

FISCAL YEAR

2024

ADOPTED
BUDGET



Volume 1
Executive Summary

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY





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The City of San Diego's Fiscal Year 2024 Adopted Budget is \$5.17 billion and is comprised of five operating fund types (listed below), and the Capital Improvements Program (CIP):

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds

The Fiscal Year 2024 Adopted Budget represents an increase of \$98.1 million, or 1.9 percent, compared to the Fiscal Year 2023 Adopted Budget. This is primarily due to increases in the Enterprise Funds and General Fund, offset with a decrease in the Capital Improvements Program (CIP). Increases in the General Fund are primarily associated with increased funding for wages and benefits, contributions to the Infrastructure Fund, homelessness programs and services, public safety, and waste & recycling management. The increase in the Enterprise Funds are associated with increases in the Water and Sewer Funds for utilities and regulatory compliance. The decrease in the CIP is primarily associated with fewer appropriations for the Pure Water Program.

The Fiscal Year 2024 Adopted Budget includes a total of 13,030.17 Full-Time Equivalent (FTE) positions, representing an increase of 253.02 FTE positions, or 2.0 percent, compared to the Fiscal Year 2023 Adopted Budget. This net increase is primarily due to the following: positions added in the Public Utilities Department to support the maintenance of dams and reservoirs and Pure Water; positions added in the Golf Enterprise Fund to support operations; positions added in the Development Services Department to support permit processing; and positions added in the General Fund associated with a restructure of waste and recycling management, supplemental positions, and new facilities. The General Fund added 176.61 FTE positions.

**Total City Expenditures Fiscal Years
2023-2024 by Fund Type/Program
(in millions)**

Fund Type/Program	FY 2023	FY 2024
General Fund	\$ 1,955.0	\$ 2,081.8
Special Revenue Funds	825.4	848.9
Capital Project Funds	27.6	23.7
Enterprise Funds	1,265.3	1,336.1
Internal Service Funds	167.1	178.0
Capital Improvements Program	834.1	704.1
Total	\$ 5,074.4	\$ 5,172.5

Numbers may not foot due to rounding.

**Total City FTE Positions Fiscal Years
2023-2024 by Fund Type**

Fund Type	FY 2023	FY 2024
General Fund	8,336.38	8,512.99
Special Revenue Funds	1,074.01	1,078.51
Enterprise Funds	2,947.02	3,005.21
Internal Service Funds	368.73	379.46
Other Funds	51.00	54.00
Total	12,777.15	13,030.17

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Budget Process

The annual operating budget is developed in conjunction with the Mayor, City Council, City departments, Independent Budget Analyst, and the public. The Budget Development Process consists of three main phases: Budget Development, Budget Review, and Budget Adoption.

The Budget Development phase began with the development of the Fiscal Year 2024-2028 Five-Year Financial Outlook (Outlook) in the Fall of 2022, which is prepared each year as a long-range fiscal planning guide and serves as the framework for the development of the Fiscal Year 2024 Adopted Budget for the General Fund. The Outlook projected a General Fund baseline deficit of \$50.5 million; however, due to the availability of \$52.1 million in remaining ARPA funds, departments were not asked to submit budget reduction requests for the Fiscal Year 2024 budget development process. City departments submitted budget requests to the Department of Finance in January 2023, which were analyzed, reviewed, and prioritized by City Management in February 2023 and presented to the Mayor in March 2023 for further evaluation, discussion, and approval. City Council budget priority memoranda, which were developed in October 2022 and January 2023, were carefully reviewed and considered during the decision-making process. Once budget decisions were finalized, projected General Fund revenues and expenditures were then balanced and included in the Fiscal Year 2024 Proposed and Adopted Budgets, along with changes to the non-general funds and CIP. This year, the Department of Finance worked closely with the Department of Race and Equity and operating departments to incorporate equity into the Budget Review process. This was based on each department's Tactical Equity Plans and the equity framework developed by the Department of Race and Equity.

During the Budget Review phase, the City Council held a series of public meetings in April and May 2023 to obtain input from the public on spending priorities. The Mayor and City Council used the information gathered at hearings to recommend changes to the Fiscal Year 2024 Proposed Budget through the Mayor's May Revision and City Council modifications, respectively. The City Council then modified and adopted the budget in June 2023, which was enacted into law via the Appropriation Ordinance.

