PROPOSED FY 2023/24
OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM

BUDGET PREVIEW FY 2023/24
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*Numbers in this document are preliminary and subject to change.
### FY 2022/23 YEAR IN REVIEW

*Based on current year projections*

<table>
<thead>
<tr>
<th>CITYWIDE BUDGET</th>
<th>66 PARKS</th>
<th>11 COMMUNITY FACILITIES</th>
<th>7 LIBRARY BRANCHES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.0 B + $0.2 B TRANSFERS</td>
<td>21,120 FEET of water mains replaced</td>
<td>20,000 TREES PRUNED</td>
<td>350 TREES PLANTED</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YOUR CITY BUDGET</th>
<th>233,000 + PUBLIC SAFETY CALLS FOR SERVICE</th>
<th>900 + LED STREETLIGHTS INSTALLED</th>
</tr>
</thead>
<tbody>
<tr>
<td>654 SWORN PERSONNEL CITYWIDE</td>
<td>2.5 MILLION Fans at ANGEL STADIUM for the season</td>
<td>145 Events at HONDA CENTER</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.0 MILLION PEOPLE SERVED AT LIBRARIES</th>
<th>3.1 MILLION square feet of pavement replaced</th>
</tr>
</thead>
<tbody>
<tr>
<td>85,000 square feet of pavement slurry sealed</td>
<td></td>
</tr>
<tr>
<td>127,000 square feet of sidewalk replaced</td>
<td></td>
</tr>
</tbody>
</table>

<p>| CONVENTION CENTER | 45 Annual citywide events that cover multiple days and require at least 1,500 hotel room nights |</p>
<table>
<thead>
<tr>
<th>TERMS</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>The City's financial plan for the 12 months from July 1 through June 30, which details spending priorities for the year and how the City will pay for them.</td>
</tr>
<tr>
<td>Balanced Budget</td>
<td>A budget in which sources of income (revenue) is equal to spending uses (expenditures).</td>
</tr>
<tr>
<td>Capital Improvement Program</td>
<td>Known as CIP, a five-year plan for major projects including improvements to roads, Anaheim's electrical and water systems and parks. Anaheim's City Council adopts the first year of the CIP and approves the entire five-year plan, which then is updated annually with the adoption of each year's budget.</td>
</tr>
<tr>
<td>Debt Service</td>
<td>Interest and principal payments on debt issued for major projects such as The Anaheim Resort improvements of the 1990s, expansion of the Anaheim Convention Center and recent borrowing for our electric and water utilities.</td>
</tr>
<tr>
<td>Expenditures</td>
<td>A cost incurred for labor, operations, maintenance, debt service or other charges.</td>
</tr>
<tr>
<td>Enterprise Fund</td>
<td>A fund covering City operations that provide services and collect revenue, similar to private-sector businesses. Anaheim's enterprises include our water and electric utilities, a sanitation utility, two golf courses, ARTIC and our Convention, Sports &amp; Entertainment Venues.</td>
</tr>
<tr>
<td>Fiscal Year</td>
<td>A 12-month accounting period that doesn't necessarily correspond to the calendar year. Anaheim's fiscal year starts on July 1 in any given year and ends on June 30 of the following year. You'll see the coming fiscal year referred to as FY 2023/24.</td>
</tr>
<tr>
<td>Fund</td>
<td>A self-balancing set of accounts.</td>
</tr>
<tr>
<td>General Fund</td>
<td>A General Fund typically is the chief operating fund of a government. Anaheim's General Fund supports core services such as police, fire, parks, libraries and community services.</td>
</tr>
<tr>
<td>Internal Service Fund</td>
<td>A fund accounting for centralized services provided to various City departments where the cost is reimbursed. Examples include general benefits, insurance and facilities maintenance.</td>
</tr>
<tr>
<td>Revenue</td>
<td>Sources of income that finance the operations of government.</td>
</tr>
<tr>
<td>Restricted Fund Balance</td>
<td>The part of a fund that is legally limited to a specific use. Restricted revenues include utility charges, grants and gas taxes.</td>
</tr>
<tr>
<td>Sources</td>
<td>Describes where money comes from including revenues and transfers from other funds.</td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td>Known as TOT, Anaheim's tax on hotel, motel and timeshare stays of less than 30 days equal to 15% of a nightly bill. As a major visitor city, TOT makes up about half of Anaheim's tax revenue.</td>
</tr>
<tr>
<td>Unrestricted Fund Balance</td>
<td>The part of a fund not restricted for a specific use and available for general use. Unrestricted revenues include the City's share of taxes, including property, sales and use, and transient occupancy tax.</td>
</tr>
<tr>
<td>Uses</td>
<td>Describes where money has been spent including both expenditures and transfers to other funds.</td>
</tr>
</tbody>
</table>
Anaheim's financial plan forecasts how much money we will receive and how we will spend it. Money comes from various sources including taxes, rates, fees, and grants. Spending is then prioritized for services including public safety, parks, roadways, utilities and more.

