

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: July 20, 2007

IBA Report Number: 07-74

City Council Docket Date: July 24, 2007

Item Number: 336 and S500

Subject: Response to the 2006-2007 Grand Jury Report entitled “Qualcomm Revisited – Going, Going, Gone from the Q”

OVERVIEW

On May 24, 2007, the San Diego County Grand Jury released their report “Qualcomm Revisited – Going, Going, Gone from the Q.” The report examines Council Policy 700-22 regarding the use of the Director’s Area, commonly known as the City’s Box, at QUALCOMM Stadium. The Grand Jury report consists of six Findings regarding the application of the Council Policy, and 10 Recommendations for the revision and administration of the Council Policy. The report directs the Mayor to respond to two of the Recommendations, the Council to respond to six of the Recommendations, and both the Mayor and the Council to respond to two of the Recommendations. In addition, both the Mayor and the Council are required to provide a response to each of the six Findings.

In a July 18, 2007 letter to the Presiding Judge of the San Diego County Superior Court, the Mayor has responded to the Findings of the Report, to the Recommendations made directly to the Mayor, and to the Recommendations made to the Mayor and the City Council.

Docket item #336 provides Council the opportunity to respond to the six Recommendations made solely to the Council. This includes Recommendations 07-72 through 07-77. Supplemental docket item #S500 provides the Council the opportunity to consider the responses provided by the Mayor, with which the Council may either join or make modifications to for their own response. This includes all six Findings, and Recommendations 07-78 and 07-79. For these responses, the Council has the option of signing on to the Mayor’s response, modifying the Mayor’s response, or responding independently.

This report provides recommended responses to the Grand Jury Recommendations made solely to the Council (Recommendations 07-72 through 07-77), as well as recommendations for the responses that the Mayor has provided.

FISCAL/POLICY DISCUSSION

The first part of this discussion will focus on proposed responses to the Grand Jury Recommendations directed solely at the City Council (Recommendations 07-72 through 07-77) submitted as City Council docket item #336. The discussion will then turn to recommendations regarding the Mayor's responses to the Grand Jury Findings and Recommendations 07-78 and 07-79, docket item #S500.

The suggested responses provided in this report were prepared based on information provided by the Mayor's Office and the form of the proposed revisions to Council Policy 700-22. It should be noted that the IBA is not advocating for any particular position with respect to the Grand Jury's recommendations; instead the purpose of this report is to facilitate a timely response to the Grand Jury on behalf of the City Council. To that end, the suggested responses provided in this report may serve as the City Council's desired response, or may serve as a basis for further discussion. Some recommendations have two alternative responses, which will be dependent on City Council action on supplemental docket item #S501 regarding the proposed revisions to Council Policy 700-22.

City Council Docket Item #336

The 2006-2007 San Diego County Grand Jury recommends that the San Diego City Council:

07-72: Update/Amend Council Policy 700-22 to bring it "Current" as soon as possible.

Response: The recommendation has been implemented with the approval of proposed revisions to Council Policy 700-22 on July 24, 2007.

or

The recommendation has not yet been implemented, but will be implemented in the future when a revised Council Policy has been brought back for Council approval.

07-73: Enforce the updated policy and allow credential holders to give their tickets to guests who do not meet criteria as stated in the Policy 700-22 and require those guests to pay the City Treasurer the fair market value of the ticket (\$92).

Response: This recommendation will not be implemented at this time because the proposed revisions to Council Policy 700-22 do not include provisions for

selling tickets at market rates. While it is the City’s intent to enforce the guidelines established in Council Policy 700-22, pursuant to the Policy, the City Suite is intended to be used “by credential holders and their guests, and for the purpose of entertaining people who can aid the promotion and/or the improvement of San Diego.”

07-74 Sell tickets not being used by credential holders to the general public for the Fair market value of \$92, with proceeds to be used for youth sports-related programs

Response: This recommendation will not be implemented at this time because the proposed revisions to Council Policy 700-22 do not include provisions for selling tickets at market rates. Pursuant to the Policy, the City Suite is intended to be used “by credential holders and their guests, and for the purpose of entertaining people who can aid the promotion and/or the improvement of San Diego.”

07-75 Amend Council Policy 700-22 to reflect changes suggested by the Qualcomm Stadium Advisory Board to bring uniformity to the Council Policies governing City Suites at Petco Park and Qualcomm Stadium.

Response: The recommendation has been implemented with the approval of proposed revisions to Council Policy 700-22 and 700-47 on July 24, 2007.

or

The recommendation has not yet been implemented, but may be implemented in the future when revised Council Policies are brought back for Council approval.

07-76 Amend City Council Policy 700-22 to remove City Council members and the City Attorney from the list of public officials who receive free tickets and reserved parking for all events at Qualcomm Stadium.

Response: This recommendation will not be implemented. Neither the current nor proposed revisions to Council Policy 700-22 contemplate this recommendation.

07-77 Amend City Council Policy 700-22 to allow only the Mayor, as CEO of the City of San Diego, and the Stadium General Manager, as the chief marketing agent for the stadium, to retain their free tickets (six

and eight respectively) and reserved parking for their guests for all events at Qualcomm Stadium.

Response: This recommendation will not be implemented. Neither the current nor proposed revisions to Council Policy 700-22 contemplate this recommendation.

