



# AGENDA ITEM

Item Number:

7

**TO:** CITY COUNCIL  
**FROM:** CITY MANAGER

**Submitted By:**   
Ellen Volmert, City Manager  
Michael Solorza, Finance Director

**Meeting Date:**  
April 16, 2013

**Subject:** Fiscal Year 2013-14 General Fund Overview

## RECOMMENDATION:

It is recommended that the City Council take the following actions:

- a) Receive the Staff presentation on the proposed Fiscal Year 2013-14 General Fund budget overview
- b) Provide direction as needed for Staff to complete preparation of the proposed Fiscal Year 2013-14 budget for presentation on May 7, 2013

## SUMMARY:

This presentation of the Fiscal Year 2013-14 General Fund budget overview represents the third public meeting at which the General Fund budget has been discussed. In an effort to increase transparency, provide additional opportunities for dialogue on the City's finances, and respond to a changing financial condition, Staff has pursued a greatly expanded budget development process this year when compared to previous years. This year's budget development process began two months earlier than in prior years, and included for the first time dedicated study sessions focused solely on the budget. As reference, the first presentation of the General Fund budget for Fiscal Year 2012-13 did not occur until May of last year.

Including the budget discussions surrounding right-sizing the Fiscal Year 2012-13 adopted budget due to the loss of a major sales tax producer, Staff and City Council have been engaged in continuous discussions focusing on La Palma's fiscal status for nine months. The first formal presentation to City Council concerning the FY 2013-14 budget was at the January 28 budget study session; with a subsequent study session held on March 11 where the original staff plan was further refined.

In addition to these budget focused meetings, the City Council received important presentations on recommendations for addressing retiree health benefit program unfunded liabilities (February 5), a ten-year Capital Improvement Plan (February 19), and updating General Fund and Internal Service Fund reserve policies (March 19). Furthermore, after six months of review and discussion, the City's Master Fee Schedule was amended on March 19. At the last meeting (April 2) City Council provided direction on the utility user tax rate.

All of those items and actions tie together to further the City's plan to achieve short-term and long-term financial sustainability. This presentation continues the forward progress made thus far in preparing a balanced budget plan. The presentation of the FY 2013-14 budget is being broken up over several public meetings in order to provide the City Council, residents, and other stakeholders the ability to carefully review and discuss the financial plan. In addition, as part of the overall move towards a priority based/program budget, the presentation of General Fund revenue separates one-time vs. ongoing amounts and general revenues from program (i.e., Departmental) revenues. Various aspects of priority based budgeting have already been incorporated into the City's ongoing financial reporting process. As progress is made on the FY 2013-14 budget, additional priority based budgeting aspects will be incorporated.

This presentation is designed to show an overview of the General Fund only. All feedback received will then be incorporated into the formal presentation of the proposed FY 2013-14 budget – which will include all funds– on May 7, 2013.

This report, and the accompanying attachments, includes a General Fund overview that incorporates all feedback from the January 28 and March 11 study sessions. In addition, some portions of the March 11 Staff plan have been adjusted based on new developments since that study session. The impacts of these developments are incorporated into this overview. Attachment 1 provides a summary of FY 2012-13 projected revenue and expenditures, updated to incorporate three additional months of data, as well as the updated FY 2013-14 plan, showing revenue adjustments, reductions in expenditures, and proposed one-time uses of reserves.

### **BACKGROUND:**

At the March 11 budget study session, Staff reported that a "status quo" FY 2013-14 budget produces a gap of \$1.335 million if no changes to expenditures or revenue are made. The same assumptions for the FY 2014-15 estimated budget would produce a \$1.305 million gap, (assuming no changes to expenditures or revenue). The March 11 Staff plan completely closed the FY 2013-14 gap without using reserves to fund ongoing operating expenses. That plan included \$427,000 in additional revenue, \$622,000 in department specific reductions and revisions, and an additional \$289,000 in citywide savings from service reductions and revisions.

Since that study session, Staff has been able to use additional expense information through the first quarter of FY 2012-13 to further adjust proposed FY 2013-14 expenditure projections. Being able to further hone the expense projections reduced the size of the gap to be closed in

FY 2013-14. Figure 1 is the projected expenditures and revenue figures of the updated “status quo” budget for FY 2013-14:

*Figure 1*

	FY 13-14	FY 14-15
EXPENDITURES	9,206,045	9,307,200
REVENUE	7,959,100	8,002,000
VARIANCE	<b>(1,246,945)</b>	<b>(1,305,200)</b>

Staff received City Council direction on March 11 to remove \$237,000 in service reductions and revisions from the Staff plan. Part of the presentation at that Study Session was discussion of whether City Council would support a one-time use of reserves to close any gap which might occur based on changes to the initial FY 2013-14 plan. Since a portion of expenditure reductions were not supported by the City Council (i.e., \$237,000), Staff received initial support to update the proposed budget showing a one-time use of reserves in that amount to help bridge the gap for FY 2013-14 only. The intent was to bridge one year while additional information on future sales tax revenue levels could be determined.

(It should be noted that the January 28 staff plan was revised after \$537,000 in proposed expenditures cuts were removed from consideration per City Council direction. Attachments 5 and 6 provide information on the changes to the January 28 staff plan which was updated and presented on March 11.)

The proposed March 11 staff plan reductions/revisions which did not receive City Council support and which were subsequently removed from the plan were:

- Elimination of the Fit N Fun program (\$53,000 in savings)
- Furloughs for safety and non-safety personnel of 36 total hours (\$184,000 in savings)

Since that budget study session, there have been additional developments which impact other cost cutting proposals from the original March 11 Staff Plan. These impacts require a renewed focus on the Four R's: reductions in services, revisions to operations, revenue increases, and use of reserves.

The expenditure reductions which can no longer be utilized as part of the FY 2013-14 budget plan are outlined below:

- One cost cutting proposal involved holding vacant an assumed Police Officer vacancy for the entirety of FY 2013-14. It was anticipated at the time the March 11 plan was developed that a current Police Officer would be moving to a new jurisdiction, hence creating a vacancy. However, this move will not be occurring and the officer will remain with the La Palma Police Department. Staff is not proposing to lay off a police officer and the savings is therefore no longer viable. The estimated reduction in expenditures was \$127,000.

- Another part of the proposal included \$90,000 in projected savings from the potential to contract out Police dispatch services. The \$90,000 was an estimate of partial year salary savings from eliminating the dispatch function. However, it appears the timeline is overly optimistic. Therefore, only \$50,000 in savings for FY 2013-14 is being assumed at this point, while discussions continue with other agencies with which La Palma might partner and more detailed cost information is anticipated as firm proposals are received. As a reminder, the City Council has made no decision as to whether to contract Police dispatch services or with whom. Rather, the City Council has directed staff to continue researching the item and assuming savings from the potential of contracting out as part of the budget plan. .
- The March 11 plan proposed one-time use of reserves for infrastructure improvements which would lead to ongoing energy savings. The partial year energy savings in FY 2014-15 were estimated to be \$75,000. This estimate came from an initial “energy audit” proposal by Chevron, Inc. which was based on assumptions about energy savings from a new HVAC system, replacing the roof at City Hall, and other energy related infrastructure investments. The \$75,000 in estimated savings was based on a timeline that would have the projects completed by the second half of the fiscal year. However, this estimate does not seem achievable at this point and Staff will need additional time to devise a workable timeline. Therefore, the updated energy savings amount is revised to \$30,000. Chevron is scheduled to present their assessment information to the City Council on May 7, 2013.

These changes, as incorporated into the updated plan, increase the gap by another \$212,000. The following section provides details on the latest FY 2013-14 General Fund budget proposal, including assumptions utilized to estimate revenue and expenditures in light of the proposals already made to the City Council.

### **ANALYSIS:**

The Staff plan originally presented at the March 11 study session has been updated as discussed above to remove the following expenditure reductions from the budget balancing plan:

- \$237,000 in expenditure reductions per City Council direction at the March 11 study session (Fit N Fun program elimination and furloughs)
- \$40,000 in expenditure reductions by revising the estimated savings from contracting out Police Dispatch (vs. initial estimate of \$90,000 in savings)
- \$127,000 in anticipated savings from a vacant Police Officer position

- \$45,000 in estimated savings from investing in energy related infrastructure upgrades (netting only \$30,000 in savings vs. the \$75,000 originally proposed)

The amounts above add up to \$449,000, meaning the gap has grown by \$212,000 from the \$237,000 at the conclusion of the March 11 budget study session.

However, since the last study session, Staff has had the opportunity to better refine General Fund revenue projections for FY 2013-14, incorporating new developments related to property tax and charges for services. In addition, a closer review of each Department budget has yielded some additional, new reductions in expenditures including recent staffing changes in Community Development which provide an opportunity for projected salary savings in FY 2013-14. Furthermore, there are the one-time savings related to establishing a trust to address retiree medical health costs. The additional reductions are listed below and are summarized in Attachment 1:

**Citywide (General Fund):** \$91,000 in general fund savings through reduced retiree medical health appropriations. This one-time savings can be realized based on the Staff recommendation to join an irrevocable trust in order to address the City’s unfunded liabilities.

**Administration:** \$16,630 in additional savings by removing costs related to a general election. Since no election is anticipated in 2013, it is not necessary to budget for this expense. The appropriate estimated costs have been placed in the budget planning for the 2014 election.

**Community Development:** \$61,970 in additional savings from two areas: reducing projected professional services costs related to the General Plan update, and realizing salary savings from the potential hiring of a new Code Enforcement Officer. Since March 11, the incumbent Code Enforcement Officer announced her resignation. At the present time, given that one of the City Council goals for 2013 is to maintain focus on code enforcement, it is assumed this position will be filled. However, the incumbent was at the top step of the position. Therefore, if the position is filled, the assumption is it would be at a lower rate, hence the projected salary and benefit savings in FY 2013-14.

The above amounts of additional, post-March 11 study session cost reductions total \$169,600. Therefore, taking into account all of the various expenditure and revenue revisions, and netting those against the reductions removed from the Staff plan, the updated FY 2013-14 budget gap is \$263,535. This approximately matches the additional general fund sales tax revenue assumed for operations in FY 2014-15 from Tesoro.

Figure 2, as well as Attachment 1 shows the updated expenditures and revenue, along with the new gap amount, which at this point is proposed to be covered by a one-time use of reserves:

**Figure 2**

Estimated FY 2013-14 GF Expend	\$ 8,591,635
Estimated FY 2013-14 GF Revenue	\$ 8,328,100
Variance	<b>\$ (263,535)</b>

### Revenue

The estimated FY 2013-14 General Fund revenue of \$8,328,100 includes the following general assumptions:

- General growth in secured property tax revenue of 2.0%
- Maintaining the Utility Users Tax (UTT) rate at the voter approved level of 5.0%
- Approximately \$250,000 in additional sales tax
- Additional fee revenue from the recent update of the City's Master Fee Schedule
- Increased revenue through more diverse and intelligent investment of the City's cash on hand
- Refined and updated revenue projections for other General Fund revenue line items

Attachment 2 provides a summary overview, by major category, of FY 2013-14 and FY 2014-15 General Fund revenues, as well as details on the assumptions used to make the projections. In addition, as part of the move towards a priority based budget model, Attachment 3 provides updated FY 2012-13 and FY 2013-14 revenue projections that incorporate a listing of one-time vs. ongoing revenue as well as listing them as general vs. departmental revenue sources.