JANUARY - MARCH

Anaheim’s City Council develops spending priorities with support from the City Manager and the Finance Department’s Budget Office.

Departments prepare their budget for FY 2023/24 by reviewing patterns and historical spending from the current and previous years.

APRIL - JUNE

A proposed Citywide budget is shared with residents for input and with the budget commission and City Council.

Anaheim’s City Charter requires a public hearing on the budget followed by adoption. The proposed budget with revisions, if any, must be adopted by the City Council on or before June 30.

JULY - DECEMBER

Once adopted, the budget is put into place for the new fiscal year on July 1. Each month, departments will monitor and review their actual revenues and expenditures compared to the budget. The process repeats every year.

Head over to our website at anaheim.net/mycitybudget to read over the FY 2022/23 Adopted Budget. In there, you will find the financial plan approved by Council for the current fiscal year by department, Citywide and General Fund sources and uses, and capital improvement program projects.

Scan QR code to be directed to Anaheim.net/mycitybudget
Anaheim's budget is made up of different sources of funding. Some, such as local taxes, may be used for any purpose and are unrestricted. Others, such as utility fees and federal & state grants, can only be used for specified purposes and are restricted. The city also receives grants from federal and state government for specific projects.

### Taxes

Residents, businesses and visitors pay **TAXES** including property, sales and transient occupancy taxes (TOT).

- **Rate** = 15% of room sales
- Locally controlled, City collects 100%
- 20,000 rooms in Anaheim
- Stays of less than 30 days

**TOT:** Anaheim collects 100% or $37.50 of the $37.50 TOT on a $250 hotel room night.

**Examples:**

- **Sales and Use Tax:** Anaheim collects 1% or ~$400 of the $3,100 sales tax on a $40,000 car.
- **Property Tax:** Anaheim collects 20% of the 1% or $1,500 of the $7,500 property tax on a $750,000 home.

### Fees

Residents, businesses and visitors may pay **FEES** for building permits, golf or recreation classes.*

**Examples:**

- **Residents:**
  - Use permits
  - Golf fees
  - Recreation classes

### Rates

Residents and businesses pay **RATES** for Utilities services such as electricity, water and sanitation.*

- **Rate** = 7.75% of taxable sales
- State collects
- City share is 1% of sales
- Applies to sale of tangible items*

**Examples:**

- **Sales and Use Tax:** City share is approximately 20%.
- **Property Tax:** City share is approximately 20%.

### Grants

Federal and state government **GRANTS** are awarded to Anaheim for specific projects.

**Examples:**

- **Residents:**
  - Use permits
  - Golf fees
  - Recreation classes

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*Rates and Fees must be used to offset the cost of providing the service

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### THE BIG 3

Taxes make up 22% of the City's revenue and are mostly discretionary. They consist of transient occupancy, sales and use and property taxes, also known as the “Big Three.” Of the revenue sources generated from taxes, the city receives 100% of transient occupancy, 1% of sales, and about 20% of the tax collected from property.

**Examples:**

- **TOT:** Anaheim collects 100% or $37.50 of the $37.50 TOT on a $250 hotel room night.
- **Sales and Use Tax:** Anaheim collects 1% or ~$400 of the $3,100 sales tax on a $40,000 car.
- **Property Tax:** Anaheim collects 20% of the 1% or $1,500 of the $7,500 property tax on a $750,000 home.

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*Tax code is complicated with many exceptions including certain food products*
The General Fund makes up about 21% of the Citywide budget, and is predominantly unrestricted.

