



CITY OF LA HABRA

Fiscal Year 2020/21

Mid-Year Budget Update and Forecast



FY20/21 General Fund Budget Summary

\$45.7M Adopted Revenue Budget

\$45.7M Amended Expenditure Budget

\$0.0M Variance +0.0%

\$45.7M Amended Expenditure Budget

\$44.0M Expenditure Estimates to Close (ETC)

\$1.7M Variance 3.8% below budget

\$45.7M Adopted Revenue Budget

\$48.1M Revenue ETC

\$2.4M Variance 5.3% higher than budget

\$48.1M Revenue ETC

\$44.0M Expenditure ETC

\$4.1M Projected Year End Net Position

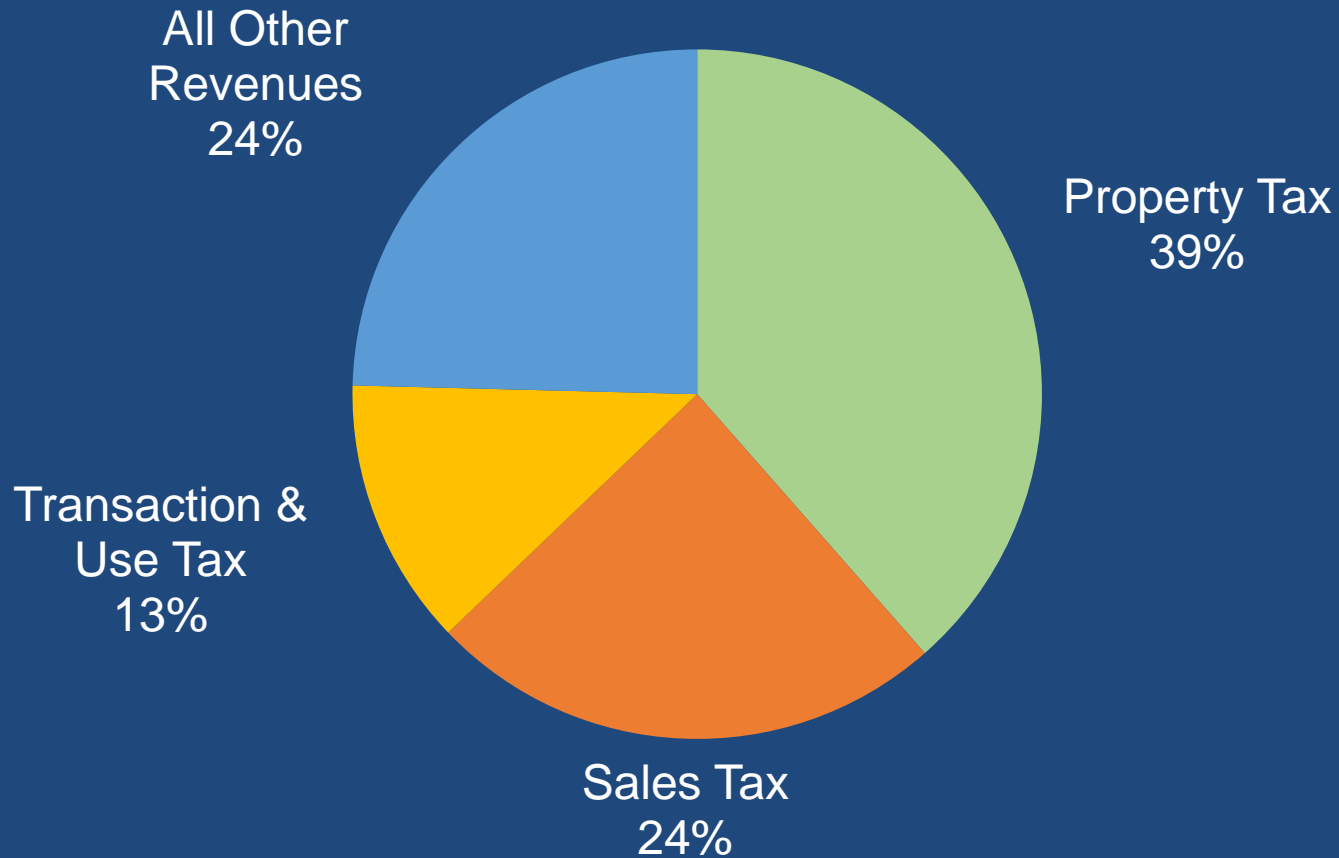


Estimated General Fund Budget Performance by Revenue Type

Revenue Category	FY20/21 Adopted Budget	FY20/21 Year- End Estimates	Variance in \$	Variance as %
Property Tax	\$18,729,159	\$19,533,209	\$804,050	4.29%
Sales Taxes	\$10,367,389	\$11,652,680	\$1,285,291	12.40%
