

City of La Palma

Proposed Budget Overview

Fiscal Year 2015-16

May 11, 2015



Agenda

- **City Manager Message**
 - City Council Goals
 - Accomplishments
 - Trends – Short and Long Term
- **Significant Issues**
- **Overall Reductions**
- **Proposed Budget Overview**
 - Revenues and Fund Balance - All Funds
 - Department Budget Highlights and Discussion
- **City Council direction, questions, requests for additional information**

City Council Goals



- **City Council decision regarding Billboard Project, with a minimum of one site by April.**
- **Maintain a Sustainable Balanced Budget which includes: receive a mid-year report in February with a clear analysis of the City's fiscal status; improve the 2015/16 budget process/ improve the transparency, ease of understanding and accuracy of the 2015/16 budget document; and, adopt a 2015/16 budget which is balanced without the use of reserves for operations or the use of one-time monies for ongoing expenditures and which is consistent with the forecast for the longer term**
- **Complete a study of modernization of the utility users' tax by December 2015 in preparation for decision making regarding a potential November 2016 ballot measure.**

City Council Goals



- **Address the water/sewer funds operational deficits by September 2015.**
- **Maintain Quality of Life through beautification, continuous improvement in operations and services, and improvement in communications. Emphasis is on the City's core responsibilities including maintaining strong police and fire services, infrastructure, keeping residents happy, and providing services and protection.**
- **Approve the zoning code in 2015.**
- **Meet the state mandate of reducing City water usage by at least 20% by 2020 and permanently reduce the City's water usage.**
- **Complete labor negotiations for 2015.**

City Council Goals



- **Have a City Council discussion regarding whether or not to go forward with a school district survey of residents north of Houston and including the historic context of the issue. Survey to be followed by a decision on whether or not to put resources into creating a strategy and action plan going forward.**
- **Promote and achieve a better business environment through implementation of the Economic Development Action Plan recommendations, especially those concerning streamlining regulations and processes and conducting an annual meeting with existing businesses. Include a survey of business attitudes to provide an additional outlet for business input.**
- **Receive a financing plan for City Hall improvements/replacement by the end of 2015 and sooner if possible.**

City Accomplishments



- Approval of a lease with Elite Tae Kwon Do Studio for the City's La Palma Avenue property. The City will receive both increased property taxes and lease revenue from this arrangement.
- Adoption of a revised zoning code which increases development opportunity particularly north of the 91 freeway.
- Approval of a sign code amendment to allow billboard placement within the new Freeway Overlay District.
- \$197,566 in reductions made at mid-year budget review to retain a balanced budget in the current year.
- Continued work with businesses and property owners to decrease commercial vacancies and increase tenant improvements and investment. Some results from that work include a new Coffee Bean & Tea Leaf restaurant now in construction and a new 99 Cent Only store in building approvals.

City Accomplishments



- Approval to negotiate purchase of street lights from Southern California Edison and convert them to LED technology along with other energy and cost savings projects.
- Continued investment in technology including purchase of a more robust and integrated financial enterprise software system which will improve both productivity and transparency. Implementation of new business license software to improve efficiency and data quality.
- Approval of grant consultant contract
- Prefunding the City's obligations towards the County 800 MHz radio communications system for a substantial capital cost savings.

Short and Mid-term Trends and Impacts

- Beyond the 4 Major Drivers (Oil Prices and Dependence, LPIH – non-profit status and revenue impacts to the General Fund, Pension Accounting and Costs Changes, and Insurance Experience and Cost Trend)
- Property Tax Trends Beyond the Hospital
- Sales Tax Trends Beyond Oil Prices
- Economic Assets/Development Tools - ED tools – continued assets of security, size and location; additional opportunities north of the freeway, continued emphasis on vacancies and repurposing existing commercial development to higher value
- Economic Recovery/Lower Vacancy Rates
- Investment Returns



Short and Mid-term Trends and Impacts



- **Capital Needs CIP needs – streets savings, unknowns in water, energy, drought and seismic projects long term**
- **Organizational Efficiencies Org efficiencies – technology, energy, reorganization, process improvement, volunteers, shared services**
- **Labor – negotiations for new Memorandums of Understanding**
- **Fiscal Health – identifying hidden liabilities, clearly separating one time and ongoing costs and revenues**
- **Drought – reduced use and revenue, changes to our own operations, marketing and enforcement, preparing for long term climate change**

Long Term Trends/Forecast



- **7 Global Revolutions and Impacts to La Palma**
 - **Population – not growing, but changing. Challenges with retaining a representative workforce.**
 - **Resource Management – fiscal challenges with water and water quality, drought response, energy conservation and utility users tax and water rate impacts**
 - **Information Convergence – catching up on technology needs, but little interoperability prior to the financial enterprise system conversion. Lack of interoperability limits efficiencies and use of “big data”**
 - **Technology – maintaining not only hardware and software but employee skills and redundancy. Continuing use of one-time investment for ongoing savings.**

Long Term Trends/Forecast



- **Economics – Need for diversification and responding to economic change such as internet business, globalization, limits of infill development.**
- **Security – retaining as a community asset and value, responding to cybercrime, “hardening” systems and facilities, and competing with technologically advantaged criminals.**
- **Challenges of Governing – demand (and technical capability) for greater transparency and engagement. Responding to increased diversity and the need for cultural competency, and Increased pressures and opportunities for shared services and regional partnerships.**

Significant Issues – the 4 Drivers

- Drop in sales tax revenues associated with cheaper oil prices
- Drop in property tax revenues due to the move of a major property owner to non-profit status
 - Also affects the ability of the Successor Agency to repay loans to the City (\$5 million)
- Rise in CalPERS costs over the next five years
 - Actuarial assumption changes
 - Unfunded Liability required payments
- Rising insurance costs for both general liability and workers compensation

Major Revenue Assumptions/Trends

- **Utility Users' Tax**
- **Transient Occupancy Tax**
- **Franchise Fees**
- **Interest Earnings**
- **Gas Tax**
- **Water**



