



City of Dana Point Fiscal Years 2025-2026 & 2026-2027 Operating Budget & Capital Improvement Program



Proposed Version - 6/03/2025





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INTRODUCTION



City of Dana Point, California
PROPOSED BUDGET
Fiscal Years 2025-2026 & 2026-2027



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Budget Message Letter

Office of the City Manager

June 3, 2025

The Honorable Mayor and City Council:

In accordance with Dana Point Municipal Code Section 2.08.060(G), the City Manager is required to submit a budget for City Council consideration. This adopted two-year budget covers fiscal years 2025-2026 and 2026-2027 ("FY26" and "FY27"). The City's budget serves several purposes, including that of a financial plan, a management plan, a policy document and a communication tool.

DISCUSSION

FY24 and FY25

During FY24, the City experienced more normalized revenue growth following the above average gains of the post pandemic recovery. A key indicator of this trend was Transient Occupancy Tax (TOT) receipts, which totaled \$16.9 million, an increase of \$173,000 or 1% compared to FY23. Despite this stabilization, FY24 ended on a strong financial note, with General Fund revenues reaching \$53.2 million, \$4.0 million above the amended budget, and expenditures totaling \$51.9 million, or \$3.9 million below budget.

Throughout FY24, the City continued to invest in key programs and services that enhance quality of life for the community and reflect the goals outlined in the City's Strategic Plan. To strengthen Dana Point's unique sense of place, the City completed notable public art projects, including the Lantern Bay Park Stairway Art Project and the unveiling of the Boehne Statue at Waterman's Plaza. The City continued to host world class community events that remain among the most popular in the region, such as summer concerts and movies in the parks, Ramps and Reels, the Fourth of July celebration, and the Festival of Whales parade.

Ongoing efforts to maintain and improve infrastructure included the rollout of public Wi-Fi along Del Prado Avenue and continued investment in the upkeep of residential and arterial streets and roads. The City also continued its support for multimodal transportation through its ongoing partnership with OCTA to operate the popular trolley program. In addition, the City initiated Phase 2 of the General Plan Update, focusing on promoting effective and efficient zoning regulations to guide future land use and development.

In FY25, the City continued advancing its Strategic Plan priorities while maintaining a fiscally conservative approach in response to anticipated impacts on revenue. One of the City's larger hotel properties began renovations in the second half of the fiscal year, temporarily reducing room availability. Given that TOT accounts for approximately 34% of General Fund revenues, any major shift in this category can have significant fiscal implications. As a precaution, the TOT revenue budget was reduced from \$16.2 million to \$15.2 million in September 2024. To help cushion the potential loss, the City maintained an excess unassigned fund balance of approximately 3.5% of the originally adopted revenue budget, in addition to the 7% required by policy. Fortunately, stronger-than-expected TOT



performance in the first half of FY25 led to a mid-year budget adjustment, increasing the forecast to \$15.9 million. With more than three quarters of the fiscal year complete, FY25 is projected to close on a strong note, with revenues expected to exceed the amended budget of \$49.5 million and expenditures projected to come in below the amended expenditure and transfers out budget of \$63.3 million.

FY25 reflects the City's ongoing commitment to high-quality services and long-term priorities. Public safety remained a key focus, highlighted by the expanded use of automated license plate recognition cameras, and adoption of the FEMA-approved Local Hazard Mitigation Plan which is required for eligibility for certain Federal mitigation grants.

The City launched new community events, including Día de los Muertos, Shakesbeer in the Park, and an Organic Market at Prado Square in partnership with The Ecology Center. Public art efforts advanced with the commissioning of the Mickey Muñoz statue at Waterman's Plaza and a call for artists for a new mural at the Community Center. Additional initiatives included Art Trolley Tours, the publication of the Dana Point Art Map for self-guided exploration, and a Non-Profit Symposium to foster collaboration among community organizations.

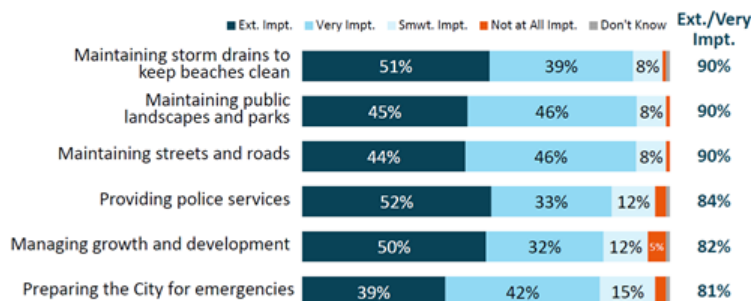
Infrastructure improvements include completion of the Coast Highway Complete Street Project, which reduced lanes to calm traffic, maintained parking, and added bike lanes to support multimodal transportation. The City also continues to invest in the maintenance and rehabilitation of local streets and roads to enhance safety and extend pavement life. Additionally, the City began upgrading its permitting system to improve public access and service efficiency, including online payments, inspection requests, and electronic plan submittal and permit issuance.

Community Survey

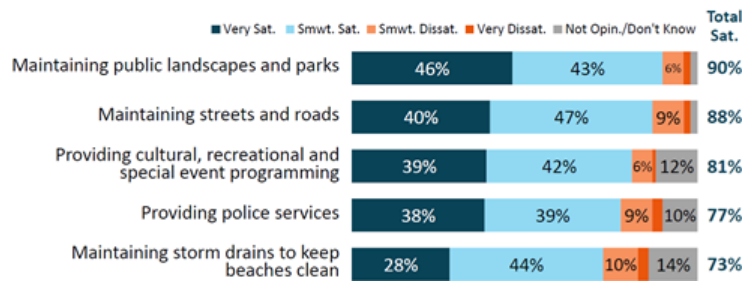
The City Council's adopted Operating Budget Policy #230 calls for a community survey to be conducted biennially, with the results incorporated into the budget adoption process. In the most recent community survey, conducted in late 2024, the City continued to receive high marks from residents. A total of 95% of respondents said Dana Point is a place they want to share with family and friends, and 96% said they are proud to live in the city.

Residents identified several top priorities among City services, with the highest importance placed on maintaining streets and roads, caring for public landscapes and parks, ensuring storm drains are functioning properly to protect beach quality, and providing effective police services. These core service areas not only ranked as most important to residents but also received some of the highest satisfaction ratings in the survey, underscoring the City's success in aligning service delivery with community priorities.

Respondents consider several services to be highly important including keeping beaches clean; maintaining landscapes, parks, streets; police services; and managing growth.



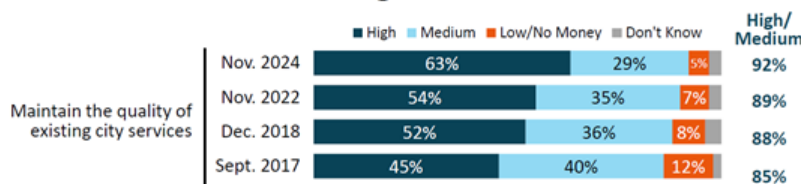
There is the greatest satisfaction with maintenance of public landscapes/parks, street and road maintenance, special events, and police services.



In addition to expressing high satisfaction with the quality of services provided, residents made it clear that maintaining existing service levels is a top community priority. When asked about budget priorities, an overwhelming 92% of respondents indicated that preserving the current quality of City services should be a high or medium priority for future spending decisions. This near-unanimous response highlights the strong value residents place on the City's ongoing efforts in key areas such as public safety, infrastructure maintenance, and neighborhood beautification.

The survey results reflect a community that not only recognizes the City's strong performance but also wants to ensure that these service standards are upheld over time. Residents' clear preference for continuity underscores a deep trust in the City's current direction and reinforces the importance of maintaining service excellence as a central focus in budget planning and policy decisions.

Residents nearly unanimously want to maintain existing services



FY26 and FY27 Budget Summary

The FY26 and FY27 biennial budget was developed with a strong emphasis on maintaining fiscal balance while sustaining high-quality service delivery. Guided by the City Council's adopted Financial Policies and Strategic Plan, the budget prioritizes continued investment in core infrastructure and essential services. It directly reflects the top priorities identified in the Community Survey, including maintenance of storm drains to protect beach quality, care for public landscapes and parks, upkeep of streets and roads, and provision of police services. These areas continue to receive significant funding, with public safety representing the largest General Fund allocation. Although the Strategic Plan is currently being updated, the proposed budget remains committed to upholding the mission to set the standard as a vibrant, world class city and to ensure that service delivery aligns with the values and expectations of the community.

The following discussion highlights key areas of the proposed budget where operational adjustments are anticipated and/or significant financial impacts are expected. Topics include police services, personnel, capital asset investments, planning for the future built environment, a review of major revenue sources, and a summary of fund balances.

Police Services

The City contracts with the Orange County Sheriff's Department (OCSD) to provide dedicated law enforcement services for residents, businesses, and visitors. OCSD delivers a comprehensive range of professional policing and public safety services. At \$16.6 million for FY26, the Police Services budget represents the largest General Fund expenditure, accounting for 32.4% of the City's total budget. It is also the City's fastest-growing cost.

The City's OCSD contract includes 39 dedicated personnel specifically assigned to Dana Point, comprising 34 full-time sworn positions, three non-sworn Community Services Officers, one Crime Prevention Specialist, and one Investigative Assistant. The contract also covers shared costs for approximately 15.9 sworn and non-sworn support positions serving multiple South Orange County contract cities.

Dana Point contracts for a higher level of police service compared to most other South Orange County cities, whether measured per capita, per square mile, or per street mile. The City's policing model, particularly the Community Services Unit (CSU), is considered a best practice among well-resourced communities. The CSU consists of one sergeant and three deputies, with a FY26 annual cost of \$1.4 million.

Personnel Costs

The proposed budget maintains the City's hybrid service delivery model, which relies on a limited number of full-time and part-time staff supplemented by a substantial use of contract services. This model enhances the City's ability to adjust to changes in workload and available resources while continuing to provide efficient, high-quality services.

The proposed FY26 personnel budget is \$12.5 million, representing approximately 26% of total General Fund expenditures, excluding transfers out. Personnel costs have consistently accounted for about 26% of the General Fund budget over the past several fiscal years, reflecting the City's continued focus on maintaining stable staffing costs while delivering effective and responsive municipal services.

The proposed FY26 budget reflects a 7.8% decrease in total personnel costs compared to the amended FY25 budget. This reduction is primarily due to a one-time \$1.85 million additional payment made to CalPERS in FY25 to reduce the City's unfunded pension liability. When this one-time payment is excluded, total budgeted personnel costs increased by 6.8% from FY25 to FY26.

Key factors contributing to the FY26 increase include a \$55,000 rise in part-time hours and wages, a \$50,000 increase in the City's 457 deferred compensation match, and a \$181,000 increase in health benefit allowances, including contributions for life insurance and short- and long-term disability. The addition of an Assistant Administrative Analyst position in the Economic Development Division also contributed approximately \$80,000 to the overall increase. Additionally, the City's pension costs are projected to rise by \$92,000, with the remaining increase attributed to merit-based salary adjustments.

City employees enrolled in the CalPERS 2% at 55 pension plan contribute 7% of their salary toward pension costs, while the City will contribute 12.58% in FY26. Employees in the 2% at 62 plan contribute 7.75%, with the City contributing 7.96%. In addition, 2% at 55 employees contribute an extra 2.0% of their pay toward the City's unfunded pension liability. This additional contribution amounts to approximately \$78,500, helping offset the City's budgeted \$389,500 unfunded liability payment in FY26.



Investment in Capital Assets

The City Council adopted Financial Policies #231 and #232 to prioritize funding for infrastructure and facility assets. These policies require Staff to assess the condition of City assets and recommend appropriate funding to maintain them. Staff has complied with both policies, and the proposed budget provides full funding for each asset group.

Capital infrastructure maintenance is accounted for in the Capital Improvement Projects (CIP) Fund. Funding is typically provided through transfers from the General Fund, Gas Tax Fund, Measure M Fund, Road Maintenance and Rehabilitation Act (RMRA) Fund, and occasionally from grant sources. The CIP includes projects related to streets and signals, medians, curbs and gutters, sidewalks, storm drains, and other capital assets.

The Public Works Department updates a Seven Year Plan for these capital projects, which is presented to the City Council each year. The proposed budget includes the necessary General Fund investment to cover the City's share of project costs in FY26 and FY27, totaling \$2.8 million and \$2.6 million, respectively. These contributions are supplemented by the additional funding sources noted above. The total CIP investment in the proposed two-year budget is \$14.9 million, and the Seven Year Plan includes an additional \$37.4 million in capital project funding from FY28 through FY32.

Capital Improvement Fund (11) projects proposed in the upcoming budget are as follows:

Capital Improvement Fund Projects	FY26 Proposed Budget	FY27 Proposed Budget
Citywide Storm Drain Repairs*	\$ 200,000	\$ 200,000
Traffic Safety Repairs & Improvements*	200,000	200,000
La Plaza Park Improvements	200,000	-
Citywide Storm Drain Improvements Design	-	200,000
Doheny Village Connectivity Improvements (Construction)**	750,000	-
Residential Roadway Slurry Program	550,000	1,770,000
Arterial Roadway Slurry Program	250,000	250,000
Roadway Resurfacing-Overlay/Asphalt Repairs	4,700,000	3,700,000
Stonehill Drive Undergrounding Design***	500,000	-
Del Obispo Park Modification Project	-	1,200,000
TOTAL	\$ 7,350,000	\$ 7,520,000

*These budgets address major emerging projects; unspent funds will lapse at year-end and revert to the CIP Fund's unassigned balance.

**In addition to \$3,526,700 budgeted in FY25.

***In addition to \$400,000 budgeted in FY25.

Investment in City Facilities

Facility asset capital maintenance is accounted for in the Facilities Fund. These assets include structures and related systems for City Hall, the Community Center, parks, sports fields, the Nature Interpretive Center, and the Pacific Coast Highway Pedestrian Bridge, among others. When the fund was first established, the primary focus was to address a backlog of deferred maintenance projects identified in a comprehensive facilities assessment. Considerable progress has been made over the past two budget cycles, and the focus is now shifting toward regular and proactive maintenance to preserve asset



condition and extend useful life. Funding is provided almost entirely by the General Fund, with occasional contributions from the Park Development Fund and various grant sources. Projects included in the proposed budget reflect this continued transition from reactive to preventive facility care.

Proposed projects for FY26 and FY27 were prioritized based on factors such as safety, maintenance costs, functionality, and the need to preserve the useful life of each asset. The total investment in Facilities Improvements in the proposed two-year budget is \$2.7 million.

Facilities Improvement Fund (12) projects proposed in the upcoming budget are as follows:

Facilities Fund Projects	FY26 Proposed Budget	FY27 Proposed Budget
City Hall:		
HVAC Replacement	\$ 55,000	\$ 57,000
Parking Lot Repairs	50,000	-
Access Control System Panel Relocation	25,000	-
Asphalt Shingle Roof Replacement	200,000	-
Council Chambers A/V Upgrades	-	65,000
Fire Suppression System Updates	65,000	-
Fire Alarm Upgrade	-	190,000
Community Center:		
HVAC Replacement	35,000	37,000
Emergency Transfer Switch Installation	75,000	-
Paint Gymnasium	-	55,000
Rebuild Stage	-	110,000
Parks:		
Court Surface Improvements*	65,000	65,000
Dog Fun Zone Improvements**	115,000	115,000
Playground Structure Replacements***	220,000	220,000
Lantern Bay Park Restroom Improvements	25,000	-
Del Obispo Park LED Ballfield Lights	275,000	-
Heritage Park Staircase Railing	139,000	-
Thunderbird Park Ballfield Improvements	-	250,000
Contingency Account	100,000	100,000
TOTAL	\$ 1,444,000	\$ 1,264,000

*Court Surface Improvements: FY26 - Thunderbird, Del Obispo, Dana Crest. FY27 - Creekside, Lantern Bay, Del Obispo

**Dog Fun Zones: Heritage (FY26), Creekside (FY27)

***Playground Structure Replacements: Seaview (FY26), Pines Park (FY27)

Planning for the Future of the Built Environment

General Plan Update: California law requires each city to adopt a comprehensive General Plan to guide long-term physical development. The Plan must include seven State-mandated elements: land use, circulation, housing, conservation, open space, noise, and safety. Dana Point's General Plan was first



adopted in 1999 and, until recently, had only been updated in parts.

In 2019, the City Council allocated \$1 million to support a full update, including \$201,000 for the Housing Element. A \$150,000 State LEAP grant reduced the City's contribution for the Housing and Public Safety Elements to \$51,000.

Phase 1, launched in 2022, focused on community engagement. Its objectives included raising awareness about the General Plan Update, educating the public on the City's planning processes, and conducting community listening sessions. This phase also involved data analysis to identify key community concerns and issues. The total cost of Phase 1 was \$246,000, leaving a balance of \$703,000. In 2023, the City allocated an additional \$550,000, bringing the total available funding for Phase 2 to \$1.3 million.

Phase 2, initiated with a contract of just over \$1 million, focuses on updating the Land Use, Economic Development, and Circulation Elements. A General Plan Advisory Committee (GPAC) led public engagement, including meetings, open houses, and pop-up events. After reviewing potential changes, the GPAC recommended keeping existing land use designations but proposed updated goals and policies to guide future development. As a result, the General Plan Update will focus on Economic Development and Circulation, including promoting mixed-use development in areas like Monarch Bay Plaza and Capistrano Beach, and enhancing mobility and transportation networks.

The City will utilize a streamlined CEQA process with an addendum to the 1991 Environmental Impact Report (EIR) to comply with environmental requirements. A Local Coastal Program amendment will not be necessary. It is estimated that Phase 2 of the General Plan Update will be completed by late 2025.

Following the adoption of the General Plan Update, the City may initiate targeted planning efforts, such as developing a Specific Plan for the Coast Highway area in Capistrano Beach. This will include additional public engagement and updates to specific coastal elements, including urban design, conservation, open space, and land use.

Doheny Village Plan: In July 2021, the City Council adopted the Doheny Village Zoning Code Update, amending the General Plan and adding new zoning regulations to preserve and enhance the character of Doheny Village. The California Coastal Commission certified the related Local Coastal Program Amendment in March 2023, making the changes fully effective.

Several capital projects have been completed, including pedestrian lighting along Camino Capistrano, landscaping and fencing improvements at a key open space parcel, and a public mural launched through the Doheny Village Public Art Program.

The Doheny Park Road at PCH Connectivity Project began design in 2022 in coordination with Caltrans, which is responsible for 60% of the construction. Caltrans began its work in March 2025. The City's portion, funded in part by \$1.8 million in federal grants, is supported by \$3.5 million in the FY25 Capital Improvement Program budget. An additional \$750,000 is included in the FY26 Proposed Budget.

Summary of Revenues and Expenditures

The proposed FY26 General Fund budget reflects a surplus of \$173,000, with \$51.5 million in revenues and \$51.3 million in expenditures and transfers to other funds. The FY27 proposed budget includes a surplus of \$42,600, with \$52.8 million in revenues and \$52.7 million in expenditures and transfers to



other funds. In both FY26 and FY27, all reserves are fully funded in accordance with City Council policy, and the General Fund unassigned fund balance remains above 7% of budgeted revenues.

General Fund Proposed Budget Summary

	FY26	FY27
Revenues & Transfers In	\$ 51,491,000	\$ 52,775,000
Expenditures & Transfers Out	51,318,000	52,732,400
Projected (Deficit)/Surplus	\$ 173,000	\$ 42,600

The City employs a conservative budgeting approach, using cautious revenue and expenditure estimates to reduce financial risk and maintain flexibility during economic shifts. This fiscally responsible strategy supports long-term stability, preserves reserves, and aligns with adopted Financial Policies that emphasize sustainability and sound stewardship of public funds. By avoiding reliance on overly optimistic projections or one-time revenues, the City ensures it can continue meeting community needs while maintaining fiscal discipline.

General Fund Estimated Revenues

As seen above, projected General Fund revenue and transfers in for FY26 and FY27 are \$51.5 million and \$52.8 million, respectively; this is slightly up from \$49.5 million included in the FY25 amended budget. The City's largest revenue sources (transient occupancy tax, property tax, sales tax and in-lieu property tax) combined comprise 83% of proposed FY26 General Fund revenues.

Transient Occupancy Tax (TOT): The 10 percent hotel bed tax, known as the Transient Occupancy Tax (TOT), remains the City's largest source of revenue. It is projected to generate \$17.4 million in FY26, accounting for 33.8% of total General Fund revenue. For FY27, the projection increases slightly to \$17.7 million.

While the amended FY25 budget estimates TOT receipts at \$15.9 million, the latest projection now stands at \$16.5 million. As of February 2025, eight months into the fiscal year, TOT collections were up 7.4% compared to the same period in FY24, indicating a strong outlook for the remainder of the year. Nearly all year over year growth continues to be driven by the City's four major resort properties, which consistently generate close to 89% of TOT revenue.

The FY26 projection of \$17.4 million reflects a 5.2% increase over the FY25 estimate. This assumes the Ritz returns to full operations in FY26 and accounts for the planned closure of a hotel in Dana Point Harbor early in the fiscal year as part of the Dana Point Harbor Revitalization Plan.

Property Tax: Property tax is the City's second-largest General Fund revenue source, projected at \$12.4 million in FY26, or approximately 24.1% of total General Fund revenue. This reflects a 3.8% increase over the amended FY25 budget of \$11.95 million. Total assessed property value in Dana Point is expected to grow by 4.4% in FY26, following a 5.6% increase in FY25, which was driven by a 2.0% inflation adjustment and a 2.67% increase from property transfers. The FY27 projection is \$12.9 million, representing a 4.0% increase over FY26.

The City receives approximately 7 cents of every property tax dollar paid, with the remainder distributed primarily to schools, the State, fire services, and community colleges. Continued investment in local properties, including redevelopment in the Harbor area, is expected to support ongoing growth in property tax revenue.



Sales Tax: The City's third-largest General Fund revenue source, Sales Tax, is projected at \$7.0 million in FY26, or 13.6% of total General Fund revenue. This represents a 4.1% increase over the amended FY25 budget and a 1.1% increase over the estimated FY25 actuals of \$6.9 million. The FY27 projection is \$7.2 million, representing a 3.1% increase over FY26. Dana Point's sales tax performance has closely mirrored TOT trends, with strong growth following the pandemic, followed by stabilization over the past two years. Sales tax revenue was also impacted in FY24 by the relocation of the City's third-largest sales tax generator, a long-standing lumber and hardware store.

Much of the City's sales tax revenue is driven by Dana Point's tourism-focused economy. Restaurant and hotel retail sales make up the largest share of taxable sales, supported by the City's four major resort properties, coastal attractions, and events that draw both day and overnight visitors.

In-Lieu Property Tax: In-Lieu Property Tax, the fourth-largest General Fund revenue source, stems from the State's total elimination of a revenue stream for California cities that dates back to the 1930s. The State eventually replaced the lost Vehicle License Fee (VLF) revenue with a portion of the State's share of property tax. This revenue is directly tied to changes in gross assessed property values. Based on the projected growth rate for property tax, In-Lieu Property Tax revenue is estimated at \$6.1 million in FY26. The FY27 projection is \$6.4 million, representing a 4.4% increase over FY26.

General Fund Balance Projection

The proposed budget incorporates the General Fund Reserve Policy #233 established by the City Council in 2019. The policy includes two designated reserves: Economic Stability and Extreme Event, and also sets a funding requirement for the General Fund's unassigned fund balance.

It is important to note that the Reserve Policy is supported by additional City financial policies that address the maintenance of public infrastructure assets, require the adoption of a structurally balanced budget, and mandate long-term financial planning. Together, these policies provide a comprehensive foundation for sound fiscal management. Summaries of the City's financial policies are included in the budget book.

Each reserve has a target funding level based on a percentage of General Fund budgeted operating revenues. The target for the Economic Stability Reserve is 11%, the Extreme Event Reserve is 9%, and the Unassigned Fund Balance is maintained within a target range of 4% to 7%.

The proposed budget includes the reserve accounts finishing their respective fiscal years as follows:

General Fund Balance Designation	Budgeted Ending 6/30/2025	Proposed Ending 6/30/2026	Proposed Ending 6/30/2027
Economic Stability Reserve	\$ 5,266,250	\$ 5,664,010	\$ 5,805,250
Extreme Event Reserve	4,308,750	4,634,190	4,749,750
Special Purpose Reserves			
<i>General Plan Update</i>	201,250	201,250	201,250
<i>CASA Unfunded Pension Liability</i>	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(944,388)	(944,388)	(944,388)
Unassigned Fund Balance	5,271,044	4,720,844	4,506,644
Total Fund Balance - General Fund	\$ 14,450,071	\$ 14,623,071	\$ 14,665,671



The Reserve Policy acknowledges that anomalous events impacting City finances may occur from time to time, and that it may be appropriate to temporarily utilize reserves in such circumstances. Access to these reserves is intended to provide the City with the time and flexibility needed to adjust operations in a measured and deliberate manner while working to restore budgetary balance and rebuild reserve levels.

Conclusion

Dana Point's financial strategy continues to be guided by its Long-Term Financial Plan and Strategic Plan. The Long-Term Financial Plan plays a critical role in budget development by providing a forward-looking framework to identify future risks, forecast revenue and expenditure trends, and ensure that current budget decisions support the City's long term fiscal sustainability.

The Proposed FY26 and FY27 Budget reflects the collective values of our community, the vision and leadership of the City Council, and the dedication of City staff. It aligns resources with goals by strategically directing funding, staffing, and capital investment toward the City's highest priorities. In doing so, the budget reinforces Dana Point's commitment to remaining a vibrant, welcoming, and resilient coastal community. While uncertainties will always exist, this budget positions the City to respond with confidence and agility, embracing new opportunities while remaining true to its mission to *"Set the standard as a vibrant, world class city."*

I want to express my sincere appreciation to the City staff whose professionalism, collaboration, and commitment made the development of this proposed budget possible. Staff worked diligently to ensure that the budget is fiscally responsible, aligned with City priorities, and responsive to the needs of our community. Their dedication to public service, attention to detail, and ability to navigate complex challenges reflect the highest standards of municipal government. I am proud of their work and grateful for their continued service to Dana Point.

Respectfully Submitted,



Michael A. Killebrew
City Manager

Strategic Plan

Dana Point's Strategic Plan serves as a guiding framework for aligning City operations, resource allocation, and policy decisions with the City Council's long-term vision. The Plan reaffirms the City's mission to "Set the Standard as a Vibrant, World-Class City" and is organized around five Strategic Goals. Each goal includes specific objectives, performance measures, and key indicators to ensure accountability and track progress. The Strategic Plan informs both budgeting and long-range planning, helping ensure that City resources are effectively directed toward community priorities.

Mission: Set the Standard as a Vibrant, World-Class City

STRATEGIC GOAL 1: MAINTAIN AND ENSURE PUBLIC SAFETY

Goal: Dana Point prides itself in creating and maintaining a safe environment for its residents, businesses and visitors.

- *Objective 1.1: Responsive and proactive policing by responding to emerging crime trends to improve perception of safety and security*
- *Objective 1.2: Effective enforcement to ensure voluntary compliance with City codes and reduce quality of life nuisances*
- *Objective 1.3: Address vulnerable residents by coordinating resources to improve the situation of homeless individuals and families living in our community*
- *Objective 1.4: Enhance emergency preparedness and responsiveness to ensure the City is ready to respond to a disaster*

STRATEGIC GOAL 2: MAINTAIN AND IMPROVE INFRASTRUCTURE AND ENVIRONMENTAL SUSTAINABILITY

Goal: Maintain City assets and the natural environment with safe, clean, and quality conditions for the enjoyment of residents and visitors.

- *Objective 2.1: Maintain and improve streets and sidewalks for the safety of vehicles and pedestrians*
- *Objective 2.2: Maintain and improve community facilities, parks, and landscaping*
- *Objective 2.3: Enhance multi-modal and active transportation in the city*
- *Objective 2.4: Preserve natural resources to enhance a healthy and sustainable built and natural environment*

STRATEGIC GOAL 3: FOSTER ECONOMIC HEALTH AND PROSPERITY

Goal: Promote a healthy and growing economy reflecting the community's mission and values.

- *Objective 3.1: Effective and efficient zoning regulations for managing the City's land use*
- *Objective 3.2: Improve the Planning, Building, and Engineering permitting process for an informative, helpful and efficient process for applicants*
- *Objective 3.3: Effective, efficient, and consistent business regulations that retain and attract businesses, supporting capital investments and entrepreneurship in our community to maintain a healthy business climate*

STRATEGIC GOAL 4: EFFECTIVE, EFFICIENT, AND INNOVATIVE CITY ADMINISTRATION

Goal: Provide an effective and efficient government to serve our community with integrity.

- *Objective 4.1: Enhance internal and external technology to provide digital access to services and information*
- *Objective 4.2: Foster community engagement to deliver consistent, quality, and predictable service*
- *Objective 4.3: Recruit, develop, and retain quality staff for a knowledgeable and supportive workforce*
- *Objective 4.4: Maintain a balanced budget that adequately funds core services to ensure fiscal stability*
- *Objective 4.5: Effective and Efficient City Codes that are current to reflect current law and community goals*

STRATEGIC GOAL 5: MAINTAIN AND ENHANCE DANA POINT'S UNIQUE SENSE OF PLACE

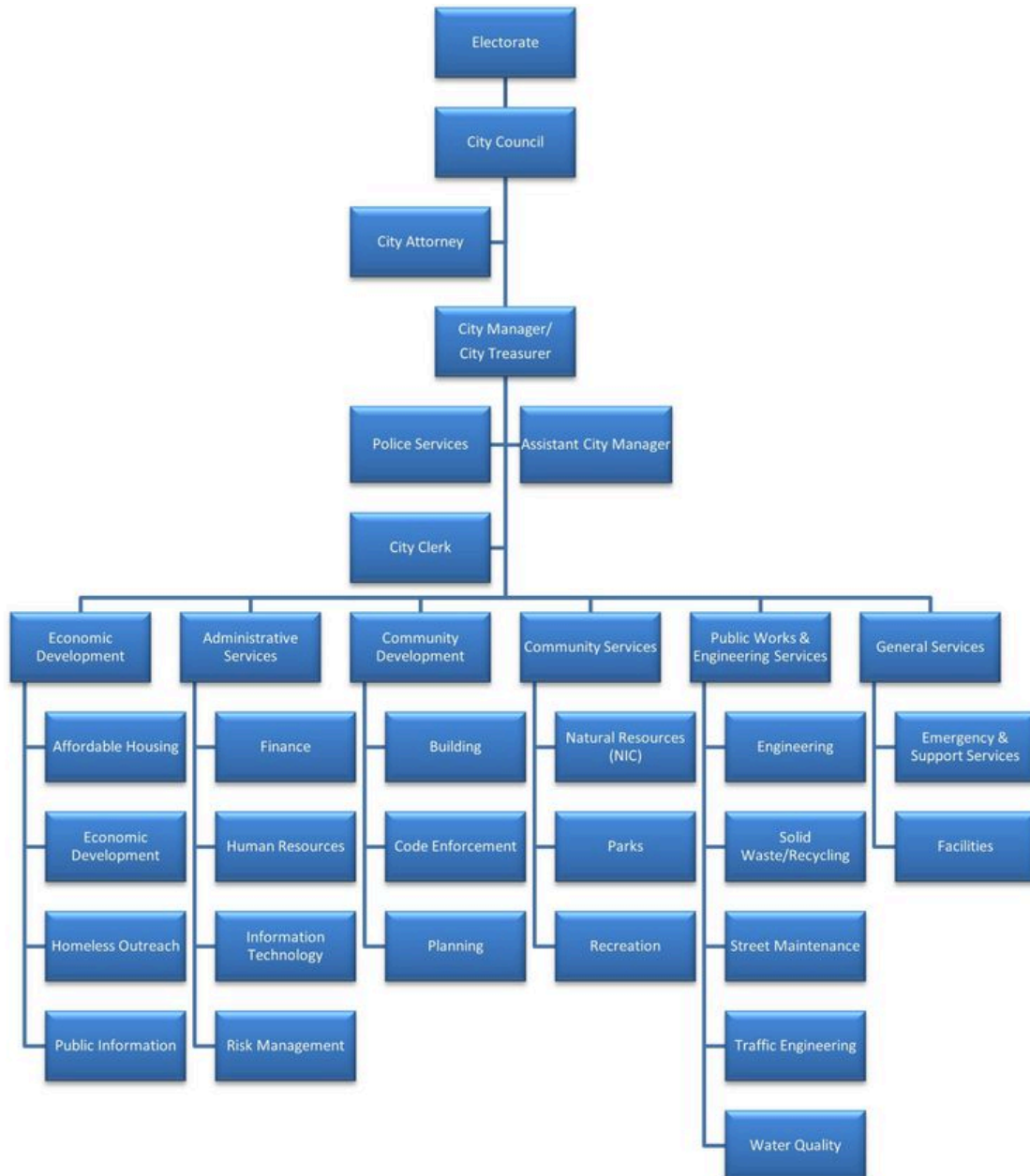
Goal: Honor Dana Point's unique culture and sense of community.

- *Objective 5.1: Honor Dana Point's unique culture, history, and local charm to enhance the quality of life and create positive, memorable experiences for residents and visitors*



Organizational Chart

The City incorporated under the general laws of the State of California on January 1, 1989, and operates under a Council-Manager form of government. The City Council consists of five members, each representing one of five geographic districts, all on a non-partisan basis to four-year terms. The mayor and mayor pro tem are honorary positions filled by Council members for one-year terms. Through the Council-Manager form of government, elected officials create policy and direct the City Manager in the implementation of those plans. This places the responsibility for day-to-day provision of services on a professional manager and staff.



City of Dana Point Directory

Administrative Staff

Michael A. Killebrew	City Manager
Kelly Reenders	Assistant City Manager & Director of Economic Development
Jeff Rosaler	Director of Community Services
Shayna Sharke	City Clerk
Matthew Sinacori	Director of Public Works & City Engineer
Brenda Wisneski	Director of Community Development
Sea Shelton	Director of Administrative Services
Captain Frank Gonzalez	Chief of Police Services
Patrick Muñoz	City Attorney

Department of Administrative Services (Finance & Administrative Division)

Sea Shelton	Director
Jason Fleming	IT Manager
Marian Garces	Human Resources Manager
Allison Peterson	Senior Management Analyst
Alton Spornick	Assistant Administrative Analyst
Ryan Pham	Accountant
Norma Hoover	Senior Accounting Technician
Kellen Tomiyama	Senior Account Clerk



City of Dana Point Community Profile

Dana Point is a coastal city encompassing approximately 6.7 square miles in southern Orange County, California, with a population of about 32,567. The City is named after author Richard Henry Dana (1815–1882), who chronicled his 1830s sea voyage from Boston to California in the novel *Two Years Before the Mast*.

Incorporated under the general laws of the State of California on January 1, 1989, Dana Point operates under a Council-Manager form of government. The City Council is composed of five members, each representing one of five geographic districts. All Council members serve four-year terms on a non-partisan basis. The positions of Mayor and Mayor Pro Tem are ceremonial and rotate annually among Council members.

Dana Point attracts a significant number of visitors each year, drawn by its small boat harbor, beaches, parks, golf courses, resorts, and special events. The City is home to two five-star resorts, one four-star resort, nine hotels and motels, and a 29-unit bed-and-breakfast inn, totaling 1,865 guest rooms. These coastal amenities support a thriving visitor-oriented commercial and retail sector.

Geographically, Dana Point is composed of several distinct micro-communities. The Capistrano Beach area, located at the south end of town, is primarily residential with limited commercial and retail development. Adjacent to and west of Capistrano Beach is Doheny Village, which features a mix of commercial, retail, and multi-family residential uses. Dana Point Harbor, situated within city boundaries but managed by the County of Orange, includes small-craft moorings, a commercial fishing fleet, a hotel, shops, and several restaurants.

North of the Harbor is the Lantern District, a vibrant area with multi-family housing and a blend of commercial and retail businesses along Pacific Coast Highway (PCH) and Del Prado Street, stretching from Copper Lantern to Blue Lantern Streets. Further north lie two primarily residential neighborhoods—Lantern Village and Dana Hills. Toward the city's northwest edge is the Monarch Beach community, which is home to Dana Point's two largest hotels—the Ritz-Carlton and the Waldorf Astoria Monarch Beach Resort—as well as a golf course and upscale residential developments.



Dana Point Demographic Statistics

Population

33,446

Area in Square Miles

6.7

Economic Analysis

Per Capita Income	\$77,070
Median Household Income	\$122,567
Average Household Income	\$176,229

Population Analysis

Number of Families	8,918
Number of Households	14,625
Average Household Size	2.27

Parks & Recreation Facilities

Number of Parks:	30
Total Park Acreage:	138
Baseball/Softball Diamonds:	3
Community Centers:	1
Tennis Courts:	2
Basketball Courts:	4
Bocce Ball Courts:	3
Racquetball Courts:	2
Pickleball Courts:	9

Public Works

Arterial Streets (miles):	18
Non-Arterial Streets (miles):	61
Storm Drains:	29
Signalized Intersections:	40
Street Lights:	1,565

Police Services

Sworn Personnel:	34
Non-sworn Personnel:	5
Patrol Units (cars):	16
Patrol Units (motorcycles):	2

Fire Services

Fire Stations:	2
Career Fire Fighters & Officers:	28
Reserve Fire Fighters:	10

Data Source: City of Dana Point Annual Comprehensive Financial Report for the Year Ended June 30, 2024



BUDGET OVERVIEW



Budget Development Process

The Dana Point Municipal Code requires the City Manager to submit a proposed budget to the City Council for consideration. The City Council adopts a biennial budget for each fund, outlining revenue and expenditure plans for the upcoming two fiscal years. This two-year approach provides City officials with greater foresight and planning capability than a traditional one-year budget.

Each year, the City Manager will present an annual budget process and financial reporting calendar for City Council adoption prior to the start of the fiscal year. The calendar will include, among other items, key dates for public meetings on updates or changes to the City's Strategic Plan, community survey, budget priorities and objectives, fee schedules, capital and facilities projects, financial policies, and the long-term financial plan. It will also identify dates for budget workshops and public hearings.

The City's fiscal year begins on July 1. Accordingly, the budget must be adopted by the City Council at a duly noticed public hearing on or before June 30. The City will prepare documentation that clearly communicates the adopted budget and its policy implications to the residents of Dana Point.



Fiscal Year 2025-2026 Budget Calendar

July 1, 2025	No Budget Process Items
July 15, 2025	No Budget Process Items
August 5, 2025	No Council Meeting
August 19, 2025	No Council Meeting
September 2, 2025	No Budget Process Items
September 9, 2025	Quarterly Financial Review Committee Meeting
September 16, 2025	Fiscal Year 2025 Budget Carryover Report & Q4 Quarterly Financial Report
October 7, 2025	No Budget Process Items
October 21, 2025	No Budget Process Items
October 28, 2025	Quarterly Financial Review Committee Meeting
November 4, 2025	Q1 Quarterly Financial Report Annual Review of Investment Policy
November 18, 2025	No Budget Process Items
December 2, 2025	Annual Comprehensive Financial Report
December 16, 2025	No Council Meeting
January 6, 2026	No Budget Process Items
January 20, 2026	No Budget Process Items
January 27, 2026	Quarterly Financial Review Committee Meeting
February 3, 2026	Q2 Quarterly Financial Report
February 17, 2026	No Budget Process Items
March 3, 2026	Fiscal Year 2026 Mid-Year Financial Report
March 17, 2026	No Budget Process Items
April 7, 2026	No Budget Process Items
April 14, 2026	Long-Term Financial Plan Discussion
April 28, 2026	Quarterly Financial Review Committee Meeting
May 5, 2026	Q3 Quarterly Financial Report
May 19, 2026	No Budget Process Items
June 2, 2026	Adopt 7-Year Capital Improvement Plan Adopt Long-Term Financial Plan Fiscal Year 2027 Gann Limit Approval Adopt Budget Calendar for Fiscal Year 2027
June 16, 2026	No Budget Process Items



Budget Philosophy and Operating Guidelines

1. The City of Dana Point's budget is designed to serve four primary purposes:
 - Policy Definition: Establishes fiscal policies in compliance with legal requirements for general law cities in the State of California, Governmental Accounting Standards Board (GASB) financial reporting standards, audit requirements, and the fiscal direction set by the City Council.
 - Operational Guide: Serves as a tool for City staff to manage and control the use of fiscal resources throughout the organization.
 - Financial Plan: Presents the City's financial plan for the upcoming fiscal year, detailing projected revenues and estimated expenditures.
 - Communication Tool: Functions as a public-facing document to help residents understand City operations, services, and associated costs.
2. The budget is constructed by program and a budget detail supporting document has been prepared for control purposes.
3. Departmental budgets are originated within each department. Where applicable, the department director will assign priorities to projects and activities in preparing program budgets for the department. Department directors are responsible for operating within their budget as approved by the City Manager and authorized by the City Council.
4. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will neither have a significant policy impact nor affect budgeted year-end fund balances.
5. The current year's requirements of the Capital Improvement Program (CIP) will be incorporated into the annual operational budget and defined as the capital budget.
6. Fund balances will be maintained at levels which will protect the City from future uncertainties.



Basis of Budgeting

Budgets are adopted biennially by the City Council and are prepared for each fund in accordance with its respective basis of accounting. As established by City ordinance, the City Manager is responsible for preparing the budget and implementing it following adoption. All unencumbered budget appropriations lapse at the end of the fiscal year. The City Council retains the legal authority to amend the budget at any time during the fiscal year. The City Manager is authorized to transfer appropriations between functions or activities within the same fund without Council approval, provided the adjustments do not result in a significant policy impact or affect the fund's budgeted year-end balance.

Fund Accounting

The City's accounts are organized by funds and account groups, each treated as a separate accounting entity. The operations of each fund are maintained using a self-balancing set of accounts that includes assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated and recorded in individual funds based on the specific purposes for which they are intended and the mechanisms used to control spending. The City's funds are categorized into generic fund types and broad classifications, including Governmental Funds such as the General Fund, Special Revenue Funds, and Capital Project Funds, and Fiduciary Funds such as Agency Funds.

Accounting Basis

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance current expenditures. The primary revenue sources susceptible to accrual include property and sales taxes, investment income, federal entitlements, transient occupancy taxes, franchise fees, motor vehicle fees, and gas tax subventions.

Expenditures are generally recognized when the related fund liability is incurred. An exception to this rule is principal and interest on general long-term debt, which is recognized when due.

Encumbrance accounting is used in the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation. Open encumbrances are reported as a reservation of fund balance, as the commitments will be paid from future budget appropriations. Encumbrances do not constitute expenditures or liabilities.



Fund Descriptions

GENERAL FUND (01)

General Fund – To account for all financial resources that are not restricted as to their use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Financial Management, Human Resources, Community Development, Public Works, Community Services, Parks, Facilities and Public Safety.

SPECIAL REVENUE FUNDS

Gasoline Tax Fund (02) – To account for gasoline tax allocations by the State of California. These revenues are restricted to expenditure by the State for street-related purposes only.

Measure M Fund (04) – To account for Measure M allocations by the State of California. Measure M provides for the collection of the one-half (1/2) percent retail transaction and use tax for use in funding the Transportation Improvement Program.

AB2766 Clean Air Act Fund (05) – To account for revenues received pursuant to Assembly Bill 2766, which provides for a portion of a \$1 fee collected from vehicle registrations to be allocated to cities for use in developing programs to reduce air pollution from motor vehicles.

Coastal Transit Fund (06) – To account for funds received by the City that are restricted for use in providing coastal recreational transit services.

Tourism Business Improvement District Fund (07) – To account for assessment funds received by the City through the Tourism Business Improvement District, which are used to promote Dana Point as an overnight destination. These funds support activities such as advertising, public relations, and marketing to attract visitors and extend overnight stays in Dana Point hotels.

Road Maintenance and Rehabilitation Act Fund (08) – In March 2017, the State's Senate Bill 1 Road Repair and Accountability Act of 2017 was enacted and provides funds for local street maintenance. All receipts are programmed into the City's CIP Fund 11 street repair projects.

Headlands Habitat Fund (ESHA) (09) – To account for the endowment revenues and expenditures related to maintaining the natural habitat at the Headlands Reserve.

Supplemental Law Enforcement Services Fund (25) – To account for revenues received pursuant to Assembly Bill 3229, which provides funds to local agencies for use in enhancing front-line law enforcement activities.

CFD 2006-1 Facilities Maintenance Fund (27) – To account for revenues and expenditures associated with the ongoing maintenance of certain facilities located within the boundaries of Community Facilities District 2006-1 of the City of Dana Point, including landscaping, revetment, storm water quality and funicular.

CAPITAL PROJECT FUNDS

Capital Improvements Project Fund (11) – To account for financial resources used in the construction or acquisition of major capital facilities.

Facilities Improvement Fund (12) – This fund was established to account for major one-time expenditures to improve city-owned facilities, including City Plaza and the Del Obispo Recreation Center.

Park Development Fund (21) – To account for fees collected from the County, State and Federal Governments and developers, which are restricted for use in parkland acquisition, improvement or development.

FIDUCIARY FUNDS

Trust/Agency Fund – To account for assets held by the City as an agent on behalf of other agencies, developers and deferred compensation plans. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.



Appropriations Limit & Debt Margin

Appropriations Limit: The Appropriations Limitation imposed by California State Propositions 4 and 11 created a restriction on the amount of revenue which can be appropriated in any fiscal year. Not all revenues are restricted by the Limit, only those which are referred to as "proceeds of taxes". The purpose of the law is to limit governmental spending by putting a cap on the total proceeds of taxes that may be appropriated each year. This limit is increased each year through a formula that takes into consideration changes in population, the Consumer Price Index, and State per-capita income. The City of Dana Point's appropriations limit for fiscal year 2025-2026 is \$134,779,896 and was calculated as follows:

The City of Dana Point's Appropriations Limit (FY2025)	\$126,411,458
1. City Population Change %	0.17
2. Per Capita Personal Income Change %	6.44
3. Population Converted to a Ratio	1.0017
4. Per Capita Personal Income Converted to a Ratio	1.0644
Total Adjustment Factor (=3x4)	1.0662
FY2026 Appropriations Limit (\$126,411,458 x 1.0662)	<u>\$134,779,896</u>

Data from the State Department of Finance. Per capita personal income change % is the "price factor." The law then allows either the population change percent of the City or the County to be used. For 2025, the percentage change in population for Dana Point is -.37%; for the County of Orange, it is .17%; hence the County figure was used.

Debt Margin: The general laws of the State of California for municipalities provide for a legal debt margin of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was established based on 25% of market value. Effective with FY1981-82, taxable property is assessed at 100% of market value. Although the debt limit provision has not been amended by the State since this change, the percentage has been proportionately modified to 3.75% for the purposes of this calculation for consistency with the original intent of the State's debt limit.

Dana Point Assessed Valuation 2024	\$16,437,861
Legal Debt Limit = 3.75% of Total Assessed Valuation	616,420
Amount of Debt Applicable to Limit	--
Legal Debt Margin	\$ 616,420

General Obligation Debt: The City presently has no general obligation debt.



