




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

M E M O R A N D U M

DATE: May 22, 2015

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Todd Gloria, Council District Three 

SUBJECT: Council District Three Budget Priorities and Revisions to the Fiscal Year 2016 Budget

The following items are my priorities and proposed revisions to the Fiscal Year (FY) 2016 City Budget. As Chair of the Budget and Government Efficiency Committee for the fifth consecutive year, I have prioritized increased public involvement early in the budget development process. The priorities I offer today are in response to the feedback received from community members during our budget hearings and deliberations. These priorities are also in line with my established policy priorities including neighborhood services, transportation, affordable housing and solutions to ending homelessness, infrastructure, public safety, the environment, and good governance.

This proposal reflects our growing economy and the strengthening fiscal health of the City with the continued restoration of critical services and the addition of new programs. I appreciate the Mayor including many of the Council's budget priorities in the May Revise, and am in full support of the additional funding for many projects and items for which I have advocated, including:

- **Restoration of the library materials budget;**
- **Increased Park & Recreation Center hours;**
- **Program Manager for Balboa Park and Mission Bay;**
- **Horticultural/Irrigation specialist in Park & Recreation;**
- **Information Technology Auditor;**
- **Assistant Traffic Engineer for transportation planning;**
- **Additional staffing in Personnel and Purchasing & Contracting;**
- **Additional Deputy City Attorney position;**
- **Additional support staff for the Community Parking District Program Manager; and**
- **Funding to implement the Council-approved sick leave policy (AB 1522).**

I am also pleased to see the supplement to the May Revise adding two positions to the City Attorney's Office, particularly the Deputy City Attorney position included to enforce substandard housing issues. Substandard housing and slumlord activity are major challenges facing working families, and the City must do its part to make sure that we are enforcing fair and healthy living conditions throughout San Diego.

Additionally, I appreciate the inclusion of funding for a **temporary dog park for Ward Canyon Neighborhood Park** in Normal Heights and believe this is an important step toward realizing this long awaited and significant community asset. I would like to see this interim solution completed as quickly as possible in FY 2016, and hope that we can make progress towards designing Phase I of this park in FY 2017.

FY 2016 BUDGET REVISIONS

- **Public Safety:** Public safety must always be the City's top priority. Now that we have implemented a plan to stabilize the Police Department and retain officers with a new contract, it is my hope that we can focus more efforts on community oriented policing to ensure that our law enforcement is building ties and working closely with our citizens and neighborhood groups. While I understand and appreciate the approach that all officers should be community-oriented in how they conduct business, I have seen the dramatic impact of Community Relations Officers (CRO) in District Three through the added value of continuity, accessibility and strong community relationships. I request that the department develop and present a community-policing restoration plan for the current year. Accountability must equally be a priority for the department, and I would like to see department reforms this year to include enhanced oversight and mandatory reporting guidelines. I further ask to include all funds necessary to ensure the complete and timely implementation of the recommendations made by the Police Executive Research Forum (PERF).

Finally, I have been very vocal about my concerns related to data privacy and surveillance technologies, particularly with respect to the Police Department. I continue to advocate for a citywide privacy policy, and believe the addition of an IT Auditor position to examine risk within the City's IT functions is a step in the right direction.

- **Ending Homelessness:** I am glad to see that this budget proposal maintains the same level of General Funds for homeless programs and services. As Chair of the Regional Continuum of Care Council, I will continue to advocate for a coordinated system of outcomes-driven homeless programs and services to move people off the streets as efficiently as possible into permanent housing. The Council has paved the way for systems change this fiscal year by approving my plan to reallocate the City's limited homeless services funds to results-oriented programs and transitioning the City's interim housing facility from a 16-week winter tent to a year-round permanent program. In FY 2016, the City should continue to 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.
- **Library:** I am pleased to see that the Mayor responded to the requests of the community and the Council and restored the materials budget for the Library Department. I continue to be a strong advocate for our library system and am concerned that we are still not committing the required 6.0% of General Funds to the library as outlined in the City's Library Ordinance.
- **Arts & Culture Commission:** The percentage of TOT dedicated to Arts and Culture has remained systematically flat for the past few years. I recognize we are unable to fund the full blueprint amount, but I would like to see an upward trajectory in the spirit of the Penny for the Arts Blueprint.

