

Economic Recovery, Public Safety, and Reinvestment



Potential Ballot Measure

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Overview



Where
we've
been

Where
we are
today

Where
we're
going

The
Problem
(s)

Potential
Solutions

Where we've
been...



Past State Takeaways



- Sacramento has historically shifted responsibility for many services to local cities, without the funding to provide the critical services we need.
- These unfunded mandates & takeaways have resulted in the loss of millions of dollars from the City's budget in the last five years alone.
- Corona responsibly reduced local budgets to address the budget gap.
- These budget cuts and staffing reductions have impacted local services, including Fire, Police and emergency response.

**Where we
are today...**



SWOT Analysis

Strengths

- Dedicated workforce
- Plenty of workspace!
- **Solid commercial / retail / industrial tax base**
- Community pride
- Excellent transparency in operations & website information
- Solid departmental leadership
- Engaged individuals, non-profits, businesses, faith community, etc.
- Financial reserves (one-time money only)
- **Supportive, responsive, high functioning Council**

Weaknesses

- **Financial capacity**
- **Highly reactive org.**
- Unfunded pension liability
- **Extremely lean org; staff stretched too thin**
- Uncompetitive wages in certain areas
- **Excessively org complexity / rules.**
- Lack of physical gathering place in the city
- Lack of clarity on mission, vision, values mandate & focus.
- **Imbalanced org structure**

Weaknesses

- Work/life balance - burnout among staff
- **Purchasing**
- Recruitment process
- **Level of expertise in some areas of the org.**
- **Resistance to change**
- **No asset management plan**
- Outdated redevelopment plan & city-wide strategic plan
- Increased strain on resources due to Covid19
- **Perception of lack of transparency**

Opportunities

- New strategic plan
- Rebuild leadership team.
- Data driven decision making
- Downtown redevelopment
- Increased community building
- Government on demand
- Addressing the weaknesses...

Threats

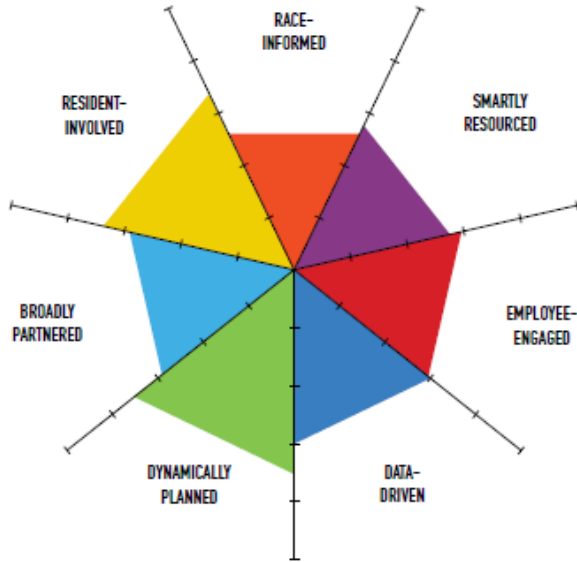
- **Adversarial public criticism**
- Continued State legislation & unfunded mandates
- Volatility in markets, civil unrest, pandemics, etc.

Where we're going...





Building High Performing City

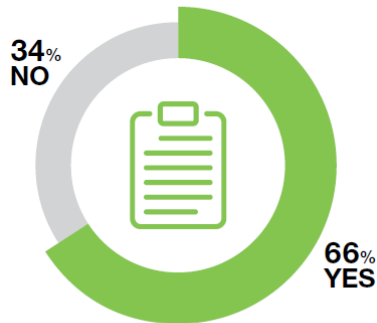


- ▶ DYNAMICALLY PLANNED
- ▶ BROADLY PARTNERED
- ▶ RESIDENT-INVOLVED
- ▶ RACE-INFORMED
- ▶ SMARTLY RESOURCED
- ▶ EMPLOYEE-ENGAGED
- ▶ DATA-DRIVEN