Transaction Tax	\$5,223,819	\$5,890,570	\$666,751	12.76%
Franchises	\$1,801,410	\$1,801,410	\$0	0.00%
Fines & Forfeitures	\$718,750	\$529,685	(\$189,065)	(26.30%)
Licenses & Permits	\$1,044,433	\$1,298,345	\$253,912	24.31%
Fees & Charges	\$2,787,118	\$2,934,712	\$147,594	5.30%
Use of Money & Property	\$2,821,790	\$2,799,145	(\$22,645)	(0.80%)
Contracts & Reimbursements	\$268,709	\$258,441	(\$10,268)	(3.82%)
Other Revenue	\$1,459,480	\$1,417,167	(\$42,313)	(2.90%)
Total General Fund	\$45,222,057	\$48,115,364	\$2,893,307	6.40%
Budgeted Use of Reserves	\$457,932	\$0	(\$457,932)	
Total General Fund + Reserves	\$45,679,989	\$48,115,364	\$2,435,375	5.33%



General Fund Revenue ETC



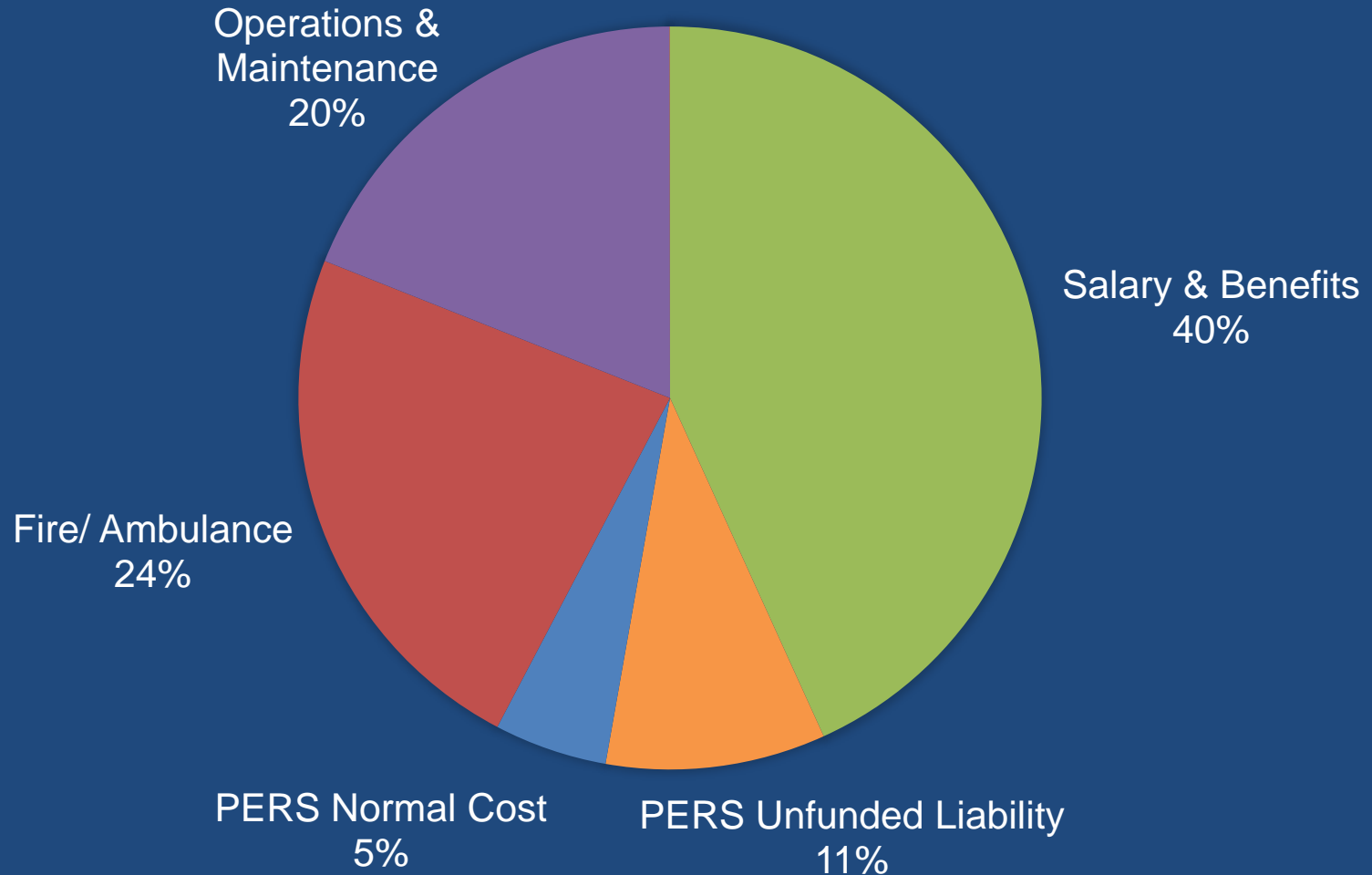
Estimated General Fund Budget Performance by Department



