



# Budget Workshop

## Fiscal Year 2018-19 & 2019-20

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MAY 23, 2018



# Introduction

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Darrell Talbert  
*City Manager*



# City Manager's Vision, Mission and Goals

We, as an organization, will commit to creating a culture where we embrace, master and use the **'tools of business'** to run the operations of the City. We will implement and utilize private-sector technology to drive **'efficiencies and performance metrics'** that help our Management team better visualize and meet the demands of the Community for their service needs, while managing within the budgetary constraints that require us to use **'strict financial discipline'** to help ensure we demonstrate fiscal accountability and transparency for our residents. We will strive to use best practices in all we do, at all times, along with the strategic utilization of **'predictive analytics'** to protect both our residents as well as employees, past and present, as we endeavor to attain true **'financial sustainability in our community'** for years to come.

Darrell Talbert  
City Manger



# What Have We Done to Mitigate Budget Shortfalls?

## Savings Highlights From Fiscal Years 2007/08 to 2017/2018

### Staff Reductions:

- PARS Early Retirement Plan, Eliminated vacant and filled positions
- Total Staff Reduction: 250+
- \$25.8M savings

### New Labor Contracts/Impositions (*excluding Corona Police at this time*):

- \$4.357M savings
- Capped Medical Allowance and Medical Difference
- Increased opt-out medical compensation
- Adopted FLSA definition for overtime, eliminated comp time
- Restructured special compensation pay
- Capped tuition reimbursement
- Created new Tier IV employee group
- Eliminated Fire personnel 'buddy system' overtime
- Restructured annual leave buy-back to be calculated at base hourly rate
- Implemented PEPPA requirements/reductions Citywide



# What Have We Done to Mitigate Budget Shortfalls? (cont'd)

## **Savings Highlights From Fiscal Years 2007/08 to 2017/2018**

### Departments Merged/Consolidated:

- \$900K savings

### Vehicle Fleet Operations:

- Vehicle Reductions: 70+
- Vehicle Fleet Service Extension: \$700K savings
- New Vehicle Leasing Program (cost and Fleet Services savings)

### Bond Refunding:

- Corp Yard Lease Revenue Bond: \$3.8M savings
- City Hall Bond: \$1.7M savings

### Pre-funded PERS contribution

- \$522K cash flow savings



# What Have We Done to Mitigate Budget Shortfalls? (cont'd)

## **New Revenue Highlights From Fiscal Years 2007/08 to 2017/2018**

### Cell Site Leases

- Restructured and consolidated into in-house Legal Department
- Normalized lease terms, rates and requirements to generate more revenue

### Formed two new citywide Community Facility Districts (*new development only*)

- 2016-1 Public Services CFD: \$2.2M+ after build-out
- 2016-3 Maintenance Services \$21K annually

### Implemented Impact Evaluation Audit for Solid Waste Franchise Haulers

- CNUSD solid waste hauler \$34K+ annually
- City of Corona solid waste hauler \$874K+ annually

### Changed Investment Strategy

- Worked with City Treasurer Chad Willardson to enhance returns
- Reduced idle cash and increased investment return



# What Have We Done to Mitigate Budget Shortfalls? (cont'd)

## **New Revenue Highlights From Fiscal Years 2007/08 to 2017/2018**

### Implemented Rigorous Revenue Audits citywide

- Transient Occupancy Tax (TOT)
- Franchise Agreements
- Waste Management, SCE, So Cal Gas, AT&T, Verizon, T-Mobile

### Developed New Transient Occupancy Tax Partnerships

- Airbnb \$160K+ annually

### Developed New Point-Of-Sale Agreements with Local Business

- New partnerships created by Economic Development: \$1M+ annually

### Adopted Zero Base Budgeting Structure Citywide

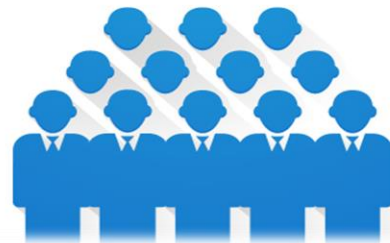
- Higher levels of granularity, greater cost containment
- Eliminates the 'use it or lose it' budgeting that is typical in government

### Moved forward with plans for a significant operating reduction in FY 18/19

# Full Time Staffing Reductions FY 2006-07 to FY 2017-18

PERS Group	FY 2006-07 Authorized Full Time Positions	FY 2017-18 Adopted Full Time Positions	Change	% Change
Miscellaneous	569	368	(201)	(35.3%)
Police	191	162	(29)	(15.2%)
Fire	133	113	(20)	(15.0%)
<b>Totals</b>	<b>893</b>	<b>643</b>	<b>(250)</b>	<b>(28.0%)</b>
<b>Payroll \$ (All Funds)</b>	<b>\$102.7 M</b>	<b>\$112.7 M</b>	<b>\$10.0 M</b>	<b>9.7%</b>

*Note: ~\$30M has been saved due to staffing and service reductions in public safety departments and elsewhere*





# What Have We Done To Increase Transparency and Community Engagement?



## Contracted with an Outside Auditing Firm to Complete In-Depth AUP Audits

- Police Department
- Fire Department
- Administrative Services
- Department of Water and Power
- Maintenance Services
- Public Works

## Developed a Community Engagement Program: Charting Our Path

- Solicited feedback on community services
- Ideas for new programs, new revenue and possible savings ideas

## Contracted for In-Depth Community Satisfaction Survey

## Worked with the Community to Develop and Adopt Measure N Districting

# What Have We Done To Increase Transparency and Community Engagement? – (cont'd)



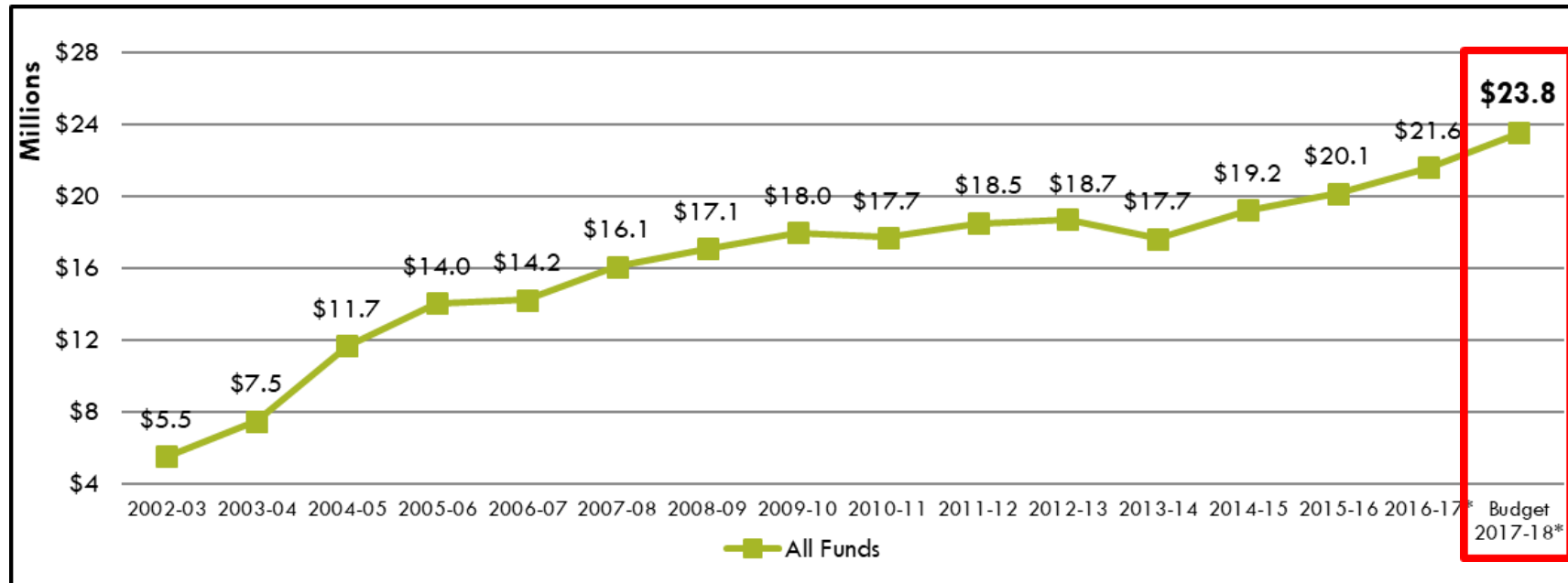
## Added Additional Transparency Tools to Our New Website

- Open Checkbook, Open Budget, Budget Balancing Act Tools
- Employee compensation, benefits and MOU's
- Employee budgeted positions and position library
- City Manager and City Attorney contracts
- Online FPPC Form 460's and Form 700's
- Public meeting agendas, minutes, and videos
- Agenda eNotification sign-up
- Online Public Records Request
- Council's Strategic Plan
- Bi-Monthly City Newsletter and Agenda Alert
- Social Media engagement across multiple platforms
- Online GIS Storymap for new development
- GIS Geohub: District map, military banners, police zones, power outage, voting districts, property information and more
- General Plan Technical Update details

# Uncontrollable Cost Contributors: Looking Back

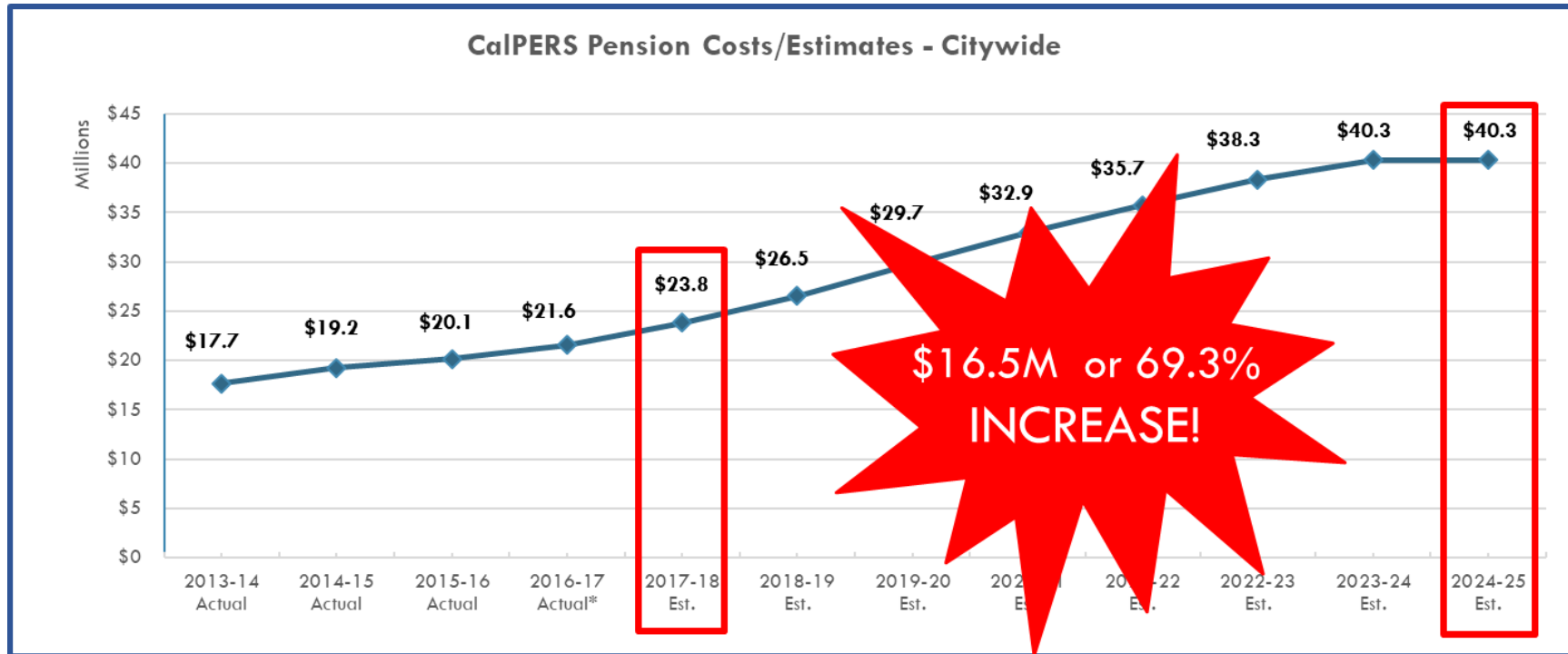
## Major cost increase in the following areas over past 15 years:

- PERS contributions have **increased 304%**



- Health costs have **increased over 95%**
  - Imposed and negotiated terms with Misc. and CFA employee groups have resulted in a cap on medical insurance
- Workers Comp rates have **increased by over 100%**

# CalPERS Pension Costs – Citywide: Looking Forward

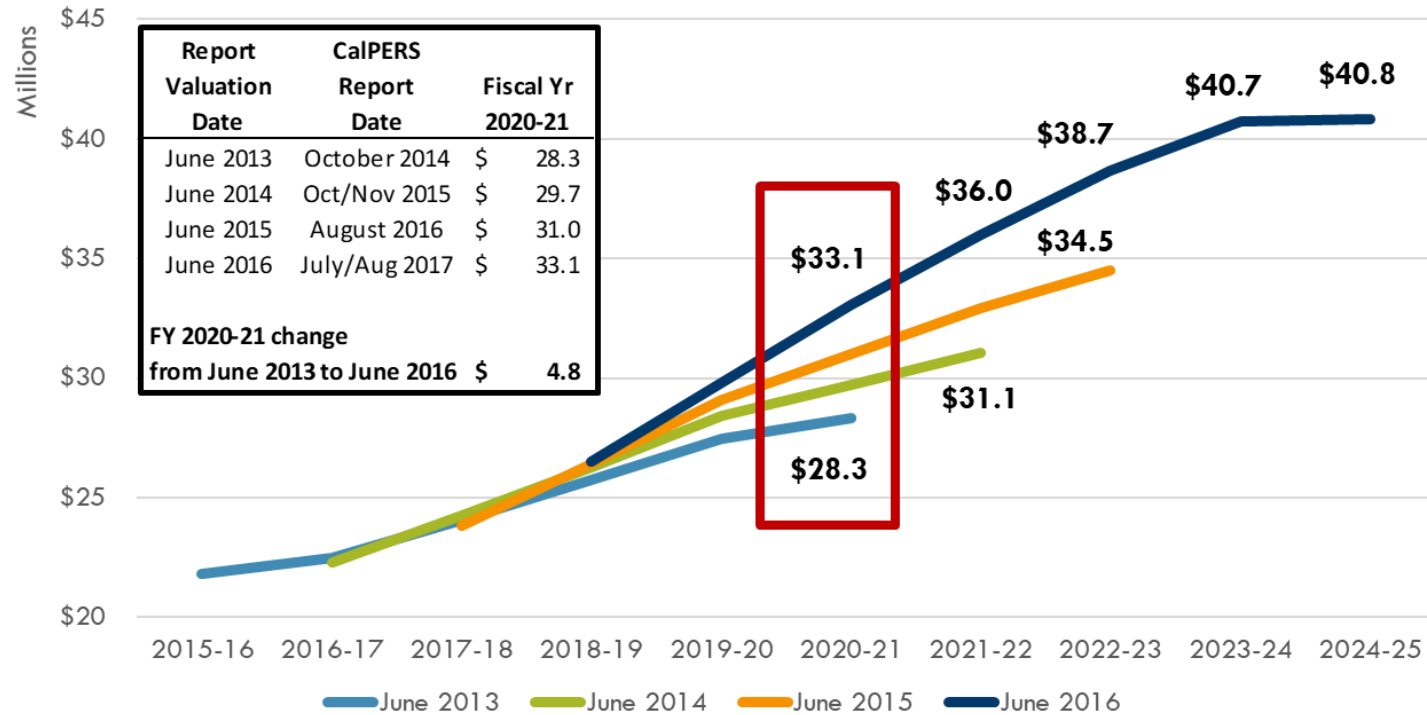


- Based on CalPERS June 2016 actuarial reports received July 2017
- Each time we receive a new valuation report from CalPERS, the annual contribution amount gets worse

# CalPERS Pension Costs – Citywide: Deviation in Estimates

**Based on CalPERS Actuarial Reports June 2013 - June 2016**

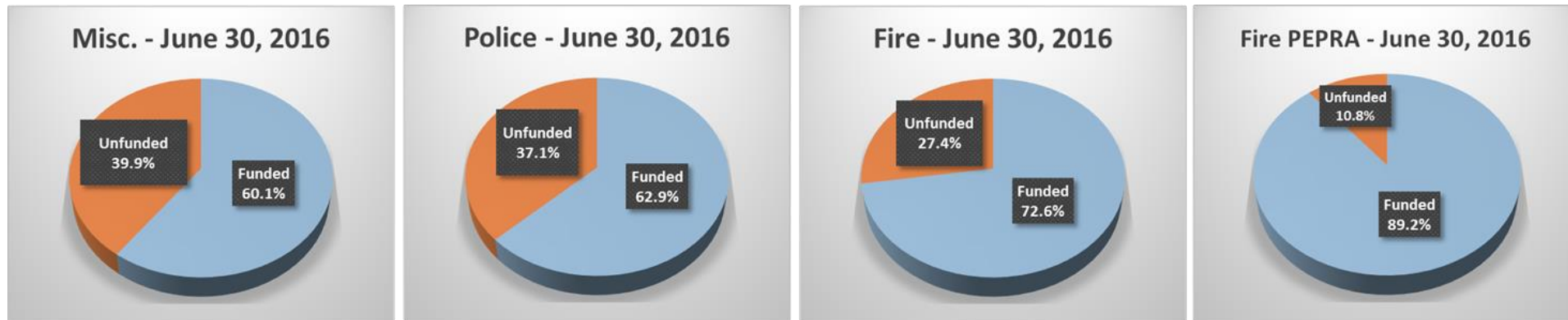
Cal PERS Pension Costs / Estimates - City Wide



Note: Annual amount was calculated with the contribution rates and UAL amounts provided in the valuation reports, using covered payroll data provided for the current year, with a 3% growth factor as disclosed in the actuarial assumptions.

# Unfunded CalPERS Liability – Historical Growth Year/Year

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 PEPRAs	(34)	104.2%	2,994	91.0%	13,439	89.2%
<b>Total</b>	<b>\$192,631,602</b>		<b>\$215,237,407</b>		<b>\$253,522,994</b>	



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

# How Does Corona Compare? Future CalPERS Payments

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

CITY	Payroll	2017-18						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%



# 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
<b>Each taxpayer's share of (deficit)/surplus</b>	<b>\$ (3,600)</b>	<b>\$ 5,200</b>	<b>\$ (15,300)</b>	<b>\$ (19,400)</b>	<b>\$ (3,800)</b>	<b>\$ (6,000)</b>
Grade per Truth in Accounting Grading Rubric	<b>C</b>	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

Source: <https://www.ocregister.com/2018/01/23/how-broke-is-your-city/>



# What Has PERS Done To Help Create Sustainability?

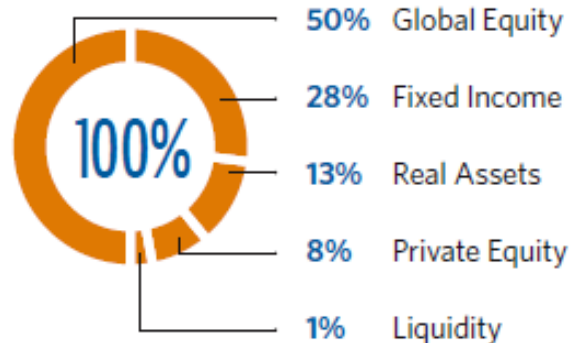
## Lower Discount Rate

Lowered the discount rate from 7.5% to 7% over three years  
*(assumed rate of return)*

7.5%  
↓  
7%

## New Asset Allocation

Adopted new strategic asset allocation effective July 1, 2018



## Shorter Amortization

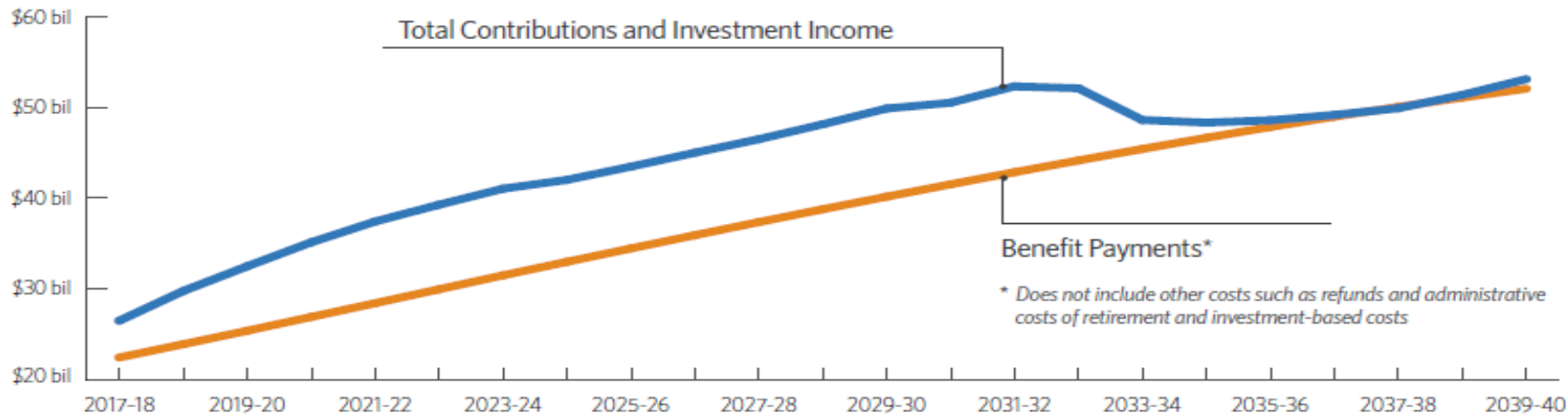
Shortened the amortization period for employers to pay their unfunded liability

30 yrs.  
↓  
20 yrs.  
=

significant long-term savings

# What Has PERS Done To Help Create Sustainability? (cont'd)

Total Fund Cash Flows are Improving

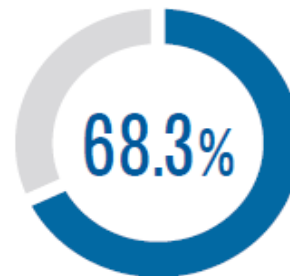


## Investing for the Long Term

Our bottom line is strong and getting stronger.

The numbers that measure a pension plan's health have been on the rise, and recent investment returns and cash flow improvements only strengthen our position.

Every dollar we save by reducing our operating or investments costs, or by developing simpler, more efficient processes, is another dollar we can invest toward our members' benefits.



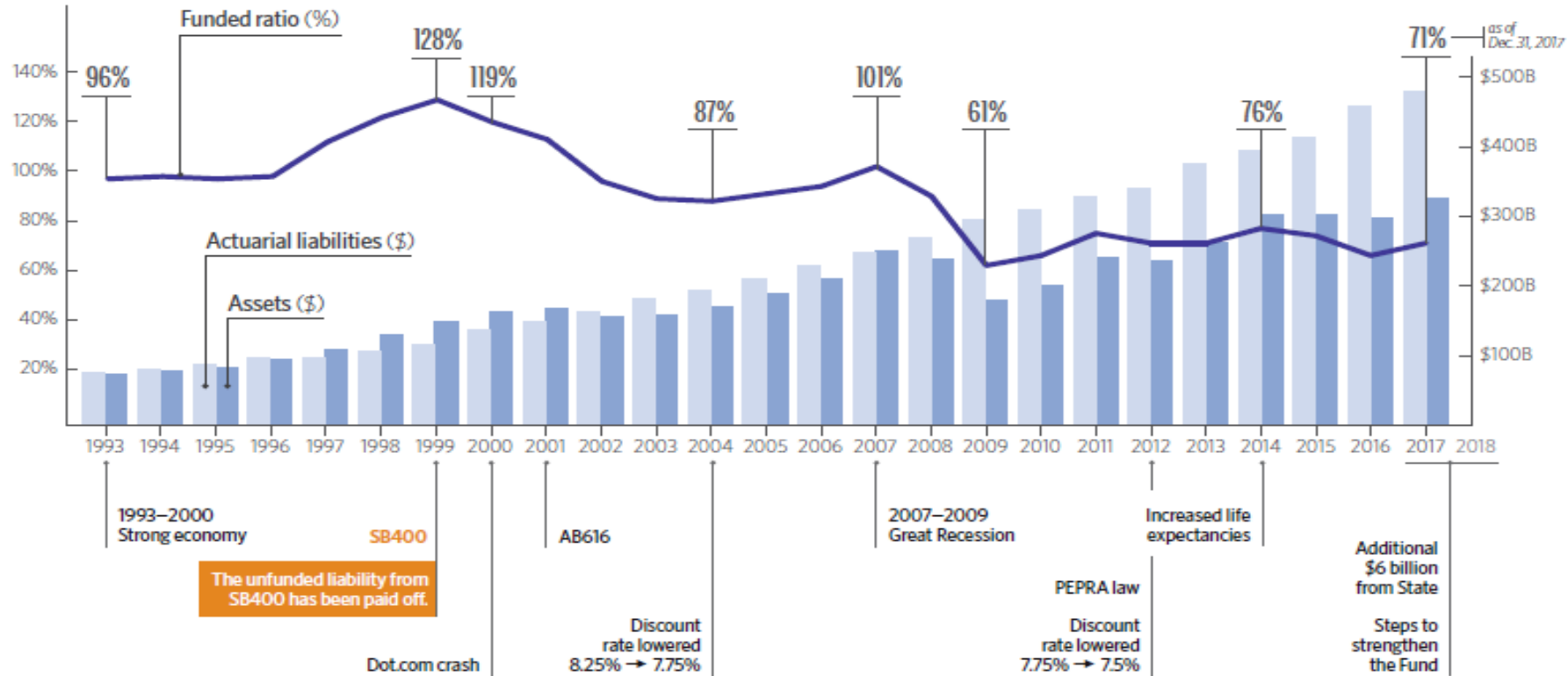
Funded Status  
2015-16



Funded Status  
December 31, 2017

# What Has PERS Done To Help Create Sustainability? (cont'd)

Historical Factors Impact Funded Status (1993-2018)



# General Fund

## Proposed Two Year Financial Plan

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*Fiscal Years 2018-19 and 2019-20*



# General Fund Revenues

**Property Tax**

**Sales Tax**

**Other Taxes**

**Motor Vehicle  
License Fees**

**Franchise Fees**

**Transient  
Occupancy Tax**

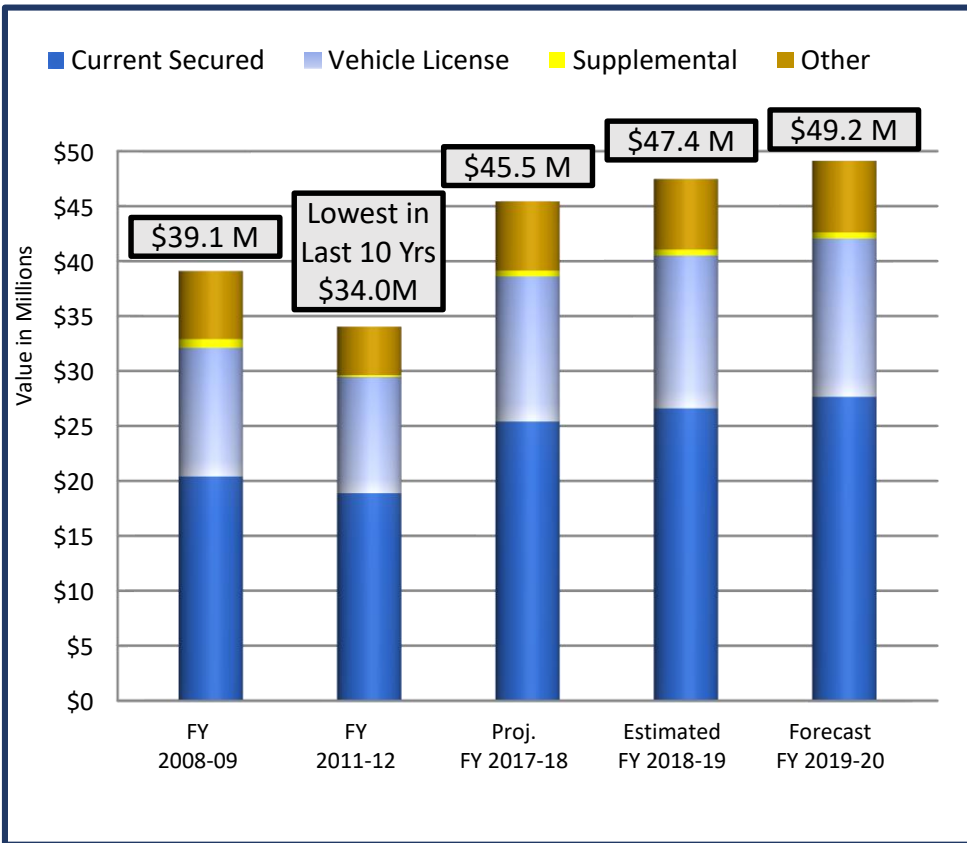
**Current  
Services**

**Interest Income**

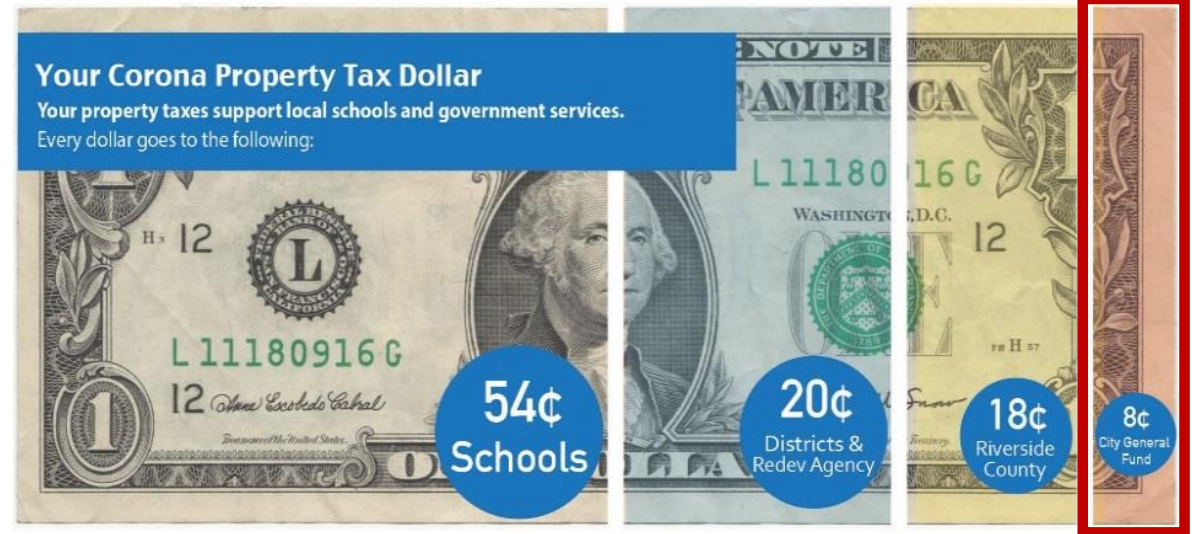
**Other Revenue**

**Services to  
Other Funds**

# Property Taxes – General Fund (Eight cents for every dollar goes to Corona)



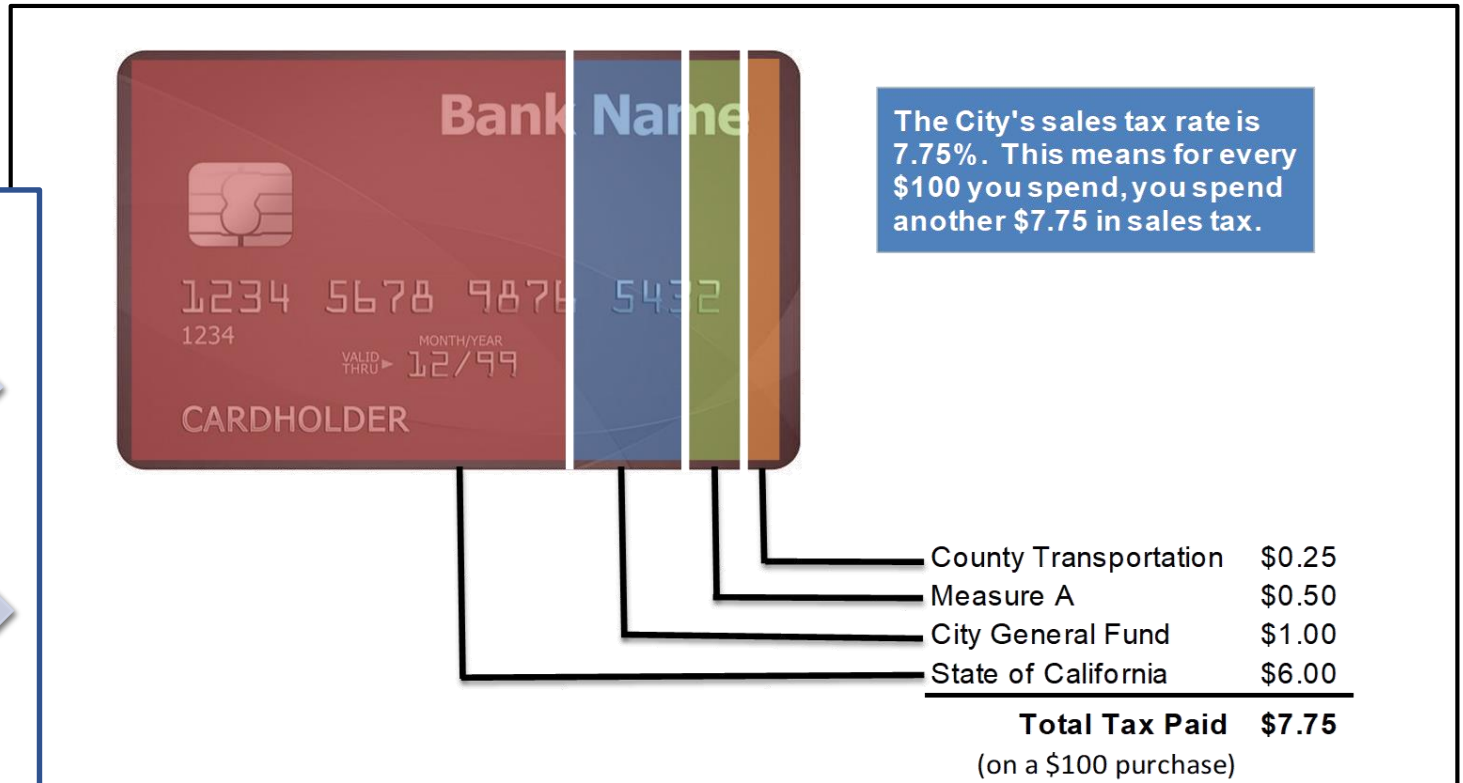
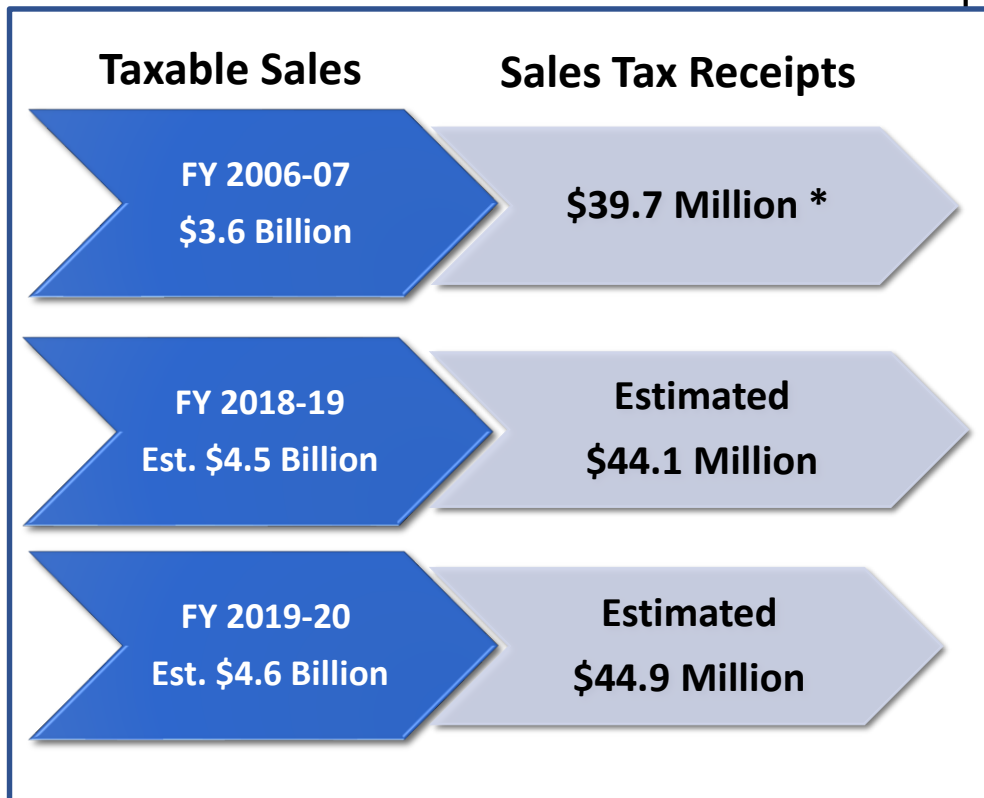
Corona's Median Home Price - \$511,912  
(1st Qtr 2018 data)



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

# Sales Tax – General Fund

(1% goes to Corona, less administrative fees)



*\*FY 2006-07 was part of the 'Triple Flip' years where the State was withholding a portion of the City's 1% share and distributing in the following year.*

# Other Taxes



## Business License Tax:

- An annual regulatory permit for conducting business within city.
- \$2.3 M FY 2018-19
- \$2.4 M FY 2019-20



## Property Transfer Tax:

- A tax collected when a real property exchanges hands or is sold.
- \$0.9 M FY 2018-19
- \$0.9 M FY 2019-20



## Half Cent Public Safety Sales Tax (Prop 172):

- Revenues to be used for public safety purposes.
- \$2.2 M FY 2018-19
- \$2.3 M FY 2019-20





# State Controlled Funding Motor Vehicle Fees \$13.9 M FY 2018-19 / \$14.4 M FY 2019-20

A tax on the ownership of a registered vehicle in place of taxing vehicles as personal property. By law, all revenues fund city and county services, but the state legislature controls the tax rate and the allocation among local governments.



**Public Goods**



# Franchise Fees

## \$5.4 M FY 2018-19 / \$5.5 M FY 2019-20

An annual fee charged by the City to private companies as compensation for using public property as right-of-way for delivering their services. These revenues are primarily generated by:



Refuse



Electric



Gas

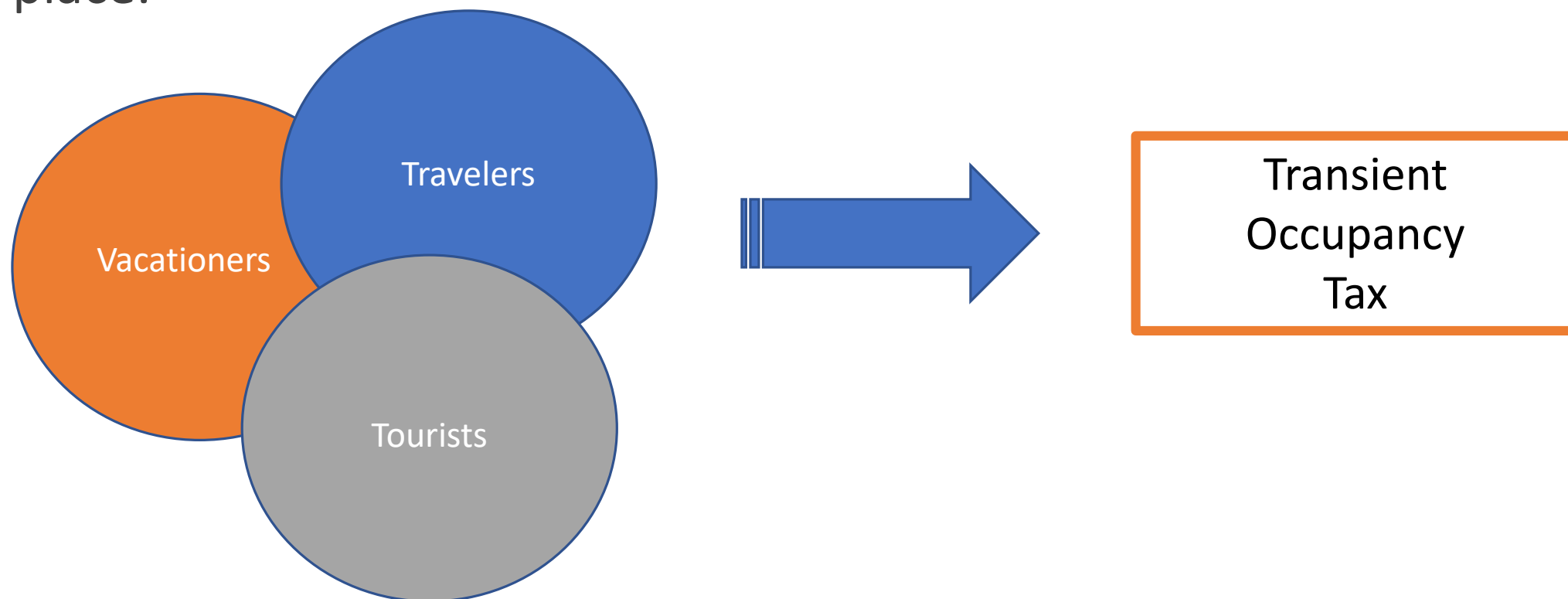


Cable

# Transient Occupancy Tax

## \$2.7 M FY 2018-19 / \$2.8 M FY 2019-20

A tax charged to visitors and tourists when they rent accommodations (a room or other living space) in a hotel, inn, motel, or other lodging place.



# Current Services

\$10.9 M FY 2018-19 / \$10.2 M FY 2019-20

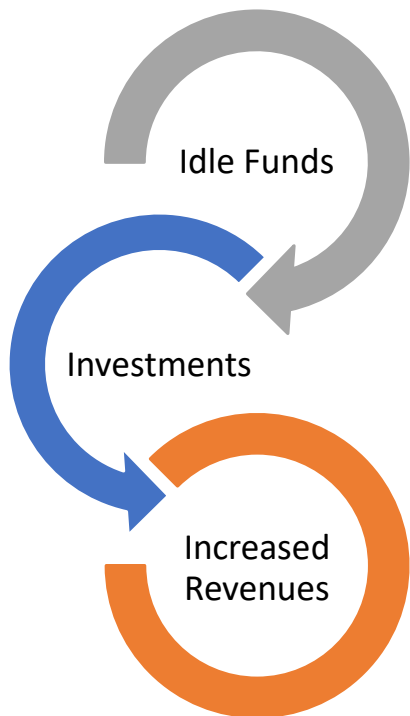
User Fees are charges for services such as engineering, planning and building fees, emergency medical services program, and recreation fees.



# Interest Income / Rents & Leases

## \$10.2 M FY 2018-19 / \$10.1 M FY 2019-20

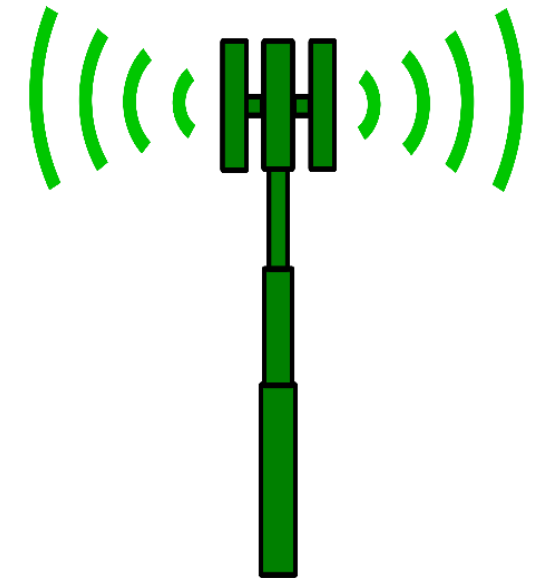
Lease and interest earnings consist of investment earnings on account balance, office leases, and cellular site leases.



**Investment Earnings**



**Office Leases**

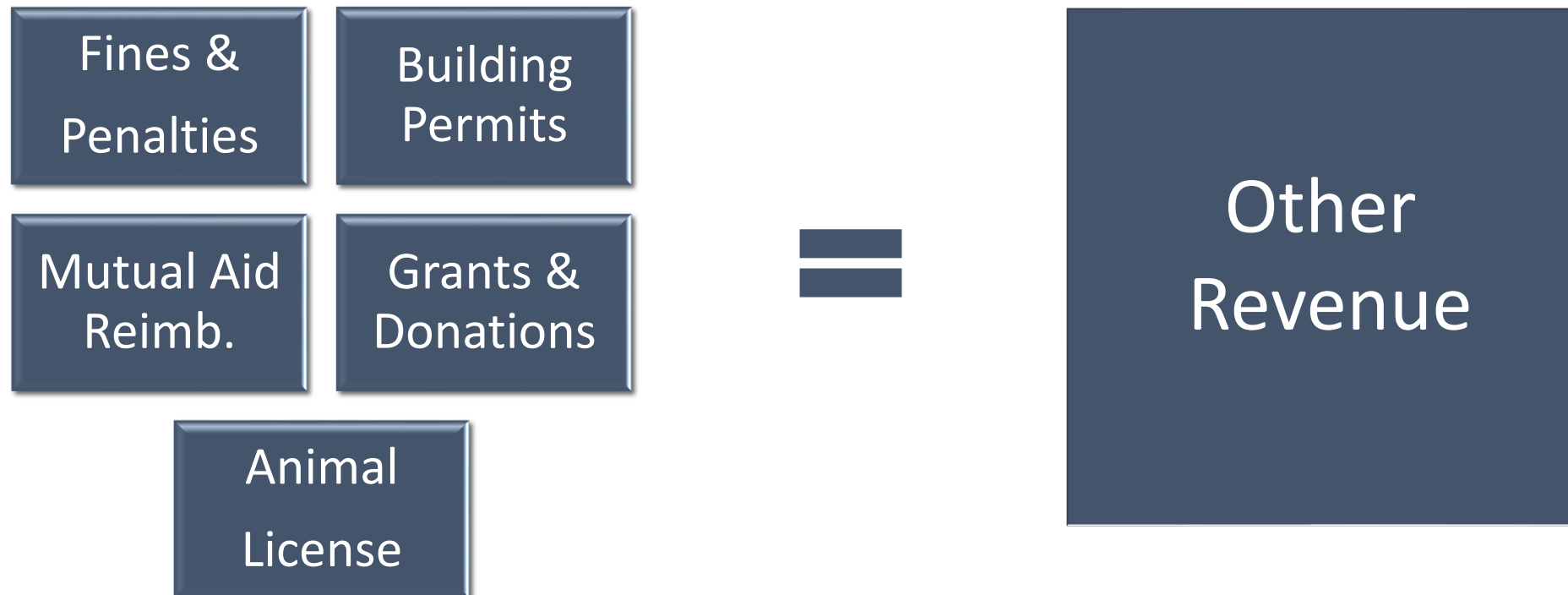


**Cell Site Leases**

# Other Revenue

\$8.3 M FY 2018-19 / \$7.8 M FY 2019-20

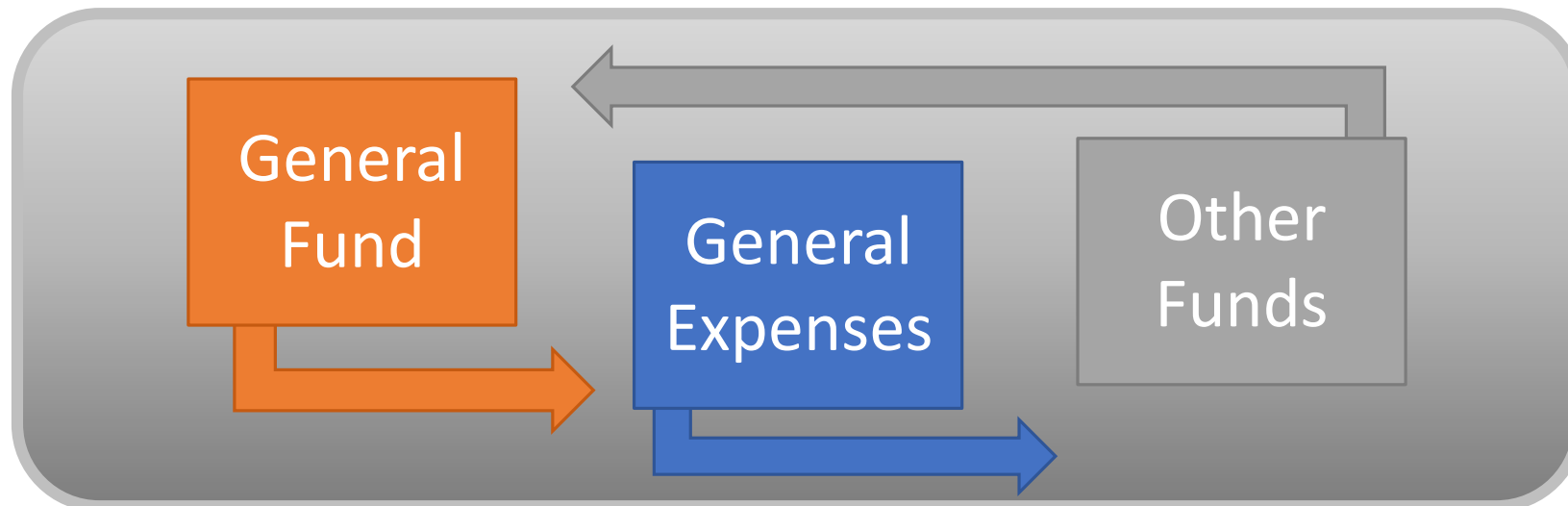
Other revenues include fines, penalties, intergovernmental, building permits and occupancy fees, alarm permits, donations, and other miscellaneous revenues.



# Services to Other Funds

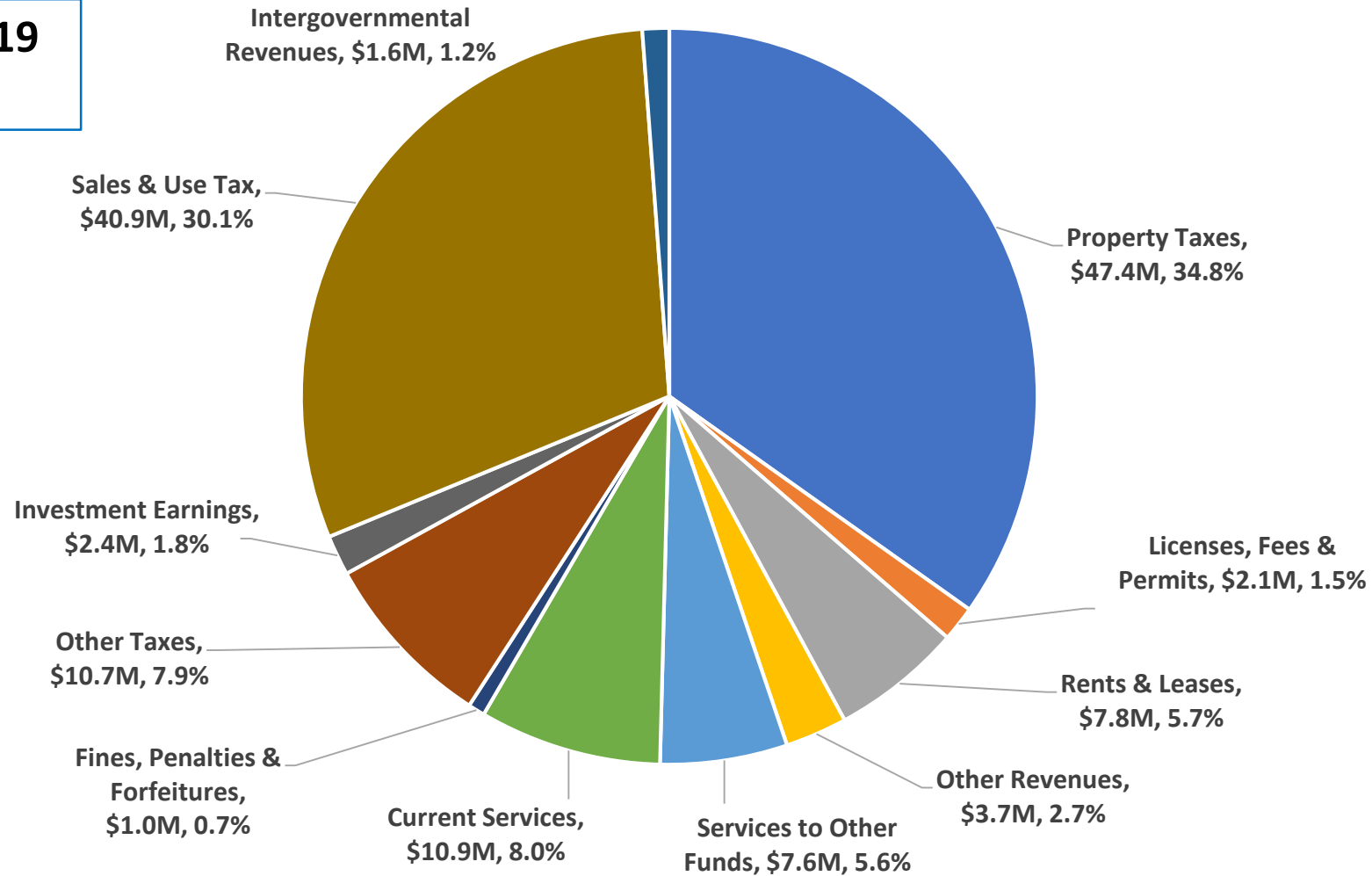
## \$7.6 M FY 2018-19 / \$7.7 M FY 2019-20

Overhead Reimbursements and transfers to the general fund represent each transferring fund's share of overhead costs which are paid by the general fund. Examples of costs paid by the general fund and proportionately reimbursed by other benefiting funds are general administrative costs, liability insurance premiums, building use and maintenance, retiree medical insurance, and self-insurance expenditures.



# Revenues – General Fund

**Estimated FY 2018-19**  
**\$136.1 Million**







# Revenue Accounting Changes

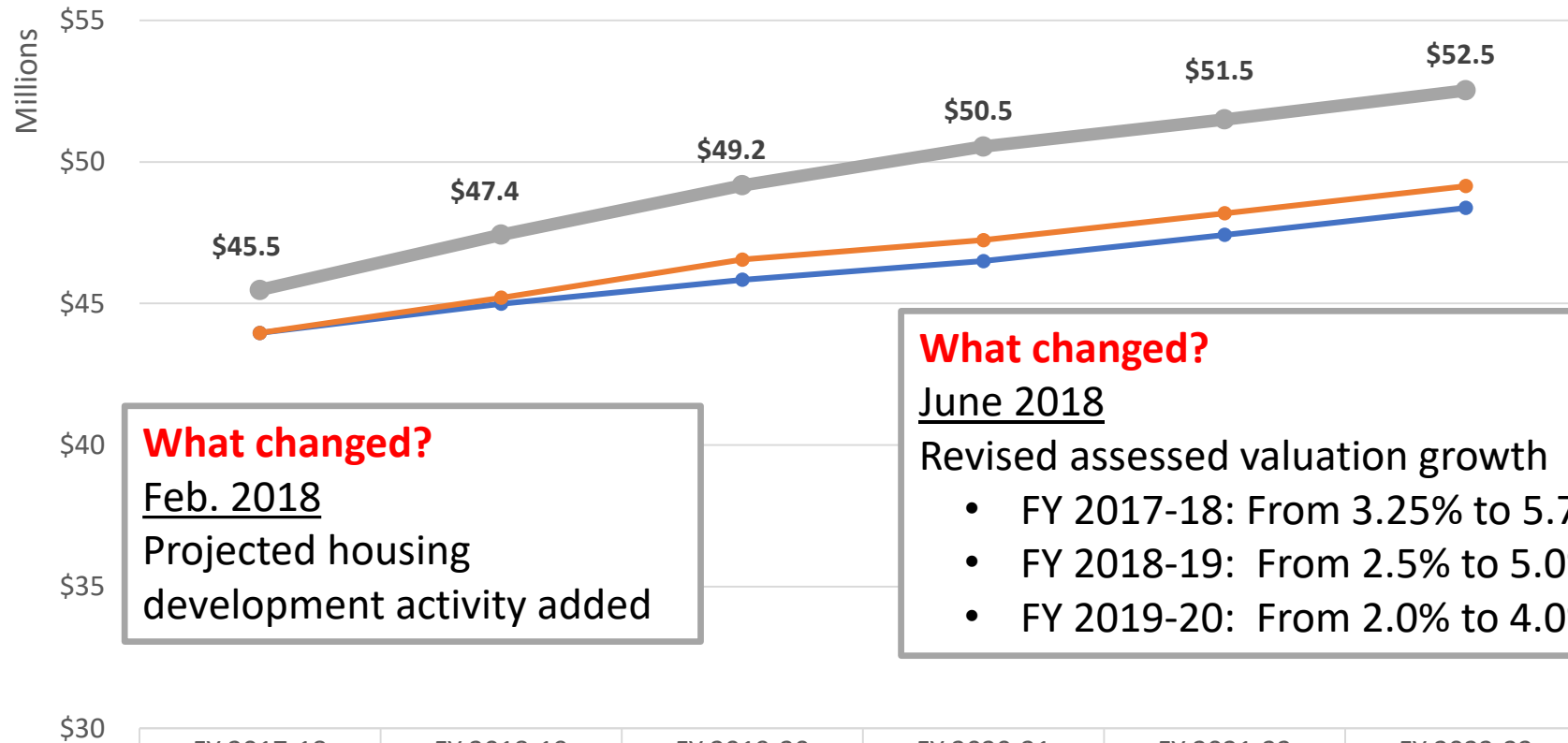
## ▣ FY 2017-18

- Sales Tax Agreements – previously recorded in expenditures. Now contra revenue to provide clearer picture of net sales tax available for City’s operations.

## ▣ FY 2018-19

- Information Technology to Internal Service Fund – similar to Warehouse and Fleet Maintenance. Reduction in revenue in *Services to Other Funds*.
- Refuse/Recycling to Special Revenue Fund – ‘pass through’ for trash and recycling services. Previously reported as part of General Fund type.

# Property Tax Forecast Changes



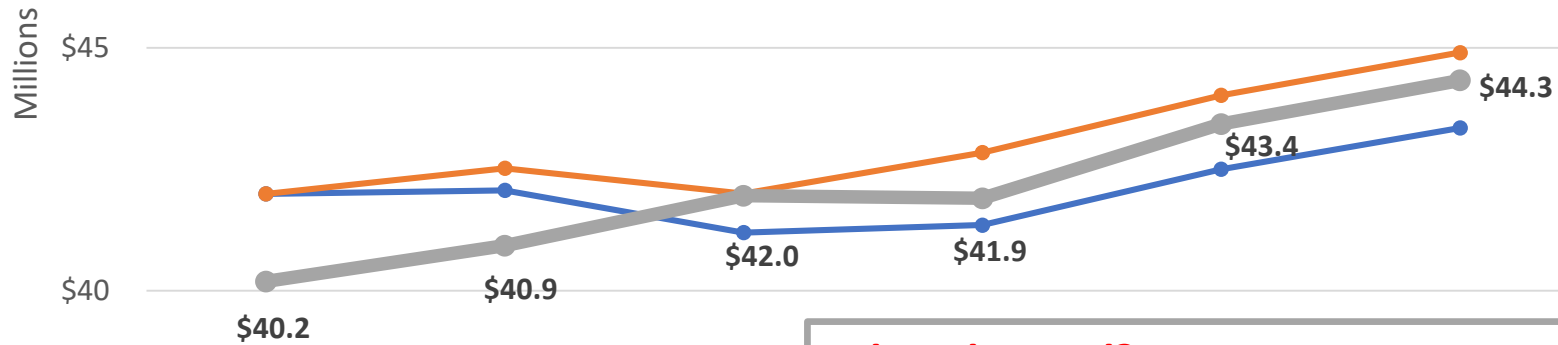
**What changed?**  
Feb. 2018  
 Projected housing development activity added

**What changed?**  
June 2018  
 Revised assessed valuation growth

- FY 2017-18: From 3.25% to 5.73%
- FY 2018-19: From 2.5% to 5.0%
- FY 2019-20: From 2.0% to 4.0%

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
June 2017	43,961,800	44,989,000	45,837,900	46,495,900	47,425,800	48,374,300
Feb. 2018	43,961,800	45,200,456	46,550,937	47,238,239	48,183,000	49,146,600
June 2018	45,479,540	47,430,900	49,176,000	50,545,800	51,498,700	52,528,700

# Sales Tax Forecast Changes



**What changed?**  
Feb. 2018  
 Projected housing development activity added

**What changed?**  
 June 2018

- New operating covenant agreement
- Accounting change for Sales Tax Agreements (previously in expenditures)
- Revised 'slowing of economy' estimate from FY 2019-20 to FY 2020-21

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
June 2017	41,996,300	42,067,500	41,198,400	41,353,200	42,500,400	43,350,400
Feb. 2018	41,996,300	42,523,100	41,999,400	42,845,300	44,022,350	44,902,800
June 2018	40,190,572	40,927,811	41,956,485	41,902,300	43,431,400	44,330,450



# General Fund Revenues

REVENUES/TRANSFERS IN	Projected 2017-18	Restated FY 2017-18	Estimated 2018-19*	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
Property Tax	\$ 45,479,540	\$ 45,479,540	\$ 47,430,900	\$ 49,176,000	\$ 50,545,800	\$ 51,498,700	\$ 52,528,700
Sales Tax	40,190,572	40,190,572	40,927,811	41,956,485	41,902,300	43,431,400	44,330,450
Current Services	20,057,941	11,223,277	10,931,959	10,214,000	10,367,200	10,522,700	10,680,500
Other Revenue	12,076,661	12,076,661	11,481,805	11,189,210	11,357,000	11,527,400	11,700,300
Services to Other Funds	9,867,100	7,592,282	7,643,491	7,696,604	7,850,500	8,007,500	8,167,700
Other Taxes - Franchise Tax	5,282,000	5,282,000	5,362,000	5,469,000	5,633,070	5,802,100	5,976,200
Other Taxes - Transient Occupancy	2,584,000	2,584,000	2,687,000	2,794,000	3,032,100	3,092,700	3,185,500
Other Taxes - Business Licenses	2,262,100	2,262,100	2,307,000	2,353,300	2,353,300	2,376,800	2,424,300
Licenses, Fees & Permits	1,790,500	1,790,500	2,064,310	1,787,323	1,805,200	1,823,300	1,841,500
Investment Earnings	1,782,722	1,782,722	2,384,875	2,576,736	2,525,200	2,550,500	2,601,500
Intergovernmental - Mutual Aid	1,500,000	1,500,000	950,000	950,000	950,000	950,000	950,000
Transfers In	1,415,711	1,415,711	1,346,919	1,482,658	1,320,000	1,345,000	1,370,000
Fines, Forfeitures & Penalties	1,139,832	1,014,332	998,000	1,000,000	1,010,000	1,020,100	1,030,300
Intergovernmental - Other	986,019	895,776	627,242	412,550	170,000	170,000	170,000
Other Taxes - PEG Fees	205,000	205,000	205,000	205,000	205,000	205,000	205,000
Other Taxes - Special Assessments	33,024	33,024	103,000	103,000	104,000	105,000	106,100
<b>Total Revenues/Transfers In</b>	<b>\$ 146,652,722</b>	<b>\$ 135,327,497</b>	<b>\$ 137,451,312</b>	<b>\$ 139,365,866</b>	<b>\$ 141,130,670</b>	<b>\$ 144,428,200</b>	<b>\$ 147,268,050</b>
Year over Year Change \$		\$ (11,325,225)	\$ 2,123,815	\$ 1,914,554	\$ 1,764,804	\$ 3,297,530	\$ 2,839,850
Year over Year Change %		-7.7%	1.6%	1.4%	1.3%	2.3%	2.0%

\*Note: Decrease in restated FY 2017-18 includes accounting change for Refuse/Recycling Fund and Information Technology.



# Revenue Projections and Assumptions

REVENUE CATEGORY	Projected 2017-18	Estimated 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
Property Tax - Secured	AV=5.73%	AV=5%	AV=4%	AV=3%	AV=2%	AV=2%
<i>AV=Assessed Valuation</i>	Delinq=2.6%	Delinq=3%	Delinq=3%	Delinq=3%	Delinq=3%	Delinq=3%
<i>Delinq=Delinquency Rate</i>				+Addl Growth	+Addl Growth	+Addl Growth
Sales Tax	HdL Est. +Sales Tx Agmt	HdL Est. +Sales Tx Agmt	HdL Est. +Sales Tx Agmt	Prior -2% +Sales Tx Agmt +Addl Growth	Prior +2% +Sales Tx Agmt +Addl Growth	Prior +2% +Sales Tx Agmt +Addl Growth
Current Services	Varies by line item Includes Refuse/ Recycling	Varies by line item Reduced for Acctg Change - Refuse/Recycling	Varies by line item	Prior +1.5%	Prior +1.5%	Prior +1.5%
Other Revenue	Varies by line item	Varies by line item	Varies by line item	Prior +1.5%	Prior +1.5%	Prior +1.5%
Services to Other Funds	Budget	Reduced for Acctg Change - IT +1% on other items	Prior +1%	Prior +2%	Prior +2%	Prior +2%
Other Taxes - Franchise Tax	Current Activity	Prior +1.5%	Prior +2%	Prior +3%	Prior +3%	Prior +3%
Other Taxes - Transient Occupancy	Current Activity	Prior +4%	Prior +4%	Prior +8.5% Includes new hotel	Prior +2%	Prior + 3%
Other Taxes - Business Licenses	Current Activity	Prior +2%	Prior +2%	Flat	Prior +1%	Prior +2%
Licenses, Fees & Permits	Current Activity	Varies by line item	Varies by line item	Prior +1%	Prior +1%	Prior +1%
Investment Earnings	Current Activity	Cash invested and higher returns	Cash invested and higher returns	Prior -2%	Prior +1%	Prior + 2%
Intergovernmental - Mutual Aid	Current Activity	Est. Mutual Aid	Est. Mutual Aid	Flat	Flat	Flat
Fines, Forfeitures & Penalties	Current Activity	Varies by line item	Varies by line item	Prior +1%	Prior +1%	Prior +1%
Intergovernmental - Other	Current Activity	Varies by line item	Varies by line item	Flat Motor Vehicle + Abandoned Vehicle	Flat	Flat
Other Taxes - PEG Fees	Current Activity	Flat	Flat	Flat	Flat	Flat
Other Taxes - Special Assessments	Current Activity	Projected homes in assessment area	Projected homes in assessment area	Prior +1%	Prior +1%	Prior +1%



# Methodology for Budget Reductions

Fiscal year 2017-18 adopted operating budget:	\$ 143,920,139
Less Exclusions	(30,973,382)
<i>General Government, Debt Service, and Refuse/Recycling</i>	
<b>Departmental total budget</b>	<b>\$ 112,946,757</b>
Budget reduction target – 7%	<b>(\$ 7,906,273 )</b>
<ul style="list-style-type: none"><li>• Reduction is 7% of each department’s total FY 2017-18 budget</li><li>• Credit for imposed and negotiated terms given to applicable departments</li></ul>	
Remaining bal. for budget reduction	(\$ 5,968,867)
<ul style="list-style-type: none"><li>◦ Adjusted for CFA agreement March 2018</li></ul>	



# Budget Reductions – FY 2018-19

*Excludes CIP budget of \$1.0 million*

Adopted Budget FY 2017-18

	Decrease	Reduction
\$ 112,946,757	-7%	\$ (7,906,273)

Department	Salaries & Benefits	Services & Supplies	Grand Total	Budget Adjustment	Personnel Changes	Remaining Balance
Administrative Services	4,774,214	1,028,604	5,802,818	(406,197)	(144,363)	(261,834)
City Council	137,117	50,120	187,237	(13,107)	4,875	(17,982)
City Treasurer	13,788	700	14,488	(1,014)	1,956	(2,970)
Community Development	3,046,849	1,345,298	4,392,147	(307,450)	(41,905)	(265,545)
Fire	25,616,593	1,782,395	27,398,988	(1,917,929)	(742,672)	(1,175,257)
Information Technology	2,071,591	3,024,901	5,096,492	(356,754)	(12,099)	(344,655)
Legal/Risk Management	1,498,047	169,000	1,667,047	(116,693)	3,517	(120,210)
Library & Recreation Services	4,298,347	1,139,946	5,438,293	(380,681)	(236,968)	(143,713)
Maintenance Services	3,575,965	5,438,498	9,014,463	(631,012)	(158,138)	(472,874)
Management Services	1,831,272	364,217	2,195,489	(153,684)	(60,158)	(93,526)
Police	43,813,629	4,077,144	47,890,773	(3,352,354)	(489,368)	(2,862,986)
Public Works	2,241,928	1,606,594	3,848,522	(269,397)	(62,083)	(207,314)
<b>Subtotal Departments</b>	<b>\$ 92,919,340</b>	<b>\$ 20,027,417</b>	<b>\$ 112,946,757</b>	<b>\$ (7,906,273)</b>	<b>\$ (1,937,406)</b>	<b>\$ (5,968,867)</b>
General Government	9,004,931	10,020,282	19,025,213	-	-	-
Debt Service		4,251,022	4,251,022	-	-	-
Refuse/Recycling	9,405	7,687,742	7,697,147	-	-	-
<b>Subtotal Non Departmental</b>	<b>\$ 9,014,336</b>	<b>\$ 21,959,046</b>	<b>\$ 30,973,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 101,933,676</b>	<b>\$ 41,986,463</b>	<b>\$ 143,920,139</b>	<b>\$ (7,906,273)</b>	<b>\$ (1,937,406)</b>	<b>\$ (5,968,867)</b>

# Did We Hit Our Target?

- Proposed operating budget = reduction of \$6.6 M. Difference to target \$1.3 M.
- With Service Level Changes, recommended operating budget = \$3.5 M decrease. Difference to reduction target \$4.4 M.

Department	FY 2017-18 Adopted Budget	Budget Adjustment	FY 2018-19 Dept. Proposed	FY 2018-19 Proposed Reduction	FY 2018-19 Recommended	Net Budget Reduction	Remaining Reduction Balance
							Positive = Exceeds Adjust.
Administrative Services	5,802,818	(406,197)	5,396,453	(406,365)	5,396,453	(406,365)	168
City Council	187,237	(13,107)	175,363	(11,874)	175,363	(11,874)	(1,233)
City Treasurer	14,488	(1,014)	15,873	1,385	15,873	1,385	(2,399)
Community Development	4,392,147	(307,450)	4,166,584	(225,563)	4,166,584	(225,563)	(81,887)
Fire	27,398,988	(1,917,929)	25,266,138	(2,132,850)	25,266,138	(2,132,850)	214,921
Information Technology *	5,096,492	(356,754)	5,904,397	807,905	7,710,563	2,614,071	(2,970,825)
Legal/Risk Management	1,667,047	(116,693)	1,741,175	74,128	1,741,175	74,128	(190,821)
Library & Recreation Services	5,438,293	(380,681)	5,056,728	(381,565)	5,212,009	(226,284)	(154,397)
Maintenance Services	9,014,463	(631,012)	8,346,456	(668,007)	8,922,173	(92,290)	(538,722)
Management Services	2,195,489	(153,684)	2,090,471	(105,018)	2,424,212	228,723	(382,407)
<i>FY 2018-19 adjusted by \$150,000 for Election - every other year</i>							
Police	47,890,773	(3,352,354)	44,535,022	(3,355,751)	44,765,456	(3,125,317)	(227,037)
Public Works	3,848,522	(269,397)	3,631,782	(216,740)	3,627,255	(221,267)	(48,130)
<b>Total Operating</b>	<b>\$ 112,946,757</b>	<b>(7,906,273)</b>	<b>106,326,442</b>	<b>\$ (6,620,315)</b>	<b>109,423,254</b>	<b>\$ (3,523,503)</b>	<b>\$ (4,382,770)</b>

\* Information Technology budgeted in internal service fund starting FY 2018-19

- 3 positions pro-rated in FY 2018-19
- Additional personnel savings in FY 2019-20 \$380K (\$130K Police + \$250K Comm Dev)



# General Fund Expenditures

**Salaries/Benefits  
of Employees**

**Pension  
Contributions**

**Medical  
Insurance**

**Workers Comp.  
and Disability  
Insurance**

**Supplies and  
Services**

**Maintenance**

**Utilities**

**Contractual &  
Professional  
Services**

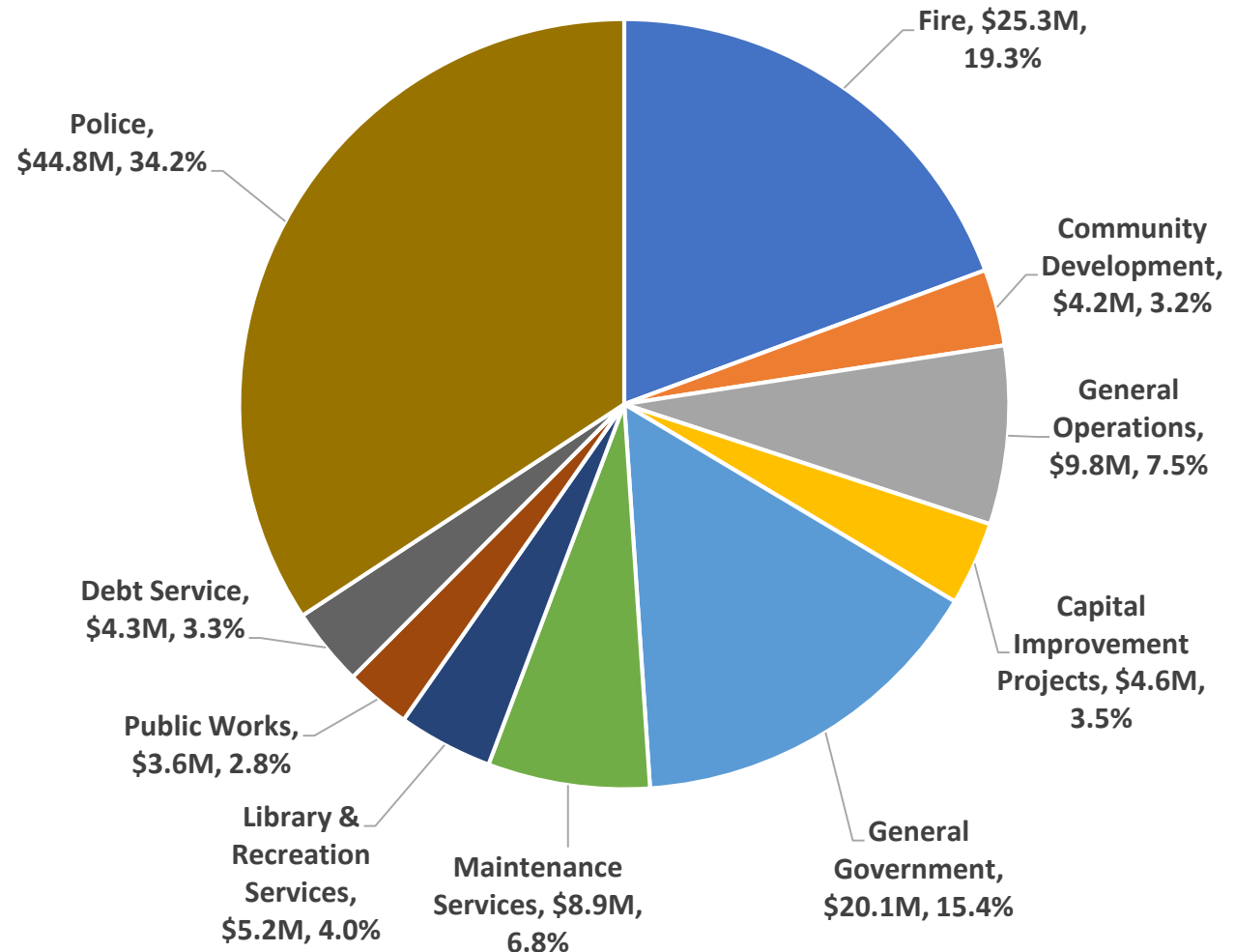
**Internal Service  
Fund Charges**

**Capital Outlay**

# Expenditures – General Fund

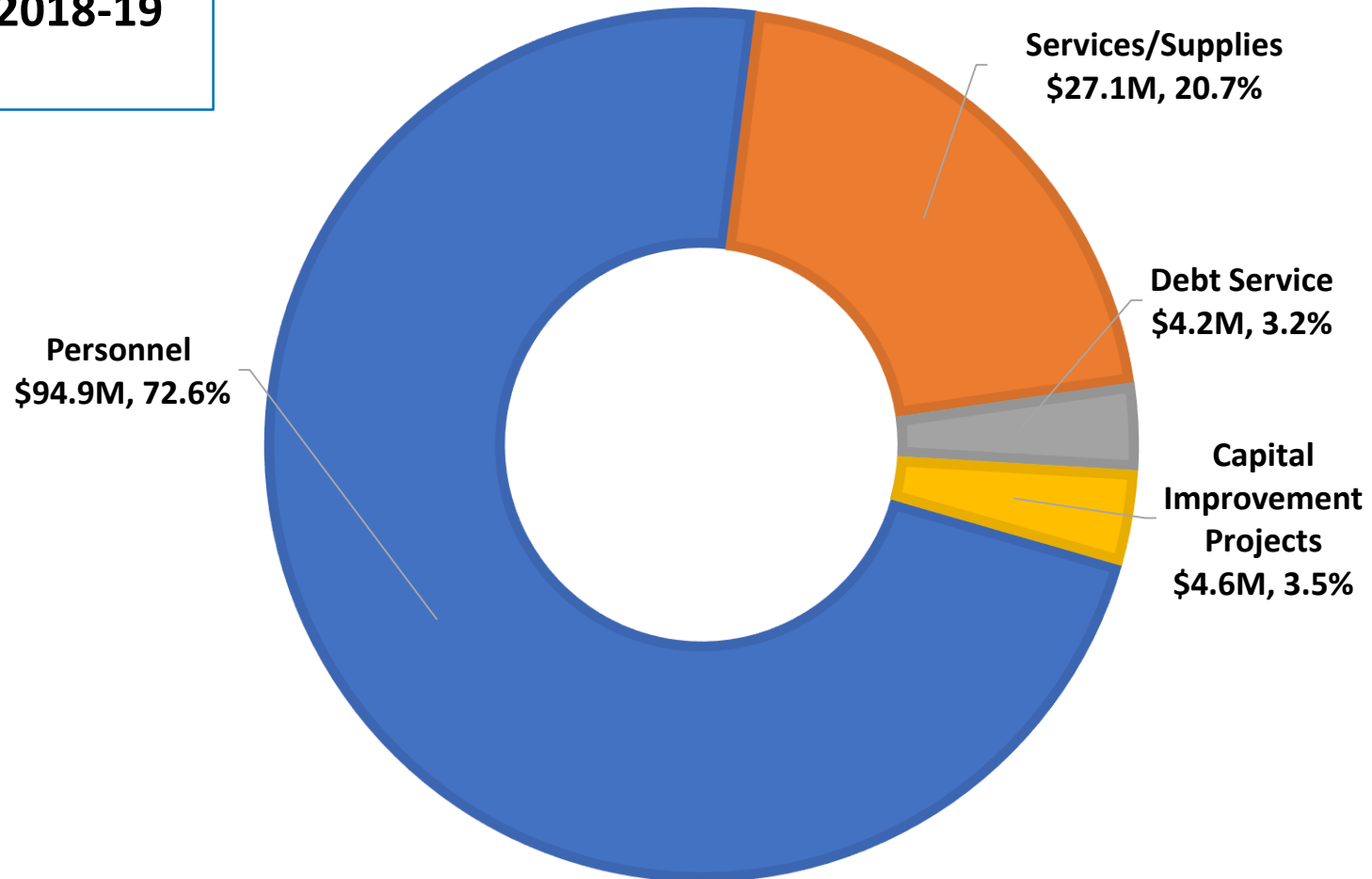
## Recommended FY 2018-19 \$130.8 Million

Department	(in millions)			Total
	Personnel	Services-Supplies	Other	
Admin Svcs	\$ 4.5	\$ 0.8		\$ 5.3
Elected	0.2	0.0		0.2
Legal/Risk	1.6	0.1		1.7
Mgmt Svcs	2.1	0.4		2.5
<b>General Operations</b>	<b>8.4</b>	<b>1.4</b>	-	<b>9.8</b>
Capital Projects			4.6	4.6
Community Dev	3.0	1.2		4.2
Debt Service			4.3	4.3
Fire	24.1	1.2		25.3
General Govt	8.7	11.4		20.1
Library & Rec Svcs	4.3	0.9		5.2
Maint Svcs	3.2	5.7		8.9
Police	41.0	3.8		44.8
Public Works	2.2	1.4		3.6
<b>GRAND TOTAL</b>	<b>\$ 94.9</b>	<b>\$ 27.0</b>	<b>\$ 8.9</b>	<b>\$ 130.8</b>



# Expenditures – General Fund By Expense Category

**Recommended FY 2018-19  
\$130.8 Million**





# General Fund Expenditures

EXPENDITURES	Adopted 2017-18	Restated 2017-18	Recommended 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
Salaries and Benefits (Excluding Pension and Medical Costs)	\$ (65,699,453)	\$ (64,372,937)	\$ (60,329,108)	\$ (60,782,328)	\$ (61,341,786)	\$ (61,768,628)	\$ (62,144,792)
Pension Contributions	(18,815,020)	(18,396,709)	(19,768,531)	(22,060,244)	(24,436,144)	(26,452,266)	(28,281,541)
Medical Costs (Allowance, Difference and Opt Out)	(9,301,772)	(8,257,920)	(6,673,189)	(6,729,183)	(6,797,833)	(6,868,555)	(6,941,412)
Retiree Costs/Other Post Employment Benefits (OPEB)	(8,117,431)	(8,117,431)	(8,158,917)	(8,388,684)	(8,704,232)	(9,032,401)	(9,467,211)
Services and Supplies	(16,646,981)	(11,251,000)	(15,761,645)	(15,702,288)	(16,009,500)	(16,169,834)	(16,331,142)
Refuse/Recycling	(7,687,742)	-	-	-	-	-	-
Professional/Contractual Services	(7,245,445)	(5,932,416)	(5,263,609)	(5,131,609)	(5,182,925)	(5,234,754)	(5,287,102)
Motor Pool	(3,053,673)	(3,044,877)	(2,831,715)	(2,831,715)	(2,860,032)	(2,888,632)	(2,917,519)
Utilities (Gas, Water, Electric)	(3,101,600)	(3,101,600)	(3,206,272)	(3,181,825)	(3,213,643)	(3,245,780)	(3,278,237)
Debt Service	(4,251,022)	(4,251,022)	(4,257,373)	(4,248,973)	(4,242,872)	(4,244,772)	(4,249,372)
Capital Improvement Projects	(1,000,000)	(1,364,779)	(4,574,042)	(5,067,420)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Total Expenditures</b>	<b>\$ (144,920,139)</b>	<b>\$ (128,090,691)</b>	<b>\$ (130,824,401)</b>	<b>\$ (134,124,269)</b>	<b>\$ (134,788,967)</b>	<b>\$ (137,905,623)</b>	<b>\$ (140,898,328)</b>
Year over Year Change \$		\$ 16,829,448	\$ (2,733,710)	\$ (3,299,868)	\$ (664,697)	\$ (3,116,656)	\$ (2,992,706)
Year over Year Change %		-11.6%	2.1%	2.5%	0.5%	2.3%	2.2%

\*Note: Decrease in FY 2018-19 includes accounting change for Refuse/Recycling Fund and Information Technology.



# Expenditure Accounting & Forecast Changes

## ■ FY 2017-18

- Sales Tax Agreements – moved to contra revenue to provide clearer picture of net sales tax available for City's operations
- Labor imposition on non-sworn groups
- MOU agreement with Corona Fire Association

## ■ FY 2018-19

- Information Technology to Internal Service Fund – similar to Warehouse and Fleet Maintenance
  - General Fund to contribute fair share of costs through Cost Allocation Plan
- Refuse/Recycling Fund – 'pass through' for trash and recycling services moving to Special Revenue Fund Type
- Department reductions of 7%
- Decision Packages / Supplemental Funding Requests

# Expenditure Projections & Assumptions

## ▣ Personnel

- Based on current agreements or imposed terms
- Normal salary growth for employees not at top step
- No COLA increases
- Minimum wage increasing by \$1.00 in January 2019 = \$12.00/hour
- PERS based on actuarial data June 30, 2016 (most recent, received 2017)
- Health rates growth at 6% per year, if below medical allowance max
- Retiree costs based on current OPEB actuarial + 3% growth in future

## ▣ Services-Supplies

- Based on department submittals + supplemental funding, if applicable
- Election every other year
- FY 2020-21 and forward 1% growth over FY 2019-20

## ▣ Capital Improvement Projects

- Based on current submitted infrastructure needs
- FY 2020-21 and forward \$2.0 M placeholder

# Capital Improvement Program

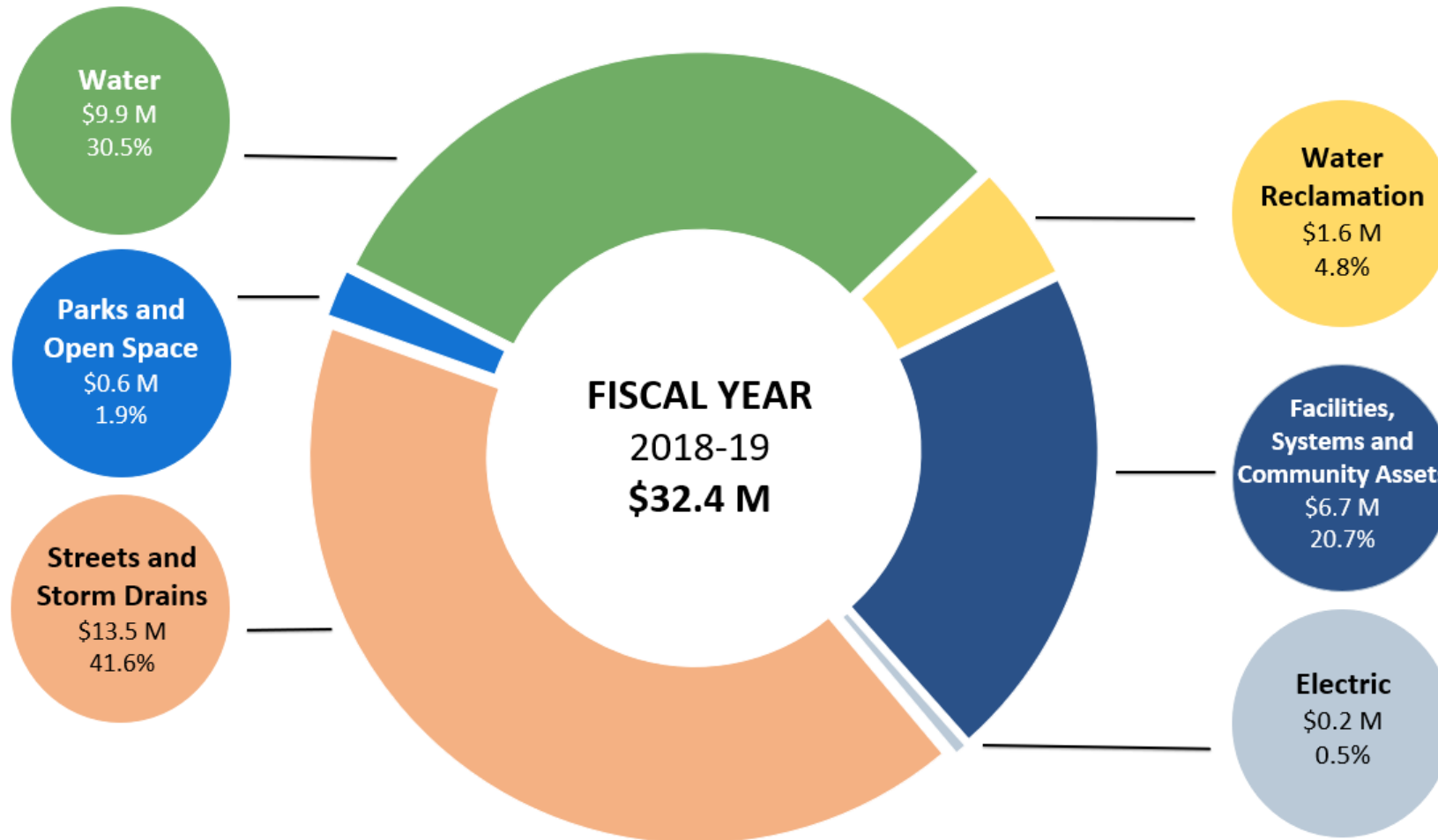
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*Fiscal Year 2018-19*



# CIP Budget by Program Name

## FY 2018-19 Total \$32,395,635





# Significant Capital Investments

## City Fire Stations Capital Improvements

**Program Name** Facilities, Systems and Community Assets  
**Program Category** City Facility Improvements and Upgrades  
**Project No.** 62400  
**Department** Fire Department

### Project Cost *(estimated)*

Prior Expenses	482,442
Estimated Carryover Funding	14,690
New Fiscal Year 2018-19 Funding	181,900
<b>Total Cost</b>	<b>\$ 679,032</b>



### Project Description

Fire Stations #1, #6 and #7 exterior and interior painting, in order to preserve the good condition of the buildings. Fire Station #1 roof replacement and security fencing. Station experienced leaks during recent rain event. Based on the assessment, the roof is deteriorated and will start requiring high maintenance due to age. Fire Station #2 Battalion Chief's living quarter's remodel. Firehouse was constructed in 1967 and hasn't been remodeled since construction. Remodel includes removal/relocation of water heater, inspection for mold/asbestos on interior space, bathroom and kitchen remodel.

# Significant Capital Investments

## Rubberized Asphalt Concrete (RAC) Project

<b>Program Name</b>	Streets and Storm Drains
<b>Program Category</b>	Paving and Striping
<b>Project No.</b>	New
<b>Department</b>	Public Works

### Project Cost (estimated)

Prior Expenses	-
Estimated Carryover Funding	-
New Fiscal Year 2018-19 Funding	835,814
<b>Total Cost \$</b>	<b>835,814</b>



### Project Description

Street and pavement rehabilitation using rubberized asphalt concrete (RAC).

# Significant Capital Investments

## Mangalar Blending Facility

<b>Program Name</b>	Water
<b>Program Category</b>	Transmission and Distribution Pipelines
<b>Project No.</b>	65890
<b>Department</b>	Water and Power

<b>Project Cost (estimated)</b>	
Prior Expenses	730,314
Estimated Carryover Funding	6,163,426
New Fiscal Year 2018-19 Funding	<u>4,632,504</u>
<b>Total Cost</b>	<b>\$ 11,526,244</b>

### Project Description

Dual-Zone potable water pump station and blending facility at the Mangalar Tank.



City of Corona Department of Water and Power  
Mangalar Blending Facility  
1000 West 1st Street Corona, CA 92625



# Significant Capital Investments

## Citywide Sidewalk and ADA Improvements - Phase I/II

**Program Name** Streets and Storm Drains  
**Program Category** Sidewalk, Curb and Gutters  
**Project No.** 72210  
**Department** Public Works



### Project Cost (estimated)

Prior Expenses	-
Estimated Carryover Funding	700,000
New Fiscal Year 2018-19 Funding	<u>1,900,000</u>
<b>Total Cost</b>	<b>\$ 2,600,000</b>

### Project Description

Replacement of curb, gutter, sidewalk, and drive approaches; installation of missing sidewalk, curb, gutter, access ramps, bike paths, root pruning, engineering, and incidental work; and construction, replacement, or installation of ADA-compliant facilities within the public right-of-way.

**Phase I:** Over the last decade, the City has a total of \$2,743,262 in prior expenses. FY 2017-18 Adopted Budget totaled \$400,000.

# Significant Capital Investments

## New VHF Radio Simulcast and Backhaul System

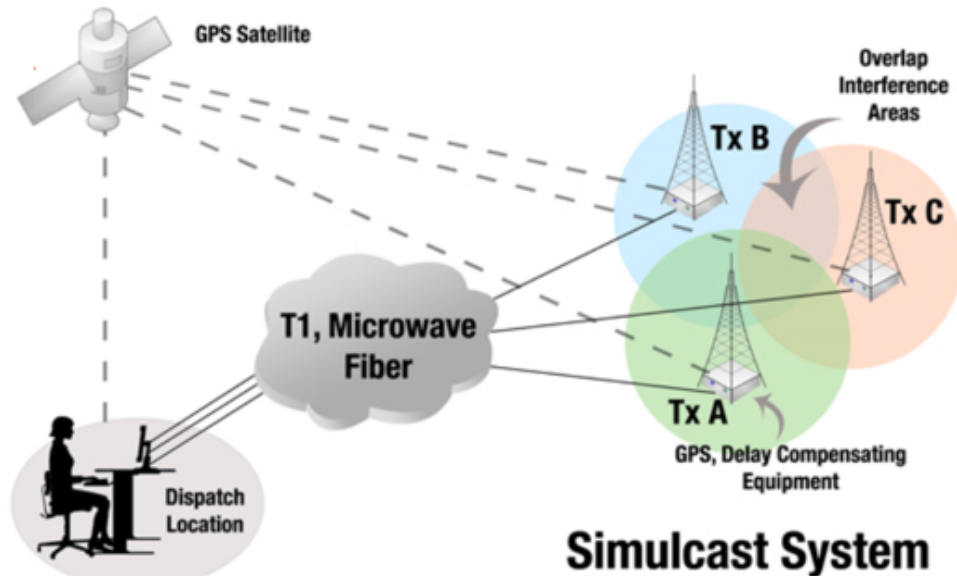
<b>Program Name</b>	Facilities, Systems and Community Assets
<b>Program Category</b>	City Systems and Controls
<b>Project No.</b>	New
<b>Department</b>	Maintenance Services

### Project Cost (estimated)

Prior Expenses	-
Estimated Carryover Funding	-
New Fiscal Year 2018-19 Funding	2,000,000
<b>Total Cost</b>	<b>\$ 2,000,000</b>

### Project Description

The City's existing VHF Simulcast Radio system has reached the end of its life cycle and needs to be replaced with a new VHF Simulcast system. The VHF system is the communication method for the Fire Department and the backup communication method for the Police Department. The existing equipment is becoming no longer serviceable. In its current condition, the system will soon reach a point where we will be unable to maintain it and keep it online. Maintenance Services has implemented annual Preventive Maintenance screenings and repairs, which have increased the longevity of the system, but without a replacement in the next 12-18 months, the system will continue to worsen.



# Significant Capital Investments

## Replacement of Dispatch Furniture

<b>Program Name</b>	Facilities, Systems and Community Assets
<b>Program Category</b>	City Facility Improvements and Upgrades
<b>Project No.</b>	New
<b>Department</b>	Police Department

<b>Project Cost (estimated)</b>	
Prior Expenses	-
Estimated Carryover Funding	-
New Fiscal Year 2018-19 Funding	250,000
<b>Total Cost</b>	<b>\$ 250,000</b>



### Project Description

Dispatch furniture is approaching its ten year life cycle in 2018. There have been minor parts continuously being replaced within the operational budget, however, recent expenses are approaching \$15-\$20K. Equipment/furniture is used 24/7 in the public safety dispatch unit. The Department spent about \$180K in 2008.

# Department Summaries

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# Administrative Services



The Administrative Services Department is committed to the development of sound fiscal and personnel management policies. It is responsible for providing financial and human resources based services and facilitating growth in the City through the efficient management of resources and processes. In addition, it strives to develop and maintain high quality personnel resources to manage the City's operations with integrity. The department provides timely, accurate, clear and complete information and support to other City departments, citizens and the community at large.





# Department Goals for FY 2018-19



- Complete Modeling for Pension and OPEB Liability (GovInvest)
- Complete Franchise, TOT and Utility Audits



- Safety Training Compliance Rate Increase of 2%
- Instructor-led Training Attendance Rate Increase of 5%



- Obtain Electronic Sourcing Enablement Tool
- Increase E-communication to Vendor & Bidders via City Website and Vendor Meetings

# Performance Measures

Performance Measure	FY2015-16	FY2016-17	FY2017-18	FY2018-19
	Actuals	Actuals	Estimated	Goals
Average Time to Hire	129 Days	88 Days	92 Days	90 Days
Average Turnover Rate	18%	14%	17%	15%
Safety Training Compliance	N/A	91%	94%	95%
Debt per Capita (excluding net pension liability)	\$813	\$735	\$730	\$730
Bond Rating (S&P)	AA-	AA-	AA-	AA-
Process AP invoices within an average of 30 days	90%	82%	85%	87%
Maintain aging of receivables under 90 days	N/A	89%	91%	93%
Return on investment above Benchmark (ICE BAML 1-5 Year Treasury)	+17bps	+48bps	+17bps	+5bps

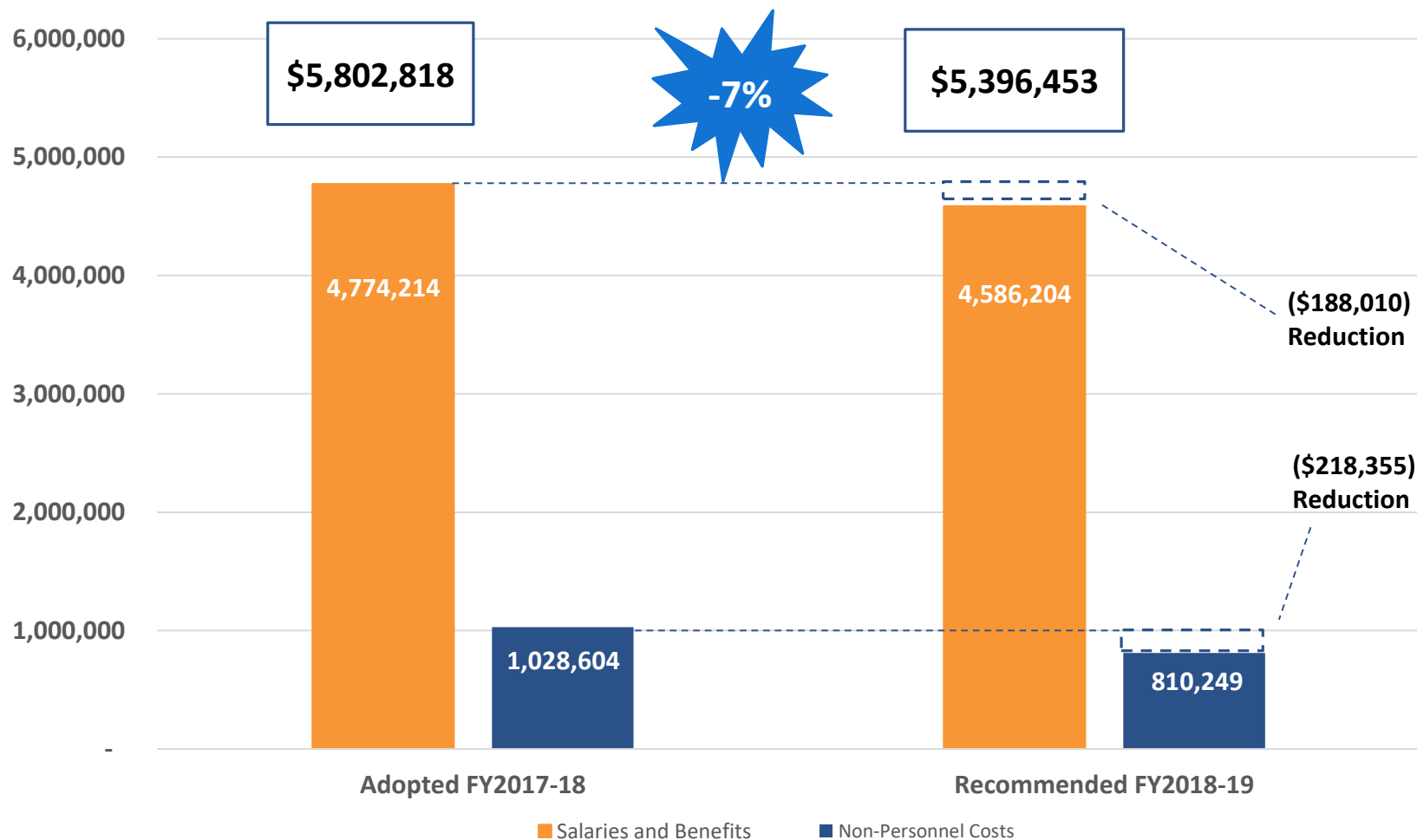


# Proposed Budget FY 2018-19

Expense Category	Actuals FY2016-17	Adopted FY2017-18	Department Proposed FY2018-19	Recommended FY2018-19	Change %	Forecast FY2019-20	Change %
<b>Department-Wide</b>							
Salaries and Benefits	\$ 4,629,650	\$ 4,774,214	\$ 4,586,204	\$ 4,586,204	-3.9%	\$ 4,750,753	3.6%
Non-Personnel Costs	805,942	1,028,604	810,249	810,249	-21.2%	813,249	0.4%
<b>Total</b>	<b>\$ 5,435,592</b>	<b>\$ 5,802,818</b>	<b>\$ 5,396,453</b>	<b>\$ 5,396,453</b>	<b>-7.0%</b>	<b>\$ 5,564,002</b>	<b>3.1%</b>
<p><i>Department Proposed to Adopted Change (\$)</i> \$ (406,365)</p> <p><i>Department Proposed to Adopted Change (%)</i> -7.0%</p> <p><i>Recommended to Department Proposed Change (\$)</i> \$ -</p> <p><i>Recommended to Department Proposed Change (%)</i> 0.0%</p>							



# Administrative Services Department Budget Comparison FY 2017-18 & FY 2018-19





# Budgetary Changes and Impacts

Administrative Services – FY 2017-18 Adopted Budget	\$ 5,802,818	
7% Reduction	(406,197)	
FY 2018-19 Reductions as submitted	(406,635)	7%
<b>Difference – (Shortfall) / Excess</b>	<b>\$ 168</b>	

- ✓ Part Time Staffing – activities will have to be picked up by existing part time and full time staff.
- ✓ Professional and Contractual Services – new vendor for new armored car services, eliminated fee study budget, other minor revisions
- ✓ Overtime – will have to manage payroll and purchasing activities
- ✓ Advertising Expense – reduced line item, eliminated subscription to LinkedIn
- ✓ Conference, Training, and Travel – less training opportunities for staff
- ✓ Postage and Shipping – reduction related to outsourcing of business license
- ✓ Office Supplies – lower available funding for office supplies
- ✓ Other



# Staffing Changes

## FY 2017-18 to FY 2018-19

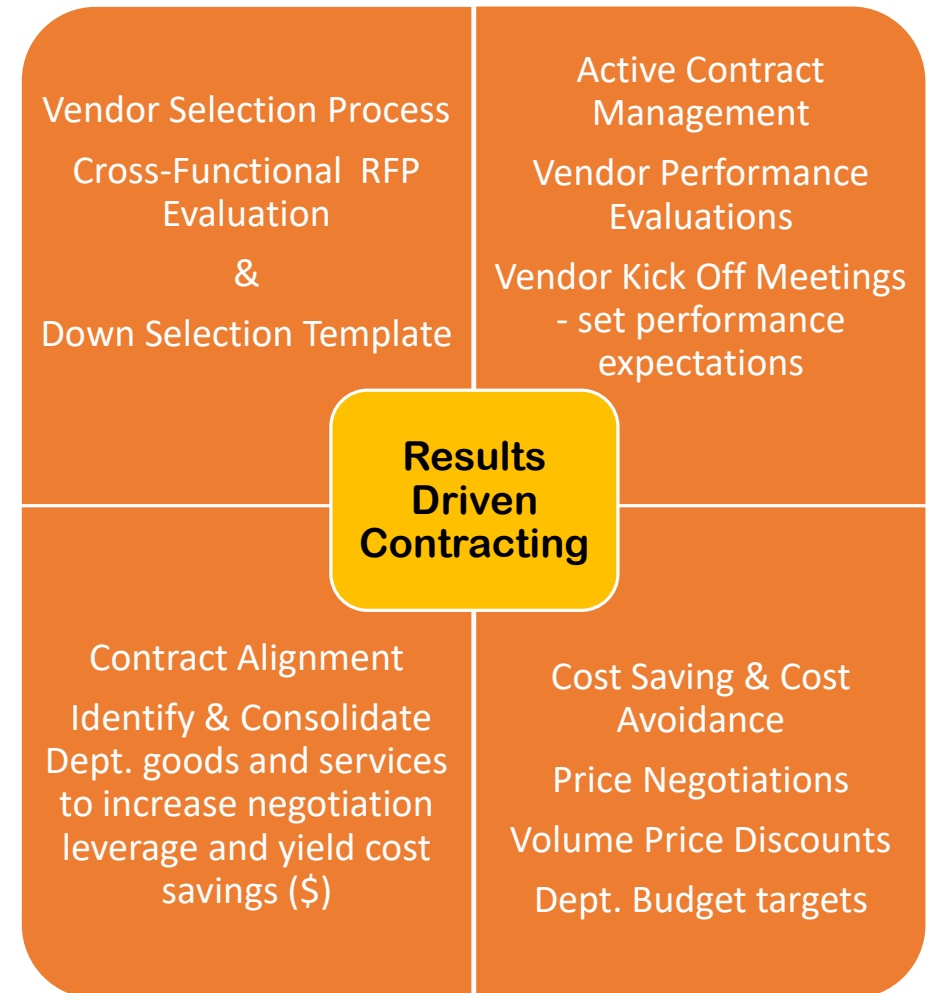
<b>Status</b>	<b>Title</b>	<b>Change</b>
Full Time	Finance Manager IV	(1.00)
Full Time	Financial Analyst III	1.00
Part Time	Customer Service Representative II	(0.48)
Part Time	Customer Service Representative I	0.48
Part Time	Accounting Technician I	(0.48)
Part Time	Office Assistant	(0.48)
Part Time	Intern II	(0.96)
Part Time	Intern I	(0.48)
<b>Staffing Changes</b>		<b>(2.40)</b>

# FY 2017-18 Accomplishments

- ✓ Received the 28<sup>th</sup> consecutive award of the Certificate of Achievement for Excellence in Financial Reporting from the GFOA
- ✓ Received the Distinguished Budget Presentation Award for the 2<sup>nd</sup> year from the GFOA
- ✓ Consolidated special tax consulting service contracts to single service provider through a competitive process, enhanced efficiency and reduced costs
- ✓ Implemented CashPay program to eliminate paper paycheck, significantly reduced administrative costs
- ✓ Formed CFD 2017-2 for the Van Daele development and CFD 2018-1 for the Bedford project (Arantine Hills development)
- ✓ Issued CFD 2016-2 bonds to facilitate the Terrassa development
- ✓ Launched workflow for Journal Entry and redesigned Accounts Payable workflow for better efficiency
- ✓ Safety Training Compliance Rate: 95%
- ✓ Instructor-led Training Attendance Rate: 85%
- ✓ Restructured Purchasing workflow to prevent time delays in staff reviews & approval
- ✓ Established a standardized data collection process for position comparability surveys
- ✓ Automated performance review due dates and past due notifications
- ✓ Electronic interview binder pilot testing
- ✓ Electronic PAF, PRFs, and HR Memo's signature approval process
- ✓ Employee labor negotiations with CGEA, CSA, CFA, CPE, and CPS
- ✓ New terms for CGEA, CSA, CFA, Management/Confidential, and Executive Management groups
- ✓ Tuition Reimbursement Program Review and Process Standardization

# FY 2017-18 Cost Savings Highlights

- ✓ \$59,085/year – Laboratory Bacterial Analysis RFP
- ✓ \$29,422/year – Printer/Copier Refresh Project
  - New contract with additional savings anticipated during project roll out
- ✓ \$15,000/year – Special Tax Consulting RFP
- ✓ \$6,782/ year – Armored Truck Services RFP
- ✓ \$6,525/year – IT Uninterruptible Power Supply Services NIB
- ✓ \$1,760/year – Splash Pad Maintenance Services RFP
- ✓ \$1,145/year IT Storage Area Network Support & Maintenance renewal
  - Renegotiated contract effort
- ✓ Cost Avoidance – RFP CFD Reimbursement Submittal Review Services
  - Fees reduced from NTE 0.5% of construction costs to a not to exceed fee of \$45,500 per facility (Variable to Fix rate)





# General City Responsibility



The purpose of the General Government budget is to provide a means for allocating resources for specific items that are of benefit to multiple departments and require special planning, implementation, and monitoring.





# Information Technology



The mission of the Information Technology Department is to serve the City and its citizens by providing the technical framework, strategic vision and forward thinking technological solutions to facilitate better outcomes through technology.



# Department Goals for FY 2018-19



## Consolidate

- Economy of Scale—operational benefits
- Visibility into business functions with real time insights
- Reduce long term cost by using a unified IT platform

## Align

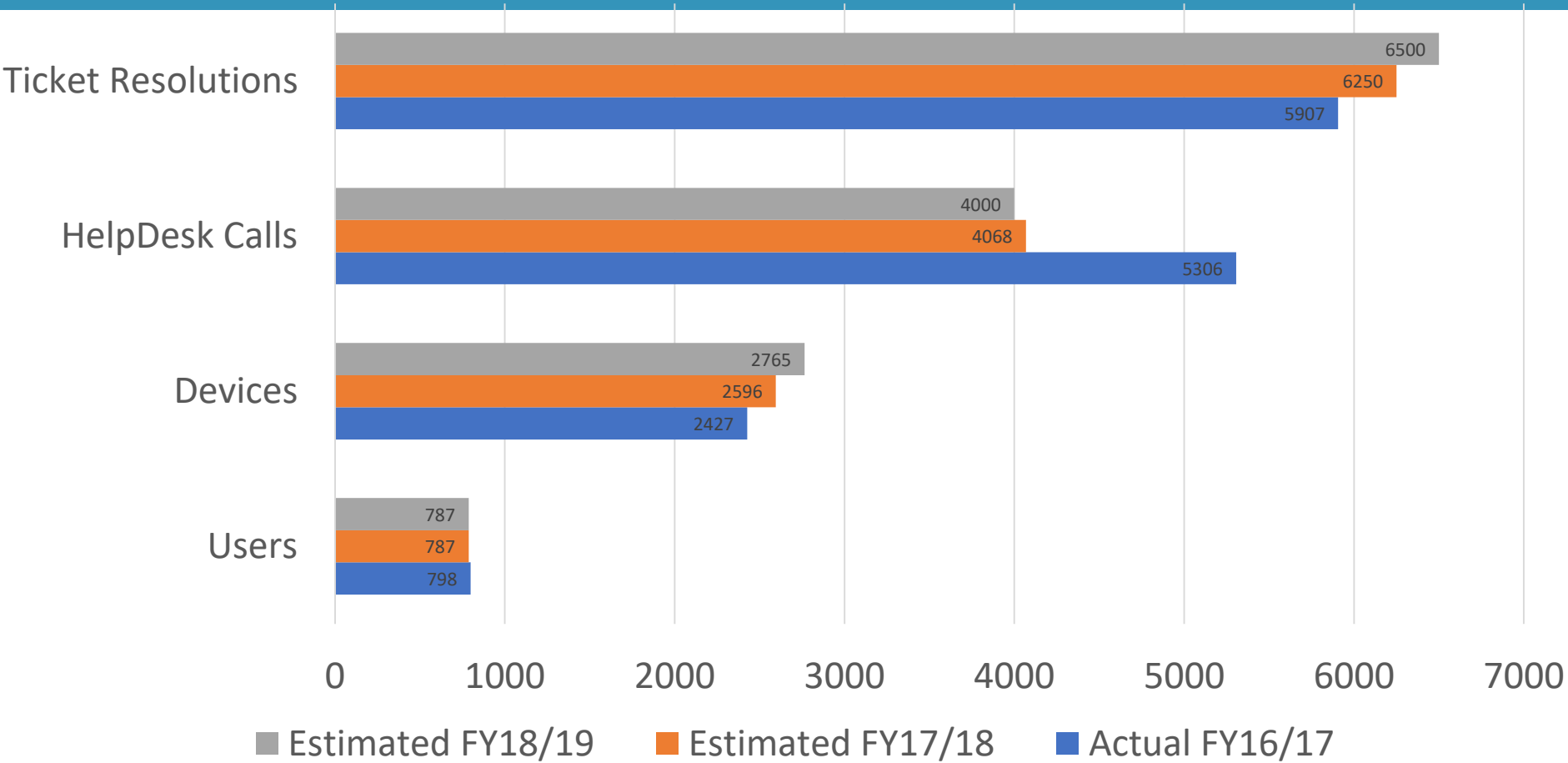
- Utilize data across the organization to optimize processes
- Strategic planning of IT to create long term benefits
- Open data and performance analytics to allow transparency and engagement

## Innovate

- Implement technology solutions that provide ROI for the City
- Develop partnerships to reduce cost and time to innovate
- Use technology to transform government and drive change



# Performance Measures



	Actual FY16/17	Estimated FY17/18	Estimated FY18/19
Network Uptime	99.84%	99.98%	99.999%

# Performance Measures

## Comparative Cities

- City of Irvine - \$18.6M or 9.73%
- City of Anaheim - \$21.1M or 7.51%
- City of Ontario - \$20.4M or 10.79%
- City of Fontana - \$6.3M or 7.02%
- **City of Corona 18/19 - \$7.4M or 5.8%**

Federal Government: The government spends on average \$39,177 per employee on a range of hardware, software, applications, services and other IT assets.

(IDC Government Insights)

Private Sector: The average IT spending as a percentage of revenue is 5.2% while overall, businesses spend between 4-6% of their revenue on IT. Midsized companies spend \$13,100 per employee on IT.

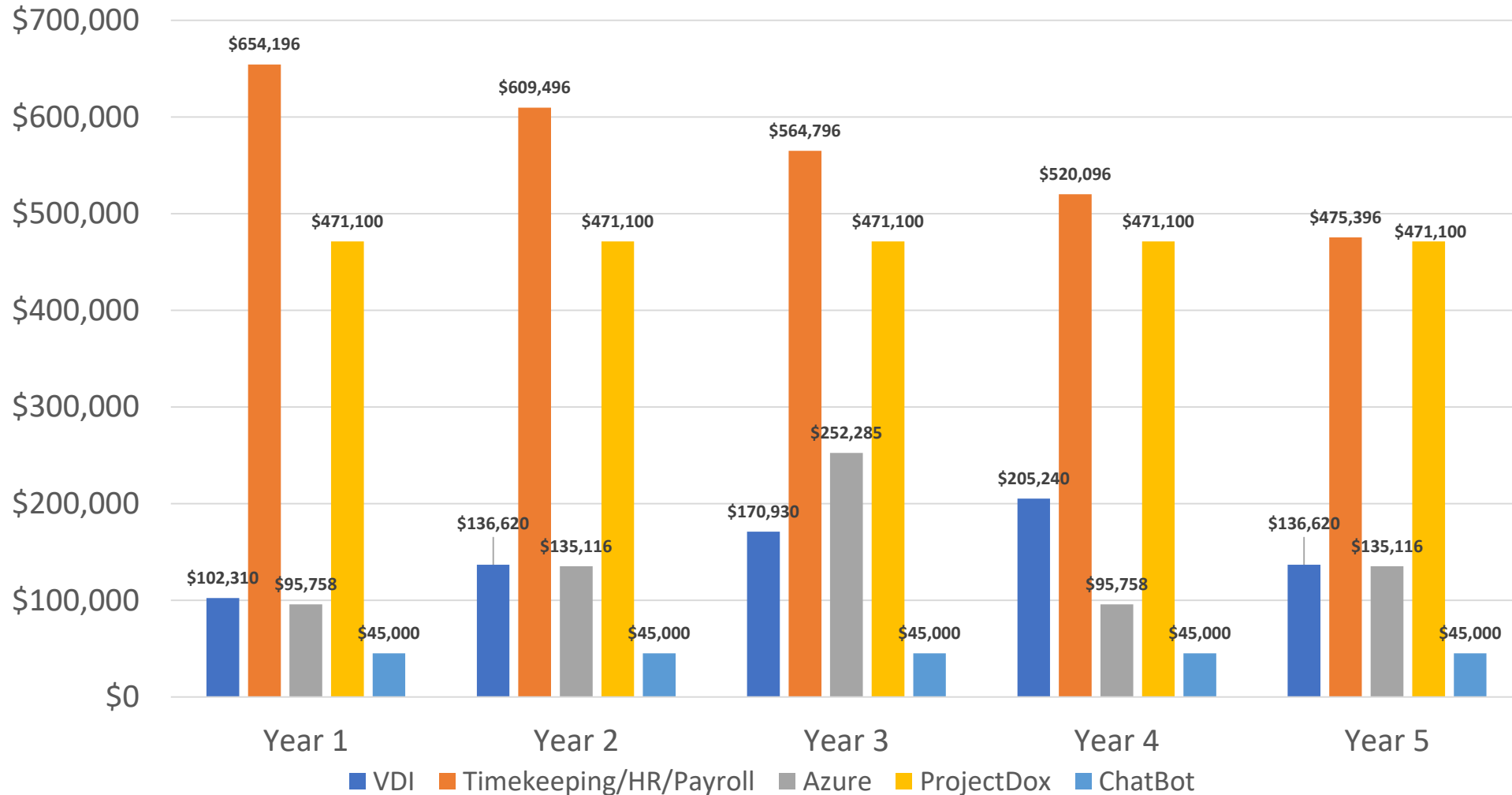


# Proposed Budget FY 2018-19

Expense Category	Actuals FY2016-17	Adopted FY2017-18	Department Proposed FY2018-19	Recommended FY2018-19	Change %	Forecast FY2019-20	Change %
<b>Department-Wide</b>							
Salaries and Benefits	\$ 1,778,570	\$ 2,071,591	\$ 2,130,567	\$ 2,873,394	38.7%	\$ 3,038,877	5.8%
Non-Personnel Costs	1,788,499	3,024,901	3,773,830	4,837,169	59.9%	4,445,427	-8.1%
<b>Total</b>	<b>\$ 3,567,069</b>	<b>\$ 5,096,492</b>	<b>\$ 5,904,397</b>	<b>\$ 7,710,563</b>	<b>51.3%</b>	<b>\$ 7,484,304</b>	<b>-2.9%</b>
<i>Department Proposed to Adopted Change (\$)</i> \$ 807,905 <i>Department Proposed to Adopted Change (%)</i> 15.9%							
<i>Recommended to Department Proposed Change (\$)</i> \$ 1,806,166 <i>Recommended to Department Proposed Change (%)</i> 30.6%							

Enterprise fund allocation \$2,105,395  
 General fund allocation \$5,605,168  
**Department Change to General Fund(%) +9.98%**

# Sample of active technology projects and projected ROI







# Sample of active technology projects and projected ROI

	Year 1	Year 2	Year 3	Year 4	Year 5
VDI	\$102,310	\$136,620	\$170,930	\$205,240	\$136,620
Timekeeping/HR/ Payroll	\$654,196	\$609,496	\$564,796	\$520,096	\$475,396
Azure	\$95,758	\$135,116	\$252,285	\$95,758	\$135,116
ProjectDox	\$471,100	\$471,100	\$471,100	\$471,100	\$471,100
ChatBot	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
<b>ROI Totals</b>	<b>\$1,368,364</b>	<b>\$1,397,332</b>	<b>\$1,504,111</b>	<b>\$1,337,194</b>	<b>\$1,263,232</b>



# Staffing Changes

## FY 2017-18 to FY 2018-19

Fiscal Year 17-18 Full-Time Positions	17.25
Fiscal Year 18-19 Full-Time Positions	22.99
<b>Overall staffing change</b>	<b>+5.74</b>

# Library & Recreation Services



The Library and Recreation Services Department welcomes and supports all people in their enjoyment of reading and pursuit of lifelong learning. The staff strives to provide equal access to information, ideas, and knowledge through books, technology, programs, services, and other resources. The Department provides a safe, pleasant atmosphere for community education and gatherings and is dedicated to enhancing the quality of life of Corona residents by providing athletic, recreational, and leisure time opportunities.



# Department Goals for FY 2018-19



G1: Expand cost-neutral/cost-positive programs and services



G2: Increase activity participation

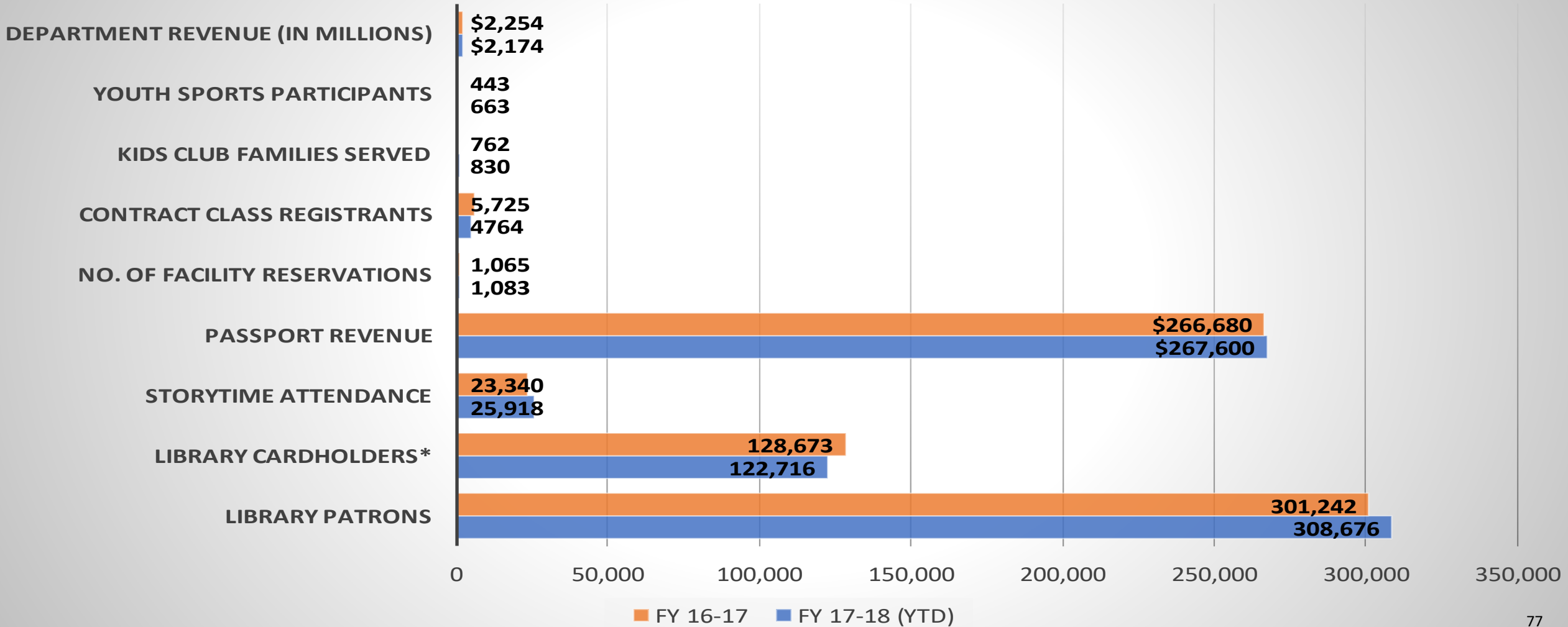


G3: Automate services where possible



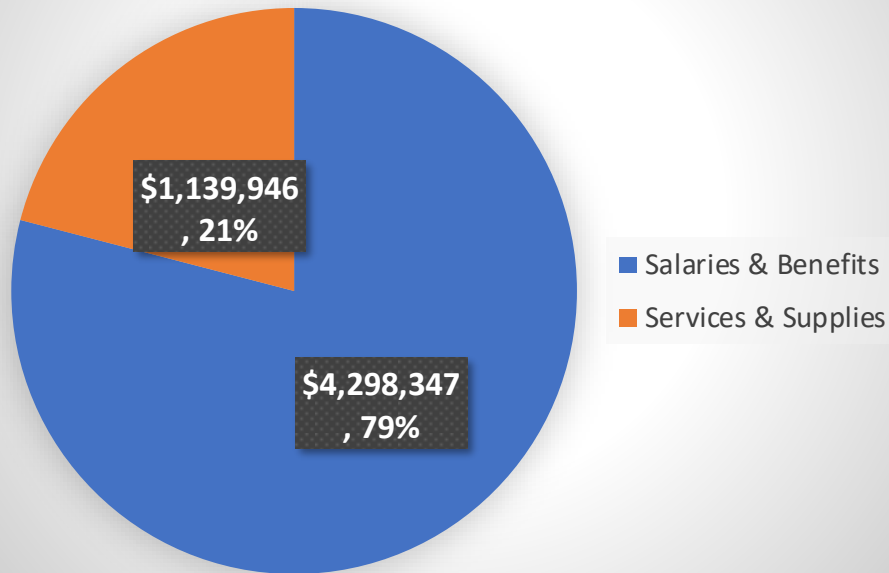


# Library & Recreation Services Performance Measures

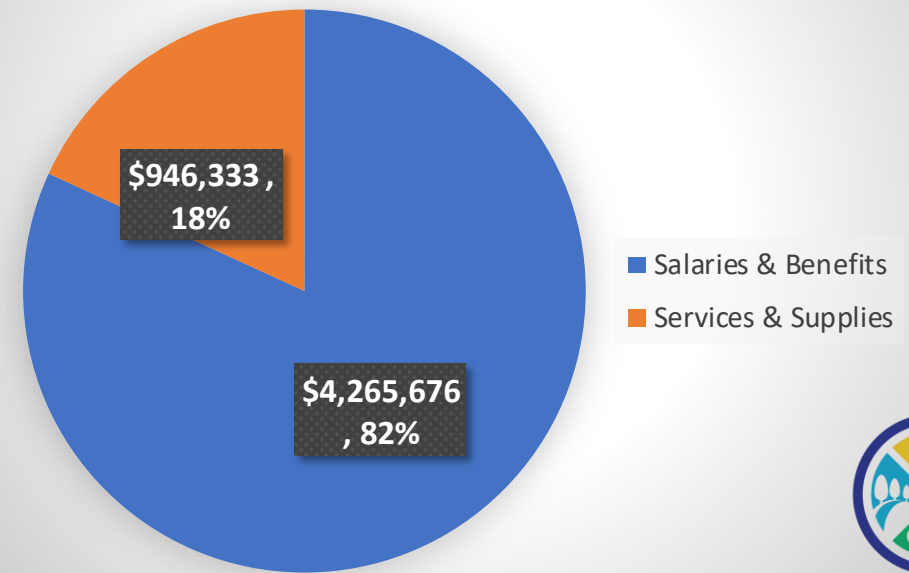


# Library and Recreation Services Budget Comparison

**Adopted FY 17-18**  
**\$5,438,293**

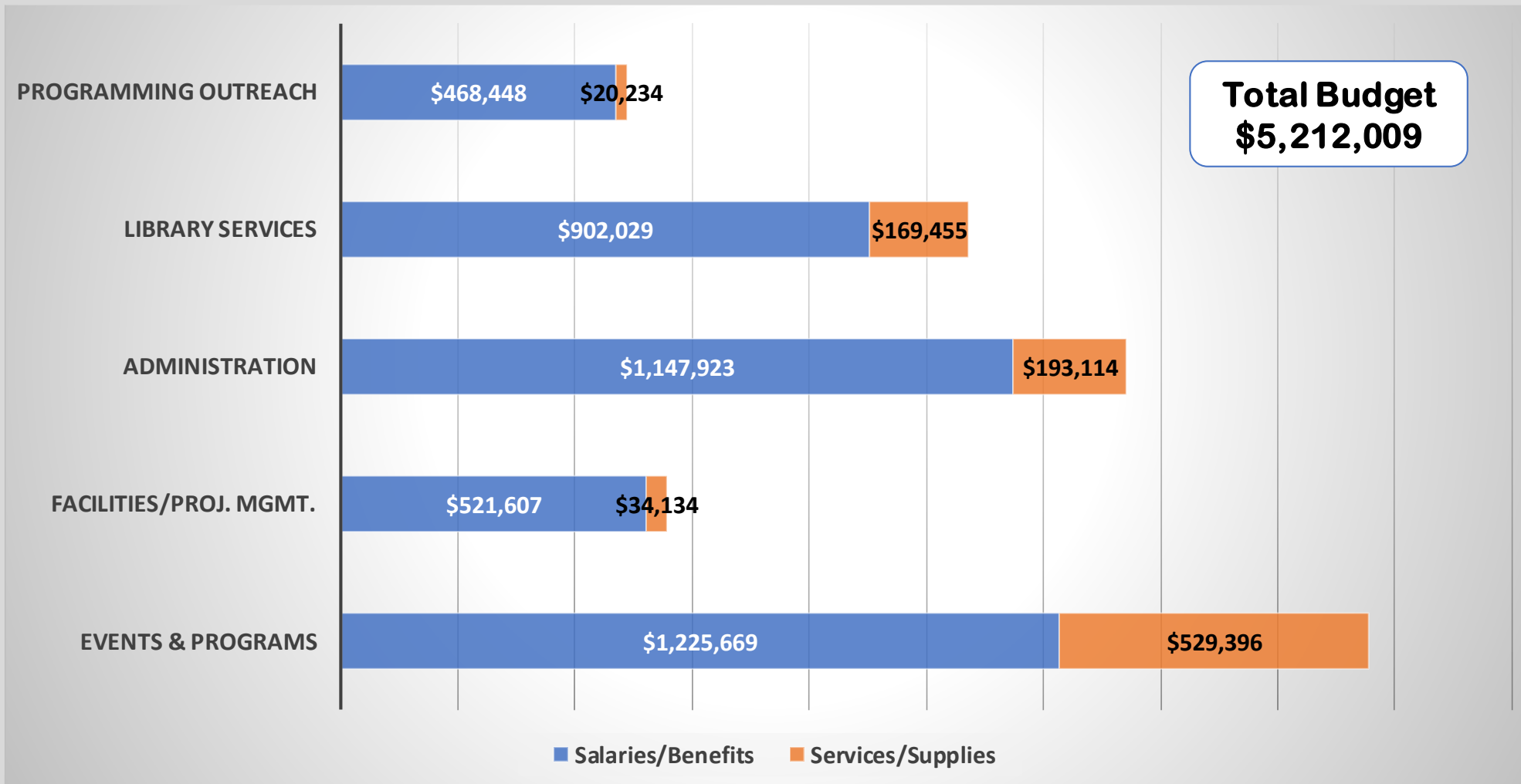


**Proposed FY 18-19**  
**\$5,212,009**





# Proposed FY 2018-19 Budget by Division



# Budgetary Changes and Impacts

<b>Adopted Budget FY 17-18:</b>	<b>\$ 5,438,293</b>
Dept. proposed FY 18-19:	\$ 5,056,728
Proposed reductions:	\$ 381,565 (-7%)
Increased services*:	\$ 155,281
<b>Prop. FY 18-19 Budget:</b>	<b>\$ 5,212,009 (-4.2%)</b>

*\*Proposed service level changes have estimated revenue of \$279,000*



## Department Impacts

- Reduce special event scope (July 4<sup>th</sup> and Holiday Lighting)
- Parade and Summer Concert full sponsorships
- Adjust facility hours to correspond with actual programming
  - CCC: 5 fewer hrs weekly/Adj. schedule
  - Senior Center: 12.5 fewer hrs weekly
- Close library last two weeks of year
- Library Supervisor (Retired to be replaced by Librarian III)
- Consolidated PT positions and reduced benefits (PERS/ACA)



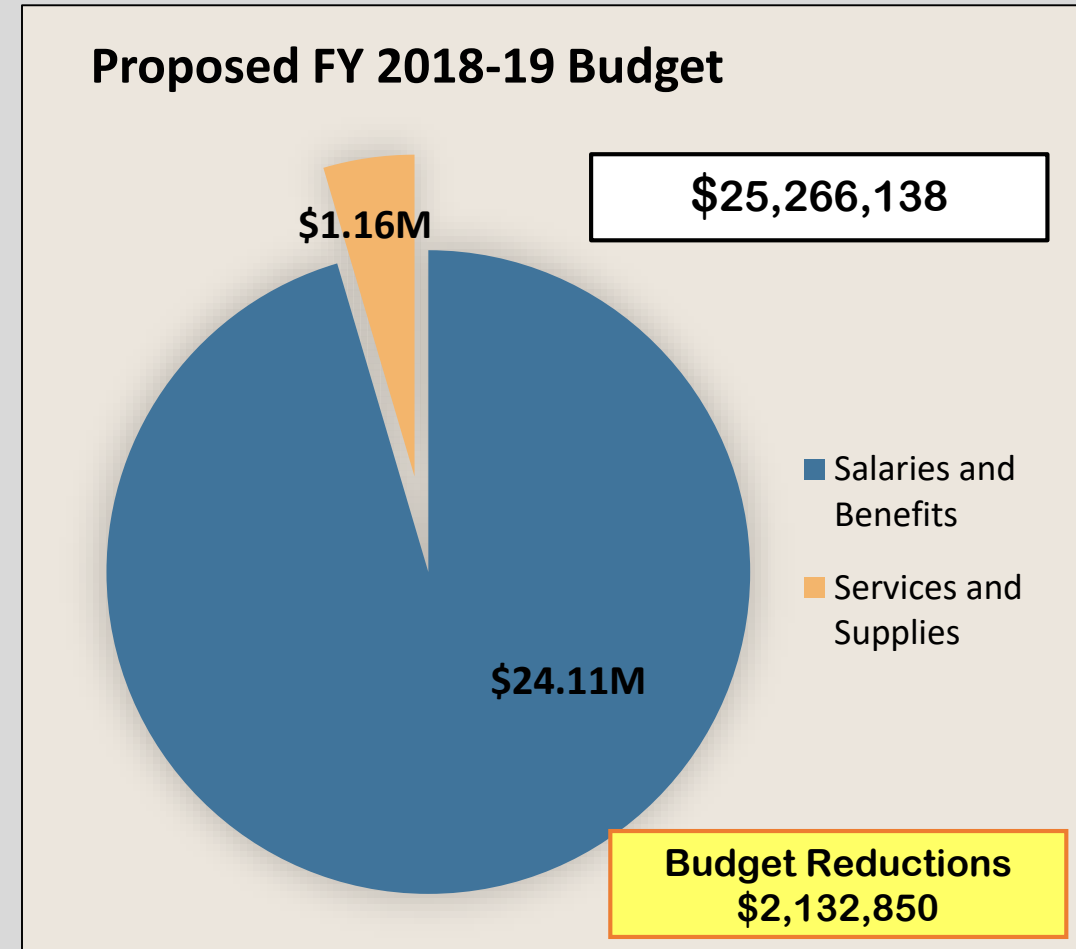
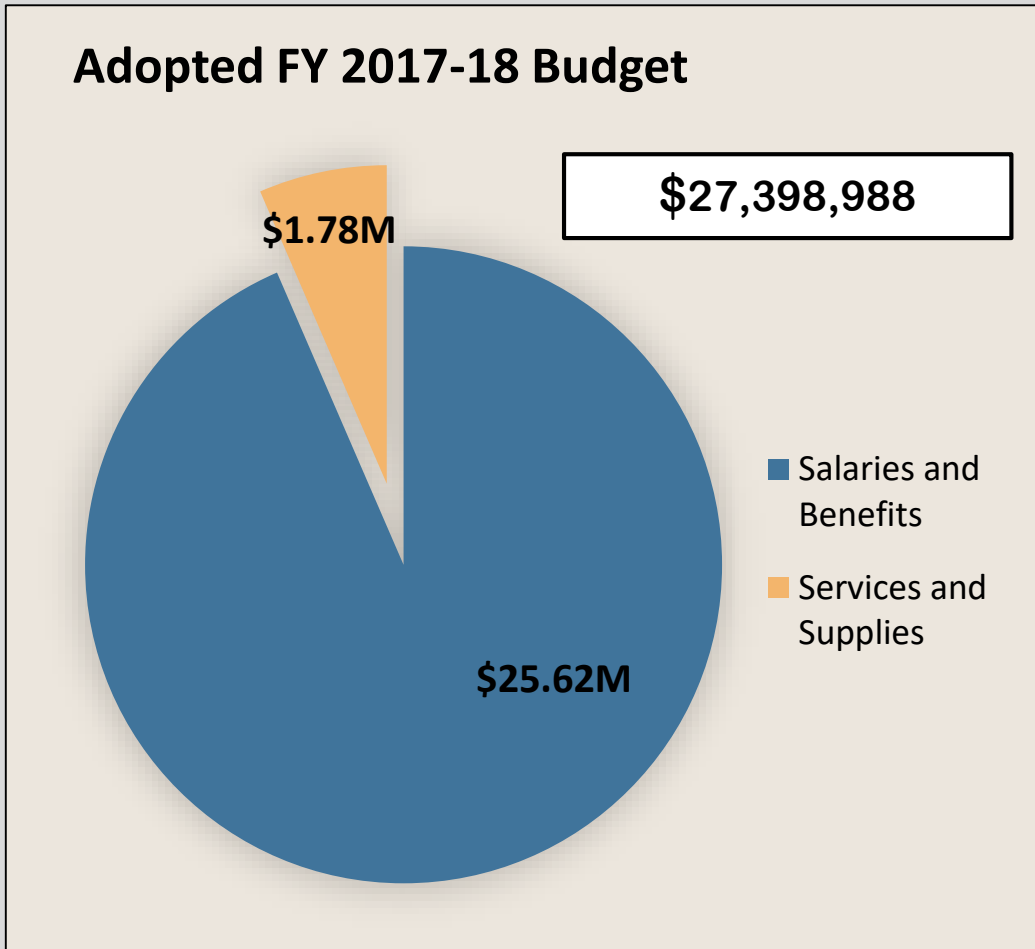
# Fire Department



The mission of the Corona Fire Department is to prevent or minimize the loss of life, damage to the environment, and loss of property from the adverse effects of fire, medical emergencies, and hazardous conditions.



# Fire Department Budget Comparison FY 2017-18 & FY 2018-19





# Fire Department

## Proposed 2018-19 Operating Budget by Division

Division	FY 2016-17 Actuals	FY 2017-18 Adopted	FY 2018-19 Proposed	Change \$	Change %
Operations	\$23,388,651	\$24,629,563	\$22,900,039	(\$1,729,524)	-7.0%
Prevention	846,775	950,897	949,854	(1,043)	-0.1%
Training	852,335	1,090,884	699,045	(391,839)	-35.9%
Mutual Aid	767,443	727,644	717,200	(10,444)	-1.4%
<b>TOTAL BUDGET</b>	<b>\$25,855,204</b>	<b>\$27,398,988</b>	<b>\$25,266,138</b>	<b>(\$2,132,850)</b>	<b>-7.8%</b>



# Budgetary Changes and Impacts

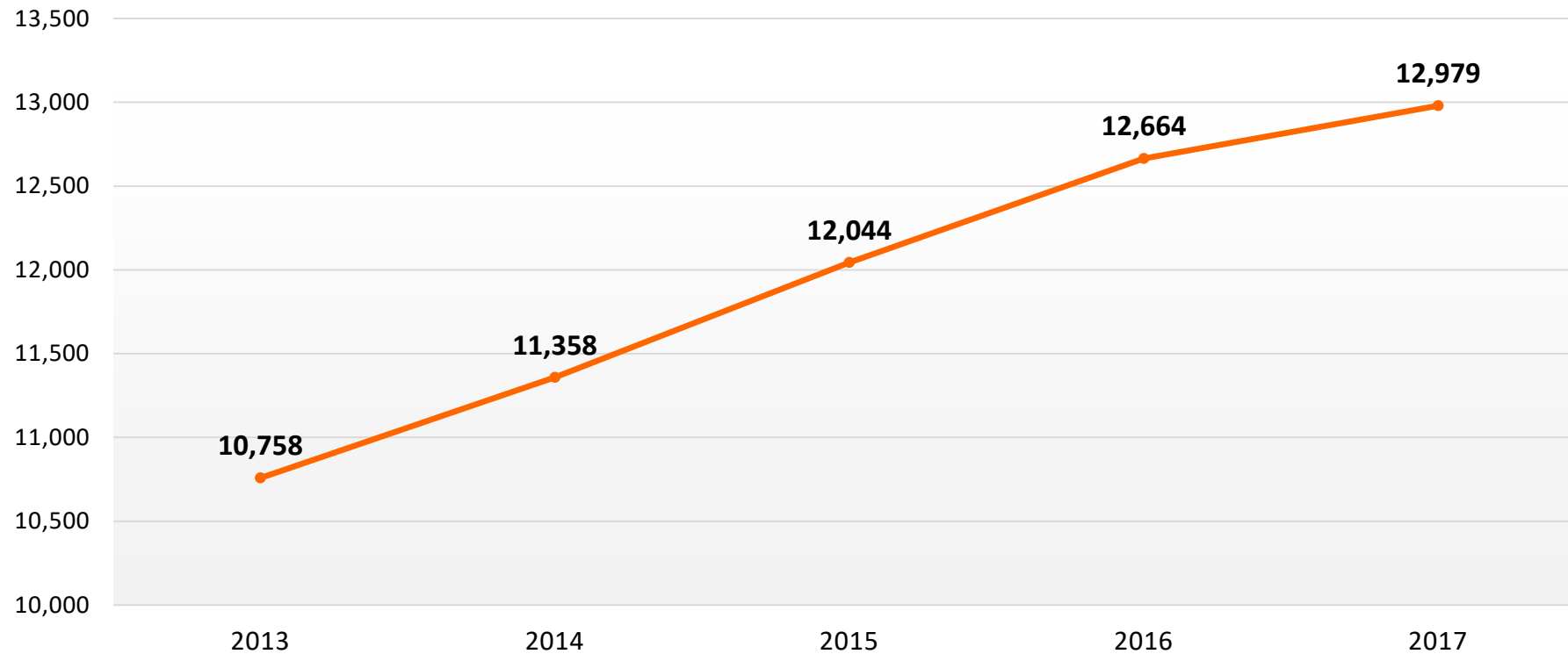
Fire Department- FY 2017-18 Adopted Budget	\$27,398,988	
7.0% Reduction	(1,917,929)	
<b>FY 2018-19 Reductions as submitted</b>	<b>(2,132,850)</b>	<b>7.8%</b>
Difference- (Shortfall)/ Excess	\$214,921	

## Budget Reductions Include:

- MOU Concessions
- Remove Squad 3 from Service
- Reduce Overtime
- Defer Academy
- Reduce/Eliminate Training
- Reduction in Personal Protective Equipment and Tools/Equipment
- Software License/ Maintenance agreements moved to IT budget
- Apparatus replacement component of motor pool removed

# Incident Activity 2013-2017

***Fire Incident Activity- 20.6% increase from 2013 to 2017***



# Minimum Staffing

## 7 Fire Stations- 48/96- 3 Shifts



### Prior to 2012

Fire Engines (Station 1-7)= 28 Suppression Personnel  
 Fire Truck (Station 1 & 3)= 8 Suppression Personnel  
**Total= 36 Suppression personnel per day**



### 2012- Present

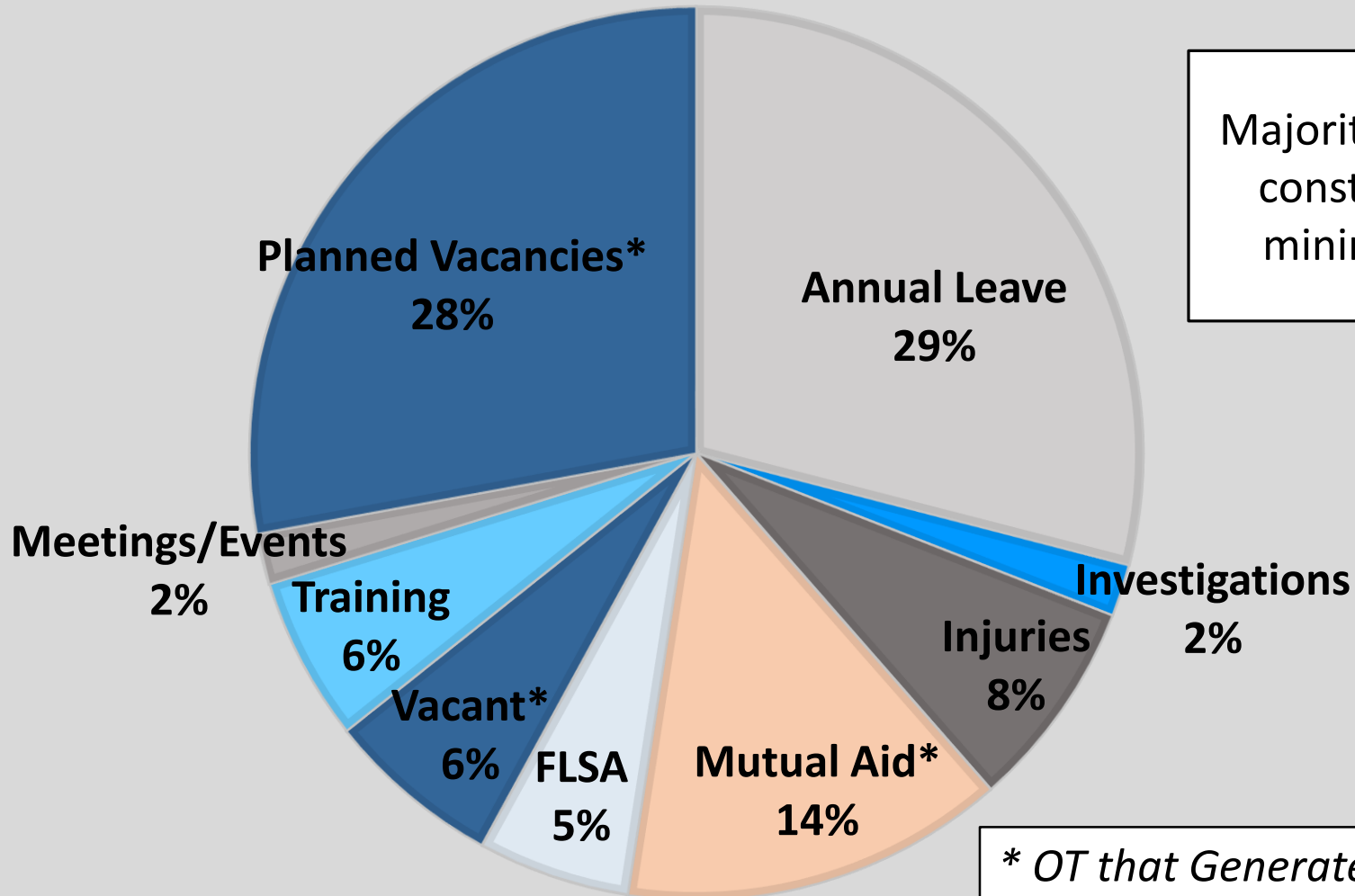
Fire Engines (Station 1-7)= 28 Suppression Personnel  
 Fire Truck (Station 1)= 4 Suppression Personnel  
 Squad (Station 3)= 2 Suppression Personnel  
**Total= 34 Suppression personnel per day**



### Proposed FY 2018-19

Fire Engines (Station 1-7)= 28 Suppression Personnel  
 Fire Truck (Station 1)= 4 Suppression Personnel  
**Total= 32 Suppression personnel per day**

# Fire Department Overtime by Type (Average Percentages 2014-2017)



Majority of overtime incurred due to constant staffing required due to minimum staffing requirements.

\* OT that Generates Revenue or Savings

# Budgetary Changes and Impacts



## Reduce Training Budget- (\$391,839)

The Training Division is responsible for all aspects of training and safety for the Fire Department. Activities include maintaining all certifications, course & instructor development, administering skills testing, monitoring safety trends and developing health & safety programs, and implementing programs to reduce risk. Firefighters are trained to respond to various life safety scenarios. In conjunction with the Corona Police Department, Fire personnel have implemented a Tactical Response to Violent Incidents program.

To reduce costs, the department is utilizing a train-the-trainer concept when feasible and developing a two-year training calendar.



# Budgetary Changes and Impacts

## Remove Squad 3 from Service (\$856,476)

Two- person company placed into service in 2012. Placed at Station 3 to provide critical support functions in lieu of a truck company on the west side of town.

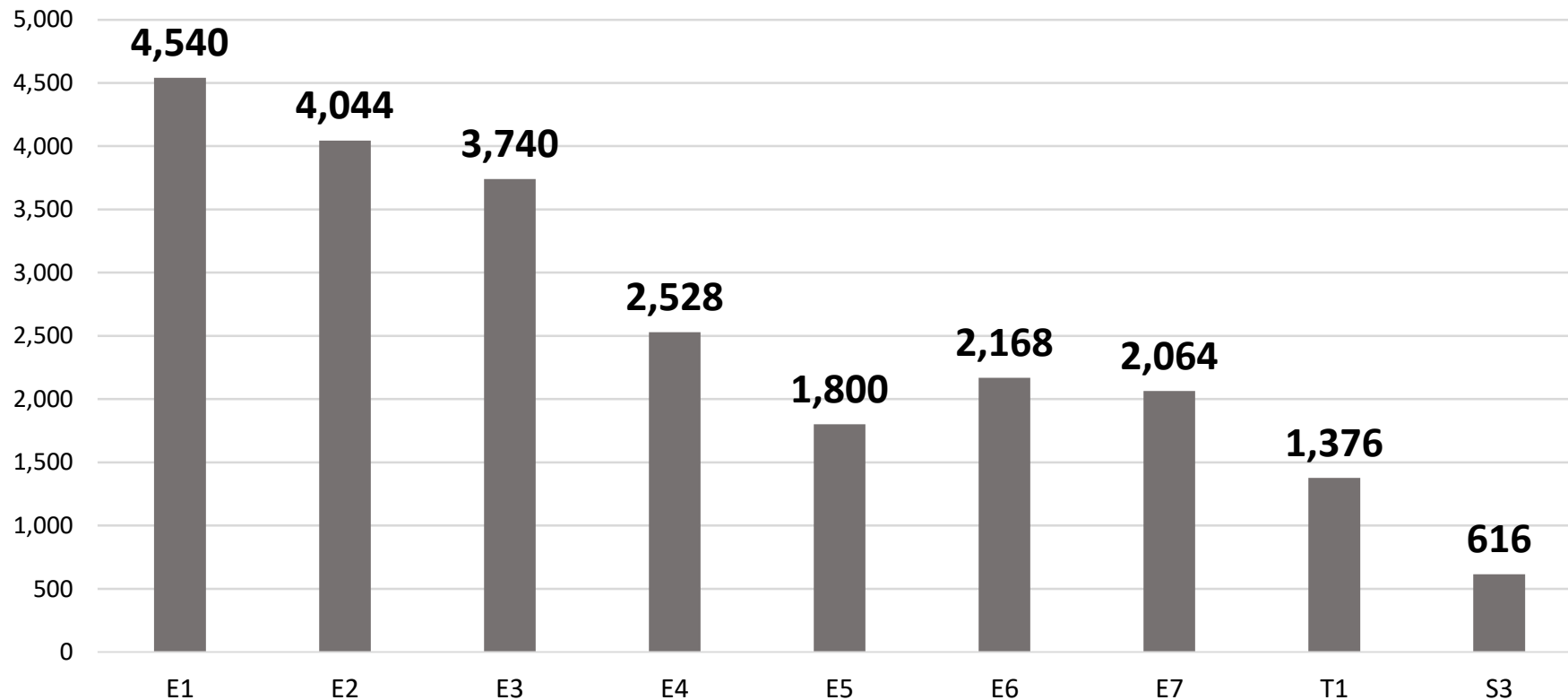
Responds to multi-company responses, such as structure fires and rescue calls. Responds to medical aid and public service incidents when engine companies are committed to other incidents.

Transports large tools, equipment, & light towers for forcible entry, vehicle extrication and other rescue situations. Transports a breathing air compressor & air cylinders for breathing apparatus support.



# Activity Levels per Company- 2017

Total Incident Personnel-Hours by Company





# Staffing Changes

## FY 2017-18 to FY 2018-19

Remove Squad- 6 positions:	Change:	Amount:
• Eliminate Firefighter positions (FT vacant)	(2.00)	\$297,226
• Eliminate Engineers (MOU planned vacancies- OT)	(3.00)	437,921
• Eliminate Firefighter (MOU planned vacancy- OT)	(1.00)	121,329
<b>TOTAL ESTIMATED SAVINGS:</b>	<b>(6.00)</b>	<b>\$856,476</b>



# Fire Department 2018-19 Forecasted Revenues

Revenues:	Amount:
• Mutual Aid Reimbursements	\$ 950,000
• Fire Service Agreement (El Cerrito)	770,759
• Training Reimbursed Expenses	105,000
• Fire Plan Checks/ Expedited Plan Checks	41,000
• Fire Prevention Inspections	180,040
• Hazardous Materials Services	185,000
• EMS Subscription & Direct Billed	1,280,000
• AMR Paramedic Program	710,000
<b>Total Estimated Revenues:</b>	<b>\$4,221,799</b>



# Performance Measures

Performance Measure	FY 2016-17 Actual	FY 2017-18 Estimated	FY 2018-19 Estimated
<b>Training</b>			
Training Hours completed	30,473	30,000	30,000
<b>Fire Suppression</b>			
Fire Incidents	384	441	450
EMS/Rescue Incidents	9,635	9,471	9,500
Other Incidents	2,979	3,166	3,200
Total Incidents	12,998	13,078	13,150
Total Unit Responses	19,167	18,996	18,000
<b>Fire Prevention</b>			
Fire Prevention Inspections	2,464	1,752	2,500
Fire Cause/Origin Investigations	64	70	80
New Construction Inspections	502	644	700
Plans Reviewed	239	383	400
Haz Mat plans reviewed	741	747	750
<b>Response Times</b>			
EMS Response Goal 90%	83.30%	79.90%	78.00%
Fire and Rescue Response Goal 90%	84.70%	81.60%	80.00%



# Department Goals for FY 2018-19

- ✓ Update the 2012 Standards of Cover and the 2013 Strategic Plan
- ✓ Develop additional Standard Operating Guidelines for fire control, technical rescue, multi-casualty, and hazardous material incidents
- ✓ Place a new grant-funded Haz-Mat trailer into service
- ✓ Continue to implement technology solutions for field inspections to improve operations and data tracking
- ✓ Update the City's Emergency Operations Plan (EOP) and continue to provide EOC operations training to City staff
- ✓ Conduct a Fire Captain promotional exam in anticipation of upcoming retirements

# Legal & Risk Management



The mission of the Legal and Risk Management Department is to provide the City Council and City officers, boards, commissions, committees, and employees with high quality, effective, and efficient legal counsel, risk assessment, liability management, and workers' compensation services, while pursuing City goals, protecting City resources, and thereby safeguarding the interests of the Corona community.





# Accomplishments for 2017-18

- ✓ **Free Legal Aid Clinic** - Continued to host **monthly**
- ✓ **Cost Savings & Better Service** - Continued to deliver
- ✓ **CAO – Assignments & Projects** - Worked on well **over 200 larger** assignments and other projects (many many other smaller advice requests, reviews and other involvements)
- ✓ **CAO – Litigation** - Continued to handle **over 30** cases
- ✓ **RM – Workers' Comp** - RFP for TPA & Unbundled MCP (Better Service & \$200,000++ **Savings**)
- ✓ **RM – Liability** - **110** new claims & **52** closed claims (as of 05-18)
- ✓ **RM – Subrogation** - **140** new claims *we are pursuing* (as of 05-18)
- ✓ **RM – Subrogation** - **\$300,000++** collected (600%++ increase since LRM merger)
- ✓ **RM – Subrogation** – Increased cumulative judgments to **19**, now totaling **\$156,221**





# Past In-House Budget Reductions

From FY 2013-14 through FY 2017-18, the City Attorney's Office voluntarily **reduced** our budget by **22.7%**.

CAO BUDGET	FY 2013-14	FY 2017-18	CHANGE	% CHANGE
Personnel	\$1,100,370	\$1,043,228	(\$57,142)	-5.2%
Non-Personnel	\$452,698	\$158,000	(\$294,698)	-65.1%
<b>Total</b>	<b>\$1,553,068</b>	<b>\$1,201,228</b>	<b>(\$351,840)</b>	<b>-22.7%</b>

# Historic Budget Savings

*City-wide and across all funds . . . .*

From FY 2013-14 through FY 2016-17, the City Attorney’s Office has saved the City an average of **\$658,595** annually from historic spending on law firms.

These figures are not adjusted for inflation and do not include Workers’ Comp.

TYPE OF LAW	CONTRACT FY 08-09 THRU 11-12	IN-HOUSE FY 13-14 THRU 16-17	CHANGE	% CHANGE
City Attorney	\$1,617,551	\$1,182,334	(\$435,217)	-26.9%
Others (PD, DWP etc.)	\$286,302	\$62,924	(\$223,378)	-78.0%
<b>Total</b>	<b>\$1,903,853</b>	<b>\$1,245,258</b>	<b>(\$658,595)</b>	<b>-34.6%</b>



# Performance Measures

The City Attorney’s Office would appear to be very cost-effective in relation to other in-house City Attorneys --- **3.35** Full-Time employees and **\$7.50** per capita expenditures.

CITY ATTORNEY’S OFFICE	POPULATION	SQUARE MILES	LATEST BUDGET	LATEST EMPLOYEES	\$ PER CAPITA
Newport Beach	86,688	23.78 (Land)	\$2,593,142	8.00 FTE	\$29.91
Riverside	324,722	81.54	\$5,876,793	34.00 FTE	\$18.10
San Bernardino	216,239	61.52	\$3,272,903	19.00 FTE	\$15.14
Escondido	151,613	37.25	\$2,129,935	12.00 FTE	\$14.05
Huntington Beach	200,652	26.94 (Land)	\$2,625,866	11.00 FTE	\$13.09
Moreno Valley	205,499	51.47	\$1,922,828	5.00 FTE	\$9.36
Oxnard	207,906	26.9 (Land)	\$1,748,700	7.00 FTE	\$8.41
<b>Corona</b>	<b>166,785</b>	<b>38.90</b>	<b>\$1,250,316</b>	<b>3.35 FTE</b>	<b>\$7.50</b>

# Performance Measures

While similar data does not appear to have been compiled for Riverside County, in 2012 the LA Times published a comprehensive look at City Attorney expenditures throughout LA County. *The LA Times data is not adjusted for inflation.*

LA TIMES DATA (2005-10)	
PERFORMANCE MEASURE	DATA
# OF TOTAL CITIES	88
PER CAPITA AVG	\$25.00
PER CAPITA AVG – CITIES OVER 125,000	\$19.33
# OF CITIES WITH PER CAPITA AVG LESS THAN \$8.00 & POPULATION OVER 125,000	1
<b>CORONA 2018-19 \$ PER CAPITA</b>	<b>\$7.50</b>

# Performance Measures

Since assuming Risk Management in FY 2015-16, we have:

- ❖ Open Workers’ Compensation claims **reduced** by **26.3%** (57)
- ❖ Subrogation (third party liability) efforts **improved** as follows:
  - ❖ **Increased** subrogation **billings** by about **424%** (\$242,000)
  - ❖ **Increased** subrogation **collections** by about **672%** (\$275,000)

PERFORMANCE MEASURE	JULY , 2015	MAY, 2018	CHANGE	% CHANGE
Open WC Claims	217	160	(57)	-26.3%

PERFORMANCE MEASURE	FY 2014-15	FY 2017-18	CHANGE	% CHANGE
Subrogation Billings	\$57,000	\$299,085	+\$242,085	+424.7%
Subrogation Collections	\$41,000	\$316,728	+\$275,728	+672.5%



# Proposed Budget FY 2018-19

Funding Source	Actuals FY2016-17	Adopted FY2017-18	Department Proposed FY2018-19	Recommended FY2018-19	Change %	Forecast FY2019-20	Change %
General Fund	\$1,593,847	\$1,667,047	\$1,741,175	\$1,741,175	4.4%	\$1,780,701	2.3%
Internal Service Fund	5,721,900	5,651,737	5,019,565	5,019,565	-11.2%	5,019,565	0.0%
<b>Total</b>	<b>\$7,315,747</b>	<b>\$7,318,784</b>	<b>\$6,760,740</b>	<b>\$6,760,740</b>	<b>-7.6%</b>	<b>\$6,800,266</b>	<b>0.6%</b>
<i>Department Proposed to Adopted Change (\$)</i>			<i>(\$558,044)</i>				
<i>Department Proposed to Adopted Change (%)</i>			<i>-7.6%</i>				
<i>Recommended to Department Proposed Change (\$)</i>				<i>\$0</i>			
<i>Recommended to Department Proposed Change (%)</i>				<i>0.0%</i>			

# FY 2018-19 Staffing

POSITION	CAO	RM
City Attorney\LRM Director	.85	.15
Assistant City Attorney	.75	.25
Chief Deputy City Attorney	.85	0.00
Sr. Paralegal/Claims Manager	.90	.10
Risk Manager	0.00	1.00
RM Technician	0.00	1.00
<b>Total</b>	<b>3.35</b>	<b>2.50</b>

- ❖ CAO staffing of 3.35 FTE is very efficient (see slides above).
- ❖ RM Obligations:
  - ❖ **Liability Program:** Manage tort & subrogation claims; review and administer insurance provisions in City contracts; administer the City’s self-insurance and commercial insurance programs; strive to reduce potential claims; coordinate City’s administrative policy library.
  - ❖ **WC Program:** Monitor & administer injured worker claims, while maintaining cost control and developing cost reduction strategies.
- ❖ RM obligations reasonably cannot be performed with less than 2 FTE.
- ❖ 0.5 FTE assistance with RM by CAO has contributed to or made possible the 600%++ increase in subrogation collections and 26.3% reduction in WC claims.

# FY 2018-19 Reductions

- ❖ The LRM Dept's **7% GF** budget reduction target of \$120,210 represents **71.13%** of our non-personnel budget, which is not reasonably feasible.
- ❖ Since the LRM Dept is already very lean and realistically cannot operate effectively with fewer personnel, we looked to achieve a 7% budget reduction across the entire department budget, including our internal service funds (which don't include any personnel costs).
- ❖ We have reduced our **internal service funds** by **\$632,172**, which represents a reduction of **11.19%**:
  - ❖ New WC TPA & MC Program Savings
  - ❖ Reduced Open WC Claims = Reduced Anticipated Medical & Other Costs
  - ❖ Active Liability Claim Management = Reduced Anticipated Claim Settlements
  - ❖ Modified Liability & Auto Insurance Risk Structure (see next slide)
- ❖ The \$632,172 in savings **benefits all City departments**.
- ❖ Our **department-wide savings** of **\$558,044** represents a reduction of **7.62%**.



# FY 2018-19 Reductions

- ❖ Savings assume the following modifications to the City's insurance risk structure:
  - ❖ Increase Liability Insurance SIR (Deductible) from \$500K to \$1M
    - ❖ **\$133,000** annual savings.
    - ❖ 1988 - the last time the City had a single claim exceed \$500,000.
    - ❖ 2 others have approached \$500,000, but 1 of those was primarily outside legal counsel expenses (which we should be able to avoid with an in-house CAO).
    - ❖ Risk tolerance must be acceptable, as returning to \$500K SIR may involve increased expense.
  - ❖ Change Auto Coverage from Replacement Value to Actual Cash Value
    - ❖ **\$124,000** annual savings (\$134,000 drops to \$10,000, assuming same values).
    - ❖ Insurance protects all of the City's vehicles while on City property, but protects only the vehicles valued at \$100K or more while in operation on public streets.
    - ❖ Thus, risk is primarily for fire engines and heavy duty equipment (buses in operation are insured by contractor).
- ❖ Reductions mitigated somewhat by increases due to hardening insurance market and increased valuations.



# FY 2018-19 Reductions

Non-Personnel Budget	FY 17-18	FY 18-19	CHANGE	% CHANGE
City Attorney's Office	\$158,000	\$133,400	(\$24,600)	-15.57%
Risk Management	\$11,000	\$5,327	(\$5,673)	-51.57%
<b>Total</b>	<b>\$169,000</b>	<b>\$138,727</b>	<b>(\$30,273)</b>	<b>-17.91%</b>

Internal Service Fund	FY 17-18	FY 18-19	CHANGE	% CHANGE
Workers' Compensation	\$4,179,061	\$3,761,789	(\$417,272)	-9.98%
General Liability	\$1,472,676	\$1,257,776	(\$214,900)	-14.59%
<b>Total</b>	<b>\$5,651,737</b>	<b>\$5,019,565</b>	<b>(\$632,172)</b>	<b>-11.19%</b>

LRM DEPT	FY 17-18	FY 18-19	CHANGE	% CHANGE
General Fund	\$1,667,047	\$1,741,175	\$74,128	4.44%
Internal Service Fund	\$5,651,737	\$5,019,565	(\$632,172)	-11.19%
<b>Total</b>	<b>\$7,318,784</b>	<b>\$6,760,740</b>	<b>(\$558,044)</b>	<b>-7.62%</b>

# Management Services



The mission of the City Manager's office is to ensure implementation and administration of policies and programs as adopted and directed by the City Council. The City Clerk is responsible for the care and custody of all official records and documents of the City and for conducting all municipal elections. Economic Development is responsible for maintaining the economic vitality and vibrancy of the community, which includes attracting new and retaining current businesses.



# Department Goals for FY 2018-19



- ✓ Goal #1: Continue to implement citywide marketing, community engagement, and community activities, including: City co-sponsorship programs, Mayor's Youth Council, and Military Banner Program.



- ✓ Goal #2: Continue to expand our communication mediums to Corona residents to share city news, programming, public safety announcements and enhance transparency.



- ✓ Goal #3: Support and grow manufacturing and increase exports to create more jobs in Corona. Continue focus on our business attraction and retention efforts.

# Performance Measures

- ✓ Continued to improve and maintain the agenda process for meetings by the City Council by implementing Granicus.
- ✓ Utilized the Granicus software to consolidate all meeting information for the Council and all Board and Commissions.
- ✓ Completed two installations of Military Banners with of 37 new Banners being installed.
- ✓ Completed 18 co-sponsored community events.
- ✓ Completed 1,988 Public Record Requests.
- ✓ Redesigned & launched new website, consolidating seven separate sites into CoronaCA.gov
- ✓ Published over 100 Press Releases and 100 Inner Circle News stories.
- ✓ Completed 30 business workshops which reached 470 businesses/business owners.
- ✓ Completed 7 industry specific workshops which reached 125 businesses/business owners.
- ✓ Facilitated 9 “Team Corona” meetings with businesses and department heads.
- ✓ Completed 240 site visits to industrial and manufacturing businesses.



# Proposed Budget FY 2018-19

Expense Category	Actuals FY2016-17	Adopted FY2017-18	Department Proposed FY2018-19	Recommended FY2018-19	Change %	Forecast FY2019-20	Change %
<b>Department-Wide</b>							
Salaries and Benefits	\$ 1,844,751	\$ 1,831,272	\$ 1,793,203	\$ 2,126,944	16.1%	\$ 2,227,803	4.7%
Non-Personnel Costs	562,010	364,217	447,268	447,268	22.8%	298,128	-33.3%
<b>Total</b>	<b>\$ 2,406,761</b>	<b>\$ 2,195,489</b>	<b>\$ 2,240,471</b>	<b>\$ 2,574,212</b>	<b>17.3%</b>	<b>\$ 2,525,931</b>	<b>-1.9%</b>
<i>Department Proposed to Adopted Change (\$)</i>			\$44,982				
<i>Department Proposed to Adopted Change (%)</i>			2.0%				
<i>Recommended to Department Proposed Change (\$)</i>				\$333,741			
<i>Recommended to Department Proposed Change (%)</i>				14.9%			

Note: Includes \$150,000 for Election FY 2018-19  
Includes \$333,741 for Assistant City Manager



# Budgetary Changes and Impacts

Management Services Adopted Budget FY 2017-18	\$2,195,489
7% Reduction	(\$153,684)
FY 2018-2019 Reductions Submitted	(\$105,018)
FY 2018-2019 Supplemental Funding – Assistant City Manager	\$333,741
FY 2018-2019 City Clerk Election (every other year)	\$150,000

- Eliminated vacant Economic Development Specialist position
- Promotional/Public Outreach– reduction of workshops hosted and of various printing publications
- Professional and Contractual Services – reduction to vendor contract services
- Advertising Expense – reduction to marketing advertising for the Economic Development Division
- Conference, Training and Travel – less travel and training opportunities for staff
- Office Supplies – reduction of office supplies for all divisions



# Staffing Changes

## FY 2017-18 to FY 2018-19

<u>Status</u>	<u>Title</u>	<u>Change</u>
Full Time	Economic Development Specialist	(1.00)
Full Time	Assistant City Manager	1.00



# Elected Officials



The mission of the City Council is to receive input from the community and formulate policy upon which all City services shall be developed and implemented. The City Council holds regularly scheduled meetings to represent the public on issues brought to its attention. The City Treasurer enhances the economic status of the City while protecting its assets and maximizing the City's funds through prudent investment.





# Proposed Budget FY 2018-19

Expense Category	Actuals FY2016-17	Adopted FY2017-18	Department Proposed FY2018-19	Recommended FY2018-19	Change %	Forecast FY2019-20	Change %
<b>Department-Wide</b>							
Salaries and Benefits	\$ 140,900	\$ 150,905	\$ 157,339	\$ 157,339	4.3%	\$ 159,230	1.2%
Non-Personnel Costs	37,235	50,820	33,897	33,897	-33.3%	37,300	10.0%
<b>Total</b>	<b>\$ 178,135</b>	<b>\$ 201,725</b>	<b>\$ 191,236</b>	<b>\$ 191,236</b>	<b>-5.2%</b>	<b>\$ 196,530</b>	<b>2.8%</b>
<i>Department Proposed to Adopted Change (\$)</i>			\$ (10,489)				
<i>Department Proposed to Adopted Change (%)</i>			-5.2%				
<i>Recommended to Department Proposed Change (\$)</i>				\$ -			
<i>Recommended to Department Proposed Change (%)</i>				0.0%			



# Budgetary Changes and Impacts

City Council Adopted Budget FY 2017-18	\$187,237
7% Reduction	(\$13,107)
FY 2018-19 Reductions as submitted	(\$11,874)

- Program Expenditures – reduction of program expenditures
- Professional and Contractual Services – reduction to State of the City and filming services
- Conference, Training and Travel – reduction of conferences for elected officials
- Office Supplies – reduction of office supplies

# Police Department



The mission of the Corona Police Department is to ensure the safety and security of the public through strong community partnerships and excellence in policing.



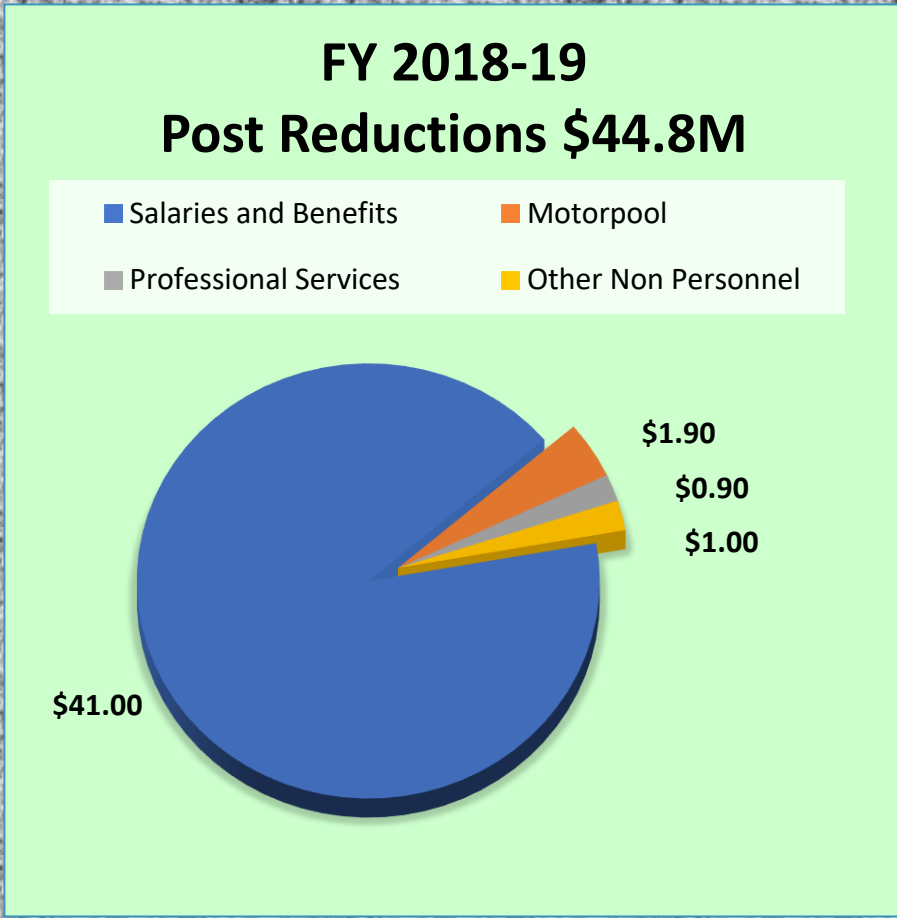
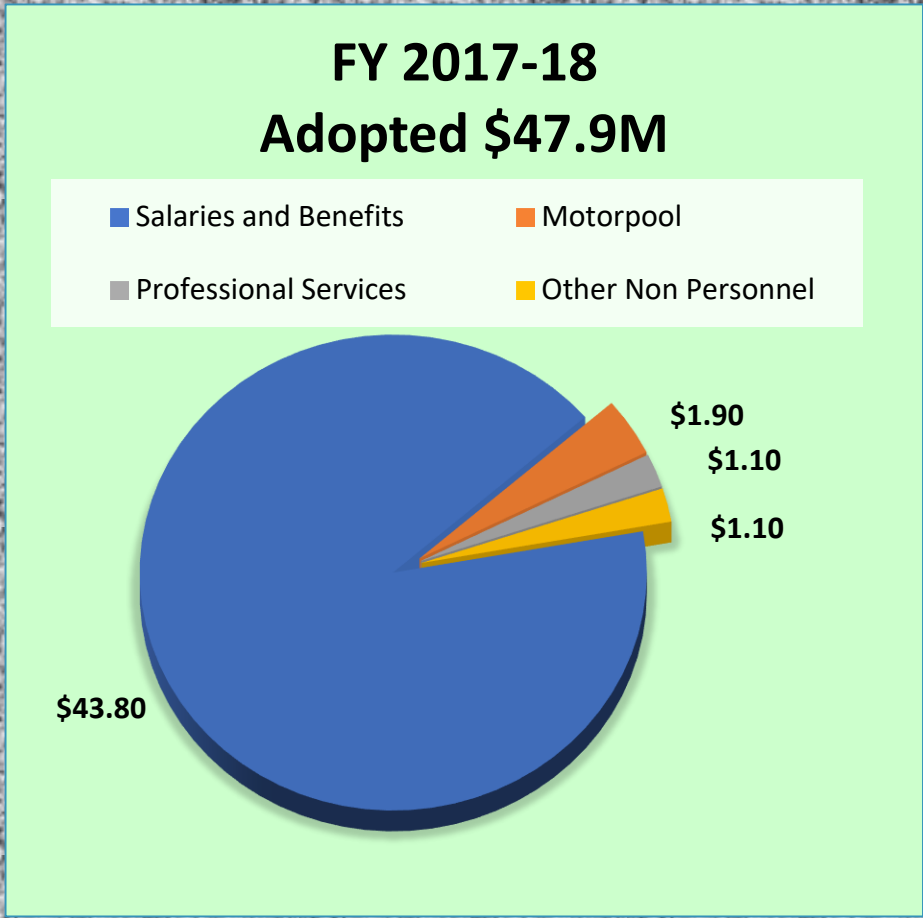


# General Fund

## Proposed Budget FY 2018-19

Expense Category	FY2016-17 Actuals	FY2017-18 Adopted	FY2018-19 Recommend	Change %	FY2019-20 Forecast	Change %
<b>Department-Wide</b>						
Salaries and Benefits	\$42,030,979	\$43,813,629	\$40,972,326	-6.5%	\$42,499,373	3.7%
Motor Pool / Vehicle Costs	1,810,341	1,910,336	1,943,142	1.7%	1,943,142	0.0%
Professional Services	1,330,728	1,122,666	917,287	-18.3%	917,287	0.0%
Other Non-Personnel Costs	1,110,585	1,044,142	932,701	-10.7%	930,101	-0.3%
Capital Outlay	-	-	-	-	-	-
<b>Subtotal</b>	<b>\$46,282,633</b>	<b>\$47,890,773</b>	<b>\$44,765,456</b>	<b>-6.5%</b>	<b>\$46,289,903</b>	<b>3.4%</b>

# General Fund Police Budget - Overview



# General Fund

## Budgetary Changes and Impacts

Police	\$ 47,890,773
7% Reduction	(3,352,354)
FY 2018-19 Reductions as submitted	(3,355,751)
<b>Difference - (Shortfall) / Excess</b>	<b>\$ 3,397</b>

- Reduced Overtime/Comp Time
- Reduced Minor Equipment
- Revised the Helicopter Program (Eliminated General Fund portion)
- Eliminated Some Third Party Contractual Services
- Eliminated Vehicles
- Eliminated Part-Time Positions
- Eliminated 17 Full-Time Positions (14 sworn and 3 civilian)



# All Funds Staffing Changes FY 2017-18 to FY 2018-19

Full Time - Vacant		Part Time - Vacant	
Lieutenant	(1.00)	Camera Operator	
Sergeants#	(3.00)	Crime Prevention Assistant*	
Detectives	(2.00)	Police Record Techs I/II	
Corporals	(2.00)	Police Cadet	
Police Officers I/II	(6.00)	Police General Assistants*	
Community Srvc Offcs I/II*	(2.00)	<b>Net FTE Staffing Changes</b>	<b>(2.61)</b>
Sr. Office Assistant	(1.00)		
<b>Staffing Changes</b>	<b>(17.00)</b>		

\* Includes Non-General Funded Positions

# Pro-rated elimination in January 2019

Total Elimination = FY 2018-19 at  
18.61 FTE Positions  
and FY 2019-20 at 19.61 Positions



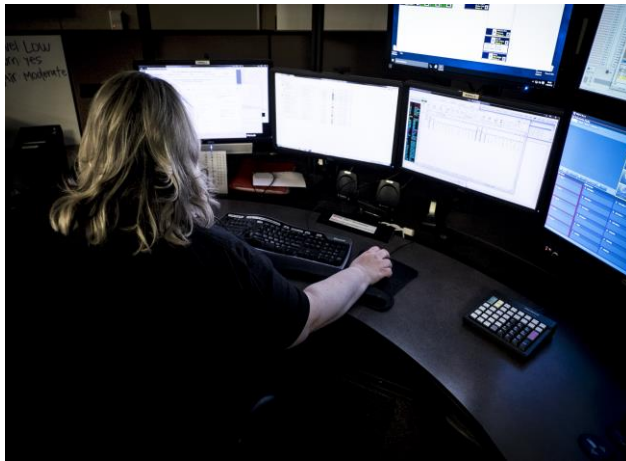
# Budgetary Changes and Staffing Impacts

- Revising our minimum patrol staffing level
- Loss of a Motor Officer and Accident Investigator
- Detective Consolidation
- Specialized teams reassignments / reassessments:
  - Domestic Violence Response Team
  - Gang Task Force Team
  - Flex Team
- Sergeant positions will be evaluated for reallocation of duties
- Air Unit hours reduced
- Proactive vs. Reactive

# General Fund Police Budget - Overview

Police is organized by three divisions:

- Support Services \$10.4M
  - Investigative Services \$11.1M
  - Field Services \$23.3M
- 
- Total \$44.8M



# Support Services

Divisions	Budget
Administration	\$4.7M
Animal Services and Enforcement	\$1.3M
Records	\$1.0M
Communications	\$3.4M
<b>Total</b>	<b>\$10.4M</b>

- Command Staff Management
- Personnel and Training
- Crime Prevention Outreach
- Volunteer and Clergy Programs
- Cadets
- Firearm’s Range Management
- Fiscal Services
- Facility Management / Major Projects
- Animal Adoptions
- Spay / Neuter
- Animal Care and Treatment Services
- Animal Licenses
- Records Management
- E911 Dispatch Services



# Investigative Services

Divisions	Budget
Investigations	\$7.3M
Special Enforcement	\$3.8M
<b>Total</b>	<b>\$11.1M</b>



- Detectives investigate:
  - Crimes Against Persons
  - Property Crimes
  - Narcotics/Vice Operations and Task Forces
- Evidence and Property Management
- Forensic Technicians
- Traffic Officers
- Four School Resources Officers
- Youth Diversion Team
- Drive for Life / Safety Checkpoints / Seatbelt Programs

# Field Services – responds to call for services and self initiated activity

Division	Budget
Patrol	\$23.2M
Total	\$23.2M



- Community Based Policing by Zones
- Patrol Officers
- Specialized Units
  - Special Response Team
  - Honor Guard
  - K-9
  - Mounted Team
  - Mobile Field Force
- HOPE Team
- Air support
- Active Shooter
- Adopt A School
- Jailers / Community Service Officers

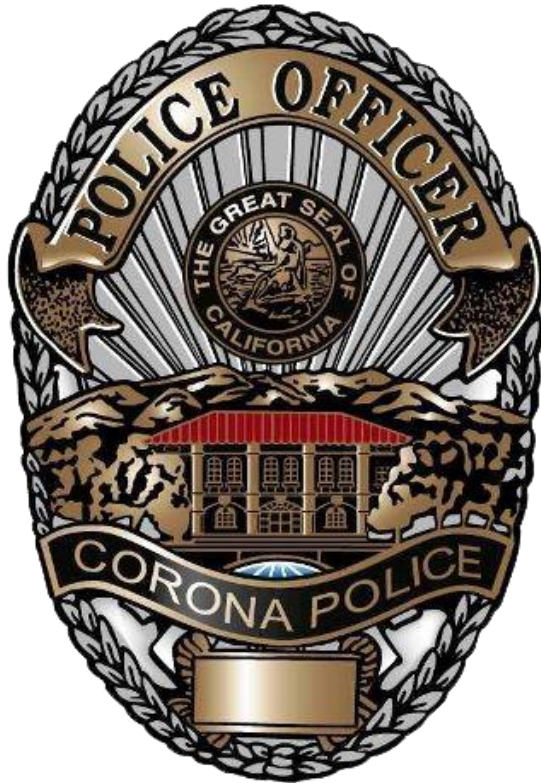


# Performance Measures

	Police Statistics	CY 2008	CY 2017	Est CY 2018	Est CY 2019
<div style="border: 1px solid black; padding: 5px;"> <p><b>Last year's violent crime rate is up 39 incidents</b></p> <p><b>property crime rate is down 339 incidents from the prior year</b></p> </div>	Sworn Staffing Levels	191	162	162	148
	Total Number of Calls for Service	119,411	106,976	113,289	113,289
	<b>Number of Calls for Service, Per Sworn Staff Member</b>	<b>625.2</b>	<b>660.3</b>	<b>699.3</b>	<b>765.5</b>
	City Population	147,428	163,931	167,759	168,574
	Officers per Thousand	1.30	.99	.97	.88

Police Statistics	FY 2017	Est. FY 2018	Est. FY 2019
Response Time	5 Min 12 Sec	5 Min 13 Sec	5 Min 13 Sec
Animals Adopted	1,228	1,234	1,231
Adoptable Animals Euthanized	0	0	0

# Department Goals for FY 2018-19



- ✓ Maintain emergency response times within five minutes or less.
- ✓ Continue to evaluate and monitor crime analysis information and work load distribution, as related to the reduced staffing levels and community needs.
- ✓ Implement a new Records Management System/Computer Aided Dispatch software system.
- ✓ Continue to implement the City Unified Camera Project, Phase II.

# Maintenance Services



The mission of the Maintenance Services Department is to operate and maintain public facilities and equipment in an efficient, cost-effective manner, as well as enhance the parks and open spaces within the City of Corona for the benefit and enjoyment of its residents through care, dedication and responsiveness.





# Department Goals for FY 2018-19

## Goal 1



Maintain & Manage  
Street Light & Storm Drain  
Infrastructure

## Goal 2



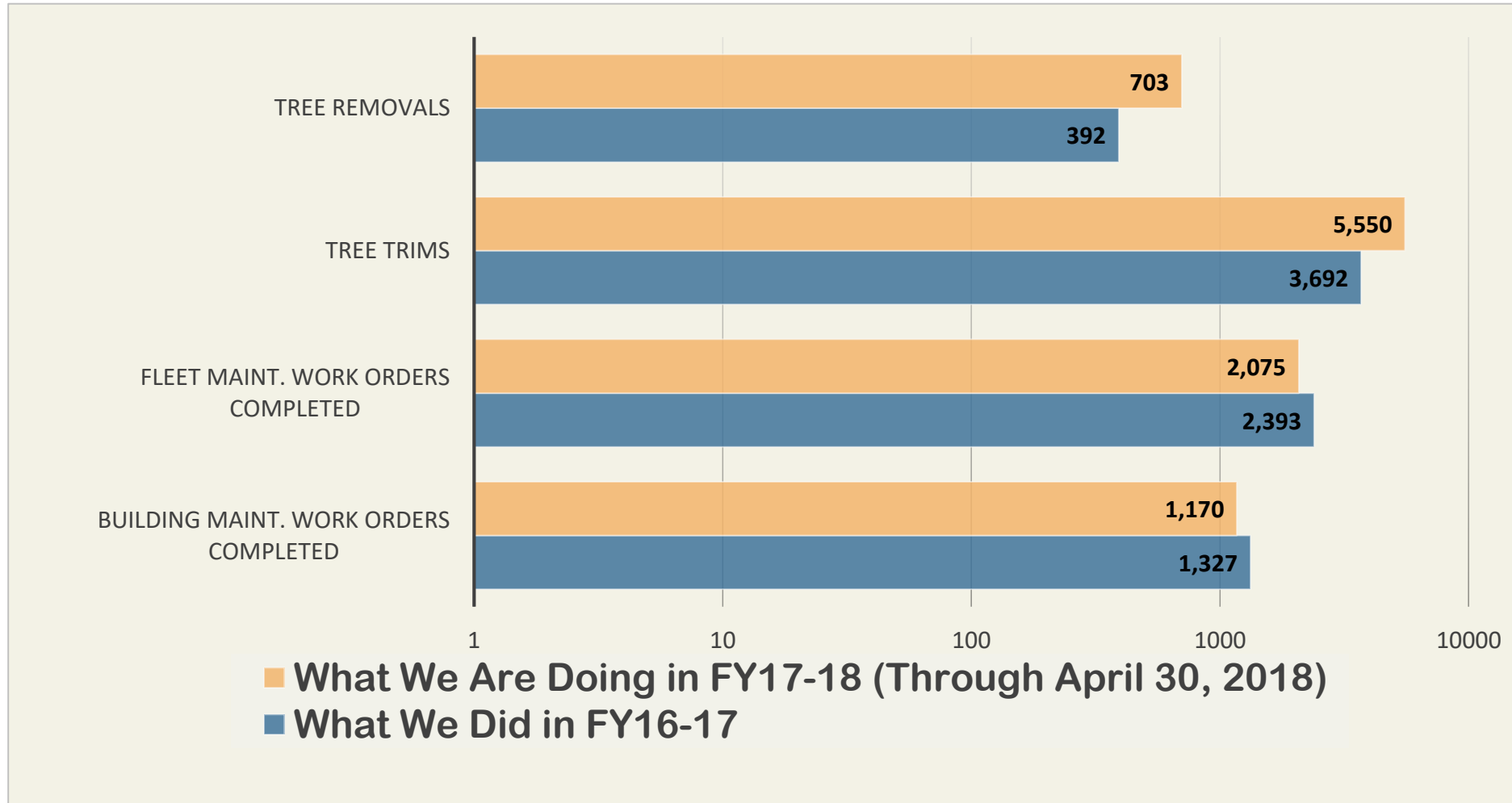
Develop & Enhance  
Park & Rec Facilities

## Goal 3



Modernize the City's Fleet &  
Building Maintenance Assets

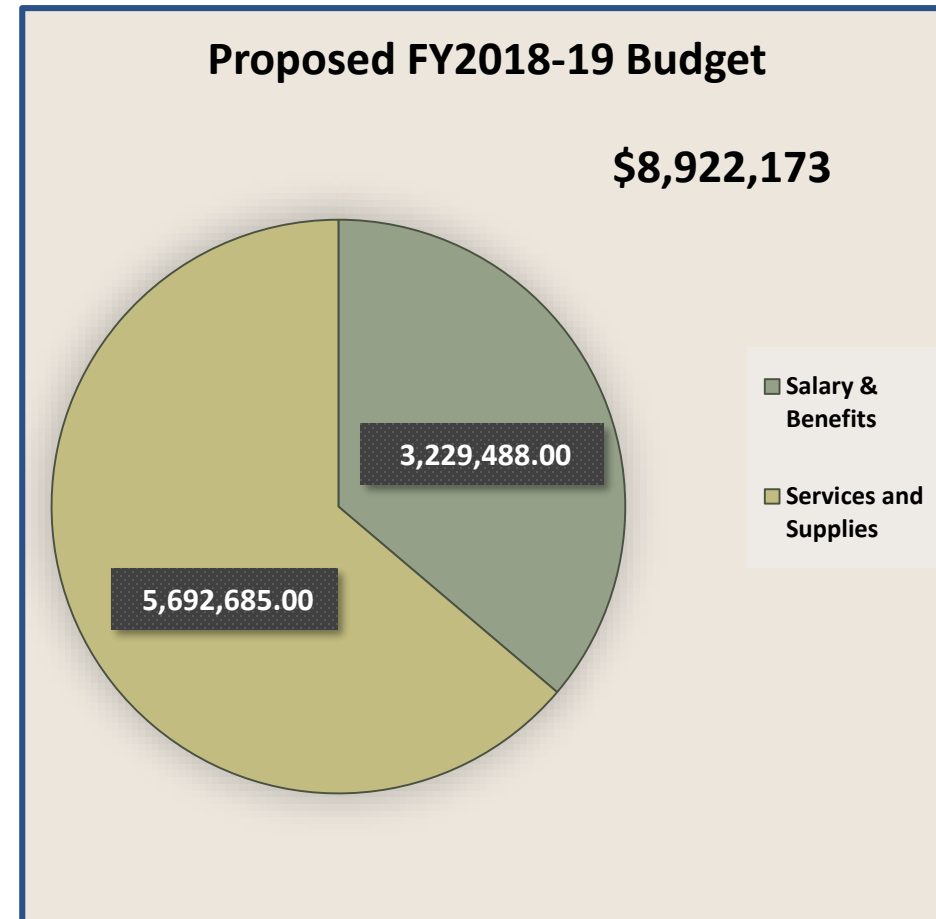
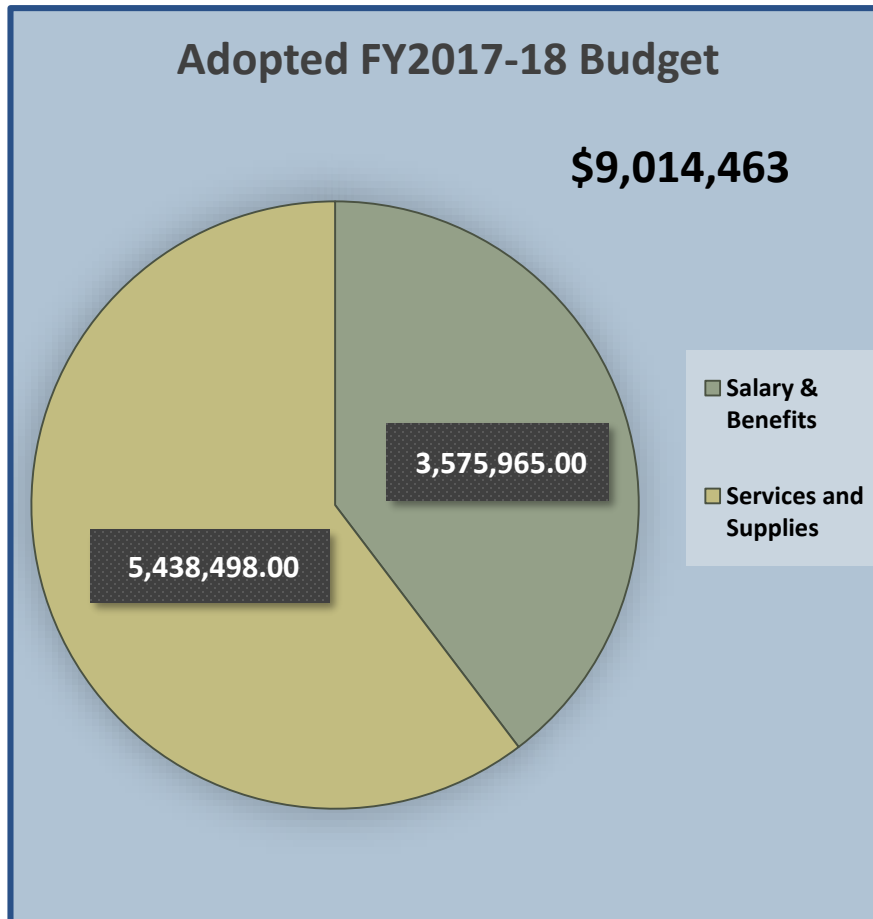
# Performance Measures



# Maintenance Services Department General Fund Budget Comparison\* FY2017-18 & FY2018-19



\*Includes fund 232 for Historic Civic Center

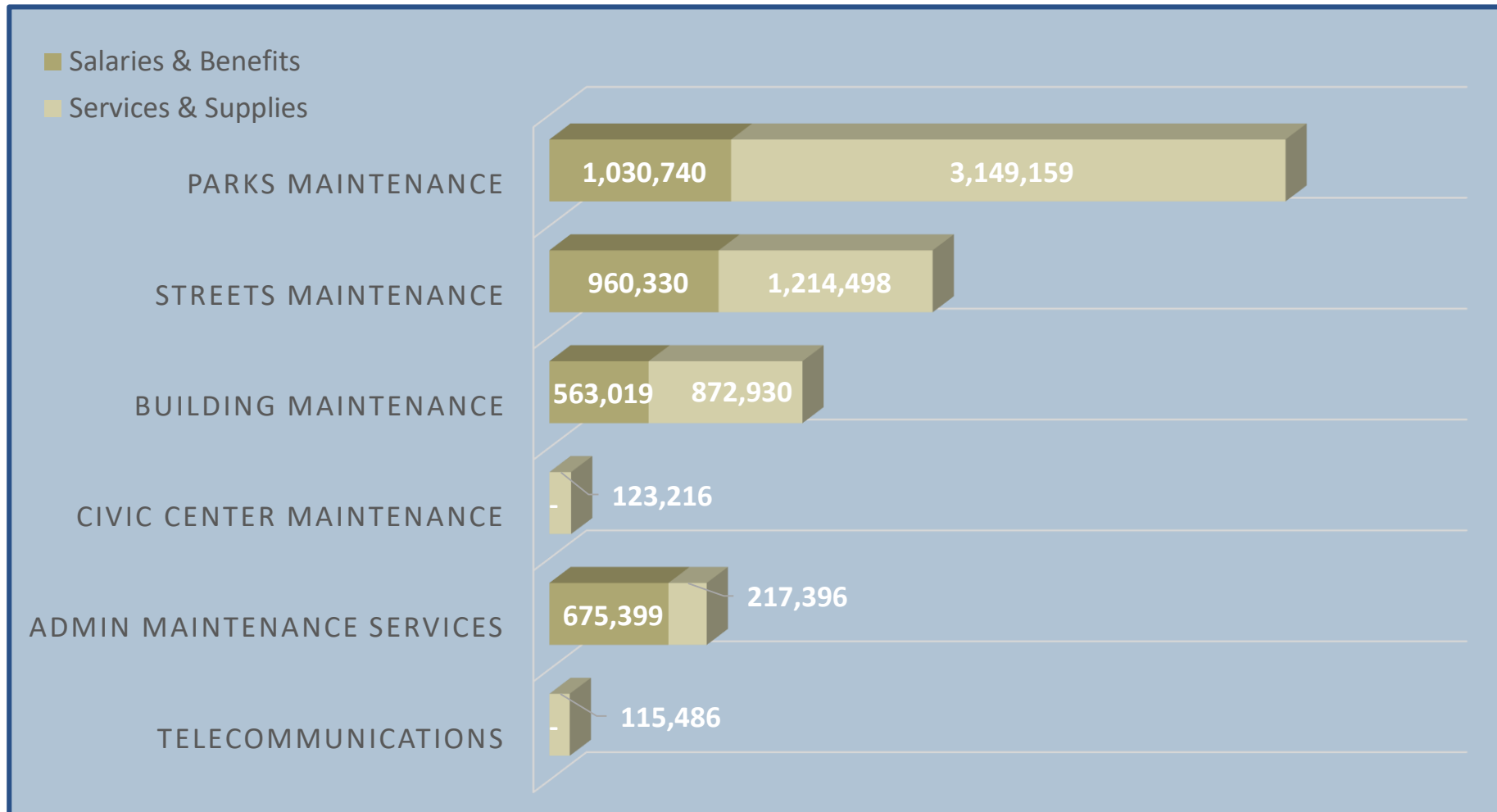


# Maintenance Services Department General Fund Expenses\*

## FY2018-19



\*Includes fund 232 for Historic Civic Center



# Maintenance Services Department

## General Fund

### Budgetary Changes and Impacts

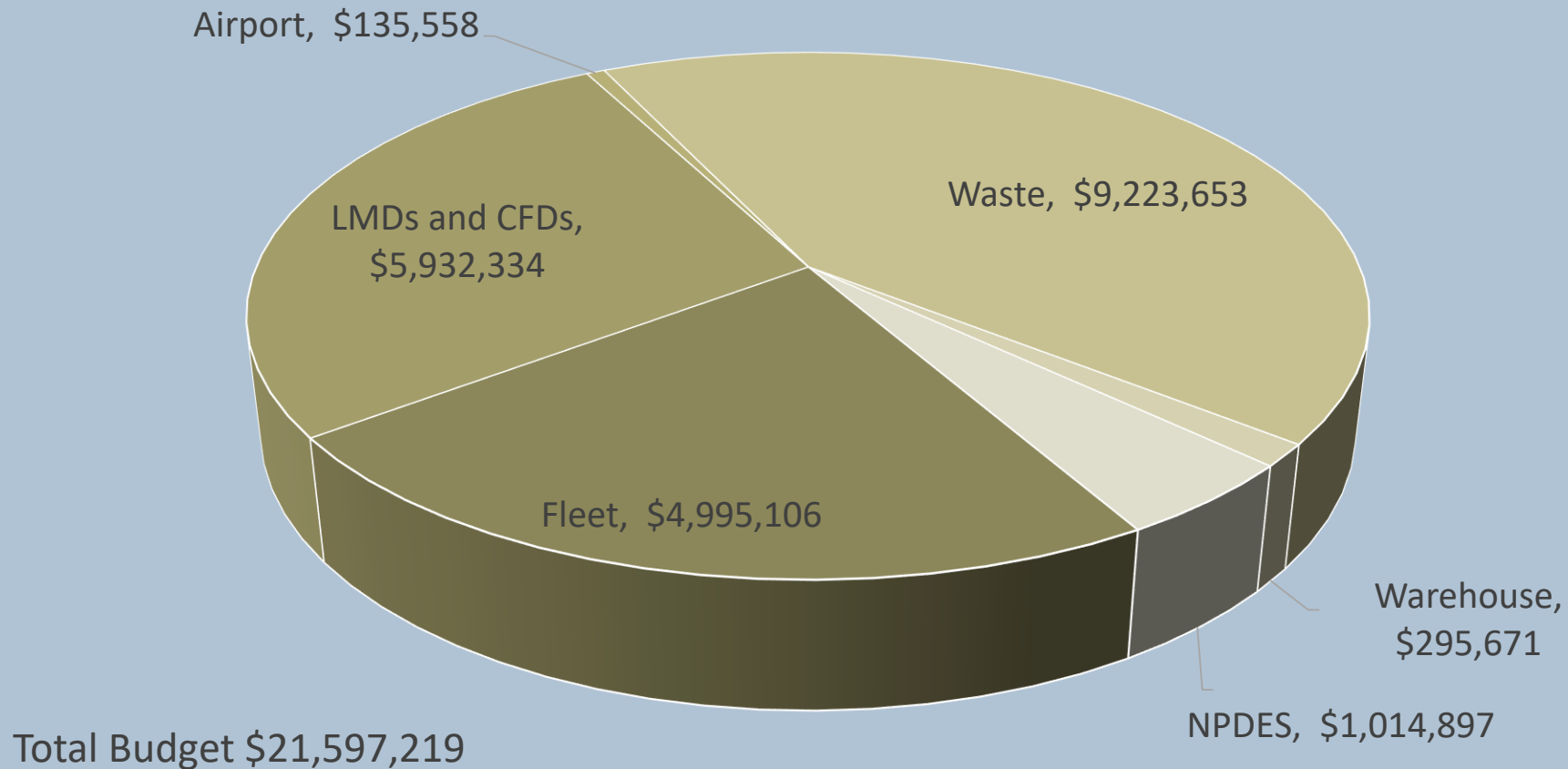


Adopted Budget FY2017-18	\$9,014,463
7% Reduction	631,012
Proposed Reduction	<u>668,007</u>
(Shortfall)/Excess	\$36,995
Service Level Change Requests	\$575,717
<b>Proposed Budget FY2018-19</b>	<b>\$8,922,173</b>

# Maintenance Services Department Other Fund Expenses



Proposed FY2018-19 Budget





# Staffing Changes

## FY 2017-18 to FY 2018-19

Fiscal Year 17-18 Full-Time Positions	37
Fiscal Year 18-19 Full-Time Positions	39
Overall staffing change	+2

# Department of Water & Power



The mission of the Department of Water and Power is to serve City of Corona customers with professionalism and respect, while protecting public health by providing the highest quality water, reclaimed water, electric, and water reclamation services.





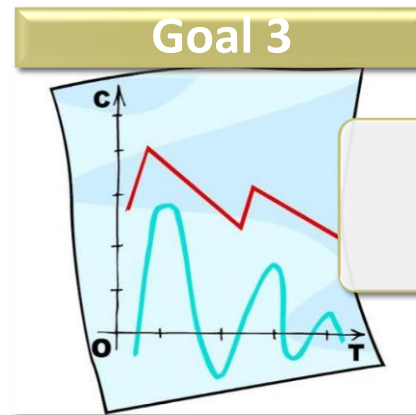
# Department Goals for FY 2018-19



Maintain USEPA & State drinking water standards

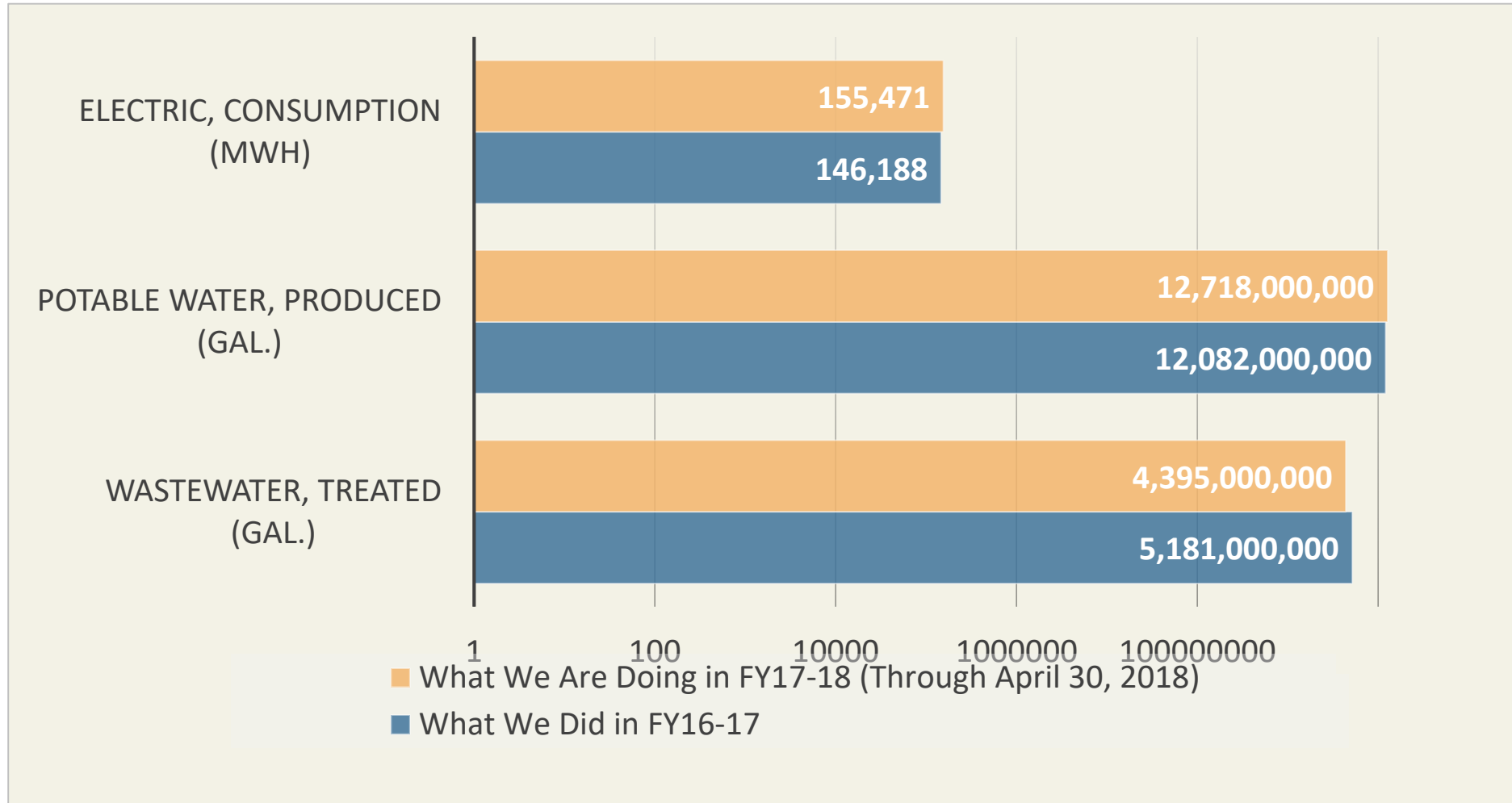


Enhance management of assets' life cycles

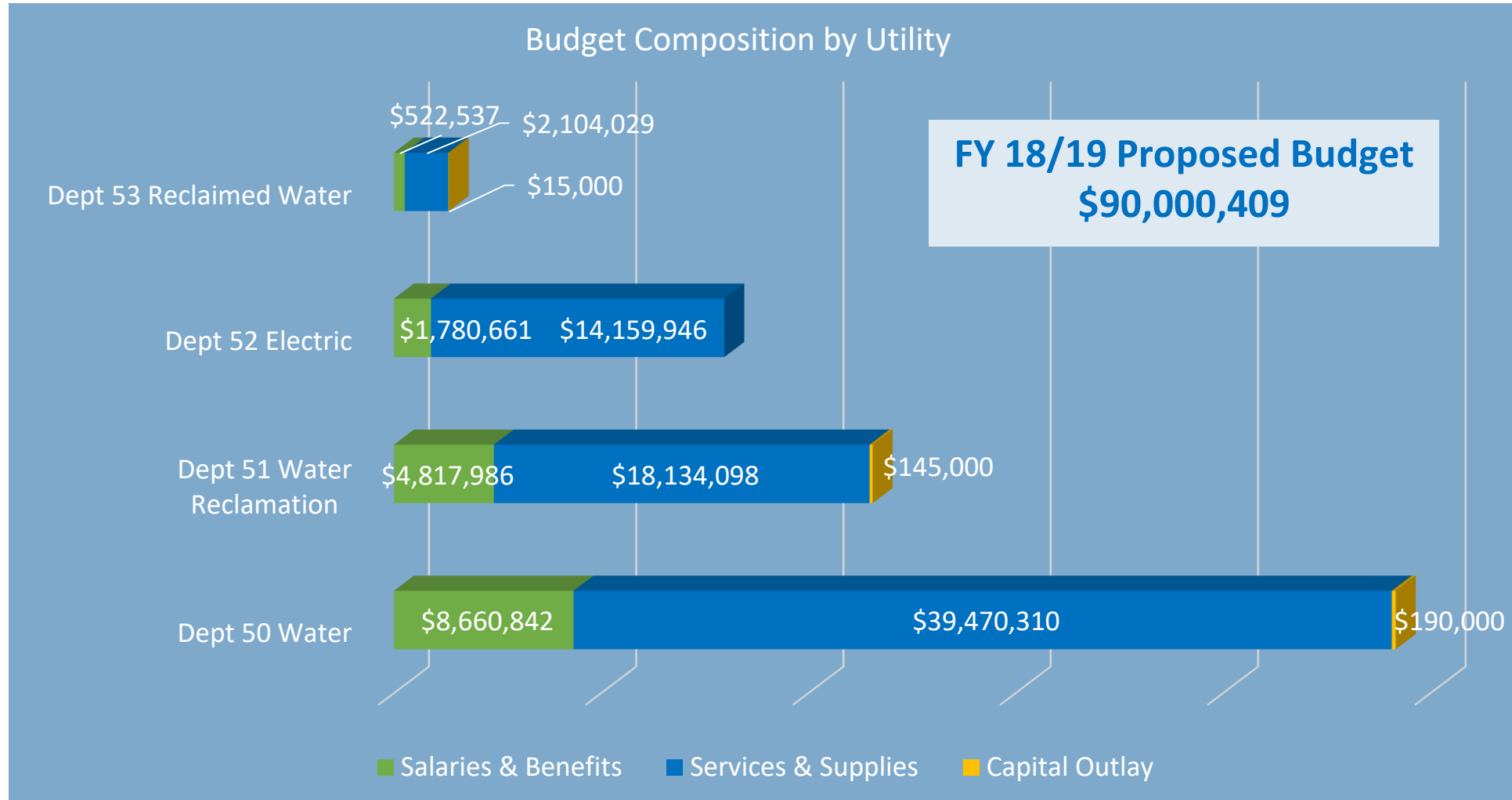


Data collection & report development

# Performance Measures



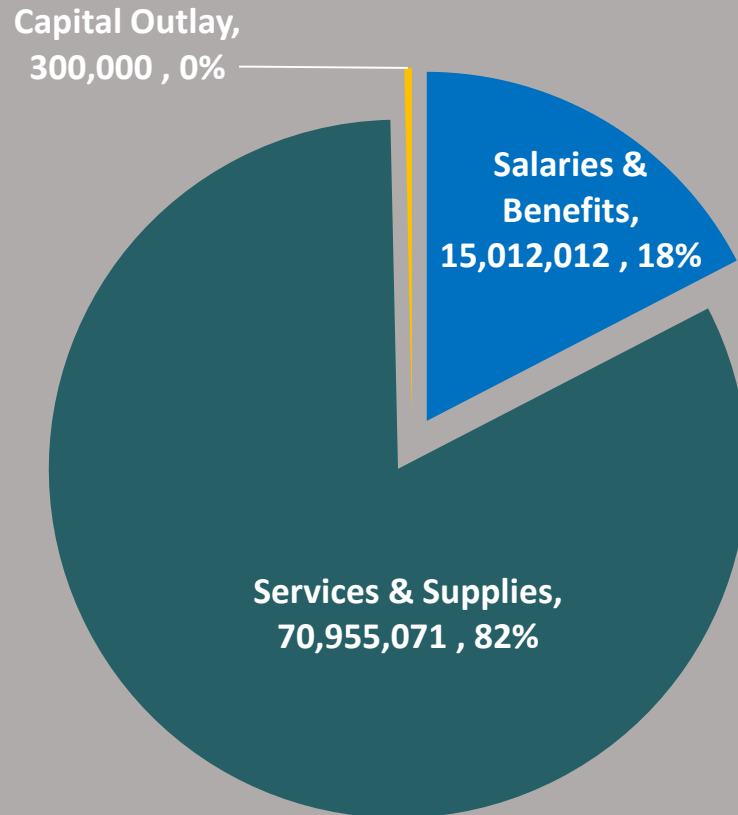
# Department of Water and Power Proposed Operating Budget



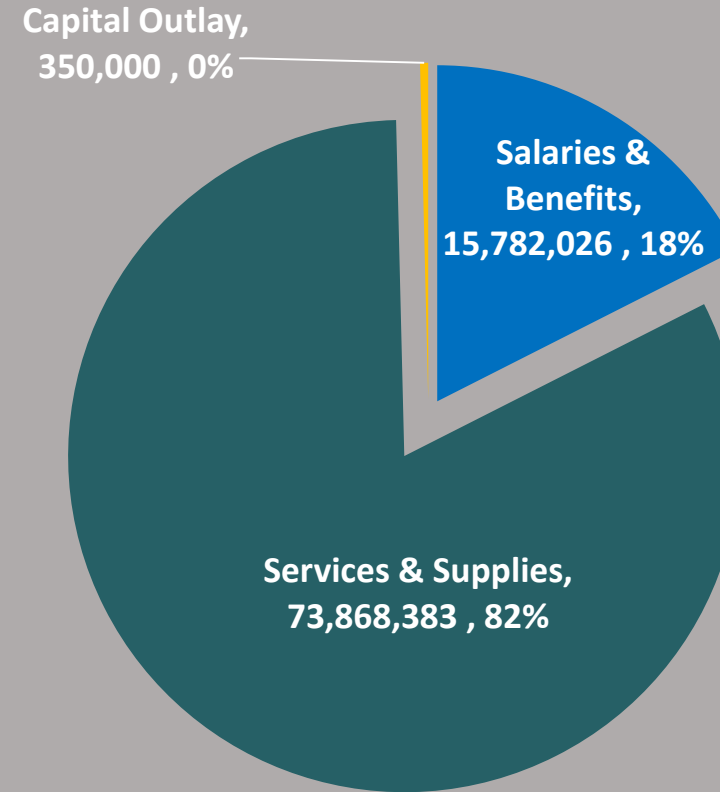


# Department of Water and Power All Funds Operating Budget Comparison FY 2017-18 & FY 2018-19

FY 17/18 Adopted Budget  
\$86,267,083



FY 18/19 Recommended Budget  
\$90,000,409





# Staffing Changes

## FY 2017-18 to FY 2018-19

Fiscal Year 17-18 Full-Time Positions	108
Fiscal Year 18-19 Full-Time Positions	109.85
Overall staffing change	+1.85

# Community Development

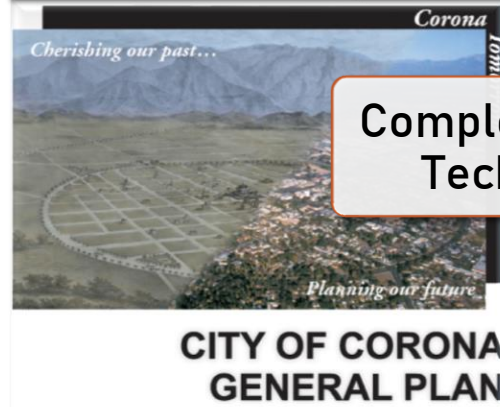


The mission of the Community Development Department is promoting quality development, sustaining the quality of existing neighborhoods, accommodating affordable housing, and ensuring that new development and miscellaneous improvements to properties are constructed in accordance with the highest standards of safety.



# Department Goals for FY 2018-19

## Goal 1



Complete General Plan  
Technical Update

## Goal 2



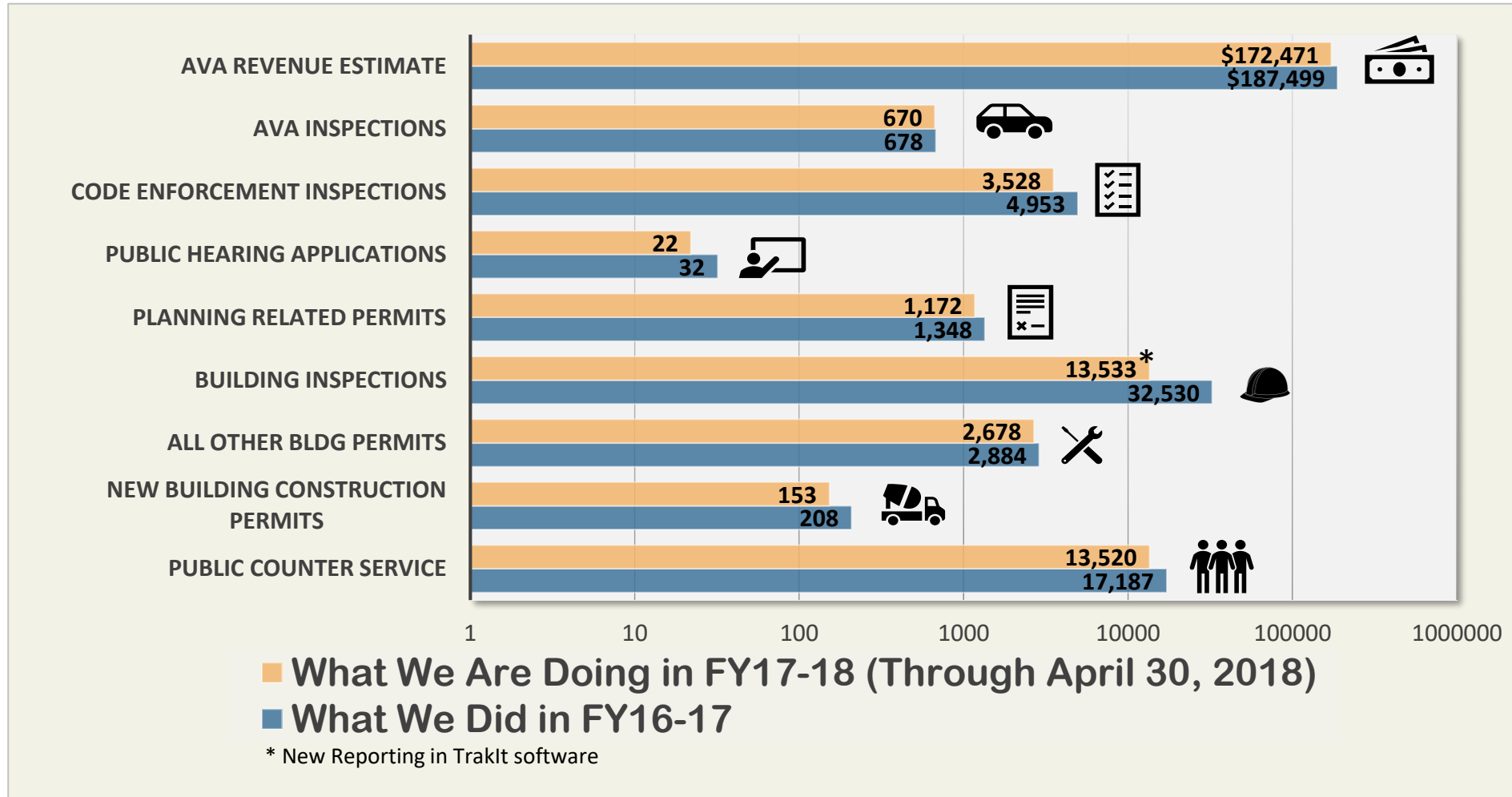
Complete Trails  
Master Plan

## Goal 3



Collaborate with IT to  
Implement ProjectDox  
(Electronic Plan Check Submittal)

# Performance Measures



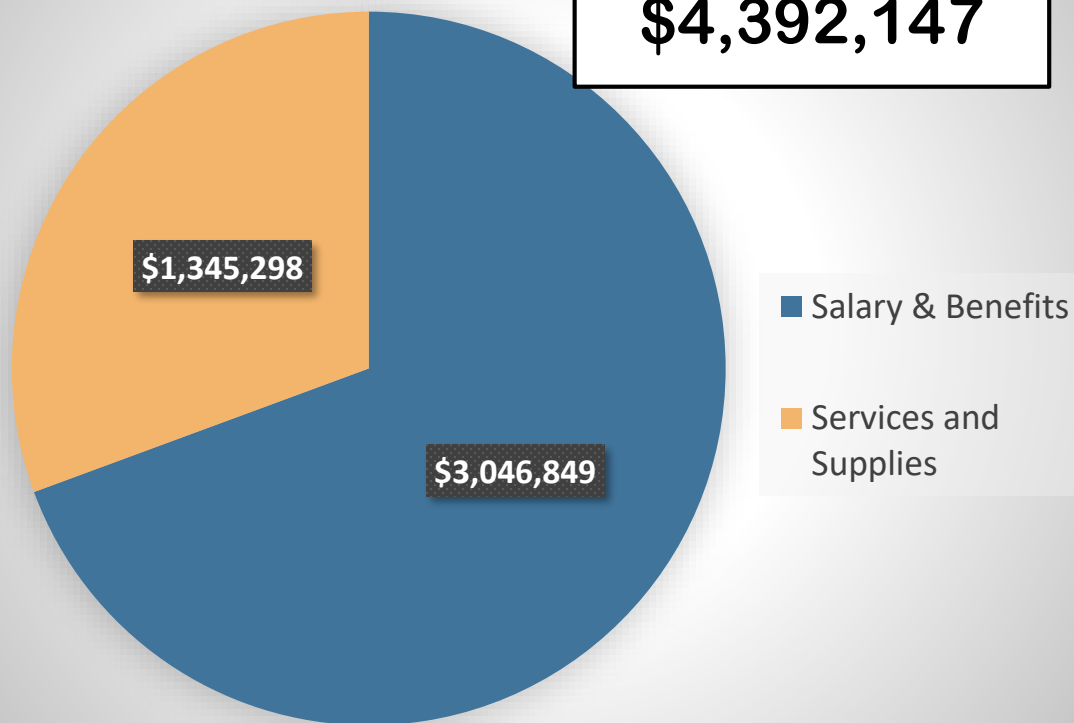


# Community Development Department General Fund Budget Comparison FY2017-18 & FY2018-19



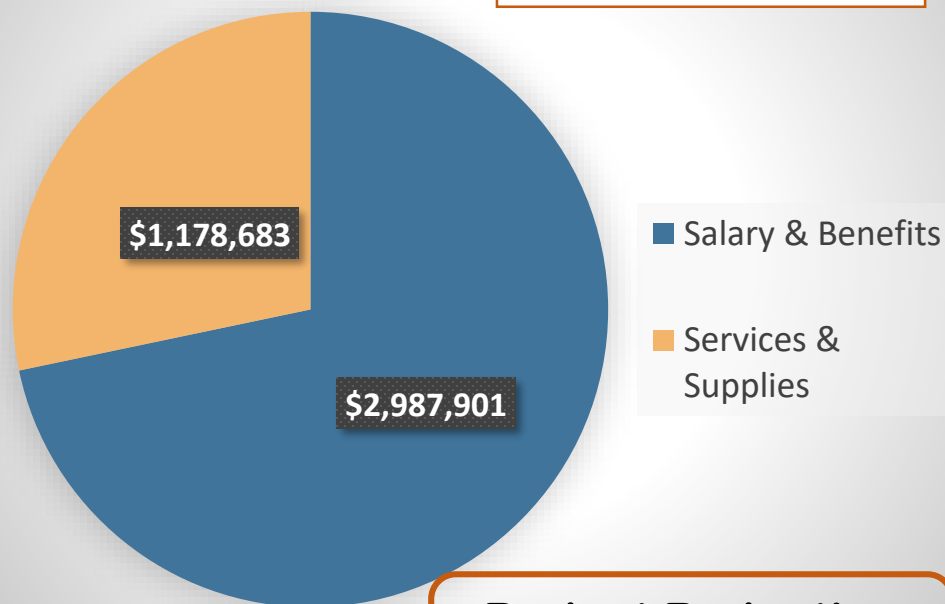
### Adopted FY2017-18 Budget

**\$4,392,147**



### Proposed FY2018-19 Budget

**\$4,166,584**

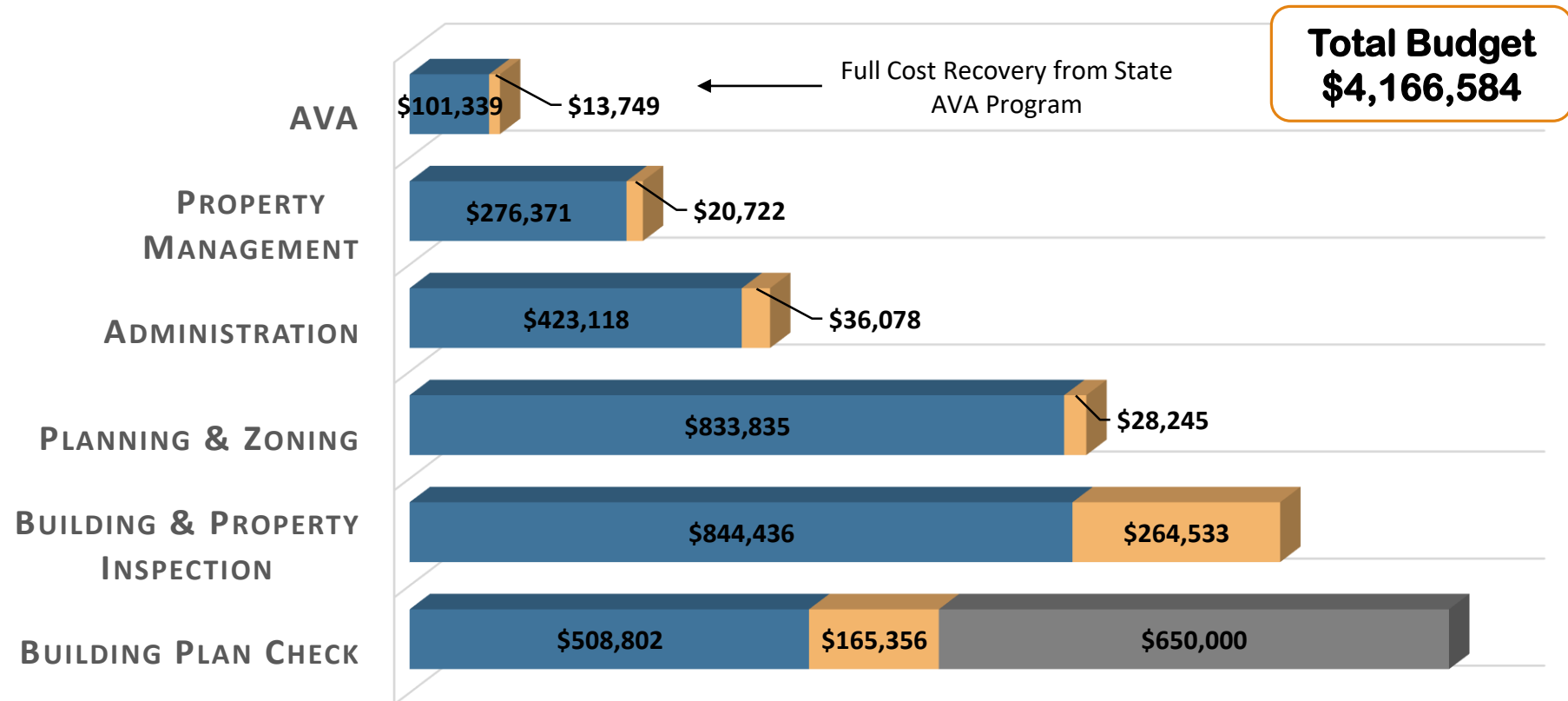


**Budget Reduction  
\$225,563**

# DEPARTMENT DIVISIONS – GENERAL FUND EXPENSES FY 2018-19

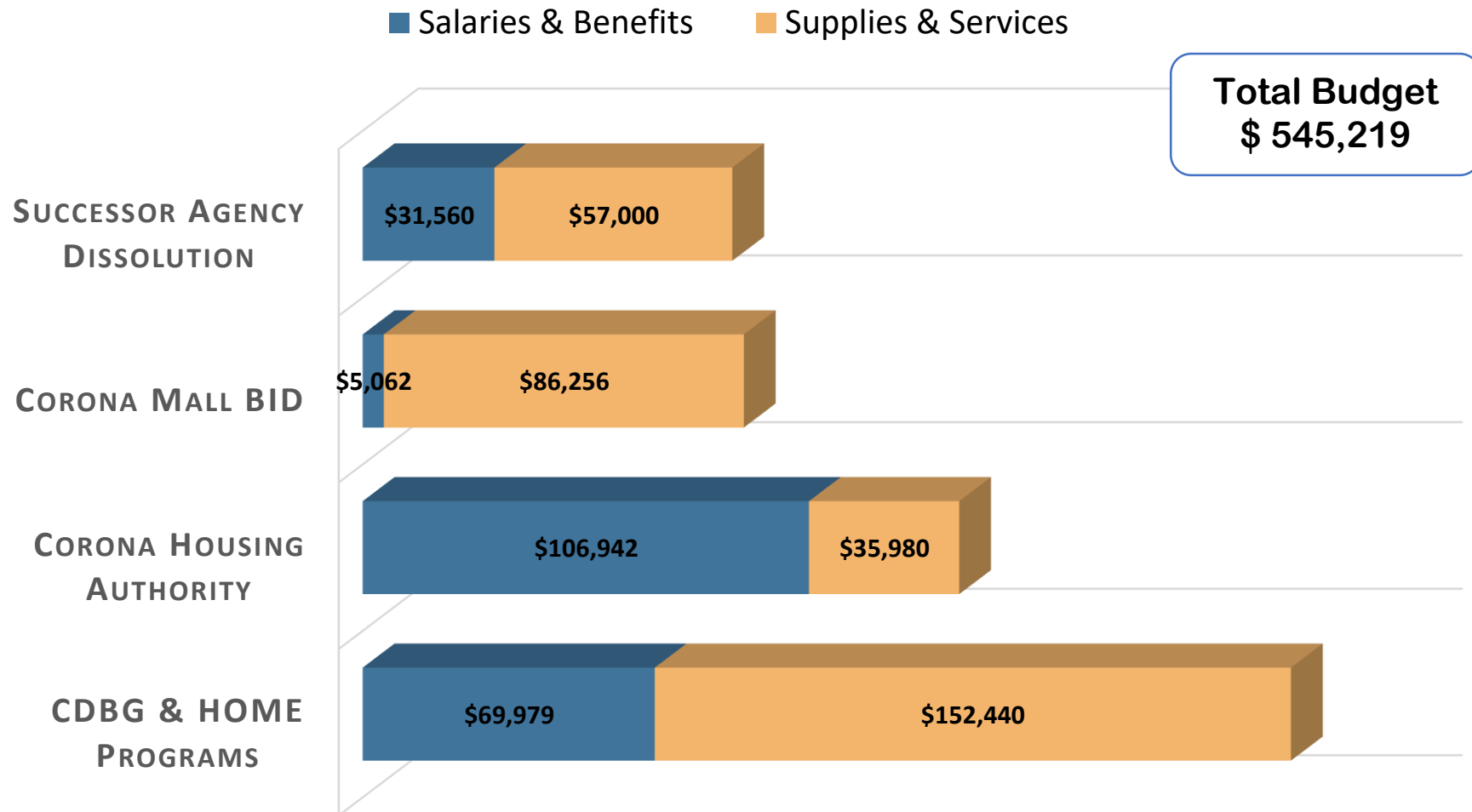


■ Salaries & Benefits ■ Supplies and Services ■ Consultant Services (100% Cost Recovery by Applicant)





# DEPARTMENT DIVISIONS – SPECIAL REVENUE, CAPITAL PROJECT AND FIDUCIARY FUNDS EXPENSES FY2018-19



# Department Budgetary Changes General Fund

<b>Adopted Budget FY2017-18:</b>	<b>\$4,392,147</b>
7% Reduction:	\$307,450
Personnel Changes:	(\$41,905)
<b>Remaining Balance:</b>	<b>\$265,545</b>
↓	↓
Proposed Reduction:	\$225,563
(Shortfall)/Excess in FY18-19	(\$39,982)
<b>Proposed Budget FY2018-19</b>	<b>\$4,166,584</b>

\* Position pro-rated 9 months in FY18-19 budget.  
 \*\*Position pro-rated 6 months in FY18-19.  
 Unfilled positions result in \$249,764 savings in FY19-20.

## Department Impact



- Planning Manager (Retire)\*
  - Bldg. Permit Tech III (Retire)\*\*
- (Positions will not be refilled)**
- 
- Delayed response time in issuing building permits.
  - Reduced costs in services and supplies and consolidated certain costs into Administration Division to prevent redundancy.

# Staffing Changes

## FY 2017-18 to FY 2018-19

---

**24**

**Full Time Employees (Current)**



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Planning Manager (Retire March 2019)

---

Building Permit Tech III (Retire December 2018)



**22**

**Full Time Employees (Proposed)**

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# Public Works



The mission of the Public Works Department is to provide efficient and cost-effective services involving traffic management, land development, engineering, and transportation. The department strives to serve Corona citizens and customers in a helpful, courteous, and responsive manner.



# Department Goals for FY 2018-19

## Goal 1



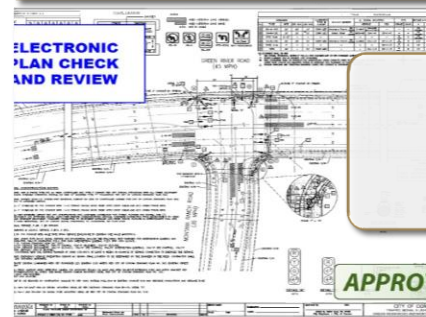
Traffic switch over to new  
Cajalco Bridge

## Goal 2



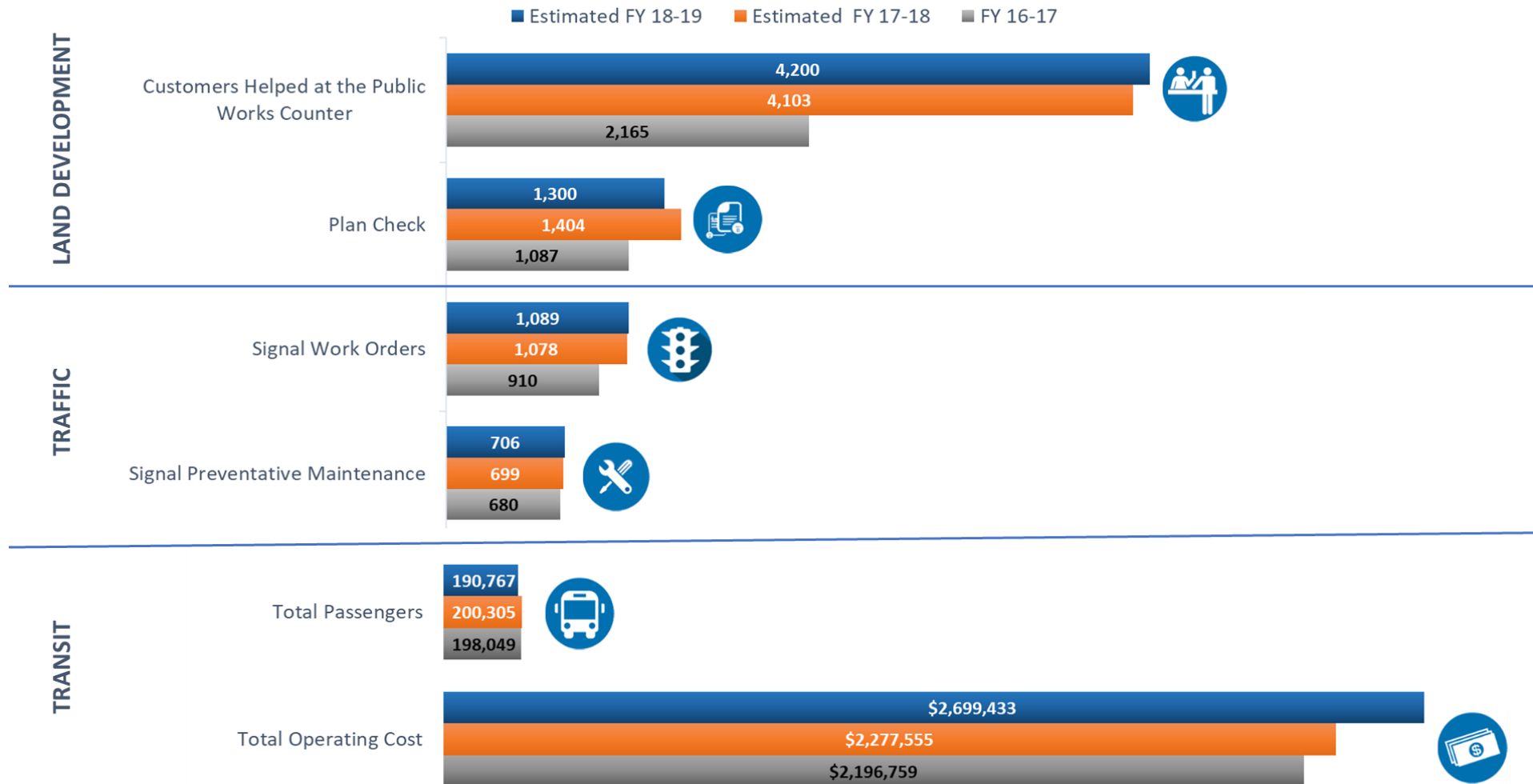
Connect 92% of all  
traffic signals to TMC

## Goal 3



Fully Implement TRAKiT &  
ProjectDox  
(Electronic Plan Check Submittal)

# Performance Measures



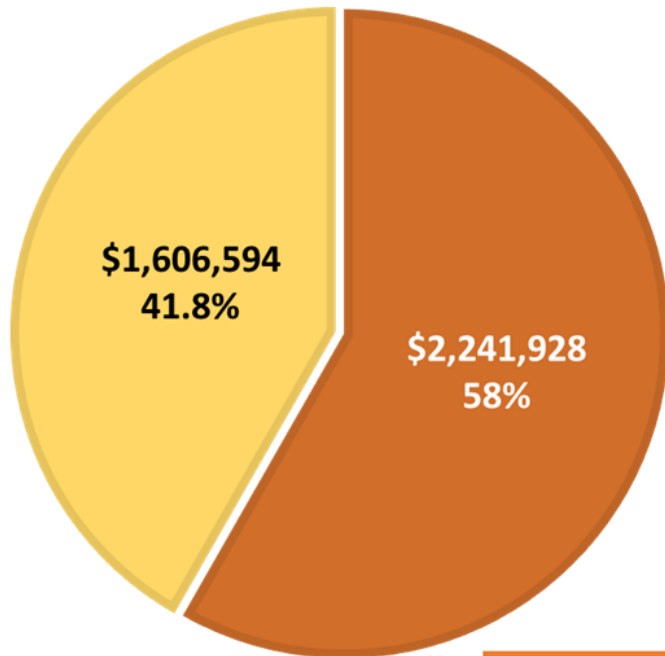


# Public Works Department General Fund Budget Comparison FY 2017-18 & FY 2018-19



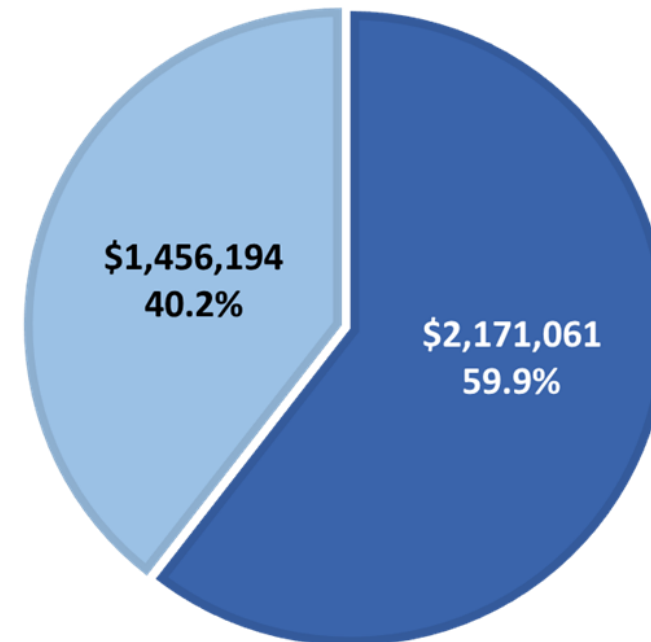
## ADOPTED FY 2017-18

Salaries-Benefits Services-Supplies



## RECOMMENDED FY 2018-19

Salaries-Benefits Services-Supplies

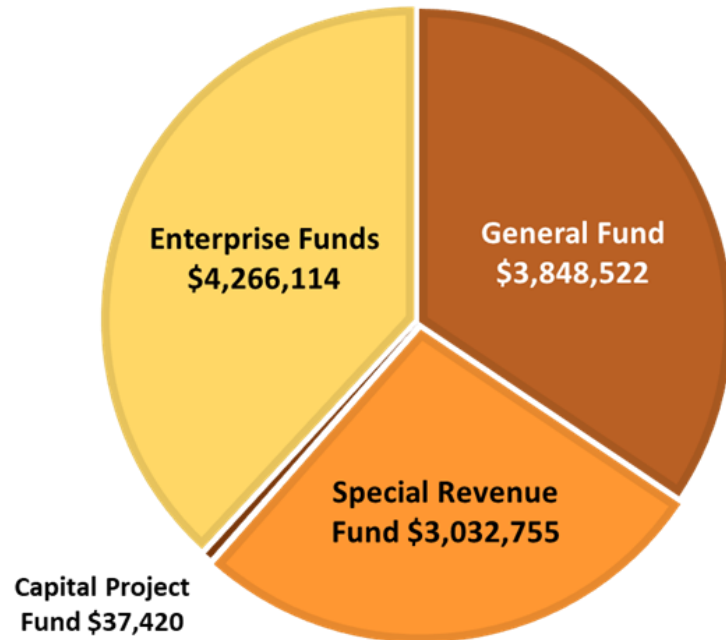


Total Adopted FY 2017/18	Total Recommended FY 2018/19
<b>\$3,848,522</b>	<b>\$3,627,255</b>
<b>Difference - 6.28%    \$(221,267)</b>	

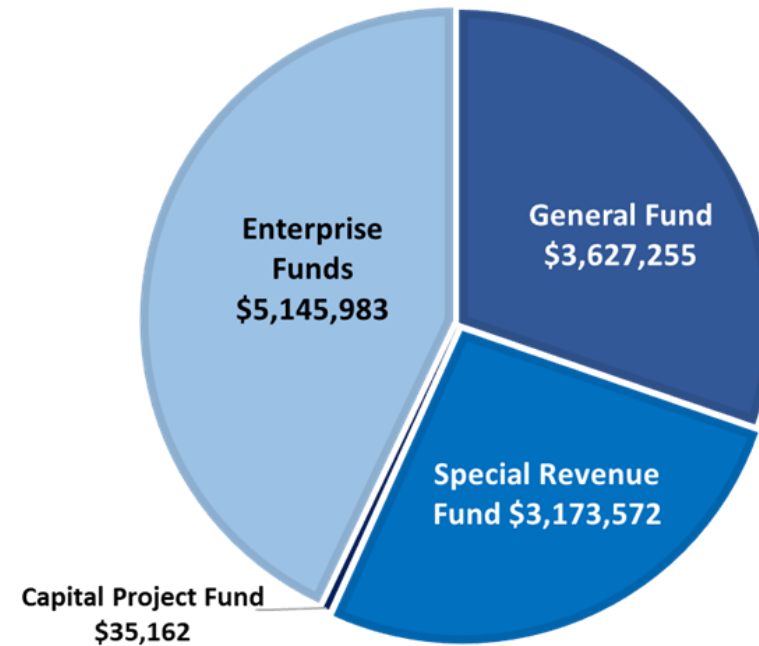
# Public Works Department Total Budget Comparison FY 2017-18 & FY 2018-19



**ADOPTED FY 2017-18**



**RECOMMENDED FY 2018-19**

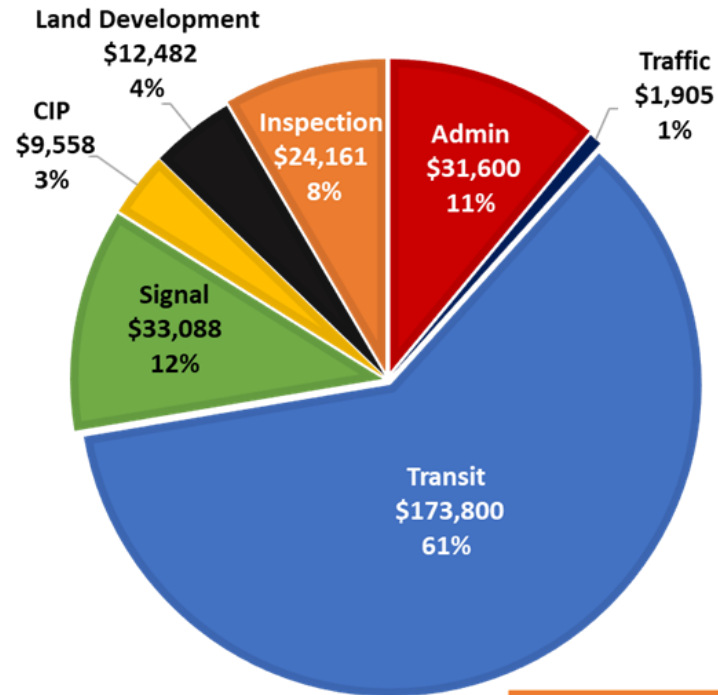


Total Adopted FY 2017/18	Total Recommended FY 2018/19
<b>\$11,184,811</b>	<b>\$11,981,972</b>
<b>Increase + 7.13%</b>	<b>\$797,161</b>

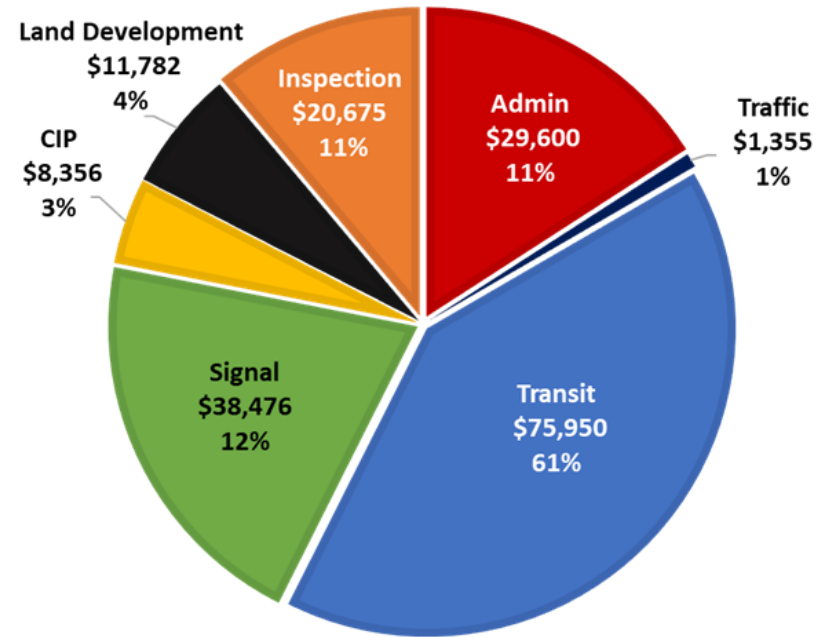


# Public Works Department Recommended Change to General Fund Accounts FY 2017-18 & FY 2018-19

**ADOPTED FY 2017-18**



**RECOMMENDED FY 2018-19**



Adopted Budget FY 2017/18	Recommended Budget FY 2018/19
<b>\$286,594</b>	<b>\$186,194</b>
<b>Recommended Budget Change</b>	
<b>\$(100,400) -64.9%</b>	

# Budgetary Changes and Impacts

Public Works – FY 2017-18 Adopted Budget	\$3,848,522	
7% Reduction	(321,372)	
FY 2018-19 Reductions as submitted	(221,267)	5.7%
<b>Difference – (Shortfall) / Excess</b>	<b>\$ (100,105)</b>	

- Minimal staff to provide essential services – use contract services when additional resources are necessary
- Reduced General Fund (110) costs \$98k primarily in Transit for Fare Box Recover, but also by reducing supply costs throughout department
- Increased Traffic Services Budget to maintain increased number of traffic signals and infrastructure
- Increased Inspection Contract Services Budget to provide services paid and anticipated to be collected in fees & deposits
- Increased CIP Water Budget to update the Potable Water Master Plan (staff & contract services)



# Staffing Changes

## FY 2017-18 to FY 2018-19

### Full Time Employees (Current): 33

<u>Status</u>	<u>Title</u>	<u>Change</u>
Full Time	Assistant Public Works Director	(1.00)
Full Time	Assistant Public Works Director/City Engineer	1.00
Full Time	Senior Engineer	(1.00)
Full Time	Principal Engineer	1.00
Full Time	PW Inspection Supervisor	(1.00)
Full Time	PW Inspection Superintendent	1.00
<b>Staffing Changes</b>		<b>0.00</b>

### Full Time Employees (Proposed): 33



**GovInvest**  
Insights to your financial future

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Presented by:

Ira Summer, Head of Actuarial Engineering

# Pension Funding - Analysis and Discussion

City of Corona  
May 23, 2018

# Current Status

The City provides retirement benefits to City employees through the California Public Employees Retirement System (CalPERS). The City has different pension plans for its Safety retirees and its other (Miscellaneous) retirees.



As of June 30, 2016, the liability for the City's Plans was 64% funded, with an Unfunded Actuarial Liability (UAL) of \$253.5 million.



# Why this is Important

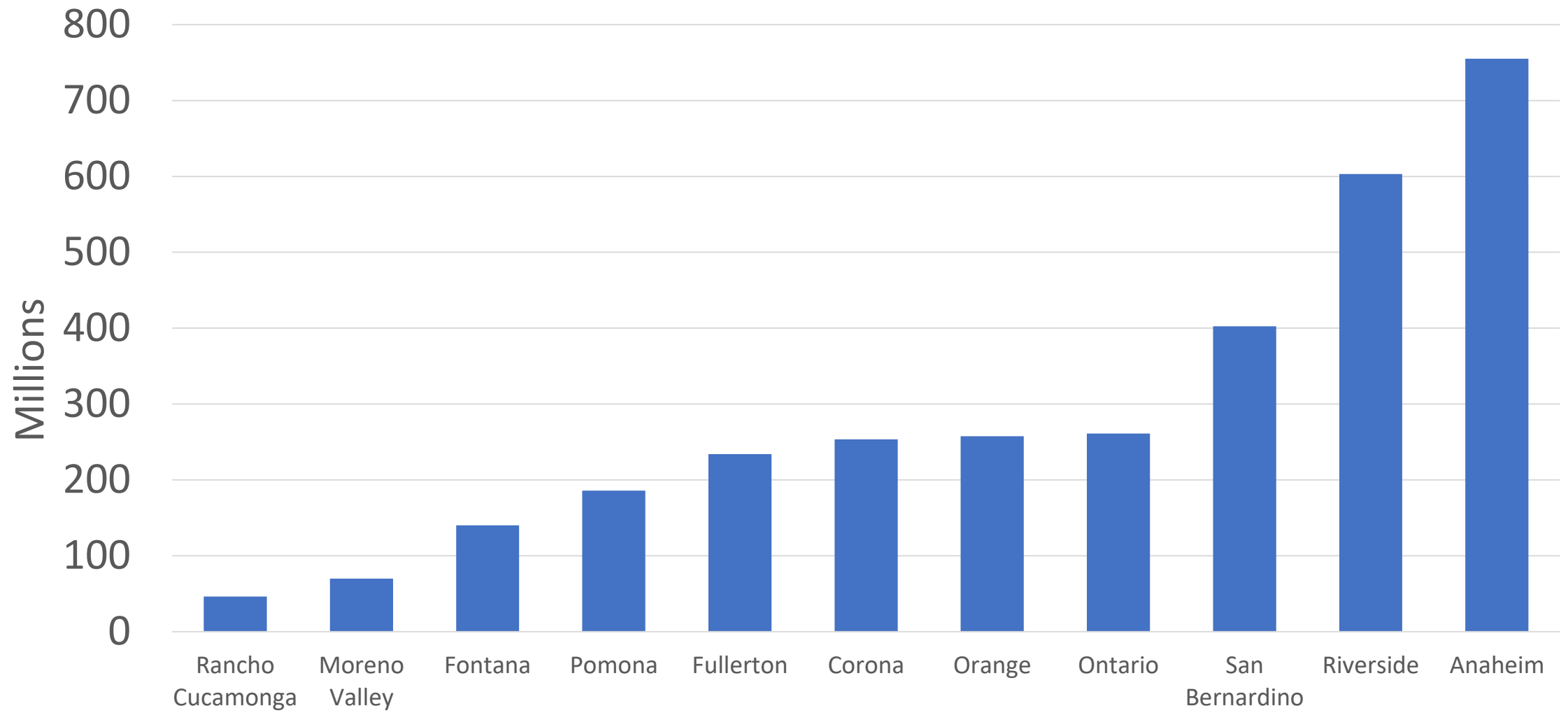
Significant portion of City's current contributions to CalPERS directly related to paying principal and interest on UAL.

UAL expected to increase before it decreases. The entire UAL is projected to be paid off for 20 years.

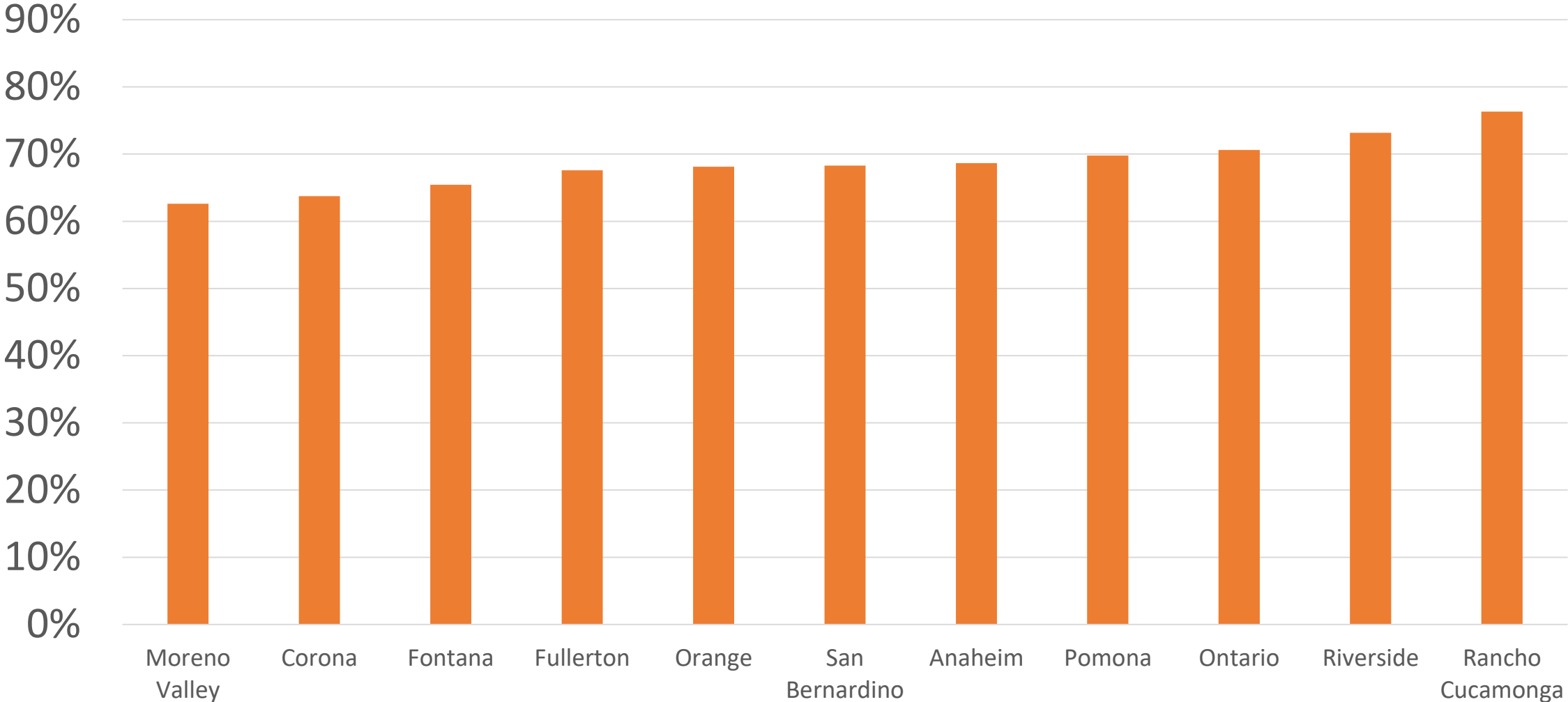
The CalPERS board recently changed its approach for paying off future UAL, which is likely to increase the City's UAL contributions in the short term.

# Comparison Cities

# UAL



# Funded Percentage



# Today's Agenda

Review  
Preliminary  
Analysis

Focus on  
future funding  
levels/targets

# Review Preliminary Analysis

Define actuarial  
terminology &  
methodology

Review  
expected  
results

# Total Employer Contribution

- Employer Normal Cost  
= Total Normal Cost – Employee Contributions

**PLUS**

- Unfunded Actuarial Liability (UAL) Amortization  
Payment

## Normal Cost

- The percentage of payroll that would be sufficient to fully fund promised benefits for current active employees, IF
  - This percentage were paid each year from the time the employee is hired until the employee leaves,
  - Current plan benefits are not changed,
  - Employee experience matches assumptions, and
  - Investment experience matches assumptions.



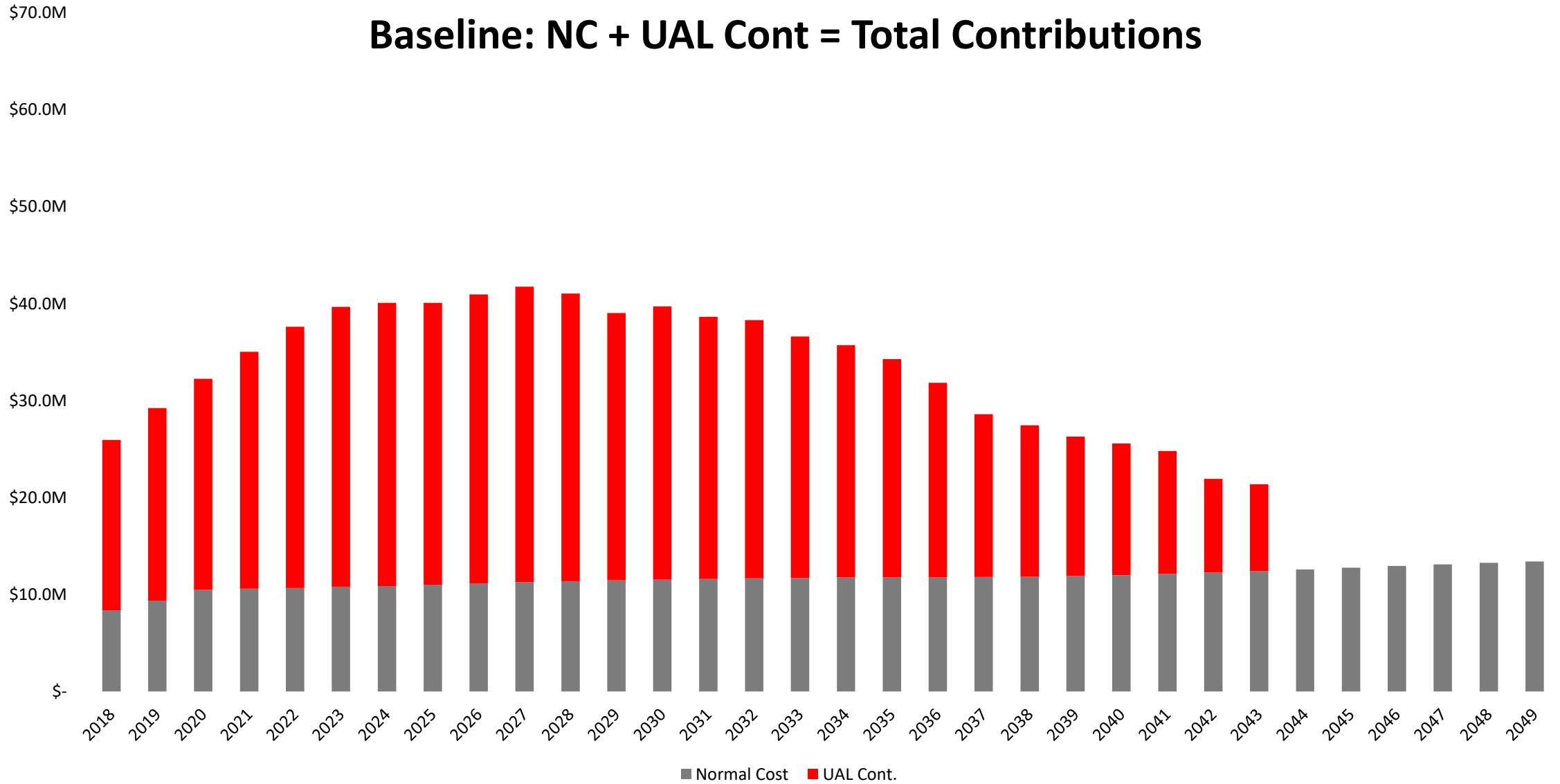
# Actuarial Liability

- Funding Target
- The assets that would be in the fund today, IF
  - The Normal Costs had always been paid into the fund,
  - Current plan benefits had never been changed,
  - Employee experience had always matched current assumptions, and
  - Investment experience had always matched assumptions.

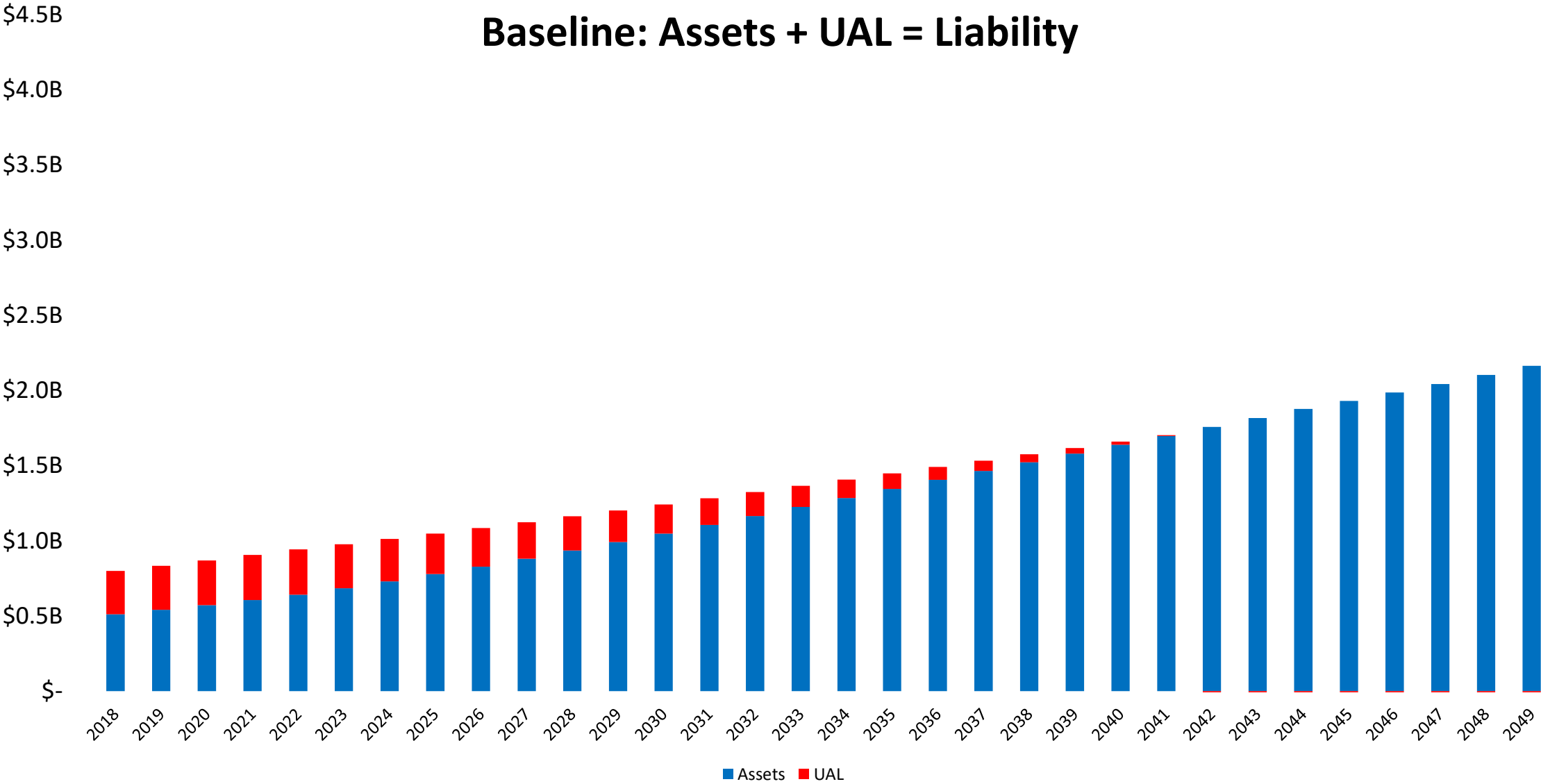
# Unfunded Actuarial Liability (UAL)

- Actuarial Liability minus Assets
- The amount that the current assets are behind (or ahead of) the funding target.

# Baseline: NC + UAL Cont = Total Contributions



# Baseline: Assets + UAL = Liability



# Alternative Investment Scenarios

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**Optimistic** – CalPERS earns investment returns each year that are 2% greater than their assumption

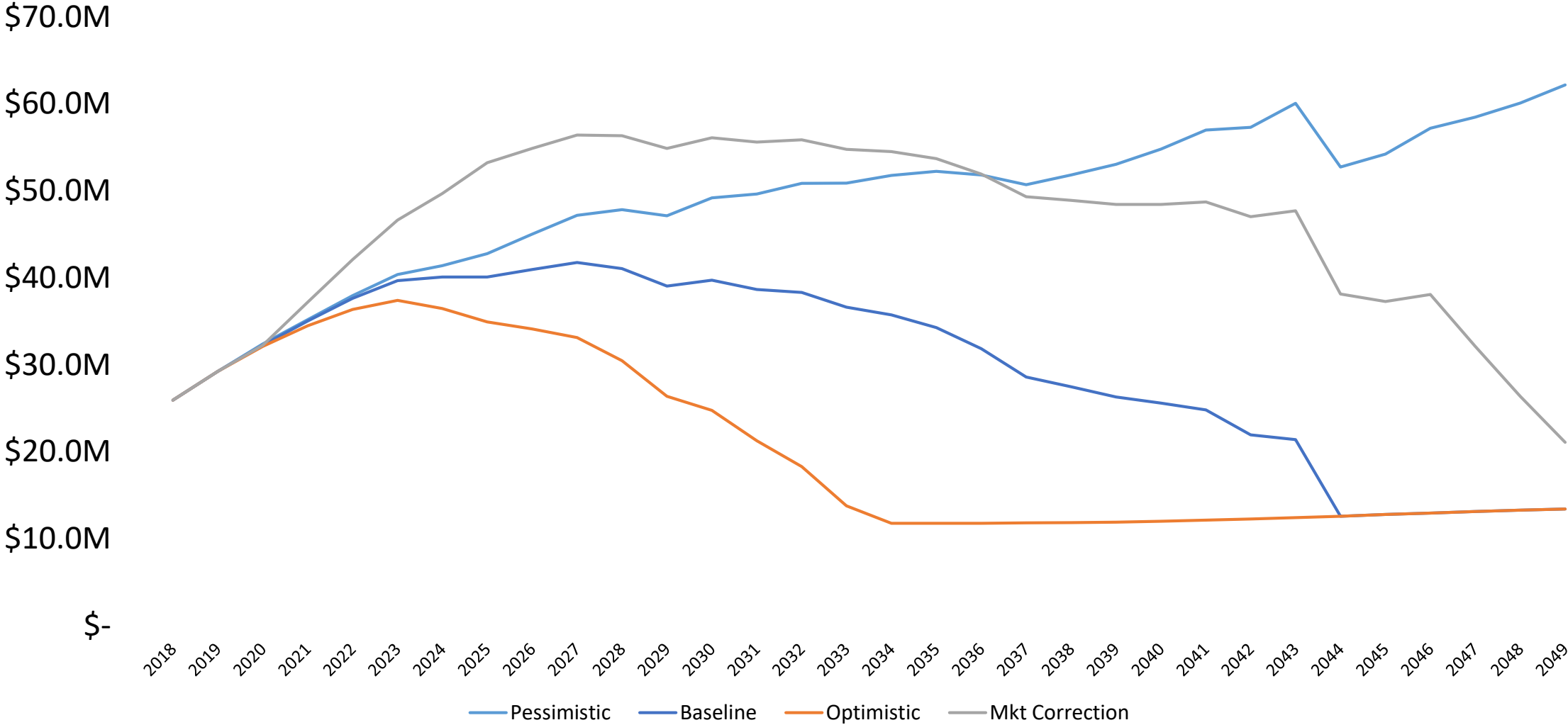
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**Pessimistic** – CalPERS earns investment returns each year that are 2% less than their assumption

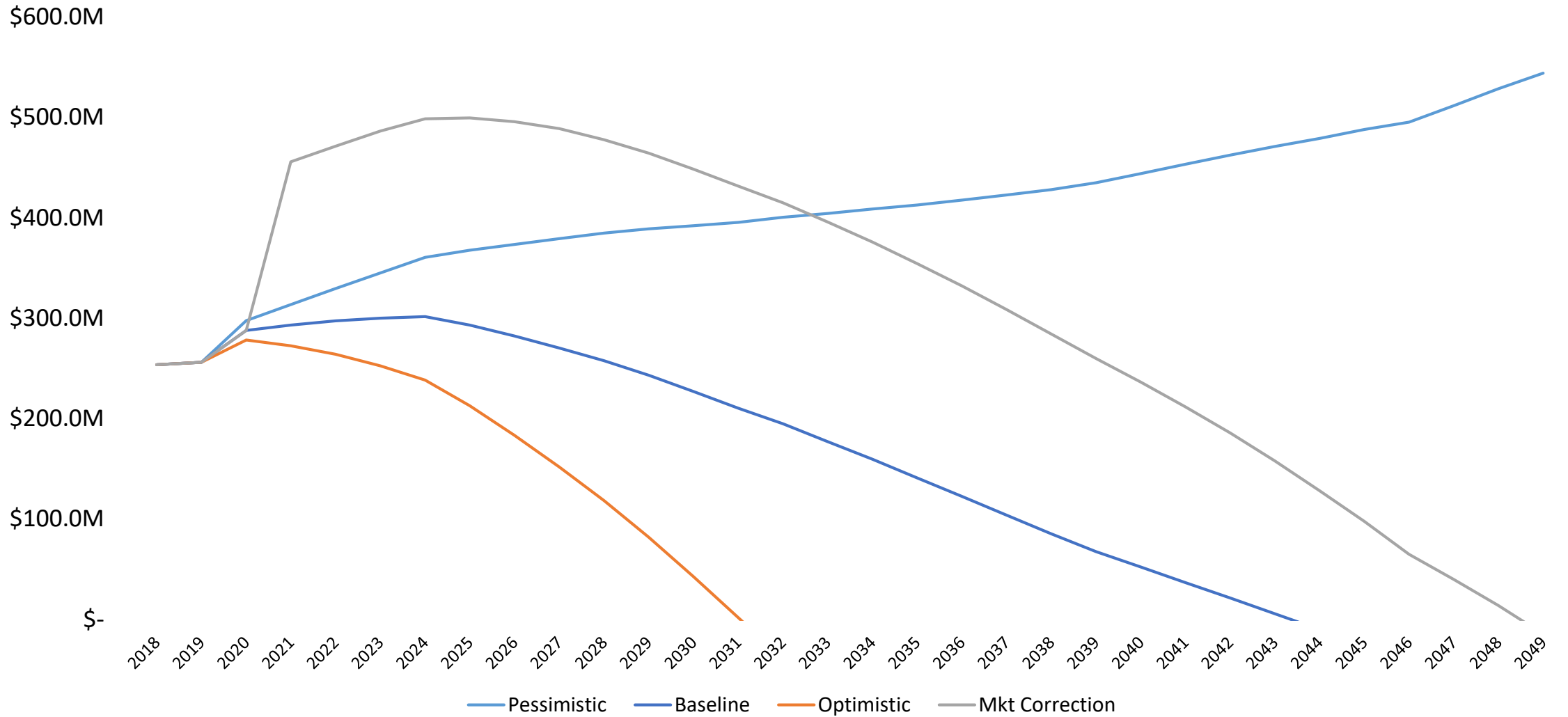
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**Market Correction** – CalPERS investments drop by 25% in a year. After that, CalPERS earns investment returns each year equal to their assumption

# Contributions



# UAL



# Year Attaining Funding Percentage

	<b>Pessimistic</b>	<b>Baseline</b>	<b>Optimistic</b>	<b>Market Correction</b>
70%	2033	2024	2022	2033
80%	-	2030	2026	2038
90%	-	2035	2029	2043
100%	-	2044	2032	2049



# Year Attaining Funding Target (UAL)

<b>UAL (\$Millions)</b>	<b>Pessimistic</b>	<b>Baseline</b>	<b>Optimistic</b>	<b>Market Correction</b>
200	-	2032	2026	2042
100	-	2038	2029	2045
0	-	2044	2032	2049

# Paying off the UAL

Improve

City's balance sheet

Decrease

Interest payments  
to CalPERS, and

Improve

Benefit security for  
current and former  
employees.

# Attacking the UAL: 2 Possible Scenarios

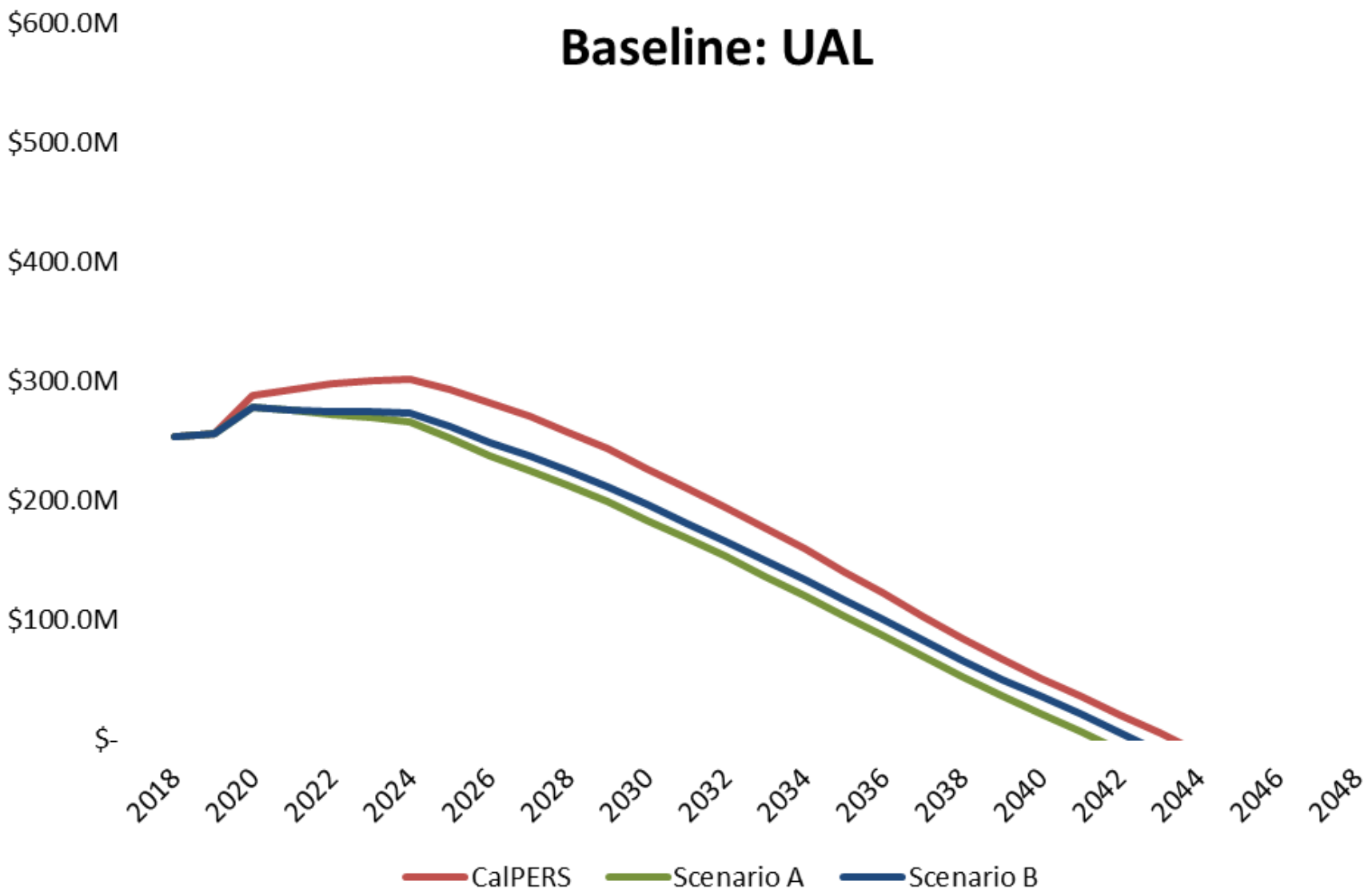
- Scenario A

- \$4.2 Million NOW
- \$5.9 Million on 6/30/18 (FY 17-18)
- \$6.0 Million on 7/1/18 (FY 18-19)
- \$6.0 Million on 7/1/19 (FY 19-20)
- \$4.0 Million on 7/1/20 (FY 20-21)
- \$4.0 Million on 7/1/21 (FY 21-22)
- \$4.0 Million on 7/1/22 (FY 22-23)
- \$4.0 Million on 7/1/23 (FY 23-24)

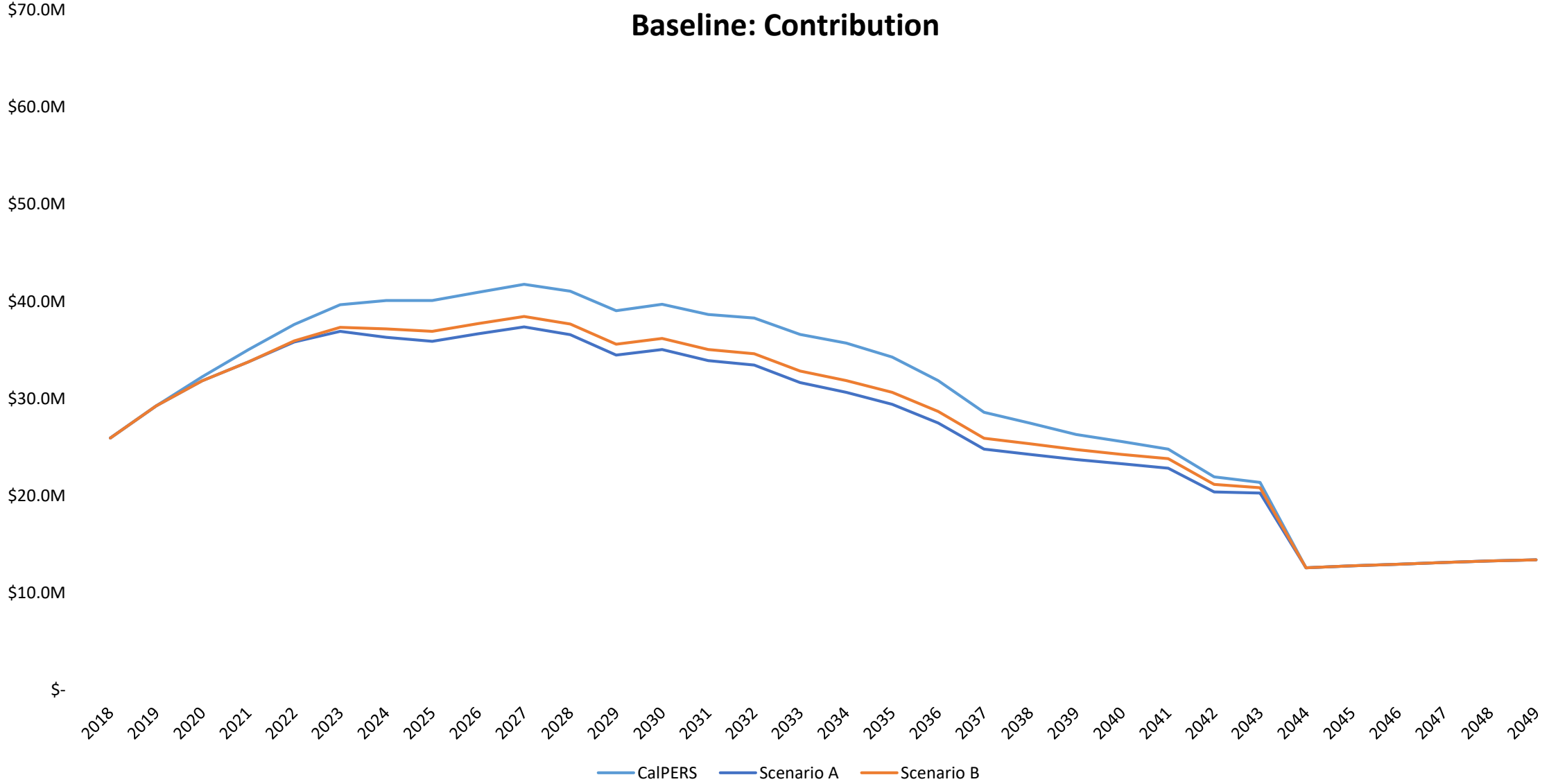
- Scenario B

- \$4.2 Million NOW
- \$5.9 Million on 6/30/18 (FY 17-18)
- \$6.0 Million on 7/1/18 (FY 18-19)
- \$4.0 Million on 7/1/19 (FY 19-20)
- \$2.0 Million on 7/1/20 (FY 20-21)
- \$2.0 Million on 7/1/21 (FY 21-22)
- \$2.0 Million on 7/1/22 (FY 22-23)
- \$2.0 Million on 7/1/23 (FY 23-24)

