



THE CITY OF SAN DIEGO

DATE: May 13, 2019
TO: Audit Committee Members, Honorable Mayor and Members of the City Council
FROM: Kyle Elser, CPA, CIA, CFE, Interim City Auditor
SUBJECT: Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2018

Results in Brief

The City Charter requires that the City Auditor report annually the extent and nature of the Mission Bay and the San Diego Regional Parks Improvement Funds' revenues, expenses, and improvements and compliance with the requirements of Section 55.2. To comply with the Charter and in accordance with the City Auditor's Fiscal Year (FY) 2019 Annual Audit Work Plan, we have performed an audit of the Mission Bay and the Regional Parks Improvement Funds' financial activity in fiscal year 2018.

Annually, beginning in fiscal year 2010, Mission Bay Park lease revenues in excess of \$23 million have been distributed to the San Diego Regional Parks and the Mission Bay Improvement Funds for allowable capital improvement projects. Per the City Charter, in fiscal year 2015 and thereafter, revenues in excess of \$20 million are transferred. In fiscal year 2018:

- \$4,422,793 was transferred to the Regional Parks Improvement Fund.
- \$8,213,759 was transferred to the Mission Bay Improvement Fund.
- \$2,756,468 was the total post San Diego Regional Parks Improvement Fund expenditures. Allocations to this fund may be expended only for non-commercial public Capital Improvements for the San Diego Regional Parks and only for park uses. (see **Attachment E** for a list of expenditures)
- \$6,266,591 was the total post Charter Mission Bay Improvement Fund expenditures. Allocations to this fund are used to improve the conditions of the Mission Bay Park Improvement Zone for the benefit and enjoyment of residents and visitors, consistent with the Mission Bay Park Master Plan. (see **Attachment F** for a list of expenditures)



We found that the expenditures complied with the charter requirements. We also verified the prior audit recommendation was implemented.

Additionally, the Mission Bay Park Committee is supposed to have eleven members. There are currently seven members, with four vacancies. Of the seven members, two members have served beyond the maximum 8 consecutive year terms in violation of the Municipal Code §26.30 (C) (4). Both members are from District 6. The four vacancies include a District 2 member, hotel representative and two at-large representatives. We are bringing this matter to the attention of the Office of Boards and Commissions since similar issues were discovered during prior audits and those recommendations are in process.

Lastly, we noted during the audit that there were 127 (24%) Citywide holdover agreements out of the City's 520 active agreements. The number of holdovers within the Mission Bay area and subject to this audit are immaterial; however, we decided to add the agreement holdover process to our FY 2020 workplan and conduct an audit that will allow us to address all the 127 Citywide holdover agreements.

We would like to thank the Department of Finance, Parks and Recreation, City Treasurer, Office of Boards and Commissions, and Real Estate Assets management and staff, as well as representatives from other departments for their assistance and cooperation during this audit. The Audit staff responsible for this audit are Rod Greek and Danielle Knighten.

Background

The Mission Bay and San Diego Regional Parks Improvement Funds have two sources of revenue; transfers from lease revenue collected from tenants in Mission Bay Park and interest. Mission Bay Park lease revenue is deposited to a separate general fund account during the year and allocated to the improvement funds after the fiscal year-end. Prior to the effective date of Charter Section 55.2 on July 1, 2009, there were already cash balances in Mission Bay and the San Diego Regional Parks Improvement Funds. The pre-charter funds in the Mission Bay Improvement Fund (MBIF) were fully expended in fiscal year 2017, and as of the end of fiscal year 2018 there is a remaining pre-charter balance of \$51,669 in the Sand Diego Regional Parks Improvement Fund (SDRPIF).

Given that these funds were collected prior to the effective date of Charter 55.2, they are not subject to the expenditure restrictions in this Charter provision according to the City Attorney's Office. However, all revenues, including interest, earned after the Charter Section 55.2 implementation date of July 1, 2009 are subject to the Charter provisions.

