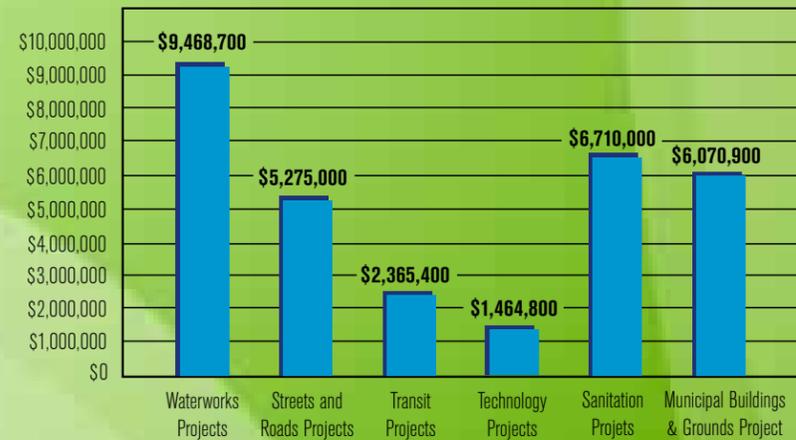


CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM

The City's Five-Year Capital Improvement Program is its plan to invest in infrastructure and large projects. Over \$31 million in projects are budgeted in FY17-18 and \$111 million over the next five years. These include projects such as increasing our Recycled Water service to paying customers, rehabilitating streets and roads, investing in transit systems and vehicles, rehabilitating water and sewer infrastructure, investing in technology, and renovating several City facilities such as the Library, Senior Center, Cultural Arts Center, and City Hall.

FY 17-18 Capital Improvement Projects



WHAT ABOUT THESE PENSIONS???

There has been a lot of discussion lately about public employee pension costs, which are indeed rising rapidly due to changes in State CalPERS Board charges to cities.

Why is this happening? Many reasons: past benefit increases to employees when times were good; pensioners are living longer which means more costs; reductions in CalPERS estimated investment returns (which were over-stated in the past); fewer current employees to pay in as payrolls are cut to save money; and a sudden requirement as of November 2016 for cities to fully fund to 100% by 2022 the amount owed to all employees for pensions. This is similar to having your bank change your 30-year mortgage to 5-years overnight.

Why are employees getting more pension benefits if the costs are going up? They aren't. The increased costs do not provide any increase in benefits to employees; in fact, in January 2013 the State enacted the Public Employee's Pension Reform Act ("PEPRA") which made substantial reductions to benefits for new employees and limited benefits to existing employees. Most cities are negotiating to have their employees pay in more toward their pension costs. In Simi Valley, while employee raises have occurred in recent years, these have often been offset in most part by an increase in the employee's payment toward their pension benefits.

Why can't we just get out of CalPERS? To leave the State system at this time would cost an upfront buyout fee. The City does not have these resources available. The City continues to work on this issue and is definitely not alone.

City of Simi Valley
CalPERS Pension Costs (estimated)



PERS FORECAST JUNE 2017

2016-17: \$11,068,732	2019-20: \$16,015,000	2022-23: \$21,954,000
2017-18: \$11,927,000	2020-21: \$18,467,000	
2018-19: \$13,888,000	2021-22: \$20,331,000	



CITY OF SIMI VALLEY

BUDGET IN BRIEF

FISCAL YEAR 2017-18

A MESSAGE FROM YOUR CITY MANAGER

It is my pleasure to present the "Budget in Brief" summary of the City's Adopted Budget for Fiscal Year 2017-18.

As always, the budget has been difficult to balance. While revenues may increase 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 utilities and personnel continue to increase. We continue to address a significant backlog of needs which were deferred during the recession of the past five years with no large influx of new money to address that backlog. However, in order to streamline our business processes, we must invest in technology and training.

The FY 2017-18 Proposed Budget projects General Fund operating revenues of \$68,793,400 and expenditures of \$70,171,800, or \$1,378,400 more. The difference is made up by applying the annual Community Development Agency loan repayment to the General Fund, a revenue source that will dry up in 5-6 years. Like last year, all City departments submitted draft budgets along with potential policy items and capital asset requests and potential reductions.

This budget does not utilize any carryover of funds from prior fiscal years, does not use a separate Economic Stabilization Fund, eliminates 1.5 staff positions permanently and temporarily unfunds an additional 1.9 more.

The City Council, at budget adoption, suggested a community engagement process to involve residents in making recommendations on the budget situation and this is tentatively planned for Fall 2017.

The Adopted Budget seeks to meet the City Council's objectives and priorities, as well as my own. More information on the City budget can be found at www.simivalley.org/budget. Thank you.

