

<b>IBA Focused List of Options Recommended for Further Analysis for FY 2012</b>		
<b>Menu #</b>	<b>Item</b>	<b>Description</b>
1,10	Accerelate managed competition for refuse collection	Managed competition processes for Publishing Services and Fleet Maintenance are currently underway and could potentially generate savings in the FY 2012 budget depending on competition results and the timing of implementation. The next phase, as announced by the Mayor, will include Miramar landfill; street sweeping; Public Utilities call center, billing and collections; and sidewalk and street maintenance. Processes for these identified services will be carried out between now and FY 2013 with varying implementation dates. Trash collection, which costs the City's General Fund approximately \$30 million annually, and has proven to be one of the most viable candidates for managed competition in other large cities (e.g. Charlotte and Phoenix), has not yet been scheduled for managed competition. Both of these cities have experienced between 20-30 percent savings as a result of a managed competition process for trash collection, which in the case of Phoenix has spanned three decades. The managed competition process is labor intensive and the Business Office staff is at capacity with the six functions that have already been announced. However, based on the experiences of other cities in the area of trash collection, it may be worthwhile to consider reprioritizing the services and advancing the trash collection competition.
11	Expand the use of a 4/10/5 work schedule	A 4/10/5 work schedule is a change from the standard five day eight hour work week to four ten hour work days. The five signifies continuous coverage throughout the work week. This can be accomplished through various work schedules. Currently the Environmental Services and Police departments employ 4/10/5 work schedules. Savings could be achieved through reduced energy costs and vehicle usage. The IBA has spoken with the Environmental Services department and they are still evaluating the impacts to the City as a result of the implementation of a 4/10/5 schedule. A variation of the 4/10/5 work schedule is four ten hour work days with the fifth day off. Known as a straight 4/10 schedule, this variation is better employed where constant staffing is not necessary. Savings can be achieved by reduced energy costs as a result of a facility being closed on a specific day. However, these savings can be negated if the facility is not truly "shut down" for the designated day thus reducing the expected energy savings. It should be noted that any change to employees work schedule would require meet and confer with the City's labor organizations.
14	Implement Recovery Auditing Program	Recovery auditing can be used for 1) the post-payment review of accounts payable with the goal of identifying overpayments or 2) reviewing accounts receivable to ensure that funds are properly received and/or recovered. Councilmember DeMaio and the City Auditor believe it is reasonable to expect net recoveries in excess of \$500,000.

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18/155	Complete comprehensive review of all existing funds including their legal bases, current and planned uses and fund balances	For the FY 2009 budget, the IBA identified \$22.1 million in existing fund balances from several funds that were established years ago. No current plans existed for the use of these funds and no legal requirements mandated their existence. As part of the City Council's FY 2009 budget actions the Council requested the CFO to undertake a thorough review of all other existing funds for their purposes, necessity and fund balances. For example, we recently learned that the Cemetery Perpetuity Fund has a balance of over \$9 million. The Charter allows income from the sales of cemetery lots and income derived from the investment of moneys in the Perpetuity Fund, that is in excess of funding needed for cemetery maintenance, to be directed for other municipal purposes. A review of this and other existing funds could identify other fund balances for potential transfer to the General Fund for one-time uses. In 2009 the Comptroller was requested by the Council to undertake such a review however competing priorities have delayed this analysis.
39	Reduce the use of blanket subpoenas to help reduce police officer overtime	It is the IBA's understanding that the District Attorney issues a blanket subpoena to appear in court for every officer at the scene of an incident, even if the officers are not directly involved with the investigation. As a result, officers are required to appear in court will little chance that they will be called to testify ausing the City to incur overtime expenses. In response to this item, the San Diego Police department noted that they have a permanent sergeant assigned as a liaison with the District Attorney's Office regarding this issue. The Police Department also works with the Assistant Chief of the Superior Court to ensure that only officers and detectives that are absolutely needed for court are subpoenaed. For jury trials, officers and detectives are placed on "stand-by" and appear in court when needed. The Chief of Police monitors the use of court overtime on a regular basis and without these measures the department's overtime would be higher.
61	Eliminate cell phones, PDA's and other communication devices from all non-emergency personnel; review Citywide cell phone expenditures	The City currently has contracts with three wireless carriers for cell phone and data services with an estimated annual impact of \$2.7 million to the City (General Fund and Non-General Fund departments). The current contracts do not require an annual minimum revenue commitment. The issuance, monitoring, and use of wireless telephones are governed by City Administrative Regulation 90.20. The issuance of wireless telephones is determined by each department and per Administrative Regulation 90.20 requires a "Deputy Director or higher approval," to issue a cellular phone. In theory, savings could be achieved by eliminating cell phones thus reducing the City's annual expenses. A good example of the type of savings that could be achieved through the elimination of cell phones is the Police department. In January 2010, the department proactively eliminated 336 cell phones from service saving the City \$209,272 annually. However, it should be noted that the elimination of cell phones could have a negative impact on City operations thus requiring review of each cell phone user's duties which could take time to complete. On March 8, 2011 the City Council was asked to extend the current wireless contract with Verizon. At that meeting, the City Council directed staff to come back to council no later than September with a new RFP for wireless services. In addition, the Council requested staff to review various options regarding City wireless services including the reduction or elimination of cell phones where feasible and bring back the results to a Council committee.

