

City of Costa Mesa

Fiscal Year 2014-2015 Preliminary Budget

May 13, 2014



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Preliminary Budget

Today's Agenda

- Budget Overview & Highlights
- Capital Improvement Program

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Preliminary Budget

All Funds – Source of Funds

	Adopted	Preliminary	Increase (Decrease)	
	FY 13-14	FY 14-15	Amount	Percent
General Fund Rev.	\$ 103,250,486	\$ 109,430,235	\$ 6,179,749	5.99%
Special Rev. Funds	7,076,729	7,680,276	603,547	8.53%
Capital Funds	4,750,903	9,204,040	4,453,137	93.73%
Internal Serv. Funds	6,792,785	6,468,039	(324,746)	-4.78%
Use of Carryover	5,691,803	1,575,447	(4,116,356)	-72.32%
Operating Trans.	3,985,000	5,517,067	1,532,067	38.45%
Total	\$ 131,547,706	\$ 139,875,104	\$ 8,327,398	6.33%

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Preliminary Budget

All Funds - Appropriations

Appropriations/ All Funds	Adopted	Preliminary	Increase (Decrease)	
	FY 13-14	FY 14-15	Amount	Percent
Operating Budget	\$ 109,508,647	\$ 114,937,036	\$ 5,428,389	4.96%
Transfers Out	3,985,000	5,517,067	1,532,067	38.45%
Capital Budget	18,054,059	19,421,001	1,366,942	7.57%
Total	\$ 131,547,706	\$ 139,875,104	\$ 8,327,398	6.33%

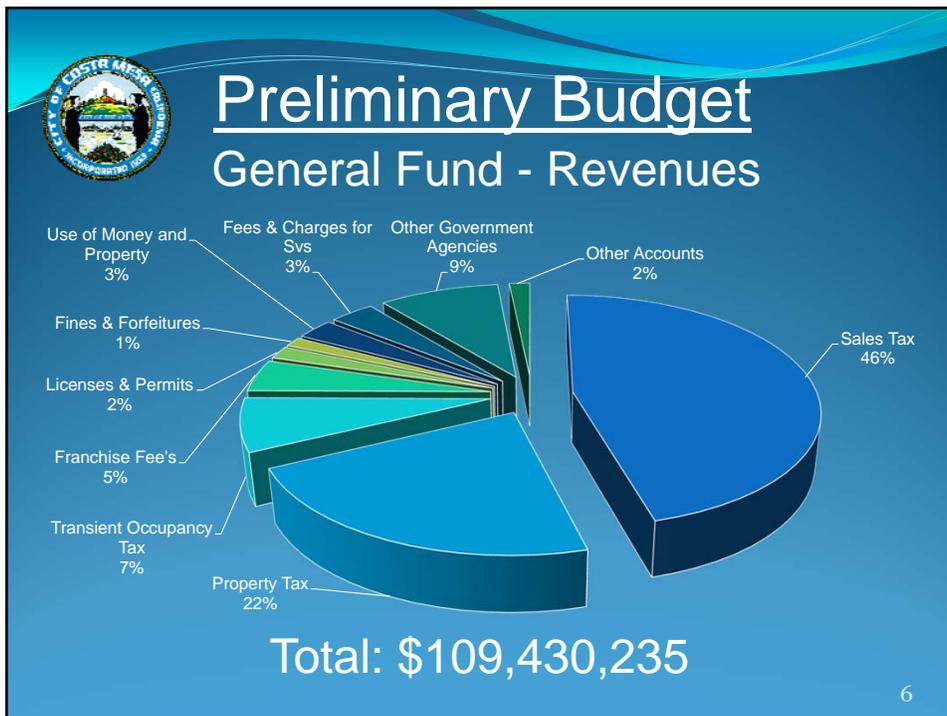
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Preliminary Budget General Fund - Revenues