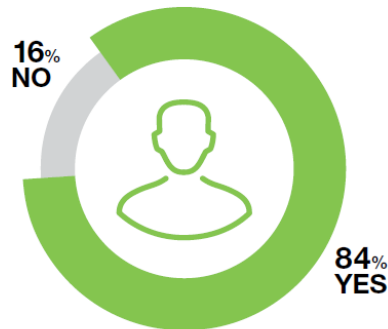
HIGH-PERFORMING CITIES

- ✓ Have a **comprehensive, city-wide strategic plan**
- ✓ Clearly connect strategic planning activities and city objectives/goals
- ✓ **Track goals** through data and performance measures
- ✓ Have an established planning process with check-in points
- ✓ Involve multiple stakeholders in the planning process
- ✓ Obtain strong leadership buy-in and **promote performance improvement and attainment of strategic goals**

DOES THE CITY HAVE A LONG-TERM STRATEGIC PLAN THAT'S AVAILABLE ONLINE AND UP TO DATE?



IS THERE A DEDICATED PERSON OR TEAM RESPONSIBLE FOR PERFORMANCE MANAGEMENT?



HIGH-PERFORMING CITIES

- ✓ **Use a variety of partnerships** to obtain objectives
- ✓ Partner with peer cities to share data and best practices
- ✓ **Lead multi-partner coalitions to address regional issues**
- ✓ Evaluate success based on outcomes and pilots

HIGH-PERFORMING CITIES

- ✓ Field an annual or bi-annual **resident surveys** to better understand unmet needs
- ✓ **Incorporate resident input** into strategic planning activities and decision-making
- ✓ Create formal entities to solicit and manage resident input
- ✓ **Use a variety of methods to reach diverse populations**
- ✓ Tie resident engagement to city goals and track how input has influenced policy, programs and services
- ✓ **Provide transparency into** strategic planning, **spending** and other city activities
- ✓ **Foster volunteerism**

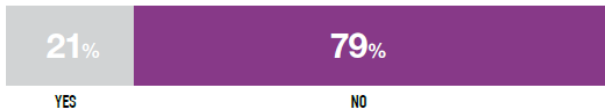
HIGH-PERFORMING CITIES

- ✓ **Treat racial equity as an enterprise-wide effort** that's integral to city activities (**EEO Plan**)
- ✓ Task a person or team with spreading best practices and policy awareness
- ✓ **Apply data to social issues** to identify problem areas, source solutions and inform decision-making
- ✓ Position **plans and activities meet the needs of underserved communities**
- ✓ Seek outside partnerships to supplement resources and move forward with critical initiatives

HIGH-PERFORMING CITIES

- ✓ Tie spending and investments to an overall plan
- ✓ Implement quality **improvements**, service **modifications** or program **closures** as needed
- ✓ Make targeted investments to improve residents' quality of life and **make decisions based on quality data**
- ✓ Can easily **quantify results from program** and process adjustments
- ✓ Adjust procurement processes to make them more effective

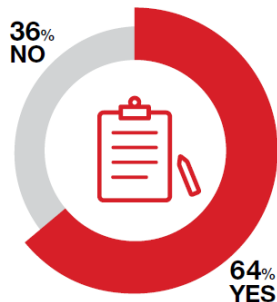
DOES THE CITY HAVE A FORMAL WAY TO MODIFY PROGRAMS
OR POLICIES THAT HAVE CONSISTENTLY FAILED TO ACHIEVE
DESIRED OUTCOMES?



