



FISCAL YEAR 2026
FINAL PROPOSED BUDGET
(MAY REVISION)



Todd Gloria
Mayor

Matthew Vespi
Chief Financial Officer

Rolando Charvel
Department of Finance Director and City Comptroller

Benjamin Battaglia
Department of Finance Assistant Director

MAY 2025

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INTRODUCTION

This report presents the Fiscal Year 2026 Final Proposed Budget (May Revision). The May Revision is based on the most current financial information and economic assumptions available after the development of the Fiscal Year 2026 Draft Budget (Draft Budget), released on April 15, 2025. The May Revision contains recommended changes to the Draft Budget based on current year revenue and expenditure projections included in the Fiscal Year 2025 Third Quarter Budget Monitoring Report (Third Quarter Report) and adjustments to projects within the Capital Improvements Program (CIP).

The May Revision continues to maintain a balanced budget and provides essential core services, prioritizing the restoration of various filled positions and some services. The May Revision includes \$4.3 million in additional revenue for the General Fund primarily associated with an increase in Sales Tax and Departmental revenues. While the General Fund budget is balanced in Fiscal Year 2026, one-time resources continue to support a relatively small component of ongoing expenditures. Although the May Revision continues the use of one-time resources to maintain core services, the City remains committed to addressing its projected structural deficits for the General Fund and has made considerable progress toward the goal of attaining a structurally balanced budget over the coming years. It is projected that revenue shortfalls will continue in the next five fiscal years, which will require additional fiscal actions, including reevaluating current expenditure patterns and exploring new and enhanced sources of revenue to obtain a structurally balanced budget in the future.

The May Revision for the General Fund increases expenditures by \$4.3 million and 7.60 Full-Time Equivalent (FTE) positions over the Draft Budget. The following information provides a summary of adjustments to the Draft Budget, including changes to non-General Funds and the CIP. For a list of all adjustments included in the May Revision, please refer to the Attachments included in this report.

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MAY REVISION SUMMARY

CITYWIDE EXPENDITURES

Table 1: May Revision Expenditure Summary by Fund Type shows the change in budget from the Fiscal Year 2026 Draft Budget to the May Revision.

Table 1: May Revision Expenditure Summary by Fund Type

Fund Type	FY 2026 Draft Budget	FY 2026 May Revision	Change	Percent Change
General Fund	\$ 2,148,613,701	\$ 2,152,945,785	\$ 4,332,084	0.2%
Special Revenue Funds	1,082,996,361	1,105,570,411	22,574,050	2.1%
Capital Project Funds	25,151,428	25,151,428	-	0.0%
Enterprise Funds	1,702,313,623	1,730,819,273	28,505,650	1.7%
Internal Service Funds	233,845,919	234,183,960	338,041	0.1%
Capital Improvements Program	845,949,106	838,643,919	(7,305,187)	-0.9%
Total	\$ 6,038,870,138	\$ 6,087,314,776	\$ 48,444,638	0.8%

The May Revision includes an increase of \$ 48.4 million in expenditures from the Draft Budget for a total budget of \$6.09 billion. This increase is primarily due to the following:

- \$7.3 million decrease in the Capital Improvements Program associated with decreases in Sewer Main replacements and Pipeline Rehabilitation in the Municipal Sewer Utility CIP.
- \$28.5 million increase in the Enterprise Funds primarily associated with increased costs to purchase water from the San Diego County Water Authority.
- \$22.6 million increase in the Special Revenue Funds primarily in the Low & Moderate Income Housing Asset Fund due to the use of excess surplus in the fund to be used for long-term affordable housing projects available through upcoming Notice of Funding Availability (NOFA). This increase is offset with a decrease in the Information Technology Fund due to decreased software contracts and licenses.
- \$4.3 million increase in the General Fund primarily associated with the partial restoration of the animal services contract with the San Diego Humane Society and the restoration of Northwestern Division in the Police Department.

CITYWIDE REVENUES

Table 2: May Revision Revenue Summary by Fund Type shows the change in budget from the Fiscal Year 2026 Draft Budget to the May Revision.

Table 2: May Revision Revenue Summary by Fund Type

Fund Type	FY 2026 Draft Budget	FY 2026 May Revision	Change	Percent Change
General Fund	\$ 2,148,613,701	\$ 2,152,945,785	\$ 4,332,084	0.2%
Special Revenue Funds	1,025,322,800	1,013,288,106	(12,034,694)	-1.2%
Capital Project Funds	67,541,512	67,541,512	-	0.0%
Enterprise Funds	2,024,939,460	2,028,787,271	3,847,811	0.2%
Internal Service Funds	199,269,126	199,393,780	124,654	0.1%
Total	\$ 5,465,686,599	\$ 5,461,956,454	\$ (3,730,145)	-0.1%

The May Revision includes a decrease of \$3.7 million in revenues from the Draft Budget for a total budget of \$5.46 billion. This decrease is primarily due to a \$12.0 million decrease in Special Revenue Funds due to the following:

- \$3.2 million associated with decreased revenue projections in the Transient Occupancy Tax Fund.
- \$3.1 million associated with revised estimated appropriations needed for the SAP modernization project due to a lower projected need in Fiscal Year 2026 and a revised timeline.
- \$2.4 million associated with a technical correction to the Draft Budget related to the waiver of the transfer to the Energy Independence Fund.
- \$1.6 million decrease associated with reduced reimbursements for software licenses and consulting and support contracts in the Information Technology Fund.

The decreases in revenues above are offset by an increase in revenue to the General Fund of \$4.3 million primarily associated with increased sales tax revenue, revenue for trench restoration services to the Public Utilities Department, and revenue from new telecom leases; and a \$3.8 million increase in the Enterprise Funds associated with higher refuse disposal fee revenue in the Refuse Disposal Fund.

CITYWIDE ADJUSTMENTS

The following section summarizes May Revision adjustments with a citywide impact.

GENERAL FUND REVENUES

As displayed in **Table 3: General Fund Revenue Change**, General Fund revenues reflect a net increase of \$4.3 million from the Draft Budget, including a \$595,000 increase in major General Fund revenues and a \$3.7 million increase in departmental revenue. The following section outlines these changes in further detail.

Table 3: General Fund Revenue Change (in millions)

General Fund Revenue	FY2026 Draft Budget	FY 2026 May Revision Budget	Change
Major General Fund Revenues	\$ 1,602.5	\$ 1,603.1	\$ 0.6
Departmental Revenue	546.1	549.9	3.7
General Fund Revenue Total	\$ 2,148.6	\$ 2,152.9	\$ 4.3

Major General Fund Revenues

The Major General Fund revenue budget is \$1.60 billion, which represents an increase of \$595,000 from the Fiscal Year 2026 Draft Budget. All major General Fund revenue projections have been evaluated based on the most recent economic data and information available, including the year-end revenue projections included in the Fiscal Year 2025 Third Quarter Budget Monitoring Report (Third Quarter Report). **Table 4: Major General Fund Revenue Changes** details the \$595,000 projected increase in major General Fund revenues from the Draft Budget.

Table 4: Major General Fund Revenue Changes (in millions)

Major General Fund Revenue	FY2026 Draft Budget	FY 2026 May Revision Budget	Change
Property Tax	\$ 843.4	\$ 843.8	\$ 0.3
Sales Tax	367.3	370.8	3.5
Transient Occupancy Tax	175.2	171.6	(3.6)
Franchise Fees	103.0	103.6	0.6
Other Major General Fund Revenues	113.6	113.4	(0.2)
Major General Fund Revenue Total	\$ 1,602.5	\$ 1,603.1	\$ 0.6

Table 5: Growth Rates for Major General Fund Revenues, displays the Fiscal Year 2026 Draft Budget growth rates and the revised May Revision growth rates for the four major General Fund revenues. It is important to note that the growth rates are relative to the most recent projections included in the Third Quarter Report. As a result, the updated base may result in an increased or decreased year-over-year growth rate when compared to the Draft Budget growth rates. Property Tax and Franchise Fees assume similar growth rates as in the Draft Budget. The Sales Tax growth rate has been revised from negative 0.7 percent to 0.4 percent as a result of slightly improved sales tax receipts over the last two months as well as slightly improved projections from the City's Sales Tax consultants. The Transient Occupancy Tax growth rate has been revised from 3.0 percent to 2.2 percent, as a result of the most recent tourism activity and forecast released by Tourism Economics in April 2025.

Table 5: Growth Rates for Major General Fund Revenues

Major General Fund Revenue	FY 2026 Draft Growth Rates	FY 2026 May Revision Growth Rates
Property Tax	3.81%	3.81%
Sales Tax	-0.70%	0.40%
Transient Occupancy Tax	3.00%	2.20%
Franchise Fees (SDG&E /Cable)	0%/-6.79%	0%/-6.79%

The Department of Finance (DoF) will continue to closely monitor economic and financial conditions and will incorporate and report significant changes to the General Fund revenues in the respective quarterly budget monitoring reports. The most significant changes in the May Revision to major General Fund revenues are discussed in detail in the following sections.

Property Tax

Property tax reflects a net increase of \$312,000, primarily in the Redevelopment Property Tax Trust Fund (RPTTF) tax sharing pass-through payment and residual property tax payment portion of the Recognized Obligation Payment Schedule (ROPS), based on estimates received from the County for the ROPS 19 25-26, in April 2025. Enforceable obligations for ROPS 19 were confirmed with the Annual Recognized Obligation Payment Schedule letter provided by the State in April 2025, which approves of all items listed by the California Department of Finance (CA-DOF). The RPTTF residual property tax payment is the City's proportionate share of funds remaining in the RPTTF after ROPS requirements have been met. The RPTTF increase is partially offset by a slight decrease in the 1.0 percent property tax collections. This is following the receipt of the most recent apportionment report provided by the County of San Diego in April 2025.

The 3.81 percent growth rate included in the Draft Budget remains unchanged and continues to be supported by elevated median home prices, the October 2024 CCPI being higher than 2.0 percent, stable unemployment rates, and continued demand for limited housing stock. Due to the delay between the time the County Assessor's Office sets a property's assessed valuation, and the time the property tax revenue is received by the City, property tax growth for Fiscal Year 2026 is based on real estate activity through calendar year 2024.

Sales Tax

Sales tax reflects an increase of \$3.5 million primarily attributed to slight improvements in revenue projected in the Fiscal Year 2025 Third Quarter Monitoring Report, which serves as the base for the Fiscal Year 2026 Budget. The slight increase in sales tax revenue is attributed to actual receipts being marginally more positive than projected in Fiscal Year 2025 based on additional data collected. The growth rate was revised upward to 0.4 percent for Fiscal Year 2026 to reflect a more tempered growth and is consistent with the recent quarterly projection report received in April 2025 from the City's Sales Tax consultant, MuniServices/Avenu Insights and Analytics.

While the Draft Budget noted consumers' concerns regarding inflation and unemployment amid general economic uncertainty, the UCLA Anderson Spring 2025 Economic Forecast assumes inflation will remain stable at 2.8 percent in calendar year 2025 and forecasted at 2.9 percent in calendar year 2026¹. Additionally, the City of San Diego's unemployment rate has remained under 4.6 percent since September 2024, decreasing from 4.9 percent in August

¹ The UCLA Anderson Forecast for the Nation and California. UCLA Anderson Forecast. Spring 2025. Page 21

2024 to a preliminary 4.1 percent in March 2025 according to the State of California's Employment Development Department².