	Projected	Preliminary	Increase (Decrease)	
	FY 13-14	FY 14-15	Amount	Percent
Sales Tax	\$ 48,525,699	\$ 50,169,000	\$ 1,643,301	3.39%
Property Tax	23,552,495	24,027,000	474,505	2.01%
Transient Occupancy Tax	7,657,000	8,040,000	383,000	5.00%
Franchise Fee's	4,719,189	4,867,000	147,811	3.13%
Licenses & Permits	1,822,949	1,977,500	154,551	8.48%
Fines & Forfeitures	1,501,248	1,485,000	(16,248)	-1.08%
Use of Money & Property	3,088,146	3,171,000	82,854	2.68%
Fees & Charges for Svs	3,730,441	3,759,150	28,709	0.77%
Other Gvt Agencies	10,020,499	10,188,000	167,501	1.67%
Other Accounts	1,383,313	1,746,585	363,272	26.26%
Total	\$ 106,000,979	\$ 109,430,235	\$ 3,429,256	3.24%

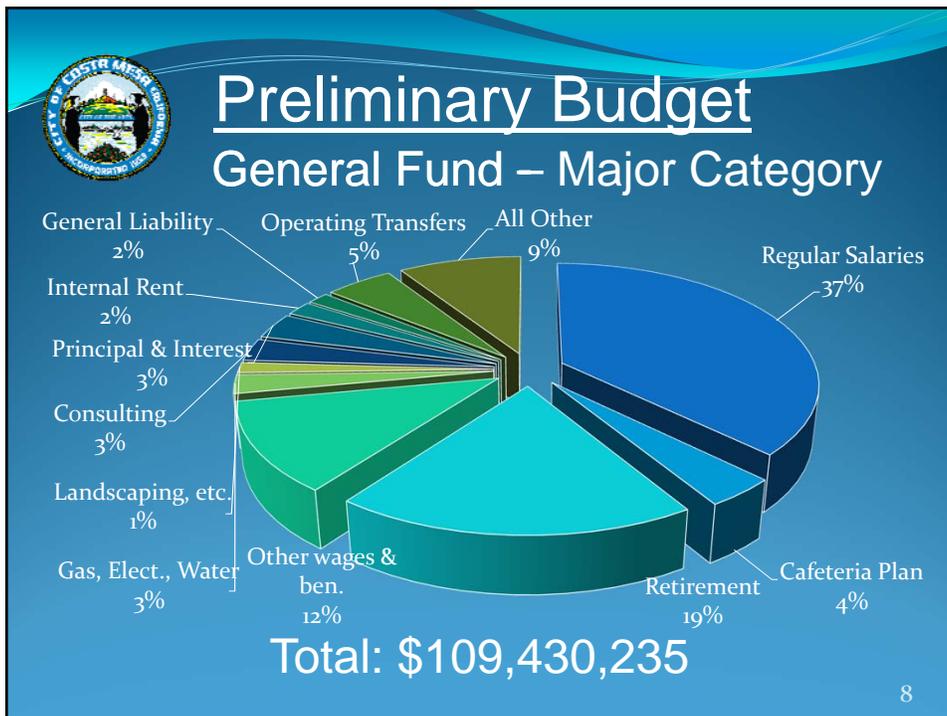
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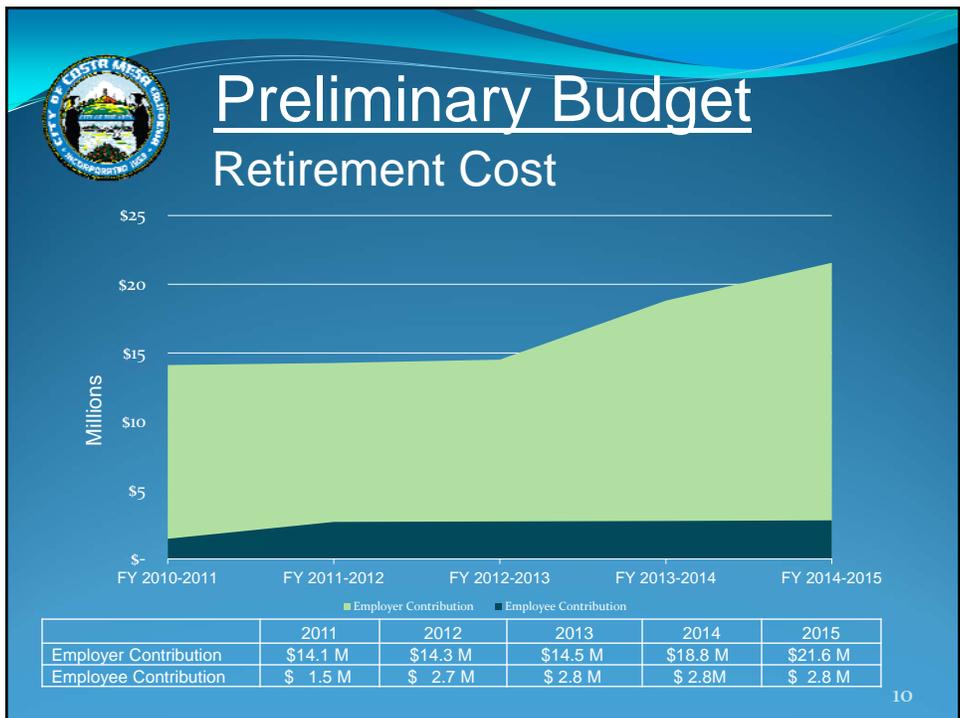
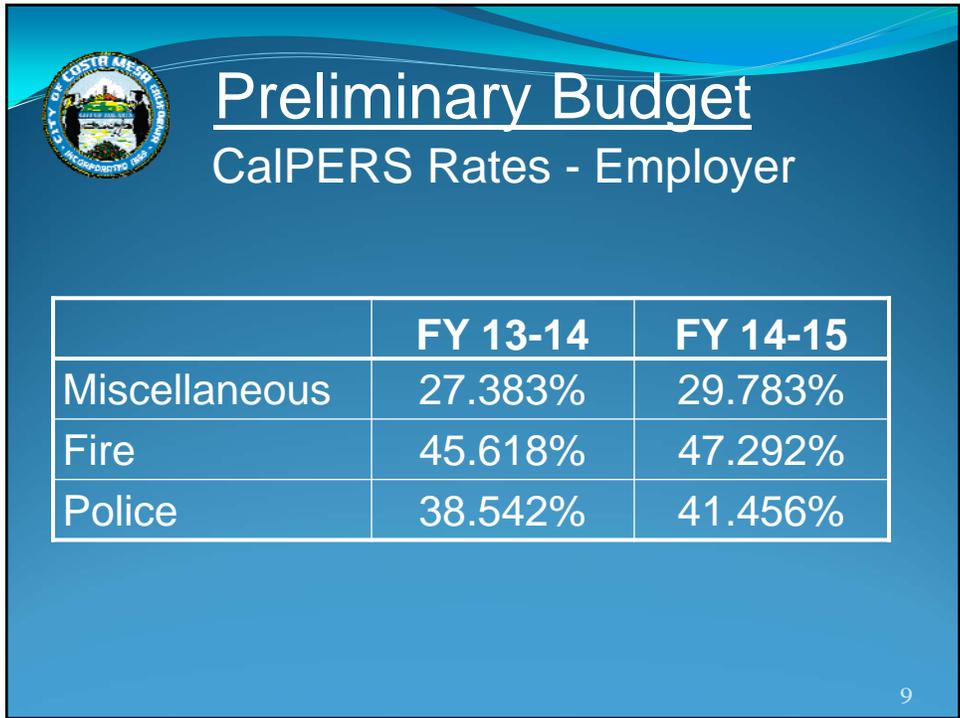




