



## THE CITY OF SAN DIEGO

DATE: May 29, 2020  
TO: Honorable Audit Committee Members, Mayor and City Council Members  
FROM: Kyle Elser, CPA, CIA, CFE, Interim City Auditor  
SUBJECT: Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2019

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### Results in Brief

The City Charter requires that the City Auditor report annually the extent and nature of the Mission Bay and the San Diego Regional Parks Improvement Funds' revenues, expenses, and improvements and compliance with the requirements of Section 55.2. To comply with the Charter and in accordance with the City Auditor's Fiscal Year 2020 Annual Audit Work Plan, we have performed an audit of the Mission Bay and the Regional Parks Improvement Funds' financial activity in fiscal year 2019.

Annually, beginning in fiscal year 2010, Mission Bay Park lease revenues in excess of \$23 million have been distributed to the San Diego Regional Parks and the Mission Bay Improvement Funds for allowable capital improvement projects. Per the City Charter, in fiscal year 2015 and thereafter, revenues in excess of \$20 million are transferred. In fiscal year 2019:

- \$4,008,271 was transferred to the Regional Parks Improvement Fund.
- \$7,443,932 was transferred to the Mission Bay Improvement Fund.
- \$3,363,902 was the total post San Diego Regional Parks Improvement Fund expenditures. Allocations to this fund may be expended only for non-commercial public Capital Improvements for the San Diego Regional Parks and only for park uses. (see **Attachment E** for a list of expenditures)
- \$3,596,424 was the total post Charter Mission Bay Improvement Fund expenditures. Allocations to this fund are used to improve the conditions of the Mission Bay Park Improvement Zone for the benefit and enjoyment of residents and visitors, consistent with the Mission Bay Park Master Plan. (see **Attachment F** for a list of expenditures)



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We found that the expenditures complied with the charter requirements. We also verified there were no prior audit recommendations requiring follow-up as all prior recommendations have been implemented.

Additionally, the Mission Bay Park Committee is supposed to have eleven members. There are currently nine members, with two vacancies. Of the nine members, two members have served beyond the maximum 8 consecutive year terms in violation of the Municipal Code §26.30 (C) (4). Both members are from District 6. The two vacancies include a district 2 member and a hotel representative. We are bringing this matter to the attention of the Office of Boards and Commissions since similar issues were discovered during prior audits and those recommendations are in process.

We would like to thank the Department of Finance, Parks and Recreation, City Treasurer, Office of Boards and Commissions, and Real Estate Assets management and staff, as well as representatives from other departments for their assistance and cooperation during this audit. The Audit staff responsible for this audit are Rod Greek and Danielle Knighten.

## **Background**

The Mission Bay and San Diego Regional Parks Improvement Funds have two sources of revenue; transfers from lease revenue collected from tenants in Mission Bay Park and interest. Mission Bay Park lease revenue is deposited to a separate general fund account during the year and allocated to the improvement funds after the fiscal year-end. Prior to the effective date of Charter Section 55.2 on July 1, 2009, there were already cash balances in Mission Bay and the San Diego Regional Parks Improvement Funds. The pre-charter funds in the Mission Bay Improvement Fund (MBIF) were fully expended in fiscal year 2017, and as of the end of fiscal year 2019 there is no remaining pre-charter balance in the San Diego Regional Parks Improvement Fund (SDRPIF).

Given that these funds were collected prior to the effective date of Charter 55.2, they are not subject to the expenditure restrictions in this Charter provision according to the City Attorney's Office. However, all revenues, including interest, earned after the Charter Section 55.2 implementation date of July 1, 2009 are subject to the Charter provisions.

Charter section 55.2 was amended and effective on December 19, 2016. This amendment increased the allocation to the San Diego Regional Parks Improvement Fund from 25% of available funds in excess of \$20 million, to 35% up to a maximum of \$3.5 million from the previous maximum of \$2.5 million, with the remainder of the excess going to the Mission Bay Park Improvement Fund.

Monies deposited into Mission Bay and San Diego Regional Parks Improvement Funds prior to the implementation of City Charter Section 55.2 are excluded from our audit scope. The audit objectives, scope and methodology used to perform this audit can be found in **Attachment B** to this memorandum.

