

- Role of the Office of the IBA
- Mayor/Council Roles in the Budget Process
- Annual Budget Process/Council and Mayoral Priorities
- Opportunities for Public Input in the City's Annual Budget



# Independent Budget Analyst

February 2018





# Office of the Independent Budget Analyst (IBA)

*IBA provides clear, objective, unbiased analysis and advice to the City Council and the public regarding all legislative items bearing financial and policy impacts to the City of San Diego*

# Why was the IBA Created?

*In 2003, serious financial problems led to a loss of confidence at City Hall*

- Serious budget shortfalls, irresponsible expenditures
- Underfunding of pension system while increasing benefits
- City lost its credit rating, could not issue debt (no bonding for streets, sidewalks, etc.)
- SEC was charged with oversight of our financial operations

## Why was the IBA Created? *cont'd*

*Loss of confidence led to citizen initiative to do away with City Manager form of government and switch to Strong Mayor/Strong Council*

- Approved by voters in Fall 2004
- Sitting Mayor resigns, election for new Mayor held
- Strong Mayor/Strong Council form of government went into effect January 7, 2006, including the IBA Office

## Why was the IBA Created? *cont'd*

*Strong Mayor ballot included creation of the Office of the IBA to advise the Council*

- Elected Mayor, not professional manager, runs the City
- All City employees report to Mayor, carrying out his/her agenda
- Councilmembers no longer had a City Manager to advise them on complex matters
- Mayor brings one perspective to the table, Council brings nine different perspectives, which do not always line up with the Mayor

# Why our Office's Role is Important

*It is critical to have checks and balances between the Executive Branch (Mayor) and the Legislative Branch (City Council) in a Strong Mayor form of government*

- To help ensure the City Council is coequal to the Mayor, the Council needs its own executive level support to:
  - Serve as independent advisor on proposals from the Mayor and all items before the Council
  - Provide Council and the public with the information needed to make informed, effective decisions
  - Identify issues and make recommendations to approve, amend, or reject the proposal

# About the IBA

- The IBA is not elected, but appointed by the City Council, and can only be removed by a majority vote of Council
- The IBA:
  - Must be a local government professional with significant financial, budget, policy, and management experience
  - Serves “at will”
  - Manages and leads the direction of the office, and
  - Hires and supervises all staff in the office



## Our Mission...

- To provide clear, objective, and unbiased analysis and advice to the City Council and the public on important financial and policy issues
- In order for us to provide clear, objective, and unbiased analysis and advice, we have to be able to operate independently



# What makes us independent...

- Independent from Mayor by City Charter and purpose of position
- Operate independently from Council in the work we do as a result of establishing ground rules and protocols
- Function independently of Council on a day-to-day basis
  - City Council and its Committees can request us to review certain issues, but they do not tell the IBA what to recommend or what position to take

## What makes us independent... *cont'd*

- We rely on objective research and analysis to support our conclusions and recommendations
- We do not discuss positions or reports with Council Members as they are developed—Council sees our reports at the same time as the public
- Our recommendations may not match Council Members' positions
  - Likely won't match to all nine at any one time but that is not the goal
- Independent Budget Analyst is an advisory office only



## What makes us independent... *cont'd*

*Even if individual Council members do not agree with our position, the City Council as a whole is relying on our office to be objective and unbiased, so they expect and respect our objectivity and independence*

# Strong Mayor/Strong Council Roles and Authorities in the Budget Process

*The Mayor is required to propose a budget each year, for review and approval by the City Council*

- The Mayor:
  - Is responsible for proposing a balanced budget to Council by April 15
  - Provides any changes to the budget in the May Revision, for Council consideration
  - Is responsible for the administration of the budget once it is adopted by Council
  - Is the City's chief executive; most City employees report to him including Financial Management (budget office)

# Strong Mayor/Strong Council Roles and Authorities in the Budget Process *cont'd*

- The Council:
  - Is responsible for reviewing and approving the Proposed Budget on or before June 15
  - Has the authority to change budgeted line items or services and programs proposed in the Mayor's budget, as long as the budget remains balanced
  - Has final budget authority



