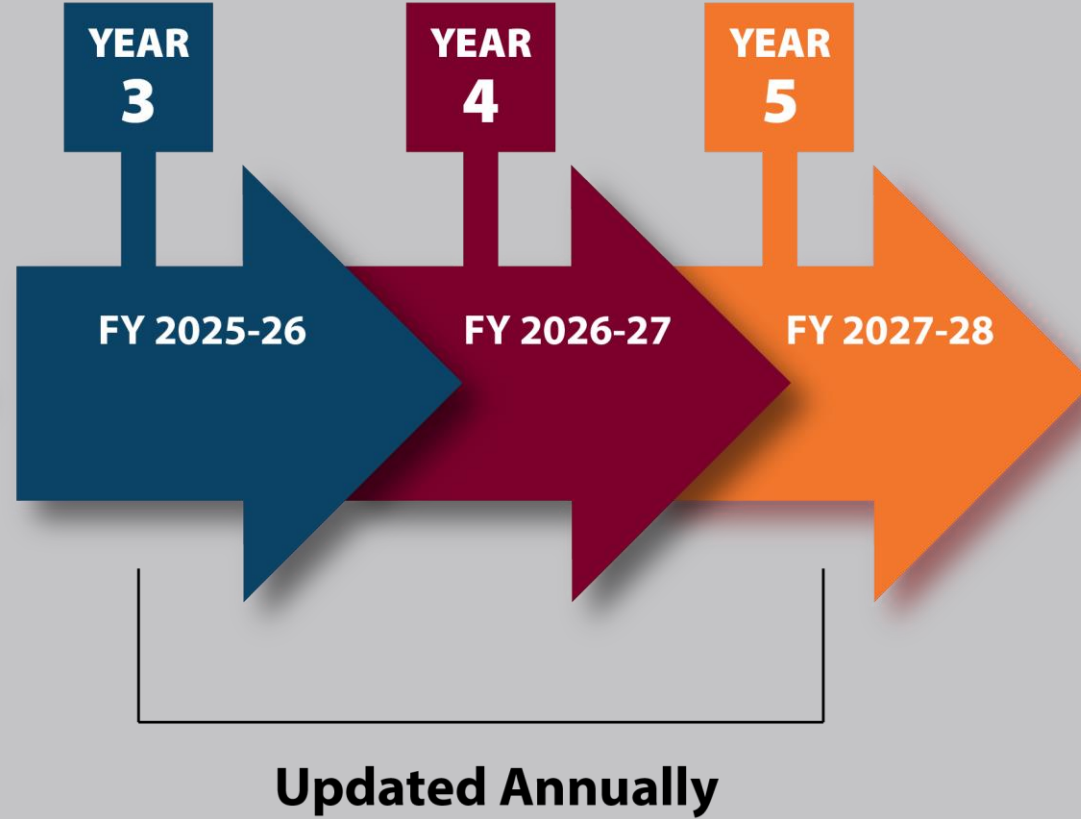
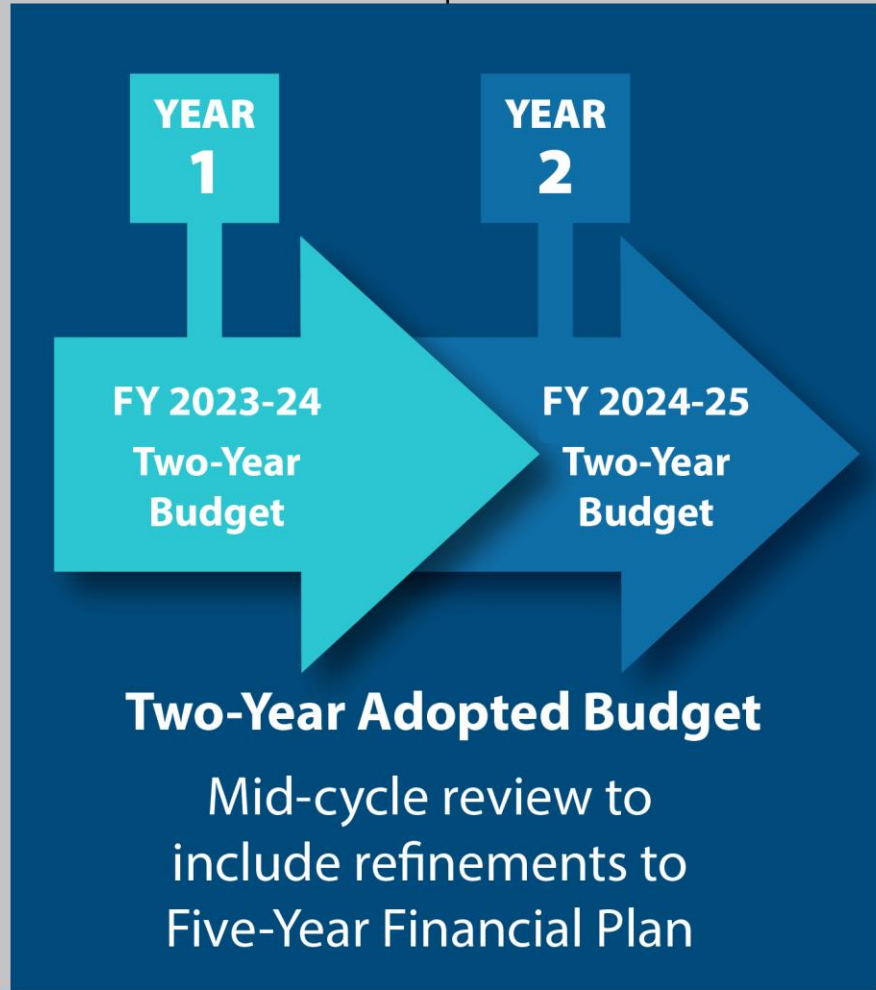




