


**FY 2022/23 Adopted Budget Review
including the Revenues and
Expenditures Report**

City Council Study Session
July 19, 2022

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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**



**SUPPLEMENTAL
COMMUNICATION**

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Meeting Date: 7/19/2022

Agenda Item No.: SS # 2 (22-622)

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)
- 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)
- HB Recovery Funds \$29.6M for Council projects
- 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

In millions	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 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
Change in Fund Balance	7.1	1.7	10.2	-	14.2
HB Recovery Reserves					(13.5)
Structural Surplus	\$ 7.1	\$ 1.7	\$ 10.2	\$ -	\$ 0.7

- 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

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
HB Recovery Projects Budgeted in FY2022/23	\$16,106,925

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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
HB Recovery Reserves - To be Budgeted	13,500,000
TOTAL HB RECOVERY PROJECTS	\$29,606,925

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All Funds Revenues and Expenditure Report

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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
Revenues					
Property Tax	\$ 106,316,484	\$ 107,487,283	\$ 113,204,975	\$ 114,127,304	\$ 120,613,145
Sales Tax	47,436,737	44,816,369	51,161,877	47,656,885	57,399,504
Franchises	6,225,009	7,861,706	8,049,738	7,119,651	8,604,349
Transient Occupancy Tax	14,001,737	9,637,206	10,378,862	10,693,079	14,470,699
Utility Users Tax	18,787,684	18,148,822	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	18,286,482	30,607,485
Charges from Current Services	111,896,714	107,044,780	99,327,898	103,572,192	108,844,380
Other Revenue	4,038,591	5,720,915	2,594,366	1,115,979	1,835,775
Non-Operating Revenue *	28,188,746	23,238,652	395,588,980	44,782,351	96,843,602
Total Revenue	404,070,788	394,536,950	790,476,147	395,255,749	490,391,443
Expenditures					
Personnel Services *	180,521,483	188,053,895	530,987,340	165,457,490	180,913,628
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	7,836,048	8,185,057	7,992,142	8,262,092	8,521,032
Repairs and Maintenance	16,645,002	16,825,083	16,153,719	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	85,000	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	743,282	721,050	725,334	784,667	637,079
Other Expenses	3,114,871	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	76,682,629
Non-Operating Expense	45,196,731	45,338,093	67,756,292	81,707,535	136,378,142
Total Expenditures	\$ 359,481,474	\$ 371,741,243	\$ 773,391,653	\$ 424,421,323	\$ 632,025,772
Change in Fund Balance ^	\$ 44,589,314	\$ 22,795,706	\$ 17,174,494	\$ (29,165,570)	\$ (41,634,329)

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

In millions	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Adopted	FY 2022/23 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
Change in Fund Balance	44.6	22.8	17.2	(29.1)	(41.6)
Capital Expenditures (One-Time Costs)	27.4	25.2	40.9	50.1	75.7
Structural Surplus	\$ 72.0	\$ 48.0	\$ 58.1	\$ 21.0	\$ 34.1

- 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.

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Overview of the Capital Improvement Program & Capital Equipment Budgets

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FY 2021/22 CIP & Equipment Budget

Type	Description	Amount
CIP	<ul style="list-style-type: none"> • \$2.0M - 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 	\$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 (vacator truck, service truck, forklifts, replacement motor for well/driver); parking pay stations; library material handling system	\$10.8M
Capital Expenditures		\$50.1M

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FY 2022/23 CIP & Equipment Budget

Type	Description	Amount
CIP	<ul style="list-style-type: none"> • \$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 	\$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
Capital Expenditures		\$75.7M

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Summary

- FY 2022/23 General Fund Budget is structurally balanced - \$690K surplus
- 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



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Questions?

