



Strategic Plan Goal #1

Achieve Financial Stability

Strategic Plan Objective:

Provide information to the City Council on the impacts to the city if the sales tax measure is not renewed.



Strategic Plan

- City Council held a strategic planning workshop on January 17, 2022
- Developed the city's first strategic plan
- Identified priorities for the city
- Result: Three-year strategic plan comprised of three goals
- Strategic Plan Goal #1: "Achieve Financial Stability"
- First objective: "Provide information to the City Council on the impacts to the city if the sales tax measure is not renewed."



History

Westminster's finances rely heavily on property taxes

- Westminster receives only 9% of each property tax payment
- 7% allocated to the General Fund and 2% allocated to Municipal Lighting
- 7% accounts for \$7 million which is the city's third largest source of revenue in the General Fund

When state voters enacted Prop 13 in 1978, Westminster was permanently locked into a very low rate

- Prior to Prop 13, Westminster City Council set a very low property tax rate
- Once Prop 13 passed, the annual property tax on a parcel was limited to 1% of its assessed value
- The average tax allocation for cities in Orange County is close to 12%
- At 7%, Westminster is the lowest among all cities in the county that pays for fire services from General Fund



History

Westminster's finances relied heavily on State of California redevelopment funds to:

- Maintain basic services and staffing levels;
- Provide assistance toward business development;
- Low- and moderate-income housing; and
- Community-based programs

When the state eliminated redevelopment, Westminster was left with a budget shortage that resulted in:

- Massive layoffs across the entire organization
- Reduction and elimination of services throughout the city
- Depletion of the city's reserve funds



Measure SS - 2016

- Through the will of the voters and the community, the city was saved from inevitable bankruptcy
- Significant cuts to services and staff were made prior to the measure
- Staffing levels have remained at minimum levels and many programs that were eliminated have not been reinstated
- Currently set to expire December 31, 2022
- City will lose approximately 24% of its operating budget
- To address the loss of revenue, the city must prioritize the mandatory services needed to operate, and eliminate all other functions and staff



Accomplishments Through Locally Generated Funds

- Addressed homelessness through the hiring of two Homeless Liaison Officers
- Maintained fire protection and prevented cuts to the number of firefighters
- Prevented cuts to 9-1-1 emergency response
- Supported residents and local businesses through matching grants and programs
- Invested \$7.5 million in street improvement projects



Accomplishments Through Locally Generated Funds

- Protected drinking water supplies
- Maintained local jobs
- Prevented elimination of Police Narcotics, Domestic Violence, Sex Crimes, Gang, and Human Trafficking units
- Recruited and retained Spanish/Vietnamese-speaking police officers
- Prevented the loss of trained officers to other cities and recruited lateral police officers



Impacts to City Staffing Levels

As the locally generated revenue source nears expiration, it has been harder to attract and retain employees

- Currently 24 vacant positions, including 10 police officers
- Uncertainty of local sales tax measure and low pay are the two major factors in 100% of resignations
- Harder to recruit qualified employees to fill vacant positions
- Percentage of applicants interested in job opportunities
 - For recent recruitments of part-time positions, only 1% of those interested applicants applied
 - For recent recruitments of full-time positions, only 4% of those interested applicants applied



5-Year Budget Projection

General Fund	2021-22 Estimate	2022-23 Adopted	2023-24 Projected	2024-25 Projected	2025-26 Projected
Revenue	70,655,125	61,084,233	56,097,957	57,104,892	57,914,378
Expenditures	66,282,221	71,631,997	73,559,740	75,564,032	77,450,228
Contribution/ (Use) of Reserves	4,372,904	(10,547,764)	(17,461,783)	(18,459,140)	(19,535,850)
Reserve Balance	39,212,216	28,664,452	11,202,669	(7,256,471)	(26,792,320)

Impacts to City Staff and Services:

Major Reductions



Administration

City Council

- Eliminate all technology equipment and supplies
- Eliminate funding for conferences, training, and memberships
- Eliminate stipend for paid commissioners, and disband all commissions not required by law

City Manager

- Maintain only City Manager position and eliminate all other positions: Assistant City Manager, Economic Development Manager, Executive Assistant, Administrative Analyst (Communications), and Administrative Assistant II



Administration

City Clerk

- Maintain only City Clerk position as required by state law and eliminate all other positions: Assistant City Clerk, Administrative Assistant II
- Unable to meet agenda preparation deadlines, response times for requests for public records, election filings, and state-imposed deadlines will be delayed

Human Resources/Risk Management

- Maintain only Human Resources/Risk Management Director position and eliminate all other positions: two human resources analysts, one human resources specialist
- Delayed response and review times of claims will result in increased liability to the city for payment of unresponsive claims
- Decrease in oversight will lead to overall increase in liability to the city



