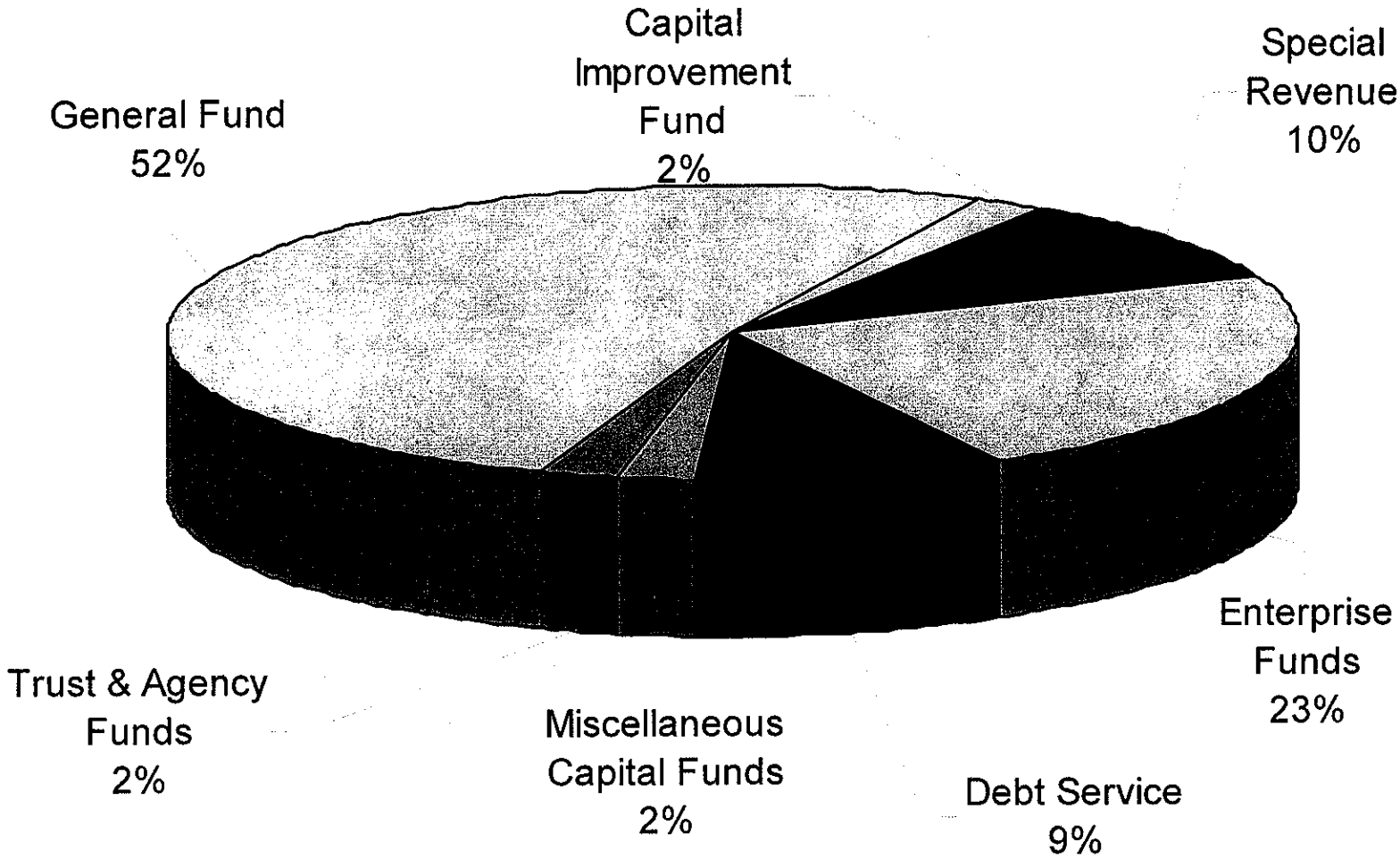
City of Huntington Beach
Proposed Budget
Fiscal Year 2005/06

City Administrator

Finance Officer

C-2a.1

The Budget - $318,637,956



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Capital Improvement Program (CIP)

