedules. Specifically, I request that the Mayor and City Council require utilities companies to begin its catch-up work as soon as reasonably possible and ensure that the work is performed according to the agreed-upon schedule.

5) Storm Water. While I applaud the Mayor's $42.6 million financial commitment to comply with the Storm Water Permit, the City must explore increasing storm drain fees to lessen the City's reliance on the general fund. In a 2005 study, the City's current fee of $0.95 per household ranked 117 out of 122 cities surveyed, and only generated $6 million of the $14,618,636 in expenses the City committed for storm drain related expenses in FY 2005. The amount of deferred maintenance has likely increased substantially since the last analysis was completed in 2005. I request the Mayor's staff bring a proposal to increase storm drain fees to the Natural Resources and Culture Committee or the Budget Committee to explore the idea of asking the voters to approve the increase in the June 2008 election or through a mail ballots election.

6) Environmental Growth Fund ("EGF"). I am concerned that the City has not been able to identify a dedicated funding source to fulfill its Multiple Species Conservation Program ("MSCP") responsibilities. The MSCP requires the City to manage Multi-Habitat Planning Area lands until a regional funding source is identified. The Park & Recreation Department currently manages open space through its Open Space Division, which is partially funded through the General Fund, which receives reimbursements from the EGF. (In FY 2008, that Division's budget includes approximately $6.4 million from the General

Fund, of which $818,000 is reimbursed from EGF.) The Park & Recreation Department receives reimbursements of approximately $8 million from the EGF to use for developed parks. I propose transferring a portion of the existing EGF reimbursement for developed parks to reimburse open space activities, so that the EGF can serve as a dedicated funding source for MSCP management. Having such a dedicated funding source would benefit the City with respect to the MSCP litigation, and this proposal would have no net effect on the total funding for the Park & Recreation Department. In the coming year, the Mayor and City Council must also consider future plans for the EGF funds which will become available in FY 2010.

Park and Recreation

1) Swimming Pool Rolling Closures. Over the past two years, Swanson Pool and Carmel Valley Pool were forced to close for three months as part of the City's rolling closure program. It is my understanding that pools which will be open year round in FY 2008 in other parts of the City remained open over the entire year in FY 2006 and 2007. I request that the pools which remained open year-round the past two years be substituted into the rolling closure program, allowing other pools to be open year-round.

2) Valet Parking Fees. It is my understanding the City Attorney advised the Park and Recreation department to temporarily utilize the same permits for valet parking in Balboa Park which are being used in the street right-of-way citywide. The valet permit fees for Balboa Park are now consistent with permits issued to contractors operating in the street right-of-way, with an initial permit fee of $700, and an annual renewal fee of $300. I believe the City should receive a greater financial benefit from this service. I ask that city staff work to develop a more acceptable service fee for valet parking in our public parks and on our public streets.

SHP:wjs

Attachments

CC: Honorable City Attorney Michael Aguirre
Ronne Froman, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Jay Goldstone, Chief Financial Officer
David Wescoe, SDCERS Retirement Administrator

ATTACHMENT D

RECEIVED
MAR 0 1 2007
FIRE & LIFE SAFETY
OFFICE OF THE FIRE CHIEF

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: March 7, 2007

TO: Honorable Mayor Jerry Sanders

FROM: Council President Scott Peters

SUBJECT: San Diego Fire-Rescue Department Overtime Issues

The issue of overtime salaries earned by San Diego firefighters has garnered much media and public attention over the past several years. The City maintains a "constant staffing" policy, under which firefighters earn overtime pay when they volunteer for their colleagues who take paid leave. Critics of the City's current practice argue that this is an inefficient use of our tax dollars. Proponents claim that the City saves money by not having to pay for the fringe and retirement benefits of additional full-time firefighters.

The Independent Budget Analyst analysis of the FY 2007 Budget discusses San Diego Fire-Rescue Department's constant staff and overtime issues and gives examples of cities which use a "rover" policy. Such a policy allows full time firefighters who are not permanently assigned to a fire station to fill in when another fire fighter(s) is on leave. I am curious if such a policy would produce salary savings for the City of San Diego.

I respectfully request that a study be conducted which compares the costs and savings of the City's current "constant staffing" policy versus the hiring of additional full-time, benefited employees to cover the hours currently covered by overtime. I believe that such a study will provide the City Council and the public with objective information which can guide us in our budget deliberations.

Thank you for your assistance.

SHP: wjs

CC: Honorable City Councilmembers
Honorable City Attorney Michael Aguirre
Ronne Froman, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Chief Tracy Jarman, Fire-Rescue Department

ATTACHMENT 1

CITY OF SAN DIEGO
MEMORANDUM

DATE: April 6, 2007

TO: Council President Scott Peters

FROM: Honorable Mayor Jerry Sanders

SUBJECT: Request to Study Fire-Rescue Overtime Issues

Thank you for your March 7, 2007 memorandum, in which you requested a study be conducted to determine whether the Fire-Rescue Department is using the most cost-effective strategies to ensure fire station staffing. I share your interest in this issue and asked Fire Chief Tracy Jarman to ensure such an analysis was included in her department's Business Process Reengineering (BPR) effort. This has been done, and Fire-Rescue's final BPR report is anticipated to be delivered to Chief Operating Officer Ronne Froman on June 1, 2007.

In your memorandum, you referenced a longstanding debate over whether it is more cost-effective to hire full-time, benefited firefighters to cover fire station vacancies or whether cost savings are realized by using overtime to avoid the fringe benefits costs. You noted the Independent Budget Analyst's suggestion that Fire-Rescue explore the use of "rovers" to cover these absences in lieu of assigning firefighters on an overtime basis. Chief Jarman has assured me that a thorough cost/benefit analysis of all staffing options, including the rover concept, will be provided in Fire-Rescue's BPR Final Report.

Thank you for taking the time to ensure this key component of our Fire-Rescue Department is being efficiently managed. While a comprehensive report will be issued around June 1, 2007, in the interim, please let me know if you have any additional questions or concerns regarding Fire-Rescue's staffing practices.

