

FY 16-17 3rd Quarter Update & FY 17-18 General Fund Trial Budget

City Council Meeting

City of Santa Ana

May 2, 2017





AGENDA

- FY 16-17 General Fund 3rd Quarter Update
- FY 17-18 General Fund Trial Budget Overview
- FY 17-18 Capital Improvement Program (CIP)
- Budget Schedule and Next Steps

FY 16-17 GENERAL FUND 3rd QUARTER UPDATE





General Fund Operations Mid-Year Review (Feb. 2017 CCM)

PROJECTED YEAR-END FY 16-17

GENERAL FUND	FY 16-17 Annual Budget	FY 16-17 Projected	% Received
Revenues	\$228,970,000	\$225,671,339	98.6%
Expenditures	\$228,970,000	\$228,851,023	99.9%

Projected Net Operating Balance: (\$3,179,684)







Pending items:

- 1) Christmas Sales
- 2) Additional major development
- 3) Additional utility usage
- 4) Expenditure Trends



3rd Quarter Top 6 General Fund Revenues BUDGET TO ACTUALS

JULY - MARCH (75%)

Top 6 General Fund Revenues	FY 16-17 Annual Budget	FY 16-17 July - Mar. Actuals
Sales Tax	\$46,504,000	 29,090,428
Property Tax	\$33,022,000	 \$21,227,955
Property Tax In-Lieu of VLF	\$30,096,000	 \$14,815,071
UUT	\$27,780,000	 \$16,748,149
Business License	\$11,632,323	 \$8,785,611
Hotel Visitors Tax	\$9,430,000	 \$6,317,968
Total Top 6	\$158,464,323	\$96,985,183



3rd Quarter General Fund Expenditures: BUDGET TO ACTUALS

July – March (75%)

DEPARTMENT EXPENDITURES	FY 2016-17 ADOPTED BUDGET	FY 2016-17 3RD QUARTER ACTUALS	% Expended
City Manager	2,647,520	2,281,432	86.2%
Non-Dept.	17,434,530	11,727,708	67.3%
Clerk of the Council	976,761	626,536	64.1%
City Attorney's Office	2,878,925	2,232,456	77.5%
Personnel Department	1,405,042	939,045	66.8%
Finance & Management Services Agency	4,873,614	3,198,432	65.6%
Bowers Museum	1,475,890	1,103,260	74.8%
Parks and Recreation Services Agency	19,366,804	12,817,138	66.2%
Police Department	120,257,118	87,454,230	72.7%
Fire Department	41,765,144	33,669,627	80.6%
Planning & Building Agency	9,514,222	7,170,077	75.4%
Public Works Agency	5,908,755	3,499,329	59.2%
Community Development Agency	465,675	328,085	70.5%
TOTAL GENERAL FUND	228,970,000	167,047,355	73.0%



Year-End General Fund Operations

PROJECTED YEAR-END FY 16-17
(Based on 3rd Quarter Revenues & Expenditures)

GENERAL FUND	FY 16-17 Annual Budget	FY 16-17 Projected	% Received
Revenues	\$228,970,000	\$224,331,070	98.0%
Expenditures	\$228,970,000	\$226,573,612	99.0%

Projected Operating Balance: (\$2,242,542)

Year-End Fiscal Management Strategies

- 1) Continued Department Savings**
- 2) Review of encumbrances and continuing projects**

FISCAL YEAR 2017-2018 GENERAL FUND TRIAL BUDGET OVERVIEW





FY 17-18 TRIAL BUDGET BASELINE ELEMENTS

- ▶ Recognizes full budget loss of ICE contract (\$11M)
- ▶ Reduction of the Water Transfer (\$2.4M)
- ▶ Graffiti Abatement Program funding of \$1.2M
- ▶ Includes FY 17-18 actuarial PERS rates
 - PD Safety – 43.106%
 - Fire Safety – \$7.4M (UAL)
 - Miscellaneous – 34.106%
- ▶ Health insurance rates increase of 9% (\$1.3M)



