



**OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: May 31, 2013
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Council President Todd Gloria, Third Council District *Todd Gloria*
SUBJECT: Fiscal Year 2014 Budget Priorities and Issues for Consideration

In December 2012, when I began my second term, I recommitted to the principles that have brought about positive changes to our City and laid out my vision for the next four years:

FISCAL DISCIPLINE, PUBLIC SAFETY & NEIGHBORHOOD SERVICES: Maintain the fiscal discipline and continue the reforms that have allowed us to restore branch library hours, hire more police officers and end the fire engine brownouts.

INVEST IN INFRASTRUCTURE & ECONOMIC DEVELOPMENT: Continue to press for the aggressive repair of our streets, sidewalks and public facilities.

END HOMELESSNESS: Support the collaboration between the government, private and nonprofit sectors that has brought renewed attention to this pressing problem.

CELEBRATE BALBOA PARK: Prepare for an international event that draws the eyes of the world to San Diego and showcases the innovations that make us great. The centennial celebration will serve as a launching pad for the Balboa Park Conservancy and recommit this generation to ensuring the park's magnificence for the enjoyment of future generations.

As Council President and chairman of the Budget and Finance Committee, I am proud to offer the following priorities and reforms. My recommendations have been developed with the above principles in mind, prioritizing critical services and restoring, rather than cutting, neighborhood services.

PUBLIC SAFETY & NEIGHBORHOOD SERVICES

- Police Department Civilian Positions: Despite what recent crime index data may show, residents in our core urban communities are increasingly alarmed by the number of robberies, assaults and other violent crimes in their neighborhoods. A few key preventive steps will help address these concerns, such as prioritizing and expediting hiring of

budgeted civilian positions that currently stand vacant. Consistent with the Council-approved Five-Year Plan, the restoration of civilian staff (dispatchers, property and records management staff, analysts, word processing clerks, etc.) can alleviate the duties of existing officers and allow them to again cover responsibilities that can only be performed by sworn officials.

- Police Recruitment: Increasing the capacity of the Police Department's Academies to 40 recruits per academy will allow the City to obtain the Department's Five-Year Plan goal by 2018. I recommend funding additional capacity for each of the planned academies (additional \$191,000 per recruit).
- Police Retention: The attrition of sworn officers currently averages 9.0 FTE per month. For FY14, it is assumed that the department will experience attrition of 8.0 officers per month. Adequate resources must be budgeted and additional measures should be sought to retain officers and keep the department competitive.
- Fire-Rescue Staffing: The proposed Fire-Rescue budget includes some projections that the IBA found questionable, which I agree should be addressed. For increased budget transparency, I believe additional resources of \$2.5 million should be budgeted for personnel within the department. Though it has been consistently stated that a single fire academy will be sufficient in FY14, I remain concerned that attrition levels may be greater than currently anticipated, and I would like the \$700,000 of the EMS Transport Program Fund balance included in the Appropriated Reserve to be used to help fund a second fire academy, if needed. Should the academy truly not be necessary, the funds could be used to fill any gaps in overtime funding.
- Improve Fire-Rescue Response Times and Service Levels: To further strengthen public safety and continue our ongoing efforts to improve response times as suggested in the Citygate report, I am interested in ending the cross staffing of one HAZMAT crew and the bomb squad. I understand that the cost of adding two four person crews is estimated to be \$3.8 million (\$1.9 million each). Currently, a HAZMAT team operating out of Station 44 is cross staffed with a fire truck, meaning that fire truck is taken out of service whenever the crew needs to respond to a HAZMAT call. Similarly, the bomb squad is cross staffed out of the very busy Station 1 in my district. By having both a dedicated HAZMAT team and bomb squad, the San Diego community will be better served. HAZMAT and bomb calls are known to take far longer than average medical aid and fire calls, so adding traditional crews to these stations will result in better availability and better response times in the surrounding neighborhoods. Secondly, ending the cross staffing of Rescue 41 should be considered should sufficient ongoing resources be identified to reduce the City's reliance on other jurisdictions and creating scheduling and training conflicts for the Department. Ending the cross staffing of Rescue 41 is estimated to cost \$1.9 million annually.
- Serial Inebriate Program (SIP): I recommend that the City identify \$25,000 to support the SIP. This funding will allow for the restoration of service levels that have been reduced over time. The SIP was started in 2000 by the City and County of San Diego, inspired by the San Diego Police Department and the City's Medical Director for Emergency Medical Services. The program is a San Diego City/County collaborative problem solving effort and a national model.

