



# DRAFT BUDGET

MAYOR TODD GLORIA

**VOLUME 1**  
Glossary



HOUSING | PROTECT & ENRICH | INFRASTRUCTURE | SUSTAINABILITY | PROSPERITY

## Glossary

**ACCOUNTING PERIOD:** The City of San Diego's fiscal year is divided into 12 accounting periods. Each accounting period is a month and may have two or three pay periods.

**ACCRUAL BASIS OF ACCOUNTING:** The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

**ACTUARIALLY DETERMINED CONTRIBUTION (ADC):** The annual contribution amount to the San Diego City Employees' Retirement System (SDCERS), as defined by the SDCERS actuary. The ADC is considered a fixed fringe benefit.

**ADOPTED BUDGET:** The Mayor and City Council's approved plan for the City's financial operations, which includes an estimate of expenditures and revenues for a given fiscal year.

**AD VALOREM:** In proportion to value, it is commonly applied to a tax imposed on the value of property.

**AFFORDABILITY ANALYSIS:** A financial assessment to determine whether an entity can reasonably afford an expense or investment. It usually involves evaluating income, expenses, debt, and other financial variables to determine the feasibility of the added financial commitment.

**AMERICANS WITH DISABILITIES ACT (ADA):** Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of telecommunications devices for the deaf (TDD)/telephone relay services.

**AMERICAN RESCUE PLAN ACT (ARPA) OF 2021:** A federal bill passed on March 11, 2021, to provide additional relief and address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. ARPA included \$360 billion in total aid to states and local governments for direct and flexible relief.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** A report prepared by the Department of Finance that summarizes financial data from the previous fiscal year in a standardized format. The annual comprehensive financial report is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance, and an operating statement that compares revenues with expenditures.

**ANNUALIZATION:** Annualization/true-up of prior year expenditures or positions that were added for a portion of a year for the purpose of estimating annual costs.

**APPROPRIATION:** A legal authorization to make expenditures and to incur obligations for specific purposes.

**APPROPRIATION ORDINANCE:** The annual official enactment by the City Council to establish legal authority for City officials to expend and obligate resources.

**ASSEMBLY BILL (AB) 38:** This bill requires that when a property that is located in a high or very high fire hazard severity zone is sold, documentation of a compliant Defensible Space Inspection (DSI) that complies with the Public Resources Code or local vegetation management ordinances is needed.

**ASSEMBLY BILL (AB) 1869:** This bill repealed several administrative fees related to the processing of criminal cases and eliminated outstanding debt incurred as a result of those fees. The unpaid balance of related court-imposed fees is unenforceable and uncollectible.

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**ASSESSED VALUATION:** An official government value placed upon real estate or other property as a basis for levying taxes.

**BALANCE (FUND BALANCE):** Revenues and assets in excess of the expenditure and reserve obligations of a fund at year-end.

**BALANCED BUDGET:** The budgeted expenditures amount is equal to or less than the amount of budgeted revenues plus available fund balance.

**BEGINNING BALANCE:** The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

**BOND:** A funding tool representing a written promise to pay a specific sum (face value or principal amount) in the future (maturity date), plus interest. In California, municipal government bonds are only used to finance capital improvements.

**BOND, GENERAL OBLIGATION:** A limited tax bond which is secured by the City's property tax.

**BOND PROCEEDS:** Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

**BOND RATING:** A methodology used to measure the fiscal health of the City. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to municipalities. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk and, together with AA/Aa bonds, comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds have lower interest rates.

**BUDGET:** Proposed plan of expenditure and revenue over a specified time period such as a fiscal year or accounting period.

**BUDGET CALENDAR:** The schedule of major events in the development of the annual budget including the draft budget, budget hearings, budget deliberations, and the adoption of the annual Appropriation Ordinance.

**BUDGET DELIBERATIONS:** After the completion of public hearings, the City Council reviews and approves the Budget during deliberations.

**BUDGET DOCUMENT:** The instrument utilized to present the City's comprehensive financial plan to the City Council and the public.

**BUDGETED PERSONNEL EXPENDITURE SAVINGS:**

A budgeting tool used to allocate resources that are projected to remain unspent to other priority needs. This amount is attributed to a number of items including: vacancies, normal attrition, projections, add-ons, unplanned termination pay and overtime, and variances in all personnel salary groups due to unforeseen circumstances.

