

# FY 2025 IBA Budget Crash Course

March 2025



**Office of the Independent Budget Analyst**  
*Providing the City Council and the public with clear, objective, and unbiased information and analysis.*



# Why is the City's Budget Important?

*The Budget is a statement of  
– and plan to address –  
City Priorities.*



# The City's Budget has Two Parts

## Operating Budget

Outlines how funds will be spent on City services, including public safety and parks and recreation



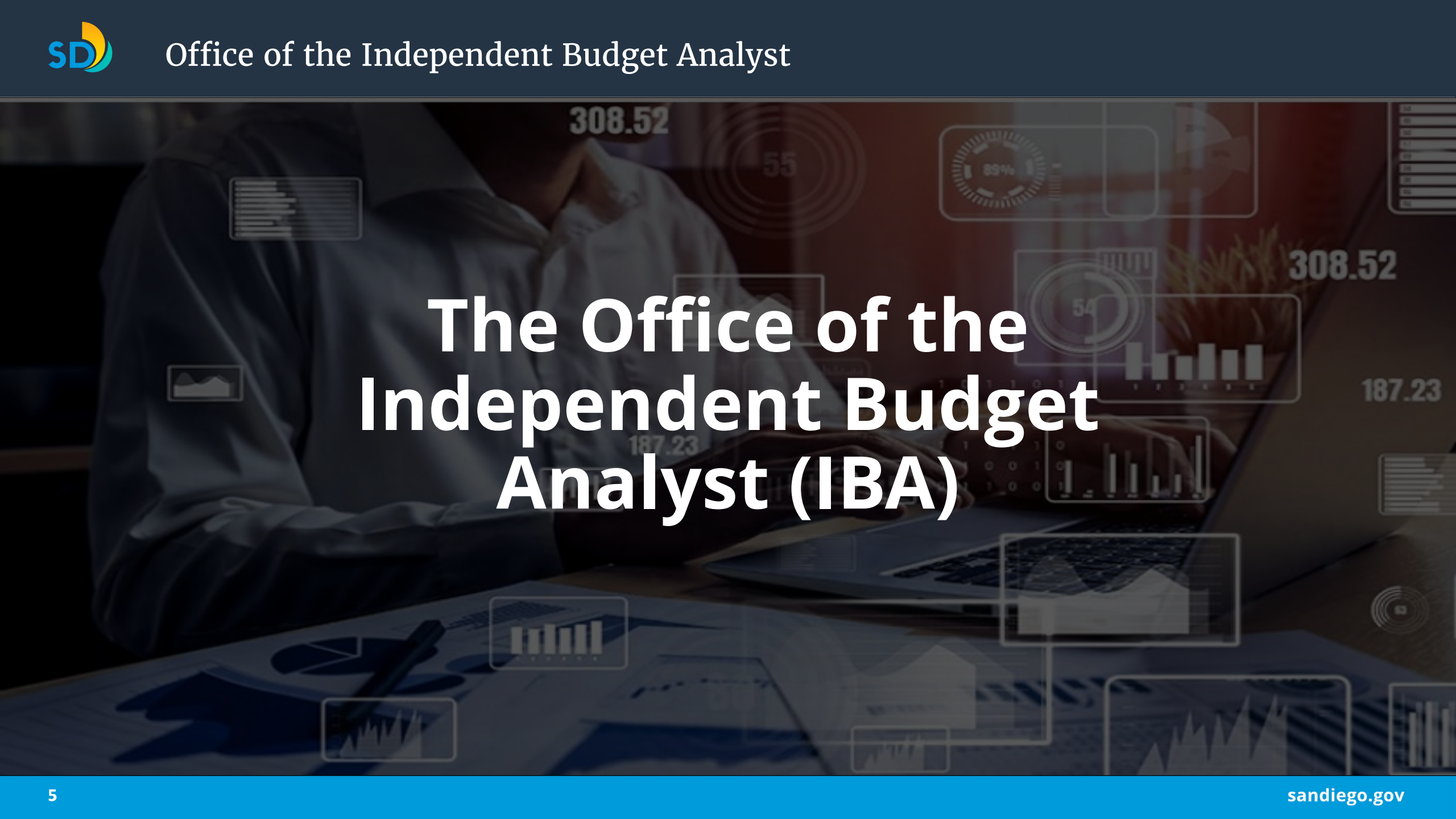
## Capital (CIP) Budget

Allocates revenue for capital projects to improve *existing* infrastructure and build *new* public infrastructure

# IBA Budget Crash Course

## Presentation Overview

- Creation of the Independent Budget Analyst
- Roles in the Budget Process
- Operating Budget Overview
- Capital Improvement Program Budget Overview
- Public Involvement and Resources

The background of the slide is a dark, semi-transparent image of a person in a white shirt sitting at a desk, working on a laptop. The image is overlaid with various data visualization elements, including bar charts, line graphs, and numerical values like '308.52' and '187.23'. The overall aesthetic is professional and data-driven.

# The Office of the Independent Budget Analyst (IBA)

# Why was the IBA Created?



**2003**

Financial problems led to a citizen initiative to change the structure of the City of San Diego's government.



**2004**

Voters approved a measure to try a Strong Mayor form of government for 5 years. This required an elected mayor to run the city instead of a city manager.

Measure also included the creation of the IBA.



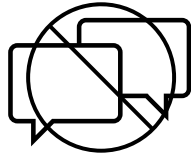
**2010**

Voters approved the Strong Mayor form of government to become permanent.

# Why was the IBA Created? *(con't)*

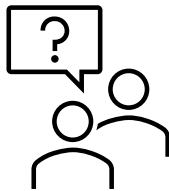
After new government structure, new needs followed

City Council no longer had City Manager as an advisor



City Council may have different perspectives than the Mayor

Public lacked clear information about budget and budget process



Need for unbiased, objective information and advice for effective decision-making

IBA

# What is the Independent Budget Analyst?

## IBA's Mission:

*To provide  
clear, objective, and unbiased  
analysis and advice to the City Council and  
the public on all legislative items bearing  
financial and policy impacts to the City*

**INDEPENDENCE** is key



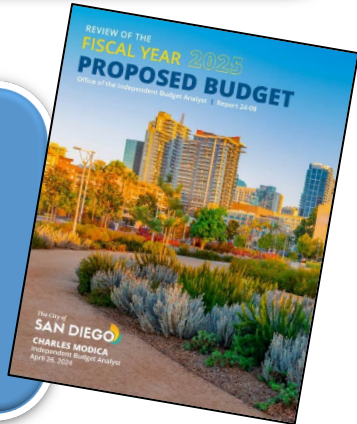
# Why our Office's role is important?

## Internal Role

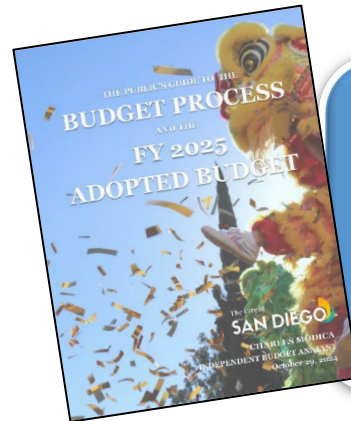


Reviews all items that come to City Council

Analyzes proposals to inform Councilmembers' decisions



## External Role

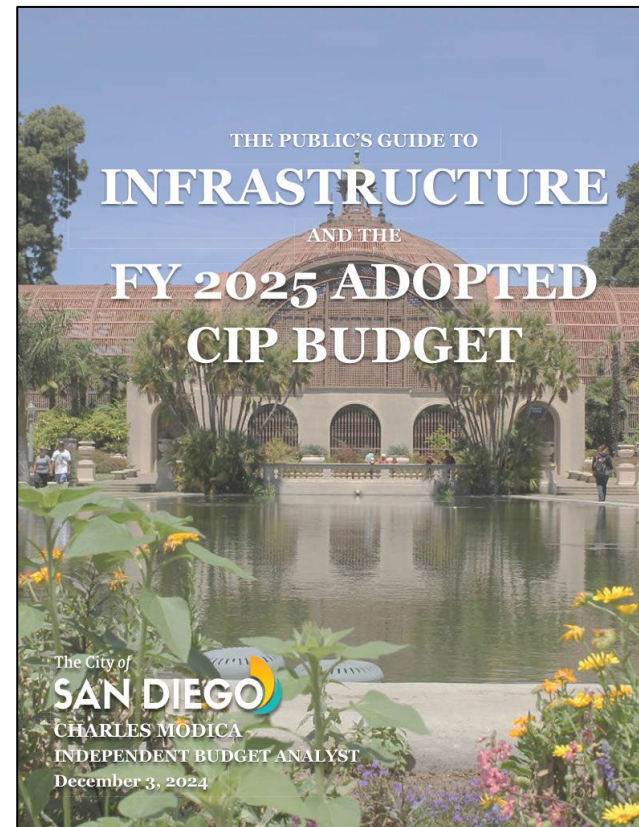


Translates City business into easily understandable language

Public Outreach on how to be involved in major decisions, like the budget



# Public Involvement in the Process is **Key** Clear Information is **Vital**



A pair of metal scales of justice is shown against a dark blue background. The scales are slightly out of focus, with the pans hanging from a central beam. The lighting is dramatic, highlighting the metallic texture of the scales.

