

A photograph of a koala and its joey sitting on a tree branch. The koala is in the foreground, looking towards the camera. The joey is behind it, partially obscured. The background is a soft-focus green and brown, suggesting a forest setting.

THE PUBLIC'S GUIDE TO THE

# BUDGET PROCESS

AND THE

# FY 2026 ADOPTED BUDGET

The City of

**SAN DIEGO** 

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December 3, 2025

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# Introduction

Each year the City of San Diego (City) must forecast the revenues it will receive and the expenditures it will incur for the upcoming fiscal year as part of the budget process. The resulting official document is known as the Adopted Budget (Budget).

The Budget is a management and planning tool. Because the City is limited by the amount of resources available, the Budget aids City officials in determining which objectives have the highest priority, meet the greatest needs, and produce the greatest positive impact in the community. The annual Budget document serves as a plan for how the monies that come into the City will be spent to operate and maintain the City.

This guide, created by the Office of the Independent Budget Analyst (IBA), is designed to help interested residents gain a better understanding of the City of San Diego's Fiscal Year (FY) 2026 Adopted Budget, and the process by which the annual operating budget is developed each year. This guide provides residents with the following:

- An overview of the FY 2026 Adopted Budget
- A description of the annual budget process
- Information about how you can become more involved in the City's budget process
- Assistance in how to access and interpret budget documents

Although the City's expenditures have reached an all-time high in this fiscal year, balancing the Budget required cuts to some programs and the inclusion of several revenue sources that, as of Budget adoption, still needed Council's approval. Looking ahead, the City must continue to find ways to balance future budgets, which may include making further program reductions and finding new ways to bring in revenue. Challenges balancing the Budget are discussed in the *FY 2026 Adopted Budget Highlights* section.

Since this guide focuses on the FY 2026 operating budget, it excludes details regarding the FY 2026 Capital Improvements Program (CIP) budget. Capital infrastructure projects funded by the CIP budget are generally large and expensive, take multiple years to complete, and are primarily supported by financing sources outside the City's General Fund (the main funding source for core City functions and services included in the operating budget). The IBA's [Public's Guide to Infrastructure and the FY 2026 Adopted CIP Budget](#) provides an in-depth explanation of the CIP and its annual budget process. It may be used in conjunction with this guide to learn more about how the City formulates and funds major components of the annual budget. This guide to the budget is also available on the IBA's website: [www.sandiego.gov/iba](http://www.sandiego.gov/iba)

For additional information regarding the City's annual budget and other important topics, contact our office at:



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# **FY 2026 Adopted Budget**

# FY 2026 Adopted Budget

## FY 2026 Adopted Budget at a Glance

**Total FY 2026 Expenditures Budget:**  
**\$6.10 Billion**

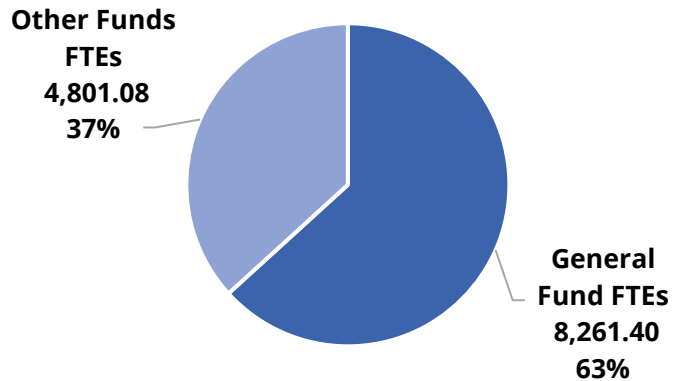


**Operating Budget**  
(all funds)  
**\$5.26 Billion**



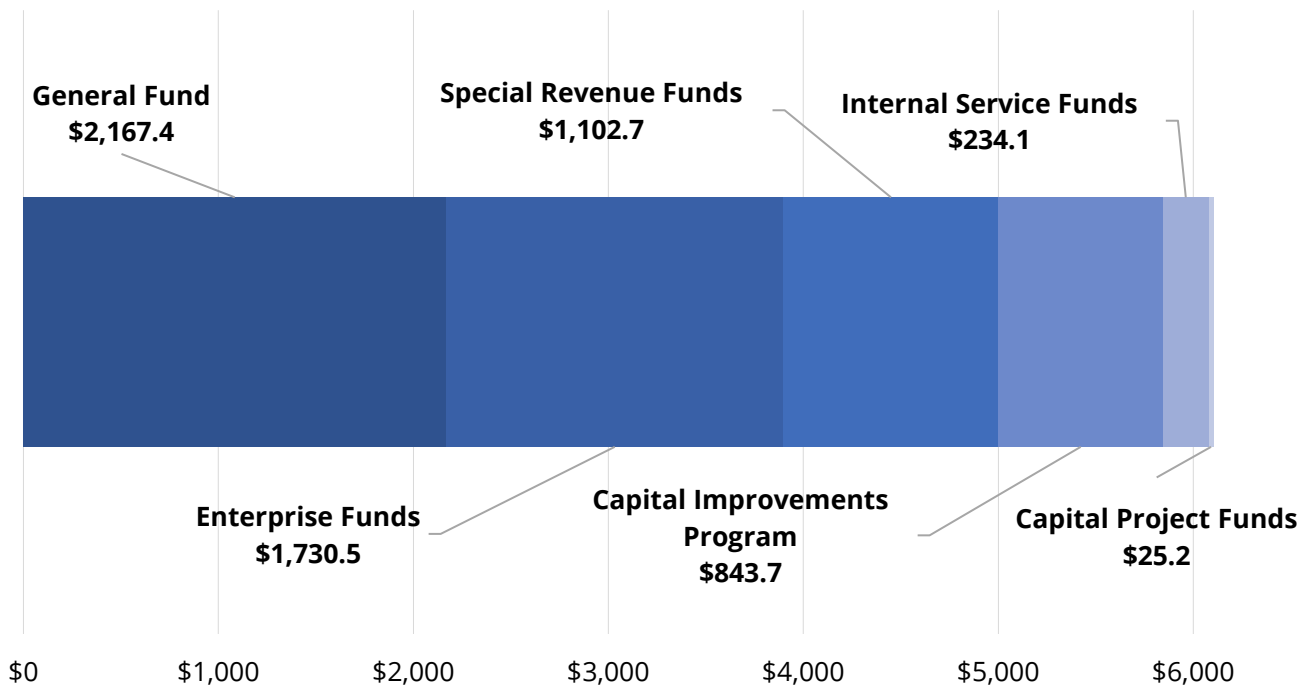
**Capital Improvements Program Budget**  
**\$843.7 Million**

**Total FY 2026 Full-Time Equivalent (FTE) Positions:**  
**13,062.48 FTEs**



## FY 2026 Expenditures by Fund Type/Program

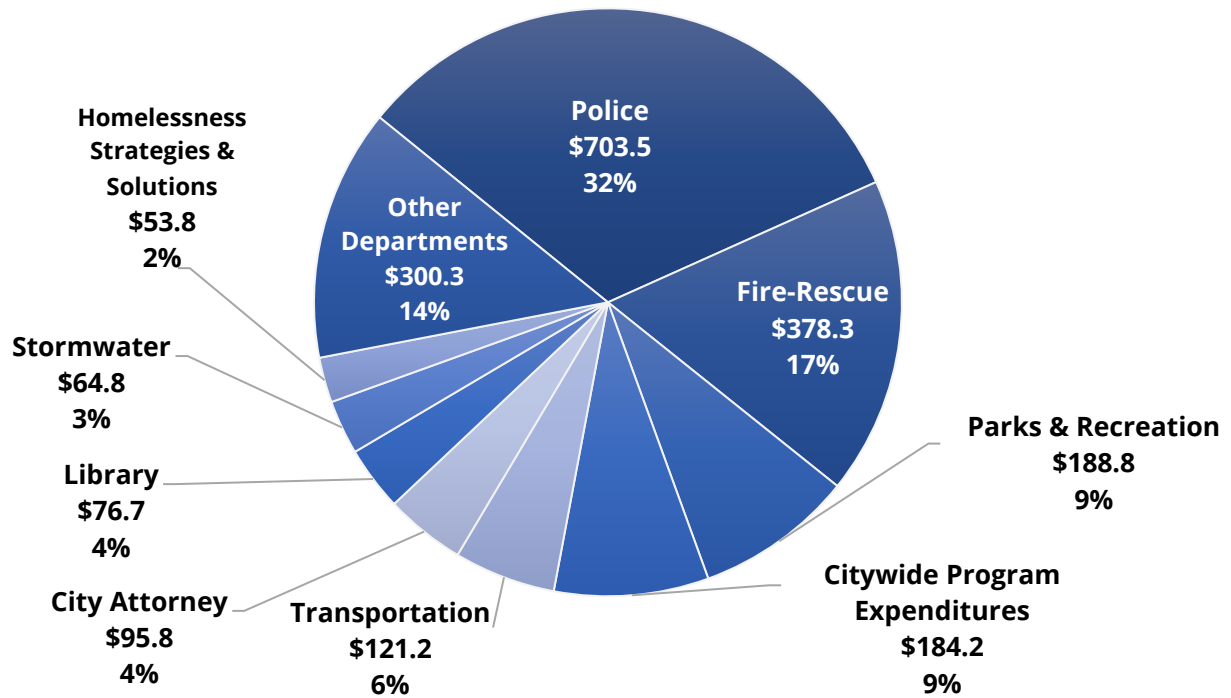
(Total: \$6.10 Billion; \$ in millions)



# FY 2026 Adopted Budget

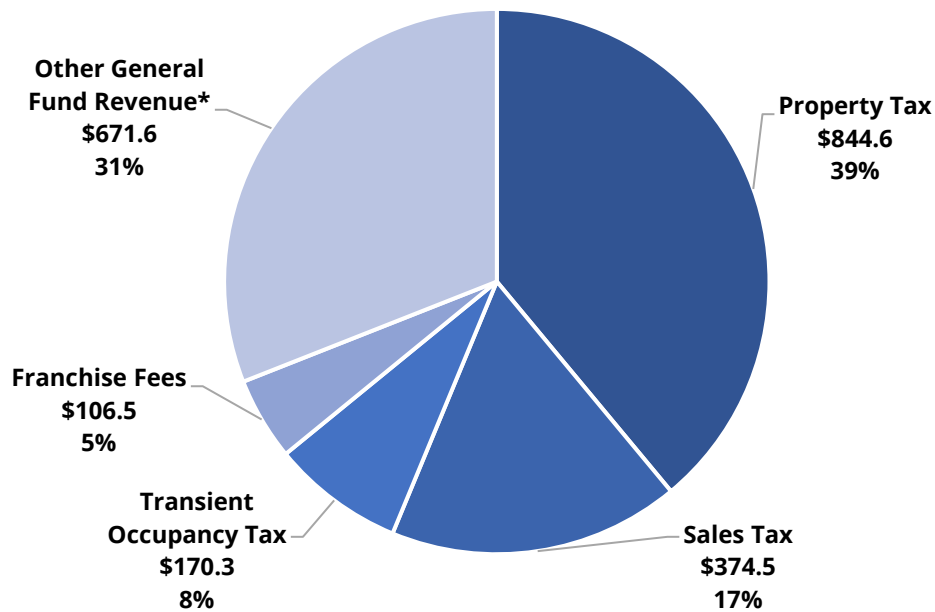
## FY 2026 General Fund Expenditures: by Department

(Total: \$2.17 Billion; \$ in millions)



## FY 2026 General Fund Revenue: by Source

(Total: \$2.17 Billion; \$ in millions)



\*Other General Fund Revenues include: licenses & permits; fines, forfeitures, and penalties; revenue from money and property; revenue from federal & other agencies; charges for current services; transfers in; and property transfer taxes.

# FY 2026 Adopted Budget

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## **FY 2026 Adopted Budget Highlights**

The City of San Diego's FY 2026 Adopted Budget totals \$6.10 billion in expenditures. Of this amount, \$2.17 billion is for the City's General Fund, which provides essential City functions and services such as public safety (including police, fire, and lifeguard services), parks and recreation, libraries, City street maintenance, and storm water management. Enterprise funds, which support water delivery, wastewater collection, and development services activities among others, total \$1.73 billion; and \$843.7 million is budgeted in the Capital Improvements Program (CIP) for capital projects across the City. Another \$1.34 billion is budgeted across several Special Revenue and Internal Service funds for specific and dedicated uses.

### **Balancing the FY 2026 Budget**

Although this fiscal year's budgeted expenditures and revenues are at an overall all-time high, balancing the FY 2026 Budget proved particularly challenging. This year's Budget was developed with the aim of striking a balance between stabilizing the City's General Fund finances and sustaining investments in key priorities such as public safety, homelessness and housing, and infrastructure.

By way of background, although the City's General Fund Budgets over the past several years were balanced, they were *structurally* imbalanced, meaning they relied on *one-time* resources, such as federal COVID relief funding and prior-year savings, to support *ongoing* expenditures. Structural imbalances occur when ongoing and sustainable revenue sources are not enough to support ongoing expenses. For FY 2025, the structural imbalance reached over \$200.0 million.

#### **Challenges Balancing the General Fund Budget**

*The City's budgets from FY 2022 to FY 2024 were largely balanced through the use of \$299.7 million in one-time federal COVID relief support from the American Rescue Plan Act (ARPA). ARPA funding was exhausted in FY 2024.*

*The FY 2025 and FY 2026 Budgets were balanced utilizing other one-time resources, scaling back funding for various programs and operations, and, for FY 2026, identifying new ongoing revenue sources.*

*To achieve a balanced budget in FY 2027 and beyond, the City will need to take additional steps; this could include further program reductions, as well as finding new ways to bring in revenue.*

To address the ongoing structural imbalance and avoid service reductions, a ballot measure proposing a 1¢ sales tax increase was presented to voters in November 2024. However, that measure narrowly failed.

Then in December 2024, the [FY 2026-2030 Five-Year Financial Outlook](#) projected a baseline budget shortfall of \$258.2 million for FY 2026. In response, the Mayor implemented a series of actions over the following months, which included a strategic hiring freeze, suspension of non-essential spending, consolidation of several departments, and the related reduction of budgeted staffing levels, among other things. Additionally, departments were directed to propose budget reductions for FY 2026.

In April 2025, the Mayor released the FY 2026 Draft Budget (Proposed Budget), which included expenditure reductions, such as the elimination of Sunday and Monday library hours, reduced recreation center hours, and reduced recreational access to all City reservoirs. The Proposed

# FY 2026 Adopted Budget

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Budget also included new or increased revenues such as a new fee for trash collection, a new paid parking program at Balboa Park, increased parking meter fees, increased fines for expired parking meters, and additional transient occupancy (hotel) tax revenue in accordance with Measure C<sup>1</sup> (providing support for homelessness services and the Convention Center).

In June 2025, the Council initially approved the Budget with several amendments, including the restoration of recreation center hours and recreational access to the City’s reservoirs, as well as restoration of Monday library hours at 16 branches. To fund these restorations, the Council opted to further reduce budgeted staffing levels and introduce additional revenue streams. Subsequently, citing fiscal concerns, the Mayor *vetoed*, or rejected, some of Council’s additions. Ultimately, the Council, by a two-thirds majority vote, overrode several vetoed items, and the Budget was formally adopted on June 23, 2025.<sup>2</sup> We highlight some of the services included in the FY 2026 Budget later in this report.

While the FY 2026 General Fund Budget was balanced in accordance with our City Charter requirements, the City used \$37.3 million in *one-time* resources to fund *ongoing* expenditures, resulting in a structural imbalance<sup>3</sup> – albeit an improved structural imbalance as compared to the over \$200.0 million for FY 2025.

In future fiscal years beyond FY 2026, the City will need to ensure it keeps ongoing operating expenses in balance with its ongoing revenues to achieve structurally balanced budgets. Continuing to use one-time funds for ongoing expenditures invites challenges in future fiscal years. As the City works to balance its budget, it will also need to keep an eye on economic uncertainties — like tariffs, inflation, and potential drops in consumer confidence or job growth — that could affect future financial planning.

## One-time vs. Ongoing Funding

*When developing the City’s annual budget, it is considered a best practice to fund ongoing expenses with ongoing resources. For instance, when adding new facilities or programs to the budget, the City must consider what ongoing operational costs are associated, and find an appropriate ongoing revenue source (e.g., an anticipated increase in property tax revenues) to fund it.*

*Through this best practice, the City can avoid using “temporary fixes” that fund ongoing programs with one-time resources, resulting in a more stable financial environment and a structurally balanced budget.*

*For more information about best practices regarding budget formation, refer to the financial policy descriptions later in this report, and to the FY 2026 Statement of Budgetary Principles, section C.1., which includes principles to ensure a fiscally responsible budget process (the final Council and Mayor-approved Principles are attached to [IBA Report 25-22 REV](#)).*

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<sup>1</sup> Measure C was an initiative that passed in 2020, went into effect in 2025, and is designed to provide additional transient occupancy tax revenue for homelessness services, convention center modernization and expansion, and street repairs.

<sup>2</sup> A detailed overview of major budget issues, as well as analysis of revenue projections and City departments and programs are provided in [the IBA’s Review of the FY 2026 Proposed Budget](#); updated FY 2026 revenue projections and the IBA’s final budget recommendations, which were used to inform the City Council’s approval of the FY 2026 Budget, are included in [IBA Report 25-18](#); and the final FY 2026 Budget can be found at the following link: <https://www.sandiego.gov/finance/annual>.

<sup>3</sup> The FY 2026 Adopted Budget includes \$103.6 million in excess one-time resources used to balance the budget, which includes \$66.4 million in resources resulting from forgone contributions to the General Fund and Risk Management Reserves. If these forgone reserve contributions are removed from the \$103.6 million, the FY 2026 structural imbalance is reduced to \$37.3 million.

