

# FISCAL YEAR 2025

Volume 1  
Executive Summary

## PROPOSED BUDGET

The City of  
**SAN DIEGO**  
MAYOR TODD GLORIA



HOUSING | PROTECT & ENRICH | INFRASTRUCTURE | SUSTAINABILITY | PROSPERITY



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# Executive Summary

## Executive Summary

The City of San Diego's Fiscal Year 2025 Proposed Budget is \$5.65 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

The Fiscal Year 2025 Proposed Budget represents an increase of \$473.0 million, or 9.1 percent, compared to the Fiscal Year 2024 Adopted Budget. This is primarily due to increases in the Special Revenue Funds, Capital Improvements Program, Enterprise Funds, and General Fund. Increases in the General Fund are primarily associated with increased funding for wages and benefits, homelessness programs, and new facilities. The increases in the Special Revenue Funds are primarily associated with the EMS Alliance Model, and salary and fringe benefits across various funds. The increase in the Enterprise Funds is associated with salary and fringe benefits, cost increases to chemicals to treat water and wastewater, and debt payments. The Capital Improvements Program includes an increase in Water and Wastewater project-related appropriations.

The Fiscal Year 2025 Proposed Budget includes a total of 13,299.12 Full-Time Equivalent (FTE) positions, representing an increase of 268.95 FTE positions, or 2.1 percent, compared to the Fiscal Year 2024 Adopted Budget. This net increase is primarily due to the following: a 94.18 FTE change in the Enterprise Funds associated with Pure Water Operations, Metro Pump Stations, Organics Processing, Street Preservation, and the People's Ordinance. The General Fund increase of 168.39 FTE is primarily associated with Employ and Empower Interns that are fully reimbursable, positions for new facilities in Parks and Recreation and Fire Rescue, a new Asphalt Team, and Street Preservation.

### Total City Expenditures Fiscal Years 2024-2025 by Fund Type/Program (in millions)

Fund Type/Program	FY 2024	FY 2025
General Fund	\$ 2,081.8	\$ 2,147.6
Special Revenue Funds	848.9	990.6
Capital Project Funds	23.7	25.9
Enterprise Funds	1,336.1	1,418.6
Internal Service Funds	178.0	190.9
Capital Improvements Project	704.1	871.9
<b>Total</b>	<b>\$ 5,172.5</b>	<b>\$ 5,645.6</b>

Numbers may not foot due to rounding.

### Total City FTE Positions Fiscal Years 2024-2025 by Fund Type

Fund Type	FY 2024	FY 2025
General Fund	8,512.99	8,681.38
Special Revenue Funds	1,078.51	1,085.66
Enterprise Funds	3,005.21	3,099.39
Internal Service Funds	379.46	379.69
Other Funds	54.00	53.00
<b>Total</b>	<b>13,030.17</b>	<b>13,299.12</b>

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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 Fiscal Year 2025-2029 Five-Year Financial Outlook (Outlook) in the Fall of 2023, which is prepared each year as a long-range fiscal planning guide and serves as the framework for the development of the Fiscal Year 2025 Proposed Budget for the General Fund. The Outlook projected a Fiscal Year 2025 General Fund baseline deficit of \$136.8 million. City departments submitted budget requests and operational efficiency reductions to the Department of Finance in January 2024, which City Management analyzed, reviewed, and prioritized in February 2024 and presented to the Mayor in March 2024 for further evaluation, discussion, and approval. Once budget decisions were finalized, projected General Fund revenues and expenditures were balanced and included in the Fiscal Year 2025 Proposed Budget, along with changes to the non-general funds and CIP.