General Fund Overview

Departments within the General Fund provide core community services such as public safety (including police/fire protection and life safety), parks and recreation, library services, and refuse collection, as well as vital support functions such as finance, legal and human resources. These core services are primarily supported by major revenue sources that include property tax, sales tax, transient occupancy tax, and franchise fees. These four major General Fund revenue sources account for \$1.44 billion, or 71.5 percent, of the revenue in the Fiscal Year 2024 Adopted Budget. Projected growth rates for these revenue sources included in the Fiscal Year 2024 Adopted Budget are as follows:

- Property Tax: 5.64 percent
- Sales Tax: 1.5 percent
- Transient Occupancy Tax: 5.9 percent
- Franchise Fees:
 - SDG&E: 8.05 percent
 - Cable: -4.63 percent

A direct federal revenue allocation from the American Rescue Plan Act (ARPA) of 2021 and the use of fund balance in excess of reserves (excess equity) has allowed the City to maintain vital services to its residents. The remainder of revenues in the General Fund are generated by a variety of resources. After incorporating all adjustments, the Fiscal Year 2024 Adopted Budget maintains a balanced budget. Additional details on both revenue and expenditure adjustments are provided later in this Volume.

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Critical Expenditures

The Fiscal Year 2024 Adopted Budget includes funding to maintain current service levels and adds resources in areas of importance for the public. New and expanded services include additional homelessness services, social equity programs, eviction prevention programs, youth care and support, SD Access 4 All, public safety, urban forestry, Clean SD, and new facilities.

The list below highlights some of the General Fund critical expenditure additions.

Administrative Support

<i>Civic Center Revitalization</i>	Funding of positions to support the Civic Center Revitalization project.
<i>Consulting Services</i>	Funding of one-time expenditures associated with space planning, fiscal analysis, and lease negotiations.
<i>External Services DCOO</i>	Funding of a Deputy Chief Operating Officer to support external services departments.
<i>Get It Done Support</i>	Funding of positions to support Get it Done requests.
<i>Grant Support</i>	Funding of positions to support grant operations and compliance.
<i>Revenue Audit Program</i>	Funding of positions to support the auditing of transient occupancy tax revenues.

City Facilities

<i>Condition Assessments</i>	Funding of non-personnel expenditures to support facilities and service yard condition assessments.
<i>Facilities Maintenance and Support</i>	Funding of positions and non-personnel expenditures to support procurement, the Capital Improvements Program, repair and maintenance, and operations of city facilities.
<i>Janitorial and Maintenance Services</i>	Funding of non-personnel expenditures to support janitorial and maintenance services at various city facilities.
<i>Lease Management Software</i>	Funding of one-time non-personnel expenditures to support the replacement and upgrade of a lease management software solution.
<i>Harbor Drive Pedestrian Bridge Elevator</i>	Funding of non-personnel expenditures to support the security and maintenance of elevators on the Harbor Drive pedestrian bridge.
<i>Tenant Improvements, Relocation, and Rent</i>	Funding of non-personnel expenditures to support the rent, relocation, and tenant improvements at Montgomery-Gibbs Executive Airport.

Climate Action Plan

<i>American with Disabilities Act Evaluation</i>	Funding of one-time non-personnel expenditures to update citywide pedestrian evaluation and remediation plans.
<i>Building Decarbonization Support</i>	Funding of a position to support a citywide building decarbonization roadmap and education strategy.
<i>Organic Waste Recycling Program</i>	Funding of positions and non-personnel expenditures to support compliance with organic waste diversion requirements (SB 1383).

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Employee Compensation and Support

Employee Compensation	Funding to support increases in employee compensation consistent with labor negotiations.
Employee Support	Funding of positions and non-personnel expenditures to support labor negotiations, employee empowerment, recruitment and retention, professional development, employee appreciation and relations, and compensation studies.
Overtime Adjustments	Funding of overtime expenditures for Public Safety Departments to align with approved wage increases and add-on pay adjustments.
Recruitment Section Expansion	Funding of a position to manage and coordinate classified recruiting efforts citywide.

