



Budget in Brief

Fiscal Year 2022-23 Operating Revise and CIP

Interactive Story - Click on graphics to explore the data

Download as a [PDF](#)

Budget Message

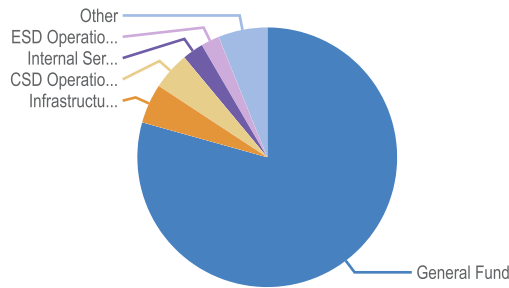
Honorable Mayor and Members of the City Council:

It is my pleasure to present to you the balanced budget for Fiscal Year 2022-23. The Budget reflects a total City revenue budget of \$116.4 million and an expenditure budget of \$105.6 million. It presents a General Fund with revenues of \$92.3 million and expenditures of \$82.8 million. Capital expenditures across all funds total \$22.5 million. The Budget supports Council's mission to preserve, protect, and provide innovate services that enhance the quality of life for residents, visitors, and businesses in Encinitas.

The City has an established financial policy regarding maintenance of adequate financial reserves. The Budget ensures that the Council's reserve policy is met. The contingency reserve at 20 percent of operating expenditures is fully funded at \$16.6 million. The budget stabilization reserve is fully funded at two percent of revenue or \$1.8 million.

Estimated Revenues by Fund

Excludes transfers in

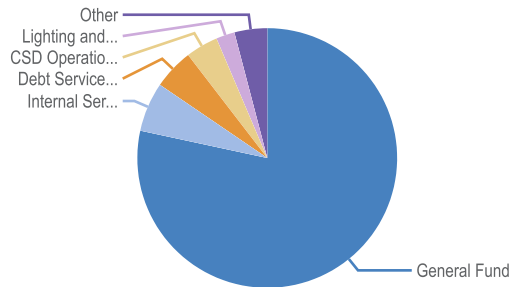


\$116,376,483.00

Revenues in 2023

Proposed Expenditures by Fund

Excludes transfers out



\$105,626,843.00

Expenses in 2023

Budget Preparation

In addition to the typical budget cycle, Council held a workshop on March 9, 2022 to receive public input on the use of \$8.1 million in federal American Rescue Plan Act of 2021 (ARPA) funds. On April 20, 2022, Council approved the receipt of ARPA funding and appropriated the funds to the San Diego County Sheriff law enforcement agreement, releasing the same amount of funding from the General Fund for general operations.

Budget Workshops were held at a special meeting on March 23 and continued at the regular City Council meeting on April 13, 2022. During the workshops, staff presented the six-year financial forecast for the General Fund and Council provided direction on the City's Capital Improvement Program including prioritization, timelines and project funding.

Budget Priorities

The City Council's budget priorities are reflected in the Budget to address needed capital improvement projects and critical services to the community addressing public safety, housing, green initiatives, protecting natural resources, mobility, and connectivity. On May 11, 2022, staff [introduced](#) the proposed FY 2022-23 operating budget and CIP reflecting the priorities for review, public input, and Council direction.

On June 15, 2022, Council [adopted](#) the proposed operating and CIP budgets with [Resolution 2022-66](#).

The Budget reflects the Council's direction to fund the following significant programs and projects:

- \$20 million for future phases of the Leucadia Streetscape - approved by Council in the FY 2021-22 CIP budget with construction bidding in FY 2022-23;
- \$6.5 million to renovate the Pacific View property as a cultural arts center for the community (\$0.5M spent in FY 2021-22 for design services);

- \$1.1 million from the General Fund for direct COVID costs;
- \$750K for Quiet Zone design;
- \$300K for extension of CycleTrack to K Street - Coast Highway 101 Separated Bike Lanes;
- \$250K added to the annual paving contract; and
- \$100K for Rancho Santa Fe Road improvements.

In addition to these much-needed CIP projects, the budget includes:

- Additional funding for the Habitat Restoration Program;
- Doubling the funding for the Quick Build/Mobility Program;
- Additional funding for mental health and outreach services identified in the Homeless Action Plan;
- An increase in funding for the landscape maintenance and clean-up contract for services along the Coastal Rail Trail, the rail corridor along Vulcan, and Cottonwood Creek Park; and
- Funding to meet the labor agreement obligations with SEIU and the firefighter employee union associations.

