



**City of Huntington Beach  
Proposed FY 2022/23 Budget Review**

City Council Study Session  
May 17, 2022

1

## Presentation Overview

- FY 2021/22 General Fund Budget Update
- Proposed FY 2022/23 General Fund Budget Review
- Proposed FY 2022/23 Capital Improvement Budget Review
- Key City Council Policy Considerations for FY 2022/23
- Next Steps – FY 2022/23 Budget Approval

### SUPPLEMENTAL COMMUNICATION

Meeting Date: 5/17/2022

Agenda Item No.: SS #1 (22-399)



2



## FY 2021/22 General Fund Budget Update

3

### Economic Overview & Local Budgetary Impacts

- **Economic trends indicate a continued economic recovery from the financial impacts of COVID-19, but a recent decline in GDP signal caution**
  - U.S. real GDP increased 2.3% in Q3 2021, 6.9% in Q4 2021, -1.4% in Q1 2022
  - Slight decline in the last quarter due to Omicron restrictions in some parts of the country and a scale back of government assistance payments
  - **According to UCLA Anderson Forecast (April 2022) – Orange County**
    - Labor markets and tourism is nearly restored to pre-pandemic levels and is expected to continue with a strong outlook
    - Development surge is expected to continue
    - Housing will face some headwinds due to recent steep price escalation
- **As we emerge from the economic impacts of the pandemic, the City is monitoring recent developments in the economy:**
  - Russia/Ukraine Crisis
  - Inflation & Prices
  - Supply Chain Challenges
  - Rising Interest Rates
  - Labor Shortages



4

## City Budget & Fiscal Position

We are projecting a FY 21-22 surplus with modest surpluses over the next four years as a result of key financial decisions made by City Council and the ongoing recovery from the COVID-19 economic downturn.

- **FY2020-21** concluded with a \$5.2M surplus, after year-end transfers (\$10.9M surplus prior to transfers)
  - City Council approved additional investments of \$4.4M into capital infrastructure and \$1.3M of essential capital equipment needs from the year-end surplus.
- **FY2021-22** is projected to conclude with a \$3.4M surplus (subject to change)
- **Historic Infrastructure Investments in FY2021-22**
  - General Fund transfer to the Infrastructure Fund increased by 130% to \$11.5M.
  - CIP budget increased 57% to \$39.3M
- **Additional One-Time Funding**
  - City received \$29.6M through the American Rescue Plan Act. City Council approved an expenditure plan to invest funds in projects.



5



## Proposed FY 2022-23 General Fund Budget Review

6

## FY 2022/23 General Fund Proposed Budget Review

- Proposed FY 2022/23 General Fund Budget is structurally balanced, with a projected \$1M surplus

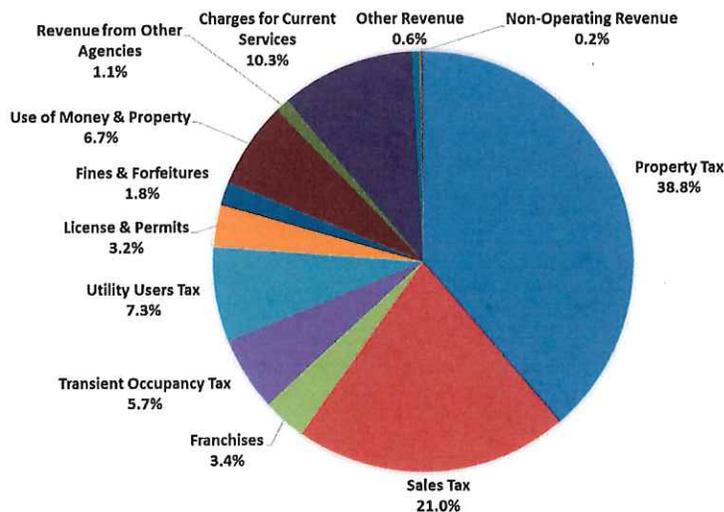
General Fund (Fund 100) (in thousands)	Proposed FY22/23
<b>Revenue (Recurring)</b>	<b>\$253,552</b>
Personnel Costs	169,892
Operating Costs	48,217
Non-Operating Costs*	34,403
<b>Total Expenditures</b>	<b>252,512</b>
<b>Surplus</b>	<b>\$1,040</b>

\* Includes Debt Service, Capital Expenditure, and Transfers

- Continued Infrastructure Investments in FY2022/23
  - General Fund transfer to the Infrastructure Fund increased by 17% to \$13.5M
  - CIP budget increased 52% to \$59.7M

