City of Santa Ana
Proposed 2-year Budget
FY 2013-15

Presented By:

Kevin O’Rourke
Interim City Manager

June 3, 2013
Budget Meetings & Outreach

10 Council and Public Workshops
Development of a Strategic Plan

- Budget
- Strategic Plan
- Council Committees
Rising to the Challenge:

Policy & Budgetary Assumptions Going Forward
Council Budget-Related Policies

1. Adopt a 2-year budget
2. Provided labor strategy authority
3. Supported restructuring of departments’ organizations and services provided based on the dollars available
4. Supported review of Police Dept. operations to identify financial savings
5. Continued support of Fiscal Policy & appropriate reserves
6. Supported appropriating Property Tax from former RDA
7. Supported the preparation of assessment studies for CIP infrastructure needs, deferred maintenance issues and planning needs
8. Modernizing the UUT
9. Supported studying the reduction of the water transfer
10. Provided direction on budget outreach and communication
11. Supported the development of strategic plan
FY2013-15 Major Budgetary Assumptions

1. Departments to reorganize structure based on what City can afford
2. Implements the expiration of the compensated deferrals (approximately $7.4M)
3. No new programs or services
4. Continues to evaluate public safety costs
5. No new increases in negotiated compensation
6. Increases in CalPERS and medical costs are included
7. Capped costs for services and supplies
8. No additional general fund contributions to CIP
9. Honors Council approved Fiscal Policy
10. Assumes moderate growth in revenue sources
11. Returns former redevelopment Property Tax to General Fund
12. Risks to significant revenues identified but not included
Fiscal Year 2013-15 Budget Overview
**FY 2013-14**

**Governmental Funds Revenue Sources**

Estimated Revenues: $401,588,676

Prior Year Balance:* 26,543,652

Total Revenue Sources: $428,132,328

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG and Other Grants</td>
<td>$14,486,530</td>
<td>3.6%</td>
</tr>
<tr>
<td>GF Related Special Revenues</td>
<td>$707,480</td>
<td>0.2%</td>
</tr>
<tr>
<td>Successor Agency</td>
<td>$19,041,505</td>
<td>4.7%</td>
</tr>
<tr>
<td>Capital Projects-Grants &amp; Misc.</td>
<td>$22,373,191</td>
<td>5.6%</td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td>$24,001,205</td>
<td>6.0%</td>
</tr>
<tr>
<td>Housing Assistance</td>
<td>$29,962,015</td>
<td>7.4%</td>
</tr>
<tr>
<td>Other Enterprise Funds</td>
<td>$35,593,560</td>
<td>8.9%</td>
</tr>
<tr>
<td>Water Enterprise</td>
<td>$49,682,190</td>
<td>12.4%</td>
</tr>
<tr>
<td>General Fund (includes transfers)</td>
<td>$205,741,000</td>
<td>51.2%</td>
</tr>
</tbody>
</table>

*Non-General Fund Prior Year Balances

Prior Year Balance:* 26,543,652

Total Revenue Sources: $428,132,328

*Estimated Revenues: $401,588,676

*Non-General Fund Prior Year Balances
FY 2013-14
Governmental Funds Appropriations
$428,132,328

- Community Development
  $15,218,305 (3.5%)
- CDBG & Other Grants
  $17,149,330 (4.0%)
- Special Revenue Fund
  $27,959,755 (6.5%)
- Capital Projects
  $29,454,518 (6.9%)
- Housing Assistance
  $30,332,215 (7.1%)
- Other Enterprise Funds
  $47,360,750 (11.1%)
- GF Related Special Revenue Fund
  $4,126,745 (1.0%)
- General Fund
  $205,741,000 (48.0%)
- Water Enterprise
  $50,789,710 (11.9%)
FY 2014-15

Governmental Funds Revenue Sources

Estimated Revenues: $ 377,125,719
Prior Year Balance:* 13,787,866
Total Revenue Sources: $ 390,913,585

- **CDBG and Other Grants**
  - $13,971,530 (3.7%)

- **Special Revenue Fund**
  - $15,148,034 (4.0%)

- **Successor Agency**
  - $18,342,090 (4.9%)

- **Housing Assistance**
  - $30,316,015 (8.0%)

- **Other Enterprise Funds**
  - $35,689,074 (9.5%)

- **Water Enterprise**
  - $49,682,190 (13.2%)

- **GF Related Special Revenues**
  - $762,310 (0.2%)

- **General Fund** (includes Transfers)
  - $204,516,000 (54.2%)

*Non-General Fund Prior Year Balances
FY 2014-15
Governmental Funds Appropriations
$390,913,585

