FISCAL YEAR 18-19
PROPOSED BUDGET WORK-STUDY SESSION
MAY 15, 2018

www.santa-ana.org/finance/budget
AGENDA

• Introduction & Budget Outreach

• FY 18-19 Proposed Total Citywide Budget & General Fund Budget

• Proposed Changes to Miscellaneous Fees

• FY 18-19 Proposed Capital Improvement Plan

• City Manager Budget Framework & Next Steps
FY 18-19
BUDGET OUTREACH

www.santa-ana.org/finance/budget
Held 5 Budget Community Meetings (Budget, Strategic Plan & CIP)

- March 29, 2018 - Sunshine Ordinance Meeting
- April 4, 2018 - Santa Ana Lawn Bowling Club
- April 11, 2018 - Madison Elementary School
- April 12, 2018 - Adams Elementary School
- April 26, 2018 - Com-Link Meeting

Total of 170 participants

Recurring Themes & Community Requests

| • Need for diversity of youth programs | • Additional community programs |
| • Invest in youth | • Addt’l neighborhood street improvements |
| • Shift funding from public safety to youth programs | • Address parking issues |
| • Need for additional parks | • Address homelessness |
| • Need for affordable housing |   |
FY 18-19
City Employee Budget Presentations

Held 12 Presentations with City Employees and Union Leadership

February 20 – POA Leadership
February 28 – Police Department Senior Management Team
March 2 – CASA Leadership
March 7 – Open to all employees. Held at Council Chambers*
March 7 – Open to all employees. Held at the City Yard*
March 8 – Open to all employees. Held at the Police Community Room*
March 14 – Open to all employees. Held at Council Chambers*
March 15 – SEIU Leadership
March 15 – Open to all employees. Held at the Police Community Room
April 30 – Open to Police Department Staff
May 2 – Open to Police Department Staff (two meetings)

* Presentation invitation sent to all City employees
Proposed FY 18-19 Citywide Budget
Expenditures: $540.3M

General Fund, $255.1M, 47%
- Successor Agency, $17.6M, 3%
- CDBG & Other Grants, $13.0M, 2%
- Housing Assistance, $51.5M, 10%
- Special Revenue Funds, $30.9M, 6%
- Water Enterprise, $59.6M, 11%
- Other Enterprise Funds, $54.2M, 10%
- Capital Funds, $41.4M, 8%
- General Fund Related, $17.0M, 3%
- Special Revenue Funds, $30.9M, 6%
- Capital Funds, $41.4M, 8%
- Other Enterprise Funds, $54.2M, 10%
- Housing Assistance, $51.5M, 10%
- Successor Agency, $17.6M, 3%
FY 18-19 PROPOSED GENERAL FUND BUDGET
Proposed FY 18-19
General Fund 11 Revenue Sources: $245.9M

- Sales Tax: $47.9M (19.5%)
- Property Tax: $36.0M (14.6%)
- Property Tax in Lieu VLF: $32.6M (13.3%)
- Utility Users’ Tax: $25.4M (10.3%)
- Charges for Services & Fees: $13.3M (5.4%)
- Hotel Visitors’ Tax: $8.5M (3.5%)
- Franchise Fees: $3.4M (1.4%)
- Agency Deposits (Fund 98): $1.0M (0.4%)
- Licenses, Permits & Fines: $20.0M (8.1%)
- Business Tax: $12.0M (4.9%)
- Cannabis Related Revenue*: $10.4M (4.2%)
- Other Revenue & Taxes: $14.0M (5.7%)
- Use of Money & Property**: $15.3M (6.2%)
- Intergovernmental: $6.1M (2.5%)
- Franchise Fees: $3.4M (1.4%)

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

**Includes Jail Revenue of $14.1M
Proposed FY 18-19
General Fund 11 Expenditures: $255.1M

- **Fire Department, $53.9M, 21%**
- **Police Department, $129.4M, 51%**
- **Transfer to Projects & Debt Service, $12.6M, 5%**
- **Parks, Recreation & Library, $20.6M, 8%**
- **Planning & Building, $11.8M, 5%**
- **Public Works, $6.6M, 2%**
- **Finance & Mgmt. Services, $5.9M, 2%**
- **Non-Departmental, $4.1M, 2%**
- **Other*, $10.2M, 4%**

