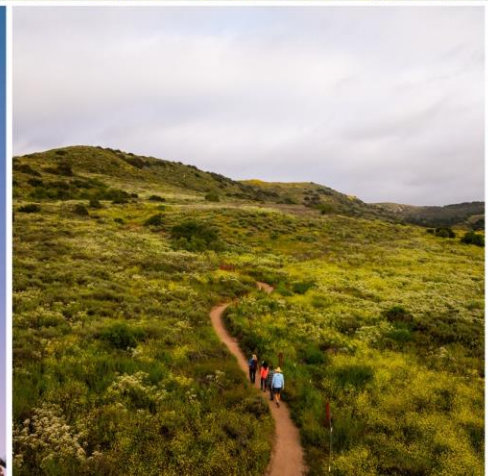




City of Irvine

Community Budget Meeting



Budget Development

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

Year
1

FY 2025–26

Two-Year Budget

Year
2

FY 2026–27

Two-Year Budget

Year
3

FY 2027–28

Year
4

FY 2028–29

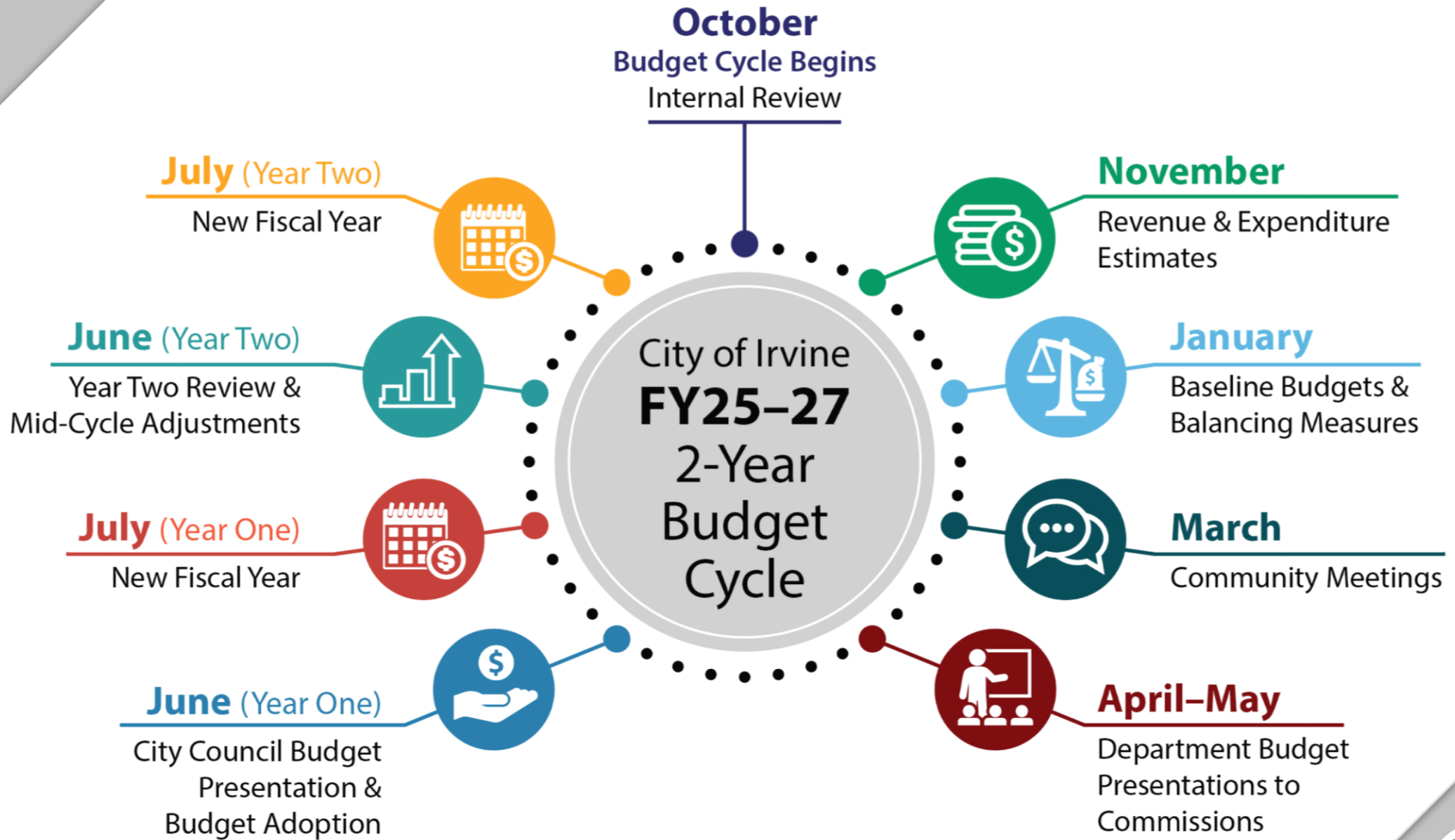
Year
5

FY 2029–30

Two-Year Adopted Budget

Mid-cycle review to include refinements to Five-Year Financial Plan

Updated Annually



Budget Outreach

