

PRELIMINARY BUDGET IN BRIEF FY 2012-13



MISSION STATEMENT

THE CITY COUNCIL IS COMMITTED TO KEEPING PLACENTIA A PLEASANT PLACE BY PROVIDING A SAFE FAMILY ATMOSPHERE, SUPERIOR PUBLIC SERVICES AND POLICIES THAT PROMOTE THE HIGHEST STANDARDS OF COMMUNITY LIFE.

VISION STATEMENT

THE CITY COUNCIL WILL MAINTAIN AN OPEN, HONEST, RESPONSIVE AND INNOVATIVE GOVERNMENT THAT DELIVERS SERVICES IN A FAIR AND EQUITABLE MANNER WHILE OPTIMIZING AVAILABLE RESOURCES.

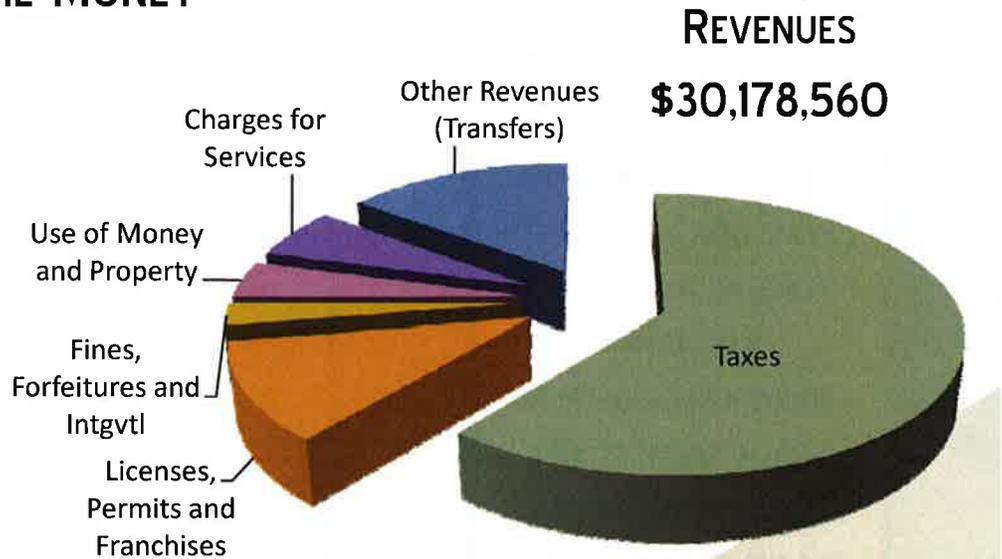
INSIDE

- WHERE DOES THE MONEY COME FROM?
- WHAT SERVICES ARE PROVIDED?
- BUDGET FACTS
- BALANCING THE BUDGET
- CAPITAL IMPROVEMENT PROJECT HIGHLIGHTS
- ACCOMPLISHMENTS

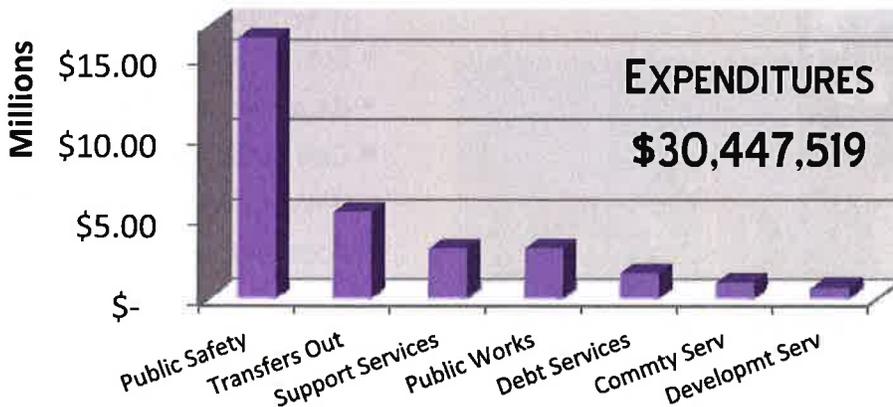


BUDGET SUMMARY

WHERE DOES THE MONEY COME FROM?



