# PROPOSED OPERATING & CAPITAL IMPROVEMENT BUDGET SUMMARIES



FISCAL YEAR 2009-2010

# PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGET FISCAL YEAR 2009-2010

#### **CITY COUNCIL**

Allan R. Mansoor Mayor

Wendy B. Leece Mayor Pro Tem

**Eric R. Bever**Council Member

Katrina A. Foley
Council Member

Gary C. Monahan Council Member

Allan L. Roeder City Manager

Prepared by the Finance Department

Marc R. Puckett
Director of Finance

Bobby R. Young
Budget & Research Officer



# **City Council**



Wendy B. Leece Mayor Pro Tem



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# California Society of Municipal Finance Officers

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Certificate of Award For

# Excellence in Operating Budgeting Fiscal Year 2008-2009

The California Society of Municipal Finance Officers (CSMFO) proudly presents this certificate to

City of Costa Mesa

For meeting the criteria established to achieve the EXCELLENCE AWARD in the OPERATING BUDGET CATEGORY.

February 17, 2009

Viki Copeland CSMFO President

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Pamela Arends-King, Chair Budgeting & Financial Reporting

Jamela arends-Kin



GOVERNMENT FINANCE OFFICERS ASSOCIATION

## Distinguished Budget Presentation Award

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### City of Costa Mesa California

For the Fiscal Year Beginning

July 1, 2008

- L. Pt Offing P. Enon

President

Executive Director



#### **CITY MANAGER'S BUDGET MESSAGE**



June 1, 2009

Honorable Mayor, Members of the City Council, and Citizens of Costa Mesa:

I am pleased to submit for your consideration the preliminary FY 2009-10 Operating and Capital Budget. As proposed, this represents a budget for the coming fiscal year that provides the highest level of service feasible to the community within existing financial constraints The City's management team and staff have put together an operating and capital expenditure plan that seeks to address the City Council's priorities within the financial constraints existent to fulfill the service requirements of the people who live, work, and play in our community.

Given the expectations of Costa Mesa residents, businesses, employee associations and the City Council, development of this coming year's budget has been particularly challenging. The gap between "expectations" and "financial reality" has gradually widened over the past several years. When coupled with what appears to be one of the more significant and far reaching economic downturns in United States history, the task at hand has been very difficult. However, from my professional experience in preparing twenty-three consecutive Operating and Capital budgets for consideration by current and prior City Councils, I would offer that sometimes adverse financial conditions can produce more efficient plans for managing public resources. While the proposed budget involves a number of actions I would prefer not to have to recommend to you based on the public's interest and those of the City Council, I believe you will find the financial plan as proposed to be feasible within economic, legal and policy constraints.

The objectives used in developing the proposed budget were to submit a balanced budget to the City Council; to do the best job possible of maintaining levels of service to the community; to implement City Council's priorities as feasible; to be prudent in our revenue estimates and cautiously optimistic overall. Unlike in prior years where the focus has been on expanding programs & services, maintenance of existing public assets and a high level of customer service, the economic downturn and policy direction dictate that all of these areas be scaled back for the coming year. The proposed budget before you has already been scrutinized closer at all levels of the organization more than any in the past 20 years. As proposed, it represents the largest single year reduction in operating costs in decades — much of it through planned reductions in staffing and operating budget cuts. Until financial conditions stabilize and begin to return to their historic averages and in the absence of City Council authorized and voter approved increases in existing tax proceeds, it will be necessary to operate in this mode.

#### **BUDGET DEVELOPMENT STRATEGIES**

During the April 14<sup>th</sup> City Council meeting, a presentation was made declaring the Fiscal Year 2009-2010 Budget Development Strategies. As part of that presentation, a 10 point Budget Management Strategy was presented for reducing the City's budget deficit. The following is a list of those proposals and an update on how they were implemented.

- 1. Reduce Department operating budgets by an additional 5% for an average reduction of 10% by Department from the prior fiscal year which will require elimination of approximately 23 full-time positions. **Estimated impact** \$6,318,134.
  - **Implementation Status** Total department reductions amounted to \$8.8 million. These include structural as well as one year reductions that can be made. The proposed budget does not reflect the reduction of any full-time staffing pending the results of the PERS Retirement Incentive (see # 6 below).
- 2. Negotiate reduction in employee compensation equating to approximately 5% of salary. Estimated impact \$3,623,663. Implementation Status Assumes a 5% reduction of base salary and all related appropriations amounting to \$3,623,663 budget impact. This assumption is made with the understanding that negotiations will take place with employee associations during the fiscal year to ensure a reduction is made. If 5% reduction can not be negotiated with employee associations, it will either have an impact on current staffing levels or a greater use of fund balance.
- 3. Reduction of \$1 million dollars in non-reimbursable overtime for Police and Fire departments. **Estimated impact** \$1,000,000. **Implementation Status** Assumes a reduction in overtime for Police in the amount of \$534,078, and for the Fire Department in the amount of \$465,922, for a total reduction of \$1,000,000.
- Negotiated suspension of minimum manning requirements in the Fire Department in order to accomplish the aforementioned reduction in overtime.
   Implementation Status – Currently discussing suspension with Costa Mesa Firefighters Association.
- 5. Seek Federal Stimulus funding for ten police officer positions to be eliminated due to Police Department budget reductions. Estimated impact \$1,052,010. Implementation Status During the month of April, the City Manager and Police Chief officially sent the application for Federal Stimulus funding for Police Officer positions. The application was made for a total of 18 positions with the hope to receive funding for at least 10 of those. The Department of Justice has acknowledged receipt of the application and should respond by September 30, 2009 if not sooner.
- 6. Offer PERS Retirement Incentive to create vacancies to (a) reduce the number of personnel that may be laid off as a result of reductions in departmental operating budgets and (b) create additional vacancies needed for budgetary purposes (assumes total of 50 employees opting to retire of which 25 positions would be eliminated). Estimated impact \$3,485,000.

**Implementation Status** – Currently staff is preparing all paperwork necessary for PERS Retirement Incentive to be acted on and implemented. Estimated time to have available for employees is September 2009. However, currently there is no actual impact to the proposed FY 2009-2010 budget because positions and related budgetary savings can not be identified. After the Incentive is implemented and positions are accurately identified, staff will return to City Council to make necessary reductions to the budget and recognize attributed savings. At such time, staff will also evaluate the necessity to reduce more staff to achieve any additional savings.

- Suspension or termination of the Retiree Health Savings (RHS) Plan (Contributions are comprised of 1% by Employer and 1% by Employee).
   Estimated impact \$508.764.
   Implementation Status Staff has determined that the RHS Plan may be suspended instead of terminated. This item is pagetiated with each represented.
  - **Implementation Status** Staff has determined that the RHS Plan may be suspended instead of terminated. This item is negotiated with each represented employee association; therefore staff is currently conducting discussions to negotiate suspension of the RHS contributions made by both the employer and employees. Once the item has been successfully negotiated, staff will reduce the necessary budget line items pertaining to the RHS contributions.
- 8. Implement various cost recovery programs including resident EMS fees, inspection fees, and Police and Fire Cost Reimbursement Fees. **Estimated impact \$959,700.** 
  - **Implementation Status** The City Council has passed a resolution adopting the resident EMS fees although the fee is set for rehearing as of the date of this writing. Staff is scheduled to bring more information to City Council regarding the inspection fees and Police and Fire Cost Reimbursement fees following which City Council will take action.
- Renegotiate/extend the Golf Course Operator's agreement for a greater share of revenues and institute formula adjustments to the greens fees. Estimated impact - \$244,850.
  - **Implementation Status** Staff has successfully renegotiated the Golf Course Operator's agreement which will be coming before City Council June 2,2009 for consideration and adoption. The change in the agreement will increase Golf Course Operation revenue \$112,500 annually. Also as part of the renegotiation, the City will be able to recognize revenue previously established for Golf Course Capital Improvements in the amount of \$190,000. Total impact for FY 2009-10 \$302,500.
- 10. Utilization of undesignated unreserved General Fund balance. **Estimated impact** \$2,900,000.

**Implementation Status** – Currently total use of fund balance in the General Fund is \$4,828,349. This amount includes potential savings from PERS Retirement Incentive and RHS Plan contributions, should those be successfully negotiated it will reduce the total use of fund balance for FY 2009-2010.

As a quick overview, here is the proposed budget for FY 09-10 for all funds:

PROPOSED BI	JDGET - ALL FUN	<u>IDS</u>	
Proposed	Adopted	Increase (De	ecrease)
FY 09-10	FY 08-09	<u>Amount</u>	<u>Percent</u>
\$ 116,158,542	\$ 128,440,254	(\$12,281,712)	(9.56%)
1,543,000	5,565,200	(4,022,200)	(72.27%)
4,864,020	11,150,477	(6,286,457)	(56.38%)
\$ 122,565,562	\$ 145,155,931	(\$22,590,369)	(15.56%)
	Proposed FY 09-10 \$ 116,158,542 1,543,000 4,864,020	Proposed         Adopted           FY 09-10         FY 08-09           \$ 116,158,542         \$ 128,440,254           1,543,000         5,565,200           4,864,020         11,150,477	FY 09-10         FY 08-09         Amount           \$ 116,158,542         \$ 128,440,254         (\$12,281,712)           1,543,000         5,565,200         (4,022,200)           4,864,020         11,150,477         (6,286,457)

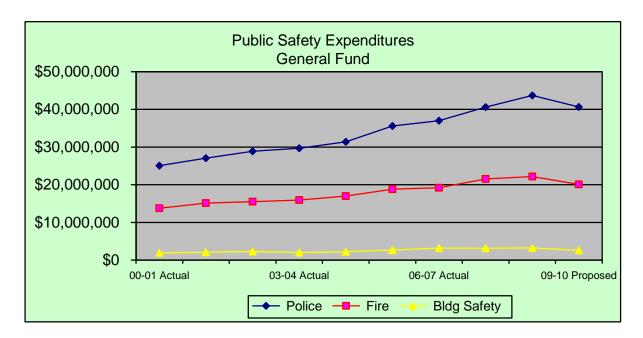
#### **GENERAL FUND PROPOSED BUDGET**

The General Fund provides 95.57% of the total <u>operating</u> budget for all governmental funds. The total proposed budget is \$102.5 million, a decrease of \$16.3 million or negative 13.72% from the adopted budget in FY 08-09. Table 1 is a summary of the total resources and requirements for FY 09-10:

Table 1

<u>PI</u>	ROPOSED BUDG	ET - GENERAL	<u>FUND</u>	
	Proposed FY 09-10	Adopted FY 08-09	Increase (De Amount	crease) Percent
Estimated Revenues	\$ 96,906,200	\$ 107,334,823	(\$10,428,623)	(9.72%)
Transfers In	793,000	5,042,200	(4,249,200)	(84.27%)
Use of Fund Balance	4,828,349	6,458,441	(1,630,092)	(25.24%)
Total Resources	\$ 102,527,549	\$ 118,835,464	(\$16,307,915)	(13.72%)
Proposed Operating Budget	\$ 101,777,549	\$ 118,312,464	(\$16,534,915)	(13.98%)
Transfers Out	750,000	523,000	(227,000)	(43.40%)
Total Appropriations	\$ 102,527,549	\$ 118,835,464	(\$16,307,915)	(13.72%)

Public Safety overwhelmingly remains the largest component of the operating budget. The following graph illustrates public safety expenditures for ten (10) years compared to other governmental function expenditures.



A more thorough discussion on the details of the proposed budget can be found on page a-15 under the Budget Overview section.

**General Fund reserves/use of fund balance:** Fund balance is the excess of actual revenues and other financing sources over actual expenditures and other uses at year-end. In general terms, it represents the City's accumulated "savings" from year to year, as any fund balance realized at year-end is added to (or deducted from if expenditures exceeded revenues for that particular year), the previous year's fund balance. Fund balance is often referred to as "reserves".

The proposed budget calls for the use of some of these reserves to balance the budget in the amount of \$4.8 million, this is \$1.6 million less than was planned to be used in FY 08-09 when the budget for that year was adopted. This reduction is directly attributed to the assumptions that have been made related to salaries and benefits, as well as cuts made by departments that staff is planning to sustain throughout the year.

At the beginning of the coming fiscal year, staff estimates the available General Fund undesignated fund balance at \$9.6 million of which \$4.8 million will be applied towards the FY 09-10 budget. The City continues to maintain the \$14.125 million general operating reserve, along with reserves for workers' compensation and general liability claims, as well as reserves for compensated absences.

A schedule of estimated fund balances for all funds is found on pages 14-15.

#### IMPACT TO SERVICES PROVIDED BY THE CITY

The residents and the business community of Costa Mesa enjoy a high level of service at some of the lowest tax rates in Orange County: police and fire protection; emergency medical care; recreation programs for the youth, adults and seniors; parks maintenance; street maintenance; transportation; engineering; building safety; street sweeping; housing; planning and development; code enforcement; animal control; and general government. However, as a result of the economic downturn and the need to balance revenues and expenditures, it is necessary to make budget cuts that will affect services either directly or indirectly. The following are examples of impacts to services due to budget reductions. Please note – This is not a complete list of all potential services impacts.

- Close Downtown Recreation Center pool from October to April.
- Elimination of funding for planting of 250 trees, park and open space clean up crew (from County), weekly median hardscape maintenance, fertilization of median landscape and turf. This will further reduce emergency tree response and removal.
- Reduction of traffic enforcement & accident investigations; possible decreased response times related to Traffic Operations.
- Reduction of small tools, materials and equipment repair related to graffiti removal.
- Loss of Cold Case Detective; Likely increased workload to Street Crimes Unit.
- Suspension of Police Department Recruitment Program.
- Significant reduction in funding for Water Quality including consulting assistance and termination of catch basin entrance lid and screen repair/replacement program. The combination of these actions along with the reduced level of inspections to be completed on an annual basis and will have the potential to put the City out of compliance with the NPDES permit.
- Eliminate most weekend & after business hour video production programs not including cable casting of City Council meetings.
- Partial reallocation of Engineering employees salaries, from the General Fund to the Measure M Fund, will reduce the Measure M fund balance available for construction of street improvements and therefore a fewer number of streets will receive improvements.
- Elimination of paving 2 residential streets, and reduction of approximately 750 tons of asphalt.
- Reduction in the traffic signal maintenance account will impact the City's ability to respond to knockdowns and unexpected repair items.
- Reduction of right of way weed control by 10%, resulting in more visible weeds along City streets, alleys and sidewalks. Decrease alley and right of way maintenance funding by 50%, possibly resulting in citizen complaints due to weeds and debris in alleys and in un-landscaped areas.
- Elimination of all turf and landscape fertilization resulting in a decline in aesthetic quality of parks and landscape and reduce turf healing ability in high traffic areas.
   This also includes a reduction in the contract maintenance of TeWinkle Lake,

- elimination of the provision of "Mutt Mitts" in all City parks and routine replacement of park furniture and related amenities.
- Virtual elimination of all building repairs and major maintenance items such as termite fumigation, painting, plumbing & electrical repair and related property upkeep.
- Postponement of most scheduled vehicle and equipment replacement except for police patrol vehicles.
- Postponement of needed computer hardware & software replacement.
- Elimination of all non-mandatory training and professional development for all personnel.
- Reductions in Youth & Family programs, Mobile Recreation Program, Youth Basketball and Football, Concerts in the Parks and suspension of Youth In Government and reduced funding for the Cultural Arts and Historic Preservation Committees.
- Reduction of turf mowing to two (2) times a month in all parks and City buildings except for sports fields which will remain weekly - resulting in a decline in aesthetic quality of parks and overgrown appearance.
- Reduction in hours of the assigned part time staff overseeing contracts with Fairview Park user groups, OC Model Engineers and Harbor Soaring Society. Reduction in assistance given to Parks Project Manager regarding construction projects, performing research and writing Council and Park Commission reports. Reduction in oversight of the Phase 1, 17-acre Riparian Habitat 5 year maintenance and monitoring as required by the Department of Fish and Game and US Wildlife Service. Phase 1 completed in June 2009.

#### PRIOR YEAR ACCOMPLISHMENTS

City departments have achieved a great deal this past year despite budgetary limitations and reduced staffing levels. Some of the key accomplishments include the following:

- Swept and cleaned approximately 425 curb miles and 140 arterial lane miles weekly, removing up to 10 tons of debris from City streets daily.
- Completed the installation of 25 thermo plastic crosswalks and messages for the Safe Route to Schools project.
- Improved emergency responder inspection techniques by hosting seminars for; basic business inspections, hazardous materials handlers' inspections, and high-rise systems inspections.
- Rehabilitated 15 residential streets with Street Maintenance Section staff.
- Completed the installation of handicapped accessible concrete walkways and picnic table areas at Vista Park, Canyon Park, Del Mesa Park and Wimbledon Park with Park and Street Maintenance crews.
- Swept and cleaned approximately 425 curb miles and 140 arterial lane miles weekly, removing up to 10 tons of debris from City streets daily.

- Completed building inspections and project management for what will be one of the first LEED certified buildings in the City, the Coastline Community College administrative offices, located at 1370 Adams Avenue.
- ➤ Completed Safe Route to School improvements at 14 school sites including 56 countdown signal heads, 14 speed feedback signs, 22 high visibility crosswalks, ADA handicap improvements at 19 locations, and preparation of Suggested Route to School Maps.
- ➤ Planned and implemented the City's first public art mural with both the Historic Preservation Committee and the Cultural Arts Committee as well as a community youth arts program.
- ➤ Conducted three Artist Showcases with assistance of the Cultural Arts Committee, six Concerts in the Park and supported several community organized events with Mobile Recreation Unit including Spring Egg-citement and Snow Hill with Torelli Realty.
- Permitted 357 picnic reservations, issued over 100 model airplane permits, issued 120 community garden parcel agreements, and permitted over 70,000 hours of field time through the Recreation division at reduced staffing levels.
- Videotaped and televised 71 public meetings (City Council, Planning Commission, Parks & Recreation Commission, Redevelopment Agency, and City Council Study Sessions); and 24 youth sports games in conjunction with the Recreation Division; several special events.
- ➤ Increased the qualified applicant pool by utilizing NEOGOV (automated on-line application and applicant tracking program) and targeted job advertisements.
- Videotaped and televised 3 City Council Candidate Forums.
- Participated in the State-wide Golden Guardian exercise, and all lead staff were trained and participated in a shelter and mass care reception exercise with Orange Coast College.
- ➤ Hosted two successful Neighbors for Neighbors events involving the coordination of more than 800 volunteers, raising \$43,000 in cash and in-kind donations, to assist with the beautification of 12 area homes and Canyon Park.
- > Supported the Costa Mesa Library Foundation and Costa Mesa Friends of the Library in reviewing and planning for future library services needs.
- > Updated the comprehensive Users Fees & Charges for implementation within the target date.
- Continued to receive the budgeting, financial reporting, and procurement awards from GFOA, CSMFO and NPI.
- > Improved EMS ambulance response and cost recovery process by awarding contract to new ambulance company CARE.
- Improved USAR capability by implementing low-angle rescue equipment on all engines purchased with donated funds.

More detailed accomplishments are listed under each departmental section of the budget document.

#### **CAPITAL IMPROVEMENT PROJECTS**

The City is continuing it's commitment to infrastructure improvements in the capital improvement program for FY 09-10. In a 10- year span, the City has dedicated over \$138 million for capital improvements or an average of \$13.8 million a year. The proposed capital budget allocates \$4.9 million including: \$3.8 million for street improvements and maintenance; \$400,000 for curbs and sidewalks; \$434,020 for traffic operations and planning; and \$75,000 for government buildings and facilities repairs.

In reviewing the Capital Improvement budget, it is important to keep in mind that most projects are funded by restricted revenue sources or grants. Consequently, there will potentially be significant differences from year to year in both the numbers of projects adopted and the total dollars budgeted.

Approximately \$2 million or 42% of the total funding for capital projects comes from Measure M Fund; another \$1.8 million or 38% comes from the Gas Tax Fund. Both funds are earmarked for streets and/or transportation-related expenditures. Other sources are the Air Quality Management District Fund, the Community Development Block Grant (CDBG) Fund, the Drainage Fees Fund and the Capital Improvement Fund (the original source of this fund is the General Fund).

