



THE CITY OF SAN DIEGO

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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**Date Issued:** March 9, 2012

**IBA Report Number:** 12-12

**Budget Committee Docket Date:** March 14, 2012

**Item Number:** 4

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# FY 2013 City Council Budget Priorities

## OVERVIEW

On November 8, 2011, the City Council adopted the schedule of key dates for the Fiscal Year 2013 budget development process, which included hearings for Council input into the process. Budget & Finance Committee Chairman Todd Gloria requested Councilmembers to submit their individual budget priorities for the Fiscal Year 2013 Budget to the Office of the IBA by March 2, 2012.

This report compiles the individual budget priorities of each Councilmember as stated in each memorandum. These memoranda from Councilmembers are provided as Attachment Two to this report. Common themes have been identified to represent the budget priorities of the entire City Council. These themes will serve as the basis for the Budget Priorities Resolution to be adopted by City Council, and subsequently forwarded to the Mayor for his consideration as he develops the FY 2013 budget.

City Council budget priorities, as outlined in this report, are scheduled to be discussed by the Budget and Finance Committee at its meeting on March 14, 2012. The IBA requests that the Committee review and discuss the areas highlighted in this report and forward to the City Council with any desired direction. This report, as revised by the Budget & Finance Committee, will be heard by Council on March 19, 2012.

## FISCAL/POLICY DISCUSSION

### FY 2013 City Council Budget Priorities

The Councilmember memoranda focused on continuing to provide increased services to the citizens of San Diego through efficiencies and effectiveness. Another theme consistent throughout was the continued emphasis on responsible and transparent governance and fiscal stability. As stated in Committee Chairman Todd Gloria's memorandum, the primary goal for the continued responsible governance is to assure the City never faces a structural budget deficit again. To achieve these goals, our Office continues to emphasize the eleven guiding principles

adopted by City Council on February 22, 2010 (Attachment Three) for eliminating the structural budget deficit, including the maintenance of sufficient reserves.

In reviewing the memoranda submitted by each Councilmember, it became clear that many areas were consistently mentioned as budgetary priorities, either specifically or that could be captured in one of the following six categories:

### **Funding of Public Safety**

Adequate public safety spending for Fire-Rescue, Police, Lifeguards, and Neighborhood Code Compliance has been of significant Council concern during budget discussions, and the majority of Councilmembers have once again reflected this in their priorities. Priorities relating to funding of public safety in the memoranda include the following:

- Restoration of civilian positions within the Police Department (including Community Service Officers and Investigative Aides) to allow sworn officers to return to patrol duties
- Support for increasing 15 police cadets in the April academy as outlined in the FY 2012 Mid-Year Budget Monitoring Report. There is also support for a further increase in both Police and Fire-Rescue cadets / academies in FY 2013
- Restoration of previous Lifeguard cuts, including: 3.0 lifeguard positions, for training and outreach
- Review of the current capacity of the Neighborhood Code Compliance program, and providing additional funding to this division if they are unable to achieve desired service levels
- Consideration of implementing recommendations included in the Citygate Report for additional Fire-Rescue department resources
- Councilmembers have also supported the Mayor's recommendation for the final \$2.7 million investment in the fire alert system in FY 2012 to improve public safety and response times

### **Continued Restoration of Service Levels**

Due to the extreme budget constraints faced by the City after the onset of the economic recession, service levels throughout all City departments were reduced to balance the General Fund budget. As evidenced by the identified surplus in the FY 2012 Mid-Year Budget Monitoring Report, revenues have increased above budgeted amounts and a corresponding increase in revenues can be reasonably assumed for FY 2013 above previous levels forecasted in the latest Five-Year Financial Outlook. Based on the projected continued increase in revenues, Councilmembers have identified potential restoration of services in addition to possible efficiencies that would allow increased service levels. Some of these items included in the memoranda are as follows:

- Maintain and possibly increase the hours restored for Park & Recreation and Library in FY 2013 (increased in the FY 2012 Mid-Year Report)
- High vacancies reported to Council in the Library department should be aggressively addressed through streamlining to allow proper service levels with proposed expanding hours
- Continue reforms and efficiencies in every department to create the highest service levels possible at the best cost
- Evaluation of "Express Service" model for each library to allow the same staff levels to expand hours beyond the level restored in the FY 2012 Mid-Year Report

### **Investment in Streets and Public Assets**

The City has identified approximately \$900 million in deferred capital backlog of projects. Addressing these deferred capital projects in the most fiscally prudent manner is a Council priority in FY 2012, with both Committee and Council actions underway for the financing and selection of capital projects to be undertaken. Based on responses included in the memoranda, this remains a priority for FY 2013. Councilmember memoranda supported increased cash funding for deferred capital projects, including streets and other infrastructure. This includes support for the Office of the IBA's recommendation to include the \$8.3 million identified surplus in the FY 2012 Mid-Year Report to be included in cash funding for operations & maintenance (O&M) spending in the FY 2013 Budget. This would achieve the "status quo" O&M spending level of \$54.1 million.

### **New Innovations and Partnerships**

Numerous Councilmembers identified new initiatives and ways to benefit the City and General Fund by expending or creating new opportunities. Some of these items in the Council memoranda include:

- Look into the continued use of volunteers to supplement City services where possible
- Find public / private partnerships that would benefit the City through potential cost savings and efficiencies
- Expansion of city services online for businesses and individuals (possible use of anticipated IT contract savings)
- Converting work hours shifts to 4/10 or 9/80 for positions that are not public safety related
- Continued managed competition processes to create savings and more efficient services to citizens of San Diego
- Continuation of marketing partnership program for new revenue sources

### **Economic Development Replacement**

With the State's elimination of Redevelopment programs, the City Council has emphasized finding ways to create economic stimulus in local communities as a budget priority for FY 2013. Although the fiscal impact to the City based on the Redevelopment Agency's dissolution is currently unknown, replacing the positive impact it had on the City and additional programs that were identified in the memoranda to spur economic development include:

- Funding sufficient resources in FY 2013 to allow neighborhoods to establish special assessment districts so residents can determine the level of services they choose
- Community plan update funding to create long term planning to spur development
- Reduction of permit fees for responsible businesses while penalizing negligent businesses
- Provide continued opportunities for local green businesses

### **One-Time Items**

The following one-time funding items, which have no recurring impact on the City's General Fund, were identified by Councilmembers in their memoranda:

- Funding for a new Fire-Rescue multi-purpose vehicle to provide core life safety services

- Approximate \$0.5 million funding for the Neil Good Day Center for homeless services to continue operations to provide San Diego's homeless population certain benefits. This could be a one-time expenditure for FY 2013 or a recurring expenditure, depending on Council action.
- Prioritization of the implementation of the Supplier Relationship Management module in SAP, and if budget allows, the implementation of a full bidder registration system beyond SRM
- Funding for new Police Department technologies that would allow increased public safety through communication and other means

### City Council Outcome Measures

On February 3, 2012 the Budget and Finance Committee discussed a concept regarding the City Council identifying a focused subset of City performance measures, from the City's 279 existing measures, or new measures if necessary, which best represent City Council priorities and policies. Committee members expressed strong support for this idea and requested the IBA to obtain feedback from individual City Council members regarding specific measures. The Committee emphasized the importance of focusing on meaningful outcome-based measures which will give policy makers and the public the tools to assess effectiveness in addressing issues pertaining to quality of life in our community. The Committee also emphasized that this subset should not replace the 279 department measures which are vital to assessing efficiency and effectiveness of departmental operations.

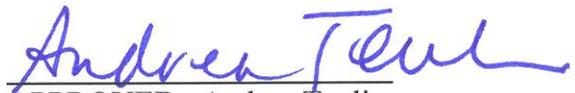
The attached list of 63 performance measures (Attachment One) have been selected to represent City Council priorities in five broad areas: Community Services; Business and Economic Development; Infrastructure Maintenance and Enhancement; Environment and Sustainability; and Efficient, Effective, and Economical Government. As part of the FY 2013 Budget Priorities Resolution the Council requests the Mayor to join with them in embracing these priorities by consistently tracking these measures and making them highly visible to the public through the City's budget documents and website.

### CONCLUSION

It is recommended that the Budget and Finance Committee review and discuss the budget priorities highlighted in this report, and forward it with any desired direction for full Council consideration of the Budget Priorities Resolution. We also recommend that the attached City Council Outcome Measures be reviewed and modified as desired and included as part of this resolution.



Seth Gates  
Fiscal & Policy Analyst



APPROVED: Andrea Tevlin  
Independent Budget Analyst

- Attachments: 1. City Council Outcome Measures  
2. Councilmember Memorandums  
3. Guiding Principles

**ATTACHMENT ONE  
CITY COUNCIL OUTCOME MEASURES**

***Community Services***

FY 2012

FY 2013

- Average Police Response Times:
  - Priority E Calls
  - Priority 1 Calls
  - Priority 2 Calls
  - Priority 3 Calls
  - Priority 4 Calls
- Sworn Officers per 1000 Population
- Violent Crimes per 1000 Population
- Sworn Firefighters per 1000 Population
- Fire Response Times:
  - % of Time a Multi-Unit Response of at Least 17 Personnel Arrives in 10:30 Minutes / Seconds from the Time of the 911 Call Receipt in Fire Dispatch
  - % of Time the First-Due Unit Arrives in 7:30 Minutes/Seconds from the Time of the 911 Call Receipt in Fire Dispatch)
  - % of Time Ambulance Response Time Complies with Citywide Standards
- Lifeguards per 1000 Population
- Ratio of Drowning Incidents to Beach Attendance at Guarded Beaches
- Annual Park and Recreation Program Attendance:
  - Adult Programs
  - Youth Programs
- Recreation Center Hours per Week
- Aquatics Program Hours per Week (during season)
- Annual Library Circulation per 1,000 Population
- Total Library Hours per Week:
  - Central Library
  - Branch Libraries
- Annual Library Program Attendance:
  - Adult Programs
  - Youth Programs
- Number of Library Patrons Signed Up to Use the Internet at Library Computers
- Number of Homeless Individuals Assisted in Winter Shelter Program
- Annual Creation of New Affordable Housing Units
- Percent of Code Enforcement Cases Acted on Within 30 Days

**ATTACHMENT ONE  
CITY COUNCIL OUTCOME MEASURES**

***Infrastructure Maintenance and Expansion***

FY 2012      FY 2013

- Percent of Programmed Capital Improvement Projects Completed Of:
  - Total Funded Projects (Excluding Public Utilities)
  - Total Funded Deferred Capital Projects
  - Total Funded Public Utilities Projects
- Average Number of Days from Bid of CIP Project to Contract Award
- Average Number of Days from Time of Award to Start Construction
- Miles of Streets Resurfaced / Slurry-Sealed
- Miles of Streets Overlaid
- Miles of Bike Lanes Completed
- Average Cycle Time to Repair / Replace A Streetlight
- Percent of Potholes Repaired in 3 Days or Less
- Percent of Storm Drain Structures Cleaned Annually
- Number of Water Main/Pipeline Breaks
- Number of Storm Drain/Pipeline Breaks
- Average Cycle Time to Repair / Replace Sewer Mains
- Average Cycle Time to Repair / Replace Water Mains
- Sanitary Sewer Overflows/Amount of Overflow

***Business and Economic Development***

FY 2012      FY 2013

- Number of New Businesses Permitted
- Number of New Jobs Created by Sector:
  - Military
  - Manufacturing
  - Tourism
  - International Trade
  - Technology
- Private Sector Investment Dollars Generated by Economic Development Programs
- Number of Enterprise Zone Vouchers Issued
- Average Cycle Time for Completing Plans Review
- Average Cycle Time for Completing Development Inspections
- Average Number of Days from Purchasing and Contracting RFP Issuance to Contract Award
- Percent of Contracts, Based on Total Dollar Value, Awarded to SBLE's (Including Minority and Woman-Owned Businesses)
- Conventions Booked and Held Annually
- Annual Convention Center Visitors
- TOT Revenue Generated Annually
- Number of City Processes That Can Be Completed On-Line
- Number of City Forms That Can Be Completed and Submitted On- Line

**ATTACHMENT ONE  
CITY COUNCIL OUTCOME MEASURES**

<i>Environment and Sustainability</i>		
	FY 2012	FY 2013
- Tons of Household Hazardous Waste Diverted from Landfill		
- Tons of Recyclable Materials Diverted from Landfill		
- Average Waste Disposal per 1000 Population		
- Tons of Solid Waste Disposed at Landfill		
- Landfill Compaction Level		
- Number of Acres of Parks and Open Space per 1000 Population		
- Percentage and Frequency of Streets Swept		
- Average Gallons of Water Used per Day per 1000 Population		
- Average Gallons of Recycled Water Used Annually		
- Number of Users of All-Electric Vehicle Car-Share Pilot Program (Car2Go)		
- Percent Reduction of Carbon Footprint of City's Fleet		

<i>Efficient, Effective, and Economical Government</i>		
	FY 2012	FY 2013
- General Fund Lease Revenue Bond Ratings		
- Public Utility Bond Ratings:		
Water		
Wastewater		
- General Fund Reserves (as a % of Total General Fund Revenues) Compared to Goal		
- Public Liability Reserves Compared to Goal		
- Workers Compensation Reserves Compared to Goal		
- Debt Capacity Ratio (General Fund Backed Debt Service as a % of General Fund Revenue)		
- Ratio of City Monetary Benefits from Audit Activities to Audit Costs		
- Annual Savings from Managed Competition/Outsourcing Processes		
- Annual Savings/Cost Avoidance from City- Wide Volunteerism		



**CITY OF SAN DIEGO  
COUNCILMEMBER SHERRI S. LIGHTNER  
DISTRICT ONE**

**MEMORANDUM**

DATE: March 2, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Sherri S. Lightner   
SUBJECT: FY13 Budget Priorities and Proposed Program Measures

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We must continue to approach the FY13 Budget with a sense of cautious optimism. While we hope the above projected growth in major General Fund revenue continues to reduce our projected \$10.2 million deficit, there remain a number of variables that could negatively impact the General Fund budget. For example, the restructuring of redevelopment and potential costs associated with an unusually high number of city retirees might both result in additional costs to the City. We also must continue to look for opportunities to create efficiencies and generate savings or additional revenue.

**Budget Priorities**

In previous year's budget memos, I prioritized funding for public safety (police, fire-rescue, and lifeguards), parks and recreation, libraries, and streets. These should all remain our priorities for FY13.

**Potential General Fund Surplus Priorities**

Given the possibility of a modest General Fund surplus in FY13, we have the following additional suggestions for use of surplus funds.

1. Assure Continued Financial Stability
  - a. We should consider creation of a reserve fund that the City could use to smooth required annual payments for pension (ARC) and retiree healthcare. If actual ARC or retiree healthcare payments are less than projected, savings should be directed into this fund for years when the ARC or retiree healthcare payments are greater than projected.

