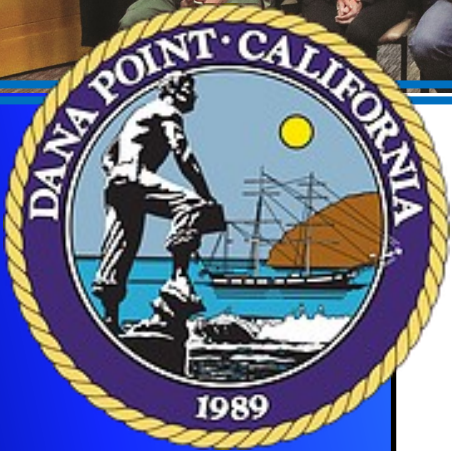


# CITY OF DANA POINT

## ADOPTED OPERATING BUDGET & CAPITAL IMPROVEMENT PROGRAM



**FISCAL YEARS 2019-2020 & 2020-2021**



# *City of Dana Point California*

## **ADOPTED BUDGET**

**Fiscal Years 2019-2020 & 2020-2021**



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*Prepared by:  
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*Cover photo courtesy of Lillian Boyd, Dana Point Times*



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# **INTRODUCTION**





# CITY OF DANA POINT

## OUR VISION

A vibrant world class place.

## OUR MISSION

Dana Point's mission is to set the standard for an exceptionally livable city.

## OUR VALUES

### Fiscal Responsibility and Stewardship

We are trustworthy and responsible stewards of the public funds and City assets entrusted to our care.

### Honesty and Integrity

We are trustworthy and ethical in serving our community.

### Service Excellence

We are committed to excellence by providing efficient and effective service in a friendly, professional, and responsive manner.

### Forward Thinking and Innovative

We successfully plan for the future and are innovative and entrepreneurial in how we work.

### Teamwork and Collaboration

We achieve success through teamwork, collaboration, and partnerships.

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## **CITY COUNCIL MODIFICATIONS TO THE CITY MANAGER'S PROPOSED BUDGET**

**As Adopted by the City Council on June 4, 2019**

1. Adopt and implement new General Fund Reserves Policy and rescind old policy; new Policy is included with other financial policies in this document. The effect was to:
  - a. Prior to June 30, 2019, replace the existing Emergency Reserve (\$7,868,920), Cash Flow Reserve (\$3,934,460) and Capital Projects Sinking Fund Reserve (\$2,500,000) with new, fully funded reserves including an Extreme Event Reserve (\$3,541,014) and Economic Stability Reserve (\$4,327,906); and, establishing a funding range for the Unassigned Fund Balance (top of range \$3,991,700);
  - b. Prior to June 30, 2019, establish an Unfunded Pension Liability Section 115 Trust Reserve in the General Fund, and fund it with \$5 million from Unassigned Fund Balance; and,
  - c. Prior to June 30, 2019, transfer the excess General Fund Unassigned Fund Balance to Facilities Fund 12 (\$2,075,000) and to the Capital Improvement Fund 11 (\$3,598,849).
2. Adopt and implement a new Community Investment Account Reserve Policy, and prior to June 30, 2019 establish the account in the Capital Projects Fund 11 with a deposit of \$3,598,849.
3. Increase the budgeted FY20 and FY21 transfers out of the General Fund 01 to the Capital Improvement Fund 11 by \$64,410 and \$307,552, respectively.
4. Move the following FY20 and FY21 Community Activity budgets from City Council budget to other departments as follows: State of the City to Economic Development 44; 5<sup>th</sup> Marines Support Group, VFW and Pet Project Foundation to Recreation 81.
5. Allocate balance of City Attorney contract costs for FY20 and FY21 from the City Attorney Department 71 to other operating departments; add a listing of allocations to the City Attorney Department detailed budget page.

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May 1, 2019

The Honorable Mayor and City Council:

In accordance with Dana Point Municipal Code Section 2.08.060(G), the City Manager is required to submit an annual budget for City Council consideration. This proposed two-year Operating Budget & Capital Improvement Program covers fiscal years 2019-2020 and 2020-2021 ("FY20" and "FY21"). The City's Budget serves several purposes, including that of a financial plan, a management plan, a policy document and a communication tool.

## DISCUSSION

### FY18 and FY19 Recap

Two years ago, in adopting the FY18 - FY19 budget, the City Council established the following basic budget principles that continue to this day: stabilize the budget; limit growth in operating expenses; and, provide necessary funding for the City's Capital Improvement Program (CIP).

In addition, the Council funded several initiatives and Staff diligently worked on them the past two years. Those initiatives and their current status include:

- Conduct a community survey (*two completed to date*);
- Update the City's strategic plan (*adopted July 2018*);
- Develop new financial policies (*adopted six to date; one pending*);
- Update the long-term financial plan (*completed*);
- Conduct a facilities assessment and implement a work order system (*completed*);
- Implement a short-term vacation rental monitoring with 24/7 public hotline support (*completed*);
- Contract for water quality tech support (*completed*);
- Contract public information services (*completed*);
- Expand the homeless services program (*completed*); and,
- Implement online financial transparency software (*completed*).

### Strategic Plan

The City Council updated the City's Strategic Plan in July 2018. The Plan established the City's Mission "to set the standard for an exceptionally livable city", and a Vision to be "a vibrant, world-class place". It then established five Strategic Goals, each with its own underlying objectives.

To help set the standard of excellence, performance metrics were also established to help measure progress toward achieving the goals, and called for certain projects to be undertaken with the specific intent to further the goals. Staff is tracking the data necessary to report performance metrics, and recently provided the first metrics report.

The following is a brief update on some of the Strategic Plan projects:

- Enhance community engagement in City-led service programs: Staff has begun rebuilding the Volunteers in Police Services program and is actively recruiting new members.
- Develop Code Enforcement Strategy: the new Code Enforcement Strategy was recently approved by the City Council and changes the City's long-standing practice of mostly reactive enforcement to a more balanced approach that includes a more proactive community engagement. The new strategy also embraces the concept of seeking voluntary compliance with codes through progressive enforcement.
- Maintain Tsunami & Storm-Ready Certification: the City was recently re-certified by the National Weather Service.
- Employee Engagement Survey: Staff recently contracted to implement Gallup's Q<sup>12</sup> employee engagement survey program.
- Implement priority-based budget processes: this is in process, and Staff has designated budget line-items as being that of a Core service, one that is Important, or that is Value Added.
- Review large contract scopes of work and issue new RFP's: this is in progress, with the citywide tree trimming contracts completed to date.

### Community Survey

The City Council adopted Operating Budget Policy calls for a community survey to be conducted, the results of which are to be factored into the budget adoption discussion. A statistically valid survey of registered Dana Point voters was conducted this past December, and the results presented to the City Council in January.

The survey firm concluded that residents are extremely satisfied with life in Dana Point, and are pleased with the way the City provides most services. In terms of budget priorities, they state that homelessness is clearly the biggest concern, while there is some undercurrent of concern about growth and development, storm drain maintenance and safety. They also cite that a large percentage of residents are unaware of how the City is preparing for emergencies, enforcing zoning rules and contributing to school safety.

It is certainly subjective to assert that any particular survey question is more germane to budget discussions than other questions, but for the sake of brevity results from a few of the questions are shown here. Full results of the survey are available on the City website.

There was a question asking residents to rank a list of issues of concern to the community by stating if they believe the issue to be: extremely serious; very serious; somewhat serious; not too serious; not a problem; or, they could respond that they did not know if the issue was a problem. The results of combining both the extremely serious and very serious responses together were:

<b>Issue of Concern to Residents</b>	<b>Extremely / Very Serious</b>
Homelessness	65%
Number of Sober Living Homes	54%
Pollution that Flows into Storm Drains	51%
Lack of Affordable Housing	37%
Waste & Inefficiency in City Government	27%
Amount of Traffic on Local Streets	24%
Number of Short-term Vacation Rentals	22%
Amount of Construction Activity	22%
Crime in General	21%

Another question ranked what City services are important to residents, with the results as follows:

<b>Most Important City Services</b>	<b>Extremely Important / Very Important</b>
Police Services	89%
Maintain Storm Drains to Keep Beaches Clean	87%
Maintain Streets and Roads	85%
Prepare for Emergencies	83%
Respond to the Number of Homeless	82%

<b>Less Important City Services</b>	<b>Extremely Important / Very Important</b>
Provide School Resource Officers	54%
Provide Recreation Programs for All Ages	54%
Provide Adequate Parking in Town	50%
Provide Special Events like Holiday Celebrations and Community Events	49%
Provide Cultural and Performing Arts	42%

As an important component of the City’s budgeting process, the survey results do provide critical input to our discussions, particularly since it is designed to give insight to what residents believe is important, and what they expect from the City.

### Homeless Services

In June, 2018 the City Council adopted its Community Work Plan to Address Homelessness. The City recognizes the need to coordinate resources to provide services to improve the situation of homeless individuals and families living in our community. The City increased its homeless outreach activities through Mercy House, and works diligently to establish relationships, trust, and connections to services using individualized approaches to provide homeless residents with housing opportunities. The Plan promotes regional collaboration and a focus on use of best practices to reduce the incidence of homelessness in Dana Point.

In addition, the County of Orange was recently allocated \$15.6 million from the State for a Homeless Emergency Aid Program (HEAP) grant for emergency services, rental

assistance or subsidies, and capital improvements. The City's contractor, Mercy House, received approval for a portion of the HEAP funds on behalf of the seven south Orange County cities it supports, including Dana Point. Though not included in the proposed budget because the funds have not been allocated, the City does anticipate receiving approximately \$106,000 of the allocation to support homeless outreach activities over the next two years.

### Sober Living Homes

Beginning over two years ago, the City has been proactive in ensuring that sober living homes operating in town are doing so with proper State licenses. The City has taken several of these businesses to task for not operating legally; some were able to get the appropriate State licenses, others have closed, and others the City continues to work with to gain compliance with the law. Given current laws governing these businesses, cities have very limited powers to regulate them; however, Dana Point is doing what it can to make sure that those operating are doing so within the law. Of those businesses addressed by the City, 17 have ceased operating, and the other 17 either have pending license applications in process or are pending closure.

### Water Quality

The City has a very robust and successful water quality program, and invests over \$1.5 million per year to keep pollutants out of our storm drain system. The budget includes items such as street sweeping; storm drain inlet filter cleaning and repair, and culvert cleaning, Salt Creek effluent treatment and falconer; North Creek and Headlands diversion flow treatment; private construction site BMPs; and, water quality public education. However, it is important to recognize that the City has little to no control over what gets put into our waterways inland from Dana Point, but does work with the County and other cities to address water quality issues on a regional basis.

## **FY20 and FY21 Budget Summary**

Again, the Strategic Plan sets the expectation that the City will operate in a manner that sets the standard of excellence. As shown above in the listing of Council budget initiatives and continued in the summary of Strategic Plan projects that are underway, a tremendous amount of progress was made the past two years particularly in building our systems and processes that will form the foundation for a better future for the City. The FY20 and FY21 proposed budget continue to build upon the work completed, and will further our goal of setting the standard for excellence.

Staff took considerable time to make substantive, positive changes to the budget format to provide summarized information for each City department. The format is intended to allow the reader to more easily understand what programs each department is responsible for, what each costs, accomplishments they have made the past two years, and key initiatives they will be working to achieve moving forward.



The Long Term Financial Plan Section of the budget goes into great detail on the history and projections for City revenues and expenditures, covers the structural budget balance projections, and finishes with a short discussion on some of our open issues that need to be addressed.

The following discussion summarizes certain areas of the proposed budget where adjustments to current operations are being proposed and/or there is a material impact on City finances. Included is a discussion on changes to the organization structure; personnel costs and unfunded pension liability; investment in capital assets; law enforcement planning for the future of the built environment; priority-based budgeting; summary of revenues and expenditures; review of major revenues; and, finally a summary on fund balance.

### Organization Structure

Over the past two fiscal years, the City has downsized staffing from 70 to 64 full-time positions. Two of the six positions eliminated were executive managers. We have been restructuring the organization to better align functions that complement each other, and positions to better align skills to meet workload demands. Several electronic work load systems have been implemented to better track and manage Staff and contractor efforts, and these have also created the need to shift and change Staff responsibilities. These changes are ongoing, and we are recommending a few more changes to ensure there is adequate staff capacity in each function to cover normal workloads and necessary oversight of contracted work.

The proposed budget maintains the same number of full time staff at 64, but eliminates two additional manager positions, and reclassifies several other positions. The changes include:

- Community Development's Planning Manager is converted to a generalist Community Development Manager that will oversee the Code Enforcement function, grants and special projects for the department; the Structural Engineer responsibilities will be given to the Building Official with certain technical work contracted out (most of which is reimbursed by development charges); and creates a Management Analyst position to provide support for contracts and budget management, computer applications and special projects.
- Community Services Deputy Director position is eliminated and the responsibilities delegated to the Recreation Manager; the Senior Administrative Assistant Position is moved to Administrative Services; and, one Recreation Coordinator Position is upgraded to Recreation Supervisor;
- Administrative Services Assistant Administrative Analyst is moved to Recreation and upgraded to Management Analyst;
- Public Works Senior Administrative Assistant position is upgraded to Management Analyst;
- The Parks Manager Position is eliminated and the duties delegated to the Facilities Manager; the Parks Supervisor is upgraded to Parks Superintendent; and a Senior

Management Analyst position is created with a focus on the City's emergency preparedness program, along with support for the General Services Department;

- Intern positions are also established that will assist with mostly less complex tasks for General Services (IT focus); City Manager's Office (Public Information, Economic Development, Special Projects focus); Community Development (Planning focus); and, the extra help part-time position historically included in the Sheriff's contract will now be a direct part-time hire.

The net financial result of these personnel changes in FY20 is \$211,000 in structural savings going forward.

### Personnel Costs / Unfunded Pension Liability

Total Personnel Costs proposed for FY20 reflect a 1.4% increase, or \$118,000 compared to FY19; and, for FY20 are again projected at under 22% of the budget.

The City Council this past year has been discussing taking action to address the City's unfunded pension liability. The total actuarially projected liability stood at \$25.7 million as of June 30, 2017 (the most recent valuation), and the market value of assets was \$20.7 million; this results in an unfunded liability of \$5 million and a funded status of 81%. Since that valuation, CalPERS net investment earnings in FY18 were 8.6%, and current fiscal year to date February 2019 earnings were only 1.5%; it is expected given these returns that the projected unfunded liability will get somewhat larger.

The required payment toward that liability for FY20 and FY21 will be \$333,000 and \$381,000, respectively; further, the required payments are projected to grow to \$750,000 by FY25, and continue growing until they top-out in FY33. Given Council's desire to take action, Staff is recommending that \$5 million of General Fund unassigned fund balance be designated for investment into an Irrevocable Supplemental Section 115 Trust. The Fund Balance discussion below in this letter describes how this action would be funded via adoption of the new Fund Balance Reserve Policy.

The intent of a Section 115 Trust is to not only to make a firm commitment to paying off the unfunded liability, but to do so in a manner that provides for professional investment management of the funds; it also limits the investment strategy employed to one that is more conservative than what CalPERS utilizes for the overall pension plan. The expectation is that the corpus of the Trust will grow for several years, and then used to cap the City's annual contribution by augmenting the required unfunded liability annual payments. Staff is evaluating Section 115 Trust options and will return to Council later this calendar year with a recommendation.

Finally, City employees enrolled in CalPERS 2@55 pension plan will begin contributing a portion of their pay toward the City's unfunded liability payment in FY20. The contributions are phased in over the next three fiscal years, with 0.5% in FY20, 1.25% in FY21 and finally 2% in FY22. These employee contributions equate to \$22,000 in FY20, \$56,000 in FY21, and \$94,000 in FY22.

## Investment in Capital Assets

The City Council, in adopting financial policies for Infrastructure and Facilities Assets, made funding the capital program a priority. The policies require staff to assess the condition of all assets, and to develop plans to maintain them and include funding requirements. Staff has complied with both policies and the proposed budget provides full funding for each group of assets. The list of proposed projects was also reviewed by the City Council's Capital Projects Subcommittee (CIP Subcommittee) prior to be included in the proposed budget.

Capital infrastructure asset maintenance is accounted for the Capital Improvement Fund (CIP) (11). Funding is typically provided by transfers from the General Fund (01), Gas Tax Fund (02), Measure M Fund (04) and the Road Maintenance & Rehabilitation Act Fund (08). It includes capital projects related to streets, signals, medians, curbs, gutters, sidewalks, and storm drains, among others.

The Public Works Department updates a Seven Year Plan for these capital projects that is presented to the City Council each year. The proposed budget includes the required investment from the General Fund to cover its share of project costs in FY20 and FY21, at \$3.45 million and \$2.775 million, respectively. The Long Term Financial Plan also includes full funding out through FY25. Capital Improvement Fund (11) projects included in the upcoming budget are as follows:

<b>Capital Improvement Fund Project</b>	<b>FY20 Proposed Budget</b>	<b>FY21 Proposed Budget</b>
Citywide Storm Drain Repairs*	\$ 200,000	\$ 200,000
Water Quality/Diversion Repair & Mntce.*	50,000	50,000
Sidewalk/Concrete Repairs & ADA*	100,000	100,000
Traffic Safety Repairs & Improvements*	100,000	100,000
City Parking Lot Repairs*	50,000	50,000
Street Overlay Projects	2,450,000	1,965,000
Arterial Slurry Projects	700,000	500,000
Residential Slurry Projects	1,207,000	1,325,000
Stonehill Bridge Deck Treatment	100,000	--
<b>TOTAL</b>	<b>\$ 4,957,000</b>	<b>\$ 4,290,000</b>

\* These budgets are to address major, emerging projects; unspent appropriation will lapse at fiscal year-end.

Facility asset capital maintenance is accounted for in the Facilities Fund (12). These assets include structures and related systems for City Hall, the Community Center, Parks Structures, sports fields, Nature Interpretive Center, Salt Creek Treatment Plant, and PCH Pedestrian Bridge, among others. Funding is almost exclusively from the General Fund, with the exception of some funds from the Park Development Fund (21) and an occasional grant or other funding. The City completed a comprehensive facilities

assessment last year, and Staff has prioritized the list of deferred maintenance projects and scheduled them out over the next three fiscal years.

Projects were prioritized with consideration given to safety, maintenance costs, functionality, and preserving the life of the asset. Facilities Fund (12) projects included in the upcoming budget have Priority 1 in FY20 and Priority 2 in FY21, and are as follows:

List of Proposed Priority 1 and 2 Facilities Maintenance Projects:

<b>Facilities Fund Project</b>	<b>FY20 Proposed Budget Priority 1</b>	<b>FY21 Proposed Budget Priority 2</b>
<b>City Hall:</b>		
Roof Mechanical Well, HVAC Parking Structure Repairs	\$ 270,000	\$ --
Council Chambers (paid by PEG Fees)	90,000	--
Exterior Finish/Paint, Stucco, Flooring, Wood Trim and Handrails	--	235,000
<b>Community Center &amp; Sportspark:</b>		
Parking Lot Resurfacing	75,000	--
Exterior Paint/Stucco, Senior Fitness Center, Plumbing, Fire Alarm System and Ballfield Dugouts	--	265,000
<b>Scenic Drive Overlook:</b>		
Overlook and Trail Extension, Mitigation and CEQA Documents	65,000	--
<b>Parks:</b>		
Lantern Bay Park Renovation	200,000	--
Lantern Bay Park Restroom	--	85,000
DHHS Sportspark Restroom Rehab	35,000	--
Shipwreck Park Renovation	250,000	--
Sea Canyon Park Restroom Rehab	160,000	--
Bluff Top Trail Railing	150,000	--
Sycamore Creek Trail Workout	--	50,000
Salt Creek Treatment Facility	60,000	46,000
<b>TOTAL</b>	<b>\$ 1,355,000</b>	<b>\$ 681,000</b>

The balance of projects are listed as Priority 3 and total \$1.7 million; Staff will be working with the Council’s Capital Project subcommittee to continue to evaluate these projects prior to placing them into the next budget cycle.

Staff is recommending a transfer of \$2.1 million from the General Fund excess unassigned fund balance to the Facilities Fund prior to closing FY19, with the intent that this will provide full funding for the entirety of the projects identified in the assessment. The Fund Balance discussion below in this transmittal letter describes how this action

would be funded via adoption of the new Fund Balance Reserve Policy, along with an additional \$2.4 million transferred to the CIP Fund for use on capital projects to be determined by the City Council.

### Law Enforcement

The City contracts with the Orange County Sheriff's Department ("OCSD") for dedicated law enforcement services. OCSD is responsible for providing the full spectrum of professional, responsive law enforcement services to our residents, businesses and visitors. The Police Services Department budget is our largest cost at \$13.7 million in FY20, or 34.2% of the budget, and is again the fastest growing cost for the City. There are no proposed changes to the level of service in the OCSD contract, other than hiring a part-time, non-sworn position directly and removing it from the Sheriff's contract. There is an extensive discussion of the Sheriff's contract is included in the Long Term Financial Section of the budget.

The cost of policing has been the fastest growing component of most cities budgets for decades, but particularly since enhanced pensions came about in the late 1990's. Aimed at finding solutions to possibly slow the rate at which costs are escalating, discussions are taking place collectively seek cost saving measures; those discussion include OCSD contract cities and the Sheriff.

### Planning for the Future of the Built Environment

*General Plan Update:* California law requires each city to prepare and adopt a comprehensive General Plan to guide its long term physical development. The plan serves as a blueprint for future development, and contains goals and policies designed to guide the city toward achieving its vision for future land development. The City adopted its original General Plan 28 years ago, and though certain updates to portions Plan have been approved over the years, there has not been a comprehensive update since its original approval.

Completing a comprehensive General Plan update will likely be a multi-year project given the complexity of issues, and the need for extensive public outreach and input. The update is not included in the proposed budget, but the CIP Subcommittee and Staff are recommending that after this fiscal year's accounting books are closed, some of the expected General Fund surplus from FY19 be set aside in a designated reserve and committed to a comprehensive update to the General Plan.

*Housing Element:* The City's current Housing Element, a component of the City's General Plan, was adopted by the City and approved by the State in 2013; this Element is valid for eight years, and thus expires in 2021. A prescribed process must be followed to renew this document to be in compliance with State housing laws; therefore, funding of \$45,000 for necessary consulting service for the renewal effort has been included in the

Community Development Department. The results of this effort will be folded into the City's General Plan.

*Economic Development Profile:* The Strategic Plan includes a project to complete an analysis of economic and development conditions in the city. The proposed budget includes \$100,000 of funding to embark on an economic and market profile that will serve as the foundation for the Economic Development element of the General Plan. Profile components will be comprised an analysis of the local economy, retail market and residential market demand analyses, a development-related financial feasibility analysis, and a fiscal analysis to inform the community about how different land uses and development patterns influence the City revenues and demands for public facilities and services.

*Doheny Village Plan:* the City's current efforts to complete the Doheny Village Plan update are continuing to move forward as a separate project, the results of which will complement the General Plan update efforts. It is important to also note that the City Council has made it a priority to not only complete the Doheny Village Plan, but to identify and work on funding public improvements that will be called for in the plan.

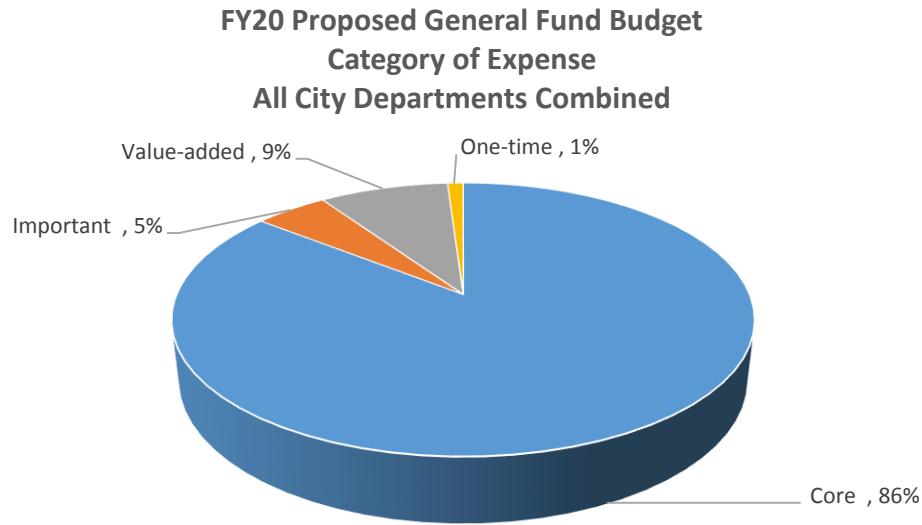
For the near term, the City Council transferred \$727,000 from the General Fund to the Capital Projects Fund in FY18, and has designated those funds for Doheny Village beautification projects. That amount equates to collections from Lantern District Impact Fees the City had received to date December 2018; as of this writing, an additional \$98,000 has been received and Staff will request the City Council approve transferring it as well. Staff will be returning to Council to appropriate the combined \$825,000 of funds as specific projects are identified.

### Priority-Based Budgeting

The Strategic Plan includes a stated goal to maintain a balanced budget that provides adequate funding for core services, capital improvements and adequate reserves for emergencies, while providing taxpayers accountability and transparency. To further this goal, there is a stated objective to manage expenses for core, important and value-added services.

The proposed budget includes additional information on each of the department budget pages, including summary information, division descriptions, and designations for expenditure line-items as being either Core, Important, Value-Added, or one-time expenses. Also, the General Fund Operating Budget Summary by Department and Expenditure Type page combines the values of the expenditure designations for all departments.

**Category of Expense – All City Departments:**



Staff readily admits that the designations are subjective, and that in many cases individuals will have their own opinion as to the significance of a particular line-item. Staff looks forward to discussions regarding the designations, and to what will likely be an evolution in the use of this new view of the budget.

Summary of Revenues and Expenditures

Both years of the proposed budget show surpluses, with FY20 at \$66,000 and FY21 at \$422,000.

*General Fund Proposed Budget Summary:*

	<b>FY20</b>	<b>FY21</b>
Revenues & Transfers In	\$ 39,917,000	\$ 40,354,000
Expenditures & Transfers Out	39,851,000	39,932,000
Projected Surplus	\$ 66,000	\$ 422,000

The proposed budget continues the City’s hybrid service delivery model of having limited full- and part-time staff supplemented by a significant amount of contract services. This model provides a good deal of flexibility in managing fluctuations in workload and available budget.

General Fund Estimated Revenues

As seen above, projected General Fund revenue and transfers in for FY20 and FY21 are \$39.9 million and \$40.4 million, respectively; this is up from \$39.9 million budgeted for FY19. Note there is \$200,000 in FY20’s budgeted revenue for successful legal settlement; this will be a one-time receipt. The City’s largest revenue sources (transient occupancy tax, property tax, sales tax and in-lieu property tax) combined comprise 81% of General

Fund FY20 revenues. In total, revenues are projected to grow 1.1% each of the next two fiscal years.

The 10% hotel bed tax, known as **Transient Occupancy Tax** (“TOT”), remains the City’s largest revenue source, projected at \$12.75 million for FY20, or 32.4% of revenue. TOT, after dropping 40% during the Great Recession, in FY15 surpassed the pre-recession high of FY08 and has continued its climb to historic highs. Through the first nine months of FY19, TOT was up 3.0% compared to FY18, and is on pace to set another record; note, however, that this is much less than the 6.0% and 5.5% year over year growth seen for the same period each of the last two years, respectively.

Given TOT collections have been at historic highs the past few years, and predictions that the economy is cooling off, projecting conservatively is obviously warranted. The FY20 estimate for TOT is \$12.75 million, a \$50,000 decline (or 0.4%) from FY19’s budget; and, the FY21 budget has TOT returning FY21 to \$12.8 million.

The next largest revenue is **Property Tax**, projected at \$9.2 million for FY20, or 22.8% of General Fund revenue. This projection is a 3.5% increase over FY19. For every dollar of property tax collected by the County each year from Dana Point property owners, the City receives only about 7.6 cents. As with the past several years, the increased value from infill development is likely going to come from luxury home construction and remodels in Monarch Beach and Strands at Headlands, the condominium development on PCH across from Doheny State Beach, and the new development in the Lantern District.

Now the third largest revenue category, **Sales Tax** is projected to reach \$5.9 million in FY20, or 14.8% of General Fund revenue. Based on input from the City’s Sales Tax auditor, this reflects a slight decline from their estimate for FY19 and is reflective of their prediction that the economy will cool off in the coming year.

**In-Lieu Property Tax**, now the fourth largest General Fund revenue source, is the result of the State almost entirely eliminating a city revenue stream that dated back to the 1930’s. They replaced the lost VLF with some of the State’s portion of Property Tax revenue. At \$4.4 million in FY20, or a 3.5% increase over FY19’s budget, and makes up 11% of FY20 total General Fund revenue.

Next in line are the fifth and sixth largest revenue sources, namely **Charges for Services and License & Permit fees**, estimated at \$1.75 million and \$1.5 million for FY20 and FY21, respectively. The former makes up 4.4% of the General Fund’s revenue projection, while the latter stands at 3.8%. These permits and charges are mainly associated with development activity that uses City planning, building and engineering services. The City has seen an elevated level of development for an extended period of time, but the building boom is not assumed to continue for budget projection purposes. Projections show a decline in the coming two-year budget, with Charges for Services revenue estimated to have a 7.9% drop in FY20, and Licenses & Permits looking to have a 3.9% drop. It is important to note that when much of this revenue is collected, the actual work (and related costs) will follow, sometimes for a couple of years.



In accordance with the City's fee subsidy financial policy, the City initiated an update to its planning, building and engineering fees it charges for development related plans and building permits. The reduced subsidies are being phased in over three years, with the first phase occurring in the fall of 2018. The second and third phases are intended to occur in the fall of 2019 and 2020, respectively, and are included in the proposed budget.

### General Fund Balance Projection

In August 2006, the City Council adopted a General Fund Reserve Policy. The policy established a Cash Flow Reserve (set at 10% of General Fund revenue), Emergency Reserve (set at 20%), and a Capital Projects Sinking Fund Reserve (balance of not less than \$2.5 million). In addition, the City has a reserve for funds collected from developers and dedicated to creating public art ("Art in Public Places Reserve").

Incorporated into the proposed budget is the new General Fund Reserve Policy that has been discussed by the City Council this past year. The new policy will take the place of the current policy, and has two reserves, one termed Economic Stability and the other Extreme Event; however, unlike the current policy it also has a funding requirement for the unassigned fund balance.

It is important to note that the new Reserve Policy is also supported by the other financial policies adopted by the City Council that address maintaining public infrastructure assets, requires a balanced budget be adopted, and requires long term financial planning. The complete set of new financial policies provide a comprehensive foundation upon which the City's finances are to be managed.

Each of the new reserves are required to be maintained within a minimum and maximum range that is set as a percent of operating revenue, with the new policy also stating it is desired to fund at the maximum level. Having a range within which reserves are funded recognizes that anomalous events affecting City finances may periodically occur, and that it is appropriate to have temporarily utilize some of the reserves; and, having access to reserves will allow time to adjust operations in a measured way while working to again balance the budget and rebuild the reserves. The Economic Stability Reserve's funding range is 7% to 11%; the Extreme Event Reserve's is 6% to 9%; and, the Unassigned Fund Balance is 4% to 10%.

The General Fund's ending fund balance for June 30, 2019 is currently budgeted at \$21.6 million, including fully funded reserves in accordance with current City Council Reserve Policy. The new Reserve Policy would also be fully funded, and the following compares both the new and current Reserve Policy's side by side:

Comparison of Current versus New Fund Balance Policy, FY19 Budget (rounded, in millions):

Fund Balance Category:	FY19 Budget Current		FY19 Budget New Policy	
	Policy 6/30/19	Reserve %	Policy 6/30/19	Reserve %
Emergencies (20%)	\$ 7.3	20.0%	\$ n/a	
Cash Flow (10%)	3.7	10.0%	n/a	
Capital Projects	2.5	6.4%	n/a	
Economic Stability (11%)	n/a		4.3	11.0%
Extreme Event (9%)	n/a		3.5	9.0%
Art in Public Places	0.3		0.3	
Unassigned	7.8	n/a	3.9	10.0%
Excess Unassigned Fund Balance*	n/a		4.5	
Unfunded Pension Liability Reserve	n/a		5.0	12.7%
Projected Fund Balance, 6/30/19*	<b>\$21.6</b>	<b>36.4%</b>	<b>\$ 21.5</b>	<b>42.7%</b>
Transfer Excess to CIP & Facilities Funds	n/a		<b>(4.5)</b>	
New Policy Ending Fund Balance, 6/30/19	n/a		<b>\$ 17.0</b>	

*\*The proposed budget includes a recommendation to allocate the Excess Unassigned Fund Balance, prior to closing the FY19 books, as follows: \$5 million to a designated Unfunded Liability Reserve in the General Fund; and a combined \$4.5 million out to other funds, with \$2.1 million to Facilities Fund (12) to fully fund the list of deferred maintenance projects and, \$2.4 million to the Capital Improvements Fund (11) for projects to be determined by the City Council.*

Taking this one step forward, and using the new policy, the change in ending fund balance from FY19 to FY20 is as follows:

New Fund Balance Policy, FY20 Proposed Budget (in millions) after the allocation of the Excess Unassigned Fund Balance:

Fund Balance Category:	FY19 Budget June 30, 2019	FY20 Proposed Budget June 30, 2020
Economic Stability (11%)	\$ 4.3	\$ 4.3
Extreme Event (9%)	3.6	3.5
Art in Public Places	0.3	0.3
Unassigned Fund Balance	3.9	4.0
Excess Unassigned Fund Balance	0.0	0.1
Projected Fund Balance	<b>\$ 12.1</b>	<b>\$ 12.2</b>
Unfunded Pension Liability Reserve	<b>\$ 5.0</b>	<b>\$ 5.0</b>

The current policy has three reserves (Emergency, Cash Flow and Capital Projects); the Emergency Reserve is set at 20% of budgeted operating revenue, the Cash Flow is set at 10%, and Capital Projects is a flat \$2.5 million.

Looking forward to FY20, the three current reserves combined would total \$14.3 million, or 36% of General Fund operating revenue. Adding the projected Unassigned Fund balance would result in a total projected ending fund balance of almost \$21.7 million; this would be almost 54% of FY20's proposed operating revenue.

The new policy has two reserves, one designated for Economic Stability, and the other Extreme Event; however, unlike the current policy the new policy also has a funding requirement for the unassigned fund balance. Each reserve is to be maintained within a minimum and maximum range that is set as a percent of operating revenue, with the policy also stating it is desired to fund at the maximum level.

Having a range within which reserves are funded recognizes that anomalous events affecting City finances may periodically occur, and that it is appropriate to temporarily utilize reserves. Having access to reserves is intended to allow time to adjust operations in a measured manner while working to again balance the budget and rebuild the reserves. The Economic Stability Reserve's funding range is 7% to 11%; the Extreme Event Reserve's is 6% to 9%; and, the Unassigned Fund Balance is 4% to 10%.

- Economic Stability Reserve is established to protect and preserve City services from dramatic drops in General Fund revenues. It is set with a balance to remain in the range of 7% minimum to 11% maximum of annual General Fund operating revenue.
- The Extreme Event Reserve is established to enable funding for quick and decisive responses to man-made or natural extreme events. It is set with a balance to remain in the range of 6% minimum to 9% maximum of annual General Fund operating revenue.
- Unassigned Fund Balance is identified to provide working capital to ensure funding of operations during the fiscal year where there are normal timing differences between revenue inflows and expenditure outflows. It is set with a balance to remain in the range of 4% minimum to 10% maximum of annual General Fund operating revenue.

Following the Council's stated objective of funding each reserve at the top of the range, the three new reserves combined total \$11.9 million, or a very healthy 30% of FY20's operating revenue.

*Use of Excess Unassigned Fund Balance* - Based on discussions by the City Council this past year in regards to addressing the City's unfunded pension liability, Staff is recommending that prior to the close of FY19, the Council set-aside \$5 million of the excess unassigned fund balance into a Section 115 Pension Trust reserve. Possibly as soon as the latter half of 2019, this reserve would be transferred to a managed Section 115 Trust Account, and permanently committed to paying the pension liability. The discussion on pensions later in this report describes the projected growth in payments the City is required to make to pay off the liability; this investment will help stem the growth of those payments beginning as soon as FY26. Given that the \$5 million would still be in

the General Fund at the end of FY19, but committed as a reserve, it was included in the table on the previous page and equates to roughly 12.7% of General Fund operating revenue.

In addition, based on input from the City Council's Capital Program subcommittee, Staff is recommending fully funding the City's deferred facility maintenance projects that were identified in the Facilities Assessment Study. This recommendation involves transferring \$2.1 million of the excess fund balance to the Facilities Fund (12) prior to the close of FY19. More discussion about this is included in the Investment in Facilities section later in this report.

Also based on input from the Capital Program subcommittee, Staff is recommending transferring an additional \$2.4 million of the excess fund balance to the Capital Improvement Program Fund (11) to provide funding for a CIP Contingency Reserve (amount to be determined), and the remainder would be available to fund other capital projects at the City Council's discretion. This funding is in addition to the \$17.4 million in General Fund support of the capital program projected over the duration of the LTFP, from FY20 through FY25.

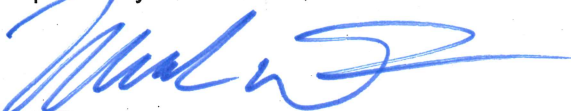
### **Next Steps**

Two budget workshops are scheduled to occur at the regularly scheduled City Council meetings this month, and are intended to receive input from the public and the City Council. The Council approved budget calendar identifies June 4, 2019 for a publicly noticed, City Council budget hearing, which would be the first opportunity for the Council to take action to adopt the budget. Additional workshops and/or hearing may be scheduled at City Council discretion. The budget goes into effect July 1, 2019.

### **Conclusion**

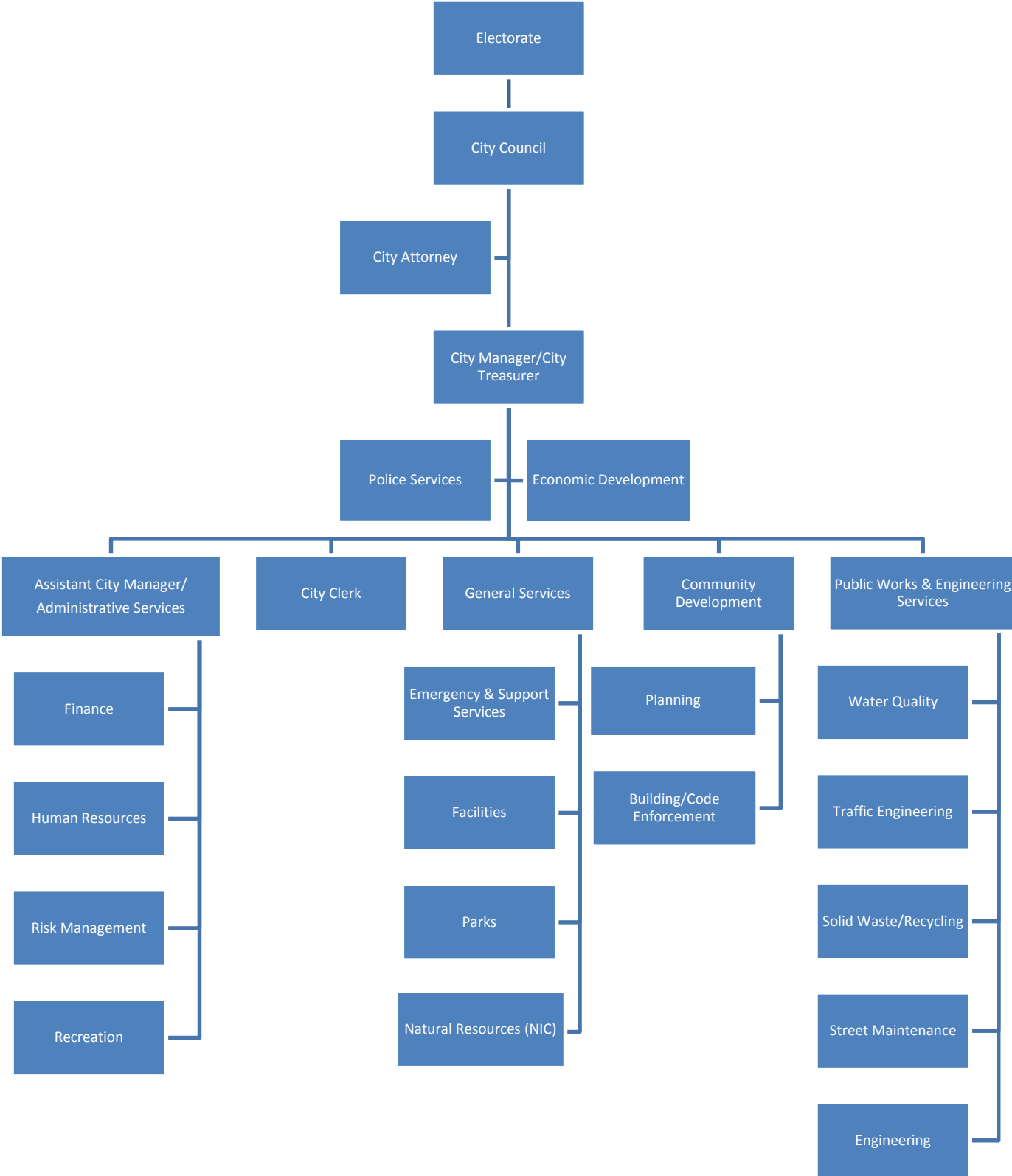
I would like to thank the many City Staff for their assistance in producing this proposed budget. Their professionalism and valuable contributions to this effort are appreciated. Collectively they support the direction put forth by the City Council in the City's Strategic Plan, and they are committed to identifying and implementing solutions to meet the challenges that lay ahead. Of particular note was the contribution made by Mike Killebrew, Shelley Velez, Kate Lasso, Robin Harnish, Sherry Murphy, Matt Sinacori, Matt Schneider, Robert Sedita, Jennifer Anderson and DyAnne Weamire – I thank them for their exceptional efforts.

Respectfully Submitted,



Mark Denny  
City Manager

# CITY OF DANA POINT ORGANIZATIONAL CHART



# CITY OF DANA POINT DIRECTORY

## Administrative Staff

Mark Denny	City Manager
Mike Killebrew	Assistant City Manager /Director of Administrative Services
Kathy Ward	City Clerk
Matt Schneider	Director of Community Development
Matt Sinacori	Director of Public Works & Engineering Services
Robert Sedita	Director of General Services
Lt. Margie Sheehan	Chief of Police Services
Patrick Muñoz	City Attorney

## Department of Administrative Services (Finance & Administration Division)

Mike Killebrew	Director
Shelley Velez	Human Resources Manager
Robin Harnish	Accounting Supervisor
Kate Lasso	Management Analyst
DyAnne Weamire	Assistant Administrative Analyst
Alicia West	Accountant
Norma Hoover	Accounting Technician
Gabriela Lopez	Account Clerk

# **CITYWIDE BUDGET SUMMARY**





# CITYWIDE BUDGET SUMMARY

This section includes two pages that provide an overview of the thirteen funds used by the City to account for all revenues and expenditures, and shows the change to their respective fund balance. There is a page for each fiscal year for which a budget is being adopted, and includes each fund's beginning fund balance, the adopted revenues and expenditures for the fiscal year, and the resulting ending budgeted fund balance.

	Page #
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Fiscal Year 2020 Budget Changes in Fund Balance All Funds	24
Fiscal Year 2021 Budget Changes in Fund Balance All Funds	25

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**CITY OF DANA POINT  
FISCAL YEAR 2019 BUDGET AMENDED  
CHANGES IN FUND BALANCE - ALL FUNDS**

AMENDED	01	02	04	05	06	07	08	09	11	12	21	25	27	Total
	General	Gas Tax	Measure M	AB2766 Clean Air	Coastal Transit	Tourism Business Improvement	Road Maintenance & Rehab	Headlands Habitat ESHA	CIP	Facilities Improvements	Park Development	Supplemental Law Enforcement	CFD Headlands Maintenance	
<b>AUDITED Fund Balance 6/30/2018</b>	\$ 21,568,280	\$ 8,722	\$ 166,678	\$ 455,665	\$ 571,023	\$ 1,727,744	\$ 77,450	\$ 268,536	\$ 5,741,308	\$ 2,380,971	\$ 53,500	\$ 27,550	\$ 292,587	\$ 33,340,014
<b>Revenues &amp; Transfers In</b>														
<b>REVENUES:</b>														
Taxes & Franchises	34,198,704	735,108	560,014			1,000,000	540,264							37,034,090
Licenses & Permits	1,565,400													1,565,400
Fines & Forfeitures	345,000													345,000
Use of Money & Property	452,800		2,000	3,000	5,500	10,000	-	31,450					7,000	511,750
Intergovernmental	329,000		47,000	40,000	550,000							138,144		1,104,144
Charges for Services	1,894,000											1,980	324,000	2,219,980
Other	126,000													126,000
Sub-total Revenues	38,910,904	735,108	609,014	43,000	555,500	1,010,000	540,264	31,450	-	-	-	140,124	331,000	42,906,364
<b>TRANSFERS-IN</b>														
from AB2766 Fund									-					-
from CIP Fund									168,002					743,830
from Gas Tax Fund	575,828								6,525,988	2,175,000			30,000	8,730,988
from General Fund									560,014					560,014
from Measure M Fund									-					-
from Park Development Fund									598,852					598,852
from Road Mntce & Rehab Fund									-					-
Sub-total Transfers-in	575,828	-	-	-	-	-	-	-	7,852,856	2,175,000	-	-	30,000	10,633,684
<b>Total Revenues &amp; Transfers In</b>	39,486,732	735,108	609,014	43,000	555,500	1,010,000	540,264	31,450	7,852,856	2,175,000	-	140,124	361,000	53,540,048
<b>Expenditures &amp; Transfers Out</b>														
<b>EXPENDITURES</b>														
Personnel	8,404,103													8,404,103
Materials & Services	27,399,667		47,000		735,155	2,000,000		22,700				167,624	327,600	30,699,746
Risk Management	573,160													573,160
Capital Outlay	-								8,606,043	1,019,462				9,625,505
Sub-total Operating Expenditures	36,376,930	-	47,000	-	735,155	2,000,000	-	22,700	8,606,043	1,019,462	-	167,624	327,600	49,302,514
<b>TRANSFERS-OUT</b>														
to CIP Fund	6,525,988	168,002	560,014	-			598,852							7,852,856
to Headlands CFD Maint. Fund	34,200													34,200
to Facility Improvement Fund	2,175,000													2,175,000
to General Fund		575,828	-											575,828
Sub-total Operating Transfers-out	8,735,188	743,830	560,014	-	-	-	598,852	-	-	-	-	-	-	10,637,884
<b>Total Expenditures &amp; Transfers Out</b>	45,112,118	743,830	607,014	-	735,155	2,000,000	598,852	22,700	8,606,043	1,019,462	-	167,624	327,600	59,940,398
<b>Change in Fund Balance FY19</b>	(5,625,386)	(8,722)	2,000	43,000	(179,655)	(990,000)	(58,588)	8,750	(753,187)	1,155,538	-	(27,500)	33,400	(6,400,350)
<b>Estimated Ending Fund Balance 6/30/2019</b>	\$ 15,942,894	\$ (0)	\$ 168,678	\$ 498,665	\$ 391,368	\$ 737,744	\$ 18,862	\$ 277,286	\$ 4,988,121	\$ 3,536,509	\$ 53,500	\$ 50	\$ 325,987	\$ 26,939,664
<b>YEAR-END FUND BALANCE DETAILS</b>														
<b>Old Fund Balance Policy:</b>														
Unreserved - Designated														
Cash Flow	\$ 3,675,430													\$ 3,675,430
Capital Projects Sinking Fund	2,500,000													2,500,000
Emergencies	7,350,860													7,350,860
Art in Public Places	281,476													281,476
Unassigned Fund Balance*	2,135,128	(0)	168,678	498,665	391,368	737,744	18,862	277,286	4,988,121	3,536,509	53,500	50	325,987	13,131,898
<b>Estimated Ending Fund Balance 6/30/2019</b>	\$ 15,942,894	\$ (0)	\$ 168,678	\$ 498,665	\$ 391,368	\$ 737,744	\$ 18,862	\$ 277,286	\$ 4,988,121	\$ 3,536,509	\$ 53,500	\$ 50	\$ 325,987	\$ 26,939,664
<b>New Fund Balance Policy:</b>														
Economic Stability Reserve (11%) (a)	\$ 4,280,199	11%												
Extreme Event Reserve (9%) (a)	3,501,981	9%												
Section 115 Pension Trust Reserve	5,000,000													Amount set-aside in FY19 for Unfunded Pension Liability
General Plan Update Reserve	-													To Be Proposed In FY20 from expected FY19 surplus
Unassigned Fund Balance (4-7%) (a)	2,723,763	7%												
Art in Public Places	281,476													
Excess Unassigned Above Policy	155,474													*FY19 has add'l Trans Out to Facilities Fd 12 of \$ 2,075,000 and also to CIP Fund 11 of \$ 3,598,849
<b>Estimated Ending Fund Balance 6/30/2019</b>	\$ 15,942,894													FY19 FY20 FY21

(a) Computed as a percent of "Operating Revenue" that excludes Transfer In.

**CITY OF DANA POINT  
FISCAL YEAR 2020 ADOPTED BUDGET  
CHANGES IN FUND BALANCE - ALL FUNDS**

FINAL	01	02	04	05	06	07	08	09	11	12	21	25	27	Total
	General	Gas Tax	Measure M	AB2766 Clean Air	Coastal Transit	Tourism Business Improvement	Road Maintenance & Rehab	Headlands Habitat ESHA	CIP	Facilities Improvements	Park Development	Supplemental Law Enforcement	CFD Headlands Maintenance	
<b>Budgeted Fund Balance 6/30/2019</b>	\$ 15,942,894	\$ (0)	\$ 168,678	\$ 498,665	\$ 391,368	\$ 737,744	\$ 18,862	\$ 277,286	\$ 4,988,121	\$ 3,536,509	\$ 53,500	\$ 50	\$ 325,987	\$ 26,939,664
<b>Revenues &amp; Transfers In</b>														
<b>REVENUES:</b>														
Taxes & Franchises	34,870,000	901,288	618,808			1,000,000	563,931			150,000				38,104,027
Licenses & Permits	1,503,800													1,503,800
Fines & Forfeitures	345,000													345,000
Use of Money & Property	432,800		5,000	3,000	10,000	5,000	-	36,000					7,000	498,800
Intergovernmental	329,000		50,000	42,500	450,000									871,500
Charges for Services	1,745,000													2,055,000
Other	119,000												310,000	119,000
Sub-total Revenues	<u>39,344,600</u>	<u>901,288</u>	<u>673,808</u>	<u>45,500</u>	<u>460,000</u>	<u>1,005,000</u>	<u>563,931</u>	<u>36,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>317,000</u>	<u>43,497,127</u>
<b>TRANSFERS-IN</b>														
from AB2766 Fund					-									-
from CIP Fund														-
from Gas Tax Fund	572,396								328,892					901,288
from General Fund									3,514,410	100,000			35,500	3,649,910
from Measure M Fund									623,808					623,808
from Park Development Fund														-
from Road Mntce & Rehab Fund									582,793					582,793
Sub-total Transfers-in	<u>572,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,049,903</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>35,500</u>	<u>5,757,799</u>
<b>Total Revenues &amp; Transfers In</b>	<u>39,916,996</u>	<u>901,288</u>	<u>673,808</u>	<u>45,500</u>	<u>460,000</u>	<u>1,005,000</u>	<u>563,931</u>	<u>36,000</u>	<u>5,049,903</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>352,500</u>	<u>49,254,926</u>
<b>Expenditures &amp; Transfers Out</b>														
<b>EXPENDITURES</b>														
Personnel	8,722,581													8,722,581
Materials & Services	26,867,113		60,000		610,000	1,692,744		22,700					318,600	29,571,157
Risk Management	675,700												4,500	680,200
Capital Outlay	-								4,957,000	1,355,000				6,312,000
Sub-total Operating Expenditures	<u>36,265,394</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>610,000</u>	<u>1,692,744</u>	<u>-</u>	<u>22,700</u>	<u>4,957,000</u>	<u>1,355,000</u>	<u>-</u>	<u>-</u>	<u>323,100</u>	<u>45,285,938</u>
<b>TRANSFERS-OUT</b>														
to CIP Fund	3,514,410	328,892	623,808				582,793							5,049,903
to Headlands CFD Maint. Fund	35,500													35,500
to Facility Improvement Fund	100,000													100,000
to General Fund		572,396												572,396
Sub-total Operating Transfers-out	<u>3,649,910</u>	<u>901,288</u>	<u>623,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,757,799</u>
<b>Total Expenditures &amp; Transfers Out</b>	<u>39,915,304</u>	<u>901,288</u>	<u>683,808</u>	<u>-</u>	<u>610,000</u>	<u>1,692,744</u>	<u>582,793</u>	<u>22,700</u>	<u>4,957,000</u>	<u>1,355,000</u>	<u>-</u>	<u>-</u>	<u>323,100</u>	<u>51,043,737</u>
<b>Change in Fund Balance FY20</b>	<u>1,692</u>	<u>-</u>	<u>(10,000)</u>	<u>45,500</u>	<u>(150,000)</u>	<u>(687,744)</u>	<u>(18,862)</u>	<u>13,300</u>	<u>92,903</u>	<u>(1,105,000)</u>	<u>-</u>	<u>-</u>	<u>29,400</u>	<u>(1,788,811)</u>
<b>Proposed Fund Balance 6/30/2020</b>	<u>\$ 15,944,586</u>	<u>\$ (0)</u>	<u>\$ 158,678</u>	<u>\$ 544,165</u>	<u>\$ 241,368</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 290,586</u>	<u>\$ 5,081,024</u>	<u>\$ 2,431,509</u>	<u>\$ 53,500</u>	<u>\$ 50</u>	<u>\$ 355,387</u>	<u>\$ 25,150,853</u>

**YEAR-END FUND BALANCE DETAILS**

New General Fund Balance Policy:														
Economic Stability Reserve (11%) (a)	4,327,906	11%												
Extreme Event Reserve (9%)	3,541,014	9%												
Section 115 Pension Trust Reserve	5,000,000		Amount set-aside in FY19 for Unfunded Pension Liability											
General Plan Update Reserve	-		To Be Proposed In FY20 from expected FY19 surplus											
Unassigned Fund Balance (4%-7%)	2,754,122	7%												
Art in Public Places	281,476													
Excess Unassigned Above Policy	<u>\$ 40,068</u>		*FY19 has add'l Trans Out to Facilities Fd 12 of 2,075,000 and also to CIP Fund 11 of 3,598,849 FY19											
<b>Proposed Ending Fund Balance 6/30/2020</b>	<u>15,944,586</u>													<u>64,410</u> FY20
														<u>64,410</u> FY21

(a) Computed as a percent of "Operating Revenue" that excludes Transfer In.

**CITY OF DANA POINT  
FISCAL YEAR 2021 ADOPTED BUDGET  
CHANGES IN FUND BALANCE - ALL FUNDS**

FINAL	01	02	04	05	06	07	08	09	11	12	21	25	27	Total
	General	Gas Tax	Measure M	AB2766 Clean Air	Coastal Transit	Tourism Business Improvement	Road Maintenance & Rehab	Headlands Habitat ESHA	CIP	Facilities Improvements	Park Development	Supplemental Law Enforcement	CFD Headlands Maintenance	
<b>Budgeted Fund Balance 6/30/2020</b>	\$ 15,944,586	\$ (0)	\$ 158,678	\$ 544,165	\$ 241,368	\$ 50,000	\$ -	\$ 290,586	\$ 5,081,024	\$ 2,431,509	\$ 53,500	\$ 50	\$ 355,387	\$ 25,150,853
<b>Revenues &amp; Transfers In</b>														
<b>REVENUES:</b>														
Taxes & Franchises	35,539,000	889,156	634,279			1,000,000	580,849			150,000				38,793,284
Licenses & Permits	1,318,300													1,318,300
Fines & Forfeitures	345,000													345,000
Use of Money & Property	432,800		5,000	3,000	7,000	1,250	-	37,500					7,000	493,550
Intergovernmental	329,000		50,000	42,500	450,000									871,500
Charges for Services	1,681,563												316,200	1,997,763
Other	118,000													118,000
Sub-total Revenues	39,763,663	889,156	689,279	45,500	457,000	1,001,250	580,849	37,500	-	150,000	-	-	323,200	43,937,396
<b>TRANSFERS-IN</b>														
from AB2766 Fund														
from CIP Fund														
from Gas Tax Fund	589,857								299,299					889,156
from General Fund									3,082,552	100,000			36,000	3,218,552
from Measure M Fund									639,279					639,279
from Park Development Fund														
from Road Mntce & Rehab Fund									580,849					580,849
Sub-total Transfers-in	589,857	-	-	-	-	-	-	-	4,601,979	100,000	-	-	36,000	5,327,836
<b>Total Revenues &amp; Transfers In</b>	40,353,519	889,156	689,279	45,500	457,000	1,001,250	580,849	37,500	4,601,979	250,000	-	-	359,200	49,265,232
<b>Expenditures &amp; Transfers Out</b>														
<b>EXPENDITURES</b>														
Personnel	8,982,417													8,982,417
Materials & Services	27,347,981		62,500		610,000	1,000,000		22,700					321,100	29,364,281
Risk Management	690,200												4,500	694,700
Capital Outlay	-								4,290,000	681,000				4,971,000
Sub-total Operating Expenditures	37,020,599	-	62,500	-	610,000	1,000,000	-	22,700	4,290,000	681,000	-	-	325,600	44,012,399
<b>TRANSFERS-OUT</b>														
to CIP Fund	3,082,552	299,299	639,279	-			580,849							4,601,979
to Headlands CFD Maint. Fund	36,000													36,000
to Facility Improvement Fund	100,000													100,000
to General Fund		589,857	-											589,857
Sub-total Operating Transfers-out	3,218,552	889,156	639,279	-	-	-	580,849	-	-	-	-	-	-	5,327,836
<b>Total Expenditures &amp; Transfers Out</b>	40,239,151	889,156	701,779	-	610,000	1,000,000	580,849	22,700	4,290,000	681,000	-	-	325,600	49,340,235
<b>Change in Fund Balance FY21</b>	114,368	-	(12,500)	45,500	(153,000)	1,250	-	14,800	311,979	(431,000)	-	-	33,600	(75,002)
<b>Proposed Fund Balance 6/30/2021</b>	\$ 16,058,954	\$ (0)	\$ 146,178	\$ 589,665	\$ 88,368	\$ 51,250	\$ -	\$ 305,386	\$ 5,393,003	\$ 2,000,509	\$ 53,500	\$ 50	\$ 388,987	\$ 25,075,851
<b>YEAR-END FUND BALANCE DETAILS</b>														
<b>New Fund Balance Policy:</b>														
Economic Stability Reserve (11%) (a)	\$ 4,374,003	11%												
Extreme Event Reserve (9%) (a)	3,578,730	9%												
Section 115 Pension Trust Reserve	5,000,000		Amount set-aside in FY19 for Unfunded Pension Liability											
General Plan Update Reserve	-		To Be Proposed In FY20 from expected FY19 surplus											
Unassigned Fund Balance (4%-7%) (a)	2,783,456	7%												
Art in Public Places	281,476													
Excess Unassigned Above Policy	41,290		*FY19 has add'l Trans Out to Facilities Fd 12 of \$ 2,075,000 and also to CIP Fund 11 of \$ 3,598,849 FY19											
<b>Proposed Ending Fund Balance 6/30/2021</b>	\$ 16,058,954													
			\$ 64,410 FY20											
			\$ 307,552 FY21											

(a) Computed as a percent of "Operating Revenue" that excludes Transfer In.

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**GENERAL FUND BUDGET  
SUMMARIES**





# GENERAL FUND BUDGET SUMMARIES

The City's General Fund is the City's main operating account, and is used to account for and report all financial resources not accounted for and reported in another fund. Tax revenues that are not restricted for a specific use are deposited into the General Fund and pay for most of the City's core services such as police, street and park maintenance, recreation programs, etc.

Transfers to other funds do occur where General Fund monies are used to support major capital projects (e.g. Capital Improvement Projects Fund (11) of Facilities Fund (12), or to match grant funded activities (e.g. senior mobility and trolley programs).

This General Fund Budget Summaries section provides information for the FY20 and FY21 adopted budget for General Fund revenues and expenditures. Included is a: summary view of adopted revenues & transfers in; a more detailed view of revenue line items; a view of expenditures by department with columns showing personnel, materials & services, risk management, capital outlay and transfers out to other funds; a detailed view of expenditures with columns for each department; and finally, a summary of personnel budgeted in each department, followed by a listing of all personnel positions.