### Expenditures

As already indicated, there are numerous changes proposed that will reduce expenditures in FY 2013-14. Some of the reductions are one-time, allowing for temporary cuts to bridge the next fiscal year. Other proposed reductions are permanent and will provide on-going savings.

A large portion of the proposed expenditure cuts center around personnel. In addition to the four vacant full-time equivalent (FTE) positions eliminated from the FY 2012-13 budget, there are an additional six FTE proposed for elimination in FY 2013-14. The City's table of organization would be reduced to 54.0 FTE, the lowest level in the last fifteen years. In an effort to better illustrate this reduction in staffing, Attachment 7 provides organizational charts for each Department. There are two charts per Department: one showing the number and type of positions as amended in FY 2012-13, the other showing the proposed FY 2013-14 budget staffing plan.

The specific reductions that are part of the General Fund proposed budget are summarized in Attachment 1 and shown in greater detail in Attachment 4, which has been updated based on City Council direction at the March 11 study session as well as for developments which have occurred since that meeting (see list above). Attachment 2, in addition to providing an overview of General Fund revenue, shows projected expenditures by Department for the next two fiscal years.

### **CONCLUSIONS:**

Overall, Staff believes this plan for FY 2013-14 and FY 2014-15 is sustainable and achievable. Each Department took the task of producing a balanced budget seriously and worked hard to

build a realistic plan that supports the City Council's 2013 goal of adopting a balanced budget. Wherever possible, Staff attempted to propose reductions and revisions which would have a minimal impact on services.

Unfortunately, in order to balance the budget, there will be direct service reduction impacts. Whether it is a reduction in availability of City Staff due to proposed reductions in force or the revision of services to be provided in a different manner, La Palma residents will be directly and negatively impacted by the proposals in this plan.

The goal of retaining services where possible over the two year period is threefold:

- Provide sufficient time in order to gauge the full impact of the new sales tax provider;
- Provide Staff with sufficient time to gauge the impacts which the reductions in employees and programs will have on normal operations; and,
- Provide additional time to continue exploring and researching additional ways to reduce and/or revise operations in order to gain operational efficiencies and reduce expenses as well as research potential new revenues

Each of these considerations will improve our ability to identify a sustainable level of services, meaning the level at which on-going expenditures balance with on-going revenue. Based on changes to the Staff plan presented at the March 11 study session, as well as other changes which have occurred since, the General Fund budget being presented tonight shows a one-time use of reserves in the amount of \$263,535 to fund ongoing operations for next year only. Alternatively, staff would need to identify additional expenditure reductions or revenue opportunities to achieve a truly balanced FY 2013-14 budget (i.e., no use of reserves to fund ongoing operating expenses). Based on this updated plan, the estimated FY 2014-15 budget shows a surplus (revenue over expenditures) of approximately \$135,000. .

The next steps in the FY 2013-14 budget development process are as follows:

1. Staff receives direction at the April 16, 2013 meeting on all aspects of the updated General Fund proposed budget for FY 2013-14 and incorporates City Council guidance on each element of the updated plan.
2. Staff presents a proposed budget to the City Council on May 7, 2013, which encompasses all funds.
3. Public hearings are held to discuss and review the draft budget on May 21 with anticipated adoption of the FY 2013-14 budget on June 4.

- Attachments:**
1. Updated FY 2013-14 General Fund Proposed Budget Summary: Expenditure Reductions, Revenue Additions, One-Time Use of Reserves
  2. FY 2013-14, FY 2014-14 General Fund Overview: Revenue by Major Category and Expenditures by Department
  3. FY 2012-13, FY 2013-14 One-time vs. Ongoing / General Governmental vs. Departmental Revenue Summary
  4. Updated March 11 Study Session Staff Plan Reductions and Revisions
  5. Updated January 28 Study Session Staff Plan Reductions and Revisions
  6. Reconciliation of January 28 and March 11 Reductions and Revisions
  7. Department Organizational Charts, FY 2012-13 Amended and FY 2013-14 Proposed



**FY 2013-14 PRELIMINARY DRAFT BUDGET RECONCILIATION  
UPDATED POST STUDY SESSION**

**FY 2012-13 BUDGET AND FUND BALANCE PROJECTIONS**

GF Fund Balance, 06/30/2012 CAFR	\$	14,746,953
Nonspendable	\$	(915,758)
Assigned	\$	4,541,983
Unassigned	\$	9,289,212
Total Available Fund Balance	<b>\$</b>	<b>13,831,195</b>
GF FY 2012-13 Projected Revenue <1>	\$	10,586,405
GF FY 2012-13 Projected Expenditures <1>	\$	(9,099,400)
Transfer to COR	\$	(1,700,000)
Variance Surplus / (Deficit)	<b>\$</b>	<b>(212,995)</b>
Projected GF Fund Balance 06/30/2013	\$	13,618,200
06/30/2013FB as % of Expend		149.7%
"Surplus" FB over 100%	\$	4,518,800

<1> FY 2012-13 projected expenditures and revenue updated to incorporate activity through March 30, 2013 (end of 3rd quarter)

**FY 2013-14 GENERAL FUND PRELIMINARY GAP ANALYSIS: UPDATED POST STUDY SESSION**

EXPENDITURES	\$	9,206,045
REVENUE	\$	7,959,100
VARIANCE	\$	<b>(1,246,945)</b>
TRANSFER TO COR	\$	400,000
Projected GF Fund Balance 06/30/2014	\$	11,971,255
06/30/2014 FB as % of Expend		130.0%

**CLOSING THE GAP, USING THE FOUR "R's": Updated Post Study Session****REVENUE CHANGES**

Increased interest earnings	\$	10,000
Increased Corporate Connection funding	\$	6,000
Fee revisions	<A> \$	50,000
Summer Concerts Food Trucks/Beer and Wine	\$	5,000
Additional advertising/alternative advertising	\$	40,000
Share Crossing Guard Services (reimbursement)	\$	8,000
Tesoro Additional Sales Tax	<B> \$	250,000
	\$	<b>369,000</b>

<A> Estimated revenue based on adopted update of Master Fee Schedule on March 5, 2013

<B> On 02/05/2013, City Council approved a cooperative agreement with Tesoro Energy to share 50% of sales tax generated from their fuel sales. Based on various timing issues and regulatory hurdles, this additional \$250,000 in revenue assumes Tesoro would have one fiscal quarter of operations and generate \$500,000 in sales tax for that one fiscal quarter, split 50/50 nets the \$250,000 for FY 2013-14. This is an estimate based on the assumption that the Tesoro operation would generate roughly the same amount of annual revenue as did BP/Arco (approximately \$2.0 million/year, or \$500,000/quarter).

**REDUCTIONS AND REVISIONS TO SERVICES - DEPARTMENT SPECIFIC AND CITYWIDE**

<i>Department Specific</i>	
Administration	\$ (32,230)
Community Development	\$ (144,220)
Finance	\$ (8,000)
Police	\$ (77,300)
Public Works	\$ (44,500)
Recreation and Comm Services	\$ (157,050)
	\$ <b>(463,300)</b>
<i>Citywide</i>	
Energy Savings	<2> \$ (30,000)
Reduce Brea IT Service (2 days/week)	\$ (23,100)
Eliminate Management Wellness benefit	\$ (4,500)
City Manager COLA Elimination	\$ (2,500)
OPEB Trust Savings (One-Time)	\$ (91,000)
	\$ <b>(151,100)</b>

**USE OF RESERVES**

Reserve for triple-flip over allocation	\$	(162,500)
<i>One-Time Use of Reserves &lt;3&gt;</i>		
Purchase of Street Lights from SCE	\$	(600,000) GF
Energy Capital Projects	<3A> \$	(1,280,000) GF
800 Mhz Radio Upgrade (Police)	<3B> \$	(200,000) Tech Maint ISF
City Council 2013 Goals (Start-up Expend)	\$	(50,000) GF
	\$	<b>(2,130,000)</b>

<2> Any anticipated savings from energy upgrade projects will most likely not be realized as of July 1; therefore the projected \$30,000 in savings assumes at least four months of energy savings

<3> City Council, at the 01/28/2013 Budget Study Session, approved the continued research and exploration of use of reserves for these projects.

<3A> Estimated cost of solar panel installation, replacement of City Hall HVAC, upgrade City Hall climate control systems and replace Central Park lighting with more energy efficient LED lighting

<3B> The Countywide radio system is requiring an upgrade of all radios and communication systems (hardware); the required contribution towards this project for the City of La Palma totals approximately \$700,000 over the various phases of the project (through 2018). Approximately \$200,000 will be due for the initial phase in FY 2013-14.

**FY 2013-14 GENERAL FUND PRELIMINARY GAP ANALYSIS**

Total Expenditure Reductions/Revisions	\$	(614,400)
Total Revenue Enhancements	\$	369,000
Estimated FY 2013-14 GF Expend	\$	8,591,645
Estimated FY 2013-14 GF Revenue	\$	8,328,100
Variance	\$	<b>(263,545)</b>
Transfer to COR	\$	(400,000)
Triple-Flip Over-Allocation	\$	(162,500)
One-time Use of Reserves	\$	(2,130,000)
<b>TOTAL RESERVES USE</b>	\$	<b>(2,692,500)</b>
Projected GF Fund Balance 06/30/2014	<4> \$	10,662,155
06/30/2014 FB as % of Expend		124.1%
Dollar Amount Reserves above 100%	\$	2,070,510

<4> Using projected 06/30/2013 fund balance, net of COR transfer, triple-flip over-allocation reserve, and deficit of operating (expenditures over revenue for FY 2013-14)

