

12:00 p.m. – CALL MEETING TO ORDER (HAWKEN)

- Exec Attendance / Roll Call
- Agenda Public Comment

FINANCIALS

- Clean & Safe Program Overview & Narrative (Pages 2 – 3) – P. Rath | **INFORMATIONAL**
 - This item’s purpose is to provide informational context to the current status of the Clean & Safe Program prior to discussing details related to the FY23 budget.
- Review FY23 Clean & Safe Budget and FY23 Contractors (Pages 4 –11) – A. Vivas | **INFORMATIONAL**
 - This item details the specific information about the FY23 budget and FY23 contracted services.
- Approve FY23 Clean & Safe Budget and FY23 Contractors (Pages 8 –11) C. Hawken | **ACTION**
 - This is the formal action item to approve the budget for the 2022 – 2023 fiscal year as well as take action to approve the contracted services for the 2022 – 2023 fiscal year.
- Non-Agenda Public Comment
 - This is a period of time for any members of the public to comment on non-agenda items.

ADJOURN SPECIAL MEETING

Agenda can be found at: <https://downtownsandiego.org/meetings-reports/>

Join Zoom Meeting

<https://us02web.zoom.us/j/84644486940?pwd=TmhBVEFORng5OHR6K0NiaENtNFoyQT09>

Meeting ID: 846 4448 6940

Passcode: 269829

THIS INFORMATION IS AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST.

To request an alternative format or to request a sign language or oral interpreter for the meeting, please contact the Clean & Safe Program office at least five (5) working days before the meeting at (619) 234-8900 to ensure availability. Assistive Listening Devices

(ALDs) are available for the meeting upon advanced request.



FY22-23 Clean & Safe Draft Budget Summary

Downtown San Diego Partnership

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Chair, DSDP Clean & Safe
Treasurer, Downtown San Diego Partnership

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Terri Johnson, Director of Finance

Alonso Vivas, SVP & Executive Director, DSDP Clean & Safe

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March 7, 2022

Budget Overview

The FY22-23 budgeting process includes an ongoing review of our current assessments collected by the county and manual billing from the city. DSDP Clean & Safe staff worked closely with the City of San Diego and Advisory Board members to identify all potential areas of risk within the C&S budget. Input was provided by the Clean and Safe Community through stakeholder surveys, attendance at over 12 community meetings, dialogue at the annual PBID community meeting, and targeted meetings with PBID Clean and Safe neighborhood representatives.

Our top-line revenue number of \$11,179,889 includes a 5% increase to assessments, a carryforward from previous fiscal years in the amount of \$468,000, and a collection delinquency rate of 4%. We are expecting a one-time Employee Retention Tax Credit of \$1M in FY22-23.

Service levels in all areas are comparable or increasing over the previous year's budget. However, as with many sectors of the economy, we experienced a higher than usual vacancy rate in personnel during the year. So although personnel FTEs are budgeted the same as the previous year, actual personnel levels in FY21-22 are lower than the FY22-23 budget because of the high vacancy rates. The focus next year is on employee retention, and wages have been raised across the board by between 10-16% in order to close the vacancy gap. This effectively increases FTEs and service levels for FY 22–23 to above those achieved in FY21-22.

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Overall Budget Summary

Overall Budget Summary	FY '21-'22 Budget	FY '21-'22 Forecasted Actuals	FY '22-'23 Budget	FY '21-'22 Budget vs FY '22-'23 Budget	% Variance
Revenue					
Assessments	10,367,727	10,125,705	11,123,889	756,162	7%
Other Revenue	38,254	-	56,000	17,746	46%
Total Revenue	10,405,981	10,125,705	11,179,889	773,908	54%
Expenses					
Maintenance	4,857,035	5,467,131	5,625,455	768,420	16%
Beautification	831,079	516,461	935,651	104,572	13%
Safety and Homeless Outreach	3,137,472	2,246,877	3,401,750	264,278	8%
Admin	1,212,600	1,546,509	1,742,213	529,613	44%
CEP	217,795	198,727	370,955	153,160	70%
Other Expenses	150,000	150,000	(896,134)	(1,046,134)	-697%
Total Expenses	10,405,981	10,125,705	11,179,889	773,908	7%
Net Surplus	-	-	-	-	

