



CITY COUNCIL AGENDA REPORT

MEETING DATE: MAY 25, 2021

ITEM NUMBER: 1

SUBJECT: FISCAL YEAR 2021-22 PROPOSED BUDGET STUDY SESSION

DATE: MAY 21, 2021

**FROM: CITY MANAGER'S OFFICE
FINANCE DEPARTMENT**

**PRESENTATION BY: LORI ANN FARRELL HARRISON, CITY MANAGER
CAROL MOLINA, FINANCE DIRECTOR**

**FOR FURTHER INFORMATION CONTACT: CAROL MOLINA, FINANCE DIRECTOR,
(714) 754-5036**

RECOMMENDATIONS:

Conduct a Study Session regarding the Fiscal Year 2021-22 Proposed All Funds Budget of \$197.9 million, with a General Fund component of \$154.4 million, and provide initial feedback and direction to staff in advance of final adoption of the budget by June 30, 2021.

BACKGROUND:

The Proposed Budget for FY 2021-22 is designed to invigorate the City's economic recovery through strategic investments in Citywide infrastructure, restoring staffing and services to pre-pandemic levels, and maximizing Federal stimulus dollars while the global, national and regional economies recover from the impacts of COVID-19. The Proposed All Funds Budget represents Phase Three of a multi-year effort to restore financial sustainability for the City after experiencing significant revenue losses caused by the pandemic. Phase One of the City's economic stability plan, implemented in April 2020, for the final quarter of FY 2019-20, was hugely successful resulting in a balanced year-end budget on June 30, 2020 without the use of reserves. Phase two of the City's plan for economic stability was the adoption of the current FY 2020-21 Budget that began last July 1, 2020, which reduced spending across City Departments and implemented furloughs.

With the reopening of the California economy on June 15, 2021, next year's Proposed FY 2021-22 Budget represents the third phase of implementation as it positions Costa Mesa to succeed in overcoming the myriad challenges posed by the worldwide pandemic. The City's management team has developed a proposed expenditure plan for FY 2021-22 that addresses many of the City Council's goals and priorities, while providing the highest levels of service to the community within existing financial resources. This plan allows the City to chart a distinct path towards economic resilience for both the near and long term.

Guiding Principles

The guiding principles that inspired the recommendations for the FY 2021-22 Budget were created in January 2021, when the City Council conducted a Strategic Planning workshop identifying key priorities, as well as a new Mission Statement for Costa Mesa, as follows:

“The City of Costa Mesa serves our residents, businesses, and visitors by promoting a safe, inclusive, and vibrant community.”

In addition to a new Mission Statement, five new Strategic Plan Goals were developed:

- Recruit and retain high quality staff;
- Achieve long-term fiscal sustainability;
- Strengthen public safety and keep the community safe;
- Maintain and enhance the City’s infrastructure, facilities, equipment and technology; and,
- Diversify, stabilize, and increase housing to reflect community needs.

The recommendations contained in the FY 2021-22 Proposed Budget are rooted in the Five Strategic Plan Goals created by the City Council for a safe, inclusive and vibrant City.

ANALYSIS:

The theme for the FY 2021-22 Proposed Budget, “**Charting the Path to Recovery,**” conveys the restoration of core services while incorporating key strategies to ensure long-term fiscal sustainability. It provides a framework for reinstating service levels cut during the pandemic while using Federal American Rescue Plan funds, along with the City’s Disaster Reserves, if needed, to sustain core services until revenues return to pre-pandemic levels.

Overview of FY 2021-22 Proposed All Funds Budget

The Proposed FY 2021-22 Budget totals \$197.9 million in All Funds. This reflects a \$34.1 million, or 21 percent increase from the FY 2020-21 All Funds Budget of \$163.8 million.

