



FY 13-14 CONTINUATION BUDGET PRESENTATION

November 4, 2013

FY 13-14 Budget Phase II

HUNTINGTON PARK
California

Adjusted FY 13-14 Budget (after Phase I)

\$23.6 million Revenues

\$26.6 million Expenses

\$3.0 million Shortfall

FY13-14 Budget Adjustments / Increases

▪ Increases:

\$250,000 Medical insurance premiums

\$150,000 OPEB

\$120,000 PARS

\$150,000 BID

\$670,000

▪ Adjustments:

• **\$300,000** –Workers Comp & OPEB - budget did not cover full costs: *General Fund 84% (FY 12-13 81%)*

• **\$40,000** parking fund (231) cover negative balance

FY 13-14 Revenues

HUNTINGTON PARK
California

* FY 13-14 : \$230,000 sales tax rebate to Home Depot & Curacao

DESCRIPTION	FY 11-12 Budget	FY 11-12 (12 Month)	%	FY 12-13 Budget	FY 12-13 (12 Month)	%	FY 13-14 Budget
TAXES							
1 Property Tax	\$5,566,800	\$ 5,546,246	100%	\$5,545,000	\$5,661,459	102%	\$5,545,000
2 Sales and Use Tax	5,500,000	4,942,313	90%	5,742,521	5,835,503	102%	5,742,521
3 Franchise Tax	575,000	552,877	96%	600,000	579,184	97%	600,000
4 Utility Users Tax (UUT)	5,500,000	4,942,770	90%	5,300,000	5,589,395	105%	5,300,000
5 Public Safety Augmentation	130,000	119,061	92%	100,000	142,544	143%	100,000
6 Transient Occupancy Tax (TOT)	38,000	46,922	123%	40,000	48,255	121%	40,000
7 Property Transfer Tax	35,000	38,905	111%	35,000	71,718	205%	35,000
	\$17,344,800	\$16,189,093	93%	\$17,362,521	\$17,928,057	103%	\$17,362,521
BUSINESS LICENSE/PERMITS	\$1,792,000	\$ 1,719,296	96%	\$1,669,000	\$1,675,209	100%	\$1,669,000
CHARGES FOR SERVICES	\$919,500	\$860,869	94%	\$773,000	\$982,273	127%	\$983,000
FINES & FORFEITURES	\$1,740,000	\$1,728,671	99%	\$1,625,000	\$1,460,051	90%	\$1,625,000
INTEREST & RENTAL INCOME	\$250,000	\$234,976	94%	\$240,000	\$155,937	65%	\$240,000
OTHER REVENUE	\$599,029	\$379,487	63%	\$354,429	\$375,957	106%	\$354,429
DIRECT REVENUES	\$22,645,329	\$21,112,393	92%	\$22,023,950	\$22,577,484	103%	\$22,233,950
TRANSFERS IN	\$ 1,669,870	\$ 400,975		\$ 551,000	\$ 543,896		\$ 1,401,000
One Time Revenue							
31 Property Sale					2,496,071		
32 Property Tax Admin Settlement					542,300		
					\$ 3,038,370		\$ -
TOTAL REVENUES	\$24,315,199	\$21,513,368	87%	\$22,574,950	\$26,159,751	116%	\$23,634,950

Phase 1

Department Head Recommendations

- \$1.1 million General Fund Savings
- Cost savings solutions
 - Staff realignments
 - Replace vacant positions
 - Funding allocations

Phase 2

- City Council policy direction
- Additional reductions
 - Attrition and retirement
 - Levels of service

GOALS

Maintain staffing levels

No staff reductions

Goal: \$3.0 Million

1. \$400,000 in contract savings
 - Street sweeping contract (June 30, 2016)
2. \$400,000 in additional revenues
 - Waste hauler franchise fees
 - 5% to 10% ~\$300K
 - Past due parking surcharge
 - \$100K after FY 13-14
3. \$350,000 Operational Efficiency
 - \$250,000 Fleet Management
 - \$100,000 LEDs (lower energy costs)
4. \$350,000 Medical costs
 - \$250,000 current / \$100,000 retirees