The table below illustrates the type of capital projects planned for the coming year:

CAPITAL IMPROVEMENT PR	<u>ROJECTS</u> Proposed
Program Category:	FY 09-10
Street Improvements & Maintenance Storm Drain Improvements Curbs & Sidewalks Traffic Operations & Planning Facilities Maintenance Total	\$ 3,755,000 200,000 400,000 434,020 75,000 \$ 4,864,020

#### FINANCIAL OUTLOOK

As a result of the recent slow down in the economy, most revenue sources are projected to decline slightly or remain flat, with only property tax increasing marginally from the prior year projection. However, the cost of services provided to the community is expected to continue to rise except in the area of contract construction costs. In particular, it should be noted that existing labor agreements with all employee associations continues to increase the cost of all City services. While the agreements were reached pursuant to State law and at a mid-point with the labor market consisting of neighboring communities, they nonetheless have increased both salary and benefit costs. The total increase in salary and benefit adjustments alone account for \$3.5 million of the increased costs from the prior year. In light of the City Council's expressed desire not to consider any increases in taxes or any new taxes to keep pace with increasing costs, expansion of programs, services and facilities, it is timely to begin discussions with employee association in the near future about changing the City's long standing labor market. Additionally, as with consumers and businesses alike, the City is facing higher fuel costs, utility costs, insurance premium costs and material costs. The combination of flat revenues and increasing costs of operation is cause for keeping a very close watch on budgetary performance over the course of the year.

While the passage of Proposition 1A has provided some fiscal stability to local agencies, the State's continuing budget dilemma has all Cities focused on the State's budget deliberations. The State of California's fiscal situation has been allowed to degrade over a number of years to the point where it is next to inconceivable that cities will not be required to "bail out" Sacramento. Of equal concern is the State's never ending appetite for intervening in the authority of local government along with endless layers of additional regulations & requirements. The combination of a revenue starved State and the Legislature's desire to "govern local government" should be of major concern to anyone who supports local control and self-determination. Given current circumstances, it is not inconceivable that local government will soon resemble K-12 public education if this pattern continues.

The City's cash flow position remains healthy. However, further expansion of programs and services as well as increasing the City's commitment to capital improvements in the community will necessitate additional revenues to fund those initiatives. The City cannot accomplish this expansion of programs and services strictly by economizing, cutting support personnel, contracting for services, and utilizing other "right sizing" tools to cut costs in other areas. These tools have been in place for over 18 years and have become a "way of life" for City operations. However, they cannot support the continuous addition of more programs, more services and most especially the addition of more City personnel.

#### **APPROPRIATIONS LIMIT**

Since the addition of Article XIII-B to the Constitution of California in November 1979, the City has been required to annually establish an Appropriations Limit. The ideology behind establishing an annual appropriation limit is that if an agency's ability to spend tax proceeds each year is controlled, then the growth in tax revenues can be systematically and incrementally managed to lessen the impact or tax burden upon taxpayers throughout the State.

In June 1990, Article XIII-B and its implementing legislation Chapter 1205/80 were modified by Proposition 111 and SB 88. The modifications changed the annual adjustment factors for determining the Appropriations Limit. Beginning with the calculation of the Appropriations Limit for FY 90-91, the City may choose one of the following factors to use for inflationary adjustment:

- The growth in California per capita income; or
- The growth in the non-residential assessed valuation due to new construction within the City.

In addition, the City may choose to use either the population growth of the City or the population growth within the County. These two adjustment factors, one for inflation and one for population, are both annual elections for the City in determining its Appropriations Limit.

Below is the calculation of the City's Appropriations Limit for FY 09-10:

Step 1 - Appropriations Limit for FY 08-09	\$ 163,517,932
Step 2 - Multiply the FY 08-09 Appropriations Limit by the cumulative growth factors for	
Orange County	 1.0334
Appropriations Limit FY 09-10	\$ 168,979,431

The estimated proceeds from general tax revenues in FY 09-10 equal \$80.1 million, which is \$88.2 million or 52.19% under the limit.

#### **BUDGETARY REPORTING AWARDS**

The adopted budget will be prepared in accordance with local ordinances, state statutes, and best practices in budgeting recommended by the National Advisory Council on State and Local Budgeting (NACSLB). Additionally, this document will also be prepared to meet the Budget Awards Program criteria established by the Government Finance Officers Association (GFOA) of the United States and Canada and the California Society of Municipal Finance Officers (CSMFO).

The Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Costa Mesa for its annual budget document for the fiscal year beginning July 1, 2008. This is the tenth consecutive year that the City has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for one year only.

In addition, the California Society of Municipal Finance Officers presented the Excellence in Operational Budgeting, and the Excellence in Public Communications awards to the City of Costa Mesa for its FY 08-09 Adopted Budget and Budget at-a-Glance, respectively.

Staff believes the upcoming FY 09-10 Adopted Operating & Capital Improvement Budget document will continue to conform to the award program requirements. The budget document will be submitted again to both GFOA and CSMFO to determine its' eligibility for another award.

#### **SUMMARY**

The proposed budget continues to support the overall high level of service that the citizens of Costa Mesa are accustomed to expect. It also represents a balanced financial plan, using a reduced level of available fund balance. Adequate reserves have been set aside for contingencies, including amounts to meet projected workers' compensation and general liability claims, and vehicle replacements.

The proposed budget represents a delicately balanced plan designed to ensure that Costa Mesa remains a great place to live, work and play. Furthermore, I believe this plan reflects as many of the City Council and Community priorities as can reasonably be supported under the current financial circumstances. However, should the City Council and the community desire additional/expanded programs and services or additional Capital Projects, it will be necessary to identify exactly what existing programs and services or Capital Projects funded in a similar fashion can be eliminated from the budget. The City is not in the position – either upon budget adoption or at any point in time throughout the fiscal year – to add expenses without corresponding reductions. This must apply to everyone if we are to successfully work together to implement this budget.

If substantially approved as submitted and consistent with the 10 point Management Budget Strategy, the City will lose over 100,000 man hours over the course of the fiscal year. The proposed staffing levels reflect those of almost 25 years ago while serving a larger population today. This cannot happen without impacting the quality and quantity of service to the public. It would be illusory to suggest otherwise and disingenuous to the public we serve. At the same time, it is allowing Costa Mesa to keep local taxes among the lowest of any City in Orange County and among the most business friendly cities anywhere in California. The future success of the community will rest with a well reasoned balance between the need for services and the desire for public amenities in combination with fiscal restraint and an equitable tax structure for all.

#### **ACKNOWLEDGEMENT**

The development of the annual budget takes an enormous amount of staff time and efforts, and has to be completed within a compressed timeline. I sincerely appreciate all department directors, division managers, and departmental budget liaisons for their contribution. Special recognition is extended to the Finance budget team and Central Services staff. I thank the City Council for their continued support in making Costa Mesa a financially stable and well-balanced community.

Respectfully submitted,

Allan L. Roeder City Manager



#### PROPOSED OPERATING & CAPITAL BUDGET OVERVIEW

The FY 2009-10 Proposed Budget reflects the operating and capital spending plans for the General Fund, Special Revenue Funds, Capital Project Funds, and Internal Service Funds. The total proposed budget for all funds is \$118.5 million, a decrease of \$26.7 million or -18.38% compared to the adopted budget for FY 08-09. Table 1 illustrates these changes.

#### TABLE 1

PROPOSED BUDGET - ALL FUNDS					
Appropriations/	Proposed	Adopted	Increase (D	ecrease)	Percent
All Funds	FY 09-10	FY 08-09	<u>Amount</u>	Percent	of Total
Operating Budget	\$112,064,744	\$128,440,254	(\$16,375,510)	(12.75%)	94.59%
Transfers Out	1,543,000	5,565,200	(4,022,200)	(72.27%)	1.30%
Capital Budget	4,864,020	11,150,477	(6,286,457)	(56.38%)	4.11%
Total	\$118,471,764	\$145,155,931	(\$26,684,167)	(18.38%)	100.00%

#### **GENERAL FUND BUDGET OVERVIEW**

For all governmental funds, the General Fund comprises 95.57% of the *operating* budget and 91.40% of the *operating* and *capital* budget. Therefore, the succeeding discussion will focus primarily on the General Fund.

The proposed operating budget is \$102.5 million, a decrease of \$16.3 million or -13.72% compared to the adopted budget in FY 08-09. Table 2 below illustrates the components and the changes of the adopted budget as compared to the prior year's budget.

**TABLE 2** 

GENERAL FUND OPERATING BUDGET					
Expenditure Category	Proposed FY 09-10	Adopted FY 08-09	Increase (De	ecrease) Percent	% of <u>Total</u>
Salaries & Benefits Maintenance &	\$ 80,012,610 21,764,939	\$ 87,921,851 29,678,548	(\$7,909,241) (7,913,609)	(9.00%) (26.66%)	78.04% 21.23%
Operations Fixed Assets Transfers Out	- 750.000	712,065 523,000	(712,065) 227,000	(100.0%) 43.40%	0.00% 0.73%
Total	\$102,527,549	\$118,835,464	(\$16,307,915)	(13.72%)	100.00%

**Salaries & Benefits:** Personnel costs decreased by \$7.9 million or -9.00%. As stated in the City Manager's Budget Message, a 5% salary reduction and \$1 million reduction in overtime were assumed when preparing the 2009-10 proposed budget. All department's were also tasked with reducing professional development to only include funds necessary for licenses and certifications. The result is a \$368,348 reduction in professional development.

Also included in the personnel cost is the City's contribution to CalPERS for employee retirement benefits. The total proposed budget for retirement benefits is \$15.1 million which is a \$740,500 decrease compared to FY 08-09, primarily because of the reduction in salary. The employer contribution rate for non-safety decreased from 12.564% to 11.857% (because non-safety employees are now required to pick up 2.52% of the employer rate), fire-sworn personnel increased from 24.674% to 25.968%, and police-sworn personnel decreased from 29.372% to 29.206%. These rates exclude the employer-paid member contributions of 7.49% for non-safety and 9.81% for both fire and police sworn.

**Maintenance & Operations (M&O):** The maintenance and operations category includes such things as: office supplies; office equipment; electricity, gas and water for all City owned property including parks, medians, street lights and traffic signals; principal and interest payments on outstanding City debt. The proposed budget for maintenance and operations accounts is \$21.8 million, a net decrease of \$7.9 million or -26.66% compared to the FY 08-09 adopted budget. The major components of the decrease are:

- □ \$2,332,313 in maintenance and replacement charges for the City's fleet
- □ \$2,789,785 in principal and interest payments on debt service compared to the prior fiscal year
- □ \$805,908 for consulting services citywide
- □ \$414,482 for repairs and maintenance on all City owned facilities and structures
- □ \$248,017 for miscellaneous small tools and equipment

Also included in the M&O proposed budget is \$3,383,616 for debt service payments on the following (descriptions of the debt can be found on pages 177 and 253):

- □ \$84,098 for energy retrofit lease
- □ \$1,515,831 for revenue bonds
- □ \$1,259,563 for Certificates of Participation (COPs)
- □ \$524,124 for TeWinkle Park ball fields capital improvement project

A component of the Certificates of Participation is the payment on the 2007 Certificates of Participation – Policy Facility Expansion. The Certificates mature serially from October 1, 2007 through October 1, 2026 in annual principal payments ranging from \$750,000 to \$2,180,000 and bear interest rates ranging from 3.75% to 4.30%. However, for FY 2009-10, the City is not budgeting principal and interest payments because they are scheduled to be made with remaining project funds. Using the remaining project funds for this purpose is legally allowed under the agreement.

The total proposed FY 09-10 General Fund estimated revenue is \$96.9 million, a decrease of \$10.6 million or -9.89% compared to adopted estimated revenues for FY 08-09. Table 3 illustrates the General Fund revenue sources that fund City services. Excluded from this presentation are other financing sources in the amount of \$793,000 from interfund transfers.

TABLE 3

	GENERAL FUN	ND ESTIMATED R	REVENUES		
Revenue Source	Proposed FY 09-10	Adopted FY 08-09	Increase (De	ecrease) Percent	Percent of Total
Taxes	\$ 80,779,000	\$ 90,980,000	(\$10,201,000)	(11.21%)	83.36%
Licenses & Permits	1,150,500	1,300,200	(149,700)	(11.51%)	1.19%
Fines & Forfeitures	3,362,000	3,663,000	(301,000)	(8.22%)	3.47%
Use of Money & Property	5,195,400	5,681,973	(486,573)	(8.56%)	5.36%
Other Governmental Agencies	852,800	1,291,500	(438,700)	(33.97%)	0.88%
Fees & Charges for Services	4,192,890	4,099,050	(93,840)	(2.29%)	4.33%
Other Revenues	1,373,610	319,100	1,054,510	330.46%	1.41%
Total	\$ 96,906,200	\$107,334,823	(\$10,616,303)	(9.89%)	100.00%
Note: Excludes transfers in.			· <u> </u>		

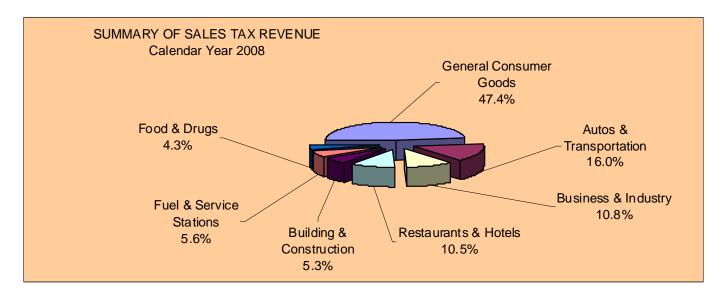
**Revenues:** With the continued slowdown of the economy, the City is projecting revenue decreases in most categories. Sales & Use Tax, Transient Occupancy Tax, Building Permits, Electrical Permits, Plumbing & Mechanical Permits and Plan Checking Fees are all anticipated to continue to decline due to the economic slowdown. The largest projected increase for FY 09-10 is Other Revenues, an increase of \$1.1 million over FY 08-09 adopted revenue due to the projected receipt of a Federal Stimulus Grant for Police Officers from the Federal Government in the amount of \$1 million. Even though the housing market has declined substantially over the past year, because the assessed value continues to be lower than the market value on most properties in Costa Mesa, the City estimates a flattening in Property Tax revenue in FY 09-10.

Sales & Use Tax represents Costa Mesa's single largest revenue source estimated at \$39.9 million or 40.81% of the total General Fund estimated revenues for FY 09-10. This amount includes the \$9.5 million backfill payment from the State in the form of property taxes (accounted for as Sales Tax In-Lieu), and represents a decrease of \$9.2 million or -18.75% compared to the estimated revenue in FY 08-09. The backfill from the State is the result of the "triple flip" that was approved by the voters in November 2004 under Proposition 57 to finance the State's Economic Recovery Bonds. Under this Proposition, the State took one fourth of the local agencies' sales tax and backfilled it with a like amount in property taxes from the Educational Revenue Augmentation Fund (ERAF). The State estimates the "triple flip" will continue for 13 years or until the bonds are paid off.

The State Board of Equalization administers and remits the sales tax to local governments: 30% for the first month of each quarter, another 30% the second month, and 40% at the end of the quarter with a "clean-up" payment. The backfill portion is remitted twice a year, in January and May, and a final "clean-up" in January of the following fiscal year. Costa Mesa's sales tax base remains strong with South Coast Plaza; the Harbor Blvd. of Cars; a host of other retailers throughout the City; a variety of restaurants and hotels; and major businesses and industries located in the City.

Graph 1 illustrates the types of businesses and industries that generated sales tax revenue for the City in calendar year 2008.

#### **GRAPH 1**



Property Tax is the second largest source of revenue for the City. The FY 09-10 estimated revenue from property tax is \$30.8 million or 31.52% of the total General Fund revenues. It includes \$8.75 million of additional property taxes resulting from the Vehicle License Fee (VLF) Swap.

The VLF Swap is the result of the State's action in 2003 to permanently reduce the Vehicle License Fee from 2% to 0.65%. In the past, local government received its full share of the revenues from the 2% rate. When the State reduced the rate, the State also promised to make local governments whole by backfilling the lost revenue with a like amount in property tax revenues. This backfill payment is linked directly to the growth in property tax revenues. Costa Mesa has benefited from the swap as property values have continued to rise in the County.

Transient Occupancy Tax (TOT) represents the City's third largest source of revenue. The FY 09-10 estimated TOT revenue is \$5.2 million, which represents 5.32% of the total General Fund revenues. This amount reflects a decrease of \$800,000 or -13.33% compared to the estimate in FY 08-09 due to the continued recession of the economy and continued slowdown of travel.

Franchise fees represent another revenue source to the City. Currently, the City collects electric franchise fees from Southern California Edison, gas franchise fees from Southern California Gas Company, cable franchise fees from Time Warner Cable and Solid Waste Hauler's franchise fees from 13 waste haulers. For FY 09-10, estimated revenue for Franchise Fees is \$4.0 million, which represents 4.10% of the total General Fund revenue. The estimated revenue reflects a net increase of \$40,000 or 1.01% over the FY 08-09 estimate.

Descriptions, assumptions, and a ten-year historical trend on the General Fund revenue sources by major categories can be found on pages 28-36.

#### **OTHER GOVERNMENTAL FUNDS**

To gain a better understanding of the budget as a whole, the General Fund budget is compared to the entire budget covering all governmental funds. The Internal Service Fund appropriations are excluded from this comparison, as funding for these appropriations does not come from external sources but from in-house charges by the servicing department to the user-departments. Table 4 illustrates this relationship.

#### TABLE 4

<u>G</u> (	OVERNMENTAL F	UNDS PROPOSE	ED BUDGET		
	Proposed	Adopted	Increase/(De	ecrease)	Percent
Fund Types	FY 09-10	FY 08-09	<u>Amount</u>	<u>Percent</u>	of Total
General Fund *	\$101,777,549	\$118,850,164	(\$17,072,615)	(14.36%)	91.40%
Special Revenue Funds *	5,912,796	7,740,553	(1,827,757)	(23.61%)	5.31%
Capital Projects Funds *	3,665,753	6,660,265	(2,994,512)	(44.96%)	3.29%
Total Governmental Funds	\$111,356,098	\$133,250,982	(\$21,894,884)	(16.43%)	100.00%
*Includes transfers out					

The following Table 5 illustrates the other governmental funds' resources and uses. A brief description of each fund is listed on pages 9-11. For funds that show appropriations exceeding the estimated revenues available (shown in brackets), undesignated fund balances will be used to cover the projected shortfall.

TABLE 5

	Estimated Resources	Proposed Appropriations	Revenues Over (Under)
<u>Fund</u>	FY 09-10	FY 09-10	Appropriations
Gas Tax Fund	\$ 2,682,900	\$ 1,835,000	\$ 847,900
Prop 172 Fund *	1,500,000	1,297,521	202,479
Air Quality Management District (AQMD) Fund	165,700	107,000	58,700
HOME Fund	761,235	781,038	(19,803)
Community Development Block Grant Fund	1,361,264	1,410,597	(49,333)
Park Development Fees Fund	105,500	1,410,557	105,500
Drainage Fees Fund	275,500	200,000	75,500
Supplemental Law Enforcement Services Fund	202,600	208,640	(6,040)
Traffic Impact Fees Fund	556,000	200,010	556,000
Rental Rehabilitation Fund	3,370	_	3,370
Narcotics Forfeiture Fund *	106,150	173,000	(66,850)
Fire System Development Fund	15,200	-	15,200
Capital Improvement Fund	121,000	172,020	(51,020)
Measure M Fund *	2,648,216	3,593,733	(945,517)
Vehicle Parking Dist 1/2 Fund	1,090	-	1,090
Total Other Governmental Funds	\$10,505,725	\$ 9,778,549	\$ 727,176

#### **INTERNAL SERVICE FUNDS**

The City uses Internal Service Funds to account for the following activities:

a) Equipment Replacement Fund (ERF) – This fund accounts for fleet services provided by the Maintenance Services Division to the user-departments. For FY 09-10 the proposed budget is \$2.4 million and the estimated revenue is \$2.4 million. Included in the proposed budget is \$50,000 for 2 new/replacement patrol vehicles. A detailed list of vehicles is found on page 56. The funding necessary to replace vehicles has been accumulated in the ERF over a number of years based upon an established replacement schedule. Also included in the budget is the transfer of the ERF's estimated investment income of \$260,000 to the General Fund, consistent with the City's past practice.

Under the Internal Service Funds method of accounting for fleet services, user-departments are charged an internal rent monthly. This rent is split into the estimated cost for future replacement vehicles and actual maintenance charges, including fuel. Staff uses an inflationary factor compounded annually to determine the estimated future replacement cost divided by the estimated life of the vehicles. Maintenance charges are based on actual usage of fuel and the service, including labor, materials, and overhead costs.

