

FISCAL YEAR

2024

PROPOSED
BUDGET



Volume 1
Executive Summary

MAYOR TODD GLORIA



HOUSING • PROTECT & ENRICH • INFRASTRUCTURE • SUSTAINABILITY • PROSPERITY



City of San Diego
Fiscal Year 2024 Proposed Budget



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Executive Summary

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The City of San Diego's Fiscal Year 2024 Proposed Budget is \$5.12 billion and is comprised of five operating fund types and the Capital Improvements Program (CIP):

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

This represents an increase of \$47.1 million, or 0.9 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 wage increases and benefits, homelessness programs and services, public safety, and waste & recycling management. The increase in the Enterprise Funds are associated to the increases in the Water and Sewer Funds for water purchases, utilities, and regulatory compliance. The decrease in the CIP is primarily associated with fewer appropriations for the Pure Water Program.

The Fiscal Year 2024 Proposed Budget includes a total of 12,975.93 Full-Time Equivalent (FTE) positions, representing an increase of 198.78 FTE positions, or 1.6 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; 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 approximately 170.61 FTE net 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	\$ 2,043.2
Special Revenue Funds	825.4	850.8
Capital Project Funds	27.6	23.7
Enterprise Funds	1,265.3	1,380.1
Internal Service Funds	167.1	176.2
Capital Improvements Program	834.1	647.6
Total	\$ 5,074.4	\$ 5,121.5

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

Fund Type	FY 2023	FY 2024
General Fund	8,336.38	8,506.99
Special Revenue Funds	1,074.01	1,075.51
Enterprise Funds	2,947.02	2,964.83
Internal Service Funds	368.73	377.60
Other Funds	51.00	51.00
Total	12,777.15	12,975.93

Numbers may not foot due to rounding.

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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 public input. The Budget Development Process consists of three main phases: Budget Development, Budget Review, and Budget Adoption.

The Budget Development phase began with the release of the Fiscal Year 2024-2028 Five-Year Financial Outlook (Outlook) in Fall 2022, which is prepared each year to establish the initial framework for the development of the Fiscal Year 2024 Proposed Budget. The Outlook projected a General Fund baseline deficit of \$50.5 million. 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. 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 Budget, 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 into the Budget Review process equity considerations. 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 will hold a series of public meetings during April and May 2023 to obtain input from San Diego residents on spending priorities. The Mayor and City Council use this information 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 adopts and modifies the budget which is then 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 \$1.43 billion, or 72.0 percent, of the revenue in the Fiscal Year 2024 Proposed Budget. Projected growth rates for these revenue sources included in the Fiscal Year 2024 Proposed 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 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 Proposed Budget maintains a balanced and fiscally responsible 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 Proposed Budget includes funding to maintain current service levels and enforces areas of importance for the public. New and expanded services include additional homelessness services, SD Access for all, public safety, urban forestry, CleanSD, 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>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.
<i>Supplemental Positions</i>	Funding of positions that have been approved to be supplemental.

City Facilities

<i>Condition Assessments</i>	Funding of non-personnel expenditures to support facilities and yard condition assessments.
<i>Facilities Maintenance and Support</i>	Funding of positions and non-personnel expenditures to support procurement, 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.

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>Organics Waste Diversion</i>	Funding of positions and non-personnel expenditures to support compliance with Organics Waste Diversion (SB1383).

Employee Compensation and Support

<i>Employee Compensation</i>	Funding to support increases in employee compensation consistent with current labor negotiations.
<i>Employee Support</i>	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.
<i>Overtime Adjustments</i>	Funding of overtime expenditures for Public Safety Departments to align with approved wage increases and add-on pay adjustments.

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Equity and Diversity

<i>Digital Navigator Program</i>	Funding of personnel and non-personnel expenditures to support the City's Digital Navigator Program.
<i>SD Access 4 All</i>	Funding of positions and non-personnel expenditures to expand the SD Access 4 All Program via hot spots, develop the Digital Equity Program, and Digital Literacy program.

