



# FY2013-14 BUDGET SUMMARY

## Message from the City Manager

It is my pleasure to present the City of Chula Vista operating and capital improvement program budget for Fiscal Year 2013-14. While the City is beginning to see some levels of economic recovery, the impacts of the recession continue to challenge the City to find new and creative ways to deliver high quality services and maintain a balanced operating budget.

The General Fund for Fiscal Year 2013-14 is balanced with the use of contingency reserves, which will allow the City to continue to provide the current service levels and to better evaluate the City's financial picture over the next few years.

Despite the financial challenges the City has faced, we continue to take steps to strengthen the City's economic base and to operate in a cost effective manner. In the coming year, staff will focus on the following citywide programs:

- Continuous Improvement – The City has remained a strong advocate for Continuous Improvement. In 2008 the City partnered with UTC Aerospace Systems (formerly Goodrich Aerostructures) to train City employees on Continuous Improvement. Since that time, the City has worked diligently to implement Continuous Improvement principles with the goal of providing public services in the most efficient and cost effective manner.
- Quality Workforce Program – This program, combined with the Strategic Plan, will help the City move towards long-term financial sustainability. The Quality Workforce Program seeks to comprehensively address employee compensation, training, performance evaluations with a continued focus on customer service. The program will continue to be developed and implemented in the coming fiscal year.
- Strategic Plan – During Fiscal Year 2012-13, the City developed a Strategic Plan that took previous long-term planning efforts and synthesized them into five Citywide Goals that aimed at improving service delivery. The plan will be reviewed throughout the year so that it encourages focused, meaningful service delivery to benefit all of Chula Vista. Simply put, the Strategic Plan is a road map that identifies where we want to go and includes concrete steps of how the City will get there.



I am confident that Chula Vista's future is bright – with the development of key projects that will help strengthen Chula Vista's economic base. I am proud to say that the General Fund operating budget presented in the Fiscal Year 2013-14 Adopted Budget continues to provide the core services most important to our community.

Respectfully,

## Council Adopts Fiscal Year 2013-14 Budget



The Fiscal Year 2013-14 budget development cycle began in January 2013 with the release of a preliminary base budget. Through April, Finance worked closely with departments to refine the base budget to account for normal operating costs of the City. During this same time frame, city staff worked to update the City's Critical Needs List (crucial one-time expenditure requests separate from normal operating costs) and the citywide Program Summary (an assessment of current level of service of key functions in each department). Department's then recommended budget adjustments based on the items on the Critical Needs List, functions within the Program Summary that were experiencing issues with core service delivery, or items related to goals identified in the Strategic Plan. The City is transitioning to a priority based budget. The Strategic Plan, Program Summary, and Critical Needs List will be integrated to an even greater degree in the future.

A total All Funds budget of \$268.8 million was adopted by Council on June 11, 2013. This total budget includes a General Fund operating budget of \$127.8 million, a Capital Improvement Program (CIP) budget of \$15.4 million, \$32.4 million in interfund transfers, and the remaining \$93.2 million in operating budget for other funds including Sewer, Successor Agency to the Redevelopment Agency, Development Services, Transit, and Fleet.

### Citywide Staffing

The Fiscal Year 2013-14 All Funds budget includes 950.00 positions. This is a net increase of 17.65 positions when compared to the Fiscal Year 2012-13 adopted budget which included 932.35 authorized positions

The main portion of the net increase (15.00 positions) is due to Council approved changes during Fiscal Year 2012-13.

The remaining changes, 2.65 net additions, to citywide staffing are due to the addition and elimination of positions, and the transfer of various positions between funds to better align the positions with the respective funding sources. The following is a list of additions and eliminations:

- Addition of 1.0 HR Analyst
- Addition of 1.0 Principal Management Analyst
- Addition of 1.0 Associate Accountant
- Addition of 1.0 Plans Examiner
- Staffing changes in the Library and Animal Care Facility that result in a net increase of 0.65 FTE
- The elimination of 3.0 FA Network Administrator II position (CBAG position)



The subsequent table details the following by City department/fund: 1) The Fiscal Year 2012 - 13 Adopted Budget; 2) Fiscal Year 2012 - 13 authorized mid-year changes; 3) Fiscal Year 2013 - 14 changes; and 4) the Fiscal Year 2013 - 14 Adopted Budget.

