



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
May 7, 2024

TOPIC: Fiscal Year 2024-25 Budget Work Study Session

AGENDA TITLE

Fiscal Year 2024-25 Budget Work Study Session

RECOMMENDED ACTION

Discuss and provide direction to staff.

GOVERNMENT CODE §84308 APPLIES: No

DISCUSSION

The City Council provided Early Direction on April 2 and staff has updated the proposed budget accordingly. The City conducted internal budget meetings with departments from March 25 to April 11 to receive supplemental budget requests and staff priorities. After comparing the requests to City Council priorities received during Early Direction and community priorities received during the budget outreach, Finance worked with the City Manager's Office to build a proposed budget for City Council consideration. Through April 29, the City has received nearly 1,900 budget survey responses. Staff will continue community engagement and will present results during the presentation for this agenda item.

At a minimum, the staff presentation is expected to include the following:

- A summary of community outreach and priorities
- Notable additions to the General Fund Budget
- Summary spending plans to serve the Unhoused Community and Youth populations
- A summary of the proposed Cannabis Public Benefit Fund spending plan

Miscellaneous Fees Benchmarking

As requested by the City Council, staff has compiled a sampling of comparative Miscellaneous Fees with other cities (Exhibit 1). In addition, the Parks, Recreation, and Community Services Agency has been studying their fees and how they compare to other cities and may return to City Council with recommendations at a later date. In the

meantime, Staff proposes no increase for Parks, Recreation, and Community Service Fees and an increase of 4.66% for all other FY 2024-25 Miscellaneous Fees.

General Fund Reconciliation

The General Fund reconciliation (Exhibit 2) accounts for all changes from the adjusted FY 2023-24 General Fund budget to the proposed FY 2024-25 General Fund budget. The reconciliation includes a detailed listing of all proposed additions, both recurring and one-time amounts.

<u>Proposed FY24-25 General Fund Summary</u>	
Total Recurring Revenues	406,527,340
Total FY2024-25 Spending Baseline (Recurring)	(401,854,110)
Proposed Additions for Recurring Spending	<u>(4,420,840)</u>
Estimated Available (Recurring)	252,390
Estimated Ending Balance as of June 30, 2024, not including	
Pension Debt Stabilization	86,799,113
Third Quarter Budget Update ¹	(850,000)
Less 18% Reserve	(73,174,921)
Proposed One-Time Spending	<u>(12,762,760)</u>
Estimated Spendable Balance at June 30, 2025 (One-Time)	11,432

¹Staff is recommending a one-time adjustment to close out the Stores Internal Service Fund at the May 21, 2024 City Council Meeting as part of the Third Quarter Budget Update.

Next Steps

- May 16 has been reserved for an additional Budget Work Session.
- In addition, City Council is also scheduled to consider the proposed FY 2024-25 budget on May 21 to provide further direction to staff.
- On June 4, the City Council is scheduled to conduct the Budget Public Hearing and consider the first reading of an ordinance to adopt the budget for FY 2024-25, which begins on July 1, 2024, and ends on June 30, 2025.
- The second reading and adoption of the FY 2024-25 Budget Ordinance is scheduled for June 18.

FISCAL IMPACT

There is no direct fiscal impact at this time.

EXHIBIT(S)

1. Miscellaneous Fee Benchmarking
2. General Fund Reconciliation

Submitted By: Kathryn Downs, Executive Director of Finance and Management Services

Approved By: Alvaro Nuñez, Acting City Manager