



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 22, 2014

TO: Honorable Council President Todd Gloria, Budget Review Committee Chair
and Budget Review Committee Members

FROM: Tracy McCraner, Financial Management Director

SUBJECT: Fiscal Year 2015 Budget Review Committee Referral Response

This memorandum is in response to questions asked at the Review Committee Meeting held on May 7, 2014. The responses are listed by department in the order that they were reviewed by the Committee.

LIBRARY

COUNCIL DISTRICT 4 & 8

QUESTION:

Provide more information about the "Do Your Homework @ the Library" Program?

RESPONSE:

Additional information on the "Do Your Homework @ the Library" Program was provided in the budget referral response memorandum released on May 1, 2014.

COUNCIL DISTRICT 8

QUESTION:

What is the impact of the \$500,000 cut in library materials?

RESPONSE:

The Library Department will monitor the affect of the reduction throughout the year. To mitigate the book budget reduction, current resources will be evaluated for priority use, particularly online databases and reference materials. Purchases of microfilm, periodicals, and reference materials may be reduced. Orders of additional copies of high demand materials such as bestsellers and DVDs will be impacted which may increase wait times for patrons. In 2012, the

per capita materials expenditure for the San Diego Public Library was \$2.48. The proposed reduction will result in a \$2.30 per capita expenditure. The average per capita expenditure of comparable library systems is \$5.22.

The Department will continue to explore other options for funding the library collection including different procurement options, fundraising or donations and reevaluating mid-year funding adjustments.

COUNCIL DISTRICT 7

QUESTION:

What was the cost of the Central Library custodial contract that has been brought in-house?

RESPONSE:

The annual contract cost estimated for janitorial service at the new Central Library was \$357,000 based on the per square foot service rates for the Central Library. The annual cost of four custodians based on the Fiscal Year 2015 Proposed Budget is \$225,000.

QUESTION:

What are the performance metrics for the "Do Your Homework @ the Library"?

RESPONSE:

The chief metric of the program will be number of children reached. This is comparable to many of the Library's other measures (e.g. visitors to the facility, attendance at programs, etc.). Statistics will be kept at each site tracking: child's age/grade, child's school, subject area (e.g. Math, Reading, etc.).

Preliminary discussions with San Diego Unified School District (SDUSD) staff indicate that self-reporting will be a valuable metric, e.g. if a student comes in for spelling tutoring and reports back that he/she received an improved grade on his/her spelling test. As the program is designed to be a drop-in program, some students may attend regularly and others occasionally. Staff will encourage reporting back from parents through simple surveys about the parent's perceptions of improved grades, attitude about learning and school, etc.

Currently SDUSD staff report a waiting list of over 600 students for the District's Prime Time Extended Day Program. The Do Your Homework @ the Library Program will provide potential opportunities for those and other students.

COUNCIL DISTRICT 1

QUESTION:

Provide a list of schools in proximity of libraries participating in "Do Your Homework @ the Library" with API scores.

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RESPONSE:

This information was provided on the budget referral response memorandum released on May 1, 2014.

QUESTION:

What 12 libraries will get additional expanded hours to 55 total hours?

RESPONSE:

The following libraries will get additional expanded hours:

- Carmel Valley
- City Heights/Weingart
- La Jolla/Riford
- Logan Heights
- Mira Mesa
- Mission Valley
- North University Community
- Otay Mesa-Nestor
- Point Loma/Hervey
- Rancho Bernardo
- Serra Mesa-Kearny Mesa
- Valencia Park/Malcolm X

QUESTION:

How many people will be affected by "Do Your Homework @ the Library"?

RESPONSE:

Based on average attendance at current after-school drop-in homework assistance programs in the Library system, attendance at the Do Your Homework @ the Library program is estimated to be 19,000 to 26,000.

PARK & RECREATION

COUNCIL DISTRICT 1

QUESTION:

What are the existing restrictions on Environmental Growth Fund (EGF) 1/3 and 2/3 expenditures?

RESPONSE:

In accordance with City Charter Section 103.1a (*Attachment 1*), one-third of the EGF shall be used for the purpose of preserving and enhancing the environment and shall be allocated to

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operations and maintenance costs. Two-thirds of the EGF shall be used exclusively to pay principal and interest on bonds of any nature issued for the acquisition of open space lands. If there are no outstanding bonds or if two thirds of the monies paid into the EGF exceed the amount necessary to service any outstanding bonds issued for the above purposes in any fiscal year, then those monies shall be used exclusively for the purpose of preserving and enhancing the environment of the City in whatever manner is deemed appropriate by the City Council. San Diego Municipal Code Section 63.30 (*Attachment 2*) provides further direction regarding the use of EGF for open space maintenance, including litter removal and control, provide matching funds for acquiring open space in cooperation with other private or governmental entities and Regional Park maintenance.

QUESTION:

What is the existing waiver language for the EGF requirement?

RESPONSE:

If the City Manager determines that anticipated revenues in any fiscal year will be insufficient to maintain existing City services necessary for preserving and enhancing the environment, the City Manager may ask the City Council to temporarily suspend compliance with San Diego Municipal Code Section 63.30 in order to allow Environmental Growth Funds to be allocated consistent with San Diego Charter section 103.1a. A majority vote of the City Council can temporarily suspend compliance with this Section for that fiscal year. Creating a mechanism for the suspension of this Section is necessary to prevent the abrogation of duties, obligations, and prerogatives of the City Council in the preparation and passage of the Annual Appropriation Ordinance pursuant to San Diego Charter section 71.

Attachment 3, Report to the City Council 07-073, Environmental Growth Fund, provides additional background information.

COUNCIL DISTRICT 1 & 2

QUESTION:

What is the cost of making all city pools open year-round?

RESPONSE:

The table below summarizes the costs:

FTE Positions	Personnel Expense	Non-Personnel Expense	Total Expense	Total Revenues	Net Cost
16.61	\$549,495	\$156,300	\$705,795	\$72,200	\$633,595

COUNCIL DISTRICT 2

QUESTION:

Provide statistics on how many citations Park Rangers issue, especially at Mission Bay Park.

RESPONSE:

During the previous 12 months, Park Rangers have issued the following number of citations:

- Mission Bay Park: 698
- Shoreline/Children's Pool: 21
- Balboa Park/Presidio Park/Chollas Lake: 320
- Open Space Parkland: 33

SPECIAL PROMOTIONAL PROGRAMS

COUNCIL DISTRICT 3

QUESTION:

Why was operating support reduced for Balboa Park by \$86,000?

RESPONSE:

This decrease is due to a reduced operating cost estimate for the Balboa Park trams according to information provided by the Park & Recreation Department.

DEVELOPMENT SERVICES

COUNCIL DISTRICT 1

QUESTION:

Have you shown any improvements in the accessibility of records for the public?

RESPONSE:

The Development Services Department (DSD) currently spends approximately \$800,000 per year converting and imaging records. In order to completely convert all past records, it will cost approximately \$10.0 million. Currently the public can request records on the City's website. The records they request are e-mailed to them on a weekly basis. Within the next 90 days, Development Services will begin implementing OpenDSD, which will allow the public to obtain some records online at any time. The implementation of OpenDSD will result in an immediate in records accessibility.

QUESTION:

How much is in collections right now and how long does it take to collect these that are outstanding for a while?

RESPONSE:

The Development Services Department (DSD) currently has \$1,233,058 referred to Treasurer/Collections Division. DSD contacted Treasurer/Collections for information regarding how long it takes to collect on accounts referred to them and they indicated if an account is referred in a timely manner it could be collected in as little as 60 to 90 days. It is all dependent on how current the information is on the account and the debtor's financial ability to pay the debt. However, the older the account, the more difficult it may be to collect and limit our ability to file litigation if the statute of limitations has expired.

PLANNING, NEIGHBORHOODS, & ECONOMIC DEVELOPMENT

COUNCIL DISTRICT 1

QUESTION:

Can a coastal management plan for the entire coastline be added to the other plans that need to be updated or created?

