Recommended Revisions to the Fiscal Year 2009 Proposed Budget

Report by the Office of the Independent Budget Analyst

IBA Report 08-57
May 30, 2008

IBA

OFFICE OF THE
INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO

Recommended Revisions to the Proposed Budget

Introduction

The IBA's preliminary review of the Mayor's Proposed FY 2009 Budget was issued on April 29, 2008, as IBA Report No. 08-41. This final report builds upon our earlier review and analysis, and presents final recommended changes to the Mayor's Proposed FY 2009 Budget for City Council consideration. Our recommendations take into account the priorities reflected in City Council budget memoranda; the results of the Mayor's May Revise; input received from the public during the hearing process; additional IBA research and analysis; and further discussions with City operational staff. Based on this input, as well as further review and analysis, our final report proposes the following revisions to the FY 2009 Proposed Budget.

IBA Proposal

Part 1 – Recommended Priority Service Restorations Totaling $1.5 million

The service restorations recommended in the first part of our proposal align closely with those discussed at a special public hearing on the Park and Recreation and Library budgets as part of the Public Safety and Neighborhood Services meeting on May 14, 2008. Due to the response from the public at the first hearing on April 30th, this additional hearing was scheduled to provide the Council further opportunity to discuss the possibility of restorations in these key service areas. For this hearing, our office presented IBA Report 08-44, which outlined the top priority restorations as identified by departmental staff for Park and Recreation and Library. At this special hearing, the Council expressed strong support for the priorities as identified by the department and outlined in the IBA Report. Council priorities budget memoranda further indicated strong support for the restorations discussed at this hearing.

As indicated in the chart on page four, Part 1 provides for $1.5 million of service restorations including all Skate Park supervision; five Park and Recreation Area Managers; a Grounds Maintenance Supervisor; 8.5 Library Assistants, 3.0 Librarians II's and a Custodian for the Central Library. Also included in Part 1 is a small amount of funding to provide overnight camping on weekends only at Kumeyaay Campground.

Restorations in Part 1 are funded through utilization of the Environmental Growth Fund balance; elimination of FY 2009 funding for the Jefferson Wells contract; and a partial reduction to Managed Competition consulting support.

Introduction (cont'd)

Part 2 – Recommended Priority Service Restorations Totaling $2.9 million

The second part of our proposal builds on Part 1 by recommending further priority service restorations for Park and Recreation and Library primarily to maintain key services at FY 2008 service levels. A single service enhancement- returning all swimming pools to year–round operations - is proposed consistent with Council priorities. These recommendations also respond to extensive input from the public at budget hearings.

To return services to FY 2008 levels in the area of park management and oversight, restoration of five additional Area Managers and two additional District Managers is recommended. For the Library, four more Library Assistants are restored as well as $500,000 for the matching funds program. A Graffiti Control supervisor reduced from Neighborhood Code Compliance is also recommended for restoration to maintain FY 2008 service levels.

Partial restorations include four non-sworn Police personnel; four positions for Street Maintenance and four positions for Facilities Maintenance - the priorities for which were developed by City departmental staff. Three additional items not previously considered in the budget are also recommended including temporary staffing for the Children's Pool Lifeguard Station, an Administrative Aide and overtime funding for the City Clerk and a Fiscal and Policy Analyst for the Office of the Independent Budget Analyst.

Part 2 is funded by an increase to the Redevelopment Agency loan repayment from $5.0 million to $7.5 million and a partial reduction in the funds set aside for booking fee expenses, leaving $1.5 million as a contingency. These recommendations are also illustrated in the chart on page 4.

Mayor's May Revise

The IBA also recommends approval of the Mayor's May Revise as issued on May 14, 2008 and as amended by the Chief Financial Officer per memorandum dated May 29, 2008. The May Revise outlines adjustments to the Proposed Budget, including revenue revisions and expenditure changes, based on new information received since the budget was published. We concur with the reductions in revenue growth rates proposed in the May Revise as more reflective of economic conditions. $9.2 million of the resource options identified in our Preliminary Report are being utilized in the May Revise to offset reduced revenues.

Introduction (cont'd)

IBA Policy Matrix

We would note that in past years this report has provided a number of policy and technical recommendations that typically require further research and analysis in the coming fiscal year. These recommendations form a policy matrix which is utilized to track progress and report status of the issues to the Budget and Finance Committee several times a year. This year we will be presenting the policy and technical recommendations in a separate report at the end of the budget process, and will request that this item be docketed for Budget and Finance Committee discussion this summer.

Next Steps

On June 4, 2008, the IBA will present the recommendations contained in this report to the Budget and Finance Committee for their consideration. The full Council will hear the Budget and Finance Committee's recommendations for final changes to the Proposed Budget on June 9, 2008.

As required by Charter, the Council will return the budget to the Mayor with their recommendations "as soon as practicable." The Mayor has five business days to approve, veto or modify any line item approved by the Council and resubmit the budget. The Council then has five business days to take action to override any vetoes or modifications made by the Mayor.

The final steps of the FY 2009 budget process include the Budget and Finance Committee's review of the Appropriation Ordinance on July 9, 2008 and City Council public hearing and adoption of the Appropriation Ordinance on July 21, 2008 and July 28, 2008 respectively.

PROPOSAL

	PROPOSAL Part 1	FTE	EXPENSE	REVENUE
	RESOURCES			
1	Environmental Growth Fund Support for Appropriate General Fund Expenses	0.00	$ -	$ 1,485,000
2	Council Administration - Reduction to Jefferson Wells Contract	0.00	$ (225,000)	$ -
3	Business Office - Partial Reduction to Managed Competition Support	0.00	$ (400,000)	$ -
	RESTORATIONS			
1	Park & Recreation - Skate Park Supervision	8.80	$ 530,000	$ 115,000
2	Park & Recreation - Partial Position Restorations	6.00	$ 552,000	$ -
3	Library - Position Restorations	12.50	$ 980,840	$ -
4	Park & Recreation - Overnight Camping at Kumeyaay Campground	0.50	$ 83,000	$ 27,000
	TOTAL PART 1	**27.80**	**$ 1,520,840**	**$ 1,627,000**
	PROPOSAL Part 2			
	RESOURCES			
1	Redevelopment Agency Loan Repayment Increase - $5.0M to $7.5M	0.00	$ -	$ 2,500,000
2	Booking Fees Reduction	0.00	$ (1,600,000)	
	RESTORATIONS & ADDITIONS			
1	Park & Recreation - Further Position Restorations	7.00	$ 700,000	
2	Park & Recreation - Year-round Swimming Pools	22.70	$ 1,517,000	$ 410,000
3	Library - Further Position Restorations	4.00	$ 308,160	$ -
4	Library - Matching Funds	0.00	$ 500,000	$ -
5	Fire-Rescue - Children's Pool temporary station staffing	0.00	$ 162,000	$ -
6	Fire-Rescue - Bomb Squad Training Hours	0.00	$ -	$ -
7	Fire-Rescue - Staffing for Helicopter 2	8.80	$ -	$ -
8	Development Services/NCC - Graffiti Control	1.00	$ 86,100	$ -
9	City Clerk - Administrative Aide II	1.00	$ 78,200	$ -
10	City Clerk - Overtime	0.00	$ 25,000	$ -
11	IBA - Staffing Plan Phase II	1.00	$ 210,000	$ -
12	Police - Technology Enhancements	0.00	$ -	$ -
13	Police Department - Non-Sworn Position Restorations	4.00	$ 282,600	$ -
14	General Services - Facilities Division Maintenance Positions	4.00	$ 331,000	$ -
15	General Services - Street Division Maintenance Positions	4.00	$ 346,300	$ -
16	Allocate $10 million to Appropriated Reserve	0.00	$ -	$ -
	TOTAL PART 2	**57.50**	**$ 2,946,360**	**$ 2,910,000**

PROPOSAL PART 1

Resources

1-Transfer Environmental Growth Fund Balance to the General Fund to Support Appropriate Expenses - $1.49 million

Included in the FY 2009 Proposed Budget is the reimbursement of $11.9 million to the General Fund from the Environmental Growth Fund (EGF) for eligible Park and Recreation activities. According to City Charter section 103.1a, these funds "shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego..." The May Revise includes an increase of $2.0 million to this reimbursement, bringing the total to $13.9 million. General Fund costs planned for reimbursement include Citywide park maintenance and Balboa Park maintenance in Developed Regional Parks, and Open Space Division activities excluding street median maintenance and brush management activities (already funded by the FEMA grant). At present, no reimbursement occurs for direct on-site maintenance costs within the divisions of Community Parks I and II, which total $7.2 million and $8 million, respectively, or for General Fund maintenance activities for beaches and shoreline parks ($6.3 million) or at Mission Bay Park ($6.9 million).

