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**FY 2025-26**  
**PROPOSED OPERATING AND  
CAPITAL IMPROVEMENT BUDGET**

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**City Council Study Session**  
**May 13, 2025**



**“Focused. Efficient.  
Resilient.”**



**PROPOSED  
OPERATING &  
CAPITAL  
IMPROVEMENT  
BUDGET**

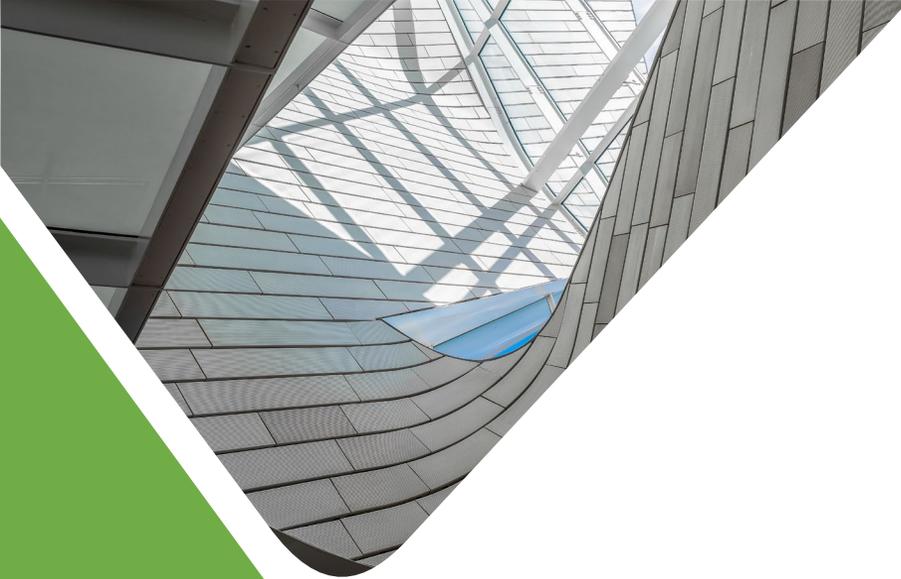
**FISCAL YEAR**

2025 - 2026



# FY 2025-26 PROPOSED BUDGET OVERVIEW

- Economic Update
- FY 2025-26 Proposed Budget Guiding Principles
- FY 2025-26 Estimated Revenue Highlights
- FY 2025-26 Proposed Expenditures Overview
- Status of General Fund Reserves
- Major Accomplishments
- Budget Calendar



# ECONOMIC UPDATE



# STATE OF THE ECONOMY

- U.S Economy is currently being driven by the theme of “uncertainty”:
  - Dynamic fiscal policy (i.e., Tariffs) is negatively impacting “soft data” (e.g., Consumer Confidence) in the near term, while “hard data” (e.g., Retail Sales, Unemployment) remains neutral to positive thus far.
  - U.S. Consumer Confidence is at the lowest point since the onset of the COVID pandemic; Consumer Expectations Index is at the lowest level since 2011.
  - Retail Sales however had a strong March, driven by consumers rushing purchases (such as Autos and Electronics) ahead of the announced pending tariffs in April.
  - “Liberation Day” (April 2<sup>nd</sup>) caused a subsequent massive stock market selloff, that has thereafter responded positively to news of any new trade agreements or negotiations.
  - On Monday, May 12<sup>th</sup>, the U.S. and China announced a trade truce that temporarily reduced tariffs between the two nations, causing the stock market to rise over 3% on the day.
- Recession odds for this year have decreased but are still elevated (even after the U.S./China trade truce); a general economic slowdown is still expected.
- Travel and Discretionary Spending are the most at risk of slowdowns this year.
- California Governor’s Proposed Budget May Revision for California FY 2025-26 Budget is scheduled for May 14, 2025.

# GUIDING PRINCIPLES

## **FY 2025-26 Proposed Budget was inspired by the Five Strategic Plan Goals:**

- Strengthen Public Safety And Improve The Quality Of Life
- Diversify, Stabilize, and Increase Housing To Reflect Community Needs
- Advance Environmental Sustainability And Climate Resiliency
- Recruit And Retain High Quality Staff
- Achieve Long-Term Fiscal Sustainability

The background features a blurred city skyline at sunset on the left and a colorful, abstract mural on the right. The mural consists of various geometric shapes and patterns in bright colors like yellow, blue, red, and green. A large blue triangle is positioned in the bottom right corner.

**FY 2025-26**  
**PROPOSED OPERATING AND**  
**CAPITAL IMPROVEMENT**  
**BUDGET OVERVIEW**

# FISCAL YEAR 2025-26 PROPOSED BUDGET ALL FUNDS OVERVIEW

## Highlights:

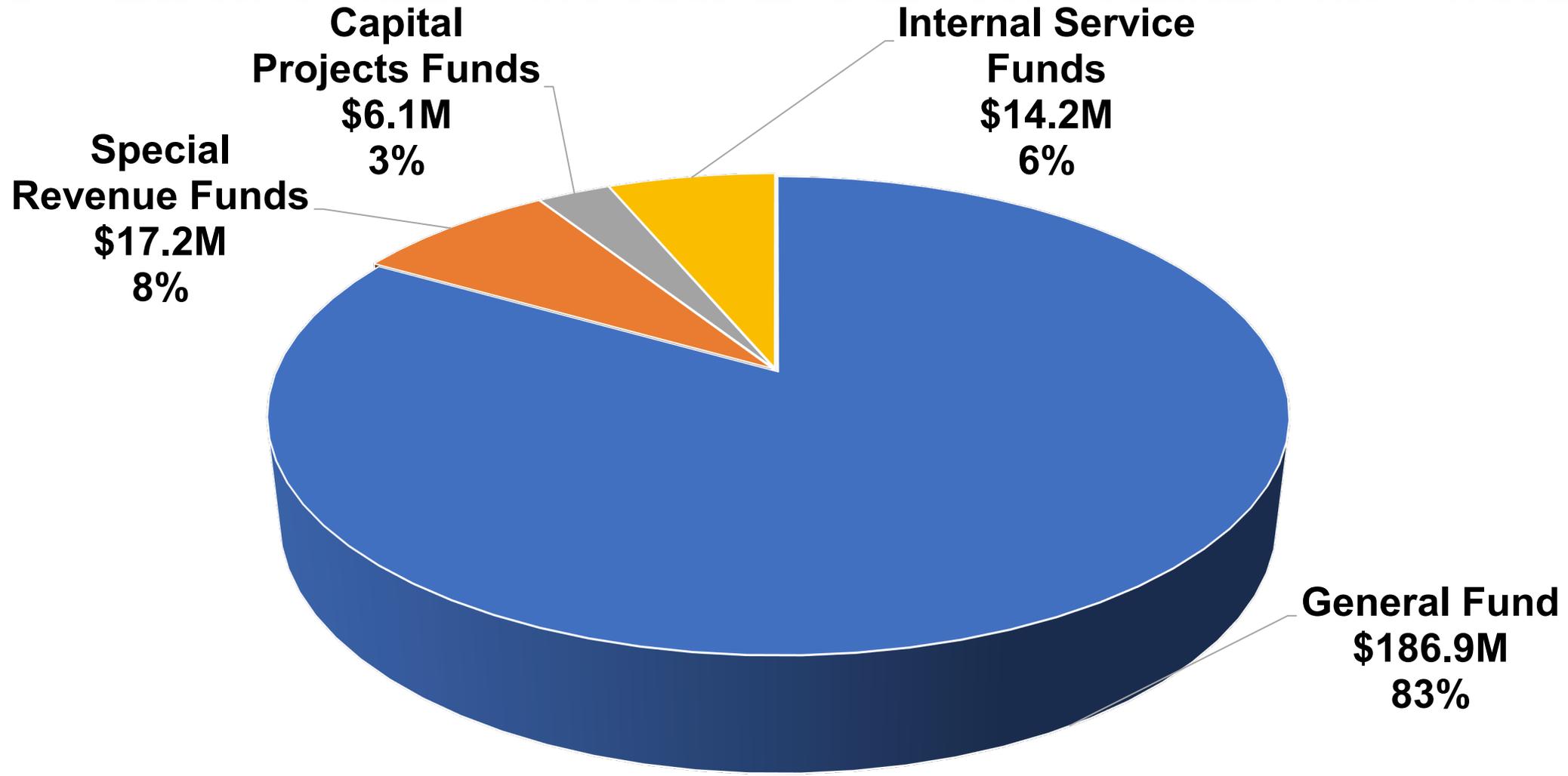
- The Proposed Budget for FY 2025-26 All Funds is \$224.4M, a \$15.4M or 6% decrease from the current fiscal year;
- Designating \$101.7M, or 54%, in General Fund resources to public safety;
- Investing \$16.7M into the City's parks, streets, active transportation network, facilities, and other infrastructure;
- Increase of \$1.8M to the annual required CalPERS contributions;
- Fully annualizes labor contracts;
- Includes funding for current labor negotiations; and
- Funds \$1.3M to the Housing Authority Fund.