City of Irvine
Community Budget Meeting
Fiscal Year 2023-25



Budget Development - Biennial Budget in the Context of a Five-Year Financial Plan



OCTOBER

BUDGET CYCLE BEGINS
Internal Review


JULY 1 (YEARTWO)

New Fiscal Year 


NOVEMBER

 Revenue & Expenditure Estimates

JUNE (YEAR ONE)

Year 2 Review & Mid-Cycle Adjustments 

JANUARY

 Baseline Budgets & Balancing Measures

JULY 1

New Fiscal Year 

MARCH

 Community Meetings

JUNE

City Council Budget Presentation & Budget Adoption 

APRIL–MAY

 Department Budget Presentations to Commissions

FY23–25
2-Year
Budget Cycle

Budget Outreach

Budget Survey launched in October 2022 for the FY 2023-25 Budget

- Online survey was opened for one month
 - 11 survey questions
 - 388 responses
- Survey is currently open for additional input
 - www.cityofirvine.org/budgetsurvey



Community Budget Meetings

- In-person outreach meetings March 21-23
- Presentation will be posted on City website



Budget Overview

- Recovering financially from the COVID-19 pandemic, as the past few years have seen fluctuations in revenues and expenditures
- Enhancing and maintaining City services
- **One Irvine** values
 - Humility, innovation, empathy, passion, integrity
- Mindful of upcoming challenges
 - Economic slowdown, labor market, and increasing costs

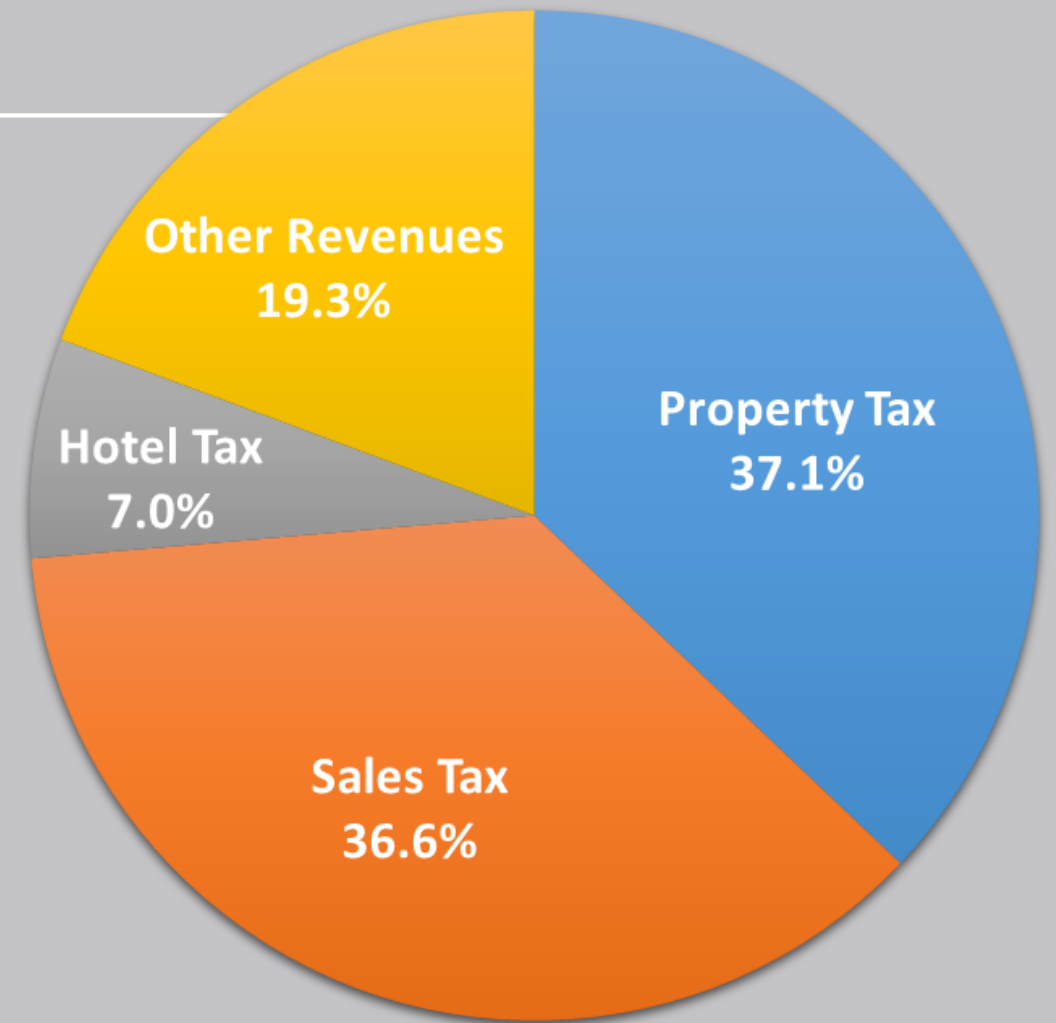
	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Proposed	2024-25 Proposed	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
GENERAL FUND								
Revenues & Transfers-In	194,380,043	234,614,184	235,350,137	252,639,578	262,573,225	272,082,618	281,544,046	292,363,852
Expenditures & Transfers-Out	198,074,620	205,845,826	234,952,923	252,637,103	262,272,201	271,704,049	281,480,566	291,787,942

