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January 25, 2007

The Honorable Scott Peters
San Diego City Council President
202 C Street, MS #10A
San Diego, CA 92101

Re: Authorization and Process for City of San Diego Budget Modifications

Dear Council President Peters,

The San Diego County Taxpayers has been studying the issue of the budget modification process and authorization since the issues related to the Blue Swim Team and Take Back the Streets Program were first brought to light.

Members of our Executive Committee personally met with Ms. Andrea Tevlin and Ms. Julie Dubick to hear the perspectives of the Independent Budget Analyst and Mayor. In addition, Ms. Dubick, Ms. Lisa Briggs and Ms. Tevlin made presentations to our Board of Directors at a specially scheduled board meeting in December.

We recognize that the larger issue is one of appropriate balance between executive authority to manage the City's day-to-day operations and the legislative body's appropriation and policy-making authority. In developing our recommendation, we took into serious consideration the need for an appropriate level of checks and balances, transparency and the voters' intent for a strong mayor form of government.

On January 19, 2007 our Board of Directors adopted the following recommendation:

The Mayor shall be required to obtain City Council approval to make single, specific intra-departmental budget modifications in excess of \$250,000. This shall occur transparently as part of the CFO's Quarterly Budget Report to the Budget & Finance Committee or at City Council meetings. Single, specific modifications between \$10,000 and \$250,000 shall not require Council approval, however, the Mayor shall provide public notice to the Council three weeks before taking action on the modifications. The 3-week advance notice will provide the City Council with adequate time to docket the item and amend the Appropriations Ordinance should they have any concerns, and could prohibit the Mayor from making budget modifications.

A detailed budget, as described below, shall be included as an attachment to the Appropriations Ordinance. Any significant changes to program or service levels from the previously adopted budget year shall be highlighted in the budget document in summary format. The budget shall identify staffing by department, expenditures by department, staffing by program, budget by program, actual expenditures and revenues by categories for the past two fiscal years, in addition to the proposed budgeted figures for the current year. Furthermore, the percent change from the prior budget years should be disclosed.

We believe that this recommendation provides a structured process for governance that is in the best interest of taxpayers.

We appreciate your consideration of our recommendations. Please do not hesitate to contact me at 619-234-6423 if the San Diego County Taxpayers Association can be of any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Lani Lutar", with a long horizontal flourish extending to the right.

Lani Lutar
President and CEO

Cc: Members of the San Diego City Council
Ms. Andrea Tevlin, Independent Budget Analyst
Ms. Kris Michell, Deputy Chief Operating Officer