

## **LAGUNA NIGUEL CITY COUNCIL**

Minutes of the Special City Council Meeting on May 26, 2020 – 6:00 p.m.

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**CALL TO ORDER** – Mayor Davies called the meeting to order at 6:00 p.m.

### **ROLL CALL**

**Mayor Laurie Davies – Present**

**Mayor Pro Tem Fred Minagar – Present**

**Council Member John Mark Jennings – Present**

**Council Member Elaine Gennawey – Present**

**Council Member Sandy Rains – Present**

**PLEDGE OF ALLEGIANCE** – was led by Mayor Pro Tem Minagar

### **PUBLIC COMMUNICATIONS**

There were no public speakers.

### **STUDY SESSION**

#### **1. Proposed Fiscal Year 2020/2021 Operating and Capital Improvement Program Budget**

City Manager Letourneau stated the focus of the Fiscal Year 2020/2021 Operating and Capital Improvement Program Budget (Budget) is on providing essential services to the community, while keeping everyone safe and maintaining the City's infrastructure. She stated even with the tremendous economic challenges the City faces, the Budget is balanced at \$52.5 million. She stated essential services are funded and will continue to be provided to the community in the coming year. She stated the City's reserves are only being utilized for the completion of two critical CIP projects which are the Community Center at Crown Valley Park and the design of the Crown Valley Widening Project. She stated because of the significant decreases in revenues, significant decreases in expenditures were required across all City departments. She stated the fiscal impacts of COVID-19 on the City are significant and because of the nature of this emergency and the impacts that the City has experienced financially, immediate changes to expenditures were needed to address the significant loss in revenue and emergency expenditures.

Finance Director Hendrickson gave a PowerPoint presentation and provided information as outlined in the proposed Budget. He stated General Fund operating revenues are projected to be \$40.89 million and operating expenses are projected to be \$40.69 million, a difference of approximately \$200,000. He stated there are currently three Capital Improvement Projects which total \$4.2, resulting in the use of reserves equaling \$4.0 million. He stated the COVID-19 health crisis has impacted almost every source of revenue the City receives. He stated that next year, property and sales tax will make up 82% of \$40.89 million in General Fund revenue. He stated we are budgeting property tax at \$22.88 million next year which is a conservative approach to estimating this amount. He

stated that due to the health crisis, real estate sales and price points are expected to decline, in addition to the higher unemployment rates which could cause homeowners to delay or miss property tax payments. He stated the City's consultant estimated that the City will receive \$10.61 million next year which is approximately 10% lower than Fiscal Year 2018/2019. He stated high unemployment rates, poor consumer confidence, forced business closures and stay at home orders have also caused this drastic decline in revenue. He provided information on Budget reduction measures in each department and continued to review the Budget as outlined in the PowerPoint presentation.

Public Works Director Scott gave a PowerPoint presentation on the Capital Improvement Program Budget (CIP). She stated this year, the proposed CIP includes a total of nine projects and \$7.2 million is requested funding. She stated whenever possible, the nine CIP projects were funded through third party restricted funds to minimize the use of money in the General Fund. She provided an overview of the nine CIP projects including the total amount budgeted, a summary of the project, and an anticipated timeline for each of the following:

- Alicia Parkway Traffic Signal Synchronization: Total budgeted - \$220,900
- Aliso Creek Road Traffic Signal Synchronization: Total budgeted - \$115,215
- Accessible Pedestrian Signal Push Buttons: Total budgeted - \$88,851
- Crown Valley Widening, I-5 to Oso Creek: Total budgeted - \$600,000
- Niguel Road Resurfacing – Marina Hills to Highlands: Total budgeted – \$2 million
- Paseo de Colinas Groundwater Seepage: Total budgeted - \$350,000
- Crown Valley Park – New Community Building Tier III: Total budgeted - \$3.4 million
- Yosemite Park – Bridge, ADA Improvements and Landscaping: Total budgeted - \$200,000
- Sea Country Senior Center Restroom Renovations: Total budgeted - \$205,157

Discussion ensued.

**A MOTION** was made by Mayor Pro Tem Minagar, seconded by Council Member Jennings, to receive the proposed budget, direct staff to make budget adjustments, and present the final budget for adoption at the June 16, 2020 City Council meeting.

**Motion carried 5-0.**

## ADJOURNMENT

Mayor Davies adjourned the Special City Council meeting at 7:00 p.m.

Respectfully submitted by:

  
Eileen C. Gomez,  
City Clerk