Conclusion

Thank you to the Mayor and City Council for your leadership and our entire City staff for providing outstanding service to the Encinitas community.

A budget document takes many hours of collaboration and teamwork. I would like to offer special thanks to our Finance Department led by Director Teresa McBroome, Assistant Director Tom Gallup, Budget Manager Kelly Sanderson, and the dedicated department budget coordinators for their hard work to complete the budget documents.

I am also grateful to the City's executive leadership team who worked hard to squeeze as many projects/programs as possible out of the funds available which is a testament to their commitment to the City organization and the community.

Respectfully submitted,

Pamela Antil
City Manager

Community Profile

Elected Officials

The City is governed by a City Council consisting of a mayor and four council members under the Council-Manager form of government.

The City Council acts as the Board of Directors for the San Dieguito Water District, the Encinitas Housing Authority, and the Encinitas Public Financing Authority.



Mayor
Catherine S. Blakespear



Council Member District 1
Tony Kranz



Council Member District 2
Kellie Hinze

C
J

About Encinitas

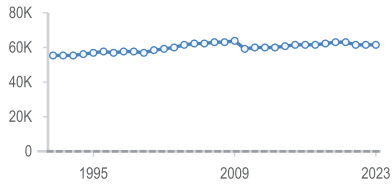
Located along six miles of Pacific coastline in northern San Diego County, the City of Encinitas offers a unique blend of old-world charm and sophistication, and new-world culture. Incorporated in 1986, the city brought together the communities of New Encinitas, Old Encinitas, Cardiff-by-the-Sea, Olivenhain and Leucadia to create a single city rich in history and steeped in tradition.

With a population of over 60,000 people, the City of Encinitas has something for everyone. With its pristine beaches and rolling hills, famous Botanic Garden and vibrant downtown business district, the City of Encinitas attracts visitors from all over the world.



Demographics

City Population



61,515

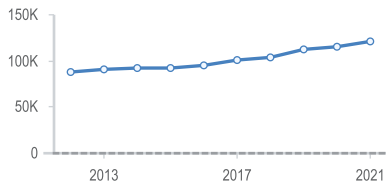
Demographics in 2023

The population of the City of Encinitas has remained relatively stable over the last ten years. A dip occurred in 2009 during the Great Recession.

Source: State Department of Finance

[Population Estimates \(E-1\)](#)

Median Income



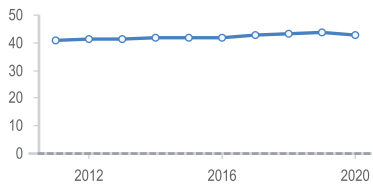
120,488

Demographics in 2021

The median household income in Encinitas has grown steady over the last 20 years. The 2020 dip was due to the COVID pandemic as many businesses were temporarily closed.

Source: Census.gov via [Datacommons.org](#)

Median Age



43

Demographics in 2020

The median age has increased slightly over the last ten years.

Source: [Census.gov](https://www.census.gov) via [Datacommons.org](https://datacommons.org)

Services Provided by Each Department



City Council - The governing body of the City. The role of the Mayor and City Council is to determine policy for the City.

City Attorney - Represents the City of Encinitas and the San Dieguito Water District. The City Attorney advises the City Council, City Departments and City Commissions regarding legal matters of concern to the City and its operations.

City Manager's Office - Responsible for the administration and oversight of the City organization, including the hiring of the City's workforce, supervising City departments, and ensuring that the City Council's priorities are met.

City Clerk - Responsible for coordinating the legislative process including agenda management, administering city elections, and records management.

Development Services - Contributes to City Council's vision for community planning to maintain safe and livable communities through well-maintained infrastructure and facilities, strong public safety, and significant environmental standards while achieving diverse and affordable housing for present and future generations.

Engineering - Responsible for the comprehensive oversight of major City infrastructure projects, transportation network and other initiatives.

Finance - Manages the City's fiscal resources to protect and enhance the City's financial position.

Fire & Marine Safety - Provides a wide array of public safety services including fire protection, emergency response, medical aid, fire prevention, disaster preparedness, search and rescue, beach lifeguard services and community education programs.

Law Enforcement - Services are provided through the City's contract with the San Diego County Sheriff. The Station Captain serves as the City's Chief of Police.

