

FY 2025 IBA Budget Crash Course

March 2025



Office of the Independent Budget Analyst

Providing the City Council and the public with clear, objective, and unbiased information and analysis.



Why is the City's Budget Important?

*The Budget is a statement of
– and plan to address –
City Priorities.*



The City's Budget has Two Parts

Operating Budget

Outlines how funds will be spent on City services, including public safety and parks and recreation



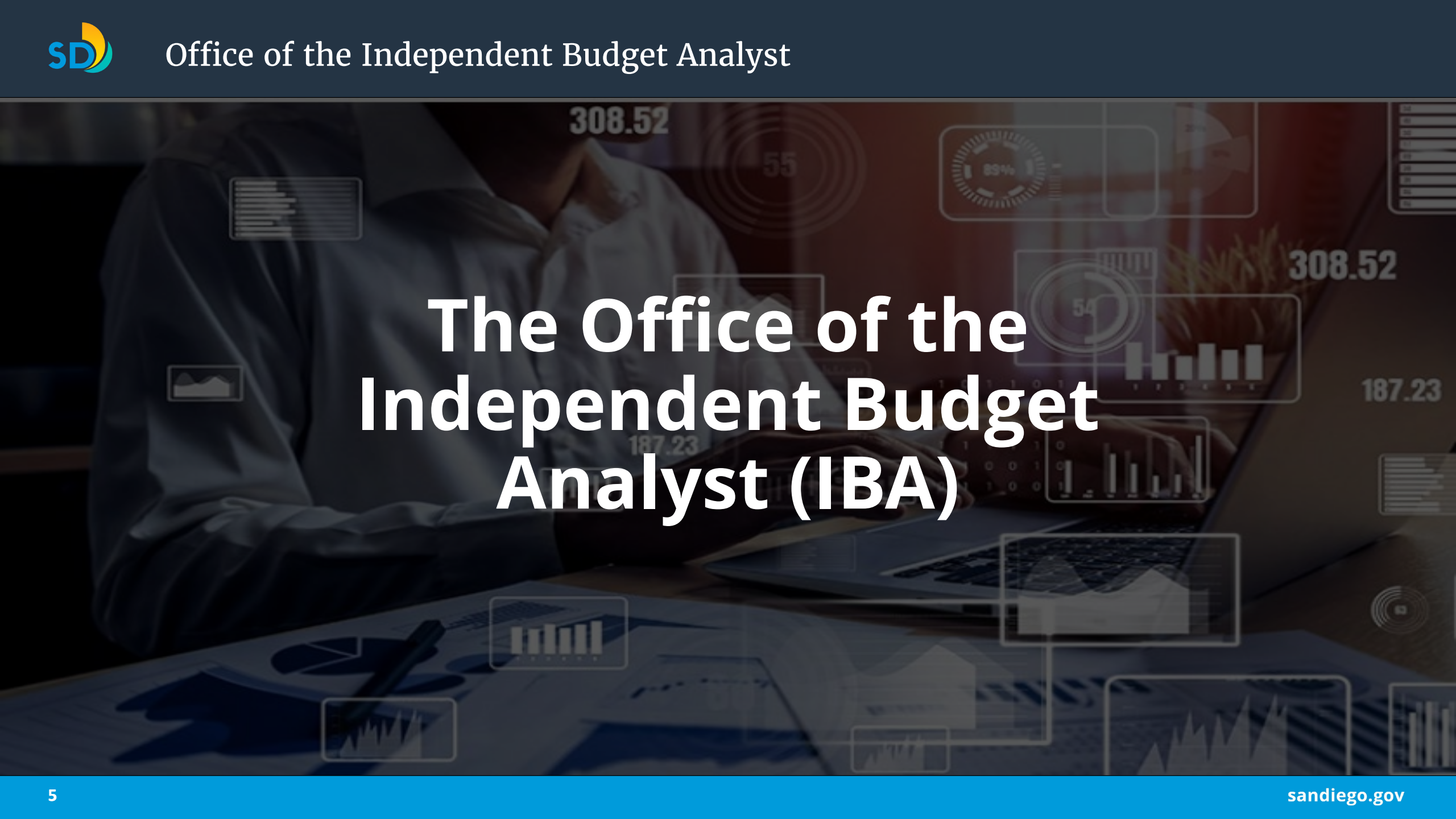
Capital (CIP) Budget

Allocates revenue for capital projects to improve *existing* infrastructure and build *new* public infrastructure

IBA Budget Crash Course

Presentation Overview

- Creation of the Independent Budget Analyst
- Roles in the Budget Process
- Operating Budget Overview
- Capital Improvement Program Budget Overview
- Public Involvement and Resources

The background of the slide features a person in a white shirt working at a desk. The desk is covered with various financial documents, including bar charts, line graphs, and pie charts. Overlaid on the image are several semi-transparent digital data elements, such as a large number '308.52' in the top right, a smaller '187.23' in the bottom right, and various circular progress indicators and bar charts. The overall color scheme is dark blue and grey, with white text for the title and header.

The Office of the Independent Budget Analyst (IBA)

Why was the IBA Created?



2003

Financial problems led to a citizen initiative to change the structure of the City of San Diego's government.



2004

Voters approved a measure to try a Strong Mayor form of government for 5 years. This required an elected mayor to run the city instead of a city manager.

Measure also included the creation of the IBA.



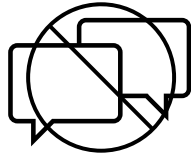
2010

Voters approved the Strong Mayor form of government to become permanent.

Why was the IBA Created? *(con't)*

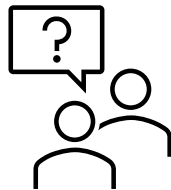
After new government structure, new needs followed

City Council no longer had
City Manager as an advisor



City Council may have
different perspectives than
the Mayor

Public lacked clear
information about budget
and budget process



Need for unbiased,
objective
information and
advice for effective
decision-making



IBA

What is the Independent Budget Analyst?

IBA's Mission:

*To provide
clear, objective, and unbiased
analysis and advice to the City Council and
the public on all legislative items bearing
financial and policy impacts to the City*

INDEPENDENCE is key

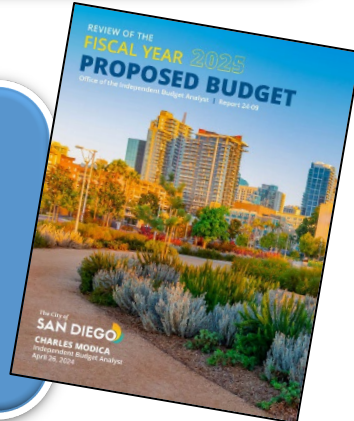
Why our Office's role is important?

Internal Role

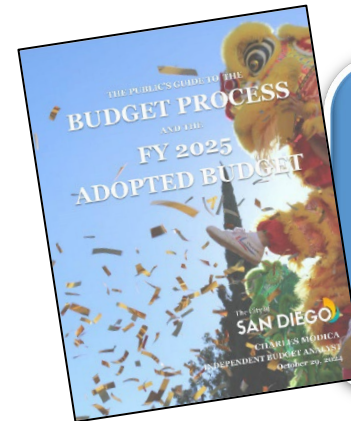


Reviews all items that come to City Council

Analyzes proposals to inform Councilmembers' decisions



External Role



Translates City business into easily understandable language

Public Outreach on how to be involved in major decisions, like the budget



Public Involvement in the Process is **Key** Clear Information is **Vital**



A close-up, low-angle shot of a pair of metal scales of justice. The scales are dark and metallic, with two pans hanging from a central beam. The background is a solid, dark blue. The lighting is dramatic, highlighting the textures of the metal and the chains of the pans.