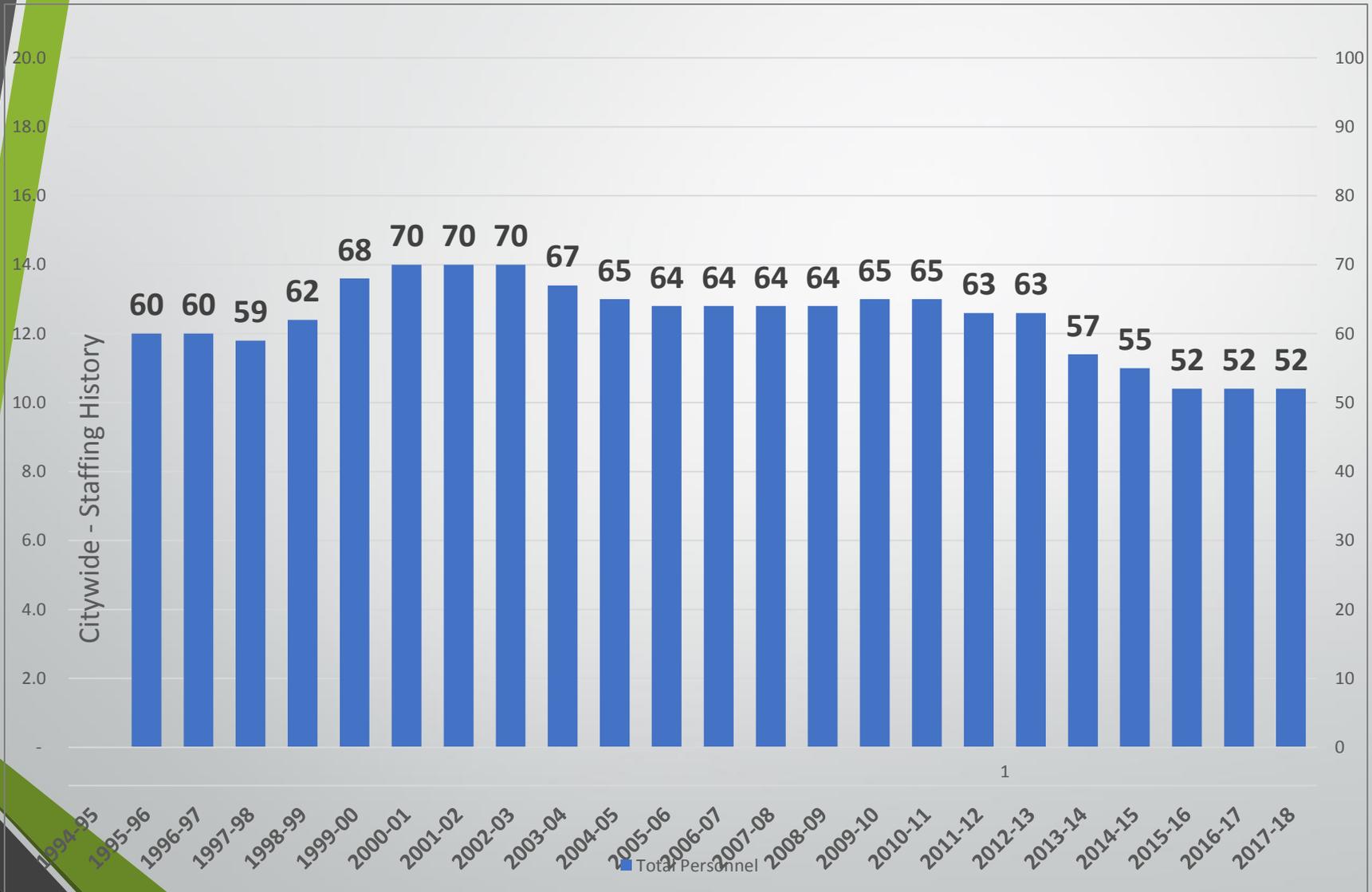
Budget Discussion - Revenues

General Fund									
Revenue and Expenditure Overview									
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	% Change	Fiscal Year	% Change	Fiscal Year
	2011-12	2012-13	2013-14	2014-15	2015-16	2014-15	2016-17	2015-16	2016-17
	Actual	Actual	Actual	Projected	Proposed	Projected	Estimated	Proposed	Proposed
Revenues by Type:									
Property Tax	\$ 2,996,543	\$ 3,421,974	\$ 3,129,620	\$ 3,215,394	\$ 3,259,000	1.4%	\$ 3,326,100	2.1%	
Sales Tax	5,610,509	4,335,175	1,989,556	2,070,884	2,958,000	42.8%	2,759,800	-6.7%	
Utility Users Tax	893,605	994,444	1,101,159	1,116,916	1,139,300	2.0%	1,162,100	2.0%	
Residual Property Tax	143,234	922,527	263,661	179,000	129,800	0.0%	55,600	-57.2%	
Franchise Fees	357,553	358,672	381,839	431,000	415,400	-3.6%	438,000	5.4%	
Transient Occupancy Tax	227,539	257,975	313,662	335,000	335,000	0.0%	335,000	0.0%	
Licenses and Permits	268,847	281,143	267,110	300,300	296,800	-1.2%	303,200	2.2%	
Intergovernmental	48,972	49,492	38,174	30,100	33,000	9.6%	31,400	-4.8%	
Charges for Services	482,884	514,015	584,575	527,550	469,900	-10.9%	493,400	5.0%	
Fines and Forfeitures	153,549	136,883	148,175	145,500	170,100	16.9%	173,100	1.8%	
Use of Money and Property	303,057	231,163	322,505	308,200	333,400	8.2%	350,400	5.1%	
Other Revenues	263,841	88,333	98,344	352,300	297,300	-15.6%	513,300	72.7%	
Interfund Transfers	283,100	286,100	538,912	283,100	626,600	121.3%	604,400	-3.5%	
Total Revenues	12,033,233	11,877,896	9,177,292	9,295,244	10,463,600	12.6%	10,545,800	0.8%	

Overall Changes based on Prior Discussions

- **Use of One-Time Funds to pay Insurance Retrospective Liability Balances**
 - **Provides ongoing relief to General Fund**
- **Removal of City Hall Improvements in FY 2016-17**
- **5% Salary Reduction for Executive Management**
 - **Effective July 1, 2015**
 - **\$65,000 Overall Savings - \$50,000 in General Fund**

Staffing Levels



Three Year Outlook

Department Name	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
CITY COUNCIL	\$ 78,200	\$ 80,900	\$ 80,000
CITY MANAGER	220,300	223,900	225,400
LEGAL SERVICES	138,600	129,000	144,000
ADMINISTRATIVE SERVICES	159,100	166,100	170,600
CITY CLERK	137,800	157,700	145,500
FISCAL SERVICES	367,200	329,900	335,100
HUMAN RESOURCES <i>(formerly Internal Service)</i>	1,314,600	1,370,800	1,492,500
TECHNOLOGY & COMMUNICATIONS <i>(formerly Internal Service)</i>	330,000	326,700	331,300
Total >	\$ 2,745,800	\$ 2,785,000	\$ 2,924,400

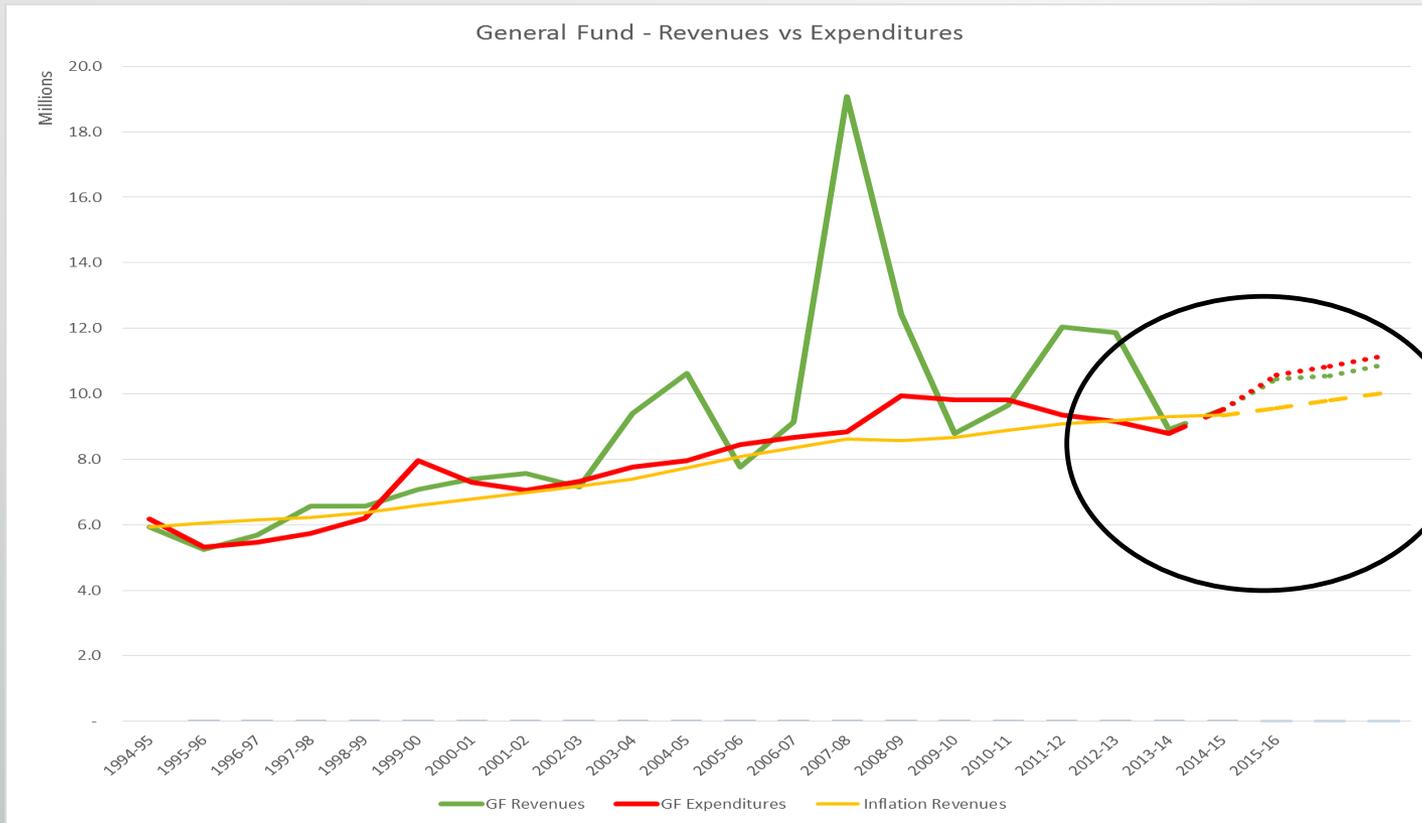
Department Name	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
POLICE ADMINISTRATION	\$ 544,700	\$ 557,100	\$ 569,000
OPERATIONS MANAGEMENT	301,400	315,100	317,200
PATROL	2,403,100	2,507,100	2,552,700
SERVICES DIVISION MANAGEMENT	246,700	260,400	267,600
COMMUNITY EDUCATION	66,700	65,800	66,900
INVESTIGATIONS	569,300	589,400	598,000
RECORDS & COMMUNICATIONS	620,200	646,000	658,000
Total >	\$ 4,752,100	\$ 4,940,900	\$ 5,029,400

