



## MINUTES FINANCE COMMISSION

Wednesday, July 27, 2022 - 5:00 p.m.

City of Huntington Beach

Zoom Webinar

Civic Center – Lower Level Conference Room B-7

2000 Main Street

Huntington Beach, CA 92648

For the audio recording of the July 27, 2022 Finance Commission Meeting, please visit the City's website at: <https://huntingtonbeach.legistar.com/Calendar.aspx>

Chair Jamie Craver called the meeting to order at 5:01 p.m., and led the Pledge of Allegiance.

MEMBERS  
PRESENT: Jamie Craver, Chair  
Tony Strickland, Vice-Chair  
Frank Lo Grasso, Commissioner  
Janet Michels, Commissioner  
Lawrence Owen, Commissioner  
Robert Sternberg, Commissioner

MEMBERS ABSENT: Stephanie Gledhill, Commissioner

STAFF PRESENT Dahle Bulosan, Chief Financial Officer  
Sunny Rief, Assistant Chief Financial Officer  
Serena Bubenheim, Finance Manager - Budget  
Thuy Vi, Administrative Aide, Finance

**PUBLIC COMMENTS** There were no public comments.

### **CONSENT ITEMS**

#### **Approval of Meeting Minutes**

(1:52) Commissioner Robert Sternberg requested a change on page 9 of the meeting minutes. He asked that the September 21, 2021 City Council adoption date of the ordinance amending the in lieu fees from 30 units to 100 units be incorporated in the minutes.

(7:43) Commissioner Janet Michels suggested a change at page 12 of the meeting minutes, from "sea-level summary" to "executive level summary."

**(8:32) Motion: Moved by Chair Craver and seconded by Commissioner Janet Michels to approve the Finance Commission Meeting Minutes dated May 25, 2022, with the changes as discussed**

The motion carried by the following votes: 4-0-1-2

Ayes: Craver; Michels; Sternberg; Strickland

Noes: None

Abstain: Lo Grasso  
Absent: Owen; Gledhill

## **DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS**

(9:20) Chief Financial Officer Dahle Bulosan presented the Adopted Budget as approved by the City Council at its June 7, 2022 meeting. He shared the Fiscal Year 2022/23 budget highlights, stating that the City has a structurally balanced FY 2022/23 General Fund spending plan with a \$690K surplus. The General Fund transfer to the Infrastructure Fund increased by 170% to \$13.5M (\$5M pre-COVID). The City Council approved the Finance Commission's recommended changes to the Fee Schedule, which created a \$740K annual estimated General Fund savings. He noted that those savings are not reflected in the \$690K surplus, because the effective date is in the 2022/23 Fiscal Year, and we will wait to get more accurate numbers after implementation of the new fees.

Lo Grasso asked what the difference was between a structurally balanced and balanced budget. Bulosan stated that structurally balanced means that the revenue covers the ongoing cost, such as fixed expenses over the years. Lo Grasso asked if money from reserves is being used to balance the budget. Bulosan stated that money specifically set aside for capital projects is being used. Bulosan stated that an example is the ARPA funds, which were received last year and set aside for projects this year. It appears that we have a negative change or decline in fund balance, but are using funds from the prior year to fund the projects this fiscal year, and those funds are being used specifically for its purpose. Lo Grasso noted that ARPA funds are one-time funds, and asked if we are replenishing the other funds for projects. Bulosan stated that we typically do, such as with park development impact fees, which are accumulated for large projects, such as for the Edison park renovations.

Bulosan stated that the City Council approved the continuation of the Downtown Circuit Ride Share Program. An administrative change was made to the \$29.6M ARPA funds to be spent on eligible public safety costs, and any savings would be set aside in the HB Recovery Funds for the same purpose as ARPA funds. The All Funds Budget is structurally balanced with planned use of prior year unspent revenues on one-time capital projects, equipment and technology. The Capital Improvement Program (CIP) budget increased 139% to \$59.7M (\$25M pre-COVID). The FY 2022/23 Pension Payment \$28M vs. \$37.7M yielded \$9.7M savings from refinancing 85% of pension debt at a historically low interest rate of 2.925%, saving the City \$166.7M during the 24-year period.

Bulosan reviewed the General Fund Budget. The General Fund is the City's main operating fund at 51% of the total All Funds budget, and it contains 82.4% of the City's total personnel. The General Fund is structurally balanced with a \$690K surplus. Also included is \$29.6M in HB Recovery Funds for City Council approved projects. \$16.1M is budgeted in FY 2022/23 and \$13.5 M in HB Recovery reserves is to be set aside and presented to the City Council for approval at a later date.

Bulosan share the FY 2022/23 General Fund Proposed Revenues of \$283.2M and Expenditures of \$269M. Property tax is 34.7% of our total revenues for the General Fund, and sales tax at 18.8%. On the expenditure side, most expenses are personnel services at 58.2%, which is typical of full-service municipal government cities with Police and Fire. By department, about 50% is spent on

Public Safety, and a large part is Public Works. The Non-Departmental fund includes all of our contribution to the infrastructure, equipment, utility bills, payment to our general liability plan, savings to the Section 115 Trust for setting aside pension funds and the HB Recovery fund.

