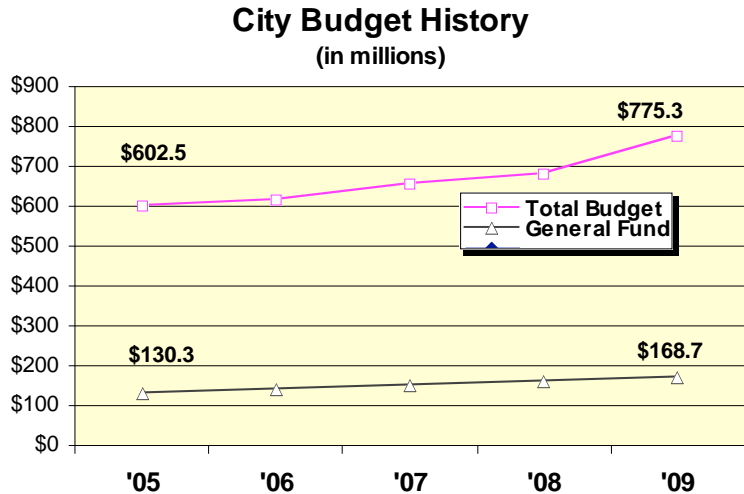




**CITY MANAGER’S BUDGET MESSAGE**

Honorable Mayor and Members of the City Council,

As the City Manager of Glendale, one of my major tasks each year is to prepare and submit to the City Council a balanced budget for the City. It is my pleasure to present to you and the residents of the City of Glendale, and on behalf of the staff, the adopted budget for fiscal year 2008/09. The total adopted budget for Fiscal Year 2008-2009 is \$775 million and includes all city funds, departments and programs. The budget for the General Fund is \$168.7 million. This year’s budget incorporates the needs of the community as identified by the City Council and staff during the Budget Study Sessions held between April and June of this year. The budget continues to fund high levels of public safety, community services, transportation, parks and libraries as well as capital projects and other City services. A public hearing on the budget was held on June 10<sup>th</sup> and the budget was adopted on June 24<sup>th</sup>.



This budget adopted by the City Council reflects a budget that was balanced using a combination of expense reductions, new revenues, prior year fund balance and changes to transfers. The following table illustrates the resources and appropriations for each fund and fund type.

Fund Type	Adopted Resources	Adopted Appropriations
General Fund	\$168,685,691	\$168,685,691
Special Revenue Funds (incl. Cap. Projects)	76,662,156	76,662,156
Electric Works Fund	274,657,888	274,657,888
Water Works Fund	83,793,700	83,793,700
Sewer Fund	27,285,731	27,285,731
Refuse Disposal Fund	19,636,178	19,636,178
Other Enterprise Funds	14,506,131	14,506,131
Glendale Redevelopment Agency	31,239,400	26,997,920
Debt Service Funds	13,799,090	13,799,090
Capital Improvement Program	33,525,000	23,286,062
Internal Service Funds	45,977,532	45,977,532
<b>Total All Funds</b>	<b>\$789,768,497</b>	<b>\$775,288,079</b>

## Budget Overview

The fiscal climate of Glendale remains relatively strong with projected moderate growth in property taxes, sales taxes, and other revenue sources. The City's economic base continues to be diversified with strong retail and financial services. However, concerns remain in the national economic slowdown and rising commodity costs coupled with the State of California budget challenges that have trickle down effects to the local economy and the City of Glendale. The City continues to have balanced budgets for all its funds and operates with fiscally prudent policies. However, looking for ways to reduce costs will be a priority throughout the year.

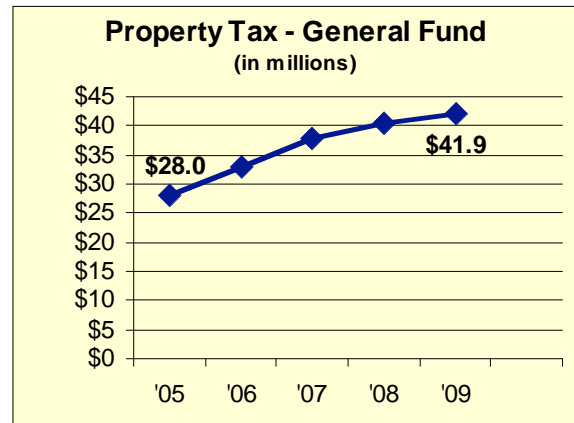
## General Fund Revenues

The 2008/09 General Fund revenues are projected to increase 3.7%. The slowdown in economic activity, increase costs with all commodities, on-going credit crisis and the decline in the price and volume of real estate property in California has led to a conservative revenue projection. The percentage increase for 2008/09 projected revenues is mainly due to increased property taxes of 3.5%, with a 1.5% increase in sales taxes, a 3.7% increase in utilities users tax, an 18.5% increase in fines & forfeitures, and a 22.5% increase in charges for services. Reductions in miscellaneous & non-operating revenue and revenue from other agencies offset a portion of the increases. The table below represents a summary of General Fund revenues by category.