# ALL FUNDS DESCRIPTION

- General Fund – general operating fund of the City, unrestricted;
- Special Revenue Funds – grants (Federal, State and/or County), restricted funding sources
  - E.g. American Rescue Plan Fund, Measure M, Gas Tax, RMRA, etc.;
- Internal Service Funds – used to finance and account for activities involved in rendering equipment replacement, self-insurance services, and information technology replacement to departments within the City. Costs of materials, equipment, and services used are accumulated in these funds and charged to the user departments.
  - Equipment Replacement Fund
  - Self-Insurance Fund
  - Information Technology Replacement Fund
- Capital Improvement Fund – used to finance and track financial activities that are designated as capital projects (\$30K and above including staff time). Large capital projects normally span over multiple fiscal years.

# FISCAL YEAR 2025-26 ALL FUNDS

## \$224.4 MILLION



# FY 2025-26 ALL FUNDS APPROPRIATIONS

## \$224.4M

Appropriations All Funds	Adopted		Proposed		Increase /(Decrease)	
	FY 2024-25		FY 2025-26		Amount	Percent
Operating Budget	\$ 199,282,606		\$ 204,133,821		\$ 4,851,215	2%
Transfers Out	12,631,498		3,547,836		(9,083,662)	-72%
Capital Budget	27,901,236		16,693,612		(11,207,624)	-40%
<b>Total</b>	<b>\$ 239,815,340</b>		<b>\$ 224,375,269</b>		<b>\$ (15,440,071)</b>	<b>-6%</b>

- General Fund continues the contribution of \$1.3M to the Housing Authority Fund to support the Homeless Shelter and programs;
- Includes Assemblywoman Cottie Petrie-Norris' \$750,000 State Grant to fund the Housing Authority Fund to support the City's Homeless Program;
- Includes funding for all contractual obligations (e.g. Mercy House, Bracken's Kitchen); and
- Fully accounts for the contractual increase with Newport Beach with an increase of \$41,000 for 25 beds at the Bridge Shelter.

- Information Technology Replacement Fund
  - Investment for the Information Technology Strategic Plan (ITSP) for \$2.8M, including:
    - \$1.2M for year one of a ten-year depreciation schedule for the replacement of major software programs;
    - \$1.1M for salaries and benefits expense (3 Full-Time Employees); and
    - \$0.5M towards the Citywide Desktop Replacement Program.
- Self-Insurance Internal Service Fund
  - \$320K in additional funding for increases to insurance premiums.

- Allocates ½ percent of the seven percent Cannabis Retail and Delivery Tax (Measure Q) funding for Year Four of the goals outlined in the Arts and Culture Master Plan (\$416,990); and
- Fund has approximately \$175K shortfall to fully support the City’s annual art programs and goals based on ½ percent of \$3.6M in total Measure Q revenues.
- Arts Commission voted on May 1, 2025 to recommend to increase the FY 2025-26 budget:
  1. Reallocate the \$100,000 for Smart Camp: to increase the Grants account by \$40,000, and leave \$60,000 for Smart Camp.
  2. Rollover \$110,735 from FY 2024-25 unspent appropriated budget from the Large-Scale Public Arts Program. Repurpose the FY 2025-26 budget allocation toward \$60,000 for a public/private mural art program.

# SPECIAL REVENUE FUND

# ARTS AND CULTURE MASTER PLAN FUND

	FY 2024-25 Adopted Budget	FY 2024-25 Amended Budget	FY 2025-26 Proposed Budget	Art Commission's Recommendation FY 2025-26	Difference
<b>Revenues</b>					
Cannabis Q Business Tax	238,300	238,300	227,472	227,472	-
Operating Transfers In	-	-	-	-	-
<b>Total Revenue</b>	<b>238,300</b>	<b>238,300</b>	<b>227,472</b>	<b>227,472</b>	<b>-</b>
<b>Expenditures</b>					
Arts Specialist	170,695	170,695	179,690	179,690	-
<b><u>Free Arts Experiences City Wide</u></b>					
-Art Venture	20,000	20,000	20,000	20,000	-
-Galleries	400	400	400	400	-
-Action Arts	10,000	10,000	10,000	10,000	-
-Free Park Performances	36,000	36,000	48,000	48,000	-
-Art Crawl	3,000	3,000	3,000	3,000	-
-Segerstrom Center Campus	60,000	-	60,000	60,000	-
Subtotal	129,400	69,400	141,400	141,400	-
Commissioner Stipend	8,400	8,400	8,400	8,400	-
Artist Laureate	2,500	121,711	2,500	2,500	-
Subtotal	10,900	130,111	10,900	10,900	-
<b><u>Expand Public Art</u></b>					
-Utility Box Art	12,500	12,500	12,500	12,500	-
-Large Scale	60,000	60,000	60,000	170,735	110,735
Subtotal	72,500	72,500	72,500	183,235	110,735
Grants	10,000	20,000	12,500	52,500	40,000
<b>Total Expenditures</b>	<b>393,495</b>	<b>462,706</b>	<b>416,990</b>	<b>567,725</b>	<b>150,735</b>
<b>Net</b>	<b>(155,195)</b>	<b>(224,406)</b>	<b>(189,518)</b>	<b>(340,253)</b>	<b>(150,735)</b>

# ALL FUNDS

# REQUESTED CHANGE IN POSITIONS

Department	Job Title	FTE
<b>Other Funds: Housing Authority Fund</b>		
City Manager's Office	Community Outreach Worker	(1.00)
<b>Other Funds Total</b>		<b>(1.00)</b>
<b>General Fund</b>		
City Manager's Office	Human Resources Analyst	(1.00)
City Manager's Office	Programmer Analyst I	(1.00)
City Manager's Office	Sr. Management Analyst (CON)	(1.00)
Police Department	Custody Officer	1.00
<b>General Fund Total</b>		<b>(2.00)</b>
<b>Grand Total All Funds Impact</b>		<b>(3.00)</b>

# ALL FUNDS

# RECOMMENDED FROZEN POSITIONS

Department	Job Title	FTE
<b>Other Funds</b>		
Development Services	Office Specialist II	(1.00)
<b>Other Funds Total</b>		<b>(1.00)</b>
<b>General Fund</b>		
Development Services	Chief of Code Enforcement	(1.00)
Development Services	Code Enforcement Officer II	(1.00)
Parks and Community Services	Office Specialist II	(1.00)
Public Works	Engineering Technician III	(1.00)
Public Works	Facilities Maintenance Technician	(1.00)
Public Works	Maintenance Supervisor	(1.00)
Public Works	Senior Engineer	(1.00)
<b>General Fund Total</b>		<b>(7.00)</b>
<b>Grand Total All Funds Impact</b>		<b>(8.00)*</b>

\*FTE will not be eliminated; however, funding will be adjusted to account for the frozen positions.

# ALL FUNDS

# CIP FUNDING SOURCES

FUND	AMOUNT
Gas Tax (HUTA)	\$ 1,040,000
CDBG	230,000
Traffic Impact Fee	420,000
Cannabis Traffic Impact Fees	150,000
Gas Tax (RMRA)	2,951,612
Capital Improvement Program	2,150,000
Measure M2 Fairshare	2,820,000
Jack Hammett Improvement	100,000
Grant Funds*	6,882,000
<b>All Funds Subtotal</b>	<b>\$ 16,743,612</b>
Future Bond/ Financing	12,000,000
<b>All Funds Grand Total</b>	<b>\$ 28,743,612</b>