**b)** <u>Self-Insurance Fund</u> – This fund accounts for the Risk Management Program dealing with workers' compensation, general liability, and unemployment insurance. The proposed budget totals \$3.5 million, a net increase of \$174,261 or 5.32% compared to the FY 08-09 adopted budget.

The City currently contracts with separate vendors for workers' compensation and managed care services that historically were handled together. Since the City has separated the two, it has been able to take advantage of competitive rates and additional cost savings on medical expenses.

The unemployment insurance portion is based on actual payments to the State Employment Development Department (EDD), which processes the claims for unemployment benefits on behalf of the City. The City reimburses the EDD on a quarterly basis. Departments are charged back based on an established formula.

Revenues for the Self-Insurance Fund come from the internal charges to the user-departments based on historical costs of incurred losses, insurance premiums, and other services provided by the Risk Management Division. Investment earnings in the Self-Insurance Fund estimated at \$333,000 are included to be transferred to the General Fund, consistent with the City's past practice.

#### **CAPITAL IMPROVEMENT PROJECTS**

The City's Seven-Year Capital Improvement Program (CIP) is listed on pages 198-211. This section provides comprehensive, detailed information on the capital projects that the City plans to undertake in the coming fiscal year and beyond. Eleven capital improvement projects totaling \$4.9 million are proposed for funding in FY 09-10, a decrease of \$6.3 million or 56.38% over the adopted CIP in FY 08-09. Initially, departments requested \$9.3 million worth of projects; due to a lack of funding, some of these projects were not recommended for funding in FY 09-10.

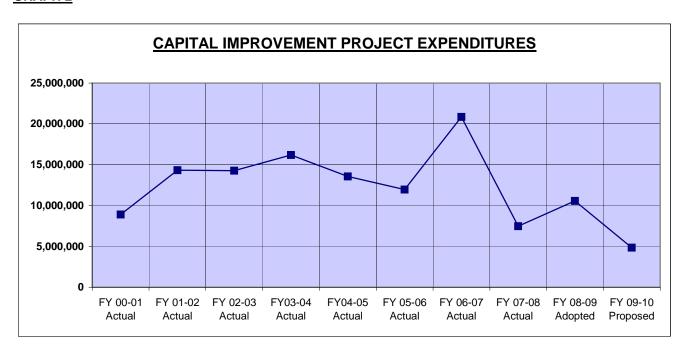
Table 6 is a summary of recommended projects by program category. Further detail of each CIP is included on pages 184-197.

#### **TABLE 6**

CAPITAL IMPROVEMENT PROJECTS				
Program Category:	Proposed FY 09-10			
Street Improvements & Maintenance	\$ 3,755,000			
Storm Drain Improvements	200,000			
Curbs & Sidewalks	400,000			
Traffic Operations & Planning	434,020			
Facilities Maintenance	75,000			
Total	\$ 4,864,020			

The following graph illustrates how much the City has expended to improve and maintain its infrastructure including streets; curbs and sidewalks; storm drains; traffic operations; parks, parkways, and medians; and buildings and facilities. Over the last 10 years, the City has spent/appropriated approximately \$123 million or an average of \$12.3 million a year for capital improvements.

#### **GRAPH 2**



**Use of fund balances:** During times of emergency or due to other needs, the City may utilize its general operating reserve (which is part of the "designated" fund balance) if circumstances warrant, as defined in the Costa Mesa Municipal Code Section 2-205 et seq. The General Fund fund balance should be distinguished from other fund balances. Special Revenue Funds and Capital Projects Funds fund balances are earmarked for specific uses based upon the criteria for which these funds were established. These types of funds may accumulate monies for future appropriations. For example, when the City is ready and able to embark upon a capital improvement project or special program that meets the specific requirements for the use of the funds, appropriations from fund balances may be used.

A summary schedule of estimated available fund balances for all funds is found on pages 14-15. Table 7 lists the estimated fund balances to be used to support the FY 09-10 proposed budget.

#### TABLE 7

<u>Amount</u>
\$ 4,828,349
19,803
49,333
6,040
51,020
845,517
\$ 5,800,062

**Redevelopment Agency (RDA):** Information on the City's Redevelopment Agency FY 09-10 budget is listed on pages 213-223. The RDA, although a separate legal entity, is a component unit of the City. Staff presented the RDA budget to the Agency Board at its' May 12, 2009 meeting.

<u>AirBorne Law Enforcement (ABLE):</u> The FY 09-10 budget document includes a section on the ABLE Fund. Although ABLE is a joint powers authority established as a separate legal entity and is not a component unit of the City, information is provided as a frame of reference on the cost of this program. Information on ABLE is listed on pages 225-228.

# LISTING OF PUBLIC OFFICIALS FISCAL YEAR 2009-2010

Allan L. Roeder City Manager

Thomas R. Hatch Assistant City Manager

Kimberly Hall Barlow City Attorney (Contract)

Michael F. Morgan Fire Chief Christopher Shawkey
Police Chief

Kimberly Brandt
Acting Development Services Director

Stephen N. Mandoki Administrative Services Director

Peter Naghavi Public Services Director Marc R. Puckett Director of Finance



#### City of Costa Mesa, California **Organization Chart** Citizens of Costa Mesa **City Council** Mayor and Four Council Members 0.48" 53" 0.02 Planning Commission **Council Appointed** Parks & Recreation City Manager **City Attorney** Committees Commission Administration Contracted City Clerk CDBG HOME **Finance Public Services** Administration Administration Administration Suppression/Mobile Intensive Care **Engineering Services Financial Operations** Financial Planning Transportation Services Prevention Maintenance Services Development Administrative **Police** Services Services Administration Administration Police Administration Police Technical Services Human Resources Planning Police Field Operations Building Safety Central Services Police Support Services Redevelopment Recreation Risk Management

Visit our Web site at www.ci.costa-mesa.ca.us

Telecommunications
Information Technology

#### **BUDGET GUIDE**

The purpose of the City of Costa Mesa's budget is to serve as a "blueprint" for providing City services and as a working financial plan for the fiscal year. It also represents the official organizational plan by which, City policies, priorities, and programs are implemented. It provides the means to communicate to the residents, businesses, and employees how the City's financial sources are used to provide services to the community. The budget includes both the operating costs to manage the City and the capital improvement projects that the City plans to undertake during the fiscal year.

The budget is organized by fund, by department, by division, by program, and by account. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and balances, which are segregated for the purpose of carrying on specific activities in accordance with special regulations, restrictions, or limitations. A department (e.g., Police Department) is an organizational unit with divisions (e.g., Police Support Services) and within each division is a specific program (e.g., Crime Investigation). "Line" accounts provide the details of the type of expenditure that each department/division/program spends – e.g., salaries, benefits, supplies, and so forth.

After the proposed budget is submitted by the City Manager to the City Council in May, a budget study session is held on the second Tuesday in June followed by community hearings and employee orientation. The intent is to adopt the budget by the second Council meeting in June.

**Budget Message:** This section includes the City Manager's transmittal letter to the City Council and describes what is in the budget, including budget issues and policies that lead to the development of the budget.

**Budget Overview:** This section provides a summarized narrative of the budget highlights; explanation on variances both on revenues and expenditures; and other pertinent data about the budget.

**General Information:** This section includes the Budget Guide; describes the budget process; and provides the description of each fund. The funds are listed by fund type: Governmental Funds (include the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds); and Proprietary Funds (include the Internal Service Funds).

**Summaries of Financial Data:** This section provides a variety of financial analyses such as the beginning and ending fund balances; pie charts of resources and appropriations; multi-year budget comparisons by fund/by expenditure/by category/by program; revenue details/narratives with historical trends; summary of personnel changes by department; a listing of approved fixed assets, new and replacement vehicles, and building modifications and maintenance projects for the fiscal year.

**Departmental Details:** This section divides the document by department. It starts with the City Council. The reader will find an organization chart; multi-year personnel summary; a narrative of the department describing each division and each program within that department; the accomplishments for the prior year; the objectives for the coming year; and measurements of how the department achieves its objectives from year to year. This section also provides the financial data of each department including multi-year comparisons of expenditures sorted in many ways – by division, by expenditure category, by funding source, by account, and by program. The last department is the "Non-Departmental" which is not an actual department with staff. It is merely a cost center to house expenditures such as debt service payments and transfers outs, which are not attributed to a specific department.

**Capital Improvement Program:** This section provides a summary of the capital improvement projects planned for the year including their descriptions, funding sources, and the estimated cost of each project. The reader will also find what is called a Capital Improvement Project form, which provides details about each project; and finally, a schedule of the Seven-Year Capital Improvement Program.

**Redevelopment Agency:** This section provides information regarding Costa Mesa's Redevelopment Agency (RDA), a separate legal entity but a component unit of the City. The RDA's budget is prepared in similar format as the City's budget. It is presented to the Agency Board usually in May before the City adopts its own budget. It is included in the City's budget document for informational purposes.

#### **BUDGET GUIDE**

**AirBorne Law Enforcement (ABLE):** The ABLE budget is presented for informational purposes only. ABLE is a separate legal entity and is <u>not</u> a component unit of the City. It is a joint powers authority between the City of Newport Beach and the City of Costa Mesa. Costa Mesa's share of the ABLE operations is reflected in the Police Department's budget, under the Helicopter Program.

**Appendix:** This is the final section of the budget document which includes a brief history of the City; miscellaneous statistics (such as date of incorporation, form of government, population, etc.); community profile (provides demographics information, among other things); financial policies; a glossary of budget terms; a listing of acronyms used throughout the budget document; various statistical data about the City's debt obligations; and a per capita expenditure comparison with other jurisdictions contiguous to Costa Mesa.

#### **BUDGET PROCESS**

The City's budget process begins in December with a kick-off meeting between Finance and departmental budget liaisons. The City Manager outlines the goals and directives for the development of the coming year's budget. Finance distributes the budget calendar, instructions, forms, and budget worksheets to the departments. Maintenance Services coordinates the departmental building modification and vehicle replacement requests. Engineering coordinates the capital improvement project requests.

After the departments have input their budget requests, Finance compiles the data and calculates the total amount requested including estimated revenues and projected fund balances. The City Manager holds departmental budget hearings. Subsequently, the City Manager makes his recommendations and Finance, along with Central Services, prepares the proposed budget document. The City Manager submits the proposed budget to City Council. The Council conducts a budget study session; sets a public hearing; and, adopts the budget prior to the beginning of the fiscal year.

After the budget is adopted, staff integrates the budgetary data into the City's accounting system and reconciles the labor distribution for actual payroll charges during the year. Staff issues the adopted budget document and submits it for both the national and the state budget awards program. Month-end reports are distributed to the departments to monitor budget performance throughout the year.

Capital Improvement Projects Budget Process: The City maintains a rolling Seven-Year Capital Improvement Program (CIP). In October-November each year, the Public Services Department solicits proposals from the other City departments for inclusion in the coming year's capital improvement projects budget. Around the same time, the Finance Department provides Public Services the estimated fund balances available for appropriation for CIP. These fund balances usually come from Special Revenues Funds and Capital Projects Funds. Both these fund types are earmarked for specific uses. If and when the General Fund provides funding for CIP, cash is transferred to the Capital Outlay Fund, where the project will reside.

Public Services staff then prepares the Capital Improvement Project form, which provides detailed information about the proposed capital improvement project. Typically, a project costing \$30,000 or more (with some exceptions depending on the type of project) is categorized as a capital improvement project. Others, costing less, could be included in what the City calls Building Modification projects. These are the routine maintenance and/or repairs of City buildings and facilities.

During the departmental budget hearings, the City Manager and staff conduct a "walkthrough" of the various proposed projects. After the City Manager's evaluation of what will be included in the proposed budget, the CIP is submitted to the Planning Commission to determine if the projects conform to the General Plan. The proposed CIPs relating to parks is also submitted to the Parks & Recreation Commission for comments and recommendations.

**User Fees & Charges:** As part of the budget cycle, the City updates its fees and charges, usually, after the budget is adopted. The City uses, to some extent, a cost allocation method for administrative and overhead charges as part of the calculation. Administrative costs are based on staff's salaries and benefits which are allocated on a pro-rata basis; overhead charges are for maintenance and operations costs which are also allocated in the same manner. Both these charges are added to the cost of personnel who are directly involved in the activity for which a fee is charged, which is determined by the time spent on that activity multiplied by the hourly rate for salaries and benefits. The City Council conducts a public hearing before adopting the new fees.

**Budget amendments:** Supplemental appropriations, when required during the fiscal year, require approval by the City Council. Budget changes within each department or between accounts are approved by the City Manager.

**Basis of budgeting:** The City uses the modified accrual basis in budgeting governmental funds. This means that obligations of the City, including outstanding purchase orders, are budgeted as expenses and revenues are recognized when they are both measurable and available to fund current expenditures.

#### **BUDGET PROCESS**

The City does not have an enterprise fund. However, the City utilizes the internal service funds for its fleet services operations and for its self-insurance program. Under the internal service funds, the budget is prepared on a full accrual basis. This means expenses are recognized when incurred and revenues are recognized when due the City. Depreciation expense is not included in budgeting for internal service funds but the full purchase price of equipment is included in the budget.

**Basis of accounting:** The City uses the modified accrual basis of accounting for governmental funds. Revenues are recorded when measurable and available to fund current expenditures. Expenditures are recorded when the services are substantially performed or the goods have been received and the liabilities have been incurred. The City's internal service funds use the full accrual basis of accounting; revenues are recorded when earned and expenses are recorded when incurred.

Budgetary control is maintained at the department level within each fund. The City also maintains an encumbrance accounting system budgetary control. Estimated purchase amounts are encumbered prior to the release of purchase orders to vendors. At fiscal year end, all operating budget appropriations lapse. Open encumbrances are reported as reservations of fund balances at fiscal year-end.

**Budgetary data:** Annual budgets are legally adopted for all funds on a basis consistent with generally accepted accounting principles, except for the following funds for which no budget is proposed for FY 08-09.

#### **Special Revenue Funds:**

Rental Rehabilitation Program Fund

Local Law Enforcement Block Grant Fund

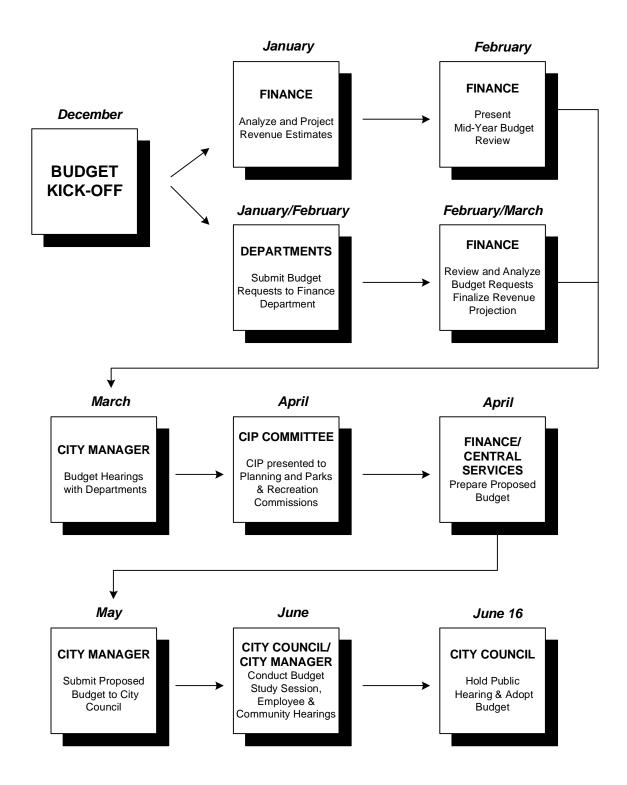
Capital Projects Funds:

Vehicle Parking District #1 Fund

Vehicle Parking District #2 Fund

The following Flow Chart describes the City's annual budget process.

## CITY OF COSTA MESA BUDGET PROCESS FLOW CHART FISCAL YEAR 2009-2010



## **DESCRIPTION OF FUNDS & FUND TYPES**

#### **GOVERNMENTAL FUNDS**

Governmental funds are used to account for most, if not all, of a government's tax-supported activities. The general fund, special revenues funds, debt service funds, and capital projects funds are considered governmental funds.

#### GENERAL FUND

**GENERAL FUND - 101:** The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

#### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

<u>AIR QUALITY IMPROVEMENT FUND (AQMD) - 203:</u> Established to account for the City's share of funds received under Health & Safety Code Section 44223 (AB 2766) to finance mobile source air pollution reduction programs consistent with the California Clean Air Act of 1988.

<u>COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) - 207:</u> This fund accounts for revenues received from the Department of Housing and Urban Development. These revenues must be expended to accomplish one of the following objectives: elimination of slum or blight, benefit low and moderate income persons, or to meet certain urgent community development needs.

<u>DRAINAGE FEES FUND - 209:</u> Established to account for the construction and maintenance of the City's drainage system. Financing is provided by fees charged to residential and commercial developers.

<u>FIRE SYSTEM DEVELOPMENT FEES FUND - 218:</u> Established to account for the receipt and disbursement of the development impact fees established by Ordinance No 89-1 for future construction of fire protection facilities and equipment for north Costa Mesa.

**GAS TAX FUND - 201:** Established to account for the receipt and disbursement of funds used for construction and maintenance of the road network system of the City. Financing is provided by the City's share of State gasoline taxes.

**HOME PROGRAM FUND - 205:** Established to account for the receipt and disbursement of funds received under the Federal Home Investment Partnership Program of the Department of Housing and Urban Development. These revenues must be expended for acquisition, rehabilitation, and new construction of rental housing.

<u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND (LLEBG) - 219:</u> Established to account for Federal grant monies provided by the 1998 Appropriations Act, Public Law 105-119. Funds are restricted for projects utilized to reduce crime and improve public safety.

**LOW AND MODERATE INCOME HOUSING FUND - 471:** Established per Section 33334.3 of the Health and Safety Code to account for 20% of tax increment received by the Costa Mesa Redevelopment Agency which is to be expended for the purpose of increasing, improving, and preserving the low and moderate-income housing available at affordable housing costs to persons and families of low or moderate-income and to very low-income households.

<u>NARCOTICS FORFEITURE FUND - 217:</u> Established to account for receipt and disbursement of narcotic forfeitures received from County, State and Federal agencies pursuant to Section 11470 of State Health and Safety Code and Federal Statute 21USC Section 881.

## **DESCRIPTION OF FUNDS & FUND TYPES**

<u>PARK DEVELOPMENT FEES FUND - 208:</u> Established to account for the development of new park site and playground facilities. Financing is provided by fees charged to residential and commercial developers.

<u>PROPOSITION 172 FUND - 202:</u> Established to account for the receipt and disbursement of voter-approved one-half cent permanent increase in the State sales tax in November 1993. These revenues must be expended for public safety purposes.

**RENTAL REHABILITATION PROGRAM FUND - 216:** Established to account for revenues received from the Department of Housing and Urban Development under Section 17 of the U.S. Housing Act of 1937. These revenues must be expended to provide assistance to rehabilitate primarily privately-owned residential rental property.

<u>SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) - 213:</u> Established to account for the receipt and disbursement of funds received under the State Citizen's Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statues. These COPS/SLESF funds are allocated based on population and can only be spent for "front line municipal police services" as per Government Code Section 30061 (c) (2).

**TRAFFIC IMPACT FEES FUND - 214:** Established to account for the receipt and disbursement of funds for off-site transportation improvements Citywide. Financing is provided by fees charged to residential and commercial developers.

#### DEBT SERVICE FUNDS

Debt Service Funds are used to account for accumulation of resources for, and the payment of, general long-term debt including principal and interest.

FINANCING AUTHORITY DEBT SERVICE FUND - 380: To accumulate monies for payment of the Lease Revenue Bonds, the 1991 Local Agency Revenue Bonds and the 2003 Refunding Revenue Bonds of the Corporation. The 1990 Lease Revenue Bonds provided for the construction of a fire station and senior center, and the reconstruction of Victoria Street. The 1991 Local Agency Revenue Bonds provided monies for the purchase of the Costa Mesa Community Facilities 1991 Special Tax Bonds. The 2003 Refunding Revenue Bonds provided for the refunding of the Costa Mesa City Hall and Public Safety Facilities, Inc. 1966 and 1988 Lease Revenue Bond issues.

**REDEVELOPMENT DEBT SERVICE FUND - 370:** To accumulate monies for payment of the 1993 Tax Allocation Refunding Bonds, the promissory note due upon demand to the City of Costa Mesa and other developer loans. All tax increments received are placed in this fund and are used to retire debt (bonded or loans) in accordance with the Health and Safety Code.

#### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

<u>CAPITAL OUTLAY FUND - 401:</u> Established to account for the construction of capital facilities financed by the City's General Fund and any grant not accounted for in a special revenue fund.

<u>MEASURE "M" CONSTRUCTION FUND - 403:</u> Established to account for the expenditure of the April 1991 voter-approved one-half percent sales tax for local transportation improvements.

**REDEVELOPMENT PROJECTS FUND - 470:** Established to account for financial resources to be used for acquisition or construction of major capital facilities within the Redevelopment Project Areas of Costa Mesa. Financing is to be provided by the Costa Mesa Redevelopment Agency.

<u>VEHICLE PARKING DISTRICTS FUND - 409/410:</u> Established under the Vehicle Parking District Law of 1943 to provide vehicle facilities in the downtown area. Financing is provided through specific property tax levies.

## **DESCRIPTION OF FUNDS & FUND TYPES**

#### **PROPRIETARY FUNDS**

Proprietary funds are used to account for a government's business-type activities. Enterprise funds and internal service funds are considered proprietary funds. The City does not have an enterprise fund.

#### INTERNAL SERVICE FUNDS

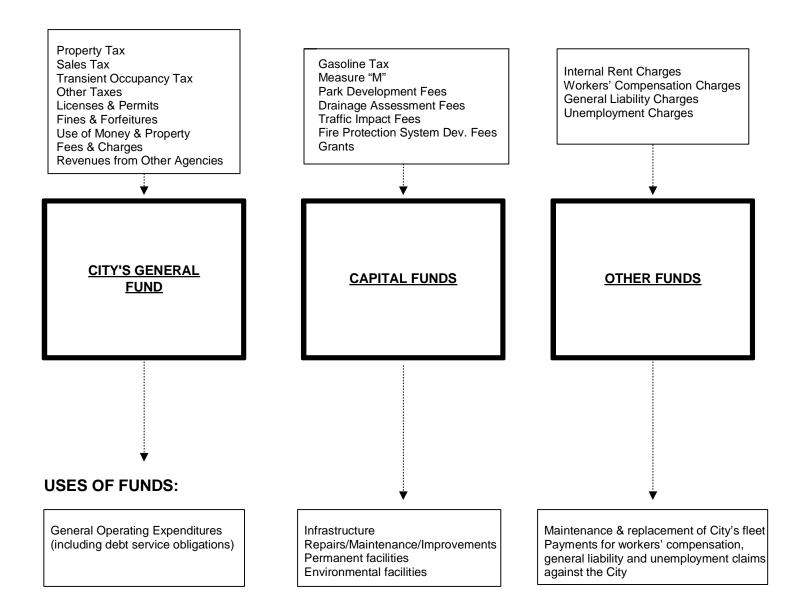
Internal Service Funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

**EQUIPMENT REPLACEMENT FUND - 601:** Established to account for all motorized equipment used by City departments.

<u>SELF-INSURANCE FUND - 602:</u> Established to account for the receipt and disbursement of funds used to pay workers' compensation, general liability, and unemployment claims filed against the City.

## THE CITY'S FLOW OF FUNDS STRUCTURE

#### **REVENUE SOURCES:**



## SUMMARIES OF FINANCIAL DATA

**FISCAL YEAR 2009-2010** 

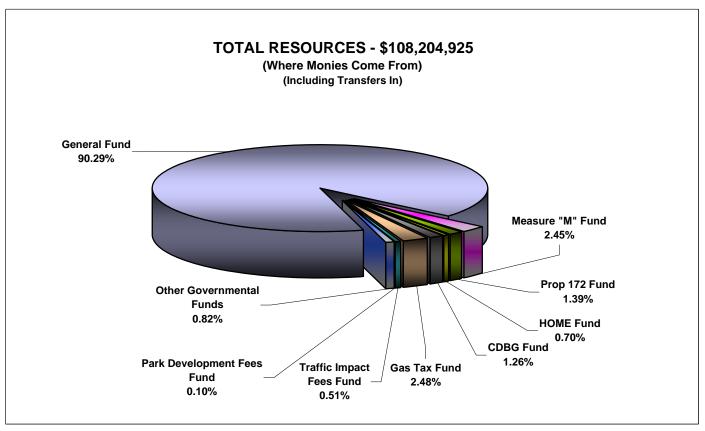
# CALCULATION OF PROJECTED FUND BALANCES for the Fiscal Year Ending June 30, 2010

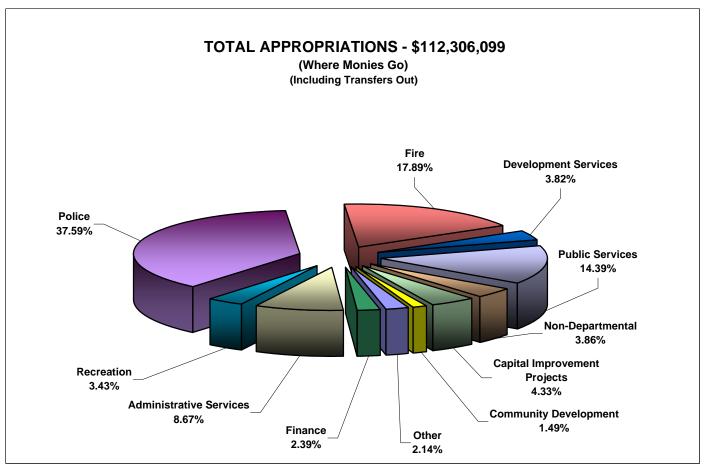
Fund Description		Projected Balances 07/01/09	Estimated Revenues FY 09-10		Proposed Operating Budget FY 09-10
General Fund*	\$	9,612,398	\$ 96,906,200	\$	101,777,549
Gas Tax Fund		-	2,682,900		-
Proposition 172 Fund		2,350	850,000		1,297,521
Air Quality Management District Fund (AQMD)		368,953	165,700		20,000
HOME Program Fund		19,803	761,235		781,038
Community Development Block Grant Fund (CDBG)		49,333	1,361,264		890,597
Park Development Fees Fund		660,732	105,500		-
Drainage Fees Fund		719,468	275,500		-
Supplemental Law Enforcement Services Fund		29,726	102,600		208,640
Traffic Impact Fees Fund		1,238,836	556,000		-
Rental Rehabilitation Program Fund		11,705	3,370		-
Narcotics Forfeiture Fund		82,339	106,150		73,000
Fire System Development Fees Fund		455,493	15,200		<u>-</u>
Subtotal Special Revenue Funds	\$	3,638,738	\$ 6,985,419	\$	3,270,796
Capital Improvement Fund	\$	51,020	\$ 121,000	\$	-
Measure "M" Fund		955,684	2,648,216		1,443,733
Vehicle Parking District 1&2 Funds		45,918	1,090		-
Subtotal Capital Projects Funds	\$	1,052,622	\$ 2,770,306	\$	1,443,733
Total Governmental Funds	\$	14,303,758	\$ 106,661,925	\$	106,492,078
Equipment Replacement Fund	\$	8,732,878	\$ 2,384,740	\$	2,124,740
Self Insurance Fund	•	6,190,325	3,798,861	·	3,447,925
Total Internal Service Funds	\$	14,923,203	\$ 6,183,601	\$	5,572,665
GRAND TOTAL	\$	29,226,961	\$ 112,845,526	\$	112,064,743

<sup>\*</sup> Calculated projected balance 7/1/09 using: unreserved undesignated fund balance plus designated for FY 08-09 operating budget from FY 07-08 CAFR, then subtracted use of fund balance amount as presented at mid-year budget review.

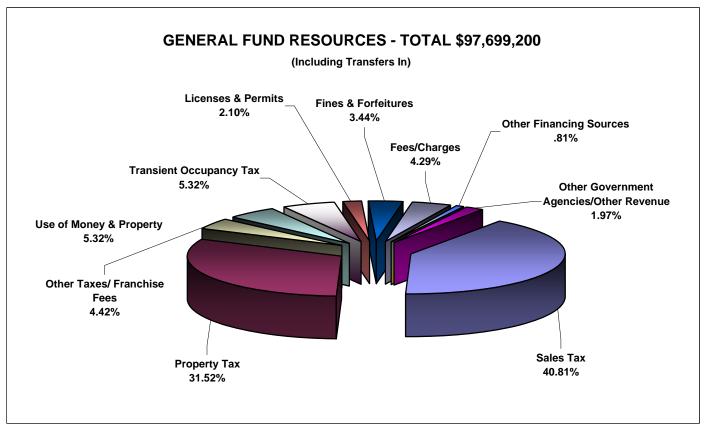
	Proposed		Total		Estimated						
	Capital		Proposed		Revenues						Projected
	Budget		Budget		Over (Under)						Balances
	FY 09-10		FY 09-10	F	Proposed Budget		Transfers In	Tr	ansfers Out		06/30/10
\$	-	\$	101,777,549	\$	(4,871,349)	\$	793,000	\$	750,000	\$	4,784,049
	1,835,000		1,835,000		847,900		-		-		847,900
	-		1,297,521		(447,521)		650,000		-		204,829
	87,000		107,000		58,700		-		-		427,653
	-		781,038		(19,803)		-		-		-
	520,000		1,410,597		(49,333)		-		-		-
	-		-		105,500		-		-		766,232
	200,000		200,000		75,500		-		-		794,968
	-		208,640		(106,040)		100,000		-		23,686
	-		-		556,000		-		-		1,794,836
	-		-		3,370		-		-		15,075
	-		73,000		33,150		-		100,000		15,489
	-		-		15,200		-		-		470,693
\$	2,642,000	\$	5,912,796	\$	1,072,623	\$	750,000	\$	100,000	\$	5,361,361
\$	172,020	\$	172,020	\$	(51,020)	\$	-	\$	-	\$	-
	2,050,000		3,493,733		(845,517)		-		100,000		10,167
	-		-		1,090		-		-		47,008
\$	2,222,020	\$	3,665,753	\$	(895,447)	\$	-	\$	100,000	\$	57,175
_			=		// aa / /=a>						40.000.00
\$	4,864,020	\$	111,356,098	\$	(4,694,173)	\$	1,543,000	\$	950,000	\$	10,202,585
\$	_	\$	2,124,740	\$	260,000	\$	_	\$	260,000	\$	8,732,878
Ψ	_	Ψ	3,447,925	Ψ	350,936	Ψ	_	Ψ	333,000	Ψ	6,208,261
\$		\$		\$		\$		\$	593,000	\$	
Ψ_	-	Ψ	5,572,665	Φ	610,936	Ф	-	Ψ	593,000	Ф	14,941,139
\$	4,864,020	\$	116,928,763	\$	(4,083,237)	\$	1,543,000	\$	1,543,000	\$	25,143,724

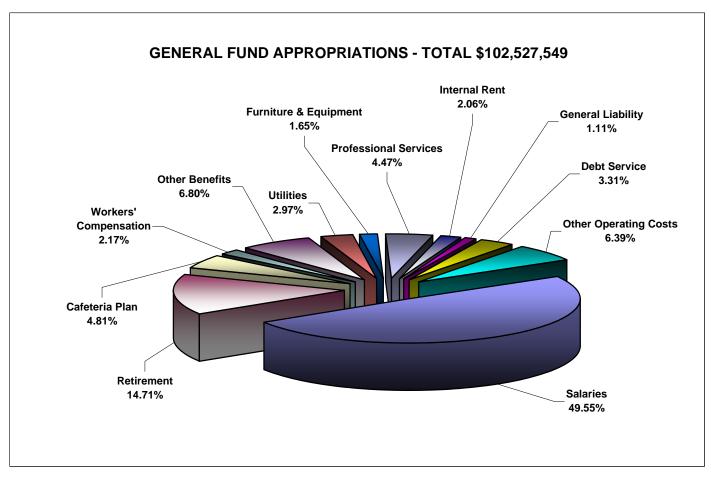
# TOTAL RESOURCES & APPROPRIATIONS - ALL GOVERNMENTAL FUNDS FISCAL YEAR 2009-2010





# GENERAL FUND RESOURCES & APPROPRIATIONS FISCAL YEAR 2009-2010





## SCHEDULE OF INTERFUND TRANSFERS

## **FISCAL YEAR 2009-2010**

FUND	 RANSFERS IN	TRANSFERS OUT				
General Fund - 101	\$ 793,000	\$	750,000 <sup>1</sup>			
Prop 172 Fund - 202	650,000		-			
Supplemental Law Enforcement Fund - 213	100,000					
Narcotics Forfeiture Fund - 217	-		100,000 2			
Measure M Fund - 403	-		100,000 <sup>3</sup>			
Equipment Replacement Fund - 601	-		260,000 4			
Self-Insurance Fund - 602	<u>-</u>		333,000 5			
Total	\$ 1,543,000	\$	1,543,000			

<sup>&</sup>lt;sup>1</sup> Funding of \$650,000 for support of Prop 172 Fund.

<sup>&</sup>lt;sup>1</sup> Funding of \$100,000 for support of Supplemental Law Enforcement Fund.

<sup>&</sup>lt;sup>2</sup> Reimbursement transferred back to the General Fund for prior year advance.

<sup>&</sup>lt;sup>3</sup> Reimbursement to the General Fund to offset part of the City Engineer's salary and benefits.

<sup>&</sup>lt;sup>4</sup> Investment earnings transferred back to the General Fund.

<sup>&</sup>lt;sup>5</sup> Investment earnings transferred back to the General Fund.

## REVENUE SUMMARIES

**FISCAL YEAR 2009-2010** 

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 08-09 Revised	ı	FY 09-10 Estimated
Fund 101 - General Fund			•			
Property Tax - Secured	\$ 16,884,612	\$ 18,402,026	\$ 20,000,000	\$ 20,250,000	\$	20,250,000
Property Tax - Unsecured	798,013	823,861	800,000	800,000		800,000
Property Tax - Supplemental	840,156	713,310	750,000	750,000		400,000
Property Tax - VLF Swap	8,031,067	8,651,423	8,500,000	8,500,000		8,750,000
Property Tax - Homeowners	177,657	175,676	185,000	185,000		170,000
Delinquent Tax - Penalties/Int	93,101	143,465	100,000	100,000		175,000
Property Transfer Tax	618,096	459,336	700,000	700,000		250,000
Sales & Use Tax	34,049,894	34,010,008	37,000,000	33,300,000		30,374,000
Sales Tax In-Lieu	11,591,325	11,980,420	12,075,000	10,867,500		9,500,000
Transient Occupancy Tax	5,959,556	5,791,003	6,000,000	5,415,600		5,200,000
Electric Franchise Fee	1,402,578	1,345,697	1,400,000	1,400,000		1,350,000
Cable TV Franchise Fee	793,548	843,845	800,000	800,000		850,000
PEG Cable Franchise Fee	151,969	167,942	150,000	150,000		160,000
Gas Franchise Fee	332,400	326,191	345,000	345,000		325,000
Solid Waste Hauler Franchise Fee	1,231,305	1,362,842	1,275,000	1,275,000		1,325,000
Business License	 897,608	932,278	900,000	900,000		900,000
Total Taxes	\$ 83,852,885	\$ 86,129,323	\$ 90,980,000	\$ 85,738,100	\$	80,779,000
Dog License	\$ 30,500	\$ 30,541	\$ 30,000	\$ 30,000	\$	30,000
Fire Permits	71,692	78,371	70,000	70,000		170,000
Building Permits	1,390,562	684,865	650,000	650,000		480,000
Electrical Permits	200,790	158,100	125,000	125,000		95,000
Plumbing/Mechanical Permits	291,551	170,747	125,000	125,000		95,000
Street Permits	214,655	184,485	180,000	180,000		150,000
Special Business Permits	428	380	200	600		500
Home Occupation Permits	16,960	15,615	19,000	19,000		19,000
Operator's Permits	950	1,015	1,000	1,000		1,000
Other Permits	 136,951	165,148	100,000	100,000		110,000
<b>Total Licenses &amp; Permits</b>	\$ 2,355,039	\$ 1,489,267	\$ 1,300,200	\$ 1,300,600	\$	1,150,500
Municipal Code Violations	\$ 117,280	\$ 96,210	\$ 150,000	\$ 150,000	\$	100,000
Vehicle Code Violations	1,083,512	1,170,825	1,150,000	1,150,000		1,150,000
Parking Citations	1,061,513	1,059,149	1,050,000	1,050,000		1,000,000
Illegal Sign Removal	20	(20)	-	-		-
Shopping Cart Retrieval	15,303	17,910	13,000	13,000		14,000
Red Light Camera Violations	581,714	568,931	1,300,000	1,300,000		1,098,000
<b>Total Fines &amp; Forfeitures</b>	\$ 2,859,342	\$ 2,913,005	\$ 3,663,000	\$ 3,663,000	\$	3,362,000

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 08-09 Revised	FY 09-10 Estimated
Fund 101 - General Fund (continued)			-		
Investment Earnings	\$ 2,079,752	\$ 1,890,531	\$ 1,910,173	\$ 1,910,173	\$ 1,322,000
GASB 31 Adjustment	1,287,989	216,334	-	-	-
Interest Earned - CMRA Note	974,455	948,435	920,000	920,000	890,000
Other Interest	115,870	178,916	90,000	90,000	90,000
Buildings/Grounds, Rental	157,166	132,178	125,000	125,000	130,000
Rental - Downtown Comm. Center	7,816	9,714	6,800	6,800	6,900
Rental - Balearic Center	22,226	38,918	26,500	26,500	19,000
Rental - Neighborhood Comm. Ctr.	176,303	210,468	175,000	175,000	184,000
Rental - Fields	104,806	116,758	100,000	100,000	112,500
Rental - Tennis	30,321	32,518	28,500	28,500	28,500
Rental - Golf Course Operations	2,180,012	2,178,624	2,200,000	2,200,000	2,312,500
Rental - Bus Shelter Ads	113,116	103,546	100,000	100,000	100,000
Total Use of Money & Property	\$ 7,249,832	\$ 6,056,940	\$ 5,681,973	\$ 5,681,973	\$ 5,195,400
Motor Vehicle In-Lieu Tax	\$ 655,988	\$ 504,441	700,000	\$ 700,000	300,000
Off-Highway Motor Vehicle Tax	-	-	3,000	3,000	-
FEMA - Disaster Reimbursement	8,370	10,278	-	-	-
Other Federal Grants	56,802	171,093	-	-	-
POST Reimbursements	98,756	99,104	75,000	75,000	50,000
Custody Officers Training	5,525	975	5,500	5,500	5,500
OTS Grant	292,127	-	-	-	-
Used Oil Recycling Grant	2,594	-	-	10,000	-
Beverage Container Program	30,439	30,067	-	-	-
SB 90 - State Mandated Costs	314,446	127,064	50,000	50,000	50,000
Other State Grants	5,351	11,748	30,500	30,500	5,000
OCTA - SAAV	57,178	33,111	25,000	25,000	25,000
Other County Grants	64,587	188,392	70,000	70,000	75,000
Reimbursement - ABLE	337,862	358,393	332,500	332,500	342,300
Reimb. from Sanitary District	(62,798)	-	-	-	-
Homeland Security Grant	40,485	-	-	-	-
Reimb Oth Governmental Agencies	-	-	-	-	-
Total Other Govt. Agencies	\$ 1,907,712	\$ 1,534,666	\$ 1,291,500	\$ 1,301,500	\$ 852,800
Zoning/Variance/CUP Fees	\$ 180,520	\$ 155,626	\$ 183,000	\$ 183,000	\$ 130,000
Subdivision Map Fees	61,562	37,250	26,000	26,000	6,000
Environmental Impact Fees	27,465	5,402	2,750	2,750	2,750
Plan Checking Fee	519,086	387,691	340,000	340,000	200,000
Vacation/Abandonment of ROW	-	600	600	600	600