2. Improve Infrastructure
  - a. Increase cash funding for deferred capital projects, including streets and other infrastructure.
3. Restore and Improve Service Levels
  - a. Fireboat: \$1 million. This is a one-time cost, as requested in my joint memo dated February 15, 2012.
  - b. Restore police civilian positions cut in previous budgets, including PSOs and Investigative Aids.
  - c. Increase cadet positions at police and fire academies to at least the minimum level needed to keep up with attrition.
  - d. Maintain the library and recreation center hours increases proposed in the FY12 Mid-Year adjustments: \$1 million and \$381,000 respectively. As the City's fiscal situation improves, more should be done to increase recreation center hours and library hours using the Library Ordinance requirements as a goal.
  - e. Restore three lifeguard relief positions cut in previous budgets: \$333,000
  - f. Assign a new or existing city park ranger to the San Dieguito River Park Joint Powers Authority.
  - g. End rotating pool closures: \$609,495
  - h. End seasonal park restroom closures: \$240,419
  - i. Improve city web functions for businesses.

#### **Priorities for Continued Savings or Additional Revenue**

The following are additional opportunities for savings or increased revenue, some of which have not yet been evaluated.

1. Continue to seek ways to reform City pensions.
2. Continue to implement managed competition while ensuring adequate oversight.
3. Expand use of alternative work schedules, such as 4/10/5.
4. Request presentation of status update on fiscal reforms adopted by Council on June 8, 2009.
5. Partnering with other agencies, such as county, state, federal, and other local governments.
6. Establishing cost recovery agreements with other local agencies and institutions.
7. Improve fairness for City licensed businesses by reducing fees for responsible businesses while increasing fines for negligent businesses.
8. Expand the use of matching programs for gifts.
9. Assure that special events comply with their City permits.
10. Expand use of volunteers.
11. Continue to implement marketing partnerships.
12. Consolidate City office space and eliminate the use of underused rental space. Council should request a status update from Financial Management on this issue.
13. Seek grants or other sources of funding to do energy retrofits for all City buildings for affordable energy and operational savings as well as providing job opportunities to local green businesses.

### **Proposed Policy and Program Measures**

As requested, the following are suggested additions and modifications to the measures listed in the IBA Report 12-08, Attachment 1:

#### **Financial Trends**

- Dollar Amount and Type of Claims Against the City Received by Risk Management
- Dollar Amount and Type of Settlements Paid by the City

#### **Economic Development Trends**

- *Modify:* "Number of Large Businesses Assisted/Retained"
- Convention Center:
  - o Number of Conventions
  - o Number of Convention Days Booked
  - o Number of Convention-related Hotel Room Nights Booked
  - o Number of Convention-related Hotel Room Nights Actually Used

For existing economic development programs provide:

- Number of Applications Processed
- Number of Program Participants
- Total Jobs Created/Retained. This is already being tracked department-wide, but specifics should be provided for each program.
- Programs include:
  - o The Business Cooperation Program
  - o The Guaranteed Water for Industry Program
  - o The Enterprise Zone Program
  - o The Foreign Trade Zone Program
  - o Business Finance Program
  - o Economic Development & Tourism Support Program
  - o Small Business Enhancement Program
  - o The Storefront Improvement Program
  - o The Small Local Business Enterprise Program
- Tax Revenue Generated by Businesses Assisted
- New Business Financing Provided by the City
- %/Number of Projects that Participated in the Sustainable Development Incentive Program
- %/Number of Projects that Participated in the Affordable/In-Fill Housing Expedite Program
- Number of Customers Assisted by the Small Business Liaison by Type of Assistance
- Number of Customers Assisted by the Small Business Ambassador by Type of Assistance
- % of Forms that Can Be Completed and Submitted Online
- %/Number of Projects that Use the FBA/DIF Deferral Program
- Total Housing Impact Fee Revenue Generated
- Total FBA and DIF Revenue Generated

### **City Service Trends**

- Number of Fire Fighters per 1,000 Population
- Number of Lifeguards per 1,000 Population
- Average Caller Hold Time for 911 and Non-emergency Response Phone Numbers
- Average Fee for Park and Recreation Programs
- Number of Aquatic Program Hours
- Number of Pool Hours per Week
- Acres of Brush Clearance Completed
- % of Neighborhood Code Compliance Violations Resolved and Average Time to Complete
- Number of Homeless Assisted in the Emergency Winter Shelter Program
- Number of Affordable Housing Units Built
- Annual or Biannual Customer Satisfaction Survey for City of San Diego

### **Infrastructure Trends**

- *Modify:* “% of Storm Drain Structures Cleaned/Repaired”
- *Modify:* “Number of ADA Curb Ramps Installed” may not be a valuable performance measure in the long-term because eventually all curb ramps will be replaced.
- % of Design-Build Contracts vs. % Separate Contracts
- % of Storm Drains Replaced/Repaired as % of Miles of Storm Drains
- Number of Sewer Drain/Pipeline Breaks
- Miles of Bike Lanes/Sharrows
- Number of City-installed Bike Racks

### **Environmental Trends**

- *Modify:* “% of Streets Swept & How Often Swept”
- *Modify:* “Number of Sanitary Sewer Overflow and Amount of Overflow”
- *Modify:* “Average Gallons of Recycled Water Used” should specify “per day” or other length of time.
- Number of EV Charging Stations

### **Human Resource Trends**

- Annual Number of Retirees
- Annual Attrition Number
- Annual Hiring Number

If you have any questions, please contact my office at (619) 236-6611.

SL/jm



**COUNCIL PRESIDENT PRO TEM KEVIN L. FAULCONER  
CITY OF SAN DIEGO  
SECOND DISTRICT**

**M E M O R A N D U M**

**DATE:** March 5, 2012

**TO:** Councilmember Todd Gloria, Budget and Finance Committee Chair

**FROM:** Council President Pro Tem Kevin L. Faulconer

**SUBJECT:** Budget Priorities for Fiscal Year 2013

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Through a combination of reforms such as managed competition and a modest economic recovery, the City is anticipating a \$16.5 million surplus in the remainder of Fiscal Year 2012. To achieve this result, the City Council, working beside Mayor Jerry Sanders, has made the tough decisions necessary to restore San Diego's financial health. This fiscal restraint must continue.

I support the Mayor's mid-year recommendation to add 15 cadets to the next police academy and restore previously reduced operating hours for local libraries and recreation centers. As we move forward into budget deliberations, I will continue to advocate for the restoration of these services. I look forward to working with the Mayor and my Council colleagues to achieve our remaining goals in Fiscal Year 2013.

**Expanding Investment in Streets and Public Assets**

The City Council must make its \$850 million deferred capital maintenance backlog a top priority. I support the Mayor's proposed unprecedented investment in deferred capital maintenance. To prevent further deterioration of capital assets, the City needs to invest more in operating and maintenance expenditures for streets, storm drains, and facilities.

As discussed at the February 29, 2012, Budget and Finance Committee, to prevent a 5-10% deterioration of the City's capital assets over five years, additional funds for operating and maintenance need to be identified on an annual basis. I agree with the Independent Budget Analyst's initial recommendation<sup>1</sup> to allocate the projected budget surplus of \$8.3 million to operating and maintenance funding for deferred capital maintenance in Fiscal Year 2013. As the City Auditor noted in his 2010 Streets Maintenance Audit<sup>2</sup>, infrastructure becomes increasingly

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<sup>1</sup> Independent Budget Analyst Report 12-11: Review of Mid-Year Budget Monitoring Report

<sup>2</sup> Office of the City Independent Auditor Report OCA-11-009: Street Maintenance  
City Needs to Improve Planning, Coordination, and Oversight to Effectively Manage Transportation Assets

more expensive to repair when it falls into poor condition. Spending \$1 on pavement preservation when a street is in fair condition eliminates spending \$6-\$14 on rehabilitation or reconstruction of a street in poor condition. Given this knowledge, we must address the deferred capital backlog now to avoid increased repair costs in the future.

