

City of Rancho Cucamonga

Fiscal Year 2020/21
Proposed Budgets

Budget Study Session
June 11, 2020





The Roaring 20s –
Pandemics, Business Closures and the
Fiscal Year 2020/21 Budget



2019 Budget Message Recap

- Locally:
 - Real estate was once again at an all-time peak
 - RC unemployment in March 2019 was 3.20%
 - Employment reached an all-time peak
 - Housing continued to be a driver for local growth
- 2020 seemed to be off to a good start, until the end of February 2020



COVID-19 Global Pandemic

- First known health-related impacts occurred on February 29th
- Within weeks, state and regional lock downs occurred in an effort to limit the spread of the virus – “flattening the curve”
- Transitioned from a health care crisis to a full-blown economic disaster



2020 Local Economic Forecast

- Early 1920s were know as the Roaring Twenties
 - Dramatic social and political change
 - A time of huge growth as the wealth of the nation more than doubled
 - The “consumer society” which exists to this day came into being
 - Anti-immigrant hysteria
 - Economy eventually collapsed in the Great Depression
 - An economic contraction still remembered some hundred years later and ended with the advent of WWII



2020 Local Economic Forecast

- Early 2020s started off much the same
 - Dramatic political change with increasing polarization and tribalism
 - Consumer society run rampant
 - Anti-immigrant hysteria was on the rise
 - Longest modern period of economic expansion since WWII
- Coronavirus brought it all crashing to a halt with an economic contraction unmatched in its breadth, depth and ferocity



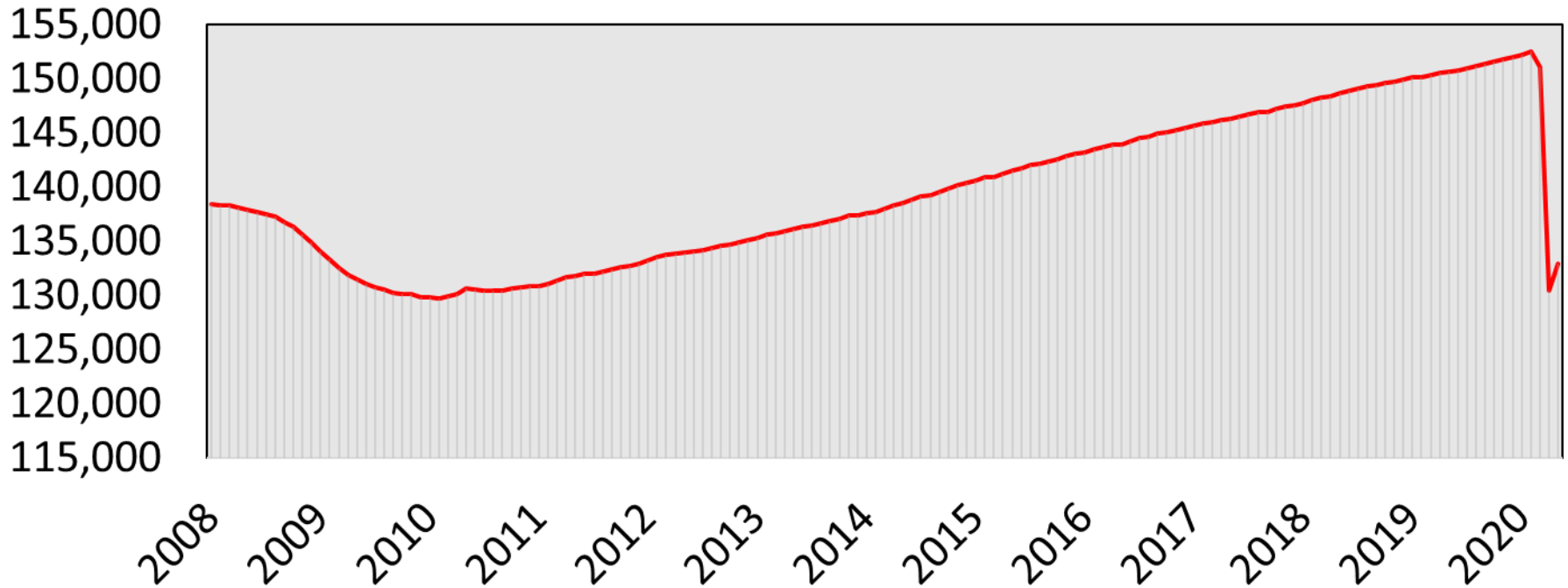
2020 Local Economic Forecast

- Recent job losses have equaled or exceeded levels in less than two months which would have taken two years or more in prior crises
- Reversal of capital spending happened in four weeks or less at a level that in the 2008-09 global crisis took a full year



All Employees-US, Thousands

Bureau of Labor Statistics



2020 Local Economic Forecast

- During 2008-09, the biggest impacts of the financial crisis fell on developed markets and emerging markets were largely spared the worst of things
- This current crisis is literally impacting the entire world, regardless of development level
- Experts reasonably predict that the recovery to 2019 per capita GDP levels could take five years or more



2020 Local Economic Forecast

Regional Economy

- There is little precedent for this current downturn
- The longer the current business closures continue, the greater the damage
 - Businesses and families will fall behind on financial obligations which can result in further negative consequences down the road
 - Lack of consumer and business spending is disrupting global supply chains which can have major downstream consequences for business recovery
 - Many businesses will not return; becomes clearer every day



2020 Local Economic Forecast

Regional Economy

- BUT, the economy was relatively healthy before this began, with no major structural bubbles
- Will see a shakeout in stressed sectors like restaurants and the move to more online retail is likely to accelerate
- Second half of the year
 - Slowdown in business investment
 - Long-term business travel is likely to change
- Full recovery will take at least until 2022, and likely longer with setbacks along the way



2020 Local Economic Forecast

Local Hospitality Sector

- Hospitality market: Two-scenario forecast
 - Quick V-shaped recovery (optimistic)
 - Longer U-shaped recovery (pessimistic)
- Best-case scenario
 - Travel restrictions lifted in July 2020
 - Recovery period begins in late 2020 into early 2021
- Worst-case scenario
 - Travel restrictions not really lifted until December 2020
 - Recovery period doesn't begin until the first quarter of 2021



2020 Local Economic Forecast

Local Hospitality Sector

- Key variable – business travel
 - In past recessions, business travel led the way to recovery first, followed later by leisure travel
 - If current pandemic sparks a more permanent use of virtual solutions as a replacement for some amount of business travel, the recovery will be delayed
 - Locations which are dependent on business travel may take longer to recover
- For FY 2018/19, Rancho Cucamonga budgeted \$4.5 million in TOT (General Fund's fifth largest revenue source)