**Fiscal Year 2013-14 Position Changes**

Department/Fund	FY12-13 Adopted	FY13 Mid Year Changes	FY13-14 Changes	FY13-14 Adopted
City Council	14.00			14.00
City Clerk/Elections	5.00			5.00
City Attorney	13.00			13.00
Administration	10.00	2.00	1.00	13.00
Information Technology Services	18.00		(1.00)	17.00
Human Resources	15.00	(1.00)	1.00	15.00
Finance	26.00		2.00	28.00
Animal Care Facility	19.25	1.00	0.25	20.50
Development Services	20.50	(1.00)		19.50
Public Works	162.00		1.00	163.00
Police	313.00	4.00	2.00	319.00
Fire	135.00	1.00		136.00
Recreation	17.00			17.00
Library	21.10		0.40	21.50
Advanced Life Support	0.00		1.00	1.00
Development Services Fund	41.50	1.00	2.00	44.50
Police Grants/CBAG	34.00	8.00	(5.00)	37.00
UASI	0.00	1.00		1.00
Environmental Services	5.00			5.00
Housing Authority	7.00	(1.00)	(2.00)	4.00
Successor Agency	1.00			1.00
Fleet Management	8.00			8.00
Transit	1.00			1.00
Sewer	46.00			46.00
<b>TOTAL CITYWIDE ADJUSTMENTS</b>		<b>15.00</b>	<b>2.65</b>	
<b>ALL FUNDS TOTAL</b>	<b>932.35</b>			<b>950.00</b>

**General Fund Budget**

The General Fund is the City’s main operating fund that is used to pay for City services. The General Fund Adopted Operating Budget for Fiscal Year 2013-14 totals \$127.5 million, which reflects an increase of \$3.7 million (3.0 percent) from the Fiscal Year 2012-13 General Fund Adopted Operating Budget. The General Fund CIP Budget for Fiscal Year 2013-14 is \$0.3 million, bringing the total General Fund Adopted Budget to \$127.8 million.

The Fiscal Year 2013-14 General Fund Adopted Budget is balanced at \$127.8 million, with the use of \$2.3 million of one-time contingency reserves.



## General Fund Revenues

The estimated General Fund operating revenues for Fiscal Year 2013-14 total \$127.5 million. Combined with the estimated reimbursement revenue for Capital Improvement Projects (CIP) the total estimated General Fund revenues are \$127.8 million.

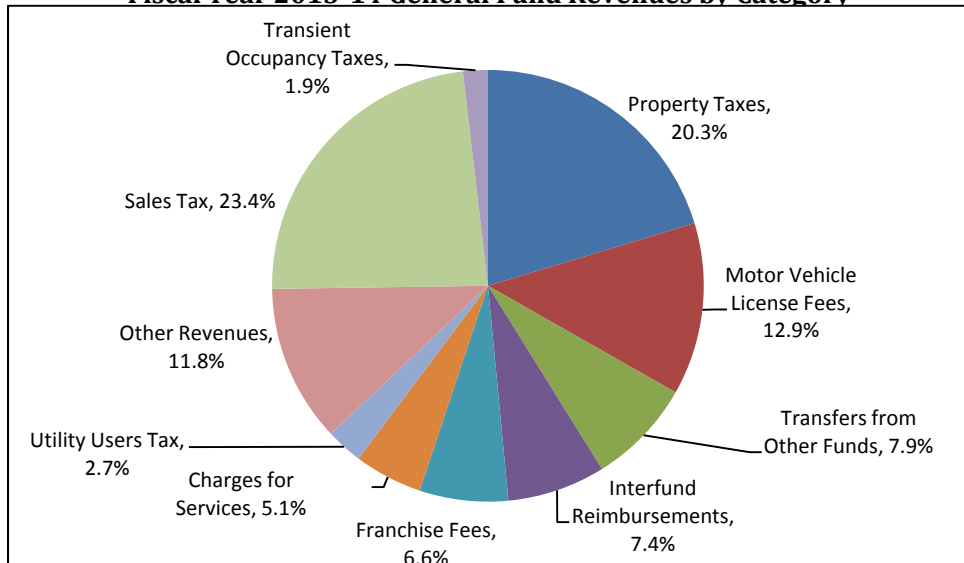
The change in estimated total General Fund revenues in comparison to the estimated Fiscal Year 2012-13 total General Fund revenues of \$124.3 million is approximately \$3.2 million (excluding CIP reimbursement revenue). This net change can be attributed to revenue increases in some revenue categories such as Property Tax, Sales Tax, and Other Revenues. These revenue increases are offset by the decrease in revenues in the following categories: Interfund Reimbursements, Transfers From Other Funds, and Fines, Forfeitures & Penalties.