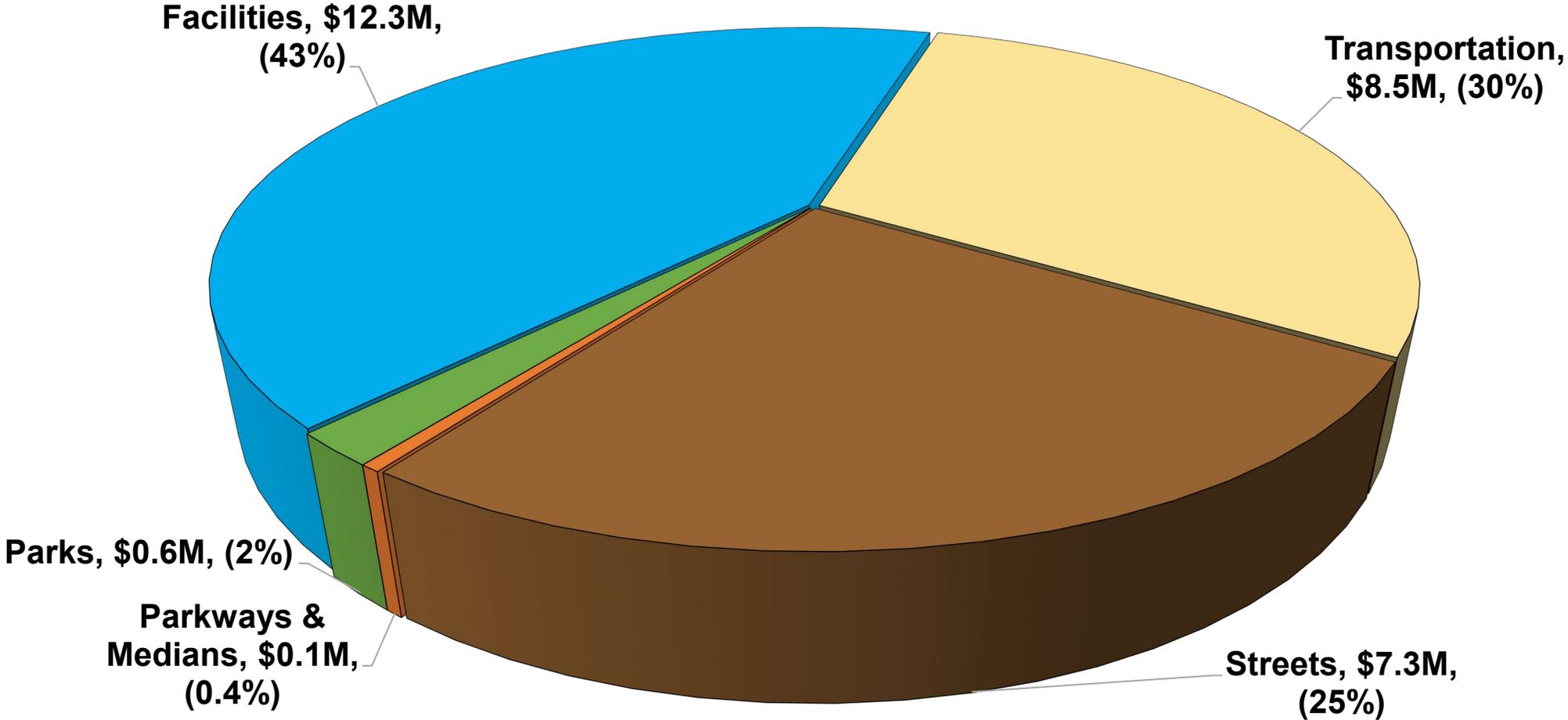
\* Projects funded by grants: Adams Avenue Active Transportation Improvements – Multipurpose Trails (\$4,223,000); Clean Mobility Options Program (\$500,000); Fairview Road Active Transportation Improvements – Fair Dr. to Adams Ave. (\$1,759,000); and Pedestrian Safety Festival (\$400,000).

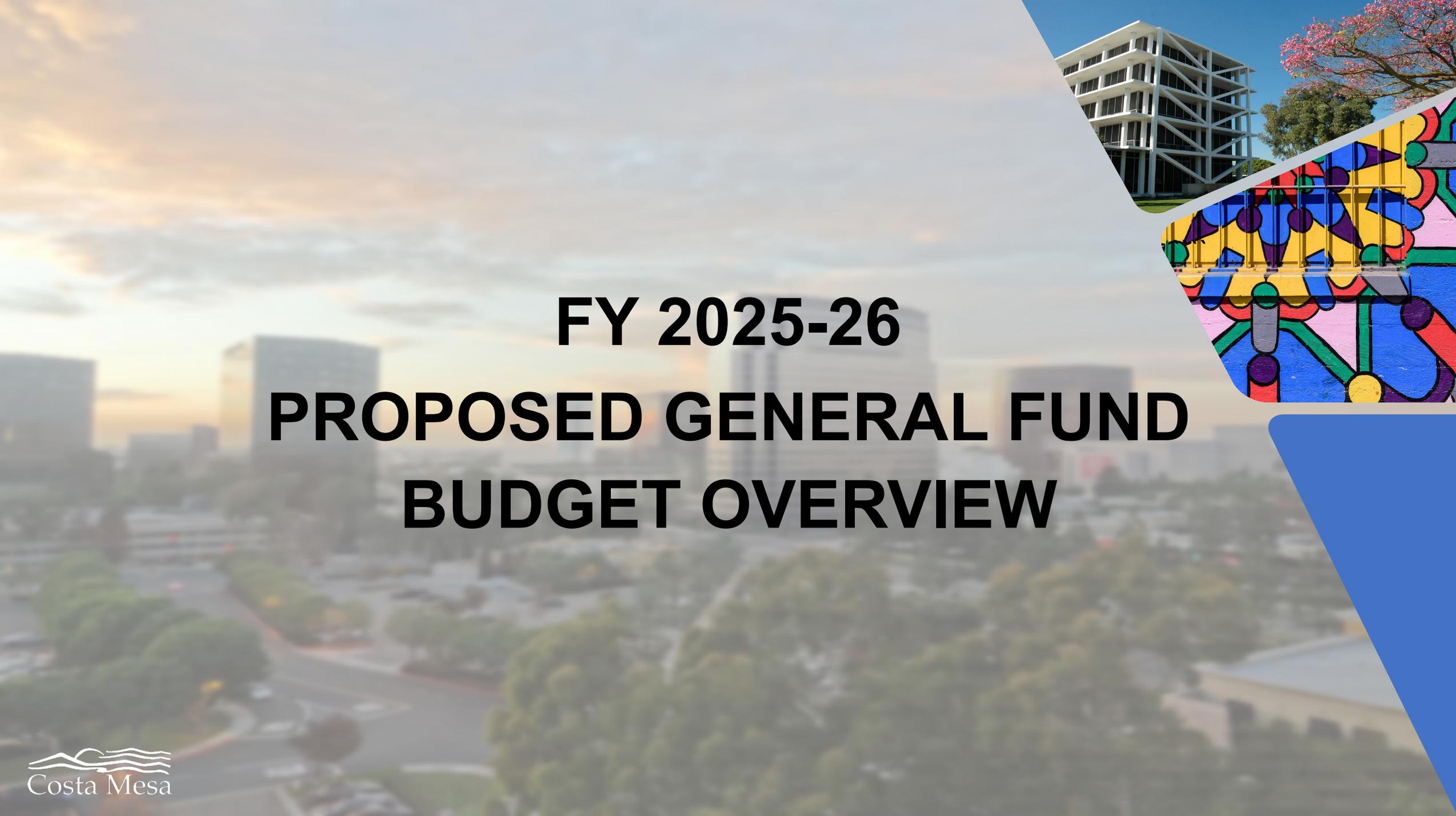
Capital Improvement Program (CIP) All Funds Budget FY 2025-26 is \$28.7M, which includes \$12.0M for Fire Station #2 reconstruction project.

- Adams Avenue Active Transportation Improvements – Multipurpose Trails
- Harbor Boulevard Rehabilitation Project (RMRA funds)
- Park Security Lighting Replacement
- Bicycle and Pedestrian Infrastructure Improvements
- Clean Mobility Options Program - On-Demand Transit Services
- Pedestrian Safety Festival
- Fire Station #2 Reconstruction (Future Bond Funding)

Note: Staff is requesting for a full waiver of a 5% General Fund contribution towards the Capital Assets Needs (CAN) for FY 2025-26. Public Works will be utilizing fund balance in the Capital Improvement Program (Fund 401) to fund \$2.2 million in projects in the Proposed FY 2025-26 Capital Improvement Program (Fund 401).

**PROPOSED CIP BUDGET BY CATEGORY \$28.7M**



The background features a blurred city skyline at sunset with a white semi-transparent overlay. On the right side, there is a colorful mural with abstract shapes in yellow, blue, red, and green. A blue triangle is positioned at the bottom right corner.