Per the voter-approved Proposition H, the City is required to dedicate specific sources of revenue to fund General Fund infrastructure. The calculation to fund the Infrastructure Fund is based on two specific components. One of the components of funding is through the incremental growth in sales tax revenue above a 2016 baseline, adjusted by CCPI. As noted in the Fiscal Year 2026 Draft Budget, a contribution to the Infrastructure Fund is not anticipated in Fiscal Year 2026 because the projected sales tax revenues continue to be below the 2016 baseline adjusted for CCPI.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) reflects a total decrease of \$6.8 million, of which \$3.6 million is reflected in the General Fund. As stated in the Fiscal Year 2025 Third Quarter Budget Monitoring Report, the decrease in TOT is due to a continued softening demand for leisure and business travel, which has persisted since the beginning of the fiscal year—resulting in the respective May Revision decrease to the total base revenue for TOT. Additionally, to better align with the actual trends seen in Fiscal Year 2025, the Fiscal Year 2026 growth rate has been revised downward from 3.0 percent to 2.2 percent.

While the Draft Budget included projected growth in all its primary indicators, including room occupancy rate, room demand, and the Average Daily Rate (ADR), the May Revision for TOT assumes a slight decline in projected growth. The revised projection factors in significant challenges with business travel due to funding cuts and uncertainty regarding federal economic policies, while leisure travel remains stable but flat.

Consistent with the Draft Budget, the \$326.2 million in total TOT will be allocated as guided by the City's Municipal Code, of which 5.5 cents, or \$171.6 million, is allocated to the General Fund. The remaining 5.0 cents, or \$154.6 million, is allocated to special promotional programs, which includes the one-cent Council discretionary allocation that is proposed to be transferred to the General Fund, and the 4.0 cents allocated to programs that promote the City as a tourist destination, including reimbursements to the General Fund for safety and maintenance of visitor-related facilities.

Franchise Fees

Franchise Fees revenues reflect an increase of \$614,000 from the Draft Budget. This is primarily due to an increase of \$500,000 from higher refuse hauler franchise fee projections due to greater-than-anticipated tonnage in Fiscal Year 2025, which ultimately impacts the base for Fiscal Year 2026. Additionally, a slight increase in cable providers revenue of \$114,000 is due to a revised projection in Fiscal Year 2025. The to-date data and assumptions used to develop each of these respective budgets remains consistent with the assumptions included in the Draft Budget.

Other Major General Fund Revenues

The other major General Fund revenues reflect a slight decrease of \$229,000 from the Draft Budget primarily attributed to a projected decrease of \$641,000 in the TOT one-cent transfer to the General Fund as a result of a projected decrease in total TOT revenues and \$80,000 reduction in the transfer from the Concourse and Parking Garage Fund due to an increase in expenditures in Fiscal Year 2025 to upgrade the automatic parking payment system to comply with requirements.

² Employment Development Department. State of California. edd.ca.gov.

These decreases are partially offset by the following increases:

- \$333,000 in additional projected Property Transfer Tax revenue; unlike the 1.0 percent property tax revenue, which is based on calendar year 2024 activity, property transfer tax receipts reflect current economic conditions without lag time. Recent economic indicators have shown an improvement in both the median home price and the number of home sales since last fiscal year.
- \$160,000 increase in projected Refuse Collector Business Tax revenue.

General Fund Departmental Revenue

Table 6: General Fund Departmental Revenue Changes summarizes the \$3.7 million increase from the Fiscal Year 2026 Draft Budget.

Table 6: General Fund Departmental Revenue Changes (in millions)

General Fund Departmental Revenue Changes	FY2026 Draft Budget	FY 2026 May Revision Budget	Change
Economic Development	\$ 73.5	\$ 74.7	\$ 1.2
Fire-Rescue	76.7	77.7	1.1
Purchasing & Contracting	2.5	0.7	(1.8)
Transportation	83.4	85.3	1.9
All other GF Departments	256.8	258.2	1.4
General Fund Departmental Revenue Total	\$ 546.1	\$ 549.9	\$ 3.7

General Fund Departmental Revenues are projected to increase by \$3.7 million from the Draft Budget. This increase is primarily associated with the following:

- \$1.8 million decrease in the Purchasing & Contracting Department reimbursable revenue as costs for services provided to non-General Fund departments are expected to be recovered through the General Government Services Billing process and to better reflect recent and prior year actuals for billable work that the department provides to the Capital Improvements Program.

The Departmental Revenues decrease is offset by the following increases:

- \$1.9 million increase in the Transportation Department primarily for the Public Utilities Department Trench Restoration Program and funding 3.00 Apprentice Electricians supported by the Employ and Empower Grant.
- \$1.2 million increase in the Economic Development Department associated with new telecom leases on City property.
- \$1.1 million increase in the Fire-Rescue Department primarily due to contractual services for the HazMat Incident Response Team (HIRT), services provided to the San Diego Unified Port District., reimbursements from CalOES associated with the maintenance of the 911 phone system, and a revised transfer from the Emergency Medical Services Transport Fund.

SALARY AND ASSOCIATED FRINGE BENEFIT ADJUSTMENTS

The May Revision includes minor salary and fringe benefit changes. Changes are primarily associated with position restorations or reductions.

Table 7: Salaries and Wages by Fund Type shows the changes from the Draft Budget.

Table 7: Salaries and Wages by Fund Type (in millions)

Salaries and Wages	FY2026 Draft Budget	FY 2026 May Revision Budget	Change
General Fund	\$ 954.0	\$ 955.3	\$ 1.4
Non-General Funds	503.1	499.7	(3.4)
Total	\$ 1,457.1	\$ 1,455.1	\$ (2.0)

The net decrease of \$2.0 million from the Draft Budget for salaries and wages adjustments is primarily associated with position restorations in the General Fund and reductions in the Development Services Fund. The increase in the General Fund is primarily associated with an increase of \$921,000 in the Transportation Department primarily related to overtime for the Public Utilities Department Trench Restoration Program and 3.00 Apprentice Electricians supported by the Employ and Empower grant, and a \$527,000 increase in the Police Department primarily associated with the restoration of positions including the Northwestern Division and Police Detectives.

The non-General Fund decrease of \$3.4 million from the Draft Budget is primarily associated with the reduction of 23.00 FTE positions in the Development Services Fund.

Table 8: Fringe Benefits by Fund Type shows the changes from the Draft Budget.

Table 8: Fringe Benefits by Fund Type (in millions)

Fringe Benefits	FY2026 Draft Budget	FY 2026 May Revision Budget	Change
General Fund	\$ 599.8	\$ 600.9	\$ 1.2
Non-General Funds	278.2	277.3	(0.9)
Total	\$ 878.0	\$ 878.2	\$ 0.3

Fringe Benefits are projected to increase by \$287,000 citywide from the Draft Budget. The \$1.2 million increase in the General Fund is primarily associated with flexible benefits and the increase of the Actuarially Determined Contribution, which resulted from an increase of positions in the General Fund and a decrease of positions in non-General Funds. The decrease of \$880,000 in the non-General Funds is a result of position decreases in the Development Services Fund and Solid Waste Management Fund.

NON-DISCRETIONARY EXPENDITURE ADJUSTMENTS

The May Revision reflects a decrease of \$3.4 million from the Draft Budget associated with non-discretionary expenditures. This decrease is primarily due to the following: \$2.1 million decrease in Rent expenditures, \$1.4 million decrease in Equipment and Vehicle Usage Fees, and \$685,000 decrease in various IT accounts. These increases are offset by a \$920,000 increase in dumpster services. **Table 9: Non-Discretionary Changes by Fund Type** provides the breakdown by Fund Type.

Table 9: Non-Discretionary Changes by Fund Type (in millions)

Non-Discretionary Changes	Change
General Fund	\$ 0.6
Non-General Funds	(3.9)
Total	\$ (3.4)

A rent decrease of \$2.1 million includes a \$691,000 increase in the General Fund and a \$2.8 million decrease in non-General Funds. The rent increase in the General Fund is primarily due to updated assumptions associated with office space consolidation from 525 B Street. The Draft Budget included a \$1.2 million savings reduction for Citywide Rent expense, but the revised savings is \$806,000, requiring an increase in the General Fund. The rent decrease in the non-General Funds of \$2.8 million is associated with the termination of several leases and consolidation of office spaces including the termination of suites at 525 B Street.

Equipment and Vehicles Usage Fees are projected to decrease by \$1.4 million associated with an overestimation of fees being charged to all funds in the Draft Budget. This results in a \$1.6 million decrease in the General Fund and a \$176,000 increase to the non-General Funds.

A \$895,000 decrease in information technology non-discretionary expenditures is primarily due to the additional use of available fund balance based on the Fiscal Year 2025 Third Quarter projections, and alignment of the department budget with updated contractual costs. This results in a \$234,000 decrease in the General Fund and a \$626,000 decrease in the Non-General Funds.

A \$920,000 increase in dumpster services is associated with contract changes which went into effect on April 1, 2025. This results in a \$838,000 increase in the General Fund and a \$82,000 increase in the Non-General Funds.

A \$215,000 increase in electrical services is associated with updated projections and the redistribution of electricity from non-General Funds into the General Fund as a result of the Development Services Department vacating the City Operations Building. The General Fund includes an increase of \$828,000 while the non-General Funds include a decrease of \$614,000.

A \$133,000 decrease in Interfund Environmental Services is associated with updated projections and the use of fund balance. This results in an increase of \$17,000 in the General Fund and a \$150,000 decrease in the non-General Funds.

DEPARTMENTAL ADJUSTMENTS

The following section includes significant budget adjustments by department and fund, excluding adjustments associated with labor negotiations and associated fringe benefits, major revenues, and non-discretionary adjustments, which are discussed in the citywide adjustments section above. For a summary of all adjustments by department and fund included in the May Revision, please refer to **Attachment 1: Fiscal Year 2026 Final Proposed Budget Operating Adjustments**.

GENERAL FUND

City Planning

Caltrans Grant Revenue

This adjustment includes the reduction of \$500,000 in revenue associated with Caltrans' Active Transportation Planning (ATP) and Department of Transportation's (DoT) Safe Streets for All (SS4A) grant to reflect the revised estimate of City staff charges to the grant.

Development Impact Fee System Upgrade

This adjustment includes the addition of \$200,000 of one-time non-personnel expenditures and revenues from Development Impact Fee Funds to upgrade the City Planning Department's Development Impact Fee System.

Communications

Position Swaps

This adjustment includes the reduction of 1.00 Senior Management Analyst and restoration of 1.00 Supervising Public Information Officer, who supervises, educates and engages the public and City employees, effectively delivering accurate and consistent messages regarding City initiatives, programs, events and services in coordination with City departments and the Mayor's Office.

Economic Development

New Telecom Lease Revenue

This adjustment includes the addition of \$1.2 million in telecom lease revenue associated with 40 potential new telecom site builds. The Department aims to streamline processes and make operational changes that will help generate additional telecom lease revenue.

Real Estate Management Software Upgrade

This adjustment includes the addition of \$624,000 in one-time non-personnel expenditures to upgrade the Department's Real Estate Management Software and corresponding professional IT consultant services to support the implementation. The software upgrade is expected to improve internal controls and allow for a more effective management of revenue-generating leases. It will also allow various departments to streamline processes such as Public Utilities land management, City Treasurer revenue audits, and Department of Finance GASB compliance reporting.

Fire-Rescue

Bomb Squad Cross-Staffing Restoration

This adjustment includes the restoration of 3.00 Fire Captains and 3.00 Fire Engineers reduced in the Draft Budget for total expenditures of \$781,000 associated with cross-staffing the Bomb Squad.

Community Resources Officer Restoration

This adjustment includes the restoration of 1.00 Fire Captain reduced in the Draft Budget for total expenditures of \$208,000. This position serves as the Community Resource Officer performing community outreach and education functions.

Fire/Emergency Medical Services Transport Program Fund Transfer

This adjustment includes the one-time addition of \$280,000 in revenue associated with the transfer from the Fire/Emergency Medical Services Transport Program Fund supported by fund balance.

HazMat Incident Response Team (HIRT) Reimbursements

This adjustment includes an increase of \$496,000 in revised revenue associated with contractual services for the HazMat Incident Response Team (HIRT) and Port District.