## Where Do City Funds Come From?

The City has six major General Fund discretionary revenue sources. These major general revenues are Sales Tax, Property Tax, Franchise Fees, Motor Vehicle License Fees, Utility Users Tax, and Transient Occupancy Tax (TOT).

The largest General Fund revenue sources for Fiscal Year 2013-14 are Sales Tax at 23.4 percent of total General Fund Revenues, followed by Property Taxes at 20.3 percent. The chart to the right provides a summary view of the General Fund revenue sources for Fiscal Year 2013-14. Below is a short discussion of the two largest General Fund revenue sources.

**Fiscal Year 2013-14 General Fund Revenues by Category**



Note: Other Revenues include the following categories: Use of Money & Property, Other Agency Revenue, Other Local Taxes, Police Grants, Development Revenue, Licenses and Permits, Fines, Forfeitures & Penalties, and Other Revenue.

**Taxable Sales Per Capita**

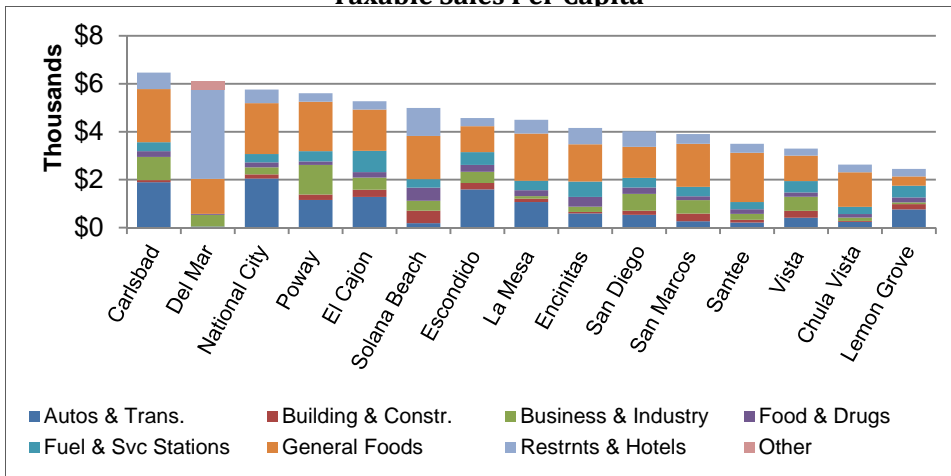


Chart is based on 2012 4<sup>th</sup> Quarter Taxable Sales Per Capita.

## Sales Tax

Sales tax revenue is the City's largest discretionary revenue source at \$29.9 million, or 23.4 percent of total General Fund revenues. The City receives 1 percent of sales tax revenue applied to all taxable retail sales that occur within the City's boundaries.