**ARPA and year-end adjustments removed to show General Fund operating trend.*

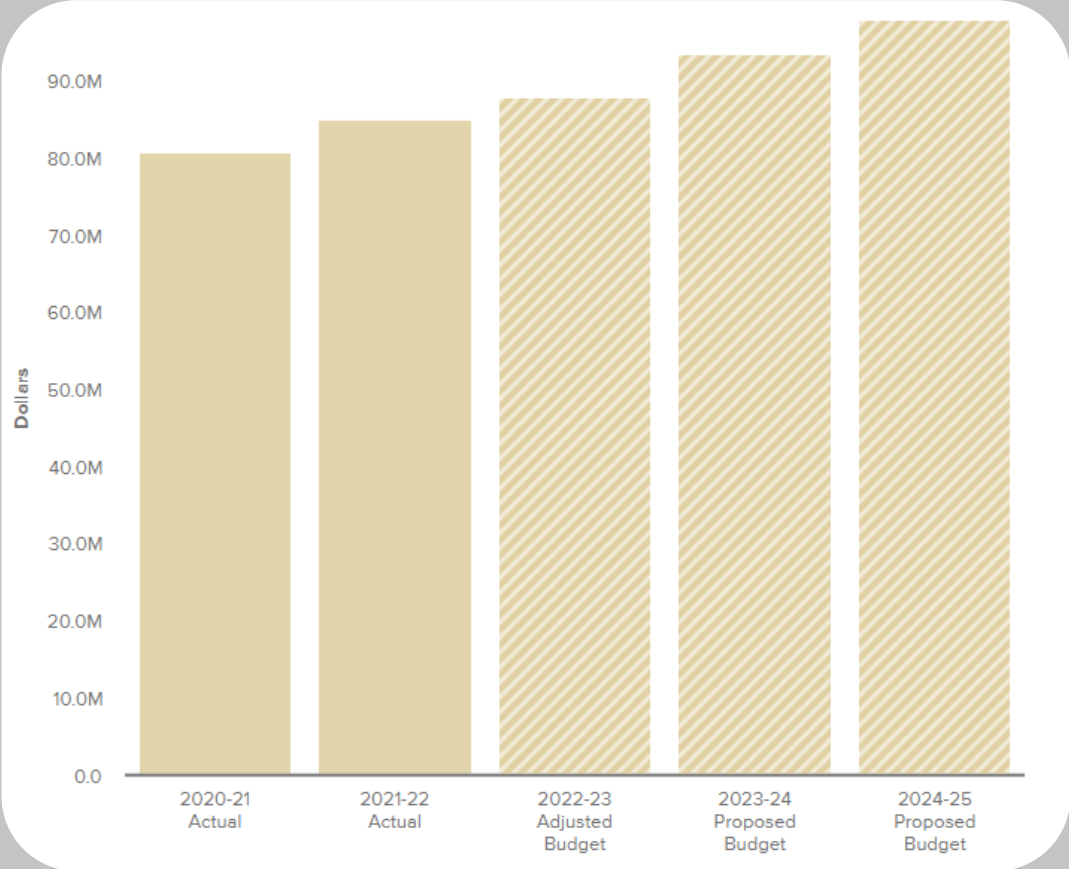


General Fund Revenues

- Top 3 revenues make up 81% of General Fund
- Revenues have recovered from the COVID-19 pandemic
- Stabilized growth in FY 2023-25 budget
- Monitoring economic slowdown and challenges



