

MINUTES OF A SPECIAL MEETING
OF THE BUENA PARK CITY COUNCIL
HELD MAY 27, 2025

Vol. 54 Pg. 277

1. CALL TO ORDER

The City Council met in a special meeting on Tuesday, May 27, 2025, at 1:00 p.m., in the Council Chamber of the Civic Center, 6650 Beach Boulevard, Buena Park, California, Mayor Ahn presiding.

1A. CALL TO ORDER

1B. ROLL CALL

PRESENT: Franco, Hoque, Sonne, Traut, Ahn
ABSENT: None

Also present were: Aaron France, City Manager; Chris Cardinale, City Attorney; and Adria M. Jimenez, MMC, Director of Government and Community Relations/City Clerk.

1C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Eddie Fenton, Assistant City Manager/Director of Human Resources.

2A. ORAL COMMUNICATIONS

Mayor Ahn announced the public may at this time address the members of the City Council on any matters within the jurisdiction of the City Council. There being none, Mayor Ahn closed oral communications.

3. NEW BUSINESS

Mayor Ahn stated the need for a closed session as scheduled and ordered the meeting into closed session.

3A. DISCUSS AND PROVIDE DIRECTION ON THE FISCAL YEARS 2025-26 AND 2026-27 PROPOSED BUDGET

City Manager France provided an introduction on the budget workshop and indicated the formal adoption of the Fiscal Years (FY) 2025-26 and 2026-27 proposed budget will be held at the July 8, 2025, City Council meeting. City Manager France introduced Director of Finance Sung Hyun to present the FY 2025-27 Proposed Budget.

Director Hyun presented the City of Buena Park's Preliminary Budget and Capital Improvement Program Budget for FY 2025-27. The proposed budget is responsive to the needs of the citizens and business community of Buena Park and is designed to provide a comprehensive financial overview of City activities during FY 2025-26 and FY 2026-27. The document includes departmental functions/objectives, major accomplishments and desired service levels for the upcoming fiscal years. The Preliminary Budget has been prepared in accordance with local ordinances, state statutes and professional standards recommended by the Governmental Accounting Standards Board. Staff has returned to preparing a budget that encompasses two years. The two-year budget process will provide a basis for longer term planning and accountability. In addition, it will save staff resources during the second year of the budget process since the only items addressed will be by exception basis for those items that are new, changed, or unanticipated.

This 2025-26 and 2026-27 Preliminary Budget represents the proposed operating and capital spending plans for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Fund and Internal Service Funds. The total preliminary appropriations for all budgeted funds proposed for FY 2025-26 are \$165,583,590. The proposed operating appropriations on an all-funds basis are \$147,238,590 and the proposed appropriations for the Capital Improvement Program (CIP) are \$18,345,000. These preliminary appropriations represent an increase of 10.1% for operations and an increase of 29% for capital improvements over the prior year, as illustrated in the schedule.

The General Fund comprises 60.3% of the total proposed budget on an all-funds basis for 2025-26 and 62.1% in 2026-27. The proposed expenditures in the General Fund increased by \$2,003,500 or 2% in 2025-26 when compared to the adopted budget for fiscal year 2024-25 and \$2,354,510 or 2.4% in 2026-27 when compared to the proposed for fiscal year 2025-26.

The City Council received a report on each of the policy issues and voted 5-0 in support of adding the following items to the budget:

- Reclassify Code Enforcement Officer to Sr. Code Enforcement Officer
 - FY 25-26: \$12,190
 - FY 26-27: \$12,410
- Reclassify Part-Time Business License Inspector to Part-Time Code Enforcement Officer
 - FY 25-26: \$2,940
 - FY 26-27: \$4,850
- Purchase of two (2) electric golf carts with upfitting for School Resource Officers
 - FY 25-26: \$16,500
 - FY 26-27: \$16,500
- Add a Drone First Responder Program
 - FY 25-26: \$150,000
 - FY 26-27: \$307,130
- Purchase of the new UPS system
 - FY 26-27: \$130,000
- Reclassify the Water Maintenance Helper to Water Services Technician
 - FY 25-26: \$17,990
 - FY 26-27: \$19,200
- Purchase three (3) new vehicles to be utilized by the Water Services and Sewer/Storm Services Divisions.
 - FY 25-26: \$165,000

Budget highlights include:

General Fund Revenues:

Fiscal years 2025-26 and 2026-27 estimated revenues and transfers in total are \$96,845,720 and \$100,259,770, respectively. Overall, the 2025-27 revenues are projected to be flat to moderate increases as the rate of economic growth is projected to slow.

