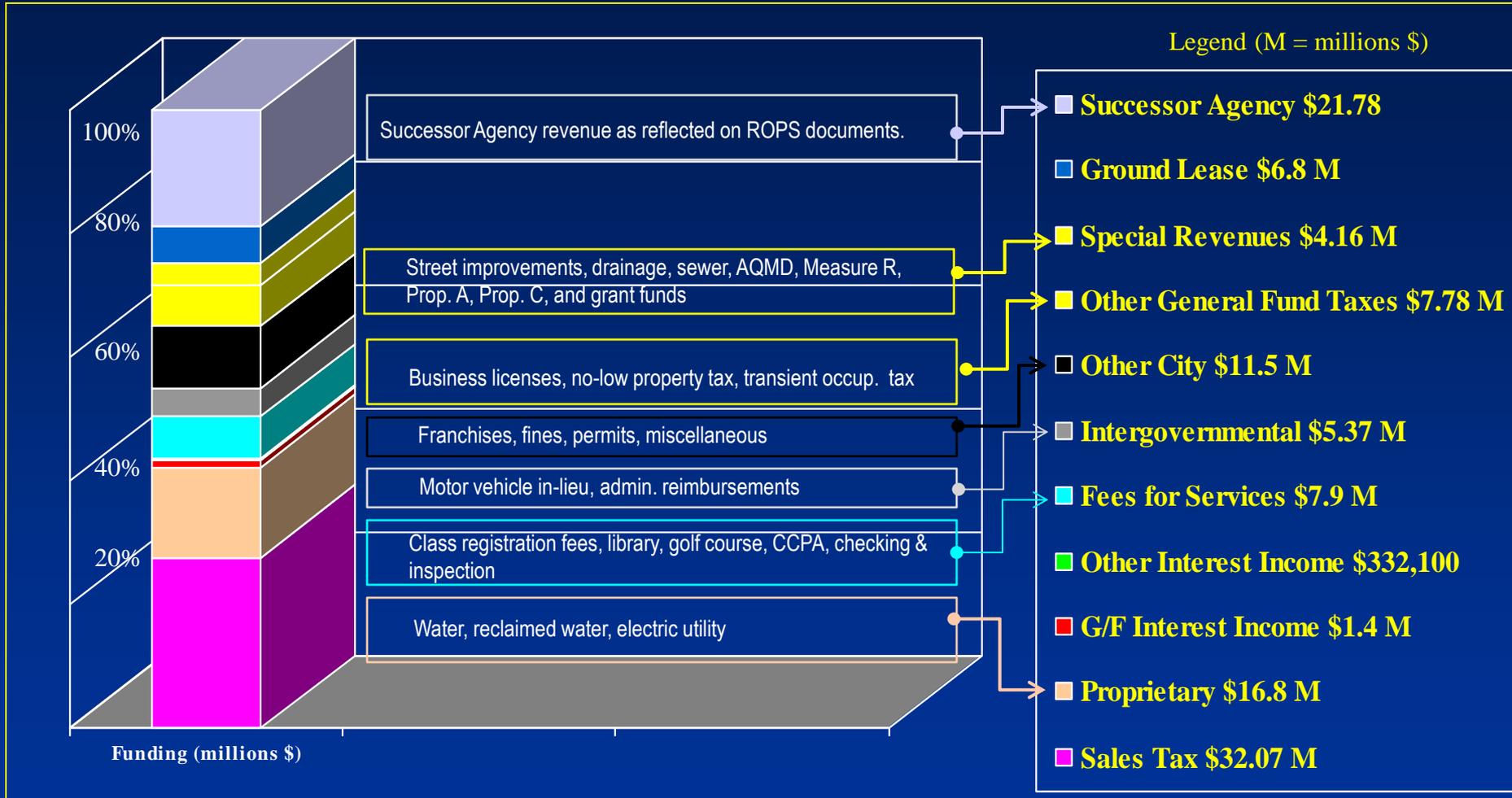




City of Cerritos  
Fiscal Year 2016-2017  
Proposed Budget Overview  
May 2, 2016

# City/Successor Agency Funding

\$116,102,680 proposed for FY 2016-2017



% of Budget

# City of Cerritos Funds Taken by the State of California

Non-parking fines, cigarette taxes, alcohol taxes, highway carrier fees, inventory exemption reimbursements 1984-1997:	\$633,552
ERAF shifts 1992-1995:	\$4,528,451
Supplemental ERAF* shift 2009-2010:	\$11,812,007
Supplemental ERAF shift 2010-2011:	\$2,326,350
Low/Mod Housing Fund 2012-2013:	\$10,092,815
Due Diligence Review (OFA) 2015:	\$10,843,383
<b>GRAND TOTAL TO DATE:</b>	<b>\$40,236,558</b>

\*ERAF: Educational Revenue Augmentation Funds

# Summary of Redevelopment Dissolution Impacts\*

(Financial Losses and Direct Payments -- estimated, unaudited)

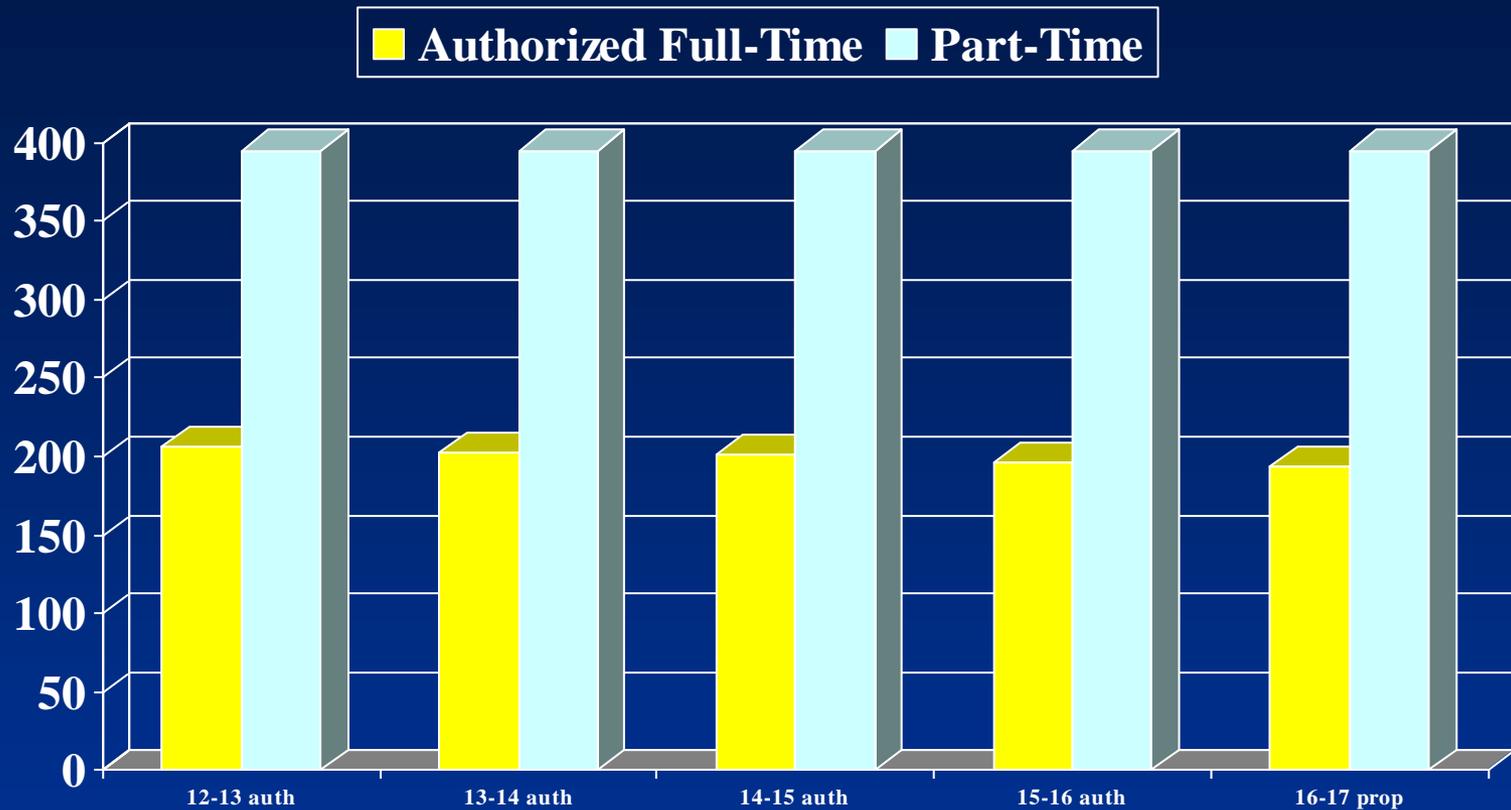
Tax Increment, Los Cerritos (estimated annual loss)	\$ 9,464,630	
Tax Increment, Los Coyotes (estimated annual loss)	\$22,063,160	
Investment Income (estimated)	<u>\$ 764,250</u>	
Agency SUBTOTAL		\$ 32,292,040
ROPS reimbursement (budgeted 2013-14)		<u>\$ 20,594,310</u>
DIFFERENCE (annual)		(\$11,697,730)
-----		
Intergovernmental Revenues (from CRA to General Fund), FY 2011-12 budgeted*		
Administrative Cost	\$ 1,197,070	
Staff Time Reimbursement	\$ 1,692,160	
Staff Time, Low-/Moderate-Income Housing	\$ 1,243,070	(\$ 4,132,300)
Payment to other taxing entities (actual \$ paid to County of L.A., 7/12/2012)		(\$ 5,979,282)
Low-Mod Housing Balance (actual \$ paid to DOF under protest, 12/19/2012)		(\$10,109,094)
Due-Diligence Review (OFA) Payment (actual \$ paid to County of LA under protest, 12/9/15)		(\$10,843,383)
Interest on RDA Advance (as denied by DOF)		(\$ 7,488,000)
Magnolia Bond, debt service		(\$ 857,200)

\*Reflects last budgeted full fiscal year of projected revenues;

## Budget Balancing Actions

- Annual operating budget remains lower than operating budget from fiscal year 2008-2009 despite significant increases in expenses for contract labor, materials, insurance, etc.
- Savings achieved from not filling more than 58 City positions totals approximately \$6.4 million per year
- Additional savings have been achieved through operating expenditure reductions

# City Personnel



2016-2017 proposed

Full-Time Employees: 196

Part-Time Employees: 395

(58 full-time positions have been frozen to date.)

# Major Projects in Fiscal Year 2015-2016

# Plaza 183 Shopping Center



The Plaza 183 shopping center completed a Santa-Barbara-style renovation that completely re-branded the former Best Plaza. Upgrades included new landscape, façade improvements and the addition of a number of new tenants.

# College Square Shopping Center



As part of the ongoing renovations at the College Square shopping center a new In-N-Out Burger restaurant was opened this past fall. The complete renovation of the center is expected to be finished later this year.

# Reclaimed Water Pipeline Installation



An extension of the City's reclaimed water infrastructure was completed. The project serves the Forest Lawn Memorial Park in Cypress and is expected to save approximately 250 acre-feet of potable water annually.



The Parks and Trees Division continued an aggressive tree maintenance and trimming program, completing trimming on over 6,800 trees in the past year. This work has helped the City earn recognition as Tree City U.S.A. for the 17<sup>th</sup> consecutive year.



1,650,000 people are served by the City's parks/programs every year. Cerritos has 25 parks and recreation facilities, plus classes, special events and excursions.

# Camp Liberty



The reconstruction of the popular Camp Liberty picnic shelter was recently completed.

A new Saddleback Park playground area was opened featuring new playground equipment and ADA-compliant rubberized surfacing.



A reconstruction project of the picnic shelters at Heritage Park was completed. The new shelters feature barbeque grills, picnic table seating and upgraded shelter covering.



# New Housing Development Projects

# Aria Luxury Apartment Development



Construction is nearing completion on Aria, a 198-unit luxury apartment development located at the northeast corner of Bloomfield Avenue and Artesia Boulevard.