FINANCIAL SUMMARIES



General Fund Summary Change

CITY OF DANA POINT
FISCAL YEAR 2025-26 & 2026-27 PROPOSED
GENERAL FUND SUMMARY CHANGE IN DETAILED FUND BALANCE

General Fund Balance Designation	Budgeted Ending 06/30/2025	Proposed Ending 06/30/2026	Proposed Ending 06/30/2027
Economic Stability Reserve (11% Target)	\$ 5,266,250	\$ 5,664,010	\$ 5,805,250
Extreme Event Reserve (9% Target)	4,308,750	4,634,190	4,749,750
Special Purpose Reserve:			
<i>General Plan Update</i>	201,250	201,250	201,250
<i>CASA Unfunded Pension Liability</i>	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(944,388)	(944,388)	(944,388)
Unassigned Fund Balance (4% - 7% Target)	5,271,044	4,720,844	4,506,644
Total Fund Balance - General Fund	<u>\$ 14,450,071</u>	<u>\$ 14,623,071</u>	<u>\$ 14,665,671</u>

CITY OF DANA POINT
FISCAL YEAR 2025-26 & 2026-27 PROPOSED
AVAILABLE DESIGNATED (NOT LEGALLY RESTRICTED) FUNDS

Designated (Unrestricted) Funds	Budgeted Ending 06/30/2025	Proposed Ending 06/30/2026	Proposed Ending 06/30/2027
<u>General Fund:</u>			
Economic Stability Reserve (11% Target)	\$ 5,266,250	\$ 5,664,010	\$ 5,805,250
Extreme Event Reserve (9% Target)	4,308,750	4,634,190	4,749,750
Special Purpose Reserve:			
<i>General Plan Update</i>	201,250	201,250	201,250
<i>CASA Unfunded Pension Liability</i>	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(944,388)	(944,388)	(944,388)
Unassigned Fund Balance (4% - 7% Target)	5,271,044	4,720,844	4,506,644
Subtotal General Fund	<u>\$ 14,450,071</u>	<u>\$ 14,623,071</u>	<u>\$ 14,665,671</u>
Capital Improvement Fund (CIP):	\$ 12,019,990	\$ 12,609,990	\$ 10,614,990
Facilities Fund	\$ 947,981	\$ 353,981	\$ 29,981
Total Designated (Unrestricted) Funds	<u>\$ 27,418,042</u>	<u>\$ 27,587,042</u>	<u>\$ 25,310,642</u>



General Fund Change in Fund Balance

	FISCAL YEAR 2025 AMENDED BUDGET	FISCAL YEAR 2026 PROPOSED BUDGET	FISCAL YEAR 2027 PROPOSED BUDGET
<u>BEGINNING FUND BALANCE</u>	\$ 28,210,113	\$ 14,450,071	\$ 14,623,071
Revenues & Transfers In			
REVENUES:			
Taxes & Franchises	\$ 42,771,600	\$ 45,305,000	\$ 46,675,000
Licenses & Permits	2,089,000	2,002,500	2,022,500
Fines & Forfeitures	520,000	550,000	555,000
Use of Money & Property	1,514,000	1,334,000	1,194,000
Intergovernmental	408,800	279,000	278,000
Charges for Services	2,140,661	1,925,500	1,955,500
Other	76,000	95,000	95,000
Subtotal Revenues	<u>\$ 49,520,061</u>	<u>\$ 51,491,000</u>	<u>\$ 52,775,000</u>
Total Transfers In	-	-	-
Total Revenues & Transfers-In	<u>\$ 49,520,061</u>	<u>\$ 51,491,000</u>	<u>\$ 52,775,000</u>
Expenditures & Transfers Out			
EXPENDITURES:			
Personnel	\$ 13,514,349	\$ 12,461,400	\$ 12,933,600
Materials & Services	36,606,095	34,013,600	35,043,400
Risk Management	772,500	838,500	880,400
Other Financing Expenses	-	-	-
Capital Outlay	156,969	4,500	-
Subtotal Operating Expenditures	<u>\$ 51,049,913</u>	<u>\$ 47,318,000</u>	<u>\$ 48,857,400</u>
TRANSFERS OUT			
to CIP Fund	\$ 7,081,567	\$ 2,750,000	\$ 2,600,000
to Facilities Improvement Fund	500,000	850,000	875,000
to Coastal Transit Fund	235,000	400,000	400,000
to Section 115 Pension Trust	4,413,623	-	-
Subtotal Operating Transfers Out	<u>\$ 12,230,190</u>	<u>\$ 4,000,000</u>	<u>\$ 3,875,000</u>
Total Expenditures & Transfers-Out	<u>\$ 63,280,103</u>	<u>\$ 51,318,000</u>	<u>\$ 52,732,400</u>
Change in Fund Balance	(13,760,042)	173,000	42,600
ENDING FUND BALANCE AT JUNE 30	<u>\$ 14,450,071</u>	<u>\$ 14,623,071</u>	<u>\$ 14,665,671</u>
<u>YEAR END FUND BALANCE DETAILS</u>			
Economic Stability Reserve	\$ 5,266,250	\$ 5,664,010	\$ 5,805,250
Extreme Event Reserve	4,308,750	4,634,190	4,749,750
Special Purpose Reserve			
General Plan Update	201,250	201,250	201,250
CASA Unfunded Pension Liability	334,720	334,720	334,720
Art in Public Places	12,446	12,446	12,446
Investment Mark to Market	(944,388)	(944,388)	(944,388)
Unassigned Fund Balance	5,271,044	4,720,844	4,506,644
Total Ending Fund Balance	<u>\$ 14,450,071</u>	<u>\$ 14,623,071</u>	<u>\$ 14,665,671</u>



Changes in Fund Balance - All Funds

Proposed Fiscal Year 2025-2026

FISCAL YEAR 2026	Budgeted Fund Balance at 6/30/2025	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Proposed Ending Fund Balance 6/30/2026
General Fund (01)	\$ 14,450,071	\$ 51,491,000	\$ 51,318,000	\$ 173,000	\$ 14,623,071
Gax Tax (02)	207,114	948,800	1,075,000	(126,200)	80,914
Measure M (04)	467,502	903,400	1,075,000	(171,600)	295,902
AB2766 Clean Air (05)	65,520	35,500	-	35,500	101,020
Coastal Transit (06)	1,134,191	1,000,000	1,215,000	(215,000)	919,191
Tourism Business Improvement (07)	479,624	2,401,500	2,881,124	(479,624)	-
Road Maintenance & Rehab (08)	438,546	871,900	975,000	(103,100)	335,446
Headlands Habitat ESHA (09)	345,155	30,000	27,000	3,000	348,155
Capital Improvement Program (11)	12,019,990	7,940,000	7,350,000	590,000	12,609,990
Facilities Improvement (12)	1,156,623	950,000	1,444,000	(494,000)	662,623
Park Development (21)	858	-	-	-	858
Supplemental Law Enforcement (25)	8,668	-	-	-	8,668
CFD Headlands Maintenance (27)	502,334	388,500	528,800	(140,300)	362,034
TOTAL	\$ 31,276,193	\$ 66,960,600	\$ 67,888,924	\$ (928,324)	\$ 30,347,869

Proposed Fiscal Year 2026-2027

FISCAL YEAR 2027	Proposed Beg. Fund Balance 6/30/2026	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Proposed Ending Fund Balance 6/30/2027
General Fund (01)	\$ 14,623,071	\$ 52,775,000	\$ 52,732,400	\$ 42,600	\$ 14,665,671
Gax Tax (02)	80,914	967,400	1,025,000	(57,600)	23,314
Measure M (04)	295,902	926,700	1,050,000	(123,300)	172,602
AB2766 Clean Air (05)	101,020	35,500	-	35,500	136,520
Coastal Transit (06)	919,191	1,000,000	1,160,000	(160,000)	759,191
Tourism Business Improvement (07)	-	2,551,500	2,550,000	1,500	1,500
Road Maintenance & Rehab (08)	335,446	889,200	975,000	(85,800)	249,646
Headlands Habitat ESHA (09)	348,155	30,000	27,000	3,000	351,155
Capital Improvement Program (11)	12,609,990	5,525,000	7,520,000	(1,995,000)	10,614,990
Facilities Improvement (12)	662,623	975,000	1,264,000	(289,000)	373,623
Park Development (21)	858	-	-	-	858
Supplemental Law Enforcement (25)	8,668	-	-	-	8,668
CFD Headlands Maintenance (27)	362,034	388,500	519,800	(131,300)	230,734
TOTAL	\$ 30,347,869	\$ 66,063,800	\$ 68,823,200	\$ (2,759,400)	\$ 27,588,469



Full-Time Positions - By Department

	FY2023	FY2024	FY2025	Proposed FY2026	Proposed FY2027
<u>City Manager (11)</u>					
City Manager	1	1	1	1	1
Assistant City Manager	1	1	1	1	1
Executive Assistant	1	1	1	1	1
<u>Economic Development (44)</u>					
Economic Development & Housing Manager	0	0	1	1	1
Senior Management Analyst	1	1	0	0	0
Community Outreach Worker	1	1	1	1	1
Assistant Administrative Analyst	0	0	0	1	1
<u>Administrative Services (21)</u>					
Director of Administrative Services	1	1	1	1	1
Finance Manager	0	1	1	1	1
Human Resources Manager	1	0	1	1	1
Information Technology Manager	0	1	1	1	1
Accounting Supervisor	1	0	0	0	0
Accountant	1	1	1	1	1
Senior Accounting Technician	0	0	1	1	1
Accounting Technician	1	1	0	0	0
Senior Account Clerk	1	1	1	1	1
Senior Personnel Analyst	0	1	0	0	0
Senior Management Analyst	0	1	1	1	1
Management Analyst	1	0	0	1	1
Assistant Administrative Analyst	1	1	1	0	0
<u>City Clerk (31)</u>					
City Clerk	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Records Coordinator	0	0	1	1	1
City Clerk Specialist	1	1	0	0	0
Senior Administrative Assistant	1	1	1	1	1
<u>Community Development - Planning (41)</u>					
Director of Community Development	1	1	1	1	1
Planning Manager	1	1	1	1	1
Principal Planner	2	3	2	2	2
Senior Planner	2	1	1	1	1
Associate Planner	1	1	1	1	1
Assistant Planner	1	1	1	1	1
Management Analyst	1	1	1	1	1
Senior Administrative Assistant	1	1	1	1	1
<u>Community Development - Building (42)</u>					
Building Official	1	1	1	1	1
Chief Building Inspector	1	1	1	1	1
Senior Building Inspector	1	1	1	1	1
Building Inspector	1	1	1	1	1
Senior Permit Technician	1	1	1	1	1
Permit Technician	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
<u>Community Development - Code Enforcement (43)</u>					
Code Enforcement Supervisor	1	1	1	1	1
Code Enforcement Officer	2	2	2	2	2
Code Enforcement Technician	1	1	1	1	1



Public Works - Administrative (51)

Director of Public Works & City Engineer	1	1	1	1	1
Senior Management Analyst	1	1	1	1	1
Management Analyst	1	1	1	1	1

Public Works - Engineering (56)

Deputy Public Works Director	0	0	1	1	1
Principal Engineer	1	1	0	0	0
Senior Civil Engineer	4	4	4	4	4
Assistant Engineer	1	2	2	2	2
Senior Construction Inspector	1	0	0	0	0
Public Works Inspector II	0	1	1	1	1
Public Works Inspector I	0	0	1	1	1
Engineering Technician III	3	2	2	2	2
Engineering Technician II	0	0	1	1	1
Engineering Technician I	1	1	0	0	0
Assistant Administrative Analyst	0	0	1	1	1
Senior Administrative Assistant	1	1	0	0	0

Public Works - Water Quality (57)

Senior Civil Engineer	1	1	1	1	1
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Community Services - Recreation (81)

Director of Community Services	0	0	1	1	1
Deputy Community Services Director	1	1	0	0	0
Recreation Manager	1	1	1	1	1
Recreation Coordinator	0	0	1	1	1
Recreation Specialist	2	2	1	1	1
Senior Management Analyst	0	0	1	1	1
Management Analyst	1	1	0	0	0
Assistant Administrative Analyst	0	0	1	1	1
Natural Resources Protection Officer	1	1	1	1	1

Community Services - Parks (55)

Parks Superintendent	1	1	1	1	1
Maintenance Worker II	0	0	1	1	1
Maintenance Worker I	0	0	1	1	1
Parks Maintenance Worker III	1	1	0	0	0

Emergency Services (12)

Management Analyst	1	1	1	1	1
Senior Administrative Assistant	1	1	0	0	0

Facilities (95)

Facilities Operations Manager	1	1	1	1	1
Building & Facilities Maintenance Worker II	1	1	0	0	0
Building & Facilities Maintenance Worker I	1	1	0	0	0
Maintenance Worker III	0	0	1	1	1
Maintenance Worker I	0	0	1	1	1

Total Full-Time Personnel

67.00	68.00	68.00	69.00	69.00
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Personnel Classifications

FULL-TIME PERSONNEL	FY2023	FY2024	FY2025	FY2026	FY2027
Accountant	1	1	1	1	1
Accounting Supervisor	1	0	0	0	0
Accounting Technician	1	1	0	0	0
Administrative Assistant	1	1	1	1	1
Assistant Administrative Analyst	1	1	3	3	3
Assistant City Manager	1	1	1	1	1
Assistant Engineer	1	2	2	2	2
Assistant Planner	1	1	1	1	1
Associate Planner	1	1	1	1	1
Building & Facilities Maintenance Worker III	1	1	0	0	0
Building & Facilities Maintenance Worker II	1	1	0	0	0
Building & Facilities Maintenance Worker I	1	1	0	0	0
Building Official	1	1	1	1	1
Building Inspector	1	1	1	1	1
Chief Building Inspector	1	1	1	1	1
City Clerk	1	1	1	1	1
City Clerk Specialist	1	1	0	0	0
City Manager	1	1	1	1	1
Code Enforcement Officer	2	2	2	2	2
Code Enforcement Supervisor	1	1	1	1	1
Code Enforcement Technician	1	1	1	1	1
Community Outreach Worker	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Deputy Community Services Director	1	1	0	0	0
Deputy Public Works Director	0	0	1	1	1
Director of Administrative Services	1	1	1	1	1
Director of Community Development	1	1	1	1	1
Director of Community Services	0	0	1	1	1
Director of General Services	1	1	0	0	0
Director of Public Works & Engineering Services	1	1	1	1	1
Economic Development & Housing Manager	0	0	1	1	1
Engineering Technician I	1	1	0	0	0
Engineering Technician II	0	0	1	1	1
Engineering Technician III	3	2	2	2	2
Executive Assistant	1	1	1	1	1
Facilities Operations Manager	1	1	1	1	1
Finance Manager	0	1	1	1	1
Human Resources Manager	1	0	1	1	1
Information Technology Manager	0	1	1	1	1
Maintenance Worker I	0	0	2	2	2
Maintenance Worker II	0	0	1	1	1
Maintenance Worker III	0	0	1	1	1
Management Analyst	5	4	3	4	4
Natural Resource Protection Officer	1	1	1	1	1



Parks Maintenance Worker III	1	1	0	0	0
Parks Superintendent	1	1	1	1	1
Permit Technician	1	1	1	1	1
Planning Manager	1	1	1	1	1
Principal Engineer	1	1	0	0	0
Principal Planner	2	3	2	2	2
Public Works Inspector I	0	0	1	1	1
Public Works Inspector II	0	1	1	1	1
Records Coordinator	0	0	1	1	1
Recreation Coordinator	0	0	1	1	1
Recreation Manager	1	1	1	1	1
Recreation Specialist	2	2	1	1	1
Senior Account Clerk	1	1	1	1	1
Senior Accounting Technician	0	0	1	1	1
Senior Administrative Assistant	4	4	2	2	2
Senior Building Inspector	1	1	1	1	1
Senior Civil Engineer	4	4	4	4	4
Senior Construction Inspector	1	0	0	0	0
Senior Management Analyst	2	3	3	3	3
Senior Permit Technician	1	1	1	1	1
Senior Personnel Analyst	0	1	0	0	0
Senior Planner	2	1	1	1	1
TOTAL FULL-TIME POSITIONS	67	68	68	69	69

PART-TIME PERSONNEL HOURS PER YEAR BUDGETED

Administrative Assistant - Public Works - Dept. 56	0	0	980	980	980
Administrative Intern - Dept. 11	980	0	0	0	0
Administrative Intern - Dept. 12	980	0	0	0	0
Administrative Intern - Dept. 21	0	980	980	980	980
Administrative Intern - Dept. 41	980	980	980	980	980
Administrative Intern - Dept. 42	980	980	980	980	980
Administrative Intern - Dept. 44	0	980	980	980	980
Administrative Intern - Dept. 81	980	980	980	980	980
Emergency Services Coordinator - Dept. 12	0	0	980	980	980
Public Works Intern - Engineering - Dept. 56	980	980	980	980	980
Public Works Intern - Water Quality - Dept. 57	980	980	0	0	0
Executive Assistant - Police Services - Dept. 61	980	980	980	980	980
Recreation Leaders - Dept. 81	7,900	7,900	14,500	14,500	14,500
Administrative Intern - Floater - Dept. 99	980	980	980	980	980
TOTAL PART-TIME HOURS	16,720	16,720	24,300	24,300	24,300



GENERAL FUND OPERATING BUDGET



General Fund Revenue Summary

The General Fund is the City's primary operating fund and is supported by a variety of revenue sources that reflect both economic activity and policy decisions. Understanding the composition and behavior of these revenue streams is essential for evaluating the City's fiscal health and capacity to deliver services. The following section provides a summary of the major General Fund revenue sources, highlighting their significance, and underlying drivers.

Property Tax - Property tax is collected by the County Tax Collector and is based on the full value of a property as determined by the County Assessor's Office.

Sales Tax - Sales tax is levied on all tangible retail goods sold within the Dana Point city limits. An 7.75% tax is levied at the site where the sale is made, and one percent is remitted back to the City of Dana Point by the State of California. Additionally, Measure M, the Revised Traffic Improvement and Growth Management Ordinance, provides for the collection of one-half (½) percent retail transaction and use tax for use in funding the Transportation Improvement Program (included in the 7.75% rate).

Real Property Transfer Tax - Real property transfer tax is collected by the County Tax Collector and is based on the value of property transferred.

Franchise Fees - A franchise fee is charged for the privilege of using public right-of-way and property within the City for public or private purposes.

Transient Occupancy Tax - Transient occupancy tax is collected by the operators of hotels and motels located within the City limits of Dana Point. Ten percent of the total rent collected by a motel, hotel, or short-term rental is remitted to the City.

Intergovernmental - Revenue from other governmental agencies include monies generated in Dana Point but which are paid to the State of California. The State returns the appropriate amounts of certain fees to the City according to formulas established by law.

Charges for Services/Licenses and Permits - These charges are directly charged to individuals for specific services rendered by the City. They include charges to process or issue building permits and the costs to conduct engineering and planning reviews of any building project undertaken by a licensed contractor or private property owner.

Use of Money and Property - The use of money and property are monies received as a result of investment interest and rental of City-owned properties.

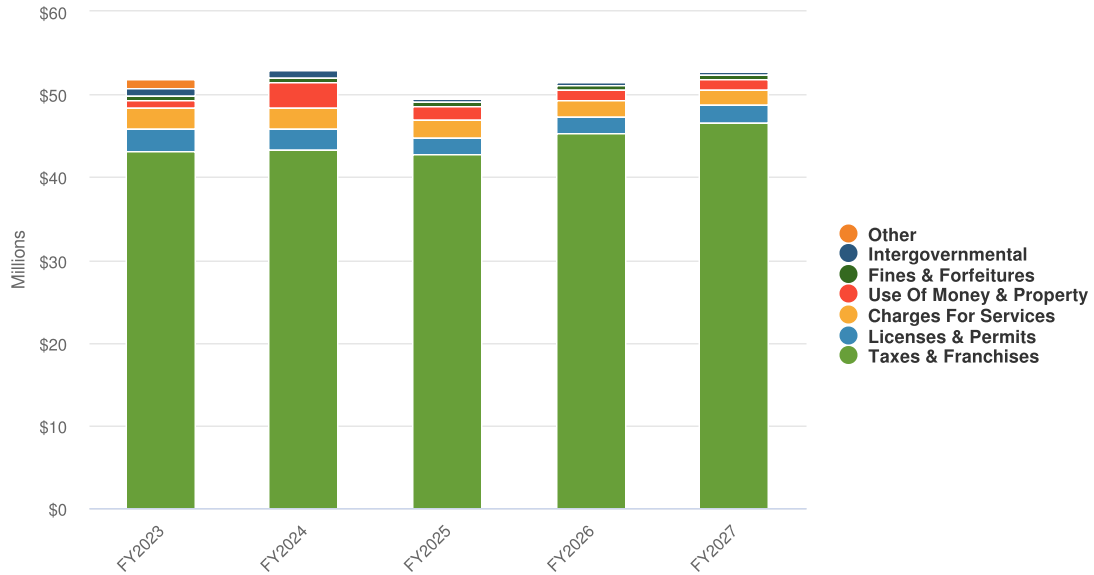
Fines and Forfeitures - Fines and forfeitures are remitted to the City from the Orange County Court system for legal violations (traffic tickets and other violations) which occur in Dana Point.

In-lieu Property Taxes - Pursuant to the 2004 Budget Act, the State swapped substantial portions of motor vehicle in-lieu fees and sales taxes previously allocated to cities, for a portion of the State's property tax revenue. The sales tax portion of this swap was temporary and sales tax revenues reverted back to the City in FY 2016. The City's motor vehicle in-lieu fees were permanently eliminated and the In-lieu Property Tax revenue represents the substitution of property taxes for these revenues.



General Fund Revenues by Source

Budgeted and Historical Revenues by Source



Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source					
Taxes & Franchises	\$43,125,438	\$43,388,285	\$42,771,600	\$45,305,000	\$46,675,000
Licenses & Permits	\$2,750,566	\$2,453,577	\$2,089,000	\$2,002,500	\$2,022,500
Fines & Forfeitures	\$540,731	\$564,502	\$520,000	\$550,000	\$555,000
Use Of Money & Property	\$1,011,682	\$3,100,611	\$1,514,000	\$1,334,000	\$1,194,000
Intergovernmental	\$792,897	\$990,482	\$408,800	\$279,000	\$278,000
Charges For Services	\$2,484,220	\$2,506,573	\$2,140,661	\$1,925,500	\$1,955,500
Other	\$1,153,772	\$150,087	\$76,000	\$95,000	\$95,000
Total Revenue Source:	\$51,859,305	\$53,154,118	\$49,520,061	\$51,491,000	\$52,775,000



General Fund Revenue Budget Detail

The General Fund supports the majority of the City's core municipal functions and encompasses resources traditionally associated with local government operations. Major revenue sources include Property Tax, Sales Tax, Transient Occupancy Tax (TOT), and fees from planning, building, and engineering activities. Six key revenue sources —TOT, Property Tax, Sales Tax, In-Lieu Property Tax, Charges for Services, and Licenses and Permits—account for more than 91% of total General Fund revenue and serve as the primary focus of financial monitoring and analysis.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Taxes & Franchises						
Sec & Unsec Property Taxes	6101	\$11,157,522	\$11,492,839	\$11,950,000	\$12,345,000	\$12,880,000
Property Transfer Tax	6103	\$555,490	\$567,876	\$550,000	\$575,000	\$575,000
Franchise Fees	6105	\$1,432,611	\$1,353,616	\$1,100,000	\$1,200,000	\$1,200,000
Homeowners Property Tax Relie	6107	\$45,771	\$43,946	\$45,000	\$45,000	\$45,000
Transient Occupancy Tax	6109	\$16,710,572	\$16,883,896	\$15,900,000	\$17,350,000	\$17,700,000
Short Term Rental TOT	6110	\$725,617	\$732,767	\$700,000	\$730,000	\$730,000
Sales & Use Tax	6111	\$7,206,850	\$6,784,935	\$6,700,000	\$6,977,000	\$7,193,000
In-lieu Property Taxes	6113	\$5,291,004	\$5,528,410	\$5,826,600	\$6,083,000	\$6,352,000
Total Taxes & Franchises:		\$43,125,438	\$43,388,285	\$42,771,600	\$45,305,000	\$46,675,000
Licenses & Permits						
Site Development Permit	6201	\$195,217	\$121,081	\$120,000	\$140,000	\$140,000
Coastal Development Permit	6203	\$104,263	\$144,520	\$89,000	\$90,000	\$90,000
Conditional Use Permit	6205	\$44,451	\$39,341	\$35,000	\$40,000	\$40,000
Other Planning Permits	6207	\$87,220	\$33,705	\$75,000	\$50,000	\$50,000
Building Permits	6209	\$1,160,862	\$826,959	\$900,000	\$875,000	\$890,000
Plumbing Permits	6211	\$69,397	\$169,503	\$175,000	\$90,000	\$95,000
Electrical Permits	6215	\$203,842	\$124,517	\$115,000	\$120,000	\$120,000
Mechanical Permits	6217	\$20,653	\$24,519	\$16,000	\$20,000	\$20,000
Short Term Rental Permits	6218	\$20,075	\$177,154	\$120,000	\$125,000	\$125,000
Other Building Permits	6219	\$1,227	\$1,086	\$1,000	\$0	\$0
Transportation Permits	6221	\$0	\$90	\$0	\$0	\$0
Encroachment Permits	6223	\$76,963	\$44,460	\$27,000	\$35,000	\$35,000
Grading Permit Plan Check	6225	\$675,522	\$667,458	\$350,000	\$350,000	\$350,000
Building Permit Eng Reviews	6226	\$8,378	\$812	\$1,000	\$2,500	\$2,500
Other Engineering Permits	6227	\$82,165	\$78,095	\$65,000	\$65,000	\$65,000
CASp Certification and Training Fees	6228	\$331	\$277	\$0	\$0	\$0
Total Licenses & Permits:		\$2,750,566	\$2,453,577	\$2,089,000	\$2,002,500	\$2,022,500
Fines & Forfeitures						
Vehicle Code Fines	6301	\$297,026	\$363,180	\$335,000	\$360,000	\$365,000



Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Penalties, Int. & Restitution	6303	\$243,704	\$201,322	\$185,000	\$190,000	\$190,000
Total Fines & Forfeitures:		\$540,731	\$564,502	\$520,000	\$550,000	\$555,000
Use Of Money & Property						
Rental Of Property	6401	\$76,853	\$95,730	\$90,000	\$110,000	\$115,000
Investment Income	6403	\$1,074,768	\$2,989,880	\$1,400,000	\$1,200,000	\$1,055,000
City Plaza Rental Revenue	6405	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Unrealized Gain/Loss	6413	-\$163,940	-\$9,000	\$0	\$0	\$0
Total Use Of Money & Property:		\$1,011,682	\$3,100,611	\$1,514,000	\$1,334,000	\$1,194,000
Intergovernmental						
Motor Vehicle In-lieu	6505	\$33,992	\$40,962	\$53,000	\$55,000	\$55,000
Waste Disposal Agreement Allocation	6514	\$84,949	\$92,793	\$85,000	\$0	\$0
Nuclear Power Program	6515	\$165,814	\$176,758	\$170,800	\$174,000	\$178,000
Intergovernmental Cost Reimb	6521	\$376,994	\$391,810	\$100,000	\$50,000	\$45,000
State Grants	6523	\$131,148	\$288,160	\$0	\$0	\$0
Total Intergovernmental:		\$792,897	\$990,482	\$408,800	\$279,000	\$278,000
Charges For Services						
Variance Minor Amendment	6609	\$17,908	\$29,238	\$10,000	\$25,000	\$25,000
Tentative Tract Map	6611	\$8,890	\$0	\$0	\$0	\$0
Tentative Parcel Map	6613	\$0	\$6,041	\$0	\$0	\$0
Concept Approval	6621	\$300	\$0	\$0	\$0	\$0
Planning Plan Check Fee	6623	\$153,124	\$135,145	\$117,000	\$130,000	\$130,000
Other Planning Fees	6627	\$8,544	\$14,903	\$10,000	\$7,500	\$7,500
Building Plan Check Fee	6631	\$895,838	\$706,582	\$680,000	\$685,000	\$700,000
Permit Issuance Fee	6633	\$56,050	\$49,910	\$39,000	\$45,000	\$45,000
Other Building Fees	6635	\$1,050	\$1,500	\$1,000	\$0	\$0
Addressing Fee	6639	\$6,841	\$5,688	\$5,000	\$5,000	\$5,000
Grading Inspection	6641	\$162,748	\$198,006	\$150,000	\$190,000	\$195,000
Map Check Fee	6649	\$0	-\$216	\$0	\$0	\$0
Other Engineering Fees	6655	\$208,795	\$135,146	\$157,196	\$160,000	\$160,000
Solid Waste Exemption Fee	6659	\$3,015	\$3,422	\$2,000	\$3,000	\$3,000
Lantern District Impact Fees	6682	\$0	\$184,288	\$0	\$0	\$0
Art In Public Places Fees	6683	\$5,904	\$0	\$0	\$0	\$0
Reimbursed Expenses	6685	\$214,624	\$327,422	\$175,000	\$175,000	\$175,000
Legal Reimbursements - Development	6687	\$136,204	\$79,838	\$85,000	\$75,000	\$75,000
Legal Reimbursements - Other	6688	\$113,192	\$107,209	\$10,000	\$30,000	\$30,000
Police Services Reimbursements	6689	\$171,386	\$145,429	\$218,000	\$75,000	\$75,000
Recreation Classes	6691	\$181,031	\$244,297	\$210,000	\$230,000	\$240,000
Planning Reimbursements	6692	\$84,772	\$80,833	\$212,465	\$25,000	\$25,000
Activities & Trips	6693	\$22,707	\$24,853	\$35,000	\$40,000	\$40,000
Staff Time Reimbursements	6694	\$0	\$1,400	\$0	\$0	\$0
Photocopies	6697	\$0	\$96	\$0	\$0	\$0



Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Other P/b/e	6699	\$31,298	\$25,543	\$24,000	\$25,000	\$25,000
Total Charges For Services:		\$2,484,220	\$2,506,573	\$2,140,661	\$1,925,500	\$1,955,500
Other						
Planning Appeal Fee	6701	\$1,500	\$0	\$1,000	\$0	\$0
Miscellaneous Revenues	6703	\$84,875	\$108,055	\$75,000	\$95,000	\$95,000
User Fee Income Solid Waste	6707	\$63,958	\$0	\$0	\$0	\$0
Inception of Lease - Other Financing Source	6716	\$88,254	\$275,875	\$0	\$0	\$0
Inception of SBITA - Other Financing Source	6717	\$915,185	-\$233,843	\$0	\$0	\$0
Total Other:		\$1,153,772	\$150,087	\$76,000	\$95,000	\$95,000
Total Revenue Source:		\$51,859,305	\$53,154,118	\$49,520,061	\$51,491,000	\$52,775,000

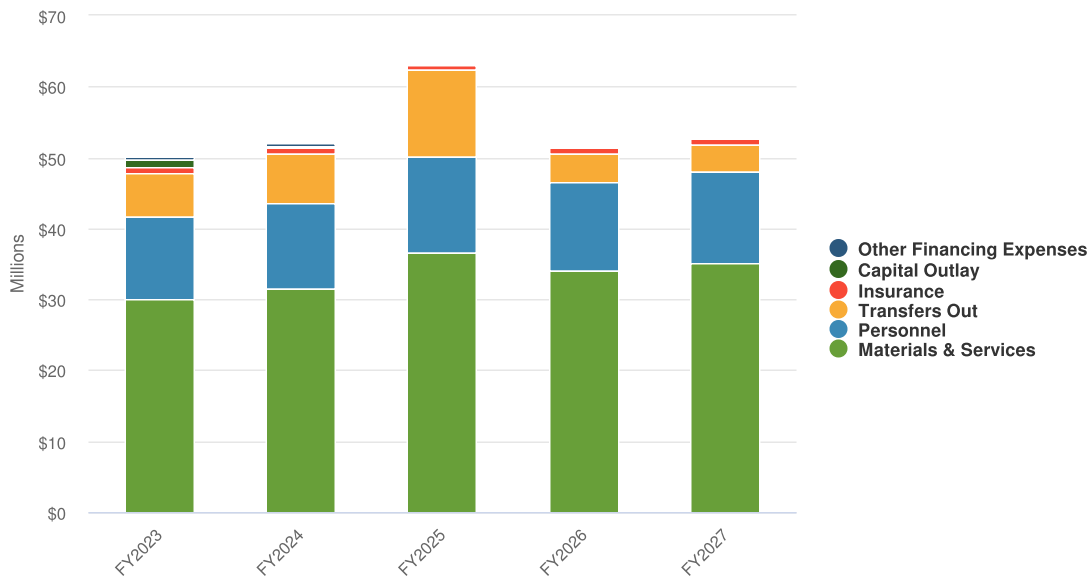


GENERAL FUND EXPENDITURE SUMMARY

The City's General Fund serves as its primary operating account, encompassing all financial resources not restricted to specific uses by law or policy. It is the main funding source for essential municipal services, including police protection, street and park maintenance, and recreation programs. Unrestricted tax revenues are deposited into the General Fund and allocated to support these core functions. Each City department is responsible for managing its portion of the operating budget to ensure the efficient and effective delivery of services.

General Fund Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



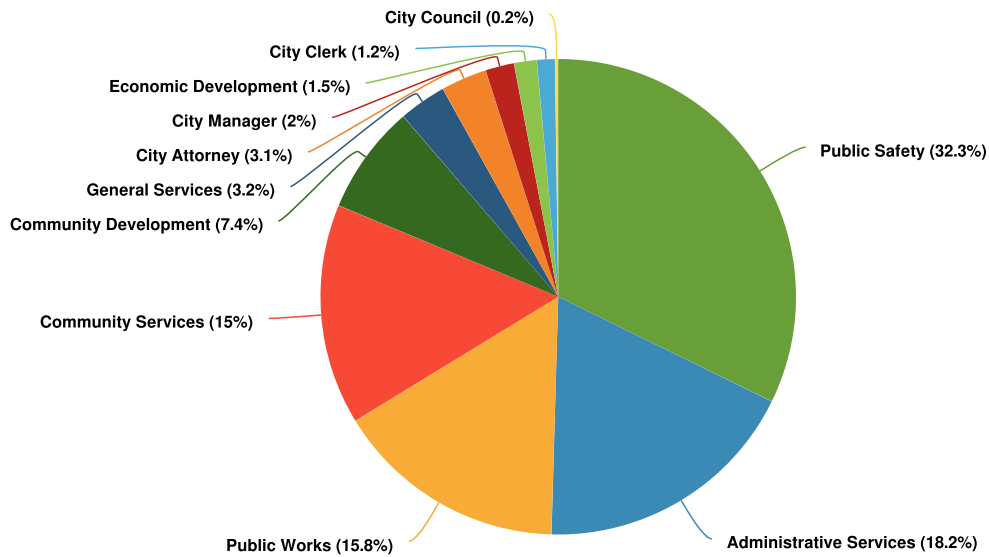
Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects					
Personnel	\$11,552,289	\$11,955,293	\$13,514,349	\$12,461,400	\$12,933,600
Materials & Services	\$30,062,673	\$31,547,263	\$36,605,095	\$34,013,600	\$35,043,400
Capital Outlay	\$1,117,418	\$125,804	\$157,969	\$4,500	\$0
Insurance	\$805,808	\$886,258	\$772,500	\$838,500	\$880,400
Other Financing Expenses	\$331,233	\$371,078	\$0	\$0	\$0
Transfers Out	\$6,167,997	\$7,042,281	\$12,230,190	\$4,000,000	\$3,875,000
Total Expense Objects:	\$50,037,419	\$51,927,977	\$63,280,103	\$51,318,000	\$52,732,400

**Other Financing Expenses - Accounting entries related to Governmental Accounting Standards Board Statements (GASB) 87 and 96. GASB 87 requires governments to recognize most leases as right-of-use (ROU) assets and lease liabilities. GASB 96 is a set of accounting standards that govern how government entities account for Subscription-Based Information Technology Arrangements (SBITAs).*



General Fund Expenditures by Department

FY2026 Proposed Expenditures by Department



Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
City Council					
Personnel	\$48,089	\$47,405	\$49,300	\$47,400	\$47,400
Materials & Services	\$52,848	\$66,585	\$63,500	\$63,600	\$63,600
Total City Council:	\$100,937	\$113,990	\$112,800	\$111,000	\$111,000
City Manager					
Personnel	\$452,532	\$482,385	\$546,000	\$940,800	\$980,400
Materials & Services	\$50,132	\$15,718	\$75,300	\$60,900	\$114,400
Total City Manager:	\$502,665	\$498,103	\$621,300	\$1,001,700	\$1,094,800
Economic Development					
Personnel	\$499,438	\$552,006	\$619,700	\$393,700	\$426,000
Materials & Services	\$454,357	\$641,408	\$721,300	\$400,600	\$389,800
Total Economic Development:	\$953,795	\$1,193,414	\$1,341,000	\$794,300	\$815,800
Administrative Services					
Personnel	\$3,509,297	\$3,194,775	\$3,641,600	\$1,922,800	\$2,011,100
Materials & Services	\$1,622,879	\$1,770,700	\$2,799,206	\$2,577,300	\$2,587,400
Capital Outlay	\$1,071,115	\$77,668	\$81,600	\$0	\$0
Insurance	\$805,808	\$886,258	\$772,500	\$838,500	\$880,400
Other Financing Expenses	\$331,233	\$371,078	\$0	\$0	\$0
Transfers Out	\$6,167,997	\$7,042,281	\$12,230,190	\$4,000,000	\$3,875,000



Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Total Administrative Services:	\$13,508,329	\$13,342,760	\$19,525,096	\$9,338,600	\$9,353,900
City Clerk					
Personnel	\$429,568	\$450,655	\$517,000	\$554,100	\$573,400
Materials & Services	\$92,395	\$101,012	\$213,200	\$66,700	\$124,100
Capital Outlay	\$0	\$0	\$31,000	\$4,500	\$0
Total City Clerk:	\$521,964	\$551,667	\$761,200	\$625,300	\$697,500
Community Development					
Personnel	\$2,647,519	\$2,856,516	\$3,135,540	\$3,263,800	\$3,376,300
Materials & Services	\$1,155,788	\$1,386,242	\$2,334,806	\$548,500	\$548,500
Total Community Development:	\$3,803,307	\$4,242,758	\$5,470,346	\$3,812,300	\$3,924,800
Public Works					
Personnel	\$2,114,986	\$2,422,720	\$2,779,409	\$2,974,900	\$3,076,700
Materials & Services	\$5,081,334	\$4,749,832	\$5,417,087	\$5,143,000	\$5,117,000
Capital Outlay	\$0	\$17,038	\$0	\$0	\$0
Total Public Works:	\$7,196,320	\$7,189,591	\$8,196,496	\$8,117,900	\$8,193,700
Community Services					
Personnel	\$1,181,847	\$1,244,260	\$1,503,800	\$1,690,100	\$1,744,700
Materials & Services	\$4,835,578	\$5,513,118	\$5,844,996	\$6,008,600	\$6,193,800
Capital Outlay	\$19,141	\$16,500	\$26,369	\$0	\$0
Total Community Services:	\$6,036,566	\$6,773,878	\$7,375,165	\$7,698,700	\$7,938,500
Public Safety					
Personnel	\$31,396	\$33,906	\$46,000	\$45,600	\$47,900
Materials & Services	\$14,110,694	\$14,606,362	\$16,108,000	\$16,509,700	\$17,157,300
Capital Outlay	\$22,248	\$4,741	\$0	\$0	\$0
Total Public Safety:	\$14,164,338	\$14,645,008	\$16,154,000	\$16,555,300	\$17,205,200
City Attorney					
Materials & Services	\$1,702,950	\$1,612,823	\$1,725,500	\$1,605,000	\$1,705,000
Total City Attorney:	\$1,702,950	\$1,612,823	\$1,725,500	\$1,605,000	\$1,705,000
General Services					
Personnel	\$637,617	\$670,665	\$676,000	\$628,200	\$649,700
Materials & Services	\$903,718	\$1,083,464	\$1,302,200	\$1,029,700	\$1,042,500
Capital Outlay	\$4,914	\$9,857	\$19,000	\$0	\$0
Total General Services:	\$1,546,248	\$1,763,985	\$1,997,200	\$1,657,900	\$1,692,200
Total Expenditures:	\$50,037,419	\$51,927,977	\$63,280,103	\$51,318,000	\$52,732,400



CITY COUNCIL

The City Council serves as the legislative body of Dana Point, establishing policies that guide the City's growth, governance, and quality of life. Comprised of five members elected by district for four-year overlapping terms, the Council annually selects a Mayor and Mayor Pro Tem to serve one-year terms.

The City Council's responsibilities include appointing the City Manager and City Attorney, overseeing City commissions and advisory committees, and ensuring that municipal policies align with the community's needs and vision. In 2022, the Council updated Dana Point's Strategic Plan, reinforcing the City's mission to be a vibrant, world-class city and establishing five key Strategic Goals:

Maintain and Ensure Public Safety
Maintain and Improve Infrastructure and Environmental Sustainability
Foster Economic Health and Prosperity
Effective, Efficient, and Innovative City Administration
Maintain and Enhance Dana Point's Unique Sense of Place

Each goal includes specific objectives, projects, and performance metrics. City staff is responsible for implementing initiatives and providing regular updates on progress, ensuring transparency and accountability in achieving the City's long-term vision.

DANA POINT CITY COUNCIL

Matthew Pagano	Mayor
John Gabbard	Mayor Pro Tem
Jamey M. Federico	Council Member
Mike Frost	Council Member
Michael Villar	Council Member

City Council Summary

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
City Council					
Personnel	\$48,089	\$47,405	\$49,300	\$47,400	\$47,400
Materials & Services	\$52,848	\$66,585	\$63,500	\$63,600	\$63,600
Total City Council:	\$100,937	\$113,990	\$112,800	\$111,000	\$111,000
Total Expenditures:	\$100,937	\$113,990	\$112,800	\$111,000	\$111,000



City Council (01)

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$43,959	\$43,265	\$45,000	\$43,200	\$43,200
Benefits	1100	\$0	\$0	\$100	\$0	\$0
Retirement Benefits	1120	\$3,249	\$3,273	\$3,300	\$3,300	\$3,300
Medi-tax 1.45%	1140	\$882	\$868	\$900	\$900	\$900
Total Personnel:		\$48,089	\$47,405	\$49,300	\$47,400	\$47,400
Materials & Services						
Office Supplies	2070	\$1,508	\$647	\$2,000	\$0	\$0
Operating Supplies	2110	\$17,323	\$14,431	\$20,000	\$17,000	\$17,000
Travel, Conf. & Meetings	2270	\$17,186	\$34,944	\$25,000	\$30,000	\$30,000
Auto Allowance/Mileage	2290	\$16,831	\$16,563	\$16,500	\$16,600	\$16,600
Total Materials & Services:		\$52,848	\$66,585	\$63,500	\$63,600	\$63,600
Total Expense Objects:		\$100,937	\$113,990	\$112,800	\$111,000	\$111,000



CITY MANAGER

Michael A. Killebrew

City Manager

The City Manager, appointed by the City Council, serves as the Chief Administrative Officer, overseeing daily operations, implementing City Council policies, and ensuring efficient municipal services. The City Manager's Office coordinates interdepartmental efforts, manages budgets, and enhances customer service, transparency, and community engagement. Through strategic leadership and planning, the City Manager's Office ensures the City's long-term sustainability, operational efficiency, and high quality of life for residents, businesses, and visitors.

FY2026 & FY2027 KEY INITIATIVES

- Support the City Council in developing and executing policies and programs that address community needs.
- Manage and direct City services in accordance with the City's mission, ensuring efficient and effective service delivery.
- Enhance coordination and communication among departments to improve operational efficiency.
- Plan for the City's long-term growth and sustainability to maintain high-quality services for residents, businesses, and visitors.
- Collaborate with regional and state agencies to advocate for the City's interests on local and broader issues.
- Conduct the bi-annual Community Survey to gather resident feedback and improve City services.
- Foster a culture of positive customer service to enhance community engagement and satisfaction.

City Manager Summary

<u>PERSONNEL ALLOCATION BY PROGRAM</u>	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
City Manager (11)	2	3	3
Total	2	3	3
<i>*Assistant City Manager position moved from Economic Development Dept. (44) to City Manager Dept.(11) budget in Fiscal Year 2026.</i>			

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
City Manager's Office					
Personnel	\$452,532	\$482,385	\$546,000	\$940,800	\$980,400
Materials & Services	\$50,132	\$15,718	\$75,300	\$60,900	\$114,400
Total City Manager's Office:	\$502,665	\$498,103	\$621,300	\$1,001,700	\$1,094,800
Total Expenditures:	\$502,665	\$498,103	\$621,300	\$1,001,700	\$1,094,800



City Manager Administration (11)

The City Manager is responsible for: directing City departments; providing guidance in the implementation of City Council mandates; representing the City with outside government agencies; proposing the annual budget to the City Council; acting as the City Treasurer; coordinating a variety of public information resources for both internal and public distribution; overseeing City economic development activities; overseeing long range planning for the organization; and, development of recommendations to the City Council on a variety of public policy issues.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$378,865	\$395,586	\$434,500	\$749,100	\$781,200
Benefits	1100	\$24,089	\$27,110	\$42,500	\$75,000	\$77,000
Retirement Benefits	1120	\$44,054	\$53,892	\$62,500	\$105,500	\$110,500
Medi-tax 1.45%	1140	\$5,524	\$5,797	\$6,500	\$11,200	\$11,700
Total Personnel:		\$452,532	\$482,385	\$546,000	\$940,800	\$980,400
Materials & Services						
Communications	2010	\$1,290	\$1,685	\$2,000	\$3,800	\$3,800
Office Supplies	2070	\$430	\$0	\$300	\$0	\$0
Memberships & Dues	2090	\$4,079	\$3,155	\$4,500	\$6,800	\$7,100
Operating Supplies	2110	\$255	\$255	\$3,000	\$5,000	\$5,000
Books & Subscriptions	2130	\$315	\$273	\$500	\$0	\$0
Training	2150	\$75	\$0	\$600	\$1,300	\$1,500
Professional Services	2230	\$39,150	\$3,750	\$50,000	\$10,000	\$63,000
Travel, Conf. & Meetings	2270	\$4,069	\$6,111	\$8,500	\$20,000	\$20,000
Auto Allowance/Mileage	2290	\$470	\$490	\$5,900	\$14,000	\$14,000
Total Materials & Services:		\$50,132	\$15,718	\$75,300	\$60,900	\$114,400
Total Expense Objects:		\$502,665	\$498,103	\$621,300	\$1,001,700	\$1,094,800



CITY ATTORNEY

Patrick Muñoz

City Attorney

The City Attorney serves as the legal advisor to the City Council, City Manager, and various City departments, commissions, committees, and boards. Responsibilities include reviewing and approving the legal form of ordinances, resolutions, contracts, and other legal documents.

Additionally, the City Attorney represents the City in certain litigation cases, prosecutes City code violations, and provides legal guidance on litigation managed by the California Joint Powers Insurance Authority (CJPIA). Legal services are currently provided through a contract with the law firm Rutan & Tucker.

FY2026 & FY2027 KEY INITIATIVES

- Provide legal advice and opinions as requested to ensure compliance with laws and regulations.
- Conduct employee training on legal matters relevant to City operations and government employment.
- Review and prepare ordinances, resolutions, legal opinions, and contracts to ensure legal soundness.
- Attend City Council and Planning Commission meetings to advise on the legality of actions and decisions.
- Enforce City codes and prosecute violations to uphold municipal regulations.
- Review and manage claims against the City not covered by CJPIA, including legal defense when necessary.
- Initiate legal action when deemed appropriate by the City Council.
- Provide comprehensive litigation services on behalf of the City.

City Attorney Summary

<u>PERSONNEL ALLOCATION BY PROGRAM</u>	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
City Attorney (71)	2	2	2
Total	2	2	2
<i>*The City contracts with Rutan and Tucker, LLP and is provided with a City Attorney and Assistant City Attorney. Rutan and Tucker also provide specialty practice legal assistance.</i>			

City Attorney (71)

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Books & Subscriptions	2130	\$14,529	\$5,888	\$5,500	\$5,000	\$5,000
City Attorney	2310	\$1,688,421	\$1,606,935	\$1,720,000	\$1,600,000	\$1,700,000
Total Materials & Services:		\$1,702,950	\$1,612,823	\$1,725,500	\$1,605,000	\$1,705,000
Total Expense Objects:		\$1,702,950	\$1,612,823	\$1,725,500	\$1,605,000	\$1,705,000



CITY CLERK

Shayna Sharke

City Clerk

The City Clerk, appointed by the City Manager, promotes transparency and compliance by managing City records and legislative processes. The office oversees public access to records, ensures compliance with the Brown Act, FPPC regulations, the Political Reform Act, and the Maddy Act, and maintains the City Council's legislative history. Responsibilities include updating Municipal and Zoning Codes, managing public notifications, processing City contracts and bid openings, recording documents with the County, and updating the City website and social media. The Clerk also administers the records management and imaging system per the Council-approved retention schedule, handles public records requests, maintains the City Seal, serves as the City's receptionist, and provides Notary Public services.

FY2026 & FY2027 KEY INITIATIVES

- Review and update the Dana Point Municipal Code to enhance public access and ensure compliance with State law.
- Revise City Council Policies to align with modern best practices.
- Implement Public Records Request software to improve efficiency and expedite customer requests.
- Establish a Trusted Electronic Records Management System in accordance with State law.
- Launch the redesigned City website with interactive technology and enhanced search features.
- Install and utilize an electronic bulletin board system outside City Hall for public notices and event updates.
- Review and update the City's records retention schedule to improve document management.
- Enhance the City's Geographic Information System (GIS) by integrating additional property records.
- Continue digitizing records and expanding the public portal for self-service retrieval.
- Improve public communication by providing clear, relevant information through social media and the City's website.

City Clerk Summary

<u>PERSONNEL ALLOCATION BY PROGRAM</u>	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
City Clerk (31)	4	4	4
Total	4	4	4

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Personnel	\$429,568	\$450,655	\$517,000	\$554,100	\$573,400
Materials & Services	\$92,395	\$101,012	\$213,200	\$66,700	\$124,100
Capital Outlay	\$0	\$0	\$31,000	\$4,500	\$0
Total Expenditures:	\$521,964	\$551,667	\$761,200	\$625,300	\$697,500



City Clerk (31)

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$327,687	\$339,394	\$380,000	\$401,200	\$415,700
Overtime	1050	\$136	\$181	\$1,500	\$1,000	\$1,000
Benefits	1100	\$62,910	\$67,728	\$85,000	\$95,700	\$98,200
Retirement Benefits	1120	\$34,148	\$38,546	\$44,700	\$50,200	\$52,300
Medi-tax 1.45%	1140	\$4,687	\$4,806	\$5,800	\$6,000	\$6,200
Total Personnel:		\$429,568	\$450,655	\$517,000	\$554,100	\$573,400
Materials & Services						
Communications	2010	\$1,185	\$1,080	\$1,200	\$1,200	\$1,200
Equipment Maintenance	2030	\$0	\$0	\$500	\$500	\$500
Copier Usage	2040	\$3,754	\$2,869	\$5,000	\$3,500	\$3,500
Office Supplies	2070	\$3,804	\$1,309	\$6,000	\$0	\$0
Memberships & Dues	2090	\$1,381	\$1,224	\$2,500	\$1,500	\$2,500
Operating Supplies	2110	\$36,565	\$66,673	\$76,500	\$10,500	\$11,100
Books & Subscriptions	2130	\$0	\$591	\$500	\$0	\$0
Training	2150	\$2,807	\$500	\$3,500	\$1,000	\$1,000
Professional Services	2230	\$12,282	\$14,884	\$89,000	\$17,500	\$73,300
Advertising	2250	\$21,303	\$5,141	\$16,000	\$15,000	\$15,000
Travel, Conf. & Meetings	2270	\$4,216	\$1,904	\$7,000	\$9,000	\$9,000
Auto Allowance/Mileage	2290	\$5,099	\$4,837	\$5,500	\$7,000	\$7,000
Total Materials & Services:		\$92,395	\$101,012	\$213,200	\$66,700	\$124,100
Capital Outlay						
Furniture & Equipment	3010	\$0	\$0	\$31,000	\$4,500	\$0
Total Capital Outlay:		\$0	\$0	\$31,000	\$4,500	\$0
Total Expense Objects:		\$521,964	\$551,667	\$761,200	\$625,300	\$697,500



ADMINISTRATIVE SERVICES

Sea Shelton

Director of Administrative Services

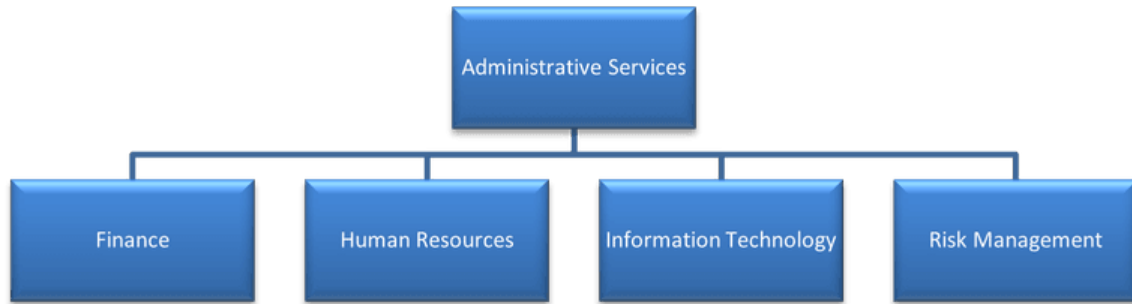
The Administrative Services Department manages the City's core internal functions, including finance, human resources, risk management, and information technology. The department ensures long-term fiscal stability through responsible budgeting, financial reporting, and investment oversight. It supports a high-performing workforce through recruitment, compensation, benefits, and training services. Risk Management protects City assets by identifying and mitigating potential liabilities, while Information Technology maintains secure, reliable systems to support City operations and public service delivery.

FY2026 & FY2027 KEY INITIATIVES

- Continue to monitor and manage CalPERS liabilities in accordance with City Council-adopted financial policies.
- Coordinate the annual audit and financial statement preparation process in accordance with Government Finance Officers Association (GFOA) standards.
- Monitor the fiscal year budget, analyze and review budget proposals, provide ongoing analysis of existing and potential revenues and expenditures, and long-range fiscal projections.
- Conduct a comprehensive review and update of the City's Cost Allocation Plan and User Fee Schedule to ensure full cost recovery and alignment with current service levels.
- Provide risk management functions which involve the identification and evaluation of actual and potential risks, and the elimination, transfer of liability or insurance protection of such risks.
- Negotiate a successor Memorandum of Understanding between the City of Dana Point Employees Association (DPEA) that expires December 2025.
- Enhance employee training and development programs to promote professional growth and career advancement.
- Improve employee recognition initiatives to foster a positive and motivating workplace culture.
- Strengthen internal communication and engagement efforts to ensure employees feel informed, valued, and heard.
- Foster a collaborative and inclusive workplace culture that encourages teamwork and innovation.
- Strengthen digital security through advanced tools, enhanced monitoring, staff training, and updated protocols to protect City systems and sensitive data.
- Upgrade and maintain technology infrastructure to support reliable, efficient operations and future scalability.
- Modernize internal systems to improve data management, streamline workflows, and enhance service delivery.



Administrative Services Summary



<u>PERSONNEL ALLOCATION BY PROGRAM</u>	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Finance and Administration (21)	9	9	9
Risk Management (97)	0	0	0
Non-Departmental (99)	0	0	0
Total	9	9	9

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Administrative Services					
Personnel	\$992,145	\$1,001,258	\$1,411,700	\$1,492,800	\$1,544,700
Materials & Services	\$227,582	\$250,553	\$396,500	\$390,000	\$400,200
Capital Outlay	\$0	\$3,299	\$0	\$0	\$0
Total Administrative Services:	\$1,219,727	\$1,255,110	\$1,808,200	\$1,882,800	\$1,944,900
Risk Management					
Insurance	\$805,808	\$886,258	\$772,500	\$838,500	\$880,400
Total Risk Management:	\$805,808	\$886,258	\$772,500	\$838,500	\$880,400
Non-Departmental					
Personnel	\$2,517,152	\$2,193,517	\$2,229,900	\$430,000	\$466,400
Materials & Services	\$1,395,297	\$1,520,146	\$2,402,706	\$2,187,300	\$2,187,200
Capital Outlay	\$1,071,115	\$74,370	\$81,600	\$0	\$0
Other Financing Expenses	\$331,233	\$371,078	\$0	\$0	\$0
Transfers Out	\$6,167,997	\$7,042,281	\$12,230,190	\$4,000,000	\$3,875,000
Total Non-Departmental:	\$11,482,794	\$11,201,392	\$16,944,396	\$6,617,300	\$6,528,600
Total Expenditures:	\$13,508,329	\$13,342,760	\$19,525,096	\$9,338,600	\$9,353,900



Finance & Administration (21)

Finance and Administration oversees the City's financial operations, including cash management, investments, budgeting, centralized purchasing, payments, payroll, and general accounting, while also providing staff support to the City Council's Financial Review Committee. The department ensures legal compliance with grants, coordinates independent financial audits, manages various contracts, and oversees programs and projects assigned by the City Manager.

In addition to financial functions, the department manages personnel recruitment, labor relations, workers' compensation, benefits administration, and personnel policies. It ensures compliance with Federal and State mandates, including FLSA, ADA, and FMLA, and administers employee training programs to support a productive and compliant workforce.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$785,765	\$788,605	\$1,021,000	\$1,105,200	\$1,145,000
Hourly	1030	\$0	\$607	\$18,200	\$18,200	\$18,900
Overtime	1050	\$2,586	\$866	\$10,000	\$5,000	\$5,000
Benefits	1100	\$119,553	\$109,163	\$191,000	\$216,800	\$222,600
Retirement Benefits	1120	\$72,188	\$90,026	\$120,000	\$131,200	\$136,200
Medi-tax 1.45%	1140	\$12,052	\$11,991	\$16,500	\$16,400	\$17,000
Outside Assistance	1200	\$0	\$0	\$35,000	\$0	\$0
Total Personnel:		\$992,145	\$1,001,258	\$1,411,700	\$1,492,800	\$1,544,700
Materials & Services						
Communications	2010	\$2,262	\$2,525	\$3,600	\$3,700	\$3,700
Office Supplies	2070	\$8,377	\$6,828	\$8,700	\$0	\$0
Memberships & Dues	2090	\$1,502	\$2,126	\$3,200	\$3,000	\$3,000
Operating Supplies	2110	\$2,806	\$2,579	\$2,500	\$14,700	\$14,700
Books & Subscriptions	2130	\$407	\$877	\$1,000	\$0	\$0
Training	2150	\$2,943	\$4,169	\$4,000	\$4,500	\$4,500
Professional Services	2230	\$196,900	\$210,473	\$340,700	\$329,600	\$339,800
Advertising	2250	\$2,353	\$4,693	\$5,000	\$5,000	\$5,000
Travel, Conf. & Meetings	2270	\$6,973	\$8,459	\$19,500	\$20,000	\$20,000
Auto Allowance/Mileage	2290	\$3,061	\$7,824	\$8,300	\$9,500	\$9,500
Total Materials & Services:		\$227,582	\$250,553	\$396,500	\$390,000	\$400,200
Capital Outlay						
Furniture & Equipment	3010	\$0	\$3,299	\$0	\$0	\$0
Total Capital Outlay:		\$0	\$3,299	\$0	\$0	\$0
Total Expense Objects:		\$1,219,727	\$1,255,110	\$1,808,200	\$1,882,800	\$1,944,900



Risk Management (97)

Risk Management oversees processes and training programs designed to prevent, minimize, and mitigate risks through centralized safety, loss control, and risk management initiatives. The City is a member of the California Joint Powers Insurance Authority (CJPIA), which provides a comprehensive portfolio of risk management solutions. These include liability, workers' compensation, pollution, property, and earthquake coverage, along with extensive training and loss control services.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Insurance						
Liability Insur Premiums	4010	\$520,017	\$600,467	\$467,000	\$533,800	\$560,500
Property Insurance Premiums	4030	\$128,737	\$158,771	\$172,000	\$174,700	\$183,500
Employee Bond Premiums	4050	\$1,273	\$0	\$1,500	\$1,600	\$1,600
Workers' Compensation	4110	\$144,081	\$123,420	\$117,000	\$126,900	\$133,300
Unemployment Benefits	4210	\$11,700	\$3,600	\$15,000	\$1,500	\$1,500
Total Insurance:		\$805,808	\$886,258	\$772,500	\$838,500	\$880,400
Total Expense Objects:		\$805,808	\$886,258	\$772,500	\$838,500	\$880,400



Non-Departmental (99)

Non-Departmental expenditures cover costs that are not assigned to specific operating departments. These include general office supplies, copier maintenance and operation, information technology services, vehicle maintenance, and transfers to other funds.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Hourly	1030	\$0	\$0	\$0	\$17,500	\$18,400
Benefits	1100	\$12,460	\$2,067	\$4,000	\$3,000	\$3,000
Retirement Benefits	1120	\$2,504,692	\$2,191,450	\$2,225,900	\$409,500	\$445,000
Total Personnel:		\$2,517,152	\$2,193,517	\$2,229,900	\$430,000	\$466,400
Materials & Services						
Communications	2010	\$137,805	\$159,623	\$220,000	\$235,000	\$240,000
Equipment Maintenance	2030	\$4,903	\$4,652	\$5,500	\$5,000	\$5,000
Vehicle Maintenance	2050	\$110,312	\$85,479	\$117,000	\$90,000	\$90,000
Office Supplies	2070	\$9,741	\$9,400	\$12,500	\$0	\$0
Memberships & Dues	2090	\$46,917	\$44,851	\$51,000	\$54,300	\$56,200
Operating Supplies	2110	\$19,814	\$25,214	\$36,000	\$42,500	\$42,500
Training	2150	\$50,374	\$76,810	\$104,300	\$80,000	\$80,000
Postage	2170	\$21,822	\$24,173	\$21,000	\$25,000	\$25,000
Facil & Equip Lease/Rent	2190	\$15,862	-\$3,415	\$98,000	\$113,000	\$113,000
Professional Services	2230	\$442,720	\$469,888	\$458,000	\$492,000	\$516,000
Travel, Conf. & Meetings	2270	\$22,985	\$13,796	\$27,000	\$25,000	\$25,000
Data Technology	2590	\$512,042	\$609,676	\$1,147,841	\$775,500	\$744,500
Operations Contingency	2999	\$0	\$0	\$104,565	\$250,000	\$250,000
Total Materials & Services:		\$1,395,297	\$1,520,146	\$2,402,706	\$2,187,300	\$2,187,200
Capital Outlay						
Furniture & Equipment	3010	\$67,676	\$32,338	\$43,300	\$0	\$0
Facilities Improvements	3030	\$0	\$0	\$38,300	\$0	\$0
Inception of Lease - Capital Outlay	3060	\$88,254	\$275,875	\$0	\$0	\$0
Inception of SBITA - Capital Outlay	3070	\$915,185	-\$233,843	\$0	\$0	\$0
Total Capital Outlay:		\$1,071,115	\$74,370	\$81,600	\$0	\$0
Other Financing Expenses						
Debt Service - Principal	7050	\$88,735	\$121,102	\$0	\$0	\$0
Debt Service - Interest	7051	\$2,960	\$9,768	\$0	\$0	\$0
SBITA Financing - Principal	7070	\$230,664	\$234,044	\$0	\$0	\$0
SBITA Financing - Interest	7071	\$8,874	\$6,164	\$0	\$0	\$0



Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Total Other Financing Expenses:		\$331,233	\$371,078	\$0	\$0	\$0
Transfers Out						
Tsfs Out - To Facil Impv Fund	9010	\$150,000	\$1,500,000	\$500,000	\$850,000	\$875,000
Tsfs Out - To PARS Section 115 Fund	9034	\$0	\$0	\$4,413,623	\$0	\$0
Tsfs Out - To Cap Impv Fund	9050	\$5,267,997	\$5,307,281	\$7,081,567	\$2,750,000	\$2,600,000
Tsfs Out - To Coastal Transit Fund	9060	\$750,000	\$235,000	\$235,000	\$400,000	\$400,000
Total Transfers Out:		\$6,167,997	\$7,042,281	\$12,230,190	\$4,000,000	\$3,875,000
Total Expense Objects:		\$11,482,794	\$11,201,392	\$16,944,396	\$6,617,300	\$6,528,600

**Other Financing Expenses - Accounting entries related to Governmental Accounting Standards Board Statements (GASB) 87 and 96. GASB 87 requires governments to recognize most leases as right-of-use (ROU) assets and lease liabilities. GASB 96 is a set of accounting standards that govern how government entities account for Subscription-Based Information Technology Arrangements (SBITAs).*



COMMUNITY DEVELOPMENT

Brenda Wisneski

Director of Community Development

Community Development oversees the City's land use policies, including zoning, building, subdivision, and environmental regulations, to ensure orderly and sustainable growth. The department's responsibilities encompass advanced and current planning, building and safety, and code enforcement to support a well-planned and thriving community.