Based on a review of the revised EGF fund balances, it is recommended that an additional $1,485,000 be utilized for reimbursement to the General Fund for eligible park and recreation activities, providing additional resources to the General Fund.

2-Eliminate FY 2009 Funding for Jefferson Wells – ($225,000)

In the FY 2008 budget, $225,000 was appropriated to hire a professional audit consultant (Jefferson Wells) to provide expert audit counsel to the City's Audit Committee. The Audit Committee indicated that Jefferson Wells only be retained for one year, believing that expert assistance could subsequently be provided by an expanded Office of the City Auditor. Approximately 35% of the original appropriation remains and it is expected that this amount will enable Jefferson Wells to provide expert counsel to the Audit Committee for a few months into FY 2009. As another $225,000 was proposed to be budgeted for Jefferson Wells in FY 2009, the IBA recommends that the City Council consider reprogramming this FY 2009 funding for other needs.

PROPOSAL PART 1

Resources (cont'd)

3-Reduce Partial Funding for Managed Competition Consultant – ($400,000)

The Business Office Proposed Budget includes an expense of $900,000 for Managed Competition consulting services for FY 2009. This recommendation would reduce FY 2009 funding to $500,000. However, in addition to $500,000 remaining in the FY 2009 budget, it is anticipated that Council will be asked in June to authorize $400,000 from the FY 2008 Appropriated Reserves for this purpose. This pending request has already been accounted for in the FY 2008 General Fund Reserves status report. If approved, together these actions will result in $900,000 being available for Managed Competition consulting support through FY 2009.

PROPOSAL PART 1

Restorations

PARK AND RECREATION

1-Restoration of Skate Park Supervision - $415,000 net

Restore all skate park supervision (8.80 FTEs at net cost of $415,000). Park and Recreation identified the restoration of supervision at the City's skate parks as its top priority, if funding were to be identified. In addition, several Council members specifically requested the restoration of skate park supervision in their budget priorities memoranda, due to the risk of possible increased liability. Supervision at existing skate park sites would require the addition of 7.30 FTEs at a cost of $450,000 with expected revenue of $100,000 for a net requirement of $350,000. The addition of the Carmel Valley Skate Park will require 1.50 FTE at a cost of $80,000, with expected revenue of $15,000, resulting in net added costs of $65,000. This is in addition to the maintenance added for the Carmel Valley Skate Park in the May Revise.

2-Restoration of Area Managers and Grounds Maintenance Supervision - $552,000

Restore five Area Managers and one Grounds Maintenance Supervisor, consistent with Park and Recreation's top priorities. This item restores one Area Manager in Developed Regional Parks, two in Community Parks I, and two in Community Parks II. Reinstatement of the Area and District Managers was cited in Council members' budget priorities memoranda. Elimination of these positions would result in a reduction in service from the current year. Park and Recreation has indicated that restoration of these positions would provide more direct services to citizens and park users, and therefore is a higher priority than increasing services for year-round pool operations.

PROPOSAL PART 1

Restorations (cont'd)

LIBRARY

3-Position Restorations - $980,840

Consistent with City Council and departmental priorities, the IBA recommends 1.00 Custodian ($58,000), 8.50 Library Assistants ($654,840), and 3.00 Librarian II positions ($268,000), for restoration in the FY 2009 Budget. The reinstatement will assist the Library Department in continuing to provide quality service to its many patrons equal to that of FY 2008.

PARK AND RECREATION

4-Restoration of Weekend Overnight Camping at Kumeyaay Campground - $56,000 net

Restore $83,000 for weekend overnight camping, with $27,000 in off-setting program revenue. As described by Councilmember Madaffer in his budget priorities memorandum, a proposal has been made to partially reinstate reductions made to eliminate overnight camping at the Kumeyaay Campground at Mission Trails Regional Park. Currently, overnight camping is permitted Thursday through Sunday nights. The proposal would allow overnight camping on Friday and Saturday nights, and would require the restoration of 0.50 Recreation Center Director I ($34,800) and related NPE of $48,100, for a net cost of $56,000.

PROPOSAL PART 2

Resources

1-Increase Repayment from Redevelopment Agency from $5.0 million to $7.5 million - $2.5 million

The Mayor's FY 2009 Proposed Budget includes a loan repayment of $5 million from the Centre City redevelopment project area. The IBA recommends increasing this loan repayment by $2.5 million to a revised total of $7.5 million.

While CCDC has expressed concerns about possible project delays, the IBA believes that slight delays in some projects could result but the effect should not be significant. Normal project logistics and funding challenges are likely to also cause some natural delay in project schedules.

During the discussion of the Redevelopment Agency's Budget on May 20, 2008 the CCDC President discussed some possibilities as it relates to the mechanism for making a loan repayment. As an example, it may be possible for CCDC to take on eligible CDBG expenditures and shift to Tax Increment, thus allowing the Agency to repay funds with Tax Increment. The discussion on the mechanics of the loan repayment is still in process, but during the meeting it was stated that the ultimate goal was to provide the maximum flexibility to the City on use of these funds. It was further stated that it is anticipated that this issue would be resolved in 4-6 weeks and that a Memorandum of Understanding between the City and the Agency on how these funds would be applied would return to the Redevelopment Agency for discussion and authorization.

Also, the IBA recommends a technical adjustment to budget the redevelopment loan repayment directly in the General Fund instead of the TOT Fund and subsequently eliminate the $5.0 million TOT Fund allocation to the General Fund for promotion-related expenses. The IBA does not believe that there is any nexus between the Redevelopment loan repayment and the TOT Fund. This technical adjustment will have a net-zero impact to both the General Fund and the TOT Fund.

2-Booking Fees - $1.6 million

The FY 2009 Proposed Budget includes a $3.1 million contingency for booking fee expenses. While negotiations are continuing with the County on the current MOU, we do not believe that there is a clear basis for a $3.1 million contingency, as the current State budget only proposes a 10% reduction to booking fees reimbursements. We recommend reducing this contingency by $1.6 million, leaving a $1.5 million contingency for potential State impacts to City resources.

PROPOSAL PART 2

Restorations and Additions

Park and Recreation

1-Further Restoration of Area and District Managers - $700,000

Restore five Area Managers and two District Managers. This item restores five Area Managers, two in Community Parks I, and three in Community Parks II. Also included are two District Managers, one each into Community Parks I and Community Parks II. These are in addition to 3.00 District Managers restored in the May Revise. Reinstatement of the Area and District Managers was cited in Council members' budget priorities memoranda. Elimination of these positions would result in a reduction in service from the current year. Park and Recreation has indicated that restoration of these positions would provide more direct services to citizens and park users, and therefore is a higher priority than increasing services for year-round pool operations.

2-Provide Funding for Year-Round Swimming Pool Hours - $1,107,000 net

Currently, the City provides year-round operations at four pool locations, including Clairemont, Memorial, Ned Baumer and Vista Terrace. The Park and Recreation Department had previously indicated that an increase of $1.4 million would be needed to fund year-round operations at all thirteen City pool locations. City Council Offices have identified the use of State park bond funds to augment the hours of pools in their Council Districts, including $90,080 for Memorial, $122,900 for Vista Terrace and $85,000 for Allied Gardens. With the identification of these funding sources, the General Fund need is reduced to $1,107,600, which we recommend be added to the budget at this time. To return all pools to year-round operations would require an additional 22.70 FTEs at a cost of $1,517,000 with off-setting revenues of $410,000, resulting in a net cost of $1,107,000. Year-round operations for all thirteen pool locations were last funded in Fiscal Year 2004.

PROPOSAL PART 2

Restorations and Additions (cont'd)

LIBRARY

3-Further Position Restorations - $308,160

As mentioned in several Councilmember memoranda, the IBA recommends that Council restore an additional 4.00 Library Assistants at a cost of $308,160. This reinstatement would complete the restoration of 12.50 Library Assistant positions to the FY 2008 level of service. We note that the Library Assistant restoration does not include an additional 3.90 Library Assistant positions currently proposed for reduction in FY 2009. These positions were funded by the Library Grant Funds in FY 2008 and their restoration depends on securing continued Library Grant Funds in FY 2009.

