

CITY OF CORONA

FINANCE/BUDGET UPDATE

FEBRUARY 7, 2018





Fiscal Year 2018-19 Budget

- Budget preparation is underway
 - Budget items distributed to departments Jan. 30th
 - Items due to Administrative Services Feb. 28th
 - Department budget review meetings scheduled starting week of March 12th
 - Document preparation March-April
 - Budget Workshop scheduled Wed., May 23rd
- FY 18-19 includes 7% reduction in the General Fund



Budget Reductions – FY 2018-19

General Fund Operating Budget

Excludes CIP budget of \$1.0 million

Adopted Budget FY 2017-18

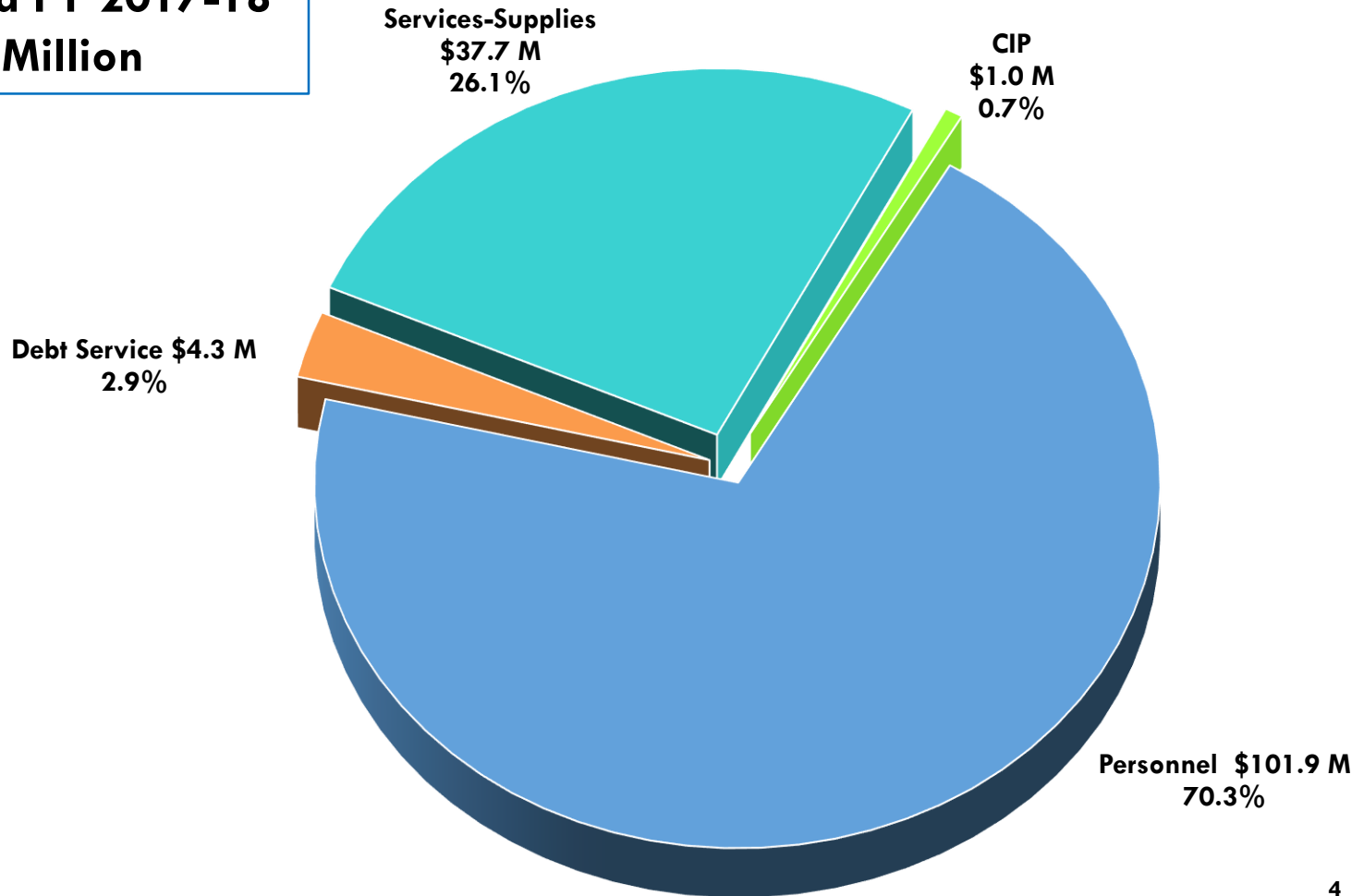
Percentage Decrease	Reduction
\$ 143,920,139 -7%	\$ (10,074,410)

Department	Salaries & Benefits	Services & Supplies	Grand Total	% of Operating	Budget Adjustment	Personnel Changes	Remaining Balance
Administrative Services	4,774,214	1,028,604	5,802,818	4.8%	(484,566)	(144,363)	(340,203)
City Council	137,117	50,120	187,237	0.2%	(15,635)	4,875	(20,510)
City Treasurer	13,788	700	14,488	0.0%	(1,210)	1,956	(3,166)
Community Development	3,046,849	1,345,298	4,392,147	3.6%	(366,768)	(41,905)	(324,863)
Fire	25,616,593	1,782,395	27,398,988	22.7%	(2,287,962)	17,553	(2,305,515)
Information Technology	2,071,591	3,024,901	5,096,492	4.2%	(425,584)	(12,099)	(413,485)
Legal/Risk Management	1,498,047	169,000	1,667,047	1.4%	(139,207)	3,517	(142,724)
Library & Recreation Services	4,298,347	1,139,946	5,438,293	4.5%	(454,126)	(236,968)	(217,158)
Maintenance Services	3,585,370	13,126,240	16,711,610	13.9%	(1,395,509)	(158,138)	(1,237,371)
Management Services	1,831,272	364,217	2,195,489	1.8%	(183,335)	(60,158)	(123,177)
Police	43,813,629	4,077,144	47,890,773	39.7%	(3,999,135)	(489,368)	(3,509,767)
Public Works	2,241,928	1,606,594	3,848,522	3.2%	(321,372)	(62,083)	(259,289)
Subtotal Departments	\$ 92,928,745	\$ 27,715,159	\$ 120,643,904		\$ (10,074,410)	\$ (1,177,181)	\$ (8,897,229)
General Government	9,004,931	10,020,282	19,025,213		-	-	-
Debt Service		4,251,022	4,251,022		-	-	-
Subtotal Non Departmental	\$ 9,004,931	\$ 14,271,304	\$ 23,276,235		\$ -	\$ -	\$ -
GRAND TOTAL	\$ 101,933,676	\$ 41,986,463	\$ 143,920,139		\$ (10,074,410)	\$ (1,177,181)	\$ (8,897,229)



