

**City of Huntington Beach**  
**Proposed FY 2021/22 Budget Adoption**

*City Council Public Hearing*  
June 1, 2021



**Presentation Overview**

- **Overall City Fiscal Position**
- **Review of Budget Study Session Items**
  - Legal Costs Review
  - City Prosecutor Program MOU w/ OC District Attorney
  - Homeless Response Position
  - Downtown Parking Structure Parking Rate Adjustments
  - Seasonal Parking Rate Adjustments
  - EMS Cost Recovery Fee Adjustment
  - Major Capital Equipment Replacement Lease
  - ARPA Funding City Council Ad-Hoc Committee
- **Proposed FY 2021-22 General Fund Budget Review**
  - CIP Budget Overview & Major Capital Equipment Acquisition
- **Next Steps – FY 2021-22 Budget Approval**

**SUPPLEMENTAL  
COMMUNICATION**

2

Meeting Date: 6/1/2021

Agenda Item No.: #19 (21-426)

## City's Financial Status Heading Into FY 2021/22



## Huntington Beach Is In A Terrific Financial Position!

- **As difficult as it is to believe given where we were a year ago, the City is now in an exceedingly strong fiscal position as we prepare to transition into a post-COVID-19 world**
- **The City Council made difficult decisions during the past year, and the *Proposed FY 2021/22 Budget* is reflective of HB's envious position as we move towards a full reopening of our local economy**
  - Our FY 2021/22 budget is **structurally balanced**
  - The General Fund transfer into the **Infrastructure Fund** for FY 2021/22 – which has historically been set at ~\$5 million in prior years – is **proposed to increase by 130%**, to \$11.5 million
  - The proposed **CIP budget**, which typically runs at around ~\$25M / year, is proposed to be set at \$39.3M for FY 2021/22, an **increase of greater than 57%**
- **Also, none of our proposed spending plan contemplates use of American Rescue Plan Act funding ... \$29.6 million in one-time dollars that the City can use to invest strategically to make what were previously only aspirational improvements for HB**

4

## The City Addressed Unprecedented Fiscal Challenges This Past Year

- Over the last year, the City has had to address massive revenue declines
- Our Pre-COVID-19 General Fund Revenues were projected at \$236.9 million
  - During FY 2019/20, pandemic induced revenue declines dropped our General Fund revenues by **\$17.2 million**, or **-7.3%**, down to \$219.7 million
- Even as we recover, our proposed FY 2021/22 General Fund Revenue Budget of **\$228.0 million** is still **\$8.9 million** (or **3.8% lower**) than pre-COVID-19 levels.
  - Despite these fiscal challenges, the City made difficult but necessary budget adjustments, and we ended FY 2019/20 with a \$1.1 million General Fund surplus
  - Further, we are projecting a \$578,000 surplus for the end of our current FY 2020/21

5

## Difficult Decisions Previously Made Are Providing Benefits Today

- Major initiatives undertaken this past year to address our COVID-19 induced financial challenges include:
  - We implemented a comprehensive Citywide restructuring plan, which will save the City **\$6 million annually** while maintaining all essential service levels
  - To accomplish this financial maneuvering, we have reduced our approved positions by **29 FTEs**, from a count of 987.25 FTEs pre-COVID, down to 958.25 FTEs in the proposed FY 2020/21 budget
  - Refinancing 85% of our pre-existing pension debt at a historically low interest rate of 2.925% will allow the City to **save \$166.7 million** during the next 24-year period
  - As part of our pension debt refinancing plan, the City also adopted an *Unfunded Accrued Liability Pension Funding Policy*, which mandates that we set-aside additional funds to payoff any new future pension debt
    - > A **\$1.8 million** transfer is included in the proposed FY 2021/22 budget to prefund pension liabilities via our Section 115 Trust

6

## Review of Budget Study Session Items



### Budget Study Session Held May 17, 2021

- **Key City Council identified budgetary follow-up items from our Budget Study Session included the following:**
  - Review of all legal-related expenditures
  - Identify the City prosecutor program MOU w/ OC District Attorney's Office
  - Include a homeless response position in the budget
  - Institute parking rate adjustments at the City's Downtown Parking Structure
  - Institute seasonal parking rates
  - Implement updated EMS fee for cost recovery purposes
  - Finance the purchase of major replacement capital equipment
  - Establish an ad-hoc City Council committee to identify ARPA funding priorities

