



City of Dana Point Fiscal Years 2023-2024 & 2024-2025 Operating Budget & Capital Improvement Program



Adopted Version - 6/06/2023





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INTRODUCTION



City of Dana Point, California
ADOPTED BUDGET
Fiscal Years 2023-2024 & 2024-2025



Mike Frost	Mayor
Jamey M. Federico	Mayor Pro Tem
John Gabbard	Council Member
Matthew Pagano	Council Member
Michael Villar	Council Member
Michael A. Killebrew	City Manager

Prepared by: Department of Administrative Services





Budget Message Letter

Office of the City Manager

June 6, 2023

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 a budget for City Council consideration. This adopted two-year budget covers fiscal years 2023-2024 and 2024-2025 ("FY24" and "FY25"). The City's Budget serves several purposes, including that of a financial plan, a management plan, a policy document and a communication tool.

DISCUSSION

FY22 and FY23

The FY22 / FY23 budget was originally adopted in June 2021 and was produced during the tail end of the COVID-19 pandemic. As the end of FY23 draws near, it can be said with confidence that the City's revenues have fully recovered from the impacts of the pandemic. The City's hospitality-based businesses have experienced a major post-pandemic rebound which is reflected in summer Transient Occupancy Tax (TOT) and Sales Tax receipts in 2021 and 2022. Most of the other City revenues have also seen significant growth over the past two fiscal years. Some of the increase in revenue, especially in TOT and Sales Tax, can be attributed to historically high inflation which has affected not only hotel room rates but restaurants and gas prices. While positive for certain revenues, the same inflationary pressures have created cost increases in City operations including contract and operating supplies expenses. Staff has been able to find balance in this economic environment, which has resulted in significant realized and projected operating surpluses in FY22 and FY23.

At the end of FY22, the City ended the year with a General Fund surplus of \$10.5 million. As per City Council policy, \$4.1 million was transferred to the Community Investment Account (CIA); while the remaining balance was allocated towards meeting City reserve requirements, funding the carryover of FY22 commitments, paying down unfunded pension liabilities, and covering various other FY23 budget adjustments. The City began FY23 with \$15.1 million in the CIA to be used for projects that are non-reoccurring including those listed in the unfunded projects list in the Capital Improvement Fund budget. In September 2022, the City Council formed a subcommittee to assist Staff in identifying and prioritizing unfunded Capital Improvement Program (CIP) and Facilities Improvement projects. Some of these projects are being addressed in the proposed FY24 and FY25 budgets.

The budgeted ending FY23 unassigned fund balance in the General Fund is \$7.0 million. This is 17.2% of the FY23 original budgeted revenue, well above the 4%-7% required by City policy. Final numbers for FY23 will be presented to City Council when the 4th quarter financial update and carry-over report is presented in September 2023.

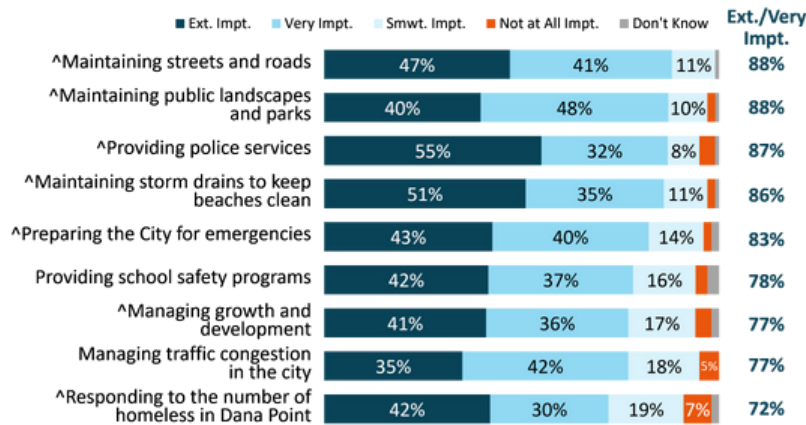
Community Survey

The City Council adopted Operating Budget Policy (#230) calls for a community survey to be conducted biennially, and the results to be factored into the budget adoption discussion. In the most recent Community Survey, which was conducted in late 2022, the City continued to receive high marks from its residents with 96% of respondents saying that Dana Point is a place they want to share with family and friends and 94% saying they are proud to live in Dana Point.



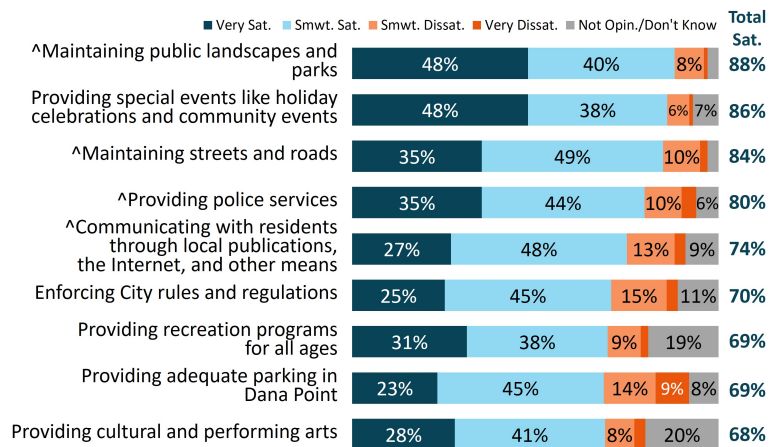
Of the City services that were considered to be important, the top priorities were maintaining streets and roads, public landscapes and parks, police services, maintaining storm drains to keep beaches clean, and preparing the City for emergencies.

Many City services are considered to be important, particularly maintenance of streets, roads, public areas, police services, storm drain maintenance and emergency preparedness.



Some of the same areas in which residents felt were a high priority were also those in which there was high satisfaction. Residents also expressed satisfaction with the City’s ability to provide various community events.

There is the greatest satisfaction with maintenance of public landscapes/parks, special events, street and road maintenance, and resident communication.



Strategic Plan

The City Council updated the City’s Strategic Plan in April 2022. The Plan established the City’s Mission to “set the standard as a vibrant, world-class city.” It then established five Strategic Goals, each with its own underlying objectives. To help set the standard of excellence, performance metrics are included in the Strategic Plan to measure progress toward achieving the goals and called for certain projects to be undertaken with the specific intent to further the goals.



The following is a brief listing of some of the initiatives and projects included in the adopted FY24 and FY25 budgets.

Strategic Goal 1: Maintain and Ensure Public Safety

- Continue to engage and assist vulnerable residents by continually leveraging available resources for homeless individuals and families living in the community.
- Continue implementing new technologies to streamline the processing and record keeping of the Code Enforcement division.
- Develop and implement a comprehensive short-term rental monitoring program to report on the effectiveness of the enforcement program and impacts of new short-term rental uses in the community.
- Implement Bike Patrol on E-Bikes for Dana Point Police Services.
- Initiate Park Ambassador program utilizing the current model of Volunteers in Policing.
- Beach Patrol saturation to reduce property crimes in beach parking lots.
- Police Services to increase Social Media strategy to communicate with the community about real-time events.
- Develop strategies to increase participation in Neighborhood Watch programs and continued participation in Neighborhood Watch block parties.
- Continue Positive Police Contacts (PPCs) with businesses to foster positive relationships with the business community and Police Services.
- Provide quarterly tabletop training exercises to ensure emergency preparedness of City staff.
- Increase community education on emergency preparedness and response.

Strategic Goal 2: Maintain and Improve Infrastructure and Environmental Sustainability

- Operate the Dana Point Trolley Program and explore grant opportunities to fund the program.
- Design and construct the Doheny Village Connectivity Improvement Project.
- Continue to manage the City's Water Quality Improvement Plan including implantation and maintenance of trash control best management practices, operating the Salt Creek Ozone Treatment Facility and storm drain diversion facilities.
- Design and build a public Wi-Fi system for the Lantern District.

Strategic Goal 3: Foster Economic Health and Prosperity

- Provide outreach on the potential establishment of a Community Benefits District in the Lantern District.
- Review the Dana Point Municipal Code and make any changes for efficient and effective business regulations.
- Expand online building plan review and permitting processes.
- Complete Building Standard Operating Procedure and Policy Manual.
- Conduct a building fee study to improve efficiency in processing permits.

Strategic Goal 4: Effective, Efficient, and Innovative City Administration

- Regular customer service and leadership training for City staff.
- Revamp of the City's website.
- Continue funding the City's Biennial Community Survey.
- Conduct a classification and compensation study to assess the City's competitiveness in the labor market.

Strategic Goal 5: Maintain and Enhance Dana Point's Unique Sense of Place

- Enhance customer service experience at the Dana Point Community Center.
- Promote art in public and private places including continuation of the Utility Box Art program.
- Provide and expand recreational programming to enrich the lives of residents.
- Expand support of local non-profits serving the Dana Point community.
- Continue to support the growth and expansion of the City's butterfly habitats.

FY24 and FY25 Budget Summary

In developing the two-year budget, Staff strived to maintain balance as talks of recession strengthen due to continued elevated inflation and high interest rates. The adopted FY24 and FY25 budgets, although conservatively drafted, continues to maintain the City's infrastructure and core services at exceptional levels, and protects City reserve funds. This budgeting mindset relies on City Council's adopted Financial Policies combined with the Dana Point Strategic Plan.

With the City's stated Mission to "set the standard as a vibrant, world-class city," the Strategic Plan (Plan) sets high expectations. As shown in the listing of initiatives and projects listed, the FY24 and FY25 adopted budgets further those efforts.



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

The following discussion summarizes certain areas of the adopted budget where adjustments to current operations are needed and/or there is a material impact on City finances. Included is a discussion on Police Services; investment in capital assets; planning for the future built environment; summary of revenues and expenditures; review of major revenues; and finally, a summary on fund balance.

Police Services

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 law enforcement services to our residents, businesses and visitors. The Police Services Department budget is our largest cost at \$14.0 million in FY23, or 33.6% of the total General Fund budget, and is again the fastest growing cost for the City.

As of this writing, the County has provided a \$13.7 million estimate for the FY24 police services contract; however, this amount does not include the fiscal impact of labor agreements currently being negotiated. Given that, the amount included in the adopted budget is \$14.7 million for FY24, or \$1.1 million more than the current County estimate. This large increase is built on information provided by OCSD and results of recent, similar labor agreements for other agencies. The adopted FY25 budget includes \$15.2 million, a conservative 4.0% annual increase in the contract.

Personnel Costs

Total personnel costs adopted for FY24 reflect a 10.1% decrease, or \$1.2 million compared to the FY23 amended budget. Much of the decrease is due to a one-time additional payment the City made in FY23 to CalPERS to address some of the unfunded pension liability. Without the one-time payment, there is an 8.0% increase in total personal costs from FY23 to FY24.

Notable causal factors for the increase in FY24 include: addition of a Deputy Public Works Director offset by elimination of the Principal Engineer position (\$20,000 net increase); addition of an Engineering Technician I position replacing a contract position (\$96,000 fully burdened), reclassifications and pay adjustments of positions that occurred in FY23 (\$150,000), increase in the employer normal cost towards CalPERS (\$160,000), health benefit allowances (\$77,700), and the balance due to employee merit based pay adjustments.

City employees in the CalPERS 2%@55 pension plan pay 7% of pay toward pension costs (with the City paying 12.47% in FY24); and, employees in the 2%@62 pension plan will pay 7.75% in FY24 (the City pays 7.68%). The 2%@55 employees contribute an additional portion equaling 2.0% of their pay toward the City's unfunded liability which equates to \$76,000 contributed by employees toward the budgeted \$537,000 unfunded pension liability payment in FY24.

Investment in Capital Assets

City Council adopted Financial Policies (#231 & #232) for infrastructure and facilities assets, making funding the capital program a priority. The policies require Staff to assess the condition of City assets, and to propose funding to maintain them. Staff has complied with both policies and the proposed budget provides full funding for each group of assets.

Capital infrastructure maintenance is accounted for in the Capital Improvement Projects (CIP) Fund (11). Funding is typically provided by transfers from the General Fund (01), Gas Tax Fund (02), Measure M Fund (04), the Road Maintenance & Rehabilitation Account (RMRA) Fund (08), and occasionally other grant funding sources. 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 adopted budgets includes the required investment from the General Fund to cover its share of project costs in FY24 and FY25, at \$2.6 million and \$4.0 million, respectively; these contributions are augmented by other funds. The CIP investment totals \$19.6 million in the proposed two-year budget, and the Seven Year Plan includes funding for capital projects totaling \$31.8 million from FY26 through FY30.



Capital Improvement Fund (11) projects adopted in the upcoming budget are as follows:

Capital Improvement Fund Projects	FY24 Adopted Budget	FY25 Adopted Budget
Citywide Storm Drain Repairs*	\$ 200,000	\$ 200,000
Water Quality/Diversion Repair & Mntce.*	75,000	75,000
Traffic Safety Repairs & Improvements*	150,000	150,000
Calle Real & Calle Portola Storm Drain Impr.	3,446,000	--
Stonehill Drive Improvements Project	225,000	2,580,000
Roadway Resurfacing – Overlay/Asphalt Repairs	3,600,000	4,200,000
Arterial Roadway Slurry	--	350,000
Residential Roadway Slurry	500,000	400,000
Violet Lantern Storm Drain Improvements	350,000	--
Del Prado Public Wi-Fi – Design/Build	200,000	--
Doheny Park Road Median/Parkway – Power	200,000	--
Doheny Village Connectivity Construction	--	2,729,000
TOTAL	\$ 8,946,000	\$ 10,684,000

* These budgets are to address major, emerging projects; unspent appropriation will lapse at fiscal year-end, with unspent amounts reverting to the CIP Fund's unassigned fund balance.

Investment in City Facilities

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, sports fields, Nature Interpretive Center, Salt Creek Treatment Plant, and the PCH Pedestrian Bridge, among others. Funding is almost exclusively from the General Fund, with the exception of some funds periodically available from the Park Development Fund (21), Clean Air Act Fund (05), and occasional grant funding. Staff is continuing to work through a prioritized list of deferred maintenance projects identified in a comprehensive facilities assessment conducted a few years ago and has included them in the proposed budget.

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 total \$1.1 million as follows:

Facilities Fund Projects	FY24 Adopted Budget	FY25 Adopted Budget
City Hall:		
Flat Roof Replacement	\$ 215,000	\$ --
Exhaust Fans & CO2 Sensors in Parking Garage	36,000	--
Community Center:		
Gym Electric Backboard Adjuster	17,200	--
Lighted Signage on Building	27,500	--
Parks:		
Dana Crest Play Structure Replacement	200,000	--
Lantern Bay Park Railing/Stair Removal	45,000	--
Thunderbird Park Play Structure Replacement	--	180,000
Palisades Sidewalk & Historical Color Change	--	60,000
PCH Bridge Exterior Painting	--	150,000
Contingency Account	100,000	100,000
TOTAL	\$ 640,700	\$ 490,000



Planning for the Future of the Built Environment

General Plan Update: California law requires each city to prepare and adopt a comprehensive General Plan (GP) 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 30 years ago and has only updated portions of it over the years. Beginning this past budget cycle, Staff has embarked on what will be a multi-year effort to complete a comprehensive update of the plan, which entails an extensive public outreach/input effort to wade through a multitude of complex issues.

The Council set aside \$1 million in FY20 to fund the update, and \$201,000 was allocated to update the Housing Element component of the GP. Subsequently, the City was awarded a State housing grant of \$150,000 from the Local Early Action Planning Grant Program (LEAP) that was used for the Housing Element. Therefore, only \$51,000 was required from the General Plan Update Reserve Fund for the Housing Element and Public Safety Element updates.

In July 2022, the City Council approved funding to begin the community engagement process for the General Plan update. Phase 1 of the process includes visioning to create awareness of the General Plan Update with a dedicated communications/public relations plan, educating the community on City planning, and conducting community listening sessions as well as data analysis that culminates in a list of key community concerns and issues. Phase 2 of the process is plan development to update the City's General Plan, policies, and actions intended to implement the vision and policy framework, as well as conduct associated environmental review of proposed amendments. This phase also includes significant public engagement, education, and review of the documents, comments, edits, and finalization of the drafts for recommendation by the Planning Commission, action by the City Council, and California Coastal Commission.

Since most of the portion of the set-aside for the General Plan that was used for the Housing Element update was offset by the LEAP grant, only \$96,000 was needed to fund the General Plan community engagement project. This leaves approximately \$703,000 in the General Fund set-aside for the remaining portions of the General Plan update. Staff will be conducting a request for proposals in the coming months for the next phase to draft the General Plan update; additional funds may be needed to finish the update.

Doheny Village Plan: The Doheny Village Plan (Plan) was in the works for several years. In July 2021, the City Council adopted the Doheny Village Zoning Code Update, which involved modifications to the City's General Plan Land Use Element and inclusion of a new chapter in the Dana Point Municipal Code, Chapter 9.14 Doheny Village Districts. In March 2023, the California Coastal Commission (CCC) certified the Local Coastal Program Amendment (LCPA) allowing all new regulations to be in full effect to preserve and enhance the eclectic community.

Several programs identified in the Doheny Village Capital Improvement Plan have either been completed or initiated. Enhanced pedestrian lighting has been installed along Camino Capistrano. The City acquired the open space parcel located at the corner of Doheny Park Road and PCH, which has been updated with new landscape and fencing. The Doheny Village Public Art Program kicked off with a new public mural at the corner of Las Vegas Avenue and Doheny Park Road in February 2022. City staff has begun the design process for the Doheny Park Road at PCH Connectivity Project in coordination with Caltrans. The FY22 Capital Improvement Fund budget included \$400,000 to fund the design of the Doheny Village connectivity improvements. The proposed FY25 CIP fund includes \$2.7 million to fund the construction. Staff has also identified approximately \$1.8 million in federal grant money to assist with funding the project.

Summary of Revenues and Expenditures

The FY24 adopted General Fund budget has a \$92,300 budget surplus, with \$46.5 million in revenues and \$46.4 million in expenditures and transfers to other funds. The FY25 adopted budget shows a \$974,600 budget deficit, with \$47.9 million in revenues and \$48.8 million in expenditures and transfers out to other funds; note that the transfer out to the CIP Fund is \$1.5 million more in FY25 than it is in FY24. In both the FY24 and FY25 adopted budgets, all reserves are fully funded per City Council policy and the General Fund unassigned fund balance is at least 7.0% of budgeted revenues. Also, the General Fund is projected to have a \$2.0 million surplus over the life of the LTFP (FY24 - FY29).

General Fund Proposed Budget Summary

	FY24	FY25
Revenues & Transfers In	\$ 46,482,000	\$ 47,875,000
Expenditures & Transfers Out	46,389,700	48,849,600
Projected (Deficit)/Surplus	\$ 92,300	\$ (974,600)



The adopted 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 flexibility in managing fluctuations in workload and available budget.

General Fund Estimated Revenues

As seen above, projected General Fund revenue and transfers in for FY24 and FY25 are \$46.5 million and \$47.9 million, respectively; this is slightly up from \$45.9 million included in the FY23 amended budget. The City's largest revenue sources (transient occupancy tax, property tax, sales tax and in-lieu property tax) combined comprise 72.0% of proposed FY24 General Fund revenues.

The 10% hotel bed tax, known as **Transient Occupancy Tax** ("TOT"), remains the City's largest revenue source, projected at \$15.6 million for FY24, or 33.6% of revenue. The pandemic hit the City's TOT revenues the hardest. By the end of FY20, only four months after the pandemic set in on the U.S., TOT year-over-year losses amounted to \$3.3 million; for FY21, pandemic-related TOT losses were roughly \$4.8 million on what had been originally a \$12.8 million budget. Since this time, the hospitality industry has taken a dramatic swing up and the City has since experienced historic record TOT each of twelve straight months from March 2022 through February 2023, and projections are for FY23 to finish at record of \$16.2 million.

The projected TOT for FY24 of \$15.6 million is a decrease of \$0.6 million (-4%) from the FY23 projected amount. The projection reflects an anticipated dip in tourist travel, with business/meetings bookings being relatively flat. It is also expected that by early FY24 a 28-room inn that has been closed for several years will reopen, as it is now being renovated.

The next largest revenue is **Property Tax**, projected at \$11.3 million for FY24, or roughly 24.0% of General Fund revenue. This projection is a 6.8% increase over FY23, which is based on the increase in assessed values within the City. For the January 1, 2022 valuation date, which is used for the FY23 tax bills, total assessed value of property in Dana Point grew \$1.3 billion, or 8.9%. The City receives roughly 7 cents for every \$1 of property tax paid.

The third largest revenue category, **Sales Tax**, is projected at \$6.7 million in FY24, or 14.4% of General Fund revenues. This is down 7.0% from the FY23 amended budget. The rebounding hospitality industry and historically high inflation has had a positive impact on sales tax receipts due to rising prices including those at restaurants and gas stations. Due to the uncertainty about the strength of growth in future collections amid a slowing economy, the Sales Tax budget is set very conservatively.

In-Lieu Property Tax, the fourth largest General Fund revenue source, is the result of the State almost entirely eliminating a revenue stream for California cities that dated back to the 1930's. The State did eventually replace the lost VLF with some of the State's portion of Property Tax revenue. At \$5.5 million in FY24, a 3.6% increase over FY23's amount, this makes up 11.8% of FY24 General Fund revenue budget.

Next in line are the fifth and sixth largest revenue sources, namely **Charges for Services and License & Permit fees**, estimated at \$1.9 million and \$1.8 million for FY24, respectively. The former makes up 4.0% 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 14.6% drop in FY24, and Licenses & Permits looking to have a 14.8% 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.

General Fund Balance Projection

Incorporated into the adopted budget is the General Fund Reserve Policy adopted by the City Council in 2019. The policy has two reserves, one termed Economic Stability and the other Extreme Event, and it also has a funding requirement for the General Fund's unassigned fund balance.

It is important to note the Reserve Policy is supported by other City financial policies that address maintaining public infrastructure assets, require a structurally balanced budget be adopted, and require long-term financial planning. The complete set of financial policies provide a comprehensive foundation upon which the City's finances are to be managed; summaries of the polices are included in this budget book.

Each reserve has a target level of funding set as a percent of General Fund budgeted operating revenue. The Economic Stability Reserve target is set at 11%; the Extreme Event Reserve's is 9%; and, the Unassigned Fund Balance is a targeted range of 4% to 7%.



The General Fund's ending fund balance for June 30, 2023 is currently budgeted at \$15.5 million, including the fully funded Economic Stability (11%) and Extreme Event Reserves (9%), and the budgeted unassigned fund balance above 7%.

The adopted budget includes the reserve accounts finishing their respective fiscal years as follows:

General Fund Balance Designation	Budgeted Ending 6/30/2023*	Adopted Ending 6/30/2024	Adopted Ending 6/30/2025
Economic Stability Reserve (11% target)	\$ 4,490,101	\$ 5,113,020	\$ 5,266,250
Extreme Event Reserve (9% target)	3,673,719	4,183,380	4,308,750
Special Purpose Reserve			
<i>General Plan Update Reserve</i>	703,023	703,023	703,023
<i>CASA Unfunded Pension Liability</i>	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(771,448)	(771,448)	(771,448)
Unassigned Fund Balance (4% - 7%)	7,013,800	5,973,520	4,720,320
Total Fund Balance - General Fund	\$ 15,456,361	\$ 15,548,661	\$ 14,574,061

**As of April 2023*

The Reserve Policy does contemplate 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.

Conclusion

This budget is a compilation of the values voiced by our residents, the vision and guidance of our City Council, and the dedication and cooperation of City staff that work to align resources with goals in order to make Dana Point a great place to live and visit. Although challenges are always present, so are great opportunities and the prospect of a very bright tomorrow for all of Dana Point.

I am grateful for the concerted effort put forth by many City Staff to produce this proposed budget. Their professionalism and valuable contributions is greatly appreciated. Of particular note was the contribution made by Kelly Reenders, Sea Shelton, Captain Hylton, Matt Sinacori, Jennifer Anderson, Matt Kunk, Jimmy Armenta, Brenda Wisneski, Allison Peterson, Shayna Sharke, Staci Sheaks, James Shadle, Dyanne Weamire, and Holly Martino – I thank them for their exceptional efforts.

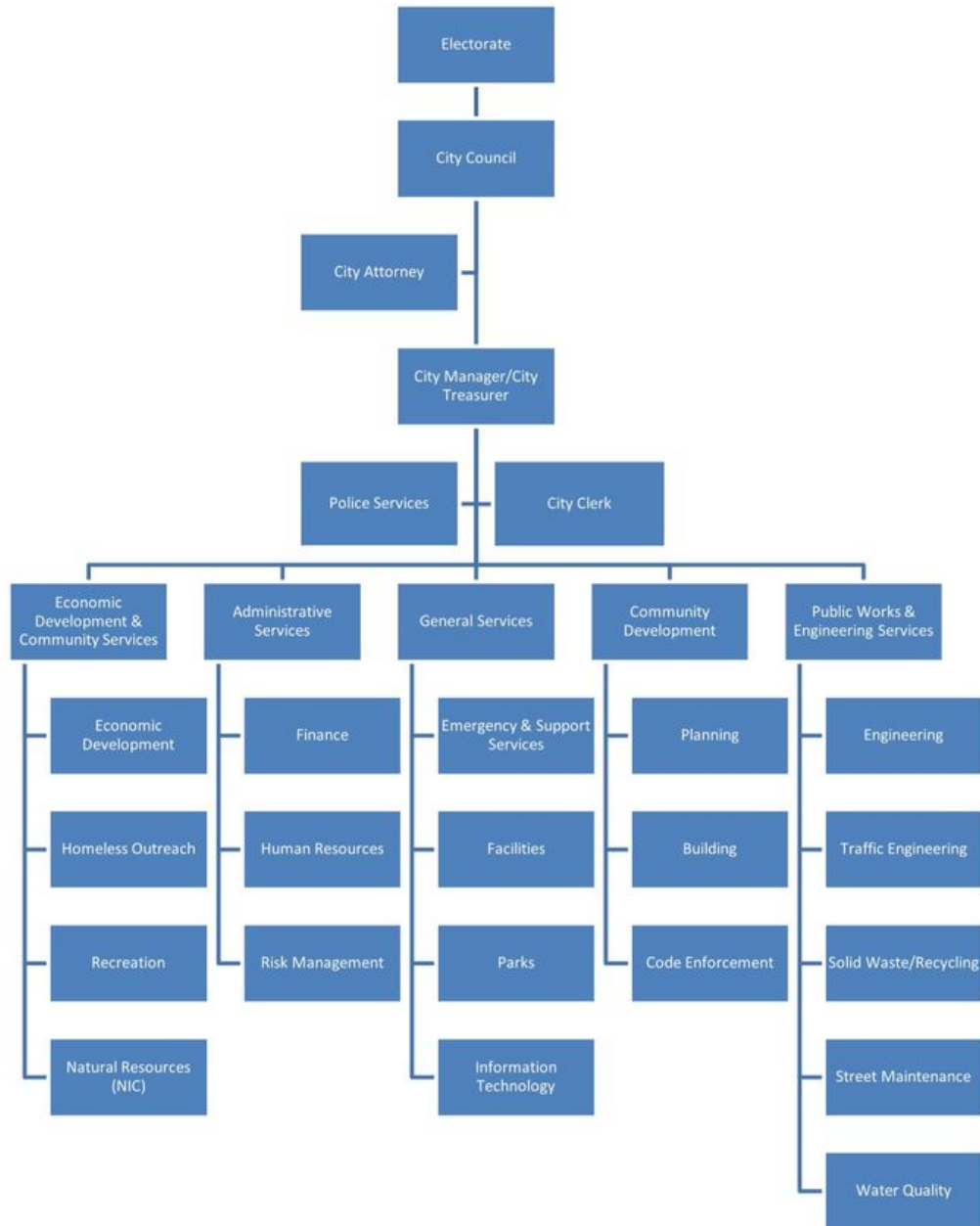
Respectfully Submitted,

Michael A. Killebrew
City Manager



Organizational Chart

The City incorporated under the general laws of the State of California on January 1, 1989, and operates under a Council-Manager form of government. The City Council consists of five members, each representing one of five geographic districts, all on a non-partisan basis to four-year terms. The mayor and mayor pro tem are honorary positions filled by Council members for one-year terms. Through the Council-Manager form of government, elected officials create policy and direct the City Manager in the implementation of those plans. This places the responsibility for day-to-day provision of services on a professional manager and staff.



City of Dana Point Directory

Administrative Staff

Michael A. Killebrew	City Manager
Kelly Reenders	Assistant City Manager/Director of Economic Development and Community Services
Shayna Sharke	City Clerk
James Shadle	Director of General Services
Matthew Sinacori	Director of Public Works & Engineering Services
Brenda Wisneski	Director of Community Development
Sea Shelton	Director of Administrative Services
Captain Todd Hylton	Chief of Police Services
Patrick Muñoz	City Attorney

Department of Administrative Services (Finance & Administrative Division)

Sea Shelton	Director
Tina Pacific	Human Resources/Risk Manager
Sheryl Mariano	Accounting Supervisor
Shameza Dowd	Management Analyst
Lizabeth Chea	Accountant
Norma Hoover	Accounting Technician
Gabriela Lopez	Assistant Administrative Analyst
Paramita Paul	Senior Account Clerk



City of Dana Point Community Profile

Dana Point is a city of approximately 6.7 square miles. Located on the southern coast of Orange County, California, the City has a population of approximately 33,765. The City draws its name from author Richard Henry Dana (1815-1882), who documented his experiences in an 1830's sea voyage from Boston to California in the novel *Two Years Before the Mast*.

The City incorporated under the general laws of the State of California on January 1, 1989, and operates under a Council-Manager form of government. The City Council consists of five members, each representing one of five geographic districts, all on a non-partisan basis to four-year terms. The mayor and mayor pro tem are honorary positions filled by Council members for one-year terms.

The City serves a significant number of visitors each year, many of whom are drawn by the small boat harbor, beaches, parks, golf courses, resorts and special events in the city. Dana Point is home to two five-star resorts, one four-star resort, eight hotels and motels, and a 29-unit bed and breakfast inn, for a total of 1,889 rooms. The City's coastal resources continue to draw visitors that support its visitor oriented commercial and retail establishments.

Geographically, the city is comprised of a number of unique micro-communities. The south end of town is the Capistrano Beach community with mainly residential housing and limited commercial/retail development. Adjacent and west of Capistrano Beach is the Doheny Village area which consists of a mix of commercial and retail businesses, and multi-family residential housing. The Dana Point Harbor, although located within city boundaries, is administered by the County of Orange, and hosts small-craft moorings, a commercial fishing fleet, a hotel, shopping, and several restaurants. North of the Harbor is the Lantern District, which hosts multi-family residential, commercial, and retail businesses that serve residents and visitors; this area extends along Pacific Coast Highway ("PCH") and Del Prado Street, from Copper Lantern Street to Blue Lantern Street. In addition, two primarily residential areas, commonly referred to as Lantern Village and Dana Hills, are north of there. Toward the northwest edge of town is an area known as the Monarch Beach community, which is home to the City's two largest hotels (the Ritz Carlton and Waldorf Astoria Monarch Beach Resort), a golf course, and large, upscale residential developments.



Dana Point Demographic Statistics

Population

33,765

Area in Square Miles

6.7

Economic Analysis

Per Capita Income	\$74,713
Median Household Income	\$119,867
Average Household Income	\$173,101

Population Analysis

Number of Families	8,895
Number of Households	14,470
Average Household Size	2.32

Parks & Recreation Facilities

Number of Parks:	29
Total Park Acreage:	137
Baseball/Softball Diamonds:	3
Community Centers:	1
Tennis Courts:	2
Basketball Courts:	4
Bocce Ball Courts:	3
Racquetball Courts:	2
Pickleball Courts:	7

Public Works

Arterial Streets (miles):	18
Non-Arterial Streets (miles):	61
Storm Drains:	29
Signalized Intersections:	40
Street Lights:	1561

Police Services

Sworn Personnel:	34
Non-sworn Personnel:	5
Patrol Units (cars):	16
Patrol Units (motorcycles):	2

Fire Services

Fire Stations:	2
Career Fire Fighters & Officers:	28
Reserve Fire Fighters:	10

Data Source: City of Dana Point Annual Comprehensive Financial Report for the Year Ended June 30, 2022



City of Dana Point Strategic Plan

The Strategic Plan serves as an effective tool for City management to guide decision-making and resource allocation. The Plan also informs Staff of the City Council's overarching priorities in the context of day-to-day operations.

In 2021, the City Council directed its Strategic Plan Subcommittee and Staff to update the Plan. The City Council approved the updated the City's Strategic Plan in April 2022. The Plan established the City's Mission to "set the standard as a vibrant, world-class city." It then established five Strategic Goals, each with its own underlying objectives. It is understood that the Plan will have to be reviewed and updated regularly depending on the current issues facing the Dana Point community.

Mission: Set the Standard as a Vibrant, World-Class City

STRATEGIC GOAL 1: MAINTAIN AND ENSURE PUBLIC SAFETY

Goal: Dana Point prides itself in maintaining and creating a safe environment for its residents and visitors.

OBJECTIVES:

- Responsive and proactive policing by responding to emerging crime trends to improve perception of safety and security
- Effective enforcement to ensure voluntary compliance with City codes and reduce quality of life nuisances
- Address vulnerable residents by coordinating resources to improve the situation of homeless individuals and families living in our community
- Emergency preparedness and responsiveness so that the City is ready to respond to a disaster

STRATEGIC GOAL 2: MAINTAIN AND IMPROVE INFRASTRUCTURE AND ENVIRONMENTAL SUSTAINABILITY

Goal: Maintain City assets and the natural environment with safe, clean, and quality conditions for the enjoyment of residents and visitors

OBJECTIVES:

- Maintain and improve streets and sidewalks for the safety of vehicles and pedestrians
- Maintain and improve community facilities, parks, and landscaping
- Enhance multi-modal and active transportation in the city
- Preserve natural resources to enhance a healthy and sustainable built and natural environment

STRATEGIC GOAL 3: FOSTER ECONOMIC HEALTH AND PROSPERITY

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

OBJECTIVES:

- Effective and efficient zoning regulations for managing the City's land use
- Improve Planning, Building, and Engineering permitting process for an informative, helpful and efficient process for applicants
- Effective and efficient business regulations that retain and attract businesses that support investment in our community to maintain a healthy business climate
- Assess potential for improvements to private infrastructure

STRATEGIC GOAL 4: EFFECTIVE, EFFICIENT, AND INNOVATIVE CITY ADMINISTRATION

Goal: Provide and effective and efficient government to serve our community with integrity.

OBJECTIVES:

- Engage with the community to provide consistent and quality service
- Enhance internal and external technology to provide digital access to services and information
- Maintain a balanced budget that adequately funds core services to be a fiscally sound city
- Recruit, develop, and retain quality staff for a knowledgeable and helpful workforce

STRATEGIC GOAL 5: MAINTAIN AND ENHANCE DANA POINT'S UNIQUE SENSE OF PLACE

Goal: Honor Dana Point's unique culture and sense of community.

OBJECTIVES:

- Honor Dana Point's unique culture, history, and local charm, which enhances quality of life and provides a positive cultural and memorable experience for residents and visitors

Approved by City Council April 2022



City of Dana Point Strategic Plan Metrics

Each Strategic Plan goal includes objectives, projects to meet those objectives, and measures to gauge progress on the Plan's implementation. Staff continues to implement the Strategic Plan throughout the year. In early 2023, Staff delivered a 2022 progress report focused on the status of performance measures.

GOAL 1: MAINTAIN AND ENSURE PUBLIC SAFETY

RESPONSIVE AND PROACTIVE POLICING BY RESPONDING TO EMERGING CRIME TRENDS TO IMPROVE PERCEPTION OF SAFETY AND SECURITY



NEW!
Assigned enforcement (calls)
10,901

NEW!
Observed enforcement (pedestrian/bike/traffic stops and patrol checks)
7,841



NEW!
45 Community outreach events

EFFECTIVE ENFORCEMENT TO ENSURE VOLUNTARY COMPLIANCE WITH CITY CODES AND REDUCE QUALITY OF LIFE NUISANCES



2020	2021	2022
1,322	1,050	1,372

Code Enforcement cases per year



2020	2021	2022
1,290	1,017	1,106

Cases resolved with initial contact

ADDRESS VULNERABLE RESIDENTS BY COORDINATING RESOURCES TO IMPROVE THE SITUATION OF HOMELESS INDIVIDUALS AND FAMILIES LIVING IN OUR COMMUNITY



NEW!
123 Individuals assessed for housing
41 Individuals housed
13 Active clients monthly



EMERGENCY PREPAREDNESS AND RESPONSIVENESS SO THAT THE CITY IS READY TO RESPOND TO A DISASTER

Emergency Plan is current per all applicable standards
Tsunami & Storm-Ready certification is maintained
All Flood and Disaster mapping is current

2020	2021	2022
✓	✓	✓
✓	✓	✓
✓	✓	✓

2 Emergency Preparedness Exercises



NEW!
1 Cert Academy Training

GOAL 2: MAINTAIN AND IMPROVE INFRASTRUCTURE AND ENVIRONMENTAL SUSTAINABILITY

MAINTAIN AND IMPROVE STREETS AND SIDEWALKS FOR THE SAFETY OF VEHICLES AND PEDESTRIANS



NEW!

11.33 Miles of streets improved

0 Claims associated with street or sidewalk conditions

System-wide average road Pavement Condition Index is at least 80

2020	2021	2022
✓	✓	✓

MAINTAIN AND IMPROVE COMMUNITY FACILITIES, PARKS, AND LANDSCAPING

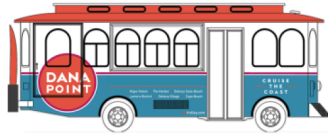
NEW!

16 Facility and park renovation projects

6 Claims associated with facility, parks, or landscaping conditions



ENHANCE MULTI-MODAL AND ACTIVE TRANSPORTATION IN THE CITY



Trolley Ridership*

2020	2021	2022
1,299*	71,661	83,992

*Dana Point Trolley Services were reinstated for Summer 2021



NEW!

3 Electric bike education and public outreach workshops

NEW!

Participate annually with OCTA and stakeholders on active transportation issues ✓

PRESERVE NATURAL RESOURCES TO ENHANCE A HEALTHY AND SUSTAINABLE BUILT AND NATURAL ENVIRONMENT

Operate and maintain the Salt Creek Ozone Treatment Facility
Implement and maintain trash control best management practices

2020	2021	2022
✓	✓	✓
✓	✓	✓



2 waste collection events vs **1** in 2021

2020	2021	2022	2020	2021	2022	2020	2021	2022
57	0	434	9,748	11,929	19,414	32%	40%	44%

Students attending the NIC through educational and science programs

Visitors to the Nature Interpretive Center*

*CNLM Dana Point Preserve Trail reopened fully to 7days/week on 11/4/2022

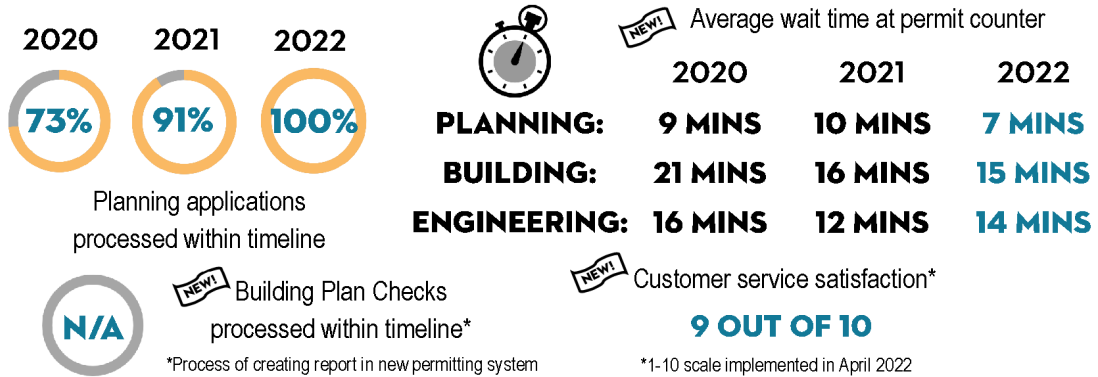
Recyclable waste diverted from landfill

GOAL 3: FOSTER ECONOMIC HEALTH AND PROSPERITY

EFFECTIVE AND EFFICIENT ZONING REGULATIONS FOR MANAGING THE CITY'S LAND USE

- NEW!** ⇒ Chapter 9.27 - Single Family Duplexes to City of Dana Point Zoning Code adopted 3/1/2022
- ⇒ Chapter 7.37 - Urban Lot Splits to Dana Point Municipal Code adopted 3/1/2022
- ⇒ Chapter 11.55 - Catalytic Converters added to Dana Point Municipal Code adopted 5/17/2022
- ⇒ Updated Zoning Ordinance of the Zone Text Amendment and Local Coastal Program adopted 5/27/2022
- ⇒ Short Term Rental Program in the Coastal Zone adopted 7/12/2022 - Coastal Commission Approved
- ⇒ Title 8, Chapters 8.02, 8.03, 8.12, 8.14, 8.16, 8.20, 8.24, 8.26, 8.28, 8.330, 8.32, 8.34, 8.36 and 8.38 - Building Code to Dana Point Municipal Code adopted 12/6/2022

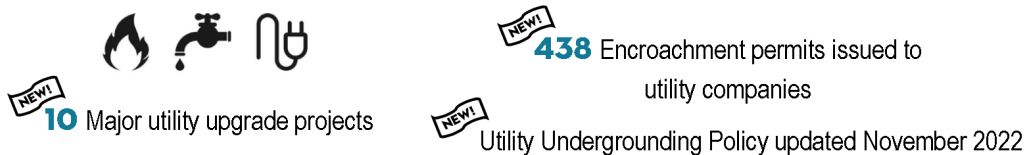
IMPROVE PLANNING, BUILDING, AND ENGINEERING PERMITTING PROCESS FOR AN INFORMATIVE, HELPFUL AND EFFICIENT PROCESS FOR APPLICANTS



EFFECTIVE AND EFFICIENT BUSINESS REGULATIONS THAT RETAIN AND ATTRACT BUSINESSES THAT SUPPORT INVESTMENT IN OUR COMMUNITY TO MAINTAIN A HEALTHY BUSINESS CLIMATE



ASSESS POTENTIAL FOR IMPROVEMENTS TO PRIVATE INFRASTRUCTURE

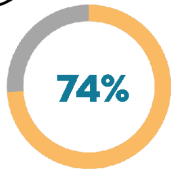


GOAL 4: EFFECTIVE, EFFICIENT, AND INNOVATIVE CITY ADMINISTRATION

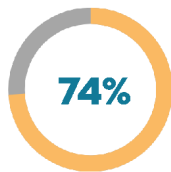
ENGAGE WITH THE COMMUNITY TO PROVIDE CONSISTENT AND QUALITY SERVICE



The 2022 Community Survey was conducted in November 2022



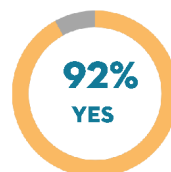
Agree that City services are a good value for local taxes



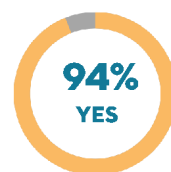
Satisfied with resident communication



Was Staff helpful?



