




City of San Diego
Councilmember Scott Sherman
Seventh District

MEMORANDUM

DATE: January 23, 2015
TO: Councilmember Todd Gloria
FROM: Councilmember Scott Sherman 
RE: 2015 Budget and Government Efficiency Committee Priorities

In response to your memo dated January 8, 2015, the following are my priorities for the upcoming year for the Budget and Government Efficiency Committee.

Review Prevailing Wage on Contracts

The City Council passed a City Prevailing Wage Ordinance in September 2013. This higher wage was applied to all new and ongoing contracts with the City of San Diego. During review of the proposed ordinance, the Independent Budget Analyst believed the application of a City Prevailing Wage would increase contract costs by 5-10%. As the ordinance enters its second year in effect, I recommend this committee review the effects of the ordinance on contract costs.

Review Fee Schedules

Council Policy 100-05 "User Fee Policy" states that fee schedules should be reviewed annually as part of the Budget process. This review has not occurred in the last two years. I would like to see the major General Fund user fee schedules reviewed by this committee as part of the FY 2016 Budget process in accordance with the Council Policy.

Update Managed Competition

The struggles of the City of San Diego's Managed Competition Program have been well documented. This committee should commit to working with the Mayor's office in revising the Managed Competition process based on the recommendations laid out in the Huron Report. Managed Competition, when implemented correctly and efficiently, has the ability to save the City millions of dollars that can be reinvested into our streets and public safety.

Review Personnel Allocations and Hiring Efficiency

The City Auditor recommended six changes in their recent review of the Personnel Department. These changes identified ways to expedite the hiring of vacant positions. The committee should receive quarterly updates on the hiring of recently budgeted FTE's and the timeline for those hiring

processes. In addition, the Budget and Government Efficiency should work with Personnel to determine what positions have remained vacant for significant periods of time and could be eliminated.

Review of all City Real Estate/Office Space

The City of San Diego owns and is the lessor of property throughout the city. The details of these assets have never been fully consolidated into one report. I would like to see a review that includes a list of the property owned by the City, the value of the property, how much it is leased for, and the length of the lease.

Work to Update Performance Measures

The performance measures currently used as part of the budget process are outdated and lack detail. These standards are supposed to create transparency, justify budgets, and ensure results. The current measures lack the ability to accurately evaluate those goals. The City Council recently approved the creation of the Performance and Analytics Department. I recommend this committee work with the Performance and Analytics Department to update the performance measures used by City Departments in order to create accurate and detailed standards.

Update City Website

The City's website is antiquated, which has resulted in limited accessibility from mobile devices and certain browsers. The Mayor and City Council approved \$285,000 in the FY 2015 budget process for the update of the City's website. This committee should receive consistent reports regarding the status of the update and work with the IT department to identify priority portions of the website for updating. It is essential that residents have the ability to access the services they need through a readily accessible website.

Purchasing and Contracting Update

Purchasing and Contracting has made great strides over the last two years in addressing ongoing problems. Recently though, the City Auditor raised new concerns regarding the oversight of contracts. In addition, Council has heard several items to extend leases past their original contract due to the RFP having not been started or completed fast enough. This committee should work with Purchasing and Contracting to ensure that ongoing contracts have the appropriate oversight and that new RFP's and contracts are completed expeditiously and on-time.

EOC Contracting Effects

In the FY 2015 budget, Purchasing and Contracting's staff grew by 7 FTE's to enforce the Living Wage Ordinance and Prevailing Wage Ordinance. This increase in staff now results in a net cost of over \$1 million a year. A report should be brought forward on the effectiveness of enforcement of the programs. This report would specifically look at how many contracts are handled per staff member, how many violations are typically found, the amount of back wages paid, and other responsibilities that staff members undertake in addition to enforcement of Living Wage and Prevailing Wage.

cc: Honorable Mayor Kevin Faulconer
Honorable City Councilmembers
Andrea Tevlin, Independent Budget Analyst