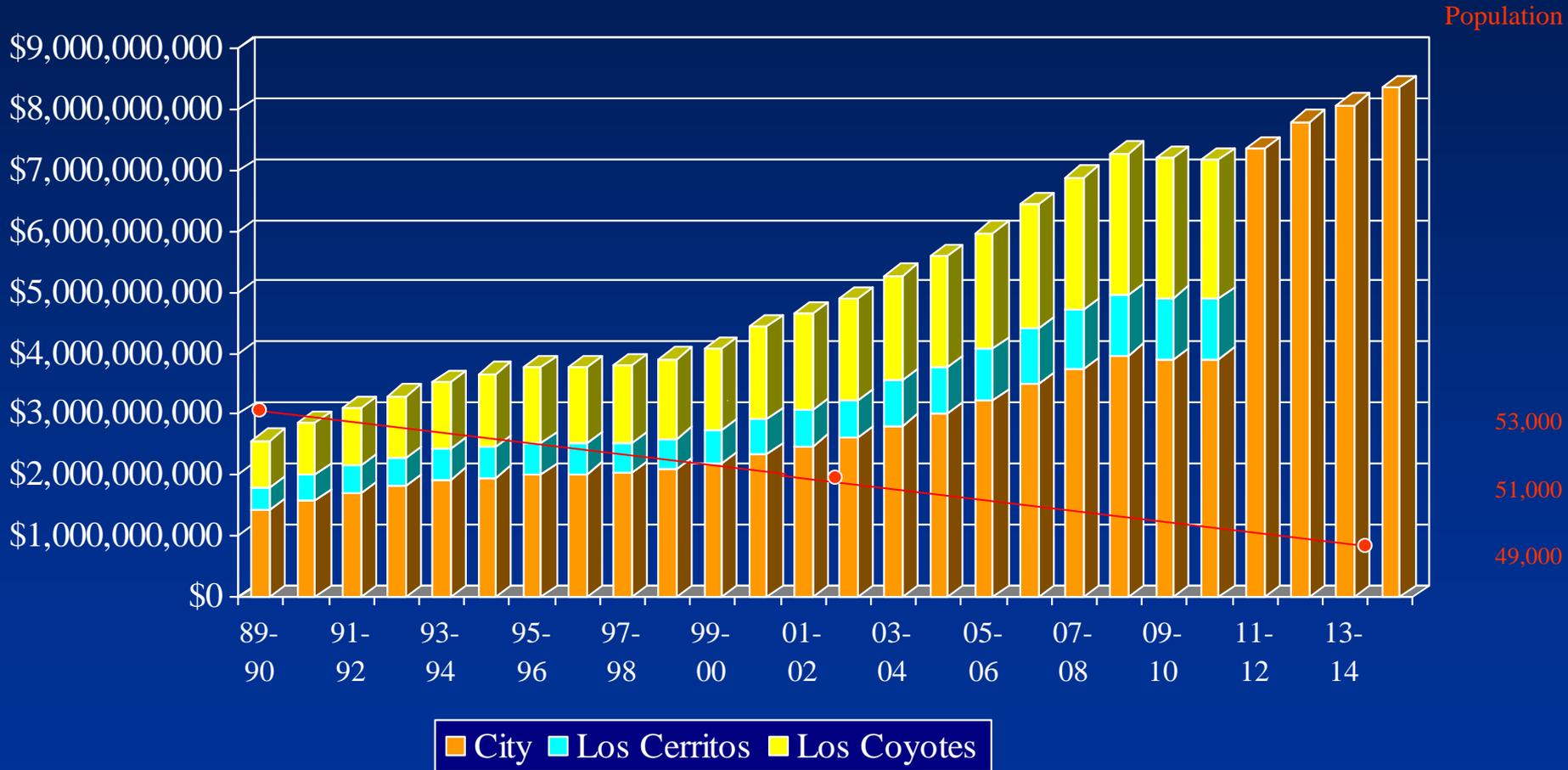
# Sage Luxury Apartment Development



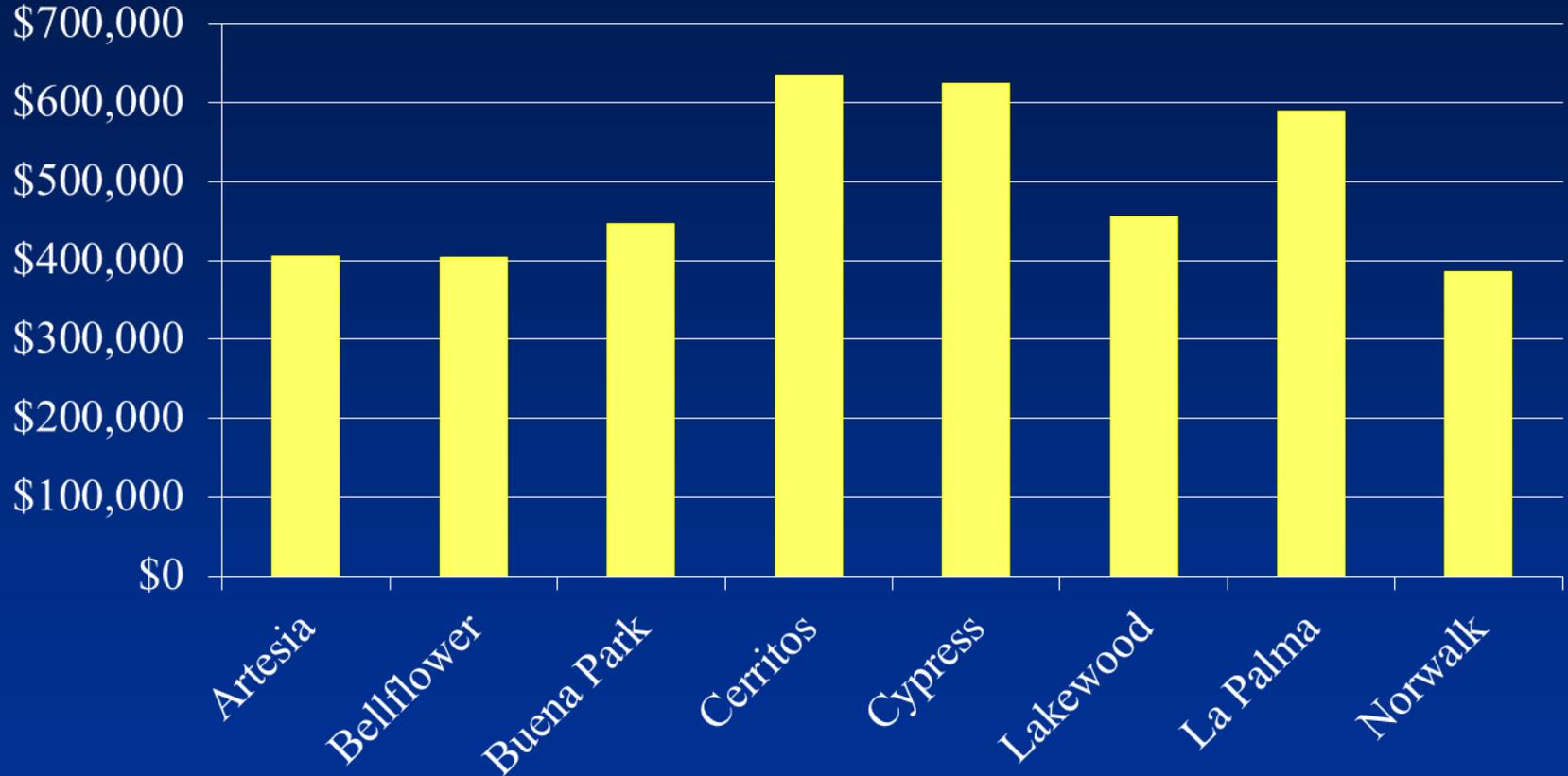
The Sage Luxury Apartment Development will feature 132 units. The development is scheduled for completion in 2017 and will be located directly adjacent the Aria project on Artesia Boulevard.

# Cerritos Assessed Valuation

As of April, 2016, the City's assessed valuation is \$8,366,583,729

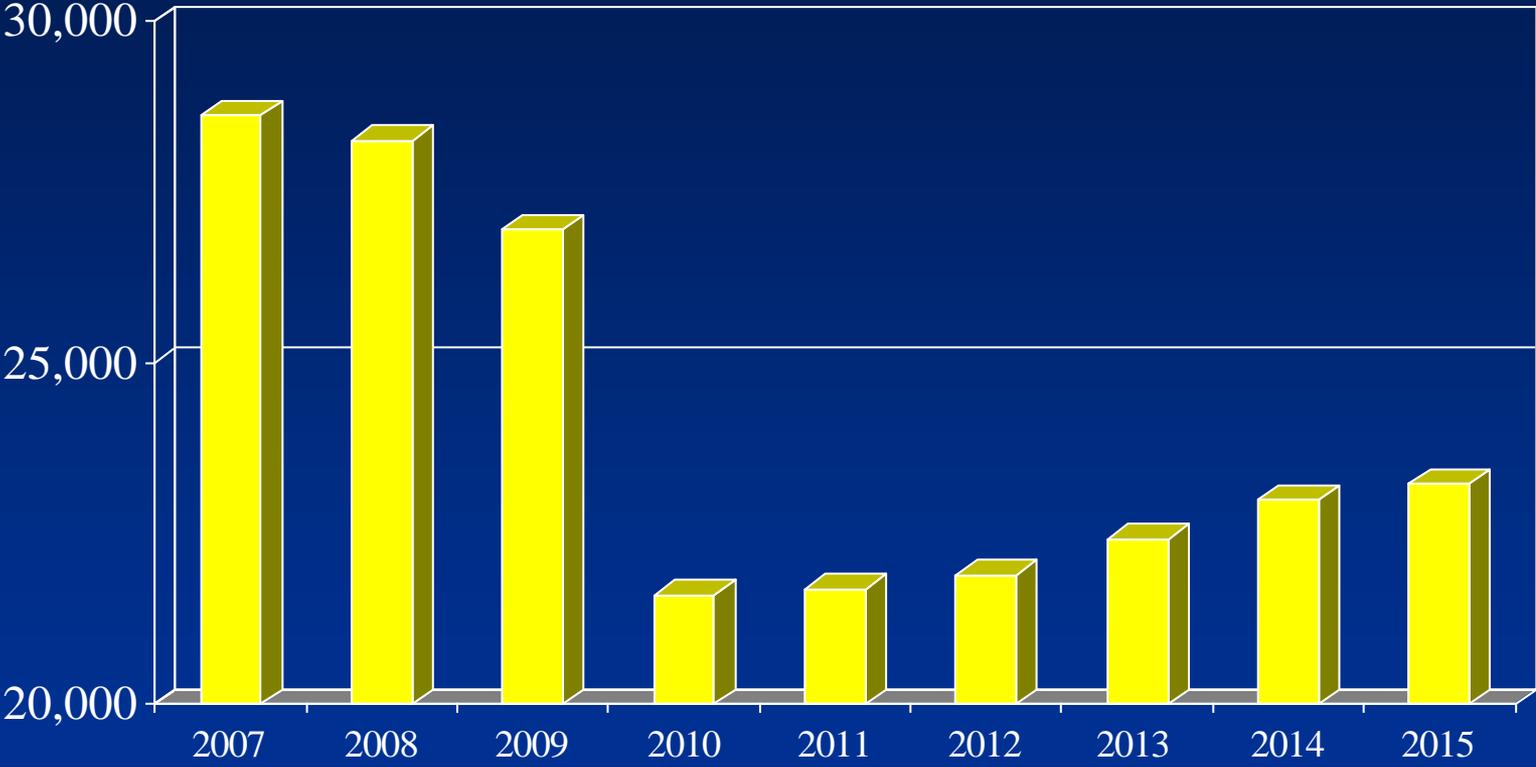


# Single-Family Houses Median Resale Prices April 2015



Source: DataQuick

# City of Cerritos Total Jobs 2007-2015



Unemployment rate in Cerritos is 5.3%

Sources: Bureau of Labor Statistics and the Economic Development Department

# California Cities Sales Tax Rankings

- Cerritos ranks number 48 out of 520 cities in total sales tax collected
- Followed by Rancho Cucamonga (53), Ventura (60), Santa Barbara (71), Brea (79) and Mission Viejo (106)

Hdl STATE OF CALIFORNIA - ALL AGENCIES		CALIFORNIA - ALL AGENCIES	
C O M P A N I E S		CALENDAR YEAR 2012	
Rank	Agency	Rank	Agency
1	Los Angeles	54	Fluence Park
2	San Diego	55	Star Bernardino Unincorporated
3	San Francisco	56	Palo Alto
4	San Jose	57	San Jose
5	Fresno	58	San Ramon Springs
6	Sacramento Unincorporated	59	Carson
7	Bakersfield	60	La Grap
8	Oakland	61	San Leandro
9	Sacramento	62	Livermore
10	Anaheim	63	Hayward
11	Los Angeles Unincorporated	64	Tustin
12	Long Beach	65	Milpitas
13	Northridge Unincorporated	66	Reading
14	Irvine	67	Walnut Creek
15	Riverside	68	Placentia
16	Oakland	69	San Ramon
17	Costa Mesa	70	Carson City
18	Santa Clara	71	Redwood City
19	Roseville	72	San Jose
20	The Wood	73	San Jose
21	Santa Ana	74	San Jose
22	Stockton	75	Stockton
23	Fremont	76	San Mateo Unincorporated
24	Orange	77	San Mateo
25	Flower Hill	78	Contra Costa
26	San Francisco	79	Contra Costa
27	Contra Costa	80	San Jose
28	Petaluma	81	San Jose
29	San Jose	82	San Jose
30	San Jose	83	San Jose Unincorporated
31	Hayward	84	San Jose
32	San Jose	85	San Jose
33	Clayton	86	San Jose
34	El Cerrito	87	San Jose
35	San Jose	88	San Jose
36	San Jose Unincorporated	89	San Jose
37	Vicente	90	San Jose
38	San Jose	91	San Jose
39	Novato	92	San Jose
40	Novato	93	San Jose
41	Chico Vista	94	San Jose
42	Marina	95	San Jose
43	Portola	96	San Jose
44	San Bernardino	97	San Jose
45	Tulare	98	San Jose
46	Rocky Hill	99	San Jose
47	Contra Costa	100	San Jose
48	Quinn	101	San Jose
49	San Jose	102	San Jose
50	San Jose	103	San Jose
51	San Jose	104	San Jose
52	San Jose	105	San Jose
53	San Jose	106	San Jose
54	San Jose	107	San Jose
55	San Jose	108	San Jose
56	San Jose	109	San Jose
57	San Jose	110	San Jose
58	San Jose	111	San Jose
59	San Jose	112	San Jose
60	San Jose	113	San Jose
61	San Jose	114	San Jose
62	San Jose	115	San Jose
63	San Jose	116	San Jose
64	San Jose	117	San Jose
65	San Jose	118	San Jose
66	San Jose	119	San Jose
67	San Jose	120	San Jose
68	San Jose	121	San Jose
69	San Jose	122	San Jose
70	San Jose	123	San Jose
71	San Jose	124	San Jose
72	San Jose	125	San Jose
73	San Jose	126	San Jose
74	San Jose	127	San Jose
75	San Jose	128	San Jose
76	San Jose	129	San Jose
77	San Jose	130	San Jose
78	San Jose	131	San Jose
79	San Jose	132	San Jose
80	San Jose	133	San Jose
81	San Jose	134	San Jose
82	San Jose	135	San Jose
83	San Jose	136	San Jose
84	San Jose	137	San Jose
85	San Jose	138	San Jose
86	San Jose	139	San Jose
87	San Jose	140	San Jose
88	San Jose	141	San Jose
89	San Jose	142	San Jose
90	San Jose	143	San Jose
91	San Jose	144	San Jose
92	San Jose	145	San Jose
93	San Jose	146	San Jose
94	San Jose	147	San Jose
95	San Jose	148	San Jose
96	San Jose	149	San Jose
97	San Jose	150	San Jose
98	San Jose	151	San Jose
99	San Jose	152	San Jose
100	San Jose	153	San Jose

Cerritos is estimated to receive \$32.1 million in sales tax revenue in the current fiscal year

# California Cities Sales Tax Rankings (per capita)

- Cerritos ranks number 17 out of 520 cities in sales tax per capita
- Followed by Culver City (23), Ontario (25), Costa Mesa (26), Brea (27), Santa Monica (41), Newport Beach (42) and Buena Park (113)

**Hdl** STATE OF CALIFORNIA - ALL AGENCIES  
SALARIES TAX PER CAPITA (POINT OF SALE - 1%) & COUNTY (A) & POOLS:  
 CALENDAR YEAR 2017