# Attachment 2

## City of La Palma

### General Fund Revenue and Expenditure Overview

	Fiscal Year 2010-11 Actual	Fiscal Year 2011-12 Actual	Fiscal Year 2012-13 Adopted	Fiscal Year 2012-13 Amended	Fiscal Year 2012-13 Projected*	Fiscal Year 2013-14 Proposed	% Change from Fiscal Year 2012-13 Projected	Fiscal Year 2014-15 Estimated	% Change from Fiscal Year 2013-14 Proposed
<b>Revenues by Type:</b>									
Property Tax	\$ 2,926,867	\$ 2,996,543	\$ 2,920,200	\$ 2,920,200	\$ 3,987,500	\$ 3,098,000	-22.3%	\$ 3,142,700	1.4%
Sales Tax	3,221,887	5,610,509	3,827,500	3,827,500	3,627,500	1,780,000	-50.9%	2,114,400	18.8%
Utility Users Tax	943,146	893,605	950,000	950,000	950,000	1,150,000	21.1%	1,162,500	1.1%
Successor Agency Admin	-	143,234	50,000	50,000	-	150,000	0.0%	153,000	2.0%
Franchise Fees	353,974	357,553	354,700	354,700	350,000	370,000	5.7%	375,300	1.4%
Transient Occupancy Tax	216,387	227,539	220,000	220,000	250,000	235,000	-6.0%	279,000	18.7%
Licenses and Permits	210,224	268,847	210,500	210,500	246,000	228,600	-7.1%	230,000	0.6%
Intergovernmental	132,705	48,972	16,000	16,000	33,655	16,000	-52.5%	16,000	0.0%
Charges for Services	447,474	482,884	426,600	426,600	420,550	508,600	20.9%	510,100	0.3%
Fines and Forfeitures	161,914	153,549	160,200	160,200	160,000	161,000	0.6%	161,000	0.0%
Use of Money and Property	332,864	303,057	211,000	211,000	201,200	222,000	10.3%	224,200	1.0%
Other Revenues	412,489	263,841	77,800	77,800	76,900	125,800	63.6%	145,800	15.9%
Interfund Transfers	283,100	283,100	283,100	283,100	283,100	283,100	0.0%	283,100	0.0%
<b>Total Revenues</b>	<b>9,643,031</b>	<b>12,033,233</b>	<b>9,707,600</b>	<b>9,707,600</b>	<b>10,586,405</b>	<b>8,328,100</b>	-21.3%	<b>8,797,100</b>	5.6%
<b>Expenditures by Department:</b>									
Administration	1,663,069	1,289,010	1,567,100	1,498,690	1,485,700	1,434,030	-3.5%	1,484,430	3.5%
Police	5,219,801	5,187,355	5,164,800	5,140,720	4,903,800	4,808,905	-1.9%	4,896,165	1.8%
Recreation and Community Services	1,573,006	1,385,445	1,489,400	1,339,380	1,315,000	1,154,770	-12.2%	1,183,650	2.5%
Community Development	492,805	595,787	668,600	662,450	653,100	528,410	-19.1%	422,390	-20.1%
Public Works	829,440	866,544	754,300	751,940	741,800	665,530	-10.3%	675,870	1.6%
<b>Total Expenditures</b>	<b>9,778,121</b>	<b>9,324,141</b>	<b>9,644,200</b>	<b>9,393,180</b>	<b>9,099,400</b>	<b>8,591,645</b>	-5.6%	<b>8,662,505</b>	0.8%
<b>Rev vs. Expend Surplus / (Deficit)</b>	<b>(135,090)</b>	<b>2,709,092</b>	<b>63,400</b>	<b>314,420</b>	<b>1,487,005</b>	<b>(263,545)</b>	-117.7%	<b>134,595</b>	
<b>Transfer Out to COR</b>	<b>1,044,000</b>	<b>3,500,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	<b>400,000</b>	-76.5%	<b>100,000</b>	-75.0%
<b>Net Change in Fund Balance</b>	<b>\$ (1,179,090)</b>	<b>\$ (790,908)</b>	<b>\$ (1,636,600)</b>	<b>\$ (1,385,580)</b>	<b>\$ (212,995)</b>	<b>\$ (663,545)</b>	211.5%	<b>\$ 34,595</b>	-105.2%

# Attachment 3

## GENERAL FUND REVENUE PROJECTIONS, FY 2012-13 and FY 2013-14

### Projected One-time vs. Ongoing Revenue

### General Governmental vs. Departmental/Program Revenue

Updated through March 30, 2013

Revenue Type	FY 2011-12 Actuals	FY 2012-13 Adopted Budget	FY 2012-13 Amended Budget	FY 2012-13 Projected Revenue (Total)	FY 2012-13 Projected Ongoing Revenue	FY 2012-13 Projected One- Time Revenue	Amended Variance to Budget %	FY 2013-14 Projected Revenue (Total)	FY 2013-14 Projected Ongoing Revenue	FY 2013-14 Projected One- Time Revenue
<b>GENERAL GOVERNMENT REVENUE:</b>										
Property Tax	\$ 2,996,543	\$ 2,920,200	\$ 2,920,200	\$ 3,058,500	\$ 2,953,500	\$ 105,000	<1> 5%	\$ 3,098,000	\$ 3,098,000	
Sales Tax	5,610,509	3,827,500	3,827,500	3,627,500	2,827,500	800,000	<2> -5%	1,780,000	1,780,000	
Utility Users Tax	893,605	950,000	950,000	950,000	950,000	-	0%	1,150,000	1,150,000	
Residual Prop Tax (Successory Agency)	143,234	50,000	50,000	929,000	150,000	779,000	<3> 1758%	150,000	150,000	
Franchise Fees	357,553	354,700	354,700	350,000	350,000	-	-1%	370,000	370,000	
Transient Occupancy Tax	227,539	220,000	220,000	250,000	250,000	-	14%	235,000	235,000	
Use of Money and Property	303,057	211,200	211,200	201,200	188,200	13,000	<4> -5%	222,000	222,000	
Other Revenue	263,841	77,800	77,800	76,900	76,900	-	-1%	125,800	125,800	
Interfund Transfers	283,100	283,100	283,100	283,100	283,100	-	0%	283,100	283,100	
	<b>\$ 11,078,981</b>	<b>\$ 8,894,500</b>	<b>\$ 8,894,500</b>	<b>\$ 9,726,200</b>	<b>\$ 8,029,200</b>	<b>\$ 1,697,000</b>	<b>9%</b>	<b>\$ 7,413,900</b>	<b>\$ 7,413,900</b>	<b>\$ -</b>
<b>DEPARTMENTAL / PROGRAM REVENUE:</b>										
Business Licenses	144,219	144,000	144,000	155,000	155,000	-	8%	155,000	155,000	
Permits	124,628	66,500	66,500	91,000	91,000	-	37%	73,600	63,600	10,000
Intergovernmental	48,972	16,000	16,000	33,655	10,655	23,000	<5> 110%	16,000	-	16,000
Charges for Services	482,884	426,600	426,600	420,550	395,550	25,000	<6> -1%	508,600	498,600	10,000
Fines and Forfeitures	153,549	160,000	160,000	160,000	160,000	-	0%	161,000	161,000	
	<b>\$ 954,252</b>	<b>\$ 813,100</b>	<b>\$ 813,100</b>	<b>\$ 860,205</b>	<b>\$ 812,205</b>	<b>\$ 48,000</b>	<b>6%</b>	<b>\$ 914,200</b>	<b>\$ 878,200</b>	<b>\$ 36,000</b>
<b>Total Revenue</b>	<b>\$ 12,033,233</b>	<b>\$ 9,707,600</b>	<b>\$ 9,707,600</b>	<b>\$ 10,586,405</b>	<b>\$ 8,841,405</b>	<b>\$ 1,745,000</b>	<b>9%</b>	<b>\$ 8,328,100</b>	<b>\$ 8,292,100</b>	<b>\$ 36,000 &lt;7&gt;</b>

<1> Additional one-time revenue from refund of over-charged property tax administration fees from County of Orange

<2> Triple-flip "true up" for FY 2012-13 returned additional \$800,000 in revenue

<3> Additional one-time revenue from dissolution of Community Development Commission; redistribution of unobligated cash demanded by State as part of Due Diligence Review (DDR) of all former CDC funds

<4> One-time revenue related to Motor Vehicle License Fee (VLF), SEEACA animal control contract and POST reimbursement

<5> Crown Castle made one-time payment of \$13,000 related to installation of digital antenna system in right of way; additional revenue of \$10,000 from one-time State of California

<6> One-time building plan check fees related to Chase and Wal-Mart construction/upgrades

<7> Typically the City does not routinely expect nor receive large sums of "one-time" revenue; for FY 2013-14, the assumptions with Departmental/Program revenue rest upon the possibility of some "one-time" new business related planning permit activity

# Attachment 4

**City of La Palma**  
**FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS**  
 Updated to Reflect City Council Direction from March 11 Study Session  
 Detail by Department, With Notation for "One-Time" Reductions/Revisions

*\*Does not include additional reductions taken post-March 11*

**INDICATES REVISED ITEM SINCE MARCH 11, 2013 STUDY SESSION**

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Division / Program	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount	Total Dept Reduction	One-time (FY 2013-14) Savings?
<b>CITYWIDE REDUCTIONS</b>								
Energy savings (annual savings would be predicated on approval of one-time infrastructure expenditures)	Citywide	Depending on the proposal, savings could be generated if the City purchased street lights from SCE, with anticipated savings from lower electricity (tariff) rates; additional proposals could include savings from the installation of photovoltaic cells (solar energy), installation of a "green roof" on City Hall/Police building, upgrade of the HVAC and climate control savings	Revision	N	N	\$ 30,000		
<del>Furlough of non-Safety employees, 36 hours (9 hrs / 4 days)</del>	<del>Citywide</del>	<del>City Hall would be closed to the public (safety would not be affected) on 4 days throughout the fiscal year, affecting full-time and part-time employees</del>	<del>Reduction</del>	<del>Y</del>	<del>Y</del>	<del>\$ 104,000</del>		<del>One-time</del>
<del>Furlough Safety Employees, 36 hours</del>	<del>Citywide</del>	<del>Public Safety would not be impacted; savings would be realized through reduction in annual holiday pay amount (annual holiday pay would be provided as per MOU, but would be net of 36 hours of furlough) as well as other shift changes that would net 36 hours of unpaid time for all safety employees</del>	<del>Revision</del>	<del>Y</del>	<del>Y</del>	<del>\$ 80,000</del>		<del>One-time</del>
Eliminate Executive Management annual wellness benefit (\$500/management employee)	Citywide	Benefit was given in lieu of other compensation given to other groups so there is a small drop in total compensation. There is also some administrative time savings since no other group has this benefit.	Revision	N	N	\$ 4,500		
City Manager to forfeit COLA (July 1, 2013)	City Manager		Revision	N	N	\$ 2,500		
Reduce Brea IT service to only Monday/Wednesday each week	Citywide	Potential impacts would be felt if network and/or computer outages/problems were incurred on the "non-dark" Friday where Brea IT would no longer be present at City Hall; effects could impact resident customer service if permit, water billing or other services were to have problems	Reduction	N	N	\$ 23,100		
							<b>\$ 60,100</b>	

**City of La Palma**  
**FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS**  
**Updated to Reflect City Council Direction from March 11 Study Session**  
**Detail by Department, With Notation for "One-Time" Reductions/Revisions**

