

Fiscal Year  
**2018-19**



City of Simi Valley  
**BUDGET IN BRIEF**

## A MESSAGE FROM YOUR CITY MANAGER

I am presenting the "Budget in Brief" summary of the City's Adopted Budget for Fiscal Year 2018-19.

As has been the case in recent years, the budget has been difficult to balance. While revenues are increasing in some areas, others are reduced or taken away. Despite substantive efforts among departments to reduce their variable costs such as supplies, equipment, and training, other costs such as materials and personnel continue to increase. In order to streamline our business processes, we continue to invest in technology and training.

The Adopted Budget as presented utilizes a combination of revenues, a loan repayment, a combination of freezing positions and eliminating positions, and implementing fee increases. In addition, the City Council took multiple actions over the last two years to create future revenues and cost savings. This includes investment in energy efficiency technology, street light acquisition and LED conversion which will provide long term savings beginning in 2019, and leasing a city facility to Kaiser resulting in over \$400,000 in new revenue per year in future budget years.

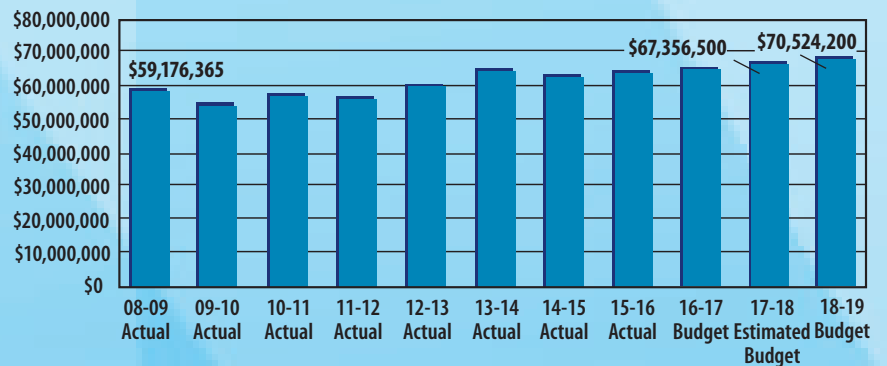
While the above items have helped to create a budget which meets maintaining the 17% Prudent Reserve, I believe that we need to continue to look at and reduce our expenditures as well as continue to look at alternative revenues as we enter the Mid-fiscal Year Budget review in January.

I continue to look forward to working with the City Council on how the City can structure the budget to maintain its financial position.

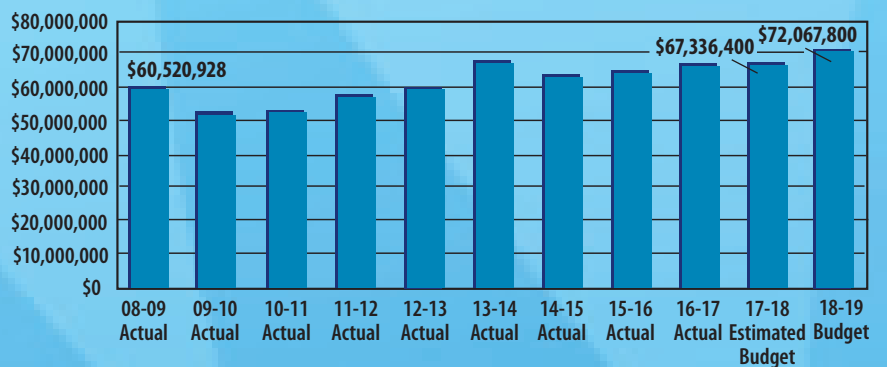
ERIC J. LEVITT

## GENERAL FUND

### General Fund Revenue History FY 2008-09 to FY 2018-19



### General Fund Expenditure History FY 2008-09 to FY 2018-19



## 2017-18 Accomplishments

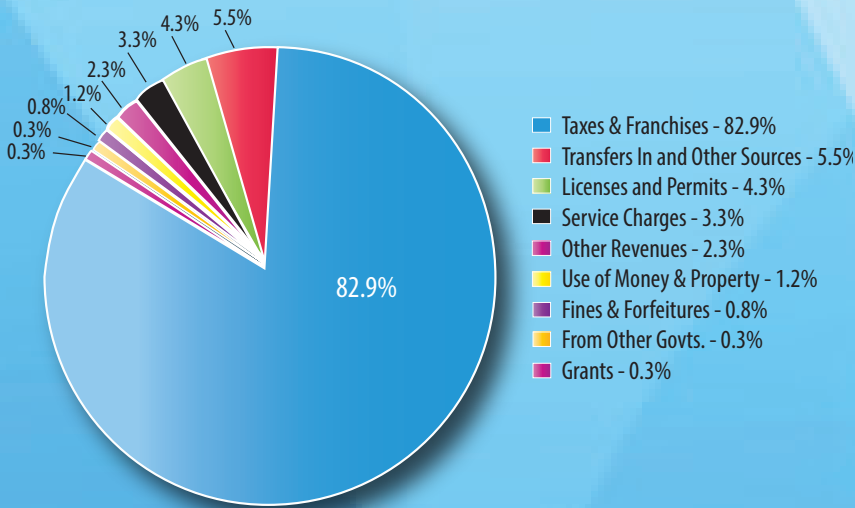
- Cleaned 600 storm drain catch basins equipped with connector pipe screens removing approximately 30 tons of trash, sediment, and landscape debris from entering the storm drain system four times during the year.
- Submitted a successful modification increase request to FEMA providing a 20% discount for the community's flood insurance premium of \$316,000 per year beginning May 1, 2018.
- Completed the installation of enhanced "ladder" style crosswalks at 46 intersections in school areas and restriping of 19 streets.
- Initiated a re-evaluation of various landscape maintenance district contracts throughout the City in an effort to reduce long-term maintenance and utility costs, and reduce augmentation from the General Fund.
- Removed and replaced over 1,500 feet of damaged sidewalks and 1,000 feet of curb and gutter.
- Completed replacement of 144 high ceiling light bulbs with LED bulbs at the Simi Valley Public Library.
- Replaced the multi-purpose room floor at the Senior Center.
- Abated over 2,600 violations of the Simi Valley Municipal Code, which resulted in excess of \$10,000 in permit, civil fine, and court adjudicated fine revenue.
- Increased meal service by 7% over the last fiscal year, serving close to 48,000 meals to seniors in our community.
- Maintained an average response time of less than 4.2 minutes for emergency calls and less than 17.7 minutes for routine calls from July 1, 2017 to February 1, 2018.

