



City of La Habra

Budget Balancing Measures

FY2005-06 to FY2018-19

General Fund Reserve Levels as % of Annual Budgeted Expenditures

Fiscal Year	Available (Unreserved/Unassigned) Fund Balance	Budgeted Expenditures	Available Reserves as % of Expense
FY 05/06	2,510,672	32,202,902	7.8%
FY 06/07	2,880,218	34,258,733	8.4%
FY 07/08	2,882,494	32,780,573	8.8%
FY 08/09	3,067,881	33,796,567	9.1%
FY 09/10	3,792,796	34,314,260	11.1%
FY 10/11	4,604,127	32,569,783	14.1%
FY 11/12	5,308,531	33,564,360	15.8%
FY 12/13	5,732,904	34,541,719	16.6%
FY 13/14	6,265,883	36,372,186	17.2%
FY 14/15	6,333,144	37,346,527	17.0%
FY 15/16	6,584,505	38,538,379	17.1%
FY 16/17	7,797,789	40,866,222	19.1%
FY 17/18	6,258,051	42,299,430	14.8%*

* Set aside \$1.1 million for various purposes such as pension stabilization, facility improvements, etc.

Prior Budget Balancing Measures

FY2005-06 through FY2018-19

General Fund Budget Balancing Measures FY 2005-06

- ▶ **Contracted with Los Angeles County Fire - eliminated 41 Full Time positions**
- ▶ **Eliminated 1 vacant Full Time position**
- ▶ Reduced electricity costs due to energy efficiency upgrades

General Fund Budget Balancing Measures FY 2006-07

- ▶ **Eliminated 2 vacant Full Time positions**
- ▶ **Eliminated 3 vacant Part Time positions**
- ▶ Reduced funding for the Boxing Program, After School Youth Program, Mobile “Park Playground” Program
- ▶ Reduction in support for the Community Grants Program
- ▶ Eliminated the DARE program and related O&M costs
- ▶ Cancelled the D-Max NPDES consulting agreement

General Fund Budget Balancing Measures FY 2007-08

- ▶ **Eliminated 3 vacant Full Time positions**
- ▶ **Laid off 1 staffed Full Time position**
- ▶ **Eliminated 3 vacant Part Time positions**
- ▶ **Reduced hours for 1 Part Time position**
- ▶ Allocated a portion of the labor costs associated with 3 Full Time positions to other funds
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2008-09

- ▶ **Froze hiring of 1 vacant Full Time position**
- ▶ **Eliminated 2 vacant Full Time positions**
- ▶ **Eliminated 4 vacant Part Time positions**
- ▶ Reduced Police Overtime Budget
- ▶ Reduced tree trimming budget and tree planting by 150 trees
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2009-10

- ▶ Froze Management merit-based raises
- ▶ No COLAs for all bargaining units - except Police
- ▶ Initiated citywide furloughs - 104 hours per Full Time employee
- ▶ Suspended all employee leave buybacks
- ▶ **Eliminated 1 Part Time position**
- ▶ **Reduced 7 Part time positions**
- ▶ **Reduced Part Time labor hours by 10%**
- ▶ Eliminated funding for training and staff development in all departments
- ▶ Reduced funding for advertising, dues and memberships, postage, consulting support, legal services in various departments
- ▶ Deferred Information Technology charges
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2010-11

- ▶ Enacted pension reforms in July 2010
 - Employees hired on or after July 1, 2010 paid full “employee” rate of PERS cost
- ▶ Froze Management merit-based raises
- ▶ No COLAs for all bargaining units
- ▶ Continued citywide furloughs for Full Time employees – 125 furlough hours and 59 restored hours
- ▶ Suspended all employee leave buybacks
- ▶ **Laid off 4 staffed Full Time positions**
- ▶ **Eliminated 2 vacant Full Time positions**
- ▶ Reduced funding for Supplies, Training, Contract Services, Dues & Memberships
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2011-12

- ▶ City Council established Tier 2 pension plans in January 2012
 - All employees hired on or after January 14, 2012 paid full “employee” rate and were placed in a new, lower benefit PERS formula: 2% @ 60 for Miscellaneous and 2% @ 50 for Safety
- ▶ No COLAs for all bargaining units
- ▶ Continued citywide furloughs for Full Time employees - 60 furlough hours and 27 restored hours
- ▶ Reduction in the City’s leave buyback program
- ▶ **Eliminated 1 vacant Part Time position**
- ▶ **Delayed hiring of 1 Full Time position**
- ▶ **Laid off 2 Part Time positions**
- ▶ **Reduced hours for 1 Part Time position by 260 hours**
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2012-13