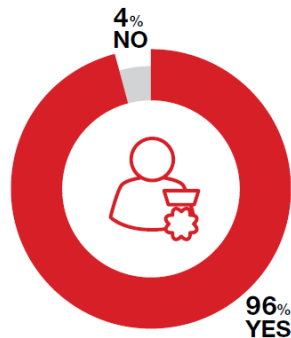
HIGH-PERFORMING CITIES

- ✓ Field an annual or bi-annual **employee engagement** survey
- ✓ Consider **employee input** a valuable component of strategic planning
- ✓ Make a significant and ongoing investment in **employee training**
- ✓ **Encourage employees to innovate**, problem-solve and contribute ideas to improving efficiencies
- ✓ Tie employee functions to the goals of the city
- ✓ Establish **metrics to track engagement**
- ✓ Create a **simple process for recruiting and hiring new employees**
- ✓ Promote local government as an **employer of choice**

DOES THE CITY CONDUCT AN ANNUAL OR BI-ANNUAL EMPLOYEE ENGAGEMENT SURVEY?



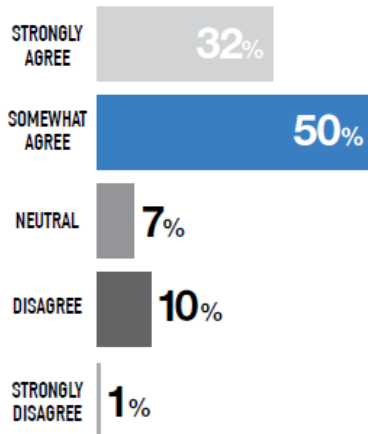
DOES THE CITY ACTIVELY RECOGNIZE EMPLOYEE ACHIEVEMENTS?



HIGH-PERFORMING CITIES

- ✓ **Ensure data drives service excellence** and governance activities.
- ✓ Establish an office of performance management or innovation to **promote an enterprise-wide data-driven culture**.
- ✓ Have an **open data portal** with curated information that contains useful tools like data visualizations.
- ✓ Actively **foster digital literacy**.
- ✓ **Tie data activities to city mandates**, such as cost effectiveness, transparency and accountability.

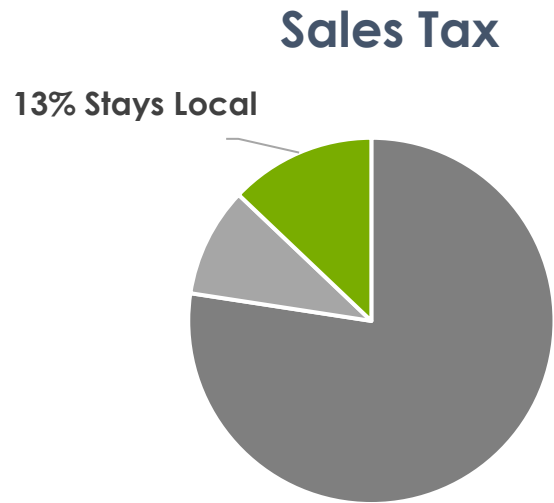
THE CITY'S DATA IS AVAILABLE TO THE PUBLIC AND EASILY CONSUMABLE.



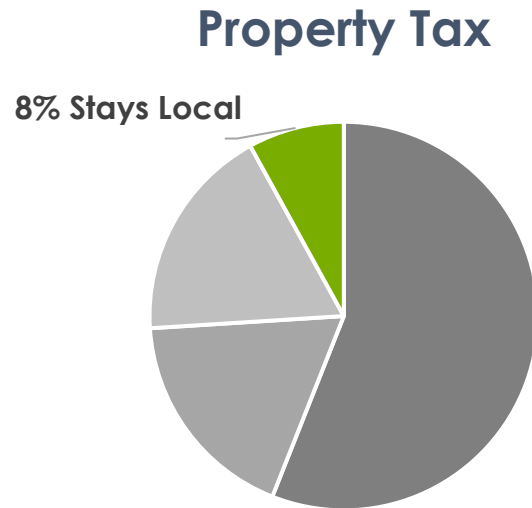
The Problem(s)



Where Corona's tax dollars go...