# Roles and Authorities in the Budget Process

# Budget Process Roles and Authorities

MAYOR



- Proposes a balanced budget
- Carries out the City budget and services

COUNCIL



- Reviews, approves, and amends the Mayor's Proposed Budget
- Approves the Mayor's recommended budget changes during the fiscal year

IBA



- Analyzes the Mayor's Proposed Budget and supports Council
- Develops final budget recommendations for Council consideration

# Budget Process Roles and Authorities *(con't)*

## Additional Powers and Roles:

MAYOR



Mayor can veto Council's changes to the Budget

Council can override a Mayoral veto with six votes

COUNCIL



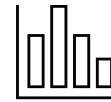
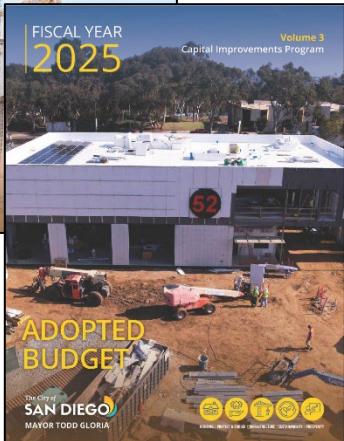
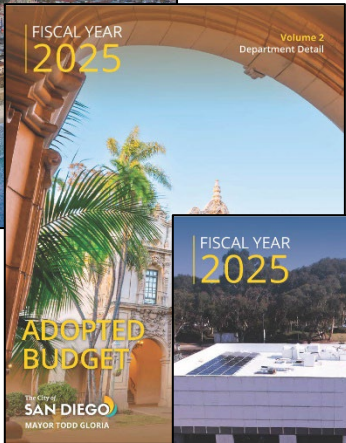
# Budget Process Roles and Authorities *(con't)*

## Additional Powers and Roles:



Mayor, Council, and IBA monitor expenditures, revenues, and City programs throughout the fiscal year

# IBA Review and Analysis of the Mayor's Proposed Budget



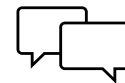
Projected revenues and expenditures



Impacts of cuts or reductions on service levels



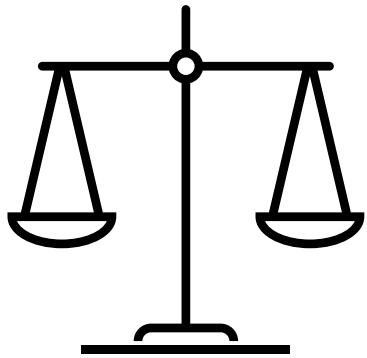
Review of key issues



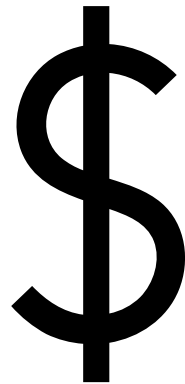
Evaluate consistency with sound fiscal practices