Was Staff professional?



Was Staff accessible?

ENHANCE INTERNAL AND EXTERNAL TECHNOLOGY TO PROVIDE DIGITAL ACCESS TO SERVICES AND INFORMATION



DANA POINT WEBSITE

ONLINE PUBLIC RECORDS SEARCH

ONLINE PERMIT RECORDS SEARCH

COMMUNITYVIEW INTERACTIVE MAP

REPORT 2 DP APP

DOCUSIGN

ONBASE

CENTRAL SQUARE

DANA POINT TROLLEY APP



DANA POINT CALIFORNIA



8,257 Newsletter subscribers

6,000+ Facebook followers

8,953 Instagram followers

708,511 Website visitors

108,549 Facebook reach

73,068 Instagram reach

MAINTAIN A BALANCED BUDGET THAT ADEQUATELY FUNDS CORE SERVICES TO BE A FISCALLY SOUND CITY

	2020	2021	2022
Maintain General Fund reserves within City Council Policy	✓	✓	✓
Maintain an amount equal to 4%-7% of General Fund original adopted budget in unassigned fund balance	✓	✓	✓
Annual presentation of updated Long-Term Financial Plan to City Council that is structurally balanced	✓	✓	✓
Obtain GFOA Award for Financial Reporting Excellence	✓	✓	✓

RECRUIT, DEVELOP, AND RETAIN QUALITY STAFF FOR A KNOWLEDGEABLE AND HELPFUL WORKFORCE



Percentage of employees receiving exceptional reviews



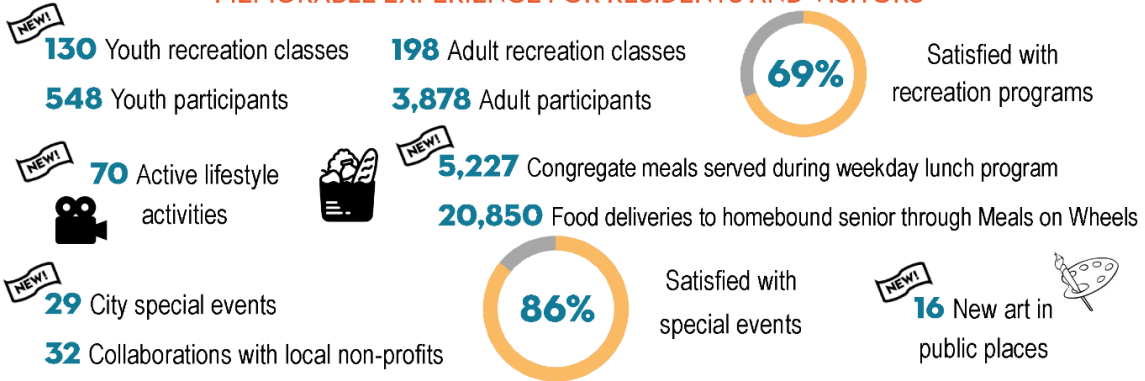
3 Employee team building events



	2020	2021	2022
Employee training hours completed	922	975	1,915

GOAL 5: MAINTAIN AND ENHANCE DANA POINT'S UNIQUE SENSE OF PLACE

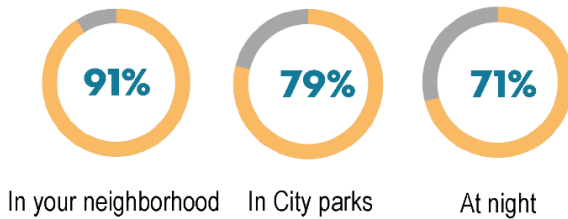
HONOR DANA POINT'S UNIQUE CULTURE, HISTORY, AND LOCAL CHARM, WHICH ENHANCES QUALITY OF LIFE AND PROVIDES A POSITIVE CULTURAL AND MEMORABLE EXPERIENCE FOR RESIDENTS AND VISITORS



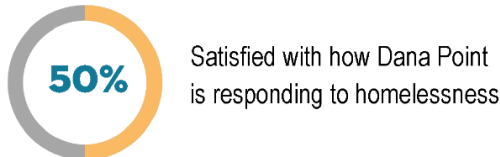
2022 COMMUNITY SURVEY RESULTS

MAINTAIN AND ENSURE PUBLIC SAFETY

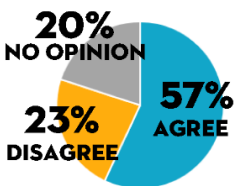
PERCEPTION OF SAFETY



ADDRESSING HOMELESSNESS



EFFICIENT, EFFECTIVE, AND INNOVATIVE CITY ADMINISTRATION

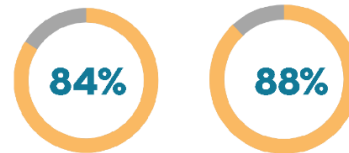


City listens to residents when making important decisions

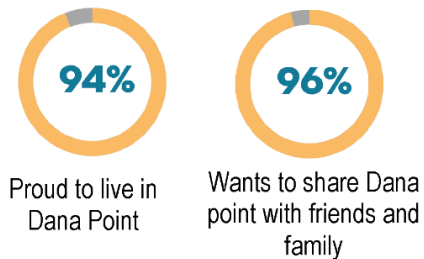


MAINTAIN AND IMPROVE INFRASTRUCTURE AND ENVIRONMENTAL SUSTAINABILITY

MAINTENANCE OF CITY INFRASTRUCTURE



MAINTAIN AND ENHANCE DANA POINT'S UNIQUE SENSE OF PLACE



BUDGET OVERVIEW



Budget Development Process

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.

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.

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 1st. Hence, the City's budget will be adopted at a duly noticed public hearing by the City Council on or before June 30th. 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.



Fiscal Year 2023-2024 Budget Calendar

July 4, 2023	No Council Meeting
July 18, 2023	No Budget Process Items
August 1, 2023	No Council Meeting
August 15, 2023	No Council Meeting
September 5, 2023	No Budget Process Items
September 12, 2023	Quarterly Financial Review Committee Meeting
September 19, 2023	Fiscal Year 2022/23 Budget Carryover Report Q4 Quarterly Financial Report
October 3, 2023	No Budget Process Items
October 17, 2023	No Budget Process Items
October 30, 2023	Quarterly Financial Review Committee Meeting
November 7, 2023	Q1 Quarterly Financial Report Annual Review of Investment Policy
November 21, 2023	No Budget Process Items
December 5, 2023	Annual Comprehensive Financial Report
December 19, 2023	No Council Meeting
January 2, 2023	No Budget Process Items
January 16, 2024	No Budget Process Items
January 30, 2024	Quarterly Financial Review Committee Meeting
February 6, 2024	Q2 Quarterly Financial Report Audit Contract
February 20, 2024	No Budget Process Items
March 5, 2024	Fiscal Year 2023/24 Mid-Year Financial Report
March 19, 2024	No Budget Process Items
April 2, 2024	No Budget Process Items
April 16, 2024	Long-Term Financial Plan Discussion
April 30, 2024	Quarterly Financial Review Committee Meeting
May 7, 2024	Q3 Quarterly Financial Report
May 21, 2024	No Budget Process Items
June 4, 2024	Adopt 7-Year Capital Improvement Plan Adopt Long-Term Financial Plan Fiscal Year 2024/25 Gann Limit Approval Adopt Budget Calendar for Fiscal Year 2024/25
June 18, 2024	No Budget Process Items

Adopted by City Council on June 6, 2023



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. Where applicable, the department head will assign priorities to projects and activities in preparing program budgets for the department. Department Heads are responsible for operating within their budget amount as approved by the City Manager and authorized by the City Council.
4. 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.
5. Current year requirements of the Capital Improvement Program (CIP) will be incorporated into the annual operational budget and defined as the capital budget.
6. Fund balances will be maintained at levels which will protect the City from future uncertainties.



Basis of Budgeting

Budgets are adopted biennially by the City Council and are prepared for each fund in accordance with its basis of accounting. As provided by City ordinance, the City Manager is responsible for preparing the budget and for its implementation after adoption. All unencumbered budget appropriations lapse at year-end. 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 transfer appropriations from one function or activity to another within the same fund without Council approval, provided such changes will neither have a significant policy impact nor affect budgeted year-end fund balances.

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 Governmental Funds (General Fund, Special Revenue Funds, Capital Project Funds) or 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.



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, Human Resources, Community Development, Public Works, Community Programs, Recreation, Parks & Facilities 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, 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. The Tourism Business Improvement District (TBID) was established in 2009 to collect assessments on behalf of the Waldorf Astoria, Ritz Carlton, Laguna Cliffs Marriott and Double Tree Doheny Beach. The assessments were amended by a vote of the hoteliers to apply to all hotels beginning in 2020.

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.

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.



Gann Appropriations Limit & Debt Margin

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. 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 2023-2024 is \$121,619,644 and was calculated as follows:

The City of Dana Point's Appropriations Limit (FY2023)	\$115,938,650
1. City Population Change %	.44
2. Per Capita Personal Income Change %	4.44
3. Population Converted to a Ratio	1.0044
4. Per Capita Personal Income Converted to a Ratio	1.0444
Total Adjustment Factor (=3x4)	1.0490
FY2024 Appropriations Limit (\$115,938,650 x 1.0490)	\$121,619,644

Resolution No. 23-06-06-02 Approved by City Council June 6, 2023

Debt Margin: The general laws of the State of California for municipalities provide for a legal debt margin 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.

Dana Point Assessed Valuation 2022	\$14,450,169,842
Legal Debt Limit = 3.75% of Total Assessed Valuation	541,881,369
Amount of Debt Applicable to Limit	--
Legal Debt Margin	\$ 541,881,369

General Obligation Debt: The City presently has no general obligation debt.



FINANCIAL SUMMARIES



General Fund Summary Change

CITY OF DANA POINT

FISCAL YEAR 2023-24 & 2024-2025 ADOPTED

GENERAL FUND SUMMARY CHANGE IN DETAILED FUND BALANCE

General Fund Balance Designation	Budgeted Ending 6/30/2023	Adopted Ending 6/30/2024	Adopted Ending 6/30/2025
Economic Stability Reserve (11% target)	\$ 4,490,101	\$ 5,113,020	\$ 5,266,250
Extreme Event Reserve (9% target)	3,673,719	4,183,380	4,308,750
Special Purpose Reserve			
<i>General Plan Update Reserve</i>	703,023	703,023	703,023
<i>CASA Unfunded Pension Liability</i>	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(771,448)	(771,448)	(771,448)
Unassigned Fund Balance (4% - 7%)	7,013,800	5,973,520	4,720,320
Total Fund Balance - General Fund	\$ 15,456,361	\$ 15,548,661	\$ 14,574,061

CITY OF DANA POINT

FISCAL YEAR 2023-24 & 2024-2025 ADOPTED

AVAILABLE DESIGNATED (NOT LEGALLY RESTRICTED) FUNDS

Designated (Unrestricted) Funds	Budgeted Ending 6/30/2023	Adopted Ending 6/30/2024	Adopted Ending 6/30/2025
<u>General Fund:</u>			
Economic Stability Reserve (11% target)	\$ 4,490,101	\$ 5,113,020	\$ 5,266,250
Extreme Event Reserve (9% target)	3,673,719	4,183,380	4,308,750
Special Purpose Reserve			
<i>General Plan Update Reserve</i>	703,023	703,023	703,023
<i>CASA Unfunded Pension Liability</i>	334,720	334,720	334,720
Unassigned Fund Balance (4% - 7%)	7,013,800	5,973,520	4,720,320
Subtotal General Funds	\$ 16,215,363	\$ 16,307,663	\$ 15,333,063
<u>CIP Fund:</u>			
<i>Doheny Village Beautification</i>	323,132	218,132	218,132
<i>Community Investment Account</i>	14,367,310	10,346,310	7,666,310
Unassigned Fund Balance	874,196	1,579,196	1,925,196
Subtotal CIP Fund	\$ 15,564,638	\$ 12,143,638	\$ 9,809,638
Facilities Fund	\$ 560,882	\$ 540,182	\$ 670,182
Total Designated (Unrestricted) Funds	\$ 32,340,884	\$ 28,991,484	\$ 25,812,884



General Fund Change in Fund Balance

	FISCAL YEAR 2023 AMENDED BUDGET	FISCAL YEAR 2024 ADOPTED BUDGET	FISCAL YEAR 2025 ADOPTED BUDGET
BEGINNING FUND BALANCE	\$ 21,162,087	\$ 15,456,361	\$ 15,548,661
Revenues & Transfers In			
REVENUES:			
Taxes & Franchises	40,131,400	41,570,000	42,900,000
Licences & Permits	2,086,174	1,778,000	1,866,000
Fines & Forfeitures	340,000	320,000	320,000
Use of Money & Property	592,800	509,000	459,000
Intergovernmental	517,078	356,000	285,000
Charges for Services	2,184,088	1,865,000	1,958,000
Other	81,000	84,000	87,000
Sub-total Revenues	<u>\$ 45,932,540</u>	<u>\$ 46,482,000</u>	<u>\$ 47,875,000</u>
TRANSFERS-IN			
from AB2766 Fund	-	-	-
from CIP Fund	-	-	-
from Park Development Fund	-	-	-
from CFD Fund	-	-	-
Sub-total Transfers-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues & Transfers-In	<u>\$ 45,932,540</u>	<u>\$ 46,482,000</u>	<u>\$ 47,875,000</u>
Expenditures & Transfers Out			
EXPENDITURES:			
Personnel	11,910,531	10,707,200	11,135,500
Materials & Services	32,580,738	31,540,700	32,108,100
Risk Management	799,200	856,800	871,000
Other Financing Expenses	-	-	-
Capital Outlay	179,800	-	-
Sub-total Operating Expenditures	<u>\$ 45,470,269</u>	<u>\$ 43,104,700</u>	<u>\$ 44,114,600</u>
TRANSFERS-OUT			
to CIP Fund	5,267,997	2,550,000	4,000,000
to Headlands CFD Maint. Fund	-	-	-
to Facilities Improvement Fund	150,000	500,000	500,000
to Coastal Transit	750,000	235,000	235,000
Sub-total Operating Transfers-out	<u>\$ 6,167,997</u>	<u>\$ 3,285,000</u>	<u>\$ 4,735,000</u>
Total Expenditures & Transfers-Out	<u>\$ 51,638,266</u>	<u>\$ 46,389,700</u>	<u>\$ 48,849,600</u>
Change in Fund Balance FY23	(5,705,726)	92,300	(974,600)
ENDING FUND BALANCE AT JUNE 30	<u>\$ 15,456,361</u>	<u>\$ 15,548,661</u>	<u>\$ 14,574,061</u>
YEAR END FUND BALANCE DETAILS			
Economic Stability Reserve (11%)	4,490,101	5,113,020	5,266,250
Extreme Event Reserve (9%)	3,673,719	4,183,380	4,308,750
Special Purpose Reserve:	-		
<i>Gen Plan Update</i>	703,023	703,023	703,023
<i>CASA UAL</i>	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(771,448)	(771,448)	(771,448)
Unassigned Fund Balance (4% - 7%)	7,013,800	5,973,520	4,720,320
ENDING FUND BALANCE	<u>\$ 15,456,361</u>	<u>\$ 15,548,661</u>	<u>\$ 14,574,061</u>



Changes in Fund Balance - All Funds

Adopted Fiscal Year 2023-2024

FISCAL YEAR 2024	Budgeted Fund Balance 6/30/2023	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Adopted Ending Fund Balance 6/30/2024
General Fund (01)	\$ 15,456,361	\$ 46,482,000	\$ 46,389,700	\$ 92,300	\$ 15,548,661
Gax Tax (02)	294,213	976,000	1,025,000	(49,000)	245,213
Measure M (04)	471,036	951,000	1,090,000	(139,000)	332,036
AB2766 Clean Air (05)	430,349	52,500	240,000	(187,500)	242,849
Coastal Transit (06)	587,016	1,315,000	1,100,000	215,000	802,016
Tourism Business Improvement (07)	411,375	1,751,000	1,750,000	1,000	412,375
Road Maintenance & Rehab (08)	148,760	829,000	750,000	79,000	227,760
Headlands Habitat ESHA (09)	308,234	35,000	27,000	8,000	316,234
Capital Improvement Program (11)	15,564,638	5,525,000	8,946,000	(3,421,000)	12,143,638
Facilities Improvement (12)	560,882	620,000	640,700	(20,700)	540,182
Park Development (21)	810	-	-	-	810
Supplemental Law Enforcement (25)	591	-	-	-	591
CFD Headlands Maintenance (27)	572,380	347,000	403,800	(56,800)	515,580
TOTAL	\$ 34,806,646	\$ 58,883,500	\$ 62,362,200	\$ (3,478,700)	\$ 31,327,946

Adopted Fiscal Year 2024-2025

FISCAL YEAR 2025	Adopted Beg. Fund Balance 6/30/2024	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Adopted Ending Fund Balance 6/30/2025
General Fund (01)	\$ 15,548,661	\$ 47,875,000	\$ 48,849,600	\$ (974,600)	\$ 14,574,061
Gax Tax (02)	245,213	821,000	850,000	(29,000)	216,213
Measure M (04)	332,036	965,000	1,040,000	(75,000)	257,036
AB2766 Clean Air (05)	242,849	46,500	240,000	(193,500)	49,349
Coastal Transit (06)	802,016	1,315,000	1,100,000	215,000	1,017,016
Tourism Business Improvement (07)	412,375	1,751,000	1,750,000	1,000	413,375
Road Maintenance & Rehab (08)	227,760	810,000	750,000	60,000	287,760
Headlands Habitat ESHA (09)	316,234	35,000	27,000	8,000	324,234
Capital Improvement Program (11)	12,143,638	8,350,000	10,684,000	(2,334,000)	9,809,638
Facilities Improvement (12)	540,182	620,000	490,000	130,000	670,182
Park Development (21)	810	-	-	-	810
Supplemental Law Enforcement (25)	591	-	-	-	591
CFD Headlands Maintenance (27)	515,580	354,000	480,300	(126,300)	389,280
TOTAL	\$ 31,327,946	\$ 62,942,500	\$ 66,260,900	\$ (3,318,400)	\$ 28,009,546



Full-Time Positions - By Department

	FY2021	FY2022	FY2023	Adopted FY2024	Adopted FY2025
<u>City Manager (1).</u>					
City Manager	1	1	1	1	1
Executive Assistant	1	1	1	1	1
<u>Economic Development & Community Services - Economic Development (44).</u>					
Assistant City Manager	0	1	1	1	1
Economic Development Manager	1	0	0	0	0
Senior Management Analyst	0	0	1	1	1
Management Analyst	1	1	0	0	0
Community Outreach Worker (1)	0	1	1	1	1
<u>Economic Development & Community Services - Recreation (8).</u>					
Deputy Community Services Director	0	0	1	1	1
Recreation Manager	1	1	1	1	1
Recreation Supervisor II	1	1	1	0	0
Recreation Coordinator	1	1	1	1	1
Recreation Specialist	0	1	1	1	1
Management Analyst	1	1	1	1	1
Administrative Aide	1	0	0	0	0
Natural Resources Protection Officer	1	1	1	1	1
<u>Administrative Services (21).</u>					
ACM/Director of Administrative Services	1	0	0	0	0
Director of Administrative Services	0	0	1	1	1
Human Resources/Risk Manager	1	1	1	1	1
Finance Manager	0	1	0	0	0
Accounting Supervisor	1	1	1	1	1
Accountant	1	1	1	1	1
Accounting Technician	1	1	1	1	1
Senior Account Clerk	0	1	1	1	1
Account Clerk	1	0	0	0	0
Management Analyst	1	1	1	1	1
Assistant Administrative Analyst	0	1	1	1	1
Senior Administrative Assistant	1	0	0	0	0
<u>City Clerk (3).</u>					
City Clerk	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
City Clerk Specialist	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
<u>Community Development - Planning (4).</u>					
Director of Community Development	1	1	1	1	1
Planning Manager	0	0	1	1	1
Principal Planner	1	2	2	2	2
Senior Planner	3	2	2	2	2
Associate Planner	1	1	1	1	1
Assistant Planner	1	1	1	1	1
Management Analyst	1	1	1	1	1
Senior Administrative Assistant	1	1	1	1	1



<u>Community Development - Building (42)</u>					
Building Official	1	1	1	1	1
Chief Building Inspector	1	1	1	1	1
Senior Building Inspector (2)	2	2	2	2	2
Senior Permit Technician	1	1	1	1	1
Permit Technician	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
<u>Community Development - Code Enforcement (43)</u>					
Community Development Manager	1	1	0	0	0
Code Enforcement Supervisor	0	0	1	1	1
Code Enforcement Officer	4	4	2	2	2
Code Enforcement Technician	0	0	1	1	1
<u>Public Works - Administrative (51)</u>					
Director of Public Works & Engineering Svcs.	1	1	1	1	1
Senior Management Analyst	1	1	1	1	1
Management Analyst	1	1	1	1	1
<u>Public Works - Street Maintenance (52)</u>					
	NONE				
<u>Public Works - Solid Waste (53)</u>					
	NONE				
<u>Public Works - Engineering (56)</u>					
Deputy Public Works Director	0	0	0	1	1
Principal Engineer	1	1	1	0	0
Senior Civil Engineer (3)	4	4	4	4	4
Senior Construction Inspector	1	1	1	1	1
Engineering Technician I	0	0	1	1	1
Engineering Technician III	3	3	3	3	3
Senior Administrative Assistant	0	1	1	1	1
Administrative Assistant	1	0	0	0	0
<u>Public Works - Water Quality (57)</u>					
Senior Civil Engineer	1	1	1	1	1
<u>General Services - Admin & Emergency Services (12)</u>					
Director of General Services	1	1	1	1	1
Senior Management Analyst	1	0	0	0	0
Management Analyst	0	1	1	1	1
Senior Administrative Assistant	0	0	1	1	1
<u>General Services - Parks (55)</u>					
Parks Superintendent	1	1	1	1	1
Parks Maintenance Worker III	1	1	1	1	1
<u>General Services - Facilities (95)</u>					
Facilities Manager	1	1	1	1	1
Building & Facilities Maintenance Worker III (4)	2	2	2	2	2
Total Full-Time Personnel	64.00	65.00	68.00	67.00	67.00

Notes:

(1) SB2 Grant Funded

(2) Underfill 1 FTE with Building Inspector

(3) Underfill 1 FTE with Assistant Engineer

(4) Underfill 1 FTE with Building & Facilities Maintenance Worker II and 1 FTE with Building & Facilities Maintenance Worker I



Personnel Classifications

FULL-TIME PERSONNEL	FY2021	FY2022	FY2023	FY2024	FY2025
Account Clerk	1	0	0	0	0
Accountant	1	1	1	1	1
Accounting Supervisor	1	1	1	1	1
Accounting Technician	1	1	1	1	1
ACM/Director of Administrative Services	1	0	0	0	0
Administrative Aide	1	0	0	0	0
Administrative Assistant	3	2	2	2	2
Assistant Administrative Analyst	0	1	1	1	1
Assistant City Manager	0	1	1	1	1
Assistant Planner	1	1	1	1	1
Associate Planner	1	1	1	1	1
Building & Facilities Maintenance Worker III	2	2	2	2	2
Building Official	1	1	1	1	1
Chief Building Inspector	1	1	1	1	1
City Clerk	1	1	1	1	1
City Clerk Specialist	1	1	1	1	1
City Manager	1	1	1	1	1
Code Enforcement Officer	4	4	2	2	2
Code Enforcement Supervisor	0	0	1	1	1
Code Enforcement Technician	0	0	1	1	1
Community Development Manager	1	1	0	0	0
Community Outreach Worker	0	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Deputy Community Services Director	0	0	1	1	1
Deputy Public Works Director	0	0	0	1	1
Director of Administrative Services	0	0	1	1	1
Director of General Services	1	1	1	1	1
Director of Public Works & Engineering Services	1	1	1	1	1
Economic Development Manager	1	0	0	0	0
Engineering Technician I	0	0	1	1	1
Engineering Technician III	3	3	3	3	3
Executive Assistant	1	1	1	1	1
Facilities Manager	1	1	1	0	0
Finance Manager	0	1	0	0	0
Human Resources/Risk Manager	1	1	1	1	1
Management Analyst	5	6	5	5	5
Natural Resource Protection Officer	1	1	1	1	1
Parks Maintenance Worker III	1	1	1	1	1
Parks Superintendent	1	1	1	1	1
Permit Technician	1	1	1	1	1
Planning Manager	0	0	1	1	1
Principal Engineer	1	1	1	0	0
Principal Planner	1	2	2	2	2
Recreation Coordinator	1	1	1	1	1
Recreation Manager	1	1	1	1	1
Recreation Specialist	0	1	1	1	1
Recreation Supervisor II	1	1	1	0	0
Senior Account Clerk	0	1	1	1	1
Senior Administrative Assistant	2	2	3	3	3
Senior Building Inspector	2	2	2	2	2
Senior Civil Engineer	5	5	5	5	5
Senior Construction Inspector	1	1	1	1	1
Senior Management Analyst	2	1	2	2	2
Senior Permit Technician	1	1	1	1	1
Senior Planner	3	2	2	2	2
TOTAL FULL-TIME POSITIONS	64.00	65.00	68.00	67.00	67.00



PART-TIME PERSONNEL HOURS PER YEAR BUDGETED

Administrative Intern - Dept. 11	980	980	980	0	0
Administrative Intern - Dept. 12	980	980	980	980	980
Senior Administrative Assistant - Dept. 12	1470	1470	0	0	0
Administrative Intern - Dept. 41	980	980	980	980	980
Administrative Intern - Dept. 42	980	980	980	980	980
Administrative Intern - Dept. 44	0	0	0	980	980
Nature Interpretive Center Intern - Dept. 81	980	980	980	980	980
Public Works Intern - Engineering - Dept. 56	980	980	980	980	980
Public Works Intern - Water Quality - Dept. 57	980	980	980	980	980
Executive Assistant - Police Services - Dept. 61	980	980	980	980	980
Recreation Leaders - Dept. 81	7500	7900	7900	7900	7900
Administrative Intern - Floater - Dept. 99	980	980	980	980	980
TOTAL PART-TIME HOURS	17,790	18,190	16,720	16,720	16,720



GENERAL FUND OPERATING BUDGET



General Fund Revenue Summary

General Fund revenues provide a representative picture of the local economy. The City of Dana Point's top four revenue categories are Transient Occupancy Tax (TOT), Property Tax, Sales Tax, and In-Lieu Property Tax. General Fund revenues are of particular interest as they fund basic city services, such as public safety, street and park maintenance, and recreation programs. The listing below describes the major General Fund revenue categories.

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 7.75% 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 7.75% 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, hotel, or short-term rental 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.

Charges for Services/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.

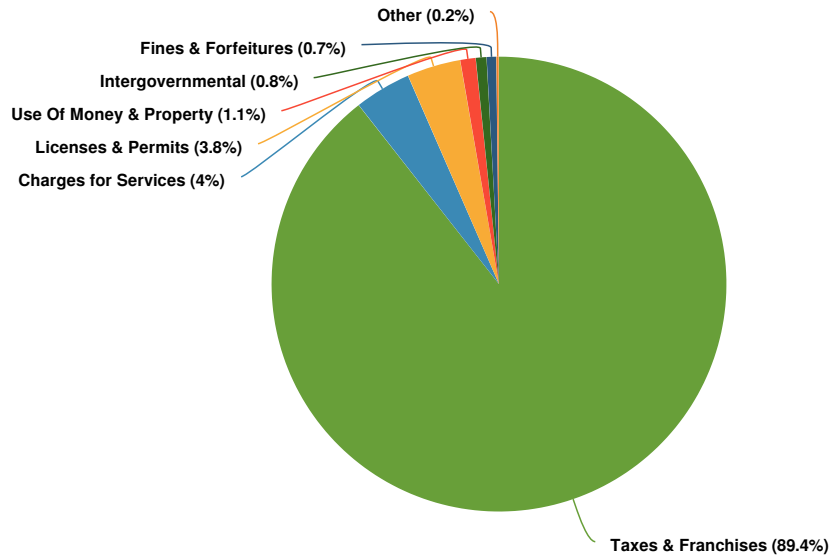
Fines and Forfeitures - Fines and forfeitures are remitted to the City from the Orange County Court system for legal violations (traffic tickets and other violations) which occur in Dana Point.

In-lieu Property Taxes - Pursuant to the 2004 Budget Act, the State swapped substantial portions of motor vehicle in-lieu fees and sales taxes previously allocated to cities, for a portion of the State's property tax revenue. The sales tax portion of this swap was temporary and sales tax revenues reverted back to the City in FY 2016. The City's motor vehicle in-lieu fees were permanently eliminated and the In-lieu Property Tax revenue represents the substitution of property taxes for these revenues.



General Fund Revenues by Source

Projected FY2024 Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source					
Taxes & Franchises	\$30,967,741	\$40,567,662	\$40,131,400	\$41,570,000	\$42,900,000
Licenses & Permits	\$2,250,354	\$2,291,953	\$2,086,174	\$1,778,000	\$1,866,000
Fines & Forfeitures	\$621,989	\$464,868	\$340,000	\$320,000	\$320,000
Use Of Money & Property	\$219,377	-\$609,070	\$592,800	\$509,000	\$459,000
Intergovernmental	\$5,148,752	\$4,772,871	\$517,078	\$356,000	\$285,000
Charges for Services	\$2,120,994	\$3,049,225	\$2,184,088	\$1,865,000	\$1,958,000
Other	\$86,333	\$633,898	\$81,000	\$84,000	\$87,000
Transfers	\$0	\$7,500	\$0	\$0	\$0
Total Revenue Source:	\$41,415,540	\$51,178,907	\$45,932,540	\$46,482,000	\$47,875,000



General Fund Revenue Budget Detail

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Taxes & Franchises						
Sec & Unsec Property Taxes	6101	\$9,635,196	\$10,032,406	\$10,575,000	\$11,290,000	\$11,800,000
Property Transfer Tax	6103	\$1,236,204	\$986,092	\$500,000	\$550,000	\$550,000
Franchise Fees	6105	\$1,352,463	\$1,397,068	\$1,300,000	\$1,075,000	\$1,050,000
Homeowners Property Tax Relie	6107	\$44,091	\$43,648	\$45,000	\$45,000	\$45,000
Transient Occupancy Tax	6109	\$8,035,175	\$15,398,864	\$14,500,000	\$15,600,000	\$15,990,000
Short Term Rental TOT	6110	\$712,272	\$796,586	\$725,000	\$800,000	\$850,000
Sales & Use Tax	6111	\$5,293,743	\$7,061,818	\$7,200,000	\$6,700,000	\$6,900,000
In-lieu Property Taxes	6113	\$4,658,598	\$4,851,181	\$5,286,400	\$5,510,000	\$5,715,000
Total Taxes & Franchises:		\$30,967,741	\$40,567,662	\$40,131,400	\$41,570,000	\$42,900,000
Licenses & Permits						
Planning Permits						
Site Development Permit	6201	\$96,852	\$226,703	\$175,000	\$162,000	\$170,000
Coastal Development Permit	6203	\$110,920	\$240,167	\$120,000	\$85,000	\$89,000
Conditional Use Permit	6205	\$13,398	\$66,743	\$55,000	\$43,000	\$45,000
Other Planning Permits	6207	\$12,631	\$49,547	\$80,000	\$64,000	\$67,000
Total Planning Permits:		\$233,801	\$583,160	\$430,000	\$354,000	\$371,000
Building Permits						
Building Permits	6209	\$1,176,565	\$882,457	\$850,000	\$765,000	\$803,000
Plumbing Permits	6211	\$109,379	\$124,911	\$56,000	\$55,000	\$58,000
Electrical Permits	6215	\$120,154	\$124,568	\$64,000	\$115,000	\$121,000
Mechanical Permits	6217	\$28,744	\$22,455	\$16,800	\$15,000	\$16,000
Other Building Permits	6219	\$1,268	\$930	\$800	\$1,000	\$1,000
CASp Certification and Training Fees	6228	\$943	\$374	\$0	\$0	\$0
Total Building Permits:		\$1,437,053	\$1,155,696	\$987,600	\$951,000	\$999,000
Engineering Permits						
Transportation Permits	6221	\$150	\$0	\$800	\$0	\$0
Encroachment Permits	6223	\$96,828	\$146,597	\$40,000	\$26,000	\$27,000
Grading Permit Plan Check	6225	\$381,909	\$301,648	\$496,774	\$357,000	\$375,000
Building Permit Eng Reviews	6226	\$1,038	\$4,302	\$11,000	\$9,000	\$9,000
Other Engineering Permits	6227	\$79,625	\$82,400	\$60,000	\$55,000	\$58,000
Total Engineering Permits:		\$559,550	\$534,947	\$608,574	\$447,000	\$469,000
Short Term Rental Permits						
Short Term Rental Permits	6218	\$19,950	\$18,150	\$60,000	\$26,000	\$27,000



Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Total Short Term Rental Permits:		\$19,950	\$18,150	\$60,000	\$26,000	\$27,000
Total Licenses & Permits:		\$2,250,354	\$2,291,953	\$2,086,174	\$1,778,000	\$1,866,000
Fines & Forfeitures						
Vehicle Code Fines	6301	\$350,109	\$302,717	\$220,000	\$200,000	\$200,000
Penalties, Int. & Restitution	6303	\$271,880	\$162,152	\$120,000	\$120,000	\$120,000
Total Fines & Forfeitures:		\$621,989	\$464,868	\$340,000	\$320,000	\$320,000
Use Of Money & Property						
Rental Of Property	6401	\$55,218	\$72,064	\$70,000	\$60,000	\$60,000
Investment Income	6403	\$388,207	\$348,973	\$500,000	\$425,000	\$375,000
City Plaza Rental Revenue	6405	\$22,800	\$27,300	\$22,800	\$24,000	\$24,000
Unrealized Gain/Loss	6413	-\$246,848	-\$1,057,407	\$0	\$0	\$0
Total Use Of Money & Property:		\$219,377	-\$609,070	\$592,800	\$509,000	\$459,000
Intergovernmental						
Motor Vehicle In-lieu	6505	\$24,461	\$38,529	\$20,000	\$20,000	\$20,000
Local Coastal Program Grant	6513	\$22,180	\$0	\$0	\$0	\$0
Waste Disposal Agreement Allocation	6514	\$0	\$160,793	\$79,000	\$85,000	\$85,000
Nuclear Power Program	6515	\$217,924	\$167,202	\$165,000	\$161,000	\$165,000
Intergovernmental Cost Reimb	6521	\$4,824,620	\$4,244,286	\$211,078	\$90,000	\$15,000
State Grants	6523	\$59,567	\$162,062	\$42,000	\$0	\$0
Total Intergovernmental:		\$5,148,752	\$4,772,871	\$517,078	\$356,000	\$285,000
Charges for Services						
Planning Comm. Determin.	6607	\$2,134	\$2,134	\$0	\$0	\$0
Variance Minor Amendment	6609	\$20,324	\$49,621	\$25,000	\$19,000	\$20,000
Tentative Tract Map	6611	\$9,595	\$8,890	\$4,000	\$0	\$0
Tentative Parcel Map	6613	\$16,696	\$6,041	\$3,000	\$0	\$0
Concept Approval	6621	\$300	\$3,450	\$800	\$0	\$0
Planning Plan Check Fee	6623	\$141,661	\$142,806	\$80,000	\$111,000	\$117,000
Other Planning Fees	6627	\$12,045	\$7,917	\$5,000	\$3,000	\$3,000
Building Plan Check Fee	6631	\$593,637	\$942,438	\$700,000	\$648,000	\$680,000
Permit Issuance Fee	6633	\$54,605	\$55,560	\$40,000	\$37,000	\$39,000
Other Building Fees	6635	\$208	\$150	\$500	\$1,000	\$1,000
Addressing Fee	6639	\$9,344	\$7,258	\$4,500	\$5,000	\$5,000
Grading Inspection	6641	\$303,665	\$563,459	\$413,462	\$278,000	\$292,000
Other Engineering Fees	6655	\$157,635	\$147,841	\$120,000	\$153,000	\$161,000
Lantern District Impact Fees	6682	\$0	\$98,726	\$0	\$0	\$0
Reimbursed Expenses	6685	\$179,817	\$202,222	\$115,000	\$83,000	\$87,000
Legal Reimbursements - Development	6687	\$32,797	\$55,497	\$60,000	\$74,000	\$78,000
Legal Reimbursements - Other	6688	\$24,010	\$38,888	\$110,000	\$116,000	\$122,000
Police Services Reimbursements	6689	\$0	\$143,839	\$130,000	\$120,000	\$126,000



Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Recreation Classes	6691	\$66,615	\$153,248	\$145,000	\$134,000	\$141,000
Activities & Trips	6693	\$1,802	\$20,611	\$25,000	\$23,000	\$24,000
Staff Time Reimbursements	6694	\$14,255	\$6,919	\$2,000	\$0	\$0
Planning Reimbursements	6692	\$392,031	\$300,990	\$169,226	\$28,000	\$29,000
Solid Waste Exemption Fee	6659	\$3,772	\$3,856	\$1,600	\$2,000	\$2,000
Art In Public Places Fees	6683	\$54,569	\$56,165	\$10,000	\$7,000	\$7,000
Photocopies	6697	\$0	\$200	\$0	\$0	\$0
Other P/b/e	6699	\$29,476	\$30,500	\$20,000	\$23,000	\$24,000
Total Charges for Services:		\$2,120,994	\$3,049,225	\$2,184,088	\$1,865,000	\$1,958,000
Other						
Planning Appeal Fee	6701	\$250	\$500	\$1,000	\$1,000	\$1,000
Miscellaneous Revenues	6703	\$19,387	\$135,760	\$10,000	\$21,000	\$22,000
Gain/Loss on Asset Sale	6704	\$1,615	\$479	\$0	\$0	\$0
User Fee Income Solid Waste	6707	\$65,081	\$71,331	\$70,000	\$62,000	\$64,000
Inception of Lease - Other Financing Source	6716	\$0	\$425,827	\$0	\$0	\$0
Total Other:		\$86,333	\$633,898	\$81,000	\$84,000	\$87,000
Transfers						
Tsfs In - Fr Cap Impr Fund	6911	\$0	\$7,500	\$0	\$0	\$0
Total Transfers:		\$0	\$7,500	\$0	\$0	\$0
Total Revenue Source:		\$41,415,540	\$51,178,907	\$45,932,540	\$46,482,000	\$47,875,000

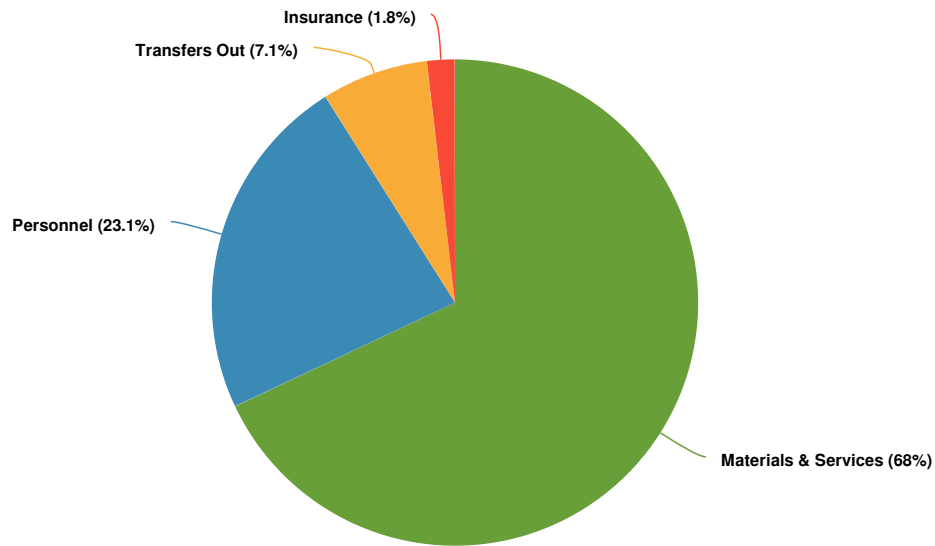


GENERAL FUND EXPENDITURE SUMMARY

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 specific use is deposited into the General Fund and pay for most of the City's core services such as police, street and park maintenance, and recreation programs. Operating funds are budgeted for and the responsibility of City Departments.