RANK	CITY	TAXES PER CAPITA	RANK	CITY	TAXES PER CAPITA
1	Los Angeles	877.900	84	West Sacramento	324
2	Veneta	411.738	85	Hickory	322
3	Santa Clara	210.2	86	Buena Park	301
4	Costa Mesa	499.6	87	La Palma	287
5	Merced	266.4	88	Napa Unincorporated	267
6	Santa Fe Springs	141.9	89	San Gabriel	266
7	Concord	120.0	90	Chico	259
8	Signal Hill	102.0	91	San Marcos Unincorporated	251
9	Emeryville	47.0	92	Nevada City	250
10	Emeryville	77.0	93	Taft	247
11	Beverly Hills	77.0	94	Burbank	240
12	Shafter	68.1	95	Torrance	234
13	Costa Mesa	67.0	96	Chico	233
14	E. Segundo	57.2	97	Thousand Oaks	232
15	Bishop	57.1	98	Victorville	231
16	Brea	56.4	99	Glenn	228
17	Cerritos	56.1	100	Grand Street	217
18	Cerritos	517	101	Glenn	216
19	Carson	48.0	102	Newport Beach	216
20	Culver City	48.0	103	Victorville	214
21	Brea	46.0	104	Los Gatos	214
22	Culver City	42.0	105	Tustin	214
23	Westlake Village	42.0	106	Alhambra	212
24	Costa Mesa	41.0	107	Torrance	212
25	Costa Mesa	40.0	108	Carlsbad	204
26	Costa Mesa	40.0	109	San Gabriel	202
27	Ontario	39.1	110	Los Angeles	200
28	San Ramon	38.1	111	Chico	196
29	San Jose	38.0	112	West Sacramento	186
30	Wood	37.0	113	Alhambra Unincorporated	184
31	Walnut Hills	37.0	114	San Leandro	180
32	San Jose	36.0	115	Orange	178
33	Santa Clara	35.0	116	National City	171
34	Albany	32.0	117	Carson	146
35	Petaluma	30.0	118	Redwood City	144
36	Red Bluff Lake	30.4	119	Campbell	144
37	Dublin	30.4	120	Rancho Mirage	142
38	Blackton	29.0	121	Berkeley	141
39	Yuba City	24.1	122	Pouey	141
40	Riverside	24.1	123	El Centro	140
41	Costa Mesa	24.0	124	Menlo Park	136
42	Fluores	23.0	125	Sonoma	137
43	Porterville	23.0	126	Sausalito	135
44	Newport Beach	23.0	127	Chico	128
45	Vallejo	23.0	128	Trinity Springs	123
46	San Ramon	20.0	129	Yuba	123
47	Fluores	20.0	130	Colton	120
48	Fluores	19.0	131	Cypress	119
49	Fluores	17.0	132	Folsom	117
50	Newport Beach	17.0	133	Redding	116
51	Yuba City	16.0	134	Pescadero	116
52	San Jose	15.0	135	Yuba	116
53	Yuba City	15.0	136	Newark	115

9/20/2017 10:48 AM Hdl - 908.551.4335 - www.hdl.com/sales-tax 1/27/18

Cerritos received \$607 per capita in sales tax revenue in 2015

# Cerritos Auto Square



# Cerritos Nissan



Cerritos Nissan will expand its showroom and modernize the building exterior in keeping with Nissan corporate branding requirements. The project will be completed in 2017.

# Norm Reeves Honda



The Norm Reeves Honda dealership's renovation will feature blue and white decorative metal panels and a tower element serving as the focal point for an expanded showroom area. The renovation project is expected to be complete by the end of the year.

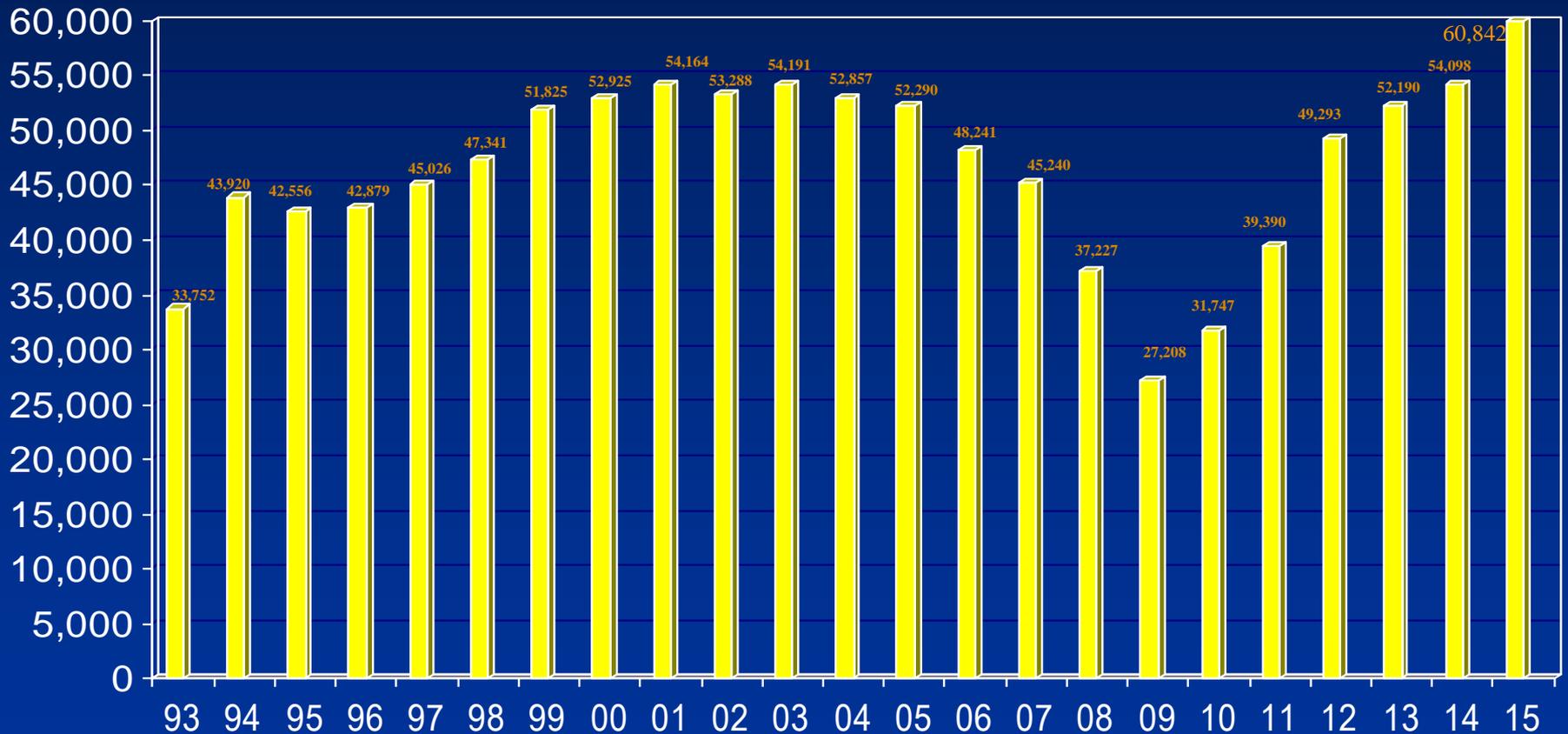
# Cerritos Acura



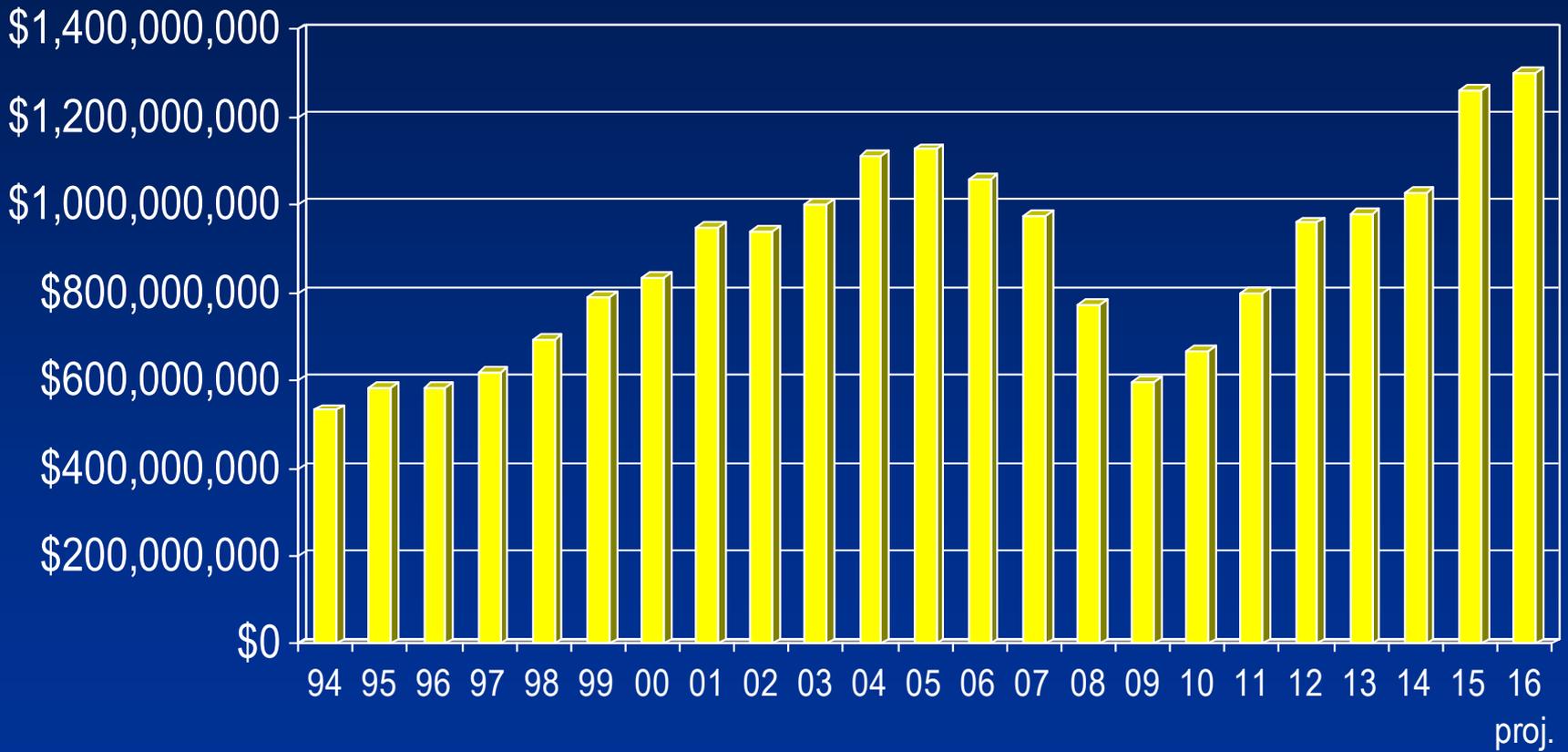
Cerritos Acura will renovate its dealership showroom and service building with a contemporary design featuring champagne-colored decorative metal panels and a unique entry tower element. The project is slated for completion in early 2017.

# Cerritos Auto Square

## New & Used Units Sold, Leases



# Cerritos Auto Square Total Sales



# Auto Square Employment

- 3,000 people are employed at the Cerritos Auto Square

# Los Cerritos Center



The Los Cerritos Center continued its development as one of Southern California's premier shopping, dining and entertainment destinations with the recent completion of a major renovation project.

# Los Cerritos Center Renovation – Dick's Sporting Goods



The renovation of the Los Cerritos Center included the addition of a new Dick's Sporting Goods store. At 80,000 square feet, the store is one of the largest in the retailer's chain of locations

# Los Cerritos Center Renovation – The Cheesecake Factory



The renovation project also included the addition of the popular Cheesecake Factory restaurant. The new restaurant features approximately 9,000 square feet of new space and includes outdoor patio seating.

# Los Cerritos Center Renovation – Harkins Theaters



The new state-of-the-art Harkins Theater will feature 16 screens and will provide stadium style seating. The theater, which is scheduled for completion in May, will complete the major renovation of the Center.

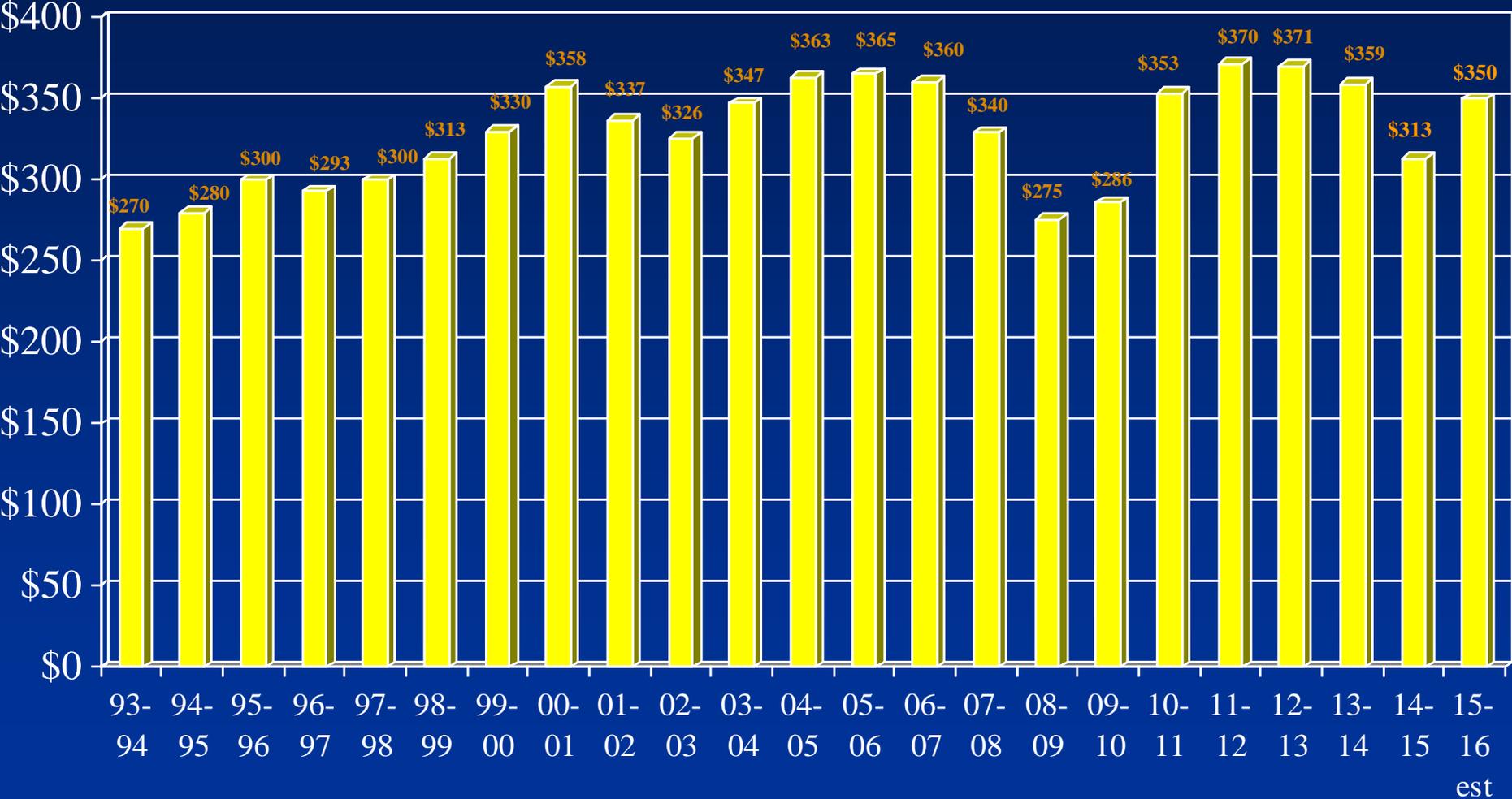
# Los Cerritos Center Renovation – Interior Improvements



In addition to new stores, restaurants and entertainment options, the renovation of the Los Cerritos Center included a major upgrade of the interior of the mall, and includes the renovation of the food court, new flooring, paint, lighting and furniture.