### **Restoration of Vital Community Services**

Keeping libraries and recreation centers open in the face of severe budget deficits has always been a priority for me. I am proud that we been successful in keeping libraries open in the face of proposed closures, and now we are in a position to increase library hours. I am a strong supporter of the Mayor's mid-year recommendation to increase library operating hours at all of the City's branch libraries and recreation centers and will advocate maintaining this restoration of service levels in Fiscal Year 2013.

### **Protecting Our Beaches and Bays**

The Mission Beach boardwalk and seawall are San Diego icons that have been enjoyed by San Diegans and visitors for many decades and are utilized daily for recreational activities. The Mission Beach seawall provides vital protection of life and property from flooding during large ocean storms. Built in the 1920s, the Mission Beach seawall is approaching its 100<sup>th</sup> anniversary. With years of neglect, it is in desperate need of repair. It is extremely important to me that the City invests in maintaining this important and historic structure.

Fire pits have been a part of the San Diego experience for decades and continue to provide priceless memories for locals and visitors. For the past two years, a coalition of nonprofits has funded the fire pits through generous donations. If private funding is not available in Fiscal Year 2013, it is crucial to identify permanent funding for these cherished community assets.

Dedicated in 1983, the 68-acre Sunset Cliffs Natural Park is a national treasure that must be preserved for the future. Excessive erosion of the cliffs is the result of significant water runoff. Recently the *Union-Tribune*<sup>3</sup> reported that these cliffs have been named one of the nation's top five most disappearing places. To prevent further erosion from unmitigated water runoff, the City must continue its commitment to protect this natural wonder.

KF:km

cc: Honorable Mayor Jerry Sanders  
Honorable Jan Goldsmith, City Attorney  
Honorable Councilmembers  
Andrea Tevlin, Independent Budget Analyst  
Eduardo Luna, City Auditor

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<sup>3</sup> Lee, Mike. "Disappearing Park in Need of Erosion Control." *San Diego Union Tribune*. 7 January 2012



## OFFICE OF COUNCILMEMBER TODD GLORIA COUNCIL DISTRICT THREE

### M E M O R A N D U M

DATE: March 2, 2012

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Todd Gloria, Third Council District *Todd Gloria*

SUBJECT: Council District Three Budget Priorities for FY 2013 and Recommendations for City Council Policy and Program Measures for FY 2013 and Beyond

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I am submitting the following items as recommended priorities for the FY 2013 City budget. San Diegans have dealt with the challenges brought on by the City's fiscal difficulties for years. As pleased as I am that the economy is improving and our reforms are reaping benefits for taxpayers, I believe fiscal restraint is appropriate. My priorities are a) for San Diego to never have a structural budget deficit again, b) to remain focused on core services like public safety and infrastructure, and c) to make economic development investments that help create jobs. The following recommendations are made should additional efficiencies and reforms be achieved and savings found, with the recognition that we must continue to meet our long term financial obligations and live within our means while we strive to provide excellent service and quality of life to the residents of San Diego. I look forward to working with you, the public, my Council colleagues and the Mayor to develop another responsive and responsible budget for the next fiscal year.

### FY 2013 BUDGET PRIORITIES

#### **PUBLIC SAFETY: POLICE, FIRE, INFRASTRUCTURE, CODE COMPLIANCE, ETC.**

- **Police.** Despite what recent crime index data may show, residents in our core urban communities are increasingly alarmed by the number of robberies, assaults and other violent crimes in their neighborhoods. Several key preventive steps will help address these concerns, such as continued support and funding for Community Service Officers, Community Relations Officers, the Multicultural and other Neighborhood-based Police Storefronts, as well as continued investment in graffiti eradication. In addition, we must continue to make the recruitment and retention of highly-qualified police officers a financial priority. While I support the Mayor's efforts to add 15 more cadets to the next police academy, I ask that he also consider and analyze the cost benefit of the restoration of the Department's civilian positions. The restoration of civilian staff will allow existing sworn officers to return to patrol duties and will also address findings in a recent performance audit of the Permits and Licensing Section of the Department.
- **Fire-Rescue.** We have learned painful lessons from the tragic 2003 and 2007 wildfires and the decommissioning of fire engines and must invest as much as we can in fire prevention and fighting resources. For these reasons, I support the Mayor's

recommendation to fund the one-time expense for the replacement of an outdated fire station alerting system to ensure that our City's 47 fire stations are connected to the dispatch center. I also support a one-time \$1,000,000 expenditure to fund a new fire boat. Both firefighting vessels used by San Diego lifeguards are often out of service for maintenance and repair, vastly decreasing their availability to help safeguard San Diegans and visitors along our coastline. The funding of a fire boat is included in the Fire-Rescue Department's budget plans in the next five years, and moving the purchase date to FY 13 should be considered as long as other core public safety programs are not jeopardized.

Additionally, the Fire-Rescue Department expects 80 personnel to retire from service in March 2012. The application process is underway for a fire academy this summer, which will be the first since 2009. An additional fire academy, at the cost of approximately \$1,050,000 in FY 13 will help the City maintain an appropriate level of staffing to keep our residents and visitors safe.

- **Infrastructure.** Smooth roads and reliable sewer and water pipelines are also critical public safety issues. As the Council considers alternatives for ongoing financing of our municipal infrastructure and closing infrastructure deficits, it must prioritize the maintenance and upkeep of its current assets. I ask that the Mayor commit any remaining surplus (currently estimated at \$8,000,000) to increasing cash funding of deferred capital projects. Based on the deferred capital funding options proposed by his staff, this additional allocation would increase deferred capital cash funding in FY 13 from \$45,800,000 to \$54,100,000, and would achieve the "status quo" funding level for O&M deferred capital projection in FY 13. This additional investment could, for example, fund the resurfacing of sixteen additional miles of streets.

In addition to General Fund O&M expenditures, I ask that the other funding sources often used to address our deferred capital and infrastructure needs also be identified and credited toward our infrastructure investment in the upcoming budget—i.e. Water/Sewer and Golf Enterprise Funds, Mission Bay and Regional Park Improvement Funds.

I believe that these focused investments and systemic reform will take us one step closer to achieving a sustainable capital infrastructure and maintenance program so that the City no longer falls behind in caring for its assets.

- **Neighborhood Code Compliance.** The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. For too long, the staffing levels in the Division have been dismal and enforcement priorities have been adjusted downward to keep pace. I ask that the resource capacity of the department be analyzed and considered for additional funding in FY 13.
- **Tree Maintenance.** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District. Funding for uniform maintenance of trees on public property should be restored to the City's budget in FY 13.

### **NEIGHBORHOOD SERVICES: LIBRARIES, PARKS AND RECREATION, ETC.**

The coming year's budget must seek to improve the current levels of services to citizens in areas that are key to quality of life, especially in older, urban areas of the City. There should absolutely be no reduction of hours or personnel at parks and recreation centers or libraries.