Three Year Outlook

Department Name	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
COMMUNITY SERVICES ADMINISTRATION	\$ 343,000	\$ 355,300	\$ 360,400
HEALTH & WELLNESS	145,100	145,700	\$ 145,900
RECREATION FACILITY OPERATIONS	216,800	229,100	\$ 234,400
SPECIAL EVENTS	125,400	125,600	\$ 126,900
YOUTH & FAMILY	251,800	266,000	\$ 272,700
CITY-WIDE MAINTENANCE <i>(formerly Internal Service)</i>	342,900	317,700	\$ 358,000
ENGINEERING	94,400	88,200	\$ 88,300
PARKS & MEDIANS	372,700	346,300	\$ 353,300
STREETS	147,700	152,100	\$ 153,600
Total >	\$ 2,039,800	\$ 2,026,000	\$ 2,093,500

Department Name	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
COMMUNITY DEVELOPMENT ADMINISTRATION	\$ 100,000	\$ 102,900	\$ 104,100
BUILDING AND SAFETY	139,600	135,600	135,600
CODE ENFORCEMENT	97,900	103,200	107,500
PLANNING	116,600	119,500	120,700
Total >	\$ 454,100	\$ 461,200	\$ 467,900

Three Year Outlook

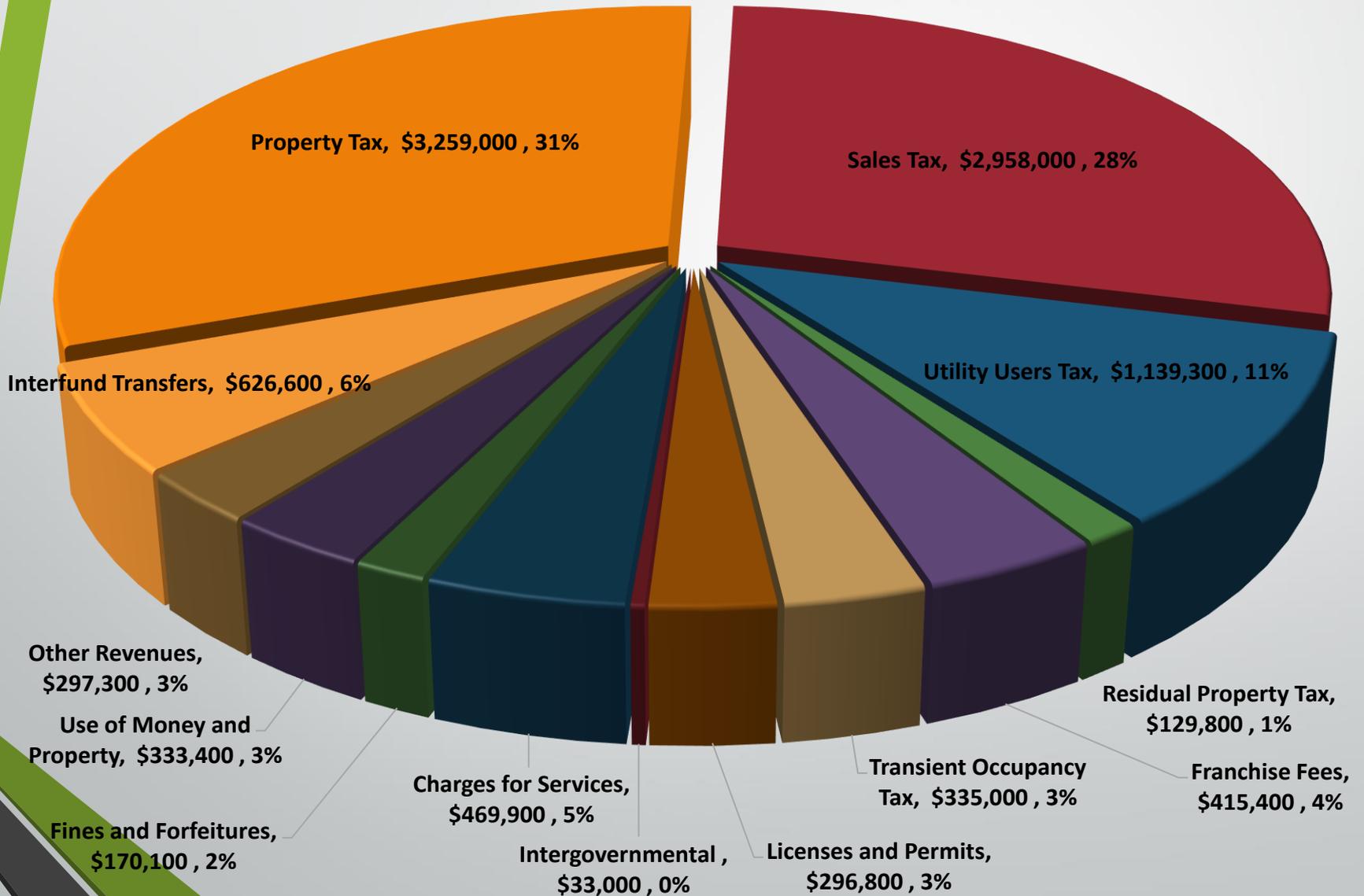


	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
Expenditure Subtotal Before Transfer Out >	\$ 9,991,800	\$ 10,213,100	\$ 10,515,200
Adjusted for changes in			
Transfer Out >	\$ 615,300	\$ 636,200	\$ 657,900
EXPENDITURE GF TOTAL >	\$ 10,607,100	\$ 10,849,300	\$ 11,173,100
Projected GF Revenues >	\$ 10,463,600	\$ 10,545,800	\$ 10,892,800
Surplus(Deficit)	\$ (143,500)	\$ (303,500)	\$ (280,300)