4-Increase Library Matching Funds by $500,000

As recommended in our preliminary report, the City Council priorities indicated support for raising the current $1.0 million Library Matching Fund by up to $500,000, to $1.5 million. This increase will potentially generate a total $1.0 million in additional funds to the department if matched by donations from the community. The IBA supports this increase, as Library staff has indicated this level would be achievable in FY 2009.

SAN DIEGO FIRE-RESCUE

5-Temporary Staffing Cost for Children's Pool Lifeguard Station - $162,000

Since the development of the FY 2009 Proposed Budget, the Children's Pool Lifeguard Station has been condemned. To address the loss of this lifeguard station and maintain service, the department will need to operate two temporary stations until the permanent station is reopened. The department will need an additional $162,000 in hourly wages.

6-Increase in Bomb Squad Training Hours - $0

The Fire-Rescue Business Process Reengineering Report recommended an increase in the number of bomb squad training hours. The annual cost for this increase is estimated to be $65,260. An additional recommendation identified that a reduction in overtime costs could be achieved ($163,665) by discontinuing the Light and Air Unit. Due to timing concerns, the

PROPOSAL PART 2

Restorations and Additions (cont'd)

IBA is recommending to budget only a portion of these overtime savings ($65,260) to offset the increased training hour costs. This recommendation is cost neutral.

7-FTEs for Additional Helicopter - $0

The FY 2009 Proposed Budget included funding for a second helicopter; however, the additional FTEs were not included. The additional funding was achieved by reducing the department's vacancy factor. The IBA recommends the inclusion of the 8.80 FTEs (3.30 Fire Captains, 3.30 Pilots, and 2.20 Fire Fighters) needed to operate the second helicopter. The original action to lower the vacancy factor would subsequently be reversed, thus increasing the vacancy factor from $6.6 million to $8.0 million. This recommendation is cost neutral.

DEVELOPMENT SERVICES – NEIGHBORHOOD CODE COMPLIANCE

8-Graffiti Control Program - $86,100

The FY 2009 Proposed Budget for Neighborhood Code Compliance includes the reduction of 1.00 Utility Supervisor from the Graffiti Control Program. The IBA recommends the restoration of this position to maintain FY 2008 service levels. The cost of this position is $86,100.

CITY CLERK

9-Addition of Administrative Aide II - $78,200

The City Clerk's office has taken on additional tasks due to growing demands for public information, including: increased processing, tracking and monitoring regarding the expansion of the new Lobbying Ordinance and Statement of Economic Interest filings; and processing and filing of the Water and Wastewater rate increase protests as part of the Proposition 218 process. The City Clerk has requested the addition of 1.00 Administrative Aide to fulfill the increased responsibilities in the Elections Section. The cost of this addition is $78,200.

PROPOSAL PART 2

Restorations and Additions (cont'd)

10-Increased Overtime Funding - $25,000

The Clerk's office has also requested an addition of $25,000 for overtime pay. The requested overtime will ensure legal requirements are met for supporting Special and Emergency City Council Meetings, co-administering Project Area Committee elections, handling evening/off-site meetings, and properly distributing back-up or exhibit materials and noticing for supplemental items. In FY 2008, the Clerk's office had no money budgeted for overtime pay. However, as of May 23, 2008 the office expended almost $16,000 for this purpose. The IBA supports budgeting funds for this anticipated expense.

OFFICE OF THE INDEPENDENT BUDGET ANALYST

11-IBA Staffing Plan Phase 2 - $210,000

The IBA suggests implementing a revised approach to Phase 2 of the office staffing plan, which would include only one additional position at this time, a Fiscal & Policy Analyst for economic forecasting and revenue analysis. In addition, funding is included for necessary office build-out/remodeling, other non-personnel expense, and funding to engage consultants on special research projects as-needed. The cost of this addition is $210,000.

POLICE

12-Technology Enhancements - $0

The May Revise identified reimbursements from the Seized and Forfeited Assets Fund to support technology improvements in the Police Department. Specific details on how this funding will be used have not been provided at this time. The IBA recommends that the department develop a plan that addresses the Council members' priorities and return to the Public Safety and Neighborhood Services Committee with details on spending priorities by September 2008.

13- Restoration of Non-sworn Positions - $282,600

The Proposed Budget included the reduction of 24.50 non-sworn positions. The IBA recommends the restoration of 4.00 FTEs, including 2.00 Police Records Clerks, 1.00 Police Investigative Aide II, and 1.00 Property and Evidence Supervisor. The Police Records

PROPOSAL PART 2

Restorations and Additions (cont'd)

Clerks are responsible for entering information on stolen vehicles and missing persons into the Department of Justice database. A Police Investigative Aide assists detectives by completing preliminary research, coordinating photo lineups, compiling suspect information and creating wanted bulletins. The Property and Evidence Supervisor assists with the handling of impounded property, including the proper disposal of items to accommodate all necessary property. The total cost of this restoration is $282,600.

GENERAL SERVICES – FACILITIES DIVISION

14-Restoration of Maintenance Positions - $331,000

The General Services Department has indicated that four of the positions eliminated from the Facilities Division in the FY 2009 Proposed Budget are the highest priority for restoration in order to support facility maintenance. These positions include 2.00 Carpenters and 2.00 Painters. The total cost for restoring these positions would be $331,000.

GENERAL SERVICES – STREET DIVISION

15-Restoration of Maintenance Positions - $346,300

The General Services Department has indicated that four of the positions eliminated from the Street Division in the FY 2009 Proposed Budget are the highest priority for restoration in order to support street maintenance. These positions include 2.00 Equipment Operator II, 1.00 Utility Worker II, and 1.00 Public Works Superintendent. The total cost for restoring these positions is $346,300.

APPROPRIATED RESERVE

16-Designate Funding for Appropriated Reserve - $10,000,000

According to the City's Reserve Policy, there are no minimum or maximum funding levels for the Appropriated Reserve for a given year. The Reserve Policy states that the Mayor will

Restorations and Additions (cont'd)

include an amount each year in the operating budget to fund the Appropriated Reserve. However, no funding has been allocated in the FY 2009 Proposed Budget for the Appropriated Reserve. The May Revise indicates that funding will be allocated to the Appropriated Reserve as part of the actions to approve the annual Appropriation Ordinance. The IBA recommends that the City Council discuss the allocation of $10 million to the Appropriated Reserve as part of its final budget decision-making process, which will allow for direction to be given for the preparation of the Appropriation Ordinance. Any funds in the Appropriated Reserve are included in the calculation as part of the reserve target percentage. Because of this, the identification of additional funding is not necessarily required, but only that the designation of a portion of the Unallocated Reserve be made.

This allocation to the Appropriated Reserve would result in an increase of $10 million to the General Fund budget.

Included in the FY 2009 Proposed Budget is the contribution of $6 million to the General Fund reserve, in order to reach the City's Reserve Policy goal of 6.5% of the General Fund budget. The May Revise includes a reduction of $2.3 million to this amount, leaving $3.7 million, in order to achieve the reserve policy goal based on the latest estimate for year-end results. As part of the year-end closing process, the release of prior year encumbrances are likely to positively impact the year-end balance for the General Fund. For Fiscal Year 2008, this factor resulted in a $7 million increase to the reserve balance. No recommendation has been offered by management to further reduce Fiscal Year 2009 budgeted contributions to the General Fund reserve, even in light of an expected higher reserve balance due to the release of prior year encumbrances. Reserve levels in excess of the policy goal may be desired, given the uncertain economic climate and possible continued negative impacts on the City's major General Fund revenues. The reserve may need to be accessed to supplement budgetary allocations, and serve as a contingent resource, should revenues not materialize as estimated. Our office makes no recommendations for revising the reserves contribution but note this issue in order to provide information to the City Council.

Conclusion

The IBA recommends City Council approval of the recommended revisions to FY 2009 Proposed Budget as outlined in this report. The IBA further recommends approval of the Mayor's May Revise as issued on May 14, 2008 and as amended by the Chief Financial Officer on May 29, 2008.

