

# Council approves \$172 million budget for 2019-2020

The Costa Mesa City Council at the June 18 meeting adopted a \$172 million Operating & Capital Improvement Budget for Fiscal Year 2019-2020.

The 2019-2020 budget reflected revenues that increased by 2 percent compared to a 5.6 percent increase the previous year as well as costs for the temporary and permanent Bridge Shelters, increases to salaries and benefits for existing positions and recent litigation costs surrounding sober living homes.

City leaders began working on the budget in December of 2018.

"I'm really proud of the work we have done, and the work we continue to do," Mayor Katrina Foley said. She pointed out that the Police Department for example is now one of the highest paid in the county and is a destination department once again with specialty units and community policing.

Still, she acknowledged that the recent financial burdens placed on the city meant this year's budget was tighter than in years past.

"We can't have everything," she said. "We worked hard to prioritize necessities and set up things now so that we can be ready to build and develop projects later when revenue is better. We are prioritizing recreation, we are prioritizing learning, we are prioritizing public safety and sustainability, and we are prioritizing economic development. It's important to be a destination city and thriving business community, so we can achieve our priorities.

The council used about \$454,599 in reserves to balance the budget that includes the addition of eight full-time

equivalent (FTE) positions to address operational needs in the City, which includes five new positions and three positions that were the result of reclassification or elimination of certain part-time positions to create full-time positions.

There were also a number of accounting corrections that ultimately reclassified accounts from salaries and benefits to maintenance and operations as well accurately recording revenues and expenditures individually, rather than netting them together. This was the result of an extensive review of the accounting records to ensure the City is following proper accounting principles.

In addition to approving the budget, the City Council directed the City Manager and Finance Department to report back to City Council by November 15, 2019 on the status of the first quarter operating budget for the General Fund, provide additional recommendations on the staffing changes recommended for deferral and how to address the Police Department's operating and capital requests.