## Legal Cost Expenditures

- Based on City Council direction, the Finance Department prepared an overview of all City legal costs incurred from July 1, 2018 – May 18, 2021
  
- During that ~3 year period, the City spent a total of \$3.45 M on legal costs
  - Of that amount, \$2.5 M was spent on direct expenses with 14 outside legal firms
  - Further, \$931 K was spent on associated legal services

9

Historical Legal Costs July 1, 2018 to May 19, 2021  
Direct Legal Firm Services

Type	Legal Counsel
Row Labels	Sum of Total
ALVARADOSMITH	254,128
CAMERON CHRISTOPHER DAVID RUIZ	4,000
DANIEL SULLIVAN ESQ	2,300
FERGUSON PRAET & SHERMAN	257,102
FERRUZZO & FERRUZZO LLP	141,000
GREENBERG GROSS LLP	1,553,102
HANSON BRIDGETT LLP	47,596
KANE BALLMER & BERKMAN	75,243
LAW OFFICES OF RICHARD J MURPH	6,600
LIEBERT CASSIDY WHITMORE INC	116,520
SILVER & WRIGHT LLP	3,498
WOODRUFF SPRADLIN & SMART	19,767
HORVITZ & LEVY LLP	32,121
JONES & MAYER	6,806
<b>Grand Total</b>	<b>2,519,782</b>

Type	Legal Counsel			
Total by Department	Fiscal Year 2018/19	Fiscal Year 2019/20	Fiscal Year 2020/21	Grand Total
Administrative Services		493,060	760,042	1,253,102
City Attorney	9,570	46,367	9,533	65,470
City Manager	54,806	35,058	12,221	102,085
Community Development			9,008	9,008
Community Services			7,134	7,134
Fire		1,075		1,075
Library Services			7,134	7,134
Non-Departmental	138,508	228,788	25,319	392,616
Police	28,832	152,272	77,574	258,678
Public Works	232,830	167,537	23,114	423,481
<b>Grand Total</b>	<b>464,545</b>	<b>1,124,159</b>	<b>685,506</b>	<b>2,519,782</b>

10

Historical Legal Costs July 1, 2018 to May 19, 2021  
 Ancillary Associated Legal Costs

Type	Other Legal Services			Grand Total
Total by Department	Fiscal Year 2018/19	Fiscal Year 2019/20	Fiscal Year 2020/21	Grand Total
Administrative Services		36,607		36,607
City Attorney	246,285	281,429	241,184	768,898
Non-Departmental	23,968			23,968
Public Works	72,297	29,007		101,304
<b>Grand Total</b>	<b>342,550</b>	<b>347,043</b>	<b>241,184</b>	<b>930,777</b>

Historical Legal Costs July 1, 2018 to May 19, 2021  
 Total Legal Costs - Direct Legal Services + Ancillary Associated Legal Costs

Type	(All)			Grand Total
Total by Department	Fiscal Year 2018/19	Fiscal Year 2019/20	Fiscal Year 2020/21	Grand Total
Administrative Services		529,667	760,042	1,289,709
City Attorney	255,855	327,797	250,716	834,368
City Manager	54,806	35,058	12,221	102,085
Community Development			9,008	9,008
Community Services			7,134	7,134
Fire		1,075		1,075
Library Services			7,134	7,134
Non-Departmental	162,476	228,788	25,319	416,584
Police	28,832	152,272	77,574	258,678
Public Works	305,127	196,544	23,114	524,785
<b>Grand Total</b>	<b>807,095</b>	<b>1,471,202</b>	<b>926,690</b>	<b>3,450,559</b>