**BUSINESS AREA:** A basic organizational unit of government that may be sub-divided into divisions, programs, activity groups, and/or activities. Also referred to as a department.

**BUSINESS IMPROVEMENT DISTRICT (BID) FUNDS:** A special assessment levied upon business owners within a district with specifically defined boundaries established by City Ordinance. These assessments finance improvements within the district.

**CALENDAR YEAR (CY):** A 12-month term from January through December.

**CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET:** A financial plan of capital projects and the authorized means of their expenditures over a given period of time.

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**CAPITAL IMPROVEMENT PROJECT (CIP):** A capital improvement is generally a large construction project such as the development of park land, the construction of an overpass, the installation of a traffic signal, the acquisition of land, or the construction or remodeling of a City building. Funds for these projects are derived largely from the issuance of bonds, water and sewer fees, and a one-half cent local sales tax for transportation improvements (TransNet), grants, and developer impact fees.

**CAPITAL EXPENDITURE:** This expenditure category includes purchases of capital equipment, such as furniture, vehicles, large machinery, and other capital items. The Equipment and Vehicle Financing Program is budgeted within this expenditure category.

**CASH BASIS OF ACCOUNTING:** The basis of accounting under which revenues are recorded when received in cash and expenditures (or expenses) are recorded when cash is disbursed. Since payments for goods and services can be delayed to the next fiscal year, cash on hand can result in an inaccurate picture of the financial condition of a fund. To be in conformance with Generally Accepted Accounting Principles (GAAP), local governments must use an accrual basis rather than the cash basis of accounting.

**CHARGES FOR CURRENT SERVICES:** This revenue results from user fees for various City services. Library charges, golf course fees, filing fees for planning services, charges for engineering, and reimbursements for fire and police services are included.

**COMMERCIAL PAPER:** Provide a just-in-time borrowing tool to meet the cash flow needs of capital improvement projects. Commercial paper notes are issued on an as-needed basis as capital project spending occurs. The notes have maturities of 270 days or less and hold short-term rates of interest. Commercial Paper obligations are ultimately refinanced with long-term bonds.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS:** Funds established to account for revenues from the federal government and expenditures as prescribed under the Community Development Block Grant Program.

**COMMUNITY PARKING DISTRICTS:** Districts established by the San Diego Council to provide a mechanism for communities to develop and implement neighborhood specific strategies to meet their specific needs and address parking impacts. The City of San Diego has seven active community parking districts: Downtown, Uptown, Mid-City, Old Town, Pacific Beach, Kearny Mesa, and San Ysidro.

**COMPREHENSIVE USER FEE ANALYSIS:** A user fee analysis that is conducted every three to five years for the purpose of establishing and maintaining a comprehensive user fee schedule. This analysis does the following: analyzes all costs for providing a service, establishes target recovery rates, brings existing fees in line with the service costs, communicates subsidies, and includes all relevant materials in a single report presented to the City Council.

**CONSUMER PRICE INDEX (CPI):** An inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. CPI is an index of the cost of all goods and services to a typical consumer.

**CONTINUING APPROPRIATIONS:** Funding approved in prior fiscal years, but not expended within the respective fiscal year, are carried forward into subsequent fiscal years for their intended purpose.

**CONTRACTS AND SERVICES:** This expenditure category consists of contractual agreement expenditures for services provided. It includes external contracts and services and internal contracts and services.

**CONTRACTUAL SERVICE:** A written agreement or legal instrument whereby the City of San Diego is committed to expend, or does expend, public funds in consideration for work, labor, services, equipment, or any combination of the foregoing.

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**DEBT:** Payment of interest and principal on an obligation resulting from the issuance of bonds.

**DEFERRED CAPITAL:** A backlog of needed repairs to City facilities or other assets such as streets, roof repairs, heating and cooling system upgrades, painting, floor covering repair, structural repairs, and slurry sealing of streets.

**DEFERRED RETIREMENT OPTION PLAN (DROP):** A voluntary retirement program whereby members agree to retire from the City of San Diego within a specified period of time, up to a maximum of five years. In exchange, members have access to a lumpsum benefit, in addition to the normal monthly retirement allowance, at retirement.

