



OFFICE OF COUNCILMEMBER TODD GLORIA COUNCIL DISTRICT THREE

M E M O R A N D U M

DATE: January 16, 2015

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Todd Gloria, Third Council District

SUBJECT: Council District Three Budget Priorities for Fiscal Year 2016

The following are my priorities for the FY 2016 City budget. These budget priorities are in line with my policy priorities established for the coming year, which continue to champion public safety, neighborhood services, infrastructure, job creation/economic development, and the environment.

The FY 2016-FY 2020 Five-Year Financial Outlook projects a baseline General Fund surplus of \$58.5 million, and additional revenue and cost savings opportunities are identified in this memorandum. The proposals below aim to utilize these funds to address the most critical needs of our community with the goal of making the San Diego a healthier place to live and work. These priorities are based on significant community input.

FY 2016 BUDGET PRIORITIES

Public Safety

- **Police Officer Retention:** Police retention is the most significant short-term challenge facing San Diego, and our first priority must always be the safety of our citizens. We must do all within our power to ensure the dedicated men and women of the San Diego Police Department are compensated at a level that reflects their hard work and retains their experience for the protection of our neighborhoods. I support a budget that prioritizes pay increases for our police officers and makes progress toward the targets identified in the Police Department's Five-Year Plan (FY 2014-FY 2018). Accountability is equally a priority for the department, and I would like to see department reforms this year include enhanced oversight and mandatory reporting guidelines. Finally, once the department is stabilized, it is my hope that we can focus efforts on community oriented policing to ensure that our law enforcement is building ties and working closely with our citizens and neighborhood groups.

Neighborhood Services

- **Ending Homelessness:** Last year, I proposed the reallocation of our limited General Fund resources to results-oriented homeless programs and services proven to move

people off the streets and into permanent supportive housing. This \$1.9 million spending plan was adopted in the FY 2015 Budget. In 2015, I will monitor and report on the efficacy of these programs and continue to build relationships between service providers, government, businesses, philanthropists, and the public to leverage additional resources to achieve our goal of ending homelessness in San Diego. In order to effectuate further progress, we must continue to allocate at a minimum the same level of General Funds for homeless programs in FY 2016 (\$1.9 million), and any one-time expenditures from the FY 2015 homeless services budget should continue to be reinvested toward effective solutions.

- **Increased Recreation Center Hours:** Parks and recreation centers are critical to the character of our neighborhoods and create numerous educational and wellness benefits for the community. The programming at these City facilities promotes healthy lifestyles, deters crime, and helps our youth develop into contributing members of our communities. For these reasons, I propose increasing operating hours at the City's recreation centers in the FY 2016 Budget. The addition of 16 new assistant directors valued at \$685,340 would allow for a five hour weekly increase in operating hours at each new director's center.
- **Increased Library Hours:** I continue to advocate for libraries and the transformational value they bring to our communities. I was pleased with the increase in library hours included in this year's budget. However, we must do more to fully restore this critical service to 2002 levels, when branches were open an average of 54 hours per week, and to ensure that after years of waiting and significant public and private investment the public has greater access to all the new Central Library has to offer. I request the addition of \$2.3 million in the FY 2016 Budget to allow all branch libraries to operate full eight and a half hour service days on Saturdays and to expand Central Library hours by two on both Fridays and Saturdays. This would result in an increase from 48 to 51 hours weekly at each branch library, and from 54 to 58 hours weekly at the Central Library. An additional 73 hours per week in our library system would greatly benefit working families and all San Diegans who are otherwise challenged to visit the library on weekends due to currently abbreviated hours.
- **Balboa Park Maintenance:** In order to ensure that Balboa Park is maintained in a manner befitting of its status as our City's crown jewel, I request that funding be provided for an additional Equipment Technician I at a fully loaded cost of \$77,194 per year. This position will help to protect the health of Balboa Park's botanical collection through the efficient and effective use of limited water resources.