7

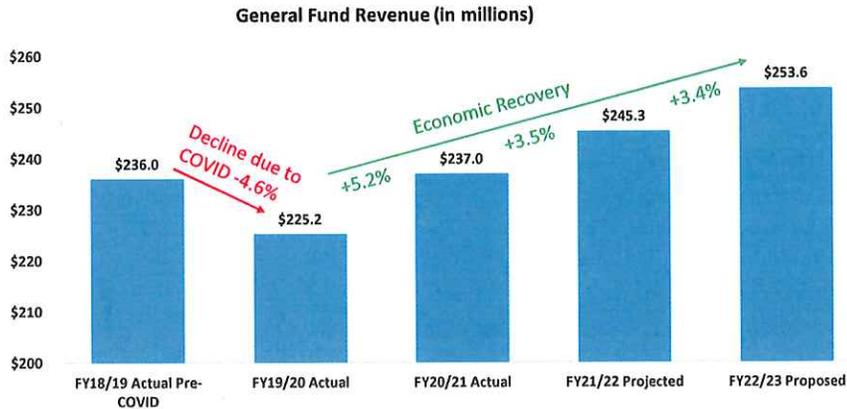
## FY 2022/23 General Fund Proposed Revenues - \$253.6M



8

## FY 2022/23 General Fund Budget Revenues - \$253.6M

- General Fund revenues anticipated to increase by \$8.3 million



9

## FY 2022/23 General Fund Budget Revenues - \$253.6M

- Major revenue variances include:
  - **Property Tax:** \$98.3 million (5.7% or \$5.3 million increase)
    - Higher assessed valuations as of January 1, 2022 versus prior fiscal year
  - **Sales Tax:** \$53.3 million (2.1% or \$1.1 million increase)
    - Increase due to strong consumer demand across all industry groups and increased prices
  - **Transient Occupancy Tax:** \$14.5 million (8.2% or \$1.1 million increase)
    - Reduced travel restrictions expected to fuel increased local tourism to Huntington Beach, exceeding pre-COVID-19 revenues of \$14 million in FY2018/19
  - **Revenue from Other Agencies:** \$2.7 million (-26.7% or \$1 million decrease)
    - Strike team reimbursements are not included in the FY2022/23 budget, but are included in the FY2021/22 projected revenues
  - **Charges for Current Services:** \$26 million (4.9% or \$1.2 million increase)
    - Primarily attributed to increases in Emergency Medical Services Transports and Billing Rates

10

## Fee Adjustment Update

- **The FY 2022/23 Proposed Budget does not include revenues from potential fee adjustments**
- March 1, 2022 - City Council directed staff to review the Master Fees and Charges Schedule and review the results with the Finance Commission for recommendation prior to City Council Consideration.
- March to May - Finance staff is working with the City's fee consultant and other departments to develop recommended fee adjustments based on CPI adjustments and market rate analysis
- May 25, 2022 – Finance Commission meeting to review potential changes to the Master Fees and Charges
- June 7, 2022 – Review fee adjustment recommendations with City Council for consideration



11

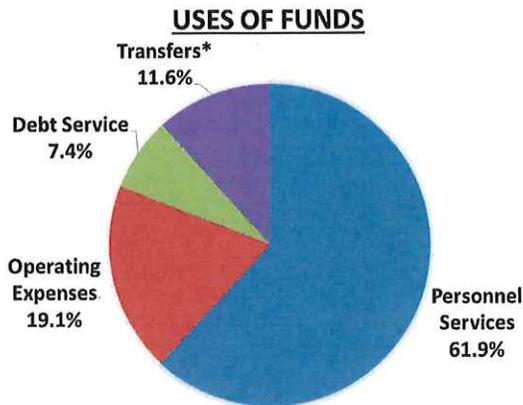
## FY 2022/23 General Fund Proposed Revenues

(in thousands)	Projected Revenues FY2021/22	Proposed Revenues FY2022/23	Increase/ (Decrease)	% Increase/ (Decrease)
Property Tax	92,938	98,259	5,321	5.7%
Sales Tax	52,265	53,343	1,079	2.1%
Franchises	8,536	8,604	68	0.8%
Transient Occupancy Tax	13,371	14,471	1,100	8.2%
Utility Users Tax	18,457	18,457	-	0.0%
License & Permits	8,016	8,201	185	2.3%
Fines & Forfeitures	4,516	4,534	18	0.4%
Use of Money & Property	16,807	16,887	80	0.5%
Revenue from Other Agencies	3,712	2,721	(990)	-26.7%
Charges for Current Services	24,820	26,026	1,207	4.9%
Other Revenue	1,368	1,604	235	17.2%
Non-Operating Revenue	446	444	(2)	-0.4%
<b>Total</b>	<b>245,251</b>	<b>253,552</b>	<b>8,302</b>	<b>3.4%</b>