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102	Reduce/eliminate management flex benefits	The City's benefits package provides for executives, managers and the legislative branch to receive an additional \$3,000 in their Annual Flexible Benefit allotments to help pay for premiums for health care, vision or dental insurance or for depositing into an IRA account. The MFB was implemented in 1978 as a recruitment incentive for top management positions. The annual cost of this benefit is approximately \$2.6 million City-wide, including \$1.8 million in General Fund costs. This estimate includes approximately 139 members of the Deputy City Attorney Association (DCAA) at a cost of \$417,000; elimination of this benefit for DCAA members would be subject to meet and confer.
122	Increase voluntary furlough or impose mandatory furlough	A mandatory furlough requires employees to take a specified amount of days off without pay during the fiscal year. A furlough is a common budget saving strategy used by cities and states across the country due to its potential for significant savings. The implementation of a mandatory furlough would require meeting and conferring with the City's labor organizations. It should also be noted that the current labor contracts with MEA, DCAA, and Teamsters include a voluntary furlough as an option for the members' to fulfill their 6% salary/benefit reduction. A very preliminary estimate of possible savings from a one week furlough for all General Fund Departments is \$9-\$10 million and \$3-\$4 million when excluding Police and Fire.
123	Expand use of Marketing Partnerships	Since 1999, the City has been generating revenue from marketing partnerships with corporations through its Corporate Partnership Program (CPP). The CPP's goals are to generate unrestricted revenue and in-kind support for City services through business arrangements with the corporate community. For example, sponsorship opportunities in and on City beach area public assets (lifeguard towers, information boards, trash cans, etc.) have the potential to generate significant annual revenue to support General Fund activities. The IBA recommends that the City more aggressively pursue these and other sponsorship opportunities.
138	Enact paid parking at beaches and regional parks	According to a 2005 staff report, there are 44 parking lots representing approximately 8,000 parking spaces within in the beach and bay area from Mission Bay Park to La Jolla Shores that are highly utilized during the peak season of Memorial Day through Labor Day, as well as weekends and holidays in March, April, May and September. If the City were to implement a parking fee during peak utilization times, it could generate significant revenue for the General Fund. It should be noted that any beach parking fee would need to be approved by the Coastal Commission. In addition, further legal analysis would be needed to determine whether such a fee could be imposed legislatively under Proposition 26, and whether parking revenues generated from Mission Bay Park would be considered lease revenues as defined by Proposition C in 2008.