FY2026 & FY2027 KEY INITIATIVES

- Expand online plan review and permitting processes for improved accessibility and efficiency.
- Complete the Building Standard Operating Procedure and Policy Manual to enhance consistency and compliance.
- Promote a culture of positive customer service through responsive and professional interactions.
- Strengthen intra-department coordination to ensure the effective implementation of City Council policies and the highest quality of life for residents, businesses, and visitors.
- Implement new technologies to streamline Code Enforcement processing and record-keeping.
- Continue progress on the General Plan Update Project to reflect evolving community needs.
- Launch a Code Enforcement Outreach Program to enhance public awareness and compliance.
- Conduct a building fee study to improve efficiency in permit processing.



Community Development Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Planning (41)	10	9	9
Building (42)	7	7	7
Code Enforcement (43)	4	4	4
Total	21	20	20

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Planning					
Personnel	\$1,232,907	\$1,363,742	\$1,541,200	\$1,608,700	\$1,665,100
Materials & Services	\$334,424	\$693,988	\$1,199,501	\$58,100	\$58,100
Total Planning:	\$1,567,331	\$2,057,729	\$2,740,701	\$1,666,800	\$1,723,200
Building					
Personnel	\$890,572	\$1,010,137	\$1,078,140	\$1,108,300	\$1,146,100
Materials & Services	\$800,236	\$647,527	\$1,040,585	\$442,700	\$442,700
Total Building:	\$1,690,808	\$1,657,665	\$2,118,725	\$1,551,000	\$1,588,800
Code Enforcement					
Personnel	\$524,039	\$482,637	\$516,200	\$546,800	\$565,100
Materials & Services	\$21,129	\$44,727	\$94,720	\$47,700	\$47,700
Total Code Enforcement:	\$545,168	\$527,364	\$610,920	\$594,500	\$612,800
Total Expenditures:	\$3,803,307	\$4,242,758	\$5,470,346	\$3,812,300	\$3,924,800



Planning (41)

Planning provides a range of current and long-term planning services to guide community development. Responsibilities include reviewing projects for compliance with City policies and regulations, maintaining and updating the Zoning Code, and administering specific plans such as the Town Center Plan, Harbor Revitalization Plan, and Doheny Village Plan. The division also manages the City's General Plan to align with community values and state requirements, ensures compliance with the California Environmental Quality Act, California Coastal Act, and Subdivision Map Act, and provides staff support to the Planning Commission.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$949,277	\$1,037,985	\$1,123,200	\$1,197,400	\$1,240,600
Hourly	1030	\$12,585	\$21,085	\$18,200	\$18,200	\$18,900
Overtime	1050	\$1,653	\$4,257	\$5,000	\$3,500	\$3,500
Stipends	1070	\$8,827	\$8,619	\$9,000	\$9,000	\$9,000
Benefits	1100	\$127,607	\$158,220	\$207,000	\$217,600	\$223,500
Retirement Benefits	1120	\$96,893	\$117,590	\$138,800	\$145,000	\$151,000
Medi-tax 1.45%	1140	\$13,930	\$15,986	\$20,000	\$18,000	\$18,600
Outside Assistance	1200	\$22,136	\$0	\$20,000	\$0	\$0
Total Personnel:		\$1,232,907	\$1,363,742	\$1,541,200	\$1,608,700	\$1,665,100
Materials & Services						
Communications	2010	\$1,223	\$947	\$1,700	\$1,500	\$1,500
Copier Usage	2040	\$3,686	\$4,105	\$4,000	\$4,000	\$4,000
Office Supplies	2070	\$7,506	\$5,656	\$9,000	\$0	\$0
Memberships & Dues	2090	\$374	\$5,283	\$4,200	\$3,500	\$3,500
Operating Supplies	2110	\$3,491	\$1,966	\$2,000	\$6,000	\$6,000
Books & Subscriptions	2130	\$832	\$3,349	\$5,500	\$0	\$0
Training	2150	\$85	\$1,744	\$1,500	\$1,500	\$1,500
Professional Services	2230	\$206,830	\$577,523	\$951,536	\$7,000	\$7,000
Third-Party Reimbursable Services	2240	\$86,441	\$64,543	\$183,465	\$0	\$0
Advertising	2250	\$6,062	\$8,784	\$16,000	\$12,000	\$12,000
Travel, Conf. & Meetings	2270	\$7,689	\$9,055	\$10,000	\$12,000	\$12,000
Auto Allowance/Mileage	2290	\$10,205	\$11,033	\$10,600	\$10,600	\$10,600
Total Materials & Services:		\$334,424	\$693,988	\$1,199,501	\$58,100	\$58,100
Total Expense Objects:		\$1,567,331	\$2,057,729	\$2,740,701	\$1,666,800	\$1,723,200



Building & Safety (42)

Building and Safety administers and enforces California Building and Safety Codes to ensure compliance with state and municipal regulations. Responsibilities include reviewing construction plans, coordinating reviews with other agencies, issuing building permits, conducting inspections, and granting Certificates of Occupancy. The division also performs special inspections upon request and updates City codes every three years to align with California Building and Fire Codes.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$656,998	\$757,257	\$756,700	\$799,300	\$828,100
Hourly	1030	\$7,444	\$13,169	\$18,200	\$18,200	\$18,900
Overtime	1050	\$13,794	\$12,286	\$15,000	\$15,000	\$15,000
Benefits	1100	\$93,308	\$139,089	\$149,000	\$168,400	\$172,800
Retirement Benefits	1120	\$57,685	\$68,825	\$85,000	\$92,400	\$96,300
Medi-tax 1.45%	1140	\$9,592	\$11,451	\$15,000	\$15,000	\$15,000
Outside Assistance	1200	\$51,752	\$8,060	\$39,240	\$0	\$0
Total Personnel:		\$890,572	\$1,010,137	\$1,078,140	\$1,108,300	\$1,146,100
Materials & Services						
Communications	2010	\$6,880	\$7,077	\$5,500	\$7,200	\$7,200
Copier Usage	2040	\$2,056	\$1,782	\$2,500	\$2,000	\$2,000
Office Supplies	2070	\$11,082	\$4,439	\$13,500	\$0	\$0
Memberships & Dues	2090	\$360	\$1,125	\$1,500	\$1,500	\$1,500
Operating Supplies	2110	\$55,685	\$6,846	\$135,500	\$7,000	\$7,000
Books & Subscriptions	2130	\$3,705	\$4,098	\$4,000	\$0	\$0
Training	2150	\$1,950	\$2,513	\$6,400	\$4,000	\$4,000
Facil & Equip Lease/Rent	2190	\$0	\$0	\$5,000	\$0	\$0
Professional Services	2230	\$714,224	\$609,721	\$856,185	\$410,000	\$410,000
Travel, Conf. & Meetings	2270	\$1,574	\$7,075	\$7,500	\$7,500	\$7,500
Auto Allowance/Mileage	2290	\$2,720	\$2,851	\$3,000	\$3,500	\$3,500
Total Materials & Services:		\$800,236	\$647,527	\$1,040,585	\$442,700	\$442,700
Total Expense Objects:		\$1,690,808	\$1,657,665	\$2,118,725	\$1,551,000	\$1,588,800



Code Enforcement (43)

Code Enforcement upholds City ordinances and laws to protect, preserve, and enhance the quality of life in Dana Point. It is responsible for preventing, monitoring, and resolving conditions that may threaten public health, safety, and well-being for residents and visitors.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$351,522	\$336,519	\$358,000	\$374,000	\$387,400
Hourly	1030	\$0	\$0	\$0	\$18,200	\$18,900
Overtime	1050	\$12,135	\$12,907	\$30,000	\$15,000	\$15,000
Benefits	1100	\$73,558	\$65,204	\$85,000	\$94,000	\$96,500
Retirement Benefits	1120	\$29,578	\$31,054	\$36,500	\$40,100	\$41,800
Medi-tax 1.45%	1140	\$5,229	\$4,769	\$6,700	\$5,500	\$5,500
Outside Assistance	1200	\$52,018	\$32,184	\$0	\$0	\$0
Total Personnel:		\$524,039	\$482,637	\$516,200	\$546,800	\$565,100
Materials & Services						
Communications	2010	\$6,011	\$7,325	\$6,900	\$7,200	\$7,200
Equipment Maintenance	2030	\$0	\$3,476	\$3,400	\$3,500	\$3,500
Office Supplies	2070	\$2,851	\$2,356	\$4,000	\$0	\$0
Memberships & Dues	2090	\$0	\$100	\$500	\$500	\$500
Operating Supplies	2110	\$6,113	\$2,453	\$5,500	\$7,000	\$7,000
Books & Subscriptions	2130	\$0	\$23	\$0	\$0	\$0
Training	2150	\$131	\$106	\$1,000	\$1,000	\$1,000
Professional Services	2230	\$5,193	\$26,717	\$69,520	\$24,800	\$24,800
Advertising	2250	\$0	\$0	\$200	\$0	\$0
Travel, Conf. & Meetings	2270	\$0	\$2,171	\$2,200	\$2,200	\$2,200
Auto Allowance/Mileage	2290	\$831	\$0	\$1,500	\$1,500	\$1,500
Total Materials & Services:		\$21,129	\$44,727	\$94,720	\$47,700	\$47,700
Total Expense Objects:		\$545,168	\$527,364	\$610,920	\$594,500	\$612,800



COMMUNITY SERVICES

Jeff Rosaler

Director of Community Services

The Community Services Department is responsible for managing and maintaining a wide range of public amenities and programs that enhance the quality of life for residents. The department plays a crucial role in developing and maintaining parks, ensuring they provide safe and inviting spaces for community members to enjoy outdoor activities, sports, and social gatherings. It also organizes and facilitates a variety of recreational programs designed for all ages and interests. These programs may include youth and adult sports leagues, fitness and wellness classes, arts and cultural workshops, outdoor adventure activities, and special community events. By offering diverse recreational opportunities, the department encourages physical activity, creativity, and social interaction, fostering a strong sense of community. Additionally, the department is dedicated to the conservation and management of natural resources, working to protect local wildlife, waterways, and green spaces. This may involve environmental initiatives, habitat restoration projects, and educational programs aimed at promoting sustainability and ecological awareness.

FY2026 & FY2027 KEY INITIATIVES

- Increase the City's tree count to 10,000 by 2034 by planting a net of 200 new trees annually, with a focus on sustainable growth, maintenance, and long-term tree health.
- Provide a variety of community events across multiple districts to promote inclusive, citywide engagement for residents of all ages.
- Continue executing park enhancements funded through Fund 12, improving recreational facilities and public spaces.
- Expand year-round programs and activities that support wellness, learning, and community enrichment for all age groups.
- Offer accessible social, recreational, and wellness programs tailored to support active and healthy lifestyles for older adults.
- Ensure a welcoming experience at the Community Center, City parks, and Nature Interpretive Center through responsive and professional service.
- Deliver a proactive maintenance plan focused on the upkeep and replacement of playgrounds, dog areas, and court surfaces to keep parks safe and enjoyable.



Community Services Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Parks (55)	3	3	3
Recreation (81)	7	7	7
Part-Time Recreation (81)	14,500 hrs	14,500 hrs	14,500 hrs
Total	10	10	10

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Recreation					
Personnel	\$799,110	\$964,487	\$1,188,300	\$1,318,400	\$1,360,900
Materials & Services	\$1,050,625	\$1,311,106	\$1,427,400	\$1,677,100	\$1,755,100
Capital Outlay	\$0	\$0	\$12,900	\$0	\$0
Total Recreation:	\$1,849,736	\$2,275,593	\$2,628,600	\$2,995,500	\$3,116,000
Parks					
Personnel	\$382,736	\$279,773	\$315,500	\$371,700	\$383,800
Materials & Services	\$3,784,953	\$4,202,012	\$4,417,596	\$4,331,500	\$4,438,700
Capital Outlay	\$19,141	\$16,500	\$13,469	\$0	\$0
Total Parks:	\$4,186,831	\$4,498,285	\$4,746,565	\$4,703,200	\$4,822,500
Total Expenditures:	\$10,223,397	\$11,272,163	\$12,121,730	\$12,401,900	\$12,761,000



Parks (55)

Parks is responsible for maintaining the City's 28 parks and trails, a community garden, 30.5 acres of landscaped medians and approximately 3,000 trees. There are over 100 acres of developed park land with a wide variety of amenities, including ten playgrounds, five dog fun zones, three lighted ball fields, nine pickleball courts, in addition to basketball, tennis, handball, volleyball and bocce ball courts.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$277,892	\$201,962	\$230,500	\$254,800	\$263,900
Hourly	1030	\$16,819	\$0	\$0	\$0	\$0
Overtime	1050	\$5,299	\$2,506	\$10,000	\$12,000	\$12,000
Benefits	1100	\$49,972	\$47,017	\$42,500	\$71,400	\$73,300
Retirement Benefits	1120	\$28,110	\$24,952	\$29,000	\$29,500	\$30,600
Medi-tax 1.45%	1140	\$4,645	\$3,336	\$3,500	\$4,000	\$4,000
Total Personnel:		\$382,736	\$279,773	\$315,500	\$371,700	\$383,800
Materials & Services						
Communications	2010	\$3,338	\$1,741	\$2,500	\$1,200	\$1,200
Office Supplies	2070	\$769	\$515	\$1,000	\$0	\$0
Memberships & Dues	2090	\$700	\$700	\$1,000	\$1,000	\$1,000
Operating Supplies	2110	\$74,357	\$87,660	\$87,000	\$93,000	\$97,000
Training	2150	\$1,005	\$1,700	\$0	\$2,500	\$2,500
Facil & Equip Lease/Rent	2190	\$0	\$12,010	\$15,000	\$15,000	\$15,000
Utilities	2210	\$763,492	\$747,714	\$913,000	\$925,000	\$962,000
Professional Services	2230	\$88,533	\$105,148	\$101,000	\$50,000	\$50,000
Travel, Conf. & Meetings	2270	\$140	\$2,995	\$5,500	\$7,000	\$7,000
Auto Allowance/Mileage	2290	\$1,777	\$1,341	\$2,000	\$2,000	\$2,000
Landscape Maintenance	2450	\$618,883	\$831,606	\$895,531	\$937,000	\$946,000
Tree Maintenance	2470	\$861,895	\$792,260	\$800,000	\$720,000	\$745,000
Park Maintenance	2550	\$1,370,064	\$1,616,622	\$1,594,065	\$1,577,800	\$1,610,000
Total Materials & Services:		\$3,784,953	\$4,202,012	\$4,417,596	\$4,331,500	\$4,438,700
Capital Outlay						
Furniture & Equipment	3010	\$6,888	\$0	\$13,469	\$0	\$0
Park Structures & Improvements	3050	\$12,253	\$16,500	\$0	\$0	\$0
Total Capital Outlay:		\$19,141	\$16,500	\$13,469	\$0	\$0
Total Expense Objects:		\$4,186,831	\$4,498,285	\$4,746,565	\$4,703,200	\$4,822,500



Recreation (81)

Recreation offers a wide variety of programs and special events for all ages, including contract classes, youth camps, youth and adult sports leagues, and the Active Lifestyle program for adults 50+, featuring socials, movies, and other activities. The division coordinates and implements major citywide events such as the Festival of Whales Parade and Concert/BBQ, Egg Hunts, Movies in the Park, Concerts in the Park, Ramps & Amps, the July 4th fireworks display, Halloween Spooktacular, Día de los Muertos, and Holiday Tree Lightings.

Recreation also partners with local nonprofit organizations to support a range of community events, including the Dana Point Harbor Boat Parade, Dana Point Classic Car Show, Soroptimist Craft Fair, Organic Market, and the VFW's Memorial Day and Veterans Day ceremonies. It provides collaborative programming and support for nonprofits through networking opportunities and training initiatives.

The division oversees park use permitting, Community Center rentals, and special event permitting citywide. It operates Del Obispo Community Park, which features a Community Center, three lighted ball fields, two tennis courts, batting cages, an outdoor handball court, outdoor pickleball courts, and both outdoor and indoor basketball courts. Recreation also manages the Nature Interpretive Center and maintains the recreational trails at Hilltop Park and Harbor Point Park.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$506,624	\$550,161	\$673,000	\$749,400	\$776,400
Hourly	1030	\$144,422	\$218,168	\$250,000	\$255,000	\$260,000
Overtime	1050	\$17,103	\$12,272	\$27,500	\$20,000	\$20,000
Benefits	1100	\$67,534	\$98,767	\$127,300	\$168,000	\$173,500
Retirement Benefits	1120	\$53,465	\$73,300	\$95,500	\$110,000	\$114,500
Medi-tax 1.45%	1140	\$9,963	\$11,818	\$15,000	\$16,000	\$16,500
Total Personnel:		\$799,110	\$964,487	\$1,188,300	\$1,318,400	\$1,360,900
Materials & Services						
Communications	2010	\$2,079	\$3,914	\$4,000	\$5,200	\$5,200
Copier Usage	2040	\$3,605	\$4,355	\$5,600	\$5,000	\$5,000
Office Supplies	2070	\$3,607	\$4,853	\$5,500	\$0	\$0
Memberships & Dues	2090	\$1,055	\$2,338	\$5,345	\$2,000	\$2,000
<i>SCMA Fed (4); NPRS (10); CPRS (4); MMASC (1)</i>	<i>2090</i>				<i>\$2,000</i>	<i>\$2,000</i>
Operating Supplies	2110	\$32,507	\$88,409	\$59,755	\$89,500	\$94,500
<i>Recreation Supplies</i>	<i>2110</i>				<i>\$41,000</i>	<i>\$43,000</i>
<i>Butterfly Habitat Supplies</i>	<i>2110</i>				<i>\$26,000</i>	<i>\$27,000</i>
<i>NIC Supplies</i>	<i>2110</i>				<i>\$12,000</i>	<i>\$14,000</i>
<i>Office Supplies</i>	<i>2110</i>				<i>\$5,500</i>	<i>\$5,500</i>
<i>Staff Uniforms</i>	<i>2110</i>				<i>\$5,000</i>	<i>\$5,000</i>
Training	2150	\$558	\$426	\$5,800	\$1,500	\$1,500
Postage	2170		\$127		\$15,000	\$15,000



Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
<i>Lookout Magazine</i>	2170				\$15,000	\$15,000
Professional Services	2230	\$195,175	\$221,965	\$225,000	\$310,000	\$313,000
<i>Contract Classes</i>	2230				\$180,000	\$180,000
<i>Age Well Senior Services</i>	2230				\$65,000	\$65,000
<i>Community Lookout Magazine</i>	2230				\$65,000	\$68,000
Advertising	2250	\$12,345	\$10,123	\$21,800	\$14,400	\$14,400
<i>Local Newspaper Ads</i>	2250				\$14,400	\$14,400
Travel, Conf. & Meetings	2270	\$773	\$22,989	\$7,000	\$6,000	\$6,000
Auto Allowance/Mileage	2290	\$4,612	\$3,697	\$6,300	\$7,500	\$7,500
Community Activities	2410	\$680,449	\$832,679	\$913,300	\$1,016,000	\$1,086,000
<i>4th of July Fireworks Show</i>	2410				\$180,000	\$225,000
<i>DHHS Grad Night Sponsorship</i>	2410				\$3,000	\$3,000
<i>Summer Concerts (6)</i>	2410				\$150,000	\$160,000
<i>Art Festival</i>	2410				\$10,000	\$10,000
<i>Redo Market Sponsorship</i>	2410				\$15,000	\$15,000
<i>Ocean Institute Youth Program Sponsorship</i>	2410				\$30,000	\$30,000
<i>Capo Valley Boys & Girls Club Sponsorship</i>	2410				\$25,000	\$25,000
<i>Winter Holiday Decorations</i>	2410				\$30,000	\$35,000
<i>Halloween Spooktacular</i>	2410				\$15,000	\$15,000
<i>City Egg Hunts</i>	2410				\$15,000	\$15,000
<i>June Movies in the Park</i>	2410				\$35,000	\$35,000
<i>Turkey Trot Sponsorship</i>	2410				\$20,000	\$20,000
<i>Tree Lighting</i>	2410				\$14,000	\$14,000
<i>5th Marines Support Group</i>	2410				\$5,000	\$5,000
<i>VFW Sponsorship</i>	2410				\$5,000	\$5,000
<i>Pet Project Foundation Sponsorship</i>	2410				\$5,000	\$5,000
<i>Festival of Whales Sponsorship</i>	2410				\$20,000	\$20,000
<i>Festival of Whales Marketing</i>	2410				\$10,000	\$10,000
<i>Festival of Whales Concert/BBQ</i>	2410				\$35,000	\$35,000
<i>Festival of Whales Parade</i>	2410				\$60,000	\$60,000
<i>Miscellaneous Events</i>	2410				\$35,000	\$35,000
<i>Non-Profit Symposium</i>	2410				\$15,000	\$15,000
<i>Fish for Life Sponsorship</i>	2410				\$10,000	\$10,000
<i>Miscellaneous Sponsorships</i>	2410				\$20,000	\$20,000
<i>Ramps and Amps</i>	2410				\$90,000	\$95,000
<i>Sister City Sponsorship</i>	2410				\$5,000	\$5,000
<i>Jolly Trolley</i>	2410				\$7,000	\$7,000
<i>Redo Vinyl</i>	2410				\$5,000	\$5,000
<i>Memorial Day</i>	2410				\$6,000	\$6,000
<i>Shakespeare in the Park</i>	2410				\$45,000	\$45,000
<i>Dia de los Muertos</i>	2410				\$50,000	\$55,000
<i>Veterans Day</i>	2410				\$5,000	\$5,000



Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
<i>California Surf Day</i>	2410				\$5,000	\$5,000
<i>Palisades Sponsorship</i>	2410				\$5,000	\$5,000
<i>Rotary Sponsorship</i>	2410				\$3,000	\$3,000
<i>Dana Point Surf Club</i>	2410				\$3,000	\$3,000
<i>Ecology Center Sponsorship</i>	2410				\$20,000	\$20,000
<i>Lantern Village Association Sponsorship</i>	2410				\$5,000	\$5,000
Recreation Programs	2430	\$113,859	\$115,231	\$168,000	\$205,000	\$205,000
<i>Youth Sports</i>	2430				\$35,000	\$35,000
<i>Adult Sports</i>	2430				\$10,000	\$10,000
<i>Senior Programs</i>	2430				\$20,000	\$20,000
<i>Active Lifestyle Excursions - Seniors</i>	2430				\$30,000	\$30,000
<i>Active Lifestyle Socials - Seniors</i>	2430				\$30,000	\$30,000
<i>City Sponsored Seniors Lunch</i>	2430				\$50,000	\$50,000
<i>Youth Board</i>	2430				\$5,000	\$5,000
<i>GOALS- Palisades Afterschool Program</i>	2430				\$25,000	\$25,000
Total Materials & Services:		\$1,050,625	\$1,311,106	\$1,427,400	\$1,677,100	\$1,755,100
Capital Outlay						
Furniture & Equipment	3010			\$12,900	\$0	\$0
Total Capital Outlay:				\$12,900	\$0	\$0
Total Expense Objects:		\$1,849,736	\$2,275,593	\$2,628,600	\$2,995,500	\$3,116,000



ECONOMIC DEVELOPMENT

Jaimie To

Economic Development & Housing Manager

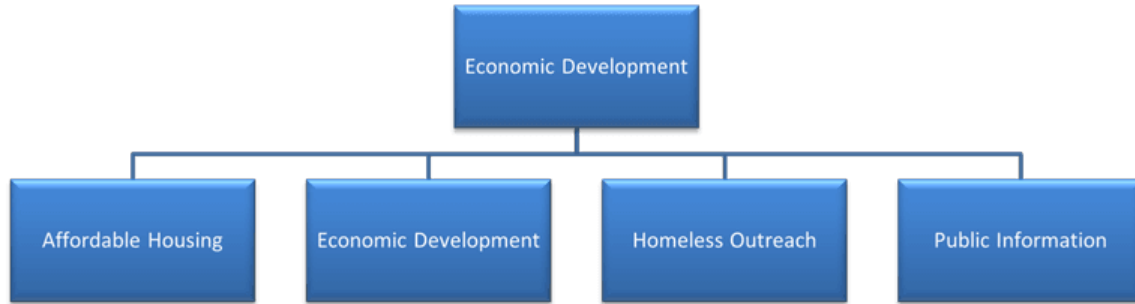
The Economic Development Division plays a crucial role in fostering a city's growth, prosperity, and community engagement. Economic Development focuses on attracting, retaining, and expanding businesses to strengthen the local economy, create jobs, and enhance the overall quality of life. It supports business development, tourism, and investment opportunities while implementing strategies to address housing affordability and social challenges such as homelessness. Public Information ensures transparent communication between the city and its residents, businesses, and stakeholders. It leverages digital platforms, social media, newsletters, and community outreach to provide timely and accessible information on city services, programs, and initiatives. Together, these functions contribute to a thriving, well-informed, and engaged community, promoting economic vitality and civic participation.

FY2026 & FY2027 KEY INITIATIVES

- Streamline business regulations by reviewing and updating the Dana Point Municipal Code for efficiency and effectiveness.
- Enhance public engagement and digital access through improved marketing and outreach tools to connect businesses and residents with City services.
- Support vulnerable residents by leveraging available resources to assist homeless individuals and families in the community.
- Ensure compliance with affordable housing policies and continue efforts to maintain and expand affordable housing options in Dana Point.
- Collaborate with the Chamber of Commerce and destination marketing organizations to strengthen local businesses and tourism-related activities.
- Foster business growth by developing strategies to attract, retain, and expand businesses in Dana Point.
- Organize and host the annual State of the City event to highlight economic achievements and community initiatives.
- Promote public and private art initiatives to enhance Dana Point's cultural and aesthetic appeal.



Economic Development Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Public Information (22)	0	0	0
Economic Development (44)*	3	3	3
Total	3	3	3
*Assistant City Manager position moved from Economic Development Dept. (44) to City Manager Dept.(11) budget and Assistant Administrative Analyst added in Fiscal Year 2026			

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Public Information Services					
Materials & Services	\$183,616	\$0	\$0	\$0	\$0
Total Public Information Services:	\$183,616	\$0	\$0	\$0	\$0
Economic Development					
Personnel	\$499,438	\$552,006	\$619,700	\$393,700	\$426,000
Materials & Services	\$270,741	\$641,408	\$721,300	\$400,600	\$389,800
Total Economic Development:	\$770,179	\$1,193,414	\$1,341,000	\$794,300	\$815,800
Total Expenditures:	\$953,795	\$1,193,414	\$1,341,000	\$794,300	\$815,800

*Public Information Services (Dept. 22) budget moved to Economic Development (Dept. 44) beginning Fiscal Year 2024.



Public Information Services (22)

Public Information Services implements programs to enhance communications between City government and all members of the community, including residents, businesses, visitors and other governmental agencies. Public Information Services facilitates outreach and public education programs, develops marketing programs, and maintains quality cable broadcast of public meetings, assists with website development, promotes special events, and augments on-going efforts to promote the City's Mission Statement and Strategic Planning Initiatives of the Strategic Plan.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Professional Services	2230	\$124,963	\$0	\$0	\$0	\$0
Marketing	2600	\$58,652	\$0	\$0	\$0	\$0
Total Materials & Services:		\$183,616	\$0	\$0	\$0	\$0
Total Expense Objects:		\$183,616	\$0	\$0	\$0	\$0

**Public Information Services (Dept. 22) budget moved to Economic Development (Dept. 44) beginning Fiscal Year 2024*



Economic Development (44)

Economic Development promotes a healthy local economy through efforts geared towards business attraction, retention and expansion. The Program assists with business development and outreach, as the City's Tourism Business Improvement District destination marketing liaison, grant research, business registration, social media outreach, City newsletter coordination, other public outreach programs, and special projects. The goals of Economic Development are to seek opportunities to enhance revenues for local businesses and generate investment to enhance the quality of life in Dana Point. The Economic Development division also assists with strategies to address homelessness and maintain affordable housing units in Dana Point.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$397,257	\$420,928	\$470,500	\$277,900	\$306,100
Hourly	1030	\$3,660	\$13,733	\$18,200	\$18,200	\$18,900
Benefits	1100	\$49,670	\$58,302	\$63,700	\$63,100	\$64,800
Retirement Benefits	1120	\$42,990	\$52,664	\$60,000	\$29,900	\$31,400
Medi-tax 1.45%	1140	\$5,860	\$6,379	\$7,300	\$4,600	\$4,800
Total Personnel:		\$499,438	\$552,006	\$619,700	\$393,700	\$426,000
Materials & Services						
Communications	2010	\$1,590	\$3,263	\$4,100	\$2,100	\$2,100
Office Supplies	2070	\$1,282	\$1,517	\$2,000	\$0	\$0
Memberships & Dues	2090	\$2,710	\$2,885	\$3,500	\$3,000	\$3,000
Operating Supplies	2110	\$0	\$19,015	\$20,000	\$50,000	\$50,000
Books & Subscriptions	2130	\$12,966	\$18,852	\$22,000	\$0	\$0
Training	2150	\$0	\$349	\$5,700	\$2,000	\$2,000
Professional Services	2230	\$150,275	\$369,791	\$408,500	\$180,000	\$180,000
Travel, Conf. & Meetings	2270	\$9,609	\$10,219	\$11,000	\$9,000	\$9,000
Auto Allowance/Mileage	2290	\$8,392	\$7,964	\$9,200	\$4,000	\$4,000
Parking Lot Leases	2340	\$0	\$2,669	\$54,000	\$43,000	\$25,000
Marketing	2600	\$83,916	\$204,883	\$181,300	\$107,500	\$114,700
Total Materials & Services:		\$270,741	\$641,408	\$721,300	\$400,600	\$389,800
Total Expense Objects:		\$770,179	\$1,193,414	\$1,341,000	\$794,300	\$815,800



GENERAL SERVICES

General Services oversees the Facilities and Emergency Services Divisions, which are responsible for maintaining all City facilities, managing the Emergency Operations Center, and coordinating the Community Emergency Response Team (CERT) and Disaster Preparedness Program.

FY2026 & FY2027 KEY INITIATIVES

Emergency Services Objectives:

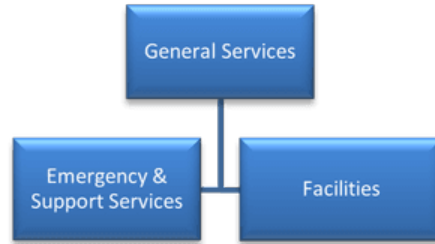
- Ensure the City's Continuity of Operations Plan, Emergency Operations Plan, and Emergency Action Plans remain current and relevant.
- Provide up-to-date emergency services information through ongoing outreach to residents and businesses.
- Offer continuous emergency services training to employees through functional and tabletop exercises.
- Maintain a fully functional Emergency Operations Center equipped with the necessary tools, software, and training to respond to natural or human-induced disasters.
- Collaborate with neighboring cities to enhance outreach and training for Community Emergency Response Team (CERT) programs.
- Support and collaborate with the Radio Amateur Civil Emergency Services (RACES) program.

Facilities Objectives:

- Provide regular maintenance and upgrades to building structures to ensure longevity, safety, and functionality while preserving the integrity of city-owned facilities.
- Upgrade and maintain HVAC, electrical, and fire protection systems to enhance energy efficiency, ensure regulatory compliance, and improve overall facility performance.
- Conduct routine inspections and upgrades to plumbing, electrical, and emergency power systems to maintain safe, efficient, and fully operational public facilities.
- Implement modern security measures, structural assessments, and accessibility improvements to keep facilities safe, compliant, and accessible to all residents and employees.



General Services Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Emergency Services (12)	1.5	1.5	1.5
Facilities (95)	3	3	3
Total	4.5	4.5	4.5

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Emergency Services					
Personnel	\$365,833	\$405,985	\$289,500	\$215,000	\$222,900
Materials & Services	\$153,162	\$215,855	\$130,400	\$71,800	\$62,900
Total Emergency Services:	\$518,995	\$621,840	\$419,900	\$286,800	\$285,800
Facilities					
Personnel	\$271,784	\$264,680	\$386,500	\$413,200	\$426,800
Materials & Services	\$750,556	\$867,608	\$1,171,800	\$957,900	\$979,600
Capital Outlay	\$4,914	\$9,857	\$19,000	\$0	\$0
Total Facilities:	\$1,027,253	\$1,142,145	\$1,577,300	\$1,371,100	\$1,406,400
Total Expenditures:	\$1,546,248	\$1,763,985	\$1,997,200	\$1,657,900	\$1,692,200



Emergency Services (12)

Emergency Services coordinates disaster preparedness, response and recovery programs as set forth in State and Federal regulations, and the City's Emergency Plan and Continuity of Operating Plan. The Division manages the City's Emergency Operations Center, provides Staff training, coordinates public training opportunities, communicates emergency preparedness information, coordinates the Community Emergency Response Team (CERT) program, and maintains agency partnerships critical to emergency preparedness, response and recovery.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$269,327	\$307,854	\$143,500	\$111,700	\$115,700
Hourly	1030	\$37,773	\$20,118	\$55,000	\$57,400	\$59,700
Overtime	1050	\$62	\$390	\$1,000	\$0	\$0
Benefits	1100	\$23,755	\$38,637	\$63,000	\$24,000	\$24,700
Retirement Benefits	1120	\$30,222	\$33,978	\$21,000	\$19,400	\$20,200
Medi-tax 1.45%	1140	\$4,694	\$5,008	\$6,000	\$2,500	\$2,600
Total Personnel:		\$365,833	\$405,985	\$289,500	\$215,000	\$222,900
Materials & Services						
Communications	2010	\$5,537	\$17,718	\$7,000	\$4,500	\$4,500
Equipment Maintenance	2030	\$5,753	\$4,748	\$10,500	\$11,500	\$11,500
Copier Usage	2040	\$2,064	\$1,603	\$1,500	\$1,900	\$2,000
Office Supplies	2070	\$1,655	\$2,499	\$3,000	\$0	\$0
Memberships & Dues	2090	\$290	\$290	\$1,000	\$1,000	\$1,000
Operating Supplies	2110	\$24,012	\$10,640	\$49,500	\$28,500	\$29,500
Training	2150	\$1,884	\$736	\$1,200	\$1,200	\$1,200
Professional Services	2230	\$102,536	\$170,660	\$53,200	\$20,000	\$10,000
Travel, Conf. & Meetings	2270	\$2,490	\$1,670	\$2,500	\$2,200	\$2,200
Auto Allowance/Mileage	2290	\$6,939	\$5,292	\$1,000	\$1,000	\$1,000
Total Materials & Services:		\$153,162	\$215,855	\$130,400	\$71,800	\$62,900
Total Expense Objects:		\$518,995	\$621,840	\$419,900	\$286,800	\$285,800



Facilities (95)

FACILITIES provides for equipment, operating supplies, resources and labor to manage all aspects of City-owned buildings; this includes preventative maintenance, repairs, custodial services, tenant-space improvements, contract and project management. The current inventory of City facilities includes: City Hall; Del Obispo Community Center; Nature Interpretive Center; Del Obispo Sports Park (Restrooms and Concession facility); Creekside, Sea Canyon, Lantern Bay, and Sunset Parks (Restroom facilities); PCH Pedestrian Bridge; and the South Strands Restroom.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$204,676	\$191,872	\$279,000	\$292,000	\$302,500
Overtime	1050	\$5,592	\$12,324	\$10,000	\$12,000	\$12,000
Benefits	1100	\$38,645	\$40,142	\$64,000	\$71,800	\$73,600
Retirement Benefits	1120	\$19,622	\$17,234	\$29,000	\$31,900	\$33,200
Medi-tax 1.45%	1140	\$3,249	\$3,108	\$4,500	\$5,500	\$5,500
Total Personnel:		\$271,784	\$264,680	\$386,500	\$413,200	\$426,800
Materials & Services						
Communications	2010	\$2,271	\$2,151	\$1,700	\$2,900	\$2,900
Equipment & Facilities Maintenance	2030	\$446,692	\$537,942	\$823,000	\$608,500	\$618,200
Office Supplies	2070	\$0	\$905	\$1,000	\$0	\$0
Memberships & Dues	2090	\$0	\$0	\$2,000	\$2,000	\$2,000
Operating Supplies	2110	\$95,063	\$81,899	\$104,000	\$98,000	\$98,000
Training	2150	\$0	\$0	\$2,000	\$5,000	\$5,000
Utilities	2210	\$177,421	\$194,549	\$217,000	\$219,000	\$231,000
Professional Services	2230	\$27,202	\$47,821	\$16,200	\$17,500	\$17,500
Travel, Conf. & Meetings	2270	\$0	\$555	\$3,000	\$3,000	\$3,000
Auto Allowance/Mileage	2290	\$1,907	\$1,785	\$1,900	\$2,000	\$2,000
Total Materials & Services:		\$750,556	\$867,608	\$1,171,800	\$957,900	\$979,600
Capital Outlay						
Furniture & Equipment	3010	\$0	\$0	\$19,000	\$0	\$0
Facilities Improvements	3030	\$4,914	\$9,857	\$0	\$0	\$0
Total Capital Outlay:		\$4,914	\$9,857	\$19,000	\$0	\$0
Total Expense Objects:		\$1,027,253	\$1,142,145	\$1,577,300	\$1,371,100	\$1,406,400



Police Services

Captain Frank Gonzalez
Chief of Police Services, OCSD

Police Services in Dana Point are provided through a contract with the Orange County Sheriff's Department (OCSD), offering professional, community-focused law enforcement. Services include patrols, emergency response, crime prevention, traffic safety, investigations, and ordinance enforcement. Using a Community-Based Policing model, OCSD emphasizes positive resident engagement and provides specialized support as needed, including units such as S.W.A.T., Air Support, and the Behavioral Health Bureau.

The department also manages the Volunteers in Police Services (VIPS) Program. Volunteers assist with administrative tasks, code enforcement, traffic control, and special events, while supporting Neighborhood Watch and serving as community ambassadors.

FY2026 & FY2027 KEY INITIATIVES

- Engage with the community regarding new concerns, such as e-bikes and burglary trends, to promote awareness and safety.
- Increased coordination between patrol and CSU to identify issues which can be better managed by CSU/Investigations.
- Develop strategies to increase participation in Neighborhood Watch programs.
- Leverage technology such as automated license plate readers (ALPR) and surveillance tools to support crime prevention and investigation.
- Increase staff visibility and effectiveness through windshield surveys and regular positive police contacts with the community.
- Continue partnership with City staff through the NICE program to enhance cross-departmental collaboration and deliver coordinated responses to community issues.
- Use social media platforms to keep the community informed about public safety updates, crime trends, upcoming events, and department initiatives, enhancing transparency and engagement.

Police Services Summary

<u>PERSONNEL ALLOCATION BY PROGRAM</u>	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Public Safety (61)*	39	39	39
Total	39	39	39
<i>*Orange County Sheriff's Department Staff directly assigned to the City of Dana Point</i>			

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Police Services					
Personnel	\$31,396	\$33,906	\$46,000	\$45,600	\$47,900
Materials & Services	\$14,110,694	\$14,606,362	\$16,108,000	\$16,509,700	\$17,157,300
Capital Outlay	\$22,248	\$4,741	\$0	\$0	\$0
Total Police Services:	\$14,164,338	\$14,645,008	\$16,154,000	\$16,555,300	\$17,205,200
Total Expenditures:	\$14,164,338	\$14,645,008	\$16,154,000	\$16,555,300	\$17,205,200



Police Services (61)

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Hourly	1030	\$28,922	\$31,158	\$42,100	\$41,600	\$43,700
Retirement Benefits	1120	\$2,055	\$2,296	\$3,200	\$3,300	\$3,500
Medi-tax 1.45%	1140	\$419	\$452	\$700	\$700	\$700
Total Personnel:		\$31,396	\$33,906	\$46,000	\$45,600	\$47,900
Materials & Services						
Communications	2010	\$1,179	\$994	\$2,500	\$1,500	\$1,500
Equipment Maintenance	2030	\$33,268	\$31,017	\$38,000	\$40,000	\$41,500
Copier Usage	2040	\$357	\$273	\$500	\$500	\$500
Office Supplies	2070	\$3,901	\$2,431	\$5,000	\$0	\$0
Operating Supplies	2110	\$90,371	\$42,528	\$68,000	\$64,000	\$64,000
Training	2150	\$50	\$1,024	\$2,000	\$2,000	\$2,000
Professional Services	2230	\$216,068	\$382,242	\$389,500	\$397,700	\$405,000
Third-Party Reimbursable Services	2240	\$166,818	\$136,345	\$218,000	\$0	\$0
Travel, Conf. & Meetings	2270	\$18,148	\$18,812	\$20,000	\$20,000	\$20,000
Police Services	2330	\$13,580,532	\$13,990,694	\$15,364,500	\$15,984,000	\$16,622,800
Total Materials & Services:		\$14,110,694	\$14,606,362	\$16,108,000	\$16,509,700	\$17,157,300
Capital Outlay						
Furniture & Equipment	3010	\$22,248	\$4,741	\$0	\$0	\$0
Total Capital Outlay:		\$22,248	\$4,741	\$0	\$0	\$0
Total Expense Objects:		\$14,164,338	\$14,645,008	\$16,154,000	\$16,555,300	\$17,205,200



PUBLIC WORKS & ENGINEERING SERVICES

Matthew Sinacori

Director of Public Works & City Engineer

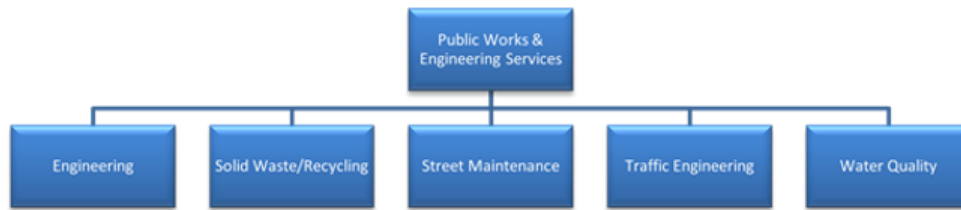
The Public Works and Engineering Department is responsible for maintaining and improving the City's infrastructure and public spaces. Key functions include street maintenance, traffic engineering, and oversight of solid waste and recycling programs. The department reviews private development for compliance with City standards and coordinates related infrastructure improvements. It also manages water quality programs in accordance with environmental regulations and oversees the Capital Improvement Program, delivering major projects such as storm drains, parks, and street upgrades. Additionally, it regulates and inspects construction in the public right-of-way to ensure safety and compliance. Through these efforts, the department supports community livability, sustainability, and the long-term integrity of public assets.

FY2026 & FY2027 KEY INITIATIVES

- Participate in training and develop materials for Emergency Preparedness and Response, including routine citywide emergency response.
- Engage in leadership training and team-building events to foster a culture of humility, drive, and intelligence among employees.
- Oversee the design and construction of Capital Improvement Program (CIP) projects to maintain and enhance streets, curbs, gutters, storm drains, sidewalks, traffic signals, parks, and other city infrastructure.
- Conduct annual public sidewalk inspections per City policy and implement necessary repairs, including ramping, patching, grinding, and replacements.
- Operate the Dana Point Trolley Program and pursue grant opportunities for funding.
- Lead the design and construction of the Doheny Village Connectivity Improvement Project.
- Manage the City's Water Quality Improvement Plan, including trash control best management practices, storm drain diversion facilities, street sweeping, and the Salt Creek Ozone Treatment Facility.
- Oversee the Solid Waste Services Agreement with CR&R and organize bulky-item cleanup events.
- Collaborate with other departments to streamline and automate the permit process.
- Enhance Del Prado events by improving connectivity and integrating new technology.
- Maintain and upgrade the City's traffic signal network using the latest technology.
- Address traffic safety concerns in accordance with City policies.
- Ensure citywide street maintenance, including weekly street sweeping.



Public Works & Engineering Services Summary



PERSONNEL ALLOCATION BY PROGRAM	Authorized FY25 FTE	Proposed FY26 FTE	Proposed FY27 FTE
Administration (51)	3	3	3
Engineering (56)	11	11	11
Water Quality (57)	1	1	1
Total	15	15	15

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expenditures					
Administration					
Personnel	\$551,724	\$574,112	\$630,600	\$668,800	\$691,500
Materials & Services	\$21,952	\$78,326	\$92,400	\$54,400	\$89,400
Total Administration:	\$573,676	\$652,438	\$723,000	\$723,200	\$780,900
Street Maintenance					
Materials & Services	\$2,493,319	\$2,276,345	\$2,814,423	\$4,088,500	\$4,022,500
Capital Outlay	\$0	\$17,038	\$0	\$0	\$0
Total Street Maintenance:	\$2,493,319	\$2,293,382	\$2,814,423	\$4,088,500	\$4,022,500
Traffic Engineering					
Materials & Services	\$954,803	\$1,040,942	\$1,344,600	\$0	\$0
Total Traffic Engineering:	\$954,803	\$1,040,942	\$1,344,600	\$0	\$0
Solid Waste And Recycling					
Materials & Services	\$71,647	\$0	\$0	\$0	\$0
Total Solid Waste And Recycling:	\$71,647	\$0	\$0	\$0	\$0
Engineering					
Personnel	\$1,382,898	\$1,654,415	\$1,939,909	\$2,081,200	\$2,152,400
Materials & Services	\$1,066,070	\$761,587	\$447,464	\$279,900	\$279,900
Total Engineering:	\$2,448,968	\$2,416,003	\$2,387,373	\$2,361,100	\$2,432,300
Water Quality & Natural Resources					
Personnel	\$180,364	\$194,193	\$208,900	\$224,900	\$232,800
Materials & Services	\$473,542	\$592,632	\$718,200	\$720,200	\$725,200



Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Total Water Quality & Natural Resources:	\$653,906	\$786,825	\$927,100	\$945,100	\$958,000
Total Expenditures:	\$7,196,320	\$7,189,591	\$8,196,496	\$8,117,900	\$8,193,700

**Solid Waste and Recycling (Dept. 54) budget moved to Public Works Administration (Dept. 51) beginning Fiscal Year 2024.*



Public Works Administration (51)

Public Works Administration supports all Department operations. This Division develops and administers the department budget and contracts, directly oversees the trolley program, solid waste franchise, streetlight pole banner and holiday decor programs, residential parking permits, and the City fleet.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$448,792	\$455,138	\$475,000	\$498,400	\$516,100
Benefits	1100	\$47,894	\$54,872	\$84,900	\$96,500	\$98,800
Retirement Benefits	1120	\$48,355	\$57,306	\$63,300	\$66,500	\$69,000
Medi-tax 1.45%	1140	\$6,683	\$6,797	\$7,400	\$7,400	\$7,600
Total Personnel:		\$551,724	\$574,112	\$630,600	\$668,800	\$691,500
Materials & Services						
Communications	2010	\$2,874	\$2,782	\$2,900	\$2,900	\$2,900
Equipment Maintenance	2030	\$129	\$0	\$0	\$0	\$0
Copier Usage	2040	\$3,608	\$4,425	\$3,500	\$3,500	\$3,500
Office Supplies	2070	\$11,799	\$14,062	\$10,000	\$0	\$0
Memberships & Dues	2090	\$90	\$1,578	\$1,500	\$500	\$500
Operating Supplies	2110	\$677	\$390	\$0	\$10,000	\$10,000
Training	2150	\$100	\$1,940	\$2,000	\$2,000	\$2,000
Professional Services	2230	\$0	\$49,946	\$70,000	\$32,000	\$67,000
Travel, Conf. & Meetings	2270	\$2,675	\$3,137	\$2,000	\$3,000	\$3,000
Auto Allowance/Mileage	2290	\$0	\$65	\$500	\$500	\$500
Total Materials & Services:		\$21,952	\$78,326	\$92,400	\$54,400	\$89,400
Total Expense Objects:		\$573,676	\$652,438	\$723,000	\$723,200	\$780,900

**Solid Waste and Recycling (Dept. 54) budget moved to Public Works Administration (Dept. 51) beginning Fiscal Year 2024.*



Street Maintenance (52)

Street Maintenance oversees maintenance, operation and repair of City streets, signage, striping, sidewalks, storm drain, and stormwater systems; street sweeping; concrete and asphalt repairs; and, coordinates with public/private utilities regarding construction encroachment permits and inspections for their work in the public right of way. This Division is also responsible for reporting requirements for OCTA's M2 funding and to the California Transportation Commission related to SB1 transportation funding. This Division also includes traffic engineering, which focuses on providing for the safe and efficient flow of traffic on all streets by responding to public concerns about traffic safety, street maintenance and signal operations; and provide staff support to the City's Traffic Improvement Subcommittee. Conducts traffic studies, prepares as-built street signing/stripping plans, and prepares traffic control plans for public events.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Office Supplies	2070	\$611	\$176	\$500	\$0	\$0
Operating Supplies	2110	\$26,872	\$37,486	\$52,200	\$51,000	\$51,000
Utilities	2210	\$0	\$0	\$0	\$452,000	\$462,000
Professional Services	2230	\$519,723	\$405,528	\$454,518	\$932,000	\$826,000
Travel, Conf. & Meetings	2270	\$149	\$484	\$1,000	\$1,000	\$1,000
Street Maintenance	2350	\$1,387,781	\$1,390,347	\$1,770,705	\$1,560,000	\$1,590,000
Street Sweeping	2490	\$202,939	\$480	\$500	\$5,500	\$5,500
Storm Drains	2510	\$355,244	\$441,844	\$535,000	\$606,000	\$606,000
Safety Lighting	2530	\$0	\$0	\$0	\$481,000	\$481,000
Total Materials & Services:		\$2,493,319	\$2,276,345	\$2,814,423	\$4,088,500	\$4,022,500
Capital Outlay						
Furniture & Equipment	3010	\$0	\$17,038	\$0	\$0	\$0
Total Capital Outlay:		\$0	\$17,038	\$0	\$0	\$0
Total Expense Objects:		\$2,493,319	\$2,293,382	\$2,814,423	\$4,088,500	\$4,022,500

**Traffic Engineering (Dept. 53) budget moved to Street Maintenance (Dept. 52) beginning Fiscal Year 2026.*



Traffic Engineering (53)

Traffic Engineering focuses on providing for the safe and efficient flow of traffic on all streets by responding to public concerns about traffic safety, street maintenance and traffic signal operations; and provide staff support to the City's Traffic Improvement Subcommittee. Conducts traffic studies, prepares as-built street signing/stripping plans, and prepares traffic control plans for public events.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Office Supplies	2070	\$165	\$149	\$300	\$0	\$0
Operating Supplies	2110	\$0	\$68	\$500	\$0	\$0
Training	2150	\$0	\$0	\$300	\$0	\$0
Utilities	2210	\$433,128	\$416,628	\$427,000	\$0	\$0
Professional Services	2230	\$155,115	\$222,858	\$444,000	\$0	\$0
Safety Lighting	2530	\$366,395	\$401,239	\$472,500	\$0	\$0
Total Materials & Services:		\$954,803	\$1,040,942	\$1,344,600	\$0	\$0
Total Expense Objects:		\$954,803	\$1,040,942	\$1,344,600	\$0	\$0

**Traffic Engineering (Dept. 53) budget moved to Street Maintenance (Dept. 52) beginning Fiscal Year 2026.*



Solid Waste & Recycling (54)

Solid Waste & Recycling manages the franchise agreement for solid waste/recycling services, currently held by CR&R. Conducts performance and rate adjustment audits, and is the liaison for resident issues. CR&R administers recycling and related public education programs, provides bulky item pick-up services and reporting requirements to South Coast Air Quality Management District (SCAQMD), Department of Toxic Substances Control (DTSC) and the State Department of Resources, Recycling and Recovery (CalRecycle).

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Office Supplies	2070	\$1,951	\$0	\$0	\$0	\$0
Professional Services	2230	\$69,697	\$0	\$0	\$0	\$0
Total Materials & Services:		\$71,647	\$0	\$0	\$0	\$0
Total Expense Objects:		\$71,647	\$0	\$0	\$0	\$0

**Solid Waste and Recycling (Dept. 54) budget moved to Public Works Administration (Dept. 51) beginning Fiscal Year 2024.*



Engineering (56)

Engineering is comprised of Development Engineering, Capital Improvement Program (CIP) Design, and Construction.