**City Prosecutor  
Program  
MOU w/ OCDA  
Identified**

MEMORANDUM OF UNDERSTANDING  
ORANGE COUNTY DISTRICT ATTORNEY  
and  
HUNTINGTON BEACH CITY ATTORNEY

- 1) This is a Memorandum of Understanding (MOU) between the Orange County District Attorney (OCDA) and the Huntington Beach City Attorney (HBCA) regarding the consent of the OCDA to the criminal prosecution of certain misdemeanor crimes by the HBCA.
- 2) In accordance with the provisions of Government Code Sections 41803.5 and 72193, and Section 309 of the Huntington Beach City Charter, the OCDA hereby consents to the prosecution by the HBCA of the following: any misdemeanor crimes arising out of violations of California State law that are committed within the City of Huntington Beach.
- 3) The OCDA agrees that the HBCA will not be prosecuting all misdemeanor crimes that occur in Huntington Beach, but will prosecute those that the HBCA chooses to prosecute, while referring the remainder to the OCDA. The selected misdemeanor crimes will be taken and screened by the HBCA in a timely manner to determine if the case will be retained for prosecution by the HBCA and if not it will be promptly forwarded to the OCDA for review and prosecution.
- 4) The terms and conditions of this MOU shall remain in effect for a period of four years from the date it is entered into. The MOU shall automatically renew for subsequent periods of four years unless written notice of termination or non-renewal is provided by either party not fewer than 365 days prior to the end of the current period.
- 5) The terms and conditions of this MOU, including but not limited to which misdemeanor crimes are subject to the MOU, may be modified at any time by mutual agreement of the OCDA and the HBCA.
- 6) This MOU may be cancelled by either the OCDA or the HBCA, but not without giving not fewer than 365 days' notice to the other party of the intent to cancel the MOU, unless the other party consents to cancellation of the agreement in fewer than 365 days from the date notice is given.

Entered into this 19<sup>th</sup> day of July, 2016.

  
Tony Ragkavoukas  
District Attorney  
County of Orange

  
Michael E. Gates  
City Attorney  
City of Huntington Beach

**Homeless Response Position**

- **At the January 2021 City Council goal setting retreat, staff was directed to consider development of a position dedicated to coordinating the City's homeless response efforts**
  - The Police Department and City Manager's Office has assessed the need for such a position, and given the increasing complexity of managing the various programs that we've established, there is a demonstrable need for such a role
  - Staff has developed a new classification: *Deputy Director of Homeless & Behavioral Services*
- **Based on City Council discussion at the Budget Study Session, the new position has been incorporated into the FY 2021/22 Budget for formal consideration**
  - The hourly rate for the role established is \$72.82 - \$90.21 / hour

## Downtown Parking Structure – Updated Parking Rates

- **The current rate structure for the Downtown Parking Structure is as follows**
  - *First 30 minutes* – Free
  - *Up to 2 Hours* – \$1 per hour
  - *After 2 Hours* – \$1 per every 20 minutes
  - *Customer Validation* – maximum of \$1 parking validation
- **In an effort to increase usage of the Downtown Parking Structure, the proposed rate structure below is included in the FY 2021/22 Budget Fee Resolution**
  - *First 90 minutes* – Free
  - *After 90 minutes* – \$1 per every 20 minutes
  - *Friday, Saturday, & certain holidays after 9 p.m.* – \$5 flat rate

15

## Seasonal Parking Rates – Parking Meters

- **Included as part of the FY 2021/22 Budget Fee Resolution is the implementation of seasonal parking rates**
  - Under this new seasonal parking rate structure, we have a *Peak Season Rate* (Memorial Day through Labor Day), and an *Off-Peak Season Rate*
- **The Off-Peak Season Rate for all parking meters is proposed to be set at \$2.25 / hour**
- **The Peak Season Rate for parking meters would be established as follows:**
  - *Beach Boulevard Meters* – \$2.25 / hour
  - *Bluff Top / Dog Beach / PCH / Warner Lot / 1st & Atlanta Meters* – \$2.50 / hour
  - *Downtown / Residential Meters* – \$3.00 / hour
  - *Pier Plaza (North and South of the Pier)* – \$3.00 / hour

16



## Seasonal Parking Rates – Attended Parking Lots

- Seasonal parking rates for the City’s attended parking lots are also included as part of the FY 2021/22 Budget Fee Resolution
- The Off-Peak Season Rate for the attended lots is proposed to be maintained at \$15 / day
- The Peak Season Rate for the attended lots is proposed to be increased to \$20 / day, in coordination with State beach attended parking lots