Table 1

<u>FY 2021-22 PROPOSED BUDGET - ALL FUNDS</u>				
Appropriations All Funds	Adopted FY 2020-21	Proposed FY 2021-22	Increase/Decrease	
			Amount	Percent
Operating Budget	\$ 145,841,031	\$ 163,522,932	\$ 17,681,901	12.1%
Transfers Out	4,099,924	9,841,585	5,741,661	140.0%
Capital Budget	13,855,245	24,566,362	10,711,117	77.3%
Total	\$ 163,796,201	\$ 197,930,878	\$ 34,134,678	20.8%

The All Funds Budget for a City contains all of the governmental, proprietary and internal service funds of a City, including grants and other restricted funds designed for specific services and purposes provided by higher levels of government (i.e. Federal, State and County governments and agencies). As such, the All Funds Budget contains many funds that are separate entities with specific accounting and reporting requirements as per government regulations and in some cases, statutes. The City's General Fund is not restricted and can be used to provide a broad array of public services and is comprised of multiple revenue sources including taxes (such as property, sales and hotel taxes, among others), user fees, fines, facility rentals, and development related fees, to name a few.

The Proposed FY 2021-22 Budget totals \$197.9 million in All Funds. This reflects a \$34.1 million, or 21 percent increase from the FY 2020-21 All Funds Budget of \$163.8 million. Many of the City's special and restricted funds receive ongoing revenue streams, while some are one-time competitive grants and require careful monitoring and record keeping. In some instances, a Fund can have available fund balances that have accumulated over time and are expended as the need arises and/or to complete specific projects at assigned timeframes. Hence, there is no one size fits all solution to fund management and monitoring. Each Fund is reviewed on a case-by-case basis to ensure sufficient fund balances and/or ongoing revenues are or will be available to cover proposed expenses. The main factors related to the year-over-year increase in the FY 2021-22 Proposed All Funds Budget are as follows:

Operating Budget

The projected increase of \$17.7 million in the Operating Budget's portion of the FY 2021-22 All Funds Budget is mostly comprised of the reinstated staffing and service levels previously cut as a result of the pandemic's fiscal impacts. The General Fund has the most significant increase; estimated at \$12.9 million. Of the \$12.9 million increase in spending in the General Fund, half of that amount or \$6.6 million is from Federal American Rescue Plan Part Two funds the City will receive after July 1, 2021. The \$6.6 million in ARP funded restorations include 17.4 full-time and part-time positions defunded throughout the City, as well as training, supplies, and other services (see Attachment 1 under "ARP: II).

Further, the Operating budget contains the 7.25 additional positions approved to administer Measure Q, the retail cannabis measure, approved by the City Council in February 2021 and estimated at \$1.2 million. It is expected this increased cost for staffing Measure Q will be offset by Cannabis Conditional Use Permit and Business Permit fees, and the 7 percent tax authorized by the voters. Lastly, the General Fund increase also reflects an additional \$3.0 million to restore the five percent furlough cuts for all employees Citywide for the new fiscal year starting July 1, 2021. To be clear, the FY 2021-22 Proposed Budget does not recommend the use of ARP Phase Two funds for this purpose and instead recommends the use of Declared Disaster Reserves. That is because the City Council previously approved ARP funds to eliminate furloughs and reimburse employees for the cuts taken in the current year, FY 2020-21, from ARP Part One monies. Given the fact that the City has not yet dipped into its reserves, and even if required to do so before June 30, 2021 for the current year, there is still sufficient Council authority from Declared Disaster Reserves to cover this expense for one more year. Utilizing a combination of Federal stimulus funds and disaster reserves will assist the City in restoring services to near pre-pandemic levels while the economy recovers.

Transfers Out

Transfers Out from All Funds total \$9.8 million. Two Funds are transferring funds out to other funds for planned and specific purposes. The main Transfer Out is from the General Fund and totals \$9.0 million. The General Fund is transferring monies into two funds, the Capital Improvement Fund (\$6.9 million) to support the Capital Assets Needs Ordinance (CAN) contribution to the annual Capital Improvement Plan; and the Information Technology Replacement Fund (\$2.1 million) for the planned replacement of aging equipment and software systems throughout the City. The second fund that is initiating a Transfer Out is the Federal American Rescue Plan Fund that is transferring a combined \$0.9 million to the Information Technology Fund and the Capital Improvement Fund to reflect 1.5 percent and 5 percent of ARP local revenue replacement funds for each program area respectively.