### **Fiscal Year 2019 Financial Activity**

The Mission Bay and San Diego Regional Parks Improvement Funds' financial activity for fiscal year 2019 is shown in **Exhibit 1**. The MBIF had revenues, including transfers and interest, totaling \$8,176,992 and expenditures of \$3,596,424, all expenditures were post Charter funded. The allocations to the MBIF mainly supported the dredging of Mission Bay which was identified as the number one priority per City Charter, Section 55.2. The balance at June 30, 2019 was \$42,785,955. SDRPIF had revenues, including transfers and interest, of \$4,315,001 and expenditures of \$3,414,141, of which \$3,363,902 was post Charter funded during fiscal year 2019. The available balance at June 30, 2019 was \$18,210,149. Prior years' financial activity as of June 30, 2018 is shown in **Attachment C** of this memorandum. FY19 financial activity is summarized in **Exhibit 1** below.

#### **Exhibit 1:**

### **Mission Bay and San Diego Regional Parks Improvement Funds Post Charter Financial Activity Fiscal Year 2019**

	Mission Bay Improvement Fund	Regional Parks Improvement Fund
<b>Charter 55.2 revenues exceeding expenditures as of June 30, 2018</b>	\$ 38,205,387	\$ 17,259,050
<b>Revenue, excluding unrealized gains and losses</b>	\$ 8,176,992	\$ 4,315,001
<b>Expenditures, net of depreciation</b>	\$ <3,596,424>	\$ <3,363,902>
<b>Revenue exceeding expenditures as of June 30, 2019</b>	\$ 42,785,955	\$ 18,210,149

Source: OCA generated based on general ledger and Department of Finance schedules, amounts rounded to the nearest dollar excluding unrealized gains and losses and depreciation.

**Mission Bay Park Lease Revenue**

Total adjusted Mission Bay Lease Revenues including late fees were \$31,452,203<sup>1</sup>. The revenues in excess of the \$20,000,000 threshold were distributed to the SDRPIF and MBIF based on the Charter formula for distribution, as shown in **Exhibit 2**. The fiscal year 2019 distribution from the Mission Bay Lease Revenue was \$4,008,271 to the SDRPIF for capital improvements and \$7,443,932 to the MBIF. Mission Bay adjusted total Lease Revenues decreased by \$1,184,349 between fiscal year 2018 and 2019. The decrease was mainly due to transitioning De Anza RV Park from a management contract (reported gross revenues) to a lease agreement (percentage of gross revenues) resulting in a decrease in revenue reporting of \$1,460,017<sup>1</sup> from fiscal year 2018 to fiscal year 2019.

**Exhibit 2:**

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**Mission Bay Lease Revenue Allocation to Funds**

Fund Name	Allocation Breakdown in excess of the threshold	FY 2018 Allocation Amounts
San Diego Regional Parks Improvement Fund	35% or \$3.5 million, whichever is greater, in excess of the \$20 million threshold	\$4,008,271
Mission Bay Park Improvement Fund	65% of the excess over the \$20 million threshold, if less than the 75% then, the remainder after the San Diego Regional Parks allocation	\$7,443,932

Source: San Diego City Charter, Article V, Section 55.2(b).