The summaries presented include the following:

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**CITY OF DANA POINT  
BUDGET SUMMARY - GENERAL FUND REVENUES**

	FY17 <u>Actual</u>	FY18 <u>Actual</u>	FY19 <u>Amended</u>	FY20 <u>Adopted</u>	FY21 <u>Adopted</u>
<b>TAXES &amp; FRANCHISES:</b>					
Property Taxes	\$ 7,753,625	\$ 8,485,019	\$ 8,788,000	\$ 9,095,000	\$ 9,410,000
Property Transfer Taxes	591,020	553,437	500,000	500,000	475,000
Franchise Fees	1,297,816	1,379,813	1,375,000	1,350,000	1,350,000
Cable Franchise Peg Fees	74,048	-	-	-	-
Homeowner's Property Tax Relief	46,505	46,882	50,000	50,000	50,000
Transient Occupancy Tax	12,599,538	12,988,630	12,800,000	12,750,000	12,800,000
Short Term Rental TOT	499,936	664,569	725,000	800,000	800,000
Sales & Use Tax	5,337,477	5,384,643	5,700,000	5,915,000	6,090,000
In-lieu Property Taxes	3,755,643	4,082,322	4,260,704	4,410,000	4,564,000
<b>TAXES &amp; FRANCHISES TOTAL</b>	<b>31,955,608</b>	<b>33,585,315</b>	<b>34,198,704</b>	<b>34,870,000</b>	<b>35,539,000</b>
<b>LICENSES &amp; PERMITS:</b>					
Planning Permits	63,329	50,847	82,500	94,450	94,450
Building Permits	1,247,095	1,379,376	1,091,500	1,068,750	900,750
Engineering Permits	449,443	476,875	369,400	320,600	303,100
Short Term Rental Permits	26,207	22,800	22,000	20,000	20,000
<b>LICENSES &amp; PERMITS TOTAL</b>	<b>1,786,074</b>	<b>1,929,898</b>	<b>1,565,400</b>	<b>1,503,800</b>	<b>1,318,300</b>
<b>FINES &amp; FORFEITURES:</b>					
Fines & Forfeitures	149,998	150,087	225,000	225,000	225,000
Penalties, Interest & Restitution	177,905	94,283	120,000	120,000	120,000
<b>FINES &amp; FORFEITURES TOTAL</b>	<b>327,903</b>	<b>244,370</b>	<b>345,000</b>	<b>345,000</b>	<b>345,000</b>
<b>USE OF MONEY &amp; PROPERTY:</b>					
Rental of Property	66,070	58,452	60,000	60,000	60,000
Office Space Rent	22,800	22,800	22,800	22,800	22,800
Investment Interest	256,661	396,466	370,000	350,000	350,000
Trolley Rentals	345	-	-	-	-
<b>USE OF MONEY &amp; PROPERTY TOTAL</b>	<b>345,876</b>	<b>477,718</b>	<b>452,800</b>	<b>432,800</b>	<b>432,800</b>
<b>INTERGOVERNMENTAL:</b>					
Motor Vehicle In-Lieu	14,969	17,739	15,000	15,000	15,000
Local Coastal Program Grant	-	28,515	-	-	-
Waste Disposal Allocation	53,278	78,545	54,000	54,000	54,000
Nuclear Power Program	196,300	200,420	195,000	195,000	195,000
Intergov't Cost Reimbursements	54,215	117,019	65,000	65,000	65,000
State Grants	29,252	26,310	-	-	-
<b>INTERGOVERNMENTAL TOTAL</b>	<b>348,014</b>	<b>468,548</b>	<b>329,000</b>	<b>329,000</b>	<b>329,000</b>
<b>CHARGES FOR SERVICES:</b>					
Planning Fees	124,518	152,158	134,500	114,500	100,000
Building Fees	928,296	698,435	619,000	670,000	570,000
Engineering Fees	308,420	411,026	458,000	202,500	152,000
Impact Fees	-	626,062	-	-	250,000
Reimbursed Expenses	566,208	121,860	70,000	90,000	140,000
Legal Reimbursements-Developer	-	18,162	12,000	10,000	10,000
Legal Reimbursements-Other	-	156,135	175,000	225,000	25,000
Police Services Reimbursements	-	127,353	125,000	131,250	137,813
Recreation Classes, Activities & Trips	203,905	174,982	175,000	185,000	185,000
Staff Time Reimbursements	-	50,445	50,000	50,000	50,000
Planning Reimbursements	44,438	51,348	40,000	30,000	30,000
Other	45,197	109,317	35,500	36,750	31,750
<b>CHARGES FOR SERVICES TOTAL</b>	<b>2,220,982</b>	<b>2,697,283</b>	<b>1,894,000</b>	<b>1,745,000</b>	<b>1,681,563</b>
<b>OTHER REVENUE:</b>					
Miscellaneous	6,380	19,791	70,000	60,000	60,000
Planning Appeal Fee	1,250	2,500	1,000	1,000	1,000
Gain/Loss On Asset Sale	8,319	36,650	-	3,000	2,000
Beverage Container Recycling	8,962	-	-	-	-
User Fee Solid Waste	55,910	59,259	55,000	55,000	55,000
Other Financing Sources	-	-	-	-	-
<b>OTHER REVENUE TOTAL</b>	<b>80,821</b>	<b>118,200</b>	<b>126,000</b>	<b>119,000</b>	<b>118,000</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>37,065,278</b>	<b>39,521,332</b>	<b>38,910,904</b>	<b>39,344,600</b>	<b>39,763,663</b>
<b>OPERATING TRANSFERS-IN:</b>					
Operating Transfer-In from Gasoline Tax Fund	625,427	558,777	575,828	572,396	589,857
Operating Transfer-In from CFD Fund	303,200	-	-	-	-
Operating Transfer-In from Measure M Fund	-	-	-	-	-
<b>TOTAL OPERATING TRANSFERS-IN</b>	<b>928,627</b>	<b>558,777</b>	<b>575,828</b>	<b>572,396</b>	<b>589,857</b>
<b>TOTAL GENERAL FUND REV/TSF. IN</b>	<b>\$ 37,993,905</b>	<b>\$ 40,080,109</b>	<b>\$ 39,486,732</b>	<b>\$ 39,916,996</b>	<b>\$ 40,353,519</b>

**CITY OF DANA POINT  
GENERAL FUND REVENUE BUDGET DETAIL**

<u>Acct #</u>	<u>Description</u>	<u>FY18</u> <u>Actual</u>	<u>FY19</u> <u>Adopted</u>	<u>FY19</u> <u>Amended</u>	<u>FY19</u> <u>ETC 3/29/19</u>	<u>FY20</u> <u>Adopted</u>	<u>FY21</u> <u>Adopted</u>
<b>GENERAL FUND (01)</b>							
<b>TAXES (Type 10)</b>							
01-10-6101	SEC & UNSEC PROPERTY TAX	\$ 8,485,019	\$ 8,000,000	\$ 8,788,000	\$ 8,788,000	\$ 9,095,000	\$ 9,410,000
01-10-6103	PROPERTY TRANSFER TAX	553,437	550,000	500,000	525,000	500,000	475,000
01-10-6105	FRANCHISE FEES	1,379,813	1,225,000	1,375,000	1,375,000	1,350,000	1,350,000
01-10-6106	CABLE FRANCHISE PEG FEES (move to Fd 12)	-	10,000	-	-	-	-
01-10-6107	HOMEOWNERS PROPERTY TAX RELIEF	46,882	50,000	50,000	50,000	50,000	50,000
01-10-6109	TRANSIENT OCCUPANCY TAX	12,988,630	12,600,000	12,800,000	12,900,000	12,750,000	12,800,000
01-10-6110	SHORT TERM RENTAL TOT	664,569	400,000	725,000	725,000	800,000	800,000
01-10-6111	SALES & USE TAX	5,384,643	5,900,000	5,700,000	5,700,000	5,915,000	6,090,000
01-10-6113	IN-LIEU PROPERTY TAXES	4,082,322	3,970,000	4,260,704	4,261,000	4,410,000	4,564,000
<b>TOTAL TAXES (Type 10)</b>		<b>33,585,315</b>	<b>32,705,000</b>	<b>34,198,704</b>	<b>34,324,000</b>	<b>34,870,000</b>	<b>35,539,000</b>
<b>LICENSES &amp; PERMITS (Type 20)</b>							
01-20-6201	SITE DEVELOPMENT PERMITS	16,463	30,000	34,000	45,000	41,000	41,000
01-20-6203	COASTAL DEVELOPMENT PERMITS	7,603	25,000	31,000	25,000	30,000	30,000
01-20-6205	CONDITIONAL USE PERMITS	8,687	8,000	4,000	3,000	8,200	8,200
01-20-6207	OTHER PLANNING PERMITS	18,094	10,000	13,500	11,000	15,250	15,250
01-20-6209	BUILDING PERMITS	1,260,866	1,000,000	962,000	1,050,000	968,000	800,000
01-20-6211	PLUMBING PERMITS	31,939	30,000	41,500	50,000	27,250	27,250
01-20-6213	SEWER PERMITS	-	-	-	-	-	-
01-20-6215	ELECTRICAL PERMITS	63,337	70,000	66,000	65,000	51,500	51,500
01-20-6217	MECHANICAL PERMITS	20,157	25,000	21,000	21,000	21,500	21,500
01-20-6218	SHORT TERM RENTAL PERMITS	22,800	30,000	22,000	22,800	20,000	20,000
01-20-6219	OTHER BUILDING PERMITS	3,077	500	1,000	1,000	500	500
01-20-6221	TRANSPORTATION PERMITS	1,702	1,000	1,400	1,400	1,600	1,600
01-20-6223	ENCROACHMENT PERMITS	22,991	20,000	34,000	34,000	35,000	35,000
01-20-6225	GRADING PERMIT FEES (Incl. Geo. Reimb.)	403,345	270,000	305,000	300,000	265,000	247,500
01-20-6226	LICENSES & PERMITS	37,787	15,000	20,000	20,000	12,000	12,000
01-20-6227	OTHER ENGINEERING PERMITS	11,050	9,000	9,000	10,000	7,000	7,000
<b>TOTAL LICENSES &amp; PERMITS (Type 20)</b>		<b>1,929,898</b>	<b>1,543,500</b>	<b>1,565,400</b>	<b>1,659,200</b>	<b>1,503,800</b>	<b>1,318,300</b>
<b>FINES &amp; FORFEITURES (Type 30)</b>							
01-30-6301	FINES & FORFEITURES	150,087	170,000	225,000	200,000	225,000	225,000
01-30-6303	PENALTIES, INTEREST & RESTITUTION	94,283	120,000	120,000	120,000	120,000	120,000
<b>TOTAL FINES &amp; FORFEITURES (Type 30)</b>		<b>244,370</b>	<b>290,000</b>	<b>345,000</b>	<b>320,000</b>	<b>345,000</b>	<b>345,000</b>
<b>USE OF MONEY &amp; PROPERTY (Type 40)</b>							
01-40-6401	RENTAL OF PROPERTY	58,452	60,000	60,000	60,000	60,000	60,000
01-40-6403	INVESTMENT INCOME	396,466	170,000	370,000	340,000	350,000	350,000
01-40-6405	CITY PLAZA OFFICE SPACE RENT	22,800	22,800	22,800	22,800	22,800	22,800
01-40-6406	TROLLEY RENTALS	-	1,000	-	-	-	-
<b>TOTAL USE OF MONEY &amp; PROPERTY (Type 40)</b>		<b>477,718</b>	<b>253,800</b>	<b>452,800</b>	<b>422,800</b>	<b>432,800</b>	<b>432,800</b>
<b>INTERGOVERNMENTAL (Type 50)</b>							
01-50-6505	MOTOR VEHICLE IN-LIEU	17,739	15,000	15,000	15,000	15,000	15,000
01-50-6513	LOCAL COASTAL PROGRAM GRANT	28,515	-	-	-	-	-
01-50-6514	WASTE DISPOSAL ALLOCATION	78,545	90,000	54,000	54,000	54,000	54,000
01-50-6515	NUCLEAR POWER PROGRAM	200,420	199,000	195,000	195,000	195,000	195,000
01-50-6521	INTERGOV'T COST REIMBURSEMENTS	117,019	100,000	65,000	65,000	65,000	65,000
01-50-6523	STATE GRANTS	26,310	-	-	-	-	-
<b>TOTAL INTERGOVERNMENTAL (Type 50)</b>		<b>468,548</b>	<b>404,000</b>	<b>329,000</b>	<b>329,000</b>	<b>329,000</b>	<b>329,000</b>
<b>CHARGES FOR SERVICES (Type 60)</b>							
01-60-6607	PLANNING COMM'N DETERMINATION	-	500	2,000	1,000	1,000	1,000
01-60-6609	VARIANCE MINOR AMENDMENT	1,568	-	2,000	1,750	2,000	2,500
01-60-6615	INITIAL STUDY	-	-	-	-	-	-
01-60-6621	CONCEPT APPROVAL	2,400	1,000	1,500	1,500	1,000	1,000
01-60-6623	PLANNING PLAN CHECK FEE	148,190	75,000	125,000	125,000	100,000	85,000
01-60-6625	SITE INSPECTION FEE	-	-	1,000	1,000	1,500	1,500

**CITY OF DANA POINT  
GENERAL FUND REVENUE BUDGET DETAIL**

<u>Acct #</u>	<u>Description</u>	FY18 <u>Actual</u>	FY19 <u>Adopted</u>	FY19 <u>Amended</u>	FY19 <u>ETC 3/29/19</u>	FY20 <u>Adopted</u>	FY21 <u>Adopted</u>
01-60-6627	OTHER PLANNING FEES	-	-	3,000	5,000	9,000	9,000
01-60-6631	BUILDING PLAN CHECK FEES	659,853	750,000	550,000	700,000	600,000	500,000
01-60-6633	PERMIT ISSUANCE FEE	38,560	40,000	69,000	69,000	70,000	70,000
01-60-6635	OTHER BUILDING FEES	22	-	-	-	-	-
01-60-6639	ADDRESSING FEE	17,073	1,000	8,000	5,000	2,500	2,000
01-60-6641	GRADING INSPECTION FEE	240,624	75,000	250,000	200,000	100,000	75,000
01-60-6643	PRECISE GRADE PLAN CHECK	-	-	-	-	-	-
01-60-6649	MAP CHECK FEE	(692)	-	-	-	-	-
01-60-6651	LOT LINE ADJUSTMENT FEE	-	-	-	-	-	-
01-60-6655	OTHER ENGINEERING FEES	154,021	70,000	200,000	150,000	100,000	75,000
01-60-6659	SOLID WASTE EXEMPTION FEES	1,670	2,000	2,000	2,000	2,000	2,000
01-60-6682	LANTERN DISTRICT IMPACT FEES	626,062	-	-	-	-	250,000
01-60-6683	ART IN PUBLIC PLACES FEES	70,497	-	-	60,000	-	-
01-60-6685	REIMBURSED EXPENSES	121,860	200,000	70,000	140,000	90,000	140,000
01-60-6687	LEGAL REIMBURSEMENTS-DEVELOPER	18,162	-	12,000	10,000	10,000	10,000
01-60-6688	LEGAL REIMBURSEMENTS-OTHER	156,135	-	175,000	170,000	225,000	25,000
01-60-6689	POLICE SERVICES REIMBURSEMENTS	127,353	-	125,000	125,000	131,250	137,813
01-60-6691	RECREATION CLASSES	155,437	170,000	170,000	170,000	170,000	170,000
01-60-6692	PLANNING REIMBURSEMENTS	51,348	-	40,000	30,000	30,000	30,000
01-60-6693	ACTIVITIES & TRIPS	19,545	50,000	5,000	15,000	15,000	15,000
01-60-6694	STAFF TIME REIMBURSEMENTS	50,445	-	50,000	50,000	50,000	50,000
01-60-6697	PHOTOCOPIES	3,025	500	1,000	1,000	1,000	1,000
01-60-6699	OTHER P/B/E (planning, bld., engineering)	34,125	40,000	32,500	32,500	33,750	28,750
<b>TOTAL CHARGES FOR SERVICES (Type 60)</b>		<b>2,697,283</b>	<b>1,475,000</b>	<b>1,894,000</b>	<b>2,064,750</b>	<b>1,745,000</b>	<b>1,681,563</b>
<b>OTHER REVENUE (Type 70)</b>							
01-70-6701	PLANNING APPEAL FEE	2,500	1,000	1,000	1,000	1,000	1,000
01-70-6703	MISCELLANEOUS REVENUES	19,791	15,000	70,000	90,000	60,000	60,000
01-70-6704	GAIN/LOSS ON ASSET SALE	36,650	3,000	-	3,000	3,000	2,000
01-70-6705	SALE OF RECYCLABLE MATERIALS	-	9,000	-	-	-	-
01-70-6707	USER FEE AB939 SOLID WASTE	59,259	55,000	55,000	55,000	55,000	55,000
01-70-6715	OTHER FINANCING SOURCES	-	-	-	-	-	-
	<i>Moved to 01-90-6906</i>						
<b>TOTAL OTHER REVENUE (Type 70)</b>		<b>118,200</b>	<b>83,000</b>	<b>126,000</b>	<b>149,000</b>	<b>119,000</b>	<b>118,000</b>
<b>TOTAL GENERAL OPERATING FUND REVENUES</b>		<b>39,521,332</b>	<b>36,754,300</b>	<b>38,910,904</b>	<b>39,268,750</b>	<b>39,344,600</b>	<b>39,763,663</b>
<b>TRANSFERS IN (Type 90)</b>							
01-90-6903	TRANSFERS IN - FROM GAS TAX FUND	558,777	573,216	575,828	577,884	572,396	589,857
01-90-6904	TRANSFERS IN - MEASURE M FUND	-	-	-	-	-	-
01-90-6905	TRANSFERS IN - FROM SLESF FUND	-	-	-	-	-	-
01-90-6906	TRANSFERS IN - FROM CFD FUND	-	-	-	-	-	-
01-90-6909	TRANSFERS IN - FROM PARK DEVELOP. FD.	-	-	-	-	-	-
	See CIP Fund for computation						
<b>TOTAL GEN FUND REVENUES &amp; TRANSFERS-IN</b>		<b>\$ 40,080,109</b>	<b>\$ 37,327,516</b>	<b>\$ 39,486,732</b>	<b>\$ 39,846,634</b>	<b>\$ 39,916,996</b>	<b>\$ 40,353,519</b>

**CITY OF DANA POINT  
GENERAL FUND OPERATING BUDGET SUMMARY  
BY DEPARTMENT AND EXPEDITURE TYPE  
FISCAL YEAR 2020 ADOPTED**

	<u>Personnel</u>	<u>Materials &amp; Services</u>	<u>Risk Management</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Total</u>
<b>GENERAL FUND OPERATING EXPENDITURES &amp; TRANSFERS</b>						
01 City Council	\$ 46,957	\$ 515,500	\$ -	\$ -	\$ -	\$ 562,457
11 City Manager	423,654	29,550	-	-	-	453,204
44 Economic Development	311,607	340,250	-	-	-	651,857
22 Public Information Services	-	274,000	-	-	-	274,000
21 Administrative Services	1,000,372	255,275	-	-	-	1,255,647
31 City Clerk	433,297	102,900	-	-	-	536,197
Community Development:						
41 Planning	1,220,554	184,230	-	-	-	1,404,784
42 Building	831,517	504,200	-	-	-	1,335,717
43 Code Enforcement	538,582	347,050	-	-	-	885,632
<i>sub-total</i>	2,590,652	1,035,480	-	-	-	3,626,132
Public Works:						
51 Administration	465,158	67,500	-	-	-	532,658
52 Street Maintenance	-	2,256,500	-	-	-	2,256,500
53 Traffic Engineering	-	808,300	-	-	-	808,300
54 Solid Waste	-	44,400	-	-	-	44,400
56 Engineering	1,276,173	455,600	-	-	-	1,731,773
57 Water Quality & Nat. Res.	162,265	659,080	-	-	-	821,345
<i>sub-total</i>	1,903,596	4,291,380	-	-	-	6,194,976
Public Safety:						
61 Police Services	36,607	13,619,928	-	-	-	13,656,535
62 VIPS (move to 61)	-	-	-	-	-	-
<i>sub-total</i>	36,607	13,619,928	-	-	-	13,656,535
71 City Attorney	-	8,000	-	-	-	8,000
81 Community Services	650,185	932,500	-	-	-	1,582,685
General Services:						
12 Emergency Services	347,421	102,950	-	-	-	450,371
55 Parks	415,895	3,318,500	-	-	-	3,734,395
95 Facilities	212,191	645,100	-	-	-	857,291
<i>sub-total</i>	975,507	4,066,550	-	-	-	5,042,057
97 Risk Management	-	1,300	675,700	-	-	677,000
99 Non-Departmental	350,146	1,394,500	-	-	3,649,910	5,394,556
 Total Oper Exp & Transfers	 \$ 8,722,581	 \$ 26,867,113	 \$ 675,700	 \$ -	 \$ 3,649,910	 \$ 39,915,304
 <b>Change in Fund Balance (includes one-time expenditures)</b>						 <b>\$ 1,692</b>

Category of Expense Designation

Core	\$ 34,931,441	88%
Important	1,500,709	4%
Value Added	3,068,153	8%
One-Time	415,000	1%
<b>Total</b>	<b>\$ 39,915,304</b>	<b>100%</b>

**CITY OF DANA POINT  
GENERAL FUND OPERATING BUDGET SUMMARY  
BY DEPARTMENT AND EXPEDITURE TYPE  
FISCAL YEAR 2021 ADOPTED**

	<u>Personnel</u>	<u>Materials &amp; Services</u>	<u>Risk Management</u>	<u>Capital Outlay</u>	<u>Transfers Out</u>	<u>Total</u>
<b>GENERAL FUND OPERATING EXPENDITURES &amp; TRANSFERS</b>						
01 City Council	\$ 46,957	\$ 499,500	\$ -	\$ -	\$ -	\$ 546,457
11 City Manager	435,001	59,550	-	-	-	494,551
44 Economic Development	318,525	243,250	-	-	-	561,775
21 Administrative Services	1,025,247	246,275	-	-	-	1,271,522
22 Public Information Services	-	278,600	-	-	-	278,600
31 City Clerk	443,102	132,900	-	-	-	576,002
Community Development:						
41 Planning	1,251,624	135,730	-	-	-	1,387,354
42 Building	853,129	371,200	-	-	-	1,224,329
43 Code Enforcement	551,292	325,050	-	-	-	876,342
<i>sub-total</i>	2,656,045	831,980	-	-	-	3,488,025
Public Works:						
51 Administration	477,333	69,500	-	-	-	546,833
52 Street Maintenance	-	2,307,500	-	-	-	2,307,500
53 Traffic Engineering	-	824,700	-	-	-	824,700
54 Solid Waste	-	84,800	-	-	-	84,800
56 Engineering	1,308,292	378,550	-	-	-	1,686,842
57 Water Quality & Nat. Res.	165,870	664,580	-	-	-	830,450
<i>sub-total</i>	1,951,494	4,329,630	-	-	-	6,281,124
Public Safety:						
61 Police Services	38,532	14,291,871	-	-	-	14,330,403
62 VIPS (move to 61)	-	-	-	-	-	-
<i>sub-total</i>	38,532	14,291,871	-	-	-	14,330,403
71 City Attorney	-	7,500	-	-	-	7,500
81 Community Services	667,043	943,500	-	-	-	1,610,543
General Services:						
12 Emergency Services	356,972	102,950	-	-	-	459,922
55 Parks	426,919	3,345,500	-	-	-	3,772,419
95 Facilities	218,054	651,100	-	-	-	869,154
<i>sub-total</i>	1,001,946	4,099,550	-	-	-	5,101,496
97 Risk Management	-	1,300	690,200	-	-	691,500
99 Non-Departmental	398,525	1,382,575	-	-	3,218,552	4,999,652
Total Oper Exp & Transfers	\$ 8,982,417	\$ 27,347,981	\$ 690,200	\$ -	\$ 3,218,552	\$ 40,239,151
<b>Change in Fund Balance (includes one-time expenditures)</b>						<b><u>\$ 114,368</u></b>

Category of Expense Designation

Core	\$ 35,800,088	89%
Important	1,405,935	3%
Value Added	2,778,128	7%
One-Time	255,000	1%
Total	<u>\$ 40,239,151</u>	<u>100%</u>







CITY OF DANA POINT

FULL-TIME POSITIONS - BY DEPARTMENT

	FY2017	FY2018	Amended FY2019	Adopted FY2020	Adopted FY2021		FY2017	FY2018	Amended FY2019	Adopted FY2020	Adopted FY2021
<b>City Manager (11)</b>						<b>Public Works - Administration (51)</b>					
City Manager	1	1	1	1	1	Dep. City Mngr./Dir. PW/Comm. Svcs.	1	1	0	0	0
Executive Assistant	1	1	1	1	1	Dir. of Pub. Works & Engr. Svcs.	0	0	1	1	1
<b>City Manager - Econ. Development (44)</b>						<b>Public Works - Street Maintenance (52)</b>					
Economic Development Manager	1	1	1	1	1	Senior Management Analyst (5)	0.33	0.33	0.33	1	1
Management Analyst	0	0	1	1	1	<b>Public Works - Traffic Engineering (53)</b>					
Assistant Administrative Analyst	1	1	0	0	0	Senior Civil Engineer	1	0	0	0	0
<b>Administrative Services (21)</b>						<b>Public Works - Solid Waste (54)</b>					
ACM/Dir. of Administrative Services	1	1	1	1	1	Senior Management Analyst (5)	0.34	0.34	0.34	0	0
Human Resources Manager	1	1	1	1	1	<b>Public Works - Engineering (56)</b>					
Accounting Supervisor	1	1	1	1	1	Senior Civil Engineer (3)	4	4	4	4	4
Account Clerk	1	1	1	1	1	Engineering Technician III	3	3	3	3	3
Accounting Technician	1	1	1	1	1	Deputy PW Director/City Engineer	1	1	0	0	0
Accountant	1	1	1	1	1	Senior Construction Inspector	1	1	1	1	1
Senior Administrative Assistant	1	0	0	1	1	Principal Engineer	1	1	1	1	1
Assistant Administrative Analyst	0	1	1	0	0	Administrative Assistant	2	1	1	1	1
Management Analyst	2	1	1	1	1	<b>Public Works - Water Quality (57)</b>					
<b>Admin Services - Recreation (formerly Community Services) (81)</b>						Senior Civil Engineer					
Deputy Director Community Services	1	1	1	0	0	Natural Resources Protection Officer	1	0	0	0	0
Administrative Aide	1	1	1	1	1	<b>General Services - Admin &amp; Emergency Services (12)</b>					
Senior Administrative Assistant	1	1	1	0	0	Director of General Services	1	1	1	1	1
Management Analyst (underfill AAA)	0	0	0	1	1	Emergency Services Coordinator	1	1	0	0	0
Recreation Manager	1	1	1	1	1	Senior Management Analyst	0	0	0	1	1
Recreation Coordinator	2	2	2	1	1	<b>General Services - Facilities (95)</b>					
Recreation Supervisor	0	0	0	1	1	Bldg. & Facil. Maint. Worker I/II/III	1	1	1	1	1
<b>City Clerk (31)</b>						FacilitiesManager					
City Clerk	1	1	1	1	1	Facilities & Parks Manager	0	0	0	1	1
Deputy City Clerk	1	1	1	1	1	<b>General Services Parks (55)</b>					
City Clerk Specialist	1	1	1	1	1	Parks Manager	1	1	1	0	0
Administrative Assistant	1	1	1	1	1	Parks Supervisor	1	1	1	0	0
<b>Community Development - Planning (41)</b>						Parks Superintendent					
Dir. of Community Development	1	1	1	1	1	Parks Maintenance Worker III (4)	0	0	0	1	1
Principal Planner	1	1	1	1	1	Natural Resources Protection Officer	1	1	1	2	2
Senior Planner	3	3	3	3	3	<b>Community Development - Building (42)</b>					
Associate Planner	2	1	1	1	1	Building Official	1	1	1	1	1
Assistant Planner	1	1	1	1	1	Senior Structural Engineer	1	1	1	0	0
Senior Administrative Assistant	1	1	1	1	1	Chief Building Inspector	1	1	1	1	1
Management Analyst	0	0	0	1	1	Senior Permit Technician	1	1	1	1	1
Planning Manager	1	1	1	0	0	Permit Technician	1	1	1	1	1
<b>Community Development - Code Enforcement (43)</b>						<b>Community Dev. - Code Enforcement (43)</b>					
Code Enforcement Officer	4	4	4	4	4	Code Enforcement Officer	4	4	4	4	4
Administrative Assistant (5)	0.5	0.5	0.5	0	0	Administrative Assistant (5)	0.5	0.5	0.5	0	0
Community Development Manager	0	0	0	1	1	Community Development Manager	0	0	0	1	1
<b>Total Full-Time Personnel</b>						<b>Total Full-Time Personnel</b>					
						70.00      66.00      64.00      64.00      64.00					

**NOTES:**  
 (1) Underfill 1 FTE with Assistant Administrative Analyst  
 (2) Underfill 1 FTE with Building Inspector  
 (3) Underfill 1 FTE with Associate Engineer  
 (4) Underfill 1 FTE with a Parks Maintenance Worker II  
 (5) Allocation of portions of positions among departments was eliminated for FY20 and beyond.

**CITY OF DANA POINT  
PERSONNEL CLASSIFICATIONS**

<b>FULL TIME PERSONNEL TITLE</b>	<b>Actual FY2018</b>	<b>Amended FY2019</b>	<b>Adopted FY2020</b>	<b>Adopted FY2021</b>
Account Clerk	1.00	1.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00	1.00
Administrative Aide	1.00	1.00	1.00	1.00
Administrative Assistant	3.00	3.00	3.00	3.00
Assistant Administrative Analyst	2.00	1.00	0.00	0.00
Assistant City Manager/Director of Administrative Services	1.00	1.00	1.00	1.00
Assistant Planner	1.00	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00
Building/Facilities Maintenance Worker III	1.00	1.00	1.00	1.00
Chief Building Inspector	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00
City Clerk Specialist	1.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00
Code Enforcement Officer	4.00	4.00	4.00	4.00
Community Development Manager	0.00	0.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00
Deputy City Manager/Director of PW & Community Services	1.00	0.00	0.00	0.00
Deputy Director Community Services	1.00	1.00	0.00	0.00
Deputy Director Public Works/City Engineer	1.00	0.00	0.00	0.00
Director of Community Development	1.00	1.00	1.00	1.00
Director of General Services <i>(formerly Facilities/Disaster Prep.)</i>	1.00	1.00	1.00	1.00
Director of Public Works & Engineering Services	0.00	1.00	1.00	1.00
Economic Development Manager	1.00	1.00	1.00	1.00
Emergency Services Coordinator	1.00	0.00	0.00	0.00
Engineering Technician III	3.00	3.00	3.00	3.00
Executive Assistant	1.00	1.00	1.00	1.00
Facilities Manager	0.00	1.00	0.00	0.00
Facilities & Parks Manager	0.00	0.00	1.00	1.00
Human Resources Manager	1.00	1.00	1.00	1.00
Management Analyst	1.00	2.00	5.00	5.00
Natural Resource Protection Officer	1.00	1.00	1.00	1.00
Parks Maintenance Worker III	1.00	1.00	2.00	2.00
Parks Manager	1.00	1.00	0.00	0.00
Parks Supervisor	1.00	1.00	0.00	0.00
Parks Superintendent	0.00	0.00	1.00	1.00
Permit Technician	1.00	1.00	1.00	1.00
Planning Manager	1.00	1.00	0.00	0.00
Principal Engineer	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00
Recreation Coordinator	2.00	2.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00	1.00
Recreation Supervisor	0.00	0.00	1.00	1.00
Senior Administrative Assistant	3.00	3.00	2.00	2.00
Senior Building Inspector	2.00	2.00	2.00	2.00
Senior Civil Engineer	5.00	5.00	5.00	5.00
Senior Construction Inspector	1.00	1.00	1.00	1.00
Senior Management Analyst	1.00	1.00	2.00	2.00
Senior Permit Technician	1.00	1.00	1.00	1.00
Senior Planner	3.00	3.00	3.00	3.00
Senior Structural Engineer	1.00	1.00	0.00	0.00
Streets & Fleet Manager	1.00	0.00	0.00	0.00
<b>TOTAL FULL-TIME POSITIONS</b>	<b>66.00</b>	<b>64.00</b>	<b>64.00</b>	<b>64.00</b>

**PART-TIME PERSONNEL HOURS PER YEAR BUDGETED:**

Administrative Intern - Dept. 11	0	0	980	980
Administrative Intern - Dept. 12	0	0	980	980
Senior Administrative Assistant - Dept 12	980	1,470	1,470	1,470
Administrative Intern - Dept. 31	980	0	0	0
Administrative Intern - Dept. 41	0	0	980	980
Staff Aide - Visitor Center - Dept. 44	0	0	0	0
Public Works Intern - Nature Interpretive Cntr. - Dept. 55	980	980	980	980
Public Works Intern - Engineering - Dept. 56	980	980	980	980
Executive Assistant - Police Services - Dept 61	0	0	980	980
Recreation Leaders & Staff Aide - Dept. 81	6,667	7,500	7,500	7,500
Maintenance Worker - Dept 95	980	980	0	0
Administrative Intern - Floater - Dept. 99	980	980	980	980
<b>TOTAL PART-TIME HOURS</b>	<b>12,547</b>	<b>12,890</b>	<b>15,830</b>	<b>15,830</b>

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**GENERAL FUND  
EXPENDITURES AND USES**



# GENERAL FUND EXPENDITURES AND USES

The City's General Fund is the City's main operating account, and is used to account for and report all financial resources not accounted for and reported in another fund. Tax revenues that are not restricted for a specific use are deposited into the General Fund and pay for most of the City's core services such as police, street and park maintenance, recreation programs, etc.

Operating funds are budgeted for and the responsibility of City Departments. The pages in this section include budgets organized by each city department.

	Department #	Page #
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City Council	(01)	45
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City Attorney	(71)	109
General Services narrative		111
Emergency Services	(12)	115
Parks	(55)	117
Facilities	(95)	119

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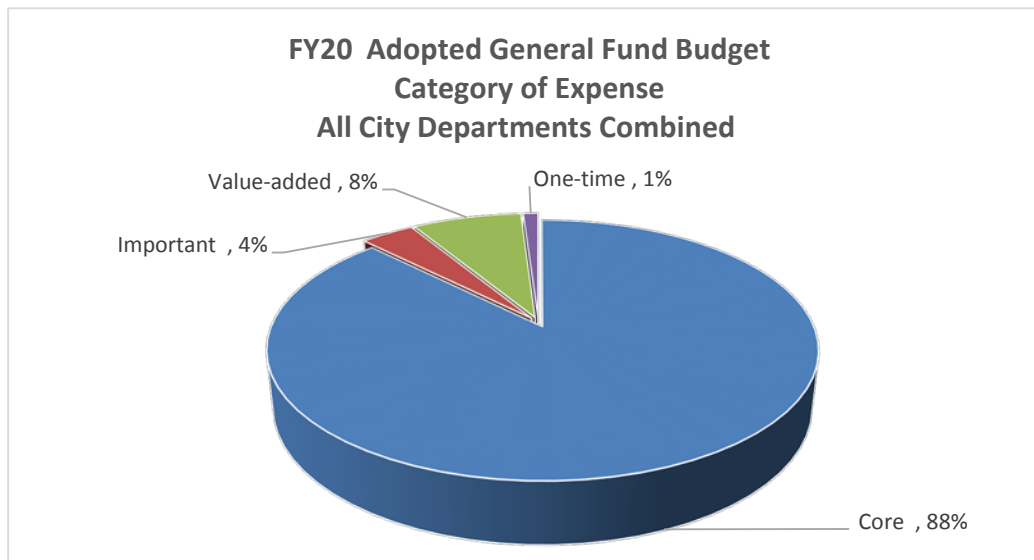
## **PRIORITY-BASED BUDGETING**

The City's Strategic Plan includes a stated goal to maintain a balanced budget that provides adequate funding for core services, capital improvements and adequate reserves for emergencies, while providing taxpayers accountability and transparency. To further this goal, there is a stated objective to manage expenses for core, important and value-added services, which are briefly defined as:

- Core Expenditure – legally or contractually obligated to perform, and/or necessary to maintain public safety, or to carry-out a core function;
- Important Expenditure – reduces liability, limits escalation of issues, and/or enhances effectiveness/efficiency of a Core Expenditure;
- Value Added Expenditure – improves quality of life; and,
- One-Time Expenditure – special studies or projects, temporary enhancement of service, grants, etc.

### **Category of Expense – Total for ALL Departments:**

Total for All Departments, \$\$	<u>FY20</u>	<u>FY21</u>
Core	\$ 34,931,441	\$ 35,800,088
Important	1,500,709	1,405,935
Value-added	3,068,153	2,778,128
One-time	415,000	255,000
Total	\$ 39,915,304	\$ 40,239,151
	-	-
Total for All Departments, %		
Core	87.5%	89.0%
Important	3.8%	3.5%
Value-added	7.7%	6.9%
One-time	1.0%	0.6%
Total	100%	100%



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**City of Dana Point**  
**Department: CITY COUNCIL**  
**Programs: CITY COUNCIL**

*The City Council adopted Dana Point’s Strategic Plan in 2018, and established our Mission to: to set the standard for an exceptionally livable city, and our Vision: to be a vibrant, world-class place. The Plan also established five Strategic Goals as follows:*

- *Strategic Goal 1: Livable Community & World Class Place*
- *Strategic Goal 2: Effective, Efficient & Innovative Government*
- *Strategic Goal 3: Fiscally Responsible & Accountable*
- *Strategic Goal 4: Preserve & Enhance Environmental Health & Sustainability*
- *Strategic Goal 5: Foster Economic Health & Prosperity*

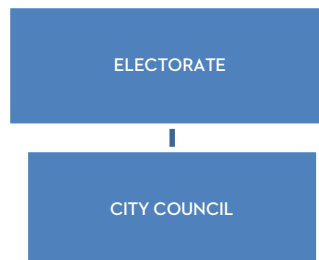
*Specific Objectives accompany each of the Goal’s, and the projects and performance metrics have been identified for the objectives. Staff is required to implement the projects and report back on the status of projects and performance measures.*

The City Council is the legislative body of the community and establishes all City policy. The City Council consists of five members elected to four year overlapping terms. Annually, the Council selects one of its members to serve as Mayor, and another as Mayor Pro Tem, both for a one year term of office.

All policies of the City are reviewed and established by the City Council. The City Council is responsible for the appointment of the City Manager and City Attorney, as well as members of City commissions and advisory committees.

**DANA POINT CITY COUNCIL**

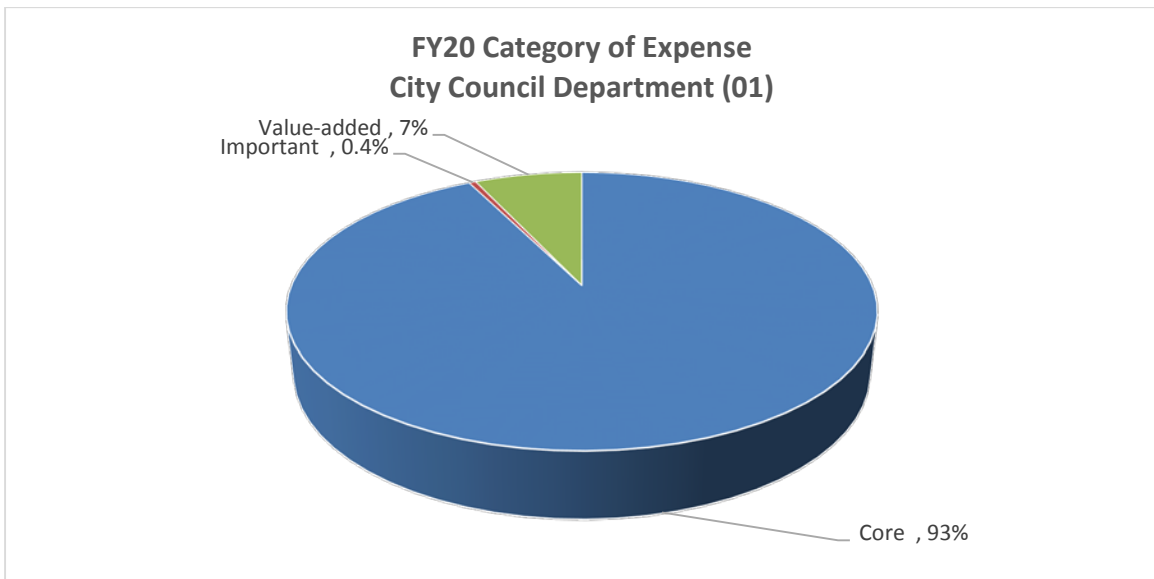
Joseph Muller	Mayor
Paul N Wyatt	Mayor Pro Tem
Debra Lewis	Council Member
Jaimie Federico	Council Member
Richard A. Viczorek	Council Member



Program	Fiscal Year 2018 Actual	Fiscal Year 2019 Amended	Fiscal Year 2020 Adopted	Fiscal Year 2021 Adopted	FTE
City Council (11)	\$137,536	\$126,960	\$562,457	\$546,457	0
<b>Total</b>	<b>\$137,536</b>	<b>\$126,960</b>	<b>\$562,457</b>	<b>\$546,457</b>	<b>0</b>

The City Council’s adopted FY20 budget is \$562,457, and includes \$460,000 in allocated City Attorney costs; FY20 is the first year that these costs are being allocated to City departments. There are no other material changes made to the Department’s budget.

**Category of Expense:**



**City of Dana Point  
Expenditure Plan Detail Report  
Department: CITY COUNCIL  
Program: CITY COUNCIL (01)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>L*</b>						
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 43,168	\$ 43,102	\$ 43,102	\$ 43,100	\$ 43,100
1030	C HOURLY	-	-	-	-	-
1050	C OVERTIME	-	-	-	-	-
1070	C PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C CAFETERIA BENEFITS	19	79	-	-	-
1120	C RETIREMENT BENEFITS	3,238	3,233	3,233	3,233	3,233
1140	C MEDI-TAX 1.45%	693	691	625	625	625
1199	C ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	C OUTSIDE ASSISTANCE	-	-	-	-	-
1990	1x PERSONNEL ALLOCATION					
<b>TOTAL PERSONNEL</b>		<u>47,118</u>	<u>47,105</u>	<u>46,960</u>	<u>46,957</u>	<u>46,957</u>
<b>MATERIALS &amp; SERVICES</b>						
2010	COMMUNICATIONS	-	-	-	-	-
2070	C OFFICE SUPPLIES	534	549	1,500	1,500	1,500
2090	V MEMBERSHIPS & DUES	-	-	-	-	-
2110	OPERATING SUPPLIES					
	V <i>Youth Board</i>			3,000	3,000	3,000
	C <i>General operating supplies</i>			12,000	12,000	12,000
	<i>Subtotal</i>	<u>14,668</u>	<u>14,321</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
2130	V BOOKS & SUBSCRIPTIONS	-	-	-	-	-
2230	I PROFESSIONAL SERVICES	2,500	33,000	5,000	2,500	2,500
2270	V TRAVEL, CONF. & MEETINGS	17,049	9,261	20,000	20,000	20,000
2290	V AUTO ALLOWANCE	16,525	16,500	16,500	16,500	16,500
2320	C ALLOCATED CITY ATTORNEY (NEW IN FY20)	-	-	-	460,000	444,000
2410	COMMUNITY ACTIVITIES					
	<i>Sponsorships:</i>					
	V <i>State of the City Sponsorship (move to Dept 44)</i>			5,000	-	-
	V <i>5th Marines Support Group-(move to Dept 81)</i>			5,000	-	-
	V <i>VFW Annual support (to 81)</i>			10,000	-	-
	V <i>Pet Project Foundation - Tail of Two Cities (to 81)</i>			500	-	-
	1x <i>Mid-yr budget adjustments (fy19 DPWC Website 1x)</i>			1,500	-	-
	<i>Subtotal</i>	<u>35,000</u>	<u>16,800</u>	<u>22,000</u>	<u>-</u>	<u>-</u>
<b>TOTAL MATERIALS &amp; SERVICES</b>		<u>86,276</u>	<u>90,431</u>	<u>80,000</u>	<u>515,500</u>	<u>499,500</u>
<b>CAPITAL OUTLAY</b>						
3010	1x FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL EXPENDITURES</b>		<u>\$ 133,394</u>	<u>\$ 137,536</u>	<u>\$ 126,960</u>	<u>\$ 562,457</u>	<u>\$ 546,457</u>

\*Level of Service Importance = Core, Important, Value-added

1x=One-Time Cost

		FY20	FY21
Program 01, \$\$			
Core		\$ 520,457	\$ 504,457
Important		2,500	2,500
Value-added		39,500	39,500
One-time		-	-
Total		<u>\$ 562,457</u>	<u>\$ 546,457</u>
Program 01, %			
Core		92.5%	92.3%
Important		0.4%	0.5%
Value-added		7.0%	7.2%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>

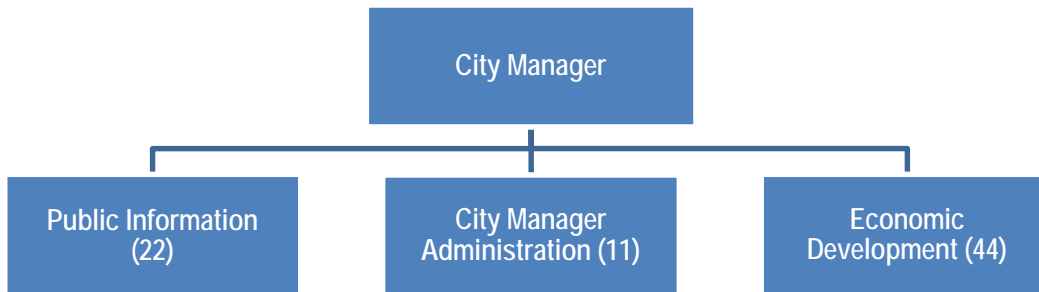
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**City of Dana Point**  
**Department: City Manager's Office**  
**Programs: Administration; Public Information; and, Economic Development**

**Mark Denny, City Manager. Tenure with City: 3 years.**

The City Manager is appointed by the City Council to serve as the Chief Administrative Officer of the City. The City Manager's Office coordinates the implementation of City Council policy decisions, and initiation of all intergovernmental operations of the City organization.

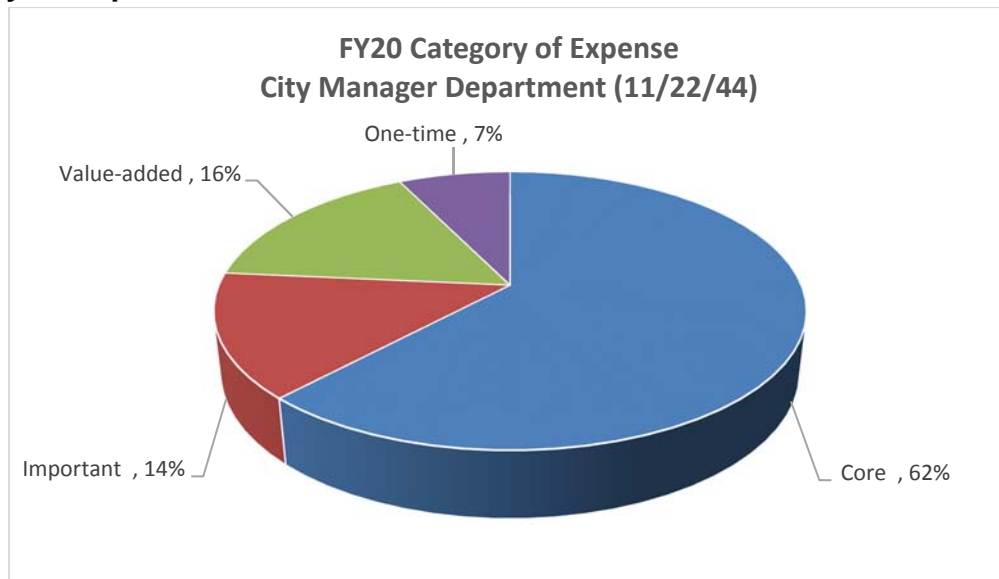
The **CITY MANAGER** is responsible for: directing City departments; providing guidance in the implementation of City Council mandates; representing the City with outside government agencies; proposing the annual budget to the City Council; is the City Treasurer; coordinates a variety of public information resources for both internal and public distribution; oversees City economic development activities; overseeing long range planning for the organization; and, development of recommendations to the City Council on a variety of public policy issues.



<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Adopted</b>	<b>Fiscal Year 2021 Adopted</b>	<b>FTE</b>
City Manager (11)	\$ 458,916	\$ 465,943	\$ 453,204	\$ 494,551	2
Public Information (22)	80,788	183,468	274,000	278,600	0
Economic Development (44)	445,974	537,038	651,857	561,775	2
<b>Total</b>	<b>\$ 985,678</b>	<b>\$ 1,186,449</b>	<b>\$ 1,379,061</b>	<b>\$ 1,334,926</b>	<b>4</b>

Major changes to the City Manager’s budget include a \$100,000 project, as prescribed by the Council in the Strategic Plan, to complete an analysis of economic and development conditions in the city, and includes an economic and market profile that will serve as the foundation for the Economic Development element of the General Plan update. Other changes include transferring responsibility and budget for marketing associated with the City’s recreation program (e.g. photography, production, brochures, community news magazines, calendar, postage, etc.) to the Public Information (22) (\$100,000), and allocation of City Attorney costs (\$15,000).

**Category of Expense:**



**Economic development** promotes a healthy local economy through efforts geared towards business attraction, retention and expansion. The Program assists with business development and outreach, as the City’s Tourism Business Improvement District destination marketing liaison, grant research, Youth Board administration, Business Registration, social media outreach, City newsletter coordination, other public outreach programs, and special projects and events. The goals of Economic Development are to seek opportunities to enhance revenues for local businesses and generate investment to enhance the quality of life in Dana Point. The Economic Development division also assists with strategies to address homelessness and maintain affordable housing units in Dana Point.

**Public information** Public Information Services implements programs to enhance communications between City government and all members of the community, including residents, businesses, visitors and other governmental agencies. Public Information Services facilitates outreach and public education programs, develops marketing programs, and maintains quality cable broadcast of public meetings, assists with website development, promotes special events, and augments on-going efforts to promote the City’s Mission Statement and Strategic Planning Initiatives of the Strategic Plan.



## **BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- 42 New Business Openings (estimated);
- Conducted 103 in-person retention surveys to Dana Point businesses;
- Assisted with site searches for an average of 4 potential businesses per quarter;
- Made 6 development pipeline presentations to community groups;
- 5 New restaurants with over 70 new jobs;
- Conducted 4 hotel concierge tours to familiarize hotel staff with Dana Point amenities, activities and restaurants;
- Produced State of the City video to highlight development activity, and special projects and events taking place in Dana Point. It premiered at the State of the City event and serves as a great tool to familiarize interested parties with Dana Point;
- Enhanced the AboutDanaPoint.com website to serve as an economic development marketing tool. It features a development pipeline that shows potential/approved/under construction projects, and serves as an effective communication portal for the community and those looking to invest in Dana Point;
- Developed the Dana Point app, which provides information about restaurants, hotels, recreational activities, events, weather, surf and more. It also serves as the trolley tracker, which is heavily used during the summer months. Over 1,800 have downloaded the Dana Point app;
- Since April 2018, 1,371 Social media posts across Facebook, Twitter and Instagram. Distributed 10 newsletters and published 25 blog posts on AboutDanaPoint.com;
- Produced 16 press releases, several resulting in a printed story/mention in the OC Register, Dana Point Times, and Orange County Business Journal. Provided support for reporter inquiries, and coordinated requests for interviews;
- Weekly Homeless Case Management – City staff along with Mercy House, the Orange County Sheriff's Department and the County of Orange coordinate weekly to plan actions to assist those on the City's by-name list and active clients. Made over 630 contacts with homeless individuals, and placed 38 in housing. Performed 149 client intakes, and completed 132 coordinated case management collaborations and 147 linkages to services;
- Provided staff support to the City's Homeless Task Force that developed a Community Plan to Address Homelessness which was subsequently adopted by the City Council;
- Worked to educate the community about homelessness: In Winter 2018, a community forum with presentation and Q&A session was held at Capo Beach Church that included the Orange County District Attorney, City and Mercy House staff. Also produced several education pieces relating to homelessness; two utility bill inserts regarding responsible compassion; over 40 social media posts about

homelessness; 2 blogs; and provided monthly reporting on homeless metrics through the City's monthly newsletter and on the City website;

- Updated the City's regulations relating to sidewalk and street vending;
- Facilitated the review of applicant eligibility and sale of 7 affordable housing units at South Cove;
- Coordinated annual monitoring of affordable units at the Fountains at Sea Bluffs and at the South Cove development;
- Led the re-design of the Community Magazine, 'Lookout' and coordinated quarterly content and publishing;
- Assisted with planning and coordination of Council Districting workshops and published related materials online;
- Implemented the Report 2 DP service app to provide greater ease and connection to City Hall for resolution of issues such as graffiti around the community, garbage or furniture put out on the street, sign issues, tree problems, and more.
- Provided support for the Hobie Memorial construction, and assisted with public relations and the ribbon cutting event;
- Partnered with the Dana Point Surf Club for the first California Surfing Day that provided surfing opportunities and a picnic for children from the Boys & Girls Clubs of Capistrano Valley;
- Facilitated amending the City's regulations relating to public nuisance behavior including Loitering and Disorderly Conduct, Gambling, Public Intoxication, Aggressive Solicitation, Prohibiting Removal or Possession of Shopping Carts, and Evictions from City Property or City Parks; and,
- Oversaw the City's Youth Board as they organized and executed a job fair in conjunction with the Dana Point Chamber of Commerce. It was targeted for high school students looking for summer jobs, and assisted the business community in finding help for their high demand season.

## **FY20 & FY21 KEY INITIATIVES**

To achieve City's Strategic Goals as set by the Strategic Plan, City Manager's Office sets the following objectives.

- Assist the City Council in initiating and implementing policies and programs that are responsive to the community needs and facilitate communication and efficient operations between departments (Strategic Goal 1. Livable Community and World Class Place);
- Administer and direct the implementation of City services in accordance with city's vision, mission and values (Strategic Goal 1. Livable Community and World Class Place);

- Coordinate intra-department activities to ensure the efficient and effective implementation of City Council policies (Strategic Goal 2. Effective, Efficient, and Innovative Government);
- Work cooperatively with outside agencies ensuring City representation in regards to local issues (Strategic Goal 5: Foster Economic Health and Prosperity);
- Provide for the long range planning of the City to ensure the efficient operation of the City government in providing the necessary services for the residents, business, and visitors (Strategic Goal 2. Effective, Efficient, and Innovative Government);
- Develop and implement communications tools by enhancing public information efforts to improve the community's civic literacy, such as web, social media, print, quarterly magazine, community calendar and working with local publications such as the Dana Point Times. (Strategic Goal 1. Livable Community and World Class Place);
- Produce activities that familiarize hotel staff with local restaurants and services. Act as City liaison to hotel general managers administering Visit Dana Point and its efforts to market the destination. (Strategic Goal 5: Foster Economic Health and Prosperity);
- Work with community organizations, such as the Dana Point Surf Club, to produce events such as California Surfing Day and the surf classic (Strategic Goal 5: Foster Economic Health and Prosperity);
- Develop marketing materials and maintain microsite to attract investment and visitors to Dana Point.
- Exhibit at the International Council of Shopping Centers conference to market Dana Point to retailers and hoteliers (Strategic Goal 5: Foster Economic Health and Prosperity);
- Provide commercial property searches and actively engage brokers and target tenants for recruitment to newly constructed or vacant spaces (Strategic Goal 5: Foster Economic Health and Prosperity);
- Actively market vacant properties and opportunities for development in Doheny Village and Lantern District (Strategic Goal 5: Foster Economic Health and Prosperity);
- Partner with the Chamber of Commerce to produce the annual State of the City event (Strategic Goal 5: Foster Economic Health and Prosperity);
- Implement affordable housing reviews for income qualified units at South Cove (Strategic Goal 1. Livable Community and World Class Place);
- Track affordable housing units and work with owners to maintain compliance (Strategic Goal 1. Livable Community and World Class Place);
- Implement the Community Work Plan addressing homelessness in Dana Point and conduct coordinated case management meetings (Strategic Goal 1. Livable Community and World Class Place).

**City of Dana Point  
Expenditure Plan Detail Report  
Department: CITY MANAGER  
Program: CITY MANAGER'S OFFICE (11)**

<u>L*</u>	FY17 <u>Actual</u>	FY18 <u>Actual</u>	FY19 <u>Amended</u>	FY20 <u>Adopted</u>	FY21 <u>Adopted</u>
<b>PERSONNEL</b>					
1010 C SALARIES	\$ 386,290	\$ 282,544	\$ 308,719	\$ 320,178	\$ 329,187
1030 V HOURLY	-	-	-	15,747	16,443
1050 OVERTIME	-	-	-	-	-
1070 PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100 C CAFETERIA BENEFITS	24,315	34,521	33,600	35,916	36,216
1120 C RETIREMENT BENEFITS	20,401	33,121	43,748	46,942	48,144
1140 C MEDI-TAX 1.45%	5,653	4,506	4,476	4,871	5,012
1199 ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200 OUTSIDE ASSISTANCE	-	-	-	-	-
1990 PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>	<u>436,659</u>	<u>354,692</u>	<u>390,543</u>	<u>423,654</u>	<u>435,001</u>
<b>MATERIALS &amp; SERVICES</b>					
2010 C COMMUNICATIONS	1,925	2,291	2,700	2,700	2,700
2030 EQUIPMENT MAINTENANCE	-	-	-	-	-
2050 VEHICLE MAINTENANCE	1,139	-	-	-	-
2070 C OFFICE SUPPLIES	-	97	300	300	300
2090 MEMBERSHIPS & DUES					
V Orange County City Manager's Association			325	350	350
V ICMA			1,400	1,500	1,500
V California City Management Foundation			425	450	450
Subtotal	760	2,182	2,150	2,300	2,300
2110 C OPERATING SUPPLIES	2,340	3,224	5,000	5,000	5,000
2130 V BOOKS & SUBSCRIPTIONS	264	205	900	900	900
2150 V TRAINING	-	-	600	600	600
2230 PROFESSIONAL SERVICES					
Sacramento legislative advocate			-		
Coastal Commission legislative advocate			-		
Special project (FY18 strategic plan facilitator)			-		
Special project (FY18 Financial Policies/Long-term Plan)			-		
Special project (Organization Structure Review - Placeholder)			-		
Federal Legislative Advocate			-		
V Bi-Annual Citywide Survey (Fall Biannual Budget Yr 2)	-	-	30,000	-	30,000
Mid-Year Budget Adjs. (fy19 1x Districting Survey \$26k)			26,000		
Subtotal	69,576	83,056	56,000	-	30,000
2270 V TRAVEL, CONF. & MEETINGS	7,275	13,157	7,500	7,500	7,500
2290 C MILEAGE REIMBURSEMENT	77	12	250	250	250
2320 C ALLOCATED CITY ATTORNEY (NEW IN FY20)	-	-	-	10,000	10,000
<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>83,356</u>	<u>104,224</u>	<u>75,400</u>	<u>29,550</u>	<u>59,550</u>
<b>CAPITAL OUTLAY</b>					
3010 1x FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL EXPENDITURES</b>	<u>\$ 520,015</u>	<u>\$ 458,916</u>	<u>\$ 465,943</u>	<u>\$ 453,204</u>	<u>\$ 494,551</u>

\*Level of Service Importance = Core, Important, Value-added

1x=One-Time Cost

Program 11, \$\$	FY20	FY21
Core	\$ 426,157	\$ 436,809
Important	-	-
Value-added	27,047	57,743
One-time	-	-
Total	<u>\$ 453,204</u>	<u>\$ 494,551</u>
Program 11, %		
Core	94.0%	88.3%
Important	0.0%	0.0%
Value-added	6.0%	11.7%
One-time	0.0%	0.0%
Total	<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: CITY MANAGER**  
**Program: PUBLIC INFORMATION SERVICES (22)**

<u>L*</u>		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>PERSONNEL</b>						
1010	SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
1030	HOURLY	-	-	-	-	-
1050	OVERTIME	-	-	-	-	-
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	CAFETERIA BENEFITS	-	-	-	-	-
1120	RETIREMENT BENEFITS	-	-	-	-	-
1140	MEDI-TAX 1.45%	-	-	-	-	-
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		-	-	-	-	-
<b>MATERIALS &amp; SERVICES</b>						
2030	EQUIPMENT MAINTENANCE					
	C Video broadcasting equipment maintenance	\$ -		\$ 5,000	\$ 5,000	\$ 5,000
	C Council chamber system maintenance			5,000	5,000	5,000
	Subtotal	1,023	14,855	10,000	10,000	10,000
2230	PROFESSIONAL SERVICES					
	Internet live streaming			19,000	-	-
	I Council meetings video production			55,000	55,000	55,000
	C Disaster & emergency response (4@\$1,500)			6,000	6,000	6,000
	V 24/7 community bulletin board (10hrs/mo)			3,600	-	-
	C VeriSign Symantec 3-year license			995	1,100	1,100
	C Web-site annual maintenance			9,005	8,000	8,000
	SiteImprove - Web-site services			4,868	-	-
	I Photography/Videography				32,000	32,000
	V Community Magazine Design/Layout				14,000	14,000
	C Public Information Contract Services			75,000	75,000	80,000
	<b>CITIZENS ACADEMY - CIVIC CLASSES - NEW</b>					
	Subtotal	103,044	65,933	173,468	191,100	196,100
2600	MARKETING (moved from Depts. 44 & 81)					
	I Public Outreach (brochures, mailers, inserts)				5,400	5,000
	I Community News Magazine Production				40,000	40,000
	I Community News Magazine Postage				15,000	15,000
	I City Calendar				10,000	10,000
	I Bulk email & only survey platforms				2,500	2,500
	Subtotal	-	-	-	72,900	72,500
<b>TOTAL MATERIALS &amp; SERVICES</b>		104,067	80,788	183,468	274,000	278,600
<b>GRAND TOTAL EXPENDITURES</b>		\$ 104,067	\$ 80,788	\$ 183,468	\$ 274,000	\$ 278,600

\*Level of Service Importance = Core, Important, Value-added

1x=One-Time Cost

Program 22, \$\$	FY20	FY21
Core	\$ 100,100	\$ 105,100
Important	159,900	159,500
Value-added	14,000	14,000
One-time	-	-
Total	\$ 274,000	\$ 278,600
Program 22, %		
Core	36.5%	37.7%
Important	58.4%	57.3%
Value-added	5.1%	5.0%
One-time	0.0%	0.0%
Total	100.0%	100.0%

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: CITY MANAGER**  
**Program: ECONOMIC DEVELOPMENT (44)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
	<b>L*</b>					
1010	C SALARIES	\$ 215,025	\$ 221,588	\$ 241,532	\$ 253,707	\$ 259,411
1030	C HOURLY	6,701	-	-	-	-
1050	C OVERTIME	619	-	1,000	-	-
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C CAFETERIA BENEFITS	28,449	28,222	31,200	30,600	31,200
1120	C RETIREMENT BENEFITS	19,592	19,813	21,904	23,621	24,152
1140	C MEDI-TAX 1.45%	3,087	3,154	3,517	3,679	3,761
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<b>273,473</b>	<b>272,777</b>	<b>299,153</b>	<b>311,607</b>	<b>318,525</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cell)	1,211	1,496	1,700	1,700	1,700
2070	C OFFICE SUPPLIES (fy20 move \$5k to Dept 22)	5,199	6,894	6,200	2,000	2,000
2090	V MEMBERSHIPS & DUES <i>CALED, ICSC, MMASC, CAPIO, MBSR</i>	3,635	1,070	1,725	1,800	1,900
2130	I BOOKS & SUBSCRIPTIONS <i>Salesforce App (CRM), Comm'l Property Listings</i>	490	5,050	5,430	12,600	12,700
2150	TRAINING					
	V <i>CALED training</i>			1,500	1,500	1,500
	V <i>Visit California</i>			1,000	-	-
	V <i>Urban Land Institute</i>			2,000	-	-
	V <i>CAPIO</i>				1,000	1,000
	V <i>International Council of Shopping Centers (ICSC)</i>			1,200	2,400	2,400
	I <i>Housing Training</i>			200	200	200
	<i>Subtotal</i>	<b>2,815</b>	<b>1,260</b>	<b>5,900</b>	<b>5,100</b>	<b>5,100</b>
2230	PROFESSIONAL SERVICES					
	<i>GIS Maps</i>			1,000	-	-
1x	<i>Economic Development Consultants - Gen'l Plan</i>			-	100,000	-
V	<i>Graphic design (as needed)</i>			5,000	-	-
I	<i>Homeless Outreach &amp; Support Services</i>			80,000	100,000	100,000
C	<i>Affordable Housing Consultants</i>				15,000	15,000
	<i>Family Assistance Ministries</i>			25,000	-	-
C	<i>City Map APP (CCC)</i>			500	-	-
	<i>Midyr Budget Adjustment</i>			22,600		
	<i>Subtotal</i>	<b>52,460</b>	<b>66,953</b>	<b>134,100</b>	<b>215,000</b>	<b>115,000</b>
2250	ADVERTISING (fy20 move to Dept 22)					
	<i>Broadcast City Events on PBS SoCal</i>			-	-	-
	<i>Dana Point Map (move to 2600 below)</i>			1,400	-	-
	<i>Public outreach, banners, trade shows</i>			2,000	-	-
	<i>Print &amp; Digital Ads</i>			5,000	-	-
	<i>Midyr Budget Adjustments</i>					
	<i>Subtotal</i>	<b>13,945</b>	<b>8,383</b>	<b>8,400</b>	<b>-</b>	<b>-</b>
2270	TRAVEL, CONF. & MEETINGS					
V	<i>ICSC</i>			2,800	6,000	6,000
I	<i>DP Chamber of Commerce</i>			1,500	1,500	1,500
	<i>Visit California (1)</i>			1,000	-	-
V	<i>CALED conference (1)</i>			700	1,500	1,500
V	<i>CAPIO</i>				1,500	1,500
	<i>Urban Land Institute (1)</i>			2,000	-	-
	<i>Subtotal</i>	<b>10,081</b>	<b>6,086</b>	<b>8,000</b>	<b>10,500</b>	<b>10,500</b>
2290	MILEAGE REIMBURSEMENT					
I	<i>Auto Allowance</i>			2,500	2,500	2,500
C	<i>Staff mileage reimbursements</i>			500	500	500
	<i>Subtotal</i>	<b>2,471</b>	<b>2,413</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: CITY MANAGER**  
**Program: ECONOMIC DEVELOPMENT (44)**

		FY17	FY18	FY19	FY20	FY21
	<u>L*</u>	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
2320	C	ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	5,000	5,000
2340	V	PARKING LOT LEASES (fy19 ongoing increases \$1,100)	36,944	38,927	42,500	45,000
2600		MARKETING				
	V	Public outreach (brochures & mailings)		2,000	2,000	2,000
	I	Dana Point Map (moved from 2250 above)			1,500	1,500
	V	Destination Guide			1,500	1,500
	C	City Map APP			9,500	9,500
	V	Economic Development Website			6,000	6,000
	V	Bus. Retention/Expansion (BRE) workshops		3,000	1,700	2,000
	I	ESRI		500	600	600
	V	Commercial Property Listing		1,000	-	-
	V	Promotional Items & Merchandise		8,000	8,000	8,000
	V	Groundbreaking/Ribbon Cuttings		10,000	5,000	5,000
	V	State of the City (moved from Dept 01) Midyr Budget Adjustment		-	5,250	5,250
		Subtotal	49,097	34,665	41,050	41,350
<b>TOTAL MATERIALS &amp; SERVICES</b>			178,348	173,197	340,250	243,250
<b>CAPITAL OUTLAY</b>						
3010		FURNITURE & EQUIPMENT	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>			-	-	-	-
<b>GRAND TOTAL EXPENDITURES</b>			\$ 451,821	\$ 445,974	\$ 537,038	\$ 651,857
					\$ 561,775	

\*Level of Service Importance = Core, Important, Value-added  
**1x=One-Time Cost**

		FY20	FY21
Program 44, \$\$			
Core		\$ 345,307	\$ 352,225
Important		118,900	119,000
Value-added		87,650	90,550
One-time		100,000	-
Total		\$ 651,857	\$ 561,775
Program 44, \$			
Core		53.0%	62.7%
Important		18.2%	21.2%
Value-added		13.4%	16.1%
One-time		15.3%	0.0%
Total		100.0%	100.0%

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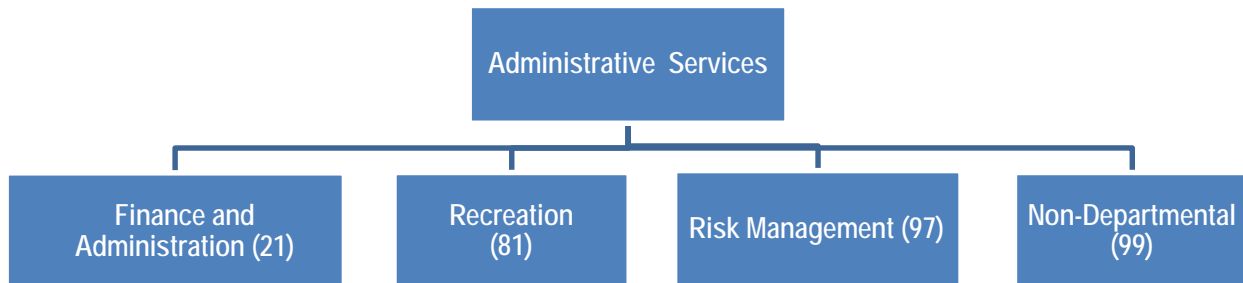
**City of Dana Point**  
**Department: Administrative Services**  
**Programs: Finance and Administration; Recreation; Risk Management; and, Non-Department Citywide Support**

**Mike Killebrew, Assistant City Manager /Director of Administrative Services.**  
**Tenure with City: 11 years.**

*Strategic Plan Goal 3: Fiscally Responsible & Accountable – City revenues and expenses are responsibly managed to ensure a balanced budget, adequate funding for core services, capital improvements and adequate reserves for emergencies while providing taxpayers accountability and transparency.*

*According to the Community Survey, less than 5% of residents identified accountability and transparency as being among their top city issues.*

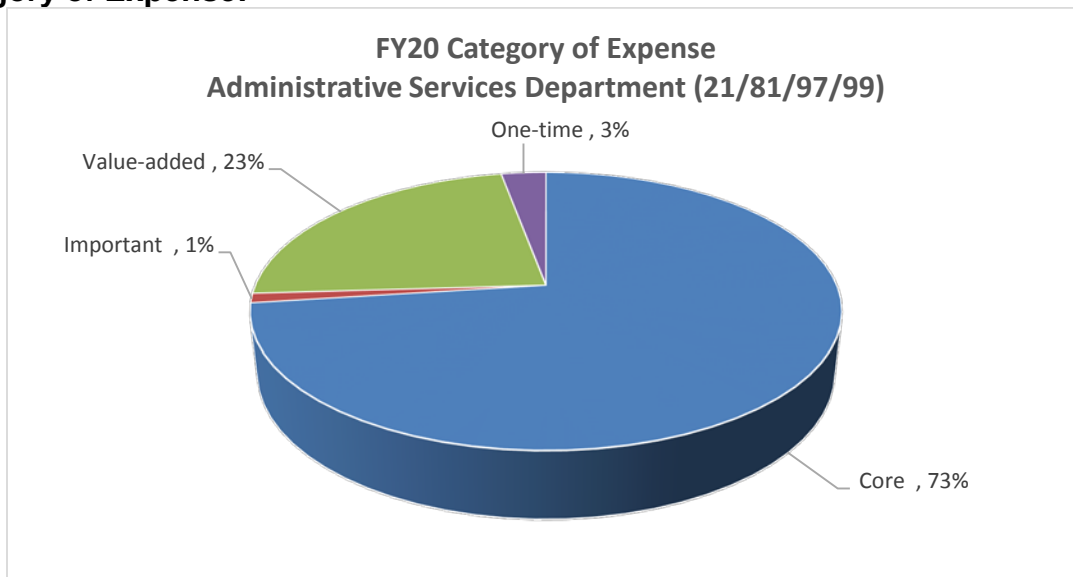
The Department provides administrative support including human resources, accounting, treasury, City budget and risk management, and recreation services to the public.



<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Adopted</b>	<b>Fiscal Year 2021 Adopted</b>	<b>Fiscal Year 2020 FTE</b>
Finance & Admin. (21)	\$1,091,390	\$1,196,594	\$1,255,647	\$1,271,522	8
Recreation (81)	1,674,835	1,735,138	1,582,685	1,610,543	5
Risk Mgmt. (97)	706,181	574,460	677,000	691,500	0
Non-Departmental (99)	5,867,697	10,162,749	5,394,556	4,999,652	0
<b>Total</b>	<b>\$9,340,103</b>	<b>\$13,668,941</b>	<b>\$8,909,888</b>	<b>\$8,573,217</b>	<b>13</b>

The FY19 Amended Budget includes transfers from the General Fund to the Facilities Fund (\$2.1 million) and the Capital Improvements Fund (\$2.4 million); these transfers were approved by the City Council when it adopted the FY20 and FY21 budgets on June 4, 2019. Material changes in the FY20 proposed budget include the allocation of City Attorney’s Office costs to this Department (\$30,000); higher liability and workers’ compensation insurance premiums due to credits received in FY19 (\$100,000 combined); an enhancement to the Festival of Whales Parade for its 50<sup>th</sup> Anniversary in FY21 (\$10,000); transfer of recreation related marketing function to the Public Information Department (22) (\$65,000); increased unfunded pension liability payments (\$77,000); organization personnel cost savings included in the FY19 budget (\$200,000) that were subsequently spread to other departments personnel budgets; and, increased information technology costs (\$53,000), including one-time equipment and software license costs (\$21,000).

