



Introduction

- Provide a Status of Current Fiscal Year Budget
- Review the Proposed FY 13-14 Budget
- Review Highlights of the Seven Year Capital Improvement Program
- Review Status of PERS Funding



Status of Current Fiscal Year Budget (FY 13)



Estimated Revenues for FY 13

General Fund Revenue

\$93.2 Million

- Reflects a 5.3% increase over budgeted revenues (\$4.8 million).
 - Growth primarily in one-time RDA property tax receipts.



Estimated Expenditures for FY 13

General Fund Expenditures

\$91.0 Million

- Reflects a 2.8% increase over budget expenditures.
- Conservative estimate.
- Results in an ending fund balance of \$6.6 million.



Review of Proposed FY 13-14 Budget



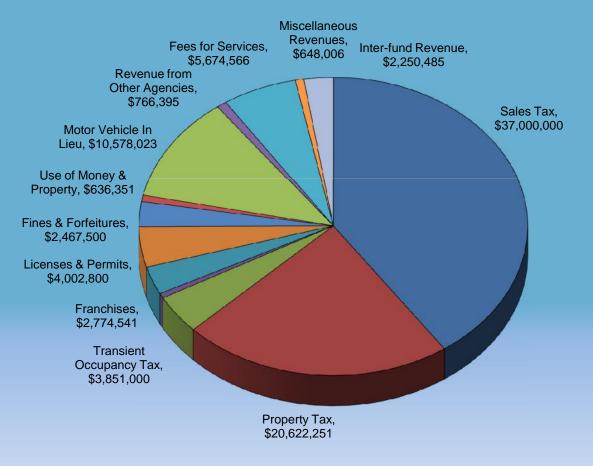
Revenue Projection for FY 14

General Fund Revenue

\$91.8 Million

- Reflects a 1.6% decrease over estimated revenues for FY 13.
 - Reduction primarily due to end of one-time RDA payments.
 - 5% growth in sales tax revenue.
- Still 1.9% less than General Fund Crange Revenue high of \$93.6 million in FY 08.

Revenue Projection for FY 14



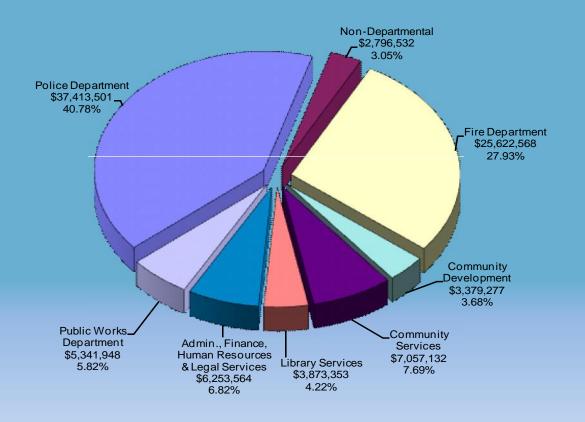


General Fund Expenditures

\$91.7 Million

- Reflects a 3.7% increase from budgeted expenditures for FY 13.
 - -Still 0.7% less than FY 08.







Balancing the Budget

General Fund Sources & Uses:

Revenues: \$91.8 Million

Expenditures: \$91.7 Million

Total Sources \$ 0.1 Million

(+\$14,043)



- General Fund Expenditure Assumptions
 - Maintain 48 FTE frozen positions.
 - Continuation of 5% furlough program for Misc.
 - Continuation of impacts of RDA dissolution.
 - Minimal increase in PERS costs.
 - Reflects labor agreements and flat PERS employer rates for FY 14.



- Expenditure Assumptions (continued)
 - Mostly status quo for departmental operating expenditures.
 - Increase to Fire OT to reflect actual costs.
 - Increase in Workers Compensation funding.
 - Moving the Emergency Transport program and associated expenses and funds into the GF.
 - Net impact to General Fund of \$300,000.



- What's not included:
 - Full funding to Internal Service Funds.
 - Using fund balance available certain for ISF funding:
 - Equipment Replacement
 - Information Technology
 - Liability Fund
 - Impacts of labor negotiations for FY 14.
 - Impacts of DOF ROPS review and related RDA litigation.
 - Impacts of RDA property transfers.



