



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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FY 2020 Budget Wrap-Up: Status of FY 2020 Programmatic Additions

OVERVIEW

As is the case in most budget years, the FY 2020 Adopted Budget included several program additions such as new personnel and increased spending to expand existing programs or establish new ones. This includes modifications requested by City Council in their final budget modification memoranda submitted to our Office during the budget review process, as well as City Council's modifications made during final budget deliberations.

The Department of Finance provided updates on many of these items throughout the FY 2020 budget monitoring process. Our Office also provided additional information on key items in our reviews of quarterly budget monitoring reports and other reports and comments at Council and Committee meetings. Given that it is now the end of the fiscal year, this report provides a final "wrap up" of status updates of items that were added to the City's FY 2020 Adopted Budget.

FISCAL/POLICY DISCUSSION

The following sections of this report provide status updates of key programs added in the FY 2020 budget process.

Capital Improvement Projects

The table on the following page provides a status of the projects that City Council allocated General Funds for in the FY 2020 Adopted Budget.

Status of Capital Improvement Projects		
Project	Amount	Status
Ocean Beach Library Expansion / S20015	\$500,000	In design phase and design is expected to be completed in FY 2022.
Trolley Barn Park – New Comfort Station / B20061	500,000	Design phase will begin in July 2020, which is expected to be completed in FY 2023.
New Beyer Park / S00752	400,000	General Development Plan expected to be completed in summer 2020. On May 12, 2020, Council approved utilizing this allocation to support emergency storm water projects. Funds are anticipated to be backfilled with future financing in FY 2021.
Initiate Emerald Park General Development Plan Amendment / P20003	400,000	Plan expected to be completed in FY 2022.
City Heights Pool Reconstruction / B19068	300,000	Construction contract is currently being readvertised.
Chicano Park Improvements / S18008	250,000	Project is estimated to be completed in June 2020.
Oak Park Library Feasibility Study / P20004	250,000	Study in progress and is expected to be completed by winter 2020.
North Kellogg Comfort Station Repairs / B20120	100,000	In preliminary engineering phase. Design phase to begin in July 2020.

City Attorney: Convert 9.25 FTE Supplemental Positions to Budgeted

The FY 2020 Adopted Budget converted 9.25 FTE supplemental positions to permanent budgeted positions in the City Attorney’s Office budget. Those positions had all been filled for over a year, some for as long as seven years, when they were added to the budget. As of the release of this report, those 9.25 FTE positions remain filled.

City Council: Government Affairs Coordinator

The FY 2020 Adopted Budget added 1.00 Program Manager position in the Council Administration Department to coordinate government affairs relating to the Council’s legislative platform priorities, as well as interfacing with the Mayor’s government relations team, and the state and federal lobbyists. This position was hired and began employment on January 27, 2020.

City Council: Public Communications Coordinator

The FY 2020 Adopted Budget added 1.00 Program Coordinator position in the Council Administration Department to develop the City Council’s communication strategy to help create a local government that is equitable, inclusive, transparent, and accountable, and facilitate greater connection with residents through the sharing of the goals, priorities, and accomplishments of the City Council. This position was hired and began employment on December 9, 2020.

City Treasurer: Short-Term Residential Occupancy Tax Compliance Support

The FY 2020 Adopted Budget added 5.00 FTE positions to the City Treasurers Department to support Short-Term Residential Occupancy (STRO) Tax Compliance efforts. The three filled positions include 1.00 Principal Accountant, 1.00 Administrative Aide II, and 1.00 Accountant IV. The other two positions consist of 1.00 Collections Investigator II which has been vacant since January 2020, and an additional Administrative Aide II that recently became vacant in March 2020. The vacant Administrative Aide II position was subsequently removed as part of the FY 2021 Proposed Budget. As of mid-June 2020, the compliance program has issued almost 1,400 non-compliance letters and 1,800 outreach letters. Since the inception of the STRO program, the department has collected \$1.4 million in Transient Occupancy Tax (TOT) revenue.

City's Childcare Program

The Program Coordinator position for the Childcare Program was in the process of being filled when the FY 2020 hiring freeze was implemented. Hiring efforts were halted, and the FY 2021 Adopted Budget does not include funding for this program due to a significant shortfall in revenues attributable to COVID-19. The Human Resources Department recently explored an alternative mechanism to provide childcare services with the utilization of Early Head Start grant funding. However, given the significant time commitment for existing staff to comply with grant requirements, implementing such a program is not feasible at this time. The Department has indicated it will continue to research more viable grant opportunities.

Communications: Program Coordinator Position

The FY 2020 Adopted Budget added 1.00 Program Coordinator to support the Public Records Administration program in the Communications Department. The position was filled in February 2020 and is the liaison to nine City departments, handling their responses to Public Records Act requests. To date, the Communications Department has received 5,600 PRA requests in FY 2020.