WHAT DOES IT COST TO PROVIDE SERVICES TO PLACENTIA RESIDENTS?



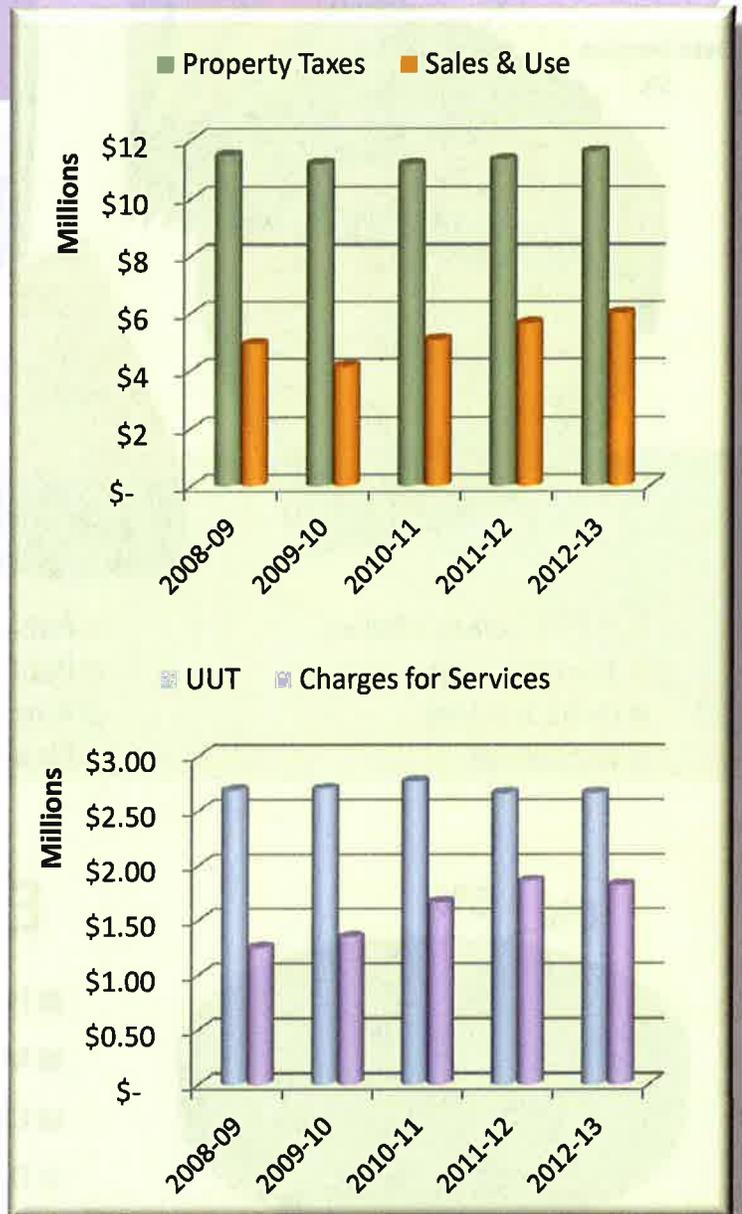
Preliminary Budget expenditures estimates does not include all proposed budget reductions