- Total CIP $45,810,625
- Funding sources include:
  - General Fund Capital Improvement Reserve
  - Enterprise Funds
  - Special Revenue Funds
  - Grants

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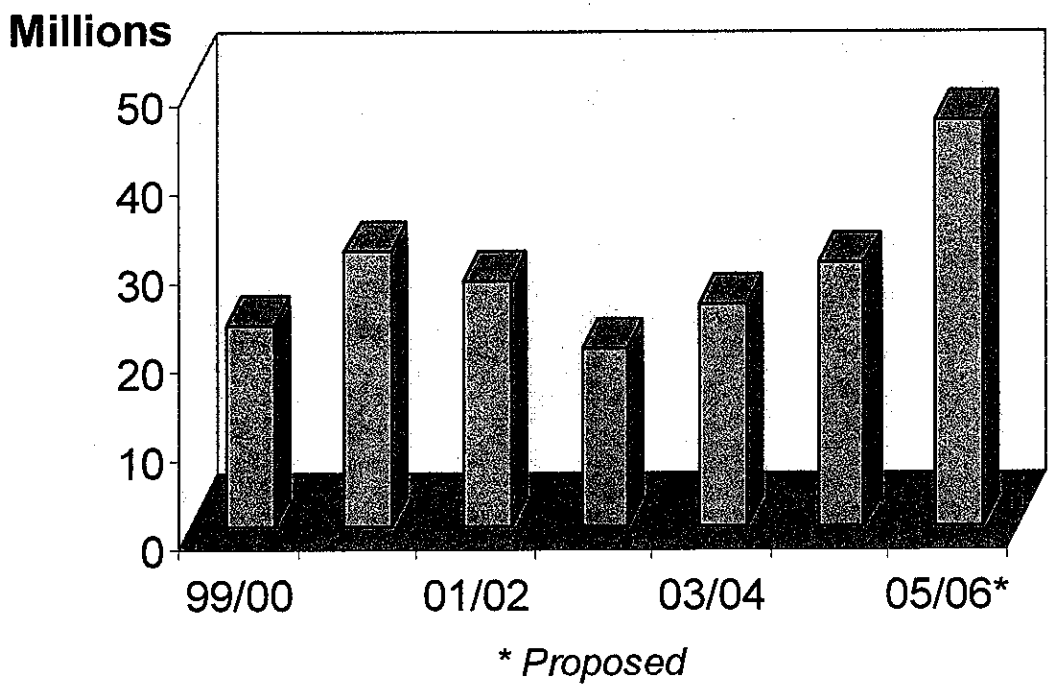
Capital Improvement Program