Department	FY20/21 Amended Budget	FY20/21 Year-End Estimates	Variance in \$	Variance as %
City Council	\$56,048	\$56,048	\$0	0.0%
City Manager	\$1,456,437	\$1,456,437	\$0	0.0%
City Clerk	\$422,584	\$387,812	\$34,772	8.2%
Legal Services	\$250,000	\$250,000	\$0	0.0%
Finance	\$1,030,234	\$1,030,234	\$0	0.0%
Human Resources	\$335,013	\$335,013	\$0	0.0%
Community Development	\$2,060,816	\$2,079,897	(\$19,081)	(0.9%)
Community Services	\$3,381,653	\$2,781,653	\$600,000	17.7%
Police	\$19,723,172	\$18,767,513	\$955,659	4.8%
Fire & Ambulance	\$11,820,012	\$11,820,012	\$0	0.0%
Public Works	\$5,101,806	\$4,953,222	\$148,584	2.9%
Total General Fund	\$45,675,773	\$43,955,839	\$1,719,934	3.8%



General Fund Expenditures ETC





Capital Projects – FY 2020/21

Major Projects – Completed to Date:

- Whittier/Hacienda Intersection Widening Project
- Hacienda Road Rehabilitation Project (Whittier Boulevard and the north City Limits)
- Russel Street Storm Drain Project
- La Habra Boulevard Street Rehabilitation (Beach Boulevard to Idaho Street)
- Splash Pads at Brio and Oeste Parks
- Electric Vehicle Charging Stations at City Hall
- Parking Lot Resurfacing at Las Lomas and Loma Verde Park
- Shade Structures at Las Lomas and Portola Park

Capital Projects – FY 2020/21

Major Projects – Currently in Progress:

- Residential Street Rehabilitation and Slurry Seal-Multiple Streets (Construction to start May 2021)
- Alley Rehabilitation (Currently under design. Construction to start September 2021)
- Annual Sidewalk and Access Ramp Program (Design near completion. Construction to start July 2021)
- Arterial Street Rehabilitation (Design work pending. Construction to start December 2021)

Capital Projects – FY 2021/22

Major Projects – Upcoming Fiscal Year:

- **Alley Rehabilitation** (Design to start Fall 2021)
- **Residential Street Rehabilitation-Multiple Streets** (Design to start Fall 2021)
- **Slurry Seal Program** (Design to start Fall 2021)
- **Annual Sidewalk and Access Ramp Program** (Design to start Fall 2021)
- **Arterial Street Rehabilitation** (Streets will be selected as part of the FY 21/22 budget process)