**DEPARTMENT:** A basic organizational unit of government that may be subdivided into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

**DEVELOPMENT IMPACT FEE:** Fees that are collected from developers and used to finance various public improvements either within the communities where they originate or based on asset type. These fees help defray the costs incurred from the impact of the development. There are five categories of impact fees: Development Impact Fees (DIF), Park Development Fees (PDF), Urban Impact Fees (UIF), Facilities Benefit Assessments (FBA) and Other Miscellaneous Fees (OMF). The funds set up to collect and utilize these fees are subject to the reporting requirements set forth in the Mitigation Fee Act.

**DISBURSEMENTS:** Funds actually expended.

**DISCRETIONARY FUNDS:** Funds for which there are no restrictions on the use of fees or taxes collected.

**DIVISION:** An organizational component of a department, possibly subdivided into sections and groups.

**DRAFT BUDGET:** The Mayor's recommendation for the City's financial operations, which includes an estimate of proposed expenditures and revenues for a given fiscal year. The draft budget is delivered to City Council by April 15 each year.

**EMERGENCY RESERVE:** This reserve was established for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other unforeseen catastrophic event. This reserve may be expended only if an event is determined to be a public emergency by a two-thirds vote of the City Council.

**EMPLOY AND EMPOWER INTERN PROGRAM:** Grant based paid internship program designed to employ and empower the next generation of public servants at the City of San Diego.

**ENCUMBRANCE:** An encumbrance designates or reserves funds for a specific purpose as approved by the appropriate authority. When the goods and services are received, the encumbrance is released, and the expenditure is recorded for the actual costs.

**ENDING BALANCE:** The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

**ENERGY AND UTILITIES:** This expenditure category includes gas, electrical, water, sewer, telephone, and other utility expenses.

**ENTERPRISE FUNDS:** Funds established to account for specific services funded directly by fees and charges to users such as water and sewer services. These funds are intended to be self-supporting.

**ENVIRONMENTAL GROWTH FUND (EGF):** This fund was established in accordance with Section 103.1a of the City Charter to receive 25 percent of all funds derived from the revenues accruing to the City from gas, electricity, and steam franchises.

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**EQUIPMENT AND VEHICLE FINANCING PROGRAM (EVFP):** A lease-purchase program for vehicle and equipment acquisitions. Lease payments are subject to annual appropriations and are not considered to be debt under the City Charter or the State Constitution.

**EQUITY:** Defined as an outcome that occurs when we eliminate institutional racism and systemic disparities, providing everyone with equitable access to opportunity and resources to thrive, no matter where they live or how they identify.

**ESTIMATED REVENUE AND EXPENSE:** The revenue or expense projected to be received or expended during a specific time period, usually a fiscal year.

**EXCESS EQUITY:** Spendable and unrestricted fund balance that is not otherwise assigned to reserves and is available for appropriation. Most commonly a non-recurring source of revenue. Council authorization is necessary to expend these funds in the General Fund.

**EXPENDITURE:** The actual outlay of monies from the City treasury.

**EXPENDITURE CATEGORY:** Expenditure categories are groupings of similar types of expenditures. The City uses nine major expenditure categories: Salary and Wages, Fringe Benefits, Supplies, Contracts, Information Technology, Energy and Utilities, Debt, Capital Expenditures, and Other.

**EXPENSES:** Charges incurred for operations, maintenance, interest, or other charges.

**EXTERNAL CONTRACTS AND SERVICES:** Contracts and services that are paid to an outside agency, consultant, or contractor.

**FEDERAL GRANT FUNDS:** These funds were established to account for revenue from the federal government and expenditures as prescribed by grant provisions/agreements.

**FINES, FORFEITURES, AND PENALTIES:** Revenue resulting from violations of various City and State laws and from damage to City property.

**FISCAL YEAR (FY):** A 12-month timeframe designating the beginning and ending period for recording financial transactions. The City of San Diego has specified July 1 through June 30 as the fiscal year.

**FIVE-YEAR FINANCIAL OUTLOOK (FYO):** The Five-Year Financial Outlook includes General Fund revenue and expenditure forecasts which are based on various assumptions, such as economic conditions or previous policy decisions. The Financial Outlook serves as a long-range planning tool which identifies priorities, economic trends, risks, and opportunities, and guides the City in the development of future budgets.