- The Capital Improvement Program (CIP) totals $45,810,625 for FY05/06



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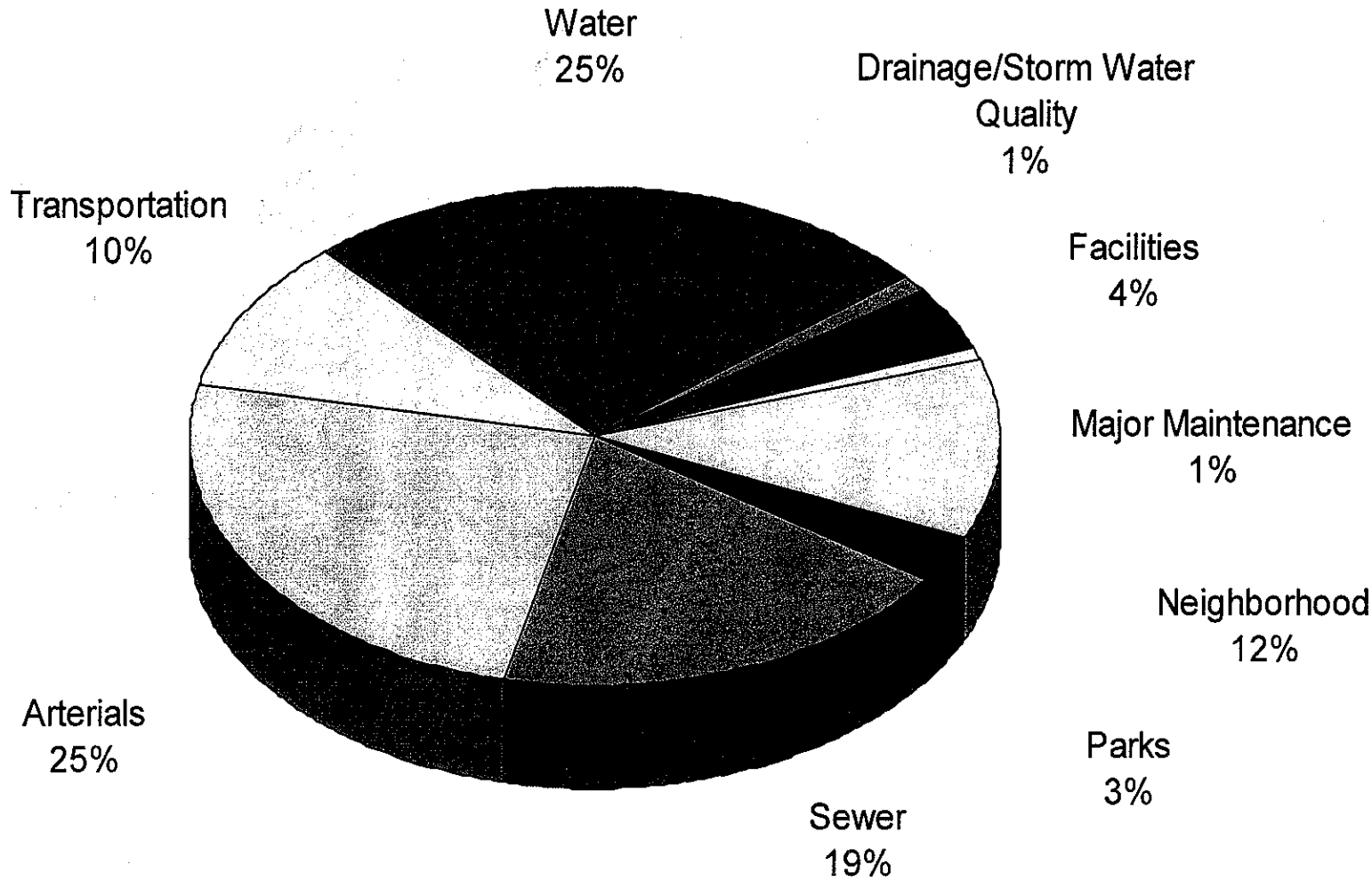
Projects by Category
FY 2005/06 CIP