Administration

Finance

- Maintain Finance Director/Treasurer position as required by law and eliminate four out of six employees who cover accounting, payroll, accounts payable, purchasing, and cash receipts
- Lack of staff will create inability to segregate duties and eliminate checks and balances in finance processes
- Delay in payment of refunds or services to outside vendors, consultants, residents, and businesses
- Reduced counter coverage and ability to respond to the public, including processing counter payments



Community Development

Eliminate Community Preservation Unit (CPU) and support for the following services:

- HLOs for homeless services
- Shopping cart retrieval
- Trash and debris removal and overgrown weed and vegetation abatement
- Graffiti abatement
- Public right-of-way issues such as unpermitted work on the parkway and sign removal
- Parking or storing vehicles on unpaved surface and inoperable vehicle enforcement
- Unpermitted signage and banners



Community Development

Eliminate Management Analyst position

- No support for real estate, business license, outdoor dining program, and other operations
- No new grant applications or special projects could be initiated or administered

Maintain Planning Manager or Senior Planner position and eliminate all associate and assistant planners

- Significant reduction in available counter hours, phone, and email services
- Delays in processing development applications
- Inability to maintain state-mandated application processing times
- Significant extended wait times for scheduling of inspections
- Delays in Building Plan Check turn-around times
- No special projects or programs could be undertaken
- Necessary actions such as the state-mandated zoning code update would be delayed



Community Services

Eliminate Community Services Director, Senior Center Supervisor, and two Community Services Coordinators

- Senior Center becomes a part-time facility
 - No activities, classes, events, transportation, outreach, or support services
 - Basic nutrition/meal program to remain
 - Eliminate Project SHUE program
- Youth-centered programs and services are eliminated
 - No youth sports, summer or afterschool programs
 - Reduced access to Splash Pad due to lack of staff for supervision
- Eliminate community promotions and programs
 - Eliminate printed brochure and other marketing materials
 - No city special events will be held
 - No oversight over private special events taking place on public or private property requiring permits
 - No management or oversight over crossing guards and reduction of city-funded crossing guards



Public Works

Eliminate 16 full-time positions and 14 part-time employees

- Impacts to parks
 - Close all parks from public access and use
 - No graffiti clean-up or median maintenance
- Impacts to streets and street maintenance
 - Reduce or eliminate pothole filling, concrete repairs, drainage devices, and sidewalk cleaning
- Impacts to building and facilities maintenance
 - No staff or budget for plumbing, electrical, HVAC repairs, and painting
 - No cleaning of buildings or set-ups for facility rentals or events



Public Works

- Impacts to fleet and vehicle maintenance
 - No staff for repairs and maintenance of city vehicles, including police/public safety vehicles
- Impacts to engineering
 - No staff for engineering design, construction management, and inspections
 - No longer able to pursue and obtain grant funds for new projects
- Reductions in existing maintenance contracts
 - Reduce park mowing from weekly to once a month and eliminate weed abatement in public right-of-way
 - Cut park watering in half
 - Reduce a quarter of tree trimming budget, impacting claims for fallen trees



Police

Reduce the police force by 33%, equivalent to 24 sworn, 17 non-sworn positions, 25 part time

■ Addressing homelessness

- Eliminate both Homeless Liaison Officer positions
- No specialized units to complete homeless encampment clean-ups or address other homelessness issues
- No HLOs to provide direct impacts and services to homeless residents
- Homelessness-related issues will increase

■ Emergency response

- Increase to emergency response times
- Victims would wait longer for police to arrive, even for emergency calls such as in-progress domestic violence, robbery, and assault
- No resources to respond to most non-emergency crimes, such as thefts and non-violent disputes



Police

■ Traffic Enforcement

- Increase in traffic collisions, including fatalities
- Parking violations will go unaddressed and associated revenue will be lost

■ Crimes, reports, and investigations

- Elimination of jail services and staffing contract
- Patrol staff will spend less time patrolling and responding to calls for service when tasked with booking and housing arrestees
- Most crimes would not be investigated
- No crime prevention efforts or investigation of cold cases
- Delayed turnaround time for police reports, information, or other paperwork



Police

- All community outreach programs would be eliminated
 - Eliminate detective from Drug Enforcement Administration Task Force
 - Revenues received from seizures would be eliminated
 - Resources associated with this task force will be eliminated
- No public safety presence for special events and assignments
 - Council meetings
 - Tet parade
 - School events
 - National Night Out
 - Public Safety Day
 - Public memorial services



Summary of Impacts

- No more locally generated revenues after December 31, 2022
- \$16 million deficit spending annually until depletion of reserve funds
- Bankruptcy by 2024-25
- Drastic loss of services and staff affecting service levels, public safety, and quality of life to the Westminster Community