Bulosan listed the \$29.6M HB Recovery Projects that were approved at the September 7, 2021 City Council meeting: Downtown Revitalization Improvements \$1.75M; Police Technology Infrastructure Improvements \$3M; Carr Park Improvements \$326,925; Oak View Library / Community Center Rehabilitation \$2M; Public Safety Equipment \$2M; Senior on the Go Transportation Improvement \$280K; Broadband Infrastructure Improvements \$1M; World Skate Skatepark Development Planning \$750K; Mobility & Sustainability Capital Improvements \$2M; Joint Youth Training Center for Fire and Police \$2M Arterial Beautification \$1M. The total HB Recovery Projects Budgeted in FY 2022/23 is \$16,106,925.

Discussion ensued regarding the use of the HB Recovery Funds. Bulosan stated that the ARPA funds were a claim to the federal government for loss of revenue to the City. An administrative change was made to call the funds HB Recovery Funds, and the City is using the funds for eligible expenses, which includes public safety costs. There are \$29.6 million in public safety costs in Fiscal Year 2022/23.

Bulosan listed the projects that have not been budgeted and still need City Council approval: Comprehensive Homeless Response Plan Implementation / Healing Center \$2.5M; Permanent Supportive Housing / Healing Center \$2.5M; Major City Facility Upgrade Project \$3.2M; Grow HB Fund Business Loan Program - NDC 3:1 Match \$2M; HB Community Impact Loan Fund for Small Businesses \$1M; Economic Development Fund \$2M; Talbert Channel Multi-use Recreation Trail - Project Cancelled Funds to be Reallocated \$300K. There are \$13.5M in HB Recovery Reserves to be budgeted, and the total HB Recovery projects is \$29,606,925.

Lo Grasso asked how much has been spent in operating costs for the Navigation Center, and understood that the County of Orange was handling the costs. Sternberg asked if the name of the Navigation Center has changed to Healing Center. Bulosan stated that it is the proposed name for the project to provide help to homeless and for permanent supportive housing. Sternberg wanted to know if this is a new program or a continuation or expansion of the original program. Craver stated that she could review past City Council meetings where the program was discussed and provide it to Sternberg.

Lo Grasso asked if interest is charged to small businesses for the Community Impact Loan for Small Businesses. Bulosan stated that the program is still being developed and will need to be presented to the City Council for approval. Lo Grasso asked where the money from the repayment of small business loans goes. Bulosan stated that it is a revolving loan and money from repayment would be loaned to other small businesses. Lo Grasso asked if the City was earning interest from the loan. Assistant Chief Financial Officer Sunny Rief stated that it is a low-interest loan and would be returned to the program. Lo Grasso also asked if that was similar to the Grow HB Fund Business Loan Program. Bulosan stated that the Grow HB Fund loan is a different program for established businesses.

Bulosan reviewed the overall financial outlook for the General Fund, and stated that we are projecting a \$3.4 million surplus. Last fiscal year is subject to change as we are still working on our audit to close out the books. For Fiscal Year 22/23, we are projecting a \$690K surplus, and about the same is projected for the following year.

Bulosan reviewed the All Funds Revenues and Expenditure Report. He noted that the highlighted portion of the report indicated \$29.2M negative change in fund balance in FY 21/22 and \$41.6M in FY 22/23, and clarified that the decrease in fund balance is the planned use of prior year unspent revenues on one-time Capital Improvement Projects (CIP), equipment, technological and improvements. In order to determine the structural surplus or deficit, one-time capital costs needs to be backed out. It is common practice for government agencies to allow fund balances (prior year unspent revenues) to accumulate in various funds for the purpose of spending them at a later date for one-time CIP or other designated and allowable uses.

Lo Grasso asked why larger CIP projects were initiated this year. Bulosan stated that funds were accumulating for the projects. One of the reasons why we have a negative change in fund balance for this current fiscal year is largely because of the ARPA funds that we received last year and that was budgeted to be spent this year. There was also a ramp up of capital projects because our CIP budget increased from \$25M to close to \$60M. An example of one of our large projects is the Fund 211 Drainage Fund, where there is a negative change in fund balance of \$2.6M. That money was saved so that we can tap into FEMA's match of approximately \$6.5M. and so that both could be budgeted this year, but we are not using the revenues for this year. Bulosan noted that it is important to look at the large capital projects that were budgeted because that is a large reason why we are drawing on the funds.