Non-Departmental and Debt Service - Created to appropriate funds for those activities beneficial on a citywide basis and not directly chargeable to any one department or division.

Parks, Recreation, and Cultural Arts - Responsible for recreation and arts programs, maintenance of recreational areas, public art streetscapes, animal services, Commission support, and oversight of the Encinitas Ranch Golf Authority.

Public Works - Provides street, wastewater, and stormwater system maintenance and manages the City's facilities, vehicles, and heavy equipment.

Operating Budget

Five-Year Summary - All Funds

The following interactive graph summarizes revenue and expense trends by showing actuals for three prior fiscal years, the current year original budget, and the proposed budget. Interfund transfers are not included.

- Use the filter to drill into different funds.
- Click on the column to see revenues by source or expenditures by type.
- Use the Back or Reset buttons to return to the original graph.
- Clicking pie graphs opens a new browser tab that can be closed after exploring the data.

Updated On 24 Mar, 2023

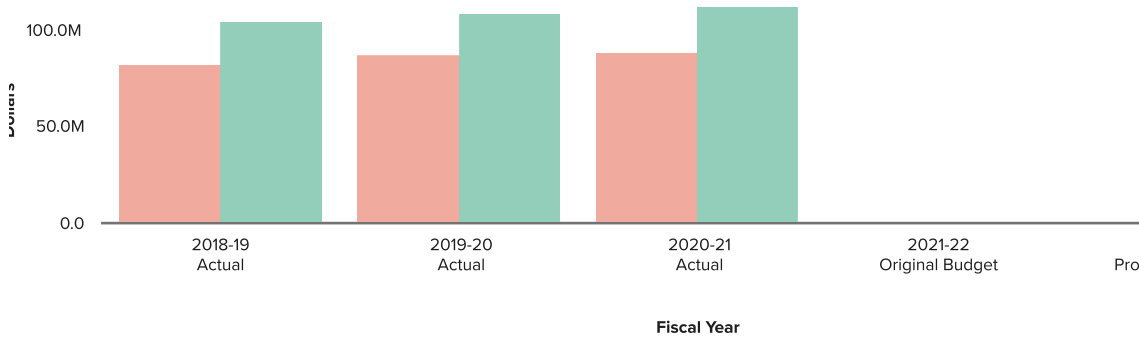
[Back](#) [History](#) [Reset](#)

Broken down by

Types Funds ...

[Table](#) [Line](#) [Area](#) [Pie](#) [Bar](#)

Visualization



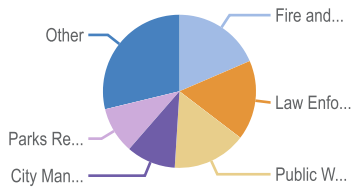
Sort By Chart of Accounts

- Revenues
- Expenses

Proposed Operating Expenditures

By Department

All Funds - Excludes Transfers

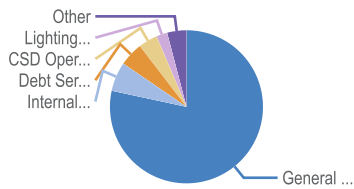


\$105,626,843.00

Expenses in 2023

By Fund

All Funds - Excludes transfers out

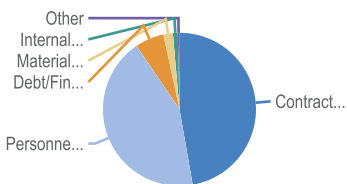


\$105,626,843.00

Expenses in 2023

By Type

All Funds - Excludes transfers out



\$105,626,843.00

Expenses in 2023

General Fund

The General Fund is the City's primary operating fund. It accounts for basic services such as public safety, public works, planning and development, park and street maintenance, code enforcement, along with the administrative services required to support these programs.

