

**CITY OF SAN DIEGO
OFFICE OF THE INDEPENDENT BUDGET ANALYST**

**SNAPSHOT OF REPORTS AND ACTIVITY
MARCH 2008**

Highlights of Key Reports Issued:

“General Plan” ([IBA Report 08-23](#)) ([Attachment](#)) Issued March 6, 2008

This report is the second done by the IBA on the General Plan. The first report ([07-115](#)) provided preliminary observations, questions, and recommendations to the Land Use and Housing Committee on the General Plan. This report focuses on the importance of integrating the General Plan into future budgets and planning documents. **An area of concern for the IBA is the lack of strong implementation language in the approved draft of the General Plan.** It is our opinion that without strong implementation language, the importance of the General Plan and the policies outlined in the document will be overlooked during the City’s annual budget processes. Our office recommended that the City council consider including stronger implementation language in the draft. For comparison purposes, our office included in our report the General Plan implementation language from the City of Berkeley, California.

In addition, **our office was also concerned with the lack of a plan to fund the City’s Community Plan updates.** Our office recommended that as part of the Fiscal Year 2009 budget hearing process, a discussion should be held on the timeline for updating the Community Plans and the estimated expenses.

“Recommendations on Timely Implementation of Business Process Reengineering” ([IBA Report 08-25](#)) Issued March 26, 2008

Of the 26 Business Process Reengineering (BPR) studies that have been completed over the past two years, seven studies have been fully implemented. Implementation of completed BPR studies for activities, such as Waste Collections, Street Maintenance, Park Maintenance and Publishing Services, are caught in a morass of process issues tied to managed competition and employee “Meet and Confer” processes. Since BPR studies show that cost savings, efficiencies or service level enhancement can be achieved with no budgetary increases, timely implementation is key. This is particularly important given the fiscal challenges facing the City. This report recommends the following changes to the existing BPR ordinance to achieve more timely implementation and information sharing of BPR results:

- **Completed BPR studies must be docketed for Council review to begin implementation within six months of study completion.**
- **Recognizing that BPR studies may contain procurement sensitive information in a managed competition process, in these cases, the Mayor will provide the service level information from the BPR’s to the Council as soon as it is available.**

- **The lengthy cumbersome docketing process in the ordinance should be streamlined to provide for “direct docketing” of BPR studies by eliminating the current 60-day waiting period.**

**“General Fund Deferred Maintenance Capital Improvement Projects Financing”
([IBA Report 08-30](#)) Issued March 27, 2008**

The City’s deferred maintenance needs, excluding water, wastewater and landfill enterprises, are estimated to be at least \$800 - \$900 million based on a 2006 City staff estimate. A detailed update on the actual magnitude of the problem has yet to be developed. The FY 2008 Budget allocated \$38.3 million to address \$5.3 million of facility repairs / improvements and \$33 million of street and storm drain improvements. \$24.7 million or 75% of the \$33 million in street and storm drain projects was to be financed in FY 2008. The current proposal calls for a \$102.6 million private borrowing that combines the plan to finance \$24.7 million in FY 2008 with another \$77.5 million planned for FY 2009, and also provides for the costs of bond issuance.

Citing limited available cash, an inability to access the public markets, and mounting deferred maintenance needs, City staff requested that the City Council approve a debt financing package of not more than \$108 million in 2008A Bonds. These Bonds would fund identified deferred maintenance projects that will begin in FY 2008 and be completed by FY 2010. The financing plan calls for the 2008A Bonds to be refunded with a 30-year public offering in June 2010 in order to take advantage of long-term public market rates.

Given the urgent need for the City to begin addressing the significant backlog of deferred maintenance projects, the IBA supported the financing package noting several concerns:

- **An advanced refunding of the private financing should be considered if public market long term rates were to go lower during the two year period.**
- **The City needs to identify the full extent of the deferred maintenance problem in order to determine what progress is being made with approved expenditures.**
- **The Council should be updated on a bi-annual basis on the construction status of the facilities that are proposed for funding and any project substitutions.**
- **The City needs to adopt a formal Capital Improvement Program (CIP) prioritization policy within the fiscal year.**

Other reports issued this month:

[Report No. 08-29](#) (3/27/08) (PDF:25K)

Agreement with D-Max Engineering for Storm Water Inspections

[Report No. 08-28](#) (3/24/08) (PDF:21K)

[Attachment](#) (3/24/08) (PDF:806K)

Land Sales

[Report No. 08-27](#) (3/20/08) (PDF:37K)
Rooming House Ordinance

[Report No. 08-26](#) (3/19/08) (PDF:26K)
Sewer Pipeline Rehabilitation Phase G-1 and NCWRP Live Stream Discharge Feasibility Study

[Report No. 08-24](#) (3/10/08) (PDF:28K)
[Attachment](#) (1/8/08) (PDF:605K)
Grand Jury Report: "Past Grand Juror's Association Implementation Review Board"

[Report No. 08-22](#) (3/6/08) (PDF:32K)
Lead Hazard Prevention and Control Ordinance

[Report No. 08-21](#) (3/4/08) (PDF:26K)
Comments on City Management Program (Performance Measures)

Upcoming IBA Reports on the Mayor's Proposed Budget:

- Tuesday, April 29 - "IBA Preliminary Review of the Mayor's FY 2009 Proposed Budget"
- Friday, May 30 - "IBA Final Recommendations on the Mayor's Budget"

Also Coming in April:

"A Citizen's Guide to the City's Budget Process"