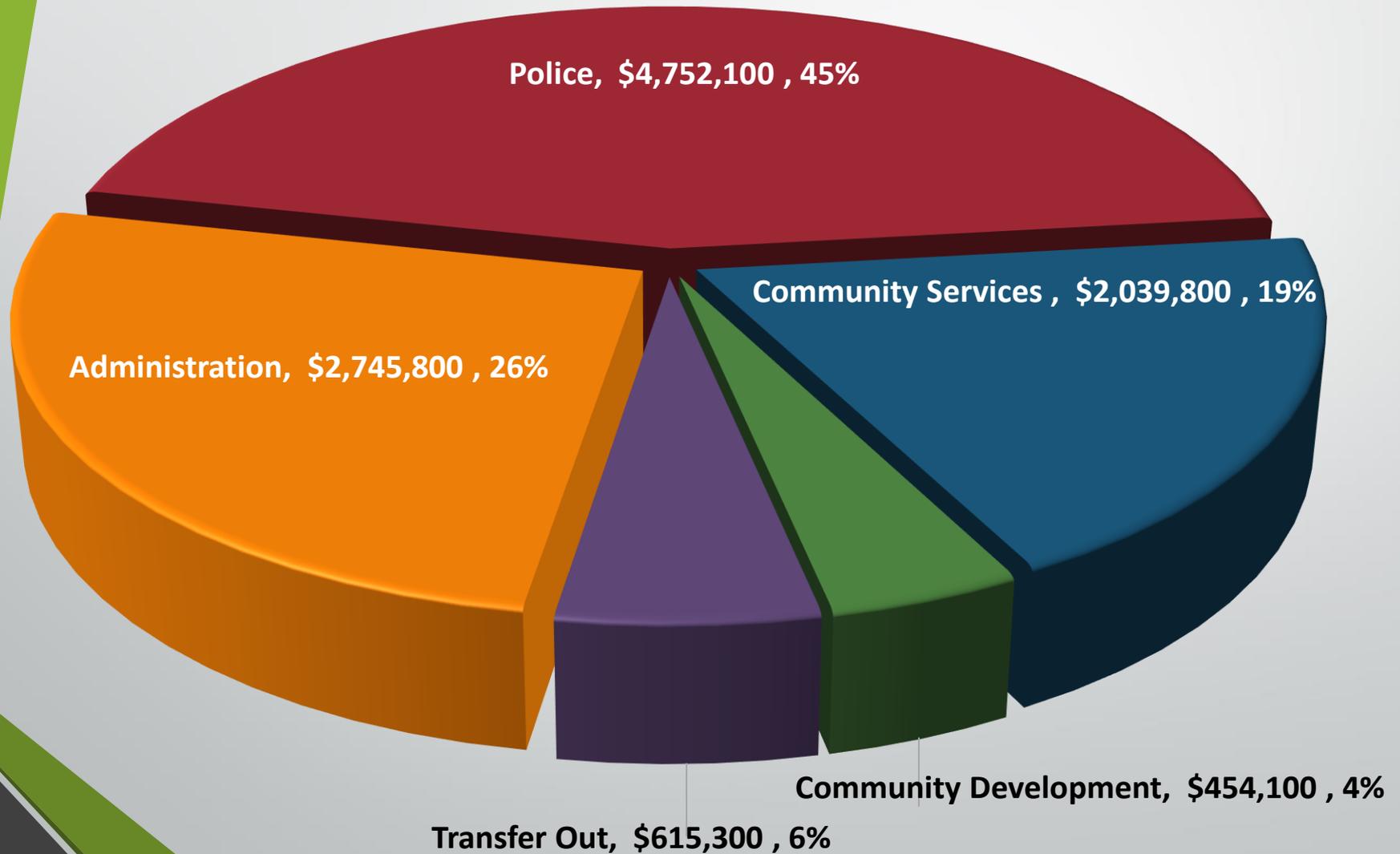
General Fund Summary

Projected Revenues	\$10,463,600
Proposed Expenditures	\$10,607,100
<hr/>	
<i>Estimated Surplus / (Deficit)</i>	<i>(\$143,500)</i>