Property Tax

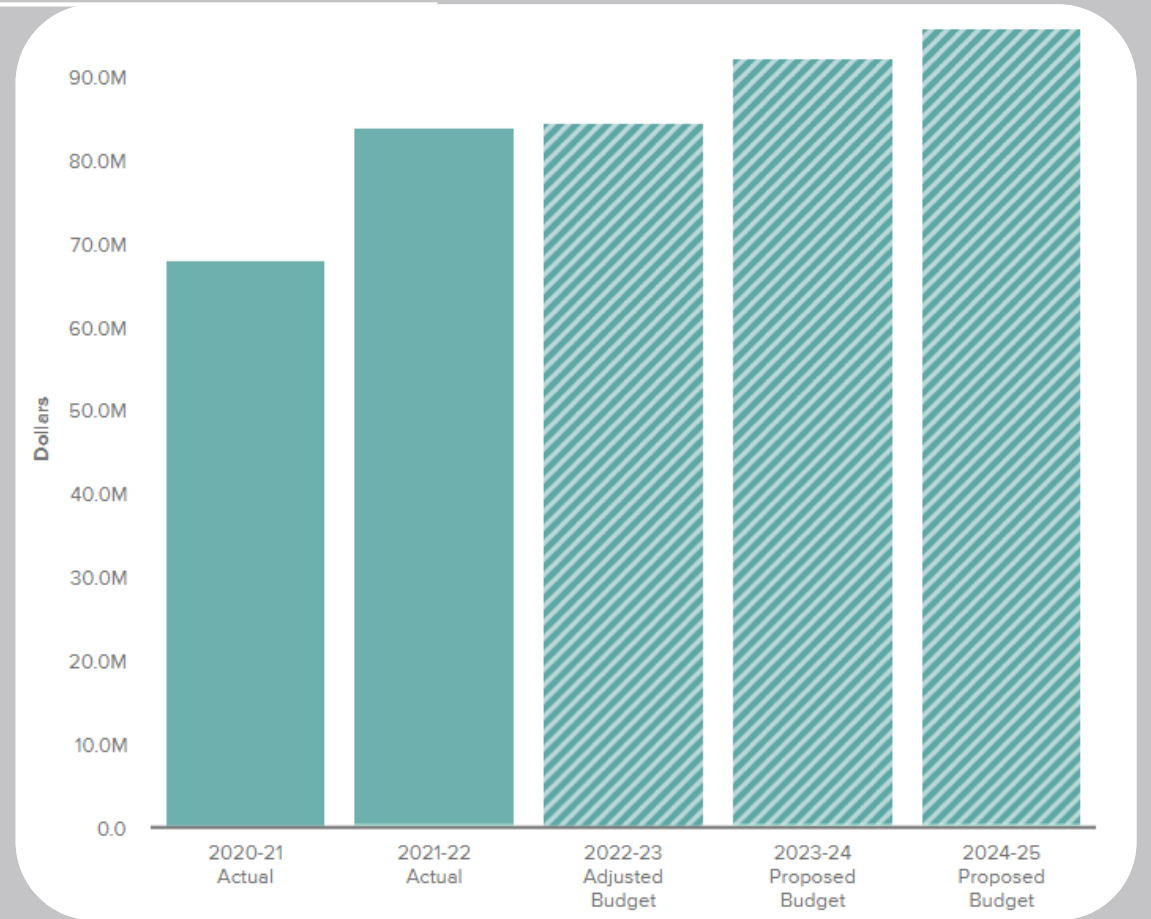


- Largest revenue source
- Irvine’s assessed valuation from OC: \$100 billion
 - Prior sales and market value increases added value to the City
- Higher interest rates and slowdown in market result in slightly lower growth rate