17

## RV Camping Note

- **The proposed FY 2021/22 Budget Fee Resolution contains an adjustment related to RV Camping intended to align our Fee Resolution with the City’s Municipal Code**
  - Chapter 13.28.010 of the HB Municipal Code stipulates the following:
    - > *There is established a City camper facility, open for term parking generally from September until May of each year and for en route camping generally from June to September of each year, unless otherwise authorized by the director for reasons of public safety, current parking conditions or construction projects. Said facility will be located within the beach parking lot between First and Huntington Streets. (1827-5/73, 2611-4/83, 2891-3/87, 3607-6/03)*
  - Our Fee Resolution, however, currently stipulates that Winter Camping takes place between October 1 – May 31
- **To address this discrepancy, the Fee Resolution is being modified to align w/ the Municipal Code**
  - Of note, staff is not planning any operational changes to the overall RV Camping program, and we plan to bring appropriate municipal code adjustments forward for City Council consideration in the future

18

## EMS Cost Recovery Fee Adjustment

- The City’s EMS Fee hasn’t been adjusted since 2012
- Based on a year-long assessment coordinated by the City’s Fire Department, the FY 2021/22 Budget contemplates an adjustment to our EMS Fee to achieve full cost recovery
  - Adjustment would not make any changes for our Fire Med program subscribers

Fee Name	Current Fee	Fee is X% of Current Costs	Proposed Fees at Full Cost
Base BLS Rate	\$1,130	68%	\$1,655
ALS Surcharge	\$100	57%	\$174
Non-Resident Surcharge	\$450	95%	\$474
Treat No Transport	\$350	96%	\$366
Mileage	\$16.54	105%	\$15.77
Oxygen	\$81	70%	\$115
ECG	\$60	93%	\$64

19

## Finance Purchase of Major Capital Replacement Equipment

- Budget includes funding to finance the purchase of the following pieces of major capital equipment
  - Replacing 3 Helicopters: ~\$7.3 M
  - Replacing Fire Engine: ~\$867 K
  - Replacing a Rescue Boat: ~\$583 K
- Based on a conservative ~2.25% interest rate, a 10-year loan of ~\$8.75 M would require an annual payment of \$987 K
- Further, as part of this proposed financing, staff is also recommending we simultaneously refinancing existing capital equipment leases (2 ambulances, 2 fire engines, & 800 MHz communication equipment), saving us ~\$43 K

20

## **Establish City Council Ad-Hoc ARPA Funding Committee**

- **In March 2021, the \$1.9 trillion American Rescue Plan Act (ARPA) was signed into law**
  - \$350 billion to state, local, territorial, and Tribal governments in response to COVID-19
  
- **Huntington Beach is estimated to receive \$29.6 million, split into two payments, one in the current fiscal year and another a year later**
  
- **In order, to better identify a possible ARPA spending plan, staff recommends that the Mayor identify a 3-person City Council ad-hoc subcommittee to develop a draft framework for full City Council consideration**
  - Based on ARPA guidelines, the City needs to submit a spending plan framework to the US Treasury by August 31, 2021

21

## **FY 2021/22 Budget Study Session Follow-Up**

- **Based on feedback received from City Council, the FY 2021/22 Budget incorporates the following identified adjustments**
  - Include a homeless response position in the budget
  - Institute identified parking rate adjustments at the City's Downtown Parking Structure
  - Institute identified seasonal parking rates for parking meters and attended lots
  - Implement updated EMS fee for full cost recovery purposes
  - Finance the purchase of major replacement capital equipment
  
- **Staff also recommends that the Mayor establish an ad-hoc City Council ARPA funding committee**

22

## Proposed FY 2021-22 General Fund Budget Review



### Economic Overview & Local Budgetary Impacts

- **A year ago, the US economy contracted at a pace never experienced before due to COVID**
  - U.S. real GDP decreased **-5.0%** in Q1 2020 and **-31.4%** in Q2 2020
- **By the end of 2020 the US economy has regained 70% of the activity lost in the first two months of the pandemic.**
  - U.S. real GDP increased **33.4%** in Q3 2020, **4.3%** in Q4 2020, and **6.4%** in Q1 2021
  - The economy rebounded significantly over the last year although still short of pre-COVID-19 levels
  - The economic recovery is attributed to government assistance in response to the pandemic, vaccination efforts, declining COVID-19 cases, reopening of establishments, and the loosening of restrictions
- **CA unemployment rate improved to 8.3% in March 2021 compared to high of 16% in April 2020**
  - However, State's labor force decreased by 530,000 (-2.7%) workers since pre-pandemic peak in February 2020
  - O.C. unemployment rate improved to 6.4% in March 2021 compared to high of 14.9% in May 2020
- **Current trends signal a continued economic recovery from the financial impacts of COVID-19**
  - Economists are forecasting an annualized **GDP increase of 4.6%** in FY 2021/22

## FY 2021/22 General Fund Proposed Budget Review

• **Proposed FY 2021/22 General Fund Budget is structurally balanced**

- Major cost saving initiatives were implemented in FY 2020/21 due to the revenue decline caused by COVID-19
- Based on the current spending plan and incorporating the Homeless Response Position discussed at the May 17<sup>th</sup> Study Session, the Proposed FY 2021/22 General Fund Budget is structurally balanced

<i>(in thousands)</i>	Proposed Budget FY21/22
Revenues	\$227,980
Expenditures less UAL	209,033
CalPERS UAL	4,896
POB Payment	14,051
Total Expenditures	227,980
Net Position	\$ -

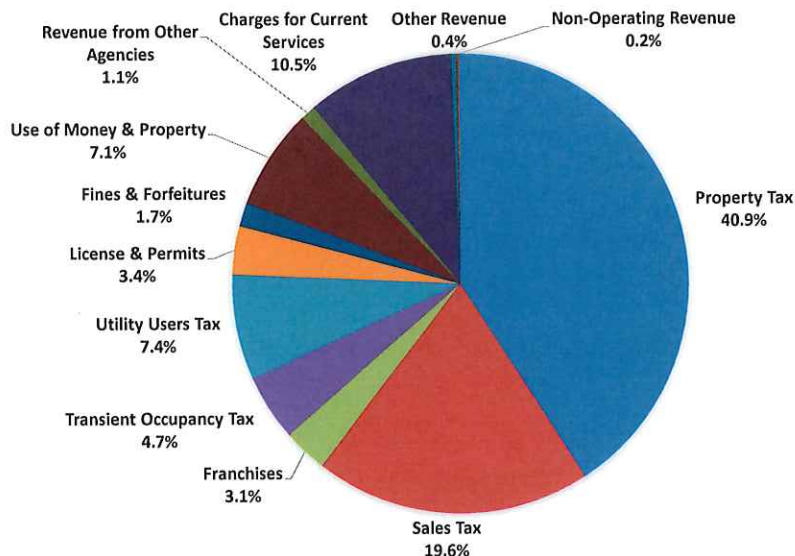
25

## FY 2021/22 General Fund Proposed Revenues

<i>(in thousands)</i>	Actual Revenues FY2019/20	Projected Revenues FY2020/21	Proposed Revenues FY2021/22	Increase/ (Decrease)	% Increase/ (Decrease)
Property Tax	87,497	92,203	93,213	1,010	1.1%
Sales Tax	41,063	44,501	44,641	140	0.3%
Franchises	7,862	7,300	7,120	(180)	-2.5%
Transient Occupancy Tax	9,637	9,197	10,693	1,496	16.3%
Utility Users Tax	18,149	16,884	16,884	0	0.0%
License & Permits	8,368	6,873	7,779	906	13.2%
Fines & Forfeitures	3,403	4,056	3,794	(262)	-6.5%
Use of Money & Property	17,510	14,419	16,172	1,753	12.2%
Revenue from Other Agencies	4,102	2,544	2,419	(124)	-4.9%
Charges for Current Services	25,501	20,716	23,926	3,210	15.5%
Other Revenue	2,296	567	896	328	57.9%
Non-Operating Revenue	99	443	443	0	0.0%
<b>Total</b>	<b>225,487</b>	<b>219,704</b>	<b>227,980</b>	<b>8,277</b>	<b>3.8%</b>