Budget Survey launched in October 2024 for the 2025-27 Budget

- Online survey was opened for two months
 - 13 survey questions with 399 responses
- Survey is currently open for additional input
 - www.cityofirvine.org/budgetsurvey



Community Budget Meeting

- In-person outreach meeting March 13th
- Presentation will be posted on City website

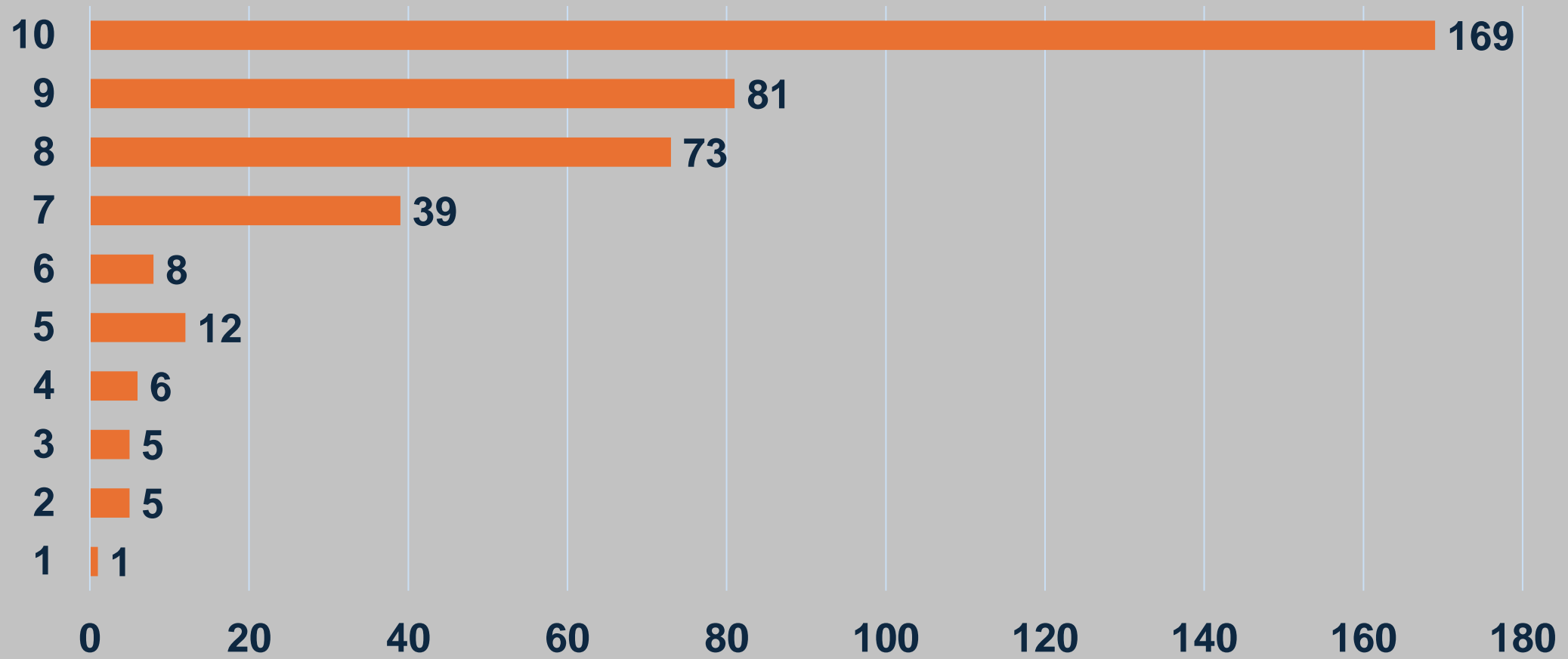


Community Budget Meeting



Budget Survey Result

Compared to other cities, how would you rate Irvine as a place to live?