# Key standards for a sound budget

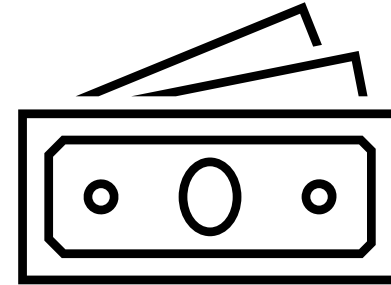
## Budgetary Principles



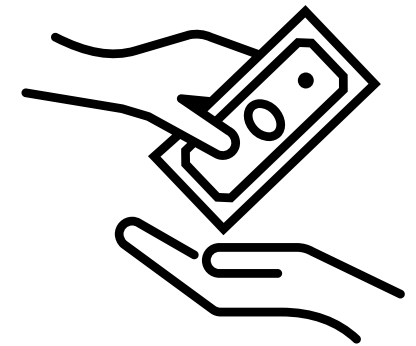
Balanced budget



**One-time** revenues should fund **one-time** expenditures



**Ongoing** expenditures should be funded by **ongoing** revenues



Fund annual pension payment

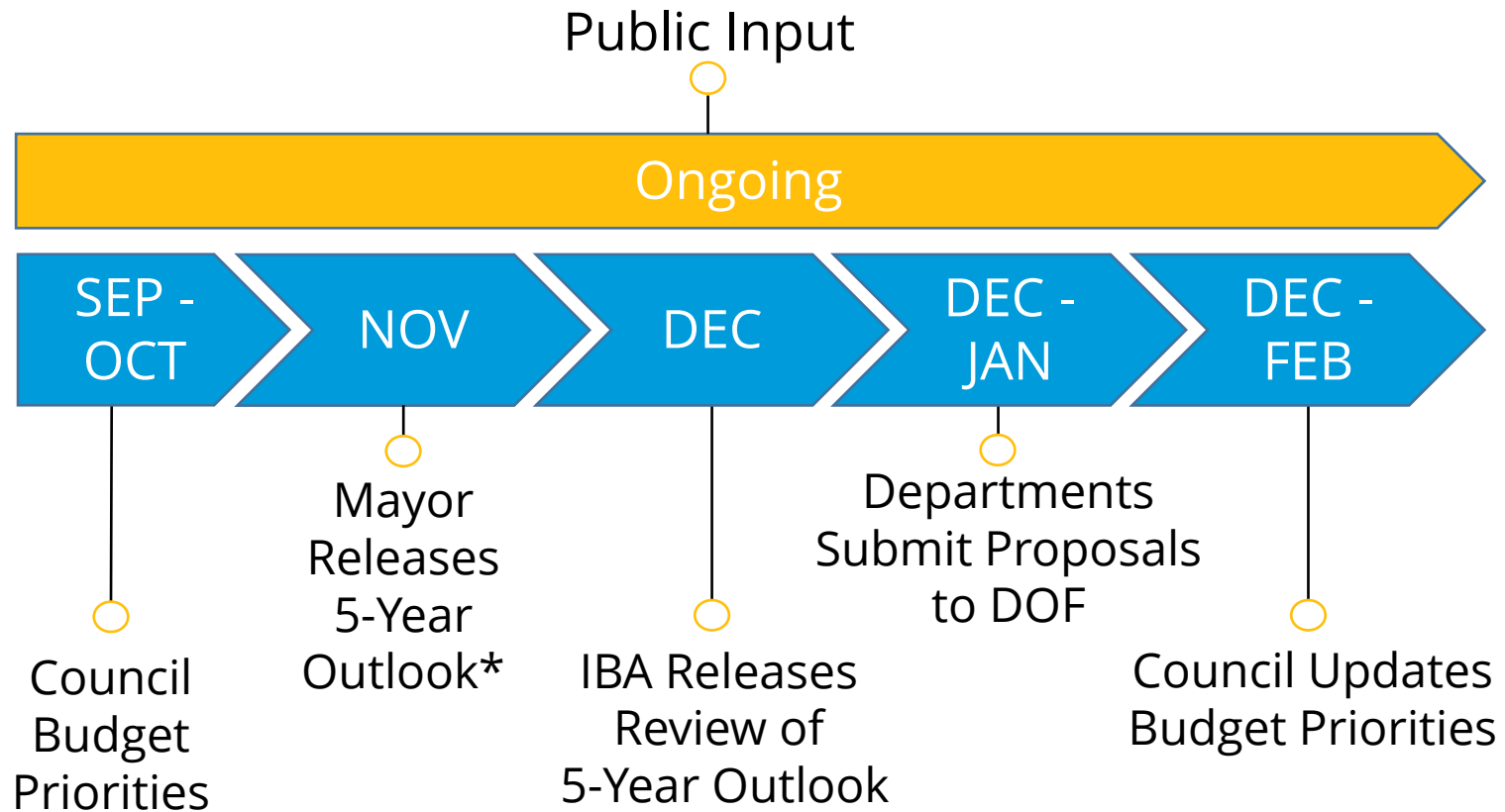


# Operating Budget Overview



# How is the Budget created?

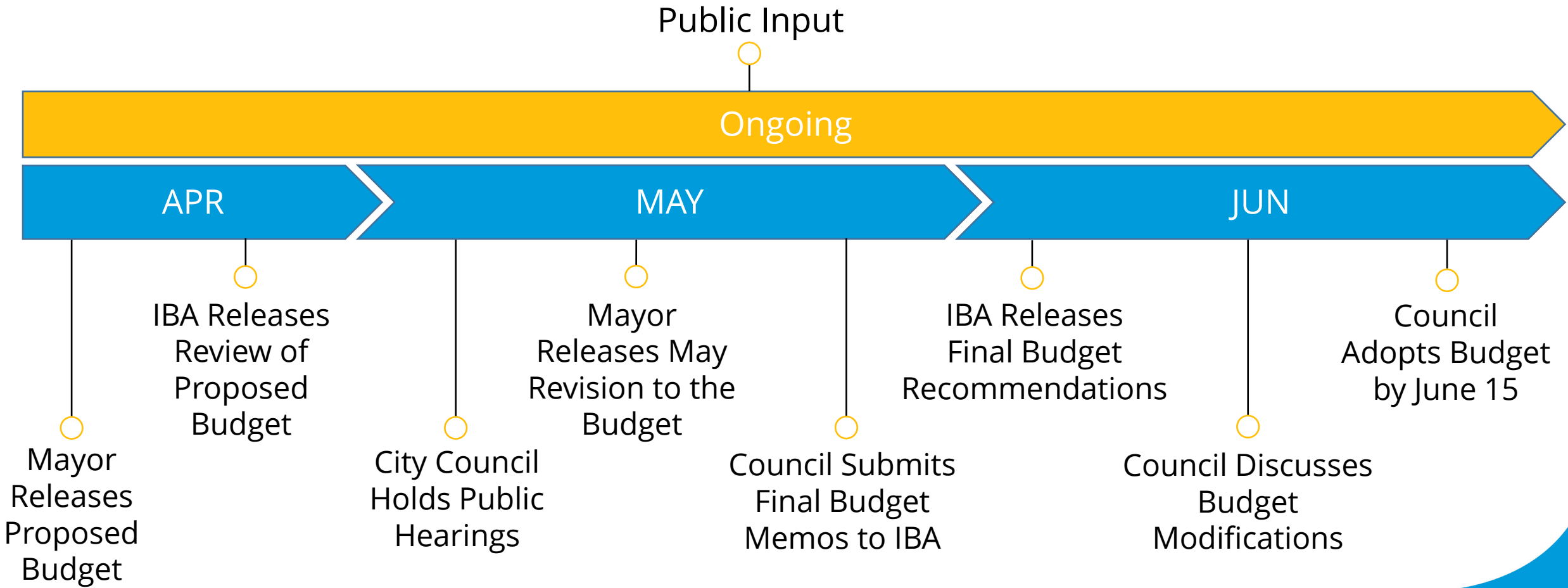
## Budget Development Process



\*In 2024, the 5-Year Outlook was released in December

# How is the Budget created?

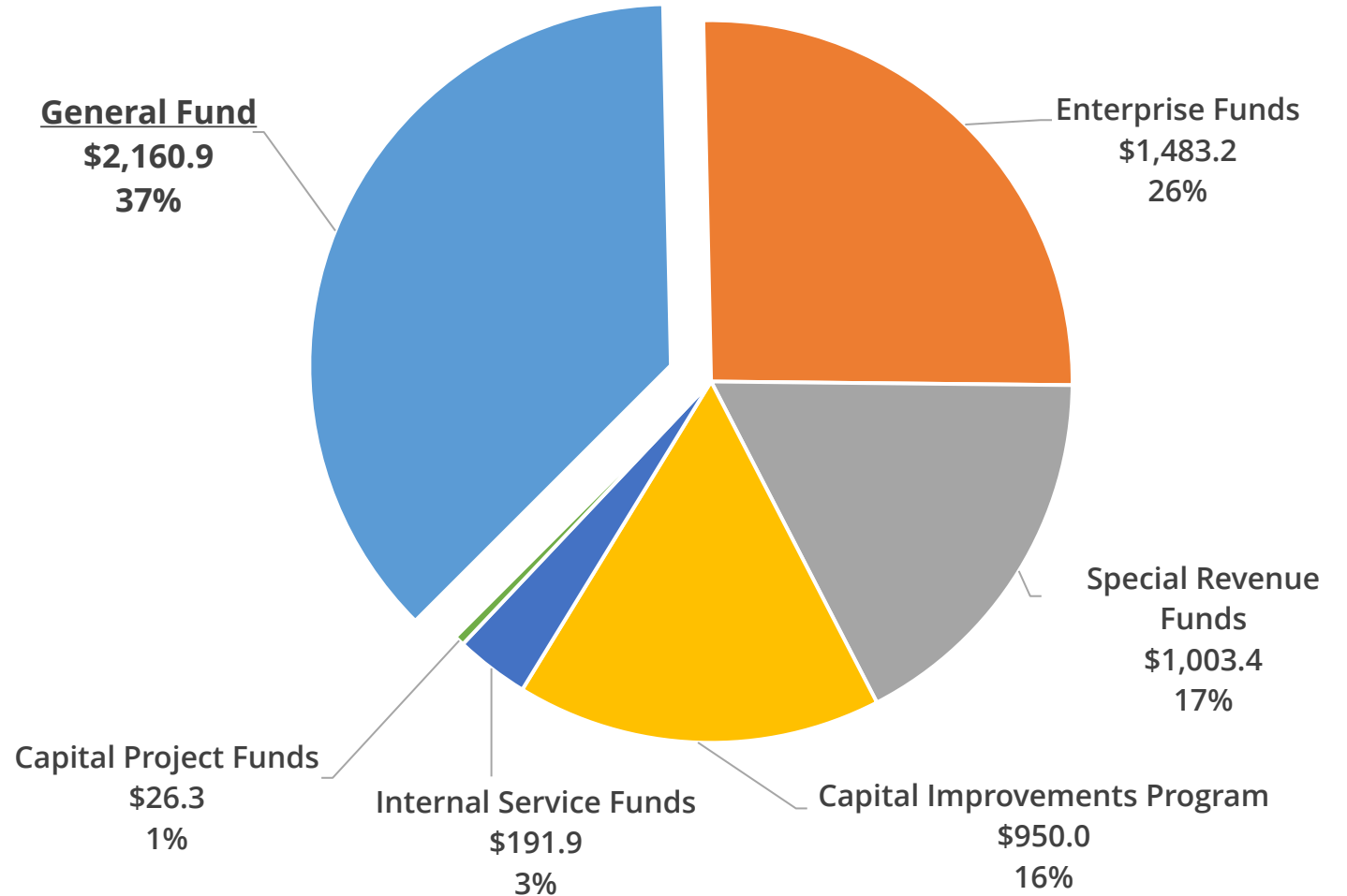
## Budget Adoption Process



# FY 2025 Budget Overview

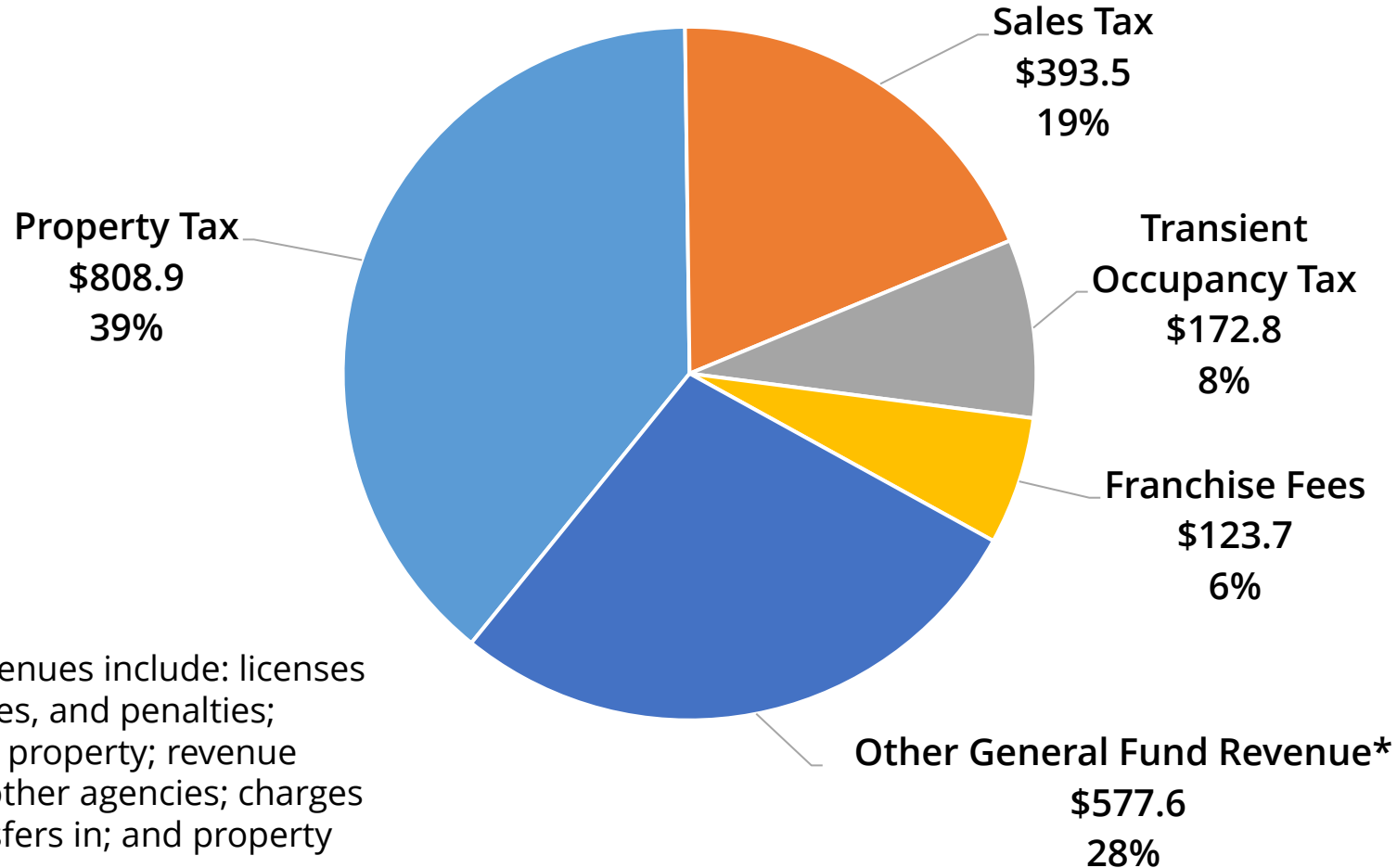
While the City's total FY 2025 Budget is \$5.82 billion, the **General Fund** has the *most freedom to fund City services*

**FY 2025 City Expenditures by Fund Type/Programs**  
 (Total: \$5.82 billion; \$ in millions)



# FY 2025 General Fund Revenue by Source

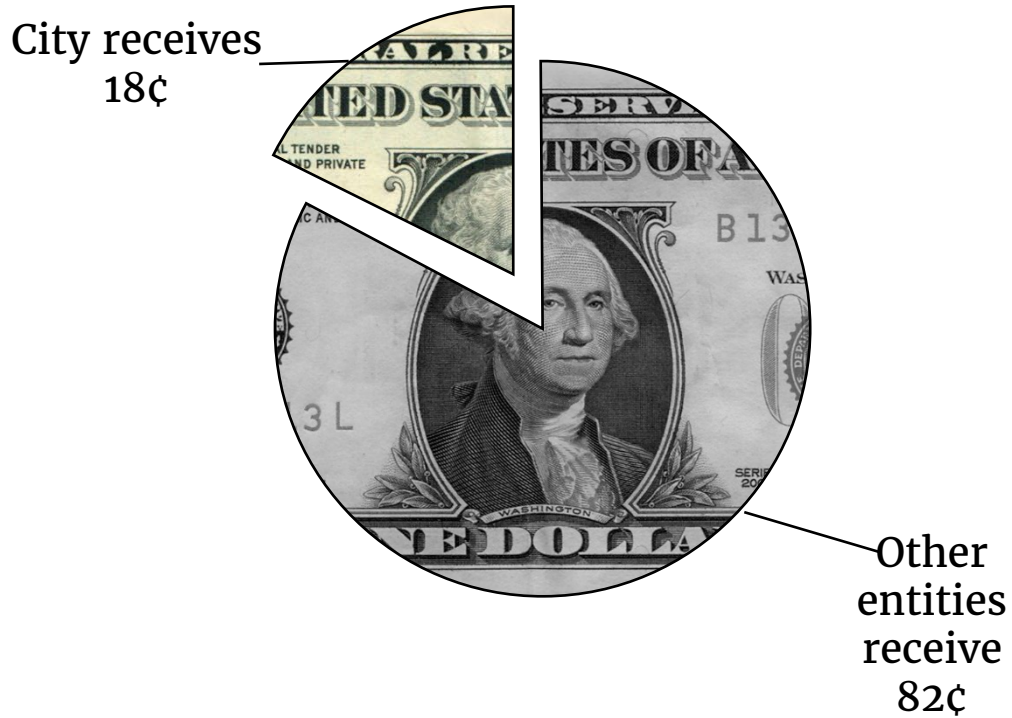
(Total: \$2.08 Billion; \$ in millions)



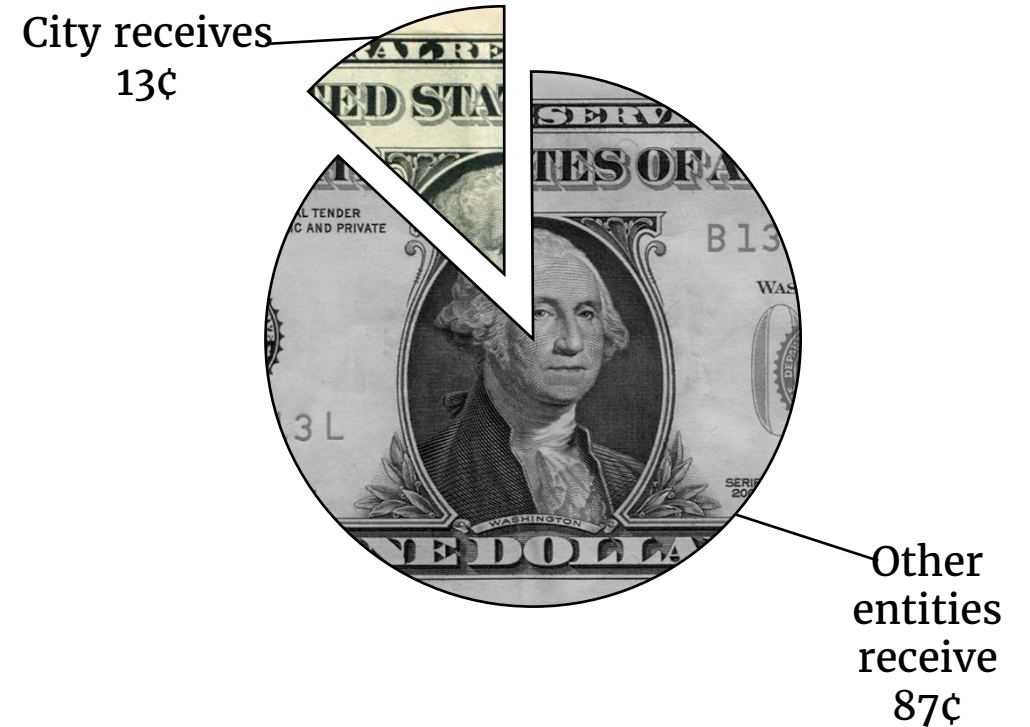
\*Other General Fund Revenues include: licenses & permits; fines, forfeitures, and penalties; revenue from money and property; revenue from federal agencies & other agencies; charges for current services; transfers in; and property transfer taxes.