The IBA recognizes the significant time and effort that has gone into the development of the City's annual budget; and we wish to thank members of the City Council, particularly Councilwoman Toni Atkins, Chair of the Budget and Finance Committee, as well as the Mayor's financial team led by Chief Financial Officer Mary Lewis; City departmental staff, notably Park and Recreation and Library; and members of the public who were able to make a difference by attending public hearings and providing valuable input regarding priority City services.

[SIGNED]

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Attachments

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ATTACHMENT

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: May 22, 2008

TO: Honorable Mayor and Councilmembers

FROM: Council President Scott Peters

SUBJECT: FY 2009 Budget Recommendations – Amendments

The following requests are additional amendments to my FY 2009 Budget Recommendation memorandum submitted on May 21, 2008.

Library

1) Library Matching Funds. I request $500,000 (in addition to the currently allocated $1,000,000) be added to be used for the department's matching grant program to allow the City to match more private donations for the library.

2) Library Grant Writer Position: I support the transfer of the department's grant writer position to the San Diego Library Foundation.

SHP:wjs

Attachments
CC: Honorable City Attorney Michael Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer

ATTACHMENT

COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: May 21, 2008

TO: Honorable Mayor and Councilmembers

FROM: Council President Scott Peters

SUBJECT: FY 2009 Budget Recommendations

On January 9, 2008, I submitted my list of priorities to the Mayor, my Council colleagues, and the Independent Budget Analyst ("IBA") reflecting my vision for Council District One and the City of San Diego in Fiscal Year ("FY") 2009. I stressed the importance of continuing the positive work being done by the Mayor and City Council to bring fiscal stability back to the City and developing longtime financial solutions while protecting core services the City provides to our citizens.

The City Council has been a strong supporter in the Mayor's reform agenda. I commend the Mayor for making tough choices in streamlining City services, for his commitment to increase funding for deferred maintenance and compliance with the American Disability Act ("ADA"), pension reform efforts and adequately funding the City's short and long term liabilities (General Fund Reserves, retiree health and pension liabilities, and public liability and worker's compensation funds). By working together, we have completed the City's backlog of audits, enacted strong financial reform and oversight mechanisms, placed key charter reform proposals on the ballot, drastically improved the health of the pension system, and restored the city's access to the public bond markets.

During the upcoming Council budget deliberations, I look forward to working cooperatively with everyone to identify potential resource options to plan for state actions while restoring much-needed services back into the budget, if funds are available.

I submit the following recommendations and items of concern for the Council's and the IBA's consideration.

Public Safety

1) Fire-Rescue. The Ad-Hoc Committee on Fire Prevention and Recovery, the IBA and the Fire-Rescue Department have been working to identify a list of alternative measures and relevant costs to implement the Fire-Rescue Department Station Master Plan to eliminate the City's fire station and staffing deficits within the next ten years. (see attachment 1) On May 19, 2008, the IBA presented a list of department deficiencies and potential revenues and tax increases to fund this plan. While the Master Plan study will be completed in July or August of this year, we must start the work now to identify funding resources to implement the potential recommendations of the Fire-Rescue Department. I would request that the IBA report back to the committee with a comprehensive study and benchmarking of the City's current tax rates and any recommended action.

2) Fire-Rescue. I request that funding for the construction of the three La Jolla lifeguard station projects (La Jolla Cove, La Jolla Shores, 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. I request that the COO and the Fire-Rescue Department review current fee structure for fire and emergency services and present it to the Ad-Hoc Committee on Fire Prevention and Recovery and then to the City Council.

4) Police. On March 24, 2008, I requested video camera installations in the La Jolla Shores Beach area and other locations identified by SDPD. (see attachment 2) I request that $1 million from the Seized and Forfeited Assets be used to start the process of installing cameras in high crime areas throughout the City.

5) 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. I would request a presentation of the work done by the consultant to be presented to the Public Safety and Neighborhood Services Committee.

6) Police. I request that the COO and the Police Department work together to review the current fines in the municipal code, fees for permits and licensing, and any cost recovery measures for police services and present it to the Public Safety and Neighborhood Services Committee.

7) Police. I request that the Police Department fully staff the parking enforcement officer positions. It is my understanding that the Police Department has not fully staffed the parking enforcement officer positions requested and authorized by the Council. Hiring of these officers is generally revenue-neutral, as the costs to hire are less than the revenue produced to enforce our parking regulations.

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. In the case that fewer reserve allocations are needed to meet the 6.5% policy goal, I would request the savings fund the 19.00 FTE or $1.5 million in funding that are proposed for elimination from the FY 2009 budget.

2) ADA and Disability Services. The City has embarked on an aggressive ADA infrastructure plan. I fully support the Mayor's initiative in funding this federal mandate.

3) Homeless Shelter Funding. I request that the Mayor and City Council work with the County of San Diego to address homeless issues. The County of San Diego is responsible for administering health and human services in our County and can partner with us to address this tough issue.

4) Centre City Development Corporation. I do not support increasing the budgeted repayment from the Redevelopment Agency since it can potentially slow down scheduled projects in the Downtown redevelopment area.

City Attorney

1) Case Management Program. I request that the City Attorney's Office work with city staff to prepare a presentation to the Budget and Finance Committee of the current case management program and benefits of potential upgrades.

2) Amendment to Appropriations Ordinance, Section 15. The amendment to the FY 2008 appropriation ordinance included language for the Comptroller to withhold payment of fees, costs and expenses associated with any case/claim filed by the City Attorney in which authorization to file such case or claim has not been pre-approved by the City Council. I intend to ask my colleagues to add similar language to the FY 2009 appropriations ordinance.

3) Outside Counsel. As part of my FY 2008 budget request memorandum, I requested that the City Attorney provide quarterly reports to the City Council on ongoing costs for outside legal counsel used in each fiscal year. No updates were given to the Council in this fiscal year. I request that this information be either be submitted in writing or presented to the Budget and Finance Committee at the earliest possible date.

Finance

1) MOU requirements. In the FY 2006 MOU between the City and MEA, the employees agreed to 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. I request a status update on the City's intentions of leveraging these revenues to allow the City to keep the current schedule.

2) Comptroller's Office. I support the Mayor's efforts to complete the remaining CAFRs at the earliest possible date. The additional $375,000 for temporary help should remain in the budget until the City is current on all financial statements.

Environmental

Advanced Water Treatment Demonstration Project. I request that the Water Department provide a cost estimate for additional work in conjunction with the California Public Health Department to

pursue the necessary approvals and to hire a consultant for outreach and education. Once the funding needs are determined, I request funding for this project.

Independent Budget Analyst.

1) I support allocating an additional $20,000 for the IBA to utilize experts on as-needed special research projects.

2) The IBA has provided invaluable services to the City Council and the residents of the City in giving an independent view of the Mayor's fiscal and policy proposals. I request that the 1.00 FTE and costs associated with a Fiscal & Policy Analyst or Research Analyst be added to the department's budget.

Park and Recreation

1) Swimming Pools Closures. Over the past three years, both of the pools in Council District One-Swanson Pool and Carmel Valley Pool-were forced to close for three months as part of the City's rolling closure program while pools in other Council Districts were able to stay open. I request that the IBA investigate using the remaining balance of the Environmental Growth Fund or other encumbered, but unused funds be used to keep all 12 city pools open year-round.

2) Skate Park Supervision. I am in concurrence with the City Attorney and the IBA that eliminating supervision at skate parks can be a potential liability for the City. I request the restoration of 7.50 FTEs and $450,000 in related costs to maintain current services at our skate parks. In addition, the Carmel Valley Skate Park is scheduled to open in November 2008. I request that any costs associated with supervising this facility be included in the budget with funds remaining from reserve allocations, excess tobacco settlement revenue or if funds set aside for booking fees become available.

3) Park Ranger Program. I request that La Jolla, specifically La Jolla Shores' Kellogg Park, be included in the City's Park Ranger program in one of the following ways: adding a Ranger position, reallocating existing Ranger resources to ensure that this area is monitored, or hiring a Ranger on a seasonal basis in order to cover the summer months, when the impact of residents and visitors to this Park is most acutely felt by the community.

4) District Manager for Shorelines and Beaches. I request that this position be continually funded even after current manager John Hudkins retires from his post. This position provides essential support to the beach going public.