**Category of Expense:**



**FINANCE AND ADMINISTRATION** manages the City’s financial operations including cash management, investments, the City’s budget, centralized purchasing, payments, payroll and general accounting, and provides staff support to the City Council’s Financial Review Committee. It ensures legal compliance with grants, coordinates independent financial audits, oversees various contracts, and coordinates a variety of programs and projects assigned by the City Manager. Staff manages personnel recruitments, labor relations, administers worker’s compensation, benefits, personnel policies, compliance with Federal and State mandates including FLSA, ADA, FMLA, and personnel training programs.

**RISK MANAGEMENT** administers processes and training programs to prevent, minimize and mitigate risks through the centralized administration of safety, loss control, and other

risk management programs. Liaison to the City's insurer, and supports claims administration, response and defense.

**RECREATION** provides a wide variety of programs and special events for all ages including contract classes, youth camps, youth and adult sports leagues, the Active Lifestyle program for 50+ featuring socials, movie days and game days. Coordinates and implements major city-wide events: Festival of Whales Parade, Festival of Whales Concert/BBQ, Egg Hunts, Movies in the Park, Concerts in the Park, Halloween Spooktacular, Winter Festival, and Holiday Tree Lightings. Works with local non-profit groups to produce a variety of community events such as: Dana Point Harbor Boat Parade, Pet Project Foundation Wag-A-thon, and the VFW's Memorial Day and Veterans Day Events. Oversees the park use permitting, as well as Community Center rentals. Operates the Del Obispo Community Park which includes a Community/Senior Center, three lighted ball fields, two tennis courts, batting cages, outdoor handball, a basketball court and gymnasium, along with a multi-purpose field and two softball fields at Dana Hills High School.

#### **BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- The City was awarded the National Award of Achievement for Excellence in Financial Reporting for the FY17 and FY18 Comprehensive Annual Financial Reports (CAFR);
- Shepherded development of a comprehensive set of new financial policies adopted by the City Council;
- Implemented OpenGov software that provides online detailed financial information via the City's website and is updated weekly;
- Led successful labor negotiations that reduces City costs of benefits, and creates employee work groups geared to identifying innovative changes to City operations and seeks improvements to safe work practices;
- Provided a variety of community enrichment activities including Active Lifestyle Programs (in collaboration with Age Well Senior Services and Saddleback College Emeritus Institute), youth and adult sports, over 400 classes, and 18 major city events with attendance of 235,000+ annually;
- Assisted with creation of the new Hobie Memorial at Waterman's Plaza Park; and,
- Led the enhancement of this budget document.

#### **FY20 & FY21 KEY INITIATIVES**

To achieve City's Strategic Goals as set by the Strategic Plan, Administrative Services sets the following objectives.

- Develop and maintain effective and efficient financial planning, reporting and accounting systems to ensure the safeguarding of City assets and support

operating departments in achieving their program objectives (Strategic Goal 3. Fiscally Responsible and Accountable);

- Implement OpenGov budgeting software (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Oversee newly created Labor/Management Committees (per labor agreement) including Employee Incentive Program and a Safety Work Practices Program (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Manage the City's investment portfolio within the Council-authorized Investment Policy. (Strategic Goal 3. Fiscally Responsible and Accountable);
- Monitor the fiscal year budget, analyze and review budget proposals, provide ongoing analysis of existing and potential revenues and expenditures, and long range fiscal projections. (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Provide risk management functions which involve the identification and evaluation of actual and potential risks, and the elimination, transfer of liability or insurance protection of such risks (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Provide timely and accurate financial reports for the decisions makers and operating departments by the 30th day following the end of each quarter (Strategic Goal 3. Fiscally Responsible and Accountable);
- Provide support to the City Council and employees through efficient administration of the City's personnel, labor relations and benefits program. (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Enrich the lives of residents by providing opportunities for relaxation, learning and socialization to promote personal growth and wellbeing (Strategic Goal 1: Livable Community & World Class Place);
- Serve an aging population with social, recreational, active and healthy opportunities (Strategic Goal 1: Livable Community & World Class Place); and,
- Promote positive customer service (Strategic Goal 1: Livable Community & World Class Place); and,
- Update Park Use Policy Rules and Regulations to correlate with current uses and best practices, and conduct a use fee study (Strategic Goal 2. Effective, Efficient & Innovative Government).

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: FINANCE & ADMINISTRATION (21)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>L*</b>						
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 727,684	\$ 710,757	\$ 752,132	\$ 782,825	\$ 802,042
1030	V HOURLY	261	11,573	-	-	-
1050	C OVERTIME	9,603	11,991	10,000	10,000	10,000
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C CAFETERIA BENEFITS	121,401	112,829	122,700	124,800	126,900
1120	C RETIREMENT BENEFITS	65,800	62,306	72,662	71,251	74,530
1140	C MEDI-TAX 1.45%	11,303	10,961	11,051	11,496	11,775
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<b>936,052</b>	<b>920,417</b>	<b>968,545</b>	<b>1,000,372</b>	<b>1,025,247</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS	1,921	1,898	2,500	2,500	2,500
2030	I EQUIPMENT MAINTENANCE	147	-	-	-	-
2040	I COPIER USAGE (moved to Dept 31)	2,647	-	-	-	-
2050	I VEHICLE MAINTENANCE	672	-	-	-	-
2070	OFFICE SUPPLIES					
	C <i>General office supplies</i>			5,000	5,000	5,000
	C <i>Budget/CAFR printing</i>			3,000	3,000	3,000
	<i>Subtotal</i>	<b>6,684</b>	<b>5,690</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
2090	MEMBERSHIPS & DUES					
	I <i>California Society of Municipal Finance Officers</i>			400	400	400
	<i>Orange County City Manager's Association</i>			-	-	-
	V <i>National Public Employer Labor Relations Assn.</i>			350	350	350
	V <i>Government Finance Officers Association</i>			400	400	400
	V <i>O.C. League - OCHRC</i>			275	275	275
	C <i>CALPACS</i>			300	300	300
	V <i>Community organizations (RI)</i>			880	900	900
	V <i>California Public Employee Labor Relations Assn.</i>			700	700	700
	<i>Subtotal</i>	<b>3,597</b>	<b>2,727</b>	<b>3,305</b>	<b>3,325</b>	<b>3,325</b>
2110	OPERATING SUPPLIES					
	C <i>Oral board expenses</i>			1,000	1,000	1,000
	C <i>Check printing/tax forms</i>			500	500	500
	C <i>Miscellaneous</i>			500	500	500
	<i>Subtotal</i>	<b>2,737</b>	<b>2,139</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
2130	BOOKS & SUBSCRIPTIONS					
	C <i>Governmental acct'g rules annual subscription</i>			250	250	250
	V <i>Orange County Register - online</i>			300	300	300
	V <i>Miscellaneous</i>			400	400	400
	<i>Subtotal</i>	<b>1,329</b>	<b>861</b>	<b>950</b>	<b>950</b>	<b>950</b>
2150	TRAINING					
	I <i>Departmental staff training</i>			2,250	2,250	2,250
	I <i>Diehl Evans tax workshops</i>			650	650	650
	I <i>California Society of Municipal Finance Officers</i>			300	300	300
	<i>Mid-Year Budget Adj.</i>			-	-	-
	<i>Subtotal</i>	<b>1,248</b>	<b>1,283</b>	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: FINANCE & ADMINISTRATION (21)**

		FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
2230	<b>L*</b> PROFESSIONAL SERVICES					
	C Employee physicals/drug screens/fingerprinting			8,500	8,500	8,500
	I Flexible spending account administration			1,600	1,600	1,600
	C Health Plan/Affordable Care Act LCW Advice			-	1,250	1,250
	C GASB 68 / GASB 75 OPEB Consultant			14,000	14,000	14,000
	C Accounting software license/support			15,600	15,600	15,600
	C State Controller's Report Preparation			2,800	2,800	2,800
	C Annual city audit			30,000	30,000	31,000
	CAFR data & review:					
	C CAFR reporting package			1,000	1,000	1,000
	C Demographic data			300	300	300
	C GFOA review fee			500	500	500
	C Info Group CAFR Statistics			300	300	300
	C Calpers GASB Valuation			2,000	2,000	2,000
	C Bank of America - banking services fee			12,000	18,000	18,000
	V Armored car service (cancelled May 2019)			3,000	-	-
	I Human resources software service			11,500	11,500	11,500
	C Investment security safekeeping services			3,000	3,000	3,000
	V Bank of America merchant services (customer credit cards)			30,000	30,000	30,000
	C ADP payroll services			17,000	17,000	17,000
	I Sales tax analysis			5,800	5,800	5,800
	C Sales tax audit recovery fee			3,000	3,000	3,000
	1X Fee Study Consultation			-	10,000	-
	V Miscellaneous			3,500	3,500	3,500
	Midyr Budget Adj. (fy19 1x's Bartel \$11,904 / ADP \$10640)			22,544	-	-
	Subtotal	168,476	138,598	187,944	179,650	170,650
2250	V ADVERTISING	27,246	4,987	7,350	7,350	7,350
	(FY19 add NEOGov Software/ad system \$3,850)					
2270	V TRAVEL, CONF. & MEETINGS	2,411	5,529	5,000	10,500	10,500
	CJPIA, PARMA, CALPELRA, LCW, CSMFO, GFOA					
2290	MILEAGE REIMBURSEMENT					
	I Auto Allowance			6,600	6,600	6,600
	C Staff mileage reimbursements			1,200	1,200	1,200
	Subtotal	5,638	7,261	7,800	7,800	7,800
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	30,000	30,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>224,753</b>	<b>170,973</b>	<b>228,049</b>	<b>255,275</b>	<b>246,275</b>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 1,160,805</b>	<b>\$ 1,091,390</b>	<b>\$ 1,196,594</b>	<b>\$ 1,255,647</b>	<b>\$ 1,271,522</b>

\*Level of Service Importance = Core, Important, Value-added  
1x=One-Time Cost

	FY20	FY21
Program 21, \$\$		
Core	\$ 1,161,872	\$ 1,187,747
Important	29,100	29,100
Value-added	54,675	54,675
One-time	10,000	-
Total	<u>\$ 1,255,647</u>	<u>\$ 1,271,522</u>
	-	-
Program 21, %		
Core	92.5%	93.4%
Important	2.3%	2.3%
Value-added	4.4%	4.3%
One-time	0.8%	0.0%
Total	<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: RECREATION (81)**

		FY17	FY18	FY19	FY20	FY21
<u>L*</u>		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	V SALARIES	\$ 486,802	\$ 486,483	\$ 493,694	\$ 400,087	\$ 409,061
1030	V HOURLY	79,720	82,938	85,004	100,178	104,600
1050	V OVERTIME	21,025	20,335	20,000	20,000	20,000
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	V CAFETERIA BENEFITS	88,262	88,575	87,600	77,700	79,800
1120	V RETIREMENT BENEFITS	46,896	46,677	49,724	44,676	45,843
1140	V MEDI-TAX 1.45%	8,851	8,941	8,681	7,544	7,738
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<b>731,556</b>	<b>733,949</b>	<b>744,703</b>	<b>650,185</b>	<b>667,043</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	V COMMUNICATIONS (cells)	1,320	1,320	1,300	1,350	1,350
2030	V EQUIPMENT MAINTENANCE	2,859	-	150	150	150
2040	V COPIER USAGE	1,388	1,209	2,000	1,500	1,500
2050	VEHICLE MAINTENANCE (move to dept 99 FY18)	1,233	-	-	-	-
2070	V OFFICE SUPPLIES	4,621	5,221	5,150	5,500	5,500
2090	V MEMBERSHIPS & DUES SCMA Federation (4); NPRS(10); CPRS(4)	570	1,365	1,935	1,950	1,950
2110	V OPERATING SUPPLIES Replace Tables/Chairs, Uniforms, Laundry, etc.)	6,316	16,300	9,550	14,000	14,000
2150	V TRAINING	650	-	1,500	1,500	1,500
2170	V POSTAGE (move Rec Guide to Dept 22)	10,000	146	14,600	1,000	1,000
2230	V PROFESSIONAL SERVICES Contract classes (Split Instructor/City) Marketing/promotion contract (move to Dept 22) Community News Magazine (move to Dept 22) City calendar(move to Dept 22) Age Well Senior Services Mid yr adjustments			180,000 34,000 40,000 10,000 55,000	140,000 - - - 55,000	140,000 - - - 55,000
	Subtotal	198,840	236,730	319,000	195,000	195,000
2250	V ADVERTISING Events (egg hunt, concerts, craft faire) 4th of July fireworks promotions Mid-year budget adjustment			10,000 - -	10,000 - -	10,000 - -
	Subtotal	15,268	9,051	10,000	10,000	10,000
2270	V TRAVEL, CONF. & MEETINGS	-	3,024	3,200	3,200	3,200
2290	C MILEAGE REIMBURSEMENT Auto allowance (\$4,800)	1,887	5,729	6,300	6,300	6,300
2410	V COMMUNITY ACTIVITIES 4th of July Fireworks Show 4th of July bus service Grad Nite contribution (DHHS) Misc. Ceremonies Relay For Life California Surfing Day / Coastal Awareness Summer Concerts on Six Sundays (\$50k sponsor) Art Festival (Arts & Culture Commission) Misc. Community Events Youth Services: Ocean Institute youth programs sponsorship C Ocean Institute / CCC Program (6 yrs to FY23) Capo Valley Boys & Girls Club sponsorship Winter Holiday program Winter Holiday decorations			100,000 10,000 3,000 - - 2,500 100,000 10,000 15,000 25,000 31,250 25,000 - 20,000	100,000 10,000 3,000 - - 2,500 105,000 10,000 22,000 25,000 31,250 25,000 - 20,000	100,000 10,000 3,000 - - 2,500 105,000 10,000 22,000 25,000 31,250 25,000 - 20,000

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: RECREATION (81)**

<u>L*</u>	FY17 <u>Actual</u>	FY18 <u>Actual</u>	FY19 <u>Amended</u>	FY20 <u>Adopted</u>	FY21 <u>Adopted</u>
<i>Holiday Shuttles</i>			-	-	-
<i>Dana Point Grand Prix Bike Race Sponsorship</i>			-	-	-
<i>Dana Point Grand Prix Bike Race Operation</i>			-	-	-
<i>Doheny Blues Festival Sponsorship</i>			-	-	-
<i>Halloween Spooktacular (3 events: Snr./Public/JLM)</i>			8,000	8,000	8,000
<i>Dana Point BBQ Championship</i>			-	-	-
<i>Egg Hunts</i>			10,000	11,000	11,000
<i>June Friday's Movie in the Park</i>			28,000	30,000	30,000
<i>Turkey Trot sponsorship</i>			20,000	20,000	20,000
<i>Winter Festival &amp; Tree Lighting</i>			20,000	21,000	21,000
<i>Dana Point Symphony Sponsorship</i>			-	-	-
<i>5th Marines Support Group-(move from Dept 01)</i>				5,250	5,250
<i>VFW Annual support (from Dept 01)</i>				10,500	10,500
<i>Pet Project Foundation - Tale of Two Cities (fr. 01)</i>				550	550
<i>Festival of Whales:</i>					
<i>Sponsorship</i>			30,000	31,000	32,000
<i>Marketing</i>			10,000	10,000	10,000
<i>Movie night</i>			-	-	-
<i>Concert/BBQ/Marine Corp League/Fish4Life</i>			21,000	23,000	23,000
<i>Community parade (FY21 50th Anniversary)</i>			40,000	40,000	50,000
<b>Subtotal</b>	<b>667,155</b>	<b>571,281</b>	<b>528,750</b>	<b>564,050</b>	<b>575,050</b>
2430 V RECREATION PROGRAMS					
<i>Youth sports</i>			23,000	23,000	23,000
<i>Adult sports</i>			9,000	9,000	9,000
<i>Senior Transportation (see Measure M Fund)</i>				-	-
<i>Egg Hunt (moved to acct.81-2410)</i>				-	-
<i>Holiday Craft Faire (moved to acct. 81-2410)</i>				-	-
<i>Senior Programs (addn'l monthly events)</i>			55,000	95,000	95,000
<b>Subtotal</b>	<b>114,514</b>	<b>89,510</b>	<b>87,000</b>	<b>127,000</b>	<b>127,000</b>
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>1,026,621</b>	<b>940,886</b>	<b>990,435</b>	<b>932,500</b>	<b>943,500</b>
<b>CAPITAL OUTLAY</b>					
3010 1x FURNITURE & EQUIPMENT	-		-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 1,758,177</b>	<b>\$ 1,674,835</b>	<b>\$ 1,735,138</b>	<b>\$ 1,582,685</b>	<b>\$ 1,610,543</b>

\*Level of Service Importance =Core, Important, Value-added  
**1x=One-Time Cost**

Program 81, \$\$	<b>FY20</b>	<b>FY21</b>
Core	\$ 37,550	\$ 37,550
Important	-	-
Value-added	1,545,135	1,572,993
One-time	-	-
Total	<b>\$ 1,582,685</b>	<b>\$ 1,610,543</b>
Program 81, %		
Core	2.4%	2.3%
Important	0.0%	0.0%
Value-added	97.6%	97.7%
One-time	0.0%	0.0%
Total	<b>100.0%</b>	<b>100.0%</b>



**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: RISK MANAGEMENT (97)**

<b>L*</b>			FY17	FY18	FY19	FY19	FY20	FY21
			<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>MATERIALS &amp; SERVICES</b>								
2130	I	BOOKS & SUBSCRIPTIONS ( <i>OSHA/misc</i> )	\$ -	\$ -	\$ 300	\$ 300	\$ 300	\$ 300
2150	I	TRAINING ( <i>CJPIA training/workshops</i> )	-	-	1,000	1,000	1,000	1,000
2320	C	ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>			-	-	1,300	1,300	1,300	1,300
<b>INSURANCE</b>								
4010	LIABILITY INSURANCE PREMIUMS							
	C	<i>General liability premium</i>	453,340	484,139	472,000	345,052	425,000	450,000
	C	<i>Quiet Zone Premium</i>	5,286		17,750	16,000	16,000	16,000
	V	<i>Other (event-based, etc.)</i>	324				1,500	1,500
		<i>Subtotal</i>	458,950	484,139	489,750	361,052	442,500	467,500
4030	C	PROPERTY INSURANCE PREMIUMS	61,042	59,885	65,000	95,000	97,500	100,000
4050	C	EMPLOYEE BOND PREMIUMS	1,060	1,060	1,200	1,200	1,200	1,200
4090	C	LITIGATION ( <i>see Dept 71</i> )	216,811	33,165	-	-	-	-
4110	C	WORKERS' COMPENSATION	75,225	115,980	120,000	114,408	133,000	120,000
4130	C	CONSULTING/LITIGATION SUPPORT	-	11,952	-	-	-	-
4210	C	UNEMPLOYMENT BENEFITS ( <i>contingency</i> )	2,481	-	1,500	1,500	1,500	1,500
<b>TOTAL INSURANCE</b>			815,569	706,181	677,450	573,160	675,700	690,200
<b>GRAND TOTAL EXPENDITURES</b>			\$ 815,569	\$ 706,181	\$ 678,750	\$ 574,460	\$ 677,000	\$ 691,500

\*Level of Service Importance = Core, Important, Value-added

**1x=One-Time Cost**

		FY20	FY21
Program 97, \$\$			
Core		\$ 674,200	\$ 688,700
Important		1,300	1,300
Value-added		1,500	1,500
One-time		-	-
Total		<u>\$ 677,000</u>	<u>\$ 691,500</u>
Program 97, %			
Core		99.6%	99.6%
Important		0.2%	0.2%
Value-added		0.2%	0.2%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: NON-DEPARTMENTAL (99)**

<u>L*</u>		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>PERSONNEL</b>						
1010	SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
1030	V HOURLY	-	21,053	24,700	15,747	16,443
1050	OVERTIME	-	-	-	-	-
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	V CAFETERIA BENEFITS***	1,980	14,023	15,360	-	-
1120	V RETIREMENT BENEFITS****	140,175	183,131	256,853	334,170	381,844
1140	V MEDI-TAX 1.45%	-	287	358	228	238
1199	C ORGANIZATIONAL SAVINGS	-	-	(200,000)	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<b>142,155</b>	<b>218,494</b>	<b>97,271</b>	<b>350,146</b>	<b>398,525</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	COMMUNICATIONS					
	C Telephone - City Hall & Community Center			27,500	28,000	28,000
	C Digital data lines/Internet service			40,000	40,000	40,000
	C Telephone software updates/programming changes			3,000	3,000	3,000
	C Web-site hosting and maintenance annual fee			-	-	-
	C Repair & maintenance of switching equip/phones			4,000	4,000	4,000
	Subtotal	59,720	73,121	74,500	75,000	75,000
2030	EQUIP/FACIL MAINT/REPAIR					
	C Office equipment repair: postage, date stamp machine			1,000	1,000	1,000
	V Interior potted plants rental/maintenance			3,400	4,000	4,000
	Konica Minolta (moved to 99-2190 FY18)			-	-	-
	Subtotal	22,635	5,010	4,400	5,000	5,000
2050	VEHICLE MAINTENANCE (Consolidate City Fleet Costs FY19)					
	C Fuel (base FY19 \$63,557)			60,000	50,000	50,000
	C Remote Vehicle Diagnostic/Monitoring/GPS			-	5,500	5,500
	C Repairs & Maintenance (base FY19 \$32,385)			27,500	20,000	15,000
	I Wash (base FY19 \$14,590)			14,590	15,000	15,000
	C Police Motorcycle Maintenance (base FY19 \$8k)			8,000	8,000	8,000
	C Hydraulic Lift Maintenance (base FY19 \$1k)			1,000	1,000	1,000
	(FY19 base vehicle budgets-all departments \$119,532)			-	-	-
	Subtotal	-	108,845	111,090	99,500	94,500
2070	OFFICE SUPPLIES					
	C Central supplies (copier paper)			9,000	9,250	9,250
	C Miscellaneous office supplies			4,000	4,000	4,000
	Mid-yr Budget Adjustment			-	-	-
	Subtotal	13,964	14,500	13,000	13,250	13,250
2090	MEMBERSHIPS & DUES					
	I Association of Calif. Cities - Orange County			10,000	9,750	10,000
	I League of California Cities - State dues			13,500	13,250	13,500
	V Orange County Human Relations (supervisory training)			3,500	3,000	3,250
	C So. Calif. Association of Governments (SCAG)			3,700	3,750	4,000
	C Orange County Council of Gov'ts (OCCOG)			5,200	5,500	5,750
	C Local Agency Formation Commission (LAFCO) costs			4,500	4,350	4,500
	V Miscellaneous			1,000	1,500	2,000
	Mid-yr Budget Adjustment			-	-	-
	Subtotal	28,135	43,244	41,400	41,100	43,000
2110	OPERATING SUPPLIES					
	C Miscellaneous operating supplies			20,000	22,000	23,000
	C Postage machine supplies			500	750	750
	C Central copier supplies (toner, staples, etc.)			-	-	-
	Subtotal	23,888	21,960	20,500	22,750	23,750
2150	TRAINING	38,482	21,021	20,000	22,500	22,500
	I City-wide training / Tuition Reimbursements					

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: NON-DEPARTMENTAL (99)**

		FY17	FY18	FY19	FY20	FY21
	<u>L*</u>	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
2170	POSTAGE					
	C U.S. Mail (general & bulk rate postage)			13,000	13,000	13,000
	C Overnight delivery service (FedX, UPS, etc.)			5,000	5,000	5,000
	Subtotal	14,408	15,927	18,000	18,000	18,000
2190	FACIL & EQUIP LEASE/RENT					
	C Postage meter lease			2,800	2,800	2,800
	C Printer Leases city-wide (moved from 99-2030)			16,500	16,500	16,500
	C Vehicle leases			88,000	95,000	120,000
	Mid-yr Budget Adjustment net					
	Subtotal	3,121	19,638	107,300	114,300	139,300
2220	REIMBURSED DEV REV EXP	-	-	-	-	-
2230	PROFESSIONAL SERVICES					
	C CASA - animal control services			385,000	395,000	407,000
	V Dana Point Library - Sunday hours			45,000	45,000	45,000
	I Employee flu shots (moved from Dept. 21)			1,100	1,100	1,100
	C Microfiche Conversion (Series 100-500)			-	-	-
	Subtotal	382,013	406,000	431,100	441,100	453,100
2270	TRAVEL, CONF. & MEETINGS	9,613	6,741	15,000	15,000	15,000
	V Employee/Volunteer Recognition Events					
2590	DATA TECHNOLOGY					
	C Non-warranty printer repairs & maintenance (see Cyclical below)			2,500	-	-
	C Data/phone line cable repairs & installation			-	-	-
	C LAN hubs, switches, repair & replacement			10,000	5,000	5,000
	I Extended warranty contracts - routers/firewall			6,000	6,000	6,000
	C Contract IT Support			90,000	122,500	126,175
	C Misc computer & network parts & supplies			1,500	1,000	1,000
	C Server Support				5,500	5,500
	C Maintenance - anti-virus software (2 yr License)			3,000	2,500	-
	C Sonicwall support				2,500	3,000
	C Sonicwall replacement box				15,000	-
	C Maintenance - network cloud backup software			11,000	5,000	5,000
	C Unitrends File Recovery (3 yr License)				14,000	-
	C Maintenance - spam filtering software (3 yr License)			2,500	3,500	-
	C Creative Cloud Adobe (5 Licenses)				3,000	3,500
	C Maintenance - other network software			2,000	1,000	1,000
	C Misc minor software purchases			2,000	4,000	4,500
	1x Migrate MS Suite from ver.13 to ver.16 (FY22 \$40K)			-	-	-
	C Servers			28,000	25,000	10,000
	C Employee computers (desktop & laptop)			25,000	25,000	25,000
	C Printers			2,500	2,500	2,500
	C Uninterruptable Power Supplies			2,000	2,000	-
	V OPENGOV			36,000	32,000	32,000
	Mid-yr Budget Adjustment (OPENGOV)			-		
	Subtotal	137,563	218,673	224,000	277,000	230,175
2999	1x OPERATIONS CONTINGENCY	-	-	250,000	250,000	250,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		733,542	954,680	1,330,290	1,394,500	1,382,575
<b>CAPITAL OUTLAY</b>						
3010	1x FURNITURE & EQUIPMENT	-	30,509			
<b>TOTAL CAPITAL OUTLAY</b>		-	30,509	-	-	-
<b>TOTAL OPERATING EXPENDITURES</b>		875,697	1,203,683	1,427,561	1,744,646	1,781,100

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: ADMINISTRATIVE SERVICES**  
**Program: NON-DEPARTMENTAL (99)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b><u>L*</u></b>						
<b>OPERATING TRANSFERS OUT</b>						
9010	C TO FACILITIES IMPROVEMENT FUND (12)	1,036,269	2,120,000	2,175,000	100,000	100,000
9030	C TO CFD MAINTENANCE FUND (27)-funicular share	30,000	44,014	34,200	35,500	36,000
9050	C TO CAPITAL IMPROVEMENTS FUND	1,850,000	2,500,000	6,525,988	3,514,410	3,082,552
	C <i>Pavement Management Program (new method FY20)</i>			2,200,000	2,950,000	2,275,000
	C <i>All Other Transfers to CIP Fund</i>			4,325,988	564,410	807,552
<b>TOTAL OPERATING TRANSFERS OUT</b>		<b>2,916,269</b>	<b>4,664,014</b>	<b>8,735,188</b>	<b>3,649,910</b>	<b>3,218,552</b>
<b>GRAND TOTAL OPERATING EXP. &amp; TSFS. OUT</b>		<b>\$ 3,791,966</b>	<b>\$ 5,867,697</b>	<b>\$10,162,749</b>	<b>\$ 5,394,556</b>	<b>\$ 4,999,652</b>

\*Level of Service Importance = Core, Important, Value-added  
**1x=One-Time Cost**

\*\*\*Mandated CalPERS Retiree Health Premium FY19 7 retirees at \$133/mo + 3 contingency; FY20 +CPI & 1 retiree

\*\*\*\*Mainly CalPERS Unfunded Liability Payment plus some Part-time ICMA 457

Program 99, \$\$		FY20	FY21
Core		\$ 4,626,310	\$ 4,181,777
Important		67,600	68,100
Value-added		450,646	499,775
One-time		250,000	250,000
Total		<b>\$ 5,394,556</b>	<b>\$ 4,999,652</b>
Program 99, %		-	-
Core		85.8%	83.6%
Important		1.3%	1.4%
Value-added		8.4%	10.0%
One-time		4.6%	5.0%
Total		<b>100%</b>	<b>100%</b>

**City of Dana Point**  
**Department: City Clerk**  
**Program: City Clerk**

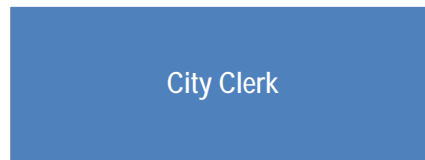
**Kathy Ward, City Clerk. Tenure with City, 29 years.**

*Strategic Plan Goal 2: Effective, efficient and Innovative Government. – The City is wisely governed and managed so that its services are provided in an effective and efficient manner and meets or exceeds the expectations of its residents.*

*The 2018 Community Survey states:*

*"Residents continue to have positive impressions of the level of information they receive from the City and their contact with City staff."*

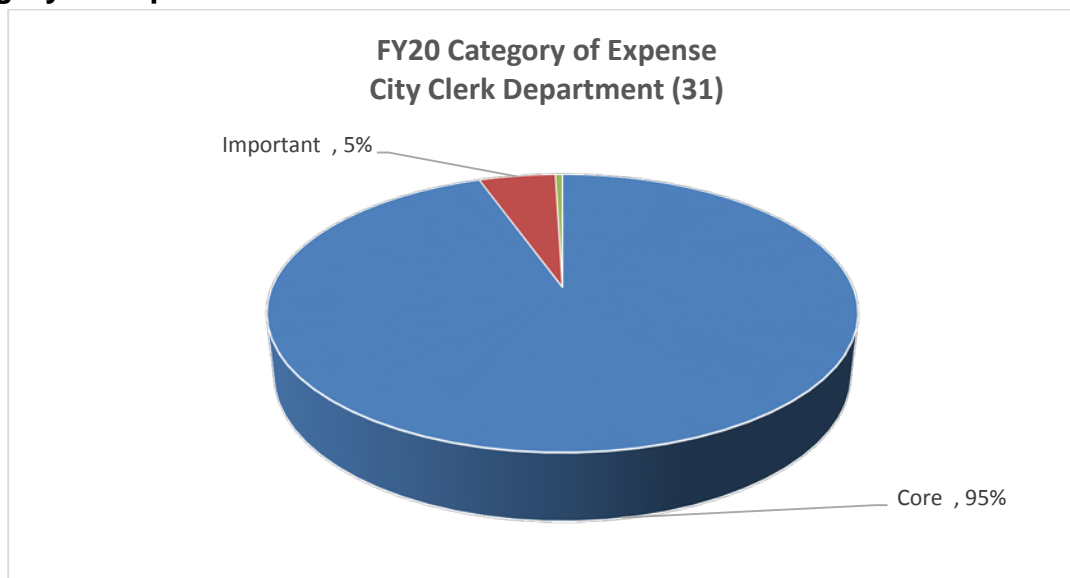
The Department facilitates all City Council meeting agendas, notifications, municipal elections, public information, and records management while ensuring compliance with governing laws and attesting to the transparency and efficiency of our local government.



<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Adopted</b>	<b>Fiscal Year 2021 Adopted</b>	<b>Fiscal Year 2020 FTE</b>
City Clerk (31)	\$ 505,749	\$ 602,972	\$ 536,197	\$ 576,002	4
<b>Total</b>	<b>\$ 505,749</b>	<b>\$ 602,972</b>	<b>\$ 536,197</b>	<b>\$ 576,002</b>	<b>4</b>

The adopted budget for the City Clerk’s Office assumes the same staffing levels as FY19. A major difference in the proposed budget compared to prior years is the allocation of some of the City Attorney Office expenses for services in support of City Clerk functions, which amounts to an estimated \$30,000 in FY20, and \$40,000 in FY21; note the higher amount in FY21 relates to anticipated costs associated with local elections in odd numbered years. Also included in FY21 is a \$20,000 line item to cover the charges from the County of Orange associated with the local election.

## Category of Expense:



The **CITY CLERK**, appointed by the City Manager, is responsible to: ensure open-access to public records; oversee the legislative history created by the City Council; ensure that legislative processes are transparent in compliance with California’s Brown Act, Fair Political Practices Commission (FPPC) Regulations and filings, the Political Reform Act, and the Maddy Act. The Office also ensures adherence to public notification requirements; oversees Municipal and Zoning Code updates; facilitates processing of City contracts, public construction contract bid openings, and maintaining project bonds; processes documents recorded with the County Recorder’s Office; facilitates City website information updates; and, acts as the custodian of the City Seal. Finally, the Office serves as the City’s main receptionist and provides Notary Public services to residents.

**RECORDS MANAGEMENT** administers the City’s Records Management Program and Document Imaging System in accordance with the Council approved Records Retention Schedule utilizing requisite procedures for destruction of inactive records and the imaging of permanent records. The Office also accepts and administers formal requests for public records in strict adherence to California’s Public Records Act.

## **BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- Successfully administered the November 6, 2018 election for the newly instituted City Council Districts 1, 2, and 3;
- Scanned and digitized approximately 24 years of City building permits originally stored on microfiche. The public has online access, via the City’s website, to all building permits dating back to the City’s incorporation in 1989;

- Developed a user-friendly, transparent, online Public Records Request system that allows fast and easy access to public documents; and,
- Provided Notary Public to the public as needed for City services.

## **FY20 & FY21 KEY INITIATIVES**

To achieve City's Strategic Goals as set by the City's Strategic Plan, the City Clerk's Office sets the following objectives:

- Continue the digitization of public records for faster response time and efficient distribution of public records requests (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Administer the November 3, 2020 election for City Council Districts 4 and 5 (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Assist in streamlining the City website and ensure that all information is searchable, compliant with ADA standards, and up to date (Strategic Goal 2. Effective, Efficient & Innovative Government).

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: CITY CLERK**  
**Program: CITY CLERK (31)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>	<b>L*</b>					
1010	C SALARIES	\$ 305,637	\$ 311,472	\$ 327,995	\$ 329,396	\$ 336,786
1030	V HOURLY	11,705	1,680	-	-	-
1050	C OVERTIME	1,345	3,772	1,500	1,500.00	1,500
1070	PLANNING COMMISSION STIPENDS				-	-
1100	C CAFETERIA BENEFITS	59,342	60,456	61,800	63,000	64,500
1120	C RETIREMENT BENEFITS	30,847	30,588	33,614	34,604	35,412
1140	C MEDI-TAX 1.45%	5,086	5,001	4,778	4,798	4,905
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION					
<b>TOTAL PERSONNEL</b>		<b>413,962</b>	<b>412,969</b>	<b>429,687</b>	<b>433,297</b>	<b>443,102</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cell stipend)	840	840	1,200	1,200	1,200
2030	V EQUIPMENT MAINTENANCE	-	-	500	500	500
2040	C COPIER USAGE	1,054	4,081	5,000	5,000	5,000
2070	C OFFICE SUPPLIES	5,504	7,042	7,500	7,500	7,500
2090	C MEMBERSHIPS & DUES	1,074	1,210	1,670	1,400	1,400
	<i>NNA, ARM&amp;A, IIMC, CAofCA</i>					
2110	OPERATING SUPPLIES					
	C <i>Records mgmt. supplies (folders, labels, shredding)</i>			3,000	3,000	3,000
	C <i>Sire maintenance/support</i>			6,500	6,500	6,500
	C <i>Additional Sire User Licenses (4)</i>			-	-	-
	C <i>View Scan II Microfiche Reader Maintenance</i>			950	1,000	1,000
	C <i>Miscellaneous</i>			2,000	2,000	2,000
	<i>Subtotal</i>	<u>14,876</u>	<u>8,536</u>	<u>12,450</u>	<u>12,500</u>	<u>12,500</u>
2130	I BOOKS & SUBSCRIPTIONS	694	54	665	600	600
	<i>OCBJ, Clerks, Election Code, Guidestar, misc.</i>					
2150	C TRAINING	1,125	1,550	2,700	3,200	3,200
2230	PROFESSIONAL SERVICES					
	C <i>Quality Code (Municode supplements)</i>			6,000	6,000	6,000
	C <i>Datalok (offsite microfilm storage)</i>			1,500	1,500	1,500
	C <i>County of Orange (Nov EVEN Yrs regular election)</i>			25,000	-	20,000
	I <i>Outside Temp Assistance</i>			3,000	3,000	3,000
	<i>Midyr Budget Adjustments (fy19 ongoing: Sire \$600)</i>			600		
	<i>Midyr Budget Adj. (fy19 1x's Digitization \$75k &amp; Sire \$3k)</i>			78,000		
	<i>Subtotal</i>	<u>51,897</u>	<u>39,195</u>	<u>114,100</u>	<u>10,500</u>	<u>30,500</u>
2250	C ADVERTISING (City legal, etc.)	21,696	20,525	18,000	21,000	21,000
2270	I TRAVEL, CONF. & MEETINGS	5,066	4,338	4,000	4,000	4,000
2290	C MILEAGE REIMBURSEMENT	5,195	5,409	5,500	5,500	5,500
2320	C ALLOCATED CITY ATTORNEY	-	-	-	30,000	40,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>109,021</b>	<b>92,780</b>	<b>173,285</b>	<b>102,900</b>	<b>132,900</b>
<b>CAPITAL OUTLAY</b>						
3010	1x FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 522,983</b>	<b>\$ 505,749</b>	<b>\$ 602,972</b>	<b>\$ 536,197</b>	<b>\$ 576,002</b>

\*Level of Service Importance = Core, Important, Value-added

1x=One-Time Cost

		FY20	FY21
Program 31, \$\$			
Core		\$ 528,097	\$ 567,902
Important		7,600	7,600
Value-added		500	500
One-time		-	-
Total		<u>\$ 536,197</u>	<u>\$ 576,002</u>
		-	-
Program 31, %			
Core		98.5%	98.6%
Important		1.4%	1.3%
Value-added		0.1%	0.1%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>

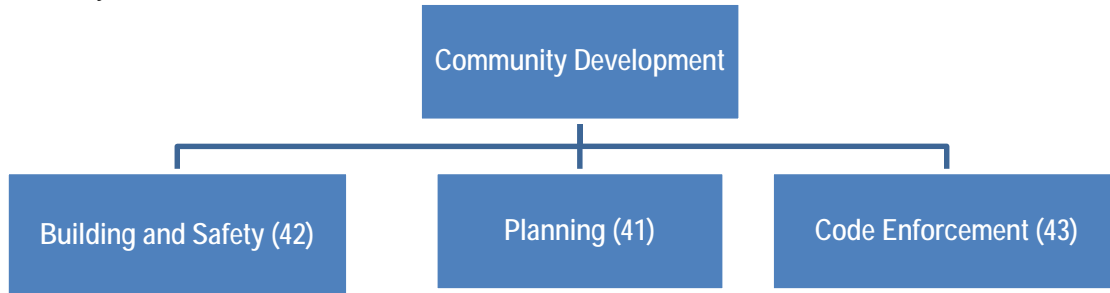


**City of Dana Point**  
**Department: Community Development**  
**Programs: Planning, Building and Code Enforcement**

**Matt Schneider, Director of Community Development. Tenure with City, 3 years.**

*Strategic Goal 5: Foster Economic Health & Prosperity – promote a healthy and growing economy reflecting the community’s vision and values.*

The Department provides services to property and business owners in processing required permits related to their properties. Discretionary permits are issued by the Planning Division to ensure that development is done in compliance with Dana Point’s Zoning Code. Building permits are issued by the Building Division to ensure that construction is done in compliance with California’s Building Code. City codes are enforced by the Code Enforcement Division to ensure the health and safety of the community.

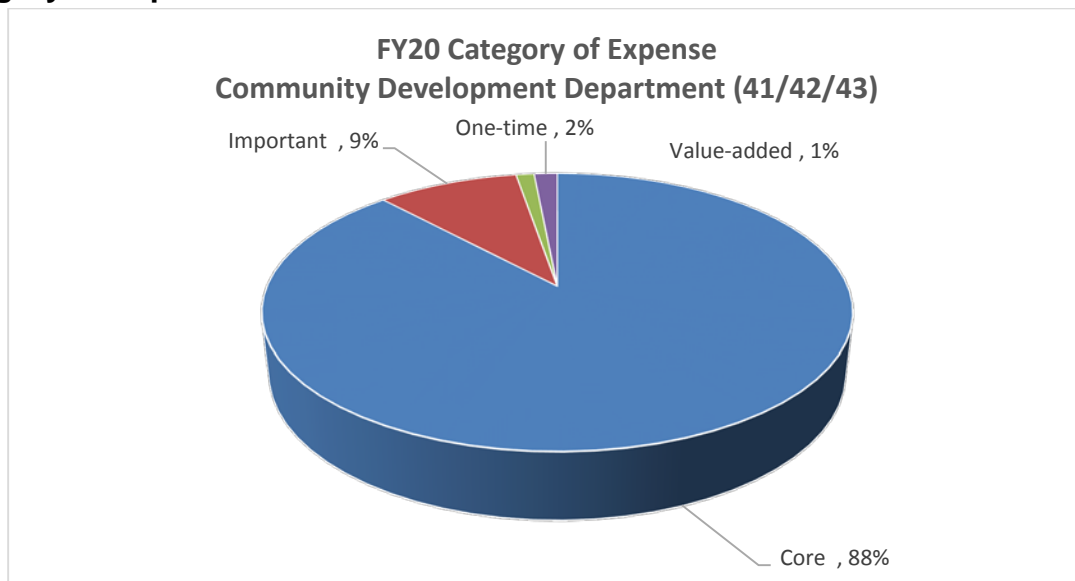


<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Adopted</b>	<b>Fiscal Year 2021 Adopted</b>	<b>Fiscal Year 2020 FTE</b>
Planning (41)	\$ 1,467,197	\$1,479,951	\$1,404,784	\$ 1,387,354	9
Building and Safety (42)	1,385,529	1,573,795	1,335,717	1,224,329	7
Code Enforcement (43)	515,850	519,115	885,632	876,342	5
<b>Total</b>	<b>\$ 3,368,576</b>	<b>\$3,572,861</b>	<b>\$ 3,501,133</b>	<b>\$ 3,385,025</b>	<b>21</b>

The adopted budget includes major changes including staffing, planning and legal costs. The staffing changes include the elimination of the Planning Manager and Structural Engineer positions (with duties reassigned). Also, it includes the addition of a Community Development Manager to oversee Code Enforcement, grant administration and special projects; and, the addition of a Management Analyst position to assist with contract and budget management, billing support, and special projects. In addition, it is anticipated that \$1 million from FY19 General Fund surplus operating revenues will be

set aside to fund a comprehensive update to the City’s General Plan; the project could begin as early as FY21, and is a high priority as an update has not been done since the Plan was first adopted when the City incorporated 30 years ago. The budget also includes \$45,000 to update the Housing Element component of the General Plan, which expires in 2021; State law requires that it is only valid for 8 years. Finally, included is a new allocation of City Attorney Office expenses for services in support of Community Development, which amounts to an estimated \$285,000 in FY20.

**Category of Expense:**



**PLANNING** provides the community with a variety of current and advanced planning services. Responsibilities include review of development projects for conformance with established policy and regulations; updating and maintaining the City’s Zoning Code; administering approved specific plans, including the Town Center Plan and Harbor Revitalization Plan, and development and approval of new specific plans such as the Doheny Village Plan. Maintain and administer the City’s General Plan, assuring it reflects community values and State statutes. Carry out the requirements of the California Environmental Quality Act, the California Coastal Act, and the Subdivision Map Act. They also provide staff support to the City’s Planning Commission.

**BUILDING AND SAFETY** is responsible for administrating and enforcing the California Building and Safety Codes. This includes performing plan reviews on construction documents for compliance with California building and City municipal codes. They distribute plans for review by other agencies and City departments, issue building permits and perform interim and final inspections, and issue Certificates of Occupancy. They also perform special inspections as requested, and update the City’s codes to reflect the California Building and Fire Codes every three years as required.

**CODE ENFORCEMENT** promotes, maintains, and enforces ordinances and laws to preserve, protect, and enhance the quality of life in Dana Point. Code Enforcement operations are responsible for preventing, monitoring, and resolving conditions that pose a threat or may be detrimental to the health and well-being of residents and visitors, and to the City's reputation as a world-class destination.

### **BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- Launched QScend, an application for residents to submit Code Enforcement service requests;
- Updated the Code Enforcement Policies and Procedures Manual;
- Completed an annual update of the Zoning Ordinance;
- Supported the Parking and Circulation Taskforce efforts to prepare a City-wide parking plan that was adopted by the City Council;
- Issued roughly 2,000 permits and conducted over 9,200 inspections, with a total improvement valuation totaling \$157,000,000;
- Implemented customer service center electronic queuing system;
- Implemented monthly customer service survey, currently maintaining 94% satisfaction rate;
- Initiated review of 174 discretionary planning permit projects; and,
- Completed FEMA mapping update project

### **FY20 & FY21 KEY INITIATIVES**

To achieve the City's Strategic Goals as set by the Strategic Plan, Community Development sets the following objectives.

- Complete the Doheny Village update (Strategic Goal 1: Livable Community and World Class Place);
- Implement the Parking and Circulation Taskforce's City-wide parking plan (Strategic Goal 1: Livable Community and World Class Place);
- Complete the sea level rise project (Strategic Goal 1: Livable Community and World Class Place);
- Complete the historical resources inventory (Strategic Goal 1: Livable Community and World Class Place);
- Update and complete a new General Plan Housing Element (Strategic Goal 1: Livable Community and World Class Place);
- Secure and utilize State Senate Bill 2 (SB2) grant program funds to update building counter programs and streamline the permit process (Strategic Goal 2: Effective, Efficient and Innovative Government);

- Continue implementing new technologies to streamline the processing and record keeping of the Code Enforcement division(Strategic Goal 2: Effective, Efficient and Innovative Government); and,
- Initiate the General Plan Update (Strategic Goal 1: Livable Community and World Class Place).

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: COMMUNITY DEVELOPMENT**  
**Program: PLANNING (41)**

		FY17	FY18	FY19	FY20	FY21
	<u>L*</u>	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 877,211	\$ 977,461	\$1,008,333	\$ 951,273	\$ 973,961
1030	V HOURLY	16,474	-	-	15,747	16,443
1050	C OVERTIME	653	1,397	5,000	5,000	5,000
1070	C PLANNING COMMISSION STIPENDS	9,000	9,000	9,000	9,000	9,000
1100	C CAFETERIA BENEFITS	118,588	129,848	138,300	138,900	142,500
1120	C RETIREMENT BENEFITS	80,350	88,034	96,152	86,408	90,157
1140	C MEDI-TAX 1.45%	13,368	14,852	14,824	14,225	14,564
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	I OUTSIDE ASSISTANCE	25,793	-	-	-	-
1990	PERSONNEL ALLOCATION					
<b>TOTAL PERSONNEL</b>		<b>1,141,437</b>	<b>1,220,592</b>	<b>1,271,609</b>	<b>1,220,554</b>	<b>1,251,624</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cell stipends)	2,170	1,730	1,680	1,680	1,680
2030	I EQUIPMENT MAINTENANCE	-	-	500	500	500
2040	C COPIER USAGE	2,835	2,935	4,000	4,000	4,000
2050	VEHICLE MAINTENANCE	8,034	-	-	-	-
2070	C OFFICE SUPPLIES	9,739	8,936	7,950	8,000	8,000
2090	I MEMBERSHIPS & DUES	3,485	1,729	4,195	4,000	4,000
	<i>APAM, AICP, ULI, OC Plan Dir., ICMA, AEP, Nat'l Trust Historic Preserv. &amp; Ca Preservation Fd.</i>					
2110	C OPERATING SUPPLIES	1,311	1,186	1,650	3,750	3,750
2130	I BOOKS & SUBSCRIPTIONS	1,020	122	1,000	1,000	1,000
2150	I TRAINING	2,487	1,120	2,300	2,550	2,550
	<i>Technical, APA, AEP, ICMA, other</i>					
2230	PROFESSIONAL SERVICES					
	1X <i>Historic resources inventory update</i>			-	10,000	5,000
	C <i>Doheny Village Plan/ GP Update EIR</i>			-	-	-
	C <i>Doheny Village Plan completion</i>			-	-	-
	C <i>File Scanning / Imaging (ongoing)</i>			12,000	14,000	14,000
	1X <i>Housing Element</i>				45,000	-
	<i>Mid-yr Budget Adjustment</i>			114,917	-	-
	<i>Subtotal</i>	<b>281,855</b>	<b>135,866</b>	<b>126,917</b>	<b>69,000</b>	<b>19,000</b>
2240	REIMBURSEABLE COSTS	37,812	78,561	35,000	-	-
2250	C ADVERTISING (CEQA, RFPs, etc)	1,356	-	3,000	3,000	3,000
2270	V TRAVEL, CONF. & MEETINGS	13,523	4,773	9,950	6,550	8,050
	<i>CCC mtgs, Chamber, Ca APA, OC APA, ULI, other</i>					
2290	MILEAGE REIMBURSEMENT					
	C <i>Planning Commissioner auto allowance</i>			3,000	3,000	3,000
	I <i>Auto allowance</i>			6,600	6,600	6,600
	C <i>Staff mileage reimbursement</i>			600	600	600
	<i>Subtotal</i>	<b>3,277</b>	<b>9,647</b>	<b>10,200</b>	<b>10,200</b>	<b>10,200</b>
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	70,000	70,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>368,904</b>	<b>246,605</b>	<b>208,342</b>	<b>184,230</b>	<b>135,730</b>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	5,543	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<b>5,543</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 1,515,884</b>	<b>\$ 1,467,197</b>	<b>\$1,479,951</b>	<b>\$ 1,404,784</b>	<b>\$ 1,387,354</b>

\*Level of Service Importance = Core, Important, Value-added  
1x=One-Time Cost

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: COMMUNITY DEVELOPMENT**  
**Program: PLANNING (41)**

	<u>FY20</u>	<u>FY21</u>
Program 41, \$\$		
Core	\$ 1,312,836	\$ 1,343,211
Important	14,650	14,650
Value-added	22,297	24,493
One-time	55,000	5,000
Total	<u>\$ 1,404,784</u>	<u>\$ 1,387,354</u>
	-	-
Program 41, %		
Core	93.5%	96.8%
Important	1.0%	1.1%
Value-added	1.6%	1.8%
One-time	3.9%	0.4%
Total	<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: COMMUNITY DEVELOPMENT**  
**Program: BUILDING (42)**

		FY17	FY18	FY19	FY20	FY21
<u>L*</u>		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 746,003	\$ 720,971	\$ 773,702	\$ 641,104	\$ 656,601
1030	I HOURLY	5,527	-	-	-	-
1050	C OVERTIME	23,611	15,834	25,000	20,000	20,000
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C BENEFITS	109,071	101,519	117,300	105,600	109,200
1120	C RETIREMENT BENEFITS	61,684	61,279	67,305	55,226	57,518
1140	C MEDI-TAX 1.45%	11,831	11,272	11,581	9,586	9,811
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	C PERSONNEL ALLOCATION	(31,521)	(34,418)	(36,165)	-	-
<b>TOTAL PERSONNEL</b>		<b>926,206</b>	<b>876,457</b>	<b>958,723</b>	<b>831,517</b>	<b>853,129</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS					
	<i>Cell phones</i>			2,700	2,700	2,700
	<i>Verizon express network service for laptop</i>			1,800	-	-
	<i>Subtotal</i>	4,826	3,989	4,500	2,700	2,700
2030	C EQUIPMENT MAINTENANCE	-	-	1,020	450	450
	<i>Cash register, time stamp, microfiche reader</i>					
2040	C COPIER USAGE	2,401	2,186	2,400	2,500	2,500
2050	VEHICLE MAINTENANCE (move to dept 99)	4,597	-	-	-	-
2070	OFFICE SUPPLIES					
	C <i>Permit system forms</i>			3,000	3,000	3,000
	C <i>Building permit printing</i>			7,000	7,000	7,000
	C <i>Counter stamps</i>			500	500	500
	C <i>Stationery/envelopes</i>			500	500	500
	C <i>Miscellaneous supplies (incl. desktop toners)</i>			2,000	2,500	2,500
	<i>Subtotal</i>	10,339	10,876	13,000	13,500	13,500
2090	C MEMBERSHIPS & DUES	1,706	1,060	2,450	2,500	2,500
	<i>CalBO, SCACO, Int'l Code Council, IIC OC, PE/SE license, IAEL, IAPMO</i>					
2110	OPERATING SUPPLIES					
	Building permits toner & printer			-	-	-
	Digital camera			500	-	-
	C <i>Miscellaneous (incl. customer service supplies)</i>			500	2,500	2,500
	C <i>Trakit (permit software) license &amp; maintenance</i>			21,852	24,000	25,000
	C <i>Digital Map Products - Annual Licensing Fee</i>			45,500	46,000	27,000
	C <i>Paymentus - IVR System maintenance</i>			42,000	42,000	42,000
	C <i>ESRI annual licensing fee</i>			3,300	-	-
	Mid-Year Adjustment					
	<i>Subtotal</i>	81,626	74,725	113,652	114,500	96,500
2130	BOOKS & SUBSCRIPTIONS					
	C <i>Interpretive Manuals</i>			2,500	2,500	2,500
	C <i>Code Books ( CA Building Codes)</i>			12,000	15,000	-
	Mid-Yr Adjustments			-		
	<i>Subtotal</i>	3,166	95	14,500	17,500	2,500
2150	C TRAINING	4,120	2,195	5,000	5,000	5,000
2190	FACIL & EQUIP LEASE/RENTAL (vehicles move to 99)		-	-	-	-
2230	PROFESSIONAL SERVICES					
	I <i>Plan check services (overflow)(3/4 then 1/2 yr estimate)</i>			300,000	300,000	200,000
	C <i>Scanning large plans (ongoing)</i>			12,000	12,000	12,000
	C <i>Phase II of Fee Study (Valuation Based Fees)</i>			30,000		
	Midyr Budget Adjustment (overflow svcs)			108,000		
	<i>Subtotal</i>	546,906	408,806	450,000	312,000	212,000

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: COMMUNITY DEVELOPMENT**  
**Program: BUILDING (42)**

		FY17	FY18	FY19	FY20	FY21
	<u>L*</u>	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
2270	TRAVEL, CONF. & MEETINGS	4,235	2,968	3,250	3,250	3,250
	I <i>Calbo ABM</i>					
2290	MILEAGE REIMBURSEMENT					
	I <i>Auto allowance</i>			4,800	4,800	4,800
	C <i>Staff mileage reimbursements</i>			500	500	500
	<i>Subtotal</i>	5,086	2,172	5,300	5,300	5,300
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	25,000	25,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<u>669,008</u>	<u>509,072</u>	<u>615,072</u>	<u>504,200</u>	<u>371,200</u>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL EXPENDITURES</b>		<u>\$ 1,595,214</u>	<u>\$ 1,385,529</u>	<u>\$ 1,573,795</u>	<u>\$ 1,335,717</u>	<u>\$ 1,224,329</u>

\*Level of Service Importance = Core, Important, Value-added  
 Ix=One-Time Cost

		<u>FY20</u>	<u>FY21</u>
Program 42, \$\$			
Core		\$ 1,027,667	\$ 1,016,279
Important		308,050	208,050
Value-added		-	-
One-time		-	-
Total		<u>\$ 1,335,717</u>	<u>\$ 1,224,329</u>
		-	-
Program 42, %			
Core		76.9%	83.0%
Important		23.1%	17.0%
Value-added		0.0%	0.0%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>



**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: COMMUNITY DEVELOPMENT**  
**Program: CODE ENFORCEMENT (43)**

		FY17	FY18	FY19	FY20	FY21
<u>L*</u>		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 255,804	\$ 219,398	\$ 294,895	\$ 411,173	\$ 420,398
1030	I HOURLY	-	-	-	-	-
1050	V OVERTIME	20,293	6,941	7,500	7,500	7,500
1070	PLANNING COMMISSION STIPENDS				-	-
1100	C CAFETERIA BENEFITS	54,964	47,096	56,400	77,700	79,800
1120	C RETIREMENT BENEFITS	20,273	17,587	24,870	36,138	37,389
1140	C MEDI-TAX 1.45%	4,226	3,434	4,385	6,071	6,205
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	V OUTSIDE ASSISTANCE ( <i>contract CEO</i> )	28,940	110,983	-	-	-
1990	C PERSONNEL ALLOCATION	31,521	34,418	36,165		
<b>TOTAL PERSONNEL</b>		<b>416,021</b>	<b>439,857</b>	<b>424,215</b>	<b>538,582</b>	<b>551,292</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cell)	4,442	2,694	5,100	5,100	5,100
2030	C EQUIPMENT MNTCE (decibel meter, etc.)	-	1,077	2,700	2,700	2,700
2050	VEHICLE MAINTENANCE	3,354	-	-	-	-
2070	C OFFICE SUPPLIES	3,320	753	4,700	4,700	4,700
2090	V MEMBERSHIPS & DUES (SCA CEOs)	-	-	350	500	500
2110	OPERATING SUPPLIES					
	C <i>STR Program (Unpermitted Use</i>					
	C <i>Identification, and 24/7 hotline support</i>			35,000	21,000	21,000
	C <i>Tax information - County of Orange</i>			150	150	150
	C <i>Citation Processing</i>				3,600	3,600
	C <i>Digital camera</i>			500	-	-
	<i>Subtotal</i>	<b>650</b>	<b>36,243</b>	<b>35,650</b>	<b>24,750</b>	<b>24,750</b>
2130	I BOOKS & SUBSCRIPTIONS	-	-	100	100	100
2150	I TRAINING	614	-	1,000	1,000	1,000
2230	PROFESSIONAL SERVICES					
	I <i>Weed abatement contract</i>			10,000	10,000	10,000
	V <i>Qscend Software</i>			12,000	12,000	12,000
	<i>Mid-yr Budget Adjustment</i>			22,100		
	<i>Subtotal</i>	<b>174,857</b>	<b>35,226</b>	<b>44,100</b>	<b>22,000</b>	<b>22,000</b>
2250	I ADVERTISING (weed abatement, etc.)	-	-	200	200	200
2270	V TRAVEL, CONF. & MEETINGS	301	-	500	500	500
2290	I MILEAGE REIMBURSEMENT	530	-	500	500	500
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)				285,000	263,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>188,068</b>	<b>75,993</b>	<b>94,900</b>	<b>347,050</b>	<b>325,050</b>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 604,089</b>	<b>\$ 515,850</b>	<b>\$ 519,115</b>	<b>\$ 885,632</b>	<b>\$ 876,342</b>

\*Level of Service Importance = Core, Important, Value-added  
 1x=One-Time Cost

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: COMMUNITY DEVELOPMENT**  
**Program: CODE ENFORCEMENT (43)**

<u>L*</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
				<u>FY20</u>	<u>FY21</u>
Program 43, \$\$					
Core				\$ 853,332	\$ 844,042
Important				11,800	11,800
Value-added				20,500	20,500
One-time				-	-
Total				<u>\$ 885,632</u>	<u>\$ 876,342</u>
				-	-
 Program 43, %					
Core				96.4%	96.3%
Important				1.3%	1.3%
Value-added				2.3%	2.3%
One-time				0.0%	0.0%
Total				<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Department: Public Works & Engineering Services**  
**Programs: Administration; Street Maintenance; Traffic Engineering; Solid Waste & Recycling; Engineering; and, Water Quality**

**Matthew Sinacori, Director of Public Works/City Engineer. Tenure with City: 18 years.**

*Strategic Plan Goal 4: Preserve & Enhance Environmental Health & Sustainability – promote, preserve, protect and enhance a healthy and sustainable built and natural environment.*

*The 2018 Community Survey shows that 91% of residents believe it is important to have streets and medians that are clean and look good.*

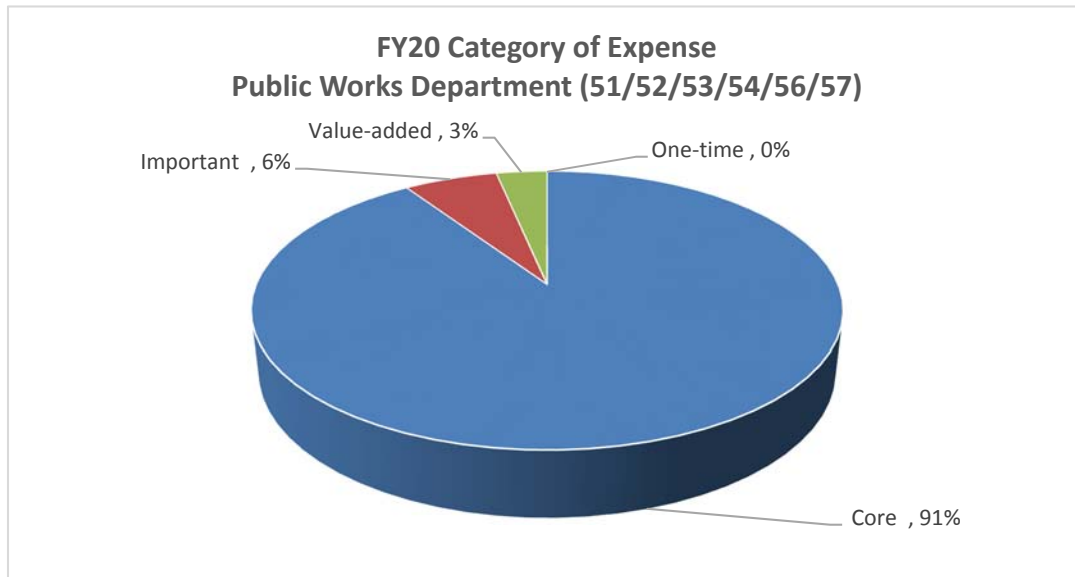
The Department is responsible for maintaining the public infrastructure, traffic control systems, and overseeing the trolley, franchise waste hauler, and water quality program.

Public Works						
	Administration (51)	Street Maintenance (52)	Traffic Engineering (53)	Solid Waste & Recycling (54)	Engineering (56)	Water Quality (57)
Program	Fiscal Year 2018 Actual	Fiscal Year 2019 Amended	Fiscal Year 2020 Proposed	Fiscal Year 2021 Proposed	Fiscal Year 2020 FTE	
Administration (51)	\$ 376,869	\$ 372,513	\$ 532,658	\$ 546,833	3	
Street Maintenance (52)	2,266,103	2,403,056	2,256,500	2,307,500	0	
Traffic Engineering (53)	736,033	766,050	808,300	824,700	0	
Solid Waste & Recycling (54)	78,588	122,891	44,400	84,800	0	
Engineering (56)	2,042,008	2,325,789	1,731,773	1,686,842	10	
Water Quality (57)	639,984	819,893	821,345	830,450	1	
<b>Total*</b>	<b>\$6,139,585</b>	<b>\$6,810,192</b>	<b>\$6,194,976</b>	<b>\$6,281,125</b>	<b>14</b>	

*\*Note that Public Works currently oversees administration of the City's vehicle fleet function; however, the related budget is summarized in the Administrative Services Department but can be seen separately as line items in the Non-Department (99) budget.*

Through thoughtful expenditure priorities and effective management, the Public Works and Engineering Department is proposing an operating budget for FY20 and FY21 without significant budgetary increases.

**Category of Expense:**



**ADMINISTRATION** is responsible for supporting all Department operations, specifically those associated with Street Maintenance, Traffic Engineering, Solid Waste & Recycling, Capital Improvement Program Engineering and Construction, and Water Quality. They develop and administer all Department contracts; and directly oversee the City’s Trolley program, Solid Waste Franchise/program, street light and holiday pole banner program, issuance of residential parking permits, City fleet, and the Department budget.

**STREET MAINTENANCE** oversees maintenance, operation and repair of City streets, signage, striping, sidewalks, storm drains, inlet filters, storm water diversions, storm drain trash removal units, and storm drain pump stations. They oversee numerous service contracts for street and storm drain maintenance; street sweeping; concrete and asphalt repair; storm system trash removal unit maintenance and inlet filter cleaning; and coordinate with public/private utilities in regards to construction encroachment permits for work in the public right of way, and inspections of related construction work.

They also focus on keeping the City looking clean and free of debris, pressure washing, graffiti removal, and ensure proper traffic control plans for major events such as the Festival of Whales Parade, 4th of July Fireworks, and private and City-sponsored events.

**TRAFFIC ENGINEERING** focuses on providing for the safe and efficient flow of traffic. It responds to public concerns about traffic safety, street maintenance and traffic signal coordination; conducts traffic studies, and prepares traffic control plans for major public events. They develop specialized traffic studies, speed surveys, traffic signal and stop sign warrants, and ensure proper signage, lighting, and striping plans are implemented

and remain in place; they also support the City Council's Traffic Improvement Subcommittee that is comprised of five residents they appointed.

**SOLID WASTE & RECYCLING** manages an exclusive franchise agreement for solid waste and recycling services, currently held by CR&R. Responsibilities include conducting performance and rate adjustment audits and acting liaison for resident issues. CR&R administers most recycling and related public education programs, and provides on-call bulky item pick up services. CR&R must comply with State mandates related to solid waste diversion which include State Assembly Bill 939 (AB939) (minimum 50% diversion of solid waste), AB341 (Mandatory Commercial Recycling), AB1826 (Mandatory Commercial Organics Recycling), and for achieving a trash diversion rate that complies with California Senate Bill 1016 (SB1016).

They also oversee the SHARPS (needle) mail-back program; plastic bag and Styrofoam ban programs; construction and demolition debris program; tri-annual bulky item drop off events; and, annual reporting to South Coast Air Quality Management District (SCAQMD), Department of Toxic Substances Control (DTSC) and the State Department of Resources, Recycling and Recovery (CalRecycle).

**ENGINEERING** is comprised of Development Engineering, Capital Improvement Program (CIP) Design, and Construction.

Development Engineering oversees private and public development engineering designs. They review engineering plans for compliance with California codes and ordinances, as well as local requirements/ordinances. They issue encroachment, grading, improvement and transportation permits to public and private applicants. They perform plan check services, geotechnical grading reviews, and assist the City's Planning Division with the discretionary development review process, and the Building Division with specific plan checks for a variety of building permits.

They conduct field inspections of residential/commercial improvements on both private and public property to ensure compliance with the State's stringent water quality requirements. They perform site inspections to verify that civil engineering and grading-related work meet State regulations, and that issues are addressed. And finally, they inspect and report issues with street lights every month, coordinate activities with the various utility companies, and respond to public records requests.

The General Engineering Division is responsible for development engineering, and for the City's Capital Improvement Program (CIP). Development engineering serve private and public development projects, and for the CIP they manage the design and construction oversight of City funded capital improvement projects.

This four person group is supported by consultants, and collectively are responsible for all public works permits related to private development and construction within the city. The State, through its many Boards and Committees, has ever-increasing and changing

requirements for development related to ocean water quality, environmental impacts, hillside conditions, natural hazards (flooding and seismicity) and worker safety; the Division assists applicants to navigate all of the regulations. They also work the Planning and Building Divisions to review submitted plans, review construction permits, and assist with respect to future project planning (Coastal Development Permits, Site Development Permits, and Conditional Use Permits).

The Capital Improvement Program (CIP) Engineering and Construction Management staff, and supporting consultants, manage design, contracting and construction oversight for City projects. Projects include streets, medians, curbs, gutters, sidewalks, storm drains and related treatment facilities, among others. They apply for and manage State and Federal grant funds; direct the street pavement management and implementation plans; and, respond to public records requests, among other duties. Construction Management staff work with contractors in an oversight capacity. Further, they respond to emergencies related to accidents, storms and other emergency services activities.