Preliminary Budget General Fund – Major Category

	Adopted	Preliminary	Increase (Decrease)	
	FY 13-14	FY 14-15	Amount	Percent
Regular Salaries	\$ 39,777,225	\$ 40,895,454	\$ 1,118,229	2.81%
Cafeteria Plan	3,915,470	4,198,301	282,831	7.22%
Retirement	18,006,842	20,799,589	2,792,747	15.51%
Other wages & ben.	12,700,941	12,946,280	245,339	1.93%
Gas, Elect., Water	2,531,100	2,709,045	177,945	7.03%
Landscaping, etc.	1,422,200	1,510,470	88,270	6.21%
Consulting	2,108,875	3,269,445	1,160,570	55.03%
Principal & Interest	3,741,148	3,732,245	(8,903)	-0.24%
Internal Rent	3,349,755	2,079,363	(1,270,392)	-37.92%
General Liability	1,303,856	1,740,140	436,284	33.46%
Operating Transfers	3,985,000	5,517,067	1,532,067	38.45%
All Other	10,348,859	10,032,836	(316,023)	-3.05%
Total	\$ 103,191,271	\$ 109,430,235	\$ 6,238,964	6.05%





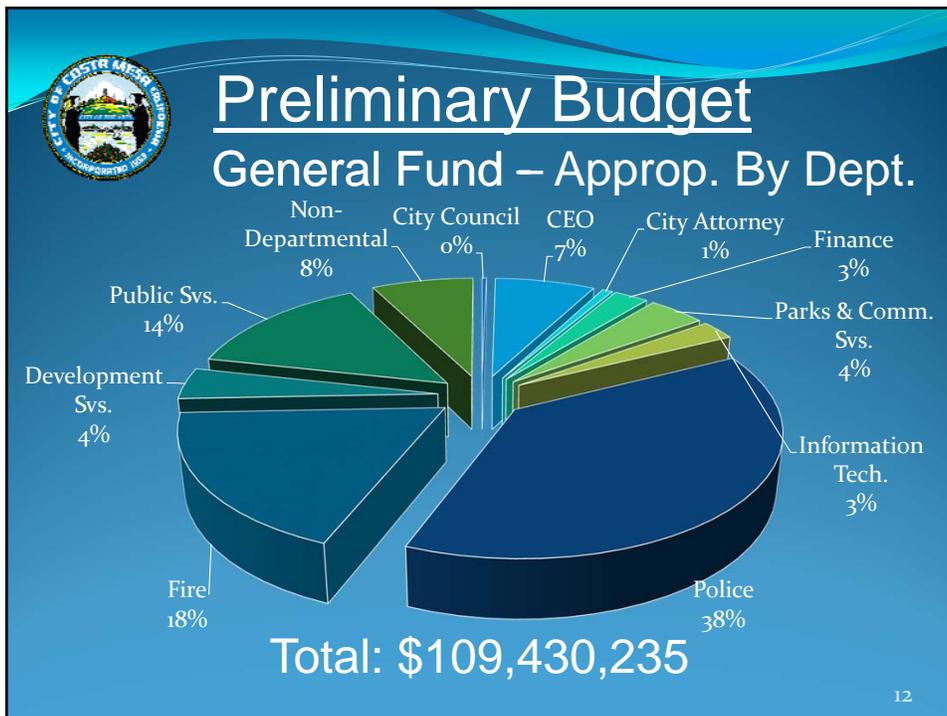


Preliminary Budget

General Fund – Approp. By Dept.

	Adopted	Preliminary	Increase (Decrease)	
	FY 13-14	FY 14-15	Amount	Percent
City Council	\$ 315,799	\$ 360,087	\$ 44,288	14.02%
CEO/City Clerk/HR	6,710,840	8,056,175	1,345,335	20.05%
City Attorney	803,000	803,000	-	0.00%
Finance	2,675,983	2,742,504	66,521	2.49%
Parks & Comm. Svs.	3,801,977	4,587,546	785,569	20.66%
Information Tech.	2,386,428	2,802,980	416,552	17.46%
Police	38,292,488	41,943,898	3,651,410	9.54%
Fire	21,473,083	20,075,081	(1,398,002)	-6.51%
Development Svs.	3,789,761	4,515,319	725,558	19.15%
Public Svs.	14,521,415	15,355,520	834,105	5.74%
Non-Departmental	8,420,497	8,188,125	(232,372)	-2.76%
Total	\$ 103,191,271	\$ 109,430,235	\$ 6,238,964	6.05%

