



**PROPOSED
BUDGET
2024-25**



CITY OF CHULA VISTA • CALIFORNIA

City of Chula Vista Fiscal Year 2025 Proposed Budget Overview

Agenda



FISCAL YEAR 2025
PROPOSED BUDGET



FISCAL YEAR 2025 CAPITAL
IMPROVEMENT PROGRAM



NEXT STEPS

Budget Process Overview

Nov. 28, 2023

- Staff provided to the City Council a presentation of the General Fund Long-Term Financial Plan from FY2025 to FY2034

Jan. - April 2024

- Development of a preliminary baseline budget; Departmental requests and adjustments

April 17 & 24, 2024

- Staff conducted two Community Budget Workshops at Civic & Otay Ranch Libraries

May 2, 2024

- City Manager's Proposed Budget Document was submitted to City Council at least 35 days prior to the beginning of the fiscal year, as required by City Charter

May 7, 2024

- Presentation to City Council of the Fiscal Year 2025 City Manager's Proposed Budget

May 21, 2024

- Public hearing and Council vote to adopt the Fiscal Year 2025 Proposed Budget

July 1, 2024

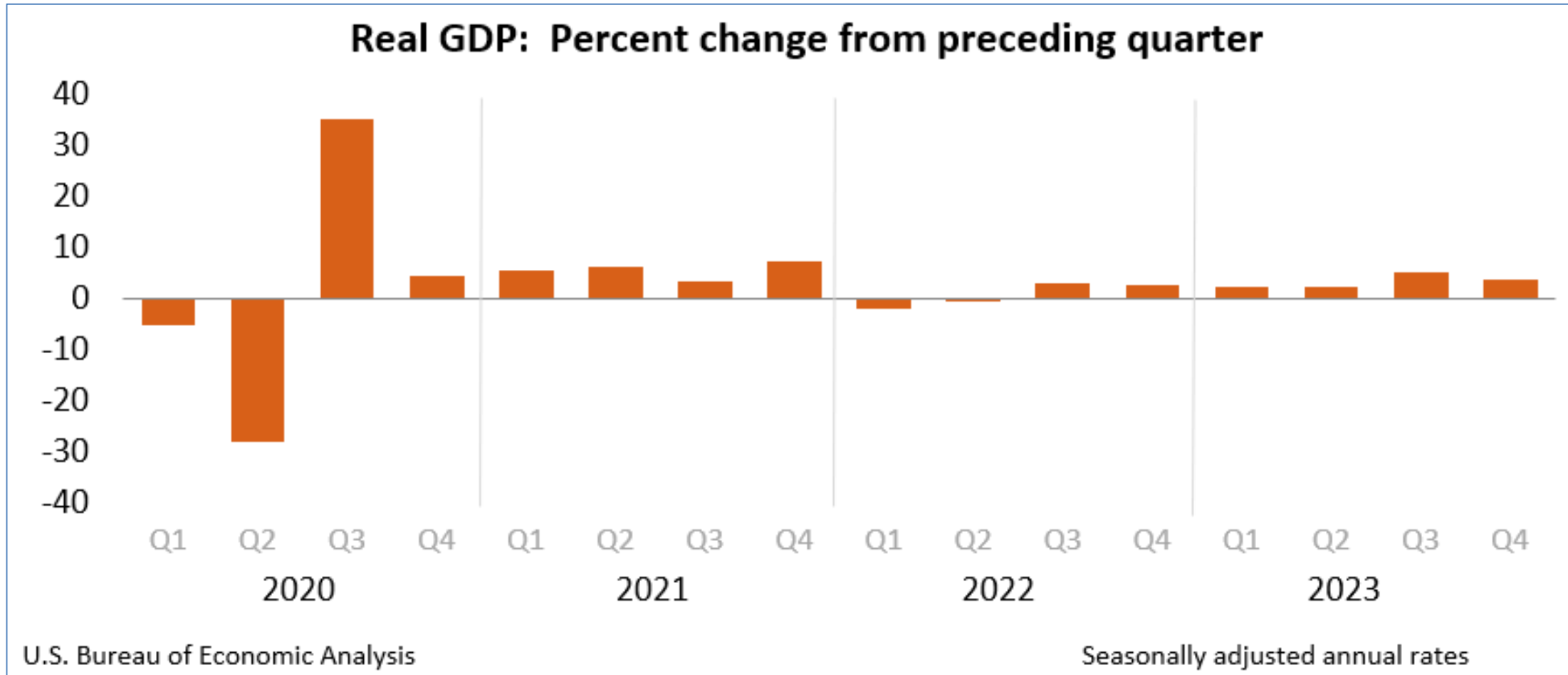
- Fiscal Year 2025 begins, Adopted Budget is implemented

Key Economic Factors

- Gross Domestic Product
- Consumer Prices/Inflation
- Federal interest rates
- Housing Data
- Employment levels