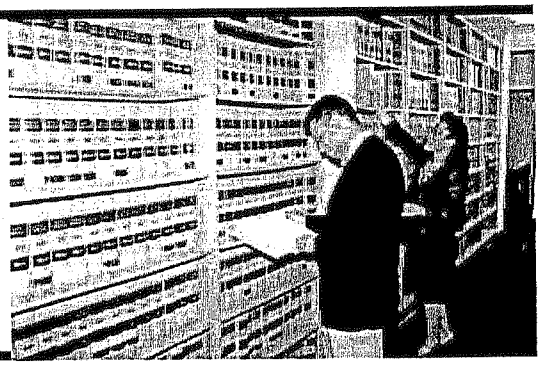
Jerry Sanders

JS/jm

Attachment

ATTACHMENT 2

County Counsel



Department Description

The San Diego County Charter provides that the County Counsel serves as the civil legal advisor for the County and represents the County in all civil actions by and against the County, its officers, boards, commissions, and employees. County Counsel serves as the attorney for the County through the Board of Supervisors, County officers, employees, departments, boards, and commissions. The legal services provided to the County include the County Counsel's representation of the County Health and Human Services Agency (HHSA) in juvenile dependency matters in Juvenile Court. County Counsel also, on a case-by-case basis provides legal services to certain school districts and special districts, which are provided on a fee basis. The County Counsel also oversees the County's Claims Division, which administers claims filed against the County by members of the public, as well as employee lost property claims.

Mission Statement

To deliver the highest quality legal services to our clients as efficiently and economically as possible to facilitate the achievement of County government's goal to better serve the residents of San Diego County.

2005-06 Accomplishments

All Strategic Initiatives – Kids, The Environment, and Safe and Livable Communities

County Counsel provided quality, accurate, effective, and timely legal advice to all County departments so that they may fulfill their mission and objectives in accordance with the law, reduce the risk of liability, and use taxpayer dollars efficiently and effectively.

- County Counsel met or exceeded the goals by accomplishing the following in furtherance of this objective:
  - Completed 100% of all advisory assignments for the Board of Supervisors and CAO.
  - Completed 97% of all advisory assignments for all County departments, exceeding the goal of 95%.
  - Completed 100% of all draft Environmental Impact Reviews within 30 days.

Represented the County in litigation in order to protect the County from liability, as well as advance the overall interests of the County of San Diego and the public it serves.

- County Counsel met or exceeded the goals by accomplishing the following in furtherance of this objective:
  - Won over 70% of all cases filed against the County to fight these lawsuits, as opposed to making settlement payments to plaintiffs.
  - Prevailed in court in over 90% of all lawsuits filed against the County.
  - Obtained over 90% court ordered pre-trial dismissals of all resolved cases won by the County through an aggressive pre-trial motion practice to dismiss lawsuits in the early stages of the litigation to avoid the high cost of attorney time, expert witnesses, discovery, trial costs, and other litigation costs.
  - Handled 100% of the defense of all lawsuits filed against the County, unless a conflict of interest requires outside counsel to handle a case.

- Reviewed 100% of all juvenile dependency petitions prior to filing by HHSA in Juvenile Court to identify legal issues associated with factors that place children at risk.
- Represented HHSA Child Welfare Services in 100% of all Juvenile Dependency Court proceedings to support HHSA goal of protecting children and preserving families.
- Prevailed in court in 98% of all juvenile dependency petitions in contested jurisdictional trials, exceeding the goal of 95%.
- Represented HHSA Child Welfare Services in 100% of all appeals/writs filed in the Court of Appeal.
- Prevailed in over 90% of all appeals/writs filed in the Court of Appeal.

Provided education and risk mitigation training to County officers and employees so that they may enhance the quality of their job performance, reduce the risks of liability, and ensure that they are performing their responsibilities in accordance with the law.

- County Counsel accomplishing the following in furtherance of this objective:
  - Provided over 150 education/training programs in Fiscal Year 2005-06 to the County on selected legal subjects.
  - Provided over 40 specialized training sessions, risk roundtables, settlement committee discussions, and post-litigation debriefings during Fiscal Year 2005-06 to specifically address risk management issues.
  - Issued 12 or more County Counsel Special Bulletins during Fiscal Year 2005-06 to inform County officials of new developments involving court rulings and new legislation.

Required Discipline – Regional Leadership

County Counsel accomplished the following objectives by taking a leadership role in the region:

- Served as on officer on the Board of Directors of the County Counsels' Association of California through the end of September 2005.
- Served as the County Counsels' Association representative to the CSAC Board of Directors and Executive Committee.
- Served as a member on the following committees of the County Counsels' Association: Litigation Overview Committee, Cost Shift Committee, and as chairman of the Orientation Committee.
- Participated as presenters in 12 Mandatory Continuing Legal Education training sessions provided to members of legal professional organizations, such as the County Counsels' Association of California.
- Served as a member of the City/County Attorneys Association of San Diego County, which includes cooperative and collaborative activities among the city attorneys' staff and County Counsel staff.
- County Counsel attorneys were involved in activities of the San Diego County Bar Association.

2006-08 Objectives

All Strategic Initiatives – Kids, The Environment, and Safe and Livable Communities

County Counsel will provide quality, accurate, effective, and timely legal advice to all County departments so that they may fulfill their mission and objectives in accordance with the law, reduce the risk of liability, and use taxpayer dollars efficiently and effectively.

- County Counsel will strive to accomplish the following in furtherance of this objective:
  - Complete timely 100% of all advisory assignments for the Board of Supervisors and CAO.
  - Complete timely over 95% of all advisory assignments for all County departments.
  - Complete timely 100% of all draft Environmental Impact Reviews within 30 days.

County Counsel will aggressively represent the County in litigation in order to protect the County from liability, as well as advance the overall interests of the County of San Diego and the public it serves.

- County Counsel will strive to accomplish the following in furtherance of this objective:
  - Take to court over 70% of all cases filed against the County to fight these lawsuits, as opposed to making settlement payments to plaintiffs.
  - Prevail in court in over 90% of all lawsuits filed against the County.
  - Obtain over 90% court ordered pre-trial dismissals of all resolved cases won by the County through an aggressive pre-trial motion practice to dismiss lawsuits in the early stages of the litigation to avoid the high cost of attorney time, expert witnesses, discovery, trial costs, and other litigation costs.
  - Handle 100% of the defense of all lawsuits filed against the County, unless a conflict of interest requires outside counsel to handle a case.
  - Review 100% of all juvenile dependency petitions prior to filing by HHSA in Juvenile Court to identify legal issues associated with factors that place children at risk.
  - Represent HHSA Child Welfare Services in 100% of all Juvenile Dependency Court proceedings to support HHSA goal of protecting children and preserving families.
  - Prevail in court in over 95% of all juvenile dependency petitions in contested jurisdictional trials.
  - Represent HHSA Child Welfare Services in 100% of all appeals/writs filed in the Court of Appeal.
  - Prevail in over 90% of all appeals/writs filed in the Court of Appeal.

County Counsel will provide education and risk mitigation training to County officers and employees so that they may enhance the quality of their job performance, reduce the risks of liability, and ensure that they are performing their responsibilities in accordance with the law.