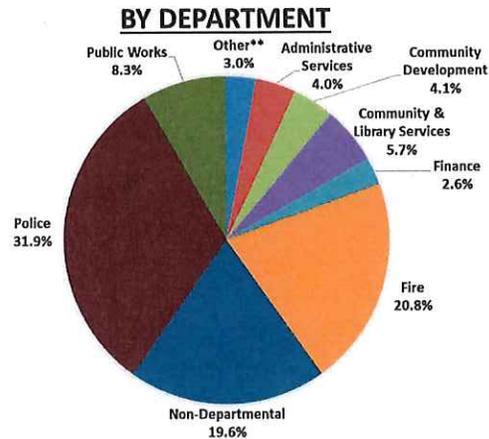


12

## FY 2022/23 General Fund Proposed Expenditures - \$252.5M



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



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

13

## Recommended FY 2022/23 Authorized Positions

- Staff is proposing 4 new General Fund positions in the FY 2022/23 Budget:

### City Clerk Department

- (1) Records Specialist to manage public records requests

### City Manager Department

- (1) Executive Assistant to provide administrative support to the City Manager and Assistant City Manager – restore eliminated position
- (1) Social Worker to assist with the growing Homeless caseload within the Homeless and Behavioral Health Division
- Transfer non-sworn Homeless and Behavioral staff from the Police Department to the City Manager's Office

### Finance Department

- (1) Accounting Technician II to process accounts payable invoices and serve as a concierge at City Hall – partially restore accounts payable position eliminated as part of SIP



14

## Recommended FY 2022/23 Authorized Positions

- Staff is proposing a net addition of 5 Other Fund positions in the FY 2022/23 Budget:

### Public Works Department

#### Position Reductions (3)

- Eliminate (2) Water Meter Readers and (1) Water Meter Repair Technician due to implementation of the Automated Water Meter Infrastructure.

#### Position Additions (7)

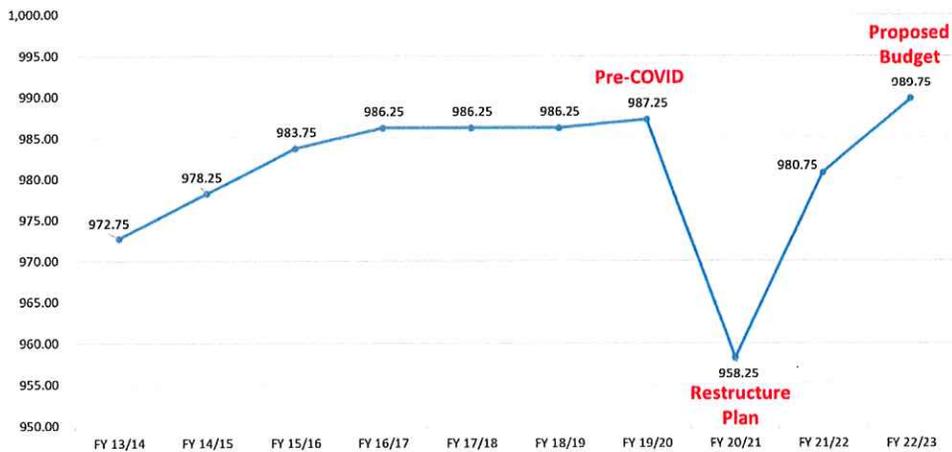
- Add (1) Field Service Representative, (1) Water Distribution Maintenance Leadworker, (1) Water Equipment Operator, (1) Water Systems Technician III, and (1) Water Utility Locator to enhance water system maintenance, focus on air quality mandates and Water Production and Flood Control reporting, and address the high volume of service requests.
- (1) Traffic Maintenance Service Worker to improve traffic signal maintenance response
- (1) Contract Administrator to administer construction contracts within the approved Capital Improvement Program (CIP)

### Finance Department

- (1) Senior Accounting Technician in the Finance Department to provide customer service, billing, and system maintenance and implementation support for the City's municipal services team (water, sewer, and trash)