# Los Cerritos Center Total Sales

In Millions



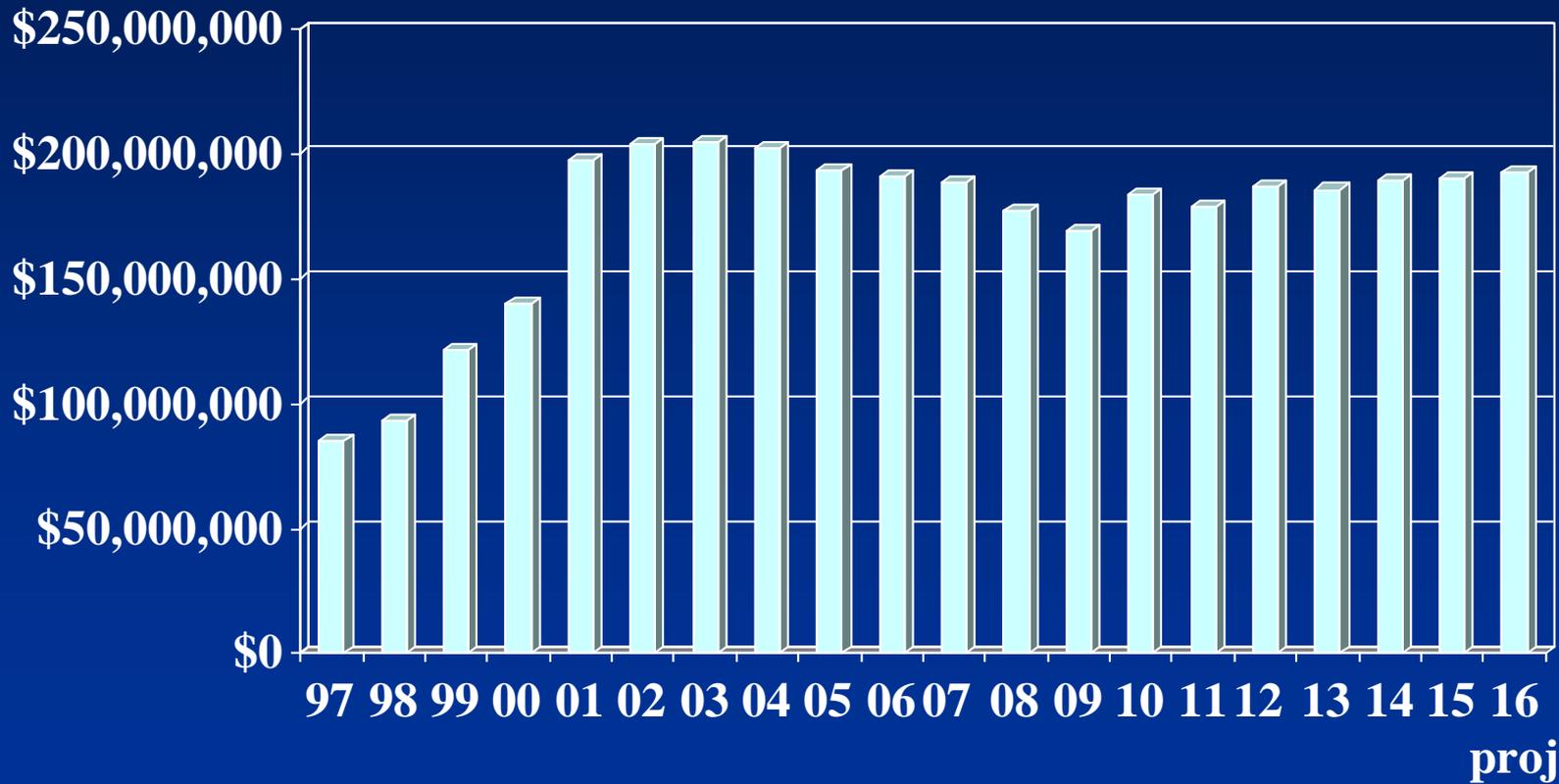
est

# Los Cerritos Center Employment

- Over 4,000 people are employed at the Los Cerritos Center in management, full time, part time and seasonal positions.

# Total Sales - Cerritos Towne Center

2016 Estimated Sales Tax Revenue: \$1.95 million



# Water Rate Comparison

May, 2015

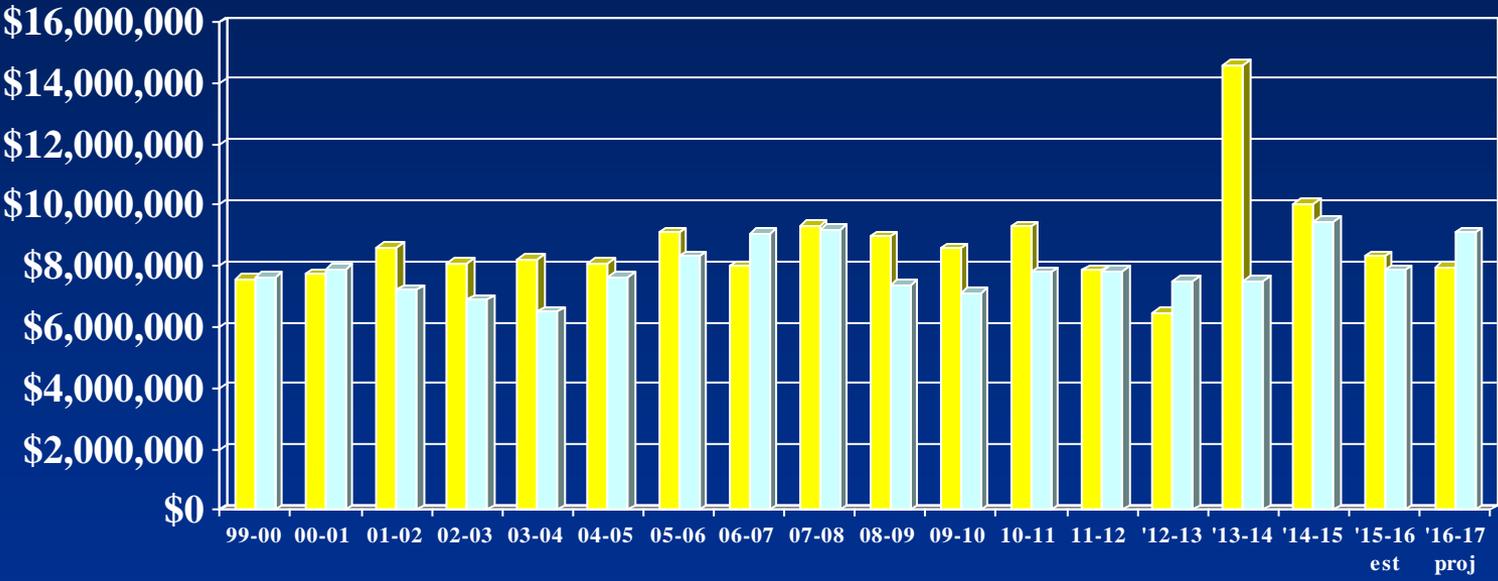
36-unit consumption\*

- Park Water \$172.44
- South Gate 162.72
- Golden State Water 138.96
- Norwalk 111.60
- Santa Fe Springs 102.96
- Lakewood 102.54
- Signal Hill 85.20
- Bellflower 83.00
- Cerritos 61.56
- Downey 59.15

# Water Revenue vs. Expenditure

(Includes interest income)

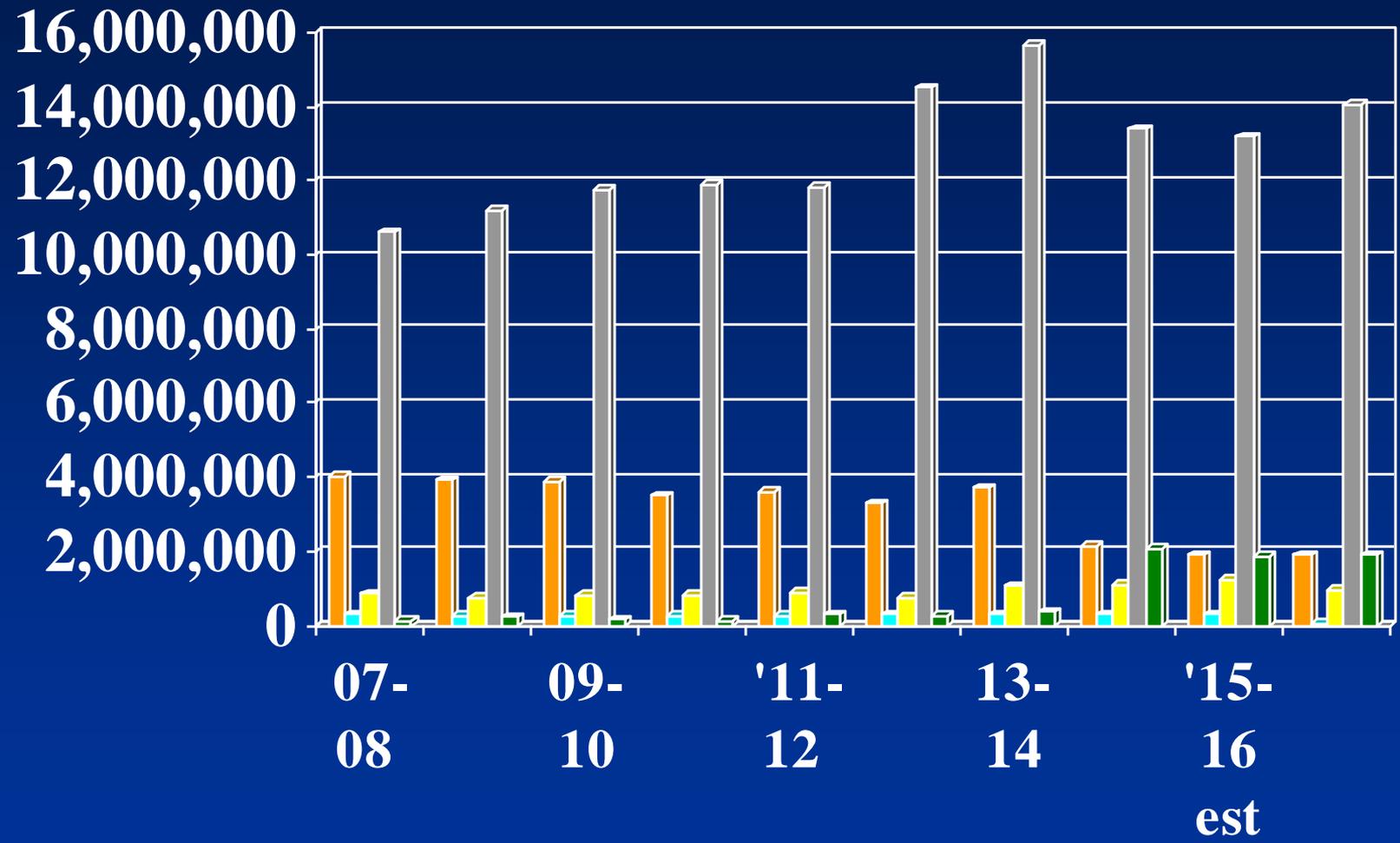
■ Expenditure ■ Revenue



# Trash Rate Survey - March 2016

CITY	MONTHLY RESIDENTIAL BILL
Artesia	\$22.71
Santa Fe Springs	\$21.03
Norwalk	\$20.79
La Mirada	\$20.08
Lakewood	\$19.16
Bellflower	\$18.56
La Palma	\$17.61
<b>Cerritos</b>	<b>\$17.60</b>
Downey	\$17.58
Paramount	\$16.95
Buena Park	\$16.87
Cypress	\$12.97