# How much the City Receives from Major Taxes

**Property Tax Rate:  
1% of Assessed Value**

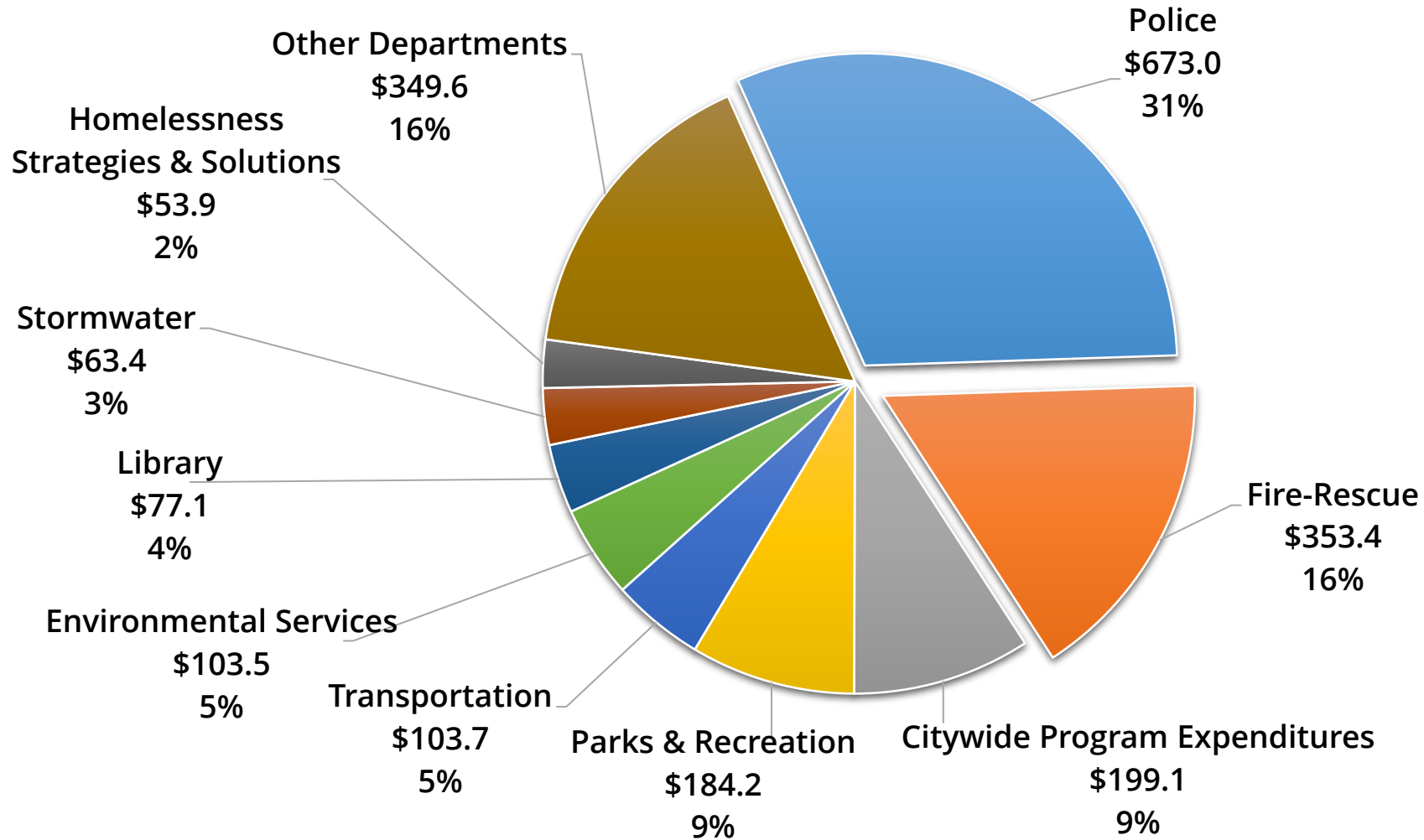


**Sales Tax Rate:  
7.75% on Taxable Sales**



# FY 2025 General Fund Expenditures by Department

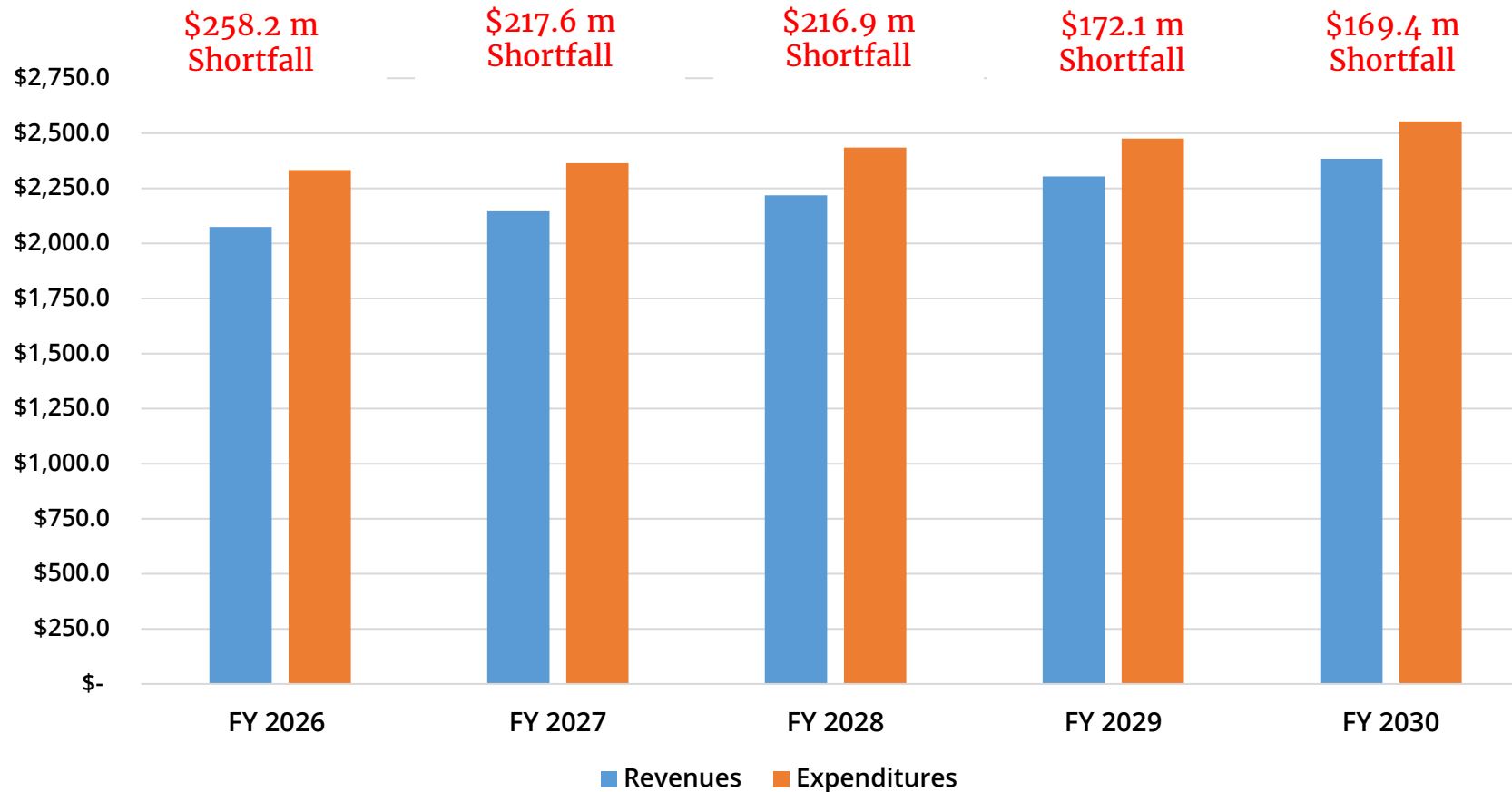
(Total: \$2.16 Billion; \$ in millions)



