



THE CITY OF SAN DIEGO  
M E M O R A N D U M

OFFICE OF THE INDEPENDENT BUDGET ANALYST

DATE: February 2, 2015

TO: Honorable Council President Sherri Lightner and Members of the Committee on Charter Review

FROM: Andrea Tevlin, Independent Budget Analyst

SUBJECT: Potential Changes to the City Charter – Suggestions from the Office of the IBA

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On December 18, 2014, Council President Sherri Lightner issued a memorandum requesting that all Department Directors and City Councilmembers submit potential updates and modifications to the Charter for consideration by the Committee on Charter Review (Committee).

The following are sections of the Charter that the Office of the Independent Budget Analyst (IBA) has flagged for consideration by the Committee for potential updates or modifications.

**Charter § 39.3: Independent Budget Analyst**

The office of the IBA is currently referred to as the Independent Budget Analyst, but this title does not reflect the full extent of the office's role, which also includes policy analysis.

Potential Option: Consider updating the office's name to the "Office of the Independent Budget and Policy Analyst" to further clarify that the office provides both budget *and* policy analysis for the City Council as currently stated in the Charter.

**Charter § 77a: Provisions for Zoological Exhibits**

Section 77a of the Charter provides for a tax of "not less than two cents (\$0.02) on each one hundred dollars (\$100.00) of the assessed valuation of the real and personal property within the City, to be used exclusively for the maintenance in Balboa Park of zoological exhibits."

However, the Balboa Park Conservancy notes that "[n]early three hundred million dollars in deferred maintenance projects [at Balboa Park] have been identified; this does not include what it will cost to address the transportation, parking and circulation issues."

Potential Option: Consider amending this provision to provide for other maintenance needs in Balboa Park.

**Charter § 86: Disposition of Public Moneys**

As is noted in the City Attorney's report to the City Council dated February 5, 2014, Charter section 86 conflicts with Government Code section 50050 regarding public notification and the amount of time the City must hold unclaimed money before it is credited to the General Fund. The Charter currently requires funds to be held for 1 year and does not require a public notice before the money is transferred. Alternatively, the State requires those funds to be held for three years, and for "notice to be published once a week for two successive weeks in a newspaper of general circulation."

Potential Option: Working with the Office of the City Attorney and the Comptroller, consider updating the language in this Charter section. Charter revisions could include aligning the section's requirements with State government code, or requiring a public notice before funds are transferred.

**Charter § 90(a): Contracting Bond Indebtedness**

Charter section 90(a) provides that "[e]very ordinance or resolution determining that the public interest or necessity demands such improvement shall...require a vote of two-thirds of the electors voting on each proposition at a regular or special election for the issuance of such bonds before said indebtedness or liability for said improvements may be incurred."

Potential Option: Should the State decide to lower the voting requirement on other forms of debt (e.g. bonds for needed infrastructure) or associated revenue increases, consider changing the two-thirds requirement to always be in accordance with State law. For example, the recent authorization of Enhanced Infrastructure Financing Districts allows public financing authorities to issue bonds with support of only 55% of the voters. This change would ensure that the City is not constrained to the current two-thirds Charter voter approval requirement should State law change to allow for a lower voter threshold for any given type of financing or associated revenue increase.

**Charter § 90.1: Waterworks and § 90.2: Sewer**

As is noted in the City Attorney's report to the City Council dated February 5, 2014, these Charter sections have not been used to issue water or sewer bonds for many years. These sections may no longer be relevant or necessary.

Potential Option: Consider repealing these two Charter sections provided that the Office of the City Attorney has discussed the provisions of these sections with Debt Management and Public Utilities Department staff to ensure that no useful or relevant language would be lost.

**Charter § 91: General Reserve Fund**

As is noted in the City Attorney's report to the City Council dated February 5, 2014, the General Reserve Fund section of the Charter is contradictory because it refers to it as "a 'revolving fund' that can be expended only in case of emergency."

Potential Option: Consider clarifying this entire Charter section to reflect the City's current reserve structure.

**Charter § 97: Collusion in Bidding**

Under this section of the Charter, a contract “may be declared null and void” if a party who has been awarded a contract is found guilty of collusion; however, the section also says the Council “shall debar from future bidding all persons or firms found to be in violation of this Section, or any future firm in which such person is financially interested.”

Potential Option: Consider updating the section’s language to make Council action a requirement on both ending a contract *and* the debarment of violators of this section, or to allow for a Council decision on both issues.

**Charter § 127: Standards of Efficiency**

Currently, section 127 of the City Charter directs the Personnel Director to “fix standards of efficiency and recommend measures for co-coordinating the work of the various Departments and for increasing individual, group, and departmental efficiency.” It is also the “duty of the Personnel Director to fix a minimum standard of conduct and efficiency for each grade in the service, and whenever it shall appear from the reports of efficiency made to the Personnel Director for a period of three months that the conduct and efficiency of any officer or employee has fallen below such minimum that fact shall be reported to the authority responsible for the appointment of such officer or employee.”

Potential Option: Working with the Civil Service Commission, consider clarifying section 127 of the City Charter.

**Charter § 265(b)(13): The Mayor**

Currently, the Mayor is required by the Charter to cooperate fully with the Council and IBA, including providing “information concerning the budget process and fiscal condition of the City.” Expand this list to include information related to “city policies and programs.”

Potential Option: Consider updating the language of section 165(b)(13) to include “city policies and programs” in the list of requested information that must be provided by the Mayor.

Suggested language:

“To cooperate fully with the Council and the Office of the Independent Budget Analyst, including but not limited to, supplying requested information concerning the budget process, fiscal condition of the City, and CITY POLICIES AND PROGRAMS to the Council and the Office of the Independent Budget Analyst.”

**Charter § 290: Council Consideration of Salary Ordinance and Budget; Special Veto Power**

The Charter currently requires the Council to “introduce a Salary Ordinance fixing the salaries of all officers and employees of the City” no later than April 15 of each year.

Potential Option: Consider adjusting this date to better align with current labor negotiations and budget process schedules.

**Changes to the Charter as a Whole:**

***Potential Inclusion of Current Budget Processes and/or Financial Principles***

Potential Option: Consider including budget processes and principles (or portions thereof), established between the two branches under Strong Mayor/Strong Council form of government, including the following:

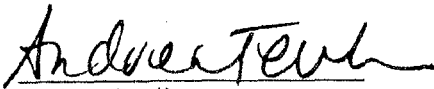
- Mid-year Budget Authority Ordinance
- Statement of Budgetary Principles
- Structural Budget Deficit Principles
- Quarterly (or monthly) Performance Reports

As part of this recommendation, the IBA suggests the Committee consider updating all of Charter section 69 (Fiscal Year and Manager's Estimate) to reflect changes made to the Charter in section 265(b)(14).

***References to the Auditor and Comptroller***

Effective on July 8, 2008, the authority, power, and responsibilities conferred upon the Auditor and Comptroller by the Charter were transferred to the Chief Financial Officer.

Potential Option: Consider making this change clear by updating references to the "Auditor and Comptroller" in the Charter to "Chief Financial Officer."



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cc: Members of the City Council  
Kevin Faulconer, Mayor  
Jan Goldsmith, City Attorney  
Elizabeth Maland, City Clerk  
Rolando Charvel, City Comptroller  
Hadi Dehghani, Personnel Director  
Halla Razak, Public Utilities Department Director  
Lakshmi Kommi, Debt Management Department Director