Area average is \$18.49



City does not have control over these expense items

# Police and Safety Services Budgets

## Cerritos and Surrounding Cities

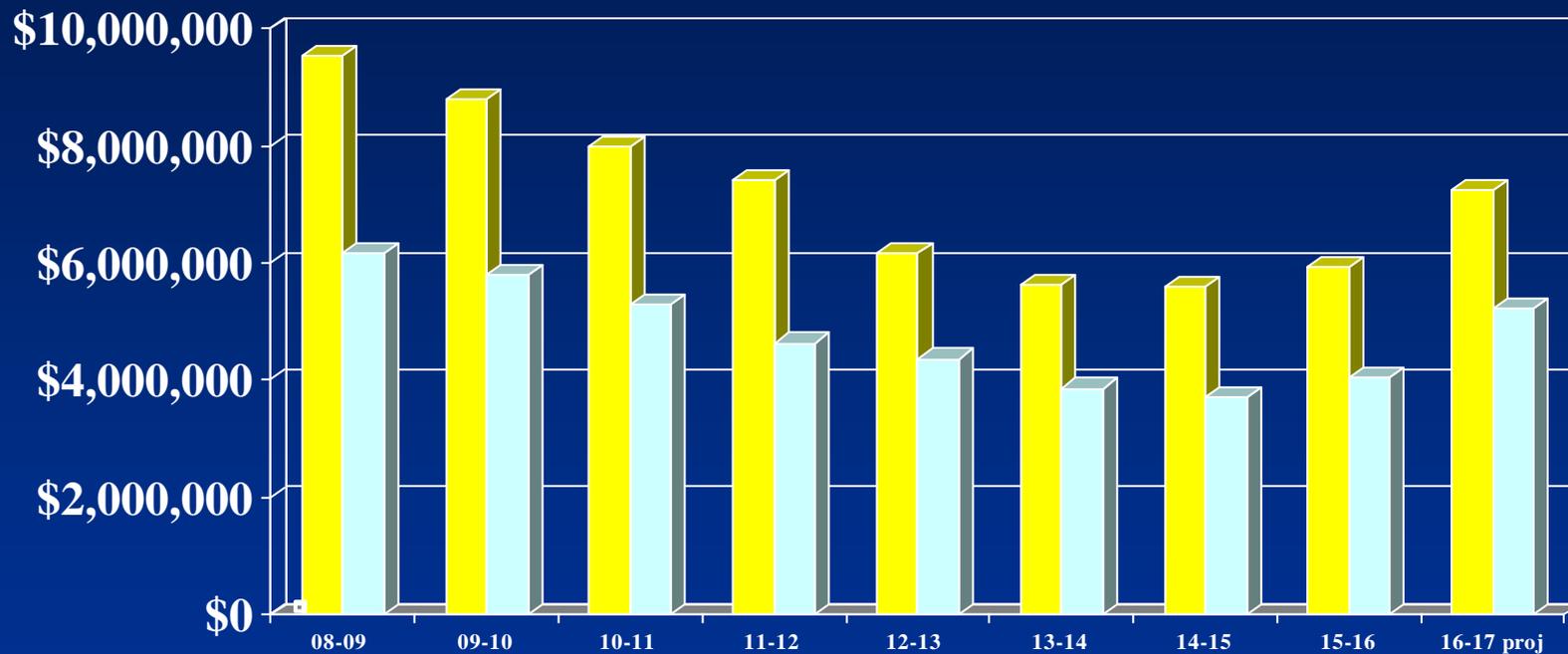
	City	Policing	Budget
	<u>Population</u>	<u>Budget</u>	<u>Per Capita</u>
Anaheim	351,433	\$133,469,574	\$380
Artesia	16,522	\$2,774,545	\$168
Bellflower	78,106	\$12,317,109*	\$158
Brea	43,328	20,843,131	\$481
Buena Park	81,460	\$25,584,020	\$314
<b>Cerritos</b>	<b>50,004</b>	<b>\$14,074,610*</b>	<b>\$281</b>
Cypress	47,802	\$15,853,400	\$332
Downey	113,363	\$29,239,800	\$258
Lakewood	81,601	\$14,655,593	\$180
La Mirada	49,527	\$8,444,270	\$171
La Palma	15,568	\$4,961,400*	\$319
Norwalk	107,096	\$13,946,271	\$130
Santa Ana	335,855	\$118,519,466	\$353
Santa Fe Springs	16,223	\$9,859,000	\$608

\* FY 16-17 data

# Theater Dept. Revenue vs. Expenditure\*

(includes interest from endowment fund)

■ Expenditure ■ Revenue



# Theater Department Revenue vs. Expenditure\*

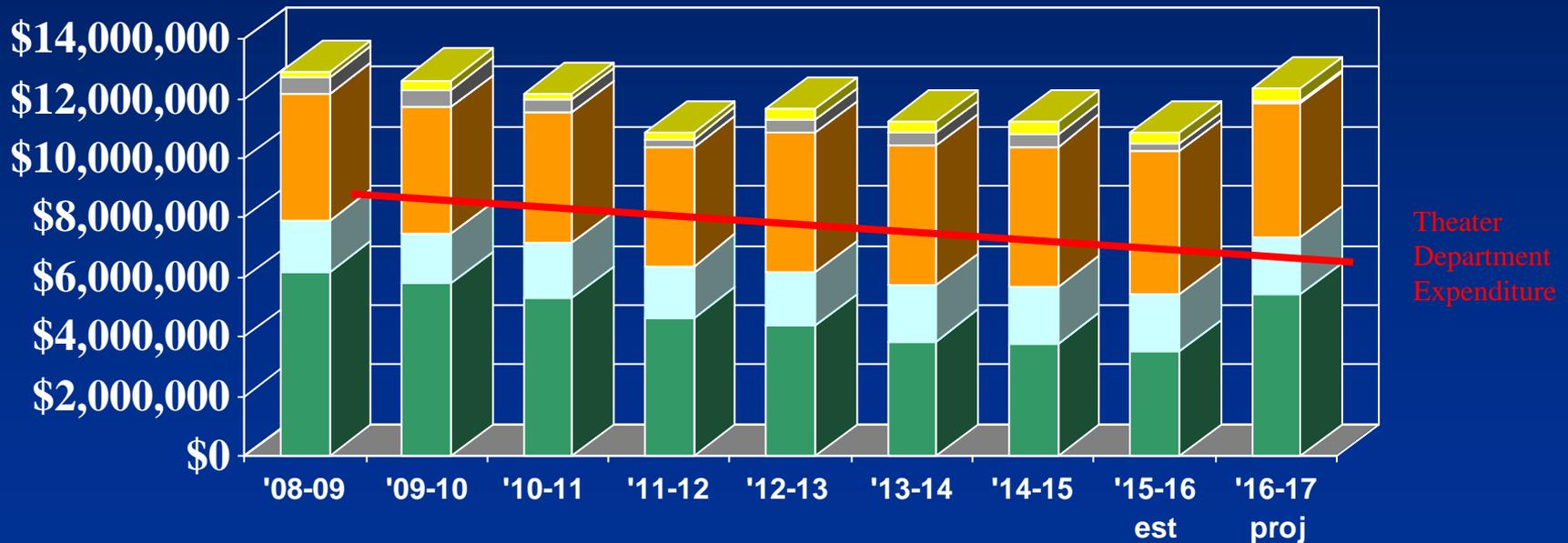
(includes interest from endowment fund)

	<u>Expenditure</u>	<u>Revenue</u>	<u>Difference</u>
09-10	\$8,781,961	\$5,783,874	\$2,998,087
10-11	\$7,979,540	\$5,294,270	\$2,685,270
11-12	\$7,444,152	\$4,625,068	\$2,819,084
12-13	\$6,168,759	\$4,357,789	\$1,810,970
13-14	\$5,614,249	\$3,856,243	\$1,758,006
14-15	\$5,583,750	\$3,693,100	\$1,890,650
15-16	\$5,926,160	\$4,052,000	\$1,874,160
16-17 est.	\$7,246,960	\$5,303,000	\$1,943,960

\*Excludes indirect costs such as maintenance, utilities and other overhead expenses, and other expenditures included in Administrative Services Department

# Towne Center Revenue Generation

Compared to Theater Department Expenditures\*



\*Excludes maintenance and utilities costs, and other expenditures included in Administrative Services Department. Continued revenue growth is anticipated for the Towne Center in future years, including sales tax and ground rent; additional development is expected to generate further revenue increases upon addition to the tax rolls.

# Grant Funding to be Received in 2016-2017

- \$39,100 in TDA Article 3 funds for the installation of wheelchair accessible ramps
- \$125,000 in National Transit Database (NTD) funds to offset transit expenses
- \$100,000 in SB3229 –COPS funds for law enforcement expenses
- \$25,000 in Beverage Container and Oil Recycling grant funds
- \$180,000 in CDBG Funds to be used for playground re-surfacing projects
- \$300,000 from the Los Angeles County Board of Supervisors for renovations to the Liberty Park Annex building
- \$67,000 from the Gateway Management Authority for participation in a water meter pilot program
- \$673,702 from Cal-Trans for reimbursement of expenses associated with the Interstate 5 expansion
  
- TOTAL: \$1,509,802 in grant and reimbursement funds for FY 16-17

# Support to Community Groups

(\$10,000 to \$54,000)

	<u>2015-2016</u>	<u>Proposed 2016-2017</u>
Cerritos Regional Chamber of Commerce	\$54,000	\$54,000
Cerritos Regional Chamber of Commerce Business Guide	\$13,500	\$13,500
Community Family Guidance	\$22,500	\$22,500
Pathways Volunteer Hospice	\$13,500	\$13,500
Su Casa Crisis Shelter Hotline	\$ 9,000	\$ 9,000
Su Casa Transitional Housing/Outreach	\$ 9,000	\$ 9,000

# Support to Community Groups (less than \$10,000)

	<u>2015-2016</u>	<u>Proposed 2016-2017</u>
Helpline Youth Counseling	\$ 7,200	\$ 7,200
Los Cerritos YMCA	\$ 5,400	\$ 5,400
Artesia/Cerritos Community Basket	\$ 5,400	\$ 5,400
Community Services Series	\$ 3,600	\$ 3,600
ARC of Southeast L.A.	\$ 3,600	\$ 3,600
American Red Cross	\$ 2,250	\$ 2,250
Southern Calif. Rehab. Services	\$ 2,250	\$ 2,250
Domestic Violence Prevention	\$ 1,710	\$ 1,710
Distinguished Young Women's Scholarship*	\$ 1,130	\$ 1,130
Red Ribbon Campaign	\$ 960	\$ 960
1 <sup>st</sup> Combat Engineer Battalion	\$ 900	\$ 900
Soroptimist	\$ 450	\$ 450
Cerritos Legal Referral	\$ 180	\$ 180
<b>TOTAL</b>	<b>\$ 156,530</b>	<b>\$156,530</b>

\*formerly Friends of Cerritos Junior Miss

## Program Expense for Annual Community Festivals & Events (slide 1 of 3)

Events	As Budgeted for 2015-16	As Proposed for 2016-17
July 4/Let Freedom Ring	\$ 61,000	\$ 61,000
City Wide Pride	\$ 12,000	\$ 10,000
Mayoral Transition	\$ 10,000	\$ 10,000
Volunteer Recognitions (CCPA/Library/VOP/ CERT/Community Safety/Senior Center)	\$ 24,830	\$ 24,830
Halloween	\$ 22,000	\$ 22,000

## Program Expense for Annual Community Festivals & Events (slide 2 of 3)

<b>Events</b>	<b>As Budgeted for 2015-16</b>	<b>As Proposed for 2016-17</b>
Senior Center Seasonal Special Events	\$ 12,000	\$ 12,000
Volunteer Banquet (Coaches & Teens)	\$ 17,000	\$ 17,000
Community Spring Festival	\$ 25,000	\$ 25,000
Festival of Friendship	\$ 10,000	\$ 10,000
Tree Lighting Ceremony	\$ 6,500	\$ 6,500
Veterans Day Ceremony	\$ 5,000	\$ 5,000
Martin Luther King Jr. Day Ceremony	\$ 5,000	\$ 5,000

## Program Expense for Annual Community Festivals & Events (slide 3 of 3)

Events	As Budgeted for 2015-16	As Proposed for 2016-17
Memorial Day Ceremony	\$ 5,000	\$ 5,000
Easter Egg Hunts	\$ 4,000	\$ 4,000
Family Enrichment	\$ 4,000	\$ 4,000
Talent Show	\$ 2,300	\$ 2,300
Patriot Day	\$ 500	\$ 750
Cerritos Rod & Gun Fishing Derby	\$ 800	\$ 800
<b>TOTAL</b>	<b>\$226,930</b>	<b>\$225,180</b>

\*Note: Does not include part-time or overtime labor costs.

# Projects Planned for Fiscal Year 2016-2017

# Parks and Open Space Improvements



- \$110,000 for Brookhaven Park playground equipment and installation
- \$500,000 for CPE ball field refurbishment
- \$300,000 for improvements to the Liberty Park Annex building (to be funded through the use of grant funds)
- \$180,000 for playground re-surfacing, funded by CDBG funds

# Government Buildings



- \$794,000 for various CCPA operational improvements and emergency maintenance items – includes \$500,000 roof replacement
- \$6.7 million for the construction of the Cerritos-Astor Museum – funded through RPTTF, grant and other outside sources
- \$150,000 for improvements to the exterior of the Senior Center
- \$65,000 for the installation of a parking permit automation system
- \$25,000 for various maintenance improvements at the Cerritos Library

# Proposed Arterial Street Improvements

(slide 1 of 2)

<u>Location</u>	<u>Amount</u>
• Sidewalk, Curb and Gutter Rehabilitation	\$250,000
• Alley rehabilitation (Palo Verde and Droxford)	\$185,000
• Wheelchair accessible ramps	\$25,000
• Bridge Maintenance	\$173,000

# Proposed Arterial Street Improvements

(slide 2 of 2)

<u>Project</u>	<u>Amount</u>
• Arterial Street Slurry Seal	\$100,000
• Residential Street Rehab.	\$400,000
• Parkway Planter Improvements	\$78,000
• Del Amo Blvd Rehab.	\$730,000

# Water and Sewer Improvements

(slide 1 of 2)

- \$100,000 for various construction projects for implementation of the National Pollution Discharge Elimination System Municipal Storm Water Permit
- \$200,000 to replace mainline butterfly valves
- \$674,000 for Valley View utility relocation – CalTrans funded
- \$62,500 for C-1 Water Well engine overhaul
- \$83,500 for C-2 Water Well booster pump discharge head
- \$35,600 for C-2 Water Well catalytic converter replacement

# Water and Sewer Improvements

(slide 2 of 2)

- \$34,500 for C-4 Water Well booster station pump replacement
- \$37,500 for C-4 Water Well P-Trap installation
- \$60,000 for Civic Center groundwater remediation
- \$25,000 for miscellaneous reclaimed water conversions
- \$350,000 for South Street sewer repairs
- \$40,000 for rehab. of sewer lifts and dewatering stations
- \$400,000 for Lincoln Station groundwater remediation



City of Cerritos  
Fiscal Year 2016-2017  
Budget Detail Presentation

# City of Cerritos Budget, FY 2016-2017

(with capital project revenues separated, page 1 of 2)

## Revenue

General Fund	\$66,341,180
General Fund – Misc.	\$ 6,593,800
Other Funds	<u>\$21,381,805</u>
City Total	\$94,316,785

## Capital Project Revenue Offsets:

CDBG (Parks)	(\$ 180,000)
LACBOS (Liberty Park)	(\$ 300,000)
Museum Grant/Insurance	(\$ 6,670,000)
Bridge Maint. Reimb.	(\$ 33,000)
Valley View Util. Reloc.	<u>(\$ 673,720)</u>
Revenue Used for 2015-16 CIP	<u>(\$ 7,856,720)</u>
Adjusted Operating Revenue	\$86,460,065

## Expenditures

Legislative/Administrative	\$ 2,560,320	
Community Development	\$ 5,633,414	
Public Works	\$16,868,429	
Water & Power	\$15,546,632	
Community & Safety Services	\$24,668,206	
Administrative Services	\$15,235,590	
Theater Department	<u>\$ 7,256,960</u>	
Operating Subtotal/Difference	\$87,769,551	(\$ 1,309,486)
Offset – Use of Equip. Replacement Fund	(\$ 859,590)	
Resulting Operating Position	<u>\$86,460,065</u>	<u>\$86,909,961</u> (\$ 449,896)

