

IBA Presentation on the City's Budget Development Process

City Mobility Board
August 2, 2023



Office of the Independent Budget Analyst

Providing the City Council and the public with clear, objective, and unbiased information and analysis.



Why is the City's Budget Important?

The Budget is a statement of – and plan to address – City priorities.



Library



The City's Budget has Two Parts

Operating Budget:

Outlines how funds will be spent on City services, including public safety and parks and recreation

Capital (CIP) Budget:

Allocates revenue for capital projects to improve or expand *existing* infrastructure and build *new* public assets

Understanding the Budget Process

Presentation Overview

- Roles in the Budget Process
- Operating Budget Overview
- Capital Improvements Program Overview
- Public Involvement and Resources



Roles and Authorities in the Budget Process

Are there standards for a sound budget?

City Council has a Budget Policy

Process

- Required reporting timeline
 - 5-year forecasts for both operating and capital budgets
 - Quarterly budget monitoring reports
- Public hearings and outreach to gain feedback
- Include performance measures in budget

Principles

- Balanced budget
- **One-time** revenues should fund **one-time** expenditures
- **Ongoing** expenditures should be funded by **ongoing** revenues
- Fund annual pension payment

Budget Process Roles and Authorities

- **Mayor**

- Proposes a balanced budget to Council by April 15
- Carries out the City's goals and services reflected in the Council-approved budget
- Has sole authority to propose budget changes during the fiscal year after Proposed Budget is approved

- **Council**

- May change the Mayor's Proposed Budget as long as the budget remains balanced
- Reviews, approves, and amends the Proposed Budget on or before June 15
- Has final budget authority (i.e., approves recommended changes from the Mayor)

- **IBA**

- Analyzes the Mayor's financial reports, including the Proposed Budget
- Supports Council & Committee budget hearings, participates in Budget Town Halls
- Develops final budget recommendations for Council consideration

Budget Process Roles and Authorities *(con't)*

Additional Powers and Roles:

- **Mayor can veto** Council changes to the Proposed Budget.
- **Council can override** a Mayoral veto with six votes.
- After budget adoption, Mayor, Council, and IBA monitor expenditures, revenues, and significant City programs throughout the fiscal year.

IBA Review and Analysis of the Mayor's FY 2024 Proposed Budget

- ✓ Projected revenues and expenditures
- ✓ Comparison to City Council's FY 2024 Budget Priorities
- ✓ Impacts of cuts or reductions on service levels
- ✓ Review of key issues
- ✓ Evaluate whether the budget is structurally balanced and financial practices and policies have been applied
- ✓ Highlight issues for further discussion

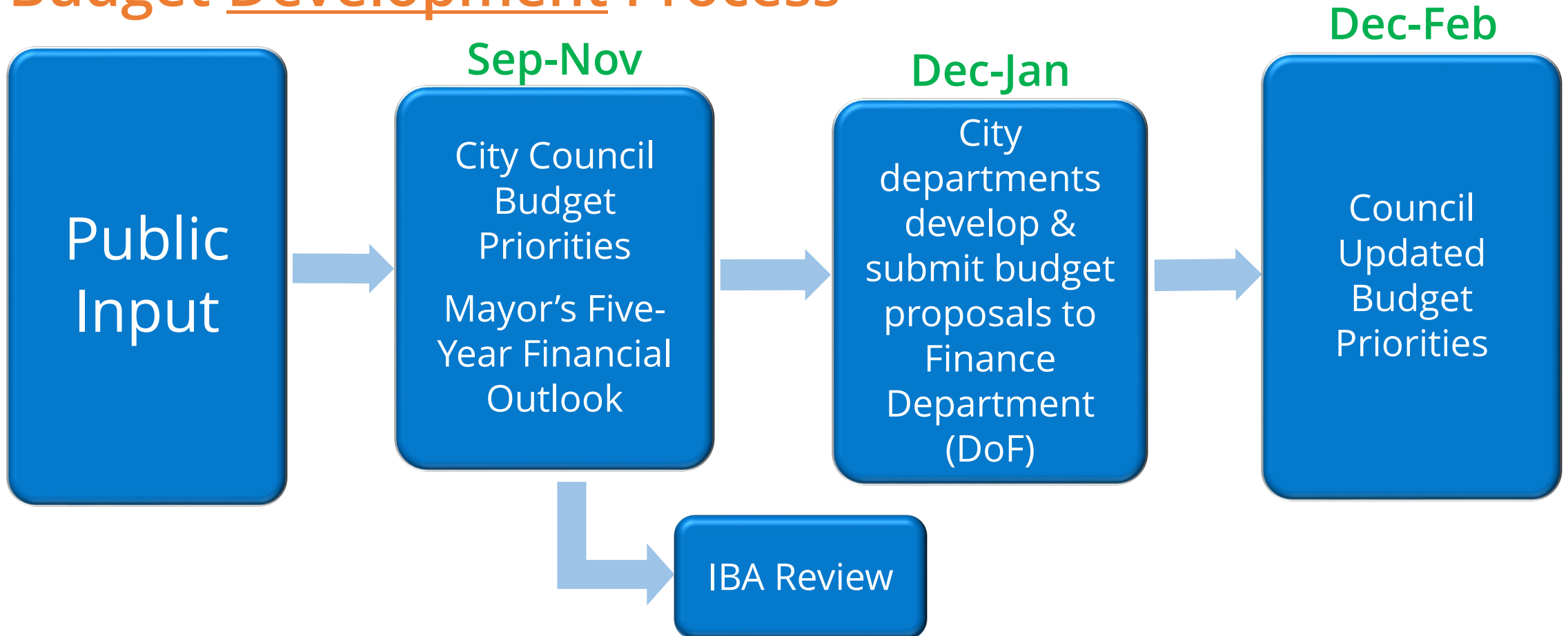


Operating Budget Overview



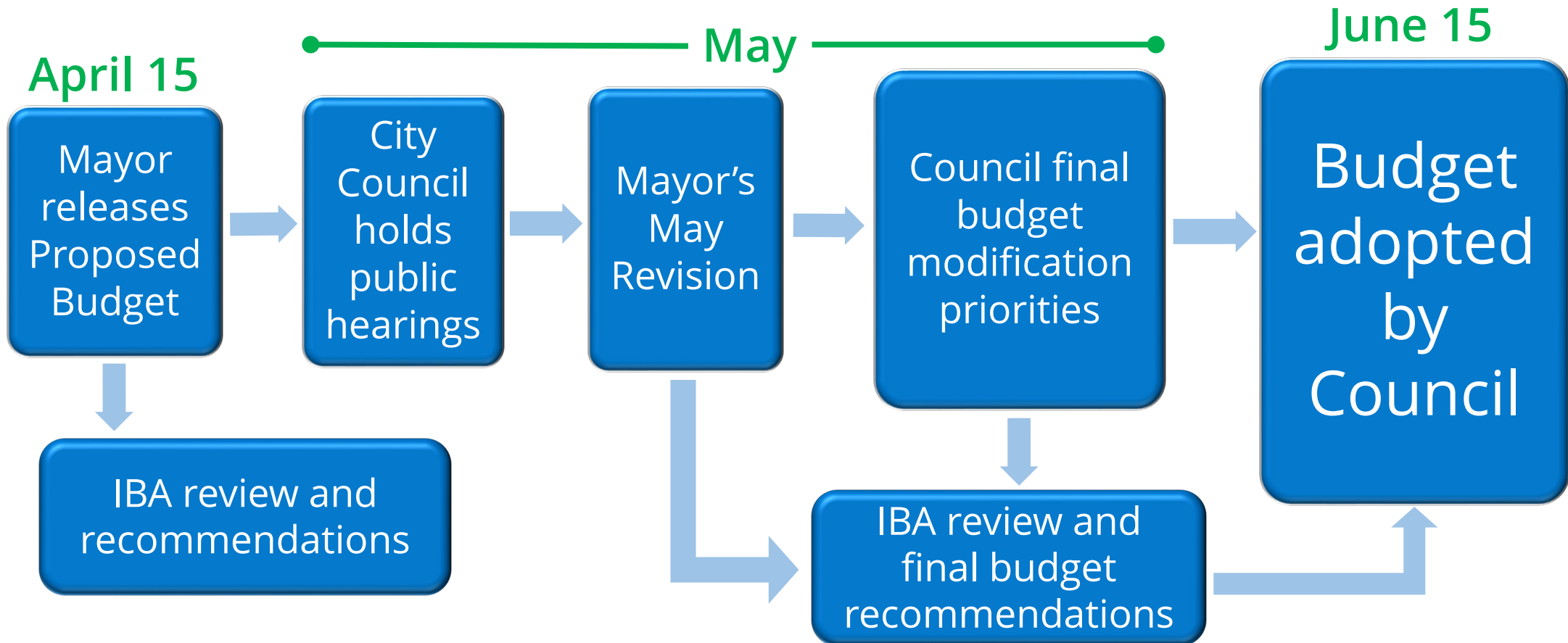
How is the Budget created?