# **FY 2025-26 PROPOSED GENERAL FUND BUDGET OVERVIEW**

# GENERAL FUND OVERVIEW (IN MILLIONS)

Category	Adopted FY 2024-25	Amended FY 2024-25	Proposed FY 2025-26	Adopted vs Proposed Increase/(Decrease)	
				Amount	Percent
Estimated Revenues	\$189.9	\$184.0	\$186.9	-\$3.0	-2%
<b>Total Sources of Funds</b>	<b>\$189.9</b>	<b>\$184.0</b>	<b>\$186.9</b>	<b>-\$3.0</b>	<b>-2%</b>
Expenditures					
Operating Budget	180.2	177.2	184.6	4.4	2%
Transfers Out	9.7	6.8	2.3*	-7.4	-76%
<b>Total Uses of Funds</b>	<b>\$189.9</b>	<b>\$184.0</b>	<b>\$186.9</b>	<b>-\$3.0</b>	<b>-2%</b>
<b>Total Surplus/(Deficit)</b>	-	-	-	-	



\* Staff is requesting to enact the “Emergency Exception” clause of the Capital Asset Needs Ordinance, and utilize available fund balance in the Capital Improvement Program (Fund 401) to fund \$2.2 million in projects in the Proposed FY 2025-26 Capital Improvement Program budget to ensure compliance with the required maintenance of effort (MOE).

# GENERAL FUND REVENUE HIGHLIGHTS

- General Fund revenue is projected at \$186.9M, reflecting a decrease of \$3.0M, or 2% from the FY 2024-25 Adopted Budget;
- Sales Tax is estimated at \$75.1M, a decrease of \$6.4M, or 8% from FY 2024-25 Adopted Budget;
- Property Taxes are estimated at \$63.0M, reflecting a 4% growth over the current fiscal year;
- Transient Occupancy Tax are estimated at \$9.8M, reflecting a 3% decrease from FY 2024-25 Adopted Budget of \$10.1M;
- Fees and Charges are estimated at \$13.2M reflecting a decrease \$84K from the FY 2024-25 Adopted Budget; the proposed budget includes some proposed targeted increases based on a User and Regulatory Fee Study; and
- Cannabis taxes are estimated at \$3.6M, an increased by \$196K, or 6% from the current year budget.

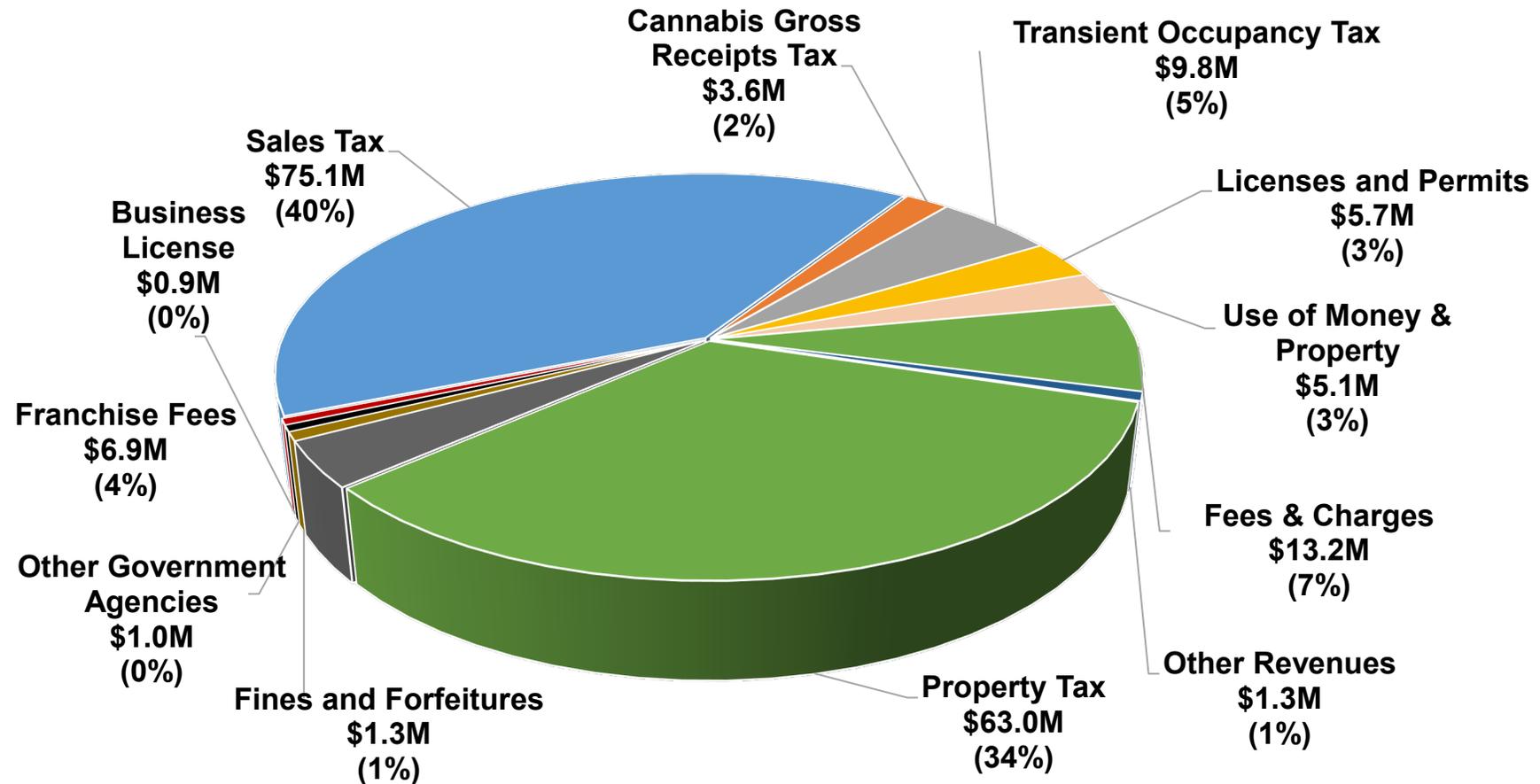
# GENERAL FUND REVENUE HIGHLIGHTS

## **New Proposed Cost Recovery Fees**

- **Technology Enhancement Fee**
  - To recover costs of future development related technology enhancements and system replacement
  - *The proposed fee will be collected as 5% of applicable permit fees*
- **General Plan Update Fee**
  - A new fee is proposed to help offset the costs of General Plan and supporting document updates
  - *The proposed fee will be collected as 5% of applicable permit fees*
- **Credit Card Transaction Processing Fee**
  - The new fee is intended to offset processing fees charged by the City's credit card payment processors
  - Fee will only apply to applicants that pay fees with a credit card.
  - *The proposed fee is 2.7% of the amount paid by credit card*
- **Inflationary Adjustments Fees**
  - *CPI increase of 3.5% will be applied*
- **Golf Course** budget reflects increases to greens fees of \$2 for Juniors and Seniors (M-Th), \$3 for Twilight (\$4 Fri-Sun), and \$5 for 18 holes (\$6 Sat/Sun).
- **Tennis Center** court rental fees are being reviewed but would only have minimal impact to budget regardless.