- County Counsel will strive to accomplish the following in furtherance of this objective:
  - Provide over 150 education/training programs in Fiscal Year 2005-06 to the County on selected legal subjects.
  - Provide over 40 specialized training sessions, risk roundtables, settlement committee discussions, and post-litigation debriefings during Fiscal Year 2005-06 to specifically address risk management issues.
  - Issue 12 or more County Counsel Special Bulletins during Fiscal Year 2005-06 to inform County officials of new developments involving court rulings and new legislation.

Required Discipline – Regional Leadership

County Counsel will strive to accomplish the following objectives by taking a leadership role in the region:

- County Counsel will serve as the County Counsels' Association representative to the CSAC Board of Directors and Executive Committee.
- County Counsel also will serve as a member on the following committees of the County Counsels' Association: Litigation Overview Committee, Cost Shift Committee, and Opinion Overview Committee.
- County Counsel attorneys will serve as members on the following committees of the County Counsels' Association: Conflict of Interests Committee, Court Facilities Committee, Electronic Communications Committee, Native American Tribal Lands Committee, and Statewide Tax Liaison Committee.

- County Counsel attorneys will participate as presenters in 12 Mandatory Continuing Legal Education training sessions provided to members of legal professional organizations, such as the County Counsels' Association of California.
- County Counsel will continue to serve as a member of the City/County Attorneys Association of San Diego County, which includes cooperative and collaborative activities among the city attorneys' staff and County Counsel staff.
- County Counsel attorneys will be involved in activities of the San Diego County Bar Association.

Changes from 2005-06 Adopted

Staffing

Increase of 1.00 staff year to provide additional paralegal support to the Public Administrator/Public Guardian program to meet the increasing needs of the expanded legal staff.

Expenditures

Increase of $1.6 million.

- Increase of $0.6 million in Salaries and Benefits reflects an allowance for negotiated cost of living adjustments and the cost of the additional staff year.
- Increase of $0.6 million in Management Reserves is to set aside funds for the implementation of a new document management system to improve and enhance current documentation processes.

Revenues

Increase of $1.6 million.

- Increase of $0.4 million in Charges for Current Services is primarily due to increases in departmental reimbursement for public liability and workers' compensation legal defense services.
- Increase of $0.6 million in Fund Balance to fund the increase in Management Reserves. Remaining budgeted Fund Balance will be used for unanticipated one-time operational needs.
- Increase of $0.6 million in General Revenue Allocation to fund increased expenditures noted above.

Significant Changes in Fiscal Year 2007-08

No significant changes.

Performance Measures	2004-05 Actual	2005-06 Adopted	2005-06 Actual	2006-07 Adopted	2007-08 Approved
Percent of resolved court cases filed against the County in which County will prevail	98%	90%	90%	90%	90%
Percent of resolved cases that will be decided by court decision or dismissal without settlement	72%	70%	70%	70%	70%
Percent of advisory assignments for Board of Supervisors to be completed by the due date	100%	100%	100%	100%	100%
Percentage of advisory assignments for all departments to be completed by the due date	98%	95%	97%	95%	95%
Percentage of all draft Environmental Impact Reports (EIRs) to be reviewed within 30 days	100%	100%	100%	100%	100%
Percent of Juvenile Dependency petitions in which County Counsel will prevail	99%	95%	98%	95%	95%
Percent of Juvenile Dependency appeals and writs in which County Counsel will prevail	88%	90%	90%	90%	90%

County Counsel

Staffing by Program

	Fiscal Year 2005-06 Adopted Budget	Fiscal Year 2006-07 Adopted Budget	Fiscal Year 2007-08 Approved Budget
County Counsel	138.00	139.00	139.00
Total	138.00	139.00	139.00

Budget by Program

	Fiscal Year 2004-05 Adjusted Actuals	Fiscal Year 2005-06 Adopted Budget	Fiscal Year 2005-06 Adjusted Actuals	Fiscal Year 2006-07 Adopted Budget	Fiscal Year 2007-08 Approved Budget
County Counsel	$ 18,626,189	$ 19,691,493	$ 19,935,941	$ 21,247,231	$ 21,286,515
Total	$ 18,626,189	$ 19,691,493	$ 19,935,941	$ 21,247,231	$ 21,286,515

Budget by Categories of Expenditures

	Fiscal Year 2004-05 Adjusted Actuals	Fiscal Year 2005-06 Adopted Budget	Fiscal Year 2005-06 Adjusted Actuals	Fiscal Year 2006-07 Adopted Budget	Fiscal Year 2007-08 Approved Budget
Salaries & Benefits	$ 17,618,585	$ 18,543,162	$ 18,902,593	$ 19,176,957	$ 19,850,567
Services & Supplies	1,203,012	1,278,796	1,320,165	1,462,988	1,634,443
Capital Assets Equipment	8,620	—	35,029	—	—
Expenditure Transfer & Reimbursements	(204,028)	(330,465)	(321,848)	(192,714)	(198,495)
Management Reserves	—	200,000	—	800,000	—
Total	$ 18,626,189	$ 19,691,493	$ 19,935,941	$ 21,247,231	$ 21,286,515

Budget by Categories of Revenues

	Fiscal Year 2004-05 Adjusted Actuals	Fiscal Year 2005-06 Adopted Budget	Fiscal Year 2005-06 Adjusted Actuals	Fiscal Year 2006-07 Adopted Budget	Fiscal Year 2007-08 Approved Budget
Fund Balance	$ —	$ 200,000	$ —	$ 800,000	$ —
Charges For Current Services	8,520,918	7,982,286	8,569,707	8,386,658	8,550,642
Miscellaneous Revenues	744,847	339,796	811,890	276,664	273,464
General Revenue Allocation	9,360,424	11,169,411	10,554,344	11,783,909	12,462,409
Total	$ 18,626,189	$ 19,691,493	$ 19,935,941	$ 21,247,231	$ 21,286,515

City Council Item

ATTACHMENT D

CITY OF SAN DIEGO
MEMORANDUM

DATE: May 10, 2007

TO: Council President Scott Peters

FROM: Jay M. Goldstone, Chief Financial Officer

SUBJECT: Financial Management Budget Analyst Support for City Council

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This is in response to your memorandum of May 4, 2007 in which you requested clarification regarding the budgetary and financial support that the Financial Management Department (FM) can provide to Council districts.

During the past year, Financial Management has eliminated a number of positions from its budget. After serious consideration and a review of workload issues, it is felt that it would be more appropriate that these functions be performed by staff working directly for the Council. One possible solution for transitioning these duties would be to have the Office of the Independent Budget Analyst assume these responsibilities within its existing resources. *

Finally, you asked for information regarding the costs of an analyst position. The salary and benefits for an Associate Management Analyst is approximately $95,325 annually, while a Senior Management Analyst would cost approximately $105,325 annually.

Please let me know if you need any additional information.

