



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: 6

Proposed FY 2013 Statement of Budgetary Principles

OVERVIEW

The Statement of Budgetary Principles was first put into place in FY 2008 to address issues of budgetary authority and communication of budget changes between the Executive and Legislative branches following budget adoption each year. These Principles were negotiated between the Mayor's Office and the City Council in response to specific situations that arose following the transition to the Strong Mayor/Strong Council form of government. For the past five fiscal years, the Statement of Budgetary Principles has been adopted by the Council as a companion resolution to the Appropriation Ordinance (AO) in order to preserve the intent of the AO as a true appropriation setting document rather than a policy document.

The Statement of Budgetary Principles requires the Mayor or his designee to provide quarterly reports to the Council regarding the administration of affairs of the City in addition to clearly specifying the intent of the spending authorized under the AO for both Mayor and City Council.

In prior fiscal years, the City Council utilized the statement of budgetary principles to establish criteria to trigger requirements for the Mayor to notify Council regarding service reductions, which has now been replaced by a new ordinance. In July 2011, the City Council passed Ordinance-20084, which amended the municipal code regarding mid-year budget adjustments and reporting significant reductions in City services and programs. This Ordinance requires the Mayor to report any projected surplus or deficit for the current fiscal year and recommend solutions to address the surplus or deficit; and allows the Council to accept the Mayor's recommendations or consider alternatives. This legislation, along with the Statement of Budgetary Principles, will guide the budget monitoring process during FY 2013 in addition to the budget development process for FY 2014.

The IBA recommends that the Budget and Finance Committee forward the FY 2013 Statement of Budgetary Principles to Council for approval.



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Fiscal & Policy Analyst



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- Attachments: 1. FY 2013 Statement of Budgetary Principles – Redline Copy
2. FY 2013 Statement of Budgetary Principles – Clean Copy