15

## FY 2022/23 Full Time Equivalent – All Funds



16

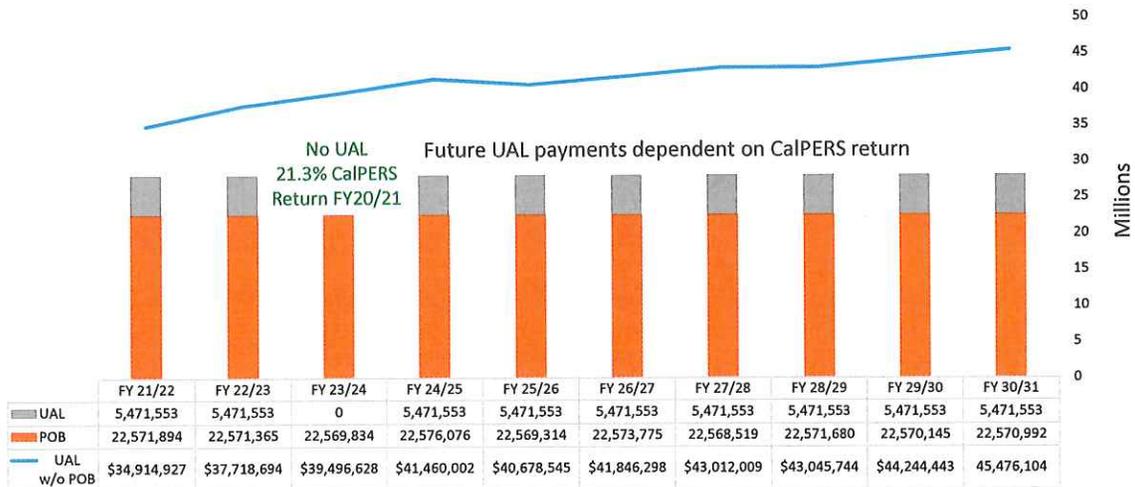
## Pension Update

- March 2021, City Council approved refinancing 85% of our pre-existing pension debt at a historically low interest rate of 2.925% allowing the City to **save \$166.7 million** during the next 24-year period
- HB's annual pension payments are anticipated to be up to \$17.4M less than if we did not refinance
- FY22/23 Pension Payment \$28M vs. \$37.7M yielding **\$9.7M Savings!**
- CalPERS return in FY20/21 was 21.3%:
  - ✓ CalPERS Funding level 102.8% vs. 76.7% funded
  - ✓ No UAL payment required in FY23/24
- Refinancing will be the better option as long as in the long term CalPERS is able to maintain a market rate of return greater than 2.925% (CalPERS target 6.8%)
- 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 **\$1.4 million** transfer is included in the proposed FY 2022/23 budget to prefund pension liabilities via our Section 115 Trust

17

## Pension Payment Comparison with and without Refinancing

Pension Payment Amounts  
FY 2021/22 - FY 2030/31



18

# 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>
Personnel Costs	164,431	169,892	171,090	173,566	176,032
Operating Costs	43,658	48,217	49,618	51,085	52,577
Non-Operating Costs*	33,767	34,403	35,735	36,339	36,991
<b>Total Expenditures</b>	<b>241,856</b>	<b>252,512</b>	<b>256,443</b>	<b>260,990</b>	<b>265,600</b>
<b>Surplus</b>	<b>\$3,395</b>	<b>\$1,040</b>	<b>\$1,044</b>	<b>\$1,007</b>	<b>\$1,005</b>

\*Includes Debt Service, Capital Expenditures, and Transfers



## FY 2022/2023 Capital Improvement Program (CIP) Review



# STRATEGIC PLAN GOAL

## INFRASTRUCTURE AND PARK IMPROVEMENTS



## ACCOMPLISHMENTS

• Drainage and Stormwater	5 projects	\$2M
• Facilities	20 projects	\$6M
• Neighborhood	7 projects	\$11M
• Parks and Beaches	20 projects	\$11M
• Sewer	4 projects	\$9M
• Streets and Transportation	26 projects	\$15M
• Water	9 projects	\$8M

STARTED OR COMPLETED 91 OF 105 PROJECTS  
VALUED AT \$62M!