Roles and Authorities in the Budget Process

Budget Process Roles and Authorities

MAYOR



- Proposes a balanced budget
- Carries out the City budget and services

COUNCIL



- Reviews, approves, and amends the Mayor's Proposed Budget
- Approves the Mayor's recommended budget changes during the fiscal year

IBA



- Analyzes the Mayor's Proposed Budget and supports Council
- Develops final budget recommendations for Council consideration

Budget Process Roles and Authorities *(con't)*

Additional Powers and Roles:

MAYOR



Mayor can veto Council's changes to the Budget

Council can override a Mayoral veto with six votes

COUNCIL



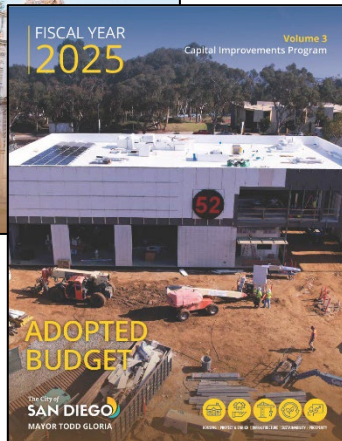
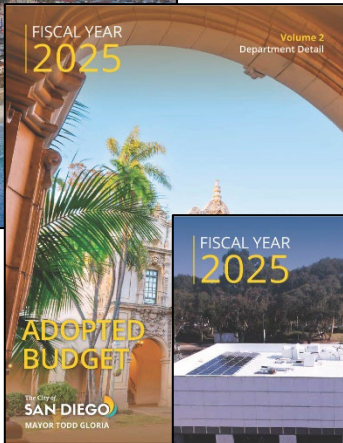
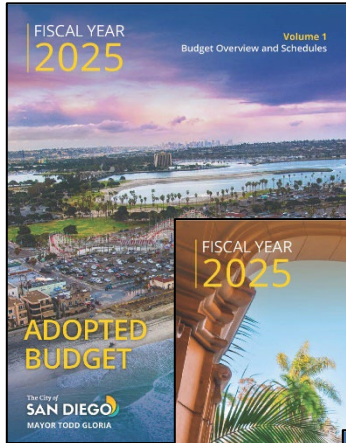
Budget Process Roles and Authorities *(con't)*

Additional Powers and Roles:



Mayor, Council, and IBA monitor expenditures, revenues, and City programs throughout the fiscal year

IBA Review and Analysis of the Mayor's Proposed Budget



Projected revenues and expenditures



Impacts of cuts or reductions on service levels



Review of key issues



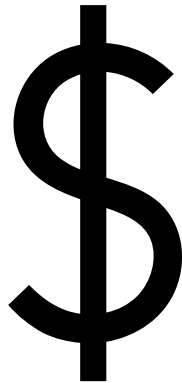
Evaluate consistency with sound fiscal practices

Key standards for a sound budget

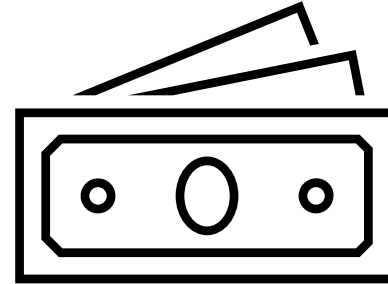
Budgetary Principles



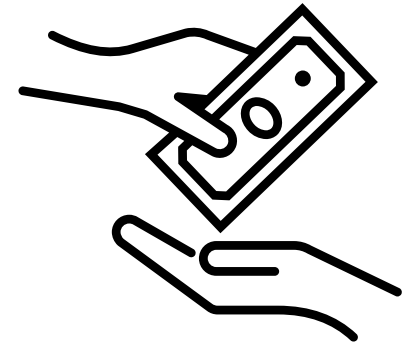
Balanced budget



One-time revenues should fund **one-time** expenditures



Ongoing expenditures should be funded by **ongoing** revenues

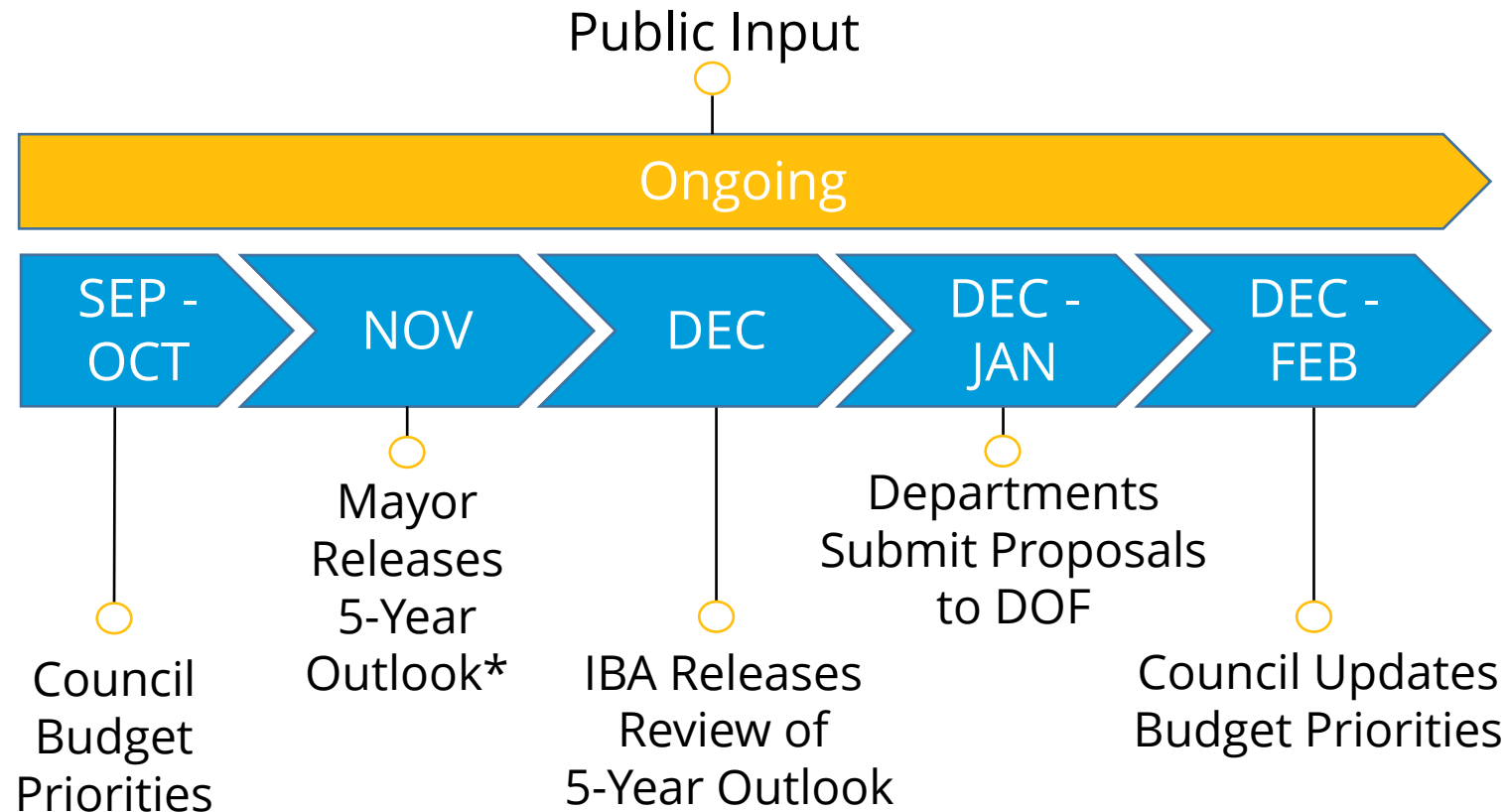


Fund annual pension payment

Operating Budget Overview

How is the Budget created?