Helicopter Staffing Reductions

This adjustment includes the one-time reduction of personnel and non-personnel expenditures for a total of \$857,000 associated with staffing a second helicopter for six months during off-peak season.

Phone System Maintenance

This adjustment includes the addition of \$210,000 in non-personnel expenditures and revenue for the maintenance of the 911 phone system. The California Governor's Office of Emergency Services (CalOES) requires cities to pay directly for maintenance and seek reimbursement.

San Pasqual Valley Fast Response Squad

This adjustment includes a modification of the reduction in the Draft Budget by reducing 3.00 Fire Engineers instead of 3.00 Fire Captains which aligns with the current positions on the Fast Response Squad.

Staffing Unit Revision

This adjustment includes a modification of the reduction in the Draft Budget by reducing 1.00 Fire Fighter 2 instead of 1.00 Fire Captain. The Staffing Unit supports daily staffing, work schedule assignments, deployments, and special assignments.

General Services

Harbor Drive Pedestrian Bridge Maintenance

This adjustment includes the addition of \$300,000 in non-personnel expenditures and associated revenue to support the maintenance of the pedestrian bridge on Harbor Drive. This expense will be supported with Parking Meter Operations funds.

Homelessness Strategies and Solutions

Pacific Inn Rent

This adjustment includes the reduction of \$1.0 million in non-personnel expenditures associated with the lease ending at Pacific Inn on June 30, 2025.

Women and Seniors Shelter

This adjustment includes the addition of \$1.0 million in non-personnel expenditures associated with the lease for the new Women and Senior shelter operated by Catholic Charities.

Human Resources

Employee Assistance Program Transfer

This adjustment includes the reduction of \$281,000 in non-personnel expenditures associated with the Employee Assistance Program which will be transferred to, and administered by, the Risk Management Department.

LinkedIn Learning Transfer

This adjustment includes the reduction of \$150,000 in non-personnel expenditures associated with the LinkedIn Learning contract that will be transferred to the Department of Information Technology and will be allocated annually to each department based on usage and access.

Mandated Reporter and Sexual Harassment Prevention Training

This adjustment includes the addition of \$19,000 in non-personnel expenditures associated with administration of the Mandated Reporter and Sexual Harassment Prevention trainings that are required to comply with California State Laws.

Substance Abuse Services

This adjustment includes the addition of \$5,000 in non-personnel expenditures to support City employees who are referred to American Substance Abuse Professionals for a drug and/or alcohol violation.

Library

Position Swaps

This adjustment proposes substituting the elimination of two filled half-time positions for each vacant full-time position as part of the overall reduction strategy. The primary goal is to preserve as many filled positions as possible and reduce the number of employees potentially impacted by the Reduction In Force (RIF) process, and was developed in partnership with the Municipal Employees' Association.

Office of the Mayor

Reduction of Administrative Positions

This adjustment includes the reduction of 1.00 Associate Management Analyst and 1.00 Executive Assistant for total expenditures of \$321,000 due to the consolidation of the Office of Boards and Commissions within the Office of the Mayor.

Parks and Recreation

Animal Services Contract

This adjustment includes the partial restoration of \$2.0 million in non-personnel expenditures associated with the animal services contract with the San Diego Human Society.

Position Swaps

This adjustment restores 7.00 filled FTE positions reduced in the Draft Budget and reduces 7.00 vacant FTE positions. The primary goal is to preserve as many filled positions as possible and reduce the number of employees potentially impacted by the Reduction In Force (RIF) process, and was developed in partnership with the Municipal Employees' Association.

Postponement of New Facilities

This adjustment includes the reduction of 3.50 FTE positions and total expenditures of \$929,000 associated with the delayed opening of the following new facilities:

- East Village Green postponed until January 2026
- Rowan Elementary Joint Use postponed until March 2026
- Eastbourne Neighborhood Park postponed until July 2026
- Pacific Beach Joint Use postponed until July 2026
- Federal Boulevard Pocket Park postponed until July 2026

Restoration of Electrician and Transfer

This adjustment includes the restoration of 1.00 Electrician and total expenditures of \$136,000 that was reduced in the Draft Budget and transfer of the position to the Golf Course Fund and MAD Management Fund.

Police

Northwestern Division Restoration

This adjustment includes the restoration of 1.00 Police Lieutenant, 2.00 Police Sergeants, and 1.00 Police Detective and total expenditures of \$774,000 for Northwestern Division.

Phone System Maintenance

This adjustment includes the addition of \$382,000 in non-personnel expenditures and revenue for maintenance of the 911 phone system. The California Governor's Office of Emergency Services (CalOES) requires cities to pay directly for maintenance and seek reimbursement.

Vice Operations Restoration

This adjustment includes the restoration of 2.00 Police Detectives, which support Vice Operations, offset by a reduction of 2.88 FTE provisional staffing.

Purchasing & Contracting

Department Management Reclassification

This adjustment includes the reduction of 1.00 Assistant Department Director and addition of 1.00 Deputy Director to support department administration, policy, and business process optimization and implementation.

EOC Program Coordinator Restoration

This adjustment restores 1.00 Program Coordinator in the Equal Opportunity Contracting section which enhances the Department's capacity for effective monitoring activities, support service programs, and overall program measures that help improve outcomes for small-, minority-, and woman-owned businesses.

Revised Reimbursable Revenue

This adjustment includes the reduction of \$1.8 million in reimbursable revenue as costs for services provided to non-General Fund departments are expected to be recovered through the General Government Services Billing process and to better reflect recent and prior year actuals for billable work that the department provides to the Capital Improvements Program.

Stormwater**Revised Parking Meter Operations Fund Reimbursements**

This adjustment includes the addition of \$210,000 in one-time revenue from the Parking Meter Operations Fund fund balance to reimburse department operations within parking meter districts.

Stormwater Low Flow Diversion

This adjustment includes the reduction of \$1.0 million in fees paid to the Public Utilities Department for treatment of urban runoff diverted to the sanitary sewer system based on a study of the volume of low flows in the storm drain system currently being diverted.

Transportation**Revised Parking Meter Operations Fund Reimbursements**

This adjustment includes the addition of \$212,000 in one-time revenue from the Parking Meter Operations Fund fund balance to reimburse department operations within parking meter districts.

Revised PUD Service Level Agreement (SLA)

This adjustment includes the one-time addition of \$750,000 in overtime expenditures and \$1.5 million in revenue to support trench restoration services provided to the Public Utilities Department in compliance with the Street Preservation Ordinance.

NON-GENERAL FUNDS**Airports Fund****Airports Pavement Maintenance and Management Plan (PMMP) Study**

This adjustment includes the addition of \$200,000 in one-time non-personnel expenditures for a PMMP study to inform decisions when prioritizing pavement projects across municipal airports and to obtain a Pavement Condition Index score. This score is required by the FAA when submitting for Airport Improvement Grants to rehabilitate or reconstruct paved surfaces.

Commercial & Retail Center Property Management

This adjustment includes the addition of \$150,000 in non-personnel expenditures for property management services of the commercial and retail centers located at 8575, 8525, 8665 Gibbs Drive, and 8690 Aero Drive. These services aim to provide proper care and monitoring of City

facilities with the purpose of allowing quicker repair and maintenance needs and janitorial services.

Landscaping Services

This adjustment includes the addition of \$286,000 in non-personnel expenditures for landscaping services at the Montgomery-Gibbs Executive and Brown Field Airports.

Automated Refuse Container Fund

Transfer of Fund Balance

This adjustment includes the addition of \$126,000 in one-time non-personnel expenditures associated with a transfer to the Solid Waste Management Fund to replace refuse containers.

Convention Center Expansion Administration Fund

Reduction of TOT Transfer

This adjustment includes the reduction of \$444,000 in revenue to reflect revised revenue projections related to TOT Fund support of the Convention Center Expansion Administration Fund.

Development Services Fund

Reduction of Positions

This adjustment includes the reduction of 23.00 FTE positions and total expenditures of \$4.4 million to address the projected revenue shortfall and ensure a balanced fund.

Rent Reduction

This adjustment includes the reduction of \$238,000 in one-time rent expenditures for 550 West C Street associated with tenant improvements credits.

Revenue Increase Due to Salary Increases

This adjustment includes the addition of \$11.3 million in revenue associated with negotiated salary increases with the recognized employee organizations.

Revenue Inflation Adjustment

This adjustment includes the addition of \$57,000 in revenue to reflect revised non-personnel expenditure projections associated with an increase in the Consumer Price Index.

Revised Revenue Projections

This adjustment includes the reduction of \$11.9 million in revenue to reflect revised revenue projections associated with current and projected trends.

ROW Permit Reimbursements

This adjustment includes the reduction of \$580,000 in one-time revenue for reimbursements for Fiscal Year 2024 work associated with SDG&E Right-of-Way utility permits.

User Fee Revenue Increase

This adjustment includes an increase of \$55,000 in revenue due to the withdrawal of the Preliminary Review Single Fee from the Fiscal Year 2026 Comprehensive User Fee Study. This fee will be re-evaluated at a later date.

Energy Conservation Program Fund

Fiscal Support

This adjustment includes the restoration of 1.00 Associate Management Analyst for a total expenditure of \$208,000 to support fiscal and administration functions.

Energy Independence Fund

Franchise Fee Revenue

This adjustment includes the reduction of \$2.4 million in revenue that will be used to support the General Fund. This is a technical adjustment and aligns with the transfer of the revenue to the General Fund in the Draft Budget.

Engineering & Capital Projects Fund

Assistant Deputy Director Restoration

This adjustment includes the restoration of 1.00 Assistant Deputy Director for a total expenditure of \$273,000 to support the workload of stormwater and other emergency projects that are projected to increase over the next several years.

Gibbs Drive Office Tenant Improvements

This adjustment includes the addition of \$1.5 million in non-personnel expenditures for tenant improvements at the Gibbs Drive Office Building. To maximize the use of the City's real estate and alleviate the General Fund, the ECP Department will relocate from leased offices at 525 B Street to City-owned offices at Gibbs Drive, saving millions over five years and reimbursing the General Fund for the use of these facilities.

Project Officer 2 Restoration

This adjustment includes the restoration of 1.00 Project Officer 2 for a total expenditure of \$189,000 to support the Americans with Disabilities Act (ADA) Compliance Accessibility Program.

Fire/Emergency Medical Services Transport Fund

Contractual Increases

This adjustment includes the addition of \$388,000 in non-personnel expenditures to reflect the addition of 48 Basic Life Support (BLS) unit hours per day from FALCK to support the Alliance EMS system delivery model. The Fiscal Year 2026 Draft Budget includes \$90.9 million for Advanced Life Support (ALS) and BLS unit hours from Falck and American Medical Response (AMR), with rate increases for both, plus funding for EMS services, PP-GEMT payments, and medical oversight.

Golf Course Fund

Revenue Adjustment

This adjustment includes the addition of \$200,000 in revenue to align more closely with current year projections.

Information Technology Fund

Expenditure Budget Reconciliation

This adjustment includes the reduction of \$1.0 million in non-personnel expenditures to align the budget with projected contractual expenditures.

Reduction of Search Platform

This adjustment includes the reduction of \$10,000 in non-personnel expenditures for search platform and search engine hosting and will shift search engine support for sandiego.gov and insidesandiego.org to the City's Web Team, leveraging existing subscriptions to minimize service impact.

Reduction of Video Conference Licenses

This adjustment includes the reduction of \$161,000 in non-personnel expenditures for video conferencing Zoom licensing. The City will reduce Zoom licensing limiting its use to public-facing meetings while directing all other users to Microsoft Teams.

Low- & Moderate-Income Housing Asset Fund**Bridge to Home Program**

This adjustment includes the addition of \$22.0 million in one-time non-personnel expenditures related to the use of excess surplus in the fund to be used for long-term affordable housing projects available through upcoming Bridge to Home Notice of Funding Availability.

