




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

MEMORANDUM

DATE: February 23, 2018
TO: Councilmember Bry, Chair, Budget and Government Efficiency Committee
FROM: Councilmember Chris Cate 
SUBJECT: 2018 Budget and Government Efficiency Committee Priorities

It is my pleasure to submit my 2018 priorities for the Budget and Government Efficiency Committee (Committee). I look forward to partnering with my Council colleagues to ensure the City operates in a manner that is transparent, efficient, and effective.

Reinstitute the San Diego Works Program

In 2015, the Mayor directed Performance & Analytics to initiate San Diego Works, a program that engages all levels of City employees to identify and implement operational efficiencies. According to Performance & Analytics, more than 550 employees submitted over 250 proposals. Employees identified approximately \$1.3 million in net savings that would be realized between Fiscal Year (FY) 16 to FY21. This program has provided tremendous value by giving rank and file City employees financial incentives when they identify effective streamlining and efficiency measures that improve the delivery of services to San Diego residents. The Committee should work with Performance & Analytics to reinstitute this once successful program.

Amend the Council District Community Programs, Projects, and Services (CPPS) Policy

CPPS allocations for City Council offices are currently determined by office budgetary savings accrued from the prior fiscal year. Annual CPPS allocations can vary by office depending on employee retirement benefits, compensation, and non-personnel expenditures. In recent years, the City Council has witnessed an increasing discrepancy in office budgets largely due to budgetary revisions based on fringe benefits. This discrepancy has had a negative impact on some office budgets, thus having the effect of decreasing available CPPS funding. The Committee should consider revising Council Policy 100-06 to establish an equal allocation for Council Districts within the Mayor's Proposed Budget. These revisions should allow for additional allocations based on prior fiscal year savings from personnel and non-personnel expenses.

Review Opportunities to Expand the Corporate Partnership and Development Program

The City's Corporate Partnership and Development Program has generated over \$27 million in revenue from prior and existing agreements with organizations and companies. These partnerships

have provided San Diego residents and City employees with a wide variety of programs and services while allocating new revenue for the General Fund. As such, the Committee should work on identifying additional partnership opportunities to bolster this Program.

Consider Review of Biennial Budgeting

The Committee should work with Financial Management to prepare an informational presentation on the feasibility of transitioning from an annual to biennial budgeting. The presentation should consider best biennial budgeting practices currently utilized by other jurisdictions, such as: Hawaii, Nevada, Ohio, and North Carolina. The current budget development process takes nearly three-quarters of the calendar year to allow sufficient time for the submission of priorities, drafting of the budget document, and final approval. A biennial budget would allow the City more time to plan and monitor the effectiveness of City programs during non-budget years while providing flexibility in making budgetary adjustments when necessary.

Identify Opportunities to Improve and Enhance the Managed Competition Process

An initiative approved by San Diego voters in 2006, Managed Competition, has provided the City with a valuable tool in ensuring taxpayer dollars are maximized. Currently generating nearly \$9 million in annual savings, this program has demonstrated its value. However, the true potential of this program has yet to be realized. The Committee should work collaboratively with the Mayor's office and other stakeholders to fully implement the recommendations of the Huron report and review additional competitions to provide further savings to taxpayers.

Receive Report Regarding Operational Efficiencies

Receive a presentation from Performance & Analytics regarding City programs that have demonstrated gains in operational efficiencies, or other programs or projects that have led to improved delivery of services for San Diego residents. The report should also include a status update on how City departments are collecting and utilizing data to realize operational efficiencies that result in improved quality services.

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 of the budget in order to effectively engage the community and to distribute the contents of the budget. The location of the meetings may be left at the discretion of the Committee.

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