During the Budget Review phase, the City Council will hold a series of public meetings in April and May 2024 to obtain the public's input on spending priorities. The Mayor and City Council use the information presented to recommend changes to the Fiscal Year 2025 Proposed Budget through the Mayor's May Revision and City Council modifications. The City Council will modify and adopt the budget in June 2024, 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 \$1.5 billion, or 72.0 percent, of the revenue in the Fiscal Year 2025 Proposed Budget. Projected growth rates for these revenue sources in the Fiscal Year 2025 Proposed Budget are as follows:

- Property Tax: 4.37 percent
- Sales Tax: 4.6 percent
- Transient Occupancy Tax: 5.9 percent
- Franchise Fees:
  - SDG&E: 4.62 percent
  - Cable: (5.53) percent

The remainder of revenues in the General Fund are generated by a variety of resources. After incorporating all adjustments, the Fiscal Year 2025 Proposed 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 2025 Proposed Budget includes funding to maintain current service levels. Expanded services include additional homelessness services and the operations of new facilities.

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

### Administrative Support

<b><i>Acquisition and Disposition Support</i></b>	Funding of position to support Acquisitions and Dispositions for Department of Real Estate and Airport Management.
<b><i>Contract Specialists</i></b>	Funding of positions to support job order contracts.
<b><i>Financial Support for the EMS Alliance Model</i></b>	Funding of positions to support accounting and reporting for the new EMS Alliance Model.
<b><i>Procurement and Contracting Support</i></b>	Funding of positions to support the procurement of goods and services.
<b><i>Project Labor Agreement Program Support</i></b>	Funding of positions and one-time non-personnel expenditures to support the Project Labor Agreement Program for the Capital Improvement Program.

### City Facilities

<b><i>Citywide Facility Job Order Contracting</i></b>	Funding of positions to support Citywide facilities job order contracting processes.
<b><i>Public Utilities Facility Maintenance</i></b>	Funding of positions to support repair and maintenance activities of Public Utilities Department facilities.

### Climate Action Plan

<b><i>Zero Emissions Vehicle Strategy</i></b>	Funding of a position to support the Zero Emissions Vehicles Strategy of the Climate Action Plan.
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### Equity and Diversity

<b><i>Employ and Empower Intern Program Support</i></b>	Funding of positions citywide to support the Employ and Empower Intern Program.
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### Homelessness and Housing

<b><i>1,000 Shelter Beds</i></b>	Funding of non-personnel expenditures to expand the number of shelter beds and the safe parking program.
<b><i>Continued Shelter Operations</i></b>	Funding of non-personnel expenditures to support operations at interim shelters and support lease expenses and ancillary costs.
<b><i>Day Center Site Cost Increases</i></b>	Funding of one-time non-personnel expenditures to support site improvements and operating cost increases at the Day Center.
<b><i>Family Shelter Bed Capacity Expansion</i></b>	Funding of non-personnel expenditures to support expansion of bed capacity at Salvation Army Family interim shelter site.
<b><i>Living Wage and Cost-of-Living Increases</i></b>	Funding of non-personnel expenditures to provide cost-of-living adjustments to front-line staff of service operators.
<b><i>Portable Restrooms Support</i></b>	Funding of non-personnel expenditures to support portable restrooms and security.

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<b><i>Safe Sleeping Program Support</i></b>	Funding of non-personnel expenditures to support the Safe Sleeping Program.
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## Independent Departments

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<b><i>City Attorney Civil Advisory Support</i></b>	Funding of positions and one-time non-personnel expenditures to support the Capital Improvements Program.
<b><i>Independent Legal Counsel</i></b>	Funding of non-personnel expenditures for independent legal counsel for the Office of the City Auditor.
<b><i>Medical Examinations</i></b>	Funding of non-personnel expenditures to support increase in medical examinations for City staff.
<b><i>Your Safe Place Support</i></b>	Funding of positions and one-time non-personnel expenditures to support Your Safe Place, a Family Justice Center.