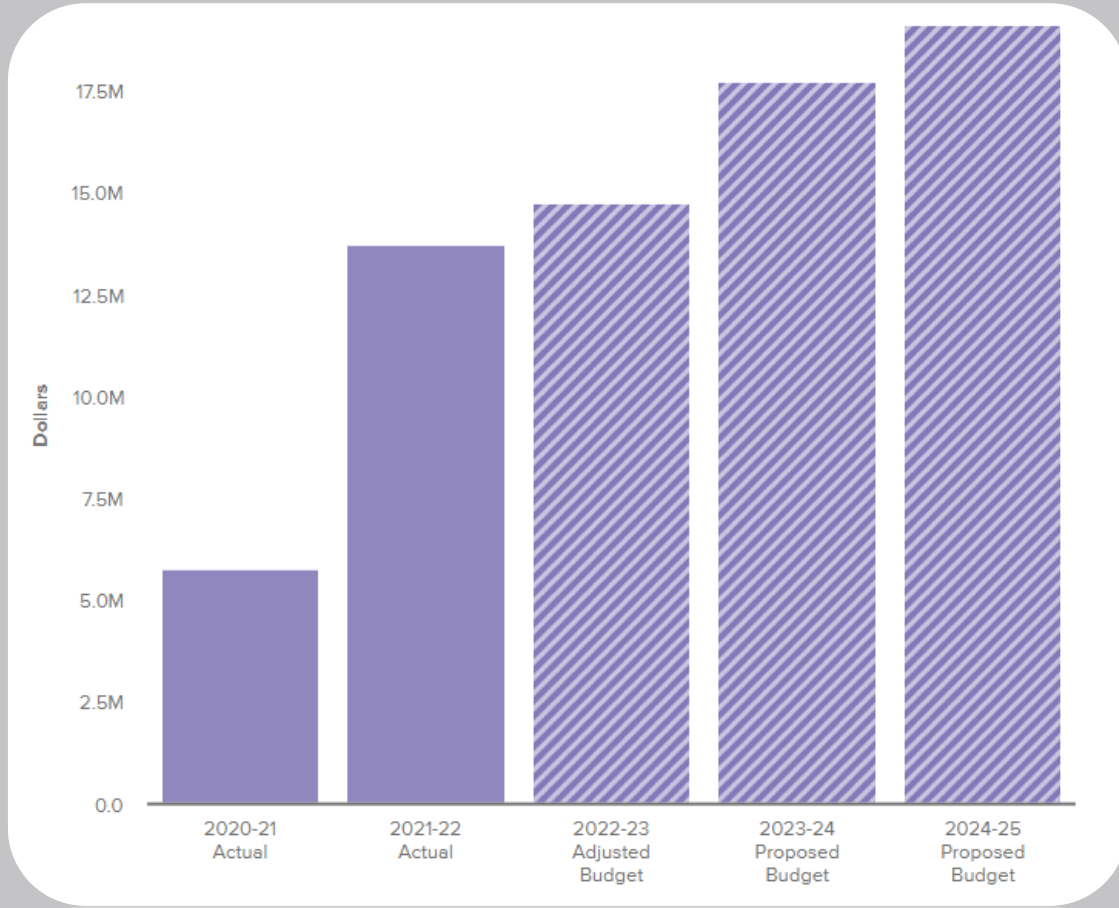


Sales Tax

- Experiencing higher consumer spending in:
 - Sit-down casual dining
 - Automobile sales
 - Business-industry gains
- Outperforming surrounding areas, including the State
- Volatile to external factors