Homelessness and Housing

<i>Continued Shelter Operations</i>	Funding of non-personnel expenditures to support the lease and ancillary costs of permanent and temporary sites.
<i>Coordinated Outreach Support</i>	Funding of non-personnel expenditures to support continued coordinated outreach support.
<i>Day Center Site Improvements</i>	Funding of non-personnel expenditures to support site improvements and operating cost increases.
<i>Existing Storage Centers</i>	Funding of ongoing expenditures for existing storage centers to provide safe storage of belongings, security, outreach work, social services to people experiencing homelessness.
<i>Homelessness Response Center</i>	Funding of non-personnel expenditures to maintain services at the Homelessness Response Center.
<i>Homeless Programs and Services</i>	Funding of non-personnel expenditures to support existing homelessness programs and services.
<i>Rental Assistance</i>	Funding of non-personnel expenditures to provide rental assistance for individuals at risk of homelessness.
<i>Safe Parking Program</i>	Funding of non-personnel expenditures for the existing Safe Parking Program to provide support for individuals experiencing homelessness in their vehicles.
<i>Shelter Bed Capacity Expansion</i>	One-time funding to support a safe camping site.
<i>Inclement Shelter Beds</i>	Funding of non-personnel expenditures for shelter beds at multiple sites to provide shelter offerings during winter months.

Independent Departments

<i>City Clerk Software Enhancements</i>	Funding of non-personnel expenditures to enhance user experience of city documents.
<i>Civil Advisory for the Pure Water Program</i>	Funding of personnel and one-time associated non-personnel expenditures to support the Pure Water Program.

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 related to non-personnel expenditures for security at branch libraries.
<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.

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Park Rangers	Funding of positions to support enhanced security at community and open space parks.
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Other

Consulting Services	Funding of one-time expenditures associated to space planning, fiscal analysis, and lease negotiations.
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Emergency Services Training	Funding of non-personnel expenditures for department staff to attend emergency management training and credentialing courses.
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Public Safety

Assistance to Firefighters Grant	Funding of one-time non-personnel expenditures to support the Assistance to Firefighters Grant.
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Assistant Police Chief	Funding of an additional Assistant Police Chief.
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Cellphones for Sworn Personnel	Funding of non-personnel expenditure to support cellphones for all sworn and some civilian positions in the Police Department.
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Community Planning Group Reform	Funding of positions to support Community Planning Group reform.
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Contractual Increases	Funding of non-personnel expenditures for contractual increases for supplies and equipment in the Police Department.
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Firearms Training Facility	Funding of non-personnel expenditures for the rental of a firearms training facility.
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Lifeguard Support	Funding of positions to provide lifeguard support during non-summer months as well as support personnel.
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Mandated Building Inspections	Funding of personnel and non-personnel expenditures to support new and existing mandated building inspections.
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Operations Staffing Unit	Funding of positions to support the Fire-Rescue Operations Staffing Unit.
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Overtime Expenditure Alignment	Funding of overtime expenditures to align overtime with historical actuals in the Public Safety Departments.
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Smart Street Lights	Funding of non-personnel expenditures to support deployment of Smart Streetlights.
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Supplemental Positions	Funding of positions to support Police supplemental positions in the investigative units, property room, and operations.
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Test Monitors	Funding of positions that will assist in conducting written and physical ability examinations for Police Recruits, Fire Recruits, Lifeguards, and Dispatchers.
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Wellness Center Rent	Funding of non-personnel expenditures for a new leased space that will house the wellness center for the Fire-Rescue Department.
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Stormwater

Administrative Support	Funding of a position to provide administrative support for the Stormwater Department.
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Time Schedule Order and Compliance Monitoring	Funding of non-personnel expenditures to support compliance monitoring and comply with the Time Schedule Order.
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Transportation

<i>Asphalt and Concrete Materials</i>	Funding of non-personnel expenditures to support cost increases for asphalt and concrete materials.
<i>Electrical Engineering Support</i>	Funding of a position to support electrical engineering management and planning for streetlights, traffic signals, and utility undergrounding.
<i>Urban Forestry</i>	Funding of personnel and non-personnel expenditures to support tree planting and maintenance in order to meet requirements of the Air Pollution Control District settlement agreement.