Bulosan stated that we have \$39.3M in CIP projects budgeted which include: \$2M - Drainage & Storm Water Projects: Storm Drain Pump Station Improvements; \$6.8M - Facilities Projects: Harbour Clubhouse Improvements, Sports Complex LED Lighting Retrofit, Oak View Community Center Rehab, Helipad Rehab, Lifeguard and Jr. Lifeguard HQ Upgrades; \$6.4M - Neighborhood Curb Ramps, Residential Overlay, Residential Alleys; \$5.9M - Parks and Beach Projects: Bluff Top Park Improvements, Edison Park Reconfiguration, Glen View Park Improvements, Beach Parking Lot Rehabilitation, LeBard Park Improvements, Sun View Park Playground Improvements, Carr Park Improvements, Shroeder Park Improvements, Huntington Central Park Restrooms; \$5.1M - Sewer Lift Station Reconstruction and Sewer Lining; \$10.4M - Streets & Transportation Projects: Arterial Rehab, Downtown Street Lighting, Citywide Mobility and Corridor Improvements, Traffic Signal Modification; \$2.7M - Water Infrastructure Projects. We have \$10.8M budgeted for equipment: police helicopters; fire engine and rescue boat; cardiac monitors/defibrillators; patrol vehicles; various network, software and workstation upgrades; library public computers; Public Works equipment replacement (vector truck, service truck, forklifts, replacement motor for well/driver); parking pay stations; library material handling system. Our total FY 21/22 CIP and equipment budget is \$50.1M.

Lo Grasso asked when equipment would be replaced again and what other large projects are planned for the future. Craver stated that these improvement projects are ways to prevent emergencies by keeping up our facilities, and one-time large expenditures gives us a break from large expenditures for the next 15 years. Bulosan stated that we are working with the Public Works

Department on a comprehensive capital improvement budget. Because we have accumulated a lot of reserves for these one-time projects and also received federal funding, it was time to reinvest into some of these larger projects.

Sternberg asked if we have an emergency reserve. Bulosan stated that we have emergency reserves, but expenses are handled out of our current operating budget. If there was failure of large equipment, we would have the option to finance it, but we do have money set aside in the General Fund; approximately \$5-7M in equipment reserves and in capital reserves. Sternberg asked where money would come from in the event of a large-scale emergency that would require a lot of police overtime and costs. Bulosan stated that type of emergency would be covered under FEMA. The expenses and overtime would be documented and submitted to FEMA for reimbursement. Rief stated that we have mutual aid agreements with other local agencies, so in the event of a large-scale emergency, they would help us and they would absorb those overtime costs incurred by staff. Strickland stated that when the President or Governor calls for a state of emergency, that unleashes the funds for emergencies.

Bulosan reviewed the FY 2022/23 CIP and Equipment Budget. The \$59.7M CIP budget includes: \$12.8M - Drainage & Storm Water Projects: Heil Ave Storm Water Pump Station, Storm Drain and Channel Repairs, Half Round Grates; \$10.4M - Facilities Projects: Joint Youth Training Center for Fire and Police, Oak View Community Center Rehab, Civic Center Generator and Main Switchgear Replacement, Police Communication Center and Traffic Office Remodel; \$4.2M - Neighborhood Curb Ramps and Residential Overlay; \$3.2M - Parks and Beach Projects: Huntington Bluffs Stabilization Project, Carr Park Improvements, Edison Park Reconfiguration, Central Park Slater Playground Improvements; \$8.2M - Sewer Projects: Humboldt & Davenport Sewer Lift Station; \$17.5M - Streets & Transportation Projects: Arterial Beautification and Rehab, Downtown Revitalization, Bridge Rehab, Citywide Mobility and Corridor Improvements; \$3.3M - Water Infrastructure Projects.

The \$16M in Equipment and other Capital budget includes: Ambulance; Urban Search and Rescue (USAR) truck; lifeguard rescue vessel and dive team vehicle; Self-Contained Breathing Apparatus (SCBA); cardiac monitors/defibrillators; various network, software and workstation upgrades; Police vehicle replacement and technology infrastructure improvements; Public Works equipment replacement (backhoe, service truck, forklift, etc.); air system repair and replacement (Lifeguard HQ, Murdy Fire Station, Central Library); Seniors on the Go transportation improvements. The total Capital Expenditures is \$75.7M.

Bulosan summarized that the FY 2022/23 General Fund Budget is structurally balanced with a \$690K surplus. The City Council approved the Finance Commission's recommended changes to the Fee Schedule resulting in a \$740K annual estimated General Fund savings. The All Funds Budget is structurally balanced with planned use of prior year unspent revenues on one-time capital projects, equipment and technology. The City has a robust CIP budget of \$59.7M in FY 2022/23 (139% increase from \$25M pre-COVID). The City has \$29.6M in the HB Recovery Funding for City Council approved projects.

Sternberg asked if the City is still looking at the DBFOM project. Bulosan stated that the project is still on the table as an option to finance capital improvement projects. We are going through a

transition period with a new City Manager, but the project will be presented to the City Council and reviewed by the Finance Commission. Bulosan stated he would keep the Finance Commission updated with any progress.

### **COMMISSIONER COMMENTS**

(53:47) Sternberg complimented Bulosan and the Finance team for receiving great reviews by the City Council for the budget presentation.

Craver thanked Bulosan for quickly responding to the community's concerns, in a way that was simple and posted online, and for holding the two budget study sessions, which was a lot of work but was informational and helpful to the community.

