



CITY OF SAN DIEGO

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MEMORANDUM

DATE: January 17, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Sherri S. Lightner
Councilmember Myrtle Cole
Councilmember David Alvarez
Councilmember Marti Emerald

SUBJECT: Fiscal Year 2015 Proposed Budget Priorities

Our offices are pleased to collaborate on a joint budget priorities memo which emphasizes restoring funding for critical public safety needs, an investment in much-needed infrastructure, funding for new parks, increases in hours of operation for our central and branch libraries, and funding for neighborhood projects that will enhance the quality of life in our communities.

The following are our priorities for additional funding in the FY 2015 Budget:

Priorities for Ongoing Funding:

San Diego Police Department Five Year Plan: \$2,300,000 is needed in FY15 to begin implementing the Five Year Plan that was unanimously approved by Council on November 5,

2013. Over the past several years, our Police Department's budget has been reduced in many areas, including personnel and equipment. This Five Year Plan will begin the process of rebuilding the police department and will create safer neighborhoods throughout the city. The funding includes \$1,100,000 for 16 FTE sworn positions and \$1,200,000 for 16 FTE civilian positions for a total of \$2,300,000.

Fire-Rescue Department implementation of Citygate recommendations for new fire stations: \$3,621,637 is needed in FY15 to move forward with the recommendations contained in the Citygate report regarding the addition of new fire stations to improve fire-rescue coverage citywide. Three new fire stations are anticipated to be added within the next five years—Eastside Mission Valley, Home Avenue, and Skyline Hills. The FY15 Budget must include operating and maintenance costs for the Eastside Mission Valley Fire Station, which is anticipated to open in FY15. The cost includes the addition of 12.0 FTEs. The new fire stations will improve fire safety within the City by reducing delays and service deficiencies in response to fire emergencies.

Lifeguards Boating Safety Unit: \$554, 812 to fund one Boating Safety Unit (BSU) Lifeguard III position 24 hours a day, 7 days a week. This is the equivalent of four FTEs. This increase in staffing is needed because there has been no increased staffing at the BSU for over 25 years, while duties, responsibilities and Lifeguard safety issues have increased significantly. This position will provide much needed staffing for operations during the day and also improve staffing during emergencies on nighttime responses.

Brush Management: \$924,000 for the proactive Brush Management Program, which decreases the risk of wildfire by thinning out vegetation that could become increasingly flammable over years of drought. The program was developed and implemented in 2008 by the Fire-Rescue Department as a result of the 2007 wildfires. Prior to 2008, the Department responded to citizen complaints only. The Park and Recreation Department manages and conducts brush management in the City's open space lands. Brush Management contractual costs have increased from \$2,051 per acre to \$5,720 per acre since the expansion of the program in 2008. The contract covers 300 of the 452 acres required to be thinned annually. The remaining acreage is managed by City staff and budgeted non-profit contracts. The addition of expenditures will enable the Park and Recreation Department to continue to conduct brush management biannually as required by the City's brush management policy.

Park and Recreation New Facilities: \$566,187 for the addition of personnel and non-personnel expenses for new park facilities anticipated to open during FY 2015. The new facilities include Montgomery Academy, Civita Central Park, Cabrillo Heights Neighborhood Park, Canyonside Community Park, Cypress Canyon Community Park, Ed Cramer Park, Gonzales Canyon Neighborhood Park, Mira Mesa Community Park, Wedgeforth Elementary, Creekside Park, Morley Green, and Angier Elementary.

Library Hours: \$1,707,941 for the addition of personnel expenses to increase Central and Branch Library hours. This item provides funding to increase Central Library hours by three

bringing the total to 52 hours per week and Branch Library hours by four to reach a core library schedule of 48 hours per week.

critical Sidewalks and Street Resurfacing: (decision from team) \$2 mil sidewalks \$3 streets

New Streetlights: (decision from team) \$1 mil in one-time (10 per Dist)

Improvement of Government Operations: \$1,158,962 in additional revenue and expenditures are projected related to the Improvement of Government Operations Plan as approved by City Council on October 28, 2013. Expenditure additions include funding for a management academy, efficiency study, and personnel expenses for the following positions:

- 3.00 FTE Deputy Chief Operating Officers
- 3.00 FTE Executive Secretaries
- 1.00 FTE Planning Director
- 1.00 FTE Assistant Planning Director

Partially offsetting the increased expenditures is a projected increase in General Government Services Billing (GGSP) revenue allocations to the General Fund, which will increase as a result of the implementation of this plan. Additionally, this plan included the reduction of three positions that assisted in offsetting the projected additional expenditures.