Companion Unit Fee Waivers

The FY 2020 Adopted Budget included \$800,000 in one-time funds for the Companion Unit Fee Waiver Program. Funding for this program was utilized to reimburse the Public Utilities Department for water and sewer capacity fees that could not be waived and that otherwise would need to be paid by companion unit permittees. However, given recent state legislation that now allows these fees to be waived or reduced effective January 1, 2020, no funding was included in the FY 2021 budget. For FY 2020, the funding was fully spent down less than halfway through the fiscal year resulting in more than 200 units.

Development Services: Code Compliance Officers

Two code compliance positions were added to the FY 2020 Adopted Budget by the City Council during final budget deliberations. Both positions were filled in February 2020.

Fire-Rescue: Lifeguard Positions

The City Council added 4.00 FTE Lifeguard III positions in the FY 2020 Adopted Budget to provide additional lifeguard services in the boating safety unit and at the Children's Pool/La Jolla Cove. These positions have all been filled by the Fire-Rescue Department.

Fire-Rescue: Wellness Program

An additional \$300,000 was added to the FY 2020 Adopted Budget, which increased the Fire-Rescue Wellness Program funding for firefighter and lifeguard personnel to a total of \$2.0 million. This funding increase covered escalations in the contract. However, due an operational change of not sending probationary firefighters for their wellness exam until they have completed one year of service, as well as the fact that COVID-19 has postponed most wellness events, the Department is only projecting to spend approximately \$12,000 of the funding increase, for a total spend of \$1.7 million in FY 2020. The \$300,000 was included as one-time funding, so the Wellness Program will only be funded at a level of \$1.7 million in FY 2021. The Department indicated during their budget hearing before the Budget Review Committee that they will work with the provider to maintain service levels to what is provided in the FY 2021 budget.

Library: Programming

Funding for Library programming in the FY 2020 Adopted Budget totaled \$400,000, including \$200,000 in on-going funding and \$200,000 with one-time funds allocated by the City Council during final budget deliberations. Approximately \$298,000 of this funding was expended prior to the COVID-19 related discretionary spending freeze. The funding supported the continuation of system-wide programming that was delivered in five major categories consisting of: 1,000 Books Before Kindergarten, Spring into STEAM, Campaign for Grade Level Reading, Summer Reading Program, and Community Outreach. According to the Library Department, programs are targeted towards helping children get an early start on reading and serving underserved communities.

Library: Technology Upgrades

\$200,000 in one-time funding for technology upgrades for the Library Department was added in the FY 2020 Adopted Budget by the City Council during final budget deliberations. This funding was fully expended towards the following uses: Windows 10 upgrades, installation of security gates, and the replacement of 500 public computers.

Office of Boards and Commissions: Outside Legal Counsel for Community Review Board

The Office of Boards and Commission received \$25,000 in the FY 2020 Adopted Budget to provide the Community Review Board (CRB) on Police Practices with funds should they wish to hire outside legal counsel to advise them on any particular matter. To date, the CRB has spent approximately \$5,000 of the \$25,000 included in the FY 2020 Adopted Budget. Another \$25,000 has been included for this purpose in the FY 2021 Adopted Budget.

Parks & Recreation: Park Rangers for Downtown and Chollas Lake

The FY 2020 Adopted budget included 2.00 Park Rangers to bolster support in downtown and at Chollas Lake. Both positions were filled in March 2020.

Performance and Analytics: Citywide Pay Equity Study

The May Revision to the FY 2020 Proposed Budget included \$250,000 in one-time expenditures for a Citywide Pay Equity study to be managed by the Performance and Analytics Department. The notice to proceed and final purchase order were created in May 2020 for the selected vendor, Analytica Consulting. The current estimated timeline includes a draft report to be complete by the end of October 2020, and a final report submitted by December 2020.

Planning Department: Translation Services for Community Planning Groups

The FY 2020 Adopted Budget included \$50,000 for verbal translation services at Community Planning Group meetings and planning document translations. Actual expenditures totaled approximately \$8,000 for in-person interpretation services at meetings. According to the Planning Department, all remaining funding had been encumbered to commence the translation of key documents prior to the COVID-19 outbreak. Given the freeze on discretionary budget spending, those encumbrances were cancelled, and no further activity was pursued with this funding. We note that while funding for these services was not included in the FY 2021 General Fund Budget, the Department intends to continue to offer these services using General Plan Maintenance Funds (GPMF).

Public Utilities: Addition of 2.00 FTE Corrosion Engineers

The FY 2020 Adopted Budget added 1.00 Associate Engineer – Corrosion and 1.00 Assistant Engineer – Corrosion, funded by the Water Operations Fund of the Public Utilities Department. At the time we reviewed the FY 2020 mid-year projections ([IBA report 20-05](#)), the Public Utilities Department anticipated having the positions filled in late March or early April. However, the COVID-19 pandemic hit, resulting in stay-at-home orders and an immediate economic decline, affecting the City’s major revenue sources. The Mayor issued a hiring freeze to City departments which is still in place. The Public Utilities Department anticipates filling these 2.00 FTE positions when the hiring freeze is lifted.

