

# INTRODUCTORY SECTION

The Introductory Section of the Annual Comprehensive Financial Report provides general information of the City of Glendale, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes:

- Letter of Transmittal
- City's Organizational Chart and List of Principal Officials
- Government Finance Officer Association Certificate of Achievement for Excellence in Financial Reporting





## CITY OF GLENDALE, CALIFORNIA

Finance

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November 19, 2024

To the Honorable Mayor, Members of the City Council  
and the Citizens of the City of Glendale, California:

It is our pleasure to submit the Annual Comprehensive Financial Report of the City of Glendale (the City) for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse, and compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Glendale's MD&A can be found immediately following the independent auditors' report.

The financial reporting entity includes all the funds of the primary government (The City of Glendale), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are in substance, part of the primary government. Accordingly, the Glendale Housing Authority and the Glendale Municipal Financing Authority are reported in the appropriate funds of the City's financial report.

### **Profile of the City of Glendale**

The City of Glendale is located northeast of Los Angeles in the foothills of the San Gabriel Mountains. The City was incorporated on February 16, 1906 under the general laws of the state of California. The City Charter was adopted on March 29, 1921. The City provides the full range of municipal services. This includes police, fire, emergency medical services, streets, refuse collection, sewer, hazardous disposal, electric, water, parking, parks and recreation, library, public improvements, planning, zoning, housing, community development and administrative services.

Noted for its high quality of life and fiscal stability, Glendale is the fourth largest city in Los Angeles County, encompassing 30.6 square miles and serving over 191,000 residents. The City operates under a council-manager form of government, with a five-member council elected at large to four-year overlapping terms, in addition to an elected City Clerk and City Treasurer. The mayor is elected by the City Council for a one-year term and is the presiding officer of the Council. The City Council is responsible for passing ordinances, adopting the budget, appointing various boards and commissions, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

## **Factors Affecting the Glendale Economy**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Glendale operates.

**The Local Economy** – Continued capital investment is seen throughout the City through business expansion and business attraction to Glendale’s central location, public safety record, and robust business environment. Implementing the Glendale Tech Strategy continues to strengthen local tech firms such as Service Titan, Age of Learning, EVITE, Legal Zoom, DISQO, Cisco Systems, Phonexa, dot818, and Beyond Limits. Also of note are Glendale’s regional shopping centers, the Glendale Galleria, Americana at Brand, Montrose Shopping Park, and Brand Boulevard of Cars. Several recently completed development projects provide approximately 3,500 new residential units and thousands of square feet of commercial development. Holiday Inn Express Glendale joins top-performing hotels like Embassy Suites by Hilton, The Glenmark, Residence Inn by Marriot, and Hyatt Place Glendale. Hotel Indigo is currently under construction and is due to be completed by 2025. The opening of the new hotels demonstrates that hotels are supported by a solid leisure travel renaissance post-COVID 19. Business travel has slowed but signs indicate upward trends for 2024 and beyond. Such investments by the business community indicate continued confidence in Glendale. Glendale’s economy is one of the most diverse within the Los Angeles region primarily due to a healthy mix of business and industry that operates within its borders.

**Economic Development Highlights** – The City focuses on collaborative strategies to create jobs, generate revenue, support entrepreneurs, and improve the quality of life for residents, the business community, and visitors to Glendale. Throughout the years, the City has encouraged economic development through proactive efforts to target and attract businesses, reduce Class A office vacancies, provide support to existing businesses through concierge services, support workforce development programs operated by the Verdugo Jobs Center, promote City-wide branding and marketing efforts, and adopt strategic planning methods. Economic Development accomplishments for FY 2023-24 were focused on four main goals:

- 1. Asset Management** – Glendale actively employs ways to provide additional value to City assets through proactive, profitability-focused management practices. The priority was to achieve the highest and best use of City facilities through an effective asset management strategy. Accomplishments include:
  - The implementation of Artsakh Creative, a rotating retail pop-up program in the City-owned commercial spaces located at 117-131 N. Artsakh Avenue. During FY 2023-24, the following retailers participated in the program:
    - Union Jack’s Tea – an LGBTQ+ woman-owned business dedicated to selling loose tea, plants, and imported goods from the United Kingdom.
    - The Glendale Room – a comedy/improv/podcast center by day and a performance venue by night. The LA Times has referred to it as “the coziest space for comedy in all of LA County.