2020 Local Economic Forecast

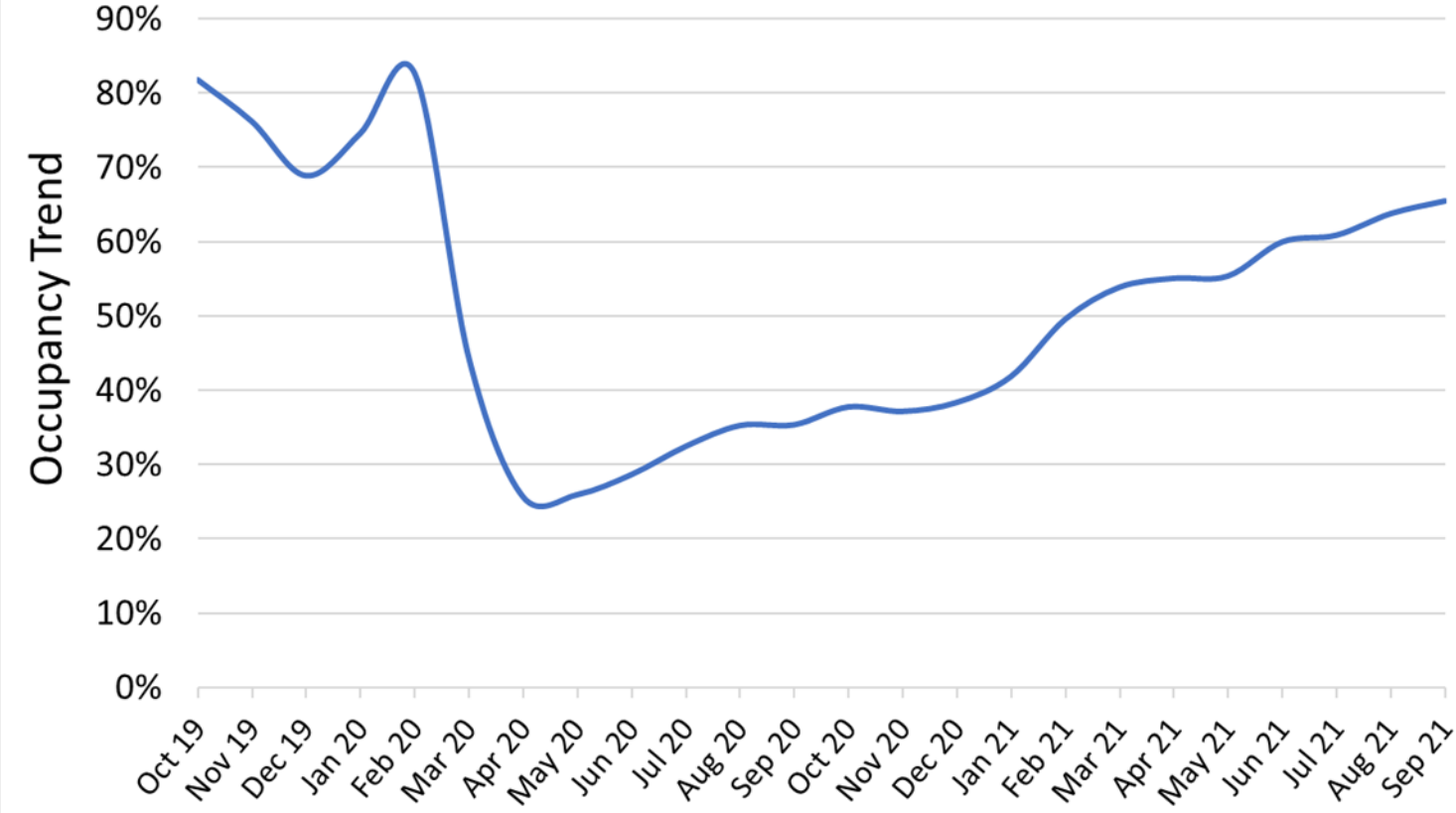
Local Hospitality Sector

- GOCVB customized a report for Rancho Cucamonga and Ontario hotels
- Historic activity (2012): Occupancy in the low 70% range, ADR of \$100.00
- Forecast for 2020: Occupancy in the mid-40% range, ADR of \$115.00
- Occupancy and room rates will not likely recover until the latter part of calendar year 2022
 - Revenue per average room will likely be somewhere around what it was between 2012 and 2016



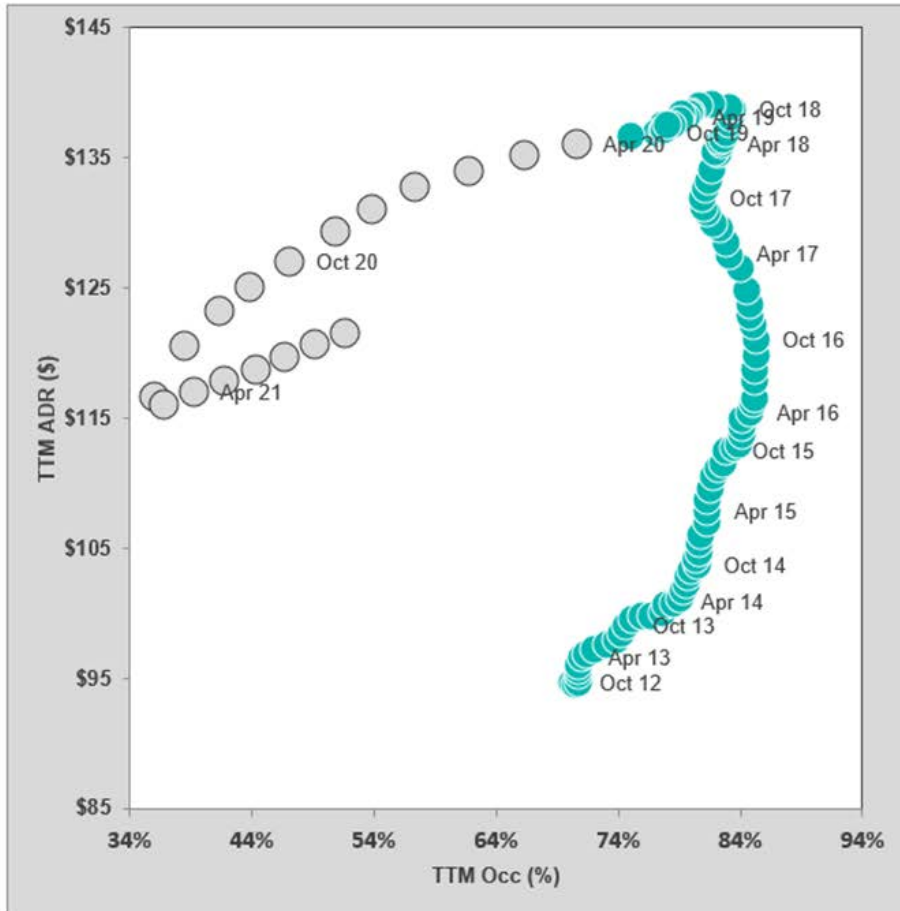
Monthly Forecast - Ontario CVB

City of Rancho Cucamonga, CA



RevPAR Cycle - Ontario CVB - City of Rancho Cucamonga, CA

May, 2020



- Legend**
- Historical Data
 - Forecasted Data

New hotels are under construction:

- Hampton Inn (Hilton)
- Tapestry Hotel (Hilton)



CITY OF RANCHO CUCAMONGA

Scope of Local Revenue Loss

Transient Occupancy Tax (TOT)

- TOT for FY 2020/21 is projected at \$1.83 million, which compares to \$1.84 million adopted in the FY 2012/13 budget
- Represents eight years of revenue gains lost in less than three months
- In 2012/13, the City had nearly 1/3 fewer hotels than it does now
- Last year, for comparison, budgeted TOT revenues were \$4.61 million



2020 Local Economic Forecast

Local Sales Tax

- HdL Companies (HdL) provides sales tax consulting
 - Forecasted revenues assumes the stay-at-home order is lifted at the end of May 2020
 - Many marginal or overly leveraged businesses will not survive shutdown even with federal subsidies
 - A return to previous spending levels is not anticipated to happen immediately but will evolve over time
 - HdL's models assume the virus is largely contained by the end of September and tax declines bottom out in early 2021
 - A prolonged recovery (late 2023 or early 2024) is possible, and likely



2020 Local Economic Forecast

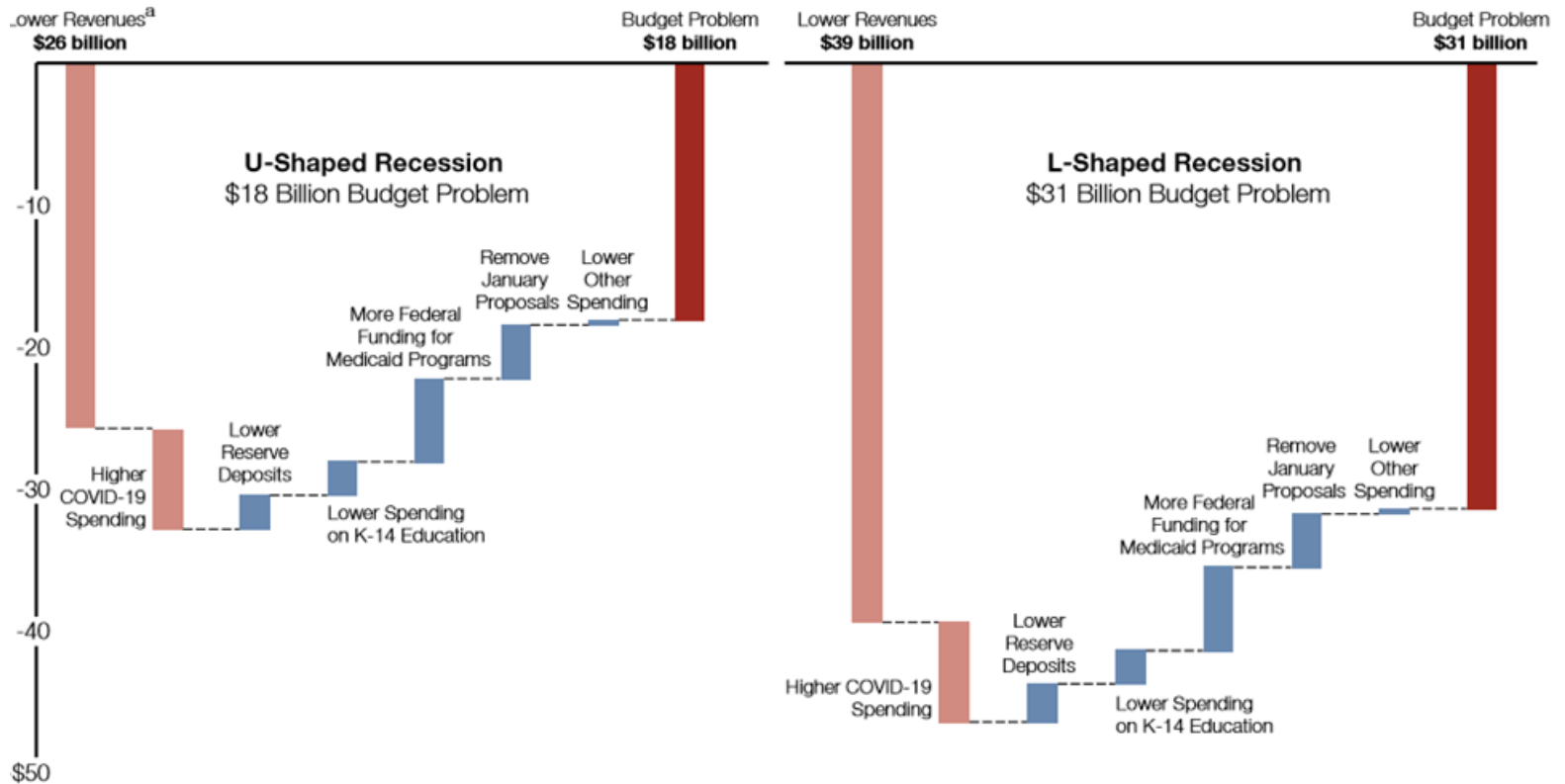
State Budget

- A major impact on local recovery is the health of the State budget
- Governor is projecting a State budget deficit of \$54 million with continuing deficits until FY 2023/24
- Legislative Analyst's Office (LAO) estimates the State is currently in a deep recession, the impacts of which depend on its depth and duration
- LAO forecasts two middle of the road scenarios
 - U-shaped recovery
 - L-shaped recovery



Calculating the Budget Problem

(In Billions)



^a Net of SFEU balance and federal reimbursements

COVID-19 = coronavirus disease 2019 and SFEU = Special Fund for Economic Uncertainties.