### **ADJOURNMENT**

(55:10) **Motion: Moved by Craver and seconded by Michels to adjourn the meeting at 6:00 p.m.**

The motion carried by the following votes: 6-0-1

Ayes: Craver; Michels; Lo Grasso, Owen; Sternberg; Strickland

Noes: None

Absent: Gledhill

Submitted by:

Dahle Bulosan, Chief Financial Officer

By: Thuy Vi, Administrative Aide, Finance



# **City of Huntington Beach FY 2022/23 Adopted Budget Review**

Finance Commission  
July 27, 2022

# Presentation Overview

- **FY2022/23 Budget Highlights**
- **General Fund Budget Review**
- **All Funds Revenues and Expenditure Report**
- **Overview of the Capital Improvement Program & Capital Equipment Budgets**







# FY2022/23 Budget Highlights

- Structurally balanced FY 2022/23 General Fund spending plan - \$690K surplus
  - ✓ General Fund transfer to the Infrastructure Fund increased by 170% to \$13.5M (\$5M pre-COVID)
  - ✓ City Council approved Finance Commission's recommended changes to the Fee Schedule - \$740K annual estimated General Fund savings
  - ✓ City Council approved the continuation of the Downtown Circuit Ride Share Program
  - ✓ ARPA admin change - HB Recovery Funds \$29.6M for Council projects
- All Funds Budget is structurally balanced with planned use of prior year unspent revenues on one-time capital projects, equipment, technology, etc.
- Capital Improvement Program (CIP) budget increased 139% to \$59.7M (\$25M pre-COVID)
- FY 2022/23 Pension Payment \$28M vs. \$37.7M yielding \$9.7M savings from refinancing 85% of pension debt at a historically low interest rate of 2.925% (saves \$166.7M during 24-year period)

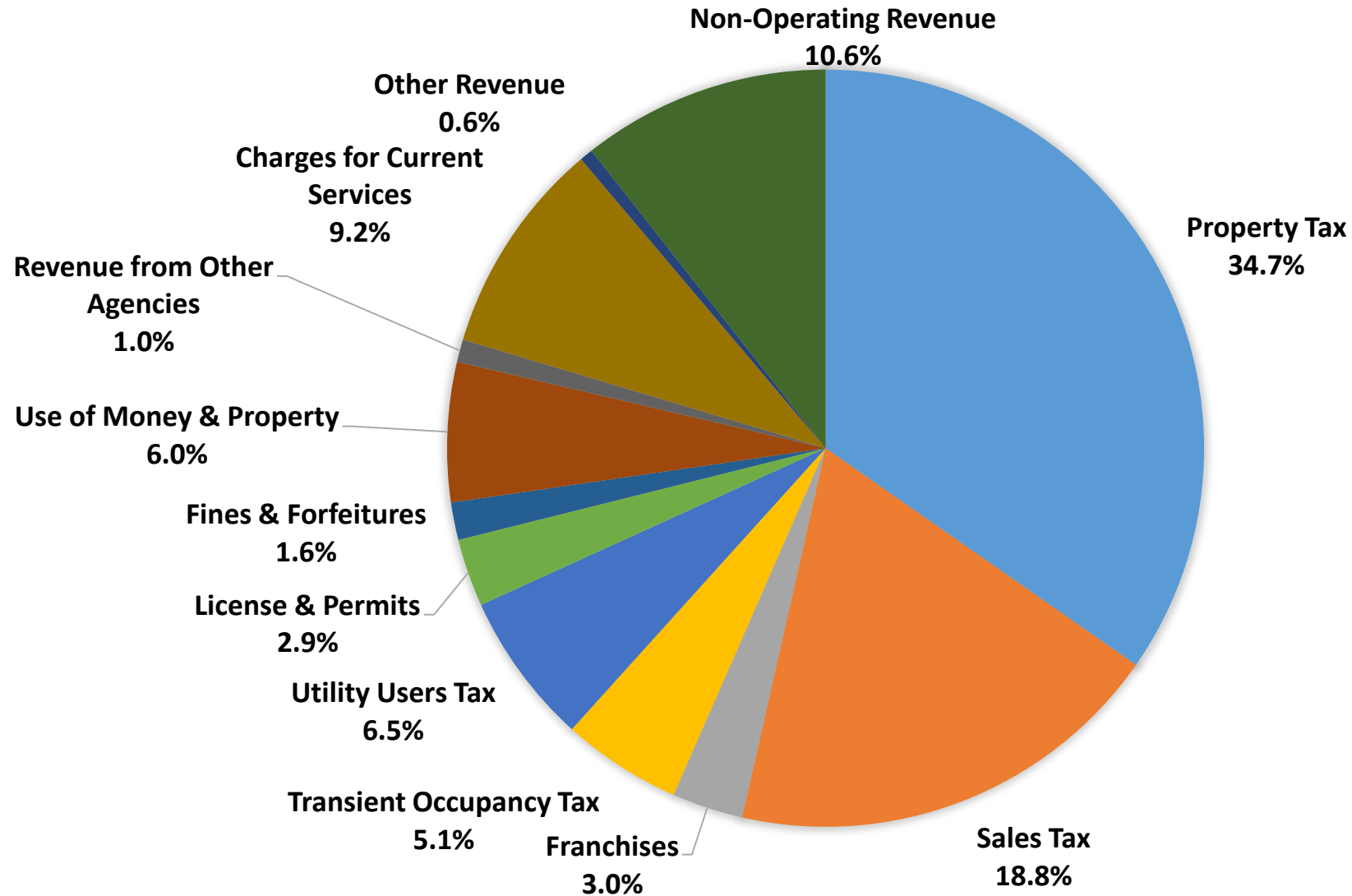
# General Fund Budget Review

	FY 2018/19		FY 2019/20		FY 2020/21		FY 2021/22		FY 2022/23	
In millions	Actual		Actual		Actual		Adopted		Adopted	
Total Revenues	\$	236.0	\$	225.2	\$	237.0	\$	228.0	\$	283.2
Total Expenditures		228.9		223.5		226.8		228.0		269.0
<b>Change in Fund Balance</b>		<b>7.1</b>		<b>1.7</b>		<b>10.2</b>		<b>-</b>		<b>14.2</b>
HB Recovery Reserves										(13.5)
<b>Structural Surplus</b>	<b>\$</b>	<b>7.1</b>	<b>\$</b>	<b>1.7</b>	<b>\$</b>	<b>10.2</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>0.7</b>

- General Fund is the City's main operating fund at 51% of the total All Funds budget
- Contains 82.4% of the City's total personnel
- General Fund is structurally balanced with a \$690K surplus
- \$29.6M in HB Recovery Funds for Council approved projects
  - \$16.1M budgeted in FY2022/23
  - \$13.5M in HB Recovery Reserves to be budgeted at a later date



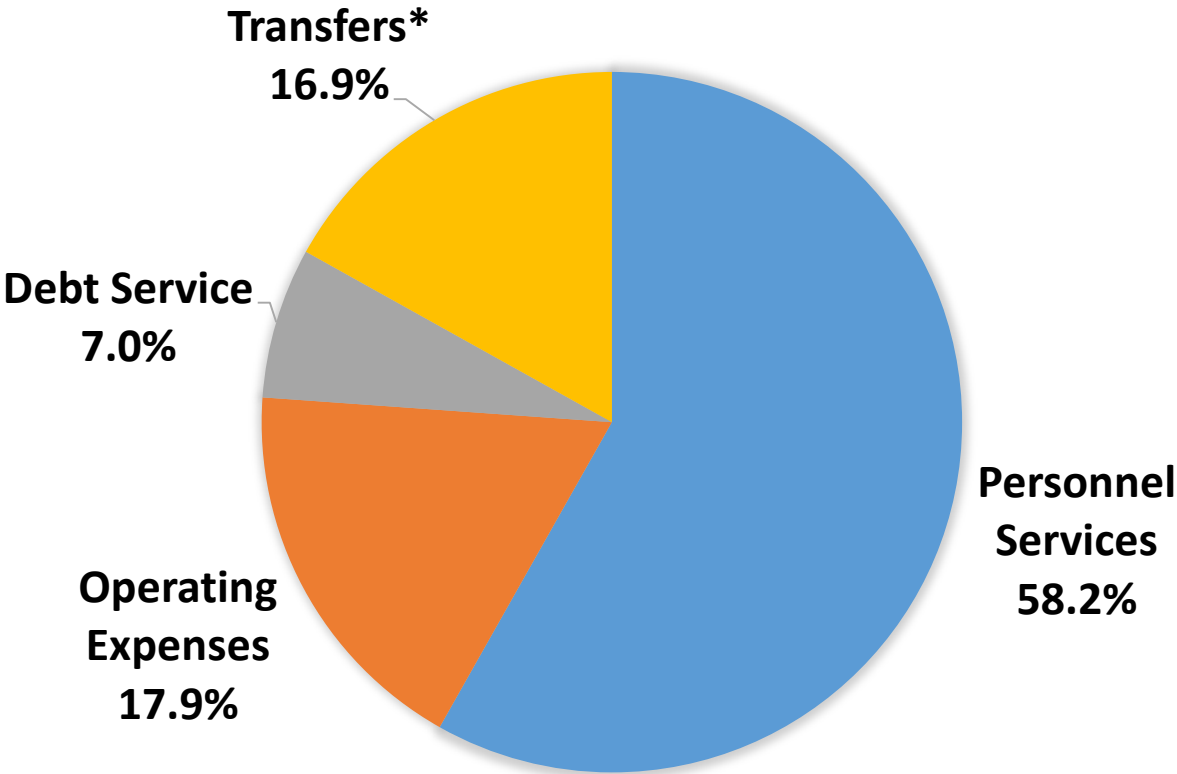
# FY 2022/23 General Fund Proposed Revenues - \$283.2M





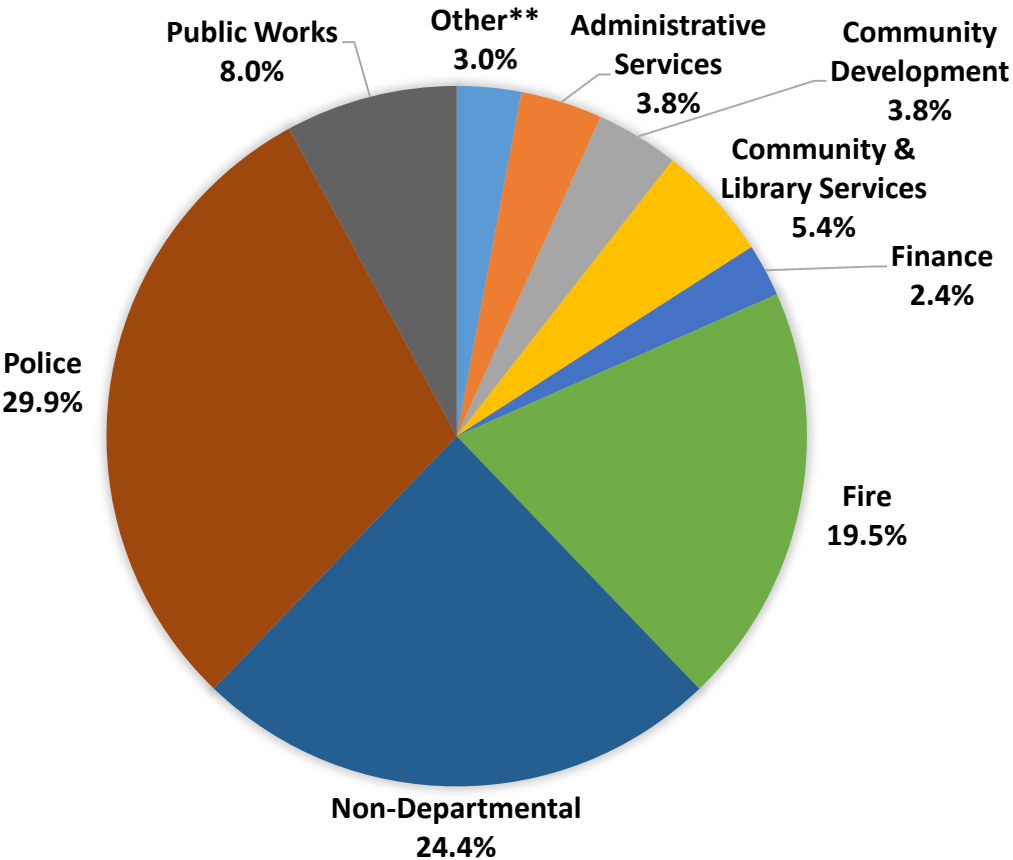
# FY 2022/23 General Fund Proposed Expenditures - \$269.0M

**USES OF FUNDS**



\* Transfers include Infrastructure, Equipment, General Liability & Section 115 Trust Transfers, HB Recovery

**BY DEPARTMENT**



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

# HB Recovery Projects \$29.6M

Projects	Amount
Downtown Revitalization Improvements	\$1,750,000
Police Technology Infrastructure Improvements	3,000,000
Carr Park Improvements	326,925
Oak View Library / Community Center Rehabilitation	2,000,000
Public Safety Equipment	2,000,000
Senior on the Go Transportation Improvement	280,000
Broadband Infrastructure Improvements	1,000,000
World Skate Skatepark Development Planning	750,000
Mobility & Sustainability Capital Improvements	2,000,000
Joint Youth Training Center for Fire and Police	2,000,000
Arterial Beautification	1,000,000
<b>HB Recovery Projects Budgeted in FY2022/23</b>	<b>\$16,106,925</b>

# HB Recovery Projects \$29.6M

Projects	Amount
Comprehensive Homeless Response Plan Implementation / Healing Center	\$2,500,000
Permanent Supportive Housing / Healing Center	2,500,000
Major City Facility Upgrade Project	3,200,000
Grow HB Fund Business Loan Program - NDC 3:1 Match	2,000,000
HB Community Impact Loan Fund for Small Businesses	1,000,000
Economic Development Fund	2,000,000
Talbert Channel Multi-use Recreation Trail - Project Cancelled Funds to be Reallocated	300,000
<b>HB Recovery Reserves - To be Budgeted</b>	<b>13,500,000</b>
<b>TOTAL HB RECOVERY PROJECTS</b>	<b>\$29,606,925</b>

# Financial Outlook

General Fund (Fund 100) (in thousands)	Projected FY21/22	Projected FY22/23	Projected FY23/24	Projected FY24/25	Projected FY25/26
<b>Revenue (Recurring)</b>	<b>\$245,251</b>	<b>\$253,552</b>	<b>\$257,487</b>	<b>\$261,997</b>	<b>\$266,605</b>
ARPA Funds		29,607			
<b>Total Revenues</b>	<b>245,251</b>	<b>283,159</b>	<b>257,487</b>	<b>261,997</b>	<b>266,605</b>
Personnel Costs	164,431	169,892	171,090	173,566	176,032
Operating Costs	43,658	48,567	49,979	51,456	52,960
Non-Operating Costs*	33,767	34,403	35,735	36,339	36,991
HB Recovery Projects		16,135			
<b>Total Expenditures</b>	<b>241,856</b>	<b>268,997</b>	<b>256,804</b>	<b>261,361</b>	<b>265,983</b>
HB Recovery Reserves		13,472			
<b>Surplus</b>	<b>\$3,395</b>	<b>\$690</b>	<b>\$683</b>	<b>\$636</b>	<b>\$622</b>