Expenditures – General Fund

**Adopted FY 2017-18
\$144.9 Million**

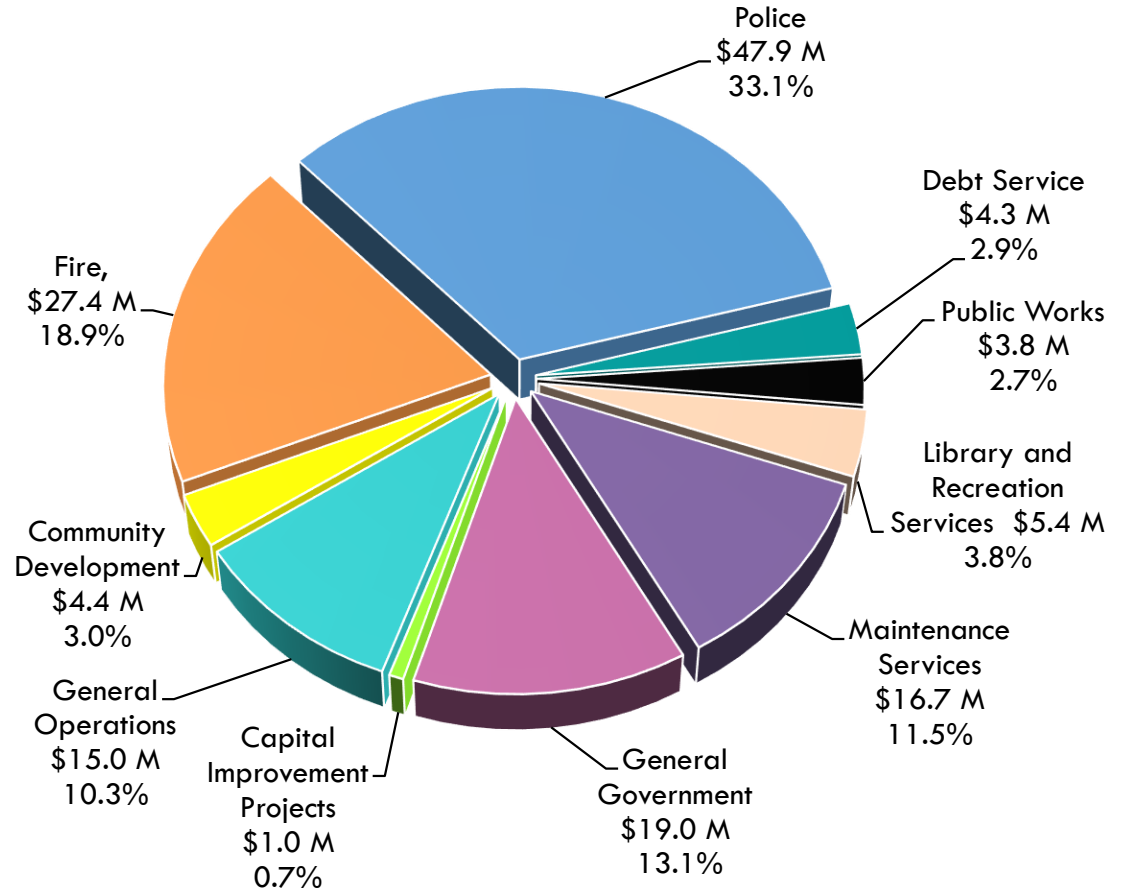




Expenditures – General Fund

**Adopted FY 2017-18
\$144.9 Million**

Department	(in millions)			Total
	Personnel	Services-Supplies	Other	
Admin Svcs	\$ 4.8	\$ 1.0		\$ 5.8
Elected	0.1	0.1		0.2
Info Tech	2.1	3.0		5.1
Legal/Risk	1.5	0.2		1.7
Mgmt Svcs	1.8	0.4		2.2
General Operations	10.3	4.7	-	15.0
Capital Projects			1.0	1.0
Community Dev	3.1	1.3		4.4
Debt Service			4.3	4.3
Fire	25.6	1.8		27.4
General Govt	9.0	10.0		19.0
Library & Rec Svcs	4.3	1.1		5.4
Maint Svcs	3.6	13.1		16.7
Police	43.8	4.1		47.9
Public Works	2.2	1.6		3.8
GRAND TOTAL	\$ 101.9	\$ 37.7	\$ 5.3	\$ 144.9

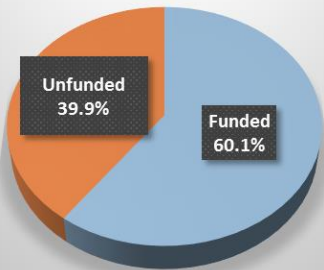




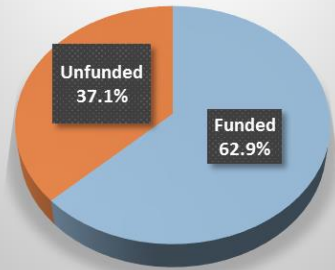
Unfunded CalPERS Liability – July 2017

Plan	June 30, 2014		June 30, 2015		June 30, 2016	
	Unfunded Liability	Funded Ratio	Unfunded Liability	Funded Ratio	Unfunded Liability	Funded Ratio
Misc.	103,681,862	65.6%	113,765,363	63.6%	129,480,665	60.1%
Police	61,102,806	68.7%	67,952,480	67.0%	81,779,726	62.9%
Fire	27,846,968	80.0%	33,516,570	77.0%	42,249,164	72.6%
Fire PEPR	(34)	104.2%	2,994	91.0%	13,439	89.2%
Total	\$192,631,602		\$215,237,407		\$253,522,994	