Prevailing Wage: \$608,904 to implement the expanded prevailing wage program approved by Council in 2013. The Prevailing Wage Program ensures that the City complies with federal labor wage laws for projects receiving federal funds and State prevailing wage laws for projects receiving State funds. Additionally, at the inception of the program, the City was required to be in compliance with the State's prevailing wage laws on all water and/or sewer fund projects whose estimated construction costs exceed \$10.0 million. San Diego Municipal Code §22.3019 expanded the Prevailing Wage Program in July 2013 to apply the State's prevailing wage laws to all City projects that are "public works" within the meaning of the State prevailing wage law. The addition of expenditures and positions in the Purchasing & Contracting Department is to support the additional workload resulting from the expansion of the program.

City Clerk: \$174,135 for the addition of revenue, personnel and non-personnel expenditures related to projects the Office of the City Clerk is required to implement. The projects to be implemented include:

- New master record schedule
- Records Retention Management Program
- City Council chamber upgrades
- NetFile contract increase
- Passport Acceptance Facility Program
- Scanning operations
- Election support

Quivira

One Time Costs:

Police Equipment: \$867,000 is needed for equipment identified in the SDPD Five Year Plan, including 12 new police vehicles at a cost of \$732,000 and equipment for new recruits at a cost of \$135,000 for a total of \$867,000.

Relocation of Park and Rec Carpenter Garage from Lifeguard Headquarters: An estimated \$200,000 in funding is needed to relocate the Park and Recreation Department's Carpenter Garage out of Lifeguard Headquarters at Quivira Basin in order to create a centralized location in Mission Bay for marine-related public safety operations involving Lifeguards, Coast Guard and Police.

Citizens Charter Review Committee: \$210,000 is needed for the City Council to form an independent citizens charter review committee to make recommendations on updates needed to bring the San Diego City Charter into the 21st Century. Over the past few years there have been various charter related issues that have arisen that indicate a need to revise and update the City Charter. As such, the City Council should form an independent Charter Review Committee to provide recommended changes to the Mayor and City Council. Some funding will be required to provide staffing to the committee, including \$160,000 for an IBA Policy Analyst (1 FTE) and \$50,000 for a Committee Assistant in the Council Administration Department (0.5 FTE) for a total of \$210,000.

Move to ongoing

Climate Action Plan: \$122,210 is needed for a Program Manager (1 FTE) to move the Climate Action Plan forward and track its progress and success. The Mayor's Office and the City Council's Committee on the Environment have held a number of hearings regarding the process of updating the City's Climate Action Plan (CAP). The CAP is a critical step in implementing policies that will allow the City to prepare for the known impacts of climate change. Once approved, the CAP will require staffing to allow for coordination among city departments and community partners.

Connect2Careers Hire-a-Youth Program: \$200,000 in funding is needed to support the San Diego Workforce Partnership program that pairs young adults (ages 16 – 21) with local employers to provide paid summer jobs to participants. In 2013, \$200,000 in city funding led to 200 summer jobs. Local youth gain a sense of responsibility, hard work, new skills and confidence, avoid bad influences and are exposed to a wide variety of careers. Continued seed funding by the city will help the program acquire other major donors and work toward its goal of long term sustainability.

Ongoing

Department of Information Technology: \$233,890 is needed to address critical needs. The 5 Year Outlook includes information technology (IT) related expenditure additions and reductions as part of the Critical Operational Needs section. There are reductions in expenditures attributable to the reduced debt service payments on two capital leases for communication equipment that retire during FY14 and a reduction related to the OneSD Citywide expense. Other critical needs offset these savings (see chart below).