- Restoration of Library Hours: In light of a budget proposal which initially included over \$15 million in new spending, it is critical that the Council prioritize the restoration of services that have been reduced over the years due to financial constraints. Restoring and improving neighborhood services already offered by the City and expected by our residents should take precedence. I recommend that funding to increase branch library hours from 44 to 48 hours per week and Central library hours from 49 to 52 hours per week be added to the budget. This comes at a cost of \$2.8 million and \$250,000 respectively.
- Sustain Services Provided by the Office of the City Attorney: I recommend that \$500,000 be restored to the City Attorney's budget. In order to deliver a budget to our citizens that is responsive and has no service level impacts, additional funding must be identified to avoid reductions to the Neighborhood Prosecution and Consumer and Environmental Protection Units. Additionally, I believe the expertise provided by the City Attorney's Office ensures legally sound legislation and offers a stable foundation for efficient, transparent and good government.
- Programming for Teens: The FY14 May Revision identifies \$44,000 for the Park and Recreation's Portable Pools Program. It is my understanding that this Pool Program is already funded with non-General Fund resources. I would recommend that the funding be reallocated toward sustaining and potentially expanding the City's Teen Nights Program or returned to Fund Balance.
- Restore Mission Trails Campground Services: I recommend that \$250,000 be indentified to reopen the Mission Trails Campground during the summer months. It is critical that the Council prioritize the restoration of services that have been reduced over the years due to financial constraints.

INVEST IN INFRASTRUCTURE & ECONOMIC DEVELOPMENT

- Sidewalk Conditions Assessment: Smooth roads, safe sidewalks and reliable sewer and water pipelines are critical public safety issues. I am pleased that the Mayor has made asset management and condition assessments a priority in the coming year. In an effort to complete the task of understanding the City's true infrastructure needs, I recommend that \$1 million be placed in the Appropriated Reserve for an assessment of the condition of our current sidewalks and create an inventory of where sidewalks are needed. The City Council will soon have a policy discussion to address liability and our current sidewalk programs. I offer my continued support for a Citywide Asset Management Program and a multi-year Capital Improvements Program. These efforts will assist in prioritizing projects that address the true needs of our neighborhoods. Most importantly, the data will assist in the development of future budgets and investments and will address community parity and equity issues.
- Support Small Businesses: I recommend that that \$185,000 in Small Business Enhancement Program (SBEP) funds identified in the May Revision be placed in the Appropriated Reserve. I ask that the appropriate City Council Committee revisit and improve the Council Policy 900-15 to best support small business operations.
- Civic and Urban Initiatives: I support the Mayor's desire for innovation and new urban initiatives for San Diego. I request that a list of neighborhood programs, improvements and benefits, along with a timeline for implementation be provided to the City Council.

Until then, I support placing the funding for this Initiative in the City's Appropriated Reserve.

- Funding for Southeastern San Diego (Village at Market Creek to Imperial Crest) Specific Plan and EIR: The ability to attract investment is contingent upon current and effective community plans and environmental review. I encourage the Mayor and Council to collaborate with Civic San Diego and neighborhood organizations to develop a Specific Plan and EIR for an area of Southeastern San Diego that is longing for economic investment. This effort will continue the efforts of the former Redevelopment Agency. Civic San Diego has estimated that \$1.2 million is required to complete this work.
- Support and Expand the Role of Civic San Diego: Civic San Diego was established to assist in the winding down of activities and oversee the liabilities of the former Redevelopment Agency. It was also envisioned that the City would support Civic San Diego and allow it to seek ongoing resources to continue the revitalization of blighted communities, and create more affordable housing, parks and other facilities that have long been envisioned. I respectfully request that the Consulting Agreement between the City and Civic San Diego be brought forward and amended to allow Civic San Diego to utilize its expertise to attract investment and economic development in all former redevelopment areas as well as continue services to Downtown.