Infrastructure

- **TransNet CIP Program Spending:** As Chair of the SANDAG Transportation Committee, I have significant concerns that a \$46 million balance in unencumbered TransNet funds is projected in the City's budget at year-end. With the City's infrastructure needs estimated at more than \$2 billion, it is appalling that these critical transportation improvement dollars are sitting idle in an account rather than being spent on performing much needed repairs, restoring existing roadways, and constructing assets within the public right-of-way. As the Chair of the City Council's Budget & Government Efficiency Committee, I will schedule hearings to draw attention to this matter throughout 2015, with the goal of quickly spending down the existing bubble on high priority projects throughout the City, and exploring a management strategy to do a better job of spending these funds moving forward to address the most pressing transportation problems.

- **Comprehensive Infrastructure Investment Strategy:** I continue to have serious concerns with the lack of a comprehensive long-term solution to this multi-billion dollar infrastructure problem that is the biggest long-term challenge facing us. To remain economically competitive, we must work together to develop a sustainable plan for how we will pay for the Citywide infrastructure upgrades. While I remain supportive of full implementation of Enhanced Option B, lease revenue bonds are not a sustainable solution and it is critical that we explore alternative revenues. Steps must be taken to identify a robust expenditure plan and pursue a potential bond option on the ballot in 2016.
- **Park Condition Assessment Funding:** The City's condition assessments now underway will provide thorough and cost-effective analyses of sidewalks, public facilities and other infrastructure conditions, assist in prioritizing projects, and help us to develop a funding plan for all infrastructure needs. I support the continued allocation of one-time resources to perform condition assessments but would like to see more timely completion of these important studies. In particular, I request accelerated funding for the Park Condition Assessment in order to complete this study in two years rather than the five-year timeline included in the Mayor's FY 2016-FY 2020 Five-Year Financial Outlook. The Park Condition Assessment is a critical tool to identify needs and begin to address issues of park deprivation Citywide. Depending on how the work can best be accomplished, accelerated funding would require \$750,000 each year for two years, or \$500,000 each year for three years, beginning in FY 2016.
- **Pacific Breezes Community Park:** This project constructs a long overdue community park in Ocean View Hills in District Eight that includes lighted softball fields, playground areas, a comfort station, concession stand, storage, off-street parking, turf areas, picnic shelters, benches, a drinking fountain and storm water detention areas. This project is shovel ready and it is my hope that the FY 2016 Budget will include a meaningful level of funding to begin construction.
- **Ward Canyon Neighborhood Park:** This project is the top priority for the Normal Heights community and has an approved General Development Plan (GDP) Amendment. Total costs for Phase I of the project is are estimated at \$3.9 million and include a community garden, dog park, parking and associated realignment of the Interstate 5 off/on ramp. I request the addition of \$1.2 million in the FY 2016 Budget to design Phase I of this project (estimated at 30% of total project costs) and take steps forward to realize this long awaited and significant community asset.
- Please refer to my Infrastructure Committee Priority Memo, issued on January 16th, 2015, for a list of my **District 3 Capital Improvement Program (CIP) project priorities.**

Job Creation/Economic Development

- **Small Business Assistance:** Supporting small businesses and good employers that provide fair wages are critical to stimulating economic development and making San Diego a better place to live and work. I would be supportive of new and creative programs that empower small businesses in 2015. Additionally, I propose the following measures be considered in the development of the FY 2016 Budget:
 - I have requested that the Economic Development & Intergovernmental Relations (ED&IR) Committee explore expanding the Storefront Improvement Program, either by increasing the program budget or increasing the percentage of an overall