**FIXED FRINGE:** Fixed fringe costs are annual liabilities the City is obligated to expend regardless of current FTE count or salary amounts. If FTEs or salaries are adjusted either due to reductions, additions, or vacancies, the collection rate for the fixed fringe cost must be adjusted to fully expend the budgeted allocation. Fixed fringe includes: Actuarially Determined Contribution for pension, Other Post-Employment Benefits, Workers' Compensation, Risk Management Administration and Long-Term Disability.

**FLEXIBLE (FLEX) BENEFITS:** An Internal Revenue Service (IRS) qualified cafeteria-style employee benefits program in which employees select their medical insurance coverage and other non-taxable fringe benefits from a list of options provided. Eligible participating employees include one-half, three-quarters, or full-time status employees.

**FRANCHISE FEES:** Fees resulting from agreements with private utility companies in exchange for use of the City's rights-of-way.



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**FRINGE BENEFITS:** This expenditure category consists of the costs to provide employee benefits. Typical employee benefits include the flexible benefit program, insurance, and retirement. According to the City Charter, the fringe benefit expense is not considered a salary or wage expense.

**FULL-TIME EQUIVALENT (FTE):** The decimal equivalent of a part-time position converted to a full-time basis, i.e., one person working half-time would count as a 0.50 FTE position.

**FUND:** A fiscal and accounting entity with a self-balancing set of accounts to record revenues and expenditures.

**GANN LIMIT (PROPOSITION 4):** Under this article of the California Constitution, the City must compute an annual appropriations limit that places a ceiling on the total amount of tax revenues the City can appropriate annually.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):** The uniform minimum standards used by State and local governments for financial recording and reporting that have been established by the accounting profession through the Governmental Accounting Standards Board (GASB).

**GENERAL FUND:** The City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings.

**GENERAL FUND RESERVES:** The General Fund Reserve is comprised of the Emergency Reserve and Stability Reserve. The target level for total General Fund Reserves shall be 16.7% of the most recent three-year average of annual audited General Fund operating revenues. The Emergency Reserve shall be set at a target level of 8%, and the Stability Reserve shall be set at a target level of 8.7%.

**GENERAL GOVERNMENT SERVICES BILLING (GGSB):** A standard methodology to allocate expenses for General Fund departments providing support services to non-general fund departments. For example, the allocation of a portion of the expenses for the Department of Finance to the Water Department based on an auditable formula.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA):** The Government Finance Officers Association (GFOA) represents public finance officials throughout the United States and Canada. GFOA's mission is to advance excellence in public finance.

**GRANT:** A contribution by a government or other organization to support a particular function.

**GROWTH RATE:** The level at which expenditures and revenues are expected to increase annually.

**HOURLY AND TEMPORARY WAGE POSITIONS:** Hourly and Temporary Wage Positions include seasonal, interns, provisional, and other temporary positions. The funding for these types of positions is allocated according to a zero-based annual review of hourly funding requirements.

**HUMAN CAPITAL MANAGEMENT (HCM):** HCM is a component of the OneSD System used to organize and manage the City's personnel structure and payroll functions.

**INFORMATION TECHNOLOGY (IT):** This expenditure category includes data center, network, procurement and maintenance of hardware, software, telephones, and associated labor.

**INFRASTRUCTURE FUND (CHARTER SECTION 77.1):** This fund was established to expend monies for General Fund infrastructure, such as streets, sidewalks, bridges, buildings, and the maintenance and repair of such infrastructure and is supported specific sources of revenue as outlined in Section 77.1 of City Charter.

# Glossary

**INTEREST AND RENTS:** These revenues result from investment earnings on City funds, parking meters, various franchise agreements, and agreements for use of City land and facilities.

**INTERFUND TRANSFERS:** A transfer of monies between departments/funds for specific purposes as approved by the appropriate authority.

**INTERNAL CONTRACTS AND SERVICES:** Contracts and services that support internal and enterprise services among various City departments.

**INTERNAL SERVICE FUND:** A fund created to finance and account for a department's or division's work for other departments. The fund's expenses are repaid from fees or fund transfers from other City departments.

**LEVY:** To impose taxes, special assessments, or charges for the support of City activities.

**LICENSES AND PERMITS:** This revenue category includes revenue raised for the purpose of recovering the costs associated with regulating business activity. Many of these fees are regulatory in nature in order to ensure compliance with the law.