# Mayor's Five-Year Outlook FY 2026-2030

## General Fund Revenue and Expenditures

(\$ in millions)





# FY 2026 Operating Budget Priorities Receiving Majority Support

Homeless and Housing



Public Safety



Arts and Culture



Environment and Climate Action



Neighborhood Services



Resources and Mitigation Options

# Capital Improvements Program (CIP) Budget Overview

# The City Owns and Maintains a Variety of Infrastructure



Roads



Bridges



Airports



Parks



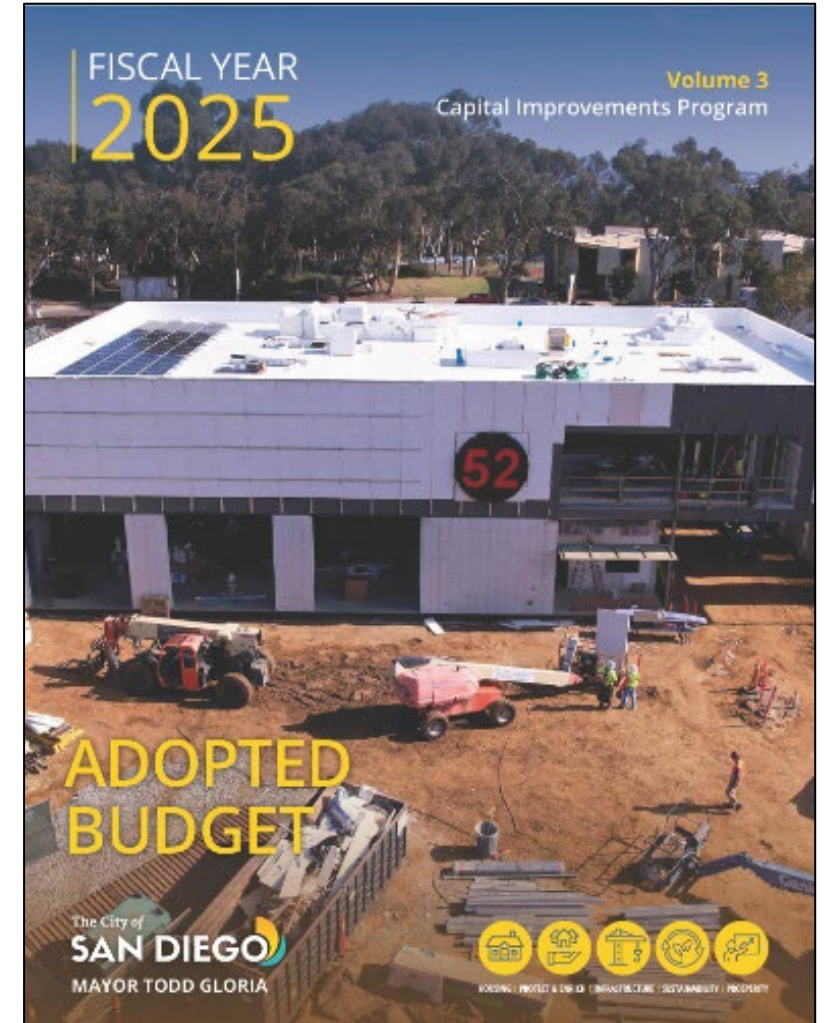
Facilities



Water Utilities

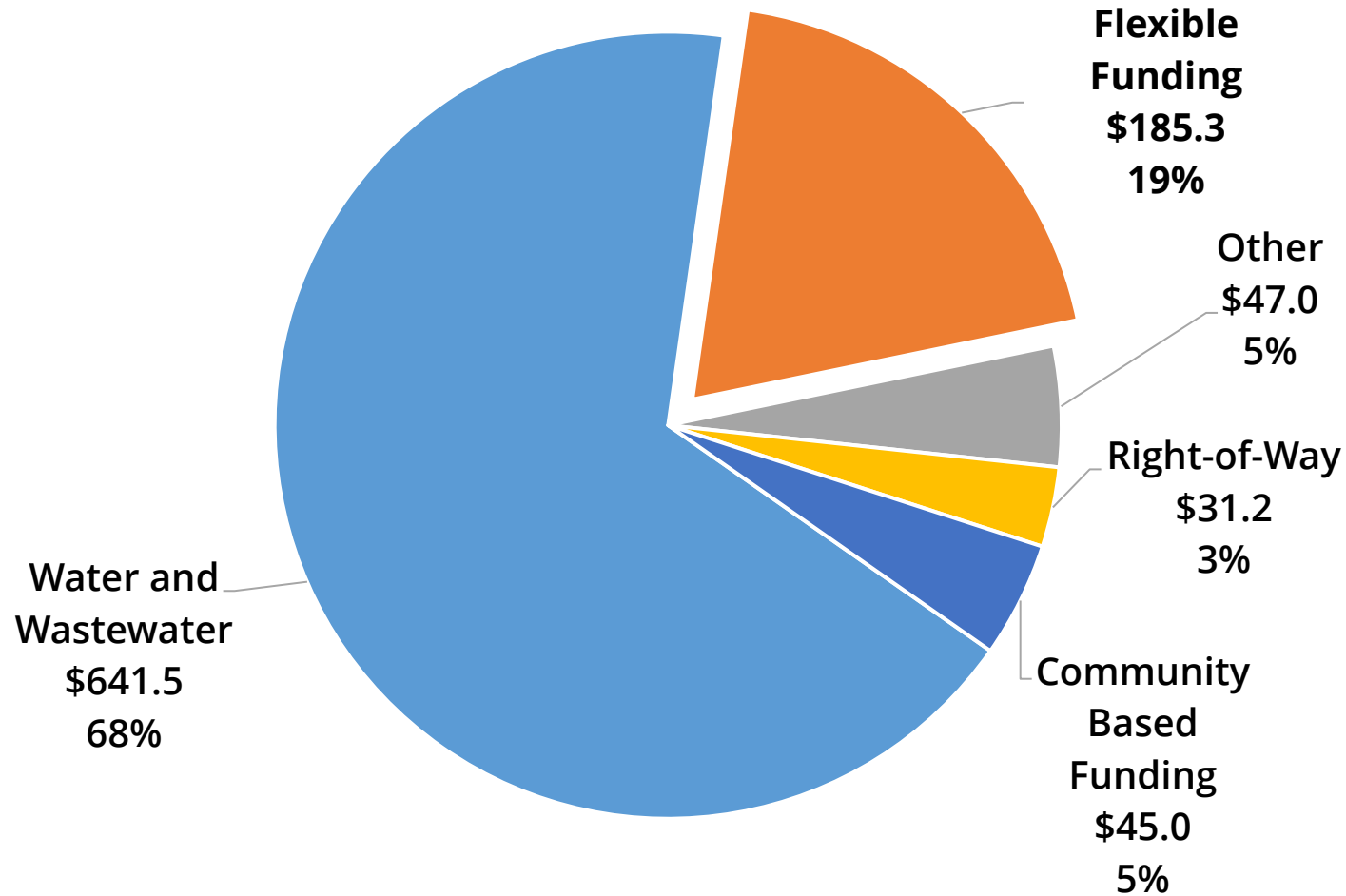
# About the CIP Budget

- Funding either improves existing infrastructure or creates new
- Rolling budget since projects take multiple years to implement
- Restrictions on funding sources are big drivers of what gets funded