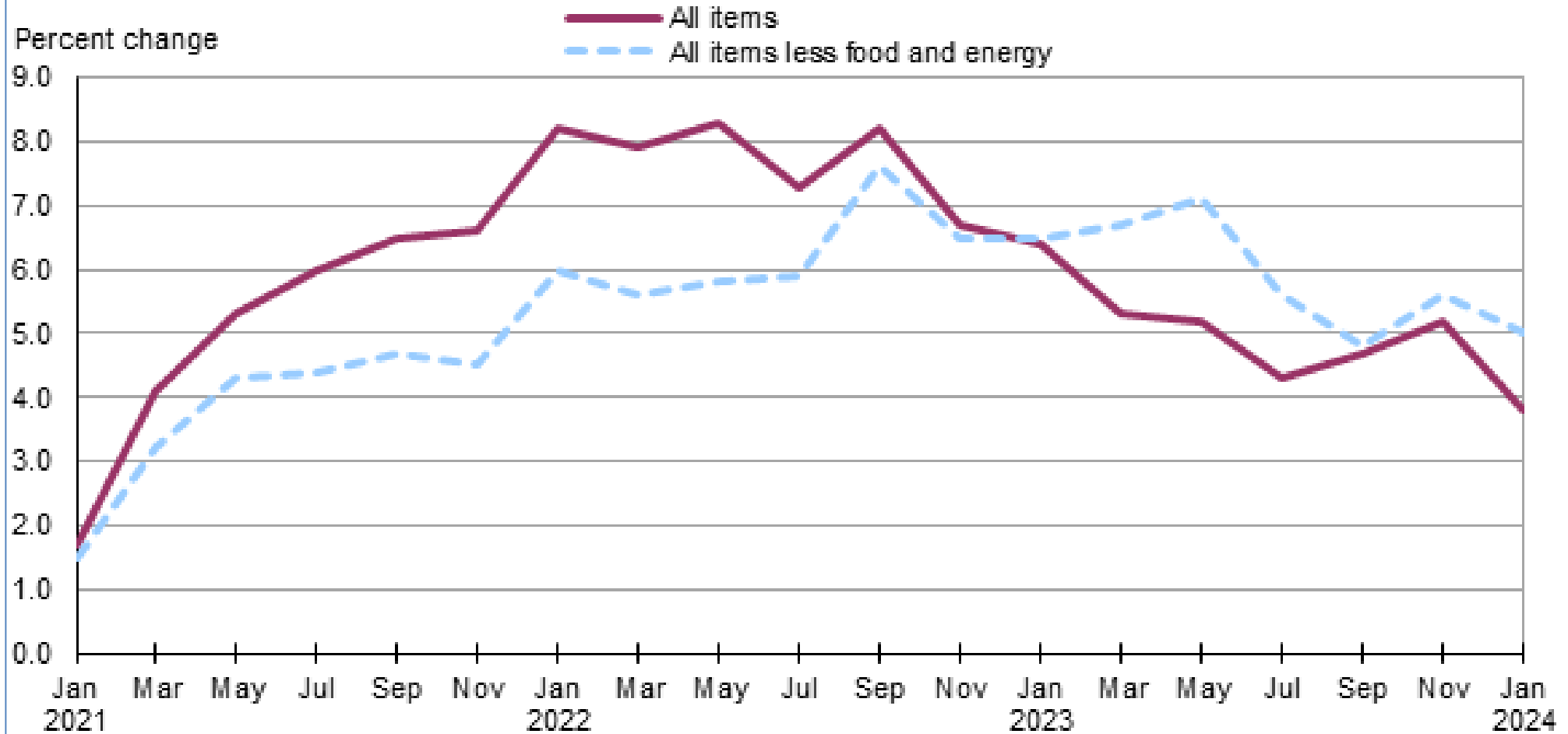


National Growth – Gross Domestic Product (GDP)



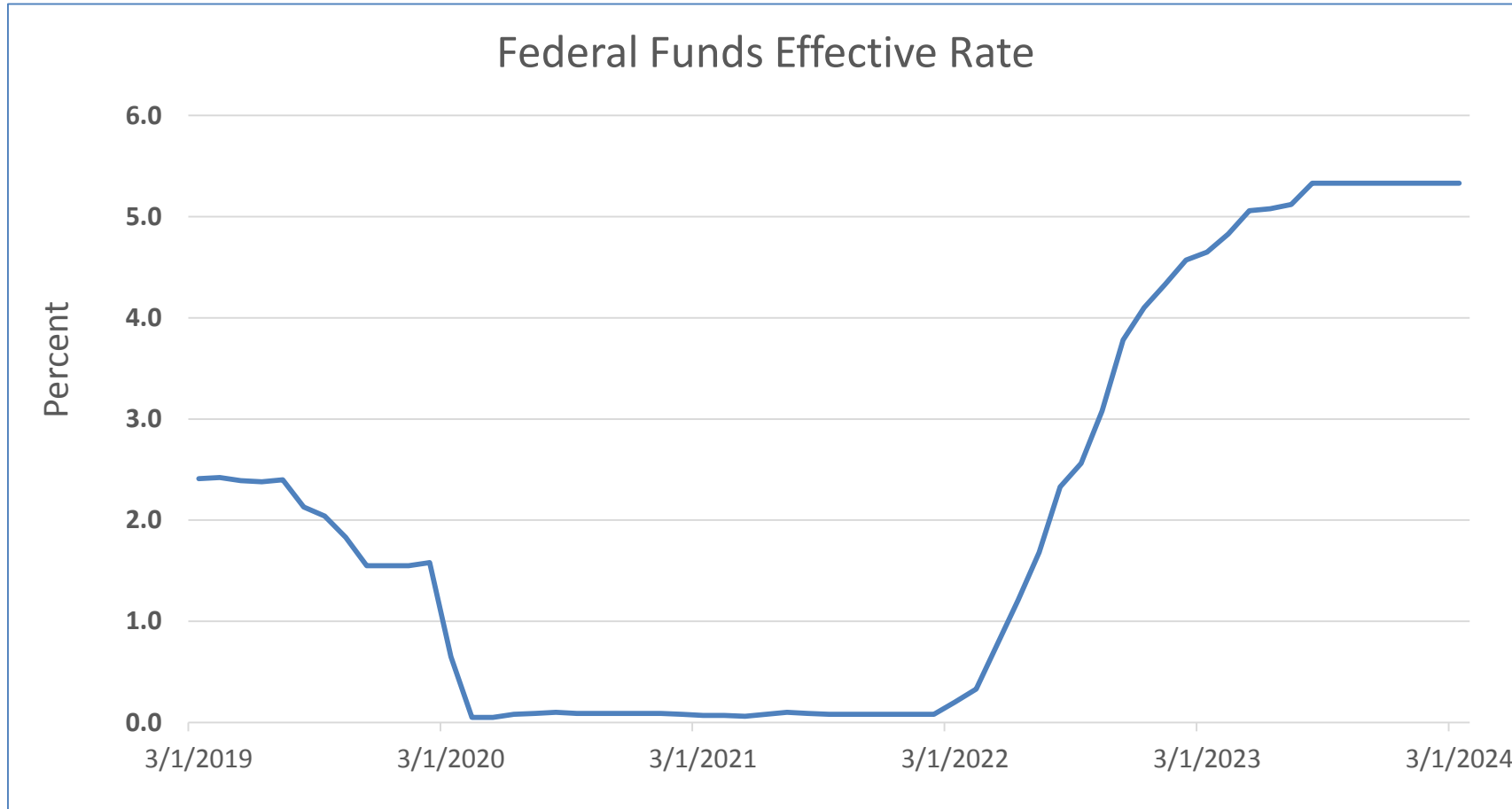
Consumer Prices / Inflation

Chart 1. Over-the-year percent change in CPI-U, San Diego-Carlsbad, CA, January 2021–January 2024



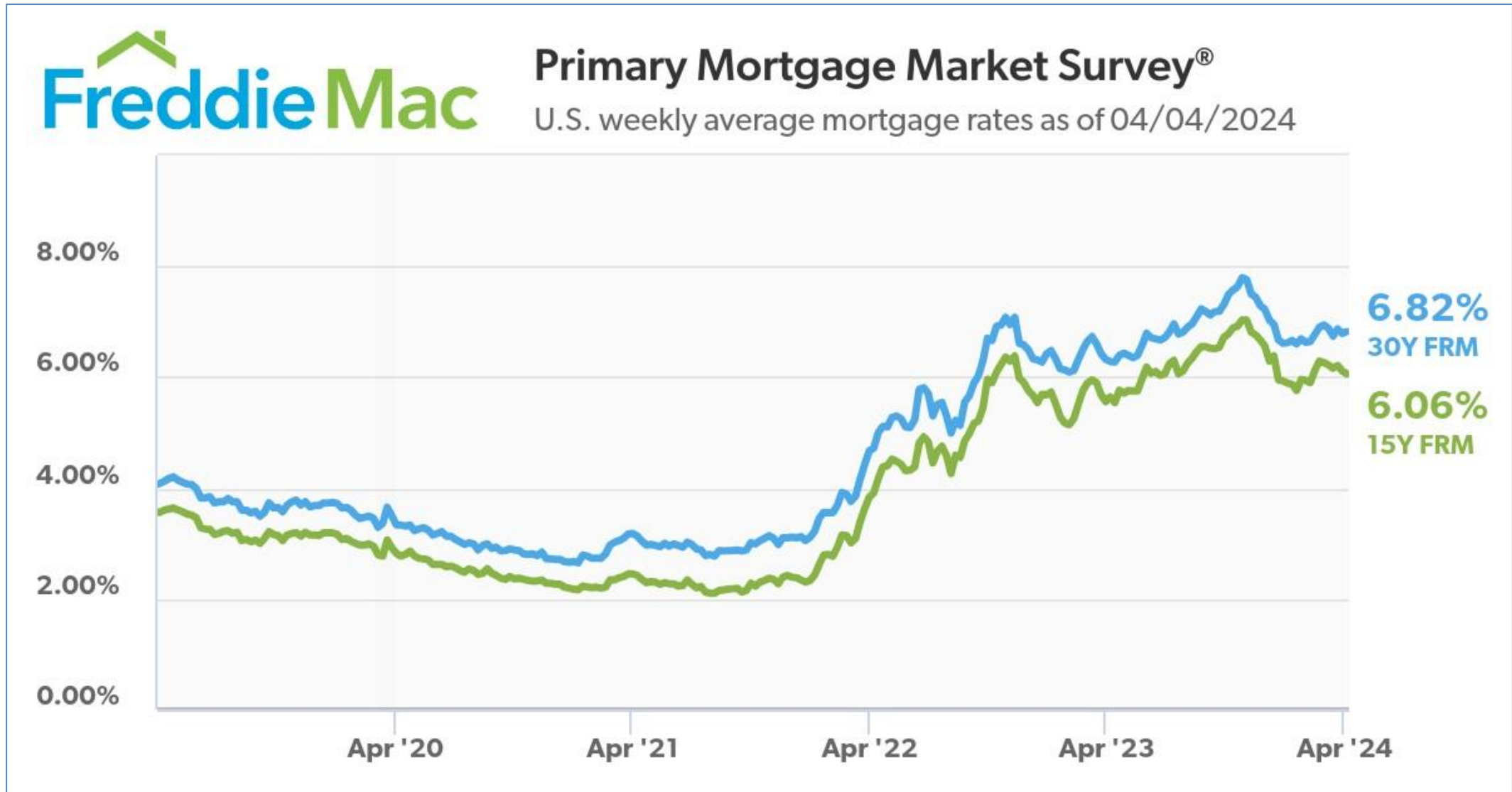
Source: U.S. Bureau of Labor Statistics.