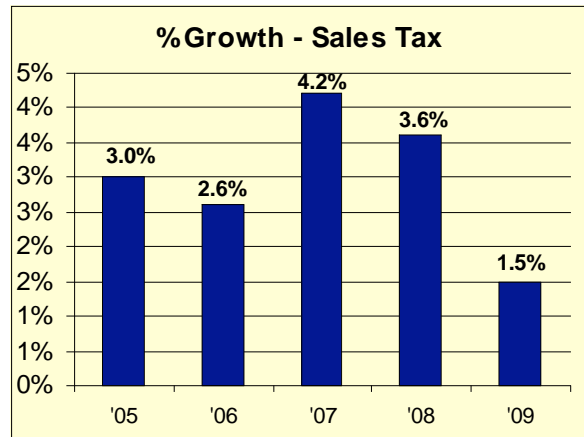
Revenue Type	Revised 2007/08	Adopted 2008/09	Increase / (Decrease)	% Change
Property Taxes	\$ 40,502,000	\$ 41,937,000	\$ 1,435,000	3.5 %
Sales Tax	26,189,000	26,586,000	397,000	1.5 %
Utility Users Taxes	27,500,000	28,525,000	1,025,000	3.7 %
Other Taxes	7,950,000	8,163,000	213,000	2.7 %
Licenses & Permits	7,345,000	7,430,000	85,000	1.2 %
Fines & Forfeitures	1,300,000	1,540,000	240,000	18.5 %
Use of Money & Property	7,650,000	8,140,000	490,000	6.4 %
Revenue - Other Agencies	2,367,000	1,740,000	(627,000)	(26.5 %)
Charges for Services	4,504,000	5,515,755	1,011,755	22.5 %
Misc. & Non-Operating	807,000	655,000	(152,000)	(18.8 %)
Interfund Revenue	7,870,000	8,275,617	405,617	5.2 %
Transfers - Other Funds	28,115,000	29,652,000	1,537,000	5.5 %
<b>Total Revenue</b>	<b>\$ 162,099,000</b>	<b>\$ 168,159,372</b>	<b>\$ 6,060,372</b>	<b>3.7 %</b>

Additional details of some of the major funding sources to the General Fund are discussed in the following section.

**Property Tax** - Property tax is projected to grow 3.5% in 2008/09 from the previous year revised total of \$40.4 million. The decrease in both the price and volume of real estate in California has not yet impacted property taxes. Generally, there is a two-year lag between current real estate activity and property tax revenue. The City of Glendale did not experience significant increases in property tax revenue during the past five years as other areas of Southern California did, therefore, we should not experience the significant decreases.



**Sales Tax** - Sales tax is projected to grow 1.5% in 2008/09 from the previous year revised total of \$31.1 million (General Fund and CIP Fund). This projection reflects the downturn in economic activity coupled with an offset of the opening of the Americana at Brand.



**Utility Users Tax (UUT)** - Growth in this revenue is related to changes in utility rates charged to customers for telephone, cell phone, cable television, electric, natural gas and water. In addition, new customers for any of these utilities will generate growth in utility tax revenue. The projected growth for 2008/09 is 3.7%. The total estimated utility tax revenue for 2008/09 is \$28.5 million. The issue of litigation over the UUT collected on wireless is creating the need for a ballot measure for the election in April 2009. The ballot measure would protect this source of revenue which equates to approximately \$8.7 million.

**Transfers** – In 2008/09, the City will transfer funds from the Electric Utility (\$19.1 million), Water Utility (\$4.2 million), Sewer Utility (\$1.1 million), and the Capital Improvement Fund (\$2.8 million). The combined \$23.3 million transfer from the Electric and Water Utility represents 9.6%, considerably less than the 25% required by the City’s Charter. With the other pressures on electric and water rates, the transfer is an area that will receive increased public scrutiny. Although it was a goal to “cap” the transfers this year, due to economic pressures, the transfers were again indexed. In the long-term, we should consider ways to reduce the size of these transfers. Other transfers of \$2.5 million will come from the Parking, Refuse and Hazardous Materials funds. Total transfers to the General Fund will be \$29.7 million.