Charter section 55.2 was amended and effective on December 19, 2016. This amendment increased the allocation to the San Diego Regional Parks Improvement Fund from 25% of available funds in excess of \$20 million, to 35% up to a maximum of \$3.5 million from the previous maximum of \$2.5 million, with the remainder of the excess going to the Mission Bay Park Improvement Fund.

Monies deposited into Mission Bay and San Diego Regional Parks Improvement Funds prior to the implementation of City Charter Section 55.2 are excluded from our audit scope. The audit objectives, scope and methodology used to perform this audit can be found in **Attachment B** to this memorandum.

Fiscal Year 2018 Financial Activity

The Mission Bay and San Diego Regional Parks Improvement Funds' financial activity for fiscal year 2018 is shown in **Exhibit 1**. The MBIF had revenues, including transfers and interest, totaling \$8,654,483 and expenditures of \$6,266,591, all expenditures were post Charter funded. The allocations to the MBIF mainly supported the dredging of Mission Bay which was identified as the number one priority per City Charter, Section 55.2. The balance at June 30, 2018 was \$38,205,387. SDRPIF had revenues, including transfers and interest, of \$4,604,146 and expenditures of \$2,862,328, of which \$2,756,468 was post Charter funded during fiscal year 2018. The available balance at June 30, 2018 was \$17,259,050. Prior years' financial activity as of June 30, 2017 is shown in **Attachment C** of this memorandum. FY18 financial activity is summarized in **Exhibit 1** at the top of the following page.

Exhibit 1:

Mission Bay and San Diego Regional Parks Improvement Funds Post Charter Financial Activity Fiscal Year 2018

	Mission Bay Improvement Fund	Regional Parks Improvement Fund
Charter 55.2 revenues exceeding expenditures as of June 30, 2017	\$ 35,817,495	\$ 15,411,372
Revenue, excluding unrealized gains and losses	\$ 8,654,483	\$ 4,604,146
Expenditures, net of depreciation	\$ <6,266,591>	\$ <2,756,468>
Revenue exceeding expenditures as of June 30, 2018	\$ 38,205,387	\$ 17,259,050

Source: OCA generated based on general ledger and Department of Finance schedules, amounts rounded to the nearest dollar excluding unrealized gains and losses and depreciation.

Mission Bay Park Lease Revenue

Total adjusted Mission Bay Lease Revenues were \$32,636,552¹. The revenues in excess of the \$20,000,000 threshold were distributed to the SDRPIF and MBIF based on the Charter formula for distribution, as shown in **Exhibit 2**. The fiscal year 2018 distribution from the Mission Bay Lease Revenue was \$4,422,793 to the SDRPIF for capital improvements and \$8,213,759 to the MBIF. Mission Bay Lease Revenues increased by \$2,814,675 between fiscal year 2017 and 2018. The increase of \$922,821² for LHO Mission Bay Rosie Hotel in FY2018 was mainly due to a rent credit which was reimbursed in FY2018. The CHSP Mission Bay Revenue increase of \$265,599 was partially due to an audit deficiency from prior years that was paid in FY18.

Exhibit 2:

Mission Bay Lease Revenue Allocation to Funds

Fund Name	Allocation Breakdown in excess of the threshold	FY 2018 Allocation Amounts
San Diego Regional Parks Improvement Fund	35% or \$3.5 million, whichever is greater, in excess of the \$20 million threshold	\$4,422,793
Mission Bay Park Improvement Fund	65% of the excess over the \$20 million threshold, if less than the 65% then, the remainder after the San Diego Regional Parks allocation	\$8,213,759

Source: San Diego City Charter, Article V, Section 55.2(b).

