




City of San Diego
Councilmember Scott Sherman
Seventh District

MEMORANDUM

DATE: May 31, 2013

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Scott Sherman 

RE: Recommended Budget Revisions for Fiscal Year 2014 Budget

The financial outlook for Fiscal Year 2014 (FY14) is more encouraging than this City Council has seen in years. Our region's slow economic recovery provides the welcome opportunity to restore core city services which have been cut over the last five years. While the Mayor's budget has some positive aspects, such as a slight increase in infrastructure funding and the addition of four civilian positions to support Police Department operations, the proposed budget somehow adds millions of new dollars and many new positions without increasing library hours or rec center hours. This budget appears to expand the size of city government in every direction with little focus or sense of priority.

I encourage the Mayor and Council to focus primarily on **core** neighborhood services in this critical rebuilding year. The following are my recommended budget revisions for Fiscal Year 2014:

Focus personnel additions on police, libraries, park & rec, and other core services

The proposed budget includes dozens of new FTEs (full time equivalent positions) in areas such as the new "Civic and Urban Initiatives" program housed within the Mayor's office, administrative analysts, aides, and support staff for City TV. I understand that these additions may provide some value but I believe the City's focus should be on service restorations of core neighborhood services. I recommend that the Council only increase FTEs in the Library, Park & Rec, Police, Lifeguard and other departments which support core frontline neighborhood services.

Maintain City Attorney funding at FY13 levels

The City Attorney's office provides legal support to every function of City government. This critical department performs well which made it surprising to see the Mayor propose significant cuts to that budget. Most unusual was the elimination of specific positions from within that department's budget. I recommend the Mayor maintain the City Attorney's budget as-is from FY13.

Implement managed competition

San Diego voters passed managed competition overwhelmingly in 2006, and after years of delays this cost-saving, common-sense program was beginning to get off the ground last year. Unfortunately, that progress has stalled. In fact, budgeted savings from managed competition may not be realized in this fiscal year. It is my top budget priority to see managed competition move forward without delay, specifically street sweeping, PUD customer support, street and sidewalk maintenance, landfill operations and fleet maintenance for savings of \$4.1 million.

Restore overnight camping at Mission Trails Regional Park & improve the Visitors' Center

The City of San Diego operated a campground in Mission Trails Regional Park until budget cuts closed the Kumeyaay Lake Campground to overnight camping in 2009. As the only public campground within the City of San Diego and because it is located close to our urban neighborhoods Kumeyaay Lake provides a unique opportunity for San Diego residents to camp overnight.

Although the Mayor proposed a restoration of that campground in the FY13 Mid-Year Budget Monitoring Report, the funding was pulled from the campground and put toward \$200,000 in free bus passes for select students. As discussed at City Council, I recommend the City work with MTS to provide free bus rides for students on bus routes which are already in operation. This approach could benefit even more students citywide and would free the \$200,000 for the campground.

Regardless of MTS' willingness to provide free bus rides for students and because it may take some time to advance that proposal at MTS, I support funding to **restore overnight camping** at Kumeyaay Lake Campground and the related energy-efficient upgrades to the Mission Trails Visitors Center in the FY14 budget.

Eliminate "Civic & Urban Initiatives" Program

The Mayor's "Civic & Urban Initiatives" program is an increase in 6 FTEs. While I appreciate the intent of the proposal, I believe that the City should focus on core neighborhood services as outlined in my opening paragraph. I recommend increasing 6 FTEs in the Library Department rather than creating a new bureaucratic unit to work with existing bureaucracy.

Fund Director of Open Government, La Jolla seal camera & Intranet Quorum (IQ) software out of the Mayor's existing budget

These three items are directly under the Mayor's purview. Representations from the Mayor indicate that the Director of Open Government position will be housed within the Mayor's office. The Mayor spoke at Council about his personal commitment to the seal camera and the IQ software will serve the Mayor's office directly. For these reasons it would be appropriate to fund these items out of the Mayor's existing budget, rather than increase expenditures.

