



City of La Habra

"A Caring Community"

ADMINISTRATIVE BUILDING

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June 19, 2017

Honorable Mayor and Members of the City Council
City of La Habra
La Habra, California

RE: Proposed FY 2017 - 2018 Budget

Honorable Mayor and Members of the City Council:

Enclosed for the City Council's consideration and approval is the proposed Fiscal Year 2017 - 2018 municipal budget for the City of La Habra. The \$109,809,707 municipal budget is balanced and has been prepared in accordance with the City Council's goals and objectives while keeping expenditures within available projected resources.

In keeping with City Council goals and policy direction, the proposed budget has been developed to maintain and improve City services and work towards improving the quality of life in our community within available resources. The budget was crafted using a collaborative process among the City's executive management team so that differing budget needs and goals could be accommodated in the final budget document.

FY 2016 - 2017 ACCOMPLISHMENTS

The economy continues to be stable with modest growth. Residential and commercial development activity in La Habra has been brisk, with several major projects being completed and others either under construction, in plan review or permitting, or under discussion. Residential property values are expected to see continued growth in FY 2017 - 2018. Growth in sales tax revenue is expected to level off, mainly due to the impacts of online shopping, but should still show some growth as new retail businesses open later in the fiscal year.

The combination of these factors provide important resources for the City to provide core services to the community and continue funding capital improvement projects for our streets, parks, alleys, and City facilities. Over the past fiscal year, City programs and events experienced strong attendance and participation, several major capital projects were completed and new ones initiated.

The following are some of the more notable highlights and accomplishments from the past year:

- Completed the construction of the new Civic Center Complex;
- Completed Veterans Hall renovation;
- Completed the expansion of the Community Center, which will provide space for the La Habra Women's Club, the La Habra Art Association, and the Boy Scouts of La Habra;
- Completed the update of the Water Master Plan;
- Filed papers with the Department of Water Resources to identify La Habra Water Basin as an independent water basin;
- Managed the implementation of state mandated water usage reduction requirements;
- Continued implementing the City's Water Main Replacement Program;
- Completed the implementation of the Imperial Highway Corridor Signal Synchronization Project;
- Completed the Beach Boulevard and Whittier Boulevard intersection improvements;
- Completed the design of the rehabilitation of both Harbor Boulevard and Euclid Boulevard, south of Imperial Highway;
- Enhanced the City's curriculum of special interest and recreation classes, trips and youth programs, and enhanced special events program; and
- Expanded and improved the City's website and social media platforms for enhanced public outreach.

FY 2017 - 2018 GOALS

The FY 2017 - 2018 budget will provide a blueprint to help build upon prior success and will allow us to continue providing high quality programs, events, and services to the community. Some of the more notable goals for the upcoming fiscal year include:

- Completion of major residential and commercial development projects under construction such as the Fairfield luxury apartments and the Kaiser Permanente medical facility;
- Begin construction of approved residential and commercial development projects such as the City Ventures residential development on the site of the former City Hall, the Olsen and D.R. Horton residential projects, and many restaurants such as a new In-N-Out Burgers, Farmer Boys, Raising Cane's, the Pizza Press, Tierra Mia Coffee, and On The Hook Seafood & Grill;
- Continue to maintain the City's street, sidewalk, medians, parks, water, storm drain, and sewer infrastructure;
- Design and construct roadway improvements on Lambert Road;
- Construct the final landfill cover and complete designs for park and recreational uses at Vista Grande Park;
- Complete the La Habra Bikeway Master Plan;
- Continue efforts to design and construct the portions of the 66 mile Orange County bike loop located in La Habra;

- Continue to implement the City's Water Main Replacement Program;
- Continue the ongoing Sewer Lining and Manhole Replacement Programs;
- Complete right-of-way acquisition for Whittier Boulevard/Hacienda Road intersection improvements;
- Rebrand and improve marketing to support the City's Senior and Social Services program;
- Expand and improve the City's website and social media platforms for better public outreach;
- Maintain an emphasis on emergency preparedness training;
- Upgrade Computer Aided Dispatch and Records Management System; and

SUMMARY OF THE GENERAL FUND BUDGET

The proposed FY 2017 - 2018 General Fund expenditure budget is \$42,299,430, which is \$1,432,833, or 3.5 percent, more than the FY 2016 - 2017 amended budget. Departments were instructed to develop preliminary budget requests that would provide for normal operations. Their preliminary estimates included increases for personnel costs, Operations and Maintenance (O&M) costs, contractual obligations, utility and fuel costs, and funding for equipment replacement.

As a full service City, the majority of the General Fund's expenditure budget is allocated to personnel and personnel related costs. As such, in FY 2017 - 2018 approximately 64 percent of the increase in the proposed budget is related to labor and personnel costs. These increases include approximately \$172,000 for negotiated adjustments to employee salaries and medical benefits, \$610,000 to fund higher CalPERS pension unfunded liability costs, \$142,000 for labor costs previously paid from grant or special revenues returning to the General Fund, reclassification of certain staff positions, and adjusting base pay rates in accordance with the increase in the State mandated minimum wage. Other operational factors that drive expenditures include an additional \$412,000 increase for fire contract services, \$80,000 for increased ambulance contract services, and \$72,000 for Body Worn Camera equipment and its maintenance agreement.

General Fund revenues in FY 2017 - 2018 are projected at \$42,820,618 and are \$1,742,656, or 4.2 percent, more than the FY 2016 - 2017 amended budget. The City has two major sources of General Fund revenue: property taxes and sales/transaction taxes. Compared to the FY 2016 - 2017 amended budget, secured property tax revenues are expected to grow by 6.1 percent in FY 2017 - 2018. Sales/Transaction Tax revenues are expected to grow by 1.6 percent compared to the FY 2016 - 2017 amended budget. Based on current market conditions, secured property tax revenues are expected to continue steady growth in FY 2017 - 2018; however, as home prices reach new highs, there is speculation that growth in the real estate market could level off, which will have an impact on future growth in property tax revenues. Revenue growth from sales tax has slowed considerably compared to prior fiscal years. While the economy continues to grow, it appears that more taxable sales transactions are occurring online versus in local retail stores. This shift in shopping preference results in reduced sales activity at local businesses and a reduction in sales tax revenue

generation. While some flexibility in property tax and sales/transaction taxes from year to year is to be expected, projected increases in other General Fund revenue sources anticipated for the coming year are sufficient to provide resources to fund City operations, as well as pay increased pension costs and negotiated salary and benefit agreements in the coming fiscal year.

Accordingly, the proposed General Fund budget is balanced, with \$521,188, or 0.6 percent of budgeted expenditures remaining, of which staff recommends applying \$500,000 towards the creation of a Pension Rate Stabilization fund to begin to address future increases in unfunded pension liability costs. The City will begin FY 2017-18 with approximately \$6.6 million in General Fund reserves, which represents 16.0 percent of the proposed FY 2017 - 2018 expenditure budget.

GENERAL FUND EXPENDITURE HIGHLIGHTS BY DEPARTMENT

The majority of cost increases realized in most departmental operating budgets were due to the impact of higher labor cost and higher pension costs, primarily related to unfunded pension liabilities. There are also increases in operating costs related to contracts and equipment. "One-time" reductions in the allocation of internal charges for vehicle replacement, risk management, and computer related equipment and services were used to help offset cost increases. Listed below are specific departmental budget highlights:

COMMUNITY SERVICES: \$3,990,316

The Department's proposed budget increased by \$134,224, or 3.5 percent, compared to its FY 2016 - 2017 amended budget. Notable budget increases include \$37,450 for labor and unfunded pension liability costs, \$24,000 for community classes (the cost of which is largely offset by class enrollment revenues) and liability insurance, and \$68,000 to maintain buildings and facilities, and HVAC services.

PUBLIC WORKS: \$5,107,609

The Department's proposed budget decreased by \$1,657, or 0.0 percent, compared to its FY 2016 - 2017 amended budget. The most notable change from last year which contributed to this budget decrease was the elimination of two vacant Maintenance Worker positions. The \$108,500 savings offset the Department's higher labor and unfunded pension liability increases.

COMMUNITY DEVELOPMENT: \$1,854,225

The Department's proposed budget increased by \$60,556, or 3.4 percent, compared to its FY 2016 - 2017 amended budget. The most notable budget changes from last year will be that the Community Preservation Manager position will be filled for the entire year and there will be a \$10,000 reduction in the Economic Development consultant contract.

POLICE: \$18,352,513

The Department's proposed budget increased by \$630,255, or 3.6 percent, compared to its FY 2016 - 2017 amended budget. Notable budget increases include \$591,639 labor and unfunded pension liability increases, \$18,000 for an audio recorder replacement

equipment and \$72,000 for the purchase of Body Worn Camera equipment and a related maintenance agreement.

FIRE & AMBULANCE OPERATIONS: \$9,531,853

The cost for fire and ambulance services is expected to increase by \$625,415, or 7.0 percent compared to the FY 2016 - 2017 amended budget. Approximately \$133,000 of this higher cost is due to increases in unfunded pension liabilities for the City's former La Habra Fire Department firefighters. In addition, there is an approximate \$412,000, or six percent, increase in the cost of the fire services contract with the Los Angeles County Fire Department contract, and a \$80,000, or 12 percent, increase for the City's ambulance services agreement with CARE Ambulance.

ADMINISTRATION & SUPPORT DEPARTMENTS: \$3,462,914

The proposed budgets for the offices of the City Council, City Manager, City Clerk, Legal Services, Finance and Human Resources have decreased by \$15,960, or approximately half of one percent compared to the FY 2016 - 2017 amended budget. Notable budget changes include a \$60,000 reduction in the City Clerk's budget due to the fact that there will not be a municipal election this fiscal year, and a \$60,000 reduction in the program contingency account. These reductions helped offset labor and pension increases of Administration & Support Departments.

ENTERPRISE FUNDS

Enterprise Funds are established to finance and account for certain municipal activities that are operated in a manner similar to private business, where the intent is that the costs of providing goods and services to the general public are funded through user charges and fees.

The Enterprise Funds of the City of La Habra include:

- Refuse
- Children's Museum
- Mobile Home

Refuse Fund: \$4,521,436

Proposed expenditures for the Refuse Enterprise Fund total \$4,521,436, which is \$119,960, or 2.7 percent higher than the FY 2016 - 2017 amended budget. The Refuse budget includes \$2.5 million to fund the waste hauler contract, \$191,000 to fund parkway tree trimming, \$320,000 for street sweeping costs, \$80,000 for Vista Grande landfill methane monitoring, and \$650,000 for the design, construction, and expansion of a landfill cover at Vista Grande Park.

Children's Museum Fund: \$733,898

Proposed expenditures for the Children's Museum Enterprise Fund total \$733,898, which is \$124,894 or 20.5 percent higher than the FY 2016 - 2017 amended budget. The increase in the Children's Museum budget includes labor and unfunded pension liabilities increases of \$43,000, \$20,000 for exterior paint, \$30,000 for interior restroom

repairs, and \$20,000 for security cameras. Securing stable ongoing funding for the museum remains a challenge.

Mobile Home Parks Fund: \$3,563,130

Proposed expenditures for the Mobile Home Enterprise Fund total \$3,563,130, which is \$58,819, or 1.6 percent, lower than the FY 2016 - 2017 amended budget. Funding for repair and maintenance were reduced by \$68,000 and some utility costs were increased. There are no proposed rent increases for FY 2017 - 2018.

AGENCIES AND AUTHORITIES: \$23,137,535

The municipal budget includes special agencies and authorities that have been established to provide specific services and functions. These agencies are considered to be separate legal entities, but their governing boards are comprised of the members of the City Council and they are staffed by City employees.

