



Rich Crowley and Jerry Mungai: Liccardo's budget message is prudent approach to spending

By Rich Crowley and Jerry Mungai, Special to the Mercury News

Monday, March 28, 2016 - 12:05 p.m.

San Jose Mayor Sam Liccardo opens his 2016-17 budget message with a welcome observation: "We must commit our small surplus to future deficits."

Citizens for Fiscal Responsibility has long advocated focusing our government on providing core services and ensuring that San Jose can meet its significant long term obligations. It is heartening to see that the mayor shares our position and is using the power of the March budget letter to help rebuild our city's service capabilities while preparing for the inevitable economic downturn.

As in years past, Citizens for Fiscal Responsibility reviewed the mayor's message from the perspective that San Jose should focus on:

- Identifying key services considered essential by the majority of San Jose residents and businesses.
- Dedicating funds to improving those services.
- Decreasing or eliminating funding for nonessential services until all essential services are fully funded, based on national performance measures.
- Driving cost savings through consolidation, reorganization and outsourcing.
- Ensuring that San Jose can fulfill its long-term financial obligations.

We commend the mayor for including information from a variety of community surveys reflecting San Jose residents' priorities. Better still, his recommended incremental increases generally align well with those priorities. Liccardo is clearly being responsive to his constituents.

We also applaud his recognition that a significant influx of unusual, one-time revenues, potentially totaling around \$12 million, should not lead to significant ongoing spending obligations. He proposes allocating roughly one-third of this windfall to a variety of one-time projects, one-sixth into the city's Essential Services Reserve and the remainder to the Budget Stabilization Reserve.

Advertisement

REACHING
YOUR CULINARY
GOALS STARTS
WITH ICC.

"... ICC has the best teachers,
the best equipment and... the
best way to learn how to cook."

GET MORE INFO

INTERNATIONAL
CULINARY CENTER

Hooni Kim, Culinary '05

The advertisement is a black and white promotional image for the International Culinary Center. It features a chef, Hooni Kim, in a white uniform, standing in a kitchen. The text on the left side of the image reads: 'REACHING YOUR CULINARY GOALS STARTS WITH ICC.' Below this is a quote: '"... ICC has the best teachers, the best equipment and... the best way to learn how to cook."' Underneath the quote is a button that says 'GET MORE INFO'. At the bottom left is the International Culinary Center logo, and at the bottom right is the name 'Hooni Kim, Culinary '05'.

We say roughly one-third because he proposes allocating "modest," or unspecified amounts to about a half dozen initiatives; we would have preferred greater specificity. Nevertheless, his approach is undeniably prudent and we fully support it.

We take issue with some of the specifics, however.

The mayor's message allocates funding to a variety of noble causes such as the Opportunity Court and the Children's Health Initiative. These and other causes certainly warrant social support but are generally not within the purview of our city's charter. We would prefer an allocation of these one-time funds to road repair and maintenance, where each \$1 invested saves our city up to \$5 down the road.

Finally, we would like to see the council direct funding to analyzing the city's organizational structure and developing a plan for expanding managers' span of control. Years of employee attrition have left many parts of the organization top heavy with managers. We believe that increasing spans of control throughout the organization would free up resources to improve and increase the essential services that we residents deserve.

When combined with aggressive pursuit of city auditor recommendations and implementation of more of the cost savings ideas identified in the IBM Operations Efficiency Diagnostic Report, we believe that San Jose can make extraordinary progress in restoring service cuts driven by the Great Recession and become better positioned to fulfill our long term financial obligations in both good times and bad.

Rich Crowley is president of Citizens for Fiscal Responsibility (Cfr.sj@aol.com), and Jerry Mungai is treasurer. They wrote this for this newspaper.



You Might Like