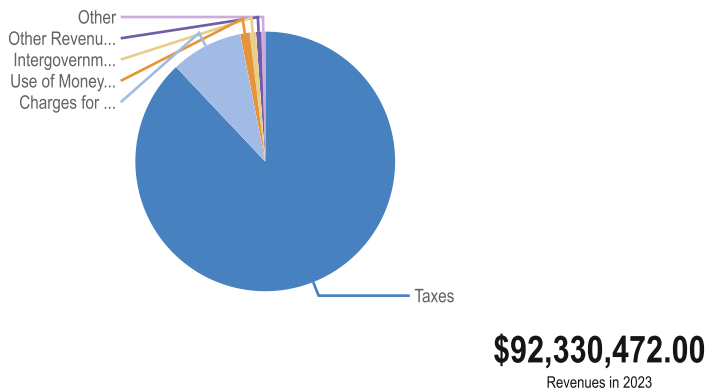
The FY 2022-23 Proposed Budget for the General Fund includes:

- Estimated revenues of \$92.3 million
- Proposed operating expenditures of \$82.8 million
- Proposed capital expenditures of \$6.9 million in the CIP budget
- Projected FY 2022-23 General Fund unassigned ending fund balance of \$2.1 million.

Where does the money come from?

Revenues by Source - General Fund

Excludes transfers in



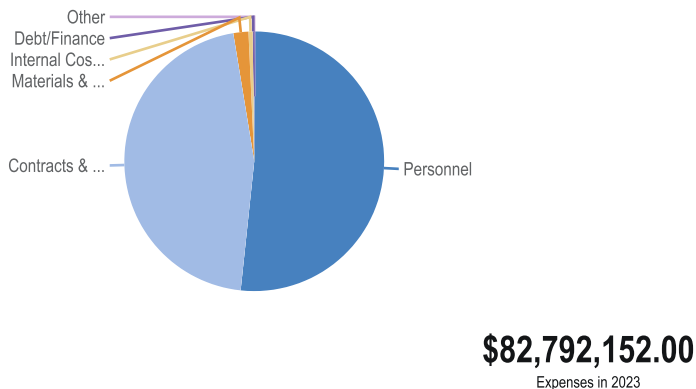
Over 85 percent of revenue in the General Fund is made up of three sources: property tax, sales tax, and transient occupancy tax (TOT).

- Property tax is collected by County based on the value of real property and tangible personal property located within the state.
- Sales tax is calculated as a percentage of the purchase price and collected by the seller. The City receives one percent of the total 7.75 percent sales tax rate for sales that occur within the City's jurisdiction.
- Transient occupancy tax is imposed on persons staying 30 days or less in a lodging establishment. The City's TOT rate is ten percent of the room charge and is collected by hoteliers and paid to the City. Eighty percent of the TOT collected is deposited to the General Fund and 20 percent is deposited to the Coastal Zone Management Fund for sand replenishment projects.
- Additional sources such as fees and charges, franchise taxes, fines and licenses and permits represent the remainder of the total General Fund revenue.

How is the money is spent?

Expenditures by Type - General Fund

Excludes transfers out

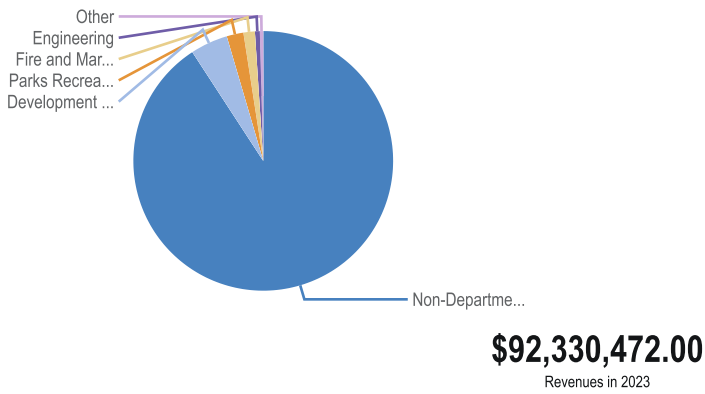


Municipalities group similar expenses by type or category to facilitate budget presentation, monitoring, and reporting. The top three categories represent over 99 percent of the total General Fund expenditures.

- Personnel includes salary and benefits for both full-time staff and temporary and seasonal staff.
- Contracts and services represents a wide-array of charges and contracts with consultants and outside agencies. Examples include law enforcement, park maintenance, professional consulting (such as legal or audit services), training, and other consulting and maintenance.
- Materials and supplies budgets for consumable items costing less than \$5,000 with an estimated useful life less than two years--like office supplies and small parts.
- Smaller categories such as internal cost allocation, capital outlay, and debt/finance represent the remaining percent of the total General Fund expenditures.