Equity and Diversity

Cannabis Social Equity Program Support	Funding of positions to support the establishment of a Cannabis Social Equity and Economic Development task force.
Digital Navigator Program	Funding of positions and non-personnel expenditures to support the City's Digital Navigator Program.
SD Access 4 All	Funding of positions and non-personnel expenditures to expand the SD Access 4 All program via hot spots, provide community outreach, and develop the Digital Equity and Digital Literacy programs.

Homelessness and Housing

Coordinated Outreach Support	Funding of non-personnel expenditures to continue outreach efforts that connect unsheltered residents with shelter, housing, and supportive services.
Day Center Site Improvements	Funding of non-personnel expenditures to support site improvements and operating cost increases at the Day Center for Homeless Adults.
Eviction Prevention Program and Eviction Notice Registry	Funding of non-personnel expenditures to provide education and legal services for low-income renters and establish the Eviction Notice Registry.
Homelessness Response Center	Funding of non-personnel expenditures to maintain previously grant supported services at the Homelessness Response Center.
Homeless Programs and Services	Funding of non-personnel expenditures to support existing homelessness programs and services.
Homeless Shelter Operations	Funding of non-personnel expenditures to support beds at existing shelters and new safe camping sites.
Housing Instability Prevention Program	Funding of non-personnel expenditures to provide rental assistance and other housing-related expenses for families in unstable housing situations and at risk of homelessness.
Inclement Weather Shelter Beds	Funding of non-personnel expenditures to expand inclement weather shelter bed offerings during winter months.
Safe Parking Program	Funding of non-personnel expenditures for the Safe Parking Program which was expanded in the prior fiscal year to provide support for individuals experiencing homelessness in their vehicles.

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<i>Storage Center Operations</i>	Funding to continue operations of (previously grant supported) storage centers to provide safe storage of belongings, security, outreach work, and social services to individuals experiencing homelessness.
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Independent Departments

<i>City Clerk Software Enhancements</i>	Funding of non-personnel expenditures to enhance user navigation of city documents.
<i>Civil Advisory for the Pure Water Program</i>	Funding of personnel and one-time non-personnel expenditures to support the Pure Water Program.
<i>Network Access at Your Safe Place</i>	Funding of one-time, non-personnel expenditures for additional network infrastructure with community justice partners of Your Safe Place, a Family Justice Center.
<i>Outside Legal Counsel</i>	Funding of one-time non-personnel expenditures for legal support and advice in carrying out the duties of the Commission on Police Practices.

Livable Neighborhoods

<i>Animal Services Contract</i>	Funding of non-personnel expenditures to support animal services.
<i>Economic Development Strategy</i>	Funding of one-time non-personnel expenditures to implement a focused economic development strategy.
<i>Library Branches Security</i>	Funding of non-personnel expenditures for security at branch libraries.
<i>Median Maintenance</i>	Funding of a position and non-personnel expenditures to support median landscaping and maintenance.
<i>New Library Branches</i>	Funding of positions and non-personnel expenditures to operate new and expanded branch libraries.
<i>New Parks and Recreation Facilities</i>	Funding of positions and non-personnel expenditures to operate new parks and recreation facilities.
<i>Park Rangers</i>	Funding of positions to support enhanced security at community and open space parks.
<i>Youth Care and Development Program</i>	Funding of one-time non-personnel expenditures for adolescent programing, education, and care.

Public Safety

<i>Assistance to Firefighters Grant</i>	Funding of one-time non-personnel expenditures to support the Assistance to Firefighters Grant.
<i>Assistant Police Chief</i>	Funding of an additional Assistant Police Chief.
<i>Cellphones for Sworn Personnel</i>	Funding of non-personnel expenditure to support cellphones for all sworn and some civilian positions in the Police Department.
<i>Community Planning Group Reform</i>	Funding of positions to support Community Planning Group reform.
<i>Contractual Increases</i>	Funding of non-personnel expenditures for contractual increases for supplies and equipment in the Police Department.
<i>Emergency Services Training</i>	Funding of non-personnel expenditures for department staff to attend emergency management training and credentialing courses.

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<i>Enhanced Sworn Recruiting Efforts</i>	Funding of one-time non-personnel expenditures to support recruitment efforts.
<i>Firearms Training Facility</i>	Funding of non-personnel expenditures for the rental of a firearms training facility.
<i>Lifeguard Support</i>	Funding of positions to provide lifeguard support during non-summer months as well as support personnel.
<i>Mandated Building Inspections</i>	Funding of personnel and non-personnel expenditures to support new and existing mandated building inspections.
<i>Operations Staffing Unit</i>	Funding of positions to support the Fire-Rescue Operations Staffing Unit.
<i>Opioid and Fentanyl Prevention Program</i>	Funding of one-time non-personnel expenditures to support an opioid and fentanyl education and prevention campaign.
<i>Overtime Expenditure Alignment</i>	Funding of overtime expenditures to align overtime with historical actuals in the Public Safety Departments.
<i>Smart Street Lights</i>	Funding of non-personnel expenditures to support deployment of Smart Streetlights.
<i>Supplemental Positions</i>	Funding of positions to support Police supplemental positions in the investigative units, property room, and operations.
<i>Test Monitors</i>	Funding of positions that will assist in conducting written and physical ability examinations for Police Recruits, Fire Recruits, Lifeguards, and Dispatchers.
<i>Wellness Center Rent</i>	Funding of non-personnel expenditures for a new leased space that will house the wellness center for the Fire-Rescue Department.

Stormwater

<i>Administrative Support</i>	Funding of a position to provide administrative support for the Stormwater Department.
<i>Time Schedule Order and Compliance Monitoring</i>	Funding of non-personnel expenditures to support compliance monitoring and comply with the Time Schedule Order.
<i>WIFIA Support</i>	Funding of positions to support the capital projects ramp-up supported by the WIFIA program.

Transportation

<i>Asphalt and Concrete Materials</i>	Funding of non-personnel expenditures to support cost increases for asphalt and concrete materials.
<i>Department Litigation and Claims Support</i>	Funding of a position to support the Risk Management and City Attorney's Office with transportation-related claims investigations and litigation.
<i>Electrical Engineering Support</i>	Funding of a position to support electrical engineering management and planning for streetlights, traffic signals, and utility undergrounding.
<i>Sidewalk Ramping Crews</i>	Funding of positions and non-personnel expenditures to reduce sidewalk hazards, address increased sidewalk ramping requests, and mitigate sidewalk deficiencies.
<i>Urban Forestry</i>	Funding of positions and non-personnel expenditures to support tree planting and maintenance in order to meet requirements of the Air Pollution Control District settlement agreement.

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Waste & Recycling Management

<i>Billing Solution Software Implementation</i>	Funding of non-personnel expenditures to support a billing solution and software integration to implement Measure B.
<i>Corrective Action Plan</i>	Funding of personnel and non-personnel expenditures to support the Asbestos, Lead, and Mold Program.
<i>Cost of Service Study</i>	Funding of personnel and non-personnel expenditures to support a refuse disposal cost of service study and stakeholder process.
<i>Enhanced Hot Spot Crew</i>	Funding of personnel and non-personnel expenditures for an enhanced hot spot crew to support the Clean SD Program.
<i>Refuse Disposal Fee</i>	Funding of non-personnel expenditures to support the increased refuse disposal fee.
<i>Transfer of Vehicles</i>	Funding of one-time non-personnel expenditures associated with the transfer of vehicles from the Refuse Disposal Fund to support the Clean SD Program.

Non-General Fund Overview

In addition to the General Fund, the Fiscal Year 2024 Adopted Budget includes the following major changes in non-general funds:

