

FY 2024 Updated City Council Budget Priorities IBA Report 23-02 REV

City Council
Item S400
February 13, 2023



Office of the Independent Budget Analyst



Background

Budget Priorities Resolution is Council's first step in the budget process

- This is the first time the Resolution has been prepared in the fall.
 - Initial budget priorities were approved by City Council on November 1, 2022.
- This change in the budget process was implemented by City Council action on June 27, 2022.
 - Typically, Budget Priorities Resolution was adopted by Council in February, after a significant portion of the Mayor's Proposed Budget had been finalized.
- This change is intended to better position Councilmember priorities for consideration in the Mayor's Proposed Budget.
- Now City Council has an additional opportunity to update priorities.

Background

Budget Priorities Resolution is Council's first step in the budget process *(con't)*

- Updates to Councilmembers' priorities were submitted to our Office on January 13, 2023.
- IBA Report 23-02 REV summarizes updated budget priorities.
 - Also includes additions made by the B&GE Committee February 8, 2023.
- Updated Budget Priorities Resolution will be submitted to Mayor after approval by City Council.

FY 2024 Priorities Receiving Majority Support

Operating Budget Priorities

- Homelessness and Housing
- Environment and Climate Action
- Public Safety
- Neighborhood Services
- Youth Services
- Arts and Culture
- Human Capital and Employee Compensation
- World Design Capital 2024
- Office of the City Auditor
- Office of Labor Standards and Enforcement
- ADA Transition Plan/Complaint Projects

Infrastructure Budget Priorities

- Transportation and Mobility Safety
- Streets
- Sidewalks
- Stormwater
- Facilities
- Americans with Disabilities Act (ADA)
- Security-Related Infrastructure

Resource and Mitigation Priorities

- Federal American Rescue Plan Act (ARPA)

Additions to the Initial Budget Priorities

New Councilmember Priorities with Majority Support

- World Design Capital 2024 (*8 Districts*)
- ADA Transition Plan and Complaint Projects (*7*)
- Middle-Income First-Time Homebuyer Pilot Program (*6*)
- Youth Care and Development Program (*5*)
- Youth Commission (*5*)

Priorities Added at Budget & Government Efficiency Committee

- Add up to 37.00 full time firefighters, paid for by overtime savings
- Request City Auditor update the 2014 Fire-Rescue Overtime Report
- Fund a true relief factor study to identify the optimal number of Fire-Rescue FTEs

City Council Operating Budget Priorities

Homelessness and Housing

- Rental Assistance - Housing Stability Fund (*unanimous*)
- Affordable Housing (*unanimous*)
- San Diego (Neil Good) Day Center (8)
- Homeless Shelters for LGBTQ+ and Senior Populations (8)/(5)
- Homelessness Outreach (7)
- Middle-Income First-Time Homebuyer Pilot Program (6) - **New**
- Eviction Prevention Program (5)

City Council Operating Budget Priorities *(cont'd)*

Environment and Climate Action

- Bicycle Master Plan *(8)*
- Urban Forestry Program *(8)*
- Climate Action Plan Implementation *(7)*
- Climate Equity Fund *(5)*

Public Safety

- Lifeguards *(unanimous)*
- Security Measures *(7)*

City Council Operating Budget Priorities *(cont'd)*

Neighborhood Services

- Brush and Weed Abatement *(unanimous)*
- Library Support *(unanimous)*
- Code Enforcement *(5)*

Youth Services

- Childcare Facilities/Facilities Assessments *(7)*
- Youth Services Librarians *(7)*
- Youth Care and Development Program *(5) - New*
- Youth Commission *(5) - New*

City Council Operating Budget Priorities *(cont'd)*

Arts and Culture *(unanimous)*

Other Operating Budget Priorities

- Human Capital and Employee Compensation *(unanimous)*
- World Design Capital 2024 *(8)* - **New**
- Office of the City Auditor *(8)*
- Office of Labor Standards and Enforcement *(7)*
- ADA Transition Plan and Complaint Projects Backlog *(7)* - **New**

City Council Infrastructure Budget Priorities

Transportation and Mobility Safety

- Pedestrian & Bicycle Safety (*unanimous*)
 - The following counts were corrected in the revised version of IBA Report 23-02:
 - Safe and Sustainable Transportation for All Ages and Abilities Team (STAT) – changed from 4 to 6 supporting Councilmembers
 - Updating the Bicycle Master Plan – changed from 5 to 8
- Traffic Calming (*unanimous*)
- Streetlights (*unanimous*)
- Traffic Signals (8)

Streets (*unanimous*)

Sidewalks (*unanimous*)

City Council Infrastructure Budget Priorities *(cont'd)*

Stormwater *(unanimous)*

Facilities

- Fire-Rescue *(unanimous)*
- Library *(unanimous)*
- Parks & Recreation *(unanimous)*
- Police *(6)*

Americans with Disabilities Act *(8)*

Security-Related Infrastructure *(8)*

City Council Budget Resource and Mitigation Priorities

FY 2024 Resources Mentions:

- Federal American Rescue Plan Act (ARPA) (*one-time resource*)
 - Current estimate: \$52.1M available for FY 2024
- Use of Excess Equity or General Fund Reserve (*one-time resource*)
 - Excess Equity estimate at Mid-Year Budget Monitoring: \$103.9M
- Grant opportunities being monitored (*fiscal estimates unavailable*)
 - Federal Infrastructure Investment and Jobs Act (IIJA)
 - California Child Care and Development Infrastructure Grant Program
 - Federal Inflation Reduction Act (IRA)

Conclusion

Recommended Action

- Review and discuss updated budget priorities highlighted in IBA Report 23-02 REV, including the B&GE Committee additions
- Formally adopt the FY 2024 Updated Budget Priorities Resolution, with any desired modifications
- Final Council Resolution will be submitted to the Mayor for consideration in the FY 2024 Proposed Budget