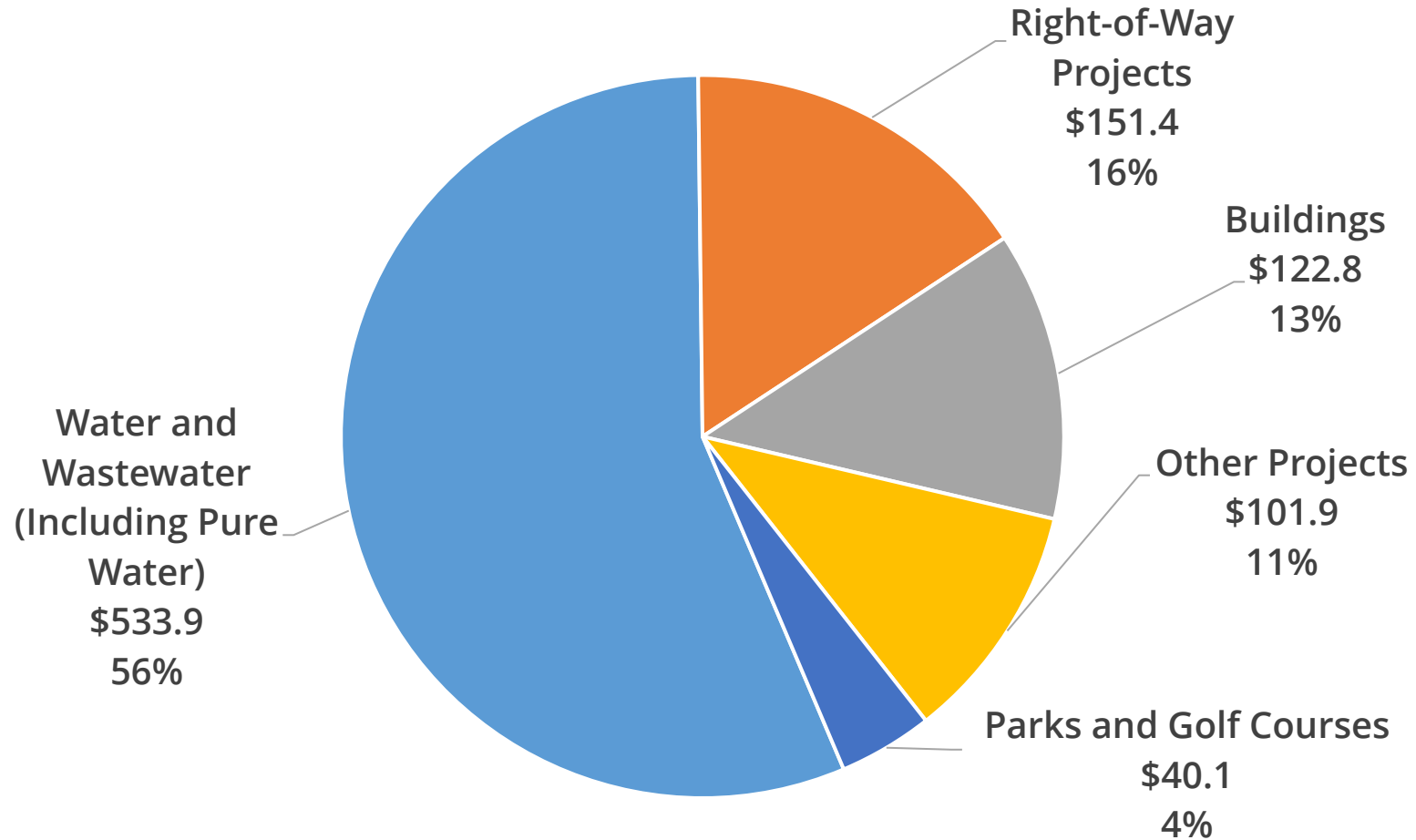
# FY 2025 Adopted CIP Budget by Funding Source

(Total: \$950.0 million; \$ in millions)



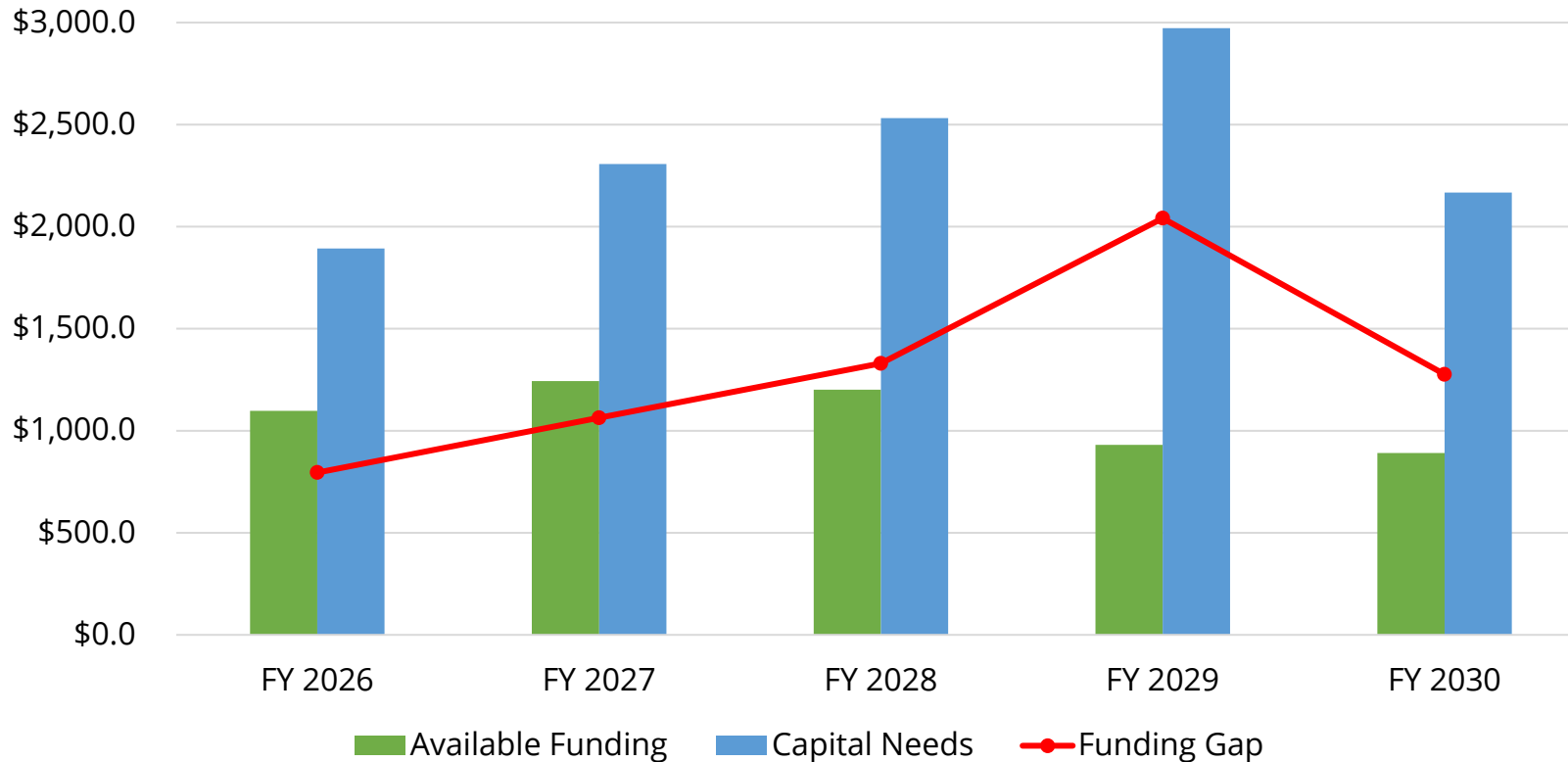
# FY 2025 Adopted CIP Budget by Project Type

(Total: \$950.0 million; \$ in millions)