2020 Local Economic Forecast

State Budget

- Depending on the recovery scenario used, the State budget problem is \$18 billion to \$31 billion in scope
- All predictions agree the State fiscal challenges will not likely end soon, extending well beyond the end of the pandemic
- Budget reserves for California are ~\$16 billion – will help with a recovery but are insufficient to plug the budget hole
- Legislature just passed a budget that kicks can down the road until October 2020



2020 Local Economic Forecast

State Budget

- It will be difficult for local agencies to prosper while the State is in trouble
 - For California's public schools, Governor Newsom's budget proposes a \$6.5 million cut to schools' main source of funding as well as other reductions
 - Single-year reductions to public education are equal to or greater than the Great Recession a decade ago
 - Proposed cuts will arrive as schools expect to incur additional physical and labor related costs to safely reopen their doors in the fall or next spring
 - 7 in 10 California schools were spending more money than they were receiving before the pandemic



Scope of Local Revenue Loss

Sales tax revenue

- FY 2020/21 is estimated at \$28.74 million, compared to FY 2019/20's budget at \$32.55 million
 - Sales tax revenue in FY 2016/17 was \$28.86 million
- Sales tax is Rancho Cucamonga's largest revenue source
- Main areas of impact are General Consumer Goods, Restaurants and Hotels, Building and Construction, and Fuel and Service Stations – all of which are forecast to be down approximately 20% for FY 2020/21



Scope of Local Revenue Loss

Sales tax revenue

- Essentially, Rancho Cucamonga has lost approximately four years of sales tax gains
 - Similar to losses incurred during the Great Recession in 2008-2010
 - Similar to first full year of revenue from Victoria Gardens
- For each month businesses were closed down during March and April 2020, the City was losing over \$1 million per month in taxable sales
- Of particular concern is the impact of the shutdown on already struggling brick and mortar retailers



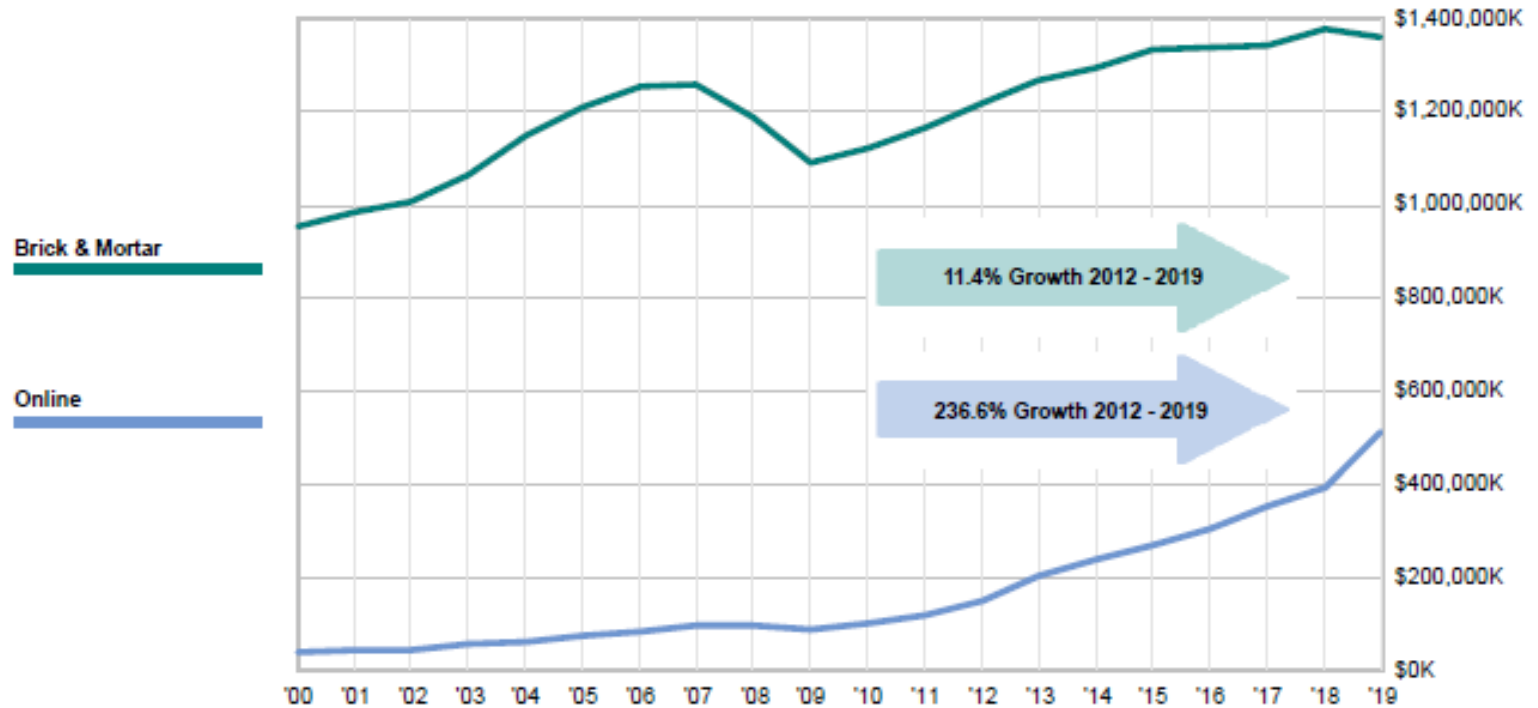
Scope of Local Revenue Loss

Sales tax revenue

- Some of the early impacts of this pending retail implosion include:
 - Hertz, JCPenney, Neiman Marcus, Pier 1, AMC Theater and Tuesday Morning filed for bankruptcy
 - Macy's and Zales are teetering on bankruptcy
 - Victoria's Secret/Pink is closing 25% of its stores
 - TGI Friday's, Red Robin, Starbucks and GNC are closing locations
- This decline hits at the same time as another trend, which is the shift to online sales



Local 1% Sales Tax by Calendar Year



Brick & Mortar - Statewide General Consumer Goods from Point-of-Sale locations

Online - Statewide General Consumer Goods from Fulfillment Centers and County Use-Tax Pool Allocations



Scope of Local Revenue Loss

Other revenues

- Cities have experienced direct revenue losses on a scale (breadth) and scope (depth) not seen before
 - Lost recreation and cultural arts fees
 - Lost planning/building/engineering fees and permits
 - Lost parking revenue
 - Lost business licensing revenue
 - Lost electricity and water charges
 - Lost franchise fees for utilities and refuse
 - Lost utility user charges



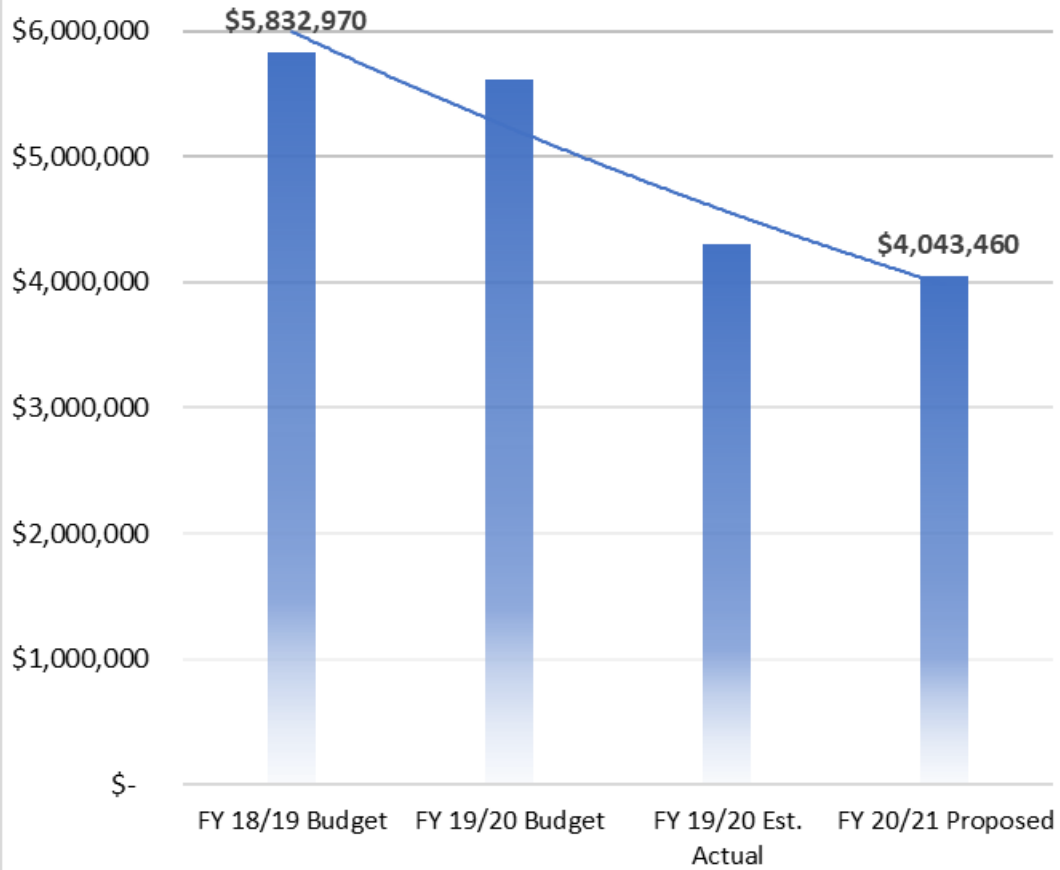
Personnel Costs and Staffing Levels

Part-time staff

- FY 2019/20 Budget: 178 FTEs for part-time staff
- FY 2020/21 Budget: 122 FTEs (32% reduction)
 - 60 FTEs are conditional
- Salaries for part-time staff were reduced \$1.3 million for FY 2019/20
- Salaries for part-time staff for FY 2020/21 are down nearly \$1.6 million from adopted to proposed
 - \$2.9 million is staffing for CSD and the Library which is conditional upon a lifting of the current health orders impacting mass gatherings