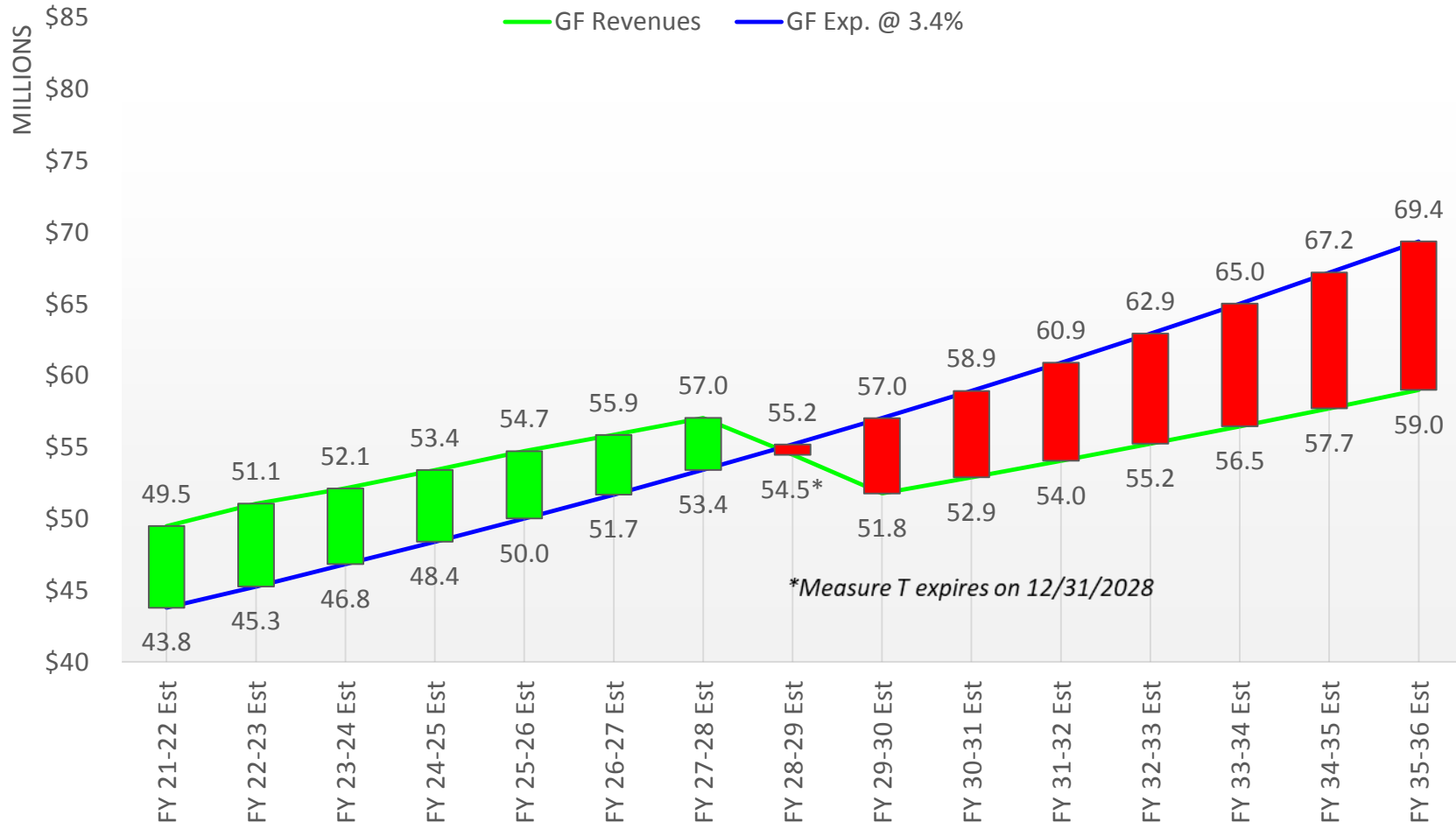


Future Fiscal Challenges



General Fund 15 Year Forecast

Budgeted Revenues vs Budgeted Expenditures without Pension Liability

