

EARLY DIRECTION FOR FY21-22 CITY BUDGET

City Council Meeting - March 16, 2021



TOPICS

And recommendations

- Consider adopting the updated *Budget and Reserve Policy*
- Direct staff to increase cost-based fees by 1.67% **OR** maintain current rates
- Updates to the Strategic Plan Goals
- Priorities for American Rescue Plan Act of 2021
- Early FY21-22 budget info, including expected revenue increases and contractually required spending increases
- Next Steps



**Financial
Stability**

**Economic
Diversification
& Expansion**

**Strategic
Priorities**

**Community
Safety**

**Efficient
City
Services**

**Modern
Facilities &
Infrastructure**



FINANCIAL STABILITY



GOALS

1. Balanced Budget
2. Development
3. Modernize

Protect and enhance revenue streams while maintaining a healthy reserve balance to provide for the expenditure of funds in support of the long-term priorities of the City's strategic plan

COMMUNITY SAFETY



GOALS

1. Homelessness Response
2. Emergency Police Response
3. Safety & Perception of Safety
4. Community Policing
5. 21st Century Policing Training
6. Crime Prevention
7. School Partnerships **NEW**

Provide a safe environment for residents and visitors while reducing crime and addressing the impacts of homelessness on our quality of life

MODERN FACILITIES & INFRASTRUCTURE



GOALS

1. Parks Master Plan
2. Infrastructure Master Plans
3. Bridge Digital Divide

NEW

Ensure maintenance and preservation of City facilities and roadways to better serve the population and visitors

EFFICIENT CITY SERVICES



GOALS

1. Technology Modernization
2. Effective, Efficient Policies & Processes
3. Communication & Outreach

Streamline the methods of providing services to help ensure doing business with the City is easier and more efficient.

ECONOMIC DIVERSIFICATION & EXPANSION



GOALS

1. Reduce Homelessness
2. Increase Job Opportunities
3. Tourism & Visitors
4. Economic Development
5. Address Housing Challenges **NEW**
6. Parks, Open Space & Amenities **NEW**

Enhance economic vitality by growing revenue streams, attracting quality jobs, diverse businesses and desired amenities for residents

AMERICAN RESCUE PLAN ACT OF 2021

Federal Stimulus Package

- Estimate for Santa Ana is \$143 million, to be spent by December 2024
- Spending guidelines have not been published
- Respond to public health emergency with respect to the COVID-19 or its negative economic impacts, including assistance programs
- Government services to the extent of reduction in revenue
- Necessary improvement in water, sewer, or broadband infrastructure

Solicit public input during Community Budget Meeting on March 25

Revive Santa Ana - \$142.9 M

A Commitment to Protect and ASSIST our Community as we emerge from the impacts of the Pandemic

City has received federal awards totaling \$40.7 million already committed for housing assistance, separate from the American Rescue Plan Act of 2021

COVID-19 Recovery

- Efforts to address inequities of pandemic, outreach, testing, facilitation of vaccinations and education

Assistance Programs

- Financial relief to those most impacted including businesses, workers and residents

Homelessness

- Better address the enhancement of services and referral to permanent housing

Critical Infrastructure

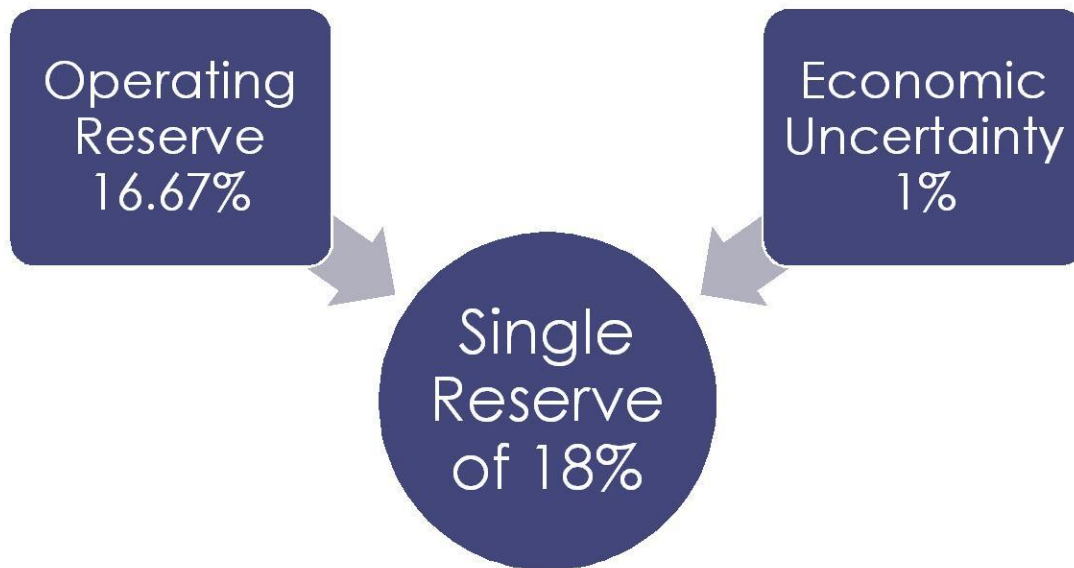
- Revitalize and enhance infrastructure/services to address community needs such as outreach, amenities, mobility and technology

City Fiscal Health

- Recover financial impacts of COVID-19 and restore staffing and programs

BUDGET AND RESERVE POLICY

Updated



- Updates definitions
- Establishes requirement for General Fund 10-Year Projection
- Create a single General Fund Reserve calculation based on Risk Assessment and Cash Flow Analysis
- Establishes targets for all other funds



MISCELLANEOUS FEES

Cost Recovery

- Includes permits, facility rental, and recreation programs
- Annual miscellaneous fee update includes a CPI increase
- FY21-22 CPI is 1.67% and could generate up to \$200,000 of revenue

GENERAL FUND

Expectations

- Start with FY20-21 budget, and subtract one-time items to arrive at recurring baseline
- Add early estimates of revenue increases
- Add contractually required spending increases, restore spending for FY20-21 federal relief, and recommend ongoing SARTC subsidy

	FY20-21	Early Estimates	Potential
	Midyear Budget Update	of FY21-22 Changes	FY21-22
Revenue	323,588,143	9,062,300	332,650,443
Expenditures & Transfers Out	(334,521,033)	(11,501,499)	(346,022,532)
Net Activity	\$ (10,932,890)	\$ (2,439,199)	\$ (13,372,089)

- Estimated available General Fund balance at June 30, 2021 is \$13,846,139
- Not yet included
 - Savings from pension debt refinancing
 - Cures for internal service funds and negative fund balances



FY21-22 BUDGET PROCESS

Next Steps



QUESTIONS/COMMENTS