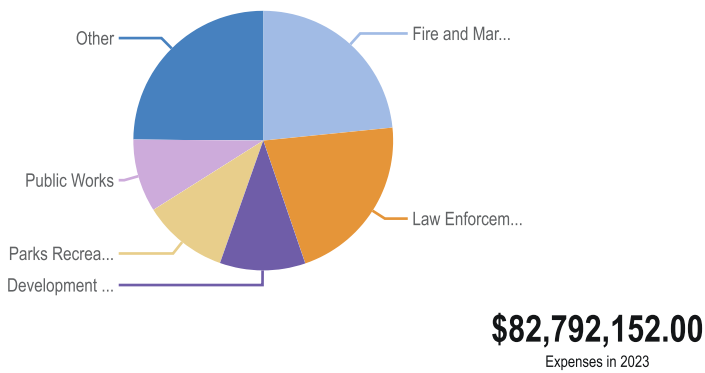
Revenue by Department - General Fund

Excludes transfers in



Expenditures by Department - General Fund

Excludes transfers out



Interfund Transfers

Updated On 24 Mar, 2023

Back History Reset

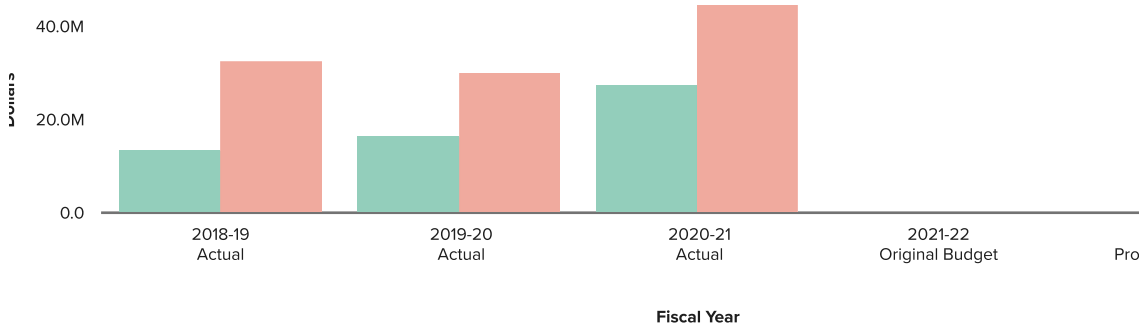
Broken down by

Types Funds



Visualization

Sort By Chart of Accounts



Transfers Out/Uses
Transfers In/Sources

Capital Improvement Program (CIP)

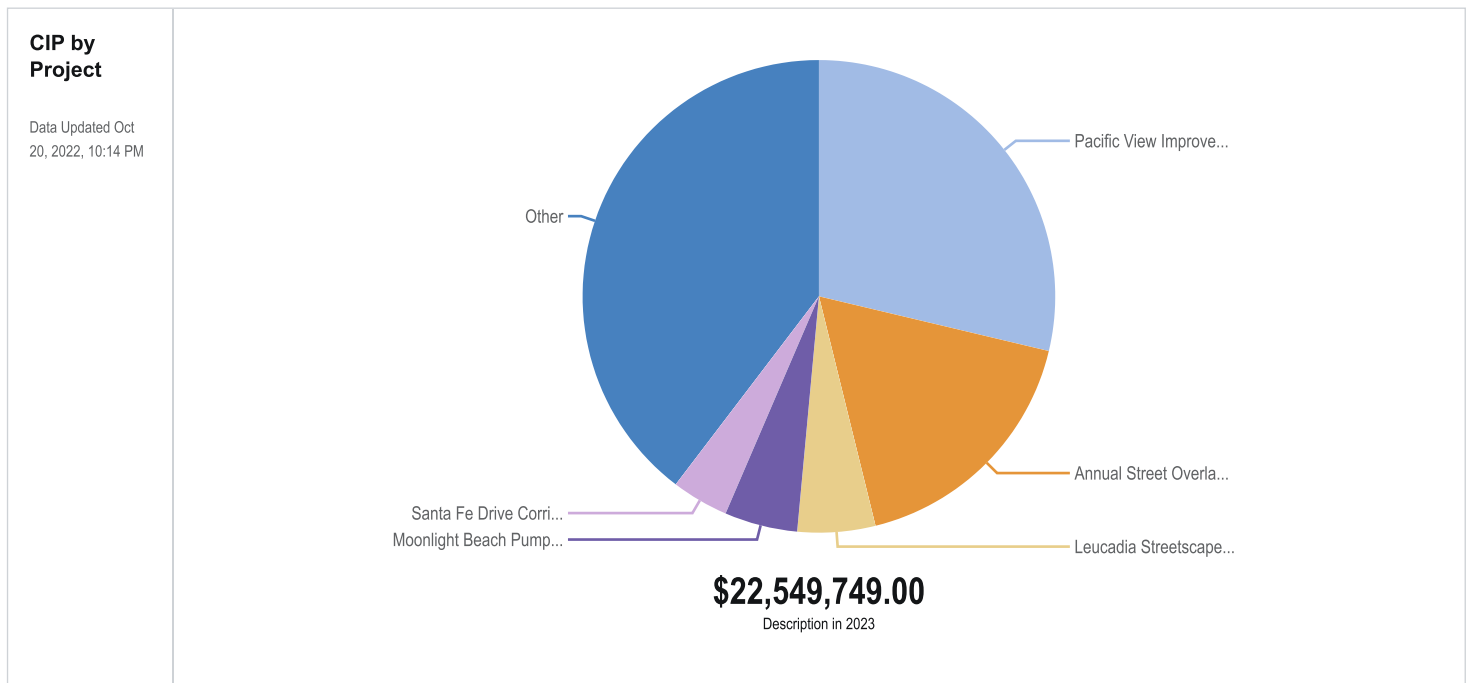
Encinitas monitors and improves City infrastructure, including roads sidewalks, drainage systems, trails, and parks. [City Projects](#) are prioritized in strategies laid out by Council's [Strategic Plan](#) and are managed by the Engineering Department.