Budget Development Process



How is the Budget created? *(con't)*

Budget Adoption Process



Mayor's Five-Year Outlook FY 2024-2028

Baseline General Fund Revenue and Expenditures (<i>\$ in millions</i>)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Baseline General Fund Revenues	\$ 1,881.1	\$ 1,955.4	\$ 2,017.3	\$ 2,086.1	\$ 2,149.4
Baseline General Fund Expenditures	1,931.6	1,978.0	2,038.1	2,085.4	2,143.3
Baseline (Shortfall)/Surplus	(50.5)	(22.6)	(20.9)	0.7	6.1
Additional Outlook Priorities Beyond Baseline	(25.4)	(73.0)	(86.4)	(94.8)	(118.7)
Recommended Use of Available ARPA Funds	52.1	-	-	-	-
Recommended Use of Available Excess Equity	23.8	48.3	-	-	-
Overall Outlook Shortfall	\$ 0.0	\$ (47.3)	\$ (107.3)	\$ (94.1)	\$ (112.6)

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

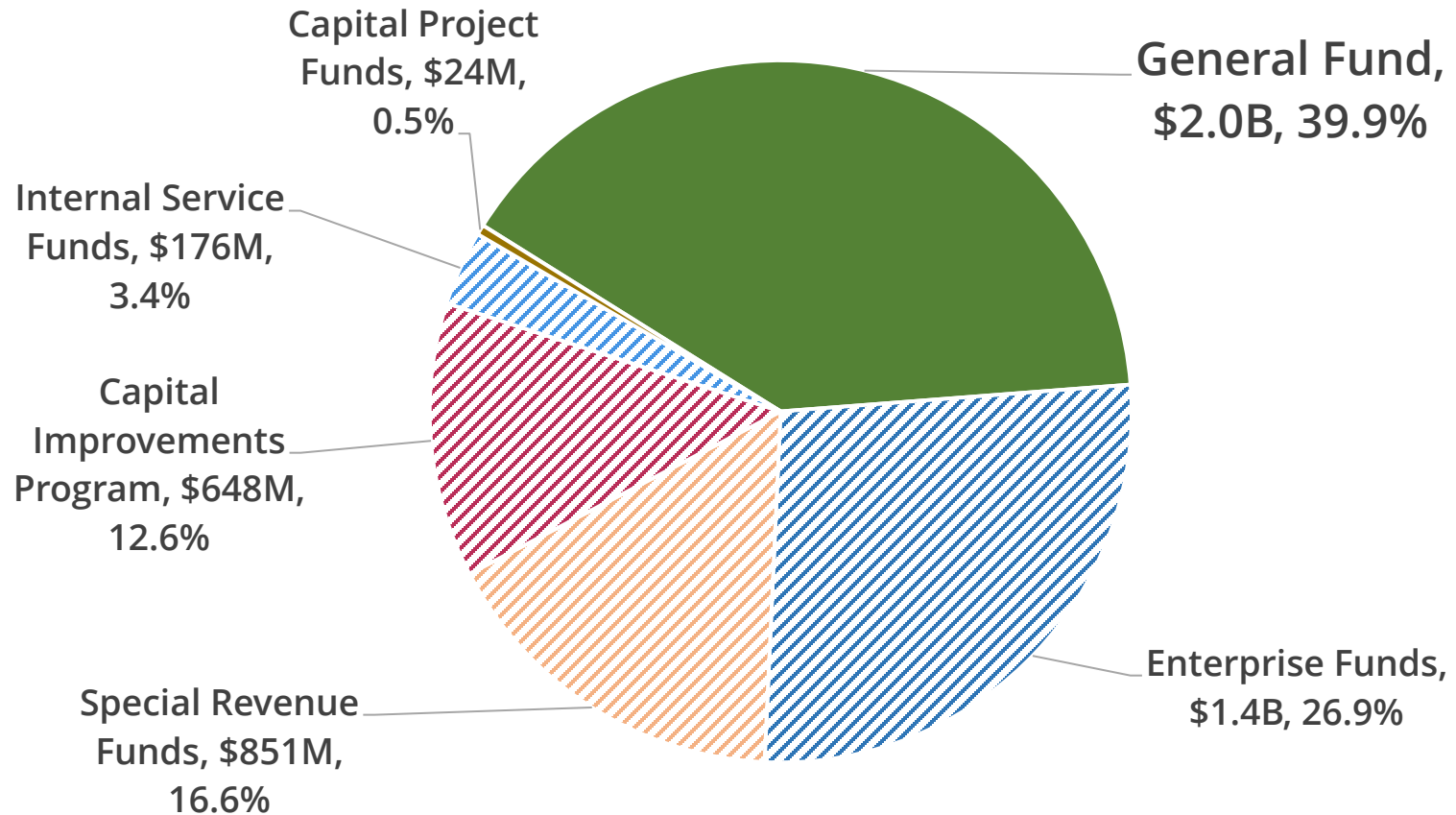
- Transportation and Mobility Safety
- Streets
- Sidewalks
- Stormwater
- Facilities
- Americans with Disabilities Act (ADA)
- Security-Related Infrastructure

Resource and Mitigation Priorities

- Federal American Rescue Plan Act (ARPA)

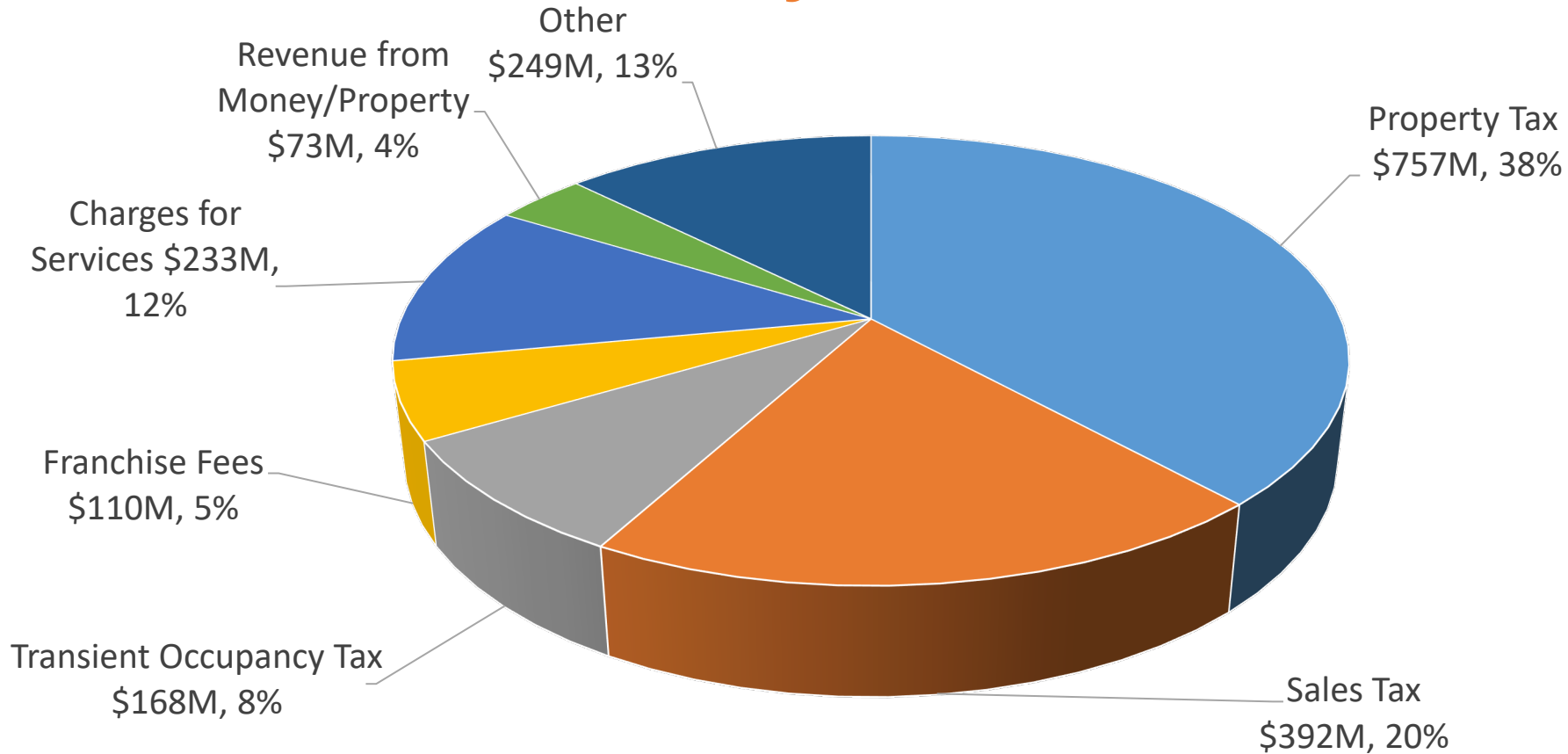
FY 2024 Proposed Budget by Fund - \$5.1B