26

## FY 2021/22 General Fund Proposed Revenues - \$228M



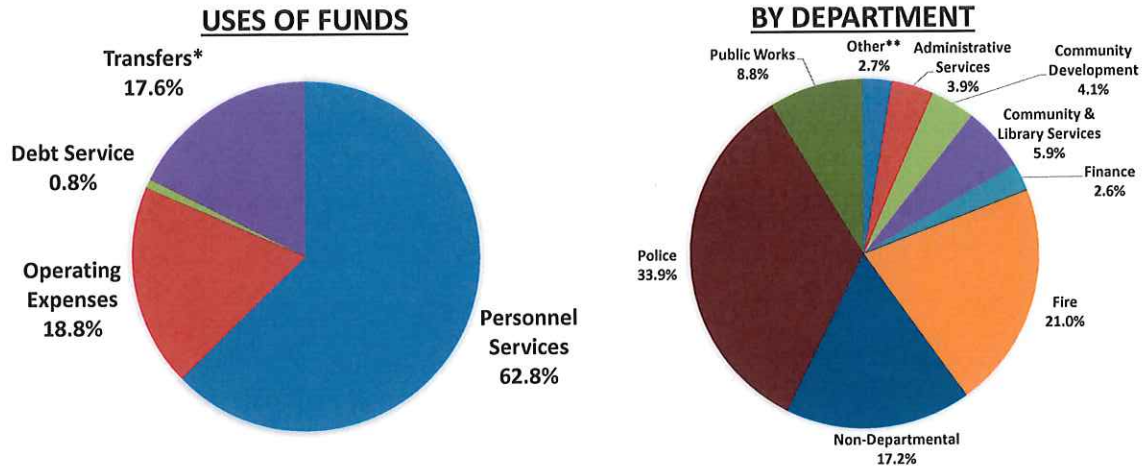
27

## FY 2021/22 General Fund Proposed Revenues - \$228M

- **General Fund revenues anticipated to increase by \$8.3 million in FY 2021/22 compared to FY 2020/21 projected revenues of \$219.7 million**
  - FY 2021/22 revenues are still projected to be \$8.9 million below pre-COVID-19 estimates of \$236.9 million in FY 2019/20
- **Major revenue variances include:**
  - **Property Tax:** \$93.2 million (1.1% or \$1 million increase)
    - > Higher assessed valuations as of January 1, 2021 versus prior fiscal year
  - **Sales Tax:** \$44.6 million (0.3% or \$140,000 increase)
    - > Mild increases in projected economic activity in FY 2021/22 after strong sales in FY 2020/21 driven by stimulus spending, re-openings, pent up demand and increased visitors to Huntington Beach
  - **Transient Occupancy Tax:** \$10.7 million (16.3% or \$1.5 million increase)
    - > Increases driven by re-openings, vaccinations, and reduced travel restrictions expected to fuel increased local tourism to Huntington Beach, but still below pre-COVID-19 estimates of \$14 million
  - **Use of Money & Property:** \$16.2 million (12.2% or \$1.8 million increase)
    - > Expected increase in parking and concessionaire revenues due to re-openings and demand for travel
  - **Charges for Current Services:** \$23.9 million (15.5% or \$3.2 million increase)
    - > Primarily attributed to increases in Community Service Recreation Program offerings and Special Events

28

## FY 2021/22 General Fund Proposed Expenditures



\* Transfers include Pension Obligation Bond, Infrastructure, Equipment, Bond Debt Service, General Liability & Section 115 Trust Transfers

\*\* Other includes City Council, City Manager, City Attorney, City Clerk, and City Treasurer

29

## Recommended FY 2021/22 Authorized Positions

- **If approved as recommended, the proposed FY 2021/22 Budget reflects a reduction of 27 positions when compared with pre-COVID-19 staffing levels**