REVENUE SUMMARY

REVENUES \$30,178,560

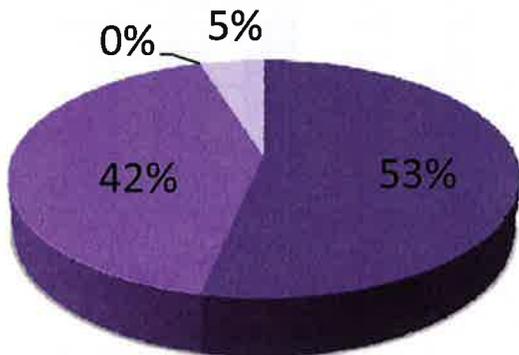
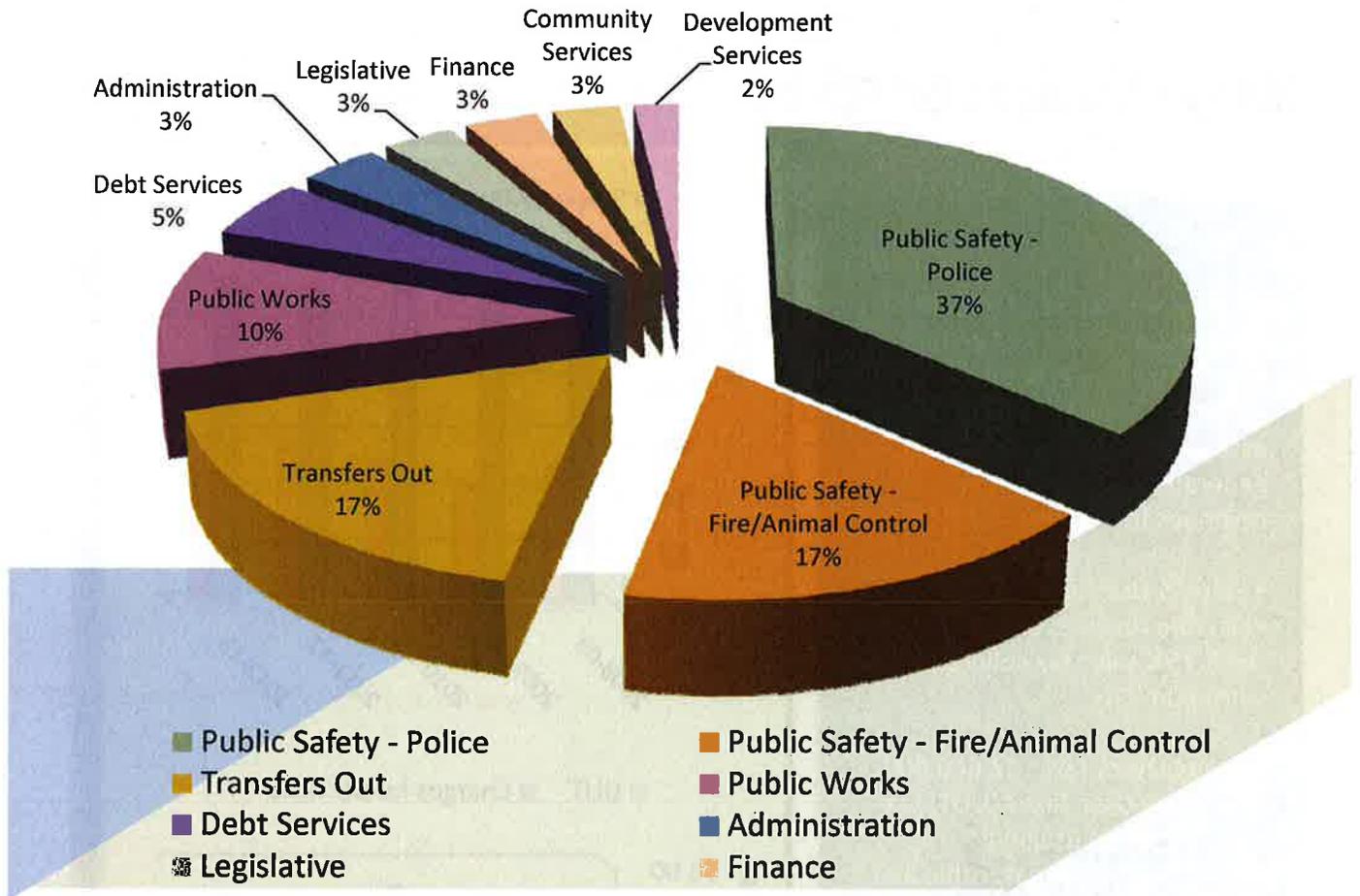
MAJOR SOURCES OF FUNDS

- **Property Taxes \$11,591,300**
Placentia receives 13.4 cents from every property tax dollar collected. A home with an assessed valuation of \$225,000 generates \$302 in annual revenues to the City.
- **Sales & Use Taxes \$5,980,000**
Placentia receives one cent of the 7.75% sales tax collected within the City.
- **Utility Users Taxes \$2,660,000**
The Utility User Taxes (UUT) tax rate is 3.5% on usage of electricity, natural gas, cable and telephone services.
- **Charges for Services \$1,817,500**
These revenues include Vehicle Impound Release Fees, Engineering and Planning fees and Recreation Programs.