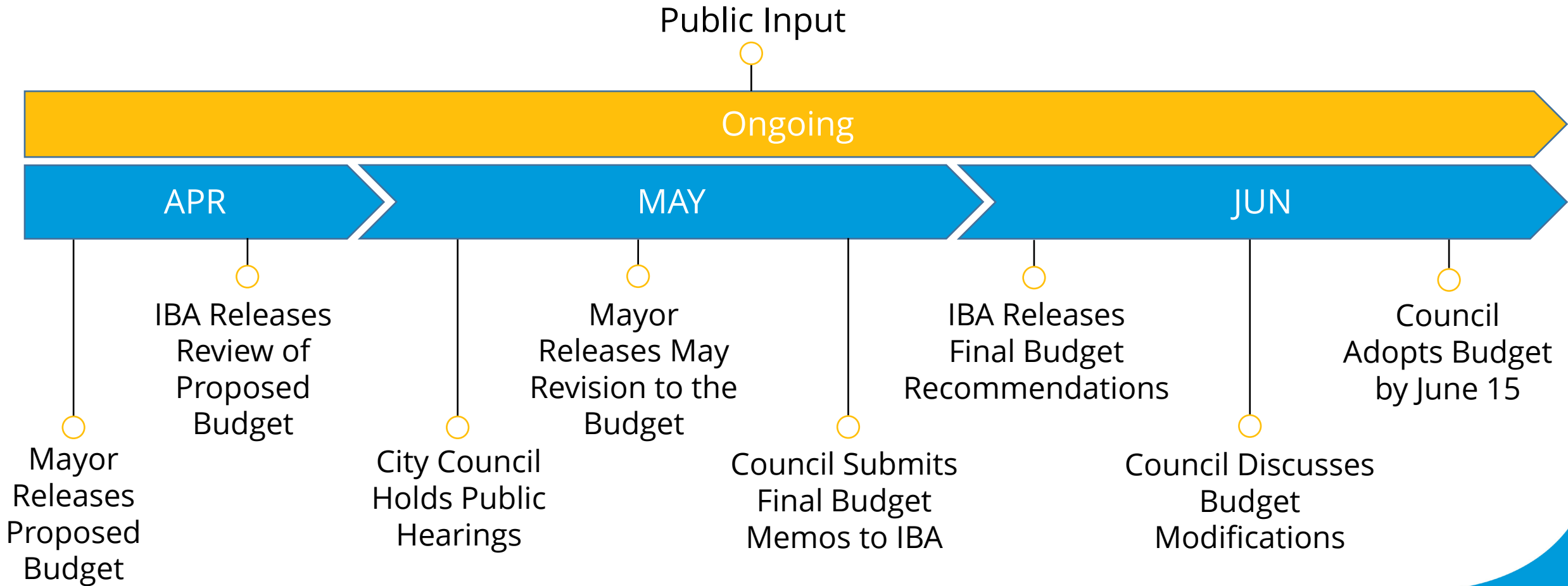
Budget Development Process



*In 2024, the 5-Year Outlook was released in December

How is the Budget created?

Budget Adoption Process

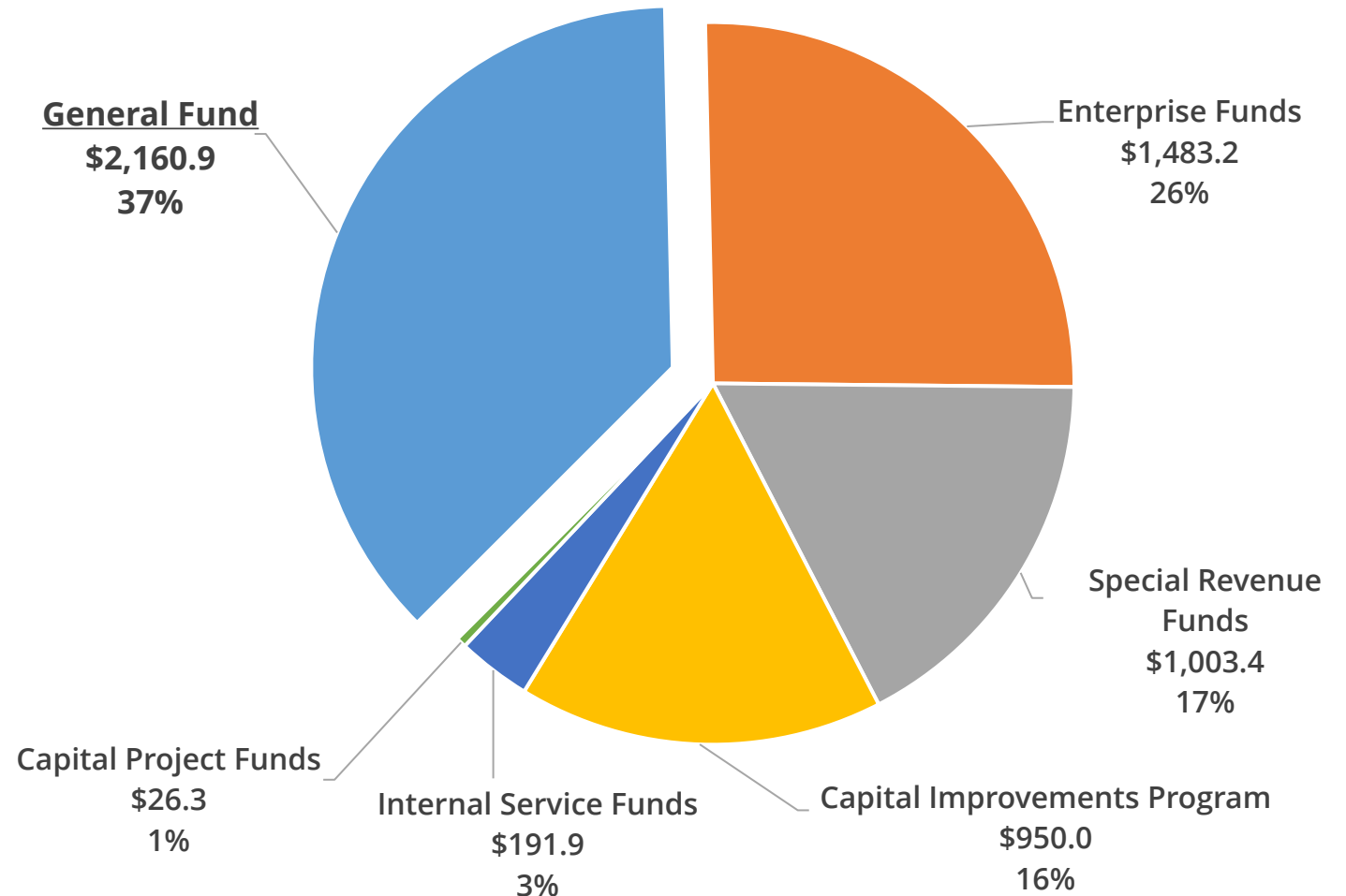


FY 2025 Budget Overview

While the City's total FY 2025 Budget is \$5.82 billion, the **General Fund** has the *most freedom to fund City services*