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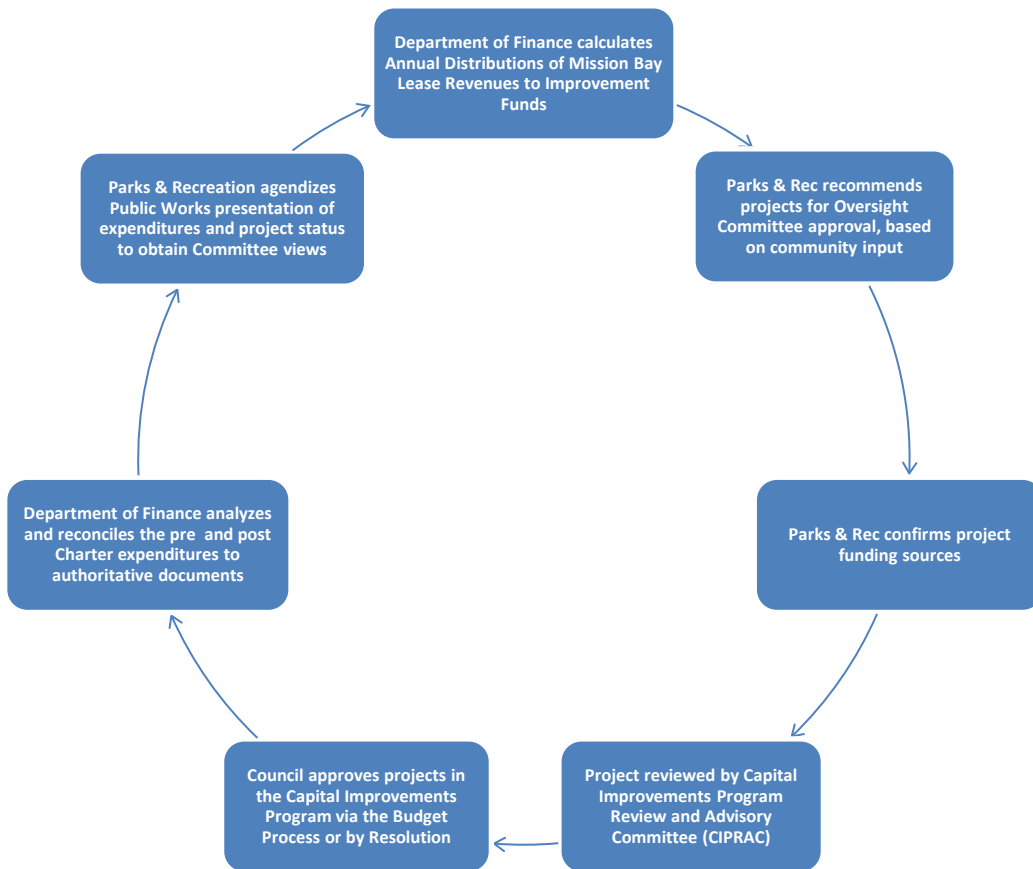
<sup>1</sup> See **Attachment D** for a detailed list of revenues.

The processes to approve, monitor, and report Charter revenues and expenditures are shown in **Exhibit 3**.

**Exhibit 3:**

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**APPROVAL & REPORTING ON CHARTER SECTION 55.2 FUNDED PROJECTS**



Source: OCA generated of key processes.

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### **San Diego Regional Parks Improvement Expenditures**

During fiscal year 2019, SDRPIF project expenditures, subject to the provisions of Charter Section 55.2, totaled \$3,363,902, of the total \$3,414,141 expenditures excluding depreciation and an accounting loss on sale of assets. The difference of \$50,239 is the amount of pre-charter expenditures in FY2019. The fiscal year 2019 SDRPIF project Charter expenditures<sup>2</sup> by project are listed in **Attachment E** of this memorandum. We found that the expenditures complied with the charter requirements.

### **Mission Bay Improvement Fund Expenditures**

MBIF total expenditures were \$3,596,424 excluding depreciation for fiscal year 2019. All of the MBIF project expenditures were subject to the provisions of Charter Section 55.2. The fiscal year 2019 MBIF project Charter expenditures<sup>2</sup> by project are listed in **Attachment F** of this memorandum. We found that the fiscal year 2019 MBIF post charter expenditures of \$3,596,424 were allowable and appropriate expenditures under the Charter.

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<sup>2</sup> Source: Department of Finance analysis of MBIF and SDRPIF expenditures for fiscal year 2019.

**Other Pertinent Information: Mission Bay Improvement Fund Oversight Committee Members with Terms Exceeding 8 Consecutive Years**

During the review of Committee appointments dates and meeting minutes, it was again discovered that two active members have exceeded the maximum 8-year term per Municipal Code Section 26.30 (C)(4). This section specifically relates to Mission Bay Park Committee (MBPC), who also serves as the Mission Bay Improvement Fund Oversight Committee. Municipal Code Section 26.30 (C)(4) reads as follows:

(4) The members shall serve two-year staggered terms for a maximum of eight consecutive years. An interval of four years must pass before a person who has served eight consecutive years can be reappointed. Each member shall serve until his or her successor is duly appointed and qualified. The members shall be appointed in such a manner that the terms of not more than six members shall expire in any year. Effective July 1, 2009, all terms unexpired as of June 30, 2009 shall be deemed expired. Thereafter, all terms shall expire on June 30.