EXPENDITURES SUMMARY

EXPENDITURES \$30,447,519



EXPENDITURES

- Personnel
- Materials, Supplies and Services
- Capital Outlay
- Debt Service

FINANCIAL POSITION

	2011-12 Estimate	2012-13 Proposed Budget
Revenues	\$ 30,446,920	\$ 30,178,560
Expenditures		
Legislative	\$ 1,266,264	\$ 946,290
Administration	1,192,078	1,070,030
Finance	963,790	978,760
Development Services	529,590	587,445
Public Safety	16,171,284	16,196,603
Engineering Services	398,570	441,460
Maintenance Services	2,363,458	2,566,270
Community Services	919,370	893,120
Debt Service	1,381,311	1,474,961
Operating Transfers-Out	5,259,925	5,292,580
Total Expenditures	\$ 30,445,640	\$ 30,447,519
Net Increase/(Decrease) Fund Balance	\$ 1,280	\$ (268,959)
Fund Balance, July 1	\$ 6,029,498	\$ 4,718,331
Adjustment for RDA Receivables to City	\$ (2,428,900)	\$ -
Adjustment for City Debt due to RDA	\$ 1,116,453	\$ -
Fund Balance, June 30	\$ 4,718,331	\$ 4,449,372

With the dissolution of the Redevelopment Agency, the properties which created obligations between the City and Redevelopment Agency were reconciled and thereby eliminated the Redevelopment Agency Receivable due to the City (\$2,428,900) and the City Liability due to the Redevelopment Agency (\$1,116,453).

BUDGET STRATEGIES FOR FISCAL STABILITY

CURRENT STRATEGIES IN EFFECT

- Maintain Freeze on Current Vacant Positions
 - Police Captain, Sergeant, Police Officers (7), Community Services Officer, Community Services Coordinator
- Utilize Retired annuitants to fill specialty or temporary assignments as a cost reduction measure;
- Continuation of wage freeze for Management and Mid-Management (6 years without a Cost of Living Adjustment);
- Maintain cap on health benefit costs paid by City.

PROPOSED STRATEGIES FOR NEXT FISCAL YEAR AND BEYOND

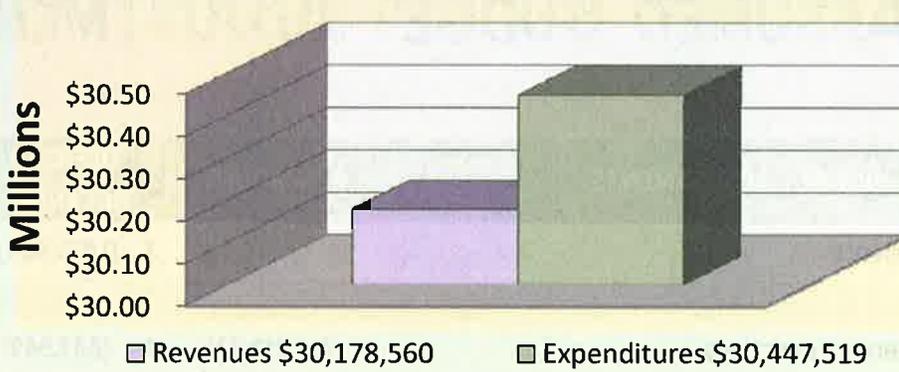
- Shift a proportional share of public employee pension and health care costs to active employees;
- Achieve balance between the use of contract and direct staffing;
- Explore opportunities for job sharing and service consolidation with other agencies;
- Realign the costs of public services to more accurately address the public/private benefits of services provided;
- Expand our revenue base by actively pursuing economic development activities;
- Assess the condition of City-owned assets (e.g. streets, buildings, equipment) for the purpose of identifying current and future maintenance and replacement costs and related funding strategies.