# FY 2026 Adopted Budget

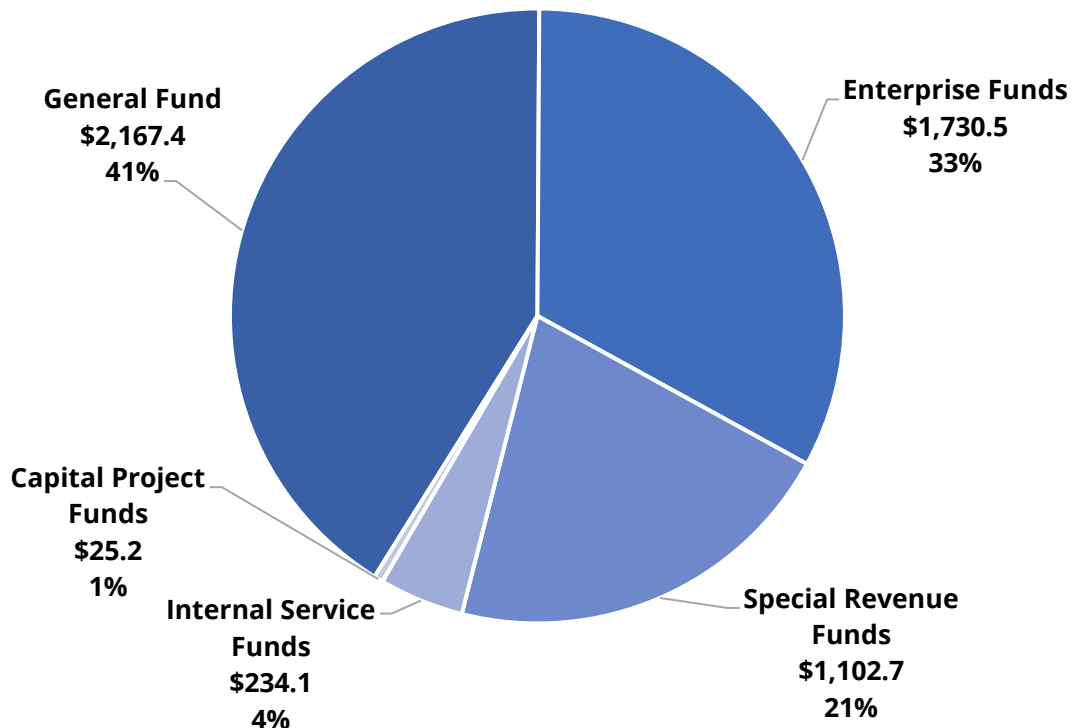
## The City's Operating Budget

The \$5.26 billion operating budget provides a plan for how the monies coming into the City (revenues) will be spent to operate and maintain City functions and services, such as Police and Fire-Rescue, roads and storm drains, and parks and libraries. In addition to the \$5.26 billion operating budget, \$843.7 million is set aside for the Capital Improvements Program (CIP) budget, which allocates available revenue to the rehabilitation, improvement, or new construction of public infrastructure such as streets, libraries, parks, and water pipes. It is common for cities to separate the operating budget and the CIP budget, as capital infrastructure projects are often large and costly, require multiple years to complete, and generally use financing sources outside of the City's General Fund. In contrast, the operating budget focuses on revenues and expenditures needed to carry out City services and programs for a specific fiscal year. For more information regarding the CIP, please refer to the IBA's [Public's Guide to Infrastructure and the FY 2026 Adopted CIP Budget](#).

The operating budget consists of five types of funds, including the General Fund. It is necessary to have multiple fund types as certain monies can only be used for specific purposes. For example, revenue generated by the Gas Tax is deposited in a Special Revenue Fund and is used only for street and road-related expenditures, such as resurfacing of streets, installation of streetlights and signals, and repainting of pavement markings. The pie chart below depicts the portion of the operating budget that is comprised of each fund type.

### **FY 2026 Operating Budget: by Fund Type**

(Total: \$5.26 Billion; \$ in million)



# FY 2026 Adopted Budget

## The General Fund

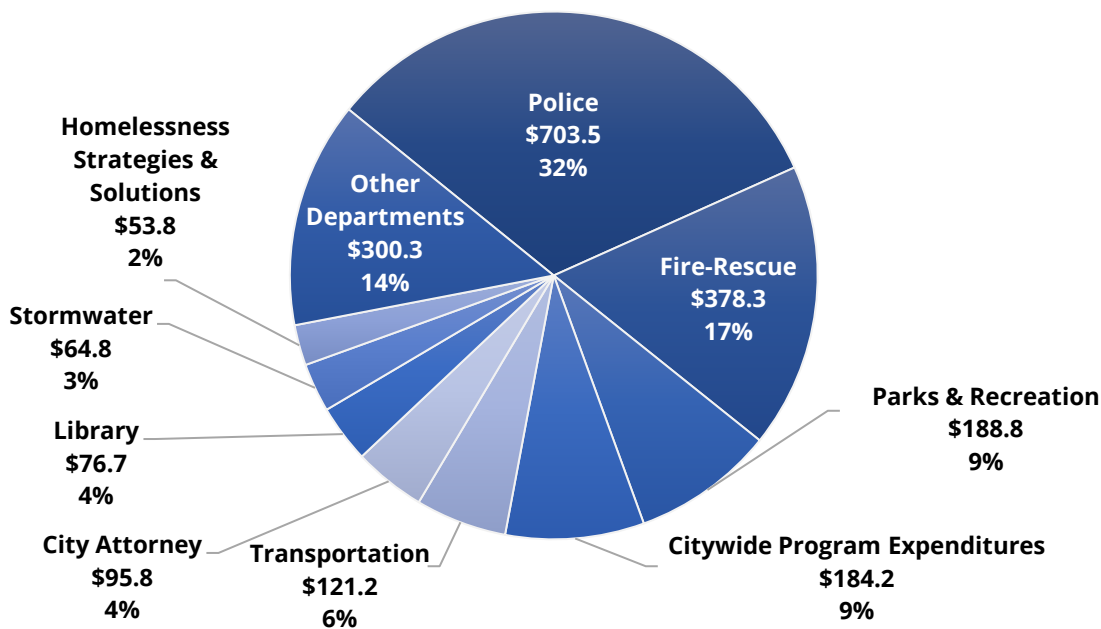
The General Fund is the largest of the five types of operating funds that the City maintains, representing approximately 41.2% of all operating expenditures budgeted for FY 2026. It is usually at the forefront of budget discussions because it is the City's main operating fund and is funded through the City's general tax revenues. Changes in General Fund revenues play a large part in the City's ability to pay for and maintain core community services such as public safety, roads and storm drains, parks and recreation, and library services, which use about 70.0% of the City's tax revenue. Each year the Mayor, City Council, and City staff must forecast the coming year's General Fund expenditures and incorporate those estimates into the Budget, taking into account available funds that are projected to be collected from tax revenue.

### General Fund Expenditures

The General Fund is the largest operating fund with \$2.17 billion in budgeted expenditures for FY 2026. This is a \$6.5 million, or 0.3%, increase from the FY 2025 Adopted Budget. The FY 2026 General Fund Budget includes costs associated with 8,261.40 budgeted full-time equivalent (FTE) positions, a decrease of approximately 472 FTE positions from the FY 2025 General Fund Budget. The money is expended through departments within the General Fund that provide core community services. The pie chart below illustrates General Fund expenditures by department for FY 2026. Approximately 49.9% of the City's General Fund resources are dedicated to Police and Fire-Rescue services, vital functions of City government. See [Volume 2](#) of the FY 2026 Adopted Budget for a detailed look at each department's budget.

### FY 2026 General Fund Expenditures: by Department

(Total: \$2.17 Billion; \$ in millions)



\*Other departments include: City Auditor, City Clerk, City Council, City Planning, City Treasurer, Communications, Compliance, Council Administration, Department of Finance, Department of Information Technology, Development Services, Economic Development, Environmental Services, Ethics Commission, General Services, Human Resources, Office of Emergency Services, Office of the Commission on Police Practices, Office of the IBA, Office of the Mayor, Performance & Analytics, Personnel, Public Utilities, Purchasing & Contracting.

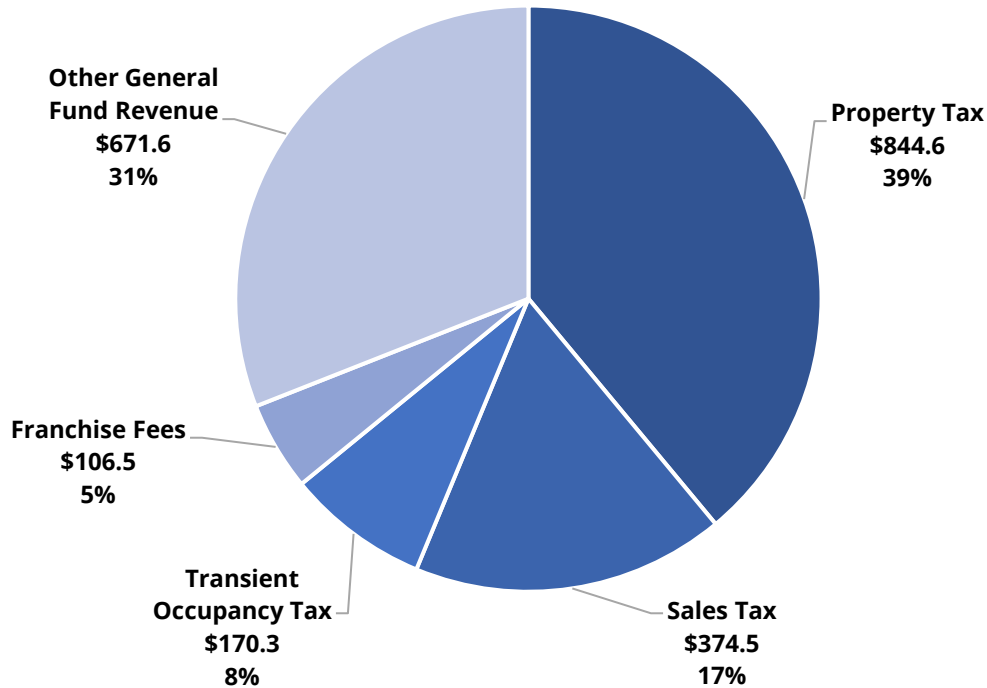
# FY 2026 Adopted Budget

## General Fund Revenue

Core City services funded by the General Fund are supported by a variety of revenue sources, totaling approximately \$2.17 billion for FY 2026 – an increase of \$90.9 million, or 4.4%, from the previous fiscal year.