PART-TIME SALARIES - ALL FUNDS



Personnel Costs and Staffing Levels

Full-time staff

- Full-time staff have also been negatively impacted
- FY 2019/20 FTEs: 387, excluding Fire District
- FY 2020/21 FTEs: 349, excluding Fire District
- Budgeted positions decreased by 38 positions overall, one position was previously eliminated during FY 2019/20 as part of a departmental restructuring
 - 10% reduction



SUMMARY OF FULL-TIME PERSONNEL REDUCTIONS

<u>Proposed Action</u>	<u>Status</u>	<u>Position</u>	<u>Number of Positions</u>	<u>Bargaining Unit</u>	<u>Department</u>	<u>Savings/ (Cost)</u>
Fully Defund	Vacant	Administrative Assistant	1.0	General	Animal Care and Services	\$ 71,030
Fully Defund	Vacant	Animal Caretaker	1.0	General	Animal Care and Services	74,290
Fully Defund	Vacant	Animal Services Officer II	1.0	General	Animal Care and Services	101,730
Fully Defund	Vacant	Administrative Assistant	1.0	General	Building and Safety Services	71,030
Fully Defund	Vacant	Public Services Technician I	1.0	General	Building and Safety Services	88,450
Fully Defund	Vacant	Administrative Assistant	1.0	General	Community Services	71,030
Fully Defund	Vacant	Community Services Coordinator	1.0	General	Community Services	106,370
Fully Defund	Vacant	Community Services Manager	1.0	Mid-Manager	Community Services	140,630
Fully Defund	Vacant	Community Services Superintendent	1.0	Mid-Manager	Community Services	149,340
Fully Defund	Vacant	Community Theater Producer	1.0	General	Community Services	106,370
Fully Defund	Vacant	Theatre Technician III	1.0	General	Community Services	92,980
Fully Defund	Vacant	Engineering Technician	1.0	General	Engineering Services	101,740
Fully Defund	Vacant	Executive Assistant I	1.0	General	Engineering Services	93,420
Fully Defund	Vacant	Public Works Inspector II	1.0	General	Engineering Services	114,070
Fully Defund	Vacant	Account Technician	1.0	General	Finance	92,980
Fully Defund	Vacant	Administrative Assistant	1.0	General	Human Resources	71,030
Fully Defund	Vacant	GIS Specialist	1.0	General	Innovation and Technology	109,610
Fully Defund	Vacant	Information Technology Technician	1.0	General	Innovation and Technology	87,590
Fully Defund	Vacant	Library Technician	1.0	General	Library Services	80,060
Fully Defund	Vacant	Lead Maintenance Worker	1.0	Teamsters	Public Works Services	96,290
Fully Defund	Vacant	Maintenance Worker	7.0	Teamsters	Public Works Services	557,410
Total Defunded - Vacant Status			27.0			2,477,450
Fully Defund	Filled	Administrative Assistant	1.0	General	Community Services	60,800
Fully Defund	Filled	Artistic Producer-MainStreet Theatre	1.0	General	Community Services	106,390
Fully Defund	Filled	Community Services Coordinator	1.0	General	Community Services	90,280
Fully Defund	Filled	Cultural Center Manager	1.0	Mid-Manager	Community Services	145,020
Fully Defund	Filled	Theatre Technician III	3.0	General	Community Services	248,010
Fully Defund	Filled	Management Analyst II	1.0	Supervisory/Professional	Comm. Services/Library Services	135,540
Fully Defund	Filled	Administrative Assistant	1.0	General	Engineering Services	71,040
Fully Defund	Filled	Administrative Assistant	1.0	General	Planning	58,330
Total Defunded - Filled Status			10.0			915,410
Total Defunded			37.0			\$ 3,392,860

Personnel Costs and Staffing Levels

- These reductions roughly track actual workload impacts for the customer-facing Community Development departments
 - Activity is down about 20% across departments
 - Phone calls have been increasing
 - There's a significant downward trend for Engineering
 - Planning has been relatively constant on activity, but application submittals have fallen off
 - Doesn't bode well for future construction activity



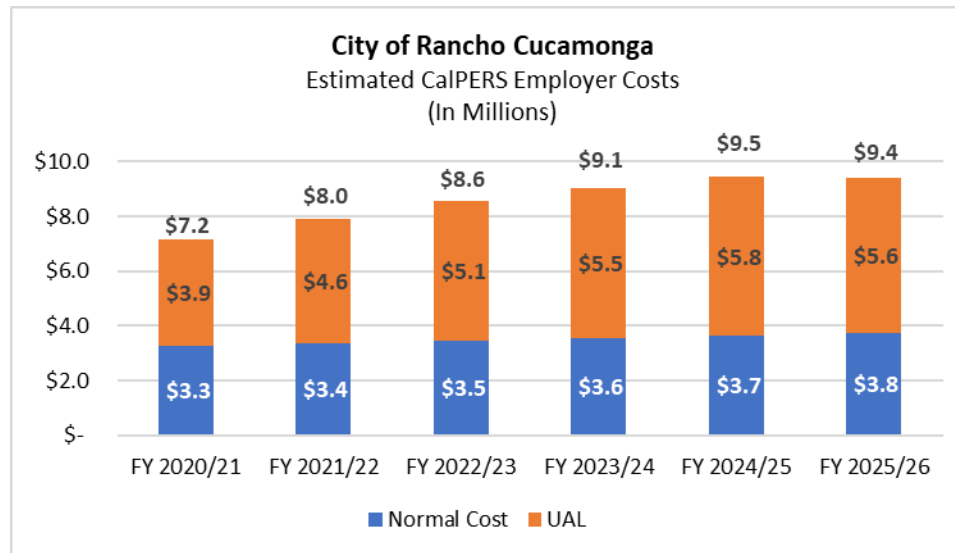
Personnel Costs and Staffing Levels

- Staffing levels are critically important for several reasons
 - Are nearly always the single biggest expenditure item for any local government
 - For Rancho Cucamonga, personnel costs (excluding police and fire) typically constitute 23% of our budget
 - When combined with police and fire (both personnel intensive departments) that percentage increases to 74%
 - Staffing levels should ideally be relatively matched to both workloads and ongoing revenues



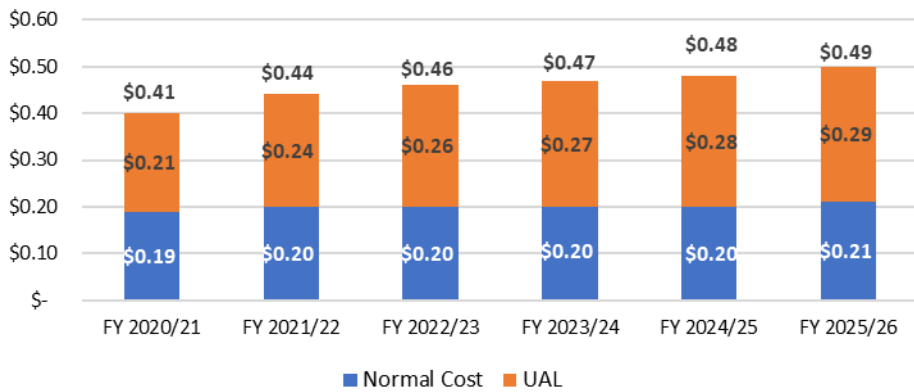
Personnel Costs and Staffing Levels

- Closely tied to the staffing level are PERS employer contributions
- We are in year three of a multi-year rate increase which was expected to level off in FY 2022/23

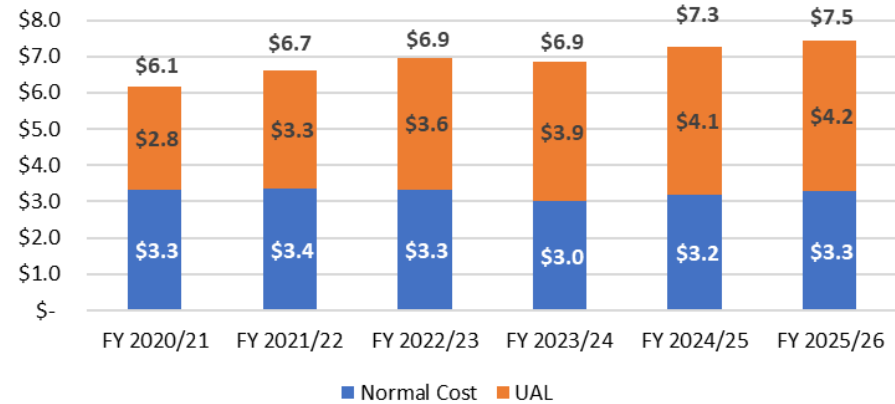


Personnel Costs and Staffing Levels

Fire District - Miscellaneous
Estimated CalPERS Employer Costs
(In Millions)