Parking Meter Operations Fund**Revised Transfer to the General Fund**

This adjustment includes the addition of \$722,000 in expenditures associated with the transfer of fund balance to the General Fund. This adjustment will transfer \$423,000 to the Transportation and Stormwater Departments to support parking meter district operations and transfer \$300,000 to the General Services Department to support Harbor Drive Pedestrian bridge maintenance.

PETCO Park Fund**Revised Transient Occupancy Tax Revenue**

This adjustment includes the reduction of \$210,000 in revenue to reflect revised revenue projections related to TOT Fund support of the PETCO Park Fund.

Recycling Fund**Recycling Fund Transfer for Measure B**

This adjustment includes the addition of \$6.4 million in one-time non-personnel expenditures to support the Solid Waste Management Fund for the first year of Measure B recycling collections services.

Refuse Disposal Fund**Disposal Fee-City Revised Revenue**

This adjustment includes the addition of \$6.3 million in revenue to reflect revised Disposal Fee-City revenue to align with an annual Consumer Price Index (CPI) increase of 3.11% resulting in a \$2.00 per ton increase.

Disposal Fee-Franchised Revenue Revised

This adjustment includes the addition of \$880,000 in revenue to reflect revised Disposal Fee-Franchised revenue to align with an annual Consumer Price Index (CPI) increase of 3.11% resulting in a \$2.00 per ton increase.

Disposal Fee-Non-Franchised Revised Revenue

This adjustment includes the addition of \$640,000 in revenue to reflect revised Disposal Fee-Non-Franchised revenue to align with an annual Consumer Price Index (CPI) increase of 3.11% resulting in a \$2.00 per ton increase.

Risk Management Administration Fund**Employee Assistance Program Services**

This adjustment includes an increase of \$281,000 in non-personnel expenditures to support the Employee Assistance Program (EAP) for all San Diego City employees and their families. This contract was previously administered by the Human Resources Department.

Solid Waste Management Fund**Addition of Senior Public Information Officer**

This adjustment includes the addition of 1.00 Senior Public Information Officer for a total expenditure of \$129,000 to align the Fiscal Year 2026 budget with the cost-of-service study for solid waste collection. This position will support both internal and external communications regarding Collection Services-related issues and coordinate with the Communications Department.

Position Reductions

This adjustment includes the reduction of 6.00 FTE positions including 1.00 Dispatcher, 2.00 Code Compliance Officers, and 3.00 Program Managers to align with the current recommended fee schedule.

Recycling Fund Transfer

This adjustment includes the addition of \$6.4 million in one-time revenue received from the Recycling Fund to support for the first year of Measure B recycling collections services.

Solid Waste Collection Services Revenue

This adjustment includes the reduction of \$9.6 million in solid waste collection services revenue to align with the current recommended fee schedule.

Transfer from Automated Refuse Container Fund

This adjustment includes the addition of \$126,000 in revenue from the Automated Refuse Container Fund to replace refuse containers.

State COPS Fund**CAD System Replacement**

This adjustment includes the addition of \$2.5 million in non-personnel expenditures to support the implementation of a replacement CAD system.

Transit Occupancy Tax Fund**One-Cent Transfer**

This adjustment includes the reduction of \$642,000 in non-personnel expenditures to reflect revised projections to the One-Cent Transient Occupancy Tax transferred to the General Fund.

TOT Revenue Reduction

This adjustment includes the reduction of \$3.2 million in revenue to reflect revised revenue projections.

Transit Occupancy Tax (TOT) Convention Center Fund

Measure C Revenue

This adjustment includes the reduction of \$941,000 in non-personnel expenditures and corresponding revenue associated with the Convention Center improvements to reflect revised TOT revenue projections.

Transit Occupancy Tax (TOT) Homelessness Fund

Measure C Revenue

This adjustment includes the reduction of \$654,000 in non-personnel expenditures and corresponding revenue associated with support for homelessness services which will be transferred to the General Fund.

Water Utility Operating Fund

Revised Wholesale Rate for Water Purchases

This adjustment includes the addition of \$28.3 million in non-personnel expenditures associated with changes in wholesale rate to purchase water.

CAPITAL IMPROVEMENTS PROGRAM

The Capital Improvements Program (CIP) is proposed to decrease by \$7.3 million in the May Revision, lowering the total Fiscal Year 2026 budget to \$838.6 million. Additional funding for the Capital Improvements Program includes \$2.4 million for the Climate Equity Fund, \$2.7 million in Community DIF/FBA funding, \$2.2 million in Citywide Parks DIF, and a reduction of \$20.6 million in Public Utilities Enterprise funding. The following section summarizes some of the significant CIP changes in the May Revision.

Climate Equity Fund

The Draft Budget includes \$1.5 million in funding for Climate Equity Fund (CEF) eligible projects, but decisions on those allocations were delayed until this May Revision report. Additional Fiscal Year 2025 revenue from interest earnings is expected to be \$0.9 million higher than originally budgeted. This revenue will also be allocated as part of the May Revision, for a total CEF allocation of \$2.4 million. Projects eligible for CEF should meet one of the following requirements: have an impact on reducing greenhouse gas emissions; increase green spaces; enhance safety in the public right-of-way; relieve congestion; or achieve other climate equity concerns. Additionally, projects must be located within a disadvantaged community area and meet one of the following: scores between 0 and 60 on the Climate Equity Index or directly supports residents and businesses within these communities.

- **Stormwater Green Infrastructure (ACC00001) – \$364,430**
 - This funding provides the design and construction of green infrastructure, restoration, and revitalization capital projects. These projects, in conjunction with non-structural water quality projects, address storm drain discharge water quality standards. The following subproject will be funded:
 - Streamview Drive Green Infrastructure (B19095)
- **Traffic Calming (AIL00001) – \$2,035,570**
 - This funding provides for variety of traffic concerns such as speeding motorists and shortcutting traffic. Solutions used may include the construction of rectangular rapid flashing beacons and geometric design features such as road humps and traffic islands. The following subproject will be funded:
 - Gompers Prep 47th St Safety Enhancements (B23146)

Citywide Parks DIF

The May Revision includes \$2.2 million in Citywide Parks DIF. Contributions may be received from developers to support City CIP projects. These funds are provided in order to satisfy conditions placed on development and are usually restricted to certain projects and asset types.

- **Grove Neighborhood Park (S22002) – \$2,030,716**
 - This funding provides for the construction of phase 1 improvements.
- **Mt. Hope Rec Ctr @ Dennis V Allen Park (P23003) – \$200,000**
 - This funding provides for a General Development Plan (GDP) for the park.

Community-Based DIF

The May Revision includes \$2.7 million in Community-Based DIF. Contributions may be received from developers to support City CIP projects. These funds are provided in order to satisfy conditions placed on development and are usually restricted to certain projects in specific areas.

- **Montezuma Park Improvements Phase 1 (\$25003) - \$1,054,025**
 - This funding provides for the design and construction of the first phase of improvements to the Montezuma Neighborhood Park located at 4929 Catoctin Dr, between 64th Street and Curry Drive in the College Area community in Council District 9.
- **Scripps Miramar Ranch Lib (\$00811) - \$530,000**
 - This funding provides for an expansion of the Scripps Miramar Ranch Branch Library parking lot located at 10301 Scripps Lake Drive.
- **Hickman Fields Athletic Area (\$00751) - \$500,000**
 - This funding provides for the creation of two restrooms, one including a concession stand, automobile parking and park circulation roads, ingress and egress improvements along Hickman Field Drive, security lighting, paved pedestrian pathways, landscaping, irrigation and infrastructure and utility improvements for current and future needs on the 44-acre athletic area.
- **Salk Neighborhood Park & Joint Use Devel (\$14007) - \$250,000**
 - This funding provides for recreation improvements on 4.1 useable park acres of City property and 2.0 useable acres at the Salk Elementary School within the Mira Mesa Community. Joint Use Improvements will include a comfort station, turfed multi-purpose fields, auto parking areas, pedestrian walkways, passive viewing areas, exercise track and hardcourt amenities.
- **La Jolla Streetscape (RD24002) - \$15,000**
 - This funding provides for bulb-outs, sidewalks, curb ramps, and landscaping at key intersections. The project also includes a mid-block pedestrian crossing and streetscape improvements, such as trees, lighting, and benches.
- **Traffic Signals – Citywide (AIL00004) - \$140,000**
 - This funding provides for the installation of traffic signals and HAWK beacons at high-priority locations and the City's share of the costs of traffic signals undertaken in cooperation with others. The following subproject will be funded:
 - Mississippi St @ El Cajon Blvd T/Signal (B20140)
- **New Walkways (AIK00001) - \$36,645**
 - This funding provides for the construction of new sidewalks citywide. The following subprojects will be funded:
 - 54th-Market to Santa Margarita Sidewalk (B18158)
 - Saturn Blvd Sidewalk Installation (B24109)
- **Traffic Calming (AIL00001) - \$201,727**
 - This funding provides for variety of traffic concerns such as speeding motorists and shortcutting traffic. Solutions used may include the construction of rectangular rapid flashing beacons and geometric design features such as road humps and traffic islands. The following subproject will be funded:
 - Osler Street Traffic Calming (B23147)

For a list of all CIP Projects funded in the May Revision, please refer to **Attachment 3 – Fiscal Year 2026 Final Proposed Budget CIP Adjustments**.

CONCLUSION

The May Revision is based on the most current financial information and economic assumptions available after the development of the Fiscal Year 2026 Draft Budget (Draft Budget) and includes updates from the Fiscal Year 2025 Third Quarter Budget Monitoring Report. The May Revision proposes an increase of \$4.3 million, or 0.2 percent, in expenditures from the Draft Budget in the General Fund. Additionally, the May Revision includes a \$51.4 million, or 1.7 percent, increase in the Non-General Funds primarily due to increased costs to purchase water from the San Diego County Water Authority and excess surplus in the Low-Moderate-Income Housing Asset Fund for long-term affordable housing projects. Finally, the \$7.3 million, or 0.9 percent, reduction in the Capital Improvements Program is primarily due to deappropriations to Municipal Sewer Utility projects associated to Pipeline Rehabilitation and Sewer Main Replacements.

