



**COUNCIL PRESIDENT PRO TEM BARBARA BRY
CITY OF SAN DIEGO**

DISTRICT 1

MEMORANDUM

DATE: January 31, 2020
TO: Honorable City Council Budget & Government Efficiency Committee Members
FROM: Council President Pro Tem Barbara Bry, Committee Chair *Barbara Bry*
SUBJECT: Budget and Government Efficiency Committee Work Plan for Calendar Year 2020

I am honored to serve again as Chair of the Budget and Government Efficiency Committee (Committee.) On December 20, 2019, pursuant to Permanent Rules of Council 6.1.3 I issued a memorandum asking for the priorities of my Committee colleagues and I appreciate the thoughtful responses from each Committee member. I included many of the suggestions from the Committee members in this work plan. I look forward to working with each of you, the Independent Budget Analyst, the Mayor and staff, and the San Diego community to foster a collaborative and transparent budget process.

Human Capital and Personnel Work Plan

From my years in the business world, I know that an organization is only as good as the people who come to work every day. We want to attract and retain the best and brightest so that the 1.4 million San Diegans get the highest level of customer service. Currently, the City has 1,400 vacancies, yet much of our budgetary pain comes from costly overtime. To reconcile this and achieve a more accurate and fiscally prudent budget, I request that staff present the Committee with a comprehensive Human Capital and Personnel Plan. The City's 2018 Citywide Human Capital Fact Book shows that "the cost to the City of recent voluntary employee turnover may be around \$39 million annually."¹ Crucially, it states that the potential annual cost savings from decreasing the City's voluntary turnover rate by 1% is \$8.3 million.² Furthermore, this estimate does not include "soft costs such as impact to team morale, disruption to continuity of service, loss

¹ City of San Diego Human Capital Fact Book, page 22 (https://www.sandiego.gov/sites/default/files/19-001_citywide_human_capital_fact_book.pdf)

² *Id.*

of institutional knowledge, etc.”³ Additionally, in putting together this work plan, staff should use the results and the next steps identified in the City’s 2019 Employee Satisfaction Survey.⁴ This data will guide the City in improving its recruitment, retention, and employee development. The financial impacts of retaining our workforce are clear and are critical to creating an efficient and strategic budget.

Climate Action Plan

The City’s landmark Climate Action Plan (CAP) established San Diego as a global leader in environmental policy. We must battle the very real effects of climate change—wildfires, sea level rise, air pollution—on our community and begin implementing solutions now. I request staff prepare and present to the committee a CAP Five-Year Financial Outlook to help guide development of the annual budget.

Review City’s Contract Renewal Process

The committee requests a report on the City’s Contract Renewal process and explore the possibility of a policy change that specifies a minimum number of days a contract renewal should come before the City Council prior to its expiration date.

Homelessness

This past October, after years of important, yet unprecedented, funding levels on homeless solutions, the City Council adopted the “Community Action Plan on Homelessness.” While this plan lays out a strategy, it does not prioritize funding. Much of our homelessness costs are absorbed by city departments, yet the total cost is still unknown or undisclosed. The following homeless costs must be disclosed in one location and presented to the committee.

- Police salaries and overtime
- Operational staff salaries and overtime
- CleanSD and Environmental Services
- Bridge Shelters
- Transitional Storage Center
- Navigation Center
- Real Estate Assets leases and purchases
- Community Development Block Grant (CDBG)
- Homeless Emergency Aid Program (HEAP)
- All other costs including but not limited to personnel, operations, contracts, and supplies

³ *Id.*

⁴ City of San Diego Employee Satisfaction Survey 2019
(https://www.sandiego.gov/sites/default/files/report_-_2019_sd_employee_satisfaction_survey.pdf)

Risk Management

I request staff present to the Committee its plan “to effectively prevent, control, and minimize the City's financial risk. . .”⁵

Review City’s Insurance Requirements

Establish a working group that addresses the City’s contracting insurance requirements to encourage a more open contracting process that eases undue burden and increases opportunity for small business.

Grant Performance Review

Review report on grant performance benchmarks for meeting the CAP’s 2020 and 2035 greenhouse gas emissions (GHG) targets that would directly impact government efficiency and innovation. This report should include the following information: grants that the City has applied for; how much the City has received from its grant applications; what grants the City has not applied for; and whether the City is on track for spending the money it has received.

Public Utilities Five-Year Financial Outlook

Public Utilities Department to present their Five-Year Financial Outlook in accordance with the key budget monitoring dates that were approved by the full City Council.

Other items included in Committee member memoranda that the committee will prioritize include:

- Review of operational efficiencies and service delivery to San Diego residents
- Small Business Bonding Assistance
- Equal Opportunity and Pay Equity
- Review of critical strategic expenditures
- Review of public safety overtime
- Consideration of enhanced community engagement during the annual budget process
- Reinstitution of the San Diego Works Program
- Review of opportunities to expand the Corporate Partnerships and Development Program
- Consider review of biennial budgeting
- Review of fee revenues and consider appropriate adjustments
- Review of revenue from ballot measures
- Public Banking

cc: Honorable Mayor Kevin Faulconer
Honorable City Attorney Mara Elliot
Andrea Tevlin, Independent Budget Analyst

⁵ <https://www.sandiego.gov/riskmanagement>