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## Livable Neighborhoods

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<b><i>Balboa Park Botanical Building</i></b>	Funding to support the increased operating hours at the Balboa Park Botanical Building.
<b><i>Chilled Water Increase</i></b>	Funding of non-personnel expenditures to align budget with contract for Chilled Water services at the Central Library.
<b><i>Human Resources Support</i></b>	Funding to support the Employ and Empower Program positions in the Parks & Recreation Department.
<b><i>Janitorial Services</i></b>	Funding of non-personnel expenditures to support contractual increases in janitorial services at branch libraries.
<b><i>Land Acquisition</i></b>	Funding of positions and non-personnel expenditures to support land acquisition program development.
<b><i>Landscape Services</i></b>	Funding of non-personnel expenditures to support contractual increases in landscape services at branch libraries.
<b><i>New Parks and Recreation Facilities</i></b>	Funding of positions and non-personnel expenditures to support new parks, open spaces, joint-use facilities, and recreational facilities.
<b><i>Parking Services</i></b>	Funding of non-personnel expenditures to support parking services at Central and Mission Hills Library.
<b><i>Security Services</i></b>	Funding of a position and reduction of non-personnel expenditures to support security services at branch libraries.

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## Public Safety

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<b><i>Alternative Energy Sources Support</i></b>	Grant-funded addition of position to coordinate emergencies and training related to alternative energy sources.
<b><i>False Alarm System Replacement</i></b>	Funding of non-personnel expenditures to replace the false alarm system.
<b><i>Membership Dues</i></b>	Funding of non-personnel expenditures for Unified Disaster Council membership dues.
<b><i>Personal Protective Equipment Cleaning</i></b>	Funding of non-personnel expenditures for mandated advanced cleaning and repair of personal protective equipment.
<b><i>Rental of Police Firearms Training Facility</i></b>	Funding of non-personnel expenditures for the rental of a firearms training facility.

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<b><i>Special Events Support</i></b>	Funding of position to process permits and inspections for special events.
<b><i>Torrey Pines Fire Station Support</i></b>	Funding of positions and non-personnel expenditures to support operations at the new Torrey Pines Fire Station.

## Stormwater

<b><i>Time Schedule Order and Compliance Monitoring</i></b>	Funding of non-personnel expenditures to support compliance monitoring and comply with the Time Schedule Order.
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## Transportation

<b><i>Central Asphalt Team</i></b>	Funding of positions and non-personnel expenditures to support a new Central Asphalt team.
<b><i>Ready, Set, Grow San Diego Grant Support</i></b>	Funding of positions and non-personnel expenditures to support the Ready, Set, Grow tree planting grant.
<b><i>Street Preservation Ordinance</i></b>	Funding of positions and non-personnel expenditures to support the Street Preservation Ordinance.
<b><i>Urban Forestry Services</i></b>	Funding of non-personnel expenditures to support tree planting and maintenance to comply with the Air Pollution Control District settlement agreement.

## Operational Efficiencies and Budget Reductions

The Fiscal Year 2025 Proposed Budget includes expenditure reductions to achieve a balanced budget for Fiscal Year 2025.

The list below highlights some of the budget reductions by departments.

<b><i>Citywide Reductions</i></b>	Reductions associated to executive approval to fill vacancies process, consultants, cost of living adjustments, preservation of benefits, use of Infrastructure Fund, and the waiving of contributions to reserves and the Climate Equity Fund.
<b><i>Boards and Commissions</i></b>	Reduction of positions and non-personnel expenditures that support the department.
<b><i>City Attorney</i></b>	Reductions associated to operational efficiencies.
<b><i>City Auditor</i></b>	Reduction of personnel expenditures.
<b><i>City Clerk</i></b>	Reduction of personnel expenditures.
<b><i>City Planning</i></b>	Reductions associated to operational efficiencies.
<b><i>City Treasurer</i></b>	Reductions associated to external contracts, supplies, administrative support, and department reorganization.
<b><i>Commission on Police Practices</i></b>	Reduction of professional services.
<b><i>Communications</i></b>	Reduction of Graphic Designer and use of PEG Fund.
<b><i>Compliance</i></b>	Reduction of personnel expenditures.
<b><i>Council Admin and Council Districts</i></b>	Miscellaneous reductions of personnel and non-personnel expenditures.
<b><i>Department of Finance</i></b>	Reductions in positions, training, and supplies.
<b><i>Department of Information Technology</i></b>	Reduction to digital literacy services.

