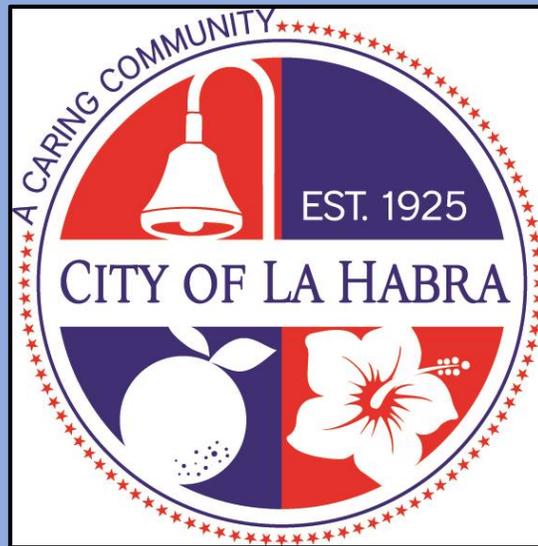


LA HABRA FISCAL REVIEW COMMITTEE

Draft Policy Recommendation Deliberation



November 21, 2019

WHY A FISCAL REVIEW COMMITTEE?

- Like many cities, La Habra continues to struggle after years of state takeaways of local tax dollars
- Despite years of cuts, La Habra faces a growing budget deficit
 - More than 2/3 of La Habra's budget is dedicated to public safety
 - The cost of public safety is rising each year
 - Locally controlled funds which help address these expenses will expire soon
- City Council seeks the community's perspective on next steps
 - Appointed Citizen led group to study financial issues

LA HABRA FISCAL REVIEW COMMITTEE OBJECTIVES

- Review City revenue/expenditure history and projected growth
- Review City operations to achieve greater efficiency
- Evaluate resident perspectives on local services
- Provide recommendations for addressing future capital needs of the City
- Prepare a report for City Council consideration

LA HABRA FISCAL REVIEW COMMITTEE- TIMELINE

• Committee Meetings

- *September 5th* – Kick-off Meeting and Review Committee Purpose
- *September 19th* – Presentation on FY19-20 Budget and City Finances
- *October 3rd* – Economic Development in La Habra
- *October 17th* – Status of Employee Labor Agreements and Labor Negotiation History
- *November 7th* – City of La Habra Capital Improvement Program
- *November 21st* – Begin Deliberation
- *Date TBD* – Committee Approves Recommendations to City Council and Staff Prepares Report
- *Date TBD* – Committee Presents Recommendations to the City Council

2019 Community Survey Priorities

Residents identified the following service priorities:

- Maintaining firefighter, paramedic and 9-1-1 emergency response reservices
- Maintaining gang prevention & anti-gang/anti-drug programs
- Improving traffic flow
- Protecting groundwater supplies
- Removing hazardous waste
- Partnering with other North Orange County cities to reduce homelessness
- Improving the ability of the City to respond quickly and effectively to a natural disaster such as an earthquake

LA HABRA FISCAL REVIEW COMMITTEE 2005 RECOMMENDATIONS

- **Expense Reductions**

- *Primary*

- Have employees pay more of the costs associated with their benefits and retirement
 - Offer early retirement incentives to reduce staffing levels
 - Require Community Services programs to be “pay-as-you-go” with limited or no City assistance
 - Consolidate department operations

- *Secondary*

- Establish an employee furlough program
 - Place caps on employee leave, vacation, and sick time accrual
 - Have employees pay their own PERS cost

LA HABRA FISCAL REVIEW COMMITTEE 2005 RECOMMENDATIONS – cont.

- **Revenue Enhancements**

- *Primary*

- Establish more partnerships for City programs and events
 - Hire a grant writer to help the City identify funding opportunities
 - Conduct a cost allocation study to review raising fees and charges for City services
 - Create new festivals to attract visitors and generate new revenue

- *Secondary*

- Change residential water meters to electronic read
 - Develop land around the La Habra Children's Museum

WHERE WE ARE NOW

- Despite cuts the City faces serious budget challenges
- The State of California has recently identified La Habra as having significant financial risks based in part on future revenue concerns

NEXT STEPS

- Committee Begins to Brainstorm Recommendations
- Fiscal Review Committee Approves Recommendations
- Preparation of Report
- Report and Recommendations Presented to City Council
- Additional Outreach to Community