# City of Cerritos Budget, FY 2016-2017

(capital project portion, page 2 of 2)

## City Capital Project Expenditures

Water/Sewer Fund	\$ 2,102,320
Parks and Open Space	\$ 1,255,000
Government Buildings	\$ 7,704,000
Streets & Highways	\$ 1,941,000
Traffic Signals	\$ 10,000
Other Projects	<u>\$ 15,000</u>
Capital Projects Subtotal	\$ 13,027,320

## Capital Project Offsets

CIP Revenues (from above)	<u>\$ 7,856,720</u>		
Total Capital Project Offsets	\$ 7,856,720		
Resulting Position, City Operating + CIP Budget	<u>\$94,316,785</u>	<u>\$99,937,281</u>	<u>(\$5,620,496)</u>

# Summary of Estimated Fund Balances for 2016-2017 (Unaudited)

<b>• General Fund*</b>	<b>\$141,430,325</b>
<b>• General Fund – Misc.**</b>	<b>\$ 15,785,000</b>
<b>• Special Revenue Funds</b>	<b>\$ 11,396,695</b>
– Street Improvement, Los Coyotes Lighting District, Measure R, AQMD, AD#6, Prop. A, Prop. C, Drainage Fund, SB 821, COPS SB 3229 Grant, Local Law Enforcement Grant, Environmental Fund, City Housing Asset Fund, Community Development Block Grant (CDBG) Fund	
<b>• Capital Project Funds</b>	<b>\$ 0</b>
– Municipal Improvement Fund	
<b>• Proprietary Funds – Total***</b>	<b>\$ 523,490</b>
<b>• Internal Service Fund</b>	<b>\$ 13,523,110</b>
<b>Grand Total</b>	<b>\$182,658,620</b>

\*Includes \$87.4 million in receivable amounts from Electric Utility, Water Fund, Sewer Fund and Cerritos Successor Agency

\*\*Includes CCPA Endowment Fund, Earthquake Fund, Art in Public Places Fund, Advance Repayment Fund, Cerritos/Astor Museum Endowment Fund

\*\*\*Reflects shortfalls in Electric Utility (\$287,860), Sewer Fund (\$1,370,170) and Water Fund (\$2,742,830).

# General Fund Activity

(FY 2016-2017 projected/unaudited)

<u>Fund Activity</u>	<u>Amount</u>
Beginning Balance, July 1, 2016	\$142,781,050
Revenues	<u>\$ 66,341,180</u>
Total Funds Available	\$209,122,230
Less Operating Expenditures	(\$ 61,542,450)
Less Uses of Funds	<u>(\$ 6,149,455)</u>
Ending Balance – June 30, 2017	\$141,430,325
Less Loan – Successor Agency	(\$ 52,144,920)
Less Loan – Art in Public Places	(\$ 183,377)
Less Loan – Sewer Fund	(\$ 4,558,270)
Less Loan – Water Fund	(\$ 9,448,330)
Less Loan – Electric Utility	(\$ 19,153,862)
Less Loan – Electric Utility Debt Service	(\$ 1,875,650)
NET CASH BALANCE (as presented)	\$ 54,065,916
Internal Service Fund (Equipment Replacement)	\$ 13,523,110

# City of Cerritos Restricted Fund Summary

(FY 2016-2017, projected/unaudited)

<u>Fund Component</u>	<u>Amount</u>
Sewer Fund	\$ 0
Proposition A	\$ 1,348,250
Other Special Revenue Funds*	\$10,048,445
Capital Project Funds**	\$ 0
Water Fund (not incl. fixed assets)	\$ 0
Electric Utility Fund***	\$ 0
Reclaimed Water	\$ 523,490

\*includes Prop. C, Street Improvement Fund, City Housing Asset Fund, and other  
"Non-Major" Governmental Funds

\*\*includes Municipal Improvement Fund

\*\*\*includes Magnolia debt service (included on ROPS, denied by State)

# City Enterprise Activity, FY 2016-2017

Projected Fiscal Position (not including debt or fixed assets)

## Water Fund

Beginning Balance	\$	0	
Water Fund - Revenues	\$	<u>9,101,920</u>	
Subtotal	\$	9,101,920	
Proposed Water Operating Exp.		\$10,557,430	
Proposed Water Improvements		<u>\$ 1,287,320</u>	
Subtotal and Difference		\$11,844,750	(\$2,742,830)

## Reclaimed Water

Beginning Balance	\$	430,150	
Reclaimed Water Revenue	\$	1,079,300	
Reclaimed Water Expenses		\$ 985, 960	\$ 523,490

## Electric Utility

Electric Utility Revenue	\$	6,542,700	
Electric Utility Operating Exp. – Direct		\$ 6,739,380	
Electric Utility Operating Exp. -- Indirect		\$ 91,180	(\$ 287,860)

## Sewer Fund

Sewer Fund Revenue	\$	69,700	
Sewer Fund Operating Exp.		\$ 1,439,870	(\$1,370,170)

Overall Enterprise Fund Fiscal Position (\$3,877,370)

# Cerritos Successor Agency

## Disbursements and Reimbursements (per ROPS Documents)

	14-15 Budget (Actuals)	15-16 Actual (Requested)	16-17 Projected (Requested)
Redevelopment Property Tax Trust Fund (RPTTF)	\$21,376,839	\$19,615,040	\$22,454,261
Unspent revenues carried Over to future years	<u>(1,705,671)</u>	<u>( 655,630)</u>	<u>( 974,968)</u>
Total Funds Available	<u>\$19,671,168</u>	<u>\$18,959,410</u>	<u>\$21,479,293</u>
Total Expenditures	<u>\$19,671,168</u>	<u>\$18,959,410</u>	<u>\$21,479,293</u>
Ending Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-----			
Loan Owed to City	\$41,266,007	\$41,266,007	\$52,144,920

# Budgetary Variations by Department

## FY 2016-2017 proposed

	<u>2016-17 prop.</u>	<u>2015-16 appr.</u>	<u>Difference</u>	<u>2008-2009</u>	<u>Difference</u> <u>08-09 to 16-17</u>
Legis./Admin.	\$ 2,560,320	\$ 2,143,020	\$ 417,300	\$ 2,526,110	\$ 34,200
Comm. Dev.	\$ 5,633,414	\$ 5,889,198	(\$ 255,784)	\$ 5,646,210	(\$ 12,796)
Public Works	\$16,868,429	\$16,417,462	\$ 450,967	\$19,068,470	(\$2,200,041)
Water & Power*	\$15,546,632	\$15,918,549	(\$ 371,917)	\$16,862,690	(\$1,316,058)
Comm./Safety	\$24,668,206	\$23,161,200	\$1,507,006	\$23,331,440	\$1,336,766
Admin. Svcs.	\$15,235,590	\$15,089,633	\$ 145,957	\$16,548,010	(\$1,312,420)
Theater Dept.	\$7,256,960	\$ 5,926,160	\$1,330,800	\$10,590,150	(\$3,333,190)
TOTAL Oper.	\$87,769,551	\$84,545,222	\$3,224,329	\$94,573,080	(\$6,803,529)

\*includes Magnolia Power Project debt service: \$857,200 added in FY 2013-2014 (included on ROPS, denied by State)

# Comparative Budget Allocations

## Cerritos and Surrounding Cities

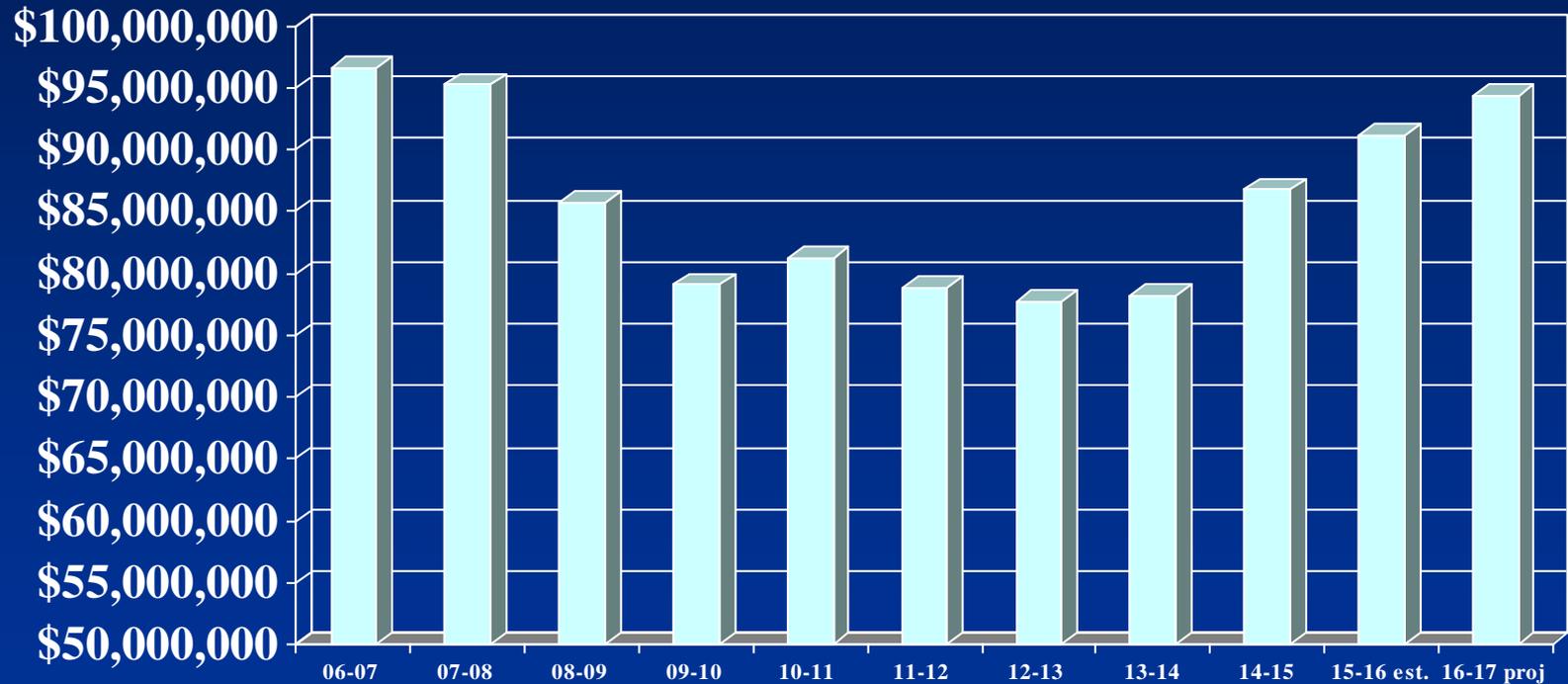
	<u>Population</u>	2015-16 General Fund <u>Budget</u>	2015-16 Combined <u>Budget*</u>
Anaheim	351,433	286,042,416	\$1,667,388,042
Bellflower	78,106	\$30,129,717	\$76,521,701
Brea	43,328	51,890,790	\$88,298,202
Buena Park	81,460	\$59,115,680	\$106,262,830
<b>Cerritos</b>	<b>50,004</b>	<b>\$58,781,690</b>	<b>\$92,926,792</b>
Cypress	47,802	\$26,081,377	\$46,215,078
Downey	113,363	\$73,389,246	\$154,864,768
Lakewood	81,601	\$45,388,673	\$66,499,432
La Mirada	49,527	\$30,313,359	\$75,119,912
La Palma	15,568	\$10,489,400	\$22,692,300
Norwalk	107,096	\$42,453,611	\$132,344,440
Santa Ana	335,855	\$225,813,258	\$476,515,630
Westminster	91,652	\$52,427,224	\$105,163,406