- Rolling Robots Innovation Lab – a robotics and coding academy specializing in programs for ages 5 to 17.
- Paperback Brewing Artsakh – a tap room offshoot of Paperback Brewing Los Angeles, located in an industrial section of Glendale.

Two new businesses will join the program in Fall 2024 as Union Jack's Tea and Rolling Robots Innovation Lab rotate out of the program.

**2. Business Attraction** – The City of Glendale is committed to attracting business and investment to Glendale to create a diverse economy. This is done through Business Concierge services and fast-track permitting, broker relationships, site selection assistance, utility consultation, and connecting potential businesses with resource marketing campaigns and support. Accomplishments in business attraction include:

- Glendale Tech Week 2023 returned for its seventh year attracting over 2,000 local and regional attendees. Events featured a job fair, educational panels, and signature events to network with stakeholders and community partners in the tech and innovation ecosystem as well as presented an opportunity to celebrate the innovation throughout the Los Angeles region.
- In FY 2023-2024, Glendale's Economic Development team continued to build on the city's vision of becoming an 18-hour city by supporting the successful opening of several new businesses. Notable additions to the retail and dining landscape include Katsin, L'Avenue, Greek Bistro, Bath & Body Works, Mango, Converse, Robert Graham NYC, and Umi by Eden. Further enhancing Glendale's status as a hub for innovation, tech company EVITE has also opened its doors, joining a growing roster of thriving technology firms in the city. Looking ahead to FY 2024-2025, even more exciting businesses are scheduled to open, including the highly anticipated Erewhon.

**3. Business Services** – Recognizing that most job growth in any community is generated by the businesses already located there, Glendale focuses on services to businesses to propel economic growth. Efforts this past year continued to be centered around helping businesses remain open and prosper in a post COVID-19 economic climate. Accomplishments include:

- The Business Concierge Team finalized the design concept to implement a permanent Al Fresco Program in the Downtown Glendale to allow the expansion of outdoor restaurant dining. The outdoor dining "parklets" in the Montrose Shopping Park continued to draw clients and boost revenue for restaurants in that neighborhood.
- The City of Glendale hosted its second annual "Let's Grow Glendale" Small Business Summit on May 2, 2024, nearly doubling the attendance from the previous year. This event showcased our unwavering support for small businesses and featured a series of breakout sessions on curated topics to support business growth.
- The City of Glendale extended its contract with the California Employers Association (CEA) to provide a new free Human Resources Hotline and a series of trainings to assist local employers with Human Resources (HR) issues. The hotline has assisted local businesses in minimizing their HR-related liabilities by a total of \$3,000,000 in total exposure during FY 2023-24. This was achieved by addressing nearly 100 calls covering topics such as benefits, hiring, leave laws/ADA/FEHA, termination, and wage laws.

- 4. Tourism Initiative** – Positioning Glendale as a tourism hub for Southern California is a part of our Three-Year Economic Development Strategic Plan. To capture a portion of the tourism dollars that will be flowing into the region as Los Angeles hosts the 2026 World Cup soccer matches, 2027 Super Bowl, and 2028 Summer Olympic and Paralympic Games, staff have worked to strengthen partnerships with retailers and hotel operators, create printed advertisements to showcase Glendale as a destination city, and partner with Visit Widget to develop a Visit Glendale app in FY 2023-24. Plans for the coming year include the debut of Glendale's first-ever tourism video.

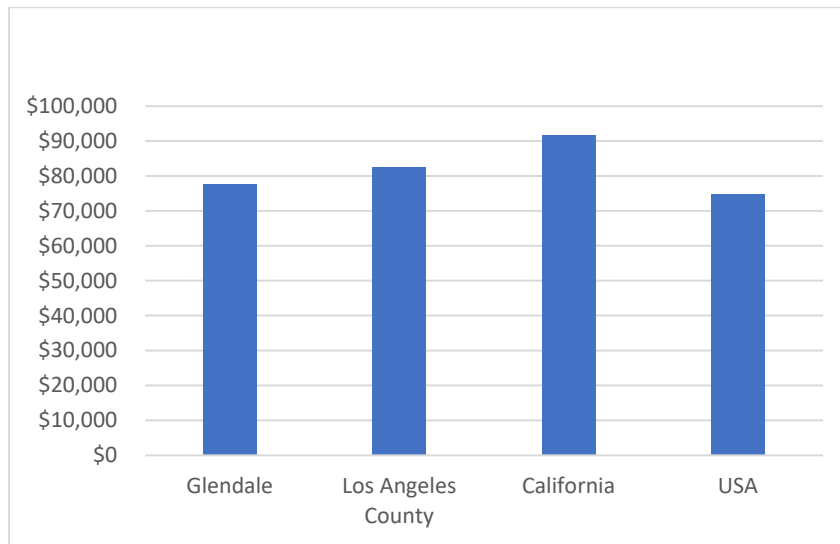
**Employment** – According to the data obtained from the California State Department of Finance Demographic Research Unit, the population for the City of Glendale as of January 1, 2024 is 191,586, representing a year over year increase of 0.16%. However, the City of Glendale remains the fourth largest city in the Los Angeles Basin and ranks 24 in California. As of July 2024, the Glendale labor force includes 103,200 residents (16 years of age or over), an increase of 1,500 workers from August 2023, as noted by the Employment Development Department Labor Market Information Division (EDD-LMID). Overall, the City of Glendale has lost 2,400 workers from its labor force since the beginning of the pandemic (March 2020), representing 2.3% of its labor force.

According to 2022 U.S. Census, American Consumer Survey (ACS) One-Year Estimates, occupational employment data shows the following results for residents of Glendale:

- 45,873 Glendale residents were employed in management, business, arts, or science occupations
- 18,556 were employed in sales and office occupations
- 15,624 were employed in service occupations
- 6,367 were employed in production and transportation
- 4,971 were employed in natural resources, construction, and maintenance occupations

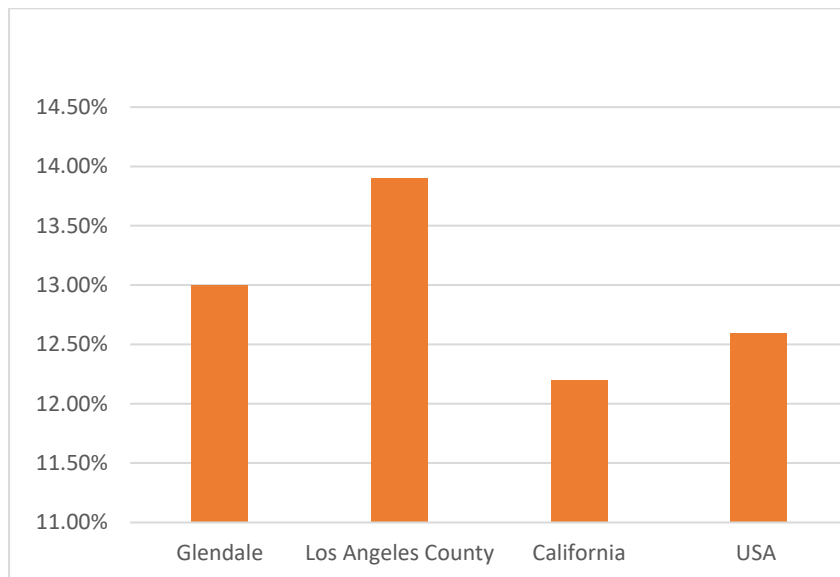
The median household income for Glendale residents recorded at \$77,483, and the poverty rate is at 13.0%, according to 2022 U.S. Census, American Consumer Survey One-Year Estimates. In comparison, Glendale holds a lower median income than Los Angeles County which records \$82,516 median income and lower than California at \$91,551 median income. Glendale's poverty rate is lower than Los Angeles County with a 13.9% poverty rate but is higher than California's rate of 12.2% poverty rate.