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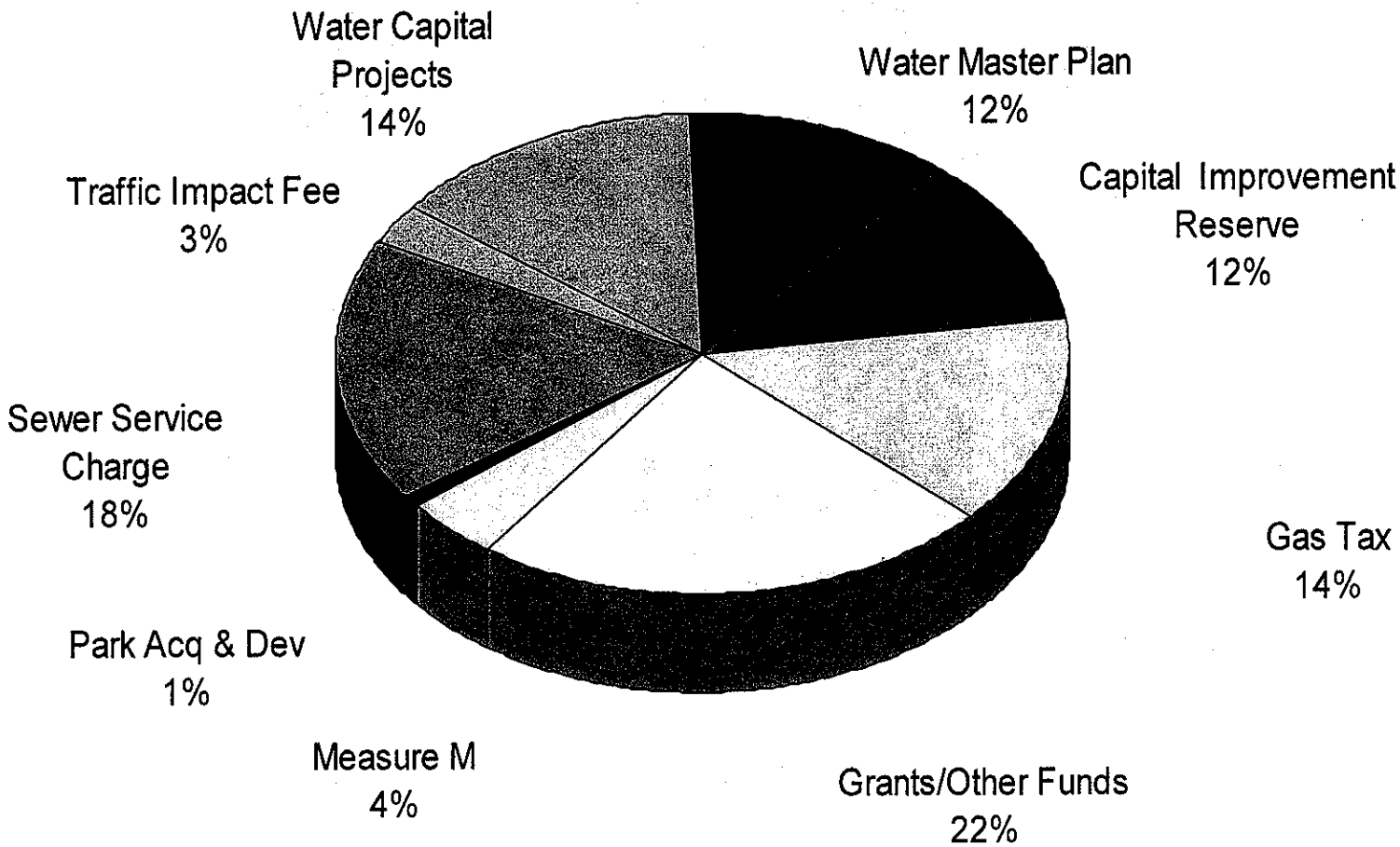
Projects by Funding Source
FY 2005/06 CIP



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Project Information

CITY OF HUNTINGTON BEACH
CAPITAL IMPROVEMENT PROJECT INFORMATION

PROJECT TITLE:
Rebuild Sewer Lift Stations

FUNDING DEPARTMENT: *Public Works*

DEPT. PROJECT MGR: *Doug Erdman*

PROJECT DESCRIPTION: *Design Services for rebuild/rehabilitation of Edwards/Balmoral in FY 06/07 and Brighton/Shoreham Sewer Lift Stations for construction in FY 07/08.*

PROJECT NEED: *Project will increase capacity and rehabilitate or rebuild these stations which have reached their design life. Station selection is determined by the Sewer Lift Station Priority List*

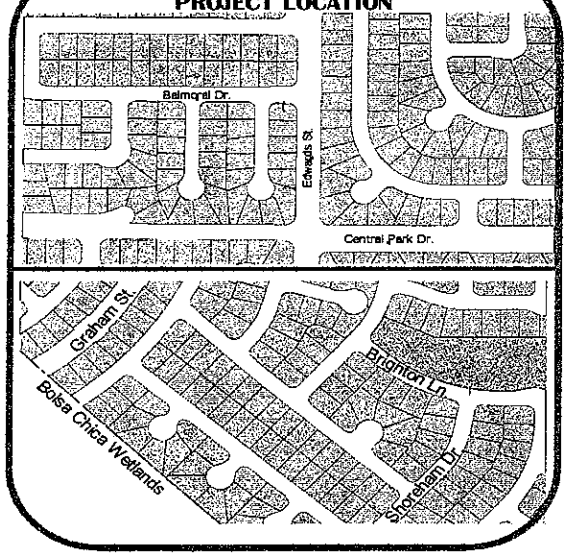
SOURCE DOCUMENT: *2003 Sewer Master Plan*