- Development Engineering reviews private and public development engineering applications for work on private and public property; review engineering plans for compliance with California and local codes and ordinances, and assist the City's Planning and Building Divisions with discretionary development reviews and construction permits; and issue encroachment, grading, improvement, and transportation permits, and conduct field inspections to ensure compliance during construction.
- Capital Improvement Program (CIP) manages planning, design, bidding for projects, and contracting for construction. Project types generally include street improvements, median enhancements, repairs and improvements to curbs, gutters, and sidewalks, park renovations, and storm drain improvements. They apply for/manage State and Federal grant funds, direct the street pavement management and implementation plan/program, and manage the City's storm drain system and public right-of-way inventories.
- Construction Management provides contractor oversight capacity, including inspections for CIP and various utility agency projects; conducts field inspections of residential/commercial developments on both public and private property; and respond to emergencies related to accidents, storms, and other emergency services activities.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$1,099,086	\$1,249,649	\$1,432,600	\$1,534,600	\$1,590,200
Hourly	1030	\$13,342	\$16,060	\$37,000	\$49,500	\$50,900
Overtime	1050	\$11,884	\$45,141	\$56,500	\$30,000	\$30,000
Benefits	1100	\$140,704	\$164,542	\$230,000	\$266,500	\$273,500
Retirement Benefits	1120	\$100,899	\$127,441	\$156,900	\$175,600	\$182,800
Medi-tax 1.45%	1140	\$16,983	\$19,990	\$23,500	\$25,000	\$25,000
Outside Assistance	1200	\$0	\$31,591	\$3,409	\$0	\$0
Total Personnel:		\$1,382,898	\$1,654,415	\$1,939,909	\$2,081,200	\$2,152,400
Materials & Services						
Communications	2010	\$10,275	\$10,954	\$11,700	\$13,100	\$13,100
Office Supplies	2070	\$2,872	\$1,792	\$2,800	\$0	\$0
Memberships & Dues	2090	\$2,235	\$996	\$1,800	\$1,800	\$1,800
Operating Supplies	2110	\$37,800	\$9,831	\$25,000	\$13,000	\$13,000
Training	2150	\$0	\$125	\$1,000	\$1,000	\$1,000
Professional Services	2230	\$258,663	\$313,517	\$326,375	\$233,500	\$233,500
Third-Party Reimbursable Services	2240	\$746,706	\$415,218	\$67,789	\$0	\$0
Travel, Conf. & Meetings	2270	\$0	\$120	\$1,000	\$7,500	\$7,500
Auto Allowance/Mileage	2290	\$7,519	\$9,035	\$10,000	\$10,000	\$10,000
Total Materials & Services:		\$1,066,070	\$761,587	\$447,464	\$279,900	\$279,900
Total Expense Objects:		\$2,448,968	\$2,416,003	\$2,387,373	\$2,361,100	\$2,432,300



Water Quality (57)

Water Quality implements the City's Ocean Water Quality Program and maintains compliance with State and Federal environmental regulations to preserve and protect our ocean waters and beaches; reviews public/private development project plans, monitoring, reporting, operation and maintenance of the City's structural Best Management Practices (BMPs) including Salt Creek Ozone Treatment Facility, seventeen nuisance water diversion facilities, eight storm drain trash removal units and other trash control devices; and coordinates with external agencies to implement water quality, conservation and sanitary sewer programs that enhance and improve water quality in Dana Point.

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Personnel						
Salaries	1010	\$146,323	\$152,520	\$162,000	\$174,200	\$180,500
Benefits	1100	\$15,972	\$19,402	\$21,300	\$24,500	\$25,100
Retirement Benefits	1120	\$15,865	\$19,950	\$23,000	\$23,600	\$24,500
Medi-tax 1.45%	1140	\$2,203	\$2,321	\$2,600	\$2,600	\$2,700
Total Personnel:		\$180,364	\$194,193	\$208,900	\$224,900	\$232,800
Materials & Services						
Communications	2010	\$856	\$843	\$1,000	\$1,000	\$1,000
Office Supplies	2070	\$634	\$486	\$1,000	\$0	\$0
Memberships & Dues	2090	\$540	\$840	\$2,000	\$2,000	\$2,000
Operating Supplies	2110	\$5,035	\$4,899	\$7,500	\$10,000	\$10,000
Training	2150	\$0	\$0	\$1,000	\$1,000	\$1,000
Professional Services	2230	\$102,854	\$91,283	\$120,000	\$148,000	\$148,000
Third-Party Reimbursable Services	2240	\$0	\$0	\$10,000	\$0	\$0
Travel, Conf. & Meetings	2270	\$498	\$139	\$2,500	\$2,000	\$2,000
Auto Allowance/Mileage	2290	\$676	\$643	\$700	\$700	\$700
Storm Drains	2510	\$362,449	\$493,498	\$572,500	\$555,500	\$560,500
Total Materials & Services:		\$473,542	\$592,632	\$718,200	\$720,200	\$725,200
Total Expense Objects:		\$653,906	\$786,825	\$927,100	\$945,100	\$958,000



SPECIAL REVENUE & CAPITAL PROJECTS FUNDS





Special Revenue Funds Summary

The City utilizes nine separate Special Revenue funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects. The restrictions on use must be imposed by external parties (e.g. State, Federal or other agency; and/or by law). The City's nine funds include: Gas Tax (02); Measure M (04); AB2766 (05); Coastal Transit (06); Tourism Business Improvement District (07); Road Maintenance & Rehabilitation Act (08); Headlands Habitat (09); Supplemental Law Enforcement Services (25); and, CFD 2006-1 Facilities Maintenance (27).

Special Revenue Projected Fund Balances

Proposed Fiscal Year 2025-2026

FISCAL YEAR 2026	Budgeted Fund Balance at 6/30/2025	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Projected Ending Fund Balance 6/30/2026
Gas Tax (02)	\$ 207,114	\$ 948,800	\$ 1,075,000	\$ (126,200)	\$ 80,914
Measure M (04)	467,502	903,400	1,075,000	(171,600)	295,902
AB2766 Clean Air (05)	65,520	35,500	-	35,500	101,020
Coastal Transit (06)	1,134,191	1,000,000	1,215,000	(215,000)	919,191
Tourism Business Improvement (07)	479,624	2,401,500	2,881,124	(479,624)	-
Road Maintenance & Rehab (08)	438,546	871,900	975,000	(103,100)	335,446
Headlands Habitat ESHA (09)	345,155	30,000	27,000	3,000	348,155
Supplemental Law Enforcement (25)	8,668	-	-	-	8,668
CFD Headlands Maintenance (27)	502,334	388,500	528,800	(140,300)	362,034
TOTAL	\$ 3,648,653	\$ 6,579,600	\$ 7,776,924	\$ (1,197,324)	\$ 2,451,329

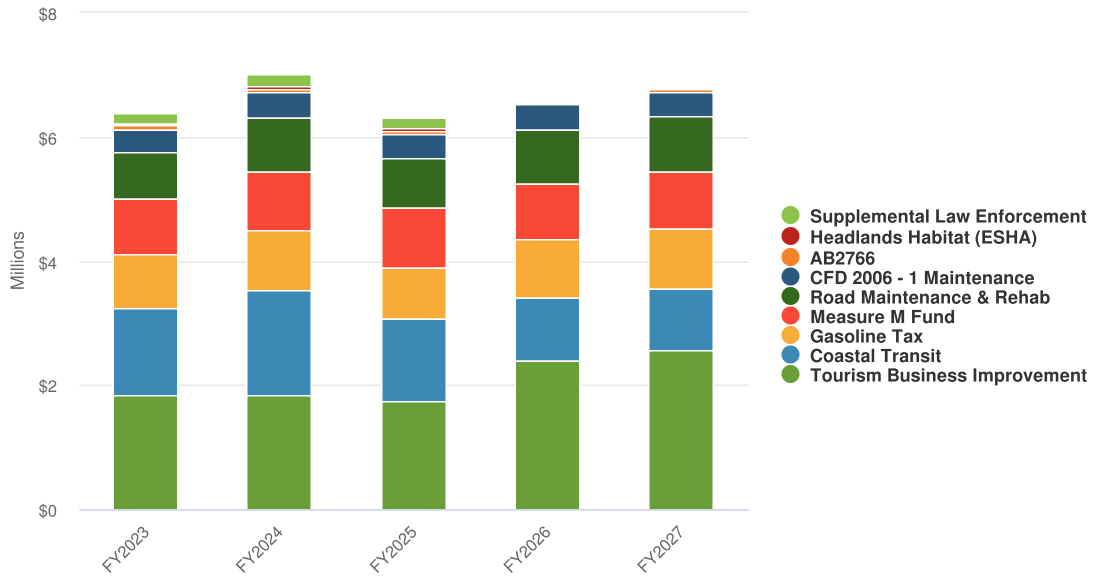
Proposed Fiscal Year 2026-2027

FISCAL YEAR 2027	Projected Beg Fund Balance 6/30/2026	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Projected Ending Fund Balance 6/30/2027
Gas Tax (02)	\$ 80,914	\$ 967,400	\$ 1,025,000	\$ (57,600)	\$ 23,314
Measure M (04)	295,902	926,700	1,050,000	(123,300)	172,602
AB2766 Clean Air (05)	101,020	35,500	-	35,500	136,520
Coastal Transit (06)	919,191	1,000,000	1,160,000	(160,000)	759,191
Tourism Business Improvement (07)	-	2,551,500	2,550,000	1,500	1,500
Road Maintenance & Rehab (08)	335,446	889,200	975,000	(85,800)	249,646
Headlands Habitat ESHA (09)	348,155	30,000	27,000	3,000	351,155
Supplemental Law Enforcement (25)	8,668	-	-	-	8,668
CFD Headlands Maintenance (27)	362,034	388,500	519,800	(131,300)	230,734
TOTAL	\$ 2,451,329	\$ 6,788,800	\$ 7,306,800	\$ (518,000)	\$ 1,933,329



REVENUES BY FUND

Budgeted and Historical 2023 Revenue by Fund



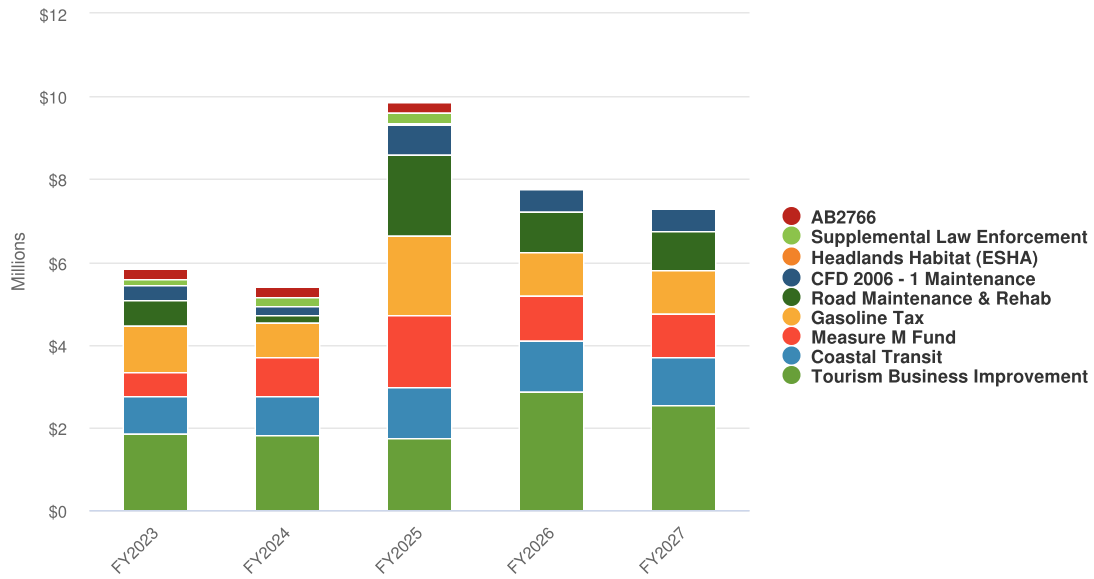
Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Gasoline Tax	\$891,671	\$961,230	\$821,000	\$948,800	\$967,400
Measure M Fund	\$875,575	\$941,203	\$965,000	\$903,400	\$926,700
AB2766	\$70,030	\$50,640	\$46,500	\$35,500	\$35,500
Coastal Transit	\$1,396,848	\$1,705,483	\$1,315,000	\$1,000,000	\$1,000,000
Tourism Business Improvement	\$1,829,844	\$1,829,840	\$1,751,000	\$2,401,500	\$2,551,500
Road Maintenance & Rehab	\$755,803	\$873,483	\$810,000	\$871,900	\$889,200
Headlands Habitat (ESHA)	\$36,203	\$41,198	\$35,000	\$30,000	\$30,000
Supplemental Law Enforcement	\$166,443	\$193,075	\$184,500	\$0	\$0
CFD 2006 - 1 Maintenance	\$363,024	\$404,789	\$389,000	\$388,500	\$388,500
Total:	\$6,385,444	\$7,000,942	\$6,317,000	\$6,579,600	\$6,788,800

**Funding for the Supplemental Law Enforcement Fund are not guaranteed and thus are not budgeted until received.*

Expenditures by Fund



Budgeted and Historical 2026 Expenditures by Fund



Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Gasoline Tax	\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000
Measure M Fund	\$587,164	\$931,015	\$1,750,135	\$1,075,000	\$1,050,000
AB2766	\$240,000	\$240,000	\$240,000	\$0	\$0
Coastal Transit	\$896,858	\$943,299	\$1,225,000	\$1,215,000	\$1,160,000
Tourism Business Improvement	\$1,854,144	\$1,812,041	\$1,750,000	\$2,881,124	\$2,550,000
Road Maintenance & Rehab	\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000
Headlands Habitat (ESHA)	\$24,480	\$15,000	\$27,000	\$27,000	\$27,000
Supplemental Law Enforcement	\$125,189	\$217,253	\$269,500	\$0	\$0
CFD 2006 - 1 Maintenance	\$366,229	\$216,028	\$713,800	\$528,800	\$519,800
Total:	\$5,820,923	\$5,388,224	\$9,849,847	\$7,776,924	\$7,306,800

**Funding for the Supplemental Law Enforcement Fund are not guaranteed and thus are not budgeted until received.*

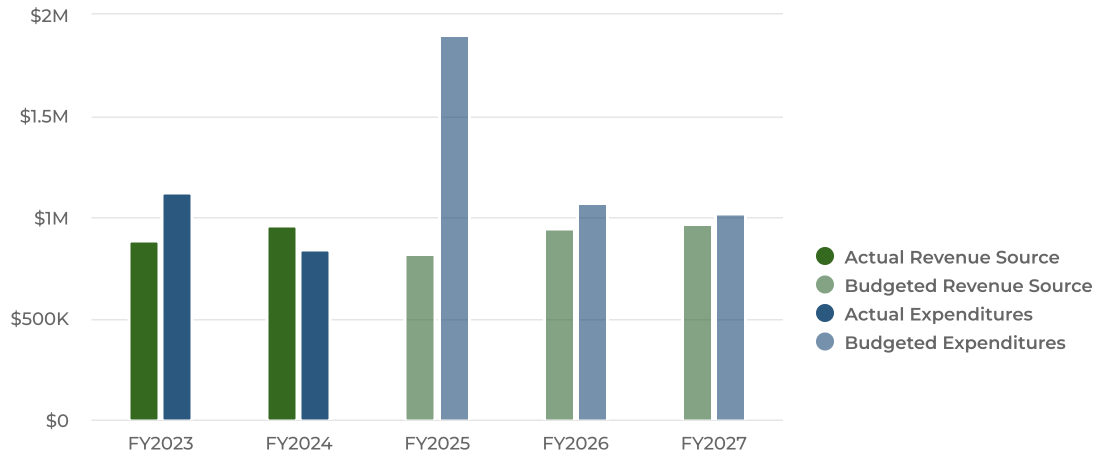




Gasoline Tax Fund (02)

Summary

State gasoline tax exists per Article 19 of the State Constitution, and allocated to counties based on gasoline sales, and then to cities by population. Use is restricted to street construction and maintenance. In March 2017, the Road Repair and Accountability Act was passed and provides funds for local streets maintenance; note that these funds are accounted for in Fund 08. Dana Point receives Gas Tax due to five California Code Sections: 2103, 2105, 2106, 2107 and 2107.5.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$1,409,072	\$1,174,884	\$1,289,036	\$207,114	\$80,914
Revenues					
Taxes & Franchises	\$845,559	\$914,085	\$813,000	\$944,800	\$963,400
Use Of Money & Property	\$46,112	\$47,145	\$8,000	\$4,000	\$4,000
Total Revenues:	\$891,671	\$961,230	\$821,000	\$948,800	\$967,400
Expenditures					
Transfers Out	\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000
Total Expenditures:	\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000
Total Revenues Less Expenditures:	-\$234,188	\$114,152	-\$1,081,922	-\$126,200	-\$57,600
Ending Fund Balance:	\$1,174,884	\$1,289,036	\$207,114	\$80,914	\$23,314



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Taxes & Franchises						
Hwy Users Tax - Sec 2106 (GF)	6121	\$123,248	\$132,937	\$135,000	\$138,500	\$141,200
Hwy Users Tax - Sec 2107 (GF)	6123	\$257,265	\$272,309	\$234,000	\$287,900	\$293,600
Hwy Users Tax - Sec 2107.5 (GF)	6125	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Hwy Users Tax - Sec 2105 (GF)	6127	\$188,772	\$201,176	\$175,000	\$210,900	\$215,100
Hwy Users Tax - Sec 2103 (CIP)	6129	\$270,274	\$301,662	\$263,000	\$301,500	\$307,500
Total Taxes & Franchises:		\$845,559	\$914,085	\$813,000	\$944,800	\$963,400
Use Of Money & Property						
Investment Income	6403	\$35,804	\$49,450	\$8,000	\$4,000	\$4,000
Unrealized Gain/Loss	6413	\$10,308	-\$2,304	\$0	\$0	\$0
Total Use Of Money & Property:		\$46,112	\$47,145	\$8,000	\$4,000	\$4,000
Total Revenue Source:		\$891,671	\$961,230	\$821,000	\$948,800	\$967,400

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Cap Impv Fund	9050	\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000
Total Transfers Out:		\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000
Total Expense Objects:		\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000

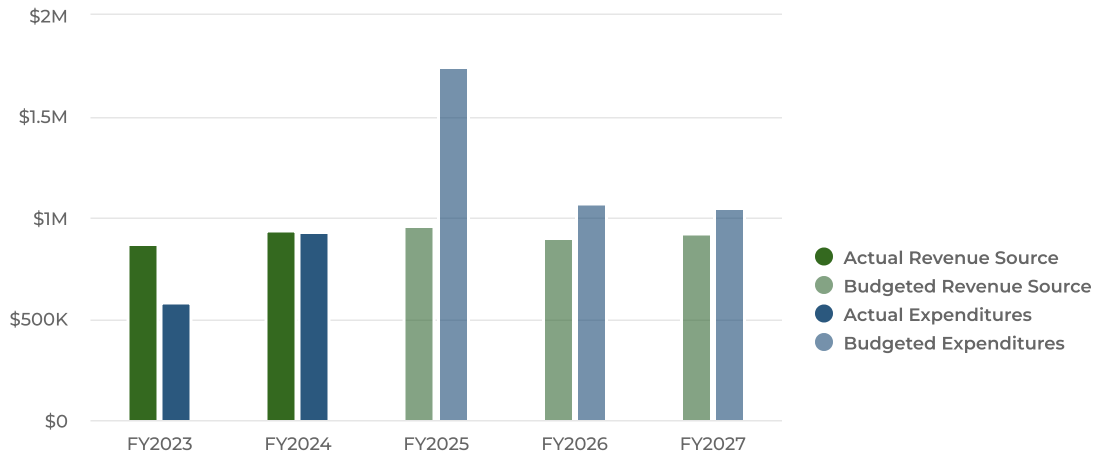




Measure M Fund (04)

Summary

The Measure M2 transportation improvement 1/2 cent sales tax was approved by voters in 2006 (original Measure M passed in 1990). The tax will be assessed through 2041 and is used for qualifying capital projects (CIP) and Senior Mobility Program (SMP). The CIP projects are funded by transfers to the City's CIP Fund, and the SMP is paid directly from this fund.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$954,037	\$1,242,449	\$1,252,637	\$467,502	\$295,902
Revenues					
Taxes & Franchises	\$788,808	\$811,905	\$884,000	\$833,500	\$855,000
Use Of Money & Property	\$14,835	\$57,608	\$5,000	\$2,500	\$2,500
Intergovernmental	\$71,932	\$71,691	\$76,000	\$67,400	\$69,200
Total Revenues:	\$875,575	\$941,203	\$965,000	\$903,400	\$926,700
Expenditures					
Materials & Services	\$87,571	\$53,742	\$133,000	\$125,000	\$125,000
Transfers Out	\$499,592	\$877,273	\$1,617,135	\$950,000	\$925,000
Total Expenditures:	\$587,164	\$931,015	\$1,750,135	\$1,075,000	\$1,050,000
Total Revenues Less Expenditures:	\$288,412	\$10,188	-\$785,135	-\$171,600	-\$123,300
Ending Fund Balance:	\$1,242,449	\$1,252,637	\$467,502	\$295,902	\$172,602



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Taxes & Franchises						
Measure M Revenues	6141	\$788,808	\$811,905	\$884,000	\$833,500	\$855,000
Total Taxes & Franchises:		\$788,808	\$811,905	\$884,000	\$833,500	\$855,000
Use Of Money & Property						
Investment Income	6403	\$28,703	\$55,248	\$5,000	\$2,500	\$2,500
Unrealized Gain/Loss	6413	-\$13,867	\$2,360	\$0	\$0	\$0
Total Use Of Money & Property:		\$14,835	\$57,608	\$5,000	\$2,500	\$2,500
Intergovernmental						
Intergovernmental Cost Reimb	6521	\$71,932	\$71,691	\$76,000	\$67,400	\$69,200
Total Intergovernmental:		\$71,932	\$71,691	\$76,000	\$67,400	\$69,200
Total Revenue Source:		\$875,575	\$941,203	\$965,000	\$903,400	\$926,700

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Professional Services	2230	\$87,571	\$53,742	\$133,000	\$125,000	\$125,000
Total Materials & Services:		\$87,571	\$53,742	\$133,000	\$125,000	\$125,000
Transfers Out						
Tsfs Out - To Cap Impv Fund	9050	\$499,592	\$877,273	\$1,617,135	\$950,000	\$925,000
Total Transfers Out:		\$499,592	\$877,273	\$1,617,135	\$950,000	\$925,000
Total Expense Objects:		\$587,164	\$931,015	\$1,750,135	\$1,075,000	\$1,050,000

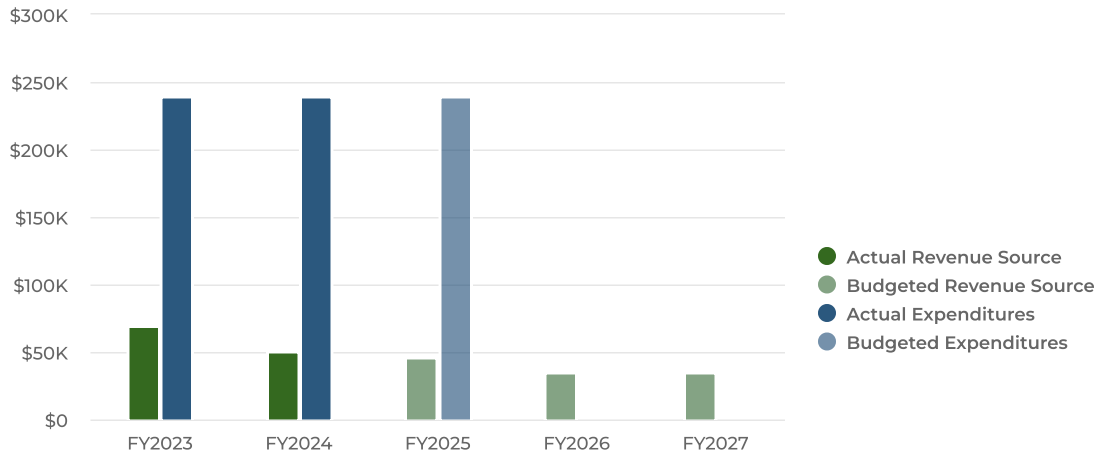




AB2766 Clean Air Act Fund (05)

Summary

In 1991, State Assembly Bill 2766 ("AB2766") authorized air pollution control districts to impose fees on motor vehicles, revenue from which is restricted to reducing motor vehicle air pollution. The Department of Motor Vehicles collects fees for each vehicle in the benefit area, and distributes the City's share through the South Coast Air Quality Management District. The City has used these funds in the past to pave dirt alleys, procure electric vehicles, install traffic signals and for the seasonal trolley program. Use for a program is limited to three years.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$618,349	\$448,380	\$259,020	\$65,520	\$101,020
Revenues					
Use Of Money & Property	\$15,628	\$17,197	\$2,000	\$500	\$500
Intergovernmental	\$54,402	\$33,443	\$44,500	\$35,000	\$35,000
Total Revenues:	\$70,030	\$50,640	\$46,500	\$35,500	\$35,500
Expenditures					
Transfers Out	\$240,000	\$240,000	\$240,000	\$0	\$0
Total Expenditures:	\$240,000	\$240,000	\$240,000	\$0	\$0
Total Revenues Less Expenditures:	-\$169,970	-\$189,360	-\$193,500	\$35,500	\$35,500
Ending Fund Balance:	\$448,380	\$259,020	\$65,520	\$101,020	\$136,520

Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$9,616	\$8,578	\$2,000	\$500	\$500
Unrealized Gain/Loss	6413	\$6,012	\$8,619	\$0	\$0	\$0
Total Use Of Money & Property:		\$15,628	\$17,197	\$2,000	\$500	\$500
Intergovernmental						
Intergovernmental Cost Reimb	6521	\$54,402	\$33,443	\$44,500	\$35,000	\$35,000
Total Intergovernmental:		\$54,402	\$33,443	\$44,500	\$35,000	\$35,000
Total Revenue Source:		\$70,030	\$50,640	\$46,500	\$35,500	\$35,500

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Coastal Transit Fund	9060	\$240,000	\$240,000	\$240,000	\$0	\$0
Total Transfers Out:		\$240,000	\$240,000	\$240,000	\$0	\$0
Total Expense Objects:		\$240,000	\$240,000	\$240,000	\$0	\$0

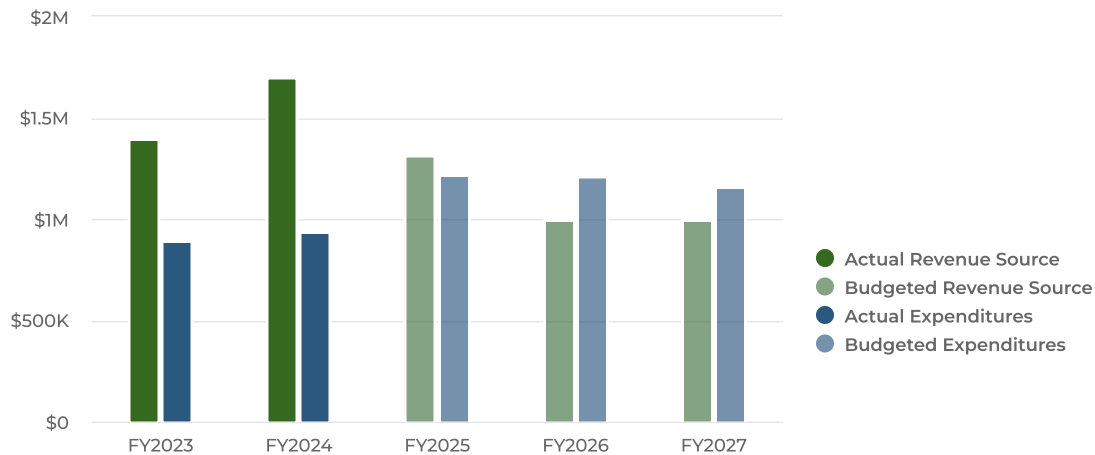




Coastal Transit Fund (06)

Summary

In the early 1980's, the California Coastal Commission (CCC) imposed a coastal access fee on new development in the Monarch Beach Specific Plan area, and portions of Laguna Niguel and Laguna Beach. Proceeds could be spent to provide coastal recreational transit services. The Monarch Beach Resort Development provided \$1 million of funding. In 2002, the City and CCC executed a Memorandum of Understanding (MOU) allowing the City to implement a shuttle program defined in a 2001 feasibility study. The MOU was amended in 2015 to allow use to support trolley service along PCH; Fixed route service began in Summer 2015.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	-\$217,984	\$282,007	\$1,044,191	\$1,134,191	\$919,191
Revenues					
Use Of Money & Property	-\$19,550	\$26,507	\$0	\$0	\$0
Intergovernmental	\$426,399	\$1,203,976	\$840,000	\$600,000	\$600,000
Transfers	\$990,000	\$475,000	\$475,000	\$400,000	\$400,000
Total Revenues:	\$1,396,848	\$1,705,483	\$1,315,000	\$1,000,000	\$1,000,000
Expenditures					
Materials & Services	\$896,858	\$943,299	\$1,225,000	\$1,215,000	\$1,160,000
Total Expenditures:	\$896,858	\$943,299	\$1,225,000	\$1,215,000	\$1,160,000
Total Revenues Less Expenditures:	\$499,991	\$762,184	\$90,000	-\$215,000	-\$160,000
Ending Fund Balance:	\$282,007	\$1,044,191	\$1,134,191	\$919,191	\$759,191



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$3,772	\$23,894	\$0	\$0	\$0
Unrealized Gain/Loss	6413	-\$23,323	\$2,613	\$0	\$0	\$0
Total Use Of Money & Property:		-\$19,550	\$26,507	\$0	\$0	\$0
Intergovernmental						
Intergovernmental Cost Reimbursements	6521	\$426,399	\$1,203,976	\$840,000	\$600,000	\$600,000
Total Intergovernmental:		\$426,399	\$1,203,976	\$840,000	\$600,000	\$600,000
Transfers						
Tsfs In - Fr General Fund	6901	\$750,000	\$235,000	\$235,000	\$400,000	\$400,000
Tsfs In - Fr Ab2766 Fund	6913	\$240,000	\$240,000	\$240,000	\$0	\$0
Total Transfers:		\$990,000	\$475,000	\$475,000	\$400,000	\$400,000
Total Revenue Source:		\$1,396,848	\$1,705,483	\$1,315,000	\$1,000,000	\$1,000,000

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Professional Services	2230	\$896,858	\$943,299	\$1,225,000	\$1,215,000	\$1,160,000
Total Materials & Services:		\$896,858	\$943,299	\$1,225,000	\$1,215,000	\$1,160,000
Total Expense Objects:		\$896,858	\$943,299	\$1,225,000	\$1,215,000	\$1,160,000

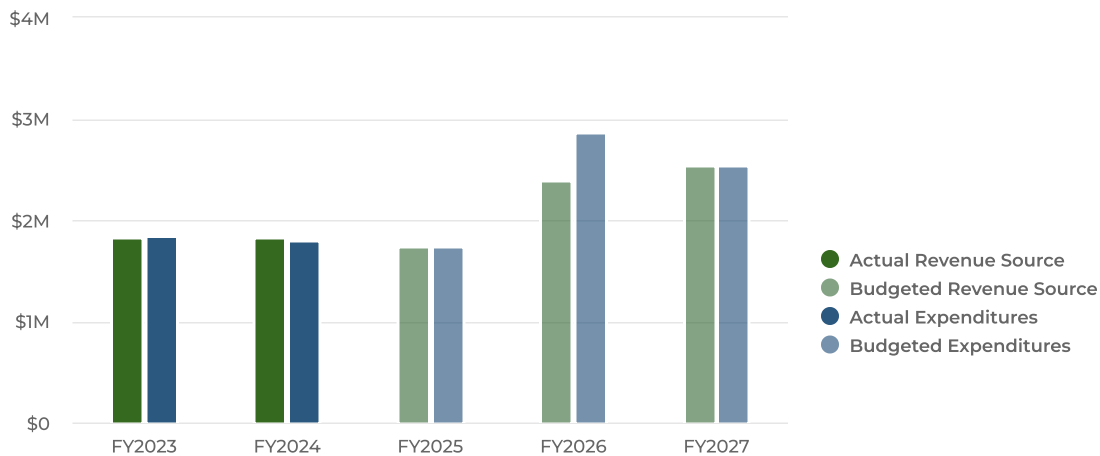




Tourism Business Improvement District Fund (07)

Summary

The Tourism Business Improvement District (TBID) was established in 2009 to collect assessments on behalf of the Waldorf Astoria, Ritz Carlton, Laguna Cliffs Marriott and Hilton Garden Inn. Funds are used to promote Dana Point as a destination through advertising, public relations, and marketing. In 2016, Visit Dana Point, a 501(c)(6) Destination Marketing Organization (DMO), was established by the assessed hotels to manage the programs, and is funded by the TBID via an operating agreement with the City. The assessments were amended by a vote of the hoteliers to apply to all hotels beginning in 2020.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$485,125	\$460,825	\$478,624	\$479,624	\$0
Revenues					
Taxes & Franchises	\$1,819,047	\$1,812,041	\$1,750,000	\$2,400,000	\$2,550,000
Use Of Money & Property	\$10,797	\$17,800	\$1,000	\$1,500	\$1,500
Total Revenues:	\$1,829,844	\$1,829,840	\$1,751,000	\$2,401,500	\$2,551,500
Expenditures					
Materials & Services	\$1,854,144	\$1,812,041	\$1,750,000	\$2,881,124	\$2,550,000
Total Expenditures:	\$1,854,144	\$1,812,041	\$1,750,000	\$2,881,124	\$2,550,000
Total Revenues Less Expenditures:	-\$24,300	\$17,800	\$1,000	-\$479,624	\$1,500
Ending Fund Balance:	\$460,825	\$478,625	\$479,624	\$0	\$1,500



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Taxes & Franchises						
TBID Taxes	6115	\$1,819,047	\$1,812,041	\$1,750,000	\$2,400,000	\$2,550,000
Total Taxes & Franchises:		\$1,819,047	\$1,812,041	\$1,750,000	\$2,400,000	\$2,550,000
Use Of Money & Property						
Investment Income	6403	\$11,279	\$17,623	\$1,000	\$1,500	\$1,500
Unrealized Gain/Loss	6413	-\$482	\$177	\$0	\$0	\$0
Total Use Of Money & Property:		\$10,797	\$17,800	\$1,000	\$1,500	\$1,500
Total Revenue Source:		\$1,829,844	\$1,829,840	\$1,751,000	\$2,401,500	\$2,551,500

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
TBID Expenditures	2573	\$1,854,144	\$1,812,041	\$1,750,000	\$2,881,124	\$2,550,000
Total Materials & Services:		\$1,854,144	\$1,812,041	\$1,750,000	\$2,881,124	\$2,550,000
Total Expense Objects:		\$1,854,144	\$1,812,041	\$1,750,000	\$2,881,124	\$2,550,000

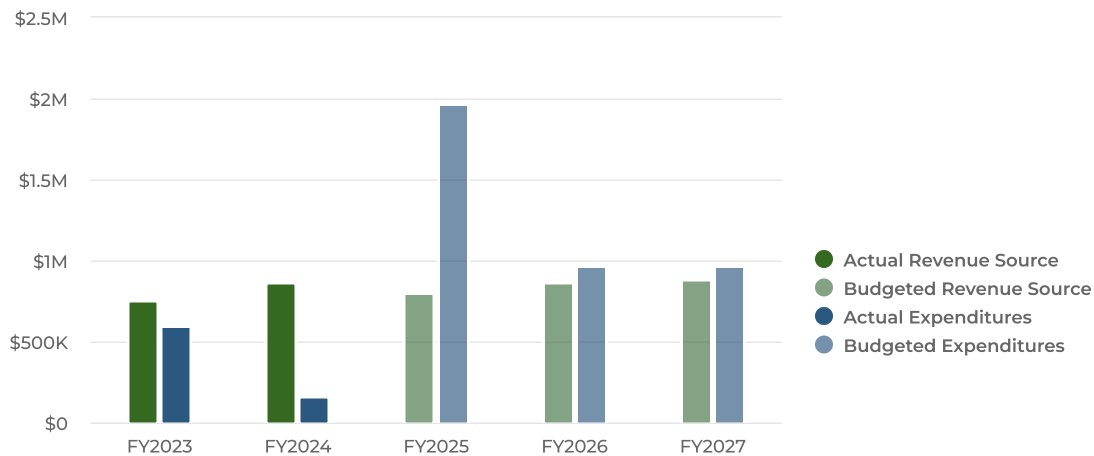




Road Maintenance & Rehabilitation Act Fund (08)

Summary

In March 2017, California enacted Senate Bill 1, the Road Repair and Accountability Act, to provide ongoing funding for state and local transportation infrastructure through increased fuel taxes and vehicle fees. SB 1 funds are allocated to cities via the Road Maintenance and Rehabilitation Account (RMRA) and must be used for eligible road maintenance and safety projects. In Dana Point, all SB 1 revenues are transferred into CIP Fund 11 and programmed for street repair and maintenance, including pavement resurfacing, rehabilitation, and traffic safety improvements.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$738,260	\$893,063	\$1,600,036	\$438,546	\$335,446
Revenues					
Taxes & Franchises	\$740,093	\$855,780	\$800,000	\$869,400	\$886,700
Use Of Money & Property	\$15,710	\$17,703	\$10,000	\$2,500	\$2,500
Total Revenues:	\$755,803	\$873,483	\$810,000	\$871,900	\$889,200
Expenditures					
Transfers Out	\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000
Total Expenditures:	\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000
Total Revenues Less Expenditures:	\$154,803	\$706,973	-\$1,161,490	-\$103,100	-\$85,800
Ending Fund Balance:	\$893,063	\$1,600,036	\$438,546	\$335,446	\$249,646

Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Taxes & Franchises						
Road Maintenance & Rehab	6133	\$740,093	\$855,780	\$800,000	\$869,400	\$886,700
Total Taxes & Franchises:		\$740,093	\$855,780	\$800,000	\$869,400	\$886,700
Use Of Money & Property						
Investment Income	6403	\$23,006	\$44,301	\$10,000	\$2,500	\$2,500
Unrealized Gain/Loss	6413	-\$7,296	-\$26,598	\$0	\$0	\$0
Total Use Of Money & Property:		\$15,710	\$17,703	\$10,000	\$2,500	\$2,500
Total Revenue Source:		\$755,803	\$873,483	\$810,000	\$871,900	\$889,200

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Transfers Out						
Tsfs Out - To Cap Impv Fund	9050	\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000
Total Transfers Out:		\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000
Total Expense Objects:		\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000

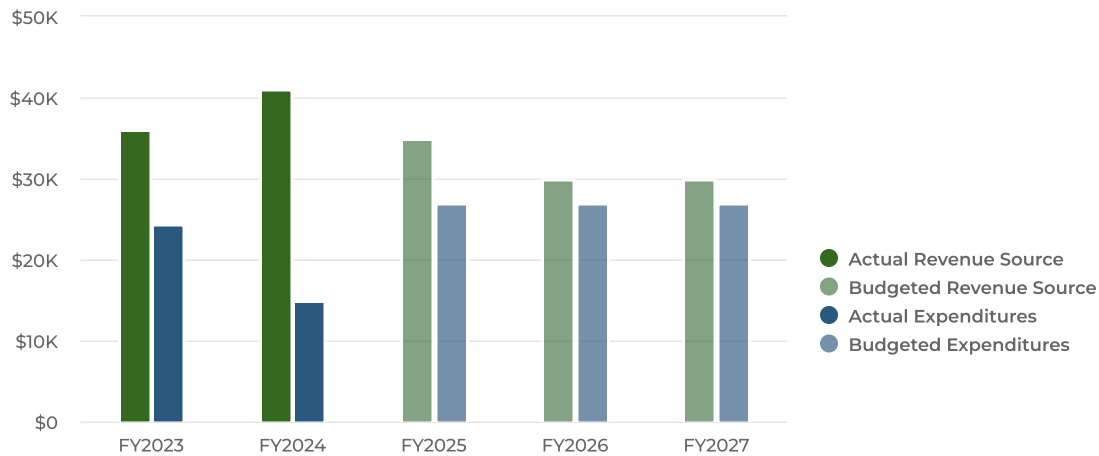




Headlands Habitat (ESHA) Fund (09)

Summary

The Headlands Habitat Fund (est. 2013) accounts for funds per 5/27/04 Dana Point Local Coastal Plan 1-03 ("LCP") and the 4/18/05 Headlands Habitat Management and Monitoring Plan ("HMMP"). This is an endowment to maintain and monitor Environmentally Sensitive Habitat Areas ("ESHA") at the Headlands nature parks. The endowment is intended to be sufficient to maintain the biological values the area within Harbor Point and Hilltop Parks, and the South Strand switchback path. It was funded in 2013 with a \$180,000 cash payment; and, a \$30,000/year, 50-year annuity contract. Interest earned accrues to the Fund. Specific activity includes required biological monitoring (e.g. gnatcatcher, sensitive and exotic species); feral and domestic animal control, weed/exotic species control and monitoring; and, reporting.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$299,234	\$310,957	\$337,155	\$345,155	\$348,155
Revenues					
Use Of Money & Property	\$36,203	\$41,198	\$35,000	\$30,000	\$30,000
Total Revenues:	\$36,203	\$41,198	\$35,000	\$30,000	\$30,000
Expenditures					
Materials & Services	\$24,480	\$15,000	\$27,000	\$27,000	\$27,000
Total Expenditures:	\$24,480	\$15,000	\$27,000	\$27,000	\$27,000
Total Revenues Less Expenditures:	\$11,723	\$26,198	\$8,000	\$3,000	\$3,000
Ending Fund Balance:	\$310,957	\$337,155	\$345,155	\$348,155	\$351,155



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$37,014	\$41,658	\$35,000	\$30,000	\$30,000
Unrealized Gain/Loss	6413	-\$811	-\$460	\$0	\$0	\$0
Total Use Of Money & Property:		\$36,203	\$41,198	\$35,000	\$30,000	\$30,000
Total Revenue Source:		\$36,203	\$41,198	\$35,000	\$30,000	\$30,000

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Park Maintenance	2550	\$24,480	\$15,000	\$27,000	\$27,000	\$27,000
Total Materials & Services:		\$24,480	\$15,000	\$27,000	\$27,000	\$27,000
Total Expense Objects:		\$24,480	\$15,000	\$27,000	\$27,000	\$27,000

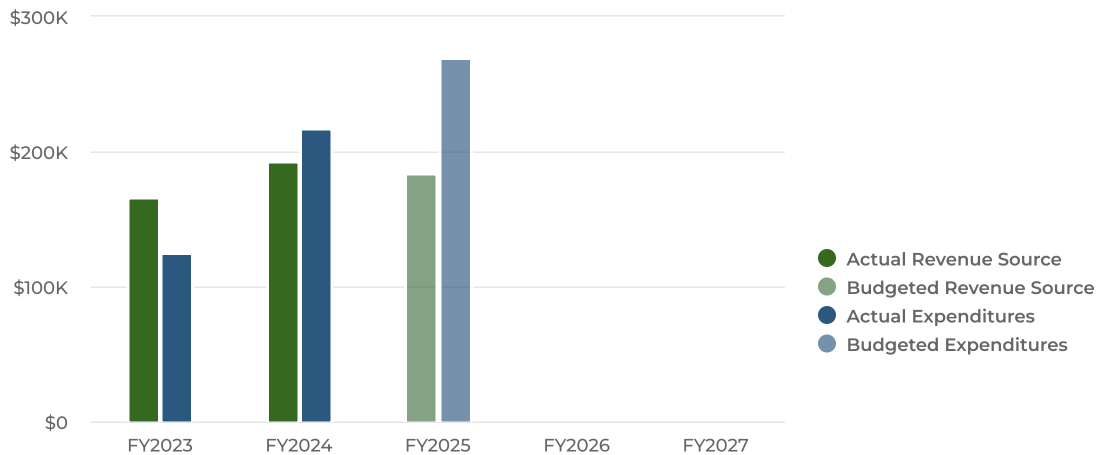




Supplemental Law Enforcement Services Fund (25)

Summary

The Citizens' Option for Public Safety (COPS) program, established by Assembly Bill 3229 in 1996, provides State funding to support front-line law enforcement services. Under Government Code Section 30061, allocations are population-based and must be deposited into a separate Supplemental Law Enforcement Services Fund (SLESF) to ensure they supplement, rather than replace, existing funding. Because COPS funding is subject to annual State budget approval and varies each year, the City does not include it in the regular budget. Instead, the budget is amended once funding is confirmed—typically in September.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$76,591	\$117,845	\$93,668	\$8,668	\$8,668
Revenues					
Use Of Money & Property	\$857	\$6,496	\$0	\$0	\$0
Intergovernmental	\$165,271	\$186,159	\$184,500	\$0	\$0
Charges For Services	\$315	\$420	\$0	\$0	\$0
Total Revenues:	\$166,443	\$193,075	\$184,500	\$0	\$0
Expenditures					
Materials & Services	\$125,189	\$217,253	\$269,500	\$0	\$0
Total Expenditures:	\$125,189	\$217,253	\$269,500	\$0	\$0
Total Revenues Less Expenditures:	\$41,255	-\$24,178	-\$85,000	\$0	\$0
Ending Fund Balance:	\$117,846	\$93,668	\$8,668	\$8,668	\$8,668

Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$3,361	\$5,570	\$0	\$0	\$0
Unrealized Gain/Loss	6413	-\$2,504	\$926	\$0	\$0	\$0
Total Use Of Money & Property:		\$857	\$6,496	\$0	\$0	\$0
Intergovernmental						
Citizens Opt For Public Sfty	6501	\$165,271	\$186,159	\$184,500	\$0	\$0
Total Intergovernmental:		\$165,271	\$186,159	\$184,500	\$0	\$0
Charges For Services						
Reimbursed Expenses	6685	\$315	\$420	\$0	\$0	\$0
Total Charges For Services:		\$315	\$420	\$0	\$0	\$0
Total Revenue Source:		\$166,443	\$193,075	\$184,500	\$0	\$0

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Slesf Program Operating Exp	2572	\$125,189	\$217,253	\$269,500	\$0	\$0
Total Materials & Services:		\$125,189	\$217,253	\$269,500	\$0	\$0
Total Expense Objects:		\$125,189	\$217,253	\$269,500	\$0	\$0

**Funding for the Supplemental Law Enforcement Fund are not guaranteed and thus are not budgeted until received.*

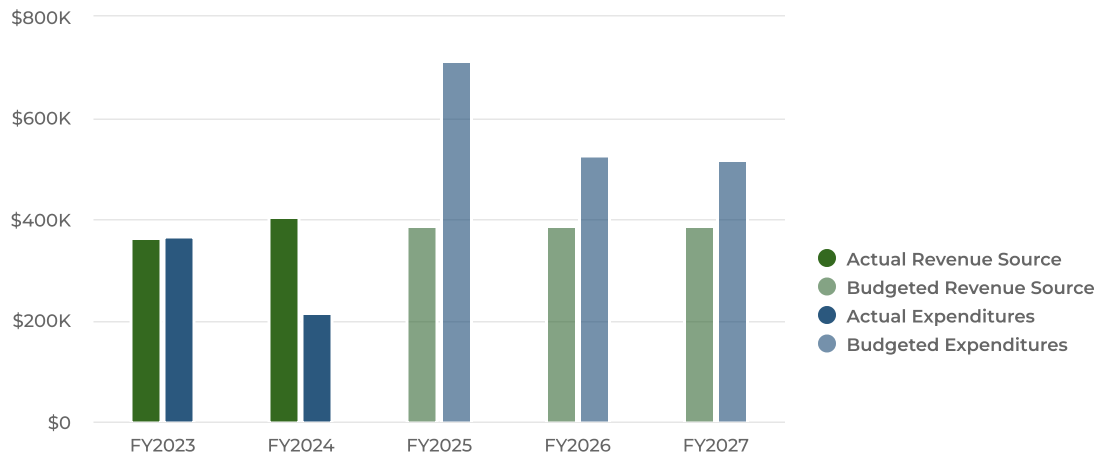




CFD 2006-1 Facilities Maintenance Fund (27)

Summary

On June 14, 2006, the City established Community Facilities District No. 2006-1 ("District") under the Mello-Roos Community Facilities Act of 1982 to finance the acquisition of public improvements through a special tax levied on properties within the Strand at Headlands. In addition, a Special Maintenance Tax was imposed to fund the ongoing maintenance of certain improvements in perpetuity. These include landscaping, stormwater quality improvements, revetment maintenance, and the operation of a funicular, among other responsibilities. This fund accounts for revenue and expenditures related to the District's Special Maintenance Tax.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$641,578	\$638,373	\$827,134	\$502,334	\$362,034
Revenues					
Use Of Money & Property	\$12,740	\$21,974	\$3,000	\$3,500	\$3,500
Charges For Services	\$350,285	\$382,815	\$386,000	\$385,000	\$385,000
Total Revenues:	\$363,024	\$404,789	\$389,000	\$388,500	\$388,500
Expenditures					
Materials & Services	\$363,789	\$216,028	\$675,400	\$528,800	\$519,800
Capital Outlay	\$0	\$0	\$34,900	\$0	\$0
Insurance	\$2,440	\$0	\$3,500	\$0	\$0
Total Expenditures:	\$366,229	\$216,028	\$713,800	\$528,800	\$519,800
Total Revenues Less Expenditures:	-\$3,205	\$188,761	-\$324,800	-\$140,300	-\$131,300
Ending Fund Balance:	\$638,373	\$827,134	\$502,334	\$362,034	\$230,734



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$15,571	\$27,314	\$3,000	\$3,500	\$3,500
Unrealized Gain/Loss	6413	-\$2,832	-\$5,340	\$0	\$0	\$0
Total Use Of Money & Property:		\$12,740	\$21,974	\$3,000	\$3,500	\$3,500
Charges For Services						
Charges for Services	6686	\$350,285	\$382,815	\$386,000	\$385,000	\$385,000
Total Charges For Services:		\$350,285	\$382,815	\$386,000	\$385,000	\$385,000
Total Revenue Source:		\$363,024	\$404,789	\$389,000	\$388,500	\$388,500

Expenditure Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Materials & Services						
Equipment Maintenance	2030	\$47,791	\$66,076	\$82,500	\$75,000	\$60,000
Utilities	2210	\$42,187	\$36,111	\$63,000	\$48,000	\$53,000
Professional Services	2230	\$13,563	\$13,702	\$279,100	\$150,000	\$156,000
Landscape Maintenance	2450	\$82,289	\$77,842	\$81,500	\$81,500	\$81,500
Tree Maintenance	2470	\$90,705	\$5,000	\$44,000	\$44,000	\$44,000
Park Maintenance	2550	\$0	\$4,276	\$0	\$0	\$0
County Facilities	2650	\$87,254	\$13,021	\$125,300	\$130,300	\$125,300
Total Materials & Services:		\$363,789	\$216,028	\$675,400	\$528,800	\$519,800
Capital Outlay						
Furniture & Equipment	3010	\$0	\$0	\$34,900	\$0	\$0
Total Capital Outlay:		\$0	\$0	\$34,900	\$0	\$0
Insurance						
Property Insurance Premiums	4030	\$2,440	\$0	\$3,500	\$0	\$0
Total Insurance:		\$2,440	\$0	\$3,500	\$0	\$0
Total Expense Objects:		\$366,229	\$216,028	\$713,800	\$528,800	\$519,800





Capital Projects Funds Summary

The City utilizes three Capital Projects Funds to account for funds that are designated, restricted and/or committed to pay for major capital projects. It allows the City to clearly distinguish these projects from other operating budgets.

Capital Improvement Project Fund (11) – accounts for major infrastructure projects including those for streets, medians, curbs, gutters, sidewalks, storm drains and catch basins, among others.

Facilities Improvement Fund (12) – accounts for major maintenance and improvements to City facilities including City Hall, the Community Center, Salt Creek Treatment Facility, Nature Interpretive Center, and PCH Pedestrian Bridge, among others.

Park Development Fund (21) – accounts for funds received from large, for-sale residential developments and is restricted for use in the acquisition, development and improvement of parks within the city.