General Fund has the most flexibility for use



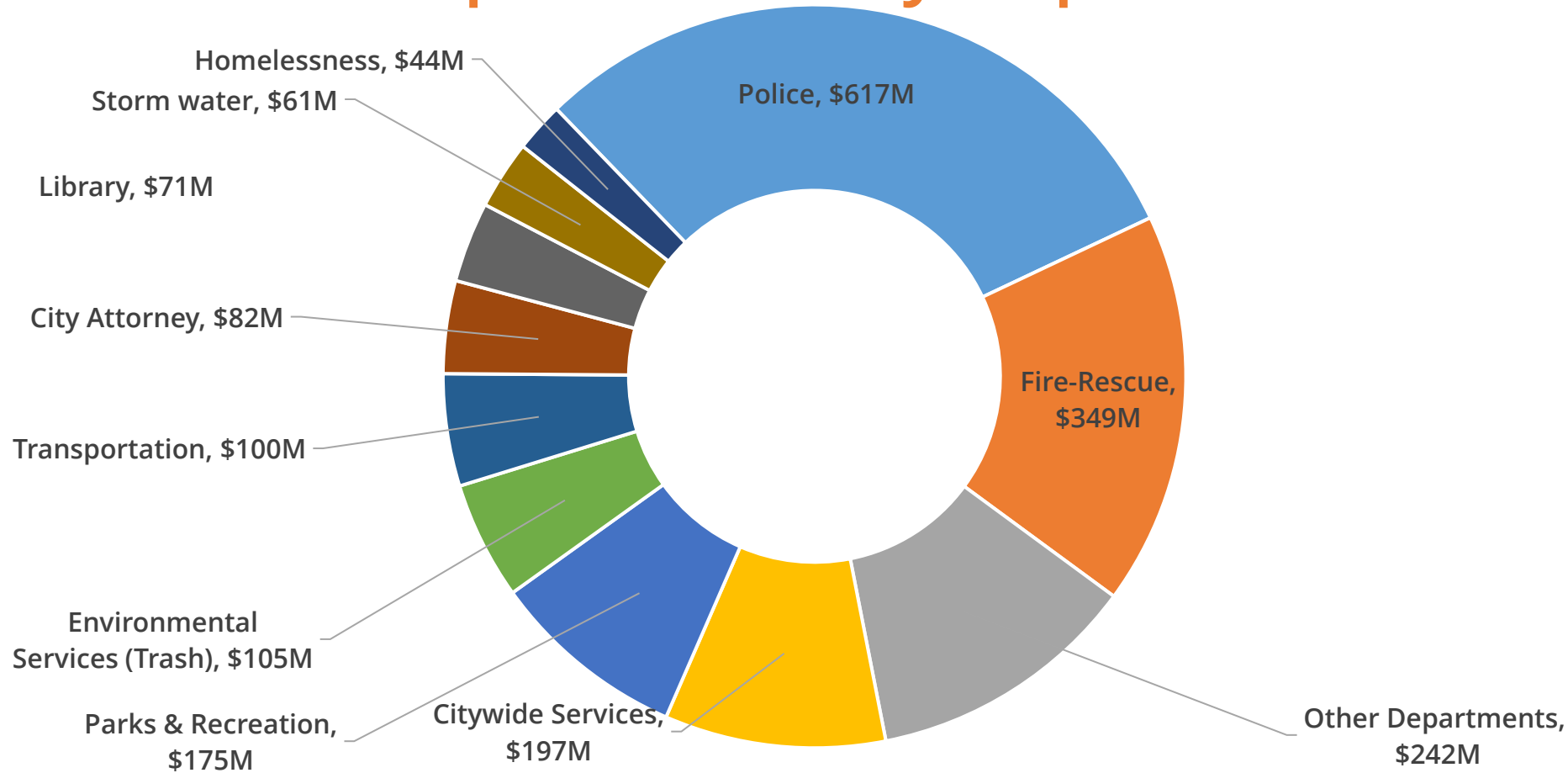
General Fund Revenues

General Fund Revenues by Source - \$2.0B



The Mayor's Proposal to Spend Money

General Fund Expenditures by Department - \$2.0B



Capital Improvements Program (CIP) Overview

City Infrastructure

The City Owns and Maintains Many Infrastructure Assets.