The Agencies and Authorities serving the City of La Habra include:

- Utility Authority
 - Water
 - Sewer
- Successor to the Redevelopment Agency
- Housing Authority
- Civic Improvement Authority

Utility Authority: \$18,759,882

The La Habra Utility Authority is tasked with the operations, maintenance and improvement of the City's municipal water and sewer services. The Authority is divided into two operating divisions: Water and Sewer.

Water Division: \$15,583,241

Proposed expenditures for the Water division totals \$15,583,241, which is \$794,141, or 18.0 percent, less than the FY 2016 - 17 amended budget. Despite increased labor costs, the overall budget decreased primarily due to a reduction in the amount of capital projects anticipated in FY 2017 - 18. In addition, funds have been set aside for annual water main replacements throughout the City, water conservation programs, funding to acquire additional water rights when available, and funds for the La Habra Groundwater Basin Study, and legal services.

Sewer Division: \$3,176,641

Proposed expenditures for the Sewer division operations total \$3,176,641, which is \$129,248, or 12.7 percent, lower than the FY 2016 - 2017 amended budget. Despite increased labor costs, the overall budget decreased primarily due to a reduction in the amount of capital projects anticipated in FY 2017 - 18. Major capital expenditures include ongoing sewer lining projects, sewer replacement and manhole rehabilitation. The Division has also dedicated \$122,000 for the purchase of new sewer lateral camera equipment.

Redevelopment Successor Agency: \$1,543,179

The Redevelopment Successor Agency's proposed budget is \$1,543,179, which is \$711,547, or 31.6 percent, less than the FY 2016 - 2017 amended budget. Notable reductions were achieved as a result of final principal and interest loan payoffs made after the sale of the Alberto's property, and due to the final payments made for the Imperial Promenade and Vons/Smiths Owner Participation Agreements. There was also a reduction of \$142,000 in attorney fees after the City of La Habra successfully won a lawsuit against the State of California Department of Finance in the prior fiscal year. As required by state law, the City has successfully dissolved its former Redevelopment Agency and has completed several mandated Due Diligence audits and reviews. Staff continues to submit the Agency's Recognized Obligation Payment Schedules to the State Department of Finance (DOF) for approval, which includes funding to repay outstanding bonds, development agreements, nominal staff and administrative costs, and debts owed to the General Fund. Any repayment to the General Fund is subject to state approval and availability of tax increment revenues.

Housing Authority: \$2,074,893

The Housing Authority is responsible for managing the City's two mobile home parks, the Low/Moderate Income program (formerly the responsibility of the La Habra Redevelopment Agency), other affordable housing needs, residential rehabilitation projects, and the Housing Element of the General Plan. It has a proposed budget of \$2,074,893, which is \$257,742, or 14.2 percent, higher than the FY 2016 - 2017 amended budget. Notable increases are \$110,000 budgeted for the demolition of the former Woman's Club, \$75,000 in contract services for emergency boarding and securing of unsafe properties, and \$88,000 in risk management liability insurance costs.

SPECIAL REVENUE FUNDS: \$26,536,289

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to fund only certain programs or projects. The City of La Habra has over a dozen Special Revenue Funds designed to collect and disperse revenues as prescribed by law, grants requirements, or municipal code regulations.

Examples of these funds include:

- Gas Tax
- Measure M2
- Employment and Training
- Child Development
- Park Improvement and Development

A summary of the City's three main Special Revenue Funds are listed below:

Gas Tax Fund: \$4,032,632

Proposed expenditures from Gas Tax revenues total \$4,032,632. As with most special revenue funds, proceeds are generally spent as they are received. Gas Tax revenues are the primary source of funding for the City's Pavement Management Program. The Public Works Department will continue implementing an annual street maintenance program to effectively maintain and protect the street improvements that have been completed over the past several years.

Some of the capital projects proposed to be funded in FY 2017 - 2018 include:

- Roadway improvements
- Alley Improvements
- Citywide slurry seal program
- Residential street rehabilitation program
- ADA compliance efforts
- Roadway striping
- Traffic signal improvements
- Intersection improvements

Measure M2 Funds: \$5,280,718

Proposed expenditures for the Measure M2 funds total \$5,280,718, and will primarily be used to fund the following projects:

- Alley Improvements
- Residential street rehabilitation
- Arterial street rehabilitation
- Intersection improvements
- Environmental cleanup efforts

Child Development Fund: \$5,242,495

The Child Development Fund is responsible for providing resources to the City's Child Care and Child Development programs. It has a proposed budget of \$5,242,495, which is \$1,150,114, or 18.0 percent, lower than the FY 2016 - 2017 amended budget. The most notable reduction was the transition of the \$1,535,090 City of La Habra Head Start program to Orange County Head Start Inc.

INTERNAL SERVICE FUNDS: \$7,143,890

Internal Service Funds are used to account for the financing of goods and services provided by one department to another on a cost-reimbursement basis. The Internal Service Funds of the City of La Habra include the following:

- Fleet Maintenance Fund
- Fleet Replacement Fund

- Information Technology Fund
- Information Technology Replacement Fund
- Risk Management Fund (Workers Compensation and General Liability)

The following is a summary of proposed Internal Service Fund budgets:

Fleet Maintenance Fund: \$1,105,078

This fund provides for the maintenance, repair and fueling of all City owned vehicles. Proposed expenditures for the Fleet Maintenance Fund total \$1,105,078, which is \$45,991, or 4.0 percent, lower than the FY 2016 - 2017 amended budget.

Fleet Replacement Fund: \$1,173,342

This fund provides for the purchase of new or used vehicles to replace obsolete, damaged, or unusable vehicles and equipment. Proposed expenditures for the Fleet Replacement Fund total \$1,173,342, which is \$29,436, or 2.4 percent, higher than the FY 2016 - 2017 amended budget. The City has deferred the purchase of certain vehicles and equipment in prior year budgets; however, while this an effective budget tool to control costs in the short term, this practice is not a sustainable long term budget solution. Accordingly, the purchase of several vehicles and equipment that had been previously deferred will be scheduled in the new fiscal year.

Information Technology Fund: \$1,747,665

The Information Technology (IT) fund provides resources to staff and support IT operations, maintenance, and improvements. IT staff provides support to all City departments, authorities, agencies, and grant funded programs at nearly a dozen City facilities. The proposed expenditure budget is \$1,747,665, which is \$112,325, or 6.9 percent, higher than the FY 2016 - 2017 amended budget. Some notable planned system improvements include upgrading the audio visual equipment at the Community Center, new Recreation registration and Facility Reservation computer software.

Information Technology Replacement Fund: \$168,600

The Information Technology Replacement Fund provides resources to purchase additional or replace existing computers, printers, servers, and other IT equipment. The proposed expenditure budget is \$168,600 for FY 2017 - 2018.

Risk Management Fund: \$2,516,080

Risk Management is responsible for the administration of the City's Workers' Compensation and General Liability programs. Proposed expenditures for the Risk Management Fund total \$2,516,080, which is \$25,459, or 1.0 percent, higher than the FY 2016 - 2017 amended budget.

GENERAL FUND CAPITAL PROJECTS: \$1,805,462

The proposed budget includes \$1,805,462 for capital projects paid for by the General Fund. The projects in this category are funded annually with available General Fund revenues or unspent funds carried over at year-end. As the proposed FY 2017 - 2018 General Fund operating budget is balanced with a small remaining unencumbered

balance. Staff anticipates that the fund will begin the year with a sufficient fund balance carried over from FY 2016 - 2017 to complete the budgeted projects. Staff will closely monitor the application of available funds to capital projects to ensure that funding is available in advance of expenditures throughout the fiscal year.

Proposed projects for FY 2017 – 2018 include:

- Municipal Building Improvements;
- Imperial Highway Corridor Signal Synchronization;
- Lambert Road improvements
- Acquisition of an easement and preliminary engineering of a bicycle/pedestrian pathway along the Union Pacific Rail Line;
- Neighborhood Traffic Management Program;
- Bishop Drive Storm Drain;
- Police Department Roof and HVAC Replacement;
- Annual Arterial Rehabilitation Program; and
- Finalize Storm Drain Master Plan

FUTURE CHALLENGES AND OPPORTUNITIES

It is clear that the local and state economies continue to demonstrate signs of strength, albeit at a less robust pace than in previous years. Improving property values and numerous public and private development projects throughout the City will help drive growth in the community, which should result in modest revenue growth for the City's General Fund over the next several years. Some of this growth; however, may continue to be impacted by the ongoing shift to online retail shopping. In addition, it is very likely that an economic slowdown will occur at some point over the next several years, which will impact property and sale tax revenues. To help prepare for this, staff continuously monitors spending, looks for efficiencies to control costs over the long term, and proactively seeks economic development opportunities to help broaden the City's revenue base.

While there are many aspects of the municipal budget that staff and the City Council can control, such as labor agreements, contract management, replacement of equipment, capital expenditures and the funding of reserves, there are a number of other issues that confront the City and that impact the budget that we have little or no direct control over.

These include:

- Allocating funds for rising unfunded liability pension costs which can, and have been, unilaterally increased by the CalPERS board and which will continue to rise for the foreseeable future;
- Costs associated with new unfunded federal and state mandates;
- The identification of resources to pay for certain types of capital improvement projects, such as alleyways, storm drains, or park improvements, as these are primarily General Fund obligations without separate funding sources.

Of these challenges, the continuing increase in pension costs, primarily related to unfunded pension liabilities, represents the area of greatest budgetary concern for the foreseeable future. Over the past several years CalPERS, the City's pension administrator, has revised its policies regarding the amortization of unfunded pension liabilities, in addition to changes in other actuarial assumptions, such as the interest rate they expect to realize on invested funds and life expectancy of retirees, has resulted in a significant increases in annual pension costs for both public safety employees (including former City of La Habra firefighters), as well as non-public safety employees. It is anticipated that the City's pension obligation costs will continue to increase significantly each year for at least the next decade, growing from approximately \$5.5 million per year in FY 2016 - 17 to almost \$13.9 million per year by FY 2026 - 27. This represents an estimated 153 percent increase to the City labor costs, despite the pension reform measures that had been enacted by the City Council, and then the State, over the past several years.

Recognizing the growing pension liability, the City Council several years ago authorized the negotiation of a lower pension formula for newly hired employees, as well as having City employees pay either seven or nine percent towards their own pension costs, depending on the plan they were in. While these changes will have a positive impact on the City's overall pension costs in the future, the changes that CalPERS has made to their actuarial assumptions and interest earnings estimates will continue to drive pension costs up in the near term. Staff will be developing strategies to address this budget impact and will be presenting options for City Council consideration over the course of the fiscal year.

Despite these challenges, the future is bright for the City of La Habra. Staff has been utilizing the new General Plan to market commercial and residential development opportunities to developers with great success. Several infill projects have been approved or are in the review process that have the potential to revitalize areas of the City that have been dormant for years. This new development activity can, in turn, stimulate the City's economic base, create new jobs, provide for new opportunities for our existing businesses, and continue to increase property values throughout the City.

La Habra is a vibrant suburban community that has much to offer families, businesses, and visitors. As staff, it is our responsibility to transform the vision of the City Council into meaningful projects, expand programs and activities we make available to residents and visitors, and forge an environment where business can thrive. While there will be challenges to face, we are excited to continue working with the City Council to support our remarkable community and help build La Habra's future.

CONCLUSION

It takes close collaboration and teamwork to successfully develop the annual municipal budget. I would like to thank the City Council for their leadership and clear policy direction, Department Directors and their staff for their creativity in crafting balanced budgets, and our employees for the good work they do every day for our residents and

businesses, and their willingness to work with the City to maintain a fiscally sound organization.