### Median Household Income Comparison



2022 U.S. Census ACS, One-Year Estimates

### Poverty Rate Comparison



2022 U.S. Census ACS, One-Year Estimates

**Unemployment Levels** – Due to the economic impact of the COVID-19 pandemic that started in March 2020, Glendale’s unemployment peaked in May 2020 at 21.7%, which was double the peak rate during the Great Recession (December 2007 to June 2010). The unemployment rate declined to 10.2% in August 2021. Recovery from the impact of the pandemic continued and as of August 2023, the unemployment rate for Glendale was 5.8%. Glendale continued its decline ranging from 4.2% through 6% through 2024, recording a 4.3% in April 2024. However, by June 2024, the unemployment rate jumped to 5.7% and again in July 2024 with a 6.2% unemployment rate. While much lower than the peak rate recoded in May 2020 of 21.7%, Glendale has yet to reach its pre-pandemic unemployment of 3.9% and the increases over the past two months may continue as the overall economy continues its projected decline. Glendale’s unemployment is slightly lower than the Los Angeles County rate (6.5%) recorded for July 2024; however, is significantly higher than California (5.8%) and the national rate of 4.3%.

**Industry Employment Status** – According to Dunn & Bradstreet, the top industries by employment are identified for 2024. The top seven Glendale industries are:

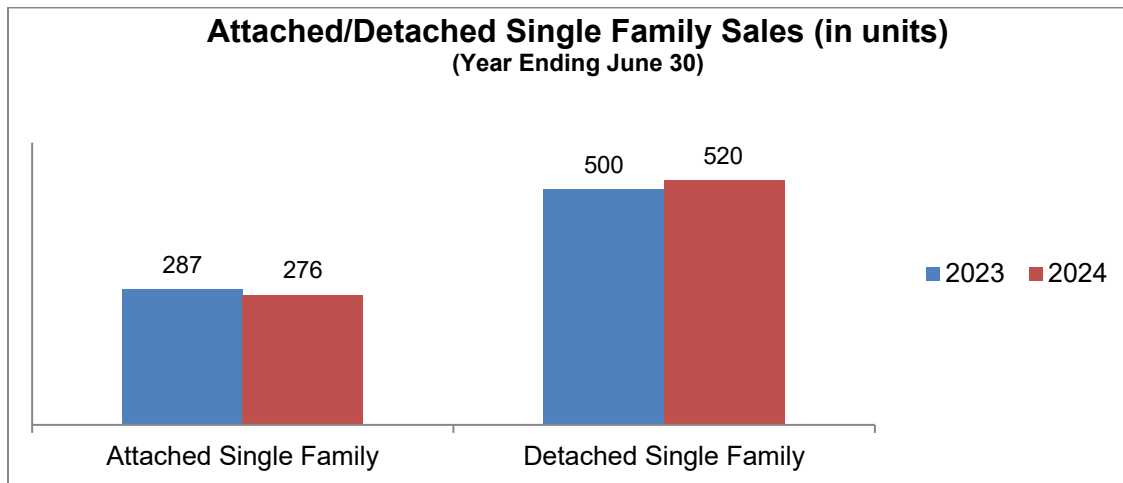
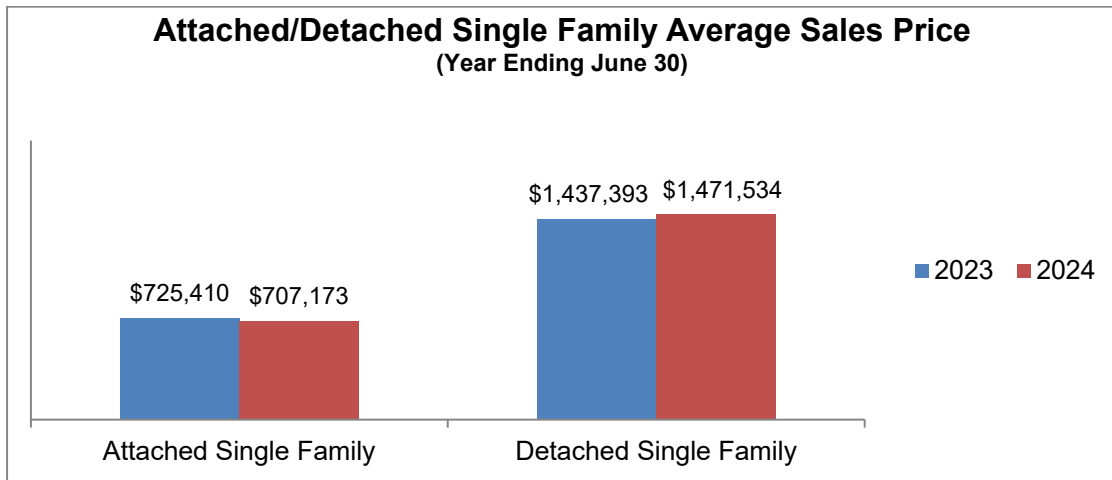
Industry	Employment	Median Annual Salary
1. Healthcare	19,483	\$52,005
2. Professional Services	10,640	\$113,954
3. Retail	10,488	\$42,687
4. Public Administration / Educational Service	10,338	\$75,319
5. Eating & Dining	7,935	\$25,702
6. Other Services	6,155	\$47,126
7. Information Based Industries	5,823	\$132,040

**Fastest Growing Occupations** – Current EDD-LMID projections delineate the 2020-2030 projections with the top 25 fastest growing occupations based on the highest percentage change in Los Angeles County. The table delineates the numeric and percentage increase.

Occupational Title	Numeric Change	Percentage Change
1. Gaming Surveillance Officers and Gaming Investigators	120	100.0%
2. First-Line Supervisors of Gambling Services Workers	190	100.0%
3. Cooks, Restaurant	26,330	78.6%
4. Fitness Trainers and Aerobics Instructors	4,730	69.2%
5. Massage Therapists	1,840	68.4%
6. Barbers	340	56.7%
7. Nurse Practitioners	2,160	55.8%
8. Chefs and Head Cooks	2,260	55.5%
9. First-Line Supervisors of Food Preparation and Serving Workers	12,010	44.7%
10. Computer and Information Research Scientists	300	42.3%
11. Statisticians	310	41.9%
12. Food Service Managers	5,090	40.2%
13. Logisticians	2,390	37.5%
14. Music Directors and Composers	540	36.5%
15. Information Security Analysts	970	36.3%
16. Physical Therapist Assistants	530	36.3%
17. Musicians and Singers	1,160	36.0%
18. Skincare Specialists	970	35.8%
19. Medical and Health Services Managers	4,580	35.1%
20. Meeting, Convention, and Event Planners	1,300	34.8%
21. Self-Enrichment Education Teachers	3,330	34.2%
22. Market Research Analysts and Marketing Specialists	9,570	33.4%
23. Economists	160	33.3%
24. Agents and Business Managers of Artists, Performers, and Athletes	2,600	32.7%
25. Lodging Managers	450	32.6%



**Housing** – Based on the “2024 Assessed Values Report” issued by the Los Angeles Office of the Assessor, Glendale experienced a net taxable property value increase of 4.7%, which was slightly less than the increase experienced countywide at 4.8%. According to the City’s property tax consultant, HdL, Glendale’s attached single-family housing market showed a decrease in sales volume (number of units sold) and a decrease in average sales price, from \$725,410 in FY 2022-23 to \$707,173 in FY 2023-24. The detached single-family sales showed an increase in sales volume (number of units sold) and an increase in average price, from \$1,437,393 in FY 2022-23 to \$1,471,534 in FY 2023-24.