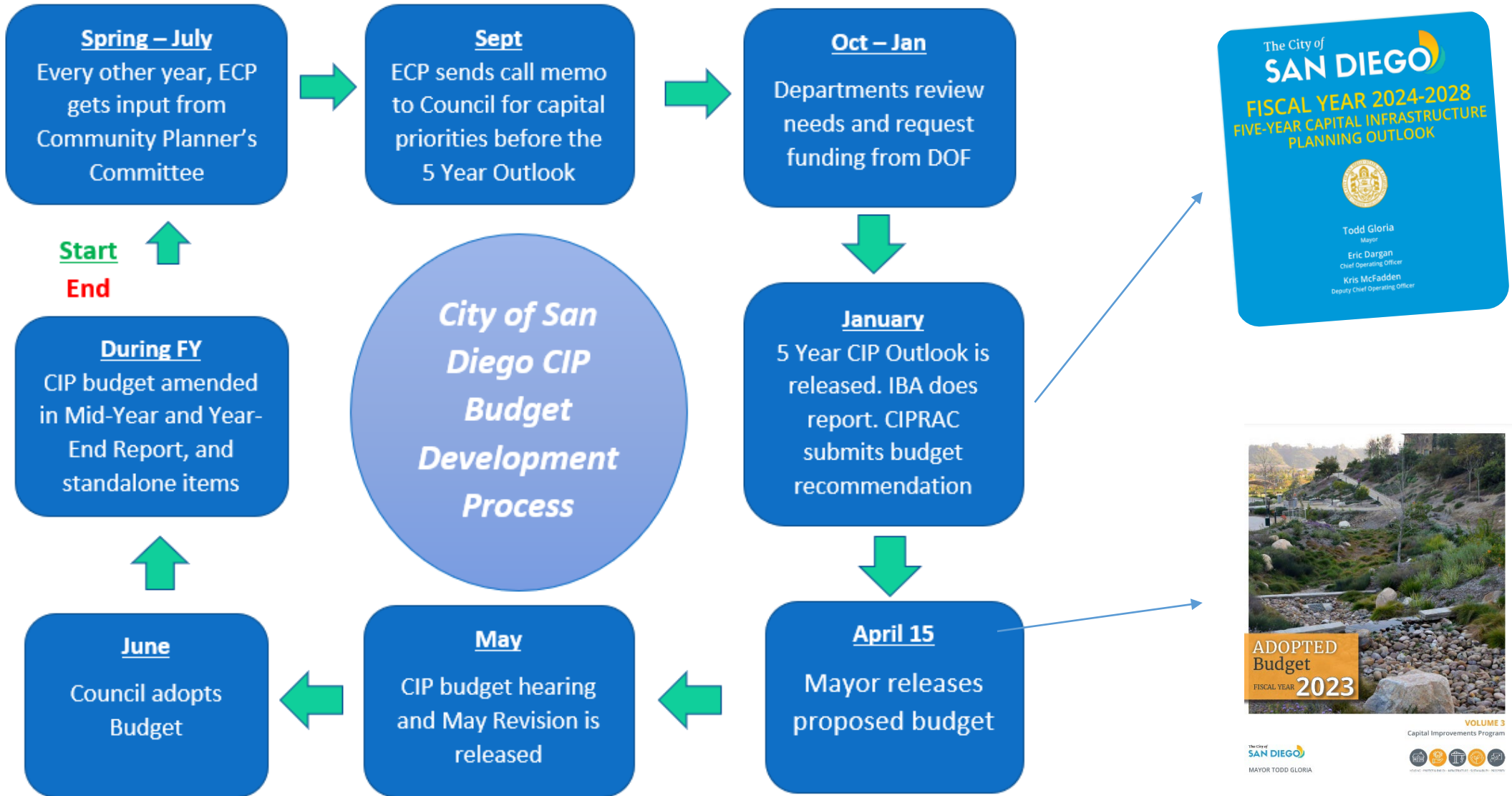


City is NOT Responsible for:

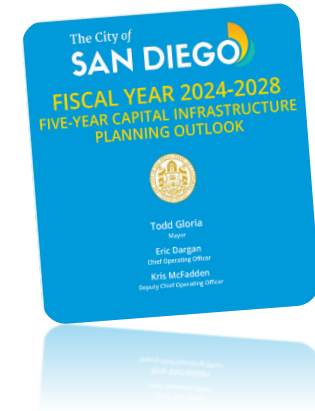
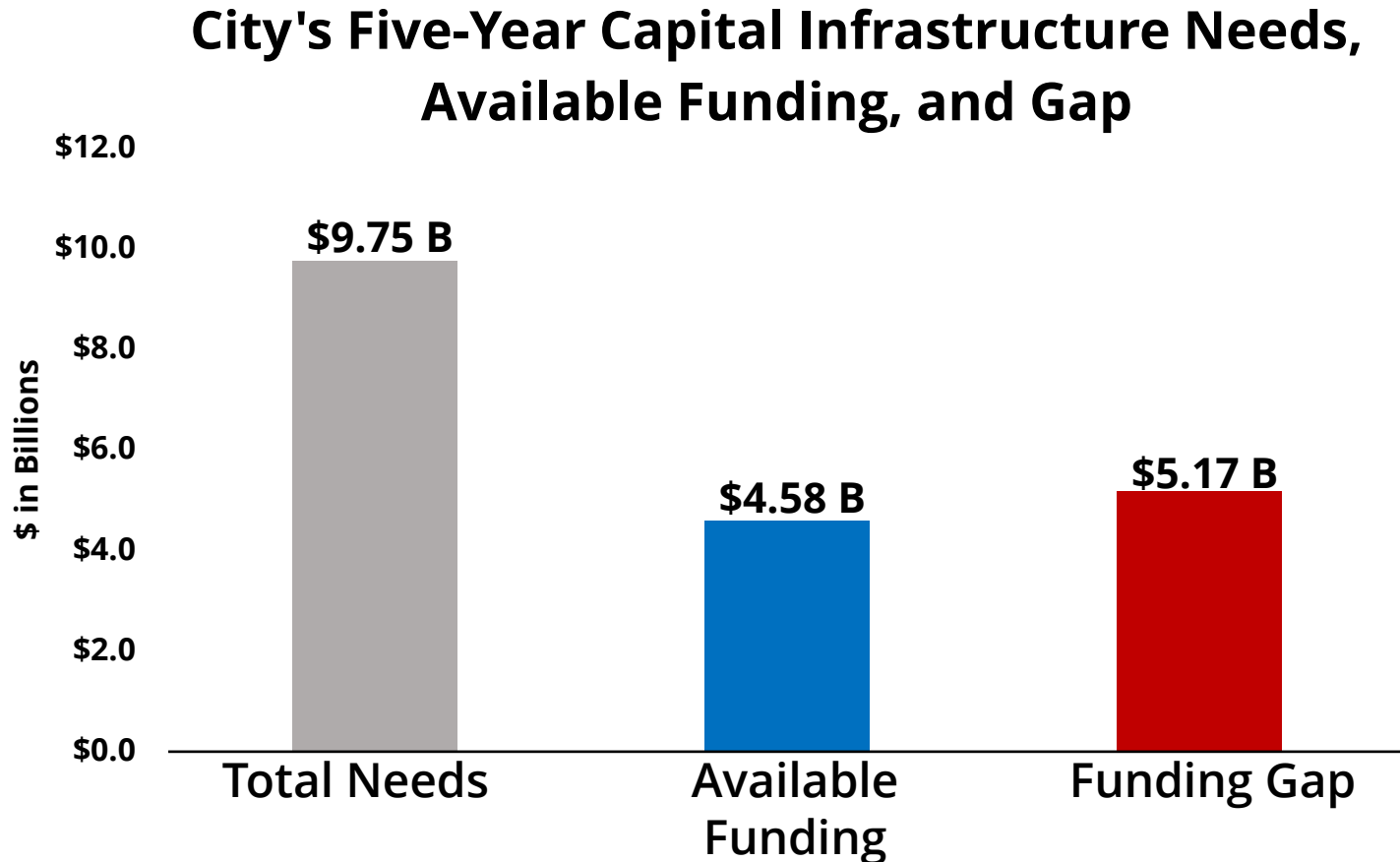
- Trolley
- Rail
- Bus system
- County, state, and federal facilities, roads, freeways