Sales tax revenue is highly sensitive to economic conditions. Recent trends show that sales tax revenues



are beginning to improve due to modestly improved economic indicators, and the positive trend is expected to continue into Fiscal Year 2013-14. This is reflected in the projections with an increase of 7.3 percent or approximately \$2.0 million from the Fiscal Year 2012-13 Adopted Budget.

Chula Vista, however continues to be challenged in the generation of taxable sales per capita when compared to other cities in San Diego County. As highlighted in the graph above, City’s residents spend a high percentage of their retail dollars elsewhere.

The City of Chula Vista is continuing its efforts on developing the retail business base by focusing on projects such as the expansion of the auto park, the Millenia project, and development of its Bayfront in order to improve the City’s long-term fiscal health.

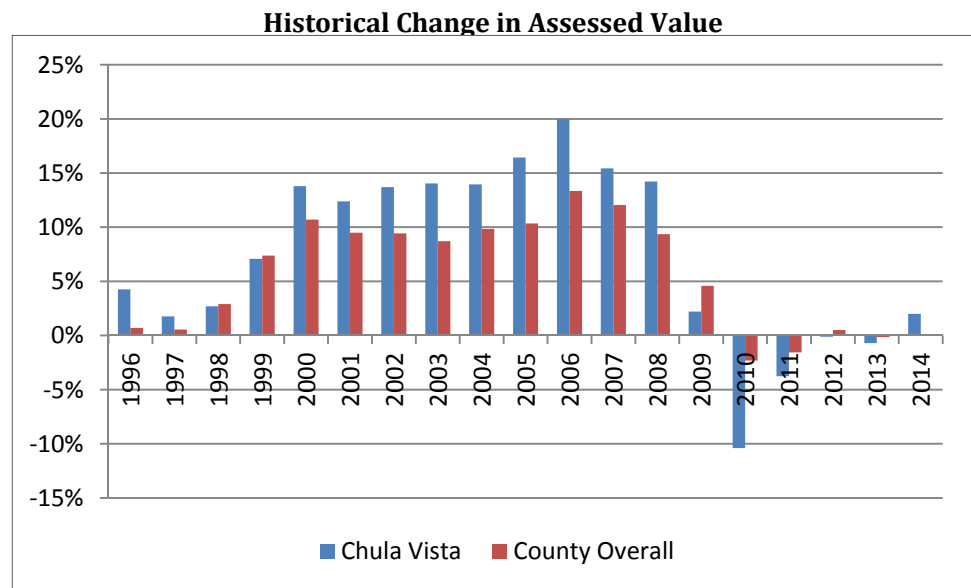
**Property Tax**

Property tax revenues comprise the City’s second largest discretionary revenue source at \$26.0 million, and account for 20.3 percent of the total General Fund revenues. Revenues are based on a 1.0 percent levy on assessed value of all real property within the City’s limits.

Unfortunately, property tax revenues have continued to fall through the economic recession, with Chula Vista being one of the hardest hit areas. Historically, Chula Vista has kept pace or exceeded the county average assessed

valuation growth. The historical change in assessed values is depicted in the graph above. The current housing crisis has caused most home resale values to drop, resulting in a large reduction in supplemental property tax revenue.

As recently as fiscal year 2012-13 assessed values decreased by 0.7 percent based on data from the County of San Diego Assessors Office. The reductions in assessed valuations and the less than full application of the growth factor to the assessment roll resulted in negative growth in property tax revenues for the City during several years of the recession. The City depends on property tax as a stable revenue source that consistently increases in order to compensate for other revenue fluctuations. A recently improved housing market and modest increase in the California Consumer Price Index (CPI) may signal the beginning of a recovery for the City’s property tax base. As such, the estimated property tax revenues in the Fiscal Year 2013-14 Adopted Budget have been increased to reflect a projected 2.0 percent increase in assessed valuation.