*\*Does not include additional reductions taken post-March 11*

**INDICATES REVISED ITEM SINCE MARCH 11, 2013 STUDY SESSION**

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Division / Program	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount	Total Dept Reduction	One-time (FY 2013-14) Savings?
<b>ADMINISTRATION</b>								
Revised City Attorney Contract	Legal	Savings on contract as discussed w/ City Attorney	Revision	N	N	\$ 10,500		
Eliminate Minutes Clerk	City Clerk	No minutes clerk at City Council meetings; reduced service to the public, City Manager, and City Council from Administrative Services Manager at meetings; minutes are strictly action only and formatted differently to take advantage of technology efficiency	Reduction	Y	N	\$ 1,500		
City Council savings from members declining the stipend	City Council	Individual Council members have declined the stipend	Revision	N	N	\$ 3,600		
FY 2013-14 Council supplies are lower assuming no new Councilmembers	City Council	\$2400 is budgeted in election years but only \$900 in non-election years	Revision	N	N	\$ 1,500		
Added labor attorney costs for contract negotiations year	Legal	all 3 employee MOU's are up for negotiation in 2013/14	Revision	N	N	\$ (15,000)		
City Tiles not ordered in FY 2013-14	Community Promotions	10 year supply ordered in 2012-13	Reduction	N	N	\$ 4,000		
Eliminate Wi-Fi costs	Administration/ CMO		Reduction	N	N	\$ 6,500		
Civic Expo	Community Promotions	Eliminate tents and promotional advertising	Revision	N	N	\$ 3,000		
							<b>\$ 15,600</b>	
<b>COMMUNITY DEVELOPMENT</b>								
Eliminate Admin. Secretary/Permit Technician	Building and Safety	Limited staffing would lead to fewer building counter hours, limiting ability for "walk-in" servicing of building and planning customers at front counter; proposal would be to eliminate one Full-time position.	Reduction	N	Y	\$ 82,000		
Training/Meetings	Code Enforcement	California Building Officials Annual Conference. Building Official is contracted service and training no longer necessary.	Revision	N	N	\$ 250		
							<b>\$ 82,250</b>	

**City of La Palma**  
**FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS**  
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**INDICATES REVISED ITEM SINCE MARCH 11, 2013 STUDY SESSION**

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Division / Program	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount	Total Dept Reduction	One-time (FY 2013-14) Savings?
<b>FINANCE</b>								
Reduce training	Finance	Decreased opportunity for staff to receive annual updates on GASB changes/pronouncements, payroll tax changes, and other related matters; potential for service impacts should critical/vital updates be missed and Staff is unaware of important changes to accounting, tax or labor laws/policies	Revision	N	N	\$ 1,000		
Reduction in printing	Finance	Fewer "hard copies" of City's budget and CAFR available to staff and the public; require increased use of web available version	Revision	N	N	\$ 1,000		
Eliminate property tax consulting service	Finance	Loss of expertise/assistance with property tax analysis	Revision	N	N	\$ 6,000		
							<u>\$ 8,000</u>	
<b>POLICE</b>								
Explore cost sharing of Crossing Guard Contract expenditures with affected School Districts	Operations/Management (001-201-600)	Discussions with involved school districts involve a combination of service reductions (Cypress) and cost sharing; the reduction shown here (\$8,000) would be from reduced crossing guard services affecting Cypress SD schools	Revision	N	N	\$ 8,000		
Contract Police Dispatch Services	Records-Communications (001-208-501)	All calls for service would go to an outside agency police dispatcher (i.e. Buena Park PD, West Cities Communications, La Habra PD, etc) and not directly to La Palma PD, potential for delayed response times. Current dispatchers crossed trained and perform records functions, their absence would create a need to hire a second fulltime records clerk to maintain work flow and accuracy in reporting crimes per DOJ mandates and OCDA's filing requirements. The front counter would be closed for 4 hours Monday-Thursday (and every working Friday) and completely closed every other (Dark) Friday and every weekend. Vehicle and property releases and other normal business transactions would not occur on off hours. Citizens would have to utilize a "callbox" located outside the police department to initiate a call for service and an officer would have to be dispatched to the front counter	Revision	Police Communications is required for all police agencies whether in-house or outsourced	(4) Non-Sworn FTE's, but add (1) Non-Sworn FTE in Records for net reduction of 3 FTE	\$ 50,000		



**City of La Palma  
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*\*Does not include additional reductions taken post-March 11*

**INDICATES REVISED ITEM SINCE MARCH 11, 2013 STUDY SESSION**

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Division / Program	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount	Total Dept Reduction	One-time (FY 2013-14) Savings?
Continue suspension of Police Services Dog assignment/program	Police Services Dog (001-203-xxx)	Police Services Dog program suspended in FY 2012-13 when the handler's 3 year rotation ended, proposal is to keep program suspended through FY 2013-14	Reduction	N	N	\$ 6,500		
<del>Police Officer -- potential near-term vacancy (by April, 2013); could hold position vacant for entire FY 2013-14 and utilize Corporal to fill daily patrol duties; savings would be net of required OT to backfill certain shifts (i.e., ASB duties)</del>	<del>Patrol (001-202-510/550)</del>	<del>Near-term impacts would be increase to overtime and reserve expenditures as vacant position would require back filling; estimated savings for a police officer vacancy (3 months) net of estimated increased overtime expenditures</del>	<del>Revision</del>	<del>N</del>	<del>Y</del>	<del>\$ 127,000</del>		<del>One-Time</del>
Parking Enforcement (part-time position)		Potential to take advantage of an impending vacancy of the Parking Enforcement Office position by assigning these duties to the Code Enforcement Officer (Community Development); savings would come from elimination of part-time parking enforcement officer and reduction in fleet expenses.	Revision	N	Y	\$ 10,800		
Reduce professional services amount for background checks (personnel hires)		With anticipated reduction in hiring, proposal is reduce (not eliminate) amount set aside for background checks on Police Department new hires	Reduction	Y	N	\$ 2,000		
							<b>\$ 77,300</b>	
<b>PUBLIC WORKS</b>								
Reduce 1.0 Maintenance Worker position from 80 hours/pay period to 54 hours/pay period (3 days/week, 9 hours/day)		Anticipating a vacancy in FY 2012-13, this change would reduce the hours of a Maintenance Worker position and assumes it is filled at Step A;	Reduction	N	Y	\$ 37,500		
Reduce tree service contract (West Coast Arborists)			Reduction	N	N	\$ 2,000		
Reduce fuel costs related to fleet usage; anticipated savings from utilizing alternative fueling opportunities		Staff is exploring possibility of contracting with neighboring cities to gain benefit of cheaper fuel pricing; this amount reflects initial (conservative) estimate of potential savings across the City's fleet related to fuel costs.	Revision	N	N	\$ 5,000		
							<b>\$ 44,500</b>	

**City of La Palma**  
**FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS**  
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**INDICATES REVISED ITEM SINCE MARCH 11, 2013 STUDY SESSION**

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Division / Program	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount	Total Dept Reduction	One-time (FY 2013-14) Savings?
<b>RECREATION AND COMMUNITY SERVICES</b>								
<b>Administration</b>								
Eliminate Sr. Office Assistant	501	Eliminate FT position; reduction of public counter customer service, longer wait times to register for classes or reserve facilities; phone assistance limited or delayed	Reduction	N	Y	\$ 68,500		
Eliminate overtime	530	No authorized overtime	Revision	N	N	\$ 500		
Reduce Training	620	Less external training available to FT staff	Revision	N	N	\$ 1,000		
	621	No use of mileage, employees must use City vehicles	Revision	N	N	\$ 200		
Reduce office supplies	650	Extend use of office supplies	Revision	N	N	\$ 1,500		
Reduce supplies	733	Extend use of current supplies	Revision	N	N	\$ 400		
<b>Youth &amp; Family Services</b>								
Reduce Day Camp PT staff hours	510	Reduce Day Camp staff to meet enrollment demands	Reduction	N	N	\$ 3,000		
Close The Hub	510	No drop-in facility for older adults and teens afterschool; older adult advanced computer classes eliminated unless contracted out; Teen special events/dances maintained; non-profit evening meetings maintained until the property is sold due to Redevelopment elimination; eliminates 1 PT Recreation Specialist	Reduction	N	Y	\$ 30,200		
Eliminate Pee Wee Sports		Program not provided by PT staff, will attempt to contract out (estimated \$4,000 needed to pay for contractor)	Reduction	N	N	\$ 4,200		
Reduce overtime	530	Scheduled or emergency overtime only	Revision	N	N	\$ 1,800		
Reduce Training	620	Less external training available to FT staff	Revision	N	N	\$ 1,200		
Reduce publications & dues	622	Limited access to professional organization and dues	Revision	N	N	\$ 700		
Reduce cost of Day Camp program t-shirts	623	Reduce costs, no impact to participants	Revision	N	N	\$ 600		
Reduce Tiny Tot Supplies	733.312	extend use of current supplies; ask participants to bring in supplies or charge supply fee	Reduction	N	N	\$ 500		
Reduce Day Camp Supplies	733.313	extend use of current supplies; ask participants to bring in supplies or charge supply fee	Reduction	N	N	\$ 700		
Reduce costs of Day Camp excursions	746	Go to less expensive venues for day camp excursions or implement an excursion surcharge for expensive locations	Reduction	N	N	\$ 6,000		
<b>Eliminate Fit N Fun program</b>		<b>Eliminates program; could charge program fee to continue program; possibility to contract with alternate provider;-</b>	<b>Reduction</b>	<b>N</b>	<b>N</b>	<b>\$ 53,000</b>		

**City of La Palma**  
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**INDICATES REVISED ITEM SINCE MARCH 11, 2013 STUDY SESSION**

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Division / Program	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount	Total Dept Reduction	One-time (FY 2013-14) Savings?
<b><u>Neighborhood &amp; Community Services</u></b>								
Reduce PT hours for events	510	Less staff for events	Revision	N	N	\$ 2,600		
Reduce overtime	530	Overtime for July 4th only	Revision			\$ 3,100		
Reduce Concerts In The Park to 6 (currently 8)	600	Shorter concert season	Reduction	N	N	\$ 3,700		
Eliminate rental services for tree lighting	600	No rental of sleigh or special chair for Santa's photo area	Revision	N	N	\$ 400		
Reduce printing	654	Reduce Concerts in the Park program printing,	Revision	N	N	\$ 200		
Arbor Day, Concerts in the Park, Memorial Day, Tree Lighting reduced supplies	733.360	Extend life of supplies, and/or solicit donations for supplies	Revision	N	N	\$ 1,300		
Halloween Carnival reduced supplies	733.355	Extend life of supplies, and/or solicit donations for supplies	Revision	N	N	\$ 500		
Eliminate Halloween Carnival Costume Contest Awards	740.000	Little impact, contests could still be held with donated awards	Revision	N	N	\$ 200		
Reduce expense of Fitness Run Awards	740.000	Provide less expensive award to participants	Revision	N	N	\$ 1,300		
<b><u>Health &amp; Wellness</u></b>								
Eliminate overtime	530	No authorized overtime	Revision	N	N	\$ 500		
Reduce Training	620	Less external training available to FT staff	Revision	N	N	\$ 300		
Eliminate publications & dues	622	Limited access to professional organization and dues	Revision	N	N	\$ 300		
Reduce supplies	733	Eliminate Hub Supplies (transfer utilities to Facilities Maintenance until sold)	Revision	N	N	\$ 6,000		
<b><u>Facility Operations</u></b>								
Central Park Hours: Park Office open 1 hour less (3-10pm Sept-May), 1 PT shift eliminated M-F (year round), reduced training hours,		Both: small impact to community as FT staff available; reduced available works						
Reduction in overtime	510	hours for pt staff	Reduction	N	N	\$ 18,600		
Eliminate use of helium	530	Facility emergencies overtime only	Revision	N	N	\$ 1,000		
Employee Training	600	External - no use of helium balloons at city programs & events	Revision	N	N	\$ 1,000		
Eliminate graphic service, periodical publications	620	Less external training available to FT and PT staff	Revision	N	N	\$ 1,000		
Reduce community center quarterly refrigeration inspection/services to bi-annual	622	More use of online publications and royalty free graphics/photos	Revision	N	N	\$ 1,300		
Reduce Central park supplies	707	Reduces preventative maintenance	Revision	N	N	\$ 400		
Reduce furniture & fixture replacement	733	extend use of current supplies	Revision			\$ 1,500		
	802	extend use of current furniture	Revision	N	N	\$ 3,000		
							<b>\$ 169,200</b>	