# FY 2026-2029 CIP Outlook

**City's Five-Year Capital Infrastructure Needs, Available Funding, and Gap**  
*(\$ in millions)*



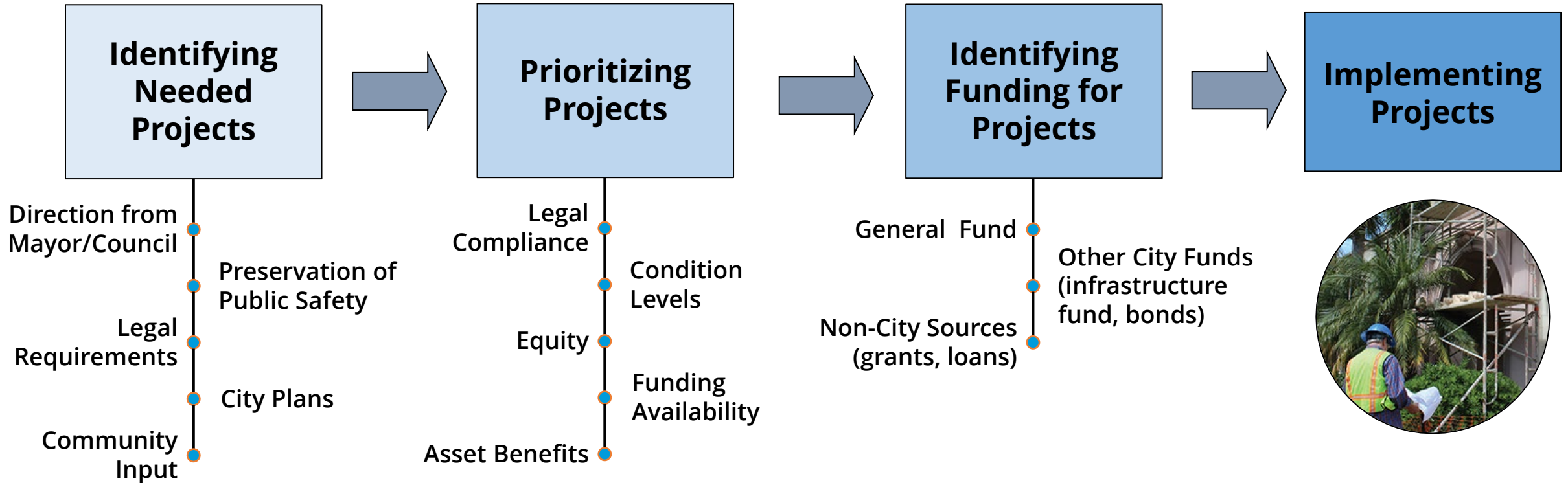
- Infrastructure is a major challenge for the City
- Total Five-Year CIP Funding Gap: **\$6.51 billion**
- Capital needs **far exceed** funding

# Top Unfunded Needs in Five-Year CIP Outlook

<b>Funded and Unfunded Asset Needs</b> (\$ in millions)		
<b>Asset</b>	<b>Funded</b>	<b>Unfunded</b>
<b>Stormwater Infrastructure</b>	<b>\$394.4</b>	<b>\$3,737.3</b>
Streetlights	\$2.2	\$486.9
Sidewalks	\$7.5	\$319.0
Streets and Roads Pavement	\$532.1	\$305.4
Fire Stations	\$37.9	\$278.1
Parks	\$197.9	\$244.2
Bridges	\$9.1	\$196.7



# How do projects get into the CIP?



# FY 2026 CIP Priorities Receiving Majority Support

Transportation and Mobility Safety



Streets

Sidewalks



Stormwater

Facilities



A photograph of a diverse group of people sitting in a conference room, viewed from behind. Many of them have their hands raised, suggesting an interactive session or a Q&A period. The text 'Get Involved' is overlaid in white on the center of the image.

# Get Involved

# Opportunities for Public Input



## Contact the Mayor

- November – April: during budget development

## Contact Councilmembers

- September: as they develop their budget priorities
- November: during their review of the 5-Year Outlook
- December/January: as they update their budget priorities



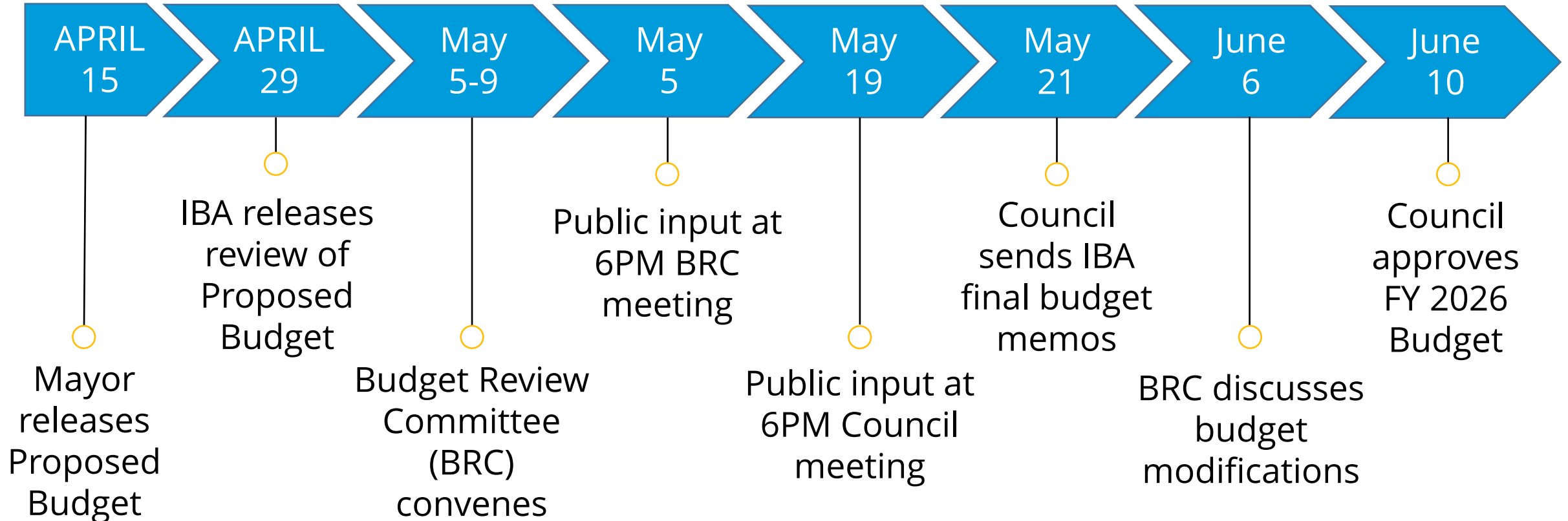
## Get involved in community planning, recreation committees, and other groups

## Report needs through the *Get It Done App* or department staff



## Online City survey to provide input on infrastructure

# Upcoming Public Meetings



Key Budget Dates: <https://rb.gy/xawbxw>

# Important Resources

## Office of the IBA

Website <https://www.sandiego.gov/iba>

- [IBA Reports](#)
- [Key Budget Dates](#)
- [Public's Guide to the Budget](#)
- [Public's Guide to Infrastructure](#)

X (Twitter)



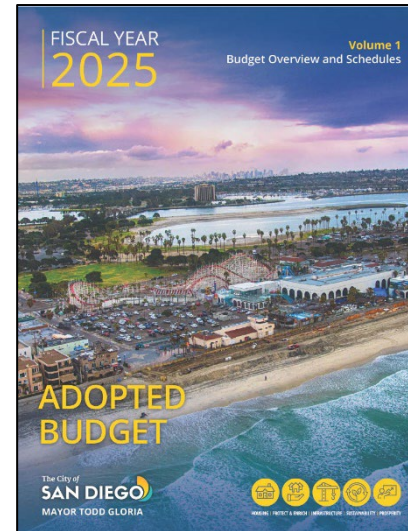
**Office of the Independent Budget Analyst**  
@SanDiegoIBA

Phone number **619-236-6555**

## Department of Finance

Website <https://www.sandiego.gov/finance>

Adopted  
Budget



Other  
Financial  
Reports

Financial Reports	
Five-Year Financial Outlook	▼
Budget Monitoring Reports	▼
Annual Comprehensive Financial Report	▼
Single Audit Reports	▼
State and Local Recovery Funds Performance Report	▼
Metropolitan Wastewater Utility Allocation of Billing Report	▼
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	▼
Annual Internal Controls Reports	▼
Charter 39 Financial Performance Reports	▼
City Employee Compensation Reports	▼
Discontinued Reports	▼
CED (Mello Roos) Reports	▼

# Thank you for participating!

## We're happy to take questions!

FY 2025 IBA Budget  
Crash Course Survey

[forms.office.com/g/zj1JSY87fv](https://forms.office.com/g/zj1JSY87fv)