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 08-09 Revised	FY 09-10 Estimated
Fund 101 - General Fund (continued)					
Source Reduction/Recycling	8,985	\$ 8,190	\$ 8,700	\$ 8,700	\$ 8,700
Special Policing Fees	405,458	455,901	400,000	400,000	400,000
Vehicle Storage/Impound Fees	330,000	471,420	600,000	600,000	450,000
Repo Vehicle Release Fee	2,400	2,510	2,900	2,900	2,000
DUI/Emergency Response	49,669	65,989	70,000	70,000	110,000
Jail Booking Fees - City	314,207	312,709	200,000	200,000	210,000
Jail Booking Fees - County	-	911	-	-	-
Police False Alarms	349,759	292,785	342,000	342,000	367,000
Fingerprinting	52,780	42,770	45,000	45,000	43,000
Animal Pound Fees	669	383	100	100	100
Fire Inspections	5,747	4,700	6,500	6,500	81,500
Hazmat Disclosure Fee	74,055	71,700	78,000	78,000	153,900
Paramedic Fee	195,171	182,920	145,000	145,000	460,920
Medical Supply Reimbursement	201,346	156,573	180,000	180,000	163,850
Fire False Alarms	10,602	19,693	19,000	19,000	21,000
Dispatch/Phone Svc. in 911 Center	10,350	8,013	7,400	7,400	7,400
Park Permits	33,628	31,183	25,000	25,000	30,000
Park Improvements	19,208	6,694	6,000	6,000	6,000
Recreation - Aquatics	63,853	69,779	86,000	86,000	86,000
Recreation - Day Camp	189,934	167,080	203,000	203,000	203,000
Playgrounds	1,469	669	2,400	2,400	2,400
Special Events	18,795	18,210	8,200	8,200	350
Recreation - Early Childhood	108,872	110,548	113,000	113,000	119,400
Instructional Classes	500,411	570,777	558,000	558,000	558,000
Recreation - Job Center	-	-	-	-	-
Recreation - Basketball	32,440	33,282	42,000	42,000	42,000
Recreation - Softball	93,244	121,392	112,000	112,000	112,000
Teen Camp	27,014	16,725	28,000	28,000	14,000
Junior Golf	-	-	-	-	-
Family Night/Kids Night	3,999	2,991	5,100	5,100	5,100
Other Adult Sports	-	-	13,650	13,650	-
Adult Open Gym	10,295	6,393	10,000	10,000	7,500
Photocopies	3,327	2,577	3,000	3,000	670
Police Reports	33,223	35,786	30,000	30,000	31,500
Police Clearance Letters	2,881	3,230	2,500	2,500	3,000
Sale - Maps & Publications	19,832	20,060	15,000	15,000	12,500

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION		FY 06-07 Actual		FY 07-08 Actual	FY 08-09 Adopted		FY 08-09 Revised	ļ	FY 09-10 Estimated
Fund 101 - General Fund (continued	<u>(k</u>								
Sale - Miscellaneous Supplies		497		608	1,000		1,000		750
Central Services Reimb		113,487		117,368	171,250		171,250		125,000
Charges for Other Services	\$	36,795		3,208	\$ 7,000	\$	15,000	\$	15,000
Total Fees & Charges	\$	4,113,035	\$	4,022,296	\$ 4,099,050	\$	4,107,050	\$	4,192,890
Contributions	\$	2,707	\$	2,000	\$ 2,500	\$	2,500	\$	2,500
Sponsorship Naming Rights		30,000		33,480	30,000		30,000		30,000
Reimb Const. Permit Insp. Fees		47		94	500		500		500
Reimb Overtime Construction		-		-	100		100		100
Damage to City Property		37,040		(4,807)	30,000		40,000		30,000
Civil Subpoena Costs		6,924		5,527	3,500		3,500		3,500
Settlements		1,000		-	-		-		-
Other Reimbursements		233,128		392,770	200,000		825,000		1,252,010
Sale - Other Equipment		(11,009)		6,714	2,500		2,500		5,000
Other		153,932		740,019	50,000		85,000		50,000
Total Other Revenues	\$	453,769	\$	1,175,797	\$ 319,100	\$	989,100	\$	1,373,610
Total Revenues	\$ 1	102,791,614	\$ ^	103,321,294	\$ 107,334,823	\$ '	102,781,323	\$	96,906,200
Lease Proceeds	\$	-	\$	-	\$ -	\$	-	\$	-
Operating Transfers In		1,096,864		2,073,195	5,042,200		5,042,200		793,000
<b>Total Other Financing Sources</b>	\$	1,096,864	\$	2,073,195	\$ 5,042,200	\$	5,042,200	\$	793,000
Total Fund 101	\$ 1	103,888,478	\$ ′	105,394,489	\$ 112,377,023	\$	107,823,523	\$	97,699,200
Fund 201 - Gas Tax									
Investment Earnings	\$	479,654	\$	389,115	\$ 234,100	\$	234,100	\$	245,000
Gas Tax - 2105		688,509		513,898	700,000		700,000		475,000
Gas Tax - 2106		428,475		316,409	440,000		440,000		275,000
Gas Tax - 2107.1		920,221		686,877	935,000		935,000		600,000
Gas Tax - 2107.5		10,000		10,000	10,000		10,000		10,000
Traffic Congestion Relief Fund		831,372			-		-		1,077,900
AHRP Grant		425,561		3,032,407	-		-		-
Other Governmental Agencies		3,630			 				
Total Fund 201	\$	3,787,422	\$	4,948,706	\$ 2,319,100	\$	2,319,100	\$	2,682,900

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 08-09 Revised		FY 09-10 Estimated
Fund 202 - Prop 172						-				
Sales Tax - Public Safety	\$	848,380	\$	927,417	\$	950,000	\$	950,000	\$	850,000
Investment Earnings		11,632		(108)		-		-		-
Total Revenues	\$	860,012	\$	927,309	\$	950,000	\$	950,000	\$	850,000
Operating Transfers In	\$	2,640	\$	-	\$	460,000	\$	460,000	\$	650,000
<b>Total Other Financing Sources</b>	\$	2,640	\$	-	\$	460,000	\$	460,000	\$	650,000
Total Fund 202	\$	862,652	\$	927,309	\$	1,410,000	\$	1,410,000	\$	1,500,000
Fund 203 - Air Quality										_
Investment Earnings	\$	29,589	\$	30,891	\$	28,900	\$	28,900	\$	25,700
AB 2766 - AQMD		136,327		135,924		140,000		140,000		140,000
Total Fund 203	\$	165,916	\$	166,815	\$	168,900	\$	168,900	\$	165,700
<u>Fund 205 - HOME</u>										
Investment Earnings	\$	3,318	\$	_	\$	_	\$	_	\$	_
Lien/Loan Repayment	•	155,000	•	_	•	_	•	_	•	-
HOME Invest/Partnership Grant		1,246,282		564,339		685,233		685,233		761,235
Total Fund 205	\$	1,404,600	\$	564,339	\$	685,233	\$	685,233	\$	761,235
Fund 207 - CDBG										
Investment Earnings	\$	_	\$	_	\$	_	\$	_	\$	_
Lien/Loan Repayment	•	30,268	•	22,218	•	-	•	_	•	-
Community Dev. Block Grant		1,528,006		1,198,398		1,349,027		1,349,027		1,361,264
Buildings/Grounds, Rental		89,221		-		-		-		-
Other Reimbursements		27,375		6,415		_		_		-
Total Revenues	\$	1,674,870	\$	1,227,031	\$	1,349,027	\$	1,349,027	\$	1,361,264
Operating Transfers In	\$	-	\$	92,008	\$	-	\$	_	\$	_
Total Other Financing Sources	\$	-	\$	92,008	\$	-	\$	-	\$	-
Total Fund 207	\$	1,674,870	\$	1,319,039	\$	1,349,027	\$	1,349,027	\$	1,361,264
Fund 209 Park Davidenment										
Fund 208 - Park Development	\$	112,582	æ	120 249	¢	119 025	æ	118,925	Ф	105 500
Investment Earnings Other State Grants	Φ	112,302	φ	139,348	\$	118,925	\$	110,923	\$	105,500
		1 017 120		6E 204		102.260		102.260		-
Park Development Fees	ø	1,917,130	ø	65,204	¢	103,269	¢	103,269	ø	- 40E E00
Total Fund 208	<u>\$</u>	2,029,712	\$	204,552	<b>Þ</b>	222,194	\$	222,194	\$	105,500

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted	FY 08-09 Revised			Y 09-10 stimated
Fund 209 - Drainage Fees										
Investment Earnings	\$	20,073	\$	28,923	\$	21,600	\$	21,600	\$	25,500
Drainage Assessment Fees		107,759		289,337		150,000		150,000		250,000
Total Fund 209	\$	127,832	\$	318,260	\$	171,600	\$	171,600	\$	275,500
Fund 213 - SLESF										
Investment Earnings	\$	6,867	\$	4,677	\$	4,800	\$	4,800	\$	2,600
Citizens' Option for Public										
Safety (COPS)		220,872		218,840		165,000		165,000		100,000
Total Revenues	\$	227,739	\$	223,517	\$	169,800	\$	169,800	\$	102,600
Operating Transfers In	\$	-	\$	-	\$	-	\$	-	\$	100,000
<b>Total Other Financing Sources</b>	\$	-	\$	-	\$	-	\$	-	\$	100,000
Total Fund 213	\$	227,739	\$	223,517	\$	169,800	\$	169,800	\$	202,600
Fund 214 - Traffic Impact Fees										
Investment Earnings	\$	287,406	\$	357,935	\$	316,500	\$	316,500	\$	256,000
OCTA Regional Grant		8,427		, -		· -		-		, -
Traffic Impact Fees		1,907,028		620,819		400,000		400,000		300,000
Other Reimbursements		1,984,226		-		-		_		_
Total Fund 214	\$	4,187,087	\$	978,754	\$	716,500	\$	716,500	\$	556,000
Fund 216 - Rental Rehab										
Investment Earnings	\$	3,390	\$	2,509	\$	3,370	\$	3,370	\$	3,370
Total Fund 216	\$	3,390	\$	2,509	\$	3,370	\$	3,370	\$	3,370
Fund 217 - Narcotic Seizure										_
Asset Forfeiture - DOJ	\$	39,887	\$	96,123	\$	-	\$	-	\$	-
Asset Forfeiture - County/Other		16,068		57,225	·	70,000		70,000		70,000
Investment Earnings		9,144		10,846		6,150		6,150		6,150
Regional Narc Suppression Program		-		-		25,000		25,000		25,000
High Intensity Drug Trafficing		38,666		2,219		5,000		5,000		5,000
Total Fund 217	\$	103,765	\$	166,413	\$	106,150	\$	106,150	\$	106,150
Fund 218 - Fire System Dev.										
Investment Earnings	\$	16,302	\$	19,188	\$	17,050	\$	17,050	\$	15,200
Fire Protection System Dev. Fees	*	72,960	~		*		~		~	
Total Fund 218	\$	89,262	\$	19,188	\$	17,050	\$	17,050	\$	15,200
Total I and 210	Ψ_	33,202	Ψ	13,100	Ψ	17,000	Ψ	17,000	Ψ	10,200

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 08-09 Revised		FY 09-10 Estimated
Fund 219 - LLEBG										
Investment Earnings	\$	-	\$	-	\$	-	\$	-	\$	-
Local Law Enforcement Block Grant		20,041		-		-		-		-
Total Fund 219	\$	20,041	\$	-	\$	-	\$	-	\$	-
Fund 401 - Capital Outlay										
Investment Earnings	\$	194,011	\$	197,916	\$	122,000	\$	122,000	\$	121,000
Other Federal Grants		-		-		342,265		342,265		-
State Park Bond Act Grant		-		1,034,800		-		-		-
Other State Grants		-		2,039,994		2,243,300		2,243,300		-
Contributions		-		-		-		-		-
Other Governmental Agencies		-		-		-		-		-
Other Reimbursements		44,568		-		-		-		-
Other		188,123		211,158		-		_		-
Total Revenues	\$	426,702	\$	3,483,868	\$	2,707,565	\$	2,707,565	\$	121,000
Operating Transfers In		479,108		1,300,000		_		-		-
Proceeds from Capital Lease		-		-		900,000		900,000		-
Total Other Financing Sources	\$	479,108	\$	1,300,000	\$	900,000	\$	900,000	\$	_
Total Fund 401	\$	905,810	\$	4,783,868	\$	3,607,565	\$	3,607,565	\$	121,000
Fund 403 - Measure M										
Investment Earnings	\$	416,235	\$	519,512	\$	393,100	\$	393,100	\$	402,700
Measure "M" Turnback	Ψ	1,870,223	Ψ	2,198,280	Ψ	1,894,650	Ψ	1,894,650	Ψ	1,995,516
Measure "M" Regional Grant		2,171,759		4,263,029		1,004,000		1,004,000		250,000
OCTA Growth Mgmt. Area Grant		88,353		162,000		_		_		230,000
Other County Grants		335,890		116,735		_		_		-
Other Reimbursements		333,090		110,733		-		-		-
Other		20 277		-		-		-		-
Total Fund 403	\$	28,277 <b>4,910,737</b>	\$	7,259,556	\$	2,287,750	\$	2,287,750	\$	2,648,216
l Otal Fund 403	<u> </u>	4,910,737	Ф	7,239,336	Ф	2,207,730	Ф	2,207,730	Ф	2,040,210
Fund 409 - Veh Prkg Dist. 1										
Property Tax - Secured	\$	387	\$	399	\$	170	\$	170	\$	410
Property Tax - Unsecured		18		17		20		20		20
Property Tax - Supplemental		19		15		10		10		10
Property Tax - Homeowners		4		4		-		-		-
Delinquent Tax - Penalties/Int		1 027		3 578		1 000		1 000		245
Investment Earnings  Total Fund 409	\$	1,027 <b>1,457</b>	\$	1,016	\$	1,000 <b>1,200</b>	\$	1,000 <b>1,200</b>	\$	245 <b>685</b>
Total Lund 403	Ψ	1,757	Ψ	1,010	Ψ	1,200	Ψ	1,200	Ψ	003

## **REVENUE & OTHER FINANCING SOURCES**

FUND/ACCT DESCRIPTION		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 08-09 Revised		FY 09-10 Estimated
Fund 410 - Veh Prkg Dist. 2										
Property Tax - Secured	\$	302	\$	316	\$	180	\$	180	\$	325
Property Tax - Unsecured		14		13		20		20		20
Property Tax - Supplemental		15		12		10		10		10
Property Tax - Homeowners		3		3		-		-		-
Fund 410 - Veh Prkg Dist. 2 (continu	ed)									
Delinquent Tax - Penalties/Int		2		3		-		-		-
Investment Earnings		370		98		180		180		50
Total Fund 410	\$	706	\$	445	\$	390	\$	390	\$	405
Fund 601 - Equipment Replacement										
Investment Earnings	\$	316,072	\$	328,859	\$	305,000	\$	305,000	\$	260,000
Rental of Automotive Equip		3,069,053		3,176,276		4,501,452		4,501,452		2,114,740
Damage to City Property		37,492		15,325		-		-		-
Sale of Automotive Equipment		74,981		50,960		10,000		10,000		10,000
Total Revenues	\$	3,497,598	\$	3,571,420	\$	4,816,452	\$	4,816,452	\$	2,384,740
Operating Transfers In	\$	2,723	\$	-	\$	63,000	\$	63,000	\$	-
Total Other Sources	\$	2,723	\$	-	\$	63,000	\$	63,000	\$	-
Total Fund 601	\$	3,500,321	\$	3,571,420	\$	4,879,452	\$	4,879,452	\$	2,384,740
Fund 602 - Self Insurance										
Investment Earnings	\$	439,313	\$	461,877	\$	437,200	\$	437,200	\$	333,000
General Liability Premiums		1,124,135		1,185,276		1,122,155		1,122,155		1,144,535
Workers' Comp. Premiums		1,886,643		2,085,913		2,102,445		2,102,445		2,272,511
Unemployment Premiums		41,780		45,154		45,773		45,773		48,815
Other Reimbursements		177,544		448,600		-		-		-
Total Fund 602	\$	3,669,415	\$	4,226,820	\$	3,707,573	\$	3,707,573	\$	3,798,861
TOTAL REVENUES		129,979,877	\$ 1	131,611,812	\$	127,734,677	<b>\$</b> 1	123,181,177	\$ 1	12,845,526
TOTAL OTHER SOURCES	\$	1,581,335	\$	3,465,203	\$	6,465,200	\$	6,465,200	\$	1,543,000
GRAND TOTAL ALL FUNDS		131,561,212		135,077,015	•	134,199,877	•	129,646,377	_	14,388,526

## SALES & USE TAX

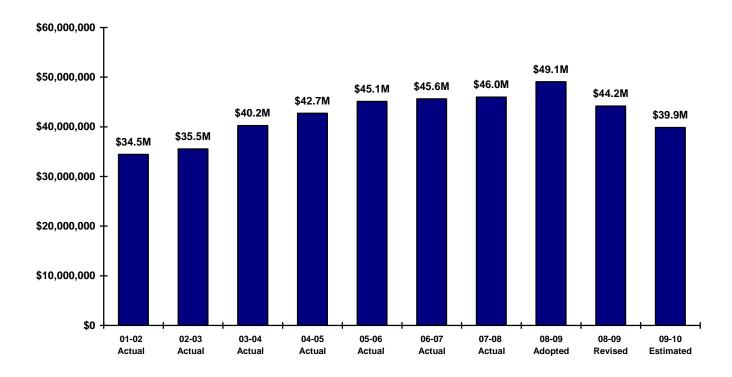
Sales Tax is imposed on retailers selling tangible personal property in California. The Use Tax is imposed on the user of a product purchased out-of-state and delivered for use in California. The Sales & Use Tax rate for Orange County is 8.75% and is broken down as follows:

State General Fund	6.00%
City/County Local Tax	1.00%
Countywide Transportation Tax	0.25%
County Mental Health	0.50%
Public Safety Augmentation Fund (Prop 172)	0.50%
County Transactions Tax (Measure M)	0.50%
Total Rate	8.75%

Sales & Use Tax represents Costa Mesa's single largest revenue source estimated at \$39.9 million or 40.81% of the total General Fund revenues projected for FY 09-10. This amount represents a decrease of \$9.2 million or 18.75% from the adopted estimate in FY 08-09, but only a decrease of \$4.3 million or 9.72% from the mid-year revised estimate. This reduction in revenue is directly attributed to the down turn and current state of the economy. The City is estimating Sales Tax revenue will continue to decline for some of FY 09-10, before leveling off when the economy begins to rebound.

Also, included as part of the \$39.9 million estimate is \$9.5 million backfill from the State in the form of property taxes (accounted for as Sales Tax In-Lieu). This backfill from the State is the result of the "triple flip", which was approved by the voters in 2004 under Proposition 57 to finance the State's Fiscal Recovery Bonds. Under this Proposition, the State took one fourth of the local agencies' sales tax and backfilled it with a like amount in property taxes from the Educational Revenue Augmentation Fund (ERAF). The State estimates the "triple flip" to continue for 13 years or until the bonds are paid off.

The State Board of Equalization administers the sales tax and remits to local governments: 30% for the first month of each quarter, another 30% the following month, and 40% at the end of the quarter with a "clean-up" payment. The backfill portion is remitted only twice a year, in January and May, and a final "clean-up" in January of the following fiscal year. Costa Mesa's sales tax base remains strong with South Coast Plaza; the Harbor Blvd. of Cars; a host of other retailers throughout the City; a variety of restaurants and hotels; and major businesses and industries located within the City.



## PROPERTY TAX

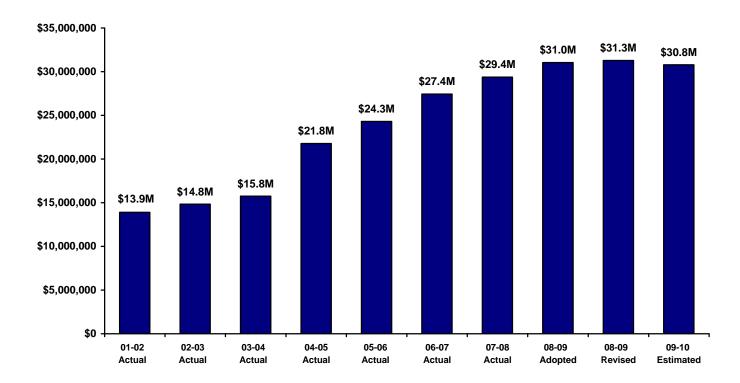
Property Tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (movable property) located within the State, based on the property value rather than on a fixed amount or benefit. Properties are distinguished as secured and unsecured (property for which the value of the lien is not sufficient to assure payment of the tax). Article XIIIA of the State Constitution limits the real property tax rate to 1% of the property's assessed value plus rates imposed to fund indebtedness approved by the voters. The City of Costa Mesa's share of the 1% is equivalent to 15 cents for every \$1.00 collected by the County for property taxes. With the passage of Prop 13 in 1978, assessed valuations are limited to a 2% increase each year.

For FY 09-10, estimated revenue from Property Taxes is \$30.8 million, which represents 31.52% of the total General Fund revenue, and a decrease of \$240,000 or 0.77% under the adopted revenue in FY 08-09, but a decrease of \$490,000 or 1.57% under the mid year revised estimate.

