



**COUNCIL PRESIDENT PRO TEM BARBARA BRY
CITY OF SAN DIEGO
DISTRICT 1
MEMORANDUM**

DATE: May 8, 2020
TO: Independent Budget Analyst Andrea Tevlin
FROM: Council President Pro Tem Barbara Bry
SUBJECT: Alternative Resources Analysis for Fiscal Year 2021 Budget

Tough times create the opportunity for positive change and the opportunity to build an inclusive new San Diego. As revenues continue to decline due to COVID-19, the City of San Diego (City) must develop new ways of operating to continue to deliver services to residents.

City Councilmembers will submit their Fiscal Year 2021 budget priorities to the Independent Budget Analyst (IBA) by May 22, 2020.

My priorities will include:

- Protecting all basic neighborhood services to include public safety, libraries, parks and recreation, tree trimming, and code enforcement.
- Utilizing federal stimulus dollars to protect core city operations.
- Restructuring the city workforce by offering cost-saving Work from Home and Flex Work opportunities.
- Terminating or renegotiating all real estate leases to align with new Work from Home and Flex Work opportunities
- Concluding the stadium site transaction with San Diego State which will provide almost \$20M in revenue to the general fund, eliminate \$14.5 million in expenses, and create economic stimulus through the \$350M investment in infrastructure (including a river park and stadium) by SDSU.
- Building an inclusive economic recovery by
 - Offering citywide broadband internet access to enable all residents to connect to

- local government and to telemedicine, education and other services.
- Providing financial relief to local small business and non-profits that have been hurt by COVID-19
- Working through the San Diego Housing Commission to do lease purchase agreements on hotel rooms that can be turned into affordable housing less expensively than building new units for homeless and corona virus-infected residents.

A fiscally sound and balanced budget will require the identification of resources for spending. As such, I request that the IBA review the following for feasibility as alternate resources for both one-time and on-going expenses:

- \$248M Federal Stimulus
 - How much money has the City already expended in COVID-19 related responses?
 - How much money is committed as ongoing expenses through December 31st, 2020 related to COVID-19?
 - How much remains for additional expenditures?
- \$7.1M State Funds Homeless Response
- Commercial Paper
- Borrow from city reserve funds
- Borrow from the Federal Reserve Bank Municipal Liquidity Facility
- Borrow from Fleet Fund
- Extricate from 101 Ash Street lease (total cost to the city including operations is \$10 million per year)
- Renegotiate and terminate other city office space leases
- Cessation of Smart streetlight spending
- Stopping creation of all new programs, positions, expansions and departments including Mobility, Homeless Services, Storm Water and Clean SD
- Other IBA ideas

Other options that the City should consider:

- Freezing general fund hiring through September 30 except to replace individuals who leave.
- Eliminate all PIO positions earning more than \$100,000 per year.
- Freeze elected official salaries through June 30, 2021.

Further questions that need to be answers include:

- How many employees are interested in a voluntary flex work i.e. 4-day work week at 80% salary?
 - What savings would this produce?
- How were employee cuts distributed?
 - Across the board or some departments took more/less?

- How many city employees can continue to work remotely?
- How much office space does the city currently own?
- How much office space does the city currently rent?
 - What is the full cost of these rentals including utilities and other costs?
 - What is the term of these leases?
- Considering how many employees will be working remotely, how much office space does the city need?
- In addition to office space, what other facilities does the city currently rent?
 - Othello and others?
 - What is the rental cost and term of these leases?
 - What are the total operating costs?
- What are the savings for a 1 day/pay period furlough for all staff except public safety?
- How many vacant budgeted positions are in the Mayor's budget and what is cost of these positions?
- How many vacant unbudgeted positions are there?
- How many managers are there in the Communications Department?
- What are the potential savings from freezing all new general fund hiring through September 30, 2020?