# ACCOMPLISHMENTS

## FACILITIES

- Rodgers' Senior Center Site Development (\$2.4M) in progress
- HCP Sports Complex Lighting (\$477k)
- Replace R22 AC Equipment (\$150k)



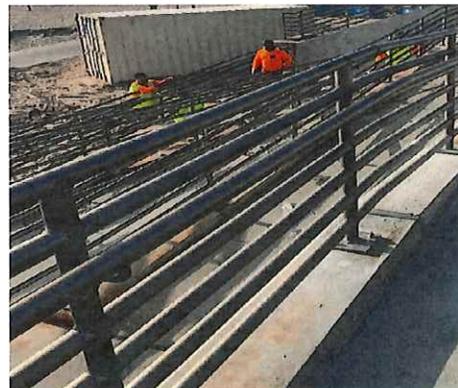
Photo #3B: Rooftop chiller

23

# ACCOMPLISHMENTS

## PARKS & BEACHES

- Bluff Top Park Improvements (\$3.5M)
  - Phase 1 Railing – complete
  - Phase 2 Path - underway



24

# ACCOMPLISHMENTS

## PARKS & BEACHES

- Central Park Restroom (\$600k)
- Central Park Playground Equipment (\$1.3M)
- Lake Park Improvements (\$650k)
- Beach Parking Lot (\$1.5M)



25

# ACCOMPLISHMENTS

## STREETS (AVG PCI = 79)

- Rehabilitating 2 miles of arterials (\$5.4M)
  - Springdale/Edinger/Saybrook/Newland/Warner
- Zone 5 Maintenance (Completed 11 of 12 Zones)
  - Overlay 8 miles of residential streets (\$3.1M)  
Construction in April.
  - Slurry 7 miles of residential streets (\$500k)  
Construction in April.
  - Added over 200 new ADA ramps (\$1M)



26

# ACCOMPLISHMENTS

## SEWER

- Slater Lift Station Rehab completed
- Saybrook Lift Station nearly complete (\$9.5M)
- Sewer Lining (\$1.0M)



27

# ACCOMPLISHMENTS

## WATER

- Edwards/Varsity Watermain Project (\$2.5M)



28

# FY 22/23 CIP BUDGET

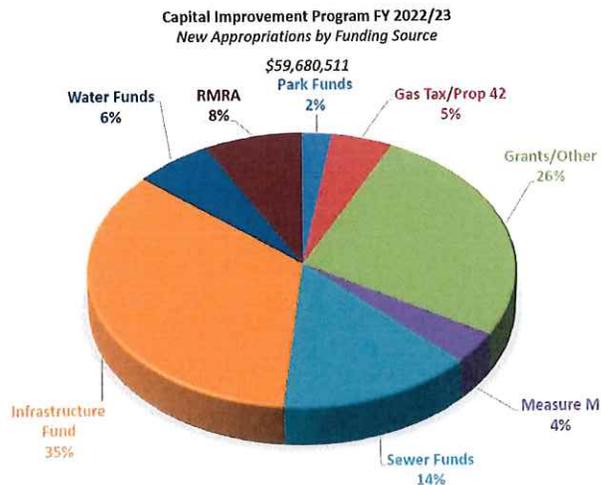
➤ Budget

➤ New Appropriations:	\$ 60 M (\$25M 2 yrs ago)
➤ Continuing Appropriations:	<u>\$ 6 M</u>
Total	\$ 66 M

➤ Funding sources proposed:

- General/Infrastructure Fund
- Enterprise Funds (*Water and Sewer*)
- Special Revenue Funds (*Measure M, Gas Tax, Prop 42, RMRA, AQMD, PEG, Park & PD DIF, Quimby*)
- Grants (*CDBG, Prop 68*)

# CIP FUNDING SOURCES



# STORM DRAIN INFRASTRUCTURE



**114 Miles of Pipelines**



**5.3 Mi. of Open Channels**



**15 Flood Control Stations**



**1,847 Catch Basins**



**1,128 Manholes**

31

## DRAINAGE \$12.8M

- Heil Avenue Storm Water Pump Station \$11M
- Repairs to Channel C6 SC1 \$120k
- Storm Drain PS Building Improvements \$300k
- Storm Drain PS Forebay Improvements \$300k
- Half Round Grates \$300k
- McCallen Storm Drain Trash Removal \$810k



32

# FACILITIES INFRASTRUCTURE



**300+ Facilities/Structures**  
(Community Centers, Fire Stations, Restrooms, Pier, Libraries, Senior Center etc.)



**16 Underground Fuel Tanks**



**8 Fuel Islands**

## FACILITIES \$13.2M

- Joint Youth Training Center \$2M
- Central Library Children-Teen Concept Plan \$350k
- Oak View Community Center Rehab \$2M
- Warner Parking Lot Rehab \$340k
- Civic Center UST Replacement \$1.2M
- Civic Center Generator and Main Switchgear \$1.4M
- Roof Replacement City Yard Bldg "A" \$155k