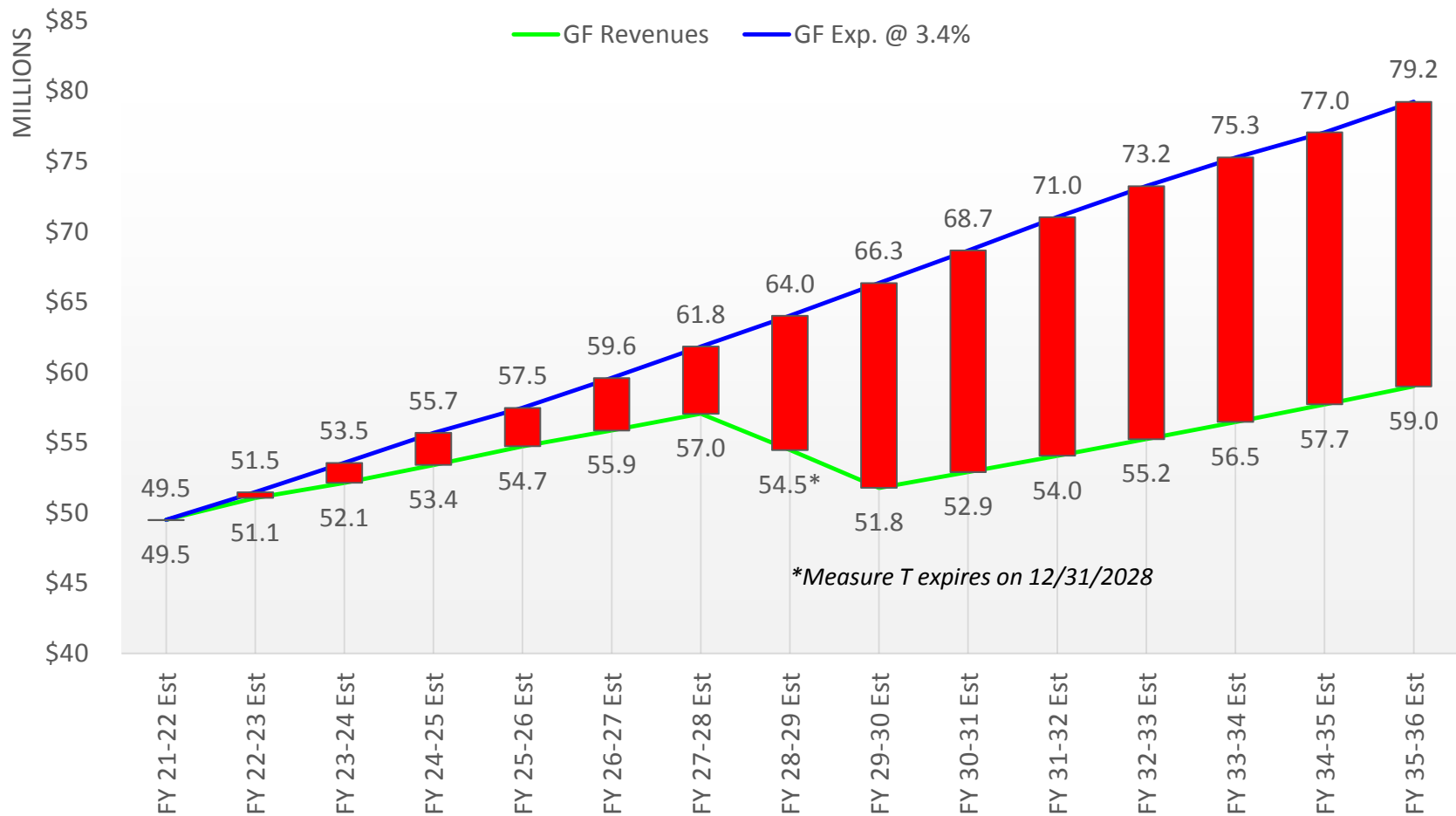


GF Expense forecast @ 3.4% is based on average growth over the last 10 years.
GF Revenue forecast @ 2% (minus impact of Measure T sunset in FY 28/29).