### FY 2026 General Fund Revenue: by Source

(Total: \$2.17 Billion; \$ in millions)



The City has four major single sources of General Fund revenue – property tax, sales tax, transient occupancy tax (TOT), and franchise fees – which account for approximately 69.0% of total General Fund revenues for Fiscal Year 2026. These major revenues are dependent on the economic environment and can fluctuate from year to year. They are projected to decrease by \$3.0 million, or 0.2%, from the Fiscal Year 2025 Adopted Budget.

The \$3.0 million decrease in major General Fund revenues is more than offset by increases in the “Other General Fund Revenue” category, which makes up 31.0% of the pie chart above. These resources include reimbursements and supporting revenue from other funds; revenue from property, including rents and concessions; fines, forfeitures, and penalties; licenses and permits; and other smaller revenues such as property transfer tax. Some specific budgeted revenue increases for FY 2026 include: reimbursements for eligible General Fund expenditures from increased parking meter revenue; reimbursements for homelessness services from new Measure C<sup>4</sup> transient occupancy tax revenue; and anticipated new revenue from parking fees at Balboa Park and the San Diego Zoo. See the [Volume 1, General Fund Revenues section](#) of the FY 2026 Adopted Budget for a detailed description of General Fund revenue sources.

<sup>4</sup> Measure C was an initiative that passed in 2020, went into effect in 2025, and is designed to provide additional transient occupancy tax revenue for homelessness services, convention center modernization and expansion, and street repairs.

# FY 2026 Adopted Budget

## General Fund Dollars at Work

The diagram below depicts how a dollar of your taxes is split among categories of General Fund services in FY 2026.



<sup>a</sup> Non-Mayoral departments include: City Attorney, City Council, Personnel Department, City Clerk, City Auditor, Commission on Police Practices, Ethics Commission, and the Independent Budget Analyst.

<sup>b</sup> Public Works departments include: Stormwater, Environmental Services, Transportation, and Public Utilities.

<sup>c</sup> Administrative and other departments include: City Treasurer, the Real Estate Division of the Economic Development Department, Purchasing & Contracting, Communications, Finance, Information Technology, Human Resources, Performance & Analytics, Compliance, General Services, and the Mayor.

<sup>d</sup> Departments relating to Smart and Sustainable Communities include: Economic Development (not including the Real Estate Division), Development Services, and City Planning.

# FY 2026 Adopted Budget

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## **Other Funds**

In addition to the General Fund, the City of San Diego's FY 2026 Adopted Budget includes four other operating fund types and the CIP. It is necessary to have separate funds due to specific restrictions on how certain revenues may be used. The following descriptions summarize the *operating expenditures* budgets of the other four types of funds, what they may be used for, and how they acquire revenue. For additional information regarding these funds, please refer to [Volume 1 of the FY 2026 Adopted Budget](#), including the Citywide Budget Overview section and the Financial Summary and Schedules section.

### **Enterprise Funds**

These funds apply to specific services that are funded directly through user fees. Enterprise Funds are intended to be fully self-supporting and not subsidized by the General Fund. Examples include Water, Sewer, Development Services, Refuse Disposal, Recycling, Solid Waste Management, Golf Course, and Airport Funds. For FY 2026, Enterprise Funds are budgeted at \$1.73 billion, an increase of \$247.4 million, or 16.7%, over the FY 2025 Adopted Budget. The net increase is primarily driven by the implementation of 2022's Measure B, which authorized the City to charge fees for residential waste and recycling collection services. The FY 2026 Adopted Budget includes the implementation of full cost recovery for these services through the Solid Waste Management Fund, which increased expenditures by \$132.8 million as various costs from the General Fund, Recycling Fund, and other funds were transferred to the new enterprise fund. The newly adopted fees for solid waste collection provide the revenue to support these expenditures. Other notable increased expenditures are related to the City's water system, which increased by \$103.7 million in FY 2026 primarily due to increased costs for water purchases, dam and reservoir maintenance, and Pure Water Phase I operations.

### **Special Revenue Funds**

Special Revenue Funds account for revenue that is received for a specifically identified purpose. Examples include the Gas Tax Fund – which is used for the repair of streets and the maintenance of street lighting, traffic signals, traffic signs, and markings – and the Transient Occupancy Tax Fund – which includes Special Promotional Programs that are used to promote tourism in the City of San Diego. The FY 2026 Adopted Budget includes \$1.10 billion for these Special Revenue Funds, which is an increase of \$99.3 million, or 9.9%, from the FY 2025 Adopted Budget. This net increase is largely attributed to 2020's Measure C, which raised transient occupancy tax rates to support homelessness services and the Convention Center.

### **Internal Service Funds**

Internal Service Funds support the City's operations internally on a cost-reimbursable basis. The Fiscal Year 2026 Adopted Budget for Internal Service Funds totals \$234.1 million, an increase of \$42.2 million, or 22.0%, from the Fiscal Year 2025 Adopted Budget. The net increase is largely due to the acquisition of vehicles and refuse packers to support the City's new Solid Waste Management Fund, and various vehicles that support the General Fund.

# FY 2026 Adopted Budget

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## **Capital Project Funds**

Capital Project Funds are primarily used for the acquisition or construction of major capital facilities. These funds typically make up a small portion of the overall CIP, which can be supported by all fund types. The Fiscal Year 2026 Adopted Budget for Capital Project Funds is \$25.2 million, which is a decrease of \$1.1 million, or 4.3%, from the Fiscal Year 2025 Adopted Budget. This net decrease is primarily due to a decrease in TransNet revenue, which is funding from the San Diego Association of Governments (SANDAG) that supports transportation and stormwater projects.

# FY 2026 Adopted Budget

## Highlights of FY 2026 Services and Budget Adjustments

Although the FY 2026 Adopted Budget faced challenges — including some program reductions — it continues to support a range of public services, many of which are supported by the General Fund. This section highlights several of the City’s funded programs and services, some areas where cuts were made, and other budget adjustments.

### **Public Safety**

Ensuring public safety is a primary function of the City’s General Fund, with around half of the General Fund Budget being dedicated to the Police and Fire-Rescue Departments. A persistent resource issue for Public Safety over the past few years has been budgeting funds for overtime for both Fire-Rescue and Police. Both Departments will continue to require funds for overtime when service-level needs are above the capacity of current staff.



The FY 2026 Budget for the Police Department includes an overall net increase in funding from the General Fund of \$30.5 million. Salary and benefit adjustments are the primary driver for Police Department’s net increase in budgeted expenditures, which are partially offset by sworn staffing reductions (9.88 FTEs and \$3.3 million) related to gangs and vice operations, patrol operations, the Northwestern Division, and Department logistics, as well as reduced overtime expenditures (\$1.1 million).

The Fire-Rescue Department received \$24.9 million in additional funding from the General Fund. This net increase is largely due to salary and benefit adjustments. Another notable item is the restoration of Wellness Services.

### **Funding for Homelessness Programs and Services**

The City provides funding for homelessness programs and services in several ways. Funding is provided in the City's annual adopted budget, the San Diego Housing Commission's (SDHC) annual adopted budget, and through approval of individual funding requests outside of the budget process. Homelessness programs include emergency shelters, federal housing vouchers, permanent supportive housing, rental assistance, homelessness prevention programs, Safe Parking sites, Safe Sleeping sites, and outreach programs, among others. In total, \$280.7 million is allocated in FY 2026 for homelessness programs and services across multiple entities and funding sources, as detailed in [IBA Report 25-26 REV.](#)



Funding for these programs comes from a variety of sources. Of the total \$280.7 million homelessness allocation for FY 2026, \$61.9 million is budgeted in the General Fund, and the remaining amounts are supported by non-general funds, including federal, State, and County sources, as well as other funding from the SDHC. It is important to note that some non-general fund resources are only available on a one-time basis. For example, FY 2026 one-time resources include the State Homeless Housing, Assistance and Prevention (HHAP) grant,

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# FY 2026 Adopted Budget

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which is budgeted at \$25.2 million. As the City uses one-time funds to continue and expand homelessness services, the City will need to find other funds in the future to maintain these services.

Though addressing homelessness continues to be a major priority for the City, this year's funding saw a decrease. The \$280.7 million in planned expenditures for FY 2026 is \$35.2 million lower than the prior year. This net decrease is primarily attributed to a one-time allocation of \$85.1 million associated with two permanent supportive housing projects in FY 2025. This reduction is partially offset by a \$45.5 million proposed project aimed at providing permanent supportive housing for veterans and individuals facing homelessness with behavioral health challenges.

## **Parks, Recreation Centers, and Libraries**

The City operates and maintains over 40,000 acres of park assets, 60 recreation centers, 15 pools, and 13 skate parks. A list of recreation centers and details about hours and services at each location can be found on [Parks & Recreation's website](#). For FY 2026, the Parks and Recreation Department's budget included significant reductions to park maintenance and security services. To limit further reductions, the budget also included \$15.5 million in revenue assumed to be generated from the implementation of paid parking in Balboa Park and the San Diego Zoo parking lot. As of this writing, paid parking at Balboa Park is anticipated to begin by January 2026.