Federal Interest Rates



Source: Board of Governors of the Federal Reserve System (US)

National Housing Market



San Diego Housing Market Overview

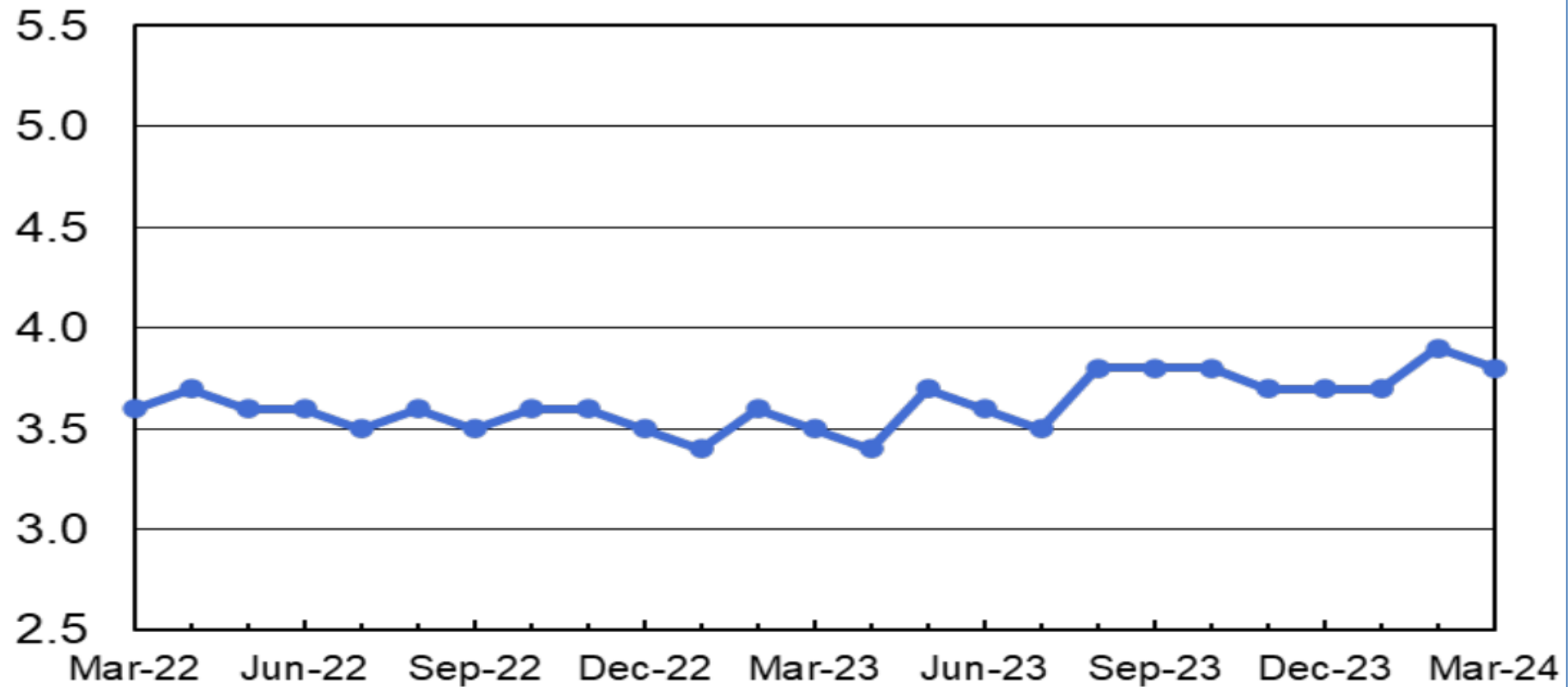
Key Metrics	March 2021	March 2022	March 2023	March 2024	Year over Year Change
Median Sales Price	\$700,000	\$845,000	\$825,000	\$890,000	7.9%
Days on Market	22	18	36	29	(19.4)%
Months Supply	0.7	0.8	1.2	1.6	33.3%