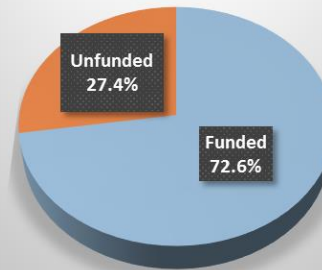
Misc. - June 30, 2016



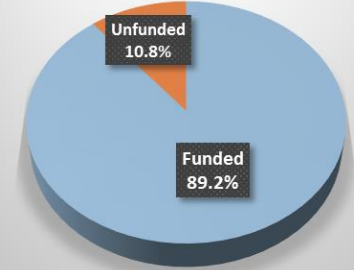
Police - June 30, 2016



Fire - June 30, 2016



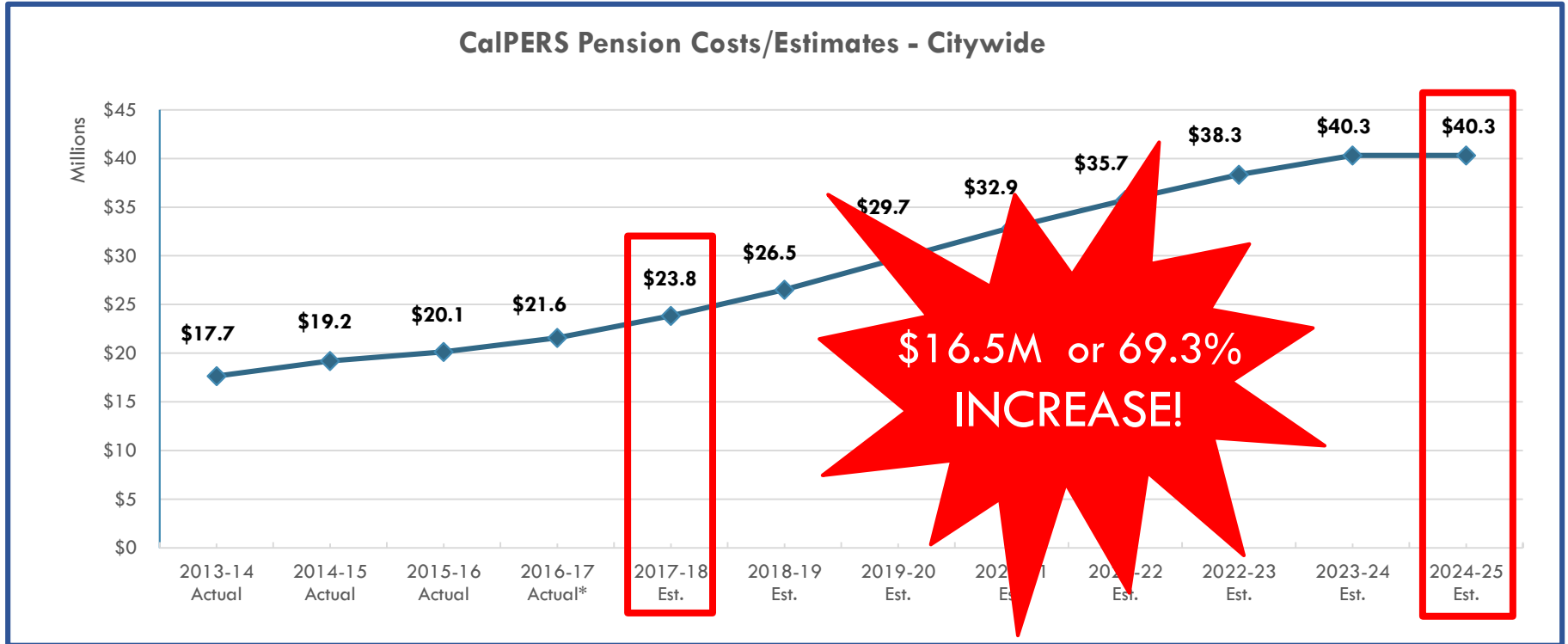
Fire PEPR - June 30, 2016



Note: Data obtained from the most recent CalPERS actuarial valuation dated July 2017



CalPERS Pension Costs - Citywide

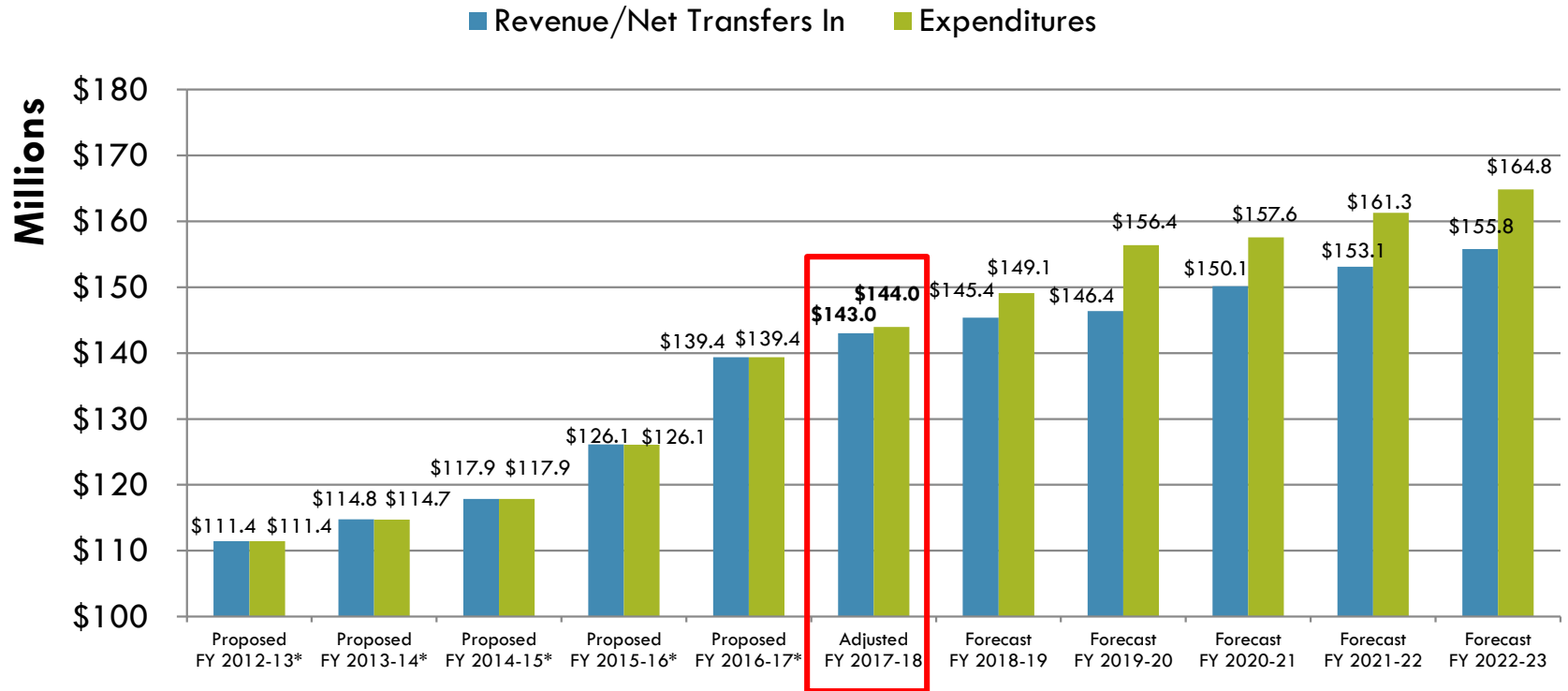


- Based on CalPERS June 2016 actuarial reports received July 2017
- Each time we receive a new valuation report from CalPERS, the annual contribution amount gets worse