Budget Overview

- Enhancing and maintaining core City services
- **One Irvine** values
 - Humility, innovation, empathy, passion, integrity
- Mindful of upcoming challenges
 - Tariffs, inflation, economic slowdown, and labor market

GENERAL FUND	2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Proposed	2026-27 Proposed	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Revenues & Transfers-In	254,626,018	262,032,110	277,543,660	299,267,692	311,044,591	325,349,069	338,165,430	351,493,797
Expenditures & Transfers-Out	235,283,333	257,403,197	277,543,660	299,262,314	311,034,890	325,345,838	338,158,201	351,484,536

**Year-end adjustments removed to show General Fund operating trend.*

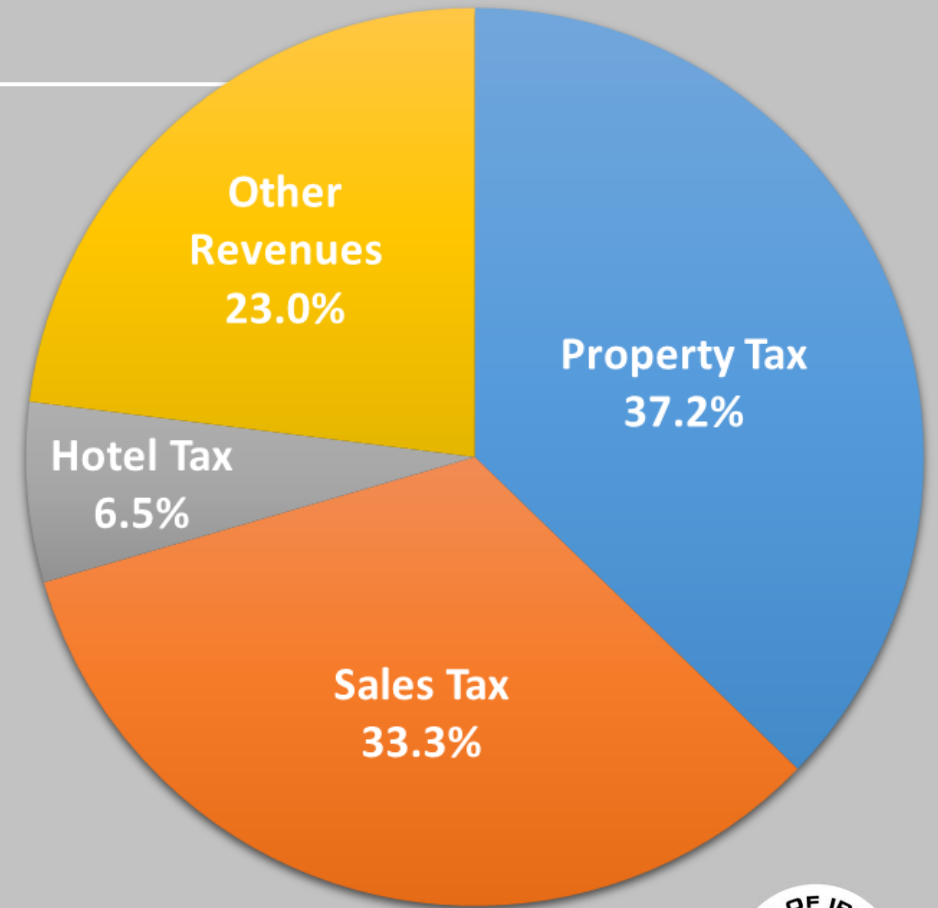


