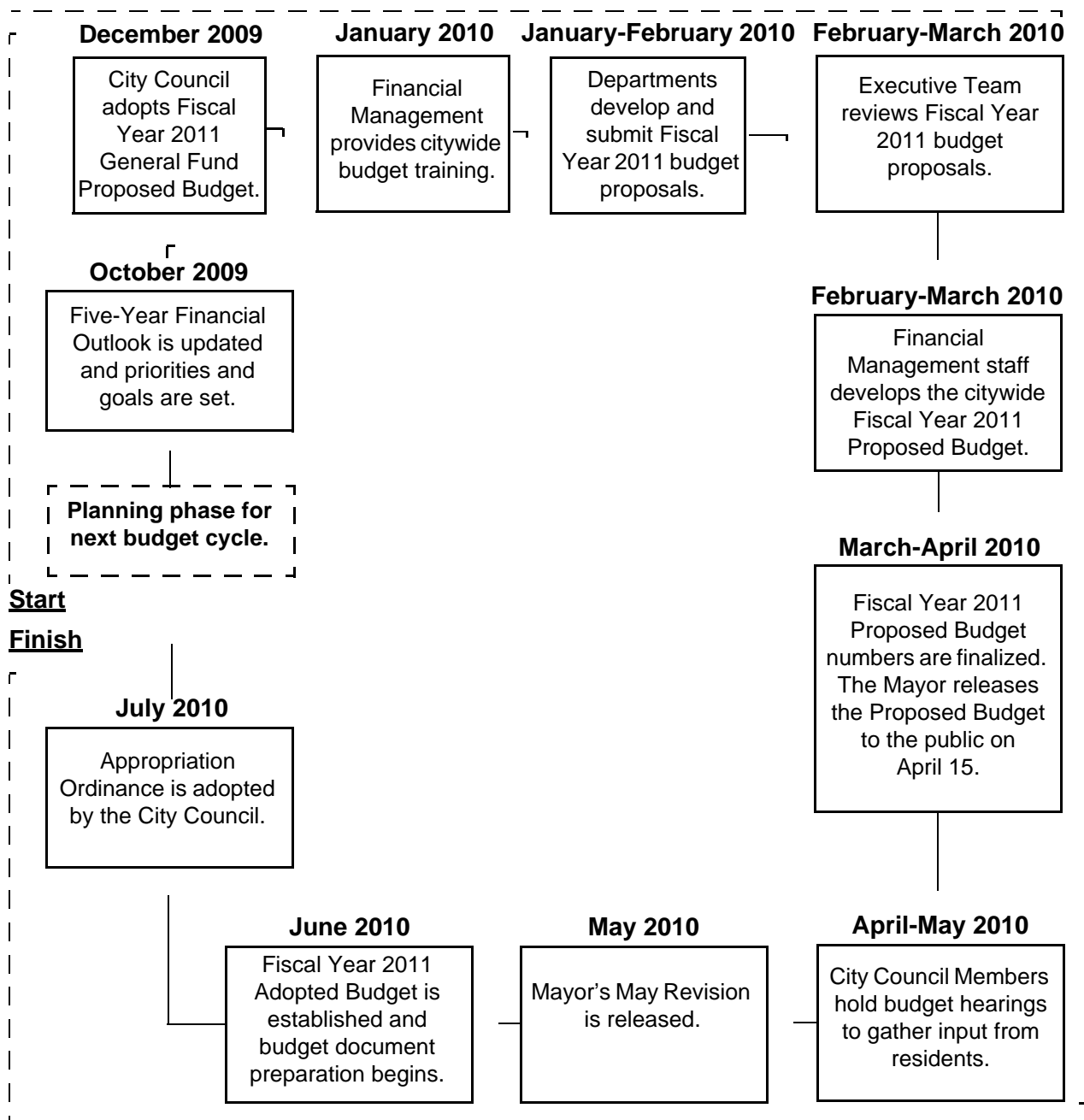


City Budget Process Overview

The City of San Diego's budget is created in conjunction with the Mayor, City Council, City departments and public input. The 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 for Fiscal Year 2011. 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 Budget Adoption.