# Baseline: UAL



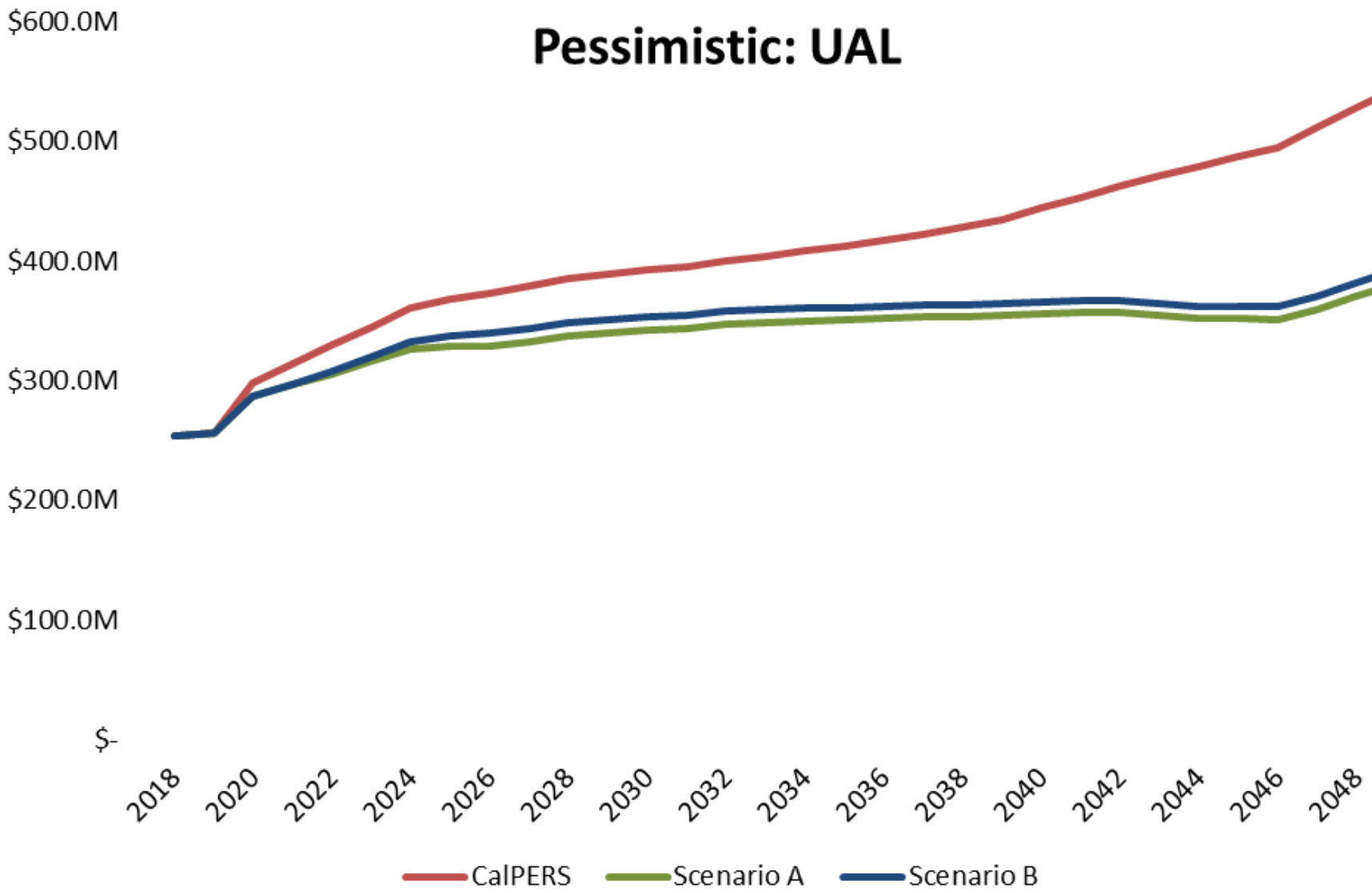
# Baseline: Contribution



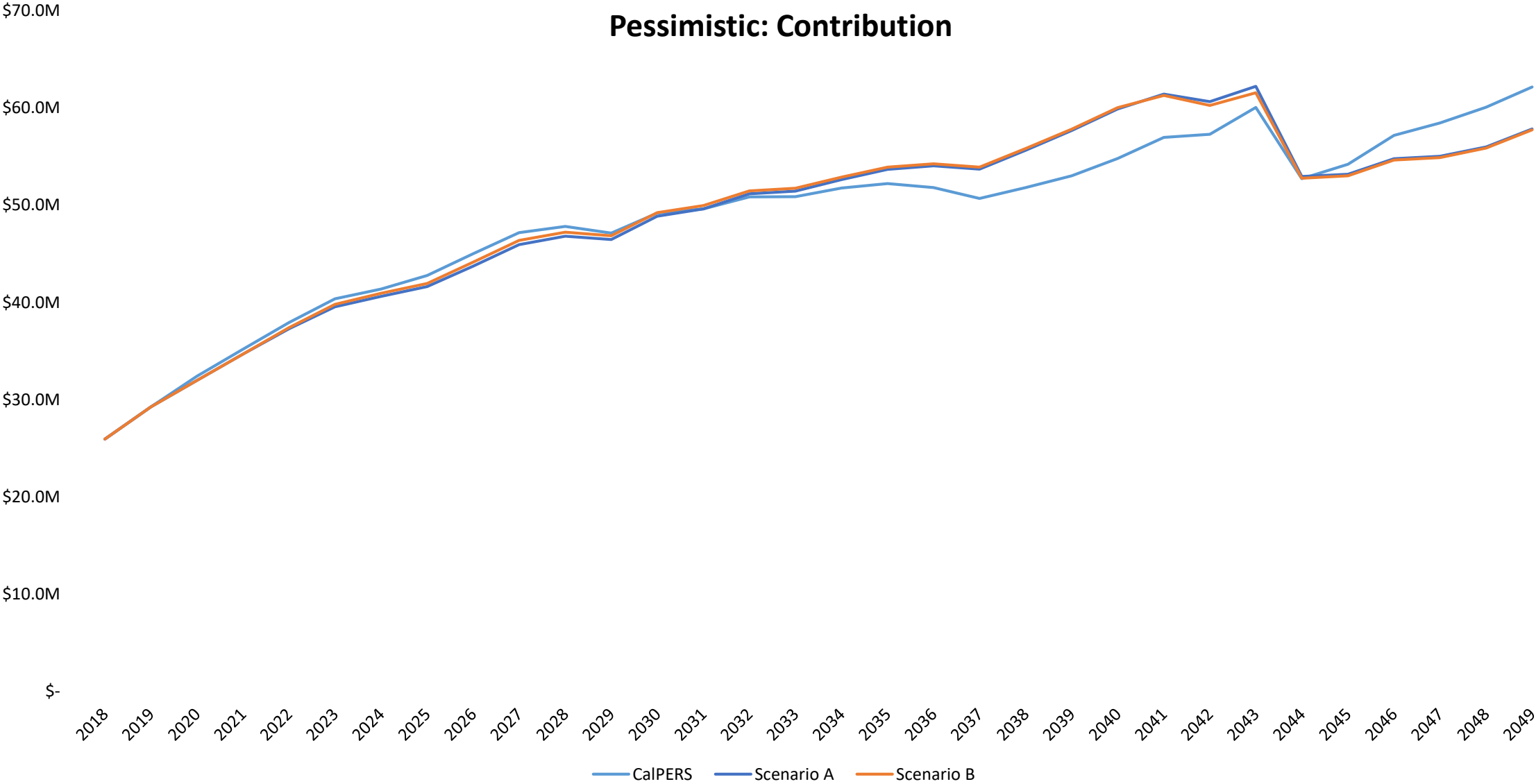
# Impact of Additional Contributions - Baseline (\$Millions)

	Scenario A	Scenario B
<b>Additional Contributions 2018 - 2024</b>	<b>\$38</b>	<b>\$28</b>
<b>Projected Reduction in Required Contribution 2019-2049</b>	<b>\$81</b>	<b>\$60</b>

# Pessimistic: UAL

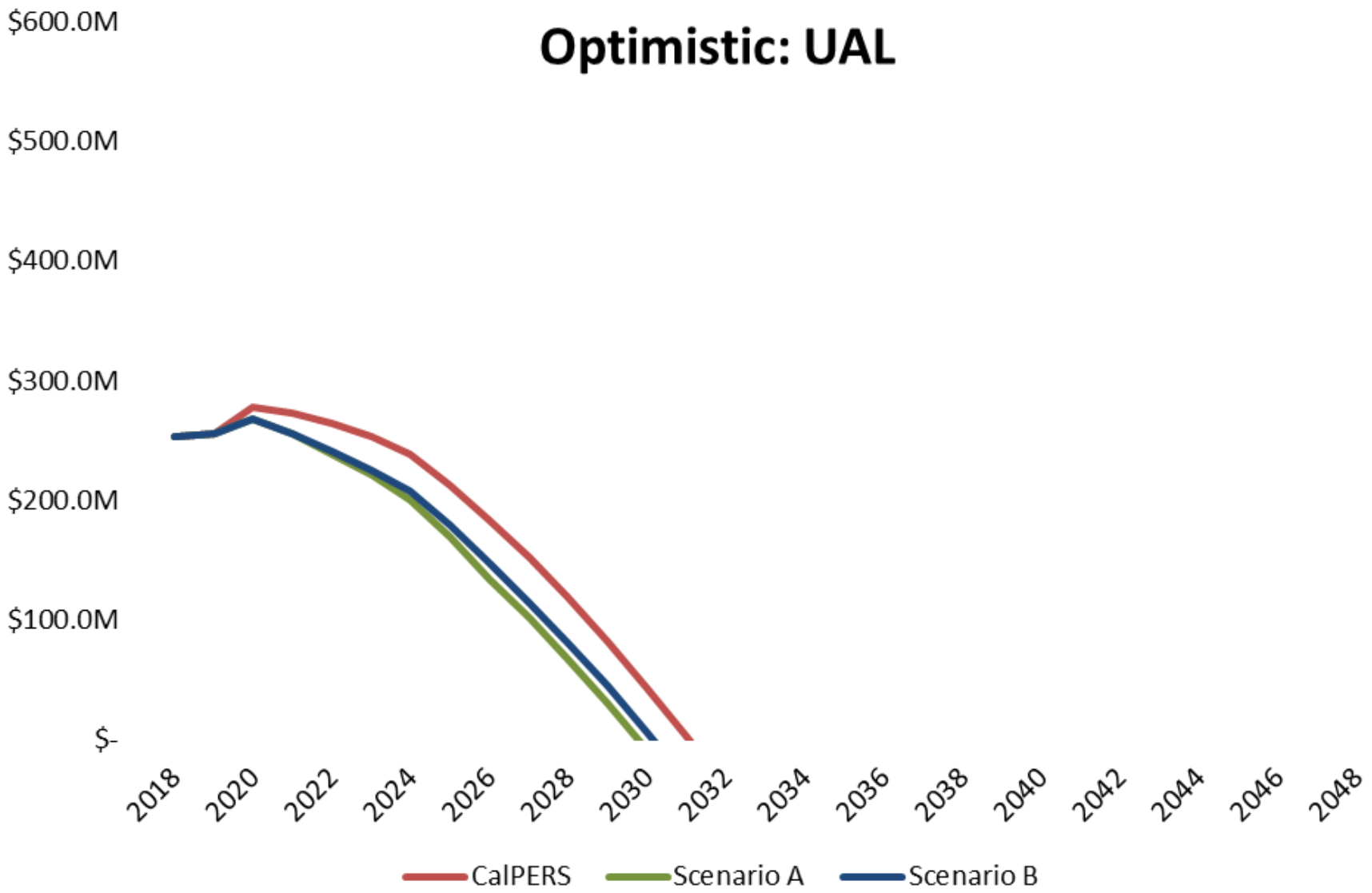


# Pessimistic: Contribution

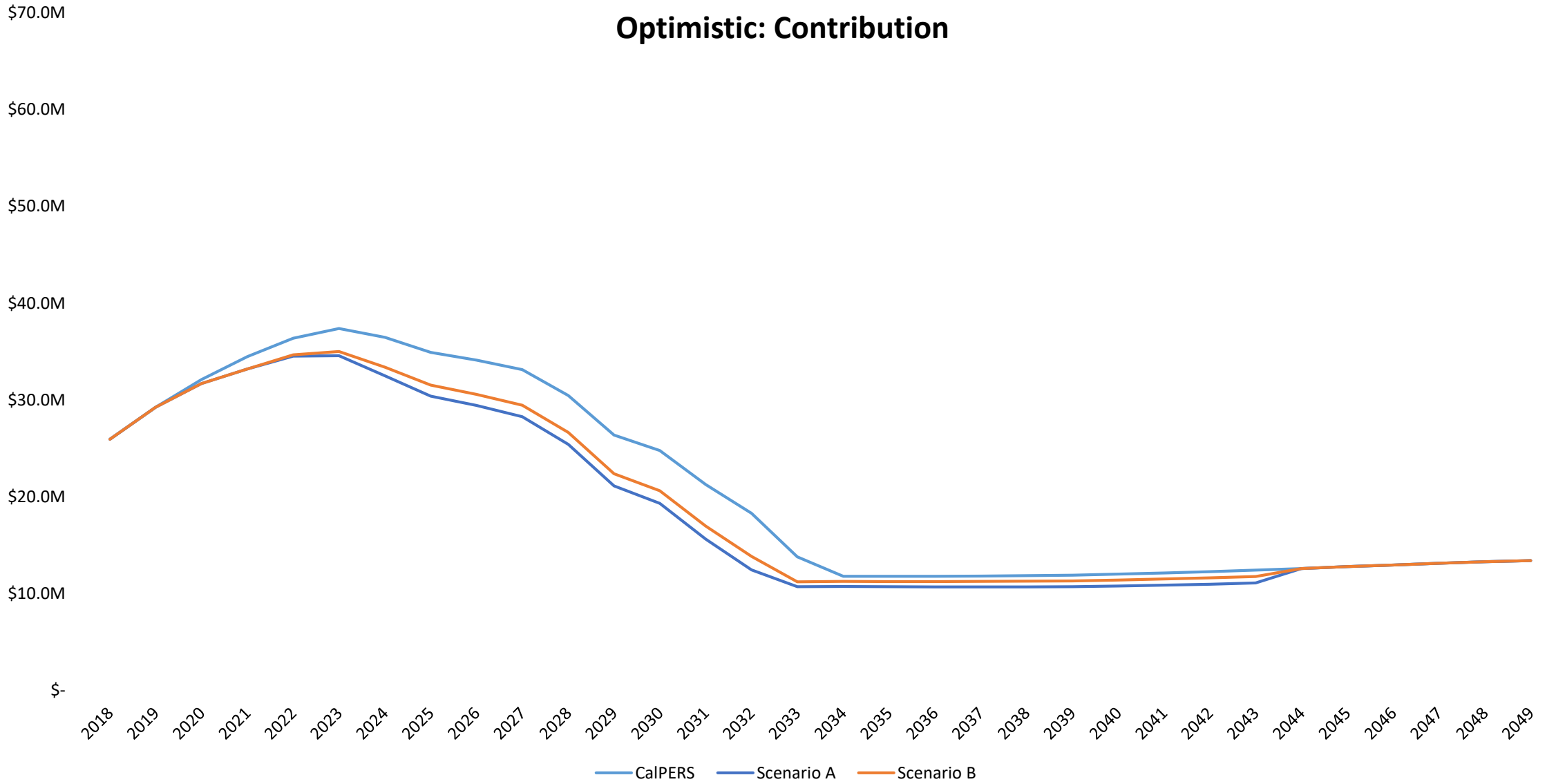




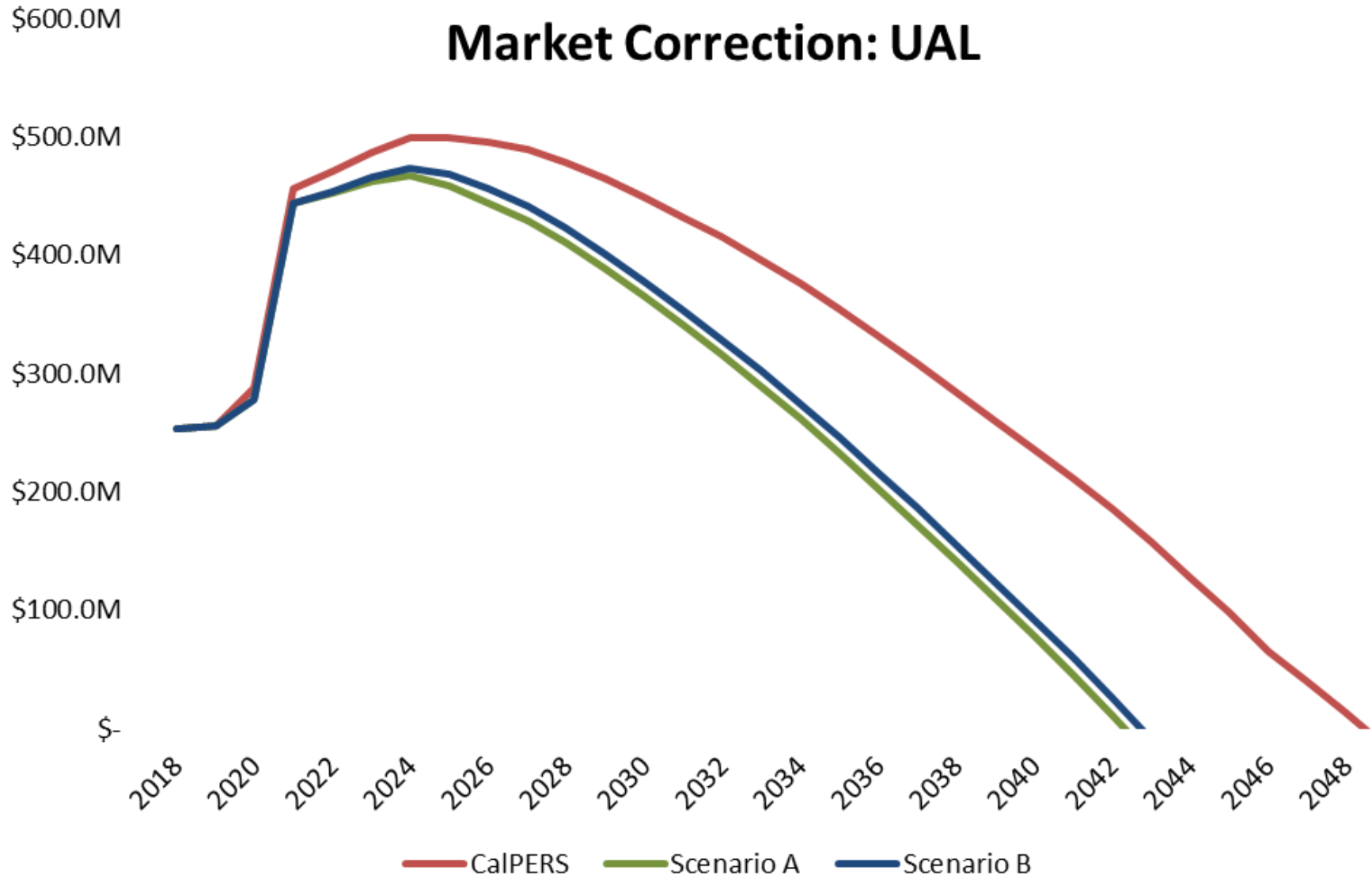
# Optimistic: UAL



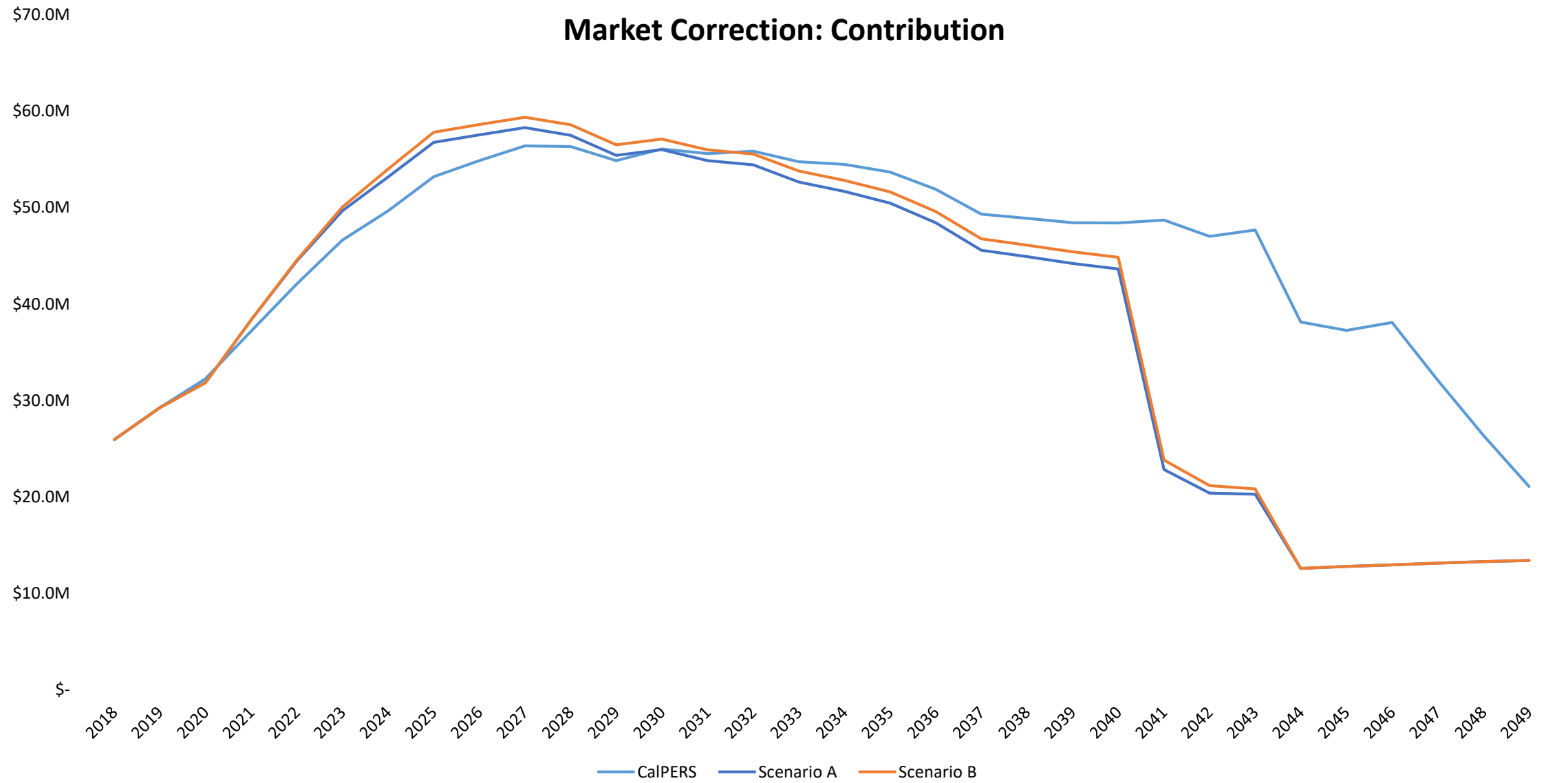
# Optimistic: Contribution



# Market Correction: UAL



# Market Correction: Contribution



# Year Attaining Funding Percentage - Baseline

	<b>No Additional</b>	<b>Scenario A</b>	<b>Scenario B</b>
70%	2024	2022	2023
80%	2030	2028	2029
90%	2035	2033	2034
100%	2044	2042	2043

# Year Attaining Funding Target (UAL) - Baseline

<b>UAL (\$Millions)</b>	<b>No Additional</b>	<b>Scenario A</b>	<b>Scenario B</b>
200	2032	2029	2030
100	2038	2036	2037
0	2044	2042	2043

# General Funds Long Range Financial Outlook

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# Recap of What's Been Done so Far

- Sold unused property – land parcels and equipment
- Eliminated positions, outsourced plan check and inspections
- Eliminated fleet vehicles
- Consolidated departments for greater efficiencies and reduced costs
- Refinanced debt during favorable bond market times to lower debt payments
- Established new CFDs that will generate new revenue
- Implemented zero based budgeting and vacancy factor
- Implemented personnel vacancy rate into the budget
- Changed investment strategy
- Community engagement – Charting our Path, launched new app's
- Imposed/negotiated new employment contracts
- Additional audits – TOT, franchise agreements, utilities





# Fiscal Discipline = Sustainability

## Fixing the structural deficit comes with major impacts:

- Eliminated seventeen (17) positions from Police - 14 sworn / 3 civilian
- Eliminated Fire's squad truck , reduced training hours
- Reduced air support hours
- Eliminated two (2) positions in Community Development; reclassified positions, reduced part-time staffing throughout the departments
- Close Library during last two weeks of the year; reduced operating hours in community facilities
- Deferred vehicle replacement, including fire engines and ladder truck
- Reduced Independence Day Celebration and Holiday Lighting costs
- Reduced customer service levels throughout the city, mostly impacting development related activity
- Employee morale is at all-time low
  - Imposed and negotiated eliminated/reduced benefits
  - Operating the city with overall reduced staffing levels



# Citywide Full Time Staffing Levels - FY 2018-19

PERS Group	FY 2006-07 Authorized Full Time Positions	FY 2017-18 Adopted Full Time Positions	Change FY 2006-07 to FY 2017-18	Recommended FY 2018-19	Change FY 2006-07 to FY 2018-19	% Change FY 2006-07 to FY 2018-19
Miscellaneous	569	368	(201)	372	(197)	(34.6%)
Police	191	162	(29)	149	(42)	(22.0%)
Fire	133	113	(20)	107	(26)	(19.5%)
<b>Totals</b>	<b>893</b>	<b>643</b>	<b>(250)</b>	<b>628</b>	<b>(265)</b>	<b>(29.7%)</b>
<b>Payroll \$ (All Funds)*</b>	<b>\$102.7 M</b>	<b>\$112.7 M</b>	<b>\$10.0 M</b>	<b>\$110.7 M</b>	<b>\$8.0 M</b>	<b>7.8%</b>



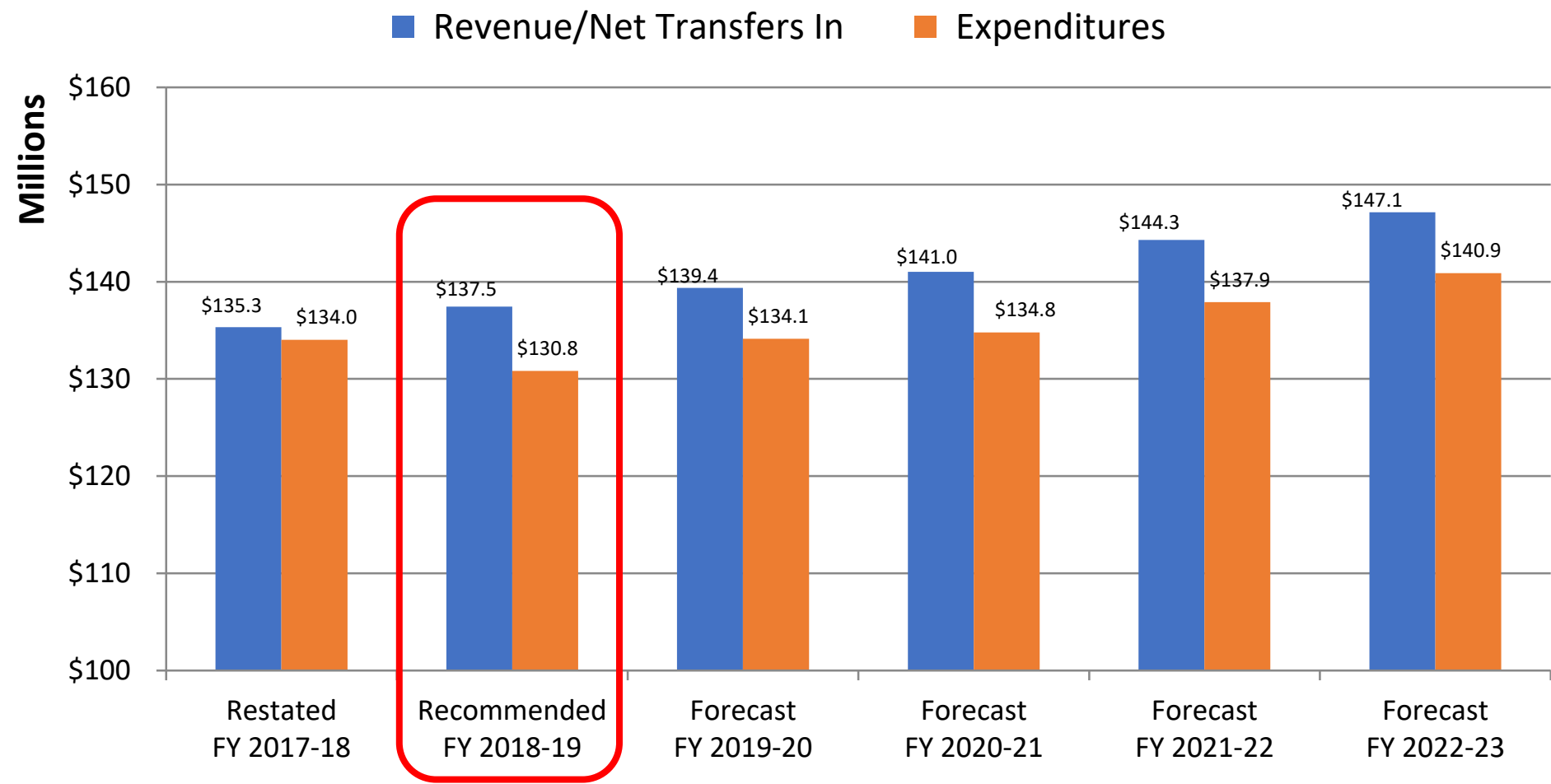
\*Note: Does not include costs associated with retirees, reported under the personnel category.

# Overall Considerations: Fiscal Year 2018-19 Budget

- Difficult policy choices and options facing the City
- Long-term horizon decisions with long-term impacts:
  - What do we want our community to look like?
  - How do we maintain our quality of life?
  - What services need to be prioritized and maintained amid unsustainable rising costs?
- How do we remain fiscally stable?
  - Amid unfunded state mandates and increased costs, the City has reduced the workforce and enacted fiscal reforms to save money and improve efficiency



# General Fund Revenue and Expenditure Overview





# General Fund Financial Forecast - Preliminary

Description	Adopted 2018	Projected 2018	Accounting changes shown for comparison		Recommended 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023
			Accounting Changes	Projected RESTATED 2018					
<b>Total Revenues</b>	<b>\$141,602,007</b>	<b>\$145,237,011</b>	<b>\$ (11,325,225)</b>	<b>\$133,911,786</b>	<b>\$ 136,104,393</b>	<b>\$137,883,208</b>	<b>\$ 139,810,670</b>	<b>\$ 143,083,200</b>	<b>\$ 145,898,050</b>
<b>Expenditure Categories</b>									
<b>Subtotal Current Employees-Salaries</b>	<b>(57,911,634)</b>	<b>(58,444,734)</b>	<b>1,339,429</b>	<b>(57,105,305)</b>	<b>(53,286,737)</b>	<b>(53,517,917)</b>	<b>(53,818,493)</b>	<b>(54,140,374)</b>	<b>(54,403,562)</b>
<b>Subtotal Current Employees-Benefits</b>	<b>(37,895,179)</b>	<b>(36,647,363)</b>	<b>808,538</b>	<b>(35,838,825)</b>	<b>(34,529,844)</b>	<b>(36,913,225)</b>	<b>(39,625,251)</b>	<b>(41,825,737)</b>	<b>(43,849,611)</b>
<b>Subtotal Retiree/OPEB Costs</b>	<b>(8,117,431)</b>	<b>(8,117,431)</b>	<b>-</b>	<b>(8,117,431)</b>	<b>(8,158,917)</b>	<b>(8,388,684)</b>	<b>(8,704,232)</b>	<b>(9,032,401)</b>	<b>(9,467,211)</b>
<b>Vacancies</b>	<b>1,990,568</b>	<b>1,991,222</b>	<b>(74,658)</b>	<b>1,916,564</b>	<b>1,045,753</b>	<b>859,387</b>	<b>867,981</b>	<b>876,661</b>	<b>885,428</b>
<b>Personnel Costs</b>	<b>(101,933,676)</b>	<b>(101,218,306)</b>	<b>2,073,309</b>	<b>(99,144,997)</b>	<b>(94,929,745)</b>	<b>(97,960,439)</b>	<b>(101,279,995)</b>	<b>(104,121,851)</b>	<b>(106,834,956)</b>
Operating Costs + Capital Outlays	(37,735,441)	(33,873,329)	10,543,436	(23,329,893)	(27,063,241)	(26,847,437)	(27,266,100)	(27,539,000)	(27,814,000)
Debt Service / Principal Payments	(4,251,022)	(4,251,022)		(4,251,022)	(4,257,373)	(4,248,973)	(4,242,872)	(4,244,772)	(4,249,372)
Capital Improvement Projects (CIP)	(1,000,000)	(1,364,779)		(1,364,779)	(4,574,042)	(5,067,420)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Total Expenditures</b>	<b>(144,920,139)</b>	<b>(140,707,436)</b>	<b>12,616,745</b>	<b>(128,090,691)</b>	<b>(130,824,401)</b>	<b>(134,124,269)</b>	<b>(134,788,967)</b>	<b>(137,905,623)</b>	<b>(140,898,328)</b>
<b>Net Transfers In / (Out)</b>	<b>\$ 1,415,711</b>	<b>\$ 1,415,711</b>		<b>\$ 1,415,711</b>	<b>\$ 1,346,919</b>	<b>\$ 1,482,658</b>	<b>\$ 1,320,000</b>	<b>\$ 1,345,000</b>	<b>\$ 1,370,000</b>
<b>PERS Unfunded Liability Contribution</b>		<b>(5,945,286)</b>		<b>(5,945,286)</b>					
<b>Change in Fund Balance</b>	<b>\$ (1,902,421)</b>	<b>\$ 0</b>	<b>\$ 1,291,520</b>	<b>\$ 1,291,520</b>	<b>\$ 6,626,911</b>	<b>\$ 5,241,597</b>	<b>\$ 6,341,703</b>	<b>\$ 6,522,577</b>	<b>\$ 6,369,722</b>

# General Fund Revenue and Expenditure Overview

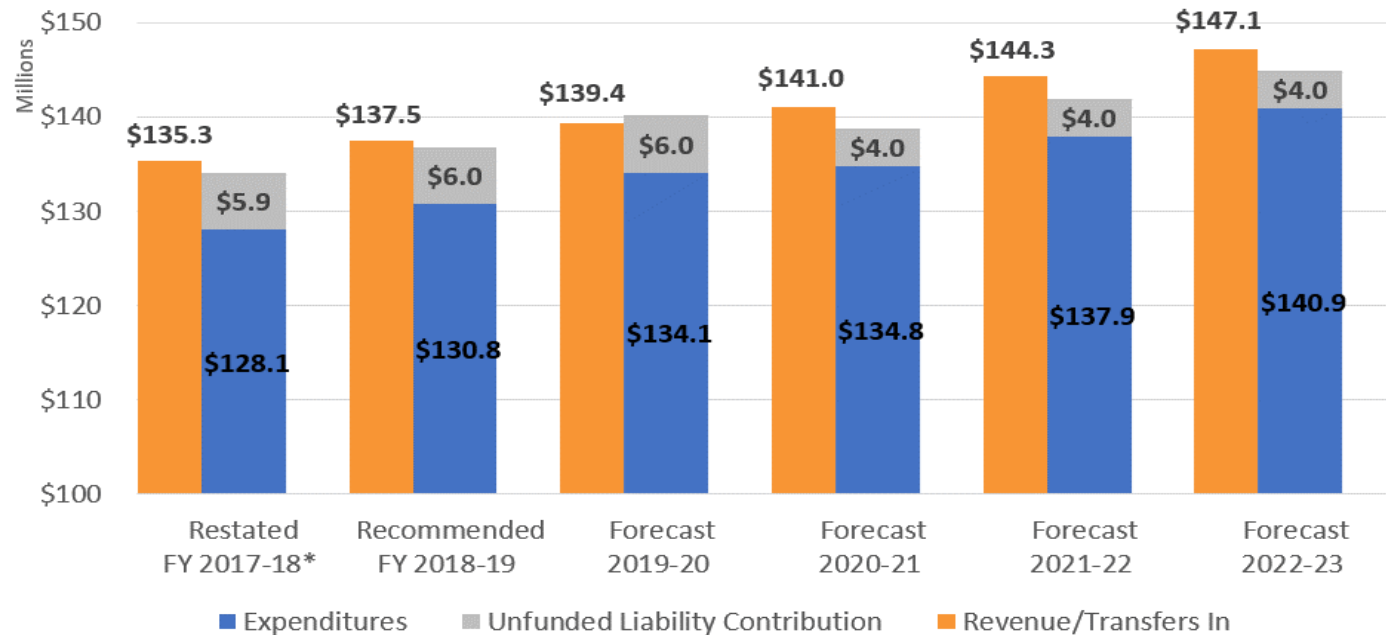
## Option A:

FY 2017-18 - \$10.1 Million towards pension obligation (Council approved 12/20/17)

FY 2018-19 - \$6.0 Million towards CalPERS unfunded liability

FY 2019-20 - \$6.0 Million towards CalPERS unfunded liability

FY 2020-21 thru 2024-25 - \$4 Million every year towards CalPERS unfunded liability



\*Restated FY 2017-18 includes accounting change for Refuse/Recycling and Information Technology.  
Unfunded Liability Contribution - Includes \$4.2 Million from Reserves.



# General Fund Revenue and Expenditure Overview

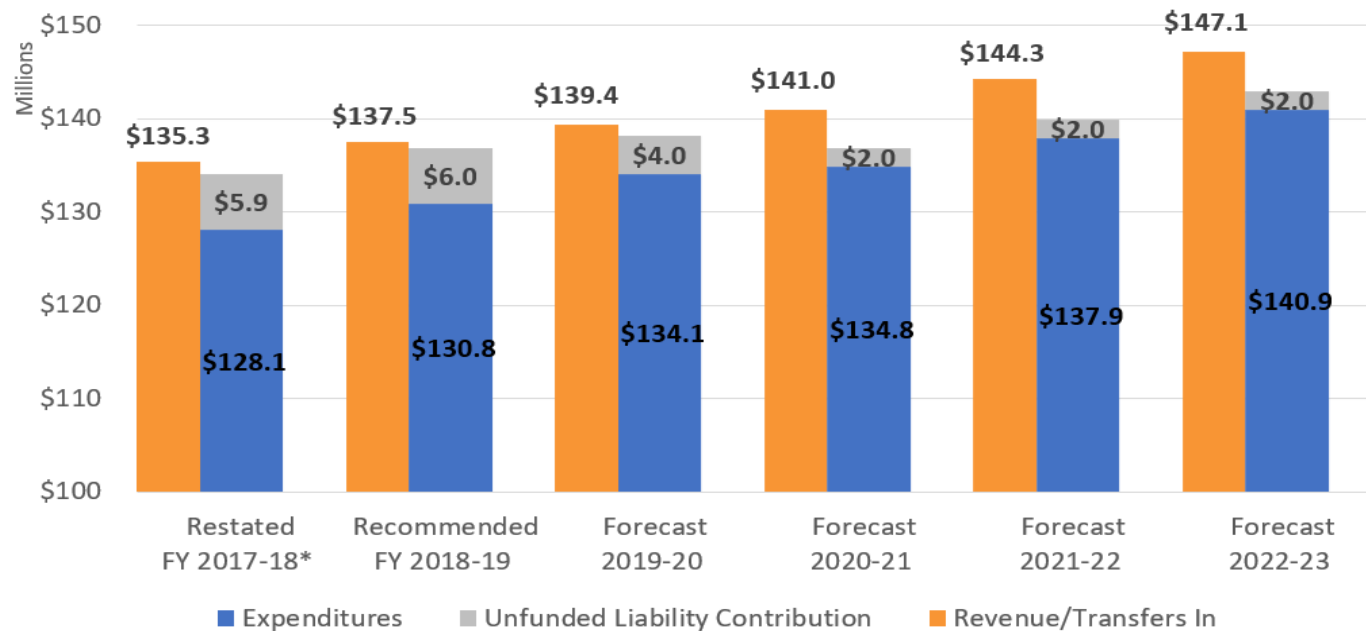
## Option B:

FY 2017-18 - \$10.1 Million towards pension obligation (Council approved 12/20/17)

FY 2018-19 - \$6.0 Million towards CalPERS unfunded liability

FY 2019-20 - \$4.0 Million towards CalPERS unfunded liability

FY 2020-21 thru 2024-25 - \$2 Million every year towards CalPERS unfunded liability



\*Restated FY 2017-18 includes accounting change for Refuse/Recycling and Information Technology.  
Unfunded Liability Contribution - Includes \$4.2 Million from Reserves.



# Concluding Remarks

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Darrell Talbert  
*City Manager*





# Questions

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