Capital Budget

The All Funds Capital Budget of \$24.6 million reflects the City's annual Capital Improvement Program Budget that contains an increase of \$10.7 million as a result of the full funding of the CAN, as well as changes in other special and restricted funds for Capital projects. The FY 2021-22 transfer increase from the General Fund and the American Rescue Plan is \$5.3 million, utilizing the projected modest increase in General Fund Revenues and the anticipated receipt of American Rescue Plan funds, and \$2.7 million in additional Measure M2 funding. Additional detail regarding the CIP Budget was presented at the May 11, 2021 Study Session for the CIP and will be contained in further detail in the CIP section of the FY 2021-22 Proposed Budget Book to be released shortly.

FY 2021-22 Proposed General Fund Budget Overview

The Proposed FY 2021-22 General Fund expenditure budget is \$154.4 million. This reflects an increase of \$17.8 million or 13.0 percent, from the FY 2020-21 Adopted Budget of \$136.6 million. Table 1 is a summary of the FY 2021-22 General Fund Proposed Budget.

Table 1

<u>FY 2021-22 GENERAL FUND PROPOSED BUDGET</u>					
	Adopted FY 2020-21	Proposed FY 2021-22	<u>Increase/Decrease</u>		
			Amount		Percent
Estimated Revenues	\$ 126,360,101	\$ 144,622,060	\$18,261,959		14.5%
Transfers In	-	6,561,529	6,561,529		100.0%
Use of Fund Balance	10,277,168	3,219,101	(7,058,067)		(68.7%)
Total Resources	<u>\$ 136,637,270</u>	<u>\$ 154,402,680</u>	<u>17,765,421</u>		13.0%
Operating Budget	\$ 132,537,346	\$ 145,421,744	\$ 12,884,398		9.7%
Transfers Out	4,099,924	8,980,936	4,881,012		119.1%
Total Appropriations	<u>\$ 136,637,270</u>	<u>\$ 154,402,680</u>	<u>\$ 17,765,410</u>		13.0%

General Fund Revenue Highlights

The FY 2021-22 Proposed Budget for General Fund revenue and other sources of funds totals \$154.4 million, a \$17.8 million, or 13.0 percent increase from the current Adopted Budget.

The total amount of General Fund revenue and sources of funds is comprised of the following: 1) Projected recurring General Fund revenue of \$144.6 million; 2) The use of \$6.6 million in Federal American Rescue Plan Funds (Part Two) as permitted by Congress to serve as “revenue replacement” in the General Fund to restore cuts made due to the pandemic; and, 3) The use of an estimated \$3.2 million in Declared Disaster Reserves, if needed, to cover the restoration of employee base salaries previously reduced via furloughs.

Even with the planned use of \$3.2 million in Declared Disaster Reserves next fiscal year, the City will not have expended the full \$10.3 million in reserves approved by the City Council to address financial challenges related to the pandemic. Last year’s FY 2019-20 Budget closed the fiscal year without requiring the use of reserves. The FY 2020-21 current year budget is anticipated to draw down a maximum of \$2.0 million from reserves to close the year in balance in a worst case scenario. Under a best case scenario for the current year, the City will again close its fiscal year in balance due to the aggressive and early budget balancing actions implemented in April 2020 and beyond to ensure financial sustainability. Hence, the amount recommended for a next year drawdown of funds is conservative and modest, allowing the City to spread out the use of Federal American Rescue Plan funds over the next two years as permitted by the Federal government.

Recurring General Fund Revenue is showing signs of recovery, particularly in certain key areas such as Sales Tax, Licenses and Permits, Use of Money and Property, and Fees and Charges. The recurring portion of General Fund revenue projected for next year is \$144.6 million and reflects the funds typically used to cover public safety, parks and community services, development services, and other activities and programs known to residents.