Hotel Tax

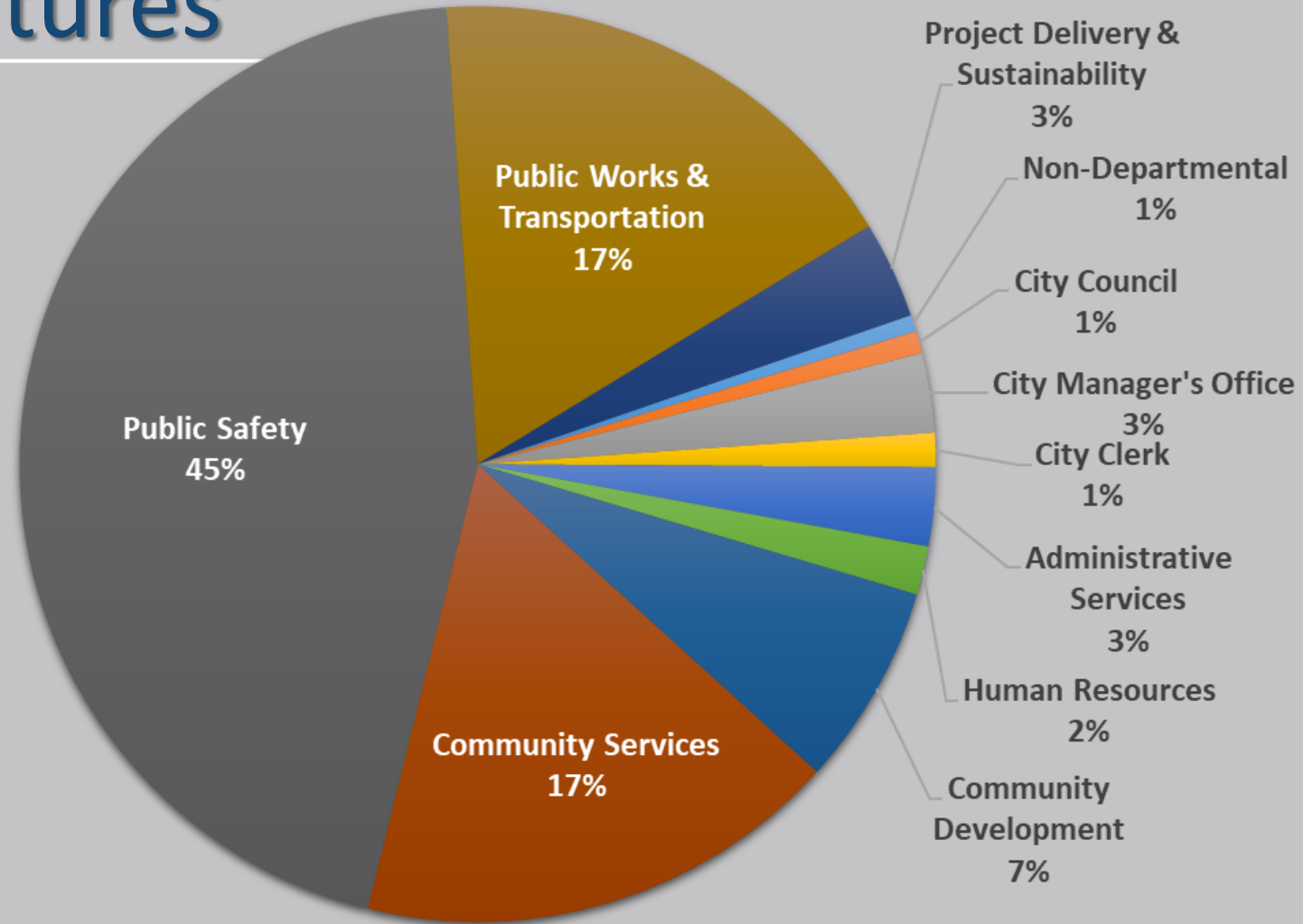


- Heavily impacted by COVID-19 due to closures and restrictions
- Occupancy still lower than pre-COVID-19 levels, but offset by higher rates
- Nature of travel shifting from business to leisure travel
- 23 hotels located in Irvine