- Property Taxes
Base property tax revenues are projected to increase modestly in 2025-26 and 2026-27. However, as the ROPS process continues to wind down, the City has seen an increase to residual property tax revenues
- Sales and Use Taxes
Sales taxes are the single largest source of revenue for the General Fund and are also most susceptible to changes in economic conditions. Projections are based upon factors and estimates received from our sales tax consultant, HdL Companies. Assumptions reflect an overall decrease for 2025-26 and 2026-27, in anticipation of some economic uncertainty. Automobile and transportation and restaurants and hotels sectors make up a large portion of the City's sales tax revenues.
- Transient Occupancy Tax
This revenue source is largely affected by tourism activity for the state and the region, as well as increasing room rates. With uncertainty on the effects of federal policy on tourism, estimates for this revenue are projected to have very moderate increases for 2025-26 and 2026-27.
- Utility User Fee
This revenue source had flattened during the last economic downturn, as consumers reduced their energy consumption or were unable to pay their energy bills. However, due to the rising cost of gas and electricity, this revenue has been increasing.
- Investment Earnings
Investment earnings projections for fiscal year 2025-26 and 2026-27 reflect the Federal Reserve Bank's pause on changes to interest rates due to economic uncertainty.
- Revenue from other agencies
The City continues to see increases in Motor Vehicle In-Lieu revenue. Additionally, the City is projected to continue to receive grants and contributions for the operation of the Navigation Center.
- Licenses and Permits
Revenue projections for 2025-26 reflect a flattening of construction and development activity, followed by an increase in 2026-27.
- Fines and Forfeitures
Fines and forfeitures are projected to moderately decrease due to temporary staffing vacancies, but may be adjusted in the future, once regular enforcement activity fully resumes.
- Charges for Services
Revenue projections for 2025-26 and 2026-27 include future increases in the refuse rates. Additionally, revenues are projected to increase due to the reimbursement of Police Detail staffing.
- Transfers In
The General Fund will receive transfers in from the Economic Development Fund (\$68,000) to fund Visit Buena Park staffing and operations, Gas Tax Fund (\$7,500) for allowable reimbursement of Public Works expenditures, the Water Fund (\$72,170) to compensate the General Fund for rent for City-owned well sites, and the Housing Successor Fund (\$250,000) for Navigation Center operating costs.

General Fund Expenditures:

General Fund expenditures for fiscal years 2025-26 and 2026-27 are projected to be \$99,769,310 and \$102,123,820, respectively. This includes operating expenditures of \$96,152,060, capital equipment expenditures of \$1,052,320, capital improvement program expenditures of \$1,050,000, and transfers out of \$1,514,930, for 2025-26 and operating expenditures of \$99,060,680, capital equipment expenditures of \$818,840, capital improvement program expenditures of \$700,000, and transfers out of \$1,544,300, for 2026-27. The total requirements for 2025-26 exceed the prior year by \$2,003,500, or 2%. The total requirements for 2026-27 exceed the prior year by \$2,354,510, or 2.4%.

- Salaries and Benefits

Salaries and benefits, which represent 53.4% of total General Fund expenditures, show an increase of \$2,933,560, or 5.8% for fiscal year 2025-26. For fiscal year 2026-27, salaries and benefits represent 53.6% of total General Fund expenditures and an increase of 2.8% or \$1,480,940. The increases are due to the addition of a Principal Plan Check Engineer position, the full funding of one Sergeant and three Police Officer positions, and additional unfunded accrued liability (UAL) payments to the City's pension plans with the California Public Employees' Retirement System (CalPERS). It should be noted that the labor agreements for all labor groups are set to expire July 4, 2025, and provisions for any pending agreements are not included in this budget.

- Maintenance and Operations (M & O)

Maintenance and operations expenditures include such items as professional and contractual services, equipment maintenance/rental, supplies, memberships and subscriptions, training, utilities and a variety of other fees. For 2025-26 and 2026-27, the maintenance and operations budgets are \$42,911,950, and \$44,339,630, respectively. When compared to the respective prior year budget, the increases are \$3,436,090, or 8.7% and \$1,427,680, or 3.3%. Generally, the cost of contracts for services such as Fire, animal control, crossing guards, jail, landscape maintenance, tree trimming, traffic signal maintenance, and janitorial are projected to increase due to rising costs and wages.