Fire District - Total
Estimated CalPERS Employer Costs
(In Millions)



Personnel Costs and Staffing Levels

- Adverse activity in the stock market can translate into lost earnings at CalPERS (for the fiscal year ending 6/30/2020)
- Losses are then passed on in the form of higher rates to employers in FY 2022/23
- CalPERS costs are increasing 16% from FY 2019/20 to FY 2020/21



Personnel Costs and Staffing Levels

- Two more years of minimum wage hikes are on the horizon in January 2021 and January 2022
 - Each minimum wage hike costs the City just over \$100,000 in additional costs both direct (staffing) and indirect (contracts and salary compaction issues) per month
- As the CalPERS pressures combine with the economic impacts of a recession and increasing wages, the City will again look to restructure and re-organize its workforce to reflect the dynamics and demands of a new business environment



Impacts to City Services (* for now)

- The following major service and program impacts are anticipated for FY 2020/21:
- City Hall is open for walk-in public access on a reduced hour basis Monday through Thursday. Appointments are encouraged and most services are available remotely.
- Animal Center is open by appointment only for emergencies, animal drop offs, and by appointment only for adoptions.
- Archibald Library (Wednesdays and Fridays, 10am-6pm) and Biane Library (Tuesdays, Thursdays, and Saturdays, 10am – 6pm) are open for curbside pickup of materials only. The Tech Center at Biane Library is open Tuesdays, Thursdays, and Saturdays, 10am – 6pm. No walk-in access is allowed at either library, and all in-person programs are cancelled including Passports.



Impacts to City Services

- Central Park is open Monday through Friday from 10am – 6pm for very limited senior services and distribution of commodities. Wellness Pass is closed along with walk-in services and all rentals at that location canceled.
- Lions East/West is closed and all programming or services at that location canceled.
- Sports Center is closed and all programming or services at that location canceled.
- Cultural Center at Victoria Gardens is closed and all rentals at that location canceled.
- Lewis Family Playhouse is closed and all shows or rentals at that location canceled.



Impacts to City Services

- Family Resource Center is closed and all programming or services at that location canceled.
- All Fire and Police Stations remain open but walk in access is prohibited or restricted.
- All City Parks are open but large group gatherings and organized sports activities remain prohibited. Playgrounds are still restricted, however, tennis courts and outdoor basketball courts and the skate park have been reopened.
- Community Services in-person Programs and Classes are canceled.
- City Council and Planning Commission meetings remain closed to public access.
- More changes are possible throughout the year



Impacts to City Services

- FY 2020/21 is a year during which several evolutions of the budget may be necessary
- Further adjustments at the end of the first quarter, at mid-year and perhaps even in the third quarter will be necessary
- The City will be extremely cautious in filling new full-time vacancies for those openings resulting from retirements, promotions or career advancement in other agencies



Impacts to City Services

- Additional tactical budget strategies in use for FY 2020/21 include monitoring and limiting use of overtime, review of ongoing expenditures, review of fees for service, limited debt, capital and equipment spending, increased employee contributions toward retirement benefits and reorganization of service delivery, as well as other strategies
- These tactical approaches ensure the City is able to provide fiscally sustainable services on an ongoing basis until the economy returns to its pre-recession levels in three to four fiscal years, while also recognizing that fixed costs will continue to increase even during this downturn



Infrastructure and Major Capital Improvement Projects/Programs

- Beautification
 - Removal of additional grass areas in LMD 4R (Terra Vista area) to replace them with drought tolerant landscaping (\$400,000)
 - In LMD 1, prepare updated specifications for the foundations of the lighting fixtures in Old Town Park with the goal of replacing them to maximize their useful life (\$40,000)
 - Drought tolerant landscaping replacement at parks, parkways and medians throughout LMD 2, on the eastern side of Rancho Cucamonga (\$400,000)



Infrastructure and Major Capital Improvement Projects/Programs

- Facilities

- Upgrade the architectural lighting control systems in the Cultural Center lobby, Celebration Hall, and theatre halls and house lighting (\$50,000)
- Continue work on the design of the Second Story interactive Children's Museum exhibit space at the Biane Library using the current \$925,000 design contract
- Replacement of the roof at the Animal Center (\$250,000)
- Replace three 150-ton chillers and related pumps at the Civic Center (\$1,500,000)



Infrastructure and Major Capital Improvement Projects/Programs

- Miscellaneous
 - Install Solar Photovoltaic System at the Hellman Fire Station 177 (\$137,500)
 - Construct a Class IV protected bike lane on 6th Street improving accessibility to the RC Metrolink Station utilizing a \$1.7 million ATP Cycle 4 Grant in partnership with SBCTA (with a 20% City match to be paid over next two fiscal years)



Infrastructure and Major Capital Improvement Projects/Programs

- RCMU/Fiber Optic
 - Construct a distribution line extension to service City Hall's east parking lot with RCMU electricity, lowering overall long-term operating costs (\$197,000)
 - Extend an RCMU distribution line to service Fire Station 3 (\$57,500)
 - Connect the new West Side Public Safety Facility to the City's networks via the existing Rancho Fiber backbone (\$236,500)



Infrastructure and Major Capital Improvement Projects/Programs

- Parks

- Continue work on the State grant funded \$3 million dog park at Central Park
- Design the replacement of the pedestrian and vehicular bridges at Heritage Park (\$200,000)
- Replace rusted and declining light poles that have been wet-set in concrete in Ellena and Vintage Parks (\$25,000)
- Replace deteriorated rubberized playground surfacing at Rancho Summit Park with new rubberized playground surfacing (\$148,000)
- Invest in a Parks and Recreation Master Plan (\$250,000)



Infrastructure and Major Capital Improvement Projects/Programs

- Streets

- Rehabilitate the pavement on 4th Street from Haven Avenue to Milliken Avenue, in conjunction with the City of Ontario (\$950,000)
- Pavement rehabilitation and widening on Pecan Avenue between Whittram Avenue and Arrow Route in conjunction with the Etiwanda Grade Separation project (\$700,000)
- Construct sidewalk, curb and gutter on the south side of 9th Street and install bicycle/skateboard racks at Los Amigos Elementary School (\$187,000)



Infrastructure and Major Capital Improvement Projects/Programs

- Traffic
 - Design of the Advanced Traffic Management System Phase 2 which will install Closed Circuit Television (CCTV) cameras, video detection system (VDS), fiber optic cable and conduit, communication networking equipment (\$612,000)
 - Synchronize ten traffic signals through the installation of fiber optic cable and conduit, communication networking equipment, upgrading and integrating the signals into the Traffic Management Center (TMC) located at City Hall (\$361,800)



Infrastructure and Major Capital Improvement Projects/Programs

- Cyber Security

- Implement several initiatives to continue fortifying the City's digital estate including:

- enacting multi-factor user identity management to safeguard account credentials;
- activating Network Access Control (NAC) to prevent unauthorized devices from connecting to the City's data network; and
- conducting the City's first-ever cybersecurity response exercise in coordination with the Fire District's Office of Emergency Management



Infrastructure and Major Capital Improvement Projects/Programs

- General Plan
 - The General Plan team will be working closely with the community to develop the Plan's Vision and Guiding Principles
 - The Vision and Guiding Principles will form the foundation for developing, analyzing, and selecting a preferred land use and circulation alternative
 - The team will work with the community to evaluate a range of alternatives and craft a preferred direction for the next generation of development and investment in our community
 - The team will then begin creating the General Plan

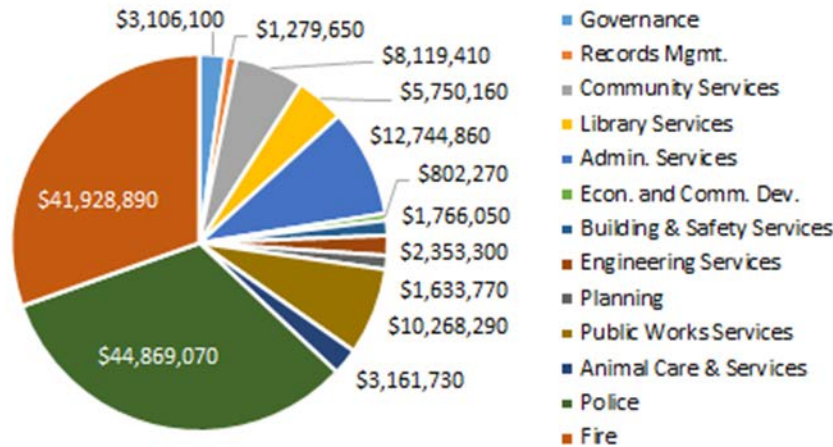


Operating Budgets

- Operating budgets for the City are comprised of the following:
 - Operating Budget (*basic municipal operations*)
 - City General Fund
 - Library Operational Fund
 - Fire District Operational Funds
 - Special Districts (*restricted funding sources for specific operational purposes*)
- Complete budget includes various other special funds which are restricted from use for general municipal operations