Eliminate \$100,000 for EMS "operations study" and move forward with RFP as planned

The budget allocates \$100,000 for an EMS "operations study" to determine if that service could be brought "in-house," a major departure from years of City practice. This proposal also deviates significantly from the planned RFP for ambulance services. I recommend that we cancel the proposed operations study and move forward with the RFP as planned.

Direct \$185,000 in BID support to appropriated reserves

I was happy to see the Mayor restore \$185,000 in BID support in the May revise. These funds had been pulled from the BID Council, which has done a great job supporting San Diego's Business Improvement Districts and small business owners for years. While I support putting these funds toward non-personnel expenses, I would like to see clarification that the funds will remain allocated to the BID Council as they always have.

For that reason I recommend directing this \$185,000 to appropriated reserves until the City Council can review the City's SBEP Policy (Council Policy 900-15) at the July meeting of Rules and Economic Development.

Provide funding for sidewalk condition assessment

Many San Diegans would be surprised to learn that our city had not performed a street condition assessment before 2012. Similarly, it is surprising that San Diego has not looked closely at the true state of our sidewalks. The Infrastructure Committee, which I sit on, has identified a sidewalk condition assessment as a priority. I recommend the Council include a sidewalk condition assessment in the FY14 budget.

Lease/Purchase of CAD system

The City has set aside \$6.9 million for the purchase of a new computer aided dispatch (CAD) system. The IBA has recommended that the City do a lease/purchase agreement for the system when public safety is ready to move forward.

Rather than put the entire \$6.9 million aside with the City potentially years away from completing the update, I recommend allocating \$1.5 million to make the first year's lease/purchase payment. The remaining funds should be used to fund a number of the priorities identified by the Police Department in their Five Year Plan with \$2 million set aside to address police retention concerns voiced by the Police Department.

Increase funding for facility maintenance focused on police and cultural facilities

Infrastructure funding, coupled with restoration of core neighborhood services, should be the City's priority as we begin to emerge from our recent economic troubles. Because San Diego likely has over \$1 billion in deferred infrastructure maintenance I am glad to see a slight increase in infrastructure funding for slurry sealing and repair to concrete streets. However, I would like to see increased funding of \$600,000 for police facilities (which is consistent with the PD's Five Year Plan). I would also like to see \$200,000 in additional maintenance on cultural facilities (which is consistent with the "Penny for the Arts" blueprint). This increased funding could come from efficiencies within Public Works-General Services Administration and facility functions.

Allocate savings from five-year labor contracts to increase Library and Park & Rec hours

The City's employee bargaining units have come to an agreement on a five-year labor deal which adheres to Proposition B's freeze on pensionable pay. The actuarial savings from the certainty of a five-year pensionable pay freeze will provide tens of millions in savings. I recommend that the savings achieved from that deal (after the cost of pay increases is accounted for) be allocated to increased Library Department and Park & Recreation Department hours.

Expand the City Attorney's Neighborhood Prosecution Unit

With the State of California pushing more responsibility for the criminal justice system onto local agencies it is important to remain ahead of the problem and aggressively fight crime in San Diego. The Neighborhood Prosecution Unit partners with the Police Department in select neighborhoods to help train officers and aggressively combat crime. In February the City Attorney requested additional funding to make this unit more robust as San Diego addresses a larger workload due to Sacramento's actions. I recommend funding this unit at the \$758,000 requested.

Increase infrastructure funding

I appreciate that the current budget invests in San Diego's billion-dollar deferred infrastructure maintenance. I'm glad to see funding budgeted above "Enhanced Option B" because it is so desperately needed. However, given the enormous backlog of deferred maintenance and the delay in the infrastructure bond which was previously scheduled for this year I recommend that infrastructure funding be even more than the currently budgeted amount in FY14. Again, this rebuilding year should be focused on core neighborhood services like roadways and other infrastructure.

Direct additional funding to increase the amount of the City's General Fund Reserve

When our region's economic situation improves, like we are currently witnessing, it is important to maintain large reserves to absorb potential future down times. I recommend the City strive for a 15% reserve limit and begin working toward that goal with any additional revenue left over in the FY14 budget.