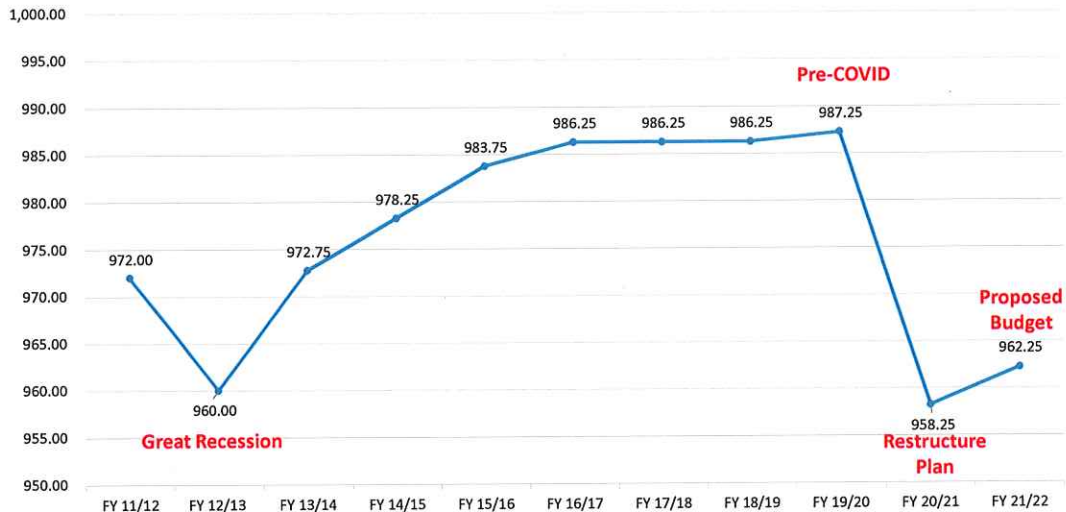
- With a total proposed headcount of 962.25 FTEs, the City is just slightly above the Great Recession staffing levels lows of 960 FTEs in FY 2012/13

- **New positions included in the FY 2021/22 Budget are as follows:**

- (1) Administrative Aide & (1) Administrative Analyst in Public Works which will focus on sustainability projects and programs
  - (1) Principal Administrative Analyst in the Administrative Services Department to coordinate Citywide performance management and data analysis
  - (1) Deputy Director of Homeless & Behavioral Services in the Police Department to coordinate the City's homeless response efforts

30

### FY 2021/22 Full Time Equivalent – All Funds



31

### FY 2021-22 Capital Improvement Budget Review





### CIP Budget Overview

• FY 2021/22 Budget includes **\$39.3 M** in proposed capital enhancements, a 57% increase over our typical annual budget of ~\$25 M in capital upgrades

• Key improvements include:

– **Facilities**

- > Harbor View Clubhouse
- > Huntington Central Park Sports Complex Lighting
- > Central Library Fountain Restoration
- > Oakview Community Center Rehab
- > Lifeguard and Jr. Lifeguard HQ Upgrades

– **Parks**

- > Blufftop Park
- > Edison Park Reconfiguration
- > Playground equipment @ Glen View and Sun View
- > Beach Parking Lot Rehabilitation (Huntington to 1<sup>st</sup> St)
- > Huntington Bluffs Stabilization

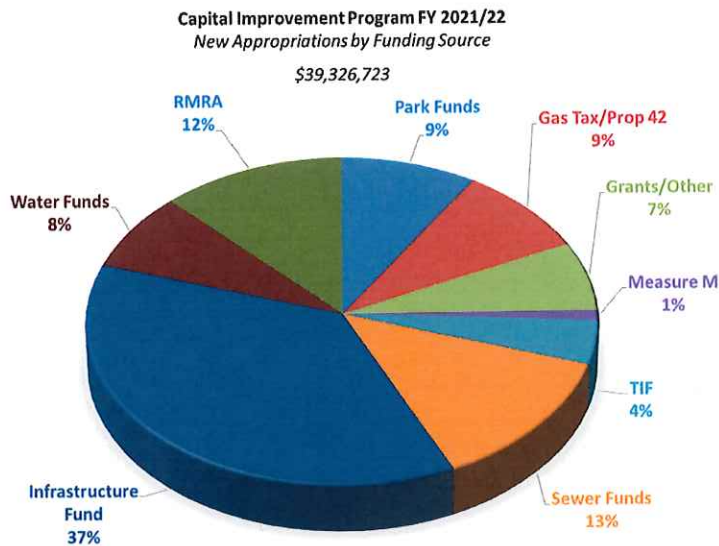
– **Utilities**

- > Humboldt Lift Station
- > Sewer relining
- > Water main replacement

– **Streets**

- > Residential Overlay in Zone 5
- > Arterial Rehabilitation Project – Edinger, Warner, Talbert, Newland, and Brookhurst