ASSUMED BUDGET ADJUSTMENTS

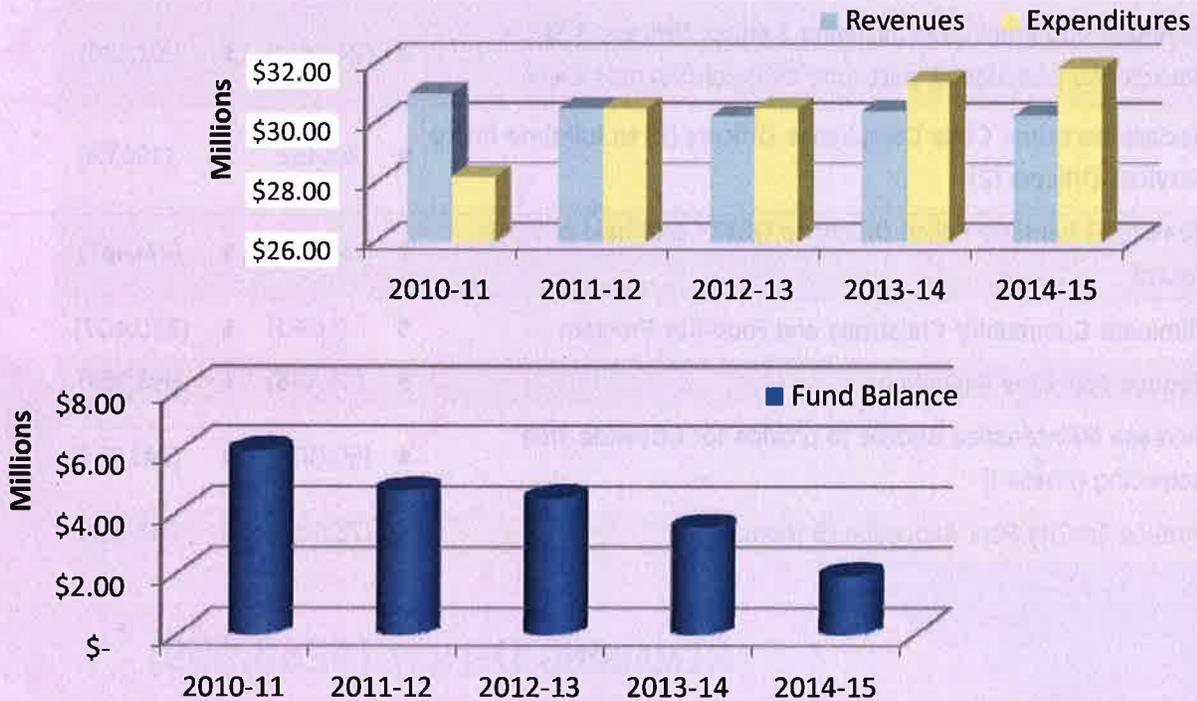
BUDGET ADJUSTMENTS	AMOUNT	DEFICIT BALANCE
Beginning Deficit Balance		\$ (1,899,969)
Adjustments to Revenue Projections	\$ 1,212,420	\$ (687,549)
Reduce Meetings and Conferences Budget	\$ (6,350)	\$ (681,199)
Eliminate Association of California Cities Orange County Membership	\$ (13,000)	\$ (668,199)
Reduce Legal Services and Litigation	\$ (100,000)	\$ (568,199)
Eliminate Tuition Reimbursement Program	\$ (10,000)	\$ (558,199)
Eliminate 960 Employees including 3 Motor Officers, 3 SRO's, Background Investigator, part-time Dispatch/Records Clerk	\$ (245,510)	\$ (312,689)
Reclass part-time Code Compliance Officers (2) to full-time Police Services Officers (2)	\$ 83,462	\$ (396,151)
Reassign 1 full-time Police Officer to OCATT and held position vacant	\$ (134,684)	\$ (261,467)
Eliminate Community Christmas and Food Box Program	\$ (1,060)	\$ (260,407)
Reduce part-time Allocation	\$ (66,448)	\$ (193,959)
Increase Maintenance Budget to provide for Citywide Tree Balancing (Phase I)	\$ 150,000	\$ (343,959)
Reduce Tri-City Park Allocation (6 months)	\$ (75,000)	\$ (268,959)

REMAINING DEFICIT (\$268,959)