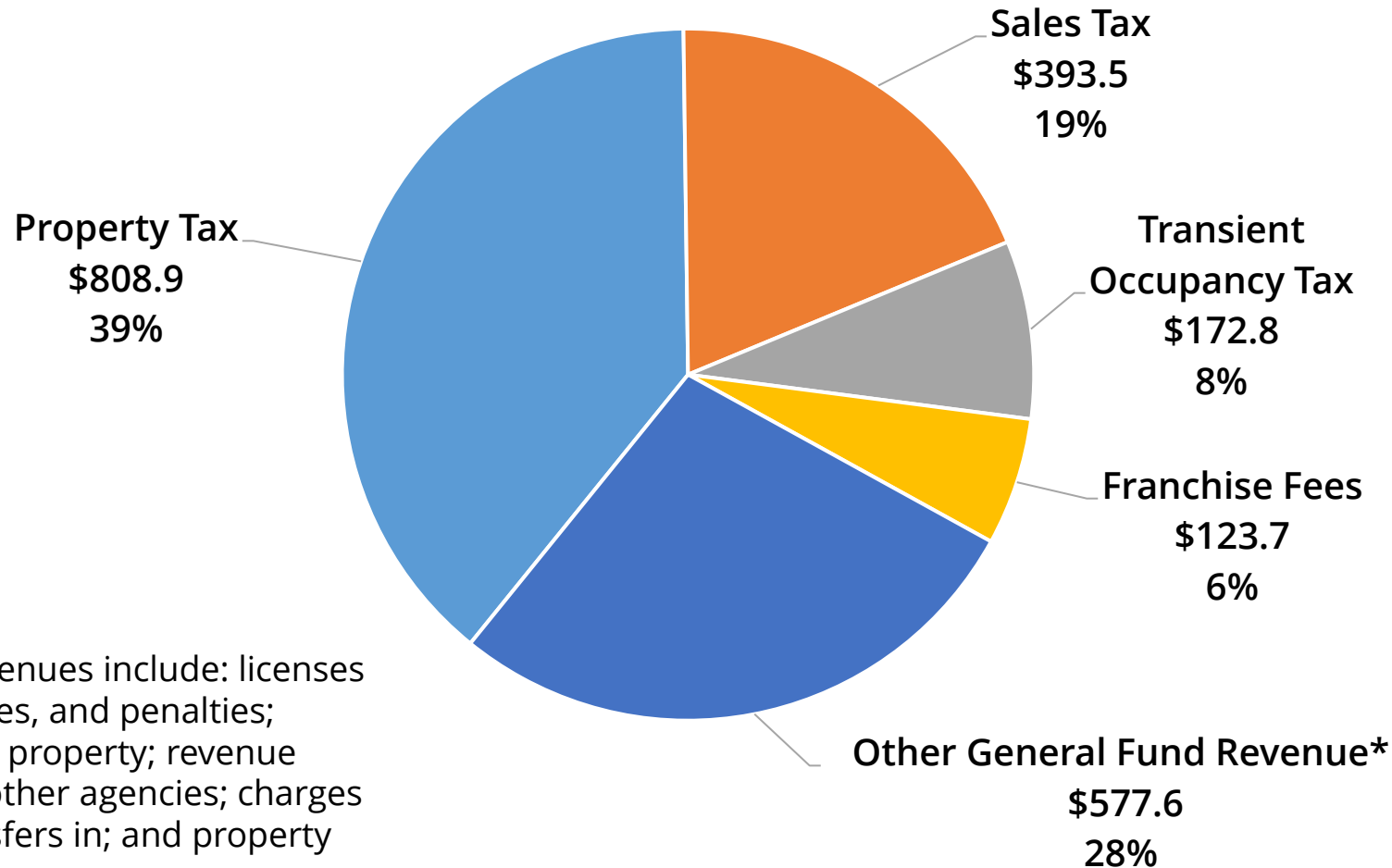
FY 2025 City Expenditures by Fund Type/Programs

(Total: \$5.82 billion; \$ in millions)



FY 2025 General Fund Revenue by Source

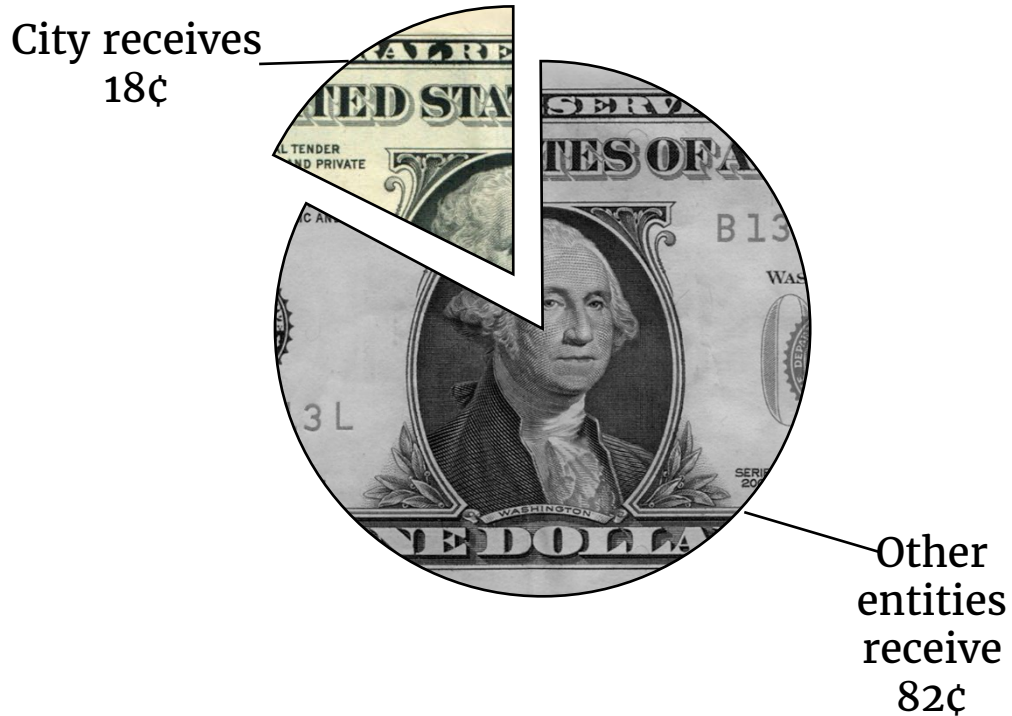
(Total: \$2.08 Billion; \$ in millions)



*Other General Fund Revenues include: licenses & permits; fines, forfeitures, and penalties; revenue from money and property; revenue from federal agencies & other agencies; charges for current services; transfers in; and property transfer taxes.