**WATER QUALITY** is charged with implementing the City's Ocean Water Quality Program, and maintaining compliance with State and Federal environmental regulations. This includes the City's Municipal Separate Storm Sewer (MS4) Storm Water National Pollutant Discharge Elimination Permit (NPDES) Permit; Total Maximum Daily Load (TMDL) requirements; and, trash control requirements. These are administered by the San Diego Regional Water Quality Control Board. The overall goal is to preserve and protect the integrity of our ocean waters and beaches (Strategic Goal 4).

They are also tasked with implementing the City's Local Implementation Plan (LIP) and the South Orange County Water Quality Improvement Plan (WQIP). The City's LIP outlines the requirements of the MS4 Permit and goals of the WQIP, and programs and procedures developed to meet the requirements in several key areas: legal authority, municipal activities, public outreach and training, development and construction, including residential and commercial program requirements and implementation of an illicit discharge/connection program.

Activities include: review of public and private development project plans; conduct inspections at construction sites, commercial facilities, residential areas and Water Quality Management Plan (WQMP) development sites; conduct studies and investigations; ensure City compliance with regulations; monitor water, prepare reporting documents; administer contracts; and, pursue water quality grant funds.

In addition, they are responsible for administration (permitting, executing agreements and reporting), monitoring, and operation, and maintenance of the City's structural Best Management Practices (BMPs), including the Salt Creek Ozone Treatment Facility, seventeen nuisance water diversion facilities, eight storm drain trash removal units and other trash control devices. These treatment controls protect the creek, enhance beach water quality, and help achieve compliance with environmental mandates.

Finally, they support the City's Ocean Water Quality Subcommittee, and coordinate closely with external agencies to implement water quality, conservation and sanitary sewer programs that enhance and improve water quality in Dana Point.

### **BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- The City was awarded its 3<sup>rd</sup> OCTA Project V grant (\$1,745,065). The grant allowed the extension of the Dana Point Trolley program through June 30, 2024.
- Reduced the number of City fleet from 34 to 23 vehicles.
- Utilized a proactive street maintenance and management program.
- Implemented a new Pavement Management Program that places streets on a schedule for rehabilitation and maintenance, and allows more consistent future project funding.
- Implemented innovative solutions to water quality issues, such as Salt Creek Ozone Treatment Facility operations and implementing a bird deterrent program using birds of prey to decrease bacteria levels from bird droppings.
- Prepared easement deeds, permits, agreements, deed restrictions and other engineering studies and documents in support of private and public projects.

### **FY20 & FY21 KEY INITIATIVES**

To achieve City's Strategic Goals as set by the Strategic Plan, Public Works sets the following objectives.

- Provide excellent customer service to the public with accountability, tact and professionalism. (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Planning, implementation and management of the Department's Operating and Capital Improvement budgets. (Strategic Goal 3. Fiscally Responsible & Accountable);
- Improve ADA accessibility and make timely repairs to City sidewalks and hardscape in the public right of way. (Strategic Goal 1. Livable Community & World-Class Place);
- Maintenance of the City's storm drain system to prevent urban runoff from polluting the City's shoreline. (Strategic Goal 4. Preserve & Enhance Environmental Health & Sustainability);
- Create a sense of place and identity for residents, businesses and visitors through the City's special event and seasonal banner program, and the City-wide holiday décor program. (Strategic Goal 1. Livable Community & World-Class Place);
- Ensure proper signage, lighting and striping is implemented within the City to ensure a safe and effective traffic environment for the community (Strategic Goal 1. Livable Community & World-Class Place);
- Provide responsible stewardship and sustainable practice opportunities and diversion programs to Dana Point residents and businesses (Strategic Goal 4. Preserve & Enhance Environmental Health & Sustainability);

- Use of electronic permit applications, issuance and signature cards allows for a streamlined, straightforward and professional engineering review process. (Strategic Goal 2. Effective, Efficient & Innovative Government);
- Effectively operate and maintain the nuisance water diversions, and conduct water sampling of South Orange County Wastewater Authority (SOCWA), South Coast Water District (SCWD) and the City of San Juan Capistrano (SJC). (Strategic Goal 4. Preserve & Enhance Environmental Health & Sustainability); and,
- Implement an effective public outreach program to inform and educate a variety of target audiences on the importance of controlling runoff and associated pollutants, and water conservation. (Strategic Goal 4. Preserve & Enhance Environmental Health & Sustainability).



**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: ADMINISTRATION (51)**

<u>L*</u>		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 404,034	\$ 362,034	\$ 350,129	\$ 372,006	\$ 381,837
1030	HOURLY	-	-	-	-	-
1050	C OVERTIME	-	-	1,500	1,500	1,500
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C CAFETERIA BENEFITS	44,574	32,643	47,700	48,000	48,900
1120	C RETIREMENT BENEFITS	38,529	44,228	35,927	38,236	39,537
1140	C MEDI-TAX 1.45%	6,570	5,633	5,099	5,416	5,558
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	C PERSONNEL ALLOCATION	(76,668)	(82,696)	(85,082)		
<b>TOTAL PERSONNEL</b>		<u>417,039</u>	<u>361,842</u>	<u>355,273</u>	<u>465,158</u>	<u>477,333</u>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cell phones)	1,580	1,506	1,800	1,800	1,800
2040	I COPIER USAGE	2,123	2,660	2,500	2,700	2,700
2050	VEHICLE MAINTENANCE	6,103	-	-	-	-
2070	C OFFICE SUPPLIES	7,422	10,397	7,550	7,600	7,600
2090	C MEMBERSHIPS & DUES (APWA, ASCE, other)	445	245	590	600	600
2110	C OPERATING SUPPLIES	-	-	-	-	-
2150	I TRAINING	375	-	900	900	900
2230	PROFESSIONAL SERVICES	-	-	-	-	-
2270	I TRAVEL, CONF. & MEETINGS	3,740	209	3,500	3,500	3,500
2290	I MILEAGE REIMBURSEMENT	108	10	400	400	400
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	50,000	52,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<u>21,896</u>	<u>15,027</u>	<u>17,240</u>	<u>67,500</u>	<u>69,500</u>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL EXPENDITURES</b>		<u>\$ 438,935</u>	<u>\$ 376,869</u>	<u>\$ 372,513</u>	<u>\$ 532,658</u>	<u>\$ 546,833</u>

\*Level of Service Importance = Core, Important, Value-added

1x=One-Time Cost

Program 51, \$\$		<u>FY20</u>	<u>FY21</u>
Core		\$ 525,158	\$ 539,333
Important		7,500	7,500
Value-added		-	-
One-time		-	-
Total		<u>\$ 532,658</u>	<u>\$ 546,833</u>
Program 51, %			
Core		98.6%	98.6%
Important		1.4%	1.4%
Value-added		0.0%	0.0%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: STREET MAINTENANCE (52)**

			FY17	FY18	FY19	FY20	FY21
			<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>L*</b>							
<b>PERSONNEL</b>							
1010	C	SALARIES	\$ 122,261	\$ -	\$ -	\$ -	\$ -
1030		HOURLY	-	-	-	-	-
1050		OVERTIME	-	-	-	-	-
1070		PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C	CAFETERIA BENEFITS	14,948	2,859	-	-	-
1120	C	RETIREMENT BENEFITS	9,659	-	-	-	-
1140	C	MEDI-TAX 1.45%	1,779	-	-	-	-
1199		ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200		OUTSIDE ASSISTANCE	-	-	-	-	-
1990	C	PERSONNEL ALLOCATION	38,334	41,348	42,541	-	-
<b>TOTAL PERSONNEL</b>			<b>186,981</b>	<b>44,207</b>	<b>42,541</b>	<b>-</b>	<b>-</b>
<b>MATERIALS &amp; SERVICES</b>							
2010		COMMUNICATIONS (cells)	1,018	-	1,080	-	-
2050		VEHICLE MAINTENANCE ( <i>move to dept 99 FY18</i> )	1,150	-	-	-	-
2070	C	OFFICE SUPPLIES	350	270	350	500	500
2090		MEMBERSHIPS & DUES	170	-	180	-	-
2110		OPERATING SUPPLIES					
		<i>Employee uniforms (shirts, hats, jackets)</i>			300	-	-
	C	<i>Equipment, small tools, materials</i>			16,000	16,000	16,000
	V	<i>Light pole banner repair &amp; replacement</i>			1,300	5,000	2,000
	C	<i>Benches, trash cans, etc.</i>			5,000	5,000	5,000
		<i>Subtotal</i>	<b>24,967</b>	<b>10,384</b>	<b>22,600</b>	<b>26,000</b>	<b>23,000</b>
2150	I	TRAINING	-	-	900	-	-
2230		PROFESSIONAL SERVICES					
	V	<i>Banner/holiday décor &amp; refurbishment</i>			100,000	102,000	104,000
	I	<i>Special event-related traffic control</i>			30,000	31,000	31,000
	I	<i>Banners</i>			25,000	26,000	26,000
	V	<i>Doheny Village Steam Clean Contract</i>			20,000	-	-
		<i>Subtotal</i>	<b>160,787</b>	<b>152,371</b>	<b>175,000</b>	<b>159,000</b>	<b>161,000</b>
2270	I	TRAVEL, CONF. & MEETINGS	365	-	500	-	-
2320	C	ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-
2350		STREET MAINTENANCE					
	C	<i>County contract - streets</i>			930,000	800,000	820,000
	C	<i>County contract - striping/stenciling</i>			275,000	282,000	290,000
	V	<i>County work program</i>			10,000	10,000	11,000
	C	<i>Underground Service Alert (USA)</i>			2,500	3,000	3,000
	C	<i>Concrete remove and replace</i>			100,000	105,000	110,000
	C	<i>Asphalt remove and replace, and rubberized crack fill</i>			100,000	100,000	100,000
	C	<i>Sidewalk grinding</i>			10,000	20,000	20,000
	V	<i>Caltrans ROW &amp; Citywide litter removal</i>			55,000	56,000	57,000
	I	<i>Graffiti removal</i>			15,000	15,000	15,000
		<i>Emergency repairs</i>			-	-	-
		<i>Add'l traffic control/misc maintenance</i>			5,000	-	-
	C	<i>Doheny Village Steam Clean (Staff now doing work)</i>			<b>25,000</b>	-	-
	I	<i>Citywide weed abatement</i>			25,000	25,000	25,000
		<i>Midyear Budget Adjustments</i>			(25,000)		
		<i>Subtotal</i>	<b>1,622,499</b>	<b>1,406,707</b>	<b>1,527,500</b>	<b>1,416,000</b>	<b>1,451,000</b>
2490	C	STREET SWEEPING					
		<i>Routine street sweeping</i>			251,425	252,000	260,000
		<i>Special event sweeping</i>			6,500	6,500	6,500
		<i>Street sweeping online database</i>			480	500	500
		<i>Subtotal</i>	<b>241,630</b>	<b>253,165</b>	<b>258,405</b>	<b>259,000</b>	<b>267,000</b>
2510	C	STORM DRAINS					
		<i>County contract - storm drain maintenance</i>			35,000	36,000	37,000
		<i>Inlet filter cleaning services</i>			140,000	143,000	146,000

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: STREET MAINTENANCE (52)**

<b>L*</b>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<i>Storm drain trash removal unit cleaning svcs</i>			100,000	102,000	104,000
<i>Inlet filter purchases/repairs</i>			2,000	15,000	15,000
<i>Storm Drain Cleaning Services</i>			55,000	56,000	57,000
<i>Trash removal unit/diversion repairs</i>			20,000	21,000	22,000
<i>Emergency repairs</i>			2,000	2,000	2,000
<i>Additional video inspection services</i>			20,000	21,000	22,000
<i>Subtotal</i>	368,333	398,999	374,000	396,000	405,000
<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>2,421,269</u>	<u>2,221,896</u>	<u>2,360,515</u>	<u>2,256,500</u>	<u>2,307,500</u>
<b>GRAND TOTAL EXPENDITURES</b>	<u>\$ 2,608,250</u>	<u>\$ 2,266,103</u>	<u>\$ 2,403,056</u>	<u>\$ 2,256,500</u>	<u>\$ 2,307,500</u>

\*Level of Service Importance = Core, Important, Value-added  
**1x**=One-Time Cost

	<u>FY20</u>	<u>FY21</u>
Program 52, \$\$		
Core	\$ 1,986,500	\$ 2,036,500
Important	97,000	97,000
Value-added	173,000	174,000
One-time	-	-
Total	<u>\$ 2,256,500</u>	<u>\$ 2,307,500</u>
	-	-
Program 52, %		
Core	88.0%	88.3%
Important	4.3%	4.2%
Value-added	7.7%	7.5%
One-time	0.0%	0.0%
Total	<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: TRAFFIC ENGINEERING (53)**

		FY17	FY18	FY19	FY20	FY21
<u>L*</u>		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>MATERIALS &amp; SERVICES</b>						
2070	C OFFICE SUPPLIES	\$ 350	\$ -	\$ 350	\$ 400	\$ 400
2150	I TRAINING	-	-	300	300	300
2210	UTILITIES					
	C <i>Traffic signals</i>			40,125	41,000	42,000
	C <i>City of SJC shared signal costs</i>			1,275	1,300	1,400
	C <i>Street lights</i>			340,000	346,000	352,000
	<i>Subtotal</i>	<u>321,152</u>	<u>388,896</u>	<u>381,400</u>	<u>388,300</u>	<u>395,400</u>
2230	PROFESSIONAL SERVICES					
	C <i>Traffic engineering consultant</i>			140,000	168,000	170,000
	C <i>Traffic signal timing consultant</i>			5,000	5,100	5,200
	I <i>Traffic studies/counts/speed verification</i>			6,000	6,100	6,200
	C <i>Emerg. vehicle pre-emption inspection/maintenance</i>			20,000	21,000	22,000
	<i>Traffic Signal Communications Consulting</i>					
	<i>Subtotal</i>	<u>185,012</u>	<u>179,644</u>	<u>171,000</u>	<u>200,200</u>	<u>203,400</u>
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-
2530	SAFETY LIGHTING / TRAFFIC SIGNALS					
	C <i>Monthly traffic signal maintenance</i>			40,000	41,000	42,000
	C <i>Extraordinary signal maintenance</i>			40,000	41,000	42,000
	C <i>Traffic safety projects/emergencies</i>			25,000	26,000	27,000
	C <i>Traffic Signal Equipment Painting</i>			25,000	26,000	27,000
	C <i>Traffic Signal/Mesh Network Comm. Equip. Upgrades</i>			25,000	26,000	27,000
	C <i>LED Illuminated street name signs</i>			25,000	26,000	27,000
	C <i>Battery Purchases for signal backup units</i>			8,000	8,100	8,200
	I <i>Public Safety Lighting Private-&gt;Public Property (new)</i>				25,000	25,000
	<i>Mid. Yr. Budget Adjustment</i>			25,000		
	<i>Subtotal</i>	<u>219,864</u>	<u>167,493</u>	<u>213,000</u>	<u>219,100</u>	<u>225,200</u>
<b>TOTAL MATERIALS &amp; SERVICES</b>		<u>726,378</u>	<u>736,033</u>	<u>766,050</u>	<u>808,300</u>	<u>824,700</u>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL EXPENDITURES</b>		<u>\$ 726,378</u>	<u>\$ 736,033</u>	<u>\$ 766,050</u>	<u>\$ 808,300</u>	<u>\$ 824,700</u>

\*Level of Service Importance = Core, Important, Value-added

**1x=One-Time Cost**

Program 53, \$\$					
Core				<u>FY20</u>	<u>FY21</u>
Important				\$ 776,900	\$ 793,200
Value-added				31,400	31,500
One-time				-	-
Total				<u>\$ 808,300</u>	<u>\$ 824,700</u>
Program 53, %					
Core				96.1%	96.2%
Important				3.9%	3.8%
Value-added				0.0%	0.0%
One-time				0.0%	0.0%
Total				<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point  
Expenditure Plan Detail Report  
Department: PUBLIC WORKS  
Program: SOLID WASTE (54)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1990	C PERSONNEL ALLOCATION	\$ 38,334	\$ 41,348	\$ 42,541	\$ -	\$ -
	<i>One-third Sr. Mgmt. Analyst from PW-Admin (51)</i>					
<b>TOTAL PERSONNEL</b>		<u>38,334</u>	<u>41,348</u>	<u>42,541</u>	<u>-</u>	<u>-</u>
<b>MATERIALS &amp; SERVICES</b>						
2070	C OFFICE SUPPLIES	2,307	2,350	2,350	2,400	2,400
	<i>Education outreach, recycling containers, office</i>					
2230	PROFESSIONAL SERVICES					
	C SHARPS program			3,600	3,700	3,700
	C Mercury disposal recycling service			2,000	2,100	2,100
	C Dept. of Conservation grant programs			5,000	-	-
	<i>Residential trash can tagging - Lantern District</i>			-	-	-
	C Advertising for community recycling events			7,400	7,500	7,700
	C Community Bulky Item Cleanup - Shredding Svc				3,500	3,500
	V Community Diversion/Recycling Program			10,000	10,200	10,400
	C Trash Franchise compliance audit (reimbursed)			50,000	-	50,000
	<i>Midyr Budget Adjustment</i>					
	<i>Subtotal</i>	83,017	34,890	78,000	27,000	77,400
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	15,000	5,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		<u>85,324</u>	<u>37,240</u>	<u>80,350</u>	<u>44,400</u>	<u>84,800</u>
<b>GRAND TOTAL EXPENDITURES</b>		<u>\$ 123,658</u>	<u>\$ 78,588</u>	<u>\$ 122,891</u>	<u>\$ 44,400</u>	<u>\$ 84,800</u>

\*Level of Service Importance = Core, Important, Value-added  
1x=One-Time Cost

		FY20	FY21
Program 54, \$\$			
Core		\$ 34,200	\$ 74,400
Important		-	-
Value-added		10,200	10,400
One-time		-	-
Total		<u>\$ 44,400</u>	<u>\$ 84,800</u>
Program 54, %			
Core		77.0%	87.7%
Important		0.0%	0.0%
Value-added		23.0%	12.3%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: ENGINEERING (56)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 1,071,623	\$ 955,284	\$ 971,055	\$ 1,004,324	\$ 1,026,881
1030	I HOURLY	9,730	-	15,190	15,747	16,443
1050	C OVERTIME	2,227	10,603	5,000	5,000	5,000
1070	PLANNING COMMISSION STIPENDS				-	-
1100	C CAFETERIA BENEFITS	153,139	145,017	148,500	151,500	156,000
1120	C RETIREMENT BENEFITS	87,734	77,002	86,148	84,738	88,767
1140	C MEDI-TAX 1.45%	16,452	14,823	14,373	14,864	15,201
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<u>1,340,905</u>	<u>1,202,729</u>	<u>1,240,266</u>	<u>1,276,173</u>	<u>1,308,292</u>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cells)	8,930	6,931	6,000	7,000	7,000
2050	VEHICLE MAINTENANCE ( <i>move to dept 99 FY18</i> )	8,816	-	-	-	-
2070	C OFFICE SUPPLIES	3,897	4,156	4,200	4,300	4,300
2090	C MEMBERSHIPS & DUES <i>APWA9, CMAA, CMCI, PE license, ASCE6</i>	1,475	1,232	3,270	3,300	3,300
2110	OPERATING SUPPLIES					
	C <i>AUTOCAD software licenses</i>			7,600	8,400	9,400
	C <i>Miscellaneous software</i>			6,000	6,100	6,200
	C <i>Computer supplies</i>			1,500	1,500	1,500
	C <i>Tools for field inspectors</i>			500	500	500
	C <i>Employee uniforms</i>			1,400	1,400	1,500
	C <i>Field Equipment replacement</i>			400	400	400
	C <i>Wide format plotter: B&amp;W Mntce Svc</i>			3,030	3,100	3,100
	C <i>Wide format plotter (new)- color supplies</i>				2,500	2,750
	C <i>Wide format plotter (new)- color ongoing mntce.</i>				4,000	4,300
	C <i>Wide format plotter: Supplies</i>			1,900	1,900	2,000
	C <i>Miscellaneous supplies</i>			1,700	1,700	1,800
	<i>Subtotal</i>	<u>19,903</u>	<u>17,345</u>	<u>24,030</u>	<u>31,500</u>	<u>33,450</u>
2130	C BOOKS & SUBSCRIPTIONS	162	-	1,000	1,000	1,000
2150	C TRAINING	2,109	3,132	5,000	5,000	5,000
2190	FACIL & EQUIP LEASE/RENTAL (vehicle)	-	-	-	-	-
2230	PROFESSIONAL SERVICES					
	I <i>Aerial images</i>			8,000	9,500	9,500
	I <i>Special project management &amp; support</i>			13,000	13,000	14,000
	<i>Geological consultation</i>			5,000	-	-
	I <i>CIP design contract services</i>			125,000	125,000	125,000
	I <i>Planning application review</i>			30,000	25,000	20,000
	<i>Midyr Budget Adjustments</i>			70,023		
	<i>Subtotal</i>	<u>313,757</u>	<u>181,007</u>	<u>251,023</u>	<u>172,500</u>	<u>168,500</u>
2240	C REIMBURSEABLE COSTS <i>Contract Geotech/Engineering Svcs. (3/4 year FY20)</i>	492,706	619,401	785,000	225,000	150,000
2290	C MILEAGE REIMBURSEMENT	5,877	6,075	6,000	6,000	6,000
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>		<u>857,632</u>	<u>839,279</u>	<u>1,085,523</u>	<u>455,600</u>	<u>378,550</u>
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>GRAND TOTAL EXPENDITURES</b>		<u>\$ 2,198,537</u>	<u>\$ 2,042,008</u>	<u>\$2,325,789</u>	<u>\$ 1,731,773</u>	<u>\$ 1,686,842</u>

\*Level of Service Importance = Core, Important, Value-added  
**1x**=One-Time Cost

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: ENGINEERING (56)**

<u>L*</u>	FY17	FY18	FY19	FY20	FY21
	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
				<u>FY20</u>	<u>FY21</u>
Program 56, \$\$					
Core				\$ 1,543,526	\$ 1,501,899
Important				188,247	184,943
Value-added				-	-
One-time				-	-
Total				<u>\$ 1,731,773</u>	<u>\$ 1,686,842</u>
				-	-
Program 56, %					
Core				89.1%	89.0%
Important				10.9%	11.0%
Value-added				0.0%	0.0%
One-time				0.0%	0.0%
Total				<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: WATER QUALITY (57)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
	<b>L*</b>					
1010	C SALARIES	\$ 201,046	\$ 118,207	\$ 126,859	\$ 132,686	\$ 135,669
1030	HOURLY	13,297	-	-	-	-
1050	OVERTIME	165	-	-	-	-
1070	PLANNING COMMISSION	-	-	-	-	-
1100	C CAFETERIA BENEFITS	28,740	15,432	15,600	15,300	15,600
1120	C RETIREMENT BENEFITS	16,012	10,967	11,505	12,356	12,633
1140	C MEDI-TAX 1.45%	3,319	1,794	1,839	1,924	1,967
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<b>262,579</b>	<b>146,400</b>	<b>155,803</b>	<b>162,265</b>	<b>165,870</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS (cells)	1,651	840	1,030	1,030	1,030
2070	C OFFICE SUPPLIES	884	831	875	900	900
2090	C MEMBERSHIPS & DUES <i>ASFPM, Certified FPM, QISP, Certified ISEC, CPSWQ, Ca Coastal Coalition</i>	1,465	1,565	2,535	2,000	2,000
2110	C OPERATING SUPPLIES <i>Public education &amp; WQ materials</i>	28,747	3,306	9,000	9,000	9,000
2130	I BOOKS & SUBSCRIPTIONS	72	60	600	600	600
2150	C TRAINING <i>Citywide NPDES training and other</i>	1,988	95	2,900	2,900	2,900
2230	PROFESSIONAL SERVICES					
	C <i>Salt Creek technical operational support</i>			20,000	20,000	20,000
	<i>Federal legislative analyst</i>			-	-	-
	C <i>NPDES Commercial Inspections</i>			15,000	15,000	15,000
	C <i>WQ Tech Support &amp; Program Implementation</i>			80,000	80,000	80,000
	C <i>GIS Storm Drain Update</i>			8,000	8,000	8,000
	C <i>Biohazard Cleanup</i>			10,000	10,000	10,000
	<i>Special investigations - Illegal discharge/connection, NAL, clean-ups</i>			-	-	-
	V <i>Salt Creek Falconer Program</i>			20,000	20,500	21,000
	<i>Subtotal</i>	41,911	100,492	153,000	153,500	154,000
2240	C REIMBURSEABLE COSTS <i>Contract BMP Services (01-60-6655 revenue acct.)</i>	-	29,448	35,000	35,000	35,000
2270	C TRAVEL, CONF. & MEETINGS <i>Conferences - Water Quality Cert. (4)</i>	396	610	4,000	4,000	4,000
2290	C MILEAGE REIMBURSEMENT	1,381	598	650	650	650
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	5,000	5,000



**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC WORKS**  
**Program: WATER QUALITY (57)**

		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
2510	<b><u>L*</u></b> STORM DRAINS					
	C NPDES (co-permittee share)			75,000	75,000	75,000
	C SOCWMA cost share			9,500	11,000	11,000
	C Baby Beach TMDL + cost share			30,000	30,000	31,000
	C SWRCB/NPDES permit fee			22,000	22,000	23,000
	C San Juan Creek TMDL Cost Share			13,000	13,000	13,000
	C Diversion flow treatment (added North Creek)			95,000	95,000	95,000
	C North Creek ozone treatment			-	-	-
	C Salt Creek:					
	Operation and maintenance (SCWD)			135,000	137,000	139,000
	Operation and maintenance (SDG&E)			52,000	53,000	54,000
	Equipment Replacement (transferred to Fund 12)			-	-	-
	Extraordinary repairs (transferred to Fund 12)			-	-	-
	V Grease interceptor rebate program (Change to as needed)			15,000	-	-
	C Headlands diversion flow treatment & monitoring			8,000	8,000	8,000
	C Estates @ Monarch Cove Community Assoc. Easement Mid-Year Budg. Adj				500	500
	Subtotal	393,910	355,739	454,500	444,500	449,500
	<b>TOTAL MATERIALS &amp; SERVICES</b>	472,405	493,584	664,090	659,080	664,580
	<b>CAPITAL OUTLAY</b>					
	3010 FURNITURE & EQUIPMENT	32,000	-	-		
	<b>TOTAL CAPITAL OUTLAY</b>	32,000	-	-	-	-
	<b>GRAND TOTAL EXPENDITURES</b>	\$ 766,984	\$ 639,984	\$ 819,893	\$ 821,345	\$ 830,450

\*Level of Service Importance = Core, Important, Value-added  
Ix=One-Time Cost

	<u>FY20</u>	<u>FY21</u>
Program 57, \$\$		
Core	\$ 800,245	\$ 808,850
Important	600	600
Value-added	20,500	21,000
One-time	-	-
Total	\$ 821,345	\$ 830,450
Program 57, %		
Core	97.4%	97.4%
Important	0.1%	0.1%
Value-added	2.5%	2.5%
One-time	0.0%	0.0%
Total	100.0%	100.0%

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**City of Dana Point**  
**Department: Police Services**  
**Programs: Police Services and VIPS**

**Lieutenant Margie Sheehan, Chief of Police Services. Tenure with City, 2 years.**

*Strategic Plan Goal 1: Livable Community & World Class Place – Dana Point prides itself in creating and maintaining a safe, livable and unique world class city.*

*According to the Community Survey, 89% of Dana Point residents rate the provision of police services as being an extremely and very important service provided by the City; in addition, 80% of residents are very or somewhat satisfied with OCSD provision of police services in Dana Point.*

The City contracts for law enforcement with the Orange County Sheriff’s Department (OCSD). OCSD is responsible for providing for the safety, well-being and physical protection of local residents, business, visitors and their respective rights.

Police Services (61/62)

<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Proposed</b>	<b>Fiscal Year 2021 Proposed</b>	<b>Fiscal Year 2020 FTE</b>
Police Services (61)	\$ 12,491,918	\$ 12,889,901	\$ 13,656,535	\$ 14,330,403	0
VIPS (62)	7,750	31,800	*	*	0
<b>Total</b>	<b>\$ 12,499,668</b>	<b>\$ 12,921,701</b>	<b>\$ 13,656,535</b>	<b>\$ 14,330,403</b>	<b>0</b>

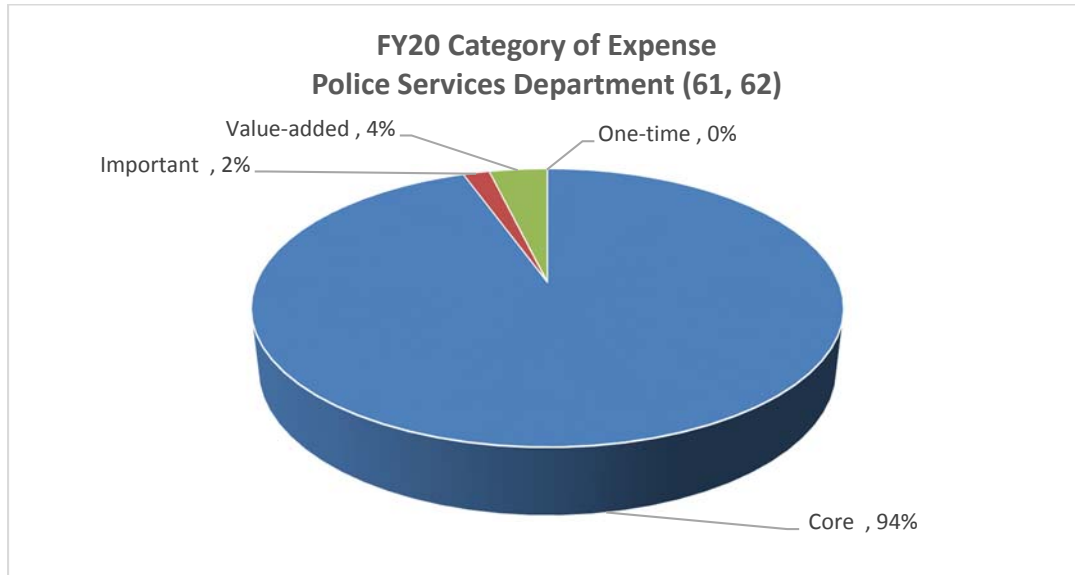
*\*In FY20 the VIPS (62) budget was consolidated into Police Services (61).*

The most significant cost change to the Department’s budget for FY20 is a 5% (or \$592,000) increase in the OCSD contract. While the base contract increase as of the date of this writing is 1.5%, or \$184,000, it does not include salary increases for OCSD employees as the County is still in negotiations with the labor unions. It is believed that raises will be provided; therefore, the budget includes a contingency to cover resulting cost increases.

An executive assistant part-time position historically provided in the OCSD contract is proposed to be moved to a part-time City employee as OCSD has decided to no longer provide this option utilizing the same level of employee; though the \$40,000 annual cost is the same, in FY20 it is budgeted in personnel services. The other changes to the Department’s budget include consolidating the VIPS (62) budget into the larger Police

Services (61), and adding \$13,000 of funding for an annual VIPS/Neighborhood Watch volunteer recognition event.

**Category of Expense:**



**POLICE SERVICES** provide responsive, professional and caring law enforcement services to the city. Typical activities include: responding to calls for service, providing active patrols, initiating and maintaining crime prevention programs, bicycle patrols, parking and traffic safety, investigative services, police protection and enforcement of municipal ordinances. Police Services practices a Community Based Policing concept that provides the community with a positive, interactive form of policing. OCSD also provides services to Dana Point using special OCSD units such as the Narcotics Detail, Hazardous Devices Squad, Crime Prevention Detail, Equestrian Units, Air Support Bureau, and the Coroner Division, as needed. Dana Point citizens have a direct access point to Community Based Policing Deputies through the Police Services counter.

**VOLUNTEERS IN POLICE SERVICES (VIPS)** is a City-based volunteer program administered by our OCSD Community Based Policing Sergeant. VIPS provide clerical, code enforcement, and traffic services through parking enforcement, traffic control and assistance at special events. VIPS also support maintaining a high level of visibility in the community and assist and actively participate in the Neighborhood Watch Program.

**BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- No major changes in Part 1 crimes or traffic collisions, or Part 2 crimes due to reinforcement of community-focused policing.
- Community Services Unit (CSU) has performed exceptionally and reduced crime and built stronger relationships between Law Enforcement and the community.

- To improve communication with the community, the Chief of Police and Police Services opened Facebook, Instagram and Twitter accounts. Social media has become a key form of communication in society and we are adapting to utilize it. The sites are live and visited at: Facebook OCSD – Dana Point Police Services; Twitter @OCSDDanaPoint; and, Instagram @ocsddanapoint.
- Revived the Neighborhood Watch Program, and currently have 33 active neighborhood watch groups, and growing. We have renewed our commitment to the Volunteers in Police Services Program (VIPS), began actively recruiting for new VIPS, increased their training, and use of their services to support community events and activities. A Community Services Officer has been designated lead for the program, and regularly communicates with Neighborhood Watch block captains, assists with organizing meetings. This single point of contact has provided a stronger sense of purpose and clearer direction.
- The Community Services Unit partnered with the Department of Homeland Security (DHS) to provide our resorts with training in the area of Terrorist Threats, and continue to work with hotel staff to strengthen operational response plans;
- OCSD provides a School Resource Deputy at Dana Hills High School, that is funded by a State grant (Citizen Options for Public Safety, or COPS). Each deputy must spend at least an hour each month on campus to remain familiar with the environment and campus layout. All personnel are trained in Rapid Response Tactics. In addition to these safeguards, the City and Police Services provide an Early Intervention Program to help prevent student involvement in the abuse of alcohol and drugs. The program is staffed by a contract Early Intervention Specialist who provides counseling and resources to students. This program helps reduce risky behaviors by students and has prevented issues where otherwise students may have caused serious harm to themselves or others.
- The City's contracted Early Intervention Specialist works mainly at Dana Hills High and works with school administrators, counselors, our Police Services School Resource Deputy to assess student needs and to create appropriate prevention measures, education programs and resources for substance abuse and risky behaviors. He also works closely with the schools S.O.S (Save our Students) club, which was created to provide youth an opportunity to provide community service and have fun outside of school in a safe, drug-free environment; S.O.S. members provide over 2,600 community service volunteer hours per year. The program provides a breadth of education, prevention, parenting, intervention and assessments that assist families and individuals who are dealing with substance abuse, family crises or delinquent behavior. In addition to the hundreds of individual students assisted each year, the program hosted Parent Project classes, in both English and Spanish, during both the Fall and Spring semesters.

- Police Services assigns a deputy to work with the OCSD South Operations Directed Enforcement Team (DET), which targets career criminals and assists with more labor intensive investigations.
- In June 2017, the City opened its own police station, allowing deputies to operate from Dana Point City Hall. The station includes staff briefing and office space, locker rooms, an equipment room and armory, property/evidence lockers, interview rooms, office space for investigation and support staff. The new station results in less travel time to and from the Aliso Viejo substation previously used.
- With the growing concern over the homeless population, Police Services enhanced the Homeless Liaison Officer (HLO) program with a deputy assigned to work closely with the City's homeless outreach team (Mercy House and City staff), homeless advocacy groups, and with the District Attorney's Office (DA). As part of the homeless outreach team, the deputy endeavors to connect homeless individuals with much needed resources; also, it is at times necessary to engage the DA to prosecute repeat offenders. Four to six times a month a representative from Mercy House works with our HLO and patrol deputies. This service approach has proven to be successful, and although there will always be more work to be done on this issue, police services will continue to explore methods in which to assist and manage our homeless population.

## **FY20 & FY21 KEY INITIATIVES**

To achieve City's Strategic Goals as set by the Strategic Plan, the Police Services Department sets the following objectives:

- Continue maintaining and ensuring public safety by providing timely and effective police services (Strategic Goal 1. Livable Community and World Class Place);
- Enhance community engagement in City-led volunteer service programs (e.g. Neighborhood Watch (PS), Volunteers in Police Services (PS), Nature Interpretive Center Docents (GS));
- Create and run volunteer-staffed programs so that residents enjoy a sense of ownership and involvement, and their presence adds to the sense of a safe, involved, livable community (Strategic Goal 1. Livable Community and World Class Place); and,
- Identify the demand sources for Public Safety services and the volume of demand, by source, so that service resources and costs can be forecast and managed (Strategic Goal 2. Effective, Efficient & Innovative Government).

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC SAFETY**  
**Program: POLICE SERVICES (61)**

<u>L*</u>		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -
1030	I HOURLY	-	-	-	33,600	35,367
1050	OVERTIME	-	-	-	-	-
1070	PLANNING COMMISSION	-	-	-	-	-
1100	CAFETERIA BENEFITS	-	-	-	-	-
1120	I RETIREMENT BENEFITS	-	-	-	2,520	2,653
1140	I MEDI-TAX 1.45%	-	-	-	487	513
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		-	-	-	36,607	38,532
<b>MATERIALS &amp; SERVICES</b>						
2010	COMMUNICATIONS					
	C <i>Cell phones &amp; satellite phones (4)</i>	\$ 7,309	\$ 7,445	\$ 8,600	\$ 8,600	\$ 8,600
2030	EQUIPMENT MAINTENANCE					
	I <i>Bicycle maintenance</i>			1,000	1,000	1,000
	C <i>800 MHz backbone maintenance</i>			15,375	17,000	17,500
	C <i>Laptop computers, external defibrillators</i>			-	-	-
	I <i>Canon 5000 copier (Police)</i>			-	-	-
	C <i>Hand held radar mntce.</i>			1,500	1,500	1,500
	V <i>VIPS Equipment</i>				500	500
	<i>Mid-yr Budget Adj. (FY18 Final 800mhz system pymt)</i>					
	<i>Subtotal</i>	61,213	97,067	17,875	20,000	20,500
2040	I COPIER USAGE	333	510	500	500	500
2050	C VEHICLE MAINTENANCE	35,230	-	-	-	-
2070	C OFFICE SUPPLIES (incl. VIPS Mktg \$9k FY20)	5,417	3,928	5,000	14,000	15,000
2110	OPERATING SUPPLIES					
	C <i>Special events</i>			20,000	20,000	20,000
	C <i>Lexus Nexus (Investigations)</i>			1,200	1,200	1,200
	C <i>Data Ticket</i>			1,260	1,300	1,300
	C <i>Bicycle patrol (helmets, uniforms, tires, etc.)</i>			1,000	1,000	1,000
	C <i>Miscellaneous</i>			12,950	13,000	13,000
	C <i>VIPS Uniforms, other</i>				9,000	9,000
	<i>Mid-yr Budget Adjustment</i>					
	<i>Subtotal</i>	21,281	24,587	36,410	45,500	45,500
2150	V TRAINING	2,666	1,249	2,500	3,500	3,500
2230	PROFESSIONAL SERVICES					
	I <i>Trauma intervention program</i>			5,500	4,560	4,750
	V <i>DHHS Intervention specialist</i>			67,000	69,000	71,000
	V <i>California Youth Services Sponsorship</i>		-	-	2,500	2,500
	I <i>Crossing guards</i>			57,000	60,000	60,000
	<i>Mid-yr Budget Adj (FY18 OCS D Efficiency Study)</i>					
	<i>Subtotal</i>	119,411	137,143	129,500	136,060	138,250
2270	V TRAVEL, CONF. & MEETINGS (VIPs \$13k FY20)	3,256	798	2,000	15,000	15,000
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-
2330	POLICE SERVICES					
	C <i>Contract services</i>	11,301,807	12,219,191	12,671,207	12,855,265	13,925,906
	V <i>FY20 Labor Contingency (rounds total to 5%)</i>				407,503	
	I <i>OCS D Special Event Security (Reimb 01-60-6689)</i>			-	94,500	99,225
	C <i>Automated Finger Print System</i>			16,309	19,500	19,890
	<i>Subtotal</i>	11,301,807	12,219,191	12,687,516	13,376,768	14,045,021
<b>TOTAL MATERIALS &amp; SERVICES</b>		11,557,923	12,491,918	12,889,901	13,619,928	14,291,871
<b>CAPITAL OUTLAY</b>						
3010	V FURNITURE & EQUIPMENT	180,150	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		180,150	-	-	-	-
<b>GRAND TOTAL EXPENDITURES</b>		\$ 11,738,073	\$ 12,491,918	\$ 12,889,901	\$ 13,656,535	\$ 14,330,403

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC SAFETY**  
**Program: POLICE SERVICES (61)**

<u>L*</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
*Level of Service Importance = Core, Important, Value-added					
1x=One-Time Cost					
Program 61, \$\$				<u>FY20</u>	<u>FY21</u>
Core				\$ 12,961,365	\$ 14,033,896
Important				197,167	204,007
Value-added				498,003	92,500
One-time				-	-
Total				<u>\$ 13,656,535</u>	<u>\$ 14,330,403</u>
				-	-
Program 61, %					
Core				94.9%	97.9%
Important				1.4%	1.4%
Value-added				3.6%	0.6%
One-time				0.0%	0.0%
Total				<u>100.0%</u>	<u>100.0%</u>



**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: PUBLIC SAFETY**  
**Program: VIPS (62)\*\***

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b><u>L*</u></b>						
<b>MATERIALS &amp; SERVICES</b>						
2030	V EQUIPMENT MAINTENANCE	\$ -	\$ -	\$ 500	\$ -	\$ -
2050	V VEHICLE MAINTENANCE	766	-	-	-	-
2070	V OFFICE SUPPLIES	5,312	1,976	9,000	-	-
	<i>Neighborhood/business watch materials, misc.</i>				-	-
2110	V OPERATING SUPPLIES	2,302	3,851	8,600	-	-
	<i>Volunteer uniforms, misc.</i>				-	-
2150	V TRAINING	-	-	800	-	-
2270	V TRAVEL, CONF. & MEETINGS	415	1,923	12,600	-	-
2290	V MILEAGE REIMBURSEMENT	-	-	300	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>8,795</b>	<b>7,750</b>	<b>31,800</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 8,795</b>	<b>\$ 7,750</b>	<b>\$ 31,800</b>	<b>\$ -</b>	<b>\$ -</b>

\*Level of Service Importance = Core, Important, Value-added  
**1x**=One-Time Cost

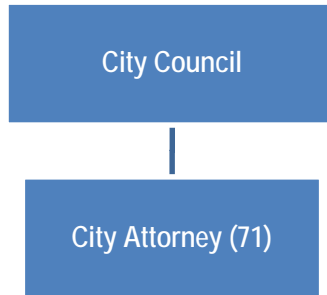
\*\*Consolidated into Department 61 in FY20

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**City of Dana Point**  
**Department: City Attorney**  
**Program: City Attorney**

**Patrick Munoz, City Attorney**

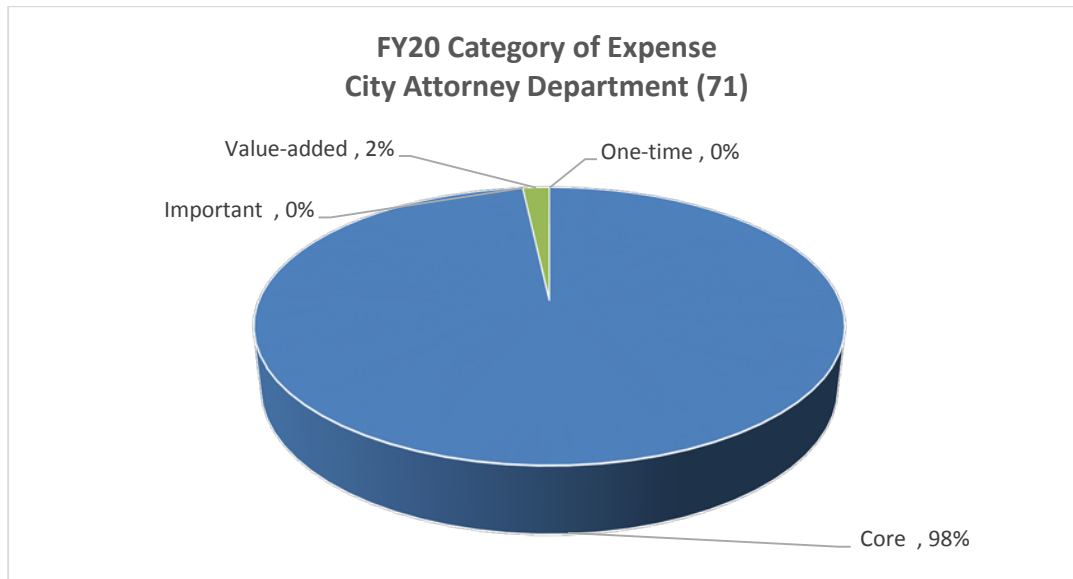
The City Attorney acts as legal advisor to the City Council, City Manager, the various City Departments, commissions, committees and boards. The City Attorney prepares or approves as to legal form all proposed ordinances, resolutions, contracts and other legal documents. The City Attorney also represents the City in certain litigation cases in which the City is involved and prosecutes violations of City codes. The City Attorney gives assistance and advice for City-related litigation handled by the City's insurer, California Joint Powers Insurance Authority (CJPIA). City Attorney services are provided via a contract with a law firm Rutan and Tucker.



<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Adopted</b>	<b>Fiscal Year 2021 Adopted</b>	<b>FTE</b>
City Attorney (71)	\$1,299,474	\$1,233,000	\$993,000	\$956,500	0
Allocated Costs	--	--	(705,000)	(687,000)	
<b>Total</b>	<b>\$1,299,474</b>	<b>\$1,233,000</b>	<b>\$288,000</b>	<b>\$269,500</b>	<b>0</b>

The City Attorney's base FY20 budget of \$993,000 is comparable to the original base FY19 budget of \$983,000 (excluding a \$250,000 budget adjustment for two particular code enforcement cases that were offset by reimbursements for successful litigation). Note also that beginning with FY20, an estimate of legal costs directly attributable to other City departments has been allocated to those departments.

## Category of Expense:



## FY20 & FY21 KEY INITIATIVES

To achieve City's Strategic Goals as set by the Strategic Plan, the City Attorney's Office sets the following objectives:

- Provide legal advice and opinions as requested;
- Provide employee training in regards to legal matters applicable to City business and government employment;
- Review and prepare ordinances, resolutions, contracts, written opinions and contractual agreements;
- Attend meetings for the City Council and Planning Commission to advise upon the legality of all activity;
- Enforce City codes and prosecute violators;
- Review and process claims against the City not covered by CJPIA, including legal defense in select situations;
- Initiate legal action when deemed necessary or proper by the City Council;
- Provide timely legal advice to City Council, City staff, Planning Commission, Traffic Commission, and other advisory boards;
- Provide all-purpose litigation capability on behalf of the City.

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: CITY ATTORNEY**  
**Program: CITY ATTORNEY (71)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b><u>L*</u></b>						
<b>MATERIALS &amp; SERVICES</b>						
2130	C BOOKS & SUBSCRIPTIONS	\$ 7,543	\$ 8,580	\$ 7,500	\$ 8,000	\$ 7,500
	<i>Legal code updates</i>					
2310	CITY ATTORNEY SERVICES					
	C <i>Retainer</i>			125,000	130,000	134,000
	V <i>O.C. Muni code violation custody fees</i>			5,000	5,000	5,000
	C <i>Muni code violations/prosecution</i>			325,000	325,000	325,000
	C <i>General legal services (non-litigation)</i>			410,000	425,000	425,000
	C <i>Legal Reimbursements Development (01-60-6687)</i>			10,000	10,000	10,000
	C <i>City Attorney Litigation Costs</i>			100,000	90,000	50,000
	<i>Mid-year budget adj.</i>			250,000		
	<i>Subtotal</i>	1,158,837	1,290,894	1,225,000	985,000	949,000
2320	n/a ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	(985,000)	(949,000)
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>1,166,380</b>	<b>1,299,474</b>	<b>1,232,500</b>	<b>8,000</b>	<b>7,500</b>
<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 1,166,380</b>	<b>\$ 1,299,474</b>	<b>\$ 1,232,500</b>	<b>\$ 8,000</b>	<b>\$ 7,500</b>
<b>REVENUE BUDGET</b>						
01-60-6687	LEGAL REIMBURSEMENTS-DEVELOPER	\$ -	\$ 18,162	\$ 12,000	\$ 10,000	\$ 10,000
01-60-6688	LEGAL REIMBURSEMENTS-OTHER	-	156,135	175,000	225,000	25,000
<b>TOTAL REVENUE BUDGET</b>		<b>\$ -</b>	<b>\$ 174,297</b>	<b>\$ 187,000</b>	<b>\$ 235,000</b>	<b>\$ 35,000</b>

\*Level of Service Importance = Core, Important, Value-added  
 1x=One-Time Cost

Program 71, \$\$		<u>FY20</u>	<u>FY21</u>
Core		\$ 3,000	\$ 2,500
Important		-	-
Value-added		5,000	5,000
One-time		-	-
Total		<u>\$ 8,000</u>	<u>\$ 7,500</u>
		-	-
Program 71, %			
Core		37.5%	33.3%
Important		0.0%	0.0%
Value-added		62.5%	66.7%
One-time		0.0%	0.0%
Total		<u>100.0%</u>	<u>100.0%</u>
TOTAL CITY ATTORNEY COST		\$ 993,000	\$ 956,500
ALLOCATIONS TO DEPARTMENTS:			
City Council (01)		460,000	444,000
City Manager Administration (11)		10,000	10,000
City Manager Economic Development (44)		5,000	5,000
Administrative Services (21)		30,000	30,000
City Clerk (31)		30,000	40,000
Community Development Planning (41)		70,000	70,000
Community Development Building (42)		25,000	25,000
Community Development Code Enforcement (43)		285,000	263,000
Public Works Administration (51)		50,000	52,000
Public Works Solid Waste (54)		15,000	5,000
Public Works Water Quality (57)		5,000	5,000
TOTAL ALLOCATED		<u>985,000</u>	<u>949,000</u>
TOTAL UNALLOCATED		<u>\$ 8,000</u>	<u>\$ 7,500</u>

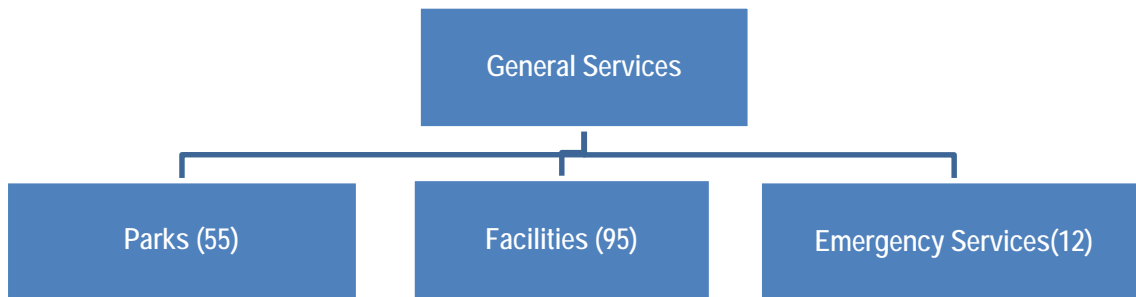
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**City of Dana Point**  
**Department: General Services**  
**Programs: Parks; Facilities; and, Emergency Services**

**Robert Sedita, Director of General Services. Tenure with City, 4 years.**

*Strategic Plan Goal 1: Livable Community & World Class Place – Dana Point prides itself in creating and maintaining a safe, livable and unique world class city.*

The Department encompasses the Parks, Facilities, and Emergency Services Divisions. These divisions oversee maintenance of all parks, facilities and street medians, and manages the City’s Emergency Operations Center, Community Emergency Response Team (CERT), Disaster Preparedness Program, Public Safety Wireless Network, Fleet and Information Technology.



<b>Program</b>	<b>Fiscal Year 2018 Actual</b>	<b>Fiscal Year 2019 Amended</b>	<b>Fiscal Year 2020 Adopted</b>	<b>Fiscal Year 2021 Adopted</b>	<b>Fiscal Year 2020 FTE</b>
Parks (55)	\$3,690,807	\$3,740,457	\$3,734,395	\$3,772,419	4
Facilities (95)	762,748	848,280	857,291	869,154	2
Emergency Services (12)	296,141	400,805	450,371	459,922	2
<b>Total*</b>	<b>\$4,749,696</b>	<b>\$4,989,542</b>	<b>\$5,042,057</b>	<b>\$5,101,495</b>	<b>8</b>

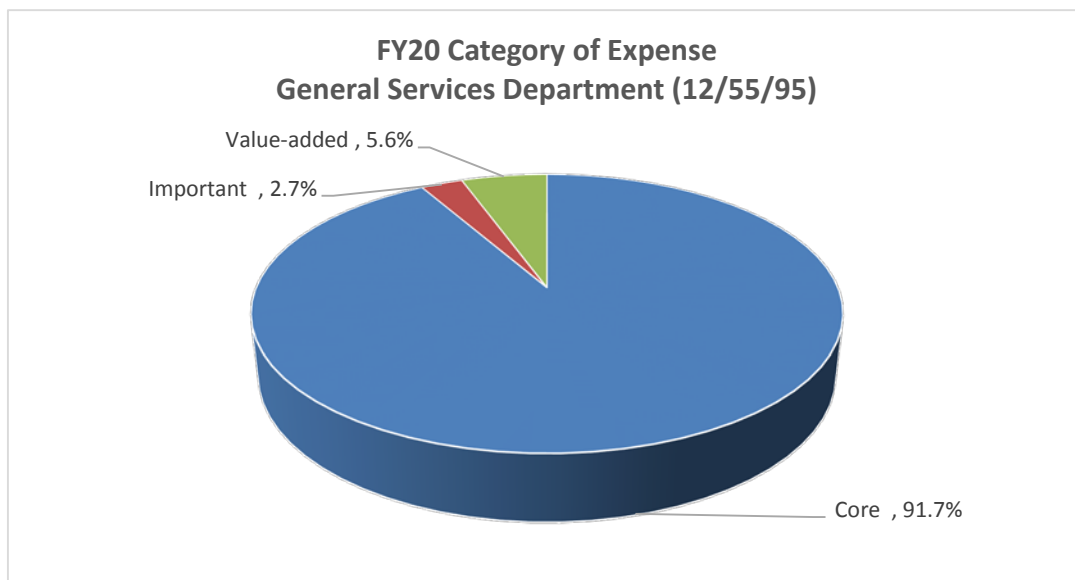
*\*Note that General Services also oversees administration of the City’s information technology function; however, the related budget is summarized in the Administrative Services Department but can be seen separately as line items in the Non-Department (99) budget.*

The General Services budget is consistent with the prior year, and has minimal increases proposed. Within the Parks Division, increases for the tree maintenance contract resulting from a recent re-bidding of the work, and for landscape maintenance due to the addition of the new Waterman’s Plaza Park. The Facilities Division saw

minimal increases in its proposed budget due to expected CPI adjustments and annual costs of the new Computerized Maintenance Management Software (CMMS).

The City's Information Technology function is managed by General Services; however, the related budget is summarized with the rest of the Non-Department (99) budget in the Administrative Services Department budget section. In regards to the Information Technology budget, there is an increase to cover additional contract support and expected increases in software license renewal costs.

**Category of Expense:**



**PARKS** is responsible for the City's 29 beautiful parks, including a community garden. There are over 100 acres of developed park land with approximately 3,000 trees, 6 outdoor restroom buildings, 10 playgrounds, 5 dog fun zones and 21 parks with security lighting. The cornerstone of the City's parks is Del Obispo Park. It features a 15,000 sq. ft. Community Center that includes a full size gymnasium, a Senior Center, a restroom/concession stand, 3 lighted ball fields, 1 handball court, 2 tennis courts, and 1 outdoor and 2 indoor basketball courts. The City maintains 5.4 acres of the Dana Hills High School Sports Park, a joint venture between the City and Capistrano Unified School District that provide additional recreation resources for youth in our community. The sports park has 2 lighted regulation softball fields, a soccer field, restrooms and concession facility.

In addition, this Division is responsible for maintaining the 30.5 acres of publicly-owned landscaped medians and right-of-way trees. Proper maintenance extends the life of



infrastructure and enhances the safety of the traveling public, while at the same time contributing to the aesthetic beauty of the community.

**FACILITIES** provides for equipment, operating supplies, resources and labor to manage all aspects of City-owned buildings; this includes preventative maintenance, repairs, custodial services, tenant-space improvements, contract and project management. The current inventory of City facilities includes: City Hall, Del Obispo Community Center, Nature Interpretive Center, Del Obispo Sports Park (Restrooms and Concession facility), Dana Hills High School Sports Field (Restrooms and Concession Facility), Creekside, Sea Canyon, Lantern Bay, and Sunset Parks (Restroom facilities), PCH Pedestrian Bridge, Funicular inclined elevator, South Strands Restroom, Strands Parking Lot restroom and North Strands Stairs Restroom (County-owned but maintained by the City).

**EMERGENCY SERVICES** coordinates disaster preparedness, response and recovery programs as set forth in State and Federal regulations, and the City's Emergency Plan. The Division manages the City's Emergency Operations Center, provides staff training, coordinates public training opportunities, communicates emergency preparedness information, coordinates the Community Emergency Response Team (CERT) program, and maintains agency partnerships critical to emergency preparedness, response and recovery. The Division also manages and maintains the public safety wireless mesh network and camera system.

### **BUDGET ACCOMPLISHMENTS FOR FY18 & FY19**

- Maintained the City's Public Safety Wireless Network to support law enforcement operations, disaster response and traffic management capabilities;
- Prepared and submitted Nuclear Power Preparedness (NPP) budget and annual reimbursement claims;
- Participated in the Interjurisdictional Planning Committee (IPC) charged with maintaining emergency plans for the decommissioning of San Onofre Nuclear Generating Station (SONGS);
- Completed the Community Center Renovation Project;
- Implemented the Computerized Maintenance Management System.
- Completed City Hall public restroom rehabilitation;
- Replaced 100,000 square feet of sod at Sea Terrace Park and installed 1,000 plants;
- Completed slope planting/restoration at Harry Otsubo Garden Park;
- Installed new Smart Calsense irrigation controllers at Creekside, Heritage and Calle Paloma Parks;
- Resurfaced basketball, tennis and handball courts at Del Obispo Sports Park.

## **FY20 & FY21 KEY INITIATIVES**

To achieve City's Strategic Goals as set by the Strategic Plan, General Services sets the following objectives.

- Continue to develop, enhance, and maintain the City's parks and facilities to a high standard (Strategic Goal 1. Livable Community and World Class Place);
- Prepare the City for natural and man-made disasters and emergencies by continually updating the Dana Point Emergency Plan, and hold at least one emergency preparedness exercise per year (Strategic Goal 1. Livable Community and World Class Place);
- Promote positive customer service (Strategic Goal 1: Livable Community & World Class Place);
- Effectively manage expenditures so division and department budgets do not exceed authorized budget levels. (Strategic Goal 3. Fiscally Responsible and Accountable);
- Reduce the overall consumption of electricity, fuel and water (Strategic Goal 4. Preserve & Enhance Environmental health & Sustainability).
- Implement Priority 1 and 2 facilities projects budgeted in Fund 12 (Strategic Goal 1. Livable Community and World Class Place).