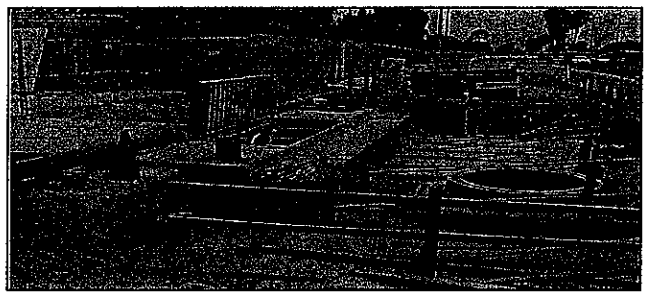
ESTIMATED SCHEDULE: ***Design to begin First Quarter of Fiscal Year 05/06 with 9-12 month schedule***

PROJECT COSTS	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Land Acquisition					
Design/Environmental	200,000		600,000		600,000
Construction		3,050,000		3,050,000	
Project Management		400,000		400,000	
Supplementals		50,000		50,000	
Other					
TOTAL	200,000	3,500,000	600,000	3,500,000	600,000

FUNDING SOURCES	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Sewer Svc Fund	200,000	3,500,000	600,000	3,500,000	600,000
TOTAL	200,000	3,500,000	600,000	3,500,000	600,000

PROJECT LOCATION





TOTAL PROJECT COST:	**$ 8,400,000**
FUND:	**Sewer Svc Fund 511**
BUSINESS UNIT:	**51189001**
PROJECT TYPE:	Rehabilitation
CATEGORY:	Sewer