Source: Greater San Diego Association of Realtors – *Monthly Indicators*

National Unemployment Rate

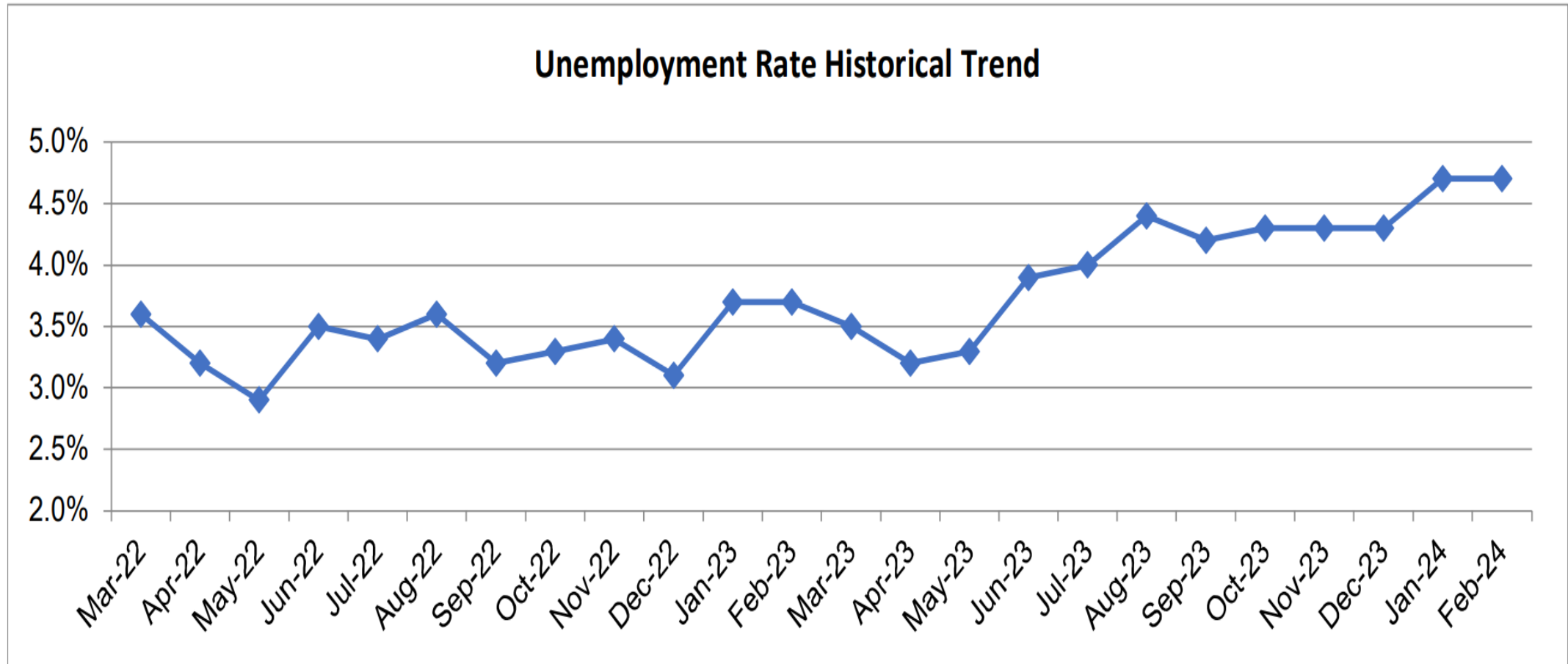
**Chart 1. Unemployment rate, seasonally adjusted,
March 2022 – March 2024**

Percent



Source: U.S. Bureau of Labor Statistics, *The Employment Situation*

San Diego Unemployment Rate



Source: U.S. Bureau of Labor Statistics, *Economy at a Glance*: San Diego-Carlsbad, CA

Fiscal Year 2025 Outlook

Restrained growth in 2024/2025

•Interest rates remain high, inflation, federal funding related to COVID/recovery ending

No recession in FY2025 predicted

Sales tax growth slowing, stable low unemployment

Budget may be adjusted throughout the year for economic impacts

Any revisions to the budget require a 4/5 vote of the City Council

Fiscal Year 2025 Service Updates

Improved community services

- Casa Casillas facility opening
- Expansion of Homeless Services
- Expanded Parks & Recreation programming

Expanded public safety

- Fire
 - Bayfront Fire Station opening
 - Expansion of Transport Services
- Police
 - Records and other technology improvements

Maintenance of City assets and infrastructure

- CIP Program of \$81.2 Million funding multiple projects
- Measure P funded, repairs and improvements to various public facilities
- Addressing ongoing and deferred maintenance

**PROPOSED
BUDGET
2024-25**

**General
Fund**



General Fund Revenue and Expenditures

(in millions)

Category	FY2024 Adopted	FY2025 Proposed	Change
Revenues	\$ 258.2	\$ 274.1	\$ 15.9
Expenditures	258.2	274.1	15.9
Surplus/(Deficit)	\$ -	\$ -	\$ -

General Fund Revenues

(in millions)

Category	FY2024 Adopted	FY2025 Proposed	Change
Major Revenues			
Property Taxes	\$ 48.3	\$ 52.0	\$ 3.6
Sales Tax	45.8	48.0	2.2
Measure P Sales Tax	27.8	29.3	1.5
Measure A Sales Tax	27.8	29.3	1.5
Franchise Fees	14.8	15.1	0.3
Utility Users Tax	3.8	3.9	0.0
Motor Vehicle License Fees	29.3	31.1	1.8
Transient Occupancy Taxes	9.3	10.0	0.7
Major Revenues Total	\$ 207.1	\$ 218.6	\$ 11.5
Other Revenues	51.2	55.5	4.4
General Fund Revenues Total	\$ 258.2	\$ 274.1	\$ 15.9

General Fund Revenue Assumptions

Property Tax increase of \$3.6M (7.6% growth over FY24 Adopted Budget)

Property Tax In Lieu of Motor Vehicle License Fees (MVLFF) increase of \$1.8M (6.0% growth over FY24 Adopted Budget)

Sales Tax increase of \$2.2M (4.8% growth over FY24 Adopted Budget)

Measures A and P Sales Tax increase of \$1.5M each (5.3% growth over FY24 Adopted Budget)

Transient Occupancy Tax increase of \$0.7M (7.0% growth over FY24 Adopted Budget)

General Fund Expenditures

(in millions)

Category	FY2024 Adopted	FY2025 Proposed	Change
Personel Services			
Personnel Services	\$ 108.9	\$ 118.0	\$ 9.1
Salary Savings	(5.2)	(3.4)	1.8
Retirement Benefits	14.9	17.6	2.7
Health Insurance	14.2	15.0	0.8
Personnel Services Total	132.9	147.3	14.4
Supplies and Services	25.2	25.3	0.1
Other Expenses	1.8	2.2	0.4
Internal Service	4.5	4.6	0.2
Capital	0.2	0.2	-
Non-CIP Project Expense	0.2	-	(0.2)
Utilities	6.7	6.8	0.1
Transfers Out	86.8	87.7	0.9
Total General Fund Budget	\$ 258.2	\$ 274.1	\$ 15.9

General Fund Expenditure Assumptions

Personnel \$14.4M

- LTFP Salary assumptions
- CalPERS UAL costs
- Increased staffing levels
 - 15.0 FTE's

Supplies & Services \$0.1M

- Removal of elections costs in FY2024 of \$(2M)
- Removal of Attorney Services (\$1M)
- Increase to insurance premiums in FY2025 \$1.6M
- Other supplies increase \$1.5M

Utilities/Internal Service \$0.1M

- Rising gas, electric, and water costs
- Increased fuel and maintenance costs for the City Fleet