Additionally, I have a specific request that Civic San Diego be assigned the responsibility of the existing Downtown Main Library site. Civic San Diego's expertise in Development and Disposition Agreements (DDAs) will assist the City in finding a suitable and welcome reuse. The 30,000 SF site is historically designated therefore, the site's reuse must be studied appropriately. Its operations will be terminating in Fall 2013 upon the opening of the new library in East Village. Downtown residents and business owners have voiced concerns about its closure and potential to become a nuisance with increased homeless encampments and more demand for public safety resources. The site, if neglected, has potential to create further blight in the neighborhood, and depress property values, business sales and tax revenues. A simple sale of the property, without a reuse or redevelopment plan and agreement, will not maximize the property's value to the City and ensure the building does not remain idle or underused for an extended period of time. Civic San Diego has the ability to assess the best alternatives for the building's adaptive reuse and/or the site's disposition for redevelopment purposes, assess potential value of property and proceeds to the City that may result from each alternative, solicit interest in the property and competitively select an optimal user or development partner for the site, manage approval process, conduct all necessary environmental studies and solicit community input for the site's potential reuse or redevelopment. Civic San Diego has the public-private partnership expertise, working knowledge of Downtown land use and design guidelines, historic review procedures and relationships with the various Downtown community groups. An appropriate reuse or redevelopment of the site will place the property back on the property tax rolls and potentially generate other tax revenue to the City.

END HOMELESSNESS

- Homeless Emergency Shelter, Veterans Emergency Shelter, Homeless Storage Check-In Center: I applaud the Mayor's commitment to addressing the needs of our homeless population. I would like to work with the Mayor to develop long-term solutions and sustainable programs and will seek to build upon the relationships between

stakeholders. For FY14, I recommend that the funding for the two Shelter Programs and the Homeless Storage Check-In Center be placed in the Appropriated Reserves until a time that the Mayor provides the following:

- Confirmed locations for the two shelters;
- Identification of an operator for the Homeless Storage Check-In Center;
- Exploration of the consolidation of services;
- Ensured adequate funding for permitting, environmental review, operations, etc. for the proposed programs.

CELEBRATE BALBOA PARK

- Major Events Revolving Fund (MERF): I recommend that the \$150,000 included in the budget proposal in addition to \$350,000 of the “Penny for the Arts” funding be allocated to Balboa Park Celebration, Inc. (BPCI) for the purposes of planning the 2015 centennial celebration.
- Balboa Park Traffic Management Plan: Prior to the expenditure of funds to change Balboa Park traffic circulation, I request that the Council be informed of any impacts to the public. Until then, I would support placing the \$300,000 in the Appropriated Reserve.

FISCAL DISCIPLINE & RESPONSIBLE GOVERNANCE

- City Reserve Policy: The Council and the Mayor should continue to revisit and establish prudent goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals to not only provide “rainy day” protection, but also to sustain the City’s favorable credit rating. I would support an increase to the City’s “Clawback Set-Aside” funding (currently \$28 million).
- Compliance with Mandates and Other Best Practices: We must provide sufficient resources for such activities as producing audits, maintaining prudent internal controls on financial transactions and other mandates. I request that funding be identified for an Internal Controls Audit as recommended in the Kroll Report.
- Vacancies: We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. The City must aggressively fill vacancies citywide and find efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels.
- Purchasing and Contracting: I support the Mayor and Director’s close examination of the Department’s operations. The Department has been scrutinized by City leaders in recent years for its outdated processes, the length and complexity of some contracting processes, and the lack of open communication with the City Council. To supplement the inclusion of two additional employees in the May Revision for the Equal Opportunity Contracting program, I consider it a priority to allow for any other critical needs to be addressed in FY14. I look forward to hearing more about how to strengthen the operations.
- Transparency, Reform and Efficiencies: The Mayor and City Council must continue to strive for increased transparency, efficiency and innovation. One example is to

implement ongoing improvements to the Capital Improvements Program website and encourage more “e-government” initiatives to make the City’s website more business and user friendly.

I am proud of the focus of the Council to generate real and lasting cost savings for taxpayers. Our most recent collaboration has resulted in tentative agreements with our labor groups that guarantee long-term savings that will allow us to fund some of the restorations proposed and overall improve the services we offer.

Thank you again to you and your staff for the ongoing guidance and recommendations. I look forward to delivering another responsible and responsive budget—one that our citizens expect and deserve.

TG:pi