The proposed plan through FY 2026-27 contains \$111.0 million in capital improvement/work projects over the next six years. Of the six-year total, \$22.5 million is programmed for FY 2022-23.

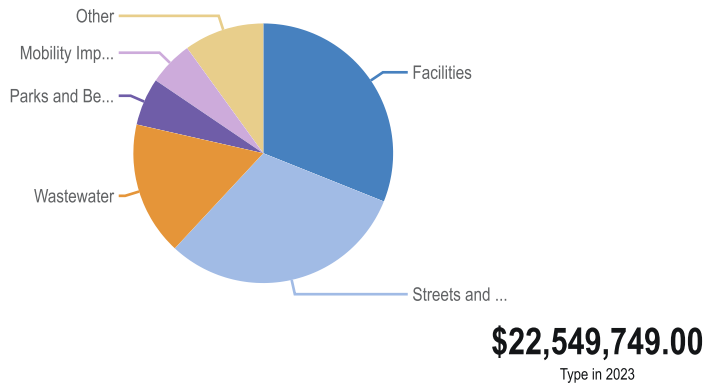
- The proposed FY 2022-23 capital budget includes \$6.9 million from the General Fund, with all other funds totaling \$15.6 million.
- The Facilities Fund includes a total of \$7.0 million in funding for the Pacific View Improvements project—consisting of a \$0.5 million appropriation for design and construction support services in FY 2021-22 plus \$6.5 million proposed for FY 2022-23.
- Funding of the CIP also anticipates approval of a \$20 million loan from the California Infrastructure and Economic Development Bank (IBank) in FY 2021-22 to accommodate future phases of the Leucadia Streetscape project. As part of the budget adoption on June 23, 2021, Council approved \$20 million in funding for Leucadia Streetscape - Future Phases for FY 2021-22, the same year the funds were projected to become available.

Funding for projects is provided by existing fund balance, future projected cash flows, and loan proceeds. Projects shown in future years are programmed into the CIP plan and are not funded until each subsequent budget adoption.

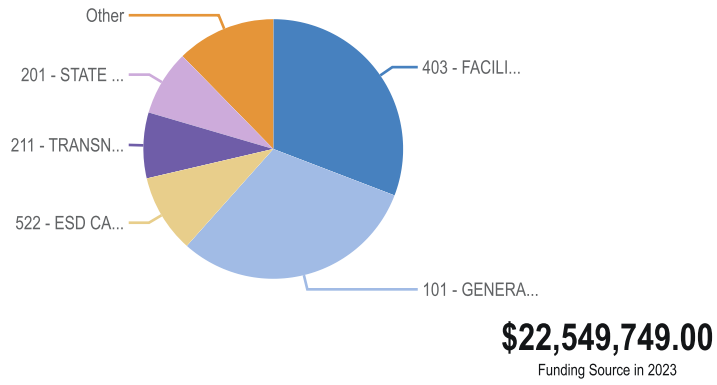
Each year the CIP and Traffic Engineering teams execute a Work Plan based on funded projects. A list of current [CIP Projects by Status](#) is available on the City's website.