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: GENERAL SERVICES**  
**Program: EMERGENCY AND SUPPORT SERVICES (12)**

		FY17	FY18	FY19	FY20	FY21
<u>L*</u>		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 251,671	\$ 248,811	\$ 292,476	\$ 267,890	\$ 274,962
1030	I HOURLY	21,513	29,759	38,023	15,747	16,443
1050	OVERTIME	-	-	-	-	-
1170	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C CAFETERIA BENEFITS	32,405	30,893	33,600	33,000	33,300
1120	C RETIREMENT BENEFITS	25,005	25,608	35,517	26,671	28,043
1140	C MEDI-TAX 1.45%	3,901	3,977	4,792	4,113	4,225
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	C PERSONNEL ALLOCATION	(92,141)	(98,896)	(106,803)	-	-
<b>TOTAL PERSONNEL</b>		<b>242,354</b>	<b>240,152</b>	<b>297,605</b>	<b>347,421</b>	<b>356,972</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	COMMUNICATIONS					
	C <i>Satellite phone - Emergency Communications</i>			1,500	1,500	1,500
	C <i>Radio equipment</i>			1,000	1,000	1,000
	C <i>Orange County 800MHz system</i>			1,200	1,250	1,250
	C <i>Wireless data units</i>			3,500	3,500	3,500
	C <i>Cell phones</i>			2,500	2,500	2,500
	<i>Subtotal</i>	6,286	9,110	9,700	9,750	9,750
2030	EQUIPMENT MAINTENANCE					
	C Communications maintenance			1,000	1,000	1,000
	C EOC software maintenance			5,000	5,000	5,000
	C EOC Equipment maintenance			4,000	4,000	4,000
	C Radiological equipment calibration			1,000	-	-
	C Emergency generator maintenance			4,500	4,500	4,500
	<i>Subtotal</i>	4,766	5,881	15,500	14,500	14,500
2040	I COPIER USAGE	171	671	500	1,200	1,200
2050	VEHICLE MAINTENANCE ( <i>moved to dept 99 FY18</i> )	8,316	-	-	-	-
2070	C OFFICE SUPPLIES	859	491	4,000	4,000	4,000
2090	I MEMBERSHIPS & DUES	-	-	200	200	200
2110	OPERATING SUPPLIES					
	C <i>Community Emergency Response Team program</i>			8,000	8,000	8,000
	C <i>NOAA storm-ready tsunami certification program</i>			2,000	2,000	2,000
	C <i>EOC maintenance</i>			6,000	6,000	6,000
	C <i>Community Preparedness Events</i>			15,000	15,000	15,000
	C <i>Disaster supplies rotation</i>			5,500	5,500	5,500
	C <i>Emergency response supplies</i>			6,000	6,000	6,000
	<i>Mid-yr Budget Adjustment</i>					
	<i>Subtotal</i>	80,144	30,797	42,500	42,500	42,500
2150	C TRAINING	783	-	3,300	3,300	3,300
2230	PROFESSIONAL SERVICES	-	8,858	25,000	25,000	25,000
	I <i>Wireless Mesh maintenance</i>					
2270	I TRAVEL, CONF. & MEETINGS	1,857	181	2,500	2,500	2,500
2290	MILEAGE REIMBURSEMENT	-	-	-	-	-
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>103,182</b>	<b>55,989</b>	<b>103,200</b>	<b>102,950</b>	<b>102,950</b>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: GENERAL SERVICES**  
**Program: EMERGENCY AND SUPPORT SERVICES (12)**

<u>L*</u>	FY17	FY18	FY19	FY20	FY21
<b>CAPITAL OUTLAY</b>	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
3010 FURNITURE & EQUIPMENT	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	-	-	-	-	-
<b>GRAND TOTAL EXPENDITURES</b>	<u>\$ 345,536</u>	<u>\$ 296,141</u>	<u>\$ 400,805</u>	<u>\$ 450,371</u>	<u>\$ 459,922</u>

\*Level of Service Importance = Core, Important, Value-added

**1x=One-Time Cost**

Program 12, \$\$	<u>FY20</u>	<u>FY21</u>
Core	\$ 405,724	\$ 414,580
Important	44,647	45,343
Value-added	-	-
One-time	-	-
Total	<u>\$ 450,371</u>	<u>\$ 459,922</u>
	-	-
Program 12, %		
Core	90.1%	90.1%
Important	9.9%	9.9%
Value-added	0.0%	0.0%
One-time	0.0%	0.0%
Total	<u>100.0%</u>	<u>100.0%</u>

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: GENERAL SERVICES**  
**Program: PARKS (55)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>						
1010	C SALARIES	\$ 244,238	\$ 314,681	\$ 324,712	\$ 295,731	\$ 302,361
1030	I HOURLY	-	13,934	14,700	15,747	16,443
1050	I OVERTIME	14,501	5,655	12,500	12,500	12,500
1070	PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C CAFETERIA BENEFITS	41,940	58,620	59,400	60,300	62,400
1120	C RETIREMENT BENEFITS	21,104	26,410	30,550	26,918	28,411
1140	C MEDI-TAX 1.45%	3,959	5,307	5,103	4,698	4,804
1199	ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200	OUTSIDE ASSISTANCE	-	-	-	-	-
1990	PERSONNEL ALLOCATION	-	-	-	-	-
<b>TOTAL PERSONNEL</b>		<b>325,742</b>	<b>424,607</b>	<b>446,965</b>	<b>415,895</b>	<b>426,919</b>
<b>MATERIALS &amp; SERVICES</b>						
2010	C COMMUNICATIONS	2,402	3,462	1,800	2,500	2,500
2050	VEHICLE MAINTENANCE	12,220	-	-	-	-
2070	C OFFICE SUPPLIES	425	321	1,050	1,000	1,000
2090	V MEMBERSHIPS & DUES	620	739	1,035	1,000	1,000
		<i>CPRS(2); ISA; Marine/Bio orgs.; WSN</i>				
2110	OPERATING SUPPLIES					
	C <i>Repair &amp; installation - mutt mitt dispensers</i>			1,000	1,000	1,000
	C <i>Employee uniforms</i>			2,000	2,000	2,000
	C <i>Mutt mitts</i>			24,000	24,000	24,000
	C <i>Small tools/hardware</i>			45,000	45,000	45,000
	C <i>Computerized mntnce mngt system (CMMS) (move to Dept 95)</i>			10,000	-	-
	C <i>Meetings and workshops</i>			500	-	-
	C <i>Tools and field equipment</i>			500	-	-
	C <i>NIC Printed Materials, Tools/Field Equip./workshops</i>			8,000	9,000	9,000
	<i>Mid-yr. Budget Adjustment</i>					
	<i>Subtotal</i>	<b>114,777</b>	<b>84,380</b>	<b>91,000</b>	<b>81,000</b>	<b>81,000</b>
2150	I TRAINING (staff & docents)	650	2,464	3,000	3,000	3,000
2190	FACIL & EQUIP LEASE/RENTAL					
	V <i>Portable toilets (temporary use)</i>			2,500	2,500	2,500
	<i>Parks Vehicles Lease (moved to Dept 99)</i>			-	-	-
	<i>Subtotal</i>	<b>4,000</b>	<b>-</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
2210	UTILITIES					
	C <i>Water/sewer</i>			600,000	610,000	620,000
	V <i>Sportspark lights - Del Obispo and DHHS</i>			60,000	61,000	62,000
	C <i>Security lighting &amp; irrigation controllers</i>			50,000	51,000	52,000
	<i>Subtotal</i>	<b>592,825</b>	<b>694,587</b>	<b>710,000</b>	<b>722,000</b>	<b>734,000</b>
2230	PROFESSIONAL SERVICES					
	C <i>Playground Inspections</i>			35,000	15,000	15,000
	C <i>Bee removal</i>			4,000	1,500	1,500
	I <i>Vandalism repair/Grafitti abatement</i>			40,000	20,000	20,000
	V <i>Holiday Lights Program</i>			28,000	28,000	28,000
	<i>Mid-yr. Budget Adjustment</i>					
	<i>Subtotal</i>	<b>58,409</b>	<b>74,059</b>	<b>107,000</b>	<b>64,500</b>	<b>64,500</b>
2270	V TRAVEL, CONF. & MEETINGS	-	5,964	5,400	5,500	5,500
2290	I MILEAGE REIMBURSEMENT	3,800	2,305	500	500	500
2320	C ALLOCATED CITY ATTORNEY (NEW FY20)	-	-	-	-	-
2450	LANDSCAPE (MEDIANS)					
	C <i>Annual maintenance</i>			520,000	535,000	550,000
	C <i>Emergency repairs</i>			65,000	65,000	65,000
	C <i>Median &amp; parkway landscape repair/replacement</i>			80,000	80,000	80,000
	<i>Mid-y. budget adjustment (fy19 1x Trail Overlook)</i>			20,207		
	<i>Subtotal</i>	<b>654,590</b>	<b>742,245</b>	<b>685,207</b>	<b>680,000</b>	<b>695,000</b>
2470	C TREE MAINTENANCE	579,748	535,146	600,000	670,000	670,000

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: GENERAL SERVICES**  
**Program: PARKS (55)**

		FY17	FY18	FY19	FY20	FY21
		<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
2550	<b>L*</b> PARK MAINTENANCE					
	<i>Landscape:</i>					
	C Annual maintenance			650,000	650,000	650,000
	C Emergency Repairs			15,000	15,000	15,000
	I Ballfields - maintenance/infield renovation			160,000	160,000	160,000
	<i>Hardscape:</i>					
	C Light standards (repl. rusted/rotten)			30,000	30,000	30,000
	C Hardscape repair/replacement			80,000	80,000	80,000
	C Playground maintenance/repair			35,000	35,000	35,000
	C Park sign replacement			10,000	10,000	10,000
	<i>Irrigation/Drainage/Water Distribution:</i>					
	C Irrigation control systems upgrade (moved to Fund 12)			-	-	-
	C Backflow preventers (preventative maint/testing)			5,000	5,000	5,000
	C Park equipment repair, maintenance & replacement			100,000	100,000	100,000
	Subtotal	1,190,792	1,059,581	1,085,000	1,085,000	1,085,000
<b>TOTAL MATERIALS &amp; SERVICES</b>		3,215,258	3,205,253	3,293,492	3,318,500	3,345,500
<b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	-	-	-	-
3050	PARK STRUCT. & IMPROVEMENTS	139,053	60,947	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		139,053	60,947	-	-	-
<b>GRAND TOTAL EXPENDITURES</b>		\$ 3,680,053	\$ 3,690,807	\$ 3,740,457	\$ 3,734,395	\$ 3,772,419

\*Level of Service Importance = Core, Important, Value-added  
**1x**=One-Time Cost

	FY20	FY21
Program 55, \$\$		
Core	\$ 3,424,647	\$ 3,460,977
Important	211,747	212,443
Value-added	98,000	99,000
One-Time	-	-
Total	\$ 3,734,395	\$ 3,772,419
-		
Program 55, %		
Core	91.7%	91.7%
Important	5.7%	5.6%
Value-added	2.6%	2.6%
One-Time	0.0%	0.0%
Total	100.0%	100.0%

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: GENERAL SERVICES**  
**Program: FACILITIES (95)**

			FY17	FY18	FY19	FY20	FY21
			<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
<b>PERSONNEL</b>		<b>L*</b>					
1010	C	SALARIES ( <i>moved Facilities Mngr from Dept 12 FY20</i> )	\$ 53,629	\$ 43,616	\$ 49,531	\$ 166,345	\$ 170,077
1030		HOURLY ( <i>Maintenance Worker</i> )	-	3,536	14,000	-	-
1050	C	OVERTIME ( <i>emergency response</i> )	921	2,098	2,000	2,000	2,000
1070		PLANNING COMMISSION STIPENDS	-	-	-	-	-
1100	C	CAFETERIA BENEFITS	13,489	11,810	14,100	30,300	31,200
1120	C	RETIREMENT BENEFITS	3,540	3,029	4,316	11,105	12,282
1140	C	MEDI-TAX 1.45%	865	787	950	2,441	2,495
1199		ORGANIZATIONAL SAVINGS	-	-	-	-	-
1200		OUTSIDE ASSISTANCE	-	-	-	-	-
1990		PERSONNEL ALLOCATION	92,141	98,896	106,803	-	-
<b>TOTAL PERSONNEL</b>			<b>164,585</b>	<b>163,772</b>	<b>191,700</b>	<b>212,191</b>	<b>218,054</b>
<b>MATERIALS &amp; SERVICES</b>							
2010	C	COMMUNICATIONS (cells)	796	1,103	1,680	1,700	1,700
2030		EQUIPMENT & FACILITY MAINTENANCE					
	C	<i>Building maintenance &amp; custodial services contract</i>			240,000	246,000	252,000
	C	<i>Building pest control</i>			10,500	12,000	12,000
	C	<i>Elevator maintenance contract</i>			13,000	14,000	14,000
	C	<i>Sewer pump station maint (Comm Ctr. &amp; Strand Bch)</i>			12,000	12,000	12,000
	C	<i>HVAC maintenance/replacement</i>			35,000	35,000	35,000
	C	<i>Annual fire extinguisher and sprinkler inspection</i>			4,000	4,000	4,000
	C	<i>Floor mats / carpet cleaning</i>			4,000	4,000	4,000
	C	<i>Facility security systems (alarm, surveillance)</i>			24,000	30,000	30,000
	C	<i>Strand shower maintenance</i>			9,000	9,000	9,000
	C	<i>Electrical contractor</i>			5,000	5,000	5,000
	C	<i>Misc. painting</i>			5,000	5,000	5,000
	C	<i>Plumbing contractor</i>			10,000	10,000	10,000
	C	<i>EFC Equipment Replacement</i>			13,000	13,000	13,000
	C	<i>Unanticipated building repairs</i>			10,000	10,000	10,000
		<i>Mid-yr. Budget Adj.</i>			12,000		
		<i>Subtotal</i>	309,182	408,263	406,500	409,000	415,000
2050		VEHICLE MAINTENANCE ( <i>moved to dept 99 FY18</i> )	2,947	-	-	-	-
2110		OPERATING SUPPLIES					
	C	<i>CMMS Software (shared with Parks)</i>			10,000	20,000	20,000
	C	<i>Electrical/Plumbing supplies</i>			7,000	7,000	7,000
	C	<i>Paint and supplies</i>			2,000	2,000	2,000
	C	<i>General Hardware/Maintenance Supplies</i>			28,000	28,000	28,000
	C	<i>Custodial Supplies</i>			15,000	15,000	15,000
		<i>Mid-yr. Budget Adj.</i>					
		<i>Subtotal</i>	37,203	30,277	62,000	72,000	72,000
2150	I	TRAINING	-	2,180	-	1,000	1,000

**City of Dana Point**  
**Expenditure Plan Detail Report**  
**Department: GENERAL SERVICES**  
**Program: FACILITIES (95)**

		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
	<u>L*</u>	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Adopted</u>	<u>Adopted</u>
2210	UTILITIES					
	<i>Community Center:</i>					
	C Water			6,000	6,000	6,000
	C Gas			1,600	1,600	1,600
	C Electricity - building			28,000	28,000	28,000
	<i>Nature Interpretive Center/Area:</i>					
	C Water			4,500	4,500	4,500
	C Electricity			650	650	650
	<i>Strands Restroom:</i>					
	C Water			5,000	5,000	5,000
	C Electricity			650	650	650
	<i>City Plaza:</i>					
	C Electricity			102,000	102,000	102,000
	C Water/sewer			11,000	11,000	11,000
	C Data service (SCWD/Mesh)			-	-	-
	<i>Other:</i>					
	C Property taxes			1,000	2,000	2,000
	<i>Mid-yr. Budget Adj.</i>			(500)		
	<i>Subtotal</i>	119,640	131,776	159,900	161,400	161,400
2230	PROFESSIONAL SERVICES					
	V PCH Bridge Security (to Custodial Contract FY20)			25,000	-	-
	<i>Mid-yr. Budget Adj.</i>			1,500		
	<i>Subtotal</i>	33,840	-	26,500	-	-
2290	C MILEAGE REIMBURSEMENT		255			
<b>TOTAL MATERIALS &amp; SERVICES</b>		<b>503,608</b>	<b>573,854</b>	<b>656,580</b>	<b>645,100</b>	<b>651,100</b>
 <b>CAPITAL OUTLAY</b>						
3010	FURNITURE & EQUIPMENT	-	25,000	-	-	-
3030	FACILITY IMPROVEMENTS	-	122	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>		<b>-</b>	<b>25,122</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b>GRAND TOTAL EXPENDITURES</b>		 <b>\$ 668,193</b>	 <b>\$ 762,748</b>	 <b>\$ 848,280</b>	 <b>\$ 857,291</b>	 <b>\$ 869,154</b>

\*Level of Service Importance = Core, Important, Value-added  
 1x=One-Time Cost

	<u>FY20</u>	<u>FY21</u>
Program 95, \$\$		
Core	\$ 856,291	\$ 868,154
Important	1,000	1,000
Value-added	-	-
One-time	-	-
Total	<u>\$ 857,291</u>	<u>\$ 869,154</u>
-		
Program 95, %		
Core	99.9%	99.9%
Important	0.1%	0.1%
Value-added	0.0%	0.0%
One-time	0.0%	0.0%
Total	<u>100.0%</u>	<u>100.0%</u>



# **SPECIAL REVENUE FUNDS**



# SPECIAL REVENUE FUNDS

The City utilizes nine separate Special Revenue funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects. The restrictions on use must be imposed by external parties (e.g. State, Federal or other agency; and/or by law). The City's nine funds include: Gas Tax (02); Measure M (04); AB2766 (05); Coastal Transit (06); Tourism Business Improvement District (07); Road Maintenance & Rehabilitation Act (08); Headlands Habitat (09); Supplemental Law Enforcement Services (25); and, CFD 2006-1 Facilities Maintenance (27). Each has its own unique restrictions as to use, which is described on the Change in Fund Balance pages referenced below.

	Page #
Gas Tax (02):	
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Measure M (04):	
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**City of Dana Point**  
**GASOLINE TAX FUND (02)**

State gasoline tax exists per Article 19 of the State Constitution, and allocated to counties based on gasoline sales, and then to cities by population. Use is restricted to street construction and maintenance. In March 2017, the Road Repair and Accountability Act was passed and provides funds for local streets maintenance; note that these funds are accounted for in Fund 08. Dana Point receives Gas Tax due to five California Code Sections: 2103, 2105, 2106, 2107 and 2107.5.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 63,936	\$ 8,495	\$ 8,722	\$ -	\$ -
Revenues and Sources					
Gasoline taxes - Section 2103 (CIP Fund 11)	89,186	131,232	120,858	290,582	299,299
Gasoline taxes - Section 2105 (GPF Fund 01)	187,756	182,873	190,684	189,545	195,700
Gasoline taxes - Section 2106 (GPF Fund 01)	125,434	124,857	128,707	127,952	131,791
Gasoline taxes - Section 2107 (GPF Fund 01)	238,044	237,999	250,437	248,899	256,366
Gasoline taxes - Section 2107.5 (GPF Fund 01)	6,000	6,000	6,000	6,000	6,000
Investment Income	-	5,909	-	-	-
Transfer-In from CIP Fund	173,320	-	-	-	-
TCRF Loan Repayment - 3 years (CIP)	-	38,310	38,422	38,310	-
Total Revenues and Sources	<u>819,740</u>	<u>727,180</u>	<u>735,108</u>	<u>901,288</u>	<u>889,156</u>
Expenditures and Uses					
Transfer Out to General Fund	625,427	558,777	575,828	572,396	589,857
Transfer Out to CIP Fund	249,755	168,176	168,002	328,892	299,299
Total Expenditures and Uses	<u>875,182</u>	<u>726,953</u>	<u>743,830</u>	<u>901,288</u>	<u>889,156</u>
Ending Fund Balance	<u>\$ 8,495</u>	<u>\$ 8,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**GASOLINE TAX FUND (02)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
02-10-6121	HWY USERS TAX - SEC 2106 (TO GPF)	\$ 125,434	\$ 124,857	\$ 128,707	\$ 127,952	\$ 131,791
02-10-6123	HWY USERS TAX - SEC 2107 (TO GPF)	238,044	237,999	250,437	248,899	256,366
02-10-6125	HWY USERS TAX - SEC 2107.5 (TO GPF)	6,000	6,000	6,000	6,000	6,000
02-10-6127	HWY USERS TAX - SEC 2105 (TO GPF)	187,756	182,873	190,684	189,545	195,700
02-10-6129	HWY USERS TAX - SEC 2103 (TO CIP)	89,186	131,232	120,858	290,582	299,299
02-10-6133	ROAD MAINTENANCE & REHAB (TO CIP)	-	38,310	38,422	38,310	-
02-40-6403	INVESTMENT INCOME	-	5,909	-	-	-
02-90-6911	TRANSFER IN FROM CIP	173,320	-	-	-	-
Total Revenues & Transfers-in		<u>\$ 819,740</u>	<u>\$ 727,180</u>	<u>\$ 735,108</u>	<u>\$ 901,288</u>	<u>\$ 889,156</u>
<b>EXPENDITURES &amp; TRANSFERS OUT:</b>						
02-99-90-0000-9030	TRANSFERS OUT - TO GENERAL FUND	\$ 625,427	\$ 558,777	\$ 575,828	\$ 572,396	\$ 589,857
02-99-90-0000-9050	TRANSFERS OUT - TO CIP FUND	249,755	168,176	168,002	328,892	299,299
Total Expenditures & Transfers-out		<u>\$ 875,182</u>	<u>\$ 726,953</u>	<u>\$ 743,830</u>	<u>\$ 901,288</u>	<u>\$ 889,156</u>

**City of Dana Point**  
**MEASURE M FUND (04)**

The Measure M2 transportation improvement 1/2 cent sales tax was approved by voters in 2006 (original Measure M passed in 1990). The tax will be assessed through 2041 and is used for qualifying capital projects (CIP) and senior mobility programs (SMP). The CIP projects are funded by transfers to the City's CIP Fund, and the SMP is paid directly from this fund.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 85,138	\$ 132,377	\$ 166,679	\$ 168,679	\$ 158,679
Revenues and Sources:					
Measure M Taxes	524,669	576,603	560,014	618,808	634,279
Investment Income	2,665	5,620	2,000	5,000	5,000
Intergov't Cost Reimb. (Senior Mobility)	49,019	50,144	47,000	50,000	50,000
Total Revenues and Sources	<u>576,353</u>	<u>632,367</u>	<u>609,014</u>	<u>673,808</u>	<u>689,279</u>
Expenditures and Uses:					
Senior Mobility Program	33,169	55,762	47,000	60,000	62,500
Transfer Out to General Fund	-	-	-	-	-
Transfer Out to Capital Improvement Projects Fund	495,945	542,302	560,014	623,808	639,279
Total Expenditures and Uses	<u>529,114</u>	<u>598,064</u>	<u>607,014</u>	<u>683,808</u>	<u>701,779</u>
Ending Fund Balance	<u>\$ 132,377</u>	<u>\$ 166,680</u>	<u>\$ 168,679</u>	<u>\$ 158,679</u>	<u>\$ 146,179</u>
Fund Balance Details:					
Restricted for Senior Mobility	79,086	73,468	73,468	63,468	50,968
Restricted for Capital Projects	53,291	93,212	95,211	95,211	95,211
Ending Fund Balance	<u>\$ 132,377</u>	<u>\$ 166,680</u>	<u>\$ 168,679</u>	<u>\$ 158,679</u>	<u>\$ 146,179</u>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**MEASURE M FUND (04)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
04-10-6141	MEASURE M REVENUES	\$ 524,669	\$ 576,603	\$ 560,014	\$ 618,808	\$ 634,279
04-40-6403	INVESTMENT INTEREST	2,665	5,620	2,000	5,000	5,000
04-50-6521	INTERGOV'T COST REIMB (Senior Mobility)*	49,019	50,144	47,000	50,000	50,000
Total Revenues & Transfers-in		<u>\$ 576,353</u>	<u>\$ 632,367</u>	<u>\$ 609,014</u>	<u>\$ 673,808</u>	<u>\$ 689,279</u>

**EXPENDITURES & TRANSFERS OUT:**

04-99-20-0000-2230	PROFESSIONAL SERVICES (Snr. Transp.)	\$ 33,169	\$ 55,762	\$ 47,000	\$ 60,000	\$ 65,000
04-99-90-0000-9030	TRANSFERS OUT - TO GENERAL FUND	-	-	-	-	-
04-99-90-0000-9050	TRANSFERS OUT - TO CIP FUND	495,945	542,302	560,014	623,808	639,279
Total Expenditures & Transfers-out		<u>\$ 529,114</u>	<u>\$ 598,064</u>	<u>\$ 607,014</u>	<u>\$ 683,808</u>	<u>\$ 704,279</u>



**City of Dana Point**  
**AB2766 CLEAN AIR ACT FUND (05)**

In 1991, State Assembly Bill 2766 ("AB2766") authorized air pollution control districts to impose fees on motor vehicles, revenue from which is restricted to reducing motor vehicle air pollution. The Department of Motor Vehicles collects fees for each vehicle in the benefit area, and distributes the City's share through the the South Coast Air Quality Management District.

The City has used these funds in the past to pave dirt alleys, procure electric vehicles, install traffic signals and run seasonal trolleys.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 359,353	\$ 405,619	\$ 455,665	\$ 498,665	\$ 544,165
Revenues and Sources					
Investment interest	3,595	6,932	3,000	3,000	3,000
AB2766 Revenues	-	-	-	-	-
Intergovernmental Cost Reimb (AB2766 fees)	42,671	43,114	40,000	42,500	42,500
Total Revenues and Sources	<u>46,266</u>	<u>50,046</u>	<u>43,000</u>	<u>45,500</u>	<u>45,500</u>
Expenditures and Uses					
Facilities & Equipment Lease/Rent	-	-	-	-	-
Professional Services	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-
Transfers Out to CIP Fund	-	-	-	-	-
Transfers Out to Coastal Transit Fund (future use)*	-	-	-	-	-
Total Expenditures and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ 405,619</u>	<u>\$ 455,665</u>	<u>\$ 498,665</u>	<u>\$ 544,165</u>	<u>\$ 589,665</u>

\* *Planned for use for Trolley match FY22-FY24. Three year limit to spend on programs new to AB2766.*

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**AB2766 - CLEAN AIR ACT FUND (05)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
05-40-6403	INVESTMENT INTEREST	\$ 3,595	\$ 6,932	\$ 3,000	\$ 3,000	\$ 3,000
05-50-6511	AB2766 REVENUES	-	-	-	-	-
05-50-6521	INTERGOVERNMENTAL COST REIMB	42,671	43,114	40,000	42,500	42,500
Total Revenues & Transfers-in		<u>\$ 46,266</u>	<u>\$ 50,046</u>	<u>\$ 43,000</u>	<u>\$ 45,500</u>	<u>\$ 45,500</u>

**EXPENDITURES & TRANSFERS OUT:**

05-99-20-0000-2190	FACILITY & EQUIP LEASE/RENT	\$ -	\$ -	\$ -	\$ -	\$ -
05-99-20-0000-2230	PROFESSIONAL SERVICES	-	-	-	-	-
05-99-30-0000-3010	FURNITURE & EQUIPMENT	-	-	-	-	-
05-99-90-0000-9050	TRANSFERS OUT - TO CIP FUND	-	-	-	-	-
FUTURE USE	TRANSFERS OUT - TO COASTAL TRANSIT	-	-	-	-	-
Total Expenditures & Transfers-out		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Dana Point**  
**COASTAL TRANSIT FUND (06)**

In the early 1980's, the California Coastal Commission (CCC) imposed a coastal access fee on new development in the Monarch Beach Specific Plan area, and portions of Laguna Niguel and Laguna Beach. The fees may be spent to provide coastal recreational transit services.

In 2002, the City and CCC executed a Memorandum of Understanding (MOU) allowing the City to implement a shuttle program defined in a 2001 feasibility study.

The MOU was amended in 2015 to allow use to support trolley service along PCH; Fixed route service began in Summer 2015.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 1,095,429	\$ 746,133	\$ 571,023	\$ 391,368	\$ 241,368
Revenues and Sources:					
Intergovernmental Cost Reimbursement	196,598	402,664	550,000	450,000	450,000
Investment interest	8,666	11,337	5,500	10,000	7,000
Reimbursement Revenue	16,146	19,055	-	-	-
Transfers In From AB2766	-	-	-	-	-
Total Revenues and Sources	<u>221,410</u>	<u>433,056</u>	<u>555,500</u>	<u>460,000</u>	<u>457,000</u>
Expenditures and Uses:					
Professional Trolley Services	570,707	608,166	735,155	610,000	610,000
Total Expenditures and Uses	<u>570,707</u>	<u>608,166</u>	<u>735,155</u>	<u>610,000</u>	<u>610,000</u>
Ending Fund Balance	<u>\$ 746,132</u>	<u>\$ 571,023</u>	<u>\$ 391,368</u>	<u>\$ 241,368</u>	<u>\$ 88,368</u>

*\*Coastal Transit Funds projected to be exhausted in FY22. Trolley funding thru FY24 from AB2766 and OCTA funds.*

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**COASTAL TRANSIT FUND (06)**

		FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
06-40-6403	INVESTMENT INTEREST	\$ 8,666	\$ 11,337	\$ 5,500	\$ 10,000	\$ 7,000
06-50-6521	INTERGOVERNMENTAL COST REIMB	196,598	402,664	550,000	450,000	450,000
06-60-6685	REIMBURSED EXPENSES	16,146	19,055	-	-	-
FUTURE USE	TRANSFER IN FROM AB2766 FUND 06	-	-	-	-	-
Total Revenues & Transfers-in		<u>\$ 221,410</u>	<u>\$ 433,056</u>	<u>\$ 555,500</u>	<u>\$ 460,000</u>	<u>\$ 457,000</u>

**EXPENDITURES & TRANSFERS OUT:**

06-99-20-0000-2230	PROFESSIONAL SERVICES	\$ 570,707	\$ 608,166	\$ 735,155	\$ 610,000	\$ 610,000
Total Expenditures & Transfers-out		<u>\$ 570,707</u>	<u>\$ 608,166</u>	<u>\$ 735,155</u>	<u>\$ 610,000</u>	<u>\$ 610,000</u>

*Note: OCTA Project V Match Grant pays one year in arrears.*

**City of Dana Point**  
**TOURISM BUSINESS IMPROVEMENT FUND (07)**

The Tourism Business Improvement District (TBID) was established in 2009 to collect assessments on behalf of the Monarch Beach Resort, Ritz Carlton, Laguna Cliffs Marriott and Double Tree Doheny Beach. Funds are used to promote Dana Point as a destination through advertising, public relations, and marketing. In 2016, Visit Dana Point, a 501c6 Destination Marketing Organization (DMO), was established by the assessed hotels to manage the programs, and is funded by the TBID via an operating agreement with the City.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 1,727,768	\$ 1,696,143	\$ 1,727,744	\$ 737,744	\$ 50,000
Revenues and Sources					
TBID Tax Revenue	1,027,074	1,006,208	1,000,000	1,000,000	1,000,000
Interest Income	17,788	31,601	10,000	5,000	1,250
Miscellaneous	25,000				
Total Revenues and Sources	<u>1,069,863</u>	<u>1,037,809</u>	<u>1,010,000</u>	<u>1,005,000</u>	<u>1,001,250</u>
Expenditures and Uses					
TBID Expenditures	1,101,488	1,006,208	2,000,000	1,692,744	1,000,000
Total Expenditures and Uses	<u>1,101,488</u>	<u>1,006,208</u>	<u>2,000,000</u>	<u>1,692,744</u>	<u>1,000,000</u>
Ending Fund Balance	<u>\$ 1,696,143</u>	<u>\$ 1,727,744</u>	<u>\$ 737,744</u>	<u>\$ 50,000</u>	<u>\$ 51,250</u>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**TOURISM BUSINESS IMPROVEMENT DISTRICT (07)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
07-10-6115	TBID TAXES	\$ 1,027,074	\$ 1,006,208	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
07-40-6403	INVESTMENT INCOME	17,788	31,601	10,000	5,000	1,250
07-70-6703	MISCELLANEOUS	25,000	-	-		
Total Revenues & Transfers-in		<u>\$ 1,069,863</u>	<u>\$ 1,037,809</u>	<u>\$ 1,010,000</u>	<u>\$ 1,005,000</u>	<u>\$ 1,001,250</u>
 <b>EXPENDITURES &amp; TRANSFERS OUT:</b>						
07-99-20-0000-2573	TBID EXPENDITURES	\$ 1,101,488	\$ 1,006,208	\$ 2,000,000	\$ 1,692,744	\$ 1,000,000
Total Expenditures & Transfers-out		<u>\$ 1,101,488</u>	<u>\$ 1,006,208</u>	<u>\$ 2,000,000</u>	<u>\$ 1,692,744</u>	<u>\$ 1,000,000</u>

**City of Dana Point**  
**ROAD MAINTENANCE AND REHABILITATION ACT (08)**

In March 2017, the State's Senate Bill 1 Road Repair and Accountability Act of 2017 was enacted and provides funds for local street maintenance. All receipts are programmed into the City's CIP Fund 11 for street repair projects.

	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ -	\$ 77,450	\$ 18,862	\$ -
Revenues and Sources				
Road Maintenance & Rehab	197,461	540,264	563,931	580,849
Investment Income	342	-	-	-
Total Revenues and Sources	<u>197,803</u>	<u>540,264</u>	<u>563,931</u>	<u>580,849</u>
Expenditures and Uses				
Transfer Out to CIP Fund	120,353	598,852	582,793	580,849
Total Expenditures and Uses	<u>120,353</u>	<u>598,852</u>	<u>582,793</u>	<u>580,849</u>
Ending Fund Balance	<u>\$ 77,450</u>	<u>\$ 18,862</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**ROAD MAINTENANCE & REHABILITATION ACT (08)**

		FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>					
08-10-6133	ROAD MAINTENANCE & REHAB	\$ 197,461	\$ 540,264	\$ 563,931	\$ 580,849
08-40-6403	INVESTMENT INTEREST	342	-	-	-
	Total Revenues & Transfers-in	\$ 197,803	\$ 540,264	\$ 563,931	\$ 580,849
<b>EXPENDITURES &amp; TRANSFERS OUT:</b>					
08-99-90-0000-9050	TRANSFERS OUT - TO CIP FUND	\$ 120,353	\$ 598,852	\$ 582,793	580,849
	Total Expenditures & Transfers-out	\$ 120,353	\$ 598,852	\$ 582,793	\$ 580,849

*Note: this fund was established in FY18.*



**City of Dana Point**  
**HEADLANDS HABITAT FUND (ESHA) (09)**

The Headlands Habitat Fund (est. 2013) accounts for funds per 5/27/04 Dana Point Local Coastal Plan 1-03 (“LCP”) and the 4/18/05 Headlands Habitat Management and Monitoring Plan (“HMMP”). This is an endowment to maintain and monitor Environmentally Sensitive Habitat Areas (“ESHA”) at the Headlands nature parks. The endowment is intended to be sufficient to maintain the biological values the area within Harbor Point and Hilltop Parks, and the South Strand switchback path. It was funded in 2013 with a \$180,000 cash payment; and, a \$30,000/year, 50-year annuity contract. Interest earned accrues to the Fund. Specific activity includes required biological monitoring (e.g. gnatcatcher, sensitive and exotic species); feral and domestic animal control, weed/exotic species control and monitoring; and, reporting.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 221,815	\$ 234,499	\$ 268,536	\$ 277,286	\$ 290,586
Revenues and Sources					
Investment interest <i>(Annuity=\$30,450/year thru 2063)</i>	32,082	34,037	31,450	36,000	37,500
Total Revenues and Sources	<u>32,082</u>	<u>34,037</u>	<u>31,450</u>	<u>36,000</u>	<u>37,500</u>
Expenditures and Uses					
Habitat Maintenance	19,398	-	22,700	22,700	22,700
Total Expenditures and Uses	<u>19,398</u>	<u>-</u>	<u>22,700</u>	<u>22,700</u>	<u>22,700</u>
Ending Fund Balance	<u>\$ 234,499</u>	<u>\$ 268,536</u>	<u>\$ 277,286</u>	<u>\$ 290,586</u>	<u>\$ 305,386</u>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**HEADLAND HABITAT FUND (ESHA) (09)**

		FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
09-40-6403	INVESTMENT INTEREST (Annual Annuity of \$30,450 + Int Earnings)	\$ 32,082	\$ 34,037	\$ 31,450	\$ 36,000	\$ 37,500
Total Revenues & Transfers-in		<u>\$ 32,082</u>	<u>\$ 34,037</u>	<u>\$ 31,450</u>	<u>\$ 36,000</u>	<u>\$ 37,500</u>

**EXPENDITURES & TRANSFERS OUT:**

09-99-20-0000-2550	HABITAT MAINTENANCE	\$ 19,398	\$ -	\$ 22,700	\$ 22,700	\$ 22,700
Total Expenditures & Transfers-out		<u>\$ 19,398</u>	<u>\$ -</u>	<u>\$ 22,700</u>	<u>\$ 22,700</u>	<u>\$ 22,700</u>

*\*Annuity purchased by the Developer generates \$30,450 per year, for 50 years, through year 2063*

**City of Dana Point**  
**SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (25)**

In 1996 the State enacted Assembly Bill 3229 Citizens' Option for Public Safety, or COPS, program. They provided \$100 million to allocate to local governments based on population. Funds are limited to enhancing front-line law enforcement activities, and are further restricted in use to supplement rather than supplant existing funding levels. COPS is funded annually, at the discretion of the State legislature. As a result, there is no assurance funding will be received each year. Accordingly, the City does not budget this fund during the regular budget process. Rather, once the State funds the program for a particular year (usually in September), the City amends the budget.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 31,863	\$ 63,251	\$ 27,550	\$ 50	\$ 50
Revenues and Sources					
Investment interest	644	1,279	-	-	-
Citizens Option for Public Safety	129,324	139,416	138,144	-	-
Reimbursed Expenses	2,120	3,274	1,980	-	-
Total Revenues and Sources	132,088	143,969	140,124	-	-
Expenditures and Uses					
SLESF Program Operating Expenses	100,700	179,670	167,624	-	-
Total Expenditures and Uses	100,700	179,670	167,624	-	-
Ending Fund Balance	\$ 63,251	\$ 27,550	\$ 50	\$ 50	\$ 50

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (25)**

		FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
25-40-6403	INVESTMENT INTEREST	\$ 644	\$ 1,279	\$ -	\$ -	\$ -
25-50-6501	SLESF REVENUES	129,324	139,416	138,144	-	-
25-60-6685	REIMBURSED EXPENSES	2,120	3,274	1,980	-	-
	Total Revenues & Transfers-in	<u>\$ 132,088</u>	<u>\$ 143,969</u>	<u>\$ 140,124</u>	<u>\$ -</u>	<u>\$ -</u>

**EXPENDITURES & TRANSFERS OUT:**

25-99-20-0000-2572	SLESF Program Operating Expenditures	\$ 100,700	\$ 179,670	\$ 167,624	\$ -	\$ -
25-99-30-0000-3010	SLESF Program Capital Expenditures	-	-	-	-	-
25-99-90-0000-9030	TRANSFERS OUT - TO GENERAL FUND	-	-	-	-	-
	Total Expenditures & Transfers-out	<u>\$ 100,700</u>	<u>\$ 179,670</u>	<u>\$ 167,624</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Dana Point**  
**CFD 2006-1 FACILITIES MAINTENANCE FUND (27)**

On June 14, 2006, pursuant to the Mello-Roos Community Facilities Act of 1982, the City's Community Facilities District No. 2006-1 ("District") was formed to finance the acquisition of certain public improvements using a special tax levied on Strand at Headlands properties; in addition, a Special Maintenance tax was also levied to fund ongoing costs for maintaining certain public improvements in perpetuity. Included in those costs are landscaping, maintaining a revetment, storm water quality improvements, and maintaining/operating a funicular (among others). This fund is used to account for the Special Maintenance Tax.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance*	\$ 372,645	\$ 278,068	\$ 292,588	\$ 325,988	\$ 355,388
Revenues and Sources					
Investment interest	6,549	9,478	7,000	7,000	7,000
Charges for services	294,708	310,599	324,000	310,000	316,200
Transfer in from General Fund	30,000	44,014	30,000	35,500	36,000
<b>Total Revenues and Sources</b>	<b>331,257</b>	<b>364,091</b>	<b>361,000</b>	<b>352,500</b>	<b>359,200</b>
Expenditures and Uses					
Materials and services	120,383	166,056	327,600	318,600	321,100
Furniture and equipment	-	180,270	-	-	-
Property Insurance	-	-	-	4,500	4,500
Transfer Out to General Fund*	305,451	3,245	-	-	-
<b>Total Expenditures and Uses</b>	<b>425,834</b>	<b>349,571</b>	<b>327,600</b>	<b>323,100</b>	<b>325,600</b>
FY18 Auditor Change in Acctg Treatment*					
Ending Fund Balance	<b>\$ 278,068</b>	<b>\$ 292,588</b>	<b>\$ 325,988</b>	<b>\$ 355,388</b>	<b>\$ 388,988</b>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**HEADLANDS CFD MAINTENANCE FUND (27)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
27-40-6403	INVESTMENT INTEREST	\$ 6,549	\$ 9,478	\$ 7,000	\$ 7,000	\$ 7,000
27-60-6686	CHARGES FOR SERVICES	294,708	310,599	324,000	310,000	316,200
	Special taxes - CFD properties					
27-90-6901	TRANSFER IN - FROM GENERAL FUND	30,000	44,014	30,000	35,500	36,000
	<i>Funicular contribution \$30k, plus CPI</i>					
	Total Revenues & Transfers-in	\$ 331,257	\$ 364,091	\$ 361,000	\$ 352,500	\$ 359,200
<b>EXPENDITURES</b>						
27-99-20-0000-2030	FACILITY/EQUIPMENT MAINTENANCE	45,596	71,142	178,000	140,000	140,000
	<i>Funicular maintenance</i>			\$ 48,000	\$ 30,000	\$ 30,000
	<i>Funicular Station Building Façade Mntce</i>			-	-	-
	<i>Funicular operating cost</i>			50,000	70,000	70,000
	<i>Revetment &amp; Walkway Maintenance</i>			40,000	20,000	20,000
	<i>Fence Maintenance</i>			40,000	20,000	20,000
27-99-20-0000-2210	UTILITIES	29,473	40,690	75,000	43,000	43,000
27-99-20-0000-2230	PROFESSIONAL SERVICES	10,822	4,591	7,000	13,000	13,000
	<i>Allocated City Staff costs for maintenance &amp; property insurance</i>					
27-99-20-0000-2450	LANDSCAPE MAINTENANCE	15,990	16,740	20,000	85,000	85,000
	<i>Lot Q &amp; portion of Lot BB maintenance</i>					
27-99-20-0000-2470	TREE TRIMMING	-	-	10,000	2,500	2,500
27-99-20-0000-2550	PARK MAINTENANCE	-	-	-	-	-
27-99-20-0000-2630	INFRASTRUCTURE & HARDSCAPE	-	-	-	-	-
27-99-20-0000-2650	COUNTY / SCWD FACILITIES	18,502	32,893	37,600	35,100	37,600
	<i>Selva BMPs - storm filter replacement</i>			7,600	7,100	7,600
	<i>Selva BMPs - storm filter mntce.</i>			9,000	8,500	9,000
	<i>Baby Beach - storm filter replacement</i>			8,000	7,500	8,000
	<i>Baby Beach - storm filter maintenance</i>			8,000	7,500	8,000
	<i>Baby Beach diversion monitoring</i>			5,000	4,500	5,000
	Total Materials & Services	120,383	166,056	327,600	318,600	321,100
27-99-30-0000-3010	FURNITURE & EQUIPMENT	-	180,270	-	-	-
27-99-40-0000-4030	PROPERTY INSURANCE	-	-	-	4,500	4,500
27-99-70-0000-7050	GENERAL FUND LOAN REPAYMENT w/ INTEREST	2,251	3,245	-	-	-
27-99-90-0000-9030	TRANSFER OUT TO GENERAL FUND	303,200	-	-	-	-
	Total Expenditures & Transfers-out	\$ 425,834	\$ 349,571	\$ 327,600	\$ 323,100	\$ 325,600

# **CAPITAL PROJECTS**





# CAPITAL PROJECT FUNDS

The City utilizes three Capital Projects Funds to account for funds that are designated, restricted and/or committed to pay for major capital projects. It allows the City to clearly distinguish these project from other operating budgets. The three funds are as follows:

Capital Improvement Project Fund (11) – accounts for major infrastructure projects including those for streets, medians, curbs, gutters, sidewalks, storm drains and catch basins, among others.

Facilities Improvement Fund (12) – accounts for major maintenance and improvements to City facilities including City Hall, the Community Center, Salt Creek Treatment Facility, Nature Interpretive Center, and PCH Pedestrian Bridge, among others.

Park Development Fund (21) – accounts for funds received from large, for-sale residential developments and is restricted for use in the acquisition, development and improvement of parks within the city.

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## **Capital Improvement Projects Sub-Committee**

On June 19, 2018, the City Council established a Capital Projects Subcommittee. The purpose of the Subcommittee was to “review ongoing and proposed CIP projects, as well as propose new CIP projects, both short term and long term.” The Council then appointed then Mayor Pro-Tem Muller and Councilmember Lewis to serve on the subcommittee.

The subcommittee has met various times since its creation to review the City’s inventory of capital assets (streets, parks and facilities), deferred maintenance projects, streets maintenance program and new projects as identified by the City Council. The following is summary of the discussions of the subcommittee.

### **Priority 1: Update City General Plan**

The subcommittee reviewed the complete list of deferred maintenance and new capital project ideas as identified by the staff and City Council. Through that discussion it was determined that priority should be given to funding an update to the City’s General Plan before funding new capital infrastructure.

Staff’s initial financial estimate for this project is at least \$1M, depending on the scope and scale of public outreach, additional research or data needed and/or additional elements added to the current General Plan. Timing will be dependent on funding and available staff resources, but is likely to occur no sooner than year two of the adopted 2-year budget (FY 21).

The current General Plan consists of the following elements: Housing, Public Safety, Economic Development, Land Use, Circulation, Conservation/Open Space, Urban Design, Noise, and Public Facilities/Growth Management. Changes to state law will now require the inclusion of additional elements, including Air Quality and Environmental Justice. Additional elements now allowed as stand-alone, or components to other elements could include Equitable and Resilient Communities, Healthy Communities, and Climate Change.

The Council also expressed interest in exploring public parking as a part of this process, which could be accomplished under the existing Public Facilities/Growth Management Element, Urban Design or Circulation Element. Additionally, there is a desire on the part of the Council to incorporate how technology will be a factor in the City providing services going forward. A Technology Section could be considered for each element to explore how technology is a factor in, or can contribute to, the City’s goals and policies. Staff will incorporate a desire to investigate technology as a part of a consultant Request for Proposals.

It is estimated that the current fiscal year budget will end with a net operating surplus. It is recommended by staff that all or most of this surplus be placed in a General Plan Update reserve account to begin building a budget for the General Plan Update project.

### **Continue to Work concurrently on Council-funded and other projects**

The City Council directed that the Subcommittee evaluate a number of projects and programs during their review. In that review it was determined that all but two of the projects had dedicated funding sources and are proceeding under existing Council direction. It is the staff and Subcommittee recommendation that these efforts continue concurrently and seek Council approval at the time projects are ready to proceed.

The projects are summarized as follows:

<b>Project</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Status</b>
Art in Parks	Public Art Reserve	\$281,000	Master Plan in process
Doheny Village Beautification	DV Impact Fee Account	\$825,000	Projects in development
Utility Undergrounding	SDGE Fund 20-A	\$1,750,000	Report to City Council – Summer 2019
Community Choice Aggregation	TBD	TBD	Review feasibility analysis from other jurisdictions when available
USPS Del Prado Site	TBD	TBD	Engage USPS on disposition policy

Staff has continued to evaluate and adjust the facilities assessment that was completed as a part of the City's implementation of a preventative maintenance/work order system. A summary of the Priority 1, 2 and 3 facilities and parks projects are included as Attachment A of this document. Completion of these projects will allow the City to complete all of the deferred maintenance that has been identified and move forward with implementing the pay-as-you-go preventative maintenance program for facilities and parks in future budgets.

The Subcommittee also reviewed the City's proposed road maintenance program. The program is designed to meet the Council's established Strategic Plan target of maintaining a Pavement Condition Index between 75-80 to keep the City eligible to receive dedicated funding from OCTA and the State of California for road maintenance. This is also consistent with the Council's established Infrastructure and Asset Management Policy which requires the roadway Capital Improvement Program to be funded in the budget and not through operating or other savings from prior years. The current seven year projection for these projects is included as Attachment B.

### **Future CIP Projects**

The Council provided input to the Subcommittee on potential future capital projects. These projects have been sorted into short-term and long-term below for reference.

The short-term projects are projects for which there has been some effort on the part of staff in developing them. The first is Doheny Village Connectivity, which includes some beautification, but is primarily focused on improving pedestrian and bicycle access in the area of Old Coast Highway/Pacific Coast Highway/Doheny Park Road interchange at the rear entrance to Doheny State Beach. Next steps for this project are construction design and phasing. Staff will return to

the Council with recommendations on integrating this project with the Doheny Village Beautification effort later this year.

The second short-term project is a potential Dog Fun Zone at one of the parks in Capistrano Beach. Previously there was discussion about a potential Dog Park/Fun Zone at Pines Park which resulted in negative feedback from Capistrano Beach residents. However, there are at least two other parks where such a facility could be considered: Calle Paloma Park and Sunset Park. Costs for such a project would be just above the Capital threshold of \$50,000, but at a level which could be funded from savings in other park maintenance or other costs. Staff will engage the community about potential Dog Fun Zone possibilities at these parks and return with information and/or a recommendation.

Longer term capital projects identified by Council remain under consideration and will be listed under “unfunded capital projects” in the Capital Projects section of the budget for the Council to maintain visibility of these projects going forward. They include the following:

- Pines Park: Restroom and Lower Bowl Improvements
- Del Obispo Corridor Improvements (enhanced medians and landscaping)
- Citywide Signage Program
- Aquatic Center
- Sports Park

Additional, unfunded projects as listed in the FY 18-19 Budget include the following:

- Blue Lantern Median
- Lantern District/Santa Clara Intersection Bulb Outs, Beautification & Signage
- PCH Medians (Final Phase, Niguel to Pointe Monarch)
- Sea Terrace Park Phase II (Restroom & Playground)
- Sea Terrace Park Phase II (Road & Parking Lot)
- Storm Drain Master Plan Improvements, Phase 5

### **Operating Budget Projects**

A number of projects identified during the Council Budget Workshops were projects that can be completed as a part of the City’s maintenance/operating budgets. Staff and the Subcommittee recommend that the projects be outlined further and determine if funding can come from existing maintenance budgets or if alternate funding sources can be identified. These projects include the following:

<b>Project</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Status</b>
Heritage Park lighting	Parks Maintenance	TBD	Evaluation in process
Lantern Bay Park lighting	Parks Maintenance	TBD	Evaluation in process
Skate Park	Capital – SJC, Ops – DP	TBD	Discuss future MOU with San Juan Capistrano
Year-Round Trolley	TBD	TBD	4/19/19 Letter of Interest to OCTA

With respect to a skate park, staff has been in discussions about a potential partnership with the City of San Juan Capistrano. They have identified a potential site almost directly adjacent to the Dana Point City boundary and have identified capital funding. The opportunity exists for a potential partnership wherein Dana Point could assist with providing ongoing maintenance of the facility, a lack of which has been the barrier to construction of the facility thus far. Staff recommends that discussions with San Juan Capistrano continue and a draft Memorandum of Understanding be developed for both Councils' consideration in the coming year.

The Council has also expressed interest in finding ways to continue to expand service of the successful Dana Point Trolley. Dana Point's trolley service is unique in that it provides a hub to two cities currently, and San Clemente (2020) and Laguna Niguel (2021) plan to connect to Dana Point in the future. OCTA recently issued a Request for Letters of Interest by cities interested in pursuing future funding for trolley programs and the City submitted a letter of interest in expanding beyond the current contract (2024), and for weekends beyond the current Memorial Day to Labor Day schedule. Staff will return to Council once OCTA issues its next Call for Projects to develop a scope of work to request additional funds from OCTA to accomplish these expansions of the trolley service.

### **Policy Issues**

During the Subcommittee's meetings, financial policy adjustments were discussed. Specifically, the Subcommittee discussed policies related to funds remaining at project completion (project savings), and fund balance available at the end of fiscal years for both Funds 11 (Capital Improvements) and Fund 12 (Facilities). The Council may wish to consider whether or not to amend the existing City financial policies to require that any project savings fall to ending fund balance within each fund and that the ending fund balance be used in subsequent years for financing one-time projects or be set aside for future new projects (subject to the Council's prioritization and approval).

### **Next Steps**

The following summarizes staff's recommended actions for implementing the work of the Subcommittee:

- Establish a General Plan Update Reserve Account and fund as needed with all or most of FY 19 operating budget surplus
- Work concurrently to address Art in Parks, Doheny Village Beautification, utility undergrounding, community choice aggregation and the Del Prado USPS site
- Complete the Priority 1-3 Facilities deferred maintenance projects and bring forward to Council contracts for implementation of the projects, and continue to update Council on progress and financial impacts
- Implement the first two years of the seven year roadway improvement project schedule in the FY 20-21 budget
- Pursue the identified park lighting projects using existing Parks Maintenance budgets. Return to Council if the project(s) exceed financial capacity of the operating budget
- Discuss with the City of San Juan Capistrano a potential Memorandum of Understanding for the development and maintenance of a skate park near the Dana Point/San Juan Capistrano border

- Submit for additional OCTA funding at the next OCTA Project V (Community Circulator/Trolleys) Call for Projects
- Consider any changes to financial policies to ensure project and budget savings are reinvested in future projects within their respective funds

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**City of Dana Point**  
**CAPITAL IMPROVEMENT PROJECTS FUND (11)**

The Capital Improvement Fund incorporates all sources and expenditures for capital projects, except for those associated with City Facilities which are accounted for in Fund 12.

The purpose of the Capital Improvement Program (CIP) is to provide the City with a long-range program for municipal capital construction projects. There is a separate seven year CIP planning document used to identify capital needs and financing. As each annual budget is prepared, additional projects and priority needs are identified and added to the CIP to maintain a total seven year plan.

Funding for the CIP typically comes via transfers from the General Fund, Gas Tax, Measure M, RMRA, Park Development and AB2766 Funds. Other funding sources include the County, State and Federal governments, and developer contributions.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>Beginning Fund Balance</b>	\$ 6,239,137	\$ 5,822,918	\$ 5,741,308	\$ 4,988,121	\$ 5,081,024
<b>Revenues and Sources:</b>					
Intergovernmental Cost Reimbursement	325,917	-	-	-	-
Miscellaneous	549	-	-	-	-
Transfer from General Fund	1,850,000	2,500,000	6,525,988	3,514,410	3,082,552
Transfer from Measure M Fund	495,647	541,600	560,014	623,808	639,279
Transfer from Park Development Fund	80,000	-	-	-	-
Transfer from Gasoline Tax Fund	249,755	168,176	168,002	328,892	299,299
Transfer from RMRA Fund	-	120,353	598,852	582,793	580,849
<b>Total Revenues and Sources</b>	<b>3,001,868</b>	<b>3,330,129</b>	<b>7,852,856</b>	<b>5,049,903</b>	<b>4,601,979</b>
<b>Expenditures and Uses:</b>					
Capital Improvement Projects	3,418,087	3,411,739	8,606,043	4,957,000	4,290,000
<b>Total Expenditures and Uses</b>	<b>3,418,087</b>	<b>3,411,739</b>	<b>8,606,043</b>	<b>4,957,000</b>	<b>4,290,000</b>
<b>Designated for Doheny Village Beautification</b>	-	-	727,139	727,139	727,139
<b>Community Investment Account</b>			3,598,849	3,663,259	3,970,811
<b>Unassigned Fund Balance</b>	5,822,918	5,741,308	662,133	690,626	695,053
<b>Ending Fund Balance</b>	<b>\$ 5,822,918</b>	<b>\$ 5,741,308</b>	<b>\$ 4,988,121</b>	<b>\$ 5,081,024</b>	<b>\$ 5,393,003</b>
<b>SDG&amp;E Rule 20A Undergrounding Avail. Match</b>	<b>\$ 1,500,773</b>	<b>\$ 1,650,548</b>	<b>\$ 1,750,000</b>	<b>\$ 1,850,000</b>	<b>\$ 1,950,000</b>

**Revenue & Expenditures Detail Listing - UPDATED 3/23/19  
CAPITAL IMPROVEMENT FUND (11)**

		FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
11-50-6521	Intergov't Cost Reimbursement	\$ 325,917	\$ -	\$ -	\$ -	\$ -
11-70-6799	Miscellaneous	549	-	-	-	-
11-90-6901	TRANSFER IN - FROM GENERAL FUND	1,850,000	2,500,000	6,525,988	3,514,410	3,082,552
11-90-6903	TRANSFER IN - FROM GAS TAX FUND	249,755	168,176	168,002	328,892	299,299
11-90-6904	TRANSFER IN - FROM MEASURE M FUND	495,945	542,302	560,014	623,808	639,279
11-90-6908	TRANSFER IN - FROM RMRA	-	120,353	598,852	582,793	580,849
11-90-6909	TRANSFER IN - FROM PARK DEVELOPMENT FD	80,000	-	-	-	-
11-90-6913	TRANSFER IN - FROM AB2766 FUND	-	-	-	-	-
	Total Revenues & Transfers-in	\$ 3,002,166	\$ 3,330,831	\$ 7,852,856	\$ 5,049,903	\$ 4,601,979

<b>EXPENDITURES</b>	Total Expenditures and Transfers Out	\$ 3,418,087	\$ 3,411,739	\$ 8,606,043	\$ 4,957,000	\$ 4,290,000
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**Project Expenditure Details:**

11-99-30-1223-3110	PCH/Del Prado Improv	\$ -	\$ -	\$ -		
11-99-30-1242-3110	PCH/Del Prado Streetscape	11,437	-	-		
11-99-30-1267-3110	FY14 Resid Road Resurf Ph2	1,000	-	-		
11-99-30-1268-3110	FY15 Resid Road Resurf Ph1	36,790	-	-		
11-99-30-1272-3110	PCH Class 1 Bikeway Ext 1	7,270	-	-		
11-99-30-1274-3110	FY16 Storm Drain Repairs	137,051	-	-		
11-99-30-1277-3110	Arterial Road Rehab & Repairs	40,114	12,033	12,854		
11-99-30-1279-3110	Sidewalk ADA Repairs	113,764	-	-		
11-99-30-1280-3110	Traffic Safety Repairs & Improv	55,738	-	-		
11-99-30-1281-3110	FY17 Annual Residential Road Resurfacing	1,885,425	228,043	307,299		
11-99-30-1282-3110	Arterial Rd Resurf Del Ob Stone to PCH	749,447	-	-		
11-99-30-1284-3110	Crown Valley Median Drought Conversion	161,365	105,385	58,071		
11-99-30-1290-3110	Sunset Pk Restroom Impr	16,820	-	-		
11-99-30-1291-3110	Capo Beach Connectivity Study Enhancements Proj.	22,546	-	77,454		
11-99-30-1292-3110	PCH Class 1 Bikeway Phase 2	6,000	-	-		
11-99-30-1293-3110	FY18 Citywide Storm Draing Repairs	-	62,796	137,204		
11-99-30-1294-3110	FY19 Citywide Storm Draing Repairs	-	-	200,000		
11-99-30-1296-3110	FY19 WQ/Diversion Repairs & Maintenance	-	-	50,000		
11-99-30-1297-3110	FY18 Slurry Seal Program	-	898,511	55,489		
11-99-30-1298-3110	FY19 Slurry Seal Program	-	-	350,000		
11-99-30-1300-3110	FY19 Roadway Rehabilitation & Repairs	-	-	100,000		
11-99-30-1302-3110	FY19 Sidewalk/Concrete Repairs & ADA	-	-	100,000		
11-99-30-1303-3110	FY18 Traffic Safety Repairs & Improvements	-	45,957	705		
11-99-30-1305-3110	FY18 Arterial Roadways-Pavement	-	13,064	4,094,338		
11-99-30-1307-3110	FY18 Annual City Parking Lot Repairs	-	-	50,000		
11-99-30-1308-3110	FY19 Annual City Parking Lot Repairs	-	-	50,000		
11-99-30-1309-3110	FY19 Annual Residential Resurfacing	-	-	2,375,400		
11-99-30-1310-3110	FY18 Arterial Roadway Resurfacing	-	2,045,950	587,229		
11-99-30-1312/1324-3110	Citywide Storm Drain Repairs*				200,000	200,000
11-99-30-1313/1325-3110	Water Quality / Diversion Repairs & Mntce.*				50,000	50,000
11-99-30-1314/1326-3110	Sidewalk/Concrete Repairs & ADA*				100,000	100,000
11-99-30-1315/1327-3110	Traffic Safety Repairs & Improvements*				100,000	100,000
11-99-30-1316/1328-3110	City Parking Lot Repairs/Slurry*				50,000	50,000
11-99-30-1317/1318-3110	Residential Resurfacing FY20/FY21**				2,450,000	1,965,000
11-99-30-1319/1320-3110	Arterial Roadway Slurry Program FY20/FY21**				700,000	500,000
11-99-30-1321/1322-3110	Residential Roadway Slurry Program FY20/FY21**				1,207,000	1,325,000
11-99-30-1323-3110	Stonehill Bridge Deck Treatment**				100,000	-
11-99-90-0000-9040	Transfer Out to Gas Tax Fund	173,320	-	-	-	-
	Total Expenditures & Transfers-out	\$ 3,418,087	\$ 3,411,739	\$ 8,606,043	\$ 4,957,000	\$ 4,290,000

\*These budgets are to address major, emerging issues; unspent appropriations lapse at fiscal year end.

\*\*These budgets are for identified projects and may carry-over unspent balances to future fiscal years until the specific project is completed.

**City of Dana Point  
 Unfunded Projects Listing  
 CAPITAL IMPROVEMENT FUND (11)**

<b>Project Title - Alphabetical</b>	<b>City Council Subcommittee Priority</b>	<b>On List In FY18/FY19 Budget?</b>
Aquatics Center	Y	
Blue Lantern Median		Y
Capistrano Beach Area Dog Fun Zone	Y	
Citywide Signage Program	Y	
Coast Highway Landscaped Median - Doheny Area		Y
Del Obispo Street Corridor Improvements (Enhanced Medians & Landscaping)	Y	
Doheny Village Connectivity Study: Construction	Y	Y
Doheny Village Improvements Phase II (Not Including Doheny Park Road)		Y
Doheny Village: Doheny Park Road Improvements (Phase 1/Road Diet)		Y
Lantern District/Santa Clara Intersection Bulb Outs, Beautification and Signage		Y
PCH Medians, Final Phase (Niguel Road to Point Monarch)		Y
Pines Park - Lower Park Section Improvements	Y	Y
Pines Park Restroom	Y	
Sea Terrace Park Phase II (Restroom and Playground)		Y
Sea Terrace Park Phase II (Road & Parking Lot)		
Sports Park	Y	
Storm Drain Master Plan Improvements, Phase 5		Y
Underground Electrical - Citywide		Y

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# **SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM**

**Fiscal Years 2020 – 2026**  
City of Dana Point, California

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**City of Dana Point**  
**SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM**  
**FISCAL YEARS 2020 – 2026**

PROGRAM PURPOSE AND DESCRIPTION

**Capital Improvement Program**

The purpose of the Capital Improvement Program (CIP) is a seven-year planning instrument used by the City to identify capital improvement needs and to coordinate financing and timing of those needs in a manner that maximizes public benefit. The vast majority of the Capital Improvement Program is actually devoted to repair or replacement of existing infrastructure. As each two year budget is prepared, additional projects and priority needs are developed and added to the program to maintain a total seven-year plan.

**Capital Budget**

The first two years of the CIP is called the capital budget. The capital budget is incorporated into the two year City “operating” budget, which appropriates funds for specific facilities, equipment and improvements. Projects slated for subsequent years in the program are acknowledged on a planning basis but do not receive ultimate expenditure authority until they are eventually incorporated into the capital budget. As such, tentative Council endorsement of the overall seven-year program is desirable for effective planning and eventual implementation of overall City goals and objectives.

**Capital Improvements**

Capital improvements are major projects (\$50,000 +) undertaken by the City that are generally not recurring minor expenditures on an annual basis. In this sense they are differentiated from operating and maintenance (O&M) expenditures for normal City operation. They generally include land and right-of-way acquisition, construction or modification and repairs of buildings or facilities, public infrastructure repair/replacement, construction or modification, purchase of major equipment with long life expectancy, and projects requiring debt obligation or borrowing.

**City of Dana Point**  
**SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM**  
**FISCAL YEARS 2020 – 2026**  
**Primary Program Revenue Sources**

State Highway User's (Gasoline) Taxes- Under Section 2103, 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code, Cities are allocated a share of the revenues derived from the state taxes on gasoline. These revenues are restricted in their use to the construction, improvement and maintenance of public streets.

Road Repair and Accountability Act of 2017- Under Section 2030 of the Streets and Highways Code, Cities are allocated a share of the revenues derived from fuel taxes and vehicle registration taxes. These revenue allocations must be used for public projects related to road maintenance and rehabilitation, safety projects, traffic control devices and complete street components.

Coastal Area Road Improvements and Traffic Signals (CARITS) Fees – The CARITS County Fee Program will finance the construction of regional roadway gaps, intersection improvements and traffic signals within the coastal area circulation system of the County. The road improvements to be funded by this program are identified in the South County Road Improvement Action Plan.

Measure M Fund- Renewed Measure M (M2), the Revised Traffic Improvement and Growth Management Ordinance, provides for the collection of one-half (1/2) percent retail transaction and use tax to fund the Transportation Improvement Program, typically used for road repairs.

General Fund- The capital budget is often supported by the transfer of unencumbered monies from the City's General Fund which results from annual Operating revenue exceeding annual Operating costs. Accurate General Fund contribution forecasting is difficult and dependent on the City's future year ability to match costs with revenues. General purpose funds may be used to finance any capital project.

Park Development Fees- Section 7.36 of the Dana Point Municipal Code (DPMC) requires the dedication of land for park facilities or the payment of in-lieu fees as part of subdividing property. The payment of in-lieu fees for park and recreation purposes instead of dedication of parkland is allowed if the location or topography of the subdivision is not conducive to the development of parks and recreation facilities at this location. Such in-lieu fees shall be equal to the value of the parkland that would have been dedicated. Fees collected in this Program shall be used for park improvements citywide.

AB2766 Fund- Authorized by the State, fees are imposed on motor vehicles by the air pollution control districts. The fees are collected by the California Department of Motor Vehicles and distributed to local agencies by the South Coast Air Quality Management District to be used for projects which improve air quality.

Other Grant Funds- Other Federal, State and County agencies may provide grant funding for specific programs that the City may obtain for specific projects such as, but not limited to, water quality, bicycle facilities improvements or natural resources programs.



Department: <b>Public Works</b>		Project No.: <b>1312 &amp; 1324</b>		Project Name: <b>Citywide Storm Drain Repairs</b>					
<b>PROJECT DESCRIPTION:</b> This annual project was established to fund storm drain repairs identified in the City's inspections of storm drains citywide. Work items include removing debris from storm drains, repairing storm drain pipe, removing obstructions from storm drains, lining storm drains, repairing storm drain catch basins, etc.			<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <u>  X  </u> Water Quality Project _____ Park Project _____ Beautification Project _____			<b>PROJECT LOCATION:</b>          <b>Various Locations</b>			
<b>SPECIAL CONSIDERATIONS:</b> NOTE: FY20: CIP#1312; FY21: CIP#1324									
Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,400,000
Other									
<b>Total Estimated Project Cost</b>		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,400,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,400,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,400,000

Department: <b>Public Works</b>	Project No.: <b>1313 &amp; 1325</b>	Project Name: <b>Water Quality/ Diversion Repairs and Maintenance</b>
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<b>PROJECT DESCRIPTION:</b> This annual project was established to fund as needed maintenance and repairs to Water Quality Diversions and Trash Separation Units (trash removal and filtration systems) citywide. This allows the City to keep those facilities in a state of good repair, and remain in compliance with the City's Municipal Separate Storm Drain System (MS4) Permit.	<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <u>  X  </u> Water Quality Project <u>  X  </u> Park Project _____ Beautification Project _____	<b>PROJECT LOCATION:</b>  <p style="text-align: center;"><b>Various Locations</b></p>
	<b>PRIORITY:</b> Essential <u>  X  </u> Necessary _____ Desirable _____ Deferrable _____	
<b>SPECIAL CONSIDERATIONS:</b> NOTE: FY20: CIP#1313; FY21: CIP#1325		

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000
Other									
<b>Total Estimated Project Cost</b>		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$350,000</b>
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$350,000</b>

<b>Department:</b> <b>Public Works</b>	<b>Project No.:</b> <b>1314 &amp; 1326</b>	<b>Project Name:</b> <b>Sidewalk/Concrete Repairs and ADA Improvements</b>
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**PROJECT DESCRIPTION:**  
The intent of this annual program is to implement improvements/repairs along City sidewalks and parks to provide better access and remove barriers for the disabled where needed. This program also provides funding for repairs needed based on the City's annual sidewalk inspection policy. Staff continually identifies needed improvements to improve pedestrian access and reduce City liability. Once the needed improvements are identified, the improvements are prioritized and implemented.

**CLASSIFICATION:**

Health and Safety Project

Mandated Project

Rehabilitation Project

Water Quality Project

Park Project

Beautification Project

**PRIORITY:**

Essential

Necessary

Desirable

Deferrable

**PROJECT LOCATION:**

**Various Locations**

**SPECIAL CONSIDERATIONS:**  
NOTE: FY20: CIP#1314; FY21: CIP#1326

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
Other									
<b>Total Estimated Project Cost</b>		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000

Department: <b>Public Works</b>	Project No.: <b>1315 &amp; 1327</b>	Project Name: <b>Traffic Safety Repairs and Improvements</b>
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<b>PROJECT DESCRIPTION:</b> The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City. Recommended improvements may include: signing, striping, additional right or left turn lanes, signal modifications, median modifications, installation of medians, street lighting, installation of radar speed signs, installation of bulb outs and other traffic calming improvements.	<b>CLASSIFICATION:</b> Health and Safety Project <input checked="" type="checkbox"/> Mandated Project _____ Rehabilitation Project _____ Water Quality Project _____ Park Project _____ Beautification Project _____	<b>PROJECT LOCATION:</b>                      <b>Various Locations</b>
	<b>PRIORITY:</b> Essential <input checked="" type="checkbox"/> Necessary _____ Desirable _____ Deferrable _____	
<b>SPECIAL CONSIDERATIONS:</b> NOTE: FY20: CIP#1315; FY21: CIP#1327		

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
Other									
<b>Total Estimated Project Cost</b>		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
<b>Operation &amp; Maintenance:</b>									
Costs									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000
Measure M Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000

Department: <b>Public Works</b>	Project No.: <b>1316 &amp; 1328</b>	Project Name: <b>Annual City Parking Lot Repairs/Slurry</b>
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<b>PROJECT DESCRIPTION:</b> The intent of this Program is to provide funding to rehabilitate seven parking lots at City parks and facilities to include as needed pavement repairs, restriping, sign maintenance, and other as needed repairs.	<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <input checked="" type="checkbox"/> _____ Water Quality Project _____ Park Project <input checked="" type="checkbox"/> _____ Beautification Project _____	<b>PROJECT LOCATION:</b>          <b>Various Locations</b>
	<b>PRIORITY:</b> Essential _____ Necessary <input checked="" type="checkbox"/> _____ Desirable _____ Deferrable _____	
<b>SPECIAL CONSIDERATIONS:</b> NOTE: FY20: CIP#1316; FY21: CIP#1328		

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Program Costs:</b>									
Design									
Construction		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000
Other									
<b>Total Estimated Project Cost</b>		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
CIP Undesignated Funds		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000
Park Development Funds									
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000

Department: <b>Public Works</b>	Project No.: <b>1317</b>	Project Name: <b>Annual Residential Roadway Resurfacing, FY20</b>
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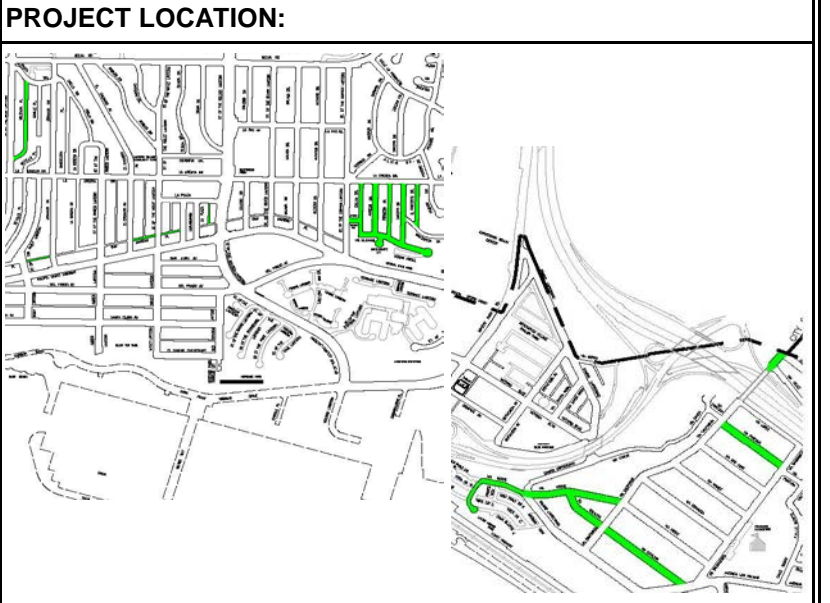
**PROJECT DESCRIPTION:**  
 This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets located within the Lantern Village area and specific streets within Capo Beach. Streets are selected for rehabilitation using the City's Pavement Management Plan which rates streets Citywide and recommends improvements in priority order by street condition. Partial funding from Gas Tax, FY19-20 RMRA and OCTA's Measure M2 will be budgeted into this CIP project.