**MAINTENANCE ASSESSMENT DISTRICT (MAD) FUNDS:** Property owners within a specified district are assessed for the purpose of financing maintenance of open space areas, street medians, rights-of-way, and in some cases, mini-parks, and streetlights.

**MANDATED PROGRAM:** A requirement by the State or federal government that the City perform a task in a particular way, or perform a task to meet a particular standard, often without compensation from the higher level of government.

**MEASURE B:** Measure C was a ballot measure that raises the tourism occupancy tax (TOT) in order to expand the San Diego Convention Center, create a dedicated funding stream for homelessness and repair roads.

**METRIC:** Specific measurement used to track progress, ideally towards a desired outcome.

**MISCELLANEOUS REVENUE:** This revenue category consists mainly of refunds and revenue generated from the sale of publications and excess inventory.

**MISSION STATEMENT:** A statement that articulates the purpose of an entity (e.g., City, department, division, or work unit).

**MODIFIED ACCRUAL BASIS OF ACCOUNTING:** Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

**MODIFIED CASH BASIS OF ACCOUNTING:** A plan under which revenues are recognized on the cash basis while expenditures are recognized on the accrual basis; this is sometimes known as Modified Accrual Basis.

**MOTIVE EQUIPMENT ASSIGNMENT AND USAGE:** Costs associated with motor vehicles consist of two charges, assignment, and usage. Assignment charges represent an amount to offset the annualized estimated expense for replacing the vehicle at the end of its economic life. Usage charges are fees that offset all operating expenses associated with the equipment class, including maintenance, fuel, tires, and repairs.

**MOTOR VEHICLE LICENSE FEES (MVLFF):** Fees paid to the Department of Motor Vehicles (DMV) at the time of vehicle registration. The fees are levied as a percentage of an automobile's purchase price, subject to depreciation.



# Glossary

**MUNICIPAL STORMWATER PERMIT:** Requires operators that serve populations of 100,000 or greater to implement a stormwater management program as a means to control polluted discharges from the Municipal Separate Storm Sewer System.

**NET POSITION:** The total of revenues less expenditures.

**NET TOTAL COMBINED BUDGET:** The City's total budget including operating and capital revenues and expenditures that reflects General Fund, special revenue funds and enterprise funds, less inter-fund transfer activity, for a fiscal year.

**NON-DISCRETIONARY:** Non-discretionary expenditures are generally expense allocation adjustments that are determined outside of the department's direct control and are generally based on prior year expenditure trends. Examples include utilities, insurance, and rent.

**NON-GENERAL FUND:** A fund that is not supported by General Fund dollars. Examples of non-general funds include internal service, special revenue, trust, agency, and enterprise funds.

**NON-PERSONNEL EXPENDITURE (NPE):** Expenditures related to supplies, contracts, information technology, energy, and utilities, other, capital expenditures, and debt.

**ONESD:** A comprehensive strategy known as SAP Enterprise Resource Planning (ERP). This program changes the way the City does business by integrating enterprise data, information, and business processes into one system. OneSD applications are used citywide.

**ONE-TIME EXPENDITURES AND/OR REVENUES:** Expenditures and/or revenues for one-time projects or services. After the project or service is completed, expenditures and/or revenues are terminated and are not considered part of the budget for the following year.

**OPERATING BUDGET:** Authorized expenditures for ongoing municipal services (e.g., police and fire protection, street maintenance, parks, and libraries).

**OPERATING PRINCIPLES:** Actions that guide employee behavior and show up in what we do every day.

**ORDINANCE:** A law adopted by the City Council. Ordinances usually amend, repeal, or supplement the Municipal Code; provide zoning specifications; or appropriate money for specific purposes.

**OTHER FINANCIAL SOURCES AND USES:** Revenue from departmental transfers for reimbursement of services provided to other City funds by General Fund departments, transfers of unused fund balance whose original source was the General Fund, and other inter-departmental transfers.

**OUTCOME:** Defines the intended change in the lives of individuals, families, organizations, or communities to be accomplished through the implementation of the Strategic Plan.

**OTHER LOCAL TAXES:** Taxes other than property tax, including sales tax, property transfer tax, and transient occupancy tax.

**OTHER POST-EMPLOYMENT BENEFITS (OPEB):** Post-employment benefits that a retired employee earns after retirement such as: medical insurance, dental, vision, life insurance and other health benefits.