Sales Tax: Sales tax is the largest revenue category in Costa Mesa, and is estimated at \$61.0 million, or a 10 percent increase over the FY 20-21 Adopted Budget; but still \$4.0 million below FY 2018-19 actuals, the last year with no pandemic fiscal impacts. The increase is mostly attributed to the pent up demand of sales, including an increase in the sale of luxury items, building and construction, and the exponential growth in online purchases.

Property Tax: All combined Property Tax revenues are estimated at \$49.6 million, reflecting a 12 percent growth over the prior fiscal year, largely attributed to a steady increase in assessed valuations for multiple property types and an increase in homes sales surpassing the prior year.

Transient Occupancy Tax (TOT): Although key revenue areas are showing signs of economic recovery, there are certain areas that continue to struggle. Transient Occupancy Tax, estimated at \$5.6 million, will likely struggle to recover to previous levels. The hotel, travel and leisure industry was the most severely impacted sector of the economy suffering up to 60 percent losses in revenue due to government health orders restricting travel, conventions, and conferences. This industry will likely not recover until 2024, at the earliest, as a result.

Fees and Charges: Fees and Charges are assumed to recover for the most part, but not to previous levels, at \$7.6 million, a loss of \$1.2 million from FY 2018-2019 actuals.

Measure Q Retail Cannabis: On November 3, 2020, voters approved the “City of Costa Mesa Retail Cannabis Tax and Regulation” measure, also known as Measure Q, which allows cannabis retail storefront and delivery uses. City Council voted to adopt a 7 percent tax on cannabis retail businesses.

The General Fund budget includes first year estimates of additional revenue associated with this initiative including an estimated \$2.0 million or more in retail cannabis tax receipts, and Marijuana CUP and Business Permit fees. Revenue received from this Measure is subject to annual audits, which the City has set aside \$50,000 for in order to secure an independent qualified auditing firm to conduct the audits. The City is not expected to generate \$3.0 million or more in annual revenue until at least the second year of implementation.

½ Percent for the Arts: Of the total 7 percent Cannabis tax rate, half a percent is dedicated to the Arts and Culture Master Plan in the FY 2021-22 Proposed Budget, and another half percent to a new First Time Homebuyers Program. Due to reallocation of one percent of the seven percent of Measure Q tax funding as approved by the Council, these two new programs are not included in the General Fund. The Proposed Budget creates two new restricted Funds: the Arts and Culture Master Plan Fund and the new First Time Homebuyers Fund each have a distinct and dedicated Special Revenue Fund for these programs.

The Proposed Budget fully funds Year One of the Council-adopted Arts and Culture Master Plan, including the new Arts Specialist position originally slated for Year Two, and all activities proposed for Year One of the plan that increase opportunities for all to experience arts and culture throughout the City and expand public art, both indoor and outdoor, to name a few goals as established by the Plan. The FY 2021-22 Proposed Budget includes funding for such projects as “ART Venture”; enhanced branding for the City as the “City of the Arts;” “Honorarium” Laureate speaking engagements; a new Arts Commission; a Public Art Policy; and a new Arts Specialist position that will support and coordinate the many programs created as a result of the newly adopted Arts and Culture Master Plan. Funding for these activities will be funded by Measure Q in the FY2021-22 Proposed budget at an amount of \$194,400.

½ Percent for a First Time Homebuyers Program: The FY 2021-22 Proposed Budget includes funding to establish a first-time homebuyer program for current City residents as well as graduates of the Newport Mesa Unified School District. The first-time homebuyer program is intended to provide mortgage assistance to qualified lower-income homebuyers to encourage homeownership for those who otherwise cannot qualify or afford to purchase a home in Costa Mesa without assistance. This program will be funded by Measure Q in the FY 2021-22 Proposed budget at an amount of \$194,400.

Federal American Rescue Plan (ARP) Funds: The American Rescue Plan of 2021 passed by the United States Congress and signed into law by President Joe Biden on March 11, 2021, is a \$1.9 trillion economic stimulus bill providing for a wide variety of funding efforts to offset the economic losses resulting from the worldwide pandemic, COVID-19.