The Library Department's FY 2026 General Fund Budget included a reduction of approximately \$4.7 million in expenditures associated with the elimination of Monday library hours at 20 branch locations and Sunday library hours citywide. A list of all the branches and their respective hours can be found on the [Library's website](#).

## **Infrastructure Funding**

Infrastructure includes the basic physical structures, systems, and facilities needed to provide critical services to the community such as sidewalks, streets, storm drains, parks, libraries, fire stations, police facilities, and water and wastewater systems. Funding for the City's infrastructure supports a variety of needs, including new infrastructure projects, projects to repair or maintain existing infrastructure, condition assessments to determine the state of the City's assets, technology systems to support planning and management of assets, and employees to manage and implement these infrastructure projects.

Some significant investments in infrastructure for FY 2026 include \$27.2M for the Morena Pipeline project, \$6.2 million for Beyer Boulevard roadway improvements, and \$5.9 million for the replacement of the Oak Park Library. Additional information on infrastructure funding in the FY 2026 Budget can be found in the IBA's [Public's Guide to Infrastructure and the FY 2026 Adopted CIP Budget](#).



# FY 2026 Adopted Budget

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## Increased Parking Meter Revenue

In addition to implementing paid parking at Balboa Park and the San Diego Zoo, the City budgeted additional General Fund revenue related to several changes in parking meter fees. The first change reflects City Council’s January 2025 decision to increase most parking meter rates from \$1.25 per hour to the maximum allowable rate of \$2.50 per hour, resulting in a \$9.6 million budgeted revenue increase. The FY 2026 Budget also includes: \$2.6 million in revenue from expanded meter enforcement – additional hours per day and extending enforcement to Sundays; an additional \$6.3 million from special event-based pricing for parking; and \$1.0 million in new revenue related to credit card fees paid on parking meter transactions.



These revenues are restricted to funding eligible expenses, including parking enforcement by the Police Department, revenue administration by the City Treasurer’s Office, and right-of-way improvement projects.

## Solid Waste Management

In 2022, voters approved Measure B, which authorized the City to charge fees for the collection and disposal of waste, recycling, and organics from residential properties within the City. In June 2025, City Council voted to approve the implementation of a new fee schedule for trash collection.

Fiscal Year 2026 marks the first year the City is charging its residents for solid waste management services. These operations are accounted for in the newly established Solid Waste Management Fund, which includes about \$129.3 million in FY 2026 revenue from the solid waste collection fee.



## Consolidations and Department Restructures

To address the budget deficit, the Mayor implemented a series of operational consolidations and departmental restructurings beginning in February 2025, which continued into FY 2026. These changes included the Mayor assuming the responsibilities of the City Manager, resulting in the elimination of the Chief Operating Officer position and the merging of the Office of the Chief Operating Officer with the Office of the Mayor. Additionally, the Department of Government Affairs and the Office of Boards and Commissions were consolidated under the Mayor’s Office.

The Sustainability and Mobility Department was dissolved and its work units distributed among the City Planning, Transportation, General Services, and Engineering & Capital Projects Departments. The Office of Child and Youth Success was moved to the Library Department, while the Department of Cultural Affairs was restructured as a new division within the Economic Development Department.

The Office of Race & Equity was initially consolidated into the Human Resources Department. However, during the FY 2026 budget adoption process, City Council voted to transfer the Office of Race & Equity to the Office of the Independent Budget Analyst, as a new division.

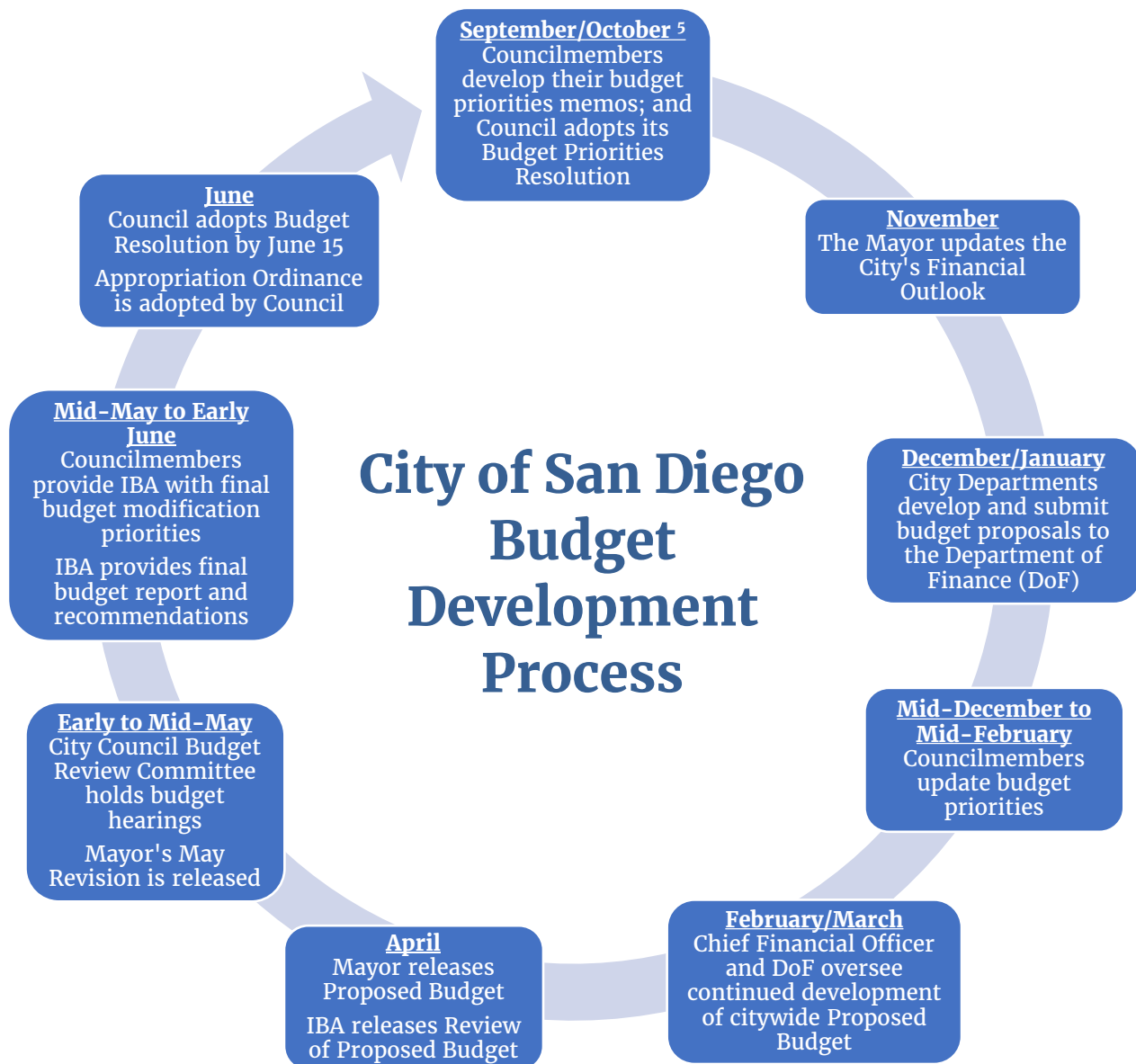


# **The Budget Process**

# The Budget Process

## Creation of the Budget

The City of San Diego's fiscal year runs from July 1 through June 30. As shown in the chart below, the budget process begins in September/October<sup>5</sup>, with Council's development and adoption of a resolution identifying their budget priorities for the upcoming fiscal year, and concludes in June with Council's adoption of the Budget Resolution and the Appropriation Ordinance. The Mayor, City Council, City staff, Office of the IBA, and residents of San Diego all play a significant role in the formation of the budget.



<sup>5</sup> For FY 2027 budget development, the Budget Priorities Resolution will be adopted in November 2026 instead of October.

# The Budget Process

## Roles in the Budget Process

### **Public's Role**

In order for the Mayor and City Council to discern which programs and issues are of the highest priority to residents, it is important for members of the public to play an active role in the budget process. Residents are encouraged to provide their input through multiple forums including:

- Contacting the Office of the Mayor and relevant City staff as the Proposed Budget is being developed
- Contacting your City Councilmember to weigh in on important issues in your community
- Attending and participating in City Council meetings, Budget & Government Efficiency Committee meetings, and annual Budget Review Committee hearings to provide input to the City Council as budget discussions are being held



In order to fully understand what is important to the residents of San Diego, the Mayor, City Council, and City staff need input from residents like yourself. Writing, calling, or emailing any of these officials is the first step in solving problems that are important to you. Additionally, becoming involved by attending public meetings is an opportunity to provide input, make suggestions, and become more knowledgeable about City affairs.

Please refer to the *City Council* and *Other Important Resources* sections of this guide to find out how to contact your City Councilmember, the Mayor's Office, and other key City staff.

