

**THE COMMITTEE ON BUDGET AND FINANCE
OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO**

**Councilmember Todd Gloria, Chair
Councilmember Carl DeMaio, Vice Chair
Council President Pro Tem Kevin Faulconer
Councilmember Sherri Lightner
Councilmember Marti Emerald**

**ACTIONS FOR
WEDNESDAY, NOVEMBER 2, 2011, AT 9:00 A.M.**

**COUNCIL COMMITTEE ROOM (12TH FLOOR),
CITY ADMINISTRATION BUILDING
202 C STREET, SAN DIEGO, CALIFORNIA**

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All Committee members present.

NON-AGENDA PUBLIC COMMENT: None.

COMMITTEE COMMENT: Chair Gloria acknowledged receipt of a memo from Councilmember Zapf requesting that the streamlining recommendations presented by staff today be expedited to Council.

Councilmember DeMaio thanked Chair Gloria for docketing today's items and called attention to his "Save Our Streets" Plan.

CITY ATTORNEY, IBA, AND MAYORAL STAFF COMMENT: None.

ADOPTION AGENDA

Approval of the Record of Action Items for October 19, 2011

ACTION: Motion by Councilmember DeMaio, second by Chair Gloria, to approve.

VOTE: 5-0; Gloria-yea, DeMaio-yea, Lightner-yea, Faulconer-yea, Emerald-yea

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DISCUSSION/ACTION ITEMS

ITEM-1: [Report from the Office of the Independent Budget Analyst: OVERVIEW OF THE CITY'S DEFERRED CAPITAL](#) [PowerPoint](#)

ACTION: Motion by Councilmember Emerald, second by Chair Gloria to request that the Mayor return to the Budget and Finance Committee in January 2012 with responses to IBA recommendations 1 through 7 as follows:

Actions Required to Facilitate Identifying Service Levels for the Three Main Asset Classes

1. Review City staff resources to ensure adequate staffing for increased Deferred Capital funding
2. Implement Project Delivery Methods to expedite Deferred Capital Projects
3. Implement City Auditor's CIP Performance Audit Recommendations that City staff has agreed with. Continue to review other City Auditor recommendations for future implementation.
4. Update "Catch-Up" funding requirements to reflect updated Streets Condition Assessment and the impacts of funding already expended.
5. Undertake comprehensive review of all funds that could be used for Deferred Capital expenditures either directly or leveraged for future bond issuances.
6. Develop prioritized project lists for each of the main asset classes.
7. Specifically identify how the proposed \$500 million in bond funds included in the Five-Year will be utilized between "Catch-up" and "On-Going" capital expenditures.

The Mayor, prior to any additional bond financing, is also asked to provide an assessment and plan on how staff will monitor the Capital Program and address the capacity issues raised by the IBA.

Additionally, the Budget and Finance Committee accepted IBA recommendations 1 through 5 as follows:

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Ongoing Monitoring of Deferred Capital Program

1. Develop “Deferred Capital” webpage on the City’s website that provides critical information on project descriptions, time-lines, status updates and funding.
2. Develop table for the City’s website that details funding required for “Catch-Up” on “On-Going” maintenance expenditures for the three main asset classes. This should include the amount and funding source included in the annual budget.
3. Implement Semi-Annual reports to a Council Committee regarding the status of the Deferred Capital program
4. During the Annual Budget process, review the required “On-Going” maintenance funding to ensure that an adequate funding level is included in the budget that is balanced against other service priorities and also that the Council is informed of the impacts to the “Catch-Up” backlog.
5. Include in Future Five Year Outlooks the required funding to match the approved Deferred Capital service level assumptions.

Lastly, the IBA was directed to incorporate into her review of the Mayor’s Five-Year Outlook and in a future revised Five-Year Outlooks, funding recommendations for on-going maintenance for various service levels (i.e. status quo, level between status quo and Alternative one, and Alternative I).

VOTE: 5-0; Gloria-yea, DeMaio-yea, Lightner-yea, Faulconer-yea, Emerald-yea

ITEM-2: [Report from the Department of Public Works, Engineering and Capital Projects](#) regarding STREAMLINING CIP AND CONTRACTING IMPROVEMENTS

ACTION: Motion by Councilmember Faulconer, second by Councilmember DeMaio to direct the Mayor and City Attorney to return to the Budget and Finance Committee at the soonest possible date with the required Council Policy and Municipal Code changes required to implement the proposed contracting tools with the following additional direction:

1. Incorporate IBA recommendations:
 - Explore changes to the current CIP document including clearly

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identifying a list of projects that will go to bid during the fiscal year.

