

City of San Diego  
Office of the Independent Budget Analyst

## MONTHLY SNAPSHOT OF REPORTS AND ACTIVITIES FOR NOVEMBER 2011

### Highlights of Major Reports Issued in the Month of November:

#### [Reports No. 11-66 and 11-66 REV “Review of the Mayor’s Five-Year Financial Outlook for FY 2013—2017”](#)

On October 12, 2011 the Mayor released his Five-Year Financial Outlook for FY 2013 – 2017, marking the sixth Financial Outlook under the current administration. Consistent with prior versions of the Outlook, General Fund deficits are projected to continue over the next several years, though declining from \$31.8 million in FY 2013 to \$5.6 million in FY 2016. However, in contrast with prior versions, the current Outlook projects a General Fund surplus of approximately \$22.7 million in the final year of forecast period (FY 2017).

The improvement in the financial outlook is driven primarily by growth in the major General Fund revenues. Total General Fund revenues are projected to increase by approximately \$179.6 million or 15.9 percent over the five-year outlook period, while expenditures are projected to increase by \$155.2 million, or 13.8 percent.

This report presents the IBA’s review and analysis of the Five-Year Outlook for FY 2013 – 2017. The report begins with a review of the General Fund revenue projections, focusing on the major General Fund revenues. General Fund expenditures are then discussed, including significant areas such as salaries & wages, pension, retiree health, non-personnel expense, new facilities and deferred capital. In addition, this section provides an overview of departmental programmatic additions that have been factored into the Outlook. The report then discusses the IBA’s Outlook Scenario, which incorporates a number of adjustments to the Mayor’s Outlook. Finally, we highlight some of the significant service impacts that have resulted from budget reductions over the past decade, and estimate the cost of modest service restorations in select areas.

The IBA’s review and analysis of the Five –Year Outlook for FY 2013 - 2017 was heard at the Budget & Finance Committee on November 16, 2011 and the City Council on December 5, 2011.

#### [Report No. 11-65 “Independent Rates Oversight Committee \(IROC\) - Audit Responsibilities”](#)

On October 3, 2011, the Audit Committee received a presentation of the audit of the Public Utilities Department Capital Improvement Program. In discussing audit findings made by the Office of the City Auditor,

### Reports Highlighted for the Month of November 2011:

**“Review of the Mayor’s Five-Year Financial Outlook for FY 2013—2017”**

[Report No. 11-66 \(11/10/11\)](#)

[Report No. 11-66 REV \(12/1/11\)](#)

**“Independent Rates Oversight Committee (IROC) - Audit Responsibilities”**

[Report No. 11-65 \(11/4/11\)](#)

### IBA Web Address:

<http://www.sandiego.gov/iba/>



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Committee Member Hebrank raised questions about the Independent Rates Oversight Committee (IROC) and their role in procuring performance audits. This report provides additional information about IROC responsibilities and related performance audits that IROC now requests from the Office of the City Auditor. Additionally, we discuss the current interaction between the Office of the City Auditor and IROC to identify and request future performance audits related to public utility operations.

In developing this report the IBA reviewed IROC Annual Reports and solicited feedback from the current IROC Chair with respect to their performance audit related duties.

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