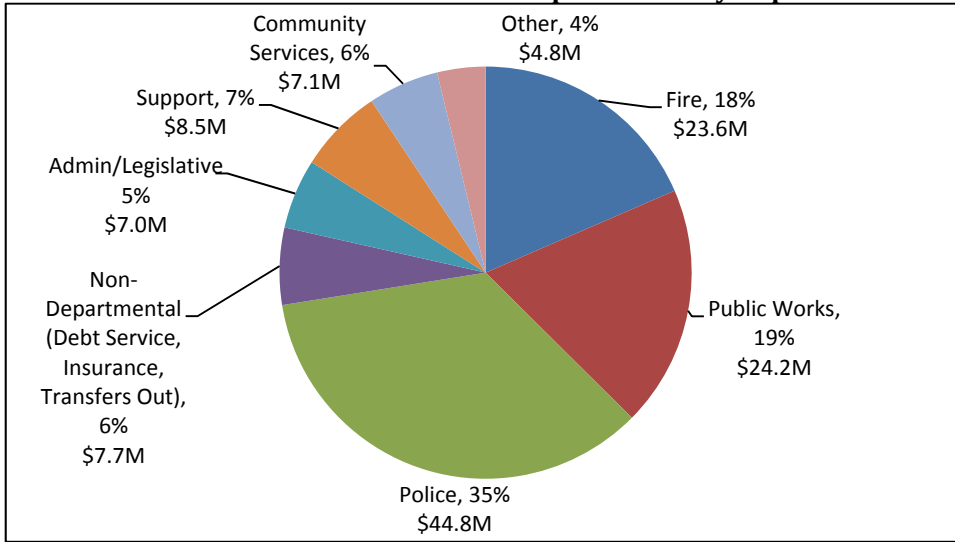


Source: County of San Diego Assessors Office. The 2014 assessed value change is a preliminary estimate.

**General Fund Expenditures**

As previously mentioned, the General Fund is the City’s main operating fund that is used to pay for City services. As a full service city, Chula Vista provides fire and police services, as well as recreational and cultural opportunities. The following graph details the General Fund operating budget by department. As detailed in the chart, a majority of the City’s resources are dedicated to public safety services with the Police and Fire Departments comprising 53.5 percent of the General Fund.

**Fiscal Year 2013-14 General Fund Expenditures by Department**



Note: The chart above does not reflect net cost of each department, only their expenditure allocations. Admin/Legislative includes City Council, Boards & Commissions, City Clerk, City Attorney, and Administration. Support includes ITS, HR, and Finance. Community Services includes Recreation and Library. Other includes Animal Care Facility and Development Services.

The Fiscal Year 2013-14 General Fund Operating Budget totals \$127.5 million and the General Fund Capital Improvement budget totals \$0.3 million bringing the total General Fund Adopted Budget to \$127.8 million, which is a \$2.9 million increase (2.3 percent) when compared to the Council Adopted Budget for Fiscal Year 2012-13. The majority of the increase is in the Personnel Services category (\$2.4 million) primarily related to the addition of positions and the annualized costs of IAFF and POA MOU negotiated increases as well as an increase in retirement costs.