- Community Development $14,330,140 (3.7%)
- CDBG & Other Grants $15,235,160 (3.9%)
- Special Revenue Fund $18,803,224 (4.8%)
- Housing Assistance $30,374,650 (7.8%)
- Other Enterprise Funds $43,419,830 (11.1%)
- Capital Projects $11,773,866 (3.0%)
- GF Related Special Revenue Fund $1,578,525 (0.4%)
- General Fund $204,516,000 (52.3%)
- Water Enterprise $50,882,190 (13.0%)
Fiscal Year 2013-15
General Fund Budget
General Fund 11 Revenue Sources

Estimated Revenues: $205,741,000

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Estimated Revenues</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Visitors’ Tax</td>
<td>$7,850,000</td>
<td>3.8%</td>
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<tr>
<td>Business Tax</td>
<td>$11,000,000</td>
<td>5.4%</td>
</tr>
<tr>
<td>License, Permits &amp; Fees</td>
<td>$10,556,000</td>
<td>5.1%</td>
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<tr>
<td>Intergovernmental</td>
<td>$8,475,000</td>
<td>4.1%</td>
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<tr>
<td>Charges for Services &amp; Fees</td>
<td>$9,344,000</td>
<td>4.5%</td>
</tr>
<tr>
<td>Other Revenue &amp; Taxes</td>
<td>$13,027,000</td>
<td>6.3%</td>
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<tr>
<td>Use of Money &amp; Property</td>
<td>$15,117,000</td>
<td>7.4%</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>$2,861,000</td>
<td>1.4%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$40,746,000</td>
<td>19.8%</td>
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<tr>
<td>Property Tax</td>
<td>$36,609,000</td>
<td>17.8%</td>
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<tr>
<td>Property Tax In-Lieu VLF</td>
<td>$26,020,000</td>
<td>12.7%</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>$24,136,000</td>
<td>11.7%</td>
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</tbody>
</table>
FY 2013-14
General Fund 11 Appropriations
$205,741,000

- Police Department: $103,802,020 (50.5%)
- Fire Services: $40,218,470 (19.6%)
- Parks & Rec.: $17,168,840 (8.3%)
- Planning & Building: $7,266,504 (3.5%)
- Debt Service: $10,344,825 (5.0%)
- Reserves: $3,048,409 (1.5%)
- Finance & Mgmt. Services: $4,311,822 (2.1%)
- Public Works Agency: $5,170,930 (2.5%)
- Non-Departmental: $3,392,835 (1.7%)
- Clerk of the Council: $686,770 (0.3%)
- Personnel: $1,223,216 (0.6%)
- Bowers Museum: $1,474,285 (0.7%)
- City Attorney: $2,127,694 (1.0%)
- City Manager: $2,292,150 (1.1%)
- Information Services: $2,662,230 (1.3%)
- Community Development: $550,000 (0.3%)
- Non-Departmental: $3,392,835 (1.7%)
FY 2014-15
General Fund 11 Revenue Sources
Estimated Revenues: $204,516,000

- Hotel Visitors’ Tax: $8,200,000 (4.0%)
- Charges for Services & Fees: $9,205,000 (4.5%)
- License, Permits & Fees: $10,669,000 (5.2%)
- Business Tax: $11,300,000 (5.5%)
- Other Revenue & Taxes: $12,890,000 (6.3%)
- Use of Money & Property: $15,124,000 (7.4%)
- Intergovernmental: $7,302,000 (3.6%)
- Franchise Fees: $2,876,000 (1.4%)
- Sales Tax: $41,634,000 (20.4%)
- Property Tax: $34,514,000 (16.9%)
- Property Tax In-Lieu VLF: $26,801,000 (13.1%)
- Utility Users Tax: $24,001,000 (11.7%)
FY 2014-15
General Fund 11 Appropriations
$204,516,000

Police Department
$106,810,920 (52.2%)

Fire Services
$41,018,818 (20.1%)

Parks & Rec.
$17,380,345 (8.5%)

Planning & Building
$7,429,421 (3.6%)

Public Works Agency
$5,215,520 (2.6%)

Debt Service
$10,499,825 (5.1%)

Reserves
$185,574 (0.1%)

Finance & Mgmt. Services
$4,488,640 (2.2%)

Non-Departmental
$317,835 (0.2%)

Clerk of the Council $699,950 (0.3%)

Personnel $1,256,157 (0.6%)

Bowers Museum $1,474,540 (0.7%)

City Manager $2,345,240 (1.1%)

Information Services $2,662,230 (1.3%)

City Attorney $2,180,985 (1.1%)

Community Development $550,000 (0.3%)