Cc: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Ronne Froman, Chief Operating Officer
Mary Lewis, Director of Financial Management
Andrea Tevlin, Independent Budget Analyst

ATTACHMENT 4

NEWS RELEASE
COUNCIL PRESIDENT SCOTT PETERS
First District

Date: March 1, 2007	**Contact:**	**Pam Hardy** **Communications Director**
	Phone:	**619-236-7294** **619-980-8429**
For Immediate Release	**E-mail:**	**phardy@sandiego.gov**

Peters and Sanders Propose Budget Authority Compromise

SAN DIEGO – Council President Scott Peters and Mayor Jerry Sanders today announced a proposal to more clearly define the roles of the Mayor and City Council in making mid-year budget adjustments.

The proposed amendment to the Fiscal Year 2007 Appropriations Ordinance would require the Mayor to bring any department cut equaling the lesser of 10% or $4 million before the City Council for approval. It would also require that the elimination of any program or service affecting the community be publicly noticed by the City Clerk.

"My goal was to develop a workable model which gives the Mayor the ability to make changes to the adopted budget as he deems necessary, within certain spending limits," Peters said. "This proposal gives the Council a voice in major changes and allows us to monitor the way those changes are made, how they affect service levels delivered to the public, and make adjustments as needed."

The City Council will consider the proposed ordinance on March 19, 2007. If approved, it would replace the ordinance passed on a 5-3 vote by the Council on February 6.

###

Proposed Amendment to the 2006-2007 Appropriations Ordinance

Ordinance 2007-13, an ordinance adopting the Annual Budget for Fiscal Year 2006-2007 and appropriating the necessary money to operate the City of San Diego for said fiscal year is amended as follows:

Section 14 Mayoral authority to make changes to the adopted budget shall be limited as follows:

1. Budgetary control shall be at the department level by Fund as approved in the Appropriation Ordinance and adopted by the City Council (Attachment 1).
2. Salary savings cannot be used to cover non-personnel expenses.
3. Any funding increases above the amount included in the Appropriations Ordinance require an amendment to the Appropriations Ordinance by the City Council.
4. Any cumulative reduction in spending resulting from Mayoral action of an amount of 10% or $4 million, whichever is less, in a particular department identified in the Appropriations Ordinance will require an amendment to the Appropriations Ordinance by the City Council. This may be triggered by either the first budget adjustment that meets this threshold or a later budget adjustment that has the cumulative affect of exceeding this threshold.
5. Immediately upon elimination of any program or service affecting the community, not requiring an amendment to the Appropriations Ordinance as described above, the Mayor shall inform the City Council and City Clerk by providing a memo fully describing the change, any resulting service impact and the corresponding fiscal impact. The Clerk shall then include such notification on the next available council docket following receipt of the notice from the Mayor.
6. Money and/or positions moved between departments will require City Council approval.

COUNCILMEMBER KEVIN FAULCONER
CITY OF SAN DIEGO
DISTRICT TWO

MEMORANDUM

RECEIVED
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

DATE: May 22, 2007

TO: Council President Scott Peters

FROM: Councilmember Kevin Faulconer

SUBJECT: Suggested Budget Changes for FY2008

Let me begin by thanking Councilmember Toni Atkins for her continued diligence and hard work as chair of the Budget & Finance Committee. I also wish to thank Andrea Tevlin, our Independent Budget Analyst (IBA), and her team for bringing insight to a very complex document. The level of analysis provided by the office of the IBA is excellent and continues to be invaluable for Council consideration and deliberations.

The eight significant areas identified by the Mayor are sound choices and establish a solid framework for restoring fiscal integrity to the City. I am supportive of these initiatives and applaud this strategic budgeting philosophy.

My suggested changes for the FY2008 Budget are confined to four general areas. I would respectfully request the following modifications be examined and that the impacts and potential sources of funds be discussed:

Auditing

The importance of having professional support for the newly created Audit Committee is essential and was supported by unanimous vote of the Audit Committee on May 21, 2007. Until the Charter is changed and the Auditor General reports to the Audit Committee, it is vital to have an independent audit specialist available to provide counsel. I request additional funding of $225,000 to engage an audit professional or firm who shall report directly to the Audit Committee.

The Business Process Reegineering (BPR) initiatives and the future implementation of the Enterprise Resource Planning system will necessarily change many existing processes. I am concerned about how internal controls are being adjusted to accommodate these changes. I would ask that the Auditor &

Comptroller's department be allocated additional funds and adequate FTEs to undertake a thorough audit of existing and future internal controls to verify their sufficiency.

Neighborhood Code Compliance
Code Compliance Officers greatly affect many quality-of-life issues in our neighborhoods. Without the resources to enforce the rules and regulations enacted by the City Council, our ability as a Council to improve the lives of our constituents is severely hampered. I strongly encourage additional funding of $586,109 for the retention of the two graffiti control workers and three code enforcement officers to monitor mini-dorms and alcohol-related codes.

Parks
Sunset Cliffs Natural Park comprises 15 percent of our city's coastline. Unfortunately, the park suffers from drainage and erosion problems. A clear example of the problems facing the park occurred just a few weeks ago when a large portion of the historic cliffs collapsed into the sea. Preserving the integrity of this regional asset is imperative. However, the funds necessary to solve the problem completely are out of reach given our current financial condition. Instead, I am requesting the creation of a CIP and an allocation of $500,000 for FY2008. In future years, as additional monies are allocated and the fund grows, full remediation projects can be undertaken.

I was delighted that we were finally able to repaint the Boardwalk this past year and simplify the lane identifications. This was a safety issue that needed to be addressed and I appreciate the efforts of Mr. Rich Haas and the Public Works team. This year, I would like to address another safety issue on the Boardwalk: sand and debris. In the past, the Boardwalk was swept every day during summer and four times a week during the winter. I request additional funding of $36,000 for the Streets Division to reinstate sweeping of the Boardwalk.

Public Safety
Our Police Department is facing serious challenges. As we strive to attract new officers, we must also provide adequate resources and infrastructure to our existing forces. From my perspective, an effective investment in productivity and communication tools, such as mobile computer laptops, is money well spent. I request that the Police Department be allocated an additional $250,000 to begin replacing aging laptop computers.

The Fire-Rescue Department is also facing challenges. One of the budget areas that has been questioned repeatedly is the overtime costs resulting from constant staffing. Many claim this policy saves the City money, others say it does not and

that it is an inefficient use of City funds. I'm told a study was conducted as part of the department's BPR and will be available in the next few weeks. In many respects, I believe this study to be similar to an operational audit of the constant staffing policy. I would suggest the results of this study be presented separately to the Audit Committee. I further request that overtime associated with constant staffing be broken out and listed separately from other overtime expenses.