General Fund

Revenue and Expenditure Overview

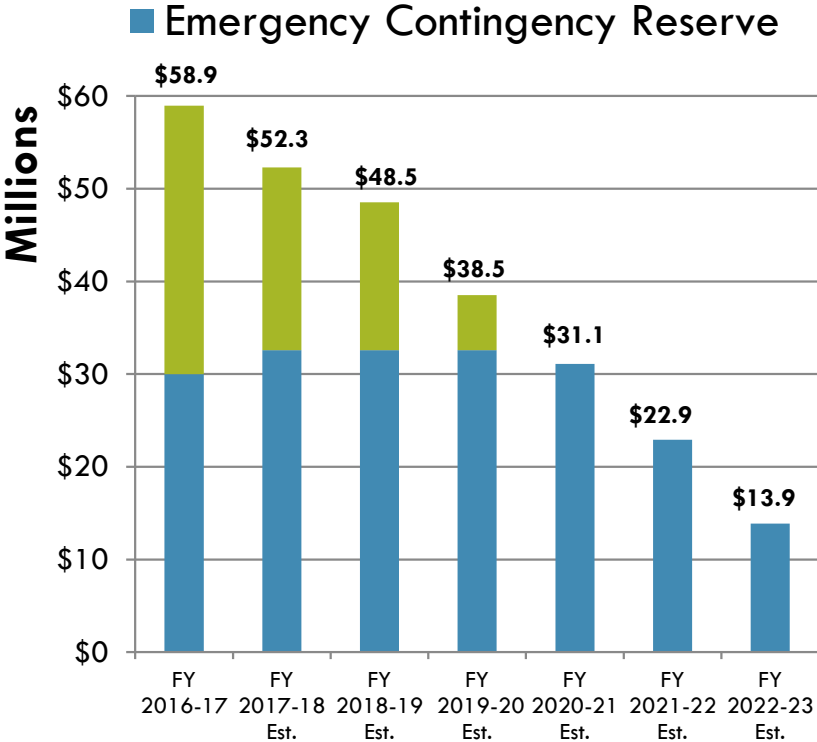


* As presented at the Budget Workshop for each year.

**Growing gap between revenue and expenditures -
\$1.0 Million in FY 2017-18 to \$9.1 Million in FY 2022-23**



General Fund - Reserve Balances



■ Emergency Contingency Reserve ■ Budget Balancing Measures Reserve

	Budget Balancing Measures Reserve	Emergency Contingency Reserve	Reserves Running Total
FY 2016-17	\$ 28,945,252	\$ 30,000,000	\$ 58,945,252
Dec. 20, 2017 Action	(8,300,000)	2,600,000	53,245,252
FY 2017-18 Est.	(954,788)		52,290,464
FY 2018-19 Est.	(3,742,414)		48,548,050
FY 2019-20 Est.	(10,018,711)		38,529,339
FY 2020-21 Est.	(5,929,339)	(1,493,289)	31,106,711
FY 2021-22 Est.		(8,193,926)	22,912,785
FY 2022-23 Est.		(9,052,580)	13,860,205
Reserve Balance	\$ -	\$ 13,860,205	

FY 2022-23 Estimated Emergency Contingency Reserve - \$13.9 million is equal to 1.0 month of estimated operating costs.



Projected Employer Contribution Amount

	August 2016 Actuarial Report								Cumulative Change		
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Amount	Percent
Misc.	10,571,358	\$11,530,359	\$12,612,673	\$13,739,898	\$14,490,320	\$15,286,265	\$15,937,158			\$ 5,365,801	50.76%
Police	7,854,963	8,285,412	9,004,733	9,756,670	10,310,585	10,793,410	11,195,480			3,340,517	42.53%
Fire	3,533,923	3,975,172	4,483,838	5,023,298	5,352,484	5,708,592	5,967,740			2,433,817	68.87%
Fire PEPRA	53,262	52,861	52,867	53,001	53,143	53,230	53,290			29	0.05%
Total	\$22,013,505	\$23,843,804	\$26,154,111	\$28,572,867	\$30,206,532	\$31,841,497	\$33,153,668			\$11,140,164	50.61%

	July 2017 Actuarial Report								Cumulative Change		
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Amount	Percent
Misc.		\$11,530,359	\$12,508,931	\$13,902,536	\$15,198,816	\$16,487,300	\$17,669,649	\$18,605,948	\$17,698,287	\$ 6,167,928	53.49%
Police		8,285,412	9,296,555	10,429,178	11,683,286	12,655,925	13,577,903	14,296,350	14,939,400	6,653,988	80.31%
Fire		3,975,172	4,619,619	5,301,909	5,937,074	6,493,074	6,971,074	7,295,074	7,569,074	3,593,902	90.41%
Fire PEPRA		52,861	91,510	93,866	100,075	101,475	102,875	103,975	104,775	51,914	98.21%
Total		\$23,843,804	\$26,516,615	\$29,727,490	\$32,919,250	\$35,737,774	\$38,321,501	\$40,301,347	\$40,311,536	\$16,467,732	69.07%

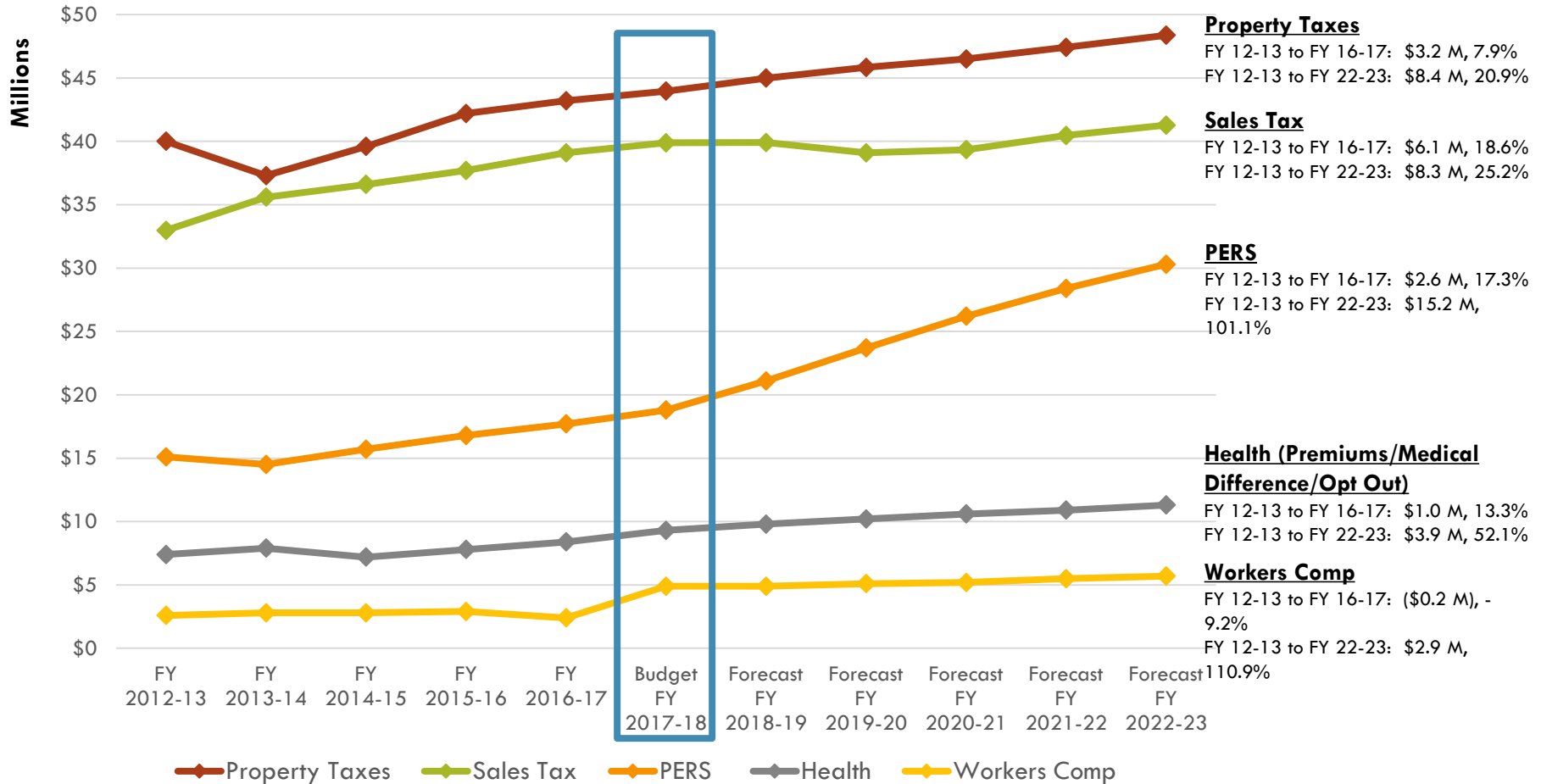
	Difference								Total Increase		
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Amount	Percent
Misc.		\$ -	\$ (103,742)	\$ 162,638	\$ 708,496	\$ 1,201,035	\$ 1,732,491			\$ 3,700,917	
Police		-	291,822	672,508	1,372,701	1,862,515	2,382,423			6,581,970	
Fire		-	135,781	278,611	584,590	784,482	1,003,334			2,786,798	
Fire PEPRA		-	38,643	40,865	46,932	48,245	49,585			224,270	
Total		\$ -	\$ 362,504	\$ 1,154,623	\$ 2,712,718	\$ 3,896,277	\$ 5,167,833			\$13,293,955	