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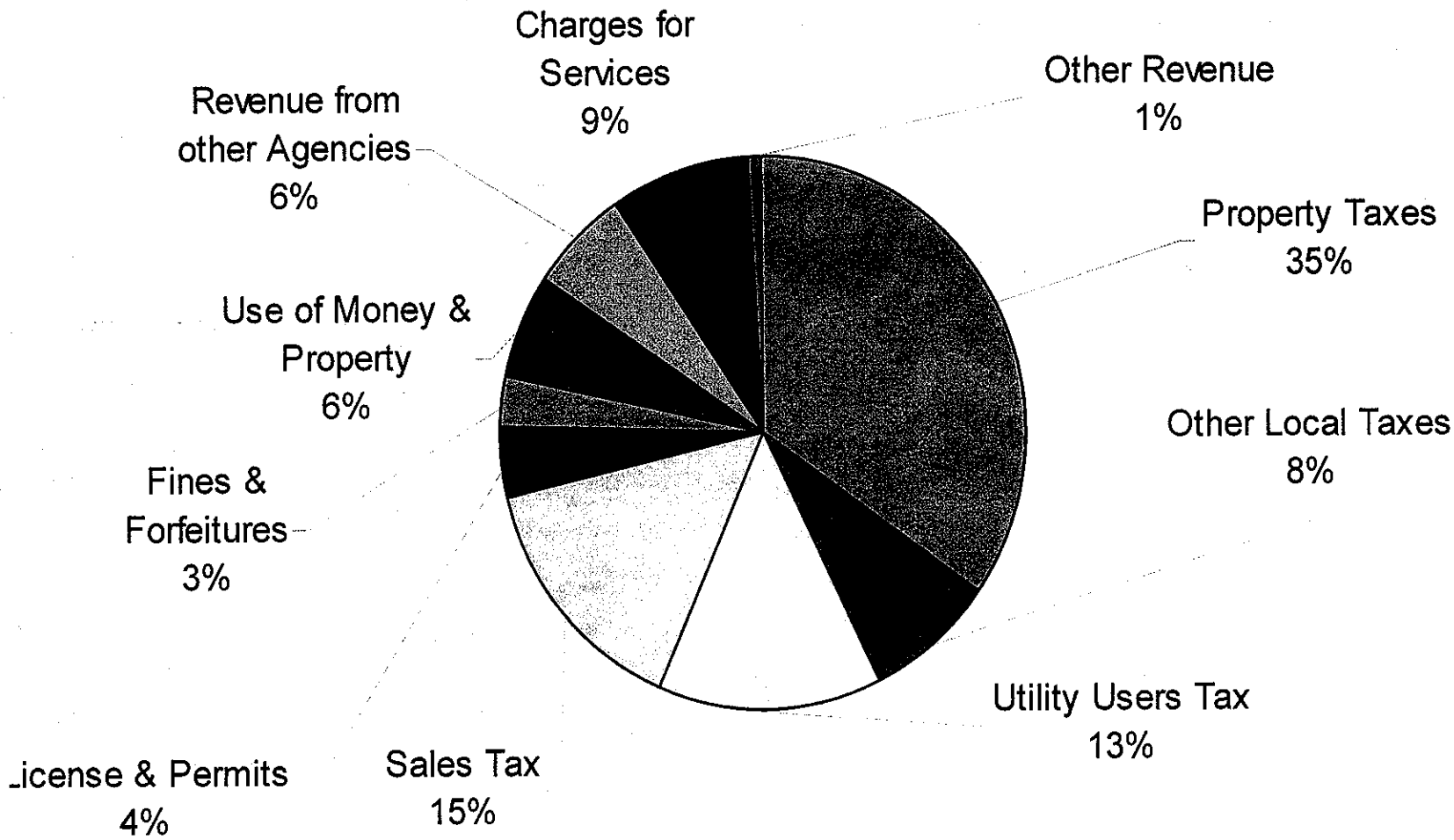
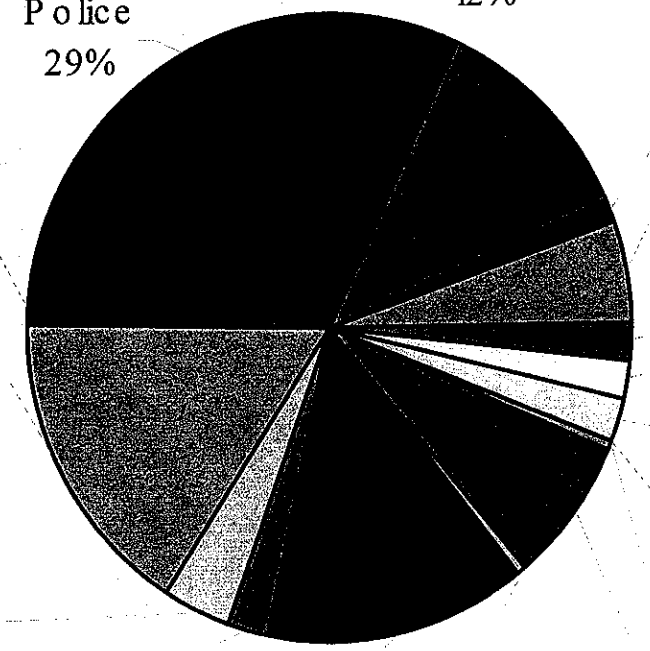
General Fund Revenue