## FACILITIES (Cont.)

- PD Heliport Hangar (Design) \$200k
- PD Comm. Center Remodel \$1.2M
- PD Traffic Office Remodel \$415k
- PD Women's Locker Room (Design) \$145k
- Replace R22 AC Equipment \$165k
- World Skatepark Development Planning \$750k
- Oil Production Abandonment \$750k



35

## NEIGHBORHOOD INFRASTRUCTURE



**316 Miles of Residential Streets**  
(HB to Yosemite)



**33 Miles of Alleys**



**632 Miles of Sidewalk/Parkway**  
(HB to Provo Utah)



**4,430,000 SF of**  
**Parking Lots**

36

## NEIGHBORHOOD \$4.2M

- Residential Curb Ramps \$665k
- Residential Overlay \$3.5M



37

## PARKS AND BEACHES



**3.6 Miles of Beach**  
(Beach Boulevard to  
Seapoint)



**1.5 Miles of Beach/Sunset Beach**  
(Warner to Anderson Street)



**70+ Parks**

38

# PARKS AND BEACHES \$2.4M

- Huntington Bluffs Stabilization Project \$400k
- Carr Park Improvements (Design) \$355k
- Edison Park Reconfiguration (Design) \$475k
- Playground Equipment \$750k  
Huntington Central Park at Slater
- Marina Park Reconfiguration (Design) \$440k



39

# SEWER INFRASTRUCTURE



27 Lift Stations



CCTV Sewer Mains



360 Miles of Pipelines



7,700 Manholes

## SEWER IMPROVEMENTS \$8.2M

- Sewer Lift Station Improvements \$4.9M
- Sewer Lining – Various Locations \$1.4M
- Edinger Sewer, Murdy Channel \$1.9M



41

## STREETS AND TRANSPORTATION



**100 Miles of Arterial Streets**



**316 Miles of Residential Streets (HB to Yosemite)**



**33 Miles of Alleys**



**78 Miles of Bike Lanes**



**4,430,000 SF of Parking Lots**



**143 Signalized Intersections**



**3,765 Park, Parking Lot, & Street Lights**

**19 Miles of Bike/Pedestrian Paths**

42

# STREETS & TRANSPORTATION (CONT.)

Rank	Fiscal Year								
	2003	2006	2008	2010	2012	2014	2016	2018	2020
MPAH	54.1	64.2	69.7	73.4	76.4	76.5	74.7	76.1	80.2
Local	68.1	64.0	62.6	71.6	72.1	78.7	77.6	76.5	77.2
Citywide	63.1	64.1	65.1	72.3	73.5	77.9	76.7	76.4	78.9

Condition	PCI Range
Very Good	(86-100)
Good	(75-85)
Fair	(60-74)
Poor	(41-59)
Very Poor	(0-40)

43

# STREETS & TRANSPORTATION \$16.9M

- Arterial Rehabilitation \$5.6M
- Arterial Beautification \$1M
- Downtown Revitalization Improvements \$1.8M
- Downtown Street Lighting \$650k
- Fiber Optic Projects \$1.1M  
(Garfield, Gothard, Central Library, Bella Terra PD Substation)

Arterial Rehab – Before



Arterial Rehab – After



44

## STREETS & TRANSPORTATION (CONT.)

- Heil Fire Station Signal Improvements \$290k
- TS Synchronization – Bolsa \$20k
- Bridge Preventive Maintenance Program \$500k
- Bridge Rehabilitation \$3.8M
- Goldenwest Median Turf Replacement \$175k
- Citywide Mobility and Corridor Improvements \$2M



45

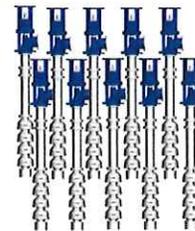
## WATER INFRASTRUCTURE



**611 Miles of Large & Distribution Mains**



**20 Miles of Shared Mains**



**10 Wells (8 Active)**



**4 Reservoirs - 55 MG Storage**



**17,749 Valves**



**53,091 Meters**



**5,801 Hydrants**

# WATER IMPROVEMENTS \$3.3M

- Water Well No. 9 Roof Redesign Project \$468k
- Water Well No. 4 Facility Upgrades \$1.5M
- Water Main Replacement Projects \$1.25M
- Water Production Building Rehabilitation \$83k