Projected Fund Balances

Proposed Fiscal Year 2025-2026

FISCAL YEAR 2026	Budgeted Fund Balance at 6/30/2025	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Projected Ending Fund Balance 6/30/2026
Capital Improvement Program (11)	\$ 12,019,990	\$ 7,940,000	\$ 7,350,000	\$ 590,000	\$ 12,609,990
Facilities Improvement (12)	1,156,623	950,000	1,444,000	(494,000)	662,623
Park Development (21)	858	-	-	-	858
TOTAL	\$ 13,177,470	\$ 8,890,000	\$ 8,794,000	\$ 96,000	\$ 13,273,470

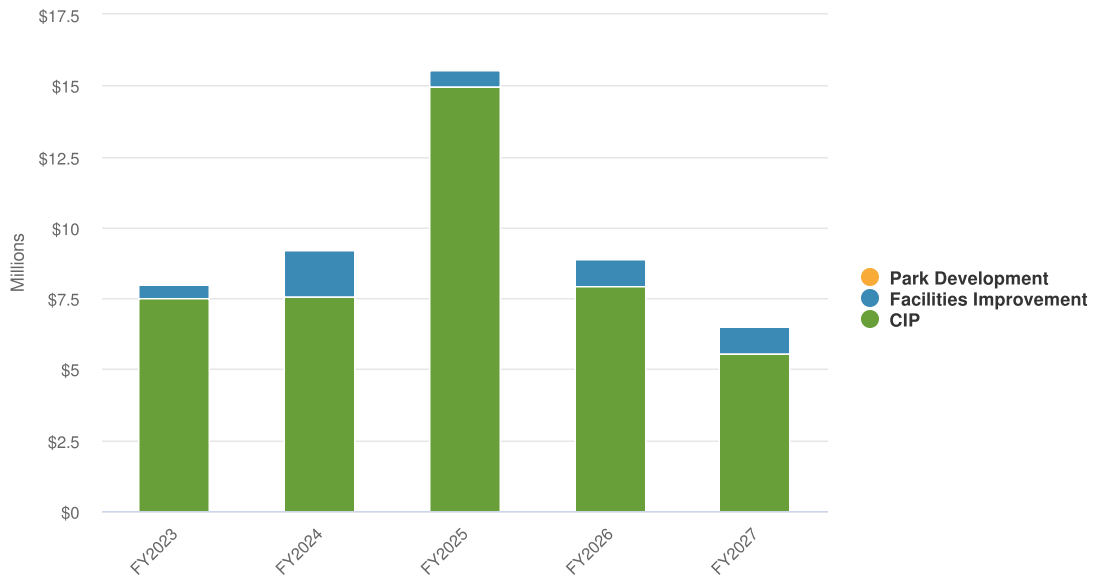
Proposed Fiscal Year 2026-2027

FISCAL YEAR 2027	Projected Beginning Fund Balance 6/30/2026	Revenues & Transfers In	Expenditures & Transfers Out	Change in Fund Balance	Projected Ending Fund Balance 6/30/2027
Capital Improvement Program (11)	\$ 12,609,990	\$ 5,525,000	\$ 7,520,000	\$ (1,995,000)	\$ 10,614,990
Facilities Improvement (12)	662,623	975,000	1,264,000	(289,000)	373,623
Park Development (21)	858	-	-	-	858
TOTAL	\$ 13,273,470	\$ 6,500,000	\$ 8,784,000	\$ (2,284,000)	\$ 10,989,470



Capital Projects Revenue by Fund

Budgeted and Historical Revenue by Fund

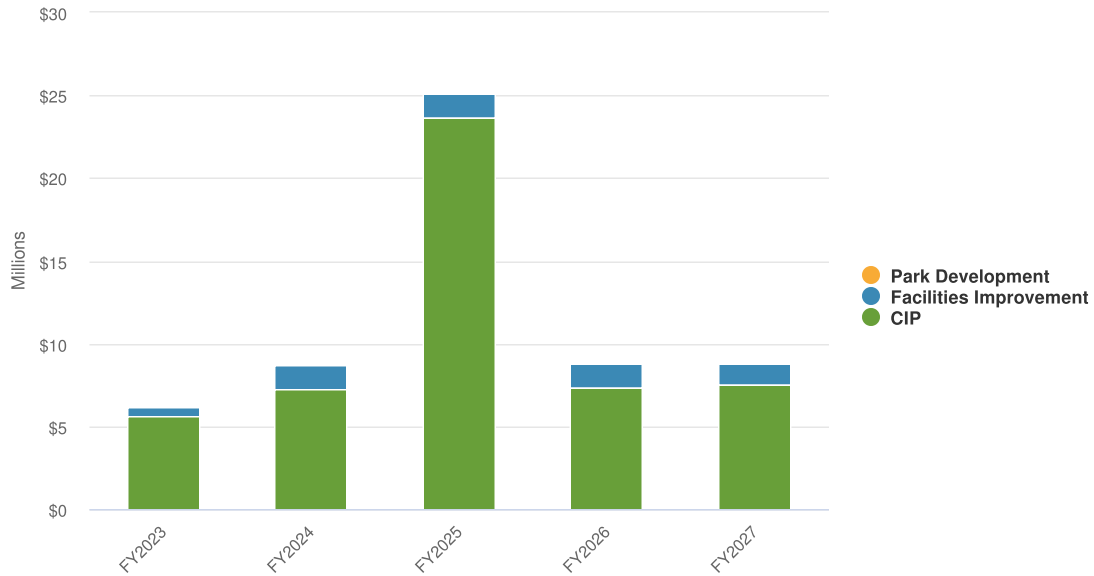


Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
CIP	\$7,494,449	\$7,568,142	\$14,943,114	\$7,940,000	\$5,525,000
Facilities Improvement	\$466,852	\$1,604,874	\$620,000	\$950,000	\$975,000
Park Development	\$17	\$31	\$0	\$0	\$0
Total:	\$7,961,318	\$9,173,047	\$15,563,114	\$8,890,000	\$6,500,000

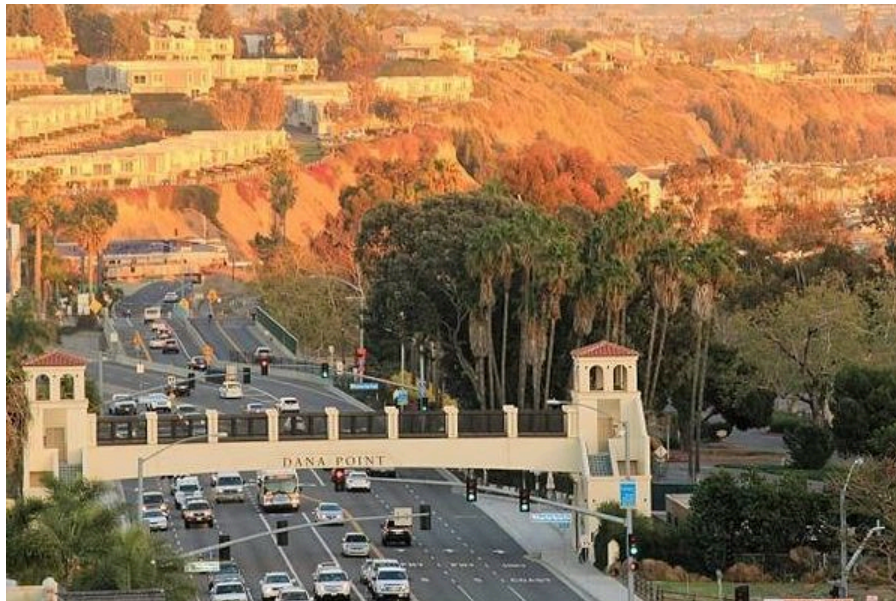


Capital Projects Expenditures by Fund

Budgeted and Historical Expenditures by Fund



Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
CIP	\$5,601,043	\$7,288,096	\$23,693,400	\$7,350,000	\$7,520,000
Facilities Improvement	\$599,148	\$1,440,565	\$1,383,508	\$1,444,000	\$1,264,000
Park Development	\$0	\$0	\$0	\$0	\$0
Total:	\$6,200,191	\$8,728,660	\$25,076,908	\$8,794,000	\$8,784,000

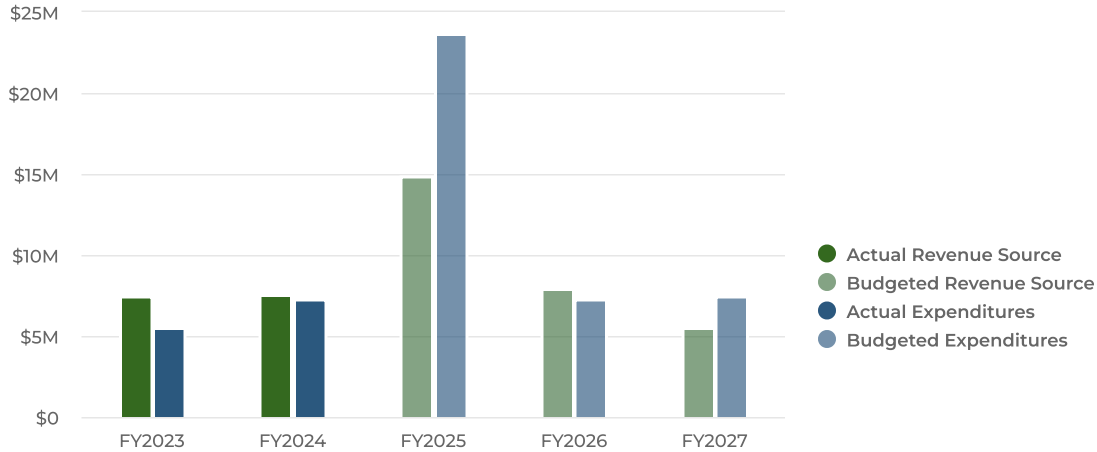




Capital Improvement Fund (11)

Summary

The Capital Improvement Fund incorporates all sources and expenditures for capital projects, except for those associated with City Facilities which are accounted for in Fund 12. The purpose of the Capital Improvement Program (CIP) is to provide the City with a long-range program for municipal capital construction projects. There is a separate seven year CIP planning document used to identify capital needs and financing. Funding for the CIP typically comes via transfers from the General Fund, Gas Tax, Measure M, RMRA, Park Development and AB2766 Funds. Other funding sources include the County, State and Federal governments, and developer contributions.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$18,596,823	\$20,490,229	\$20,770,276	\$12,019,990	\$11,609,990
Revenues					
Use Of Money & Property	\$0	\$370,000	\$370,000	\$0	\$0
Intergovernmental	\$0	\$0	\$2,000,000	\$2,190,000	\$0
Transfers	\$7,494,449	\$7,198,142	\$12,573,114	\$5,750,000	\$5,525,000
Total Revenues:	\$7,494,449	\$7,568,142	\$14,943,114	\$7,940,000	\$5,525,000
Expenditures					
Capital Outlay	\$5,601,043	\$7,288,096	\$23,693,400	\$7,350,000	\$7,520,000
Total Expenditures:	\$5,601,043	\$7,288,096	\$23,693,400	\$7,350,000	\$7,520,000
Total Revenues Less Expenditures:	\$1,893,406	\$280,046	-\$8,750,286	\$590,000	-\$1,995,000
Ending Fund Balance:	\$20,490,229	\$20,770,275	\$12,019,990	\$12,609,990	\$9,614,990



CIP Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$0	\$370,000	\$370,000	\$0	\$0
Total Use Of Money & Property:		\$0	\$370,000	\$370,000	\$0	\$0
Intergovernmental						
Intergovernmental Cost Reimb	6521	\$0	\$0	\$2,000,000	\$2,190,000	\$0
Total Intergovernmental:		\$0	\$0	\$2,000,000	\$2,190,000	\$0
Transfers						
Tsfs In - Fr General Fund	6901	\$5,267,997	\$5,307,281	\$7,081,567	\$2,750,000	\$2,600,000
Tsfs In - Fr Gas Tax Fund	6903	\$1,125,859	\$847,078	\$1,902,922	\$1,075,000	\$1,025,000
Tsfs In - Fr Measure M Fund	6904	\$499,592	\$877,273	\$1,617,135	\$950,000	\$925,000
Tsfs In - Fr Road Maint & Rehab Fund	6908	\$601,000	\$166,510	\$1,971,490	\$975,000	\$975,000
Total Transfers:		\$7,494,449	\$7,198,142	\$12,573,114	\$5,750,000	\$5,525,000
Total Revenue Source:		\$7,494,449	\$7,568,142	\$14,943,114	\$7,940,000	\$5,525,000



CIP Expenditure Detail Listing

Name	Account ID	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Capital Outlay						
Capo Beach Connectivity Study Enhancements	11-99-30-1291-3110	\$7,300	\$25,630	\$14,758	\$0	\$0
Residential Resurfacing FY21	11-99-30-1318-3110	\$114,595	\$0	\$0	\$0	\$0
Residential Roadway Slurry Program FY21	11-99-30-1322-3110	\$20,935	\$0	\$0	\$0	\$0
FY22 Road Resurfacing	11-99-30-1329-3110	\$2,849,411	\$351,352	\$0	\$0	\$0
FY22 Residential Slurry	11-99-30-1330-3110	\$1,205,350	\$0	\$0	\$0	\$0
FY22 Citywide Storm Drain Repairs	11-99-30-1331-3110	\$109,003	\$0	\$0	\$0	\$0
FY22 Citywide Storm Drain Improvements Design	11-99-30-1332-3110	\$230,054	\$56,506	\$127,030	\$0	\$200,000
FY22 Roadway Rehab & Repair Design Work	11-99-30-1334-3110	\$18,905	\$0	\$0	\$0	\$0
FY22 Sidewalk/Concrete Repairs & ADA	11-99-30-1335-3110	\$67,680	\$0	\$0	\$0	\$0
FY22 Traffic Safety Repairs & Improvements	11-99-30-1336-3110	\$11,836	\$0	\$0	\$0	\$0
FY23 Road Resurfacing	11-99-30-1337-3110	\$0	\$2,038,849	\$130,591	\$0	\$0
FY23 Residential Slurry	11-99-30-1338-3110	\$1,592	\$902,176	\$1,352,231	\$0	\$0
FY23 Citywide Storm Drain Repairs	11-99-30-1339-3110	\$78,043	\$0	\$0	\$0	\$0
FY22 Doheny Village Connectivity Design/Impr	11-99-30-1340-3110	\$203,974	\$201,497	\$295,305	\$0	\$0
FY23 Roadway Rehab & Repair Design Work	11-99-30-1342-3110	\$129,190	\$94,550	\$53,820	\$0	\$0
FY23 Sidewalk/Concrete Repairs & ADA	11-99-30-1343-3110	\$99,215	\$0	\$0	\$0	\$0
FY23 Traffic Safety Repairs & Improvements	11-99-30-1344-3110	\$98,543	\$0	\$0	\$0	\$0
Traffic Signal Synchronization Project-Project P	11-99-30-1347-3110	\$0	\$0	\$325,000	\$0	\$0
Stonehill Drive Undergrounding Project/Road Rehab	11-99-30-1348-3110	\$0	\$0	\$400,000	\$500,000	\$0
Lantern Bay Park Stairway Art Project	11-99-30-1349-3110	\$322,761	\$145,239	\$0	\$0	\$0
Calle Portola Storm Drain Improvements	11-99-30-1350-3110	\$4,755	\$696,655	\$0	\$0	\$0
Stonehill Drive Improvements Project	11-99-30-1351-3110	\$27,900	\$103,537	\$2,768,563	\$0	\$0
FY24 Roadway Resurfacing-Overlay/Asphalt Repairs	11-99-30-1352-3110	\$0	\$988,685	\$2,611,315	\$0	\$0



Name	Account ID	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
FY24 Residential Roadway Slurry Program	11-99-30-1353-3110	\$0	\$608,115	\$150,785	\$0	\$0
Violet Lantern Storm Drain Improvements	11-99-30-1354-3110	\$0	\$365,635	\$46,225	\$0	\$0
Del Prado Public Wi-Fi Design & Build	11-99-30-1355-3110	\$0	\$74,095	\$125,905	\$0	\$0
Doheny Park Road Median/Pkwy Power Supply/Lighting	11-99-30-1356-3110	\$0	\$0	\$200,000	\$0	\$0
FY24 Citywide Storm Drain Repairs	11-99-30-1357-3110	\$0	\$200,335	\$0	\$0	\$0
Calle Real & Calle Portola Storm Drain Imp	11-99-30-1358-3110	\$0	\$0	\$3,446,000	\$0	\$0
FY24 Water Quality/Diversion Repairs & Maint.	11-99-30-1359-3110	\$0	\$64,782	\$0	\$0	\$0
FY24 Traffic Safety Repairs & Improvements	11-99-30-1360-3110	\$0	\$122,628	\$0	\$0	\$0
FY25 Roadway Resurfacing-Overlay/Asphalt Repairs	11-99-30-1361-3110	\$0	\$0	\$4,200,000	\$0	\$0
FY25 Arterial Roadway Slurry Program	11-99-30-1362-3110	\$0	\$0	\$350,000	\$0	\$0
FY25 Residential Roadway Slurry Program	11-99-30-1363-3110	\$0	\$0	\$400,000	\$0	\$0
Doheny Village Connectivity Impr/Construction	11-99-30-1364-3110	\$0	\$0	\$3,526,700	\$750,000	\$0
FY25 Citywide Storm Drain Repairs	11-99-30-1365-3110	\$0	\$0	\$200,000	\$200,000	\$200,000
FY25 Water Quality/Diversion Repairs & Mntce.	11-99-30-1366-3110	\$0	\$0	\$75,000	\$0	\$0
FY25 Traffic Safety Repairs & Improvements	11-99-30-1367-3110	\$0	\$0	\$150,000	\$200,000	\$200,000
Coast Hwy Complete Street Project	11-99-30-1368-3110	\$0	\$200,528	\$99,472	\$0	\$0
Del Obispo Park Modification Project	11-99-30-1369-3110	\$0	\$27,300	\$314,700	\$0	\$1,200,000
Creekside Park Community Gardens	11-99-30-1370-3110	\$0	\$20,000	\$180,000	\$0	\$0
Waterman's Park Statues	11-99-30-1371-3110	\$0	\$0	\$1,000,000	\$0	\$0
Doheny Park Road Right of Way	11-99-30-1372-3110	\$0	\$0	\$750,000	\$0	\$0
Coast Hwy Sidewalk Gap Closure	11-99-30-1373-3110	\$0	\$0	\$400,000	\$0	\$0
FY26 Roadway Resurfacing-Overlay/Asphalt Repairs	11-99-30-1374-3110	\$0	\$0	\$0	\$4,700,000	\$0
FY26 Residential Roadway Slurry Program	11-99-30-1375-3110	\$0	\$0	\$0	\$550,000	\$0
FY26 Arterial Roadway Slurry	11-99-30-1376-3110	\$0	\$0	\$0	\$250,000	\$0
La Plaza Park Improvements	11-99-30-1377-3110	\$0	\$0	\$0	\$200,000	\$0
FY27 Roadway Resurfacing-Overlay/Asphalt Repairs	11-99-30-1379-3110	\$0	\$0	\$0	\$0	\$3,700,000



Name	Account ID	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
FY27 Residential Roadway Slurry	11-99-30-1380-3110	\$0	\$0	\$0	\$0	\$1,770,000
FY27 Arterial Roadway Slurry	11-99-30-1381-3110	\$0	\$0	\$0	\$0	\$250,000
Total Capital Outlay:		\$5,601,043	\$7,288,096	\$23,693,400	\$7,350,000	\$7,520,000
Total Expense Objects:		\$5,601,043	\$7,288,096	\$23,693,400	\$7,350,000	\$7,520,000



CIP Projects - Fiscal Year 2026

Stonehill Drive Undergrounding	#1348	\$500,000
In an effort to reduce urban blight and preserve and protect the natural and urban landscape, the City of Dana Point submitted a Priority List of Rule 20A Underground Utility Projects to SDG&E. As a SDG&E qualifying project, the Dana Point City Council established the Stonehill Drive Utility Undergrounding District on February 15, 2022 related to this future work on Stonehill Drive (between Golden Lantern and Del Obispo).		
Doheny Village Connectivity Improvements (Construction)	#1364	\$750,000
This project seeks to bridge the gap between the efforts to be completed by CalTrans and a need to provide improved pedestrian and bike connectivity through Coast Highway which will include additional travel lanes for eastbound traffic from the freeway; additional bike lanes; improved and widened sidewalks with landscaping and lighting to better accommodate pedestrians and bicyclists; storm drain modifications and a reconfiguration of the intersection of Doheny Park Road and Coast Highway with new traffic signal improvements.		
Roadway Resurfacing-Overlay/Asphalt Repairs	#1374	\$4,700,000
This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets. Streets are selected for rehabilitation using the City's Pavement Management Plan which rates streets Citywide and recommends improvements in priority order by street condition. Partial funding from Gas Tax, RMRA and OCTA's Measure M2 will be budgeted into these CIP projects.		
Residential Roadway Slurry Program	#1375	\$550,000
The Residential Roadway Slurry Program involves implementing proactive maintenance activities on identified roadways to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application, resulting in significant cost savings.		
Arterial Roadway Slurry	#1376	\$250,000
The Arterial Roadway Slurry Project involves implementing proactive maintenance activities to extend pavement life. By taking steps to preserve pavement on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.		
La Plaza Park Improvements	#1377	\$200,000
To evaluate improvements/modifications at this park facility, particularly near the gazebo/amphitheater area. A conceptual, preliminary design for the improvements will be funded by this Project.		
Storm Drain Repairs-Citywide	#1365	\$200,000
This annual project was established to fund storm drain maintenance and repairs identified in the City's inspections of storm drains citywide. Work items include removing debris from storm drains, repairing storm drain pipe, removing obstructions from storm drains, lining storm drains, repeating storm drain catch basins, etc.		
Traffic Safety Repairs and Improvements	#1367	\$200,000
The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City, at the direction of the City Traffic Engineer and Director of Public Works/City Engineer.		
FY2026 TOTAL		\$7,350,000



CIP Projects - Fiscal Year 2027

Citywide Storm Drain Improvements Design	#1332	\$200,000
This Project will continue to build upon the recommendations from the City of Dana Point's Master Plan of Drainage which identified and prioritized necessary storm drain improvements citywide.		
Del Obispo Park Modification Project	#1369	\$1,200,000
The Design Phase for this Project began in Spring 2025 with the construction commencing in FY26/27. Improvements to Del Obispo Park include existing facility enhancements (drainage, concrete repairs and improved lighting) and a two new pickleball court amenities		
Roadway Resurfacing-Overlay/Asphalt Repairs	#1379	\$3,700,000
This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets. Streets are selected for rehabilitation using the City's Pavement Management Plan which rates streets Citywide and recommends improvements in priority order by street condition. Partial funding from Gas Tax, RMRA and OCTA's Measure M2 will be budgeted into these CIP projects.		
Residential Roadway Slurry	#1380	\$1,770,000
The Residential Roadway Slurry Program involves implementing proactive maintenance activities on identified roadways to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.		
Arterial Roadway Slurry	#1381	\$250,000
The Arterial Roadway Slurry Project involves implementing proactive maintenance activities to extend pavement life. By taking steps to preserve pavement on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.		
Storm Drain Repairs-Citywide	#1365	\$200,000
This annual project was established to fund storm drain maintenance and repairs identified in the City's inspections of storm drains citywide. Work items include removing debris from storm drains, repairing storm drain pipe, removing obstructions from storm drains, lining storm drains, repeating storm drain catch basins, etc.		
Traffic Safety Repairs and Improvements	#1367	\$200,000
The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City, at the direction of the City Traffic Engineer and Director of Public Works/City Engineer.		
FY2027 TOTAL		\$7,520,000

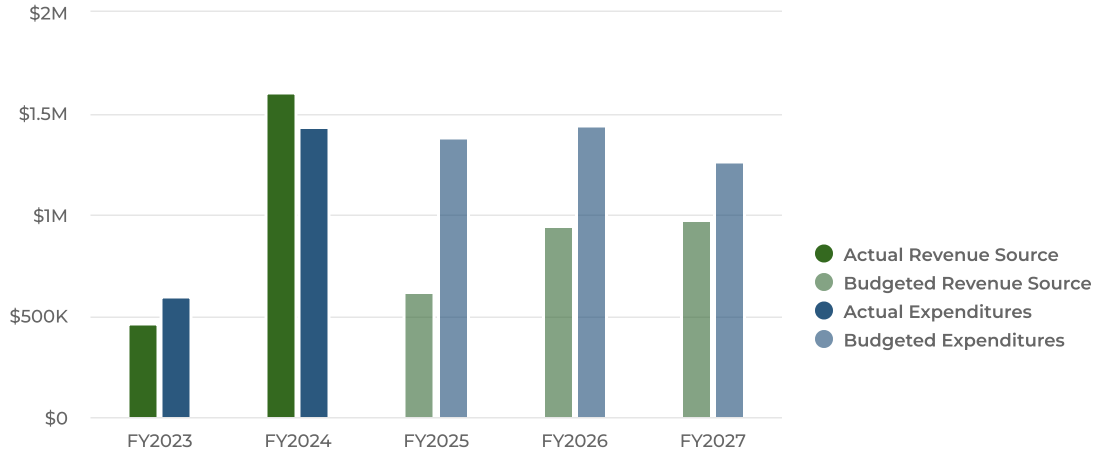




Facilities Improvement Fund (12)

Summary

The Facilities Improvement Fund accounts for major upgrades, renovations, and rehabilitation of City-owned buildings and infrastructure. Primary funding comes from General Fund transfers, based on long-term capital planning and identified facility needs. Additional funding is provided through Cable Franchise Fees designated for Public, Educational, and Governmental (PEG) programming. These fees support capital investments in equipment and technology used to produce and broadcast content on the City's local government access channel. Combined, these sources help maintain safe, functional facilities and enhance public access to City information and services.



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$1,888,117	\$1,755,821	\$1,920,131	\$1,156,623	\$662,623
Revenues					
Taxes & Franchises	\$118,076	\$104,874	\$120,000	\$100,000	\$100,000
Intergovernmental	\$198,776	\$0	\$0	\$0	\$0
Transfers	\$150,000	\$1,500,000	\$500,000	\$850,000	\$875,000
Total Revenues:	\$466,852	\$1,604,874	\$620,000	\$950,000	\$975,000
Expenditures					
Capital Outlay	\$599,148	\$1,440,565	\$1,383,508	\$1,444,000	\$1,264,000
Total Expenditures:	\$599,148	\$1,440,565	\$1,383,508	\$1,444,000	\$1,264,000
Total Revenues Less Expenditures:	-\$132,296	\$164,309	-\$763,508	-\$494,000	-\$289,000
Ending Fund Balance:	\$1,755,821	\$1,920,130	\$1,156,623	\$662,623	\$373,623

Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Taxes & Franchises						
Cable Franchise PEG Fees	6106	\$118,076	\$104,874	\$120,000	\$100,000	\$100,000
Total Taxes & Franchises:		\$118,076	\$104,874	\$120,000	\$100,000	\$100,000
Intergovernmental						
State Grants	6523	\$198,776	\$0	\$0	\$0	\$0
Total Intergovernmental:		\$198,776	\$0	\$0	\$0	\$0
Transfers						
Tsfs In - Fr General Fund	6901	\$150,000	\$1,500,000	\$500,000	\$850,000	\$875,000
Total Transfers:		\$150,000	\$1,500,000	\$500,000	\$850,000	\$875,000
Total Revenue Source:		\$466,852	\$1,604,874	\$620,000	\$950,000	\$975,000



Expenditure Detail Listing

Name	Account ID	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects						
Capital Outlay						
Facility Improvements Contingency	12-99-30-0000-3030	\$0	\$0	\$62,500	\$100,000	\$100,000
PEG Fee Improvements	12-99-30-0000-3040	\$0	\$220,386	\$0	\$0	\$0
City Hall HVAC	12-99-30-2002-3030	\$35,331	\$64,513	\$75,156	\$55,000	\$57,000
City Hall Parking Structure Repairs	12-99-30-2003-3030	\$0	\$0	\$0	\$50,000	\$0
Salt Creek Treatment Plant	12-99-30-2013-3030	\$10,202	\$0	\$0	\$0	\$0
City Hall Interior Finishing/Flooring	12-99-30-2014-3030	\$19,033	\$0	\$0	\$0	\$0
Creeside Park Community Garden	12-99-30-2015-3030	\$2,520	\$630	\$71,850	\$0	\$0
EOC Upgrade	12-99-30-2016-3030	\$5,413	\$0	\$0	\$0	\$0
Community Center Exterior Paint/Stucco	12-99-30-2019-3030	\$30,698	\$93,576	\$0	\$0	\$0
Community Center Senior Fitness Center	12-99-30-2020-3030	\$3,594	\$0	\$0	\$0	\$0
Community Center Fire Alarm Upgrade	12-99-30-2022-3030	\$55,750	\$0	\$0	\$0	\$0
Lantern Bay Park Improvements	12-99-30-2024-3030	\$0	\$0	\$0	\$25,000	\$0
Sycamore Creek Trail (Workout Equip.)	12-99-30-2025-3030	\$0	\$0	\$267,000	\$0	\$0
CCSP Ballfield Netting	12-99-30-2029-3030	\$8,992	\$0	\$0	\$0	\$0
Dana Woods Park - Staircase	12-99-30-2031-3030	\$0	\$54,857	\$0	\$0	\$0
Creeside Park Renovation	12-99-30-2032-3030	\$56,864	\$6,954	\$0	\$0	\$0
CCSP Replace Playground Structure	12-99-30-2033-3030	\$110,224	\$0	\$0	\$0	\$0
CCSP Replace Batting Cages	12-99-30-2034-3030	\$8,690	\$0	\$0	\$0	\$0
CCSP Bathroom Refurbish	12-99-30-2035-3030	\$7,811	\$0	\$60,000	\$0	\$0
CH Elevator Refurbishment	12-99-30-2036-3030	\$36,856	\$111,641	\$0	\$0	\$0
NIC Outdoor Classroom	12-99-30-2037-3030	\$15,000	\$0	\$0	\$0	\$0
Sea Canyon Park Tot Lot	12-99-30-2038-3030	\$52,373	\$0	\$0	\$0	\$0
EV Charging Stations	12-99-30-2039-3030	\$63,921	\$0	\$0	\$0	\$0



Name	Account ID	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
CCSP Pickelball Court Extension	12-99-30-2040-3030	\$54,341	\$0	\$0	\$0	\$0
Sea Terrace Park - Dog Fun Zone	12-99-30-2041-3030	\$2,299	\$59,829	\$32,872	\$0	\$0
Sea Canyon Park - Dog Fun Zone	12-99-30-2042-3030	\$18,159	\$0	\$0	\$0	\$0
City Hall Cabling Replacement	12-99-30-2043-3030	\$0	\$69,154	\$0	\$0	\$0
Dana Crest Park Playground Structure Replacement	12-99-30-2044-3030	\$0	\$222,931	\$0	\$0	\$0
CC Gym Electronic Backboard Adjuster	12-99-30-2045-3030	\$0	\$17,153	\$0	\$0	\$0
City Hall Flat Roof Replacement	12-99-30-2046-3030	\$0	\$0	\$185,000	\$0	\$0
CC Exhaust Fans/CO Sensors Parking Garage	12-99-30-2048-3030	\$0	\$16,277	\$0	\$0	\$0
Lantern Bay Park Improvements	12-99-30-2049-3030	\$0	\$35,315	\$0	\$0	\$0
Palisades Sidewalk/Historical Color Change	12-99-30-2050-3030	\$0	\$0	\$60,000	\$0	\$0
Exterior Painting of PCH Bridge	12-99-30-2051-3110	\$0	\$141,961	\$0	\$0	\$0
CC Dana Point Culture/History Mural	12-99-30-2053-3030	\$0	\$0	\$60,000	\$0	\$0
CH Admin Wing Cleanup/Upgrade	12-99-30-2054-3030	\$0	\$24,297	\$0	\$0	\$0
Thunderbird Park Improvements	12-99-30-2055-3030	\$0	\$0	\$320,000	\$0	\$0
Thunderbird Park Improvements	12-99-30-2055-3110	\$0	\$48,720	\$0	\$0	\$0
City Hall Security Improvements	12-99-30-2056-3030	\$0	\$0	\$37,500	\$25,000	\$0
Harry Otsubo Community Garden Rehab	12-99-30-2057-3030	\$0	\$0	\$120,000	\$0	\$0
City Hall Shingle Roof Replacement	12-99-30-2059-3030	\$0	\$0	\$0	\$200,000	\$0
Community Center HVAC Replacement	12-99-30-2060-3030	\$0	\$0	\$0	\$35,000	\$37,000
City Hall Fire Suppression System Updates	12-99-30-2061-3030	\$0	\$0	\$0	\$65,000	\$0
Court Surface Improvements	12-99-30-2062-3030	\$0	\$0	\$0	\$65,000	\$65,000
Dog Fun Zone Improvements	12-99-30-2063-3030	\$0	\$0	\$0	\$115,000	\$115,000
Heritage Park Staircase Railing	12-99-30-2064-3030	\$0	\$0	\$0	\$139,000	\$0
Playground Structure Replacements	12-99-30-2065-3030	\$0	\$0	\$0	\$220,000	\$220,000
Del Obispo LED Ballfield Lights	12-99-30-2066-3030	\$0	\$0	\$0	\$275,000	\$0
Community Center Emergency Transfer Switch	12-99-30-2067-3030	\$0	\$0	\$0	\$75,000	\$0



Name	Account ID	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Community Center Gymnasium Painting	12-99-30-2068-3030	\$0	\$0	\$0	\$0	\$55,000
Community Center Stage Rebuild	12-99-30-2069-3030	\$0	\$0	\$0	\$0	\$110,000
Thunderbird Park Baseball Field	12-99-30-2070-3030	\$0	\$0	\$0	\$0	\$250,000
City Hall Fire Alarm Upgrade	12-99-30-2071-3030	\$0	\$0	\$0	\$0	\$190,000
Council Chambers A/V Upgrade	12-99-30-4001-3040	\$1,076	\$252,370	\$31,630	\$0	\$65,000
Total Capital Outlay:		\$599,148	\$1,440,565	\$1,383,508	\$1,444,000	\$1,264,000
Total Expense Objects:		\$599,148	\$1,440,565	\$1,383,508	\$1,444,000	\$1,264,000





Park Development Fund (21)

Summary

The Park Development Fund (Fund 21) is a special revenue fund established in December 1993 following the consolidation of the City with the former Capistrano Bay Park & Recreation District. It is used to account for revenues that are legally restricted for park-related capital improvements. These revenues include development impact fees collected from developers, as well as grants and allocations from County, State, and Federal sources.

The fund is not included in the City's operating budget, as it does not support ongoing programs or services. However, it remains available to fund eligible park acquisition, development, and improvement projects as opportunities arise. The most recent significant use of this fund occurred in FY22, when a portion of the remaining balance was allocated toward the renovation of Shipwreck Park. Since that time, the fund has had limited activity



Fund Balance Overview

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Beginning Fund Balance:	\$810	\$827	\$858	\$858	\$858
Revenues					
Use Of Money & Property	\$17	\$31	\$0	\$0	\$0
Total Revenues:	\$17	\$31	\$0	\$0	\$0
Expenditures					
Materials & Services	\$0	\$0	\$0	\$0	\$0
Transfers Out	\$0	\$0	\$0	\$0	\$0
Total Expenditures:	\$0	\$0	\$0	\$0	\$0
Total Revenues Less Expenditures:	\$17	\$31	\$0	\$0	\$0
Ending Fund Balance:	\$827	\$858	\$858	\$858	\$858



Revenue Detail Listing

Name	ERP Code	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Revenue Source						
Use Of Money & Property						
Investment Income	6403	\$19	\$31	\$0	\$0	\$0
Unrealized Gain/Loss	6413	-\$2	\$0	\$0	\$0	\$0
Total Use Of Money & Property:		\$17	\$31	\$0	\$0	\$0
Total Revenue Source:		\$17	\$31	\$0	\$0	\$0

Expenditure Detail Listing

Name	FY2023 Actuals	FY2024 Actuals	FY2025 Amended	FY2026 Budgeted	FY2027 Budgeted
Expense Objects					
Materials & Services	\$0	\$0	\$0	\$0	\$0
Transfers Out	\$0	\$0	\$0	\$0	\$0
Total Expense Objects:	\$0	\$0	\$0	\$0	\$0



SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM



Seven Year Capital Improvement Program

FISCAL YEARS 2026 – 2032

PROGRAM PURPOSE AND DESCRIPTION

Capital Improvement Program

The purpose of the Capital Improvement Program (CIP) is a seven-year planning instrument used by the City to identify capital improvement needs and to coordinate financing and timing of those needs in a manner that maximizes public benefit. The vast majority of the Capital Improvement Program is actually devoted to repair or replacement of existing infrastructure. As each two year budget is prepared, additional projects and priority needs are developed and added to the program to maintain a total seven-year plan.

Capital Budget

The first two years of the CIP is called the capital budget. The capital budget is incorporated into the two year City “operating” budget, which appropriates funds for specific facilities, equipment and improvements. Projects slated for subsequent years in the program are acknowledged on a planning basis but do not receive ultimate expenditure authority until they are eventually incorporated into the capital budget. As such, tentative Council endorsement of the overall seven-year program is desirable for effective planning and eventual implementation of overall City goals and objectives.

Capital Improvements

Capital improvements are major projects (\$50,000 +) undertaken by the City that are generally not recurring minor expenditures on an annual basis. In this sense they are differentiated from operating and maintenance (O&M) expenditures for normal City operation. They generally include land and right-of-way acquisition, construction or modification and repairs of buildings or facilities, public infrastructure repair/replacement, construction or modification, purchase of major equipment with long life expectancy, and projects requiring debt obligation or borrowing.



Seven Year CIP Program Revenue Sources

FISCAL YEARS 2026 – 2032

Primary Program Revenue Sources

State Highway User's (Gasoline) Taxes- Under Section 2103, 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code, Cities are allocated a share of the revenues derived from the state taxes on gasoline. These revenues are restricted in their use to the construction, improvement and maintenance of public streets.

Road Repair and Accountability Act of 2017- Under Section 2030 of the Streets and Highways Code, Cities are allocated a share of the revenues derived from fuel taxes and vehicle registration taxes. These revenue allocations must be used for public projects related to road maintenance and rehabilitation, safety projects, traffic control devices and complete street components.

Coastal Area Road Improvements and Traffic Signals (CARITS) Fees – The CARITS County Fee Program will finance the construction of regional roadway gaps, intersection improvements and traffic signals within the coastal area circulation system of the County. The road improvements to be funded by this program are identified in the South County Road Improvement Action Plan.

Measure M Fund- Renewed Measure M (M2), the Revised Traffic Improvement and Growth Management Ordinance, provides for the collection of one-half (1/2) percent retail transaction and use tax to fund the Transportation Improvement Program, typically used for road repairs.

General Fund- The capital budget is often supported by the transfer of unencumbered monies from the City's General Fund which results from annual Operating revenue exceeding annual Operating costs. Accurate General Fund contribution forecasting is difficult and dependent on the City's future year ability to match costs with revenues. General purpose funds may be used to finance any capital project.

Park Development Fees- Section 7.36 of the Dana Point Municipal Code (DPMC) requires the dedication of land for park facilities or the payment of in-lieu fees as part of subdividing property. The payment of in-lieu fees for park and recreation purposes instead of dedication of parkland is allowed if the location or topography of the subdivision is not conducive to the development of parks and recreation facilities at this location. Such in-lieu fees shall be equal to the value of the parkland that would have been dedicated. Fees collected in this Program shall be used for park improvements citywide.

AB2766 Fund- Authorized by the State, fees are imposed on motor vehicles by the air pollution control districts. The fees are collected by the California Department of Motor Vehicles and distributed to local agencies by the South Coast Air Quality Management District to be used for projects which improve air quality.

Other Grant Funds- Other Federal, State and County agencies may provide grant funding for specific programs that the City may obtain for specific projects such as, but not limited to, water quality, bicycle facilities improvements or natural resources programs.

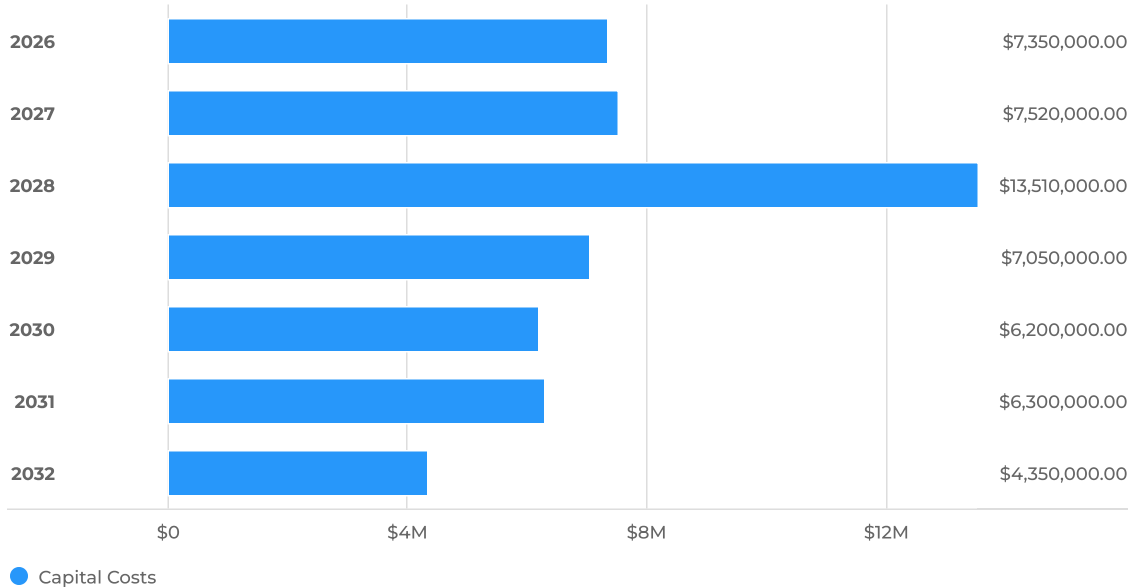


Seven-Year Capital Improvement Plan - FY2026 through FY2032

Total Capital Requested
\$52,280,000

12 Capital Improvement Projects

Capital Costs Breakdown



CIP Project Listing - 2026 Through 2032

Stonehill Drive Undergrounding

#1348

In an effort to reduce urban blight and preserve and protect the natural and urban landscape, the City of Dana Point submitted a Priority List of Rule 20A Underground Utility Projects to SDG&E. As a SDG&E qualifying project, the Dana Point City Council established the Stonehill Drive Utility Undergrounding District on February 15, 2022 related to this future work on Stonehill Drive (between Golden Lantern and Del Obispo).

FY 2026	\$ 500,000
FY 2028	\$ 6,500,000
TOTAL	\$ 8,000,000

Doheny Village Connectivity Improvements (Construction)

#1364

This project seeks to bridge the gap between the efforts to be completed by CalTrans and a need to provide improved pedestrian and bike connectivity through Coast Highway which will include additional travel lanes for eastbound traffic from the freeway; additional bike lanes; improved and widened sidewalks with landscaping and lighting to better accommodate pedestrians and bicyclists; storm drain modifications and a reconfiguration of the intersection of Doheny Park Road and Coast Highway with new traffic signal improvements.

FY 2026	\$ 750,000
TOTAL	\$ 750,000

Roadway Resurfacing-Overlay/Asphalt Repairs

#1374 & #1379

This program is intended to provide funding to rehabilitate non-arterial streets including residential, residential collector and collector streets. Streets are selected for rehabilitation using the City's Pavement Management Plan which rates streets Citywide and recommends improvements in priority order by street condition. Partial funding from Gas Tax, RMRA and OCTA's Measure M2 will be budgeted in these CIP projects.

FY 2026	\$ 4,700,000
FY 2027	3,700,000
FY 2028	3,430,000
FY 2029	1,950,000
FY 2030	3,200,000
FY 2031	4,500,000
FY 2032	1,250,000
TOTAL	\$ 22,730,000

Arterial Roadway Slurry

#1376 & #1381

The Arterial Roadway Slurry Project involves implementing proactive maintenance activities to extend pavement life. By taking steps to preserve pavement on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.

FY 2026	\$ 250,000
FY 2027	250,000
FY 2028	250,000
FY 2029	700,000
FY 2030	600,000
FY 2031	700,000
FY 2032	700,000
TOTAL	\$ 3,450,000



Residential Roadway Slurry**#1375 & #1380**

The Residential Roadway Slurry Program involves implementing proactive maintenance activities on identified roadways to extend pavement life. By taking steps to preserve pavements on City streets, major rehabilitation or reconstruction can be delayed by up to 4 to 5 years following each application resulting in significant cost savings.

FY 2026	\$ 550,000
FY 2027	1,770,000
FY 2028	1,230,000
FY 2029	1,750,000
FY 2030	1,000,000
FY 2031	700,000
FY 2032	2,000,000
TOTAL	\$ 9,000,000

La Plaza Park Improvements**#1377**

To evaluate improvements/modifications at this park facility, particularly near the gazebo/amphitheater area. A conceptual, preliminary design for the improvements will be funded by this project.

FY 2026	\$ 200,000
TOTAL	\$ 200,000

Del Obispo Park Modification Project**#1369**

The Design Phase for this Project began in Spring 2025 with construction commencing in FY26/27. Improvements to Del Obispo Park include existing facility enhancements (drainage, concrete repairs and improved lighting) and two new pickleball court amenities.

FY 2027	\$ 1,200,000
TOTAL	\$ 1,200,000

Citywide Storm Drain Improvements Design**#1332**

This Project will continue to build upon the recommendations from the City of Dana Point's Master Plan of Drainage which identified and prioritized necessary storm drain improvements citywide.

FY 2027	\$ 200,000
FY 2028	200,000
FY 2029	200,000
TOTAL	\$ 600,000

Storm Drain Repairs-Citywide**#1365**

This annual project was established to fund storm drain maintenance and repairs identified in the City's inspections of storm drains citywide. Work items include removing debris from storm drains, repairing storm drain pipe, removing obstructions from storm drains, lining storm drains, repeating storm drain catch basins, etc.

FY 2026	\$ 200,000
FY 2027	200,000
FY 2028	200,000
FY 2029	200,000
FY 2030	200,000
FY 2031	200,000
FY 2032	200,000
TOTAL	\$ 1,400,000

Traffic Safety Repairs and Improvements**#1367**

The intent of this annual program is to implement improvements which enhance traffic safety and reduce accidents throughout the City, at the direction of the City Traffic Engineer and Director of Public Works/City Engineer.

FY 2026	\$ 200,000
FY 2027	200,000
FY 2028	200,000
FY 2029	200,000
FY 2030	200,000
FY 2031	200,000
FY 2032	200,000
TOTAL	\$ 1,400,000

Citywide Storm Drains - Future Improvements

This Project will address storm drain deficiencies citywide as identified in the in-progress Storm Drain Master Plan Update (Master Plan). The specific storm drain project locations are undefined at this time. Funding is also estimated at this time and will be utilized only to address deficiencies identified from the Master Plan.

FY 2026	\$ -
FY 2027	-
FY 2028	1,500,000
FY 2029	1,500,000
FY 2030	1,000,000
FY 2031	-
FY 2032	-
TOTAL	\$ 4,000,000

Stonehill Drive Slurry Seal

Routine pavement maintenance through slurry seal and crack seal application and construct minor dig-outs/asphalt repair of failed pavement sections on Stonehill Drive (Golden Lantern to Palo Alto Street). This Project will be partially funded by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in the amount of \$200,000.

FY 2029	\$ 550,000
TOTAL	\$ 550,000

TOTAL FY2026 THROUGH FY2032	\$ 52,280,000
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FINANCIAL POLICIES



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Acquisition and Use of City Vehicles	EFFECTIVE DATE: 12/05/2017	POLICY NO: 226
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PURPOSE:

To establish a uniform procurement and use policy for City vehicles that provides a modern, safe, and consistently operational fleet that supports the provision of City services.

BACKGROUND:

The City maintains a limited fleet of vehicles to support the provision of City services to residents, visitors and businesses. Vehicles are procured pursuant to City Council direction and maintained as fixed assets of the City. City vehicles are for official use in conducting official City business by staff.

POLICY:

It is the policy of the City Council of the City of Dana Point to provide funding via an adopted budget for the acquisition and maintenance of city-owned vehicles. City owned vehicles are to be used for official City purposes and by employees whose position classifications have been identified by the City Manager as authorized vehicle operators.

It is the policy of the City Council of the City of Dana Point to limit the number and types of vehicles in use. The City Manager shall be responsible for limiting the number and types of City-owned vehicles to those necessary for the effective function of City responsibilities. For each fiscal year budget the City Manager shall recommend only that amount of funding necessary to implement this policy.

It is the policy of the City Council of the City of Dana Point that the City Manager shall establish and maintain a vehicle usage policy. Such policy should be reviewed at least annually and be updated to current best practices. Such policy shall also include an inventory of City vehicles and their purpose, as well as an authorized operators listing of those position classifications which require the use of a City-owned vehicle for the execution of their responsibilities.

**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Management of City Attorney	EFFECTIVE DATE: 01/16/2018	POLICY NO: 227
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PURPOSE:

To establish a policy for tracking the status and budget for the City's ongoing and anticipated legal matters.

BACKGROUND:

The City Council is responsible for developing policies that govern operation of the City. Currently, there are no written policies or guidelines for managing the City's legal operations.

POLICY:

The City Attorney reports directly to the City Council. As a consequence, the City Council has the duty and responsibility to manage the City's chief legal advisor on a broad range of municipal issues.

Legal operations of the City can be viewed as a process. Data tracking and reporting are key to defining, measuring, analyzing, monitoring and improving this process.

The City Attorney shall periodically (but no less than quarterly) issue a written report to City Council for all ongoing legal matters. The report shall contain sufficient data to enable the City Council to assure that ongoing and anticipated legal matters are being effectively handled in a timely manner and within budget.

**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: User Fee Subsidy Policy	EFFECTIVE DATE: 01/16/2018	POLICY NO: 228
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COST RECOVERY

Fees will be set at full cost recovery unless it is determined there must be a subsidy. Where data is available to do so and to the fullest extent possible, the full cost of providing a good or service, including operating expenses, administrative costs, and capital expenses (including depreciation) should be considered when calculating a user fee.

BACKGROUND

The City of Dana Point charges user fees for certain services. User fees serve several purposes:

- User fees allow for maximum discretion in the use of general taxes. If services partially or fully cover their own cost through user fees, then the City of Dana Point has more options for how available general tax dollars can be used to accomplish other goals. This is particularly important given Dana Point's inability to easily realize tax revenues.
- User fees improve the fairness of how the costs for public services are allocated to members of the public. Some services benefit primarily the individual receiving the service, with the community as a whole receiving relatively little benefit when that individual receives the service. User fees allow the City to assign the cost of these kinds of services directly to the individual receiving them, rather than using general tax revenue that would otherwise be available to benefit the whole community.

Establishing and maintaining fees allows the City of Dana Point to realize the benefits described above.

WHEN USER FEES ARE APPROPRIATE

For services where an individual member of the public is the sole or primary beneficiary of a service, the City may establish user fees according to the cost of the service provided to the recipient of the service. Conversely, if the entire community benefits from a service, then general taxes are an appropriate funding mechanism. In some cases, a service will have both individual and community-wide benefits. In these cases, the service might be partly funded by general taxes and partly through fees.

The City of Dana Point charges user fees for services related to planning, building, engineering, and recreation services, among others.

SUBSIDIES

In some cases, it might be appropriate to subsidize all or a portion of a fee for a certain service. For example, some services might provide benefits to the entire community, beyond the individual who is the immediate recipient, or the City might wish to encourage people to use the service more widely than they would if the service were not subsidized. In these cases, the Council may determine to set a fee at a level below full cost and thus subsidize or waive the fee. For example, the City has traditionally subsidized senior recreation classes, water heater permits, and planning commission appeals.

BALANCING COST-RECOVERY AND SUBSIDIES

City staff shall develop and recommend to the Council subsidy levels for services that assess user fees.

Policy factors to consider in setting subsidy policies should include:

1. Cost-benefit nexus. Where there is a strong nexus between the amount paid by the individual who receives the service and benefit received by that same individual, the subsidy should usually be lower.
2. Similar to private sector service. Sometimes a City service may be similar to those offered by the private sector. The City should not subsidize services that might be competitors to private offerings.
3. Fees can be used as a tool to manage demand. Higher fees discourage people from using a service and thus prevent demand from exceeding the City's capacity to supply the service. The City's capacity includes the capacity of its physical assets, as well as other factors needed to produce services.
4. The service is regulatory. The service is required to enforce laws and/or the ordinances of the City and those being regulated cause the City to incur costs.

Policy factors suggesting that subsidies might be appropriate include:

1. Community benefit. The service creates significant benefit for the community, not just the immediate recipient of the service.
2. Difficult collection. Collecting the fee is not cost-effective.
3. Emergency service. The service in question is emergency in nature and not planned by the user.
4. Creates the wrong incentives. For example, a regulatory fee that is too high may create disincentives to comply with the regulation.

Based on the guidelines above, the City will set subsidy levels for its fees.

REVIEW OF FEES

Fees will be reviewed and updated on an ongoing basis in order to ensure that fees keep pace with changes in the cost of providing a service, as well as changes in methods or levels of service delivery. A comprehensive analysis of a service's costs, the level of service provided, the means by which it is provided, and the fees charged should be made at least every five years, including a recommendation to the Council for any changes to the fee structure and explanation of any subsidies recommended. Such analysis should be coordinated by the Administrative Services Department and submitted for review to the Financial Review Committee (FRC).

In the interim, recommendations should be made to the Council for any adjustments to fees that may be necessary to keep up with known cost increases, or that may be needed for the service to meet its cost recovery goals. Generally speaking, smaller, more regular adjustments to fees are better than waiting several years and making larger adjustments to fees. Use of an inflation factor, such as the consumer price index (CPI) may be an appropriate method to adjust fees in the years where a cost study is not conducted, as long as such an adjustment does not raise the fees above the cost to provide those services.

REVIEW OF COST SERVICES

In addition to considering if fees are sufficient to cover the cost of services, the City should always consider if the cost providing the service is reasonable, including any promising alternative methods for providing the service to the public.

**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Long-Term Financial Policy	EFFECTIVE DATE: 01/16/2018	POLICY NO: 229
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BACKGROUND

The purpose of this policy is to ensure the City of Dana Points' financial sustainability beyond a single fiscal year. Financial sustainability is defined as the City's long-term financial performance where planned long-term service and infrastructure standards are met without unplanned increases in rates or disruptive cuts to services. Long-term financial planning is essential for maintaining financial sustainability.

COMMITMENT TO A LONG-TERM PERSPECTIVE ON CITY FINANCES

Each year, the City will consider its long-term financial position by reviewing long-term forecasts. The City will also adopt a long-term financial plan that sets forth how the City will maintain long-term financial health. The City will keep the plan updated regularly so that it offers current and relevant guidance to City officials while they develop the City budget.

SCOPE OF LONG-TERM FINANCIAL PLANNING

- Time horizon. The long-term financial plan will forecast revenues, expenditures, and financial position at least five years into the future, or longer where the specific issues being studied in the plan call for a longer time horizon.
- City Strategic Plan. The long-term financial plan will include consideration of implementing goals of the Strategic Plan.
- Funds considered. The long-term financial plan will cover at least the General Fund, but should also cover other funds that are of significant size and that are facing long-term challenges to their continuing financial health.
- Comprehensive analysis. The long-term financial plan will provide meaningful analysis of key trends and conditions, including but not limited to:
 - Volatility of material revenues and program expenditures to economic, natural or man-made disasters;
 - Analysis of the affordability of current services, projects, and obligations; including, but not limited to personnel costs and unfunded pension liabilities;
 - Analysis of the affordability of anticipated service expansions or investments in new assets, including ongoing operating, maintenance and replacement costs; and,
 - Synthesis of the above to present the City's financial position.

STRUCTURAL BALANCE

Long-term structural balance is the goal of long-term financial planning. Hence, the City will adopt a long-term financial plan that is balanced over the planning horizon. If the City's long-term forecasts and analysis show that the City is not structurally balanced over the planning horizon, then City staff and Council will develop the necessary strategies to create long-term structural balance. These strategies will be part of the official adoption of the long-term financial plan.

NON-CURRENT LIABILITIES

The long-term financial plan will address strategies for ensuring that the City's long-term liabilities remain affordable. This includes, but is not necessarily limited to: debt, asset maintenance, and public pensions.

MONITORING LONG-TERM FINANCIAL HEALTH

At least once per year, the City staff shall present to the Council a long-term forecast that shows how revenues compare to expenditures and how the resulting difference impacts the City' fund balances relative to its policy for maintaining a minimum level of fund balance, including reserves. The forecast shall have the following features:

- The assumptions used for revenue forecasts will represent the City staff's best estimate; these projections will be neither too conservative nor too optimistic.
- The expenditure forecast will represent a projection forward of current service levels unless there are officially adopted plans that call for a clear change in service levels within the forecast time horizon.
- City staff may present alternative forecasts that highlight potential volatility in either material revenues or expenditures so that the City Council can gain better insight into the possible future financial condition of the City.



CITY OF DANA POINT COUNCIL POLICY

SUBJECT: Operating Budget Policy	EFFECTIVE DATE: 06/19/2018	POLICY NO: 230
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BACKGROUND

The operating budget is one of the most important policy documents produced by the City because it directs the allocation of scarce financial resources to pay for public services. Prudent budget decisions support high-quality services and long-term financial stability for the City government.

BUDGET AND FINANCIAL REPORTING CALENDAR

- **Publishing budget and financial reporting calendar.** An annual budget process and financial reporting calendar will be presented by the City Manager for City Council adoption prior to the beginning of each fiscal year. The budget calendar will include, among other items, target dates associated with public meetings regarding updates/changes to the: City's Strategic Plan; community survey; budget priorities and objectives; fee schedules; capital and facilities projects; financial policies; and, long-term financial plan. The calendar should include dates for budget workshops and hearings. See Sample Attachment A.