*\*Includes Debt Service, Capital Expenditures, and Transfers*



# **All Funds Revenues and Expenditure Report**



# City of Huntington Beach

Adopted Budget - FY 2022/23

## Revenues and Expenditures Summary - All Funds

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 Adopted
<b>Revenues</b>					
Property Tax	\$ 106,316,484	\$ 107,487,283	\$ 113,204,975	\$ 114,127,304	\$ 120,613,145
Sales Tax	47,436,737	44,616,369	51,161,877	47,656,885	57,399,504
Franchises	6,225,009	7,861,706	8,049,736	7,119,651	8,604,349
Transient Occupancy Tax	14,001,737	9,637,206	10,378,662	10,693,079	14,470,699
Utility Users Tax	18,787,664	18,148,622	18,374,351	16,884,238	18,457,076
License and Permits	8,574,423	11,267,196	8,213,873	8,802,466	9,425,920
Fines and Forfeitures	4,300,180	3,402,638	4,618,717	3,794,131	4,533,981
Use of Money and Property	34,548,028	37,401,896	41,242,547	18,441,007	18,755,527
Revenue from Other Agencies	21,756,475	18,703,781	37,720,146	18,286,462	30,607,485
Charges from Current Services	111,896,714	107,044,786	99,327,898	103,572,192	108,844,380
Other Revenue	4,038,591	5,720,915	2,594,386	1,115,979	1,835,775
Non-Operating Revenue *	26,188,746	23,238,552	395,588,980	44,762,351	96,843,602
<b>Total Revenue</b>	<b>404,070,788</b>	<b>394,530,950</b>	<b>790,476,147</b>	<b>395,255,745</b>	<b>490,391,443</b>
<b>Expenditures</b>					
Personnel Services *	180,521,483	188,053,895	530,987,340	165,457,490	180,913,528
Utilities	5,885,604	6,323,431	7,165,290	7,178,559	8,075,060
Purchased Water	16,435,060	16,386,899	17,143,545	18,450,000	18,655,000
Equipment and Supplies	7,936,046	8,185,057	7,992,142	8,262,092	8,521,032
Repairs and Maintenance	16,645,002	16,825,083	18,153,719	19,337,472	21,688,436
Conferences and Training	871,741	820,800	692,258	1,024,738	1,221,569
Professional Services	6,453,049	7,279,529	8,395,743	11,356,057	14,516,651
Other Contract Services	24,830,385	23,583,476	24,201,250	25,827,108	29,965,889
Rental Expense	377,800	393,544	321,453	330,599	329,212
Claims Expense	1,223,424	7,726,047	17,698,397	6,759,779	6,759,779
Insurance	3,719,307	3,777,228	4,749,634	5,542,672	5,620,320
Pension Payments	4,766,002	5,008,769	5,493,973	5,800,000	5,850,000
Contribution to Private Agency	862,239	65,000	80,000	305,000	310,000
Payments to Other Governments	3,761,706	4,711,245	9,236,058	3,994,004	4,031,439
Interdepartmental Charges	8,694,911	9,361,069	8,837,995	8,765,929	9,028,907
Expense Allowances	743,292	721,650	725,334	784,667	637,079
Other Expenses	3,114,671	2,002,821	2,772,557	3,437,000	3,841,100
Capital Expenditures	27,443,022	25,177,607	40,898,674	50,100,622	75,682,629
Non-Operating Expense	45,196,731	45,338,093	67,756,292	81,707,535	136,378,142
<b>Total Expenditures</b>	<b>\$ 359,481,474</b>	<b>\$ 371,741,243</b>	<b>\$ 773,301,653</b>	<b>\$ 424,421,323</b>	<b>\$ 532,025,772</b>
<b>Change in Fund Balance ^</b>	<b>\$ 44,589,314</b>	<b>\$ 22,789,706</b>	<b>\$ 17,174,494</b>	<b>\$ (29,165,578)</b>	<b>\$ (41,634,329)</b>

The decrease in Fund Balance is the planned use of prior year unspent revenues on **one-time** Capital Improvement Projects (CIP), equipment, technological improvements, etc.