The revenues mentioned on page 6 and $0.2B transfers from other funds make up the City's $2.3B budget.

The City's budget is grouped into different types of funds, or accounts, based on how the money can be spent.
There are 1,255 full time Anaheim staff, 639 of which are sworn firefighters and police officers. The other 616 include professional staff such as engineers, analysts, attorneys, and specialists. Without them, we would not be able to serve you.

The City of Anaheim is in the business of serving residents, businesses and visitors. For every $1 of the General Fund, 54 cents pay for salaries, pension and other City employee benefits. The remaining 46 cents pay other costs such as debt service, rent & utilities, and equipment & maintenance.

WHERE THE MONEY GOES

THE GENERAL FUND

The General Fund serves as the City's main operating fund, supporting the day-to-day services that keep Anaheim running. Approximately 80% of the General Fund comes from the "Big Three" revenue sources — TOT, sales and use and property taxes. Excluding transfers to other funds, about 65% generally goes to public safety for police, fire and emergency medical services. The other 35% supports all other City departments.

General Fund Sources by Category

- Sales & Use Tax: 20%
- Property Tax: 18%
- Transient Occupancy Tax: 14%
- Business License/Property Transfer Tax: 1%
- Fees and Permits: 7%
- Other Revenues: 7%
- Transfers From Other Funds: 9%

General Fund Uses by Function

- Keeping Us Safe: 65%
- Ensuring Quality of Life: 17%
- Supporting Activities: 4%
- Providing the Necessities: 7%
- Administering Efficient Government: 7%

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The City of Anaheim is in the business of serving residents, businesses and visitors. For every $1 of the General Fund, 54 cents pay for salaries, pension and other City employee benefits. The remaining 46 cents pay other costs such as debt service, rent & utilities, and equipment & maintenance.

GENERAL FUND LABOR FORCE

639 Sworn
616 Non-Sworn
Capital investments involve major city projects that enhance the quality of life for Anaheim residents. Projects include rehabilitation and improvements to current infrastructure or building of new infrastructure and are funded by various sources that are often restricted. Below is a preliminary summary of the CIP project categories.

Investing in our neighborhoods is a critical component to ensuring Anaheim has public spaces that enrich the lives of residents in our city. Anaheim’s 50.8 square miles is home to 67 parks, 11 community facilities, 7 libraries, 3 library locations, 8 skate parks, and 4 dog parks. While these open spaces and facilities provide places for residents to gather, rest and rejuvenate themselves, continued preservation and developments are an essential aim for Anaheim’s quality of life.

With increasing developments, Anaheim is investing in infrastructure improvements to ensure we can meet the demand for our services. Improvements in this category include projects in the downtown area called Center City Anaheim, which has experienced growth in both urban residential and commercial uses, as well as to municipal facilities and community spaces.

The largest convention center on the West Coast, Anaheim Convention Center opened in 1967 and offers mixed use, ballroom and outdoor event space. In a normal year, the Anaheim Convention Center welcomes more than 1 million visitors, with 300 events each year, consisting of trade shows, conventions, corporate events, consumer shows, meetings, social functions and banquets.

Anaheim’s electric system delivers electricity to more than 350,000 residents, 20,000 businesses, and 60 schools in Anaheim. Capital improvements enhance and maintain the electric system’s overall system reliability. Some programs include streetlight additions, substation improvements, transmission and distribution improvements, and system undergrounding.

Anaheim’s Water Utility consists of a water system with approximately 24,390+ valves, 7,940+ hydrants, and 757 miles of water mains. Capital improvements in the water system enhance reliability, storage, and adequacy of fire flows. Some improvement projects include pumping and regulating stations, water storage, and water mains.

In addition to ensuring residents and businesses receive safe and high quality water, Anaheim takes on the massive task of managing storm drainage and sanitary sewer improvements. These projects are guided by the city’s Master Plan of Storm Drainage (MPSD) and Master Plans of Sanitary Sewers (MPSS).

Transportation improvements are crucial to ensuring that Anaheim residents and guests have a reliable system to get from point A to point B. Projects can include street rehabilitation, traffic signal coordination and upgrades, bridge improvements, street widening, streetlight improvements, and more. These improvements are key to better accommodating the ever increasing demand on our city roadways.