Information Technology Five-Year Outlook Critical Operating Needs FY 2015-FY 2019

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
CRITICAL					
Capital Lease Reductions					
Communication Equipment	(575,269)	(1,358,368)	(1,420,175)	(1,429,580)	(1,429,580)
SAP	(136,841)	(498,938)	(1,844,210)	(2,657,225)	(2,657,225)
Subtotal \$	(712,110)	\$(1,857,306)	\$(3,264,385)	\$(4,086,805)	\$(4,086,805)
Public Safety					
P25 Radio System Infrastructure	613,200	949,200	1,058,400	1,100,400	1,142,400
Subtotal \$	613,200	\$ 949,200	\$ 1,058,400	\$ 1,100,400	\$ 1,142,400
IT Operating Needs					
Citywide Software Assets	260,000	260,000	260,000	260,000	260,000
Consultant for RFP for IT Sourcing	-	-	-	260,000	-
Email Archiving Appliance	-	260,000	-	-	-
Laptop Full Disk Encryption	52,000	52,000	52,000	52,000	52,000
Required Training for SAP/Security	20,800	20,800	20,800	20,800	20,800
Subtotal \$	332,800	\$ 592,800	\$ 332,800	\$ 592,800	\$ 332,800
TOTAL IT EXPENDITURES	\$ 233,890	\$ (315,306)	\$(1,873,185)	\$(2,393,605)	\$(2,611,605)

Community Priority Needs:

One Time Funding Needs:

Coastal Management Plan: An estimated \$200,000 in one-time funding is needed to hire expert consultants to develop a coastal management plan to address the proliferation of marine mammals and seabirds along the City's coast, particularly in La Jolla Cove.

Wightman Street Neighborhood Park, CIP S00767. \$969,366 in funding is needed to construct a new neighborhood park on an approximately one acre City-owned site at 5024 Wightman St. in the Fox Canyon community. This park is in a community that is severely park deficient. The park would provide a play area, basketball courts, picnic area, trails, landscaping, etc. The project would also provide creek enhancements to support habitat on a tributary of Chollas Creek that flows through the site. The total additional funding requested for construction of the park is \$969,366. *(Note: the remainder of the \$3,186,000 needed for design and construction of the park has been/will be allocated from non-general fund sources)*

Streetlights: Funding of \$150,000 for new street lights in Council District 9. Numerous areas of District 9 are faced with high levels of crime, and many of those areas lack streetlights. Street lighting can be an important tool in combating crime, as well as increasing safety for motorists and pedestrians. The specific areas where new lighting would be located would be identified later, based on available crime data and considerations of cost effectiveness. The cost of a

typical new street light is \$15,000. Considerable saving can be achieved by locating new lighting fixtures on existing poles, where available.

Ongoing Funding Needs:

Skyline Drive Temporary Fire Station: \$2,741,637 for the addition of personnel and non-personnel expenditures related to a temporary fire station to be located at the intersection of Skyline Drive and Sychar Road. The FY 2015 costs include \$1.5 million for personnel for 12 FTEs, \$0.8 million for a new fire engine, and \$0.4 million for demolition and setup costs of the temporary station. *(Note that this item includes personnel expenses of \$1.5 million annually for FY 2015 through FY 2018, as a permanent station is projected to open in FY 2019 and is included in the City Mandates section of the Five Year Outlook.)*

Chollas Lake Park Ranger: \$80,456 in funding for one Park Ranger to patrol Chollas Lake Regional Park to address quality of life issues that are currently being handled by Police and Lifeguards, resulting in both departments being called away from their primary missions to respond to issues that could better and more cost-effectively be addressed by a Park Ranger. The total cost for one (1) Park Ranger for one year including PE, NPE and a onetime outlay for a vehicle is \$80,456. *(Please note that for future years, the cost decreases to \$50,456 when you subtract the onetime cost of \$30,000 for a vehicle.)*

La Jolla Shoreline Park Ranger: \$80,456 in funding for one Park Ranger to patrol the La Jolla coastline to address quality of life issues that are currently being handled by Police and Lifeguards, resulting in both departments being called away from their primary missions to respond to issues that could better and more cost-effectively be addressed by a Park Ranger. The total cost for one (1) Park Ranger for one year including PE, NPE and a onetime outlay for a vehicle is \$80,456. *(Please note that for future years, the cost decreases to \$50,456 when you subtract the onetime cost of \$30,000 for a vehicle.)*

La Jolla Cove Cleanup: \$100,000 for the funding for the ongoing cleanup of accumulated bird guano along the bluffs at La Jolla Cove. Odor-neutralizing treatments will be applied on an as-needed basis, likely before and after bird nesting season each year, at a cost of approximately \$50,000 per treatment.