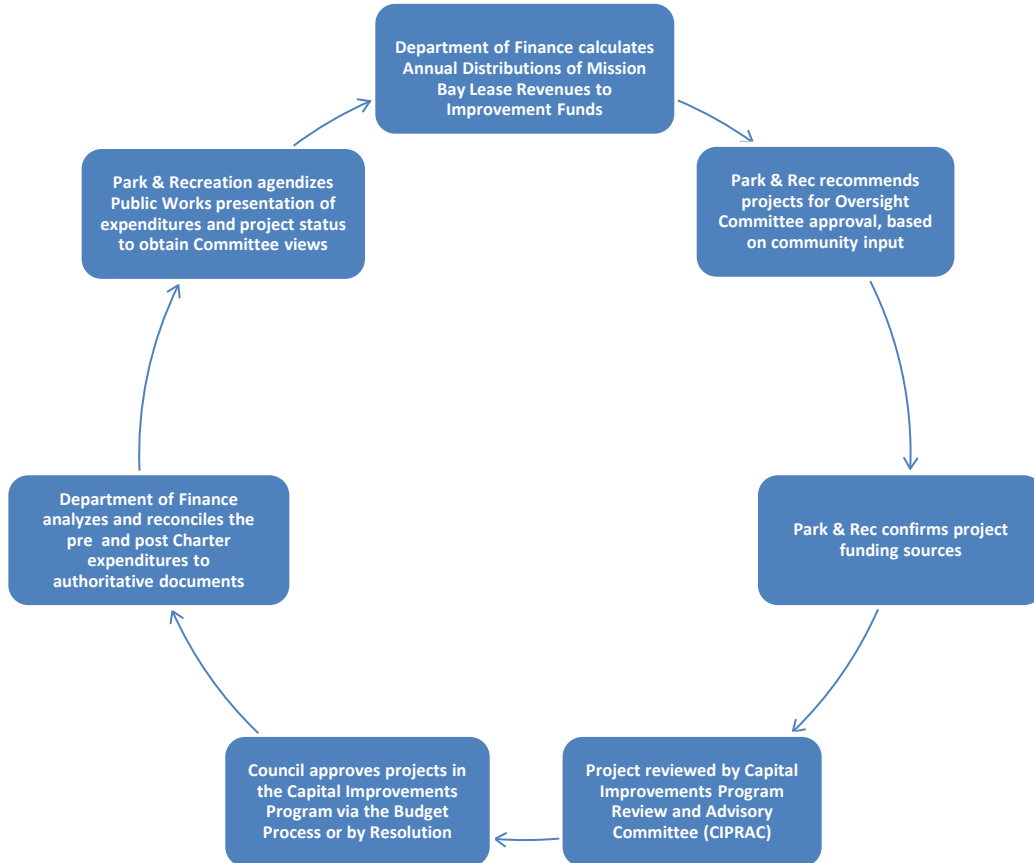
¹ See **Attachment D** for a detailed list of revenues.

² See **Attachment D** for a detailed list of revenues.

The processes to approve, monitor, and report Charter revenues and expenditures are shown in **Exhibit 3**.

Exhibit 3:

APPROVAL & REPORTING ON CHARTER SECTION 55.2 FUNDED PROJECTS



Source: OCA generated of key processes.

San Diego Regional Parks Improvement Expenditures

During fiscal year 2018, SDRPIF project expenditures, subject to the provisions of Charter Section 55.2, totaled \$2,756,468, of the total \$2,862,328 expenditures excluding depreciation and an accounting loss on sale of assets. The fiscal year 2018 SDRPIF project Charter expenditures³ by project are listed in **Attachment E** of this memorandum. We found that the expenditures complied with the charter requirements.

Mission Bay Improvement Fund Expenditures

MBIF total expenditures were \$6,266,591 for fiscal year 2018. All of the MBIF project expenditures were subject to the provisions of Charter Section 55.2. The fiscal year 2018 MBIF project Charter expenditures⁴ by project are listed in **Attachment F** of this memorandum. We found that the fiscal year 2018 MBIF post charter expenditures of \$6,266,591 were allowable and appropriate expenditures under the Charter.

³ Source: Department of Finance analysis of SDRPIF expenditures for fiscal year 2018.

⁴ Source: Department of Finance analysis of MBIF expenditures for fiscal year 2018.