**PAY PERIOD:** A pay period lasts 14 calendar days or two weeks. There are around 26 pay periods in each fiscal year, give-or-take a handful of days.

**PERFORMANCE DASHBOARD:** Public website that demonstrates progress with regularly updated metrics toward the outcomes and expected results in the Strategic Plan.

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**PEOPLE'S ORDINANCE/MEASURE B:** During the November 2022 election, a majority of City voters approved Measure B, a proposition placed on the ballot by the City Council to amend sections of the Municipal Code commonly referred to as the People's Ordinance. The measure, along with recodifying the City's responsibilities for waste collection services, allows the City to recover the costs of performing solid waste collection services.

**PERFORMANCE MEASURE:** An indicator of the results of an action, task, process, activity, function, or work group. Performance measures may be output or outcome-based, the former focused on the amount of work or work product created by the action, task, process, activity, function, or work group being measured, and the latter focused on the impact or effectiveness of the action.

**PERFORMANCE MONITORING:** A process that includes tracking and analyzing performance data (e.g., performance measures) to infuse accountability into processes and efforts, monitor successes and compare levels of success with other entities', and support data-based decision-making.

**PERSONNEL EXPENDITURE (PE):** Expenditures related to employee compensation, including wages and salaries, fringe benefits, retirement, and special pays such as shift differentials.

**POLICY ISSUES:** The addition, expansion, reduction, or modification of programs that have significant implications/impacts to the City or public.

**PRIORITY AREA:** Policy topics that are a priority for the Mayor's administration.

**PROPERTY TAX:** An ad valorem tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1 percent of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter-approved indebtedness.

**PROPERTY TRANSFER TAX:** A tax imposed whenever the ownership of real property changes.

**PROPOSITION 218:** Augments taxpayer rights to ensure that local governments obtain voter approval and abide by certain requirements when imposing taxes, assessments, and property-related fees.

**PRORATING:** Budgeting expenditures or positions for a portion of a year over for the purpose of incurring only necessary costs.

**PUBLIC BUDGET FORMULATION (PBF):** The City's budgeting system used in the preparation of the City's proposed and annual budgets. It is a web-based application that records proposed expenditures and revenues for all City Departments and programs.

**PUBLIC LIABILITY CLAIMS FUND:** A program from which the City pays claims arising from real or alleged acts on the part of the City, including claims for bodily injury, property damage, inverse condemnation, false arrest, and errors and omissions.

**PURE WATER PROGRAM:** The City of San Diego's phased, multi-year program that will provide nearly half of San Diego's water supply locally by the end of 2035. The Pure Water Program will use proven water purification technology to clean recycled water to produce safe, high-quality drinking water. The program offers a cost-effective investment for San Diego's water needs and will provide a reliable, sustainable water supply.

**RECOGNIZED EMPLOYEE ORGANIZATIONS:** These employee organizations represent employees to protect and further their rights and interests. The six recognized employee organizations include: Local 145, Police Officers Association (POA), Local 911, Local 127, Deputy City Attorneys Association (DCAA), and the Municipal Employees Association (MEA).

**REDISTRIBUTION:** A process where departments request to reallocate their non-personnel expenditures and revenue budgets within or across divisions to reflect how the expenses are incurred and revenues are collected.

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**REGIONAL WATER QUALITY CONTROL BOARD:** A regulatory board that has a responsibility for protecting the water quality, bays and estuaries, rivers and streams, and the coastline.

**REIMBURSEMENT:** Fees received as payment for the provision of specific municipal services.

**REQUEST FOR PROPOSAL (RFP):** A document intended to elicit bids from potential vendors for a product or service. The quality of an RFP is very important to successful project management because it clearly delineates the deliverables associated with the project and establishes a framework for project execution. Ideally, RFPs stipulate the requesting organization's requirements and the conditions demanded of applicants clearly enough to minimize the possibility of misunderstandings and errors.

**RESERVE:** An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

**RESOLUTION:** Formal expressions of opinion or intention of the City Council. Resolutions typically become effective upon their adoption.

**REVENUE:** Funds received from various sources and treated as income to finance expenditures.

**REVENUE AND EXPENSE (R&E) STATEMENT:** The revenue and expense statement reflects the financial information of a fiscal and accounting entity, including revenues, expenditures, reserves, and balances.