General Fund Expenditures by Expense Type

FY2024 Adopted Expenditures by Expense Type

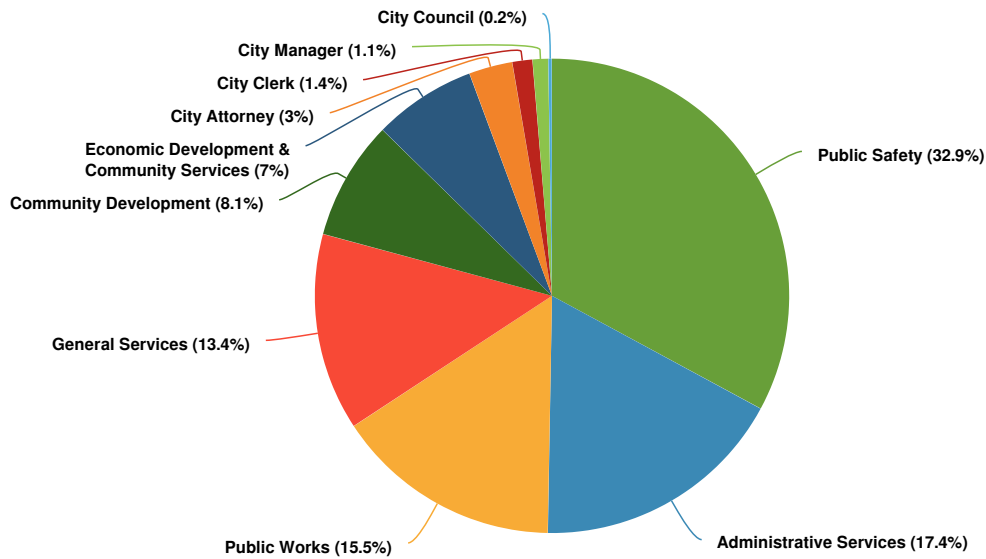


Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects					
Personnel	\$8,123,506	\$8,742,377	\$11,910,531	\$10,707,200	\$11,135,500
Materials & Services	\$25,175,446	\$27,174,260	\$32,580,738	\$31,540,700	\$32,108,100
Capital Outlay	\$0	\$466,772	\$179,800	\$0	\$0
Insurance	\$755,405	\$744,764	\$799,200	\$856,800	\$871,000
Other Financing Expenses	\$0	\$93,309	\$0	\$0	\$0
Transfers Out	\$2,492,695	\$11,535,624	\$6,167,997	\$3,285,000	\$4,735,000
Total Expense Objects:	\$36,547,052	\$48,757,106	\$51,638,266	\$46,389,700	\$48,849,600



General Fund Expenditures by Department

FY2024 Adopted Expenditures by Department



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
City Council					
Personnel	\$44,076	\$49,014	\$47,197	\$47,100	\$47,100
Materials & Services	\$849,405	\$44,278	\$68,500	\$63,500	\$63,500
Total City Council:	\$893,482	\$93,292	\$115,697	\$110,600	\$110,600
City Manager					
Personnel	\$403,514	\$407,232	\$455,716	\$468,800	\$486,100
Materials & Services	\$39,101	\$60,680	\$55,250	\$29,800	\$69,800
Total City Manager:	\$442,615	\$467,911	\$510,966	\$498,600	\$555,900
Economic Development & Community Services					
Materials & Services	\$1,008,902	\$1,388,362	\$1,765,050	\$1,790,000	\$1,809,600
Personnel	\$929,389	\$1,148,870	\$1,222,140	\$1,458,000	\$1,515,400
Total Economic Development & Community Services:	\$1,938,291	\$2,537,232	\$2,987,190	\$3,248,000	\$3,325,000
Administrative Services					
Personnel	\$946,256	\$1,209,012	\$3,565,819	\$1,678,300	\$1,795,900
Materials & Services	\$1,391,390	\$1,360,203	\$2,016,349	\$2,252,400	\$2,168,800
Capital Outlay	\$0	\$463,899	\$89,800	\$0	\$0
Insurance	\$755,405	\$744,764	\$799,200	\$856,800	\$871,000
Other Financing Expenses	\$0	\$93,309	\$0	\$0	\$0



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Transfers Out	\$2,492,695	\$11,535,624	\$6,167,997	\$3,285,000	\$4,735,000
Total Administrative Services:	\$5,585,747	\$15,406,811	\$12,639,165	\$8,072,500	\$9,570,700
City Clerk					
Personnel	\$433,777	\$448,020	\$437,662	\$499,100	\$515,800
Materials & Services	\$77,504	\$64,731	\$121,400	\$136,400	\$111,400
Total City Clerk:	\$511,281	\$512,751	\$559,062	\$635,500	\$627,200
Community Development					
Personnel	\$2,538,432	\$2,552,390	\$3,013,124	\$3,045,300	\$3,146,400
Materials & Services	\$2,041,245	\$1,315,664	\$1,526,136	\$729,100	\$706,600
Total Community Development:	\$4,579,678	\$3,868,053	\$4,539,260	\$3,774,400	\$3,853,000
Public Works					
Personnel	\$1,945,785	\$1,974,323	\$2,133,453	\$2,423,400	\$2,505,900
Materials & Services	\$3,804,554	\$4,268,662	\$5,381,050	\$4,749,200	\$4,762,200
Total Public Works:	\$5,750,339	\$6,242,986	\$7,514,503	\$7,172,600	\$7,268,100
Public Safety					
Personnel	\$26,747	\$26,076	\$39,688	\$42,600	\$44,100
Materials & Services	\$12,407,021	\$13,258,150	\$14,600,003	\$15,217,500	\$15,804,000
Capital Outlay	\$0	\$0	\$25,000	\$0	\$0
Total Public Safety:	\$12,433,768	\$13,284,226	\$14,664,691	\$15,260,100	\$15,848,100
City Attorney					
Materials & Services	\$12,456	\$1,348,983	\$1,696,000	\$1,381,800	\$1,422,000
Total City Attorney:	\$12,456	\$1,348,983	\$1,696,000	\$1,381,800	\$1,422,000
General Services					
Personnel	\$855,529	\$927,442	\$995,732	\$1,044,600	\$1,078,800
Materials & Services	\$3,543,867	\$4,064,547	\$5,351,000	\$5,191,000	\$5,190,200
Capital Outlay	\$0	\$2,873	\$65,000	\$0	\$0
Total General Services:	\$4,399,396	\$4,994,861	\$6,411,732	\$6,235,600	\$6,269,000
Total Expenditures:	\$36,547,052	\$48,757,106	\$51,638,266	\$46,389,700	\$48,849,600



CITY COUNCIL

The City Council is the legislative body of the community and establishes all City policy. The City Council consists of five members elected by District 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.

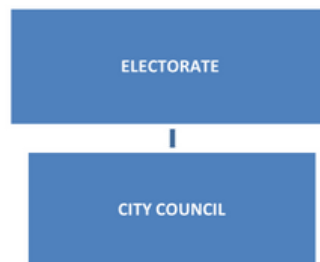
The City Council updated Dana Point's Strategic Plan in 2022, and established the City's Mission: to set the standard as a vibrant, world-class city. The Plan also established five Strategic Goals as follows:

- *Strategic Goal 1: Maintain and Ensure Public Safety*
- *Strategic Goal 2: Maintain and Improve Infrastructure and Environmental Sustainability*
- *Strategic Goal 3: Foster Economic Health and Prosperity*
- *Strategic Goal 4: Effective, Efficient, and Innovative City Administration*
- *Strategic Goal 5: Maintain and Enhance Dana Point's Unique Sense of Place*

Specific Objectives accompany each of the Goals, and 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.

DANA POINT CITY COUNCIL

Mike Frost	Mayor
Jamey M. Federico	Mayor Pro Tem
John Gabbard	Council Member
Matthew Pagano	Council Member
Michael Villar	Council Member



City Council (01)

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$40,250	\$44,759	\$43,100	\$43,100	\$43,100
Retirement Benefits	1120	\$3,019	\$3,357	\$3,233	\$3,300	\$3,300
Medi-tax 1.45%	1140	\$807	\$897	\$864	\$700	\$700
Total Personnel:		\$44,076	\$49,014	\$47,197	\$47,100	\$47,100
Materials & Services						
Office Supplies	2070	\$1,430	\$1,119	\$16,000	\$2,000	\$2,000
Operating Supplies	2110	\$15,592	\$15,335	\$16,000	\$20,000	\$20,000
Travel, Conf. & Meetings	2270	\$843	\$10,689	\$20,000	\$25,000	\$25,000
Auto Allowance/Mileage	2290	\$15,408	\$17,134	\$16,500	\$16,500	\$16,500
City Attorney Allocation	2320	\$816,132	\$0	\$0	\$0	\$0
Total Materials & Services:		\$849,405	\$44,278	\$68,500	\$63,500	\$63,500
Total Expense Objects:		\$893,482	\$93,292	\$115,697	\$110,600	\$110,600



CITY MANAGER

Michael A. Killebrew
City Manager

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 with implementation of City Council policy decisions and initiation of all intergovernmental operations of the City Organization.

- *Strategic Plan Goal 1 - Maintain and Ensure Public Safety.*
- *Strategic Plan Goal 2 - Maintain and Improve Infrastructure and Environmental Sustainability.*
- *Strategic Plan Goal 3 – Foster Economic Health and Prosperity.*
- *Strategic Plan Goal 4 - Effective, Efficient, and Innovative City Administration.*
- *Strategic Plan Goal 5 - Maintain and Enhance Dana Point's Unique Sense of Place*

FY2024 & FY2025 KEY INITIATIVES

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

- Implement the City's Strategic Plan.
- Assist the City Council in initiating and implementing policies and programs that are responsive to the community needs.
- Administer and direct the implementation of City services in accordance with the City's mission.
- Coordinate intra-departmental activities and facilitate communication for effective and efficient operations between departments.
- Provide for long-range planning of the City to ensure the efficient operation of City government in providing the necessary services to residents, businesses and visitors.
- Work cooperatively with outside agencies ensuring City representation in regards to local issues.
- Promote positive customer service.



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23	Authorized FY24	Authorized FY25
	FTE	FTE	FTE
City Manager (11)	2	2	2
Total	2	2	2



City Manager Administration (11)

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; acting as the City Treasurer; coordinating a variety of public information resources for both internal and public distribution; overseeing 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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$327,909	\$334,895	\$363,697	\$374,300	\$388,500
Benefits	1100	\$29,081	\$23,991	\$37,416	\$38,200	\$38,900
Retirement Benefits	1120	\$41,761	\$43,512	\$49,084	\$50,800	\$53,100
Medi-tax 1.45%	1140	\$4,762	\$4,835	\$5,519	\$5,500	\$5,600
Total Personnel:		\$403,514	\$407,232	\$455,716	\$468,800	\$486,100
Materials & Services						
Communications	2010	\$1,476	\$1,246	\$2,000	\$2,000	\$2,000
Office Supplies	2070	-\$94	\$0	\$300	\$300	\$300
Memberships & Dues	2090	\$2,262	\$3,145	\$4,200	\$4,500	\$4,500
Operating Supplies	2110	\$461	\$2,295	\$3,000	\$3,000	\$3,000
Books & Subscriptions	2130	\$62	\$135	\$500	\$500	\$500
Training	2150	\$0	\$0	\$600	\$600	\$600
Professional Services	2230	\$33,055	\$48,375	\$36,750	\$10,000	\$50,000
Travel, Conf. & Meetings	2270	\$1,643	\$5,080	\$7,500	\$8,500	\$8,500
Auto Allowance/Mileage	2290	\$234	\$404	\$400	\$400	\$400
Total Materials & Services:		\$39,101	\$60,680	\$55,250	\$29,800	\$69,800
Total Expense Objects:		\$442,615	\$467,911	\$510,966	\$498,600	\$555,900



ECONOMIC DEVELOPMENT & COMMUNITY SERVICES

Kelly Reenders

Assistant City Manager

The Economic Development and Community Services Department oversees economic development, public information services, and community services, which includes recreation.

Strategic Plan Goal 1 – Maintain and Ensure Public Safety.

- *Address vulnerable residents by coordinating resources to improve the situation of homeless individuals and families living in our community.*

Strategic Plan Goal 3 – Foster Economic Health and Prosperity.

- *Effective and efficient business regulations that retain and attract business that support investment in our community to maintain a healthy business climate.*

Strategic Plan Goal 4 - Effective, Efficient, and Innovative City Administration.

- *Engage with the community to provide consistent and quality service.*

Strategic Plan Goal 5 - Maintain and Enhance Dana Point's Unique Sense of Place.

- *Honor Dana Point's unique culture, history, and local charm, which enhances the quality of life and provides a positive cultural and memorable experience for residents and visitors.*

FY2024 & FY2025 KEY INITIATIVES

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

- Review the Dana Point Municipal Code and make any changes for efficient and effective business regulations.
- Provide outreach on the potential establishment of a Community Benefits District in the Lantern District.
- Develop engagement tools to enhance public information efforts to engage with the community, provide digital access to services and information.
- Continue to engage and assist vulnerable residents by continually leveraging available resources for homeless individuals and families living in the community.
- Continue to implement affordable housing policies to maintain compliance.
- Promote art in public and private places.
- Provide and expand recreational programming to enrich the lives of residents.
- Serve the aging population with social, recreational, active and healthy opportunities.
- Implement a new Special Event Permitting software to help simplify and streamline the process for our Community & Staff.
- Enhance customer service experience at the Dana Point Community Center.
- Update the Park Use Policy Rules and Regulations, Park Fees, & Community Center Fees to correlate with current uses and best practices.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- Implemented the Community Work Plan and housed 41 individuals in 2022 and 45 individuals in 2021.
- Completed outreach and investigation of a Community Benefits District in the Lantern District.
- Produced the annual State of the City video and event that highlights development activities and special projects.
- Facilitated the review and sale of the last 3 affordable housing units at South Cove and yearly monitoring to maintain compliance.
- Completed Phase 2 (14 boxes) and Phase 3 (14 boxes) of the Utility Boxes Public Artwork Program, unveiled the Joyce Hoffman Statue at Watermen's Plaza, the Doheny village mural and sculpture, and started work on the Boehnes Statue and Lantern Bay Park Stairs Mosaic.
- Expanded the City Sponsored Lunch program from one monthly lunch time to two lunch service times.
- Collaborated with Age Well Senior Services to provide over 5,300 meals for the weekday lunch program and over 13,000 meals for homebound seniors through the Meals on Wheels program.
- Provided over 2,600 park rentals to the Community for Weddings and Events.
- Coordinated 16 major City events, with attendance of 215,000+.
- Provided a variety of community enrichment activities for all ages with 427 contract classes, including youth and adult sports, serving 4,717 people.



Economic Development & Community Services Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
Public Information (22)	0	0	0
Economic Development (44)	3	3	3
Recreation (81)	7	6	6
Total	10	9	9

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
Economic Development & Community Services					
Public Information Services	\$156,946	\$156,115	\$253,700	\$0	\$0
Economic Development	\$542,259	\$789,386	\$904,815	\$1,032,800	\$1,060,000
Community Services	\$1,239,086	\$1,591,730	\$1,828,675	\$2,215,200	\$2,265,000
Total Economic Development & Community Services:	\$1,938,291	\$2,537,232	\$2,987,190	\$3,248,000	\$3,325,000
Total Expenditures:	\$1,938,291	\$2,537,232	\$2,987,190	\$3,248,000	\$3,325,000

*Public Information Services (Dept. 22) budget moved to Economic Development (Dept. 44) beginning Fiscal Year 2024.



Public Information Services (22)

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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Professional Services	2230	\$112,858	\$88,696	\$181,200	\$0	\$0
Marketing	2600	\$44,088	\$67,419	\$72,500	\$0	\$0
Total Materials & Services:		\$156,946	\$156,115	\$253,700	\$0	\$0
Total Expense Objects:		\$156,946	\$156,115	\$253,700	\$0	\$0

**Public Information Services (Dept. 22) budget moved to Economic Development (Dept. 44) beginning Fiscal Year 2024.*



Economic Development (44)

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, business registration, social media outreach, City newsletter coordination, other public outreach programs, and special projects. 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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$241,179	\$362,814	\$397,566	\$420,200	\$442,500
Hourly	1030	\$0	\$9,784	\$16,936	\$17,700	\$18,400
Benefits	1100	\$30,286	\$49,934	\$51,300	\$53,000	\$54,900
Retirement Benefits	1120	\$28,508	\$41,649	\$38,048	\$51,300	\$53,400
Medi-tax 1.45%	1140	\$3,550	\$5,547	\$5,765	\$6,500	\$6,700
Total Personnel:		\$303,523	\$469,729	\$509,615	\$548,700	\$575,900
Materials & Services						
Communications	2010	\$1,665	\$1,620	\$1,700	\$1,600	\$1,600
Office Supplies	2070	\$52	\$1,806	\$2,000	\$2,000	\$2,000
Memberships & Dues	2090	\$1,065	\$1,681	\$3,500	\$3,500	\$3,500
Operating Supplies	2110	\$0	\$0	\$0	\$20,000	\$20,000
Books & Subscriptions	2130	\$15,858	\$13,828	\$13,000	\$16,000	\$16,000
Training	2150	\$60	\$0	\$5,100	\$5,700	\$5,700
Professional Services	2230	\$150,330	\$150,483	\$255,000	\$234,500	\$234,500
Travel, Conf. & Meetings	2270	\$21	\$7,882	\$11,000	\$11,000	\$11,000
Auto Allowance/Mileage	2290	\$5,497	\$7,619	\$7,100	\$8,000	\$8,000
Parking Lot Leases	2340	\$46,050	\$7,887	\$54,000	\$54,000	\$54,000
Marketing	2600	\$18,138	\$126,851	\$42,800	\$127,800	\$127,800
Total Materials & Services:		\$238,735	\$319,657	\$395,200	\$484,100	\$484,100
Total Expense Objects:		\$542,259	\$789,386	\$904,815	\$1,032,800	\$1,060,000



Community Services (81)

Jeff Rosaler

Deputy Community Services Director

COMMUNITY SERVICES 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, movies and other activities. Coordinates and implements major city-wide events: Festival of Whales Parade and Concert/BBQ, Egg Hunts, Movies in the Park, Concerts in the Park, fireworks display, Halloween Spooktacular, 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. Provides collaborative programming for local non-profits including networking and training for these community organizations. Oversees park use permitting, Community Center rentals and special event permitting city-wide. Operates the Del Obispo Community Park, which includes a Community Center, three lighted ball fields, two tennis courts, batting cages, outdoor handball court and indoor basketball court. Operates the Nature Interpretive Center and the recreational trails on Hilltop Park and Harbor Point Park.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$357,157	\$410,012	\$434,910	\$562,800	\$581,000
Hourly	1030	\$126,298	\$121,976	\$118,494	\$156,000	\$163,500
Overtime	1050	\$12,934	\$20,648	\$20,000	\$20,000	\$20,000
Benefits	1100	\$64,115	\$69,343	\$84,000	\$90,000	\$91,500
Retirement Benefits	1120	\$46,868	\$48,851	\$46,807	\$68,500	\$71,500
Medi-tax 1.45%	1140	\$4,685	\$8,309	\$8,314	\$12,000	\$12,000
Outside Assistance	1200	\$13,809	\$0	\$0	\$0	\$0
Total Personnel:		\$625,865	\$679,140	\$712,525	\$909,300	\$939,500
Materials & Services						
Communications	2010	\$1,320	\$1,267	\$1,350	\$2,900	\$2,900
Copier Usage	2040	\$1,028	\$2,748	\$2,200	\$3,600	\$3,600
Office Supplies	2070	\$2,562	\$3,844	\$5,500	\$5,500	\$5,500
Memberships & Dues	2090	\$580	\$2,228	\$2,000	\$2,000	\$2,000
<i>SCMA Fed (4); NPRS (10); CPRS (4); MMASC (1)</i>		\$0	\$0	\$2,000	\$2,000	\$2,000
Operating Supplies	2110	\$3,908	\$26,373	\$40,000	\$74,000	\$74,000
<i>Recreation Supplies</i>		\$0	\$0	\$0	\$40,000	\$40,000
<i>Butterfly Habitat Supplies</i>		\$0	\$0	\$0	\$24,000	\$24,000
<i>NIC Supplies</i>		\$0	\$0	\$0	\$10,000	\$10,000
Training	2150	\$2,103	\$615	\$1,500	\$1,500	\$1,500
Professional Services	2230	\$108,493	\$169,936	\$207,000	\$220,000	\$225,000
<i>Contract Classes</i>		\$0	\$0	\$147,000	\$155,000	\$160,000
<i>Age Well Senior Services</i>		\$0	\$0	\$60,000	\$65,000	\$65,000
Advertising	2250	\$12,750	\$10,656	\$12,000	\$13,800	\$14,400
Travel, Conf. & Meetings	2270	\$2,313	\$3,872	\$3,200	\$4,000	\$4,000
Auto Allowance/Mileage	2290	\$3,753	\$3,032	\$6,300	\$6,300	\$6,300
Community Activities	2410	\$382,548	\$590,319	\$679,100	\$812,300	\$826,300



Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
4th of July Fireworks Show		\$0	\$0	\$135,000	\$140,000	\$144,000
4th of July Transportation Services		\$0	\$0	\$10,000	\$10,000	\$10,000
DHHS Grad Night Sponsorship		\$0	\$0	\$3,000	\$3,000	\$3,000
Coastal Awareness Day		\$0	\$0	\$2,500	\$2,500	\$2,500
Summer Concerts (6)		\$0	\$0	\$125,000	\$140,000	\$145,000
Art Festival		\$0	\$0	\$10,000	\$10,000	\$10,000
Redo Market Sponsorship		\$0	\$0	\$15,000	\$15,000	\$15,000
Ocean Institute Youth Program Sponsorship		\$0	\$0	\$25,000	\$30,000	\$30,000
Ocean Institute / CCC Program		\$0	\$0	\$31,250	\$0	\$0
Capo Valley Boys & Girls Club Sponsorship		\$0	\$0	\$25,000	\$25,000	\$25,000
Winter Holiday Decorations		\$0	\$0	\$25,000	\$25,000	\$25,000
Halloween Spooktacular		\$0	\$0	\$10,000	\$10,000	\$10,000
City Egg Hunts		\$0	\$0	\$15,000	\$15,000	\$15,000
June Movies in the Park		\$0	\$0	\$30,000	\$30,000	\$30,000
Turkey Trot Sponsorship		\$0	\$0	\$20,000	\$20,000	\$20,000
Winter Festival & Tree Lighting		\$0	\$0	\$21,000	\$21,000	\$21,000
5th Marines Support Group		\$0	\$0	\$5,750	\$5,800	\$5,800
VFW Sponsorship		\$0	\$0	\$11,000	\$11,000	\$11,000
Pet Project Foundation Gala Sponsorship		\$0	\$0	\$600	\$5,000	\$5,000
Festival of Whales Sponsorship		\$0	\$0	\$34,000	\$34,000	\$34,000
Festival of Whales Marketing		\$0	\$0	\$10,000	\$10,000	\$10,000
Festival of Whales Concert/BBQ		\$0	\$0	\$35,000	\$35,000	\$35,000
Festival of Whales Parade		\$0	\$0	\$45,000	\$55,000	\$60,000
Miscellaneous Events		\$0	\$0	\$35,000	\$35,000	\$35,000
Doheny Village Events		\$0	\$0	\$0	\$40,000	\$40,000
Non-Profit Community Meetings		\$0	\$0	\$0	\$15,000	\$15,000
Fish for Life Sponsorship		\$0	\$0	\$0	\$5,000	\$5,000
Miscellaneous Sponsorships		\$0	\$0	\$0	\$20,000	\$20,000
Holiday Market		\$0	\$0	\$0	\$10,000	\$10,000
Miscellaneous Activities		\$0	\$0	\$0	\$35,000	\$35,000
Recreation Programs	2430	\$91,864	\$97,700	\$156,000	\$160,000	\$160,000
Youth Sports		\$0	\$0	\$35,000	\$35,000	\$35,000
Adult Sports		\$0	\$0	\$6,000	\$10,000	\$10,000
Senior Programs		\$0	\$0	\$115,000	\$115,000	\$115,000
Total Materials & Services:		\$613,221	\$912,590	\$1,116,150	\$1,305,900	\$1,325,500
Total Expense Objects:		\$1,239,086	\$1,591,730	\$1,828,675	\$2,215,200	\$2,265,000



ADMINISTRATIVE SERVICES

Sea Shelton

Director of Administrative Services

The Administrative Services Department manages all of the financial, human resources and risk management affairs of the City. The overall goal of the financial management function is to preserve and promote the long-range fiscal health of the City. In the area of human resources, the department's goal is to provide effective and efficient human resource services to the organization, including recruitment, classification and compensation, benefit administration, training, and employee relations. The goal of risk management is to protect the City's physical and human assets through proper risk identification and avoidance, employee training, and risk-sharing mechanisms.

Strategic Plan Goal 4 – Effective, Efficient, and Innovative City Administration.

- *Provide an effective and efficient government to serve our community with integrity by maintaining a balanced budget that adequately funds core services to be a fiscally sound city.*
- *Recruit, develop, and retain quality staff for a knowledgeable and helpful workforce.*

FY2024 & FY2025 KEY INITIATIVES

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

- Continue to monitor the City's unfunded pension liabilities and make recommendations as needed to achieve the overall objective of funding the City's CalPERS pension plan up to 100% of the total accrued liability, but no less than 90% by FY 2027-28.
- Manage the City's investment portfolio within the Council-authorized Investment Policy.
- Negotiate a successor Memorandum of Understanding between the City of Dana Point Employees Association (DPEA) that expires December 2023.
- Circulate a Request for Proposals (RFP) for a new City auditor.
- Conduct a classification and compensation study to assess the City's competitiveness in the labor market.
- 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.
- 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.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- Received the National Award of Achievement for Excellence in Financial Reporting for the FY21 and FY22 Annual Comprehensive Financial Reports (ACFR).
- Established a Section 115 Pension Trust to provide funding for future pension liabilities.
- Drafted a Pension Funding Policy to provide procedures related to fiscal protocols for the City to address unfunded pension liabilities and maintain a healthy funded status.
- Implemented an online employment application system to streamline the City's recruitment efforts.
- Completed an employee survey where 83% of employees were extremely satisfied/satisfied with the City of Dana Point as a place to work and 84% would recommend the City as a great place to work to friends and colleagues.
- Implemented online time keeping system for more efficient payroll processing.
- Implemented budgeting software to provide a more efficient, accurate and collaborative budgeting process.



Administrative Services Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
Finance and Administration (21)	8	8	8
Risk Management (97)	0	0	0
Non-Departmental (99)	0	0	0
Total	8	8	8

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
Administrative Services					
Administrative Services	\$813,877	\$1,054,138	\$1,269,053	\$1,514,200	\$1,471,000
Risk Management	\$755,855	\$745,605	\$800,500	\$857,800	\$872,000
Non-Departmental	\$4,016,015	\$13,607,068	\$10,569,612	\$5,700,500	\$7,227,700
Total Administrative Services:	\$5,585,747	\$15,406,811	\$12,639,165	\$8,072,500	\$9,570,700
Total Expenditures:	\$5,585,747	\$15,406,811	\$12,639,165	\$8,072,500	\$9,570,700



Finance & Administration (21)

FINANCE AND ADMINISTRATION manages the City's financial operations including cash management, investments, 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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$443,907	\$607,332	\$754,522	\$861,200	\$894,500
Overtime	1050	\$4,005	\$9,127	\$10,000	\$10,000	\$10,000
Benefits	1100	\$90,289	\$105,744	\$134,400	\$141,000	\$146,400
Retirement Benefits	1120	\$39,402	\$55,643	\$59,780	\$96,400	\$101,100
Medi-tax 1.45%	1140	\$7,301	\$10,121	\$11,086	\$12,700	\$13,200
Outside Assistance	1200	\$1,349	\$2,428	\$0	\$0	\$0
Total Personnel:		\$586,253	\$790,396	\$969,788	\$1,121,300	\$1,165,200
Materials & Services						
Communications	2010	\$956	\$1,445	\$2,500	\$2,800	\$2,800
Office Supplies	2070	\$5,552	\$8,844	\$8,700	\$8,700	\$8,700
Memberships & Dues	2090	\$3,697	\$3,090	\$2,525	\$2,700	\$2,700
Operating Supplies	2110	\$1,495	\$2,167	\$2,000	\$2,500	\$2,500
Books & Subscriptions	2130	\$484	\$451	\$650	\$600	\$600
Training	2150	\$2,846	\$3,744	\$3,650	\$4,000	\$4,000
Professional Services	2230	\$180,646	\$235,930	\$256,340	\$346,600	\$259,500
Advertising	2250	\$3,362	\$3,669	\$5,000	\$5,000	\$5,000
Travel, Conf. & Meetings	2270	\$2,825	\$3,795	\$10,500	\$12,500	\$12,500
Auto Allowance/Mileage	2290	\$63	\$606	\$7,400	\$7,500	\$7,500
City Attorney Allocation	2320	\$25,699	\$0	\$0	\$0	\$0
Total Materials & Services:		\$227,624	\$263,742	\$299,265	\$392,900	\$305,800
Total Expense Objects:		\$813,877	\$1,054,138	\$1,269,053	\$1,514,200	\$1,471,000



Risk Management (97)

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. The City is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA provides risk management solutions through a comprehensive portfolio of programs and services, including liability, workers' compensation, pollution, property, and earthquake coverage, as well as extensive risk management training and loss control services.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Books & Subscriptions	2130	\$0	\$0	\$300	\$0	\$0
Training	2150	\$450	\$841	\$1,000	\$1,000	\$1,000
Total Materials & Services:		\$450	\$841	\$1,300	\$1,000	\$1,000
Insurance						
Liability Insur Premiums	4010	\$482,814	\$470,441	\$533,500	\$571,500	\$577,500
Property Insurance Premiums	4030	\$127,026	\$121,552	\$125,000	\$159,000	\$163,700
Employee Bond Premiums	4050	\$1,155	\$1,213	\$1,200	\$1,300	\$1,300
Workers' Compensation	4110	\$144,410	\$145,792	\$138,000	\$123,500	\$127,000
Unemployment Benefits	4210	\$0	\$5,766	\$1,500	\$1,500	\$1,500
Total Insurance:		\$755,405	\$744,764	\$799,200	\$856,800	\$871,000
Total Expense Objects:		\$755,855	\$745,605	\$800,500	\$857,800	\$872,000



Non-Departmental (99)

NON-DEPARTMENTAL includes those expenditures not allocable to specific operating departments, such as general office supplies, copier maintenance and operation, information technology, vehicle maintenance, and transfers-out to other funds.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Hourly	1030	\$0	\$0	\$16,936	\$17,700	\$18,400
Benefits	1100	-\$1,945	\$1,958	\$0	\$0	\$0
Retirement Benefits	1120	\$361,948	\$416,658	\$2,578,849	\$539,000	\$612,000
Medi-tax 1.45%	1140	\$0	\$0	\$246	\$300	\$300
Total Personnel:		\$360,003	\$418,616	\$2,596,031	\$557,000	\$630,700
Materials & Services						
Communications	2010	\$89,530	\$120,794	\$141,300	\$190,000	\$190,000
Equipment Maintenance	2030	\$4,050	\$4,200	\$5,300	\$5,500	\$5,500
Vehicle Maintenance	2050	\$79,114	\$89,185	\$114,000	\$97,000	\$97,000
Office Supplies	2070	\$8,550	\$8,108	\$13,350	\$13,000	\$13,000
Memberships & Dues	2090	\$44,077	\$37,972	\$45,500	\$47,500	\$48,500
Operating Supplies	2110	\$68,441	-\$25,554	\$25,000	\$25,000	\$25,000
Training	2150	\$1,719	\$39,965	\$70,000	\$79,000	\$79,000
Postage	2170	\$9,478	\$14,579	\$18,000	\$15,000	\$15,000
Facil & Equip Lease/Rent	2190	\$73,237	\$18,238	\$100,000	\$98,000	\$98,000
Professional Services	2230	\$385,705	\$455,070	\$431,800	\$457,000	\$487,000
Travel, Conf. & Meetings	2270	\$6,631	\$16,061	\$15,000	\$20,000	\$20,000
Data Technology	2590	\$392,783	\$317,002	\$631,500	\$561,500	\$534,000
Operations Contingency	2999	\$0	\$0	\$105,034	\$250,000	\$250,000
Total Materials & Services:		\$1,163,316	\$1,095,620	\$1,715,784	\$1,858,500	\$1,862,000
Capital Outlay						
Furniture & Equipment	3010	\$0	\$38,071	\$89,800	\$0	\$0
Inception of Lease - Capital Outlay	3060	\$0	\$425,827	\$0	\$0	\$0
Total Capital Outlay:		\$0	\$463,899	\$89,800	\$0	\$0
Other Financing Expenses						
Debt Service - Principal	7050	\$0	\$89,426	\$0	\$0	\$0
Debt Service - Interest	7051	\$0	\$3,883	\$0	\$0	\$0
Total Other Financing Expenses:		\$0	\$93,309	\$0	\$0	\$0
Transfers Out						
Tsfs Out - To Facil Impv Fund	9010	\$0	\$100,000	\$150,000	\$500,000	\$500,000
Tsfs Out - To Cap Impv Fund	9050	\$2,492,695	\$11,145,624	\$5,267,997	\$2,550,000	\$4,000,000



Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Tsfs Out - To Coastal Transit Fund	9060	\$0	\$290,000	\$750,000	\$235,000	\$235,000
Total Transfers Out:		\$2,492,695	\$11,535,624	\$6,167,997	\$3,285,000	\$4,735,000
Total Expense Objects:		\$4,016,015	\$13,607,068	\$10,569,612	\$5,700,500	\$7,227,700



CITY CLERK

Shayna Sharke

City Clerk

The **CITY CLERK**, appointed by the City Manager, is responsible for: ensuring open-access to public records; overseeing the legislative history created by the City Council; ensuring 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; facilitates public construction contract bid openings and maintains 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. The Office 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. With oversight from the Assistant City Manager, the Department manages the City's official Social Media platforms. Finally, the Office serves as the City's main receptionist and provides Notary Public services to residents.

Strategic Plan Goal 4 – Effective, Efficient, and Innovative City Administration.

- *Engage with the community to provide consistent and quality service.*
- *Enhance internal and external technology to provide digital access to services and information.*

FY2024 & FY2025 KEY INITIATIVES

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

- Review the Dana Point Municipal Code and make updates to enhance public access and comply with State law.
- Provide on-site kiosks for the public to access public records.
- Re-design the City's website for an updated, service-based experience with desktop and smartphone capabilities.
- Review and update the City's retention schedule for records.
- Enhance the City's Geographic Information System with additional property records.
- Continue to digitize records to allow simpler access to the public.
- Provide clear, relevant information via social media.
- Implemented an archival process for social media.
- Administer the November 5, 2024 election for City Council Districts 4 and 5.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- Implemented DocuSign program to enhance the efficiency of contract execution.
- Completed the decennial redistricting process according to Census 2020 results.
- Continued to promote positive customer service.
- Administered the November 8, 2022 election for City Council Districts 1, 2, and 3.
- Continued to efficiently digitize and archive records.
- Provided Notary Public services to the community for City documents and free service for senior residents.



City Clerk Summary



<u>PERSONNEL ALLOCATION BY PROGRAM</u>	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
City Clerk (31)	4	4	4
Total	4	4	4

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
City Clerk	\$511,281	\$512,751	\$559,062	\$635,500	\$627,200
Total Expenditures:	\$511,281	\$512,751	\$559,062	\$635,500	\$627,200



City Clerk (31)

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$330,310	\$353,162	\$331,770	\$378,500	\$390,600
Overtime	1050	\$671	\$286	\$1,500	\$1,500	\$1,500
Benefits	1100	\$58,342	\$55,381	\$68,100	\$70,600	\$73,200
Retirement Benefits	1120	\$39,143	\$33,910	\$31,460	\$42,900	\$44,700
Medi-tax 1.45%	1140	\$5,312	\$5,282	\$4,832	\$5,600	\$5,800
Total Personnel:		\$433,777	\$448,020	\$437,662	\$499,100	\$515,800
Materials & Services						
Communications	2010	\$840	\$1,157	\$1,200	\$1,200	\$1,200
Equipment Maintenance	2030	\$0	\$118	\$500	\$500	\$500
Copier Usage	2040	\$1,110	\$4,508	\$5,000	\$5,000	\$5,000
Office Supplies	2070	\$1,566	\$2,724	\$6,000	\$6,000	\$6,000
Memberships & Dues	2090	\$645	\$938	\$1,000	\$1,500	\$1,500
Operating Supplies	2110	\$9,403	\$16,574	\$38,000	\$44,000	\$44,000
Books & Subscriptions	2130	\$0	\$362	\$500	\$500	\$500
Training	2150	\$1,867	\$2,962	\$3,200	\$3,200	\$3,200
Professional Services	2230	\$17,102	\$6,551	\$25,500	\$34,000	\$9,000
Advertising	2250	\$19,127	\$22,525	\$26,000	\$26,000	\$26,000
Travel, Conf. & Meetings	2270	\$108	\$1,306	\$9,000	\$9,000	\$9,000
Auto Allowance/Mileage	2290	\$4,934	\$5,005	\$5,500	\$5,500	\$5,500
City Attorney Allocation	2320	\$20,803	\$0	\$0	\$0	\$0
Total Materials & Services:		\$77,504	\$64,731	\$121,400	\$136,400	\$111,400
Total Expense Objects:		\$511,281	\$512,751	\$559,062	\$635,500	\$627,200



COMMUNITY DEVELOPMENT

Brenda Wisneski
Director of Community Development

Community Development administers the City's land use policies, including zoning, building, subdivision, and environmental regulations, to ensure the orderly physical growth of the community. Program activities range from advance and current planning, building and safety, and code enforcement.

Strategic Plan Goal 1 – Maintain and Ensure Public Safety

- *Effective enforcement to ensure voluntary compliance with City codes and reduce quality of life nuisances.*

Strategic Plan Goal 3 – Foster Economic Health and Prosperity

- *Effective and efficient zoning regulations for managing the City's land use.*
- *Improve Planning, Building, and Engineering permitting process for an informative, helpful and efficient process for applicants.*

FY2024 & FY2025 KEY INITIATIVES

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

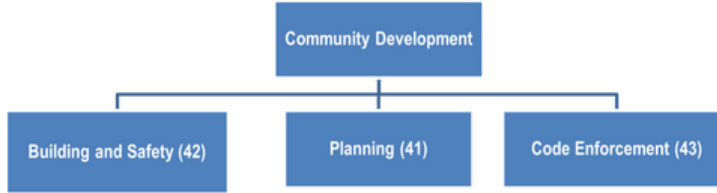
- Expand online plan review and permitting processes.
- Complete Building Standard Operating Procedure and Policy Manual.
- Continue to promote positive customer service.
- Continue to coordinate intra-department activities to ensure the efficient and effective implementation of City Council policies and highest possible quality of life for our residents, businesses and visitors.
- Continue implementing new technologies to streamline the processing and record keeping of the Code Enforcement division.
- Continue the General Plan Update Project.
- Implement a Code Enforcement Outreach Program.
- Develop and implement a comprehensive short-term rental monitoring program to report on effectiveness of the enforcement program and impacts of new short-term rental uses in the community.
- Conduct a building fee study to improve efficiencies in processing permits.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- Approved amendment to the California Building Code.
- Implemented TRAKit update for permit processing.
- Developed and implemented the Short-Term Rental Program.
- Implemented a more stringent Code Enforcement Strategy related to short-term rental operations.
- Completed the Doheny Village Update.
- Kicked off the General Plan Update visioning process.



Community Development Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
Planning (41)	10	10	10
Building (42)	7	7	7
Code Enforcement (43)	4	4	4
Total	21	21	21

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
Community Development					
Planning	\$2,128,679	\$1,495,614	\$1,929,797	\$1,664,500	\$1,710,500
Building	\$1,700,511	\$1,760,601	\$1,952,956	\$1,584,700	\$1,602,400
Code Enforcement	\$750,488	\$611,839	\$656,507	\$525,200	\$540,100
Total Community Development:	\$4,579,678	\$3,868,053	\$4,539,260	\$3,774,400	\$3,853,000
Total Expenditures:	\$4,579,678	\$3,868,053	\$4,539,260	\$3,774,400	\$3,853,000



Planning (41)

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, Harbor Revitalization Plan and newly approved Doheny Village Plan. The Planning Division maintains and administers the City's General Plan, assuring it reflects community values and State statutes. Planning additionally carries out the requirements of the California Environmental Quality Act, the California Coastal Act, and the Subdivision Map Act, and also provides Staff support to the City's Planning Commission.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$936,352	\$904,863	\$1,203,019	\$1,247,000	\$1,287,500
Hourly	1030	\$15,122	\$11,185	\$16,936	\$17,700	\$18,400
Overtime	1050	\$1,703	\$1,211	\$5,000	\$2,500	\$2,500
Stipends	1070	\$8,806	\$9,104	\$9,000	\$9,000	\$9,000
Benefits	1100	\$138,654	\$117,481	\$168,900	\$176,000	\$183,000
Retirement Benefits	1120	\$100,347	\$95,394	\$106,459	\$134,500	\$138,800
Medi-tax 1.45%	1140	\$13,875	\$13,345	\$17,892	\$18,500	\$19,000
Total Personnel:		\$1,214,859	\$1,152,583	\$1,527,206	\$1,605,200	\$1,658,200
Materials & Services						
Communications	2010	\$1,595	\$1,308	\$1,700	\$1,700	\$1,700
Equipment Maintenance	2030	\$0	\$0	\$500	\$0	\$0
Copier Usage	2040	\$1,074	\$4,093	\$3,000	\$4,000	\$4,000
Office Supplies	2070	\$3,975	\$6,084	\$8,000	\$9,000	\$9,000
Memberships & Dues	2090	\$2,047	\$2,316	\$3,500	\$3,500	\$3,500
Operating Supplies	2110	\$2,158	\$3,384	\$3,750	\$10,000	\$5,000
Books & Subscriptions	2130	\$378	\$348	\$1,000	\$1,000	\$1,000
Training	2150	\$760	\$665	\$1,500	\$1,500	\$1,500
Professional Services	2230	\$240,494	\$67,097	\$320,039	\$7,000	\$7,000
Third-Party Reimbursable Services	2240	\$434,435	\$236,119	\$44,202	\$0	\$0
Advertising	2250	\$201	\$0	\$1,000	\$1,000	\$1,000
Travel, Conf. & Meetings	2270	\$2,865	\$11,440	\$4,200	\$10,000	\$8,000
Auto Allowance/Mileage	2290	\$9,719	\$10,177	\$10,200	\$10,600	\$10,600
City Attorney Allocation	2320	\$214,120	\$0	\$0	\$0	\$0
Total Materials & Services:		\$913,819	\$343,031	\$402,591	\$59,300	\$52,300
Total Expense Objects:		\$2,128,679	\$1,495,614	\$1,929,797	\$1,664,500	\$1,710,500



Building & Safety (42)

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. The Building Division distributes plans for review by other agencies and City departments, issues building permits and performs interim and final inspections, and issues 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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$568,455	\$665,598	\$701,249	\$735,800	\$759,500
Hourly	1030	\$0	\$452	\$0	\$17,700	\$18,400
Overtime	1050	\$24,127	\$3,000	\$20,000	\$15,000	\$15,000
Benefits	1100	\$100,603	\$109,973	\$117,600	\$123,000	\$128,000
Retirement Benefits	1120	\$48,125	\$58,567	\$58,404	\$71,500	\$74,500
Medi-tax 1.45%	1140	\$8,672	\$9,367	\$10,458	\$11,200	\$11,500
Outside Assistance	1200	\$19,667	\$0	\$0	\$0	\$0
Total Personnel:		\$769,649	\$846,958	\$907,711	\$974,200	\$1,006,900
Materials & Services						
Communications	2010	\$4,575	\$5,314	\$4,000	\$5,500	\$5,500
Copier Usage	2040	\$1,097	\$2,457	\$2,500	\$2,500	\$2,500
Office Supplies	2070	\$9,627	\$5,830	\$13,500	\$13,500	\$13,500
Memberships & Dues	2090	\$579	\$1,001	\$2,000	\$1,500	\$1,500
Operating Supplies	2110	\$135,497	\$113,829	\$260,745	\$135,500	\$135,500
Books & Subscriptions	2130	\$784	\$504	\$17,500	\$17,500	\$2,500
Training	2150	\$4,002	\$1,625	\$4,000	\$4,000	\$4,000
Facil & Equip Lease/Rent	2190	\$0	\$0	\$0	\$5,000	\$5,000
Professional Services	2230	\$772,025	\$778,684	\$735,000	\$420,000	\$420,000
Travel, Conf. & Meetings	2270	\$0	\$1,765	\$3,500	\$2,500	\$2,500
Auto Allowance/Mileage	2290	\$2,676	\$2,634	\$2,500	\$3,000	\$3,000
Total Materials & Services:		\$930,861	\$913,643	\$1,045,245	\$610,500	\$595,500
Total Expense Objects:		\$1,700,511	\$1,760,601	\$1,952,956	\$1,584,700	\$1,602,400



Code Enforcement (43)

CODE ENFORCEMENT promotes, maintains, and enforces City 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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$412,945	\$421,159	\$443,491	\$343,700	\$354,700
Overtime	1050	\$20,927	\$4,845	\$7,500	\$15,000	\$15,000
Benefits	1100	\$73,611	\$79,841	\$84,000	\$70,300	\$73,200
Retirement Benefits	1120	\$40,005	\$40,556	\$36,677	\$31,400	\$32,700
Medi-tax 1.45%	1140	\$6,435	\$6,448	\$6,539	\$5,500	\$5,700
Total Personnel:		\$553,924	\$552,848	\$578,207	\$465,900	\$481,300
Materials & Services						
Communications	2010	\$5,404	\$5,406	\$5,100	\$6,900	\$6,900
Equipment Maintenance	2030	\$0	\$0	\$2,700	\$0	\$0
Office Supplies	2070	\$1,908	\$1,584	\$3,000	\$4,000	\$4,000
Memberships & Dues	2090	\$99	\$265	\$500	\$500	\$500
Operating Supplies	2110	\$22,642	\$2,398	\$9,800	\$5,500	\$5,500
Books & Subscriptions	2130	\$0	\$0	\$100	\$0	\$0
Training	2150	\$583	\$140	\$500	\$1,500	\$1,000
Professional Services	2230	\$21,340	\$46,653	\$53,000	\$40,000	\$40,000
Advertising	2250	\$200	\$0	\$200	\$200	\$200
Travel, Conf. & Meetings	2270	\$0	\$52	\$500	\$500	\$500
Auto Allowance/Mileage	2290	\$3,004	\$2,492	\$2,900	\$200	\$200
City Attorney Allocation	2320	\$141,385	\$0	\$0	\$0	\$0
Total Materials & Services:		\$196,565	\$58,990	\$78,300	\$59,300	\$58,800
Total Expense Objects:		\$750,488	\$611,839	\$656,507	\$525,200	\$540,100



PUBLIC WORKS & ENGINEERING SERVICES

Matthew Sinacori

Director of Public Works/City Engineer

The Public Works and Engineering Department (Department) oversees Street Maintenance, Traffic Engineering, Solid Waste and Recycling, Engineering and Development, Water Quality, Capital Improvement Program Projects, and Construction in the public right-of-way.