**CLASSIFICATION:**

Health and Safety Project	<input checked="" type="checkbox"/>
Mandated Project	<input type="checkbox"/>
Rehabilitation Project	<input checked="" type="checkbox"/>
Water Quality Project	<input type="checkbox"/>
Park Project	<input type="checkbox"/>
Beautification Project	<input type="checkbox"/>

**PRIORITY:**

Essential	<input checked="" type="checkbox"/>
Necessary	<input type="checkbox"/>
Desirable	<input type="checkbox"/>
Deferrable	<input type="checkbox"/>

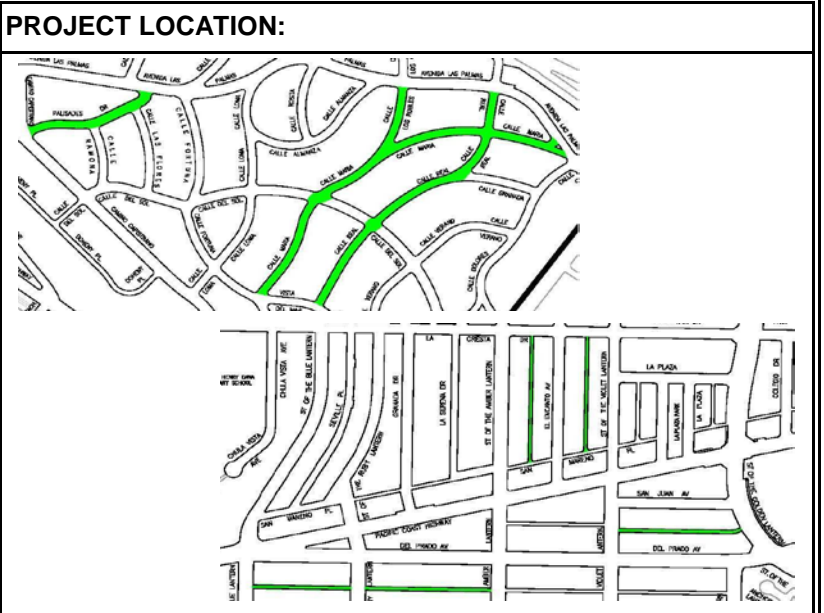


**SPECIAL CONSIDERATIONS:**

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$2,450,000							\$2,450,000
Other									
<b>Total Estimated Project Cost</b>		\$2,450,000							\$2,450,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$938,257							\$938,257
Measure M2 Funds		\$618,808							\$618,808
Gas/Excise HUTA Tax Funds		\$290,582							\$290,582
Road Maint. Rehab Acct (SB1)		\$602,353							\$602,353
<b>Total Funding</b>		\$2,450,000							\$2,450,000

Department: <b>Public Works</b>	Project No.: <b>1318</b>	Project Name: <b>Annual Residential Roadway Resurfacing, FY21</b>
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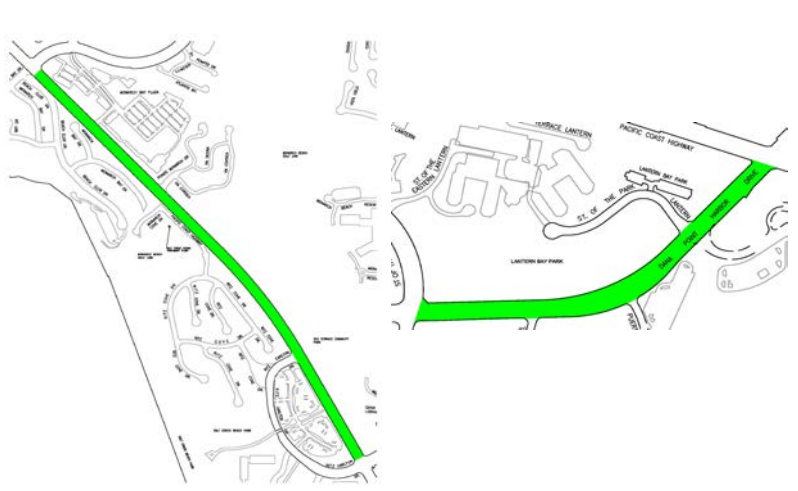
<b>PROJECT DESCRIPTION:</b> This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets within the Capo Beach area and specific streets within the Lantern District and the Lantern Village areas. Streets are selected for rehabilitation using the City's Pavement Management Plan which rates streets Citywide and recommends improvements in priority order by street condition. Partial funding from Gas Tax, FY20-21 RMRA and OCTA's Measure M2 will be budgeted into this CIP project.	<b>CLASSIFICATION:</b> Health and Safety Project <input checked="" type="checkbox"/> X Mandated Project _____ Rehabilitation Project _____ Water Quality Project _____ Park Project _____ Beautification Project _____
	<b>PRIORITY:</b> Essential <input checked="" type="checkbox"/> X Necessary _____ Desirable _____ Deferrable _____



**SPECIAL CONSIDERATIONS:**

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction			\$1,965,000						\$1,965,000
Other									
<b>Total Estimated Project Cost</b>			\$1,965,000						\$1,965,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds			\$458,638						\$458,638
Measure M2 Funds			\$634,279						\$634,279
Gas/Excise HUTA Tax Funds			\$296,852						\$296,852
Road Maint. Rehab Acct (SB1)			\$575,231						\$575,231
<b>Total Funding</b>			\$1,965,000						\$1,965,000


Department: <b>Public Works</b>	Project No.: <b>1319</b>	Project Name: <b>Arterial Roadway Slurry Program FY20</b>
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<b>PROJECT DESCRIPTION:</b> This Project (Arterial Roadway Slurry Program FY 20) involves implementing proactive maintenance activities on Pacific Coast Highway (Crown Valley Parkway to Niguel Road/Ritz Carlton Drive) and Dana Point Harbor Drive (Pacific Coast Highway to Golden Lantern) to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.	<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <input checked="" type="checkbox"/> Water Quality Project _____ Park Project _____ Beautification Project _____	<b>PROJECT LOCATION:</b> 
	<b>PRIORITY:</b> Essential <input checked="" type="checkbox"/> Necessary _____ Desirable _____ Deferrable _____	
<b>SPECIAL CONSIDERATIONS:</b>		

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$700,000							\$700,000
Other									
<b>Total Estimated Project Cost</b>		\$700,000							\$700,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$700,000							\$700,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$700,000							\$700,000



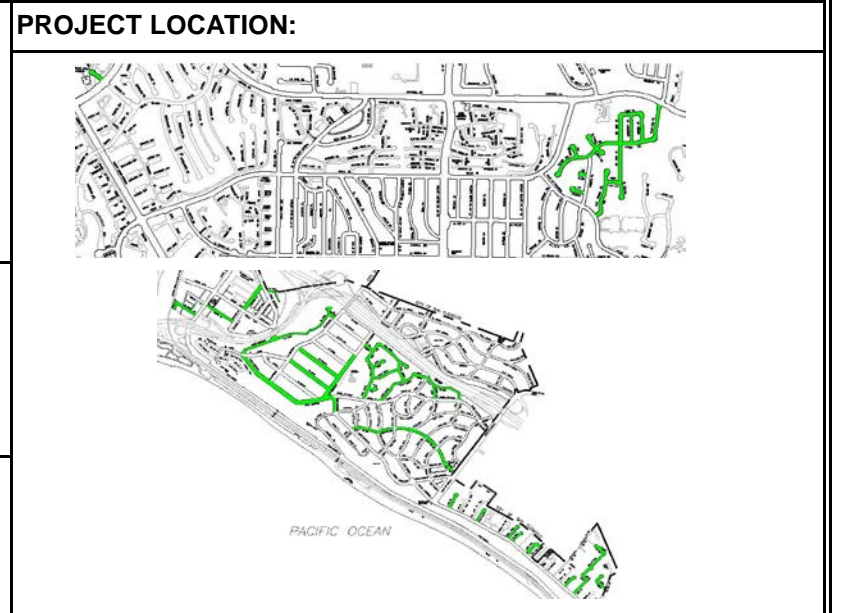
Department: <b>Public Works</b>	Project No.: <b>1320</b>	Project Name: <b>Arterial Roadway Slurry Program FY21</b>
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<b>PROJECT DESCRIPTION:</b> This Project (Arterial Roadway Slurry Program FY 21) involves implementing proactive maintenance activities on Golden Lantern (Camino Del Avion to Stonehill Drive) to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.	<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <u>  X  </u> Water Quality Project _____ Park Project _____ Beautification Project _____	<b>PROJECT LOCATION:</b> 
	<b>PRIORITY:</b> Essential <u>  X  </u> Necessary _____ Desirable _____ Deferrable _____	
<b>SPECIAL CONSIDERATIONS:</b>		

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction			\$500,000						\$500,000
Other									
<b>Total Estimated Project Cost</b>			\$500,000						\$500,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds			\$500,000						\$500,000
Measure M2 Funds (APM Grant)									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>			\$500,000						\$500,000

Department: <b>Public Works</b>	Project No.: <b>1321</b>	Project Name: <b>Residential Roadway Slurry Program FY20</b>
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<b>PROJECT DESCRIPTION:</b> This Project (Residential Roadway Slurry Program FY 20) involves implementing proactive maintenance activities on various residential streets in Doheny Village, Capo Beach, and Central Dana Point to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.	<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <u>  X  </u> Water Quality Project _____ Park Project _____ Beautification Project _____
	<b>PRIORITY:</b> Essential <u>  X  </u> Necessary _____ Desirable _____ Deferrable _____



**SPECIAL CONSIDERATIONS:**

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$1,207,000							\$1,207,000
Other									
<b>Total Estimated Project Cost</b>		\$1,207,000							\$1,207,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$1,207,000							\$1,207,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$1,207,000							\$1,207,000

Department: <b>Public Works</b>	Project No.: <b>1322</b>	Project Name: <b>Residential Slurry Program FY21</b>
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<b>PROJECT DESCRIPTION:</b> This Project (Residential Roadway Slurry Program FY 21) involves implementing proactive maintenance activities on various residential streets in Monarch Beach, Lantern District, and Capo Beach to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.	<b>CLASSIFICATION:</b> Health and Safety Project _____ Mandated Project _____ Rehabilitation Project <input checked="" type="checkbox"/> Water Quality Project _____ Park Project _____ Beautification Project _____	<b>PROJECT LOCATION:</b> 
	<b>PRIORITY:</b> Essential <input checked="" type="checkbox"/> Necessary _____ Desirable _____ Deferrable _____	
<b>SPECIAL CONSIDERATIONS:</b>		

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction			\$1,325,000						\$1,325,000
Other									
<b>Total Estimated Project Cost</b>			\$1,325,000						\$1,325,000
<b>Operation &amp; Maintenance:</b>									
Costs									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds			\$1,325,000						\$1,325,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>			\$1,325,000						\$1,325,000

Department: <b>Public Works</b>	Project No.: <b>1323</b>	Project Name: <b>Bridge Deck Treatment Project-Stonehill Dr. &amp; Ritz Carlton Dr.</b>
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**PROJECT DESCRIPTION:**  
This Project involves the placement of an epoxy type coating to cover cracks as recommended by the Bridge Inspection Program, completed annually by Caltrans.

**CLASSIFICATION:**

Health and Safety Project \_\_\_\_\_

Mandated Project \_\_\_\_\_

Rehabilitation Project

Water Quality Project \_\_\_\_\_

Park Project \_\_\_\_\_

Beautification Project \_\_\_\_\_

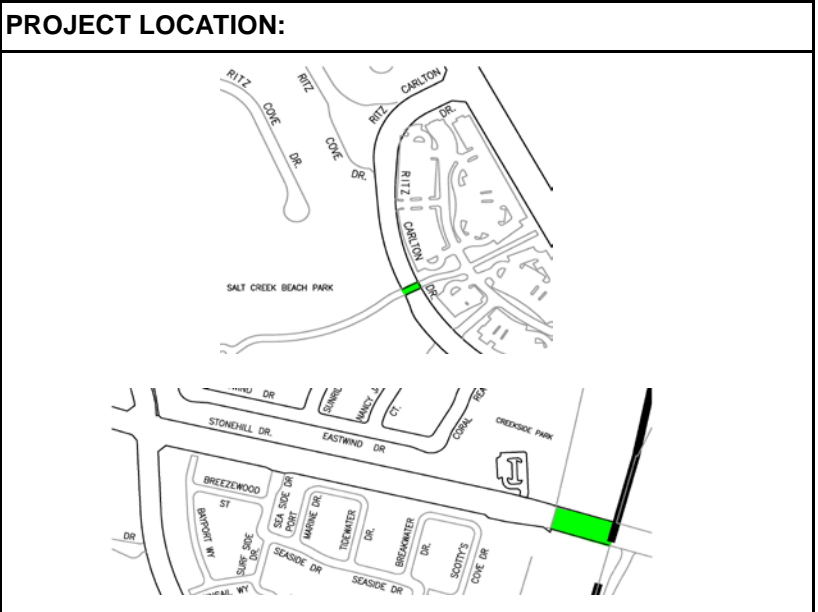
**PRIORITY:**

Essential

Necessary \_\_\_\_\_

Desirable \_\_\_\_\_

Deferrable \_\_\_\_\_



**SPECIAL CONSIDERATIONS:**

Item	Carryover Funding	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Total
<b>Estimated Construction Costs:</b>									
Design									
Construction		\$100,000							\$100,000
Other									
<b>Total Estimated Project Cost</b>		\$100,000							\$100,000
<b>Operation &amp; Maintenance:</b>									
<b>Costs</b>									
<b>Total O &amp; M Costs</b>									
<b>Funding Source:</b>									
Reprogrammed Funds									
CIP Undesignated Funds		\$100,000							\$100,000
Measure M2 Funds									
Gas/Excise HUTA Tax Funds									
AB2766 Air Quality Funding (AQMD)									
<b>Total Funding</b>		\$100,000							\$100,000

**City of Dana Point**  
**FACILITIES IMPROVEMENT FUND (12)**

The Facilities Improvement Fund accounts for major improvement or rehabilitation expenditures of City facilities. The principal funding source of facilities improvements are transfers from the City's General Fund. In addition, the City receives Cable Franchise Fees for Public, Educational, and Governmental programming for capital investments to create/broadcast programs for the local cable TV channel.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 172,926	\$ 454,207	\$ 2,380,971	\$ 3,536,509	\$ 2,431,509
Revenues and Sources					
Cable Franchise Fees	-	150,519	-	150,000	150,000
Miscellaneous	248,200	-	-	-	-
Operating transfer from General Fund	1,036,269	2,120,000	2,175,000	100,000	100,000
Operating Transfer from CIP Fund					
Total Revenues and Sources	<u>1,284,469</u>	<u>2,270,519</u>	<u>2,175,000</u>	<u>250,000</u>	<u>250,000</u>
Expenditures and Uses					
Peg Fee Projects	-	-	-	90,000	-
Facility improvements	1,003,188	343,755	1,019,462	1,265,000	681,000
Total Expenditures and Uses	<u>1,003,188</u>	<u>343,755</u>	<u>1,019,462</u>	<u>1,355,000</u>	<u>681,000</u>
Ending Fund Balance	<u>\$ 454,207</u>	<u>\$ 2,380,971</u>	<u>\$ 3,536,509</u>	<u>\$ 2,431,509</u>	<u>\$ 2,000,509</u>
Restricted for PEG Cable Franchise Fees	\$ -	\$ 150,519	\$ 150,519	\$ 210,519	\$ 360,519
Unassigned	454,207	2,230,452	3,385,990	2,220,990	1,639,990
Total Ending Fund Balance	<u>\$ 454,207</u>	<u>\$ 2,380,971</u>	<u>\$ 3,536,509</u>	<u>\$ 2,431,509</u>	<u>\$ 2,000,509</u>

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**FACILITIES IMPROVEMENT FUND (12)**

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>					
12-10-6106 Cable Franchise Fees	\$ -	\$ 150,519	\$ -	\$ 150,000	\$ 150,000
12-70-6703 Miscellaneous	248,200	-	-	-	-
12-90-6901 Transfer In from General Fund	1,036,269	2,120,000	2,175,000	100,000	100,000
12-90-6902 Transfer In from CIP Fund	-	-	-	-	-
Total Revenues & Transfers-in	\$ 1,284,469	\$ 2,270,519	\$ 2,175,000	\$ 250,000	\$ 250,000

<b>EXPENDITURES:</b>					
12-99-30-0000-3040 PEG Fee Projects	\$ -	\$ -	\$ -	\$ 90,000	\$ -
12-99-30-0000-3030 Facility Improvements	1,003,188	343,755	1,019,462	1,265,000	681,000
Total Expenditures & Transfers Out	\$ 1,003,188	\$ 343,755	\$ 1,019,462	\$ 1,355,000	\$ 681,000

**Detail Project Budget Estimates:**

		<b>Priority 1</b>	<b>Priority 2</b>		
<b>City Hall:</b>	75,000				
Roof Mechanical Well		100,000			
HVAC		70,000			
Parking Structure Repairs		100,000			
Council Chamber Upgrades*		90,000			
Wood Trim/Handrails			85,000		
Exterior Finishing/Flooring			50,000		
Exterior Stucco/Paint			100,000		
Elevator refurbishment					
<b>Community Center &amp; Sportspark:</b>	743,962				
Parking Lot Resurfacing		75,000			
Exterior Paint/Stucco			40,000		
Senior Fitness Center			100,000		
Plumbing (Fixtures/Pipe Lining)			45,000		
Fire Alarm Upgrade			50,000		
Refurbish Dugouts (ADA & Roof)			30,000		
Replace Play Structure					
Replace Batting Cages					
Bathroom Remodel					
Convert Ballfield Lights					
<b>PCH Pedestrian Bridge:</b>					
<b>Scenic Drive Overlook:</b>					
Overlook/Trail Extension		25,000			
Mitigation Measures		5,000			
CEQA Documents		35,000			
<b>Parks:</b>					
Lantern Bay Park		200,000			
DHHS Sportspark (FY21 Restroom Renovation; FY22 Ballfield Lighting)		35,000			
Shipwreck Park Renovation		250,000			
Sea Canyon Restroom Rehab		160,000			
Bluff Top Trail (FY20 Railing; FY22 Pergola)		150,000			
Lantern Bay Park (Restroom Finishes, Floor, Roof, Electrical; handrails)			85,000		
Sycamore Creek Tr. (Workout Equip.)			50,000		
Sunset Park (Finishes/Plumb./Elect.)					
Creekside Park Renovation					
Thunderbird Park Renovation					
<b>Salt Creek Treatment Plant:</b>	45,000	60,000	46,000		
Detail Budget Expenditures	\$ 1,003,188	\$ 343,755	\$ 1,019,462	\$ 1,355,000	\$ 681,000

\*Eligible for PEG funding.

**City of Dana Point**  
**PARK DEVELOPMENT FUND (21)**

The Park Development Fund was established in December 1993 as a result of the consolidation of the City with the former Capistrano Bay Park & Recreation District. This fund is used to account for monies received from the County, State and Federal governments, as well as monies received from developers, which are restricted for use in the acquisition, development and improvement of parks within the City.

	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted	FY21 Adopted
Beginning Fund Balance	\$ 133,500	\$53,500	\$53,500	\$ 53,500	\$ 53,500
Revenues and Sources					
Investment interest	-	-	-	-	-
Park Development Fees	-	-	-	-	-
Total Revenues and Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures and Uses					
Professional Services	-	-	-	-	-
Transfer Out to General Fund	-	-	-	-	-
Transfer Out to Capital Improvement					
Projects Fund	80,000	-	-	-	-
Total Expenditures and Uses	\$ 80,000	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 53,500	\$ 53,500	\$ 53,500	\$ 53,500	\$ 53,500

**City of Dana Point**  
**Revenue & Expenditures Detail Listing**  
**PARK DEVELOPMENT FUND (21)**

		FY17	FY18	FY19	FY20	FY21
		Actual	Actual	Amended	Adopted	Adopted
<b>REVENUES &amp; TRANSFERS-IN:</b>						
21-40-6403	INVESTMENT INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -
21-70-6702	PARK DEVELOPMENT FEES	-	-	-	-	-
	Total Revenues & Transfers-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES &amp; TRANSFERS OUT:</b>						
21-99-20-0000-2230	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
21-99-90-0000-9030	TRANSFERS OUT - TO GENERAL FUND	-	-	-	-	-
21-99-90-0000-9050	TRANSFERS OUT - TO CIP FUND	80,000	-	-	-	-
	Total Expenditures & Transfers-out	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# **LONG-TERM FINANCIAL PLAN**



# **LONG-TERM FINANCIAL PLAN**

*City of Dana Point  
Fiscal Years 2020 - 2025  
Prepared Spring 2019*

The City Council's Long-Term Financial Policy requires the City to update and adopt a Long-Term Financial Plan (Plan) each year. The Plan is to include at least five years of financial projections and meaningful analysis of key trends and conditions. This Section includes this year's edition of the updated Plan.

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## City of Dana Point – Strategic Plan Summary

**Mission:** Dana Point’s Mission is to set the standard for an exceptionally livable city.

**Vision:** A vibrant, world-class place.

### **STRATEGIC GOAL 1: LIVABLE COMMUNITY & WORLD CLASS PLACE**

*Goal: Dana Point prides itself in creating and maintaining a safe, livable and unique world class coastal city.*

#### **OBJECTIVES:**

- Maintain & Ensure Public Safety
- Maintain & Enhance Dana Point’s Unique Sense of Place
- Dana Point is Prepared for Natural and Man-Made Disasters & Emergencies

### **STRATEGIC GOAL 2: EFFECTIVE, EFFICIENT & INNOVATIVE GOVERNMENT**

*The City is wisely governed and managed so that its services are provided in an effective and efficient manner that meets or exceeds the expectations of its residents.*

#### **OBJECTIVES:**

- Provide World-Class Service to the Community & Implement Continuous Service Improvement Processes
- Maintain City Public Works Assets in a Safe, Clean and Quality Condition
- Recruit, Develop & Retain High Performing Employees

### **STRATEGIC GOAL 3: FISCALLY RESPONSIBLE & ACCOUNTABLE**

*Goal: City revenues and expenses are responsibly managed to ensure a balanced budget, adequate funding for core services, capital improvements and adequate reserves for emergencies while providing taxpayers accountability and transparency.*

#### **OBJECTIVES:**

- Maintain a Transparent and Balanced Budget That Adequately Funds Core Services
- Effectively Manage Expenses for Core, Important and Value-Added City Services
- Maintain Long Term Financial Plan

### **STRATEGIC GOAL 4: PRESERVE & ENHANCE ENVIRONMENTAL HEALTH & SUSTAINABILITY**

*Goal: Promote, preserve, protect and enhance a healthy and sustainably built and natural environment.*

#### **OBJECTIVES:**

- Preserve & Protect the Integrity of Our Ocean Waters & Beaches
- Lead by Example in Implementing Programs to Support Environmental Sustainability
- Educate the Community on Importance of Protecting Environmental Health

## **STRATEGIC GOAL 5: FOSTER ECONOMIC HEALTH & PROSPERTY**

*Goal: Promote a healthy and growing economy reflecting the community's vision and values.*

### **OBJECTIVES:**

- Provide the Public with a Transparent, Predictable and Efficient Process for Managing the City's Land Use and Business Regulations.
- Guide Development Compatible with Community Expectations Through Appropriate Planning, Land Use, Historical Preservation and Development Review Processes
- Actively Collaborate with Business to Foster a Vibrant Business Climate and Enhance the Economic Vitality of Our Community.



## **Long-Term Financial Plan Policy - Summary**

Purpose: The City's adopted Long-Term Financial Plan ("LTFP") Policy is intended to ensure the City's sustainability beyond a single year. Financial sustainability is defined as the long-term financial performance where planned long-term service and infrastructure standards are met without unplanned increases in rates or disruptive cuts to services. Long-term financial planning is essential for maintaining financial sustainability.

Scope: The Policy defines the planning horizon (at least five years) and requires consideration of the City's Strategic Plan Goals. It also requires inclusion of the City's General Fund, and other funds that are of significant size and that have long-term financial challenges. It goes further by requiring meaningful analysis of key trends and conditions, including but not limited to:

- Volatility of material revenues and program expenditures to economic, natural or man-made disasters;
- Analysis of the affordability of current services, projects, and obligations; including, but not limited to personnel costs and unfunded pension liabilities;
- Analysis of the affordability of anticipated service expansions or investments in new assets, including ongoing operating, maintenance and replacement costs; and,
- Synthesis of the above to present the City's financial position.

Structural Balance: The Policy requires that the City adopt a LTFP that is balanced over the planning horizon. If forecasts show a structural imbalance, then strategies must be developed to create a long-term structural balance, and the strategies will be part of the adoption of the LTFP.

Non-Current Liabilities: The LTFP is to also address strategies for ensuring that the City's long-term liabilities remain affordable, and includes addressing debt, asset maintenance, and pensions.

Monitoring Fiscal Health: Annually, City staff shall present to the Council a financial forecast that shows how revenues compare to expenditures, and their impact on fund balances relative to the City's Reserves Policy. The forecast shall include:

- Assumptions used for revenue forecasts representing Staff's best estimate; these projections will be neither too conservative nor too optimistic;
- Projected expenditures for current service levels and plans for changes in service levels; and,
- Alternative forecasts that highlight potential volatility in either material revenues or expenditures so that the City Council can gain better insight into the City's possible future financial condition.

*Note: All financial policies are in the Financial Policies Section of the Budget Book.*

## **Overview of General Fund Revenues, Expenditures and Fund Balance**

The City's Long-Term Financial Plan ("LTFP") was initially prepared as part of the budget development for fiscal year's 2015-2016 and 2016-2017 ("FY16" and "FY17"), and was subsequently updated for the FY18 and FY19 budgets. In June 2018, the City Council adopted the City's first formal LTFP Policy.

This LTFP updates those previous efforts, and projects General Fund revenues and expenditures through FY25. This forecast is sensitive to changes in assumptions for future revenue and expenditure growth.

The proposed budget prepared for City Council consideration focuses on the upcoming two-year fiscal period. It contains comprehensive information for all City departments and all City funds on a program and detailed, line-item level. The proposed bi-annual budget contains historical data for both revenues and expenditures, along with the current year and proposed amounts for the upcoming two years. This LTFP goes further and takes a longer look, both retrospectively and prospectively. It provides a greater historical context and demonstrates how staff substantiates the estimates and projections going forward.

### Overview FY20 & FY21

It was reported in past financial projections that revenue growth was not keeping pace with expenditure growth. In Spring 2018, the structural deficit was projected to be just over \$1 million in FY20, and for FY21 it grew to \$1.75 million. The City Council took action last June to amend the FY19 budget, and thus implemented substantial structural revenue and expenditure solutions. Coupled with those solutions, revenues have performed better than previously estimated, and additional structural solutions have been incorporated by Staff in the proposed FY20 and FY21 budgets; the net result is that both upcoming fiscal year's proposed budgets are balanced.

It is important to note that included in the proposed budget, and for the duration of the LTFP, Staff has included necessary budget to fund the included portion of the City's adopted seven-year capital projects plan.

### Overview FY22 through FY25

The outlook for the following four fiscal years beyond the proposed budget, that being FY22 through FY25, currently show the need for structural budget solutions of \$255,000 in FY22, and another \$372,000 in FY23; assuming those solutions are identified and implemented, FY24 and FY25 would have surpluses of \$409,000 and \$312,000, respectively. However, beyond this LTFP it is important to remember that the Sheriff's contract cost is expected to continue to increase faster than will revenues.

During the upcoming two years, Staff will be engaging the City Council in discussions to resolve the projected structural deficits with the intent of solving them prior to the next budget adoption process.

**Table 1 Major General Fund Revenue and Expenditures, FY17 to FY25.**

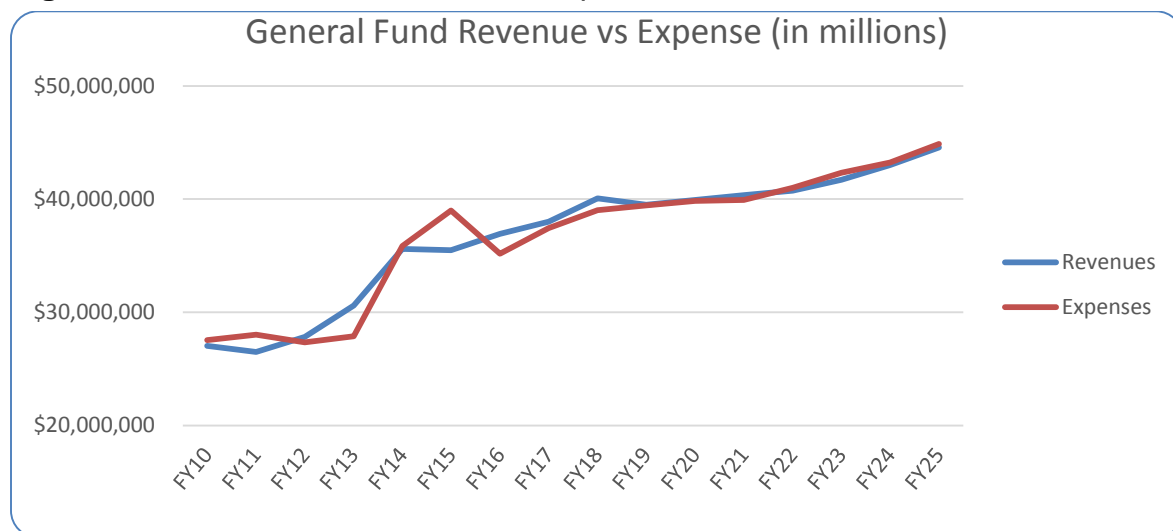
City of Dana Point Long Term Financial Plan Major Revenues, and Expenditures by Department									
Department	FY17	FY18	as of 4/10/19	32,170,000					
	Actual	Actual	FY19 Amended	FY20 Updated	FY21 Updated	FY22* Updated	FY23* Updated	FY24* Updated	FY25* Updated
<b>Revenues</b>									
Transient Occupancy Tax	\$ 12,599,538	\$ 12,988,630	\$ 12,800,000	\$ 12,750,000	\$ 12,800,000	\$ 13,056,000	\$ 13,578,000	\$ 14,427,000	\$ 15,292,000
Property Tax	7,753,625	8,485,019	8,788,000	9,095,000	9,410,000	9,700,000	9,990,000	10,290,000	10,600,000
Sales Tax	5,337,477	5,384,643	5,700,000	5,915,000	6,090,000	6,275,000	6,430,000	6,590,000	6,755,000
Property Tax In-Lieu	3,755,643	4,082,322	4,260,704	4,410,000	4,564,000	4,701,000	4,842,000	4,987,000	5,137,000
Other Taxes	2,509,325	2,644,701	2,650,000	2,700,000	2,675,000	2,675,000	2,675,000	2,675,000	2,700,000
Licenses & Permits	1,786,074	1,929,898	1,565,400	1,503,800	1,318,300	1,268,300	1,133,300	1,008,300	958,300
Fines & Forfeitures	327,903	244,370	345,000	345,000	345,000	345,000	345,000	345,000	345,000
Use of Money & Property	345,876	477,718	452,800	432,800	432,800	432,800	432,800	432,800	432,800
Intergovernmental	348,014	468,548	329,000	329,000	329,000	329,000	329,000	329,000	329,000
Charges for Services	2,220,982	2,697,283	1,894,000	1,745,000	1,681,563	1,238,453	1,225,688	1,183,285	1,241,262
Other Revenue	80,821	118,200	126,000	119,000	118,000	118,000	118,000	118,000	118,000
Transfers In	928,627	558,777	575,828	572,396	589,857	601,501	613,495	625,849	638,574
<b>Total Revenues</b>	<b>37,993,905</b>	<b>40,080,109</b>	<b>39,486,732</b>	<b>39,916,996</b>	<b>40,353,519</b>	<b>40,740,054</b>	<b>41,712,284</b>	<b>43,011,234</b>	<b>44,546,936</b>
<b>Expenditures</b>									
City Council	133,394	137,536	126,960	429,007	409,007	419,387	428,990	439,922	450,092
City Manager	520,015	458,916	465,943	453,204	494,551	475,968	520,482	502,191	550,290
Economic Development	451,821	445,974	537,038	646,607	556,525	569,311	585,519	602,213	619,260
Administrative Services	1,160,805	1,091,390	1,196,594	1,255,647	1,271,522	1,312,221	1,339,060	1,400,871	1,416,424
Public Information	104,067	80,788	183,468	274,000	278,600	283,972	289,451	295,040	307,741
City Clerk	522,983	505,749	602,972	536,197	576,002	569,348	607,473	601,283	643,315
Planning	1,515,884	1,467,197	1,479,951	1,404,784	1,387,354	1,427,717	1,459,647	1,502,273	1,546,323
Building	1,595,214	1,385,529	1,573,795	1,335,717	1,224,329	1,220,390	1,180,093	1,225,775	1,242,222
Code Enforcement	604,089	515,850	519,115	760,632	773,342	795,490	815,679	839,112	863,459
Public Works Admin	438,935	376,869	372,513	532,658	546,833	562,975	576,623	593,289	610,716
Street Maintenance	2,608,250	2,266,103	2,403,056	2,256,500	2,307,500	2,359,900	2,421,690	2,476,920	2,541,857
Traffic Engineering	726,378	736,033	766,050	808,300	824,700	840,694	857,008	873,648	890,621
Solid Waste	123,658	78,588	122,891	44,400	84,800	30,396	81,004	31,624	82,256
Engineering	2,198,537	2,042,008	2,325,789	1,731,773	1,686,842	1,539,834	1,546,325	1,589,996	1,634,783
Water Quality	766,984	639,984	819,893	821,345	830,450	847,903	866,592	885,766	905,360
Police Services	11,738,073	12,491,918	12,889,901	13,656,535	14,330,403	15,038,811	15,782,457	16,563,099	17,382,583
VIPs	8,795	7,750	31,800	-	-	-	-	-	-
General Services (incl. Emergency Support)	345,536	296,141	400,805	450,371	459,922	475,178	483,874	496,868	510,514
City Attorney	1,166,380	1,299,474	1,233,000	288,000	269,500	280,810	287,307	293,996	300,883
Recreation	1,758,177	1,674,835	1,735,138	1,566,385	1,594,243	1,617,370	1,653,645	1,659,968	1,697,700
Parks	3,680,053	3,690,807	3,740,457	3,734,395	3,772,419	3,853,329	3,932,325	4,015,381	4,100,162
Facilities	668,193	762,748	848,280	857,291	869,154	896,110	914,150	937,490	961,411
Risk Management	815,569	706,181	574,460	677,000	691,500	693,500	695,540	697,621	699,743
Non-Departmental (exclude Transfers-Out)	875,697	1,203,683	1,427,561	1,744,646	1,781,100	1,972,144	2,100,941	2,214,915	2,320,086
Transfers Out	2,916,269	4,664,014	3,061,339	3,585,500	2,911,000	2,912,080	2,913,192	2,489,338	2,590,518
<b>Total Expenditures</b>	<b>37,443,756</b>	<b>39,026,065</b>	<b>39,438,769</b>	<b>39,850,894</b>	<b>39,931,599</b>	<b>40,994,840</b>	<b>42,339,067</b>	<b>43,228,599</b>	<b>44,861,320</b>
Revenue & Transfers-In Over/(Under) Expenditures & Transfers Out	\$ 550,149	\$ 1,054,044	\$ 47,963	\$ 66,102	\$ 421,920	\$ (254,785)	\$ (626,784)	\$ (217,365)	\$ (314,385)

\* Assumes no new structural budget solutions implemented.

Source: Budget FY2021 draft.xlsx/LTFP GF by Dept

The following figure expands the time frame viewed back to FY10, and shows revenues and expenditures are projected to track together, but that expenditures do slightly exceed revenues in FY22 through FY25.

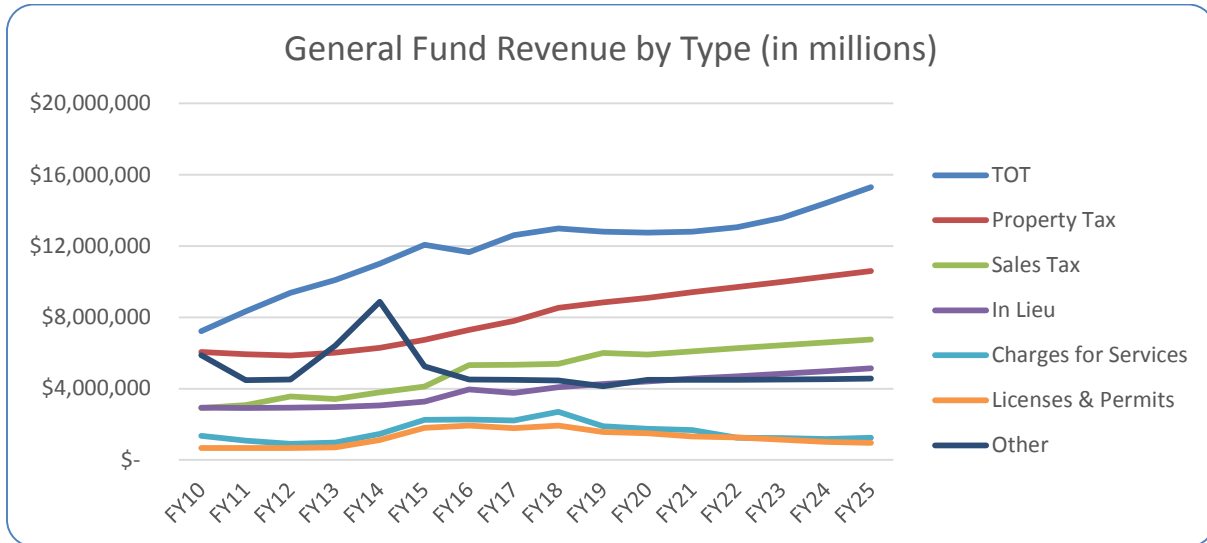
**Figure 1: General Fund Revenues & Expenditures, FY10 to FY25:**



Source: Revenue History V2.xlsx

The following figure highlights the City's dependence on hotel Transient Occupancy Tax (TOT), which is projected to represent over 32% of the General Fund's proposed revenue in FY20.

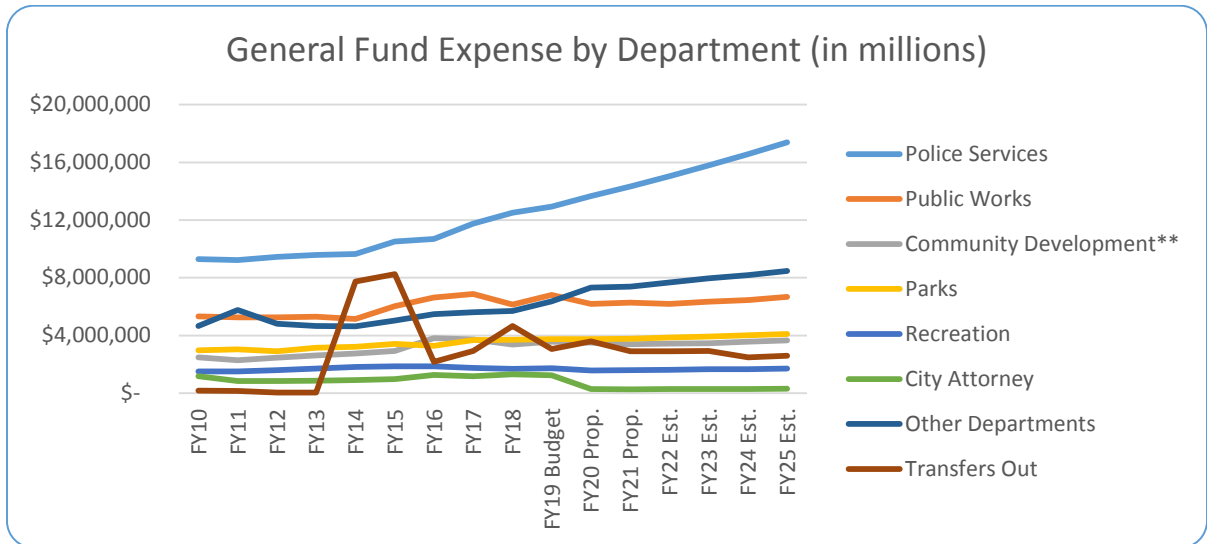
**Figure 2: General Fund Revenue by Type, FY10 to FY25:**



Source: Revenue History V2.xlsx/all gp revenue

As has been discussed in the past, and at several points in this LTFFP, the cost of police services is projected to continue to outstrip the growth in General Fund revenues. The following figure shows a clear representation of this fact:

**Figure 3: General Fund Expenses by Department, FY10 to FY25:**



Source: Expenditure History.xlsx

Absent new structural budget solutions in the FY22 through FY25 timeframe, General Fund revenues are conservatively projected to grow on average 2.5% per year, with the latter years expected to see the largest growth as TOT from new hotels is included in the projections. Also, General Fund expenditures are conservatively projected to grow at 3.0% per year, the largest component of which is the Sheriff's contract, followed by personnel costs, which make up 34% and 22% of the budget, respectively.

Comparing FY22 through FY25's projection of average revenue growth (2.5%) to expenditure growth (3.0%) results in a 0.5% average growth shortfall. That 0.5% growth difference equates to an average of just over \$200,000 each of the three years. Staff will be working to resolve this future structural deficit to ensure that the next two-year budget is again balanced.

Extensive detail and discussion of major General Fund revenues and expenditures follow later in this report, in addition to a discussion on the General Fund's reserve policy. Note that beyond the assumptions associated with financial projections discussed below for major revenue and expenditure line items, almost every other line item in the LTFP that includes all City funds are also adjusted, including those associated with contract services where a Consumer Price Index of 3% is used, and those associated with purchases of goods and supplies where 2% is used

#### Fund Balance Comparison – Current versus New Policy

The City has maintained fully funded reserves, within its City Council approved policy, since the policy was adopted in calendar year 2006. As of this writing, the General Fund's budgeted ending fund balance at June 30, 2019 is \$21.6 million, including fully funded reserves in accordance with the current City Council Reserve Policy. Current reserves include one designated for Emergencies and set at 20% of operating revenues, a Cash Flow Reserve set at 10%, and a third for Capital Projects; any amount beyond these reserves is designated as Unassigned Fund Balance.

This past year, the City Council discussed various drafts of a new General Fund Reserve Policy, and recently referred the latest draft to its Financial Review Committee. The proposed budget shows the General Fund reserves using both the current policy and the new policy draft, and Staff recommends adopting the new policy. The following table illustrates the difference between the current and new reserve policies using the current FY19 General Fund budget.

**Table 2:** Comparison of Current & New Fund Balance Policy (rounded, in millions):

Fund Balance Category:	FY19 Budget Current		FY19 Budget	
	Policy 6/30/19	Reserve %	New Policy 6/30/19	Reserve %
Emergencies (20%)	\$ 7.3	20.0%	\$ n/a	
Cash Flow (10%)	3.7	10.0%	n/a	
Capital Projects	2.5	6.4%	n/a	
Economic Stability (11%)	n/a		4.3	11.0%
Extreme Event (9%)	n/a		3.5	9.0%
Art in Public Places	0.3		0.3	
Unassigned	7.8	n/a	3.9	10.0%
Excess Unassigned Fund Balance*	n/a		4.5	
Unfunded Pension Liability Reserve	n/a		5.0	12.7%
Projected Fund Balance, 6/30/19*	<b>\$ 21.5</b>	<b>36.4%</b>	<b>\$ 21.5</b>	<b>42.7%</b>
Transfer Excess to CIP & Facilities Funds	n/a		<b>(4.5)</b>	
New Policy Ending Fund Balance, 6/30/19	n/a		<b>\$ 17.2</b>	

*\*The proposed budget includes a recommendation to allocate the Excess Unassigned Fund Balance, prior to closing the FY19 books, as follows: \$5 million to remain in the General Fund but designated as Unfunded Liability Reserve; \$2.1 million to Facilities Fund (12) to fully fund the list of deferred maintenance projects; and, \$2.4 million to the Capital Improvements Fund (11) for projects to be determined by the City Council.*

The current policy has three reserves (Emergency, Cash Flow and Capital Projects); the Emergency Reserve is set at 20% of budgeted operating revenue, the Cash Flow is set at 10%, and Capital Projects is a flat \$2.5 million. There is no requirement to fund the Unassigned Fund Balance account.

Looking forward to FY20, under the current policy the three current reserves combined would total \$14.3 million, or 36% of General Fund operating revenue. Adding the projected Unassigned Fund balance would result in a total projected ending fund balance of almost \$21.7 million; this would be almost 54% of FY20's proposed operating revenue.

The new policy has two reserves, one for Economic Stability and the other Extreme Event); however, unlike the current policy the new policy also has a funding requirement for the unassigned fund balance. Each reserve is to be maintained within a minimum and maximum range that is set as a percent of operating revenue, with the policy also stating it is desired to fund at the maximum level.

Having a range within which reserves are funded recognizes that anomalous events affecting City finances may periodically occur, and that it is appropriate to temporarily utilize reserves. Having access to reserves is intended to allow time to adjust operations in a measured manner while working to again balance the budget and rebuild the reserves. The Economic Stability Reserve's funding range is 7% to 11%; the Extreme Event Reserve's is 6% to 9%; and, the Unassigned Fund Balance is 4% to 10%.

- **Economic Stability Reserve** is established to protect and preserve City services from dramatic drops in General Fund revenues. It is set with a balance to remain in the range of 7% minimum to 11% maximum of annual General Fund operating revenue.
- **Extreme Event Reserve** is established to enable funding for quick and decisive responses to man-made or natural extreme events. It is set with a balance to remain in the range of 6% minimum to 9% maximum of annual General Fund operating revenue.
- **Unassigned Fund Balance** is identified to provide working capital to ensure funding of operations during the fiscal year where there are normal timing differences between revenue inflows and expenditure outflows. It is set with a balance to remain in the range of 4% minimum to 9% maximum of annual General Fund operating revenue.

Following the Council's stated objective of funding each reserve at the top of the range, the three new reserves combined total \$11.9 million, or a very healthy 30% of FY20's operating revenue.

*Use of Excess Unassigned Fund Balance* - based on discussions by the City Council this past year in regards to addressing the City's unfunded pension liability, Staff is recommending that prior to the close of FY19, the Council set-aside, but still in the General Fund, \$5 million of the excess unassigned fund balance into a Section 115 Pension Trust reserve. Possibly as soon as the latter half of 2019, this reserve would be transferred to a managed Section 115 Trust Account, and permanently committed to paying the City's pension liability. The discussion on pensions later in this report describes the projected growth in payments the City is required to make to pay off the liability; this investment will help stem the growth of those payments beginning as soon as FY26. Given that the \$5 million would still be in the General Fund at the end of FY19, but committed as a reserve, it was included in the table on the previous page and equates to roughly 12.7% of General Fund operating revenue.

In addition, based on input from the City Council's Capital Program subcommittee, Staff is recommending fully funding the City's deferred facility maintenance projects that were identified in the Facilities Assessment Study. This recommendation involves transferring \$2.1 million of the General Fund's excess fund balance to the Facilities Fund (12) prior to the close of FY19. More discussion about this is included in the Investment in Facilities section later in this report.

Also based on input from the Capital Program subcommittee, Staff is recommending transferring an additional \$2.4 million of the excess fund balance to the Capital Improvement Program Fund (11) to provide funding for a CIP Contingency Reserve (amount to be determined), and the remainder would be available to fund other capital projects at the City Council's discretion. This funding is in addition to the \$17.4 million

in General Fund support of the capital program projected over the duration of the LTFP, from FY20 through FY25.

### **Assessment of Current Economic Conditions**

Forecasting methodology used in this LTFP includes the City's historic and recent financial performance, along with assessments made by economists covering the local, regional and national economies. The City looks closely at economic updates conducted by UCLA, Chapman University, Cal State Fullerton, the Public Policy Institute of California, and the State Legislative Analyst's Office. Summaries are provided below of information recently provided by these entities. In addition, Staff also include hotel industry specific information from sources such as PKF Consulting, retail sales tax projections from HdL Companies, and a variety of information available regarding property valuations.

According to UCLA's Forecast in its final quarterly report for 2018, the national economy is in the process of downshifting from 3% GDP growth in 2018 to 2% in 2019, and 1% in 2020. Recognizing that the nation and California are at full employment, their forecast asserts that the 3% growth is not sustainable. With the Federal Reserve having raised interest rates, trade tensions continuing, and the impact of the fiscal stimulus from tax cuts and spending increases waning, financial markets are expected to experience increased turbulence. They also question how long California's tech industry expansion will continue. The report projects that employment should grow in the mid-1% range in 2019, and drop under 1% growth in 2020; also, personal income is projected to grow in the upper 3% range in 2019, but drop below 3% in 2020.

The Public Policy Institute of California also recognized the State's economy has continued to perform well, and reports the unemployment rate is at a long-term low. They project the State's unemployment rate at 1.5 percent in 2019, and to drop to under 1 percent in 2020. And mirroring UCLA's forecast, they see personal income growth in the upper 3 percent range in 2019, and cooling down to just below 3 percent in 2020.

Dana Point's economy is largely dependent on its hotel industry, with transient occupancy tax (TOT or bed tax) making up roughly a third of General Fund revenue; when coupled with hotel-related sales and property taxes, the hotel industry generates about one-half of annual tax revenue. For hotel stays during the first seven months of fiscal year 2018-19, TOT was up nearly 4.2%, which was a reduction in growth from the 6.2% gain seen for the prior year. The City is still seeing new hotel tax revenue records; however, it was mentioned last year that caution should be used in setting assumptions for the pace of future growth in TOT given the extended duration of the economic expansion. That same opinion must be repeated – continued growth at the same pace seen the past several years will almost certainly not occur.



The assessed values of property in Dana Point continue to be strong, with this year expecting to see a 3.6% growth in Property Tax revenue. Infill development, mainly from a couple higher density residential projects, coupled with large single-family homes being built/rebuilt on the coast, are sustaining the elevated growth in value and are expected to continue for the next several years.

The City of Dana Point has strong growth in property tax revenues, and this trend is expected to continue as new residential projects under construction are completed, new hotels are constructed, and as the Dana Point Harbor revitalization occurs in the coming years. With about half of the City’s General Fund revenue being generated by tourism and business meeting groups, a particular focus is placed on hotel Transient Occupancy Tax in this LTFP; this key revenue has been achieving all-time highs the past several years, but with the economy cooling off the LTFP assumes revenue generated by the current hotels will drop slightly in FY20 and then remain fairly flat for the next several years. Given new retail/restaurant projects currently, and soon to be under construction, along with the Dana Point Harbor revitalization, Sales Tax is expected to show solid growth averaging just under 3% over the duration of the LTFP.

### General Fund Major Revenues

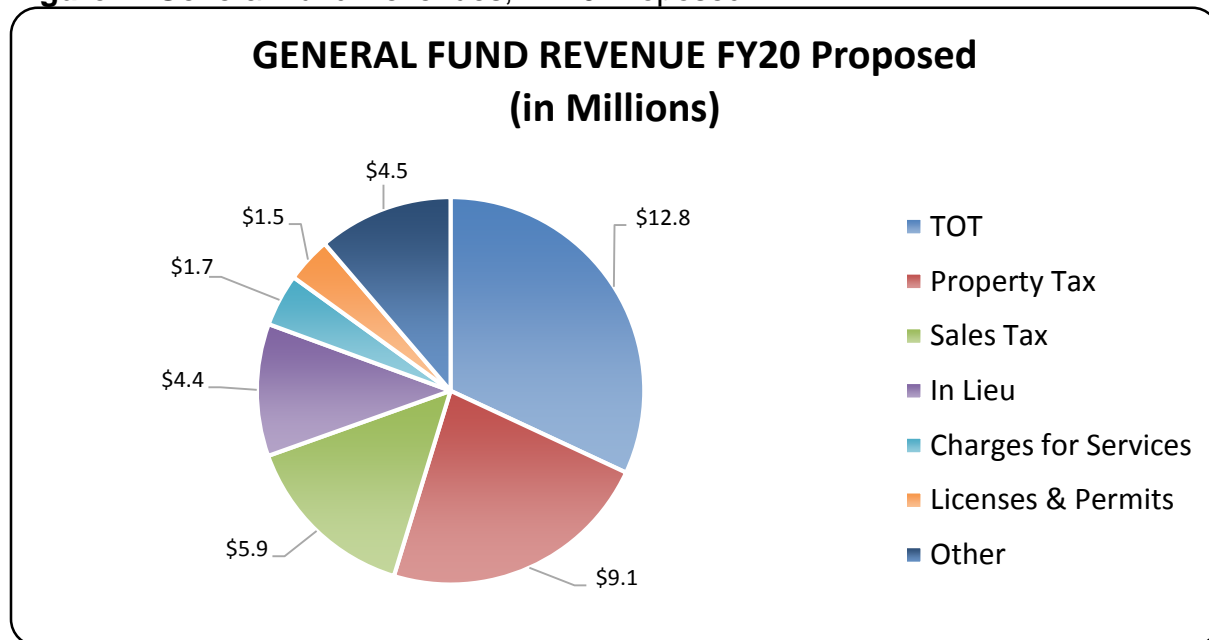
The General Fund is used to account for most of our municipal functions. The General Fund accounts for resources traditionally associated with local government including among them Property Tax, Sales Tax, Transient Occupancy Tax (TOT), and planning/building/engineering licenses and permits, among others.

The six largest revenues make up almost 90% of all General Fund Revenue, and are the focus of this discussion.

**Table 3: Dana Point Revenue Sources, FY20 Proposed Budget**

Revenue	Amount	% of TOTAL	Cumulative
1. Transient Occupancy Tax	\$ 12,750,000	31.9%	31.9%
2. Property Tax	9,095,000	22.8%	54.7%
3. Sales Tax	5,915,000	14.8%	69.5%
4. In-Lieu Property Tax	4,410,000	11.0%	80.6%
5. Charges for Services	1,745,000	4.4%	85.0%
6. Licenses & Permits	1,504,000	3.8%	88.7%
7. All Other Revenues	4,498,000	11.3%	100.0%
TOTAL	\$ 39,917,000		

**Figure 4: General Fund Revenues, FY20 Proposed**



Source: Revenue History V2.xlsx/All GP Revenue

The City has had a strong, yet somewhat concentrated revenue base since incorporation, that concentration being in tourism. Hotel TOT is vital to the City’s fiscal health, as was demonstrated through the recession years. In FY09 the General Fund experienced a \$5 million decline in revenue, followed by further declines in FY10 and FY11, mostly from transient (hotel) occupancy tax (“TOT”), and sales taxes typically generated by the tourists and business persons patronizing the hotels. The following chart shows total revenues growing at just over 2% per year.

The FY20 proposed budget projects revenues with a \$430,000, or 1.1% increase over the FY19 amended budget; then, the FY21 proposed budget again shows slight growth of \$187,000, or 0.5% increase. For Dana Point, there are several reasons for using caution and projecting revenues conservatively, particularly with TOT and building related fees and charges being very susceptible to economic downturns. For the out years of the LTFP (FY22 to FY25), annual revenue growth is projected to average 2.5% per year.

In FY14 to FY15, General Fund revenue finally returned to levels not seen since before the Great Recession, and did so at a rather fast pace. The pace of revenue growth has moderated lately and it is the lower pace that is assumed going forward in the LTFP. However, as mentioned in prior projections, some of the same underlying conditions that drove the economy before the Great Recession do not exist at this time, particularly as it relates to the home mortgage industry and lax lending practices by the banking industry. Regardless, given the City’s reliance on the success of hotels in town, caution regarding the economy should be at the forefront of all City financial projections.

The six most significant revenues to watch during the next five years are TOT, Property Tax, Sales Tax, In-Lieu Property Tax, Charges for Services, and Licenses and Permits. These revenue streams are discussed in greater detail on the following pages.

### **Transient Occupancy Tax**

The Transient Occupancy Tax (TOT) is levied on hotel guests at 10% of the room rental cost, and is the City's largest single revenue source. For FY20, the proposed TOT budget is \$12.75 million, or 31.9% of General Fund revenue. Dana Point serves a significant number of visitors each year, and is home to four resorts with two being AAA five-diamond, one is a four-diamond and the other a three-diamond. There are seven other hotels, time-shares and motels, and a 29-unit bed and breakfast inn, for a total of 1,845 rooms. In addition, and discussed separately below, the City currently has over 150 short-term vacation rentals in residential homes.

The City's is heavily dependent on activity from tourism and business/conference travelers. Expanding further on this concentration in City revenue, the four resorts host 74% of rooms and generated about 90% of gross TOT collected in FY18; this is in addition to being the City's largest individual property taxpayers, some of its largest employers, and its biggest sales tax generators. Hotel guests dine in restaurants, shop in retail stores, and enjoy local recreation opportunities. Cumulatively, the tourism industry (directly and indirectly) accounts for over half of the City's revenues.

The City took a significant hit when TOT revenue dropped during the recession. After reaching a peak of \$11.3 million in FY08, TOT declined by \$2.7 million in FY09, and another \$1.4 million in FY10 when it dropped to \$7.2 million. This was a cumulative decline of 36% from the peak. TOT recovered from FY11 to FY15, finally surpassing the pre-recession high and finished at \$12.1 million. FY16 saw a small decline in TOT to \$11.6 million due to the remodeling of one of the resorts. With the remodel complete, TOT revenue reached a record \$12.6 million in FY17, and set another record at \$13.0 million in FY18. TOT collections for FY19 are looking to finish at or slightly below FY18.

Looking to the forecast, some local hoteliers have suggested that the peak in revenue growth has been reached, and to use caution in making projections for the next couple of years. The four largest resorts do assess a tourism business improvement fee on their guests, and use those funds to operate the Visit Dana Point ("VDP") destination marketing organization that markets and promotes Dana Point as a destination; this entity's efforts are designed to not only grow the number of visitors to the resorts, but also to mitigate the effects of a downturn in the economy.

The estimate used for TOT in FY20, at \$12.75 million, is a slight decline (0.4%) from FY19's budget, and has it returning in FY21 to \$12.8 million. For FY22 thru FY25, the assumption is that existing hotels grow at only 1.0%. The projection, as mentioned previously, does also assume that a new 57 room hotel comes online during FY22, another 90 room hotel during FY23, and finally a new 130 room hotel in FY24/FY25. It is important to note the risk to the LTFP projections associated with including TOT from these yet to be constructed new hotels. The underlying assumptions regarding expected room rates vary between the properties, but are generally what would be

seen in the 2-plus to 3-diamond property range in Dana Point today; also, it is assumed that the new hotels would operate with an average daily occupancy of 70%, which is common in town for existing hotels.

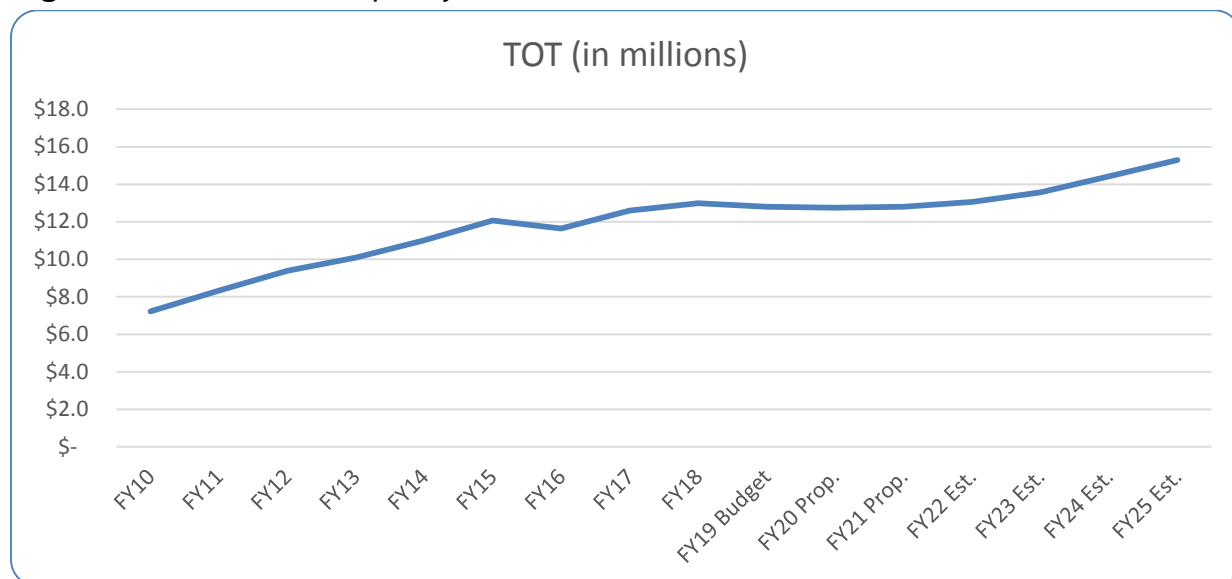
**Short-Term Rentals:**

The City is currently not issuing additional permits for Short-Term Rental vacation units (“STR”) that operate in residential zones. TOT from existing STR’s is currently estimated to be \$800,000 in each of FY20 and FY21. The City’s zoning code had prohibited STRs from operating in Dana Point, but a good number of residential property owners were still operating as unpermitted STRs. Recognizing this fact, and beginning in 2007, the City held many public meetings over several years that culminated in STR business regulations being passed by the City Council in April 2013. Following that action, the City’s Planning Commission commenced more public discussions to amend the City’s zoning regulations to allow for STRs to operate in residential areas. The Planning Commission adopted said changes, and amendments were subsequently adopted by the City Council in January 2014. With this action, STR owners were provided the opportunity to apply for and receive a City permit to operate legally, and the City began collecting TOT from the permitted STR businesses.

In Fall 2016, a group of citizens circulated petitions that garnered enough signatures to qualify a referendum for a ballot to rescind the City’s STR actions. In November 2016, in response to the referendum petition results, the City Council agreed to rescind its STR actions, directed that discussions take place to assess STR options that might be acceptable to the public, and directed that no new permits be issued. This action did allow the then current permit holders to continue operating. Those discussions are continuing at this time. The uncertainty of the future of this revenue is discussed here to simply point out the risk of it being terminated.

As we observed during the recession, TOT performance directly correlates to the overall state of the economy, and with that we remain cognizant of the negative impact declines in TOT can have on our financial condition.

**Figure 5: Transient Occupancy Tax Trend, FY10 to FY25:**



**Table 4:** Transient Occupancy Tax History and Projection:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$6,294,000	n/a	FY14	11,007,000	9.1%
FY02 <i>St. Regis opens</i>	7,142,000	13.5%	FY15	12,071,000	9.7%
FY03	8,157,000	14.2%	FY16 Monarch Resort remodel	11,648,000	(3.5%)
FY04	8,438,000	3.4%	FY17	12,600,000	8.2%
FY05 <i>Ritz remodel</i>	7,722,000	(8.5%)	FY18	12,989,000	3.1%
FY06	9,392,000	21.6%	FY19 Budget	12,800,000	(1.5%)
FY07	10,888,000	15.9%	FY20 Prop.	12,750,000	(0.4%)
FY08	11,298,000	3.8%	FY21 Prop.	12,800,000	0.4%
FY09	8,630,000	(23.6%)	FY 22 Est.	13,056,000	2.0%
FY10 <i>Marriott remodel</i>	7,221,000	(16.3%)	FY23 Est.	13,578,000	4.0%
FY11	8,338,000	15.5%	FY24 Est.	14,427,000	6.3%
FY12	\$9,382,000	12.5%	FY25 Est.	15,292,000	6.0%
FY13	10,086,000	7.5%			

**Property Tax**

The General Fund’s second largest income source is property tax, projected at \$9.1 million would equate to 22.8% of FY20 proposed revenues. Property taxes are imposed by the County at a rate of 1% of assessed property value, with the base level established at the sales price when a property sells. Thereafter, the assessed value may be increased each year as properties increase in value due to market forces, but by no more than the rate of inflation or a maximum of 2% per year. Properties may also increase in value if there are capital improvements.

During economic downturns, as property values decrease, the County Assessor can reduce assessed values on the tax roll; this, in turn, decreases the amount of property tax due. As the economy and property values rebound above pre-recession levels, the Assessor increases assessed values back to where they would have been had the recession not occurred. The total assessed value of property in Dana Point grew 8.7% in FY18, while FY19 is estimated to finish at 4.4% in year over year growth. Looking forward, the FY20 and FY21 tax collections are projected to grow 3.5% each year, and beyond that projections grow at roughly 3%.

The City receives about 7.6 cents for every \$1 of property tax paid by Dana Point property owners. The other 92.4% goes to other agencies and special districts, with the largest beneficiaries being the Capistrano Unified School District at 39%, the State at 16.6%, the Orange County Fire Authority (“OCFA”) at 12.2%, and Saddleback

Community College District at 9.6%. Also of note is that the City receives only 4.2% of property tax from the approximately 180 beachfront homes along Beach Road as this area is a special district, known as the Capistrano Bay Community Services District; the District currently receives roughly \$900,000 of property tax.

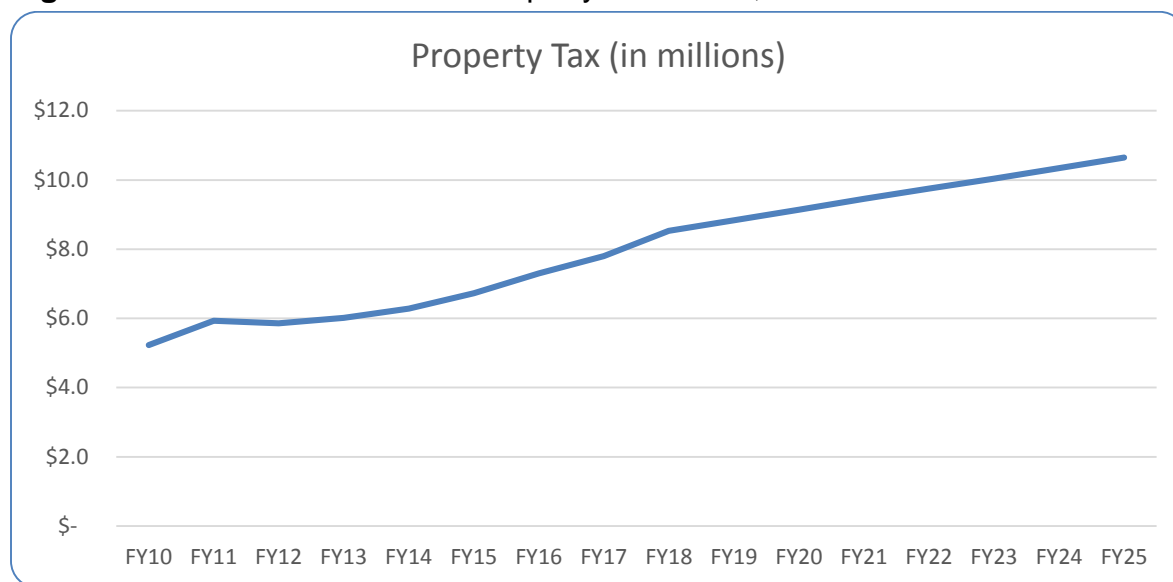
**Table 5: Secured & Unsecured Property Tax History\* and Projection, FY01 to FY25:**

Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY01	\$3,241,000		FY14	\$6,286,000	4.4%
FY02	3,556,000	9.7%	FY15	6,731,000	7.1%
FY03	3,861,000	8.6%	FY16	7,298,000	8.4%
FY04	4,154,000	7.6%	FY17	7,800,000	6.9%
FY05	4,471,000	7.6%	FY18	8,532,000	9.4%
FY06	4,957,000	10.9%	FY19 Budget	8,838,000	3.6%
FY07	5,322,000	7.4%	FY20 Prop.	9,145,000	3.5%
FY08	6,001,000	12.8%	FY21 Prop.	9,460,000	3.5%
FY09	6,176,000	2.9%	FY 22 Est.	9,750,000	3.4%
FY10**	6,055,000	(2.0%)	FY23 Est.	10,040,000	3.1%
FY11	5,935,000	(2.0%)	FY24 Est.	10,340,000	3.0%
FY12	5,857,000	(1.3%)	FY25 Est.	10,650,000	3.0%
FY13**	6,020,000	2.8%			

\*The City's Comprehensive Financial Report (CAFR) combines Homeowners Property Tax Relief revenue with Property Tax revenue which amounts to roughly \$50,000 each year; to agree to the CAFR, it has been included in this table.

\*\*To show true property tax amounts due the City for trend purposes, FY10 includes \$828,058 that was borrowed by the State in FY10 and is the difference between this table and the CAFR; FY13 excludes the repayment of that loan and the CAFR.

**Figure 6: Secured & Unsecured Property Tax Trend, FY10 to FY25**



Source: Revenue History V2.vlsx/Property Tax

## Property Transfer Tax

Property Transfer Tax is a relatively small portion of the City’s revenue, but it is an indicator that reflects on the overall state of the economy, particularly with activity associated with property sales in town. Property Transfer Tax is assessed on the sale of property, with the City and the County each receiving 55 cents for every \$1,000 of sales value. This number does see material fluctuations in some years due to large numbers of residential properties selling, particularly those at the higher end of the market, but even more so with the sale of a hotel/resort.

This revenue source is expected to remain above what might be considered a historical average of \$420,000 for a few years due to the new construction and sales activity mentioned above; however, it is conservatively projected to return back to its historical average.