Other Pertinent Information: Mission Bay Improvement Fund Oversight Committee Members with Terms Exceeding 8 Consecutive Years

During the review of Committee appointments dates and meeting minutes, it was discovered that two active members have exceeded the maximum 8-year term per Municipal Code Section 26.30 (C)(4). This section specifically relates to Mission Bay Park Committee (MBPC), who also serves as the Mission Bay Improvement Fund Oversight Committee. Municipal Code Section 26.30 (C)(4) reads as follows:

(4) The members shall serve two-year staggered terms for a maximum of eight consecutive years. An interval of four years must pass before a person who has served eight consecutive years can be reappointed. Each member shall serve until his or her successor is duly appointed and qualified. The members shall be appointed in such a manner that the terms of not more than six members shall expire in any year. Effective July 1, 2009, all terms unexpired as of June 30, 2009 shall be deemed expired. Thereafter, all terms shall expire on June 30.

There are eleven positions on the MBPC, however only seven are filled as of March 10, 2019. Two of these seven are serving under expired terms. All three of the vacant positions are properly disclosed on the Boards and Commissions Unscheduled Vacancies list. The two members exceeding the maximum term and not included on the expiring terms document are listed in the **Exhibit 4** below.

Exhibit 4:

Mission Bay Park Committee Members with Terms exceeding 8 consecutive years

	Appointment Date	Last Meeting Attended	Duration
Committee Member A	12/17/2009	3/5/2019	9.2 Years
Committee Member B	12/17/2009	3/5/2019	9.2 Years

Source: https://www.sandiego.gov/sites/default/files/mission_bay_park_committee_minutes_3-5-19.pdf.

Although the two members have exceeded the eight-year limitation, the City Attorney's Office advised that the Municipal Code and State Law⁵ allow for Advisory Board members whose terms have expired to continue serving until a replacement is appointed. However,

⁵ Government Code 1302.

we wanted to bring this issue to the attention of the Office of the Board and Commission⁶ since Municipal Code Section 26.30 (C)(4) specifically states members shall serve a maximum of eight consecutive years and an interval of four years must pass before being reappointed.

We made similar observations during our previous [Mission Bay audit](#) and the [Performance Audit of the City's Management of Its Advisory Boards](#). In this audit we already made recommendations to improve the process for identifying candidates and filling available Advisory Board seats, and to address other issues.

⁶ A new department for Fiscal Year 2019 that supports the day-to-day operations for the City's 49 boards and commissions and serves as an access point to the volunteer members appointed by the Mayor and City Council. These entities serve in a fiduciary, regulatory, policy-setting and/or advisory capacity.

Other Pertinent Information Regarding Agreement Holdovers

During the audit, we noted that there were 127 Citywide holdover agreements (agreements that have expired) that fall within various types as listed in **Exhibit 5**. These holdover agreements represent 24% of the total 520 Citywide agreements.

Exhibit 5:

Citywide Holdover Agreements by Type

Agreement Type	Total Number of Agreements by Type	Total Number of Agreements Held Over by Type	Percentage
Lease	295	67	23%
Permit	117	38	32%
Agreement	54	7	13%
House Rental	12	-	-
Franchise	11	3	27%
Sublease	9	6	67%
License	7	2	29%
MOU	4	2	50%
Operating	4	2	50%
Industrial	3	-	-
Joint Powers	2	-	-
Joint Use	2	-	-
Grand Total	520	127	24%

Source: OCA generated based on [Real Estate Assets' Portfolio Management Plan published data](#), Agreements to Lease City Property

We identified approximately 8 holdover agreements in the Mission Bay area. We determined that since there are only a small number of holdovers within the Mission Bay area that are within the scope of this audit, we would not address the issue within this report. Instead we will add the agreement holdover process to our FY 2020 workplan and conduct an audit that will allow us to address all the 127 Citywide holdover agreements.

Conclusion

We found that \$4,422,793 was transferred from Mission Bay Lease Revenue to the Regional Parks Improvement Fund (SDRPIF) for capital improvements and \$8,213,759 was transferred to the Mission Bay Improvement Fund (MBIF). Based on these transfers plus interest, the total amount of revenue allocated were \$4,604,146 to the Regional Parks Improvement Fund and \$8,654,483 to the Mission Bay Improvement Fund.