Community Budget Meeting



General Fund Revenues

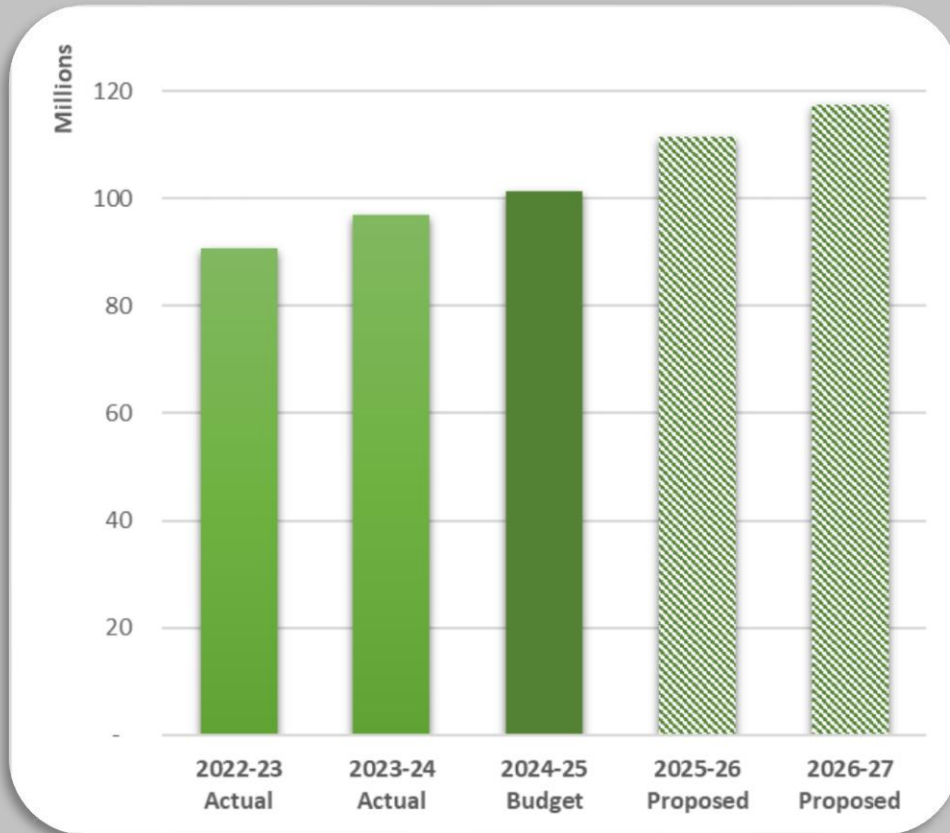
- Top 3 revenues make up 77% of General Fund
- Slower growth in ongoing revenues.
- Irvine is doing better compared to other agencies, including County and State
- New revenue opportunities helps balance increasing costs
- Closely monitoring economic slowdown and challenges



Community Budget Meeting



Property Tax



- Largest revenue source
- Irvine's assessed valuation from OC Assessor: \$113 billion
- Prior sales and market value increases added value to the City
- Higher interest rates have slowed down the market, resulting in lower expected growth rate
- New revenue in 2025-26 due to dissolution of Successor Agency