CIP by Type

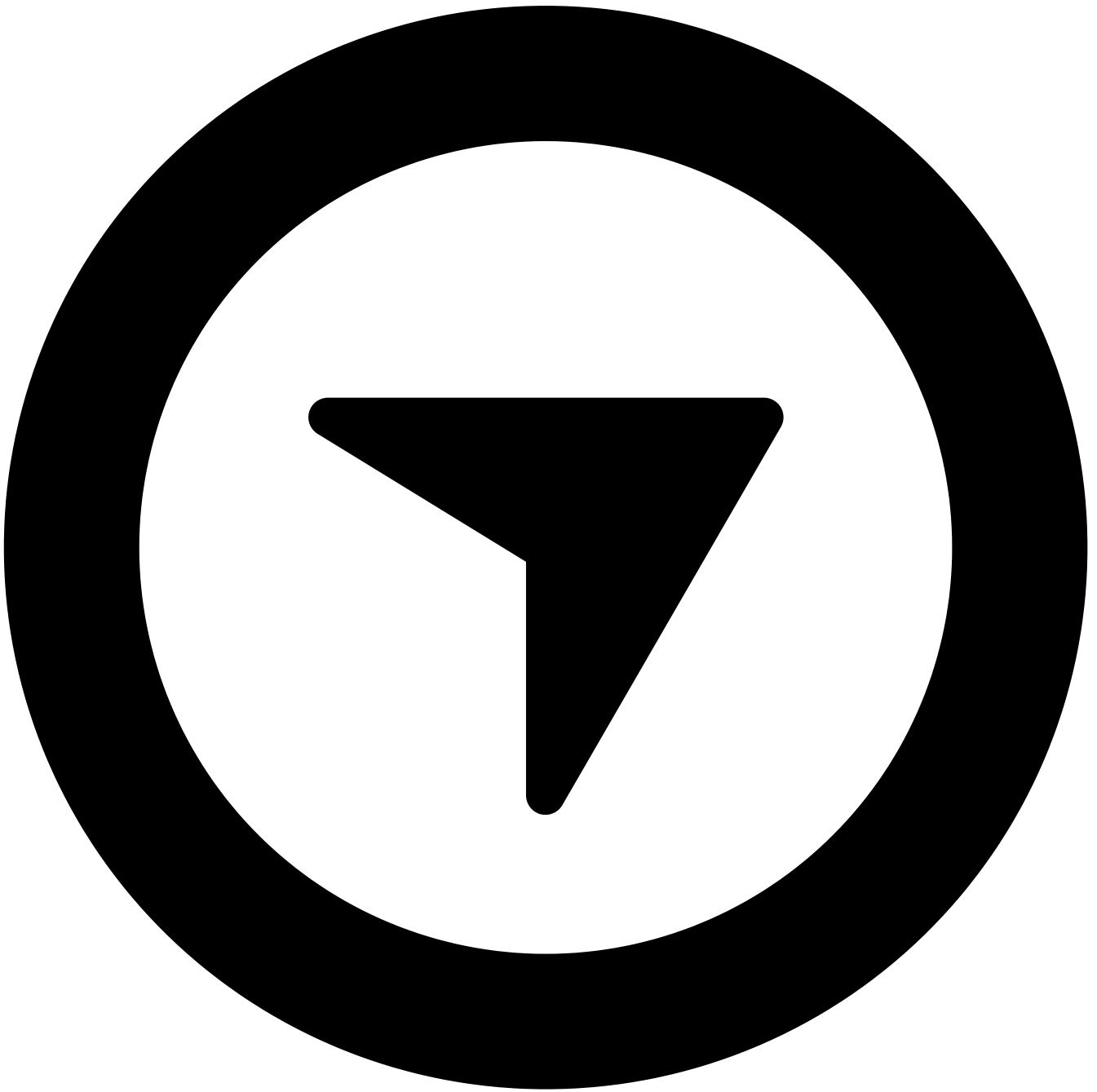


CIP by Funding Source



[City of Encinitas Website](#)

[Operating Budget Home](#)



Powered by OpenGov