There are eleven positions on the MBPC, however only nine were filled as of January 2020. Two of these nine are serving under expired terms. Both of the vacant positions are properly disclosed on the Boards and Commissions Unscheduled Vacancies list. The two members exceeding the maximum term and not included on the expiring terms document are listed in the **Exhibit 4** below.

**Exhibit 4:**

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**Mission Bay Park Committee Members with Terms exceeding 8 consecutive years**

	Appointment Date	Last Meeting Attended	Duration
Committee Member A	12/17/2009	2/4/2020	10.1 Years
Committee Member B	12/17/2009	3/3/2020	10.2 Years

Source: [Mission Bay Park Committee Meeting Minutes February 4, 2020](#) and [Mission Bay Park Committee Meeting Minutes March 3, 2020](#)

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Although the two members have exceeded the eight-year limitation, the City Attorney's Office advised that the Municipal Code and State Law<sup>3</sup> allow for Advisory Board members whose terms have expired to continue serving until a replacement is appointed. However, we wanted to bring this issue to the attention of the Office of the Board and Commission<sup>4</sup> since Municipal Code Section 26.30 (C)(4) specifically states members shall serve a maximum of eight consecutive years and an interval of four years must pass before being reappointed.

We made similar observations during our two previous [Mission Bay audits](#) and the [Performance Audit of the City's Management of Its Advisory Boards](#). In the audit of the City's management of advisory boards, we already made recommendations to improve the process for identifying candidates and filling available Advisory Board seats.

## Conclusion

We found that \$4,008,271 was transferred from Mission Bay Lease Revenue to the Regional Parks Improvement Fund (SDRPIF) for capital improvements and \$7,443,932 was transferred to the Mission Bay Improvement Fund (MBIF). Based on these transfers plus interest, the total transfers were \$4,315,001 to the Regional Parks Improvement Fund and \$8,176,992 to the Mission Bay Improvement Fund.

There were post Charter SDRPIF expenditures of \$3,363,902 in fiscal year 2019 and post Charter MBIF expenditures of \$3,596,424. We found that the expenditures complied with the charter requirements.

During the review we noted that two members of the Mission Bay Improvement Fund Oversight Committee had exceeded the maximum 8-year term per Municipal Code Section 26.30 (C)(4). Neither of these were included on the expiring terms document. Although these members have exceeded the eight-year limitation, the City Attorney's Office advised that it is allowable for Advisory Board members whose terms have expired to continue serving until a replacement is appointed.

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<sup>3</sup> Government Code 1302.

<sup>4</sup> A new department for Fiscal Year 2019 that supports the day-to-day operations for the City's 49 boards and commissions and serves as an access point to the volunteer members appointed by the Mayor and City Council. These entities serve in a fiduciary, regulatory, policy-setting and/or advisory capacity.

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There were no outstanding audit recommendations from prior audits of the improvement funds. (See **Attachment A**).

Respectfully submitted,



Kyle Elser, CPA, CIA, CFE  
Interim City Auditor

cc: Kris Michell, Chief Operating Officer  
Rolando Charvel, Chief Financial Officer  
Jeff Sturak, Assistant Chief Operating Officer  
Ron Villa, Assistant Chief Operating Officer  
Andrea Tevlin, Independent Budget Analyst  
Elizabeth Correia, City Treasurer  
Matthew Helm, Chief Compliance Officer  
Cybele Thompson, Director, Real Estate Assets Department  
Matthew Vespi, Director and City Comptroller, Department of Finance  
Andrew Field, Director, Parks and Recreation  
Jeffrey Peelle, Chief Accountant, Department of Finance  
Ken So, Deputy City Attorney  
Joel Day, Director, Office of Boards and Commissions

**Attachment A: Follow Up on Prior Audit Recommendations**

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All audit recommendations related to the improvement funds have been reported as implemented in prior audits.

## **Attachment B: Audit, Objectives, Scope, and Methodology**

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Article V, Section 55.2 of the City Charter requires that the City Auditor perform an annual audit of the distribution of Mission Bay lease revenues. Specifically, we are required to establish and oversee a mechanism to ensure public accountability by effectively reporting and communicating the extent and nature of revenues, expenses and improvements generated and in compliance with City Charter requirements. This shall include, at a minimum, an annual audit report to the Mayor, City Council and public. Each annual report shall, at a minimum, contain the following: 1) a complete accounting of all revenues received; 2) the amount and nature of all expenditures; and, 3) a report as to whether in each committee's view the expenditures have been consistent and compliant City Charter requirements.

