

CITY OF SANTA ANA



Early Direction for FY 22-23 City Budget

City Council Meeting - March 15, 2022

AGENDA

- 01 Introduction & Overview
- 02 Park Maintenance
- 03 City Events
- 04 Cannabis Public Benefit Fund
- 05 Third and Broadway Project
- 06 Miscellaneous Fees
- 07 Pension Debt Strategy
- 08 10-Year General Fund Outlook
- 09 Budget Timeline

Introduction and Overview

- Expect a balanced budget for FY 22-23
- AA Stable credit rating
- Strong General Fund Reserve of \$65 million (18% of the annual budget)
- Ten-Year Outlook to plan for the future
- More than \$200 million for pandemic related response and stimulus
- Managed spending during the pandemic to maintain a balanced budget

Park Maintenance

- The FY 22-23 proposed budget will include transferring Parks Maintenance to Public Works effective July 1.
- Consolidating similar functions of two different City departments will improve efficiency and ensure a uniform level of service to the community.

Proposed FY 22-23 City Events

- Summer at the Plaza
- Fourth of July Celebration
- Birch Summer Nights
- Concerts in the Park Series
- Celebrating Hispanic Heritage Month
- Indigenous People's Day Celebration
- Winter Village and Plaza Navideña
- Revive Santa Ana 5K Run
- Juneteenth Celebration
- Día de los Muertos

Does City Council wish to make any changes to this list?

Cannabis Fund - Youth/Enforcement Services

| | Youth | Enforcement |
|----------------------------------|---------------------|--------------------|
| Balance as of 7/1/21 | 9,849,734 | 6,355,748 |
| Estimated Transfer | 6,508,350 | 6,508,350 |
| Other Revenue | 60,000 | |
| Midyear Reallocation | 7,500,000 | (7,500,000) |
| Available Resources | 23,918,084 | 5,364,098 |
| | | |
| FY 21-22 Youth Budget | (22,888,149) | |
| FY 21-22 Enforcement Budget | | (3,711,380) |
| Total Budget | (22,888,149) | (3,711,380) |
| | | |
| Estimated Balance 6/30/22 | 1,029,935 | 1,652,718 |
| | | |

*Estimated
\$2.7 million
available at
June 30*

Cannabis Fund - Youth/Enforcement Services

- *Does the City Council wish to see a proposed spending plan for the \$2.7 million available at June 30?*
- *If the 2/3 set-aside is approximately \$13 million for FY 22-23, what portion should be budgeted for youth?*

Third and Broadway Hotel Project – Financing Options

- City has a development agreement for a boutique hotel and housing project at 3rd & Broadway
- The City-owned parking garage will be demolished
 - Currently expected to generate revenue of \$321,300
- City Funded Improvements: Up to \$13 million for demolition, site prep and Sycamore reconnection
 - Developer is obligated to repay this with future parking revenue

Third and Broadway Hotel Project – Financing Options

*Does the City Council wish to use
available General Fund balance to make
the \$13 million contribution?
(Staff Recommendation)*