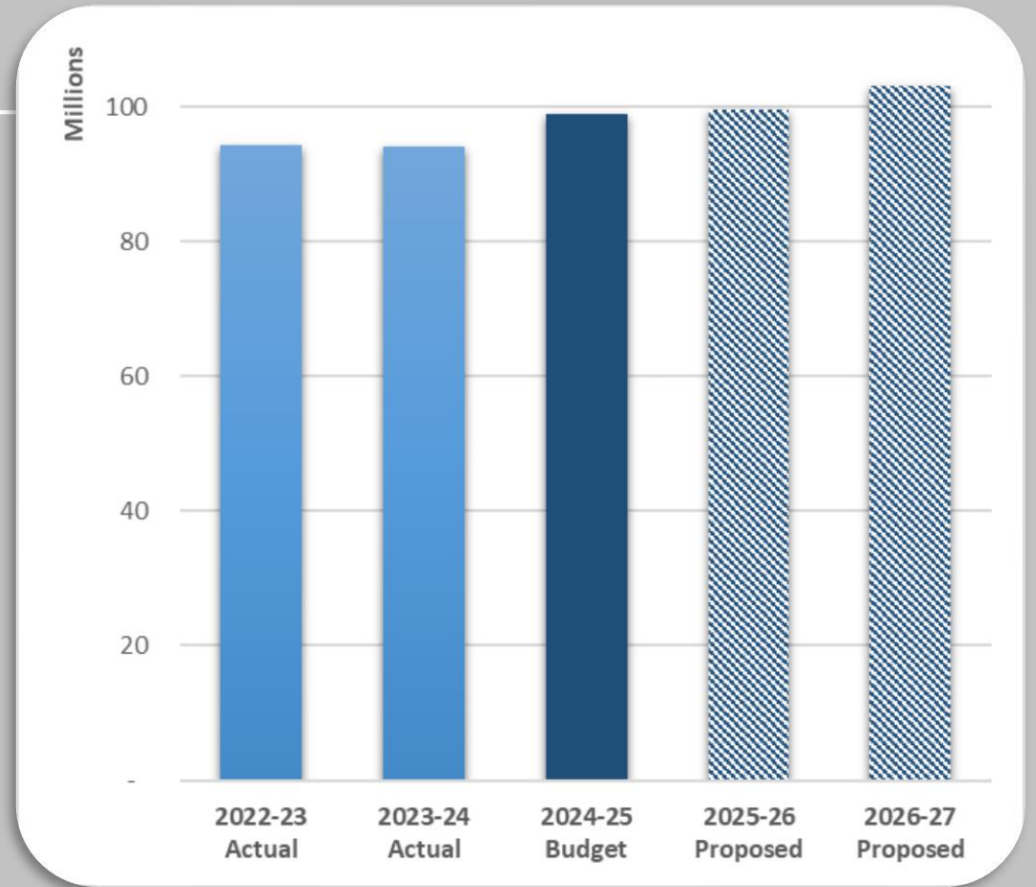


Community Budget Meeting



Sales Tax

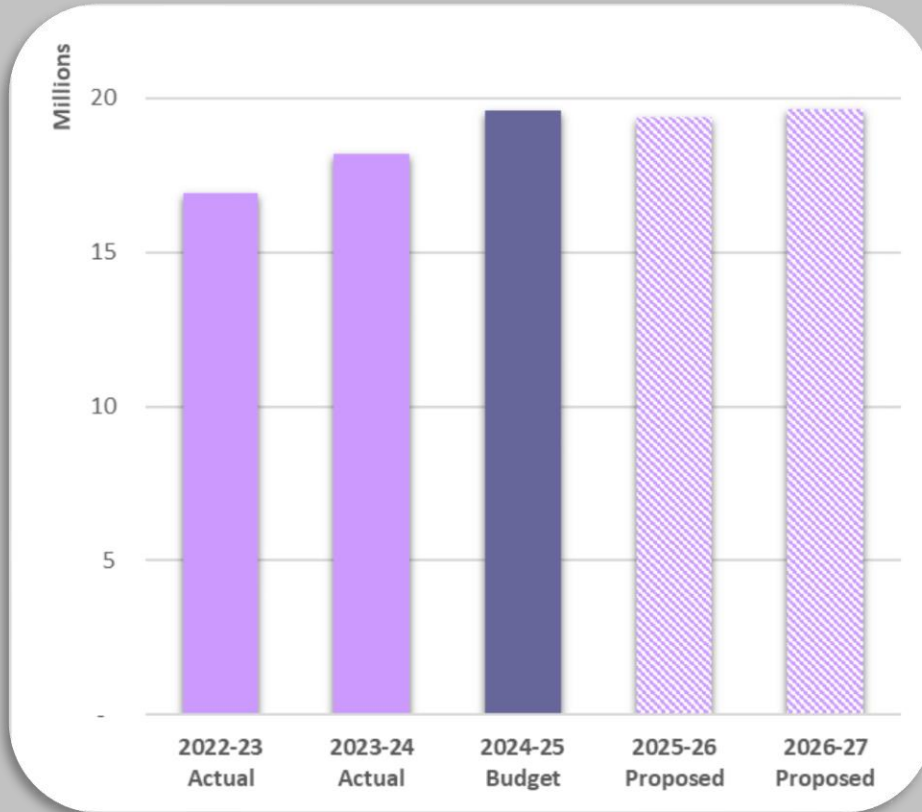
- Highly volatile to external factors
- Slower growth in 2025-26
- Experiencing decreased consumer spending in new automobile sales
- Decreased prices in oil results in lower revenue from gas stations
- Outperforming surrounding areas, including the County and State



Community Budget Meeting



Hotel Tax



- Dependent on travel and events in Irvine
- Occupancy levels 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