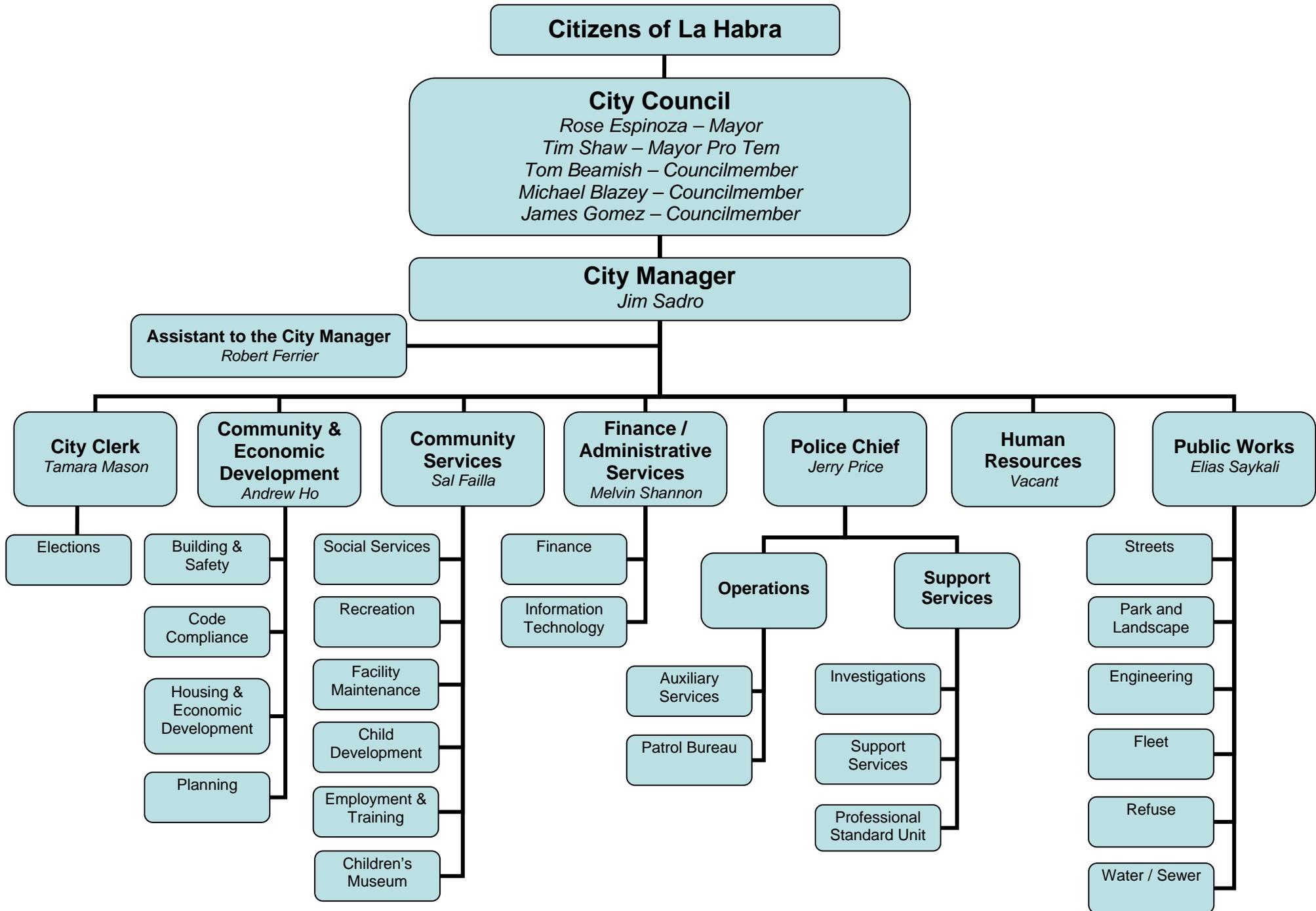
I also would like to acknowledge the leadership and support provided by the City's budget team: Mel Shannon, Jack Ponvanit, Mary Ann Sy, John Balderas, Zuki Chiu, Sue Suriati and Rob Ferrier. Without their leadership and tireless effort it would not have been possible to craft a budget that continues to provide excellent services and improves the quality of life in our community.

I am pleased to present a proposed municipal budget that balances expenditures within available resources and strives to meet the goals and policy direction provided by the City Council. The City of La Habra's proposed Fiscal Year 2017 - 2018 budget is hereby presented to the Council for review, consideration and adoption. It is a pleasure to serve the La Habra community, and staff looks forward to another productive and exciting year.

Respectfully Submitted,

Jim Sadro
City Manager

City of La Habra Governmental Organization





Council/RDA Successor/HA/UA/CIA Agenda Report

Meeting Date: June 19, 2017

TO: HONORABLE MAYOR & COUNCILMEMBERS

FROM: CITY MANAGER
By: Mel Shannon, Director of Finance

SUBJECT: FISCAL YEAR 2017-2018 BUDGET ADOPTION

SUMMARY RECOMMENDATION:

Hold a public hearing and consider adoption of the following:

- a. City Council: Review, approve and adopt Resolution No. adopting a budget for Fiscal Year 2017 – 2018.
- b. Civic Improvement Authority: Review, approve and adopt Resolution No. adopting a budget for Fiscal Year 2017 – 2018.
- c. Housing Authority: Review, approve and adopt Resolution No. adopting a budget for Fiscal Year 2017 – 2018.
- d. Successor to the Redevelopment Agency: Review, approve and adopt Resolution No. adopting a budget for Fiscal Year 2017 – 2018.
- e. La Habra Utility Authority: Review, approve and adopt Resolution No. adopting a budget for Fiscal Year 2017 – 2018.

DISCUSSION:

The City Council is required to adopt a budget each fiscal year that identifies the allocation of expenditures and revenues for all City funds. City management and Finance Department staff, in cooperation with department directors, have prepared a proposed budget for City Council consideration that balances available resources with expected expenses, addresses the Council's goals and objectives, provides resources for public safety and other services, and provides for the upkeep and improvement of the City's infrastructure. The proposed \$109,809,707 municipal expenditure budget for FY 2017 – 2018 meets these fiscal and policy goals and provides both summary and line item budget detail for all funds.

General Fund

On Monday, June 5, 2017, the City Council was presented with the proposed FY 2017 – 2018 budget during its normally scheduled meeting. The budget presentation provided

Agenda Item No. V.1

Meeting Date: 6/19/17

the Council with an opportunity to review and discuss the City's proposed FY 2017 – 2018 municipal budget. The budget that is now being presented for review and adoption is balanced, incorporates the cost of labor agreements reached with the City's various employee groups, and includes funding to pay for increased contract and operational costs. The proposed budget includes the restoration of a proposed \$10,000 reduction in funding for the Chamber of Commerce's "Shop La Habra" program. The restored funding has been allocated to the Chamber's general support line item.

In summary, the City's proposed FY 2017 – 2018 General Fund budget is \$42,299,430, which is \$1,432,833, or 3.5 percent, higher than the amended FY 2016 – 2017 budget. Departments developed budget requests that provide for normal operations and contain increases for personnel costs, which include rising pension unfunded liability costs, as well as operations and maintenance costs, contractual obligations, utility and fuel costs, and funding for equipment and vehicle replacement.

General Fund revenues in FY 2017 – 2018 are projected at \$42,820,618 and are \$1,742,656, or 4.2 percent, higher than the FY 2016 – 2017 amended budget. Total property tax revenues are expected to grow by approximately \$868,805 or 5.7 percent during FY 2017 – 2018, which includes secured property tax growth of \$539,000 or 6.1 percent. Likewise, growth in sales/transaction tax revenues are expected to remain modest with nominal grow of approximately \$246,000 or 1.6 percent compared to the prior year budget.

Property tax and sales/transaction tax combined constitute approximately three-quarters of the General Fund revenue base. If the economy continues to grow and local economic and property development activity continues to expand, these revenues should continue to show steady growth. Conversely, the City's reliance on these sources means that a slowing or recessionary economy will have an adverse impact on the City's ability to fund its operations, which is why staff closely monitors economic trends, retail sales activity and the housing market for any significant change.

The proposed General Fund budget is balanced, provides funding for labor agreements and personnel costs, which include rising pension costs, operations and maintenance costs, contractual agreements, and funding for future equipment and vehicle replacement. The City is expected to have approximately \$6.6 million in General Fund reserves, which represents 16 percent of the proposed FY 2017 – 2018 expenditure budget at the end of the current fiscal year.

Budget Summary

The regional economy continues to show growth which is reflected in the City's steady revenue base. Residential and commercial development activity has been brisk with several major projects completed or underway and others being proposed. Based on current market conditions, secured property taxes are expected to continue in FY 2017 – 2018 however, as home prices reach new highs, there is speculation that growth in the real estate market could level off in the next few years. This would have an impact on property tax growth rates. Revenue growth from sales tax has leveled off considerably compared to the last several fiscal years. While the economy continues to grow, it appears that more taxable sales transactions are occurring online versus in local retail stores. This shift in consumer shopping habits results in reduced sales activity at local businesses and a related reduction in sales tax revenue generation for the City. That said, sales tax revenues are anticipated to increase modestly in the latter

half of fiscal year 2017 -18 as several pending commercial projects in the community reach completion. Additional housing units currently under construction are also expected to have a beneficial impact to the local business community as new homeowners and tenants move to La Habra and shop locally.

The combination of these factors provide important resources for the City to provide core services to the community and continue funding capital improvement projects for streets, parks, alleys, and City facilities. Over the past fiscal year, City programs and events experienced strong attendance and participation, several major capital projects have been completed, and others have been initiated.

Future Fiscal Challenges

While there are many aspects of the municipal budget that staff and the City Council can control, such as labor agreements, contract management, replacement of equipment, capital expenditures and the funding of reserves, there are a number of other issues that confront the City and that impact the budget that we have little or no direct control over.

Significant proposed or required General Fund budget increases include approximately:

- \$610,000 to fund higher pension costs, primarily due to unfunded liabilities;
- \$412,000 for increased fire contract costs;
- \$172,000 for negotiated salary and benefit increases for eligible employees;
- \$142,000 for grant or special revenue funded labor costs returning to the General Fund;
- \$80,000 for increased ambulance contract services costs; and
- \$72,000 for Body Worn Camera equipment and annual maintenance costs

The continuing increase in pension costs, primarily related to unfunded pension liabilities, represents the area of greatest budgetary concern for the foreseeable future. Over the past several years CalPERS, the City's pension administrator, has revised its policies regarding the amortization of unfunded pension liabilities, in addition to changes in other actuarial assumptions, such as the interest rate they expect to realize on invested funds and life expectancy of retirees, which has resulted in significant increases in annual pension costs for both public safety employees (including former City of La Habra firefighters), as well as non-public safety employees. It is anticipated that the City's pension obligation costs will continue to increase significantly each year for at least the next decade, growing from approximately \$5.5 million per year in FY 2016 - 2017 to almost \$13.9 million per year by FY 2026 - 2027. This represents a 153 percent increase to the City labor costs, despite the pension reform measures that had been enacted by the City Council, and then the State, over the past several years.

Recognizing the growing pension liability, the City Council several years ago authorized the negotiation of a lower pension formula for newly hired employees, as well as having City employees pay either seven or nine percent towards their own pension costs, depending on the plan they were in. While these changes will have a positive impact on the City's overall pension costs in the future, the changes that CalPERS has made to their actuarial assumptions and interest earnings estimates will continue to drive pension costs up in the near term. To begin addressing these growing costs, staff recommends that the City Council designate \$500,000 of unappropriated funds from the

proposed FY 2017 - 2018 budget to a Pension Rate Stabilization Fund, with the intent on setting aside available resources to address future pension cost increases.