# FY 2025-26 PROPOSED GENERAL FUND REVENUE

## Total Revenues – General Fund by Category \$186,855,606



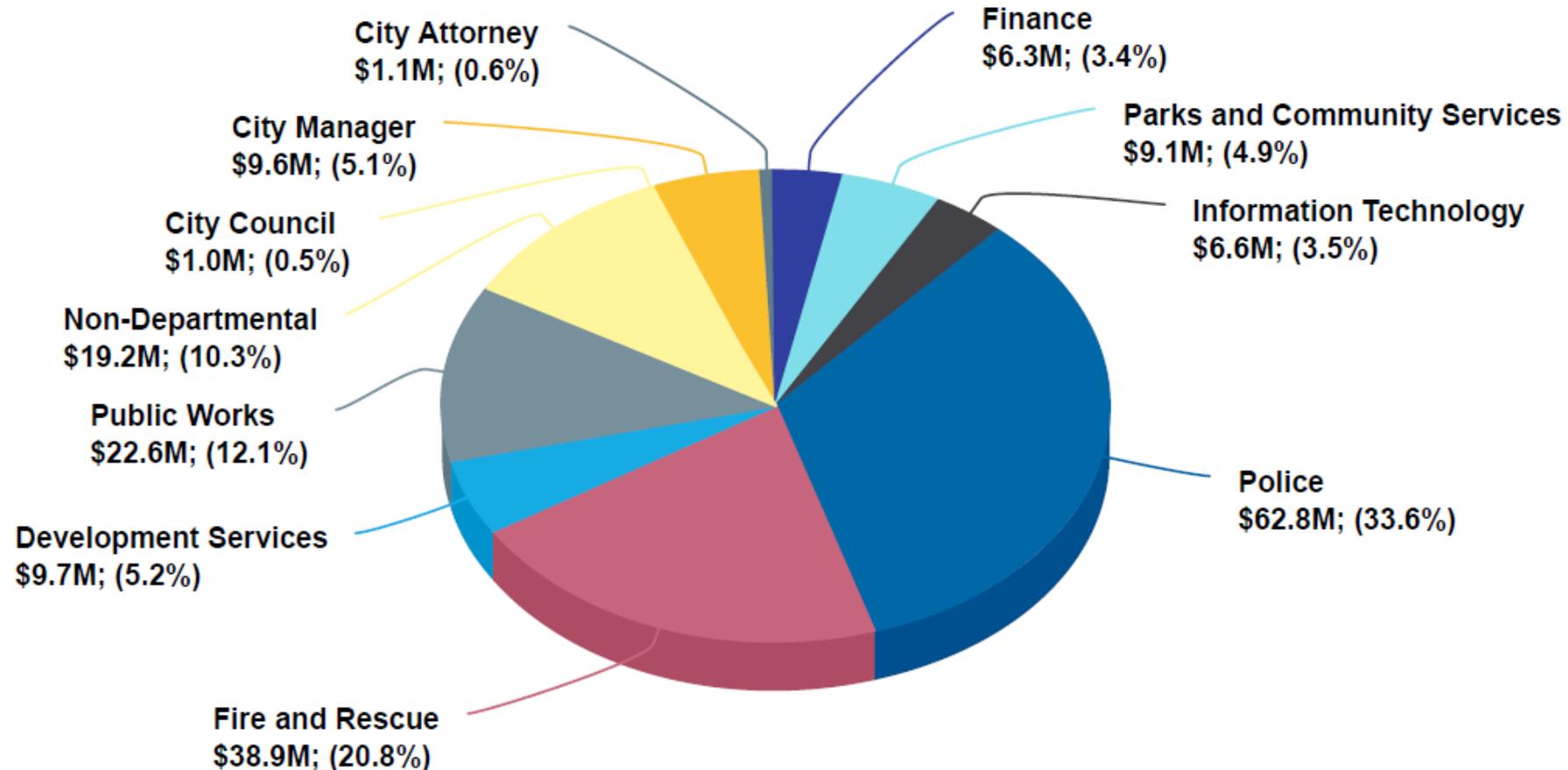
# FY 2025-26 PROPOSED GENERAL FUND HIGHLIGHTS

- Structurally balanced budget with no use of General Fund Reserves or ARPA Funds;
- Includes 54% commitment to Public Safety;
- Funds 1.0 new Custody Officer position in the General Fund, while reducing 3 positions for a net decrease 2 FTEs in the General Fund;
- Staff is requesting to enact the “Emergency Exception” clause of the 5% General Fund revenue contribution towards the Capital Assets Needs (CAN);
- City staff is recommending to utilize available fund balance in the Capital Improvement Program (Fund 401) to fund \$2.2M in projects. The total proposed CIP is \$28.7M, which includes \$12.0M of a future bond for the Fire Station #2 Reconstruction Project;
- Includes \$1.8M in CalPERS year-over-year increase as per CalPERS regulations;
- Continues the \$4.3M vacancy factor (negative appropriation) in the budget, of which \$3.7M is in the Police Department; and
- Allocate \$2.8 million to ensure compliance with the Information Technology Needs Municipal Code requirement of 1.5% of General Fund revenue.

# STRENGTHEN THE PUBLIC'S SAFETY

Public Safety Represents 55% of General Fund

**Total Appropriations – General Fund by Department \$186.9 Million (Includes CIP)**



## **Police Department:**

- Sworn staffing levels at 142 positions;
- Highest level of Police sworn staffing since the Great Recession;
- Other annualized enhancements include:
  - One Custody Officer (Non-Sworn);
  - Salaries and benefits budget increased by a net of \$1.0M to fully fund contractual obligations;
  - \$1.0M in funding for new vehicles; and
  - \$59,915 increase for gun range maintenance, mobile data connection services for first responders, and public safety health counseling services.

## **Fire and Rescue Department**

- Sworn staffing levels at 85 positions;
- Salaries and benefits budget increased by a net of \$1.1 million to fund contractual obligations;
- Increase \$30,000 for firefighters' personal protective equipment;
- Increase \$20,000 for training for Emergency Operations Center, and Telecommunications Staff; and
- Allocate \$99,000 for a light truck for the Community Risk Reduction program.

An aerial photograph of Costa Mesa, California, showing a mix of urban buildings and green spaces. In the upper right, a modern white building with a grid-like facade is visible. Below it, a vibrant, colorful mural with abstract patterns in yellow, blue, red, and green is partially shown. The sky is a soft, hazy blue with light clouds. The overall composition is framed by a white geometric shape on the right side.

**“Focused. Efficient. Resilient.”**  
**Achieve Long-Term Fiscal Sustainability**

# FUND BALANCE - GENERAL FUND

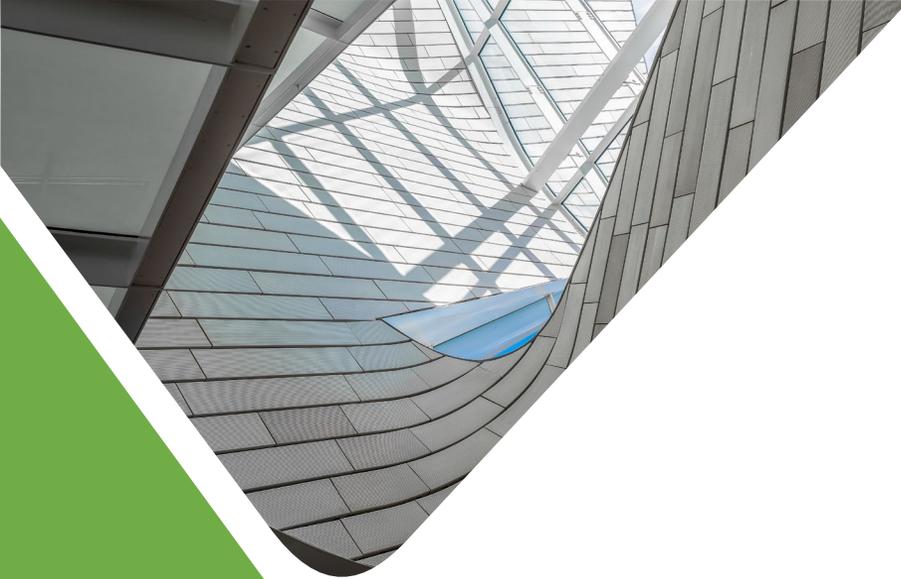
## (IN THOUSANDS)

Fund Balance Category	FY 2020-21 Audited	FY 2021-22 Audited	FY 2022-23 Audited	FY 2023-24 Audited	FY 2024-25 Estimate
<b>Committed</b>					
Declared Disasters	\$14,125	\$14,125	\$14,125	\$14,125	\$14,125
Self-Insurance	2,000	2,000	2,000	2,000	2,000
Economic Reserves	9,000	9,000	9,000	9,000	9,000
<b>Assigned</b>					
Compensated Absences	5,920	5,584	6,210	5,982	5,982
Police Retirement 1% Supplemental	2,275	1,885	1,737	1,572	1,572
Workers Compensation		1,000	2,000	2,000	2,000
Facilities Reserve		2,000	2,000	2,000	2,000
Strategic Plan Project		2,000	2,000	2,000	2,000
<b>Restricted</b>					
Pension and OPEB	1,778	3,061	3,178	3,367	3,367
Non-spendable	965	604	459	631	631
<b>Unassigned</b>	<b>17,429</b>	<b>16,517</b>	<b>16,328</b>	<b>17,686</b>	<b>17,686</b>
<b>Total Fund Balance</b>	<b>\$53,492</b>	<b>\$57,776</b>	<b>\$59,037</b>	<b>\$60,363</b>	<b>\$60,363</b>

## GENERAL FUND

## ACHIEVE LONG-TERM FISCAL SUSTAINABILITY

- Structurally balanced General Fund Budget without the use of reserves;
- Provides full funding for the IT Replacement Fund at 1.5% of General Fund revenues; and
- Includes a \$1.0M in debt payment for the bond payment for the reconstruction of Fire Station #2.



# CITY COUNCIL'S REQUESTS



# CITY COUNCIL'S REQUESTS

- Potential use of reserves to balance the FY2025-26 Proposed Budget instead of deferring the Capital Asset Needs (CAN).
- Review additional Capital Improvement Projects that could be deferred.
- Review current Tennis Center fees and the potential to increase fees to near, or at market rate.
- Review current open contracts that could be reduced.
- Review additional vacant positions that could potentially be eliminated.