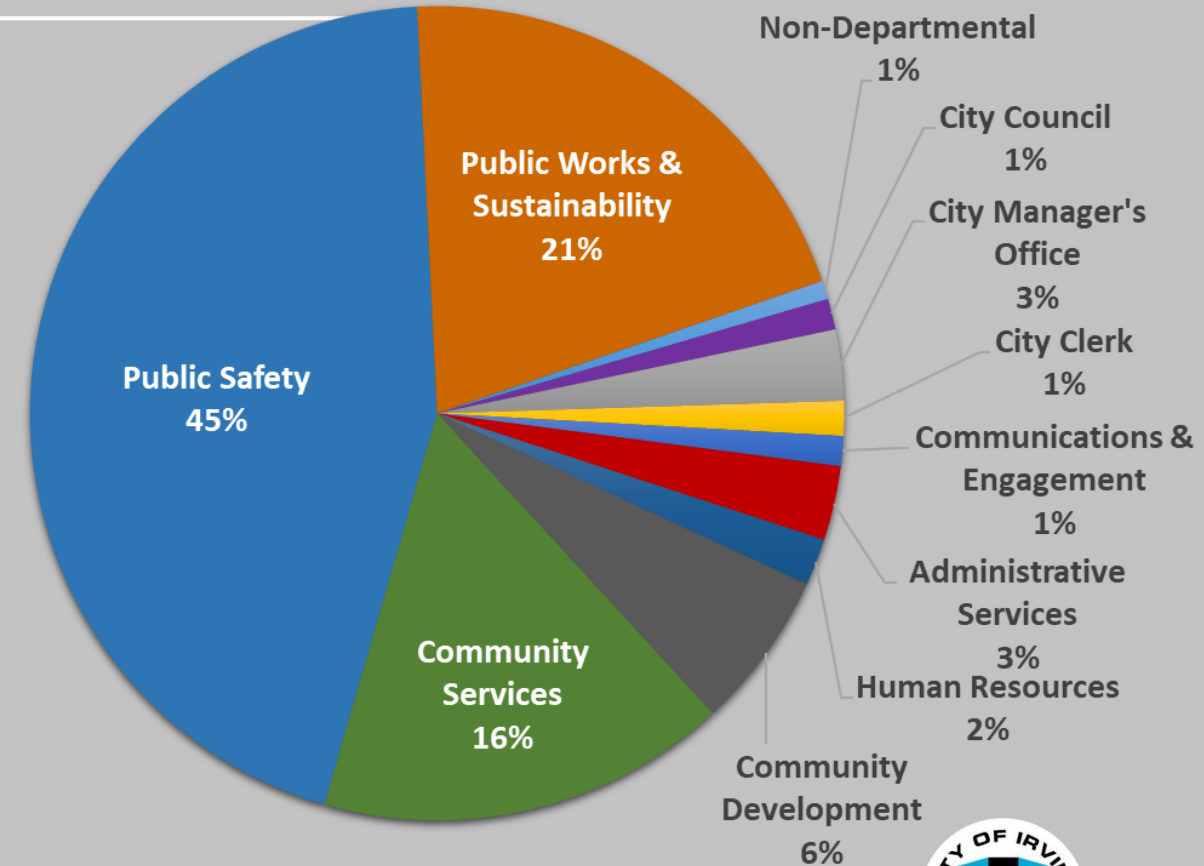


Community Budget Meeting



General Fund Expenditures

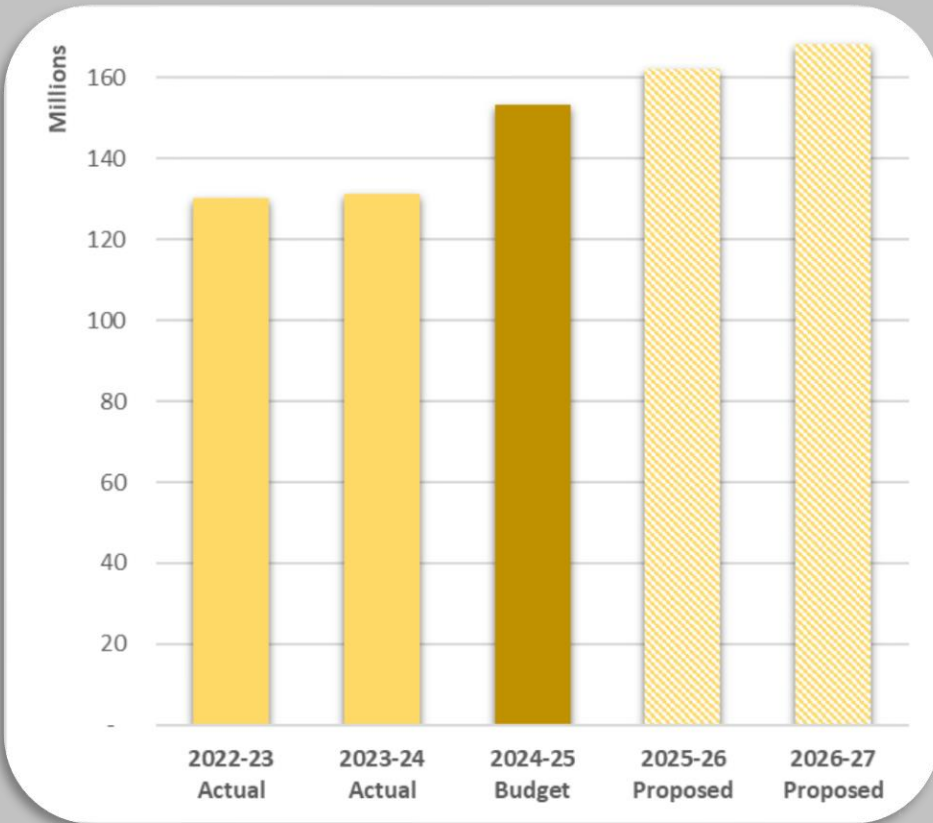
- Managing expenses while improving and maintaining Irvine quality services
- Irvine community continues to prioritize safety, infrastructure, and community programs
- Planning for increased costs on labor, materials, and contracts



