

# City of Los Alamitos

## CITY COUNCIL AGENDA REPORT

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**MEETING DATE:** January 22, 2019

**ITEM NUMBER:** 12B

**To:** Mayor Warren Kusumoto & Members of the City Council

**Presented By:** Maria-Luisa Valdez, CPA, Finance Director

**Subject:** Update from the Budget Standing Committee Regarding Fiscal Sustainability

**SUMMARY**

The Budget Standing Committee will provide a verbal update on the Fiscal Sustainability Plan.

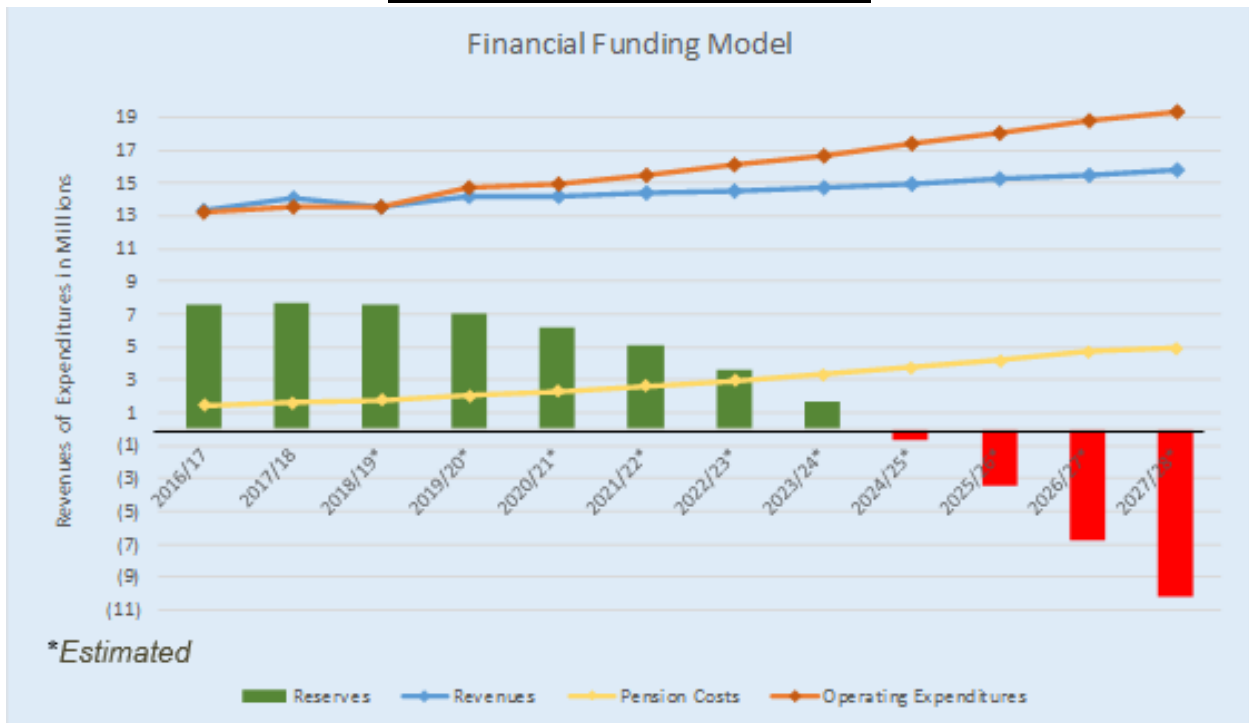
**RECOMMENDATION**

Receive and file.

**BACKGROUND**

The Ten Year Fiscal Sustainability Plan and economic forecast predicts significant financial challenges for the upcoming years for the City of Los Alamitos. In October 2018, City staff presented a Ten-Year Financial Forecast that reflected a long-term General Fund structural deficit

**TEN-YEAR FINANCIAL FORECAST**



Based on the current revenue and expenditure assumptions and service levels included in the Ten Year Financial Forecast, it is projected that fund balance will be depleted by FY 2024-2025. The current outstanding service levels that the community has come to expect will be significantly impacted, and expenditures will exceed revenues by \$3.5 million by FY 2027-2028.

Staff has been meeting with the Budget Standing Committee and will continue to meet regularly with them to discuss the development of the Fiscal Sustainability Plan with the objective of eliminating the long-term General Fund structural deficit and providing long-term fiscal sustainability.

On January 14, 2019, staff discussed options with the Budget Standing to discuss the development of the Fiscal Sustainability Project. Topics discussed included potential options to close the long-term General Fund structural deficit. Also, the Police Department management staff made a presentation to the Budget Standing Committee to explain the services they currently offer and potential programs and functional areas that could be reduced or eliminated along with the potential fiscal savings and associated service level impact. The Development Services Department will do a similar presentation to the Budget Standing Committee at the next meeting

We are still early in the process of working with the Budget Standing Committee to develop options and material to present to the community.

The Budget Standing Committee will provide continual updates to the City Council on the process being made.