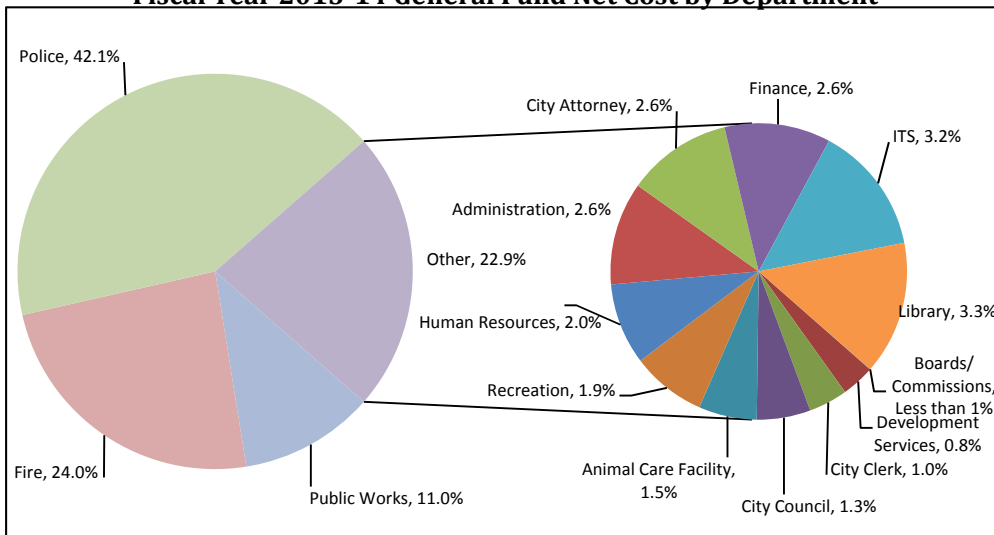
**General Fund Net Cost**

The Fiscal Year 2013-14 General Fund Adopted Budget of \$127.8 million is based on funding from estimated discretionary revenues totaling \$96.2 million. The remaining funds come from non-discretionary, or program revenues, totaling \$31.6 million.

Program revenues are broadly defined as those revenues generated by a given activity (e.g. grant revenues, charges for services, licenses, permits, etc.). General revenues, or “discretionary revenues”, are generally defined as those revenues that are generated not by any given activity, but by general or specific taxing authority such as property taxes and sales tax.

Departments that generate small amounts of revenue relative to their size generally have high net costs. Departments that generate large amounts of revenue relative to their size generally have lower net costs. The

**Fiscal Year 2013-14 General Fund Net Cost by Department**



majority of discretionary revenue for Fiscal Year 2013-14 is allocated to public safety services, with Police at 42.1 percent followed by Fire at 24.0 percent. The next highest portion is allocated to Public Works at 11.0 percent.

The chart on the left depicts the net costs of each department, excluding Non-Departmental, based on the Fiscal Year 2013-14 Adopted Budget.

## Strategic Plan

The City of Chula Vista is implementing a new Strategic Plan with an annual review cycle that encourages focused, meaningful service delivery to benefit all of Chula Vista. It is a comprehensive framework that ensures: priorities set by the City Council are clear to all employees, goals are laid out that respond to priorities, objectives are achieved that meet goals, and that the City government is accountable to meeting community needs.

The Strategic Plan is an operational tool for the City Manager and departments to use. The goals encompass visions that City Council and public have already expressed. Feedback on any potential changes would be solicited when the City annually reports out on past performance. The City has five overall goals. Each goal includes strategies on how to achieve the overall goal, followed by initiatives or plans to implement the strategy. The following sections summarize the City's Strategic Goals and Initiatives.



### GOAL 1: Operational Excellence

Collaborate with residents and businesses to provide responsive and responsible public service by implementing effective and efficient operations.

#### STRATEGY 1.1: Uphold a commitment to Fiscal Health

Establishing a financially resilient City is a long-term goal that can be reached by first stabilizing the City's financial condition, then working towards financial sustainability, and finally establishing an organization that is financially resilient. Financial resiliency better

positions the City to withstand future economic downturns with minimal impacts to service levels.

- Initiative 1.1.1: Implement the Fiscal Recovery and Progress Plan

#### STRATEGY 1.2: Excel in service delivery by continuously improving

Cities by their very definition are service delivery organizations. Many of these services are critical to the well-being of the citizens, but all city services enhance resident's "quality of life". The City of Chula Vista is committed to maximizing its service delivery through continually looking to eliminate waste in the processes of service delivery and maximizing the value of those services to our customers.

- Initiative 1.2.1: Implement Continuous Improvement efforts throughout the organization
- Initiative 1.2.2: Leverage new and emerging technology to provide efficient, effective and secure Information Technology solutions
- Initiative 1.2.3: Retain and attract quality employees

#### STRATEGY 1.3: Ensure interaction with the City is a positive experience

The City of Chula Vista provides services to a diverse customer base. They rely on the City to perform those services in a cost effective and quality manner. The City of Chula Vista strives to make the interaction of service delivery a positive experience in which our customers can have confidence that they are valued.