General Fund 15 Year Forecast

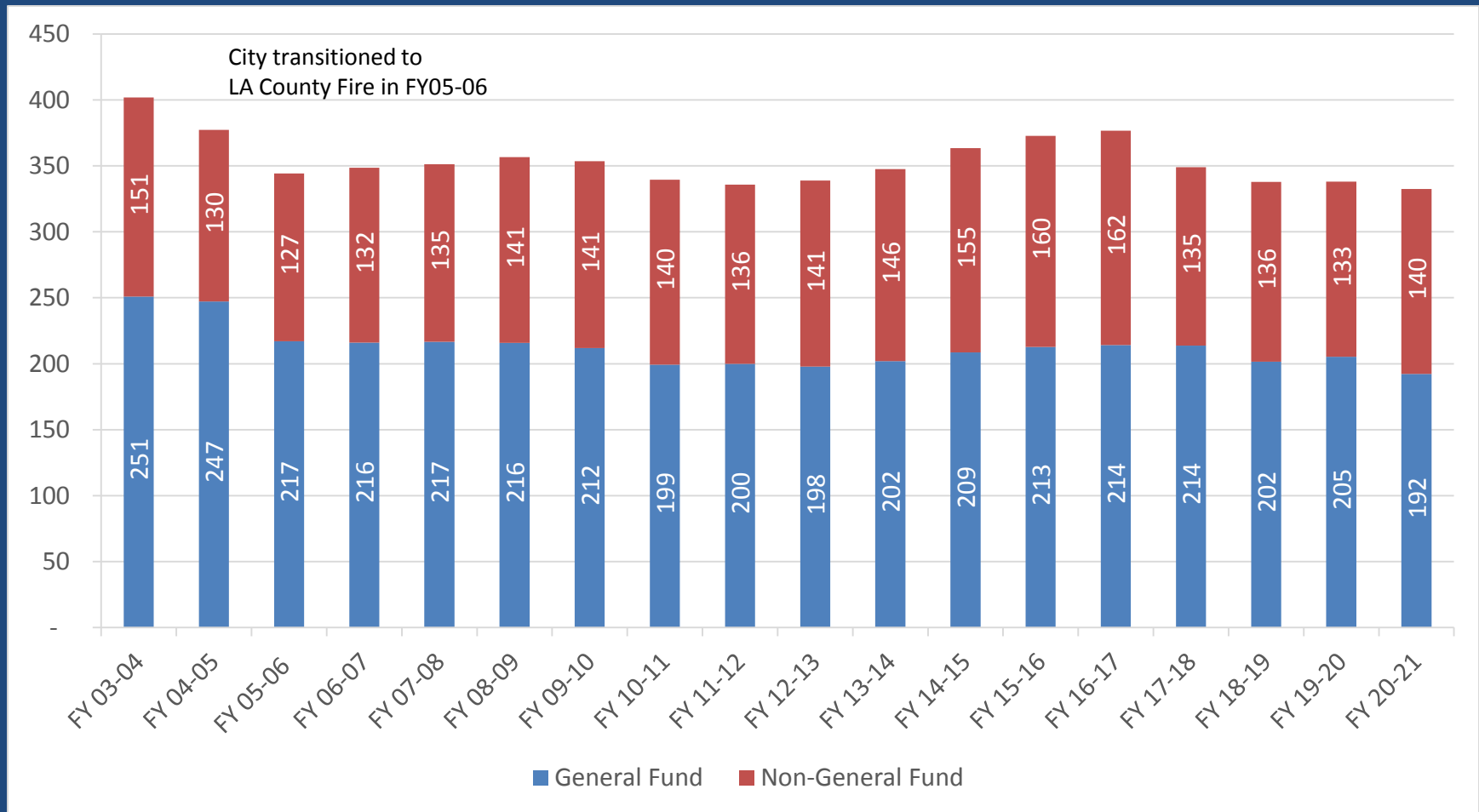
Budgeted Revenues vs Budgeted Expenditures with Pension Liability



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Staffing Levels (FTE's) 18 Fiscal Year Comparison





Enacted and Potential Solutions

- July 2010 - City Council established lower cost pension plans (Tier 2)
- January 2013 - CalPERS Pension Reform Act took effect (PEPRA)
- June 2018 - City Council established a Section 115 Trust (Pension Rate Stabilization fund)
- Secured agreements from employee bargaining units to have employees contribute towards the City's pension "employer" rate through cost sharing agreements
- Continue facilitating economic development projects to broaden and enhance the City's core revenue base
- Continue reviewing new potential revenue options
- Continue reviewing City operations to determine ways to reduce costs and/or increase revenues
- Utilize staff vacancies due to attrition to consider departmental realignment and establish targeted hiring for key positions on a case by case basis
- Review/renegotiate City contracts to determine potential savings
- Review city assets for lease and/or sale opportunities
- Support the League of California Cities efforts to lobby the State to increase flexibility for cities to address rising pension costs
- Evaluate and consider the issuance of Pension Obligation Bonds



FY 20/21 Mid-Year Budget Summary and Forecast

CONCLUSION

COMMENTS

QUESTIONS