The General Fund's operating budget is balanced and, based on current estimates, there will be sufficient funds from the FY 2016 - 2017 Capital Projects Fund appropriations, as well as an additional allocation of estimated FY 2016 - 2017 year end carry over, to fund General Capital Projects proposed in the FY 2017 - 2018 budget. Additionally, the City Council will have an opportunity to review the City's budget performance at mid-year and encumber unallocated resources, if any, at that time.

Non-General Fund operating and capital budgets, including enterprise funds, authorities and special revenue funds reflect expenditures that are within available revenues or which intentionally draw upon fund balances for capital and other planned expenditures. It should be noted that the growing unfunded pension liability costs will also impact non-General Fund operating budgets in the future, including the Utility Authority and Housing Authority. Additionally, some non-operating special revenue or grant related funds have specific cash flow patterns, such as the receipt of grants or the start of new capital projects, which can impact the receipt of revenues or expenditures of funds. Staff will monitor these unique cash flows to ensure that sufficient funding is available for budgeted program and projects.

The continuing increase in pension costs, primarily related to unfunded pension liabilities and the leveling off of sales/transaction tax growth, by themselves, do not represent an insurmountable challenge for the City in FY 2017 - 2018; however, if left unaddressed, when combined together and balanced against other competing demands on limited resources, the challenge to allocate the necessary funding to accomplish the City's goals while maintaining a prudent and fiscally responsible budget in future fiscal years will become difficult.

Despite these challenges, the future is bright for the City of La Habra. New residential and commercial infill projects have the potential to revitalize areas of the City and spur additional growth and investment. The recent completion of the new Civic Center complex has been a welcome addition to the downtown area.

The proposed budget is essentially a blueprint to build on the City's successes and will allow staff to continue providing high quality programs, projects, events, and services to the community.

Some of the more notable goals for FY 2017 – 2018 include:

- Completion of the major residential, commercial and development projects under construction such as Valentia, Kaiser Permanente medical office building, and the new Northgate Market development.
- Begin construction of approved residential, commercial and development projects such as the City Ventures project at the former City Hall location, the Olsen and Dr. Horton residential projects, and many restaurants such as a new IN-N-Out Burgers, Farmer Boys, Raising Cane's, the Pizza Press, Tierra Mia Coffee, and On The Hook seafood & grill.
- Continue to maintain the City's street, sidewalk, medians, parks, water, storm drain, and sewer infrastructure;

- Begin and complete the Lambert Road Improvement Project
- Construct the final landfill cover and complete designs for park and recreational uses at Vista Grande Park;
- Complete the La Habra Bikeway Master Plan;
- Continue to implement the City’s Water Main Replacement Program;
- Continue the ongoing Sewer Lining and Manhole Replacement Programs;
- Complete right-of-way acquisition for Whittier Boulevard/Hacienda Road intersection improvements;
- Expand and improve the City’s social media platforms to enhance public outreach;
- Maintain an emphasis on emergency preparedness training;
- Upgrade Computer Aided Dispatch and Records Management System; and

The budget is balanced and has been prepared in accordance with the City Council’s goals and objectives while controlling General Fund expenditures within available projected revenues. In keeping with City Council direction, the proposed budget has been developed to maintain City services and improve the quality of life in the community to the extent possible, while taking into account revenue growth and higher current and future operating costs.

FISCAL IMPACT / SOURCE OF FUNDING:

Approval of the City’s FY 2017 – 2018 budget will appropriate funds for the following operating units, special revenue funds, authorities, agencies, and enterprise funds of the City:

Summary of Expenditure Budgets

General Fund	\$ 42,299,430
Special Revenue Funds	26,536,289
Capital Projects Fund	1,805,462
Debt Service Fund	68,637
Refuse Fund	4,521,436
Children’s Museum Fund	733,898
Mobile Home Lease Fund	3,563,130
Total – Operating Funds	\$ 79,528,282
Total – Internal Service Funds	\$ 7,143,890
Total – Utility Authority	\$ 18,759,882
Total – Redevelopment Successor Agency	\$ 1,543,179
Total – Mello Roos Fund	\$ 275,250
Total – Housing Authority	\$ 2,074,893
Total – Civic Improvement Authority	\$ 484,331
Total Municipal Budget	\$109,809,707

GENERAL PLAN RELEVANCE:

ED 9.1 – Balanced Fiscal Practices

RECOMMENDATION / REQUESTED ACTION:

Adopt the City of La Habra Fiscal Year 2017 – 2018 Municipal Budget and approve the following resolutions:

- a. Consideration of adoption of 2017-2018 **Allocation Plan (Municipal Budget)** - APPROVE AND ADOPT **RESOLUTION NO. _____** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018, MAKING APPROPRIATIONS FOR THE CONDUCT OF CITY OF LA HABRA GOVERNMENT, ESTABLISHING POLICIES FOR THE ADMINISTRATION OF THE ADOPTED BUDGET, AND FOR OTHER BUDGET RELATED PURPOSES.
- b. Adoption of 2017-2018 La Habra **Civic Improvement Authority** Budget - APPROVE AND ADOPT **RESOLUTION NO. _____** ENTITLED: A RESOLUTION OF THE CIVIC IMPROVEMENT AUTHORITY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018.
- c. Adoption of 2017-2018 La Habra **Housing Authority** Budget - APPROVE AND ADOPT **RESOLUTION NO. _____** ENTITLED: A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018.
- d. Adoption of 2017-2018 **Successor Agency to the La Habra Redevelopment Agency** Budget - APPROVE AND ADOPT **RESOLUTION NO. _____** ENTITLED: A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018.
- e. Adoption of 2017-2018 La Habra **Utility Authority** Budget - APPROVE AND ADOPT **RESOLUTION NO. _____** ENTITLED: A RESOLUTION OF THE UTILITY AUTHORITY OF THE CITY OF LA HABRA ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018.

ATTACHMENTS:

1. City Council Resolution adopting a budget for Fiscal Year 2017 – 2018.
2. Civic Improvement Authority Resolution adopting a budget for Fiscal Year 2017 – 2018.
3. Housing Authority Resolution adopting a budget for Fiscal Year 2017 – 2018.
4. Successor to the Redevelopment Agency Resolution adopting a budget for Fiscal Year 2017 – 2018.
5. La Habra Utility Authority Resolution adopting a budget for Fiscal Year 2017 – 2018.
6. Budget Hearing Legal Notice
7. Proposed Fiscal Year 2017-2018 Budget – on file in the City Clerk’s Office.

RESOLUTION NO. 5804

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018, MAKING APPROPRIATIONS FOR THE CONDUCT OF CITY OF LA HABRA GOVERNMENT, ESTABLISHING POLICIES FOR THE ADMINISTRATION OF THE ADOPTED BUDGET, AND FOR OTHER BUDGET RELATED PURPOSES.

WHEREAS, the City Manager has submitted to the City Council a proposed budget detailing the contemplated expenditures and estimated revenues for the ensuing Fiscal Year, and that said proposed budget has been reviewed by the City Council; and,

WHEREAS, the City Council held a budget review session at a publicly noticed City Council meeting on June 5, 2017, and a public hearing on the proposed budget on June 19, 2017; and,

WHEREAS, the City Council desires to establish certain policies covering the administration of the adopted budget for Fiscal Year commencing July 1, 2017, and ending June 30, 2018.

NOW, THEREFORE, BE IT RESOLVED, that the budget summaries attached hereto, marked Exhibit "A" and made a part hereof by this reference, is hereby considered, passed and adopted as the annual appropriation of the City of La Habra for obligation and expenditure by the City Manager to finance the operations of the City of La Habra for the Fiscal Year commencing July 1, 2017, and ending June 30, 2018; and,

BE IT FURTHER RESOLVED, that the following policies are hereby established to govern the administration of the budget for Fiscal Year commencing July 1, 2017, and ending June 30, 2018:

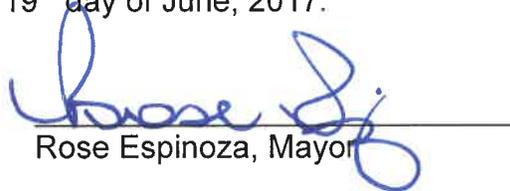
- I. Authorized Full-Time Positions: The positions as they appear in the "Schedule of Full-Time Positions" attached hereto, marked Exhibit "B" and made a part hereof by this reference, are authorized and approved for the fiscal year commencing July 1, 2017, and ending June 30, 2018.
- II. Limitation of Expenditures: Subject to the further provisions of this Resolution, the appropriations provided for herein constitute the maximum amounts authorized for obligation and expenditure by the City Manager. The City Manager and each Department Director/Chief shall be responsible for ensuring that the maximum amounts provided for herein are not exceeded. Additional appropriations shall be made only by official action of the City Council.
- III. Control of Expenditures: All obligations and expenditures shall be incurred and made in the manner provided by pursuant to State laws and City ordinances, resolutions and policies relative to purchasing and contracting.

- IV. Creation of Funds: Each and every Fund listed in the attached preliminary budget is hereby created, continued, established and/or reestablished, as the case may be, and each Fund shall constitute a distinct accounting entity.
- V. Budgeted Funds: This annual budget resolution shall apply to all funds except bond funds, grant funds, trust and agency funds, and capital funds. Legislative action by the City Council to issue bonds, accept grants, and/or authorize capital projects shall be considered as authority to expend funds for those purposes, subject to the requirements, restrictions and provisions of State Law and the La Habra Municipal Code relative to purchasing and contracting, and no further appropriation authority will be necessary.
- VI. Budget Adjustments within Funds: Transfers of amounts herein appropriated within departments, between departments and within the various funds herein created shall require the approval of the City Manager or his designee, provided the total appropriation for each Fund is not exceeded.
- VII. Reserved and Budgetary Fund Balances: The transfer of any amount from one Fund to another Fund and/or the appropriation of funds from Reserves and Fund Balances shall only be made pursuant to this budget resolution or subsequent official action of the City Council. When made by the City Council, such transfers and/or appropriations shall be considered amendments to the budget for the Fiscal Year commencing July 1, 2017, and ending June 30, 2018.

BE IT FURTHER RESOLVED, that the City Manager is authorized to transfer any FY 16/17 General Fund budget surplus remaining as of June 30, 2017, defined as revenues greater than expenditures, to the Capital Projects Fund, Internal Service Funds, Special Revenue Funds, Liability Funds, other reserve funds, to pay for unfunded liabilities, to retire debt, or to retain in the General Fund's fund balance as general reserves, as necessary.

BE IT FURTHER RESOLVED, that all purchase order commitments outstanding on June 30, 2017, are hereby continued, and that unexpended balances for previously authorized construction or improvement work that has been initiated, but not completed as of June 30, 2017, are hereby re-appropriated and carried forward.

PASSED, APPROVED AND ADOPTED this 19th day of June, 2017.


Rose Espinoza, Mayor

ATTEST:


Tamara D. Mason, MMC, City Clerk

STATE OF CALIFORNIA)
CITY OF LA HABRA) ss
COUNTY OF ORANGE)

I, Tamara D. Mason, City Clerk for the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 5804 introduced and adopted at a Regular Meeting of the City Council of the City of La Habra held on the 19th day of June, 2017, by the following roll call vote:

AYES: COUNCILMEMBERS: GOMEZ, BEAMISH, BLAZEY, SHAW, ESPINOZA
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE
ABSTAIN: COUNCILMEMBERS: NONE
VACANT: COUNCILMEMBERS: NONE

Witness my hand and the official seal of the City of La Habra this 19th day of June, 2017.