**REVENUE CATEGORIES:** The major categories of revenue are: property tax; sales tax; transient occupancy tax; franchise fees; property transfer tax; licenses and permits; fines, forfeitures, and penalties; revenue from money and property; interest earnings; revenue from federal agencies and other agencies; charges for current services; transfers in; and other revenue.

**REVENUE FROM MONEY AND PROPERTY:** This revenue category consists of revenue from money which includes interest earnings and dividends, and revenue from property which includes revenue from rents and concessions.

**REVENUE FROM FEDERAL AGENCIES AND OTHER AGENCIES:** This category includes revenues from federal grants, State grants and allocations, and reimbursement from the Unified Port District for services provided.

**SALARY AND BENEFIT ADJUSTMENT:** Adjustments to reflect negotiated salaries and benefits, changes to average salaries, and other salary and benefit compensation.

**SALARIES AND WAGES:** This expenditure category includes salaries, hourly wages, overtime, bilingual pay, and special pay expenses. According to the City of San Diego Charter, fringe benefits are not considered a salary or wage expense.

**SAN DIEGO ASSOCIATION OF GOVERNMENTS: (SANDAG):** SANDAG is the primary public planning, transportation, and research agency in the San Diego region. SANDAG provides the public forum for regional policy decisions about growth, transportation planning and construction, environmental management, housing, open space, energy, public safety, and binational topics.

**SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM (SDCERS):** The retirement system for the City of San Diego, Unified Port District, and San Diego County Regional Airport Authority employees.

**SAN DIEGO CONVENTION CENTER CORPORATION (SDCCC):** The San Diego Convention Center Corporation (SDCCC) is a non-profit public benefit corporation created by the City of San Diego to manage, market, and operate the San Diego Convention Center.

**SAN DIEGO GAS AND ELECTRIC (SDG&E):** San Diego Gas & Electric (SDGE) is a regulated public utility that provides natural gas and electricity to San Diego County and southern Orange County in southwestern California. It is owned by Sempra, a Fortune 500 energy services holding company based in San Diego.

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**SAN DIEGO HOUSING COMMISSION (SDHC):** The San Diego Housing Commission (SDHC) is a public housing agency that creates innovative programs to provide housing opportunities for individuals and families with low income or experiencing homelessness in the City of San Diego.

**SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM (TransNet):** TransNet is the half-cent sales tax administered by SANDAG to fund local transportation projects consistent with the Regional Plan. The first 20-year TransNet measure was approved by voters in 1987. It went into effect in 1988 and was extended by voters in 2004 for an additional 40 years. This program is one of the largest transportation improvement programs in California. TransNet funds numerous transit, highway, freight, bikeway, and walkway programs, in addition to an environmental conservation program, transit fare subsidies, and grants for smart growth, active transportation, and transportation services for seniors and persons with disabilities.

**SCHEDULES:** The schedules provide a summary of revenues, expenditures, and positions for the operating budgets of all departments and budgeted funds and reflect the funding sources and spending areas of the Capital Improvements Program. The schedules also summarize the City's total combined budget.

**STATE SENATE BILL (SB) 1383:** A bill that set goals to reduce the disposal of organic waste in landfills and edible food by establishing methane reduction targets.

**SERVICE LEVEL AGREEMENT (SLA):** A service level agreement is a contract used between City departments that define the relationship between two parties: the service provider and the client department.

**SPECIAL DISTRICT:** A designated geographic area established to provide a specialized service usually petitioned for by the residents and approved by the Mayor and City Council (e.g., Open Space Maintenance).

**SPECIAL REVENUE FUNDS:** These funds account for revenues received that have specific purposes for which they can be used.

**STABILITY RESERVE:** This reserve was established to mitigate financial and service delivery risk due to unexpected revenue shortfalls or unanticipated critical expenditures. This reserve may be used as a source of one-time funding for critical capital or operating needs. Recommendations to appropriate from the Stability Reserve are brought forward by the Mayor and require approval by a majority of the City Council.

**STATEMENT OF WORK (SOW):** A document that defines the areas of work and performance standards on which external bids will be requested. The SOW will be performance-based and will specify desired outputs, performance levels, and outcomes. The SOW focuses on what should be done rather than on how it is currently done and must provide the information necessary for proposal teams (internal to the City and external) to develop an approach and cost for providing the service.