### **Mayor's Role**

The Mayor is the Chief Executive Officer of the executive branch of the City's government. The Mayor and the Mayor's staff are responsible for:

- Developing the City's Five-Year Financial Outlook, which outlines the Mayor's fiscal priorities for the next five years and presents a forecast for anticipated revenues and expenditures
- Creating the Proposed Budget by working with the Chief Financial Officer (CFO), and other City staff
- Providing the City Council with a May Revision to the Proposed Budget for its consideration



# The Budget Process

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- Implementing the Adopted Budget
- Monitoring the Adopted Budget throughout the year and proposing modifications as necessary to ensure that it is balanced
- Managing the City's day-to-day operations

## City Council's Role

The City Council serves as the legislative branch of the City's government, and is responsible for setting policy and adopting the City's annual budget. Each Councilmember represents the residents that live in his or her district. The Council's responsibilities include:

- Adopting the Budget Priorities Resolution in October (November 2026 for FY 2027 priorities) and updating it in February for the Mayor's consideration in the development of the Proposed Budget
- Reviewing the Mayor's Proposed Budget
- Holding public hearings to gather input from residents and understand City departments' priorities and needs
- Considering and recommending changes to the Proposed Budget after public budget hearings
- Adopting the annual budget after consideration of public input, research, and policy priorities
- Accepting or rejecting proposed budget modifications during the year
- Providing policy direction for the governance of City operations through legislative actions



## IBA's Role

The Office of the IBA assists the City Council throughout the budget process by providing research, objective analysis, and recommendations for the budget. As part of the FY 2026 Budget approval process, the Office of Race & Equity was moved to a new Division within the Office of the IBA, and focuses on identifying equity implications of the City's budget and policy decisions with the goal of mitigating those impacts as well as deficiencies in department operations.

The IBA endeavors to provide transparency to the Council and the public in performing the following functions:

- Analyzes and issues a report on the Mayor's Five-Year Financial Outlook
  - Reviews and analyzes quarterly budget monitoring reports produced by the Department of Finance and prepares reports for the Council and the public
  - Prepares the City Council Budget Priorities Resolution in October, with an update in January, based on individual budget priorities of the Councilmembers and their
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# The Budget Process

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communities (The Resolution is submitted to the Mayor for consideration in the development of the upcoming year’s budget.)

- Analyzes each department’s equity-related goals and objectives to identify opportunities to make progress towards reducing disparities.
- Analyzes and prepares reports on the Mayor’s Proposed Budget and its May Revision for consideration by the City Council
- Develops final budget recommendations for City Council
- Provides analysis and recommendations year-round on legislative items that have financial and policy impacts to the City, supporting the City Council and its Committees
- Conducts an annual budget crash course for the public; attends and participates in City Council Town Halls on the Mayor’s Proposed Budget; and meets with groups as requested to better explain the budget process and the Mayor’s budget

Additionally, the Office of the IBA, working with various departments and offices,<sup>6</sup> releases a timeline for the City’s budget development and monitoring processes – see the [FY 2027 Budget Development and FY 2026 Budget Monitoring calendar](#). Based on timelines required by the City Charter, this calendar includes key dates related to the release and presentation of budget-related reports for both the operating and Capital Improvements Program (CIP) budgets.



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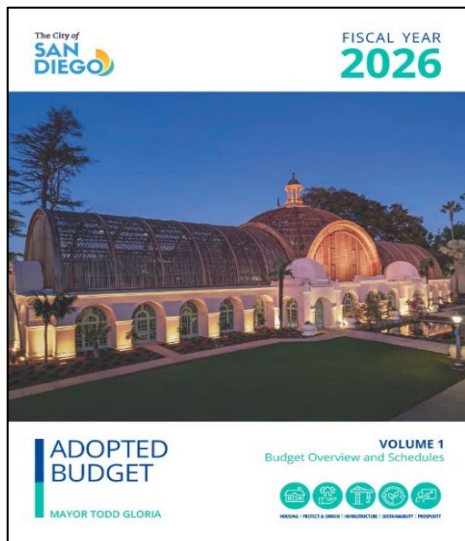
<sup>6</sup> This includes Department of Finance, Engineering & Capital Projects, City Planning, Public Utilities, Human Resources, and the City Attorney’s Office, as well as the Budget and Government Efficiency Committee Consultant, the Active Transportation and Infrastructure Committee Consultant, and the Director of Legislative Affairs.

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# The Budget Process

## Key Components of the Budget Documents



### Volume I: Budget Overview and Schedules

### Volume II: Department Detail

### Volume III: Capital Improvements Program

Annual budget documents (including the Proposed and Adopted Budgets) are produced by the Department of Finance with direction from the Mayor. There are three main parts to the City of San Diego’s annual budget. These parts include:

#### **Volume 1: Budget Overview and Schedules**

[Volume 1](#) provides an overview of the operating budget and CIP budget. Schedules are included that provide quick access to some of the general financial information for the City. It is an easy reference point for information about all components of the annual budget.

#### **Volume 2: Department Detail for the City’s Operating Budget**

The Operating Budget contains estimates of the total value of resources required for the City to provide services to its residents, and estimates of how much revenue the City will collect. [Volume 2](#) is broken down by department, and includes total budgeted revenues, expenditures, and FTE positions for the fiscal year, noting any change from the prior fiscal year. It also includes a Budget Equity Impact Statement section for each department, including equity highlights, equity-related shifts in ongoing operations, and equity components of budgetary adjustments. A guide to reading the Operating Budget can be found at the beginning of Volume 2.

#### **Volume 3: The Capital Improvements Program (CIP) Budget**

A capital improvement is a project that refurbishes or improves City infrastructure, for example, the replacement of streetlights or the development of a new City park. The Capital Improvements Program (CIP) budget is the long-range plan for all individual capital improvement projects and funding sources. Further explanation of the CIP Budget, its process, funding sources, and other details can be found in the IBA’s [Public’s Guide to Infrastructure and the FY 2026 Adopted CIP Budget](#). Additionally, the beginning of [Volume 3](#) includes an introduction to facilitate comprehension of this component of the annual budget.

# The Budget Process

## Monitoring the Budget and City Operations

In order to maintain a high level of transparency and accountability in government, the City of San Diego has multiple ways to ensure that taxpayer dollars are being used to achieve the best results from the resources available. A brief description of contributions from several City offices and departments are highlighted below, beginning with the City Council.

### **City Council**

As the legislative branch of City government, the City Council is responsible for setting policy direction; enacting, reviewing, and modifying legislation as appropriate; and adopting the annual budget. The Council provides a check and balance to the City's executive branch, which is run by the Mayor.

Eleven committees are comprised of City Councilmembers to help the Council analyze specific legislative matters in a focused and efficient manner. These committees are briefly described below.

#### Active Transportation and Infrastructure Committee

The Active Transportation & Infrastructure Committee began meeting in 2013 and is focused on the condition of the City's capital assets – such as streets, sidewalks, parks, and libraries – and identifies resources for addressing different capital needs. It reviews the Five-Year Capital Infrastructure Planning Outlook (CIP Outlook), and oversees asset management, additional streamlining opportunities, infrastructure financing strategies, contracts and related items for capital projects, among other related topics.

#### Audit Committee

The Audit Committee was established in the San Diego City Charter in 2008 as an oversight body. The Committee provides independent and legislative oversight for the City's financial reporting processes and internal controls, as well as the efficiency and effectiveness of City programs and operations through results of performance audits.

#### Budget & Government Efficiency Committee

The Budget and Government Efficiency Committee was created to oversee legislative issues that directly impact the annual budget. Committee responsibilities include the annual budget, financial reports, purchasing and contracting, and equal opportunity contracting, among other issues.

#### Budget Review Committee

The Budget Review Committee, which is composed of all members of the City Council, is responsible for reviewing the annual budget, and conducts the public budget hearings held each May. These Committee meetings allow members of the City Council to receive feedback from the public relating to budget priorities, and provide an opportunity for the Council to study, analyze, and evaluate the budget.

#### Council Committees

Active Transportation and Infrastructure

Audit

Budget and Government Efficiency

Budget Review

Community and Neighborhood Services

Economic Development & Intergovernmental Relations

Environment

Land Use and Housing

Public Safety

Rules

Select Committee on Addressing Cost of Living

# The Budget Process

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## Community and Neighborhood Services Committee

The Community and Neighborhood Services Committee's area of responsibility includes neighborhood parks, recreation programs, libraries, and youth and family services.

## Economic Development and Intergovernmental Relations Committee

The Economic Development and Intergovernmental Committee oversees issues relating to citywide economic development programs and strategy, intergovernmental relations, interagency agreements, arts & culture, and business improvement districts within the City.

## Environment Committee

The Environment Committee focuses on monitoring policies related to water management, wildlife management, stormwater management, clean energy, solid waste disposal, recycling, air quality, shoreline preservation, sustainability, and hazardous waste. The Committee's areas of responsibility also include the City's Climate Action Plan and Climate Resiliency Plan.

## Land Use and Housing Committee

The Land Use and Housing Committee focuses on reviewing issues related to homelessness services, affordable housing, land development, community plans, and real estate & airport management.

## Public Safety Committee

The Public Safety Committee is responsible for reviewing matters related to the City's police, firefighters, and lifeguards. Additionally, the Committee reviews matters related to homeland security, emergency medical services, gang prevention, and the Commission on Police Practices.

## Rules Committee

The Rules Committee's area of responsibility includes matters involving the rules of Council, the City Charter, the City's Municipal Code, open government, elections, ballot measures, and boards and commissions.

## Select Committee on Addressing Cost of Living

Established in December 2024, this Committee focuses on issues related to the cost of living in San Diego, including assessing factors that drive the cost of living, engaging with impacted stakeholders, and proposing legislative or policy changes to help address cost of living concerns. The Committee is authorized through December 19, 2025, unless its objectives have not been completed, in which case the Council can extend the Committee's work for up to two additional years.

