AGENDA

• FY 18-19 Proposed Total Citywide Budget
• FY 18-19 Proposed General Fund Budget
• Proposed Changes to Miscellaneous Fees
• FY 18-19 Proposed Capital Improvement Plan
• Next Steps
FY 18-19
PROPOSED TOTAL CITYWIDE BUDGET
Proposed FY 18-19 Citywide Budget
Expenditures: $547.2M

- General Fund, $260.4M, 48%
- Water Enterprise, $60.3M, 11%
- Other Enterprise Funds, $54.2M, 10%
- Capital Funds, $39.2M, 7%
- Special Revenue Funds, $31.3M, 6%
- CDBG & Other Grants, $14.1M, 3%
- Successor Agency, $17.6M, 3%
- Housing Assistance, $51.5M, 9%
- General Fund Related, $18.6M, 3%
- Special Revenue Funds, $31.3M, 6%
- Capital Funds, $39.2M, 7%
- Other Enterprise Funds, $54.2M, 10%
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FY 18-19 PROPOSED GENERAL FUND BUDGET
ADDRESSING THE DEFICIT

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Structural Deficit</td>
<td>($17.1M)</td>
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<tr>
<td>Enterprise Fund Compliance</td>
<td>($1.5M)</td>
</tr>
<tr>
<td>Ongoing Cost Reductions</td>
<td>$4.40M</td>
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<tr>
<td>Ongoing Revenue Increases</td>
<td>$3.10M</td>
</tr>
<tr>
<td>Unassigned Fund Balance</td>
<td>$10.20M</td>
</tr>
<tr>
<td>Use of One-Time Revenue (Nexus Development)</td>
<td>$0.25M</td>
</tr>
<tr>
<td>Net Adjustments</td>
<td>$0.65M</td>
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</tbody>
</table>
Ongoing Cost Reductions

- Departmental Budget Impacts ($1.7M)
- Cost Saving Strategies (9mos value - $1.5M)
- Reducing Strategic Plan Funding Level ($700K)
- PERS Safety Prepayment Savings ($500K)

Ongoing Revenue Increases

- Commercial Cannabis ($2.6M: 1/3 of projected amount)
- User Fee Study ($400K partial year)
- Advertising/Marketing Opportunities ($100K Employee Recommendations)
Police Department: $944K

• Ongoing Cost Reductions: $459K
  • $200K: Aramark Contract Savings (bids came in lower than anticipated)
  • $116K: Deletion of five part-time Correctional Services Officers vacancies or the equivalent of two FTE
  • $93K: Deletion of two Correctional Records Specialists vacancies (Replaced with four part-time positions)
  • $50K: Security Services at the Police Building’s South Entrance no longer needed

• Ongoing Revenue Increases: $485K
  • $198K: Additional Parking Related Revenue
  • $287K: Reimbursement of School Resource Officer – OCSA

Parks & Library: $270K

• $80K: Seek alternative funding for 5K and Plaza Navideña events
• $50K: Closing of the Library on Sundays
• $50K: Reduce four part-time vacant positions assigned to Summer sport programs
• $50K: Reduce landscape maintenance contract services
• $40K: Seek alternative funding for Catalina trip or reduce trip costs by 50%
DEPARTMENTAL BUDGET IMPACTS

Planning & Building: $169K
  • $156K: Reduction in contract services budget
  • $13K: Reduction in operating materials & supplies

Public Works: $101K
  • $101K: Reduction in utilities as a result of savings from Streetlight Project

All Other Departments (City Manager, City Attorney, City Clerk, CDA, Finance, HR): $240K
  • Reductions in various line-items: contract services & personnel costs tied to position reallocations.

<table>
<thead>
<tr>
<th>Department</th>
<th>Cost Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager’s Office</td>
<td>$40K</td>
</tr>
<tr>
<td>City Attorney</td>
<td>$53K</td>
</tr>
<tr>
<td>City Clerk</td>
<td>$16K</td>
</tr>
<tr>
<td>Community Development</td>
<td>$12K</td>
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<tr>
<td>Finance</td>
<td>$95K</td>
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<tr>
<td>Human Resources</td>
<td>$27K</td>
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</table>
**Proposed FY 18-19**

**General Fund 11 Revenue Sources: $250.2M**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$47.9M</td>
<td>19.1%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$36.0M</td>
<td>14.4%</td>
</tr>
<tr>
<td>Property Tax In Lieu VLF</td>
<td>$32.6M</td>
<td>13.0%</td>
</tr>
<tr>
<td>Utility Users' Tax</td>
<td>$25.4M</td>
<td>10.2%</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>$3.4M</td>
<td>1.4%</td>
</tr>
<tr>
<td>Hotel Visitors' Tax</td>
<td>$8.5M</td>
<td>3.4%</td>
</tr>
<tr>
<td>Charges for Services &amp; Fees</td>
<td>$13.3M</td>
<td>5.3%</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$6.1M</td>
<td>2.4%</td>
</tr>
<tr>
<td>Licenses, Permits &amp; Fines</td>
<td>$20.0M</td>
<td>8.0%</td>
</tr>
<tr>
<td>Business Tax</td>
<td>$12.0M</td>
<td>4.8%</td>
</tr>
<tr>
<td>Cannabis Related Revenue*</td>
<td>$10.4M</td>
<td>4.2%</td>
</tr>
<tr>
<td>Other Revenue &amp; Taxes**</td>
<td>$16.1M</td>
<td>6.4%</td>
</tr>
<tr>
<td>Use of Money &amp; Property***</td>
<td>$17.2M</td>
<td>6.9%</td>
</tr>
<tr>
<td>Agency Deposits (Fund 98) &amp; Transfer from Fund 25</td>
<td>$1.3M</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