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142	Sale of underutilized real estate assets	On March 1, 2011 the City Council was requested to approve the sale of the World Trade Center on Sixth Avenue to allow a non-profit organization to implement and operate a shelter for the homeless. This sale will result in new revenue to the City of over \$8 million. Per the City Charter, revenue from land sales is restricted to permanent public improvements including new construction or replacement/reconstruction. Projects which meet this criterion may be currently budgeted in the General Fund and which could be funded through land sales revenue. This could potentially free up General Fund revenue for other purposes. During the Council discussion of this item, City staff was requested to investigate opportunities for revenue from new land sales to offset existing and eligible General Fund expenses. In addition, the impact to ADA projects will need to be examined.
145	Implement False Alarm Fee for Fire-Rescue	The Police Department charges a false alarm penalty fee to recover the annual costs of false alarms. The fee schedule discourages repeat offenses with penalties that increase with the number of offenses. The Fire-Rescue Department has no such fee structure to recover the costs associated with false alarms. Over the last three years, Fire-Rescue has responded to approximately 6,300 false alarms a year at an estimated annual cost of \$542,000. The Department has been working for the past year to develop a fee structure that supports cost-recovery. Fire-Rescue has informed the IBA that they are planning to bring a false alarm penalty fee proposal forward for City Council consideration later in March or April 2011.
189	A five percent cut to Supplies and Services	In November 3, 2010 memo to City Council, CFO Mary Lewis presented the results of a recently completed analysis regarding the impact to departments, and the dollar amount to be saved, from a five percent reduction to the FY 2011 budget for contracts and supplies. Based on the analysis, a five percent reduction to the Contracts category for General Fund departments and other departments which affect the General Fund would save \$5.5 million, with an additional \$1.1 million related to a five percent reduction in the Supplies category. The analysis considered and omitted several expenditure accounts that are considered non-discretionary, where reductions could not be implemented.
200	Redevelopment Agency payment for Phase II Convention Center bond payments	Debt service on the Convention Center Phase II Expansion Bonds is approximately \$13.7 million per year. Under a Support Agreement, the Port District is responsible for making an annual payment of \$4.5 million to City in support of the bonds, resulting in a net City payment of approximately \$9.2 million. In November 2010 the City Attorney released legal opinion 2010-6, which determined that the Redevelopment Agency could pay for the debt service on the Phase II Bonds through a reimbursement agreement with the City, provided that certain findings can be made. It should be noted that this option may be impacted by the Governor's proposal to eliminate redevelopment agencies.

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202	Redevelopment Agency repayment of non-CDBG debt	On February 28, the City Council and Redevelopment Agency Board approved a Loan Repayment Agreement for approximately \$188.2 million in long-term debt to the City held by the Agency. While the majority of this debt is composed of CDBG and Section 108 funds, approximately \$12.9 million is from sales tax and other General Fund sources. Much of the General Fund debt is held by project areas that have the least ability to make payments at this time; however, the repayment of a portion of the General Fund debt may be feasible in FY 2012. While the Loan Repayment Agreement has already been approved, this option may be impacted if the Governor's proposal to eliminate redevelopment agencies is made retroactive, or if the Loan Repayment Agreement is otherwise invalidated.
47	Implement City Auditor's recommendation with respect to Unclaimed Funds in the City Treasury	In 2009, the City Auditor recommended and the Comptroller agreed to consider transferring unclaimed funds into the General Fund (in accordance with the City Charter section 86) after a period of one year. The City Auditor indicated there was approximately \$780,000 in unclaimed funds that had been held for over a year. Using feedback from the Office of the City Attorney, the Comptroller simply needs to decide whether to change the current practice of a three-year hold. A change in policy would result in a one-time General Fund infusion and acceleration of receipt of unclaimed funds going forward.
47	Implement City Auditor's recommendation for the Fire-Rescue Department to resume and retroactively bill for high-rise inspections	This was a recommendation in the Fire Prevention Audit released in October 2010. The audit estimates that approximately \$545,000 in high rise inspection fees was not recovered in FY 2010. If the same amount is assumed for FY 2011, the General Fund may be missing an opportunity to recover in excess of \$1 million.