How much the City Receives from Major Taxes

Property Tax Rate:
1% of Assessed Value

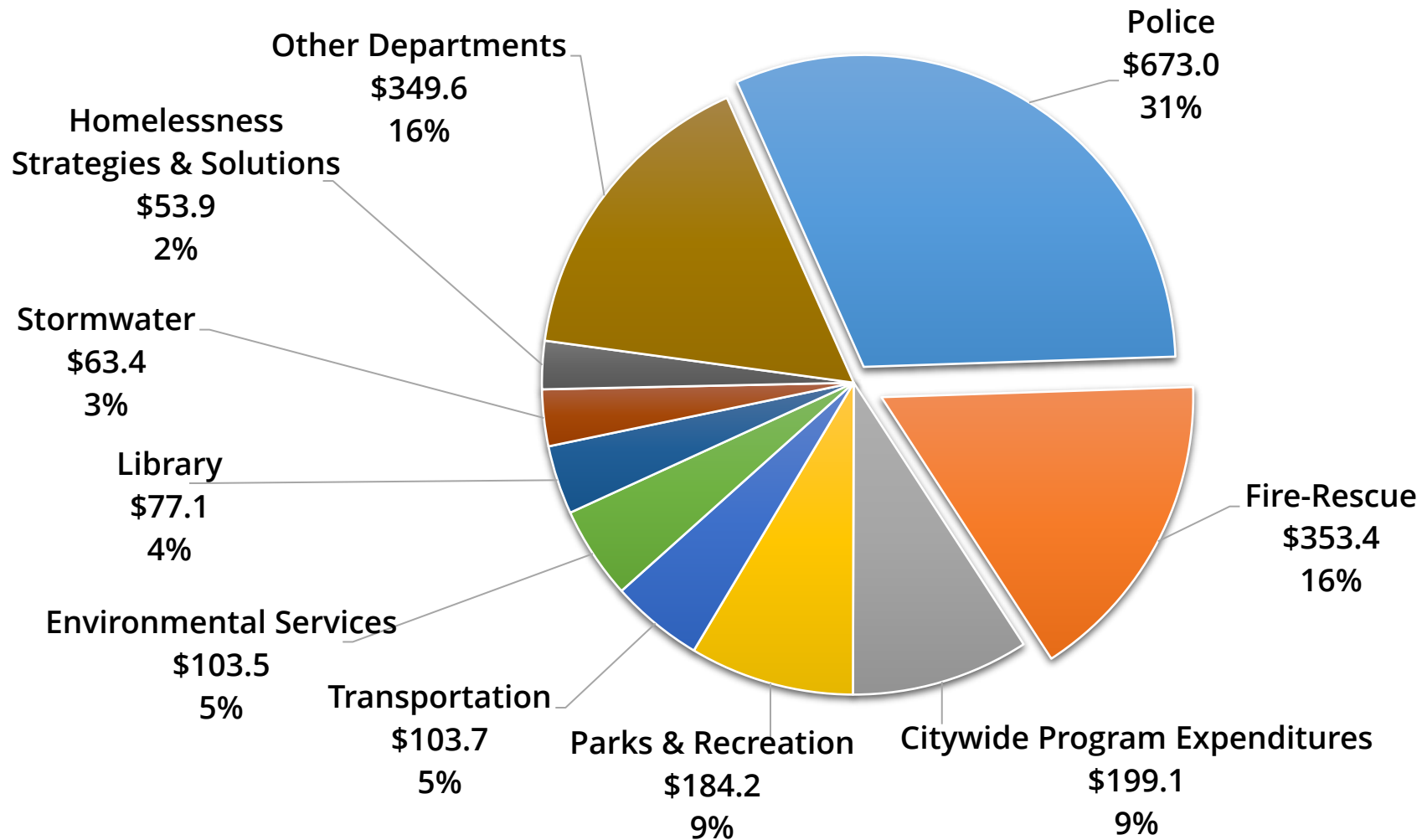


Sales Tax Rate:
7.75% on Taxable Sales



FY 2025 General Fund Expenditures by Department

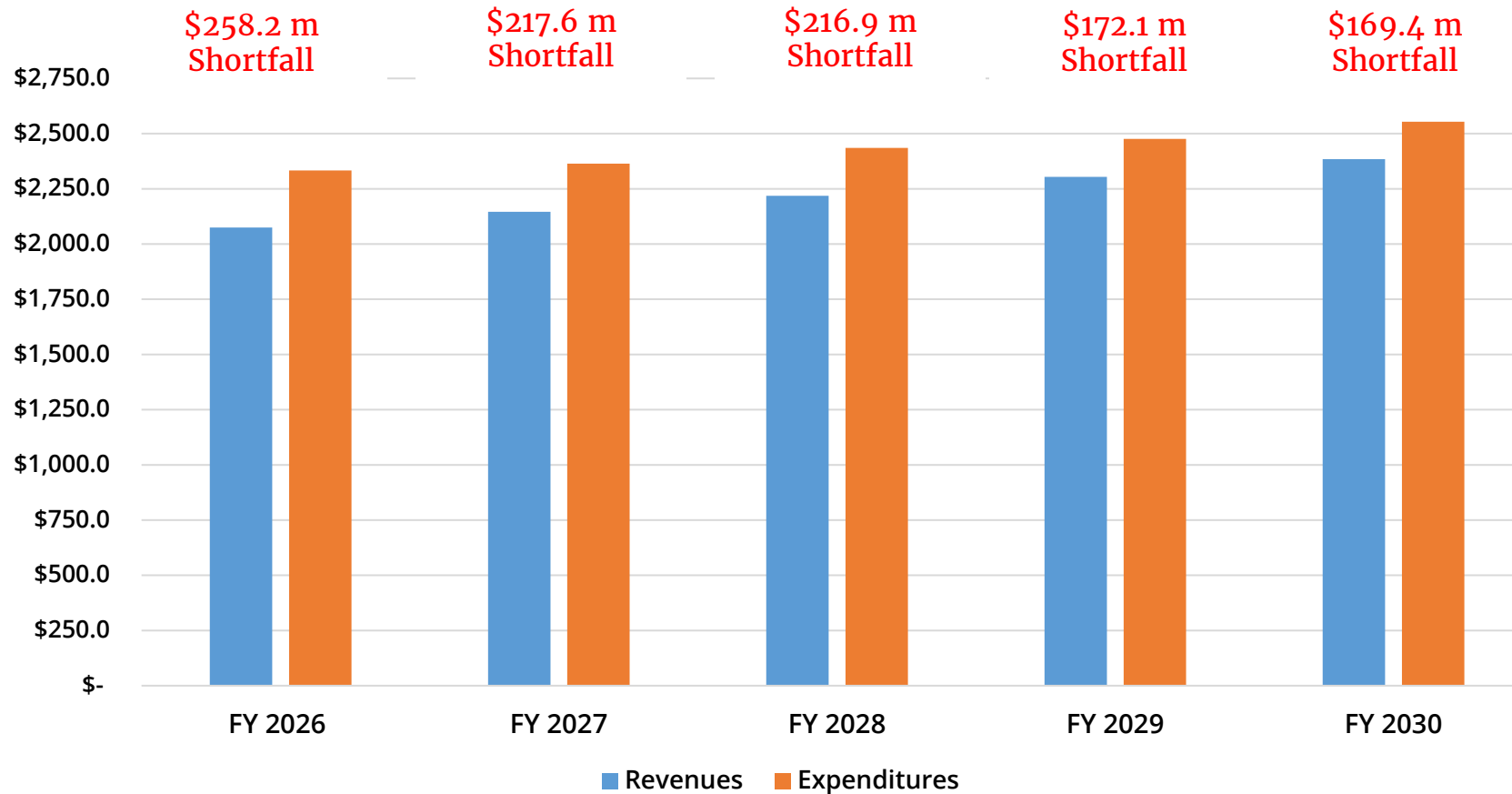
(Total: \$2.16 Billion; \$ in millions)



Mayor's Five-Year Outlook FY 2026-2030

General Fund Revenue and Expenditures

(\$ in millions)