# CAPITAL ASSET NEEDS

- City shall allocate a minimum of 5% of General Fund revenue to capital
- Limited use.
  - (a) Capital asset funds shall only be used for the construction, replacement, maintenance, improvement, or modification of city owned or operated capital assets as defined in section 2-208, including construction, design, engineering, project management, inspection, and contract administration. Capital asset funds may be applied toward debt obligations created to fund capital assets where the indebtedness originated after October 15, 2015.
  - (b) The use or loan of capital asset funds for a purpose other than those referenced in this section shall require approval of a supermajority vote of the entire city council
- Emergency exception
  - (a) In the following circumstances, the city need not comply with the requirements set forth in section 2-209, subject to supermajority approval of the entire city council:
    - (1) General fund operating reserve falls below the general fund operating reserve as set forth in section 2-205; or
    - (2) An economic downturn, natural disaster, emergency or other unforeseen circumstances.
  - (b) The exception set forth herein shall require annual supermajority approval of the entire city council.
  - (c) In the event this provision is applied, the city shall develop a plan to replenish the capital asset funds for the amount exempted

# OPTIONAL CAPITAL IMPROVEMENT PROJECTS FOR DEFERRAL



CAPITAL IMPROVEMENT PROGRAM								
Ongoing Capital Improvement Projects								
Remaining Balances as of 05/07/2025								
						Capital Improvement (Fund 401)		
High Priority	Const./ Impl.	Restr. Funds	No.	Proj #	Project Name	Budget	Actuals	Remaining Balance
			1	210019	City Hall 5th Floor Air Handler Replacement	140,000	-	140,000
			2	210021	City Hall Heater(s) Replacement	350,000	-	350,000
✓			3	210026	Police Dept - Locker Rooms Remodel	400,000	-	400,000
✓			4	210027	Police Dept - Weather Proofing	350,000	-	350,000
	✓	✓	5	370010	Mesa Del Mar Multimodal Access	200,000	11,465	188,535
✓			6	370042	Bus Shelter Improvement	300,000	-	300,000
✓			7	800031	Westside Police Sub-Station Improvements	850,000	-	850,000
✓			8	800035	Senior Center- HVAC Replacement	725,000	-	725,000
<b>Total Ongoing Capital Improvement Projects</b>						<b>3,315,000</b>	<b>11,465</b>	<b>3,303,535</b>

# CITY CONTRACTS

Descriptions	Contract Amount
Citywide Parks & Landscape Services	2,695,129
Ambulance Transportation and Staff Services	2,454,000
Street Sweeping Services For Residential & Arterial Streets	747,200
Mobile Video System	740,008
Traffic Signal Maintenance Services	550,000
Citywide Tree Trimming Services	490,000
Animal Shelter Services	480,000
School Crossing Guard Services	326,596
Medical First Aid & EMS Supplies	285,000
Transportation Services for Senior Mobility	277,500
Citywide Janitorial Services	269,442
City Hall & Police Department HVAC maintenance and repair Service	249,168
Ambulance Transport: Billing and Collection Services	240,000
Legal Services for litigation	200,000
Security Guard Services for various City Locations	183,188

# TENNIS CENTER FEES

- Operator pays the City 10% of gross revenue from all court-use revenue sources and Pro Shop sales
- Total Tennis Center is estimated to generate \$1.0 million per year, 10%, or \$100,000 is the City's share
- All fees and charges can be set by the operator and are subject to final approval by the City Manager or designee
- Of the total revenues, court fees generate approximately \$90,000 per year, 10%, or \$9,000 is the City's share

<u>Fountain Valley Tennis Center</u>		<u>Costa Mesa Tennis Center</u>	
<i>Drop-In</i>		<i>Drop-In</i>	
\$12	per hour per court before 6 pm	\$8	per hour per court before 4 pm
\$15	per hour per court after 6 pm	\$12	per hour per court after 4 pm
\$9	per hour per court (seniors) before 6 pm	12	per hour per court Sat/Sun
\$12	per hour per court (seniors) after 6 pm		

# COSTA MESA TENNIS CENTER FEES

PROSHOP	Charge	Description
Tennis - Can of Balls	\$ 3.00	
Tennis - Candy bar	\$ 1.00	
Tennis - Drink	\$ 2.00	
<b>COURTS</b>		
1 hour Court Rental - M-F until 4pm	\$ 8.00	per court per hour
1 Tennis Court Rental - Night/Weekend M-F after 4pm, Sat/Sun	\$ 12.00	per court per hour
Ball Machine 1/2hr	\$ 15.00	
Ball Machine 1hr	\$ 25.00	
Junior Tennis Team	\$ 225.00	per player
Day League rental	\$ 8.00	per court per hour
Night/Weekend League rental	\$ 12.00	per court per hour
Men's Night -King of the Court (open player format)	\$ 6.00	per player
Ladies Double Drill (drills with coach)	\$ 30.00	per player
Adult Live Ball (live ball with coach)	\$ 30.00	per player
<b>USTA Tournament Rates</b>		
<b>Singles</b>	\$ 75.00	per player
<b>Doubles</b>	\$ 23.00	per player
<b>Novice</b>	\$45-60	per player
<b>Group Classes - One Day a week for 5-week (eduardo/patrick/other at 60/40 split)</b>		
Group City Class - Pee Wee	\$ 70.00	
Group City Class - Youth Junior Beginner/Adv Beginner	\$ 100.00	
Group City Class - Youth Intermediate/Advanced	\$ 100.00	
Group City Class - Adult Beginner	\$ 100.00	
Group City Class - Adult Intermediate/Advanced	\$ 100.00	
Group City Class - Adult Advanced	\$ 100.00	
<b>Lessons by Ball Family - contract instructors (80/20 split)</b>		
Ball Coaches - Lesson - 1/2 hour	\$ 50.00	
Ball Coaches - Lesson - 1 hour	\$ 100.00	
Syd Private Lesson - 1/2 hour	\$ 60.00	
<b>Lessons by Eduardo/Patrick - contract instructors (60/40 split)</b>		
Private 1 Hour	\$ 70.00	
<b>Clinics (Semi-Private Lessons) by all coaches</b>		
	\$ 25/30/40	





# FY 2024 - 2025 Major Accomplishments

Tuesday, May 13, 2025



# MISSION STATEMENT

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

## CORE VALUES

- INTEGRITY
- SUSTAINABILITY
- COMPASSION
- INNOVATION
- INCLUSION
- COLLABORATION

# STRATEGIC PLANNING GOALS



**Recruit and retain  
high-quality staff**



**Strengthen the  
public's safety  
and improve the  
quality of life**



**Advance  
environmental  
sustainability and  
climate resiliency**



**Achieve long-term  
fiscal sustainability**



**Diversify,  
stabilize, and increase  
housing to reflect  
community needs**

# EXECUTIVE LEADERSHIP



# City Manager's Office

## Administration



Negotiating with NCAA Division 1 College Football Team



Planned, organized and hosted City signature events such as Earth Day, Love Costa Mesa, July 3rd, Concerts in the Park, Hispanic Heritage Month, Snoopy House



Completing final process for the Land Acquisition of 778 Shalimar Drive including tenant reallocation to City Owned Units



Coordinated with DGS, DDS, and Cal OES to monitor FDC site development, budget funding, and present financial feasibility analysis to DGS



Met with Legislative Review Team to review federal and state activity, bills, and earmark requests

# City Manager's Office

## Administration continued



Tracked and reviewed state budget actions and reviewed federal appropriations process and submitted earmark requests



Track and review Executive Orders, and administrative actions impacting City and responded to council request on impacts to Seniors



Developed City's first Legislative Platform with input from City Department Directors to be presented to City Council



Provided City Departments legislative reports and assistance on reviewing impacts of legislation (Advance Clean Fleets, Sober Living Homes, Prop. 36 & Retail Theft) and on grant applications and securing funding (EECBG, OCTA EMSD, and Safe Streets)

# City Manager's Office

## Constituent Services

- ✓ Managed **287** constituent inquiries
- ✓ Facilitated **404** Council-Constituent requests
- ✓ Supported **37** community outreach events including community resource fairs, legal aid workshops, fair housing and tenant protections workshops
- ✓ Recognized **20** local businesses at the Chamber of Commerce/Ribbon Cutting ceremonies
- ✓ Created **263** Certificates of Recognition & Proclamations
- ✓ Responded to a total of **43** constituent inquiries regarding Tenancy/Housing (TPO)

# City Manager's Office

## Community Outreach & Engagement

- ✓ Assisted City Departments in developing, advertising, and hosting **24** community events/meetings
- ✓ Assisted City Departments in the development and execution of **5** community surveys
- ✓ Attended **20** meetings hosted by community partners
- ✓ Created the **"Let's Go Costa Mesa"** shuttle program outreach and communications campaign that has resulted in increased ridership and brand awareness
- ✓ Created a **"Let's Do Business"** awareness campaign for local businesses interested in service contracts with the City of Costa Mesa

# City Manager's Office

## Community Outreach & Engagement



Worked with Economic and Development Services to develop marketing materials and an outreach campaign in support of the Mobile Home Park Advisory Committee.