# Attachment 5

## City of La Palma JANUARY 28 FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS Detail by Department, Showing Items Updated in March 11 Staff Plan

~~ITEMS REMOVED FROM CONSIDERATION PER CITY COUNCIL DIRECTION ON JANUARY 28~~

ITEMS REMAIN IN MARCH 11 STAFF PLAN, BUT MODIFIED FROM JANUARY 28 STAFF PLAN

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount
<b>CITYWIDE REDUCTIONS</b>					
<del>Moratorium on merits, all bargaining units</del>	<del>Potential reduced employee morale and related effects</del>	<del>Revision</del>	<del>No</del>	<del>No</del>	<del>-\$ 32,400</del>
Energy savings (annual savings would be predicated on approval of one-time infrastructure expenditures)	Depending on the proposal, savings could be generated if the City purchased street lights from SCE, with anticipated savings from lower electricity (tariff) rates; additional proposals could include savings from the installation of photovoltaic cells (solar energy), installation of a "green roof" on City Hall/Police building, upgrade of the HVAC and climate control savings	Revision	No	No	\$ 150,000
<b>ADMINISTRATION</b>					
Revised City Attorney Contract	4% savings on Miscellaneous Services	Revision	no	no	\$ 2,500
<b>COMMUNITY DEVELOPMENT</b>					
Eliminate Admin. Secretary/Permit Technician	Limited staffing would lead to fewer building counter hours, limiting ability for "walk-in" servicing of building and planning customers at front counter; proposal would be to eliminate one Full-time position, new Full-time position created to meet shared work capacity with Recreation and Community Services	Reduction	No	Yes	\$ 82,000
Create New FT Position	New FT position shared with Recreation for customer service/counter duties	Revision	No	Yes	\$ (38,000)
<del>Uniforms</del>	<del>No longer provide uniform allowance for C.E. Officer</del>	<del>Revision</del>	<del>No</del>	<del>No</del>	<del>-\$ 400</del>

**City of La Palma  
JANUARY 28 FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS  
Detail by Department, Showing Items Updated in March 11 Staff Plan**

~~ITEMS REMOVED FROM CONSIDERATION PER CITY COUNCIL DIRECTION ON JANUARY 28~~

ITEMS REMAIN IN MARCH 11 STAFF PLAN, BUT MODIFIED FROM JANUARY 28 STAFF PLAN

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount
<b>POLICE</b>					
Eliminate Crossing Guard Contract with All Cities	Primary, Middle and High School students will be have to cross arterial streets unescorted or controlled by trained crossing guards and traffic signals. This is not a mandated requirement of the police department or the City and should be part of the individual impacted school's safety plan for routes to and from school. Increases potential liability to the City as there is an established past practice and assumption of responsibility and funding by the police department.	Reduction	No	Contract Services no reduction in actual FTE's	\$ 56,000
<del>Eliminate the Administrative Support Bureau</del>	<del>The elimination of the necessary supplies and staff to conduct a formal crime prevention program; no officer in the schools presenting the Police Interaction with Youth program (PIY); cease to host a Red Ribbon Week, no longer participate in the National Night Out program, unable to provide a liaison or resources to participate in Prom/Grad Night DUI programs, reduction or elimination of Neighborhood Street Rallies, no longer a Cadre Member on West County (CERT) to represent the City of La Palma, R.A.C.E.S coordinator position eliminated, eliminate employee, volunteer, and citizen recognition, shutdown the VIP program and Explorer Post 437, unable to staff the City's Fitness Fun Run, or La Palma Days Parade and festivities without volunteer staff or mutual aid.</del>	<del>Reduction</del>	<del>No-Crime-Prevention is not mandated nor are volunteer development programs</del>	<del>No reduction in FTE; officer would rotate back to Patrol. Any previous assignments would have to be a collateral assignment for patrol officer incurring Overtime costs</del>	<del>\$ 16,500</del>
Contract Police Dispatch Services*	All calls for service would go to an outside agency police dispatcher (i.e. Buena Park PD, West Cities Communications, La Habra PD, etc) and not directly to La Palma PD, potential for delayed response times. Current dispatchers crossed trained and perform records functions, their absence would create a need to hire a second fulltime records clerk to maintain work flow and accuracy in reporting crimes per DOJ mandates and OCDA's filing requirements. The front counter would be closed for 4 hours Monday-Thursday (and every working Friday) and completely closed every other (Dark) Friday and every weekend. Vehicle and property releases and other normal business transactions would not occur on off hours. Citizens would have to utilize a "callbox" located outside the police department to initiate a call for service and an officer would have to be dispatched to the front counter	Revision	Police Communications is required for all police agencies whether in-house or outsourced	(4) Non-Sworn FTE	\$ 215,000

\*Approximately 150,000 in personnel costs; plus, if a new CAD/RMS was purchased there could be an additional net savings 65,000.00 in annual service fee; for a total estimated savings of \$215,000

**City of La Palma**  
**JANUARY 28 FY 2013-14 PROPOSED EXPENDITURE REDUCTIONS**  
 Detail by Department, Showing Items Updated in March 11 Staff Plan

~~ITEMS REMOVED FROM CONSIDERATION PER CITY COUNCIL DIRECTION ON JANUARY 28~~

ITEMS REMAIN IN MARCH 11 STAFF PLAN, BUT MODIFIED FROM JANUARY 28 STAFF PLAN

Service / Task / Program to be Reduced or Eliminated DESCRIPTION	Impacts (External and Internal)	REDUCTION in Service or REVISION to Operations?	Mandated Service?	FTE Reductions / Impacts?	Reduction Amount
<b>PUBLIC WORKS</b>					
<del>Eliminate maintenance of block wall vines</del>	<del>Vines on block walls would no longer be maintained by contractor and will need to be removed as they die off (reduction estimate does not include water usage, which is currently not metered or monitored)</del>	<del>Reduction</del>	<del>NO</del>	<del>NO (\$5,600 labor worker to be assigned to other duties)</del>	<del>\$ 12,200</del>
<del>Eliminate maintenance frequency of trees</del>	<del>Public street tree maintenance and median maintenance frequency to be reduced by 1/2 (annual total is \$29,200)</del>	<del>Reduction</del>	<del>NO</del>	<del>NO</del>	<del>\$ 14,600</del>
<b>RECREATION AND COMMUNITY SERVICES</b>					
<b>Administration</b>					
Eliminate Sr. Office Assistant	Eliminate FT position, new FT position created to meet shared work capacity with Community Development; reduction of public counter customer service, longer wait times to register for classes or reserve facilities; phone assistance limited or delayed	Reduction	N	Y	\$ 68,500
Create New FT Position	New FT position shared with Community Development for customer service/counter duties	Revision	N	Y	\$ (38,000)
<b>Youth &amp; Family Services</b>					
Reduce PT staffing at Fit N Fun	Reduce FNF staff to meet enrollment demands	Reduction	N	N	\$ 2,600
Eliminate Fit N Fun Snacks	No snacks provided during program; charge snack fee or encourage participants to provide own	Revision	N	N	\$ 5,000
Reduce Fit N Fun Supplies	extend use of current supplies; ask participants to bring in supplies or charge supply fee	Reduction	N	N	\$ 400
<b>Neighborhood &amp; Community Services</b>					
<del>Eliminate La Palma Days</del>	<del>Eliminate one day event to preserve programs which have greater long-term impact on the community</del>	<del>Reduction</del>	<del>N</del>	<del>N</del>	<del>\$ 77,500</del>
<del>La Palma Days Revenue</del>	<del>Lost revenue if La Palma Days Cancelled</del>	<del>Reduction</del>	<del>N</del>	<del>N</del>	<del>\$ (18,000)</del>
Reduce expense of Fitness Run Awards	Provide less expensive award to participants	Revision	N	N	\$ 1,300

# Attachment 6

## PROPOSED REDUCTIONS AND REVISIONS: MARCH 11 vs. JANUARY 28 STUDY SESSION REDUCTIONS AND REVISIONS RECONCILIATION (What Changed?)

### Proposed FY 2013-14 Reductions vs. Revisions: MARCH 11 STUDY SESSION

REDUCTIONS	\$	462,600
REVISIONS	\$	909,550
TOTAL	\$	<b>1,372,150</b>
CHECK SUM	\$	461,100

	REDUCTIONS	REVISIONS	TOTAL
CITYWIDE	\$ 127,100	\$ 162,000	\$ 289,100
INTERNAL SERV FUND ALLOCATIONS	\$ -	\$ -	\$ -
ADMINISTRATION	\$ 12,000	\$ 3,600	\$ 15,600
COMMUNITY DEVELOPMENT	\$ 82,000	\$ 250	\$ 82,250
FINANCE	\$ -	\$ 8,000	\$ 8,000
POLICE	\$ 8,500	\$ 235,800	\$ 244,300
PUBLIC WORKS	\$ 39,500	\$ 5,000	\$ 44,500
REC & COMMUNITY SERVICES	\$ 193,500	\$ 33,800	\$ 227,300
	<b>\$ 462,600</b>	<b>\$ 448,450</b>	<b>\$ 911,050</b>

### Proposed FY 2013-14 Reductions vs. Revisions: JANUARY 28 STUDY SESSION

REDUCTIONS	\$	402,800
REVISIONS	\$	819,550
TOTAL	\$	<b>1,222,350</b>
CHECK SUM	\$	-

	REDUCTIONS	REVISIONS	TOTAL
CITYWIDE	\$ -	\$ 182,400	\$ 182,400
INTERNAL SERV FUND ALLOCATIONS	\$ -	\$ 461,100	\$ 461,100
ADMINISTRATION	\$ 12,000	\$ (4,400)	\$ 7,600
COMMUNITY DEVELOPMENT	\$ 82,000	\$ (37,350)	\$ 44,650
FINANCE	\$ -	\$ 2,000	\$ 2,000
POLICE	\$ 79,000	\$ 215,000	\$ 294,000
PUBLIC WORKS	\$ 26,800	\$ -	\$ 26,800
REC & COMMUNITY SERVICES	\$ 203,000	\$ 800	\$ 203,800
	<b>\$ 402,800</b>	<b>\$ 819,550</b>	<b>\$ 1,222,350</b>