Even though the housing market has continued to decline substantially over the past year, because the assessed value continues to be lower than the market value on most properties in Costa Mesa, the City estimates Property Tax revenue in FY 09-10 to be relatively flat. Helping underscore this point, Costa Mesa's total assessed valuation for secured property, as determined by the County of Orange - Auditor Controller's Office, has increased by \$531 million or 3.84% in FY 08-09. The reduction in revenue is more attributed to Supplemental Taxes (reduced \$350,000) and Property Transfer Tax (reduced \$450,000), both of which are generated when property transactions occur.

The total estimated revenue from Property Taxes includes \$8.75 million of additional property taxes resulting from the Vehicle License Fee (VLF) Swap. The VLF Swap is the result of the State's action in 2003 to permanently reduce the VLF from 2% to 0.65%. In the past, local government received its full share of the 2% rate. When the State reduced the rate, the State also promised to make local government whole by backfilling the lost revenue with a like amount in property tax. This backfill will be tied to the growth in property taxes in the future.

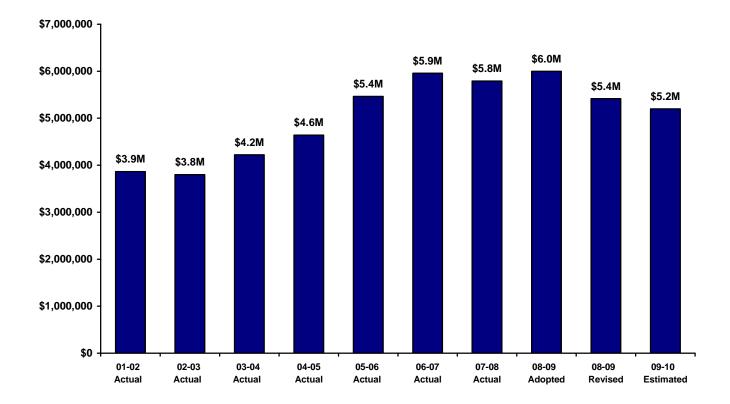
Included in the estimates are Supplemental Taxes at \$400,000; Homeowner's Exemption (\$7,000 of assessed value is exempt from property tax, which is made up by State subvention) for \$170,000; and \$250,000 derived from Property Transfers (assessed at 55 cents for every \$500 of market value at the time of transfer – half of this amount or 27.5 cents goes to the County).



## TRANSIENT OCCUPANCY TAX

Transient Occupancy Tax (TOT) is imposed on persons staying 30 days or less in a hotel, inn, motel, tourist home or other lodging facilities. The City's current rate is 6%. The Business Improvement Area (BIA), comprised of ten hotels within the City, imposes an additional 2%. The amount collected from the additional 2% is remitted to the Costa Mesa Conference and Visitor's Bureau to promote travel and tourism throughout the City. Thirty-two hotels/lodging facilities are located within the City.

TOT is the City's third largest revenue source. For FY 09-10, estimated revenue from TOT is \$5.2 million, which represents 5.32% of the total General Fund revenue. The projected amount reflects a decrease of \$800,000 or 13.33% from the adopted in FY 08-09, but only a decrease of \$215,600 or 3.98% from the mid-year revised estimate. This reduction is due to the continued slowdown of the economy and slowdown of travel. The City is estimating TOT revenue will continue to decline for some of FY 09-10, before leveling off when the economy begins to rebound.



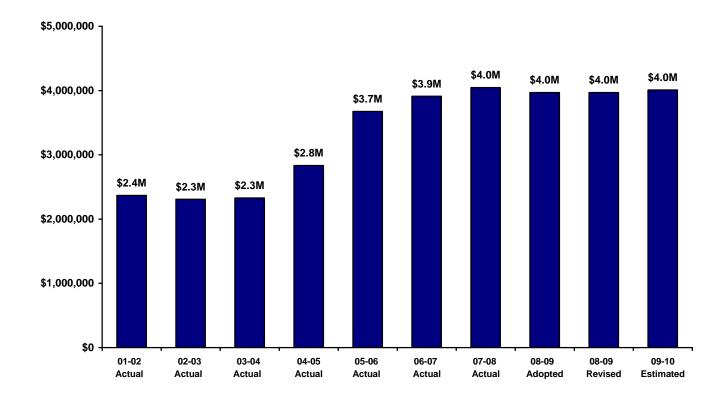
#### FRANCHISE FEES

The City grants a franchise to utility companies for the use of City streets and rights-of-way. Currently, the City collects electric franchise fees from Southern California Edison and gas franchise fees from Southern California Gas Company at the rate of 2% of gross receipts arising from use, operation or possession of the franchise; and, cable franchise fees from Time Warner at the rate of 5% of receipts, net of bad debt. The electric and gas franchise fees are paid annually while the cable franchise fees are paid on a quarterly basis. By authority of the Public Utility Commission (PUC), electric and gas franchise fees are limited to 2% and cable franchise fees are limited to 5% of gross receipts. Any growth in franchise revenues would be as a result of utility rate increases imposed by the electric, gas, and cable companies.

On November 15, 2004, the City Council adopted an ordinance to implement a Solid Waste Hauler's Franchise Fee to be effective January 1, 2005. So far, the City has granted non-exclusive franchises to 13 waste haulers. Currently, five franchise holders fall into Class "A" – those pay a \$10,000 minimum franchise fee; while the remaining eight franchisees fall into Class "B" – those pay a \$1,500 minimum franchise fee. The current franchise rate is 12% of gross receipts payable quarterly to the City.

For FY 09-10 estimated revenue from Franchise Fees is \$4.0 million, which represents 4.10% of the total General Fund revenue. The estimated revenue projections are essentially flat.

The City also receives approximately \$160,000 from a PEG (Public, Education and Government) fee paid by the cable franchisee. This amount is reserved in the General Fund to support the operating costs for cable television services provided by the City.

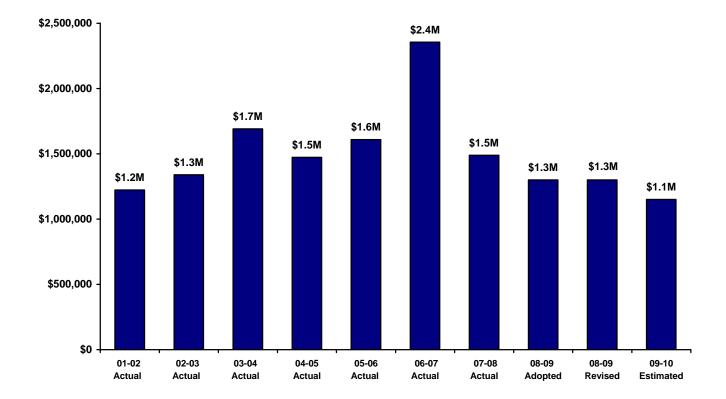


## LICENSES & PERMITS

Licenses or permits are issued for either regulatory or cost recovery purposes, to applicants who conduct business activities within the City. This regulatory authority provides cities the means to protect the overall community interests.

Examples of licenses issued are animal and bicycle licenses. The types of permits issued include: temporary vendor permits; permits for signs and home occupation; and various building permits including electrical, plumbing, and mechanical. Building permits are set by the Uniform Building Code (UBC); electrical permits are set by the National Electrical Code (NEC); plumbing permits are set by the Uniform Plumbing Code (UPC); and the mechanical permits are set by the Uniform Mechanical Code (UMC).

For FY 09-10 estimated revenue from Licenses & Permits is \$1.1 million, which represents 1181% of the total General Fund revenue. This estimate reflects a decrease of \$150,100 or 11.54% from the adopted revenue in FY 08-09. The largest component for this revenue source comes from building permits projected at \$480,000, which has decreased \$170,000 due to the continued slow down of the economy and lack of development expected over the next year.

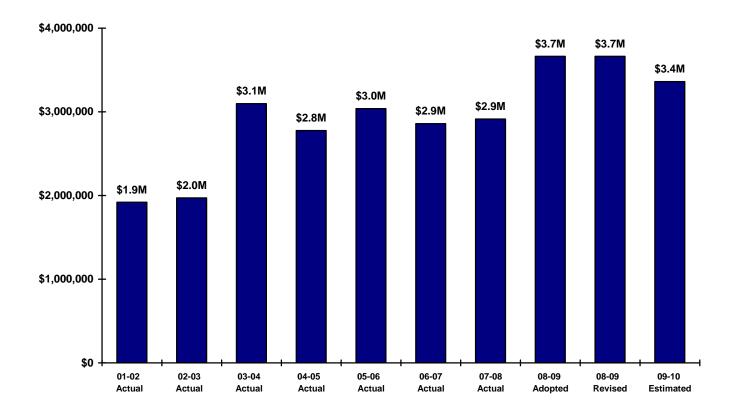


## FINES & FORFEITURES

Fines & Forfeitures come from municipal code violations, motor vehicle code violations, parking fines and bail monies forfeited upon conviction of a misdemeanor or municipal infraction. Amounts paid by a defendant include the fine and various penalties, assessments, and restitution. Cities share the revenue from fines and forfeitures with the State and the County.

In 1993, the Legislature decriminalized parking violations and gave the responsibility for administering and collecting parking fines to cities and agencies that issue parking citations. Parking violations are generally violations of "no parking" ordinances. Fines vary depending on the type of violation.

For FY 09-10, estimated revenue from Fines & Forfeitures is \$3.4 million, which represents 3.44% of the total General Fund revenue. The estimated amount reflects a decrease of \$301,000 or 8.22% from the adopted revenue in FY 08-09. The decrease is primarily attributed to the Red Light Camera Program revenue which decreased \$202,000.



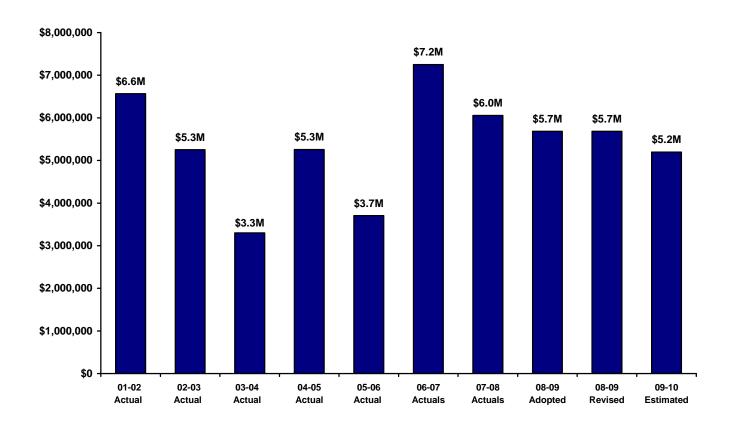
## **USE OF MONEY & PROPERTY**

Revenues derived from the Use of Money & Property come from interest earned from investing the City's cash; interest on loans by the City to the Costa Mesa Redevelopment Agency; and rental from the golf course operations and other City facilities such as the Balearic Center, the Downtown Recreation Center, the Neighborhood Community Center, and the Placentia Street Fire Training Facility.

For FY 09-10, estimated revenue from Use of Money & Property is \$5.2 million or 5.32% of the total General Fund revenue. The FY 09-10 estimated revenues reflect a decrease of \$486,573 or 8.56% from the adopted revenue in FY 08-09. The decrease is primarily attributed to lower projected investment earnings based on a weighted average rate of return (ROR) of 3.50% (compared to the prior year's ROR of 4.30%). The lower ROR reflects a reduction in the Federal Funds rate throughout the past year in an effort to stabilize the economy. This rate reduction reduces the rate of return on investment vehicles the City can purchase based on the City Investment Policy.

Also included in the Use of Money & Property prior year actuals, is the Governmental Accounting Standards Board (GASB) 31 Adjustment. This requirement set forth by GASB is to adjust the City's investments from book value to market value at the end of the year. The City does not budget for this adjustment as it is difficult to estimate what the market value will be at the end of the year.

A private company manages the golf course operations on behalf of the City; in return, the City receives between 6% - 35% of gross receipts on green fees, food and beverages, banquet facilities and the pro shop. Rental revenue from golf course operations increased \$112,500 to \$2.3 million because of a change in the contract.



## MOTOR VEHICLE LICENSE FEES

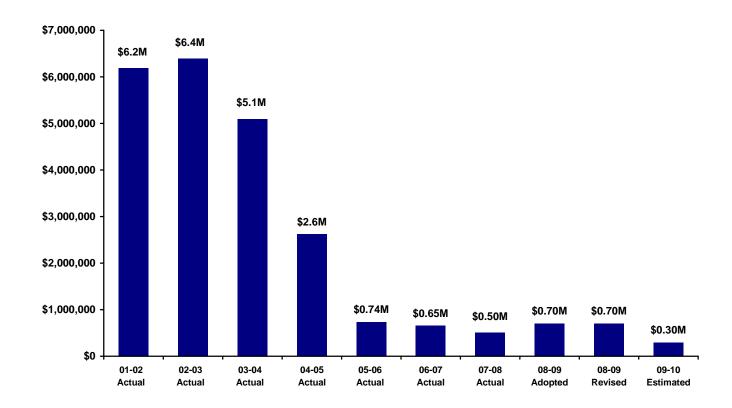
The Motor Vehicle License Fee (VLF) is a fee charged for operating the vehicle on public streets. This fee is collected by the State Department of Motor Vehicles and disbursed to governmental agencies by the State Controller. VLF is based on a fee equivalent to 2% of the market value (based on an 11-year depreciation schedule) of motor vehicles, which is imposed annually by the State "in-lieu" of property tax. Cities and counties receive 81.25% of this revenue based on population.

In 1998, legislation was passed to reduce the VLF paid by the taxpayers by 25% and again by 35% in 2002. (Subsequently, the VLF rate was permanently reduced to its current rate of 0.65%.) As a result of these reductions, cities and counties would have experienced a significant revenue loss. However, legislation was also passed to provide a backfill from the State as long as the actual State General Fund revenues come within certain targets.

With the State's budget crisis in 2003 and 2004, the City did not receive the 67.5% backfill between June 20 and October 1, 2003, when the VLF was fully restored. This was known as the backfill gap, which the State was required to pay in August 2006 under AB 1768 Revenue & Taxation Code 10754. Unexpectedly, the State repaid the \$1.9 million backfill gap in July 2005, a year earlier than planned. The repayment was recorded as an accrual in FY 04-05. Local government started receiving the reduced rate of the VLF in FY 04-05.

However, when Proposition 1A was passed in November 2004, the League of California Cities and the Governor reached an agreement that the backfill amount will be replaced with a like amount in property taxes. Costa Mesa has benefited from the VLF swap (currently budgeted at \$8.75 million in FY 09-10) as the property tax replacement includes increases in the assessed value of property.

For FY 09-10, estimated revenue from VLF is \$300,000, which represents 0.31% of the total General Fund revenue. This estimate reflects an decrease of \$400,000 or 57.14% from the adopted revenue in FY 08-09. This estimated reduction is due to the State's continued budget problem and reduction in expected purchases of new vehicles. Recently, the State has begun collecting an administrative fee attributed to the VLF which has further reduced the City's revenue. It is anticipated this administrative fee will continue as the State try to fix its' budget.



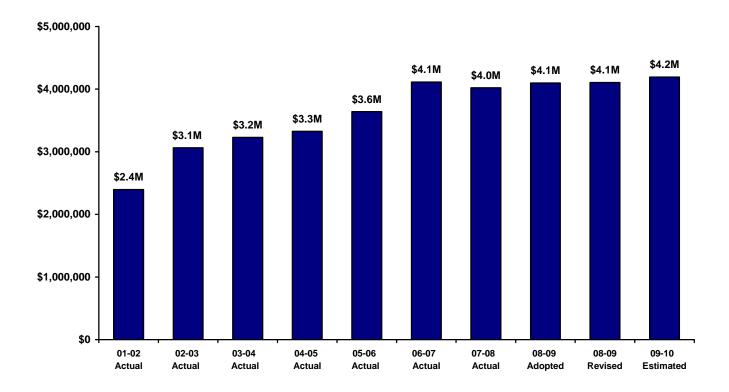
## FEES & CHARGES FOR SERVICES

Cities have the general authority to impose fees or charges for services. Fees & Charges are distinguished from taxes in two principle ways: 1) that the amount of the fee may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged; and 2) that the service or facility for which the fee is charged bears a relationship to the person or entity paying the fee.

Costa Mesa's Fees & Charges include: user fees charged to a person or entity participating in the various Recreation classes offered by the City; plan check fees and other services provided by the Planning Division related to zoning and conditional use permits; fingerprinting, false alarms, police reports, jail booking fees for the Police Department; and, fire inspection, false alarms, paramedic, and hazardous materials disclosure fees for the Fire Department.

The City annually reviews its user fees and charges and submits any changes for Council approval. User fees and charges were revised effective January 1, 2009. For classes offered by the Recreation Division, fee changes are also reviewed and approved by the Parks & Recreation Commission.

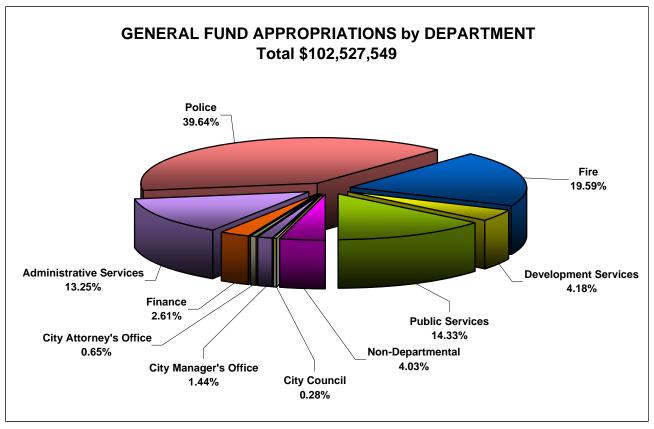
For FY 09-10, estimated revenue from Fees & Charges for Services is \$4.2 million, which represents 4.29% of the total General Fund revenue. This amount reflects the trend in activities for the current year and some of the fee increases approved by Council during the annual update. The FY 09-10 estimated revenue amount reflects a increase of \$93,840 or 2.29% over the adopted revenue in FY 08-09.