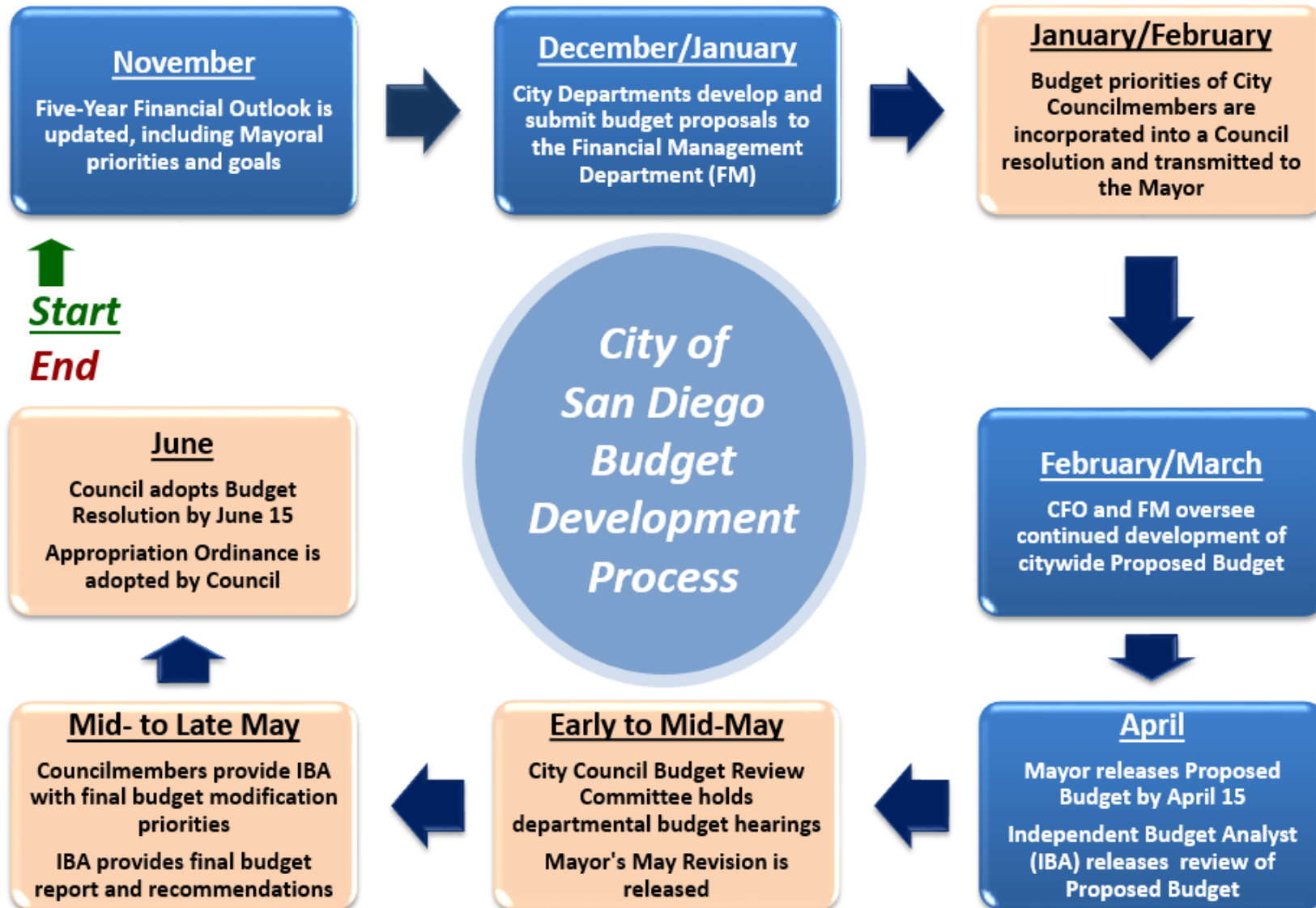
# Strong Mayor/Strong Council Roles and Authorities in the Budget Process *cont'd*

- The Office of the IBA:
  - Reviews and analyzes the Mayor's Proposed Budget
  - Develops final budget recommendations for City Council throughout the budget process
  - Provides support to the City Council and its Committees

# Strong Mayor/Strong Council Roles and Authorities in the Budget Process *cont'd*

- The Mayor can veto Council changes to the Proposed Budget
- The Council can override a Mayoral veto with six votes
- After the budget is adopted, the Mayor and Council monitor expenditures, revenues, and significant City programs and services throughout the fiscal year
- Mayor, Council, and IBA roles are included in the City Charter with further definition in the City's Municipal Code

# FY 2019 Budget Development Process







# FY 2019 Budget Development Process *cont'd*

*Budget development begins in the fall of each year and ends in June when the Council adopts the budget*

- October/November: CIP budget development process begins
- November:
  - Five-Year Financial Forecast released
  - Proposed budget development begins
- January:
  - Five-Year CIP Forecast released
  - City Council budget priorities developed

# FY 2019 Budget Development Process *cont'd*

- February/March:
  - Approved City Council budget priorities sent to Mayor for consideration in the Proposed Budget
  - Mid-Year Budget Monitoring discussed at Council
- April:
  - Mayor's Proposed Budget released by April 15
  - IBA's review of the Proposed Budget released two weeks later
- May:
  - City Council Budget Review Committee hearings held, including one evening meeting
  - Mayor's May Revision to the Proposed Budget released

# FY 2019 Budget Development Process *cont'd*

- May (*cont'd*):
  - Mayor's Year-End Budget Monitoring report released
  - City Councilmembers send final budget priority memoranda to IBA
- June:
  - IBA releases final budget recommendations report
  - City Council adopts the budget by June 15
  - Mayor has five business days to veto all or part of the Adopted Budget
  - Council has five business days to override all or part of the Mayor's veto (six votes needed)



# The FY 2019 Budget – Opportunities for Public Input

*There are a number opportunities for public input on the budget throughout the year, but especially in the January – May timeframe*

- Contact the Mayor during the budget development/May Revision process (October/April)
- Contact Councilmembers at any point in the year, but especially:
  - September: for **capital project priorities** prior to the Mayor's request for Councilmember CIP input
  - November: as part of Council's review of the Five-Year Forecast



# The FY 2019 Budget – Opportunities for Public Input *cont'd*

- Contact Councilmembers at any point in the year (*cont'd*):
  - January: prior to the release of Councilmember budget priorities
  - May:
    - Participate in Budget Review Committee hearings (May 2-9; plus City Council meeting May 14 at 6:00pm)
    - Attend Council District Town Halls on the budget
    - Contact Councilmembers prior to them sending their final budget priority memoranda to the IBA on May 21
  - Throughout the year:
    - Review Mayoral or IBA budget reports released
    - Contact the IBA with any questions



# Important Resources Online

*Office of the IBA*

*[www.sandiego.gov/iba](http://www.sandiego.gov/iba)*

- Citizen's Guide to the Budget
- Citizen's Guide to Infrastructure
- City Council FY 2019 Budget Priorities Request Number
- IBA Review of Mayor's Proposed Budget (to be released April 27, 2018)
- IBA Final Recommended Modification to the FY 2019 Budget (to be released June 4, 2018)
- IBA reports and a full list of key budget dates are online:  
<https://www.sandiego.gov/iba>
- Call our office for additional information: 619-236-6555