



Peninsula Community Planning Board
1220 Rosecrans Street PMB 549
San Diego, CA 92106
pcpbsd@gmail.com

April 23, 2026

Mayor Todd Gloria
City Councilmembers
Independent Budget Analyst

Re: 2027 Draft San Diego City Budget – Support

Dear : Mayor, Councilmembers and Independent Budget Analyst

The Peninsula Community Planning Board has reviewed the 2027 Draft Budget and is cautiously optimistic as we see no additional fees or taxes. However, with recently hired high-paid employees and questionable expenditures, we are concerned about the final budget since millions in new funding from trash fees, parking and fee increases still require so many cuts. We are also concerned about the severe cuts to libraries, the arts and youth programs and hope additional personnel savings can be found to lessen the pain. **Therefore, PCPB cautiously supports the proposed budget.**

San Diegans continue to struggle with a rising cost of living due to high housing, utility, grocery, transportation and health care costs that has substantially stressed household budgets. San Diego's cost of living is 44% above the national average and increased 3.2% from the prior year according to the San Diego Consumer Price Index. This was exacerbated by recent city-imposed parking and trash collection fees including those for Balboa Park parking and trash collection on single family homes that are included in the Budget

PCPB believes that the steadily increasing cost of city government should not be borne solely on the backs of taxpayers but be borne equitably between the city staff and residents. Taxpayers have incurred additional costs for parking, a new trash collection fee, and other fee increases. Now it's time for city government to incur their share through such measures as staff, compensation, and benefit reductions; department consolidations, and cuts to city programs. The 2027 budget proposal follows these guidelines but can go farther to address the long-term structural imbalance whereby expenses rise faster than revenues which is likely to happen over the next five years thereby necessitating further cuts and tax/fee increases.

The city can take further steps to address the long-term imbalance and restore sustainability:

- Review all staff wages, overtime, and fringe benefits including pensions, to reduce compensation to more sustainable levels. According to the State Controller's Office-total wages and fringe benefit costs have risen substantially over the past 10 years, while city employment and population have grown at a much slower pace. Employee fringe benefits are in the 65% range where the average Californian receives 30 to 31%. Four city staff report 2024 total wages (including overtime) exceeding \$400,000 per year which exceeded the wages of the President of the United States. Ten staff made over \$375,651 with seven of the ten concentrated in the police and fire/rescue departments. Average wages in the Police Department were \$129,997 with an additional \$26,329 of retirement and health care benefits for

average total compensation of \$156,326. Similar results were shown in the fire department. This is unsustainable and needs to be reduced by reducing wages, overtime and fringe benefits to higher earning employees.

- Conduct more fiscally sustainable labor negotiations. The Union Tribune (UT) reports that the Municipal Employees Association's tentative agreement includes a 2% raise in 2027, 3.5% in 2028 and 4% in 2029. One-week furloughs would be required during the first and second years offsetting the first year raise by reducing services, but only partially offsetting the cost increase in subsequent years until the full burden is manifested in future years through increased government costs. The salary increases are permanent, but the furloughs savings are temporary. The UT reports this will likely serve as a blueprint for all city employee labor agreements during current labor negotiations. PCPB rejects these types of budget gimmicks and recommends that all city employee salaries and benefits be frozen during the 2027-28 fiscal year with no furloughs, as a contribution to maintaining service levels and fiscal sustainability. If furloughs cannot be avoided to balance the budget, then they should not be accompanied by salary and benefit increases.

PCPB recognizes and appreciates the steps Mayor Gloria has taken in the budget to reduce some high-cost middle management compensation and discretionary city programs, but it can go further to promote long term fiscal sustainability. We also recognize the pressure the Mayor and Council are under from pressure groups to restore cuts in arts, culture, and youth programs; and may opt to restore cuts to those programs. We suggest at least partial restoration with further staff reductions. Also, recent parking and trash fee increases are being challenged by potential ballot initiatives and may be overturned thereby reducing revenues. If any of these occur, then PCPB recommends that they be funded by additional cuts to city staff, compensation and benefits; or use furloughs or other service level cuts to balance the budget. You should not impose further tax and fee increases on an already overburdened citizenry.

Respectfully submitted,

Eric Law
Chair, Peninsula Community Planning Board

cc: