

City of Glendale
FY 2014-15 Budget Adoption
June 3, 2014



FY 2014-15 Budget Adoption

Agenda

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- Budget Process Recap
- General Fund Recap
- Summary of Appropriations
- Recommended New Fees & Other Fee Changes
- Conclusion

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Budget Process Recap

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- April 29, Budget Study Session #1
 - FY 2013-14 Update, Year End Projection & Adjustments
 - Organizational Profile
 - General Fund Forecast
 - FY 2014-15 Proposed General Fund Budget
- May 6, Budget Study Session #2
 - Council Priorities
 - Summary of Appropriations
 - Review of Departmental Budgets
- May 13, Budget Study Session #3
 - Capital Improvement Program
 - GWP Capital Improvement Program
 - Proposed New Fees & Increases
- May 20, Budget Hearing
- June 3, Budget Adoption

FY 2014-15 Budget General Fund Recap



FY 2014-15 Budget Adoption

General Fund - Proposed Resources

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Starting Revenue Estimate: \$ 170,773,769

Adjustments:

Cost Allocation	\$ 327,228	
Decrease in Transfer from Electric Fund	(250,000)	
Property Tax/VLF Backfill	1,080,000	
Sales Tax	1,513,000	
GRA Loan Repayment	1,200,000	
Utility Users Tax	146,000	
Occupancy/Franchise/Property Transfer Tax	250,000	
Building Permits & Licenses	(730,000)	
All Other Revenues (net)	(303,894)	3,232,334

Proposed Revenue Estimate: \$ 174,006,103

Use of Fund Balance – Current Year 495,424

Subtotal – Current Year Resources: \$ 174,501,527

One-Time Use of Fund Balance

Data Center Upgrade	2,000,000
Central Library Renovation	5,000,000

FY 2014-15 Proposed Resources: \$ 181,501,527

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General Fund - Proposed Appropriations

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Starting Budget: \$ 170,731,906

Salaries & Benefits Increase / (Decrease):

Salaries	\$ (759,150)	
PERS Retirement	1,731,310	
PERS Cost Sharing	(493,359)	
All Other Salaries & Benefits	762,504	1,241,305

ISF Rates Increase / (Decrease):

Workers' Compensation Insurance	\$ 1,482,529	
Liability Insurance	144,048	
Fleet/Equipment Rental Charge	653,189	
ISD Service Charge	(282,354)	1,997,412

M&O / Capital Outlay / Transfers 530,904

Subtotal – Current Year Appropriations: \$ 174,501,527

One-Time Appropriations

Data Center Upgrade	2,000,000
Central Library Renovation	5,000,000

FY 2014-15 Proposed Appropriations: \$ 181,501,527

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General Fund - Proposed Budget

	FY 2014-15 Recurring	One-Time Projects	FY 2014-15 Proposed Budget
Revenues	\$ 174,006,103	\$ -	\$ 174,006,103
Appropriations	174,501,527	7,000,000	181,501,527
Use of Fund Balance	\$ (495,424)	\$ (7,000,000)	\$ (7,495,424)

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General Fund - Fund Balance Projection (In Thousands)

	Unassigned & Charter Reserve	Total Fund Balance
Projected Beginning Balance, 7/1/2014	\$ 61,123	\$ 63,702
Increase/(Decrease) in Fund Balance	(7,495)	(7,495)
Projected Ending Fund Balance, 6/30/2015	\$ 53,628	\$ 56,207
Projected Reserve Percentage*	30.7%	N/A

* Based on proposed recurring appropriation of \$174.5 million.
Current policy is floor of 30% with a target of 35%.

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General Fund Recap

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- Glendale remains operationally balanced
 - Reliance upon one-time savings, use of fund balance, GRA loan repayment and/or use of General Fund reserves
- Proposed FY 2014-15 General Fund Deficit = \$495k
 - Short term options include personnel actions, use of fund balance, program cuts
- Adopt an organization strategy revolving around targeted reductions and investments
 - Long range transition of the organization
 - Balances market dynamic with ability to pay; provides flexibility to meet service expectations

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Changes After Budget Hearing

- Special Revenue Fund – Low & Mod Income Housing Asset Fund 213
 - State disallowed housing entity administrative cost allowance CDD submitted on ROPS 14-15A
 - Reduction of \$148,282 in funding (decrease revenue & appropriation)
- Enterprise Fund – Fire Communication Fund 701
 - Need arose to increase staffing levels at Verdugo Communication Center to support increased demands
 - Reallocation of one Fire Communications Supervisor to Fire Communications Operator
 - Adding one authorized position count for a Fire Communications Operator
 - Increase appropriation by \$70,875 – cost for one position
- Budget adjusted accordingly to include these changes for Adoption
 - Revised proposed headcount is now 1,584

FY 2014-15 Budget Adoption Summary of Appropriations



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Summary of Appropriations - All Funds

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Fund Type	Adopted FY 2013-14	Proposed FY 2014-15	Increase / (Decrease)	% Change
General Fund	\$ 170,731,906	\$ 181,501,527	\$ 10,769,621	6.3
Special Revenue Funds	89,983,396	96,683,890	6,700,494	7.4
Debt Service Funds	4,092,062	3,053,500	(1,038,562)	(25.4)
Capital Improvement Funds	15,465,798	15,264,102	(201,696)	(1.3)
Enterprise Funds	364,771,055	444,404,223	79,633,168	21.8
Internal Service Funds	92,897,508	91,808,687	(1,088,821)	(1.2)
All Funds – Grand Total	\$ 737,941,725	\$ 832,715,929	\$ 94,774,204	12.8

Recommended New Fees & Other Fee Changes



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Summary of Fee Changes

- Staff Recommendations via Fee Study (Number of Fees)
 - New Fees & Restructured Fees - 93
 - Increase to Existing Fees - 297
 - Decrease to Existing Fees - 51
- Other Fee Recommendations (Number of Fees)
 - New Fees - 19
 - Increase to Existing Fees - 69
 - CPI Increases - 185
- No Changes - 1,387
- Total Number of Fees for City Services - 2,101

112 New & Restructured Fees

Department	No. of Fees
CDD	53
Fire	31
GWP	11
Library, Arts & Culture	8
Public Works	9

366 Fee Increases

Department	No. of Fees
CDD	155
Fire	92
GWP	65
Library, Arts & Culture	4
Police	19
Public Works	31

51 Fee Decreases

Department	No. of Fees
CDD	12
Fire	35
GWP	1
Police	1
Public Works	2

CPI Adjustments

Department	CPI Adjustment
City Clerk	1.0%
CDD	1.0%
Library, Arts & Culture	1.0%
Police	1.0%
Public Works	1.0%

Note: CPI adjustment of 1.0% (Issued by the Bureau of Labor Statistics -- for the year ending March 2014) applies to various departments/divisions as indicated in the attached FY 2014-15 Proposed Citywide Fee Schedule

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Revised Summary of Estimated New Revenue Per May 20 - Public Hearing

Department	Full Cost Recovery	Estimated New Revenue
Community Development	\$2,061,000	\$1,803,471
Fire	\$2,746,000	\$294,547
Police	\$4,343,000	\$595,696
Public Works	\$767,000	\$693,627
	\$9,917,000	\$3,387,341

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Revisions from May 20 - Public Hearing

Fee Title	Dept/Div	Full Cost	Current Fee	Revised Fee Structure
Development Potential Request (in all R zones)	CDD/ Planning	\$930.17	\$139.00	\$500.00
Development Potential Request (in all zones other than R zones)	CDD/ Planning	\$930.17	\$139.00	\$930.00
Setback Ordinance (in all R1 and R1R zones)	CDD/ Planning	\$10,804.50	\$2,226.00	\$3,000.00
Setback Ordinance (in all zones other than R1 and R1R zones)	CDD/ Planning	\$10,804.50	\$2,226.00	\$10,804.00

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Revised Staff Recommendations

Fee Title	Dept/Div	Full Cost	Current Fee	Initial Proposed Fee	New Proposed Fee
Animal License: Dog License-Unaltered	CDD/ N.S.	\$51.66	\$33.00	33.00	No Change
Animal License: Dog License-Altered	CDD/ N.S.	\$52.05	\$21.00	\$52.00	\$21.00
Animal License: Dog License-Unaltered/Senior	CDD/ N.S.	\$51.66	\$21.00	\$21.00	No Change
Animal License: Dog License-Altered/Senior	CDD/ N.S.	\$51.66	\$16.00	\$51.00	\$16.00
Amplified Sound Permit-Commercial (Weekly)	CDD/ N.S.	\$402.54	\$75.00	\$402.00	\$100.00
Amplified Sound Permit-Commercial (Monthly)	CDD/ N.S.	\$402.54	\$102.00	\$153.00	No Change
Amplified Sound Permit-Commercial (Annual)	CDD/ N.S.	\$402.54	\$205.00	\$402.00	No Change

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City Council Direction Needed

Fee Title	Dept/Div	Full Cost	Current Fee	Initial Proposed Fee	Council Direction Needed
Historic Preservation Process a Mills Act Request	CDD/ Planning	\$10,539.30	\$1,250.00	\$3,000.00	\$?

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Mills Act Contracts

- Enacted in 1972, Mills act legislation grants participating local governments the authority to enter into contracts with owners of qualified historic properties
 - Government Code, Sections 50280-50290
 - Revenue and Taxation Code Sections 439-439.4
- Available only to properties listed individually on Glendale Register of Historic Resources
- Otherwise, not for “Contributors” in Historic District
- Must be accompanied by work plan approved by Historic Preservation Commission (HPC)

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Mills Act Contracts

- Valuation of Mills Act properties are determined by the Income Approach to Value
 - The income of an owner-occupied property is based on comparable rents for similar properties in the area
 - Income amount for commercial property is based on actual rent received
 - Value of property is determined by dividing income approach by a capitalization rate
 - Capitalization rate = Interest + historic property risk + amortization + property tax components
- Final property tax savings to property owner determined by L.A. County Assessor

More detailed information is available on City's Website at:

<http://www.glendaleca.gov/government/departments/community-development/planning-division/historic-preservation>

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Mills Act Contracts

Resident Savings

Year	# Properties	Total Resident Tax Savings	Average Tax Savings per Property	% Savings (Range)	Median Savings
2010	31	\$254,723	\$8,217	6% - 85%	61%
2012	46	\$382,777	\$8,321	11% - 81%	64%

Reduced Property Tax Revenue to City

Year	# Properties	Citywide Total Property Tax Loss	Average Tax Loss per Property	Median Tax Loss per Property
2010	31	\$34,872	\$1,125	\$995
2012	46	\$52,402	\$1,139	\$1,014

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Budget Calendar

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- June 3 – Budget Adoption
- June 10 – Retirement/Separation Incentive Approval
- November 18 – First Quarter Update
- February 10 – Mid-year Update

Questions & Comments