5) Kumeyaay Campground. I support a partial position to allow for overnight camping on the weekends. I request that the Park and Recreation Department work with the IBA to determine the costs of this proposal.

Library

1) In the event that there are funds available, I request that positions be restored to this department in the following order.
   - Custodian II for Central Library (1.00 FTE at cost of $58,000)

- Librarian IIs (3.00 FTEs at cost of $268,000)
- Library Assistants (8.50 FTEs at cost of $654,000)

Neighborhood Code Compliance

1) Graffiti Control Program. A reduction of 1.0 FTE in the Graffiti Control Program will have a negative impact on graffiti control in the City. I request the position of Utility Supervisor be restored to this department if funds become available.

City Clerk

1) Election Section. Increased demand for Proposition 218 votes, and new requirements created by the lobbying ordinance have placed increased demands on this four-person division of the Clerk's office. I support the Clerk's request for 1.00 FTE position for this department.

SHP:wjs

Attachments

CC: Honorable City Attorney Michael Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer

ATTACHMENT

Attachment 1

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: November 29, 2007

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Council President Scott Peters Elizabeth Kinsley for SHP

SUBJECT: Firestorm 2007: Fire Department Staffing Deficiencies

---

In light of Senator Dianne Feinstein's comments at the U.S. Senate Committee on Appropriations Subcommittee meeting on November 27, 2007, I respectfully request a list of alternative measures and relevant costs to implement the Fire-Rescue Department's Station Master Plan to eliminate the City's fire station and staffing deficits within the next ten years. Please include cost estimates for land acquisition, design and construction, equipment and appropriate staffing, including associated pension and healthcare costs.

Alternatives should include cost projections for a public safety bond and potential property or sales tax increases to fully implement this plan.

Thank you for your assistance on this matter.

SHP:wjs

CC: Honorable Mayor and City Councilmembers
Jay Goldstone, Chief Operating Officer
Jill Olen, Deputy Chief Operating Officer for Public Safety
Chief Tracy Jarman, Fire-Rescue Department

ATTACHMENT

Attachment 2

City of San Diego
COUNCIL PRESIDENT SCOTT PETERS
DISTRICT ONE

MEMORANDUM

DATE: March 24, 2008

TO: Chief William Lansdowne

FROM: Council President Scott Peters

SUBJECT: Video Cameras at La Jolla Shores Beach and High Crime Areas

---

I would like to commend you and the police department for the great work resulting in the drop in crime rates again in 2007. While this was great news for the City, there continue to be violent incidents and quality of life crimes throughout the City.

The five cameras installed on the Mission Beach boardwalk have been shown to be extremely effective in lowering criminal activity in targeted areas. I respectfully request the installation of video cameras in the La Jolla Shores beach area. I am happy to work with you and you staff on funding and citing issues.

Additionally, I would like to work with you, the Mayor and the City Council to explore the use of video cameras as a tool of law enforcement allowing patrol officers to attend to urgent needs of residents.

I respectfully request a list of the number of locations where SDPD would like to install video cameras in the City and the total costs associated with the purchasing, staffing and operation of the cameras. I would appreciate this information by April 15, 2008, in order to integrate the issues into the budget discussions.

Thank you for your assistance.

SHP: wjs

CC: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Honorable City Attorney Michael Aguirre
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Mary Lewis, Chief Financial Officer
Jill Olen, Deputy Chief Operating Officer for Public Safety

Labor Negotiations and Retirement System:

17) Negotiate fairly with all employees. Define the role for the City Council in labor negotiations consistent with practices in other Strong Mayor/Council cities. 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.

18) Reduce healthcare costs by working with all 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. Consolidating plans with the Police Officers' Association, Local 145 and the Deputy City Attorneys resulted in savings for the City in FY 2008. I invite the other labor groups to join me in a conversation about how to reduce health care costs for both the City and individual employees.

19) Continue to reduce pension costs by continuing to pay down pension liabilities in a way that preserves the City's ability to deliver day-to-day neighborhood services.

I look forward to working with each of you, Mayor Sanders, the Independent Budget Analyst, City staff and the citizens of the City of San Diego to build on the foundation we have established in restoring of fiscal integrity in our City.

SHP: wjs

Attachment

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

ATTACHMENT

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Chamber backs tax increase to fix potholes

By Michael Stetz
STAFF WRITER

April 23, 2005

The San Diego Regional Chamber of Commerce doesn't normally endorse tax increases. It supports the local business community, which thinks of taxes the way Dracula thinks of daybreak.

But these are strange times in San Diego.

The chamber announced yesterday that it wants the city to adopt a new tax and increase another one to rid the city's roads of potholes and to upgrade other infrastructure, such as water and sewer systems.

If enacted, the taxes could generate as much as $50 million a year over five years under the chamber's best-case scenario. But the $250 million would not be a total solution. The city estimated in 2001 that it would cost $320 million just to bring streets and sidewalks up to standard.

Chamber officials said the nuts-and-bolts part of the city is falling apart at an alarming rate and that city government isn't doing enough. It's foundering under a crushing pension fund debt and under pressure from federal agencies looking to see what went wrong.

How radical is the chamber's proposal of a car rental fee and an increase in the real estate transfer tax?

"We searched our archives and can't remember doing anything like it," said Mitch Mitchell, the chamber's vice president for public policy.

John Hawkins, the chamber's immediate past chairman, cautioned that the tax increase is not a cure and that a more comprehensive infrastructure repair plan is needed. He and others likened the proposal to a Band-Aid.

The outbreak of potholes in city streets this year is not simply the result of the recent near-record amount of rain, but also of "years of neglect and shifting priorities," he said.

Because of budget problems, the city has all but quit resurfacing streets, *The San Diego Union-Tribune* recently reported, a move that has drastically affected the quality of the roads. Only six miles are budgeted to get the key maintenance this year. Last year, no streets were resurfaced.

San Diego has 2,800 miles of streets.

Meanwhile, potholes are festering. At one point, the city estimated that 60,000 were scattered throughout the city. From late December to April, the city filled more than 20,000 potholes.

While the chamber has supported such measures as an increase in the Transient Occupancy Tax, which is levied on hotel guests, it rarely supports general tax increases.

ATTACHMENT

"It's a break from the norm," Mitchell said.

The business leaders noted their frustrations with city leadership, saying elected officials have lost focus. It's why they're pushing the agenda.

"We have expressed our frustrations about the 'he said, she said' mentality that consistently appears at City Hall," said Mike Murphy, chairman of the chamber board. "As our population grows, so do the needs and expectations of the business and residential communities."

San Diego City Councilwoman Donna Frye said she can appreciate the chamber's frustrations but doesn't believe that such piecemeal steps are the answer. "It's like putting a Band-Aid on a big, gaping, bleeding wound."

The city needs to come clean with its problems and start finding real solutions, she said. The chamber, she added, has not always supported fees it found unpopular, such as an increase in water fees to big users.

"It cuts both ways," she said.

Mayor Dick Murphy responded to the chamber's proposal via e-mail. "Generally, I oppose new taxes. However, I would be willing to consider a car rental surcharge, which would be primarily paid by tourists if it were spent exclusively on road repair and resurfacing."

The chamber wants the city to place a $2 fee on city car rental transactions and increase the real estate transfer tax from the current $1.10 per thousand dollar value to $3.60.

The city is home to 108 car rental businesses. The chamber predicts the tax could raise between $1.2 million to nearly $4 million annually, depending on how many cars are rented and for how long.

Even a $2 fee would affect business, said John Basir, who works for Atwest Rent A Car on Rosecrans Street. It's a competitive business, he said. If you bump the price up, even a little bit, it'll hurt. And customers will grumble. "For them, it'll be a big deal," Basir said.

The real estate tax increase would raise much more money. If a home in San Diego County were resold at today's median price of $535,000, the new transfer tax would generate $2,088 instead of the current $638. The county gets a portion of that. In fiscal year 2003, the city received about $10 million from that tax.

That increase would need voter approval.

The San Diego Association of Realtors has "a great interest" in this issue but has yet to study the chamber's proposal, said Susan Tinsky, vice president of government affairs.

These tax increases have to be monitored closely to make certain the money goes where it's supposed to, noted Lisa Briggs, of the San Diego County Taxpayers Association.

Too often, the revenue ends up going elsewhere.

Her organization is no fan of the way the city has handled its infrastructure demands. Deferring maintenance only makes matters worse because repairs become more costly.