Non-Departmental $317,835 (0.2%)
# General Fund Budget

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Proposed FY 2013-14</th>
<th>Proposed FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor &amp; Benefit Costs</td>
<td>$112,597,859</td>
<td>$116,413,961</td>
</tr>
<tr>
<td>Fire &amp; Medical Services</td>
<td>$40,218,470</td>
<td>$41,018,818</td>
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<tr>
<td>Contractual &amp; Other Services</td>
<td>$23,654,433</td>
<td>$20,585,063</td>
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<tr>
<td>Debt Service</td>
<td>$10,452,440</td>
<td>$10,545,730</td>
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<tr>
<td>Fixed Costs</td>
<td>$10,084,217</td>
<td>$10,088,682</td>
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<tr>
<td>Other Operating Costs</td>
<td>$4,115,052</td>
<td>$4,107,797</td>
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<tr>
<td>Reserves</td>
<td>$3,048,409</td>
<td>$185,574</td>
</tr>
<tr>
<td>Bowers Museum</td>
<td>$1,474,285</td>
<td>$1,474,540</td>
</tr>
<tr>
<td>Capital</td>
<td>$95,835</td>
<td>$95,835</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$205,741,000</strong></td>
<td><strong>$204,516,000</strong></td>
</tr>
</tbody>
</table>
FY 2013-15 Proposed Workforce Changes

- Net Reduction of 155 FT Positions
- Reallocation of 12 Positions
- No Unfunded Positions
- Filling of 74 Vacancies
<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FY 08-09*</th>
<th>FY 13-14</th>
<th>Positions Deleted</th>
<th>% Change</th>
<th>FY 13-14 Vacant Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager's Office</td>
<td>10</td>
<td>9</td>
<td>1</td>
<td>10.0%</td>
<td>4</td>
</tr>
<tr>
<td>City Attorney's Office</td>
<td>18</td>
<td>12</td>
<td>6</td>
<td>33.3%</td>
<td>1</td>
</tr>
<tr>
<td>Clerk Of The Council</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>20.0%</td>
<td>0</td>
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<tr>
<td>Community Development Agency</td>
<td>112</td>
<td>62</td>
<td>50</td>
<td>44.6%</td>
<td>3</td>
</tr>
<tr>
<td>Finance &amp; Management Services</td>
<td>141</td>
<td>105</td>
<td>36</td>
<td>25.5%</td>
<td>11</td>
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<tr>
<td>Fire Department**</td>
<td>283</td>
<td>n/a</td>
<td>283</td>
<td>100.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>Parks, Recreation &amp; Community Services</td>
<td>149</td>
<td>64</td>
<td>85</td>
<td>57.0%</td>
<td>5</td>
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<tr>
<td>Personnel Services</td>
<td>34</td>
<td>26</td>
<td>8</td>
<td>23.5%</td>
<td>5</td>
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<tr>
<td>Planning &amp; Building Agency</td>
<td>110</td>
<td>45</td>
<td>65</td>
<td>59.1%</td>
<td>7</td>
</tr>
<tr>
<td>Police Department</td>
<td>718</td>
<td>579</td>
<td>139</td>
<td>19.4%</td>
<td>17</td>
</tr>
<tr>
<td>Public Works Agency</td>
<td>205</td>
<td>143</td>
<td>62</td>
<td>30.2%</td>
<td>21</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>1,785</strong></td>
<td><strong>1,049</strong></td>
<td><strong>736</strong></td>
<td><strong>41.2%</strong></td>
<td><strong>74</strong></td>
</tr>
</tbody>
</table>

*Peak Position Count; Estimated 272 vacant positions in FY08-09
**City Contracted Fire & Medic Services on 4/20/12
Organizational Strategies for the Coming 2-Years

- Development of the City’s Strategic Plan
- Development of Capital and deferred maintenance needs assessment
- Update the General Plan and Zoning Code
- Continue to identify for reorganization & cost efficiency opportunities
- Development of an Information Services Strategic Plan
- Preparation of Citywide Economic Development Strategy
Priorities as dollars become available:

- **Willard Joint-Use Park Optimal Staffing** $128K
  - Expected project completion is January 2014

- **Garfield Community Center Optimal Staffing** $199K
  - Expected project completion is December 2013

- **4th of July Event** $30K

- **Additional GF Code Enforcement Staffing** $473K to $987K
Next Steps

• June 17 - 2\textsuperscript{nd} Public Hearing & Adoption
• July 1 – New Fiscal Year Begins
City of Santa Ana
Proposed 2-year Budget
FY 2013-15

Presented By:

Kevin O’Rourke
Interim City Manager

June 3, 2013