$161,581,630



General Fund Expenditures
$170,687,261*



* Includes Capital Improvement Reserve

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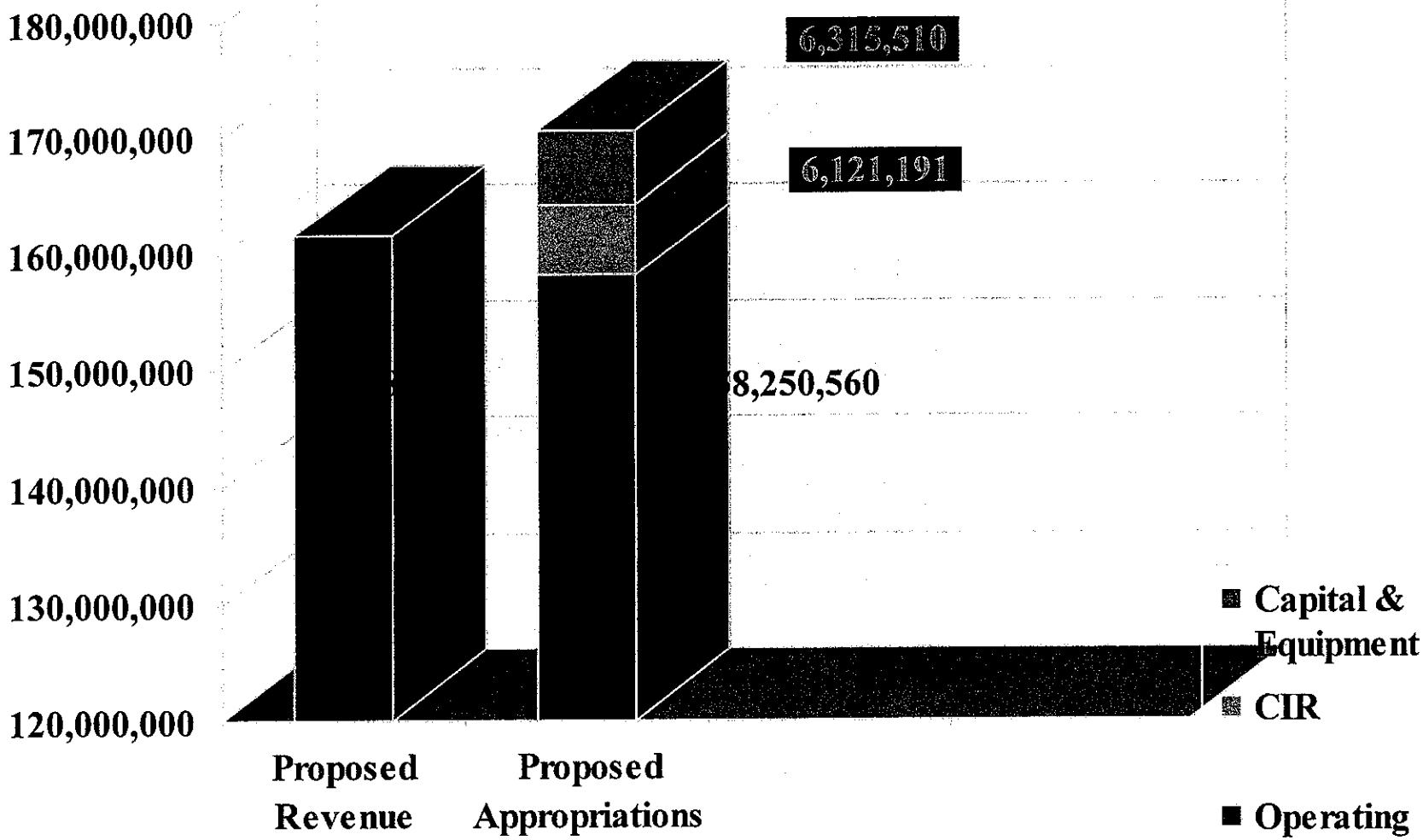
General Fund Revenue vs. Appropriations