Office of the Independent Budget Analyst

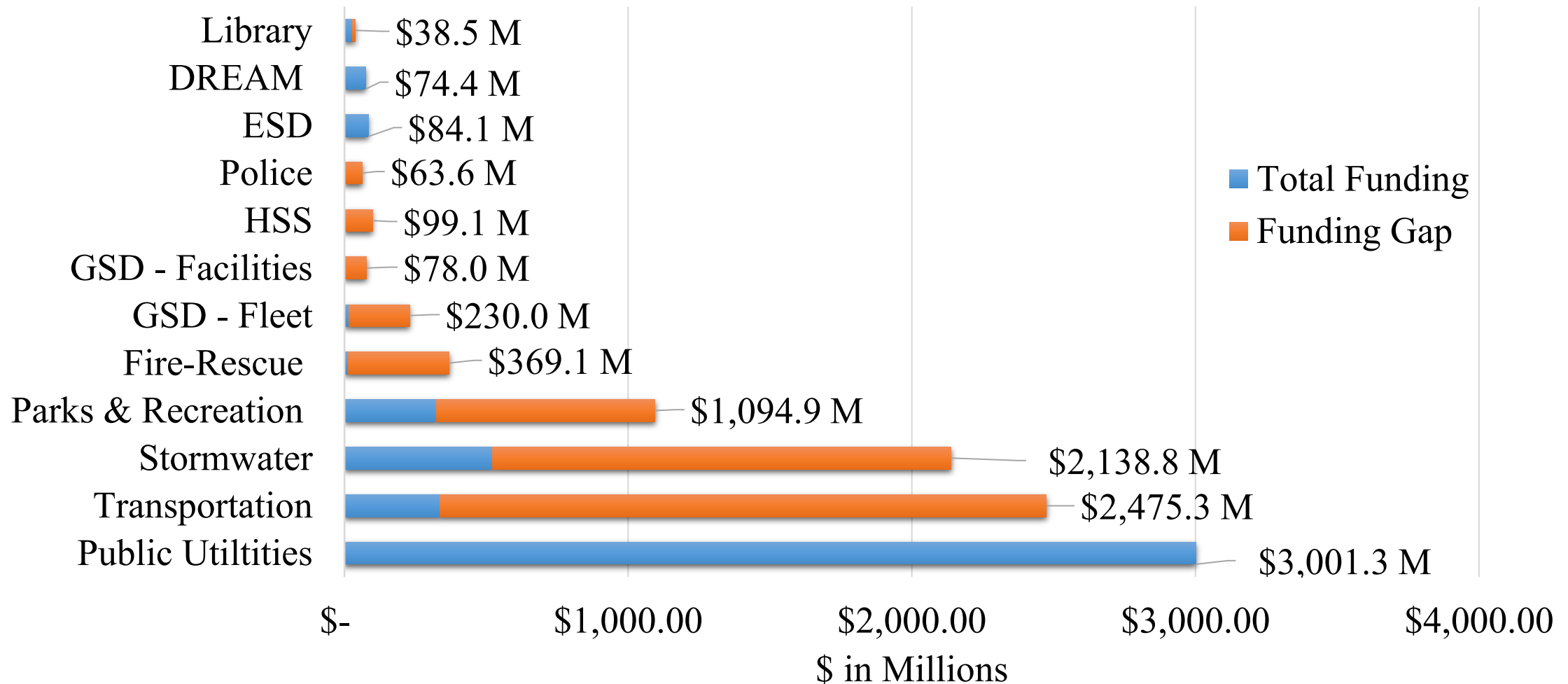


Highlights of the FY 2024-28 CIP Outlook



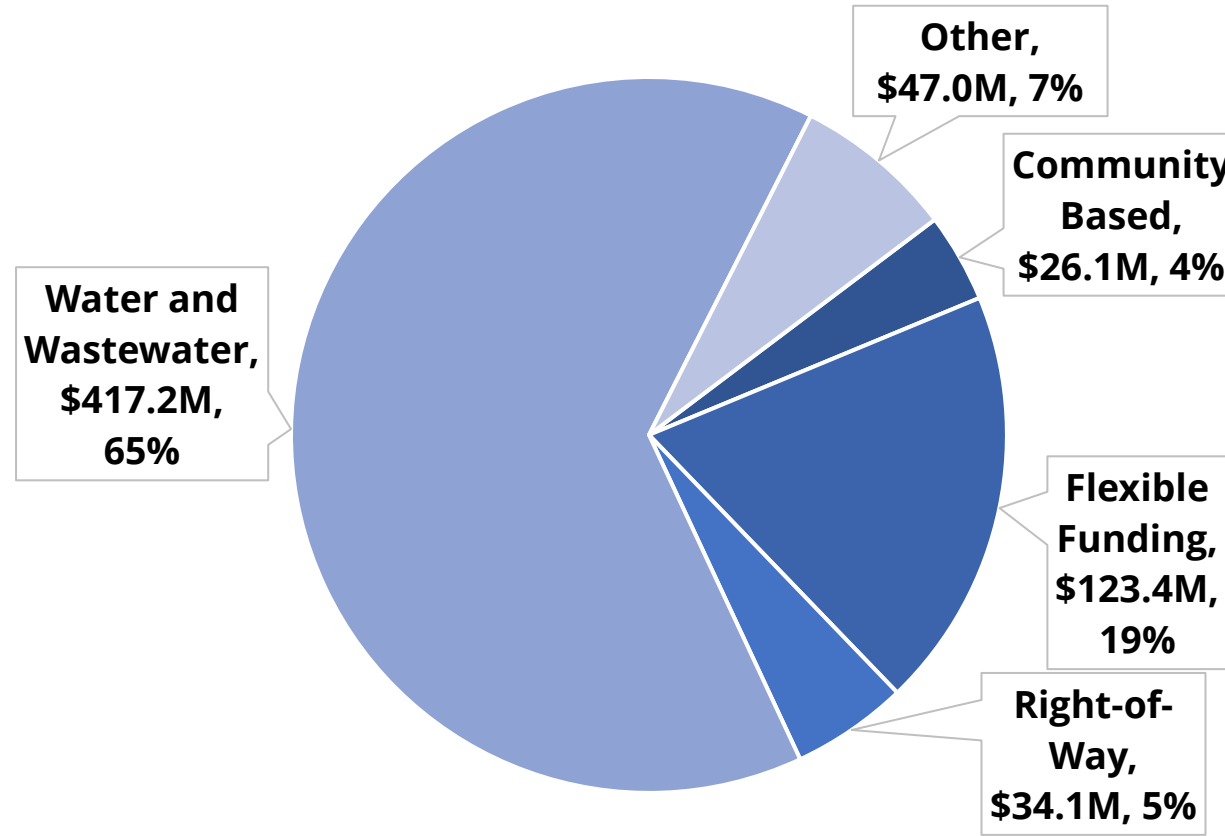
- Infrastructure is a major challenge for the City.
- Capital needs far exceed funding.

CIP Outlook - Funding Gap by Asset Managing Department



Highlights of the FY 2024 Proposed CIP Budget

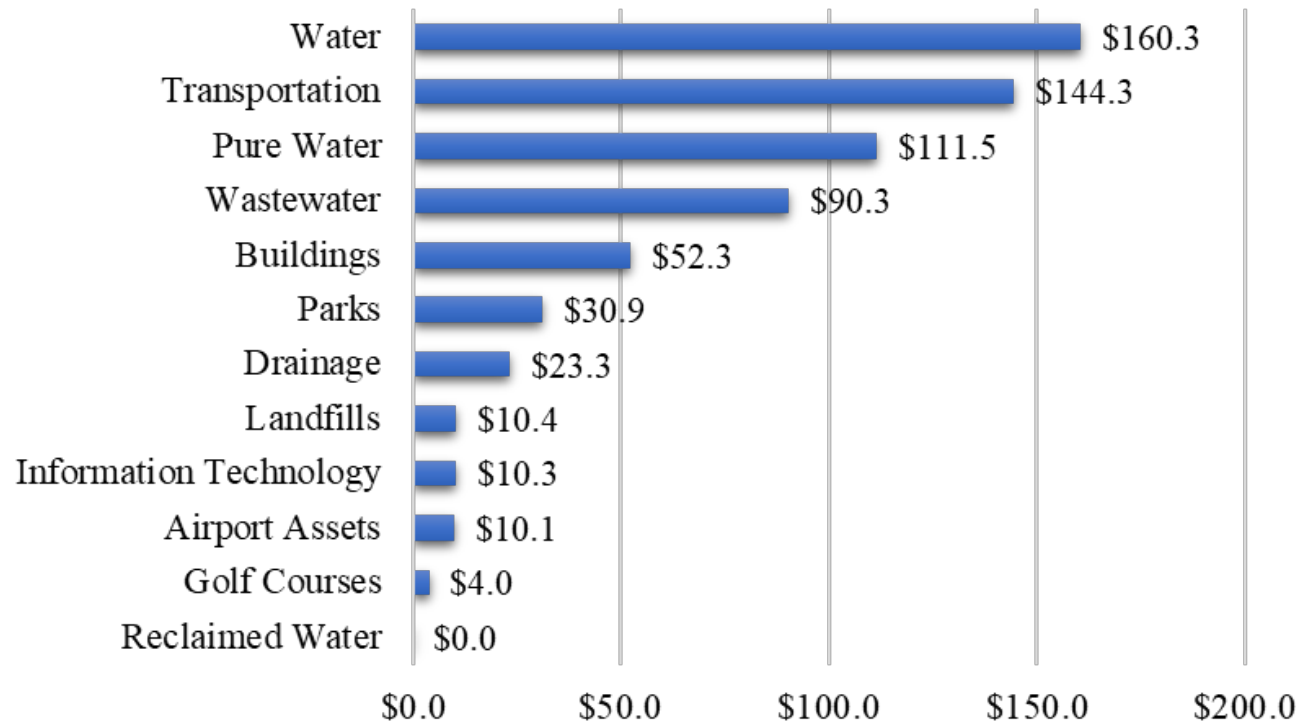
Available revenues drive the types of projects that get funded