- Initiative 1.3.1: Foster public trust through an open and ethical government
- Initiative 1.3.2: Provide quality customer service

### GOAL 2: Economic Vitality

Strengthen and diversify the City's economy by: supporting and advancing existing businesses; targeting and attracting new businesses; promoting balanced land use decisions; and engaging the community to reinvest in the city.

#### STRATEGY 2.1: Provide policies, planning, infrastructure, and services that are fundamental to an economically strong, vibrant city

A strong, vibrant city relies on a foundation of forward looking decisions and quality infrastructure that support education, high quality jobs, and well-balanced livable



communities. The City has made great progress in several long-term major development projects, which are essential to revitalizing the City.

- Initiative 2.1.1: Implement the Bayfront Master Plan
- Initiative 2.1.2: Foster opportunities for investment in Western Chula Vista
- Initiative 2.1.3: Promote and support development of quality master-planned communities
- Initiative 2.1.4: Plan and implement the University/Innovation District

**STRATEGY 2.2: *Promote an environment for residents and businesses to prosper***

The City wants to strengthen and diversify the City’s economy by supporting existing local businesses as well as identifying and recruiting new industries and businesses. We want to encourage opportunities for businesses and residents through quality job creation.

- Initiative 2.2.1: Implement strategies that build prosperity and quality employment opportunities for existing businesses
- Initiative 2.2.2: Identify and recruit complementary businesses that provide quality employment and expand the goods and services available to residents



**GOAL 3: Healthy Community**

Protect resources and environmental health for both current residents and future generations. Foster the health of our physical environment through balanced, connected and sustainable land uses.

**STRATEGY 3.1: *Support an environment that fosters health & wellness***

The City will encourage residents to choose healthy lifestyles by promoting and facilitating healthy options in our community and make it easier for residents to lead healthy lives.

The City will promote policies and programs that enhance the well-being of residents. We are also committed to connecting residents in need with critical services that increase their potential for wellness and self-sufficiency.

- Initiative 3.1.1: Implement policies and programs that support a healthy community

**STRATEGY 3.2: *Develop and implement strategies and programs that restore and protect natural resources and promote sustainability***

Promote responsible development and land use decisions that benefit current and future residents. The City is committed to protecting and promoting the sustainability of natural resources through innovative programs and policies. We will continue to show leadership in the area of climate change.

- Initiative 3.2.1: Design and implement innovative environmental & conservation programs
- Initiative 3.2.2: Update and implement the Climate Action Plan

**STRATEGY 3.3: *Provide parks, open spaces, outdoor experiences, libraries and recreational opportunities that residents can enjoy***

The City is supporting residents in choosing healthy lifestyles. Essential to a healthy community is the community infrastructure the City implements through libraries, parks, trails, and other recreational areas where residents can be active.

- Initiative 3.3.1: Plan, construct, maintain, and operate community and neighborhood facilities
- Initiative 3.3.2: Preserve and restore City Infrastructure through the Asset Management Program (AMP)

**GOAL 4: Strong and Secure Neighborhoods**

Create and maintain safe and appealing neighborhoods where people chose to shop, work, play, and stay.

**STRATEGY 4.1: *Ensure a sustainable and well maintained infrastructure to provide safe and appealing communities to live, work, and play***

One of the key functions of city government is to provide citizens and businesses a safe





environment to live, work, play, and conduct business on a daily basis. As such, the provision and maintenance of public infrastructure is vital to the quality of life for the residents. Ensuring that the homes we live in, the businesses we frequent, and the roads we drive on are safe, is key to attracting home buyers, businesses and visitors to our community.