Balancing the Budget

Unreserved Fund Balance Available @ 6/30/13		\$ 6,559,885
FY 14 Estimated Revenues	91,751,918	
FY 14 Estimated Expenditures	(91,737,875)	
Excess Revenues over Expenditures		<u> 14,043</u>
Unreserved Fund Balance Available @ 6/30/14		\$ 6,573,928
Transfers Out		
Transfer to Equipment Replacement Fund	(1,099,251)	
Transfer to Information Technology Fund	(850,000)	
Transfer to Liability Fund	(250,000)	
Total Transfers Out		(2,199,251)
Unreserved Fund Balance Available @ 6/30/14		4,374,677
General Fund Catastrophic Reserve		<u> 18,067,960</u>
Est. Reserved & Unreserved General Fund Balance @ 6/30/14		<u>\$22,442,637</u>



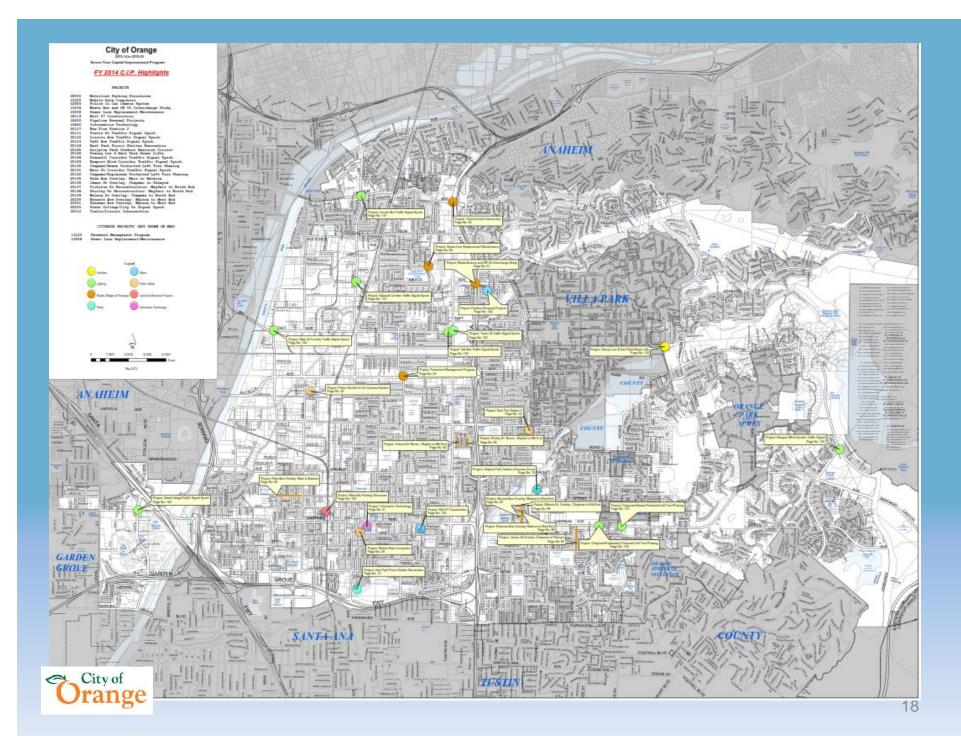
Capital Improvement Program



CIP Highlights

- 127 projects over the seven-year planning period.
- \$171 million in projects with \$37 million in funding in FY 14.
- Funding from 35 different funding sources.
 - Gas Tax
 - Measure "M"
 - Developer Impact Fees
 - Water Capital Funds
 - Grants and CDBG Funds
- Only small percentage of projects using General Funds.
- Council has set aside \$4.5 million for future CIP projects.





CIP Highlights

- Exercise Stations at Grijalva Park
- Renovation of Picnic Shelters at Hart Park
- Design of Metrolink Parking Structure
- Mobile Data Computers in Fire and Police vehicles.
- Information Technology projects
 - Telephones
 - MS Licensing
 - PC Refresh



CIP Highlights

- Pavement Management and Street Rehabilitation (p. 53)
 - \$5.8 million earmarked for FY 14
- Sewer Line Replacement / Maintenance (p. 60)
- Signal Synchronization (p. 116 et al)
 - Tustin, Lincoln, Taft, Main, Glassell and Newport
- Well 27 Construction (p. 135)
- Pipeline Renewal Projects (p. 144)





- Recent City Actions to Reduce PERS Exposure
 - All bargaining groups pay full employee share of PERS.
 - Eliminated "PERS on PERS" provision from most groups.
 - Reduced the number of full-time staff.
 - Implemented Public Employees Pension Reform Act (2nd Tier).
- PERS established new rate structure to fully fund in 30 yrs
- Rates projected increase starting in FY 16.
 - Misc. Rate 19% to 29% (2.0% per yr)
 Safety Rate 29% to 42% (2.5% per yr)
 By FY 20
- Council has proactively placed \$3.0 million in a pension reserve account.



PERS Employer Rates

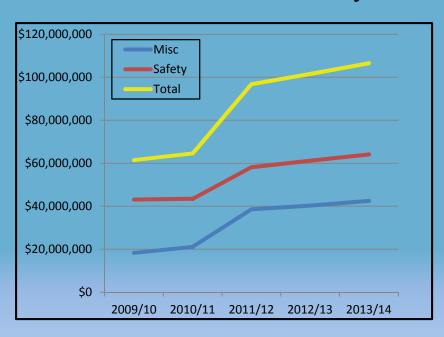








City's Unfunded Liability





Actuarial Value of Assets

Market Value of Assets



Percentage of Unfunded Liability

