

# Section 12

## Fiscal Analysis Component

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The program described in this section was developed pursuant to Section G of the Permit and contains the information required, as specified in Section H.1.a.(10) of the Permit.

### 12.1 Introduction

Effective programs require adequate funding to implement planned activities. The first step in securing adequate funding for the Jurisdictional Urban Runoff Management Program (JURMP) is to provide a strategy for effectively conducting a fiscal analysis of the Program in its entirety. The fiscal analysis evaluates the expenditures (such as capital, operation and maintenance, education, and administrative expenditures) necessary to accomplish the activities of the Program. The fiscal analyses will be included in the Program annual report required by the Permit.

The City of Del Mar (City) completed a financial review of the Urban Runoff Management Program according to the requirements specified in Section 3.G. – Fiscal Analysis in Order No. 2007-0001 (Permit). The City determines annual operating budget by evaluating the proposed expenditures for the various components of the program and also evaluating the funds from the designated sources. In doing so, it has determined that it has the resources necessary to meet all requirements of the Permit (Section 3.G.1.).

The City's budget is based on a two-year cycle, with an opportunity for revisions in mid-year and at the end of each year. If at that time, it is determined that existing resources are not adequate to meet the requirements of the Permit, additional resources are added or transferred to the program budget. The City funds a number of programs on an ongoing basis that benefit the stormwater program.

Stormwater activities are distributed among several programs and funds for these activities are accounted for separately and by each program.

The following section addresses the City's approach to the fiscal analysis component.

### 12.2 Municipal Departments Budgets

The City has numerous departments within its organization that implement the requirements of the Permit. As a part of the budgeting process, each department head is required to submit a draft budget to the City Manager to include in a comprehensive budget for City Council review and approval. The Departments involved in the JURMP's implementation include, but are not limited to, City Managers office, Planning and Community Development, Public Works, Engineering, Community Services, Fire, and Finance.

The following section describes the City's current or updated approach to conducting and reporting on the Fiscal Analysis as part of its JURMP Annual Report. The fiscal analysis prepared by the City is required per Section 3.G of the Permit.

### 12.3 Strategy for Developing a Fiscal Analysis

In order to prepare the draft budget, the Clean Water Program Manager will work with the various department heads to prepare a summary of the estimated resources necessary to

implement the JURMP in the upcoming fiscal years. The summary will include the totals for the expenditure categories. The City's budget preparation process normally ranges between January and May of each year.

The Finance Director and Clean Water Program Manager will work closely together to select funding sources that are appropriate for each program element to meet the necessary expenditures, and make recommendations to the City Manager and City Council.

### **12.3.1 Fiscal Analysis Methods**

The Permit also requires that as part of the Regional Urban Runoff Management Program, the Copermittees collectively develop a standardized method and format to annually conduct and report a fiscal analysis of their urban runoff management programs in their entirety (including jurisdictional, watershed, and regional activities). According to the Permit this standardized method is to include:

- a. Identification of the various categories of expenditures attributable to the urban runoff management programs, including a description of the specific items to be accounted for in each category of expenditures.
- b. Identification of the expenditures that contribute to multiple programs or were in existence prior to implementation of the urban runoff management program.
- c. Identification of a metric or metrics to be used to report program component and total program expenditures.

The Copermittees will prepare a standardized fiscal analysis method by January 31, 2009 that will allow the City of Del Mar to perform the review and annual reporting as required in Section 3.G.3 starting on January 31, 2010.

### **12.3.2 Update to Fiscal Analysis Methods**

This section will be updated in the future or by reference to section 5.3 of the Regional Urban Runoff Management Program, which will contain the *Standardized Method and Format for Annually Conducting and Reporting Fiscal Analyses of Copermittee Urban Runoff Management Programs* (including jurisdictional, watershed, and regional activities; Permit section G). The City may also include a discussion of the key findings and content of that document, as well as a description of how their annual fiscal analysis will be conducted consistent with the standardized method starting January 31, 2010 (i.e., for FY 2008-09).

## **12.4 Program Review and Modification (Optional)**

The City may include this section to reserve a location for identifying and documenting future modifications to the Fiscal Analysis Component. Section 14.0 of the JURMP will also provide any changes made to the JURMP to meet the requirements of the Permit.

## **12.5 Annual Fiscal Analysis Submittals**

The City will include the Annual Fiscal Analysis in the JURMP annual report due on September 30, 2008 and every September 30, thereafter. The analysis will be in the format prepared by the Copermittees. The fiscal analysis included in the City's JURMP Annual Reports will need to address each of the City's urban runoff management programs in its entirety, including

jurisdictional, watershed, and regional activities. The fiscal analysis in the JURMP Annual Reports will provide the City's urban runoff management program budget for the current reporting period or as determined by the Copermittees as part of the regional fiscal analysis methods.