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ATTACHMENTS

1. Fiscal Year 2026 Final Proposed Budget Operating Adjustments
2. Fiscal Year 2026 Transient Occupancy Tax Fund Allocations
3. Fiscal Year 2026 Final Proposed Budget CIP Adjustments

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Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

GENERAL FUND				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
City Attorney	Employ and Empower Intern Support	-	\$ (36)	\$ -
	Non-Discretionary Adjustments	-	\$ (9,541)	\$ -
	Salary and Benefit Adjustments	-	\$ 48,682	\$ -
City Attorney Total		-	\$ 39,105	\$ -
City Auditor	Non-Discretionary Adjustments	-	\$ 1,936	\$ -
	Salary and Benefit Adjustments	-	\$ 2,687	\$ -
City Auditor Total		-	\$ 4,623	\$ -
City Clerk	Addition of Clerical Assistant	0.06	\$ 3,832	\$ -
	Employ and Empower Intern Support	-	\$ 5,359	\$ 5,368
	Non-Discretionary Adjustments	-	\$ 10,221	\$ -
	Salary and Benefit Adjustments	-	\$ 5,432	\$ -
City Clerk Total		0.06	\$ 24,844	\$ 5,368
City Planning	Caltrans Grant Revenue	-	\$ -	\$ (500,000)
	Development Impact Fee System Upgrade	-	\$ 200,000	\$ 200,000
	Non-Discretionary Adjustments	-	\$ (69,194)	\$ -
	Salary and Benefit Adjustments	-	\$ 14,615	\$ -
City Planning Total		-	\$ 145,421	\$ (300,000)
City Treasurer	Employ and Empower Intern Support	(0.58)	\$ (31,288)	\$ (31,294)
	Non-Discretionary Adjustments	-	\$ (1,459)	\$ -
	Revised Parking Meter Revenue	-	\$ -	\$ 456,480
	Salary and Benefit Adjustments	-	\$ 12,544	\$ -
City Treasurer Total		(0.58)	\$ (20,203)	\$ 425,186
Citywide Program Expenditures	Non-Discretionary Adjustments	-	\$ 1,419,893	\$ -
Citywide Program Expenditures Total		-	\$ 1,419,893	\$ -
Communications	Non-Discretionary Adjustments	-	\$ (765)	\$ -
	Position Swaps	-	\$ 17,949	\$ -
	Salary and Benefit Adjustments	-	\$ 5,348	\$ -
Communications Total		-	\$ 22,532	\$ -
Compliance	Non-Discretionary Adjustments	-	\$ (8,179)	\$ -
	Salary and Benefit Adjustments	-	\$ 4,326	\$ -
Compliance Total		-	\$ (3,853)	\$ -
Council Administration	Employ and Empower Intern Support	-	\$ 295	\$ 300
	Non-Discretionary Adjustments	-	\$ (4,435)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,484	\$ -
Council Administration Total		-	\$ (2,656)	\$ 300
Council District 1	Employ and Empower Intern Support	-	\$ 2,383	\$ 2,392
	Non-Discretionary Adjustments	-	\$ (1,057)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,318	\$ -
Council District 1 Total		-	\$ 2,644	\$ 2,392
Council District 2	Employ and Empower Intern Support	-	\$ 294	\$ 300
	Non-Discretionary Adjustments	-	\$ (1,045)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,822	\$ -
Council District 2 Total		-	\$ 1,071	\$ 300
Council District 3	Employ and Empower Intern Support	-	\$ (2,057)	\$ (2,049)
	Non-Discretionary Adjustments	-	\$ (2,736)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,626	\$ -
Council District 3 Total		-	\$ (3,167)	\$ (2,049)
Council District 4	Employ and Empower Intern Support	-	\$ (5,717)	\$ (5,706)
	Non-Discretionary Adjustments	-	\$ (985)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,397	\$ -
Council District 4 Total		-	\$ (5,305)	\$ (5,706)

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

GENERAL FUND				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
Council District 5	Employ and Empower Intern Support	-	\$ 3,166	\$ 2,975
	Non-Discretionary Adjustments	-	\$ (703)	\$ -
	Salary and Benefit Adjustments	-	\$ 2,023	\$ -
Council District 5 Total		-	\$ 4,486	\$ 2,975
Council District 6	Employ and Empower Intern Support	-	\$ 6,890	\$ 6,914
	Non-Discretionary Adjustments	-	\$ (14,302)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,182	\$ -
Council District 6 Total		-	\$ (6,230)	\$ 6,914
Council District 7	Employ and Empower Intern Support	-	\$ 508	\$ 516
	Non-Discretionary Adjustments	-	\$ (1,078)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,464	\$ -
Council District 7 Total		-	\$ 894	\$ 516
Council District 8	Employ and Empower Intern Support	-	\$ 14,561	\$ 14,575
	Non-Discretionary Adjustments	-	\$ (782)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,455	\$ -
Council District 8 Total		-	\$ 15,234	\$ 14,575
Council District 9	Employ and Empower Intern Support	-	\$ 774	\$ 787
	Non-Discretionary Adjustments	-	\$ (16,117)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,007	\$ -
Council District 9 Total		-	\$ (14,336)	\$ 787
Department of Finance	Non-Discretionary Adjustments	-	\$ (1,835)	\$ -
	Salary and Benefit Adjustments	-	\$ 22,609	\$ -
Department of Finance Total		-	\$ 20,774	\$ -
Department of Information Technology	Non-Discretionary Adjustments	-	\$ (123)	\$ -
	Salary and Benefit Adjustments	-	\$ 309	\$ -
Department of Information Technology Total		-	\$ 186	\$ -
Development Services	Non-Discretionary Adjustments	-	\$ 10,121	\$ -
	Revised Revenue Projections	-	\$ -	\$ 153,959
	Salary and Benefit Adjustments	-	\$ 8,515	\$ -
Development Services Total		-	\$ 18,636	\$ 153,959
Economic Development	New Telecom Lease Revenue	-	\$ -	\$ 1,200,000
	Non-Discretionary Adjustments	-	\$ (2,095)	\$ -
	Real Estate Management Software Upgrade	-	\$ 624,361	\$ -
	Salary and Benefit Adjustments	-	\$ 12,220	\$ -
Economic Development Total		-	\$ 634,486	\$ 1,200,000
Environmental Services	Non-Discretionary Adjustments	-	\$ (2,190,554)	\$ -
	Revised Facility Franchise Revenue	-	\$ -	\$ 80,000
	Salary and Benefit Adjustments	-	\$ 10,996	\$ -
Environmental Services Total		-	\$ (2,179,558)	\$ 80,000
Ethics Commission	Non-Discretionary Adjustments	-	\$ (57)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,523	\$ -
Ethics Commission Total		-	\$ 1,466	\$ -
Fire-Rescue	Bomb Squad Cross-Staffing Restoration	6.00	\$ 781,268	\$ -
	Community Resources Officer Restoration	1.00	\$ 207,684	\$ -
	Employ and Empower Intern Support	-	\$ 75,993	\$ 76,082
	Fire/Emergency Medical Services Transport	-	\$ -	\$ 280,000
	Program Fund Transfer	-	\$ -	\$ -
	HazMat Incident Response Team (HIRT)	-	\$ -	\$ -
	Reimbursements	-	\$ -	\$ 495,756
	Helicopter Staffing Reductions	-	\$ (857,250)	\$ -
	Non-Discretionary Adjustments	-	\$ 109,033	\$ -
	Phone System Maintenance	-	\$ 209,657	\$ 209,657

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

GENERAL FUND				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
	Salary and Benefit Adjustments	-	\$ (193,288)	\$ -
	San Pasqual Valley Fast Response Squad	-	\$ 127,701	\$ -
	Staffing Unit Revision	-	\$ 80,207	\$ -
Fire-Rescue Total		7.00	\$ 541,005	\$ 1,061,495
General Services	Harbor Drive Pedestrian Bridge Maintenance	-	\$ 300,000	\$ 300,000
	Non-Discretionary Adjustments	-	\$ 49,941	\$ -
	Salary and Benefit Adjustments	-	\$ 15,279	\$ -
General Services Total		-	\$ 365,220	\$ 300,000
Homelessness Strategies & Solutions	Non-Discretionary Adjustments	-	\$ 40,771	\$ -
	Pacific Inn Rent	-	\$ (1,025,397)	\$ -
	Revised TOT Measure C Revenue Projections	-	\$ -	\$ (653,892)
	Revised TOT Revenue Projections	-	\$ -	\$ 654,000
	Salary and Benefit Adjustments	-	\$ 2,068	\$ -
	Women and Seniors Shelter	-	\$ 1,025,397	\$ -
Homelessness Strategies & Solutions Total		-	\$ 42,839	\$ 108
Human Resources	Employ and Empower Intern Support	-	\$ 24,493	\$ 23,701
	Employee Assistance Program Transfer	-	\$ (281,255)	\$ -
	LinkedIn Learning Transfer	-	\$ (150,000)	\$ -
	Mandated Reporter and Sexual Harassment Prevention Training	-	\$ 19,000	\$ -
	Non-Discretionary Adjustments	-	\$ (38,567)	\$ -
	Salary and Benefit Adjustments	-	\$ 6,635	\$ -
	Substance Abuse Services	-	\$ 5,000	\$ -
Human Resources Total		-	\$ (414,694)	\$ 23,701
Library	Employ and Empower Intern Support	-	\$ 17,447	\$ 17,539
	Non-Discretionary Adjustments	-	\$ 23,792	\$ -
	Position Swaps	(0.50)	\$ 311,120	\$ -
	Salary and Benefit Adjustments	-	\$ 45,623	\$ -
Library Total		(0.50)	\$ 397,982	\$ 17,539
Major Revenues	Revised Concourse and Parking Garages Fund Revenue	-	\$ -	\$ (80,000)
	Revised Franchise Fee Revenue	-	\$ -	\$ 614,094
	Revised Property Tax Revenue	-	\$ -	\$ 312,160
	Revised Property Transfer Tax Revenue	-	\$ -	\$ 333,223
	Revised Refuse Collector Business Tax Revenue	-	\$ -	\$ 160,000
	Revised Sales Tax Revenue	-	\$ -	\$ 3,502,685
	Revised Transient Occupancy Tax (TOT) Revenue	-	\$ -	\$ (4,247,269)
Major Revenues Total		-	\$ -	\$ 594,893
Office of Emergency Services	Non-Discretionary Adjustments	-	\$ 4,808	\$ -
	Salary and Benefit Adjustments	-	\$ 1,724	\$ -
Office of Emergency Services Total		-	\$ 6,532	\$ -
Office of the Commission on Police Practices	Employ and Empower Intern Support	-	\$ 2,292	\$ 2,129
	Non-Discretionary Adjustments	-	\$ (421)	\$ -
	Salary and Benefit Adjustments	-	\$ 942	\$ -
Office of the Commission on Police Practices Total		-	\$ 2,813	\$ 2,129
Office of the IBA	Non-Discretionary Adjustments	-	\$ (816)	\$ -
	Salary and Benefit Adjustments	-	\$ 2,682	\$ -
Office of the IBA Total		-	\$ 1,866	\$ -
Office of the Mayor	Non-Discretionary Adjustments	-	\$ (47,114)	\$ -
	Reduction of Administrative Positions	(2.00)	\$ (321,110)	\$ -

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

GENERAL FUND				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
	Salary and Benefit Adjustments	-	\$ 8,479	\$ -
Office of the Mayor Total		(2.00)	\$ (359,745)	\$ -
Parks and Recreation	Animal Services Contract	-	\$ 2,000,000	\$ -
	Employ and Empower Intern Support	-	\$ 33,073	\$ 33,153
	Non-Discretionary Adjustments	-	\$ 659,340	\$ -
	Position Swaps	-	\$ 45,737	\$ -
	Postponement of New Facilities	(3.50)	\$ (928,815)	\$ -
	Restoration of Electrician	1.00	\$ 135,635	\$ -
	Salary and Benefit Adjustments	-	\$ 61,859	\$ -
	Transfer of Electrician to the Golf Course and MAD Management Fund	(1.00)	\$ (135,715)	\$ -
Parks and Recreation Total		(3.50)	\$ 1,871,114	\$ 33,153
Performance & Analytics	Non-Discretionary Adjustments	-	\$ (12,660)	\$ -
	Salary and Benefit Adjustments	-	\$ 2,314	\$ -
Performance & Analytics Total		-	\$ (10,346)	\$ -
Personnel	Non-Discretionary Adjustments	-	\$ (4,797)	\$ -
	Salary and Benefit Adjustments	-	\$ 10,859	\$ -
Personnel Total		-	\$ 6,062	\$ -
Police	Employ and Empower Intern Support	-	\$ (41)	\$ -
	Non-Discretionary Adjustments	-	\$ 420,067	\$ -
	Northwestern Division Restoration	4.00	\$ 773,529	\$ -
	Phone System Maintenance	-	\$ 381,067	\$ 381,067
	Salary and Benefit Adjustments	-	\$ (432,446)	\$ -
	Vice Operations Restoration	(0.88)	\$ 252,322	\$ -
Police Total		3.12	\$ 1,394,498	\$ 381,067
Public Utilities	Non-Discretionary Adjustments	-	\$ 16,697	\$ -
Public Utilities Total		-	\$ 16,697	\$ -
Purchasing & Contracting	Department Management Reclassification	-	\$ (59,845)	\$ -
	EOC Program Coordinator Restoration	1.00	\$ 169,752	\$ -
	Non-Discretionary Adjustments	-	\$ (55)	\$ -
	Revised Reimbursable Revenue	-	\$ -	\$ (1,772,163)
	Salary and Benefit Adjustments	-	\$ 8,647	\$ -
Purchasing & Contracting Total		1.00	\$ 118,499	\$ (1,772,163)
Stormwater	Employ and Empower Intern Support	-	\$ 34	\$ (216)
	Non-Discretionary Adjustments	-	\$ 81,845	\$ -
	Revised Parking Meter Operations Fund Reimbursements	-	\$ -	\$ 209,948
	Salary and Benefit Adjustments	-	\$ 28,408	\$ -
	Stormwater Low Flow Diversion	-	\$ (1,000,000)	\$ -
Stormwater Total		-	\$ (889,713)	\$ 209,732
Transportation	Employ and Empower Intern Support	3.00	\$ 182,574	\$ 182,571
	Non-Discretionary Adjustments	-	\$ 138,459	\$ -
	Revised Parking Meter Operations Fund Reimbursements	-	\$ -	\$ 212,342
	Revised PUD Service Level Agreement (SLA)	-	\$ 750,000	\$ 1,500,000
	Salary and Benefit Adjustments	-	\$ 49,435	\$ -
		3.00	\$ 1,120,468	\$ 1,894,913
Transportation Total		3.00	\$ 1,120,468	\$ 1,894,913
Grand Total		7.60	\$ 4,332,084	\$ 4,332,084