47



**Key City Council Policy  
Considerations for  
FY 2022/23**

48

## City Council Policy Direction Needed

- There are several possible budgetary adjustments that require additional City Council deliberation
  - 1) American Rescue Plan Act
  - 2) Review of Projects Requiring Additional Funding
  - 3) Circuit Ride Share Program



49

## American Rescue Plan Act

- The \$1.9 trillion American Rescue Plan Act (ARPA) delivered \$350 billion to state, local, territorial, and tribal governments in response to COVID-19.
- **Huntington Beach will be receiving \$29.6 million, split into two equal payments:**
  - \$14.8 million was received in May 2021
  - \$14.8 million allocation payment is expected in May 2022
- **On September 7, 2021, City Council approved an ARPA spending plan.**
- **Under ARPA guidelines, the City has identified \$52.7 million in lost revenue allowing the City broad latitude to deploy the funds for governmental services.**
- **Recent efforts on the Federal level have been made to claw back unspent ARPA payments. Those efforts were unsuccessful.**
- **To minimize the risk of future claw back efforts, staff recommends the ARPA funds be fully expended for eligible police and fire personnel costs in FY 2022/23.**
- **General Fund budget savings will be available to fund a newly established Huntington Beach Recovery Reserve to accomplish City Council's priorities approved on September 7, 2021.**

50

## FY 2022/23 General Fund Proposed Budget with ARPA Change

- Proposed FY 2022/23 General Fund Budget with ARPA administrative change and establishment of Huntington Beach Recovery Reserves

General Fund (Fund 100) (in thousands)	Proposed FY22/23
Revenues (Recurring)	\$253,552
<b>ARPA Funds</b>	<b>29,607</b>
<b>Total Revenues</b>	<b>283,159</b>
Personnel Costs	169,892
Operating Costs	48,217
Non-Operating Costs	34,403
<b>HB Recovery Projects</b>	<b>16,135</b>
<b>Total Expenditures</b>	<b>268,647</b>
<b>HB Recovery Reserves</b>	<b>13,472</b>
<b>Surplus</b>	<b>\$1,040</b>



51

## Huntington Beach Recovery Projects

Description	Project Type	Amount (in thousands)
Downtown Revitalization Improvements	Planning	\$1,750
Joint Youth Training Center for Fire and Police	Capital	2,000
Oak View Library/Community Center Rehabilitation	Planning + Capital	2,000
World Skatepark Development	Planning	750
Carr Park Improvements	Planning	355
Arterial Beautification	Capital	1,000
Citywide Mobility & Corridor Improvements	Planning + Capital	2,000
Garfield and Gothard Avenues Fiber Optics	Capital	1,000
Police Technology Infrastructure Improvement	Capital	3,000
Public Safety Equipment (USAR Truck, Rescue Boat)	Capital	2,000
Seniors-on-the-Go Transportation Improvement	Capital	280
<b>HB Recovery Projects - FY2022/23 Proposed Budget</b>		<b>16,135</b>

52

## Huntington Beach Recovery Projects

Description	Project Type	Amount (in thousands)
Comprehensive Homeless Response Plan Implementation	Planning + Capital	2,500
Major City Facility Upgrade Project	Planning	3,200
Permanent Supportive Housing	Capital	2,500
Grow HB Fund	Capital	2,000
HB Community Impact Loan Fund	Capital	1,000
Economic Development Fund	Capital	2,000
Unallocated (Talbert Channel Multi-Use Recreation Trail Project)	Unallocated	272
<b>HB Recovery Reserves – City Council approval to appropriate funds will be requested at a later date</b>		<b>13,472</b>
<b>Total HB Recovery Projects</b>		<b>\$29,607</b>

53

## Review of Projects Requiring Additional Funding

Description	Funding Source	Amount Funded	Est. Add'l Project Cost	Possible Funding
Downtown Revitalization Improvements*	ARPA / HB Recovery	\$1.75M	\$8.2M-\$17.3M	General Grants/Public Private Partnership
Oak View Library/Community Center Rehabilitation*		\$2M	\$15M-\$20M	Grants/Housing
Comprehensive Homeless Response Plan Implementation / Healing Center		\$2.5M	\$50M-\$80M	Combine with Healing Center
Permanent Supportive Housing / Healing Center		\$2.5M		Grants/Housing
Carr Park Improvements*		\$355K	\$3.6M	Future Park DIF/Grants
World Skatepark Development*		\$750K	TBD	Public Private Partnership
Major City Facility Upgrade Project		\$3.2M	TBD	Public Private Partnership
Edison Park Improvements*	CIP	\$475K	TBD	Future Park DIF/Grants
Huntington Beach Blufftop Stabilization^		\$400K	\$1M-\$1.5M	Grants
Oil Well Abandonment**		\$500K	TBD	General

- The projects listed above in most cases cover only the planning phase and will require additional funding for the construction phase of the project.