San Diego Housing Commission: 3.00 FTE Positions

As part of the FY 2020 Adopted Budget, Council transferred \$420,000 in General Funds for 3.00 FTE positions to the San Diego Housing Commission (Housing Commission) that were originally proposed to be in the City’s Homelessness Strategies Division. The FY 2021 Adopted Budget cuts the funding for these positions to achieve General Fund savings. Since the Housing Commission hired one position before the reduction was proposed, one of the three positions is being absorbed within the Housing Commission’s budget.

Sustainability: Climate Action Resiliency Study

An additional \$300,000 was added in the FY 2020 Adopted Budget to fully fund the Climate Action Resiliency Study in FY 2020. However, only approximately \$51,000 of this funding has been spent due to the freeze of non-personnel expenditures in response to the COVID-19 pandemic. Of the \$51,000, the Planning Department spent \$47,000 to develop a public information and engagement plan, a framework for determining adaptation strategy options for different climate hazards and different areas of the City, and a vulnerability assessment. These are components of a comprehensive Resiliency Plan. Additional work will continue to move forward beginning July 1 2020 using in-house staff time only, plus any grant funding awarded. The Resiliency Plan is still slated to be complete by December 2021. The other \$4,000 was spent by the Sustainability Department on membership to the Climate Collaborative, which provides a forum for City staff to leverage climate resources with other agencies in the region, including joint adaptation and resilience work. While the \$300,000 in FY 2020 was one-time spending, the Council has added an additional \$250,000 in funding for further Climate Action Plan activities in FY 2021.

Transportation & Storm Water: Get It Done Support

The City Council added \$200,000 in funding in the FY 2020 Adopted Budget to support the further development of the Get It Done application. This funding has been fully expended on software upgrades that allow the application to better interact with current City systems, such as SAP. This funding was included by the Council as ongoing funding in FY 2020 and is included in the FY 2021 Adopted Budget.

Transportation & Storm Water: Horticulturalist Position

The City Council added an additional 1.00 FTE horticulturalist position in the FY 2020 Adopted Budget to assist with further tree trimming operations. This position was filled on January 13, 2020.

Transportation & Storm Water: Mobility Monitoring

The Council added \$250,000 to the FY 2020 Adopted Budget for mobility monitoring activities. This funding was anticipated to be fully expended on pedestrian, bicycle and traffic counts, as well as a traffic survey. However, at the time of the non-personnel expenditure freeze in response to COVID-19, none of the funding had been expended, and thus none of the funding will be spent in FY 2020. This was a one-time funding item.

Transportation & Storm Water: Pipe Relining

The FY 2020 Adopted Budget included \$2.7 million for pipe relining, which included an additional \$1.5 million that was added by the City Council during its final budget actions. During the year, emergency storm drain projects required emergency funding sources. Accordingly, the City utilized \$2.0 million of the funding set aside for pipe relining to finance emergency storm drain projects. Staff anticipates that \$2.1 million will be reallocated to pipe relining projects with the next distribution of commercial paper sometime in FY 2021. The remaining \$600,000 for this purpose has been spent on storm drain pipe relining projects.

Transportation & Storm Water: Tree Trimming

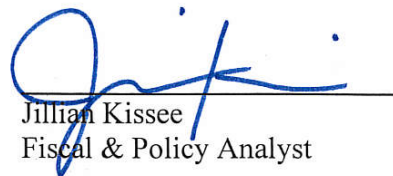
The Council restored \$1.1 million for tree trimming services in the FY 2020 Adopted Budget, which resulted in a total tree trimming budget of \$2.4 million. Of this amount, only \$1.2 million is anticipated to be expended by year end. The remaining funds are not being spent due to the freeze on nonessential expenditures that was put in place as a budget mitigation measure in March 2020 in response to the COVID-19 pandemic. The Department also indicates that spending was lower at the time of the freeze due to the implementation of a new tree trimming contract in FY 2020, which required a period of ramp up. Council did provide for a similar level of tree trimming in the FY 2021 Adopted Budget.

CONCLUSION

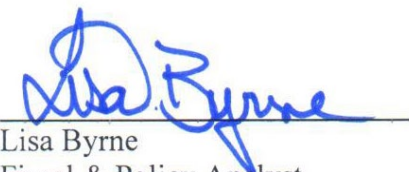
This report provides a final “wrap up” of status updates for items that were added to the City’s FY 2020 Adopted Budget. As we enter the new fiscal year, our Office will provide similar updates to select FY 2021 Adopted Budget additions during our reviews of the FY 2021 budget monitoring reports.



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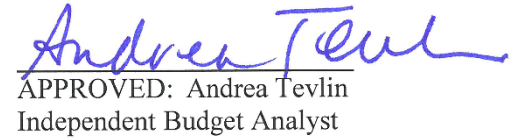
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