# FY 18-19 GENERAL FUND EXPENDITURES BY CATEGORY

(Net of Transfers and Reimbursements)



## FY 18-19 General Fund Resources \$70,524,200

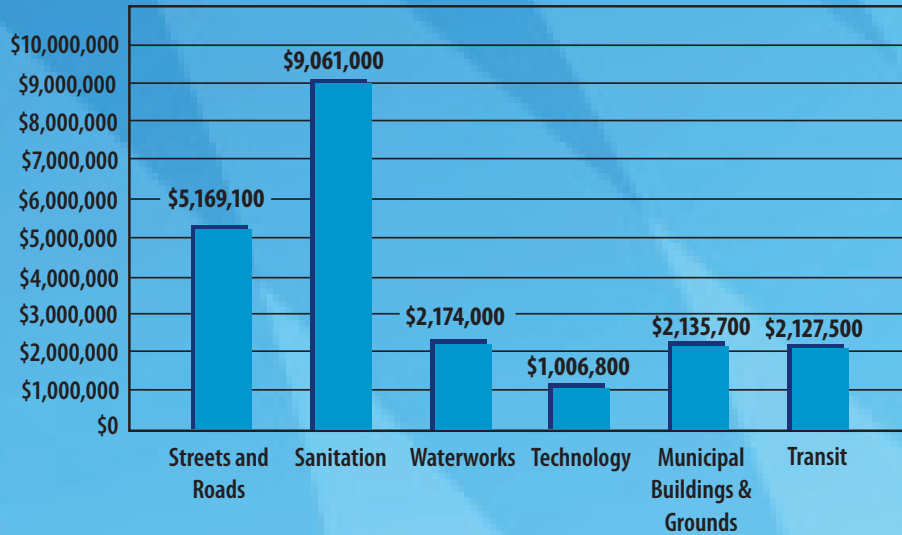


Please remember that the City gets approximately 12 cents for every dollar of property tax paid; if you pay a \$3,000 tax bill, the City gets approximately \$360 for City services while other public entities such as Ventura County, the local school district, the fire protection district, Ventura Community Colleges, and the Rancho Simi Recreation and Park District divide up the remainder.

The graphic below shows the total and per capita cost of the City's primary services by department. As can be seen, the Police Department gets over \$35 million of the City's General Fund which amounts to approximately \$281 per year per person living in Simi Valley. That means a family of four in Simi Valley gets police protection for \$1,124 for the year. Similarly, Public Works services including streets maintenance, streetlights, engineering review of new developments, and much more costs \$122 per person or \$488 per year for a family of four.



# CAPITAL IMPROVEMENT PROJECTS SUMMARY BY CATEGORY



There are 101 projects in the five-year capital budget, with 47 requesting funding in FY2018-19. There is a total funding request of \$21,674,100 for projects in the next fiscal year with the most funding going towards Sanitation Projects. Streets and Roads are the second most funded category this year. Of the \$5.1M proposed, \$2.9 million is for resurfacing residential streets throughout the City. Most of the streets funding is coming from State Transportation Grant funds.

We are investing in our infrastructure with sewerline rehabilitation, building upgrades, street resurfacing, and the purchase of the street lights from Southern California Edison with a subsequent conversion to LED technology. We are also continuing to invest in technology with our new Enterprise Resource Planning System.

## CalPERS Pension Liabilities

Increasingly, public discussion has focused on the level of funding set aside by cities to pay for employee pensions. CalPERS pensions are a combination of employee/employer contributions plus market returns. The City's long-term strategy is to become 100% funded within 20-30 years. The City of Simi Valley's pension liability for Miscellaneous unit employees as of 6/30/16 was funded at 67.6%. Pensions for Sworn unit employees were funded at 65.9%.

CalPERS changed its discount rate and payment methodology in 2017-18, with the City's payments now structured into a flat-rate payment toward the unfunded liability plus the variable annual contribution. CalPERS recently announced the shortening of their amortization period from 30 years to 20 years. This change will significantly impact the City's costs, requiring increased up-front payments. However, the full extent of the change is not determined as of this document's publication date.

## Estimated City CalPERS Payments

|               | 2018-19             | 2019-20             | 2020-21             | 2021-22             | 2022-23             | 2023-24             |
|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Miscellaneous | \$5,860,113         | \$6,619,097         | \$7,418,346         | \$8,089,451         | \$8,698,557         | \$9,172,836         |
| Safety        | \$8,022,924         | \$9,233,960         | \$10,349,235        | \$11,423,492        | \$12,347,666        | \$13,035,167        |
| <b>Total</b>  | <b>\$13,883,037</b> | <b>\$15,853,057</b> | <b>\$17,767,580</b> | <b>\$19,512,943</b> | <b>\$21,046,223</b> | <b>\$22,208,003</b> |