## Long-term Financial Planning and Major Initiatives

In March 2023, the City Council held a governance workshop to discuss best practices, governance norms, and review and establish a consensus on priorities for the FY 2023-24 Workplan. The workplan that resulted from the workshop identifies various projects, programs, and initiatives beyond the regular workload, intended to execute the Council's four highest priority areas that were identified below. With the FY 2024-25 adopted budget, the City Council continues to carry out these priorities:



**Economic  
Development**



**Financial  
Stability**



**Operational  
Efficiency**



**Mobility, Traffic &  
Pedestrian Safety**

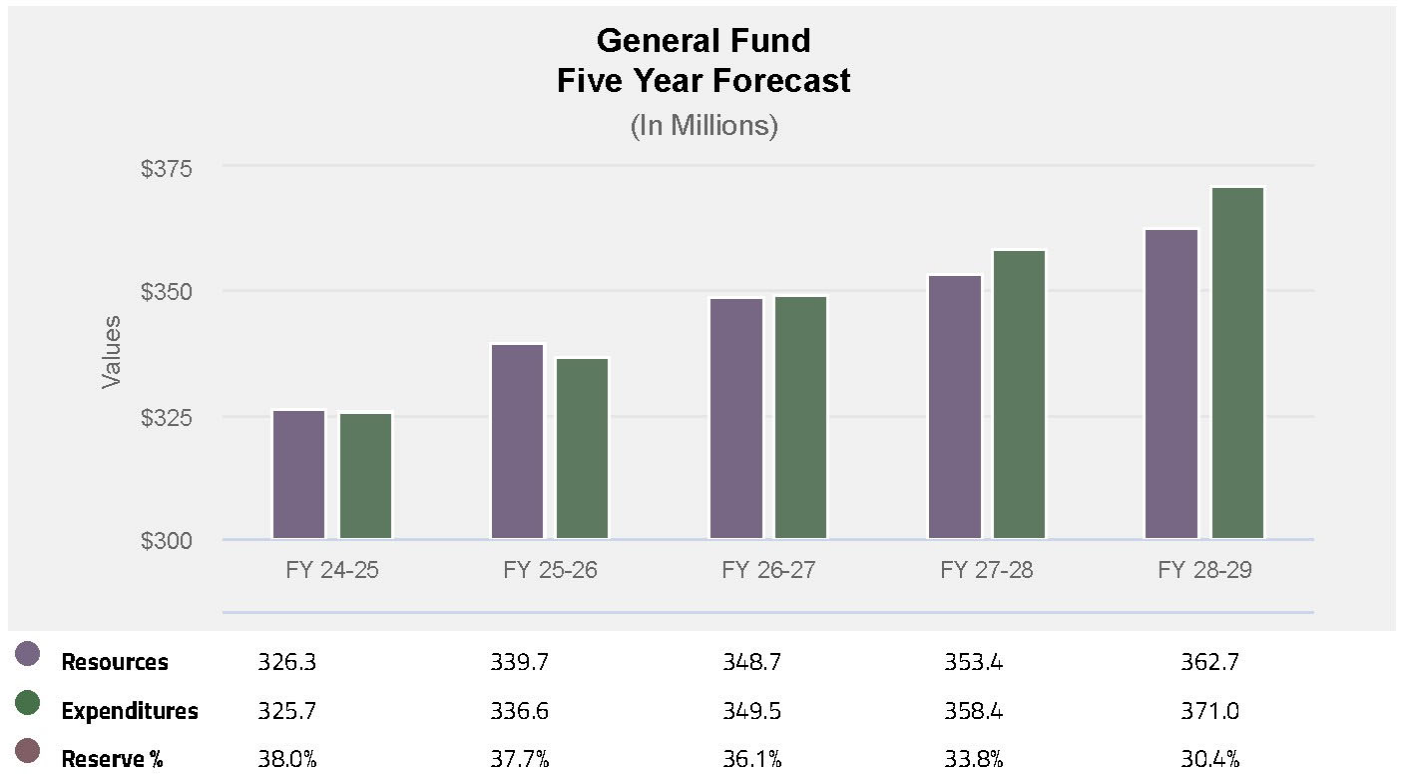
As Glendale continues to streamline its operations and enhance its quality of service, the City must maintain balance by looking at long-term sustainability, closely monitoring cost-drivers, and adapting to changes. The City's continued goal is to restore, build, and maintain the programs, infrastructure, and services, and not revert to traditional patterns and processes. With the City Council's vision and a team of high-quality, ethical professionals, the City will continue to provide exceptional customer service and uphold the quality of life that is unique to Glendale.