The American Rescue Plan (ARP) includes \$360 billion in direct funding to states, counties and cities to offset economic losses and increased expenses resulting from the pandemic. The American Rescue Plan includes economic relief to local, state and tribal governments that have experienced a significant revenue loss and/or increased expenditures resulting from this pandemic. Costa Mesa plans to receive \$26.5 million from the Treasury Department over the next two fiscal years as “revenue replacement” to cover losses in revenue streams and increased expenses to manage the pandemic. This amount is approximately \$2.0 million lower than previous estimates provided by the United States Treasury due to multiple cities being left out of their initial estimates, which required subsequent revision of per City amounts.

The use of these funds is more flexible than the previous CARES Act funding to cover expenditures related to the pandemic. Expenditure reductions due to revenue losses incurred due to the pandemic are eligible as long as they do not cover pension costs. Therefore, the Fiscal Year 2021-22 Proposed Budget is strategically utilizing \$6.6 million in ARP funds Part Two to restore cuts to departments, reallocate funding to capital projects that were deferred due to the economic impacts of the pandemic, fund enhancements to the City’s information technology, and restore employee compensation and staffing to pre-pandemic levels.

FY 2021-22 General Fund Budget Expenditure Highlights

The Proposed General Fund budget for FY 2021-22 reflects total expenditures of \$154.4 million. Of this amount, \$145.4 million in operating costs represents an increase of \$12.9 million, or 9.7 percent, from the current year adopted budget of \$132.5 million. The FY 2021-22 Proposed Budget for expenditures includes the following key items, to name a few:

- A Table of Organization reflecting 530 full time employees and 122 part-time employees for a total of 652;
- This reflects 9.7 additional FTEs added to the Table of Organization; of which 4.0 are funded from sources other than the General Fund;
- New positions include a new Active Transportation Coordinator, Arts Specialist, Assistant City Manager, Network Administrator and Programmer Analyst II, Senior Management Analyst and Associate Engineer in Public Services, Crime Prevention Specialist, and Emergency Medical Services Coordinator;
- The elimination of 8 part time positions Citywide;
- The 7.25 full-time positions related to Measure Q administration added in mid-year;
- The reinstatement of five percent of compensation for employees of \$3.0 million;
- Restores 13.75 full time positions and 3.68 part time positions for \$1.7 million;
- A \$0.8 million increase in the annual required CalPERS contributions;
- An additional \$4.7 million in capital spending required by Ordinance to fully comply with the Capital Assets Ordinance (CAN) for a total General Fund commitment of \$7.0 million, or five percent of estimated General Fund revenues;
- A \$210,600 increase for the Council-approved Five Year Information Technology Strategic Plan reflecting 1.5 percent of higher General Fund revenues in FY 2021-22;
- \$6.6 million in the reinstatement of prior fiscal year’s reductions; and contractually required, fixed cost and other miscellaneous increases; and,
- The continuation of the \$4.0 million vacancy factor (negative appropriation) adopted in FY 2019-20 General Fund Budget.

It is important to note that the Proposed FY 2021-22 General Fund expenditure estimate of \$154.4 million does not include approximately \$3.0 million in new funding requests from City departments that are not contained in the Proposed Budget for Council consideration.

Staffing Levels

The Proposed budget includes a total of 530 full-time employees. This amount reflects the addition of 2.0 positions funded in the IT Replacement Fund, as approved in the Information Technology Strategic Plan. Mid-year staffing adjustments of 7.25 Measure Q positions and 1.5 in staffing realignments are also included. The Proposed Budget incorporates an additional 9.7 full time positions which are mostly attributed to the reallocation of part time positions to full time. During the Great Recession, the City lost 146 full time positions. While the number of full-time staff at the City has grown, the workload attributed to the pandemic, implementation of Measure Q, and major development projects across the City, has magnified the need to both stabilize and enhance the workforce commensurately. Even with the proposed changes full time staffing levels are 13 percent under FY 2009-10 levels.