* Other includes: City Manager: $2.6M, City Attorney: $3.5M, Clerk: $1.4M, HR: $1.8M, Cost Saving Strategies: ($1.5M), Bowers: $1.5M, CDA: $0.9M
Addressing the FY 18-19 Budget Deficit

<table>
<thead>
<tr>
<th>Structural Deficit</th>
<th>($17.1M)</th>
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</thead>
<tbody>
<tr>
<td>Ongoing Cost Reductions</td>
<td>$4.8M</td>
</tr>
<tr>
<td>Ongoing Revenue Increases</td>
<td>$3.1M</td>
</tr>
<tr>
<td>Use of Unallocated Fund Balance</td>
<td>$6.9M</td>
</tr>
<tr>
<td>Use of One-Time Revenue (Nexus Development)</td>
<td>$250K</td>
</tr>
<tr>
<td>Use of 17-18 Year-End Balance</td>
<td>$2.0M*</td>
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*May be addressed by preserving the $9.3M use of unallocated fund balance in FY 2017-18
### ADDITIONAL NEEDS & PRIORITIES

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

• Penny Tax (1% Transaction Use Tax/Sales Tax)
• Hotel Visitor Tax (Transient Occupancy Tax)
• Encourage the development of vacant/underutilized property (property tax growth)
• Prioritize the entitlement of regulated cannabis facilities
• Continue to pursue and promote Economic Development opportunities
• Explore the viability of billboards and electronic messaging
• Evaluate areas for mobile food vendors
• Finalize Development Impact Fees and User Fee studies
## 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>
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</thead>
<tbody>
<tr>
<td>City Manager's Office</td>
<td>10</td>
<td>0</td>
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<tr>
<td>City Attorney's Office</td>
<td>15</td>
<td>0</td>
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<tr>
<td>Clerk of the Council</td>
<td>5</td>
<td>0</td>
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<tr>
<td>Community Development</td>
<td>46</td>
<td>0</td>
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<tr>
<td>Finance &amp; Management Services</td>
<td>105</td>
<td>1</td>
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<tr>
<td>Information Technology</td>
<td>17</td>
<td>0</td>
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<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>69*</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>76</strong></td>
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</table>

*Includes 55 Police Officers*
Additions/Deletions

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

Reallocations

• General Fund Reallocation – 15 positions
• Non-GF Reallocation – 1 Risk Manager position
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
PROGRAM & PROJECT HIGHLIGHTS
Program & Project Highlights

Police Recruitment

- The hiring of police officers continues to be the highest priority of the Police Department

HEART & QOLT

- A collaborative approach between the City’s interdepartmental team and the County’s Health Care Agency to address homeless related issues

Body-Worn Camera Program

- The program aims to strengthen accountability and transparency in order to create positive outcomes
Program & Project Highlights

Zoo Master Plan & Amazon’s Edge- Giant River Otter Exhibit

• Renovate the existing Amazon’s Edge Exhibit into a new habitat exhibit for the Giant River Otter

Santa Anita Synthetic Turf

• Installation of new synthetic turf

Urban Greening Project at Jerome Park

• Removal of approximately 500 linear feet of paved street and convert the grounds into a bio-swale greenspace

6th and Lacy Park

• Project will include the construction of a new ½ acre park on the s/w corner of Sixth Street and Lacy Street
Program & Project Highlights

General Plan Update

• To be completed by 2020

The Heritage Project: Mixed-Use Development

• 1,221 Units

Hampton Inn

• Six Story Hotel Building/135 Rooms
Program & Project Highlights

YMCA Building Development

• Development concept will be selected through an RFQ process to rehabilitate the historic site

City Branding Strategy

• Implement a City branding strategy to include a new city logo, tagline and brand

Business/Economic Development Web Portal

• Provide streamlined information on City services, incentives & resources for startup, new & existing businesses

Santa Ana Veterans Village

• 75 affordable housing units

• AQUA Housing

• 56 affordable housing units
OC Streetcar

- The OC Streetcar will link the Santa Ana Regional Transportation Center which provides regional rail, and OCTA, intercity, and international bus services, to a new multimodal hub at Harbor Boulevard/Westminster Avenue in Garden Grove
- Construction will begin October 2018
FY 18-19
PROPOSED CAPITAL IMPROVEMENT PLAN
18/19 CAPITAL IMPROVEMENT PROGRAM (CIP)  
$40,073,538