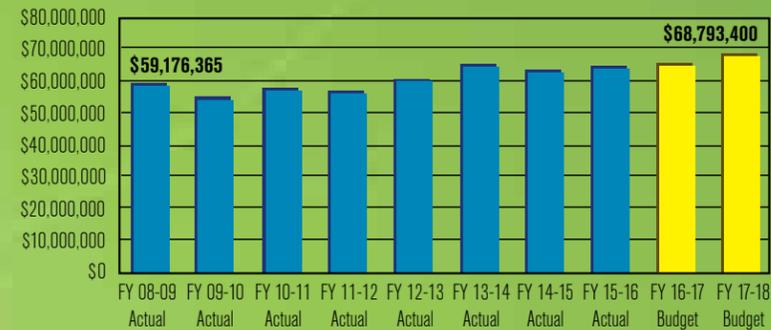
ERIC J. LEVITT

2016-17 ACCOMPLISHMENTS

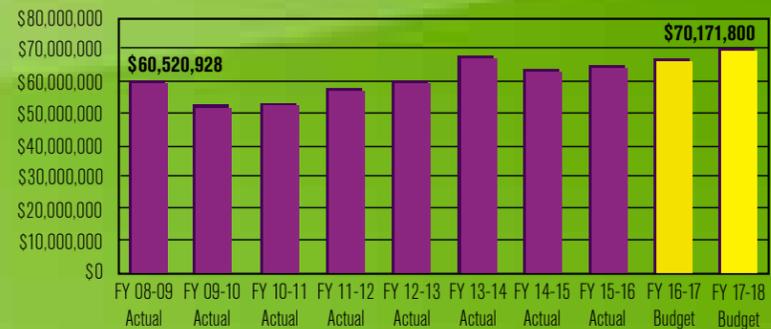
- Maintained a police emergency response time of less than four minutes while handling over 40,000 calls;
- Investigated a residential burglary series with other agencies which culminated in arrest of known gang members from Los Angeles County;
- Completed the construction of FY 16-17 Annual Minor Streets Rehabilitation Projects, First Street between south of Los Angeles Avenue and north of Cochran Street Project, Alamo Street between Yosemite Avenue and Texas Avenue; Alamo Street Widening west of Gage Avenue, and Animal Shelter Parking Lot Rehabilitation and Lighting Upgrade, and the Arroyo Simi Greenway Bike Trail Phase 3 Project;
- Completed the Senior Center Kitchen Renovation Project;
- Facilitated site improvements to the Simi Valley Animal Adoption Center including lighting upgrades and repaving of the existing parking lot;
- Managed the 2016 General Municipal Election, which included a voter initiative ballot measure;
- Completed approximately 3,500 temporary and permanent pothole repairs;
- Cleaned 688 storm drain catch basins removing approximately 32,000 pounds of trash, sediment, and landscape debris;
- Implemented the City's new financial computer software, with improvements to Accounts Payable, Accounts Receivable, Purchasing, and Budget among other internal work processes;
- Provided responsive customer service to over 4,100 customers at the Planning public counter and processed approximately 1,400 over the counter permit, applications, including Zoning Clearances, Sign Permits, Home Occupation Permits, and Temporary Use Permits.

GENERAL FUND

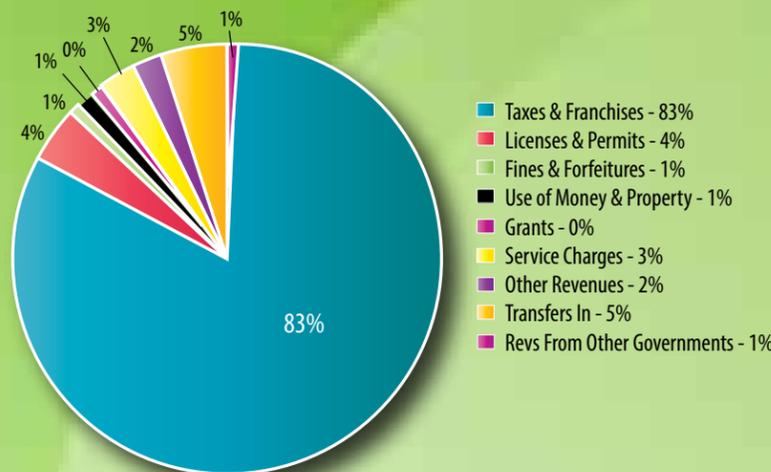
General Fund Total Revenue History FY09 to FY18



General Fund Total Expenditure History FY09 to FY18

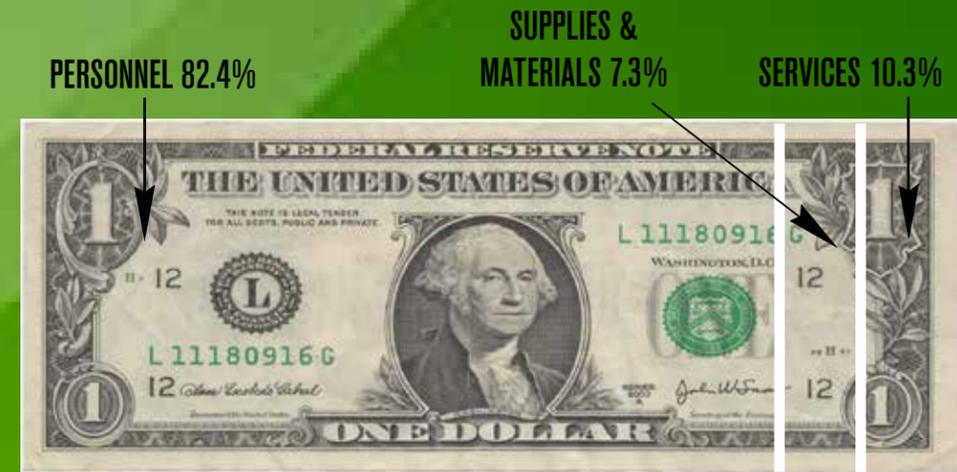


FY 17-18 General Fund Resources \$68,793,400



GENERAL FUND (continued)

FY 17-18 General Fund Expenditures by Category (Net of Transfers and Reimbursements)



COST OF GENERAL FUND SERVICES

The chart 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 \$34 million of the City's General Fund which amounts to approximately \$271 per year per person living in Simi Valley. That means a family of four in Simi Valley gets police protection for \$1,082 for the year. Similarly, Public Works services including street maintenance, streetlights, engineering review of new developments, and much more, cost \$127 per person or \$510 per year for a family of four.

Please remember that the City gets 11 cents for every dollar of property tax paid; if you pay a \$3,000 tax bill, the City gets approximately \$330 for City services while other public entities such as Ventura County, the local school district, and parks and recreation district divide up the remainder.