Highlights of the FY 2024 Proposed CIP Budget

Pure Water, Water, and Wastewater Account for 56% of the CIP

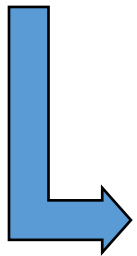
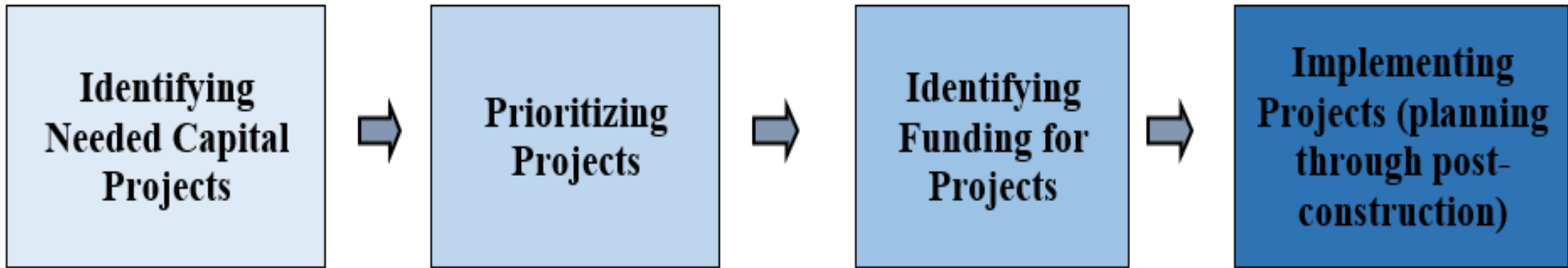
FY 2024 Proposed CIP Budget by Asset Type
\$ in Millions



Prioritizing Projects (Updated in December 2022)

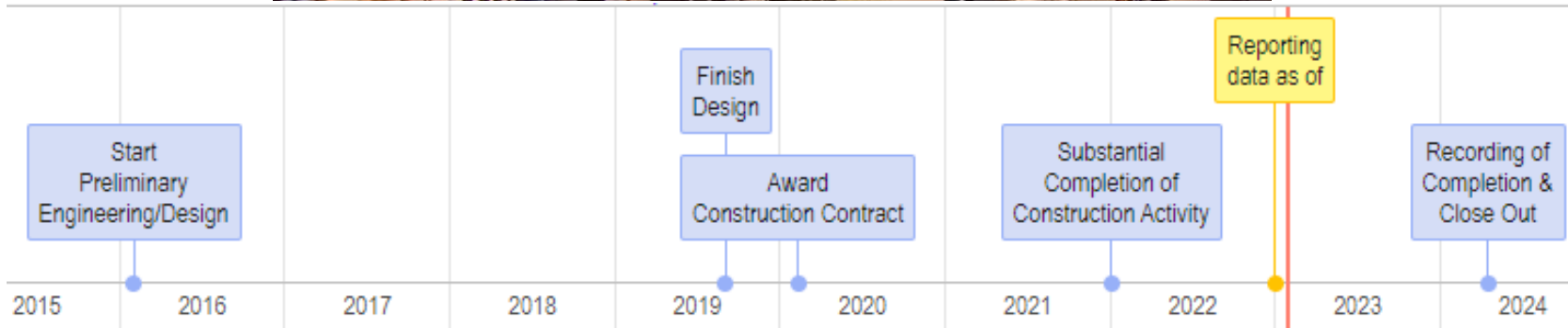
Factors
1. Legal Compliance and Risk to Health and Safety and Environment
2. Asset Condition and Service Level
3. Equal and Equitable Community Investment
4. Sustainability and Conservation
5. Funding Availability
6. Project Readiness
7. Multi Asset Benefit

Implementing the CIP



- Direction from the Mayor and City Council
- Preservation of Public Safety
- Legal Requirements or Mandates
- Data Driven Asset Management Practices
- City Plans
- Community Input

Implementing Projects



Project Implementation Phases



A photograph of a diverse group of people in a meeting or conference room. Many individuals have their hands raised, indicating active participation. The scene is dimly lit, with a dark overlay. A white rectangular border frames the central portion of the image, where the text 'Get Involved' is displayed in a large, white, sans-serif font.

Get Involved

Opportunities for Public Input

- **Contact the Mayor**

- ✓ November – April: during budget development

- **Contact Councilmembers**

- ✓ September: as they develop budget priority memos

- ✓ November: during Council's review of the Mayor's Five-Year Outlook

- ✓ December/January: as they update budget priority memos

- **Participate in CIP public outreach process**

- ✓ August/September: every other year through your Community Planning Group

- **Report needs**

- ✓ Get It Done App, Department staff

- **Get involved**

- ✓ Community planning, recreation committees, and other groups

Important Budget and Legislative Resources

[IBA Resources: https://www.sandiego.gov/iba](https://www.sandiego.gov/iba)

- [IBA reports](#)
- [Full list of key budget dates](#)
- [A Public Guide to the City's Budget Process](#)
- [A Public Guide to Infrastructure](#)
- Call our Office for additional information: **[619-236-6555](tel:619-236-6555)**
- Follow us on Twitter: **[@SanDiegoIBA](https://twitter.com/SanDiegoIBA)**.

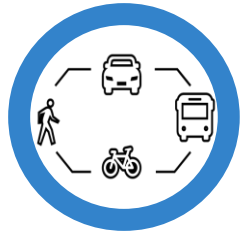
[Department of Finance Resources](#)

- [Adopted Budget](#)
- [Department of Finance various reports](#)