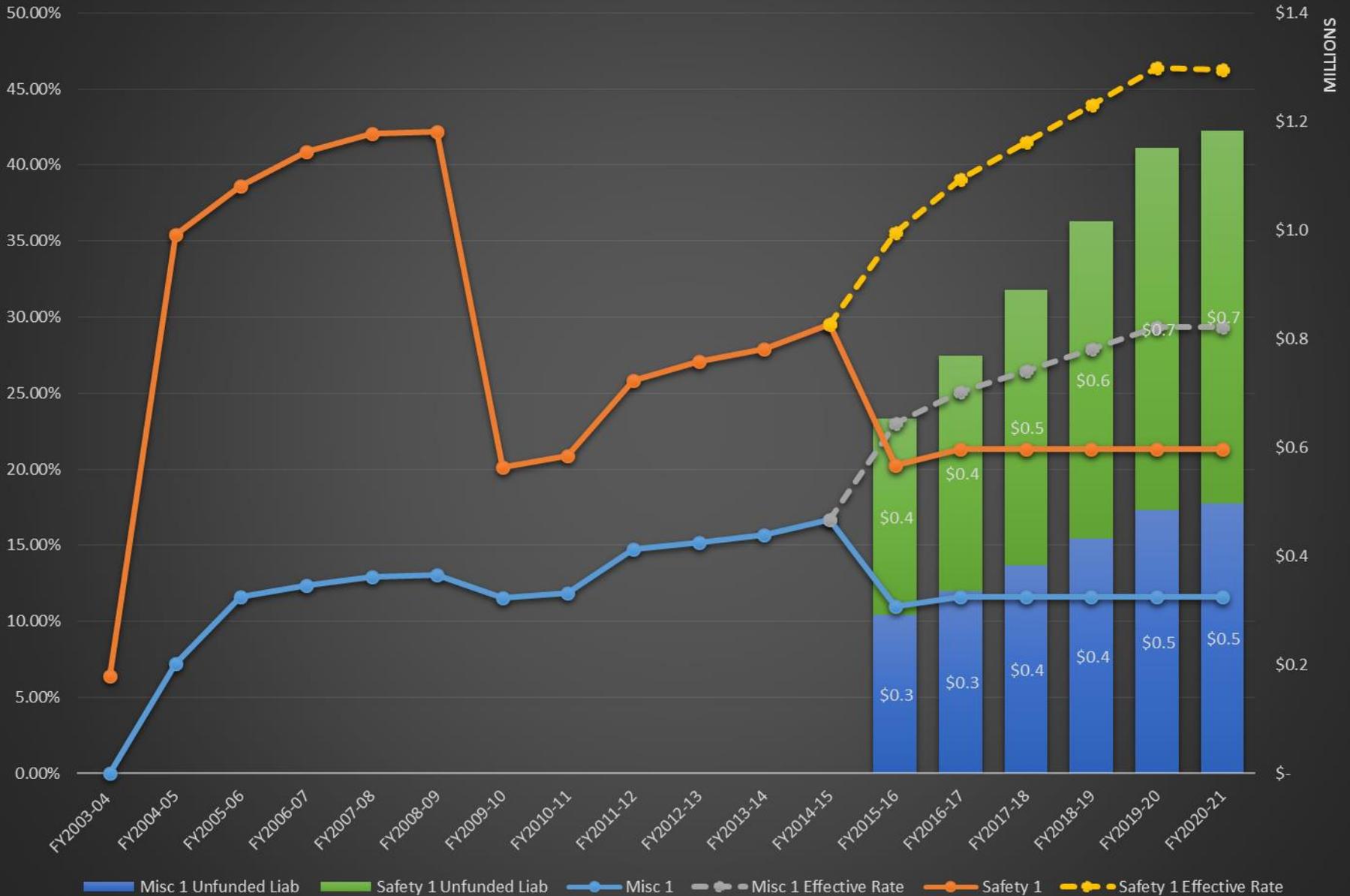
General Fund Revenues - \$10,463,600



General Fund Expenditures - \$10,607,100

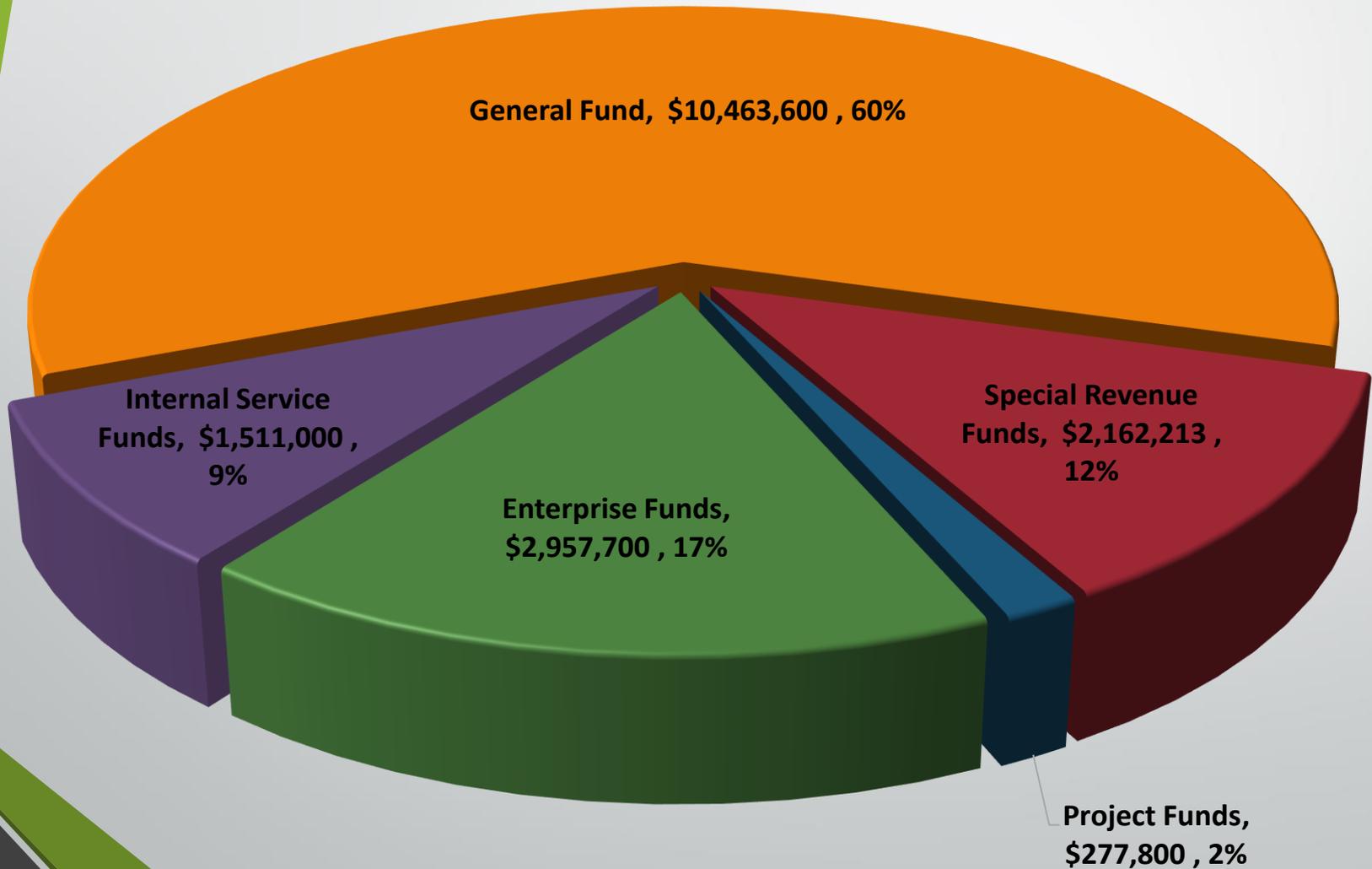


CalPERS Tier 1 Rates History & Projections



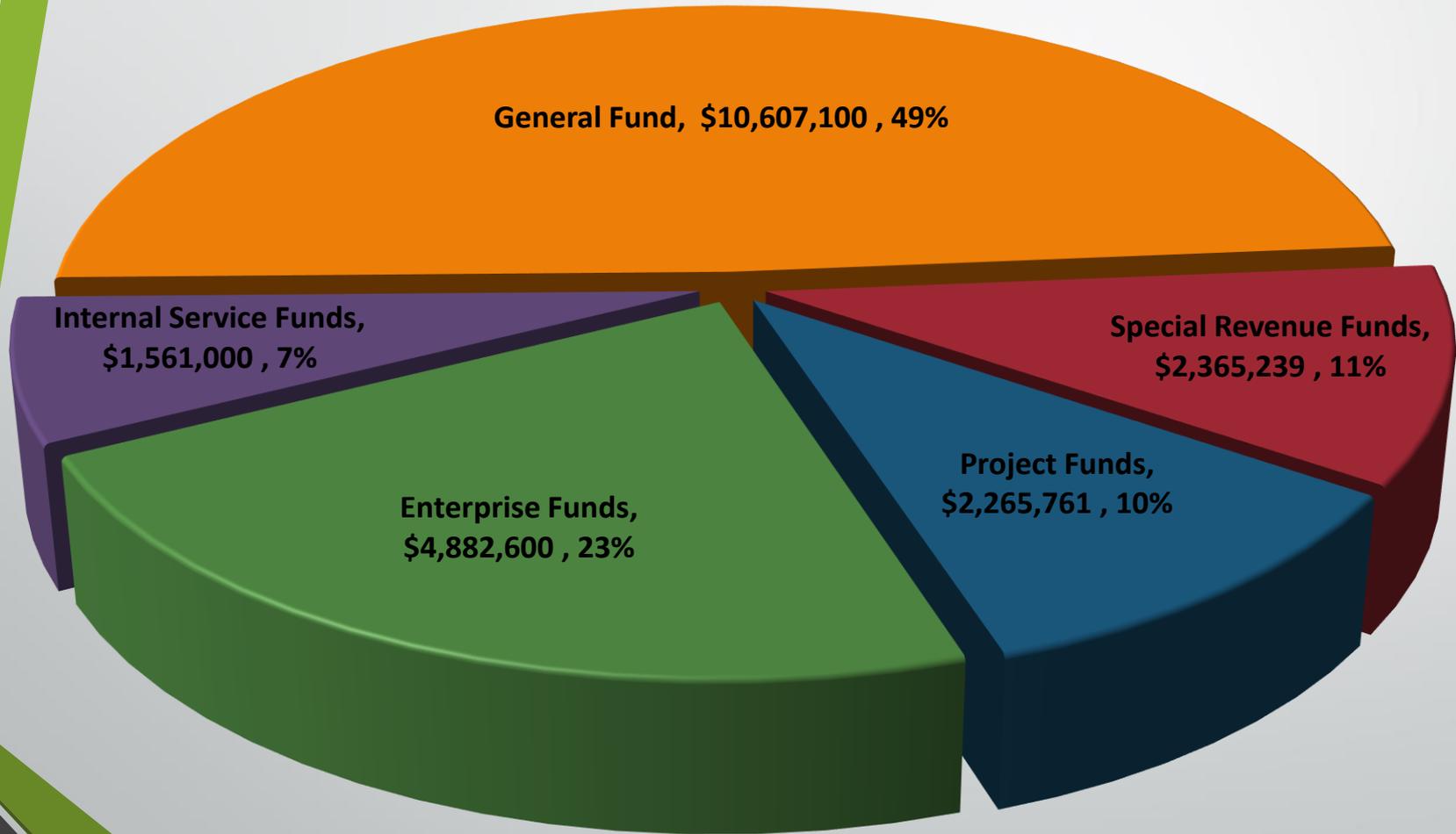
Total Revenues, All Funds

\$17,372,313



Total Expenses, All Funds

\$21,681,700



General Fund Reserves

<i>Projected General Fund Balance 06/30/2014</i>	\$	318,500
<i>Post CAFR Fund Balance Transfer \$68,500 to be kept in Fund Balance for General Fund</i>		
<i>Relief</i>	\$	0
<i>General Fund Balance per SFP</i>	\$	318,500
Estimated FY 2014-15 General Fund Revenues	\$	10,463,600
Estimated FY 2014-15 General Fund Expenditures	\$	9,991,800
Variance (Deficit) / Surplus	\$	471,800
6.4% Ongoing Revenue Use		
Transfer to COR	\$	(250,000)
Transfer to Insurance Fund	\$	(365,300)
TOTAL (Deficit)/Surplus	\$	(143,500)
<i>Projected General Fund Balance 06/30/2015</i>	\$	175,000

Fund Balances

Fund	Projected Beginning Unassigned Fund Balance	Revenues and Transfers In	Expenditures and Transfers Out	Contribution to (Draw from) Fund Balance	Estimated Ending Unassigned Fund Balance
General Fund*	\$ 318,500	\$ 10,463,600	\$ 10,607,100	\$ (143,500)	\$ 175,000
*(Cash Flow Reserve of \$250,000; when CAFR is adopted, funds in excess of \$250,000 will be transferred from General Fund Unassigned Fund Balance to the COR or One Time Projects Funds)					
Special Revenue Funds:					
Gas Tax/Highway Users Tax	376,175	351,474	359,700	(8,226)	367,949
Measure M	265,921	252,539	517,539	(265,000)	921
Air Quality Improvement/AB 2766	75,765	20,500	-	20,500	96,265
Public, Educational, and Government (PEG)	178,349	17,100	-	17,100	195,449
Public Safety Augmentation (Proposition 172)	53,845	176,800	172,200	4,600	58,445
Asset Seizure (Asset Forfeiture)	8,954	107,600	107,000	600	9,554
Supplemental Law Enforcement Services	55,303	100,200	100,700	(500)	54,803
Service Authority for Abandoned Vehicles	22,248	200	-	200	22,448
Park Development	62,249	200	-	200	62,449
Successor Agency Housing Authority	359,505	265,600	238,100	27,500	387,005
Successor Agency Debt Service	-	870,000	870,000	-	-
Total Special Revenue Funds	1,458,314	2,162,213	2,365,239	(203,026)	1,255,288

Fund Balances

Fund	Projected Beginning Unassigned Fund Balance	Revenues and Transfers In	Expenditures and Transfers Out	Contribution to (Draw from) Fund Balance	Estimated Ending Unassigned Fund Balance
Project Funds:					
Capital Outlay Reserve (Target Balance \$2,000,000 at end of 10 Year Planning Period; Fund owed additional \$500,000 from former RDA)	5,751,844	277,800	2,247,761	(1,969,961)	3,781,883
One-Time Projects	433,800	-	18,000	(18,000)	415,800
Economic Development	250,000	-	-	-	250,000
Total Project Funds	6,435,644	277,800	2,265,761	(1,987,961)	4,447,683

Fund Balances

Fund	Projected Beginning Unassigned Fund Balance	Revenues and Transfers In	Expenditures and Transfers Out	Contribution to (Draw from) Fund Balance	Estimated Ending Unassigned Fund Balance
Enterprise Funds:					
Water (Water and Water Capital Reserve are required to have a combined minimum balance of \$3,331,800; Fund owed additional \$500,000 from former RDA)	1,068,800	2,383,000	2,945,800	(562,800)	506,000
Sewer (Sewer and Sewer Capital Reserve are required to have a combined minimum balance of \$2,238,700; Fund owed additional \$500,000 from former RDA)	955,700	246,800	239,500	7,300	963,000
Water Capital Reserve	3,935,800	252,300	1,256,000	(1,003,700)	2,932,100
Sewer Capital Reserve	2,608,600	75,600	441,300	(365,700)	2,242,900
Total Enterprise Funds	8,568,900	2,957,700	4,882,600	(1,924,900)	6,644,000

Fund Balances

Fund	Projected Beginning Unassigned Fund Balance	Revenues and Transfers In	Expenditures and Transfers Out	Contribution to (Draw from) Fund Balance	Estimated Ending Unassigned Fund Balance
Internal Service Funds (Cash Balances):					
Insurance (Target Balance \$1,000,000; Fund owed additional \$600,000 by former RDA)	684,727	1,261,400	1,289,500	(28,100)	656,627
Employee Benefits (Target Balance \$309,000; Fund owed additional \$1,000,000 by former RDA)	277,903	2,200	-	2,200	280,103
Facility Maintenance (Target Balance \$50,000; Fund owed additional \$500,000 by former RDA)	50,000	400	-	400	50,400
Vehicle Replacement (Target Balance \$717,400; Fund owed additional \$400,000 by former RDA)	833,139	161,400	121,500	39,900	873,039
Technology Maintenance and Replacement (Target Balance \$564,800)	720,651	85,600	150,000	(64,400)	656,251
Total Internal Service Funds	2,566,420	1,511,000	1,561,000	(50,000)	2,516,420
Reserve Funds:					
Revenue Volatility (Target Balance \$1,000,000)	1,000,000	-	-	-	1,000,000
Emergency Reserve (Target Balance \$9,000,000; Fund owed an additional \$988,900 from former RDA)	9,000,000	-	-	-	9,000,000
Total Reserve Funds	10,000,000	-	-	-	10,000,000



Department Budget Highlights and Overviews

Administrative Services



Organization Chart Administrative Services



Administrative Services Performance Measures

- # of City Employees per 1,000 Population (<5)
- # of Agendas/Staff Reports Posted to Website (24/240)
- # of Workers Compensation Claims per 100 FTE (<9)
- Utilize LAFCO fiscal trends data, maintain current liabilities net of operating revenues below rolling five year average of Orange County (<24%)
- Project General Fund Revenue and expenditures within acceptable tolerance levels of actuals received (2%)

Administrative Services Functional Tasks

- **City Manager**
 - Organization-wide Management
 - Oversee City Budgets
 - Monitor Legislative Activities
- **City Council Support**
 - Support City Council Activities
- **City Clerk**
 - Manage Legislative Processes
 - Conduct Municipal Elections
 - Public Records and Brown Acts
- **Legal Services**
 - Oversee City Attorney and Labor Attorney services
- **Human Resources**
 - Labor-Management Relations
 - Benefits, Recruitment, Classification, Performance Management
 - Training
- **Risk Management**
 - Protect the Assets of the City Through Proactive Activities & Policies
 - Manage Claims Against the City
 - Identify Risk Hazards/Promote Safety

Administrative Services Functional Tasks

- **Budget and Financial Services**
 - Ensure fiscal stability through long-term financial planning
 - Analyze projected expenses to ensure adequate cash flow
 - Fulfill all State Controller and Grand Jury requests for payroll data/reports
- **Accounting**
 - Provide internal financial support to all City functions
 - Ensure accounting and financial rules followed
 - Oversee internal controls
- **Payroll**
- **Provide full spectrum of utility billing customer service**
- **Information Technologies**
 - **Manage Citywide Technology Infrastructure and Equipment**
- **Community Promotions**
 - **Intergovernmental Relationships**
 - **Public Information/Engagement**

Administrative Services

FY 2015-16 Budget Highlights

- FY 2015-16 Goals
 - Navigate Path to Fiscal Solvency
 - Complete Finance System Conversion
 - Information Technology RFP
 - Technology Hardware Replacements and Upgrades
 - Complete Labor Negotiations
- Budget Changes
 - Budget Restructure
 - Ongoing, Non Payroll Human Resources costs moved
 - Ongoing Technology Costs



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TECHNOLOGY & COMMUNICATIONS <i>(formerly Internal Service)</i>	330,000	326,700	331,300
Total >	\$ 2,745,800	\$ 2,785,000	\$ 2,924,400

Risk Management	\$ 1,289,500	\$ 1,117,700	\$ 1,236,200
Technology Replacement	121,500	43,200	114,000
Vehicle Replacement	150,000	179,000	244,000
Internal Service TOTAL >	\$ 1,561,000	\$ 1,339,900	\$ 1,594,200