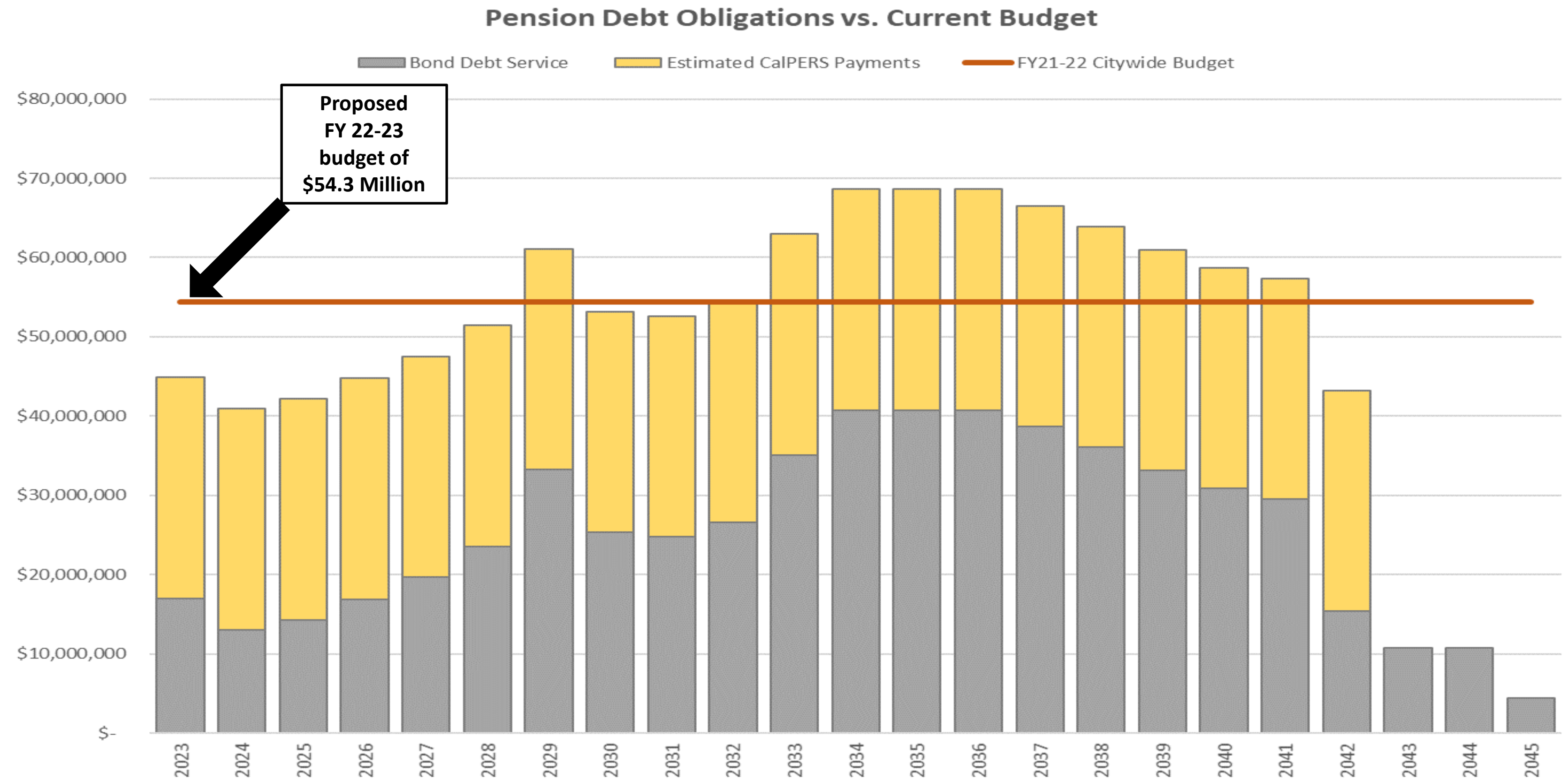
*Or does the City Council wish to pursue
debt-financing?*

Proposed FY 22-23 Miscellaneous Fees

- Cost-recovery for services provided to individuals (no public benefit). Includes permits, facility rental and recreation programs.
- In FY 21-22, the Consumer Price Index (CPI) of 1.67% was waived by City Council.
- CPI for FY 22-23 is 4.3% and may generate up to \$500,000 of additional revenue.

Does City Council wish to increase fees by 4.3% CPI? Or something less?