Ocean View Hills Park Acreage: The Ocean View Hills community has three ~~shovel-ready~~ park projects that have a temporary funding gap totaling approximately \$11 million. Each project is under the Otay Mesa Facilities Benefit Assessment. Due to the fact they are FBA funded, the opportunity for reimbursement to the city for project costs in the future exists, decreasing the actual city cost of funding for these specific projects. Utilizing existing funds to fill the funding gap to construct these parks would create approximately 24 acres of parkland in this area of the city and provide an immediate benefit to the community.

- **Pacific Breezes Neighborhood Park:** This project constructs a 15 acre community park in Ocean View Hills that includes lighted softball fields, playground areas, comfort station, concession stand, storage, off street parking, turf areas, picnic shelters, benches, drinking fountain and storm water detention areas. The project is permit ready. Construction documents are complete and ready to go to bid. *needs to be in*
 - Total Cost: \$16,450,000
 - Additional Funding Required: \$5,516,028
 - Estimated O&M costs: \$218,000
- **Riviera Del Sol Neighborhood Park:** This project constructs a 4.9 acre neighborhood park in Ocean View Hills that includes turf areas, playground areas, a basketball court, benches, a drinking fountain, exercise stations and a storm water detention area.
 - Total Cost: \$6,400,000
 - Additional Funding Required: \$2,850,000
 - Estimated O&M costs: \$63,000
- **Hidden Trails Neighborhood Park:** This project constructs a 3.9 acre neighborhood park in Ocean View Hills that includes multi-purpose courts, children's play areas, comfort station, turfed areas, picnic facilities, walkways, security lighting, landscaping and storm water detention areas. The consultant design for this project is currently in the process of being executed.
 - Total Cost: \$5,340,000
 - Additional Funding Required: \$2,920,000
 - Estimated O&M costs: \$48,000

Wightman Street Neighborhood Park, CIP S00767. \$23,000 annually for operations and maintenance for new neighborhood park on an approximately one acre City-owned site at 5024 Wightman St. Funding would be \$23,000 annually, including \$12,500 for personnel expenses (0.18 FTE of a GMW position) and \$10,500 for non-personnel expenses. *(Note: it will not be necessary to budget this expense until (estimated) FY2017, as this park has yet to be designed and built).*

Potential Revenue Sources:

In order to fund the proposed projects, programs, and services recommended above, we have identified the following areas in which additional revenue can be generated in order to offset our additional budget recommendations.

Increase to Property Tax Base: \$1,000,000 can be generated by increasing the assumptions on the property tax revenue.

Adjust Property Tax Growth Rate from 3.5% to 4.0%: \$1,500,000 can be generated by increasing the projected property tax growth rate from the conservative 3.5% projection to a 4.0% projection.

Additional Annual Property Tax Revenue from Redevelopment Property Tax Trust Fund (RPTTF): \$5,000,000 to \$8,000,000 *(need more info)*

Adjust Sales Tax Growth Rate from 4.5% to 5.0%: \$1,500,000 can be generated by increasing the projected sales tax growth rate from the conservative 4.5% projection to 5.0%.

Reduced Workers' Compensation Reserve Contribution: \$5,400,000 in savings to the General Fund can be generated if \$31,800,000 in revenue in excess of the 12% reserve level is placed in the workers' compensation reserve.

Thank you for your consideration of these budget priorities and options for revenue generation. Please contact the following staff in our offices with any questions: Erin Demorest, District 1; Pam Ison, District 4; Kevin Smith, District 8; Ricardo Flores, District 9.