FY 2026 Operating Budget Priorities Receiving Majority Support

Homeless and Housing



Public Safety



Arts and Culture



Environment and Climate Action



Neighborhood Services



Resources and Mitigation Options

Capital Improvements Program (CIP) Budget Overview

The City Owns and Maintains a Variety of Infrastructure



Roads



Bridges



Airports



Parks

Facilities

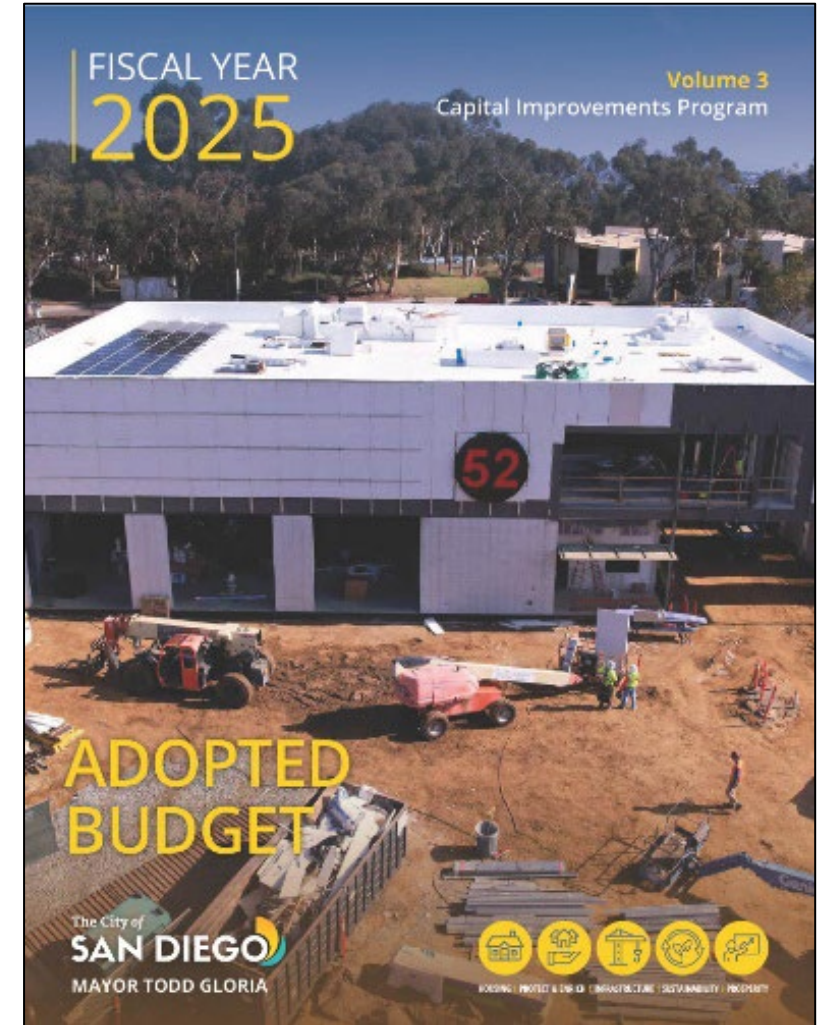


**Water
Utilities**



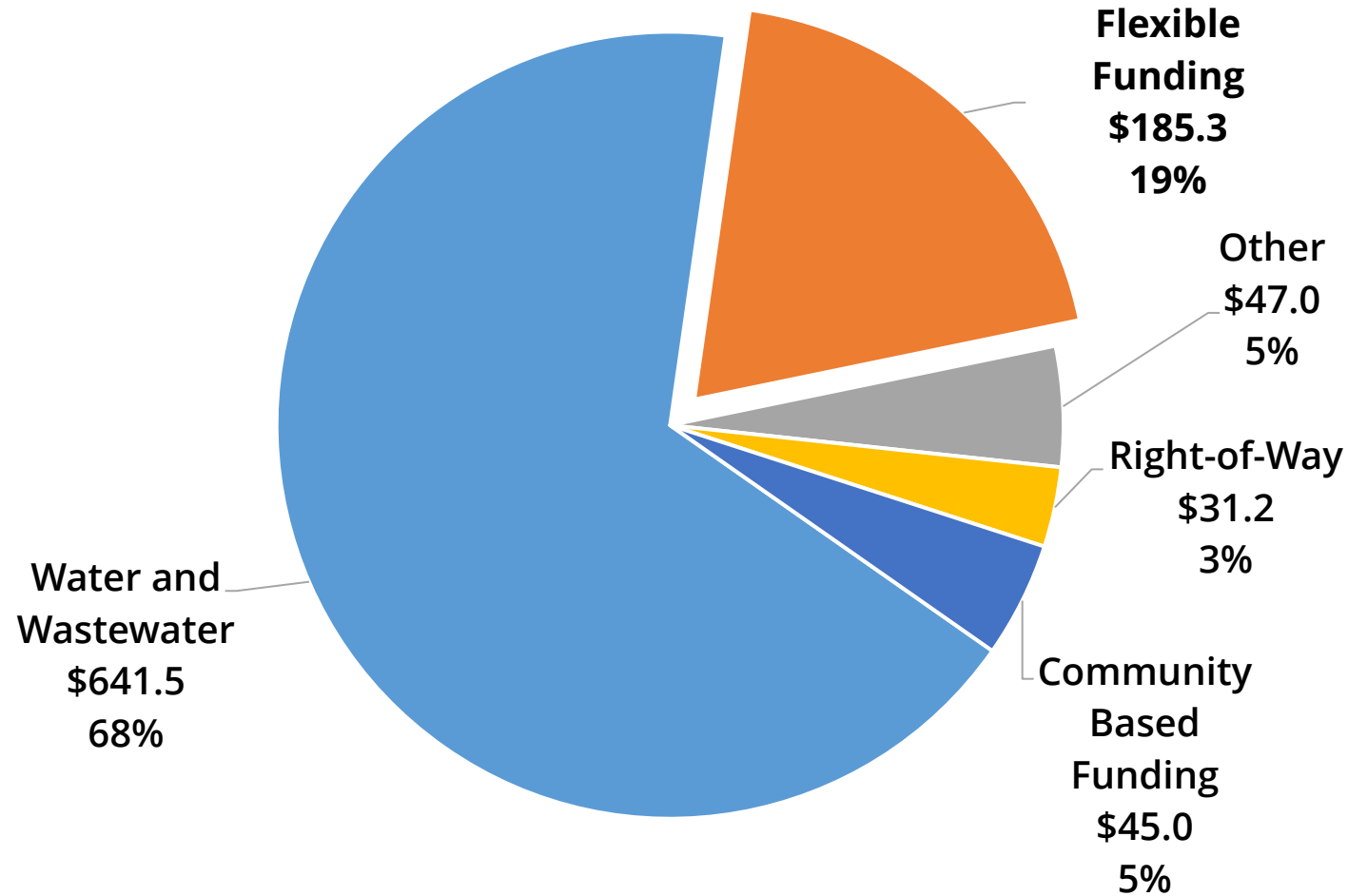
About the CIP Budget

- Funding either improves existing infrastructure or creates new
- Rolling budget since projects take multiple years to implement
- Restrictions on funding sources are big drivers of what gets funded