Community Development Department



Administration
&
Economic
Development



Code
Enforcement
&
Business
Licensing



Building
&
Safety



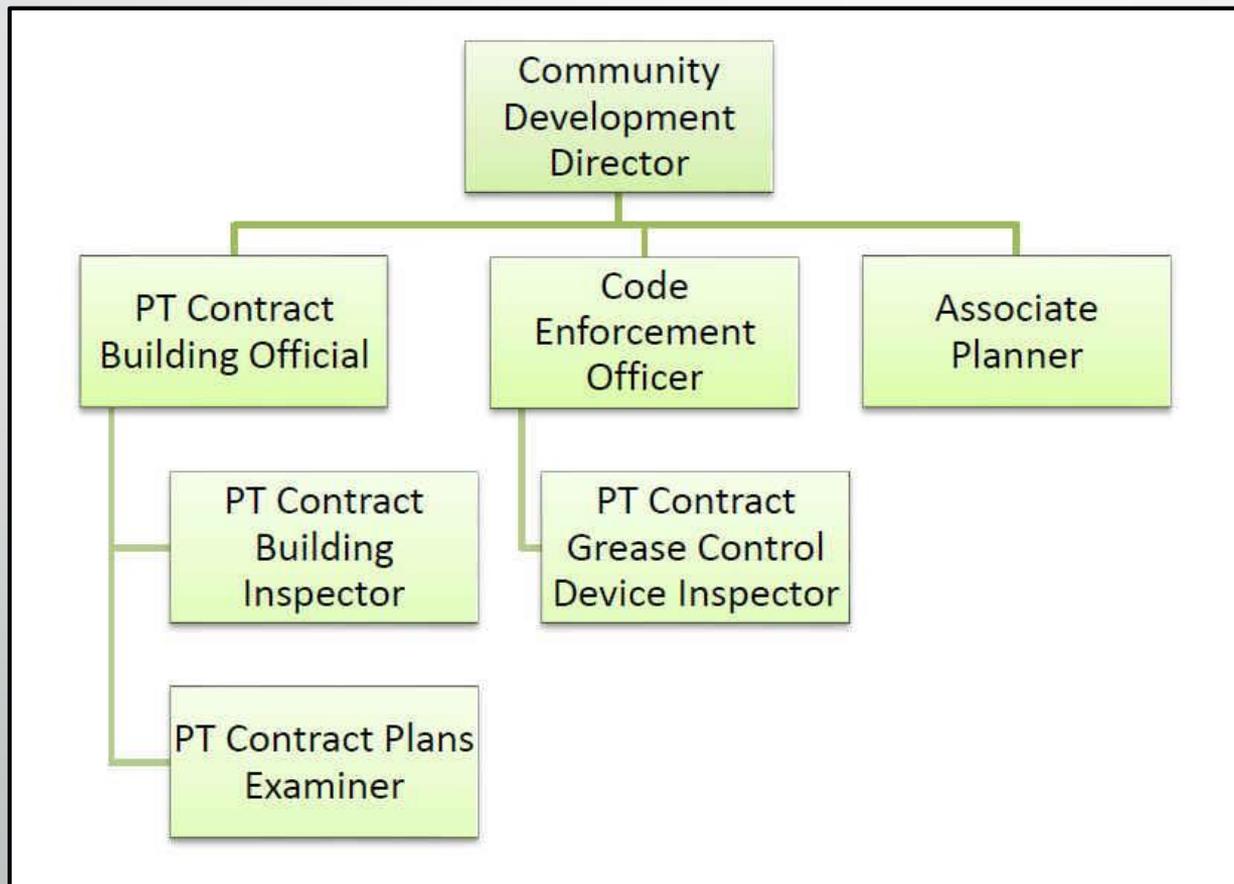
Housing
Successor
Agency



Planning
Current
&
Advance

Responsibilities

Community Development Department Structure



Community Development Functional Tasks

- **Administration**
 - Manage Contract Personnel
 - Oversee Housing Programs
 - Implement ED Action Plan
 - Development Committee
 - Successor Agency
 - Community Engagement
- **Building and Safety**
 - Plans examination
 - Permit issuance
 - Construction Inspection
 - Certificate of Occupancy



Community Development Functional Tasks

- **Code Enforcement**
 - Investigate Code Violations
 - Issue NOV and Citations
 - Business Licensing
 - FOG Program
- **Planning**
 - Land use approvals
 - Entitlement processing
 - CEQA compliance
 - General Plan Maintenance
 - Zoning Code Maintenance



Community Development Performance Measures

- **Administration**
 - # of broker contacts made
 - # of Articles published
 - % of new B/L's
- **Building and Safety**
 - # of Plan checks performed
 - # of Permits issued
 - # of Inspection conducted
- **Code Enforcement**
 - # of Inspections conducted
 - # of Cases opened
 - # of Cases closed
- **Planning**
 - # of entitlements processed
 - # of reports prepared
 - % of Plan checks in 7 days



Community Development FY 2015-16 Budget Highlights



- Status quo budget with exception of:
 - Transferring business licensing software maintenance expense (from Administration)
 - Minor increase in contract expenses for plan check and inspection services reflecting increased activity
 - Minor reduction in mgmt personnel expenses
 - Elimination of Small Business workshops

Department Name	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
COMMUNITY DEVELOPMENT ADMINISTRATION	\$ 100,000	\$ 102,900	\$ 104,100
BUILDING AND SAFETY	139,600	135,600	135,600
CODE ENFORCEMENT	97,900	103,200	107,500
PLANNING	116,600	119,500	120,700
Total >	\$ 454,100	\$ 461,200	\$ 467,900

Community Services

Maintenance

Citywide
Maintenance

Engineering

Parks &
Medians

Streets

Recreation

Administration

Health &
Wellness

Facility
Operations

Special Events

Youth & Family

Utilities

Water
Administration

Water Billing

Water
Production

Water
Transmission

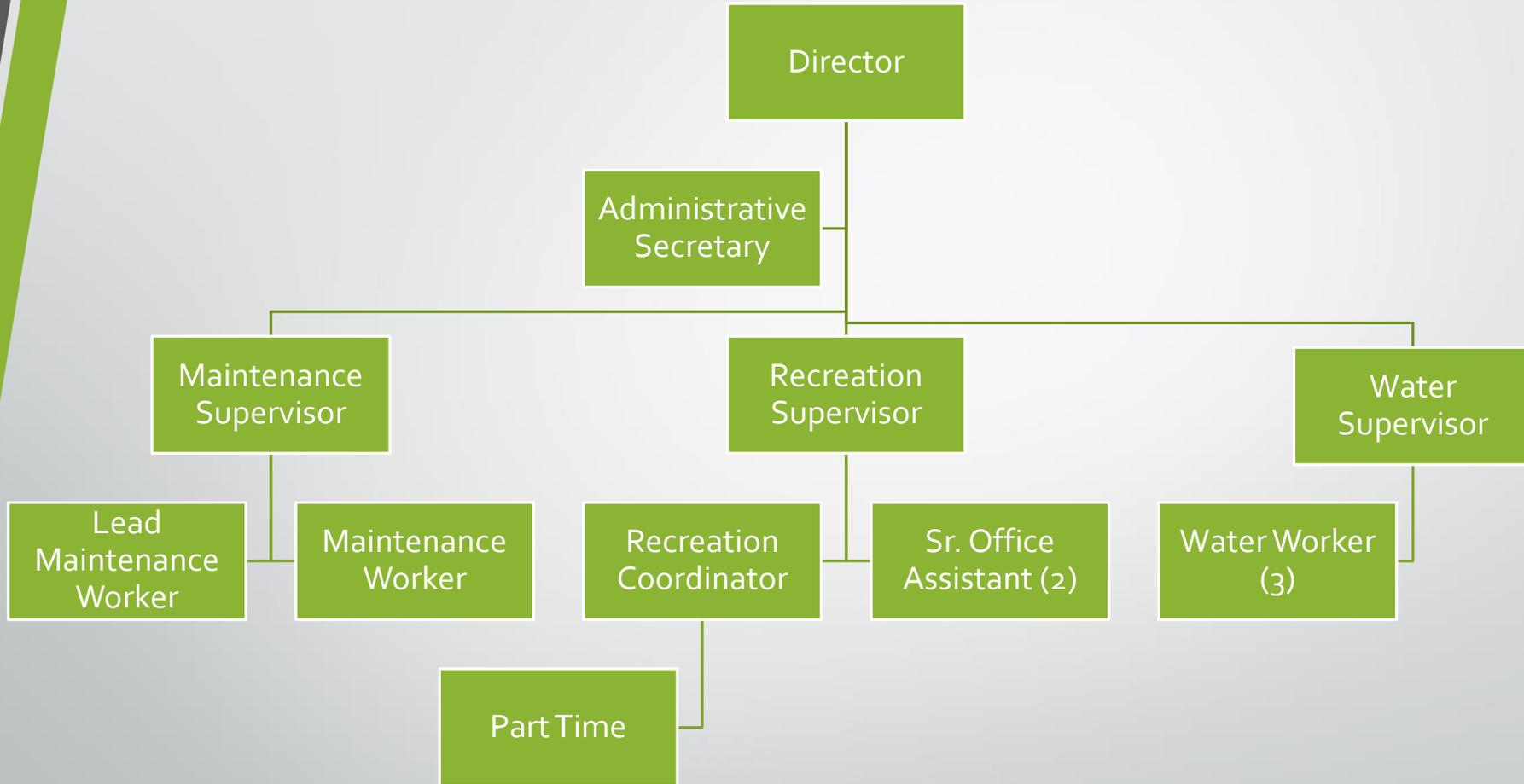
Sewer

Other

Capital
Improvement
Projects

Vehicle
Replacement

Community Services Staffing



Community Services Functional Tasks

● **Maintenance**

- **Block Walls, Sidewalks, Graffiti, Parks, Street Trees and Medians, and Street Lighting maintenance**
- **Street Repairs, Traffic Signals, and Traffic Control maintenance**
- **Facilities Maintenance/Private Development Review**
- **Project Management of CIP**
- **Construction Inspection**
- **Utility Management and Inspection (SCE, Time Warner, So Cal Gas, etc.)**
- **NPDES Compliance**
- **Traffic Safety Committee Support**



● Recreation

- Recreation programming for youth, teens, & families
- Teen job training
- Water safety classes
- Citywide special events
- Staff & Volunteer recruitment, training, and retention
- Community Activities & Beautification Committee Support
- Education, Safety, and Recreation contract classes
- Social Services (Meals On Wheels, Referrals)
- Safe and Attractive spaces and activities for recreation, sports, meetings, etc.