- **Film Commission:** I support funding to re-establish the San Diego Film Commission, and was encouraged to see funding in the proposed budget. This effort has the potential to bring \$100 million in local spending by film and television companies each year and will create thousands of good paying jobs annually for the San Diego economy. Coupled with these benefits, San Diego would be eligible for the related 5% tax credit authorized by the state legislature last year. I'd like to see the City increase its total investment to \$750,000, an increase of \$483,731 over the current proposal. This amount would fund \$250,000 in start-up costs for the newly re-established commission and five positions including an Executive Director/CEO/Commissioner, a PR/Marketing Director, a Community Liaison/Locations Coordinator, a Permitting Coordinator and a Secretary/Office Administrator. Additionally, I am happy to see that we are working with the County and the San Diego Foundation to identify matching funds, and encourage the Mayor's Office to pursue matching funds from the Tourism Marketing District.
- **Fleet Mechanics:** I appreciate the inclusion of nine additional mechanics in the Fleet Division and am encouraged by the work of our new management team to repair this division. However, the alarming number of vehicles down combined with extremely overworked employees paints a clear picture of the failure of this managed competition. I urge management to continue to evaluate the number of mechanics necessary to support services levels and encourage funding to be considered for 14 additional Fleet Technicians (Job 20000420) for a total cost of \$1,368,416 annually (\$97,744 average salary and fringe per technician).
- **Personnel:** I continue to have concerns about the City's ability to hire more than 500 new positions and worry that our Personnel Department is being set up for failure. We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services, and request that additional positions be included to support new hires in FY 2016. I request funding for two Associate Personnel Analysts to provide more timely review of applications and assistance to the hiring departments at a total cost of \$191,602 annually.
- **Mission Beach Fly Infestations:** I was alarmed by the concerns of residents and business owners in Mission Beach regarding fly infestations in the summer months, and encourage management to look for a creative solution to this problem.
- **Comprehensive Infrastructure Investment Strategy:** The lack of a comprehensive long-term solution to our multi-billion dollar infrastructure problem is the biggest long-term challenge facing our City. To remain economically competitive, we must work together to develop a sustainable plan for how we will pay for the Citywide infrastructure upgrades. With 870 miles of roads paved in the last five years, the Mayor's 1,000 miles proposal is not much more than status quo. Steps must be taken to identify a robust revenue plan and pursue potential bond options on the ballot.
- **Independent Budget Analyst:** I request an additional \$20,000 for you to hire outside consultants on an as-needed basis throughout the course of the fiscal year on particularly complex matters. This will ensure that your office can continue to provide clear, objective and unbiased analysis and advice to the City Council.

FY 2016 ADDITIONAL REVENUE SOURCES AND BUDGET MODIFICATIONS

- 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. Additionally, I will be requesting a status update at the Budget & Government Efficiency Committee on the implementation of recommendations laid out in the Huron report to streamline ongoing operations and achieve cost savings in Fleet, Real Estate Assets, and Purchasing and Contracting.
- **Encourage Corporate Sponsorships and Public-Private Partnerships:** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These partnerships are sure to benefit our taxpayers and strengthen our General Fund.
- **Real Estate Assets Vacant City Inventory:** In the first quarter of FY 2016, 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.
- **\$1.8 Million Elections Fund:** It is my understanding that the Charter Review Committee intends to bring forward a package of Charter revisions to the voters in 2016, and it is my hope that this package will include additional reforms to the referendum process and elections timeline. However, with the City Council's rescission of the One Paseo project, the full \$1.8 million set aside for additional elections-related costs may not be necessary and could be freed up for alternative one-time uses.
- **Bayside Fire Station:** I recommend utilizing \$5 million in one-time excess equity to fund the Bayside Fire Station instead of tying up ongoing resources. This one-time expenditure could be funded in lieu of prefunding the Public Liability Reserve to our full FY 2018 target of 47% and creating the Pension Reserve Trust prior to a robust policy discussion. Remaining excess equity will still enable us to meet our FY 2017 reserve target of 43%.
- **Pension Payment Stabilization Reserve Trust:** The City has taken drastic steps to reform and stabilize our pension system, and this fiscal year will be the eleventh consecutive year that the City pays its pension bill on time and in full. With unpredictable market activity and the fluctuations in actuarial assumptions, I recognize the potential need to put away funding so that public services are not impacted in the future. The City Council must immediately weigh in on policies and procedures related to establishing this trust fund, and consider the size of this fund with respect to our needs and risk potential. I am committed to docketing this discussion at the Budget & Government Efficiency Committee in June. In the meantime, I support your recommendation to keep a set aside of Excess Equity equal to 1% of the General Fund revenues calculated in the same manner as the 14% reserve requirement, equal to \$11.6 million.

Thank you for your guidance in consolidating our priorities, which will help to ensure an effective and informed budget development process. I look forward to working with you, the Council, the Mayor and our citizens to deliver a balanced and responsible budget for FY 2016.

RECOMMENDED FY 2016 BUDGET ADJUSTMENTS			
RESOURCES		EXPENDITURES	
Bayside Fire Station Adjustment	\$ 5,000,000	Film Commission	\$ 358,731
		2.0 Associate Personnel Analysts	\$ 191,602
		14.0 Fleet Technicians	\$ 1,368,416
		IBA Outside Consultant	\$ 20,000
Sub-Total Additional Ongoing Resources	\$ 5,000,000	Sub-Total Additional Expenditures Using Ongoing Resources	\$ 1,938,749
Prefund Public Liability Reserve	\$ 1,725,000	Bayside Fire Station Adjustment	\$ 5,000,000
Pension Reserve Trust	\$ 15,000,000	Film Commission	\$ 125,000
		1% Excess Equity Reserve	\$ 11,600,000
Sub-Total Additional One Time Resources	\$ 16,725,000	Sub-Total Additional Expenditures Using One Time Resources	\$ 16,725,000
Total Additional Resources	\$ 21,725,000	Total Additional Expenditures	\$ 18,663,749

TG:jl