- Initiative 4.1.1: Preserve and restore City Infrastructure through the Asset Management Program (AMP)
- Initiative 4.1.2: Provide comprehensive plan review and inspection services to ensure safety and code compliance

**STRATEGY 4.2: *Enhance prevention efforts and prepare communities for natural disasters and other emergencies***

Cities provide public safety programs which include various prevention and emergency preparedness efforts. Prevention efforts are designed to help mitigate issues before they become a problem through thorough analysis of problems, enforcement of various codes and laws, and educational efforts to help residents improve their safety. Preparedness efforts are designed to ensure that they City and its residents are ready to respond to, survive and recover from a multitude of emergencies.

- Initiative 4.2.1: Maintain a responsive Emergency Management Program
- Initiative 4.2.2: Continue and enhance analysis led policing
- Initiative 4.2.3: Increase the public's perception of safety
- Initiative 4.2.4: Promote safety and readiness through community education and engagement

**STRATEGY 4.3: *Ensure adequate emergency response and post emergency recovery services to our community***

The citizens of Chula Vista expect that the City's public safety providers will respond to emergency calls for service quickly, with adequately staff, equipped and trained personnel to carry out the duties for which they are assigned. Additionally, the City wants to provide adequate follow-up services to help recover from emergencies.

- Initiative 4.3.1: Provide and support an efficient and effective Advanced Life Support (ALS) Program
- Initiative 4.3.2: Restore and enhance public safety service capacity



**GOAL 5: Connected Community**

Promote diverse opportunities that connect community and foster civic pride through comprehensive communication strategies, and cultural, educational & recreational programming.

**STRATEGY 5.1: *Encourage residents to engage in civic activities***

A Key component to a connected community is to have citizens engaged with their government and each other. The City will create a communication strategic plan to better inform the public and staff. Additionally, the City wants to create opportunities for residents to be engaged within their community through such mechanisms as volunteer opportunities or serving on a Board or Commission.

- Initiative 5.1.1: Implement Marketing and Communications Program
- Initiative 5.1.2: Foster an environment of community engagement

**STRATEGY 5.2: *Provide opportunities that enrich the community's quality of life***

The City can contribute to a connected community by having ample opportunities to have citizens to interact with each other. The level of civic pride is also increased when the City can enrich lives with quality programming. Toward that end the City will promote culture, art, and community connections. As much as possible the City will cultivate and promote partnerships that expand and improve services.

- Initiative 5.2.1: Provide services/programs responsive to residents' priorities

## Who Can I Contact?

While the City is beginning to see some positive signs in the local economy, it continues to be challenged to keep expenditures in line with anticipated revenues. During these times, the City is still committed to providing quality services to the community. Below is a list of departments and contact information for services provided by the City that you might find helpful. Please also visit [www.chulavista.gov](http://www.chulavista.gov) for the latest news and information.



### City Departments/Services

#### Administration Services

City Manager (619) 691-5031  
 City Attorney (619) 691-5037  
 City Clerk (619) 691-5041  
 Finance (619) 691-5250  
 Human Resources (619) 691-5096  
 Code Enforcement (619) 691-5280

#### Community Services

Animal Care (619) 691-5123  
 Conservation (619) 409-3893  
 Library Branches  
     Civic Center (619) 691-5069  
     South CV (619) 585-5755  
     Otay Ranch (619) 397-5740  
 Parks (619) 397-6000  
 Public Works (619) 397-6000  
 Recreation (619) 409-5979  
 Recycling (619) 409-3893  
 Transit (619) 397-6058

#### Development Services

Planning (619) 691-5101  
 Building (619) 691-5272  
 Code Enforcement (619) 691-5280  
 Inspection (619) 409-5868  
 Building Inspection (619) 409-5434  
 Business License (619) 691-5250  
 Zoning (619) 585-5621  
 Housing (619) 691-5047

#### Public Safety

Fire  
     Emergency 911  
     Administration (619) 691-5055  
 Police  
     Emergency 911  
     Non-Emergency (619) 691-5151  
     General Inquiries (619) 691-5137