Strategic Plan Goal 1 – Maintain and Ensure Public Safety

- *Emergency Preparedness and responsiveness so that the City is ready to respond to a disaster*

Strategic Plan Goal 2 – Maintain and Improve Infrastructure and Environmental Sustainability

- *Maintain and Improve streets and sidewalks for the safety of vehicles and pedestrians.*
- *Enhance multi-modal and active transportation in the City*
- *Preserve natural resources to enhance a healthy and sustainable built and natural environment*

Strategic Plan Goal 3 – Foster Economic Health and Prosperity

- *Improve the Planning, Building and Engineering permitting process for an informative, helpful and efficient process for applicants.*
- *Assess the potential for improvements to private infrastructure.*

FY2024 & FY2025 KEY INITIATIVES

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

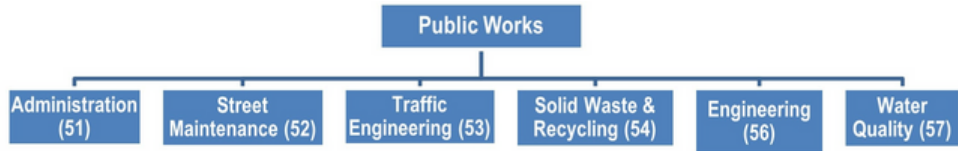
- Participate in training and development of materials for Emergency Preparedness and Response. Including routinely responding to all emergencies citywide.
- Oversee the design and construction of Capital Improvement Program (CIP) Projects implemented citywide to maintain and enhance our streets, curbs/gutters, storm drains, sidewalks, traffic signals, and other improvements.
- Inspect all public sidewalks annually per City policy, and develop and complete repair work orders for ramping, patching, grinding and replacement.
- Operate the Dana Point Trolley Program and explore grant opportunities to fund the program.
- Design and construct the Doheny Village Connectivity Improvement Project during the next two fiscal years.
- Oversee all components of the City's Water Quality Improvement Plan including implantation and maintenance of trash control best management practices, operating the Salt Creek Ozone Treatment Facility, performing regular street sweeping, operating the City's storm drain diversion facilities, and other components.
- Hold bulky-item clean up events throughout the year.
- Coordinate with other Departments on streamlining and automating permit processes.
- Work with the City Council to process and implement a Broadband Policy and encourage private investment in the City to provide competition for services.
- Enhance Del Prado events with better connectivity and technology.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- Updated the City's Utility Undergrounding Policy and prepared a Citywide Overhead Utilities Assessment.
- Maintained the City's streets and sidewalks per the City Council Strategic Plan goals.
- Completed design and construction of the Shipwreck Park Renovation Project in coordination with General Services.
- Upgraded the City's Traffic Signal equipment network by adding advanced traffic controllers, new signal cabinets, updated battery backup systems and batteries, and other improvements.
- Managed the City's Solid Waste Franchise system with the City Attorney's office; including amending existing agreements to meet current regulations
- Operated and improved the ridership experience of the Dana Point Trolley Program.
- Responded to requests for action by the community using the Report to DP Mobile Application (App), and routinely addressed graffiti, trash pick-up on streets, and other miscellaneous service requests.
- Initiated the development of the Storm Drain Master Plan Update (in progress).
- Continued to prioritize action items to maintain good water quality including operational elements and special studies
- Implemented several special lighting projects to enhance pedestrian/traffic safety at Creekside Park, PCH west of Crown Valley, Golden Lantern/La Cresta, Palisades Drive, and PCH between Niguel and Selva Road.



Public Works & Engineering Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
Administration (51)	3	3	3
Engineering (56)	11	11	11
Water Quality (57)	1	1	1
Total	15	15	15

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
Public Works					
Administration	\$530,935	\$479,749	\$535,841	\$627,100	\$681,400
Street Maintenance	\$1,807,082	\$2,165,694	\$2,803,500	\$2,761,000	\$2,736,000
Traffic Engineering	\$932,722	\$910,420	\$966,943	\$964,800	\$948,800
Solid Waste And Recycling	\$48,538	\$16,097	\$76,500	\$0	\$0
Engineering	\$1,843,322	\$2,090,196	\$2,331,945	\$1,876,800	\$1,931,900
Water Quality & Natural Resources	\$587,741	\$580,829	\$799,775	\$942,900	\$970,000
Total Public Works:	\$5,750,339	\$6,242,986	\$7,514,503	\$7,172,600	\$7,268,100
Total Expenditures:	\$5,750,339	\$6,242,986	\$7,514,503	\$7,172,600	\$7,268,100

**Solid Waste and Recycling (Dept. 54) budget moved to Public Works Administration (Dept. 51) beginning Fiscal Year 2024.*



Public Works Administration (51)

ADMINISTRATION supports all Department operations. This Division develops and administers Department budget and contracts, directly oversees the trolley program, solid waste franchise, street light pole banner and holiday decor programs, residential parking permits, and the City fleet.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$390,218	\$366,429	\$418,833	\$455,700	\$470,500
Hourly	1030	\$0	\$178	\$0	\$0	\$0
Overtime	1050	\$0	\$0	\$1,500	\$0	\$0
Benefits	1100	\$49,113	\$45,833	\$51,300	\$53,000	\$54,900
Retirement Benefits	1120	\$43,549	\$42,916	\$40,513	\$57,400	\$59,800
Medi-tax 1.45%	1140	\$5,962	\$5,466	\$6,095	\$6,600	\$6,800
Total Personnel:		\$488,841	\$460,823	\$518,241	\$572,700	\$592,000
Materials & Services						
Communications	2010	\$3,507	\$3,253	\$2,900	\$2,900	\$2,900
Copier Usage	2040	\$1,224	\$3,789	\$2,700	\$3,500	\$3,500
Office Supplies	2070	\$2,360	\$10,049	\$8,000	\$8,000	\$8,000
Memberships & Dues	2090	\$0	\$90	\$500	\$500	\$500
Operating Supplies	2110	\$0	\$389	\$0	\$0	\$0
Training	2150	\$0	\$1,000	\$1,000	\$2,000	\$2,000
Professional Services	2230	\$0	\$0	\$0	\$35,000	\$70,000
Travel, Conf. & Meetings	2270	\$0	\$356	\$2,000	\$2,000	\$2,000
Auto Allowance/Mileage	2290	\$0	\$0	\$500	\$500	\$500
City Attorney Allocation	2320	\$35,003	\$0	\$0	\$0	\$0
Total Materials & Services:		\$42,094	\$18,927	\$17,600	\$54,400	\$89,400
Total Expense Objects:		\$530,935	\$479,749	\$535,841	\$627,100	\$681,400

*Solid Waste and Recycling (Dept. 54) budget moved to Public Works Administration (Dept. 51) beginning Fiscal Year 2024.



Street Maintenance (52)

STREET MAINTENANCE oversees maintenance, operation and repair of City streets, signage, striping, sidewalks, storm drain, and stormwater systems; street sweeping; concrete and asphalt repairs; and, coordinates with public/private utilities regarding construction encroachment permits and inspections for their work in the public right of way. This Division is also responsible for reporting requirements for OCTA's M2 funding and to the California Transportation Commission related to SB1 transportation funding.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Office Supplies	2070	\$371	\$542	\$500	\$500	\$500
Operating Supplies	2110	\$12,110	\$22,883	\$23,000	\$40,000	\$40,000
Professional Services	2230	\$135,994	\$212,605	\$595,000	\$461,000	\$411,000
Street Maintenance	2350	\$1,122,129	\$1,300,233	\$1,437,000	\$1,725,000	\$1,750,000
Street Sweeping	2490	\$223,710	\$232,560	\$262,000	\$15,500	\$15,500
Storm Drains	2510	\$312,767	\$396,871	\$486,000	\$519,000	\$519,000
Total Materials & Services:		\$1,807,082	\$2,165,694	\$2,803,500	\$2,761,000	\$2,736,000
Total Expense Objects:		\$1,807,082	\$2,165,694	\$2,803,500	\$2,761,000	\$2,736,000



Traffic Engineering (53)

TRAFFIC ENGINEERING focuses on providing for the safe and efficient flow of traffic on all streets by responding to public concerns about traffic safety, street maintenance and traffic signal operations; and provide staff support to the City’s Traffic Improvement Subcommittee. Conducts traffic studies, prepares as-built street signing/stripping plans, and prepares traffic control plans for public events.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Office Supplies	2070	\$44	\$278	\$300	\$300	\$300
Utilities	2210	\$354,678	\$343,258	\$385,000	\$427,000	\$427,000
Professional Services	2230	\$287,241	\$248,849	\$203,143	\$200,000	\$179,000
Safety Lighting	2530	\$290,759	\$318,036	\$378,500	\$337,500	\$342,500
Total Materials & Services:		\$932,722	\$910,420	\$966,943	\$964,800	\$948,800
Total Expense Objects:		\$932,722	\$910,420	\$966,943	\$964,800	\$948,800



Solid Waste & Recycling (54)

SOLID WASTE & RECYCLING manages the franchise agreement for solid waste/recycling services, currently held by CR&R. Conducts performance and rate adjustment audits, and is the liaison for resident issues. CR&R administers recycling and related public education programs, provides bulky item pick-up services and reporting requirements to South Coast Air Quality Management District (SCAQMD), Department of Toxic Substances Control (DTSC) and the State Department of Resources, Recycling and Recovery (CalRecycle).

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Office Supplies	2070	\$341	\$0	\$2,500	\$0	\$0
Professional Services	2230	\$42,002	\$16,097	\$74,000	\$0	\$0
City Attorney Allocation	2320	\$6,195	\$0	\$0	\$0	\$0
Total Materials & Services:		\$48,538	\$16,097	\$76,500	\$0	\$0
Total Expense Objects:		\$48,538	\$16,097	\$76,500	\$0	\$0

**Solid Waste and Recycling (Dept. 54) budget moved to Public Works Administration (Dept. 51) beginning Fiscal Year 2024.*



Engineering (56)

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

- Development Engineering reviews private and public development engineering applications for work on private and public property; review engineering plans for compliance with California and local codes and ordinances, and assist the City's Planning and Building Divisions with discretionary development reviews and construction permits; and issue encroachment, grading, improvement, and transportation permits, and conduct field inspections to ensure compliance during construction.
- Capital Improvement Program (CIP) manages planning, design, bidding for projects, and contracting for construction. Project types generally include street improvements, median enhancements, repairs and improvements to curbs, gutters, and sidewalks, park renovations, and storm drain improvements. They apply for/manage State and Federal grant funds, direct the street pavement management and implementation plan/program, and manage the City's storm drain system and public right-of-way inventories.
- Construction Management provides contractor oversight capacity, including inspections for CIP and various utility agency projects; conducts field inspections of residential/commercial developments on both public and private property; and respond to emergencies related to accidents, storms, and other emergency services activities.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$1,011,988	\$1,067,356	\$1,121,386	\$1,265,400	\$1,306,400
Hourly	1030	\$12,515	\$13,197	\$16,936	\$17,700	\$17,700
Overtime	1050	\$20,756	\$7,926	\$5,000	\$10,000	\$10,000
Benefits	1100	\$132,697	\$131,391	\$168,000	\$193,300	\$201,300
Retirement Benefits	1120	\$96,702	\$98,699	\$90,037	\$131,600	\$137,200
Medi-tax 1.45%	1140	\$15,483	\$16,463	\$16,578	\$19,000	\$19,500
Total Personnel:		\$1,290,140	\$1,335,032	\$1,417,937	\$1,637,000	\$1,692,100
Materials & Services						
Communications	2010	\$5,973	\$9,024	\$6,500	\$11,700	\$11,700
Office Supplies	2070	\$447	\$1,579	\$2,800	\$2,800	\$2,800
Memberships & Dues	2090	\$1,635	\$1,930	\$1,800	\$1,800	\$1,800
Operating Supplies	2110	\$5,787	\$11,336	\$40,000	\$25,000	\$25,000
Training	2150	\$363	\$900	\$1,000	\$1,000	\$1,000
Professional Services	2230	\$163,983	\$210,284	\$195,740	\$189,500	\$189,500
Third-Party Reimbursable Services	2240	\$369,389	\$512,708	\$660,168	\$0	\$0
Auto Allowance/Mileage	2290	\$5,606	\$7,404	\$6,000	\$8,000	\$8,000
Total Materials & Services:		\$553,182	\$755,165	\$914,008	\$239,800	\$239,800
Total Expense Objects:		\$1,843,322	\$2,090,196	\$2,331,945	\$1,876,800	\$1,931,900



Water Quality (57)

WATER QUALITY implements the City's Ocean Water Quality Program and maintains compliance with State and Federal environmental regulations to preserve and protect our ocean waters and beaches; reviews public/private development project plans, monitoring, reporting, operation and maintenance of the City's structural Best Management Practices (BMPs) including Salt Creek Ozone Treatment Facility, seventeen nuisance water diversion facilities, eight storm drain trash removal units and other trash control devices; and coordinates with external agencies to implement water quality, conservation and sanitary sewer programs that enhance and improve water quality in Dana Point.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$134,808	\$140,058	\$147,898	\$155,000	\$160,500
Hourly	1030	\$0	\$4,451	\$16,504	\$17,700	\$18,400
Benefits	1100	\$15,708	\$16,231	\$16,800	\$17,500	\$18,300
Retirement Benefits	1120	\$14,251	\$15,547	\$13,689	\$21,000	\$22,000
Medi-tax 1.45%	1140	\$2,037	\$2,182	\$2,384	\$2,500	\$2,600
Total Personnel:		\$166,803	\$178,469	\$197,275	\$213,700	\$221,800
Materials & Services						
Communications	2010	\$840	\$872	\$1,000	\$1,000	\$1,000
Office Supplies	2070	\$0	\$332	\$1,000	\$1,000	\$1,000
Memberships & Dues	2090	\$1,158	\$968	\$2,000	\$2,000	\$2,000
Operating Supplies	2110	\$1,533	\$3,678	\$5,000	\$5,000	\$5,000
Books & Subscriptions	2130	\$0	\$0	\$500	\$0	\$0
Training	2150	\$475	\$0	\$1,500	\$1,000	\$1,000
Professional Services	2230	\$102,029	\$88,755	\$133,000	\$141,000	\$145,000
Third-Party Reimbursable Services	2240	\$0	\$0	\$18,000	\$10,000	\$10,000
Travel, Conf. & Meetings	2270	\$0	\$375	\$2,000	\$2,000	\$2,000
Auto Allowance/Mileage	2290	\$318	\$602	\$700	\$700	\$700
Storm Drains	2510	\$314,585	\$306,778	\$437,800	\$565,500	\$580,500
Total Materials & Services:		\$420,937	\$402,361	\$602,500	\$729,200	\$748,200
Total Expense Objects:		\$587,741	\$580,829	\$799,775	\$942,900	\$970,000



Police Services

Captain Todd Hylton

Chief of Police Services, OCSD

Police Services is contracted with the Orange County Sheriff's Department (OCSD) and provides 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, parking and traffic safety, investigative services, police protection and enforcement of municipal ordinances. Police Services operates 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, S.W.A.T., Equestrian Units, Air Support Bureau, Behavioral Health 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.

The department also oversees a Volunteers in Police Services (VIP) Program. VIPS volunteers provide clerical services, assist with City Municipal Code enforcement, and traffic duties. VIPS add additional support by providing parking enforcement, traffic control and assistance at special events, and maintain a high level of visibility in the community. They serve as ambassadors for the City and actively participate in the Neighborhood Watch Program.

Strategic Plan Goal 1 – Maintain and Ensure Public Safety

- *Responsive and proactive policing by responding to emerging crime trends to improve perception of safety and security.*

FY2024 & FY2025 KEY INITIATIVES

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

- Implement Bike Patrol on E-Bikes for Dana Point Police Services.
- Staff attendance at POST certified Street Racing training with an emphasis on vehicle modifications (loud exhaust) and emissions violations and enforcement.
- Initiate Park Ambassador program utilizing current model with VIPs.
- Beach Patrol saturation to reduce property crimes in beach parking lots.
- Increase in Social Media strategy to communicate with the community about real-time events.
- Increased coordination between patrol and CSU to identify issues which can be better managed by CSU/Investigations.
- Develop strategies to increase participation in Neighborhood Watch programs.
- Complete a designated working space for Dana Point Investigators in the City.
- Continue Positive Police Contacts with businesses to foster positive relationships with the business community and Police Services.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- The Dana Point NICE program was conceptualized in April, 2021, and implemented in July, 2021. The stakeholders meet on a weekly or monthly basis to discuss updates along with possible new submissions to the program.
- Utilization of Flock Cameras throughout the city to assist Investigations.
- Incident Command System Training for identified Staff.
- E-Bike education for community members and Staff.
- Participated in numerous community outreach events including Lantern Village HOA meeting, South Cove Community Meeting, Trunk or Treat, Dana Point Turkey Trot, Strands HOA meeting, Coffee with a Cop, Parent Project meeting, Veterans Day Ceremony and Monarch Bay Community meeting.



Police Services Summary

Police Services (61)

PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
Public Safety (61)*	39	39	39
Total	39	39	39

**Orange County Sheriff's Department Staff directly assigned to the City of Dana Point*

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
Public Safety					
Police Services	\$12,433,768	\$13,284,226	\$14,664,691	\$15,260,100	\$15,848,100
Total Public Safety:	\$12,433,768	\$13,284,226	\$14,664,691	\$15,260,100	\$15,848,100
Total Expenditures:	\$12,433,768	\$13,284,226	\$14,664,691	\$15,260,100	\$15,848,100



Police Services (61)

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Hourly	1030	\$24,547	\$23,937	\$36,428	\$39,000	\$40,500
Retirement Benefits	1120	\$1,841	\$1,790	\$2,732	\$3,000	\$3,000
Medi-tax 1.45%	1140	\$359	\$349	\$528	\$600	\$600
Total Personnel:		\$26,747	\$26,076	\$39,688	\$42,600	\$44,100
Materials & Services						
Communications	2010	\$3,055	\$3,397	\$4,500	\$2,000	\$2,000
Equipment Maintenance	2030	\$24,743	\$24,624	\$28,000	\$33,000	\$34,000
Copier Usage	2040	\$53	\$453	\$500	\$500	\$500
Office Supplies	2070	\$6,021	\$2,919	\$5,000	\$5,000	\$5,000
Operating Supplies	2110	\$21,466	\$28,100	\$87,000	\$65,000	\$65,000
Training	2150	\$82	\$46	\$2,000	\$2,000	\$2,000
Professional Services	2230	\$168,341	\$203,141	\$371,443	\$372,000	\$375,500
Third-Party Reimbursable Services	2240	\$0	\$147,369	\$0	\$0	\$0
Travel, Conf. & Meetings	2270	\$6,383	\$15,689	\$16,500	\$18,000	\$18,000
Police Services	2330	\$12,176,877	\$12,832,412	\$14,085,060	\$14,720,000	\$15,302,000
Total Materials & Services:		\$12,407,021	\$13,258,150	\$14,600,003	\$15,217,500	\$15,804,000
Capital Outlay						
Furniture & Equipment	3010	\$0	\$0	\$25,000	\$0	\$0
Total Capital Outlay:		\$0	\$0	\$25,000	\$0	\$0
Total Expense Objects:		\$12,433,768	\$13,284,226	\$14,664,691	\$15,260,100	\$15,848,100



CITY ATTORNEY

Patrick Muñoz

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, and gives assistance and advice for City-related litigation handled by the City's insurer, California Joint Powers Insurance Authority (CJPIA). City Attorney services are currently provided via a contract with the law firm Rutan and Tucker.

Strategic Plan Goal 4 - Effective, Efficient, and Innovative City Administration.

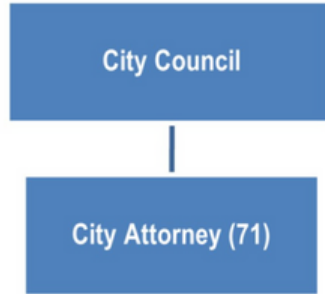
FY2024 & FY2025 KEY INITIATIVES

To achieve the 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, written opinions and contractual agreements.
- Attend meetings of 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 all-purpose litigation capability on behalf of the City.



City Attorney Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY24 FTE
City Attorney (71)	2	2	2
Total	2	2	2

**The City contracts with Rutan and Tucker, LLP and is provided with a City Attorney and Assistant City Attorney. Rutan and Tucker also provides specialty practice legal assistance.*

City Attorney (71)

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Books & Subscriptions	2130	\$12,181	\$14,126	\$13,000	\$15,000	\$15,000
City Attorney	2310	\$1,275,184	\$1,334,857	\$1,683,000	\$1,366,800	\$1,407,000
City Attorney Allocation	2320	-\$1,274,909	\$0	\$0	\$0	\$0
Total Materials & Services:		\$12,456	\$1,348,983	\$1,696,000	\$1,381,800	\$1,422,000
Total Expense Objects:		\$12,456	\$1,348,983	\$1,696,000	\$1,381,800	\$1,422,000



GENERAL SERVICES

James Shadle

Director of General Services

The General Services 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.

Strategic Plan Goal 1 – Maintain and Ensure Public Safety

- *Emergency preparedness and responsiveness so that the City is ready to respond to a disaster.*

Strategic Plan Goal 2 – Maintain and Improve Infrastructure and Environmental Sustainability

- *Maintain and improve community facilities, parks, and landscaping.*

Strategic Plan Goal 4 – Effective, Efficient, and Innovative City Administration

- *Enhance internal and external technology to provide digital access to services and information.*

FY2024 & FY2025 KEY INITIATIVES

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

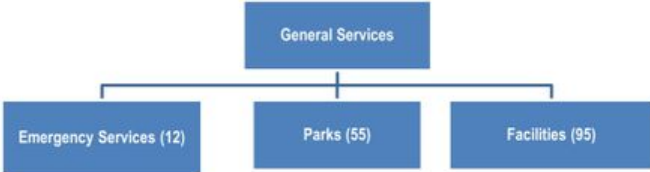
- Continue to review and provide as-needed updates to the City's Emergency Plan.
- Provide quarterly tabletop training exercises to ensure emergency preparedness of City staff.
- Install two new playground systems at Dana Crest Park and Thunderbird Park.
- LED light conversion at Del Obispo Sports Field.
- Build a new gym for seniors at the Community Center.
- Roof replacement at City Hall Plaza.
- Elevator modernization at City Hall Plaza.
- Harry Otsubo Community Gardens pergola replacement.
- Railing at Pines Park upper and lower tiers.
- Thunderbird Park T-Ball Sports Field.
- Expand and renovate Heritage Park Dog Fun Zone.

BUDGET ACCOMPLISHMENTS FOR FY2022 & FY2023

- Beautified and updated the Harry Otsubo Community Gardens with new wooden borders, fencing, and granite pathways.
- Replaced playground systems at Del Obispo, Sea Canyon, Sunset, Lantern Bay and Shipwreck Parks.
- Replaced fire alarm system at the Community Center.
- Installation of mulch and new benches at Creekside Dog Fun Zone, renovated Sea Terrace Dog Fun Zone.
- Upgraded fire alarm system at City Hall Plaza.
- Exterior painting of the Community Center and restrooms.
- Extended pickleball courts at Del Obispo Park and resurfaced all courts at Creekside and Dana Crest Parks Thunderbird Parks.
- Replaced batting cage, netting, dugouts, fencing and padding for backstops at Del Obispo Sports Field.
- Lantern Bay Park restroom renovation.
- Completed cable network rewiring of City Hall to ensure reliable operation of the City's network.



General Services Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY23 FTE	Authorized FY24 FTE	Authorized FY25 FTE
Emergency Services (12)	3	3	3
Parks (55)	2	2	2
Facilities (95)	3	3	3
Total	8	8	8

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expenditures					
General Services					
Emergency Services	\$364,982	\$476,647	\$693,377	\$658,900	\$666,400
Parks	\$3,210,207	\$3,657,006	\$4,512,081	\$4,410,700	\$4,417,200
Facilities	\$824,206	\$861,209	\$1,206,274	\$1,166,000	\$1,185,400
Total General Services:	\$4,399,396	\$4,994,861	\$6,411,732	\$6,235,600	\$6,269,000
Total Expenditures:	\$4,399,396	\$4,994,861	\$6,411,732	\$6,235,600	\$6,269,000



Emergency Services (12)

EMERGENCY SERVICES coordinates disaster preparedness, response and recovery programs as set forth in State and Federal regulations, and the City's Emergency Plan and Continuity of Operating 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.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$228,711	\$275,063	\$315,876	\$348,000	\$359,000
Hourly	1030	\$23,440	\$30,272	\$16,936	\$17,000	\$17,600
Benefits	1100	\$8,114	\$15,428	\$34,500	\$53,000	\$55,000
Retirement Benefits	1120	\$27,903	\$23,738	\$29,939	\$36,600	\$38,100
Medi-tax 1.45%	1140	\$3,856	\$4,633	\$4,826	\$5,300	\$5,500
Total Personnel:		\$292,023	\$349,133	\$402,077	\$459,900	\$475,200
Materials & Services						
Communications	2010	\$6,312	\$7,497	\$9,800	\$20,500	\$7,000
Equipment Maintenance	2030	\$3,389	\$12,487	\$15,000	\$10,500	\$10,500
Copier Usage	2040	\$718	\$1,201	\$1,500	\$1,500	\$1,500
Office Supplies	2070	\$554	\$2,003	\$2,000	\$3,000	\$3,000
Memberships & Dues	2090	\$380	\$200	\$1,200	\$1,000	\$1,000
Operating Supplies	2110	\$38,175	\$13,373	\$39,500	\$42,500	\$49,500
Training	2150	\$50	\$0	\$3,500	\$2,500	\$1,200
Professional Services	2230	\$1,646	\$80,625	\$209,300	\$108,000	\$108,000
Travel, Conf. & Meetings	2270	\$162	\$552	\$2,500	\$2,500	\$2,500
Auto Allowance/Mileage	2290	\$6,000	\$6,704	\$7,000	\$7,000	\$7,000
City Attorney Allocation	2320	\$15,573	\$0	\$0	\$0	\$0
Total Materials & Services:		\$72,959	\$124,641	\$291,300	\$199,000	\$191,200
Capital Outlay						
Furniture & Equipment	3010	\$0	\$2,873	\$0	\$0	\$0
Total Capital Outlay:		\$0	\$2,873	\$0	\$0	\$0
Total Expense Objects:		\$364,982	\$476,647	\$693,377	\$658,900	\$666,400



Parks (55)

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 have security lighting. The cornerstone of the City's parks is Del Obispo Park, which features a 15,000 sq. ft. Community Center with a gymnasium, Senior Center, restroom/concession stand, three lighted ball fields, a handball court, two tennis courts, and one outdoor and two indoor basketball courts. In addition, this Division is responsible for maintaining the 30.5 acres of publicly-owned, landscaped medians and right-of-way trees.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$252,020	\$259,766	\$264,966	\$195,000	\$201,300
Hourly	1030	\$13,361	\$13,159	\$16,936	\$0	\$0
Overtime	1050	\$7,825	\$6,754	\$12,500	\$12,500	\$12,500
Benefits	1100	\$50,845	\$49,151	\$50,400	\$36,200	\$36,600
Retirement Benefits	1120	\$25,289	\$25,156	\$23,160	\$24,500	\$25,500
Medi-tax 1.45%	1140	\$4,306	\$4,347	\$4,269	\$3,000	\$3,500
Total Personnel:		\$353,646	\$358,333	\$372,231	\$271,200	\$279,400
Materials & Services						
Communications	2010	\$3,157	\$2,046	\$3,650	\$2,500	\$2,500
Office Supplies	2070	\$260	\$156	\$1,000	\$1,000	\$1,000
Memberships & Dues	2090	\$855	\$0	\$1,000	\$1,000	\$1,000
Operating Supplies	2110	\$71,380	\$74,698	\$81,000	\$77,000	\$77,000
Training	2150	\$2,975	\$332	\$3,000	\$2,000	\$800
Facil & Equip Lease/Rent	2190	\$1,000	\$1,915	\$2,000	\$15,000	\$15,000
Utilities	2210	\$764,055	\$827,441	\$885,000	\$898,000	\$913,000
Professional Services	2230	\$52,154	\$37,881	\$104,200	\$115,500	\$101,000
Travel, Conf. & Meetings	2270	\$247	\$1,063	\$5,500	\$5,500	\$5,500
Auto Allowance/Mileage	2290	\$441	\$1,206	\$1,000	\$2,000	\$2,000
Landscape Maintenance	2450	\$503,171	\$526,612	\$730,200	\$735,000	\$741,000
Tree Maintenance	2470	\$606,652	\$594,985	\$795,000	\$795,000	\$800,000
Park Maintenance	2550	\$850,214	\$1,230,338	\$1,497,300	\$1,490,000	\$1,478,000
Total Materials & Services:		\$2,856,562	\$3,298,673	\$4,109,850	\$4,139,500	\$4,137,800
Capital Outlay						
Park Structures & Improvements	3050	\$0	\$0	\$30,000	\$0	\$0
Total Capital Outlay:		\$0	\$0	\$30,000	\$0	\$0
Total Expense Objects:		\$3,210,207	\$3,657,006	\$4,512,081	\$4,410,700	\$4,417,200



Facilities (95)

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); Creekside, Sea Canyon, Lantern Bay, and Sunset Parks (Restroom facilities); PCH Pedestrian Bridge; Strand Funicular inclined elevator; and the South Strands Restroom.

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$162,652	\$175,619	\$171,613	\$228,700	\$236,000
Overtime	1050	\$1,699	\$3,126	\$0	\$5,000	\$5,000
Benefits	1100	\$30,917	\$26,958	\$33,600	\$52,700	\$54,900
Retirement Benefits	1120	\$13,263	\$11,668	\$13,723	\$23,600	\$24,600
Medi-tax 1.45%	1140	\$1,329	\$2,605	\$2,488	\$3,500	\$3,700
Total Personnel:		\$209,860	\$219,976	\$221,424	\$313,500	\$324,200
Materials & Services						
Communications	2010	\$1,447	\$1,682	\$1,700	\$1,700	\$1,700
Equipment & Facilities Maintenance	2030	\$423,913	\$437,688	\$566,000	\$484,000	\$486,900
Office Supplies	2070	\$0	\$0	\$0	\$1,000	\$1,000
Memberships & Dues	2090	\$0	\$0	\$0	\$2,000	\$2,000
Operating Supplies	2110	\$45,556	\$47,666	\$106,000	\$94,000	\$94,000
Training	2150	\$2,505	\$71	\$1,000	\$2,000	\$2,000
Utilities	2210	\$128,899	\$147,882	\$217,000	\$211,200	\$217,000
Professional Services	2230	\$11,848	\$4,444	\$58,000	\$52,000	\$52,000
Travel, Conf. & Meetings	2270	\$0	\$1,378	\$0	\$3,000	\$3,000
Auto Allowance/Mileage	2290	\$178	\$420	\$150	\$1,600	\$1,600
Total Materials & Services:		\$614,346	\$641,233	\$949,850	\$852,500	\$861,200
Capital Outlay						
Furniture & Equipment	3010	\$0	\$0	\$25,000	\$0	\$0
Facilities Improvements	3030	\$0	\$0	\$10,000	\$0	\$0
Total Capital Outlay:		\$0	\$0	\$35,000	\$0	\$0
Total Expense Objects:		\$824,206	\$861,209	\$1,206,274	\$1,166,000	\$1,185,400



SPECIAL REVENUE & CAPITAL PROJECTS FUNDS

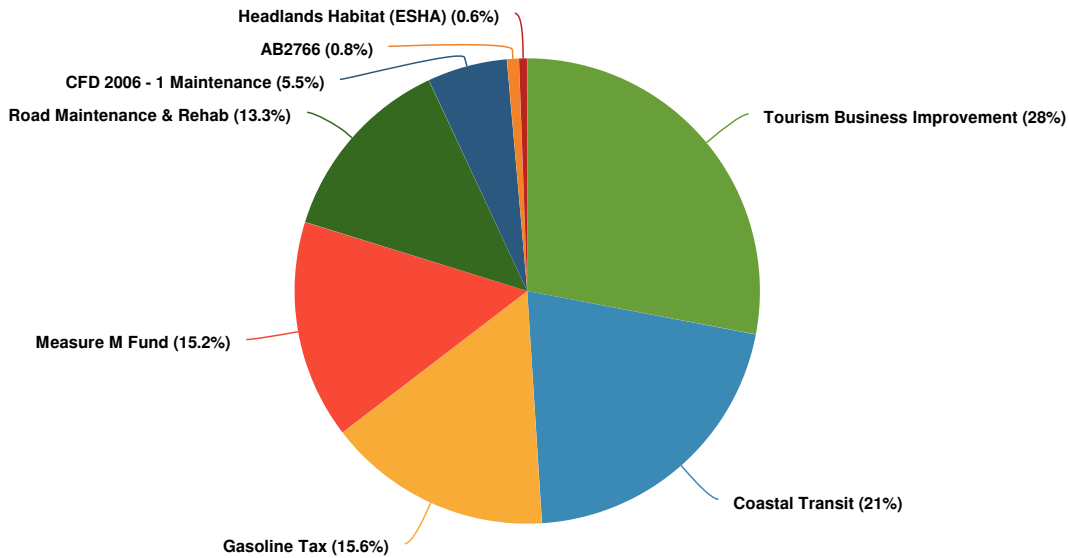




Special Revenue Funds Summary

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).

FY2024 Projected Revenue by Fund



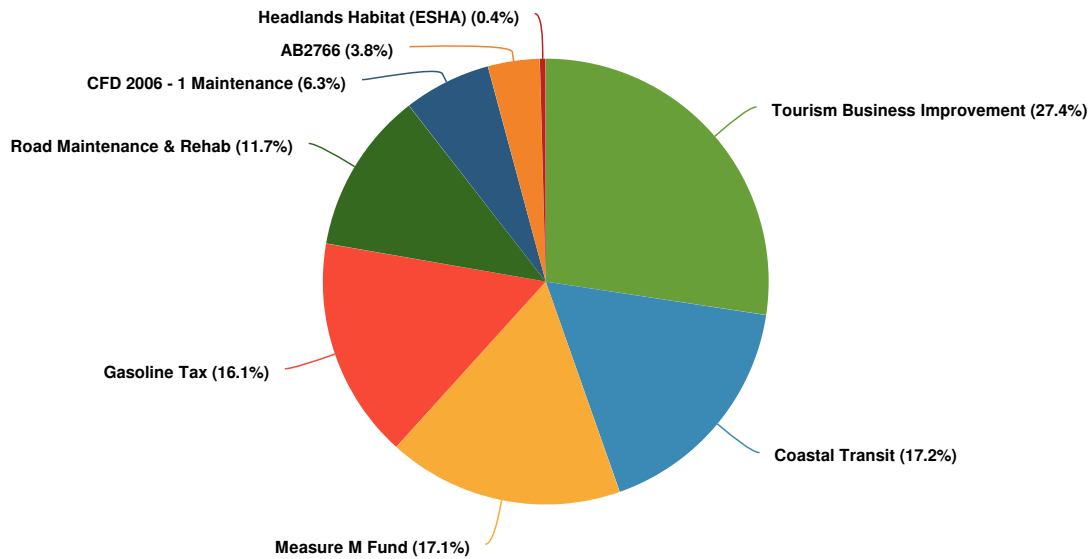
Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Gasoline Tax	\$733,899	\$724,367	\$861,000	\$976,000	\$821,000
Measure M Fund	\$659,942	\$762,987	\$651,000	\$951,000	\$965,000
AB2766	\$29,134	\$54	\$52,000	\$52,500	\$46,500
Coastal Transit	\$342,459	\$532,019	\$1,830,000	\$1,315,000	\$1,315,000
Tourism Business Improvement	\$920,782	\$1,615,337	\$2,101,250	\$1,751,000	\$1,751,000
Road Maintenance & Rehab	\$588,161	\$640,498	\$624,500	\$829,000	\$810,000
Headlands Habitat (ESHA)	\$21,719	\$14,067	\$34,000	\$35,000	\$35,000
Supplemental Law Enforcement	\$155,925	\$157,996	\$154,000	\$0	\$0
CFD 2006 - 1 Maintenance	\$339,660	\$309,730	\$345,167	\$347,000	\$354,000
Total:	\$3,791,680	\$4,757,055	\$6,652,917	\$6,256,500	\$6,097,500

*Funding for the Supplemental Law Enforcement Fund are not guaranteed and thus are not budgeted until received.



Expenditures by Fund

FY2024 Adopted Expenditures by Fund



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Gasoline Tax	\$290,582	\$766,993	\$1,975,859	\$1,025,000	\$850,000
Measure M Fund	\$618,808	\$799,334	\$1,134,000	\$1,090,000	\$1,040,000
AB2766	\$0	\$0	\$240,000	\$240,000	\$240,000
Coastal Transit	\$351,687	\$1,145,623	\$1,025,000	\$1,100,000	\$1,100,000
Tourism Business Improvement	\$946,768	\$1,626,955	\$2,175,000	\$1,750,000	\$1,750,000
Road Maintenance & Rehab	\$623,753	\$544,731	\$1,214,000	\$750,000	\$750,000
Headlands Habitat (ESHA)	\$22,170	\$27,805	\$25,000	\$27,000	\$27,000
Supplemental Law Enforcement	\$166,849	\$135,338	\$230,000	\$0	\$0
CFD 2006 - 1 Maintenance	\$204,089	\$312,627	\$414,363	\$403,800	\$480,300
Total:	\$3,224,706	\$5,359,405	\$8,433,222	\$6,385,800	\$6,237,300

*Funding for the Supplemental Law Enforcement Fund are not guaranteed and thus are not budgeted until received.