### Proposed FY 2013-14 Reductions and Revisions: MARCH 11 STUDY SESSION

	REDUCTIONS & REVISIONS BY AREA	VARIANCE MARCH 11 vs. JANUARY 28
CITYWIDE	\$ 289,100	\$ 106,700
INTERNAL SERV FUND ALLOCATIONS	\$ -	\$ (461,100)
ADMINISTRATION	\$ 15,600	\$ 8,000
COMMUNITY DEVELOPMENT	\$ 82,250	\$ 37,600
FINANCE	\$ 8,000	\$ 6,000
POLICE	\$ 244,300	\$ (49,700)
PUBLIC WORKS	\$ 44,500	\$ 17,700
REC & COMMUNITY SERVICES	\$ 227,300	\$ 23,500
	<b>\$ 911,050</b>	<b>\$ (311,300)</b>

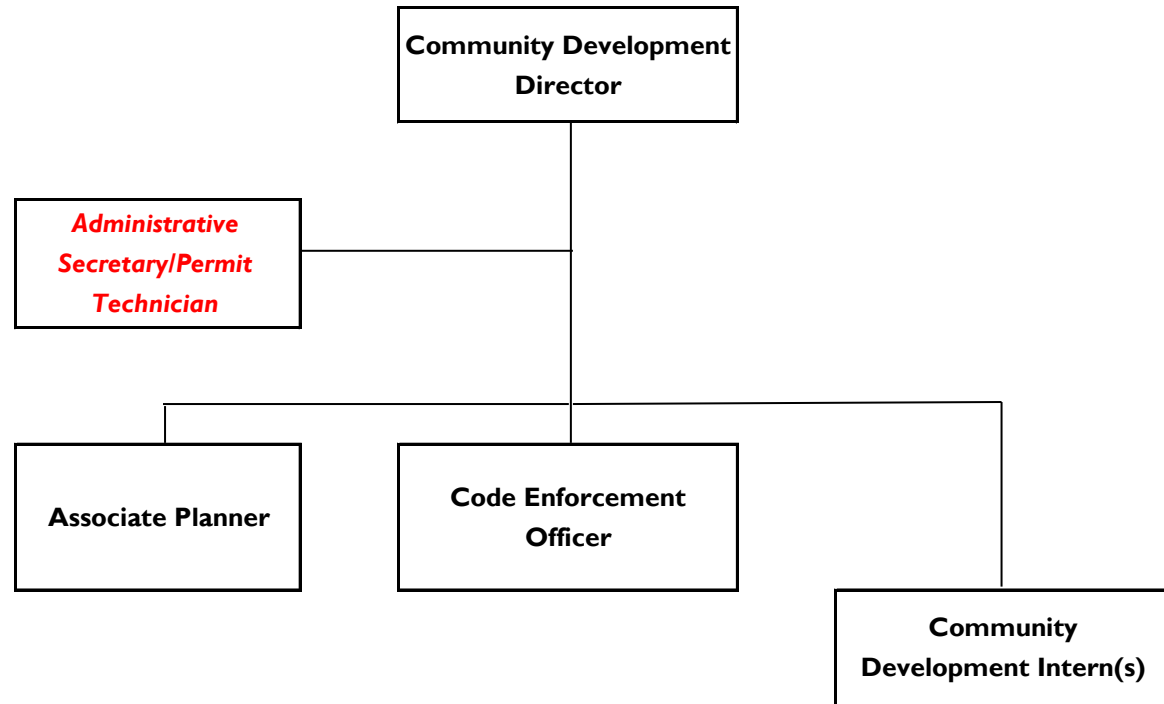
### Proposed FY 2013-14 Reductions and Revisions: JANUARY 28 STUDY SESSION

Reconciliation Post-January 28 Study Session: <A>

	REDUCTIONS & REVISIONS KEPT	REDUCTIONS & REVISIONS REMOVED	TOTAL
CITYWIDE	\$ 150,000	\$ 32,400	\$ 182,400
INTERNAL SERV FUND ALLOCATIONS	\$ -	\$ 461,100	\$ 461,100
ADMINISTRATION	\$ 7,600	\$ -	\$ 7,600
COMMUNITY DEVELOPMENT	\$ 44,250	\$ 400	\$ 44,650
FINANCE	\$ 2,000	\$ -	\$ 2,000
POLICE	\$ 277,500	\$ 16,500	\$ 294,000
PUBLIC WORKS	\$ -	\$ 26,800	\$ 26,800
REC & COMMUNITY SERVICES	\$ 203,800	\$ -	\$ 203,800
	<b>\$ 685,150</b>	<b>\$ 537,200</b>	<b>\$ 1,222,350</b>

<A> These tables show the changes made after the January 28 budget study session. The "Reductions Kept" are those cuts which City Council indicated should be included in any proposed FY 2013-14 budget. The "Reduction Removed" column represents proposed reductions/revisions which the City Council did not want included in any proposed budget. The "Variance March 11 vs. January 28" shows the changes in each area's proposed reduction amount (increase vs. decrease).

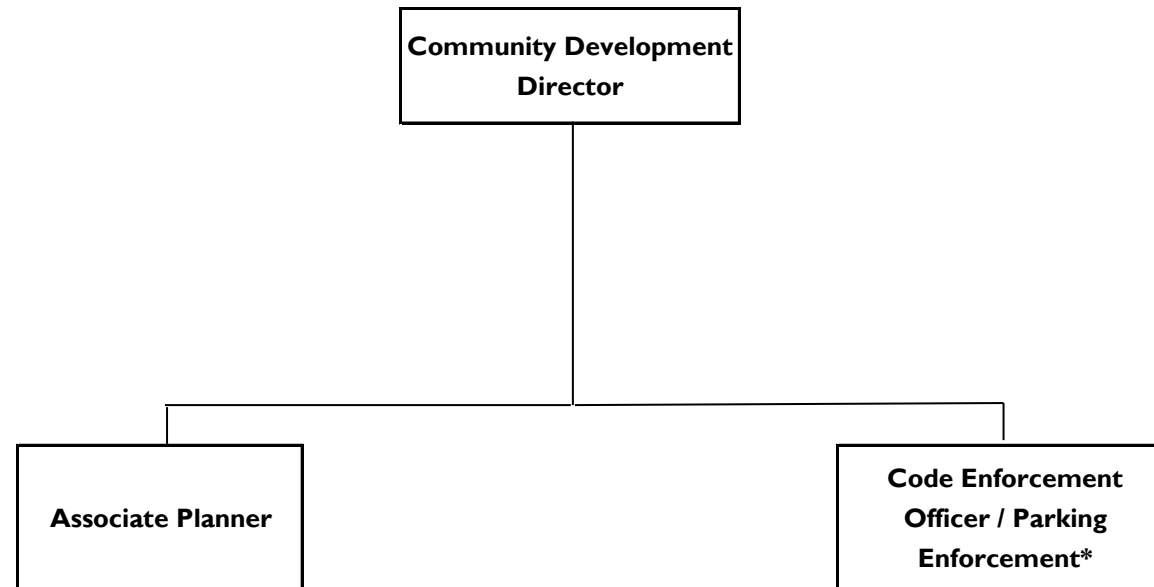
## **Community Development**



*Position Proposed  
for Elimination in  
FY 2013-14 Budget*

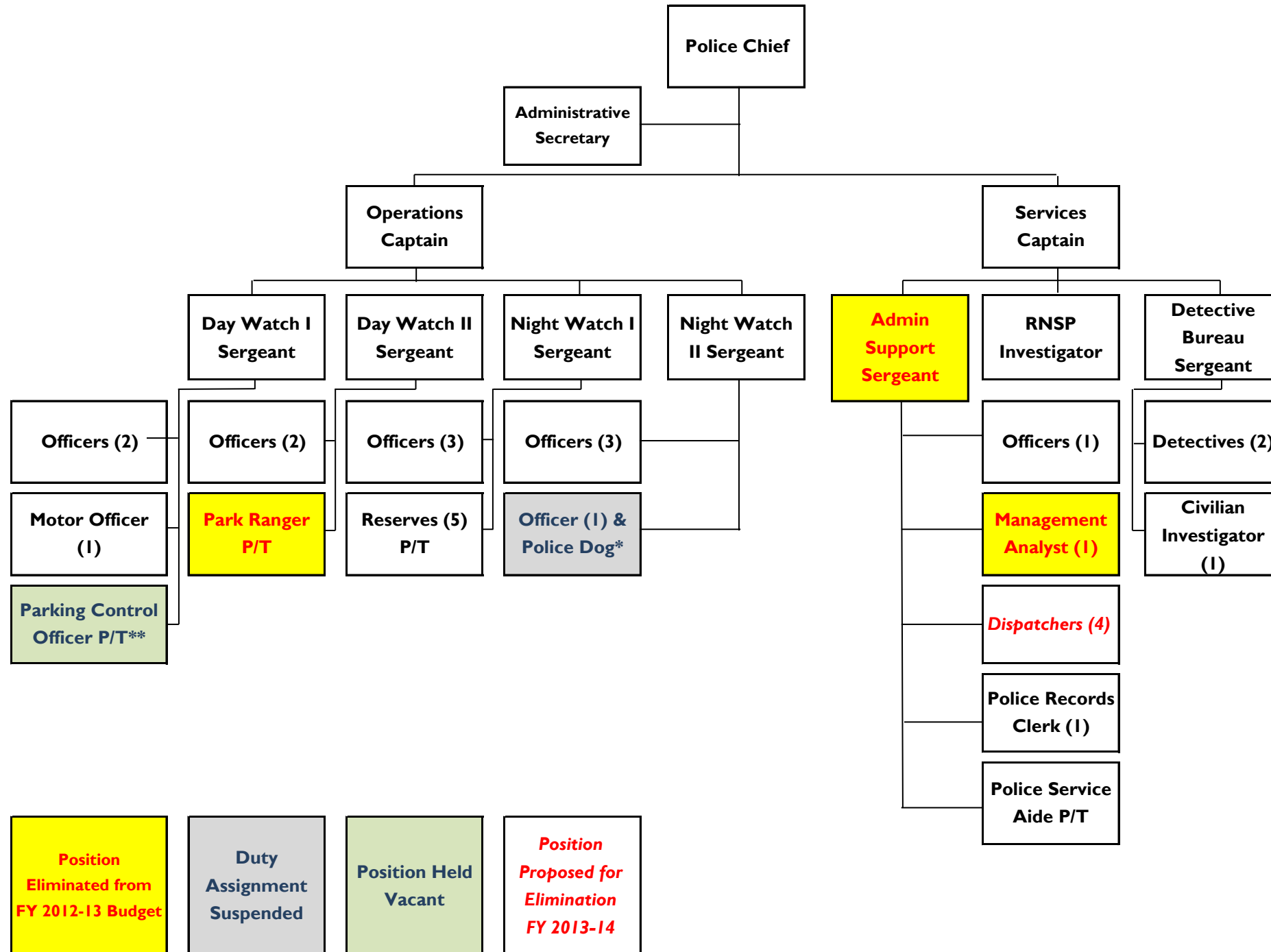


## Community Development



*\*Parking enforcement duties being handled by Code Enforcement Officer as part of a cost savings pilot program trial where the Parking Control Officer position in the Police Department is held vacant*