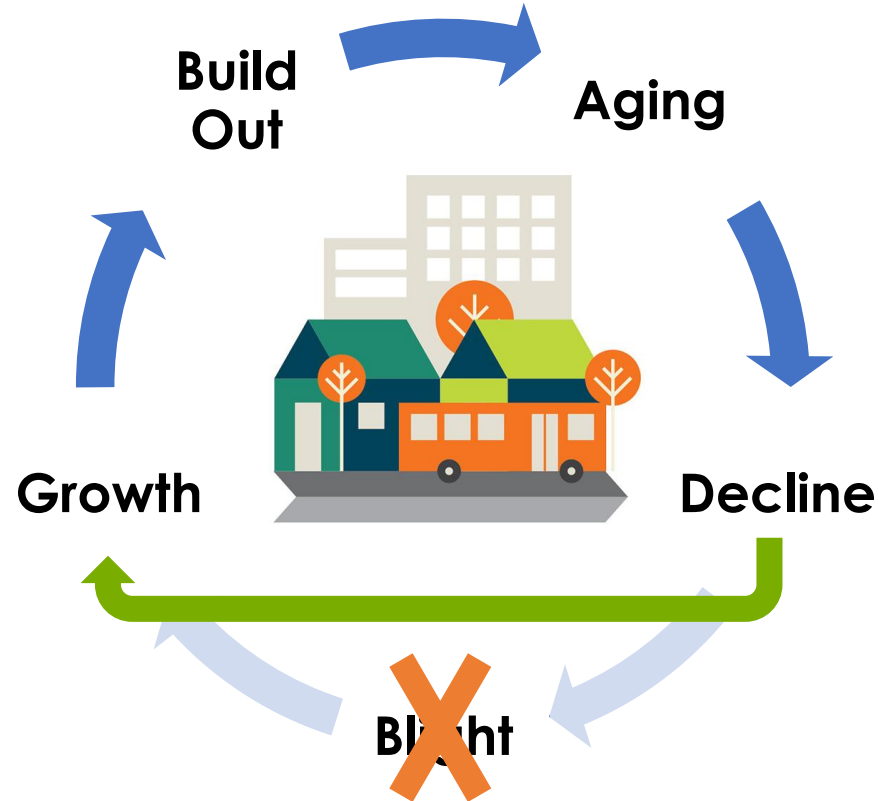


■ State ■ County ■ Local



■ Schools
■ Special Districts & Redev.
■ County
■ Local

Rise and Fall of American Cities



Past State Takeaways Impact Our Ability to Respond



- With the economic downturn caused by the COVID19 pandemic and the ongoing increases in the costs of providing local services, **the City is facing a multi-million-dollar deficit.**
- Due to past State takeaways, our budget was already significantly cut. **Further budget reductions without service impacts are impossible long-term.**
- **Without additional revenue, the City will be unable to restore cuts to essential services** that our residents have told us they value, such as Fire, Police, homelessness programs, support for local businesses and many other local services that residents depend on and that help our economy recover.

Funds are not available



- The COVID-19 pandemic shows why **the City needs to be prepared for any health crisis**, and our community wants these critical services maintained.
- But **years of State takeaways have left us ill prepared** as we face a continued health crisis and the beginning of fire season.
- Funds are urgently needed to **upgrade the equipment and tools firefighters and paramedics use every day** for fast, effective and safe response to medical emergencies, house fires and wildfires in our community.



Homelessness



Public Safety



Parks, Recreation & Trails

An aerial night photograph of a city, likely Los Angeles, with the San Gabriel Mountains in the background. The city lights are visible, and the sky is a mix of blue and orange from the sunset or sunrise. The text "Economic Recovery & Reinvestment" is overlaid in white at the bottom left.

Economic Recovery & Reinvestment



Aging Infrastructure & Equipment

Building Our Community



Potential Solutions...



Cut Costs/Services vs. Increase Revenue



Cut Services
(That close the gap?)