Special Revenue Projected Fund Balances

Adopted Fiscal Year 2023-2024

FISCAL YEAR 2024	Budgeted			Adopted Ending	
	Fund Balance 6/30/2023	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Fund Balance 6/30/2024
Gax Tax (02)	\$ 294,213	\$ 976,000	\$ 1,025,000	\$ (49,000)	\$ 245,213
Measure M (04)	471,036	951,000	1,090,000	(139,000)	332,036
AB2766 Clean Air (05)	430,349	52,500	240,000	(187,500)	242,849
Coastal Transit (06)	587,016	1,315,000	1,100,000	215,000	802,016
Tourism Business Improvement (07)	411,375	1,751,000	1,750,000	1,000	412,375
Road Maintenance & Rehab (08)	148,760	829,000	750,000	79,000	227,760
Headlands Habitat ESHA (09)	308,234	35,000	27,000	8,000	316,234
Supplemental Law Enforcement (25)	591	-	-	-	591
CFD Headlands Maintenance (27)	572,380	347,000	403,800	(56,800)	515,580
TOTAL	\$ 3,223,954	\$ 6,256,500	\$ 6,385,800	\$ (129,300)	\$ 3,094,654

Adopted Fiscal Year 2024-2025

FISCAL YEAR 2025	Adopted Beg.			Adopted Ending	
	Fund Balance 6/30/2024	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Fund Balance 6/30/2025
Gax Tax (02)	\$ 245,213	\$ 821,000	\$ 850,000	\$ (29,000)	\$ 216,213
Measure M (04)	332,036	965,000	1,040,000	(75,000)	257,036
AB2766 Clean Air (05)	242,849	46,500	240,000	(193,500)	49,349
Coastal Transit (06)	802,016	1,315,000	1,100,000	215,000	1,017,016
Tourism Business Improvement (07)	412,375	1,751,000	1,750,000	1,000	413,375
Road Maintenance & Rehab (08)	227,760	810,000	750,000	60,000	287,760
Headlands Habitat ESHA (09)	316,234	35,000	27,000	8,000	324,234
Supplemental Law Enforcement (25)	591	-	-	-	591
CFD Headlands Maintenance (27)	515,580	354,000	480,300	(126,300)	389,280
TOTAL	\$ 3,094,654	\$ 6,097,500	\$ 6,237,300	\$ (139,800)	\$ 2,954,854

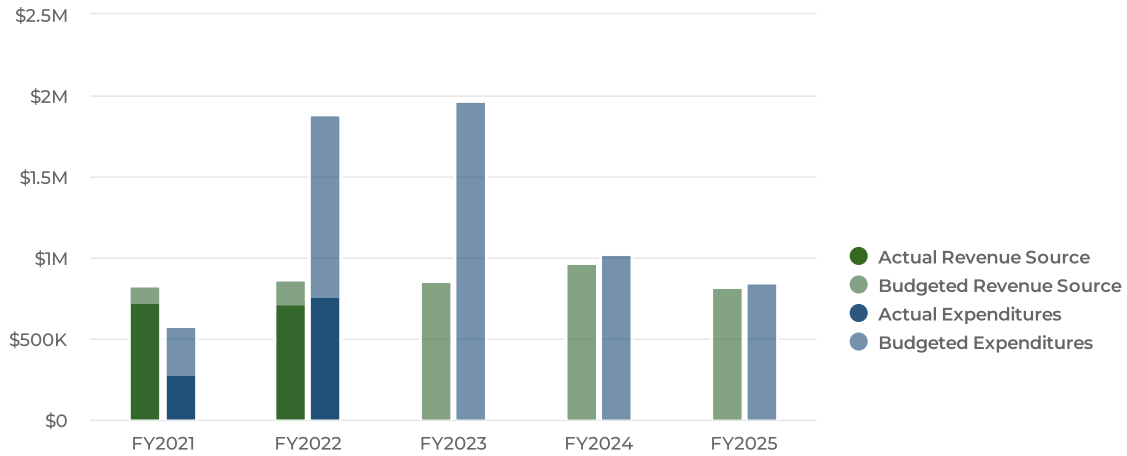




Gasoline Tax Fund (02)

Summary

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.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 1,008,380	\$ 1,451,698	\$ 1,409,072	\$ 294,213	\$ 245,213
Revenues and Sources					
Taxes & Franchises	\$ 736,526	\$ 795,017	\$ 853,000	\$ 951,000	\$ 813,000
Use of Money & Property	(2,626)	(70,650)	8,000	25,000	8,000
Total Revenues and Sources	\$ 733,900	\$ 724,367	\$ 861,000	\$ 976,000	\$ 821,000
Expenditures & Uses					
Transfer out to CIP Fund	\$ 290,582	\$ 766,993	\$ 1,975,859	\$ 1,025,000	\$ 850,000
Total Expenditures & Uses	\$ 290,582	\$ 766,993	\$ 1,975,859	\$ 1,025,000	\$ 850,000
Ending Fund Balance	\$ 1,451,698	\$ 1,409,072	\$ 294,213	\$ 245,213	\$ 216,213



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Taxes & Franchises						
Hwy Users Tax - Sec 2106 (GF)	6121	\$108,185	\$119,449	\$127,000	\$139,000	\$135,000
Hwy Users Tax - Sec 2107 (GF)	6123	\$229,920	\$221,102	\$228,000	\$261,000	\$234,000
Hwy Users Tax - Sec 2107.5 (GF)	6125	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Hwy Users Tax - Sec 2105 (GF)	6127	\$169,912	\$184,941	\$190,000	\$217,000	\$175,000
Hwy Users Tax - Sec 2103 (CIP)	6129	\$222,509	\$263,525	\$302,000	\$328,000	\$263,000
Total Taxes & Franchises:		\$736,525	\$795,017	\$853,000	\$951,000	\$813,000
Use Of Money & Property						
Investment Income	6403	\$5,232	\$11,185	\$8,000	\$25,000	\$8,000
Unrealized Gain/Loss	6413	-\$7,858	-\$81,835	\$0	\$0	\$0
Total Use Of Money & Property:		-\$2,626	-\$70,650	\$8,000	\$25,000	\$8,000
Total Revenue Source:		\$733,899	\$724,367	\$861,000	\$976,000	\$821,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Cap Impv Fund	9050	\$290,582	\$766,993	\$1,975,859	\$1,025,000	\$850,000
Total Transfers Out:		\$290,582	\$766,993	\$1,975,859	\$1,025,000	\$850,000
Total Expense Objects:		\$290,582	\$766,993	\$1,975,859	\$1,025,000	\$850,000

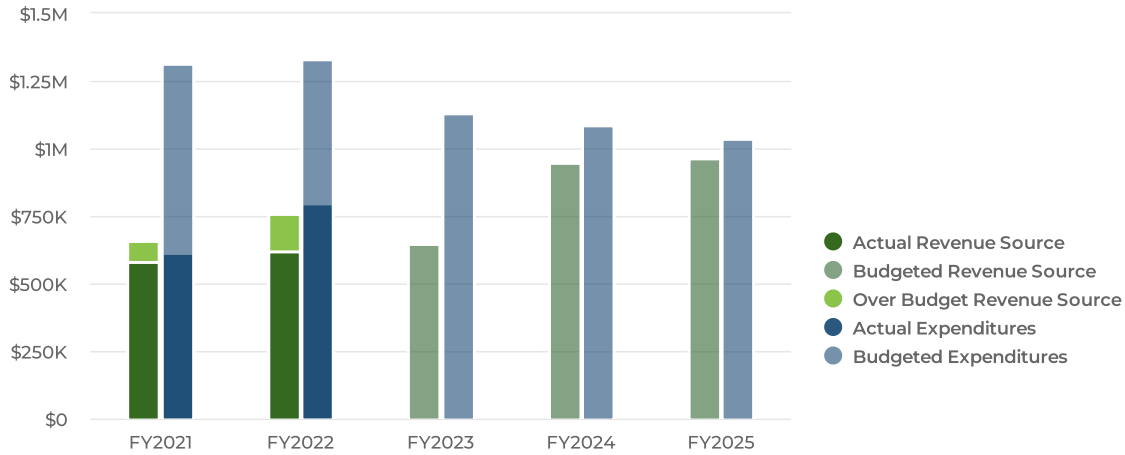




Measure M Fund (04)

Summary

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 Program (SMP). The CIP projects are funded by transfers to the City's CIP Fund, and the SMP is paid directly from this fund.



	FY2021	FY2022	FY2023	FY2024	FY2025
	Actuals	Actuals	Amended	Adopted	Adopted
Beginning Fund Balance	\$ 949,250	\$ 990,383	\$ 954,036	\$ 471,036	\$ 332,036
Revenues and Sources					
Measure M Taxes	\$ 610,403	\$ 738,384	\$ 591,000	\$ 852,000	\$ 884,000
Intergov't Cost Reim - (Senior Mobility)	53,861	66,523	55,000	74,000	76,000
Use of Money & Property	(4,322)	(41,921)	5,000	25,000	5,000
Total Revenues and Sources	\$ 659,941	\$ 762,987	\$ 651,000	\$ 951,000	\$ 965,000
Expenditures & Uses					
Senior Mobility Program	-	\$ 31,055	\$ 90,000	\$ 90,000	\$ 90,000
Transfer out to CIP Fund	618,808	768,279	1,044,000	1,000,000	950,000
Total Expenditures & Uses	\$ 618,808	\$ 799,334	\$ 1,134,000	\$ 1,090,000	\$ 1,040,000
Ending Fund Balance	\$ 990,383	\$ 954,036	\$ 471,036	\$ 332,036	\$ 257,036
Fund Balance Details					
Restricted for Senior Mobility	\$ 188,480	\$ 224,442	\$ 189,442	\$ 173,442	\$ 159,442
Restricted for Capital Projects	801,903	729,594	281,594	158,594	97,594
Ending Fund Balance	\$ 990,383	\$ 954,036	\$ 471,036	\$ 332,036	\$ 257,036



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Taxes & Franchises						
Measure M Revenues	6141	\$610,403	\$738,384	\$591,000	\$852,000	\$884,000
Total Taxes & Franchises:		\$610,403	\$738,384	\$591,000	\$852,000	\$884,000
Use Of Money & Property						
Investment Income	6403	\$4,329	\$6,171	\$5,000	\$25,000	\$5,000
Unrealized Gain/Loss	6413	-\$8,651	-\$48,092	\$0	\$0	\$0
Total Use Of Money & Property:		-\$4,322	-\$41,921	\$5,000	\$25,000	\$5,000
Intergovernmental						
Intergovernmental Cost Reimb	6521	\$53,861	\$66,523	\$55,000	\$74,000	\$76,000
Total Intergovernmental:		\$53,861	\$66,523	\$55,000	\$74,000	\$76,000
Total Revenue Source:		\$659,942	\$762,987	\$651,000	\$951,000	\$965,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Professional Services	2230	\$0	\$31,055	\$90,000	\$90,000	\$90,000
Total Materials & Services:		\$0	\$31,055	\$90,000	\$90,000	\$90,000
Transfers Out						
Tsfs Out - To Cap Impv Fund	9050	\$618,808	\$768,279	\$1,044,000	\$1,000,000	\$950,000
Total Transfers Out:		\$618,808	\$768,279	\$1,044,000	\$1,000,000	\$950,000
Total Expense Objects:		\$618,808	\$799,334	\$1,134,000	\$1,090,000	\$1,040,000



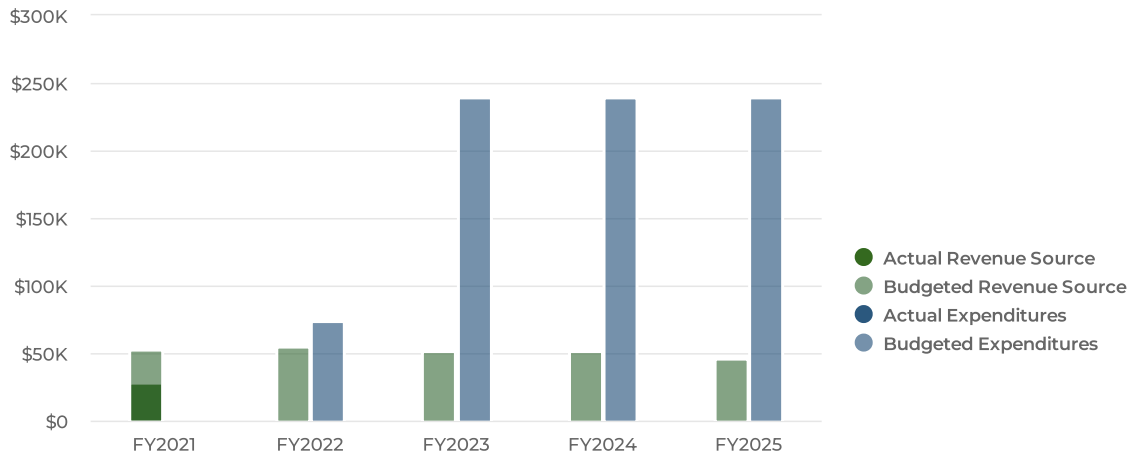


AB2766 Clean Air Act Fund (05)

Summary

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. Use for a program is limited to three years.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 589,162	\$ 618,295	\$ 618,349	\$ 430,349	\$ 242,849
Revenues and Sources					
AB2766 Revenues	\$ 43,281	\$ 31,676	\$ 44,500	\$ 44,500	\$ 44,500
Use of Money & Property	(14,148)	(31,622)	7,500	8,000	2,000
Total Revenues and Sources	\$ 29,133	\$ 54	\$ 52,000	\$ 52,500	\$ 46,500
Expenditures & Uses					
Furniture & Equipment	--	--	--	--	--
Transfer out to Coastal Transit	--	--	240,000	240,000	240,000
Total Expenditures & Uses	--	--	\$ 240,000	\$ 240,000	\$ 240,000
Ending Fund Balance	\$ 618,295	\$ 618,349	\$ 430,349	\$ 242,849	\$ 49,349



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$2,339	\$3,790	\$7,500	\$8,000	\$2,000
Unrealized Gain/Loss	6413	-\$16,487	-\$35,412	\$0	\$0	\$0
Total Use Of Money & Property:		-\$14,148	-\$31,622	\$7,500	\$8,000	\$2,000
Intergovernmental						
Intergovernmental Cost Reimb	6521	\$43,281	\$31,676	\$44,500	\$44,500	\$44,500
Total Intergovernmental:		\$43,281	\$31,676	\$44,500	\$44,500	\$44,500
Total Revenue Source:		\$29,134	\$54	\$52,000	\$52,500	\$46,500

Expenditure Detail Listing

Name	ERP Code	FY2020 Actuals	FY2021 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Coastal Transit Fund	9060	\$0	\$0	\$240,000	\$240,000	\$240,000
Total Transfers Out:		\$0	\$0	\$240,000	\$240,000	\$240,000
Total Expense Objects:		\$0	\$0	\$240,000	\$240,000	\$240,000



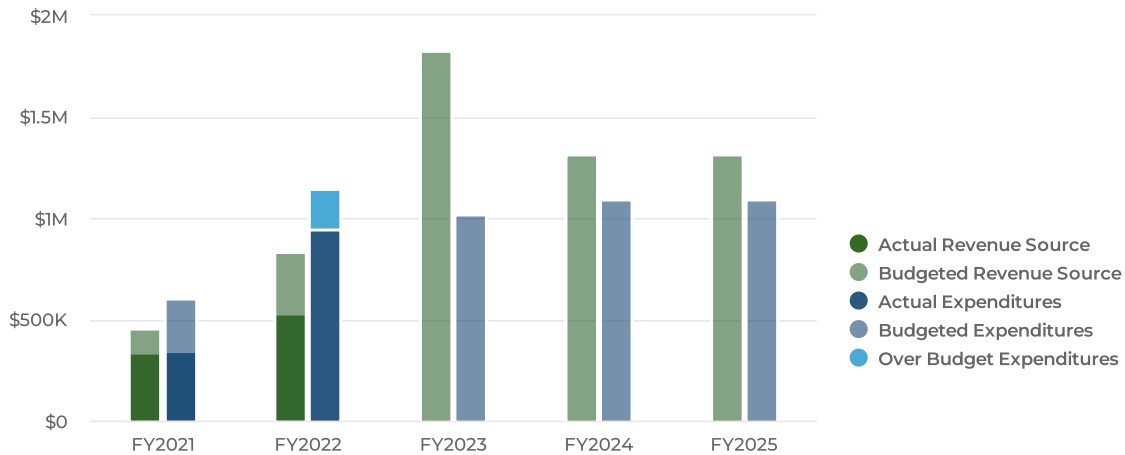


Coastal Transit Fund (06)

Summary

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. Proceeds could be spent to provide coastal recreational transit services. The Monarch Beach Resort Development provided \$1 million of funding.

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.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 404,848	\$ 395,620	(\$217,984)	\$ 587,016	\$ 802,016
Revenues and Sources					
Intergov't Cost Reimbursement (OCTA Project V)	\$ 360,219	\$ 245,530	\$ 840,000	\$ 840,000	\$ 840,000
Transfer In from AB2766	--	--	240,000	240,000	240,000
Transfer In from General Fund	--	290,000	750,000	235,000	235,000
Use of Money & Property	(17,760)	(3,511)	--	--	--
Total Revenues and Sources	\$ 342,459	\$532,019	\$1,830,000	\$ 1,315,000	\$ 1,315,000
Expenditures & Uses					
Professional Trolley Services	\$ 351,687	\$ 1,145,623	\$ 1,025,000	\$ 1,100,000	\$ 1,100,000
Total Expenditures & Uses	\$ 351,687	\$ 1,145,623	\$ 1,025,000	\$ 1,100,000	\$ 1,100,000
Ending Fund Balance	\$ 395,620	(\$ 217,984)	\$ 587,016	\$ 802,016	\$ 1,017,016



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$1,389	\$0	\$0	\$0	\$0
Unrealized Gain/Loss	6413	-\$19,149	-\$3,511	\$0	\$0	\$0
Total Use Of Money & Property:		-\$17,760	-\$3,511	\$0	\$0	\$0
Intergovernmental						
Intergovernmental Cost Reimbursements	6521	\$360,219	\$245,530	\$840,000	\$840,000	\$840,000
Total Intergovernmental:		\$360,219	\$245,530	\$840,000	\$840,000	\$840,000
Transfers						
Tsfs In - Fr General Fund	6901	\$0	\$290,000	\$750,000	\$235,000	\$235,000
Tsfs In - Fr Ab2766 Fund	6913	\$0	\$0	\$240,000	\$240,000	\$240,000
Total Transfers:		\$0	\$290,000	\$990,000	\$475,000	\$475,000
Total Revenue Source:		\$342,459	\$532,019	\$1,830,000	\$1,315,000	\$1,315,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Professional Services	2230	\$351,687	\$1,145,623	\$1,025,000	\$1,100,000	\$1,100,000
Total Materials & Services:		\$351,687	\$1,145,623	\$1,025,000	\$1,100,000	\$1,100,000
Total Expense Objects:		\$351,687	\$1,145,623	\$1,025,000	\$1,100,000	\$1,100,000

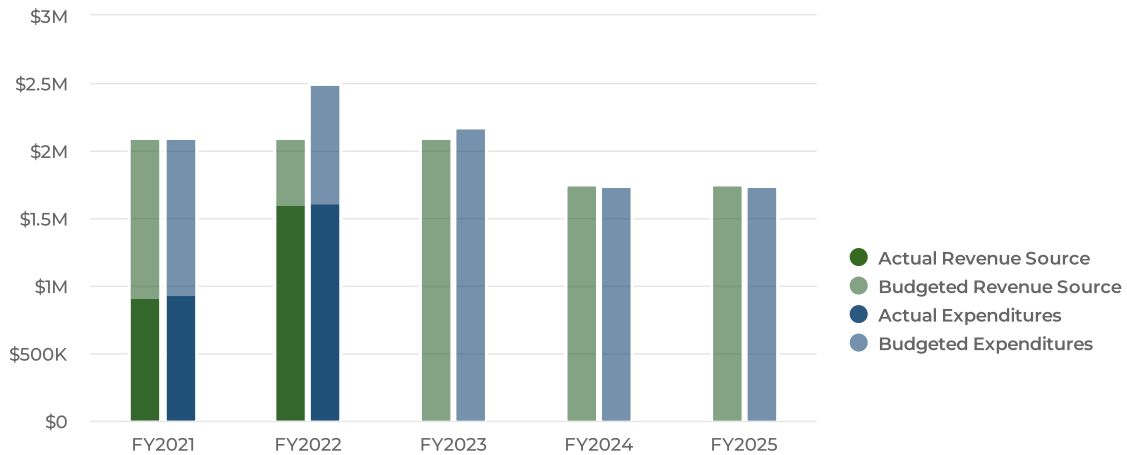




Tourism Business Improvement District Fund (07)

Summary

The Tourism Business Improvement District (TBID) was established in 2009 to collect assessments on behalf of the Waldorf Astoria, 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 501(c)(6) 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. The assessments were amended by a vote of the hoteliers to apply to all hotels beginning in 2020.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 522,729	\$ 496,743	\$485,125	\$ 411,375	\$ 412,375
<u>Revenues and Sources</u>					
TBID Taxes	\$ 946,768	\$ 1,639,900	\$ 2,100,000	\$ 1,750,000	\$ 1,750,000
Use of Money & Property	(25,986)	(24,563)	1,250	1,000	1,000
Total Revenues and Sources	\$ 920,782	\$ 1,615,337	\$ 2,101,250	\$ 1,751,000	\$ 1,751,000
<u>Expenditures & Uses</u>					
TBID Expenditures	\$ 946,768	\$ 1,626,955	\$ 2,175,000	\$ 1,750,000	\$ 1,750,000
Total Expenditures & Uses	\$ 946,768	\$ 1,626,955	\$ 2,175,000	\$ 1,750,000	\$ 1,750,000
Ending Fund Balance	\$ 496,743	\$ 485,125	\$ 411,375	\$ 412,375	\$ 413,375



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Taxes & Franchises						
TBID Taxes	6115	\$946,768	\$1,639,900	\$2,100,000	\$1,750,000	\$1,750,000
Total Taxes & Franchises:		\$946,768	\$1,639,900	\$2,100,000	\$1,750,000	\$1,750,000
Use Of Money & Property						
Investment Income	6403	\$2,224	\$3,027	\$1,250	\$1,000	\$1,000
Unrealized Gain/Loss	6413	-\$28,210	-\$27,590	\$0	\$0	\$0
Total Use Of Money & Property:		-\$25,986	-\$24,563	\$1,250	\$1,000	\$1,000
Total Revenue Source:		\$920,782	\$1,615,337	\$2,101,250	\$1,751,000	\$1,751,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
TBID Expenditures	2573	\$946,768	\$1,626,955	\$2,175,000	\$1,750,000	\$1,750,000
Total Materials & Services:		\$946,768	\$1,626,955	\$2,175,000	\$1,750,000	\$1,750,000
Total Expense Objects:		\$946,768	\$1,626,955	\$2,175,000	\$1,750,000	\$1,750,000

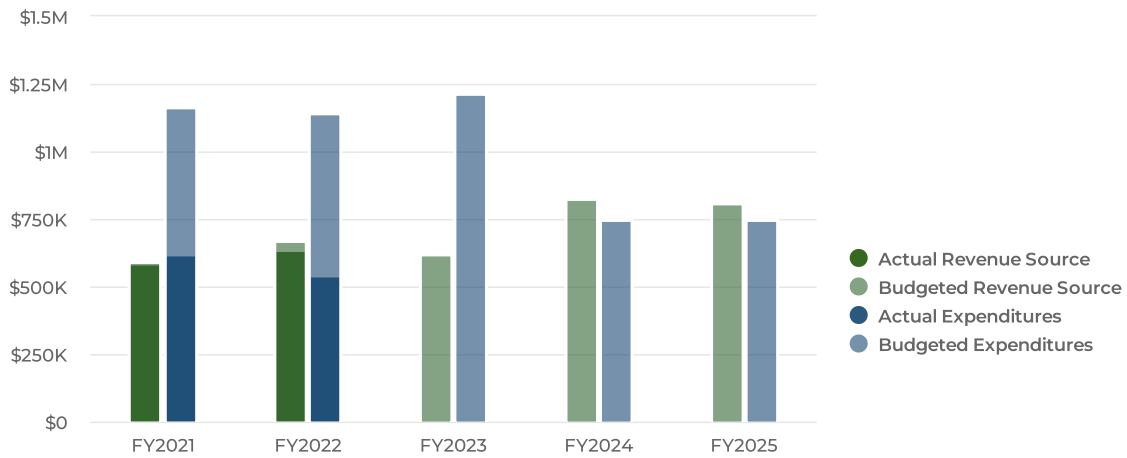




Road Maintenance & Rehabilitation Act Fund (08)

Summary

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.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 678,086	\$ 642,493	\$ 738,260	\$ 148,760	\$ 227,760
Revenues and Sources					
Road Maintenance & Rehab	\$ 618,279	\$ 670,781	\$ 621,000	\$ 819,000	\$ 800,000
Use of Money & Property	(30,119)	(30,283)	3,500	10,000	10,000
Total Revenues and Sources	\$ 588,160	\$ 640,498	\$ 624,500	\$ 829,000	\$ 810,000
Expenditures & Uses					
Transfers out to CIP Fund	\$ 623,753	\$ 544,731	\$ 1,214,000	\$ 750,000	\$ 750,000
Total Expenditures & Uses	\$ 623,753	\$ 544,731	\$ 1,214,000	\$ 750,000	\$ 750,000
Ending Fund Balance	\$ 642,493	\$ 738,260	\$ 148,760	\$ 227,760	\$ 287,760



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Taxes & Franchises						
Road Maintenance & Rehab	6133	\$618,279	\$670,781	\$621,000	\$819,000	\$800,000
Total Taxes & Franchises:		\$618,279	\$670,781	\$621,000	\$819,000	\$800,000
Use Of Money & Property						
Investment Income	6403	\$3,243	\$4,012	\$3,500	\$10,000	\$10,000
Unrealized Gain/Loss	6413	-\$33,361	-\$34,295	\$0	\$0	\$0
Total Use Of Money & Property:		-\$30,118	-\$30,283	\$3,500	\$10,000	\$10,000
Total Revenue Source:		\$588,161	\$640,498	\$624,500	\$829,000	\$810,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Cap Impv Fund	9050	\$623,753	\$544,731	\$1,214,000	\$750,000	\$750,000
Total Transfers Out:		\$623,753	\$544,731	\$1,214,000	\$750,000	\$750,000
Total Expense Objects:		\$623,753	\$544,731	\$1,214,000	\$750,000	\$750,000

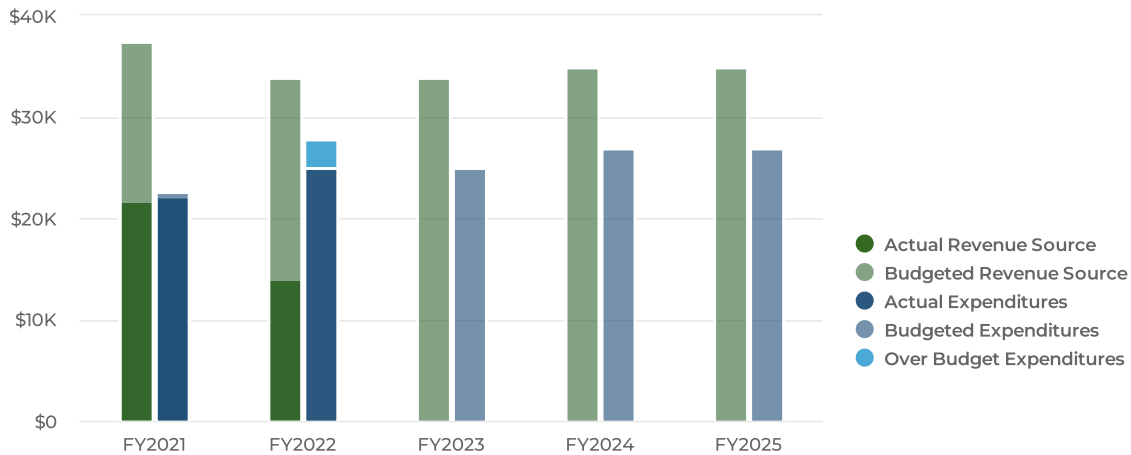




Headlands Habitat (ESHA) Fund (09)

Summary

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.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 313,422	\$ 312,971	\$ 299,234	\$ 308,234	\$ 316,234
Revenues and Sources					
(Annuity approx. \$30,450/year through 2063)	\$ 30,000	\$ 31,883	\$ 34,000	\$ 35,000	\$ 35,000
Use of Money & Property	(8,281)	(17,816)	--	--	--
Total Revenues and Sources	\$ 21,719	\$ 14,067	\$ 34,000	\$ 35,000	\$ 35,000
Expenditures & Uses					
Habitat Maintenance	\$ 22,170	\$ 27,804	\$ 25,000	\$ 27,000	\$ 27,000
Total Expenditures & Uses	\$ 22,170	\$ 27,804	\$ 25,000	\$ 27,000	\$ 27,000
Ending Fund Balance	\$ 312,971	\$ 299,234	\$ 308,234	\$ 316,234	\$ 324,234



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$31,215	\$31,883	\$34,000	\$35,000	\$35,000
Unrealized Gain/Loss	6413	-\$9,496	-\$17,816	\$0	\$0	\$0
Total Use Of Money & Property:		\$21,719	\$14,067	\$34,000	\$35,000	\$35,000
Total Revenue Source:		\$21,719	\$14,067	\$34,000	\$35,000	\$35,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Park Maintenance	2550	\$22,170	\$27,805	\$25,000	\$27,000	\$27,000
Total Materials & Services:		\$22,170	\$27,805	\$25,000	\$27,000	\$27,000
Total Expense Objects:		\$22,170	\$27,805	\$25,000	\$27,000	\$27,000



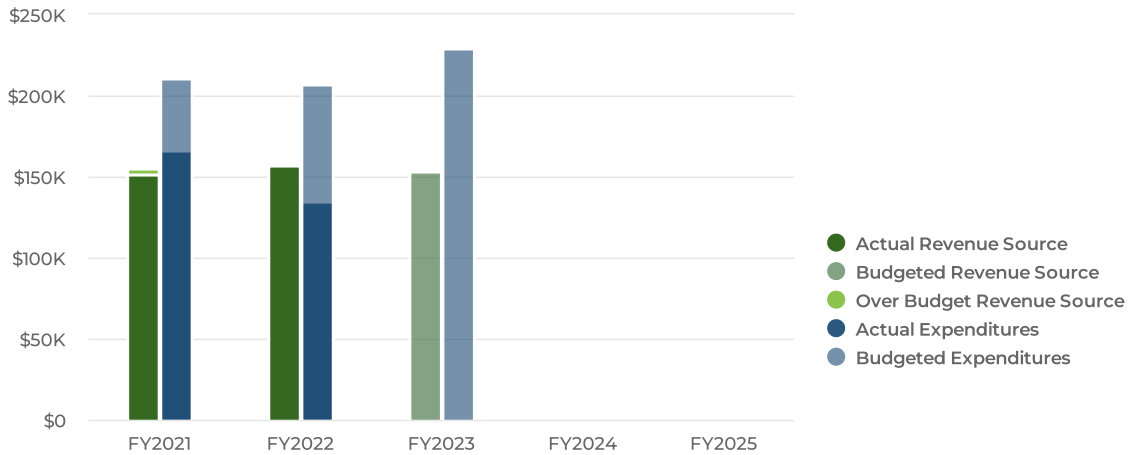


Supplemental Law Enforcement Services Fund (25)

Summary

In 1996 the State enacted Assembly Bill 3229 Citizens' Option for Public Safety, or COPS, program. Funds are limited to enhancing front-line law enforcement activities, and are further restricted in use to supplement rather than supplant existing funding levels. Under the provisions of Government Code Section 30061, a percentage of the funds are allocated to counties and cities, based upon population, for law enforcement services. Each city is also required to deposit the funds into a separate Supplemental Law Enforcement Services Fund (SLESF) so that these funds are not intermingled with General Fund dollars.

This funding has been renewed each year since 1996; although the funding amount to the City varies from year to year. 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 to allow expenditure of these monies.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 64,856	\$ 53,932	\$ 76,591	\$ 591	\$ 591
<u>Revenues and Sources</u>					
SLESF Revenue	\$ 157,392	\$ 161,890	\$ 154,000	--	--
Use of Money & Property	(1,467)	(3,893)	--	--	--
Total Revenues and Sources	\$ 155,925	\$ 157,997	\$ 154,000	--	--
<u>Expenditures & Uses</u>					
SLESF Program Expenditures	\$ 166,849	\$ 135,338	\$ 230,000	--	--
Total Expenditures & Uses	\$ 166,849	\$ 135,338	\$ 230,000	--	--
Ending Fund Balance	\$ 53,932	\$ 76,591	\$ 591	\$ 591	\$ 591



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$464	\$535	\$0	\$0	\$0
Unrealized Gain/Loss	6413	-\$1,930	-\$4,428	\$0	\$0	\$0
Total Use Of Money & Property:		-\$1,466	-\$3,893	\$0	\$0	\$0
Intergovernmental						
Citizens Opt For Public Sfty	6501	\$156,731	\$161,285	\$154,000	\$0	\$0
Total Intergovernmental:		\$156,731	\$161,285	\$154,000	\$0	\$0
Charges for Services						
Reimbursed Expenses	6685	\$660	\$605	\$0	\$0	\$0
Total Charges for Services:		\$660	\$605	\$0	\$0	\$0
Total Revenue Source:		\$155,925	\$157,996	\$154,000	\$0	\$0

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Slesf Program Operating Exp	2572	\$166,849	\$135,338	\$230,000	\$0	\$0
Total Materials & Services:		\$166,849	\$135,338	\$230,000	\$0	\$0
Total Expense Objects:		\$166,849	\$135,338	\$230,000	\$0	\$0

**Funding for the Supplemental Law Enforcement Fund are not guaranteed and thus are not budgeted until received.*

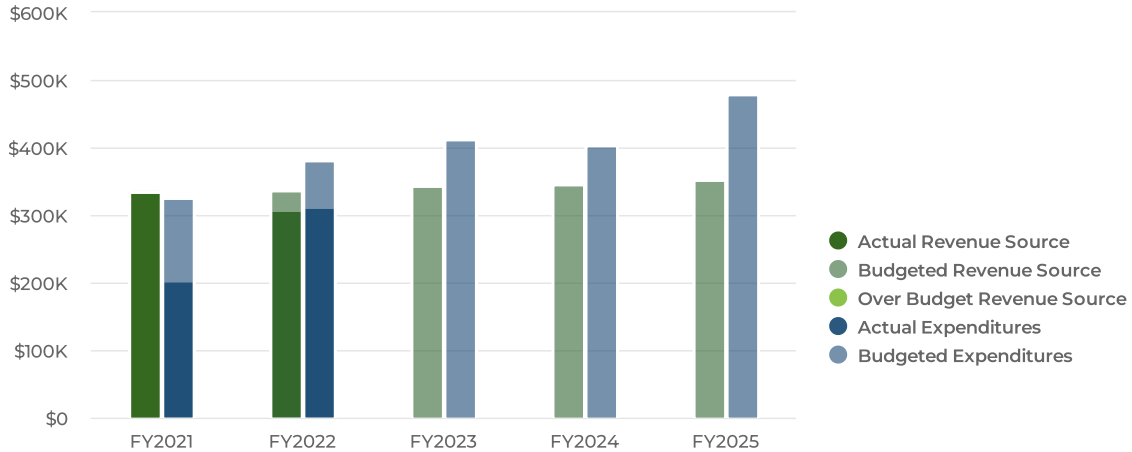




CFD 2006-1 Facilities Maintenance Fund (27)

Summary

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 District's Special Maintenance Tax.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 508,903	\$ 644,474	\$ 641,576	\$ 572,380	\$ 508,580
<u>Revenues and Sources</u>					
Charges for Services	\$ 352,278	\$ 343,057	\$ 337,167	\$ 344,000	\$ 351,000
Use of Money & Property	(12,618)	(33,327)	8,000	3,000	3,000
Total Revenues and Sources	\$ 339,660	\$ 309,730	\$ 345,167	\$ 347,000	\$ 354,000
<u>Expenditures & Uses</u>					
Materials & Services	\$ 204,089	\$ 310,211	\$ 409,863	\$ 400,800	\$ 476,800
Property Insurance		2,417	\$ 4,500	\$ 3,000	\$ 3,500
Total Expenditures & Uses	\$ 204,089	\$ 312,628	\$ 414,363	\$ 403,800	\$ 480,300
Ending Fund Balance	\$ 644,474	\$ 641,576	\$ 572,380	\$ 515,580	\$ 389,280



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$2,233	\$4,186	\$8,000	\$3,000	\$3,000
Unrealized Gain/Loss	6413	-\$14,851	-\$37,513	\$0	\$0	\$0
Total Use Of Money & Property:		-\$12,618	-\$33,327	\$8,000	\$3,000	\$3,000
Charges for Services						
Charges for Services	6686	\$352,278	\$343,057	\$337,167	\$344,000	\$351,000
Total Charges for Services:		\$352,278	\$343,057	\$337,167	\$344,000	\$351,000
Total Revenue Source:		\$339,660	\$309,730	\$345,167	\$347,000	\$354,000

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Materials & Services						
Equipment Maintenance	2030	\$27,628	\$110,387	\$148,526	\$140,000	\$150,000
Utilities	2210	\$40,784	\$48,916	\$60,618	\$61,000	\$63,000
Professional Services	2230	\$19,482	\$24,408	\$13,000	\$13,000	\$13,000
Landscape Maintenance	2450	\$78,492	\$119,485	\$85,177	\$81,500	\$81,500
Tree Maintenance	2470	\$19,891	\$0	\$2,652	\$5,000	\$44,000
County Facilities	2650	\$17,812	\$6,235	\$99,890	\$100,300	\$125,300
Total Materials & Services:		\$204,089	\$309,432	\$409,863	\$400,800	\$476,800
Capital Outlay						
Furniture & Equipment	3010	\$0	\$778	\$0	\$0	\$0
Total Capital Outlay:		\$0	\$778	\$0	\$0	\$0
Insurance						
Property Insurance Premiums	4030	\$0	\$2,417	\$4,500	\$3,000	\$3,500
Total Insurance:		\$0	\$2,417	\$4,500	\$3,000	\$3,500
Total Expense Objects:		\$204,089	\$312,627	\$414,363	\$403,800	\$480,300





Capital Projects Funds Summary

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 projects from other operating budgets.

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.

Capital Projects Revenue by Fund

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
CIP	\$4,025,838	\$13,225,627	\$9,501,856	\$5,525,000	\$8,350,000
Facilities Improvement	\$139,697	\$296,816	\$478,776	\$620,000	\$620,000
Park Development	-\$2,089	-\$1,035	\$0	\$0	\$0
Total:	\$4,163,446	\$13,521,408	\$9,980,632	\$6,145,000	\$8,970,000

Capital Projects Expenditures by Fund

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
CIP	\$4,201,612	\$3,624,228	\$13,074,040	\$8,946,000	\$10,684,000
Facilities Improvement	\$789,781	\$927,227	\$1,806,011	\$640,700	\$490,000
Park Development	\$3,146	\$66,854	\$0	\$0	\$0
Total:	\$4,994,538	\$4,618,309	\$14,880,051	\$9,586,700	\$11,174,000



Projected Fund Balances

Adopted Fiscal Year 2023-2024

FISCAL YEAR 2024	Budgeted	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Adopted Ending
	Fund Balance 6/30/2023				Fund Balance 6/30/2024
Capital Improvement Program (11)	\$ 15,564,638	\$ 5,525,000	\$ 8,946,000	\$ (3,421,000)	\$ 12,143,638
Facilities Improvement (12)	560,882	620,000	640,700	(20,700)	540,182
Park Development (21)	810	-	-	-	810
TOTAL	\$ 16,126,330	\$ 6,145,000	\$ 9,586,700	\$ (3,441,700)	\$ 12,684,630

Adopted Fiscal Year 2024-2025

FISCAL YEAR 2025	Projected Beg.	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Adopted Ending
	Fund Balance 6/30/2024				Fund Balance 6/30/2025
Capital Improvement Program (11)	\$ 12,143,638	\$ 8,350,000	\$ 10,684,000	\$ (2,334,000)	\$ 9,809,638
Facilities Improvement (12)	540,182	620,000	490,000	130,000	670,182
Park Development (21)	810	-	-	-	810
TOTAL	\$ 12,684,630	\$ 8,970,000	\$ 11,174,000	\$ (2,204,000)	\$ 10,480,630

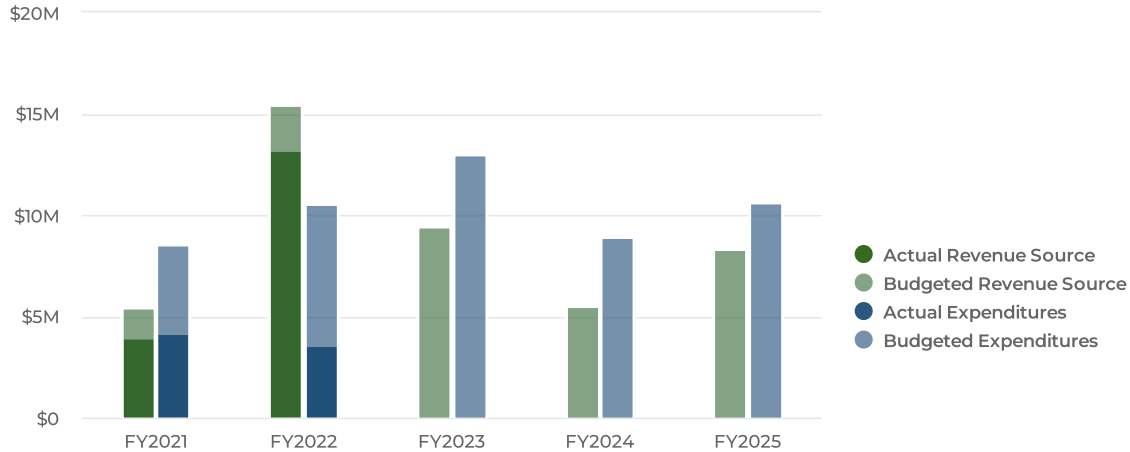




Capital Improvement Fund (11)

Summary

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. 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.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 9,171,198	\$ 8,995,425	\$ 18,596,824	\$ 15,564,638	\$ 12,143,638
Revenues and Sources					
Transfer in from General Fund	\$ 2,492,695	\$ 11,145,624	\$ 5,267,997	\$ 2,550,000	\$ 4,000,000
Transfer in from Gas Tax	290,582	766,993	1,975,859	1,025,000	850,000
Transfer in from Measure M	618,808	768,279	1,044,000	1,000,000	950,000
Transfer in from RMRA	623,753	544,731	1,214,000	750,000	750,000
Intergovernmental Cost Reimbursement	--	--	--	200,000	1,800,000
Total Revenues and Sources	\$ 4,025,838	\$ 13,225,627	\$ 9,501,856	\$ 5,525,000	\$ 8,350,000
Expenditures & Uses					
Capital Improvement Projects	\$ 4,201,612	\$ 3,616,728	\$ 12,358,041	\$ 8,946,000	\$ 10,684,000
Transfers out to other funds	--	7,500	--	--	--
Total Expenditures & Uses	\$ 4,201,612	\$ 3,624,228	\$ 12,358,041	\$ 8,946,000	\$ 10,684,000
Ending Fund Balance	\$ 2,518,528	\$ 18,596,824	\$ 15,564,638	\$ 12,143,638	\$ 9,809,638
Fund Balance Details					
Designated for Doheny Village	\$ 825,632	\$ 418,132	\$ 323,132	\$ 218,132	\$ 218,132
Community Investment Account	3,792,315	11,016,939	14,367,310	10,346,310	7,666,310
Unassigned	4,377,723	7,161,753	874,196	1,579,196	1,925,196
Ending Fund Balance	\$ 8,995,425	\$ 18,596,824	\$ 15,564,638	\$ 12,143,638	\$ 9,809,638



CIP Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Intergovernmental						
Intergovernmental Cost Reimb	6521	\$0	\$0	\$0	\$200,000	\$1,800,000
Total Intergovernmental:		\$0	\$0	\$0	\$200,000	\$1,800,000
Transfers						
Tsfs In - Fr General Fund	6901	\$2,492,695	\$11,145,624	\$5,267,997	\$2,550,000	\$4,000,000
Tsfs In - Fr Gas Tax Fund	6903	\$290,582	\$766,993	\$1,975,859	\$1,025,000	\$850,000
Tsfs In - Fr Measure M Fund	6904	\$618,808	\$768,279	\$1,044,000	\$1,000,000	\$950,000
Tsfs In - Fr Road Maint & Rehab Fund	6908	\$623,753	\$544,731	\$1,214,000	\$750,000	\$750,000
Total Transfers:		\$4,025,838	\$13,225,627	\$9,501,856	\$5,325,000	\$6,550,000
Total Revenue Source:		\$4,025,838	\$13,225,627	\$9,501,856	\$5,525,000	\$8,350,000