IMPORTANT FEATURES OF THE CITY'S BUDGET

- **Funds included in the budget.** All accounting funds used by the City to pay for its operations are included in the City's budget process. This provides a comprehensive view of the City's resources. Funds for which the City accounts for moneys held in trust as a fiduciary for others (e.g. developer deposits; fees collected on behalf of, and transferred to other government agencies) and for which the City records neither revenues nor expenditures are reported in annually audited financial statements, but are not included in the budget.
- **Biennial Budget.** The Dana Point Municipal Code requires the City Manager to submit a proposed budget to the City Council for consideration. The City Council adopts a biennial budget, for each fund, that addresses plans for the next two years of revenues and expenditures. This provides City officials with more foresight than a one-year budget. Once adopted, the City Manager is responsible for implementing the budget. All unencumbered appropriations lapse at year-end. The City Council has the authority to amend the budget at any time.

Spending priorities will be identified in the budget by identifying line-items considered 1) core; 2) important; and, 3) value-added; or some combination of the prior.

- **Modified accrual accounting is used for government and agency funds.** Under modified accrual accounting, revenues are recognized when they become measurable and available as current assets. The primary revenue sources susceptible to accrual are property and sales taxes, investment income, federal entitlements, transient occupancy taxes, franchise fees, motor vehicle fees and gas tax subventions. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.
- **Level of control.** Per the Municipal Code, the City Manager has the authority to transfer appropriations from one function or activity to another within the same fund provided such changes would neither have a significant policy impact, nor affect budgeted year-end fund balances. The legal level of budgetary control is established at the fund level, though the City also employs controls at the department level within funds.
- **Interim reporting.** The Director of Financial Management will provide monthly financial reports to the City Council that include budget versus actual performance, including encumbrances. On a quarterly basis; he/she will also provide, among other items, a detailed narrative regarding budget performance; status of reserves in relation to the Reserve Policy; and, a listing of all budget adjustments fiscal year-to-date.
- **Fiscal Impact Section of City Council Agenda Reports.** Structural budget impacts of City Council actions will be identified in the Fiscal Impact Section of City Council Agenda Reports. Should a proposed action create a projected imbalance in the current or future budgets, a discussion will be included to address solutions to addressing the projected imbalance.



THE DEFINITION OF A BALANCED BUDGET

State law does not require cities to have a balanced budget. However, the City through this policy will maintain a balanced budget over the two-year period of the biennial budget. This means that:

1. Operating revenues must fully cover operating expenditures. Operating expenditures include costs for operations, including debt service and amounts necessary to maintain existing Infrastructure Assets and Facility Assets as defined in their respective financial policies;
2. Ending fund balance must meet minimum financial policy levels after consideration of the operating budget and one-time capital investment in new assets;
3. Budgets must be accompanied by forward-looking longer-term projections as defined in the Long-Term Financial Policy and that extend beyond the two-years in the adopted budget.

This definition addresses longer-term issues of a budget that relies in the short-term on funding from temporary or one-time revenue sources such as accumulated fund balances or selling assets, and that otherwise might be considered balanced. For this reason, the City has adopted its own definition of the balanced budget, designed to ensure future financial sustainability.

THE BUDGET PROCESS

The City's Director of Financial Management is responsible for compiling the budget, and the City Manager is responsible for proposing a balanced budget to the City Council. The City Council may refer the proposed budget to a City Council designated committee for discussion and a recommendation.

The City's fiscal year begins on July 1st. Hence, the City's budget will be adopted at a duly noticed public hearing by the City Council on or before June 30th.

The City will produce documentation sufficient for the citizens of Dana Point to understand the budgetary decisions that the City has made, and their policy implications.

Attachment A: SAMPLE BUDGET CALENDAR

Month	1st Council Meeting	2nd Meeting
July	DARK	
August	DARK	DARK
September	Contract for Community Survey (even numbered years)	Fiscal Year Roll-Over Financial Report
October	Status of Plan to Address Unfunded Pension Liabilities Follow-Up on Any Needed Financial Policy Updates	CIP and Facilities Project Update - Current and Potential
November		
December	Audited Comprehensive Annual Financial Report	DARK
January	Results of Community Survey	Draft Long-Term Financial Plan Presentation Strategic Plan Review
February	Financial Policy Review	Budget Priority Workshop
March	Mid-Year Financial Report	
April		Budget Workshop
May	Budget Workshop	Budget Workshop
June	Budget Hearing (odd numbered years): Adopt Strategic Plan, Financial Policies, Fee Schedule, 7 Year CIP, Long-Term Financial Plan, Budget and Gann Limit.	Budget Hearing, If Needed



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Infrastructure Asset Management Policy	EFFECTIVE DATE: 07/01/2018	POLICY NO: 231
	REVISED: 06/07/2022	
	09/17/2024	

BACKGROUND

Public infrastructure assets have a major impact on our community's quality of life, the City's ability to deliver its services, and the quality of those services. Those assets and their component parts include, but are not limited to streets, curbs, gutters, sidewalks, storm drains, water quality facilities, etc. Since incorporation, the City has made a substantial investment in its public infrastructure assets. The purpose of this policy is to guide the City first in decisions necessary to preserve its investment, and then to rationally direct funding for new capital assets.

A separate City financial policy provides guidance for maintaining City facilities such as its buildings and component systems, grounds, parks, trails and medians; and separately, for its vehicle fleet acquisition and usage.

ESTABLISHMENT OF AN ASSET INVENTORY

The Public Works & Engineering Department, in close coordination with other Departments, shall develop and maintain a comprehensive Public Infrastructure Asset Inventory. The Department shall also develop and utilize infrastructure asset management strategies that forecast maintenance requirements and associated costs to ensure continued operation of the assets, along with funding requirements for replacement when needed. Strategies are expected to encompass a variety of sources and techniques to assess and project asset conditions and maintenance costs, and that must continuously evolve as assets age and change. At a minimum, the following should be considered when developing appropriate strategies:

- Identify major asset classes;
- Identify criteria and/or procedures to assess conditions and consequences of not maintaining particular assets in good condition;
- Assess and evaluate the condition of assets within each major asset class; and,
- Suggest asset maintenance priorities based on a host of factors, including but not limited to impacts to the public, risk mitigation, legal requirements, and continuity of operations.
- In many cases, the need and thus cost of asset repairs will be based on routine inspections, in addition to expected and available life-cycle data. Examples of asset types covered by this assessment approach include storm drain facilities, sidewalks, and improvements necessary to make facilities compliant with the Americans with Disabilities Act (ADA).

From the inventory and maintenance strategy, Public Works shall recommend to the City Manager a prioritized Capital Improvement Plan (CIP) looking out seven fiscal years. The City Manager shall incorporate his/her proposed CIP into the Budget presented to the City Council.

FUNDING OF ASSET MAINTENANCE AND REPLACEMENT

It is the City's policy to ensure that adequate resources/funding are allocated in the Council-approved budget to maintain and replace existing assets before directing resources/funding to build new facilities, or to acquire additional assets that may also have ongoing operating and maintenance obligations. The funding allocation may need to include setting aside funds for future replacement per strategy, particularly where deemed necessary to ensure adequate resources are accumulated for higher-cost projects. This Policy recognizes that new Federal or State requirements may emerge and require investment in new facilities/assets.

The purpose of this Infrastructure Asset Management Policy (Policy) is to protect the City's existing investment in capital assets by 1) ensuring due consideration is given to maintaining existing capital assets when funding is limited and the City must decide between funding routine operations or funding required or desired capital investments; and, 2) avoiding acquisition of new assets when the acquisition, operating, and maintenance cost of the asset, when added to funding for existing City operations and maintenance of existing assets, exceeds available funding.



CAPITAL IMPROVEMENT PLAN (CIP) SCOPE

January of each year, the Public Works Department shall develop the CIP budget for the City Manager's consideration, and for the City Manager's budget proposal to the City Council. The CIP should describe and prioritize the capital projects that the City intends to undertake during the next seven fiscal years, and should encompass:

A. Definition of a capital project. For the purposes of the CIP, the definition of a capital project is a project with a useful life of at least five years¹ and a cost of at least \$50,000; and,

B. Link to needs assessments. Projects included in the CIP, with minor and occasional exceptions, should be based on the strategy.

ROLES IN THE CIP PROCESS

The Public Works Department is responsible for coordinating the CIP process and compiling the CIP document. Other key roles include:

A. Review of Capital Project Proposals. The Administrative Services Department will coordinate a capital project review process within the City Manager approved budget calendar;

B. Capital Financing. The Administrative Services and Public Works Departments will jointly develop a capital funding strategy to support the CIP; and,

C. Approval of the CIP. The City Manager shall review and propose the CIP to the City Council for their review and approval.

The CIP document will take into account items described in the strategy, as well as feedback from other departments with regard to any overlap with planned maintenance of facilities and any private-development projects expected to occur.

CIP PROJECT IDENTIFICATION – EXISTING PUBLIC FACILITIES

Each year, the Public Works Department will develop the CIP to include projects necessary to extend the life of existing public facilities, and then any new assets being proposed.

CIP PROJECT IDENTIFICATION – NEW ASSETS

Inclusion of proposals in the CIP for new public assets, including those from private development and donated assets, will be evaluated using procedures developed jointly by the Public Works and Administrative Services Departments. At minimum, the procedure shall provide for the following:

A. Long-term operating and maintenance costs. Identify the annual cost to operate and maintain the asset over its lifecycle;

B. Anticipated sources of funding. Identify the sources of funding to acquire, operate and maintain the asset; and,

C. Proposed timing of the project. Identify the proposed schedule including all entitlement approvals, bidding, design, land acquisition, construction, and other relevant milestones to complete the project.

CIP PROJECT SELECTION

The Administrative Services Department will employ procedures to assess and evaluate project proposals. Principles and practices reflected in the selection process will include:

A. Long-term forecasts. Long-term forecasts to better understand the need for capital spending, assess operational impacts and costs, and eventual replacement costs;

B. Impact on other projects. Projects should not be considered in isolation. One project's impact on others should be recognized and costs should be shared between projects where appropriate;

C. Allow for funding of preliminary activities. Recognition that, for some projects, undertaking some preliminary engineering/planning and discretionary approval effort before committing to funding the whole project is advised. However, even these expenditures can be considerable, so projects should be evaluated and prioritized appropriately;

D. Full consideration of operating and maintenance costs. The City should first ensure it has adequate ongoing financial resources to operate and maintain an asset before allocating resources to build it;

E. Full lifecycle costing. Analysis of the cost of a proposed project should encompass the entire life of the asset, from planning and acquisition, to maintenance, and on to replacement or eventual disposal;



F. Predictable project timing and scope. Schedule and scope estimates should be practical and achievable, within available and forecast financial and human resources;

G. Public support. Projects should have the support of the Dana Point community; and,

H. Leveraging resources through cooperation with others. Where possible, the City should take advantage of opportunities for intergovernmental and/or public-private partnerships to best leverage the City's capital investment.

BALANCED CIP

The CIP should be a balanced seven-year plan. Over the life of the seven-year Plan all expenditures will be provided for by the combination of fund balance and identified revenues. The City may provide a separate listing of projects deemed important, but where projected funding does not provide for a balanced CIP. The City Council may choose to examine the unfunded projects and defund a project that is on the balanced CIP in favor of another project that is not, or to fund a project on the list should previously unknown funds become available.

CIP Funding Sources:

- General Fund (01)
- Gas Tax Fund (02) (Applicable uses per Streets and Highway Code Section 2101)
- Measure M Fund (04) (Roads - Arterial and Local)
- Road Maintenance & Rehabilitation Act Fund (08) (Applicable uses per Streets and Highway Code Section 2030)
- Park Development Fund (21)
- Grant Funding

General Fund (01) Contributions

This Policy is established to direct investment of a minimum of 3 percent of the General Fund's budgeted revenue growth into the CIP Fund (11). In addition, at the close of each fiscal year, any General Fund budgeted excess fund balance shall be distributed to the CIP Fund unassigned fund balance. Excess budgeted fund balance is defined as any funds remaining after all budgeted revenues and expenses are considered, and the General Fund Reserves (as defined in Policy 233) are fully funded.

To ensure flexibility in responding to funding needs due to unforeseen events, the CIP Fund (11) unassigned fund balance amount should, at a minimum, be equal to 5% of the originally adopted budgeted General Fund revenue. If the unassigned fund balance falls below the target amount due to needed use of the funds, decline in revenues, or other unanticipated reason, the City Manager shall propose a plan to return the balance to the targeted amount within five years.

CIP FUNDING STRATEGY

The City may elect to use pay-as-you-go (i.e., cash financing), or secure debt financing to acquire an asset. The City Council's stated priority is to utilize a pay-as-you-go approach to financing projects to minimize incurring debt where feasible. Guidelines are provided below to lead the City in making the choice between pay-as-you-go and debt financing.

A. Factors which favor pay-as-you-go financing include circumstances where:

1. The project can be adequately funded from available current revenues and/or fund balance;
2. The project can be completed in an acceptable timeframe given the available revenues; and,
3. Additional debt levels could adversely affect the City's ability to fund future, ongoing operations and maintenance, and/or adhere to its legal debt limit.

B. Factors which may allow for long-term debt financing include circumstances where:

1. Revenues available to pay debt costs are considered sufficient and reliable; and,
2. Market conditions present favorable interest rates;
3. A project is mandated by State or Federal government and current revenues or unassigned fund balances are insufficient to pay project costs;
4. A project is immediately required to meet or relieve capacity needs, and current revenues or unassigned fund balances are insufficient to pay project costs;
5. The capital project or asset lends itself to debt financing rather than pay-as-you-go funding based on the expected useful life of the project and based on the City's ability to pay debt service (i.e., asset life is greater than or equal to debt term)
6. The users/beneficiaries of the asset financed pay user fees or choose to directly pay the cost of servicing the debt.

The City shall actively pursue outside funding sources for all Capital Improvement Projects. Outside funding sources, such as grants, shall be used to finance only those Capital Improvement Projects that are consistent with the seven-year Capital Improvement Plan and/or local governmental priorities, and where operating and maintenance costs will be included in future operating budget forecasts.



CAPITAL PROJECT MANAGEMENT

Responsible management of capital projects is essential to create the best value for the community. The following policies shall be observed to help ensure the best project management possible:

A. Project Management. Every CIP project should be managed by qualified personnel responsible for the following, at a minimum:

1. Developing the project budget, and communicating material budget variances in a timely manner;
2. Developing Cash flow forecasts prior to project approval, and update as needed after project commences;
3. Ensuring required phases are completed on schedule, and communicating schedule variances in a timely manner;
4. Authorizing project expenditures and monitoring project cash flows;
5. Ensuring adherence to regulations and laws; and,
6. Periodically reporting project status.

B. Regular progress reviews. Regular capital project and program reviews are to be conducted to monitor project performance, and regular reports shall be generated by the Public Works Department.

C. Limits on amendments. For an appropriated capital project, the total cost of the project, including all change orders, shall not exceed the amount of the Council-approved budget without Council approval. All amendments shall be reviewed and evaluated in accordance with the City's purchasing policy. The Public Works Department shall manage capital projects within prior-approved time and cost constraints. If an amendment is necessary, proper documentation explaining why should be processed. Any amendments to a construction contract shall stay within the City Council approvals.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Facilities Management Policy	EFFECTIVE DATE: 07/01/2018 REVISED: 06/07/2022	POLICY NO: 232
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BACKGROUND

Public facilities have a major impact on our community's quality of life, the City's ability to deliver its services, and the quality of those services. Those facilities and their component systems, include buildings, grounds, parks, trails, medians, and associated equipment. Since incorporation, the City has made a substantial investment in its public facilities. The purpose of this policy is to guide the City first in decisions necessary to preserve the investment in its public facilities, and then to rationally direct funding for new facilities. Separate City policies provide guidance for maintaining City infrastructure assets such as streets, curbs, sidewalks, storm drains; and separately, for its vehicle fleet acquisition and usage.

ESTABLISHMENT OF AN ASSET INVENTORY AND MANAGEMENT STRATEGY

The General Services Department, in close coordination with other Departments, shall develop and maintain a comprehensive Public Facilities Asset Inventory. They shall also develop and update a public facilities management strategy that forecasts maintenance requirements and associated costs to ensure continued operation of the assets, along with funding requirements for replacement when needed. The strategy is not intended to rest within one document, but rather will encompass a variety of sources and techniques to assess and project asset conditions, and must continuously evolve as facilities age and change. At a minimum, the strategy will:

- Identify major facility asset classes;
- Identify criteria to assess facility conditions and consequences of not maintaining them in good condition;
- Assess and evaluate the condition of facilities within each major asset class;
- Maintain a preventive maintenance system to schedule work necessary to maintain facilities in accordance with established criteria; and,
- Suggest facility maintenance priorities based on a host of factors, including but not limited to functionality, continuity of operations, impacts to the public, risk mitigation and legal requirements.

In many cases, the cost of repairs to assets will be based on routine inspections of those assets, in addition to expected life-cycle data. Examples of asset types covered by this investment approach include mechanical equipment, playground structures, and elevators.

From the strategy, General Services shall recommend to the City Manager a prioritized facility management plan. The City Manager shall incorporate his/her approved Plan into the Budget presented to the City Council.

FUNDING OF ASSET MAINTENANCE AND REPLACEMENT

It is the City's policy to ensure that adequate resources/funding are allocated in the Council-approved budget to maintain and replace existing facilities before directing resources/funding to build or acquire new facilities that create ongoing operating and maintenance obligations. The funding allocation may need to include setting-aside funds for future replacement, particularly where deemed necessary to ensure adequate resources are accumulated for higher-cost projects. This Policy recognizes that new Federal or State requirements may emerge and require investment in new facilities/assets.

The purpose of this Facilities Management Policy (Policy) is to protect the City's existing investment in facilities by: 1) ensuring due consideration is given to maintaining existing facilities when funding is limited and the City must decide between funding routine operations or funding required or desired facility investments; and, 2) avoiding acquisition of new facilities when the acquisition, operating, and maintenance cost of the new asset, when added to funding for existing City operations and maintenance of existing assets, exceeds available funding.



FACILITIES IMPROVEMENT BUDGET SCOPE

January of each year, the General Services Department shall develop the facilities maintenance budget for the City Manager's consideration, and for the City Manager's budget proposal to the City Council. The budget shall describe and prioritize the facilities investment that the City intends to undertake during the next budget cycle, along with the purpose and amount of additional funds to be set-aside in the Facilities Fund (12) for larger projects that may take several years to fund.

A. Definition of a facilities capital improvement project. For the purposes of the budget, the definition of a facilities capital project is a project with a useful life of at least five years¹ and a cost of at least \$50,000; and,

B. Link to needs assessments. Projects included in the FIF, with minor and occasional exceptions, should be based on the facilities management strategy.

ROLES IN THE FACILITIES IMPROVEMENT BUDGET PROCESS

The General Services Department, working with other departments, is responsible for coordinating the facilities improvement process and compiling the FIF budget. Other key roles include:

A. Review of Facilities Improvement Project Proposals. The Administrative Services Department will coordinate a review process within the City Manager approved budget calendar;

B. Improvement Funding. The Administrative Services and General Services Departments will jointly develop a funding strategy to support the facilities improvement budget; and,

C. Approval of Budget. The City Manager shall review and propose the budget to the City Council for their review and approval.

FACILITIES PROJECT IDENTIFICATION – NEW ASSETS

Inclusion of proposals in the budget for new facilities, including those from private development and donated assets, will be evaluated using procedures developed jointly by the General Services and Administrative Services Departments. At minimum, the procedure shall provide for the following:

A. Long-term operating and maintenance costs. Identify the annual cost to operate and maintain the facility over its lifecycle;

B. Anticipated sources of funding. Identify the sources of funding to acquire, operate and maintain the facility; and,

C. Proposed timing of the project. Identify the proposed schedule for planning including all entitlement approvals, bidding, design, land acquisition, construction, and other relevant milestones to complete the project.

FACILITIES PROJECT SELECTION

The Administrative Services Department will develop procedures to assess and evaluate facility project proposals. Principles and practices that should be reflected in the selection process include:

A. Long-term forecasts. Long-term forecasts should be prepared to better understand the need for capital spending, assess operational impacts and costs, and eventual replacement costs;

B. Impact on other projects. Projects should not be considered in isolation. One project's impact on others should be recognized and costs should be shared between projects where appropriate;

C. Allow for funding of preliminary activities. Recognition that, for some projects, undertaking some preliminary engineering/planning and discretionary approval effort before committing to funding the whole project is advised. However, even these expenditures can be considerable, so projects should be evaluated and prioritized appropriately;

D. Full consideration of operating and maintenance costs. The City should first ensure it has adequate ongoing financial resources to operate and maintain a facility before allocating resources to build a proposed new facility;

E. Full lifecycle costing. Analysis of the cost of a proposed facility project should encompass the entire life of the facility, from planning and acquisition, to maintenance and on to replacement or eventual disposal;

F. Predictable project timing and scope. Schedule and scope estimates should be practical and achievable within available and forecast financial and human resources;

G. Public support. Projects should have the support of the Dana Point community; and,



H. Leveraging resources through cooperation with others. Where possible, the City should take advantage of opportunities for intergovernmental and/or public-private partnerships to leverage the City's capital investment.

LONG-TERM FISCAL VIEW

The facility improvement strategy should forecast facility needs and justify funding requirements, and should be communicated in a manner that provides estimates for current and future funding necessary to sustain City facilities. It is possible that the strategy will have more expenditures than revenues in any single fiscal year, which is acceptable as long as the Facility Fund maintains a positive fund balance. The City may provide a separate listing of facility projects deemed important, but where projected funding has not been identified.

FACILITY PROJECT FUNDING STRATEGY

The City may should incorporate a pay-as-you-go (i.e., cash financing) funding strategy to maintain its facilities, or could at some point decide to secure debt financing to acquire a new facility. The City Council's stated priority is to utilize a pay-as-you-go approach to financing projects to minimize incurring debt where feasible. Guidelines are provided below to lead the City in making the choice between pay-as-you-go and debt financing for new facilities.

A. Factors which favor pay-as-you-go financing include circumstances where:

1. The project can be adequately funded from available current revenues and/or fund balance;
2. The project can be completed in an acceptable timeframe given the available revenues; and,
3. Additional debt levels could adversely affect the City's ability to fund future, ongoing operations and maintenance, and/or adhere to its legal debt limit.

B. Factors which may allow for long-term debt financing include circumstances where:

1. Revenues available to pay debt costs are considered sufficient and reliable; and,
2. Market conditions present favorable interest rates;
3. A project is mandated by State or Federal government and current revenues or unassigned fund balances are insufficient to pay project costs;
4. A project is immediately required to meet or relieve capacity needs, and current revenues or unassigned fund balances are insufficient to pay project costs;
5. The capital project or asset lends itself to debt financing rather than pay-as-you-go funding based on the expected useful life of the project and based on the City's ability to pay debt service (i.e., asset life is greater than or equal to debt term)
6. The users/beneficiaries of the asset financed pay user fees or choose to directly pay the cost of servicing the debt.

FACILITIES PROJECT MANAGEMENT

Responsible management of facilities projects is essential to create the best value for the community. The following policies shall be observed to help ensure the best project management possible:

A. Project Management. Every facility project should be managed by qualified personnel responsible for the following, at a minimum:

1. Developing the project budget, and communicating material budget variances in a timely manner;
2. Developing Cash flow forecasts prior to project approval, and update as needed after the project commences;
3. Ensuring required phases are completed on schedule, and communicating schedule variances in a timely manner;
4. Authorizing project expenditures and monitoring project cash flows;
5. Ensuring adherence to regulations and laws; and,
6. Periodically reporting project status.

B. Regular progress reviews. Regular facilities project and program reviews are to be conducted to monitor project performance, and regular reports shall be generated by the General Services Department.

C. Limits on amendments. For an appropriated facility project, the total cost of the project, including all change orders, shall not exceed the amount of the Council-approved budget. All amendments shall be reviewed and evaluated in accordance with the City's purchasing policy. The General Services Department shall manage facilities projects within prior-approved time and cost constraints. If an amendment is necessary, proper documentation explaining why should be processed. Any amendment to a construction contract shall stay within the City Council approvals.



CITY OF DANA POINT COUNCIL POLICY

SUBJECT: General Fund Reserve Policy	EFFECTIVE DATE: 06/30/2019 REVISED: 06/07/2022	POLICY NO: 233
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BACKGROUND

A General Fund reserve is one of the City of Dana Point's most important hedges against risk. It helps ensure that the City can provide consistent, uninterrupted municipal services in the event of economic disruption or an extreme event. For example, the City's primary revenue source is transient occupancy tax (TOT), which was shown to be sensitive to the Great Recession's economic downturn. Further, like many other cities, Dana Point could be damaged by extreme events like an earthquake, tsunamis, or landslide, among others. Maintaining sufficient financial reserves would assist in maintaining a high level of creditworthiness which would be helpful should the City need access to financing; furthermore, it allows the City to meet its fiscal obligations per the adopted budget, despite normal cash flow fluctuations.

This policy establishes the amount the City will strive to maintain in its General Fund reserve, how the reserve will be funded, and the conditions under which the reserve may be spent.

AMOUNTS HELD IN RESERVE

The City will strive to hold the amount listed below in its designated (not legally restricted) General Fund balance, expressed as a percentage of the City's budgeted and ongoing General Fund operating revenue. One-time revenues should be excluded from this annual calculation. The designated reserves are broken into the following two separate categories, each with their associated target amount:

- 11% of annual original budgeted operating revenue - Economic Stability Reserve. Available to protect and preserve City services from dramatic drops in General Fund revenues that are highly sensitive to economic conditions, mainly transient occupancy tax.
- 9% of annual original budgeted operating revenue - Extreme Event Reserve. Available to respond quickly and decisively to man-made or natural extreme events. This reserve could fund the initial public safety response or repairs and reconstruction of public property required in the aftermath of an event.

If, based on use and/or the City staff's analysis and forecasting, the target range is not being met or is likely not going to be met at some point within a five-year time horizon, then a plan to meet the target balance will be developed. It is also a stated Council priority to aim to fund at the top of the range. This plan will be presented to the City Council for consideration.

In addition to the amounts above, the City may choose to designate additional amounts for purposes other than those described above. For example, the City may wish to set aside monies for a one-time investment in a special project or program; or, to fund an unfunded pension or other post-employment benefit liability. Any such designated reserve will be accounted for separately from the Economic Stability Reserve and Extreme Event Reserve; this separation is to prevent the funds the City needs to respond quickly and decisively to emergency situations from being tied up by other potential uses. Funds designated for capital projects or facility projects should be transferred to and set aside in a specific, designated reserve in the Capital Projects Fund or Facilities Fund, respectively.

Finally, though not a designated reserve, the City shall maintain an adequate amount of working capital on hand in the General Fund unassigned fund balance in order ensure smooth operations through normal differences between the timing of the City's revenue inflows and expenditure outflows. Generally, an amount equal to about 4% to 7% of General Fund originally adopted budgeted, ongoing revenue will be maintained as a minimum, unassigned fund balance. The City will aim to fund at the top of this range.



Priority Funding of the Designated Reserve Targets

Funding of the unassigned fund balance and the two designated (not legally restricted) reserves, to be within their targeted amounts, will come generally from one-time revenues (e.g., unusually large receipts from transient occupancy, property, sales taxes, etc.), and projected General Fund revenues in excess of projected expenditures. Replenishing these accounts will generally occur in the following priority order:

1. Working capital (unassigned fund balance) for the duration of the Long Term Financial Plan
2. Extreme event reserve
3. Economic stability reserve

CONDITIONS FOR USE OF RESERVES

A. Use of Reserves. It is the intent of the City to limit use of the General Fund's designated reserves to address unanticipated, non-recurring needs, or known and planned future obligations. Designated reserves shall not under normal circumstances be applied to recurring, annual operating expenditures. The Economic Stability reserve may be used to allow time for the City to restructure its operations in a deliberate manner (such as might be required in the case of a severe economic downturn), but such use will only take place in the context that the City will concurrently adopt a plan to reach a sustainable, balanced budget structure. If necessary to use, the City should only use up to 50% of either designated reserve to continue operations. The use of the reserves is limited in this way so that a reserve balance will be available to help address additional financial issues or extreme events encountered in the subsequent year. Further, use of a significant portion of the Economic Stability Reserve in any given year should be accompanied by analysis of the fiscal outlook and, if necessary, consideration of reductions to ongoing operations to ensure fiscal sustainability.

B. Authority to Use Reserves. The City Council may authorize the use of the designated reserves. In all cases, the City Council and management shall only use reserves for purposes consistent with the purposes described in this policy.

C. Replenishment of Reserves. In the event designated reserves are used in an amount that takes them below the City's target amounts, the City Manager shall propose a plan within 180 days to the City Council for the replenishment of the reserve(s). The City will strive to replenish the reserves within one year of use, but will fully replenish it within five years of use.



**CITY OF DANA POINT
COUNCIL POLICY**

SUBJECT: Capital Asset Policy	EFFECTIVE DATE: 11/19/2024	POLICY NO: 234
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PURPOSE

The purpose of this policy is to establish the City's capitalization criteria, update capital thresholds for each asset classification, provide estimates for useful lives of assets for depreciation/amortization, and maintain accurate and up-to-date records of capital asset information to prepare the City's financial statements in accordance with the Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB). Assets are to be capitalized or disposed of in the same fiscal year that the event occurs. Depreciation/Amortization will be calculated and recorded annually at fiscal year-end close.

POLICY

1. Capitalization Threshold for Class Asset The Capital Asset Policy for the City of Dana Point is established to ensure the accuracy and reliability of financial statements, compliance with authoritative guidance, adherence to best practices, and for the City to maintain appropriate oversight of assets under its control from theft or loss. Below are threshold amounts applied to the various class assets at the time of acquisition:

Class of Asset	Threshold
Land and Land Rights	Capitalize all affiliated costs or fair value price
Works of Art/Historical Treasures	Capitalize all affiliated costs or fair value price
Infrastructure	\$100,000
Buildings & Improvements	\$100,000
Right to Use Assets (Leases and SBITAs	\$25,000
Machinery and Equipment	\$15,000

2. Capitalization Requirements

A. Capital assets must be used in the City's operations.

B. An initial useful life of more than 3 years for all class types, except for right-to-use assets, which shall have an initial maximum possible term of more than 12 months.

C. The term embraces both tangible assets (i.e. land, buildings, vehicles, machinery, equipment, art, infrastructure) which are depreciated and intangible assets (i.e. software and leases) which are not depreciated but amortized. The City has established lease amortization schedules to recognize and annually record the right to use of an asset if it meets the capitalization threshold.

D. Total cost of a class asset must meet the minimum threshold amount to be classified as a capital asset.

- This threshold applies to individual units only and not a purchase order which meets the threshold with multiple items.
- The cost of improvements should be added to the book value of the asset if the improvement meets the capitalization threshold and significantly increases the life, efficiency, or capacity of the asset.
- Expenses related to the maintenance or repair of an asset are not capitalized. They are generally recognized as those expenditures necessary to keep an asset in its intended operational condition and do not materially increase the value or the life of the asset.
- Capital improvement projects are capitalized as "construction in progress" until completed. At the completion of the project, a transfer will be made from construction in progress to the appropriate asset classification. Costs to be capitalized include direct costs (labor, material, transportation, etc.) and indirect costs (engineering, construction management, etc.). Construction in progress accounts should be reviewed every year to determine if the project has been completed and if so, should be transferred to a final asset and depreciated or amortized.

E. Under the Uniform Grants Guidance 2 CFR 200, any grant funding used to purchase an asset is subject to the Uniform Grants Guidance threshold of \$10,000.



3. Record Assets in the Capital Asset Module

The Finance Department will enter the asset information into the Capital Asset module:

- A. Description of the asset – the details provided to track assets.
- B. Serial number if available (VIN #'s for vehicles) or unique identifying alphanumeric sequence.
- C. Acquisition date
- D. A unique asset number will be assigned in the City's accounting system.

4. Depreciation/Amortization

Depreciation/Amortization is the process of allocating the cost of a tangible property over a period of time. The City uses the straight-line method of depreciation/amortization for its assets, which evenly distributes the cost of the asset over its useful life. Depreciation/Amortization starts when the asset is placed in service. For construction in progress assets, no depreciation/amortization is recorded until the asset is placed in service. All capital assets that have a zero-dollar book value will be recognized as a capital asset as long as it is in use.

Below is the chart for the asset classification's estimated useful life:

Class of Asset	Threshold
Land and Land Rights	Capitalize at fair value but not depreciated
Works of Art/Historical Treasures	Capitalize at fair value but not depreciated
Infrastructure	30 - 50 years
Buildings & Improvements	20 -50 years
Equipment	3 - 10 years
Right to Use Assets (Leases and SBITAs)	1 - 5 years

5. Transfers of Capital Assets

If a capital asset, typically equipment, is moved from one location/department to another, Finance must be notified through a memorandum signed by the department head that currently has ownership of the capital asset. It is imperative that these permanent changes are recorded in the City's accounting system. Not doing so could invalidate the accuracy of our capital asset report and could produce inaccurate data when taking physical inventory.

6. Disposals

Assets that have reached the end of their useful life and have a zero-dollar book value can be disposed of with the approval of the City Manager, or designee, per Dana Point Municipal Code §3.12.310-330.

7. Annual Physical Inventory

The Finance department will conduct a citywide physical inventory of the capital assets at minimum once per year. The Finance department will randomly select ten capital asset items from each department from the Capital Asset Report and verify the existence and condition of each item on the worksheet, making note of any additions, deletions, interdepartmental transfers, modifications, or leases of property that are not reflected on the list. The Finance Department will notify the department head if there are any differences between the physical inventory and the capital asset list.



CITY OF DANA POINT COUNCIL POLICY

SUBJECT: Pension Funding Policy	EFFECTIVE DATE: 05/03/2022	POLICY NO: 235
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PURPOSE

The purpose of this Pension Funding Policy ("Policy") is to provide procedures related to fiscal protocols for the City regarding a process to address any Unfunded Accrued Liabilities ("UAL") that develops, as calculated annually by CalPERS, and maintain a healthy funded status. The UAL is the difference between plan assets and the estimated current and expected future cost of pension obligations (accrued liability). Changes in UAL occur when the actual results of fund activity (interest earnings, member mortality, disability rates, etc.) is different from the assumptions used in previous actuarial valuations.

This Policy outlines the City Council's position on pension funding goals and methods to fund UAL cost. Funding a defined benefit pension plan requires a long-term horizon. As such, the City will review this policy at least annually to determine if changes to this policy are needed to ensure adequate resources are being accumulated.

BACKGROUND

The City provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS). CalPERS is a multiple-employer public employee defined benefit pension plan. The City participates in a risk pool of other agencies with less than 100 employees. For employees hired prior to January 1, 2013, the City participates in a 2% at 55 Risk Pool (Classic Miscellaneous Plan). For new CalPERS employees hired after December 31, 2012, the City participates in a Miscellaneous 2% at 62 Risk Pool (PEPRA Miscellaneous Plan).

All full-time and certain part-time City employees are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees.

FUNDING GOAL/TIMELINE

To recognize that a responsibly funded plan can easily have its funded status vary significantly from one year to the next solely because of external events that do not always meet actuarial assumptions, it is the overall objective to fund the City's CalPERS pension plan up to 100% of the total accrued liability, but no less than 90%. By using funding components outlined in this policy, it is the City's intent to achieve its overall funding objective by FY 2027-28.

When referring to the City's pension plan funded status, it can be inferred that funded status shall be measured to include both the Classic and PEPRA plans combined. It is estimated that the typical employer plan with CalPERS will transition to having all active employees as PEPRA members within 10-15 years. This Policy is meant to address the long-term funded status of the City's pension plan, so it is important to recognize the combined funded status to account for the future shift from Classic to PEPRA members.

The funded status, as it pertains to this policy, is a combination of plan assets held by CalPERS and the City's Section 115 Pension Trust. Section 115 Trust assets can only be used for pension related expenses and as such are truly pension related assets the City holds. (Example: If the most recent CalPERS actuarial valuation reports the City has a funded status of 90% with a UAL of \$2 million and the City holds at least \$2 million in its Section 115 Trust, the pension liability shall be viewed as being 100% funded.)

FUNDING STRATEGY

In order to meet its funding goals, the City may use Additional Discretionary Payments (ADP) directly to CalPERS, funds held in an IRS Section 115 Pension Trust, or a combination of both.

Additional Discretionary Payment (ADP)

Public agencies may make Additional Discretionary Payments (ADP), beyond the annually required CalPERS Actuarially Determined



Contributions (ADC), at any time and in any amount to increase the plan's funded status, reduce the agency's UAL, and achieve long-term interest savings. The discount rate has the effect of being the interest rate charged by CalPERS on any unfunded liabilities. As a result, the City is, in essence, currently paying 6.8% interest on its unfunded liabilities.

The City's UAL is an accumulation of amortization bases that either carry a loss or gain for a particular prior investment. The total Unfunded Liability of a plan can be segregated over a specific period of time. However, all bases are amortized using investment and payroll assumptions from the current valuation. Paying off or reducing the balance of a loss amortization base creates interest savings by eliminating/reducing future interest accruals.

Section 115 Pension Trust

The City has established a Section 115 Pension Trust, which is administered by Public Agency Retirement Services (PARS), to prefund pension liabilities. Vanguard provides investment management services of Trust assets. This resource is critical for providing security from changes to required contributions due to CalPERS actuarial assumption changes, actuarial methodology changes, and fund gains and losses. Section 115 funds can only be used for pension related expenses including but not limited to making ADPs and smoothing out ADCs. City Council approval is required for use of accumulated funds in the Section 115 Trust. Section 115 Trust withdrawal guidelines include the following:

- Paying off specific amortization bases by making ADPs that are anticipated to result in interest savings greater than interest earnings on the Trust Fund.
- The General Fund has a structural deficit that needs to be addressed (i.e., nondiscretionary expenditures exceed revenues). The General Fund deficit can be in the near term or identified in the City's Long-Term Financial Plan. Trust assets may be used toward required payments to CalPERS to provide relief to the General Fund.
- Other uses deemed necessary as part of the Annual Assessment process.

Once the Funded Status goal is met, additional uses of Section 115 Trust assets are as follows:

- During either the biennial budget development process or mid-year budget review, a request to use Section 115 Trust funds towards employer normal cost contributions can be made should the combined funded status reach 110% or more.
- No earlier than FY28, Section 115 Trust assets may be used to smooth out annual required UAL payments so that the annual required contribution from the General Fund does not exceed \$500,000 if the combined funded status is greater than 95.0%.

ANNUAL ASSESSMENT

CalPERS completes new actuarial valuation reports which are typically provided to member agencies no later than September each year. The reports reflect actual experience as of June 30th the year prior to the publish date. The plan's UAL may increase or decrease from year to year due to the plan's investment returns, actuarial assumption, and/or methodology changes. An annual review shall take place after receipt of the updated CalPERS actuarial valuation to determine if the City is on course to achieve/maintain its target funded status or additional measures are needed. The results of the review and any recommendations shall be presented to the City's Financial Review Committee at its scheduled meeting in October each year for consideration to bring to the City Council.

Should the City fall below the minimum combined pension funded ratio of 90% after the funded status target is met, recommendations shall be presented to return the City's plans to a minimum 90% funded status within 5-years.



LONG-TERM FINANCIAL PLAN



City of Dana Point
LONG-TERM FINANCIAL PLAN
Fiscal Years 2026 - 2031



Prepared Spring 2025

City of Dana Point - Strategic Plan Summary

Mission: Set the Standard as a Vibrant, World-Class City

STRATEGIC GOAL 1: MAINTAIN AND ENSURE PUBLIC SAFETY

Goal: Dana Point prides itself in creating and maintaining a safe environment for its residents, businesses and visitors.

- *Objective 1.1: Responsive and proactive policing by responding to emerging crime trends to improve perception of safety and security*
- *Objective 1.2: Effective enforcement to ensure voluntary compliance with City codes and reduce quality of life nuisances*
- *Objective 1.3: Address vulnerable residents by coordinating resources to improve the situation of homeless individuals and families living in our community*
- *Objective 1.4: Enhance emergency preparedness and responsiveness to ensure the City is ready to respond to a disaster*

STRATEGIC GOAL 2: MAINTAIN AND IMPROVE INFRASTRUCTURE AND ENVIRONMENTAL SUSTAINABILITY

Goal: Maintain City assets and the natural environment with safe, clean, and quality conditions for the enjoyment of residents and visitors.

- *Objective 2.1: Maintain and improve streets and sidewalks for the safety of vehicles and pedestrians*
- *Objective 2.2: Maintain and improve community facilities, parks, and landscaping*
- *Objective 2.3: Enhance multi-modal and active transportation in the city*
- *Objective 2.4: Preserve natural resources to enhance a healthy and sustainable built and natural environment*

STRATEGIC GOAL 3: FOSTER ECONOMIC HEALTH AND PROSPERITY

Goal: Promote a healthy and growing economy reflecting the community's mission and values.

- *Objective 3.1: Effective and efficient zoning regulations for managing the City's land use*
- *Objective 3.2: Improve the Planning, Building, and Engineering permitting process for an informative, helpful and efficient process for applicants*
- *Objective 3.3: Effective, efficient, and consistent business regulations that retain and attract businesses, supporting capital investments and entrepreneurship in our community to maintain a healthy business climate*

STRATEGIC GOAL 4: EFFECTIVE, EFFICIENT, AND INNOVATIVE CITY ADMINISTRATION

Goal: Provide an effective and efficient government to serve our community with integrity.

- *Objective 4.1: Enhance internal and external technology to provide digital access to services and information*
- *Objective 4.2: Foster community engagement to deliver consistent, quality, and predictable service*
- *Objective 4.3: Recruit, develop, and retain quality staff for a knowledgeable and supportive workforce*
- *Objective 4.4: Maintain a balanced budget that adequately funds core services to ensure fiscal stability*
- *Objective 4.5: Effective and Efficient City Codes that are current to reflect current law and community goals*

STRATEGIC GOAL 5: MAINTAIN AND ENHANCE DANA POINT'S UNIQUE SENSE OF PLACE

Goal: Honor Dana Point's unique culture and sense of community.

- *Objective 5.1: Honor Dana Point's unique culture, history, and local charm to enhance the quality of life and create positive, memorable experiences for residents and visitors*



Long-Term Financial Plan Policy - Summary

Purpose: The City's adopted Long-Term Financial Plan ("LTFP") Policy (#229) is intended to ensure the City's sustainability beyond a single fiscal year. Financial sustainability is defined as the long-term financial performance where planned long-term service and infrastructure standards are met without unplanned increases in rates or disruptive cuts to services. Long-term financial planning is essential for maintaining financial sustainability.

Scope: The Policy defines the planning horizon (at least five years) and requires consideration of the City's Strategic Plan Goals. It also requires inclusion of the City's General Fund, and other funds that are of significant size and that have long-term financial challenges. It goes further by requiring meaningful analysis of key trends and conditions, including but not limited to:

- Volatility of material revenues and program expenditures to economic, natural or man-made disasters;
- Analysis of the affordability of services, projects, and obligations; including, but not limited to personnel costs and unfunded pension liabilities;
- Analysis of affordability of anticipated service expansion or investment in new assets, including ongoing operating, maintenance and replacement cost; and,
- Synthesis of the above to present the City's financial position.

Structural Balance: The Policy requires that the City adopt a LTFP that is balanced over the planning horizon. If forecasts show a structural imbalance, then strategies must be developed to create a long-term structural balance, and the strategies will be part of the adoption of the LTFP.

Non-Current Liabilities: The LTFP is to also address strategies for ensuring that the City's long-term liabilities remain affordable, and includes addressing debt, asset maintenance, and pensions.

Monitoring Fiscal Health: Annually, City staff shall present to the Council a financial forecast that shows how revenues compare to expenditures, and their impact on fund balances relative to the City's General Fund Reserve Policy (#233). The forecast shall include:

- Assumptions used for revenue forecasts representing Staff's best estimate; these projections will be neither too conservative nor too optimistic;
- Projected expenditures for current service levels and plans for changes in service levels; and,
- Alternative forecasts that highlight potential volatility in either material revenues or expenditures so that the City Council can gain better insight into the City's possible future financial condition.

Note: All financial policies are in the Financial Policies Section of the Budget Book.



Overview of General Fund Revenues, Expenditures and Fund Balance

The City's Long-Term Financial Plan (LTFP) was first developed as part of the budget process for Fiscal Years 2015-2016 and 2016-2017 ("FY16" and "FY17") and has since been updated several times. In January 2018, the City Council adopted its first formal LTFP Policy (Policy 229), which mandates an annual review. This LTFP builds upon previous versions and projects General Fund revenues and expenditures through FY31, with forecasts subject to change based on future revenue and expenditure growth assumptions.

Every two years, the City prepares a proposed biennial budget for City Council consideration, which includes detailed line-item information for all City funds and departments. This budget also provides historical data on revenues and expenditures, alongside current year figures and proposed amounts for the upcoming two years. The LTFP extends this analysis, offering both retrospective and prospective perspectives to guide long-term financial planning.

Current Biennial Budget Update

On June 6, 2023, the City Council adopted a two-year Operating and Capital Improvement Budget for Fiscal Years 2023-24 ("FY24") and 2024-25 ("FY25"). Since adoption, the City Council has approved several adjustments to the FY25 budget, including FY24 carry-over encumbrances on September 17, 2024, mid-year adjustments on March 4, 2025, and other modifications during various meetings to address contracts and emerging issues.

As of July 1, 2024, the FY25 General Fund revenue and expenditure budgets were set at \$47.9 million and \$48.9 million, respectively, including \$4.7 million in transfers to other funds. Subsequent City Council actions have amended both budgets, increasing the revenue budget to \$49.5 million and the expenditure budget to \$63.2 million, with transfers to other funds rising to \$12.2 million. The increase in the expenditure budget is mainly due to the annual transfer of surplus from the FY24 ending fund balance to the Capital Improvement Fund and the transfer of the City's Section 115 Pension Trust reserve balance to a new dedicated fund.

The City employs a conservative budgeting approach, using cautious estimates for revenues and expenditures to mitigate financial risks and maintain flexibility in responding to economic fluctuations. Based on year-to-date revenue receipts, Staff anticipates actual revenues will exceed the budgeted amounts, and actual expenditures will remain below budget.

Staff will continue to closely monitor financial trends, track any significant variances, and report potential impacts on City revenues and expenditures. This ongoing assessment ensures the City is well-prepared to adjust to economic changes while maintaining essential services and long-term financial health.

Assessment of Current Economic Conditions

In 2024, real Gross Domestic Product (GDP) grew by 2.8%, slightly below the 3.1% increase in 2023, according to the Bureau of Economic Analysis' latest estimate. The fourth quarter of 2024 saw GDP grow at an annualized rate of 2.3%, indicating a slight slowdown in economic activity.

In its most recent outlook, the UCLA Anderson Forecast projected that GDP growth will fall below 2.0% in 2025, primarily due to uncertainties surrounding economic policies under the new presidential administration. However, potential tax reductions, easing inflation, and regulatory adjustments could help sustain growth. The extent to which these factors are expected to offset the possible negative effects of tariffs, immigration policies, and global instability remains uncertain.

The latest inflation data shows that the Consumer Price Index (CPI) rose 2.8% year-over-year as of February 2025, down slightly from 3.0% in January 2025. Core inflation, which excludes food and energy, increased by 3.1%, with notable price increases in shelter (4.2%), motor vehicle insurance (11.1%), and medical care (2.9%).

In March 2025, the Federal Reserve maintained the federal funds rate at a target range of 4.25% to 4.50%, citing persistent inflation and uncertainties surrounding economic policies under the new administration. The decision to hold interest rates steady has implications for consumers, particularly prospective homebuyers, as borrowing costs remain elevated. The housing market may continue to experience subdued activity due to these higher financing costs.



In January 2025, the California Governor released his proposed FY26 budget, projecting a modest positive balance of \$363 million after two years of State budget deficits. However, the proposed budget relies on drawing down \$7.1 billion in reserves to maintain fiscal stability. The Legislative Analyst's Office (LAO) described the State budget as "roughly balanced" but refrained from labeling it a surplus or deficit. The LAO considers the Governor's revenue projections reasonable based on recent collection trends but warns that future gains remain uncertain, as they are largely tied to above-average stock market performance over the past year. Both the LAO and the Governor's Office anticipate future deficits due to rising healthcare and pension costs, necessitating adjustments in the way the State calculates funding for certain programs to ensure long-term fiscal stability.

The City will continue to closely monitor economic conditions at both the national and state levels, recognizing the potential impacts of evolving economic policies, inflation trends, and financial market fluctuations. As stated earlier, the City's conservative financial management, including prudent budgeting, strong reserves, and controlled expenditures, ensure stability and flexibility. These practices allow the City to adapt to economic shifts while maintaining essential services and long-term fiscal health.

Overview FY26 through FY31

The outlook for the coming six fiscal years, being FY26 through FY31, is for the most part balanced, including funding the capital projects program. At the time of this writing, the development of the biennial budget for FY26 and FY27 was underway. The figures should be considered "projected" budgeted numbers, as they may change before final adoption.

Table 1: Major General Fund Revenue and Expenditures, FY23 to FY31:

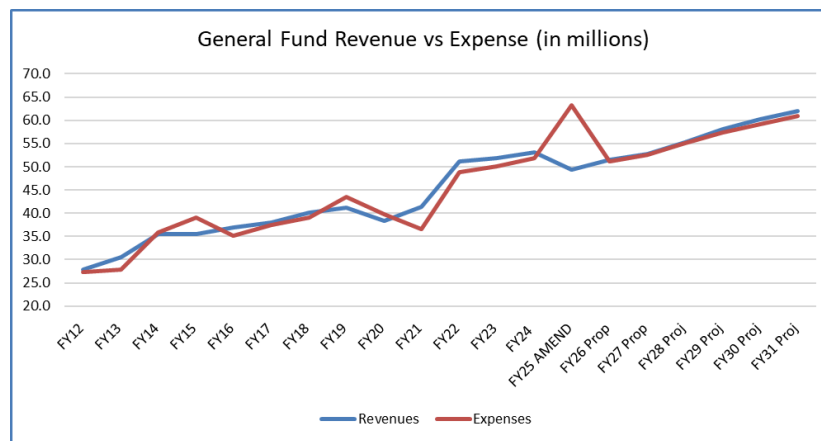
	<u>FY 23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Revenues	<u>Actual</u>	<u>Actual</u>	<u>Amended</u>	<u>Proposed</u>	<u>Proposed</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Transient Occupancy Tax	\$ 16,710,572	\$ 16,883,896	\$ 15,900,000	\$ 17,350,000	\$ 17,700,000	\$ 18,300,000	\$ 19,700,000	\$ 20,800,000	\$ 21,140,000
Property Transfer Tax	555,490	567,876	550,000	575,000	575,000	600,000	618,000	636,600	655,700
Property Tax	11,203,293	11,536,786	11,995,000	12,390,000	12,925,000	13,475,000	14,064,000	14,671,000	15,295,000
Sales Tax	7,206,850	6,784,935	6,700,000	6,977,000	7,193,000	7,466,400	7,746,400	8,017,600	8,298,300
Property Tax In-Lieu	5,291,004	5,528,410	5,826,600	6,083,000	6,352,000	6,634,000	6,930,000	7,234,000	7,554,000
Short Term Rental TOT	725,617	732,767	700,000	730,000	730,000	750,500	769,300	788,600	808,400
Franchise Fees	1,432,611	1,353,616	1,100,000	1,200,000	1,200,000	1,200,000	1,200,000	1,000,000	1,000,000
Licenses & Permits	2,750,566	2,453,577	2,089,000	2,002,500	2,022,500	2,103,500	2,187,700	2,275,900	2,367,700
Fines & Forfeitures	540,731	564,502	520,000	550,000	555,000	589,600	610,300	631,800	654,000
Use of Money & Property	1,011,682	3,100,611	1,514,000	1,334,000	1,194,000	1,144,000	1,108,600	1,058,400	1,038,300
Intergovernmental	792,897	990,482	408,800	279,000	278,000	286,700	295,500	178,500	181,600
Charges for Services	2,484,220	2,506,573	2,140,661	1,925,500	1,955,500	2,555,700	2,676,500	2,740,600	2,808,800
Other Revenue	1,153,772	150,087	76,000	95,000	95,000	105,000	109,200	113,600	118,200
Transfers In	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 51,859,305	\$ 53,154,118	\$ 49,520,061	\$ 51,491,000	\$ 52,775,000	\$ 55,210,400	\$ 58,015,500	\$ 60,146,600	\$ 61,920,000
Expenditures									
City Council	\$ 100,937	\$ 113,990	\$ 112,800	\$ 111,000	\$ 111,000	\$ 112,600	\$ 114,300	\$ 116,000	\$ 117,800
City Manager	502,665	498,103	621,300	1,001,700	1,094,800	1,075,800	1,165,000	1,146,500	1,240,500
Economic Development	770,179	1,193,414	1,341,000	794,300	815,800	803,700	825,900	834,500	858,400
Public Information	183,616	-	-	-	-	-	-	-	-
Recreation	1,849,736	2,275,593	2,626,600	2,995,500	3,116,000	3,186,200	3,284,700	3,388,100	3,494,700
City Attorney	1,702,950	1,612,823	1,725,500	1,605,000	1,705,000	1,764,700	1,826,500	1,890,500	1,956,700
Administrative Services	1,219,727	1,255,110	1,808,200	1,882,800	1,944,900	1,991,900	2,049,000	2,110,000	2,172,500
Risk Management	805,808	886,258	772,500	838,500	880,400	910,900	943,000	976,200	1,010,500
Non-Departmental (excludes transfers out)	5,314,797	4,159,111	4,751,206	2,617,300	2,653,600	2,744,800	2,909,300	2,967,300	3,028,800
City Clerk	521,964	551,667	761,200	625,300	697,500	660,000	735,600	698,000	777,100
Planning	1,567,331	2,057,729	2,705,701	1,666,800	1,723,200	1,771,100	1,819,500	1,871,600	1,925,100
Building	1,690,808	1,657,665	2,118,725	1,551,000	1,588,800	1,637,500	1,684,500	1,735,900	1,787,900
Code Enforcement	545,168	527,364	610,920	594,500	612,800	631,600	649,300	668,800	687,900
Public Works Admin	573,676	652,438	723,000	723,200	780,900	767,400	789,200	812,400	836,300
Street Maintenance	2,493,319	2,293,382	2,814,423	4,088,500	4,022,500	4,161,300	4,304,800	4,453,300	4,607,000
Traffic Engineering	954,803	1,040,942	1,344,600	-	-	-	-	-	-



Solid Waste	71,647	-	-	-	-	-	-	-	-
Engineering	2,448,968	2,416,003	2,387,373	2,361,100	2,432,300	2,503,200	2,574,000	2,649,700	2,727,400
Water Quality	653,906	786,825	927,100	945,100	958,000	989,200	1,020,800	1,053,800	1,087,800
Police Services	14,164,338	14,645,008	16,154,000	16,555,300	17,205,200	17,890,000	18,602,200	19,342,800	20,112,900
General Services/Emergency Services	518,995	621,840	419,900	286,800	285,800	294,400	303,100	312,500	322,100
Parks	4,186,831	4,498,285	4,746,565	4,703,200	4,822,500	4,987,500	5,158,800	5,336,400	5,520,400
Facilities	1,027,253	1,142,145	1,577,300	1,371,100	1,406,400	1,399,900	1,443,800	1,489,700	1,537,200
Transfers Out	6,167,997	7,042,281	12,230,190	4,000,000	3,875,000	4,900,000	5,330,000	5,355,000	5,230,000
Total Expenditures	\$ 50,037,419	\$ 51,927,977	\$ 63,280,103	\$ 51,318,000	\$ 52,732,400	\$ 55,183,700	\$ 57,533,300	\$ 59,209,000	\$ 61,039,000
Revenue & Transfers-in Over/(Under)									
Expenditures & Transfers-out	\$ 1,821,885	\$ 1,226,140	\$(13,760,042)	\$ 173,000	\$ 42,600	\$ 26,700	\$ 482,200	\$ 937,600	\$ 881,000

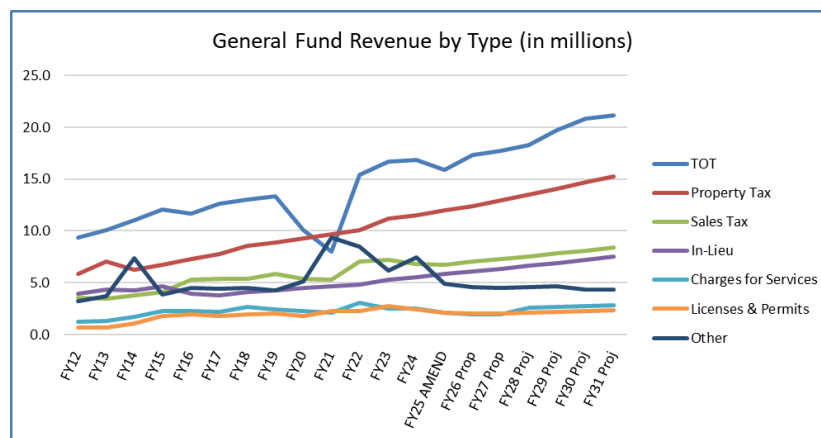
The following figure expands the time frame viewed back to FY12 and shows how revenues and expenditures are projected to track together through FY31.