Locally Controlled Revenue Options



Property Taxes

- ❑ Limited to 1% of property value
- ❑ Generates \$50M annually



Grow the tax base

- ❑ Averages 4.5% annually.
- ❑ CPI Averages 2.2% annually



TOT (Hotel Tax)

- ❑ 10% rate
- ❑ Generates \$2.5M annually



User Fees

- ❑ Varies by program or service
- ❑ Market driven



Parcel Tax

- ❑ Not based on property value
- ❑ Some significant downsides



Sales Tax

- ❑ 7.75% rate
- ❑ Generates \$38M annually



Property Tax

Pros

- **Capacity:** Generates considerable revenue.
- **Stability:** relatively stable source of funds.

Cons

- **100% of costs borne by** homeowners.
- **Unavoidable:** no ability to control cost through spending habits.
- **Capacity is capped** at 1%, by state law, ruling this out as a viable source of revenue.



Grow the Tax Base

Pros

- **No increased costs:** Additional revenue is raised without additional rate increases.
- **Capacity:** Limitless potential.

Cons

- **Insufficient:** recent growth years only 4.5% increase over the past 5 years. (CPI 2.2%)
- **Slow:** won't raise funds in anywhere near the timeframe in which we need them.
- **Unpredictable and uncertain:** Ebbs and flows in the rate of development make this difficult to rely on for planning purposes.



Hotel Tax (Transient Occupancy Tax)

Pros

- **No cost to residents:** costs generally only incurred by visitors.

Cons

- **Highly volatile:** strongly impacted by global events (down 80% during Covid).
- **Limited capacity:** only raises \$250k per 1% increase.



User Fees

Pros

- **User pay:** Closely ties costs to beneficiaries so only users pay.

Cons

- **Market driven:** pricing of various programs and services are typically subsidized, break even and occasionally net profit when permitted by law.
- **Capacity:** Generally not a source of surplus revenue.
- **Doesn't cover major service costs:** Fire, police, roads, homelessness, open space, trails, etc.



Parcel Tax

Pros

- **Capacity:** Can generate considerable revenue.
- **100%** of add on money stays local, in Corona.

Cons

- **Regressive:** Can't be based on property value, so \$2M property could pay the same as a 200k property.
- **Unavoidable:** no ability to control cost through spending habits.
- **Land ownership:** can make owning vacant land more uneconomical.
- **100% of costs** borne by homeowners.
- **High threshold:** Requires 2/3 majority to pass making passage difficult.



Sales Tax

Pros

- **100%** of add on money stays local, in Corona.
- **20%** Savings to residents via non-resident spending.
- **8.75%** in line with many local cities.
- **More discretionary** than property tax.
- **Capacity** can raise sufficient revenue with 1 cent tax.