Generally, the cost of contracts for services such as Fire, animal control, crossing guards, jail, landscape maintenance, tree trimming, traffic signal maintenance, and janitorial are projected to increase due to rising costs and wages.

- Capital Outlay

Capital outlay expenditures include expenditures for furniture, fixtures and equipment. The fiscal year 2025-26 budget includes capital outlay expenditures totaling \$1,052,320, an increase of \$692,860, or 192.8% from the prior year's budget. The fiscal year 2026-27 budget includes capital outlay expenditures totaling \$818,840, a decrease of \$233,480, or (22.2%) from the 2025-26 budget. Police equipment purchases make up the largest portion of the capital outlay expenditures.

- Capital Improvement Program (CIP)

The City's Capital Improvement Program (CIP) includes General Fund projects in fiscal years 2025-26 and 2026-27 in the amount of \$1,050,000 and \$700,000, respectively. Projects include new flooring at Ehlers Event Center, mandated organics and edible food recycling (grant funded), annual asset management improvements, City Yard parking lot rehabilitation, City Hall marquee replacement, HVAC units upgrade, Ehler's marquee replacement, and parks restroom doors upgrade.

- Transfers Out

The General Fund's transfers out for fiscal year 2025-26 includes \$180,730 to the Supplemental Law Enforcement Services Fund to supplement the cost of police officer positions in excess of the grant amount and \$1,334,200 to the Public Liability Self-Insurance Fund for insurance premiums and ongoing and new liability claims.

The General Fund's transfers out for fiscal year 2026-27 includes \$210,100 to the Supplemental Law Enforcement Services Fund to supplement the cost of police officer positions in excess of the grant amount and \$1,334,200 to the Public Liability Self-Insurance Fund for insurance premiums and ongoing and new liability claims.

Director Hyun also discussed the Enterprise and Special Revenue Funds and its respective purpose such as Water Enterprise Fund, Wastewater Fund, Economic Development Fund, Measure R Fund, Opioid Settlement Fund, Asset Forfeiture, Proposition 172, Supplemental Law Enforcement Services Fund, Gas Tax, Measure M2, Home Deferred Loan Fund, Community Development Block Grant (CDBG), State Orange County Auto Theft Task Force (OCATT) Fund, CalHome Program Fund, Park In-Lieu, Traffic Congestion Relief Fund, AB2766/AQMD, Successor Agency to the RDA, Housing Successor Fund, and Capital Improvement Program (CIP).

Following the presentation, the City Council complimented Director Hyun and his staff on the budget document and its completeness.

3B. STATUS OF VACANT POSITIONS AND RECRUITMENT AND RETENTION EFFORTS AS REQUIRED BY AB 2561 PURSUANT TO GOVERNMENT CODE SECTION 3502.3
Recommended Action: 1) Receive and File a report on the City of Buena Park's staffing vacancies and recruitment and retention efforts.

Human Resources Manager Valdez provided a report regarding staffing vacancies, recruitment status and retention efforts as required by AB 2561 pursuant to Government Code Section 3502.3, at least once per fiscal year prior to the adoption of the public agency's fiscal budget. Currently, the City of Buena Park has 292.5 full-time positions budgeted. On May 10, 2025, the City had 17 vacant positions representing a 6% vacancy rate. Human Resources Manager Valdez discussed the City's five bargaining units: Buena Park City Employees' Association (CEA), Buena Park Management Unit (BPMU), Police Management Association (PMA), Police Association (PA), and the Technical, Office, and Professionals Association (TOPS), and the vacancies for each employee bargaining unit. Position vacancies are created for reasons including approval of newly budgeted positions, internal movement such as a promotion or transfer, or employee retirement, voluntary resignation, or involuntary termination. Human Resources Manager Valdez emphasized the importance for the Executive Team and the Human Resources Department to fill vacant positions to ensure continuity of services to the public, maintain operational efficiency, minimize disruptions to departmental functions, and minimize the need for overtime. Furthermore, the Human Resources Department is continuously and rigorously recruiting and onboarding new hires, including full-time and part-time personnel; and, recognizes that effective recruitment is about identifying, attracting, and hiring diverse, well-qualified people, and retention is about keeping employees who exemplify the City's Core Values while also keeping them engaged, satisfied, and committed to the organization long-term.

Received and filed.

ADJOURNMENT

There being no further business, Mayor Ahn adjourned the meeting at 2:52 p.m.



Mayor

ATTEST:



City Clerk