RESPONSE:

The new Deputy Chief Operating Officer, David Graham, will be working with the Planning, Neighborhoods, and Economic Development, and Park & Recreation Department Directors to develop a coastal management plan, which will be provided to the City Council once the details are completed.

COUNCIL DISTRICT 1 & 3

QUESTION:

Provide more information from the BID Council on the reversal of position that occurred last year.

RESPONSE:

For Fiscal Year 2014, BID Council program support and operations funding of \$185,000 was centralized in the City with the funding and management of Micro-district Grants and Technical Assistance program elements. Further, Council Policy 900-15 was amended in March 2014 to provide more flexibility in allocating the annual budget to meet changing needs.

In Fiscal Year 2014, City staff built on previous efforts to expand the Micro-district program from 15 communities to 20 communities one of which ultimately declined funding. Of these communities, 13 micro-districts were ultimately funded directly by the City. In addition, the City contracted with the BID Foundation, which is the 501 (c) 3 organization affiliated with the BID Council, who assisted with the grant implementation for six unincorporated groups.

Delays in micro-district contracting this year were partly due to the program transition since City staff had to initiate and complete the micro-district application process in Fiscal Year 2014

whereas previously the process was completed by the BID Council. The other significant delay was in receiving the appropriate insurance documentation from the funded groups. (Linda Vista recently decided not to accept the grant since their insurance broker would not produce the required certificates with City officials as additional insured.) The amount of funding applied to the program increased from \$70,000 to \$120,000 including transitional support services of \$4,800.

In previous years technical assistance funding was allocated by the BID Council to various projects over the course of the fiscal year depending on need. The range of activities that could be funded included: business education, development and training programs; special event services; and tree planting. City staff continued with these programs except for special event services. A total amount of \$144,000 was allocated for these types of programs including: updating BID maps; creating community profiles; education, development, training, software for business associations; bike-friendly district initiatives and promotions; responsible hospitality practices; research/creation of a revolving fund for special assessment district formation; and most recently for special event extraordinary California Environmental Quality Act (CEQA) analysis such as technical studies when projects are not categorically exempt.

As part of the technical services, staff was also requested to plant two trees in Ocean Beach in late August 2013. Tree plantings are a legacy project from a previous City administration, are not considered a best use for this type of funding. The planting of the trees required staff to research and identify the responsible entities to perform maintenance (which turned out to be a MAD and a BID Association). The purchase order was issued late October 2013. The purchase order was then modified in December when the vendor indicated that stump removal was needed prior to planting and then modified again in January 2014 for tree re-staking. Staff also provided assistance to the vendor to obtain the necessary permit from DSD. This project was completed in January 2014.

For Bike-Friendly Districts - funding has been committed for CicloSDias held in Pacific Beach and assistance to BIDs with installation of bike racks, coordination on locations for Bike Share and discussions in process on promoting districts and potential events tied to bike-friendly districts.

Funding for BID Management Grants was increased by \$3,000 per BID Association to ensure professional services provided for accounting needs which was more than was previously available upon request from the BID Council.

City Fees and Services funding of \$170,000 was maintained with more BID Associations receiving assistance.

Attachment 4 provides a letter of support from the Adam's Avenue Business Association.

COUNCIL DISTRICT 7

QUESTION:

Provide a response to the BID Council's letter regarding unexpended Small Business Enhancement Program funds.