Another public safety related area in need of additional resources is the recently formed Commission on Gang Prevention and Intervention. With additional support, I believe the Commission could apply for and receive more grants and be more effective in achieving its mission. I request that $108,000 be allocated to the Commission to hire the equivalent of a committee consultant.

cc: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Ms. Andrea Tevlin, Independent Budget Analyst

KF/sm

ATTACHMENT D

RECEIVED
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

COUNCILMEMBER TONI ATKINS
DISTRICT THREE

MEMORANDUM

DATE: May 21, 2007

TO: Honorable City Councilmembers

FROM: Councilmember Toni Atkins

SUBJECT: Request for FY 2008 Budget Changes

I urge your consideration of the following changes to the Mayor's FY 08 budget. My overriding priority is to fund public safety functions to the extent possible. I have also placed strong emphasis on continuing to invest in the Council's ability to meet our responsibility to strong oversight of the City's finances.

I also want to thank the Mayor for allocating 400,000 in his May Revise for updating community plans, including those in Uptown, Greater North Park and Greater Golden Hill. When combined with $115,000 in CDBG funds I have allocated, this investment will produce important long term benefits of protecting quality of life, while assuring adequate housing and other infrastructure, in these historic neighborhoods.

PUBLIC SAFETY RELATED REQUESTS

- Restore the brush management position in Fire-Rescue ($72,743)
  Earlier this month, Fire Chief Jarman warned that this year we face the most serious fire risk she has seen in her 23 years of experience. With the devastation of the Cedar Fire still fresh in our minds, I urge that we take every possible step to reduce this danger.

- Include an additional 7.58 positions to staff a truck company for Fire Station #47. ($1.5 million if filled)

  This represents partial year funding for this new station, which is scheduled to open in November. While it is anticipated that not all of these positions will be filled during this fiscal year, it is important that we make a budgetary commitment to fully staffing such a critical public safety function. If necessary, we should adjust the department's vacancy rate so that there will be no additional expense added to this year's budget.

- Funding for ongoing brush abatement in Balboa Park to address transient encampments in the canyons in the park. ($70,000)

- Add 14 Police Officer IIs, 4 Police Sergeants, and 1 Lieutenant for the new Northwestern Police Station.

  Despite current recruitment and retention challenges in the Police Department, it is important that we provide an adequate budget for staffing this new facility. Again, the vacancy factor could be adjusted so that we do not incur additional expense in this year's budget.

- The Family Justice Center is a nationally recognized program that addresses domestic violence and serves an extremely vulnerable population. I request that the police sergeant position previously assigned to protect the clients of the Family Justice Center be restored. This will require no additional funding.

FINANCIAL OVERSIGHT

- Professional consultant for the Audit Committee. ($225,000)

- Financial training for the City Council, as recommended by the IBA. ($15,000)

OTHER REQUESTS

- I urge the Council's support to earmark $150,000 from the TOT Major Events Revolving Fund (MERF) for funding to the Balboa Park Centennial. $188,000 remains in that fund following allocations made by the Mayor in his May Revise. This special event will have regional, statewide, and national significance and the proposed expenditure is consistent with the goals and objectives of the MERF.

- Restore 2 Code Compliance Officers cut due to CDBG cuts. ($118,000)

  This is in addition to $70,000 in CDBG funds that I have already allocated.

  - It is my understanding that the Mayor will include FTE equivalents for hourly employees in the final budget, although departments will receive a lump sum dollar amount to allocate for this purpose based on their own judgment. While this is a positive step toward enabling the Council and the public to track hourly employees in the budget, without a breakout of each individual position it will still be impossible for us to determine whether service levels for key functions provided by employees such as lifeguards, recreation leaders, or library clerks have changed or, if they have not changed, whether we believe they should. In the interest of transparency and more effective analysis, I request that hourly employees be listed in the budget as they have in the past, as full time equivalents, on a position by position basis.

- Restore Associate Management Analyst to City Heights Performance Annex: With regard to the level of services to be provided by the Library Department this fiscal year, I am concerned that the elimination of 1.00 Associate Management Analyst and related costs, for a cost savings of $187,000, will have an adverse impact on the community. The elimination of the position, coupled with the lack of a management plan for the Annex, will result in the elimination of programs and a lack of access to this much-needed facility. I am not convinced that service levels will be maintained with these proposed changes.

RECEIVED
ATTACHMENT D
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

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

DATE: **May 22, 2007**

TO: **Council President Scott Peters**

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

SUBJECT: **Fiscal Year 2008 Budget Recommendations**

The Mayor has submitted a proposed fiscal year 2008 budget for review and consideration by the Council. Pursuant to this proposed budget and subsequent "May Revision", I am making the following recommendations:

1. Revenues:
The May revise does not adjust revenue projections, particularly for Tourist Occupancy Tax funds (TOT).The IBA has concerns that TOT revenues may be too conservative (a 6% growth rate projection instead of the 10% growth rate that it has been in recent years.)

I respectfully request that quarterly financial reports to the Council include TOT funds received. If TOT revenues do come in over projections, I recommend that an additional $25,000 be allocated to each Council Office for discretionary use and allocation to Arts and Culture programs and events in the respective Districts.

2. Appropriations:
The May revise states that a "total budget of 5.7 million to be transferred to the General Fund unallocated reserves." The original budget proposal amount was $5 million.

I respectfully request the additional $700,000 be used to fund positions and fund allocations from the recommendations contained in this memo.

3. Development Services: In the original proposed budget (2) positions for graffiti control were eliminated. The May revise reinstates (9) positions. However, the (2) graffiti control positions are not included. I respectfully request the (2) positions for graffiti control be restored. Additionally, I am requesting the contracts for graffiti removal be increased by $200,000 for additional graffiti removal services city-wide.

4. Public Safety:
The May revise does not include a Committee Consultant staff position to support the significant and important work of the Commission on Gang Prevention and Intervention. The Commission's Executive Director is doing an exemplary job with very limited assistance (none of which is permanent or on-going). It is imperative we provide a staff assistant to address an increasing work load for the Commission's lone staff member. She will be writing and facilitating grant proposals, initiating and facilitating Commission meetings and forums throughout the city, helping with legislative efforts to ensure San Diego gets a fair share of state and federal gang prevention and intervention funding and services, assisting capacity building efforts for service providers, advocating for community solutions, and various other efforts regarding gang prevention and intervention. I respectfully request an additional Committee Consultant position at a cost, including benefits, of approximately $95,000.

5. Library:
The May 17th Budget Review Meeting Referral Responses from staff does not answer my request for the Library to identify what proposed position reductions impact library programs managed and/or facilitated by staff.

The May revise reinstates (4) positions to the Library department, however it also eliminates (4) other positions. It seems clear that staff will not know the true impact of staff reductions prior to the conclusion of budget deliberations. It is also clear in staff's response to my questions regarding what programs are currently managed or facilitated by staff in our libraries, that they do not know what programs will be eliminated.