Developed marketing materials and outreach campaign for the launch of TESSA Insta-Permits.



Worked with IT to develop a constituent management program through Tyler 311 to



improve responsiveness and tracking capabilities



Working with Public Works to develop a construction signage program to increase branding and community awareness in public corridors and parks

Working with City Departments to host pop-up information booths at city and community events

# City Manager's Office

## Communications & Marketing

- ✓ CMTV won **7** awards across two different award shows
- ✓ Improved public outreach efforts in both English and Spanish for important community issues such as rental assistance, waste management, residential parking, etc. through traditional door-to-door canvassing and social media
- ✓ Created new informational web pages for key topics such as the City's new streamlined Insta-Permits, Community Outreach regarding Fairview Development Center Specific Plan, and the new Mural Permit process
- ✓ Instagram saw strong growth: views up **132%**, reach increased **183%**, followers up **71%**, and content interactions jumped **100%**
- ✓ Facebook performance improved significantly: views up **166%**, reach up **97%**, follows increased **70%**, and content interactions jumped **164%**.

# City Manager's Office

## Communications & Marketing Continued



LinkedIn engagement spiked: impressions up **102%**, reactions rose **166%** and reposts experienced a dramatic **500%** increase



Improved public outreach efforts through both English and Spanish marketing materials for major initiatives



Preparation and development of communication materials, such as City Hall Snapshot, Costa Mesa Minute, and Spanish El Minuto, etc.



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# Network For Homeless Solutions

- ✓ Launched the Street Medicine Program in partnership with CalOptima
- ✓ Added 15 behavioral health beds through a grant with the OC Health Care Agency for **\$3.4M**
- ✓ Completed construction and leased **40** permanent supportive housing units at the Mesa Vista Apartments (formerly Motel 6)
- ✓ The Homelessness & Housing Division hired four new Outreach Workers to provide case management of clients at the Costa Mesa Bridge Shelter
- ✓ Mesa Vista Apartments received **\$23M** in Low Income Housing Tax Credits to complete Phase 2 of the project, which will produce 46 units of affordable housing for very low-income Costa Mesa seniors
- ✓ Hired four new Outreach Workers to provide case management of clients at the Costa Mesa Bridge Shelter
- ✓ Received **\$750k** from Assemblywoman Cottie Petrie-Norris to expand behavioral health care at the Bridge Shelter for 15 additional guests
- ✓ Developed and successfully activated an Inclement Weather Shelter in partnership with the Lighthouse Church, which served over 100 people during two severe weather events
- ✓ Successfully housed **442** individuals since April 2019
- ✓ Received over **2,000** calls to the NHS Hotline from individuals seeking assistance

# Human Resources



Conducted ongoing recruitment processes, in partnership with the Police and Fire & Rescue Departments, implemented a Hiring and Referral Incentive program and negotiated a side letter with the Costa Mesa City Employees Association to retain and proactively attract and hire Public Safety Dispatchers



Conducted an ongoing recruitment process, in partnership with the Police and Fire & Rescue Departments, and implemented a Hiring and Referral Incentive program to proactively attract and hire Police Recruits, Police Academy Graduates, and Police Officers



Completed recruitment for key management positions including the Economic & Development Services Director and Transportation Manager



Continued the Wellness Program offering wellness seminars and activities for all City employees to promote health and safety, including expanding the Employee Assistance Program (EAP)



Developed the Costa Mesa University Leadership, Training, and Mentoring Program for all City employees



Successfully negotiated with CMFA, CMFMA, and CMDMA bargaining groups

# City Clerk's Office



Successfully onducted the 2024 General Election



Concierge Services served **41,571** citizens via telephone and walk-in inquiries and ensured Spanish bilingual staff was available to assist the public



Processed **1,076** public records requests in compliance with the Public Records Act



Processed **54** Subpoena for Records/Appearance and **15** Summons



Successfully conducted **24** City Council Meetings: **19** Regular City Council Meetings and **5** City Council Study Session meetings via hybrid format (in person and via Zoom)



Provided English/Spanish translation and interpretation services at all **24** City Council meetings and provided Spanish translation of all the agendas and agenda reports



Promoted transparency in local government by facilitating the scanning/importing of **5,000** documents into the Laserfiche Electronic Document Imaging System and providing the public access to these documents



Successfully completed three Commission and Committee recruitments

# Economic & Development Services

## Housing



**350** total housing units approved, including **118 Accessory Dwelling Units (ADUs)**



Completed approval for the Jamboree Housing affordable senior residential development with **70** units, next to the City's Senior Center



Currently processing housing applications totaling over **1,300** units



Housing Grants team administered **\$1.4** million in CBDG/HOME funds, assisting with **10** rehabilitation loans and rental assistance for **92** individuals including children

# Economic & Development Services

## TESS A



Rollout of **10** distinct InstaPermits to streamline and provide better customer service for residents



City's Online permitting system, TESSA, given the "Turning Red Tape into Red Carpet" award by the Orange County Business Council

# Economic & Development Services

## Long Range Planning



Completed the Request For Proposal and launched the Rezoning Program in March 2025 (Last major step for Housing Element to be eligible for certification)



Launched the Climate Action and Adaptation Plan effort in December 2024. Successful Community engagement launch at City's Earth Day Event

# Economic & Development Services

## Building & Code



Code Enforcement addressed **1,800** complaints and inquiries, and managed **800** code enforcement cases



Building and Safety Division issued **2,800** building permits and inspectors performed **24,000** next business day building inspections

# Fire & Rescue

- ✓ Completed a recruitment and hiring process for Firefighter & Firefighter/Paramedic, Promotional Testing, & expanded Cadet/Intern Programs
- ✓ Responded to **13,749** emergency incidents, inclusive of 15 Cal OES deployments
- ✓ Transported **7,790** patients
- ✓ Recovered **\$7.5M** in ambulance transportation cost recovery revenue
- ✓ Conducted **2,929** fire & life safety inspections
- ✓ Reviewed **984** plan check reviews
- ✓ Made strong progress on CMFR's five-year Strategic Plan (2022-2027)
- ✓ Began Fire Station No. 2 reconstruction efforts
- ✓ Provided support for Fire Station No. 4 Regional Training Facility and Tower construction
- ✓ Placed a new fire engine, a new tiller truck, and six ambulances into service
- ✓ Implemented new technologies and innovations including a new Drone Program and Tablet

# Police Department



Responded to **98,360** police calls for assistance in Costa Mesa



Made **5,143** criminal arrests protecting victims and property owners



Issued **9,698** traffic citations in our efforts to reduce traffic collisions and save lives



Overall crime reduction in Part I Crime in 2024 (**-11.67%**) including **-40%** Robbery, **-12%** Burglary, **-20%** Theft, **-6%** Motor Vehicle Theft



Utilized State grant funding to prevent and investigate Organized Retail Theft (ORT), resulting in a **30%** decrease in ORT incidents.



Acquired a new State of the Art Body Worn Camera (BWC) and in Vehicle Cameras (IVC) provider to improve on evidence collection, integration with other agencies and personnel oversight.