CIP Expenditure Detail Listing

Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects					
Capital Outlay					
Capo Beach Connectivity Study Enhancements	\$14,240	\$0	\$47,688	\$0	\$0
FY19 Annual Residential Resurfacing	\$107,752	\$0	\$0	\$0	\$0
Residential Resurfacing FY20	\$2,270,808	\$113,949	\$0	\$0	\$0
Residential Resurfacing FY21	\$30,500	\$1,872,212	\$257,788	\$0	\$0
Arterial Roadway Slurry Program FY20	\$283,589	\$0	\$0	\$0	\$0
Arterial Roadway Slurry Program FY21	\$187,657	\$160,025	\$152,318	\$0	\$0
Residential Roadway Slurry Program FY20	\$452,746	\$0	\$0	\$0	\$0
Residential Roadway Slurry Program FY21	\$543,800	\$296,353	\$484,847	\$0	\$0
Stonehill Bridge Deck Treatment	\$68,895	\$2,580	\$0	\$0	\$0
FY21 Citywide Storm Drain Repairs	\$140,292	\$23,648	\$0	\$0	\$0
Traffic Safety Repairs & Improvements	\$100,332	\$0	\$0	\$0	\$0
FY22 Road Resurfacing	\$0	\$34,000	\$3,216,998	\$0	\$0
FY22 Residential Slurry	\$0	\$570,141	\$1,681,859	\$0	\$0
FY22 Citywide Storm Drain Repairs	\$0	\$29,225	\$170,775	\$0	\$0
FY22 Citywide Storm Drain Improvements Design	\$0	\$162,410	\$413,590	\$0	\$0
FY22 Roadway Rehab & Repair Design Work	\$0	\$76,290	\$23,710	\$0	\$0
FY22 Sidewalk/Concrete Repairs & ADA	\$0	\$1,175	\$98,825	\$0	\$0
FY22 Traffic Safety Repairs & Improvements	\$0	\$86,498	\$13,502	\$0	\$0
FY23 Road Resurfacing	\$0	\$0	\$1,399,000	\$0	\$0
FY23 Residential Slurry	\$0	\$0	\$2,256,000	\$0	\$0
FY23 Citywide Storm Drain Repairs	\$0	\$0	\$200,000	\$0	\$0
FY22 Doheny Village Connectivity Design/Impr	\$1,000	\$188,224	\$550,776	\$0	\$0



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
FY23 Water Quality/Diversion Repairs & Mntce.	\$0	\$0	\$50,000	\$0	\$0
FY23 Roadway Rehab & Repair Design Work	\$0	\$0	\$277,560	\$0	\$0
FY23 Sidewalk/Concrete Repairs & ADA	\$0	\$0	\$100,000	\$0	\$0
FY23 Traffic Safety Repairs & Improvements	\$0	\$0	\$100,000	\$0	\$0
Traffic Signal Synchronization Project-Project P	\$0	\$0	\$325,000	\$0	\$0
Lantern Bay Park Stairway Art Project	\$0	\$0	\$468,000	\$0	\$0
Calle Portola Storm Drain Improvements	\$0	\$0	\$750,804	\$0	\$0
Stonehill Drive Improvements Project	\$0	\$0	\$35,000	\$225,000	\$2,580,000
FY24 Roadway Resurfacing-Overlay/Asphalt Repairs	\$0	\$0	\$0	\$3,600,000	\$0
FY24 Residential Roadway Slurry Program	\$0	\$0	\$0	\$500,000	\$0
Violet Lantern Storm Drain Improvements	\$0	\$0	\$0	\$350,000	\$0
Del Prado Public Wi-Fi Design & Build	\$0	\$0	\$0	\$200,000	\$0
Doheny Park Road Median/Parkway Power Supply/Lighting	\$0	\$0	\$0	\$200,000	\$0
FY24 Citywide Storm Drain Repairs	\$0	\$0	\$0	\$200,000	\$0
Calle Real & Calle Portola Storm Drain Improvements	\$0	\$0	\$0	\$3,446,000	\$0
FY24 Water Quality/Diversion Repairs & Mntce.	\$0	\$0	\$0	\$75,000	\$0
FY24 Traffic Safety Repairs & Improvements	\$0	\$0	\$0	\$150,000	\$0
FY25 Roadway Resurfacing-Overlay/Asphalt Repairs	\$0	\$0	\$0	\$0	\$4,200,000
FY25 Arterial Roadway Slurry Program	\$0	\$0	\$0	\$0	\$350,000
FY25 Residential Roadway Slurry Program	\$0	\$0	\$0	\$0	\$400,000
Doheny Village Connectivity Impr/Construction	\$0	\$0	\$0	\$0	\$2,729,000
FY25 Citywide Storm Drain Repairs	\$0	\$0	\$0	\$0	\$200,000
FY25 Water Quality/Diversion Repairs & Mntce.	\$0	\$0	\$0	\$0	\$75,000
FY25 Traffic Safety Repairs & Improvements	\$0	\$0	\$0	\$0	\$150,000
Total Capital Outlay:	\$4,201,612	\$3,616,728	\$13,074,040	\$8,946,000	\$10,684,000
Transfers Out					
Tsfs Out - To General Fund	\$0	\$7,500	\$0	\$0	\$0
Total Transfers Out:	\$0	\$7,500	\$0	\$0	\$0
Total Expense Objects:	\$4,201,612	\$3,624,228	\$13,074,040	\$8,946,000	\$10,684,000



CIP Projects - Fiscal Year 2024

Stonehill Drive Widening/Improvement Project	#1351	\$225,000
<p>In an effort of strategic collaboration between the Cities of Dana Point and San Juan Capistrano, anticipated traffic impacts on Stonehill Drive were identified as part of the environmental review process related to the Ganahl Lumber Company development project on Stonehill Drive (west of Camino Capistrano). Though the Ganahl Project is located within the City of San Juan Capistrano, the streets and street segments that will be impacted significantly upon completion of the project are located within the City of Dana Point. Staff from both cities have a shared interest to identify opportunities to improve traffic flow in this area for residents of both communities.</p>		
Roadway Resurfacing-Overlay/Asphalt Repairs	#1352	\$3,600,000
<p>This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets. 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, RMRA and OCTA's Measure M2 will be budgeted into these CIP projects.</p>		
Residential Roadway Slurry Program	#1353	\$500,000
<p>The Residential Roadway Slurry Program involves implementing proactive maintenance activities on identified roadways 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.</p>		
Violet Lantern Storm Drain Improvements-Construction	#1354	\$350,000
<p>To address storm drain system deficiencies and necessary upgrades, this project will construct a new subgrade storm drain system and roadway improvements in the vicinity of the Robles Drive and Violet Lantern intersection.</p>		
Del Prado Public Wi-Fi	#1355	\$200,000
<p>This Project will bring public Wi-Fi to Del Prado, the City's downtown area, using a highly qualified team of experts. The Project will include bringing all additional infrastructure to the area and a structure for the City Council to use to deploy this technology to the area. This will benefit the general user/visitor/special events to the street while frequenting shops and restaurants. The completed Del Prado Wi-Fi platform will utilize this same technology in other areas of the City once the framework is built.</p>		
Doheny Park Road Median/Parkway-Power Supply/Lighting	#1356	\$200,000
<p>This project will address providing electrical power to the Doheny Park Road median to support the City Council authorized holiday decor program commencing with the 2023 holiday season. Funding will also address dark areas in need of safety lighting.</p>		
Storm Drain Repairs-Citywide	#1357	\$200,000
<p>This annual project was established to fund storm drain maintenance and 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, repeating storm drain catch basins, etc.</p>		
Calle Real and Calle Portola Storm Drain Improvements	#1358	\$3,446,000
<p>This project will address storm drain infrastructure deficiencies and improvements with the construction of a below grade storm drain in order to provide capacity to meet flood protection goals outlined in the Orange County Local Drainage Manual. The proposed improvements include approximately 2,000 linear feet of reinforced concrete pipe and supporting storm drain inlets and junction structures in the Calle Portola/Calle Real area of Capistrano Beach.</p>		
Water Quality Diversion Repair and Maintenance	#1359	\$75,000
<p>This annual project is established to fund as needed maintenance and repairs to Water Quality Diversions and Trash Separation Units (trash removal and filtration systems) Citywide. This program will allow 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.</p>		
Traffic Safety Repairs and Improvements	#1360	\$150,000
<p>The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City, at the direction of the City Traffic Engineer and Director of Public Works/City Engineer.</p>		
FY2024 TOTAL		\$8,946,000



CIP Projects - Fiscal Year 2025

Stonehill Drive Widening/Improvement Project	#1351	\$2,580,000
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In an effort of strategic collaboration between the Cities of Dana Point and San Juan Capistrano, anticipated traffic impacts on Stonehill Drive were identified as part of the environmental review process related to the Ganahl Lumber Company development project on Stonehill Drive (west of Camino Capistrano). Though the Ganahl Project is located within the City of San Juan Capistrano, the streets and street segments that will be impacted significantly upon completion of the project are located within the City of Dana Point. Staff from both cities have a shared interest to identify opportunities to improve traffic flow in this area for residents of both communities.

Roadway Resurfacing-Overlay/Asphalt Repairs	#1361	\$4,200,000
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This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets. 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, RMRA and OCTA's Measure M2 will be budgeted into these CIP projects.

Arterial Roadway Slurry	#1362	\$350,000
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The Arterial Roadway Slurry Project involves implementing proactive maintenance activities to extend pavement life. By taking steps to preserve pavement 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.

Residential Roadway Slurry	#1363	\$400,000
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The Residential Roadway Slurry Program involves implementing proactive maintenance activities on identified roadways 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.

Doheny Village Connectivity Improvements (Construction)	#1364	\$2,729,000
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This project seeks to bridge the gap between the efforts to be completed by CalTrans and a need to provide improved pedestrian and bike connectivity through Coast Highway which will include additional travel lanes for eastbound traffic from the freeway; additional bike lanes; improved and widened sidewalks with landscaping and lighting to better accommodate pedestrians and bicyclists; storm drain modifications and a reconfiguration of the intersection of Doheny Park Road and Coast Highway with new traffic signal improvements.

Storm Drain Repairs-Citywide	#1365	\$200,000
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This annual project was established to fund storm drain maintenance and 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, repeating storm drain catch basins, etc.

Water Quality Diversion Repair and Maintenance	#1366	\$75,000
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This annual project is established to fund as needed maintenance and repairs to Water Quality Diversions and Trash Separation Units (trash removal and filtration systems) Citywide. This program will allow 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.

Traffic Safety Repairs and Improvements	#1367	\$150,000
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The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City, at the direction of the City Traffic Engineer and Director of Public Works/City Engineer.

FY2025 TOTAL		\$10,684,000
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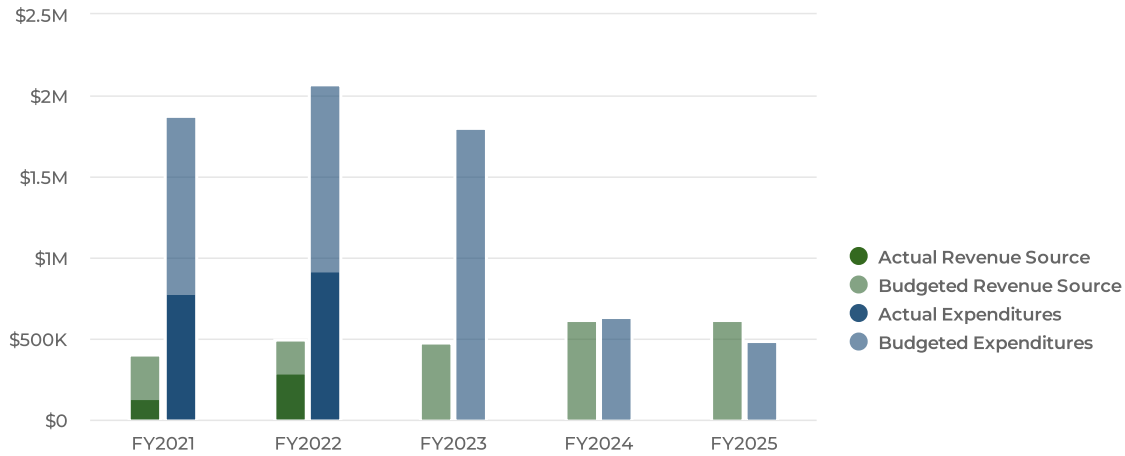




Facilities Improvement Fund (12)

Summary

The Facilities Improvement Fund accounts for major improvement or rehabilitation expenditures of City facilities. The principle 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 for capital investments to create/broadcast programs for the local cable TV channel.



	FY2021	FY2022	FY2023	FY2024	FY2025
	Actuals	Actuals	Amended	Adopted	Adopted
Beginning Fund Balance	\$ 3,168,612	\$ 2,518,528	\$ 1,888,117	\$ 560,880	\$ 540,182
Revenues and Sources					
Cable Franchise Fees (PEG)	\$ 136,552	\$129,962	\$ 130,000	\$ 120,000	\$ 120,000
Transfer in from General Fund	--	100,000	150,000	500,000	500,000
State Grants	--	--	198,776	--	--
Transfer in from Park Development	3,146	66,854	--	--	--
Total Revenues and Sources	\$ 139,697	\$ 296,816	\$ 478,776	\$ 620,000	\$ 620,000
Expenditures & Uses					
PEG Fee Projects	--	\$ 105,973	\$ 139,027	--	--
Facility Improvements	789,781	821,254	1,666,984	640,700	490,000
Total Expenditures & Uses	\$ 789,781	\$ 927,227	\$ 1,806,011	\$ 640,700	\$ 490,000
Ending Fund Balance	\$ 2,518,528	\$ 1,888,117	\$ 560,882	\$ 540,182	\$ 670,182
Fund Balance Details					
Restricted for PEG Franchise Fees	\$ 347,164	\$ 371,153	\$ 362,126	\$ 482,126	\$ 602,126
Unassigned	2,171,364	1,516,964	198,756	58,056	68,056
Ending Fund Balance	\$ 2,518,528	\$ 1,888,117	\$ 560,882	\$ 540,182	\$ 670,182



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Taxes & Franchises						
Cable Franchise PEG Fees	6106	\$136,552	\$129,962	\$130,000	\$120,000	\$120,000
Total Taxes & Franchises:		\$136,552	\$129,962	\$130,000	\$120,000	\$120,000
Intergovernmental						
State Grants	6523	\$0	\$0	\$198,776	\$0	\$0
Total Intergovernmental:		\$0	\$0	\$198,776	\$0	\$0
Transfers						
Tsfs In - Fr General Fund	6901	\$0	\$100,000	\$150,000	\$500,000	\$500,000
Tsfs In - Fr Park Devel Fund	6909	\$3,146	\$66,854	\$0	\$0	\$0
Total Transfers:		\$3,146	\$166,854	\$150,000	\$500,000	\$500,000
Total Revenue Source:		\$139,697	\$296,816	\$478,776	\$620,000	\$620,000

Expenditure Detail Listing

Name	Account ID	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Capital Outlay						
Facility Improvements Contingency	12-99-30-0000-3030	\$0	\$0	\$30,000	\$100,000	\$100,000
City Hall HVAC	12-99-30-2002-3030	\$23,200	\$0	\$145,000	\$0	\$0
Community Center Parking Lot Resurfacing	12-99-30-2004-3030	\$142,263	\$7,491	\$0	\$0	\$0
Lantern Bay Park	12-99-30-2008-3030	\$2,220	\$0	\$0	\$0	\$0
Shipwreck Park Renovation	12-99-30-2010-3030	\$3,146	\$450,456	\$0	\$0	\$0
Bluff Top Trail Railing	12-99-30-2012-3030	\$89,893	\$0	\$0	\$0	\$0
Salt Creek Treatment Plant	12-99-30-2013-3030	\$0	\$9,816	\$100,185	\$0	\$0
City Hall Interior Finishing/Flooring	12-99-30-2014-3030	\$0	\$42,750	\$30,954	\$0	\$0
Creekside Park Renovation	12-99-30-2015-3030	\$0	\$0	\$75,000	\$0	\$0
EOC Upgrade	12-99-30-2016-3030	\$0	\$39,587	\$5,413	\$0	\$0
City Hall Wood Trim/Handrails	12-99-30-2017-3030	\$119,758	\$0	\$0	\$0	\$0
City Hall Exterior Stucco/Paint	12-99-30-2018-3030	\$85,510	\$0	\$0	\$0	\$0



Name	Account ID	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Community Center Exterior Paint/Stucco	12-99-30-2019-3030	\$0	\$0	\$150,000	\$0	\$0
Community Center Senior Fitness Center	12-99-30-2020-3030	\$0	\$0	\$175,000	\$0	\$0
Community Center Fire Alarm Upgrade	12-99-30-2022-3030	\$0	\$0	\$56,000	\$0	\$0
Community Center Refurbish Dugouts (ADA & Roof)	12-99-30-2023-3030	\$1,000	\$45,000	\$0	\$0	\$0
Lantern Bay Pk (Restroom/Floor/Roof/Elec/Handrail)	12-99-30-2024-3030	\$0	\$109,080	\$1,920	\$0	\$0
Sycamore Creek Trail (Workout Equip.)	12-99-30-2025-3030	\$0	\$0	\$61,000	\$0	\$0
Lantern Bay Pk. Playground/Surface	12-99-30-2026-3030	\$144,430	\$0	\$0	\$0	\$0
City Hall Exterior Walkway Floor	12-99-30-2027-3030	\$67,375	\$0	\$0	\$0	\$0
Sunset Park Playground	12-99-30-2028-3030	\$68,173	\$0	\$0	\$0	\$0
CCSP Ballfield Netting	12-99-30-2029-3030	\$0	\$18,571	\$16,429	\$0	\$0
Parks Staff Office Space	12-99-30-2030-3030	\$42,813	\$20,587	\$0	\$0	\$0
Dana Woods Park - Staircase	12-99-30-2031-3030	\$0	\$0	\$40,000	\$0	\$0
Creekside Park Renovation	12-99-30-2032-3030	\$0	\$6,050	\$63,950	\$0	\$0
CCSP Replace Playground Structure	12-99-30-2033-3030	\$0	\$0	\$124,000	\$0	\$0
CCSP Replace Batting Cages	12-99-30-2034-3030	\$0	\$0	\$10,000	\$0	\$0
CCSP Bathroom Refurbish	12-99-30-2035-3030	\$0	\$0	\$55,000	\$0	\$0
CH Elevator Refurbishment	12-99-30-2036-3030	\$0	\$0	\$160,000	\$0	\$0
NIC Outdoor Classroom	12-99-30-2037-3030	\$0	\$10,000	\$15,000	\$0	\$0
Sea Canyon Park Tot Lot	12-99-30-2038-3030	\$0	\$61,867	\$62,133	\$0	\$0
EV Charging Stations	12-99-30-2039-3030	\$0	\$0	\$75,000	\$0	\$0
CCSP Pickelball Court Extension	12-99-30-2040-3030	\$0	\$0	\$50,000	\$0	\$0
Sea Terrace Park - Dog Fun Zone	12-99-30-2041-3030	\$0	\$0	\$75,000	\$0	\$0
Sea Canyon Park - Dog Fun Zone	12-99-30-2042-3030	\$0	\$0	\$20,000	\$0	\$0
City Hall Cabling Replacement	12-99-30-2043-3030	\$0	\$0	\$70,000	\$0	\$0
Dana Crest Park Playground Structure Replacement	12-99-30-2044-3030	\$0	\$0	\$0	\$200,000	\$0
CC Gym Electronic Backboard Adjuster	12-99-30-2045-3030	\$0	\$0	\$0	\$17,200	\$0



Name	Account ID	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
City Hall Flat Roof Replacement	12-99-30-2046-3030	\$0	\$0	\$0	\$215,000	\$0
CC Lighted Sign on Building	12-99-30-2047-3030	\$0	\$0	\$0	\$27,500	\$0
CH Exhaust Fans/CO Sensors Parking Garage	12-99-30-2048-3030	\$0	\$0	\$0	\$36,000	\$0
Lantern Bay Park Railing/Stair Removal	12-99-30-2049-3030	\$0	\$0	\$0	\$45,000	\$0
Palisades Sidewalk/Historical Color Change	12-99-30-2050-3030	\$0	\$0	\$0	\$0	\$60,000
Exterior Painting of PCH Bridge	12-99-30-2051-3030	\$0	\$0	\$0	\$0	\$150,000
Thunderbird Park Play Structure Replacement	12-99-30-2052-3030	\$0	\$0	\$0	\$0	\$180,000
Council Chambers A/V Upgrade	12-99-30-4001-3040	\$0	\$0	\$30,000	\$0	\$0
Community Ctr. Tech/Mtg Space Upgrades	12-99-30-4002-3040	\$0	\$105,973	\$109,027	\$0	\$0
Total Capital Outlay:		\$789,781	\$927,227	\$1,806,011	\$640,700	\$490,000
Total Expense Objects:		\$789,781	\$927,227	\$1,806,011	\$640,700	\$490,000

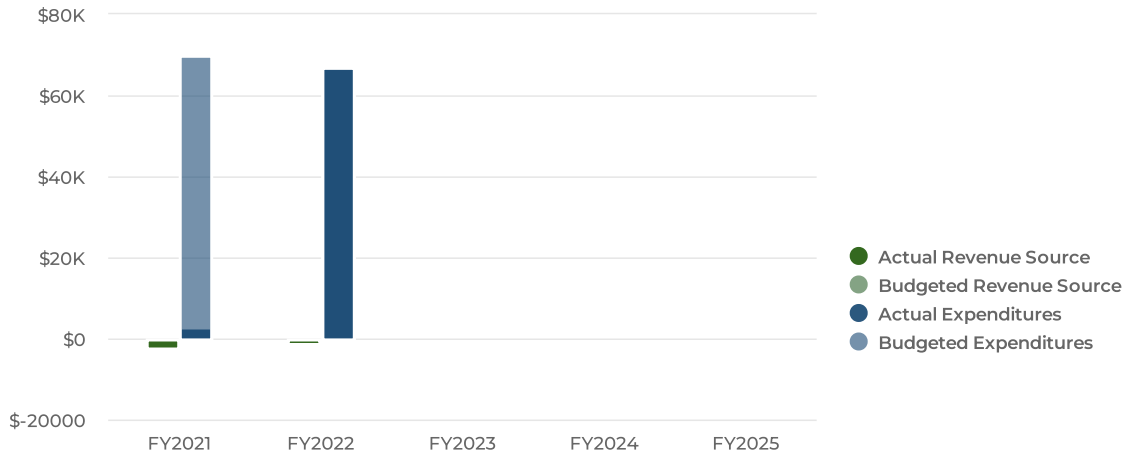




Park Development Fund (21)

Summary

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.



	FY2021 Actuals	FY2022 Actuals	FY2023 Amended	FY2024 Adopted	FY2025 Adopted
Beginning Fund Balance	\$ 73,933	\$ 68,698	\$ 810	\$ 810	\$ 810
<u>Revenues and Sources</u>					
Park Development Fees	--	--	--	--	--
Use of Money & Property	(2,089)	(1,034)	--	--	--
Total Revenues and Sources	\$ (2,089)	\$ (1,034)	--	--	--
<u>Expenditures & Uses</u>					
Transfer Out to General Fund	--	--	--	--	--
Transfer Out to CIP Fund	--	--	--	--	--
Transfer Out to Facilities Fund	3,146	66,854	--	--	--
Total Expenditures & Uses	\$ 3,146	\$ 66,854	--	--	--
Ending Fund Balance	\$ 68,698	\$ 810	\$ 810	\$ 810	\$ 810



Revenue Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$289	\$151	\$0	\$0	\$0
Unrealized Gain/Loss	6413	-\$2,378	-\$1,186	\$0	\$0	\$0
Total Use Of Money & Property:		-\$2,089	-\$1,035	\$0	\$0	\$0
Total Revenue Source:		-\$2,089	-\$1,035	\$0	\$0	\$0

Expenditure Detail Listing

Name	ERP Code	FY2021 Actuals	FY2022 Actuals	FY2023 Budgeted	FY2024 Budgeted	FY2025 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Facil Impv Fund	9010	\$3,146	\$66,854	\$0	\$0	\$0
Total Transfers Out:		\$3,146	\$66,854	\$0	\$0	\$0
Total Expense Objects:		\$3,146	\$66,854	\$0	\$0	\$0



SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM



Seven Year Capital Improvement Program

FISCAL YEARS 2024 – 2030

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.



Seven Year CIP Program Revenue Sources

FISCAL YEARS 2024 – 2030

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.

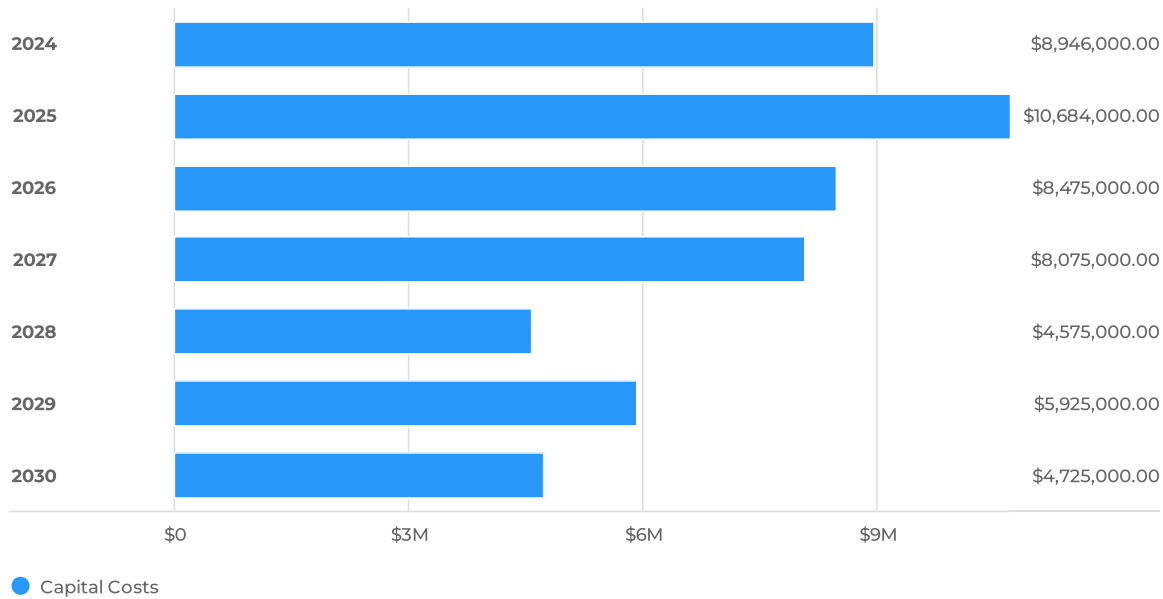


Seven-Year Capital Improvement Plan - FY2024 through FY2030

Total Capital Requested **\$51,405,000**

15 Capital Improvement Projects

Capital Costs Breakdown



CIP Project Listing - 2024 - 2030

Stonehill Drive Widening/Improvement Project

#1351

In an effort of strategic collaboration between the Cities of Dana Point and San Juan Capistrano, anticipated traffic impacts on Stonehill Drive were identified as part of the environmental review process related to the Ganahl Lumber Company development project on Stonehill Drive (west of Camino Capistrano). Though the Ganahl Project is located within the City of San Juan Capistrano, the streets and street segments that will be impacted significantly upon completion of the project are located within the City of Dana Point. Staff from both cities have a shared interest to identify opportunities to improve traffic flow in this area for residents of both communities.

FY 2024	\$ 225,000
FY 2025	2,580,000
TOTAL	\$ 2,805,000

Roadway Resurfacing-Overlay/Asphalt Repairs

#1352 & #1361

This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets. 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, RMRA and OCTA's Measure M2 will be budgeted in these CIP projects.

FY 2024	\$ 3,600,000
FY 2025	4,200,000
FY 2026	4,000,000
FY 2027	3,500,000
FY 2028	3,300,000
FY 2029	3,000,000
FY 2030	4,000,000
TOTAL	\$ 25,600,000

Arterial Roadway Slurry

#1362

The Arterial Roadway Slurry Project involves implementing proactive maintenance activities to extend pavement life. By taking steps to preserve pavement 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.

FY 2025	350,000
FY 2026	800,000
FY 2027	700,000
FY 2028	600,000
FY 2029	900,000
FY 2030	100,000
TOTAL	\$ 3,450,000

Residential Roadway Slurry

#1353 & #1363

The Residential Roadway Slurry Program involves implementing proactive maintenance activities on identified roadways 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.

FY 2024	\$ 500,000
FY 2025	400,000
FY 2026	250,000
FY 2027	200,000
FY 2028	250,000
FY 2029	100,000
FY 2030	200,000
TOTAL	\$ 1,900,000



Violet Lantern Storm Drain Improvements-Construction #1354

To address storm drain system deficiencies and necessary upgrades, this project will construct a new subgrade storm drain system and roadway improvements in the vicinity of the Robles Drive and Violet Lantern intersection.

FY 2024	\$ 350,000
TOTAL	\$ 350,000

Del Prado Public Wi-Fi #1355

This Project will bring public Wi-Fi to Del Prado, the City's downtown area, using a highly qualified team of experts. The Project will include bringing all additional infrastructure to the area and a structure for the City Council to use to deploy this technology to the area. This will benefit the general user/visitor/special events to the street while frequenting shops and restaurants. The completed Del Prado Wi-Fi platform will utilize this same technology in other areas of the City once the framework is built.

FY 2024	\$ 200,000
TOTAL	\$ 200,000

Doheny Park Road Median/Parkway-Power Supply/Lighting#1356

This project will address providing electrical power to the Doheny Park Road median to support the City Council authorized holiday decor program commencing with the 2023 holiday season. Funding will also address dark areas in need of safety lighting.

FY 2024	\$ 200,000
TOTAL	\$ 200,000

Doheny Village Connectivity Improvements (Construction) #1364

This project seeks to bridge the gap between the efforts to be completed by CalTrans and a need to provide improved pedestrian and bike connectivity through Coast Highway which will include additional travel lanes for eastbound traffic from the freeway; additional bike lanes; improved and widened sidewalks with landscaping and lighting to better accommodate pedestrians and bicyclists; storm drain modifications and a reconfiguration of the intersection of Doheny Park Road and Coast Highway with new traffic signal improvements.

FY 2025	\$2,729,000
TOTAL	\$ 2,729,000

Storm Drain Repairs-Citywide #1357 & #1365

This annual project was established to fund storm drain maintenance and 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, repeating storm drain catch basins, etc.

FY 2024	\$ 200,000
FY 2025	200,000
FY 2026	200,000
FY 2027	200,000
FY 2028	200,000
FY 2029	200,000
FY 2030	200,000
TOTAL	\$ 1,400,000

Calle Real and Calle Portola Storm Drain Improvements #1358

This project will address storm drain infrastructure deficiencies and improvements with the construction of a below grade storm drain in order to provide capacity to meet flood protection goals outlined in the Orange County Local Drainage Manual. The proposed improvements include approximately 2,000 linear feet of reinforced concrete pipe and supporting storm drain inlets and junction structures in the Calle Portola/Calle Real area of Capistrano Beach.

FY 2024	\$ 3,446,000
TOTAL	\$ 3,446,000



Water Quality Diversion Repair and Maintenance #1359 & #1366

This annual project is established to fund as needed maintenance and repairs to Water Quality Diversions and Trash Separation Units (trash removal and filtration systems) Citywide. This program will allow 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.

FY 2024	\$ 75,000
FY 2025	75,000
FY 2026	75,000
FY 2027	75,000
FY 2028	75,000
FY 2029	75,000
FY 2030	75,000
TOTAL	\$ 525,000

Traffic Safety Repairs and Improvements #1360 & #1367

The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City, at the direction of the City Traffic Engineer and Director of Public Works/City Engineer.

FY 2024	\$ 150,000
FY 2025	150,000
FY 2026	150,000
FY 2027	150,000
FY 2028	150,000
FY 2029	150,000
FY 2030	150,000
TOTAL	\$ 1,050,000

City Wide Storm Drains - Future Improvements

This Project will address storm drain deficiencies citywide as identified in the in-progress Storm Drain Master Plan Update (Master Plan). The specific storm drain project locations are undefined at this time. Funding is also estimated at this time and will be utilized only to address deficiencies identified from the Master Plan.

FY 2026	1,500,000
FY 2027	2,500,000
FY 2029	1,500,000
TOTAL	\$ 5,500,000

Stonehill Undergrounding

In an effort to reduce urban blight and preserve and protect the natural and urban landscape, the City of Dana Point submitted a Priority List of Rule 20A Underground Utility Projects to SDG&E. As a SDG&E qualifying project, the Dana Point City Council established the Stonehill Drive Utility Undergrounding District on February 15, 2022 related to this future work on Stonehill Drive (between Golden Lantern and Del Obispo).

FY 2026	\$ 1,500,000
TOTAL	\$ 1,500,000

San Juan Creek Diversion at Del Obispo Park

This project is intended to decrease nuisance water and bacteria loads during wet and dry weather by constructing a structural Best Management Practice (BMP) in order to comply with the Bacteria Total Maximum Daily Load (TMDL) regulations in the San Juan Creek watershed. Partial funding may be requested through OCTA Measure M2 Project X program.

FY 2027	\$ 750,000
TOTAL	\$ 750,000

TOTAL FY2024 THROUGH FY2030	\$ 51,405,000
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FINANCIAL POLICIES



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Acquisition and Use of City Vehicles	EFFECTIVE DATE: 12/05/2017	POLICY NO: 226
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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**

SUBJECT: Management of City Attorney	EFFECTIVE DATE: 01/16/2018	POLICY NO.: 227
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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.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: User Fee Subsidy Policy	EFFECTIVE DATE: 01/16/2018	POLICY NO: 228
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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.

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, the 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.

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.

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.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Long-Term Financial Policy	EFFECTIVE DATE: 01/16/2018	POLICY NO: 229
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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,
 - 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.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Operating Budget Policy	EFFECTIVE DATE: 06/19/2018	POLICY NO.: 230
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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.

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.



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 1st. Hence, the City's budget will be adopted at a duly noticed public hearing by the City Council on or before June 30th.

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.

Attachment A: SAMPLE BUDGET CALENDAR

Month	1st Council Meeting	2nd Meeting
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



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Infrastructure Asset Management Policy	EFFECTIVE DATE: 07/01/2018 REVISED: 06/07/2022	POLICY NO: 231
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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 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

January of 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:

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 years¹ 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 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,

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;
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 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 amendments to a construction contract shall stay within the City Council approvals.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Facilities Management Policy	EFFECTIVE DATE: 07/01/2018 REVISED: 06/07/2022	POLICY NO: 232
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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.

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

January of 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 years¹ 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.

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;

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 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:

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**

SUBJECT: General Fund Reserve Policy	EFFECTIVE DATE: 06/30/2019 REVISED: 06/07/2022	POLICY NO: 233
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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 original budgeted 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 original budgeted 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 range 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. It is also a stated Council priority to aim to fund at the top of the range. 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 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 the General Fund unassigned fund balance 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 about 4% to 7% of General Fund originally adopted 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, to be within their targeted amounts, 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) for the duration of the Long Term Financial Plan
2. Extreme event reserve
3. Economic stability reserve

CONDITIONS FOR USE OF RESERVES

A. Use of Reserves. It is the intent of the City to 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 to use, 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.

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.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Community Investment Account Policy	EFFECTIVE DATE: 06/30/2019	POLICY NO: 234
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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.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Pension Funding Policy	EFFECTIVE DATE: 05/03/2022	POLICY NO.: 235
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PURPOSE

The purpose of this Pension Funding Policy ("Policy") is to provide procedures related to fiscal protocols for the City regarding a process to address any Unfunded Accrued Liabilities ("UAL") that develops, as calculated annually by CalPERS, and maintain a healthy funded status. The UAL is the difference between plan assets and the estimated current and expected future cost of pension obligations (accrued liability). Changes in UAL occur when the actual results of fund activity (interest earnings, member mortality, disability rates, etc.) is different from the assumptions used in previous actuarial valuations.

This Policy outlines the City Council's position on pension funding goals and methods to fund UAL cost. Funding a defined benefit pension plan requires a long-term horizon. As such, the City will review this policy at least annually to determine if changes to this policy are needed to ensure adequate resources are being accumulated.

BACKGROUND

The City provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS). CalPERS is a multiple-employer public employee defined benefit pension plan. The City participates in a risk pool of other agencies with less than 100 employees. For employees hired prior to January 1, 2013, the City participates in a 2% at 55 Risk Pool (Classic Miscellaneous Plan). For new CalPERS employees hired after December 31, 2012, the City participates in a Miscellaneous 2% at 62 Risk Pool (PEPRA Miscellaneous Plan).

All full-time and certain part-time City employees are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees.

FUNDING GOAL/TIMELINE

To recognize that a responsibly funded plan can easily have its funded status vary significantly from one year to the next solely because of external events that do not always meet actuarial assumptions, it is the overall objective to fund the City's CalPERS pension plan up to 100% of the total accrued liability, but no less than 90%. By using funding components outlined in this policy, it is the City's intent to achieve its overall funding objective by FY 2027-28.

When referring to the City's pension plan funded status, it can be inferred that funded status shall be measured to include both the Classic and PEPRA plans combined. It is estimated that the typical employer plan with CalPERS will transition to having all active employees as PEPRA members within 10-15 years. This Policy is meant to address the long-term funded status of the City's pension plan, so it is important to recognize the combined funded status to account for the future shift from Classic to PEPRA members.

The funded status, as it pertains to this policy, is a combination of plan assets held by CalPERS and the City's Section 115 Pension Trust. Section 115 Trust assets can only be used for pension related expenses and as such are truly pension related assets the City holds. (Example: If the most recent CalPERS actuarial valuation reports the City has a funded status of 90% with a UAL of \$2 million and the City holds at least \$2 million in its Section 115 Trust, the pension liability shall be viewed as being 100% funded.)

FUNDING STRATEGY

In order to meet its funding goals, the City may use Additional Discretionary Payments (ADP) directly to CalPERS, funds held in an IRS Section 115 Pension Trust, or a combination of both.



Additional Discretionary Payment (ADP).

Public agencies may make Additional Discretionary Payments (ADP), beyond the annually required CalPERS Actuarially Determined Contributions (ADC), at any time and in any amount to increase the plan's funded status, reduce the agency's UAL, and achieve long-term interest savings. The discount rate has the effect of being the interest rate charged by CalPERS on any unfunded liabilities. As a result, the City is, in essence, currently paying 6.8% interest on its unfunded liabilities.

The City's UAL is an accumulation of amortization bases that either carry a loss or gain for a particular prior investment. The total Unfunded Liability of a plan can be segregated over a specific period of time. However, all bases are amortized using investment and payroll assumptions from the current valuation. Paying off or reducing the balance of a loss amortization base creates interest savings by eliminating/reducing future interest accruals.

Section 115 Pension Trust

The City has established a Section 115 Pension Trust, which is administered by Public Agency Retirement Services (PARS), to prefund pension liabilities. Vanguard provides investment management services of Trust assets. This resource is critical for providing security from changes to required contributions due to CalPERS actuarial assumption changes, actuarial methodology changes, and fund gains and losses. Section 115 funds can only be used for pension related expenses including but not limited to making ADPs and smoothing out ADCs. City Council approval is required for use of accumulated funds in the Section 115 Trust. Section 115 Trust withdrawal guidelines include the following:

- Paying off specific amortization bases by making ADPs that are anticipated to result in interest savings greater than interest earnings on the Trust Fund.
- The General Fund has a structural deficit that needs to be addressed (i.e., nondiscretionary expenditures exceed revenues). The General Fund deficit can be in the near term or identified in the City's Long-Term Financial Plan. Trust assets may be used toward required payments to CalPERS to provide relief to the General Fund.
- Other uses deemed necessary as part of the Annual Assessment process.

Once the Funded Status goal is met, additional uses of Section 115 Trust assets are as follows:

- During either the biennial budget development process or mid-year budget review, a request to use Section 115 Trust funds towards employer normal cost contributions can be made should the combined funded status reach 110% or more.
- No earlier than FY28, Section 115 Trust assets may be used to smooth out annual required UAL payments so that the annual required contribution from the General Fund does not exceed \$500,000 if the combined funded status is greater than 95.0%.

ANNUAL ASSESSMENT

CalPERS completes new actuarial valuation reports which are typically provided to member agencies no later than September each year. The reports reflect actual experience as of June 30th the year prior to the publish date. The plan's UAL may increase or decrease from year to year due to the plan's investment returns, actuarial assumption, and/or methodology changes. An annual review shall take place after receipt of the updated CalPERS actuarial valuation to determine if the City is on course to achieve/maintain its target funded status or additional measures are needed. The results of the review and any recommendations shall be presented to the City's Financial Review Committee at its scheduled meeting in October each year for consideration to bring to the City Council.

Should the City fall below the minimum combined pension funded ratio of 90% after the funded status target is met, recommendations shall be presented to return the City's plans to a minimum 90% funded status within 5-years.



LONG-TERM FINANCIAL PLAN



City of Dana Point
LONG-TERM FINANCIAL PLAN
Fiscal Years 2024 - 2029



Prepared Spring 2023

City of Dana Point - Strategic Plan Summary

Mission: Set the Standard as a Vibrant, World-Class City

STRATEGIC GOAL 1: MAINTAIN AND ENSURE PUBLIC SAFETY

Goal: Dana Point prides itself in maintaining and creating a safe environment for its residents and visitors.

OBJECTIVES:

- Responsive and proactive policing by responding to emerging crime trends to improve perception of safety and security
- Effective enforcement to ensure voluntary compliance with City codes and reduce quality of life nuisances
- Address vulnerable residents by coordinating resources to improve the situation of homeless individuals and families living in our community
- Emergency preparedness and responsiveness so that the City is ready to respond to a disaster

STRATEGIC GOAL 2: MAINTAIN AND IMPROVE INFRASTRUCTURE AND ENVIRONMENTAL SUSTAINABILITY

Goal: Maintain City assets and the natural environment with safe, clean, and quality conditions for the enjoyment of residents and visitors

OBJECTIVES:

- Maintain and improve streets and sidewalks for the safety of vehicles and pedestrians
- Maintain and improve community facilities, parks, and landscaping
- Enhance multi-modal and active transportation in the city
- Preserve natural resources to enhance a healthy and sustainable built and natural environment

STRATEGIC GOAL 3: FOSTER ECONOMIC HEALTH AND PROSPERITY

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

OBJECTIVES:

- Effective and efficient zoning regulations for managing the City's land use
- Improve Planning, Building, and Engineering permitting process for an informative, helpful and efficient process for applicants
- Effective and efficient business regulations that retain and attract businesses that support investment in our community to maintain a healthy business climate
- Assess potential for improvements to private infrastructure

STRATEGIC GOAL 4: EFFECTIVE, EFFICIENT, AND INNOVATIVE CITY ADMINISTRATION

Goal: Provide an effective and efficient government to serve our community with integrity.