Proposed FY 22-23 Pension Debt Strategy

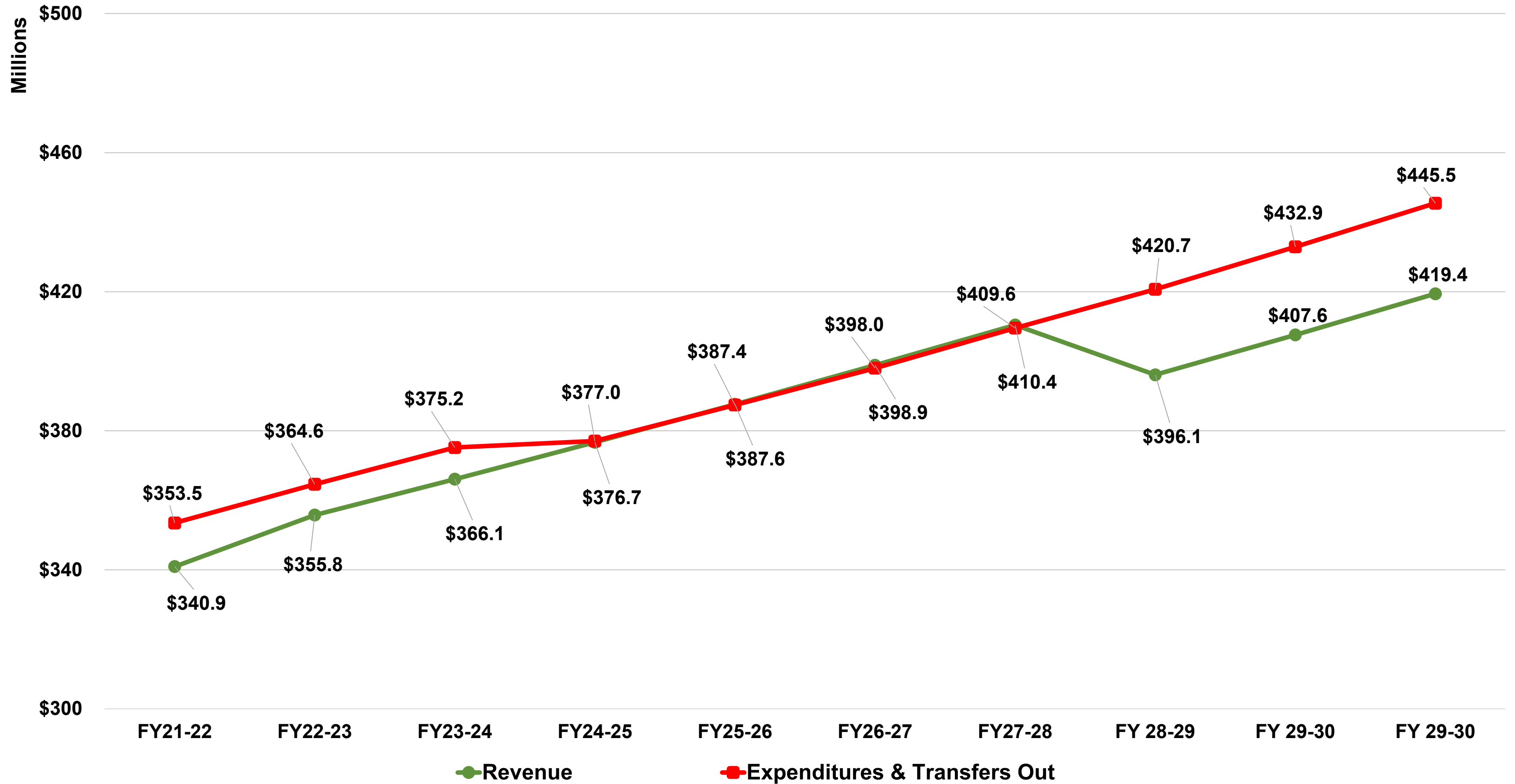


Proposed FY 22-23 Pension Debt Strategy

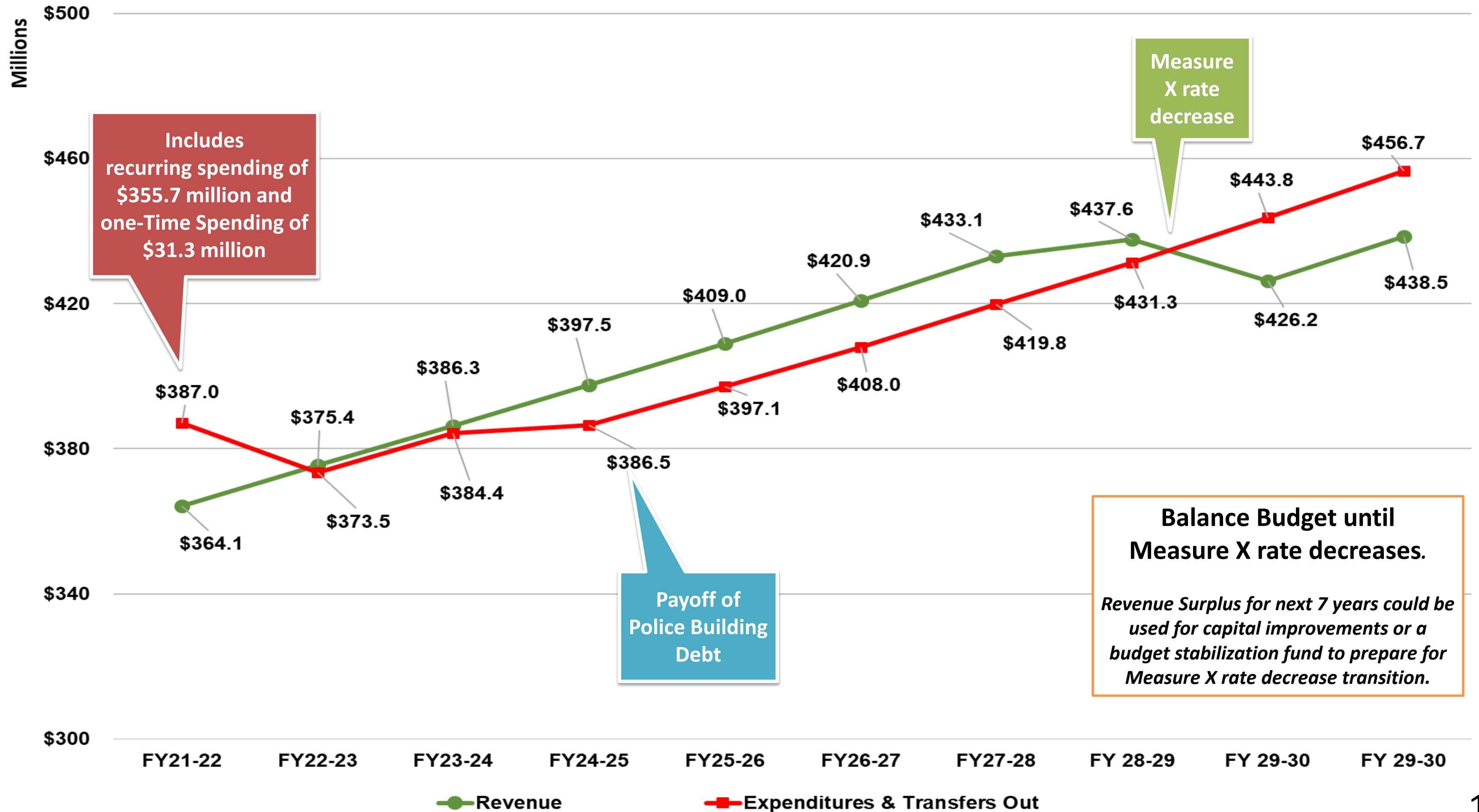
| | (in millions) |
|---------------------------------------|---------------|
| Payments for pension debt | \$44.9 |
| Deposit to Pension Stabilization | 9.4 |
| <hr/> | |
| Total Proposed FY 22-23 Budget | \$54.3 |

*Does City Council approve the proposed strategy?
Or does the City Council wish to make a change?*

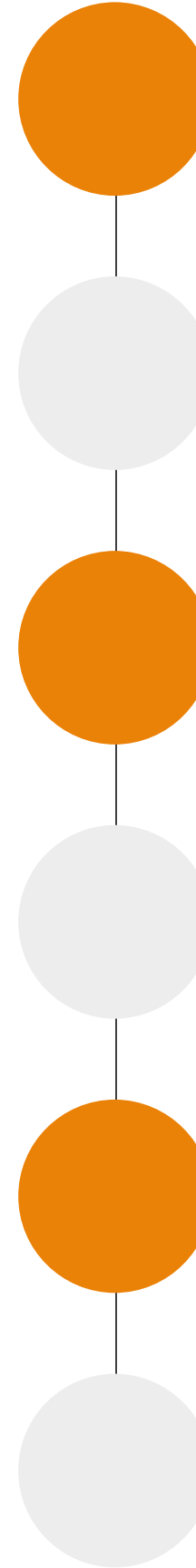
Ten-Year General Fund Outlook - June 2021