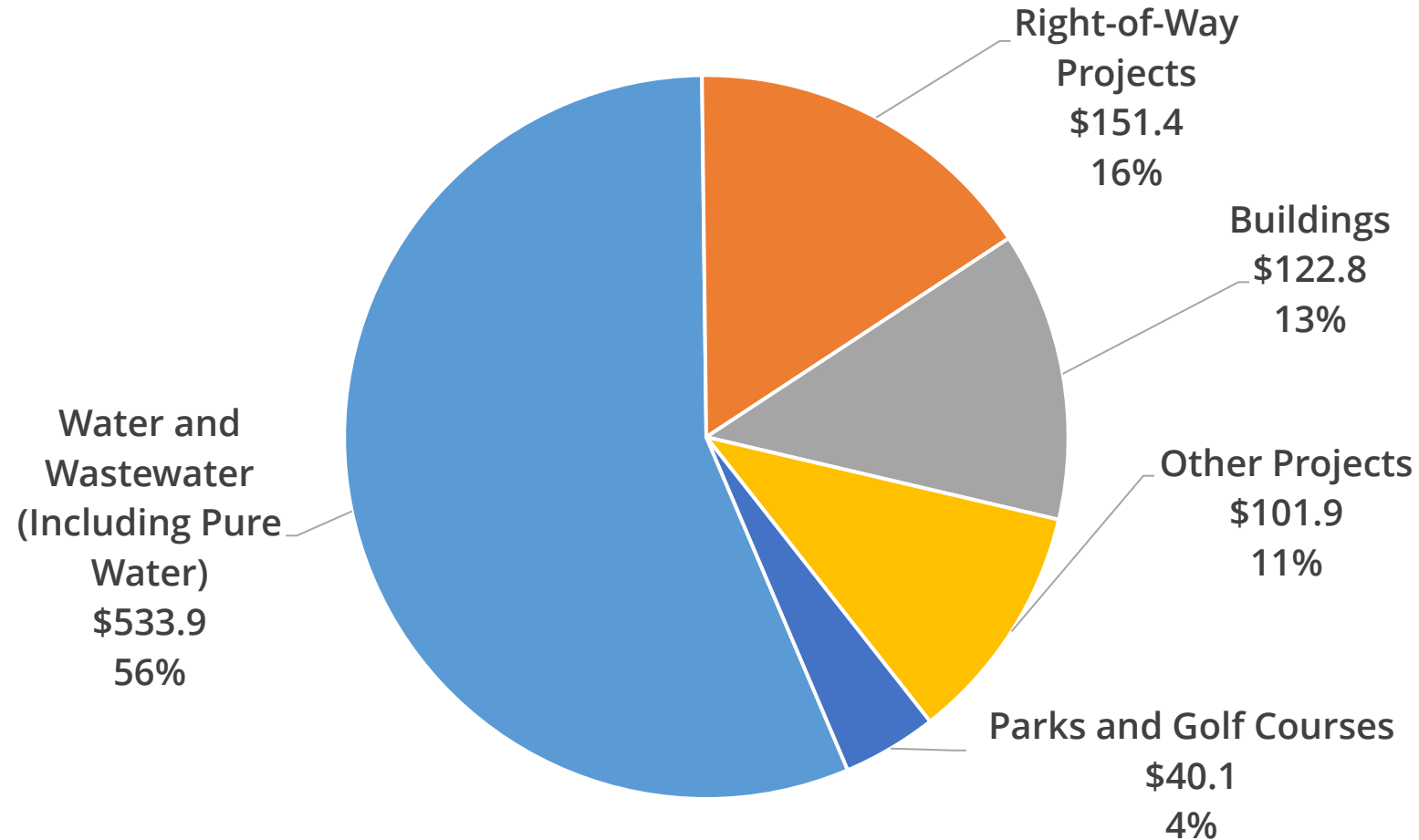
FY 2025 Adopted CIP Budget by Funding Source

(Total: \$950.0 million; \$ in millions)



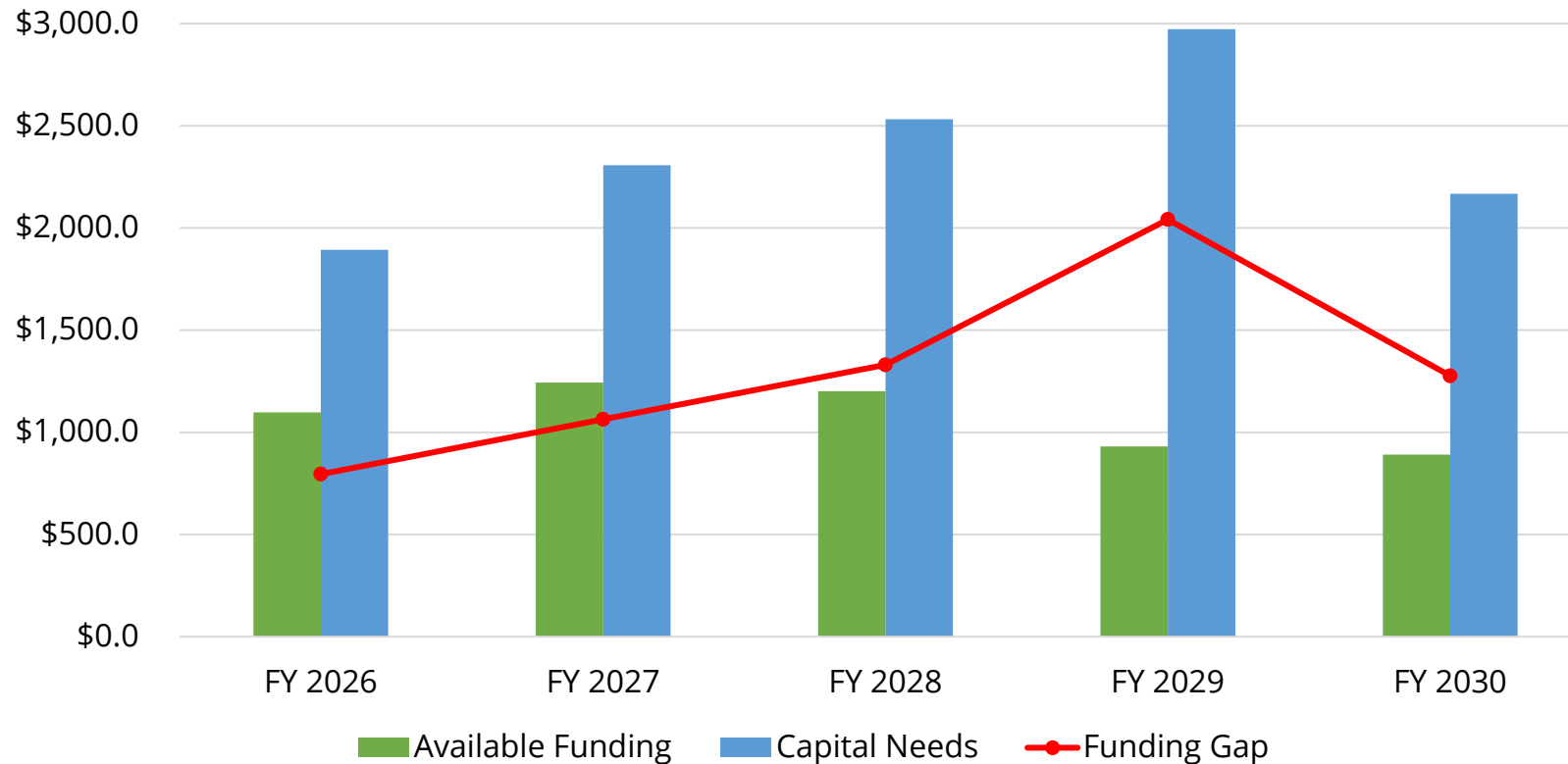
FY 2025 Adopted CIP Budget by Project Type

(Total: \$950.0 million; \$ in millions)