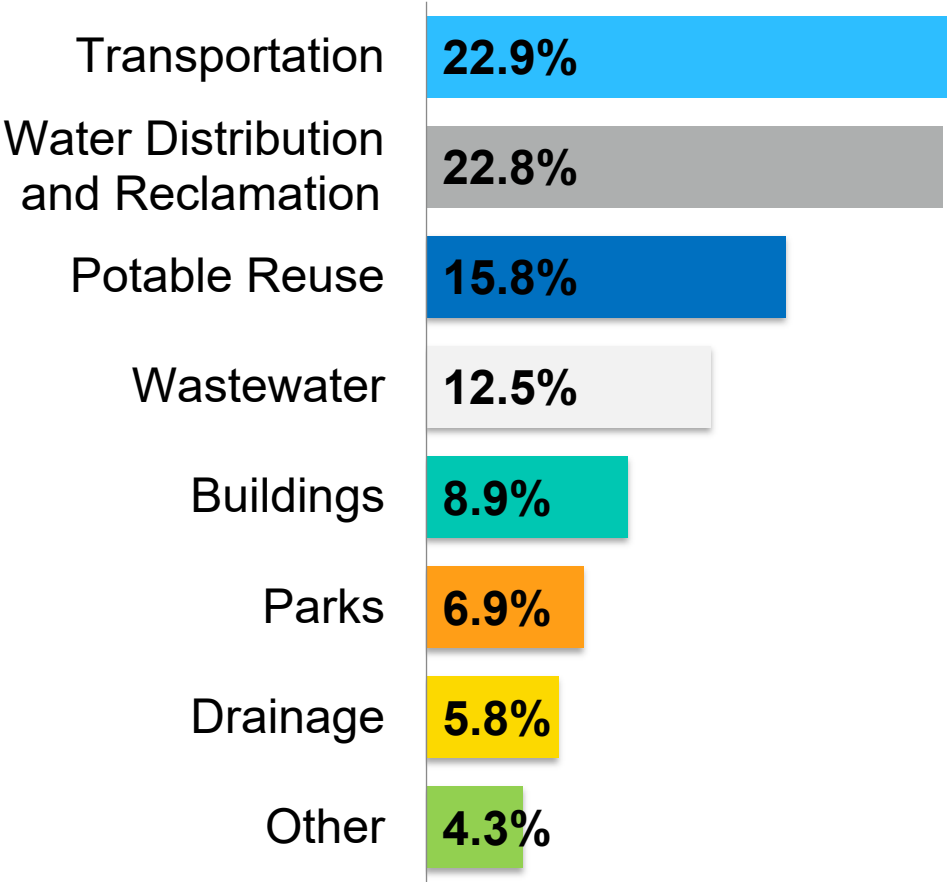
<i>Airports Fund</i>	Addition of non-personnel expenditures to support property management and equipment upgrades at Airport facilities.
<i>Climate Equity Fund</i>	Addition of one-time non-personnel expenditures to fund lighting improvements at various parks in communities of concern.
<i>Concourse and Parking Garages</i>	Addition of one-time non-personnel expenditures to replace the San Diego Theater's fire sprinkler system.
<i>Development Services Fund</i>	Addition of positions and non-personnel expenditures for inspection services, permit processing, relocation costs, and building improvements.
<i>Environmental Growth Funds</i>	Addition of expenditures for the maintenance of parks and recreational open space.
<i>Fleet Operating Fund</i>	Addition of expenditures to support fuel increases and fleet repair and maintenance.
<i>Infrastructure Fund</i>	Addition of one-time non-personnel expenditures to support critical infrastructure projects, and streetlight repair and maintenance.
<i>Sewer Utility Funds</i>	Addition of positions and expenditures associated with environmental monitoring, increases to utilities, support for pump stations, and cost increases for treatment chemicals.
<i>Transient Occupancy Tax Fund</i>	Addition of expenditures to reimburse the General Fund for the safety and maintenance of visitor related facilities including homelessness services; support capital projects in the Convention Center Corporation; support the World Design Capital 2024; and increase contributions for arts and culture programs.
<i>Water Utility Operating Fund</i>	Addition of positions and expenditures associated with the maintenance of dams and treatment plants, and Pure Water Operations.

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Capital Improvements Program Overview

The Fiscal Year 2024 Adopted CIP Budget for all funds is \$704.1 million, a decrease of \$130.0 million from the Fiscal Year 2023 Adopted Budget. This decrease is primarily associated to a decrease in Pure Water related enterprise fund appropriations. This budget allocates existing funds and anticipated revenues to both new and continuing projects. The allocation of funds is based upon an analysis of available funding sources, as well as a review of project needs and priorities.

Fiscal Year 2024 Adopted Budget by Project Type¹



¹Figures may not foot due to rounding.

Conclusion

The Fiscal Year 2024 Adopted Budget continues to focus on the City's goals and make investments to address the City's various needs including: public safety, waste management, right-of-way maintenance, libraries and recreational facilities, arts and culture, eviction prevention, youth programming, homelessness programs and services, and infrastructure. This balanced budget includes funding to maintain current services and fund areas of importance to the public. Based on current projections, balancing the General Fund budget in future years will require minimizing additions and refraining from the addition of ongoing programs, unless additional dedicated funding sources are identified. Additional details are included throughout this Volume.



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