As a result of the COVID-19 pandemic, the City was faced with significant financial challenges which resulted in Side Letter Agreements to achieve the equivalency of a five percent (5%) furlough savings. On May 4, 2021, the City Council approved the elimination of all furloughs across all labor groups and restored employee salaries back to pre-pandemic levels. The FY 2021-22 Proposed General Fund Budget includes an additional \$3.0 million in salaries and benefits to fully restore the amounts cut via the furloughs and 17.4 defunded positions. The Proposed FY 2021-22 Operating Budget reinstates funding for those positions in the Fire and Rescue, Information Technology, Development Services, Public Services, and Finance Departments in order to enhance public service and improve productivity and reflects a \$1.7 million increase in General Fund spending above the FY 20-21 Adopted General Fund Budget.

Commitment to Public Safety: One of the main priorities of the FY 2021-22 Proposed Budget is public safety. As such, more than 55 percent of the General Fund Adopted Budget, approximately \$81.5 million is designated for public safety.

The Police Department budget contains 138 full time sworn personnel, reflecting two additional police officer positions approved mid-year as part of the Measure Q Cannabis Retail Program's implementation for an increase of \$498,203. We are pleased to report this is the highest level of Police Department sworn staffing since the Great Recession.

In addition, the Police Department's maintenance and operations budget increased by \$495,301, to restore the previous year's FY 2020-21 budget reductions, mostly for training, and necessary equipment and other purchases. As part of the City's multi-pronged approach to balance the General Fund budget, the Police Department still retains a vacancy factor of seven percent or \$3.7 million in the FY 2020-21 Adopted Budget.

The Fire Department budget contains 94 total of full time personnel; 84 full time sworn personnel and 7 non-sworn positions and 3 Part-time positions. The Fire Department provides emergency response services and staffs six fire stations, 24 hours a day seven days a week, 365 days a year with an increase of \$2,395,120 over the FY 2020-21 Adopted Budget. We

are pleased to also report this is the highest level of Fire Department sworn staffing since the Great Recession. In addition, the Fire Department's maintenance and operations budget was increased by \$27,400 for training, necessary equipment and other purchases.

Operating Budget

The Operating Budget increase of \$12.9 million is mostly comprised of the reinstatement of the multiple reductions Citywide as a result of the pandemic's fiscal impacts. Included is \$6.6 million of the FY 2020-21 General Fund operating reductions that includes 17.43 defunded full time and part time positions, training, supplies, and other operating reductions. Additional funding of \$0.5 million will support the new permanent Airway Homeless Shelter. The General Fund contribution towards all activities and services related to address homelessness, including the shelter, is proposed at \$1.7 million, which is still significantly lower than the FY 2019-20 actual expense of all programs related to homelessness of \$2.4 million. The General Fund's share of the expense of managing and maintaining the permanent shelter is offset by the recent partnership with the City of Newport Beach, providing for an annual \$1.0 million.

During mid-year, the City Council approved multiple staffing enhancement opportunities that also included in the proposed budget. In February, staffing realignments resulting in an additional 1.5 positions were approved to provide increased staff productivity and efficiency. In March 2021, in an effort to address the myriad workload requirements resulting from the implementation of Measure Q and the ongoing impacts of this new line of business, the Council approved staffing enhancements of 7.25 positions, estimated at \$1.2 million; offset by the projected tax and permit fee revenues resulting from Measure Q. Also included is the reinstatement of the five percent pay furloughs, estimated annually at \$3.0 million.

Transfers Out

The Transfers Out proposed budget of \$8.9 million, an increase of \$4.9 million, or 119.1 percent, reinstates the full funding of the Capital Asset Needs (CAN) requirement of 5 percent of General Fund Revenues towards the Capital Fund 401, and 1.5% towards the Information Technology Replacement Fund. These transfers invest in the Council approved IT Strategic Plan, where there is a significant need to update and maintain the multitude of the software systems, and the additional two Information Technology full time positions.