\*All City funds

Budget and population figures provided from websites of individual cities

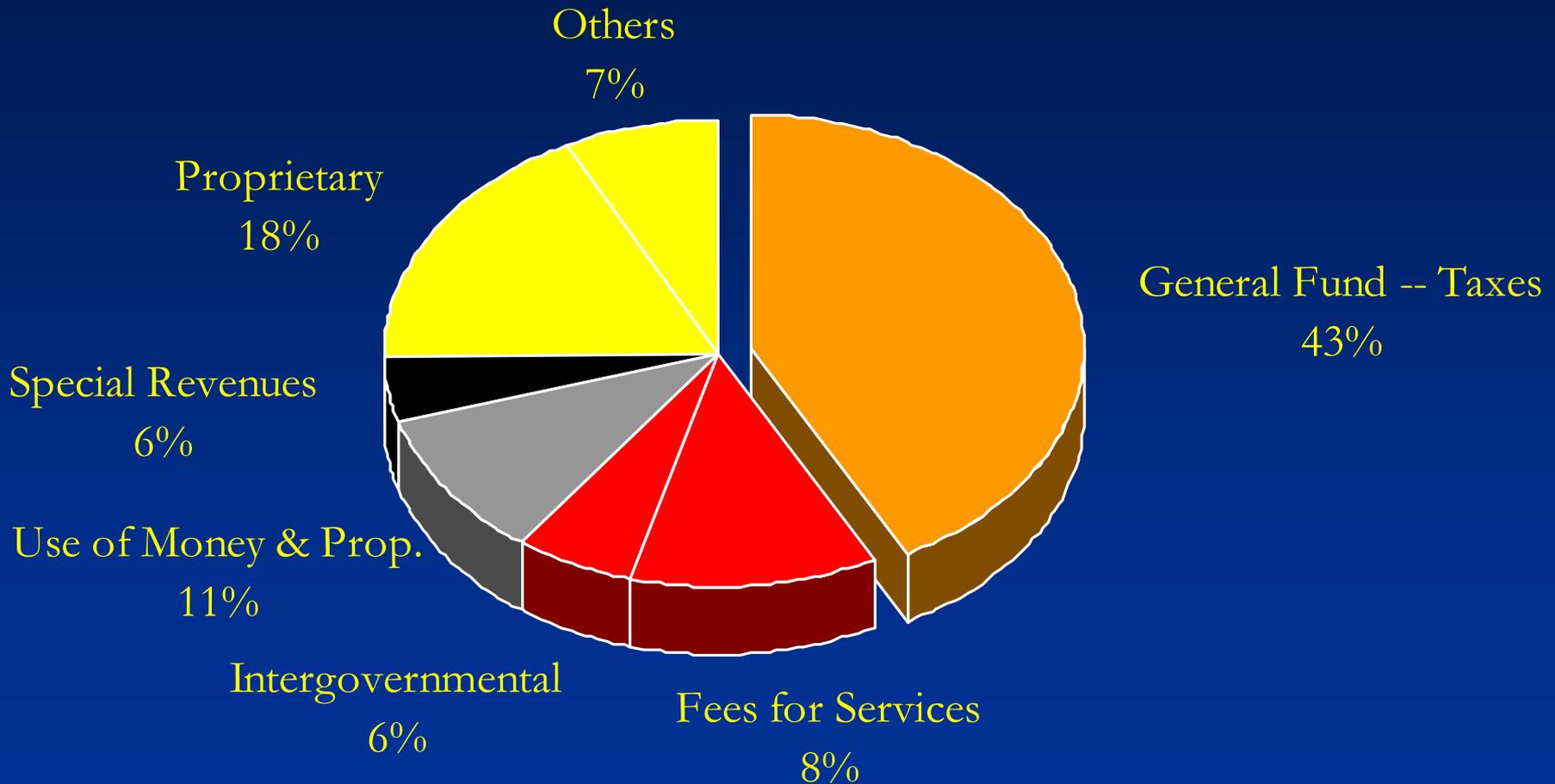
# City Revenue, 2006-present

\$94,316,785 projected for FY 2016-2017



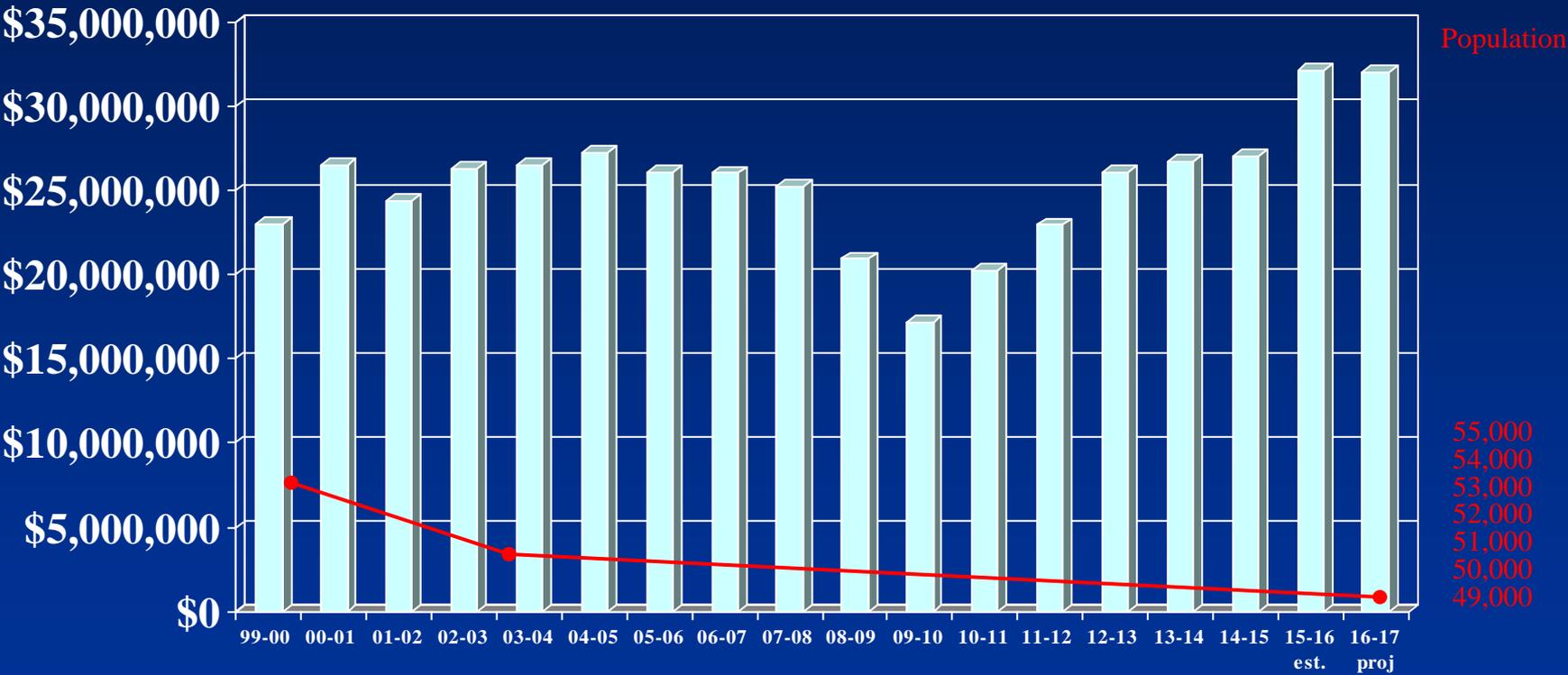
# City Revenue Sources

Projected, 2016-2017



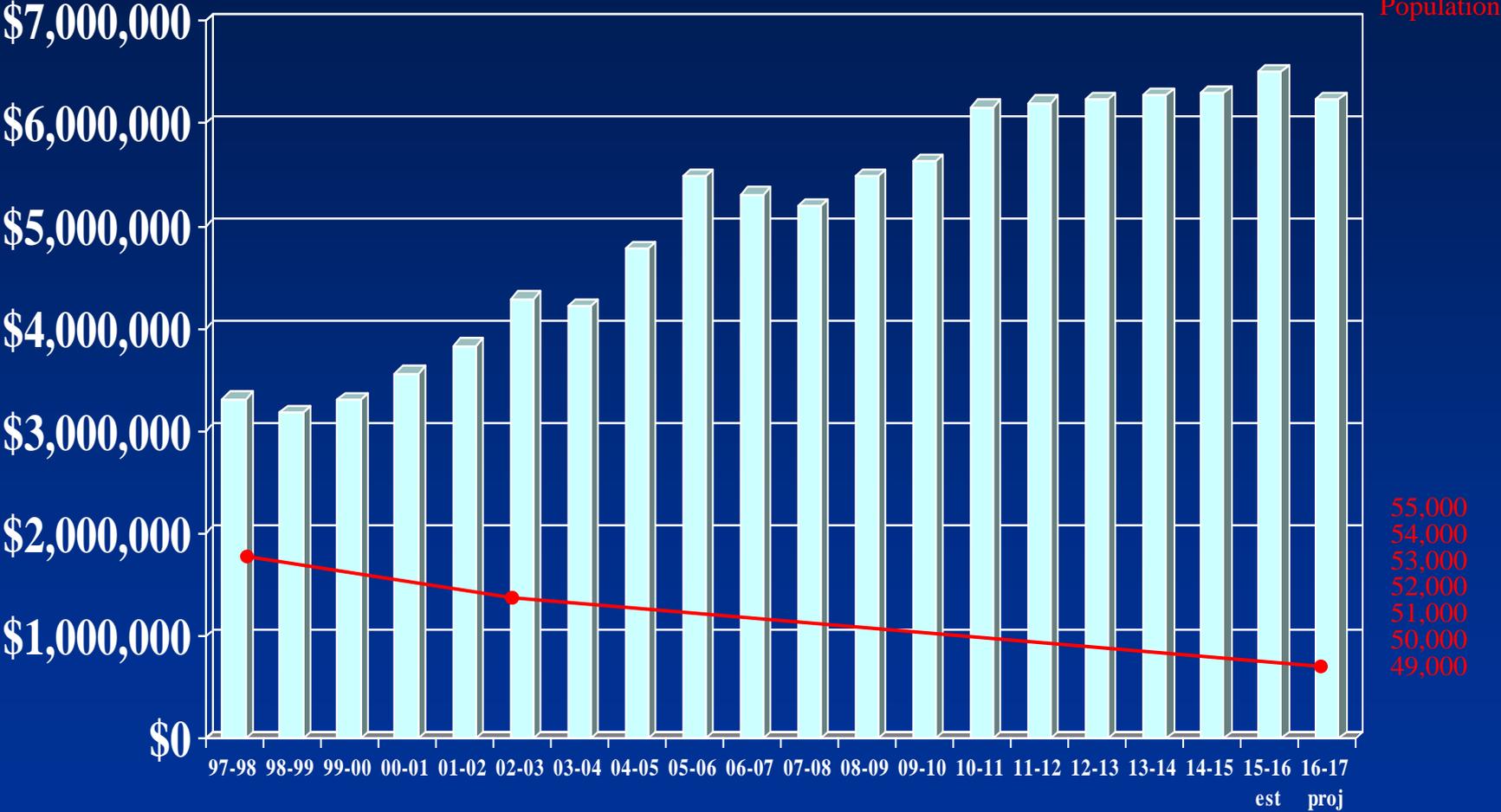
# City Sales Tax Revenue

\$32 million projected for FY 2016-2017



Population information source: US Census

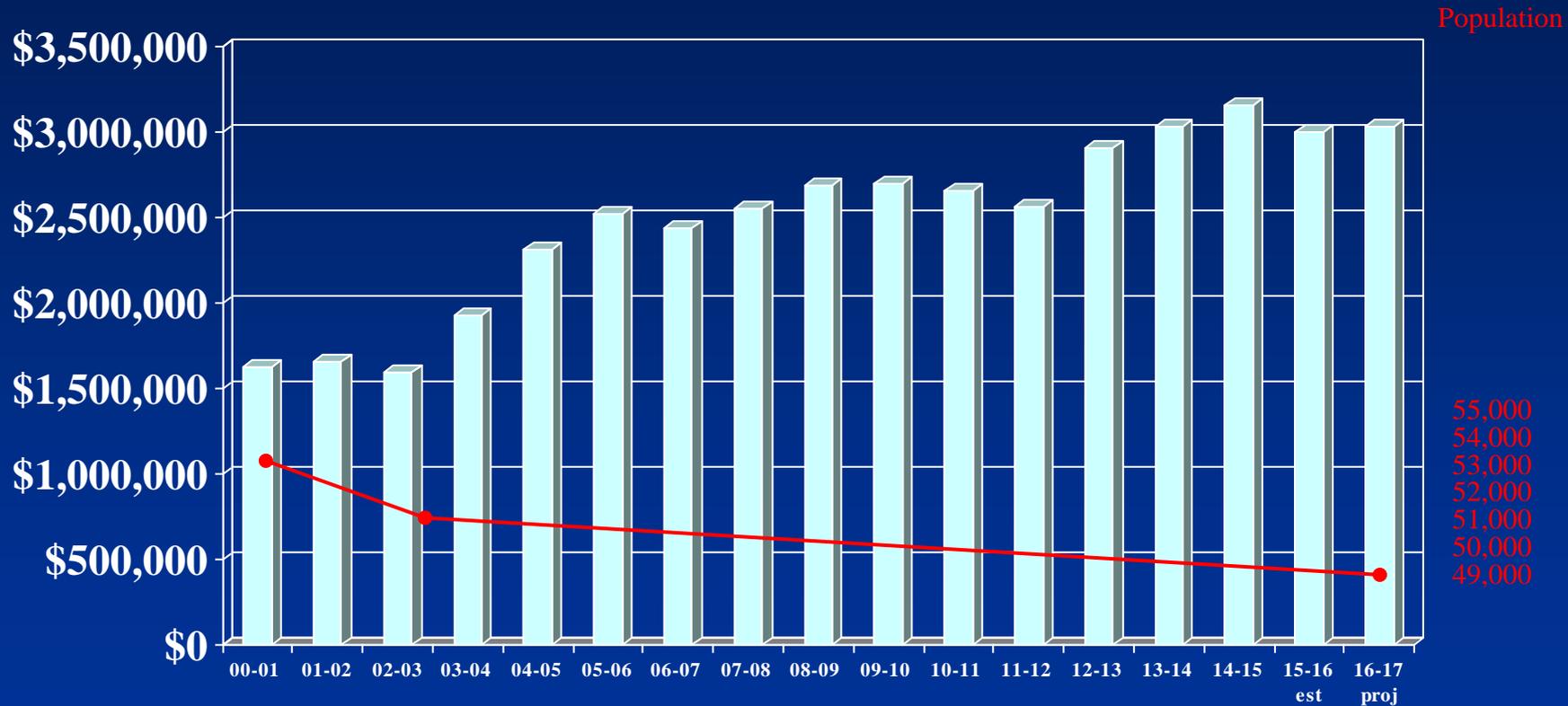
# Ground Rent Revenue 1997-present



Population information source: SCAG

# No-Low Property Tax Revenue

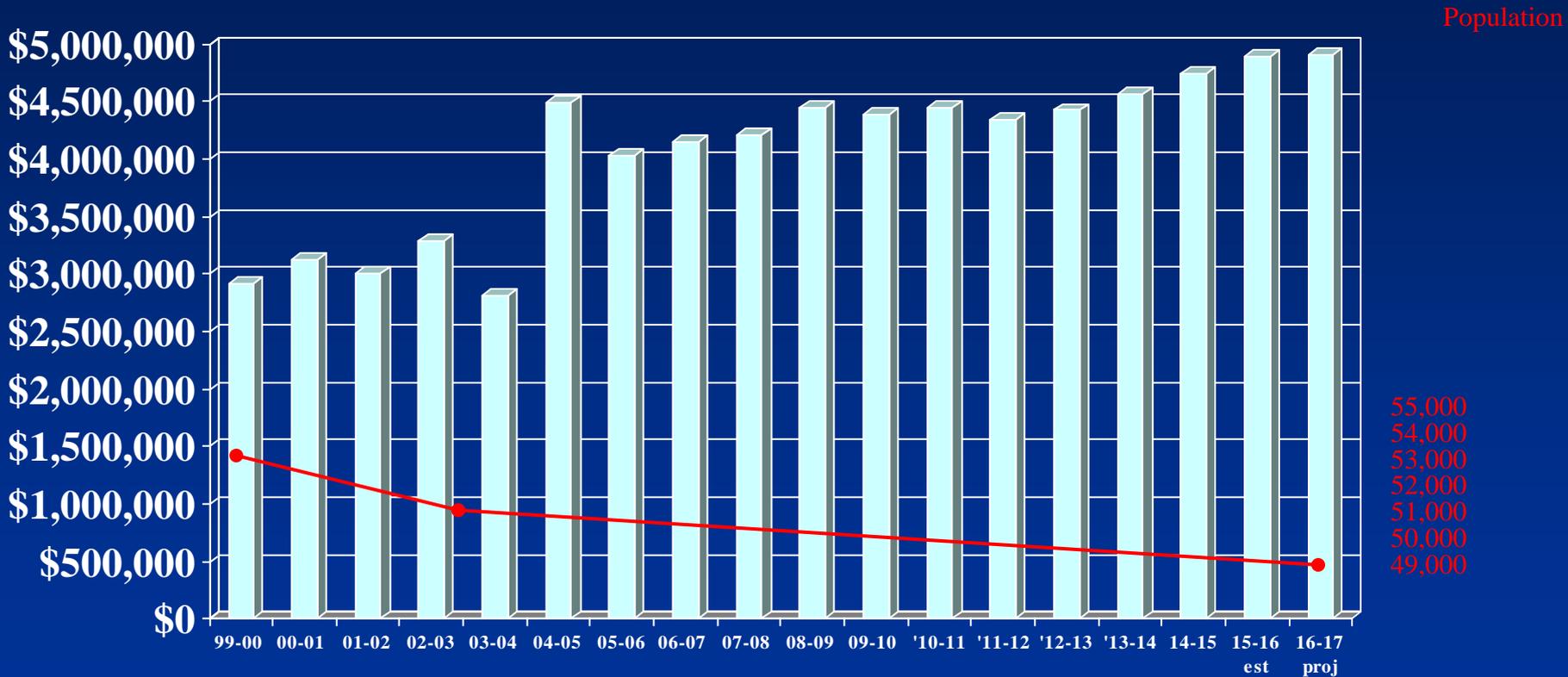
\$3.03 million projected for FY 2016-2017