The City Council has also requested that the City continue making strategic capital investments in the community that align with the Council's priorities stated above. Some of these planned capital improvements include:

- Restoring and preserving the Doctors House by addressing structural vulnerabilities, termite remediation, and modernizing systems
- Replacing Glorietta Park field lights with LED
- Investing in land acquisition for the expansion of existing parks or development of new parks
- Addition of private dorms, kitchen remodels, and new roll up doors at multiple fire stations
- Construction of a parking deck, photo-voltaic canopy, and installation of electrification infrastructure for the conversion to battery-electric buses
- Pavement condition improvement project to maintain the current Pavement Condition Index
- Major Glendale Water & Power projects in electrification, distribution, and transmission
- Various pedestrian safety projects throughout the City
- Cleaning and inspecting Citywide sewer lines
- Capital improvements for capturing and treating stormwater

These projects, in addition to regular maintenance of City-owned facilities, streets, parkway trees, sewers, parklands, and water and power equipment, are just a sample of the many City improvements planned in FY 2024-25 and echo the City Council’s sense of responsible stewardship over community assets. In the City, departments work together to achieve one main goal: a community that is safe, prosperous, and rich in cultural offerings. There is no one way to do it – but in Glendale, it means teamwork and effective communication between departments, a combination of people and skills, and community support.

In recent years, forecasting has taken a crucial role in Glendale’s budget planning, prompting the City to make appropriate budget adjustments during the year to successfully meet upcoming challenges. During the FY 2024-25 budget study sessions, a Five-Year General Fund Forecast was presented to the City Council. As always, many variables were taken into consideration including but not limited to historical trends, economic forecasts, and use of consultants for major revenue sources such as property and sales taxes. Based on this information, revenue estimates are conservative and assume no future voter-approved revenue increases or potential new tax revenue from new businesses relocating to Glendale. Expenditure estimates factored in increases for major cost drivers such as cost of living adjustments, PERS, medical benefits, capital improvement projects and internal services. Below is a graph that depicts the City’s most recently updated five-year forecast:



**Independent Audit**

The City’s financial statements have been audited by the firm of CliftonLarsonAllen LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide an opinion on whether the financial statements of the City of Glendale, California for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in

the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Glendale, California's basic financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. Their unmodified opinion on the City's basic financial statements is included within this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and other financial reporting and compliance with legal requirements, and on compliance and internal control over compliance for each major federal program selected. These reports are available in the City's separately issued *Single Audit Report*.

## **Award**

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its annual comprehensive financial report for the past twenty-nine fiscal years ended June 30, 1995 through June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such Annual Comprehensive Financial Report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. This award is valid for a period of one year. The City believes the current annual comprehensive financial report continues to meet the Certificate of Achievement for Excellence requirements and will be submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Finance Department, especially the Accounting section. Each member of the department has my sincere appreciation for their contribution in the preparation of this report.

In closing, without the leadership and support of the Glendale City Council and the City Manager, the preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, reading "Michele Flynn". The signature is fluid and cursive, with the first name "Michele" written in a larger, more prominent script than the last name "Flynn".

MICHELE FLYNN  
INTERIM DIRECTOR OF FINANCE

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# OFFICIALS OF THE CITY OF GLENDALE