There were post Charter SDRPIF expenditures of \$2,756,468 in fiscal year 2018 and post Charter MBIF expenditures of \$6,266,591. We found that the expenditures complied with the charter requirements.

During the review we also noted that two members of the Mission Bay Improvement Fund Oversight Committee had exceeded the maximum 8-year term per Municipal Code Section 26.30 (C)(4). Although these members have exceeded the eight-year limitation, the City Attorney's Office advised that it is allowable for Advisory Board members whose terms have expired to continue serving until a replacement is appointed.

We also identified 127 holdover agreements Citywide and determined we would not address the issue in this report. Instead we will add the agreement holdover process to our FY 2020 audit workplan so we can address the process rather than a few individual agreements related to this report.

We also verified the prior audit recommendation was implemented by the City Treasurer's office (See **Attachment A**).

Respectfully submitted,



Kyle Elser, CPA, CIA, CFE
Interim City Auditor

cc: Kris Michell, Chief Operating Officer
Rolando Charvel, Chief Financial Officer
Stacey LoMedico, Assistant Chief Operating Officer
Ron Villa, Assistant Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Elizabeth Correia, Interim City Treasurer
Cybele Thompson, Director, Real Estate Assets Department
Tracy McCraner, Director and City Comptroller, Department of Finance
Herman Parker, Director, Park and Recreation
Scott Clark, Chief Accountant, Department of Finance
Ken So, Deputy City Attorney
Joel Day, Office of Boards and Commissions

Attachment A: Follow Up on Prior Audit Recommendations

We made the following recommendation in the audit report issued May 26, 2016:

Recommendation #1:

The City Treasurer's office should schedule and conduct routine audits (at least once every 3 years) of Newport Pacific Capital Company similar to the Lease audits they currently perform on all other Lease agreements of Lessees on Mission Bay Park Land subject to Charter Section 55.2 requirements. (Priority 2)

Status of Recommendation #1 - Implemented: The City Treasurer's office has completed an audit of Newport Pacific Capital Company and has added them to the Revenue Audit Program's routine audit schedule. This management contract is scheduled for audit again in August 2019.

Attachment B: Audit, Objectives, Scope, and Methodology

Article V, Section 55.2 of the City Charter requires that the City Auditor perform an annual audit of the distribution of Mission Bay lease revenues. Specifically, we are required to establish and oversee a mechanism to ensure public accountability by effectively reporting and communicating the extent and nature of revenues, expenses and improvements generated and in compliance with City Charter requirements. This shall include, at a minimum, an annual audit report to the Mayor, City Council and public. Each annual report shall, at a minimum, contain the following: 1) a complete accounting of all revenues received; 2) the amount and nature of all expenditures; and, 3) a report as to whether in each committee's view the expenditures have been consistent and compliant City Charter requirements.

The audit's objectives were to verify that fiscal year 2018 collection, allocation, and use of Mission Bay Park lease revenues are properly budgeted, authorized and expended in compliance with City Charter requirements.

To accomplish our objectives and test internal controls to determine if they are functioning as intended, we performed the following audit procedures:

- Reviewed pertinent laws, policies and regulations related to Mission Bay Park lease revenues;
- Gathered and analyzed agreements and information related to Mission Bay Park lease revenues;
- Identified, collected, analyzed financial information including transaction adjustments and management reports related to Mission Bay Park lease revenues;
- Made inquiries with management and key staff in charge of managing and monitoring information related to Mission Bay Park lease revenues;
- Reviewed Mission Bay Park and San Diego Regional Parks Improvement Fund Oversight Committee minutes, agendas and related bylaws;
- Analyzed the quality and effectiveness of the reporting to the Oversight Committees;
- Verified the calculation and reporting of project expenditures; and
- Followed up on a recommendation in a prior report.