Tamara D. Mason, MMC, City Clerk

The City of La Habra
Budget for Fiscal Year 2017-2018
SCHEDULE OF INTERFUND TRANSFERS

FROM	TO	AMOUNT	DESCRIPTION
113: General Fund	311: Debt Service Fund	\$ 68,637	OSORNIO Park Debt Service
181: Water Fund	185: Children's Museum Fund	\$ 71,250	Utility Conservation Display at Children's Museum
182: Sewer Fund	185: Children's Museum Fund	\$ 16,250	Utility Conservation Display at Children's Museum
182: Sewer Fund	181: Water Fund	\$ 70,144	Customer Service Reimbursement
183: Refuse Fund	181: Water Fund	\$ 140,000	Customer Service Reimbursement
183: Refuse Fund	185: Children's Museum Fund	\$ 5,000	Utility Conservation Display at Children's Museum

**The City of La Habra
Budget for Fiscal Year 2017-2018**

Resolution No.

Exhibit B

Schedule of Full-Time Positions

Department or Office	Position Title	Allocation	Salary Range
City Manager			
	City Manager	1	---
	Assistant To City Manager	1	290
City Clerk			
	City Clerk	1	305
	Deputy City Clerk / Records Manager	1	180
	Executive Assistant	1	195
Community Services - Administration			
	Director of Community Services	1	347
	Community Services Manager	1	226
	Clerk Term Operator	1	C20
Community Services - Social Services			
	Social Services Supervisor	1	220
	Senior Building Maintenance Worker (Graffiti)	1	M-70
	Community Services Coordinator	1	T-10
Community Services - Facility Maintenance			
	Building Maintenance Supervisor	1	205
	Senior Building Maintenance Worker	1	M-70
	Building Maintenance Worker	1	M-60
Community Services - Recreation			
	Recreation Manager	1	225
	Administrative Aide	1	T-50
	Assistant Recreation Manager	1	A-30
	Recreation Specialist	2	T-05
Community Services - Child Development			
	Child Development Manager	1	243
	Program Specialist	3	A-70
	Site Supervisor	1	A-30
	Lead Teacher	4	A-25
	Teacher	8	A-10
	Senior Clerk	1	C-71
	Senior Clerk Family Service Advocate	1	C-71B
	Social Worker II	1	T-25
	Clerk/Terminal Operator	1	C-20
	Clerk/Typist	1	C-10
	Family Services Coordinator	1	T-05
	Jr. Admin Aide I	1	T-10
	Education Program Coordinator	1	T-05
Community Services - Employment & Training			
	Center Manager of Employment & Training	1	195
	Case Manager	3	T-45/1
	Senior Clerk	1	C71

**The City of La Habra
Budget for Fiscal Year 2017-2018
Resolution No.
Exhibit B
Schedule of Full-Time Positions**

Department or Office	Position Title	Allocation	Salary Range
Community Services - Children's Museum			
	Museum Manager	1	216
	Assistant Museum Manager	1	A-30/1
Community Development - Administration			
	Director of Community Development	1	353
	Deputy Director of Community Development	1	315
	Economic Development & Housing Manager	1	290
	Planning Manager	1	285
	Senior Planner	1	228
	Associate Planner	1	A-60
	Assistant Planner	2	A-50
	Jr Admin Aide III	1	T-50
	Secretary	1	C-80
Community Development - Building & Safety			
	Chief Building Official	1	303
	Senior Clerk-Building & Safety	1	C-71
	Permit Clerk	1	C-40
	Seniior Building Inspector	2	A-70
Community Development - Community Preservation			
	Community Preservation Manager	1	225
	Community Preservation Inspector	1	T-65
	Code Compliance Inspector	2	T-65
	Senior Code Compliance Inspector	1	T-75
	Administrative Aide	1	T-50
Finance - Administration			
	Director of Finance	1	354
	Finance Manager	1	281
	Accounting Supervisor	1	240
	Senior Accountant	1	215
	Accountant	1	183
	Accountant II	1	198
	Payroll Technician	1	C-95
	Account Clerk III	3	C-85
	Account Clerk II	1	C-55
	Account Clerk I	3	C-25
Finance - Information Technology			
	Deputy Director of Information Technology	1	312
	Information Technology Systems Analyst	3	A-70
	Network Administrator	1	260

**The City of La Habra
Budget for Fiscal Year 2017-2018
Resolution No.
Exhibit B
Schedule of Full-Time Positions**

Department or Office	Position Title	Allocation	Salary Range
Human Resources			
	Human Resources Director	1	351
	Human Resources Manager	1	288
	Secretary	1	C-80
	Human Resources Technician	1	T-60
Fire	Contract Services		
Police	Police Chief	1	387
	Police Captain	2	340
	Police Lieutenant	4	P-90
	Police Sergeant	11	P-80
	Police Corporal	8	P-70
	Police Officer	46	P-40
	Bureau Manager	2	P-37
	Communications Operations Supervisor	1	P-32
	Youth Services Officer	1	P-31
	Crime Analyst	1	P-35
	Senior Animal Control Officer	1	P-30
	Communications Operator	8	P-25
	Communications Operator (Lead)	2	P-25
	Animal Control Officer	1	P-23
	Senior Police Secretary	1	P-22
	Police Admin Specialist	1	P-22
	Community Services Officer	3	P-19
	Community Services Officer II	2	P-30
	Senior Property/Evidence Technician	1	P-30
	Property / Evidence Technician	1	P-09
	Police Record Supervisor	1	P-15
	Police Records Specialist	8	P-09
	Police Records Specialist (Lead)	2	P-09
Public Works - Administration			
	Director of Public Works/Engineering	1	372
	Secretary	1	C-80
	Senior Clerk	1	C-71
	Management Analyst	1	TC-01

The City of La Habra
Budget for Fiscal Year 2017-2018
Resolution No.
Exhibit B
Schedule of Full-Time Positions

Department or Office	Position Title	Allocation	Salary Range
Public Works - Streets & Storm Drains			
	Street Supervisor	1	205
	Senior Service Workers	1	M-70
	Service Worker II	1	M-60
	Service Worker	2	M-40
	Maintenance Laborer	4	M-20
Public Works - Fleet Management			
	Operations Manager	1	282
	Assistant Fleet Coordinator	1	M-95
	Equipment Mechanic	3	M-80
Public Works - Water & Sewer			
	Water/Sewer Manager	1	292
	Water Service Tech V	2	M-93
	Water Service Tech IV	2	M-60
	Water Service Tech III	4	M-40
	Water Service Tech II	2	M-30
	Water Service Tech I	4	M-20
	Sewer Services Tech V	1	M-93
	Sewer Services Tech III	2	M-40
Public Works - Parks & Landscape Maintenance			
	Park/Landscape Supervisor	1	205
	Senior Service Worker	2	M-70
	Service Worker II	3	M-60
	Service Worker	6	M-40
	Maintenance Laborer	4	M-20
Community Development - Engineering			
	City Engineer	1	330
	Senior Civil Engineer	1	268
	Associate Civil Engineer	2	255
	Traffic Manager (Associate Civil Engineer)	1	255
	Civil Engineer Assistant	1	A-70
	Secretary	1	C-80
	Public Works Inspector	1	T-75
Community Development - NPDES			
	NPDES Coordinator	1	225

EXHIBIT "B"

Executive Management

Annual Salary		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Revised December 1, 2016	Range										
	286	99,287	101,769	104,313	106,921	109,594	112,334	115,142	118,021	120,972	123,996
	287	99,783	102,278	104,835	107,456	110,142	112,896	115,718	118,611	121,576	124,616
	288	100,282	102,789	105,359	107,993	110,693	113,460	116,297	119,204	122,184	125,239
	289	100,784	103,303	105,886	108,533	111,246	114,028	116,878	119,800	122,795	125,865
Assistant to the City Manager	290	101,288	103,820	106,415	109,076	111,803	114,598	117,463	120,399	123,409	126,494
	291	101,772	104,316	106,924	109,597	112,337	115,146	118,024	120,975	123,999	127,099
	292	102,281	104,838	107,459	110,145	112,899	115,722	118,615	121,580	124,619	127,735
	293	102,792	105,362	107,996	110,696	113,464	116,300	119,208	122,188	125,243	128,374
City Clerk	294	103,306	105,889	108,536	111,250	114,031	116,882	119,804	122,799	125,869	129,015
	295	103,823	106,418	109,079	111,806	114,601	117,466	120,403	123,413	126,498	129,661
	296	104,320	106,928	109,601	112,341	115,150	118,028	120,979	124,004	127,104	130,281
	297	104,842	107,463	110,149	112,903	115,726	118,619	121,584	124,624	127,739	130,933
	298	105,366	108,000	110,700	113,467	116,304	119,212	122,192	125,247	128,378	131,587
	299	105,893	108,540	111,253	114,035	116,886	119,808	122,803	125,873	129,020	132,245
	300	106,422	109,083	111,810	114,605	117,470	120,407	123,417	126,502	129,665	132,907
	301	106,928	109,601	112,341	115,150	118,029	120,979	124,004	127,104	130,282	133,539
	302	107,463	110,149	112,903	115,726	118,619	121,584	124,624	127,740	130,933	134,206
	303	108,000	110,700	113,468	116,304	119,212	122,192	125,247	128,378	131,588	134,877
City Clerk/Office Manager	304	108,540	111,254	114,035	116,886	119,808	122,803	125,873	129,020	132,246	135,552
	305	109,083	111,810	114,605	117,470	120,407	123,417	126,503	129,665	132,907	136,230
	306	109,603	112,343	115,152	118,031	120,982	124,006	127,106	130,284	133,541	136,879
	307	110,151	112,905	115,728	118,621	121,586	124,626	127,742	130,935	134,209	137,564
	308	110,702	113,470	116,306	119,214	122,194	125,249	128,380	131,590	134,880	138,252
	309	111,256	114,037	116,888	119,810	122,805	125,875	129,022	132,248	135,554	138,943
	310	111,812	114,607	117,472	120,409	123,419	126,505	129,667	132,909	136,232	139,638
	311	112,344	115,152	118,031	120,982	124,007	127,107	130,284	133,542	136,880	140,302
Deputy Director IT	312	112,906	115,728	118,621	121,587	124,627	127,742	130,936	134,209	137,565	141,004
	313	113,470	116,307	119,215	122,195	125,250	128,381	131,591	134,880	138,252	141,709
Deputy Director Comm Dev.	314	114,037	116,888	119,811	122,806	125,876	129,023	132,249	135,555	138,944	142,417
	315	114,608	117,473	120,410	123,420	126,505	129,668	132,910	136,233	139,638	143,129
	316	115,154	118,033	120,983	124,008	127,108	130,286	133,543	136,882	140,304	143,811
	317	115,729	118,623	121,588	124,628	127,744	130,937	134,211	137,566	141,005	144,530
	318	116,308	119,216	122,196	125,251	128,382	131,592	134,882	138,254	141,710	145,253
Deputy Director Finance;	319	116,890	119,812	122,807	125,877	129,024	132,250	135,556	138,945	142,419	145,979
Deputy Director Admin Serv.	320	117,474	120,411	123,421	126,507	129,669	132,911	136,234	139,640	143,131	146,709
	321	118,034	120,985	124,010	127,110	130,288	133,545	136,884	140,306	143,814	147,409
	322	118,625	121,590	124,630	127,746	130,939	134,213	137,568	141,007	144,533	148,146
	323	119,218	122,198	125,253	128,385	131,594	134,884	138,256	141,712	145,255	148,887
	324	119,814	122,809	125,879	129,026	132,252	135,558	138,947	142,421	145,982	149,631
	325	120,413	123,423	126,509	129,672	132,913	136,236	139,642	143,133	146,711	150,379
	326	120,986	124,011	127,111	130,289	133,546	136,885	140,307	143,814	147,410	151,095
	327	121,591	124,631	127,746	130,940	134,214	137,569	141,008	144,533	148,147	151,850
	328	122,199	125,254	128,385	131,595	134,885	138,257	141,713	145,256	148,887	152,610
	329	122,810	125,880	129,027	132,253	135,559	138,948	142,422	145,982	149,632	153,373
City Engineer	330	123,424	126,510	129,672	132,914	136,237	139,643	143,134	146,712	150,380	154,140
	331	124,012	127,112	130,290	133,547	136,886	140,308	143,816	147,411	151,097	154,874
	332	124,632	127,748	130,942	134,215	137,571	141,010	144,535	148,148	151,852	155,648
	333	125,255	128,387	131,596	134,886	138,258	141,715	145,258	148,889	152,611	156,427
	334	125,882	129,029	132,254	135,561	138,950	142,423	145,984	149,634	153,374	157,209
	335	126,511	129,674	132,916	136,238	139,644	143,136	146,714	150,382	154,141	157,995
	336	127,114	130,291	133,549	136,887	140,310	143,817	147,413	151,098	154,875	158,747
	337	127,749	130,943	134,216	137,572	141,011	144,536	148,150	151,854	155,650	159,541
	338	128,388	131,598	134,887	138,260	141,716	145,259	148,891	152,613	156,428	160,339
	339	129,030	132,256	135,562	138,951	142,425	145,985	149,635	153,376	157,210	161,141
	340	129,675	132,917	136,240	139,646	143,137	146,715	150,383	154,143	157,996	161,946