# All Funds Revenues & Expenditure Summary

	FY 2018/19		FY 2019/20		FY 2020/21		FY 2021/22		FY 2022/23	
In millions	Actual		Actual		Actual		Adopted		Adopted	
Total Revenues	\$	404.1	\$	394.5	\$	790.5	\$	395.3	\$	490.4
Total Expenditures		359.5		371.7		773.3		424.4		532.0
<b>Change in Fund Balance</b>		<b>44.6</b>		<b>22.8</b>		<b>17.2</b>		<b>(29.1)</b>		<b>(41.6)</b>
Capital Expenditures (One-Time Costs)		27.4		25.2		40.9		50.1		75.7
<b>Structural Surplus</b>	\$	<b>72.0</b>	\$	<b>48.0</b>	\$	<b>58.1</b>	\$	<b>21.0</b>	\$	<b>34.1</b>

- In order to determine the structural surplus or deficit, one-time capital costs needs to be backed out.
- It is common practice for government agencies to allow fund balances (prior year unspent revenues) to accumulate in various funds for the purpose of spending them at a later date for one-time CIP or other designated and allowable uses.
- Example: Fund 211 Drainage Fund has a negative change in fund balance of \$2,645,000. Funds were accumulated for major capital projects such as Heil Avenue storm water pump station and flood channel repairs.



## **Overview of the Capital Improvement Program & Capital Equipment Budgets**

# FY 2021/22 CIP & Equipment Budget

Type	Description	Amount
CIP	<ul style="list-style-type: none"> <li>• \$2.0M - Drainage &amp; Storm Water Projects: Storm Drain Pump Station Improvements</li> <li>• \$6.8M - Facilities Projects: Harbour Clubhouse Improvements, Sports Complex LED Lighting Retrofit, Oak View Community Center Rehab, Helipad Rehab, Lifeguard and Jr. Lifeguard HQ Upgrades</li> <li>• \$6.4M - Neighborhood Curb Ramps, Residential Overlay, Residential Alleys</li> <li>• \$5.9M - Parks and Beach Projects: Bluff Top Park Improvements, Edison Park Reconfiguration, Glen View Park Improvements, Beach Parking Lot Rehabilitation, LeBard Park Improvements, Sun View Park Playground Improvements, Carr Park Improvements, Shroeder Park Improvements, Huntington Central Park Restrooms</li> <li>• \$5.1M - Sewer Lift Station Reconstruction and Sewer Lining</li> <li>• \$10.4M - Streets &amp; Transportation Projects: Arterial Rehab, Downtown Street Lighting, Citywide Mobility and Corridor Improvements, Traffic Signal Modification</li> <li>• \$2.7M - Water Infrastructure Projects</li> </ul>	\$39.3M
Equipment & Other Capital	Police helicopters; fire engine and rescue boat; cardiac monitors/defibrillators; patrol vehicles; various network, software and workstation upgrades; library public computers; Public Works equipment replacement (vector truck, service truck, forklifts, replacement motor for well/driver); parking pay stations; library material handling system	\$10.8M
<b>Capital Expenditures</b>		<b>\$50.1M</b>



# FY 2022/23 CIP & Equipment Budget

Type	Description	Amount
CIP	<ul style="list-style-type: none"><li>• \$12.8M - Drainage &amp; Storm Water Projects: Heil Ave Storm Water Pump Station, Storm Drain and Channel Repairs, Half Round Grates</li><li>• \$10.4M - Facilities Projects: Joint Youth Training Center for Fire and Police, Oak View Community Center Rehab, Civic Center Generator and Main Switchgear Replacement, Police Communication Center and Traffic Office Remodel</li><li>• \$4.2M - Neighborhood Curb Ramps and Residential Overlay</li><li>• \$3.2M - Parks and Beach Projects: Huntington Bluffs Stabilization Project, Carr Park Improvements, Edison Park Reconfiguration, Central Park Slater Playground Improvements</li><li>• \$8.2M - Sewer Projects: Humboldt &amp; Davenport Sewer Lift Station</li><li>• \$17.5M - Streets &amp; Transportation Projects: Arterial Beautification and Rehab, Downtown Revitalization, Bridge Rehab, Citywide Mobility and Corridor Improvements</li><li>• \$3.3M - Water Infrastructure Projects</li></ul>	\$59.7M
Equipment & Other Capital	Ambulance; Urban Search and Rescue (USAR) truck; lifeguard rescue vessel and dive team vehicle; Self-Contained Breathing Apparatus (SCBA); cardiac monitors/defibrillators; various network, software and workstation upgrades; Police vehicle replacement and technology infrastructure improvements; Public Works equipment replacement (backhoe, service truck, forklift, etc.); air system repair and replacement (Lifeguard HQ, Murdy Fire Station, Central Library); Seniors on the Go transportation improvements	\$16.0M
<b>Capital Expenditures</b>		<b>\$75.7M</b>



# Summary

- FY 2022/23 General Fund Budget is structurally balanced - \$690K surplus
- City Council approved Finance Commission's recommended changes to the Fee Schedule - \$740K annual estimated General Fund savings
- All Funds Budget is structurally balanced with planned use of prior year unspent revenues on one-time capital projects, equipment, technology, etc.
- The City has a robust CIP budget of \$59.7M in FY 2022/23 (139% increase from \$25M pre-COVID)
- The City has \$29.6M in the HB Recovery Funding for Council approved projects





# Questions?