## **City Attorney**

The elected [City Attorney](#) serves the residents of San Diego as both the Chief Legal Advisor and misdemeanor prosecutor. The City Attorney's Office provides advice to City Departments; prosecutes or defends civil lawsuits in which the City is a party; prosecutes criminal misdemeanors and infractions committed within City limits; and prosecutes cases that the community has identified as important to quality of life. The City Attorney's Office also works to provide support and services to victims of domestic violence, family violence, elder abuse, sexual assault, or sex trafficking via [Your Safe Place, a Family Justice Center](#).

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# The Budget Process

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## **City Auditor**

The independent [City Auditor](#) provides audit services to promote accountability to the public and to improve the efficiency, effectiveness, and equity of City government. The Office of the City Auditor also runs the City's [Fraud, Waste, and Abuse Hotline](#) and conducts related investigations for Hotline reports. Through performance audits and investigations, the Office of the City Auditor provides essential information to assist the City Council and City management in their decision-making processes.

## **Office of the IBA**

The [Office of the IBA](#) assists the City Council by providing analysis, reports, and recommendations on issues that affect the budget. Reports on numerous fiscal and policy matters are presented at City Council meetings, and during budget hearings and Committee meetings.

## **Office of the Mayor**

The [Mayor](#) serves as the City's Chief Executive Officer and in FY 2026 as the Chief Operating Officer. Accordingly, the Mayor oversees the City's daily operations and implementation of programs and initiatives to carry out the City's policy objectives. The Mayor is also responsible for proposing the City's annual budget by April 15th of each year – revising it as appropriate after input from the public and City Council through the May budget hearings – and producing the final Adopted Budget that is approved by the City Council in June.

## **Chief Financial Officer (CFO)**

The CFO supports the Mayor and provides the City with public services in the areas of financial reporting, auditing, management, and stewardship of City assets; the City's financial departments are organized under the CFO. The CFO is responsible for maintaining the financial records of the City, the development of the City's financial statements, preparing annual budgets, developing debt financing proposals, managing the City's investments, revenue collection and tracking, and long-range financial planning.

## **Department of Finance**

The [Department of Finance](#) (DoF) is a department under the Mayor that serves as an internal fiscal consultant to other City departments. DoF prepares the Proposed and Adopted Budgets in accordance with the City Charter each year. During the fiscal year, DoF monitors the City's expenditures and revenue receipts, oversees budget transfers and adjustments, and reviews requests for City Council and Mayoral actions for both the operating budget and the Capital Improvements Program. The DoF also prepares the City's Annual Comprehensive Financial Report (ACFR) at the end of each fiscal year and updates the City's Five-Year Financial Outlook.

## **Performance & Analytics**

The [Performance & Analytics Department](#) (Panda) is a department under the Mayor that supports the improvement of City operations and customer service by working to enhance citizen and staff engagement, improve data accessibility and use, and modernize/streamline City processes. Panda directly supports the annual budget by working to include departmental narratives and Key Performance Indicators in Volume 2 of the Proposed and Adopted Budgets.

# The Budget Process

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## **Financial Policies that Guide the Budget Process**

The City of San Diego has adopted several financial policies that serve as a guide to the Mayor and City Council in making policy decisions that affect the City's fiscal health. These can be found on the Department of Finance's website: [www.sandiego.gov/finance/about](http://www.sandiego.gov/finance/about).

### **City Budget Policy**

The City's Budget Policy ([Council Policy 000-02](#)) assists the City in achieving its current and future goals in a fiscally responsible and sustainable manner. These policies establish guidelines for developing and monitoring the City's annual operating and capital budgets.

### **City Reserve Policy**

Appropriate reserves are a key attribute of a financially stable organization. The City's Reserve Policy ([Council Policy 100-20](#)) recommends that the City establish and maintain appropriate reserves for its major funds. Adequate reserve levels allow the City to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies, such as natural disasters, catastrophic events caused by human activity, or excessive liabilities or legal judgments against the organization.

### **User Fee Policy**

The City charges a range of fees for services provided to residents and businesses, such as fees for recreational services, use of City property, inspections and permits, and other services. The User Fee Policy ([Council Policy 100-05](#)) outlines the method for establishing fees and the extent to which they recover the cost of the service provided.

### **City Debt Policy**

The City's CFO executes debt instruments, administers debt proceeds, manages ongoing disclosure and debt compliance, and makes debt service payments, acting with prudence and diligence and with attention to prevailing economic conditions. Debt is an equitable means of financing assets or projects over a time period that is aligned with the assets' lifespans, and represents an important means of meeting fiscal responsibilities. The City's [Debt Policy](#) primarily addresses debt instruments and securities issued by the City in public or private bond markets.

### **Statement of Budgetary Principles**

The Statement of Budgetary Principles (Principles) is an annual agreement between the City Council and the Mayor that helps establish a framework for the administration of the budget by the Mayor; supports a fiscally responsible budget process; and facilitates better communication on fiscal matters between the Council and the Mayor. On July 28, 2025 the City Council approved the FY 2026 Principles; the Mayor gave his final approval on August 4, 2025.

The final Council and Mayor-approved Principles are attached to [IBA Report 25-22 REV](#). Section C.1. includes principles to ensure a fiscally responsible budget process – important guidelines to adhere to when making decisions about the annual budget.



# City Council

# City Council

## City Council Offices

City Council offices are located on the 10th floor of the City Administration Building at: 202 C Street, San Diego, CA 92101. For more information about the City Council and Councilmembers, or to find your Council District, please visit <https://www.sandiego.gov/citycouncil>.



**Council President  
Joe LaCava**  
District 1  
(619) 236-6611



**Councilmember  
Jennifer Campbell**  
District 2  
(619) 236-6622



**Councilmember  
Stephen Whitburn**  
District 3  
(619) 236-6633



**Councilmember  
Henry Foster III**  
District 4  
(619) 236-6644



**Councilmember  
Marni von Wilpert**  
District 5  
(619) 236-6655



**Council President Pro Tem  
Kent Lee**  
District 6  
(619) 236-6616



**Councilmember  
Raul Campillo**  
District 7  
(619) 236-6677



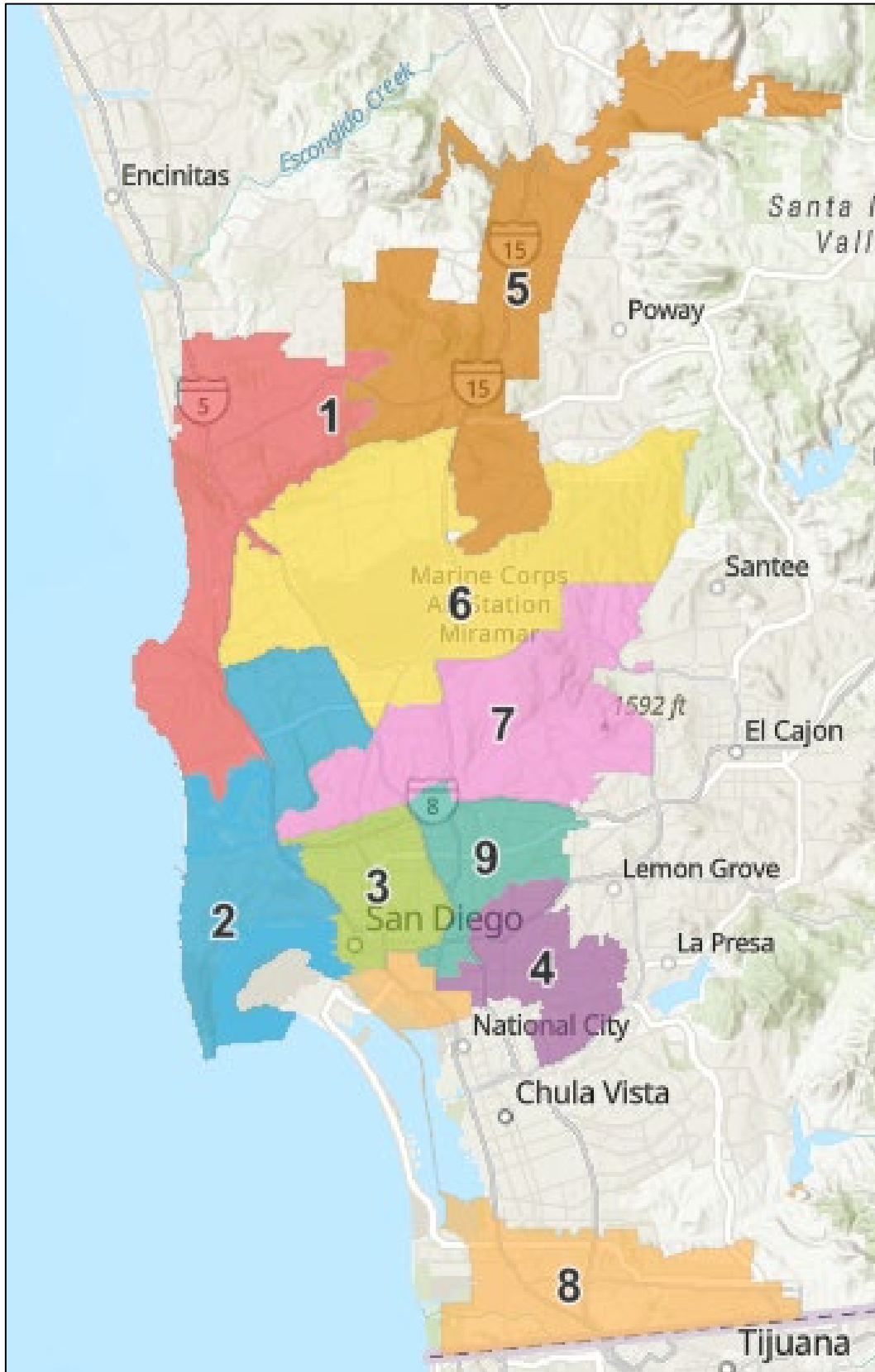
**Councilmember  
Vivian Moreno**  
District 8  
(619) 236-6688