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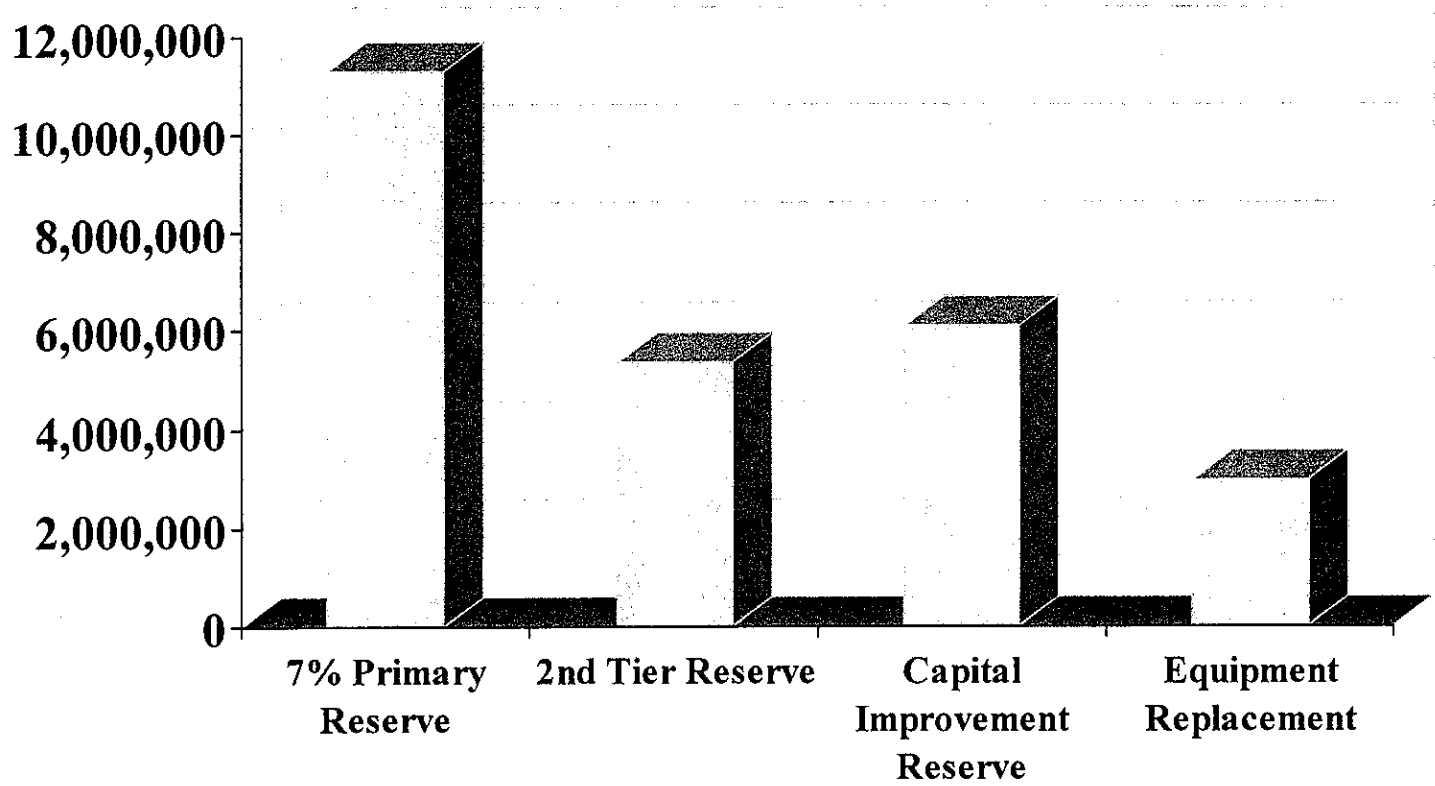
Fund Balance Reserves (Designations)



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Unfunded Liabilities

- Public Employee Retirement System (PERS) - $50,132,000
  - 46% of our safety employee required payment goes toward reduction of liability
  - 16% of that 46% is paid via safety employee payroll deductions
  - Expect reduction in PERS rates within the next few years
    - PERS has stated that their actual compounded return over the past 15 years has been "…well above our assumption" (7.75%)
    - PERS average rate of return over the two most recently completed fiscal years is greater than 14%

Unfunded Liabilities (Continued)

- Retirement Supplemental Plan- $29,042,000
  - 72% of the payment for this benefit goes toward the reduction of this liability
  - The combination of no new participants since 1997 and mortality of existing beneficiaries will reduce this liability
- Retiree Medical Subsidy - $6,677
  - 49% of payment goes directly toward liability reduction

Budget Issues

- Loss of water in-lieu property tax and franchise fee revenue
  - Loss of $5.8 million ongoing revenue
  - Tight General Fund budget
- Second year takeaway from the state ($2.5 million)
  - State to repay $3.3 million "gap loan"
  - This repayment only represents 40% of the state withholdings (over $8 million) over the past three years
- Re-budget the transfer from the Redevelopment Agency to the General Fund of $2.5 million from FY04/05 to FY05/06

Budget Issues (Continued)

- Cost Allocation Plan has been incorporated into the budget
- Fee Study has *not* been included in the budget and will be addressed at an upcoming council meeting
- Convention Visitor's Bureau
- Setting the tax rate

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Extraordinary General Fund Issues

- $5.3 million of General Fund monies designated for Capital Improvements
- $5.3 million added as a second tier reserve to the 7% primary reserve
- 14 Safety positions previously unfunded are restored
- Deferred equipment replacement addressed
- $1.4 million of flood and drainage equipment funded in the General Fund

Public hearing and budget adoption are scheduled for September 6, 2005

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