**STRATEGIC GOALS:** Broad, multi-year areas of priority and focus.

**STRATEGIC OBJECTIVES:** Attainable, mid-term achievements that help to accomplish strategic goals.

**STRATEGIC, TACTICAL EQUITY, AND DEPARTMENTAL PLANS:** Plans developed to define the strategy or direction of an organization. The City's Strategic Plan provides a guiding vision for the City while tactical equity or departmental plans provide strategy or direction for a department, division, or work unit that is very tangible and specific, delineating implementation processes.

**STRATEGY:** Determines the action, method, or plan (as outlined in existing City plans, initiatives, and policies) to bring about the future desired state.

**STRONG MAYOR FORM OF GOVERNANCE:** The City's system of government changed on January 1, 2006 from a City Manager form to a Strong Mayor form; this change was made permanent by City voters in June 2010. Under the Strong Mayor system, the Mayor is the City's Chief Executive Officer, similar to the Governor or the President. The City Council is the legislative body, providing checks and balances to the Mayor's new authority.

# Glossary

**STRUCTURALLY BALANCED BUDGET:** The amount of budgeted ongoing expenditures is equal to or less than the amount of budgeted ongoing revenues.

**SUPPLIES:** This expenditure category consists of materials, supplies, and other services.

**SUPPLEMENTAL POSITIONS:** Supplemental positions are any positions not included in a department's budgeted staffing and FTE count.

**TARGET(S):** Anticipated and/or desired level of performance. Targets are intended to support resourcing decisions.

**TAX AND REVENUE ANTICIPATION NOTES (TRANS):** Short-term notes issued to finance the City's General Fund interim cash flow requirements in anticipation of the receipt of tax proceeds and other revenues later in the fiscal year.

**TAX RATE ORDINANCE:** This ordinance, annually adopted by the City Council, fixes a rate of taxation for real and personal taxable properties.

**TRANSFERS:** Transfers are the authorized exchanges of cash, positions, or other resources between organizational units.

**TRANSIENT OCCUPANCY TAX (TOT):** A tax that is imposed on occupants of hotel and motel rooms in the City of San Diego.

**TRANSIENT OCCUPANCY TAX FUND:** A fund established to receive five cents of the ten and one-half cents of the Transient Occupancy Taxes collected, in accordance with the Municipal Code.

**TRANSPORTATION ALTERNATIVES PROGRAM (TAP):** A benefits program that incentivizes and encourages City employees and volunteers to utilize mass transit and van pools as their primary mode of transportation to and from work.

**UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL):** A liability generally representing the difference between the present value of all benefits estimated to be payable to plan members as a result of their service through the valuation date and the actuarial value of plan assets available to pay those benefits. This amount changes over time as a result of changes in accrued benefits, pay levels, rates of return on investments, changes in actuarial assumptions, and changes in the demographics of the employee base.

**USER FEE:** A charge for services provided by the City to residents and businesses.

**VARIABLE FRINGE:** Variable fringe costs are driven by actual payroll activity and are affected by reductions, additions, and vacancies. Savings can be achieved if reductions in salaries or FTEs occur. Variable fringes include but are not limited to Supplemental Savings Pension Plan (SPSP), Medicare, Retirement Offset Savings, Employee Offset Contributions, and Flexible Benefits.

**VISION STATEMENT:** A statement that articulates the desired future state of an entity (e.g., City, department, division, or work unit).

**WATER INFRASTRUCTURE FINANCE AND INOVATION ACT (WIFIA):** A federal credit program administered by the Environmental Protection Agency for eligible water, wastewater, and stormwater infrastructure projects.

**WORKERS' COMPENSATION:** State Workers' Compensation law that ensures that employees who are injured or disabled on the job are provided with fixed monetary awards. These laws are intended to reduce litigation and provide benefits for workers and (their dependents) who suffer work-related accidents or illnesses.

**ZERO-BASED BUDGETING:** Method of budgeting in which all expenses must be justified in complete detail starting from zero base.

## Glossary

**ZOOLOGICAL EXHIBITS FUND:** This fund was established to expend monies exclusively for the maintenance of zoological exhibits in Balboa Park and is financed from a fixed property tax levy authorized by Section 77A of the City Charter