Transfers \$0.9M

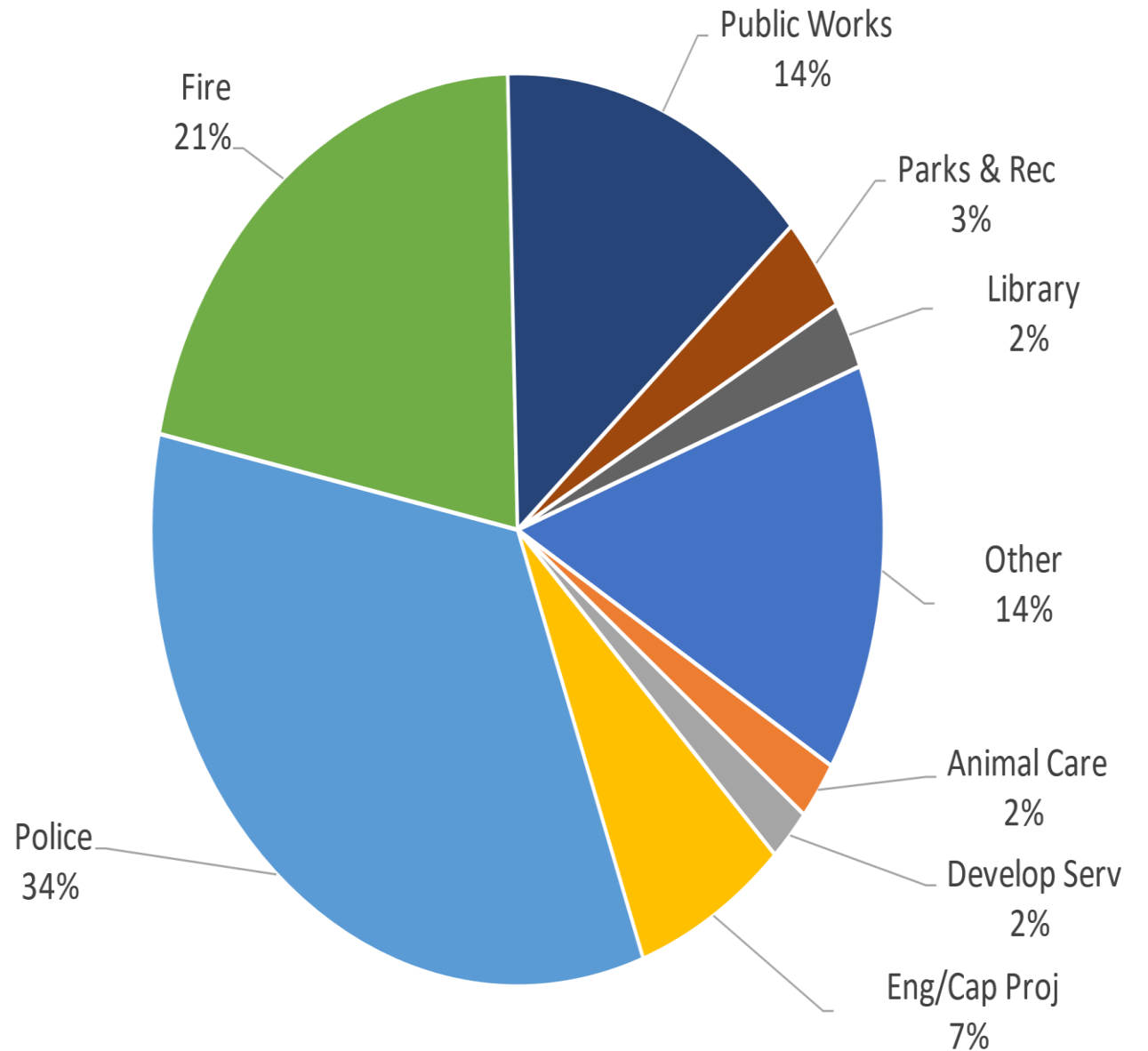
- Measure A Sales Tax and Measure P Sales Tax transfers.

General Fund Departments

(in thousands)

Departments	Revenues	Expenditures	Net Impact
(01) City Council	\$ -	\$ 1,702	\$ 1,702
(02) Boards & Commissions	-	2	2
(03) City Clerk	36	1,564	1,528
(04) City Attorney	382	3,766	3,384
(05) Administration	56	3,203	3,147
(06) Information Technology	307	4,741	4,434
(07) Human Resources	629	4,013	3,384
(08) Finance	1,595	5,092	3,498
(09) Non-Departmental	235,129	98,834	(136,294)
(10) Animal Care Facility	1,374	3,636	2,262
(11) Economic Development	767	1,314	547
(12) Development Services	2,214	3,301	1,087
(13) Engineering/Capital Projects	9,066	11,957	2,891
(14) Police	6,086	59,493	53,407
(15) Fire	3,545	37,158	33,613
(16) Public Works	8,017	24,268	16,251
(17) Parks And Recreation	4,092	5,925	1,833
(18) Library	830	4,155	3,325
General Fund Revenues Summary			
Total	\$ 274,124	\$ 274,124	\$ -

General Fund Expenditures by Departments (Excluding Non-Departmental)



**PROPOSED
BUDGET
2024-25**

Other Funds



All Funds Summary Revenue and Expenditures

(in millions)

Category	FY2024		FY2025		Change
	Adopted		Proposed		
Revenues	\$ 548.3		\$ 608.5		\$ 60.2
Expenditures	543.9		595.3		51.4
Surplus/(Deficit)	\$ 4.4		\$ 13.2		\$ 8.8
Other Funds - PY Fund Balance	\$ -		\$ -		\$ -

All Funds by Fund Category Revenue and Expenditures

(in thousands)

Category	Revenues	Expenditures	Net Impact
General Fund	\$ 274,124	274,124	\$ -
Capital Funds	866	868	(1)
Debt Funds	33,766	33,766	-
Development Funds	55,280	44,708	10,572
Enterprise Funds	34,741	35,394	(653)
Gas Tax Fund	14,647	14,596	51
Grant Funds	11,860	12,151	(291)
Internal Service Funds	15,800	15,253	548
Measure A Sales Tax Fund	29,115	43,468	(14,353)
Measure P Sales Tax Fund	28,979	18,807	10,172
Open Space Funds	23,249	23,463	(214)
Other Funds	14,689	18,460	(3,771)
Section 115 Trust Fund	8,946	0	8,946
Sewer Funds	55,969	52,187	3,782
Successor Agency Funds	6,493	8,053	(1,561)
Total All Funds	\$ 608,525	\$ 595,299	\$ 13,226

All Funds Staffing Summary

21.0 FTEs Added FY 2024 Mid-Year

17.0 FTEs Added FY 2025 Proposed

Staffing by Fund	FY 2024 Adopted	FY 2025 Proposed	Change
General Fund	895.75	914.75	19.00
Advanced Life Support Fund	5.00	5.00	-
CV Housing Authority Fund	10.00	11.00	1.00
Development Services Fund	65.00	63.00	(2.00)
Environmental Services Fund	9.00	9.00	-
Federal Grants Fund	44.00	44.00	-
Fleet Management	12.00	13.00	1.00
Gas Tax Fund	2.00	2.00	-
Measure A Fund	111.00	120.00	9.00
Sewer Fund	48.00	50.00	2.00
Transportation Fund	62.00	70.00	8.00
CITYWIDE TOTAL	1,263.75	1,301.75	38.00

FTE = Full Time Equivalent

Fiscal Year 2025 Staffing Summary General Fund

Department/Fund	FY 2024 Adopted Staffing	FY 2024 Mid Year Changes	FY 2025 Changes	FY 2025 Proposed Staffing	% Change
Administration	11.00	-	2.00	13.00	18.2%
Animal Care Facility	27.25	2.00	-	29.25	7.3%
City Attorney	17.00	-	-	17.00	0.0%
City Clerk	9.00	1.00	-	10.00	11.1%
City Council	14.00	-	-	14.00	0.0%
Development Services - GF	21.00	-	1.00	22.00	4.8%
Economic Development	9.00	-	(1.00)	8.00	-11.1%
Engineering and Capital Projects	59.00	(1.00)	2.00	60.00	1.7%
Finance	34.00	1.00	-	35.00	2.9%
Fire	156.00	-	9.00	165.00	5.8%
Human Resources	22.00	-	-	22.00	0.0%
Information Technology Services	21.00	-	-	21.00	0.0%
Library	23.00	(0.50)	-	22.50	-2.2%
Parks and Recreation	19.50	0.50	-	20.00	2.6%
Police	329.00	-	(1.00)	328.00	-0.3%
Public Works	124.00	2.00	2.00	128.00	3.2%
General Fund Total	895.75	5.00	14.00	914.75	2.1%