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Expense Details & Impacts

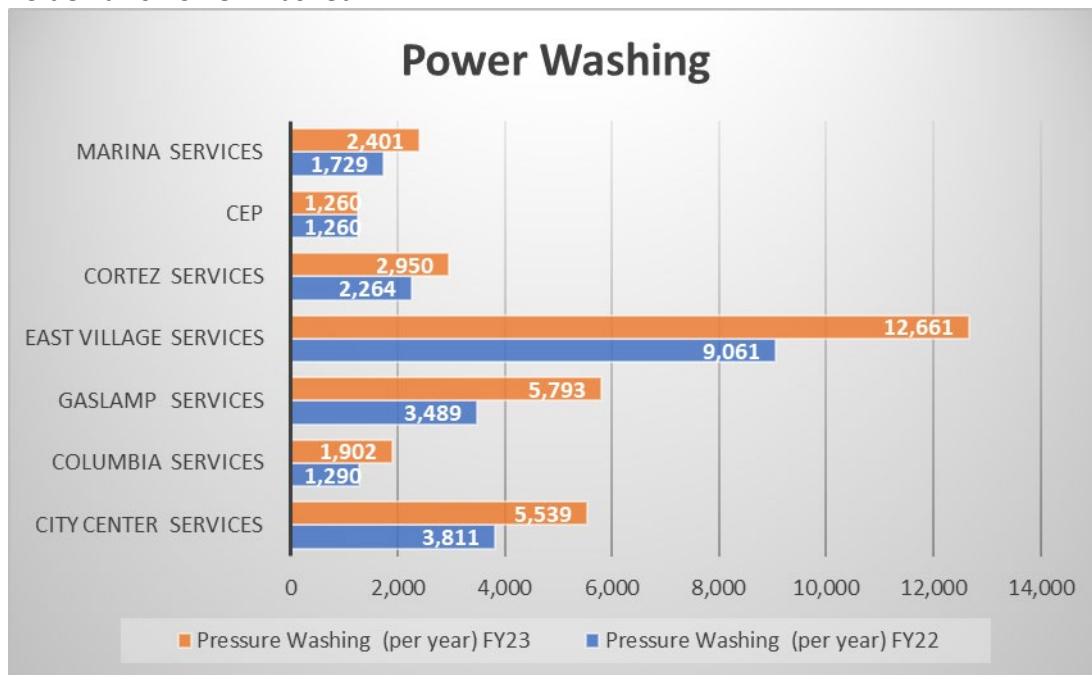
Service Levels

The following categories represent the FY21-22 service levels as compared to FY22-23. Input was provided by the Clean and Safe Community through:

- Digital Surveys
- Attendance at over 12 community meetings
- An annual PBID community meeting
- Meetings with PBID Clean and Safe neighborhood representatives