Waste & Recycling Management

<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 increased refuse disposal fee.
<i>Transfer of Vehicles</i>	Funding of one-time non-personnel expenditures associated with the transfer of vehicles that support the Clean SD Program from the Refuse Disposal Fund.

Non-General Fund Overview

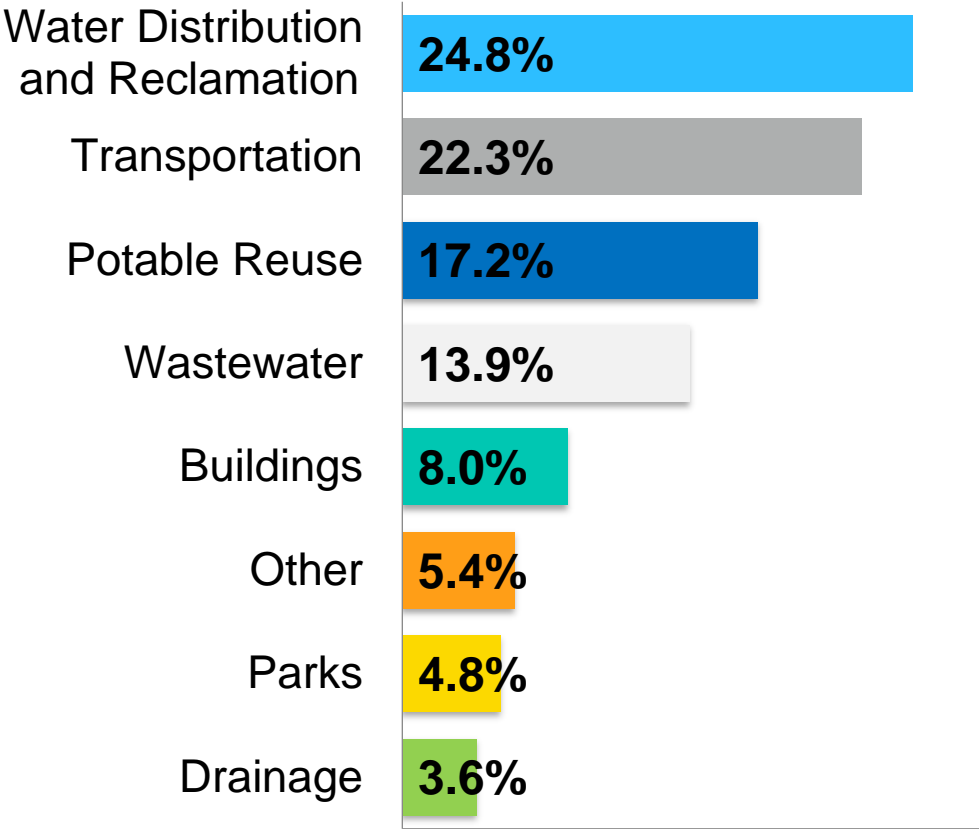
In addition to the General Fund, the Fiscal Year 2024 Proposed Budget includes the following major changes in non-general funds:

<i>Development Services Fund</i>	Addition of expenditures to support software implementation and streamlining efforts and customer service.
<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>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, and increased contributions for the arts and culture programs.
<i>Water Utility Operating Fund</i>	Addition of positions and expenditures associated with the purchase of water, maintenance of dams and treatment plants, and Pure Water Operations.

Capital Improvements Program Overview

The Fiscal Year 2024 Proposed CIP Budget for all funds is \$647.6 million, a decrease of \$186.5 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 Proposed Budget by Project Type



Conclusion

The Fiscal Year 2024 Proposed 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, and homelessness programs. 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 adding ongoing programs, without additional dedicated funding sources. Additional details are included throughout this Volume.



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