During the past fiscal year the vast majority of funds used from the contingency reserve were for legal and consulting services. I do not expect us to continue this trend.

Therefore, I respectfully request we set aside a special contingency account specifically for Libraries and Park and Recreation Departments in the amount of $2 million to address any need to restore staffing for programs and/or services we discover are severely reduced or eliminated without public discussion and/or the Council's input.

6. Park and Recreation:
The May 17th Budget Review Meeting Referral Responses from staff states that "there are no programs scheduled for reduction in the FY2008 Proposed Budget." A list is provided to me of the Park and Recreation programs in District 4. However, it goes on to state that "this list may not reflect all programs available throughout the year…,"

Again, it seems clear that staff will not know the true impact of staff reductions in the Park and Recreation Department prior to the conclusion of budget deliberations.

Therefore, I respectfully request we set aside a special contingency account specifically for Park and Recreation and Library Departments in the amount of $2 million to address any need to restore staffing for programs and/or services we discover are severely reduced or eliminated without public discussion and/or the Council's input.

7. Professional Services, Contracts, and Consulting:
The May Revise does not appear to include $225,000 for professional auditing consultant for the Audit Committee; and $15,000 to the Council Administration budget for Council financial training.

I respectfully we add funding in the amount of $225,000 for a professional auditing consultant and $15,000 for Council financial training as proposed by the IBA.

8. Capital Improvements Projects (CIP):
During the budget discussions I expressed concerns regarding how CIP projects are selected and funded. I respectfully request the Council President Peters docket a Council Conference on the Capital Improvements Program. This Council Conference should include information and presentations on the various sources of revenue used to fund capital improvements, prioritization of capital improvements, and best practices for helping ensure there is reasonable and equitable distribution of capital improvements throughout the city.

9. Equal Opportunity Contracting:
There is an increase in the Equal Opportunity Contracting budget from $2.4 million to almost 2.6 million dollars. Most of the increase is in the Business Opportunity Center I am requesting staff provide the Council with a report on services and strategies they will be providing and utilizing that will result in increased opportunities for minority owned businesses to get city contracts, and/or participate as sub-contractors on city contract projects.

10. Redevelopment Agency:
During budget discussions I requested a Performance Audit for the Southeastern Economic Development Corporation (SEDC) and this request was approved in the motion for approval of SEDC's budget.

11. New Revenues:
As we reviewed the Mayor's proposed budget and compared and contrasted it to the needs of the City e.g., infrastructure improvements, public safety, park and recreation, libraries, and pension payments it became very clear that if we want to meet these needs in the future, we will have to begin discussing enhancing our revenues. I look forward to these discussions and recommendations at the appropriate Council committees during the 2008 fiscal year.

Your favorable consideration and approval of my recommendations is appreciated.

COUNCILMEMBER BRIAN MAIENSCHEIN

City of San Diego
Fifth District

RECEIVED
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

MEMORANDUM

TO: Toni Atkins, Chair of the Budget & Finance Committee
Scott Peters, City Council President

FROM: Brian Maienschein *Brian Maienschein*

DATE: May 22, 2007

RE: FY08 Budget Priorities for Mayor's May Revision to Estimated Revenues and Expenditures

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I generally support the Fiscal Year 2008 budget expenditures as proposed by the Mayor. The following priorities are offered in the event that revenue is discovered that was not anticipated in the Mayor's proposed budget. My priorities are divided into two categories: Citywide and district wide.

The following will continue to be my top Citywide priorities:

1. Maintain, or add to, the Mayor's proposed increase to the Public Safety budgets (Police and Fire-Rescue) to fill positions and purchase equipment;

2. Fund deferred maintenance (such as street and roof repairs);

3. Maintain library and park hours and resources at current levels;

4. Contribute the full actuarial amount, or more, to the pension system;

5. Fund the operation and maintenance of all new parks and police facilities;

6. Strengthen Homeland Security, with an emphasis on completing a Citywide Emergency Evacuation plan;

7. Add $130,914 to the Family Justice Center budget;

8. Restore two brush management positions (approximately $155,000) to the Fire-Rescue Department;

9. Restore two Code Compliance Officers (approximately $88,984) to the Development Services Department;

10. Restore five Public Service Officer positions to the Police Department; and,

11. Add two Parking Enforcement Officer positions to the Police Department to enforce recreational vehicle and boat street parking violations.

The following will continue to be my top district 5 priorities, though they are not necessarily listed in priority order:

1. Finish all road resurfacing and reslurry;

2. Manage brush and trim trees;

3. Repair sidewalks;

4. Retime traffic lights;

5. Install traffic calming measures adjacent to schools;

6. Repair and upgrade the Rancho Bernardo Fire Station #33;

7. Expend the funding match to complete Carroll Canyon Road; and,

8. Allocate $65,000 for a pilot project to prevent the sale of vehicles on public streets.

I look forward to working with you to address these critical needs and priorities. Please call me with any questions. Thank you.

cc. Mayor Jerry Sanders
City Council members
Andrea Tevlin, Independent Budget Analyst

ATTACHMENT D

RECEIVED
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

COUNCILMEMBER DONNA FRYE
City of San Diego
Sixth District

MEMORANDUM

DATE: May 22, 2007

TO: Council President Scott Peters

FROM: Councilmember Donna Frye

Donna Frye

SUBJECT: Fiscal Year 2008 Budget Priorities

After reviewing at public hearings, the Mayor's proposed Fiscal Year 2008 budget, I am in support of the IBA's recommendations and have included some of those below. In addition, listed below are my proposed budget changes as well as recommendations for information to be included as part of the budget/Annual Appropriation Ordinance.

1. Reduce CCDC's budget by $11 million and allocate that amount for payment of the City's debt service for the ballpark. If approved, this would increase revenue to the City to help fund many, if not all, of the following recommendations.

2. Include a salary for a City Auditor & Comptroller, instead of leaving the position vacant. Staff the budgeted positions for the internal audit function and do not move staff to perform other functions. Hire a City Auditor & Comptroller.

3. Maintain the 17 City Attorney positions.

4. Reinstate 1, and add at least 2 Code Compliance Officers to the Fire-Rescue Department for pro-active brush management. Anticipation of a high- risk wildfire season makes these positions critical for public health and safety.

5. Add 19 FTE's to the Police Department, as outlined in IBA Report Number 07-46.

6. Retain and fill all vacant Police Service Officer positions.

7. Add $225,000 for professional support to the Audit Committee and $15,000 for financial training as recommended in IBA Report Number 07-46.