RESPONSE:

Any unexpended Technical Assistance funds from Fiscal Year 2014 will be available in Fiscal Year 2015 to continue with the same programs. Cost savings were realized this year by having City staff perform a number of these services. At this point staff anticipates having \$60,000 available from Fiscal Year 2014 for a proposed revolving loan fund and \$15,000 from Bike Friendly districts which may be reallocated for CEQA technical analysis for special events. See table below for additional detail:

BID Council Program	Cost	Notes
SBEP Technical Assistance Software for BIDs	5,000.00	Staff communicated availability of funding and only Diamond BID reps have talked to the City about this.
SBEP Technical Assistance Update for BID Maps using Planning Intern	6,000.00	Partially spent, intern used and anticipate using all of the funding by end of FY2014.
SBEP Technical Assistance Non Profit Board development/Trainings	6,000.00	City staff/City Attorney provided service, funding available for other trainings.
SBEP Technical Assistance Annual membership to CDA and other professional development groups and conference attendance fees for BID Board members and BID Managers	14,000.00	\$11,500 spent and anticipate using all of the funding by end of FY2014.
SBEP Technical Assistance Bike Friendly Business District	25,000.00	Funding of around \$6,000 has been committed for CicloSDias held in Pacific Beach. Other support includes assistance to BIDs with installation of Bike racks, coordination on locations for Bike Share and discussions on promoting districts and possible events tied to bike- friendly districts. We anticipate \$15,000 will be carried forward to FY15.
SBEP Technical Assistance Revolving Loan Fund for BID Formation	60,000.00	Council Policy was amended in March 2014. Funds reserved pending development of a policy for use of such funding.

BID Council Program	Cost	Notes
SBEP Technical Assistance -- other programs undefined	23,200.00	Community Profiles under development and efforts will continue in FY15 with additional funds for data and services as needed.
SBEP Transition- Facilitate transition of SBEP program form BID Council to City Staff	4,800.00	Spent on transitions services.

COUNCIL DISTRICT 8

QUESTION:

How many positions are HUD funded and what are the positions responsible for?

RESPONSE:

20.88 FTE positions are HUD funded, including five Management Intern positions (2.50 FTE) and one provisional Clerical Assistant (0.38 FTE).

The HUD Programs Administration Office is responsible for the administrative oversight of the four entitlement grants: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grants (ESG), as well as contract oversight of the City-funded homeless services. This includes:

- Contracts: Scopes, Budgets, Execution and Project Management
- Fiscal Management: Request for Reimbursements, Audit, and fiscal monitoring
- Federal, State, and City Reporting Requirements
- Consolidated Plan Advisory Board: RFQ/RFP, scoring, and allocation process

QUESTION:

If the Barrio Logan Community Plan Update gets appealed during the June Elections, how will this Community Plan get updated? What would be the next step after the referendum?

RESPONSE:

If the Barrio Logan Community Plan (BLCP) gets repealed as a result of the referendum in June, City staff would need direction from the Mayor and the City Council on the timing and scope of next steps.

Within the one year period following repeal, the Council could enact legislation in that subject matter area only if it is “essentially different” as compared to the previous action. Determining whether a subsequent resolution or ordinance meets that standard requires a fact-specific analysis to determine if the resolution or ordinance is different with respect to the issues that gave rise to popular objection to the previous action.

Alternatively, the City could choose to wait-out the one year period and bring back the BLCF without the “essentially different” requirement. The time required to re-open the plan, conduct public meetings, re-evaluate the environmental document with respect to the revised project, and hold Committee, Planning Commission, and City Council hearings would likely take more than one year. With respect to staff resources, the Planning, Neighborhoods, and Economic Development Department could use some of the new staff capacity provided in the Fiscal Year 2015 budget to staff the effort.

QUESTION:

With the reduction of Civic & Urban Initiatives, who will be working on new initiatives? How will innovations be interfaced with the public?

RESPONSE:

The Civic Innovation is scheduled to end on June 30, 2014. The individual departments (e.g. Transportation & Storm Water, Planning, Neighborhoods, and Economic Development, Park & Recreation, etc.) will be working on new innovations within their respective duties and responsibilities. These departments will interface directly with the public on specific projects.

QUESTION:

Provide an update on the Project Tracking System replacement.

