



## COUNCILMEMBER JOE LACAVAL

### FIRST COUNCIL DISTRICT

#### MEMORANDUM

DATE: December 30, 2022

TO: Council President Pro Tem Montgomery Steppe, Chair,  
Budget and Government Efficiency Committee

FROM: Councilmember Joe LaCava *Joe LaCava*

SUBJECT: Budget and Government Efficiency Committee Priorities

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The San Diego City Council Budget and Government Efficiency Committee (B&GE) docket is consistently complete with the required contracts, contract amendments, and reports needed to “keep the wheels on the bus.” B&GE is also our opportunity to move beyond what is required, further than what could be, and toward what should be. Our [Key Budget Dates](#) provide the what and the when. And B&GE provides the forum to examine the how and the why for not only a balanced annual budget, but for transparency between the executive and legislative branches, and the public. This is our forum to grasp all that affects our next annual budget—a budget with a structural deficit.

I look forward to working with you, Madame Chair, B&GE colleagues, Mr. Mayor and staff, and the public. As a unified team, asking the difficult questions, utilizing data, and making hard decisions, we will right this budget and improve the City.

My B&GE priorities are as follows:

## **Staffing**

Our workforce is how we deliver services to San Diegans. The pandemic deeply impacted staffing levels and service delivery. City officials will be challenged to balance a pending \$50.5M shortfall in Fiscal Year 2024 (FY24) and provide relief for the employees who show up every day and get it done. Our budgeted vacancies exceed 2,000 positions. We are asking our employees to do their jobs and the jobs of others. Making them whole and making the budget whole requires information and analysis.

B&GE should request that the Independent Budget Analyst (IBA) provide a report of the cost of overtime versus the cost of full staffing, both short and long-term, as part of the FY24 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.

B&GE should also receive reports from the Department of Finance (DOF) on the vacancy factor, how it will be used for ongoing cost savings in the FY24 budget, and what impacts will result in staffing levels and service delivery.

B&GE should 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**

B&GE should receive and review, in a joint meeting with the Environment Committee, a multi-year budget outlook for the implementation of the Climate Action Plan.

## **External Fiscal Impacts**

B&GE should hear how Proposition B will affect the FY24 Budget and ongoing budgets and the progress of the unwinding.

B&GE should also receive regular updates on strategies and efforts to obtain non-general fund monies, including the Infrastructure Investment and Jobs Act.

### **Potential New Revenue Sources**

B&GE should be briefed on IBA Report 22-31, "Response to Request for Analysis of Revenue Opportunities," as well as an update on the implementation of Measure B approved by voters in 2022.

### **Government Efficiencies**

B&GE should collaborate with staff for contract 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.

B&GE should be briefed in advance by Performance and Analytics Department on how Key Performance Indicators (KPIs) have been re-imagined for the FY24 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.

### **Inclusive Contracting and Employment**

B&GE should 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.

cc: The Honorable Mayor Gloria  
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  
Jessica Lawrence, Director of Policy  
Mary Ann Wallace, Director of Council Administration  
Ty Burch, Committees Manager