- **Libraries.** It is clear that the public highly values these facilities. I support the Mayor's recommendations to increase operating hours at all 35 branch libraries in the City by an additional four hours per week, bringing every library up to 40 hours per week. I ask that the issue of high vacancies and upcoming retirements be aggressively addressed so that the department is staffed and resourced at its budgeted levels in FY 13.
- **Parks and Recreation Centers.** There are numerous community benefits created by parks and recreation centers. They make communities desirable places to live, work, play, and visit, thereby contributing to the ongoing economic vitality of communities throughout our country. The programming promotes healthy lifestyles, deters crime, and helps our youth develop into contributing members of our communities; and the greenways and open spaces are critical components to protecting and preserving our natural environment. For these reasons, I am supportive of the Mayor's recommendation to add five hours per week to operations at all of the City's 55 recreation centers. On January 30, 2012, the Department Director notified Council that the Department is anticipating a large number of retirements and would be experiencing vacancies in supervisory and managerial positions. I ask that this matter be aggressively addressed to ensure that the department is staffed at its budgeted levels in FY 13.

### **JOB CREATION AND ECONOMIC DEVELOPMENT: REDEVELOPMENT, LAND USE, AFFORDABLE HOUSING, HOMELESS PREVENTION**

- **Redevelopment.** The City potentially faces fiscal challenges as a result of the dissolution and unwinding of the City's Redevelopment Agency. Estimated impacts to the budget are unknown at this time, but could possibly impact the annual debt service to Petco Park; costs associated with the expansion of the Convention Center Phase II; the City's Community Development Block Grant repayment to the U.S. Department of Housing and Urban Development; and repayment for general long term debt owed to the City. Despite this uncertainty, we do know that the City has lost a dedicated funding source for neighborhood investment, blight removal and revitalization. I encourage the Mayor and Council to collaborate on creating a local economic development and redevelopment program that will continue the efforts of the former Redevelopment Agency. We must begin by approving a transition plan for the Redevelopment Department of the City, CCDC and SEDC and analyze potential costs of sustaining a new program.
- **Community Plan Updates.** I am pleased to see the Mayor's recommendation for continued funding for the updating of community plans. These plans serve as community-specific "Land Use Constitutions" and establish the vision for long-term growth. As we continue to grapple with the elimination of redevelopment agencies, this is a wise investment to keep these plans updated in order to attract investment and appropriate infrastructure and development to our neighborhoods.
- **Affordable Housing Funding.** Due to the impacts of the State's elimination of redevelopment and as the state-issued Proposition 1C bond proceeds run out, it is necessary now, more than ever, to create a permanent source of funding for the preservation and development of affordable housing. At the very minimum, the Mayor and Council must finish the discussion and make a policy decision on Commercial Linkage Fees.

- **Public Facilities Financing Plans.** The Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration in advance of the release of the FY 13 budget. For example, the Mid-City PFFP update was completed approximately three years ago. The City adopted the FY 2010 budget without first adopting the new PFFP, and we're nearing adoption of the FY2013 budget, also without benefit of the new PFFP. Approval of these plan updates could result in additional revenue for the Facilities Financing Division and also increase their reimbursement of administrative expenses from Development Impact Fees.
- **Infrastructure Financing Districts/Special Assessment Districts.** The City should fund an adequate level of resources to assist individual neighborhoods in the formation of special assessment districts. With the elimination of redevelopment tax increment, this is an investment the City can make to allow each neighborhood to determine the level of City services and infrastructure they are willing to fund on their own.
- **Neil Good Day Center.** Identifying \$500,000 to operate the Neil Good Center for FY 13 would be a smart investment. The Neil Good Day Center provides the critical function of giving San Diego's homeless individuals a safe and clean location to spend their days, take showers, receive mail and secure assessment, counseling and information and referral services. In addition to the direct benefit of helping break the cycle of homelessness, the positive impacts for the City are great. Without the Neil Good Day Center, San Diego's homeless would have no choice but spend days on the streets of local neighborhoods, decreasing the likelihood of obtaining needed services and potentially increasing the need for law enforcement and Neighborhood Code Compliance activities.

### **RESPONSIBLE GOVERNANCE**

- **City Reserve Policy.** With the adoption of an updated Reserve Policy for the City, the Council and the Mayor established prudent goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals for providing "rainy day" protection for the City.
- **General Fund User Fee Policy.** In 2009, the City Council adopted a comprehensive General Fund User Fee Policy to assist with determining the appropriate level of user fees for services and related cost-recovery revenues. The Policy was intended to require a fee review and adjustment process as part of the City's annual budget process. I am concerned that this process is not being followed. Annual inflationary or other technical adjustments to fees should be considered each year as part of the budget process. The City must achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees. Additionally, I recommend that the User Fee Policy be revisited and amended as appropriate to ensure conformance with Proposition 26 which was approved by voters in November 2010.
- **Compliance with Mandates and Other Best Practices.** On several occasions in the past year, the City has found itself unable to meet its responsibilities to monitor, audit, and review its activities. In a number of cases, lack of sufficient staffing has been given as the reason for this failure. We must provide sufficient funds for staffing for such activities as producing the City's annual audits, maintaining prudent internal controls on financial transactions, ensuring equal opportunity in our contracting program, and complying with the requirements of all state and federally funded programs.
- **Vacancies.** Provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core city services. The City must aggressively fill vacancies and find

efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels.

- **Transparency, Reform and Efficiencies.** The Mayor and City Council must continue to examine departments for greater efficiency and innovation. Examples include the implementation of streamlining of Capital Improvements Program to complete projects at a quicker pace, diversify the workforce and increase City staff capacity. I also support and encourage efforts to make the City's website more business and user friendly.

#### **OTHER ISSUES FOR CONSIDERATION**

- **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.
- **New Revenues.** It comes as no surprise that with the current revenue structure, the City has insufficient income to maintain services at the levels desired by our constituency. This was the case even during healthier economic times. The public has indicated they will no longer accept reduced levels of neighborhood services. I urge the Mayor and my colleagues to begin discussions regarding a potential Infrastructure Financing Bond to narrow our focus on revenue options that would best serve our General Fund and address our infrastructure needs.
- **2015 Balboa Park Centennial.** Council Policy 100-03 indicates that recommended funding levels for all categories and specific program funding for Citywide Economic Development, Safety and Maintenance of Visitor-Related Facilities, Capital Improvements, and Major Events will be made by the Office of the City Manager/Mayor. I ask that \$50,000 in Transient Occupancy Tax funding be identified to assist in the planning effort for the 2015 Centennial Celebration in Balboa Park. Additional funds should be added to project this budget year and each year thereafter. The funds should be recommended for deposit into the Major Events Revolving Fund so that it may be used to cover permitting costs and other City expenses for the Celebration.
- **Bidder Registration System.** In August 2007, the Mayoral Equal Opportunity Task Force requested that the Purchasing and Contracting Department develop a mandatory, automated, online centralized bidder registration system for all bidders, contractors, sub-contractors and vendors which would measure availability, utilization and disparity of disadvantaged business enterprises of all kinds and would outreach to all segments of the business community.

The FY 12 budget included \$900,000 for implementation of the Supplier Relationship Management module in SAP as a start to creating a fully functional SAP bidder registration program. To date, the City has not put the SRM module into use. I ask the Mayor to prioritize implementation of this critical outreach tool which would assist in our efforts to streamline CIP projects and service delivery. Should future budgets continue to look optimistic, it would be prudent to phase in the remaining funding to once and for all, allow the City to launch an SAP bidder registration system that is fully functional with abilities beyond SRM.