Ten-Year General Fund Outlook - Updated Through Midyear



Budget Timeline



Community Budget Meetings:

- March 24 – Com-Link Meeting @ 7 pm
- April 11 – Newhope Library @ 6 pm
- April 18 – Pentecostal Church of God @ 6 pm
- April 20 – Delhi Community Center @ 6 pm
- April 26 – Virtual Meeting @ 6 pm

City Council Workshops:

- May 3 and May 17 – City Council Meeting
- May 12 and May 16 (Tentative) – Special City Council Meeting*

**In addition to or in-lieu of May 3 and May 17*

City Council Meeting:

- June 7 – Public Hearing (1st Reading)
- June 21 – Public Hearing (1st Reading)

Balancing Act

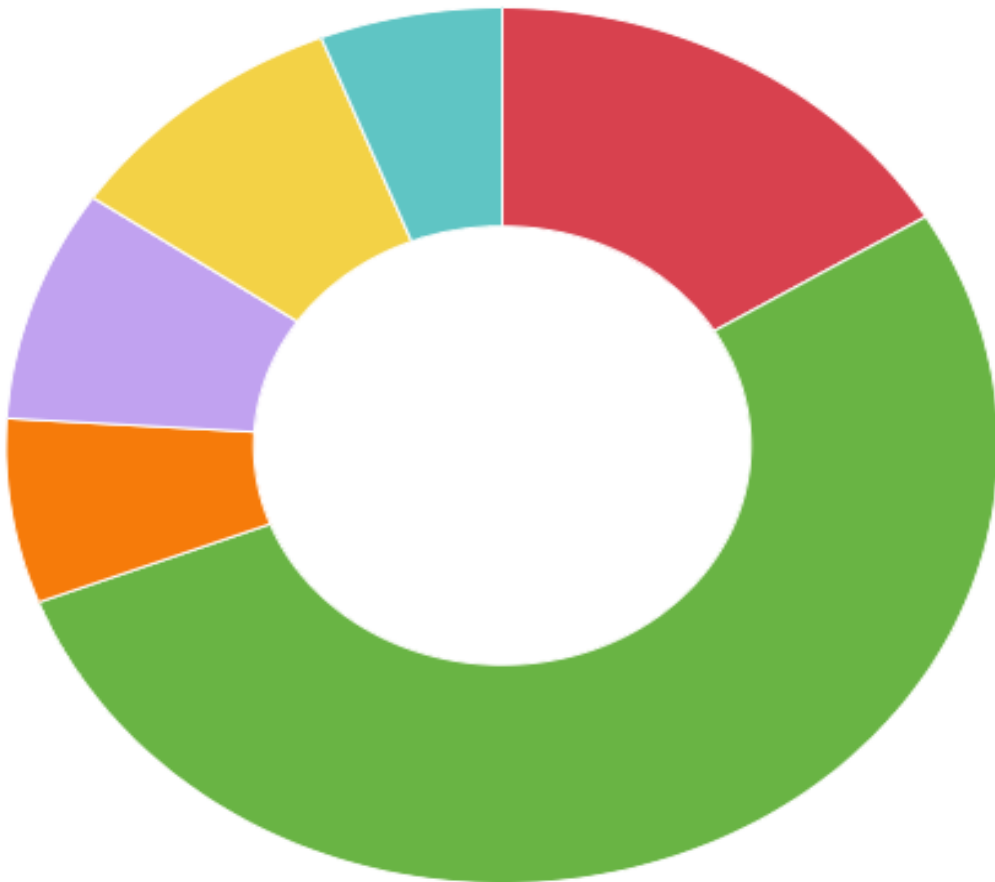
FY2021-22 General Fund Budget

Launch
Date in
March
2022

You are balanced.



Where the Money Goes



Spending

| | | |
|-----------------------------------|---|---|
| Your Ideas: \$59.2m | i | > |
| Public Safety: \$192.7m | | > |
| Transfers & Debt Service: \$24.8m | i | > |
| Development Services: \$31.2m | i | > |
| Community Services: \$34.5m | i | > |
| Administration: \$21.6m | i | > |

Total \$364,102,209

Revenue



Submit

Reset all to start over

Questions/
Comments?