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

NON-GENERAL FUNDS				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
Airports Fund	Salary and Benefit Adjustments	-	\$ 2,427	\$ -
	Non-Discretionary Adjustments	-	\$ 20,201	\$ -
	Airports Pavement Maintenance and Management Plan (PMMP) Study	-	\$ 200,000	\$ -
	Commercial & Retail Center Property Management	-	\$ 150,000	\$ -
	Landscaping Services	-	\$ 286,000	\$ -
Airports Fund Total		-	\$ 658,628	\$ -
Automated Refuse Container Fund	Non-Discretionary Adjustments	-	\$ (9,969)	\$ -
	Transfer of Fund Balance	-	\$ 125,895	\$ -
Automated Refuse Container Fund Total		-	\$ 115,926	\$ -
Barrio Logan Community Benefit MAD Fund	Non-Discretionary Adjustments	-	\$ 34	\$ -
Barrio Logan Community Benefit MAD Fund Total		-	\$ 34	\$ -
Central Stores Fund	Salary and Benefit Adjustments	-	\$ 1,152	\$ -
	Non-Discretionary Adjustments	-	\$ (5,889)	\$ -
Central Stores Fund Total		-	\$ (4,737)	\$ -
City Heights MAD Fund	Non-Discretionary Adjustments	-	\$ 61	\$ -
City Heights MAD Fund Total		-	\$ 61	\$ -
Concourse and Parking Garages Operating Fund	Salary and Benefit Adjustments	-	\$ 141	\$ -
	Non-Discretionary Adjustments	-	\$ (3,266)	\$ -
	Revised Transfer to the General Fund	-	\$ (80,000)	\$ -
Concourse and Parking Garages Operating Fund Total		-	\$ (83,125)	\$ -
Convention Center Expansion Administration Fund	Reduction of TOT Transfer	-	\$ -	\$ (444,000)
Convention Center Expansion Administration Fund Total		-	\$ -	\$ (444,000)
Development Services Fund	Salary and Benefit Adjustments	-	\$ (35,794)	\$ -
	Non-Discretionary Adjustments	-	\$ (1,296,560)	\$ -
	Reduction of Positions	(23.00)	\$ (4,358,365)	\$ -
	Rent Reduction	-	\$ (237,651)	\$ -
	Revised Revenue Projections	-	\$ -	\$ (11,894,834)
	Revenue Inflation Adjustment	-	\$ -	\$ 56,709
	Revenue Increase Due to Salary Increases	-	\$ -	\$ 11,285,830
	ROW Permit Reimbursements	-	\$ -	\$ (579,951)
	User Fee Revenue Increase	-	\$ -	\$ 54,568
Development Services Fund Total		(23.00)	\$ (5,928,370)	\$ (1,077,678)
El Cajon Boulevard MAD Fund	Non-Discretionary Adjustments	-	\$ 75	\$ -
El Cajon Boulevard MAD Fund Total		-	\$ 75	\$ -
Energy Conservation Program Fund	Salary and Benefit Adjustments	-	\$ 3,192	\$ -
	Non-Discretionary Adjustments	-	\$ 220,846	\$ (137,112)
	Fiscal Support	1.00	\$ 207,839	\$ -
Energy Conservation Program Fund Total		1.00	\$ 431,877	\$ (137,112)
Energy Independence Fund	Franchise Fee Revenue	-	\$ -	\$ (2,383,920)
Energy Independence Fund Total		-	\$ -	\$ (2,383,920)
Engineering & Capital Projects Fund	Assistant Deputy Director Restoration	1.00	\$ 273,233	\$ -
	Employ and Empower Intern Support	-	\$ 7,818	\$ 7,858
	Gibbs Drive Office Tenant Improvements	-	\$ 1,500,000	\$ -
	Non-Discretionary Adjustments	-	\$ (2,002,180)	\$ -
	Project Officer 2 Restoration	1.00	\$ 189,441	\$ 184,239
	Salary and Benefit Adjustments	-	\$ 114,371	\$ -
Engineering & Capital Projects Fund Total		2.00	\$ 82,683	\$ 192,097
Environmental Growth 1/3 Fund	Non-Discretionary Adjustments	-	\$ (667)	\$ -
Environmental Growth 1/3 Fund Total		-	\$ (667)	\$ -
Fire/Emergency Medical Services Transport Program Fund	Salary and Benefit Adjustments	-	\$ 3,246	\$ -
	Non-Discretionary Adjustments	-	\$ (235,925)	\$ -

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

NON-GENERAL FUNDS				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
	Contractual Increases	-	\$ 388,429	\$ -
	Revised Transfer to the General Fund	-	\$ 280,000	\$ -
Fire/Emergency Medical Services Transport Program Fund Total		-	\$ 435,750	\$ -
Fleet Operations Operating Fund	Salary and Benefit Adjustments	-	\$ 61,750	\$ -
	Non-Discretionary Adjustments	-	\$ (412,638)	\$ -
Fleet Operations Operating Fund Total		-	\$ (350,888)	\$ -
Gas Tax Fund	Revenue Adjustment	-	\$ 19	\$ -
Gas Tax Fund Total		-	\$ 19	\$ -
GIS Fund	Employ and Empower Intern Support	-	\$ (3)	\$ -
	Salary and Benefit Adjustments	-	\$ 1,325	\$ -
	Non-Discretionary Adjustments	-	\$ 86,712	\$ -
	Revised Non-Discretionary Revenue Adjustment	-	\$ -	\$ 57,442
GIS Fund Total		-	\$ 88,034	\$ 57,442
Golf Course Fund	Salary and Benefit Adjustments	-	\$ 10,171	\$ -
	Non-Discretionary Adjustments	-	\$ 163,873	\$ -
	Revenue Adjustment	-	\$ -	\$ 200,000
	Transfer of Electrician from the General Fund	0.25	\$ 33,939	\$ -
Golf Course Fund Total		0.25	\$ 207,983	\$ 200,000
Information Technology Fund	Employ and Empower Intern Support	-	\$ 3,185	\$ 3,203
	Salary and Benefit Adjustments	-	\$ 8,246	\$ -
	Non-Discretionary Adjustments	-	\$ 37,930	\$ -
	Revised Non-Discretionary Revenue Adjustment	-	\$ -	\$ (1,608,358)
	Reduction of Search Platform	-	\$ (10,188)	\$ -
	Reduction of Video Conference Licenses	-	\$ (160,638)	\$ -
	Expenditure Budget Reconciliation	-	\$ (1,043,613)	\$ -
Information Technology Fund Total		-	\$ (1,165,078)	\$ (1,605,155)
Junior Lifeguard Program Fund	Salary and Benefit Adjustments	-	\$ 310	\$ -
	Non-Discretionary Adjustments	-	\$ (936)	\$ -
Junior Lifeguard Program Fund Total		-	\$ (626)	\$ -
Kensington Heights MAD	Non-Discretionary Adjustments	-	\$ 7,531	\$ -
Kensington Heights MAD Total		-	\$ 7,531	\$ -
Kensington Manor MAD	Non-Discretionary Adjustments	-	\$ 2,973	\$ -
Kensington Manor MAD Total		-	\$ 2,973	\$ -
Kensington Park North MAD	Non-Discretionary Adjustments	-	\$ 297	\$ -
Kensington Park North MAD Total		-	\$ 297	\$ -
Local Enforcement Agency Fund	Salary and Benefit Adjustments	-	\$ 870	\$ -
	Revised Local Enforcement Agency Facility Fees	-	\$ -	\$ 28,000
	Non-Discretionary Adjustments	-	\$ 433	\$ -
Local Enforcement Agency Fund Total		-	\$ 1,303	\$ 28,000
Low & Moderate Income Housing Asset Fund	Non-Discretionary Adjustments	-	\$ 265	\$ -
	Bridge to Home Program	-	\$ 22,000,000	\$ -
Low & Moderate Income Housing Asset Fund Total		-	\$ 22,000,265	\$ -
Maintenance Assessment District (MAD) Management Fund	Salary and Benefit Adjustments	-	\$ 3,756	\$ -
	Non-Discretionary Adjustments	-	\$ 3,948	\$ -
	Transfer of Electrician from the General Fund	0.75	\$ 101,776	\$ -
Maintenance Assessment District (MAD) Management Fund Total		0.75	\$ 109,480	\$ -
Metropolitan Sewer Utility Fund	Salary and Benefit Adjustments	-	\$ 64,954	\$ -
	Non-Discretionary Adjustments	-	\$ (171,777)	\$ -
Metropolitan Sewer Utility Fund Total		-	\$ (106,823)	\$ -

