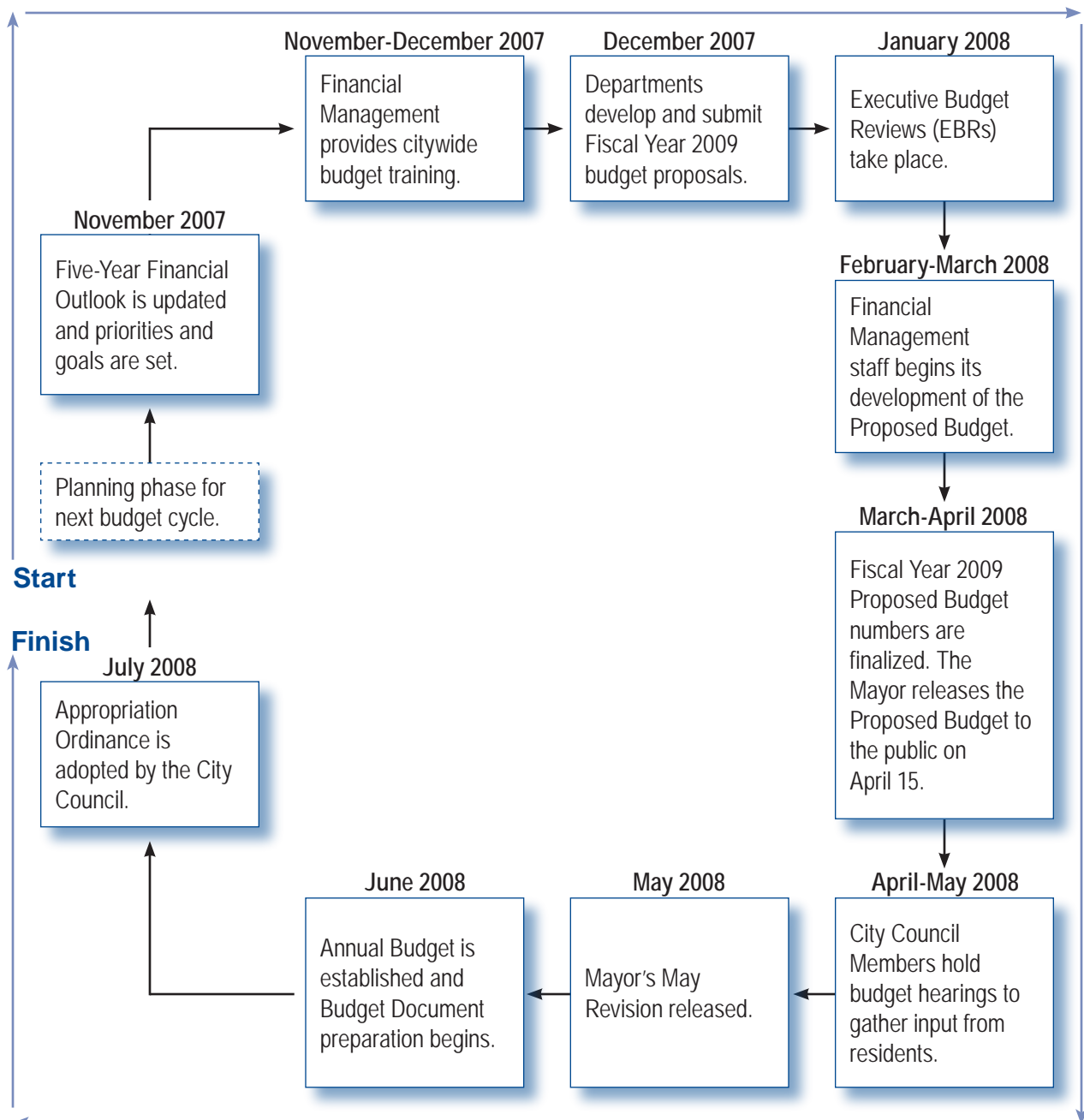


# City Budget Process Overview

The City of San Diego's budget is created in conjunction with the Mayor, City Council, and City departments, with public input. The incremental budget process considers the fiscal and policy goals for the upcoming fiscal year, while following a timeline for budget publication codified within the City of San Diego's Charter. This section provides an overview of the annual workflow and the specific processes that contribute to producing the City's budget. The chart below summarizes the process, and more detailed descriptions of key points are listed on the following pages.



# City Budget Process Overview

The Budget Process consists of three main phases: Budget Development, Budget Review, and Annual Budget Adoption.