- **Power washing:** Service Increase: 42%; Budget Increase: 38%

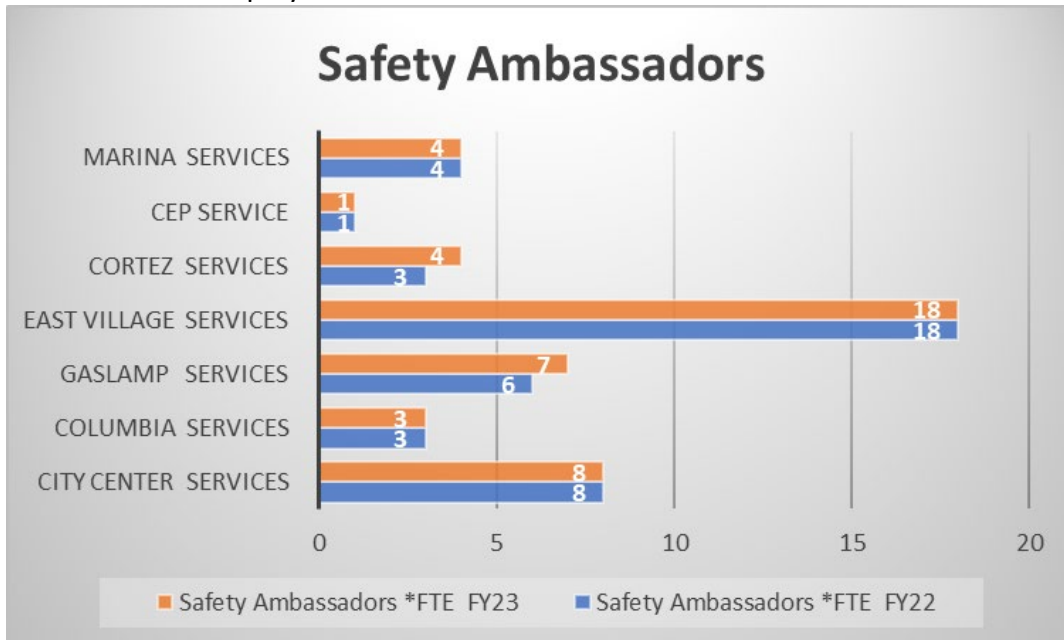
*Sidewalks Power Washed



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- **Security:** Service Increase: 4%; Budget Increase: 18%

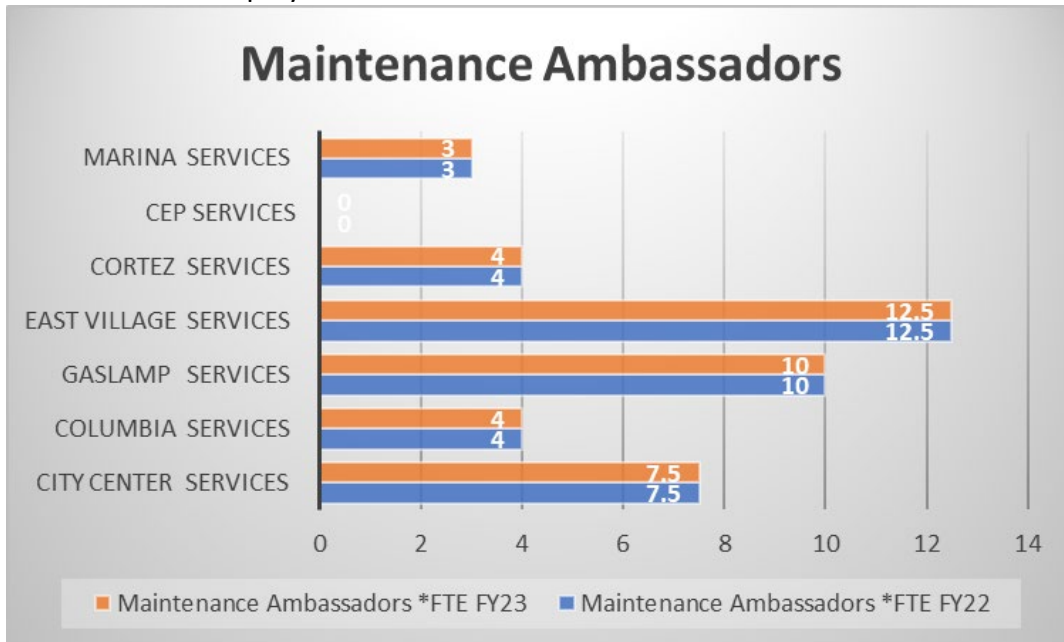
*FTE= Fulltime Employees



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- **Maintenance:** Flat Service Increase; Budget Increase: 13%

*FTE= Fulltime Employees



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Proactive steps for financial & operational stability include:

- We continue to seek non assessment funds to complement the PBID budget.
- We continue to offer services to people experiencing homelessness through our partnership with the San Diego Housing Commission.
- Downtown Partnership is proactively engaging the City and County to monitor the assessment collection efforts.
- We are in the early stages of preparing our PBID renewal strategy, in advance of the program end date 2025.

Summary

Managing the budget spending and service levels on a monthly basis is crucial for the optimal allocation of resources to service levels. This also allows us to understand and evaluate trends that may impact future operations. Monitoring tax collection rates will help us to perform collections where possible and update projections during the year. We will continue to update the Clean & Safe Board, as well as the finance committee of the DSDP Board, by reporting this information on a regular basis throughout the year.

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Following is a summary of our negotiated rates with the Clean & Safe contractors for FY22-23. Negotiated rates are provided for review and approval by the Downtown San Diego Partnership's Clean & Safe Board, and Downtown San Diego Partnership's Executive Committee

Tree Trimming - Neighborhoods

Aztec Landscaping provides tree trimming services in all six neighborhoods. Landscaping increased the per-tree cost from \$66.95 to \$80 due to an increase in inflation, wages, and equipment costs.