**Table 6:** Property Transfer Tax History and Projection, FY01 to FY25:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$287,000		FY14	\$570,000	24.2%
FY02	282,000	-1.7%	FY15	439,000	(23.0%)
FY03	319,000	13.1%	FY16	904,000	105.9%
FY04	498,000	56.1%	FY17	591,000	34.6%
FY05	525,000	5.4%	FY18	553,000	(6.4)%
FY06	441,000	(16%)	FY19	500,000	(9.6%)
FY07	395,000	(10.4%)	FY20 Prop.	500,000	--
FY08	374,000	(5.3%)	FY21 Prop.	475,000	(5.0%)
FY09	224,000	(40.1%)	FY22 Est.	450,000	(5.3%)
FY10	229,000	2.2%	FY23 Est.	425,000	(5.6%)
FY11	200,000	(12.7%)	FY24 Est.	425,000	--
FY12	230,000	15.0%	FY25 Est.	425,000	--
FY13	459,000	99.6%			

## Sales Tax

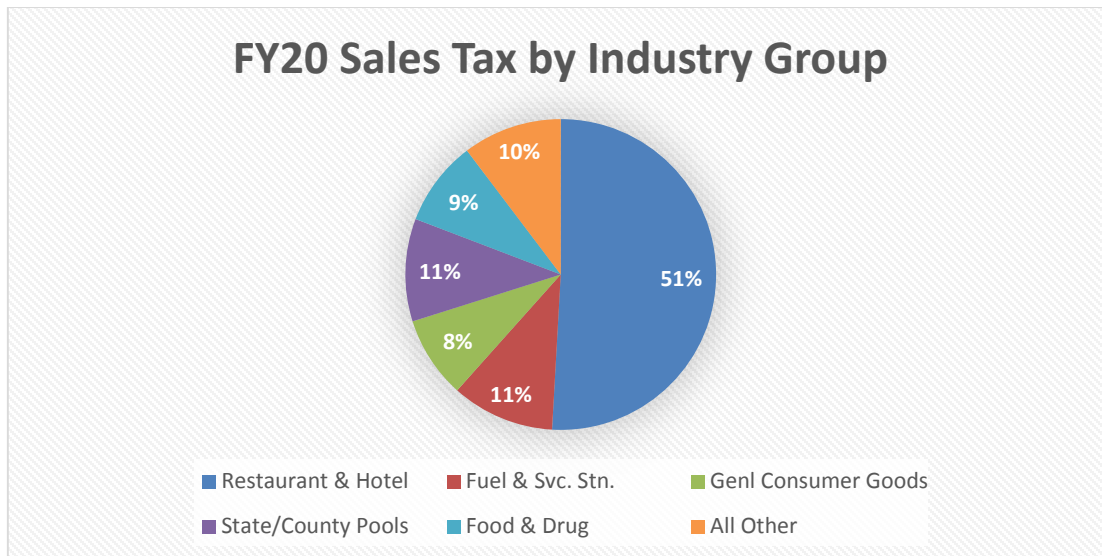
The third largest revenue will be Sales Tax, and for FY20 is proposed at \$5,915,000; this equates to about 14.8% of General Fund revenue. As of February 2019, the City’s Sales Tax consultant/auditor estimated the City to finish FY19 at \$6 million for Sales Tax, while the City’s amended budget was kept at \$5,700,000. The consultant also estimates the City will receive \$5,915,000 and \$6,029,000, in FY20 and FY21, respectively. Their FY20 estimate, which is included in this LTFP, shows a slight decline next year, and is reflective of an anticipated cooling off of the economy. Their FY21 projection shows a 1.9% improvement, and this number has been bumped to 3% for the LTFP given the expected opening next year of a large mixed-use development;

for the same reason plus expectations for the planned Harbor revitalization, the projection for FY22 is also for a 3% increase. For FY23 through FY25, a more conservative 2.5% growth is projected.

With the recession, Sales Tax revenue decreased a cumulative 22.7% from FY08 to FY10. For FY11 and FY12, it rebounded by almost the same amount, but FY12 included a large one-time allocation for a misreported prior-year payment. That one-time allocation in FY12 made it appear that taxable sales had gone down 4% in FY13, while absent it FY13 actually increased 1%. By FY14, Sales Tax had returned to its pre-recession level of \$3.8 million (note the State was still taking one-quarter of it under what was known as the Triple Flip, where the State paid the City more property tax in lieu of the sales tax they were taking). FY15 saw strong growth of 8.4%, and the triple flip ended in FY16. FY17 and FY18 were relatively flat, but about \$425,000 of FY18's revenue was delayed into FY19 given issues the State was having with a new computer system. For FY19, inclusive of receiving the missing FY18 payments, Sales Tax is looking to finish at roughly \$6 million.

The profile of Dana Point Sales Tax is dominated by restaurants and hotel retail sales (projected at 51% of total), followed by fuel and service stations (11%), State & County Use Tax Pools (11%), food & drug (9%), general consumer goods (8%), and all other categories (10%) (see diagram below).

**Figure 7: Sales Tax by Industry Group, FY20:**



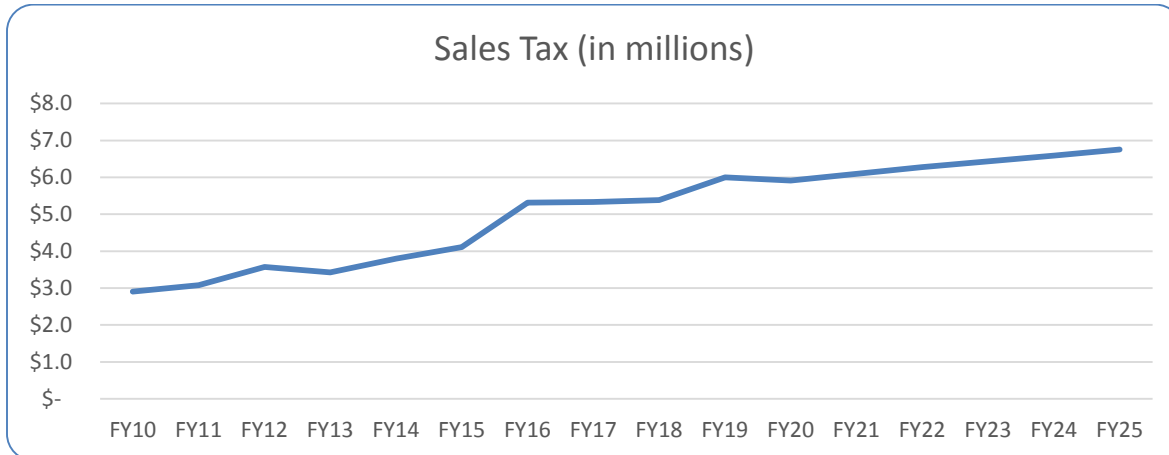
Source: Revenue History V2.vlsx/Sales Tax

**Table 7: 3rd Quarter 2018 Top 10 Sales Tax Producers = 41% of Sales Tax (alphabetically)**

Firm Name	
76 Unocal Fast Break	Marriott Laguna Cliffs
Chevron's	Monarch Beach Resort
Circle K's	Ritz Carlton
Ganahl Lumber	Sun Country Marine
Gaurdtop	Wind & Sea Restaurant



**Figure 8: Sales Tax Trend, FY10 to FY25:**



Source: Revenue History V2.vlsx/Sales Tax

**Table 8: Sales Tax History and Projection, FY01 to FY25:**

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$3,374,000		FY14	\$3,794,000	10.8%
FY02	3,605,000	6.8%	FY15	4,111,000	8.4%
FY03	3,795,000	5.3%	FY16*	5,316,000	29.3%
FY04	4,015,000	5.8%	FY17	5,337,000	0.4%
FY05*	3,117,000	(22.4%)	FY18	5,385,000	0.9%
FY06	3,447,000	10.6%	FY19 Budget	5,700,000	5.8%
FY07	3,762,000	9.1%	FY20 Prop.	5,915,000	3.8%
FY08	3,867,000	2.8%	FY21 Prop.	6,090,000	3.0%
FY09	2,998,000	(22.5%)	FY22 Est.	6,275,000	3.0%
FY10	2,909,000	(3.0%)	FY23 Est.	6,430,000	2.5%
FY11	3,075,000	5.7%	FY24 Est.	6,590,000	2.5%
FY12	3,570,000	16.1%	FY25 Est.	6,755,000	2.5%
FY13	3,425,000	(4.1%)			

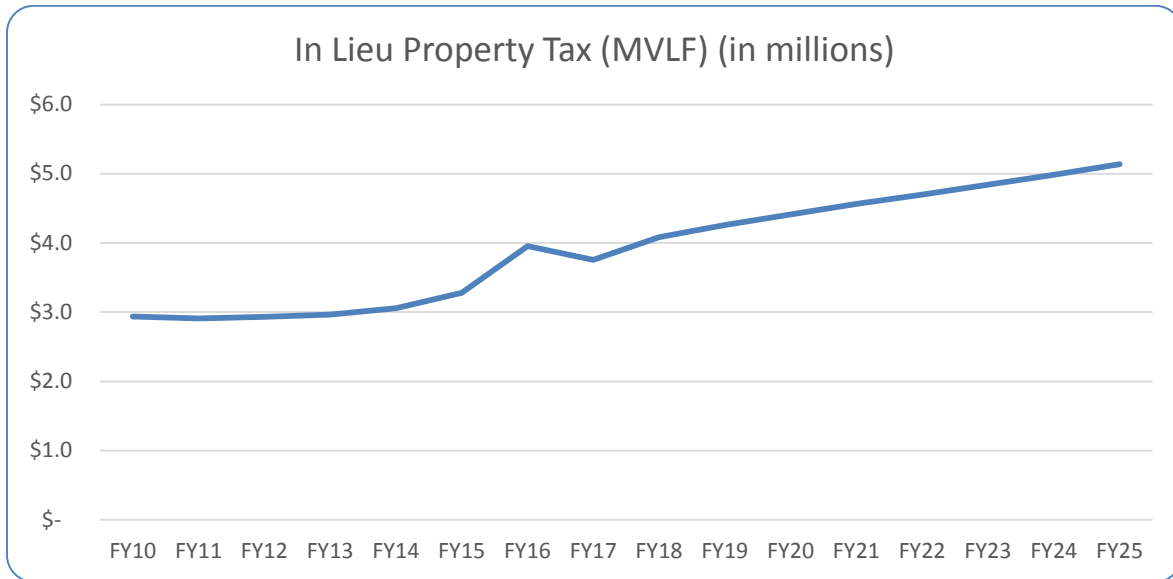
\*In FY16, the State unwound the “Triple Flip” (described above). The return of the 25% to sales tax began in FY16. There is a corresponding decrease to the In-Lieu Revenue detailed later in this report.

### In-lieu Property Tax

In-lieu Property Tax is the City’s fourth largest General Fund revenue source, contributing 11% of expected revenue in FY20. This tax is the result of the State taking the City’s Vehicle License Fee revenue (“VLF”), and replacing it with allocations the State receives from Property Tax. In prior years, there was also what was known as the Sales Tax Triple Flip, where the State took City sales tax and replaced it with State property tax (this was eliminated in FY16).

The amount of In Lieu Property Tax the City receives was set at approximately 92% of the amount of the VLF the City would have received when the State initially took it. The In Lieu Property Tax was made permanent by a voter-approved amendment to the State Constitution (2004 Proposition A). The projection for this revenue is tied to growth (or decline) in gross assessed property values. Using the Property Tax projected growth rate, the In-Lieu Property Tax is estimated to be \$4.4 million in FY20, \$4.6 million in FY21, and then experience 3% growth thereafter.

**Figure 9:** In-Lieu Property Tax Trend, FY10 to FY25:



Source: Revenue History V2.vlsx/In Lieu

**Table 9:** In-Lieu Property Tax (MVIL Portion) History and Projection, FY05 to FY25:

Fiscal Year	In-Lieu Property Tax - MVIL	% Change	Fiscal Year	In-Lieu Property Tax - MVIL	% Change
FY05	\$1,701,000		FY16	\$3,953,000	20.6%
FY06	2,231,000	31.2%	FY17	3,756,000	(5.0%)
FY07	2,653,000	18.9%	FY18	4,082,000	8.7%
FY08	2,859,000	7.8%	FY19 Budget	4,261,000	4.4%
FY09	2,975,000	4.1%	FY20 Prop.	4,410,000	3.5%
FY10	2,936,000	(1.3%)	FY21 Prop.	4,564,000	3.5%
FY11	2,911,000	(0.9%)	FY22 est.	4,701,000	3.0%
FY12	2,932,000	0.7%	FY23 est.	4,842,000	3.0%
FY13	2,963,000	1.1%	FY24 est.	4,987,000	3.0%
FY14	3,058,000	3.2%	FY25 est.	5,137,000	3.0%
FY15	3,279,000	7.2%			

**Table 10: In-Lieu Property Tax (Sales Tax Triple Flip Portion) History:**

Fiscal Year	In-Lieu Property Tax – Triple Flip	% Change	Fiscal Year	In-Lieu Property Tax – Tripl Flip	% Change
FY05	\$964,000		FY11	\$1,033,000	31.9%
FY06	888,000	-7.9%	FY12	1,015,000	-1.7%
FY07	1,244,000	40.1%	FY13	1,356,000	33.6%
FY08	1,417,000	13.9%	FY14	1,213,000	-10.6%
FY09	1,179,000	-16.8%	FY15	1,184,000	-2.4%
FY10	783,000	-33.6%	FY16	1,400,000	18.2%

*Note: Sales Tax Triple Flip ended in FY16*

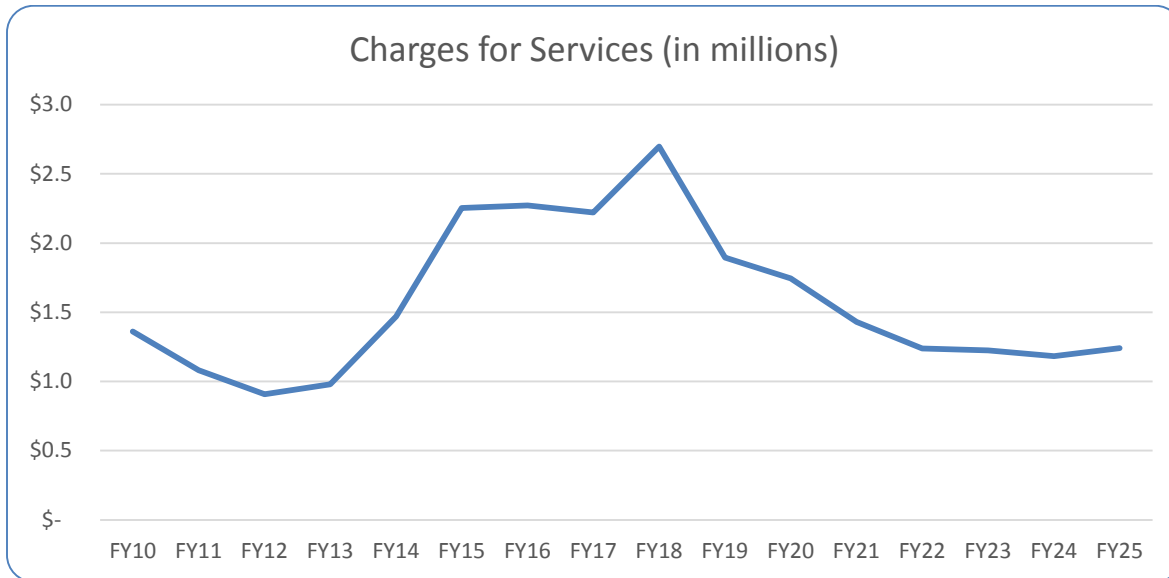
### **Charges for Services**

The Charges for Services category of revenue accounts for approximately 4.4% of FY20 proposed revenue and includes planning, building and engineering fees, along with income from those developing private property that must reimburse the City for expenses incurred for contract services the City utilizes for the work. This category also includes fees for recreation classes and activities, reimbursement for extra policing services for special events, litigation-related revenue, and development impact fees.

Revenue projections associated with development activity are projected to stay at an above average level, but are expected to gradually decline as the current, extended building boom wanes. The City adopted a User Fee Subsidy Policy in 2018, and following an extensive cost of service study, amended its fees for the first time in 20 years. The updated fee schedule is being phased in over three years, and will reduce the level of subsidies of services provided to private development associated with City planning, building and engineering services. The result is that even though the LTFP projects development activity to decline in the coming years, the implementation of the phased-in fee subsidy reductions will lessen the amount that the City’s development-related revenue would have otherwise decreased.

Recreation classes and activities fees are also included in this category, and are generated mainly for activities held at the Del Obispo Community Center. The City offers a wide variety of contract instructor-led classes in areas such as arts, fitness and sports.

**Figure 10: Charges for Services Trend, FY10 to FY25:**



Source: Revenue History V2.vlsx/Chgs 4 Svcs

**Table 11: Charges for Services History and Projection, FY07 to FY25:**

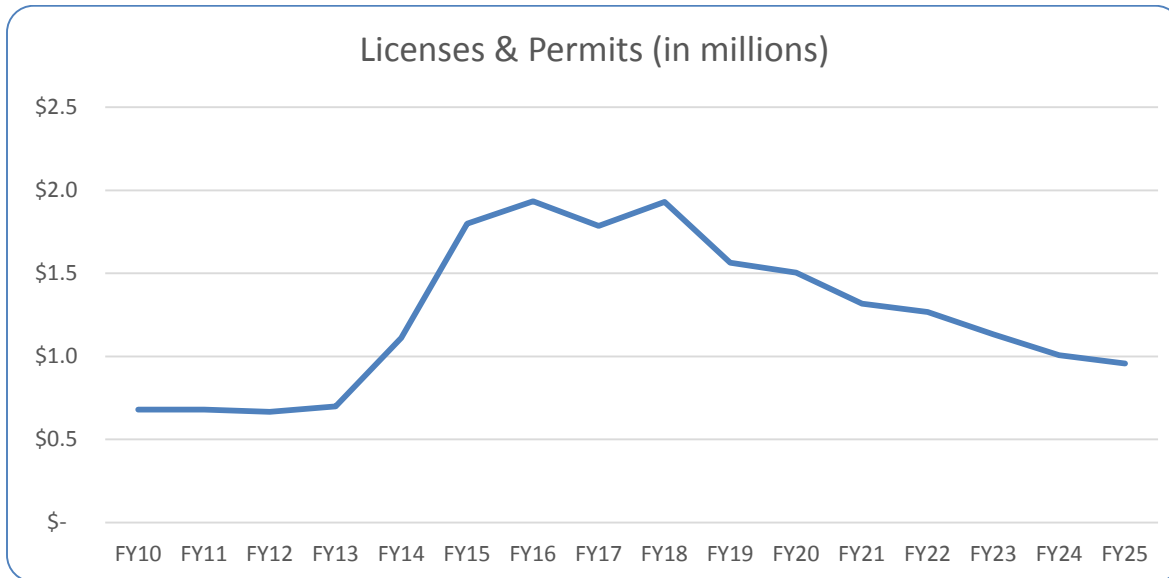
Fiscal Year	Revenue	% Change	Fiscal Year	Revenue	% Change
FY07	\$1,201,000		FY17	\$2,221,000	(2.2%)
FY08	1,271,000	5.8%	FY18	2,697,000*	2.3%
FY09	874,000	(31.2%)	FY19 Budget	1,894,000	(16.6%)
FY10	1,360,000	55.6%	FY20 Prop.	1,745,000	(7.9%)
FY11	1,081,000	(20.5%)	FY21 Prop.	1,432,000	(18.0%)
FY12	907,000	(16.1%)	FY22 Est.	1,239,000	(13.4%)
FY13	979,000	7.9%	FY23 Est.	1,225,000	(1.1%)
FY14	1,469,000	50.1%	FY24 Est.	1,183,000	(3.4%)
FY15	2,254,000	53.4%	FY25 Est.	1,241,000	4.9%
FY16	2,271,000	0.8%			

\*In FY18, a one-time \$626,026 fee was received for a development in the Town Center.

## Licenses & Permits

These revenues include engineering related items such as transportation permits, encroachment permits, and grading plan checks; planning related items such as site development permits, coastal development permits, and conditional use permits; and, permits for building, plumbing, sewer, electrical, and mechanical construction projects. This revenue category is projected to provide about 3.8% of FY20 revenues. Particularly conservative projections are made in this category given that it is directly dependent on development activity which is all too often difficult to predict. Development activity had increased precipitously post-Great Recession, and has stayed at historic highs for several years. As mentioned in Charges for Services above, the City's updated fee schedule will reduce the level of subsidies; however, projections for this category assume that the pace will slow further in the coming years.

**Figure 11: Licenses and Permits Trend, FY10 to FY25:**



Source: Revenue History V2.xlsx/Lic & Permits

**Table 12: Licenses & Permits Revenue History and Projection, FY07 to FY25:**

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY07	\$686,000		FY17 Est.	\$1,786,000	(7.7%)
FY08	772,000	12.5%	FY18 Est.	1,930,000	8.1%
FY09	639,000	(17.2%)	FY19 Budget	1,565,000	(18.9%)
FY10	679,000	6.3%	FY20 Prop.	1,504,000	(3.9%)
FY11	679,000	0.0%	FY21 Prop.	1,318,000	(12.4%)
FY12	667,000	(1.8%)	FY22 Est.	1,268,000	(3.8%)
FY13	699,000	4.8%	FY23 Est.	1,133,000	(10.6%)
FY14	1,112,000	59.1%	FY24 Est.	1,008,000	(11.0%)
FY15	1,799,000	61.8%	FY25 Est.	958,000	(5.0%)
FY16	1,935,000	7.6%			

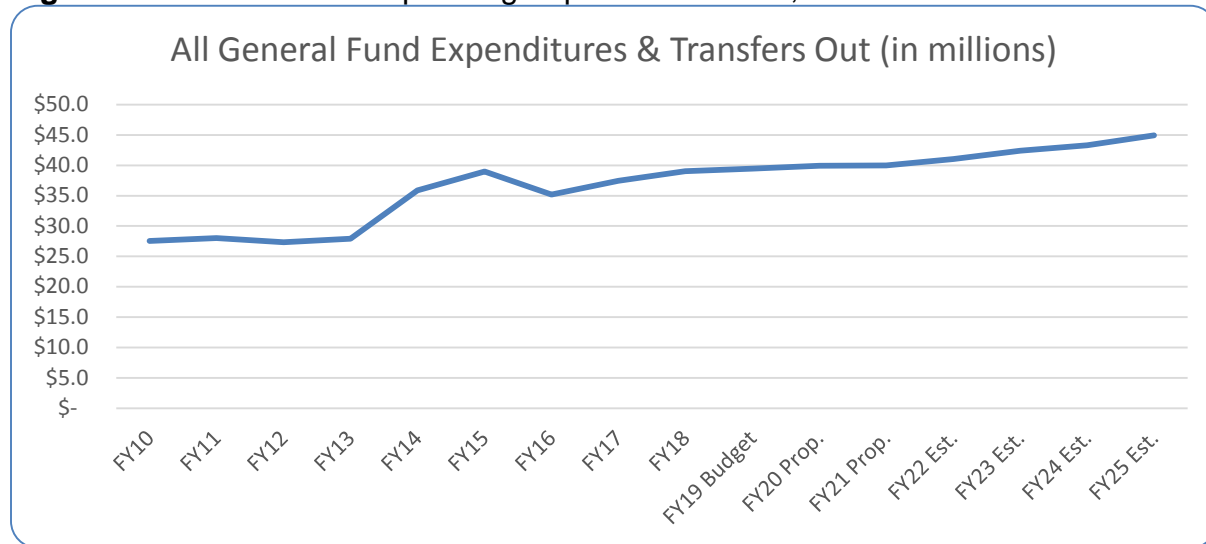
### General Fund Major Expenditures

City departments accounted for in the General Fund include: Police Services, Public Works, City Council, City Manager, Administrative Services, City Clerk, City Attorney, General Services, Community Development, Police Services and Public Works & Engineering.

As stated in past years, since incorporation the City has typically staffed for a base level of workload and contract oversight; and, relied heavily on contract services for certain municipal functions for peak workloads.

The following graph shows a trend that projects expenditures growing at 3% annually.

**Figure 12: General Fund Operating Expenditure Trend, FY10 to FY25:**



Source: Expenditure History.vlsx

The City’s largest expenditures are incurred for Police Services, which are projected at \$13.7 million, or 34.3% of the General Fund’s proposed FY20 budget. The Police Services department is also the only department where expenses are conservatively projected to grow faster (5%/year) than revenues.

**Table 13: FY20 General Fund Expenditures Budget, Cumulative Table**

Expenditure Category	FY20 Proposed Budget	% of TOTAL	FY20 Cumulative %
1. Police Services	\$ 13,657,000	34.3%	34.3%
2. Public Works	6,195,000	15.5%	49.8%
3. Parks	3,734,000	9.4%	59.2%
4. Transfers to Other Funds	3,586,000	9.0%	68.2%
5. Community Development	3,501,000	8.8%	77.0%
6. Recreation	1,566,000	3.9%	80.9%
7. City Attorney*	288,000	0.7%	81.6%
8. All Other Departments**	7,324,000	18.4%	100.0%
TOTAL**	\$ 39,851,000		

\*Note that beginning in FY20, much of the cost for City Attorney services is allocated to departments that specific services support; for FY20, \$705,000 of the total \$993,000 City Attorney Department budget is allocated.

\*\* All Other Departments includes City Council, City Manager, Economic Development, Public Information, Administrative Services, City Clerk, General Services, Facilities, Risk Management and Non-Departmental (excluding Transfers to Other Funds)..

The following discussion is focused on the major operating expenditures incurred by the City each year, namely the Sheriff’s Department contract, personnel costs (including unfunded pension liability payments), and Transfers to Other Funds (namely the Capital Improvements and Facilities funds. Combined, these three expenditure areas make up two-thirds of the General Fund budget.

## Police Services

Since incorporation, the City has contracted with the Orange County Sheriff's Department ("OCSD") to provide police services in town. The proposed FY20 and FY21 budgets for the Police Services Department are \$13,651,000 and \$14,325,000, respectively. This equates to 34.2% of the proposed FY20 General Fund budget, and 35.8% of the FY21 budget.

By far the largest cost in the City's Police Services Department Budget for FY20 is the contract with OCSD, which is projected at \$12,855,000; this represents an increase of 1.5%, or \$184,000 from the current contract. Notably absent from the contract estimate are wage increases for OCSD personnel; as of this writing the County is still in negotiations with its labor unions. It is expected that raises will be given, and that the increased cost will be allocated to contract cities such as Dana Point.

All told, the proposed FY20 budget is based on a 5% overall increase in OCSD contract costs; also, the FY21 proposed budget includes an additional 5% contract increase. Once labor negotiations are complete, OCSD will submit a contract amendment to the City, and Staff will propose amending the budget at that time.

The City's contract with OCSD includes 40 OCSD staff reporting and dedicated to Dana Point; this includes 34 full-time sworn positions, 4 non-sworn community service officers (one reimbursed by OC Parks), a crime prevention specialist and an investigative assistant. In addition, the contract includes costs shared with other OCSD contract cities for a group of 18 sworn and non-sworn support positions that are assigned to serve South Orange County.

The annual contract cost also includes allocated costs covering County and OCSD overhead, OCSD Field Training Bureau and the South Division Command costs, among others. Finally it includes costs for all the items needed to support the OCSD personnel, including vehicles, radios, computers, patrol video systems, supplies, employee training, and enhanced helicopter support, among others.

Consistent with historical trends, OCSD contract cost estimates included in this LTFFP for FY22 thru FY25 also have very conservative increases of 5% each year. Particular items supporting this projection are likely wage increases, higher pension costs, and costs allocated by OCSD to cover the cost of implementing body-worn cameras. It is likely that the actual increase in costs will be lower than these projections.

Pension costs have been a major financial issue facing government since the State unwisely increased available pension benefits back in the mid-1990s; the problems caused by the increases are particularly acute with those old public safety pension plans. Pensions are the largest component of benefit costs in the Sheriff's contract, and are funded by applying an overhead rate to their payroll. The FY20 pension rate applied to payroll for deputies will be 74.7%, sworn management 76.4%, and for non-sworn employees 33.7%. In comparison, the overhead rate applied to payroll for City

employees is 15.4% for employees hired before calendar 2013 (including 5.2% for unfunded liability payments), and 7% for employees hired since then.

For OCSD’s sworn safety positions, the combined overhead rate charged to pay for pension and benefits is almost 106% of salaries, and for non-sworn positions it is 65 percent. In comparison, the City’s total pension and benefits is roughly 30.8%

The fully burdened cost, including salary, benefits, training and overhead in the FY20 OCSD contract by position are as follows:

**Table 14: FY20 Cost per Contracted Sheriff Positions:**

Lieutenant	\$ 392,000
Sergeant	333,000
Investigator	324,000
Deputy Sheriff II	275,000
Community Services Officer (NS)	127,000
Crime Prevention Specialist (NS)	104,000
Investigative Assistant (NS)	169,000

\*NS = non-sworn Source: OCSD 2<sup>nd</sup> Estimate “E” 4/8/19

**Table 15: Sheriff's Contract Cost History**

Sheriff's Contract Cost History		
Fiscal Year	Contract Total	% Change
FY06	\$ 7,148,000	
FY07	7,451,000	4.2%
FY08	8,299,000	11.4%
FY09	8,500,000	2.4%
FY10	8,933,000	5.1%
FY11	8,997,000	0.7%
FY12	9,178,000	2.0%
FY13	9,323,000	1.6%
FY14	9,410,000	0.9%
FY15	10,232,000	8.7%
FY16	10,289,000	0.6%
FY17	11,467,000	11.4%
FY18	12,219,000	6.6%
FY19 Budget	12,671,000	3.7%
FY20 Proposed*	13,263,000	4.7%
FY21 Proposed	13,926,000	5.0%
FY 22 Estimated	14,622,000	5.0%
FY 23 Estimated	15,353,000	5.0%
FY 24 Estimated	16,121,000	5.0%
FY 25 Estimated	16,927,000	5.0%

\*FY20 removed \$40k Extra Help Deputy from OCSD Contract into a part-time City position; absent that change, the growth in the contract would be 5%.

On average, over the 10 years spanning from FY10 to the coming FY20, costs for the Police Services contract will have increased \$4.33 million. The increases compounded to an aggregate 49%. Given likely pay raises, increasing pension costs particularly due to funding of sizeable unfunded liabilities, and forthcoming costs to implement body-worn cameras, this financial model assumes that the City’s costs for the OCSD contract will continue at this same historical pace for the coming years.

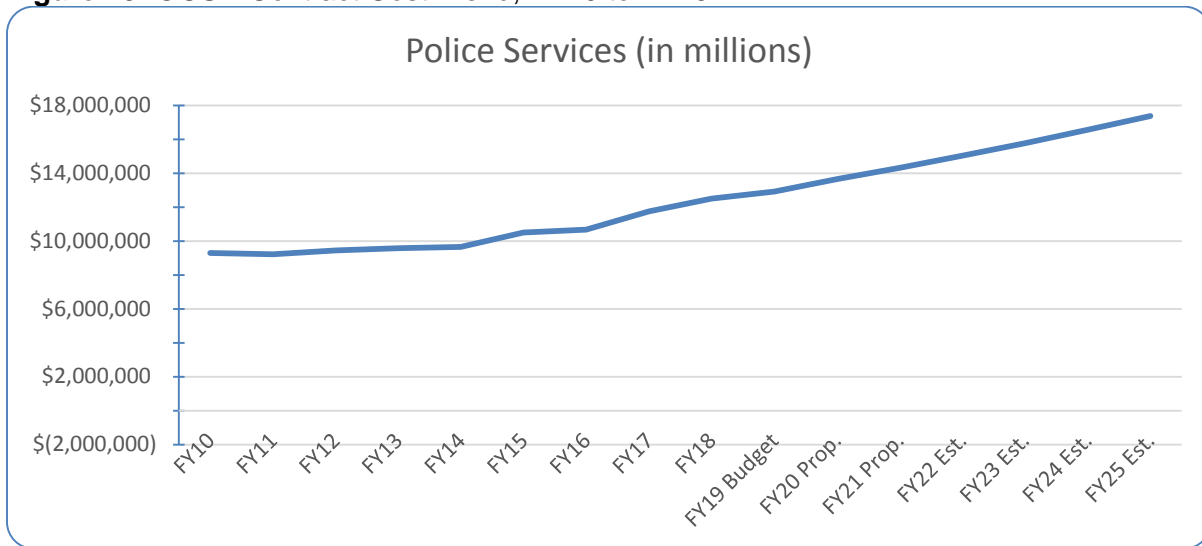
Most, but not all, of OCSD’s cost increases of late are associated with labor and benefit costs, which are largely out of the Sheriff’s Department’s control as negotiation of labor contracts falls under the

purview of the Orange County Board of Supervisors. However, costs associated with deployment and specific assignments, supervision, administrative functions, OCSD-



required training programs, and OCSD facilities, among other areas, are within OCSD's control.

**Figure 13: OCSD Contract Cost Trend, FY10 to FY25:**



Source: Expenditure History.xlsx

There are ten cities in South Orange County that contract with OCSD for police services, and they include: Aliso Viejo, Dana Point, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente and San Juan Capistrano. Each contract is similar in structure, but does vary when it comes to the type and number of OCSD personnel services that are purchased. All OCSD contract cities are working collectively with the Sheriff to evaluate the service delivery model currently employed by OCSD to determine if there are feasible changes that could be made that could either enhance service, save costs, or both.

Unique to Dana Point's contract is the inclusion of a Community Support Unit that includes one sergeant and three deputies, and costs \$1.2 million per year.

**Table 16: Sheriff's Contract Positions – South Orange County Cities**

OCSD South County Contract Cities Personnel - FY20 2nd Estimates 4/9/19											
	<u>DP</u>	<u>AV</u>	<u>LH</u>	<u>LN</u>	<u>LW</u>	<u>LF</u>	<u>MV</u>	<u>RSM</u>	<u>SC</u>	<u>SJC</u>	<u>TOTALS</u>
<b>Safety:</b>											
Lieutenant	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0	8.0
Sergeant - Admin.	1.0	1.0	1.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	7.0
Sergeant - Patrol	5.0	1.3	1.3	5.0	1.3	4.0	4.0	2.0	4.0	4.0	27.0
Investigator	2.0	1.5	2.0	2.0	0.5	3.0	4.0	1.0	4.0	2.0	20.0
DS II Patrol	18.0	15.0	14.0	24.0	6.0	31.0	33.0	19.0	31.0	14.0	187.0
DS II Traffic	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DSII SRO	1.0	0.7	1.0	0.4	0.0	0.0	5.0	0.0	1.0	1.0	9.0
DS II Motor	1.0	2.0	2.0	6.0	0.0	3.0	6.0	2.0	2.0	2.0	25.0
DS II Comm Support	3.0	0.0	0.0	1.0	0.0	2.0	0.0	0.0	0.0	1.0	4.0
DSII Comm'l Vehicle	0.0	0.0	0.0	1.0	0.0	1.0	0.0	0.0	0.0	0.0	2.0
DS II DET	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	2.0
<b>Total Safety</b>	<b>34.0</b>	<b>22.5</b>	<b>22.3</b>	<b>40.4</b>	<b>7.8</b>	<b>46.0</b>	<b>54.0</b>	<b>26.0</b>	<b>45.0</b>	<b>27.0</b>	<b>291.0</b>
<b>Professional:</b>											
Community Svc Ofcr	4.0	2.0	2.0	4.0	0.0	5.0	6.0	2.0	4.0	2.0	27.0
Crime Prevention Spec.	1.0	1.0	1.0	2.0	0.0	1.0	2.0	0.0	0.0	1.0	8.0
Investigative Asst.	1.0	0.0	0.0	1.0	0.0	1.0	1.0	1.3	0.0	0.0	4.3
Office Specialist	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	2.0	0.0	3.0
Sr. Emergency Mngt.	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
<b>Total Professional</b>	<b>6.0</b>	<b>4.0</b>	<b>3.0</b>	<b>7.0</b>	<b>0.0</b>	<b>8.0</b>	<b>9.0</b>	<b>3.3</b>	<b>6.0</b>	<b>3.0</b>	<b>43.3</b>
FTEs - Dedicated	40.0	26.5	25.3	47.4	7.8	54.0	63.0	29.3	51.0	30.0	334.3
<i>17.9 FTEs Shared by All, except LW's that does not share in the motor sergeant.</i>											
Population	33,897	51,950	31,818	65,377	16,597	84,845	95,987	49,329	65,543	36,759	498,205
Area in Sqare Miles	6.5	6.9	6.6	14.8	3.3	16.8	18	13	18.4	14.4	112
Maintained Street Miles	79	82	83	146	5	196	227	99.5	149	81	1,069
Badges/1,000 Population	1.0	0.4	0.7	0.6	0.5	0.5	0.6	0.5	0.7	0.7	0.6
Badges/Square Mile	5.2	3.3	3.4	2.7	2.4	2.7	3.0	2.0	2.4	1.9	2.6
Badges/Mntnd Street Mi.	0.4	0.3	0.3	0.3	1.6	0.2	0.2	0.3	0.3	0.3	0.3
FY20 Cost (in millions)*	\$12.9	\$8.9	\$8.2	\$15.0	\$2.8	\$17.5	\$19.5	\$9.6	\$15.5	\$10.5	\$120.2
FY20 Cost /1,000 Population	\$379,000	\$171,000	\$257,000	\$229,000	\$167,000	\$206,000	\$203,000	\$194,000	\$236,000	\$285,000	\$241,000
<i>*Pending result of labor negotiations that will add to the total cost of all contracts.</i>											

Source: OCSD Contract City FTEs.xlsx

In addition to the positions listed in the table above that report directly to the contract cities, there are an additional 18 positions that work out of the South Orange County substations that support efforts associated with traffic, motorcycle deputy oversight, auto theft, directed enforcement, subpoena processing, and investigations.

CSU

As discussed above, Dana Point contracts for a relatively higher level of service compared to other South Orange County Cities when comparing on criteria such as per capita, per square mile or per street mile. However, Dana Point’s policing model, particularly its Community Services Unit (“CSU”), is considered a best practice for those communities that can afford it. Dana Point’s CSU was formed in 2009, and is unique amongst OCSD’s contract cities.

CSU is not deployed in traditional black and white patrol cars that respond to 911 calls for service, but rather focuses its efforts on combating emerging crime trends by identifying and solving community problems beyond the scope of normal patrol

operations; identifying and monitoring known parolees and probationers in cooperation with the County Probation Department; conducting probationer searches of those subject to search & seizure terms; working with OCSD investigators on criminal cases; conducting proactive operations to observe and stop crimes in progress; coordinating joint security meetings with resort security staff to address industry-specific issues on safety and crime; coordinating Neighborhood Watch and Business Watch programs; presenting crime-prevention topics to Homeowner Associations and community groups; acting as liaison with the OC Intelligence Assessment Center and US Department of Homeland Security, particularly to enhance security of critical infrastructure in town, and for the safety of business conferences and events involving VIPs at resorts; and, plan, organize and execute police deployment for all of our public special events. Finally, they assist our police patrol operations, as needed and during busy periods.

The unit is also an integral part of delivering City services, in particular as they partner with our Code Enforcement and Public Works departments. CSU is staffed with a Sergeant that oversees three deputies, each assigned to a geographic sector of the city and supported by a non-sworn Community Services Officer. CSU was created with a stated goal of reducing crime and building stronger relationships between law enforcement and the community.

The City also pays for one deputy that is assigned to the South Orange County Directed Enforcement Team (DET). DET targets career criminals and assists the South Orange County Sheriff's Investigations team for more labor intensive investigations. The City has provided this resource since shortly after it incorporated.

Police staffing models vary widely, with consideration often given to criteria such as crime trends, number of officers per capita, minimum staffing levels, traffic accident data, authorized/budgeted levels and workload-based models, to name but a few. Consideration is also often given to number of calls for service, response times to types of calls for service (crime related vs. quality of life), crime rate trends (violent crime versus property crime), and special details (e.g. beach patrol, gang enforcement, homeless, etc.). Deployment is also affected by location-specific considerations such as being a resort destination, type/size of special events such as concerts, having a regional harbor and/or a State Park, and traffic volumes carried by a major State highway.

Finally, the weight put on any particular criteria versus other criteria make the number of options to select the correct level of police staffing expand exponentially. This is all mentioned here to advise that the choice for how best to staff a police force is not a simple task, but requires careful consideration based on reliable data, community input, and extensive consultation with our police professionals.

The cost of policing has been the fastest growing component of most city budgets for decades, but particularly since enhanced pensions came about in the late 1990's.

Aimed at finding solutions to possibly slow the rate at which costs are escalating, discussions are taking place collectively seek cost saving measures; those discussion include OCSD contract cities and the Sheriff.

Without question, OCSD is a high-performing police organization, and a county sheriff's contract has traditionally been a less expensive option compared to creating and operating a full-service, city police organization. However, with the passage of the Public Employee Pension Reform Act of 2013 ("PEPRA"), the cost for pensions of a new police agency could be substantially lower than it is for an agency that carries with it the liability of the more expensive pension plans that existed prior to PEPRA; savings in the form of pension costs may or may not exceed the costs a new agency would incur to support a police department, particularly since the economies of scale may be lost compared to what OCSD has to offer.

### **Personnel Costs**

Personnel costs for City Staff as proposed are \$8.7 million in the FY20 General Fund budget, and represent 21.9% of proposed General Fund expenditures.

In response to the projected structural deficits faced by the City, the City Council directed that personnel-related costs savings be achieved. The path taken has been employed to not only reduce the number of positions, but also to find efficiencies through better alignment of work responsibilities within the workforce. This has resulted in a flattening of the organization chart, with less management positions somewhat offset by increased job responsibilities for non-management positions.

Three years ago, the FY17 budget included 70 full-time positions, while the FY20 proposed budget includes six fewer positions, or 64. Positions eliminated in the base FY18 budget included a Management Analyst in Administrative Services, an Associate Planner in Community Development, and a Senior Civil Engineer and an Administrative Assistant in Public Works; and, during FY18 the Community Services & Parks Department was split with the Parks function assigned to the retitled General Services Department, and the Recreation function assigned to the Administrative Services Department.

FY19 saw the elimination of the Deputy City Manager/Public Works position and the Director of Community Services position, concurrent with the consolidation of responsibilities of the City Engineer with that of Public Works Director.

The proposed FY20 budget maintains the same 64 full-time equivalent number of positions as FY19; however, there is a reorganization included to address workload capacity deficiencies. The make-up of positions is changed with the elimination of some positions, and the addition of others.

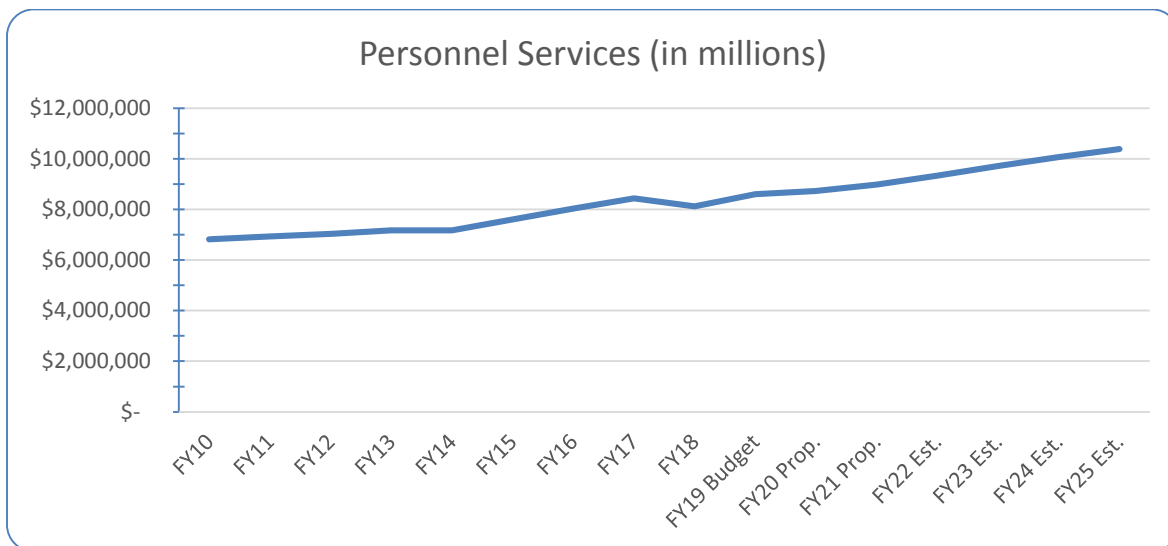
Eliminated positions include: the Deputy Director of Community Services position with duties delegated to the Recreation Manager; the Parks Manager position with duties delegated to the Facilities Manager; the Planning Manager position with duties delegated to both the Community Development Director and the Principal Planner;

and, the Building Division’s Senior Structural Engineer with duties delegated to the Building Official and contracted services (developer reimbursed).

The budget creates a general Community Development Manager position, with primary responsibility to oversee Code Enforcement, certain City grants and projects, and creates a Management Analyst position that will report to the Community Development Director that will handle general business processes for the department. The proposed budget also includes funding for two part-time intern positions: one in the City Manager’s Office to assist with special projects, Economic Development and public information activities; and one for the Planning Division to provide general assistance. The net structural savings from the FY20 proposed personnel changes is roughly \$211,000.

The City’s service delivery model utilizes staff along with contract services, which provides flexibility in managing workload fluctuations. It is not uncommon for other cities to have well over 50% of their budgets dedicated to personnel costs. It is important to ensure that the City is equipped with sufficient staff to manage day-to-day operations and projects, oversee contracted work, and to deliver high quality services in a timely manner.

**Figure 14: Personnel Cost (Fully Loaded) Trend, FY10 to FY25:**



Source: Expenditure History.xlsx

**Table 17: Total Personnel Cost History and Projection, FY10 to FY25:**

Fiscal Year	Total	% Change
FY10	6,776,000	(2.6%)
FY11	6,933,000	3.8%
FY12	7,040,000	1.5%
FY13	7,180,000	2.0%
FY14	7,177,000	0.0%
FY15	7,609,000	6.0%
FY16	8,030,000	5.5%
FY17	8,443,000	5.1%
FY 18	8,122,000	(3.8%)
FY 19 Budget	8,604,000	5.9%
FY 20 Prop.	8,728,000	1.4%
FY21 Prop.	8,988,000	3.0%
FY22 Est.	9,334,000	3.8%
FY23 Est.	9,720,000	4.1%
FY24 Est.	10,074,000	3.6%
FY25 Est.	10,388,000	3.1%

Brief Personnel Cost History in Footnotes:

>From FY07 into FY09, the City transitioned Planning, Building and Engineering from mainly contracts to less expensive staff positions.

>From FY08 to FY13, the City froze positions as they became vacant, and did not provide wage increases for staff. In FY14 and again in FY16, some but not all of the vacant positions were filled.

>For comparison purposes, the FY10 amount excludes an \$860,000 payoff of an unfunded pension obligation established when CalPERS moved the City into a small agency pension pool in 2004.

>The Public Employee Pension Reform Act (PEPRA) was implemented 1/1/13, and requires new employees to pay half of their pension costs.

> In FY15 and FY16, in response to PEPRA, the City

phased in a requirement for existing employees to pay the Employee Portion (7%) of pension, but offset the initial impact by providing like raises.

>Beginning in FY16, and continuing through future years, the CalPERS small agency pension fund has an unfunded liability due to CalPERS implementation of more conservative actuarial assumptions, including lower projected investment earnings, and updated mortality tables; the unfunded liability is included in the amounts shown. A discussion on the unfunded liability is shown below.

>Beginning in FY20, employees in the City's 2 @55 pension plan will begin making contributions toward the unfunded pension liability. The contributions will be phased-in over three-years, with a 0.5% of pay contribution in FY20, a 1.25% contribution in FY21, and a 2% contribution thereafter; this will occur to the extent and as long as the City must make annual payments toward the unfunded liability.

**Table 18: Salaries, Retirement & Benefits History and Projection, FY10 to FY25:**

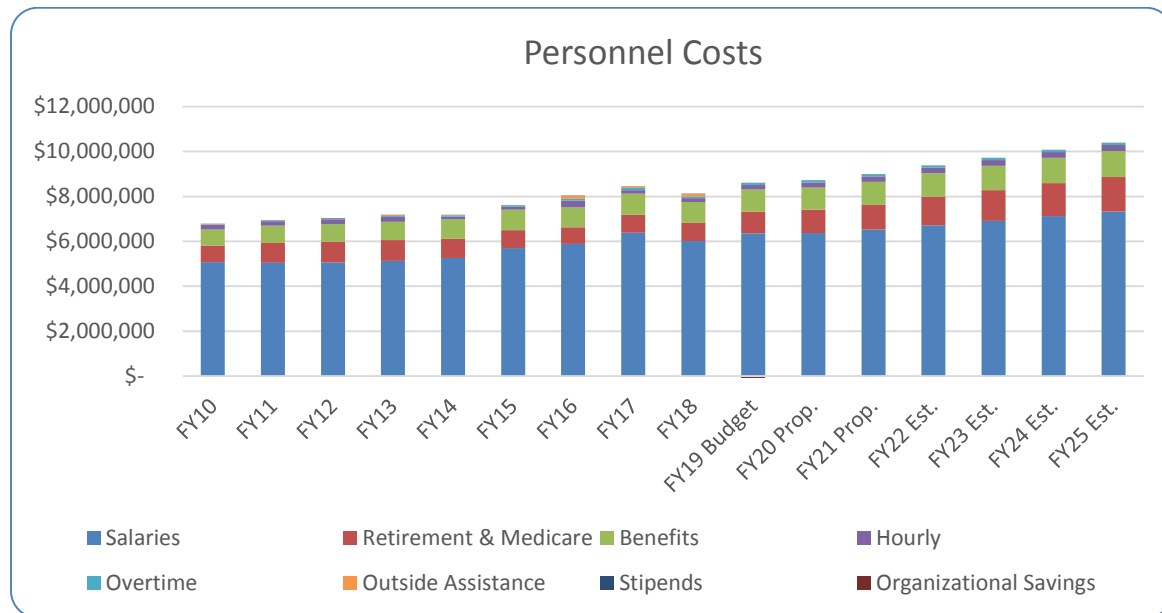
Fiscal Year	Salaries*	% Change	Retirement***	%Change	Benefits	% Change
FY10**	5,315,000		749,000		711,000	
FY11	5,285,000	(0.6%)	883,000	17.9%	764,000	7.5%
FY12	5,328,000	0.8%	926,000	4.9%	787,000	3.0%
FY13	5,441,000	2.1%	930,000	0.4%	809,000	2.8%
FY14	5,452,000	0.2%	865,000	(7.0%)	860,000	6.3%
FY15	5,913,000	8.5%	787,000	(9.0%)	909,000	5.7%
FY16	6,415,000	8.5%	738,000	(6.2%)	878,000	(3.4%)
FY17	6,716,000	4.7%	792,000	7.3%	936,000	6.6%
FY18	6,379,000	(5.0%)	828,000	4.5%	914,000	(2.4%)
FY19 Bud.	6,450,000	1.1%	970,000	17.1%	983,000	7.5%
FY20 Prop.	6,694,000	3.8%	1,036,000	6.8%	993,000	1.0%
FY21 Prop.	6,855,000	2.4%	1,110,000	7.1%	1,018,000	2.5%
FY22 Est.	7,056,000	2.9%	1,269,000	14.3%	1,051,000	3.2%
FY23 Est.	7,262,000	2.9%	1,369,000	7.9%	1,085,000	3.2%
FY24 Est.	7,475,000	2.9%	1,476,000	7.8%	1,119,000	3.1%
FY25 Est.	7,694,000	2.9%	1,535,000	4.0%	1,155,000	3.2%

\*Salaries include wages for full and part-time employees, overtime, and City Council & Planning Commissioner stipends.

\*\* For comparison, excluded from the FY10 Retirement Cost amount shown here is a one-time \$860,000 pay-off of an unfunded liability created when PERS moved the City into the small agency pension plan pool in FY04.

\*\*\* The Retirement Column includes both CalPERS pension for full-time employees, ICMA deferred compensation for part-time employees, and the CalPERS unfunded liability payments.

**Figure 15: Personnel Costs Trend Stacked Bar Chart, FY10 to FY25:**



Source: Expenditure History.xlsx

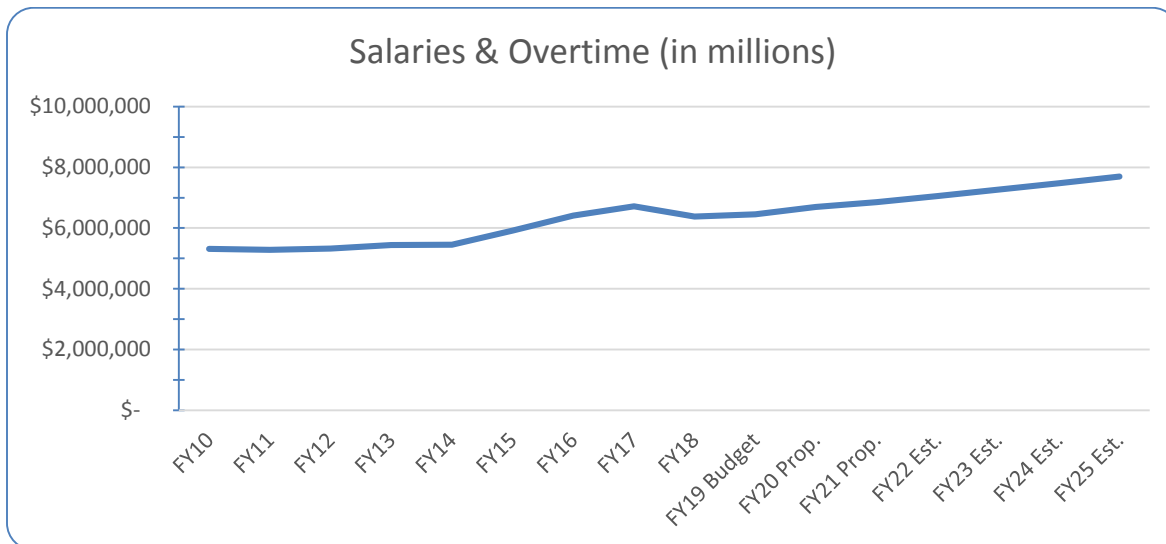
While proposed FY20 total personnel costs are only showing a 1.4% increase over the FY19 amended budget, the LTFP shows the projected average annual increase through FY25 at just over 3.0%. The large retirement cost increases are the result of required payments toward the CalPERS unfunded liability, while benefit costs are projected conservatively given the volatility in health care costs. Note that the fully loaded cost of a 1% wage increase applied to the entire workforce equals about \$50,000.

### Salaries

Less than half of the City’s workforce is represented by the Dana Point Employee Association (“DPEA”), which negotiates with the City for labor related issues. Starting when the recession hit in 2008, City employees went five years without a wage increase. The City then entered into a 3-year agreement with the DPEA in January, 2014, which included pay increases effective October 1, 2014 and again October 1, 2015, and net to 2.9% each year after factoring in additional contributions from employees toward their retirement benefits. The third year (2016) of that agreement returned pay decisions to a merit-based compensation approach where the City provides a pool equivalent to 3% of compensation (excluding benefits) that may be distributed based on an individual’s success.

Employee evaluations are conducted in September each year, and any raises take effect October 1<sup>st</sup>. The proposed budget includes funding based on the DPEA agreement’s 3% annual merit pool, and amounts to \$151,000 of additional personnel costs (fully-loaded) in FY20; and, \$153,000 in FY21. The LTFP assumes 3% annual wage increases via the merit-pool for the entire workforce.

**Figure 16: Salaries and Overtime Trend, FY10 to FY25:**



Source: *Expenditure History.xlsx*

The current DPEA labor agreement runs three years from January 1, 2019 through December 31, 2021 (half-way through the second year of this budget). Pertinent financial considerations provided for in the agreement include:

- Merit Pool of 3% of budgeted salaries be established in the budget. The agreement refers to the City’s Wage Administration Policy which provides specifically that “merit increases are not automatic, and further provides eligibility for raises from 0-3% for a “Successful” employee performance rating, up to 3.5% for a “Successful +” rating, 0-5% for an “Exceptional” rating, and no raise for a less than successful rating;
- A cafeteria benefit package that provides a monthly dollar amount which employees can use to purchase benefits covering medical, dental, vision disability insurance, and/or life insurance;
- Participation in the CalPERS pension system:
  - Employees that were in CalPERS prior to January 1, 2013 are placed in the 2% @ 55 plan; they pay 7% of the CalPERS normal contribution payment; and, they pay toward the City’s unfunded pension liability with a 0.5% contribution beginning 7/1/19, increased to 1.25% beginning 7/1/20, and finally to 2% beginning 7/1/21;
  - Employees entering CalPERS January 1, 2013 or later are placed in the 2 @ 62 plan and pay 50% of the total CalPERS pension normal contribution payment;
- The accrual rate for comprehensive paid time off hours (vacation and sick leave combined) start at 15 days per year; at year four it increases to 20 days per year; for year 7 it accrues at 25 days per year; and finally at ten years or more of service it is 30 days per year.
- The maximum accrual of unused paid time off hours is two times the employee’s annual accrual rate. Employees hired before January 1, 2019 may cash-out accrued hours, with a limit of 200 hours per year in 2019, reduced to 180 hours



in 2020 and 160 hours in 2021; those hired January 1, 2019 or later are limited to a 40 hour per year maximum cash out of accrued hours; and,

- Education reimbursement up to the cost of full-time, in-state tuition at a Cal State school. The maximum amount available to the workforce for this program is established in the City budget, with the proposed FY20 and FY21 at \$22,500.

**Benefits**

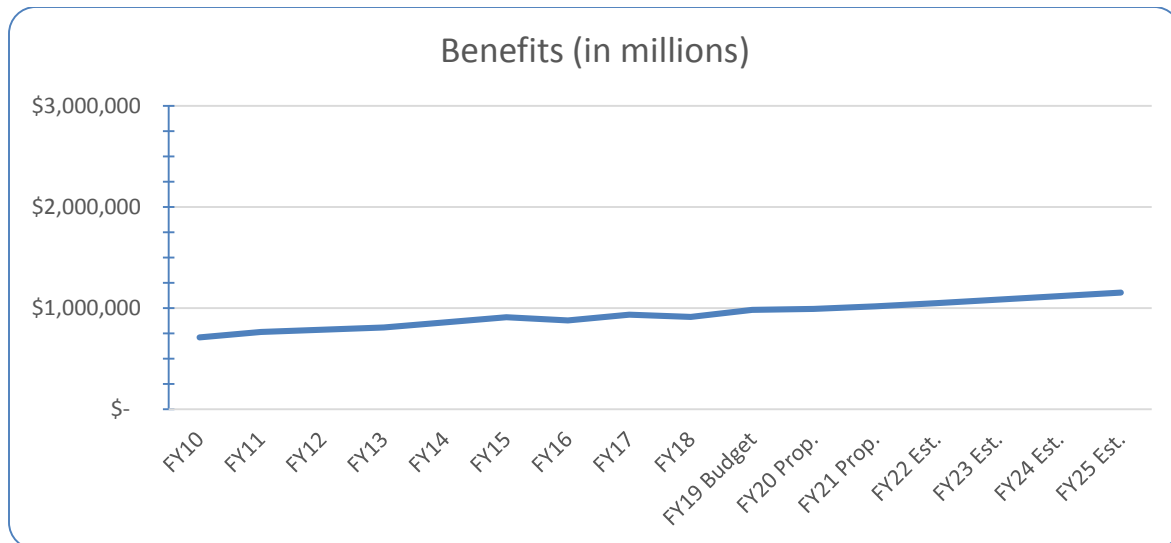
The City offers a "cafeteria style" flexible benefits plan, with a fixed monthly allowance provided to full-time employees, in varying amounts as discussed below. Employees may apply the allowance toward premiums for the health, dental, vision, disability and life insurance plans that fit their needs and budget; and, where the cost is greater than the City's monthly contribution the employee pays the difference.

The City has historically provided higher monthly cafeteria allowances to non-DPEA employees, and again higher allowances to executive management. Based on the most recent labor agreement, the LTFP assumes no increases in monthly allowances for non-DPEA employees until such time as DPEA members are receiving the same amount. The DPEA labor agreement requires the City to pay \$50 more per month beginning January 1, 2020, at which time they will be receiving the same amount of allowance as the non-DPEA, non-executive management employees currently receive.

The agreement includes another \$50 per month increase on January 1, 2021. Thereafter, to be conservative for long-term planning, the DPEA and non-executive management employees are projected to receive a \$50/month increase each calendar year through 2024, at which point they are projected to reach the current amount that executive management employees receive.

The additional annual cost for the health benefit allowance in the proposed FY20 budget is \$25,000, and for FY21 an additional \$34,000. The proposed budget includes monthly benefit allowances that go into effect January 1, 2020 as follows: DPEA represented (\$1,275); non-represented (\$1,275); Department heads (\$1,475) and the City Manager (\$1,718).

**Figure 17: Employee Benefits Trend, FY10 to FY25:**



Retirement:

The City contracts for its employee pension with the California Public Employee's Retirement System ("CalPERS"), a cost-sharing, multiple-employer public employee defined benefit pension plan. CalPERS provides retirement benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries of contract agencies. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California.

The City paid both the Employer Share and Employee Share (the latter set by the State Statute at 7% of pay) of pension contributions until October 1, 2013. At that time, the City implemented a key component of the State enacted Public Employee Pension Reform Act of 2013 (PEPRA), where the new standard is for employees to pay the Employee Share of pension costs. Beginning October 1, 2013, the City's non-represented employees starting paying 4/7ths of the 7% Employee Share, and then on October 1, 2014 those same employees picked up the remaining full 7% Employee Share. The same two-year phase in of full pick up of the Employee Share was followed for the DPEA represented employees, with the second stage taking effect October 1, 2015. The Employer's Share is an actuarially determined rate established by CalPERS each year, with the City benefitting from, or bearing the responsibility for, changes in pension costs beyond the 7% Employee Share.

Until FY12, CalPERS used a 7.75% actuarial expected return on its investment portfolio. As can be seen in the table below, CalPERS actual earnings over the past eight years have fluctuated dramatically.

**Table 19:** CalPERS Investment Earnings History:

CalPERS Earnings History		
Fiscal Year	Actual Earnings	Actuarial Earnings Assumption
FY07	18.8%	7.75%
FY08	(2.9%)	"
FY09	(23.6%)	"
FY10	11.1%	"
FY11	20.7%	"
FY12	1.0%	7.5%
FY13	12.5%	"
FY14	18.4%	"
FY15	2.4%	"
FY16	0.6%	"
FY17	11.2%	7.5%
FY18	8.6%	7.375%
FY19	n/a	7.25%
FY20+	n/a	7.0%

In FY12, the CalPERS Board lowered the actuarial earnings assumption down from 7.75% to 7.5%; in addition, they began making more conservative assumptions in regards to pensioner mortality, and took a less aggressive approach to allocating gains and losses. The latter does moderate fluctuations year to year in rates charged to contract agencies. In December 2016, the Board took further action to reduce the earnings assumption over three years; the reductions are to 7.375% on 7/1/17, to 7.25% on 7/1/18 and finally to 7% on 7/1/19.

The funded status stood at 81.3% on 6/30/13, rose to 86.1% 6/30/14, dropped to 83.1% 6/30/15 and again to 77.9% 6/30/16, before increasing to 80.5% 6/30/17 (the most

recent information). Investment returns for the two most recent CalPERS fiscal years ended 6/30/17 and 6/30/18 were above expectations at 11.2% and 8.6%, respectively, and will have a positive impact on the next pension valuation; however, as of this writing, the most recent investment performance reports show CalPERS investments significantly below expectations for fiscal year 2018/19 to date.

Unlike the Employee Share that is set at 7%, the Employer Share fluctuates from year to year in conjunction with the success of CalPERS investment earnings, but in a manner that the actual gains and losses on investments are smoothed or amortized in a rolling manner into the Employer Rate each year. The change from year to year can be seen in the following table:

**Table 20: CalPERS Employer Share Rate History**

Fiscal Year	Employer Share	% Change	Fiscal Year	Employer Share	% Change
FY09	11.954%		FY18	8.921%	0.5%
FY10	11.736%	(1.8%)	FY19	9.409%	5.5%
FY11	8.984%	(23.5%)	FY20 Est.*	10.221%	8.6%
FY12	10.059%	12.0%	FY21 Est.	10.9%	6.6%
FY13	10.238%	1.8%	FY22 Est.	10.9%	0%
FY14	10.781%	5.3%	FY23 Est.	10.9%	0%
FY15	11.522%	6.9%	FY24 Est.	10.9%	0%
FY16	10.828%	(6.0%)	FY25 Est.	10.9%	0%
FY17	8.88%	(18.0%)			

\*Source: CalPERS Miscellaneous Plan of the City of Dana Point dated August 2018

**Table 21: CalPERS Unfunded Liability Annual Cost:**

Fiscal Year	Unfunded Liability Cost	% Change
FY16	\$118,000	
FY17	140,000	18.6%
FY18	182,000	34.4%
FY19 Budget	250,000	32.8%
FY20 Prop.	334,000	33.6%
FY21 Est.	382,000	14.4%
FY22 Est.	502,000	31.4%
FY23 Est.	633,000	26.1%
FY24 Est.	718,000	13.4%
FY25 Est.	754,000	5.0%

The City's annual cost for the unfunded liability portion of pension costs is shown in this table:

Beginning in FY16, CalPERS began collecting additional funds from agencies to cover the unfunded liability that was occurring due to use of more conservative actuarial assumptions, and due to underperforming investment returns. As shown in Table 20 above, the Employer Share rate for Classic Employees is projected to grow to 10.9% of

payroll by FY21. Not shown, but of note, is that the rate for employees entering CalPERS in calendar 2013 and later (PEPRA) will be 6.5%. For perspective, with salaries at roughly \$6.4 million per year, the FY20 unfunded liability payment represents 5.2% of payroll. Adding the unfunded pension liability payment to the normal pension payment results in total pension costs of 14.7% of payroll for FY20.

The increases to the required unfunded pension liability payments shown in the table above are projected to drive the pension cost up to over 19% of payroll by FY25. As of this writing, the City is exploring the potential to make a multi-million investment into

an IRS Section 115 eligible pension prefunding trust account with the goal of limiting the negative financial impact of rising unfunded liability costs. Such an investment would not likely factor into the projections included in this LTFP, but would rather come into play in the fiscal years beginning shortly after FY25.

For the table below, the Salaries column includes full- and part-time wages, commissioner stipends and overtime. The retirement column includes both full-time and part-time staff; and, the Benefits column includes cafeteria allowances and Medicare taxes.

**Capital Investment in Street and Related Systems (FUNDS 11, 02, 04, 08, 21)**

In accordance with the Infrastructure Asset Management Policy adopted by the City Council in 2018, staff has developed a long-term capital funding plan to maintain our street systems. Staff has converted the results of regularly performed street pavement condition analysis into a life-cycle work plan that includes the annual budget necessary to sustain our overall street condition score at a “Good” level. The capital investment plan includes periodic slurry sealing, repair, rehabilitation and resurfacing for all residential and arterial streets in our inventory; in addition, the plan provides for fixing/replacing adjacent curb, gutter, storm drain inlets, and sidewalks, as needed.

The PCI is a numerical index between 0 and 100 used to indicate the general condition of a street pavement surface, and reads as follows:

PCI Grade	Condition
86 – 100	Very Good to New
75 – 85	Good
60 – 74	Fair
41 – 59	Poor
0 - 40	Very Poor

The PCI Grade is a general guideline which includes factors such as ride quality, pavement cracking, potholes and rutting. The assessment is done with advanced mobile equipment coupled with professional judgment. The overall PCI grades the City’s streets as a whole, but is based on each street’s individual rating. For example, a city might have an overall rating of 84, and still have some streets that could fall into the 50s or 60s while others that were recently resurfaced would be near 100.