OBJECTIVES:

- Engage with the community to provide consistent and quality service
- Enhance internal and external technology to provide digital access to services and information
- Maintain a balanced budget that adequately funds core services to be a fiscally sound city
- Recruit, develop, and retain quality staff for a knowledgeable and helpful workforce

STRATEGIC GOAL 5: MAINTAIN AND ENHANCE DANA POINT'S UNIQUE SENSE OF PLACE

Goal: Honor Dana Point's unique culture and sense of community.

OBJECTIVES:

Honor Dana Point's unique culture, history, and local charm, which enhances quality of life and provides a positive cultural and memorable experience for residents and visitors



Long-Term Financial Plan Policy - Summary

Purpose: The City's adopted Long-Term Financial Plan ("LTFP") Policy (#229) is intended to ensure the City's sustainability beyond a single fiscal 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 services, projects, and obligations; including, but not limited to personnel costs and unfunded pension liabilities;
- Analysis of affordability of anticipated service expansion or investment in new assets, including ongoing operating, maintenance and replacement cost; 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 General Fund Reserve Policy (#233). 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 has subsequently been updated several times. In January 2018, the City Council adopted the City's first formal LTFP Policy (#229) and reviews it annually per Policy. This LTFP updates those previous efforts, and projects General Fund revenues and expenditures through FY29. These forecasts are sensitive to changes in assumptions for future revenue and expenditure growth.

Every two years a proposed two-year budget is prepared for City Council consideration, and contains comprehensive, line-item level information for all City funds and departments. The biennial budget contains historical data for both revenues and expenditures, along with the current year and adopted amounts for the upcoming two years. This LTFP goes further and takes a longer look, both retrospectively and prospectively.

Current Biennial Budget Update

On June 7, 2022, the City Council approved updates to the adopted Fiscal Year 2022-23 ("FY23") Operating and Capital Improvement Budget. After July 1, 2022, the City Council has approved various adjustments to the FY23 budget, including FY22 carry-over encumbrances on September 20, 2022, and individual adjustments at a number of City Council meetings related to specific contracts and emerging issues.

The FY23 General Fund revenue and expenditure budgets as of July 1, 2022, were \$40.8 million and \$39.9 million, respectively. The budget has since been amended, with the revenues now at \$41.5 million, and expenditures at \$47.4 million (including transfers out of surplus funds to other funds of \$6.0 million).

Assessment of Current Economic Conditions

In 2022, Real Gross Domestic Product (GDP) increased 2.1% compared with an increase of 5.9% in 2021, according to the "second" estimate released by the Bureau of Economic Analysis. As 2023 gets underway, the U.S. economy has reached a critical crossroads. According to the March 2023 UCLA Anderson Forecast ("Forecast") one path would lead to continued, although slower growth, while the other would be a relatively mild, short-lived recession. Whether the economy slips into a recession or not will depend largely on inflation stickiness and any additional actions the Federal Reserve takes to bring down inflation. In both scenarios, the Forecast expects continued GDP growth in the first quarter of 2023 at a seasonally adjusted annual rate ("SAAR") of 2.3%, driven by consumption and business investment. The scenarios then diverge. In the no-recession scenario, quarterly GDP growth would slow to 1.8% SAAR in the second quarter of 2023. It would remain below 1.0% in the third and fourth quarters of 2023 and then pick up in 2024 and 2025. In the recession scenario, the economy would contract beginning in the third quarter of 2023; the contraction would deepen in the fourth quarter of 2023 and the first quarter of 2024, and then the economy would begin to rebound. Although the UCLA Anderson Forecast gives two possible scenarios, other economic forecasts tend to lean in more strongly toward either a recession or no recession. For example, Chapman University, in their December 2022 update, predicts a recession in 2023 with a decline in GDP of 0.4%.

The State of California is looking at a projected budget deficit for FY2023-24. The Governor's office reported an estimated \$22.5 billion deficit in February 2023. The Legislative Analyst's Office (LAO) estimates that this number is about \$7.0 billion larger than the Governor's estimates. The State experienced a historic \$102 billion surplus in the last two fiscal years largely due to Federal COVID-19 relief and surging capital gains. The LAO does note that while revenues are moderating from the recent peak, they are still above average historical levels and even after adjusting for inflation, anticipated revenues for FY2023-24 remain about 20% higher than before the pandemic. As a result, the projected budget deficit is largely due to increased spending. In 2010, the Local Taxpayer, Public Safety and Transportation Protection Act (Proposition 22) was passed by voters. The Act prevents the State from borrowing or redirecting funds that are currently dedicated to cities, counties, and special districts including local transportation funding. Although this protection is in place for local governments, Staff will continue to monitor development of the State budget.

Although down from its June 2022 peak of 9.1%, inflation remains a stubborn issue for U.S. households. In February 2023, inflation remained elevated at 6.0% year over year; and up 0.4% from January 2023. While it was the eighth straight month that the consumer price index has eased, the cooling trend seems to be moderating. Continued high inflation has affected both City revenues and expenses, which will be detailed in this LTFP.

Overview FY24 through FY29

The outlook for the coming six fiscal years, being FY24 through FY29, are for the most part balanced, including funding the capital projects program.



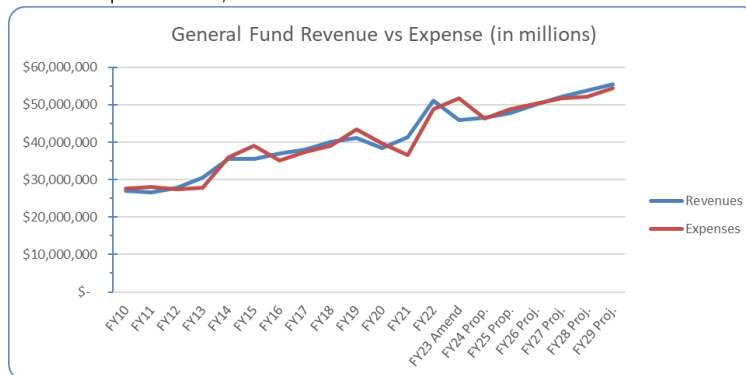
Table 1: Major General Fund Revenue and Expenditures, FY22 to FY29:

**City of Dana Point
Long Term Financial Plan
Major Revenues, and Expenditures by Department**

	FY22 Actual	FY23 Adopted	FY23 Amended	FY24 Proposed	FY25 Proposed	FY26* Projected	FY27* Projected	FY28* Projected
Revenues								
Transient Occupancy Tax	\$ 15,398,864	\$ 13,950,000	\$ 14,500,000	\$ 15,600,000	\$ 15,990,000	\$ 16,710,000	\$ 17,460,000	\$ 18,250,000
Property Tax	10,032,406	10,295,000	10,575,000	11,290,000	11,800,000	12,505,000	13,130,000	13,525,000
Sales Tax	7,061,818	6,150,000	7,200,000	6,700,000	6,900,000	7,100,000	7,320,000	7,540,000
Property Tax In-Lieu	4,851,181	5,005,000	5,286,400	5,510,000	5,715,000	5,950,000	6,210,000	6,505,000
Other Taxes	3,223,394	2,545,000	2,570,000	2,470,000	2,495,000	2,545,000	2,570,000	2,570,000
Licenses & Permits	2,291,953	1,312,000	2,086,174	1,778,000	1,866,000	1,958,000	2,055,000	2,117,000
Fines & Forfeitures	464,868	295,000	340,000	320,000	320,000	320,000	320,000	320,000
Use of Money & Property	(609,070)	457,800	592,800	509,000	459,000	459,000	459,000	459,000
Intergovernmental	4,772,871	281,000	517,078	356,000	285,000	289,000	293,000	297,000
Charges for Services	3,049,225	1,427,000	2,184,088	1,865,000	1,958,000	2,054,000	2,155,000	2,221,000
Other Revenue	633,898	81,000	81,000	84,000	87,000	90,000	93,000	96,000
Transfers In	7,500	-	-	-	-	-	-	-
Total Revenues	51,178,907	41,798,800	45,932,540	46,482,000	47,875,000	49,980,000	52,065,000	53,900,000
Expenditures								
City Council	93,292	115,697	115,697	110,600	110,600	112,224	113,801	115,430
City Manager	467,911	492,150	527,902	498,600	555,900	525,148	580,048	555,878
Economic Development	789,386	660,223	887,879	1,012,800	1,040,000	1,072,245	1,105,051	1,138,816
Administrative Services	1,054,138	1,234,810	1,269,053	1,514,200	1,471,000	1,491,393	1,536,435	1,582,710
Public Information	156,115	228,700	253,700	-	-	-	-	-
City Clerk	512,751	554,013	559,062	635,500	627,200	676,499	655,678	715,370
Planning	1,495,614	1,383,171	1,929,797	1,664,500	1,710,500	1,766,121	1,818,714	1,872,709
Building	1,760,601	1,182,801	1,952,956	1,584,700	1,602,400	1,347,442	1,384,812	1,422,693
Code Enforcement	611,839	670,000	656,507	525,200	540,100	553,512	569,186	585,784
Public Works Admin	479,749	522,247	535,841	627,100	681,400	661,163	717,096	694,078
Street Maintenance	2,165,694	2,250,500	2,803,500	2,761,000	2,736,000	2,776,508	2,870,069	2,966,787
Traffic Engineering	910,420	773,800	966,943	964,800	948,800	926,549	956,661	987,753
Solid Waste	16,097	66,500	76,500	-	-	-	-	-
Engineering	2,090,196	1,793,688	2,331,945	1,876,800	1,931,900	2,158,683	2,213,175	2,269,109
Water Quality	580,829	795,095	799,775	942,900	970,000	999,336	1,031,195	1,064,054
Police Services	13,284,226	14,906,688	14,664,691	15,260,100	15,848,100	16,479,092	17,133,956	17,814,877
VIPS	-	-	-	-	-	-	-	-
General Services (incl. Emergency Support)	476,647	472,459	693,377	658,900	666,400	685,368	706,268	727,756
City Attorney	1,348,983	1,112,000	1,696,000	1,381,800	1,422,000	1,469,633	1,518,931	1,569,954
Recreation	1,591,730	1,734,250	1,828,675	2,215,200	2,265,000	2,212,567	2,279,423	2,352,025
Parks	3,657,006	3,551,349	4,512,081	4,410,700	4,417,200	4,553,634	4,700,584	4,852,254
Facilities	861,209	902,419	1,206,274	1,166,000	1,185,400	1,136,822	1,173,717	1,216,781
Risk Management	745,605	761,000	800,500	857,800	872,000	900,308	929,535	959,712
Non-Departmental (exclude Transfers-Out)	2,071,444	2,043,102	4,401,615	2,415,500	2,492,700	2,736,390	2,724,724	2,872,974
Transfers Out	11,535,624	1,316,822	6,167,997	3,285,000	4,735,000	4,975,000	5,025,000	3,850,000
Total Expenditures	48,757,106	39,523,484	51,638,266	46,369,700	48,829,600	50,215,637	51,744,061	52,187,505
Revenue & Transfers-In Over/(Under)	\$ 2,421,800	\$ 2,275,316	\$ (5,705,726)	\$ 112,300	\$ (954,600)	\$ (235,637)	\$ 320,939	\$ 1,712,495
Expenditures & Transfers-Out								

The following figure expands the time frame viewed back to FY10 and shows how revenues and expenditures are projected to track together through FY29.

Figure 1: General Fund Revenues & Expenditures, FY10 to FY29:

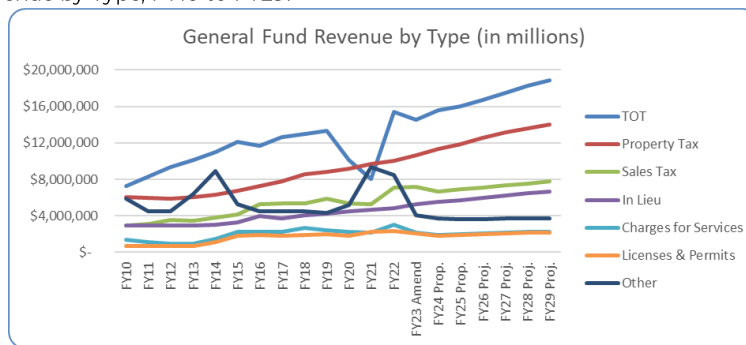


Source: Revenue History FY22 FY23 Budget.xlsx / ALL GP REVENUE

The following figure highlights the City's dependence on hotel Transient Occupancy Tax (TOT), which is projected to represent 34% of the General Fund's estimated revenue in FY24.



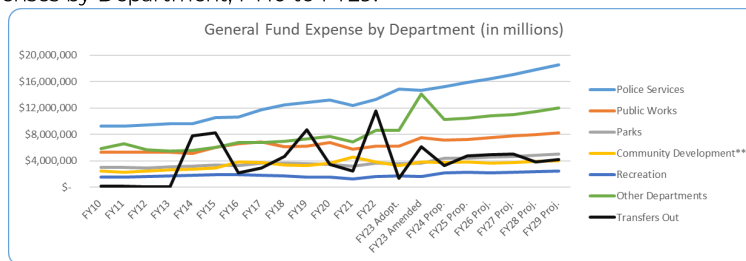
Figure 2: General Fund Revenue by Type, FY10 to FY29:



Source: Revenue History FY22 FY23 Budget.xlsx / ALL GP REVENUE

As has been discussed in the past, the cost of police services is projected to continue to slightly exceed the growth in other General Fund expenses. The following figure shows a clear representation of this fact:

Figure 3: General Fund Expenses by Department, FY10 to FY29:



Source: Expenditure History FY22 FY23 Budget.xlsx

General Fund revenues are projected to keep pace and grow slightly more than expenditures during the term of this LTFP, particularly due to TOT from new hotels factored into the last couple of years of the projections. Also, General Fund expenditures are projected to grow, with the largest components being the Sheriff's contract, followed by personnel costs.

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 (CPI) of 3.5% is used, and those associated with purchases of goods and supplies are increased by 3.25% each year.

General Fund Reserves

The General Fund Reserve Policy (#233) has two reserves, one for Economic Stability and the other for Extreme Events; in addition, it 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 percentage of operating revenue, with the policy also stating it is desired to fund at the maximum level.

Definitions for each of the accounts is as follows:

- Economic Stability Reserve is established to protect and preserve City services from dramatic drops in General Fund revenues that are highly sensitive to economic conditions, mainly transient occupancy tax. It is set with a targeted balance of 11% of annual General Fund operating revenue.
- The Extreme Event Reserve is established to quickly and decisively respond to man-made or natural extreme events. The reserve could fund the initial public safety response or repairs and reconstruction of public property required in the aftermath of an event. It is set with a targeted balance of 9% of annual General Fund operating revenue.

If, based on use and/or the City staff's analysis and forecasting, the targeted balance is not being met or is likely not going to be met at some point within a five-year planning horizon, then a plan to meet the target balance will be developed and presented to the City Council for consideration. In addition to these two reserve accounts, the following is also included in the Policy:

- Unassigned Fund Balance provides working capital to ensure smooth operations through normal timing differences between 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 for the Unassigned Fund Balance. The City, by Policy, will aim to fund at the top of the range.
- Special Purpose Reserve: the Council established three subaccounts within this account: one for a major City project to update the City's General Plan (initially set at \$1 million, and currently with \$703,000 remaining balance); one to eventually pay down the City's portion of the Coastal Animal Services Authority unfunded pension liability (funded at \$334,720), and the other to go toward the City's CalPERS unfunded pension liability.

The latter reserve was initially funded in 2019 at \$5 million. In response to negative revenue impacts in 2020 due to COVID-19, \$1 million of it was moved back into Unassigned Fund Balance. In May 2022, the remaining \$4 million was invested in a Section 115 pension trust account dedicated to pension plan payments. In September 2022, the Council set aside another \$2 million in this account, followed by an action in March 2023 to pay it directly to CalPERS to help pay down some of the estimated \$8 million unfunded liability.



General Fund Major Revenues

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

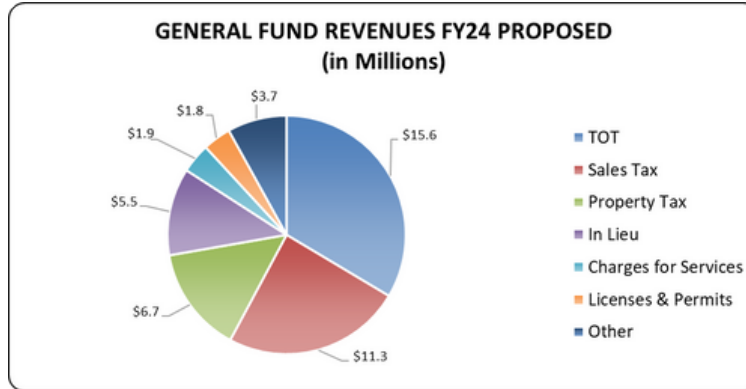
The six largest revenues make up over 91% of all General Fund Revenue and are the focus of this discussion.

Table 2: Dana Point Revenue Sources, FY24 Proposed Budget:

Revenue	Amount	% of TOTAL	Cumulative
1. Transient Occupancy Tax	\$15,600,000	33.6%	33.6%
2. Property Tax	11,335,000	24.4%	57.9%
3. Sales Tax	6,700,000	14.4%	72.4%
4. In-Lieu Property Tax	5,510,000	11.9%	84.2%
5. Charges for Services	1,865,000	4.0%	88.2%
6. Licenses & Permits	1,778,000	3.8%	92.1%
7. All Other Revenues	3,694,000	7.9%	100.0%
TOTAL	\$46,462,000		

Source: Revenue History FY22 FY23 version 1.xlsx/ALL GP REVENUE

Figure 4: General Fund Revenues, FY24 Proposed:



Source: Revenue History FY22 FY23 version 1.xlsx/ALL GP REVENUE

The six most significant revenues to watch 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 Revenue

The City's Transient Occupancy Tax (TOT) is levied per Municipal Code Section 3.25 and is applied to hotel guests' bills at 10% of the room rental cost. TOT is the City's largest revenue source, and for FY24, the projection is \$15.6 million, or roughly 33% 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 four-diamond, and one three-diamond. There are currently nine other TOT generating properties including hotels/motels, time-shares and a 29-unit bed and breakfast inn, for a total of 1,873 rooms. In addition, and discussed separately below, the City currently has about 130 short-term vacation rentals operating out of residential homes.

The City has had a strong, yet somewhat concentrated revenue base in tourism and business groups since incorporation. Hotel TOT is vital to the City's fiscal health, as is witnessed by the impacts of travel during the COVID-19 pandemic, and as previously demonstrated through the recession years.

The City's dependence on tourism and business/conference travelers is further narrowed because only four resorts host 72% of hotel rooms and generate about 89% of TOT. Those four resorts are also the City's largest individual property taxpayers, some of its largest employers, and generate the most sales tax. 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.

Looking back to FY09 during the Great Recession, the General Fund experienced a \$5 million decline in revenue, followed by further declines in FY10 and FY11, mostly from TOT, along with lost sales tax revenue from tourists and business travelers patronizing the hotels.

Rolling forward to the pandemic's impact that hit two-thirds of the way through FY20, City TOT revenue plummeted as the Governor's Stay at Home Order was imposed; comparing just March 2020 (the first month of his Order), the monthly year-over-year TOT drop was \$875,000. By the end of FY20, only four months later, TOT year-over-year losses amounted to \$3.3 million; for FY21, pandemic-related TOT losses were roughly \$4.8 million on what had been originally a \$12.8 million budget.

Increased travel began occurring late-Spring 2021, and the City has since experienced historic records each of twelve straight months March 2022 through February 2023, and projections are for FY23 to finish at record of \$16.2 million.

All Dana Point hotels participate in a tourism business improvement assessment charged to their guests, and they collectively invest those funds in the Visit Dana Point ("VDP") destination marketing organization that 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 economic downturns.

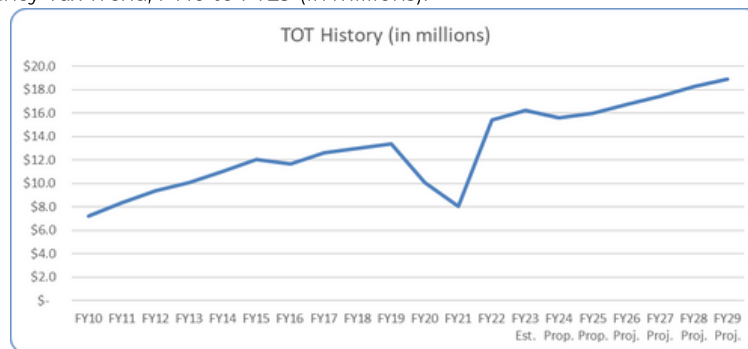
The TOT projection for FY24 is \$15.6 million, a decrease of \$0.6 million (-4%) from the FY23 projected amount. The projection reflects an anticipated dip in tourist travel, while business/meetings bookings being relatively flat. It is also expected that by early FY24 a 28-room inn that has been closed for several will reopen, as it is now being renovated.

The base outlook for existing hotels from FY25 through FY29 is an average revenue growth of under 3.9% per year. In addition, at 3 through 6 years into this outlook there is an assumption that several new hotel properties will come online (two at the Headlands totaling 148 new rooms; also, there are plans for two new hotels in the harbor totaling 268 rooms, half of which will replace an existing hotel.

It is important to note the risk to the LTFP projections associated with including TOT from these yet to be constructed new hotels. Underlying assumptions regarding expected room rates vary for these properties; and, 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.



Figure 5: Transient Occupancy Tax Trend, FY10 to FY29 (in millions):



Source: Revenue History FY22 FY23 Budget version 1.xlsx / TOT

Table 3: Transient Occupancy Tax History and Projection:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$6,294,000	n/a	FY16 Monarch Resort remodel	\$11,648,000	(3.5%)
FY02 <i>St. Regis opens</i>	7,142,000	13.5%	FY17	12,600,000	8.2%
FY03	8,157,000	14.2%	FY18	12,989,000	3.1%
FY04	8,438,000	3.4%	FY19	13,343,000	2.7%
FY05 <i>Ritz remodel</i>	7,722,000	(8.5%)	FY20 (COVID-19)	10,083,000	(24.4%)
FY06	9,392,000	21.6%	FY21 (COVID-19)	8,035,000	(20.3%)
FY07	10,888,000	15.9%	FY22	15,399,000	61.8%
FY08	11,298,000	3.8%	FY23 Amended	14,500,000	0.0%
FY09	8,630,000	(23.6%)	FY23 Estimate	16,245,000	16.5%
FY10	7,221,000	(16.3%)	FY24 Prop.	15,596,000	(4.0%)
<i>Marriott remodel</i> FY11	8,338,000	15.5%	FY25 Prop.	15,986,000	2.5%
FY12	\$9,382,000	12.5%	FY26 Proj.	16,705,000	4.5%
FY13	10,086,000	7.5%	FY27 Proj.	17,457,000	4.5%
FY14	11,007,000	9.1%	FY28 Proj.	18,242,000	4.5%
FY15	\$12,071,000	9.7%	FY29 Proj.	18,881,000	3.5%

Source: Revenue History FY22 FY23 Budget version 1.xlsx

Short-Term Rentals:

Historically, 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 adopted 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 zoning changes, and amendments were subsequently adopted by the City Council in January 2014.

After nine years of community discussions, with this action, STR owners were provided the opportunity to apply for and receive a temporary City permit to operate legally, and the City began collecting TOT from the conditionally permitted STR businesses. The zoning changes were submitted to the California Coastal Commission (CCC) for the next step in the approval process; the CCC returned suggested changes in April 2016, and the City Council adopted the changes in July 2016.



In Fall 2016, a group of citizens circulated petitions using paid signature gatherers 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 on the zoning regulations, 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. TOT from the 132 remaining, permitted STR's is projected to finish FY23 at \$725,000.

Following an extended public vetting process, the City's Planning Commission and then City Council approved updated STR regulations in Summer 2023, followed by California Coastal Commission approval in Winter 2023. As of this writing, City Staff are working through issuing new STR permits for the first time in seven years. There are approximately 53 permits available inside the Coastal Zone, in addition to the 62 existing permits. Projected STR TOT revenue is set at conservative 10.3% and 6.3% increases for FY24 and FY25, respectively.



Property Tax

The General Fund's second largest income source is property tax, projected for FY24 at \$11.6 million, and equates to roughly 25% of General Fund revenue. 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.

Property assessments are adjusted per the above each January 1, with the tax bill being mailed out July 1, with half due on December 10 and the other half the following April 10. 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 4.1% in FY22, while FY22 finished at 4.2% in year over year growth. Looking forward, the FY23 and FY24 tax collections are projected to grow 3.5% and 3.25%, respectively; beyond that projections grow conservatively between 2.5% - 3.5%, bolstered by expectations of continued investment in Dana Point properties, including but not limited to the rebuild of the Harbor-area.

The City receives about 7.6 cents for every \$1 of property tax paid by most 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%.

Table 4: Secured & Unsecured Property Tax History* and Projection, FY01 to FY29:

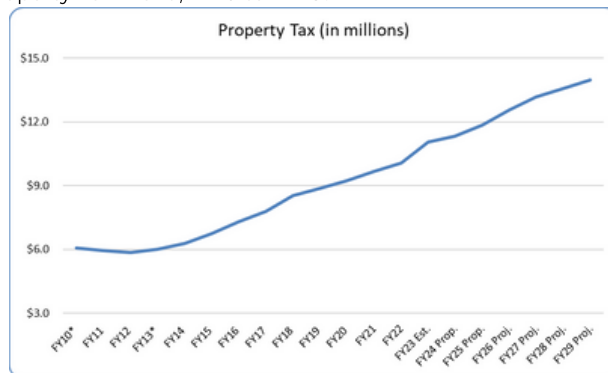
Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY01	\$3,241,000		FY16	\$7,345,000	8.4%
FY02	3,556,000	9.7%	FY17	7,846,000	6.8%
FY03	3,861,000	8.6%	FY18	8,532,000	8.7%
FY04	4,154,000	7.6%	FY19	8,856,000	3.8%
FY05	4,471,000	7.6%	FY20	9,244,000	4.4%
FY06	4,957,000	10.9%	FY21	9,679,000	4.7%
FY07	5,322,000	7.4%	FY22	10,076,000	4.1%
FY08	6,001,000	12.8%	FY23 Amended	10,619,000	5.4%
FY09	6,176,000	2.9%	FY23 Estimate	11,060,000	9.8%
FY10**	6,055,000	(2.0%)	FY24 Prop.	11,336,000	2.5%
FY11	5,935,000	(2.0%)	FY25 Prop.	11,844,000	4.5%
FY12	5,906,000	(1.3%)	FY26 Proj.	12,552,000	6.0%
FY13**	6,067,000	2.7%	FY27 Proj.	13,177,000	5.0%
FY14	6,309,000	4.0%	FY28 Proj.	13,571,000	3.0%
FY15	6,777,000	7.4%	FY29 Proj.	13,977,000	3.0%

*This table agrees to the City's Annual Comprehensive Financial Report (ACFR) which combines Homeowners Property Tax Relief and Property Tax revenue (roughly \$45,000 per year).

**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 excludes repayment in FY13.

Source: Revenue History FY22 FY23 Budget version 1.xlsx//Property Tax

Figure 6: Secured & Unsecured Property Tax Trend, FY10 to FY29:



* For accurate trend purposes, adds back the borrowing by State in FY10 & removes repayment in FY13 of \$828,058.

Source: Revenue History FY22 FY23 Budget version 1.xlsx//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.

For several years, this revenue source has been above what might be considered a historic average of about \$500,000 due to new construction and sales activity. COVID-19's effect on the housing market, along with low inventory and historically low interest rates, caused this revenue source to exceed expectations in most recent years. FY21 experienced even larger gains due to sales of a large number of historically leased residential properties in Monarch Bay. Going forward, it is projected that activity will be more consistent, with some positive adjustment from increased property values in the coming years.

Table 5: Property Transfer Tax History and Projection, FY01 to FY29:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$287,000		FY16	\$904,000	105.9%
FY02	282,000	(1.7%)	FY17	591,000	(34.6%)
FY03	319,000	13.1%	FY18	553,000	(6.4%)
FY04	498,000	56.1%	FY19	465,000	(15.9%)
FY05	525,000	5.4%	FY20	712,000	53.1%
FY06	441,000	(16%)	FY21	1,236,000	73.6%
FY07	395,000	(10.4%)	FY22	986,000	(20.2)
FY08	374,000	(5.3%)	FY23 Amended	500,000	(49.3)
FY09	224,000	(40.1%)	FY23 Estimate	500,000	(49.3)
FY10	229,000	2.2%	FY24 Prop.	550,000	10.0%
FY11	200,000	(12.8%)	FY25 Prop.	550,000	--
FY12	230,000	15.2%	FY26 Proj.	575,000	4.5%
FY13	459,000	99.2%	FY27 Proj.	575,000	--
FY14	570,000	24.3%	FY28 Proj.	600,000	4.3%
FY15	439,000	(23.0%)	FY29 Proj.	600,000	--

Source: Revenue History FY22 FY23 Budget version 1.xlsx//Property Tax



Sales Tax

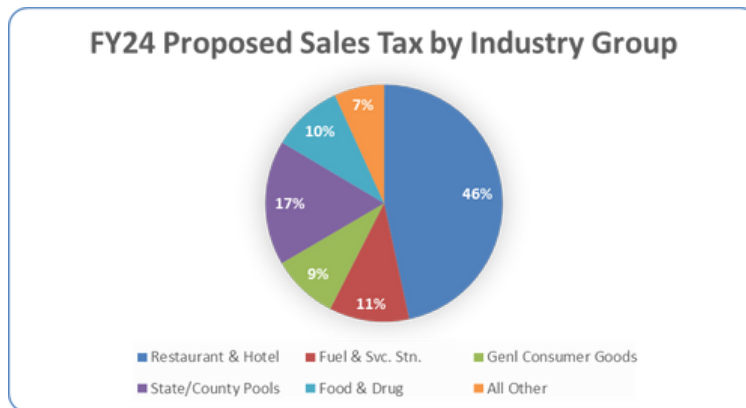
The third largest revenue is Sales Tax, and FY24 is projected at \$6.7 million, which equates to a 14.4% of projected General Fund revenue. As mentioned above in the TOT revenue section, the City relies heavily on hotel-related business; and, along with the pandemic's negative impact on TOT revenue, Sales Tax revenue also declined in FY20 and remained low in FY21. In FY22 a rebound was realized as consumer prices and overall consumption increased, with revenue increasing above pre-pandemic levels. FY23 is projected to finish with a 3.9% increase compared to FY22.

Some of the growth in FY22 is attributed to historically high inflation. U.S. consumer price gains began increasing in March 2021, and peaked to date at an annualized 9.8% in June 2022. To combat inflation, the U.S. Federal Open Market Committee (FOMC) began hiking the Fed Funds Rate in March 2022, with nine consecutive rate hikes totaling 4.75%; the Rate began at 0.25% to 0.50%, and currently stands at 4.75% to 5.00%.

Though heightened inflation has increased the City's sales tax receipts in the past year, the FOMC'S intent is that the rate hikes will eventually slow consumer spending. In addition, the City's third largest sales tax producer, a lumber/hardware store, is moving out of town Summer 2023. Note also that the start of an estimated \$400mm revitalization of the Dana Point Harbor appears to have stalled, and though previously expected to be fully under construction by now, there is no published start date for the land-side improvements. In response to the above, an 8.65% decrease is projected for FY24, followed by moderate increases of 3% per year from FY25 through FY29.

The profile of Dana Point Sales Tax is dominated by restaurant and hotel retail sales (roughly 46% of total collections), followed by State & County Use Tax Pools (17%), fuel and service stations (11%), food & drug stores (10%), general consumer goods (9%), and all other categories (7%) (see diagram below). The State & County Use Tax Pool includes taxes generated by online retailers.

Figure 7: Sales Tax by Industry Group, FY24:



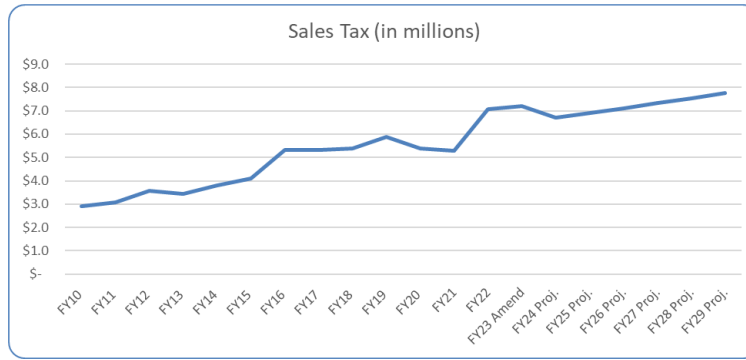
Source: Revenue History FY22 FY23 Budget version 1.xlsx/Sales Tax

Table 6: Top 10 Sales Tax Producing Companies = 36% of Sales Tax (alphabetically):

Company Name	
76 Unocal Fast Break	Marriott Laguna Cliffs
Chevron	Ralphs Fresh Fare
Chevron Extra Miles	Ritz Carlton
Circle K	Waldorf (Monarch Beach Resort)
Ganahl Lumber	Wind & Sea Restaurant

Source: HdL Report 4Q 2022

Figure 8: Sales Tax Trend, FY10 to FY29:



Source: Revenue History FY22 FY23 Budget Version 1.xlsx/Sales Tax

Table 7: Sales Tax History and Projection, FY01 to FY29:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$3,374,000		FY16	\$5,316,000	29.3%
FY02	3,605,000	6.8%	FY17	5,337,000	0.4%
FY03	3,795,000	5.3%	FY18	5,385,000	0.9%
FY04	4,015,000	5.8%	FY19	5,891,000	9.4%
FY05*	3,117,000	(22.4%)	FY20	5,383,000	(8.6%)
FY06	3,447,000	10.6%	FY21	5,294,000	(1.7%)
FY07	3,762,000	9.1%	FY22	7,062,000	33.4%
FY08	3,867,000	2.8%	FY23 Amended	7,200,000	2.0%
FY09	2,998,000	(22.5%)	FY23 Estimate	7,334,000	3.9%
FY10	2,909,000	(3.0%)	FY24 Prop.	6,700,000	(8.7%)
FY11	3,075,000	5.7%	FY25 Prop.	6,900,000	3.0%
FY12	3,570,000	16.1%	FY26 Proj.	7,107,000	3.0%
FY13	3,425,000	(4.1%)	FY27 Proj.	7,321,000	3.0%
FY14	3,794,000	10.8%	FY28 Proj.	7,541,000	3.0%
FY15	4,111,000	8.4%	FY29 Proj.	7,777,000	3.0%

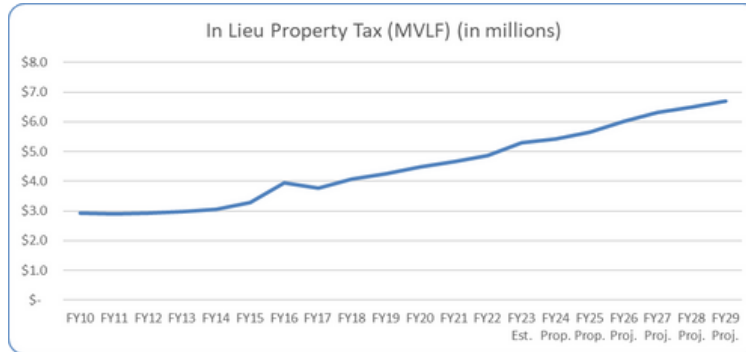


In Lieu Property Tax

In-lieu Property Tax is the City's fourth largest General Fund revenue source, contributing 11.9% of expected revenue in FY24 and FY25. 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 cities' sales tax and replaced it with State property tax (this was eliminated in FY16).

The amount of In Lieu Property Tax cities receive was set at approximately 92% of the amount of the VLF cities 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 \$5.5 million in FY24, \$5.7 million in FY25, and then is projected to grow at 3% to 6% thereafter.

Figure 9: In-Lieu Property Tax Trend, FY10 to FY29:



Source: Revenue History FY22 FY23 Budget version 1.vlxs/In Lieu

Table 8: In-Lieu Property Tax (MVIL Portion) History and Projection, FY05 to FY29:

Fiscal Year	In-Lieu Property Tax - MVIL	% Change	Fiscal Year	In-Lieu Property Tax - MVIL	% Change
FY05	\$1,701,000		FY18	\$4,082,000	8.7%
FY06	2,231,000	31.2%	FY19	4,261,000	4.4%
FY07	2,653,000	18.9%	FY20	4,468,000	4.9%
FY08	2,859,000	7.8%	FY21	4,659,000	4.3%
FY09	2,975,000	4.1%	FY22	4,850,000	4.1%
FY10	2,936,000	(1.3%)	FY 23 Amended	5,286,000	9.0%
FY11	2,911,000	(0.9%)	FY23 Estimate	5,286,000	9.0%
FY12	2,932,000	0.7%	FY24 Prop.	5,419,000	2.5%
FY13	2,963,000	1.1%	FY25 Prop.	5,662,000	4.5%
FY14	3,058,000	3.2%	FY26 Proj.	6,002,000	6.0%
FY15	3,279,000	7.2%	FY27 Proj.	6,302,000	5.0%
FY16	3,953,000	20.6%	FY28 Proj.	6,491,000	3.0%
FY17	3,756,000	(5.0%)	FY29 Proj.	6,686,000	3.0%

Source: Revenue History FY22 FY23 Budget version 1.vlxs/In Lieu

Table 9: 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 - Triple 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



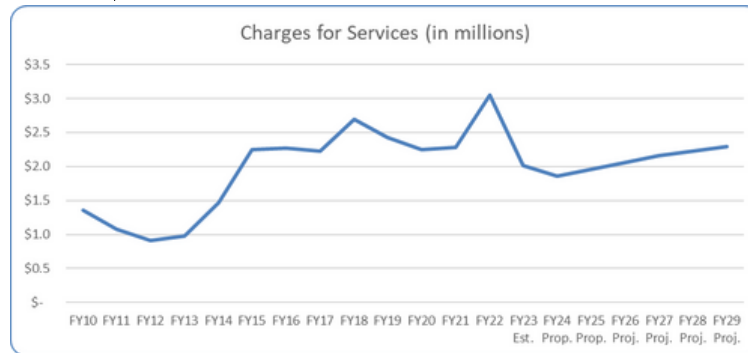
Charges for Services

The Charges for Services category of revenue accounts for approximately 4.0% of projected General Fund revenues. These revenues include planning, building and engineering fees, along with income from those developing private property that must reimburse the City for expenses incurred, including those for contract services the City utilizes. This category also includes fees for recreation classes and activities, reimbursement for extra policing services for special events, litigation-related reimbursements and revenue, and development impact fees.

Revenue associated with development activity has been at above average levels for about nine years, but for budget projections is expected to decline in FY24 given the state of the economy. 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, beginning in FY19. The updated fee schedule was phased in over three years and reduced the level of subsidy provided to private development that required City planning, building and engineering services. The pandemic did not have a negative effect on building activity; in fact, it resulted in a substantial increase in the number of home improvement projects.

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. These revenues were hit extremely hard as the City was forced to close its recreation program down at the onset of the Governor’s Stay at Home Orders in Spring 2020; the program began reopening late Spring 2021 and continues to expand.

Figure 10: Charges for Services Trend, FY10 to FY29:



Source: Revenue History FY22 FY23 Budget version 1.xlsx/Chgs 4 Svcs

Table 10: Charges for Services History and Projection, FY07 to FY29:

Fiscal Year	Revenue	% Change	Fiscal Year	Revenue	% Change
FY07	\$1,201,000		FY19	\$2,457,000	(8.9%)
FY08	1,271,000	5.8%	FY20	2,244,000	(8.7%)
FY09	874,000	(31.2%)	FY21	2,285,000	1.8%
FY10	1,360,000	55.6%	FY22	3,049,000	33.5%
FY11	1,081,000	(20.5%)	FY23		
FY12	907,000	(16.1%)	Amended	2,136,000	(30.0%)
FY13	979,000	7.9%	FY23		
FY14	1,469,000	50.1%	Estimated	2,015,000	(33.9%)
FY15	2,254,000	53.4%	FY24 Prop.	1,864,000	(7.5%)
FY16	2,271,000	0.8%	FY25 Prop.	1,957,000	5.0%
FY17	2,221,000	(2.2%)	FY26 Proj.	2,055,000	5.0%
FY18	2,697,000*	21.4%	FY27 Proj.	2,158,000	5.0%
			FY28 Proj.	2,222,000	3.0%
			FY29 Proj.	2,289,000	3.0%

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

Source: Revenue History FY22 FY23 Budget version 1.xlsx/Chgs 4 Svcs

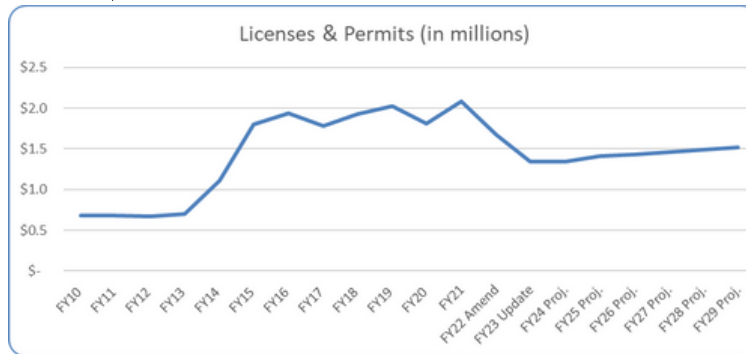


Licenses & Permits

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 3.3% and 3.2% of FY23 and FY24 General Fund revenues, respectively. 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 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 has reduced 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 FY29:



Source: Revenue History FY22 FY23 Budget version 1.xlsx/Lic & Permits

Table 11: Licenses & Permits Revenue History and Projection, FY07 to FY29:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY07	\$686,000		FY19	\$2,028,000	5.1%
FY08	772,000	12.5%	FY20	1,810,000	(10.7%)
FY09	639,000	(17.2%)	FY21	2,087,000	15.3%
FY10	679,000	6.3%	FY22	2,292,000	9.8%
FY11	679,000	0.0%	FY23 Amended	2,086,000	(9.0%)
FY12	667,000	(1.8%)	FY23 Estimated	2,090,000	(8.8%)
FY13	699,000	4.8%	FY24 Prop.	1,777,000	(15.0%)
FY14	1,112,000	59.1%	FY25 Prop.	1,865,000	5.0%
FY15	1,799,000	61.8%	FY26 Proj.	1,959,000	5.0%
FY16	1,935,000	7.6%	FY27 Proj.	2,057,000	5.0%
FY17	1,786,000	(7.7%)	FY28 Proj.	2,118,000	3.0%
FY18	1,930,000	8.1%	FY29 Proj.	2,182,000	3.0%

Source: Revenue History FY22 FY23 Budget version 1.xlsx/Lic & Permits



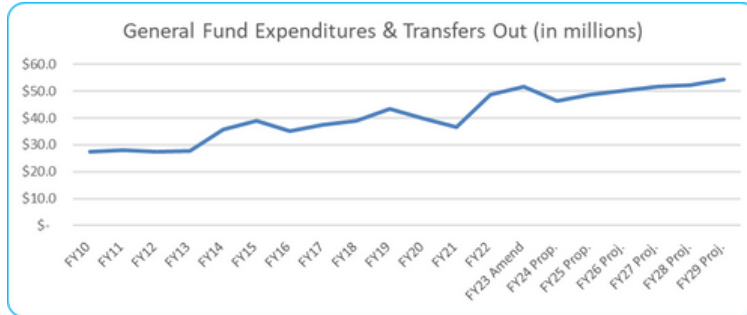
General Fund Major Expenditures

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

As stated in past years, since incorporation the City has typically employed staff for a base level of workload and contract oversight; in addition, it relies heavily on contract services for certain municipal functions and to augment Staff for peak workloads.

