



**MAYOR KEVIN L. FAULCONER
CITY OF SAN DIEGO**

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NEWS RELEASE

Mayor Faulconer Expands Neighborhood Services, Advances Fiscal Reform in Budget Update

Budget Revision Adds Rec Center Hours, Creates Pension Reserve Fund

San Diego, CA – Today Mayor Kevin L. Faulconer announced an updated “One San Diego” budget proposal that expands neighborhood services and continues the fiscal reforms that have helped turn around the City’s finances in recent years.

The “May Revise” to the City of San Diego Fiscal Year 2016 Proposed Budget further increases operating hours at recreation centers in neighborhoods throughout the city, funds additional park and recreation and library improvements, and creates a Pension Reserve Fund to protect against future budget cuts when pension costs rise unexpectedly. The additions are based on increased revenue projections and adjustments to various department budgets that have arisen since Faulconer released the budget plan on April 13.

“Our economy continues to improve, and our neighborhoods should share in the wealth,” Mayor Faulconer said. “I’m proposing several new community enhancements beyond what I announced in April, including more than doubling the number of recreation centers that will see increased hours next year. It’s just one more thing we’re doing to boost programs that make a real difference in people’s lives.”

City Council President Sherri Lightner and Councilmembers Chris Cate and Scott Sherman joined Faulconer for the announcement at the Kearny Mesa Recreation Center – one of 20 recreation centers that receive expanded operating hours in the budget update. In all, 36 recreation centers will see their hours increase by 33 percent (from 45 to 60 hours per week) if adopted by the City Council.

“I appreciate the Mayor’s efforts to incorporate the major priorities and requests made by each Council District and Department in the past few weeks,” Council President Lightner

said. “I am especially pleased to hear about additional expanded recreation center hours and the boost in funding for our libraries. These are vital public programs that mean more to our residents than ever before, so it’s important to continue to keep them funded.”

Mayor Faulconer is also proposing to use \$15 million in surplus from the current fiscal year’s budget to create a Pension Stabilization Reserve Fund. The fund would act as a safety net for the operating budget when pension costs go up (such as when investment returns are low). The City would be able to use reserves to cover any increased cost instead of cutting neighborhood services or salaries to make ends meet as it did during the recession.

Mayor Faulconer said, “This reform will create a buffer to protect our neighborhoods. In years when the pension unexpectedly squeezes the budget, we’ll be able to tap this reserve before resorting to cutting community services.”

“I support Mayor Faulconer’s plan to establish a Pension Stabilization Reserve Fund,” Councilmember Cate said. “As we have seen in the past, the City can experience losses in our pension fund due to unpredictable market activity. This fund will ensure that we will continue to increase investment in core neighborhood services, not cut, in order to supplement a pension payment.”

Mark Leslie, president and CEO of the San Diego County Taxpayers Association, said: “This is a positive step that builds on previous successful pension reform efforts in San Diego. We commend Mayor Faulconer for taking a proactive approach to address potential shortfalls on assumed investment returns, even in the flush years. This kind of prudent, long-term planning is exactly what our city needs to ensure our fiscal sustainability.”

Highlights of the May Revise include:

- \$1.7M to improve existing Park and Recreation and Library facilities
- \$210K for library materials
- \$130K for a park manager to oversee Balboa Park and Mission Bay Park and provide better service
- \$75K for a horticulturist to bring a holistic approach to reviewing landscaping and irrigation needs throughout the park system and meet water conservation goals
- \$100K for an interim off-leash dog park at Ward Canyon Park
- \$50K to fund a San Diego State study on the Police Department’s stop data cards
- \$100K to enhance open data initiatives and the online budget tool
- \$140K to provide online hiring support and expedited background checks to speed up the City’s hiring process
- \$80K to hire a grant-funded Active Transportation Planner to focus on bicycle and pedestrian planning

“Recreation centers are one of the core services that San Diegans expect their taxpayer dollars to provide,” Councilmember Sherman said. “Mayor Faulconer’s continued commitment to reinvest in our neighborhoods will help District 7 working families.”

In total, the May Revise appropriates an additional \$8.4 million, with these General Fund expenditures primarily funded by a \$5.2 million increase in major tax revenue. The full May Revise will be released Tuesday in an official report.

Released last month, Mayor Faulconer's \$3.2 billion budget proposal has been widely praised for its focus on directing more money toward streets, parks, neighborhood services and public safety. The hallmarks of Faulconer's budget plan include fixing 300 miles of streets, additional operating hours for recreation centers, park and playground equipment in every City Council district, increased funding for sidewalk and streetlight improvements, additional code compliance officers to target slumlords and illegal medical marijuana shops, tripling Internet speed at branch libraries, and expanding afterschool and youth jobs programs.

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