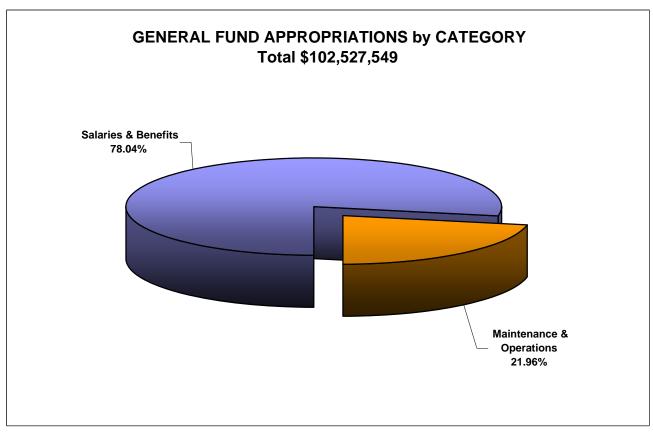


## APPROPRIATIONS SUMMARIES

**FISCAL YEAR 2009-2010** 

# GENERAL FUND APPROPRIATIONS FISCAL YEAR 2009-2010





# **BUDGET COMPARISON**BY FUND/BY DEPARTMENT

Fund/Department		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 09-10 Proposed
General Fund (101)		7101001		710100	-	71407104		. оросси
City Council	\$	288,980	\$	269,435	\$	284,640	\$	284,058
City Manager's Office	Ψ	1,415,452	Ψ	1,453,201	Ψ	1,694,667	Ψ	1,469,899
City Attorney's Office		525,781		454,077		677,900		657,400
Finance		2,521,324		2,782,768		2,906,380		2,679,971
Administrative Services		14,023,354		14,983,855		14,973,946		13,586,781
Police		37,327,003		40,626,581		43,723,720		40,646,227
Fire		19,199,735		21,521,059		22,161,701		20,088,251
Development Services		4,743,579		4,887,320		5,064,910		4,286,002
Public Services		16,285,042		17,256,659		18,866,199		14,695,345
Non-Departmental		5,073,384		8,224,759		8,481,401		4,133,616
Subtotal Fund 101	\$ 1	101,403,634	\$112,459,714		\$118,835,464		\$102,527,549	
	Ψ,	101,400,004	Ψ.	12,400,714	Ψ.	10,000,404	Ψ.	02,021,043
Gas Tax Fund (201)								
Capital Improvement Projects	\$	2,278,047	\$	1,700,000	\$	1,850,000	\$	1,835,000
Subtotal Fund 201	\$	2,278,047	\$	1,700,000	\$	1,850,000	\$	1,835,000
				.,,		.,,		1,000,000
Prop 172 Fund (202)								
Police	\$	1,255,603	\$	1,188,721	\$	1,406,249	\$	1,292,521
Fire		129,898		10,922		5,000		5,000
Non-Departmental		37,840		39,000		-		-
Subtotal Fund 202	\$	1,423,341	\$	1,238,643	\$	1,411,249	\$	1,297,521
AQMD Fund (203)								
Capital Improvement Projects	\$	27,793	\$	170,000	\$	408,200	\$	87,000
Public Services		10,213		10,868		20,000		20,000
Subtotal Fund 203	\$	38,006	\$	180,868	\$	428,200	\$	107,000
HOME Fund (205)	_		_		_		_	
City Manager's Office	\$	1,554,651	\$	962,127	\$	1,054,952	\$	781,038
Subtotal Fund 205	\$	1,554,651	\$	962,127	\$	1,054,952	\$	781,038
CDDC F								
CDBG Fund (207)	\$	606 790	\$	EG1 017	\$	600 246	\$	589,544
City Manager's Office Development Services	Ф	606,789	Ф	561,847	Ф	600,346	Φ	301,053
•		251,737		282,121		294,263		•
Capital Improvement Projects Subtotal Fund 207	•	764,508	•	920,000	<u> </u>	758,512	•	520,000
Subtotal Fund 207	\$	1,623,034	\$	1,763,968	\$	1,653,121	\$	1,410,597
Park Day Foos Fund (200)								
Park Dev Fees Fund (208)	\$	35,338	\$	30E 000	\$	400 000	\$	
Capital Improvement Projects Non-Departmental	Φ	35,336 3,616,833	Φ	395,000 317,010	Φ	490,000	Φ	-
Subtotal Fund 208	_		•	217,010	<u> </u>	490,000	•	<u>-</u>
Sublulai Fuiiu 200	\$_	3,652,171	\$	612,010	_\$	490,000	\$	

# **BUDGET COMPARISON**BY FUND/BY DEPARTMENT

Fund/Department		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 09-10 Proposed
<b>Drainage Fees Fund (209)</b>								
Capital Improvement Projects	\$ <b>\$</b>		\$	200,000	\$	200,000	\$	200,000
Subtotal Fund 209	\$		\$	200,000	\$	200,000	\$	200,000
SLESF Fund (213)								
Police	\$	331,117	\$	221,694	\$	220,680	\$	208,640
Subtotal Fund 213	\$	331,117	\$	221,694	\$	220,680	\$	208,640
Traffic Impact Fees Fund (214)								
Capital Improvement Projects	\$	334,922	\$	-	\$	140,200	\$	-
Subtotal Fund 214	\$	334,922	\$	-	\$	140,200	\$	-
Rental Rehab Program Fund (216)								
Capital Improvement Projects	\$	47,514	\$	-	\$	-	\$	-
Subtotal Fund 216	\$ <b>\$</b>	47,514	\$		\$	-	\$	
Narcotics Forfeiture Fund (217)								
Police	\$	66,541	\$	82,970	\$	99,351	\$	73,000
Non-Departmental		200,000		60,000		-		100,000
Subtotal Fund 217	\$	266,541	\$	142,970	\$	99,351	\$	173,000
Fire System Development Fund (218)								
Capital Improvement Projects	\$	-	\$	-	\$	250,000	\$	-
Subtotal Fund 218	\$ <b>\$</b>	-	\$	-	\$	250,000	\$	-
Capital Outlay Fund (401)								
Capital Improvement Projects	\$	2,739,485	\$	2,300,000	\$	5,103,565	\$	172,020
Non-Departmental		3		2,061,555		-		-
Subtotal Fund 401	\$	2,739,488	\$	4,361,555	\$	5,103,565	\$	172,020
Measure M Fund (403)								
Capital Improvement Projects	\$	5,192,848	\$	1,800,000	\$	1,950,000	\$	2,050,000
Public Services	·	13,405	·	21,740	•	20,000	·	1,443,733
Non-Departmental		100,000		100,000		100,000	\$	100,000
Subtotal 403 Fund	\$	5,306,253	\$	1,921,740	\$	2,070,000	\$	3,593,733
Vehicle Prk Dist 1 Fund (409)								
Non-Departmental	\$	1,014	\$	803	\$	-	\$	-
Subtotal Fund 409	\$	1,014	\$	803	\$	-	\$	-
Vehicle Prk Dist 2 Fund (410)								
Capital Improvement Projects	\$	17,433	\$	-	\$	-	\$	-
Non-Departmental		565	·	126	•	-	•	-
Subtotal Fund 410	\$	17,998	\$	126	\$	-	\$	-

# **BUDGET COMPARISON**BY FUND/BY DEPARTMENT

Fund/Department		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 09-10 Proposed
Police Depart Exp Fund (412)								
Capital Improvement Projects	\$	8,426,020	\$	-	\$	-	\$	-
Subtotal Fund 412	\$	8,426,020	\$	-	\$	-	\$	-
Vehicle Repl Fund (601)								
Public Services	\$	3,146,549	\$	3,249,553	\$	3,133,285	\$	2,124,740
Non-Departmental		323,622		336,896		305,000		260,000
Subtotal Fund 601	\$	3,470,171	\$	3,586,449	\$	3,438,285	\$	2,384,740
Self-Insurance Fund (602)								
City Attorney's Office	\$	-	\$	-	\$	-	\$	-
Administrative Services		2,248,440		6,785,216		3,273,664		3,447,925
Non-Departmental		433,823		482,370		4,637,200		333,000
Subtotal Fund 602	\$	2,682,263	\$	7,267,586	\$	7,910,864	\$	3,780,925
Grand Total	\$1	35,596,185	\$1	36,620,253	\$1	145,155,931	\$1	18,471,764

# SUMMARY OF APPROPRIATIONS BY ACCOUNT - ALL FUNDS

Description	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Regular Salaries - Sworn	\$ 21,741,397	\$ 23,667,263	\$ 24,345,768	\$ 25,102,743
Regular Salaries - Non-Sworn	21,727,405	22,908,527	23,477,810	22,896,107
Regular Salaries - Part-Time	2,731,036	2,725,450	2,773,245	2,381,662
Overtime	5,796,507	6,705,019	4,734,903	3,403,562
Accrual Payoff - Excess Max.	1,065,573	909,183	949,155	252,719
Vacation/Comp. Time Cash Out	124,222	138,901	275,767	276,954
Holiday Allowance	664,267	700,321	694,301	907,673
Separation Pay-Off	509,204	365,109	-	-
Other Compensation	2,032,910	2,174,365	2,447,797	2,587,804
Cafeteria Plan	4,237,064	4,887,515	4,690,893	5,278,950
Medicare	636,317	711,921	675,066	709,202
Retirement	14,198,814	15,302,921	15,024,502	15,839,935
Longevity	23,269	27,596	20,832	5,448
Professional Development	482,345	538,777	673,943	314,528
Auto Allowance	17,294	18,985	18,000	21,000
Unemployment	78,382	75,956	90,309	97,629
Workers' Compensation	3,398,126	3,552,762	3,828,643	4,175,023
Employer Contr.Retirees' Med.	1,557,186	1,662,992	1,379,480	2,157,375
Salaries & Benefits	\$ 81,021,318	\$ 87,073,563	\$ 86,100,415	\$ 86,408,314
Stationery and Office	\$ 172,052	\$ 182,410	\$ 183,754	\$ 174,625
Multi-Media, Promos, Subscrpt.	269,230	320,426	379,003	280,070
Small Tools and Equipment	327,306	571,316	630,835	328,028
Uniforms and Clothing	362,108	384,783	401,538	375,240
Safety and Health	337,564	420,689	480,109	458,400
Maintenance and Construction	1,241,934	1,140,590	1,124,985	970,976
Agriculture	61,966	96,241	95,000	77,400
Fuel	690,561	806,006	701,600	751,600
Electricity - Buildings & Fac.	562,517	542,227	690,864	584,400
Electricity - Power	193,610	201,283	180,878	192,000
Electricity - Street Lights	867,338	929,144	804,490	867,000
Gas	42,635	48,346	55,655	46,850
Water - Domestic	66,949	79,683	62,600	83,000
Water - Parks and Parkways	670,529	582,213	790,962	735,000
Waste Disposal	168,683	158,765	195,047	180,769
Janitorial and Housekeeping	345,560	351,939	371,058	357,200
Postage	113,853	100,700	131,075	112,400
Legal Advertising/Filing Fees	232,763	219,276	276,500	302,631
Advertising and Public Info.	44,765	67,742	332,450	41,538
Telephone/Radio/Communications	288,253	409,809	484,240	378,090
Meetings and Conferences	805	1,364	2,000	2,000
Mileage Reimbursement	3,649	4,967	10,090	7,070
Board Member Fees	29,250	28,940	29,500	28,500
Buildings and Structures	439,275	583,652	697,250	77,000
Landscaping and Sprinklers	930,297	1,114,807	1,291,340	1,094,908
Underground Lines	8,331	3,917	5,000	3,000
Automotive Equipment	106,682	121,483	115,000	125,000
Subtotal Maint. & Operations	\$ 8,578,465	\$ 9,472,720	\$ 10,522,823	\$ 8,634,695

# SUMMARY OF APPROPRIATIONS BY ACCOUNT - ALL FUNDS

Description	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Office Furniture	\$ 2,048	\$ 5,202	\$ 11,900	\$ 3,450
Office Equipment	601,711	602,276	624,525	795,097
Other Equipment	831,503	974,252	955,959	902,239
Streets, Alleys and Sidewalks	124,703	162,292	158,000	136,617
Employment	72,319	136,086	54,350	38,735
Consulting	2,838,607	2,838,859	3,556,448	2,731,456
Legal	190,557	166,297	150,000	190,095
Engineering and Architectural	260,224	158,925	169,700	135,000
Financial & Information Svcs.	132,746	171,984	107,803	96,000
Medical and Health Inspection	163,455	160,018	241,000	195,270
Law Enforcement	1,316,132	1,420,499	1,435,580	1,460,436
Recreation	466,327	463,803	463,220	481,253
Principal Payments	3,079,360	4,905,332	4,059,139	2,639,343
Interest Payments	1,259,749	2,321,668	2,242,666	755,273
External Rent	562,132	848,731	623,185	594,032
Grants, Loans and Subsidies	1,887,656	1,153,989	1,146,793	999,534
Depreciation	730,696	756,051	-	-
Central Services	112,422	114,889	168,300	136,040
Internal Rent - Maint. Charges	1,975,280	1,640,952	1,584,995	2,164,677
Internal Rent - Repl.Cost	1,071,398	1,535,661	1,535,662	-
General Liability	1,325,987	3,042,860	2,145,043	2,049,729
Special Liability	143	-	16,790	19,000
Physical Damage	70,777	23,062	25,000	-
Buildings & Personal Property	276,001	265,210	270,000	319,830
Faithful Performance Bonds	7,159	6,128	7,200	8,200
Taxes and Assessments	90,874	113,183	102,784	120,429
Contingency	-	2,988,935	-	-
Other Costs	359,616	2,966	-	-
Relocation	-	4,850	-	-
Operating Transfers Out	1,583,863	4,380,750	2,419,780	1,543,000
Loss on Disposal of Assets	-	145,004	-	-
Maintenance & Operations	\$ 29,971,910	\$ 40,983,434	\$ 34,798,645	\$ 27,149,430
Land	\$ 3,366,338	\$ -	\$ -	\$ -
Landscaping and Sprinklers	32,110	-	-	-
Buildings and Structures	18,533	_	_	_
Automotive Equipment	125,640	200,648	1,762,000	50,000
Office Furniture	129,252	54,838	12,000	-
Office Equipment	124,263	29,071	53,332	_
Other Equipment	942,916	894,650	565,282	-
Fixed Assets	\$ 4,739,052	\$ 1,179,207	\$ 2,392,614	\$ 50,000
Total Operating	\$115,732,279	\$129,236,205	\$123,291,674	\$113,607,744
Capital Improvements	\$ 19,863,907	\$ 7,485,000	\$ 11,150,477	\$ 4,864,020
Total Appropriations	\$135,596,185	\$136,721,205	\$134,442,151	\$118,471,764

# SUMMARY OF APPROPRIATIONS BY FUNCTION/PROGRAM PROTECTION OF PERSONS AND PROPERTY

(Excludes CIP)

GOAL: To promote an environment in which the citizens of Costa Mesa can safely live and feel reasonably secure that they and their properties are protected from harm.

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Police Protection				
Police Administration - 50001	\$ 3,121,859	\$ 3,342,476	\$ 3,495,095	\$ 3,523,654
Field Area Policing - 10111	16,180,696	16,544,805	18,307,175	18,214,472
Helicopter Patrol - 10112	1,749,719	1,914,064	2,059,559	1,933,381
Traffic Enforcement - 10113	5,449,704	6,349,493	6,432,550	5,784,779
Contract & Special Event Policing - 10114	567,308	629,831	675,911	838,426
Crime Investigation - 10120	3,238,518	3,454,403	3,797,481	3,857,479
Vice and Narcotics - 10125	1,660,766	1,812,801	1,946,379	-
Records / Information Systems - 10131	1,847,380	1,971,216	2,231,445	2,148,998
Crime Scene Inv./Photographic Svcs - 10132	790,300	792,754	847,667	690,618
Training - 10133	658,161	615,001	776,260	1,015,992
Community Services - 10134	189,325	220,642	283,099	257,198
Youth Crime Intervention - 10135	1,291,232	1,710,948	1,861,035	1,643,125
Property and Evidence - 10136	324,152	345,005	400,079	403,702
Jail - 10137	1,128,997	1,230,401	1,332,470	1,335,027
Equipment Maintenance - 10138	49,323	79,789	47,278	51,405
Animal Control - 10139	423,609	620,648	569,625	474,558
RAID - 10143	84,971	180,296	15,218	47,573
Recruitment - 10146	224,244	305,396	371,672	
Total Police Protection	\$ 38,980,264	\$ 42,119,969	\$ 45,449,999	\$ 42,220,388
Fire Protection				
Fire Administration - 50001	\$ 1,623,297	\$ 1,771,044	\$ 1,883,254	\$ 1,859,598
Response and Control - 10210	16,030,297	17,943,069	18,402,687	16,528,803
Fire Prevention - 10220	707,726	926,340	862,352	812,458
Emergency Medical Aid - 10230	968,313	891,528	1,018,408	892,392
Total Fire Protection	\$ 19,329,633	\$ 21,531,981	\$ 22,166,701	\$ 20,093,251
Other Public Safety Services				
Building Safety - 20410	\$ 2,210,833	\$ 2,257,023	\$ 2,297,563	\$ 1,730,395
Total Other Public Safety Services	\$ 2,210,833	\$ 2,257,023	\$ 2,297,563	\$ 1,730,395
Total Protection of Persons and Property	\$ 60,520,730	\$ 65,908,973	\$ 69,914,263	\$ 64,044,034

### SUMMARY OF APPROPRIATIONS BY FUNCTION/PROGRAM

### **COMMUNITY HEALTH AND ENVIRONMENT**

(Excludes CIP)

GOAL: To promote, preserve and develop Costa Mesa's physical and social features in order to have a clean and attractive environment in which the citizens of Costa Mesa can live, work, and play.

	-	FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		TY 09-10 Proposed
Beautification								
Parkway and Median Maintenance - 20111	\$	906,445	\$	982,938	\$	1,088,299	\$	976,587
Street Cleaning - 20120		748,079		710,145		854,020		626,530
Graffiti Abatement - 20130		201,600		224,421		230,247		215,899
Park Maintenance - 40111		3,469,549		3,596,662		4,232,815		3,515,489
Park Improvements - 40112		272,026		320,836		316,901		341,500
Total Beautification	\$	5,597,699	\$	5,835,002	\$	6,722,284	\$	5,676,005
Sanitation								
Refuse Management - 20210	\$	-	\$	-	\$	-	\$	-
Sewers - 20220	\$	-	\$	-	\$	-	\$	-
Recycling - 20230		62,894		88,615		40,000		39,000
Water Quality - 20510		393,009		410,383		549,907		519,533
Total Sanitation	\$	455,903	\$	498,998	\$	589,907	\$	558,533
Planning								
Development Services Admin 50001	\$	487,720	\$	530,570	\$	536,645	\$	522,589
Advance Planning - 20310	•	-	•	-	•	-	•	-
Current Planning - 20320		1,186,563		1,293,911		1,275,131		1,131,937
Code Enforcement - 20350		1,079,326		1,054,784		1,218,335		1,175,283
Planning Commission - 20360		30,873		33,152		31,500		26,850
Redevelopment Administration - 60100		-		-		-		-
Total Planning	\$	2,784,482	\$	2,912,417	\$	3,061,611	\$	2,856,660
Housing and Community Development								
Code Enforcement - 20350	\$	10,893	\$	19,547	\$	20,213	\$	21,458
Public Service Programs - 20421		215,860	·	193,509		202,341	·	204,189
Single Family Housing Rehabilitation - 20422		248,801		434,999		350,000		356,976
Neighborhood Improvement Program - 20425		232,336		448,830		518,135		213,910
Neighbors for Neighbors - 20426		96,010		90,724		108,005		91,645
CDBG Administration - 20427		284,027		258,066		269,787		272,252
HOME Program -20440		86,984		78,298		84,026		95,967
HOME Projects -20445		986,530		-		102,791		114,186
CDBG Rehab Programs Admin - 20451		-		-		-		-
Total Housing & Community Dev	\$	2,161,441	\$	1,523,973	\$	1,655,298	\$	1,370,582
Total Community Health & Environment	\$	10,999,525	\$	10,770,390	\$	12,029,100	\$1	0,461,781

#### CITY OF COSTA MESA, CALIFORNIA

### SUMMARY OF APPROPRIATIONS BY FUNCTION/PROGRAM

### **TRANSPORTATION**

(Excludes CIP)

GOAL: To promote the safe, expeditious, and convenient movement of people and goods for the residents and businesses of Costa Mesa.

		FY 06-07 Actual			FY 08-09 Adopted		FY 09-10 Proposed
Administration							
Public Services Admin 50001	\$	1,183,931	\$	1,089,327	\$ 1,198,526	\$	1,208,626
Construction Management - 50002		826,134		901,456	 968,938		900,202
Total Administration	\$	2,010,065	\$	1,990,783	\$ 2,167,464	\$	2,108,827
Traveled Ways							
Street Maintenance - 30111	\$	1,270,476	\$	1,470,913	\$ 1,392,168	\$	1,196,796
Street Improvements - 30112		649,922		707,370	804,031		772,691
Storm Drain Maintenance - 30121		138,333		127,900	208,331		173,299
Storm Drain Improvements - 30122		378,718		412,254	 446,282		433,491
Total Traveled Ways	\$	2,437,449	\$	2,718,437	\$ 2,850,811	\$	2,576,277
Traffic Safety							
Traffic Planning - 30210	\$	517,687	\$	577,030	\$ 655,479	\$	502,178
Traffic Operations - 30241		1,984,623		2,155,389	2,137,770		1,963,081
Signs and Markings - 30243		649,887		738,060	 833,755		629,277
Total Traffic Safety	\$	3,152,197	\$	3,470,479	\$ 3,627,005	\$	3,094,536
Total Transportation	<u>\$</u>	7,599,711	\$	8,179,699	\$ 8,645,280	\$	7,779,640

# SUMMARY OF APPROPRIATIONS BY FUNCTION/PROGRAM LEISURE AND COMMUNITY SERVICES

(Excludes CIP)

GOAL: To provide the citizens of Costa Mesa with a variety of year-round recreational activities and facilities for enjoyment, health, relaxation, and cultural enrichment.