## **CITY COUNCIL POLICY AND PROGRAM MEASURES FOR FY 2013 AND BEYOND**

Thank you for introducing this new concept of City Council Policy and Program Measures. I am completely supportive of this new tool and look forward to highlighting performance metrics and service trends from City operations that are of high interest to the Council and the community. These measures will allow and encourage us as policy makers to assess effectiveness in addressing issues pertaining to quality of life in the City.

I am supportive of the measures proposed in *IBA Report No. 12-08* and encourage a more outcome-based approach. Additionally, I recommend the use of broader trends. I am providing the following as an example of the general categories I seek to monitor:

### **Business and Economic Development**

- Job Creation
- Urban Renewal/Vibrancy
- Economic Development

### **People and Community**

- Public Safety
- Civic Pride
- Culture, Arts and Recreation
- Clean Healthy Environment

### **Governance and Service**

- Finance
- Civic Investment
- Workforce
- Efficient, Effective, and Economical Government

### **Growth and Development**

- Transportation
- Sustainability
- Development Review
- Livability

I'd like to conclude by thanking and acknowledging you and your staff. Your guidance in consolidating our priorities will ensure that Council once again asserts its role early on, resulting in a more collaborative, better informed and more effective budget process. I have great confidence that we will join together to establish another responsible spending plan reflective of true community priorities for FY 13.

TG:pi



**CITY OF SAN DIEGO  
OFFICE OF COUNCIL PRESIDENT ANTHONY YOUNG  
FOURTH COUNCIL DISTRICT**

**DATE: March 1, 2012**

**TO: Councilmember Todd Gloria, Chair Committee on Budget and Finance  
Andrea Tevlin, Independent Budget Analyst**

**FROM: Council President Anthony Young**

**SUBJ: Budget Priorities for Fiscal Year 2013 Budget**

It was great news that the structural deficit as we knew it has ended. As we begin this new era of developing and maintaining a disciplined budget based on spending priorities, I am recommending the following spending priorities:

Expansion of library hours from the proposed 40 hours per week to 48 hours per week.

Expansion of park and recreation center hours and include installing free Wi-Fi access in all park and recreation centers.

Additional funding to the police department for technology equipment that enhances their ability to be more efficient and effective while on patrol.

Additional funding of at least \$500,000 for Life Guard services to address the need for additional lifeguards, relief positions, training and outreach.

It is very clear that we continue to take action on recommendations from our Menu of Budget options that will provide savings and additional sources of on-going revenue. Additional on-going resources will assist with enhancing our fire departments and provide additional funding for street repairs and addressing other infrastructure needs.

I am very encouraged by this Council's actions towards developing FY2013 budget recommendations that are balanced, protects public safety, provides for additional park and library services, and provides for various city services with limited resources. I look forward to us continuing our efforts to do even more in 2013 and beyond.

I support the IBA's recommendations contained in her report on city policy and program measures for FY2013 and beyond. Highlighting city service trends that reflect performance measures go hand in hand with our new approach of a budget based on spending priorities that the public can easily see and understand.



City of San Diego  
**CARL DEMAIO**  
CITY COUNCILMEMBER –DISTRICT 5

**MEMORANDUM**

DATE: March 2, 2012

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Carl DeMaio 

RE: Fiscal Year 2013 Budget Recommendations and Priorities

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At the request of Councilmember Todd Gloria, Chair of the Budget and Finance Committee, I am submitting my budget priorities for fiscal year 2012-2013.

Last week, San Diego taxpayers were told that the City has a \$16.5 million surplus. As I expressed at this week's Budget Committee meeting, I encourage my colleagues on the Council to address the realities of our fiscal situation.

I am pleased to see the City on better financial footing than we have been in recent years. However, the unfortunate reality is that **we are still very much in the middle of a fiscal crisis**. Just this month we learned that the City's backlog of deferred maintenance on streets, storm drains, and facilities has grown to almost \$900 million. It is also anticipated that infrastructure conditions will continue to get worse over the next five years.

My initial priority in this year's budget process will be for complete openness, honesty, and transparency about the fiscal realities facing San Diego.

For years I have called for the inclusion of the infrastructure deficit in the City's budget so that we have a full measure of our financial situation. Just as the pension system's ARC is displayed as a line-item in the budget, proper funding for streets and other infrastructure should be viewed by Mayor Sanders and this Council as a required payment each year.

I also encourage the Council to address the realities of our pension system's \$2.2 billion unfunded liability, as well as retiree healthcare liabilities. In addition to the infrastructure deficit, these items are frequently not addressed when discussing our budget outlook. I encourage my colleagues to include these items in our discussion of the FY2013 budget.

Additionally, I continue to ask my colleagues to pursue cost-savings and efficiencies by encouraging the use of volunteers, public-private partnerships, and other means. I believe that we can begin restoring city services at lower cost than before by utilizing innovative new ways to deliver services to taxpayers.



City of San Diego  
**CARL DEMAIO**  
CITY COUNCILMEMBER –DISTRICT 5

**MEMORANDUM**

DATE: March 2, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Carl DeMaio   
RE: Fiscal Year 2013 Performance Measure Recommendations

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I am very glad to see the City Council embracing the use of performance measures to evaluate the delivery of city services. At the request of Councilmember Todd Gloria, Chair of the Budget and Finance Committee, I am submitting my recommendations for City Council program measures for FY 2013.

The report which your office released on February 3, 2012, made a very important observation: the annual budget provides very little in the way of performance metrics.

I encourage the City Council to press for the inclusion of performance data for every city department in the annual budget. Just as we are provided budget adjustments year-by-year for each department, the public should be able to easily determine if the city is getting better or worse each year in the delivery of services. This will only be done through the development and reporting of key performance data.

In the category of “Human Resource Trends,” I also recommend the inclusion of overtime, bonuses, and specialty pay broken down each year. In addition, Financial Management should provide detailed compensation information on police, fire, lifeguards, and general employees each year. It is important to determine how much overtime is being utilized to carry out the performance of city activities so that we can get a comprehensive picture of city staffing year-by-year and make appropriate adjustments.



## MEMORANDUM

**DATE:** March 2, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember Lorie Zapf- Council District 6  
**SUBJECT:** Budget Suggestions for FY 2012/2013

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Below is a list of Council District 6 priorities and identified savings options (not in a ranked order) that I would like to see included in the upcoming budget discussions:

- 1. *Use Anticipated IT Contract Savings to Fund Online Services:*** There are more than 70,000 small businesses in the City of San Diego, which make up 92 percent of all businesses in the City.<sup>1</sup> For these reasons, it is imperative that we do everything we can to help and encourage small business growth. As part of last year's budget the City re-instituted a small business liaison position within DSD to help small business owners to expand, improve, and grow their businesses. The ED&S committee has been having discussions on ways to automate and move online permit processing and other DSD functions in order to create a more small business-friendly structure and make the process streamlined, efficient, and less costly. This year as the City finalizes its Informational Technology contract it would be worthwhile to explore using part or all of the savings generated by the new RFP to pay for the costs of moving a number of customer interactions online.
- 2. *Flexing Library Hours:*** Even with the Mayor's decision to use some of this year's surplus to expand library hours, City libraries will only be open 40 hours a week. Currently, their hours open have been left entirely to the discretion of the library department staff. Staff has chosen to have every library open during the exact same hours and for many communities some of the traditionally highest use hours have been neglected (in particular Sundays). As noted in our memo from May of last year, it may be possible to spend almost the same amount of money and increase the level of service we provide to our residents. Because our libraries are staffed by an average of 4.5 FTEs per branch there is some room for flexing staff out so that the entire staff is not working all of the same hours. The IBA, in a previous budget proposal prior to the May Revise, suggested Express Service for some libraries. It may be that adjusting to an express model at the beginning and at the end of the day for an hour or two will allow us to extend branch hours each day by two to four hours. While it may

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<sup>1</sup> City of San Diego Economic Development Department. Small Business Assistance website. [www.sandiego.gov/economic-development/business-assistance/small-business/](http://www.sandiego.gov/economic-development/business-assistance/small-business/)

be necessary to bring on a few extra librarians for relief purposes to cover vacations and sick leave, the cost would be worth it to expand library hours system wide.