RESPONSE:

The Development Services Department is actively pursuing the replacement of the legacy Permit Tracking System (PTS) with an industry best software system. Although efforts were originally scheduled to begin in early Fiscal Year 2014, the project was delayed due to the departure of the department director, the turnover in the Mayor’s office and the resignation of the City’s Information Technology Director. Following the appointment of a new Development Services Department Director in December 2013, the department has resumed due diligence efforts including:

- Market survey to determine software tools available in the permitting/code enforcement area.
- Shortlist of applications using criteria such as company stability, available support and other compatibilities and features.
- Site visits with other agencies in California and consultation with other large US cities that have completed implementation of permitting/code enforcement software to gather lessons learned.

Results have identified a software provider, although a Request for Proposals (RFP) may be required to procure an implementer which could add four to six months to the process. The implementation timeline has been validated by a variety of industry professionals to be an 18 to 24 month process given adequate resources and the volume of permits processed annually. The Department wants to prevent software implementation issues experienced by the City and other

municipalities and thus has continued to proceed with focused diligence. Risks must be minimized as poor implementation could impact development activities which could have cascading impacts to a variety of local industries. As a comparison, the County of San Diego (which processes 1/3 less permits annually than the City) identified their implementation of similar software was 24 months for their Development Services Department, even considering they were already using the software in other County departments.

Partial funding has been identified to initiate the project although total funding will need to be either budgeted or financed. The remaining project expense will be eventually included in Development Services Department fees.

COUNCIL DISTRICT 3

QUESTION:

Who will be responsible for completing the projects started by Civic and Urban Initiatives?

RESPONSE:

The following projects will be completed by the Civic Innovation Lab staff by the end of Fiscal Year 2014 (expected date of completion in parentheses):

- Linda Vista Library Plaza (Completed by May 30)
- Tactical Urbanism Lecture and Workshop (May 15 - 16)
- Gathering Place Toolkit (June 30)
- Logan Heights Alley Reclamation Event (May 17 - 18)
- Bi-National Ford Study (May 30)
- 47th and Castana Gathering Place (June 30)
- City Dashboard and Sentiment Meter (June 30)
- Open City Prototyping Event (June 30)
- Environmental Services Data Visualization (June 30)
- Eco-School Yards Toolkit (June 30)
- Community Plan Update assistance (June 30)

The following projects will not be completed by Civic Innovation Lab staff by the end of Fiscal Year 2014 (expected responsible point-of-contact in parentheses):

- El Cajon Blvd Bridge Deck Activation (El Cajon Business Improvement Association)
- Martin Luther King Jr. Plaza, Encanto (Public Works, Darren Greenhaugh)
- Old Library Innovation Incubator (Planning, Neighborhoods, and Economic Development Department)

Honorable Council President Todd Gloria, Budget Review Committee Chair and
Budget Review Committee Members
May 22, 2014

Tracy McCraner

TM/mc

Attachments:

1. City Charter Section 103.1a – Environmental Growth Fund
2. San Diego Municipal Code Section 63.30–Utilization of the Environmental Growth Fund
3. Report to the City Council 07-073, Environmental Growth Fund
4. Adams Avenue Letter of Support

cc: Honorable Mayor Kevin Faulconer
Honorable Council Members
Jan I. Goldsmith, City Attorney
Eduardo Luna, City Auditor
Stephen Puetz, Chief of Staff
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Mary Lewis, Chief Financial Officer
Tony Heinrichs, Deputy Chief Operating Officer
Jeff Sturak, Deputy Chief Operating Officer
Ron Villa, Deputy Chief Operating Officer
Brian Pepin, Director of Council Affairs
Andrea Tevlin, Independent Budget Analyst
Deborah Barrow, Library Director
Herman Parker, Park & Recreation Director
Bob Vacchi, Development Services Director
Bill Fulton, Planning, Neighborhoods, & Economic Development Director
Financial Management Staff

business within said City which is designed to or does furnish services of a public utility nature to the inhabitants of said City, without the consent of said City manifested by ordinance of the Council. The Council shall have power to provide reasonable terms and conditions under which such businesses may be carried on and conducted within The City of San Diego.

(Addition voted 03-10-1953; effective 04-20-1953.)

