

RESOLUTION NUMBER R- 305615

DATE OF FINAL PASSAGE MAR 02 2010

A RESOLUTION OF THE CITY OF SAN DIEGO ADOPTING  
THE STRUCTURAL BUDGET DEFICIT ELIMINATION PLAN  
PRESENTED BY INDEPENDENT BUDGET ANALYST [IBA].

WHEREAS, at the Budget and Finance Committee meeting of January 6, 2010, the IBA presented IBA Report No. 10-01, "Developing a Structural Budget Deficient Elimination Plan;" and,

WHEREAS, IBA Report No. 10-01 compiled guiding principles and key elements of recommendations from varied sources to identify common elements deemed necessary to effectively address a structural budget deficit; and,

WHEREAS, the IBA suggested eleven guiding principles as a starting point for consideration by the Mayor and City Council; and,

WHEREAS, Councilmembers were requested to submit their ideas on the Structural Budget Deficit Elimination Plan to the Budget and Finance Committee by January 25, 2010; and,

WHEREAS, on January 27, 2010, the Budget and Finance Committee discussed the ideas submitted by the Councilmembers, IBA Report 10-08, and "Kroll Recommendations Related to the Proposed Guiding Principles for a Structural Budget Deficit Elimination Plan" and discussed in general the Proposed Guiding Principles on the Structural Elimination Plan; and

WHEREAS, the Budget and Finance Committee voted unanimously to forward the Guiding Principles to the full City Council with changes in the following language:

1) Principle 10 “in a manner compliant with City Charter;” and 2) Principle 3 “including managed competition;” and

WHEREAS, on February 1, 2010, IBA Report No. 10-9, “Implementation of Recommendations identified in the October 26, 2009 Performance Audit of the Streets Division” was discussed by the Audit Committee; and,

WHEREAS, after a discussion, the committee voted unanimously to recommend that the City Council adopt IBA Structural Budget Deficit Elimination Principle Number Eleven; and

WHEREAS, on February 22, 2010, the City Council discussed the Guiding Principles and changes to the language of the Guiding Principles which had been forwarded to them by the Budget and Finance Committee; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego that the following eleven Structural Budget Deficit Elimination Principles be adopted:

1. Eliminate the General Fund structural budget deficit through a balanced approach of ongoing expenditure reductions and revenue generation, including identifying new revenue sources.
2. Until the City achieves its targeted General Fund reserve level of eight percent, the City should not consider using reserve balances to balance any budget shortfall and should ensure that it does not drop below the current level of seven percent.
3. Actively pursue alternative service delivery methods, including managed competition, efficiency improvements and elimination of service duplications.

4. Prepare a Five-Year Outlook each year and provide numeric values for alternative budget balancing options based on input from City Council, Mayor, and the Independent Budget Analyst; and to be prepared each year to discuss alternative budget balancing options with the Budget Committee or City Council should the Outlook suggest an ongoing structural deficit.

5. One-time resources should be matched to one-time expenditures.

6. Achieve 100 percent cost recovery for programs and services that are intended to be fully cost recoverable through fees.

7. Reduce pension and retiree health care liability and annual City costs through the meet and confer process.

8. When deciding to construct new facilities or establish new programs, the City must take into consideration ongoing operation expenses and should identify ongoing funding to cover these expenses unless necessary to meet high priority needs.


9. Prioritize City services expenditures based on the City Charter requirements, Citizen Survey and other means of public input, benchmarking studies and departmental goals and performance data.

10. Maintain funding of full annual required contributions (ARC) for the City's pension obligations in a manner compliant with City Charter and develop a plan to fully funding of the Retiree Health Care ARC.

11. Develop a plan to fund deferred capital infrastructure and maintenance needs to reduce the current backlog, identify the level of funding necessary to prevent the problem from growing larger, and to reduce the potential of increasing costs to identify the level of funding;

and to discuss at the Budget and Finance Committee, a policy to calculate and identify the level of funding to deferred maintenance budget needs.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Paul F. Prather  
Deputy City Attorney

PFP:als  
02/09/10  
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I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of ~~FEB 22 2010~~.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 3.2.10  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor