



# City of Corona Proposed Budget Fiscal Year 2018-19

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JUNE 6, 2018

# Citywide Expenditures – All Funds By Fund Type

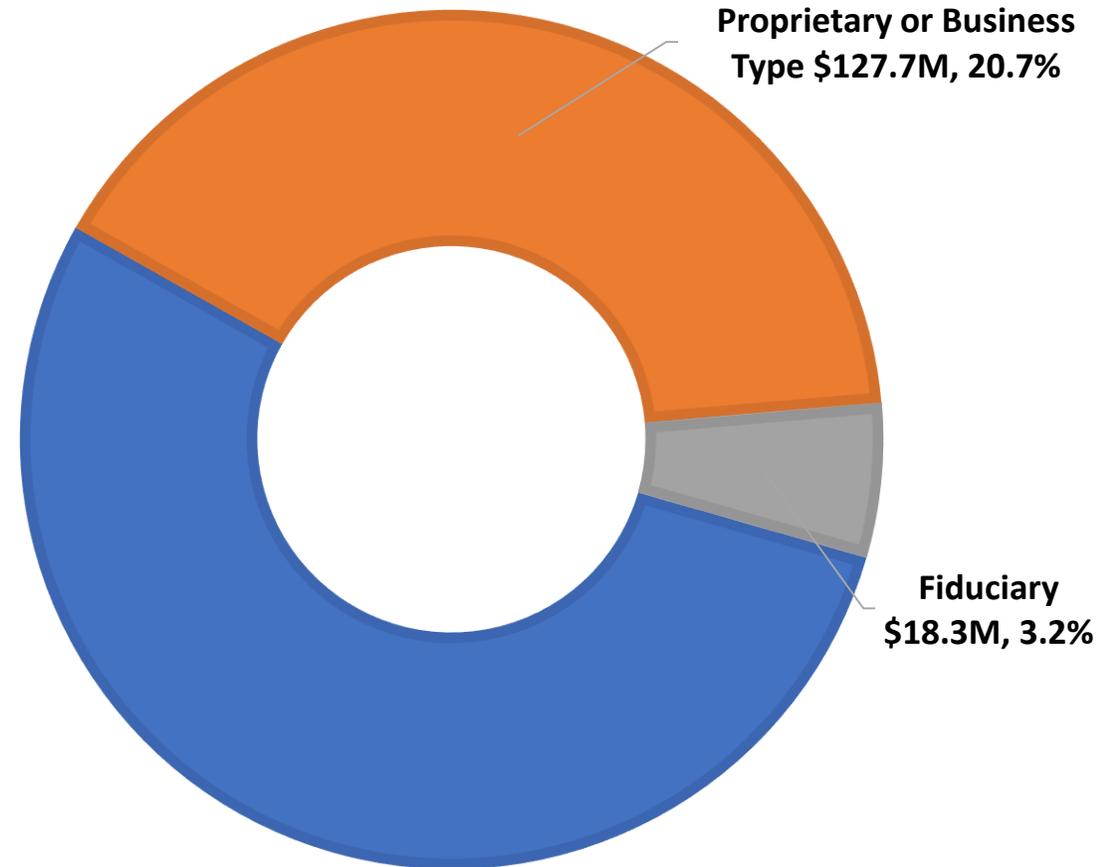
*(Includes Recommended Actions from Council Agenda Report)*



## Recommended FY 2018-19 \$315.8 Million

|                                      | Recommended<br>6/6/2018      |
|--------------------------------------|------------------------------|
| <b>Governmental Funds</b>            |                              |
| General Funds                        | \$ 134,233,194               |
| Special Revenue                      | 33,972,469                   |
| Capital Projects                     | 1,504,987                    |
| Subtotal                             | <u>169,710,650</u>           |
| <b>Proprietary or Business Funds</b> |                              |
| Enterprise                           | 109,234,396                  |
| Internal Service                     | 18,511,485                   |
| Subtotal                             | <u>127,745,881</u>           |
| <b>Fiduciary Funds</b>               |                              |
| Agency Funds                         | 13,456,508                   |
| Successor Agency                     | 4,871,532                    |
| Subtotal                             | <u>18,328,040</u>            |
| <b>Total</b>                         | <b><u>\$ 315,784,571</u></b> |

**Governmental  
Funds  
\$169.7M,  
72.6%**





# Citywide Expenditure Changes Since Budget Workshop Presentation

|  |                     |
|--|---------------------|
| Budget Workshop 5/23/18 – Total Budget   | \$ 308,881,119      |
| Recommended Budget 6/6/18 – Total Budget | \$ 315,784,571      |
| <b>Difference</b>                        | <b>\$ 6,903,452</b> |

|   |                     |
|---|---------------------|
| Additional Unfunded Pension Liability Contribution                | \$ 6,000,000        |
| City Council Operational Budget Reduction                         | (4,050)             |
| Adjustments for Updated Position Library and Compensation Plan *  | 483,907             |
| CFD Operational Budget Adjustments (CFD 2001-01 and CFD 2016-2) * | 8,595               |
| Capital Project – Dos Lagos Traffic Signals (LMD 2003-1) *        | 415,000             |
| <b>Total Changes</b>  | <b>\$ 6,903,452</b> |

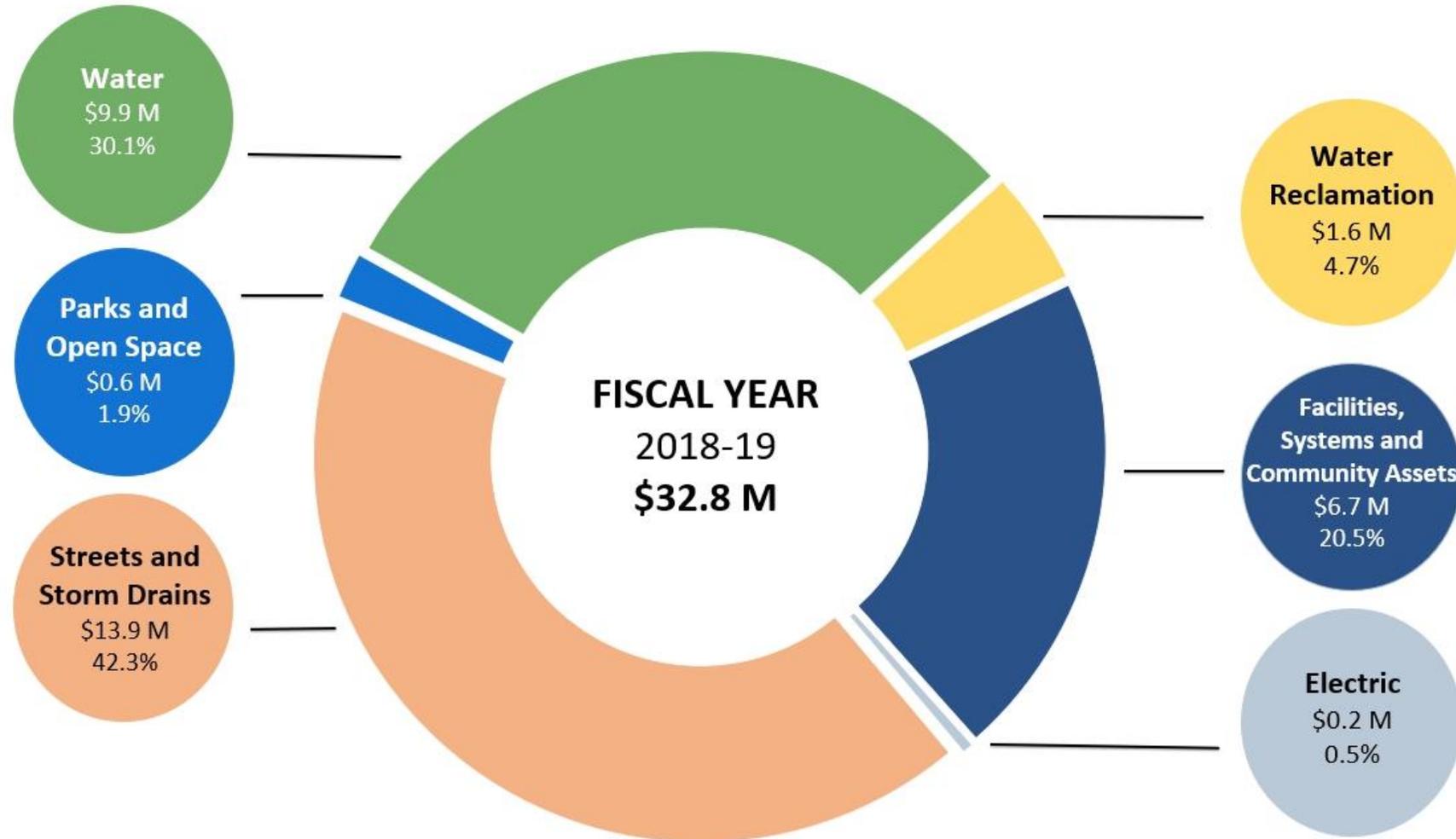
\* Non General Fund Expenditure



# CIP Budget by Program Name

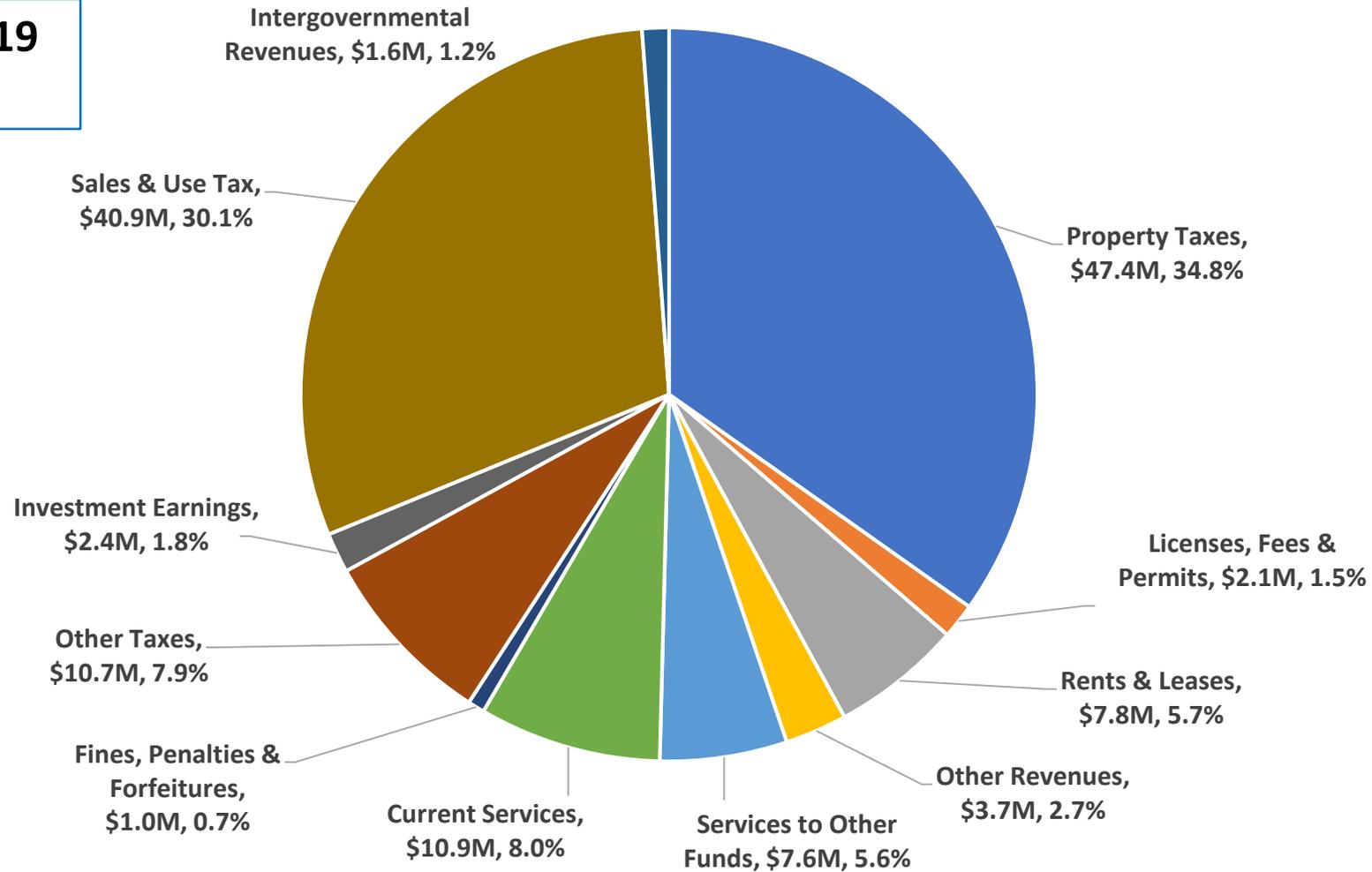
Recommended FY 2018-19 Total \$32,810,635

*(Includes Recommended Actions from Council Agenda Report)*



# Revenues – General Fund

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



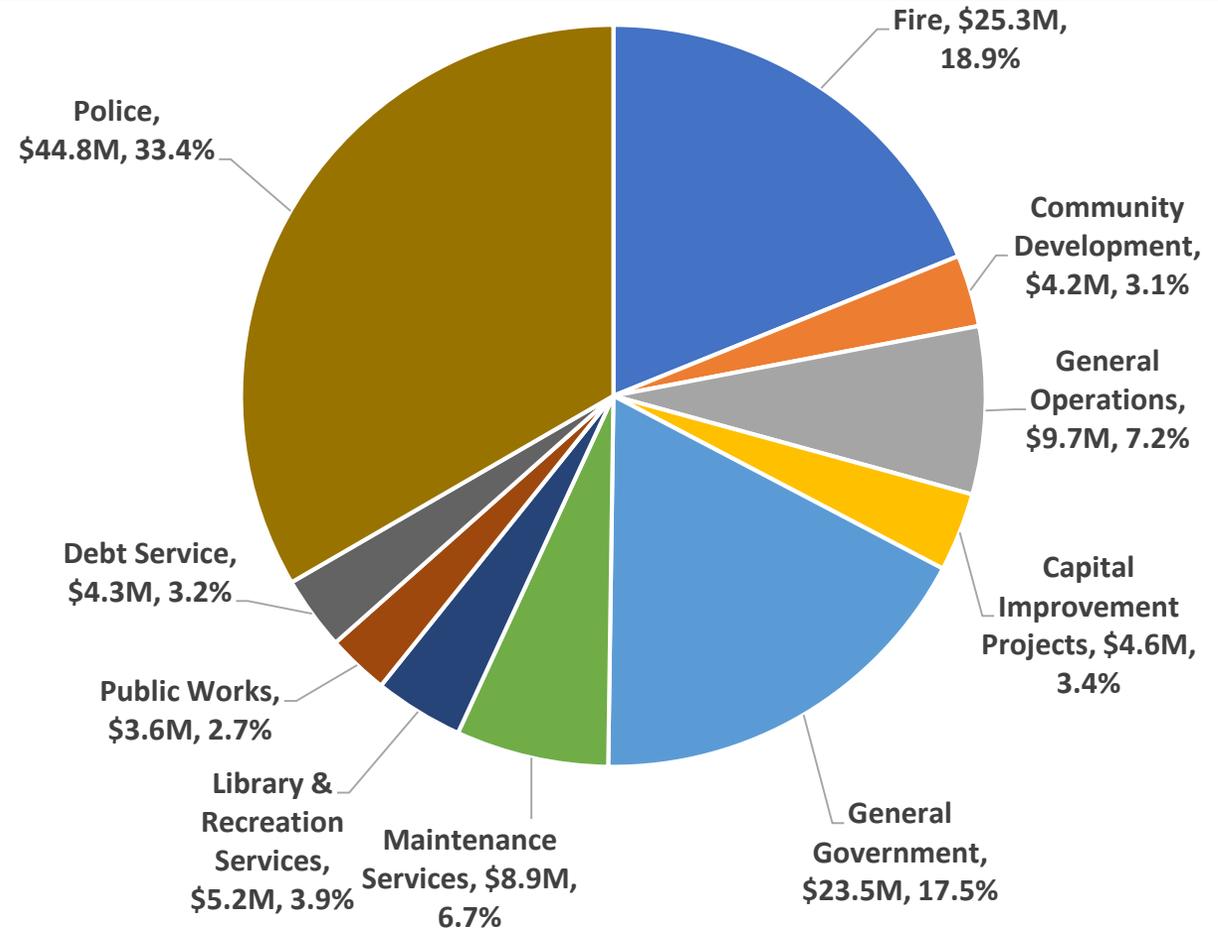


# Expenditures – General Fund

*(Includes Recommended Actions from Council Agenda Report)*

## Recommended FY 2018-19 \$134.1 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>1.3</b>        | -              | <b>9.7</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              | 3.4            | 23.5            |
| 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>\$ 26.9</b>    | <b>\$ 12.3</b> | <b>\$ 134.1</b> |



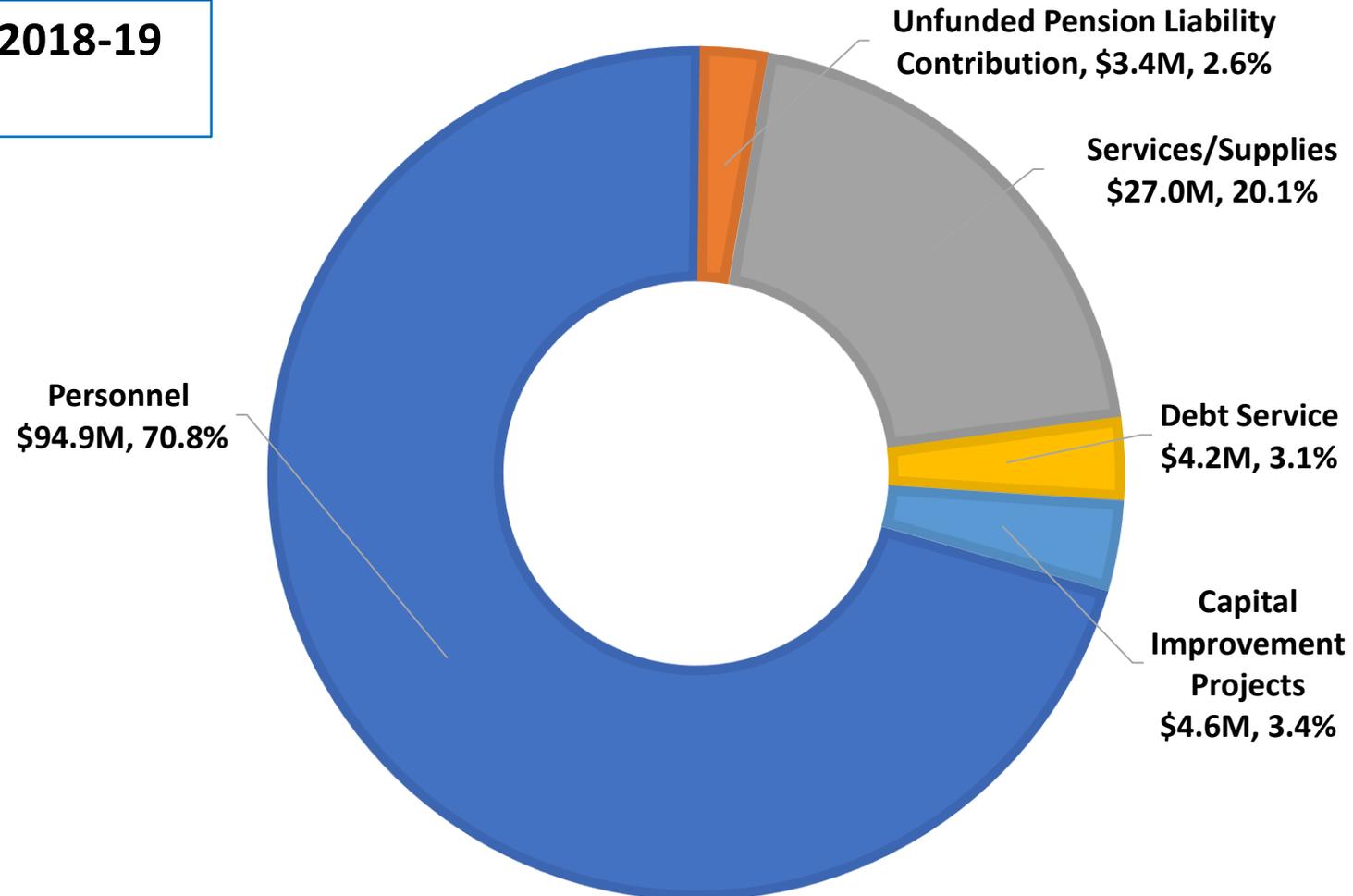
\*General Govt = \$3.4 Million Contribution to Unfunded Pension Liability

# Expenditures – General Fund By Expense Category

*(Includes Recommended Actions from Council Agenda Report)*



**Recommended FY 2018-19  
\$134.1 Million**





# Fiscal Discipline = Sustainability

## Fixing the structural deficit comes with major impacts:

- Eliminated seventeen (17) vacant 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

# Budget Reductions FY 2018-19

## 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<br>Adopted<br>Budget | Budget<br>Adjustment | FY 2018-19<br>Dept.<br>Proposed | FY 2018-19<br>Proposed<br>Reduction | FY 2018-19<br>Recommended | Net<br>Budget<br>Reduction | Remaining<br>Reduction<br>Balance |
|---|---------------------------------|----------------------|---------------------------------|-------------------------------------|---------------------------|----------------------------|-----------------------------------|
|   |                                 |                      |                                 |                                     |                           |                            | Positive = Exceeds<br>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)             | 171,313                         | (15,924)                            | 171,313                   | (15,924)                   | 2,817                             |
| 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>106,322,392</b>              | <b>\$ (6,624,365)</b>               | <b>109,419,204</b>        | <b>\$ (3,527,553)</b>      | <b>\$ (4,378,720)</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 Financial Forecast – Recommended

*(Includes Recommended Actions from Council Agenda Report)*

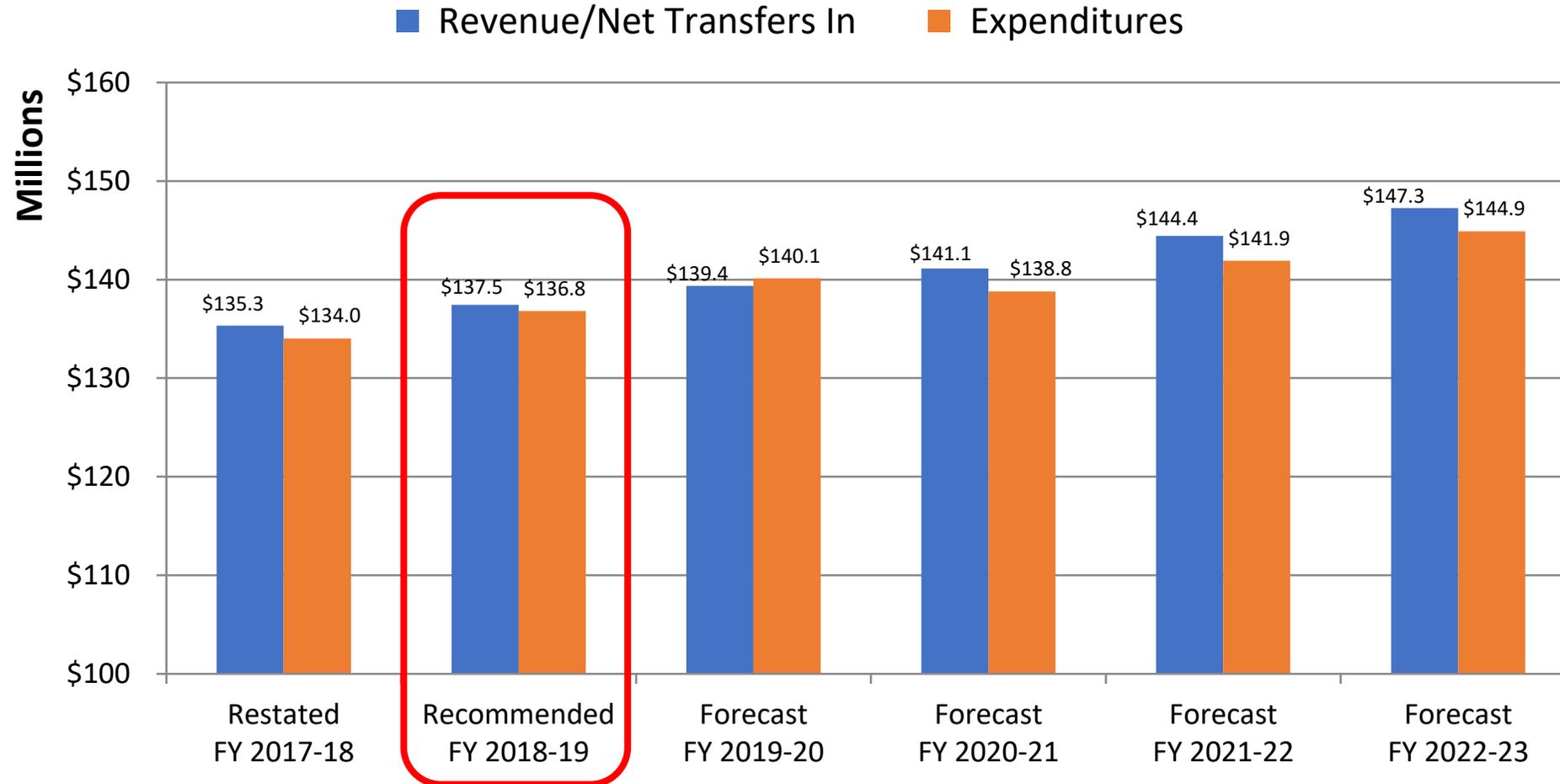
| Description   | Adopted<br>2018       | Projected<br>2018    | Accounting changes<br>shown for comparison |                               | Recommended<br>2019   | Forecast<br>2020     | Forecast<br>2021      | Forecast<br>2022      | Forecast<br>2023      |
|---|-----------------------|----------------------|--|-------------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
|   |                       |                      | Accounting<br>Changes<br>2018              | Projected<br>RESTATED<br>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)          | (33,837,329)         | 10,543,436                                 | (23,293,893)                  | (27,059,191)          | (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)           | (1,400,779)          |  | (1,400,779)                   | (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>(130,820,351)</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 Contrib. (Appropriation/Transfers)</b> |                       | <b>(5,945,286)</b>   |  | <b>(5,945,286)</b>            | <b>(6,000,000)</b>    | <b>(6,000,000)</b>   | <b>(4,000,000)</b>    | <b>(4,000,000)</b>    | <b>(4,000,000)</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>\$ 630,961</b>     | <b>\$ (758,403)</b>  | <b>\$ 2,341,703</b>   | <b>\$ 2,522,577</b>   | <b>\$ 2,369,722</b>   |