- ▶ Statewide CalPERS Pension Reform Act took effect in January 2013 (PEPRA)
 - All employees hired on or after January 1, 2013 new to CalPERS system paid full employee rate and were placed in a new PERS formula: 2% @ 62 for Miscellaneous and 2.7% @ 57 for Safety
- ▶ No COLAs for all bargaining units
- ▶ Reduction in the City's leave buyback program
- ▶ Continued citywide furloughs for Full Time employees – 60 furlough hours and 30 restored hours
- ▶ **Staggered hiring of 3 Full Time positions**
- ▶ **Delayed hiring of 1 Full Time position**
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2013-14

- ▶ Initiated Additional Pension Reforms:
 - ▶ Employees who were hired before 7/1/10 in Miscellaneous group started contributing 3% of their compensation to fund CalPERS pension costs on 7/1/13 and increased their contribution to 7% on 7/1/14.
 - ▶ Employees who were hired before 7/1/10 in Police group started contributing 3% of their compensation to fund CalPERS pension costs on 7/1/13 and increased their contribution to 9% on 7/1/14.
- ▶ **Delayed hiring of 1 Full Time position**
- ▶ **Reduced hours for 1 Part Time position**
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges

General Fund Budget Balancing Measures FY 2014-15

- ▶ Eliminated funding for staff development programs
- ▶ Shifted a portion of 3 School Resource Officers to Special Revenue Fund
- ▶ **Staggered funding and hiring of 2 Full Time positions**
- ▶ Reduced funding for legal services
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges
- ▶ Deferred Information Technology Equipment Replacement charges

General Fund Budget Balancing Measures FY 2015-16

- ▶ **Eliminated 2 vacant Part Time positions**
- ▶ **Reduced hours for certain staffed Part Time positions**
- ▶ **Froze hiring of 2 Part Time positions**
- ▶ **Delayed hiring of 7 Full Time positions**
- ▶ **Staggered funding and hiring of several police positions**
- ▶ Temporarily shifted remaining portion of three School Resource Officers to Special Revenue Fund
- ▶ Froze internal promotions for Full Time positions
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges
- ▶ Deferred Information Technology Equipment Replacement charges
- ▶ Deferred Risk Management charges – Liability and Workers Comp

General Fund Budget Balancing Measures FY 2016-17

- ▶ Temporarily shifted remaining portion of three School Resource Officers to Special Revenue Fund
- ▶ **Staggered funding and hiring of several police positions**
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges
- ▶ Deferred IT Equipment Replacement charges
- ▶ Deferred Risk Management charges – Workers Comp

General Fund Budget Balancing Measures FY 2017-18

- ▶ **Eliminated 1 vacant Full Time position**
- ▶ **Staggered funding and hiring of several police positions**
- ▶ **Delayed hiring for 4 Part Time positions**
- ▶ Financed the replacement of radios for the Orange County 800mhz radio communications system upgrade
- ▶ Eliminated funding for Shop La Habra
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges
- ▶ Deferred IT Equipment Replacement charges
- ▶ Deferred Risk Management charges – Workers Comp

General Fund Budget Balancing Measures FY 2018-19

- ▶ **Eliminated 7 vacant Full Time positions**
- ▶ **Eliminated 6 vacant Part Time positions**
- ▶ **Eliminated 1 staffed Part Time position**
- ▶ **Delayed hiring of 4 Part Time positions**
- ▶ Continued Pension Reforms:
 - ▶ Employees in Miscellaneous group started contributing an additional 1% of compensation earnable toward CalPERS required **employer** contribution cost sharing on 7/1/18.
 - ▶ Employees designated as “Classic” PERS members (Tier 1 and Tier 2) in Police Sworn group started contributing an additional 1% of compensation earnable toward CalPERS required **employer** contribution as pension cost sharing on 7/1/18. Employees will contribute an additional 1% on 7/1/19 and an additional 1% on 7/1/20.
- ▶ Reorganization of Community Services staffing for cost savings
- ▶ Reduced funding for security supervision at La Bonita Skate Park
- ▶ Reduced funding for legal services
- ▶ Reduced funding in operation & maintenance budget for all departments
- ▶ Deferred Fleet Replacement charges
- ▶ Deferred IT Equipment Replacement charges

FY 2019-20 General Fund Budget

- ▶ \$930,000 to fund higher CalPERS normal and unfunded liability pension costs
- ▶ \$825,000 for increase fire contract costs and prior year contract adjustments
- ▶ \$650,000 for negotiated labor costs and merit based salary increases for all groups
- ▶ \$530,000 for restored funding on Vehicle Replacement charges
- ▶ \$149,000 for restored funding on 1 frozen Police Officer position
- ▶ \$106,000 debt service payment
- ▶ \$197,000 for labor and operational costs reverted back to the General Fund from other funding sources
- ▶ \$68,500 for increase ambulance contract costs
- ▶ \$26,000 for restored funding on Training & Conferences

Total: \$3,418,500

Questions?