

CITY OF SAN DIEGO
OFFICE OF THE INDEPENDENT BUDGET ANALYST

MONTHLY SNAPSHOT OF REPORTS AND ACTIVITIES

February 2009

Highlights of Major Reports Issued:

“Update on SEDC Performance Audit Follow-Up”

[Report No. 09-12](#) (2/26/09) (PDF: 24K) [Attachment](#) (2/25/09) (PDF: 11K)

This report provides an overview of work to-date by a number of SEDC and City officials relative to follow-up to the SEDC Performance Audit. Since these issues currently straddle two committees (Rules and Audit) and several City offices and agencies, consideration should be given to consolidate all matters related to redevelopment operating agreements and/or governance structures within the venue of the Rules Committee in order to streamline efforts or, alternatively, to identify which matters come before which Committee.

“Review of Fringe Benefits Rate”

[Report No. 09-10](#) (2/24/09) (PDF: 66K)

At the Budget and Finance Committee meeting of January 7, 2009, Councilmember DeMaio expressed his interest in docketing the issue of fringe benefits at a future committee meeting. Also, Councilmember DeMaio requested an analysis of fringe benefits costs by the California Foundation for Fiscal Responsibility (CFFR). Requests were made of the IBA by both Councilmembers DeMaio and Gloria to review the fringe benefit information that has been provided thus far, by Financial Management and other sources, and to review the recommendations made by CFFR. This report is provided in response to these requests and reflects a summary of the work our office has completed.

The City’s fringe benefit rate has increased over the last several years, primarily due to efforts to more appropriately fund our obligations and address underfunding that has occurred since 1996. The Mayor’s Eight Significant Areas in the Five Year Financial Outlook specifically include three fringe benefit areas and a commitment of additional resources to these areas as part of the City’s fiscal reforms.

Because differing methods have been discussed to calculate and describe fringe benefits and related rates, our office attempted to locate a standard definition of fringe benefits and accepted methodologies for calculating fringe benefit rates. No best practices or recommended policies or procedures were found. Our research illustrates that the lack of standard definitions and consistent treatment of fringe benefits creates a challenge for comparisons, and may not provide the most valuable data for decision-making purposes. Because of this, the focus of additional work would be better placed on a comparison of actual pay and specific benefits, and not how these expenditures are classified or funded in the budget.

“General Fund User Fee Policy”

[Report No. 09-08](#) (2/23/09) (PDF: 36K)

On February 12, 2009 the Chief Financial Officer released a proposed General Fund User Fee Policy for consideration at the February 25, 2009 meeting of the Budget and Finance Committee. The proposed policy is the outcome of a long-term effort to formalize a comprehensive user fee policy, which is needed to assist with determining the appropriate levels of user fees for services and related cost-recovery revenues.

The proposed General Fund User Fee Policy is presented in advance of the FY 2010 budget process, with the intention to integrate revenue from new and updated user fees in the FY 2010 Proposed Budget. The proposed policy is expected to be forwarded to the Council for its review and approval in early March.

Concurrently, departments are preparing fee proposals, which will be brought forward to the Committee, with the intention of new and/or increased revenues to be incorporated into the FY 2010 Budget. The proposed policy marks progress in this area. However, a comprehensive user fee study is needed to demonstrate to the Council and the public which City programs are currently being subsidized by the General Fund, and to allow full consideration of user fee increases as an alternative to service reductions in the development of future budgets.

Other Reports Issued:

[Report No. 09-11](#) (2/27/09) (PDF: 81K)

Amendments to the Permanent Rules of Council

[Report No. 09-09](#) (2/20/09) (PDF: 61K) [Attachment I](#) (2/11/08) (PDF: 330K);

[Attachment II](#) (2/20/09) (PDF: 236K); [Attachment III](#) (2/20/09) (PDF: 273K)

FY 2010 Community Development Block Grant & Emergency Shelter Grant Programs Funding Appropriations

[Report No. 09-07](#) (2/12/09) (PDF: 37K)

SEDC Consulting Contract Amendments

[Report No. 09-06](#) (2/2/09) (PDF: 70K)

Library Attendance and Circulation Data

Upcoming IBA and Budget-Related Activities:

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| Tuesday, April 14 | Mayor’s Presentation of the Proposed Fiscal Year 2010 Budget |
| Tuesday, April 28 | Independent Budget Analyst’s Preliminary Report on Mayor’s Budget Issued |
| Wednesday, April 29 -
Friday, May 8 | Proposed Budget Committee/Council Budget Hearings
Held on City Departments |