8. Add 1-2 grounds maintenance worker positions for District 6 parks.

9. Retain Youth Services Librarian positions (2 FTEs) at the Linda Vista and North Clairemont Branch Libraries

10. Reduce the Development Services Department budget by the amount assumed for fee increases (approximately $180,000).

11. Increase Equal Opportunity Contracting revenue by $930,000 due to non-inclusion in the General Government Services Billing process. Direct the Mayor's office to provide within 30 days, a report to the City Council regarding the EEOC program to include the total number of City contracts, total dollar amount of contracts and total dollar value and percent of those awarded to minority and women-owned businesses.

12. Address the 15% vacancy factor in the Storm Water Division and ensure compliance with the NPDES Municipal Storm Water Permit.

13. Support the IBA's recommendation for accounting of revenues from proposed Tourism Marketing District, land sales and bond proceeds.

14. Reduce the Development Services Department budget by the total amount assumed in the proposed budget for fee increases.

15. Increase City TV budget by $45,000 to provide closed captions for Council Committee Meetings, Press Conferences, Special Meetings, etc.

16. Reinstate 2 FTE Graffiti Control and 3 FTE Code Compliance Officer positions

17. Retain the Disability Services Coordinator position, and ensure that the Department of Ethics and Integrity fills the position.

18. Establish a fuels reserve account for the Equipment Division due to the volatility of fuel prices. *(Industry standards suggest setting aside 20% of the fuel budget, or $2.8 million for FY2008.)*

19. Include in the budget a line item for the Preservation of Benefit Plan payment.

20. At least half of the Mayor's proposed budget is for non-personnel expense. Unlike the personnel expenses, however, there is little or no detail provided for those expenditures. **If you can't measure it, you can't manage it.** Therefore, include in the budget and/or Annual Appropriation Ordinance, a list of the types of city contracts for outside services by dollar (cap) amount by department with a brief description of what services each of the contracts provide in the budget and/or Appropriation Ordinance. This should include a list of all current consultant contracts for each city department. Also, include a line item for basic service levels for each city department.

21. Include in the budget and/or Annual Appropriation Ordinance, a list of the "A-List" projects, including costs, from the CIO's department, and direct the

Mayor's staff to provide, within 30 days, clarification of how future "A-List" funding will be incorporated into the new ERP fund. *(Many IT data processing costs are now centralized in the CIO's office, but because there is no information in the budget related to the "A-List," it is difficult to evaluate the proposed funding for these projects.)*

22. Direct the Mayor's staff to bring forward to the City Council, within 90 days, a proposal for his long-term strategic plan for the City's Environmental Growth Fund.

23. Direct the Mayor's staff to bring forward to the City Council, within 90 days, revenue options to balance the Recycling Fund budget.

CC: Honorable City Council
Honorable Mayor Sanders
City Attorney, Michael Aguirre
Independent Budget Analyst, Andrea Tevlin
Chief Financial Officer, Jay Goldstone

DF/ks

ATTACHMENT D

RECEIVED
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

City Of San Diego
COUNCILMEMBER JIM MADAFFER
DISTRICT SEVEN

MEMORANDUM

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

DATE: **May 22, 2007**

TO: **Council President Scott Peters**

FROM: **Councilmember Jim Madaffer**

SUBJECT: **FY08 Revisions to the Mayor's Budget**

Park and Recreation

Maintain operations and service levels for Park and Recreation Centers and City Pools.

Restore funding to City Heights Performance Annex NPE and develop means in FY08 for a community based non-profit to provide Performance Annex scheduling and management. Continue to operate Performance Annex while new management program is developed and vetted by the City Heights community, including the Friends of the City Heights Performance Annex.

Keep the park ranger positions in the budget as vacant. These public safety positions are too important to eliminate and too difficult to restore later. I believe that very soon we will want them returned to active status.

Service Level Measurements / Metrics

Include in final budget document the existing City department service level measurements (with existing data) for City departments where it is not currently outlined in the proposed budget. The Budget includes Service Efforts and Accomplishments, and departments have existing Performance Measures. Given this existing data, more information should be included in the final budget as they relate to Service Levels.

Neighborhood Code Compliance

Over the last 12 months, the City has been made aware of an all out attack on our single family neighborhoods by unscrupulous entrepreneurs creating nuisance rental properties or "Mini Dorms". All code compliance positions should be restored and funded in order that they focus on Mini Dorms (possibly in the hundreds) and other neighborhood quality of life issues citywide.

Fire Department- Facilities

I request additional funding in the amount of $150,000 for female dorm expansion for Fire Station 34 improvements in the Navajo community. An entirely new facility is needed in the eastern part of the Navajo area in order to provide adequate service levels to the community. It is estimated to cost $9.5 million. I would also request the inclusion of these improvements in the 2008 update to the Navajo Public Facilities Financing Plan if necessary. I am also requesting funding for a new larger fire station for the Tierrasanta community, replacing the inadequate Fire Station 39. Without General Funds available for these new facilities, I would like to request the City prepare a bond package that includes the funding for these facilities as was promised in 2001.

Redevelopment Agency

The Mayor is proposing to keep the Redevelopment Agency as a division within the City Planning and Community Investment Department. At the LU&H committee in March and November 2006, restructuring of the Redevelopment Agency has been discussed in detail. As Councilmembers, we already sit as members of the Redevelopment Agency Board, a state agency. I would like to see the entire Redevelopment Division be separated from the City of San Diego budget, and established as an outside Agency similar to the Housing Agency (Authority).

Library

The Library matching funds program is a valuable leveraging tool to assist with equipment and facility needs. We should continue to support this fund with annual contributions. This fund should be increased by $250,000. A $250,000 increase equates to $500,000 more for libraries.

Special Promotional Programs - TOT

I applaud the Mayor for funding $75,000 for the Hall of Champions out of the Economic Development-Citywide Contracts. I request an additional $25,000 of like funding for the California State Games. Both of these programs are important to

tourism generation. Cities like Anaheim, California are recruiting the California State Games to leave San Diego and the tourism generated from the C.S.G is far in excess of an annual allocation from the Special Promotional Program Fund.

I have attached a letter from Sandy Hill, Executive Director of the California State Games, supporting this request for your information.

Future Budget Review Cycles

While I appreciate the Mayor's efforts to provide information in his "May revise", I believe that the Mayor should provide the City Council with a spreadsheet of FTE and monetary movements within the budget. This simple document would be invaluable to City Council members who are responsible for reviewing, understanding and amending the Mayor's budget.

Note

Given the complexity of the budget and the difficulty in getting detailed back-up information, I reserve the right to submit further budget revisions prior to the June 6, 2007 budget hearing where we will discuss final modifications to the Mayor's FY08 budget.

TO: Jim Maddafer
FROM: Sandi Hill, Executive Director California State Games
DATE: May 22, 2007
SUBJECT: 2007 California State Games

The 2007 California State Games will take place July 12 – 15 with over 8,000 athletes competing in 21 sports, and we are looking for the City's continued support.