**Councilmember  
Sean Elo-Rivera**  
District 9  
(619) 236-6699

# City Council

## City Council Districts





# Other Important Resources

# Other Important Resources

## Contact Information and Addresses



**City Administration Building**  
202 C Street, San Diego, CA 92101

- Council Chambers (12<sup>th</sup> Floor)
- Mayor's Office (11<sup>th</sup> Floor)
- City Council Offices (10<sup>th</sup> Floor)
- Office of the IBA (3<sup>rd</sup> Floor)
- City Clerk's Office (2<sup>nd</sup> Floor)



**Todd Gloria**  
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**Heather Ferbert**  
City Attorney  
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**Charles Modica**  
Independent Budget Analyst  
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**Andy Hanau**  
City Auditor  
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cityauditor@sandiego.gov



**Diana Fuentes**  
City Clerk  
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cityclerk@sandiego.gov



**Rolando Charvel**  
Department of Finance  
Director and City Comptroller  
(619) 236-6060  
DoF@sandiego.gov

## Other Important Resources

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### **Budget Documents and Other Information**

#### **The Annual Budget**

Annual budget documents, including the Proposed Budget and Adopted Budgets for current and prior fiscal years, can be found on the Department of Finance's website: [www.sandiego.gov/finance](http://www.sandiego.gov/finance). You can also find budget monitoring reports and the City's Five-Year Financial Outlook on this website.

#### **City Council & Committee Meeting Agendas**

City Council and Committee meeting agendas and related materials, including those for the Audit, Budget & Government Efficiency, Budget Review, and Active Transportation & Infrastructure Committees, can be found on the City Clerk's website: <https://www.sandiego.gov/city-clerk/officialdocs>

#### **IBA Reports and Presentations**

IBA reports and presentations on the budget and other fiscal and policy matters can be found at: [www.sandiego.gov/iba](http://www.sandiego.gov/iba). For updates when new reports are released, follow the IBA on X (Twitter) [@SanDiegoIBA](https://twitter.com/SanDiegoIBA), or sign up for email updates on our website.



# Frequently Asked Questions (FAQs)

# Frequently Asked Questions (FAQs)

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## **When does the City of San Diego's fiscal year begin and end?**

The City's fiscal year (FY) begins July 1 and ends on June 30.

## **What is the size of the City's budget?**

For FY 2026, the City's total budget is \$6.10 billion, with \$5.26 billion for the operating budget and \$843.7 million for the Capital Improvements Program (CIP) budget.

## **Where do the City's revenues come from?**

Core services, such as public safety and neighborhood services, are largely supported by major revenue sources including property tax, sales tax, transient occupancy (hotel) tax, and franchise fees. Other sources of revenue for the General Fund include reimbursements and supporting revenue from other funds; revenue from property, including rents and concessions; fines, forfeitures, and penalties; licenses and permits; and other smaller revenues such as property transfer tax. See the [Volume 1, General Fund Revenues section](#) of the FY 2026 Adopted Budget for a detailed description of General Fund revenue sources.

## **What does the City spend its money on?**

A large part of the City's total budget is for the General Fund. Departments supported by the General Fund provide core community services, such as public safety (police, fire, and lifeguards); neighborhood services (parks, recreation centers, and libraries); and public works services (street maintenance and storm water management). City support functions, such as financial, legal, and human resources services, are also included in the General Fund. Enterprise Funds are also a large part of the City's budget; they are intended to be fully self-supporting and not subsidized by the General Fund. Enterprise Fund examples include the Water and Sewer Funds. See [Volume 2](#) of the FY 2026 Adopted Budget for a detailed look at each department's budget.

## **How can I contribute input in the development of the City's Budget?**

The City Charter requires that the City Council hold public hearings before they vote to modify or adopt the Mayor's budget by the June 15th deadline. These hearings would be a good time to provide input regarding the budget. A timeline for the City's budget development and monitoring processes is included in the [FY 2027 Budget Development and FY 2026 Budget Monitoring calendar](#). Based on timelines required by the City Charter, this calendar includes key dates related to the release and presentation of budget-related reports for both the operating and Capital Improvements Program (CIP) budgets.

Additionally, members of the public may provide input on the priorities all year long through contacting the Mayor's Office, contacting their respective Councilmember's Office, and making comments at Council and Committee meetings.

## **Does the budget have to be balanced?**

The City is required by law to balance its budget each year. The budget is monitored throughout the year to determine whether the City is spending more or less than its revenues. The City makes adjustments to its spending as needed in order to ensure at year-end there are sufficient resources to cover expenditures and the budget remains balanced.



# Glossary

# Glossary

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## **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.

## **American Rescue Plan Act (ARPA)**

The President signed the American Rescue Plan Act of 2021 (ARPA) into law on March 11, 2021. Similar to, but much larger than, the Coronavirus Aid, Relief, and Economic Security Act (CARES), ARPA provided the City with \$299.7 million in Coronavirus State and Local Fiscal Recovery Funds from FY 2022 to FY 2024.

## **Annual Comprehensive Financial Report (ACFR)**

The ACFR summarizes financial data for the previous fiscal year in a standardized format. This report includes the City's financial statements, which are prepared by the Department of Finance in accordance with governmental accounting principles, and which are audited by the City's external audit firm. The ACFR also includes overviews and analyses of the City's finances and a statistical section that includes financial, revenue, and operating trends; debt information; and demographic and economic information.

## **Appropriation**

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

## **Appropriation Ordinance**

The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

## **Balance (Fund Balance)**

The accumulation of operating surpluses and deficits over time.

## **Balanced Budget**

The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus available fund 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.

## **Budget**

Proposed plan of expenditures and revenue over a specified period of time, such as a fiscal year or accounting period.

## **Budget Priorities Resolution**

A Resolution in which the City Council has adopted a set of priorities for the upcoming annual budget. Each Councilmember annually submits priorities in a memo to the IBA; priorities from those memos that are supported by a majority of Councilmember's are compiled and presented in a report by the Office of the IBA; and upon review of the IBA's report, the Council approves its Budget Priorities Resolution, which is submitted to the Mayor for consideration in developing the Proposed Budget. This process is initially completed in the fall, with an update to the Resolution approved in February.

## **Capital Improvement Project**

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

# Glossary

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of land, or the construction or remodeling of a City building.

## **Capital Improvements Program (CIP)**

The long-range plan for all individual capital improvement projects and funding sources. CIP projects are unique construction projects that aim to install new, replace old, or rehabilitate existing infrastructure. Information regarding the City of San Diego's CIP can be found in Volume 3 of the City's Annual Budget document.

## **Expenditure**

The actual outlay of monies from the City treasury.

## **Expenses**

Charges incurred for operations, maintenance, interest, or other charges.

## **Fiscal Year (FY)**

A 12-month timeframe that has a designated beginning and ending period for recording financial transactions. The City of San Diego has specified July 1 through June 30 as its fiscal year.

## **Five-Year Financial Outlook**

The Five-Year Financial Outlook includes revenue and expenditure forecasts which are based on various assumptions. It 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.

## **Franchise Fees**

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

## **Fund**

A fiscal and accounting entity with a self-balancing set of accounts to record revenue and expenditures.

## **General Fund**

The City's main operating fund, which is funded through the City's general tax revenues and pays for basic City services, such as public safety, parks, and library services.

## **Grant**

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

## **Infrastructure**

The basic structures and underlying facilities needed for the functioning of a community and its economy, such as public facilities, streets, roads, bridges, tunnels, parks, storm drains, and water and sewer systems.

## **One-Time Revenues or Expenditures**

Non-recurring revenues or expenditures for one-time projects or services. After a one-time project or service is completed, expenditures are terminated and are not considered part of the budget for the following year.

## **Ongoing Revenues or Expenditures**

Revenues or expenditures that are recurring and continue over more than one fiscal year.

## **Operating Budget**

Authorized expenditures for ongoing municipal services such as public safety, street

# Glossary

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maintenance, parks, and libraries. The detail of the City of San Diego's operating budget can be found in Volume 2 of the City's annual budget document.

## **Proposed 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.

## **Reserve**

An account used to indicate that a portion of a fund's balance is set aside for a specific purpose (for example, to cover an unexpected revenue shortfall) and is, therefore, not available for general appropriation.

## **Revenue**

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

## **Schedules**

Schedules provide a summary of revenues, expenditures, and FTE positions for the operating budgets of the City's departments and budgeted funds, and reflect the funding sources and spending areas of the Capital Improvements Program.

## **Structural Budget Deficit**

Occurs when ongoing and sustainable revenue sources are not enough to support ongoing expenses.

## **Transient Occupancy Tax (TOT)**

A tax that is imposed on occupants of hotel and motel rooms in the City of San Diego.

## **User Fee**

A charge for services provided by the City to residents and businesses, such as fees for recreational services, use of City property, inspections and permits, and other services.