- storefront improvement that a grant can address. Appropriate funding needs should be considered for the FY 2016 Budget.
 - I have also suggested the ED&IR Committee explore creating a revolving loan fund for assessment districts other than Maintenance Assessment Districts (MADs) or opening up the existing MADs Revolving Loan Fund to other assessment districts with the goal of helping to improve business districts and making the San Diego business climate more competitive. Funding needs should be considered in the FY 2016 Budget.
 - Future economic incentive packages, such as were approved for Illumina and the breweries, should be focused on supporting small businesses moving forward.
 - The Development Services Department should prioritize filling the currently vacant Small Business Liaison position, which provides an important resource to the Business Improvement Districts (BIDs) and the small business community.
- **Community Parking District Program:** It is unacceptable that the City and its contractors have nearly \$18 million available for parking and mobility solutions and are not using it. It is past time to change this situation for the sake of San Diego's parking impacted neighborhoods and the residents and businesses in them. A second Community Parking District Program Manager position estimated at \$157,474 will aid in the administration of this program and help relieve delays in project implementation and the existing build up of unspent revenues. This position should be cost recoverable through funding from district revenues.
 - **Living Wage Enforcement:** The Living Wage Ordinance (LWO) advances the San Diego economy by ensuring local jobs pay enough to keep workers and their families out of poverty. Since inception, the LWO Program has not been adequately staffed, and improved code enforcement is necessary to ensure contractor education and compliance. The FY 2016 Budget should include 1.0 additional Senior Management Analyst for the LWO Program at a fully loaded cost of approximately \$125,000. The focus of this position will be to increase the number of compliance reviews conducted on contractors and enhance outreach efforts to both contractors and workers. Some cost recovery may be achieved through assessment and collection of fines for violations. However, such monies must be deposited in the General Fund and cannot provide direct support for LWO Program staffing.

Environment

- **Climate Action Plan:** As a new member of the Environment Committee, I look forward to overseeing the implementation of San Diego's Climate Action Plan, which is based largely on the plan I authored when I served as Interim Mayor. As such, I strongly advocate for necessary funding of the Community Choice Aggregation (CCA) Phase 2 feasibility study. Additionally, it is my understanding that the Sustainability Program Manager position funded in last year's budget remains vacant. This position should be filled immediately and will be necessary in the coming years to steer this initiative forward and track our success.

Revenues

- **Real Estate Assets Vacant City Inventory:** This year, I will request a review and status update of vacant City assets at the Budget & Government Efficiency Committee to examine opportunities for new revenues from the sale or lease of facilities that are no longer of value to the City.

- **FY 2016 User Fee Updates:** A three-year comprehensive FY 2016 user fee study is underway to look at fees charged for use of certain City facilities, programs and services. I expect to docket this study at the Budget & Government Efficiency Committee in the first quarter of 2015 in time for the development of the FY 2016 Budget. Potential revenues from any user fee increases are not included in the FY 2016-FY 2020 Five-Year Financial Outlook.
- As indicated in my 2014 Budget & Government Efficiency Committee Year-End Report, the Committee will also focus on **improving critical City functions and examining outside agency budgets** in 2015. This will include oversight of long- and short-term process improvements and deeper dives into departmental and agency budgets, administrative regulations and policies to identify efficiencies and cost savings.
- Additional savings opportunities identified in your office's review of the FY 2016-FY 2020 Five-Year Financial Outlook include the following:
 - General Fund Departments have been asked to submit **operational efficiency reductions totaling 3%** (1.5% for Public Safety) for the FY 2016 Budget;
 - Results of the **"San Diego Works"** efficiency savings program are still under review; and
 - Potential savings from future **managed competitions** should be considered.
- It should be noted that the **Huron Competitive Initiatives Analysis Report**, which was funded at my request as part of my plan to reorganize City government when serving as Interim Mayor, identified 24 strategy, process and employee relations options to improve the managed competition program in order to ensure cost savings and efficiencies are realized through this process.

Thank you for your guidance in consolidating our priorities, which will help to ensure an effective and informed budget development process. As Chair of the Budget & Government Efficiency Committee for the fifth consecutive year, I will continue to focus on promoting collaboration, transparency and public participation in the budget development process, and increase our efforts to examine departments and programs for greater efficiency and innovation in the coming year. I look forward to working with you, the Council, the Mayor, and our citizens to deliver a balanced and responsible budget for Fiscal Year 2016.

TG/jl