Expanded our Automated License Plate Reader coverage to **46** cameras, with an additional **18** community sponsored, totaling **64** ALPR cameras. The technology assisted in making over **70**

# Police Department Cont.



Acquired innovative technology and tools to increase apprehension rates and reduce crime, including data analytic software, vehicle forensic software, mobile phone forensic software, and other technologies



Successful processed of **55** sworn/recruits and **21** professional staff resulting in **44** employees hired. **12** promotions - **5** Sergeants, **3** community services specialists, **1** custody officer, **1** park ranger, **2** senior police records technicians



Expanded wellness services, providing programs to address the physical and mental demands placed on law enforcement professionals



Community Policing Unit cleared **110** encampments, housed **25** people, connected 20 individuals with detox treatment and reconnected several people with family support out of state. In addition, they made **255** arrests and issued **38** citations



CMPD's social media grew by **9,031** followers and with Nextdoor, the police department has a total of **112,941** social media platform followers



CMPD hosted **63** community outreach and events, including Coffee with a Cop, National

# Information Technology



Upgraded Windows Server Operating Systems



Upgraded Microsoft Office Suite and Implemented Teams



Created a separate intranet site for the Police Department



Implemented a new Fire incident response GIS web map application for the Fire Department



Audited Campus Fiber to mitigate network downtime at City Hall



Updated Enterprise Storage Array for better performance, capacity, resiliency, and speed



Replaced battery backup power for Dispatch to increase runtime and reliability



Created and implemented SQL Server Reporting Services for Finance Department

# Parks and Community Services

## Programs & Services



### Senior Center

- Meals on Wheels: **38,911** served to seniors
- Senior Mobility Program increased ridership by **30%** from **17,000** to **22,000** rides



### Partnership

- NMUSD, SOY and Other Local Organizations in providing a Spring Camp Conducting **1,300** swim lessons to local youth



### New Adaptive Programming

- Over **400** participants within **4** seasonal dance and special events
- Implementation of resource fairs that have hosted over **30** vendors



### Fairview Park

- Fairview Park Master Plan Draft Completion
- Mesa Restoration Project
- Initiated Bluff restoration project

# Parks and Community Services

## Programs & Services Continued



### **NMUSD**

- Provided security services to Whittier, Wilson, and Rea Elementary for joint-use field access



### **Tennis Center**

- Implemented a new tennis court management system



### **Arts and Culture**

- Installation of the Poet Laureate, Danielle Hanson
- Expanded ARTventure to a multi-day event
- Awarded **\$20,000** in grants to local artist and art organizations
- Adopted guidelines for Public Art donations
- Implemented best practices and a free permitting process through TESSA for murals on private property

# Public Works

## Transportation

- ✓ Launched Let's Go Costa Mesa On-Demand Micro Transit Service
- ✓ Completed Citywide Bicycle Wayfinding Signage Project
- ✓ Organized Bike/Walk to School Days and Continued Bicycle Safety Education Program
- ✓ Completed Mobility Improvements at Adams Avenue and Pinecreek Drive Intersection
- ✓ Completed Design of Fairview Road Active Transportation Improvements (Fair Drive to Newport Boulevard)
- ✓ Lowered Posted Speed Limits on Over **70** Roadway Segments

# Public Works

## Engineering

- ✓ Completed Construction of Adams Avenue Street Rehabilitation Project
- ✓ Completed Police Department Range Remodel
- ✓ Completed Design of Shalimar Park and Ketchum-Libolt Park Improvements
- ✓ Conducted Outreach and Preliminary Design of Costa Mesa Skate Park Expansion
- ✓ Completed Design and Construction of Several Pavement Rehabilitation Projects to Maintain High Pavement Condition Index (PCI)
- ✓ Substantially Completed Design of New Fire Station #2
- ✓ City Hall Training Room and Information Technology Offices

# Public Works

## Maintenance



Installation of LED Sports Field Lighting at Various City Athletic Facilities



Completed Installation of Pickleball Courts and Resurfacing of Tennis Courts at Costa Mesa Tennis Center



Addressed **1,500** Tree Related Service Calls



Responded to **6,540** Graffiti Abatement Requests Within 24 Hours



Removed **7,500** Bulky Items from City's Right-Of-Way

# Public Works

## General Services



Secured Local Assistance Grant Funds and Continued Education on Organics Recycling



Processed **680** Construction and Demolition Permits and 174 Contractor



Self-Haul Permit Applications



Developed Plan to Modernize City's Fleet



Substantial Completion of Fire Station #4 Training Tower Construction



Completion of Café Mesa at Lions Park

Initiated Facilities Needs Assessment Study

# Finance

- ✓ Maintained the City's AA+ Lease and Revenue Bond credit rating
- ✓ Implemented the new Citywide Master Fee and Charges Schedule with the annual budget process
- ✓ Exceeded City Council reserves policy by **\$5M** by Fiscal Year 2024-25
- ✓ **\$6M** in year end savings helped go towards Lions park Café, Fire Training Tower, Housing Element and Visioning plan, Golf Course and Tennis Center, and bus shelters improvements
- ✓ Strategically utilized remaining ARPA to offset the fiscal impact of the pandemic, including
- ✓ Housing Trust Fund, rental assistance, Project Homekey, and tenant eviction protection
- ✓ Allocated **\$2.4M** for Housing Element and Visioning Plan from Year End Savings
- ✓ Received national and state awards for budget and finance excellence
  - GFOA Certificate of Recognition
  - GFOA Distinguished Budget Award
  - CSMFO Operating Budget Excellence Award
- ✓ Completed financing of two fire apparatus
- ✓ Initiated payments for two fire apparatus and four ambulances and police armored rescue

# FINANCIAL ACHIEVEMENTS

- Strategically utilized remaining ARPA to offset the fiscal impact of the pandemic, including Housing Trust Fund, rental assistance, Project Homekey, and tenant eviction protection;
- Eliminate the structural deficits contained in multiple funds (Self-Insurance Fund and Equipment Replacement Fund);
- Achieved and exceeded the City Council Reserve Fund Balance Policy of \$55M by \$5.0M; and
- Maintained City's underlying AAA rating and AA rating on its 2017 Lease Revenue Bonds.

# FY 2025-26 Budget Calendar

FY 2025-26 Proposed CIP Budget Review	<b>Finance and Pension Advisory Committee</b>	April 9, 2025
FY 2025-26 Proposed CIP Budget Review	<b>Parks, Arts and Community Services Commission</b>	April 10, 2025
FY 2025-26 Proposed CIP Budget Study Session	<b>City Council</b>	April 22, 2025
FY 2025-26 Proposed CIP Budget Review	<b>Planning Commission</b>	May 12, 2025
FY 2025-26 Proposed Budget Study Session	<b>City Council</b>	May 13, 2025
FY 2025-26 Proposed Operating Budget	<b>Finance and Pension Advisory Committee</b>	May 14, 2025
FY 2025-26 Proposed Operating and CIP Budget Public Hearing	<b>City Council</b>	June 3, 2025
FY 2025-26 Proposed Operating & CIP Budget Special Meeting/ Study Session #2 (if necessary)	<b>City Council</b>	June 10, 2025
FY 2025-26 Proposed Budget Adoption (if necessary)	<b>City Council</b>	June 17, 2025





**“Focused. Efficient. Resilient.”**

# Along With Market Indices and Consumer Sentiment

## S&P 500 INDEX + Follow

SPX:IND  
(USD) · Market open

5,622.04 ▼28.34 -0.50%

Delayed price as of 12:24 PM EDT 05/06/25.

Summary Related News Index Info

1D 1M 6M YTD 1Y 5Y News  Add a comparison



### Overview

OPEN	1 YEAR RETURN	DAY RANGE
5,605.87	10.45%	5,586.04 - 5,649.58
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
5,650.38	-4.00%	4,835.04 - 6,147.43

## NASDAQ Composite Index + Follow

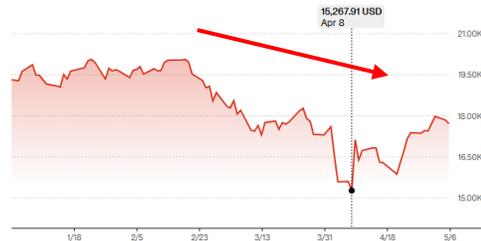
CCMP:IND  
(USD) · Market open

17,788.52 ▼55.72 -0.31%

As of 12:20 PM EDT 05/06/25.

Summary Related News Index Info

1D 1M 6M YTD 1Y 5Y News  Add a comparison



### Overview

OPEN	1 YEAR RETURN	DAY RANGE
17,623.21	9.78%	17,592.88 - 17,830.35
PREV. CLOSE	YTD RETURN	52 WEEK RANGE
17,844.24	-8.40%	14,784.03 - 20,204.58

## Bloomberg Dollar Spot Index + Follow

BBDXY:IND  
(USD) · Market open

1,218.53 ▼2.24 -0.18%

As of 12:44 PM EDT 05/06/25.

Summary Related News

1D 1M 6M YTD 1Y 5Y News  Add a comparison



1 YEAR RETURN	DAY RANGE
2.00%	1,217.86 - 1,225.17
YTD RETURN	52 WEEK RANGE
-6.91%	1,212.03 - 1,325.10

## U.S. CB Consumer Confidence Create Alert

1Y 2Y 5Y max P



## United States Michigan Consumer Sentiment

1Y 3Y 5Y 10Y MAX Compare +

Export API