EXHIBIT "B"

Annual Salary Revised December 1, 2016	Executive Management										
	<u>Range</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
	341	130,294	133,552	136,890	140,313	143,821	147,416	151,101	154,879	158,751	162,720
	342	130,946	134,219	137,575	141,014	144,540	148,153	151,857	155,653	159,545	163,533
	343	131,601	134,891	138,263	141,719	145,262	148,894	152,616	156,432	160,342	164,351
	344	132,259	135,565	138,954	142,428	145,989	149,638	153,379	157,214	161,144	165,173
	345	132,920	136,243	139,649	143,140	146,719	150,387	154,146	158,000	161,950	165,999
Community Services Director	346	133,554	136,893	140,316	143,823	147,419	151,105	154,882	158,754	162,723	166,791
	347	134,222	137,578	141,017	144,543	148,156	151,860	155,657	159,548	163,537	167,625
	348	134,893	138,266	141,722	145,265	148,897	152,619	156,435	160,346	164,354	168,463
	349	135,568	138,957	142,431	145,992	149,641	153,382	157,217	161,147	165,176	169,306
	350	136,246	139,652	143,143	146,722	150,390	154,149	158,003	161,953	166,002	170,152
Human Resources Director	351	136,895	140,317	143,825	147,421	151,106	154,884	158,756	162,725	166,793	170,963
	352	137,579	141,019	144,544	148,158	151,862	155,658	159,550	163,539	167,627	171,818
Community/Econ Dev Director	353	138,267	141,724	145,267	148,899	152,621	156,437	160,348	164,356	168,465	172,677
Finance Director	354	138,959	142,432	145,993	149,643	153,384	157,219	161,149	165,178	169,307	173,540
	355	139,653	143,145	146,723	150,391	154,151	158,005	161,955	166,004	170,154	174,408
	356	140,321	143,829	147,424	151,110	154,888	158,760	162,729	166,797	170,967	175,241
	357	141,022	144,548	148,161	151,865	155,662	159,554	163,542	167,631	171,822	176,117
	358	141,727	145,270	148,902	152,625	156,440	160,351	164,360	168,469	172,681	176,998
	359	142,436	145,997	149,647	153,388	157,223	161,153	165,182	169,312	173,544	177,883
	360	143,148	146,727	150,395	154,155	158,009	161,959	166,008	170,158	174,412	178,772
Public Works Director;	361	143,833	147,429	151,114	154,892	158,765	162,734	166,802	170,972	175,246	179,628
Finance/Admin Services Director	362	144,552	148,166	151,870	155,667	159,558	163,547	167,636	171,827	176,123	180,526
	363	145,275	148,907	152,629	156,445	160,356	164,365	168,474	172,686	177,003	181,428
	364	146,001	149,651	153,392	157,227	161,158	165,187	169,317	173,549	177,888	182,335
	365	146,731	150,399	154,159	158,013	161,964	166,013	170,163	174,417	178,778	183,247
	366	147,434	151,120	154,898	158,770	162,739	166,808	170,978	175,252	179,634	184,125
	367	148,171	151,875	155,672	159,564	163,553	167,642	171,833	176,129	180,532	185,045
	368	148,912	152,635	156,450	160,362	164,371	168,480	172,692	177,009	181,435	185,970
	369	149,656	153,398	157,233	161,164	165,193	169,322	173,556	177,894	182,342	186,900
	370	150,405	154,165	158,019	161,969	166,019	170,169	174,423	178,784	183,253	187,835
Public Works Director/Engr;	371	151,126	154,904	158,776	162,746	166,814	170,985	175,259	179,641	184,132	188,735
	372	151,881	155,678	159,570	163,560	167,649	171,840	176,136	180,539	185,053	189,679
	373	152,641	156,457	160,368	164,377	168,487	172,699	177,016	181,442	185,978	190,627
	374	153,404	157,239	161,170	165,199	169,329	173,562	177,902	182,349	186,908	191,580
Assistant City Manager	375	154,171	158,025	161,976	166,025	170,176	174,430	178,791	183,261	187,842	192,538
	376	154,911	158,784	162,753	166,822	170,993	175,267	179,649	184,140	188,744	193,462
Assistant City Manager/ Finance/Admin Services Director	377	155,685	159,577	163,567	167,656	171,848	176,144	180,547	185,061	189,687	194,430
	378	156,464	160,375	164,385	168,494	172,707	177,024	181,450	185,986	190,636	195,402
	379	157,246	161,177	165,207	169,337	173,570	177,910	182,357	186,916	191,589	196,379
	380	158,032	161,983	166,033	170,184	174,438	178,799	183,269	187,851	192,547	197,361
	381	158,789	162,759	166,828	170,999	175,274	179,656	184,147	188,751	193,470	198,306
	382	159,583	163,573	167,662	171,854	176,150	180,554	185,068	189,695	194,437	199,298
	383	160,381	164,391	168,501	172,713	177,031	181,457	185,993	190,643	195,409	200,294
	384	161,183	165,213	169,343	173,577	177,916	182,364	186,923	191,596	196,386	201,296
	385	161,989	166,039	170,190	174,445	178,806	183,276	187,858	192,554	197,368	202,302
	386	162,768	166,837	171,008	175,283	179,666	184,157	188,761	193,480	198,317	203,275
	387	163,582	167,672	171,863	176,160	180,564	185,078	189,705	194,448	199,309	204,291
Police Chief	387/PS	164,769	168,888	173,110	177,438	181,874	186,421	191,082	195,859	200,755	205,774
	388	164,400	168,510	172,723	177,041	181,467	186,003	190,653	195,420	200,305	205,313
	389	165,222	169,352	173,586	177,926	182,374	186,933	191,607	196,397	201,307	206,339
	390	166,048	170,199	174,454	178,816	183,286	187,868	192,565	197,379	202,313	207,371
	391	166,846	171,017	175,293	179,675	184,167	188,771	193,490	198,328	203,286	208,368
	392	167,680	171,872	176,169	180,574	185,088	189,715	194,458	199,319	204,302	209,410

EXHIBIT "B"

Executive Management

Annual Salary Revised December 1, 2016	<u>Range</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
	393	168,519	172,732	177,050	181,476	186,013	190,664	195,430	200,316	205,324	210,457
	394	169,361	173,595	177,935	182,384	186,943	191,617	196,407	201,318	206,350	211,509
	395	170,208	174,463	178,825	183,296	187,878	192,575	197,389	202,324	207,382	212,567
	396	171,028	175,304	179,687	184,179	188,783	193,503	198,340	203,299	208,381	213,591
	397	171,883	176,181	180,585	185,100	189,727	194,470	199,332	204,315	209,423	214,659
	398	172,743	177,061	181,488	186,025	190,676	195,443	200,329	205,337	210,470	215,732
	399	173,607	177,947	182,395	186,955	191,629	196,420	201,330	206,364	211,523	216,811
	400	174,475	178,836	183,307	187,890	192,587	197,402	202,337	207,395	212,580	217,895
	401	175,315	179,698	184,190	188,795	193,515	198,353	203,312	208,394	213,604	218,944
	402	176,192	180,596	185,111	189,739	194,483	199,345	204,328	209,436	214,672	220,039
	403	177,073	181,499	186,037	190,688	195,455	200,341	205,350	210,484	215,746	221,139
	404	177,958	182,407	186,967	191,641	196,432	201,343	206,377	211,536	216,824	222,245
	405	178,848	183,319	187,902	192,599	197,414	202,350	207,408	212,594	217,909	223,356
	406	179,709	184,202	188,807	193,527	198,365	203,324	208,407	213,617	218,958	224,432
	407	180,607	185,123	189,751	194,494	199,357	204,341	209,449	214,686	220,053	225,554
	408	181,510	186,048	190,699	195,467	200,354	205,362	210,497	215,759	221,153	226,682
	409	182,418	186,978	191,653	196,444	201,355	206,389	211,549	216,838	222,259	227,815
	410	183,330	187,913	192,611	197,427	202,362	207,421	212,607	217,922	223,370	228,954
	411	184,216	188,821	193,542	198,380	203,340	208,423	213,634	218,975	224,449	230,060
	412	185,137	189,765	194,509	199,372	204,356	209,465	214,702	220,070	225,571	231,211
	413	186,063	190,714	195,482	200,369	205,378	210,513	215,776	221,170	226,699	232,367
	414	186,993	191,668	196,459	201,371	206,405	211,565	216,854	222,276	227,833	233,528
	415	187,928	192,626	197,442	202,378	207,437	212,623	217,939	223,387	228,972	234,696
	416	188,836	193,557	198,396	203,356	208,440	213,651	218,992	224,467	230,079	235,831
	417	189,781	194,525	199,388	204,373	209,482	214,719	220,087	225,590	231,229	237,010
	418	190,730	195,498	200,385	205,395	210,530	215,793	221,188	226,717	232,385	238,195
	419	191,683	196,475	201,387	206,422	211,582	216,872	222,294	227,851	233,547	239,386
	420	192,642	197,458	202,394	207,454	212,640	217,956	223,405	228,990	234,715	240,583
	421	193,573	198,412	203,372	208,457	213,668	219,010	224,485	230,097	235,850	241,746
	422	194,541	199,404	204,389	209,499	214,737	220,105	225,608	231,248	237,029	242,955
	423	195,513	200,401	205,411	210,547	215,810	221,205	226,736	232,404	238,214	244,169
	424	196,491	201,403	206,438	211,599	216,889	222,311	227,869	233,566	239,405	245,390
	425	197,473	202,410	207,471	212,657	217,974	223,423	229,009	234,734	240,602	246,617
City Manager		188,308	197,723	202,666	207,078	213,808	225,000				

EXHIBIT "B"