The audit's objectives were to verify that fiscal year 2019 collection, allocation, and use of Mission Bay Park lease revenues are properly budgeted, authorized and expended in compliance with City Charter requirements.

To accomplish our objectives and test internal controls to determine if they are functioning as intended, we performed the following audit procedures:

- Reviewed pertinent laws, policies and regulations related to Mission Bay Park lease revenues;
- Gathered and analyzed agreements and information related to Mission Bay Park lease revenues;
- Identified, collected, analyzed financial information including transaction adjustments and management reports related to Mission Bay Park lease revenues;
- Made inquiries with management and key staff in charge of managing and monitoring information related to Mission Bay Park lease revenues;
- Reviewed Mission Bay Park and San Diego Regional Parks Improvement Fund Oversight Committee minutes, agendas and related bylaws;
- Analyzed the quality and effectiveness of the reporting to the Oversight Committees;
- Verified the calculation and reporting of project expenditures; and
- Followed up on any outstanding recommendations from prior reports.

All references in this memorandum focus on post-charter funds related to the Mission Bay and San Diego Regional Parks Improvement Funds exclude the pre-Charter funds unless otherwise referenced.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**Attachment C:****Prior Years Mission Bay and San Diego Regional Parks Improvement Funds  
Financial Activity, As of June 30, 2018**

<b>Fiscal Year</b>	<b>Mission Bay Revenues Revenues [1]</b>	<b>Regional Park Revenues Revenues [1]</b>
2010	\$ 115,603	\$ 1,708,236
2011	\$ 40,859	\$ 1,753,292
2012	\$ 2,449,130	\$ 2,534,109
2013	\$ 5,373,254	\$ 2,525,338
2014	\$ 4,302,753	\$ 2,538,998
2015	\$ 7,100,046	\$ 2,555,608
2016	\$ 10,531,043	\$ 3,511,501
2017	\$ 6,622,302	\$ 3,595,326
2018	\$ 8,654,483	\$ 4,604,146
<b>Total as of June 30, 2018</b>	<b>\$ 45,189,473</b>	<b>\$ 25,326,554</b>
	<b>Expenditures [2]</b>	<b>Expenditures [2]</b>
2010	\$ -	\$ -
2011	\$ -	\$ -
2012	\$ -	\$ 313,640
2013	\$ -	\$ 408,680
2014	\$ -	\$ 742,897
2015	\$ 171,848	\$ 1,554,596
2016	\$ 73,479	\$ 1,250,638
2017	\$ 472,168	\$ 1,040,585
2018	\$ 6,266,591	\$ 2,756,468
<b>Total as of June 30, 2018</b>	<b>\$ 6,984,086</b>	<b>\$ 8,067,504</b>
<b>Available balance June 30, 2018</b>	<b>\$ 38,205,387</b>	<b>\$ 17,259,050</b>

**[1] Excludes unrealized gains and losses.**

**[2] Excludes depreciation.**

Source: OCA generated based on SAP financial data.