Section 103.1a: Environmental Growth Fund

There is hereby created a fund in the City Treasury, to be known as the Environmental Growth Fund. Into this fund each year there shall be placed 25 percent of all moneys derived from the revenues accruing to the City from any franchises for the transmission and distribution of gas, electricity and steam within the City of San Diego.

The Environmental Growth Fund shall be used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego; provided, however, that two-thirds of the moneys paid into the Environmental Growth Fund shall be used exclusively as debt service for bonds of any nature issued for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes. In connection with the issuance of any general obligation bonds for the acquisition, improvement and maintenance of open space to be used for park or recreational purposes, the Council may pledge up to two-thirds of the Environmental Growth Fund to the payment or security of such general obligation bonds and the interest thereon and may so state in any ordinance calling an election authorizing the issuance of said general obligation bonds. If there are no such bonds outstanding or if two-thirds of the moneys paid into the Environmental Growth Fund exceed the amount necessary to service any outstanding bonds issued for the above purposes in any fiscal year, then in those events, and those events only, the moneys set aside for debt service of said bonds or that portion of said moneys which is not needed for debt service of said bonds, shall be used, if at all, exclusively for the purpose of preserving and enhancing the environment of the City of San Diego in whatever manner is deemed appropriate by the City Council of The City of San Diego.

(Addition voted 06-06-1972; effective 08-03-1972.)

Section 104: Term and Plan of Purchase

Within six months after this Charter takes effect, copies of all franchises existing at the time shall be deposited with the Manager. The Council shall certify to the existence of such franchises and shall recognize them for periods not longer than the date of expiration on each. The Manager shall keep a public record of all franchises, leases or

- (e) The owner of every vessel having a permit to use a designated beaching area shall pay the City of San Diego an initial permit fee payable upon issuance, and a yearly fee thereafter, to be paid on the first business day of March each year. The fees specified herein shall be established by the City Manager upon the recommendation of the Director.

(Amended 5-31-1994 by O-18073 N.S.)

§63.30 Utilization of the Environmental Growth Fund

Pursuant to the Environmental Growth Fund provision of the San Diego Charter section 103.1a, it is incumbent upon the City Council of the City of San Diego to use moneys derived from that fund exclusively for the purpose of preserving and enhancing the environment of the City of San Diego.

The City Council of the City of San Diego, in implementing said Charter provision, shall allocate all moneys within the fund not employed to pay the debt service on bonds, as set forth in San Diego Charter section 103.1a as follows:

- (a) The difference between two-thirds of the Environmental Growth Fund and the amount actually necessary to make principle and interest payments on outstanding open space bonds shall be accumulated and utilized solely for the purpose of providing funds for the acquisition of open space lands.
- (b) The remaining one-third of the Environmental Growth Fund shall be used for the purpose of preserving and enhancing the environment and shall be allocated to utilization each year, by the City Council, during the budget process, in accordance with the following priorities:
- (1) Open space maintenance, including litter removal and control;
 - (2) To provide matching funds for acquiring open space in cooperation with other private or governmental entities;
 - (3) Regional Park maintenance;
 - (4) Any other purposes consistent with the San Diego Charter section 103.1a.
- (c) The City Manager of the City of San Diego shall prepare, for approval by the City Council, regulations for the administration of the open space matching grant program.

(4-2011)

- (d) If the City Manager determines that anticipated revenues in any fiscal year will be insufficient to maintain existing City services necessary for preserving and enhancing the environment, the City Manager may ask the City Council to temporarily suspend compliance with this Section in order to allow Environmental Growth Funds to be allocated consistent with San Diego Charter section 103.1a. A majority vote of the City Council can temporarily suspend compliance with this Section for that fiscal year. Creating a mechanism for the suspension of this Section is necessary to prevent the abrogation of duties, obligations, and prerogatives of the City Council in the preparation and passage of the Annual Appropriation Ordinance pursuant to San Diego Charter section 71.

(Amended 3-17-2003 by O-19159 N.S.)