The chamber's proposal would include a so-called sunset clause, ending the tax after five years. Oversight panels would be created to check progress. Money from the car rental tax would go to pothole and street repair, while gains from the real estate tax would be dedicated to other infrastructure needs.

ATTACHMENT

The chamber has been more aggressive of late in city affairs. It's also pushing for more affordable housing programs.

Michael Stetz: (619) 293-1720; michael.stetz@uniontrib.com

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ATTACHMENT

COUNCILMEMBER KEVIN FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT

M E M O R A N D U M

DATE: **May 20, 2008**

TO: **Council President Scott Peters**

FROM: **Councilmember Kevin Faulconer**

SUBJECT: **Suggested Budget Changes for FY2009**

I wish to thank both Councilmember Toni Atkins, chair of the Budget & Finance Committee, and the office of the Independent Budget Analyst (IBA), lead by Andrea Tevlin, for their continued efforts during the annual budget process.

I am supportive of the Mayor's plan for restoring fiscal integrity to the City. The 2009 Budget continues the strategic framework developed by the Mayor to address the City's long term obligations.

My suggested changes to the FY2009 Budget focus on three overall goals:

- Restoring fiscal integrity
- Preserving our parks, beaches, and bays
- Providing services for our neighborhoods

I respectfully request the following modifications to the FY2009 be examined and that the impacts and potential sources of funds be discussed:

Parks and Recreation

As the largest aquatic park in San Diego, Mission Bay Park attracts over 15 million visitors annually and spans 4,235 acres of land and water. Visitors to Mission Bay Park enjoy a wide variety of activities, including aquatic activities, volleyball, sailing, and family picnics. According to the Mayor's May budget revise, the FY09 budget includes restoration of $110,000 to the Park and Recreation budget to maintain the District Manager position in Mission Bay Park. I support this addition and believe this position will benefit San Diegans and visitors who will use Mission Bay Park.

Internal Audit
In the past year the City has begun establishing an effective Internal Audit Division with the selection of a new internal auditor and the placement of a fiscal reform measure on the ballot. If successful, this charter amendment could increase budget requirements. It is imperative that the City continues its efforts to establish a fully functioning proactive Internal Audit Division. I request that continued emphasis be placed on prioritizing the City's Internal Audit Division as we move forward with financial reforms.

General Services
The beaches in San Diego are enjoyed by not only visitors but also the residents of San Diego. Over 20 million people visit the City's beaches annually. It is important that we keep these beaches clean and pristine for everyone to enjoy. The City of San Diego currently has one mini sweeper which is used to clean all the bike paths and boardwalks in the City. I request $180,000 to purchase a mini street sweeper to be used solely for cleaning the Mission Beach and Pacific Beach boardwalks.

Neighborhood Prosecution Unit
The Neighborhood Prosecution Unit of the City Attorney's office continually provides value to the citizens of San Diego through its work on important activities in our communities including the Beach Area Community Court, University Student Orientation, Sexual Assault Prevention Program and addressing the City's chronic transient-related crimes. While the City Attorney directs the allocation of his budget, I strongly encourage additional funding for the Neighborhood Prosecution Unit of the Attorney's Office.

Police
The installation of the five security cameras in Mission Beach has been a valuable tool for police officers in Mission Beach. The security cameras increase officers' ability to monitor multiple locations simultaneously and does not impact the number of officers on the streets. To increase the safety in the beach areas, I strongly encourage additional funding for the Police Department in the amount of $120,000 for the installation of six security cameras in Pacific Beach.

Mission Bay Improvements Fund
The Mission Bay Improvements Fund was created by the Mission Bay Ordinance. The Mission Bay Ordinance requires the City to maintain a portion of revenues totaling over $20 million in Mission Bay Park and other regional parks. The Mission Bay Improvements Fund is used for capital improvement and deferred maintenance in Mission Bay Park and other regional parks. The Fiscal Year 2009 proposed budget decreases the funding in the Mission Bay Improvements Fund by $33,198 due to projected reductions in revenue. I request that any funds received in excess of projections be placed in the Mission Bay Improvements Fund. The City must continue to the support of the Mission Bay Ordinance in fiscal year 2009.

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

ATTACHMENT

OFFICE OF COUNCILMEMBER TONI ATKINS
COUNCIL DISTRICT THREE

MEMORANDUM

DATE: May 20, 2008

TO: Council President Scott Peters

FROM: Councilmember Toni Atkins

SUBJECT: Requested Changes to the FY 2009 Budget

This memorandum conveys my final priorities for changes to the FY 2009 City Budget. Before detailing my requests, I would like to make a few general observations about the process.

First, I want to thank and acknowledge the staff of the Office of the Independent Budget Analyst for their incredible work during this budget cycle. Even before the official start of the budget process, the IBA provided advice and expertise in areas such as the establishment of performance measures that have made the process a better-informed and more effective one. The IBA's detailed and excellent analyses and reports have made an immeasurable difference in the ability of the Council and the public to make sound decisions. And their outstanding publication, "A Citizen's Guide to the City's Budget Process" is an invaluable tool for members of the public who want to understand and participate in a government process that can seem arcane and intimidating.

I also want to thank my Council colleagues for their commitment to thorough and thoughtful deliberations on the budget. The process is long and intensive and I appreciate all of the time from their already busy schedules that each of them has dedicated.

My appreciation, as well, to the Mayor's budget team – Mary Lewis, Nader Tirandazi and Julio Canizal – for providing us with valuable overviews of the many departmental budgets and for being extraordinarily responsive to Councilmember's questions and requests for additional information. I especially appreciate their and the Mayor's responsiveness to several of my key budget concerns – adequate funding for the Uptown/North Park/Golden Hill Community Plan Update, increasing the staffing for the City Auditor as recommended by the Audit Committee, and restoring to the budget the position of District Manager for Balboa Park.

One general matter I would like to address apart from specific budget requests is the reform of city employee pensions. We should seek to reduce the city's pension-related costs, while at the same time ensuring that the city remains a competitive employer and that city employees are appropriately compensated for their public service. I encourage the continued exploration of alternatives and an open and cooperative dialogue about what is best for the City in this regard.

I urge your consideration of the following changes to the Mayor's proposed FY'09 budget. In light of current projections for reduced revenues in the next fiscal year, along with the need to fund the priorities identified in the Mayor's Five Year Financial Outlook, I recognize that alternative revenue sources may need to be identified in order to fund these requests. The Independent Budget Analyst has identified a number of funding alternatives in their Report # 08-54, "City Council Discussion of the FY 2009 Proposed Budget" which I believe provide an excellent starting point for that process. I also urge that the Council and the Mayor move as quickly as possible to implement appropriate cost recovery on many of the services provided by the City.

One specific additional source of revenue that I urge be adopted is the reduction by half of the anticipated funding of the consultant contract for the development of Statements of Work as part of the Managed Competition program. Currently, the Mayor's office anticipates spending $1.3 million on this contract, $400,000 in FY 08 and $900,000 in FY 09. As we curtail services to City residents, expect City employees to absorb the workload of positions cut from the budget, and ask everyone at the City to do more with less, it is prudent to be as conservative as possible with allocations for consultant services.

POLICE DEPARTMENT: Restore the following positions that are directly related to crime reduction and crime solving: one Investigative Aide in the crime laboratory, three Police Record Clerks related to custody identification, stolen vehicles database and arrest reports; two Police Code Compliance Officers in Permits and Licensing/Traffic; one Police Investigative Aide II; one Laboratory Technician in the crime laboratory; one Associate Management Analyst – Crime Analysis; one Police Records Clerk related to notifying owners when stolen vehicles are impounded or recovered; one Clerical Assistant II in Traffic, and one Senior Clerk/Typist in Central.

PARKS AND RECREATION DEPARTMENT

Manager Positions

I request that ten Area Manager positions be restored. The Area Managers serve a vital role in the community. They are front-line, first-responders. Our parks will suffer tremendously if staff is reduced, which may actually be more costly down the line when the City is not able to keep up with maintenance.

Moreover, based upon the following analysis of staff responsibilities if the proposed reductions were to occur, the unavoidable conclusion would seem to be that, contrary to the assertions by the Mayor's office, service levels must suffer if the proposed cuts are put into effect.