Department of Sustainability & Mobility

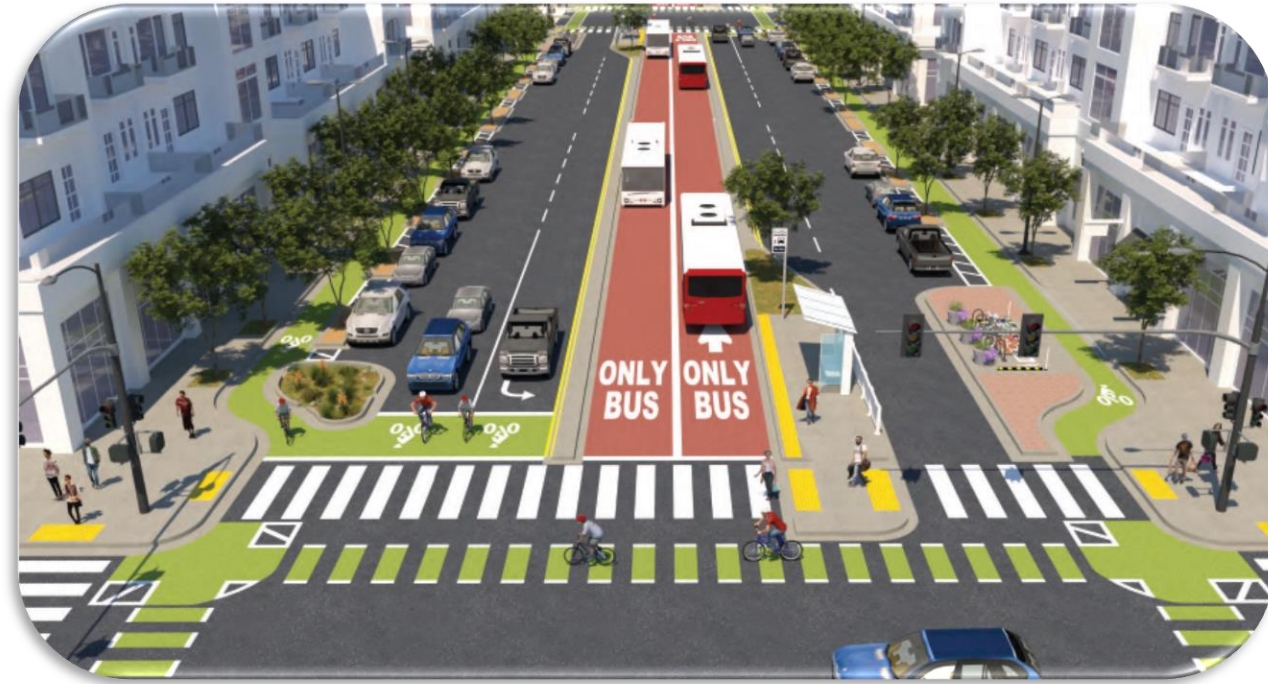
Complete Streets Council Policy

August 2, 2023
Mobility Board

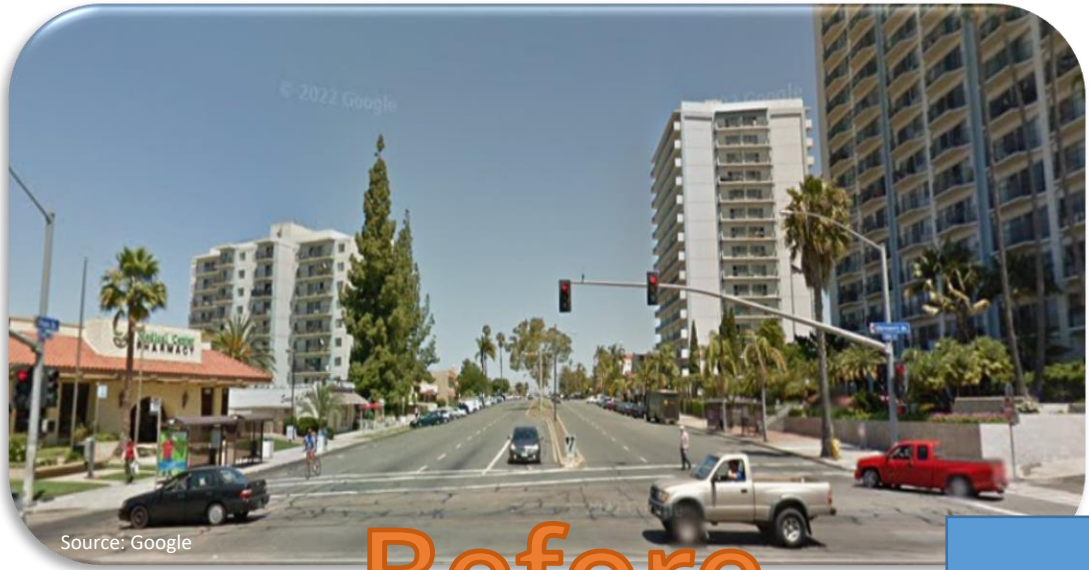


Why do we need Complete Streets?

- Provide more transportation options
- Reduce VMT and GHG
- Supporting other efforts, including:
 - Strategic Plan
 - General Plan Mobility Element
 - Climate Action Plan
 - Mobility Master Plan
 - Vision Zero Strategic Plan
 - Street Design Manual



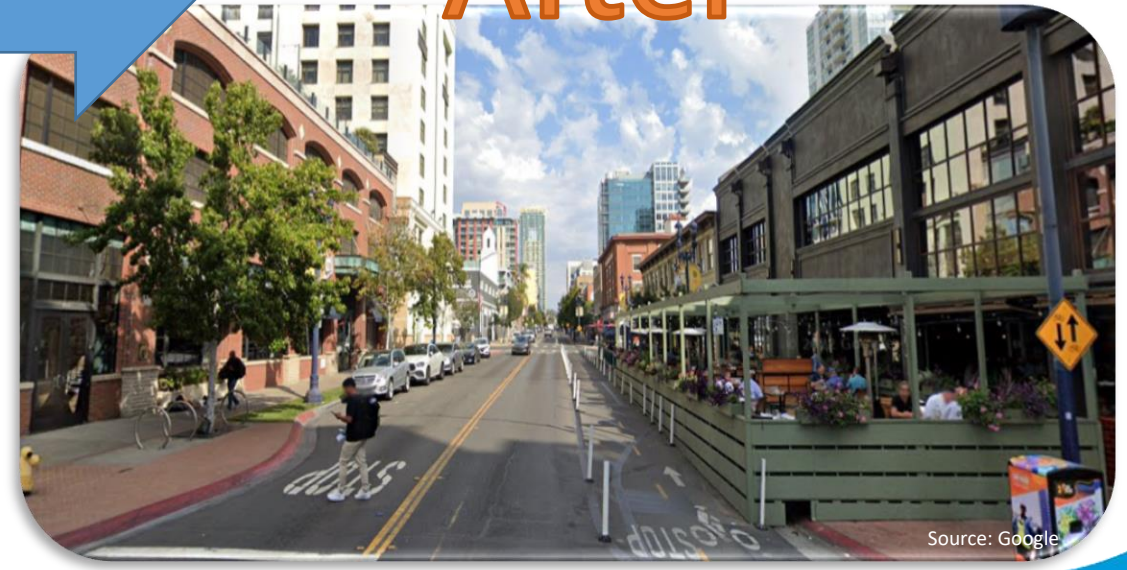
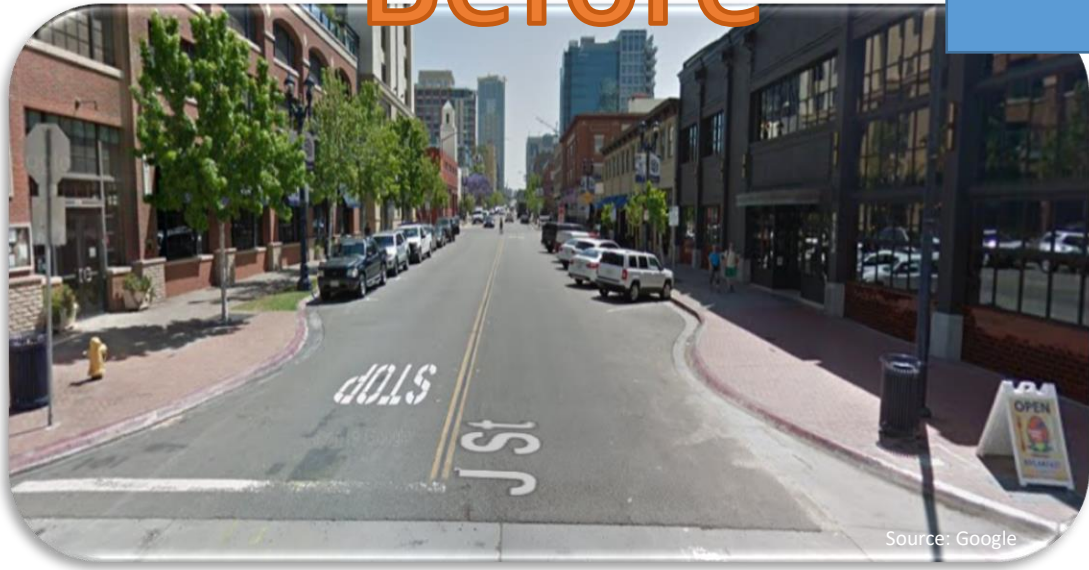
Complete Streets Council Policy Department of Sustainability & Mobility



