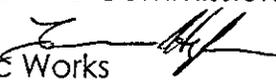


CITY OF HUNTINGTON BEACH  
PUBLIC WORKS COMMISSION  
INFORMATION ITEM

Item No. PWC 09-28

**SUBMITTED TO:** Chairman McGovern and Members of the Commission  
**SUBMITTED BY:** Travis K. Hopkins, PE, Director of Public Works   
**DATE:** August 19, 2009  
**SUBJECT:** 15% Infrastructure Calculation History

**Analysis:** In accordance with City Charter Section 617 Infrastructure Fund, the City budget is required to maintain expenditures for infrastructure not less than 15% of general fund revenues. General Fund revenues in the proposed FY 2009/10 budget are \$181,345,941, and 15% is \$27,201,891.

Components of the 15% calculation were established by the Infrastructure Advisory Committee and the Infrastructure Planning Committee. General Fund expenditures related to infrastructure include various percentages of Public Works, Community Services, Library Maintenance, and GIS program accounts (Business Units) and infrastructure related debt service. An *infrastructure factor* is applied to various accounts to reflect a percentage of that account dedicated to infrastructure. Percentages range from 25% for Community Services Administration to 100% for most Public Works, maintenance and debt service programs. The Infrastructure Fund is not included in the calculation.

Between fiscal years 2005/06 and 2009/10 the General Fund budgeted expenditures rolling average is 15.3%. As actual expenditure data is not available for FY 2008/09, an estimated expense factor of 90% was applied. In addition, the inclusive years were adjusted to FY 2004/05 through 2008/09. Actual expenditures, after applying the *infrastructure factor* are 15.01% of actual General Fund revenue.

City Charter Section 617 Infrastructure Fund

b) Revenues placed in the Infrastructure Fund shall not supplant existing infrastructure funding. The average percentage of general fund revenues utilized for infrastructure improvements and maintenance, for the five- (5) year period of 1996 to 2001, is and was 14.95%. Expenditures for infrastructure improvements and maintenance, subsequent to 2001, shall not be reduced below 15% of general fund revenues based on a five- (5) year rolling average.

**Attachments:** General Fund Infrastructure Calculations

# ATTACHMENT #1

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**General Fund Infrastructure Calculation**

	Adopted Budget with Infrastructure Factor Applied				
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10
Public Works	17,183,973	19,707,325	19,774,578	19,265,933	17,678,927
Community Services	1,955,831	2,030,274	2,236,649	2,147,509	1,980,030
Library Services	71,551	79,462	131,737	218,515	254,265
Information Services	157,407	207,475	143,014	190,103	185,129
CIP/CIR Fund	2,884,000	3,028,413	2,446,215	1,334,000	-
General Fund Infrastructure Debt Service	4,282,000	4,291,764	-	6,319,500	6,312,000
<b>TOTAL</b>	<b>26,534,762</b>	<b>29,344,713</b>	<b>24,732,193</b>	<b>29,475,560</b>	<b>26,410,351</b>
<b>General Fund Revenue</b>	<b>161,581,630</b>	<b>172,364,424</b>	<b>185,046,804</b>	<b>194,689,700</b>	<b>181,345,941</b>
<b>% of Revenue w/ debt service</b>	<b>16.42%</b>	<b>17.02%</b>	<b>13.37%</b>	<b>15.14%</b>	<b>14.56%</b>
<b>Avg from FY 2005/06 (5-Year)</b>	<b>15.30%</b>				
<b>% of Revenue w/o debt service</b>	<b>13.77%</b>	<b>14.53%</b>	<b>13.37%</b>	<b>11.89%</b>	<b>11.08%</b>
<b>Avg from FY 2005/06 (5-Year)</b>	<b>12.93%</b>				

**General Fund Infrastructure Calculation with Factors Applied**

	Actual Expenditures with Infrastructure Factor Applied				
	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
Public Works	14,736,215	17,603,393	15,516,353	16,367,708	17,339,339
Community Services	1,475,329	1,755,592	2,133,081	2,347,809	1,932,758
Library Services	73,089	72,873	76,503	138,766	196,664
Information Services	110,456	112,060	182,264	432,414	171,093
CIP/CIR Fund	-	2,884,000	719,815	122,215	-
General Fund Infrastructure Debt Service	6,983,292	6,916,682	6,904,850	6,306,800	6,312,000
<b>TOTAL</b>	<b>23,378,381</b>	<b>29,344,600</b>	<b>25,532,866</b>	<b>25,715,712</b>	<b>26,528,004</b>
<b>Actual General Fund Revenue*</b>	<b>157,795,347</b>	<b>160,723,710</b>	<b>176,223,745</b>	<b>185,198,525</b>	<b>194,689,700</b>
<b>% of Revenue w/ debt service</b>	<b>14.82%</b>	<b>18.26%</b>	<b>14.49%</b>	<b>13.89%</b>	<b>13.63%</b>
<b>Avg from FY 2004/05 (5-Year)</b>	<b>15.01%</b>				
<b>% of Revenue w/o debt service</b>	<b>10.39%</b>	<b>13.95%</b>	<b>10.57%</b>	<b>10.48%</b>	<b>10.09%</b>
<b>Avg from FY 2004/05 (5-Year)</b>	<b>11.10%</b>				

\*Adopted General Fund Revenue for FY 2008/09

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