To learn more about the preliminary proposed CIP projects, visit Anaheim.net/CIPstorymap.
BUDGET RESOURCES

WE WANT TO HEAR FROM YOU!

Have a say in your city budget. Visit our website, explore the resources available, or email us. You can also view the online budget workshops listed on the next page.

Scan QR code to be directed to Anaheim.net/mycitybudget

The City of Anaheim adopts a budget every year in June. The Fiscal Year 2023/24 operating and capital improvement program budget determines what services and programs the city will provide from July 1, 2023 to June 30, 2024. To learn more about how you can get involved, what the budget process entails, and relevant budget information, browse the many resources available below.

Understanding the numbers
The tools below serve as a resource for you to learn more about the city’s budget.

Budget Preview
Learn budget terminology, the budget process and where the city’s money comes from and goes for Fiscal Year 2022/23. Click here for Spanish.

Story Maps
Navigate through the city map and read about the proposed FY 2022/23 Capital Improvement Program (CIP).

OpenGov
Visualize and explore the city’s budget by fund, department and year. Start to learn for a breakdown of the Fiscal Year 2020/21 Adopted Budget by fund.

Balancing Act
Try your hand at balancing the budget using this online tool and submit your priorities and suggestions. Click here for Spanish.
### COUNCIL WORKSHOPS AND COMMISSION MEETINGS

City Council Workshops and Board Commission meetings are a great opportunity to learn about the FY 2023/24 proposed budget and a chance for the public, commissioners and council members to provide input and share thoughts on priorities for the upcoming fiscal year, culminating with the FY 2023/24 Budget Hearing and Adoption on June 27. All workshops can be viewed live at [www.anaheim.net/councilvideos](http://www.anaheim.net/councilvideos) and on Cable Channel 3.

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Location</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 13 at 3 p.m.</td>
<td>City Council Chamber 200 S. Anaheim Blvd.</td>
<td>Council Budget Workshop Proposed Fiscal Year 2023/24 Budget (Citywide Overview, Administrative Departments, Police, Fire &amp; Rescue, and Community Services)</td>
</tr>
<tr>
<td>June 7 &amp; 21 at 4 p.m.</td>
<td>City Hall 2nd Floor Conf.</td>
<td>Budget, Investment &amp; Technology Commission Commission Meeting</td>
</tr>
<tr>
<td>June 27 at 3 p.m.</td>
<td>City Council Chamber 200 S. Anaheim Blvd.</td>
<td>Council Budget Workshop Proposed Fiscal Year 2023/24 Budget (Public Utilities, Public Works, Planning &amp; Building, Economic Development, Housing &amp; Community Development, and Convention, Sports &amp; Entertainment)</td>
</tr>
<tr>
<td>June 27 at 5 p.m.</td>
<td>City Council Chamber 200 S. Anaheim Blvd.</td>
<td>Budget Hearing and Adoption City Council Meeting</td>
</tr>
</tbody>
</table>

### DISTRICT COMMUNITY MEETINGS

Be a part of your city budget. Attend a Neighborhood Services District Community Meeting to learn more about the FY 2023/24 City of Anaheim budget. Come ask questions and be engaged in the budget process.

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Location</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 7 at 7 p.m.</td>
<td>Dale Junior High School 900 S. Dale Ave.</td>
<td>West: District 1</td>
</tr>
<tr>
<td>June 8 at 7 p.m.</td>
<td>Brookhurst Community Center 2271 Crescent Ave.</td>
<td>West: District 2</td>
</tr>
<tr>
<td>June 14 at 7 p.m.</td>
<td>Downtown Anaheim Community Center 250 E. Center St.</td>
<td>Central: District 3</td>
</tr>
<tr>
<td>June 15 at 7 p.m.</td>
<td>Ponderosa Park Family Resource Center 320 E. Orangewood Ave.</td>
<td>Central: District 4</td>
</tr>
<tr>
<td>June 21 at 7 p.m.</td>
<td>Anaheim United Methodist Church 1000 S. State College.</td>
<td>East: District 5</td>
</tr>
<tr>
<td>June 22 at 7 p.m.</td>
<td>East Anaheim Community Center 8201 E. Santa Ana Canyon Rd.</td>
<td>East: District 6</td>
</tr>
</tbody>
</table>

*Dates and locations are subject to change.*