3. ***Mini Targeted Community Plan Updates:*** Because of the City's budget woes many of our community plan updates have been put on hold. In LU&H over the next six months we will be exploring whether smaller targeted plans could be crafted and expedited for important commercial and industrial areas to increase economic development.
4. ***Decrease SDCERS Overhead Costs:*** A recent audit performed by the Office of the City Auditor demonstrated that overhead costs from SDCERS were considerably higher than other like-sized systems. It behooves the Council and the City Attorney to negotiate with SDCERS to bring these costs down. Because some of the costs are tied to existing litigation, the City in closed session should determine via cost analysis the viability of the litigation. Decreasing the overhead costs could save the City several million dollars.
5. ***Replace Lifeguard Fireboat:*** In a memo from February 15, Councilmembers Faulconer and Lightner joined me in asking the Mayor's office to fund a new Fireboat for the City's Lifeguards. The City of San Diego's aging fireboats are in dire need of replacement. The City currently houses two fireboats in Mission Bay that are crucial to lifeguard operations, including the ability to fight boat and dock fires along the San Diego coast. In addition, fireboats are a key fixture in the ongoing training of San Diego's lifeguards. We requested approximately \$1 million in one-time use funds to equip San Diego's lifeguards with one new fireboat. We believe that the purchase of a new fireboat is the most cost-effective solution for the City of San Diego, instead of continuing to pay for major ongoing repairs to our fireboats.
6. ***Reform of Purchasing and Contracting:*** Yesterday the City Auditor issued a performance audit of the Purchasing and Contracting Department that identified several issues. While I am not usually supportive of funding consultants, the City should bring in an outside consultant to help the new Director redesign our current purchasing and contracting process. Not only will a redesign have the potential to save money but it could speed up the process, encourage accountability and reduce liability by better matching processes with state and federal law.
7. ***Changing the Work Week for Non-Public Safety related Functions:*** Last year the IBA suggested that the City explore a 4 day/10 hour work week as a way to save costs. The City should explore this alternative for some departments as well as a 9 day/80 work period as exists in some local governments.
8. ***Managed Competition for Trash Collection:*** In the coming Fiscal Year the City should pursue a Managed Competition for Trash Collection Services. Even a 10% savings in this department would result in \$3 million annually in savings.
9. ***Manage Aggressively the Disability Program:*** The City should consider bringing in an outside firm to perform aggressive disability audits to identify and prevent potential fraud, as well as developing a more active W-2 spotting program. Even if we achieve only minimal savings, the City will head off potential scandals that have plagued other local governments.



CITY OF SAN DIEGO  
COUNCILMEMBER MARTI EMERALD  
DISTRICT SEVEN

MEMORANDUM

REF: M-12-03-01

DATE: March 2, 2012  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Marti Emerald  
SUBJECT: FY2013 Budget Priorities

In light of the budget cuts set forth in past years, I am very encouraged by increased revenues and budget revisions that will better protect and restore public safety and neighborhood resources.

I have outlined budget priorities that will keep tax dollars focused on core city services and provide accountability to the tax payers. They include funding:

- 1) **Citygate Working Group 5 Year Plan Recommendations** - In order to stay on track to complete the recommendations outlined in the report the City will need to fund \$17.9M in FY2013.
- 2) **Restoration of Lifeguard Services** - Currently the City's Lifeguard Services Department is lacking the necessary resources to ensure the highest level of safety at our beaches and bays. I would like to see the FY2013 budget include funding for lifeguard wellness, a new fireboat in Mission Bay and 3 lifeguard relief positions.
- 3) **Police & Fire Academies** - Our Fire-Rescue Department is currently short 65 firefighters and is projected to be down over 80 firefighters after March 2012. To ensure sufficient fire safety I would like the FY2013 budget to include at least two fire academies. As well, the Police Department has steadily been losing sworn officers for several years and Police Academies will need to be funded.
- 4) **Restoration of all Revenue Generating Positions** - Over the past few years the City has cut revenue generating positions from its budget. These positions include grant writers & enforcement officers who provide more revenue than the cost of their position. I would like to see a comprehensive report that outlines all revenue generating positions that have been cut and the loss of revenue associated with the position. All positions that are cost neutral or better should be restored immediately.
- 5) **Issuance of a Public Safety Bond** - In 2002 the City of San Diego issued the Fire & Life Safety Facilities Lease Revenue Bonds for the construction of various lifeguard & fire station improvements. The Citygate Report has indicated that the City of San Diego needs a minimum of 10 new fire stations. Some of these new fire stations could also include police storefronts and help us rebuild our community policing efforts.

signed: AT  
d e - ALU  
VM 3/5/12

Page 2  
Councilmember Marti Emerald  
March 2, 2012

- 6) **Increasing Library and Park & Recreation hours and programs** – As we are able, I would like the City to restore library & recreation center hours. The mid-year budget amendment is a good start but we need to do more as our budget allows.

In closing, I look forward to approving a FY2013 City budget that responds to community concerns and focuses on funding our core city services, most notably public safety.

ME: de



Original: Andrea  
cc: all  
UM 3/5/12

**COUNCILMEMBER DAVID ALVAREZ**

City of San Diego  
Eighth District

**MEMORANDUM**

**DATE:** March 2, 2012  
**TO:** Andrea Tevlin, Independent Budget Analyst  
**FROM:** Councilmember David Alvarez  
**SUBJECT:** Budget Priorities for Fiscal Year 2013

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For the purpose of discussion during the City Council's upcoming budget review process, below is a list of my priorities for the next budget year:

**General Fund Budget:**

- **Restoration of Lifeguard Positions and Resources:** Our beach and coastal areas are visited by tens of thousands of people every year, which requires the need for the city to provide adequate lifeguard services to ensure a safe environment for those visitors. However, the city's lifeguards have seen numerous cuts to their staffing and resources in recent budgets. The following positions and resources should be restored:
  - Three Relief Positions
  - Scheduling/Administrative Sergeant
  - Training Coordinator
  - Outreach and Recruitment Lifeguard
  - Lifeguard Captain/Operations personnel
  - Fire/Multipurpose vessel
  - Wellness Program
  - Boating Academies
  - Fireboat repair and replacement

- **Implementation of Citygate Working Group Five-Year plan:** The update to the five-year plan at the January 25, 2012 PS&NS meeting outlined the funding needs for Year 2 of the implementation plan. In order to provide proper fire and life safety to San Diegans, the City must continue to stay on target with these funding needs. Each item from Years 1 & 2 of the plan should be funded in FY13.
- **Two Fire Academies for FY13:** Fire-Rescue Department staffing levels need to be increased as many employees have been subject to mandatory callbacks to fully staff fire engines. In order to address the current and projected shortfall in staffing, at least two academies should be funded for FY13.
- **Restoration of Civilian Positions in the Police Department:** Cutting civilian positions within the Police Department has a direct impact on sworn police officers' ability to be actively patrol our neighborhoods. Police support staff are vital and need to be retained so that our sworn officers are free to have a greater presence in our communities.
- **City Auditor Staff Position and Software Enhancements:** It is important that we continue to increase the staff resources of the City Auditors Office. The City Auditor's ability to conduct comprehensive audits on various city departments and functions is vital in promoting accountability, efficiency and transparency in our city government. As such the FY13 budget should add at least one performance auditor position and allow for the procurement of an automated work paper software system. The software is common in the industry and will reduce the amount of staff time required on each audit.
- **Public Access to Council Docket Materials:** It is important that the Council support the City Clerk's efforts to increase public access to Council dockets and streamline the distribution of docket material to the Council. To do so the FY13 budget should include:
  - Reclassification of the Council Administrator II (CA II) position to an ISA position in an effort to launch, maintain and improve upon public access initiatives spearheaded by and residing in the Office of the City Clerk;
  - Adequate funding for the annual licensing fees of an iPad application to give current docket binder users the ability to create an annotated version of the Docket and backup materials in support of the Office of the City Clerk's transition to a near-paperless docket.
- **Support Staff for Managed Competition Processes:** Managed competition is an important tool the City has in achieving efficiency and budgetary savings. As such, the Business Office should add a staff position to ensure that functions going through managed competition are able to do so efficiently and effectively. Additionally, the Independent Budget Analyst should add an additional staff position in order to effectively monitor and report to the Council on functions going through managed competition.
- **Neighborhood Parks and Recreation Centers Prioritization:** Neighborhood parks and recreation centers throughout the city provide safe areas for recreation and family activities. The community parks that receive the most use, and therefore require higher levels of upkeep and

maintenance, should be prioritized in the budget.

- **Expansion of Marketing Partnership Program:** In the last year I have been impressed with the city's efforts to enter into marketing partnerships, which helps bring in much needed funding for various city services. I believe investing in an expansion of city efforts to find additional partnerships will yield greater benefits to the general fund.
- **Community Plan Update Funding:** Continuing to update our community plans throughout the city is vital in providing a clear vision for the development preferences of each community. Allowing a process that brings all stakeholders to the table can only result in better planning within our communities. Funding for community plan updates needs to be retained and expanded to the fullest extent possible in order to allow our communities to properly plan for development and community amenities.

### Capital Improvement Program Budget:

- **New San Ysidro Library:** The current branch library in San Ysidro is one of the oldest (built in 1931), smallest (3,000 square feet) and outdated library facilities in the entire city. The construction of the new library has been long delayed. A site has been secured and the design and construction of the library needs to be funded. It is critical that this is a priority Capital Improvement Project in FY13.
- **Initiate Capital Improvement Project for La Media Road Improvements:** La Media Road, between I-905 and Siempre Viva Road in the Otay Mesa community, is a route used by commercial vehicles accessing the border. Significant improvements (such as widening) are required on La Media Road as the city moves forward with plans to improve the road, provide better access to commercial vehicles crossing the border and addressing significant flooding issues, which often make the road impassable. Currently, no CIP exists to address these deficiencies, which has prevented the project from moving forward and has hampered the city's ability to better facilitate international commerce.
- **Initiate Capital Improvement Project to Design Southwest Neighborhood Park in Otay Mesa/Nestor:** The City owns undeveloped park land on 27<sup>th</sup> Street in the Otay Mesa/Nestor community. The design and development of the 11.4 acres into a Neighborhood Park was first proposed in 1992 and would provide much needed park space and be of great benefit to all members of the community. Children from Southwest Middle School as well as condominiums, apartments, and mobile homes within walking distance would benefit from the use. Currently no CIP exists for this project and in order to move forward funds need to be dedicated to the design of the park.
- **Increase Number of Joint Use Park Facilities:** A number of areas throughout the city lack park space for residents to utilize. Partnering with local school districts to share the construction and/or maintenance and operation costs is an excellent way to open up existing or proposed park space to neighborhoods when the area is not being used by the school. Pursuing such

partnerships, particularly with school districts which currently do not have agreement with the City, should be a goal in the upcoming year.

- **Pursue Outside Funding Opportunities for Capital Improvement Projects throughout the City:** As the city looks to identify funding for capital improvement projects, I believe both private and public (local, state and federal) funding sources should be actively pursued for projects not yet fully funded.

DAA/ks

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**OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT**

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**Date Issued:** February 24, 2010

**IBA Report Number:** 10-18

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## **Guiding Principles for Structural Budget Deficit Elimination Plan**

The purpose of this report is to transmit the eleven Guiding Principles as amended and adopted by the City Council on February 22, 2010. These Principles will guide the development of a comprehensive plan over the next several months to eliminate the City's structural budget deficit. The Mayor's Office has committed to working with the Independent Budget Analyst, the Budget and Finance Committee and the full City Council in the development and implementation of this Plan.

On December 9, 2009 the City Council adopted resolutions recommended by the Mayor to enact \$179 million in General Fund budgetary reductions in order to address budget shortfalls projected for FY 2010 and FY 2011. City Council approval was predicated on the commitment to address and solve the City's ongoing budgetary imbalances. This action provided an 18-month "bridge" allowing the City to work to achieve further structural reforms. The Mayor has preliminarily estimated a budget deficit of \$77 million for FY 2012.

In response to Council direction, on January 4, 2010 the IBA issued Report No. [10-01](#), "Developing a Structural Budget Deficit Elimination Plan" which proposed a set of guiding principles and key components deemed necessary to effectively address a structural budget deficit. The principles were discussed and amended by the Budget and Finance Committee on January 6 and 27, 2010 and referred to the City Council for final consideration. On February 22, 2010, the Council considered additional input from the Mayor's Office and the Independent Budget Analyst which resulted in Council adoption of the attached Guiding Principles.

**[SIGNED]**

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Andrea Tevlin  
Independent Budget Analyst

Attachment

STRUCTURAL BUDGET DEFICIT ELIMINATION  
GUIDING PRINCIPLES  
AS ADOPTED BY THE CITY COUNCIL (2/22/2010)  
Resolution R-305615

1. Eliminate the General Fund structural budget deficit through a balanced approach of ongoing expenditure reductions and revenue generation, including identifying new revenue sources.
2. Until the City achieves its targeted General Fund reserve level of 8%, the City should not consider using reserve balances to balance any budget shortfall and should ensure that it does not drop below the current level of 7%.
3. Actively pursue alternative service delivery methods, including managed competition, efficiency improvements and elimination of service duplications.
4. Prepare a 5-year Outlook each year and provide numeric values for alternative budget balancing options based on input from City Council, Mayor, and IBA; be prepared each year to discuss alternative budget balancing options with the Budget Committee or City Council should the Outlook suggest an ongoing structural deficit.
5. One-time resources should be matched to one-time expenditures.
6. Achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees.
7. Reduce pension and retiree health care liability and annual City costs through the meet and confer process.
8. When deciding to construct new facilities or establish new programs, the City must take into consideration ongoing operation expenses and should identify ongoing funding to cover these expenses unless necessary to meet high priority needs.
9. Prioritize City services expenditures based on the City Charter requirements, Citizen Survey and other means of public input, benchmarking studies and departmental goals and performance data.
10. Maintain funding of the full annual required contributions (ARC) for the City's pension obligations in a manner compliant with City Charter and develop a plan to fully fund the Retiree Health Care ARC.
11. Develop a plan to fund deferred capital infrastructure and maintenance needs to reduce the current backlog, identify the level of funding necessary to prevent the problem from growing larger, and to reduce the potential of increasing costs to identify the level of funding. Discuss at Budget and Finance Committee a policy to calculate and identify the level of funding for deferred maintenance budget needs.