§63.40 San Diego — La Jolla Underwater Park Ecological Reserve — Boating Regulations

(a) Definitions

- (1) As used herein, the San Diego — La Jolla Underwater Park Ecological Reserve is all that portion of District 19 consisting of the Pacific Ocean and tide and submerged lands lying within the boundaries of the City of San Diego, County of San Diego, State of California beginning at the most northerly point of Alligator Head Point as shown on La Jolla, Map 352 filed in the office of the County Recorder of said County; having a latitude of 32 degrees 51' 04", and a longitude of 117 degrees 16' 20", thence northeasterly to a point having a latitude of 32 degrees 51' 13" north and a longitude of 117 degrees 16' 10" west, thence northerly to a point being the intersection of longitude 117 degrees 16' 15" west with the westerly prolongation of the southerly line of Pueblo Lot 1298 as shown on the map of Pueblo Lands of San Diego made by James Pascoe, known as Miscellaneous Map No. 36 filed in the office of the County Recorder of said County; thence easterly along said prolongation of the southerly line of Pueblo Lot 1298 to the intersection with the Mean High Tide Line; thence in a generally southerly direction along said Mean High Tide Line to the point of beginning, as established by license agreement between The City of San Diego and the State of California pursuant to Council Resolution No. R-253779, adopted March 16, 1981.
- (2) As used herein, the terms "vessel" or "boat" are as defined in Harbors and Navigation Code section 651 and shall include motorized and non-motorized craft, including wind surfers, but shall exclude surf boards and paddle boards.



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 24, 2007 REPORT NO. 07-073

ATTENTION: Rules, Open Government and Intergovernmental Relations
Committee
Agenda of April 25, 2007

SUBJECT: Environmental Growth Fund

REFERENCE: Office of the Independent Budget Analyst Report 06-26

REQUESTED ACTION: Informational Report Only

SUMMARY:

In 1972 the City Council established the Environmental Growth Fund (EGF) through a City Charter amendment for the exclusive purpose of preserving and enhancing the environment of the City as determined by the City Council. The City deposits 25% from a 3% franchise fee on San Diego Gas and Electric (SDG&E) revenues for the transmission and distribution of gas, electricity, and steam within the City to the Environmental Growth Fund. In accordance with City Charter Section 103.1a (Attachment 1), one-third of the Environmental Growth Fund shall be used for the purpose of preserving and enhancing the environment and shall be allocated to operations and maintenance costs. Two-thirds of the Environmental Growth Fund shall be used exclusively to pay principal and interest on bonds of any nature issued for the acquisition of open space lands. If there are no outstanding bonds or if two thirds of the monies paid into the Environmental Growth Fund exceed the amount necessary to service any outstanding bonds issued for the above purposes in any fiscal year, then those monies shall be used exclusively for the purpose of preserving and enhancing the environment of the City in whatever manner is deemed appropriate by the City Council. San Diego Municipal Code Section 63.30 (Attachment 2) provides further direction regarding the use of EGF.

In Fiscal Year 2004, the City Council authorized the partial refunding of the San Diego Open Space Facilities District No. 1 General Obligations Bonds. As a result of this action, debt payments funded by a transfer from the two-thirds EGF to the Open Space

Facilities District fund dropped from approximately \$7.2 million in FY 2004 to \$715,000 in FY 2006. The remaining debt service payments are scheduled as follows: \$437,025 in FY 2008 and \$434,600 in FY 2009 (final payment).

Since Fiscal Year 2006, reduced payments for debt service has allowed programming of the two-thirds for park maintenance and capital projects. The following tables reflect major program expenditures included in the FY 2005-2007 Adopted and FY 2008 Proposed Budgets for EGF. Attachment 3 lists the capital projects that were funded in the EGF Two-Thirds in the FY 2007 Adopted Budget.