	FY 06-07 Actual	FY 07-08 FY 08-09 Actual Adopted			FY 09-10 Proposed		
Community Facilities							
Downtown Recreation Center - 40121	\$ 210,923	\$	210,722	\$	250,576	\$	245,692
Balearic Community Center - 40122	187,427		186,796		218,676		193,556
Neighborhood Community Center - 40123	253,608		286,249		294,001		262,123
Total Community Facilities	\$ 651,958	\$	683,767	\$	763,254	\$	701,371
Community Programs							
Recreation Administration - 50001	\$ 634,576	\$	653,251	\$	719,561	\$	564,728
Aquatics - 40212	175,752		268,636		284,396		206,511
Tennis - 40213	2,114		3,040		28,175		17,750
Adult Sports Basketball and Volleyball - 40214	48,759		44,609		67,350		67,858
Adult Sports Softball - 40215	57,438		66,263		105,994		101,983
Adult Sports Misc/Field Ambassadors - 40216	420,022		421,908		379,901		367,231
Golf Course Management - 40217	-		-		-		-
Youth Sports Basketball/Cheerleading - 40218	36,229		37,956		47,556		38,809
Youth Sports Football/Cheer/Soccer- 40219	47,506		44,986		46,541		36,528
Senior Citizens - 40231	324,914		330,194		339,235		338,863
Day Camp - 40232	187,278		157,402		200,887		188,650
Playgrounds - 40233	331,977		368,797		391,724		387,775
Costa Mesa Job Center - 40234	3,331		-		-		-
Youth and Family Programs - 40235	17,520		14,288		15,015		-
Teen Programs - 40236	98,883		84,579		153,432		143,481
Concert Programs - 40237	23,933		29,921		33,085		33,738
Early Childhood - 40241	110,628		119,915		115,726		119,164
Adult Instructional Classes - 40242	119,746		94,309		90,985		91,117
Youth Instructional Classes - 40243	351,364		367,079		336,981		376,575
Special Recreation Events - 40244	26,541		28,260		73,477		10,798
Mobile Recreation - 40245	67,248		61,103		71,291		35,663
Mobile Skate Park - 40246	-		-		-		-
City Celebration - 40247							
Total Community Programs	\$ 3,085,759	\$	3,196,496	\$	3,501,313	\$	3,127,221
Total Leisure and Community Services	\$ 3,737,717	\$	3,880,263	\$	4,264,567	\$	3,828,593

### SUMMARY OF APPROPRIATIONS BY FUNCTION/PROGRAM

### **GENERAL GOVERNMENT SUPPORT**

(Excludes CIP)

GOAL: To formulate City policies and provide effective and efficient administrative support to all City programs.

	FY 06-07 Actual					FY 08-09 Adopted		FY 09-10 Proposed	
Representation									
City Council - 50110	\$	330,055	\$	313,235	\$	331,553	\$	328,635	
Elections - 50120		73,762		1,008		120,240		-	
Parks & Recreation Comm 50125		12,502		9,533		8,830		7,500	
Child Care and Youth Services - 50140		-		154		355		1,840	
Fairview Pk Friend/Comm 50145		1,577		151		-		-	
Human Relations Committee - 50150		-		-		-		-	
Advisory Committee of Teens - 50180		-		-		-		-	
Cultural Arts Committee - 50190		5,623		5,537		20,480		4,800	
Historic Resources Committee - 50191		2,672		3,357		8,000		7,500	
Total Representation	\$	426,191	\$	332,975	\$	489,458	\$	350,275	
Policy Formulation & Implementation									
City Manager - 50210	\$	995,353	\$	1,068,382		1,179,787	\$	1,084,533	
Nondepartmental - 50240		9,787,081		11,621,519		13,523,601		4,926,616	
Total Policy Formulation & Implement	<u>\$</u>	10,782,434	\$	12,689,901	<u>\$</u>	14,703,388	\$	6,011,149	
Legal Services									
General Legal Services - 50320	\$	525,781	\$	454,077	\$	677,900	\$	657,400	
Total Legal Services	\$	525,781	\$	454,077	\$	677,900	\$	657,400	
City Clerk									
City Council Meetings - 50410	\$	200,178	\$	258,332	\$	252,155	\$	263,175	
Public Records - 50420	Ψ	103,508	Ψ	81,527	Ψ	95,572	Ψ	77,615	
Total City Clerk	\$	303,686	\$	339,859	\$	347,726	\$	340,789	
•				<u> </u>		· · · · · ·		· ·	
Financial Services									
Finance Administration - 50001	\$	415,022	\$	441,718	\$	433,059	\$	423,824	
Accounting - 50510		749,882		896,932		923,178		841,993	
Budget and Research - 50520		297,427		327,944		360,995		365,004	
Purchasing - 50530		347,665		416,025		436,824		407,102	
Treasury - 50540		711,328		700,150		752,324		642,048	
Total Financial Services	\$	2,521,324	\$	2,782,769	\$	2,906,380	\$	2,679,971	

### SUMMARY OF APPROPRIATIONS BY FUNCTION/PROGRAM

### **GENERAL GOVERNMENT SUPPORT**

(Excludes CIP)

		FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Adopted		FY 09-10 Proposed
Personnel Services								
Administrative Services Admin 50001	\$	633,718	\$	696,095	\$	680,519	\$	680,343
Human Resources Administration - 50610		816,892		903,170		1,037,616		705,097
Compensation Administration - 50621		-		-		-		-
Labor Relations - 50622		-		-		-		-
Employee Benefit Administration - 50630		176,970		189,275		264,378		223,572
Employee Training - 50640		-		-		-		-
Post Employment Benefits - 50650		1,171,982		1,298,744		108,147		100,797
Insurance Administration - 50661		399,718		389,831		482,536		468,142
General Liability - 50662		380,980		5,017,465		1,165,038		1,116,300
Workers' Compensation- 50663		1,961,451		1,966,069		2,331,177		2,440,837
Total Personnel Services	\$	5,541,711	\$	10,460,649	\$	6,069,411	\$	5,735,087
Computer Services								
Computer Operations - 50710	\$	1,633,472	\$	1,699,016	\$	1,954,323	\$	1,671,773
Computer Systems Development - 50720	Ψ	1,066,658	Ψ	1,033,010	Ψ	1,125,751	Ψ	1,114,782
Total Computer Services	\$	2,700,130	\$	2,776,274	\$	3,080,073	\$	2,786,555
Total Computer Services	Ψ_	2,700,130	Ψ_	2,110,214	Ψ	3,000,073	Ψ_	2,700,000
Central Services								
Printing and Graphics - 50810	\$	351,688	\$	363,260	\$	361,899	\$	350,877
Reprographics - 50820		167,251		188,868		203,457		183,436
Word Processing - 50830		-		-		-		-
Mailing and Delivery - 50840		88,767		95,927		100,570		108,785
Total Central Services	\$	607,706	\$	648,055	\$	665,926	\$	643,097
Maintenance Services								
Maintenance Services Admin 50001	\$	236,311	\$	270,766	\$	298,791	\$	274,360
Facility Maintenance - 50910	·	2,423,706	Ť	2,508,572	•	2,649,938	,	1,870,539
Fleet Services - 50920		3,141,882		3,245,784		3,133,285		2,124,740
<b>Total Maintenance Services</b>	\$	5,801,899	\$	6,025,122	\$	6,082,013	\$	4,269,639
Telecommunications								
Operations - 51010	\$	2,721,472	\$	2,986,839	\$	3,196,433	Ф	2,954,493
Technical Support and Maintenance - 51020	Φ	470,926	φ	512,790	φ	372,570	φ	546,907
Cable Television Services - 51030		295,792		292,072		349,298		325,641
Emergency Services - 51040		175,543		193,548		·		192,692
Total Telecommunications	•		<u>•</u>		<u>¢</u>	211,667	<u> </u>	
rotar refecciminumications	<u>\$</u>	3,663,733	<u> </u>	3,985,249	<u> </u>	4,129,967	<u> </u>	4,019,733
Total General Government Support	\$	32,874,595	\$	40,494,930	\$	39,152,242	\$ 2	27,493,695

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
City Council				
Council Member	5.00	5.00	5.00	5.00
Total City Council	5.00	5.00	5.00	5.00
City Manager's Office				
City Manager	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00
Executive Secretary	2.00	2.00	2.00	2.00
Executive Assistant to the City Manager	-	-	1.00	1.00
Legislative & Public Affairs Manager	1.00	1.00	1.00	1.00
Management Analyst	4.81	4.81	4.81	5.00
Neighborhood Improvement Manager	1.00	1.00	1.00	1.00
Office Specialist II	2.00	2.00	2.00	2.00
Secretary to the City Manager	1.00	1.00	-	-
Total City Manager's Office	15.81	15.81	15.81	16.00
Finance Department				
Director of Finance	1.00	1.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00
Accounting Specialist I	2.00	1.00	1.00	1.00
Accounting Specialist II	4.00	4.00	4.00	4.00
Accounting Supervisor	1.00	1.00	1.00	1.00
Assistant Finance Director	1.00	1.00	1.00	1.00
Budget & Research Officer	1.00	1.00	1.00	1.00
Budget Analyst	1.00	1.00	1.00	1.00
Budget Specialist	-	1.00	1.00	1.00
Business License Inspector	1.00	1.00	1.00	1.00
Buyer	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Grant Administrator	1.00	1.00	1.00	1.00
Payroll Coordinator	1.00	1.00	1.00	1.00
Permit Processing Specialist	1.00	1.00	1.00	1.00
Purchasing Supervisor	1.00	1.00	1.00	1.00
Revenue Investment Specialist	1.00	1.00	1.00	1.00
Revenue Supervisor	1.00	1.00	1.00	1.00
Storekeeper	1.00	1.00	1.00	1.00
Tax Auditing Specialist	1.00	1.00	1.00	1.00
Total Finance Department	23.00	23.00	23.00	23.00
Administrative Services Department				
Administrative Services Director	1.00	1.00	1.00	1.00
Administrative Secretary	4.00	3.00	3.00	3.00
Assistant Recreation Supervisor	-	2.00	2.00	2.00
Benefits Coordinator	1.00	1.00	1.00	1.00
Central Services Supervisor	1.00	1.00	1.00	1.00
Communications Installer	1.00	1.00	1.00	1.00
Communications Officer	15.00	15.00	15.00	15.00

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Administrative Services Department (continued)				
Communications Supervisor	3.00	3.00	3.00	3.00
Computer Operations & Networking Sup.	1.00	1.00	1.00	1.00
Electronics Technician	1.00	1.00	1.00	1.00
Emergency Services Training Specialist	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Graphics Designer	2.00	2.00	2.00	2.00
Human Resources Administrator	-	2.00	2.00	2.00
Human Resources Analyst	-	3.00	3.00	3.00
Human Resources Manager	1.00	1.00	1.00	1.00
Human Resources Secretary	-	1.00	1.00	1.00
Information Technology Manager	-	-	1.00	1.00
Management Analyst	3.00	1.00	1.00	1.00
Management Information Services Manager	1.00	1.00	-	-
Messenger	1.00	1.00	1.00	1.00
Network Administrator	5.00	5.00	5.00	5.00
Office Specialist II	4.00	4.00	4.00	4.00
Offset Press Operator II	1.00	1.00	1.00	1.00
Personnel Administrator	1.00	_	-	-
Personnel Technician	1.00	_	-	-
Principal Human Resources Analyst	-	1.00	1.00	1.00
Principal Personnel Analyst	1.00	-	-	-
Programmer Analyst I	1.00	1.00	1.00	1.00
Programmer Analyst II	2.00	2.00	2.00	2.00
Recreation Coordinator	5.00	2.00	2.00	2.00
Recreation Manager	1.00	1.00	1.00	1.00
Recreation Specialist	-	1.00	1.00	1.00
Recreation Supervisor	2.00	2.00	2.00	2.00
Risk Administrator	1.00	_	-	_
Senior Communications Officer	3.00	3.00	3.00	3.00
Senior Communications Supervisor	1.00	1.00	1.00	1.00
Senior Programmer Analyst	3.00	3.00	3.00	3.00
Systems & Programming Supervisor	1.00	1.00	1.00	1.00
Telecommunications Manager	1.00	1.00	1.00	1.00
Video Production Coordinator	1.00	1.00	1.00	1.00
Video Production Specialist	1.00	1.00	1.00	1.00
Total Administrative Services Department	74.00	74.00	74.00	74.00
Police Department				
Police Chief	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Animal Control Officer	3.00	3.00	3.00	3.00
Civilian Investigator	2.00	2.00	2.00	2.00
Community Services Specialist	15.00	15.00	15.00	15.00
Corporal	10.00	10.00	9.00	2.00
Crime Analyst	1.00	1.00	1.00	1.00
Crime Prevention Specialist	2.00	2.00	2.00	2.00
Crime Scene Investigator Supervisor	1.00	1.00	1.00	1.00
Crime Scene Specialist	5.00	5.00	5.00	5.00

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Police Department (continued)				
Custody Officer	11.00	11.00	11.00	11.00
Executive Secretary	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Office Specialist II	3.00	4.00	4.00	4.00
Police Administrative Svcs Commander	1.00	1.00	1.00	1.00
Police Captain	2.00	2.00	2.00	2.00
Police Helicopter Pilot	4.00	4.00	4.00	4.00
Police Helicopter Sergeant	1.00	1.00	1.00	1.00
Police Lieutenant	8.00	8.00	8.00	8.00
Police Officer	92.00	98.00	101.00	108.00
Police Records Administrator	1.00	1.00	1.00	1.00
Police Records Bureau Shift Supervisor	3.00	3.00	3.00	3.00
Police Records Bureau Supervisor	1.00	1.00	1.00	1.00
Police Sergeant	24.00	24.00	25.00	25.00
Police Training Assistant	1.00	1.00	1.00	1.00
Police Training Administrator	1.00	1.00	1.00	1.00
Property Evidence Specialist	1.00	1.00	1.00	1.00
Property Evidence Supervisor	1.00	1.00	1.00	1.00
Range Master	1.00	1.00	1.00	1.00
Senior Police Officer	20.00	16.00	13.00	13.00
Senior Police Records Technician	18.00	18.00	18.00	18.00
Total Police Department	237.00	240.00	240.00	240.00
Fire Department				
Fire Chief	1.00	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00	3.00
Deputy Fire Chief/Fire Marshal	-	-	1.00	1.00
Deputy Fire Chief/Operations	1.00	2.00	1.00	1.00
Emergency Medical Services Coordinator	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Fire Administrative Battalion Chief	-	-	1.00	1.00
Fire Captain	25.00	25.00	24.00	24.00
Fire Division Chief/Fire Marshal	1.00	-	-	-
Fire Engineer	24.00	24.00	24.00	24.00
Fire Protection Analyst	2.00	2.00	2.00	2.00
Fire Protection Specialist	2.00	2.00	2.00	2.00
Firefighter	48.00	48.00	48.00	48.00
Management Analyst	1.00	1.00	1.00	1.00
Office Specialist II	1.00	1.00	1.00	1.00
Total Fire Department	111.00	111.00	111.00	111.00
Development Services Department				_
Dev Svcs Director - Deputy City Manager	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Assistant Development Services Director	1.00	1.00	1.00	1.00
Assistant Planner	2.00	2.00	2.00	2.00
Associate Planner	1.00	1.00	1.00	1.00
Building Inspector	2.00	2.00	2.00	2.00
Building Official	1.00	1.00	1.00	1.00
ig	1.00	1.00	1.00	1.00

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Development Services Department (continued)				
Building Technician	1.00	1.00	1.00	1.00
Building Technician II	1.00	1.00	1.00	1.00
Chief of Code Enforcement	1.00	1.00	1.00	1.00
Chief of Inspection	1.00	1.00	1.00	1.00
Chief Plans Examiner	1.00	1.00	1.00	1.00
Code Enforcement Officer	8.00	8.00	8.00	8.00
Combination Building Inspector	1.00	1.00	1.00	1.00
Combination Inspector***	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Office Coordinator	1.00	1.00	1.00	1.00
Office Specialist II	6.00	6.00	6.00	6.00
Permit Processing Specialist	1.00	1.00	1.00	1.00
Plan Check Engineer	2.00	2.00	2.00	2.00
Plan Checker	1.00	1.00	1.00	1.00
Principal Planner	2.00	2.00	2.00	2.00
Senior Electrical Inspector	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00
Senior Plumbing/Mechanical Inspector	1.00	1.00	1.00	1.00
Total Development Services Department	43.00	43.00	43.00	43.00
Public Services Department				
Director of Public Services	1.00	1.00	1.00	1.00
Administrative Secretary	2.00	3.00	3.00	3.00
Assistant Engineer	6.00	6.00	6.00	6.00
Assistant Street Superintendent	1.00	1.00	1.00	1.00
Associate Engineer	3.00	3.00	3.00	3.00
Chief Construction Inspector	1.00	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00	1.00
Construction Inspector	2.00	2.00	2.00	2.00
Engineering Technician I	1.00	1.00	1.00	1.00
Engineering Technician II	5.00	5.00	5.00	5.00
Engineering Technician III	3.00	3.00	3.00	3.00
	3.00	3.00	3.00	
Equipment Mechanic II	3.00	3.00	3.00	3.00 3.00
Equipment Mechanic III	1.00	1.00	1.00	1.00
Executive Secretary Facilities & Equipment Supervisor	1.00	1.00	1.00	1.00
Facility Maintenance Technician	3.00			
·		3.00	3.00	3.00
Lead Equipment Mechanic	1.00 1.00	1.00	-	-
Lead Facilities Maintenance Technician		1.00	-	-
Lead Maintenance Worker	8.00	8.00	8.00	8.00
Maintenance Services Manager	1.00	1.00	1.00	1.00
Maintenance Supervisor	3.00	3.00	5.00	5.00
Maintenance Worker	19.00	19.00	19.00	19.00
Management Analyst	1.19	1.19	1.19	1.00
Office Specialist I	1.00	1.00	1.00	1.00
Office Specialist II	2.00	1.00	1.00	1.00

#### CITY OF COSTA MESA, CALIFORNIA

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Adopted	FY 09-10 Proposed
Public Services Department (continued)				
Senior Engineer	3.00	3.00	3.00	3.00
Senior Maintenance Supervisor	1.00	1.00	1.00	1.00
Senior Maintenance Technician	1.00	1.00	1.00	1.00
Senior Maintenance Worker	18.00	19.00	19.00	19.00
Transportation Services Manager	1.00	1.00	1.00	1.00
Total Public Services Department	98.19	99.19	99.19	99.00
Total Full-time Employees	607.00	611.00	611.00	611.00
Part-time Employees FTE's (Full-time Equivalents)				
City Council	0.50	0.50	0.50	0.50
City Manager's Office	0.75	0.75	0.75	-
Finance Department	0.67	1.42	1.42	1.42
Administrative Services Department	51.19	50.66	52.21	45.86
Police Department	21.73	22.73	26.75	14.63
Fire Department	2.40	1.92	1.92	1.92
Development Services Department	2.00	2.00	2.00	1.50
Public Services Department	9.71	9.71	9.71	9.96
Total Part-time FTE's	88.95	89.69	95.26	75.79

#### **CITYOF COSTA MESA, CALIFORNIA**

### SUMMARY OF PROPOSED REPLACEMENT VEHICLES

FISCAL YEAR 2009-10

11		cription	Pι	Green urchase
Unit	Current Vehicle	Requested Vehicle		Price
tbd	Patrol Unit	Patrol Unit	\$	25,000
tbd	Patrol Unit	Patrol Unit		25,000
	<b>Total Police Field Operations</b>		\$	50,000
	Total Proposed Replacement Vehi	cles	\$	50,000

### **SUMMARY OF PROPOSED MAINTENANCE PROJECTS**

FISCAL YEAR 2009-10

<b>Facility</b>	Proposed Project Description	Cost	
Various Locations	Install backflow protection cages (5) Replace benches, tables and trashcans Replace deteriorated irrigation controller/cabinets (10)	\$ ,	5,000 5,000 12,500
	Total Proposed Maintenance Projects	\$ 5 2	22,500

#### CITY OF COSTA MESA, CALIFORNIA

### SUMMARY OF PROPOSED CAPITAL IMPROVEMENT PROJECTS FISCAL YEAR 2009-2010

Improvement Category	Total		
Street Maintenance			
CDBG Alley Improvement - Anaheim Avenue	\$ 110,000		
Citywide Unimproved Alley - Knox Place	235,000		
Street Improvement			
CDBG Street Improvement - Center Street	410,000		
Citywide Street Improvements	3,000,000		
Storm Drain Improvement			
Walnut Street Storm Drain Improvements	200,000		
Curbs and Sidewalks			
New Sidewalk / Missing Link	100,000		
Parkway Improvements	250,000		
Sidewalk Repair	50,000		
Traffic Operations			
Placentia / 17th Signal Improvements	117,020		
Signal / CCTV Improvement Project	317,000		
Facilities Maintenance			
Fire Station #1 Fuel Leak Remediation	75,000		
Total FY 09-10 Proposed Capital Improvement Projects			