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Preliminary Budget Full-Time Employees

	FY 13-14	FY 14-15	Increase (Decrease)
City Council	6.00	6.00	0.00
CEO	24.00	27.00	3.00
Finance	17.00	18.00	1.00
Parks & Comm. Svs.	7.00	8.00	1.00
Information Tech.	9.00	10.00	1.00
Police	213.00	217.00	4.00
Fire	94.00	82.00	-12.00
Development Svs.	24.00	33.00	9.00
Public Svs.	72.00	75.00	3.00
Total	466.00	476.00	10.00

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Preliminary Budget Balancing Process

- Reduced duplication of part-time, contract and vacant positions (\$200,000)
- Reduced base budgets based on actual usage (\$548,968)
- Approved 8 of 33 new vehicle requests and suspended equipment rental charges (\$977,814)
- City Attorney budget remains at current budget level
- Used Measure M funds for Public Services design and engineering costs (\$709,000)
- Pay off Fire Truck lease with Equipment Replacement Fund (\$219,641)

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Preliminary Budget Balancing Process

- Deleted 12 vacant Fire Department positions per City Council on May 7, 2013 (\$758,000 net of OT increase)
- Increase salary savings to 3.5%
- Omit 5 new position requests (\$477,677)
- Department heads agreed to reduction of various requests for budget increases (\$259,993)
- Increased revenue forecasts based on updated year-to-date actuals (\$575,000)

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Preliminary Budget Other Highlights

- All management budget policy goals, except increasing reserves, are met
- Newly created IT Replacement Fund, will receive \$100,000 from all departments
- Senior Center service improvements included (\$300,000)
- 4% Salary increase for Police Department
- Phased-in conversation from City Jail staffing to G4S contract staffing
- 10% revenue increase from Development Services permit and plan check activity

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Preliminary Budget Other Highlights

- Contingency appropriations of \$1,000,000
- Restructuring Park Development Fee Fund loan: Balance of \$4,285,269, at 0.5% interest and payments of \$225,687
- \$5,450,000, 5%, General Fund budget is contributed to Capital Projects, an increase of \$1,615,000 or 42%
- Capital Projects include funding of a 4-year level-pay plan for next generation 800 MHz communication system at \$1,584,000. Police portion will be paid from Narcotics Asset Forfeiture Fund

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Preliminary Budget General Fund Balance & Reserves

	6/30/2012	6/30/2013	Increase (Decrease)	
			Amount	Percent
Nonspendable	\$ 3,077,537	\$ 3,137,794	\$ 60,257	1.96%
Loan to Successor Agency	9,794,676	-	(9,794,676)	-100.00%
Committed for:				
Disasters	14,125,000	14,125,000	-	0.00%
Self Insurance	2,000,000	2,000,000	-	0.00%
Compensated Balances	5,435,878	4,871,727	(564,151)	-10.38%
Police Ret. 1% Supplement	2,440,991	2,362,297	(78,694)	-3.22%
OPEB/Medical Retirement	2,470,935	2,897,591	426,656	17.27%
Unassigned	8,464,909	16,252,032	7,787,123	91.99%
Financial Report Total	47,809,926	45,646,441	(2,163,485)	-4.53%
Mid Year Use		(5,532,000)		
Total		\$ 40,114,441		

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Preliminary Budget Resources

- Copies available for Public Viewing at:
City Clerk's Office at 77 Fair Drive
(City Hall – 1st Floor)
- Public Libraries at:
Costa Mesa Branch, 1855 Park Avenue
Mesa Verde Branch, 2969 Mesa Verde Drive
- City's Website: www.costamesaca.gov
- Additional information contact 714-754-5243

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Preliminary Budget Next Steps

- May 14, 2014 Community discussion and Q & A with CEO
- May 22, 2014 CIP review by Parks & Recreation Commission
- May 27, 2014 Review by the Finance Advisory Committee
- May 27, 2014 CIP review by Planning Commission
- June 17, 2014 City Council budget hearing and adoption

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