In FY 2007, the total General Fund budget for recreation and maintenance in the Park and Recreation Department (excluding Mt Hope Cemetery) is \$82.5 million of which \$53.6 million is estimated for park maintenance. Of the total park maintenance budget, \$8.8 million is funded by EGF. An additional \$1.7 million of park maintenance is directly funded by EGF. The Mayor's Five-Year Financial Outlook recommends continuation of the reimbursements to the General Fund from EGF for existing park maintenance

EGF 1/3rd	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Proposed Budget
Open Space Capital Projects	\$200,030	\$290,000	\$200,000	\$0
Park System Master Plan	\$0	\$0	\$0	\$0
SD River Master Plan	\$100,000	\$100,000	\$0	\$0
Assessment Reserve	\$12,032	\$13,492	\$15,264	\$17,242
MAD Reimbursements	\$120,323	\$134,923	\$152,640	\$172,415
Regional Park Maintenance/Open Space Maintenance	\$2,111,779	\$2,006,964	\$2,400,415	\$2,594,970
Reimbursement of Eligible Open Space Maint.	\$0	\$0	\$0	\$350,000
Reimbursement of Eligible Park Maint.	\$1,500,000	\$1,500,000	\$1,000,000	\$1,548,441
Transfer to Los Penasquitos	\$25,000	\$55,000	\$55,000	\$55,000
Turf and Field Rehabilitation Reimbursement	\$330,000	\$330,000	\$330,000	\$330,000
	\$4,399,164	\$4,430,379	\$4,153,319	\$5,068,068

EGF 2/3rds	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget	FY 2008 Proposed Budget
Park and Recreation Capital Improvements	\$0	\$0	\$2,500,000	\$0
District No. 1 for Bond Interest and Redemption	\$7,311,468	\$715,000	\$715,000	\$437,025
Park Maintenance Reimbursement	\$0	\$6,600,000	\$7,100,000	\$8,896,882
Transfer to OHS	\$0	\$2,191	\$0	\$0
	\$7,311,468	\$7,317,191	\$10,315,000	\$9,333,907

functions in FY 2009 through FY 2013. Franchise fee revenue that funds the EGF is expected to grow 7.5% each year. Currently there is no proposed plan for the \$434,600 which will become available in FY 2010 after the debt service has been retired.

FISCAL CONSIDERATIONS: The Mayor's Five-Year Financial Outlook recommends continuation of General Fund reimbursements from EGF. Reductions in these General Fund reimbursements may impact park programs and/or services.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: This is an informational report. Key stakeholders will be included if action is taken in the future.

Respectfully submitted,

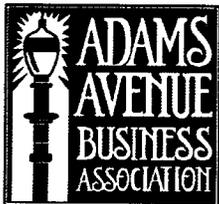


Rick Reynolds
Assistant Chief Operating Officer



Jay M. Goldstone
Chief Financial Officer

- Attachments:
1. City Charter Section 103.1a: Environmental Growth Fund
 2. San Diego Municipal Code Section 63.30: Utilization of the Environmental Growth Fund
 3. List of Capital Projects Funded from EGF 2/3rds Fund Balance in FY 2007 Adopted Budget
 4. Unaudited Actual Expenditures Compared to Budget, Fiscal Years 2005-2006



Adams Avenue Business Association
4649 Hawley Boulevard
San Diego, CA 92116

6/8/2014

Bill Fulton
Planning, Neighborhoods & Economic Development
(619) 236-6057
1222 First Ave, 5th Floor, San Diego, CA 92101
Via email

Dear Bill,

The Adams Avenue Business Association (AABA) is in support of your department's 2015 budget, and in particular, your proposed expenditures within the Small Business Enhancement Program. Unfortunately, the Business Improvement District Council sent a letter to City officials this week that challenged the SBEP programming in the budget. This stance does not reflect our views or the views of some other members of the BID Council. The AABA looks forward to continuing to working cooperatively with you and the Planning, Neighborhoods, & Economic Development Department staff.

Sincerely,

Scott Kessler
Executive Director, AABA

CC: AABA Executive Committee
Council President, Todd Gloria
Liz Studebaker, BID Advocate
Tiffany Bromfield, BID Council CEO
Chris Gomez, BID Council President