*Cannabis Related Revenue:
- Medical Marijuana: $2.3M
- Adult-Use Retail: $5.5M
- Adult-Use Commercial: $2.6M

**Includes $2.1M in Sale of Land**

**Includes Jail Revenue of $16.0M**
Proposed FY 18-19

General Fund 11 Expenditures: $260.4M

* Other includes: City Manager: $2.6M, City Attorney: $3.5M, Clerk: $1.7M, HR: $1.8M, Cost Saving Strategies: ($1.5M), Bowers: $1.5M, CDA: $0.9M
FY 18-19 GF Budget Overview

• FY 18-19 GF Expenditure $260.4M:
  • Assumes no new labor negotiated increases
  • Reflects PERS increase of $5.9M
  • Includes increase of OCFA & CARE Contract of $2.0M
  • Includes the current projected ADP (average daily population) of additional $1.9M in Jail Facility Revenue
  • Provides $1.9M to maintain current Police Officer recruitment levels
FY 18-19 GF Budget Overview

• Reflects partial year funding for Enterprise Fund compliance ($1.5M)

• Includes Additional Workers Comp. Funding of $1.0M

• Additional General Plan funding of $850K

• Includes $600K in funding for November elections

• Includes $250K in funding for Fiscal Assessment

• Includes $100K for Payroll Review
## ADDITIONAL NEEDS & PRIORITIES

<table>
<thead>
<tr>
<th>Quality of Life Team &amp; Homeless</th>
<th>Enterprise Fund Compliance</th>
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</thead>
<tbody>
<tr>
<td>More Youth Programing</td>
<td>Worker’s Compensation</td>
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<tr>
<td>Funding to Enhance Economic Dev.</td>
<td>Liability Increases</td>
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<tr>
<td>Additional Police Officer Recruitments</td>
<td>City Hall Seismic Retrofit</td>
</tr>
<tr>
<td>Maintain Reserve Policy Funding levels</td>
<td>SARTC Improvements</td>
</tr>
<tr>
<td>Facility Deferred Maint. &amp; Vehicles</td>
<td>PERS Challenges</td>
</tr>
<tr>
<td>Information Technology Infrastructure</td>
<td></td>
</tr>
</tbody>
</table>
FY 18-19 WORKFORCE CHANGES

Additions/Deletions

• General Fund – addition of 4 positions (3 Parking Control Officers & 1 Payroll Manager)
• Non-General Fund – net addition of 1 Management Analyst position

Reallocations

• General Fund Reallocation – 17 positions
• Non-GF Reallocation – 1 Risk Manager position
# FY 18-19 Unfunded Positions

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FY 18-19 Authorized Positions (All Funds)</th>
<th>GF Unfunded Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager's Office</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>City Attorney's Office</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Clerk of the Council</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Community Development</td>
<td>46</td>
<td>0</td>
</tr>
<tr>
<td>Finance &amp; Management Services</td>
<td>105</td>
<td>1</td>
</tr>
<tr>
<td>Information Technology</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Planning Building</td>
<td>72</td>
<td>5</td>
</tr>
<tr>
<td>Police Department</td>
<td>634</td>
<td>50*</td>
</tr>
<tr>
<td>PRCSA &amp; Library</td>
<td>74</td>
<td>1</td>
</tr>
<tr>
<td>Public Works Agency</td>
<td>169</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,172</strong></td>
<td><strong>57</strong></td>
</tr>
</tbody>
</table>

*Includes 36 Police Officers*
PROPOSED CHANGES TO MISCELLANEOUS FEES
MISCELLANEOUS FEES

The fees are adjusted annually to reflect the change in the Consumer Price Index (CPI) – 3.88% (Los Angeles – Riverside – Orange County; Dec. 2017)

Includes 15 new fees
- PWA (12) – Water Meter
- CDA (2) – TEFRA Hearing
- PRCSA (1) – Filming Permit Processing Fee – Student

8 Modified fees
- PBA (6) – Solar
- Fire (1) – Emergency Base Rate/Transportation
- PRCSA (1) – Zoo Admissions

9 Deleted fees
- PWA (6) – Water Meter, Sewer Cleaning
- PBA (1) – Business Certificate of Occupancy
- COTC (1) – Subscription of Agenda/Minutes
- PRSA (1) – Library Services
FY 18-19
PROPOSED CAPITAL IMPROVEMENT PLAN

www.santa-ana.org/finance/budget
18/19 CAPITAL IMPROVEMENT PROGRAM (CIP) $40,073,538

- Street Improvements $12,797,280
- Traffic Improvements $16,705,917
- Utility / Drainage / Lighting Improvements $4,000,000
- City Facilities Improvements $6,582,341

**Pie Chart:**
- Street Improvements: 32%
- Traffic Improvements: 42%
- Utility / Drainage / Lighting Improvements: 16%
- City Facilities: 10%
NEXT STEPS
NEXT STEPS

- **June 19** - 2nd Reading of the Budget/CIP
- **July 1** - New 2018-19 Fiscal Year Starts