City Council

Mayor Warren Kusumoto
Mayor Pro Tem Richard Murphy
Council Member Mark Chirco*
Council Member Dean Grose
Council Member Shelley Hasselbrink *

* Budget Standing Committee Member
Executive Team

Bret Plumlee, City Manager
Eric Nunez, Police Chief
Eric Hendrickson, Finance Director
Les Johnson, Development Services Director
David Cain, Fiscal Sustainability Manager
Windmera Quintanar, MMC, City Clerk
Chelsi Wilson, Executive Assistant to City Manager/Benefits Coordinator

Chris Karrer, Police Captain
Emeline Noda, Recreation & Community Services Manager
Ron Noda, Recreation & Community Services Manager
Michael Daudt, City Attorney
Ron Roberts, Fire Chief (OCFA)

City of Los Alamitos, California
Building Future Sustainability
The “Little Cottonwoods” City was incorporated on March 1, 1960
- Population is approximately 11,600
- City limits encompasses 4.09 square miles
- Healthy balance of residential, retail, and jobs
- Quality of life
City Departments

- **CITY MANAGER’S OFFICE**
  - Human Resources
  - Risk Management
  - Administration

- **CITY ATTORNEY**

- **CITY CLERK**

- **FINANCE**
  - Business License
  - Accounting & Budget
  - Information Technology

- **ORANGE COUNTY FIRE AUTHORITY**

- **RECREATION & COMM. SERVICES**
  - Senior Services
  - Community/Special Events
  - Programs

- **POLICE**

- **DEVELOPMENT SERVICES**
  - Building
  - Planning
  - Public Works
  - Neighborhood Preservation
Financial Status - Current

FY 2019-2020 GENERAL FUND REVENUES

Total Revenues: $14,426,965

- Other Revenue & Transfers In, $1,714,684 (12%)
- Licenses & Permits, $853,205 (6%)
- Franchise Fees, $673,025 (5%)
- Utility User Taxes, $2,009,240 (14%)
- Business Licenses, $693,560 (5%)
- Charges for Services, $995,532 (7%)
- Sales Taxes, $3,404,700 (23%)
- Property Taxes, $4,086,019 (28%)
Total Expenditures: $14,426,965

- Police, $6,411,556 (44%)
- Development Services, $3,070,074 (21%)
- Finance, $752,515 (5%)
- Recreation, $1,724,608 (12%)
- Non-Departmental, $652,410 (5%)
- Transfers Out, $809,000 (6%)
- City Council, $66,895 (1%)
- City Manager / City Clerk, $766,907 (5%)
- City Attorney, $176,000 (1%)

Financial Status - Current
FY 2019-2020 EXPENDITURES
Balancing the Budget

Fund Balance Reserves (in millions)

Revenues Over Expenditures (in millions)

- Reserves
- Revenues
- Operating Expenditures


Building Future Sustainability

City of Los Alamitos, California
Cost Cutting Measures

- Reduction in staffing levels by 25 FTE’s since 2009
- Reorganization of departments
- Elimination of various programs and activities

Increase in non-controllable costs

- Health and pension costs – state driven
- CIP programs and projects – many unfunded projects (est. $60M)
Cash will be exhausted by FY 2024/25
Ongoing Structural Budget Deficit
Additional factors impacting Revenues:

• Prop 13 – Loss of local control / pennies on the dollar
• State take away – Permanent ERAF takeaway and more
• Sales tax city share is fixed
1978 Reduced local revenue by 60%
City of Los Alamitos gets average $520
Los Alamitos Loss $12.3 Million

Continued loss is over $770 thousand annually
Property Tax $

- Los Alamitos Unified School Dist., $0.4124
- Educational Revenue Augmentation Fund, $0.1445
- O.C. Fire Authority, $0.0948
- North OC Community College, $0.0589
- OC General Fund, $0.0520
- OC Dept. of Education, $0.0312
- Other, $0.0630
- Los Alamitos General Fund / Lighting, $0.1166
- OC Sanitation Dist, $0.0266
Fiscal Relationship

LOCAL

STATE

Balance of Power
State of California Impacts Los Alamitos Everyday
State Decisions & Mandates
Impacts our Community:

• Sacramento's poor investment planning
• Sacramento politicians continue legislative assault on our Cities’ finances and home rule.
  • (Prop 1A protects sales & property taxes)
• Impact of increased criminal activities of early release inmates
• Affordable housing mandates
• Homeless
Sales Tax Rate – 7.75%
What’s being done?
Goal: Establish a Fiscally Sustainable Financial Plan

What is Sustainability?

“The ability to sustain long term vital City services to all residents and business without threatening the City’s cash solvency or defaulting on any liabilities or promised expenditures while utilizing ongoing revenues to pay for ongoing costs.”
Cash Solvency – pay bills in the short term – usually 90 days
Budget Solvency – balance the budget within a fiscal year
Long-Run Solvency – cost of items that are not in the budget but commitments have been made
Service Solvency – providing essential services to the community
Fiscal Sustainability Goal

Developing a plan that provides for maintaining essential city services which the community currently enjoys:

- Local Police protection
- Police Priority One response times
- Maintain streets/potholes/trees/medians
- Neighborhood safety & preservation
- Community events
- Youth/after school/park programs
- School resource officer
- Crossing guards
- Senior programs
- Economic and business development
- Funding Capital projects & infrastructure maintenance
- Providing other essential city services with fewer employees
Steps in the Fiscal Sustainability Process:

• Development of a 20-yr long range financial plan – currently 10 years

• Continued Financial Transparency – Community and Stakeholder Meetings / Website Posting / Council Meetings

• Evaluation of ALL cost cutting and revenue enhancement options – discussion of pros and cons
Steps in the Fiscal Sustainability Process:

- Local Community Stakeholder Engagement Meetings
- Resident Surveys
- Community Partners – Telling the Sustainability Story
We Need Your Input!
We Need You!

Contact Fiscal Sustainability Manager David Cain:

• dcain@cityoflosalamitos.org
• (562) 431-3538 x485

We are looking for suggestions, feedback and questions about the City’s Fiscal Sustainability.
City of Los Alamitos, California

Projects

Building Future Sustainability
Thank you