

CITY OF DANA POINT PROPOSED OPERATING BUDGET & CAPITAL IMPROVEMENT PROGRAM FISCAL YEARS 2021/22 & 2022/23



CITY OF DANA POINT

FY22/FY23 Proposed Budget Presentation



Budget Goals:

- Adhere to City Financial Policies;
- Manage through fiscal impacts of pandemic;
- Focus on funding core services;
- Prioritize investment in maintaining existing assets;
- Replenish reserves and designated funds;
- Plan for the future; and,
- Structurally balance long-term financial plan projections.

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COVID-19 Pandemic Impact on City Finances	
<i>FY20 Actual and FY 21 Projected Revenue Losses</i>	
	<i>2 Year Loss vs. Original Budgets</i>
TOT	\$ (8,466,837)
Short Term TOT	(446,728)
Sales Tax	(1,440,188)
Recreation	(216,085)
Total	\$ (10,569,838)

- *For the upcoming FY22 & FY23, an estimated additional \$1.2 million losses are expected compared to pre-pandemic projections.*

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General Fund			
Revenue & Expenditure Budgets			
(in millions)			
	FY21 Amended Budget	FY22 Proposed Budget	FY23 Proposed Budget
Revenue & Transfers In	\$ 35.1	\$ 38.5	\$ 42.8
Expenditures & Transfers Out	\$ 38.7	\$ 40.0	\$ 39.2
Surplus/(Deficit)	\$ (3.6)	\$ (1.5)	\$ 3.6

- *Estimated \$6.32 million of Federal American Rescue Plan funds allotted to City not included in the proposed budget.*

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CITY OF DANA POINT			
FISCAL YEAR 2021-22 & 2022-23 PROPOSED			
GENERAL FUND SUMMARY CHANGE IN DETAILED FUND BALANCE			
Fund Balance Designation	Budgeted Ending 6/30/2021	Proposed Ending 6/30/2022	Proposed Ending 6/30/2023
Economic Stability Reserve (11%) (a)	\$ 2,258,614	\$ 1,083,579	\$ 3,036,718
Extreme Event Reserve (9%) (a)	3,578,730	3,464,892	3,851,892
Special Purpose Reserve:			
Section 115 Pension Trust Reserve	4,000,000	4,000,000	5,000,000
General Plan Update Reserve	799,000	799,000	799,000
Art in Public Places	246,538	246,538	246,538
Investment Mark to Market	532,807	532,807	532,807
Unassigned Fund Balance (4%-7%) (a)	2,861,178	2,694,916	2,995,916
Total Fund Balance - General Fund	\$ 14,276,867	\$ 12,821,732	\$ 16,462,871

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Major General Fund Revenues:

- **Transient Occupancy Tax:**
 - Muted recovery due to gradual return of group business
 - FY21 down 48% from pre-pandemic FY19
 - FY22 still down 14% from FY19
 - FY23 up 12% from FY19
- **Property Tax:**
 - Solid performance + 3.5% next few years
 - Property transfer tax very positive
- **Sales Tax:**
 - FY21 down 12% from pre-pandemic FY19
 - FY22 down 2%; FY23 finally up 4.4%
- **Charges for Services & Licenses/Permits:**
 - Assumption that record-high amount of building activity will decline

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Major General Fund Expenditures:

- **Police Services:**
 - No change in service level proposed;
 - \$326k, or 2.5% increase over FY21 final OCSD contract amount;
 - Final OCSD FY22 contract \$375k lower than Proposed Budget;
- **Personnel Costs / Unfunded Pension Liability:**
 - 65 Full-time equivalent positions for FY22 / FY23 (+1 social worker position);
 - Merit pay increase pool suspended in FY21;
 - Merit pool budgeted in FY22 / FY23 per MOU;
 - City paying 10.9% and Employees paying 7.0% of pay toward normal pension costs;
 - City paying 5.4% and Employees paying 2.0% for unfunded pension liability payment;
 - No Social Security benefit contributions by either City or Employees; and,
 - \$50/month budgeted increase in Benefit Cafeteria Allowance for Employees except for Department Directors and City Manager
- **FY22 / FY23 Operations Contingency budgeted at \$250k**

• CITY OF DANA POINT FY22/FY23 Proposed Budget Presentation



• Capital Projects Funded:

- Total 2-Year CIP investment of \$10.1mm;
- FY22 Doheny Village Connectivity Design/Improvements: \$400k;
- FY22 Citywide Storm Drain Improvements Design \$400k;
- FY22 Road Resurfacing & Residential Slurry Seal \$4.5mm;
- FY23 Road Resurfacing & Residential Slurry Seal \$3.7mm; and,
- FY22 / FY23 combined other recurring CIP project accounts \$1.1mm.

• Facilities Projects Funded:

- Total 2-Year facilities investment of \$1.6mm;
- Complete City Hall HVAC systems update;
- Renovate City Hall elevator;
- Construct/outfit Senior Center gym;
- New remote public meeting space A/V capabilities @ Community Center;
- Community Center playground, batting cages, netting and restroom renovation;
- Creekside Park picnic area canopies/structures and rubberized playground renovation;
- Replace Sycamore Creek Trail workout equipment;
- Construct Creekside Park Community Garden; and,
- Build out office space and move Parks offices out of EOC.

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- **Planning for the Future:**
 - General Plan Update \$799k in Designated Account (multi-year project)
 - High Priority per City Strategic Plan;
 - Economic & Market Profile Study (completed);
 - Housing Element & Safety Element Chapters calendar 2022; and,
 - Other Elements to be updated: Land Use, Urban Design, Transportation/Circulation, Noise, Conservation/Open Space, Public Facilities/Growth Management; additional Elements may be added based on public input.
 - Doheny Village Plan:
 - Approval of draft Plan expected during FY22, with subsequent submittal to the California Coastal Commission for comment; and,
 - Connectivity Plan design and some construction budgeted.
 - Citywide Storm Drain Masterplan
 - Update City Strategic Plan

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