



COUNCIL PRESIDENT PRO TEM JOE LACAVA

FIRST COUNCIL DISTRICT

M E M O R A N D U M

DATE: February 5, 2024

TO: Councilmember Kent Lee
Chair, Budget and Government Efficiency Committee

FROM: Council President Pro Tem Joe LaCava *Joe LaCava*

SUBJECT: 2024 Budget and Government Efficiency Committee Priorities

Thank you, Chair Lee, for your request to share my priorities for the Budget and Government Efficiency Committee (B&GE) 2024 Work Plan. B&GE provides the forum to achieve a balanced annual budget, realistically approach projected shortfalls, and shed light on a complex process, all of which are necessary in funding essential services to San Diegans.

I look forward to working with you, our B&GE colleagues, Mayor Gloria, the Independent Budget Analyst, staff, and the public. As we would in all years, this is the time to ask the difficult questions, utilize data, and make hard decisions in order to right our structural deficit.

My B&GE priorities are as follows:

Budget Process

- Work with Chair Lee, Council President, Independent Budget Analyst (IBA), Mayor Gloria, and Chief Operating Officer (COO) to discuss, create, and implement changes to the budget process to strengthen the role of City Council, utilizing the IBA's recommendations in the *Comparative Analysis of Budget Processes of California Strong-Mayor Cities* report.
- Explore clarifications for the role of the City Council in outside agency budget setting and oversight. Significant money is being spent by outside

governmental agencies and full Council consideration, with each district's unique constituencies, may allow for more representative budgetary decisions for these significant resources.

Staffing

- Hear a report from the Independent Budget Analyst (IBA) of the cost of overtime versus the cost of full staffing, both short and long-term, as part of the FY25 budget process. This will require assumptions including recruitment and hiring time, benefit costs, and vacancy factor. We need a starting place for an informed discussion.
- Receive a presentation from the Department of Finance (DOF) on the vacancy factor, how it will be used for ongoing cost savings in the FY25 budget, and what impacts will result in staffing levels and service delivery.
- Receive updates from the Personnel Department and the collaborative working group on hiring strategy, timelines, and status regarding the 800 new positions created in the last budget cycle and the 2,000+ existing vacancies. Human Resources should update B&GE on how Employee Surveys affect budgeting and staffing decisions. At appropriate intervals, the full City Council should review and evaluate service levels and efficiencies for any needed adjustments.

Climate Action

- Review, in conjunction with the Environment Committee, a multi-year budget outlook for the implementation of the Climate Action Plan and any unfunded CAP-related needs requested by City departments.

Proposition B

- Hear updates on how Proposition B will affect the FY24 Budget and ongoing budgets and the progress of the unwinding.

Revenue Sources

- Receive regular updates on strategies and efforts to obtain non-general fund monies, including the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA).
- Hear report on impacts of potential revenue measures before the voters prior to the November 2024 election.

Government Efficiencies

- Explore strategies for contract oversight and management improvements that include an accessible matrix of current contracts, when they expire, required approvals for extension or requests for proposals for new agreements, and

continuity of service. Further, B&GE could consider stricter policies on contracts and contractors that exceed not-to-exceed limits.

- Receive briefing in advance by Performance and Analytics Department on how Key Performance Indicators (KPIs) have been re-imagined for the FY25 Budget. B&GE should receive updates on KPIs highlighted in the annual budget to include when and how they will be monitored to ensure usefulness.

Living Wage

- Update the living wage ordinance to a livable wage for San Diegans.

Special Event Fees

- Consider a reduction in special event fees, particularly Police Department fees, to ensure the city does not price out community events that help our business districts thrive and our communities celebrate.

Inclusive Contracting and Employment

- Review the legal and legislative limits to Equal Opportunity Contracting, updates on recommendations from the Disparity Study, and the status of Employee Pay Equity to assess how San Diego is achieving its goal as an inclusive contractor and employer.

Thank you for your consideration to incorporate these priorities into the committee's work plan. Please contact Brian Elliott, BElliott@saniego.gov, of my staff should you have any questions or comments.

cc: Mara Elliott, City Attorney
Charles Modica, Independent Budget Analyst
Eric Dargan, Chief Operating Officer
Matthew Vespi, Chief Financial Officer
Rolando Charvel, Director, Department of Finance
Matt Yagyagan, Interim Director of Policy, Office of Mayor Todd Gloria
Ty Burch, Committees Manager