Fiscal Year 2025 Staffing Summary

Other Funds

Department/Fund	FY 2024 Adopted Staffing	FY 2024 Mid Year Changes	FY 2025 Changes	FY 2025 Proposed Staffing	% Change
Other Funds					
Advanced Life Support Fund	5.00	-	-	5.00	0.0%
Federal Grants Fund	44.00	-	-	44.00	0.0%
Fleet Management	12.00	1.00	-	13.00	8.3%
Development Services Fund	65.00	-	(2.00)	63.00	-3.1%
Gas Tax Fund	2.00	-	-	2.00	0.0%
Measure A Fund	111.00	6.00	3.00	120.00	8.1%
CV Housing Authority Fund	10.00	-	1.00	11.00	10.0%
Environmental Services Fund	9.00	-	-	9.00	0.0%
Sewer Fund	48.00	1.00	1.00	50.00	4.2%
Transportation Fund	62.00	8.00	-	70.00	12.9%
Other Funds Total	368.00	16.00	3.00	387.00	5.2%
CITYWIDE TOTAL	1,263.75	21.00	17.00	1,301.75	3.0%

2018 Measure A Sales Tax Fund

Revenues and Expenditures

(in thousands)

Category	FY2024 Adopted	FY2025 Proposed	Change
Revenue			
Charges for Services	\$ -	\$ 78	\$ 78
Police Grants	83	-	(83)
Use of Money and Property	40	58	18
Transfers In	27,516	28,979	1,463
Total Revenues	27,639	29,115	1,476
Expenditures			
Personnel Services	18,633	20,626	1,993
Supplies and Services	2,484	3,398	914
Internal Service Charges	244	252	8
Other Capital	1,500	70	(1,430)
Other Expenses	1,032	1,070	38
CIP Project Expenditures	-	15,200	15,200
Utilities	60	62	2
Transfers Out	2,454	2,790	336
Total Expenditures	26,406	43,468	17,061
2018 Measure A Sales Tax Fund			
Total	\$ 1,233	\$ (14,353)	\$ (15,585)

2016 Measure P Sales Tax Fund

Revenues and Expenditures

(in thousands)

Category	FY2024 Adopted	FY2025 Proposed	Change
Revenue			
Transfers In	\$ 27,516	\$ 28,979	\$ 1,463
Total Revenues	27,516	28,979	1,463
Expenditures			
Supplies and Services	393	1,025	633
Other Capital	608	1,117	509
Other Expenses	1,295	1,296	0
CIP Project Expenditures	6,618	7,755	1,137
Non-CIP Project Expenditures	100	100	-
Transfers Out	7,513	7,515	1
Total Expenditures	16,528	18,807	2,280
2016 Measure P Sales Tax Fund			
Total	\$ 10,988	\$ 10,172	\$ (817)

Development Services Fund

Revenues and Expenditures

(in thousands)

Category	FY2024 Adopted	FY2025 Proposed	Change
Revenue			
Charges for Services	\$ 6,660	\$ 6,908	\$ 248
Licenses and Permits	4,223	4,723	500
Other Revenue	788	788	-
Transfers In	589	583	(6)
Total Revenues	12,260	13,002	742
Expenditures			
Personnel Services	8,590	8,799	209
Supplies and Services	1,019	1,022	3
Internal Service Charges	66	68	2
Other Capital	86	86	-
Other Expenses	1,183	1,192	9
Utilities	3	3	-
Transfers Out	2,862	2,825	(37)
Total Expenditures	13,808	13,994	186
Development Services Fund			
Total	\$ (1,548)	\$ (993)	\$ 555

Sewer Services Revenue Fund

Revenues and Expenditures

(in thousands)

Category	FY2024 Adopted	FY2025 Proposed	Change
Revenue			
Charges for Services	\$ 40,520	\$ 46,320	\$ 5,800
Licenses and Permits	40	40	-
Other Revenue	5	133	128
Transfers In	199	198	(1)
Total Revenues	40,764	46,691	5,927
Expenditures			
Personnel Services	4,985	5,279	294
Supplies and Services	28,852	34,690	5,838
Internal Service Charges	525	543	18
Other Capital	1,393	1,393	-
Other Expenses	570	576	6
CIP Project Expenditures	150	250	100
Non-CIP Project Expenditures	65	65	-
Transfers Out	3,929	4,144	215
Total Expenditures	40,469	46,940	6,471
Sewer Services Fund Total	\$ 295	\$ (249)	\$ (544)

Transport Services Fund

Revenues and Expenditures

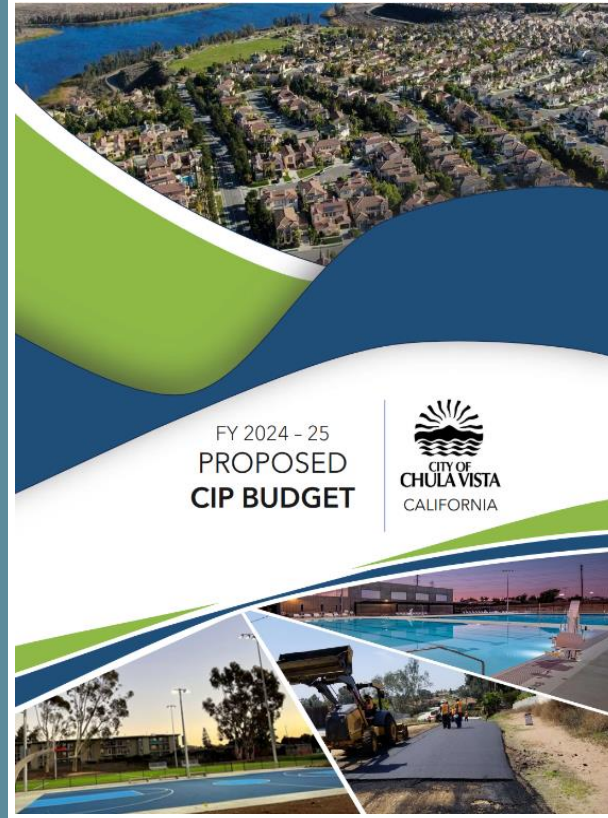
(in thousands)

Category	FY2024 Adopted	FY2025 Proposed	Change
Revenue			
Charges for Services	\$ 15,630	\$ 17,715	\$ 2,085
Total Revenues	15,630	17,715	2,085
Expenditures			
Personnel Services	7,033	7,251	218
Supplies and Services	4,160	6,085	1,926
Internal Service Charges	191	321	130
Other Expenses	936	954	18
Transfers Out	3,081	3,104	23
Total Expenditures	15,401	17,715	2,314
Transport Enterprise Fund			
Total	\$ 229	\$ -	\$ (229)