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

NON-GENERAL FUNDS				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
Mira Mesa MAD Fund	Non-Discretionary Adjustments	-	\$ 27	\$ -
Mira Mesa MAD Fund Total		-	\$ 27	\$ -
Municipal Sewer Revenue Fund	Salary and Benefit Adjustments	-	\$ 42,973	\$ -
	Non-Discretionary Adjustments	-	\$ (235,230)	\$ -
Municipal Sewer Revenue Fund Total		-	\$ (192,257)	\$ -
North Park MAD Fund	Non-Discretionary Adjustments	-	\$ 20	\$ -
North Park MAD Fund Total		-	\$ 20	\$ -
OneSD Support Fund	Salary and Benefit Adjustments	-	\$ 6,165	\$ -
	Non-Discretionary Adjustments	-	\$ 80,375	\$ -
	Revised Non-Discretionary Revenue Adjustment	-	\$ -	\$ (3,102,067)
OneSD Support Fund Total		-	\$ 86,540	\$ (3,102,067)
Park Village MAD Fund	Non-Discretionary Adjustments	-	\$ 20	\$ -
Park Village MAD Fund Total		-	\$ 20	\$ -
Parking Meter Operations Fund	Salary and Benefit Adjustments	-	\$ 866	\$ -
	Non-Discretionary Adjustments	-	\$ (7,581)	\$ -
	Revised Transfer to the General Fund	-	\$ 722,290	\$ -
Parking Meter Operations Fund Total		-	\$ 715,575	\$ -
PETCO Park Fund	Non-Discretionary Adjustments	-	\$ (20,759)	\$ -
	Revised Transient Occupancy Tax Revenue	-	\$ -	\$ (210,000)
PETCO Park Fund Total		-	\$ (20,759)	\$ (210,000)
Publishing Services Fund	Salary and Benefit Adjustments	-	\$ 595	\$ -
	Non-Discretionary Adjustments	-	\$ (572)	\$ -
Publishing Services Fund Total		-	\$ 23	\$ -
Rancho Encantada MAD Fund	Non-Discretionary Adjustments	-	\$ 4,094	\$ -
Rancho Encantada MAD Fund Total		-	\$ 4,094	\$ -
Recycling Fund	Non-Discretionary Adjustments	-	\$ 68,644	\$ -
	Recycling Fund Transfer for Measure B	-	\$ 6,400,000	\$ -
	Salary and Benefit Adjustments	0.00	\$ 5,051	\$ -
Recycling Fund Total		0.00	\$ 6,473,695	\$ -
Refuse Disposal Fund	Salary and Benefit Adjustments	-	\$ 10,410	\$ -
	Non-Discretionary Adjustments	-	\$ 128,043	\$ -
	Disposal Fee-City Revised Revenue	-	\$ -	\$ 6,280,000
	Disposal Fee-Franchised Revenue Revised	-	\$ -	\$ 880,000
	Disposal Fee-Non-Franchised Revised Revenue	-	\$ -	\$ 640,000
Refuse Disposal Fund Total		-	\$ 138,453	\$ 7,800,000
Risk Management Administration Fund	Salary and Benefit Adjustments	-	\$ 12,401	\$ -
	Non-Discretionary Adjustments	-	\$ (31,890)	\$ -
	Revised Non-Discretionary Revenue Adjustment	-	\$ -	\$ 261,766
	Employee Assistance Program Services	-	\$ 281,255	\$ -
Risk Management Administration Fund Total		-	\$ 261,766	\$ 261,766
Scripps/Miramar Ranch MAD Fund	Non-Discretionary Adjustments	-	\$ 5,368	\$ -
Scripps/Miramar Ranch MAD Fund Total		-	\$ 5,368	\$ -
Seized Assets - Federal DOJ Fund	Non-Discretionary Adjustments	-	\$ 258	\$ -
Seized Assets - Federal DOJ Fund Total		-	\$ 258	\$ -
Solid Waste Management Fund	Employ and Empower Intern Support	-	\$ (8)	\$ -
	Salary and Benefit Adjustments	-	\$ 31,121	\$ -
	Non-Discretionary Adjustments	-	\$ 391,970	\$ -
	Addition of Senior Public Information Officer	1.00	\$ 128,896	\$ -
	Position Reductions	(6.00)	\$ (993,841)	\$ -
	Recycling Fund Transfer	-	\$ -	\$ 6,400,000
	Solid Waste Collection Services Revenue	-	\$ -	\$ (9,600,406)

Fiscal Year 2026 Final Proposed Budget Operating Adjustments

Attachment 1

NON-GENERAL FUNDS				
Department Title	Significant Budget Adjustment	Full Time Equivalent	Expenditures	Revenues
	Transfer from Automated Refuse Container Fund	-	\$ -	\$ 125,895
Solid Waste Management Fund Total		(5.00)	\$ (441,862)	\$ (3,074,511)
State COPS	Non-Discretionary Adjustments	-	\$ 266	\$ -
	CAD System Replacement	-	\$ 2,484,397	\$ -
State COPS Total		-	\$ 2,484,663	\$ -
Storm Drain Fund	Non-Discretionary Adjustments	-	\$ 3,417	\$ -
Storm Drain Fund Total		-	\$ 3,417	\$ -
Street Light District #1 MAD Fund	Non-Discretionary Adjustments	-	\$ (10,801)	\$ -
Street Light District #1 MAD Fund Total		-	\$ (10,801)	\$ -
TOT Convention Center Fund	Measure C Revenue	-	\$ (940,966)	\$ (940,967)
TOT Convention Center Fund Total		-	\$ (940,966)	\$ (940,967)
TOT Homelessness Fund	Measure C Revenue	-	\$ (653,892)	\$ (653,892)
TOT Homelessness Fund Total		-	\$ (653,892)	\$ (653,892)
Transient Occupancy Tax Fund	Salary and Benefit Adjustments	-	\$ 1,343	\$ -
	Non-Discretionary Adjustments	-	\$ 8,730	\$ -
	One-Cent Transfer	-	\$ (641,845)	\$ -
	Revised Transient Occupancy Tax Reimbursements	-	\$ -	\$ -
	TOT Revenue Reduction	-	\$ -	\$ (3,209,224)
Transient Occupancy Tax Fund Total		-	\$ (631,772)	\$ (3,209,224)
Underground Surcharge Fund	Salary and Benefit Adjustments	-	\$ 3,219	\$ -
	Non-Discretionary Adjustments	-	\$ (103,768)	\$ -
Underground Surcharge Fund Total		-	\$ (100,549)	\$ -
University Heights MAD Fund	Non-Discretionary Adjustments	-	\$ 4,406	\$ -
University Heights MAD Fund Total		-	\$ 4,406	\$ -
Water Utility Operating Fund	Salary and Benefit Adjustments	-	\$ 110,797	\$ -
	Non-Discretionary Adjustments	-	\$ (666,741)	\$ -
	Revised Wholesale Rate for Water Purchases	-	\$ 28,252,147	\$ -
Water Utility Operating Fund Total		-	\$ 27,696,203	\$ -
Wireless Communications Technology Fund	Salary and Benefit Adjustments	-	\$ 6,054	\$ -
	Non-Discretionary Adjustments	-	\$ 27,412	\$ -
	Revised Non-Discretionary Revenue Adjustment	-	\$ -	\$ 236,992
Wireless Communications Technology Fund Total		-	\$ 33,466	\$ 236,992
Grand Total		(24.00)	\$ 51,417,741	\$ (8,062,229)

ORGANIZATION/PROGRAM	FY2026 Tentative Allocation
Arts, Culture, and Community Festivals - Organizational Support¹	
Art of Elan	\$36,765
ArtReach	82,124
Arts Education Connection San Diego	52,100
Bach Collegium San Diego	41,220
Backyard Renaissance Theatre Company	15,378
Balboa Art Conservation Center	53,171
Balboa Park Cultural Partnership	212,153
Balboa Park Online Collaborative Inc.	68,872
Blindspot Collective	20,852
Camarada Inc.	27,692
Center for World Music	53,143
Centro Cultural De La Raza, Inc.	42,108
Choral Consortium of San Diego	10,000
City Ballet Inc.	85,120
Classics for Kids Inc.	39,900
Culture Shock Dance Troupe Inc.	68,066
Cygnnet Theatre Company	143,929
DanzArts	10,000
DISCO RIOT	28,242
Diversionary Theatre Productions Inc.	98,237
Encore Vocal Ensemble of San Diego Inc.	10,000
Fern Street Community Arts Inc.	59,419
Gaslamp Quarter Historical Foundation	39,946
Guitars in the Classroom	58,935
Hausmann Quartet Foundation	18,380
Isadoranow Foundation	29,589
Japanese Friendship Garden	216,698
La Jolla Historical Society	111,578
La Jolla Music Society	273,222
La Jolla Symphony and Chorus Association	45,566
Lambda Archives of San Diego	10,000
Lao Community Cultural Center of San Diego	10,000
Lawrence Family Jewish Community Centers of San Diego County	91,983
Loud Fridge Theatre Group	10,000
Mainly Mozart Inc.	125,096
Malashock Dance and Company	48,499
Maritime Museum Association of San Diego	181,046
Media Arts Center San Diego	106,963
Mingei International Inc.	197,326
Mojalet Dance Collective	17,421
MOXIE Theatre, Inc.	44,250
Museum of Contemporary Art San Diego	341,323
Music Company Tmc	13,254
New Americans Museum Inc.	30,828
NTC Foundation	225,823
Old Globe Theatre	382,057
Opera Neo	56,518
Otic Theater Collective Inc.	21,947
Outside the Lens	129,351
Pacific Arts Movement	48,301
Persian Cultural Center	47,168
Playwrights Project	55,516
Project BLANK	15,966
Prophet World Beat Productions	33,029

ORGANIZATION/PROGRAM	FY2026 Tentative Allocation
Resounding Joy, Inc.	53,689
Reuben H. Fleet Science Center	304,639
Revision Project Inc.	30,633
SACRA/PROFANA	18,551
San Diego Air & Space Museum	253,800
San Diego Archaeological Center	34,219
San Diego Architectural Foundation	18,399
San Diego Art Institute	66,764
San Diego Automotive Museum Inc.	107,159
San Diego Ballet	59,772
San Diego Children's Choir	69,937
San Diego Chinese Historical Society and Museum	28,276
San Diego Chorus Chapter of Sweet	10,000
San Diego Civic Youth Ballet Inc.	71,799
San Diego Collaborative Arts Project	23,213
San Diego Comic Convention	342,251
San Diego Dance Theater	35,122
San Diego Early Music Society	38,930
San Diego Filipino Cinema	14,424
San Diego Gay Men's Chorus, Inc.	29,497
San Diego Historical Society	61,659
San Diego Jazz Ventures Inc.	11,052
San Diego Junior Theatre	87,594
San Diego Master Chorale Inc.	36,879
San Diego Museum Council Inc.	20,253
San Diego Museum of Art	303,520
San Diego Museum of Man dba Museum of Us	138,772
San Diego Musical Theatre	71,232
San Diego Opera Association	270,293
San Diego Urban Warriors	10,100
San Diego Watercolor Society	33,093
San Diego Writers Ink	20,229
San Diego Young Artists Music Academy Inc.	13,688
San Diego Youth Symphony and Conservatory	142,080
Save Our Heritage Organisation	44,937
Scripps Ranch Theatre	10,000
SO SAY WE ALL	16,145
Southern California Ballet Inc.	65,645
Space 4 Art Inc.	41,444
Spreckels Organ Society	36,687
Tap Fever Studios	21,411
The AjA Project	38,888
The House of China	12,529
The Italian Cultural Center of San Diego	14,785
The Library Association of La Jolla	81,203
The New Children's Museum	223,243
The Putnam Foundation dba Timken Museum of Art	188,499
The Rosin Box Project Inc.	48,492
The Roustabouts	13,953
The San Diego Model Railroad Museum Inc.	92,436
The San Diego Society of Natural History dba San Diego Natural History Museum	343,195
The San Diego Symphony Orchestra Association	268,412
Theatre and Arts Foundation of San Diego County dba La Jolla Playhouse	383,884
transcenDANCE Youth Arts Project	85,125
Trinity One Theatre Troupe Inc.	63,563

ORGANIZATION/PROGRAM	FY2026 Tentative Allocation
Unscripted Learning	19,987
Vanguard Culture	15,205
Villa Musica	94,563
Visions Museum of Textile Art	21,162
Voices of Our City Choir Inc.	89,024
Westwind Brass Inc.	10,000
Wheelchair Dancers Organization	10,000
Women's History Reclamation Project	41,705
Write Out Loud	17,903
Youth Philharmonic Orchestra	47,993
Arts, Culture, and Community Festivals - Organizational Support Subtotal	\$9,589,606
Arts, Culture, and Community Festivals - Creative Communities San Diego¹	
A Reason to Survive	\$5,000
Adams Avenue Business Association Inc.	19,705
Alliance Francaise De San Diego	5,826
Armed Services YMCA of the USA	120,178
Asian Culture and Media Alliance Inc.	5,000
Asian Story Theater Incorporated	5,000
Ballet Folklorico	5,000
BEST PRACTICE	7,602
BIPOC Support Foundation	8,992
Black San Diego Empowering Our Community dba Black San Diego	5,209
Bocon Inc.	30,257
Boys & Girls Clubs of Northwest San Diego	23,317
California Lawyers for the Arts Inc.	46,647
Casa Familiar Inc.	24,603
Central San Diego Black Chamber of Commerce Education Foundation	5,000
City Heights Community Development Corporation	7,104
Contact Arts dba San Diego Fringe Festival	41,260
Cooper Family Foundation	9,339
COTA Collaborations Teachers and Artists Inc.	5,000
Creative Engagement dba Blanket Sounds	6,265
Dreams & Ducats	5,000
Educreate	5,000
Friends of International Friendship Park Inc.	16,311
FUNDSTUME	5,742
Generation STEAM	49,144
Gray Area Foundation for the Arts	144,585
Ilan-Lael, Inc.	5,000
Indian Fine Arts Academy of San Diego	19,400
Installation Gallery	38,302
Italian American Art and Culture	7,294
Karama	5,000
La Maestra Family Clinic Inc.	39,012
Linda Vista Multi-Cultural Fair Inc.	5,448
Mandate Project Impact Inc.	19,201
Media Heritage Inc.	6,299
Monarch School Project	12,046
Mother Sponge Inc. dba Set + Drift	5,000
Musicians for Education Inc.	17,001
Ocean Beach Merchants Association Inc.	15,052
Olongapo Disco	5,000
Pacific Beach Community Development Corp.	8,948
Particle FM	5,000
RISE San Diego	5,000