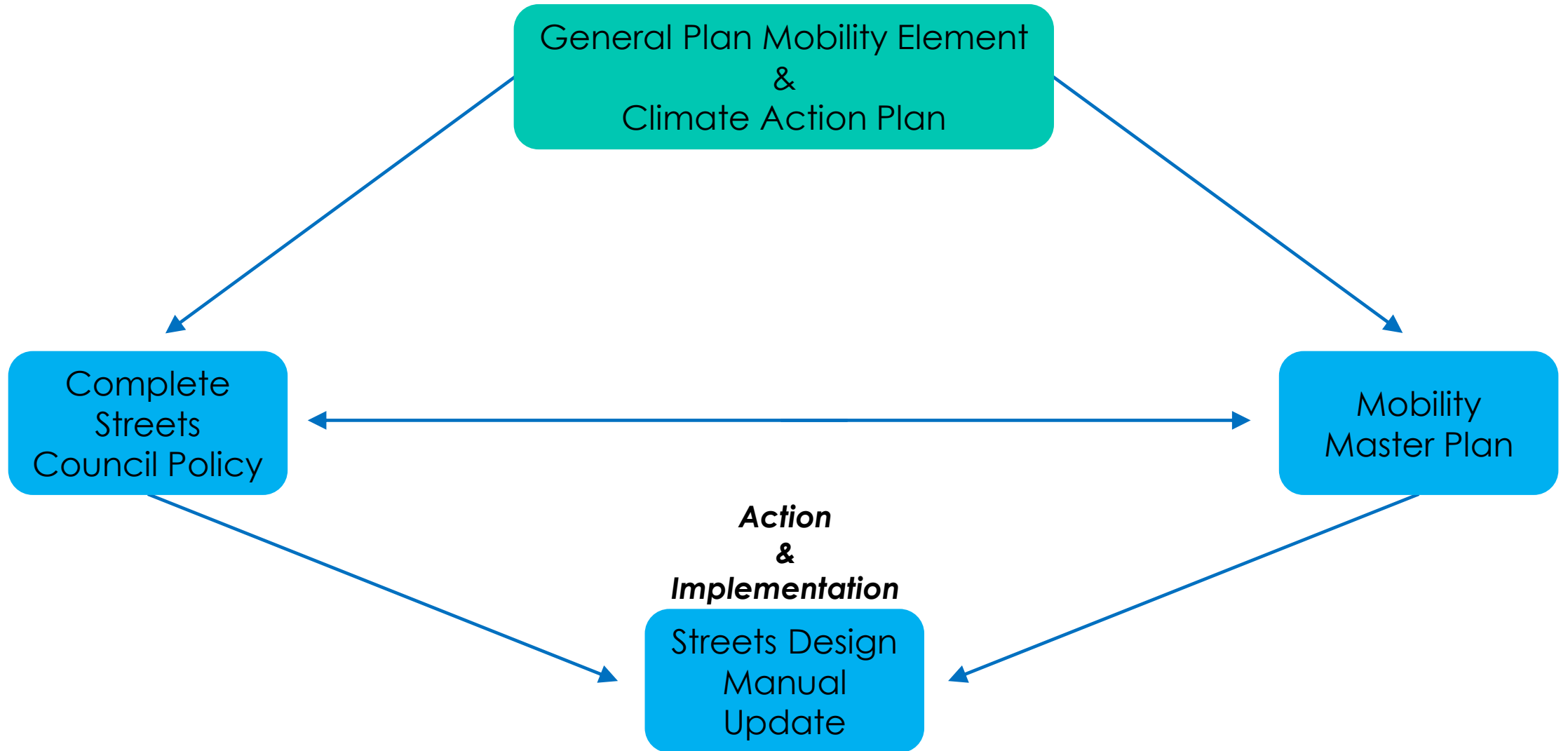
Before

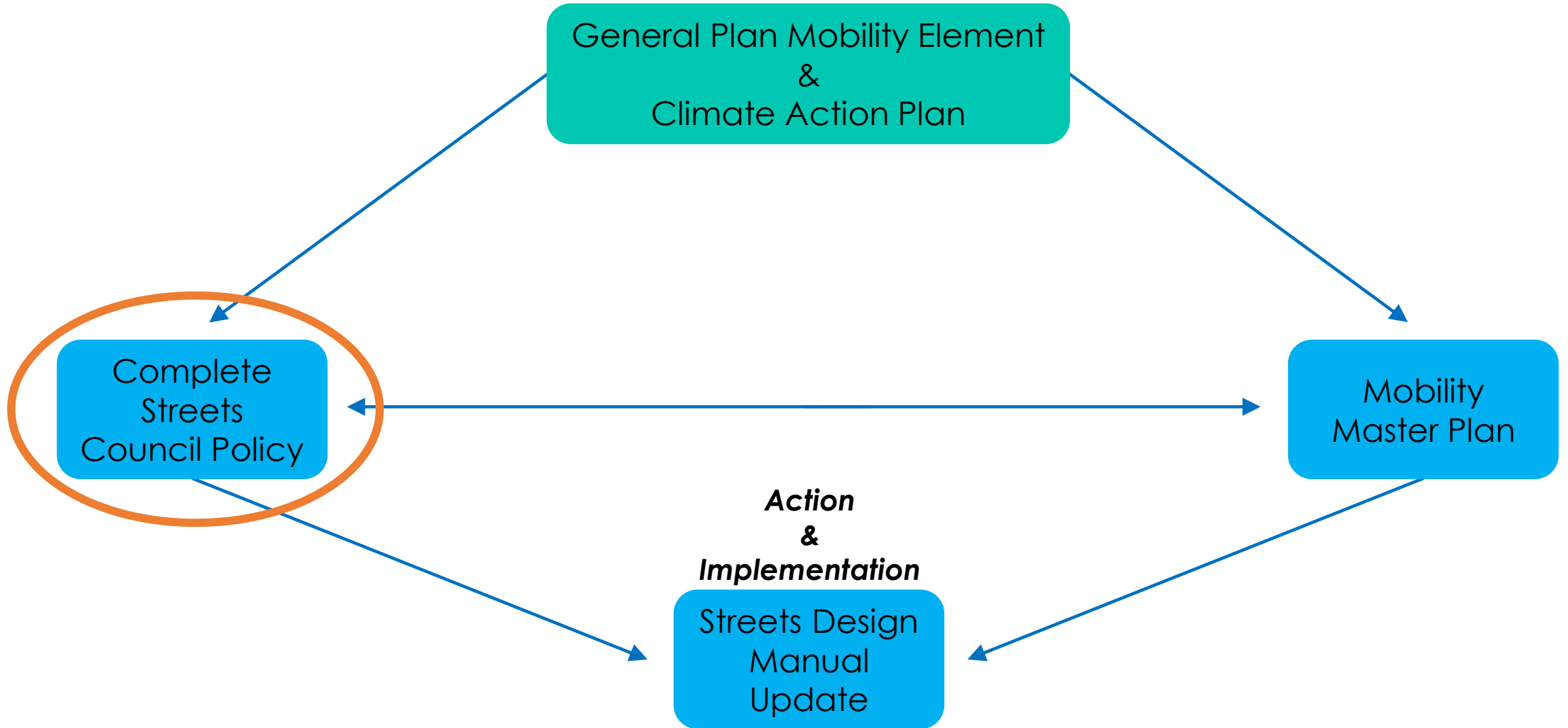


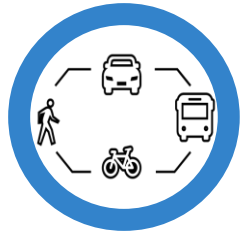
After





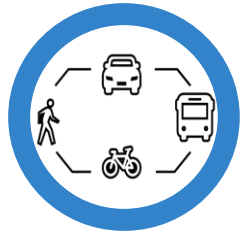






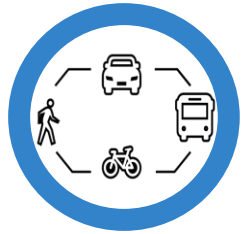
Complete Streets – Guiding Principles

- Serve all users and modes
- Prioritize accessibility for the most vulnerable users
- Support emergency responsiveness and goods movement
- Create connected multimodal networks
- Prioritize Complete Streets to further implement Vision Zero goals
- Integrate environmental considerations in Complete Streets
- Complete Streets should promote equity and accessibility



Complete Streets – Scope

- New street and retrofit projects will include Complete Street elements.
- City projects will consider Complete Street elements as part of project planning and design.
- New land use development projects will incorporate Complete Streets elements in frontage improvements.
- Complete Streets will employ context sensitive approaches in design criteria.
- Interjurisdictional transportation projects will be coordinated with adjacent jurisdictions and agencies.



Complete Streets – Implementation

Actions:

- Establish a mobility governance group
- Consider multimodal connectivity in design
- Integrate Complete Streets in plans and processes
- Actively seek funding and bundle multimodal improvements
- Establish performance measures and regularly monitor effectiveness



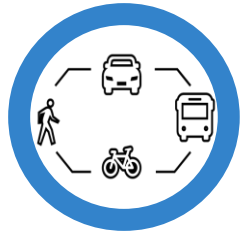
Complete Streets – Exceptions & Policy Review

Exceptions:

- Require Transportation, Sustainability & Mobility, and City Engineer approval
- Must be supported with documentation

Policy Review:

- Review periodically in concert with the Mobility Master Plan
- Update with the adoption of future Climate Action Plans



Complete Streets – Next Steps

- Did we miss anything in the policy?
 - Guiding Principles
 - Scope
 - Implementation
 - Exceptions and Policy Review
- Mobility Board Action
- Timeline (adoption)
 - ATI
 - Council



Source: Smart Growth of America

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Department of Sustainability & Mobility

Complete Streets Council Policy

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