Budget Development

October 2009: Fiscal Planning

The Fiscal Year 2011 Budget Development Process began with the development of the Five-Year Financial Outlook (Outlook). The Outlook for Fiscal Years 2011 through 2015 served as the framework for the development of the Fiscal Year 2011 Proposed Budget by incorporating a variety of economic assumptions and newly mandated expenditure requirements into the budget document.

December 2009: General Fund Proposed Budget Adopted

On December 9, 2009, the City Council adopted the Fiscal Year 2011 General Fund Proposed Budget. This budget was incorporated into the proposed budget presented to City Council on April 15, 2010.

January 2010: Citywide Budget Development Training

A new budgeting system called Public Budgeting Formulation (PBF) was implemented for the development of the Fiscal Year 2011 budget. Budget development training on the new system and the current budget process was provided to all City departments. At these trainings, guidance and expectations were provided to department representatives for developing budget requests within the goals and priorities established for the Fiscal Year 2011 Proposed Budget.

January-February 2010: Budget Submission

Departments developed and submitted their proposed budget requests based on the Outlook and other needs for the coming fiscal year. In order to manage the variance between forecasted revenues and expenses, General Fund departments were given direction to limit budget expenditure requests to those included in the Outlook and to provide expenditure reductions only. Non-General Fund departments submitted budget requests which aligned with their needs for the coming fiscal year. Financial Management staff analyzed budget submissions and prepared a summary of changes and adjustment recommendations for Executive Team review.

February-March 2010: Executive Team Review

The Executive Team reviewed the departments' budget proposals and ensured that requests were aligned with the City's fiscal policies.

February-March 2010: Budget Development

Based on information provided by the Executive Team, 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.

City Budget Process Overview

March-April 2010: Proposed Budget Finalized

In March, General Fund expenditures and revenues were balanced, any remaining changes to the non-general funds were made, and the Fiscal Year 2011 Proposed Budget numbers were finalized. The budget document was then created starting at the end of March to the beginning of April. The Mayor released the Fiscal Year 2011 Proposed Budget to the public on April 15, 2010 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 April 21, 2010.

Budget Review

April-May 2010: City Council Budget Hearings

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

May 2010: Mayor's Recommended Revision Report

On May 14, 2010, the Mayor's May Revision to the Fiscal Year 2011 Proposed Budget was released. This report included the Mayor's changes to the budget based on up-to-date policy-related issues and revised Fiscal Year 2010 year-end expenditure and revenue projections. On May 24, 2010, the Office of the Independent Budget Analyst (IBA) issued Report Number 10-43 that provided budget recommendations to the City Council based on the Fiscal Year 2011 Proposed Budget and the Mayor's May Revision report.

Budget Adoption

May-June 2010: Adopted Budget

On May 26, 2010 final modifications to the Fiscal Year 2011 Proposed Budget were presented to the Budget and Finance Committee and the City Council Committee of the Whole. On June 10, 2010 the Office of the IBA issued Report Number 10-47, a revision to IBA Report number 10-43. The final modifications to the budget were presented to the City Council on June 14, 2010 and the resolution to adopt the Fiscal Year 2011 Budget was passed. On June 23, 2010 the Mayor line-item vetoed the line stating that the Budget Policy is to be amended to incorporate the IBA's suggestions to revise the Budget Monitoring Process. On June 29, 2010 the City Council overrode the Mayor's Veto and established the Fiscal Year 2011 Adopted Budget.

July 2010: Adopted Budget Document

During the month of July, the final changes to the Fiscal Year 2011 budget were implemented. Once these changes were made, preparation of the Fiscal Year 2011 Adopted Budget was completed. The Change Letter was created to summarize the May Revision and Council Action changes to the Fiscal Year 2011 Proposed Budget by department.

City Budget Process Overview

**July 2010:
Appropriation Ordinance**

On July 14, 2010, the Fiscal Year 2011 Appropriation Ordinance was presented to the Budget and Finance Committee, and then to the City Council on July 19, 2010. The Appropriation Ordinance was adopted by the City Council on July 26, 2010, codifying the Fiscal Year 2011 Adopted Budget into law.