### CIP Funding Sources



## Key Facility Upgrades

- **Harbor View Clubhouse**
  - \$775 K to complete building improvements and address ADA issues
- **Huntington Central Park Sports Complex Lighting**
  - \$477 K to install new LED light fixtures at fields 1 and 2
- **Central Library Fountain Restoration**
  - \$1.7 M for renovations to the exterior fountains at the Central Library
- **Oak View Community Center Rehab \$900K**



35

## Key Facility Upgrades (Continued)

- **Central Library Restroom ADA Rehab (Design) \$30K**
- **Central Library Exterior Paint \$82K**
- **City Gym & Pool Interior & Exterior Paint \$90K**
- **Lifeguard & Junior Lifeguard HQ Upgrades \$320K**



36

### Key Facility Upgrades (Continued)

- Pier Piling Inspection & Maintenance \$500K
- Helipad Lot Rehab \$500K
- Police Communication Center Remodel \$780K
- Police Traffic Office Remodel \$180K



37

### Key Park Upgrades

- **Blufftop Park**
  - \$750K in additional funding to upgrade Blufftop Park
- **Playground equipment**
  - \$442K for playground equipment upgrades
  - Upgrades planned at Glen View and Sun View Parks
- **Beach Parking Lot Rehabilitation**
  - \$1.48M for parking lot rehabilitation from Huntington to 1<sup>st</sup> Street
- **Huntington Bluffs Stabilization Project**
  - \$400K for design and study to stabilize two localized erosion areas
- **H.C.P Disc Golf Course \$100K**
- **Park Improvements - LeBard, Marina, Carr, Schroeder Park \$1.55M**
- **Huntington Central Park Restrooms \$363K**
- **Huntington Lake Elevated Pathway \$250K**



38

## Key Street Upgrades

- **Residential Overlay in Zone 5**
  - \$4.8M allocation to fund neighborhood street and curb ramp improvements in Zone 5
- **Arterial Rehabilitation Project**
  - \$5.4M allocation to fund our annual arterial
  - Arterials slated for rehabilitation include Edinger, Warner, Talbert, Newland, and Brookhurst
- **Citywide Mobility & Corridor Improvements \$800K**
- **Fiber Optics Projects/Design (City Hall-Utility Yard, Oak View, Garfield, Gothard, and Bushard) \$653K**
- **Downtown Street Lighting \$1.3M**
- **Residential Alleys \$1.1M**

Arterial Rehab – Before



Arterial Rehab – After



39

## Key Utility System Upgrades

- **Humboldt Lift Station**
  - \$4.0M to improve Humboldt lift station
- **Sewer Relining**
  - \$1.1M for lining sewers in various locations
- **Water Main Replacement**
  - \$2.45M for water main replacement



40

## Approval of FY 2021/22 Budget Requested



## City Council Approval Requested

- **City Council approval of the proposed FY 2021/22 Budget is requested**
- **Key budget components include:**
  - Structurally balanced FY 2021/22 spending plan
  - 130% increase for the General Fund transfer into the Infrastructure Fund (\$11.5 M)
  - 57% increase in the CIP budget, to be set at \$39.3 M
  - Inclusion of new homeless response position
  - Updates to the City’s parking fee structure and EMS fee
  - Finance the acquisition of 3 helicopters, a fire engine, and a lifeguard rescue boat, while also refinancing outstanding capital leases
  - Establishment of an ad-hoc City Council ARPA spending plan subcommittee
  - Approve all budget resolutions including the Gann Appropriation Limit and Safety Retirement Property Tax resolutions

**Questions?**