## Budget Development

### **November 2007: Fiscal Planning**

The Fiscal Year 2009 Budget Development Process began with the development of the Five-Year Financial Outlook (Outlook). The Outlook for Fiscal Years 2009 through 2013 served as the framework for the development of the Fiscal Year 2009 Proposed Budget by incorporating a variety of economic assumptions and newly mandated expenditure requirements into the budget document.

### **November-December 2007: Citywide Budget Development Training**

Budget development training was provided to all City departments. In these trainings, guidance and expectations were provided to department representatives so that they would be able to develop budget requests for their departments that fit within the goals and priorities established for the Fiscal Year 2009 Proposed Budget.

### **December 2007: Budget Submission**

Departments developed and submitted their proposed budget requests based on the Outlook and other foreseeable needs for the coming fiscal year. In order to manage the variance between forecasted revenue and expense, direction was given to General Fund departments to reduce operating budget expenditures by 10 percent, and to limit the budget requests to those included in the Outlook. Examples of additions included in the Outlook are: opening of new facilities, annualization of new facilities that opened last fiscal year, and items mandated by the City Council, State, or federal government, or a contractual obligation. Financial Management staff analyzed budget submissions and prepared a summary of changes and adjustment recommendations for discussion at the Executive Budget Reviews (EBRs).

### **January 2008: Budget Meetings**

The EBRs took place during the month of January. In these EBRs, the Deputy Chief Operating Officers, department directors, and support staff met with the Chief Operating Officer, the Chief Financial Officer, and the Financial Management Director to discuss strategic priorities. City Management reviews the department's budget proposal and provide input to ensure that departments were aligned with the City's fiscal policies.

# City Budget Process Overview

## **February-March 2008: Budget Development**

Based on information provided by management at the EBRs, Financial Management staff began the development of the Proposed Budget. During the development of the budget, General Fund revenues were balanced with expenditures and adjustments were made to keep the budget in line with the City's fiscal policies and priorities.

## **March-April 2008: Proposed Budget Finalized**

In early March, General Fund expenditures and revenues were balanced, any remaining changes to the non-general funds were made, and the Fiscal Year 2009 Proposed Budget numbers became finalized. The budget document was created from the end of March to the beginning of April, and the Mayor released the Fiscal Year 2009 Proposed Budget to the public on April 15, 2008 in compliance with the City of San Diego Charter [Article XV, Section 265, Item (b) (15)]. The Mayor officially presented the Proposed Budget to the City Council on Monday, April 21, 2008.

## **Budget Review**

### **April-May 2008: City Council Budget Hearings**

From the end of April through May, the City Council held a series of public budget hearings to obtain input from San Diego residents on spending priorities. Councilmembers used the information received at these hearings to develop the districts' priorities and to recommend changes to the proposed budget.

### **May 2008: Mayor's Recommended Revision Report**

On May 16, 2008, the Mayor's May Revision to the Fiscal Year 2009 Proposed Budget was released. In this report, the Mayor made changes to the budget based on up-to-date policy-related issues and revised Fiscal Year 2008 year-end expenditure and revenue projections. On May 30, 2008 the Office of the Independent Budget Analyst issued a report to the City Council of recommendations based on the Fiscal Year 2009 Proposed Budget and the May Revision report.

# City Budget Process Overview

## Annual Budget Adoption

### **June 2008: Annual Budget**

The Budget and Finance Committee approved final modifications to the Fiscal Year 2009 Proposed Budget on June 4, 2008. On June 6, 2008 the Office of the IBA issued IBA report number 08-61, a revision to the previously mentioned report. The final modifications to the budget were presented to the City Council on June 9, 2008. On June 16, 2008, the Mayor line-item vetoed the final budget modifications presented by the City Council. On June 23, 2008, the City Council overrode the Mayor's veto and established the Fiscal Year 2009 Annual Budget.

### **July 2008: Annual Budget Document**

During the month of July, the final changes to the Fiscal Year 2009 budget were implemented. Once these changes were made, preparation of the Fiscal Year 2009 Annual Budget was completed. The Change Letter was created summarizing the May Revision and Council Action changes to the Fiscal Year 2009 Proposed Budget by department.

### **July 2008: Appropriation Ordinance**

On July 9, 2008, the Fiscal Year 2009 Appropriation Ordinance was presented to the Budget and Finance Committee, and then to the City Council on July 21, 2008. The Appropriation Ordinance was adopted by the City Council on July 28, 2008, codifying the Fiscal Year 2009 Annual Budget into law.