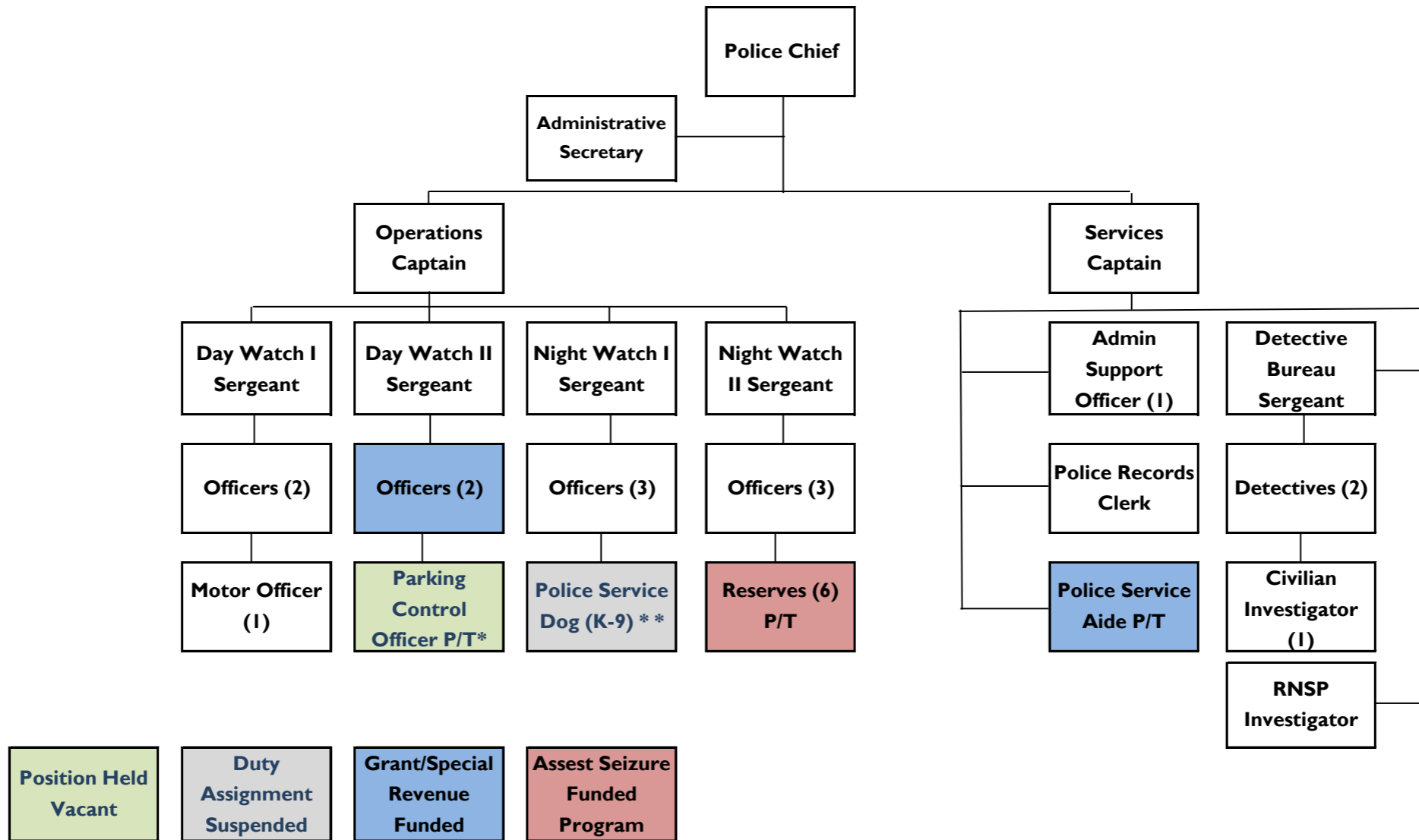
# Police



\*Police K-9 Officer now assigned to regular patrol duty

\*\*Parking enforcement duties being handled by Code Enforcement Officer (Community Development Department) as part of a cost savings pilot program trial

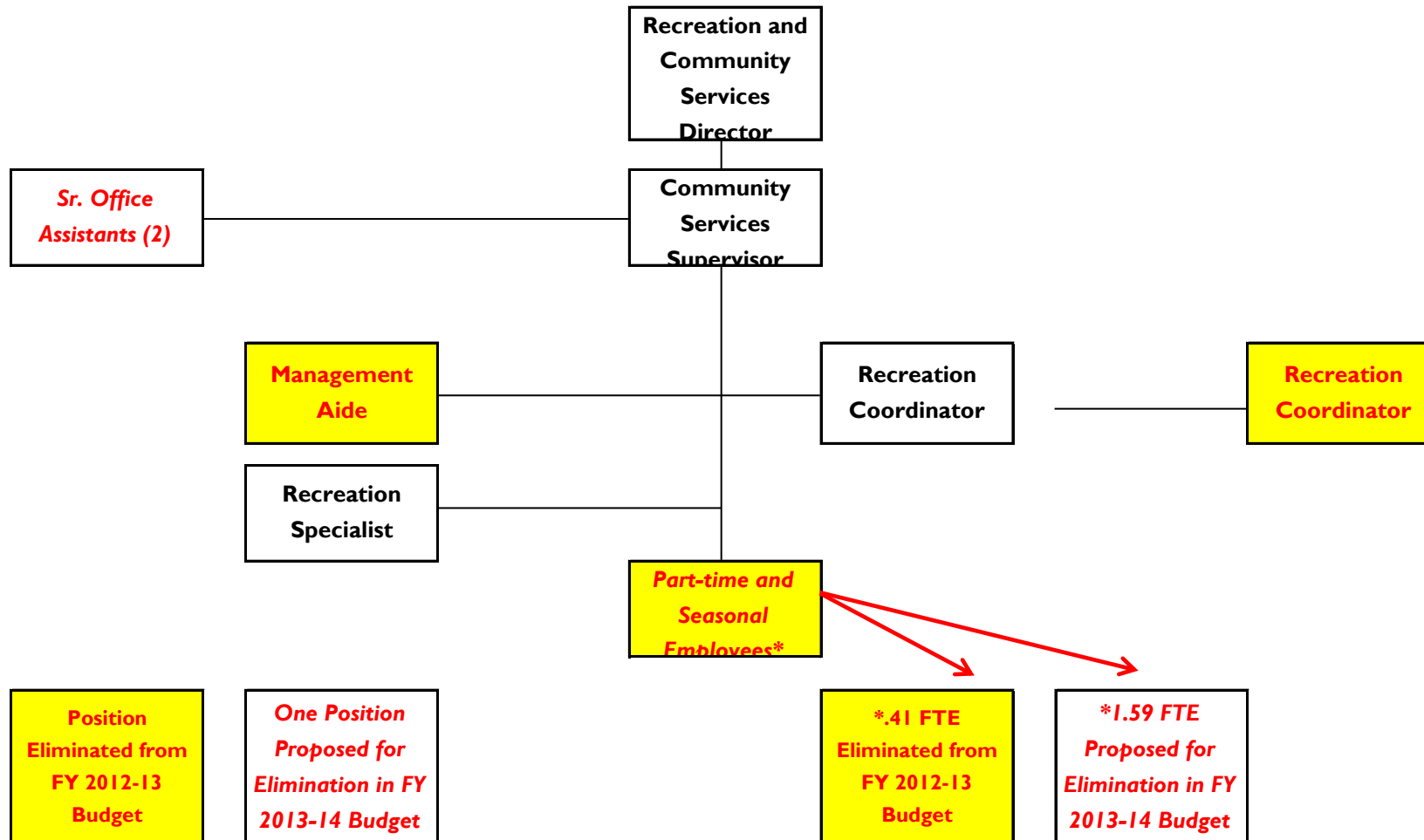
## Police



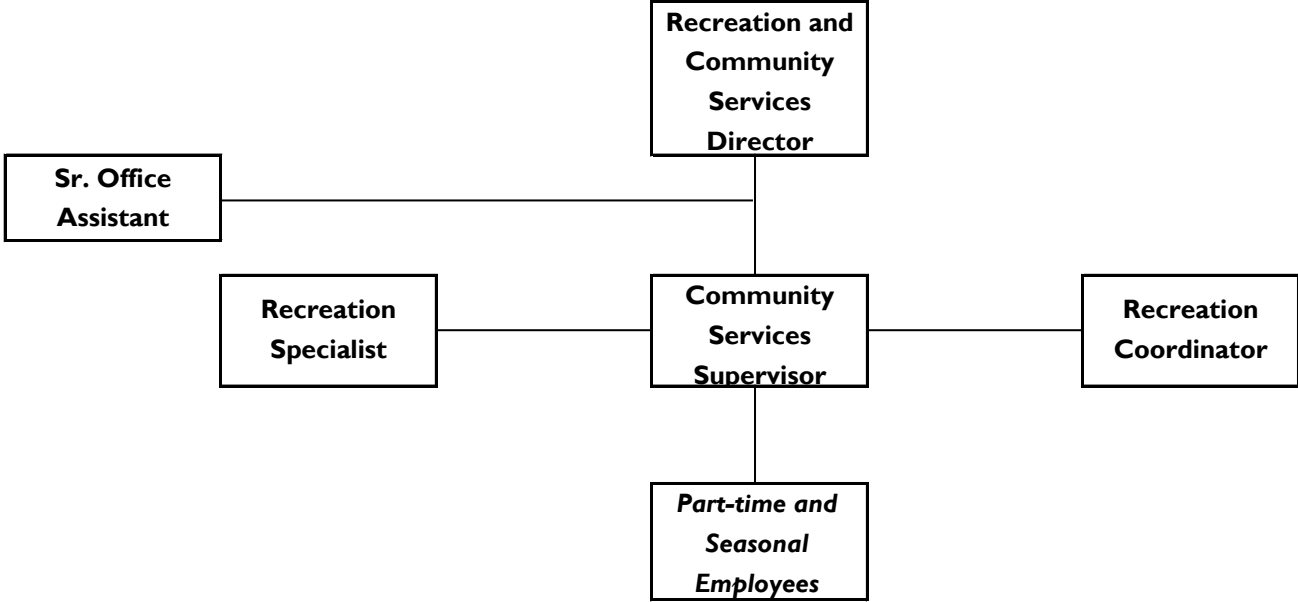
*\*Parking enforcement duties being handled by Code Enforcement Officer (Community Development Department) as part of a cost savings pilot program trial*