Action Item 1: Staff recommendation is to offer Aztec Landscaping the FY22-23 tree trimming contract for the neighborhoods with the requested increase rate. Service levels will remain consistent compared to FY22.

Service	FY21-22	FY22-23
Budget	\$58,115	\$67,840
Trees Trimmed	933	933

Pressure Washing

Aztec Landscaping will provide services in four neighborhoods. Aztec Landscaping increased the per-sidewalk cost from \$47.30 (average) to \$48.32 due to an equipment cost.

Action Item 2: Staff recommendation is to offer AZTEC Landscaping the FY22-23 pressurewashing contract with the requested increase in rates and decrease in the contracted amount to AZTEC.

Service	FY21-22	FY22-23
Budget	\$936,996	\$679,858
Sidewalks Washed	19,415	14,052

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Pressure Washing

South Bay Pressure Washing will provide services to the Gaslamp and East Village neighborhood. South Bay Pressure Washing contract does not contemplate an increase in service rates for FY22-23, which remains at \$50 per sidewalk. However, we will be offering the East Village Neighborhood to South Bay at a decrease in the per sidewalk cost from \$48.90 (Aztec) to \$45.40.

Action Item 3: Staff recommendation is to offer South Bay the FY22-23 pressure washing contract with the requested rates.

Service	FY21-22	FY22
Budget	\$183,450	\$858,339
Sidewalks washed	3,489	18,319

Safety/Security

Downtown San Diego Partnership's Clean and Safe RFP Committee recommends awarding Inter-Con Security patrols to all six neighborhoods. We plan to increase the level of service due to community feedback. Overall, security patrol staffing is expanding from 40 FTE'S to 42 FTE'S for the Downtown. The cost per hour of service has increased by 10% to accommodate the projected wage increase.

Action Item 4: Staff recommendation is to offer the FY22-23 security contract with the requested increase.

Service	FY21	FY22
Budget	\$2,290,729	\$2,701,415
Annual Hours	83,200	87,360

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Downtown San Diego PBID
 Budget FY 2022 - 2023