Community Budget Meeting



Salaries & Benefits



- Direct correlation to City services
- City enhancements through new full-time and part-time positions
- Provides the opportunity for departments to reorganize and adapt to changing environment
- Includes latest MOU agreement
- Monitor City's pension liability

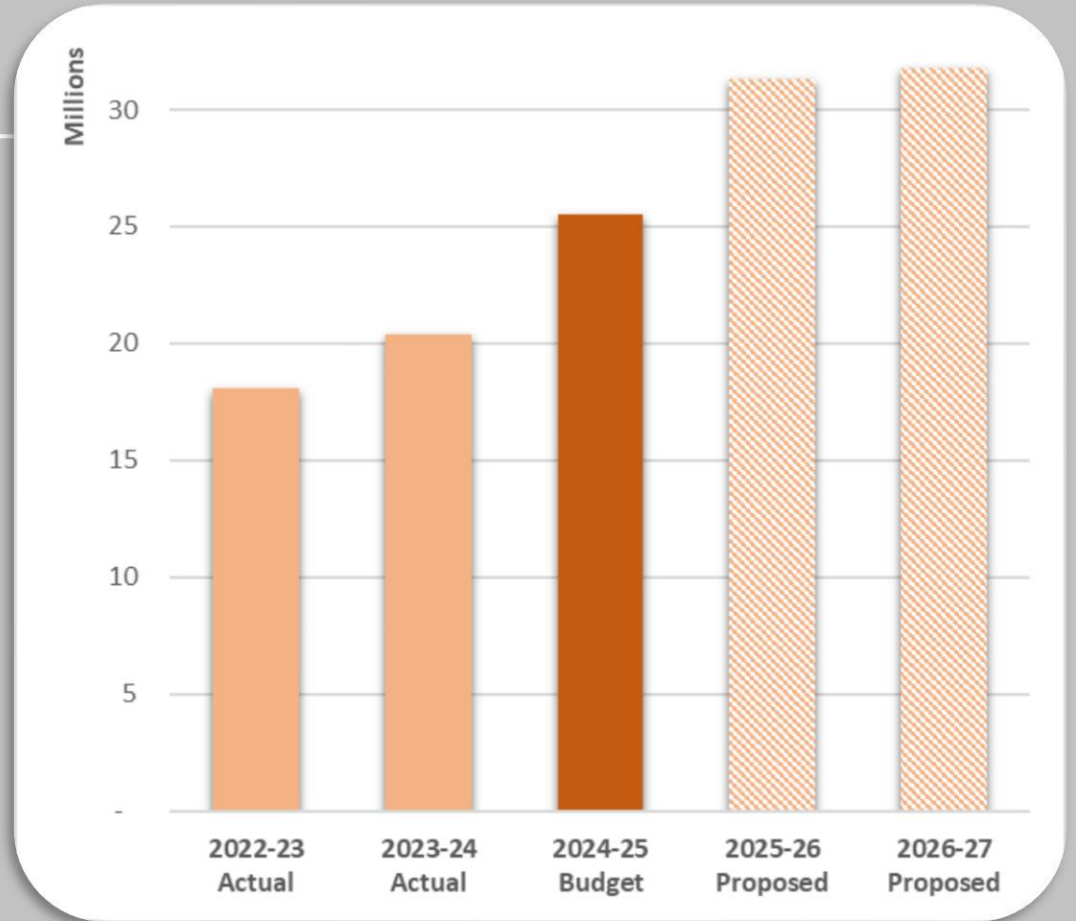


Community Budget Meeting



Contract Services

- Increasing costs across the board, with the most pronounced impacts seen in construction, labor, and materials expenditures
- Improve Fund management by consolidating of several Special Funds into General Fund
 - Nets zero through reductions in other spend categories