Figure 1: General Fund Revenues & Expenditures, FY12 to FY31:



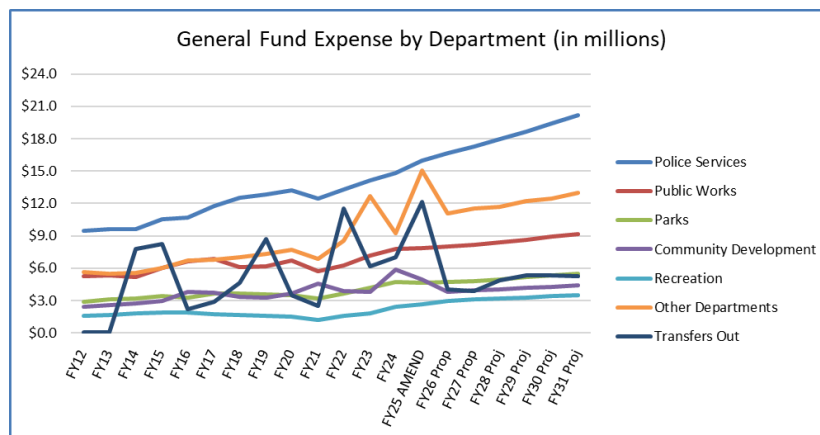
The following figure highlights the City's dependence on hotel Transient Occupancy Tax (TOT), which is projected to represent 34% of the General Fund's estimated revenue in FY26.

Figure 2: General Fund Revenue by Type, FY12 to FY31:



As has been discussed in the past, the cost of police services is projected to continue to slightly exceed the growth in other General Fund expenses. The following figure shows a clear representation of this fact:

Figure 3: General Fund Expenses by Department, FY12 to FY31:



General Fund revenues are projected to keep pace with and slightly exceed expenditures over the term of this Long-Term Financial Plan (LTFP), primarily due to Transient Occupancy Tax (TOT) revenue from new hotels included in the final three years of projections. General Fund expenditures are also expected to grow, with the largest components being the Sheriff's contract, followed by personnel costs.

Detailed discussions of major General Fund revenues, expenditures, and the reserve policy are provided later in this report. In addition to financial projections for key revenue and expenditure line items, nearly all other line items across City funds have been adjusted. This includes contract services and utilities, which are projected to increase by 3.5% annually based on the Consumer Price Index (CPI), and purchases of goods and supplies, which are expected to rise by 3.25% per year.

General Fund Reserves

The General Fund Reserve Policy (Policy 233) includes two reserves: one for Economic Stability and another for Extreme Events. Additionally, it establishes a funding requirement for the unassigned fund balance. Each reserve must be maintained within a set minimum and maximum range, based on a percentage of operating revenue. The policy also states a preference for funding reserves at the maximum level when feasible.

Definitions for each of the accounts are as follows:

- The Economic Stability Reserve is designed to protect and sustain City services during significant declines in General Fund revenues, particularly those reliant on economic conditions such as transient occupancy tax. The reserve has a targeted balance of 11% of annual General Fund operating revenue.
- The Extreme Event Reserve is established to enable a swift and effective response to natural or man-made disasters. It can be used to fund initial public safety measures, as well as repairs and reconstruction of public property following an event. The reserve has a targeted balance of 9% of annual General Fund operating revenue.

If the targeted balance is not being met or is projected to fall short within a five-year planning horizon based on usage or City staff's analysis and forecasting, a plan to restore the balance will be developed and presented to the City Council for consideration. In addition to these two reserve accounts, the policy also includes the following:

- The Unassigned Fund Balance serves as working capital to maintain smooth operations and manage timing differences between revenue inflows and expenditure outflows. A minimum balance of 4% to 7% of budgeted ongoing General Fund revenue will be maintained. Per policy, the City aims to fund this balance at the top of the range.
- Special Purpose Reserve: The City Council allocates funds for specific projects or issues, as needed. Currently, this reserve includes two subaccounts: one for updating the City's General Plan, initially set at \$1 million, later increased by \$550,000, with a remaining balance of \$201,250; and another to reserve funds to address the City's portion of the Coastal Animal Services Authority's unfunded pension liability, funded at \$334,720.

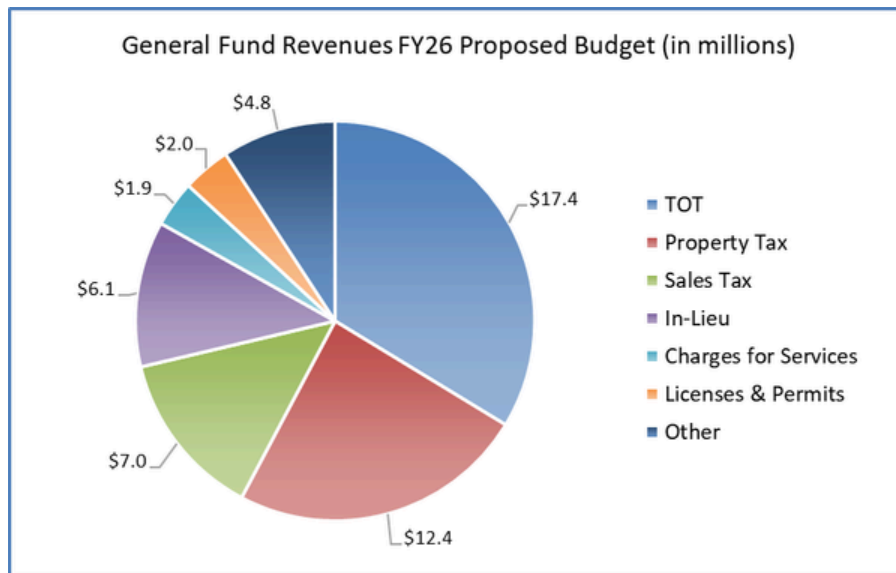
General Fund Major Revenues

The General Fund accounts for most of the City's municipal functions and resources traditionally associated with local government, including Property Tax, Sales Tax, Transient Occupancy Tax (TOT), and planning, building, and engineering licenses and permits. The six largest revenue sources comprise over 91% of total General Fund revenue and are the primary focus of this discussion.

Table 2: Dana Point Revenue Sources, FY26 Proposed Budget:

Revenue	Amount	% of TOTAL	Cumulative
1. Transient Occupancy Tax	\$ 17,350,000	33.7%	33.7%
2. Property Tax	12,390,000	24.1%	57.8%
3. Sales Tax	6,977,000	13.5%	71.3%
4. In-Lieu Property Tax	6,083,000	11.8%	83.1%
5. Licenses & Permits	2,002,500	3.9%	87.0%
6. Charges for Services	1,925,500	3.7%	90.7%
7. All Other Revenues	4,763,000	9.3%	100.0%
TOTAL	\$ 51,491,000		

Figure 4: General Fund Revenues, FY26 Proposed Budget:



The six most significant revenue sources to monitor are Transient Occupancy Tax (TOT), Property Tax, Sales Tax, In-Lieu Property Tax, Charges for Services, and Licenses and Permits. These revenue streams are examined in greater detail in the following pages.

Transient Occupancy Tax Revenue

The City's Transient Occupancy Tax (TOT), established under Municipal Code Section 3.25, is a 10% tax applied to hotel guests' room rental costs. As the City's largest revenue source, TOT is projected to generate \$17.4 million in FY26, accounting for approximately 34% of General Fund revenue.

The City serves a significant number of visitors each year, many of whom are drawn by the small boat harbor, beaches, parks, golf course, resorts, and special events. Dana Point is home to two five-star resorts, one four-star resort, nine hotels and motels, and a 29-unit bed and breakfast inn, totaling 1,865 rooms. In addition, and discussed separately below, the City currently has about 159 short-term vacation rentals operating out of residential homes.

All Dana Point hotels participate in a tourism business improvement assessment charged to their guests, with the collected funds invested in Visit Dana Point, a destination marketing organization that promotes the city as a travel destination. This organization works to increase visitor numbers at the resorts while also helping to mitigate the effects of economic downturns.

Since its incorporation, the City has maintained a strong but somewhat concentrated revenue base, heavily reliant on tourism and business groups. Hotel TOT is critical to the City's fiscal health, as demonstrated by the financial impacts of the COVID 19 pandemic and previous economic downturns.

The City's dependence on tourism, and business and conference travelers are further heightened by the fact that just four resorts account for 73% of hotel rooms and generate approximately 89% of TOT. These resorts are also among the City's largest individual property taxpayers, major employers, and key contributors to sales tax revenue. Hotel guests support the local economy by dining in restaurants, shopping in retail stores, and participating in recreational activities. As a result, the tourism industry both directly and indirectly accounts for over half of the City's total revenue.

During the Great Recession, the General Fund experienced a five-million-dollar revenue decline in FY09, followed by additional losses in FY10 and FY11, primarily due to reduced TOT and lower sales tax revenue as tourism and business travel slowed.

When the pandemic struck two thirds of the way through fiscal year 2020, City TOT revenue dropped sharply as the Governor's Stay at Home Order took effect. In March 2020 alone, the first month of the order, TOT revenue fell by \$875,000 compared to the previous year. By the end of FY20, just four months later, year over year TOT losses totaled \$3.3 million. In FY21, pandemic related TOT losses amounted to approximately \$4.8 million from an originally projected budget of \$12.8 million. Travel began to rebound in late spring 2021, leading to record breaking TOT revenues in FY22 at \$15.4 million and FY13 at \$16.7 million.

After an initial surge in travel following the pandemic, the hospitality industry leveled off due to economic uncertainty, rising travel costs, and shifts in consumer behavior. Factors such as reduced business travel, labor shortages, and global instability also contributed to the slowdown in growth nationally. The City's hospitality-based businesses experienced slower growth during FY24, with Transient Occupancy Tax receipts totaling \$16.9 million, an increase of \$173,000 or 1% compared to FY23. Approximately 98% of the year over year growth came from the City's four resort properties, which accounted for 89% of overall receipts.

In FY25, the City became aware that the Ritz would begin renovations on half of its rooms during the latter half of the year. As a result, the City adjusted its TOT budget to \$15.2 million in September 2024. By the end of January 2025, seven months into the fiscal year, TOT collections totaled \$10,851,195, reflecting a \$753,803 increase (7.5%) compared to the same period the previous year. The four major resorts in town collectively saw a \$578,065 increase (6.4%) over the same seven-month period. Due to strong performance in the first half of the fiscal year, the TOT budget was increased to \$15.9 million. With two months of TOT data now available from the Ritz, the updated projection stands at \$16.5 million. Despite the reduced capacity at the Ritz, the City's overall TOT receipts for the first two months of 2025 exceeded the same period in fiscal year 2024 by \$133,500, or 7.6%. Given that these months are historically the slowest, this strong performance suggests a positive outlook for the remainder of the fiscal year.

The Transient Occupancy Tax (TOT) projection for Fiscal Year 2026 (FY26) is \$17.4 million, reflecting an increase of \$850,000 (5.2%) from the FY25 projected amount. This projection assumes the Ritz returning to full operations in FY26. Additionally, it anticipates the closure of a hotel in Dana Point Harbor early in FY26 as part of the Dana Point Harbor Revitalization Plan (DPHP).



The DPHP is a multi-year construction project that includes significant investment in refurbishing existing establishments, opening new restaurants and retail spaces, and adding two hotels: a 4-star upscale full-service hotel and a 3-star affordable hotel. The Local Coastal Program Amendment (LCPA) for the hotel component of the DPHP was officially approved by the California Coastal Commission on June 14, 2024, and by the Dana Point City Council on July 16, 2024.

The Coastal Development Permit (CDP) application for the development of the Harbor hotels is currently under review by the City. The 2021 draft Environmental Impact Report (EIR) must be revised and recirculated to address the Coastal Commission's mandate for more low-cost accommodations. The CDP public hearing could occur in Summer 2025, depending on public comments. Once approved, the developer can apply for County of Orange building permits.

The base outlook for existing hotels from FY26 to FY31 projects an average annual revenue growth of 3.3%. Additionally, the two new Dana Point Harbor hotels are expected to be operational in the latter part of FY29.

Previous Long-Term Financial Plans (LTFP) anticipated two additional hotels at the Headlands. However, due to ongoing uncertainty about their completion timeline, these projects are not included in the current forecast.

It is important to acknowledge the risk in the Long-Term Financial Plan (LTFP) projections related to Transient Occupancy Tax (TOT) from hotels that have yet to be built. Projected room rates for these properties vary but are generally aligned with current 3- to 4-diamond hotels in Dana Point. Additionally, the forecast assumes the new hotels will operate at an average daily occupancy of 65%, consistent with existing hotels in the area.

Figure 5: Transient Occupancy Tax Trend, FY12 to FY31 (in millions):

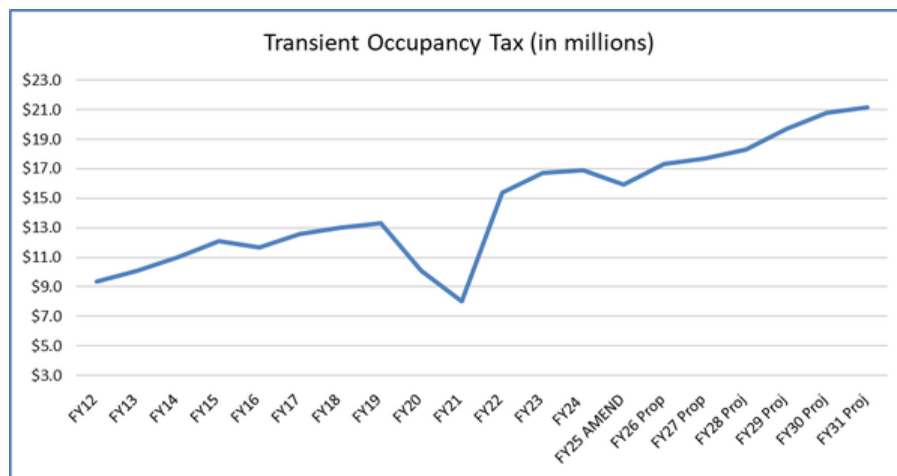


Table 3: Transient Occupancy Tax History and Projection:

Fiscal Year	Amount	% Change	Fiscal Year	Amount	% Change
FY01	\$ 6,294,000	n/a	FY17	\$12,600,000	8.2%
FY02 <i>St. Regis Opens</i>	\$ 7,142,000	13.5%	FY18	\$12,989,000	3.1%
FY03	\$ 8,157,000	14.2%	FY19	\$13,343,000	2.7%
FY04	\$ 8,438,000	3.4%	FY20 <i>(COVID-19)</i>	\$10,083,000	-24.4%
FY05 <i>Ritz Remodel</i>	\$ 7,722,000	-8.5%	FY21 <i>(COVID-19)</i>	\$ 8,035,000	-20.3%
FY06	\$ 9,392,000	21.6%	FY22	\$15,399,000	91.6%
FY07	\$10,888,000	15.9%	FY23	\$16,711,000	8.5%
FY08	\$11,298,000	3.8%	FY24	\$16,884,000	1.0%
FY09	\$ 8,630,000	-23.6%	FY25 Amend Ritz Remodel	\$15,900,000	-5.8%
FY10 <i>Marriott Remodel</i>	\$ 7,221,000	-16.3%	FY26 Prop.	\$17,350,000	9.1%
FY11	\$ 8,338,000	15.5%	FY27 Prop.	\$17,700,000	2.0%
FY12	\$ 9,382,000	12.5%	FY28 Proj.	\$18,300,000	3.4%
FY13	\$10,086,000	7.5%	FY29 Proj. New Harbor Hotels	\$19,700,000	7.7%
FY14	\$11,007,000	9.1%	FY30 Proj.	\$20,800,000	5.6%
FY15	\$12,071,000	9.7%	FY31 Proj.	\$21,140,000	1.6%
FY16 <i>Monarch Resort Remodel</i>	\$11,648,000	-3.5%			

Short-Term Rentals:

Historically, the City of Dana Point's zoning code had prohibited short-term rentals (STRs), yet many residential property owners continued operating unpermitted. Recognizing this, the City held numerous public meetings starting in 2007, culminating in the adoption of STR business regulations by the City Council in April 2013.

Following this, the Planning Commission initiated further public discussions on amending zoning regulations to allow STRs in residential areas. These amendments were approved by the Planning Commission and later adopted by the City Council in January 2014.

After nine years of community discussions, STR owners were given the opportunity to apply for temporary City permits to operate legally, and the City began collecting Transient Occupancy Tax (TOT) from permitted STRs. The zoning changes were then submitted to the California Coastal Commission (CCC), which recommended modifications in April 2016. The City Council adopted these changes in July 2016.



In Fall 2016, a citizen-led referendum effort successfully qualified for a ballot measure to rescind the City's STR zoning actions. In November 2016, in response to the referendum, the City Council rescinded its STR zoning changes, halted the issuance of new STR permits, and directed further public discussions to explore alternative STR regulations. However, the 132 existing permit holders were allowed to continue operations.

Following extended public discussions, the Planning Commission and City Council approved updated STR regulations in Summer 2023, with final CCC approval in Winter 2023. Under the new rules, STR applications were accepted starting May 1, 2023. The City now limits STR permits to 115 in the Coastal Zone and 115 outside it, with a sub-cap of 60 for Non-Primary STRs outside the Coastal Zone. As of this writing, there are 159 active STR permits.

In 2024, a grassroots initiative to repeal and replace the City's STR ordinance, designated Measure T by the Orange County Registrar of Voters, emerged from concerns over STR impacts on neighborhoods. However, voters rejected Measure T, with 63.73% voting against and 36.27% in favor, leaving the existing STR regulations unchanged.

National STR occupancy rates have declined since their pandemic peak, primarily due to travelers having more options in the post-pandemic period. The City's STR TOT revenue peaked at \$797,000 in FY22 and has averaged just over \$700,000 over the past two fiscal years.

STR TOT revenue is less predictable than traditional revenue sources due to market demand fluctuations and competition from STRs in neighboring cities. Additionally, variability in past fiscal year revenues supports a more conservative approach to future projections.

The FY25 amended budget for STR TOT revenue is \$700,000. Based on year-to-date collections in FY25, it is projected that total STR revenues will total close to \$800,000. The proposed STR TOT revenue budget for FY26 is \$730,000, a decrease of 8.8% from the projected FY25 amount. The base outlook for STR TOT from FY27 through FY31 is an average revenue growth of 2.5% per year.

Property Tax

The General Fund's second largest source of income is Property Tax, projected for FY26 at \$12.4 million, and equates to roughly 24% of General Fund revenue. Property taxes are imposed by the County at a rate of 1% of the assessed property value, with the base level established at the sales price when a property sells. Thereafter, the assessed value may be increased each year as properties increase in value due to market forces, but by no more than the rate of inflation or a maximum of 2% per year. Properties may also increase in value if there are capital improvements.

Property assessments are adjusted each January. In Orange County, property tax bills are typically mailed in early October each year. The first installment is due November 1 and becomes delinquent after December 10, while the second installment is due February 1 and becomes delinquent after April 10. During economic downturns, as property values decrease, the County Assessor can reduce assessed values on the tax roll; this, in turn, decreases the amount of property tax due.

The City receives approximately 7 cents for every \$1 of property tax paid. The remaining 93 cents is distributed among other agencies and special districts, with the largest shares going to the School District (39 cents per \$1), the State (16.6 cents), the Fire Authority (12.2 cents), and the Community College District (9.6 cents), among others.

For the January 1, 2024, valuation date used for the FY25 tax bills, the total assessed property value in Dana Point increased by \$927 million, or 5.6%. The 2% inflation adjustment under Proposition 13 contributed \$303 million (1.8%), while prior year ownership transfers added \$439 million (2.67%) towards the City's total growth.

The average annual growth in property tax revenue from FY01 to FY24 has been about 5.7%. The total assessed property value in Dana Point is estimated to grow 4.4% in FY26. Beyond FY26, tax collections are expected to grow at an average annual rate of 4.3%, driven by continued investment in Dana Point properties, including but not limited to the Harbor-area redevelopment.

Table 4: Secured & Unsecured Property Tax History* and Projection, FY01 to FY31:

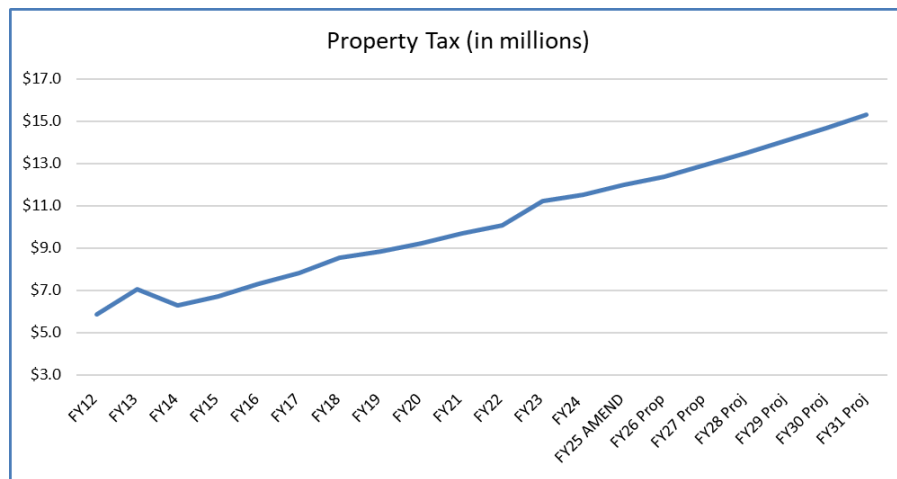
Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY01	\$ 3,241,000	n/a	FY17	\$ 7,846,000	6.8%
FY02	\$ 3,556,000	9.7%	FY18	\$ 8,532,000	8.7%
FY03	\$ 3,861,000	8.6%	FY19	\$ 8,856,000	3.8%
FY04	\$ 4,154,000	7.6%	FY20	\$ 9,244,000	4.4%
FY05	\$ 4,471,000	7.6%	FY21	\$ 9,679,000	4.7%
FY06	\$ 4,957,000	10.9%	FY22	\$10,076,000	4.1%
FY07	\$ 5,322,000	7.4%	FY23	\$11,203,000	11.2%
FY08	\$ 6,001,000	12.8%	FY24	\$11,536,786	3.0%
FY09	\$ 6,176,000	2.9%	FY25 Amend	\$11,995,000	4.0%
FY10**	\$ 6,055,000	-2.0%	FY26 Prop.	\$12,390,000	3.3%
FY11	\$ 5,935,000	-2.0%	FY27 Prop.	\$12,925,000	4.3%
FY12	\$ 5,906,000	-0.5%	FY28 Proj.	\$13,475,000	4.3%
FY13**	\$ 6,067,000	2.7%	FY29 Proj.	\$14,064,000	4.4%
FY14	\$ 6,309,000	4.0%	FY30 Proj.	\$14,671,000	4.3%
FY15	\$ 6,777,000	7.4%	FY31 Proj.	\$15,295,000	4.3%
FY16	\$ 7,345,000	8.4%			

*The City's ACFR combines Homeowners Property Tax Relief revenue (~\$45,000 annually) with Property Tax revenue; for consistency, it is included in this table.

To reflect true property tax trends, FY10 includes \$828,058 borrowed by the State that year, creating a variance from the ACFR. FY13 excludes the loan repayment and the ACFR adjustment.



Figure 6: Secured & Unsecured Property Tax Trend, FY12 to FY31:



Property Transfer Tax

Property Transfer Tax is a small revenue source but a valuable economic indicator, reflecting property sales activity in Dana Point. It is assessed at 55 cents per \$1,000 of sales value, with the City and County each receiving an equal share. This revenue fluctuates, especially during periods of high residential sales, particularly in the luxury market, and even more so with hotel or resort sales.

In recent years, new construction and increased sales activity have pushed revenue above the historic average of \$500,000. From FY20 to FY22, low inventory, historically low interest rates, and COVID-19's impact on the housing market drove this revenue higher than expected. FY21 saw a particularly large spike due to the sale of many historically leased residential properties in Monarch Bay.

Looking ahead, revenue is expected to stabilize, with potential modest growth from rising property values in the coming years.

Table 5: Property Transfer Tax History and Projection, FY01 to FY31:

Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY01	\$ 287,000	n/a	FY17	\$ 591,000	-34.6%
FY02	\$ 282,000	-1.7%	FY18	\$ 553,000	-6.4%
FY03	\$ 319,000	13.1%	FY19	\$ 465,000	-15.9%
FY04	\$ 498,000	56.1%	FY20	\$ 712,000	53.1%
FY05	\$ 525,000	5.4%	FY21	\$ 1,236,000	73.6%
FY06	\$ 441,000	-16.0%	FY22	\$ 986,000	-20.2%
FY07	\$ 395,000	-10.4%	FY23	\$ 556,000	-43.6%
FY08	\$ 374,000	-5.3%	FY24	\$ 568,000	2.2%
FY09	\$ 224,000	-40.1%	FY25 Amend	\$ 550,000	-3.2%
FY10	\$ 229,000	2.2%	FY26 Prop.	\$ 575,000	4.5%
FY11	\$ 200,000	-12.7%	FY27 Prop.	\$ 575,000	0.0%
FY12	\$ 230,000	15.0%	FY28 Proj.	\$ 600,000	4.3%
FY13	\$ 459,000	99.6%	FY29 Proj.	\$ 618,000	3.0%
FY14	\$ 570,000	24.2%	FY30 Proj.	\$ 636,600	3.0%
FY15	\$ 439,000	-23.0%	FY31 Proj.	\$ 655,700	3.0%
FY16	\$ 904,000	105.9%			

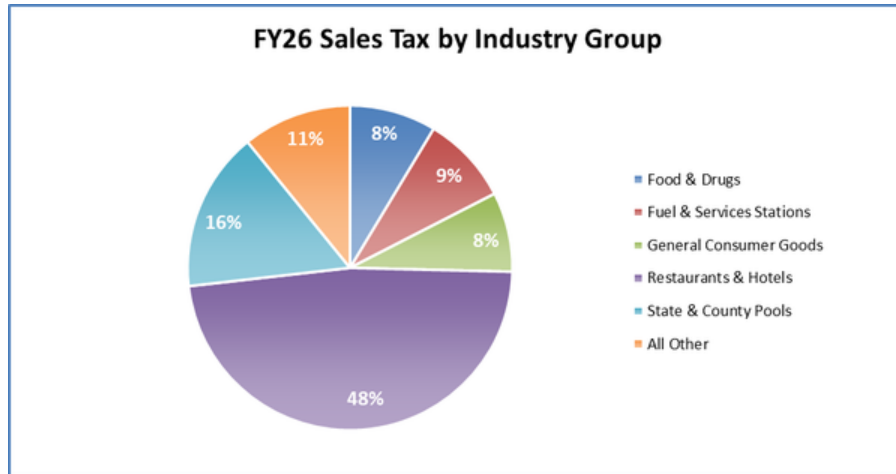


Sales Tax

Sales Tax is the City's third-largest revenue source. The City receives 1% of taxable sales within Dana Point, along with a proportionate share of Use Tax from the Orange County pool. Sales tax receipts fluctuate based on economic conditions, consumer spending, and business activity. Factors such as inflation and tourism can significantly impact the City's sales tax revenue.

The profile of Dana Point Sales Tax is dominated by restaurant and hotel retail sales, followed by State & County Use Tax Pools, food & drug stores, fuel and service stations, general consumer goods, and all other categories. The State & County Use Tax Pool includes taxes generated by online retailers.

Figure 7: Projected Sales Tax by Industry Group, FY26:



The City's sales tax trends mirror its TOT revenue patterns, with a sharp post-pandemic increase that has leveled out over the past two fiscal years. Part of this slowdown is due to the loss of the City's third-largest sales tax producer, a lumber and hardware store, which relocated out of town at the beginning of FY24.

The FY25 Sales Tax budget is \$6.7 million, with actuals trending closer to \$6.9 million. For FY26, projected Sales Tax revenue is \$7.0 million (13.6% of total projected General Fund revenues), reflecting a 1.1% increase from the estimated FY25 actuals. Slower growth is expected in FY26 and FY27 due to Harbor-area redevelopment, but sales tax revenue is projected to resume normal growth in FY28, with an average annual growth rate of 3.6%.

Figure 8: Sales Tax Trend, FY12 to FY31:

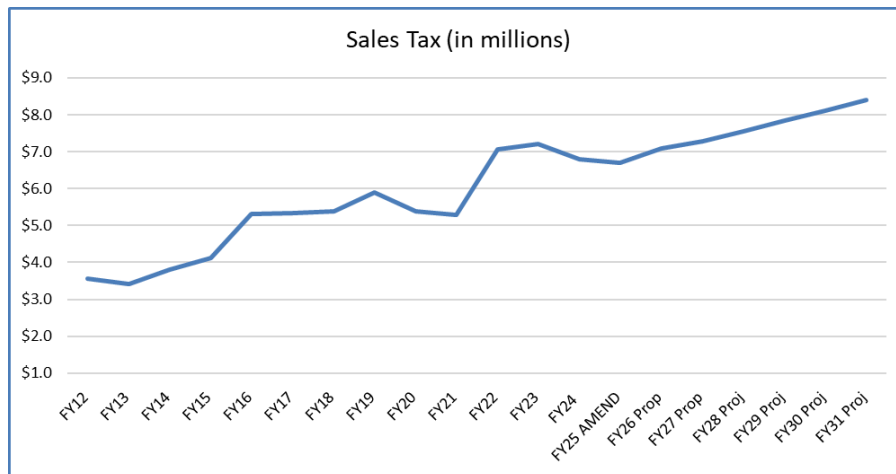


Table 6: Sales Tax History and Projection, FY01 to FY31:

Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY01	\$ 3,374,000	n/a	FY17	\$ 5,337,000	0.4%
FY02	\$ 3,605,000	6.8%	FY18	\$ 5,385,000	0.9%
FY03	\$ 3,795,000	5.3%	FY19	\$ 5,891,000	9.4%
FY04	\$ 4,015,000	5.8%	FY20	\$ 5,383,000	-8.6%
FY05	\$ 3,117,000	-22.4%	FY21	\$ 5,294,000	-1.7%
FY06	\$ 3,447,000	10.6%	FY22	\$ 7,062,000	33.4%
FY07	\$ 3,762,000	9.1%	FY23	\$ 7,207,000	2.1%
FY08	\$ 3,867,000	2.8%	FY24	\$ 6,785,000	-5.9%
FY09	\$ 2,998,000	-22.5%	FY25 Amend	\$ 6,700,000	-1.3%
FY10	\$ 2,909,000	-3.0%	FY26 Prop.	\$ 6,977,000	4.1%
FY11	\$ 3,075,000	5.7%	FY27 Prop.	\$ 7,193,000	3.1%
FY12	\$ 3,570,000	16.1%	FY28 Proj.	\$ 7,466,400	3.8%
FY13	\$ 3,425,000	-4.1%	FY29 Proj.	\$ 7,746,400	3.8%
FY14	\$ 3,794,000	10.8%	FY30 Proj.	\$ 8,017,600	3.5%
FY15	\$ 4,111,000	8.4%	FY31 Proj.	\$ 8,298,300	3.5%
FY16	\$ 5,316,000	29.3%			



In Lieu Property Tax

In-Lieu Property Tax is the City's fourth-largest General Fund revenue source, accounting for approximately 11.8% of expected revenue in FY26. This tax originated when the State replaced the City's Vehicle License Fee (VLF) revenue with allocations from State-received Property Tax. Previously, the Sales Tax Triple Flip also redirected sales tax to the State in exchange for property tax allocations, but this was eliminated in FY16.

The In-Lieu Property Tax amount was initially set at approximately 92% of the VLF revenue cities would have received. It was made permanent by the voter-approved 2004 State Constitutional Amendment (Proposition A). This revenue projection is tied to growth (or decline) in gross assessed property values. Using the Property Tax projected growth rate, In-Lieu Property Tax revenue is estimated at \$6.1 million in FY26, \$6.4 million in FY27, and is expected to grow at an average annual rate of 4.4% thereafter.

Figure 9: In-Lieu Property Tax Trend, FY12 to FY31:

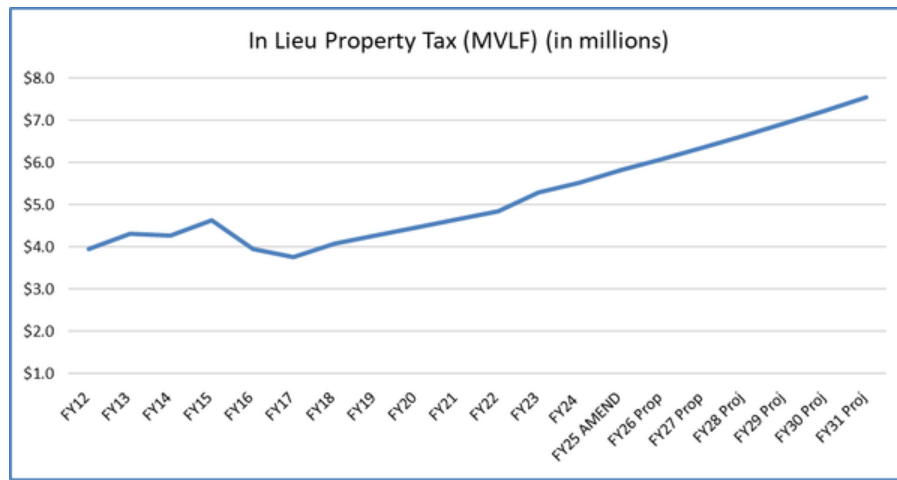


Table 7: In-Lieu Property Tax (MVIL Portion) History and Projection, FY05 to FY31:

Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY05	\$ 1,701,000	n/a	FY19	\$ 4,261,000	4.4%
FY06	\$ 2,231,000	31.2%	FY20	\$ 4,468,000	4.9%
FY07	\$ 2,653,000	18.9%	FY21	\$ 4,659,000	4.3%
FY08	\$ 2,859,000	7.8%	FY22	\$ 4,851,000	4.1%
FY09	\$ 2,975,000	4.1%	FY23	\$ 5,291,000	9.1%
FY10	\$ 2,936,000	-1.3%	FY24	\$ 5,528,000	4.5%
FY11	\$ 2,911,000	-0.9%	FY25 Amend	\$ 5,826,600	5.4%
FY12	\$ 2,932,000	0.7%	FY26 Prop.	\$ 6,083,000	4.4%
FY13	\$ 2,963,000	1.1%	FY27 Prop.	\$ 6,352,000	4.4%
FY14	\$ 3,058,000	3.2%	FY28 Proj.	\$ 6,634,000	4.4%
FY15	\$ 3,279,000	7.2%	FY29 Proj.	\$ 6,930,000	4.5%
FY16	\$ 3,953,000	20.6%	FY30 Proj.	\$ 7,234,000	4.4%
FY17	\$ 3,756,000	-5.0%	FY31 Proj.	\$ 7,554,000	4.4%
FY18	\$ 4,082,000	8.7%			

Table 8: In-Lieu Property Tax (Sales Tax Triple Flip Portion) History:

Fiscal Year	In-Lieu Property Tax – Triple Flip	% Change	Fiscal Year	In-Lieu Property Tax – Tripl Flip	% Change
FY05	\$964,000		FY11	\$1,033,000	31.9%
FY06	888,000	-7.9%	FY12	1,015,000	-1.7%
FY07	1,244,000	40.1%	FY13	1,356,000	33.6%
FY08	1,417,000	13.9%	FY14	1,213,000	-10.6%
FY09	1,179,000	-16.8%	FY15	1,184,000	-2.4%
FY10	783,000	-33.6%	FY16	1,400,000	18.2%

Note: Sales Tax Triple Flip ended in FY16

Charges for Services

The Charges for Services category accounts for approximately 3.7% of projected General Fund revenues. This includes planning, building, and engineering fees, as well as reimbursements from private property developers for City-incurred expenses, including contract services. It also covers fees for recreation classes and activities, extra policing services for special events, litigation-related reimbursements, and development impact fees.

Revenues in this category, along with those from Licenses and Permits (discussed in the next section), are primarily influenced by development activity. However, predicting the pace of development is challenging, particularly in estimating the timing of specific projects. Larger developments, in particular, can cause significant revenue fluctuations in any given period. Due to this unpredictability, budget projections for these revenues are conservative until actual collection data is available throughout the fiscal year. This revenue category is projected to provide about \$1.9 million or 3.7% of FY26 General Fund revenues.

Development-related revenue has remained above average for the past nine years but is expected to slow in future budget projections. In 2018, the City adopted a User Fee Subsidy Policy and, after an extensive cost-of-service study, updated its fee structure for the first time in 20 years, beginning in FY19. The phased three-year fee schedule reduced City subsidies for private development requiring planning, building, and engineering services.

Since the City's last fee update in 2021, a new fee study is necessary to ensure that current fees accurately reflect the cost of providing services. A new study is planned for FY26. Regular fee reviews are essential for cost recovery, helping the City maintain financial sustainability while preventing service costs from being disproportionately subsidized by the General Fund. Periodic updates also allow cities to adjust for inflation, operational costs, and evolving service demands, ensuring that fees remain fair, transparent, and aligned with actual expenses.

Figure 10: Charges for Services Trend, FY12 to FY31:

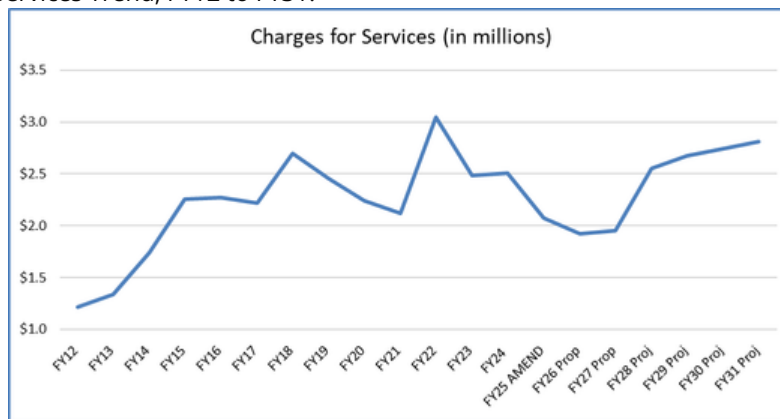


Table 9: Charges for Services History and Projection, FY07 to FY31:

Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY07	\$ 1,201,000	n/a	FY20	\$ 2,244,000	-8.7%
FY08	\$ 1,271,000	5.8%	FY21	\$ 2,121,000	-5.5%
FY09	\$ 874,000	-31.2%	FY22	\$ 3,049,000	43.8%
FY10	\$ 1,360,000	55.6%	FY23	\$ 2,484,000	-18.5%
FY11	\$ 1,081,000	-20.5%	FY24	\$ 2,507,000	0.9%
FY12	\$ 907,000	-16.1%	FY25 Amend	\$ 2,140,661	-14.6%
FY13	\$ 979,000	7.9%	FY26 Prop.	\$ 1,925,500	-10.1%
FY14	\$ 1,469,000	50.1%	FY27 Prop.	\$ 1,955,500	1.6%
FY15	\$ 2,254,000	53.4%	FY28 Proj.**	\$ 2,555,700	30.7%
FY16	\$ 2,271,000	0.8%	FY29 Proj.	\$ 2,676,500	4.7%
FY17	\$ 2,221,000	-2.2%	FY30 Proj.	\$ 2,740,600	2.4%
FY18*	\$ 2,697,000	21.4%	FY31 Proj.	\$ 2,808,800	2.5%
FY19	\$ 2,458,000	-8.9%			

*In FY18, a one-time \$626,026 fee was received for a development in the Town Center.

**Beginning in FY28, the forecast assumes annual CalPERS unfunded liability payments will be covered by the City's Section 115 Pension Trust.



Licenses & Permits

Licenses and Permits revenue includes various engineering-related items such as transportation permits, encroachment permits, and grading plan checks; planning-related items such as site development permits, coastal development permits, and conditional use permits; and building permits for plumbing, sewer, electrical, and mechanical construction projects.

This revenue category is expected to generate approximately \$2.0 million, accounting for 3.9% of FY26 General Fund revenues. Since it directly depends on development activity, which can be difficult to predict, projections for this category are particularly conservative. Development activity surged after the Great Recession and has remained historically high for several years. However, future projections assume a continued slowdown in development activity in the coming years.

Figure 11: Licenses and Permits Trend, FY12 to FY31:

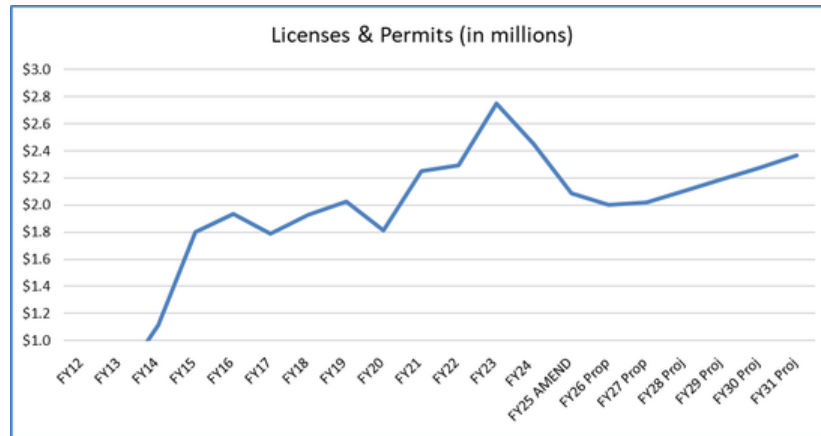


Table 10: Licenses & Permits Revenue History and Projection, FY07 to FY31:

Fiscal Year	Amount*	% Change	Fiscal Year	Amount*	% Change
FY07	\$ 686,000	n/a	FY20	\$ 1,810,000	-10.7%
FY08	\$ 772,000	12.5%	FY21	\$ 2,250,000	24.3%
FY09	\$ 639,000	-17.2%	FY22	\$ 2,292,000	1.9%
FY10	\$ 679,000	6.3%	FY23	\$ 2,751,000	20.0%
FY11	\$ 679,000	0.0%	FY24	\$ 2,453,577	-10.8%
FY12	\$ 667,000	-1.8%	FY25 Amend	\$ 2,089,000	-14.9%
FY13	\$ 699,000	4.8%	FY26 Prop.	\$ 2,002,500	-4.1%
FY14	\$ 1,112,000	59.1%	FY27 Prop.	\$ 2,022,500	1.0%
FY15	\$ 1,799,000	61.8%	FY28 Proj.	\$ 2,103,500	4.0%
FY16	\$ 1,935,000	7.6%	FY29 Proj.	\$ 2,187,700	4.0%
FY17	\$ 1,786,000	-7.7%	FY30 Proj.	\$ 2,275,900	4.0%
FY18	\$ 1,930,000	8.1%	FY31 Proj.	\$ 2,367,700	4.0%
FY19	\$ 2,028,000	5.1%			

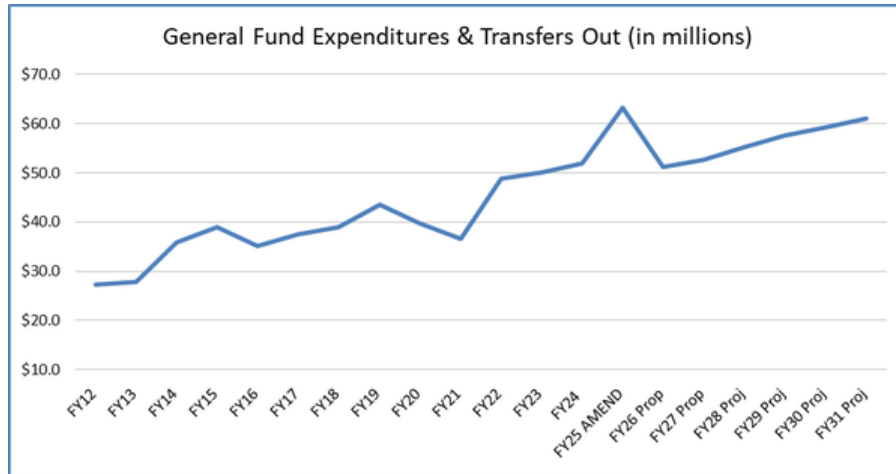
General Fund Major Expenditures

City departments included in the General Fund are Police Services, Public Works & Engineering, Community Development, Economic Development, Community Services, City Council, City Attorney, City Manager, City Clerk, Administrative Services, and General Services.

As in previous years, the City has historically maintained a base level of staff for essential operations and contract oversight. Additionally, it relies heavily on contracted services for specific municipal functions and to supplement staff during peak workloads.

The following graph tracks expenditure growth:

Figure 12: General Fund Operating Expenditure Trend, FY12 to FY31:



The City's largest expenditure incurred is for Police Services, which are projected at \$16.6 million, or 33% of the General Fund's FY26 Proposed Expenditures & Transfers Out budget. The Police Services department is also the only department where expenses are conservatively projected to grow faster (compounding at 4.0% per fiscal year) than revenues.

Table 11: FY26 General Fund Proposed Expenditures, Cumulative Table

Expenditure Category	FY26 Proposed Amended Budget	% of TOTAL	Cumulative %
1. Police Services	\$ 16,555,300	32.3%	32.4%
2. Public Works	8,117,900	15.8%	48.1%
3. Parks	4,703,200	9.2%	57.3%
4. Transfers to Other Funds	4,000,000	7.8%	65.1%
5. Community Development	3,812,300	7.4%	72.6%
6. Recreation	2,995,500	5.8%	78.4%
7. Facilities	1,371,100	2.7%	81.1%
8. All Other Departments*	9,762,700	19.0%	100.0%
TOTAL	\$ 51,318,000		

**All Other Departments includes City Council, City Manager, City Attorney, Economic Development, Administrative Services, City Clerk, Emergency Preparedness, Risk Management and Non-Departmental (excluding Transfers to Other Funds which is shown separately in table above).*

The following discussion focuses on the City's major annual operating expenditures, including Police Services (primarily the Sheriff's Department contract), personnel costs, and Transfers to Other Funds (mainly the Capital Improvements and Facilities Funds). Together, these three expenditure categories account for approximately two-thirds of the General Fund budget.



Police Services

Since its incorporation, the City has contracted with the Orange County Sheriff's Department (OCSD) to provide police services. OCSD is widely regarded as a high-performing law enforcement agency, and contracting with the County Sheriff has traditionally been a more cost-effective option than establishing and operating a full-service municipal police department.

The OCSD contract for FY25 was \$15.4 million which included negotiated labor contract increases that went into effect midway through FY24. The final agreements resulted in base salary increases totaling 17% over three years for deputy sheriff and management staff along with various other increases to supplemental pay. FY26 represents the final year of the current labor agreements.

Contract cities in Orange County are responsible for covering the full costs associated with the law enforcement services provided by the OCSD. This includes absorbing increases in labor costs resulting from salary and benefit raises approved by the County. These rising expenses have led to significant financial impacts on municipal budgets.

Labor negotiations for successor agreements beginning in FY27 with sworn and non-sworn groups may be less generous due to the County of Orange's financial challenges, as revenues lag behind expenditures. In addition, the Airport Fire, ignited on September 9, 2024, in Trabuco Canyon by an Orange County Public Works crew, is expected to strain County finances through legal liabilities and reduced property tax revenue. The fire destroyed over 160 structures, injured 22 people, and led to numerous claims for property damage and evacuation costs. In response, the County has implemented property tax relief measures, including reassessments and payment deferrals.

The extent to which the County's financial troubles will impact labor negotiations with the OCSD remains uncertain. Historically, much of the labor cost increases have been passed down to cities that contract with the OCSD, as they bear the full cost of services. Recruitment challenges have also shaped labor contracts, leading to salary adjustments to attract and retain qualified personnel.

The FY26 OCSD contract cost is estimated at \$16.0 million, reflecting a 4.0% increase from the FY25 contract. As noted earlier, FY26 marks the final year of the current labor agreements that took effect in FY24. A 4% annual increase is projected for FY27 and the remainder of the forecast period.

For this LTFP, the City's current and projected OCSD contract costs include 39 dedicated OCSD personnel assigned to Dana Point. This consists of 34 full-time sworn positions, three non-sworn community services officers, a crime prevention specialist, and an investigative assistant—an assumed staffing level maintained throughout the LTFP.

Additionally, the contract includes costs shared with other OCSD contract cities for approximately 15.9 sworn and non-sworn support positions serving South Orange County. This number was reduced from 16.9, eliminating an office specialist position, beginning in FY26. The City's estimated share of the fully loaded cost for these positions in FY26 is projected at \$371,000.

The annual contract cost also includes allocated expenses for County and OCSD overhead, the OCSD Field Training Bureau, and South Division Command, among other costs. Additionally, the contract covers all necessary support items for OCSD personnel, including vehicles, radios, computers, patrol video systems, body-worn cameras, supplies, employee training, and enhanced helicopter support.

Pension costs have been a significant financial challenge for governments since the state expanded pension benefits in the mid-1990s, with older public safety pension plans being particularly affected. Pensions are the largest component of benefit costs in the Sheriff's contract and are funded through an overhead rate applied to payroll.

For FY26, the weighted average pension rate for deputies is estimated at 64.6%, down slightly from 65.0% in FY25. The estimated pension rate for sworn management is 68.5%, compared to 68.6% in the prior year, while the rate for non-sworn employees is 37.5%, down from 37.6%.

If the County's pension plan meets its expected investment returns, rates should see gradual declines as the less expensive pension plans mandated since 2013 apply to new hires. For OCSD's sworn safety positions, the combined pension and benefits cost remains at 93% of salaries, unchanged from the previous year, while for non-sworn positions, it has risen from 70% to 73%. By comparison, the City's total pension and benefits cost is approximately 31% of salaries.



The fully burdened cost, including salary, benefits, training and overhead in the estimated FY26 OCSD contract by position are as follows:

Table 12: FY26 Cost per Contracted Sheriff Positions:

Position	FY22	FY23	FY24	FY25	FY26
Captain	\$ 428,000	\$ 431,000	\$ 443,000	\$ 499,000	\$ 522,000
Sergeant	\$ 357,000	\$ 359,000	\$ 362,000	\$ 394,000	\$ 415,000
Investigator	\$ 367,000	\$ 362,000	\$ 364,000	\$ 386,000	\$ 410,000
Deputy Sheriff II	\$ 296,000	\$ 296,000	\$ 297,000	\$ 320,000	\$ 334,000
Community Services Officer	\$ 131,000	\$ 134,000	\$ 137,000	\$ 138,000	\$ 161,000
Crime Prevention Specialist	\$ 116,000	\$ 117,000	\$ 118,000	\$ 120,000	\$ 127,000
Investigative Assistant	\$ 204,000	\$ 198,000	\$ 206,000	\$ 206,000	\$ 228,000

On average, over the 10 years spanning from FY17 to FY26, costs for the Police Services contract will have increased \$4.7 million, which equates to compounded growth of 3.5% per year.

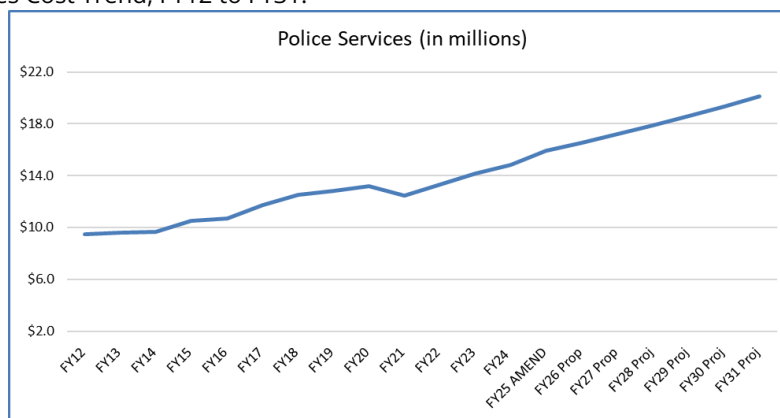
Table 13: Sheriff's Contract Cost History

Fiscal Year	Contract Total	% Change	Fiscal Year	Contract Total	% Change
FY07	\$ 7,451,000		FY20	\$ 12,898,000	3.52%
FY08	\$ 8,299,000	11.38%	FY21	\$ 12,177,000	-5.59%
FY09	\$ 8,500,000	2.42%	FY22	\$ 13,575,000	11.48%
FY10	\$ 8,933,000	5.09%	FY23	\$ 13,966,000	2.88%
FY11	\$ 8,997,000	0.72%	FY24	\$ 14,177,000	1.51%
FY12	\$ 9,178,000	2.01%	FY25 Amend.	\$ 15,358,000	8.33%
FY13	\$ 9,323,000	1.58%	FY26 Proj.	\$ 15,972,000	4.00%
FY14	\$ 9,410,000	0.93%	FY27 Proj.	\$ 16,611,000	4.00%
FY15	\$ 10,232,000	8.74%	FY28 Proj.	\$ 17,275,000	4.00%
FY16	\$ 10,289,000	0.56%	FY29 Proj.	\$ 17,966,000	4.00%
FY17	\$ 11,302,000	9.85%	FY30 Proj.	\$ 18,685,000	4.00%
FY18	\$ 12,219,000	8.11%	FY31 Proj.	\$ 19,432,000	4.00%
FY19	\$ 12,459,000	1.96%			

Given expected pay raises and moderating pension costs—partly due to reduced benefits for new employees but offset by the need to fund significant unfunded liabilities—OCSD contract costs are projected to continue rising at a historical pace in the coming years.