Street Improvements  
$12,797,280

Traffic Improvements  
$16,705,917

Utility / Drainage / Lighting  
$4,000,000

City Facility Improvements  
$6,582,341

- Street Improvements
- Traffic Improvements
- Utility / Drainage / Lighting Improvements
- City Facilities
STREET IMPROVEMENTS
$12,797,280

Planning
3 – Projects
$550,000

Roadway Improvements
15 – Projects
$11,657,280

Sidewalk/Streetscape
2 – Projects
$590,000

• Pavement Management
• Project Development
• Right-of-Way Management

• Alley Improvements
• Residential Street Repair
• Local Preventative Maintenance (Slurry Seal Resurfacing)
• Alton Avenue Rehab: Raitt to Bristol
• Bristol Street Rehab: MacArthur to Railroad
• Bristol Street Improvements: Warner to St. Andrew
• Main Street Rehab: Dyer to Warner
• Raitt Street Rehab: McFadden to Civic Center
• Warner Avenue Improvements: Oak to Grand

• First Street Pedestrian Improvements
TRAFFIC IMPROVEMENTS
$16,705,917

Planning
4 – Projects
$673,469

- Bike Lane Project Development
- OC Streetcar
- Traffic Management Plans
- Traffic Safety Project Development

Traffic Signal
3 – Projects
$465,000

- Garden Grove / Memory Lane Traffic Signal Synchronization
- Main Street Traffic Signal Synchronization
- Traffic Signal Equipment Replacement

Mobility/Safety
12 – Projects
$15,567,448

- Bristol Protected Bike Lanes: Edinger to 1st
- Citywide Bike Racks and SARTC Bicycle Center
- Civic Center Bike Boulevard: Broadway to Santiago
- Edinger Protected Bike Lanes: Santa Ana River to Bristol
- Hazard Protected Bike Lanes: Euclid to Harbor
- Lincoln Pedestrian Trail: Park Lane to Santiago Creek
- Santa Ana and 5th Protected Bike Lanes
- Various Safe Routes to School Projects
PUBLIC UTILITY / DRAINAGE IMPROVEMENTS
$4,000,000

- Sewer Improvements
  - 4 – Projects
  - $575,000
  - Bristol Phase 3A Sewer Main Improvements
  - Santa Ana Memorial Neighborhood Sewer Main Improvements
  - Warner Garnsey Sewer Main Diversion Improvements
  - Willard Neighborhood Sewer Main Improvements

- Water Improvements
  - 4 – Projects
  - $2,200,000
  - Bristol Phase 4 Water Main Improvements
  - Cambridge Pump Station Entry Improvements
  - D-03 Channel Improvements at Alton Avenue
  - Washington Well Site Improvements

- Facility / Drainage
  - 2 – Projects
  - $350,000
  - SA-2 Vault Improvements
  - East Station Security Fencing Improvements

- Street Light Improvement
  - 1 – Project
  - $130,000
  - Street Light Rewiring and Repairs
CITY FACILITIES
$6,582,341

Recreation Improvements
7 – Projects
$4,023,784

- Pool Enhancements: El Salvador, Memorial, El Salgado and Santa Anita
- Playground Equipment: Chepa’s Park

Park / Zoo Facilities
12 – Projects
$2,558,557

- Park Improvements: 6th and Lacy, Roosevelt/Walker
- Rosita Park Ballfield Lighting Renovation
- Santa Anita Center Expansion-Substation
- Santiago Park Gas House Area Improvements
- Security Lighting: Sandpointe Paseo, Thornton Park
- Thornton Park Electrical/Restroom
- SA Zoo Improvements: Master Plan adoption and Amazon’s Edge Giant River Otter Habitat
CITY MANAGER
BUDGET FRAMEWORK &
NEXT STEPS

www.santa-ana.org/finance/budget
• Prepare a long term financial forecast and plan to achieve stability and sustainability
• Focus on funding core services
• Identify new ways of delivering city services at lower costs
• Identify revenue enhancements
• Engage with key stakeholders
NEXT STEPS

• **June 5** - 1<sup>st</sup> Reading of the Budget/CIP/Misc. Fees

• **June 19** - 2<sup>nd</sup> Reading of the Budget/CIP

• **July 1** - New 2018-19 Fiscal Year Starts