Current (FY08) General Responsibilities

- DM: 75-100 subordinates; 3-7 direct reports; Ave. 50 parks/facilities; total acreage 1,200
- AM: 25-55 subordinates; 8-10 direct reports; Ave. 15 facilities/parks; total acreage 450

Proposed (FY09) General Responsibilities

- DM: 125+ subordinates; 5-10 direct reports; Ave. 80 facilities; total acreage 1,900+
- AM: 55+ subordinates; 12-15 direct reports; Ave. 25 facilities; total acreage 600 – 800+

Pool Operations

I propose that year-round operations be restored at the Bud Kearns Pool in my District. Geographic location of pools should be considered. In previous budgets, swimming pools Council Districts 1, 2, 3, 4 and 7 have never been funded to allow for year-round operations. It is also my understanding that the depth and capacity of Bud Kearns pool will allow for a wider variety of uses (water polo, lap swimming, etc.) along with a higher revenue stream than other pools.

Additionally, based on the requested restorations and to avoid meet and confer implications and additional expenditures (i.e. unemployment payments), I request that all Pool Managers and Supervision Recreation Specialists be reinstated to full-time status (rather than the proposed three-quarter status).

Skate Park Supervision

Given the City Attorney's opinion that the City will be exposed to greater liability if it changes operations at its skate parks, I request that skate park supervision be restored to FY08 levels.

LIBRARIES: Restore all Library Assistant positions, as these employees provide invaluable customer and staff support to our library system.

FIRE RESCUE: I urge that the staffing for the extremely important second Fire/Rescue helicopter be provided as a new budget item rather than utilizing already-identified vacant positions from elsewhere in the department. Vacant positions demonstrate where we have identified a need, even when we are not currently prepared to allocate funds to fill them, and should remain on the books as a measure of desired staffing levels.

GRAFFITI CONTROL: Graffiti control is a pro-active, cost effective, approach to crime prevention which also enhances the visual quality of life in our communities. I urge the restoration of one Supervisor of Graffiti Control in the Development Services Department budget. As a less expensive alternative, replacing that position with one Utility Worker would maintain our commitment to eradicating graffiti.

NEIGHBORHOOD CODE COMPLIANCE: Currently, the combined CDBG allocations from only four of the Council offices leaves a $242,612 shortfall in the amount needed to continue the FY 08 staffing level of 6.5 FTEs for this function. It is vital that there be a plan, with associated staffing and funding, for Citywide code compliance.

CITY CLERK: Add one Administrative Aide II position for the Elections Section, one Program Manager for the Records Management Division, and $25,000 for overtime costs. The Elections Section provides critical services relating to legally mandated financial disclosures and protecting the integrity and effectiveness of the election process. The Records Management position was recommended in the department's BPR report and will be particularly critical this coming year with the leaving office of 4 Councilmembers. The requested overtime will ensure that the department can continue to meet legal requirements for noticing and providing materials for extra Council meetings that are inevitably scheduled during the year.

IBA: Add one Fiscal and Policy Analyst position to ensure the IBA will continue to be able to provide the analysis and support upon which the public and the Council rely.

cc: Honorable Councilmembers
Independent Budget Analyst

ATTACHMENT

CITY OF SAN DIEGO
OFFICE OF COUNCILMEMBER ANTHONY YOUNG
COUNCIL DISTRICT FOUR

MEMORANDUM

DATE: May 20, 2008

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

FROM: Councilmember Anthony Young, Fourth Council District

SUBJECT: Fiscal Year 2009 Budget Recommendations

On January, 8, 2008, I submitted my budget priorities for fiscal year 2009. Unfortunately the Mayor's proposed budget was not as strong as would have liked to have seen in the priority areas of Park and Recreation and Library services. However, I was pleased to see that the Mayor's revised budget submitted on May 16th restored a few of the positions cut from Park and Recreation and provided funding for my public safety priority of enhancing the use of specialized technology for police. $500,000 was provided to provide mobile computer terminals for all police officers and an additional $1 million for enhancements in technology, communications, and officer safety.

My priority as a Councilmember and our focus as a Council will always be on utilizing our fiscal resources in the most efficient and effective manner possible in addition to maintaining this city in sound fiscal health. This is evidenced by our recent good news concerning our bond ratings. However, just as adjustments were made to make the aforementioned changes and other changes in the "May Revise" budget, it is my belief that we can do more to help ensure youth and families of this city receive the same or better park and recreation services, library services, public safety services and community services as last year. Therefore, I am requesting your support on the following:

Public Safety- $1 million of Seized and Forfeited Assets funds for technology improvements in the police department including state of the art video surveillance cameras and other high tech equipment to assist with reducing crimes and violent gang activities.

Parks and Recreation- Increase the repayment amount from Centre City Development Corporation (CCDC) from the current $5 million to $7.5 million of which approximately $1.25 million would be used to restore personnel and non-personnel support for skate parks in Community Parks I and II; Recreation Leaders and District Managers in Community Parks II.

Libraries- Increase the repayment amount from Centre City Development Corporation (CCDC) from the current $5 million to $7.5 million of which approximately 1.25 million would be used to restore Librarian II positions, Library Assistant positions, and Library clerk positions.

I support the budgeting of all **12 city swimming pools** operating in a year round capacity and would support increasing the amount of repayment from CCDC more than the $2.5 million I have proposed, if it accomplishes this purpose.

Community Redevelopment-In 2007 I requested we expedite the Southeastern Community Plan Update. The FY 2009 Proposed Budget included community plan updates for (3) communities in 2009. When staff was asked why the Southeastern Community Plan Update was not being proposed for funding in FY 2009, we were told that it was due to the Southeastern Economic Development Corporations (SEDC) not having completed its Master Plan. However, it is my understanding that SEDC's Master Plan will be completed by July 2008. Since the Master Plan will be completed in 2008 and some bridge funding can also be provided by the redevelopment agency to assist in funding the Southeastern Community Plan update, I am requesting that funding and direction for initiating and conducting the Southeastern Community Plan Update is included in the FY 2009 budget. The amount of funding needed has not been provided to my office at the time this budget memo is due. However, I am confident the funding source for this community plan update would come from the following source.

Revenue- As in past years, the Administration has provided the Council with conservative estimates of general fund revenues for the budget. Last year revenues were underestimated by over $40 million! This year the revenue estimates may not be off by as much as last year's. However, it is my belief that we can maintain our conservancy and still increase our estimates by several hundred thousand dollars in (2) "major categories" of revenue growth outlined in the budget. i.e., "Departmental Revenue" ($49.5) and "Other Revenue Increases" ($15.7). These categories include revenues from licenses and permits; fines, forfeitures, and penalties; money and property; other agency reimbursements; charges for current services; and miscellaneous revenues.

I am requesting that projections for "Departmental Revenue" be increased from $49.5 million to $50 million and projections for "Other Revenue" be increased from $15.7 to $16 million. This would give us an additional $800,000 to apply towards Park and Recreation, Library services, and General Plan updates.

I am also aware that in most years almost all city departments under-spend their budgets by 1%-2%. I am requesting that this fact be given full consideration and factored into projections for additional funds to restore cuts to park and recreation, library and adding an additional community plan update.

Your favorable consideration and support of my recommendations is appreciated.

Table of Proposed Changes to FY 2009 Budget:

Increase Repayment From CCDC from $5 million to $7.5 million	Allocate $1.5 million to Park and Recreation Dept. Allocate $1.5 million to Library Dept.		Total amount proposed for use of increased CCDC repayment: **$2.5 million**
Seized and Forfeited Asset Fund	Allocate $1 million for enhanced police technology for crime reduction and violent gang activities.		Total proposed: **$1 million**
Increase "Departmental Revenue" projections from $49.5 million to $50 million	Allocate $500,000 for Park and Recreation, Library and S/E Community Plan update.		Total Proposed: **$500,000**
Increase "Other Revenue Increases" projections from $15.7 million to $16 million	Allocate $300,000 for Park and Recreation, Library and S/E Community Plan update.		Total Proposed: **$300,000**
Annual Departmental Under-spending estimated at 1%-2%	Factor .5% of additional savings from each department as a result of under-spending and allocate $600,000 for Park and Recreation, Library and S/E Community Plan update.		Total Proposed: **Approximately $600,000**

ATTACHMENT

COUNCILMEMBER BRIAN MAIENSCHEIN

City of San Diego
Fifth District

MEMORANDUM

TO: Toni Atkins, Chair of the Budget Committee

FROM: Brian Maienschein Brian Maienschein

DATE: May 20, 2008

RE: Revised Fiscal Year 2009 Budget Priorities

Thank you for the opportunity to discuss my budget priorities with my Council colleagues.