**Attachment D: Fiscal Year 2019 and 2018 Mission Bay Park Lease Revenue**

Lessee	Revenue Amount FY 2019	Revenue Amount FY 2018	Change
Sea World Inc	\$ 11,019,169	\$ 11,018,698	\$ 471
LHO Mission Bay Hotel, L.P.	4,130,726.02	3,819,546.16	311,179.86
CHSP Mission Bay	3,586,586.00	3,688,781.67	(102,195.67)
LHO Mission Bay Rosie Hotel	3,199,109.64	2,997,974.44	201,135.20
BH Partnership	2,355,696.24	2,063,453.92	292,242.32
Bartell Hotels	1,430,415.96	1,492,958.00	(62,542.04)
Campland, LLC	1,255,285.94	1,193,067.11	62,218.83
Seaforth Sportfishing Corporation	944,557.94	1,062,235.66	(117,677.72)
Marina Village	817,087.87	777,214.18	39,873.69
Driscoll Mission Bay LLC	513,549.56	458,115.06	55,434.50
Mission Bay Yacht Club	435,579.56	423,567.74	12,011.82
Wesco Sales Corp	446,164.86	344,280.13	101,884.73
De Anza RV Park	305,411.20	1,765,428.25	(1,460,017.05)
Mission Bay Sports Center	217,095.05	194,145.46	22,949.59
Mission Bay Boat & Ski Club	149,169.96	144,846.20	4,323.76
Sportsmen's Seafood Co Inc	84,251.27	95,597.20	(11,345.93)
Braemar Partnership	59,467.02	59,958.59	(491.57)
Everingham Bros Bait Co	54,936.00	54,936.00	0.00
Associated Students SDSU/Regents Of UCSD	54,773.20	71,452.50	(16,679.30)
San Diego Parasail Adventures Inc (Note 1)	50,000.20	44,614.29	5,385.91
Verizon Wireless - Mission Bay Athletic Area	42,131.28	40,706.55	1,424.73
San Diego Rowing Club/Intercollegiate Rowing	40,934.07	28,583.64	12,350.43
Sprint PCS - Mission Bay Athletic Area	41,527.00	0.00	41,527.00
Sprint PCS Assets LLC	17,367.10	40,317.24	(22,950.14)
Verizon Wireless VAW	11,104.69	10,781.25	323.44
Canoe & Kayak Team	5,141.88	5,004.60	137.28
Hanohano Outrigger Canoe Club	4,812.70	4,608.14	204.56
Kai Elua Outrigger Canoe Club	2,760.00	1,870.00	890.00
SD Alliance for Asian Pacific	2,437.50	2,337.50	100.00
Kapolioka' Ehukai Outrigger Canoe Club (Note 2)	2,437.50	2,337.50	100.00
SD Dragon Boat Team	436.05		436.05
<b>Grand Total</b>	<b>\$ 31,280,123</b>	<b>\$ 31,907,417</b>	<b>(\$627,294)</b>
Adjustments to accruals entries	172,080.37	729,135.00	(557,054.63)
<b>Adjusted total lease revenue</b>	<b>\$ 31,452,203</b>	<b>\$ 32,636,552</b>	<b>(\$1,184,349)</b>
Threshold	(20,000,000.00)	(20,000,000.00)	0.00
Revenues exceeding the threshold	11,452,203.03	12,636,551.98	(1,184,348.95)
<b>Transfer to San Diego Regional Park Improvement Fund</b>	<b>\$ 4,008,271</b>	<b>\$ 4,422,793</b>	<b>(\$414,522)</b>
<b>Transfer to Mission Bay Improvement Fund</b>	<b>\$ 7,443,932</b>	<b>\$ 8,213,759</b>	<b>(\$769,827)</b>

Source: OCA generated based on information from the Department of Finance

**Attachment E: Regional Park Improvement Fund Project Expenditures for Fiscal Year 2019**

Projects	Purpose	Expenditures FY 2019 [1]
<b>New project expenditures:</b>		
OB Dog Beach Access	ADA upgrades to primary path of travel, demolition and rebuilding of the existing sidewalk and, add walls to prevent sand migration onto the walking surface for pedestrian safety.	\$124,860.37
Ladera St Beach Access	Removal of any potential loose material from the vertical cliff face, and grading back portions of the bluff that overhang the vertical face.	76,127.43
Seismic Retrofit - Museum of Man	Seismically upgrade the Museum structure. Includes the shotcrete thickening of the walls, stiffening of the columns, and support the stone ornamentation.	58,691.55
<b>Continuing Projects Expenditures:</b>		
La Jolla Parkway/Mt Soledad Erosion Control	This project provides for the replacement of an existing storm water conveyance system constructed on the north side of La Jolla Parkway.	\$305,338.90
Chollas Lake Improvements (Chollas Lake Electric)	To provide electrical service to the park which will allow extended use of the park and provide a higher level of security.	30,324.26
Narragansett Avenue Access	This project is for Narragansett Avenue Beach Access.	35,296.41
Santa Cruz Avenue Access Stairs and Walkway	This project is for Santa Cruz Avenue Beach Access stairs and Walkway.	37,669.32
Bermuda Ave Coastal	This project provides reconstruction of Stairway and Seawall.	29,731.77
Casa De Balboa Fire Alarm System	Replace the Fire Alarm System at Casa de Balboa.	114,944.46