ORGANIZATION/PROGRAM	FY2026 Tentative Allocation
Rock N Roll Camp for Girls San Diego	5,000
Rolando Community Council, Inc.	5,000
Saikat	24,909
San Diego Alpha Foundation	5,000
San Diego American Indian Health Center	5,000
San Diego Art Matters	9,933
San Diego Audubon Society	17,324
San Diego Diplomacy Council	67,890
San Diego Film Foundation	94,215
San Diego LGBT Pride	376,564
San Diego Made	27,421
San Diego Parks Foundation	15,296
San Diego State University Research Foundation for KPBS	20,742
Sherman Heights Community Center Corporation	5,000
Sisters Of St. James Productions	5,000
Spirit of the Fourth Inc.	5,000
T3 Triple Threat Youth Mentors	5,000
Teatro Mascara Magica	5,000
The Bon Temps Social Club of San Diego	85,801
The High Steppers Drill Team Inc.	16,474
The Mariachi Scholarship Foundation	24,905
The San Diego River Park Foundation	5,000
Tiltshift Dance	5,000
Tuyo Theatre Inc.	12,335
Vapa Foundation	15,113
Via International	12,730
Vietnamese American Youth Alliance Corp.	10,563
Arts, Culture, and Community Festivals - Creative Communities San Diego Subtotal	\$1,717,304
Arts, Culture, and Community Festivals - Impact	
Impact	\$500,000
Arts, Culture, and Community Festivals - Impact Subtotal	\$500,000
Cultural Affairs Administration	
Cultural Affairs Administration	\$2,046,225
Arts, Culture, and Community Festivals - Cultural Affairs Administration Subtotal	\$2,046,225
Arts, Culture, and Community Festivals Total	\$13,853,135
Economic Development Programs	
Business Expansion, Attraction, and Retention (BEAR)	\$847,200
Economic Development Program Administration	180,000
Economic Development Programs - Subtotal	\$1,027,200

¹Funding award recommendations are preliminary and subject to change (either greater or less than) until the Fiscal Year 2026 budget development process concludes and the Fiscal Year 2026 Adopted Budget is adopted on or before June 30, 2025.

Department of Information Technology**Governmental Funded IT Projects - ATT00001**

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$200,000	\$200,000

Funding appropriated to support B25064 - FDIS Rebuild.

Environmental Services**Landfill Improvements - AFA00001**

Fund	Proposed	Change	Revised
700129 Solid Waste Management-CIP	\$0	\$2,232,900	\$2,232,900

Funding appropriated to support B23031 - Miramar PI Fleet Main Facility Upgrade

Library**Ocean Beach Branch Library - S20015**

Fund	Proposed	Change	Revised
200209 Library System Improvement Fund	\$0	\$10,000	\$10,000

Funding appropriated to support project design.

Scripps Miramar Ranch Library - S00811

Fund	Proposed	Change	Revised
400863 Scripps Miramar Ranch DIF	\$0	\$530,000	\$530,000

Funding appropriated to support project construction.

Parks & Recreation**Grove Neighborhood Park - S22002**

Fund	Proposed	Change	Revised
400891 Citywide Park DIF-Park Def. COC	\$0	\$2,030,716	\$2,030,716

Funding appropriated to support project construction.

Hickman Fields Athletic Area - S00751

Fund	Proposed	Change	Revised
400136 Kearny Mesa-Urban Comm	\$0	\$500,000	\$500,000

Funding appropriated to support project construction.

Montezuma NP Improvements Phase 1 - S25003

Fund	Proposed	Change	Revised
400127 College Area	\$0	\$1,054,025	\$1,054,025

Funding appropriation will support project design.

Mt. Hope Rec Ctr @ Dennis V Allen Park - P23003

Fund	Proposed	Change	Revised
400891 Citywide Park DIF-Park Def. COC	\$0	\$200,000	\$200,000

Funding appropriated to support the park General Development Plan (GDP).

Salk Neighborhood Park & Joint Use Devel - S14007

Fund	Proposed	Change	Revised
400085 Mira Mesa - FBA	\$0	\$250,000	\$250,000

Funding appropriated to support project construction.

Public Utilities**Alvarado 2nd Extension Pipeline - S12013**

Fund	Proposed	Change	Revised
700010 Water Utility - CIP Funding Source	\$51,000,000	(\$3,000,000)	\$48,000,000

Funding removed to due revised project schedule.

Metropolitan System Pump Stations - ABP00002

Fund	Proposed	Change	Revised
700009 Metro Sewer Utility - CIP Funding Source	\$360,000	\$80,000	\$440,000

\$200,000 will be allocated to B22032 - PQPS VFD Replacement Project to support project construction. \$180,000 will be allocated to B22035 - PQPS Gas Sensor Replacement to support project design. \$300,000 reduced for NEW - PS 64 Valve Replacement. The project will be initiated in another annual allocation.

Metropolitan Waste Water Department Trunk Sewers - AJB00001

Fund	Proposed	Change	Revised
700009 Metro Sewer Utility - CIP Funding Source	\$150,000	(\$150,000)	\$0

Funding was transferred to support construction of L240002 - PS 2 Improvements & Modernization.

Metro Treatment Plants - ABO00001

Fund	Proposed	Change	Revised
700009 Metro Sewer Utility - CIP Funding Source	\$22,475,739	\$8,062,882	\$30,538,621

\$7.4 million will be allocated to B20001 - STORM WATER DIVERSION AT THE PLWTP to support project construction. \$562,882 will be allocated to B20137 - PLWTP Scum Injection Concentrators Impro to support project design. \$250,000 will be allocated to 24112 - Storm Water Diversion at the NCWRP to support project design. Another \$150,000 was reduced from B20121 - MBC Gas Detect Syst Replace.

Pipeline Rehabilitation - AJA00002

Fund	Proposed	Change	Revised
700008 Muni Sewer Utility - CIP Funding Source	\$22,196,502	(\$6,170,297)	\$16,026,205

Funding appropriation decreased due to changes in schedule of subprojects.

Pressure Reduction Facility Upgrades - AKA00002

Fund	Proposed	Change	Revised
700010 Water Utility - CIP Funding Source	\$8,855,000	(\$1,355,000)	\$7,500,000

Funding appropriation decreased due to changes in schedule of subprojects.

PS 1 & 2 Improvements & Modernization - L24000

Fund	Proposed	Change	Revised
700009 Metro Sewer Utility - CIP Funding Source	\$39,000,000	\$3,000,000	\$42,000,000

Funding appropriation will support construction of L240002 - PS 2 Improvements & Modernization. \$150,000 was also transferred from B24090 - North/South Metro Intercep Manhole Rehab (AJB00001).

Sewer Main Replacements - AJA00001

Fund	Proposed	Change	Revised
700008 Muni Sewer Utility - CIP Funding Source	\$127,533,776	(\$21,368,738)	\$106,165,038

Funding appropriation decreased due to changes in schedule of subprojects.

Tecolote Canyon Trunk Sewer Improvement - S15020

Fund	Proposed	Change	Revised
700008 Muni Sewer Utility - CIP Funding Source	\$18,000,000	\$600,000	\$18,600,000

Funding was transferred from B24055 - Uni City Impr (S) (AJA00001) to support construction.

Water Treatment Plants - ABI00001

Fund	Proposed	Change	Revised
700010 Water Utility - CIP Funding Source	\$8,471,920	(\$250,000)	\$8,221,920

\$250,000 reduced from B23051 - Alvarado WTP Chemical Piping Repl due to revised project costs.

Stormwater**Flood Resilience Infrastructure - ACA00001**

Fund	Proposed	Change	Revised
400881 Debt Funded General Fund CIP Projects	\$40,434,929	\$2,000,000	\$42,434,929

Funding was transferred from AID-5 - Street Resurfacing. This funding will support B24106 - Villa La Jolla Drainage System Emergency.

Stormwater Green Infrastructure - ACC00001

Fund	Proposed	Change	Revised
100015 Climate Equity Fund	\$0	\$364,430	\$364,430

Funding will support construction of B19095 - Streamview Drive Green Infrastructure

Transportation

Bus Stop Improvements - AID00007

Fund	Proposed	Change	Revised
400691 Bus Stop Capital Improvement Fund	\$0	\$120,000	\$120,000

Funding will support construction of B25017 - Bus Stop Improvement Group 2500.

La Jolla Streetscape - RD24002

Fund	Proposed	Change	Revised
400123 La Jolla Urban Comm	\$0	\$15,000	\$15,000

Funding appropriation to support project construction.

New Walkways - AIK00001

Fund	Proposed	Change	Revised
400125 Otay Mesa/Nestor Urb Comm	\$0	\$11,645	\$11,645
400864 Encanto Neighborhoods DIF	\$0	\$25,000	\$25,000
400888 Citywide Mobility DIF	\$0	\$24,953	\$24,953

\$25,000 of Encanto DIF allocated to B18158 - 54th-Market to Santa Margarita Sidwlk to support construction. \$24,953 of Citywide Mobility DIF and \$11,645 Otay Nestor DIF to support B24109 - Saturn Blvd Sidewalk Installation construction.

Street Resurfacing and Reconstruction - AID00005

Fund	Proposed	Change	Revised
200203 Trench Cut Fees/Excavation Fee Fund	\$2,470,000	\$2,000,000	\$4,470,000
400881 Debt Funded General Fund CIP Projects	\$26,873,918	(\$2,000,000)	\$24,873,918

Funding will support B25049 - AC Overlay Group 2511. An equal amount of Fund 400881 is transferred to ACA-1 - Flood Resilience Infrastructure to support B24106 - Villa La Jolla Drainage System Emergency.

Traffic Calming - AIL00001

Fund	Proposed	Change	Revised
100015 Climate Equity Fund	\$0	\$2,035,570	\$2,035,570
400113 Linda Vista Urban Comm	\$34,483	\$201,727	\$236,210

Climate equity funding allocated to B23146 - Gompers Prep 47th St Safety Enhancements to support construction. Linda Vista DIF allocated to B23147 - Osler Street Traffic Calming.

Traffic Signals - Citywide - AIL00004

Fund	Proposed	Change	Revised
400112 North Park Urban Comm	\$0	\$140,000	\$140,000

Funding allocated to B20140 - Mississippi St @ El Cajon Blvd T/Signal to support construction.

Utilities Undergrounding Program - AID00001

Fund		Proposed	Change	Revised
200218	Underground Surcharge CIP Fund	\$7,133,298	\$1,300,000	\$8,433,298

Funding appropriation to support B25092 - Seminole Dr Ph 2 UU630 Rd Imp (CS) (\$400,000), B25091 - UUP Group 2503 Rd Imp (CS) (\$100,000), NEW - Block 1J Ph 2 UU231 Rd Imp (\$400,000), and NEW - Block 4Y Rd Imp (CS) (\$400,000).

Total CIP	\$845,949,106	(\$7,305,187)	\$838,643,919
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