**50%:
\$1,500,000**

Phase II - Continued

Target \$500,000 to \$1.5 million

- Workforce Reductions / Level of Service
 - Staff reductions (attrition & retirement)
 - Outsourcing

171 Total FT Employees (FY13-14)

Avg. Employee Costs

- Avg. (sworn) Safety:
 - \$95,000 salary / \$150,000 w/benefits
 - 52% of total salary costs
- Avg. (non-sworn) Municipal:
 - \$62,000 salary / \$91,000 w/benefits
 - 48% of total salary costs

LA County Pension Tax Lawsuit:

\$1.0 to \$1.5 million

*Timing & outcome of
lawsuit impacts
workforce reductions*

Workforce Reduction (Attrition & Retirement)

\$500,000: 4 to 6

\$1,500,000: 10 – 18

General Fund Reserves

HUNTINGTON PARK
California

<i>June 30, 2012 Audit</i>	\$6.8 million	Working capital
	\$1.0 million	Capital projects
	<u>\$3.1 million</u>	Arbitrage rebate (restricted)*
	\$10.9 million	June 30, 2012
	<i>(\$4.0 million)</i>	<i>FY 12-13 deficit</i>
	<i>(\$3.4 million)</i>	<i>FY 13-14 deficit</i>
	<u><i>(\$1.0 million)</i></u>	<i>FY 13-14 payouts</i>
<i>Est. \$2.5 million</i>	<i>June 30, 2014</i>	

* Assumes sale of Southland Steel & release of monies into reserves

\$5.0 to \$6.0 million working capital requirement

- *\$3.0 million = 45 days operating cash*
- *6-12 months of deficit spending*

Phase I

Phase 1 – Police Department

HUNTINGTON PARK
California

1. New Revenues = \$259,000

- AB 109 \$150,000
- Jail service to Vernon \$22,000
- **(LA Impact Grant \$87,000 FY 12-13 budget)**

**\$259,000
Additional
Revenues**

2. Revenue Enhancement = \$154,000

- 2 motorcycle officers
- \$384,000 revenue
- \$230,000 expense

+

3. Position Re-Allocation

- 2 vacant Lieutenants / 1 new Captain (\$182,000)
- 1 FT Dispatch / 2 PT (\$40,000)
- 1 FT PEO / 1 Cadet (\$59,000)
- Add Management Analyst +\$50,000 / Intern +\$20,000

**\$470,000
Net
Expense
Reduction**

=

4. Expense Reduction

- Overtime (\$75,000)
- Supplies (\$30,000)

**\$642,000
Police
Savings**

Captain +\$20,000 salary partially offset by reduction in overtime

- Highway Users Tax (HUTA)
 - \$1,695,000 Annual Revenues
 - \$970,000 Operating Expenses
 - \$725,000 (not committed)

- \$335,000 transfer from General Fund (street operations) +

- \$390,000 transfer from Landscape & Lighting (535) Fund – eliminates deficit

- \$1.1 million fund balance
 - Can be used for street sweeping / street maintenance / capital investment

- Replace consultants w/ in-house personnel
 - City Engineer
 - Building Official
 - Plan Check
 - Inspector
 - 2 PT interns
- TransTech*
- \$40,000 as-needed engineering services
 - Revenue neutral: improves service hours & customer service

1. Contract Savings = (\$110,344)

- Eliminate park rangers \$110,344

2. Staff Restructure = +\$75,080

- 1 vacant Recreation Coordinator /
1 new Management Analyst +\$21,000
- Reclassify Jr. Deputy City Clerk to Secretary
- Add part-time staff
to replace park rangers +\$54,080



**Est.
\$35,264
General
Fund
Savings**

1. Remove City Clerk position = \$155,000
 - General Fund / Risk Management (84% General Fund)
2. Telephone + IT savings = \$8,000