FY 2026-2029 CIP Outlook

**City's Five-Year Capital Infrastructure Needs,
Available Funding, and Gap**
(*\$ in millions*)

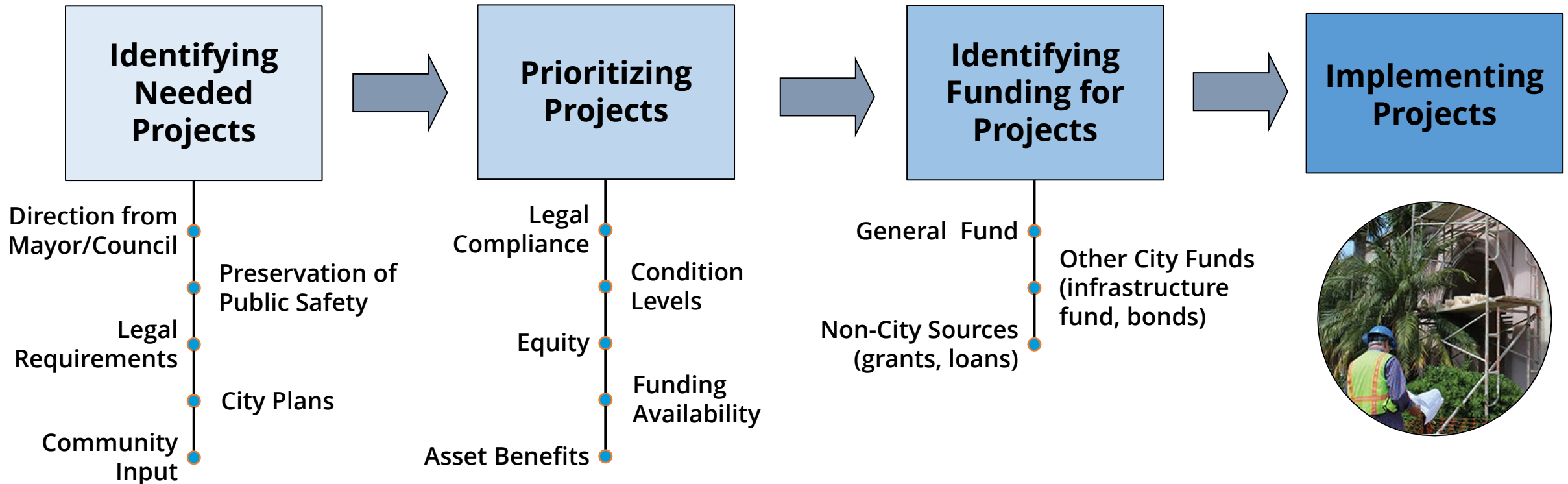


- Infrastructure is a major challenge for the City
- Total Five-Year CIP Funding Gap: **\$6.51 billion**
- Capital needs **far exceed** funding

Top Unfunded Needs in Five-Year CIP Outlook

Funded and Unfunded Asset Needs (\$ in millions)		
Asset	Funded	Unfunded
Stormwater Infrastructure	\$394.4	\$3,737.3
Streetlights	\$2.2	\$486.9
Sidewalks	\$7.5	\$319.0
Streets and Roads Pavement	\$532.1	\$305.4
Fire Stations	\$37.9	\$278.1
Parks	\$197.9	\$244.2
Bridges	\$9.1	\$196.7

How do projects get into the CIP?



FY 2026 CIP Priorities Receiving Majority Support

Transportation and
Mobility Safety



Sidewalks



Facilities



Streets



Stormwater



A photograph of a diverse group of people sitting in an audience, viewed from behind. Many of them have their hands raised in the air, suggesting an interactive session or a vote-taking process. The setting appears to be a modern meeting room or conference hall with large windows in the background.

Get Involved

Opportunities for Public Input



Contact the Mayor

- November – April: during budget development

Contact Councilmembers

- September: as they develop their budget priorities
- November: during their review of the 5-Year Outlook
- December/January: as they update their budget priorities



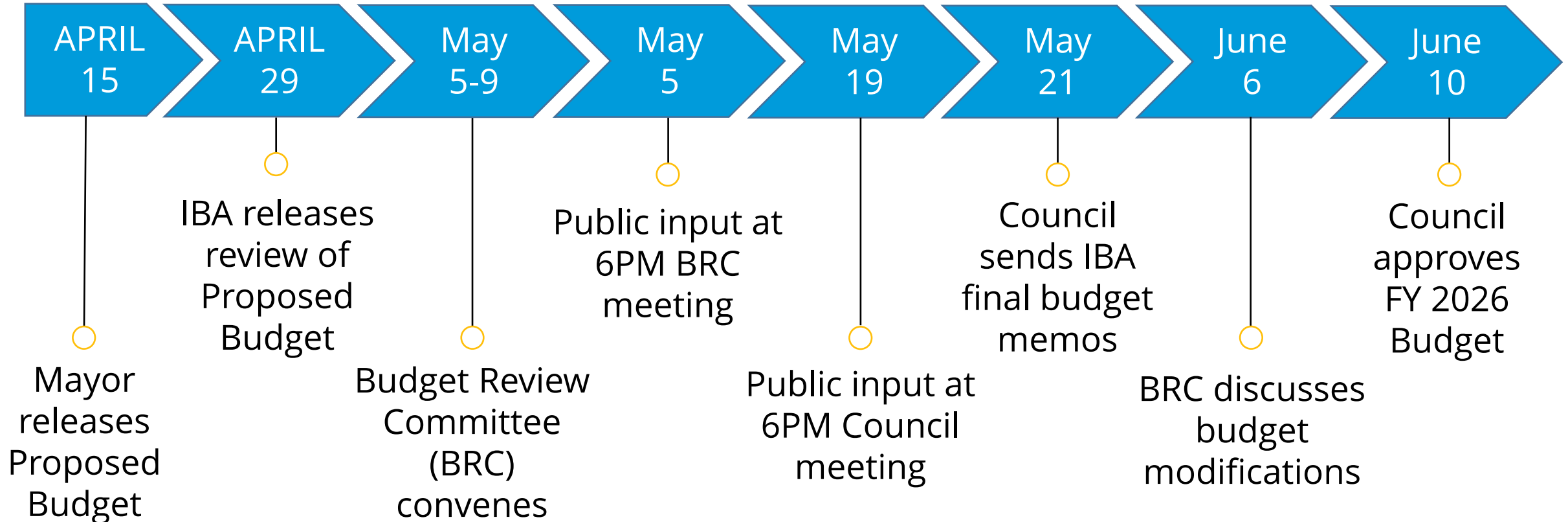
Get involved in community planning, recreation committees, and other groups

Report needs through the *Get It Done App* or department staff



Online City survey to provide input on infrastructure

Upcoming Public Meetings



Key Budget Dates: <https://rb.gy/xawbxw>

Important Resources

Office of the IBA

Website <https://www.sandiego.gov/iba>

- [IBA Reports](#)
- [Key Budget Dates](#)
- [Public's Guide to the Budget](#)
- [Public's Guide to Infrastructure](#)

X (Twitter)



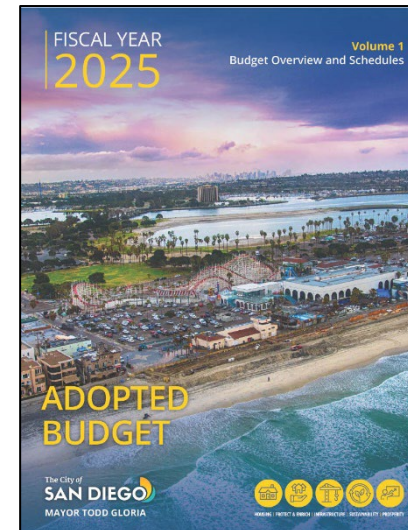
Office of the Independent Budget Analyst
@SanDiegoIBA

Phone number **619-236-6555**

Department of Finance

Website <https://www.sandiego.gov/finance>

Adopted
Budget



Other
Financial
Reports

Financial Reports

Five-Year Financial Outlook	▼
Budget Monitoring Reports	▼
Annual Comprehensive Financial Report	▼
Single Audit Reports	▼
State and Local Recovery Funds Performance Report	▼
Metropolitan Wastewater Utility Allocation of Billing Report	▼
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	▼
Annual Internal Controls Reports	▼
Charter 39 Financial Performance Reports	▼
City Employee Compensation Reports	▼
Discontinued Reports	▼
CFD (Mello Roos) Reports	▼

Thank you for participating!

We're happy to take questions!

**FY 2025 IBA Budget
Crash Course Survey**

forms.office.com/g/zj1JSY87fv