	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Assessments (1) (2)	539,365	2,103,260	824,792	1,873,123	3,735,444	991,811	1,055,405	11,123,200
Loss Provision (3)	(22,660)	(88,363)	(34,651)	(78,694)	(156,935)	(41,668)	(44,340)	(467,311)
Water Feature Reimbursement (50%)	-	2,200	3,200	3,200	4,200	2,200	5,000	20,000
Other Revenue	1,746	6,807	2,669	6,062	12,090	3,210	3,416	36,000
Carry Forward	22,693	88,493	34,702	78,810	157,166	41,730	44,405	468,000
Total	541,144	2,112,397	830,712	1,882,501	3,751,965	997,282	1,063,886	11,179,889
Expenses								
Maintenance	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Maintenance Personnel	-	602,977	285,188	689,820	1,033,156	305,661	267,435	3,184,236
Consultants	-	9,277	3,638	8,262	16,476	4,375	4,655	46,681
Cleaning & Janitorial Supplies	-	37,758	14,807	33,626	67,058	17,805	18,947	190,000
Vehicle Repair & Maintenance	-	13,513	5,299	12,035	24,000	6,372	6,781	68,000
Vehicle Fuel	-	12,321	4,832	10,973	21,882	5,810	6,183	62,000
Vehicle Insurance	4,399	4,399	4,399	4,399	4,399	4,399	4,399	30,790
Waste Removal	-	19,910	7,807	17,731	35,360	9,389	9,990	100,187
Uniforms	-	1,905	747	1,697	3,384	898	956	9,588
Equipment Leasing / Purchasing	-	11,317	4,438	10,079	20,100	5,337	5,679	56,950
Electric Services	-	4,389	1,721	3,908	7,794	2,069	2,202	22,084
Water Services	-	7,791	3,055	6,939	13,837	3,674	3,910	39,206
Maintenance and Safety Phone Services	-	8,173	3,205	7,278	14,515	3,854	4,101	41,126
Data Tracking	-	7,267	2,850	6,472	12,907	3,427	3,647	36,570
Power washing	60,278	264,986	90,992	289,650	568,689	143,960	119,642	1,538,197
Streetscape + Landscaping	-	13,833	14,333	16,333	12,333	15,333	19,833	92,000
Tree Trimming Neighborhood	-	9,600	5,440	5,760	19,200	12,480	15,360	67,840
Water Feature Maintenance + Utilities	-	4,400	6,400	6,400	8,400	4,400	10,000	40,000
Total	64,677	1,033,815	459,151	1,131,361	1,883,490	549,243	503,719	5,625,455
Beautification								
Beautification Personnel	-	103,436	40,562	92,118	183,705	48,776	51,904	520,501
Consultants	-	11,933	4,680	10,628	21,194	5,627	5,988	60,050
Capital Improv Placemaking Projects and Activations	-	18,800	6,700	20,400	13,000	22,500	17,000	98,400
Equipment Leasing / Purchasing	-	1,331	522	1,186	2,365	628	668	6,700
Midblock Lighting	-	49,681	19,482	44,245	88,235	23,427	24,930	250,000
Total	-	185,182	71,946	168,576	308,498	100,959	100,489	935,651
Safety and Homeless Outreach Services								
Safety & Outreach Personnel	55,656	57,838	133,994	51,509	102,722	138,587	140,336	680,643
Consultants	-	4,786	1,877	4,263	8,500	2,257	2,402	24,085
Safety Contracted Services	-	568,719	71,090	493,236	1,279,618	142,180	142,180	2,697,022
Total	55,656	631,343	206,961	549,008	1,390,840	283,024	284,917	3,401,750
Admin								
Admin Personnel	-	97,454	38,217	86,791	173,081	45,955	48,902	490,400
Program Management	40,266	157,017	61,574	139,836	278,866	74,043	78,790	830,391
Office Supplies/Sanitation	-	6,955	2,728	6,194	12,353	3,280	3,490	35,000
Equipment Leasing / Purchasing	650	2,534	994	2,257	4,500	1,195	1,271	13,400
Payroll Services / Web Services	-	6,803	2,668	6,059	12,083	3,208	3,414	34,234
Legal Expense	2,425	9,454	3,708	8,420	16,791	4,458	4,744	50,000
Consultants	-	8,745	3,430	7,789	15,532	4,124	4,388	44,008
Contract Renewal	3,637	14,182	5,561	12,630	25,187	6,687	7,116	75,000

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Parking	-	2,551	1,001	2,272	4,531	1,203	1,280	12,839
Community/Board Meetings/ Misc.	-	1,287	505	1,147	2,287	607	646	6,479
Training/Conferences	-	4,869	1,909	4,336	8,647	2,296	2,443	24,500
Rents / Leases / Utilities	-	24,416	9,575	21,744	43,363	11,513	12,252	122,862
Software	-	616	242	549	1,094	291	309	3,100
Total	46,977	336,884	132,109	300,022	598,314	158,861	169,047	1,742,213
CEP Exclusive	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
CEP Personnel	92,455	-	-	-	-	-	-	92,455
Consultants	18,500							18,500
Business Attraction & Retention	130,000							130,000
Property Marketing	130,000							130,000
Total	370,955	-	-	-	-	-	-	370,955
Other	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
City Fee	7,274	28,363	11,123	25,260	50,374	13,375	14,232	150,000
Employee Retention Tax Credits (4)	(4,394)	(103,189)	(50,577)	(291,726)	(479,552)	(108,178)	(8,518)	(1,046,134)
Total	2,880	(74,826)	(39,454)	(266,466)	(429,178)	(94,803)	5,714	(896,134)
Total Expenses (5)	541,145	2,112,398	830,712	1,882,502	3,751,964	997,283	1,063,887	11,179,889
Net Income	(0)	(0)	0	(0)	0	(0)	(0)	(0)
General Benefit (Non-Assessment) (6)	16,830	65,696	25,835	58,546	116,686	31,015	33,087	347,695

(1) Neighborhood percentage is based on assessment revenue

(2) Budget revenue is based on a 5% assessment increase

(3) Assessment delinquency is 3.5% of total County billing; plus 10% of City manual billing (after deducting Fed assessments)

(4) One-time tax refund for Employee Retention Tax Credit Program

(6) General Benefit is 3.11% of the budget and is based on the value