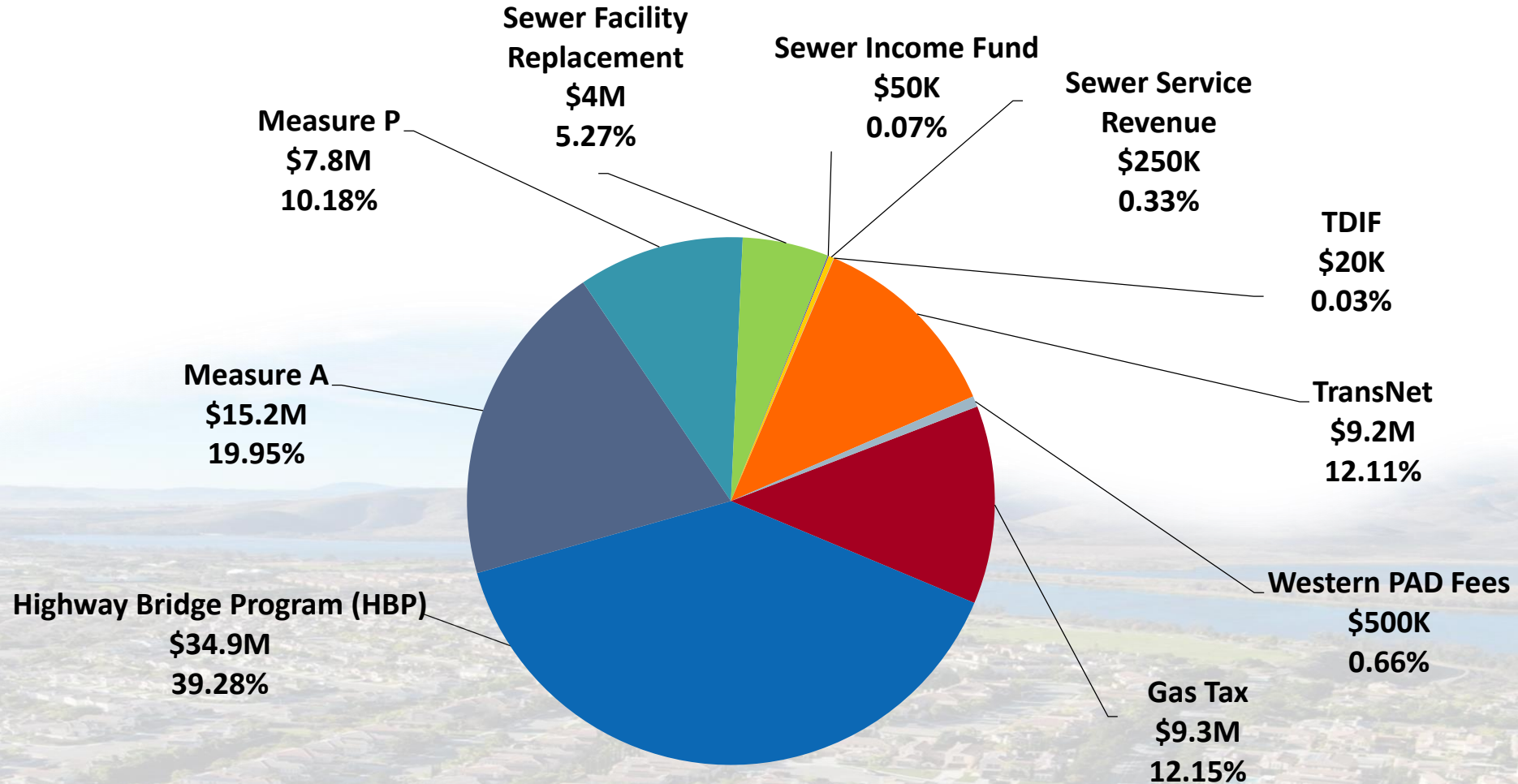


Fiscal Year 2025 Capital Improvement Program Summary

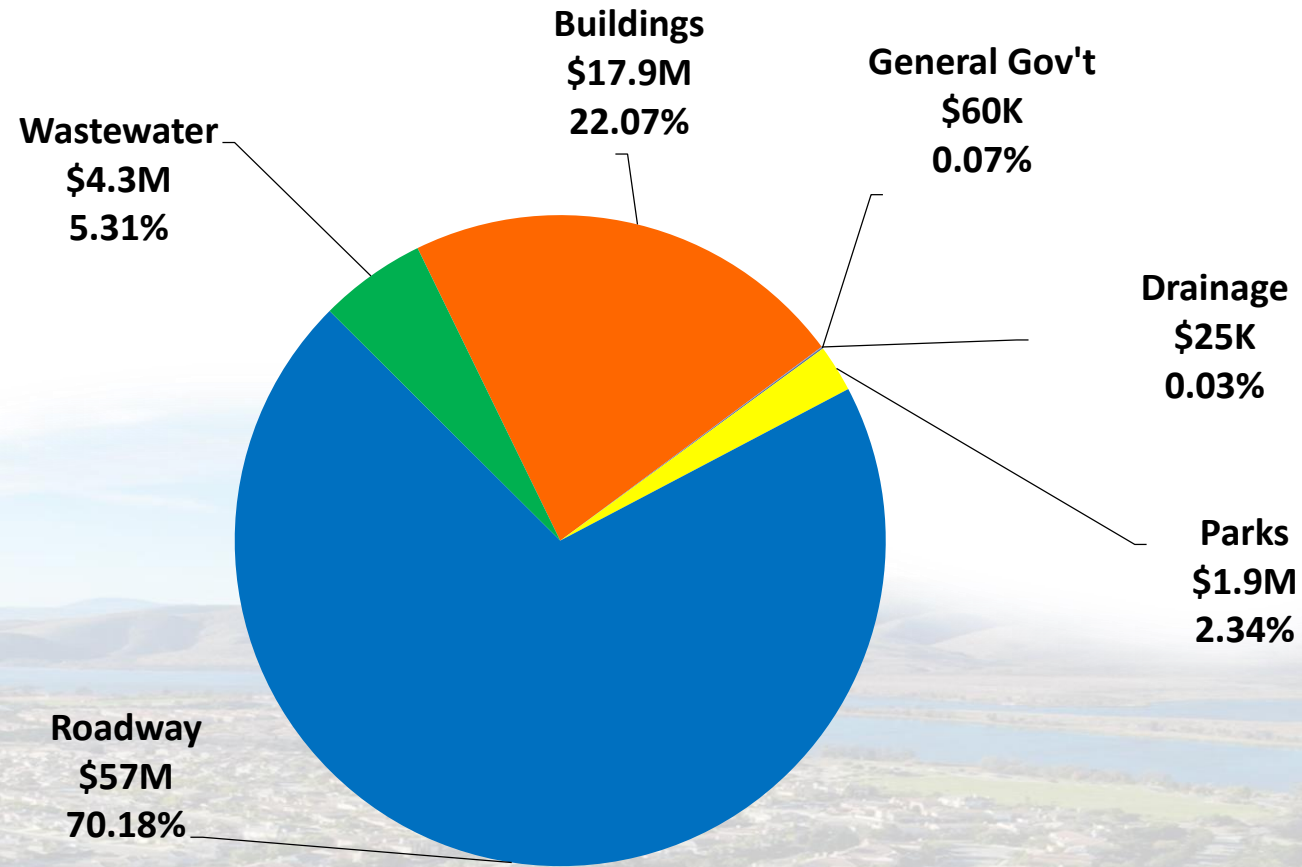
Department of Engineering & Capital Projects



BY FUNDING SOURCE



BY ASSET MANAGEMENT SYSTEM



PUBLIC BUILDINGS

— Citywide Public Building Repairs

- Roof Replacement
- HVAC
- General Building Repairs

— Fire Training Facility

- New purpose-built facility to provide training for 230 Fire and EMS personnel

FY2025 Proposed:

\$ 15.2M Fire Training Facility (Measure A)

\$ 2.7M Citywide Building Repairs (Measure P)



Citywide Building Repair Efforts to Continue in FY 25



Building Projects



PATTY DAVIS PARK

- Adds park acreage to western Chula Vista
- Playground areas
- Community garden
- Picnic areas with shelter
- Pathway/trail with art
- Lighting and landscaping throughout

FY2025 Proposed:

- \$ 500K (Western Parkland Acquisition and Development (PAD) Fees)