City Council Docket Item #S500

As previously mentioned, the Mayor submitted a July 19, 2007 letter to the Presiding Judge of the San Diego County Superior Court responding to all six Grand Jury Findings, the two Recommendations directed solely to the Mayor (07-70 and 07-71), and the two Recommendations directed jointly to the Mayor and the City Council (07-78 and 07-79). The City Council is required to respond to the six Findings and Recommendations 07-78 and 07-79. The Council may do this by joining in on the Mayor's responses, modifying the Mayor's responses, or responding independently. The Council does not need to respond to Recommendations 07-70 or 07-71.

The IBA has reviewed the Mayor's responses and recommends that the Council join in on the Mayor's responses to the following items:

- *Finding 1*
- *Finding 4*
- *Finding 5*

The IBA further recommends that the Council modify the Mayor's response, or respond independently, to the following items:

Finding 2

Some City Council Members have abused the perquisite of two free tickets and a reserved parking space for each game by inviting guests, such as immediate family members or relatives, who do not meet the criteria of City Council Policy 700-22.

Mayor's Response: Partially Disagree. This question should be directed to the City Council.

IBA Suggestion: Partially Disagree. Council Policy 700-22 states that the City Suite is intended for use by Credential Holders and their guests, and for the purpose of entertaining people who can aid the promotion and/or the improvement of the City of San Diego. More clarity or specificity may be warranted as to the definition of "guest" in the Council Policy, as there is no explicit exclusion for family members.

Finding 3

Tickets currently provided without charge to City Council Members (a total of 18 tickets per game) could be sold for their \$92 face value to raise \$1,656 per game, plus \$180 for nine reserved parking spaces at \$20 each for a total of \$1,836 times eight games for a grand total of \$14,688 per regular season home schedule. Playoff games would add to this total at whatever face value is placed on the tickets and the parking. The six SDSU games were not included in this computation.

Mayor's Response: Partially Disagree. There are ten games in a season ticket package for the Chargers (two preseason games and eight regular season games). The 2007 season ticket price for the suite Press 6A is \$80. The retail value of the parking space is \$40 per game. Therefore, the total value of the tickets and parking for the Council Members is \$18,180. This calculation does not include the retail value for SDSU games or other stadium events such as Monster Jam or the Holiday Bowl.

The tickets can not be sold until City Council Policy 700-22 is amended to allow for the sale of the credential holder's tickets.

IBA Suggestion: Join in on the first paragraph of the Mayor's response. Change the last sentence of the Mayor's Response to read, "The proposed revisions to Council Policy 700-22 do not include a provision for the sale of credential holders' tickets."

Finding 6

If the free tickets and parking provided to the Qualcomm Stadium Advisory Board Members for only San Diego Chargers games, as a perquisite for their volunteer service, were sold at market value, the total raised would be \$14,688. These funds could be utilized for sports-related youth programs.

Mayor's Response: Partially Disagree. There are ten games in a season ticket package for the Chargers (two preseason games and eight regular season games). The 2007 season ticket price for the suite Press 6A is \$80. The retail value of the parking space is \$40 per game. Therefore, the total value of the tickets and parking for the QSAB is \$18,180. This calculation does not include the retail value for SDSU games or other stadium events such as Monster Jam or the Holiday Bowl.

The tickets can not be sold until City Council Policy 700-22 is amended to allow for the sale of the credential holder's tickets.

IBA Suggestion: Join in on the first paragraph of the Mayor's response. Change the last sentence of the Mayor's Response to read, "The proposed revisions to

Council Policy 700-22 do not remove QSAB members as credential-holders, nor include a provision for the sale of QSAB members' tickets.”

Recommendation 07-78:

Amend City Council Policy 700-22 to remove Qualcomm Stadium Advisory Board members from the list of persons who receive free tickets and reserved parking for each Chargers and SDSU football game at Qualcomm Stadium.

Mayor's Response: This recommendation needs to be addressed by the City Council.

IBA Suggestion: The recommendation requires further analysis. The proposed revisions to Council Policy 700-22 do not contemplate removing QSAB members as credential-holders. The City Council requests the Mayor's staff to perform an analysis of the impacts of Recommendation 07-78, and provide a recommendation for future consideration by the City Council.

Recommendation 07-79:

Sell the tickets now provided to QSAB members for Chargers games, which alone could raise as much as \$14,688, including reserved parking, for an eight-game Chargers regular season, with the sale of SDSU tickets adding to this total.

Mayor's Response: This recommendation cannot be implemented because the current Council Policy 700-22 lists the Qualcomm Stadium Advisory Board members as credential holders. All credential holders are allocated a certain number of tickets per game according to Council Policy 700-22.

IBA Suggestion: The recommendation requires further analysis. The proposed revisions to Council Policy 700-22 do not provide for selling the tickets currently provided to QSAB members. The City Council requests the Mayor's staff to perform an analysis of the impacts of Recommendation 07-79, should Council Policy 700-22 be revised to remove QSAB members as credential-holders, and provide a recommendation for future consideration by the City Council.

CONCLUSION

The City Council is required to provide a response to Grand Jury Recommendations 07-72 through 07-79, and to all six Grand Jury Findings. The first part of this report, addressing docket item #336, provides suggested responses for the six Recommendations that were directed solely to the City Council (07-72 through 07-77). The second part of

this report, addressing supplemental docket item #S500, provides recommendations to join in on or modify the Mayor's responses, or respond independently, to Recommendations 07-78 and 07-79, and the six Grand Jury Findings.

[SIGNED]

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