We reviewed data for fiscal year 2018. We performed data reliability testing of the financial data provided to us and which we relied on in this report.

All references in this memorandum focus on post-charter funds related to the Mission Bay and San Diego Regional Parks Improvement Funds exclude the pre-Charter funds unless otherwise referenced.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**Attachment C: Prior Years Mission Bay and San Diego Regional Parks Improvement
Funds Financial Activity, As of June 30, 2017**

Fiscal Year	Mission Bay Revenues Revenues [1]	Regional Park Revenues Revenues [1]
2010	\$ 115,603	\$ 1,708,236
2011	\$ 40,859	\$ 1,753,292
2012	\$ 2,449,130	\$ 2,534,109
2013	\$ 5,373,254	\$ 2,525,338
2014	\$ 4,302,753	\$ 2,538,998
2015	\$ 7,100,046	\$ 2,555,608
2016	\$ 10,531,043	\$ 3,511,501
2017	\$ 6,622,302	\$ 3,595,326
Total as of June 30, 2017	\$ 36,534,990	\$ 20,722,408
	Expenditures [2]	Expenditures [2]
2010	\$ -	\$ -
2011	\$ -	\$ -
2012	\$ -	\$ 313,640
2013	\$ -	\$ 408,680
2014	\$ -	\$ 742,897
2015	\$ 171,848	\$ 1,554,596
2016	\$ 73,479	\$ 1,250,638
2017	\$ 472,168	\$ 1,040,585
Total as of June 30, 2017	\$ 717,495	\$ 5,311,036
Available balance June 30, 2017	\$ 35,817,495	\$ 15,411,372

[1] Excludes unrealized gains and losses.

[2] Excludes depreciation.

Source: OCA generated based on SAP financial data and prior year audits.

Attachment D: Fiscal Year 2018 and 2017 Mission Bay Park Lease Revenue

Lessee	Revenue Amount FY 2018	Revenue Amount FY 2017	Change
Sea World Inc	\$11,018,698	\$10,750,382	\$268,316
LHO Mission Bay Hotel, L.P.	\$3,819,546	\$3,672,356	\$147,190
CHSP Mission Bay	\$3,688,782	\$3,423,183	\$265,599
LHO Mission Bay Rosie Hotel	\$2,997,974	\$2,075,154	\$922,821
BH Partnership	\$2,063,454	\$2,127,382	(\$63,929)
De Anza RV Park	\$1,765,428	\$1,693,034	\$72,394
Bartell Hotels	\$1,492,958	\$1,413,062	\$79,896
Campland, LLC	\$1,193,067	\$1,134,925	\$58,142
Seaforth Sportfishing Corporation	\$1,062,236	\$1,068,472	(\$6,236)
Marina Village	\$777,214	\$746,016	\$31,199
Driscoll Mission Bay LLC	\$458,115	\$409,760	\$48,355
Mission Bay Yacht Club	\$423,568	\$422,710	\$858
Wesco Sales Corp	\$344,280	\$289,401	\$54,879
Mission Bay Sports Center	\$194,145	\$210,552	(\$16,406)
Mission Bay Boat & Ski Club	\$144,846	\$144,537	\$309
Sportsmen's Seafood Co Inc	\$95,597	\$128,480	(\$32,883)
Associated Students SDSU/Regents Of UCSD	\$71,453	\$71,215	\$238
Braemar Partnership	\$59,959	\$62,717	(\$2,758)
Everingham Bros Bait Co	\$54,936	\$52,356	\$2,580
San Diego Parasail Adventures Inc.	\$44,614	\$51,199	(\$6,585)
Verizon Wireless - Mission Bay Athletic Area	\$40,707	\$39,330	\$1,377
Sprint PCS Assets LLC	\$40,317	\$20,663	\$19,655
San Diego Rowing Club/Intercollegiate Rowing	\$28,584	\$27,545	\$1,039
Verizon Wireless VAW	\$10,781	\$10,467	\$314
Canoe & Kayak Team	\$5,005	\$5,036	(\$32)
Hanohano Outrigger Canoe Club	\$4,608	\$5,198	(\$590)
SD Alliance for Asian Pacific	\$2,338	\$2,385	(\$47)
Kapolioka' Ehukai Outrigger Canoe Club	\$2,338	\$2,385	(\$48)
Kai Elua Outrigger Canoe Club	\$1,870	\$1,908	(\$38)
Grand Total	\$31,907,417	\$30,061,810	\$1,845,607
Adjustments to accruals entries	729,134.87	(239,932.73)	\$969,068
Adjusted total lease revenue	\$32,636,552	\$29,821,877	\$2,814,675
Threshold	(\$20,000,000)	(\$20,000,000)	\$0
Revenues exceeding the threshold	\$12,636,552	\$9,821,877	\$2,814,675
Transfer to San Diego Regional Park Improvement Fund	\$4,422,793	\$3,500,000	\$922,793
Transfer to Mission Bay Improvement Fund	\$8,213,759	\$6,321,877	\$1,891,882