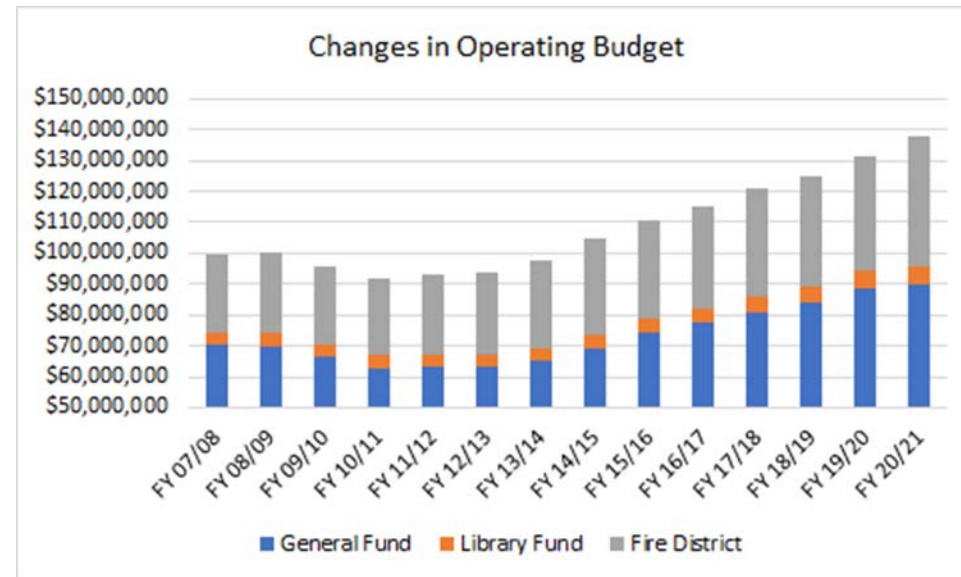


City Operating Budgets City General Fund, Fire District Funds and Library Funds

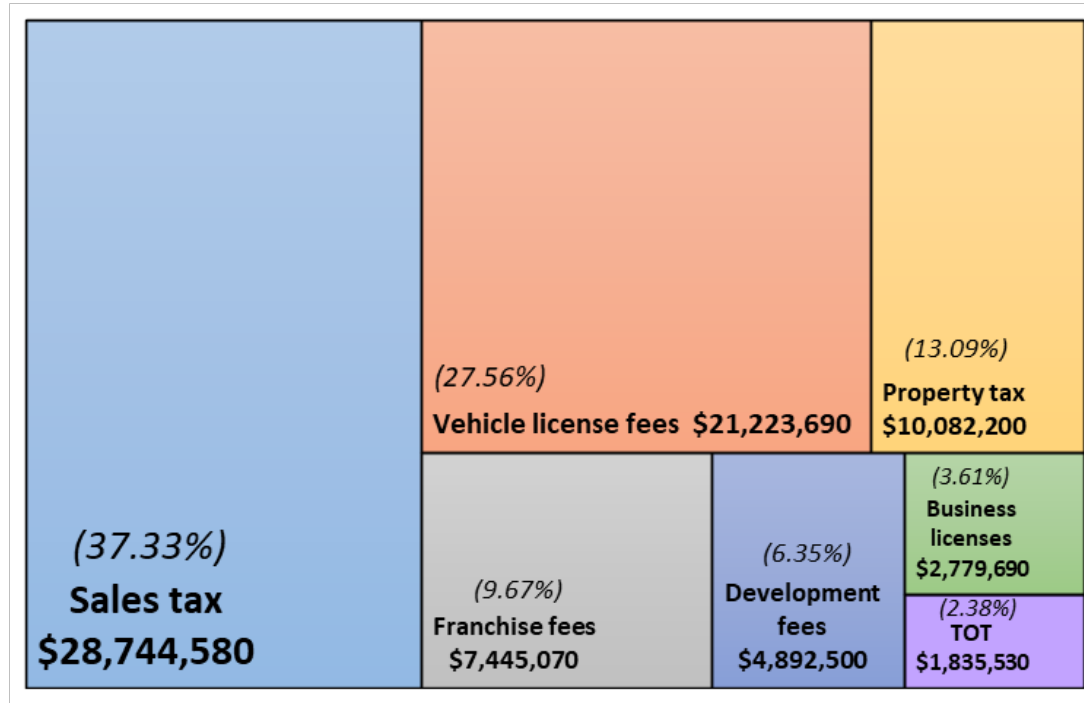


- Police and Fire are two largest cost centers
- Combined with Animal Care and Services, public safety makes up over 65% of the Operating Budget (63% in the prior year)
- Fire District is a legally separate subsidiary district

- Total Operating Budget increased by just over \$6.5 million, or 5%
- \$2.5 million of this increase is due to the combining of CSD special funds into the General Fund
- Excluding these added activities, the Operating Budget grew 3.06%, smallest percentage growth since the City exited the Great Recession



City General Fund – Major Revenues



85% of total General Fund revenues



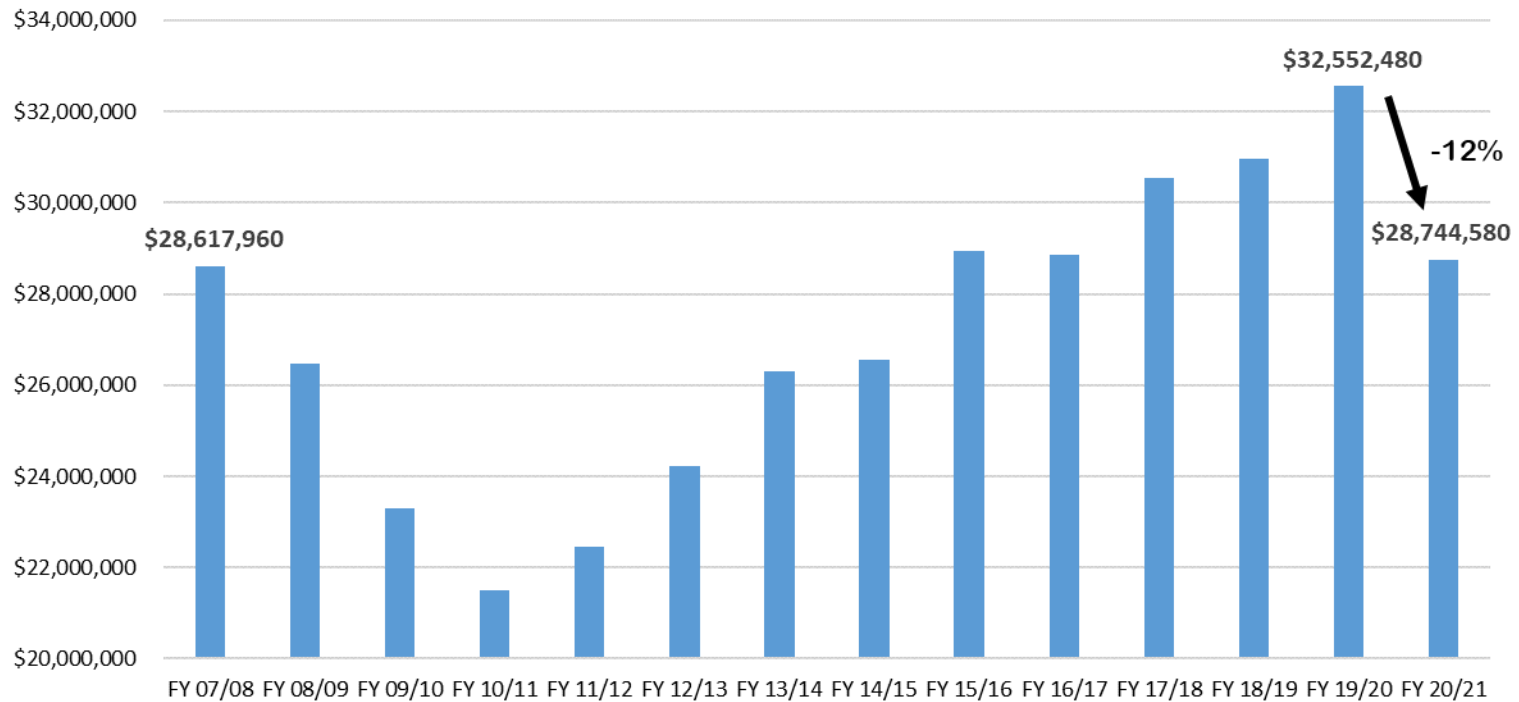
City General Fund – Major Revenues

- Sales tax is the primary revenue source at \$28.7 million, down about \$3.8 million or 11.7% from the prior year
 - Decrease is primarily due to economic impacts of COVID-19 pandemic
- Growth in sales tax remains a concern as brick and mortar revenues continue to flatten and more shopping moves online