Projects	Purpose	Expenditures FY 2019 [1]
Balboa Park Bud Kearns	Complex improvements including Pool, mechanisms, fencing, accessibility, etc.	99,522.32
Junipero Serra Museum ADA Improvements	This project provides ADA access to the Junipero Serra Museum within Presidio Park.	257,773.59
EB Scripps Pk Comfort Station Replacement	This project provides for a replacement comfort station located in EB Scripps Park adjacent to La Jolla Cove.	51,304.36
Balboa Park West Mesa Comfort Station Replacement	This project provides for two replacement comfort stations on the West Mesa of Balboa Park.	33,552.55
Sunset Cliffs Natural Park Ph I Reveg	This project will complete improvements to the hillside portion of the Sunset Cliffs Natural Park.	19,153.17
Sunset Cliffs Natural Park Ph II Trail & Reveg	This project will complete improvements to the hillside portion of the Sunset Cliffs Natural Park, consisting of construction of trails, habitat restoration, erosion control, and the removal and return to natural vegetation of the softball field.	881,695.55
Coastal Beach Access Projects	202 Coast Blvd Access Stairs	2,983.99
Seismic System Upgrade	Seismic retrofit of the historic California Tower within Balboa Park. Phase 1 is the relocation of electrical systems housed in the bottom floor of the tower in order to reinforce the walls of the room. Phase 2 is the seismic upgrade of the tower.	462,266.64
Demolition of Loma Land Structures	This project provides for the removal of existing houses located on parkland.	152,921.76



Projects	Purpose	Expenditures FY 2019 [1]
Hillside Drainage Improvements	This project provides for drainage improvements at Sunset Cliffs Natural Park, restoration of natural areas to allow water percolation, and installation of site appropriate drainage devices.	78,551.83
Mohnike Adobe & Barn Restore	This project provides for the rehabilitation/restoration of the historic adobe and hay barn located within the 14-acre Rancho Penasquitos Equestrian Center on the eastern end of the Los Penasquitos Canyon Preserve.	42,479.50
Beach Access - Orchard Avenue, Capri by the Sea and Old Salt Pool	This project provides for coastal infrastructure improvements.	337,037.79
Chollas Lake Park Playground Improvements	This project provides for the design and construction of two playgrounds at Chollas Lake Park to replace existing playgrounds which have surpassed their life expectancy and do not meet current ADA and playground safety requirements.	113,433.71
Old Mission Dam Dredging Project	This project provides for dredging behind the Old Mission Dam for the purpose of removing silt buildup, the required mitigation and monitoring program, and obtaining the necessary permits for long term preservation measures.	18,241.48
<b>Total Fiscal Year 2019 expenditures</b>		<b>\$ 3,363,902.71</b>
<p><i>[1] The expenditures are for projects funded by Mission Bay rents collected after June 30, 2009. Monies in the fund collected prior to July 1, 2009 and expended on projects are outside the scope of the audit.</i></p>		

Source: OCA generated based on Improvement Fund Oversight Committee Projects approval and SAP expenditure data.

**Attachment F: Mission Bay Improvement Fund Project Expenditures for Fiscal Year 2019**

Projects	Purpose	Expenditures FY 2019 [1]
<b>New project expenditures:</b>		
Mission Bay Athletic - Comfort Station	Replacement and upgrade of comfort station.	\$ 46,177.88
De Anza North Parking Lot	Parking lot improvements	6,533.20
North Bank SD River Bike Path and Parking Lot Resurfacing (Old Sea World Drive Parking Lot)	Parking lot improvements	92,700.46
De Anza South Parking Lot	Parking lot improvements	38,723.27
Adult Fitness Course East Shore	Construct the fitness course improvements.	28,392.19
El Carmel Comfort Station	Replacement and upgrade of comfort station.	40,079.91
Ventura Comfort Station	Replacement and upgrade of comfort station.	38,387.63
Bonita Cove Playground	Improvements and Replacement of playground equipment	146,216.85
Bonita Cove Comfort	Replacement and upgrade of comfort station.	105,387.21
Tecolote North Parking Lot	Parking lot improvements	12,240.84
Tecolote North Playground	Improvements and Replacement of playground equipment	46,299.34
Tecolote North Comfort Station	Replacement and upgrade of comfort station.	29,854.61
North Cove Comfort Station	Replacement and upgrade of comfort station.	43,264.11
OB Dog Beach Accessibility	ADA upgrades to primary path of travel, demolition and rebuilding of the existing sidewalk, add walls to prevent sand migration onto the walking surface for pedestrian safety.	46,370.16
Tecolote South Comfort Station	Replacement and upgrade of comfort station.	42,262.59