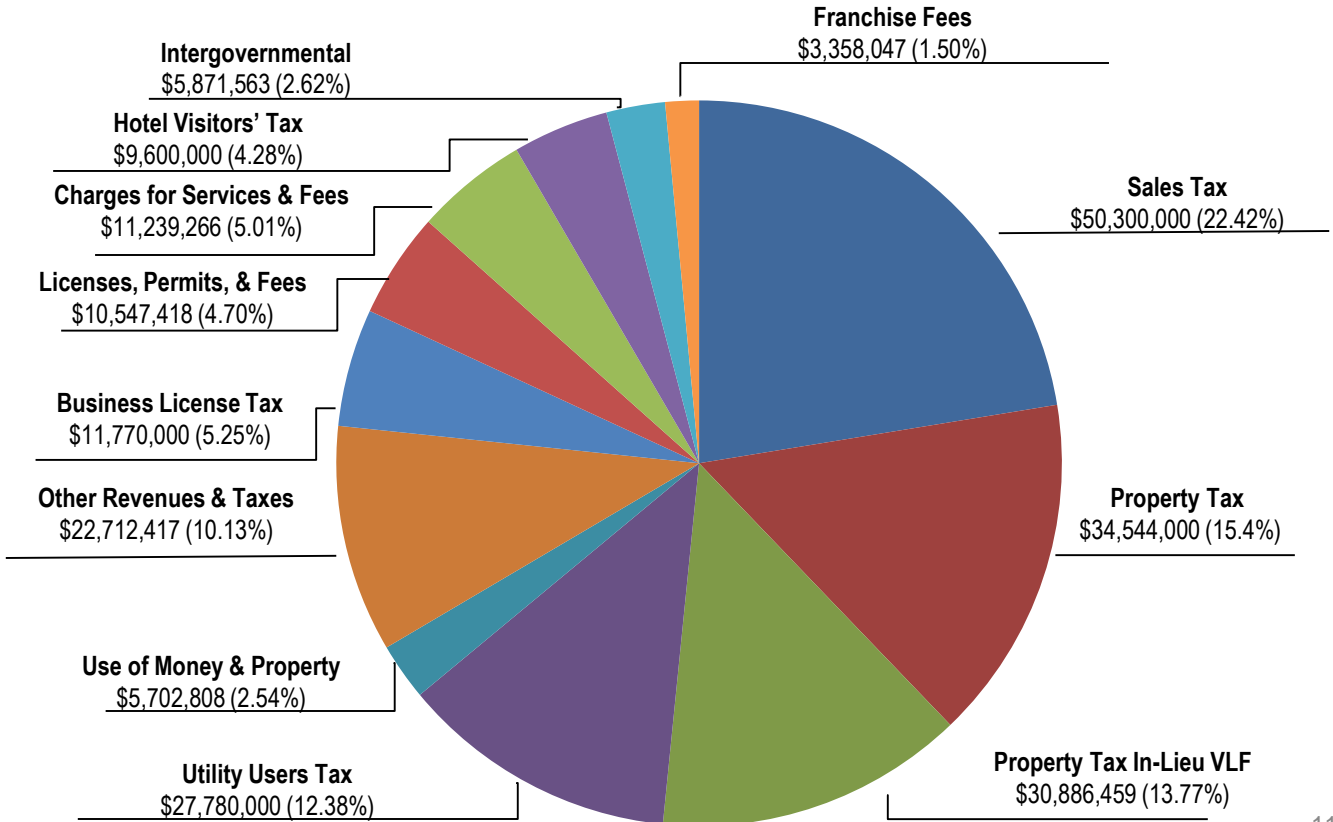
FY 17-18 TRIAL BUDGET BASELINE ELEMENTS

- ▶ OCFA & Ambulatory Cost Increase (\$1.3M)
- ▶ Allocated \$1.0M in matching City Funds for 3rd COPs Hiring Grant
- ▶ Funding for City's share of Animal Shelter construction costs (\$750K)
- ▶ Financing of 800 MHz Final Phase Backbone (\$200K)
- ▶ Continue current attrition value
- ▶ Maintain current programs and service levels