Note: PERS Unfunded Liability Contribution FY 2017-18 = \$10.1M. \$5.9M from current Fiscal Year + \$4.2M reserved in fund balance.



# General Fund Revenue and Expenditure Overview

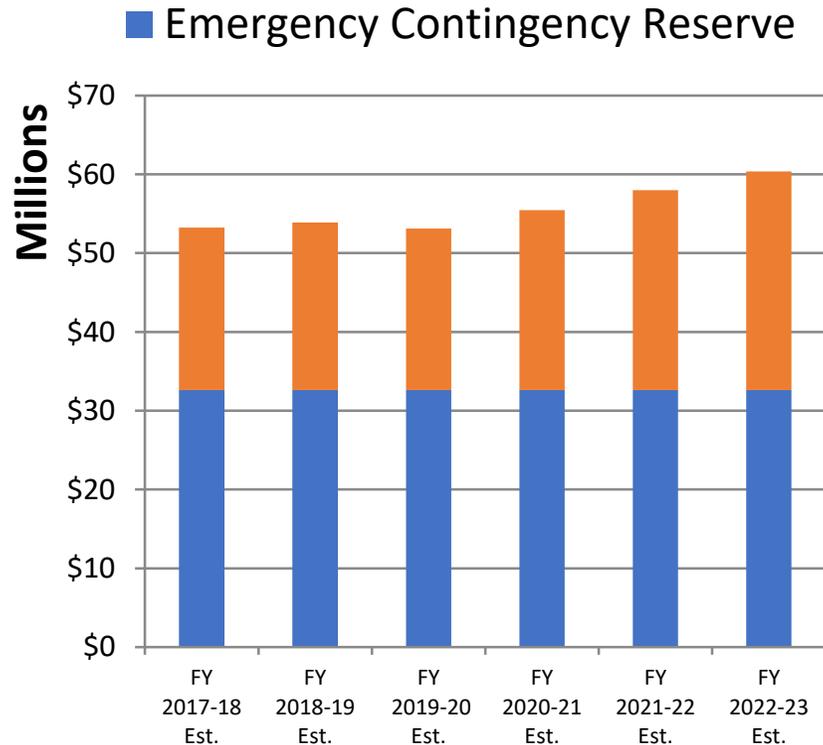
*(Includes Recommended Actions from Council Agenda Report)*





# General Fund Revenue and Expenditure Overview

*(Includes Recommended Actions from Council Agenda Report)*



|                        | Budget<br>Balancing<br>Measures<br>Reserve | Emergency<br>Contingency<br>Reserve | Reserves<br>Running Total |
|------------------------|--|-------------------------------------|---------------------------|
| FY 2017-18 Est.        | 20,645,252                                 | 32,600,000                          | 53,245,252                |
| FY 2018-19 Est.        | 630,961                                    |                                     | 53,876,213                |
| FY 2019-20 Est.        | (758,403)                                  |                                     | 53,117,810                |
| FY 2020-21 Est.        | 2,341,703                                  |                                     | 55,459,513                |
| FY 2021-22 Est.        | 2,522,577                                  |                                     | 57,982,090                |
| FY 2022-23 Est.        | 2,369,722                                  |                                     | 60,351,812                |
| <b>Reserve Balance</b> | <b>\$ 27,751,812</b>                       | <b>\$ 32,600,000</b>                |                           |

**FY 2022-23 Estimated Emergency Contingency Reserve – \$32.6 million is equal to 2.7 months of estimated operating costs.**



# Questions

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