Capital Asset Needs (CAN): On March 3, 2020, the City Council updated the City's Financial and Budget Policies providing that the City allocates a minimum of five percent of General Fund revenues to fund capital expenditures and reallocating one and a half percent previously dedicated to the Capital Facilities Account to the City's Information Technology needs. Although the current FY 2020-21 Budget included a Council-approved waiver of the full CAN requirement due to the pandemic, next year's Proposed FY 2021-22 General Fund Budget includes the full allocation of five percent to fund investments to the City's extensive capital assets inventory (\$6.9 million) and one and a half percent to fund the City's Five Year Information Technology Strategic Plan (\$2.1 million).

LEGAL REVIEW: City Attorney has reviewed and approved this report as to form.

CONCLUSION:

This overview of the Proposed General Fund expenditure and revenue projections for FY 2021-22 presents the challenges of developing a balanced budget in the hopefully tail-end of a worldwide pandemic that has infected 32,855,010 people in the United States and caused 584,975 fatalities nationwide and crippled the global economy.

The impact to the American economy, as well as to state and local governments is unprecedented, and has resulted in the significant loss of revenue that supports core essential services that are vital as we prepare to carefully and thoughtfully emerge from the restrictions imposed due to the pandemic.

The City will need to utilize multiple budget balancing strategies to restore prior year cuts to staffing and service levels, and reinstate full funding for the CAN and information technology needs, among other priorities, while remaining fiscally sustainable. The planned and intentional use of designated emergency reserves, and Federal American Rescue Plan funds in the short term will help maintain high quality services to the greatest extent possible.

To help develop a balanced FY 2021-22 Proposed General Fund Budget with the above stated goals in mind, Staff recommends that the City Council discuss and provide feedback on the FY 2021-22 Proposed Budget.

The chart below reflects the ten (10) planned Study Sessions, Commission and Committee meetings, and City Council Public Hearings that have been held or will be held to assist the City Council in obtaining input regarding the City’s budget by June 30, 2021. In addition, one or more Special Meetings can be held later in June, if needed, to finalize the budget.

FY 2021-22 PROPOSED BUDGET REVIEW	ENTITY	DATE
FY 2021-22 Proposed CIP Budget Review	Planning Commission	May 10, 2021
FY 2021-22 Proposed CIP Budget Study Session	City Council	May 11, 2021
FY 2021-22 Proposed CIP Budget Review	FiPAC	May 12, 2021
FY 2021-22 Proposed Budget Study Session # 1	City Council	May 25, 2021
FY 2021-22 Proposed Budget Review #1	FiPAC	May 26, 2021
FY 2021-22 Proposed CIP Budget Review	Parks, Arts and Community Services Commission	May 27, 2021
FY 2021-22 Proposed Budget Public Hearing #1	City Council	June 1, 2021
FY 2021-22 Proposed Budget Study Session #2	City Council	June 8, 2021
FY 2021-22 Proposed Budget Review #2	FiPAC	June 9, 2021
FY 2021-22 Proposed Budget Public Hearing #2 and Potential Adoption – first option	City Council	June 15, 2021
FY 2021-22 Proposed Budget Public Hearing #3 and Adoption, if needed, special meetings	City Council	June 22 and/or June 29, 2021

Staff appreciates the City Council's continued support as we navigate the multitude of challenges and ever changing circumstances related to this pandemic in the weeks and months to come.

It is our hope that the FY 2021-22 Proposed Budget creates a solid foundation for Charting a Path Toward Recovery for the City of Costa Mesa for the near future and beyond.

CAROL MOLINA
Finance Director

LORI ANN FARRELL HARRISON
City Manager

KIMBERLY HALL BARLOW
City Attorney

1. [FY 2021-22 Key Proposed Budget Adjustments by Department](#)
2. [FY 2021-22 Proposed All Funds Budget Appropriations by Fund](#)
3. [FY 2021-22 Proposed All Funds Budget Revenue by Fund](#)
4. [FY 2021-22 Proposed General Fund Appropriations by Account](#)
5. [FY 2021-22 Proposed General Fund Appropriations by Department](#)
6. [FY 2021-22 Proposed General Fund Revenues and Sources of Funds](#)
7. [FY 2021-22 Table of Organization \(Full Time and Part Time\)](#)

[Proposed Budget](#)