Note: Data in actuarial valuation reports for determining normal cost has changed slightly between the two years



General Fund

Major Revenue Categories and Major Personnel Expenditures 5 Year Actuals / Current Fiscal Year / 5 Year Forecast





CALPERS ACTUARIAL VALUATION - June 30, 2016
 MISCELLANEOUS PLAN OF THE CITY OF CORONA
 CALPERS ID: 130771-1161

CalPERS Required Employer Contribution

Every payroll
 dollar requires
 an additional
 \$0.42 in PERS
 contribution,
 increasing to
 \$0.48 in
 FY 2018-19

Required Contributions

	Fiscal Year 2017-18	Fiscal Year 2018-19
Normal Cost Contribution as a Percentage of Payroll		
Total Normal Cost	17.141%	17.496%
Employee Contribution ¹	7.782%	7.688%
Employer Normal Cost	9.359%	9.808%
 Projected Annual Payroll for Contribution Year	 \$ 27,549,770	 \$ 26,087,903
Estimated Employer Contributions Based On Projected Payroll		
Total Normal Cost	\$ 4,722,306	\$ 4,564,340
Employee Contribution ¹	2,143,923	2,005,638
Employer Normal Cost	2,578,383	2,558,702
Unfunded Liability Contribution	8,951,976	9,950,229
% of Projected Payroll (illustrative only)	32.494%	38.141%
Estimated Total Employer Contribution	\$ 11,530,359	\$ 12,508,931
% of Projected Payroll (illustrative only)	41.853%	47.949%

For classic members, this is the percentage specified in the Public Employees Retirement Law, net of any reduction from the use of a modified formula or other factors. For PEPRA members, the member contribution rate is based on 50 percent of the normal cost. A development of PEPRA member contribution rates can be found in Appendix D. Employee cost sharing is not shown in this report.

Recent Articles

How Much More Will Cities and Counties Pay CalPERS?

By Edward Ring
January 10, 2018

...These pension plans are underfunded after a bull market in stocks has doubled since it's last peak in June 2007, and has nearly quadrupled since it's last low in March 2009.

When stocks and real estate have been running up in value for eight years, pension plans should not be underfunded. But they are. CalPERS should be overfunded at a time like this, not underfunded. That bodes ill for the financial status of CalPERS if and when stocks and real estate undergo a downward correction.

CalPERS, and the public employee unions that dominate CalPERS, have done a disservice to taxpayers, public agencies, and ultimately, to the individual participants who are counting on them to know what they're doing. **They were too optimistic, and the consequences are just beginning to be felt...**





How Much More Will Cities and Counties Pay CalPERS?

CalPERS Actuarial Report Data - Cities (\$=Millions)

CITY	Payroll	2017-18						Payroll	2024-25						% Increase 2018 to 2025
		PAYMENTS TO CALPERS							PAYMENTS TO CALPERS						
		Total	%	Normal	%	Catch-Up	%		Total	%	Normal	%	Catch-Up	%	
4 Anaheim	190.4	66.7	35%	27.0	14%	39.7	21%	242.8	129.4	53%	40.6	17%	88.8	37%	94%
5 Riverside	190.2	56.4	30%	28.4	15%	28.0	15%	234.3	111.5	48%	40.9	17%	70.5	30%	98%
30 Ontario	87.2	24.5	28%	11.9	14%	12.6	14%	110.1	47.5	43%	17.7	16%	29.8	27%	94%
35 Costa Mesa	47.2	23.2	49%	7.1	15%	16.1	34%	56.5	41.7	74%	9.9	18%	31.8	56%	80%
37 Orange	58.8	21.6	37%	8.5	15%	13.0	22%	70.7	40.9	58%	12.1	17%	28.7	41%	90%
38 Corona	56.3	23.8	42%	8.5	15%	15.4	27%	67.0	40.8	61%	12.2	18%	28.6	43%	71%
45 Fullerton	50.0	17.7	35%	6.5	13%	11.1	22%	62.5	35.4	57%	9.7	15%	25.7	41%	100%
50 Irvine	78.0	23.6	30%	10.7	14%	12.8	16%	98.5	32.0	32%	15.9	16%	16.1	16%	36%
55 Pomona	41.4	14.7	36%	5.7	14%	9.0	22%	51.7	29.9	58%	8.5	16%	21.4	41%	103%
67 Fontana	52.5	14.2	27%	6.3	12%	7.9	15%	63.8	24.8	39%	9.2	14%	15.6	24%	75%



Why is our contribution amount high?

Why is Corona's CalPERS employer contribution rate so much higher than other agencies?

- Corona is an old City with many retirees
- Corona has the most generous formula – 2.7 @ 55
- Corona has one of the lowest funded ratios in the state – 60.1% versus a state-wide average of 68%
- Corona's personnel expense as a percentage of general fund revenue is extremely high – over 70% and growing

What does Corona's sky high contribution rate mean as a practical matter?

- Corona's pension problem is much worse than other agencies
- Corona cannot continue to offer the most generous employee benefit package in the state
- Corona cannot afford to be at or near the top in total compensation

Recent Articles

How broke is your California city?

By **TERI SFORZA** | tsforza@scng.com | Orange County Register
 PUBLISHED: January 23, 2018 at 11:59 pm | UPDATED: January 24, 2018 at 6:54 am

Public agencies are grappling with a gap between how much money they have and how much money they owe, thanks largely to unfunded pension promises and retiree health care benefits. Truth in Accounting, an organization that promotes clarity in public financial records, [ranked the long-term financial health](#) of the nation's 75 most populous cities.

California cities in the black...

1. Irvine, \$5,200 surplus per household, Grade B
2. Stockton, \$3,000 surplus per household, Grade B
9. Fresno, \$1,200 surplus per household, Grade B

California cities in the red...

15. Bakersfield, \$900 deficit per household, Grade C
20. Long Beach, \$1,500 deficit per household, Grade C
21. Chula Vista, \$2,100 deficit per household, Grade C
25. Riverside, \$2,600 deficit per household, Grade C
28. Santa Ana, \$3,400 deficit per household, Grade C

32. Sacramento, \$4,300 deficit per household, Grade C
37. Anaheim, \$5,300 deficit per household, Grade D
38. San Diego, \$5,400 deficit per household, Grade D
47. Los Angeles, \$7,200 deficit per household, Grade D
56. San Jose, \$10,600 deficit per household, Grade D
69. Oakland, \$20,700 deficit per household, Grade F
72. San Francisco, \$27,500 deficit per household, Grade F





Corona's Fiscal Health Scorecard

Fiscal Health Assessment

Data from June 30, 2017 Audited CAFR

	Corona 6/30/2017	REFERENCE CITIES				
		IRVINE 6/30/2016	Riverside 6/30/2016	Anaheim 6/30/2016	Chula Vista 6/30/2016	Santa Ana 6/30/2016
Assets	\$ 1,451,676,763	\$ 2,676,658,000	\$ 4,166,511,000	\$ 4,913,192,000	\$ 1,216,238,468	\$ 1,514,473,936
Minus: Capital assets	1,090,262,588	1,566,452,000	3,155,636,000	3,372,632,000	930,572,318	1,053,834,388
Restricted assets	74,064,430	500,474,000	190,395,000	358,641,000	128,242,774	159,062,087
Available to pay bills	\$ 287,349,745	\$ 609,732,000	\$ 820,480,000	\$ 1,181,919,000	\$ 157,423,376	\$ 301,577,461
Minus: Bills	536,658,366	195,573,000	2,468,468,000	3,168,383,000	445,506,016	796,870,198
Money available to pay bills	(249,308,621)	414,159,000	(1,647,988,000)	(1,986,464,000)	(288,082,640)	(495,292,737)
Number of households	69,460	79,127	107,439	102,288	76,095	82,990
Each taxpayer's share of (deficit)/surplus	\$ (3,600)	\$ 5,200	\$ (15,300)	\$ (19,400)	\$ (3,800)	\$ (6,000)
Grade per Truth in Accounting Grading Rubric	C	B	C/D	C/D	C	C/D
Bills the City has accumulated						
Other liabilities	\$ 199,826,288	79,127,000	1,993,004,000	2,309,114,000	187,570,263	289,537,963
Unfunded pension benefits	236,094,946	111,180,000	435,229,000	667,813,000	245,058,753	468,044,235
Unfunded retiree health care	100,737,132	5,266,000	40,235,000	191,456,000	12,877,000	39,288,000
Bills	\$ 536,658,366	195,573,000	2,468,468,000	3,168,383,000	445,506,016	796,870,198

Truth In Accounting Grading Rubric

Surplus/(Deficit) per Household	Grade
\$0 - \$5,200	B
\$(4,900) - \$0	C
\$(20,000) - \$(5,000)	D
< \$(20,000)	F

Retirement System Sustainability Study and Findings

JANUARY 2018

Executive Summary

1. Rising pension costs will require cities over the next seven years to nearly double the percentage of their General Fund dollars they pay to CalPERS;
2. For many cities, pension costs will dramatically increase to unsustainable levels;
3. The impacts of increasing pension costs as a percentage of General Fund spending will affect cities even more than the state. Employee costs, including police, fire and other municipal services, are a larger proportion of spending for cities; and
4. Rising pension costs are more pronounced for mature cities (like Corona) with large numbers of retirees.

Retirement System Sustainability Study and Findings

JANUARY 2018

What Cities Can Do Today

- Develop and implement a plan to pay down the city's Unfunded Actuarial Liability (UAL):
 - Possible methods include shorter amortization periods and pre-payment of cities UAL. This option may only work for cities in a better financial condition.
- Consider local ballot measures to enhance revenues:
 - Some cities have been successful in passing a measure to increase revenues. Others have been unsuccessful. Given that these are voter approved measures, success varies depending on location.

Retirement System Sustainability Study and Findings

JANUARY 2018

What Cities Can Do Today – cont'd

- Create a Pension Rate Stabilization Program (PRSP):
 - Establishing and funding a local Section 115 Trust Fund can help offset unanticipated spikes in employer contributions. Initial funds still must be identified. Again, this is an option that may work for cities that are in a better financial condition.
- Change service delivery methods and levels of certain public services:
 - Many cities have already consolidated and cut local services during the Great Recession and have not been able to restore those service levels. Often, revenue growth from the improved economy has been absorbed by pension costs. The next round of service cuts will be even harder.

Retirement System Sustainability Study and Findings

JANUARY 2018

What Cities Can Do Today – cont'd

- Use procedures and transparent bargaining to increase employee pension contributions:
 - Many local agencies and their employee organizations have already entered into such agreements.
- Issue a pension obligation bond (POB):
 - However, financial experts including the Government Finance Officers Association (GFOA) strongly discourage local agencies from issuing POBs. Moreover, this approach only delays and compounds the inevitable financial impacts.

Retirement System Sustainability Study and Findings

JANUARY 2018

Primary Factors Contributing to CalPERS Funded Status

■ Enhanced Benefits

- The most prominent source of the pension system's cost escalation began with enhanced pension benefits granted by state and local government employers following the passage of SB 400 and AB 616 in 1999 and 2000.
- These enhanced benefits have caused a ripple effect that have fundamentally altered the way in which local agencies can retain employees and provide basic and critical services to the public.

■ Investment Losses

- Fallout from Great Recession...
- 2008 - CalPERS suffered a negative 27% return on investment results in a gross 34.75% impact to the fund.
- CalPERS' outside investment advisors expect returns over the next decade will also be below anticipated returns.
- CalPERS projects that the projected market rate assumptions will yield a 6.1% return for the fund over the next decade.
- While it is widely known that CalPERS determines its discount rate, using a 60-year blended return to calculate its discount rate — 6.1% is well below the 7% assumption.
- Under the current statutory paradigm, public employers will assume the liability associated with this shortfall.

Retirement System Sustainability Study and Findings

JANUARY 2018

Primary Factors Contributing to CalPERS Funded Status – cont'd

■ Cost of Living Adjustments

- Automatic Cost of living adjustments (COLA) have continued to hamper CalPERS' ability to compound investment earnings, hampering growth.

■ CalPERS Contribution Policy

- Most notably after the Great Recession, did not require agencies pay interest on accrued unfunded liability.
- While this shift in policy was an attempt to ease the burden on employers, the policy resulted in pushing unfunded liability payments to future taxpayers.

■ Demographics

- The liability for retirees at most cities significantly exceeds that of actives.
- This creates more volatility and led to having a much bigger impact on funded status (and ultimately contributions) than any prior downturn.

Recent Articles

Stanford Professor Joe Nation Talks Pension Crisis

Wed, 10/4/2017

The noose is tightening around California's cities and counties. At least one-third of local and state budgets now go toward public employee pensions. And that number is expected to climb much higher, putting a number of municipalities at risk of bankruptcy.

Public pensions are "the albatross around the necks of cities and counties," Stanford Professor of Public Policy Joe Nation told attendees at a university workshop on public retirement last month. "Unless we do something the system may not survive."

The nation's largest public pension system, CalPERS, is short by as much as \$1 trillion by some estimates, though unrealistic investment projections conceal the true extent of the problem. But the lower the projected rate of return, the more cities and counties -- and their taxpayers -- are forced to foot the bill. That puts everyone in a seemingly untenable position.

CBS San Francisco reporter Melissa Griffin recently sat down with Joe Nation to discuss the issue further.

"This is absolutely the most challenging issue facing state and local government, not just in California but across the country," Nation told her. No one is safe. No municipality should feel comfortable with the retirement system the way things are.

Nation talked about the need for leadership from both the state legislature and the public employees unions. He also discussed some of the legal aspects, including the fate of the so-called 'California rule.'



Recent Articles

State pension costs are crowding out basic services

By [The Editorial Board](#) |
October 11, 2017 at 8:16 am

Rising pension costs throughout the state will continue to crowd out resources needed for tangible services for years to come, according to a new report by the Stanford Institute for Economic Policy Research.

“There is contentious debate about what is driving these cost increases — significant retroactive benefit increases, unrealistic assumptions about investment earnings, policies that mask or delay recognition of true costs, poor governance, to name the most commonly cited,” explained former Assemblyman Joe Nation, who authored the report.

“[B]ut there is agreement on one fact: rising pension costs are making it harder to provide services traditionally considered part of government’s core mission...”

...There is no other way to look at it. The greater the share of the state budget pension costs account for, the less money there is to spend on anything else...

...It is imperative that we not allow this problem to get worse or allow squeamish politicians to keep sweeping the problem under the rug. Governments exist to serve not [sic] the public, not to sustain unsustainable pension benefits. Self-respecting taxpayers should not allow this to go on.



The Power of Small Wins – “Of all the things that can boost inner work life, the most important is making progress in meaningful work”

Source: <https://hbr.org/2011/05/the-power-of-small-wins>



For Immediate Release

February 1, 2018

CORONA'S BOOMING ECONOMY: WE'RE BACK, BABY!

CORONA, CA– Corona is singing the joys of a bustling economy with numbers back to – if not better than – pre-recession levels, including low unemployment rates, an increase in both business licenses and sales as well as close-to-full occupancy for industrial, office and retail spaces.

As of November 2017, Corona's unemployment rate is 3.3% – the lowest in over a decade. This is well below Riverside County's rate of 4.3%, right on track with San Diego County at 3.3% and keeping pace with Orange County's rate of 2.8%.

The Shops at Dos Lagos, a retail, dining and entertainment venue in Corona, saw an increase in sales for the 2017 holiday season. Their management team chose nine national retailers for a study and witnessed a 2.26% average sales increase, compared to December 2016. Three top restaurants saw a 7.35% average sales increase.

"I think what we are seeing here is consumer confidence rising as unemployment drops," says Kimberly Davidson, Economic Development Manager for the City of Corona. "Our residents enjoy a first-rate quality of life and we have high levels of income here; but when unemployment starts to creep up, there is uncertainty and everyone focuses on the necessities."

The number of business licenses issued increased by nearly 600 between 2016 and 2017. In addition, Corona's occupancy rates for businesses are booming. The current vacancy rate for industrial parks is 2.3%, office buildings is 6.0% and retail spaces is 5.5%. These numbers are among the lowest in the state, evidence of Corona's regional economic strength.

While the established retail areas of Corona are thriving, so are the newly constructed developments of Metro at Main, Shoppes at Corona Vista, El Cerrito, and Dos Lagos. Some of the new businesses include:

- Starbucks
- Poki Cat
- Smart & Final extra
- Soho Poke
- Habit Burger
- Pizza Tap Room
- Dunkin' Donuts
- Future Link
- Circle K
- Burger IM
- MOD Pizza
- Cursive
- Organic Junkie
- America's Best
- Nothing Bundt Cakes
- Float State - Float & Salt Therapy

In October 2017, the City of Corona and the Corona Chamber of Commerce launched the "Corona 2020" plan, which aims to eliminate 1 million hours of traffic and create 7,000 new jobs in Corona by the year 2020. To learn more, please contact Kimberly Davidson at TeamCorona@CoronaCA.gov.