I wanted to bring to the City's attention the millions of dollars that the California State Games brings to the City. Last year, the direct spending of California State Games' athletes and families was over $4,000,000. This number does not include any multipliers, just actual dollars spent on hotels and restaurants in San Diego.

For the first 8 years, the California State Games rotated the event around the state, but the event became too large to keep moving from different communities. Ten years ago, the State Games established San Diego as its permanent home. Once Disney Sports and the City of Anaheim heard that the State Games TOT funding had been cut 10% each year for several years, and that the State Games would be charged full price for use of City of San Diego facilities, they quickly approached the Games about moving the event to Anaheim and making it the new permanent home.

However, the California State Games feels a strong tie to the City of San Diego, and is in hopes of keeping the event here. Noting the huge gain that the City receives from the California State Games, we are hoping that the City will continue to support the Games– by co-sponsoring the event with the waiver of rental fees for City facilities as well as providing a robust level of TOT funds.

We hope that all Council Members will try to attend the California State Games Opening Ceremonies on July 13th at Qualcomm Stadium. Half the stadium is filled with excited parents and family members. When the athletes march in, you can see the excitement in the eyes when they look and see themselves on the giant video board in the stadium. From that moment on, they are all experiencing their own "Olympic Games". Letters are received every year from parents saying how their experience in the State Games improved their child's self-esteem and made many of them realize their increased potential in many aspects of life.

To ensure that local athletes have the opportunity to compete in the Games, the California State Games works closely with several San Diego organizations including City Parks and Recreation, area schools, YMCAs, Boys and Girls Clubs, Girl Scouts, and the Police Athletic League. It is a great opportunity for local athletes to be able to participate in an event of this caliber. We have added a Recreational division for inner city San Diego kids to participate in the Games for free. Scholarship applications are out around the city for interested Basketball and Baseball teams. These games will be played at the Jackie Robinson YMCA, and the kids will also get to participate in Opening Ceremonies! The State Games contributes to a balance of activities, which create a better quality of life for San Diego residents.

2007 California State Games (based on 06 actuals):

- Over 4 million in direct spending
- Over $188,000 in TOT revenue
- 25,000 attendees – over 8,000 athletes

Anaheim Proposal:

- City of Anaheim contributing $25,000 to bring Games to Anaheim
- City of Anaheim donating City facilities
- Disney Sports assisting with operations of the Games
- City of Anaheim donating rental of Angels Stadium (not all related costs)

City of San Diego:

- Contribute TOT funding
- Waive rental fees of City facilities (not including hard costs-employees/lighting)

ATTACHMENT D

RECEIVED
MAY 22 2007
COUNCIL MEMBER
SCOTT PETERS

COUNCILMEMBER BEN HUESO
City of San Diego
Eighth District

MEMORANDUM

DATE: May 22, 2007

TO: Council President Scott Peters

FROM: Council Member Ben Hueso

SUBJECT: FY '07-08 Budget Priorities

It is evident that sound fiscal management is top priority for our Mayor and our City Council this year. I am happy to be part of a group that is working together to strengthen our city's budget while also maintaining service levels for residents of our City.

Last fiscal year, the City benefited greatly from an array of community services. This year, I stress the importance of maintaining those services, particularly those which address the quality-of-life needs of District Eight residents and the city at large. I appreciate the Council and IBA consider the following recommendations to our FY 2007-08 budget.

Pension

I support the creation of plans for compliance with the labor contract requirements so that $600 million are paid into the pension system by June 30, 2008.

Police

I support the current efforts to reduce the vacancy factor within the police department. The Mayor and Council should make recruitment one of our top priorities in 2007-08.

Managed Competition

I support the IBA's recommendation to docket an overview of the process and schedule of the Managed Competition program. It is important that the Council remain involved in every critical step of the process.

Development Services

1. Although the graffiti division has done a great job in painting out graffiti, graffiti remains a major quality-of-life problem in the City. It is critical that funding for the graffiti program be restored to the FY '06-07 funding level of $1,279,491. In addition, I

request we allocate funding for paint (which runs out regularly and has a very limited supply of colors) in the amount of $30,000.

2. Neighborhood Code Compliance continues to be a problem in the City. I strongly oppose the recommended personnel cuts. This will impact service levels greatly. The City needs to be more proactive in minimizing existing code violations. Cutting positions will put the City in the back seat on yet another quality-of-life issue that is important to all residents.

General Services

I support the $24.8 million allocation to deferred maintenance; however, we need each project identified (and the list provided to the Council) and the criteria for funding designed to address the more critical needs first.

City Administration

As the newly-appointed Coastal Commissioner, my workload has increased substantially. In order to competently represent the City of San Diego, I request that the Council fund a part-time, benefited position in the amount of $75,000. This position will not fall under my office budget, but instead under the Council Administration Budget so that any future San Diego Council Members appointed to the Coastal Commission also receive the assistance. This position will fulfill the duties of consultant to the City's representative on the Coastal Commission.

City Attorney

1. I support the IBA's recommendation to develop a communication plan to ensure timely and accurate information is shared between the City Attorney and Risk Management departments, and the City Council, on a regular basis regarding litigation issues and related costs.

2. I recommend that the City Attorney not add 8 new positions to his budget. In addition, I support the Mayor in eliminating the 17 positions paid for with salarysavings which technically do not exist. Additionally, At this point, it is unclear how many staff positions are filled and whether each position is being fully utilized.

Office of Ethics & Integrity

I support the mission statement of the Office of Ethics & Integrity to strengthen the City's ethical climate. However, I recommend its office budget remain at FY '07 levels. The Mayor's request to double its staff positions and add $1,205,561 to its budget is untimely, particularly when the City's needs are so great.

Real Estate & Assets

1. City staff should provide a list of all ADA needs in the City. The list should be prioritized by the Council, as the projected funding obtained through the sale of the city's real estate and assets will not cover all of the improvements.

2. The Real Estate & Assets Department has listed the Langley property as a surplus asset which will be offered for sale in the open market. Half of the funds of the sale will be deposited in the Library Endowment Fund. I request that these monies be appropriated to the Logan Heights library to fill its current funding deficiency.

Parks & Recreation

1. Maintenance levels in our parks and recreation centers require regular maintenance. I request that the two custodian positions recommended to be cut from the budget be restored. It is important that our parks be maintained and cleaned regularly.

2. To the extent that any cuts in the aquatics staff affect the Blue Level Swim Teams throughout the fiscal year, I recommend that the necessary positions be restored during mid-year budget adjustments.

Purchase & Contracting

Allocate funding to outreach to minority and women-owned businesses and provide a comprehensive update on the Equal Opportunity Contracting Program.

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