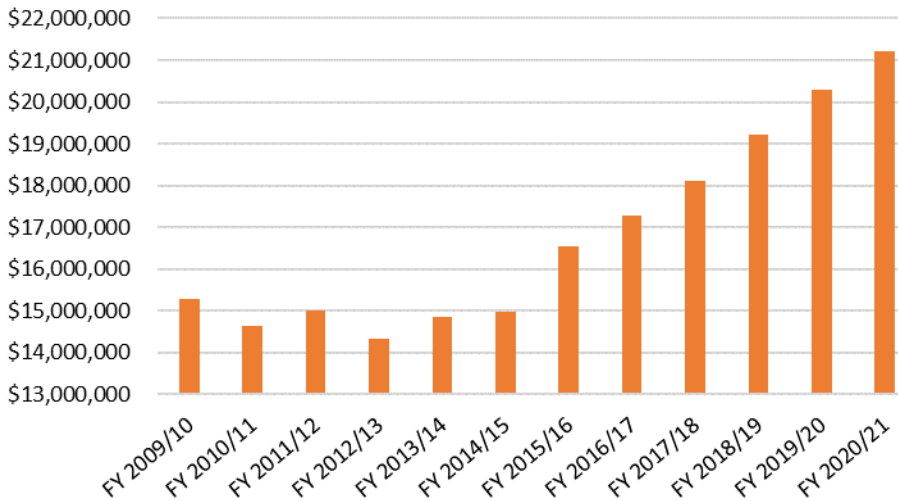
City General Fund – Major Revenues

Sales Tax

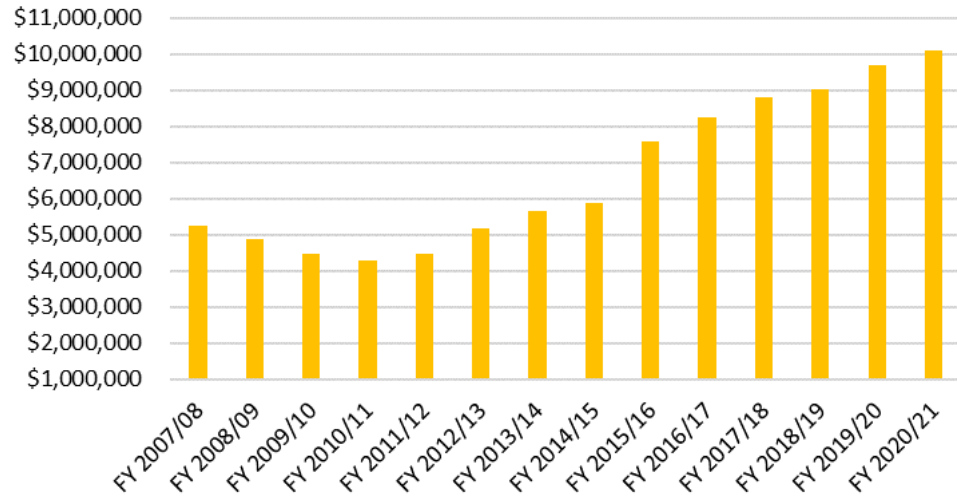


City General Fund – Major Revenues

VLF and Property Tax In-Lieu of VLF



Property Taxes*

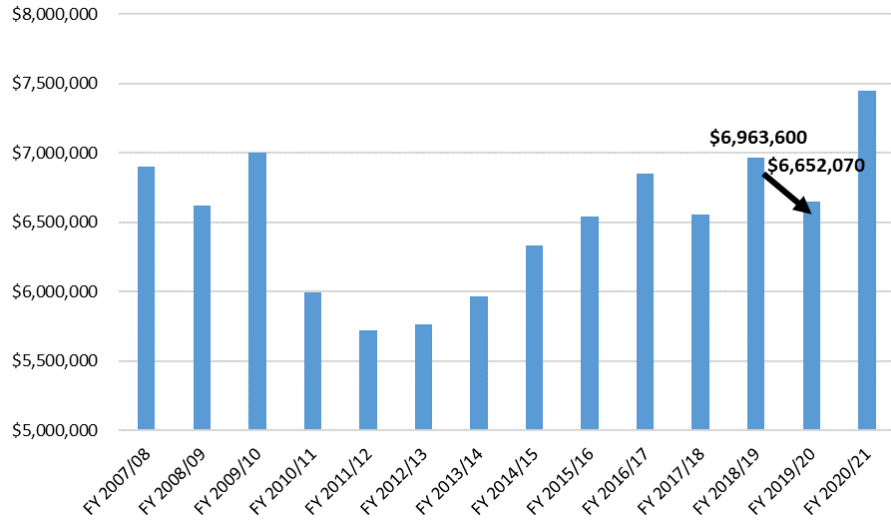


*Includes Property Transfer Tax

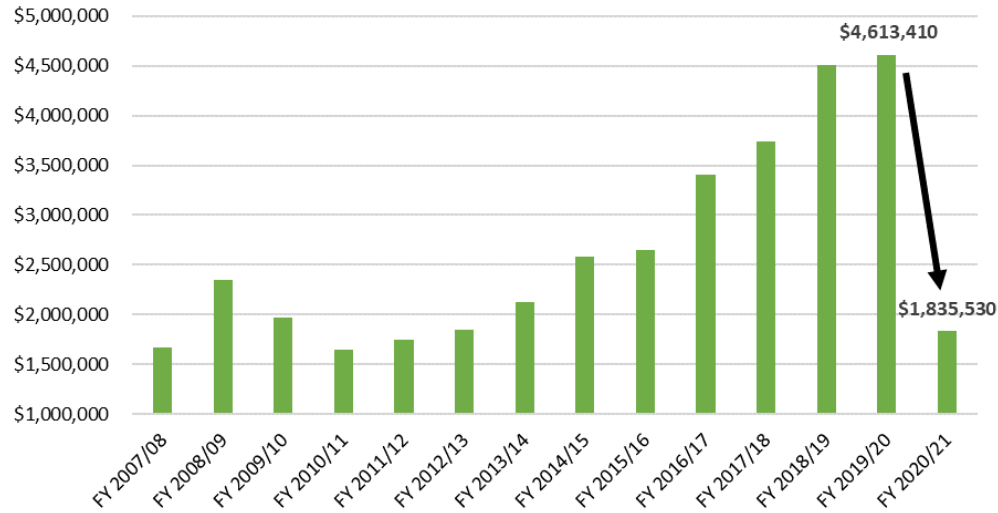


City General Fund – Major Revenues

Franchise Fees

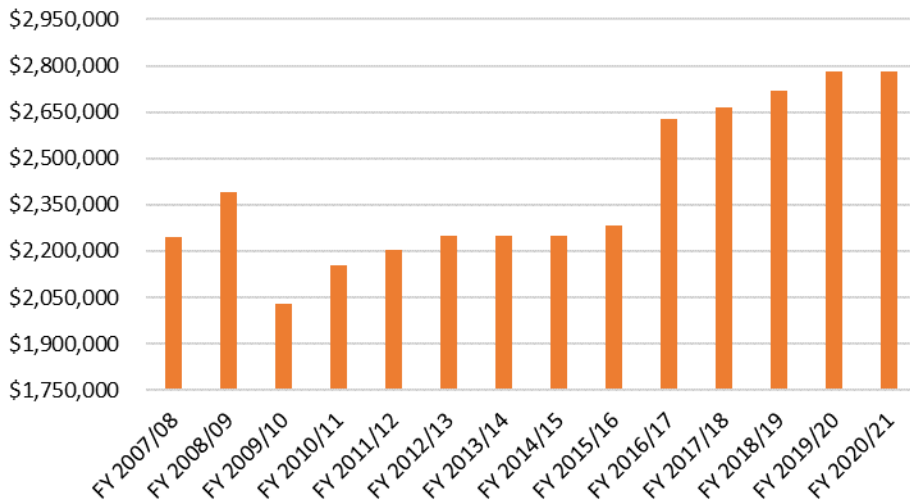


Transient Occupancy Taxes

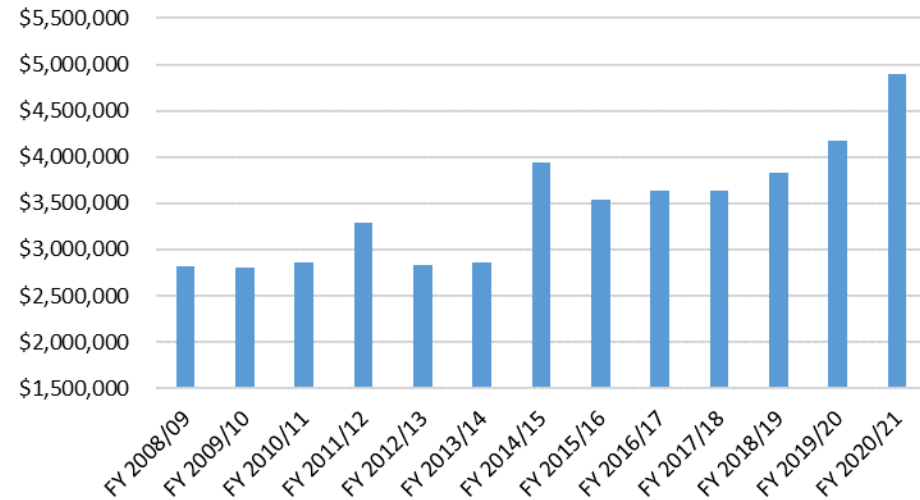


City General Fund – Major Revenues

Business Licenses



Development Fees



Development Fees were last increased in 2018



City General Fund

Use of Reserves

- The last time the City used reserves to balance its Operating Budget was FY 2010/11
 - Used \$903,130 during the Great Recession
- Over the ensuing years, the City cultivated a regular habit of adding to reserves, accumulating a total budgeted contribution to reserves of \$5.7 million in six years
- For FY 2020/21 we anticipate using \$700,000 in reserves to cushion the dramatic revenue loss
 - For FY 2019/20, estimate usage of \$417,860 in reserves