● Utilities

- Treatment
- Distribution
- Water Billing
- Customer Service Inquiries
- Management of the sewer maintenance contract services
- Management and Inspections of contract services

● Other

- Vehicle Replacement
- Capital Improvement Projects (Streets, Facilities, etc.)



Community Services Performance Measures

- Respond to and eradicate 95% of graffiti complaints within 72 hours of receiving notice
- Identify and apply for at least one grant award funding source for a street repair project by June 30, 2015
- Respond to Water Quality Complaints within 24 hours of receiving notice
- Continuously improve the overall pavement condition Citywide and minimize claims to the City due to damaged infrastructure
- Number of volunteer hours
- Number of facility rentals
- Number of water safety/fitness class participants

Community Services

FY 2015-16 Budget Highlights

- **Program Suspension/Elimination**
 - Fit N Fun
 - La Palma Days
 - Reduced Park Hours
 - 1 Concert in the Park Reduction
- **Staffing Reduction**
 - Maintenance Worker
- **Drought Response**
- **Street Light Purchase & Retrofit**
- **Arterial Street Rehabilitation**
 - La Palma Ave. (Moody – Valley View)
 - Valley View St. (Orangethorpe to 183rd)
 - Fresca/Marlin



Department Name	FY2015-16	FY2016-17	FY2017-18
	Estimate	Estimate	Estimate
COMMUNITY SERVICES ADMINISTRATION	\$ 343,000	\$ 355,300	\$ 360,400
HEALTH & WELLNESS	145,100	145,700	\$ 145,900
RECREATION FACILITY OPERATIONS	216,800	229,100	\$ 234,400
SPECIAL EVENTS	125,400	125,600	\$ 126,900
YOUTH & FAMILY	251,800	266,000	\$ 272,700
CITY-WIDE MAINTENANCE <i>(formerly Internal Service)</i>	342,900	317,700	\$ 358,000
ENGINEERING	94,400	88,200	\$ 88,300
PARKS & MEDIANS	372,700	346,300	\$ 353,300
STREETS	147,700	152,100	\$ 153,600
Total >	\$ 2,039,800	\$ 2,026,000	\$ 2,093,500

WATER ADMINISTRATION	\$ 249,500	\$ 253,900	\$ 256,100
WATER BILLING	\$ 390,700	\$ 401,300	408,400
WATER PRODUCTION	\$ 1,817,500	\$ 1,809,400	1,877,400
WATER TRANSMISSION	\$ 488,100	\$ 496,600	511,800
SEWER	239,500	248,600	261,100
Utility/Enterprise TOTAL >	\$ 3,185,300	\$ 3,209,800	\$ 3,314,800

Capital Improvement Program

- **5.43 million proposed for FY 2015-16:**
 - **Street Light Purchase**
 - **Arterial Rehabilitation projects**
 - **Water and Sewer improvements**
 - **City Yard Improvements**
 - **ADA Improvements**
- **Measure M, Gas Tax, Water Fund, Sewer Fund, and Capital Outlay Reserve (COR) funding sources**
 - **COR funded with \$250,000 transfer from General Fund**



CIP Summary by Project Type

FY 2015-16 and FY 2016-17

Project	FY 2015-16	FY 2016-17
Arterial Streets	\$2,215,000	\$750,000
ADA Arterial Improvements	246,000	0
Street Lights	781,800	0
Residential Streets	155,000	125,000
Water Improvements	1,256,000	195,000
Sewer Improvements	441,300	450,000
City Yard Improvements	204,700	0
City Hall Improvements	135,000	1,045,000
Total:	\$5,434,800	\$2,565,000

Police Department



Police Functional Tasks

- **Patrol**
- **Investigations**
- **Traffic Enforcement/Accident Investigations**
- **Communications and Records**
- **Citywide Disaster Preparedness**
- **Quality of Life Programs and Service**



Police Department FTE Org Chart

FY 2015/2016



Police Functional Tasks

- **Patrol**
- **Investigations**
- **Traffic Enforcement/Accident Investigations**
- **Communications and Records**
- **Citywide Disaster Preparedness**
- **Quality of Life Programs and Service**



Police

Changes and Impacts FY 2015-16

- Establishing Interface with Spillman and COPLINK
 - \$36,000 implementation, no annual maintenance fee
- Implementation with E-Citation
 - \$33,000 implementation, \$700 annual maintenance fee
- Continued Suspension of K-9 Program-Increased reliance on Mutual Aid
 - \$24,000 savings in maintenance and operations
- Eliminating Motor Program
 - Reduces sworn from 22 to 21 & traffic enforcement by 1248 citations per year

Eliminating PIY Schools Program



Police

Performance Measures CY 2014

- Response Times to Priority 1 Calls for Service (2:05)
- Part 1 Crimes Reported (**257**, 11 violent & 246 property)
- Part 1 Crime Case Closure Rate (28.4%)
- Number of Total Arrests (**373**, 243 misdemeanor & 197 felony)
- Injury Traffic Accidents (61)
- Citizen/Internal Complaints (**2** – All Cleared)
- FY Overtime Costs: Currently at:
 - Budgeted: \$328,850
 - Added: \$89,100 (\$417,950)
 - As of April 30, 2015: **\$352,939**
 - April 2015 Overtime: **\$43,699**
 - Patrol \$34,650
 - Dispatch \$7600
 - Investigation Call-Outs \$1449



Police

FY 2015-16 Budget Highlights

- Eliminate Motor Position
 - \$7,000 in annual maintenance
- Eliminate Fulltime Sworn Officer Position
 - \$108,000 under current tier
- Reduce Police Records Clerk to Part-time Position
 - \$34,000 FY 15/16
- Eliminate Police Interaction with Youth (PIY-Schools)
 - \$4,500 in supplies
- Realization of RNSP Asset Seizure Funds
 - Est. \$80,000 for FY 2015-16



Long Term Financial Forecast

10 Year Financial Forecast - With Actions Taken to Date



	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
GF Expenditures Before Transfer	\$9,951,800	\$10,213,100	\$10,515,300	\$10,935,800	\$11,369,600	\$11,757,100	\$12,114,100	\$12,534,500	\$12,951,100	\$13,405,100
Transfer Out (6.4%)	\$615,300	\$636,200	\$657,900	\$679,800	\$701,700	\$717,700	\$734,100	\$750,800	\$768,000	\$785,600
Total GF Operating Expenses	\$10,567,100	\$10,849,300	\$11,173,200	\$11,615,600	\$12,071,300	\$12,474,800	\$12,848,200	\$13,285,300	\$13,719,100	\$14,190,700
GF Revenues	\$10,463,600	\$10,545,800	\$10,892,800	\$11,240,400	\$11,588,300	\$11,844,400	\$12,106,600	\$12,375,200	\$12,649,700	\$12,930,900
Fund Surplus/(Deficit)	\$(103,500)	\$(303,500)	\$(280,400)	\$(375,200)	\$(483,000)	\$(630,400)	\$(741,600)	\$(910,100)	\$(1,069,400)	\$(1,259,800)

Past Actions

- **2011 Labor Contract Changes to reduce costs and unfunded liabilities including higher employee contributions and lower tier retirement benefits for new employees**
- **Proactive economic development even with the dissolution of redevelopment contributing to new businesses such as Tesoro, Samsung, CJ Foods, Walmart Neighborhood Market, Coffee Bean & Tea Leaf, 99 Cent Only Store**

Past Actions

- **Completion of pavement rehabilitation throughout the city which will reduce future costs**
- **Return to full UUT levy of 5%**
- **Investment Policy changes for higher returns**
- **Creation of a post-employment benefits Trust to lower unfunded liability**
- **Reduction in staffing to pre—1986 levels**
- **Restructure of departments and divisions; lowering management staff and maintaining as many front line positions as possible**

Past Actions

- **Significant investment in new technology to improve efficiency and service**
- **Significant investment in other systems such as energy conservation which brings down operating costs, including street light purchase**
- **Revision of the General Plan to create more economic opportunities north of Orangethorpe including the new Freeway Overlay Zone for digital billboards**

Budget Schedule

- Long Term Financial Plan Presentation: April 21
- Introduction of Proposed Budget: May 5
- Budget Workshop: May 11
- Budget Question and Answers + Carryovers: May 19
- Public Hearing and Anticipated Budget Adoption:
June 2



City Council and Public Comments and Questions