While most of OCSD's cost increases stem from labor and benefits, these expenses are largely beyond the Sheriff's control, as labor contract negotiations fall under the authority of the County Board of Supervisors. However, OCSD does have control over costs related to deployment, specific assignments, supervision, administrative functions, training programs, and facilities, among other areas.

Figure 13: Police Services Cost Trend, FY12 to FY31:



Ten cities in South Orange County contract with OCSD for police services: Aliso Viejo, Dana Point, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, and San Juan Capistrano. While each contract follows a similar structure, the type and number of OCSD personnel services purchased vary by city.

Dana Point's contract uniquely includes a Community Support Unit consisting of one sergeant and three deputies, at an annual cost of \$1.4 million.

Police staffing models vary based on crime trends, officer-to-population ratios, staffing minimums, traffic data, budgeted positions, and workload demands. Key considerations include call volume, response times, crime rates, and specialized units like beach patrol and homeless outreach.

Deployment is further shaped by local factors such as tourism, large events, a regional harbor, a State Park, and major highways. Balancing these elements makes staffing decisions complex, requiring data analysis, community input, and collaboration with law enforcement.

The following table has been updated using data from the originally adopted FY25 contracts for other South Orange County cities.

Table 14: Sheriff's Contract Positions – South Orange County Cities FY25:

	DP	AV	LH	LN	LW	LF	MV	RSM	SC	SJC
<u>SWORN</u>										
Captain	1.00	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00	1.00
Sergeant - Admin	1.00	1.00	1.00	-	-	1.00	1.00	1.00	1.00	1.00
Sergeant - Patrol	5.00	1.33	1.30	5.00	1.34	4.00	5.00	2.00	4.00	4.00
Investigator - General	2.00	1.50	2.00	2.00	0.50	3.00	4.00	1.00	4.00	2.00
DSII - Community Support	3.00	-	-	1.00	-	2.00	-	-	-	1.00
DSII - DET - South Operations Substation	1.00	-	-	-	-	-	-	-	-	1.00
DSII - School Resource Officer	-	0.65	1.00	0.35	-	-	5.00	-	-	-
DSII - Commercial Vehicle Enforcement	-	-	-	1.00	-	1.00	-	-	-	-
DSII - Homeless Liason Officer	-	-	-	-	-	1.00	1.00	-	-	-
DSII - Quality of Life	-	-	-	-	-	-	1.00	-	-	-
DSII - Patrol	18.00	15.00	16.00	25.00	6.00	31.00	32.00	19.00	39.00	16.00
DSII - Traffic	1.00	-	-	-	-	-	-	-	-	-
DSII - Motorcycle	2.00	2.00	2.00	5.00	-	2.00	5.00	2.00	2.00	2.00
TOTAL SWORN	34.00	22.48	24.30	40.35	7.84	46.00	55.00	26.00	51.00	28.00
<u>PROFESSIONAL</u>										
Community Services Officer / Parking Control	3.00	2.00	3.00	4.00	-	4.00	5.00	2.00	4.00	2.00
Crime Prevention Specialist	1.00	-	1.00	2.00	-	1.00	2.00	1.00	1.00	1.00
Investigative Assistant	1.00	-	-	-	-	1.00	1.00	1.33	-	-
Sr. Emergency Mgt. Prog Coordinator	-	1.00	-	1.00	-	-	-	-	-	-
Office Specialist	-	-	-	1.00	-	1.00	-	-	2.00	-
TOTAL PROFESSIONAL	5.00	3.00	4.00	8.00	-	7.00	8.00	4.33	7.00	3.00
FTEs - Dedicated	39.00	25.48	28.30	48.35	7.84	53.00	63.00	30.33	58.00	31.00

Regional/Shared Staff: 16.9 FTEs shared by all agencies, except LW that does not share in a motor sergeant

Population	32,465	51,221	30,568	63,742	17,192	85,638	91,776	46,722	63,457	34,548
Area in Square Miles	6.7	7.0	6.6	14.7	3.3	16.8	18.0	13.0	18.4	14.4
Maintained Street Miles	79	72	83	140	5	204	226	100	138	73
Badges/1,000 Population	1.0	0.4	0.8	0.6	0.5	0.5	0.6	0.6	0.8	0.8
Badges/Square Miles	5.1	3.2	3.7	2.7	2.4	2.7	3.1	2.0	2.8	1.9
Badges/Maintained Streets Miles	0.4	0.3	0.3	0.3	1.6	0.2	0.2	0.3	0.4	0.4
 FY25 Cost (in millions)*	 \$15.4	 \$10.8	 \$11.4	 \$18.4	 \$3.4	 \$21.4	 \$24.4	 \$11.9	 \$21.7	 \$13.5
FY25 Cost / 1,000 Population	\$ 473,071	\$ 211,060	\$ 372,408	\$ 288,610	\$ 196,730	\$ 249,428	\$ 266,260	\$ 253,694	\$ 341,758	\$ 391,040



In addition to the positions listed in the table above that report directly to contract cities, 15.9 additional positions are assigned to the South Orange County substation. These personnel support various functions, including traffic enforcement, motorcycle deputy oversight, auto theft investigations, directed enforcement, subpoena processing, and general investigations.

The City also funds a deputy assigned to the South Orange County Directed Enforcement Team (DET), which focuses on targeting career criminals and supporting the South Orange County Sheriff's Investigations Team with more labor-intensive cases. This resource has been in place since shortly after the City's incorporation.

Community Support Unit (CSU)

Dana Point contracts for a higher level of police service than other South Orange County cities, measured by per capita, square mile, or street mile. Its policing model, particularly the Community Services Unit (CSU), is considered a best practice for well-resourced communities. Established in 2009, Dana Point's CSU is unique among OCSD contract cities, offering specialized services tailored to community needs.

Unlike traditional patrol units, the CSU does not respond to 911 calls but instead focuses on emerging crime trends and problem-solving beyond standard patrol operations. It supports the City's Homeless Outreach Program, monitors parolees and probationers, assists OCSD investigators, conducts proactive crime operations, and collaborates with resort security to address industry-specific concerns.

CSU also oversees Neighborhood and Business Watch programs, educates community groups on crime prevention, and coordinates with the Orange County Intelligence Assessment Center (OCIAAC), the Real Time Operations Center and Homeland Security on infrastructure security. Additionally, it plans and executes police deployment for special events and supports patrol operations during peak periods.

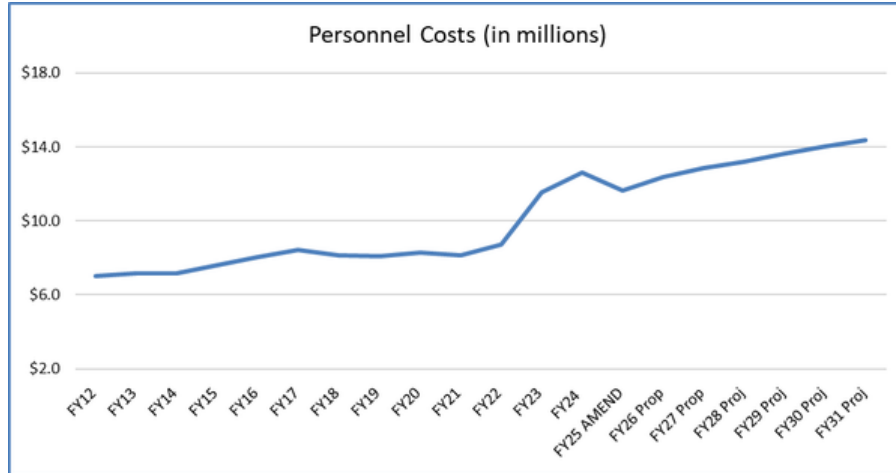
As an integral part of City services, CSU works closely with Code Enforcement, Building and Public Works. Staffed by a Sergeant, three deputies assigned to city sectors, and a Crime Prevention Specialist, CSU aims to reduce crime and strengthen community relationships.

Personnel Costs

Personnel costs for City staff are projected to reach \$12.5 million in FY26, accounting for 26% of proposed General Fund expenditures, excluding transfers out. These costs have remained steady at approximately 26% of the General Fund Budget, with salaries expected to continue increasing at a compounded rate of about 3% per year.

Nine years ago, the FY17 budget included 70 full-time positions, whereas the FY26 proposed budget includes 69. The City's service delivery model combines City staff with contract services, resulting in cost savings through economies of scale, access to equipment without ownership costs, and flexibility in managing workload fluctuations. Many cities allocate well over 50% of their budgets to personnel costs. Ensuring the City has sufficient staff is essential for managing daily operations, overseeing contracted work, and delivering high-quality services efficiently.

Figure 14: Personnel Cost (Fully Loaded) Trend, FY12 to FY31:



*FY23, 24 and 25 includes an additional unfunded pension liability payment to CalPERS.

Table 15: Total Personnel Cost History and Projection, FY12 to FY31:

Fiscal Year	Total	% Change
FY12	\$7,040,000	1.54%
FY13	\$7,180,000	1.99%
FY14	\$7,177,000	-0.04%
FY15	\$7,609,000	6.02%
FY16	\$8,030,000	5.53%
FY17	\$8,443,000	5.14%
FY18	\$8,122,000	-3.80%
FY19	\$8,107,000	-0.18%
FY20	\$8,273,000	2.05%
FY21	\$8,331,000	0.70%
FY22	\$8,742,000	4.93%
FY23	\$11,552,000	32.14%
FY24	\$12,620,000	9.25%
FY25 Amend	\$13,514,000	7.08%
FY26 Prop.	\$12,461,000	-7.79%
FY27 Prop.	\$12,934,000	3.80%
FY28 Proj.	\$13,269,000	2.59%
FY29 Proj.	\$13,710,000	3.32%
FY30 Proj.	\$14,070,000	2.63%
FY31 Proj.	\$14,439,000	2.62%

Brief Personnel Cost History:

- From FY11 to FY13, the City froze positions as they became vacant, and did not provide wage increases for staff. In FY15 and again in FY16, some of the vacant positions were filled.
- The Public Employee Pension Reform Act (PEPRA) was implemented 1/1/2013 and requires employees new to CalPERS to pay half of their pension costs.
- In FY15 and FY16, in response to PEPRA, the City phased in a requirement for existing employees to pay the 7% Employee Portion of pension costs. To offset the initial impact, the City provided equivalent salary increases.
- Since FY16, the CalPERS small agency pension fund has carried an unfunded liability due to CalPERS adopting more conservative actuarial assumptions, including lower projected investment returns and updated mortality tables.
- Beginning in FY20, employees in the City's 2@55 pension plan began making contributions toward the unfunded pension liability for that plan. The contributions were phased-in over three-years, with a 0.5% of pay contribution in FY20, a total 1.25% contribution in FY21, and a total 2% contribution thereafter; per the labor agreement with the Dana Point Employees Association, these employee contributions would continue as long as the City had an unfunded pension liability (and is in addition to the 7% Employee Portion mentioned above).
- Beginning in FY21, employees in the City's 2%@62 pension plan started contributing 0.05% of pay toward the unfunded pension liability. Per the labor agreement with the Dana Point Employees Association, these contributions were required as long as the City had an unfunded pension liability, in addition to the 7.75% Employee Portion required under PEPRA. As of June 30, 2021, the 2%@62 plan was fully funded, and the 0.05% employee contribution ceased.

Table 16: Salaries, Retirement & Benefits History and Projection, FY12 to FY31:

Fiscal Year	Salaries*	% Change	Retirement**	%Change	Benefits	% Change
FY12	\$5,327,600	0.81%	\$925,800	4.81%	\$787,100	2.97%
FY13	\$5,440,900	2.13%	\$929,900	0.44%	\$809,400	2.83%
FY14	\$5,452,500	0.21%	\$864,700	-7.01%	\$859,700	6.21%
FY15	\$5,913,200	8.45%	\$786,900	-9.00%	\$909,400	5.78%
FY16	\$6,414,700	8.48%	\$738,500	-6.15%	\$877,600	-3.50%
FY17	\$6,715,700	4.69%	\$791,800	7.22%	\$935,600	6.61%
FY18	\$6,379,500	-5.01%	\$828,400	4.62%	\$914,400	-2.27%
FY19	\$6,290,900	-1.39%	\$886,700	7.04%	\$929,700	1.67%
FY20	\$6,415,100	1.97%	\$989,800	11.63%	\$868,300	-6.60%
FY21	\$6,192,000	-3.48%	\$1,061,000	7.19%	\$870,000	0.20%
FY22	\$6,686,000	7.98%	\$1,158,000	9.14%	\$899,000	3.33%
FY23***	\$7,314,000	9.39%	\$3,291,000	184.20%	\$948,000	5.45%
FY24***	\$7,746,000	5.91%	\$3,119,000	-5.23%	\$1,090,000	14.98%
FY25 Amend***	\$8,715,000	12.51%	\$3,340,000	7.09%	\$1,460,000	33.94%
FY26 Prop.	\$9,197,000	5.53%	\$1,608,000	-51.86%	\$1,656,000	13.42%
FY27 Prop.	\$9,542,000	3.75%	\$1,690,000	5.10%	\$1,701,000	2.72%
FY28 Proj.****	\$9,810,000	2.81%	\$1,733,000	2.54%	\$1,726,000	1.47%
FY29 Proj.	\$10,083,000	2.78%	\$1,859,000	7.27%	\$1,768,000	2.43%
FY30 Proj.	\$10,382,000	2.97%	\$1,877,000	0.97%	\$1,811,000	2.43%
FY31 Proj.	\$10,690,000	2.97%	\$1,896,000	1.01%	\$1,853,000	2.32%

*Salaries include wages for full and part-time employees, overtime, outside assistance, and City Council & Planning Commissioner stipends. FY22 also has one extra pay period that occurs every seven years due to biweekly pay periods not lining up directly with the Gregorian calendar (the result is a non-recurring total cost of approximately \$250,000).

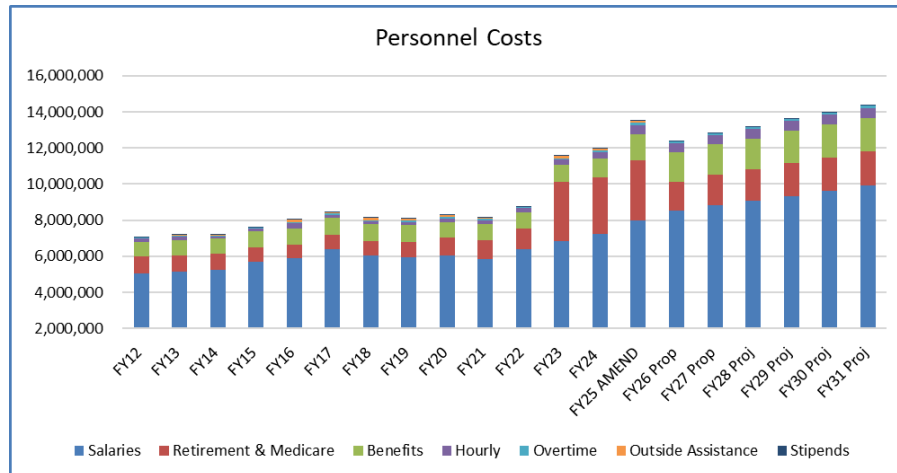
**The Retirement Column includes employer costs for CalPERS pension for full-time employees, MissionSquare deferred compensation, Medicare tax and the CalPERS unfunded liability payments.

***FY23 includes a \$2.0 million extra contribution toward unfunded pension liability, while FY24 and FY25 include a \$1.85 million contribution each year.

****Begin withdrawals from Section 115 Pension Trust to offset annual cost of CalPERS unfunded liability payment.



Figure 15: Personnel Costs Trend Stacked Bar Chart, FY12 to FY31:



The proposed amended FY26 budget reflects a 7.8% decrease in total personnel costs compared to the amended FY25 budget. This decrease is largely due to an additional one-time payment of \$1.85 million the City made to CalPERS in FY25 to address its unfunded pension liability. Excluding this one-time payment, total personnel costs are set to increase by 6.8% from FY25 to FY26.

Key factors contributing to the FY26 increase include a \$55,000 rise in part-time salaries, a \$50,000 increase in the employer's 457 deferred compensation match, and a \$181,000 increase in health benefit allowances, along with the City's contributions toward life insurance and short-/long-term disability. Additionally, the employer's share of pension costs increases by \$92,000, with the remaining increase attributed to merit-based pay adjustments for employees. An Assistant Administrative Analyst position was also added to the Economic Development Division in FY26.

The LTFP projects an average annual increase in personnel costs between 3.6% and 2.6% from FY27 through FY30. Notably, the fully loaded cost of a 1% wage increase applied to the entire workforce is just over \$85,000.

Salaries

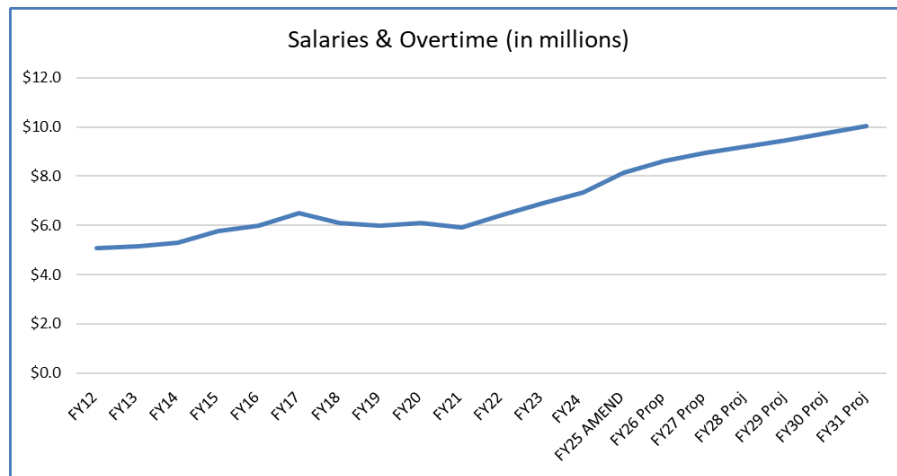
Less than half of the City's workforce is represented by the Dana Point Employee Association (DPEA), which negotiates labor-related issues with the City. The current DPEA labor agreement is in effect from January 1, 2024, through December 31, 2025. Key financial provisions of the agreement include:

- In January 2024 and January 2025, each full-time represented employee received a one-time lump sum payment of \$2,500, subject to applicable federal and state tax withholdings but not included as pensionable compensation. Part-time represented employees received a one-time lump sum payment of \$500 during the same period.
- As of January 1, 2025, the City contributes up to 2.0% of base salary to each employee's 457 Deferred Compensation account, provided the employee participates in the City's MissionSquare Retirement plan. Previously, the City contributed 1.0% of base salary for participating employees.
- Effective January 1, 2024, the monthly health benefit allowance increased to \$1,718, with annual adjustments based on the average increase in medical premiums, per the existing MOU. Based on this adjustment formula, the monthly cafeteria allowance increased to \$1,848 as of January 1, 2025.
- Beginning in 2024, the City began fully covering the cost of its short- and long-term disability and basic life insurance plans, rather than deducting premiums from employees' monthly health benefit allowances.
- Since 2024, employees who receive a Successful Plus rating on their annual performance review may be eligible for up to a 4.0% increase to their base salary.

The City also has 38 non-represented positions, excluding the City Manager, which are not covered under the MOU. A resolution adopting compensation and benefits for non-represented staff, aligned with the current MOU, was adopted by the City Council, as it is standard practice for these employees to receive compensation and benefits like those of represented employees.

Employee evaluations are conducted each September, with any raises, or “merit increases,” taking effect on October 1st. Pay increases are determined based on the results of the employee’s annual performance evaluation. Employees receiving an “exceptional” rating may receive up to a 5.0% increase in base pay, while those receiving an “unacceptable” or “below expectations” rating do not receive an increase. The LTFP assumes 3% annual wage increases via the merit-pool from FY26 through FY31.

Figure 16: Salaries and Overtime Trend, FY12 to FY31:



Benefits

The City offers a "cafeteria-style" flexible benefits plan with a fixed monthly allowance for full-time employees. Employees can apply this allowance toward premiums for health, dental, vision, disability, and life insurance plans, paying any difference if the cost exceeds the City’s contribution.

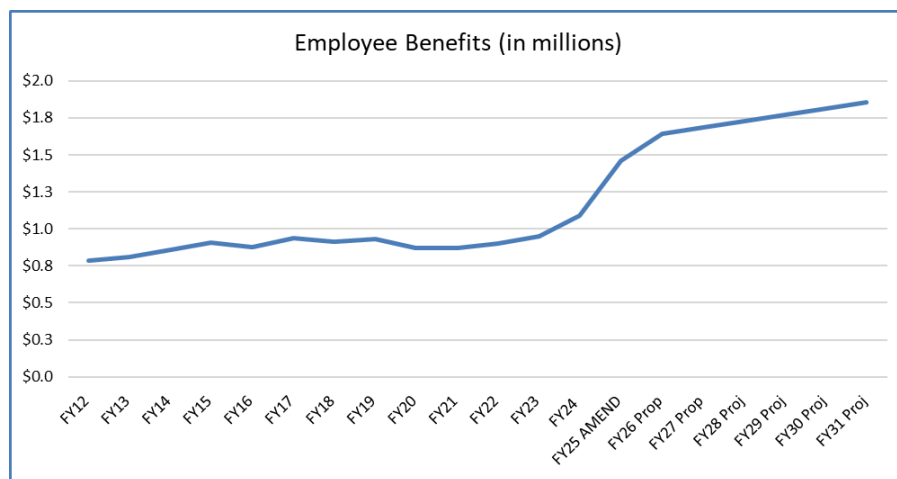
Historically, non-DPEA employees and executive management received higher cafeteria allowances. The City worked to standardize allowances, freezing increases for executive management and the City Manager until parity was achieved. Under the current DPEA MOU, the monthly allowance for 2024 was raised to match the City Manager’s allowance, aligning all employee groups at \$1,718 per month.

The DPEA MOU also provides for a \$10.00 increase in the allowance for every \$10.00 rise in the average monthly medical insurance cost since the last adjustment. Based on this formula, the monthly allowance increased to \$1,848 on January 1, 2025.

Health care costs have risen sharply in recent years, primarily due to high medical inflation. The City contracts with CalPERS for medical plan coverage, leveraging its negotiating power to offer a variety of quality plans at competitive costs. Despite this, premiums increased by 10.8% for the 2025 calendar year.

Given the rising cost of health care, the LTFP assumes an increase in monthly allowances of \$75 per month each fiscal year throughout the forecast period. The additional annual costs for the health benefit allowance in the FY26 and FY27 proposed budgets are \$60,000 and \$61,200, respectively.

Figure 17: Employee Benefits Trend, FY12 to FY31:



Retirement:

The City contracts for employee retirement with the California Public Employees' Retirement System (CalPERS), a cost-sharing, multiple-employer public employee defined benefit pension plan. CalPERS provides retirement benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries of participating agencies. CalPERS serves as a common investment and administrative agent for public entities across California.

The City initially paid both the Employer Share and the Employee Share (set by state statute at 7% of pay) of pension contributions until October 1, 2013. At that time, the City implemented a key component of the Public Employee Pension Reform Act of 2013 (PEPRA), which required employees to pay their own Employee Share of pension costs.

Beginning October 1, 2013, the City's non-represented employees started paying 4/7ths of the 7% Employee Share, and by October 1, 2014, they were responsible for the full 7% Employee Share. The same phased-in approach was applied to DPEA-represented employees, with the second phase taking effect on October 1, 2015. The Employer Share is an actuarially determined rate set by CalPERS each year, and the City either benefits from or bears the cost of changes in pension costs above or below the 7% Employee Share.

Until FY12, CalPERS used a 7.75% expected return on its investment portfolio. In FY12, the CalPERS Board lowered the actuarially determined interest earnings assumption from 7.75% to 7.5%. Additionally, the Board adopted more conservative assumptions regarding pensioner mortality and took a less aggressive approach to amortizing gains and losses over time. These changes helped moderate year-to-year fluctuations in the rates charged to contract agencies.

To further balance the Pension Plan's risk, funding, and costs, CalPERS adopted a Funding Risk Mitigation Policy in 2015. The goal of the policy is to create a more prudent long-term strategy by lowering the expected investment return and discount rate in years of unexpected market strength. This reduces investment volatility and provides greater certainty regarding employer contribution rates. In February 2017, CalPERS suspended the implementation of the policy until FY21 in exchange for implementing a phased discount rate reduction over three years. These reductions were to 7.375% on 7/1/17, to 7.25% on 7/1/18, and finally to 7% on 7/1/19.

In FY21, CalPERS achieved an investment return of 21.3%, which triggered the Risk Mitigation Policy. The policy is activated when investment returns for a given fiscal year exceeds the current target rate of return by 2 percentage points or more. In FY21, returns exceeded the assumed rate by 14.3%, prompting a discount rate reduction of 0.20%, establishing a new assumed rate of return of 6.8%.

In FY22, CalPERS achieved a net investment return of 6.1% and then saw a slightly lower return of 5.8% in FY23. By April 2024, the CalPERS Board decided to regain control over setting the discount rate, moving away from the automatic adjustments triggered by investment performance under the Risk Mitigation Strategy. This policy change will likely result in fewer reductions to the discount rate, which could lead to greater volatility in the pension system's funding and contribution rates.

As can be seen in the table below, CalPERS' actual earnings over the past sixteen years have fluctuated dramatically. This fluctuation highlights the variability in investment returns, which are influenced by factors such as market conditions, economic cycles, and changes in investment strategies.

Table 17: CalPERS Earnings and Unfunded Accrued Liability (UAL):

Actuarial Date	CalPERS Discount Rate	CalPERS Actual Rate of Return	Dana Point UAL Amount*	Dana Point Funded %*
6/30/2013	7.5%	12.5%	\$ 2,979,491	81.3%
6/30/2014	7.5%	18.4%	\$ 2,545,450	86.2%
6/30/2015	7.5%	2.4%	\$ 3,453,263	83.2%
6/30/2016	7.5%	0.6%	\$ 5,100,641	78.0%
6/30/2017	7.5%	11.2%	\$ 5,022,288	80.7%
6/30/2018	7.375%	8.6%	\$ 6,110,857	79.1%
6/30/2019	7.25%	6.7%	\$ 6,599,890	78.8%
6/30/2020	7.0%	4.7%	\$ 7,475,142	77.5%
6/30/2021	6.8%	21.3%	\$ 4,276,895	88.2%
6/30/2022	6.8%	(6.1%)	\$ 9,284,516	75.9%
6/30/2023	6.8%	5.8%	\$ 8,219,886	80.3%
6/30/2024	6.8%	9.3%	Pending Actuarial Reports from CalPERS	

*Combined amounts of the City's Miscellaneous Classic and PEPRA Pension Plans

The difference between actual investment earnings and the actuarial earnings assumption results in an actuarial gain or loss, which is amortized into the annual pension rates over time. This approach helps smooth out the impact of changes in pension rates charged to employers on a year-to-year basis.

Unlike the Employee Share, which is fixed at 7%, the Employer Share fluctuates annually in relation to the performance of CalPERS' investment earnings. However, the actual gains and losses on investments are smoothed or amortized into the Employer Rate over time, as mentioned earlier. The change from year to year can be seen in the following table:

Table 18: CalPERS Employer Share Rate History Classic Plan

Fiscal Year	Employer Share	Change	Fiscal Year	Employer Share	Change
FY09	11.954%		FY19	9.409%	0.49
FY10	11.736%	(0.22)	FY20	10.221%	0.81
FY11	8.984%	(2.75)	FY21	11.031%	0.81
FY12	10.059%	1.08	FY22	10.88%	(0.15)
FY13	10.238%	0.18	FY23	10.87%	(0.01)
FY14	10.781%	0.54	FY24	12.47%	1.60
FY15	11.522%	0.74	FY25	12.52%	0.05
FY16	8.512%	(3.01)	FY26	12.58%	0.06
FY17	8.880%	0.37	FY27 – FY31 Est	12.60%	0.02
FY18	8.921%	0.04			

Table 19: CalPERS Employer Share Rate History PEPRA Plan

Fiscal Year	Employer Share	Change	Fiscal Year	Employer Share	Change
FY16	6.24%		FY22	7.59%	(0.14)
FY17	6.56%	0.32	FY23	7.47%	(0.12)
FY18	6.53%	(0.03)	FY24	7.68%	0.21
FY19	6.84%	0.31	FY25	7.87%	0.19
FY20	6.99%	0.15	FY26	7.96%	0.09
FY21	7.73%	0.74	FY27 – FY31 Est	8.00%	0.04



Beginning in FY16, CalPERS began collecting additional funds from agencies to address the unfunded liability resulting from the adoption of more conservative actuarial assumptions and underperforming investment returns. As shown in Tables 19 and 20, the Employer Share rate is projected to increase to 12.58% for Classic employees and 7.96% for PEPRAs employees in FY26. When the unfunded pension liability payment is added to the normal pension payment, the total pension cost is expected to reach 11.8% of projected salaries and wages for FY26.

In FY19, the City Council set aside \$5 million in the General Fund for a potential Section 115 Pension Trust. However, the plan was paused due to the financial impact of COVID-19, and \$1 million was used to offset lost revenue. In March 2022, the City Council approved the Public Agencies Post-Employment Benefits Trust (Section 115), administered by PARS, and appointed the City Manager as the plan administrator. The trust was funded with the remaining \$4 million from the initial allocation.

A Section 115 trust is an irrevocable trust established by a public agency under the Internal Revenue Code to set aside funds for future pension and OPEB obligations. It creates a dedicated fund to manage long-term liabilities, reduce future pension expenses, and mitigate the impact of rising unfunded liabilities. The trust allows for more diverse investments than those permitted under the California Government Code, offering the potential for higher returns. This investment flexibility, along with the fund's growth, helps lower future costs and demonstrates fiscal responsibility.

Also in 2022, the City Council adopted Policy #235 – Pension Funding, establishing a goal to fund the City's CalPERS pension plan to 100% of total accrued liability, with a minimum of 90%. The funded status includes both Classic and PEPRAs plans, factoring in the Section 115 balance as an offset. By utilizing the policy's funding components, the City aims to achieve the Policy's objective by FY28.

In March 2023, the City Council approved a \$2.0 million Additional Discretionary Payment (ADP) to CalPERS for the City's Classic pension plan, which accounts for 97% of its total liability. Making ADPs helps reduce an agency's unfunded liabilities, strengthening its long-term financial health. By reducing the Unfunded Accrued Liability (UAL), the City lowers interest costs by decreasing the principal balance accruing interest over time. Additionally, ADPs improve the funded status of the plan, enhancing the City's cost stability over time. This proactive approach supports better long-term financial planning, freeing up resources for other priorities.

In September 2023, the City Council approved a \$3.7 million General Fund set-aside to reduce the Unfunded Accrued Liability (UAL). The Financial Review Committee (FRC) recommended splitting the payment into two \$1.85 million Additional Discretionary Payments (ADPs) for FY24 and FY25, estimating \$3.0 million in interest savings. The Council approved this plan, with the first payment in March 2024 and the second in March 2025.

In July 2024, CalPERS reported a preliminary 9.3% net investment return for the fiscal year ending June 30, 2024. Early projections estimate the City's combined unfunded liability at \$5.7 million, with a funded status of 87%, including the \$1.85 million ADP applied to the Classic Plan's unfunded liability in March 2024. With the second \$1.85 million ADP made in March 2025, the funded status is projected to reach 91.9%, with an estimated unfunded liability of \$3.7 million by the end of FY25, assuming CalPERS meets its 6.8% return target.

As of February 2025, the City's Section 115 Trust balance was \$4.7 million. The City's Pension Funding Policy defines the funded status as the combined value of plan assets held by CalPERS and the City's Section 115 Pension Trust. Since the Section 115 Trust balance exceeds the estimated unfunded liability of \$3.7 million, the City is on track to meet its policy goal of being at least 90% funded, with the objective of reaching 100% funding. Once the financial actuarial reports from CalPERS for FY25 are published and unfunded balances are reported, the City will be able to confirm whether it has achieved its funding targets.

The use of funds from the City's Section 115 Trust is factored in the Long-Term Financial Plan (LTFP) starting in FY28. In accordance with Policy #235, these funds will not be utilized before FY28 to allow investments to mature and accrue interest. Beginning in FY28, the LTFP will include offsetting revenue from the trust, equal to the estimated Unfunded Accrued Liability (UAL) payments.



Capital Investment in Streets and Related Systems (Funds 11, 02, 04, 08, 21)

In accordance with the Infrastructure Asset Management Policy adopted by the City Council in 2018, Staff has developed a long-term capital funding plan to maintain the City's street systems. Using the results of regular street pavement condition analyses, Staff has created a life-cycle work plan that outlines the annual budget required to sustain the overall street condition at the high end of the "Good" level (as shown in the table below). The capital investment plan includes periodic slurry sealing, repairs, rehabilitation, and resurfacing for all residential and arterial streets in the City's inventory. Additionally, the plan accounts for fixing or replacing adjacent curbs, gutters, storm drain inlets, and sidewalks as needed.

The Pavement Condition Index (PCI) is a numerical index between 0 and 100 used to indicate the general condition of a street pavement surface, and reads as follows:

PCI Grade	Condition
86-100	Very Good to New
75-85	Good
60-74	Fair
41-59	Poor
0-40	Very Poor

The PCI grade is a general guideline that considers factors such as vehicle ride quality, pavement cracking, potholes, and rutting. The assessment is conducted using advanced mobile equipment in conjunction with professional judgment. The overall PCI reflects the condition of the City's streets as a whole but is based on the individual ratings of each street. For example, a city may have an overall PCI of 84 but still have some streets in the 50s or 60s, while others that were recently resurfaced may rate near 100.

The proposed FY26 and FY27 capital budget includes funding from the General Fund (Fund 01), Gas Tax (Fund 02), Measure M (Fund 04), and the Road Maintenance and Rehabilitation Act (RMRA) (Fund 08). Additionally, the City has identified various grant funding for the Doheny Village Connectivity and Stonehill Drive Widening projects.

The proposed Capital Improvements Program (CIP) budget is \$8.5 million for FY26 and \$7.5 million for FY27. Of these amounts, the projected General Fund contribution is \$2.8 million in FY26 and \$2.6 million in FY27. The LTFP for FY28 through FY31 includes an average General Fund contribution of approximately \$3.9 million per year.

The projected combined contributions from the Gas Tax, Measure M and RMRA funds are \$3.0 million in FY26 and \$2.9 million in FY27, and average a combined \$2.9 million per year from FY29 through FY31. The FY26 projects include funding for the Doheny Village Connectivity Improvements construction, Stonehill Undergrounding, La Plaza Park Improvements, and both residential and arterial roadway resurfacing and slurry projects. The FY27 projects include Del Obispo Park modifications, citywide storm drain improvements, and both residential and arterial roadway resurfacing and slurry projects.

The City Council approved updates to Policy #231 (Infrastructure Asset Management) and rescinded Policy #234 (Community Investment Account or CIA) in September 2024. Under the updated Policy #231, excess General Fund balances at fiscal year-end will now be deposited directly into the CIP unassigned fund balance, rather than transferred to a separate CIA reserve. Additionally, the updated policy requires the CIP unassigned fund balance to maintain a minimum amount equal to 5% of the adopted General Fund revenue, ensuring flexibility for unforeseen funding needs. The practice of separately designating the Doheny Village Reserve was also eliminated, with future Lantern District Impact Fees being deposited directly into the CIP unassigned fund balance. These changes streamline the funding process for capital improvement projects and provide more flexibility in managing the City's resources.

At the time of the update to the Infrastructure Asset Management policy, the CIA balance stood at \$9.1 million, and the Doheny Village Reserve had \$206,000. City Council established a Capital Improvement Program (CIP) Subcommittee, with two Council members appointed to collaborate with Staff on prioritizing unfunded CIP and Facilities Improvement projects. On July 16, 2024, City Council approved the Subcommittee and Staff's recommendations and directed Staff to incorporate the identified projects into the CIP and Facilities Improvement plan. Some projects were funded in FY25, while others are included in the proposed FY26 and FY27 budgets and the seven-year CIP plan. Key projects include Del Obispo Park Improvements/Pickleball Court Expansion, Waterman's Plaza Statues, Doheny Park Road Right-of-Way Acquisition/Conceptual Design, Coast Highway Sidewalk Gap Closure, La Plaza Park Improvements, and Stonehill Drive Undergrounding.



Capital Investment in Facilities (Fund 12)

The City Council also adopted a new Facilities Management Policy in 2018. To begin addressing a long list of deferred maintenance projects, the Council seeded the Facilities Fund (12) with \$2 million in FY18, \$2.2 million in FY19 and \$1.5 million in FY24. City facilities consist of a number of structures and their component systems, and include the Community/Senior Center, City Hall, Nature Interpretive Center, park structures and trail systems, water treatment facilities, the Stonehill bridge over San Juan Creek, and the PCH pedestrian bridge, among others.

The City conducted a comprehensive facilities assessment in FY18 and began implementing a computerized maintenance management system (CMMS) for facilities and parks. Based on the assessment and ongoing feedback from City staff, the list of maintenance projects is regularly updated and prioritized. LTFP includes annual funding for ongoing needs such as HVAC replacements at City Hall and the Community Center, hardcourt surface improvements at City parks, play structure replacements, and dog park improvements.

The proposed FY26 facilities budget is \$1.4 million, covering the annual projects mentioned above, as well as City Hall asphalt shingle roof replacement, fire suppression updates at City Hall, Heritage Park staircase railing improvements, and Del Obispo Park LED ballfield lights installation. The proposed FY27 budget totals \$1.3 million and includes Thunderbird Park baseball field improvements, fire alarm upgrades at City Hall, and various improvements at the Community Center, including painting the gymnasium and rebuilding the stage.



Other Funds

In addition to the funds discussed above, the City also accounts for other restricted monies in separate funds, namely the AB2766 Clean Air Fund (05), Coastal Transit Fund (06), Tourism Business Improvement District Fund (07), Headlands Habitat Fund (09), Supplemental Law Enforcement Services Fund (25) and the Community Facilities District Maintenance Fund (27).

Dana Point Trolley Funding – Fund 05 and Fund 06

The City's free trolley system is accounted for in the Coastal Transit Fund (06) and has primarily been funded by Orange County Transportation Authority's Project V (Project V) grant funds, with a required funding match provided by one-time development impact fee revenue from the construction of the Waldorf Astoria Monarch Beach (formerly the Monarch Beach Resort and originally the St. Regis Resort). The balance of these impact fee revenues was exhausted in FY22, and match funding from the General Fund began. In addition, funding from the AB2766 Clean Air Act Fund started in FY23, though these funds are only eligible for use for three years. Beyond FY25, all match funding is expected to come from the General Fund. The LTFP includes approximately \$440,000 annually from the General Fund for the trolley program.

The City has successfully applied for and been awarded funding through various calls for projects from OCTA for the Project V program. The City's Project V 2020 grant funding is available until at least FY27, with the possibility of an extension through FY29 if funds are not exhausted sooner. In November 2023, the OCTA released a fifth Call for Projects, Project V 2024, for which the City was approved. The Project V 2024 grant is expected to begin in FY28 or after Project V 2020 funds are fully expended and may extend through FY31.

Tourism Business Improvement District (TBID) (Fund 07)

In 2008, Dana Point's larger hotels requested the City's assistance to form a Tourism Business Improvement District (TBID) to generate funds for marketing Dana Point as a destination. The TBID was established with the four largest hotel properties in accordance with the Property and Business Improvement District Law of 1989 under the California Streets and Highway Code. The TBID was renewed annually by the City Council until 2019. In 2019, at the request of the hotels, the City Council transitioned from annual renewals to a five-year renewal period. The current five-year period ends on June 30, 2025.

Starting in FY21, the TBID was expanded to include all hotels in Dana Point. The assessment rate was set at \$3.00 per paid occupied room per night for lodging businesses with 20 to 189 rooms and \$5.00 per paid occupied room per night for lodging businesses with 190 rooms or more. The proceeds are restricted to marketing Dana Point as a tourist/business destination, with the goal of maintaining and increasing hotel guest stays. This expansion broadened the funding base for tourism-related activities and services.

In FY16, the four large resorts formed a non-profit destination marketing organization, Visit Dana Point (VDP), which was contracted by the City to manage the restricted TBID funds. With the expansion of the TBID in 2020 to include all hotels in the city, VDP amended its bylaws to expand board representation.

The proposed Management District Plan (DPTBID Plan) for July 2025 through June 2030 included transitioning from a flat assessment rate to a percentage of gross room rental revenue based on the number of rooms at the lodging business. Tier 1 businesses (20-189 rooms) would be assessed at 1%, and Tier 2 businesses (190 rooms or more) at 1.5% for the first two years. In the third year, the assessment rate could increase to 1.5% for Tier 1 and 2.5% for Tier 2 businesses, with no future decreases allowed.

In March 2025, the City Council approved a resolution declaring its intention to renew the DPTBID, with the public hearing to finalize the process completed in April 2025. VDP will continue to serve as the DPTBID's Owners' Association, responsible for managing funds and implementing programs in accordance with the DPTBID Plan, with annual reports provided to the City Council.



Headlands Habitat Fund (09) and Community Facilities District Maintenance Fund ("CFD") (27)

Though legally separate, the two interest-bearing funds are related in that they are restricted as to use to maintain public assets in the city's Headlands area. They were both established as a result of the Headlands residential and commercial development.

The Headlands Habitat Fund (09) was seeded with funds to create a non-wasting endowment, the proceeds of which are restricted to maintaining and monitoring Environmentally Sensitive Habitat Areas (ESHA) at the Headlands and provides roughly \$30,000 per year to pay for biological monitoring studies and maintenance activity.

The CFD Fund (27) receives approximately \$385,000 per year in special assessment revenue from residential and commercial property owners in the Strand development, and is used to operate and maintain a funicular, Strand linear park, certain landscaped areas and storm drains. There are no projected issues regarding the financial wherewithal for these funds to cover their respective costs.

The Headlands Development and Conservation Plan (HDCP), approved in 2004 and certified by the California Coastal Commission, required a public transportation system, originally called the "Funicular" and now referred to as the "Inclined Elevator," to provide access to Strands Beach while keeping Strand residential streets private. However, the system has faced ongoing challenges, including outdated technology, corrosion, and frequent breakdowns. Due to the unavailability of replacement parts and the high cost of re-engineering, a temporary shuttle program was implemented in 2024 to maintain public access.

In February 2025, the HDCP was amended to allow flexibility for a replacement transportation system. Interim access will continue through the shuttle program, funded by the Community Facilities District (CFD), until a new system is in place.

Supplemental Law Enforcement Services Fund (25)

In 1996, the State established the Citizens Option for Public Safety Act (COPS), and the City accounts for these funds in its Supplemental Law Enforcement Services Fund (SLESF). The program provides funding to augment, not replace, local law enforcement services. The City typically receives approximately \$150,000 per year. Due to the potential for changes in State law affecting this revenue, the City only budgets for these funds once they are received each fiscal year. As a result, they are included in the adopted budget and LTFP with a value of zero.



Summary of Open Issues

Homelessness

Staff have been working diligently and successfully to implement the Council-adopted Community Work Plan to Address Homelessness. Work Plan statistics have been published annually for the past four years. In January 2021, the City Council added a full-time, grant-funded social worker position to the City budget. The grant will cover the position's cost for five years, after which the position is assumed to be funded by the General Fund, as reflected in the LTFP.

Unfunded Pension liability

As discussed in the employee retirement section, the City has actively worked to address its unfunded pension obligations by establishing a Section 115 Pension Trust and making additional discretionary payments directly to CalPERS. These efforts have been instrumental in managing the City's unfunded liabilities and ensuring long-term financial stability. As of June 30, 2025, the City's estimated combined Unfunded Accrued Liability (UAL) is \$3.7 million, which assumes CalPERS achieves its 6.8% assumed rate of return. Additionally, the Section 115 Trust holds a balance of approximately \$4.7 million as of February 2025.

Making these additional discretionary payments has significantly helped reduce the City's pension liabilities, allowing it to better manage future pension costs and protect against market volatility. However, despite these positive efforts, there remains some risk of volatility in CalPERS investments, which can lead to large fluctuations in the City's unfunded liabilities. To ensure continued stability, the City's Pension Funding Policy requires annual reviews and discussions with the Financial Review Committee. Additionally, the policy stipulates that if the City's combined pension funded ratio falls below the 90% minimum threshold after meeting the funding goal, staff will make recommendations to return the City to at least 90% funding within five years.

General Plan Update

California law requires each city to adopt a comprehensive General Plan to guide long-term physical development. The Plan serves as a blueprint for future development and must include seven State-mandated elements: land use, circulation, housing, conservation, open space, noise, and safety. The City of Dana Point's General Plan was first adopted in 1999, with certain updates over the years, but a comprehensive update had not been conducted until now.

In 2019, the City Council allocated \$1 million in a designated account to help fund the General Plan update. Of this, \$201,000 was directed toward the Housing Element. Additionally, the City was awarded a \$150,000 grant from the State's Local Early Action Planning (LEAP) Program for the Housing Element, reducing the City's required contribution to just \$51,000 for the Housing and Public Safety Element updates.

In July 2022, the City Council approved funding to begin Phase 1 of the General Plan Update, which focused on community engagement. Phase 1 aimed to raise awareness about the General Plan Update, educate the community on the City's planning processes, and conduct community listening sessions. This phase also included data analysis, which helped identify key community concerns and issues.

Approximately \$246,000 was spent from the General Plan update reserve for the community engagement efforts. This left a balance of \$703,000 in the General Fund set aside for the remainder of the General Plan update. In Fall 2023, the City Council allocated an additional \$550,000 to ensure funding for Phase 2, bringing the available balance to \$1.3 million.

Phase 2 of the General Plan Update, which focuses on updating the Land Use, Economic Development, and Circulation Elements, was initiated with a contract valued at just over \$1 million. This phase follows the results of the community visioning which was completed in 2023. To guide this process, the City formed a General Plan Advisory Committee (GPAC) to review issues, gather input, and engage the public. Public engagement opportunities included six GPAC meetings, a community open house, an online virtual open house, and pop-up events.

After reviewing potential land use changes, the GPAC recommended not including any changes to land use designations but proposed new goals and policies to guide future development in the city. As a result, the focus of the General Plan Update will shift toward the Economic Development and Circulation Elements. The City will develop goals



and policies to promote mixed-use development in key areas such as Monarch Bay Plaza and the Coast Highway area in Capistrano Beach. Additionally, the Circulation Element will be updated to enhance mobility and improve the City's transportation networks.

The City will utilize a streamlined CEQA process with an addendum to the 1991 Environmental Impact Report (EIR) to comply with environmental requirements. A Local Coastal Program amendment will not be necessary. It is estimated that Phase 2 of the General Plan Update will be completed by late 2025.

Following the adoption of the General Plan Update, the City may initiate targeted planning efforts, such as developing a Specific Plan for the Coast Highway area in Capistrano Beach. This will include additional public engagement and updates to specific coastal elements, including Urban Design, Conservation, Open Space, and Land Use.

Storm Drain Maintenance

The FY22/FY23 adopted budget allocated funds to update the City's Storm Drain Master Plan (Plan), with the project beginning in 2022. The primary objective of the update was to identify and prioritize deficiencies in the storm drain system and develop a capital improvement plan for future infrastructure improvements. From the initial analysis, the highest priority deficiency identified in both the original and updated Plan is in the Calle Portola/Calle Real area in Capistrano Beach, which has been verified during major storm events.

The amended FY23 budget included funding for design services to address the storm drain deficiency in the Calle Portola/Calle Real area. In FY25, the budget includes \$3.5 million to begin construction on the project. Additionally, approximately \$6.0 million in storm drain-related projects has been incorporated into the Capital Improvement Program (CIP) beyond FY25 in this LTFP.

Doheny Village Plan and Connectivity Improvements

In July 2021, the City Council adopted the Doheny Village Zoning Code Update, which included modifications to the City's General Plan Land Use Element and the addition of Chapter 9.14 Doheny Village Districts to the Dana Point Municipal Code. In March 2023, the California Coastal Commission (CCC) certified the Local Coastal Program Amendment (LCPA), making the new regulations fully effective and aimed at preserving and enhancing the eclectic community of Doheny Village.

Several projects from the Doheny Village Capital Improvement Plan have been completed or initiated. Enhanced pedestrian lighting has been installed along Camino Capistrano, and the City acquired and updated an open space parcel at the corner of Doheny Park Road and Pacific Coast Highway with new landscaping and fencing. The Doheny Village Public Art Program began in February 2022 with a public mural at the corner of Las Vegas Avenue and Doheny Park Road.

The design phase for the Doheny Park Road at PCH Connectivity Project began in 2022 in coordination with Caltrans. This project is being executed as a partnership with Caltrans responsible for building 60% of the improvements, while the City will construct the remaining portion. Caltrans began construction of their improvements in March 2025. The FY25 CIP budget includes \$3.5 million for the City's construction project, and approximately \$1.8 million in Federal grant funding has been secured to assist with the project's costs.



Closing Observation

A forecast is a prediction of future conditions, intended as a planning tool rather than a precise representation of what is to come. While forecasts like the LTFP may not be perfect predictors of the future, they are crucial for providing a structured framework to guide decision-making and resource allocation. They help the City anticipate financial trends, prepare for potential challenges, and allocate funds more effectively to meet future needs. This LTFP marks the eighth edition, with the first produced in 2015 as part of the two-year budget.

There has been marked improvement in the forecasts of the City's financial future compared to previous LTFPs. This is particularly evident since the City Council's adoption of Financial Policies during the FY20/FY21 budget, which ensures annual investments in the Capital Improvement Program are now included in the base budgets. Growth in General Fund revenue forecasts is expected to align with expenditures throughout the duration of this LTFP, although it relies on the opening of new hotels in the later years.



BUDGET GLOSSARY



GLOSSARY

Allocate - To divide a lump-sum appropriation which is designated for expenditure by specific organization units and/or for specific purposes, activities, or objects.

Annual Budget - A budget applicable to a single fiscal year.

App - An application, typically a small specialized program that performs a special function (*see also Hosted Application*).

Appropriation - An authorization made by the Council which permits the City to incur obligations and to make expenditures of resources.

Audit - Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the City's Financial Statements present fairly the City's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

Budget - A financial plan for a specified period of time that matches planned revenues and expenditures to municipal services.

Budget Detail - A support document to the published budget detailing the line item expenditures.

Budget Message - Included in the opening section of the budget, the Budget Message provides the Council and the public with a general summary of the most important aspects of the budget, changes from the previous fiscal years, and the views and recommendations of the City Manager.

Capital Improvement Program (CIP) - A program to provide for the maintenance or replacement of existing public facilities and assets and for the construction or acquisition of new ones.

Charges for Services - Charges paid to the City by users of a service to help support the costs of providing that service.

CJPIA - California Joint Powers Insurance Authority.

Coastal Area Road Improvements and Traffic Signals (CARITS) - A program to finance the construction of roadway gaps, intersection improvements and traffic signals within the coastal area circulation system of the County.

Community Facilities District ("CFD") - A legal construct used to provide an alternate method of financing the acquisition, construction, and maintenance of certain public facilities, and/or services.

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue, and similar eventualities.

Contractual Services - Services rendered to City activities by private firms, individuals or other governmental agencies. Examples of these services include traffic engineering, law enforcement, and city attorney services.

Department - A major organizational unit of the City which has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Designated Fund Balance - Portion of unreserved fund balance designated by City policy for a specific future use.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

ESHA - Environmentally Sensitive Habitat Areas.



Expenditure - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. An encumbrance is not an expenditure; an encumbrance reserves funds to be expended.

Fiscal Year - The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Fixed Assets - Assets of long-term nature such as land, buildings, machinery, furniture, and other equipment. The City has defined such assets as those with an expected life in excess of three years and an acquisition cost in excess of \$5,000.

Franchise Fee - A franchise fee is charged for the privilege of using public rights-of-way and property within the City for public or private purposes. The City currently assesses franchise fees on cable television, utilities, and trash collection contractors.

Fund - An accounting entity that records all financial transactions for specific activities or government functions. The generic fund types used by the City are: General, Special Revenue, Capital Project, and Internal Service Funds.

Fund Balance - The excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses.

General Fund - The primary operating fund of the City. All revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General Fund. With the exception of subvention or grant revenues restricted for specific uses, General Fund resources can be utilized for any legitimate governmental purpose.

Goal - A statement of broad direction, purpose, or intent.

Infrastructure - The physical assets of the City, i.e., streets, water and sewer lines, public buildings, and parks, and the support structures within a development. Infrastructure is capitalized if it has cost in excess of \$50,000 and an expected useful life of over 5 years.

Investment Revenue - Revenue received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

Line-Item Budget - A budget that lists detailed expenditure categories (salary, materials, telephone service, travel, etc.) separately, along with the amount budgeted for each specified category. The City uses a program rather than line-item budget, although detail line-item accounts are maintained and recorded for financial reporting and control purposes.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government. In a more restricted sense, an adjective which denotes a city or village as opposed to other local governments.

Key Objective - A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program.

Operating Budget - The portion of the budget that pertains to daily operations providing basic governmental services. The program budgets in the financial plan form the operating budget.

Policy - A direction that must be followed to advance toward a goal. The direction can be a course of action or a guiding principle.

Property Tax - A statutory limited tax levy which may be imposed for any purpose.

Program - A grouping of activities organized to accomplish basic goals and objectives.

Program Budget - A budget that focuses upon the goals and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Program Indicator - A measurement of program activities.



Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenue, and interest income.

Risk Management - An organized attempt to protect an organization's assets against accidental loss in the most cost-effective manner.

Sales Tax - A tax on the purchase of goods and services.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those parties.

Special Revenue Funds - Funds used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Subventions - Revenues collected by the State (or other level of government) which are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu, and gasoline taxes.

Trust and Agency Funds - Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies.

User Fees - The payment of a fee for direct receipt of a service by the party benefiting from the service.

Working Capital - Difference between current assets and current liabilities.

