

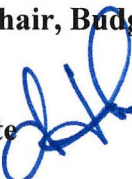


**COUNCILMEMBER CHRIS CATE
CITY OF SAN DIEGO
SIXTH DISTRICT**

M E M O R A N D U M

DATE: January 26, 2015

TO: Councilmember Gloria, Chair, Budget and Government Efficiency Committee

FROM: Councilmember Chris Cate 

SUBJECT: 2015 Budget and Government Efficiency Committee Priorities

It is my pleasure to submit my 2015 priorities for the Budget and Government Efficiency Committee. I look forward to partnering with my Council colleagues to ensure the City operates in a manner that is transparent, efficient, and effective.

Add City Contract Preference Point Category for Hires from High Poverty Areas

Each year, the City of San Diego issues hundreds of contracts for a wide variety of projects and services. Small Local Business Enterprises (SLBE) receiving a share of these contracts entails an economic benefit for these firms. To ensure economic growth is spurred city-wide, an additional preference point category for contractors who hire in high poverty census tracts should be considered. The Committee should receive a presentation from the Purchasing and Contracting Department on current practices and create a pathway forward to implement this new category.

Initiate the Development of a Smart “Zero-Base” Budgeting Pilot Program

In preparation for the new fiscal year, individual City departments use the current year’s budget as a baseline for any variances in the upcoming year. Though mid-year budget adjustments are made to self-correct based upon trends and projections throughout the remaining budget year, variances still often exist within departments. Under the Smart “Zero-Base” Budgeting method, the department would commence with a zero-dollar baseline to evaluate all programs planned for the upcoming year and determine the costs necessary to support them. In an effort to develop a transparent, maximized and results-oriented budget process, the City should initiate a pilot Smart “Zero-Base” Budgeting program.

Enhance and Continue the Managed Competition Process

An initiative approved by San Diego voters in 2006, Managed Competition provides the City a valuable tool to ensure taxpayer dollars are maximized. Now generating nearly \$9 million in annual savings, this program has demonstrated its value. Nevertheless, the true potential of this program has yet to be realized. The Mayor announced in his State of the City address he will be

presenting a revised Guidebook to make the Managed Competition process simple and efficient. The Committee should work collaboratively with the Mayor's office and stakeholders to review additional competitions to continue providing additional savings to taxpayers.

Ensure the Timely Publishing of Monthly Financial Performance Reports

In accordance with Section 39 of the Charter, the Chief Financial Officer shall "submit to the City Manager and to the Council at least monthly a summary statement of revenues and expenses for the preceding accounting period..." It is imperative for the City to publish these reports in a timely and user-friendly manner to accurately reflect the City's financial activity. Upon the conclusion of the preceding period, the City should immediately post these reports for the consideration of the Mayor, City Council, and the public.

Consider Enhanced Community Engagement During the Annual Budget Process

Input from San Diego residents and business owners is vital to the development of an annual operating budget that is reflective of the community's needs. To facilitate the solicitation of information from the public, the Committee should consider hosting budget meetings in the community. One meeting should occur both before and after adoption in order to effectively engage the community and distribute the contents of the budget. The location of the meetings may be left to the discretion of the Committee.

Fund the Tourism Special Events Revolving Loan Fund

As the City looks forward to hosting Major League Baseball's All-Star Game in 2016, it is imperative to ensure San Diego taxpayer dollars are protected. The City Council has authorized the waiving of up to \$1.5 million in fees for General Fund department services, including, but not limited to Police, Fire-Rescue, Park and Recreation, and Special Events Departments. Given this event provides the City a unique platform to showcase San Diego to an international audience and new tourism markets, the Tourism Special Events Revolving Loan Fund should fully reimburse the City's General Fund expenditures. This reimbursement can be accomplished over Fiscal Years 2016 and 2017.

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