Location: D Street, West of Woodlawn Avenue

\$2.36M Total Cost Includes \$1.86M State Grant

Construction Anticipated Fall 2024



Park Projects



PARK IMPROVEMENTS

- Playgrounds
- Sports Courts and Fields
- Irrigation / Plumbing
- Park Lighting
- Park Amenities:
 - BBQ Grills
 - Benches / Picnic Tables
 - Drinking Fountains
 - Pathways / Jogging Trails

FY2025 Proposed:

- \$1M Park Infrastructure (Measure P)
- \$400K Sport Courts & Fields (Measure P)

Park Projects



STREET PAVEMENT & REHAB

- Resurfacing
- Pavement Overlays
- Slurry Seals

FY2025 Proposed:

- \$ 14.2M (Gas Tax , TransNet)

Roadway Projects
Pavement



TRAFFIC SIGNAL REPAIR AND UPGRADE

- Upgrades
- Modifications
- Traffic Signal System Optimization Program
- Pedestrian Improvements

FY2025 Proposed:

- \$ 2.6M (Measure P, Gas Tax, TransNet)



Roadway Projects
Traffic Signals

Traffic Engineering

- Pedestrian & Bicycle Safety Plan
- Local Road Safety Plan



SIDEWALK REPLACEMENT

- Citywide Panel Replacement
- Sidewalk Replacement Program
- Replaces damaged curb, gutter, sidewalk, and driveway aprons in public right-of-way

FY2025 Proposed:

- \$ 2.4M (Measure P, Gas Tax)



Roadway Projects

Sidewalks



HERITAGE ROAD BRIDGE REPLACEMENT

- **Widen Heritage Road**
 - Main Street to Entertainment Circle
 - Heritage Road Bridge Replacement
 - 4 Lanes to 6 Lanes
 - Sidewalk
 - Bike Lanes
- **Widen Main Street**
 - Nirvana Avenue to Heritage Road
 - 6-Lane Major

FY2025 Proposed:

- \$ 34.97M (Highway Bridge Program (HBP) Grant)

Major Projects
Roadway



Main Street – Nirvana Ave to Heritage Rd



Heritage Road Bridge Replacement
Estimated Cost: \$53.6 M
Construction Anticipated Fall 2024



SEWER FACILITY REPLACEMENT

- Rehabilitation and Upsizing
- Access Road Rehabilitation
- Manhole Inspections

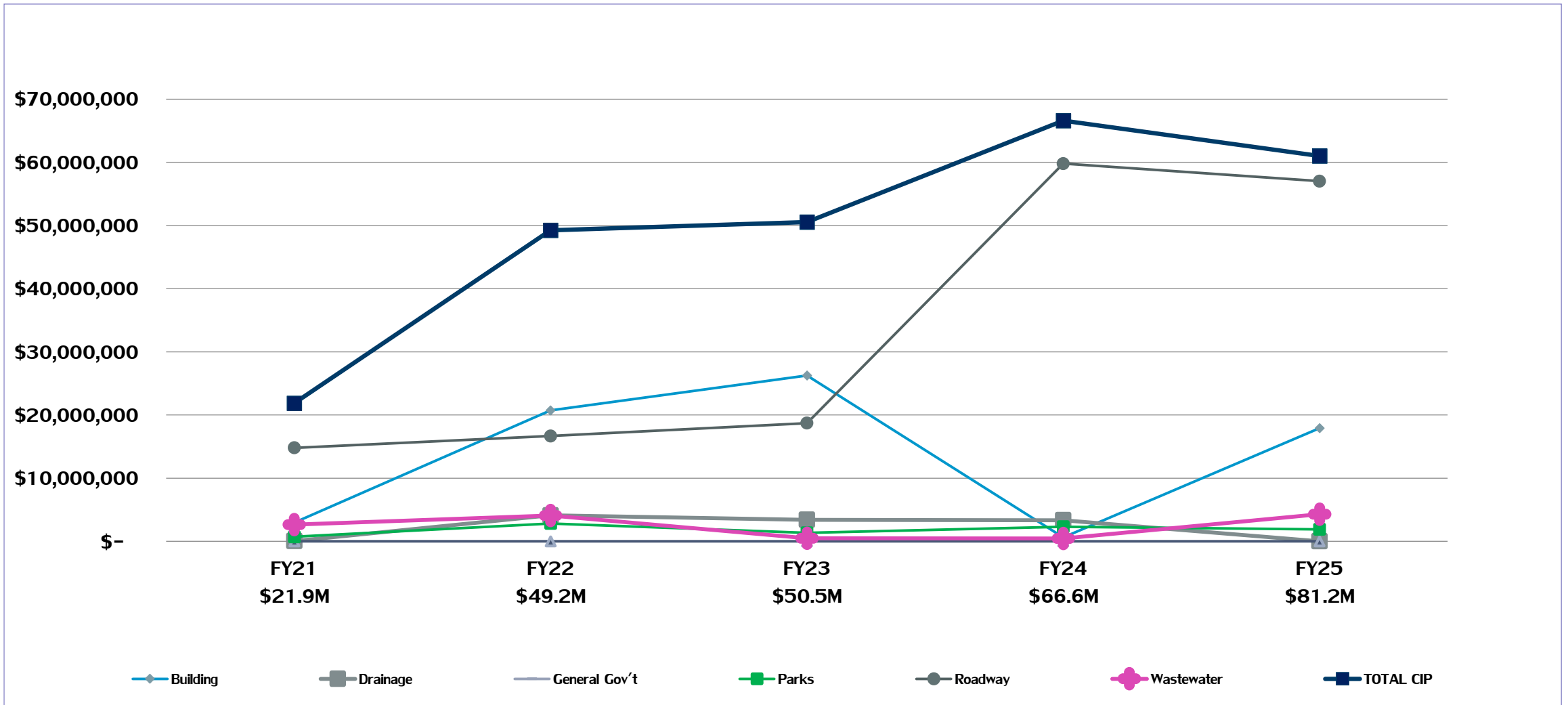
FY2025 Proposed:

- \$ 4M (Sewer Facility Replacement Fund)

Major Projects
Wastewater



BY ASSET MANAGEMENT SYSTEM



Challenges to Maintaining a Balanced Budget



- Impacts from economic slowdown/inflation
- CalPERS investment losses
 - Unfunded Actuarial Liabilities – growing from \$3M to \$10M citywide in 5 years
- Labor Negotiations (Spring/Fall 2024)
- Measure P sunset (April 2027)
- Deferred and ongoing maintenance of City's infrastructure

Next Steps



MAY 21ST – STAFF RECOMMENDS CITY COUNCIL ACCEPT CITY MANAGER’S PROPOSED BUDGET AS THEIR OWN AND SET MAY 21, 2024, FOR A PUBLIC HEARING AND ADOPTION OF THE BUDGET



ADDITIONAL COMMENTS CAN BE SUBMITTED ON CITY’S WEBSITE ([CHULAVISTACA.GOV/BUDGET](https://chulavistaca.gov/budget))

Recommended Action

Approve the “Resolution of the City Council/Successor Agency to the Redevelopment Agency /Housing Authority of the City of Chula Vista accepting the City Manager’s Proposed Operating and Capital Improvement Budgets for Fiscal Year 2024-25 for each agency as their Proposed Budgets, respectively, and setting the time and place for a public hearing for final consideration and adoption of the same” on May 21, 2024.

City Council Feedback and Discussion