In addition to my budget priorities as contained in my initial budget memorandum, my revised budget priorities are as follows:

1. As identified by the Independent Budget Analyst, increase funding by approximately $1 million to restore positions for all skate park supervision, Area Manager, and a Grounds Maintenance Supervisor;
2. Restoration of winter operating hours for all city pools;
3. As identified by the IBA, increase funding to restore librarian and Library Assistant positions. I also support increasing the Library Matching Funds Program from $1 million to $1.5 million;
4. Increase of 13 FTE positions to assist with brush management citywide; and
5. The full use of funding slated for deferred maintenance, which shall include the repairs to Fire Station 38 and Pomerado Road.

I thank my colleagues for their consideration and I look forward to working with my fellow Councilmembers to bring forth the best budget possible for the citizens of my district and San Diego.

cc. Mayor Jerry Sanders
Andrea Tevlin, Independent Budget Analyst

ATTACHMENT

COUNCILMEMBER DONNA FRYE

City of San Diego
Sixth District

MEMORANDUM

DATE: **May 21, 2008**

TO: **Council President Scott Peters**

FROM: **Councilmember Donna Frye** Donna Frye

SUBJECT: **Fiscal Year 2009 Budget Priorities**

The City budget has a structural deficit and it appears this will only get worse in FY 2009. However, after reviewing at public hearings, the Mayor's proposed Fiscal Year 2009 budget, I am generally in support of the recommendations proposed by the IBA. In addition, listed below are my proposed budget changes:

Revenues:

1. Increase the amount of loan repayment by the Redevelopment Agency (CCDC project area) to the city by $5 million. If approved, this would increase revenue to the City to help fund the following recommendations. **Revenue: $5 million**

2. Docket within 30 days a Council discussion regarding full cost recovery for public safety services provided for all events at PETCO Park and further cost recovery for events at Qualcomm Stadium. Public safety services at local colleges and universities should also be examined. **Potential Total Revenue: At least $1 million**

TOTAL POTENTIAL REVENUE: $6 million

Expenditures:

3. A total estimated savings of $163,665 has been identified, in the Fire Department's BPR, due to the discontinued use of Light and Air Unit overtime. A portion of these savings ($65,260) should be budgeted to support increased training hour costs. **Cost Neutral**

4. Allocate $250,000 to the Office of the IBA for one additional Fiscal & Policy Analyst and one Research Analyst. This would also allow funding for the IBA to utilize experts for special research projects. **Total Cost: ($250,000)**

5. Restore one Area Manager ($96,136) and one District Manager ($109,595) from Community Parks I for District Six Park and Recreation facilities. **Total Cost: ($205,731)**

6. Increase Recreation Center hours by adding two Recreation Leader I positions ($58,904) for program purposes, specifically for Serra Mesa Recreation Center and Linda Vista Recreation Center, the latter location being requested specifically to help address the issue of increased gang activity within the community and the lack of safety that residents feel while using their community park. **Total Cost: ($58,904)**

7. Restore hours at Kearny Mesa pool so that at least one community pool is open year round in District Six. **Total Cost: ($93,200)**

8. Retain 12.55 full time library assistant positions from FY 2008 budget. **Total Cost: ($966,846)**

TOTAL PROPOSED COSTS: $1,574,681

Other:

9. Due to the decrease in the Mission Bay Improvements Fund contained in the FY 2009 budget, any funds in excess of projections should be placed in the Mission Bay Park Improvements Fund. **Total: TBD**

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

DF/ks

ATTACHMENT

City Of San Diego
COUNCILMEMBER JIM MADAFFER
DISTRICT SEVEN

M E M O R A N D U M

M-08-05-07	Please refer to this number when responding to this memo
DATE:	May 19, 2008
TO:	Council President Scott Peters
FROM:	Councilmember Jim Madaffer Jim Madaffer
SUBJECT:	FY09 Revisions to the Mayor's Budget

Park and Recreation

Add $83,000 to the Park & Recreation budget in order to maintain Kumeyaay campground being open on weekends. (Net cost after revenues is $55,989)

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 $500,000. A $500,000 increase equates to $1,000,000 more for libraries.

Attachment

Mission Trails Regional Park
Citizens' Advisory Committee
One Father Junipero Serra Trail
San Diego, California 92119-1008

ATTACHMENT

May 9, 2008

MAY 1 3 '08

The Honorable Jim Madaffer
Council President Pro Tem
City of San Diego
202 C Street
San Diego, CA 92101

Dear Councilmember Madaffer,

I am writing on behalf of the Mission Trails Regional Park Citizens' Advisory Committee (MTRP CAC) to voice opposition to the proposed closure of Kumeyaay Lake Campground for overnight camping. At the May 6, 2008 meeting, the members of the MTRP CAC present, after a lengthy discussion, unanimously adopted the following motion.

"That the Kumeyaay Lake Campground remain open four nights a week, that both staff positions proposed to be eliminated be maintained, and that campground rate adjustments be considered. As an alternative to maintaining campground operations at the current service level, that the campground be kept open Friday and Saturday nights to accommodate the youth groups that utilize it on the weekends, and that the two ranger positions be maintained."

Kumeyaay Lake Campground provides a night time wilderness experience for young people and their families in an area that is close to their urban homes. Providing an accessible and affordable overnight camping experience is important for the youth in our community. It is the Boy Scouts, Girl Scouts, YMCA, YWCA, Campfire and other youth groups that will be the most severally impacted by its indefinite closure.

Kumeyaay Lake Campground is a unique facility that is accessible and affordable. It is important to maintain overnight camping as an option in order to prevent a slow and continuous degradation of this $2 million city asset.

Sincerely,

Dorothy Leonard

Dorothy Leonard
Chair
Mission Trails Regional Park
Citizens' Advisory Committee

ATTACHMENT

COUNCILMEMBER BEN HUESO
City of San Diego
Eighth District

MEMORANDUM

DATE: **May 20, 2008**

TO: **Council President Scott Peters**

FROM: **Council Member Ben Hueso**

SUBJECT: **FY '09 Budget Recommendations**

Sound fiscal management is top priority for me this year. I am happy working with the Mayor and the City Council to strengthen our City's budget while maintaining high service levels for all San Diego residents.

After review of the Mayor's FY 09 Proposed I would like to make the following recommendations:

Park and Recreation

1. As someone who believes that Parks are one of the most valuable resources in the City, I support maintaining each of the filled positions within the Park & Recreation Department. Furthermore, I support the IBA's recommendation to add 5.0 Area Managers, 1.0 Ground Maintenance Supervisor. In addition, I'd like to recommend that supervision at the City's skate parks be reinstated. Unsupervised public areas may put the City at a great risk as mentioned in the City Attorney's memo of June 18, 2007.

General Services

2. Deferred Maintenance has hindered our City for many years. I support the funding of $109.1 million for Deferred Maintenance Citywide, but would like to see staff act on the IBA's recommendation of updating the City Council biannually on the progress made on the various projects.

Development Services

3. Neighborhood code compliance continues to be a major problem in our City. I strongly support the complete funding of the NCC Department and recommend adding a position at the cost of $99,762 to address perennial remodels and vacant properties as a result of the increase in foreclosed homes.

Real Estate and Assets Department

4. The Historic Villa Montezuma is a valuable City asset. We must allocate funds for the repair of its foundation to ensure that this City-owned historical resource is reopened for the public to enjoy.

Libraries

5. Our libraries serve more San Diego citizens than both Sea World and the San Diego Zoo combined. It is vital that we continue to update our libraries with new books and equipment. I support increasing the Library Matching Funds Program from $1 million to $1.5 million and restoring all Library Assistant and Library II

positions.

Environmental Services

6. I support the addition of 11 FTEs to help with Brush Management Citywide.

Thank you for considering my budget recommendations and look forward to discussing the FY '09 budget at the upcoming Budget and Finance Committee meetings.

cc: Mayor Jerry Sanders,
All Council Members
Andrea Tevlin, IBA
Jay Goldstone, Chief Operating Officer