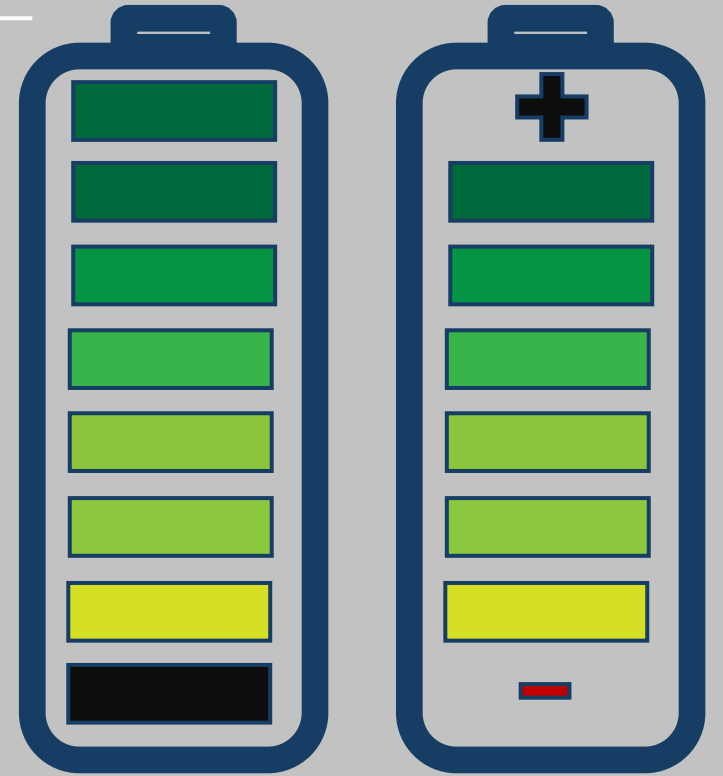


Community Budget Meeting



Contingency Reserve

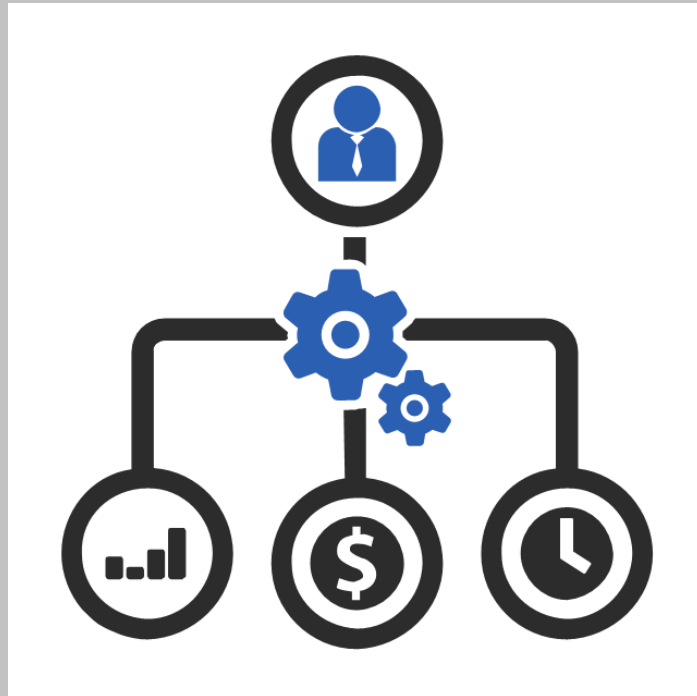
- City Council voted to maintain a minimum contingency reserve level of 20%
- As General Fund expenditures increase, the reserve level percentage decreases
- Projected balance: **\$63.8 million**
- Projected reserve level: **21%**
- Replenishing reserve levels are considered during the end of each fiscal year



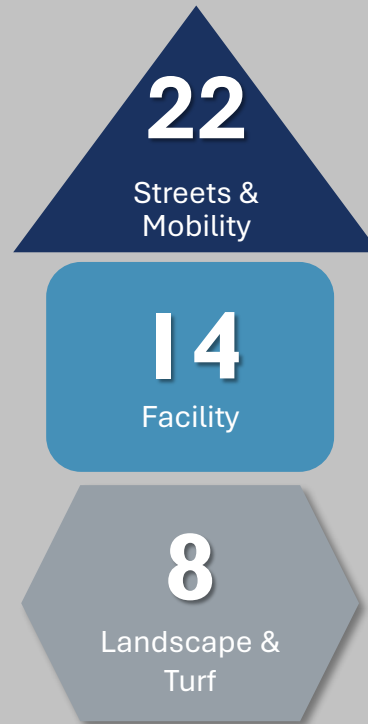
Community Budget Meeting



Capital Improvement Program



\$121 Million in Projects



Featured projects:

- Woollett Aquatics Center Expansion
- Red Hill Gym
- Great Park Live Improvements
- Urban Forecast Master Plan Tree Planting
- Yale Protected Bikeways
- Sand Canyon Pavement Rehabilitation
- Annual Slurry Seal and Local Street Rehabilitation

Community Budget Meeting



Question?

Provide additional input through the online
Budget Survey

www.cityofirvine.org/budgetsurvey

This presentation will be posted on the City
website

www.cityofirvine.org