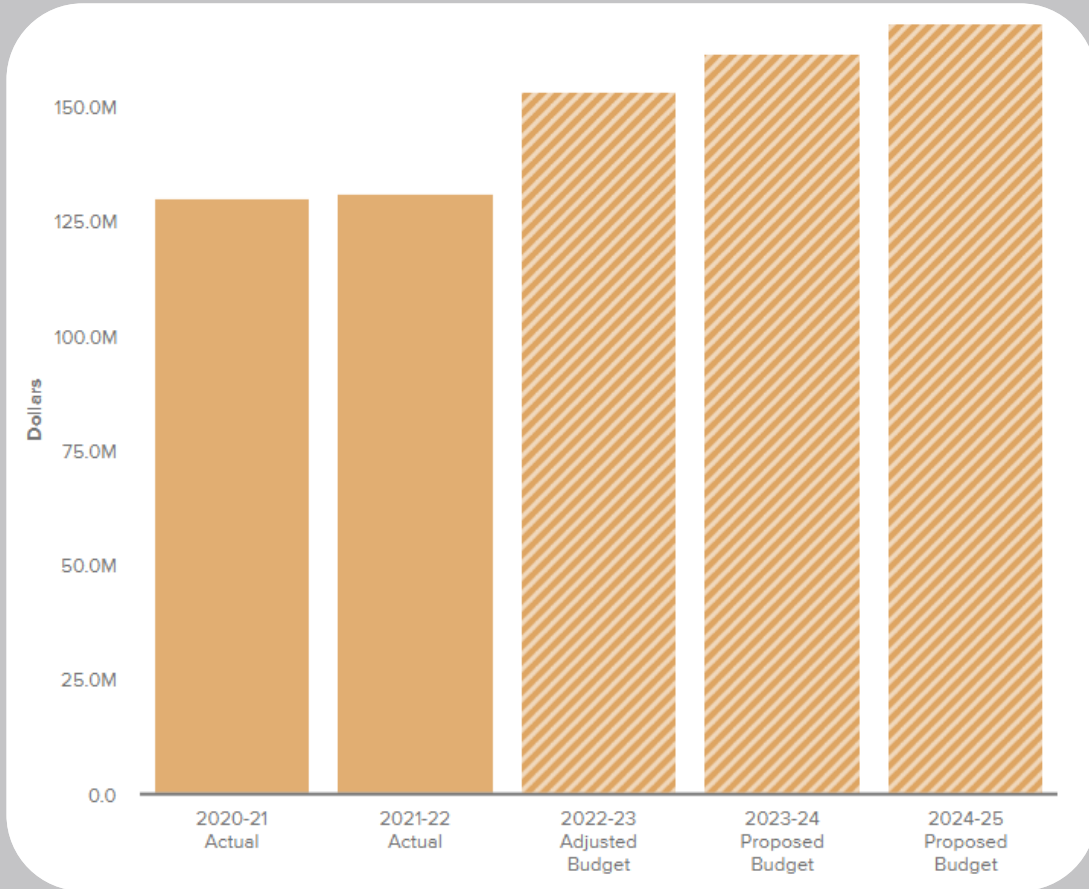


General Fund Expenditures

- Managing expenses while improving City services
- Of note, the City recently implemented a reorganization plan to emphasize capital project delivery, sustainability efforts, and health / wellness activities



Salaries & Benefits

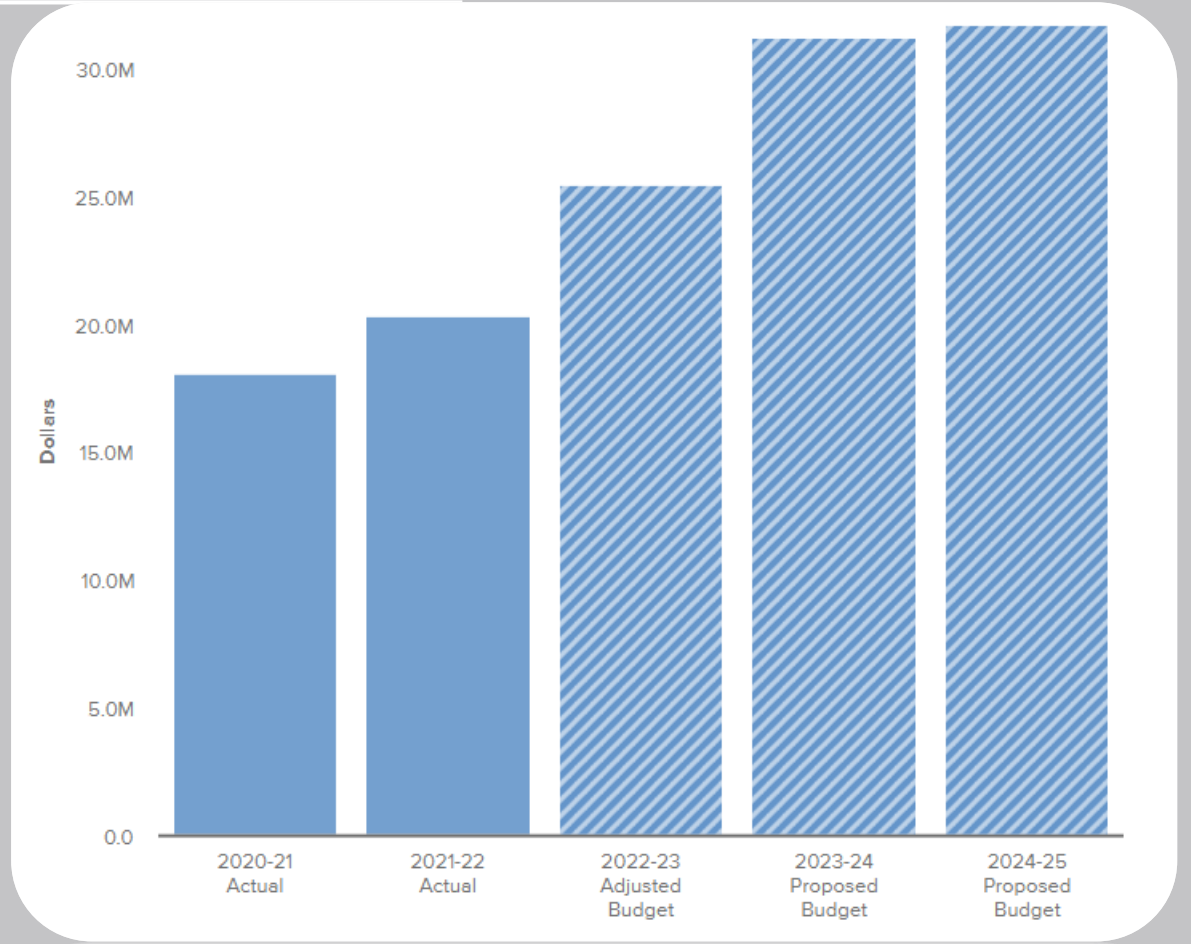


- **City enhancements:**
 - 10 position upgrades from Extended Part-Time to Full-Time
 - 5 additional Special Fund Full-Time positions
- Includes latest MOU agreement
- Continuing CalPERS additional payments to lower future costs