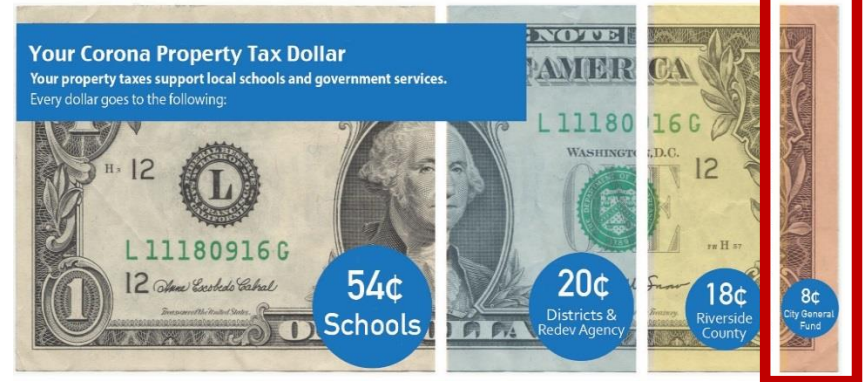
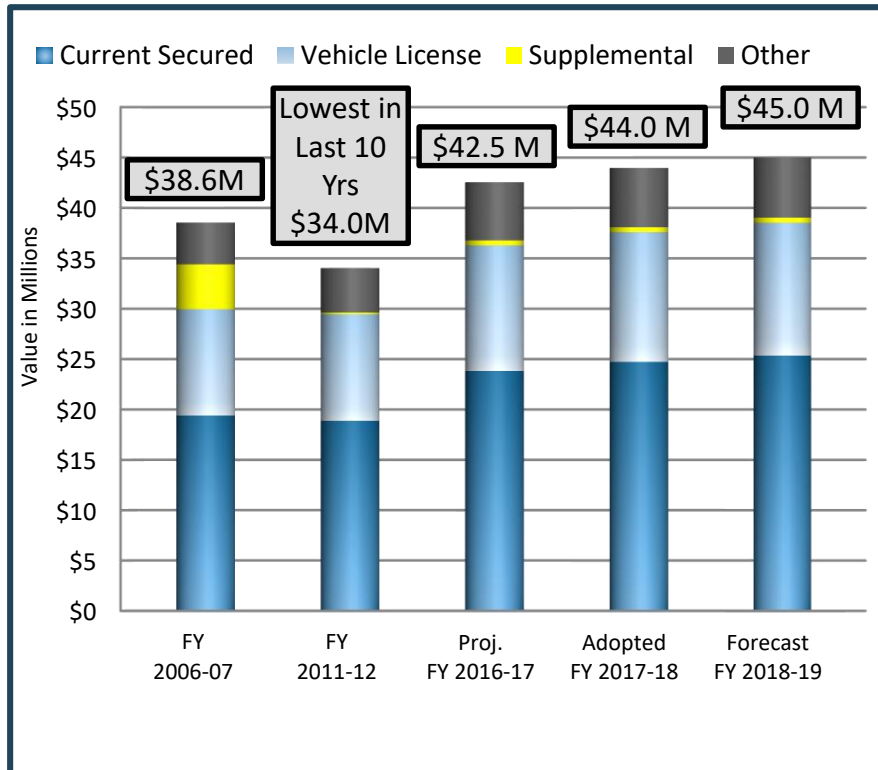
About the City of Corona: Corona is located adjacent to Orange County California at the junction of the 91 and 15 freeways with a population of more than 160,000 residents. For more information regarding the City of Corona visit www.CoronaCA.gov.

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Property Taxes – General Fund



Example:
Home valued at \$500,000
1% secured property tax = \$400 to City of Corona General Fund

Corona's Median Home Price - \$460,000
(3rd Qtr 2016 data)

Sales Tax – General Fund



The City's sales tax rate is 7.75%. This means for every \$100 you spend, you spend another \$7.75 in sales tax.

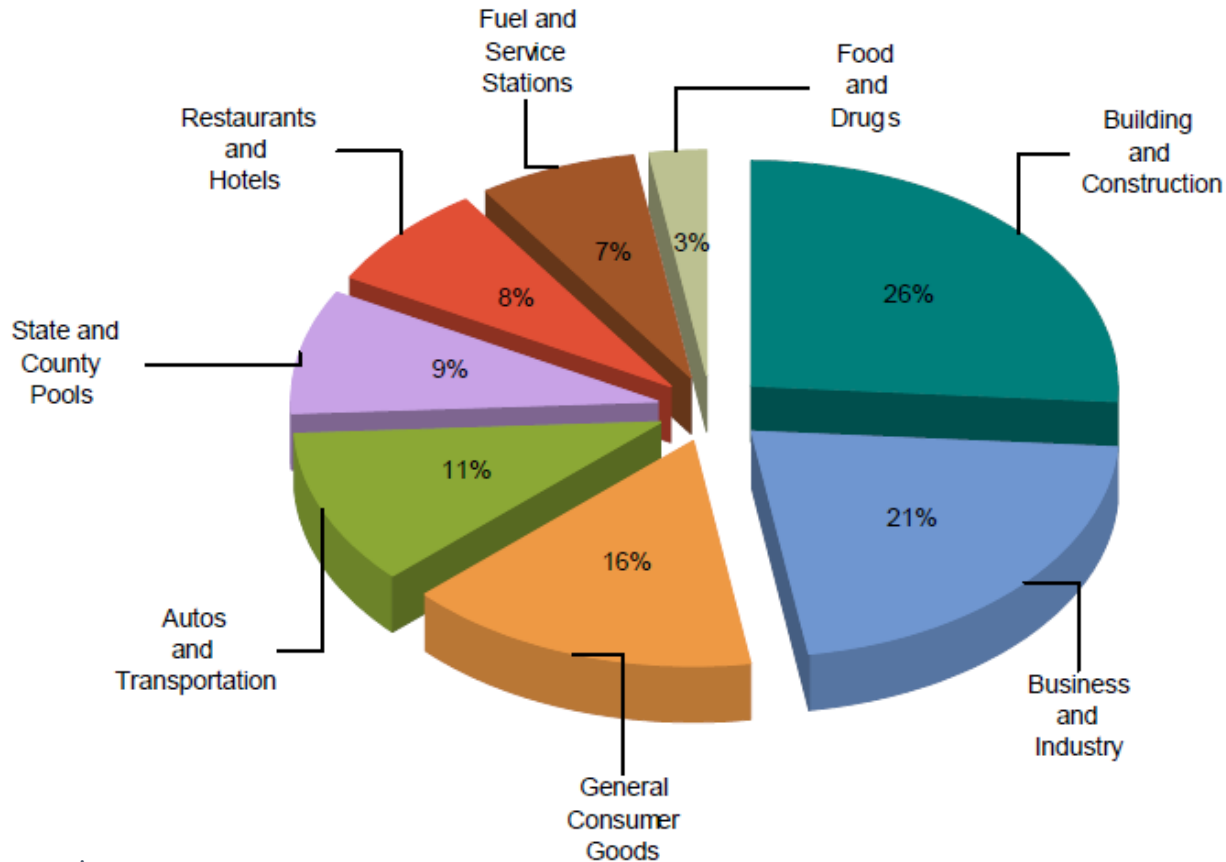
County Transportation	\$0.25
Measure A	\$0.50
City General Fund	\$1.00
State of California	\$6.00
Total Tax Paid	\$7.75
(on a \$100 purchase)	

Taxable Sales Sales Tax Receipts



Sales Tax By Major Business Group

2Q17 Percent of Total





Closing remarks

- Markets go up, and markets go down
 - Does this impact your personal checking account balance day to day? No.
- Fluctuation in sales tax revenue – we have to be prepared
 - When the economy is doing well, construction related sales tax revenue does well too
 - When the economy slows, it hits Corona's General Fund hard
- The General Fund's revenues are gradually improving
 - Whether that continues is unknown
- What is known is that CalPERS pension contributions are skyrocketing!
 - The revenues are not enough to offset these costs
 - The only solution to the CalPERS problem is to pay down the unfunded liability, which requires budget surpluses, not deficits