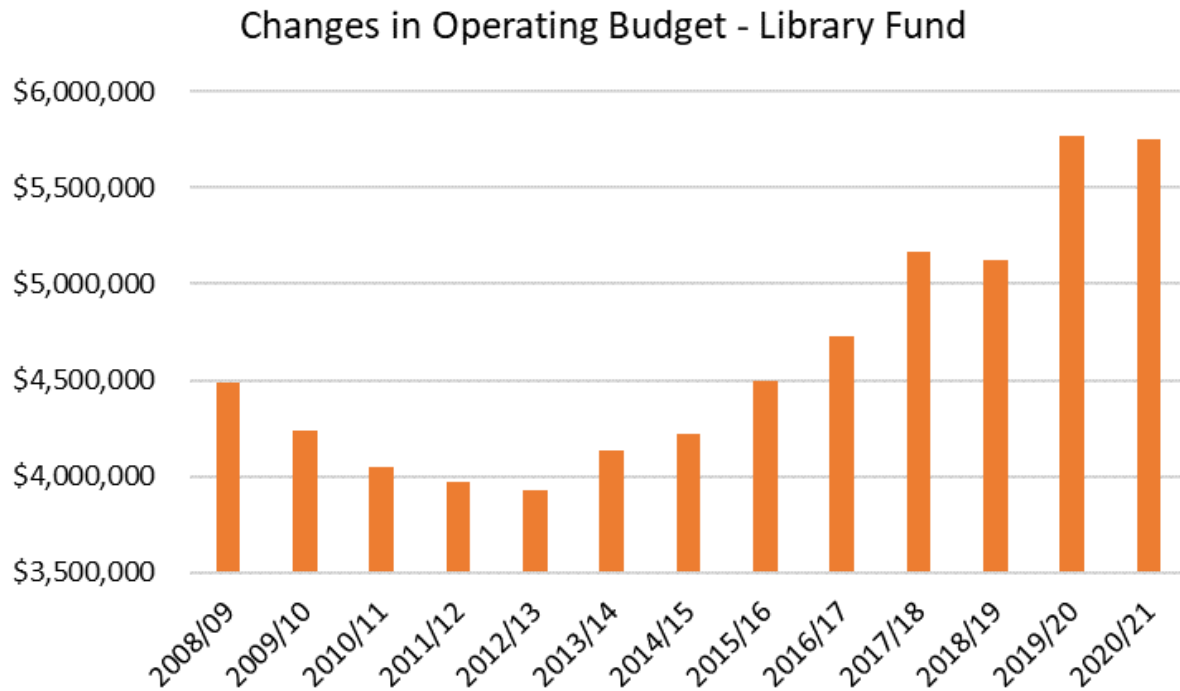


Library Fund

- The Library Staff are an entrepreneurial group always trying new ideas and programs
- Never was this more evident than during the pandemic
 - Rancho Cucamonga was one of only a handful of public libraries in the State that remained open
 - Provided enhanced curbside pickup and drop off services, book deliveries, enhanced e-book access and a computer lab that remained open
- Work continues on the Library's Second Story



Library Fund

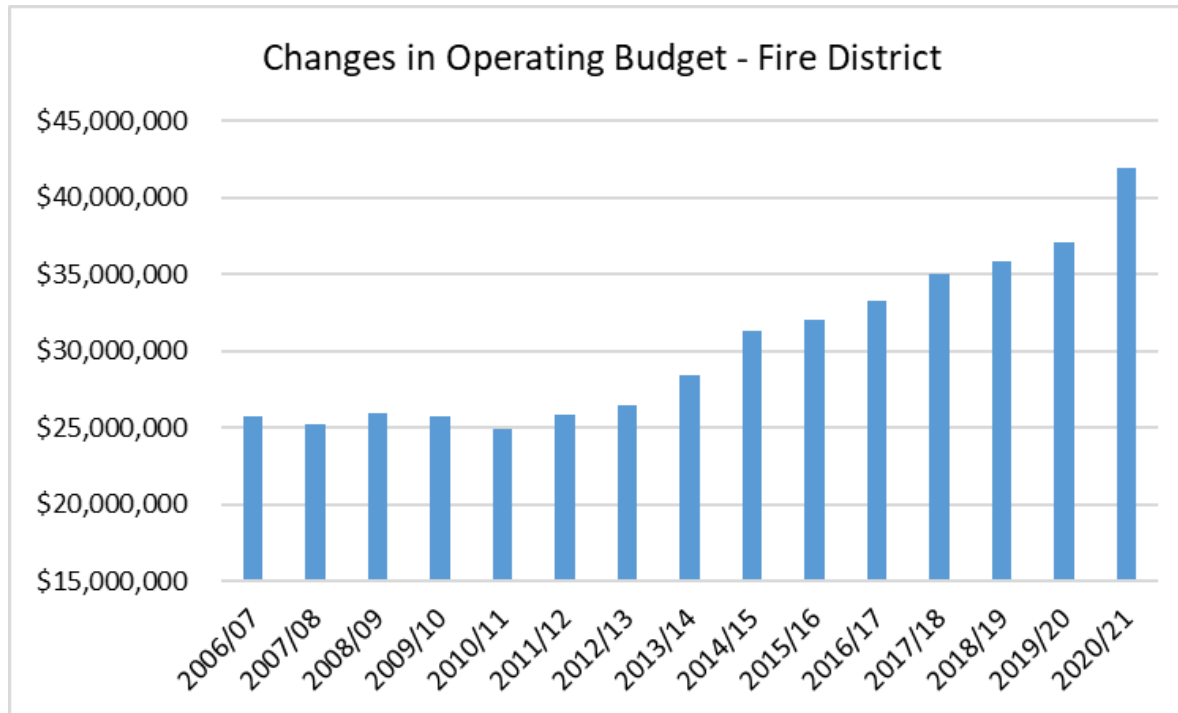


Fire District Operating Funds

- The Fire District budget for FY 2020/21 is \$41.9 million, a 12.8% increase over the prior fiscal year
- This growth is largely attributable to the addition of six new Firefighter positions that were added midway through FY 2019/20 in order to provide 4-person staffing on each of the District's two ladder trucks
- Major revenue sources include property tax (73.5%) as well as assessment revenues from CFD 85-1 (14.9%) and CFD 88-1 (1.0%)
 - Prudence is the watchword of the day as we wait to see how property related values hold up through the pandemic



Fire District Operating Funds



Special Districts

- A new approach will eventually be needed to ensure fiscal stability for the West-side parks and landscape districts
 - The FY 2020/21 proposed budget includes \$100,000 for west side parks public engagement to assist with this effort
 - The list of deferred and unfunded maintenance items continues to grow
- In four of the City's newer districts, rate increases are recommended this year
 - Only recommended to maintain a structurally balanced budget for those districts and keep pace with rising commodity, utility or contract labor cost increases



Special Districts

SPECIAL DISTRICTS WITH RATE ADJUSTMENT MECHANISM

District	Current Assessment	Recommended Assessment	Maximum Assessment	Notes
LMD 2	\$ 503.80	\$ 503.80	\$ 534.49	No change recommended
LMD 4-R	\$ 397.15	\$ 397.15	\$ 471.84	No change recommended
LMD 6-R	\$ 438.75	\$ 451.92	\$ 451.92	Increase to reflect an increase in operational costs
LMD 9	\$ 311.92	\$ 436.69	\$ 622.21	Rate has been artificially low for several years in order to spend down excess reserves; rates being restored to sustainable level over time
LMD 10	\$ 736.62	\$ 758.72	\$ 957.93	Increase to reflect an increase in operational costs
CFD 2000-03B	\$ 1,387.73	\$ 1,470.90	\$ 1,470.90	Increase to reflect an increase in operational costs



Fiscal Summary

- Following is a summation of all FY 2020/21 City budgets:

• City General Fund	\$ 90,104,500
• Library Services	\$ 5,750,160
• Fire Protection District*	\$ 47,982,020
• Special Funds (including CIP)**	\$ 80,740,050

*Includes Fire District Capital Fund budget in the amount of \$6,053,130

**Includes increase of \$382,500 for LMD 2 (Fund 131) and decrease of \$37,000 for Underground Utilities (Fund 129) capital projects budget corrections



Item for Discussion – Ho Ho Parade

- What is the Ho Ho Parade?
 - A community event allowing positive interaction between public safety, elected officials and the general public. Timing of parade coincides with the holiday shopping season and provides the opportunity to create personal dialogue with the general public. The exchange of information can range from complaints to praise about public safety and allows personnel to share holiday safe shopping tips.
 - Three-day event last held in 2015



Item for Discussion – Ho Ho Parade

- Cost for three-day event
 - Police: \$16,520
 - Fire: \$2,060
 - Community Services: \$1,500
 - Parade permit: \$250
 - Other costs: \$3,000
 - Total: \$23,330



Conclusion

- Rancho Cucamonga is not immune to the effects of the pandemic and the economic disruption
- We have prepared prudently for this day
- Reserves were set aside beginning back after the Great Recession to help cushion against another downturn
- What we do now will bear fruit for tomorrow
- Now is the time when we can and should work together in the best interests of the City, as one commUNITY
- We will make it through this by standing together as one Rancho Cucamonga



Any Questions or Comments?