Population information source: US Census

# Motor Vehicle in-Lieu

\$4.9 million projected for FY 2016-2017

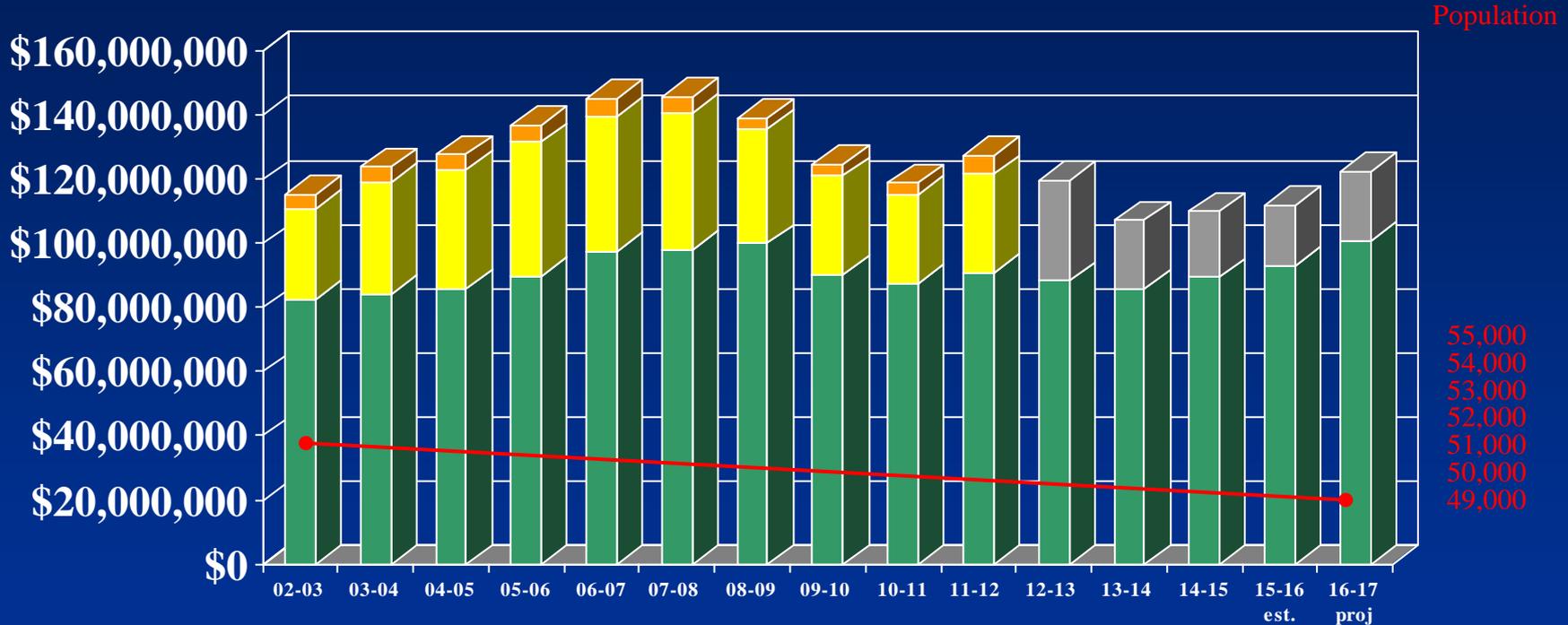


Population information source: US Census

# Total Budgeted Expenditures

City/CRA/Successor Agency, FY 2002-2003 to present

■ City 
 ■ Former CRA 
 ■ LMI Housing 
 ■ Successor Agency

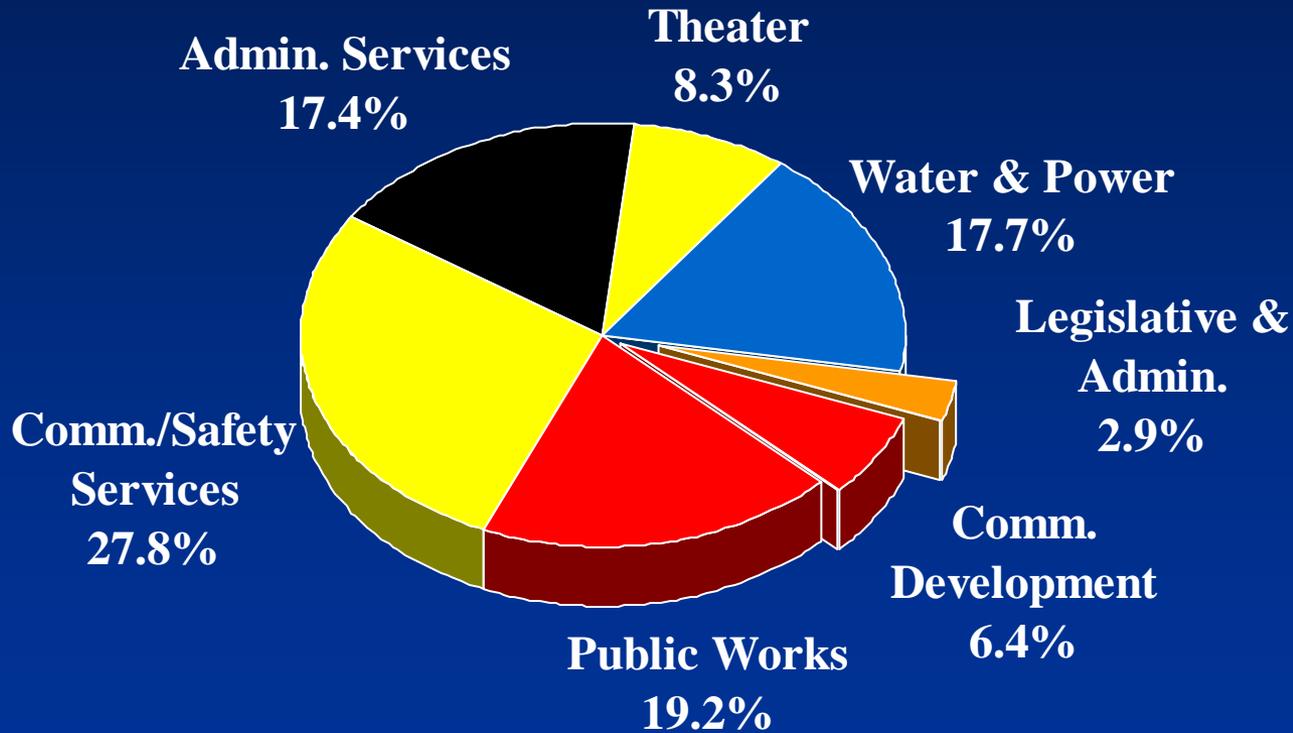


City includes capital projects;  
CRA included capital projects and debt service

# Departmental Expenditures

## Proposed for 2016-2017

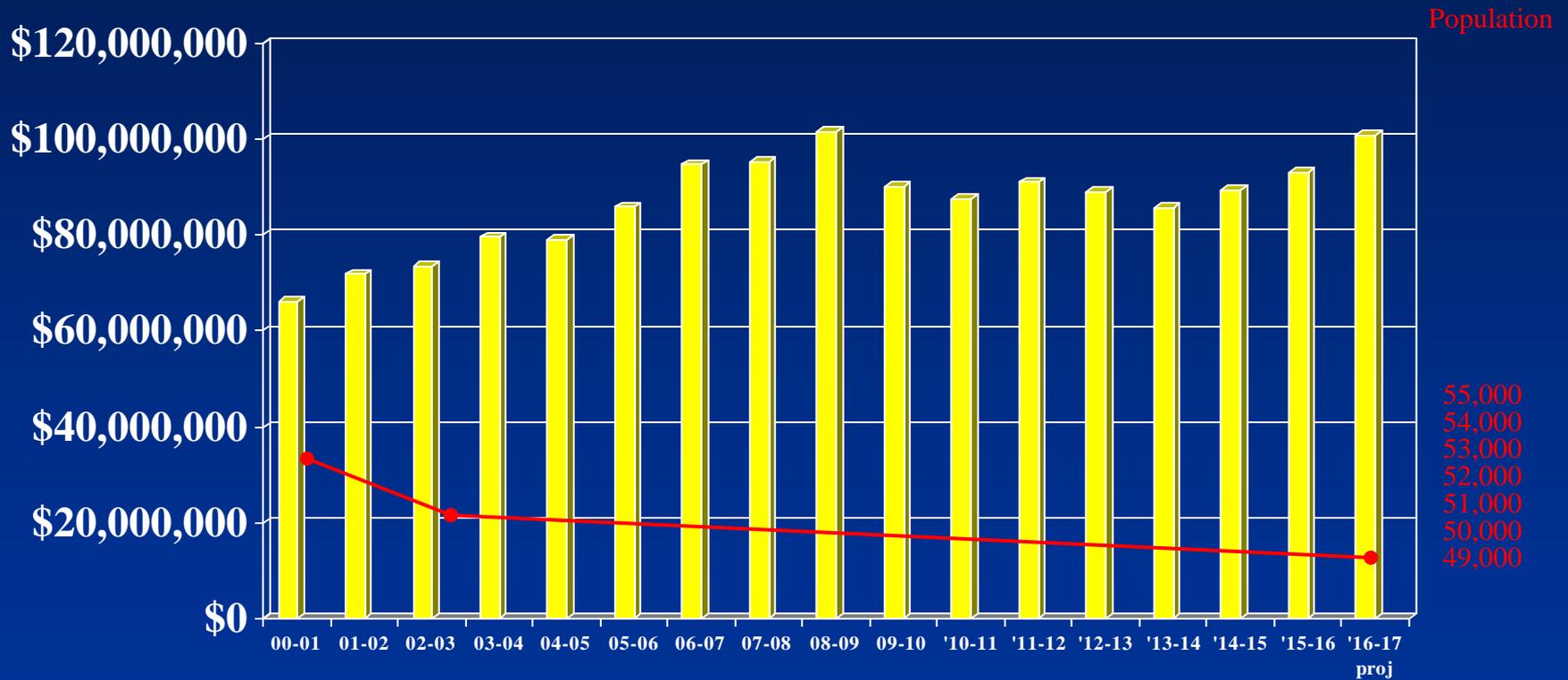
Proposed City operating budget is \$87,769,551\*



\* Does not include capital projects

# Budgeted Expenditures, City Operations

Proposed 2016-17 City Operating Budget is \$100,796,871\*



Population information sources: US Census

\*Includes Capital Projects



# Potential Revenue Generation Options - Fiscal Year 2016-2017

# Revenue Generation Options

- City has faced an operational budget deficit since onset of major recession in 2008 and compounded by dissolution of redevelopment. For upcoming FY 16-17, the deficit is approximately \$5.5 million.
- Impacts of ongoing budget deficit:
  - Potential reduction in service and programming levels
  - Deferral of infrastructure maintenance
  - Depletion of reserves and corresponding reduction in interest and investment income
- To resolve deficit impacts alternative revenue sources must be identified.
  - Estimated need is approximately \$15 million

# Revenue Generation Options

- The impact of redevelopment dissolution has been significant, with losses including:
  - \$4 million in annual staff time reimbursements
  - Requirement to make \$800,000 in annual payments for Magnolia Power Project – an expense that was the responsibility of the former Agency
  - Payment to the State of approximately \$26 million
  - Loss of approximately \$30 million in annual tax increment revenue
  - Loss of interest and principal on Agency's loan balance with the City
    - Annual interest on the City's loan with the CRA was generating approximately \$6 million in General Fund proceeds.
- In addition to the loss of redevelopment, the cost for contract labor, insurance, utilities, commodities, goods and materials have continued to increase.

# Revenue Generation Options

- The City has absorbed all of the above-referenced impacts into the annual budget without any reductions in programming or service levels.
  - Budget has remained lower than the pre-recession budget of 2008-2009.
- To address deficit, City has:
  - Reduced non-discretionary spending.
  - Has not filled a total of 58 positions that have been vacated through attrition resulting in a savings of \$6.4 million annually.
  - Deferred non-essential infrastructure maintenance.
  - Seeking to identify alternative sources of revenue

# Revenue Generation Options

- Existing operational deficit has required the use of reserve funds to offset. Since 2009, the City's reserves have been reduced from \$80 million to approximately \$53 million for the upcoming fiscal year.
  - Reserve decreases have also resulted in the loss of approximately \$1.5 million in interest income
  - At current rate, reserve funds will be depleted within 9 years
- Current revenue sources are producing revenue at, or near, their maximum potential and are not expected to produce sufficient funds to resolve deficit and address infrastructure maintenance.
- Further reductions in expenditures to address the deficit can not be accomplished without significantly impacting service and programming levels.

# Revenue Generation Options

- A number of potential tax options have been considered in order to generate the necessary revenue – including property tax, utility users tax and sales tax options.
- A one-half cent sales tax increase would generate approximately \$15 million annually – while having as minimal an impact as possible on residents.
  - equates to an additional .50 cents for every \$100 spent in Cerritos.
- In order to generate \$15 million annually through a property tax, the average property tax increase to Cerritos residents would be \$630 annually.
- A 10% increase in utility users tax would only generate \$8.7 million annually – while costing Cerritos residents \$545 on average.

# Revenue Generation Options

- Any proposal for a sales tax increase would require majority approval of the Cerritos electorate in the March 7, 2017 General Municipal Election.
- To place a proposal on the ballot, the City Council would have to take formal action via resolution to authorize the placement of any proposed tax increase measure on the ballot
- Staff is seeking the City Council's input and direction with regard to resolving the existing structural operating deficit.