The proposed capital budget provides funding from the following funds: General Fund, Gas Tax (Fund 02), Measure M (Fund 04) and Road Maintenance and Rehabilitation Act (RMRA Fund 08). Note budgeted, but available to fund park-related capital projects, is an account for Parks Development Impact Fees (Fund 21); this fund currently has \$53,500 available to spend on a parks-related capital project. The proposed capital budget for the two years is \$9.25 million. The General Fund’s contribution is \$6.225 million, with \$3.45 million in FY20 and another \$2.775 million in FY21. The LTFP for FY22 through FY25 includes an average General Fund contribution of roughly \$2.6 million per year.

The Gas Tax, Measure M and RMRA funds, which average a combined \$1.6 million per year, are expected to remain steady, and increase slightly for the duration of the LTFP. Details of the projects included in the proposed FY20 and FY21 budget, as well as plans for FY22 through FY25, can be found in the back of this budget book.

### **Capital Investment in Facilities (FUND 12)**

The City Council also adopted a new Facilities Management Policy in 2018. To begin addressing a long list of deferred maintenance projects, the Council seeded the Facilities Fund (12) with \$2 million in FY18. City facilities consist of a number of structures and their component systems, and include the Community/Senior Center, City Hall, Nature Interpretive Center, park structures and trail systems, water treatment facilities, the Stonehill bridge over San Juan Creek, and the PCH pedestrian bridge, among others.

The City conducted a comprehensive facilities assessment in 2017-18, and began implementing a computerized maintenance management system (CMMS) for facilities and parks. Based on the assessment and input from the City's new Facilities Manager, the list of maintenance projects has been prioritized, discussed with the City Council's Capital Improvement Projects subcommittee, and included in the proposed budget and LTFP.

The total estimated cost to complete all of the identified facilities projects stands at \$3.75 million. The project list has been categorized into Priority 1, Priority 2, and Priority 3 projects. Priority 1 projects are included in the proposed FY20 budget, total \$1.355 million, and address critical facilities issues. Priority 2 projects are in the proposed FY21 budget and address issues that are more moderate. The list of projects in the proposed two-year budget are included in the Facilities Fund (12) section of the budget. Finally, Priority 3 projects are included in the LTFP in FY22, total \$1.717 million, and include items that will need to be acted on but can wait a few years.

In order to cover all of the project budgets and balance the Facilities Fund (12), it is proposed that the City Council authorize \$2.1 million transfer of the General Fund's \$2.5 million Capital Projects Reserve prior to closing the FY19 books.

The CMMS is a new system that has been implemented and is being used to plan, budget, manage and report on preventive and unscheduled maintenance activities for the City's 14 facilities, 31 parks, 88 landscaped medians, and city parkways.

### **Other Funds**

In addition to the funds discussed above, the City also accounts for other restricted monies in separate funds, namely the AB2766 Clean Air Fund (05), Coastal Transit Fund (06), Tourism Business Improvement District Fund (07), Headlands Habitat Fund

(09), Supplemental Law Enforcement Services Fund (25) and the Community Facilities District Maintenance Fund (27).

#### Trolley Funding – Fund 05 and Fund 06

The AB2766 Clean Air Fund (05) is included in the LTFP to cover the City's match requirement associated with the Orange County Transportation Authority's Project V (Project V) grant which City receives to operate the Trolley program. The Project V grant revenue and Trolley expenditures are recorded in the Coastal Transit Fund (06). As shown in the LTFP, and by utilizing the AB2766 funds as a match, the Trolley program is projected to be fully funded through FY24. The LTFP does show a funding shortfall of \$138,000 in the match requirement for the Trolley grant in FY25. At the time of this writing, staff is working on submitting a grant application to extend the OCTA grant past its current FY25 end date, and will be working on a plan to resolve the FY25 shortfall.

#### Tourism Business Improvement District (TBID) (Fund 07)

The TBID was formed in FY10 by the City and the four largest resorts. It is funded by a self-assessment voted on by the resorts and is comprised of a \$3 per room night charge, the proceeds of which are paid to the City and deposited in this fund. The assessment proceeds are restricted for use on marketing Dana Point as a tourist/business destination with the intent on maintaining and increasing hotel business. The TBID currently generates about \$1 million per year.

In FY16 the resorts formed a non-profit destination marketing organization, Visit Dana Point (VDP), and VDP contracted with the City to manage the restricted TBID funds. The City began transferring TBID funds to VDP as collected each quarter, and this past year began transferring the remaining funds on account in the City's TBID Fund (07). The proposed FY20 budget includes transferring all but \$50,000 of the previously collected funds, plus the assessment collections expected to be received in FY20. It is proposed to maintain \$50,000 in the City's interest-bearing TBID fund as a contingency to reimburse the City for unplanned costs should they occur.

#### Headlands Habitat Fund (09) and Community Facilities District Maintenance Fund (CFD) (27)

Though legally separate, the two interest-bearing funds are related in that they are restricted as to use to maintain public assets in the City's Headlands area. They were both established as a result of the Headlands development.

The Headlands Habitat Fund (09) was seeded with funds to create a non-wasting endowment, the proceeds of which are restricted to maintaining and monitoring

Environmentally Sensitive Habitat Areas (ESHA) at the Headlands, and provides roughly \$23,000 per year to pay for biological monitoring studies and maintenance activity.

The CFD Fund receives approximately \$310,000 per year in special assessment revenue from property owners in the Strand development which is used to operate and maintain the funicular, Strand linear park, and certain landscaped areas. There are no projected issues in regards to the financial wherewithal for these funds to cover their respective costs. Staff will be incorporating the CFD assets into the City's Computerized Maintenance Management System, and General Services has been tasked with formulating a plan to fund the eventual replacement of the CFD's major assets (e.g. funicular car, track and electrical components; revetment walkway surfacing; etc.).

#### Supplemental Law Enforcement Services Fund

Since 1996, the State passed the Citizens Option for Public Safety Act (COPS), and the City accounts for these funds in its Supplemental Law Enforcement Services fund (SLESF); it provides funding to augment, not supplant, funding of enhanced local law enforcement services. The City has been receiving approximately \$130,000 per year. Given the susceptibility of this revenue source to change in State law, the City only budgets receipt and expense of these funds after the funds are received during each fiscal year; therefore, they are included in the proposed budget and LTFP at zero.

#### **Summary of Open Issues**

In addition to continuing to address General Fund deficits projected to occur after the upcoming two-year budget, the City will be working to address several other issues including:

Homelessness: the City Council adopted a Community Work Plan to address homelessness last year. The Work Plan supports: facilitating homeless individuals transition into stable housing, self-sufficiency, or the return to a home-based support network; efforts to clean debris, remove encampments, minimize loitering, and respond promptly to disturbances; provide public education to inform residents about homelessness and actions being taken by the City; and, to provide outreach to attempt to tend to homeless residents' physical and mental health needs. The proposed budget continues the increased funding of contract services provided by Mercy House, and will continue to work with the County and other Orange County cities to identify and implement regional solutions to providing services and housing for those individuals willing to accept support.

Water Quality: the City will continue to invest in programs and systems that maintain and enhance water quality in and around Dana Point, while also meeting

regulatory requirements. The budget includes funding for contracts for commercial construction project Best Management Practices (BMP) inspections; Salt Creek Treatment Facility operations and maintenance; a bird deterrent at Salt Creek; dry weather flow diversions at San Juan Creek, North Creek, and the Headlands-area; trash control program implementation; participation in regional water quality programs; and, public education programs, among others.

Police Services: in FY18, the thirteen cities that contract with the Orange County Sheriff's Department (OCSD) for policing services signed the Memorandum of Understanding to establish a collective working relationship in an effort to identify potential cost savings and operational efficiencies in their contracts with OCSD. The selected consultant reviewed and analyzed the cities' contracts with the OCSD, including contract model cost assumptions, methodologies, cost allocations, and law enforcement strategies. The study recommends changes to the billing practices OCSD uses for deputy time and fleet vehicle charges, along with evaluating contracting out fleet services. The contract cities and the Sheriff have committed to work together to evaluate the recommendations and to continue looking into the personnel deployment model currently used by OCSD for contract cities.

Emergency Preparedness: the City's Emergency Plan provides the framework for responding to major emergencies and disasters. The General Services Department is charged with oversight of the plan, and has seen significant staffing turnover the past year. The proposed budget includes changes to the staffing with the intent to better align skillsets with responsibilities. A focus for the department will be to enhance City staff training, to revive the Community Emergency Response Team (CERT) volunteer program, and to update and publicize emergency preparedness education materials.

General Plan Update: California law requires each city to prepare and adopt a comprehensive General Plan to guide its long-term physical development. The plan serves as a blueprint for future development, and contains goals and policies designed to guide the city toward achieving its vision for future land development. The General Plan must include seven State-mandated "elements", including those covering land use, circulation, housing, conservation, open space, noise, and safety. The City adopted its original General Plan 28 years ago, in 1991. Though certain updates to elements of the General Plan have been approved over the years, there has not been a comprehensive update since its original approval. Completing a comprehensive General Plan update will likely be a multi-year project given the complexity of issues, and the need for extensive public outreach and input. Staff is recommending that, after this fiscal year's accounting books are closed, some of the expected General Fund surplus from FY19 be set aside in a designated reserve and committed to a comprehensive update to the General Plan.



The City's current efforts to complete the Doheny Village Plan update are continuing to move forward as a separate project, the results of which will complement the General Plan update efforts. It is important to also note that the City Council has made it a priority to not only complete the Doheny Village Plan, but to identify and work on funding public improvements that will be called for in the plan.

City Trolley: The City has been successful in earning three Orange County Transportation Authority (OCTA) Project V grants to date. These grants provide the vast majority of funding for the City's Trolley Program. To date, the City has covered the required local funding match portion with one-time funds received many years ago from the California Coastal Commission. Those one-time funds, accounted for in the City's Coastal Transit Fund (06), will be depleted by FY21. At that point, the City will be able to utilize monies from its AB2766 Clean Air Act Fund (05) for the three years from FY22 and FY24. After FY24, the non-General Fund sources used for the required local match will be exhausted. The City is anticipating that OCTA will soon release a new Call for Projects for additional Project V grants. Though the City will apply for this new grant opportunity that will extend OCTA funding from FY25 and beyond, a funding source will likely need to be identified should the expected local match be required.

#### Information Technology Master Plan

The City Council, in approving the renewal of the City's information technology support contract on April 16, 2019, directed staff to begin planning to create a technology master plan. Staff will return to Council in the coming months to further the discussion, including timing and cost of the project.

#### **Closing Observation**

A forecast is simply a prediction of future conditions, and is intended to be a planning tool and not deemed a perfect picture of what is to come. This Long Term Financial Plan is the third edition, with the first produced in 2015 as part of the two-year budget. Though balanced in FY20 and FY21, the outlook provided in this LTFP shows deficits in FY22 and beyond. There is marked improvement in forecasts of the City's financial future from previous LTFP's, particularly given that annual investments in the Capital Improvement Program are now funded in the base budgets. Growth in General Fund revenue forecasts is still not keeping pace with those for expenditures, and this fact will have to be addressed in the coming years.

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# **APPROPRIATIONS AND DEBT LIMITS**



# APPROPRIATIONS AND DEBT LIMITS

**Appropriations Limit:** The Appropriations Limitation imposed by California State Propositions 4 and 11 created a restriction on the amount of revenue which can be appropriated in any fiscal year. The purpose of the law is to limit governmental spending by putting a cap on the total proceeds of taxes that may be appropriated each year.

**Debt Limit:** The general laws of the State of California for municipalities provide for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was established based on 25% of market value. Effective with FY1981-82, taxable property is assessed at 100% of market value. Although the debt limit provision has not been amended by the State since this change, the percentage has been proportionately modified to 3.75% for the purposes of this calculation for consistency with the original intent of the State's debt limit.

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**City of Dana Point  
Appropriations Subject to Limit**

The Appropriations Limitation imposed by Propositions 4 and 11 creates a restriction on the amount of revenue which can be appropriated in any fiscal year. Not all revenues are restricted by the Limit, only those which are referred to as "proceeds of taxes". The purpose of the law is to limit governmental spending by putting a cap on the total proceeds of taxes that may be appropriated each year. This limit is increased each year through a formula that takes into consideration changes in population, the Consumer Price Index and State per-capita income. The City of Dana Point's appropriations limit for fiscal year 2020 is \$99,411,042 and was calculated as follows:

The City of Dana Point's Appropriations Limitation (FY 2019): \$95,449,872

- |                                    |               |
|------------------------------------|---------------|
| 1. Population %                    | 0.29          |
| 2. Per Capita Personal Income %    | 3.85          |
| 3. Population converted to a ratio | 1.0029        |
| 4. Inflation converted to a ratio  | <u>1.0385</u> |

Total Adjustment Factor (=3x4) 1.0415

FY 2020 Appropriations Limit (\$95,449,872 x 1.0415) \$99,411,042

**CITY OF DANA POINT**  
**Computation of Legal Debt Margin**  
**June 30, 2019**

Assessed Valuation (1)	<u>\$12,191,305,960</u>
Legal Debt Limit - 3.75% of Total Assessed Valuation	\$457,173,974
Amount of Debt Applicable to Limit: None	0
Legal Debt Margin	<u>\$457,173,974</u>

Note (1):

The general laws of the State of California for municipalities provide for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was established based on 25% of market value. Effective with FY1981-82, taxable property is assessed at 100% of market value. Although the debt limit provision has not been amended by the State since this change, the percentage has been proportionately modified to 3.75% for the purposes of this calculation for consistency with the original intent of the State's debt limit.



# **BUDGET REFERENCE MATERIALS**



# BUDGET REFERENCE MATERIALS

This section provides additional information that may be useful to the reader.

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## **BUDGET GLOSSARY**

Allocate - To divide a lump-sum appropriation which is designated for expenditure by specific organization units and/or for specific purposes, activities, or objects.

Annual Budget - A budget applicable to a single fiscal year.

App - An application, typically a small specialized program that performs a special function (*see also Hosted Application*).

Appropriation - An authorization made by the Council which permits the City to incur obligations and to make expenditures of resources.

Audit - Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the City's Financial Statements present fairly the City's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

Budget - A financial plan for a specified period of time that matches planned revenues and expenditures to municipal services.

Budget Detail - A support document to the published budget detailing the line item expenditures.

Budget Message - Included in the opening section of the budget, the Budget Message provides the Council and the public with a general summary of the most important aspects of the budget, changes from the previous fiscal years, and the views and recommendations of the City Manager.

Capital Improvement Program (CIP) - A program to provide for the maintenance or replacement of existing public facilities and assets and for the construction or acquisition of new ones.

Charges for Services - Charges paid to the City by users of a service to help support the costs of providing that service.

CJPIA - California Joint Powers Insurance Authority.

Coastal Area Road Improvements and Traffic Signals (CARITS) - A program to finance the construction of roadway gaps, intersection improvements and traffic signals within the coastal area circulation system of the County.

Community Facilities District (“CFD”) – A legal construct used to provide an alternate method of financing the acquisition, construction, and maintenance of certain public facilities, and/or

services.

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue, and similar eventualities.

Contractual Services - Services rendered to City activities by private firms, individuals or other governmental agencies. Examples of these services include traffic engineering, law enforcement, and city attorney services.

Department - A major organizational unit of the City which has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Designated Fund Balance - Portion of unreserved fund balance designated by City policy for a specific future use.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

ESHA – Environmentally Sensitive Habitat Areas.

Expenditure - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. An encumbrance is not an expenditure; an encumbrance reserves funds to be expended.

Fiscal Year - The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Fixed Assets - Assets of long-term nature such as land, buildings, machinery, furniture, and other equipment. The City has defined such assets as those with an expected life in excess of three years and an acquisition cost in excess of \$5,000.

Franchise Fee - A franchise fee is charged for the privilege of using public rights-of-way and property within the City for public or private purposes. The City currently assesses franchise fees on cable television, utilities, and trash collection contractors.

Fund - An accounting entity that records all financial transactions for specific activities or government functions. The generic fund types used by the City are: General, Special Revenue, Capital Project, and Internal Service Funds.

Fund Balance - The excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses.

General Fund - The primary operating fund of the City. All revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General Fund. With

the exception of subvention or grant revenues restricted for specific uses, General Fund resources can be utilized for any legitimate governmental purpose.

Goal - A statement of broad direction, purpose, or intent.

Hosted Application - A software as a service (SaaS) solution that allows users to operate a software application entirely from the cloud on a recurring subscription. Hosted applications are hosted and powered from the remote cloud infrastructure and are accessed through the Internet. They provide the same functionality as locally installed software but can be updated more easily.

Infrastructure - The physical assets of the City, i.e., streets, water and sewer lines, public buildings, and parks, and the support structures within a development. Infrastructure is capitalized if it has cost in excess of \$50,000 and an expected useful life of over 5 years.

Investment Revenue - Revenue received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

Line-Item Budget - A budget that lists detailed expenditure categories (salary, materials, telephone service, travel, etc.) separately, along with the amount budgeted for each specified category. The City uses a program rather than line-item budget, although detail line-item accounts are maintained and recorded for financial reporting and control purposes.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government. In a more restricted sense, an adjective which denotes a city or village as opposed to other local governments.

Key Objective - A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program.

Operating Budget - The portion of the budget that pertains to daily operations providing basic governmental services. The program budgets in the financial plan form the operating budget.

Policy - A direction that must be followed to advance toward a goal. The direction can be a course of action or a guiding principle.

Property Tax - A statutory limited tax levy which may be imposed for any purpose.

Program - A grouping of activities organized to accomplish basic goals and objectives.

Program Budget - A budget that focuses upon the goals and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Program Indicator - A measurement of program activities.

Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for

a specific purpose and is, therefore, not available for general appropriation.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenue, and interest income.

Risk Management - An organized attempt to protect an organization's assets against accidental loss in the most cost-effective manner.

Sales Tax - A tax on the purchase of goods and services.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those parties.

Special Revenue Funds - Funds used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Subventions - Revenues collected by the State (or other level of government) which are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu, and gasoline taxes.

Trust and Agency Funds - Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies.

User Fees - The payment of a fee for direct receipt of a service by the party benefiting from the service.

Working Capital - Difference between current assets and current liabilities.



## **FUND DESCRIPTIONS**

### **GENERAL FUND (01)**

General Fund – To account for all financial resources that are not restricted as to their use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Financial Management, Community Development, Public Works, Community Programs, Recreation and Public Safety.

### **SPECIAL REVENUE FUNDS**

Gasoline Tax Fund (02) – To account for gasoline tax allocations by the State of California. These revenues are restricted to expenditure by the State for street related purposes only.

Measure M Fund (04) – To account for Measure M allocations by the State of California. Measure M provides for the collection of the one-half (1/2) percent retail transaction and use tax for use in funding the Transportation Improvement Program.

AB2766 Clean Air Act Fund (05) – To account for revenues received pursuant to Assembly Bill 2766, which provides for a portion of a \$1 fee collected from vehicle registrations to be allocated to cities for use in developing programs to reduce air pollution from motor vehicles.

Coastal Transit Fund (06) – To account for funds received by the City to mitigate impacts to coastal access due to residential development. The funds are restricted for use in providing coastal recreational transit services.

Tourism Business Improvement District Fund (07) – To account for assessment funds received by the City, collected by the Tourism Business Improvement District (St. Regis Monarch Beach, Ritz Carlton Laguna Niguel, Laguna Cliffs Marriott and Double Tree Doheny Beach), used to promote Dana Point as an overnight destination and includes activities such as advertising, public relations, and marketing to attract and extend overnight stays in Dana Point hotels.

Road Maintenance and Rehabilitation Act Fund (08) – In March 2017, the State's Senate Bill 1 Road Repair and Accountability Act of 2017 was enacted and provides funds for local street maintenance. All receipts are programmed into the City's CIP Fund 11 street repair projects

Headlands Habitat Fund (ESHA) (09) – To account for the endowment revenues and expenditures related to maintaining the natural habitat at the Headlands Reserve.

Supplemental Law Enforcement Services Fund (25) – To account for revenues received pursuant to Assembly Bill 3229, which provides funds to local agencies for use in enhancing front line law enforcement activities.

CFD 2006-1 Facilities Maintenance Fund (27) – To account for revenues and expenditures associated with the ongoing maintenance of certain facilities located within the boundaries of Community Facilities District 2006-1 of the City of Dana Point, including landscaping, revetment, storm water quality and funicular.

## **CAPITAL PROJECT FUNDS**

Capital Improvements Project Fund (11) – To account for financial resources used in the construction or acquisition of major capital facilities.

Facilities Improvement Fund (12) – This fund was established to account for major one-time expenditures to improve city-owned facilities including City Plaza and the Del Obispo Recreation Center.

Park Development Fund (21) – To account for fees collected from the County, State and Federal Governments and developers, which are restricted for use in parkland acquisition, improvement or development.

CFD 2006-1 Acquisition Fund – CLOSED in FY15 - To account for the acquisition of certain public improvements located within the boundaries of the Community Facilities District 2006-1 of the City of Dana Point (commonly referred to as “the Headlands”).

## **FIDUCIARY FUNDS**

Trust/Agency Fund – To account for assets held by the City as an agent on behalf of other agencies, developers and deferred compensation plans. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

## **DESCRIPTION OF MAJOR GENERAL FUND REVENUES**

Property Tax - Property tax is collected by the County Tax Collector and is based on the full value of a property as determined by the County Assessor's Office.

Sales Tax – Sales tax is levied on all tangible retail goods sold within the Dana Point city limits. An 8.0% tax is levied at the site where the sale is made, and one percent is remitted back to the City of Dana Point by the State of California. Additionally, Measure M, the Revised Traffic Improvement and Growth Management Ordinance, provides for the collection of one-half (½) percent retail transaction and use tax for use in funding the Transportation Improvement Program (included in the 8.0% rate).

Real Property Transfer Tax – Real property transfer tax is collected by the County Tax Collector and is based on the value of property transferred.

Franchise Fees – A franchise fee is charged for the privilege of using public right-of-way and property within the City for public or private purposes.

Transient Occupancy Tax – Transient occupancy tax is collected by the operators of hotels and motels located within the City limits of Dana Point. Ten percent of the total rent collected by a motel or hotel is remitted to the City.

Intergovernmental – Revenue from other governmental agencies include monies generated in Dana Point but which are paid to the State of California. The State returns the appropriate amounts of certain fees to the City according to formulas established by law.

Service Charges/Licenses and Permits – These charges are directly charged to individuals for specific services rendered by the City. They include charges to process or issue building permits and the costs to conduct engineering and planning reviews of any building project undertaken by a licensed contractor or private property owner.

Use of Money and Property – The use of money and property are monies received as a result of investment interest and rental of City owned properties.

Fines and Forfeitures – Fines and forfeitures are remitted to the City from the Orange County Court system for legal violations (traffic tickets and other violations) which occur in Dana Point.

In-lieu Property Taxes – Pursuant to the 2004 Budget Act, the State swapped substantial portions of motor vehicle in-lieu fees and sales taxes that were previously allocated to cities for property taxes that are allocated by Counties. The City's motor vehicle in-lieu fees have been eliminated and sales taxes had been reduced by 25%. The In-lieu property tax revenue represents the substitution of property taxes for these revenues. The sales tax portion of this swap is temporary and the sales tax revenues will revert back to the City in FY 2016.

# Financial Principles for Dana Point

## Long-Term Thinking

*Long-term thinking is required for long-term financial sustainability.*

- **Think about the long-term, but balance with the short-term.** We must remain mindful of the long-term health of Dana Point, but also recognize that sometimes there are immediate problems that demand a solution. We should look for smart ways to satisfy both the short- and the long-term at the same time.
- **Spend within Our Means.** Revenues should equal or exceed planned expenditures, now and in the future.

## Build Trust and Open Communication

*If the citizens of Dana Point are to arrive at a mutually agreeable way to use their public resources, they need to trust each other and communicate openly.*

- **Be a Trustworthy Steward of Taxpayer Money.** We will be open about how decisions are made and why they are made. When the City makes a commitment it will follow through.

## Making Decisions Together

*When people participate in making decisions, the decisions will be better. The decision will be more reflective of everyone's needs and will have greater support.*

- **Make meaningful opportunities for the community to participate in decisions.** We should engage citizens in meaningful, two-way dialogue that invites them to work with City leaders in making trade-offs between the options the City faces.
- **Create mutually beneficial partnerships with others to reach the community's goals.** The City of Dana Point municipal government has limited power to get things done. Working together with others is essential for addressing challenges that the community faces.

## Set and Respect Boundaries for Decisions

*Boundaries define how decisions are made about public resources. If people agree to boundaries and they stay within them, it will build trust between people.*

- **Compare decision against the City's financial policies.** When making a decision, we should always ask: "is this consistent with our policies?"

## Treat People Fairly

*The perceived fairness of any system is elemental to people's decision to support that system. If people feel unfairly treated, they will not be willing to work with the City or respect its decisions.*

- **Make fair decisions.** A fair decision does not mean that everyone gets exactly what they want. It does mean that everyone has a chance to be heard, that there are clear criteria for making a decision, and that everyone's interests are given serious consideration in light of the decision criteria.
- **Invest in what works, stop what doesn't.** Pragmatic financial decision-making allows the citizens of Dana Point to get the most bang for the buck with their taxes.

**CITY OF DANA POINT  
COUNCIL POLICY**

<b>SUBJECT:</b>  <b>Acquisition and Use of City Vehicles</b>	<b>PAGE:</b>  <b>1 of 1</b>	<b>EFFECTIVE DATE:</b>  <b>12/05/17</b>	<b>POLICY NO.:</b>  <b>226</b>
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**PURPOSE:**

To establish a uniform procurement and use policy for City vehicles that provides a modern, safe, and consistently operational fleet that supports the provision of City services.

**BACKGROUND:**

The City maintains a limited fleet of vehicles to support the provision of City services to residents, visitors and businesses. Vehicles are procured pursuant to city Council direction and maintained as fixed assets of the City. City vehicles are for official use in conducting official City business by staff.

**POLICY:**

It is the policy of the City Council of the City of Dana Point to provide funding via an adopted budget for the acquisition and maintenance of city-owned vehicles. City owned vehicles are to be used for official City purposes and by employees whose position classifications have been identified by the City Manager as authorized vehicle operators.

It is the policy of the City Council of the City of Dana Point to limit the number and types of vehicles in use. The City Manager shall be responsible for limiting the number and types of City-owned vehicles to those necessary for the effective function of City responsibilities. For each fiscal year budget the City Manager shall recommend only that amount of funding necessary to implement this policy.

It is the policy of the City Council of the City of Dana Point that the City Manager shall establish and maintain a vehicle usage policy. Such policy should be reviewed at least annually and be updated to current best practices. Such policy shall also include an inventory of City vehicles and their purpose, as well as an authorized operators listing of those position classifications which require the use of a City-owned vehicle for the execution of their responsibilities.

**CITY OF DANA POINT  
COUNCIL POLICY**

<b>SUBJECT:</b>  <b>Management of City Attorney</b>	<b>PAGE:</b>  <b>1 of 1</b>	<b>EFFECTIVE DATE:</b>  <b>January 16, 2018</b>	<b>POLICY NO.:</b>  <b>227</b>
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**PURPOSE:**

To establish a policy for tracking the status and budget for the City’s ongoing and anticipated legal matters.

**BACKGROUND:**

The City Council is responsible for developing policies that govern operation of the City. Currently, there are no written policies or guidelines for managing the City’s legal operations.

**POLICY:**

The City Attorney reports directly to the City Council. As a consequence, the City Council has the duty and responsibility to manage the City’s chief legal advisor on a broad range of municipal issues.

Legal operations of the City can be viewed as a process. Data tracking and reporting are key to defining, measuring, analyzing, monitoring and improving this process.

The City Attorney shall periodically (but no less than quarterly) issue a written report to City Council for all ongoing legal matters. The report shall contain sufficient data to enable the City Council to assure that ongoing and anticipated legal matters are being effectively handled in a timely manner and within budget.

<b>SUBJECT:</b>	<b>PAGE:</b>	<b>EFFECTIVE DATE:</b>	<b>POLICY NO.:</b>
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**COST RECOVERY**

Fees will be set at full cost recovery unless it is determined there must be a subsidy.

Where data is available to do so and to the fullest extent possible, the full cost of providing a good or service, including operating expenses, administrative costs, and capital expenses (including depreciation) should be considered when calculating a user fee.

**BACKGROUND**

The City of Dana Point charges user fees for certain services. User fees serve several purposes:

- User fees allow for maximum discretion in the use of general taxes. If services partially or fully cover their own cost through user fees, then the City of Dana Point has more options for how available general tax dollars can be used to accomplish other goals. This is particularly important given Dana Point’s inability to easily realize tax revenues.
- User fees improve the fairness of how the costs for public services are allocated to members of the public. Some services benefit primarily the individual receiving the service, with the community as a whole receiving relatively little benefit when that individual receives the service. User fees allow the City to assign the cost of these kinds of services directly to the individual receiving them, rather than using general tax revenue that would otherwise be available to benefit the whole community.

Establishing and maintaining fees allows the City of Dana Point to realize the benefits described above.

**WHEN USER FEES ARE APPROPRIATE**

For services where an individual member of the public is the sole or primary beneficiary of a service, the City may establish user fees according to the cost of the service provided to the recipient of the service. Conversely, if the entire community benefits from a service, then general taxes are an appropriate funding mechanism. In some cases, a service will have both individual and community-wide benefits. In these cases, the service might be partly funded by general taxes and partly through fees.

The City of Dana Point charges user fees for services related to planning, building, engineering, and recreation services, among others.

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## **SUBSIDIES**

In some cases, it might be appropriate to subsidize all or a portion of a fee for a certain service. For example, some services might provide benefits to the entire community, beyond the individual who is the immediate recipient, or the City might wish to encourage people to use the service more widely than they would if the service were not subsidized. In these cases Council may determine to set a fee at a level below full cost and thus subsidize or waive the fee. For example, the City has traditionally subsidized senior recreation classes, water heater permits, and planning commission appeals.

## **BALANCING COST-RECOVERY AND SUBSIDIES**

City staff shall develop and recommend to the Council subsidy levels for services that assess user fees.

Policy factors to consider in setting subsidy policies should include:

1. **Cost-benefit nexus.** Where there is a strong nexus between the amount paid by the individual who receives the service and benefit received by that same individual, the subsidy should usually be lower.
2. **Similar to private sector service.** Sometimes a City service may be similar to those offered by the private sector. The City should not subsidize services that might be competitors to private offerings.
3. **Fees can be used as a tool to manage demand.** Higher fees discourage people from using a service and thus prevent demand from exceeding the City's capacity to supply the service. The City's capacity includes the capacity of its physical assets, as well as other factors needed to produce services.
4. **The service is regulatory.** The service is required to enforce laws and/or the ordinances of the City and those being regulated cause the City to incur costs.



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Policy factors suggesting that subsidies might be appropriate include:

1. **Community benefit.** The service creates significant benefit for the community, not just the immediate recipient of the service.
2. **Difficult collection.** Collecting the fee is not cost-effective.
3. **Emergency service.** The service in question is emergency in nature and not planned by the user.
4. **Creates the wrong incentives.** For example, a regulatory fee that is too high may create disincentives to comply with the regulation.

Based on the guidelines above, the City will set subsidy levels for its fees.

### **REVIEW OF FEES**

Fees will be reviewed and updated on an ongoing basis in order to ensure that fees keep pace with changes in the cost of providing a service, as well as changes in methods or levels of service delivery. A comprehensive analysis of a service's costs, the level of service provided, the means by which it is provided, and the fees charged should be made at least every five years, including a recommendation to the Council for any changes to the fee structure and explanation of any subsidies recommended. Such analysis should be coordinated by the Administrative Services Department and submitted for review to the Financial Review Committee (FRC).

In the interim, recommendations should be made to the Council for any adjustments to fees that may be necessary to keep up with known cost increases, or that may be needed for the service to meet its cost recovery goals. Generally speaking, smaller, more regular adjustments to fees are better than waiting several years and making larger adjustments to fees. Use of an inflation factor, such as the consumer price index (CPI) may be an appropriate method to adjust fees in the years where a cost study is not conducted, as long as such an adjustment does not raise the fees above the cost to provide those services.

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**REVIEW OF COST SERVICES**

In addition to considering if fees are sufficient to cover the cost of services, the City should always consider if the cost providing the service is reasonable, including any promising alternative methods for providing the service to the public.

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**BACKGROUND**

The purpose of this policy is to ensure the City of Dana Points’ financial sustainability beyond a single fiscal year. Financial sustainability is defined as the City’s long-term financial performance where planned long-term service and infrastructure standards are met without unplanned increases in rates or disruptive cuts to services. Long-term financial planning is essential for maintaining financial sustainability.

**COMMITMENT TO A LONG-TERM PERSPECTIVE ON CITY FINANCES**

Each year, the City will consider its long-term financial position by reviewing long-term forecasts. The City will also adopt a long-term financial plan that sets forth how the City will maintain long-term financial health. The City will keep the plan updated regularly so that it offers current and relevant guidance to City officials while they develop the City budget.

**SCOPE OF LONG-TERM FINANCIAL PLANNING**

- **Time horizon.** The long-term financial plan will forecast revenues, expenditures, and financial position at least five years into the future, or longer where the specific issues being studied in the plan call for a longer time horizon.
- **City Strategic Plan.** The long-term financial plan will include consideration of implementing goals of the Strategic Plan.
- **Funds considered.** The long-term financial plan will cover at least the General Fund, but should also cover other funds that are of significant size and that are facing long-term challenges to their continuing financial health.
- **Comprehensive analysis.** The long-term financial plan will provide meaningful analysis of key trends and conditions, including but not limited to:
  - Volatility of material revenues and program expenditures to economic, natural or man-made disasters;
  - Analysis of the affordability of current services, projects, and obligations; including, but not limited to personnel costs and unfunded pension liabilities;
  - Analysis of the affordability of anticipated service expansions or investments in new assets, including ongoing operating, maintenance and replacement costs; and,

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- Synthesis of the above to present the City’s financial position.

**STRUCTURAL BALANCE**

Long-term structural balance is the goal of long-term financial planning. Hence, the City will adopt a long-term financial plan that is balanced over the planning horizon. If the City’s long-term forecasts and analysis show that the City is not structurally balanced over the planning horizon, then City staff and Council will develop the necessary strategies to create long-term structural balance. These strategies will be part of the official adoption of the long-term financial plan.

**NON-CURRENT LIABILITIES**

The long-term financial plan will address strategies for ensuring that the City’s long-term liabilities remain affordable. This includes, but is not necessarily limited to: debt, asset maintenance, and public pensions.

**MONITORING LONG-TERM FINANCIAL HEALTH**

At least once per year, the City staff shall present to the Council a long-term forecast that shows how revenues compare to expenditures and how the resulting difference impacts the City’ fund balances relative to its policy for maintaining a minimum level of fund balance, including reserves. The forecast shall have the following features:

- The assumptions used for revenue forecasts will represent the City staff’s best estimate; these projections will be neither too conservative nor too optimistic.
- The expenditure forecast will represent a projection forward of current service levels unless there are officially adopted plans that call for a clear change in service levels within the forecast time horizon.
- City staff may present alternative forecasts that highlight potential volatility in either material revenues or expenditures so that the City Council can gain better insight into the possible future financial condition of the City.

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**BACKGROUND**

The operating budget is one of the most important policy documents produced by the City because it directs the allocation of scarce financial resources to pay for public services. Prudent budget decisions support high-quality services and long-term financial stability for the City government.

**BUDGET AND FINANCIAL REPORTING CALENDAR**

**Publishing budget and financial reporting calendar.** An annual budget process and financial reporting calendar will be presented by the City Manager for City Council adoption prior to the beginning of each fiscal year. The budget calendar will include, among other items, target dates associated with public meetings regarding updates/changes to the: City’s Strategic Plan; community survey; budget priorities and objectives; fee schedules; capital and facilities projects; financial policies; and, long-term financial plan. The calendar should include dates for budget workshops and hearings. See Sample Attachment A.

**IMPORTANT FEATURES OF THE CITY’S BUDGET**

- **Funds included in the budget.** All accounting funds used by the City to pay for its operations are included in the City’s budget process. This provides a comprehensive view of the City’s resources. Funds for which the City accounts for moneys held in trust as a fiduciary for others (e.g. developer deposits; fees collected on behalf of, and transferred to other government agencies) and for which the City records neither revenues nor expenditures are reported in annually audited financial statements, but are not included in the budget.
- **Biennial Budget.** The Dana Point Municipal Code requires the City Manager to submit a proposed budget to the City Council for consideration. The City Council adopts a biennial budget, for each fund, that addresses plans for the next two years of revenues and expenditures. This provides City officials with more foresight than a one-year budget. Once adopted, the City Manager is responsible for implementing the budget. All unencumbered appropriations lapse at year-end. The City Council has the authority to amend the budget at any time.

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Spending priorities will be identified in the budget by identifying line-items considered 1) core; 2) important; and, 3) value-added; or some combination of the prior.

- **Modified accrual accounting is used for government and agency funds.** Under modified accrual accounting, revenues are recognized when they become measurable and available as current assets. The primary revenue sources susceptible to accrual are property and sales taxes, investment income, federal entitlements, transient occupancy taxes, franchise fees, motor vehicle fees and gas tax subventions. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.
- **Level of control.** Per the Municipal Code, the City Manager has the authority to transfer appropriations from one function or activity to another within the same fund provided such changes would neither have a significant policy impact, nor affect budgeted year-end fund balances. The legal level of budgetary control is established at the fund level, though the City also employs controls at the department level within funds.
- **Interim reporting.** The Director of Financial Management will provide monthly financial reports to the City Council that include budget versus actual performance, including encumbrances. On a quarterly basis; he/she will also provide, among other items, a detailed narrative regarding budget performance; status of reserves in relation to the Reserve Policy; and, a listing of all budget adjustments fiscal year-to-date.
- **Fiscal Impact Section of City Council Agenda Reports.** Structural budget impacts of City Council actions will be identified in the Fiscal Impact Section of City Council Agenda Reports. Should a proposed action create a projected imbalance in the current or future budgets, a discussion will be included to address solutions to addressing the projected imbalance.

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**THE DEFINITION OF A BALANCED BUDGET**

State law does not require cities to have a balanced budget. However, the City through this policy will maintain a balanced budget over the two-year period of the biennial budget. This means that:

1. Operating revenues must fully cover operating expenditures. Operating expenditures include costs for operations, including debt service and amounts necessary to maintain existing Infrastructure Assets and Facility Assets as defined in their respective financial policies;
2. Ending fund balance must meet minimum financial policy levels after consideration of the operating budget and one-time capital investment in new assets;
3. Budgets must be accompanied by forward-looking longer-term projections as defined in the Long-Term Financial Policy and that extend beyond the two-years in the adopted budget.

This definition addresses longer-term issues of a budget that relies in the short-term on funding from temporary or one-time revenue sources such as accumulated fund balances or selling assets, and that otherwise might be considered balanced. For this reason, the City has adopted its own definition of the balanced budget, designed to ensure future financial sustainability.

**THE BUDGET PROCESS**

The City’s Director of Financial Management is responsible for compiling the budget, and the City Manager is responsible for proposing a balanced budget to the City Council. The City Council may refer the proposed budget to a City Council designated committee for discussion and a recommendation.

The City’s fiscal year begins on July 1<sup>st</sup>. Hence, the City’s budget will be adopted at a duly noticed public hearing by the City Council on or before June 30<sup>th</sup>.

The City will produce documentation sufficient for the citizens of Dana Point to understand the budgetary decisions that the City has made, and their policy implications.

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### Attachment A SAMPLE BUDGET CALENDAR

<b>Month</b>	<b>1<sup>st</sup> Council Meeting</b>	<b>2<sup>nd</sup> Meeting</b>
July	DARK	
August	DARK	DARK
September	Contract for Community Survey (even numbered years)	Fiscal Year Roll-Over Financial Report
October	Status of Plan to Address Unfunded Pension Liabilities Follow-Up on Any Needed Financial Policy Updates	CIP and Facilities Project Update – Current and Potential
November		
December	Audited Comprehensive Annual Financial Report	DARK
January	Results of Community Survey	Draft Long-Term Financial Plan Presentation Strategic Plan Review
February	Financial Policy Review	Budget Priority Workshop
March	Mid-Year Financial Report	
April		Budget Workshop
May	Budget Workshop	Budget Workshop
June	Budget Hearing (odd numbered years): Adopt Strategic Plan, Financial Policies, Fee Schedule, 7 Year CIP, Long-Term Financial Plan, Budget and Gann Limit.	Budget Hearing, If Needed



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<b>Infrastructure Asset Management Policy</b>	<b>1 of 7</b>	<b>07/01/18</b>	<b>231</b>

## **BACKGROUND**

Public infrastructure assets have a major impact on our community’s quality of life, the City’s ability to deliver its services, and the quality of those services. Those assets and their component parts include, but are not limited to streets, curbs, gutters, sidewalks, storm drains, water quality facilities, etc. Since incorporation, the City has made a substantial investment in its public infrastructure assets. The purpose of this policy is to guide the City first in decisions necessary to preserve its investment, and then to rationally direct funding for new capital assets.

A separate City financial policy provides guidance for maintaining City facilities such as its buildings and component systems, grounds, parks, trails and medians; and separately, for its vehicle fleet acquisition and usage.

## **ESTABLISHMENT OF AN ASSET INVENTORY**

The Public Works & Engineering Department, in close coordination with other Departments, shall develop and maintain a comprehensive Public Infrastructure Asset Inventory. The Department shall also develop and utilize infrastructure asset management strategies that forecast maintenance requirements and associated costs to ensure continued operation of the assets, along with funding requirements for replacement when needed. Strategies are expected to encompass a variety of sources and techniques to assess and project asset conditions and maintenance costs, and that must continuously evolve as assets age and change. At a minimum, the following should be considered when developing appropriate strategies:

- Identify major asset classes;
- Identify criteria and/or procedures to assess conditions and consequences of not maintaining particular assets in good condition;
- Assess and evaluate the condition of assets within each major asset class; and,
- Suggest asset maintenance priorities based on a host of factors, including but not limited to impacts to the public, risk mitigation, legal requirements, and continuity of operations.

In many cases, the need and thus cost of asset repairs will be based on routine inspections, in addition to expected and available life-cycle data. Examples of asset types covered by this assessment approach include storm drain facilities, sidewalks, and

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improvements necessary to make facilities compliant with the Americans with Disabilities Act (ADA).

From the inventory and maintenance strategy, Public Works shall recommend to the City Manager a prioritized Capital Improvement Plan (CIP) looking out seven fiscal years. The City Manager shall incorporate his/her proposed CIP into the Budget presented to the City Council.

**FUNDING OF ASSET MAINTENANCE AND REPLACEMENT**

It is the City’s policy to ensure that adequate resources/funding are allocated in the Council-approved budget to maintain and replace existing assets before directing resources/funding to build new facilities, or to acquire additional assets that may also have ongoing operating and maintenance obligations. The funding allocation may need to include setting aside funds for future replacement per strategy, particularly where deemed necessary to ensure adequate resources are accumulated for higher-cost projects. This Policy recognizes that new Federal or State requirements may emerge and require investment in new facilities/assets.

The purpose of this Infrastructure Asset Management Policy (Policy) is to protect the City’s existing investment in capital assets by 1) ensuring due consideration is given to maintaining existing capital assets when funding is limited and the City must decide between funding routine operations or funding required or desired capital investments; and, 2) avoiding acquisition of new assets when the acquisition, operating, and maintenance cost of the asset, when added to funding for existing City operations and maintenance of existing assets, exceeds available funding.

**CAPITAL IMPROVEMENT PLAN (CIP) SCOPE**

Each year, the Public Works Department shall develop the CIP budget for the City Manager’s consideration, and for the City Manager’s budget proposal to the City Council. The CIP should describe and prioritize the capital projects that the City intends to undertake during the next seven fiscal years, and should encompass:

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- A. Definition of a capital project.** For the purposes of the CIP, the definition of a capital project is a project with a useful life of at least five years<sup>1</sup> and a cost of at least \$50,000; and,
- B. Link to needs assessments.** Projects included in the CIP, with minor and occasional exceptions, should be based on the strategy.

**ROLES IN THE CIP PROCESS**

The Public Works Department is responsible for coordinating the CIP process and compiling the CIP document. Other key roles include:

- A. Review of Capital Project Proposals.** The Administrative Services Department will coordinate a capital project review process within the City Manager approved budget calendar;
- B. Capital Financing.** The Administrative Services and Public Works Departments will jointly develop a capital funding strategy to support the CIP; and,
- C. Approval of the CIP.** The City Manager shall review and propose the CIP to the City Council for their review and approval.

The CIP document will take into account items described in the strategy, as well as feedback from the General Services Department with regard to any overlap with planned maintenance of facilities, and with the Community Development Department for any private-development projects expected to occur.

**CIP PROJECT IDENTIFICATION – EXISTING PUBLIC FACILITIES**

Each year, the Public Works Department will develop the CIP to include projects necessary to extend the life of existing public facilities, and then any new assets being proposed.

**CIP PROJECT IDENTIFICATION – NEW ASSETS**

Inclusion of proposals in the CIP for new public assets, including those from private development and donated assets, will be evaluated using procedures developed jointly

<sup>1</sup> Capital assets have a multi-year lifespan. Assets with shorter lives would be more appropriately addressed in the operating budget.

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by the Public Works and Administrative Services Departments. At minimum, the procedure shall provide for the following:

- A. Long-term operating and maintenance costs.** Identify the annual cost to operate and maintain the asset over its lifecycle;
- B. Anticipated sources of funding.** Identify the sources of funding to acquire, operate and maintain the asset; and,
- C. Proposed timing of the project.** Identify the proposed schedule including all entitlement approvals, bidding, design, land acquisition, construction, and other relevant milestones to complete the project.

#### **CIP PROJECT SELECTION**

The Administrative Services Department will employ procedures to assess and evaluate project proposals. Principles and practices reflected in the selection process will include:

- A. Long-term forecasts.** Long-term forecasts to better understand the need for capital spending, assess operational impacts and costs, and eventual replacement costs;
- B. Impact on other projects.** Projects should not be considered in isolation. One project's impact on others should be recognized and costs should be shared between projects where appropriate;
- C. Allow for funding of preliminary activities.** Recognition that, for some projects, undertaking some preliminary engineering/planning and discretionary approval effort before committing to funding the whole project is advised. However, even these expenditures can be considerable, so projects should be evaluated and prioritized appropriately;
- D. Full consideration of operating and maintenance costs.** The City should first ensure it has adequate ongoing financial resources to operate and maintain an asset before allocating resources to build it;
- E. Full lifecycle costing.** Analysis of the cost of a proposed project should encompass the entire life of the asset, from planning and acquisition, to maintenance, and on to replacement or eventual disposal;
- F. Predictable project timing and scope.** Schedule and scope estimates should be practical and achievable, within available and forecast financial and human resources;
- G. Public support.** Projects should have the support of the Dana Point community; and,

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**H. Leveraging resources through cooperation with others.** Where possible, the City should take advantage of opportunities for intergovernmental and/or public-private partnerships to best leverage the City's capital investment.

**BALANCED CIP**

The CIP should be a balanced seven-year plan. This means that for the entire seven - year period, revenues will be equal to projected expenditures in the CIP. It is possible that the Plan will have more expenditures than revenues in any single fiscal year, as long as the CIP fund has a positive fund balance. However, over the life of the seven-year Plan all expenditures will be provided for by the combination of fund balance and identified revenues. The City may provide a separate listing of projects deemed important, but where projected funding does not provide for a balanced CIP. The City Council may choose to examine the unfunded projects and defund a project that is on the balanced CIP in favor of another project that is not, or to fund a project on the list should previously unknown funds become available.

**CIP FUNDING STRATEGY**

The City may elect to use pay-as-you-go (i.e., cash financing), or secure debt financing to acquire an asset. The City Council's stated priority is to utilize a pay-as-you-go approach to financing projects to minimize incurring debt where feasible. Guidelines are provided below to lead the City in making the choice between pay-as-you-go and debt financing.

- A.** Factors which favor pay-as-you-go financing include circumstances where:
  1. The project can be adequately funded from available current revenues and/or fund balance;
  2. The project can be completed in an acceptable timeframe given the available revenues; and,
  3. Additional debt levels could adversely affect the City's ability to fund future, ongoing operations and maintenance, and/or adhere to its legal debt limit.
  
- B.** Factors which may allow for long-term debt financing include circumstances where:
  1. Revenues available to pay debt costs are considered sufficient and reliable; and,
  2. Market conditions present favorable interest rates;

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3. A project is mandated by State or Federal government and current revenues or unassigned fund balances are insufficient to pay project costs;
4. A project is immediately required to meet or relieve capacity needs, and current revenues or unassigned fund balances are insufficient to pay project costs;
5. The capital project or asset lends itself to debt financing rather than pay-as-you-go funding based on the expected useful life of the project and based on the City's ability to pay debt service (i.e., asset life is greater than or equal to debt term)
6. The users/beneficiaries of the asset financed pay user fees or choose to directly pay the cost of servicing the debt.

#### **CAPITAL PROJECT MANAGEMENT**

Responsible management of capital projects is essential to create the best value for the community. The following policies shall be observed to help ensure the best project management possible:

- A. Project Management.** Every CIP project should be managed by qualified personnel responsible for the following, at a minimum:
  1. Developing the project budget, and communicating material budget variances in a timely manner;
  2. Developing Cash flow forecasts prior to project approval, and update as needed after project commences;
  3. Ensuring required phases are completed on schedule, and communicating schedule variances in a timely manner;
  4. Authorizing project expenditures and monitoring project cash flows;
  5. Ensuring adherence to regulations and laws; and,
  6. Periodically reporting project status.
  
- B. Regular progress reviews.** Regular capital project and program reviews are to be conducted to monitor project performance, and regular reports shall be generated by the Public Works Department.
  
- C. Limits on amendments.** For an appropriated capital project, the total cost of the project, including all change orders, shall not exceed the amount of the Council-approved budget without Council approval. All amendments shall be

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reviewed and evaluated in accordance with the City’s purchasing policy. The Public Works Department shall manage capital projects within prior-approved time and cost constraints. If an amendment is necessary, proper documentation explaining why should be processed. Any amendment to a construction contract shall stay within the City Council approvals.

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**BACKGROUND**

Public facilities have a major impact on our community’s quality of life, the City’s ability to deliver its services, and the quality of those services. Those facilities and their component systems, include buildings, grounds, parks, trails, medians, and associated equipment. Since incorporation, the City has made a substantial investment in its public facilities. The purpose of this policy is to guide the City first in decisions necessary to preserve the investment in its public facilities, and then to rationally direct funding for new facilities.

Separate City policies provide guidance for maintaining City infrastructure assets such as streets, curbs, sidewalks, storm drains; and separately, for its vehicle fleet acquisition and usage.

**ESTABLISHMENT OF AN ASSET INVENTORY AND MANAGEMENT STRATEGY**

The General Services Department, in close coordination with other Departments, shall develop and maintain a comprehensive Public Facilities Asset Inventory. They shall also develop and update a public facilities management strategy that forecasts maintenance requirements and associated costs to ensure continued operation of the assets, along with funding requirements for replacement when needed. The strategy is not intended to rest within one document, but rather will encompass a variety of sources and techniques to assess and project asset conditions, and must continuously evolve as facilities age and change. At a minimum, the strategy will:

- Identify major facility asset classes;
- Identify criteria to assess facility conditions and consequences of not maintaining them in good condition;
- Assess and evaluate the condition of facilities within each major asset class;
- Maintain a preventive maintenance system to schedule work necessary to maintain facilities in accordance with established criteria; and,
- Suggest facility maintenance priorities based on a host of factors, including but not limited to functionality, continuity of operations, impacts to the public, risk mitigation and legal requirements.

In many cases, the cost of repairs to assets will be based on routine inspections of those assets, in addition to expected life-cycle data. Examples of asset types covered by this investment approach include mechanical equipment, playground structures, and elevators.



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From the strategy, General Services shall recommend to the City Manager a prioritized facility management plan. The City Manager shall incorporate his/her approved Plan into the Budget presented to the City Council.

**FUNDING OF ASSET MAINTENANCE AND REPLACEMENT**

It is the City’s policy to ensure that adequate resources/funding are allocated in the Council-approved budget to maintain and replace existing facilities before directing resources/funding to build or acquire new facilities that create ongoing operating and maintenance obligations. The funding allocation may need to include setting-aside funds for future replacement, particularly where deemed necessary to ensure adequate resources are accumulated for higher-cost projects. This Policy recognizes that new Federal or State requirements may emerge and require investment in new facilities/assets.

The purpose of this Facilities Management Policy (Policy) is to protect the City’s existing investment in facilities by: 1) ensuring due consideration is given to maintaining existing facilities when funding is limited and the City must decide between funding routine operations or funding required or desired facility investments; and, 2) avoiding acquisition of new facilities when the acquisition, operating, and maintenance cost of the new asset, when added to funding for existing City operations and maintenance of existing assets, exceeds available funding.

**FACILITIES IMPROVEMENT BUDGET SCOPE**

Each year, the General Services Department shall develop the facilities maintenance budget for the City Manager’s consideration, and for the City Manager’s budget proposal to the City Council. The budget shall describe and prioritize the facilities investment that the City intends to undertake during the next budget cycle, along with the purpose and amount of additional funds to be set-aside in the Facilities Fund (12) for larger projects that may take several years to fund.

- A. Definition of a facilities capital improvement project.** For the purposes of the budget, the definition of a facilities capital project is a project with a useful life of at least five years<sup>1</sup> and a cost of at least \$50,000; and,
- B. Link to needs assessments.** Projects included in the FIF, with minor and occasional exceptions, should be based on the facilities management strategy.

<sup>1</sup> Capital assets have a multi-year lifespan. Assets with shorter lives would be more appropriately addressed in an operating budget

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### **ROLES IN THE FACILITIES IMPROVEMENT BUDGET PROCESS**

The General Services Department, working with other departments, is responsible for coordinating the facilities improvement process and compiling the FIF budget. Other key roles include:

- A. Review of Facilities Improvement Project Proposals.** The Administrative Services Department will coordinate a review process within the City Manager approved budget calendar;
- B. Improvement Funding.** The Administrative Services and General Services Departments will jointly develop a funding strategy to support the facilities improvement budget; and,
- C. Approval of Budget.** The City Manager shall review and propose the budget to the City Council for their review and approval.

### **FACILITIES PROJECT IDENTIFICATION – NEW ASSETS**

Inclusion of proposals in the budget for new facilities, including those from private development and donated assets, will be evaluated using procedures developed jointly by the General Services and Administrative Services Departments. At minimum, the procedure shall provide for the following:

- A. Long-term operating and maintenance costs.** Identify the annual cost to operate and maintain the facility over its lifecycle;
- B. Anticipated sources of funding.** Identify the sources of funding to acquire, operate and maintain the facility; and,
- C. Proposed timing of the project.** Identify the proposed schedule for planning including all entitlement approvals, bidding, design, land acquisition, construction, and other relevant milestones to complete the project.

### **FACILITIES PROJECT SELECTION**

The Administrative Services Department will develop procedures to assess and evaluate facility project proposals. Principles and practices that should be reflected in the selection process include:

- A. Long-term forecasts.** Long-term forecasts should be prepared to better understand the need for capital spending, assess operational impacts and costs, and eventual replacement costs;

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- B. Impact on other projects.** Projects should not be considered in isolation. One project’s impact on others should be recognized and costs should be shared between projects where appropriate;
- C. Allow for funding of preliminary activities.** Recognition that, for some projects, undertaking some preliminary engineering/planning and discretionary approval effort before committing to funding the whole project is advised. However, even these expenditures can be considerable, so projects should be evaluated and prioritized appropriately;
- D. Full consideration of operating and maintenance costs.** The City should first ensure it has adequate ongoing financial resources to operate and maintain a facility before allocating resources to build a proposed new facility;
- E. Full lifecycle costing.** Analysis of the cost of a proposed facility project should encompass the entire life of the facility, from planning and acquisition, to maintenance and on to replacement or eventual disposal;
- F. Predictable project timing and scope.** Schedule and scope estimates should be practical and achievable within available and forecast financial and human resources;
- G. Public support.** Projects should have the support of the Dana Point community; and,
- H. Leveraging resources through cooperation with others.** Where possible, the City should take advantage of opportunities for intergovernmental and/or public-private partnerships to leverage the City’s capital investment.

**LONG-TERM FISCAL VIEW**

The facility improvement strategy should forecast facility needs and justify funding requirements, and should be communicated in a manner that provides estimates for current and future funding necessary to sustain City facilities. It is possible that the strategy will have more expenditures than revenues in any single fiscal year, which is acceptable as long as the Facility Fund maintains a positive fund balance. The City may provide a separate listing of facility projects deemed important, but where projected funding has not been identified.

**FACILITY PROJECT FUNDING STRATEGY**

The City may should incorporate a pay-as-you-go (i.e., cash financing) funding strategy to maintain its facilities, or could at some point decide to secure debt financing to acquire a new facility. The City Council’s stated priority is to utilize a pay-as-you-go approach to financing projects to minimize incurring debt where feasible. Guidelines are provided

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below to lead the City in making the choice between pay-as-you-go and debt financing for new facilities.

**A. Factors which favor pay-as-you-go financing include circumstances where:**

1. The project can be adequately funded from available current revenues and/or fund balance;
2. The project can be completed in an acceptable timeframe given the available revenues; and,
3. Additional debt levels could adversely affect the City's ability to fund future, ongoing operations and maintenance, and/or adhere to its legal debt limit.

**B. Factors which may allow for long-term debt financing include circumstances where:**

1. Revenues available to pay debt costs are considered sufficient and reliable; and,
2. Market conditions present favorable interest rates;
3. A project is mandated by State or Federal government and current revenues or unassigned fund balances are insufficient to pay project costs;
4. A project is immediately required to meet or relieve capacity needs, and current revenues or unassigned fund balances are insufficient to pay project costs;
5. The capital project or asset lends itself to debt financing rather than pay-as-you-go funding based on the expected useful life of the project and based on the City's ability to pay debt service (i.e., asset life is greater than or equal to debt term)
6. The users/beneficiaries of the asset financed pay user fees or choose to directly pay the cost of servicing the debt.

**FACILITIES PROJECT MANAGEMENT**

Responsible management of facilities projects is essential to create the best value for the community. The following policies shall be observed to help ensure the best project management possible:

**A. Project Management.** Every facility project should be managed by qualified personnel responsible for the following, at a minimum:

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1. Developing the project budget, and communicating material budget variances in a timely manner;
2. Developing Cash flow forecasts prior to project approval, and update as needed after the project commences;
3. Ensuring required phases are completed on schedule, and communicating schedule variances in a timely manner;
4. Authorizing project expenditures and monitoring project cash flows;
5. Ensuring adherence to regulations and laws; and,
6. Periodically reporting project status.

**B. Regular progress reviews.** Regular facilities project and program reviews are to be conducted to monitor project performance, and regular reports shall be generated by the General Services Department.

**C. Limits on amendments.** For an appropriated facility project, the total cost of the project, including all change orders, shall not exceed the amount of the Council-approved budget. All amendments shall be reviewed and evaluated in accordance with the City's purchasing policy. The General Services Department shall manage facilities projects within prior-approved time and cost constraints. If an amendment is necessary, proper documentation explaining why should be processed. Any amendment to a construction contract shall stay within the City Council approvals.

**CITY OF DANA POINT  
COUNCIL POLICY**

<b>SUBJECT:</b>  <b>General Fund Reserve Policy</b>	<b>PAGE:</b>  <b>1 of 3</b>	<b>EFFECTIVE DATE:</b>  <b>6/30/19</b>	<b>POLICY NO.:</b>  <b>233</b>
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**BACKGROUND:**

A General Fund reserve is one of the City of Dana Point’s most important hedges against risk. It helps ensure that the City can provide consistent, uninterrupted municipal services in the event of economic disruption or an extreme event. For example, the City’s primary revenue source is transient occupancy tax (TOT), which was shown to be sensitive to the Great Recession’s economic downturn. Further, like many other cities, Dana Point could be damaged by extreme events like an earthquake, tsunamis, or landslide, among others. Maintaining sufficient financial reserves would assist in maintaining a high level of creditworthiness which would be helpful should the City need access to financing; furthermore, it allows the City to meet its fiscal obligations per the adopted budget, despite normal cash flow fluctuations.

This policy establishes the amount the City will strive to maintain in its General Fund reserve, how the reserve will be funded, and the conditions under which the reserve may be spent.

**AMOUNTS HELD IN RESERVE**

The City will strive to hold the amount listed below in its designated (not legally restricted) General Fund balance, expressed as a percentage of the City’s budgeted and ongoing General Fund operating revenue. One-time revenues should be excluded from this annual calculation. The designated reserves are broken into the following two separate categories, each with their associated target amount:

- **11% of annual operating revenue - Economic Stability Reserve.** Available to protect and preserve City services from dramatic drops in General Fund revenues that are highly sensitive to economic conditions, mainly transient occupancy tax.
- **9% of annual operating revenue – Extreme Event Reserve.** Available to respond quickly and decisively to man-made or natural extreme events. This reserve could fund the initial public safety response or repairs and reconstruction of public property required in the aftermath of an event.

If, based on use and/or the City staff’s analysis and forecasting, the target amount is not being met or is likely not going to be met at some point within a five-year time horizon, then a plan to meet the target balance will be developed. This plan will be presented to the City Council for consideration.

In addition to the amounts above, the City may choose to designate additional amounts for purposes other than those described above. For example, the City may wish to set aside monies for a one-time investment in a special project or program; or, to fund an unfunded pension or other post-employment benefit liability. Any such designated reserve will be accounted for separately

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from the Economic Stability Reserve and Extreme Event Reserve; this separation is to prevent the funds the City needs to respond quickly and decisively to emergency situations from being tied up by other potential uses. Funds designated for capital projects or facility projects should be transferred to and set aside in a specific, designated reserve in the Capital Projects Fund or Facilities Fund, respectively.

Finally, though not a designated reserve, the City shall maintain an adequate amount of working capital on hand in order ensure smooth operations through normal differences between the timing of the City’s revenue inflows and expenditure outflows. Generally, an amount equal to 4% to 7% of General Fund budgeted, ongoing revenue will be maintained as a minimum, unassigned fund balance. The City will aim to fund at the top of this range.

Priority Funding of the Designated Reserve Targets

Funding of the unassigned fund balance and the two designated (not legally restricted) reserves, will come generally from one-time revenues (e.g., unusually large receipts from transient occupancy, property, sales taxes, etc.), and projected General Fund revenues in excess of projected expenditures. Replenishing these accounts will generally occur in the following priority order:

1. Working capital (unassigned fund balance)
2. Extreme event reserve
3. Economic stability reserve

**CONDITIONS FOR USE OF RESERVES**

**A. Use of Reserves.** The City shall limit use of the General Fund’s designated reserves to address unanticipated, non-recurring needs or known and planned future obligations. Designated reserves shall not under normal circumstances be applied to recurring, annual operating expenditures. The Economic Stability reserve may be used to allow time for the City to restructure its operations in a deliberate manner (such as might be required in the case of a severe economic downturn), but such use will only take place in the context that the City will concurrently adopt a plan to reach a sustainable, balanced budget structure.

If necessary, the City should only use up to 50% of either designated reserve to continue operations. The use of the reserves is limited in this way so that a reserve balance will be available to help address additional financial issues or extreme events encountered in the subsequent year. Further, use of a significant portion of the Economic Stability Reserve in any given year should be accompanied by analysis of the fiscal outlook and, if necessary, consideration of reductions to ongoing operations to ensure fiscal sustainability.

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**B. Authority to Use Reserves.** The City Council may authorize the use of the designated reserves. In all cases, the City Council and management shall only use reserves for purposes consistent with the purposes described in this policy.

**C. Replenishment of Reserves.** In the event designated reserves are used in an amount that takes them below the City's target amounts, the City Manager shall propose a plan within 180 days to the City Council for the replenishment of the reserve(s). The City will strive to replenish the reserves within one year of use, but will fully replenish it within five years of use.



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**BACKGROUND**

This Policy is established to direct investment of a minimum of 3 percent of the General Fund’s budgeted revenue growth plus any budgeted excess fund balance. Excess budgeted fund balance is defined as any funds remaining after all budgeted revenues and expenses are taken into account, and the General Fund Reserves (as defined in Policy 233) are fully funded. These funds will be accounted for separately in the Capital Improvements Fund #11, in a designated fund balance account entitled Community Investment Account.

**USE OF FUNDS**

Funds in this account are to be considered non-recurring, and given that shall be used for one-time expenditures, including but not limited to projects listed on the Unfunded Projects List in the Capital Improvement Fund budget, reduction of long-term liabilities, special studies, events, etc. Use of these funds should also be consistent with other financial policies, and should not supplant funding required by other financial policies.

The City Council may appoint a subcommittee to evaluate and make recommendations regarding potential uses of funds in this account; however, City Council action is required to commit these funds.

## **BUDGET PHILOSOPHY AND OPERATING GUIDELINES**

1. The City of Dana Point's budget is designed to serve four major purposes:
  - Definition of **policy** in compliance with legal requirements for General Law cities in the State of California, Governmental Accounting Standards Board (GASB) financial reporting requirements and audit standards, and fiscal directions of the City Council.
  - Utilization as an **operations guide** for administrative staff in the management and control of fiscal resources.
  - Presentation of the City's **financial plan** for the ensuing fiscal year, itemizing projected revenues and estimated expenditures.
  - Illustration as a **communications** document for citizens who wish to understand the operations and costs of City services.
2. The budget is constructed by program and a budget detail supporting document has been prepared for control purposes.
3. Departmental budgets are originated within each department.
4. Where applicable, the department head will assign priorities to projects and activities in preparing program budgets for the department.
5. Department Heads are responsible for operating within their budget amount as approved by the City Manager and authorized by the City Council.
6. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will neither have a significant policy impact nor affect budgeted year-end fund balances.
7. Current year requirements of the Capital Improvement Program (CIP) will be incorporated into the annual operational budget and defined as the capital budget.
8. Fund balances will be maintained at levels which will protect the City from future uncertainties.

# **CITY OF DANA POINT**

## **SUMMARY OF ACCOUNTING PRINCIPLES**

### Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and broad fund categories as follows:

Governmental Funds:

General Fund

Special Revenue Funds

Capital Projects Funds

Fiduciary Fund:

Agency Fund

### Accounting Basis

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The primary revenue sources susceptible to accrual are property and sales taxes, investment income, federal entitlements, transient occupancy taxes, franchise fees, motor vehicle fees and gas tax subventions.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest due on general long-term debt which is recognized when due.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are recorded as reservation of fund balance since the commitments will be paid by subsequent years budget appropriations. Encumbrances do not constitute expenditures or liabilities.

## FACTS ABOUT DANA POINT

Date of Incorporation:	January 1, 1989
Form of Government:	Council-Manager
City Area/Population:	6.7 Square Miles/34,619*
Assessed Valuation:	\$ 12,191,305,960

### Fire Protection:

Number of Stations	2
Number of Career Fire Fighters & Officers	28
Number of Reserve Fire Fighters	11

### Police Protection:

Number of Sworn Officers	33
Number of Non-Sworn Staff	6

### Education:

Number of Public Schools	3
Number of Teachers	139
Number of Students	3,492

### Recreation & Culture:

Parks	27
Libraries	1

### Hotels/Motels

Number of Operating Hotel/Motels	13
Total Number of Rooms	1,848

**Number of Registered Voters** 21,852

\* ESRI Business Information Solutions

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