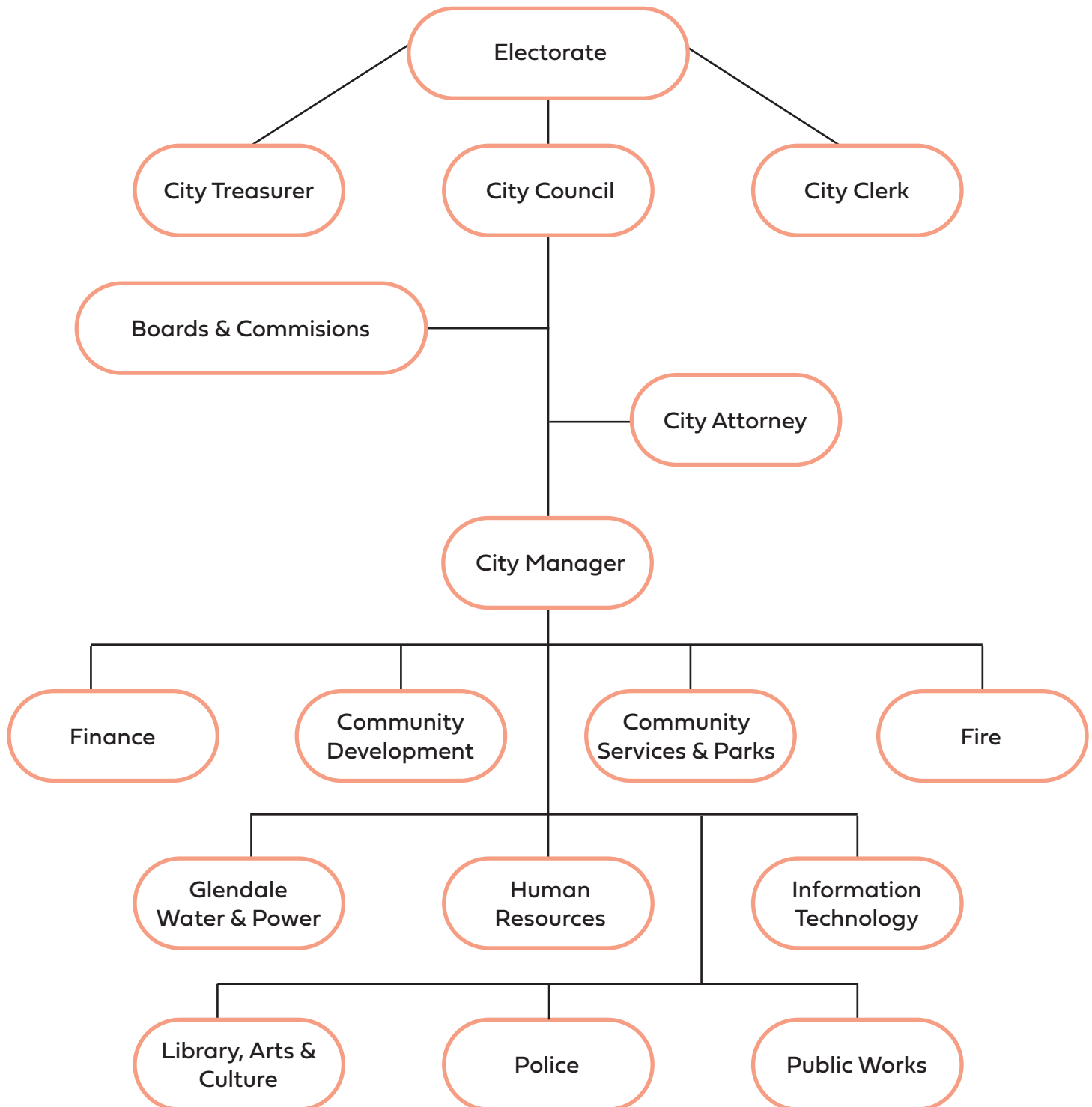
## Administration and Executive Management Team

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City Manager	Roubik Golanian
Assistant City Manager	John Takhtalian
City Clerk	Suzie Abajian
Chief Human Resources Officer	Paula Adams
Chief Innovation Officer	Elena Bolbolian
Chief Information Officer	Jason Bradford
Director of Community Services & Parks	Onnig Bulanikian
Director of Community Development	Bradley Calvert
Police Chief	Manuel Cid
Fire Chief	Greg Fish
Interim Director of Finance	Michele Flynn
City Attorney	Michael J. Garcia
Director of Public Works	Daniel Hernandez
City Treasurer	Rafi Manoukian, CPA
Acting Director of Library, Arts & Culture	Lessa Pelayo-Lozada
Interim General Manager of Glendale Water & Power	Manuel Robledo

# City of Glendale, California

## ORGANIZATIONAL CHART



# CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Glendale for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 29th consecutive year that the City of Glendale has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

### **City of Glendale California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrell*

Executive Director/CEO



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