ESTIMATED BUDGET GAP - DEFICIT SPENDING

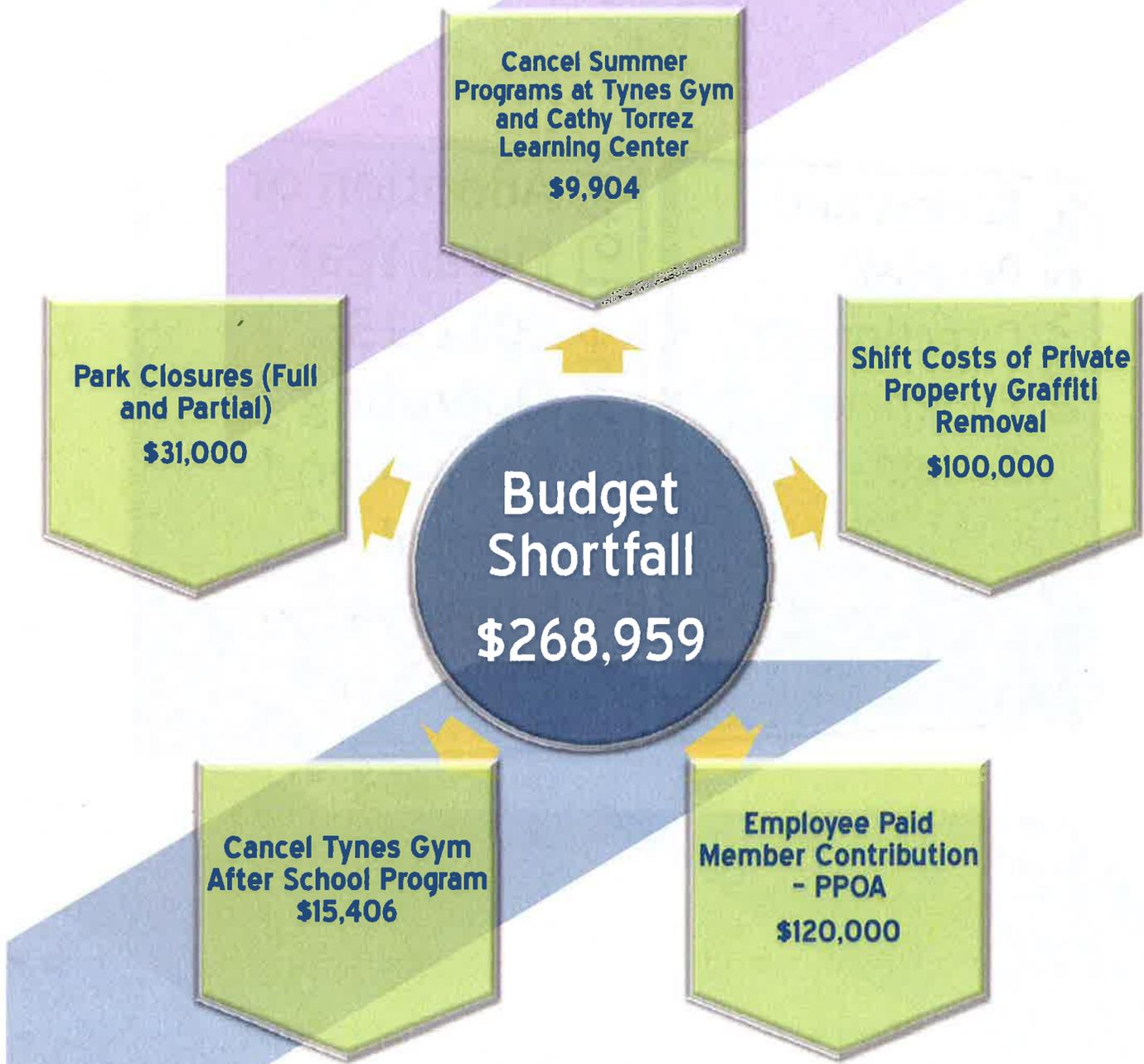


FINANCIAL PROJECTIONS



PROPOSED BUDGET REDUCTION OPTIONS

FISCAL YEAR 2012-13





May 29th Review and
Receive
Direction on
Preliminary
Budget

June 19th Adoption of
Fiscal Year
2012-13
Operating
Budget and
Capital
Improvement
Program