Source: OCA generated based on information from the Department of Finance

Attachment E: Regional Park Improvement Fund Project Expenditures for Fiscal Year 2018

Projects	Purpose	Expenditures FY 2018 [1]
New project expenditures		
La Jolla Parkway/Mt Soledad Erosion Control	This project provides for the replacement of an existing storm water conveyance system constructed on the north side of La Jolla Parkway.	\$13,909.93
Chollas Lake Improvements	The first priority project is to provide electrical service to the park which will allow extended use of the park and provide a higher level of security.	\$27,231.83
Narragansett Avenue Access	This project is for Narragansett Avenue Beach Access.	\$30,627.40
Santa Cruz Avenue Access Stairs and Walkway	This project is for Santa Cruz Avenue Beach Access stairs and Walkway.	\$107,369.53
Continuing Projects Expenditures:		
Museum of Art Elevator Modernization	To modernize one passenger, two freight and one dumb waiter elevators. Includes replacement of traveling cables, hydraulic pump, controller, etc.	\$41,524.36
Bermuda Ave Coastal	This project provides reconstruction of Stairway and Seawall.	\$44,283.66
Casa De Balboa Fire Alarm System	Replace the Fire Alarm System at Casa de Balboa.	\$49,529.44
Balboa Park Bud Kearns	Complex improvements including Pool, mechanisms, fencing, accessibility, etc.	\$143,869.63
Junipero Serra Museum ADA Improvements	This project provides ADA access to the Junipero Serra Museum within Presidio Park.	\$99,485.88
EB Scripps Pk Comfort Station Replacement	This project provides for a replacement comfort station located in EB Scripps Park adjacent to La Jolla Cove.	\$171,417.19

Projects	Purpose	Expenditures FY 2018 [1]
Balboa Park West Mesa Comfort Station Replacement	This project provides for two replacement comfort stations on the West Mesa of Balboa Park.	\$130,488.66
Sunset Cliffs Natural Park Ph I Reveg	This project will complete improvements to the hillside portion of the Sunset Cliffs Natural Park.	\$15,859.83
Sunset Cliffs Natural Park Ph II Trail & Reveg	This project will complete improvements to the hillside portion of the Sunset Cliffs Natural Park, consisting of construction of trails, habitat restoration, erosion control, and the removal and return to natural vegetation of the softball field.	\$240,780.23
Coastal Beach Access Projects	202 Coast Blvd Access Stairs	\$376,145.69
Seismic System Upgrade	Seismic retrofit of the historic California Tower within Balboa Park. Phase 1 is the relocation of electrical systems housed in the bottom floor of the tower in order to reinforce the walls of the room. Phase 2 is the seismic upgrade of the tower.	\$82,815.13
Demolition of Loma Land Structures	This project provides for the removal of existing houses located on parkland.	\$183,456.92
Hillside Drainage Improvements	This project provides for drainage improvements at Sunset Cliffs Natural Park, restoration of natural areas to allow water percolation, and installation of site appropriate drainage devices.	\$51,225.03
Mohnike Adobe & Barn Restore	This project provides for the rehabilitation/restoration of the historic adobe and hay barn located within the 14-acre Rancho Peñasquitos Equestrian Center on the eastern end of the Los Peñasquitos Canyon Preserve.	\$12,252.57