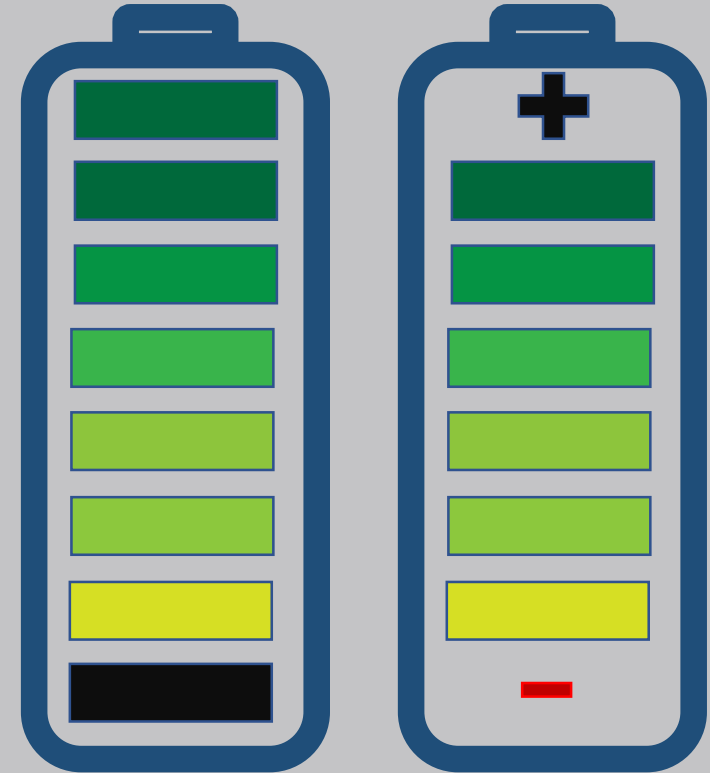
Contract Services

- City experiencing increasing costs across the board, with the most pronounced impacts seen in construction, labor, and materials expenditures
- Reallocation of facilities rehabilitation services from Special Funds to General Fund

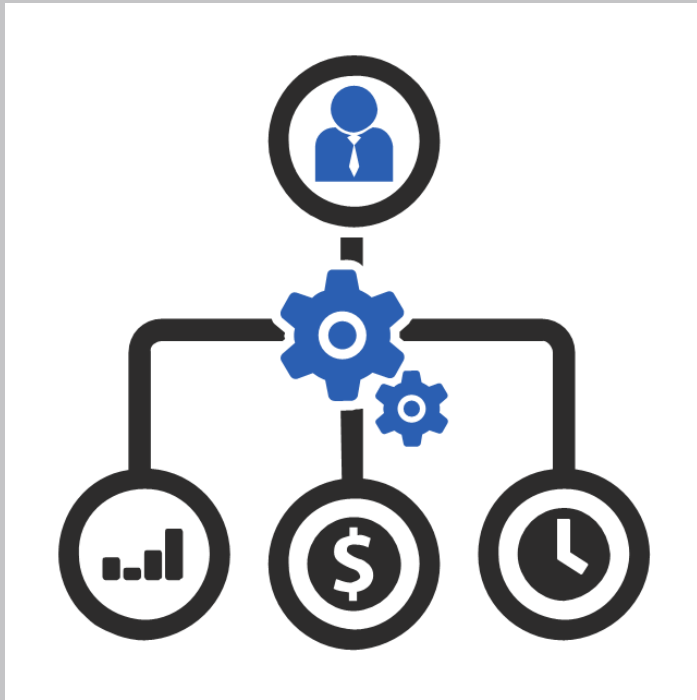


Contingency Reserve

- City Council goal to maintain a contingency reserve level of 25%
- As General Fund expenditures increase, the reserve level percentage decreases
- Projected balance: **\$59.1 million**
- Projected reserve level: **24.5%**
- Replenishing reserve levels are considered during the end of each fiscal year



Capital Improvement Program



**\$85 Million in Projects
over Two Years**



Featured projects:

- Intersection enhancements
- Pavement rehabilitation
- Traffic signal vehicle and bicycle detection system
- Woodbridge pickleball courts
- Oak Creek Community Park improvements
- Great Park synthetic turf installation
- Bill Barber Gymnasium – Council directed project to proceed. Details will be brought back when the project is ready.



Questions?

Provide additional input through the online Budget Survey
www.cityofirvine.org/budgetsurvey

This presentation will be posted on the City website
www.cityofirvine.org



CITY OF IRVINE
FY 2023-25 Community Budget Meeting