The following graph tracks expenditure growth:

Figure 12: General Fund Operating Expenditure Trend, FY10 to FY29:



Source: Expenditure History FY22 FY23 Budget version 1.xlsx

The City's largest expenditures incurred are for Police Services, which are projected at \$15.3 million, or 32.9% of the General Fund's updated FY24 Proposed Expenditures & Transfers Out budget. The Police Services department is also the only department where expenses are conservatively projected to grow faster (compounding at 4% per fiscal year) than revenues.

Table 12: FY24 General Fund Expenditures Proposed Budget, Cumulative Table

Expenditure Category	FY24 Proposed Budget	% of TOTAL	Cumulative %
1. Police Services	\$ 15,260,000	32.9%	32.9%
2. Public Works	7,173,000	15.5	48.4
3. Parks	4,411,000	9.5	57.9
4. Community Development	3,774,000	8.1	66.0
5. Transfers to Other Funds	3,285,000	7.1	73.1
6. Recreation	2,215,000	4.8	77.9
7. Facilities	1,166,000	2.5	80.4
8. All Other Departments*	9,086,000	19.6	100.0
TOTAL*	\$ 46,370,000		

* All Other Departments includes City Council, City Manager, City Attorney, Economic Development, Public Information, Administrative Services, City Clerk, General Services-Emergency Preparedness & Information Technology, Risk Management and Non-Departmental (excluding Transfers to Other Funds which is shown separately in table above).

The following discussion is focused on the major operating expenditures incurred by the City each year, namely Police Services (mainly 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 Police Services Department contract for FY23 was \$14.0 million. The final contract for FY24 will not be available to the City until May 2023.

As of this writing, the County has provided a \$13.7 million estimate for the FY24 police services contract; however, this amount does not include the fiscal impact of labor agreements currently being negotiated. Given that, the projection included in this LTFP assumes \$14.7 million for FY24, or \$1.1 million more than the current County estimate. Further, projections for FY25 and beyond use are based on a conservative 4.0% annual increase in the contract.

The Police Services Department budget, including the OCSD contract estimate, makes up roughly 32.9% of the General Fund FY24 budget.

For this LTFP, the City's current and projected contract costs for OCSD services includes 39 OCSD staff reporting and dedicated to Dana Point, and is made up of 34 full-time sworn positions, 3 non-sworn community services officers, a crime prevention specialist and an investigative assistant; this same staffing is assumed for the duration of this LTFP.

In addition, the assumed contract includes costs shared with other OCSD contract cities for a group of roughly 16.9 sworn and non-sworn support positions that are assigned to serve South Orange County. The City's share of the fully loaded cost of the 16.9 positions for FY24 is currently projected at \$321,000.

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, the contract includes costs for all the items needed to support OCSD personnel including vehicles, radios, computers, patrol video systems, body-worn cameras, supplies, employee training, and enhanced helicopter support, among others.

Pension costs have been a major financial issue facing government since the State increased available pension benefits back in the mid-1990s; the financial problems caused by the increases are particularly acute with older 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 weighted average estimated FY24 pension rate applied to payroll for deputies is 63.8%, down from FY23's 68.6%. FY24's estimated sworn management rate is 68.7%, and for non-sworn employees it is 37.9%, a change from 73.1% and 41.5%, respectively.

Should the County's pension plan achieve its assumed investment returns, the rate should show slight annual declines in the years to come as the less expensive pension plans mandated since calendar 2014 is applied to new hires. For OCSD's sworn safety positions, the additional charges for pension and benefits is 95% of salaries, down from 99% the prior year; and, for non-sworn positions it is 73% of salaries, down slightly from 74% the prior year. In comparison, the City's total pension and benefits are roughly 33.3% of pay.

The fully burdened cost, including salary, benefits, training and overhead in the estimated FY24 OCSD contract by position are as follows:

Table 13: FY23 Cost per Contracted Sheriff Positions:

Position	FY21	FY22	FY23	FY24 est.
Captain	\$ 412,000	\$ 428,000	\$ 431,000	\$ 421,000
Sergeant	345,000	357,000	359,000	347,000
Investigator	338,000	367,000	362,000	351,000
Deputy Sheriff II	284,000	296,000	296,000	287,000
Community Services Officer	133,000	131,000	134,000	132,000
Crime Prevention Specialist	110,000	116,000	117,000	113,000
Investigative Assistant	180,000	204,000	198,000	198,000

Source: OCSD FY24 Contract Spreadsheet – 2nd Estimated 3/27/23 before potential raises

On average, over the 10 years spanning from FY14 to FY23, costs for the Police Services contract will have increased \$4.6 million, which equates to compounded growth of 4.2% per year.



Table 14: Sheriff's Contract Cost History

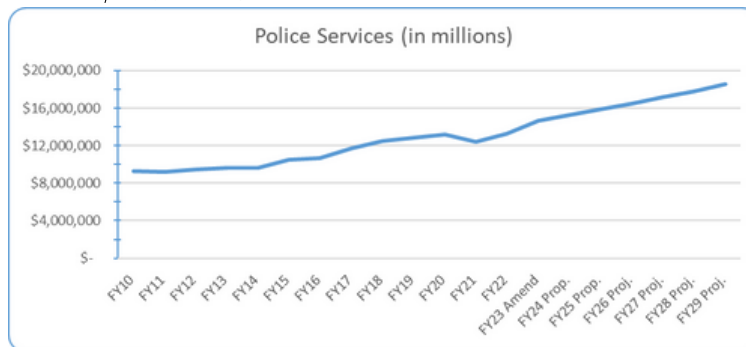
Sheriff's Contract Cost History		
Fiscal Year	Contract Total	% Change
FY06	\$ 7,148,000	
FY07	7,451,000	4.2%
FY08	8,299,000	11.4%
FY09	8,500,000	2.4%
FY10	8,933,000	5.1%
FY11	8,997,000	0.7%
FY12	9,178,000	2.0%
FY13	9,323,000	1.6%
FY14	9,410,000	0.9%
FY15	10,232,000	8.7%
FY16	10,289,000	0.6%
FY17	11,302,000	9.8%
FY18	12,219,000	8.1%
FY19	12,459,000	2.0%
FY20	12,898,000	3.5%
FY21	12,177,000	-5.6%
FY22	13,575,000	11.5%
FY23	13,966,000	2.9%
FY24 Prop.	14,700,000	5.3%
FY25 Prop.	15,282,000	4.0%
FY26 Proj.	15,893,000	4.0%
FY27 Proj.	16,529,000	4.0%
FY28 Proj.	17,190,000	4.0%
FY29 Proj.	17,878,000	4.0%

**FY21 includes a \$1.1 million year end credit for unusually high vacancy and workers' comp. credits.*

Given likely pay raises, moderating pension costs particularly due to reduced pension benefits for new employees offset by funding of sizeable unfunded liabilities, it is assumed that OCSD contract costs will continue at this historical pace for the coming years.

Most, but not all, of OCSD's cost increases are associated with labor and benefit costs, which are largely out of the Sheriff's control as negotiation of labor contracts falls under the purview of the County Board of Supervisors. However, costs associated for deployment and specific assignments, supervision, administrative functions, training programs, and facilities, among other areas, are within OCSD's control.

Figure 13: Police Services Cost Trend, FY10 to FY29:



Source: Expenditure History FY22 FY23 Budget version 1.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.



Unique to Dana Point's contract is the inclusion of a Community Support Unit that includes one sergeant and three deputies, and costs \$1.3 million per year. The following table was not updated for this LTFP as minor staffing changes have occurred with other cities' contracts. For FY24, Dana Point's contract was adjusted to convert a deputy position to that of a motorcycle patrol deputy.

Table 15: Sheriff's Contract Positions – South Orange County Cities FY20:

OCSD South County Contract Cities Personnel - FY20 2nd Estimates 4/9/19											
	DP	AV	LH	LN	LW	LE	MV	RSM	SC	SJC	TOTALS
Safety:											
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
Total Safety	34.0	22.5	22.3	40.4	7.8	46.0	54.0	26.0	45.0	27.0	291.0
Professional:											
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
Total Professional	6.0	4.0	3.0	7.0	0.0	8.0	9.0	3.3	6.0	3.0	43.3
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 Square 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 16.9 positions that work out of the South Orange County substation that supports efforts associated with traffic, motorcycle deputy oversight, auto theft, directed enforcement, subpoena processing, and investigations.

Community Support Unit (CSU)

As discussed above, Dana Point contracts for a relatively higher level of service compared to other South Orange County Cities when compared 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; supporting the City's Homeless Outreach Program, 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 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 (OCIAC) 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 certain visitors at our resorts; and, they plan, organize and execute police deployment for public special events. Finally, they assist our police patrol operations, as needed and during busy periods and when regularly scheduled patrol staff are not available.

The unit is also an integral part of delivering City services, in particular as they partner with our Code Enforcement and Public Works staff. CSU is staffed with a Sergeant and three deputies that are each assigned to a geographic sector of the city and supported by a non-sworn Crime Prevention Specialist. 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 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 was 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 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. 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 for police support functions and supplies may be lost compared to what OCSD has to offer.



Personnel Costs

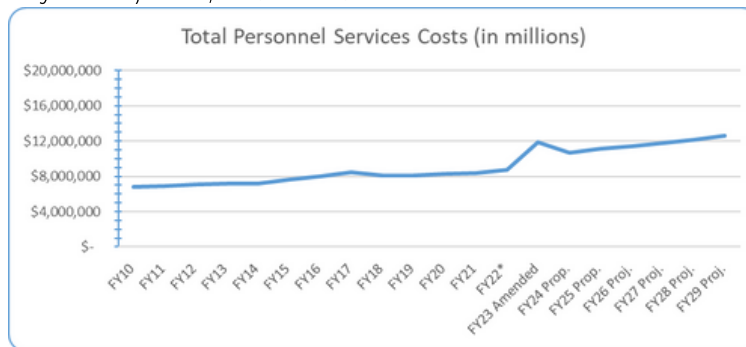
Personnel costs for City Staff are projected at \$10.7 million in FY24 which represents 23.1% of projected General Fund expenditures.

Six years ago, the FY17 budget included 70 full-time positions, while the FY23 budget includes 3 fewer positions, or 67. In addition to reducing the number of positions, several other positions were downgraded the past few years due to a reduction in the number of management positions.

The City's service delivery model utilizes City staff along with contract services, which provides savings due to economies of scale realized by larger agencies/contractors, ready access to equipment the City does not have to own, and 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.

Personnel costs have held steady at about 23% of the General Fund Budget and salaries have and are project to continue to trend at about a 3% compounded rate per year.

Figure 14: Personnel Cost (Fully Loaded) Trend, FY10 to FY29:



Source: Expenditure History FY22 FY23 Budget version 1.xlsx

*FY22 included an extra pay period, which occurs about every 11 or 12 years.

Table 16: Total Personnel Cost History and Projection, FY10 to FY29:

Fiscal Year	Total	% Change	Brief Personnel Cost History in Footnotes:
FY10	6,776,000	(2.6%)	>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 of the vacant positions were filled.
FY11	6,933,000	3.8%	
FY12	7,040,000	1.5%	
FY13	7,180,000	2.0%	>The Public Employee Pension Reform Act (PEPRA) was implemented 1/1/2013 and requires employees new to CalPERS to pay half of their pension costs.
FY14	7,177,000	0.0%	
FY15	7,609,000	6.0%	>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 costs but offset the initial impact by providing like raises.
FY16	8,030,000	5.5%	
FY17	8,443,000	5.1%	>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 payments are included in the amounts shown. A discussion on the unfunded liability ensues below.
FY18	8,122,000	(3.8%)	
FY19	8,107,000	(0.2%)	
FY20	8,273,000	2.0%	>Beginning in FY20, employees in the City's 2@55 pension plan began making contributions toward the unfunded pension liability for that plan. The contributions were phased-in over three-years, with a 0.5% of pay contribution in FY20, a total 1.25% contribution in FY21, and a total 2% contribution thereafter; per the labor agreement with the Dana Point Employees Association, these employee contributions will continue to exist as long as the City has an unfunded pension liability (and is in addition to the 7% Employee Portion mentioned above).
FY21	8,331,000	0.7%	
FY22	8,742,000	4.9%	
FY23 Amended	11,911,000*	36.2%	
FY24 Prop.	10,707,000	3.0%	
FY25 Prop.	11,136,000	2.8%	
FY26 Proj.	11,439,000	3.1%	
FY27 Proj.	11,818,000	3.1%	
FY28 Proj.	12,183,000	2.8%	
FY29 Proj.	12,643,000	3.0%	
*FY23 Includes a one-time, \$2mm unfunded pension liability payment.			



>Beginning in FY21, employees in the City's 2%@62 pension plan began making contributions toward the unfunded pension liability at a contribution rate of 0.05%. per the labor agreement with the Dana Point Employees Association, these employee contributions will exist when the City has an unfunded pension liability (and is in addition to the 6.75% Employee Portion required under PEPRRA). Finally, the City does not participate in Social Security.

Table 17: Salaries, Retirement & Benefits History and Projection, FY10 to FY29:

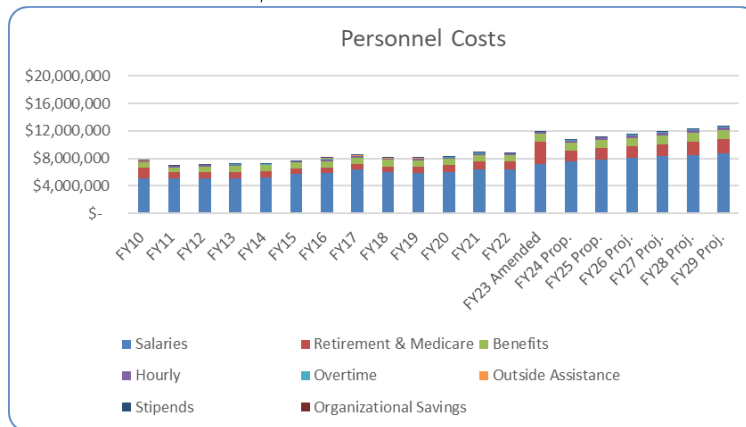
Fiscal Year	Salaries*	% Change	Retirement***	%Change	Benefits	% Change
FY10**	\$5,315,000		\$1,609,000		\$711,000	
FY11	5,285,000	(0.6%)	883,000	17.9%	764,000	7.5%
FY12	5,328,000	0.8%	926,000	4.9%	787,000	3.0%
FY13	5,441,000	2.1%	930,000	0.4%	809,000	2.8%
FY14	5,452,000	0.2%	865,000	(7.0%)	860,000	6.3%
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	4.6%	914,000	(2.4%)
FY19	6,291,000	(1.4%)	887,000	7.1%	930,000	1.8%
FY20	6,415,000	2.0%	990,000	11.6%	868,000	(6.7%)
FY21	6,227,000	(2.9%)	1,151,000	16.3%	953,000	9.8%
FY22	6,686,000	7.4%	1,158,000	0.6%	899,000	(5.7%)
FY23 Amended**	7,479,000	11.9%	3,331,000	187.7%	1,100,000	22.4%
FY24 Proj.	8,033,000	7.4%	1,506,000	(54.8%)	1,167,000	6.1%
FY25 Proj.	8,307,000	3.4%	1,618,000	7.4%	1,210,000	3.7%
FY26 Proj.	8,505,000	2.4%	1,684,000	4.0%	1,249,000	3.2%
FY27 Proj.	8,756,000	3.0%	1,774,000	5.3%	1,288,000	3.1%
FY28 Proj.	9,011,000	2.9%	1,845,000	4.0%	1,327,000	3.0%
FY29 Proj.	9,279,000	3.0%	1,998,000	8.3%	1,366,000	2.9%

*Salaries include wages for full and part-time employees, overtime, outside assistance, and City Council & Planning Commissioner stipends. FY22 also has one extra pay period that occurs every seven years due to biweekly pay periods not lining up directly with the Gregorian calendar (the result is a non-recurring total cost of approximately \$250,000)

**FY10 includes a \$860,000 extra contribution toward unfunded pension liability, while FY23 includes a \$2 million contribution.

*** 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 FY29:



Source: Expenditure History FY22 FY23 Budget version 1.xlsx

Projected FY24 total personnel costs show a 10.1% decrease over the FY23 amended budget. Much of the decrease is due to a one-time additional payment the City made to CalPERS to address its unfunded pension liability. Without the one-time payment, there is an 8.0% increase in total personal costs from FY23 to FY24.

Notable causal factors for the increase in FY24 include: addition of a Deputy Director of Public Works offset by elimination of the Principal Engineer position (\$20,000 net increase); addition of an Engineering Technician I position replacing a contract position (\$96,000 fully burdened), reclassifications and pay adjustments of positions that occurred in FY23 (\$150,000), increase



in the employer normal cost towards CalPERS (\$160,000), health benefit allowances (\$77,700), and the balance due to employee merit based pay adjustments.

The LTFP shows the projected average annual increase from FY24 through FY29 between 4.0% and 2.7%. The 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 just over \$72,000.

Salaries

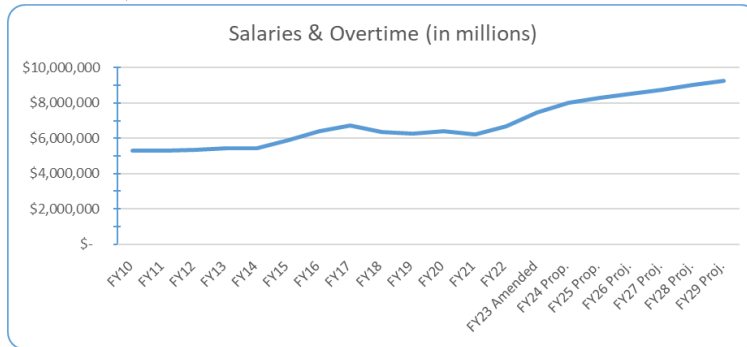
Less than half of the City's workforce is represented by the Dana Point Employee Association ("DPEA"), which negotiates with the City for their labor related issues. The current DPEA labor agreement runs two years from January 1, 2022, through December 31, 2023 (half-way through the first fiscal year of this upcoming two-year budget). Pertinent financial considerations provided for in the agreement include:

- o 1% pay adjustment effective in January 2022
- o Employer 457 deferred compensation match of, up to a maximum of 1.0% of base salary, for those employees participating in the City's deferred compensation program.
- o City's salary range maximums will be set at 5.0% above the surveyed median maximum of comparable agencies, beginning with the August 2022 salary survey. Previously, the City's salary range maximums were set to the equivalent to the median of the maximums of surveyed agencies. The change in the methodology in setting salary ranges was to expand the range in order to give the City the ability to better attract and retain employees.
- o Education Reimbursement Program available to full-time employees extended to year-round part-time employees at an amount up to 25% of the cost of full-time, in-state coursework at a Cal State University.

Employee evaluations are conducted in September each year, and any raises, or "merit increases," take effect October 1st. Increases in pay are determined based on the results of the employee's annual performance evaluation. Employees receiving an "exceptional" rating may receive up to a 5.0% increase to base pay, while employees receiving an "unacceptable" or "below expectations" would not receive an increase.

The assumption is for an increase of roughly \$213,000 of additional personnel costs in FY24 and \$222,000 in FY25 (fully loaded) each fiscal year. The LTFP assumes 3% annual wage increases via the merit-pool from FY26 through FY29.

Figure 16: Salaries and Overtime Trend, FY10 to FY29:



Source: Expenditure History FY22 FY23 Budget.xlsx

Benefits

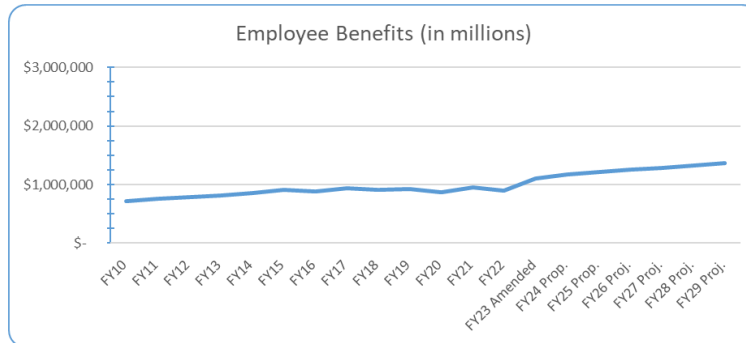
The City offers a "cafeteria style" flexible benefits plan, with a fixed monthly allowance provided to full-time employees, in varying amounts as discussed below. Employees may apply the allowance toward premiums for the health, dental, vision, disability and life insurance plans that fit their needs 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 current 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 current labor agreement states that beginning January 1, 2022, the monthly cafeteria allowance for represented employees would be subject to average increases in the medical plans the City participates in, with a \$50 per month maximum increase. The \$50 per month increase also applies to non-executive management employees who receive the same monthly cafeteria allowance as the represented employees.



To be conservative, the FY24 and FY25 projections assume a \$63 per month increase is afforded to the represented and non-representative management employees each year. For FY25 through FY29, the assumption is that all employees including executive management employees (except for the City Manager) would receive a \$50 per month increase. The City Manager position is projected to receive a benefit allowance increase in FY29 of a very nominal amount. The additional annual cost for the health benefit allowance in the FY24 and FY25 projections are \$77,700 and \$46,500, respectively.

Figure 17: Employee Benefits Trend, FY10 to FY29:



Source: Expenditure History FY22 FY23 Budget.xlsx

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 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 started paying 4/7ths of the 7% Employee Share, and then on October 1, 2014, those same employees picked up the full 7% Employee Share. The same two-year phase in of full pick up of the Employee Share was implemented 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 benefiting from, or bearing the responsibility for, changes in pension costs below or above the 7% Employee Share, respectively.

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 fifteen years have fluctuated dramatically.



Table 18: CalPERS Investment Earnings History:

CalPERS Earnings History		
Fiscal Year	Actual Investment 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	6.7%	7.25%
FY20	4.7%	7.0%
FY21	21.3%	6.8%
FY22	(6.1%)	6.8%

In FY12, the CalPERS Board lowered the actuarial determined interest earnings assumption down from 7.75% to 7.5%; in addition, they began making more conservative assumptions in regard to pensioner mortality, and took a less aggressive approach to amortizing gains and losses over time. The latter does moderate fluctuations year to year in rates charged to contract agencies. In December 2016, CalPERS took further action to reduce the earnings assumption over three years; the reductions were 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 of the City's "Classic" plan 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, back down to 78.8% 6/30/18, to 78.5% 6/30/19, and to 77.1% 6/30/20. As of the most recent CalPERS actuarial valuation as of 6/30/22, the funded status was 87.4%.

The difference between Actual Investment Earnings and the Actuarial Earnings Assumption results in an actuarial gain or loss that is amortized into annual pension rates over time. This approach smooths out the annual impact on changes to pension rates charged to employers.

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, as mentioned, 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 19: 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	10.221%	8.6%
FY12	10.059%	12.0%	FY21	11.031%	7.9%
FY13	10.238%	1.8%	FY22	10.88%	(1.4%)
FY14	10.781%	5.3%	FY23 Amend.	10.87%	(0.1%)
FY15	11.522%	6.9%	FY24 Projected	12.47%	14.7%
FY16	8.512%	(26.1%)	FY25 Projected	12.50%	0.2%
FY17	8.88%	4.3%	FY26 – FY29 Est	12.50%	0.0%

**Source: CalPERS Miscellaneous Plan of the City of Dana Point dated July 2021*

The City's annual cost for the unfunded liability portion of pension costs is shown in this table:

Table 20: CalPERS Unfunded Liability Annual Cost:

Fiscal Year	Unfunded Liability Cost	% Change
FY16	\$118,000	
FY17	140,000	18.6%
FY18	182,000	30.0%
FY19	250,000	37.4%
FY20	322,000	28.8%
FY21	385,000	19.6%
FY22	471,000	22.3%
FY23 Amend.	558,000	18.5%
FY24 Proj.	537,000	(3.8%)
FY25 Proj.	610,000	13.6%
FY26 Est.	670,000	9.8%
FY27 Est.	730,000	9.0%
FY28 Est.	770,000	5.5%
FY29 Est.	890,000	15.6%



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 19, the Employer Share rate for Classic Employees is projected to grow to 12.5% of payroll by FY25. Not shown, but of note, is that the rate for employees entering CalPERS in calendar 2013 and later (PEPRA) will be 7.7% by FY25. For perspective, with salaries at roughly \$7.6 million per year, the FY24 unfunded liability payment represents 7.1% of payroll. Adding the unfunded pension liability payment to the normal pension payment results in total pension costs of 17.0% of projected salaries and wages for FY24.

The increases to the required unfunded pension liability payments shown in the table above are projected to drive the pension cost up to over 20.1% of payroll by FY29. In March 2022 the City Council passed a resolution approving the adoption of the Public Agencies Post-Employment Benefits Trust (Section 115) administered by PARS and appointed the City Manager as the plan administrator. The goal of the Section 115 Trust is to assist in limiting the negative financial impact of rising unfunded liability costs.

In FY19, the City Council set aside \$5 million in its General Fund with the intent to consider a Section 115 account investment; the plan to move forward with the investment was temporarily put on hold at the onset of financial impacts of COVID-19, and \$1 million was used from this account to backfill lost revenue. Since that time, CalPERS reported a 21.3% net return on investments for the 12-month period that ended June 30, 2021. This large investment gain is expected to significantly improve the funded status of the City's CalPERS pension plan. Based on this development, the LTFP does not include any additional set aside beyond the \$4.0 million to fund the City's Section 115 Trust.

A Section 115 investment, in particular use of the account including interest earnings to pay down the City's unfunded pension liability, would not likely factor into LTFP projections until fiscal years beginning shortly after FY28; this is due to the need to allow the investment to accrue interest earnings prior to using it to help pay down the unfunded liability.

In July 2022, CalPERS reported a net investment return of negative 6.1% for the fiscal year end 6/30/2022. The investment loss will be reflected in the 6/30/2022 actuarial valuation reports that will be provided to member agencies in the summer of 2023. The investment loss is estimated to increase the City's total pension liability to \$8.7 million, or 77.0% funded. In September 2022, the City Council approved a General Fund set-aside of \$2.0 million to assist in addressing the FY22 investment loss. Subsequently, the City Council approved using the \$2.0 million set aside towards an additional payment towards the City's Classic plan unfunded pension liability in March 2023. The \$2.0 million additional payment when applied to the City's largest loss base with the longest amortization period for the Classic plan is expected to generate approximately \$2.2 million in projected interest savings. The Classic plan's unfunded liability represents approximately 95% of the City's total liability.



Capital Investment in Streets 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 at the high end of a “Good” level score (as shown in the table below). 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 vehicle 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 rate near 100.

The adopted capital budget provides funding from the General Fund (Fund 01), Gas Tax (Fund 02), Measure M (Fund 04), and Road Maintenance and Rehabilitation Act (RMRA) (Fund 08). Not budgeted, but available to fund park-related capital projects, is an account for Parks Development Impact Fees (Fund 21). Most of the existing funding in the Park Development Fund was used toward the renovation of Shipwreck Park in FY22.

The projected Capital Projects Fund budget for FY24 and FY25 budgets is \$8.9 million and \$10.7 million, respectively. Of that, the projected General Fund’s contribution is \$6.6 million, with \$2.6 million in FY24 and \$4.0 million in FY25. The LTFP for FY26 through FY29 includes an average General Fund contribution of roughly \$3.8 million per year.

The projected Gas Tax, Measure M and RMRA fund’s contribution is \$2.8 million and \$2.6 million for FY24 and FY25, respectively, and average a combined \$2.6 million per year from FY26 through FY29. Projected FY24 and FY25 projects provide funding for roadway resurfacing and residential slurry projects. Also included is funding for various storm drain improvement projects including those located at Calle Real, Calle Portola, and Violet Lantern.



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, and another \$2.2 million in FY19. 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 FY18, and began implementing a computerized maintenance management system (CMMS) for facilities and parks. Based on the assessment and ongoing input from the City's Facilities Manager, the list of maintenance projects continues to be updated and prioritized and is included in the LTFP.

The projected FY24 and FY25 facilities budgets combined total is \$1.1 million and includes the following projects: replacement of Dana Crest Park and Thunderbird Park play structure, Palisades sidewalk repair and historical color change, City Hall flat roof replacement, exterior painting of the PCH Bridge, and various improvements at the Community Center. At the time of this writing, the FY24 and FY25 budgets were still in development and projects may change as the budgeting process progresses.

The CMMS system continues to be 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).

Dana Point Trolley Funding – Fund 05 and Fund 06

The City's free trolley system is accounted for in the Coastal Transit Fund (06), and has been funded mainly by Orange County Transportation Authority's Project V (Project V) grant funds, with a required funding match provided by a one-time development impact fee revenue the City received when the Waldorf Astoria Monarch Beach (formerly the Monarch Beach Resort and originally the St. Regis Resort) was built at the turn of the century.

The balance of those impact fee revenues was exhausted in FY22. In response to the COVID-19 pandemic shutdown of the trolleys in 2020, the Project V funding that would have expired in FY25, has been extended to FY29. The LTFP shows match funding coming from the AB2766 Clean Air Act through FY25 and General Fund beginning in FY23 and continuing through FY29. The AB2766 funds are only eligible to be used for three years; beyond FY25 all match funding is expected to be provided by the General Fund. Staff is actively seeking out other funding opportunities for the Trolley program to provide some relief to the General Fund and extend the program further.

Tourism Business Improvement District (TBID) (Fund 07)

The TBID was formed in FY10 by the City and its four largest resorts, with funds provided by a self-assessment voted on by the resorts and comprised of a \$3 per room night charge. The proceeds are paid to the City and deposited in the TBID Fund. Beginning in FY21, the TBID was expanded by a vote of, and to include all hotels in town. The original four large resorts are now charging \$5 per room night to their guests, and the other hotels are charging \$3 per room night.

The assessment proceeds are restricted to use on marketing Dana Point as a tourist/business destination, with the express intent on maintaining and increasing hotel guest stays. The TBID, under normal economic conditions, is expected to generate roughly \$1.8 million per year.

In FY16 the four large resorts formed a non-profit destination marketing organization, Visit Dana Point (VDP), and subsequently VDP was contracted by the City to manage the restricted TBID funds. Concurrent with the expansion of the TBID to include all hotels in town, VDP also amended its bylaws to expand representation on its board of directors. This LTFP continues to provide for the transfer of these funds to VDP.

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 residential and commercial 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 \$35,000 per year to pay for biological monitoring studies and maintenance activity.

The CFD Fund (27) receives approximately \$350,000 per year in special assessment revenue from residential and commercial property owners in the Strand development, and is used to operate and maintain the funicular, Strand linear park, certain landscaped areas and storm drains. There are no projected issues in regard to the financial wherewithal for these funds to cover their respective costs. Staff has incorporated the CFD assets into the City's Computerized Maintenance Management System, and the General Services Department is tasked with maintaining, and when necessary, replacing major CFD assets (e.g., funicular car, track and electrical components; revetment walkway surfacing; etc.). Staff is working to find a replacement funicular car; the cost of which is unknown at this time.

Supplemental Law Enforcement Services Fund (25)

In 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 \$150,000 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 adopted budget and LTFP at zero.



Summary of Open Issues

Homelessness

Staff have been working diligently, and with much success, to implement the Council-adopted Community Work Plan to Address Homelessness, and Work Plan statistics have been published annually the past four years, and the Work Plan was recently updated. The City Council added a full-time, grant-funded social worker position to the City budget, and that position was filled in January 2021. The grant will cover the cost of the position for five years; this LTFP assumes the position is funded by the General Fund after the grant expires.

Short Term Rentals (STR)

The City has worked toward addressing short-term rentals (STR) since the late 2000s. In 2020, City Council directed staff and the Planning Commission to develop an STR Program and conduct public outreach to guide the process. The Council's discussion also focused on the need for enhanced STR enforcement, penalties, and health and safety regulations. The Planning Commission formed an STR Subcommittee which conducted public outreach with stakeholders and the general public to identify enhanced and new regulations for existing STRs. In 2021, the City Council approved new and enhanced STR regulations, that generally applied to all types of STRs throughout the City.

Since the City's adoption of its enhanced regulatory provisions in 2021, various court decisions have made clear that compliance with the Coastal Act is needed for any regulation of short-term rentals. In November 2022, the Coastal Commission approved a coastal development permit for an STR program which is the regulatory framework for STRs in the City's Coastal Zone (CDP CDP22-0010/A-5-DPT-22-0038 "the CDP"). The CDP allows up to 115 STRs in the Coastal Zone. In February 2023, the City Council authorized the City Manager to begin implementation of the Short-Term Rental (STR) Program Coastal Development Permit (CDP) issued by the California Coastal Commission for STRs in the Coastal Zone. The City Council also adopted an ordinance to amend Section 5.38 of the Dana Point Municipal Code, which among other things establishes STR Permit requirements and regulations outside the Coastal Zone, and authorized implementation of permit issuance outside the Coastal Zone. A cap of 115 STRs, of all types, was established outside the Coastal Zone. Also, in February 2023, the City Council adopted updated STR permit fees for both new permits and permit renewals.

Unfunded Pension liability

In FY19, the City Council set aside \$5 million in its General Fund with the intent to consider a Section 115 account investment; the plan to move forward with the investment was temporarily put on hold at the onset of financial impacts of COVID-19, and \$1 million was used from this account to backfill lost revenue. For the 12-month period that ended June 30, 2021, CalPERS reported a 21.3% net return on investments. This large investment gain significantly improved the funded status of the City's CalPERS pension plan. As of 6/30/2021, the City's Classic plan unfunded liability was \$4.4 million (87.4% funded). The City's PEPPRA plan was fully funded with a surplus of \$78,344 and stood at 104.9% funded. Based on this development, the City established a Section 115 Pension Trust with the remaining \$4.0 million set-aside in March 2022. The Trust is administered by PARS and appointed the City Manager as the plan administrator. Vanguard was selected for investment management services. The City Council also adopted Financial Policy #235 – Pension Funding which sets the City's funding goal to be at least 90% funded by FY28.

In July 2022, CalPERS reported a preliminary net investment return of negative 6.1% for the fiscal year end 6/30/2022. The investment loss will be reflected in the 6/30/2022 actuarial valuation reports that will be provided to member agencies in the summer of 2023. Early projections estimate that the City's combined unfunded liability will increase by approximately \$3.75 million, with an overall funded status of approximately 77%. These figures could be somewhat higher or lower once the final actuarial valuations are completed. As a result of the large investment loss, City Council approved a set-aside \$2.0 million of the FY22 surplus to address the increase to the City's unfunded pension liability.

The CalPERS discount rate, currently 6.8%, has the effect of being the interest rate charged by CalPERS on an agency's unfunded liability. Updated modeling, using the negative FY22 return, estimates the City's combined UAL at 6/30/2022 to be \$8.7 million with a funded ratio of 77.0 %. Assuming that all current actuarial assumptions are met including CalPERS' current 6.8% discount rate, the City will be fully funded by FY45. Over this period, the City will make approximately \$16.8 million in UAL payments which include the \$8.7 million estimated UAL base at 6/30/2022 and \$8.1 million in interest payments. A \$2.0 million ADP applied to the City's largest loss base with the longest amortization period for the Classic plan would generate approximately \$2.2 million in projected interest savings. The Classic plan's unfunded liability represents approximately 95% of the City's total liability. After review of the options by the City's Financial Review Committee of options for use of the \$2.0 million set aside, a recommendation to use the funds to towards an additional payment to CalPERS was made to City Council in March 2023. The City Council approved this recommendation and the additional \$2.0 million payment was made to CalPERS in March 2023.



General Plan Update

California law requires each City to prepare and adopt a comprehensive General Plan to guide the city's 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 Plan must include seven State-mandated "elements", including those covering land use, circulation, housing, conservation, open space, noise and safety.

The City first adopted its original Plan in 1999; and, though certain updates have been approved since then, a comprehensive update has never been made to the original Plan. In 2019, the Council set-aside \$1 million in a Designated Account to help fund a Plan update, and \$201,000 has been directed toward the Housing Element component. Subsequently, the City was awarded a State housing grant of \$150,000 from the Local Early Action Planning Grant Program (LEAP) to be used toward the City's Housing Element. Therefore, only \$51,000 was required from the General Plan Update Reserve Fund for the Housing Element and Public Safety Element updates.

In July 2022, the City Council approved funding to begin the community engagement process for the General Plan update. Phase 1 of the process including visioning to create awareness of the General Plan Update with a dedicated communications/public relations plan, educate the community on City planning, and conduct community listening sessions as well as data analysis that culminates in a list of key community concerns and issues. Phase 2 of the process is plan development to update the City's General Plan, policies, and actions intended to implement the vision and policy framework, as well as conduct associated environmental review of proposed amendments. This phase also includes significant public engagement, education, and review of the documents, comments, edits, and finalization of the drafts for recommendation by the Planning Commission, action by the City Council, and California Coastal Commission.

Since most of the portion of the set-aside for the General Plan that was used for the Housing Element update was offset by the LEAP grant, only \$96,000 was needed to fund the General Plan community engagement project. This leaves approximately \$703,000 in the General Fund set-aside for the remaining portions of the General Plan update. Staff will be conducting a request for proposals in the coming months for the next phase to draft the General Plan update; additional funds may be needed to finish the update.

Storm Drain Maintenance

The FY22 / FY23 adopted budget included funding to update the City's Storm Drain Master Plan ("Plan"). In 2022 the process was started to update the Plan. The overall goal of the project was to prioritize deficiencies and help build a capital improvement plan for future storm drain infrastructure improvements. From the initial analysis completed to date, the highest priority deficiency location identified in the update (and in the original MP) is in the Calle Portola/Calle Real area in Capistrano Beach. This deficiency has also been field verified during major storm events. The amended FY23 budget includes funding for design services for a new storm drain system on Calle Portola/Calle Real. The FY24 projected budget includes funding to begin construction on the project at an estimated \$3.4 million. Approximately \$10.5 million of storm drain related projects have been put into this LTFP in the Capital Improvement Program (CIP) component.

Doheny Village Plan and Connectivity Improvements

In July 2021, the City Council adopted the Doheny Village Zoning Code Update, which involves modifications to the City's General Plan Land Use Element and inclusion of a new chapter in the Dana Point Municipal Code, Chapter 9.14 Doheny Village Districts. In March 2023, the California Coastal Commission (CCC) certified the Local Coastal Program Amendment (LCPA) allowing all new regulations to be in full effect to preserve and enhance the eclectic community.

Several programs identified on the Doheny Village Capital Improvement Plan have either been completed or initiated. Enhanced pedestrian lighting has been installed along Camino Capistrano. The City acquired the open space parcel located at the corner of Doheny Park Road and PCH, which has been updated with new landscape and fencing. The Doheny Village Public Art Program kicked off with a new public mural at the corner of Las Vegas Avenue and Doheny Park Road in February 2022. City staff is preparing the design RFP for the Doheny Park Road at PCH Connectivity Project in coordination with Caltrans. The FY22 Capital Improvement Fund budget included \$400,000 to fund the design of the Doheny Village connectivity improvements. The LTFP includes funding in FY25 for the construction of the project which is estimated at \$2.7 million. Staff have also identified approximately \$1.8 million in Federal grant money to assist with funding the project.



City Trolley

The City has been successful in receiving grants from the Orange County Transportation Authority (OCTA Project V) to pay most of the cost of its trolley system since the trolley's began service in 2014. 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), was depleted at the end of FY22. In response to the COVID-19 pandemic shutdown of the trolleys in 2020, the Project V funding that would have expired in FY25, has been extended to FY29. The LTFP shows match funding coming from the AB2766 Clean Air Act through FY25 and General Fund beginning in FY23 and continuing through FY29. The AB2766 funds are only eligible to be used for three years; beyond FY25 all match funding is expected to be provided by the General Fund. Staff is actively seeking out other funding opportunities for the Trolley program to provide some relief to the General Fund and extend the program further.



Closing Observation

A forecast is simply a prediction of future conditions, and intended to be a planning tool and not deemed a perfect picture of what is to come. This LTFP is the sixth edition, with the first produced in 2015 as part of the two-year budget. The FY23 amended budget shows an ending General Fund Unassigned Fund Balance of \$7.0 million. This amount is approximately \$4.2 million above the maximum Policy level (4% to 7% of budgeted revenue per Policy #233). Given historically high inflation and potential slowing of the economy, in September 2022 City Council approved deferring a portion of the transfer to the CIA equating to 3% budgeted revenue, roughly \$1.2 million.

Although most economists were split on whether a recession was eminent, or if the Federal Reserve would be able to orchestrate a “soft-landing” and avoid a recession in the first couple of months of 2023, more signs within the economy are leaning toward a certain recession within the next 12 months. As a result of continued economic uncertainty, City Council approved keeping the additional funding of \$1.2 million in the General Fund unassigned fund balance until at least September 2023.

There is marked improvement in forecasts of the City's financial future from previous LTFP's, particularly given that per the City Council's Financial Policies approved during the FY20/FY21 budget adoption, annual investments in the Capital Improvement Program are now funded in the base budgets. Growth in General Fund revenue forecasts keep pace with expenditures for the duration of this LTFP but do rely on new hotels opening during the latter years of this LTFP.



BUDGET GLOSSARY



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.

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.