- Undergo a review of all the projects in the CIP document to ensure that the projects will realistically be started in the next five years.
- Dedicate more time during the annual budget hearing process for CIP review.
- Request that staff discuss how information such as Equal Opportunity participation on large projects would be disseminated to the City Council.
- Require quarterly CIP Program updates to the City Council.
- Regarding the transfer of project savings to other projects: staff is requested to clarify how projects will be selected for these funds and how the information will be shared with the City Council.
- Council should consider direct docketing to full City Council for CIP Projects (no Committee hearing required).

2. Incorporate Councilmember Lightner's recommendations:

- Address multiple jurisdiction concerns via a possible MOU.
- Identify following year's CIP projects at mid-year.
- Request that the IBA provide input for establishing revised approval thresholds.
- Request that the IBA provide input for establishing Multiple Award Construction Contract total and task order dollar thresholds.
- Request that the City Attorney clarify who is responsible for prescribing bid protest regulations (i.e. City or State?)

VOTE: 5-0; Gloria-yea, DeMaio-yea, Lightner-yea, Faulconer-yea, Emerald-yea

ITEM-3: [Report from the Department of Public Works, Engineering and Capital Projects regarding MULTIPLE AWARD CONSTRUCTION CONTRACTS](#)

ACTION: Motion by Councilmember Faulconer, second by Councilmember DeMaio to direct the Mayor and City Attorney to return to the Budget and Finance

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Committee at the soonest possible date with the required Council Policy and Municipal Code changes required to implement the proposed contracting tools with the following additional direction:

3. Incorporate IBA recommendations:

- Explore changes to the current CIP document including clearly identifying a list of projects that will go to bid during the fiscal year.
- Undergo a review of all the projects in the CIP document to ensure that the projects will realistically be started in the next five years.
- Dedicate more time during the annual budget hearing process for CIP review.
- Request that staff discuss how information such as Equal Opportunity participation on large projects would be disseminated to the City Council.
- Require quarterly CIP Program updates to the City Council.
- Regarding the transfer of project savings to other projects: staff is requested to clarify how projects will be selected for these funds and how the information will be shared with the City Council.
- Council should consider direct docketing to full City Council for CIP Projects (no Committee hearing required).

4. Incorporate Councilmember Lightner's recommendations:

- Address multiple jurisdiction concerns via a possible MOU.
- Identify following year's CIP projects at mid-year.
- Request that the IBA provide input for establishing revised approval thresholds.
- Request that the IBA provide input for establishing Multiple Award Construction Contract total and task order dollar thresholds.

Request that the City Attorney clarify who is responsible for prescribing bid protest regulations (i.e. City or State?)

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VOTE: 5-0; Gloria-yea, DeMaio-yea, Lightner-yea, Faulconer-yea,
Emerald-yea

ITEM-4: [Report from the Department of Public Works, Engineering and Capital Projects](#)
regarding DEFERRED CAPITAL BOND #1, STATUS AND CHANGES TO
PROJECT LIST [PowerPoint](#)

ACTION: Motion by Councilmember Faulconer, second by Councilmember
DeMaio to recommend approval of the actions requested by staff and forward to
City Council for consideration.

VOTE: 5-0; Gloria-yea, DeMaio-yea, Lightner-yea, Faulconer-yea,
Emerald-yea

ITEM-5: [Report from the Department of Public Works, Engineering and Capital Projects](#)
regarding SANDAG AUDIT

ACTION: Motion by Councilmember Lightner, second by Councilmember
Emerald to recommend approval of the actions requested by staff and forward to
City Council for consideration.

VOTE: 4-0; Gloria-yea, DeMaio-not present, Lightner-yea,
Faulconer-yea, Emerald-yea

ITEM-6: [Report from the Department of Public Works, Engineering and Capital Projects](#)
regarding AMENDMENT TO THE 2010 REGIONAL TRANSPORTATION
IMPROVEMENT PROGRAM (RTIP)

ACTION: Motion by Councilmember Lightner, second by Councilmember
Emerald to recommend approval of the actions requested by staff and forward to
City Council for consideration.

VOTE: 4-0; Gloria-yea, DeMaio-not present, Lightner-yea,
Faulconer-yea, Emerald-yea

ITEM-7: [Report from the Department of Public Works, Engineering and Capital Projects](#)
regarding PROP 1B – LOCAL STREETS AND ROADS IMPROVEMENTS RE-
ALLOCATION OF FUNDS

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ACTION: Motion by Councilmember Lightner, second by Councilmember Emerald to recommend approval of the actions requested by staff and forward to City Council for consideration.

VOTE: 4-0; Gloria-yea, DeMaio-not present, Lightner-yea, Faulconer-yea, Emerald-yea



Todd Gloria
Chair