Annual Salary Revised December 1, 2016	Range	Executive Management (HIRED AFTER JULY 1, 2010)										
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
Assistant to the City Manager*	286	A	93,816	96,161	98,565	101,030	103,555	106,144	108,798	111,518	114,306	117,163
	287	A	94,285	96,642	99,058	101,535	104,073	106,675	109,342	112,075	114,877	117,749
	288	A	94,757	97,125	99,554	102,042	104,593	107,208	109,888	112,636	115,452	118,338
	289	A	95,230	97,611	100,051	102,553	105,116	107,744	110,438	113,199	116,029	118,930
	290	A	95,706	98,099	100,552	103,065	105,642	108,283	110,990	113,765	116,609	119,524
City Clerk*	291	A	96,163	98,567	101,031	103,557	106,146	108,800	111,520	114,308	117,165	120,094
	292	A	96,644	99,060	101,536	104,075	106,677	109,344	112,077	114,879	117,751	120,695
	293	A	97,127	99,555	102,044	104,595	107,210	109,890	112,638	115,453	118,340	121,298
	294	A	97,613	100,053	102,554	105,118	107,746	110,440	113,201	116,031	118,932	121,905
	295	A	98,101	100,553	103,067	105,644	108,285	110,992	113,767	116,611	119,526	122,514
City Clerk/Office Manager*	296	A	98,569	101,033	103,559	106,148	108,802	111,522	114,310	117,168	120,097	123,099
	297	A	99,062	101,539	104,077	106,679	109,346	112,080	114,882	117,754	120,697	123,715
	298	A	99,557	102,046	104,597	107,212	109,893	112,640	115,456	118,342	121,301	124,334
	299	A	100,055	102,557	105,120	107,748	110,442	113,203	116,033	118,934	121,907	124,955
	300	A	100,555	103,069	105,646	108,287	110,994	113,769	116,613	119,529	122,517	125,580
	301	A	101,033	103,559	106,148	108,802	111,522	114,310	117,168	120,097	123,099	126,177
	302	A	101,538	104,077	106,679	109,346	112,079	114,881	117,753	120,697	123,715	126,808
	303	A	102,046	104,597	107,212	109,892	112,640	115,456	118,342	121,301	124,333	127,442
	304	A	102,556	105,120	107,748	110,442	113,203	116,033	118,934	121,907	124,955	128,079
	305	A	103,069	105,646	108,287	110,994	113,769	116,613	119,529	122,517	125,580	128,719
Deputy Director IT*	306	A	103,559	106,148	108,802	111,522	114,310	117,168	120,097	123,100	126,177	129,332
	307	A	104,077	106,679	109,346	112,080	114,882	117,754	120,698	123,715	126,808	129,978
	308	A	104,598	107,213	109,893	112,640	115,456	118,343	121,301	124,334	127,442	130,628
	309	A	105,121	107,749	110,442	113,203	116,033	118,934	121,908	124,955	128,079	131,281
	310	A	105,646	108,287	110,995	113,769	116,614	119,529	122,517	125,580	128,720	131,938
Deputy Director Comm Dev.*	311	A	106,150	108,804	111,524	114,312	117,170	120,099	123,102	126,179	129,334	132,567
	312	A	106,681	109,348	112,082	114,884	117,756	120,700	123,717	126,810	129,981	133,230
	313	A	107,215	109,895	112,642	115,458	118,345	121,303	124,336	127,444	130,631	133,896
	314	A	107,751	110,444	113,206	116,036	118,937	121,910	124,958	128,082	131,284	134,566
Deputy Director Finance;* Deputy Director Admin Serv.*	315	A	108,289	110,997	113,772	116,616	119,531	122,520	125,583	128,722	131,940	135,239
	316	A	108,805	111,525	114,313	117,171	120,100	123,103	126,180	129,335	132,568	135,882
	317	A	109,349	112,083	114,885	117,757	120,701	123,718	126,811	129,981	133,231	136,562
	318	A	109,896	112,643	115,459	118,346	121,304	124,337	127,445	130,631	133,897	137,245
	319	A	110,445	113,206	116,036	118,937	121,911	124,958	128,082	131,285	134,567	137,931
	320	A	110,997	113,772	116,617	119,532	122,520	125,583	128,723	131,941	135,239	138,620
	321	A	111,525	114,313	117,171	120,101	123,103	126,181	129,335	132,569	135,883	139,280
	322	A	112,083	114,885	117,757	120,701	123,719	126,812	129,982	133,231	136,562	139,976
	323	A	112,643	115,459	118,346	121,305	124,337	127,446	130,632	133,898	137,245	140,676
	324	A	113,207	116,037	118,938	121,911	124,959	128,083	131,285	134,567	137,931	141,379
325	A	113,773	116,617	119,532	122,521	125,584	128,723	131,941	135,240	138,621	142,086	
City Engineer*	326	A	114,314	117,172	120,102	123,104	126,182	129,336	132,570	135,884	139,281	142,763
	327	A	114,886	117,758	120,702	123,720	126,813	129,983	133,233	136,563	139,977	143,477
	328	A	115,460	118,347	121,306	124,338	127,447	130,633	133,899	137,246	140,677	144,194
	329	A	116,038	118,939	121,912	124,960	128,084	131,286	134,568	137,932	141,381	144,915
	330	A	116,618	119,533	122,522	125,585	128,724	131,943	135,241	138,622	142,088	145,640
	331	A	117,173	120,102	123,105	126,183	129,337	132,571	135,885	139,282	142,764	146,333
	332	A	117,759	120,703	123,720	126,813	129,984	133,233	136,564	139,978	143,478	147,065
	333	A	118,348	121,306	124,339	127,448	130,634	133,900	137,247	140,678	144,195	147,800
	334	A	118,939	121,913	124,961	128,085	131,287	134,569	137,933	141,382	144,916	148,539

Annual Salary Revised December 1, 2016		Executive Management (HIRED AFTER JULY 1, 2010)										
		<u>Range</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
	335	A	119,534	122,523	125,586	128,725	131,943	135,242	138,623	142,089	145,641	149,282
	336	A	120,103	123,105	126,183	129,338	132,571	135,885	139,282	142,765	146,334	149,992
	337	A	120,703	123,721	126,814	129,984	133,234	136,565	139,979	143,478	147,065	150,742
	338	A	121,307	124,340	127,448	130,634	133,900	137,248	140,679	144,196	147,801	151,496
	339	A	121,913	124,961	128,085	131,287	134,570	137,934	141,382	144,917	148,540	152,253
	340	A	122,523	125,586	128,726	131,944	135,242	138,623	142,089	145,641	149,282	153,014
	341	A	123,107	126,184	129,339	132,572	135,887	139,284	142,766	146,335	149,993	153,743
	342	A	123,722	126,815	129,986	133,235	136,566	139,980	143,480	147,067	150,743	154,512
	343	A	124,341	127,449	130,635	133,901	137,249	140,680	144,197	147,802	151,497	155,285
	344	A	124,962	128,086	131,289	134,571	137,935	141,383	144,918	148,541	152,255	156,061
	345	A	125,587	128,727	131,945	135,244	138,625	142,090	145,643	149,284	153,016	156,841
Community Services Director*	346	A	126,185	129,340	132,573	135,888	139,285	142,767	146,336	149,995	153,744	157,588
	347	A	126,816	129,986	133,236	136,567	139,981	143,481	147,068	150,744	154,513	158,376
	348	A	127,450	130,636	133,902	137,250	140,681	144,198	147,803	151,498	155,286	159,168
	349	A	128,087	131,290	134,572	137,936	141,385	144,919	148,542	152,256	156,062	159,964
	350	A	128,728	131,946	135,245	138,626	142,091	145,644	149,285	153,017	156,842	160,763
Human Resources Director*	351	A	129,341	132,575	135,889	139,287	142,769	146,338	149,996	153,746	157,590	161,530
	352	A	129,988	133,238	136,569	139,983	143,483	147,070	150,746	154,515	158,378	162,337
Community/Econ Dev Director*	353	A	130,638	133,904	137,252	140,683	144,200	147,805	151,500	155,288	159,170	163,149
Finance Director*	354	A	131,291	134,574	137,938	141,386	144,921	148,544	152,258	156,064	159,966	163,965
	355	A	131,948	135,246	138,628	142,093	145,646	149,287	153,019	156,844	160,766	164,785
	356	A	132,578	135,892	139,289	142,771	146,341	149,999	153,749	157,593	161,533	165,571
	357	A	133,240	136,571	139,986	143,485	147,072	150,749	154,518	158,381	162,341	166,399
	358	A	133,907	137,254	140,686	144,203	147,808	151,503	155,291	159,173	163,152	167,231
	359	A	134,576	137,941	141,389	144,924	148,547	152,261	156,067	159,969	163,968	168,067
	360	A	135,249	138,630	142,096	145,648	149,290	153,022	156,847	160,769	164,788	168,908
	361	A	135,895	139,293	142,775	146,344	150,003	153,753	157,597	161,537	165,575	169,715
Public Works Director;*	362	A	136,575	139,989	143,489	147,076	150,753	154,522	158,385	162,344	166,403	170,563
Finance/Admin Services Director*	363	A	137,258	140,689	144,206	147,811	151,507	155,294	159,177	163,156	167,235	171,416
	364	A	137,944	141,393	144,927	148,551	152,264	156,071	159,973	163,972	168,071	172,273
	365	A	138,634	142,099	145,652	149,293	153,026	156,851	160,773	164,792	168,912	173,134
	366	A	139,297	142,779	146,349	150,007	153,758	157,602	161,542	165,580	169,720	173,963
	367	A	139,993	143,493	147,080	150,757	154,526	158,390	162,349	166,408	170,568	174,832
	368	A	140,693	144,211	147,816	151,511	155,299	159,182	163,161	167,240	171,421	175,707
	369	A	141,397	144,932	148,555	152,269	156,076	159,977	163,977	168,076	172,278	176,585
	370	A	142,104	145,656	149,298	153,030	156,856	160,777	164,797	168,917	173,140	177,468
	371	A	142,784	146,354	150,013	153,763	157,607	161,547	165,586	169,726	173,969	178,318
Public Works Director/Eng*	372	A	143,498	147,086	150,763	154,532	158,395	162,355	166,414	170,574	174,839	179,210
	373	A	144,216	147,821	151,517	155,304	159,187	163,167	167,246	171,427	175,713	180,106
	374	A	144,937	148,560	152,274	156,081	159,983	163,983	168,082	172,284	176,591	181,006
Assistant City Manager*	375	A	145,661	149,303	153,036	156,861	160,783	164,802	168,923	173,146	177,474	181,911
	376	A	146,360	150,019	153,769	157,613	161,554	165,593	169,732	173,976	178,325	182,783
Assistant City Manager/ Finance/Admin Services Director*	377	A	147,091	150,769	154,538	158,401	162,361	166,421	170,581	174,846	179,217	183,697
	378	A	147,827	151,523	155,311	159,193	163,173	167,253	171,434	175,720	180,113	184,616
	379	A	148,566	152,280	156,087	159,989	163,989	168,089	172,291	176,598	181,013	185,539
	380	A	149,309	153,042	156,868	160,789	164,809	168,929	173,153	177,481	181,918	186,466
	381	A	150,025	153,776	157,621	161,561	165,600	169,740	173,984	178,333	182,791	187,361
	382	A	150,776	154,545	158,409	162,369	166,428	170,589	174,853	179,225	183,705	188,298
	383	A	151,529	155,318	159,201	163,181	167,260	171,442	175,728	180,121	184,624	189,240