Projects	Purpose	Expenditures FY 2019 [1]
Tecolote South Playground	Improvements and Replacement of playground equipment	19,733.71
Tecolote South Parking Lot	Parking lot improvements	4,724.02
Crown Point Playground	Improvements and Replacement of playground equipment	35,926.95
Crown Point Parking Lot	Parking lot improvements	31,459.89
Santa Clara Playground	Improvements and Replacement of playground equipment	34,174.03
Santa Clara Comfort Station	Replacement and upgrade of comfort station.	16,544.20
Beautification of Traffic Island Group 1	This project provides for the study of signage (monument and wayfinding) and associated landscaping for Mission Bay Park.	6,562.09
Sunset Point Parking Lot Improvements	Parking lot improvements	923.80
Santa Clara Pt South Parking Lot	Parking lot improvements	232,424.30
Playa Pacific No Parking Lot	Parking lot improvements	2,826.23
Rose Marie Stearns So Parking Lot	Parking lot improvements	2,672.25
Playa Pacifica Comfort Station	Replacement and upgrade of comfort station.	1,913.22
Sunset Point Comfort Station	Replacement and upgrade of comfort station.	4,490.20
Bonita Cove East Comfort Station	Replacement and upgrade of comfort station.	3,252.06
Bonita Cove East Playground	Improvements and Replacement of playground equipment	390.73
Hospitality Point Comfort Station	Replacement and upgrade of comfort station.	4,000.88
Dusty Rhodes Comfort Station	Replacement and upgrade of comfort station.	1,932.42
Dusty Rhodes Playground	Improvements and Replacement of playground equipment	1,834.87

Projects	Purpose	Expenditures FY 2019 [1]
<b>Continuing Projects Expenditures:</b>		
Mission Bay Dredging	Dredging of Mission Bay, which is necessary for boat navigation.	\$ 1,134,833.34
Mission Bay EIR	Environmental Impact Report for Mission Bay Projects.	1,292,914.49
<b>Total Fiscal Year 2019 expenditures</b>		<b>\$ 3,596,423.93</b>
<p><i>[1] The expenditures are for projects funded by Mission Bay rents collected after June 30, 2009. Monies in the fund collected prior to July 1, 2009 and expended on projects are outside the scope of the audit.</i></p>		

Source: OCA generated based on Improvement Fund Oversight Committee Projects approval and SAP expenditure data.



THE CITY OF SAN DIEGO

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

DATE: May 27, 2020

TO: Kyle Elser, Interim City Auditor, Office of the City Auditor

FROM: Andrew Field, Director, Parks and Recreation Department

SUBJECT: Response to Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2019

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The Parks and Recreation Department appreciates and thanks the Office of the City Auditor for the Fiscal Year 2019 annual audit of the Mission Bay and San Diego Regional Parks Improvement Funds in accordance with City Charter Section 55.2. Regarding the "Other Pertinent Information" presented in the report, the Mayor's Office has selected appointees to fill expired and vacant positions on the Mission Bay Improvement Fund Oversight Committee and will provide updates once the process is complete.

While there are no audit findings or recommendations associated with this report, please note that the Parks and Recreation Department, in partnership with other City departments involved in managing the Mission Bay and San Diego Regional Parks Improvement Funds, is committed to continuing process improvements and effective internal controls.

A handwritten signature in blue ink that reads "Andrew Field".

Andrew Field  
Director

AF/rdb

cc: Kris Michell, Chief Operating Officer  
Rolando Charvel, Chief Financial Officer  
Jeff Sturak, Assistant Chief Operating Officer  
Ron Villa, Assistant Chief Operating Officer  
Andrea Tevlin, Independent Budget Analyst  
Elizabeth Correia, City Treasurer  
Matthew Helm, Chief Compliance Officer  
Joel Day, Director, Office of Boards and Commissions  
Cybele Thompson, Director, Real Estate Assets Department  
Matthew Vespi, Director and City Comptroller, Department of Finance  
Karen Dennison, Assistant Director, Parks and Recreation  
Jeffrey Peelle, City Accountant, Department of Finance  
Ken So, Deputy City Attorney