*\*\*Police K-9 Officer now assigned to regular patrol duty*

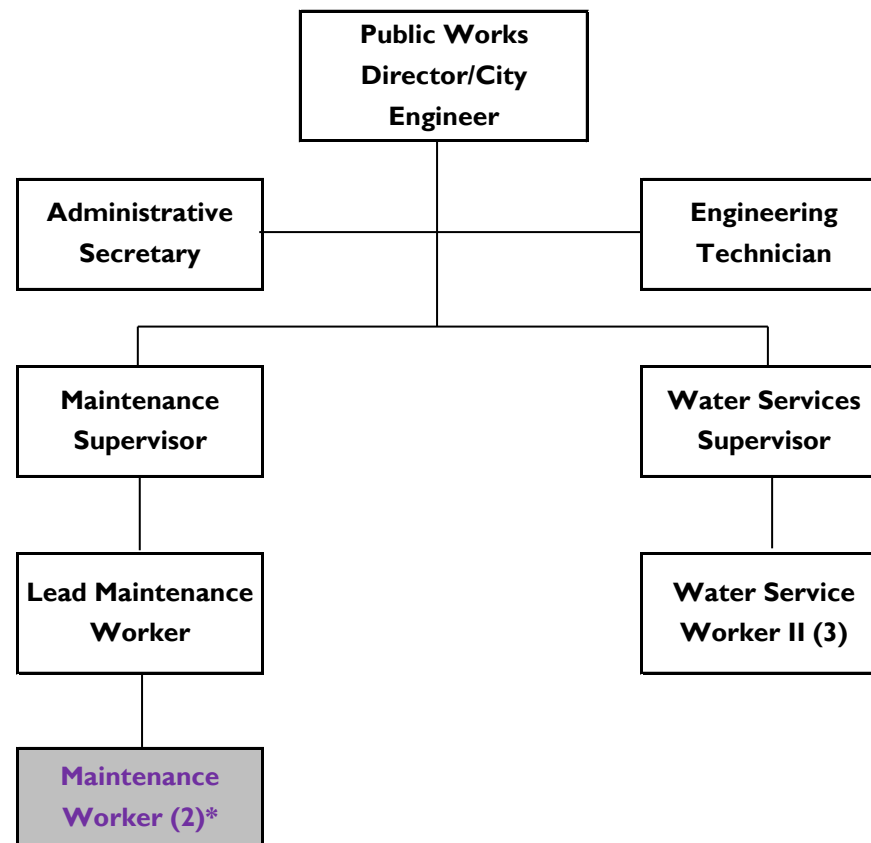
## Recreation and Community Services



## Recreation and Community Services

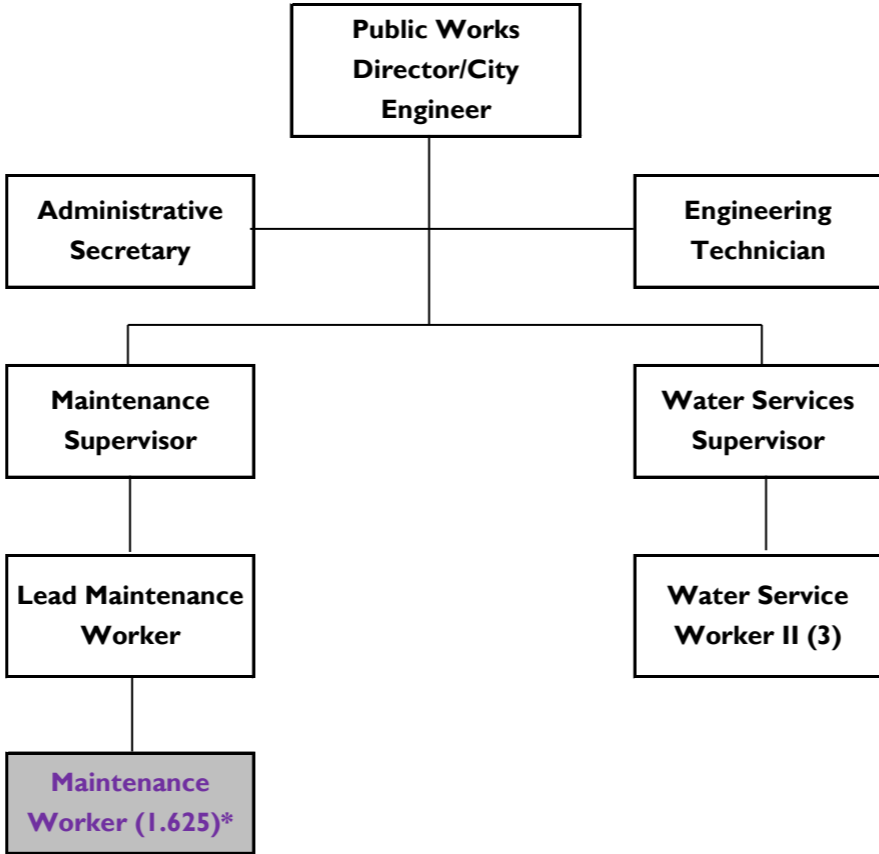


## Public Works



*\*Proposed FY 2013-14 budget would reduce one (1.0) full-time maintenance worker to 0.625 FTE (27 hours/week vs. 40 hours/week)*

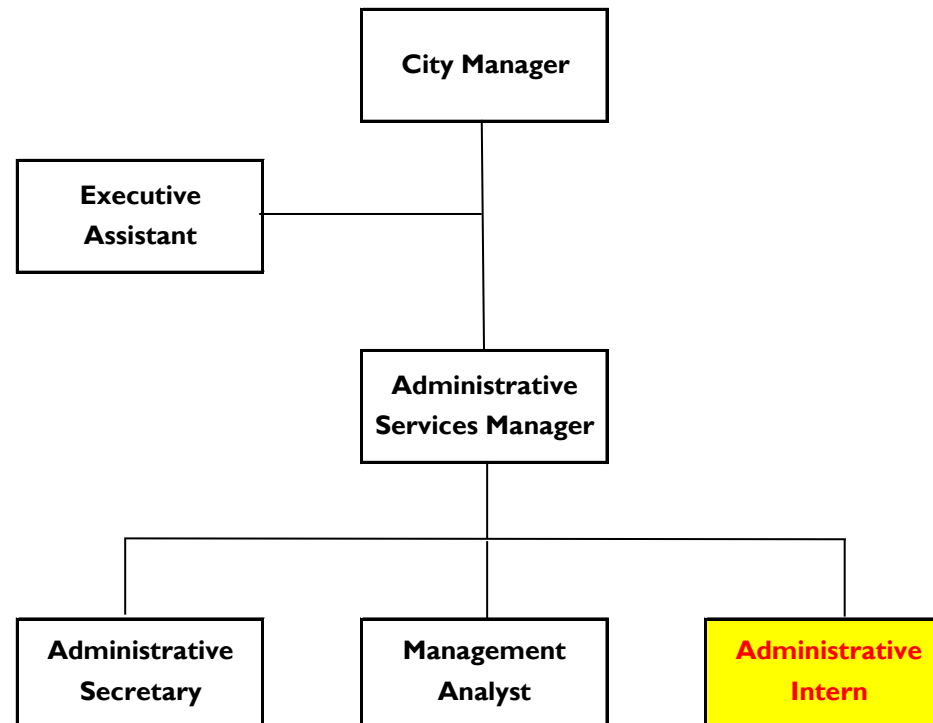
# Public Works



*\*Proposed FY 2013-14 budget would reduce one (1.0) full-time maintenance worker to 0.625 FTE (27 hours/week vs. 40 hours/week)*

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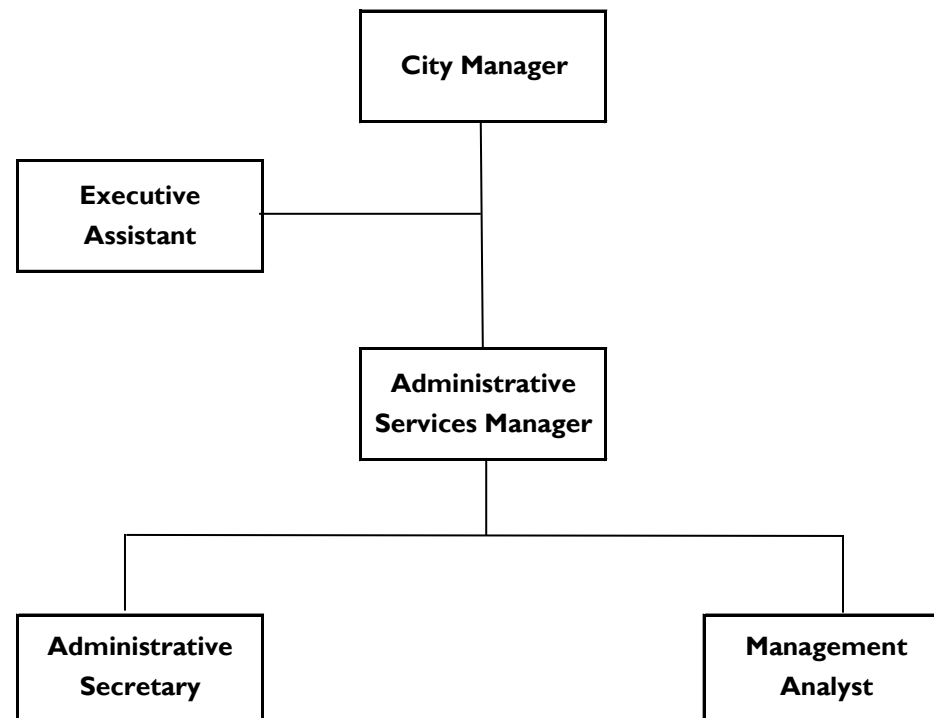
## Administration



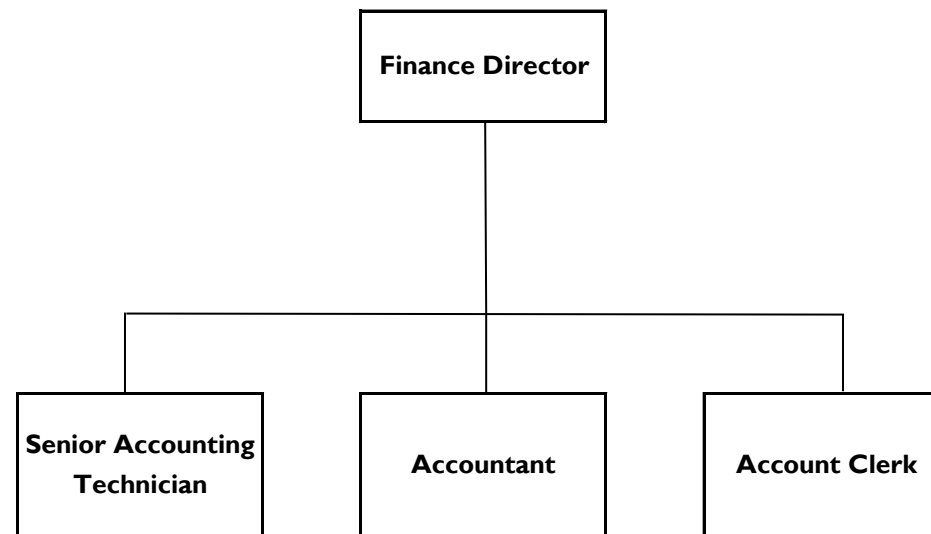
**Position Eliminated  
from FY 2012-13  
Budget**



## Administration



## Finance



## Finance