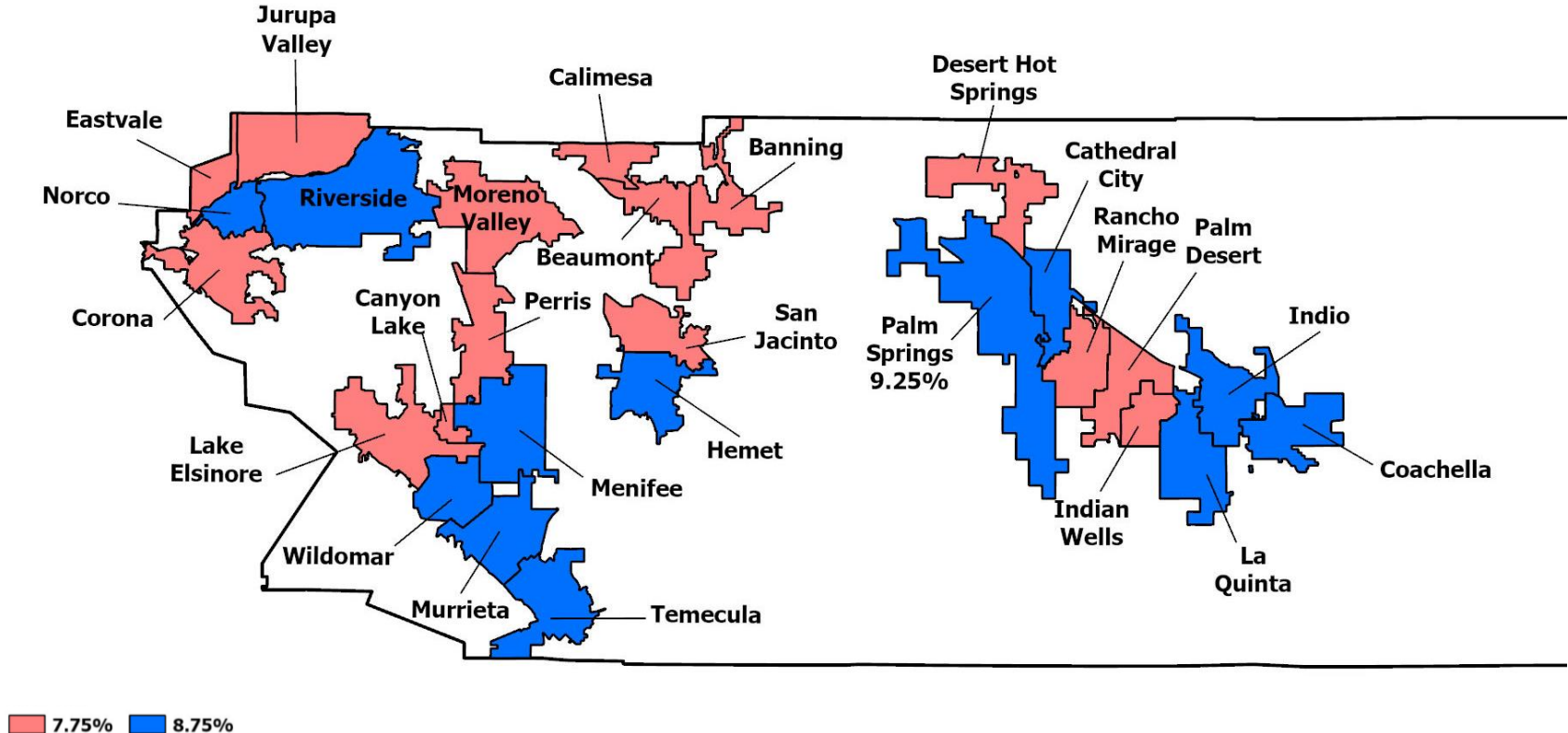
Cons

- **Market impacted:** variation in consumer spending makes it subject to highs and lows.

Recommended Option:



Rates Ranges from 7.75% to 9.25%



Conclusions

- We didn't create these problems
- We can solve these problems
- A local revenue measure would help address priorities the community has identified as important, including:
 - ☐ Keep our taxpayer dollars *local*
 - ☐ Maintain and improve our 911 emergency response, which is slower than national standards
 - ☐ Ensure properly resourced fire/police protection and paramedic services
 - ☐ Address our homeless problem and clean up our business districts.
 - ☐ Assist Corona's economic recovery efforts
 - ☐ Update aging fire equipment and facilities
 - ☐ Keep public areas safe and clean
 - ☐ And get serious about our long-term financial future
- Sales tax makes the most sense for Corona, given our financial realities and our residents priorities.
- Placing a measure on the November ballot for voter consideration allows the community to decide.



A large crowd of people is gathered on a grassy lawn, sitting and standing, looking towards a city skyline in the distance. The scene is captured at sunset, with warm, golden light illuminating the sky and the silhouettes of the trees and buildings. The text "It's your community" is overlaid in white, and "It's your choice." is overlaid in yellow.

It's your community
It's your choice.

QUESTIONS?



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