Projects	Purpose	Expenditures FY 2018 [1]
Beach Access - Orchard Avenue, Capri by the Sea and Old Salt Pool	This project provides for coastal infrastructure improvements.	\$27,193.46
Chollas Lake Park Playground Improvements	This project provides for the design and construction of two playgrounds at Chollas Lake Park to replace existing playgrounds which have surpassed their life expectancy and do not meet current ADA and playground safety requirements.	\$887,014.41
Old Mission Dam Dredging Project	This project provides for dredging behind the Old Mission Dam for the purpose of removing silt buildup, the required mitigation and monitoring program, and obtaining the necessary permits for long term preservation measures.	\$19,987.13
Total Fiscal Year 2018 expenditures		\$ 2,756,467.91
<i>[1] The expenditures are for projects funded by Mission Bay rents collected after June 30, 2009. Monies in the fund collected prior to July 1, 2009 and expended on projects are outside the scope of the audit.</i>		

Source: OCA generated based on Improvement Fund Oversight Committee Projects approval and SAP expenditure data.

Attachment F: Mission Bay Improvement Fund Project Expenditures for Fiscal Year 2018

Projects	Purpose	Expenditures FY 2018 [1]
Mission Bay Dredging	This project provides for dredging of Mission Bay, which is necessary for boat navigation.	\$6,230,738.50
Mission Bay EIR	This project is for the Environmental Impact Report for Mission Bay Projects.	\$35,852.90
	Total Fiscal Year 2018 expenditures	\$ 6,266,591.40
<p><i>[1] The expenditures are for projects funded by Mission Bay rents collected after June 30, 2009. Monies in the fund collected prior to July 1, 2009 and expended on projects are outside the scope of the audit.</i></p>		

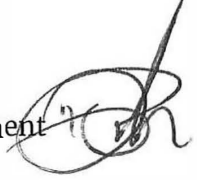
Source: OCA generated based on Improvement Fund Oversight Committee Projects approval and SAP expenditure data.



THE CITY OF SAN DIEGO
M E M O R A N D U M

DATE: May 9, 2019

TO: Kyle Elser, Interim City Auditor, Office of the City Auditor

FROM: Herman D. Parker, Director, Parks and Recreation Department 

SUBJECT: Response to Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2018

The Parks and Recreation Department appreciates and thanks the Office of the City Auditor for the Fiscal Year 2018 annual audit of the Mission Bay and San Diego Regional Park Improvement Funds in accordance with City Charter Section 55.2. The Department will work with the Office of Boards and Commissions regarding members of the Mission Bay Improvement Fund Oversight Committee exceeding term limits as noted in the report.

While there are no audit findings or recommendations associated with this report, please note that the Parks and Recreation Department, in partnership with other City departments involved in managing the Mission Bay and San Diego Regional Parks Improvement Funds, is committed to continuing process improvements and effective internal controls.

Herman D. Parker
Director
Parks and Recreation Department

cc: Kris Michell, Chief Operating Officer
Rolando Charvel, Chief Financial Officer
Stacey LoMedico, Assistant Chief Operating Officer
Ronald H. Villa, Assistant Chief Operating Officer
Johnnie Perkins, Deputy Chief Operating Officer, Infrastructure and Public Works
Jeff Sturak, Deputy Chief Operating Officer, Internal Operations
Robert Vacchi, Deputy Chief Operating Officer, Neighborhood Services
Joel Day, Director, Office of Boards and Commissions
Tracy McCraner, Director and City Comptroller, Department of Finance
James Nagelvoort, Director and City Engineer, Public Works
Cybele Thompson, Director, Real Estate Assets
Scott Clark, Chief Accountant, Department of Finance
Myrna Dayton, Assistant Director, Public Works
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