FY 2017 - 2018

General Fund 11 Revenue Sources

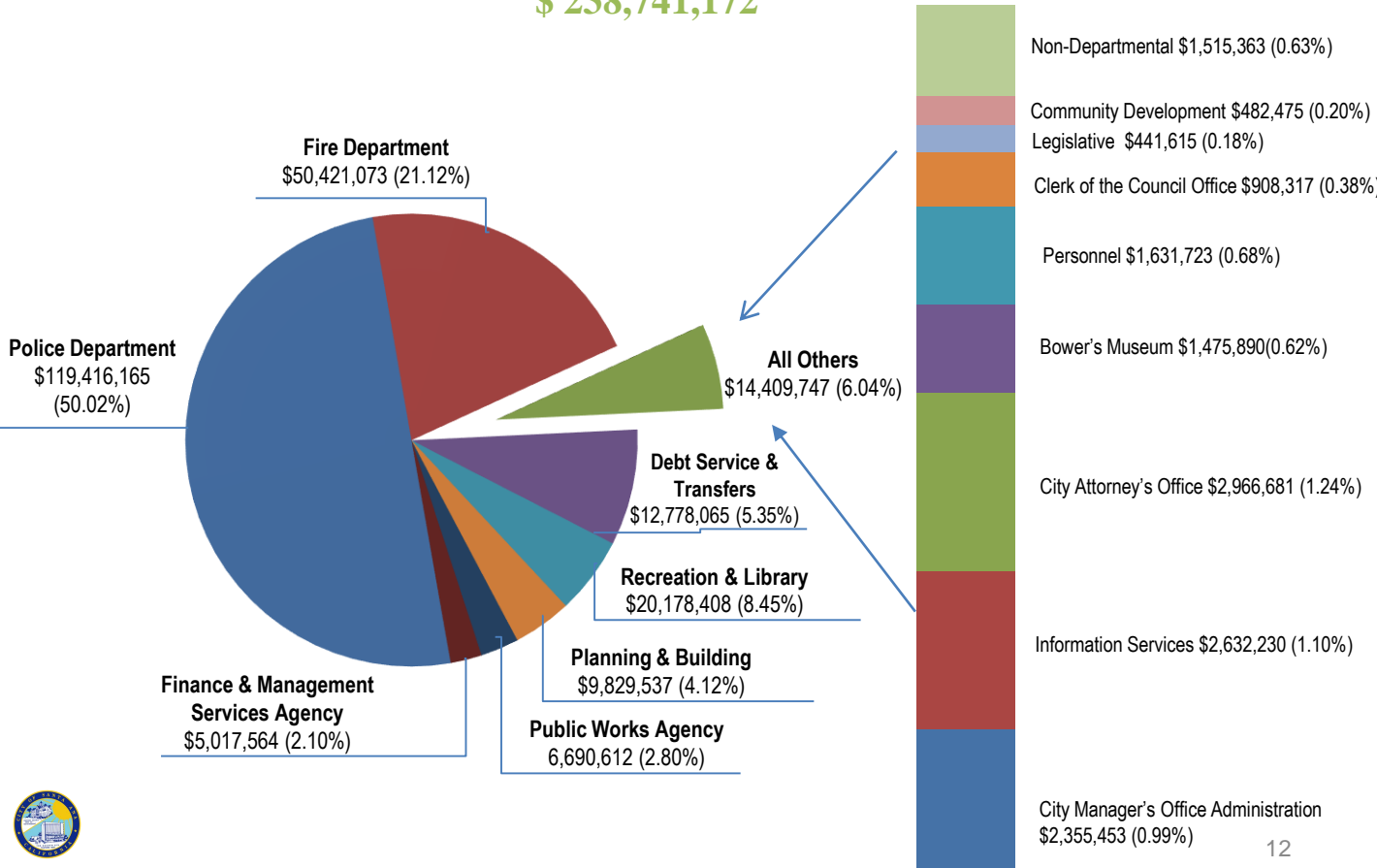
Estimated Revenues: \$224,311,978



FY 2017 - 2018

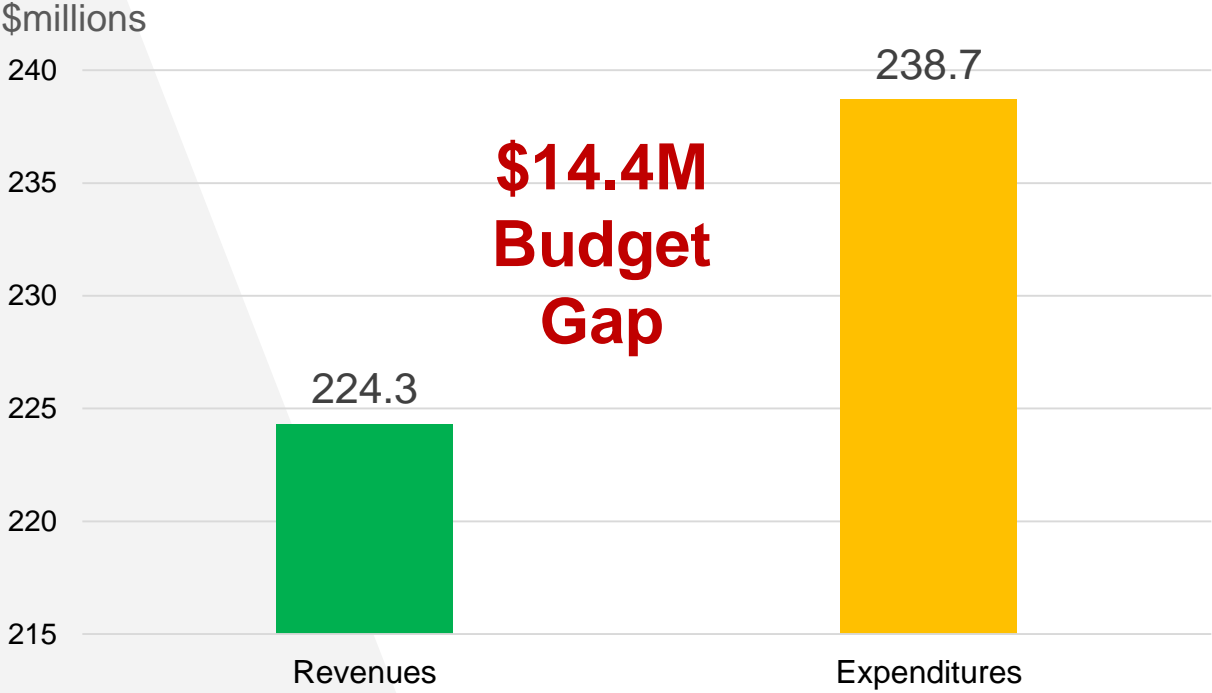
General Fund 11 Appropriations

\$ 238,741,172



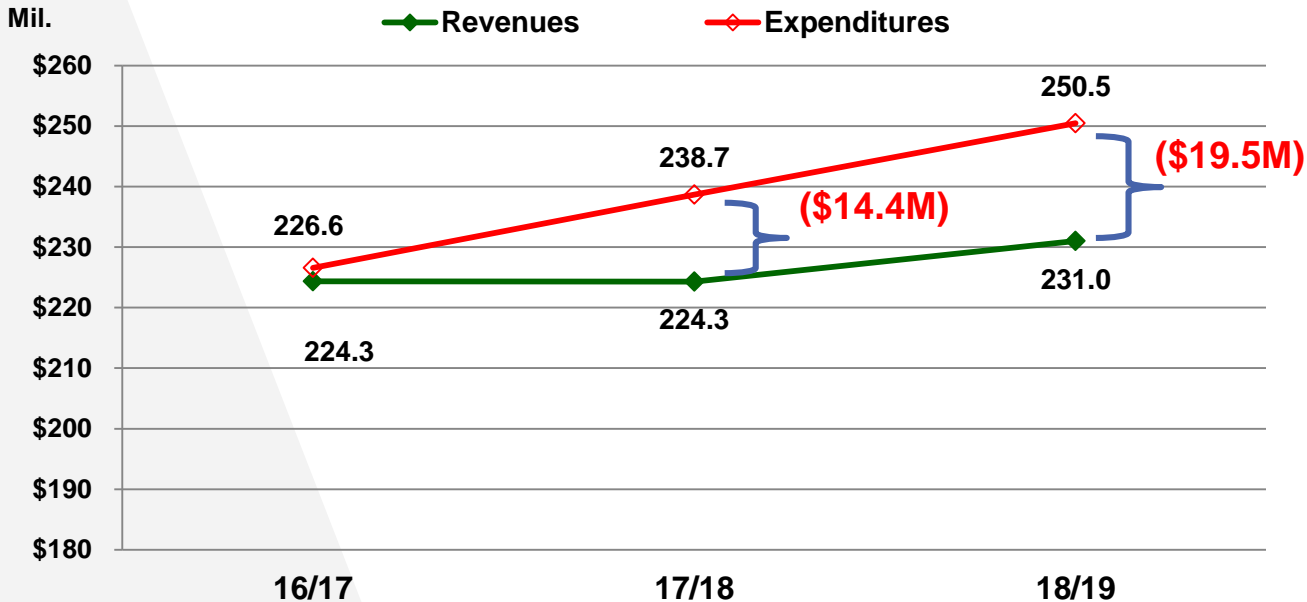


FY 17-18 GENERAL FUND TRIAL BUDGET





GENERAL FUND FORECAST FY 2016-2017 to FY 2018-2019





ADDITIONAL IMPACT ITEMS

- Enterprise Program Review
- Negotiations
- Final cost of the SEIU Job Classification Study
- Additional Deferred Maintenance (Facilities, Vehicles, & Equipment)
- Liability Premium Increases
- Pension Stability Fund
- Fiscal Policy



KEY BUDGET CHALLENGES

- Provide a balanced budget
- Continue to provide core City services
- Continue to meet City's pension obligations