Annual Salary Revised December 1, 2016	Range	Executive Management (HIRED AFTER JULY 1, 2010)										
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
	384	A	152,287	156,094	159,997	163,997	168,096	172,299	176,606	181,022	185,547	190,186
	385	A	153,049	156,875	160,797	164,817	168,937	173,160	177,489	181,927	186,475	191,137
Police Chief*	386	A	153,784	157,628	161,569	165,608	169,749	173,992	178,342	182,801	187,371	192,055
	387	A	154,553	158,417	162,377	166,436	170,597	174,862	179,234	183,715	188,307	193,015
	388	A	155,325	159,209	163,189	167,269	171,450	175,737	180,130	184,633	189,249	193,980
	389	A	156,102	160,005	164,005	168,105	172,308	176,615	181,031	185,556	190,195	194,950
	390	A	156,883	160,805	164,825	168,945	173,169	177,498	181,936	186,484	191,146	195,925
	391	A	157,637	161,578	165,617	169,758	174,002	178,352	182,811	187,381	192,065	196,867
	392	A	158,425	162,386	166,445	170,607	174,872	179,244	183,725	188,318	193,026	197,851
	393	A	159,217	163,198	167,278	171,460	175,746	180,140	184,643	189,259	193,991	198,841
	394	A	160,013	164,014	168,114	172,317	176,625	181,041	185,567	190,206	194,961	199,835
	395	A	160,813	164,834	168,955	173,179	177,508	181,946	186,494	191,157	195,936	200,834
	396	A	161,588	165,627	169,768	174,012	178,362	182,821	187,392	192,077	196,879	201,801
	397	A	162,396	166,455	170,617	174,882	179,254	183,736	188,329	193,037	197,863	202,810
	398	A	163,207	167,288	171,470	175,757	180,151	184,654	189,271	194,002	198,852	203,824
	399	A	164,024	168,124	172,327	176,635	181,051	185,578	190,217	194,972	199,847	204,843
	400	A	164,844	168,965	173,189	177,519	181,957	186,505	191,168	195,947	200,846	205,867
	401	A	165,638	169,779	174,023	178,374	182,833	187,404	192,089	196,891	201,814	206,859
	402	A	166,466	170,628	174,893	179,266	183,747	188,341	193,050	197,876	202,823	207,893
	403	A	167,298	171,481	175,768	180,162	184,666	189,283	194,015	198,865	203,837	208,933
	404	A	168,135	172,338	176,647	181,063	185,589	190,229	194,985	199,860	204,856	209,977
	405	A	168,976	173,200	177,530	181,968	186,517	191,180	195,960	200,859	205,880	211,027
406	A	169,790	174,035	178,386	182,846	187,417	192,102	196,905	201,827	206,873	212,045	
407	A	170,639	174,905	179,278	183,760	188,354	193,063	197,889	202,837	207,908	213,105	
408	A	171,493	175,780	180,174	184,679	189,296	194,028	198,879	203,851	208,947	214,171	
409	A	172,350	176,659	181,075	185,602	190,242	194,998	199,873	204,870	209,992	215,242	
410	A	173,212	177,542	181,981	186,530	191,193	195,973	200,873	205,894	211,042	216,318	
411	A	174,048	178,399	182,859	187,430	192,116	196,919	201,842	206,888	212,060	217,362	
412	A	174,918	179,291	183,773	188,368	193,077	197,904	202,851	207,923	213,121	218,449	
413	A	175,793	180,187	184,692	189,309	194,042	198,893	203,866	208,962	214,186	219,541	
414	A	176,672	181,088	185,616	190,256	195,012	199,888	204,885	210,007	215,257	220,639	
415	A	177,555	181,994	186,544	191,207	195,987	200,887	205,909	211,057	216,334	221,742	
416	A	178,413	182,873	187,445	192,131	196,934	201,858	206,904	212,077	217,379	222,813	
417	A	179,305	183,787	188,382	193,092	197,919	202,867	207,939	213,137	218,466	223,927	
418	A	180,201	184,706	189,324	194,057	198,909	203,881	208,978	214,203	219,558	225,047	
419	A	181,102	185,630	190,271	195,027	199,903	204,901	210,023	215,274	220,656	226,172	
420	A	182,008	186,558	191,222	196,003	200,903	205,925	211,073	216,350	221,759	227,303	
421	A	182,888	187,460	192,147	196,950	201,874	206,921	212,094	217,396	222,831	228,402	
422	A	183,802	188,397	193,107	197,935	202,883	207,955	213,154	218,483	223,945	229,544	
423	A	184,721	189,339	194,073	198,925	203,898	208,995	214,220	219,576	225,065	230,692	
424	A	185,645	190,286	195,043	199,919	204,917	210,040	215,291	220,674	226,190	231,845	
425	A	186,573	191,238	196,018	200,919	205,942	211,090	216,368	221,777	227,321	233,004	
City Manager*	A	188,308	197,723	202,686	207,078	213,808	225,000					

*HIRED AFTER JULY 1, 2010



City Council Agenda Report

Meeting Date: July 17, 2017

TO: HONORABLE MAYOR & COUNCILMEMBERS

FROM: CITY MANAGER
By: Mel Shannon, Director of Finance

SUBJECT: APPROPRIATIONS LIMIT FOR FY 2017-2018

SUMMARY RECOMMENDATION:

Approve and adopt a resolution establishing the Appropriation Limit for the Fiscal Year commencing July 1, 2017, and ending June 30, 2018, pursuant to Article XIII B of the Constitution of the State of California.

DISCUSSION:

In November 1979, the voters of the State of California approved Proposition 4 which created Article XIII B of the State Constitution. Article XIII B was further amended by Proposition 111 which was approved by the voters in June 1990. Article XIII B established a limit on the amount of tax proceeds which can be appropriated by all entities of government.

Pursuant to Article XIII B of the State Constitution, the appropriation limit is adjusted annually for inflation and population factors. The City's appropriation limit has changed by 3.82 percent compared to last fiscal year and was calculated by multiplying the 3.69 percent change in the statewide per capita personal income, by the 0.13 percent change in City's population since last year and applying the resulting growth factor against the prior fiscal year's appropriation limit. The growth factors were provided by the State Department of Finance.

Pursuant to Section 7910 of the Government Code of the State of California, the City Council is required to approve the Appropriation Limit by resolution. Section 7910 further requires that fifteen (15) days prior to the meeting that the resolution is adopted, documentation used in the determination of the appropriation limit and other necessary determinations shall be available to the public; as such, an initial draft of the attached report of Appropriation Limit Calculations was submitted to the City Clerk on June 1, 2017. Although not required to do so by law, the City published a notice indicating the filing and availability for review of this report.

Agenda Item No. _____

Meeting Date: 7/17/17

For Fiscal Year 17/18, the appropriations limit has been calculated to be \$62,938,719 and the City's tax proceeds subject to the appropriations limit are \$32,412,844. The City of La Habra has a remaining appropriations capacity of \$30,525,874 or 48.50 percent of the appropriations limit.

FISCAL IMPACT / SOURCE OF FUNDING:

There is no fiscal impact associated with establishment of the Appropriations Limit and/or adoption of the recommended resolution.

GENERAL PLAN RELEVANCE:

ED 9.1 – Balanced Fiscal Practices

RECOMMENDATION / REQUESTED ACTION:

APPROVE AND ADOPT RESOLUTION NO. _____ ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ESTABLISHING THE APPROPRIATION LIMIT IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA FOR THE FISCAL YEAR COMMENCING JULY 1, 2017 AND ENDING JUNE 30, 2018, AND AMENDING RESOLUTION NO. 5757.

- ATTACHMENTS:**
1. Revenue Classification
 2. Comparison of Appropriations Subject to Limit and the Appropriations Limit
 3. Department of Finance Price & Population Notification
 4. Resolution establishing the FY 2017-2018 Appropriation Limit pursuant to Article XIII B of the Constitution of the State of California.
 5. Legal Publication

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA ESTABLISHING THE APPROPRIATION LIMIT IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND ENDING JUNE 30, 2018, AND AMENDING RESOLUTION NO. 5757

WHEREAS, the City Council of the City of La Habra is required pursuant to the provisions of Article XIII B of the Constitution of the State of California to establish its appropriation limit by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA HABRA AS FOLLOWS:

1. That, pursuant to Article XIII B, Section 1, of the Constitution of the State of California and Section 7900-7914 of the Government Code of the State of California, the City appropriation limit must be adjusted for changes from the base year of 1986-87 to the fiscal year ending June 30, 2017, by the changes in the California per capita personal income and the changes in population.
2. That the California Department of Finance has notified the City of the change in the California per capita personal income and such change is 3.69 percent from the prior calendar year.
3. That the California Department of Finance has notified the City of the change in City population and such change is 0.13 percent from the prior calendar year.
4. That the appropriation limit for the fiscal year ending June 30, 2018, is \$62,938,719.
5. That, pursuant to Section 7910 of the Government Code of the State of California, the appropriation limit documentation applicable to this Resolution has been available for public inspection for at least fifteen (15) days prior to approval by the City Council.
6. That the City Council of the City of La Habra reserves the right to change or revise any growth factors associated with the calculation of the appropriation limit if such changes or revisions would result in a more advantageous appropriation limit.
7. This resolution shall take effect immediately.
8. That the City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 17th day of July, 2017.

ATTEST:

ROSE ESPINOZA, MAYOR

Tamara D. Mason, MMC, City Clerk

STATE OF CALIFORNIA)
CITY OF LA HABRA) ss
COUNTY OF ORANGE)

I, Tamara D. Mason, City Clerk for the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. _____ introduced and adopted at a Regular Meeting of the City Council of the City of La Habra held on the 17th day of July, 2017, by the following roll call vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Witness by hand and the official seal of the City of La Habra this _____ day of July, 2017.

Tamara D. Mason, MMC, City Clerk

**Attachment 1
Revenue Classification**

Revenue Source 2017 - 2018 Budget (Adopted)	Tax Revenues	Non-Tax Revenues	Total Revenues
Taxes:			
Property Taxes	16,233,108		16,233,108
Sales and Use Taxes	10,448,889		10,448,889
Transactions and Use Taxes	5,358,000		5,358,000
Franchise Fees:		1,585,000	1,585,000
Licenses & Permits:			
Business License	335,000		335,000
All Other		727,770	727,770
Fees & Charges:		2,926,202	2,926,202
Other Revenue:			
Fines		1,069,099	1,069,099
Other Cost Recovery Revenue		-	-
Revenue from Other Agencies:			
None		-	-
Use of Money & Property:		2,416,112	2,416,112
Other Revenue:			
Contracts		131,487	131,487
Cost Reimbursements		262,612	262,612
Other Revenue		1,277,339	1,277,339
Subtotal:	32,374,997	10,395,621	42,770,618
% of Total:	75.7%	24.3%	100%
Interest Income-Gain/Loss Allocation	37,847	12,153	50,000
Total General Revenue	32,412,844	10,407,774	42,820,618
Total Other Funds		24,566,330	24,566,330
Total All Funds	32,412,844	34,974,104	67,386,948

**Attachment 2
Comparison of Appropriations Subject to Limit and the Appropriations Limit**

Appropriations Subject to the Limit	
Fiscal Year 2017 - 2018 Projected General Fund Revenues	\$42,820,618
Less:	
Non-Tax Proceeds	(\$10,407,774)
Plus:	
User Fees in Excess of Costs	\$0
Total Appropriations Subject to the Limit	\$32,412,844

The Appropriation Limit	
Fiscal Year 2016 - 2017 Appropriation Limit	\$60,620,122

A. Cost of Living Adjustment - CPI *	1.0369
B. Population Adjustment **	1.0013
Change Factor (A multiplied B)	1.0382

Increase/(Decrease) in the Appropriation Limit	\$2,318,597
Percentage change compared to the prior fiscal year limit	3.82%

Fiscal Year 2017 - 2018 Appropriation Limit	\$62,938,719
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Remaining Appropriation Capacity	\$30,525,874
Available capacity as a percent of the appropriation limit	48.50%

Notes (Data reported by the State Department of Finance):

* Based on percentage change in California per capita personal income.

** Based on annual population change for the City of La Habra.