



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
January 18, 2022

TOPIC: Fiscal Year 2021-2022 General Fund - First Quarter Budget Update

AGENDA TITLE:

Fiscal Year 2021-2022 General Fund - First Quarter Budget Update

RECOMMENDED ACTION

1. Receive and file the fiscal year 2021-2022 General Fund - First Quarter Budget Update, including the increased sales tax and property tax estimates (Exhibit 1).
2. Amend the fiscal year 2021-2022 budget to add one position funded by the Water enterprise within the Finance and Management Services Agency (Exhibit 2) and approve a \$42,720 Appropriation Adjustment to fund the position for the remainder of FY21-22. *(Requires five affirmative votes)*
3. Approve one-time General Fund Appropriation Adjustments totaling \$26,205,000 described in detail below and in Exhibit 4 for fiscal year 2021-2022. *(Requires five affirmative votes)*
4. Approve recurring General Fund Appropriation Adjustments totaling \$3,216,900 described in detail below and in Exhibit 4 for fiscal year 2021-2022, which includes funding for three positions in the Community Development Agency (Exhibit 2), City Clerk's Office, and City Attorney's Office. *(Requires five affirmative votes)*
5. Adopt a resolution amending the current Fiscal Year 2021-2022 Annual Budget to add one full-time position in the Finance and Management Services Agency and one full-time position in the Community Development Agency (Exhibit 2).

EXECUTIVE SUMMARY

January 18, 2022 Update to Recommendation

On December 21, 2021, the City Council received the First Quarter Budget Update and provided additional direction to staff. The recommended General Fund appropriation adjustments have been updated as follows:

December 21 Proposed Appropriations – One-Time	\$24,655,000
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Pilot Graffiti Arts Program (GAP)	\$50,000
Streetlights Allocation for Substantiated Requests	\$750,000
Enhanced Library Services / Location	\$750,000
Updated Proposed Appropriations – One-Time	\$26,205,000

The remaining one-time money available for appropriation is \$14,814,140 (\$42,289,528, less \$26,205,000 recommended appropriations and \$1,270,388 increase of 18% Reserve). At this time, staff does not recommend any further appropriations of this one-time funding source.

December 21 Proposed Appropriations – Recurring	\$3,066,900
Juneteenth Celebration (increase from \$50,000 to \$75,000)	\$25,000
City Events Budget (adjust the proposed increase from \$50,000 to \$75,000 to accommodate additional events such as Indigenous Peoples' Day & Día de los Muertos)	\$25,000
Tree-Trimming Program	\$100,000
Updated Proposed Appropriations – Recurring	\$3,216,900

As reference, the staff report presented on December 21, 2021 is attached (Exhibit 4) reflecting the original recommendations.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

If City Council approves the staff recommendation, the 18% Policy Reserve will increase to an estimated \$64,354,356 at June 30, 2022 and the remaining available balance for one-time spending will be \$14,814,140. FY21-22 recurring expenditures will increase by \$3,216,900 (with an annualized estimate of \$6,358,800 for FY22-23).

Staff recommends the following appropriation adjustments, which incorporates the recommendations from the December 21, 2021 staff report (Exhibit 4) and the updated recommendations contained herein.

Adjustments for General Fund contributions to other funds:

Fiscal Year	Accounting Unit - Account #	Fund Description	Accounting Unit, Account Description	Amount
FY 21-22	01106019-68000-XX	General Fund	Inter-Fund Transfers Service Enhancement, Transfer Out	\$10,800,000

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FY 21-22	06717002-59000-11	SARTC Operations	Transfer In to Train Station Enterprise Fund	\$1,900,000
FY 21-22	08X09002-59000-11	General Liability / Workers' Compensation	Transfer In to General Liability / Workers' Compensation Fund	\$1,500,000
FY 21-22	08109002-59000-11	Benefits Fund	Transfer In to Employee Benefits Fund	\$3,400,000
FY 21-22	07317002-59000-11	Building Maintenance	Transfer In to Building Maintenance Fund	\$2,500,000
FY 21-22	07517002-59000-11	Fleet Maintenance	Transfer In to Fleet Maintenance Fund	\$1,500,000

Adjustments for one-time project costs:

Fiscal Year	Accounting Unit-Account #	Fund Description	Accounting Unit, Account Description	Amount
FY 21-22	011XX017-66220	General Fund	PWA / PRCSA Service Enhancement, Improvements Other Than Building	\$1,450,000
FY 21-22	01117650-6XXXX	General Fund	SARTC Maintenance Service Enhancement (Deferred Maintenance)	\$5,405,000
FY 21-22	01117017-6XXXX	General Fund	PWA Service Enhancement (Repurpose Cypress Fire Station)	\$1,000,000
FY 21-22	01118810-62300	General Fund	Economic Development Service Enhancement (S. Main Corridor Restaurant Incubation)	\$2,000,000
FY21-22	01117017-62300	General Fund	PWA Service Enhancement (S. Main Corridor Public Art)	\$1,000,000
FY 21-22	01113250-6XXXX	General Fund	Park Facilities Service Enhancement (Deferred Park Maintenance)	\$1,500,000
FY21-22	01115330-62300	General Fund	Fire Suppression / EMS (Fire Stations – Removal of Underground Storage Tanks)	\$1,050,000

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FY21-22	01117017-66400	General Fund	PWA Service Enhancement (Mini Sweeper for Protected Bike Lanes)	\$150,000
FY 21-22	01118810-62300	General Fund	Economic Development Service Enhancement (Memorial to Lives Lost)	\$200,000
FY 21-22	01104012-66210	General Fund	City Council Service Enhancement, Office Space Improvement	\$100,000
FY 21-22	01118810-62300	General Fund	Economic Development Service Enhancement (Pilot Graffiti Arts Program - GAP)	\$50,000
FY 21-22	01117630-62300	General Fund	PWA Street Light Maintenance Service Enhancement (Streetlights)	\$750,000
FY 21-22	01111017-62300	General Fund	Library Service Enhancement (Enhanced Library Services / Location)	\$750,000

Adjustments for ongoing/recurring project costs:

Fiscal Year	Accounting Unit-Account #	Fund Description	Accounting Unit, Account Description	Amount
FY 21-22	06017645-61XXX	Water Fund	Water Admin / Engineering (Meter Reader Collector)	\$42,720
FY 21-22	01118810-61XXX	General Fund	Economic Development Service Enhancement (Economic Dev. Spec. I)	\$57,840
FY 21-22	01107017-61XXX	General Fund	COTC Service Enhancement (Records Manager)	\$79,980
FY 21-22	01108017-61XXX	General Fund	CAO Service Enhancement (Employment Staff Attorney)	\$94,080
FY 21-22	01117626-62300	General Fund	PWA Sidewalks Service Enhancement (Sidewalk Improvements)	\$500,000
FY 21-22	01117620-62300	General Fund	PWA Traffic / Transportation Service Enhancement (Traffic Calming)	\$500,000
FY21-22	01117017-62300	General Fund	PWA Service Enhancement (Alley Improvements)	\$750,000

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FY 21-22	01117642-62300	General Fund	PWA Graffiti Abatement Service Enhancement (Graffiti Removal)	\$300,000
FY21-22	01117017-62300	General Fund	PWA Service Enhancement (Protected Bike Lane Sweeping)	\$75,000
FY 21-22	01104012-62302	General Fund	City Council Service Enhancement, Contract Vendor Personnel Services	\$210,000
FY 21-22	01113017-62300	General Fund	PRCSA Service Enhancement (Juneteenth Celebration 2022)	\$75,000
FY 21-22	01113017-62300	General Fund	PRCSA Service Enhancement (City Events)	\$75,000
FY 21-22	Various-61XXX	General Fund	Various (Partially Restore Frozen Positions)	\$400,000
FY 21-22	01117643-62300	General Fund	PWA Street Tree Maintenance Service Enhancement (Tree-Trimming)	\$100,000

Adjustments for increases to revenue estimates:

Fiscal Year	Accounting Unit-Account #	Fund Description	Accounting Unit, Account Description	Amount
FY 21-22	01102002-50020	General Fund	Sales Tax - Bradley-Burns	\$3,950,000
FY 21-22	01102002-50022	General Fund	Sales Tax - Measure X	\$12,250,000
FY 21-22	01102002-50011	General Fund	Property Tax	\$380,000

EXHIBITS

1. Fiscal Year 2021-2022 General Fund - First Quarter Budget Update
2. Personnel Resolution
3. Quarterly Report on Sales Tax and Business Activity
4. Fiscal Year 2021-2022 General Fund – December 21, 2021 First Quarter Budget Update Staff Report

Submitted By: Kathryn Downs, FMSA Executive Director

Approved By: Kristine Ridge, City Manager