- Maintain operating reserves
- Explore new revenue and cost saving opportunities



COMMUNITY BUDGET OUTREACH EFFORTS & PRIORITIES



► Key Highlights

- Conducted 13 Community Budget Outreach Meetings in various city locations
- Received Community priorities key areas:
- **Increase funding for public Safety initiatives**
- **Increase investment in youth and recreation programs**
- **Improve traffic and pedestrian safety**

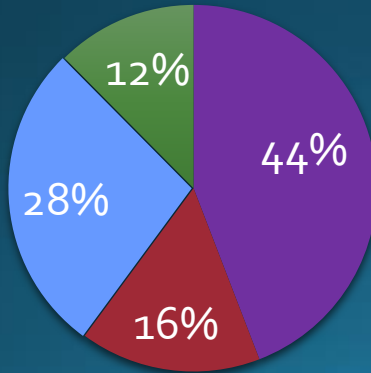
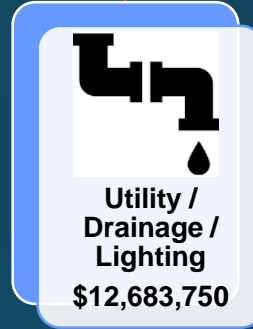
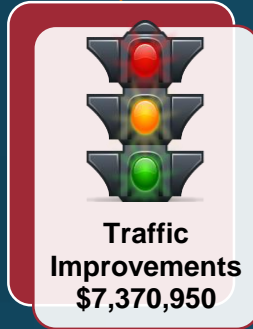
FOR FULL DETAILS OF COMMUNITY INPUTS AND SUGGESTIONS, PLEASE VISIT:

www.santa-ana.org/finance/budget

FISCAL YEAR 2017-2018 CAPITAL IMPROVEMENT PROGRAM (CIP)



**17/18 CAPITAL IMPROVEMENT
PROGRAM (CIP)
\$46,184,312**



- Street Improvements
- Traffic Improvements
- Utility / Drainage / Lighting Improvements

BUDGET SCHEDULE AND NEXT STEPS



FY 17-18 Budget/CIP Calendar – Next Steps

- **May 15, 2017**
Review of the Fiscal Policy at the Economic Development, Infrastructure, Budget and Technology Committee
- **May 16, 2017**
City Manager's Proposed FY 17-18 Budget Work Study Session; includes CIP, Miscellaneous Fees & Workforce Changes
- **June 6, 2017**
First Reading: Tentative Budget/CIP Ordinance Adoption, Miscellaneous Fees, and Personnel Resolution
- **June 20, 2017**
Second Reading: Final Budget/CIP Ordinance Adoption
- **July 1, 2017**
Start of the new Fiscal Year



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