\* Included in FY2022/23 Proposed Budget  
^ Funded in Prior Fiscal Year

54

## Possible Funding Sources for Projects

- **Possible Funding Sources for these projects include:**

- Strategic Initiatives Reserves **\$16.5M**
- Unallocated funds originally allocated to the Talbert Channel Trail Project **\$272K**
- General Fund estimated surplus of **\$3.4M** in the current year and **\$1M** annually in future years
- Proceeds from Prior City Manager Housing Agreement of **\$1.66M**
- CA Superior Court decision in favor of the City related to the dissolution of former RDA **\$5.2M (\$1.5M GF, \$3.7M Housing Fund)**
- State and Federal Grants for Oak View, Healing Center/Permanent Supportive Housing, Blufftop, and Park Projects
- Future Park Development Impact Fee Funding
- Public and Private Partnerships

- **\$23.1M General Fund, \$3.7M Housing Funds, Annual \$1M GF Surplus, and \$272K HB Recovery Funds**

- **\$78M-\$122M of estimated cost of projects with 4 capital projects with undetermined costs**

- **Council feedback is requested to determine project priorities requiring additional funding**

- **Feedback request for the following:**

- Funding priorities for the \$23.1M General Fund, Annual \$1M GF Surplus, and \$272K HB Recovery Funds
- Set-aside \$3.7M in Housing Funds for the Healing Center
- Set-aside current year surplus, proceeds from City Manager Housing Agreement, and RDA legal proceeds in the Strategic Initiative Reserve to fund City Council priorities

55

## Circuit Ride Share Program

- On July 13, 2021, the City launched a Circuit Pilot Program which provides free rides to visitors and residents within Downtown Huntington Beach using the Ride Circuit app
- The pilot program ends on June 30, 2022
- 4-5 HB Circuit all-electric, low-speed, six-seat golf carts

**Based on 9 Months of Service:**

Monthly ridership range – 6,910 to 10,614

Average monthly ridership - 8,619

Average wait time - 7:44 minutes

**Survey Summary from December 2021 – March 2022**

Responses from 742 riders:

- 678 (91%) are HB residents
- 728 (98%) want to keep this service
- 605 (82%) used the service to visit local restaurants and businesses
- Most common response was “it’s free and electric”



56

## Circuit Ride Share Program



**Total Contract Cost:** \$474,000  
**Total Cost to the City:** \$350,000

### 2022-2023 Schedule

July 1 - June 30

#### Hours of Operation

Monday: Closed  
Tuesday - Thursday: 12pm-9pm  
Friday - Saturday: 10am-10pm  
Sunday: 10am-9pm

April - October: 5 vehicles, 310 weekly hours

November - March: 4 vehicles, 248 weekly hours

- City will seek to offset costs by pursuing grant funding, private sponsorship, and advertising revenue
- Council feedback is requested to determine if \$350K of \$1M surplus is used to fund the Circuit Ride Share Program

57



## FY 2022-23 Budget – Next Steps

58

## City Council Feedback

- **City Council feedback of the proposed FY 2022/23 Budget is requested, especially as it relates to:**

### 1) American Rescue Plan Act

- To minimize the risk of future claw back efforts, staff recommends the ARPA funds be fully expended for eligible police and fire personnel costs in FY 2022/23.
- General Fund budget savings will be available to fund a newly established Huntington Beach Recovery Reserve to accomplish City Council's priorities approved on September 7, 2021.

### 2) Review of Projects Requiring Additional Funding – feedback requested for the following:

- Funding priorities for the \$23.1M General Fund, Annual \$1M GF Surplus, and \$272K HB Recovery Funds
- Set-aside \$3.7M in Housing Funds for the Healing Center
- Set-aside current year surplus, proceeds from City Manager Housing Agreement, and RDA legal proceeds in the Strategic Initiative Reserve to fund City Council priorities

### 3) Circuit Ride Share Program

- Council feedback is requested to determine if \$350K of \$1M surplus is used to fund Circuit Ride Share Program



59

## FY 2022/23 Budget Next Steps

- **Based on City Council feedback tonight, staff will make requisite adjustments to the proposed FY 2022/23 Budget**
- **Revised budget will be brought back for formal City Council consideration / adoption on June 7th**



60