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<b>Development Services</b>	Reduction of a Zoning Investigator 2 and non-personnel expenditures.
<b>Economic Development</b>	Reduction of eviction notice registry and external contracts.
<b>Environmental Services</b>	Reduction of organics waste containers and implementation of a discount on refuse disposal fees.
<b>Ethics Commission</b>	Reduction of non-personnel expenditures.
<b>Fire-Rescue</b>	Reductions associated to dispatch operations, helicopter staffing, recruitment, wellness support, and a fire academy.
<b>General Services</b>	Reductions associated to supplies and services for facilities maintenance.
<b>Homelessness Strategies &amp; Solutions</b>	Proposed use of San Diego Housing Commission funds.
<b>Human Resources</b>	Reduction of citywide employee training and recruitment.
<b>Library</b>	Reductions associated to matching library donations, programming, security services, training, supplies, personnel expenditures, and computer replacements.
<b>Office of Emergency Services</b>	Reductions associated to discretionary non-personnel expenditures.
<b>Office of the Chief Operating Officer</b>	Reduction of the Office of Immigrant Affairs, and support for the Office of Child and Youth Success and special projects.
<b>Office of the IBA</b>	Reductions associated to operational efficiencies.
<b>Parks and Recreation Department</b>	Reductions associated to after school programs, Back to Work SD, brush management, park maintenance, and swimming pool programming.
<b>Performance and Analytics</b>	Reductions associated to hiring and performance dashboard/open budget tool.
<b>Personnel</b>	Reductions associated to operational efficiencies.
<b>Police</b>	Reductions in positions and non-personnel expenditures associated to front counters, juvenile services, Police Investigative Services Officers, police academies, shared mobility enforcement, No Shots Fired, and extension of shift overtime.
<b>Public Utilities</b>	Reductions associated to recreational programming.
<b>Purchasing &amp; Contracting</b>	Reduction of consulting services.
<b>Race and Equity</b>	Reductions associated to community grants and the Cannabis Social Equity Program.
<b>Real Estate &amp; Airport Management</b>	Reduction of various technical and service contracts.
<b>Stormwater</b>	Reduction associated to various as-needed services and consultants.
<b>Sustainability &amp; Mobility</b>	Reductions associated to contracts for the Climate Action Plan, Bicycle Master Plan, Complete Streets Design Manual, and zero emission vehicle initiatives.
<b>Transportation</b>	Reductions associated to traffic signal cabinets and tree planting.



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## Non-General Fund Overview

In addition to the General Fund, the Fiscal Year 2025 Proposed Budget includes the following major changes in non-general funds:

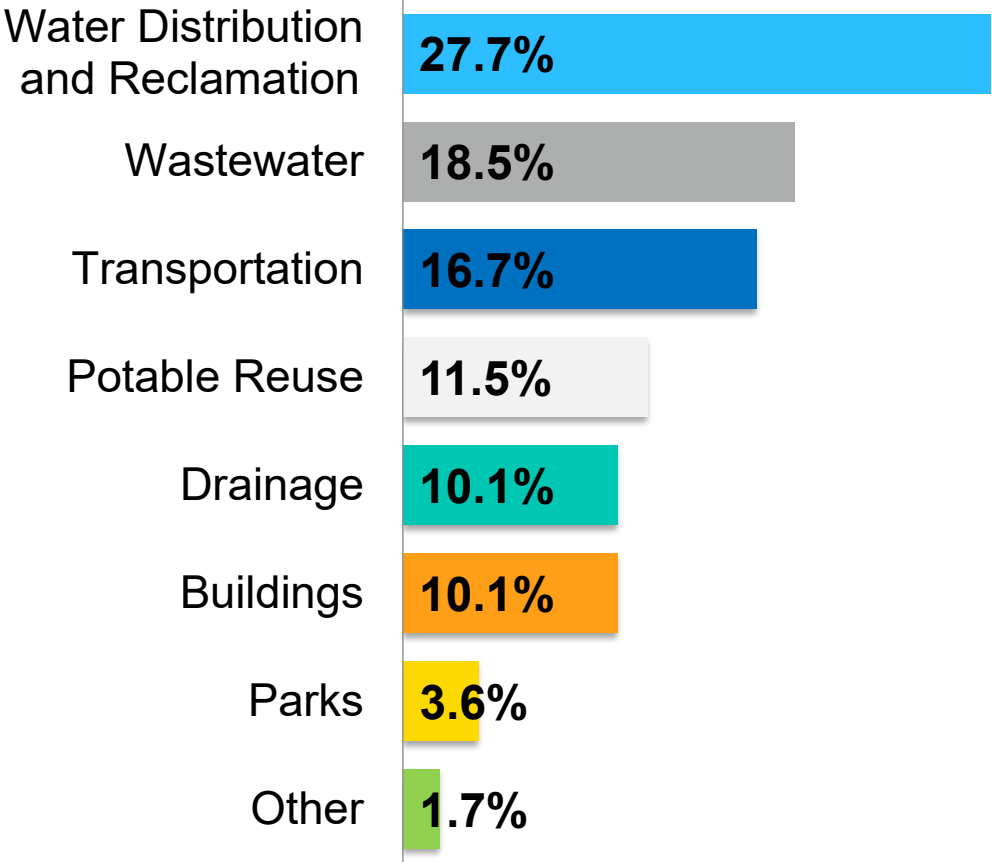
<b><i>Airports Fund</i></b>	Addition of non-personnel expenditures to support repairs and maintenance to the Commercial Retail Center as well as upgrades to information technology equipment at Brown Field Customs and Border Patrol facility.
<b><i>Concourse and Parking Garages</i></b>	Addition of one-time non-personnel expenditures for a transfer to the General Fund.
<b><i>Development Services Fund</i></b>	Addition of positions and non-personnel expenditures to support the Complete Communities Program and energy calculations for commercial projects.
<b><i>Environmental Growth Funds</i></b>	Addition of expenditures for the increase of reimbursements to the General Fund and stormwater mitigation related to channel maintenance.
<b><i>Fleet Services Operating Fund</i></b>	Addition of expenditures to support vehicle repair diagnostic software, new facility maintenance operations, and fuel cost increases.
<b><i>Infrastructure Fund</i></b>	Addition of one-time non-personnel expenditures to support infrastructure maintenance including facility repairs, stormwater maintenance, and transportation-related support such as streetlights and sidewalk maintenance.
<b><i>Sewer Utility Funds</i></b>	Addition of positions and expenditures associated with Pure Water implementation, equipment upgrades at water treatment facilities, regulatory compliance, support for pump stations, and cost increases for treatment chemicals.
<b><i>Solid Waste Management Fund</i></b>	Creation of a new fund and addition of expenditures to support implementing changes to the People's Ordinance.
<b><i>Transient Occupancy Tax Fund</i></b>	Addition of expenditures to reimburse activities that support tourism including: the safety and maintenance of visitor-related facilities, homelessness services; support for the World Design Capital 2024; and reductions of grant allocations to community, arts, and economic development community organizations.
<b><i>Water Utility Operating Fund</i></b>	Addition of positions and expenditures to support the maintenance of dams and treatment plants, Pure Water operations, water meter services, and water treatment chemical cost increases.

## Capital Improvements Program Overview

The Fiscal Year 2025 Proposed CIP Budget for all funds is \$871.9 million, an increase of \$167.8 million from the Fiscal Year 2024 Adopted Budget. This increase is primarily associated with an increase in Water and Wastewater-related projects. 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.

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## Fiscal Year 2025 Proposed Budget by Project Type<sup>1</sup>



<sup>1</sup>Figures may not foot due to rounding.

### Conclusion

The Fiscal Year 2025 Proposed Budget continues to focus on the City's goals and maintain the City's core city services including: public safety, homelessness programs and services, and infrastructure maintenance. This balanced budget includes funding to maintain current services, utilizing one-time and ongoing resources. Based on current projections, balancing the General Fund budget in future years and obtaining a structurally balanced budget may require additional ongoing reductions, minimizing additions, and refraining from the addition of new programs unless additional dedicated ongoing funding sources are attained. Additional details are included throughout this Volume.