## General Fund Expenditures

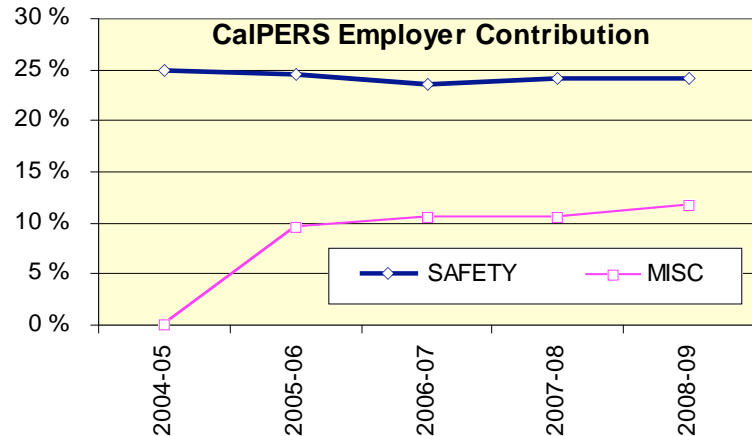
For fiscal year 2008-09, the adopted General Fund expenditures are \$168.7 million, representing a 1.5% increase over the revised 2007-08 total. Because the General Fund is home to the traditional City departments that provide direct City services, e.g. Police, Fire, Libraries, Recreation, they are people intensive and as such, salaries and benefits comprise 83% of the General Fund budget.

Expense Category	Revised 2007/08	Adopted 2008/09	Increase / (Decrease)	% Change
Salaries & Benefits	\$ 130,249,920	\$ 139,303,205	\$ 9,053,285	7.0 %
Maintenance & Operation	28,823,331	28,985,365	162,034	0.6 %
Capital Outlay	277,850	573,814	295,964	106.5 %
Charges-Depts. or Funds	(5,218,043)	(6,068,454)	(850,411)	16.3 %
Transfers - Other Funds	14,004,836	7,891,761	(6,113,075)	(43.6 %)
Budgeted Underexpenditures	(2,000,000)	(2,000,000)	-	0.0 %
<b>Total Appropriations</b>	<b>\$ 166,137,894</b>	<b>\$ 168,685,691</b>	<b>\$ 2,547,797</b>	<b>1.5 %</b>

In addition to increased costs for salary adjustments for employees covered by multi-year labor agreements, approved costs for CalPERS retirement and Capital Improvement Program are also included in the adopted budget.

### **CalPERS Contribution Rates**

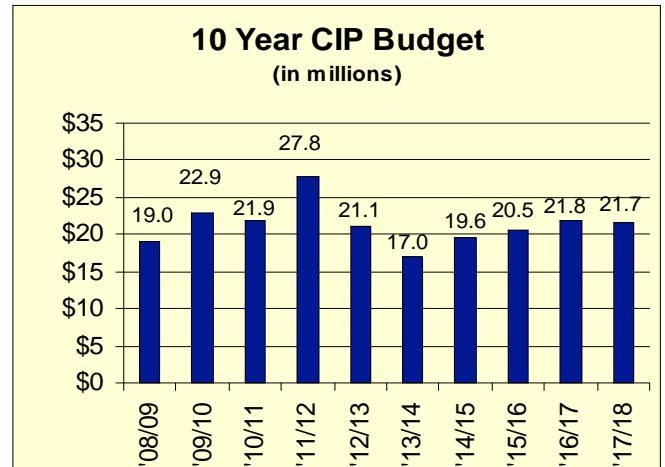
During the late 1990's, with the stock market returning over 20% annually, CalPERS reduced Glendale's rates for both Safety and Non-Safety (Miscellaneous) employees to a zero contribution rate for the City. Beginning March 2000, the stock market lost a tremendous amount of value for CalPERS. CalPERS invests approximately 60% in United States equities. Consequently, Safety employee



rates have increased from 1.665% of payroll in 2002/03 to 24.172% in 2007/08 and for 2008/09 it is projected to grow to 24.252%. The Non-Safety employee rates are projected to be 11.681% for 2008/09. Included in the Non-Safety rate is the new retirement benefit formula implemented in December 2005, representing over 3% of the 11.681% total rate.

## Capital Improvement Program

For fiscal year 2008/09 the approved appropriation for projects totals \$19 million with a \$400,000 contingency. This year, the projects planned for the next 10 years total \$212.8 million, including \$3.7 million in contingencies. The projects approved for funding in 2008/09 are detailed in the CIP budget. Important to the funding of the CIP is the planned sale of GRA tax increment bonds. Resources to the CIP anticipate \$30 million from this source. The evolving situation of the State budget and the economy could impact the size of the bond and other CIP resources.



## Other Funds

The 2008/09 adopted budget for the Enterprise Funds totals \$419.9 million. The primary funds are the Electric, Water, Sewer and Refuse Disposal funds, which total \$405.4 million, or 97%, of the \$419.9 million.

The 2008/09 adopted budget for the Special Revenue Funds totals \$103.7 million and \$13.8 million for Debt Services Funds.

The 2008/09 adopted budget for the Internal Service Funds totals about \$46 million and can be found in the Administrative Services portion of the budget. The Internal Service Funds, by definition, receive their funds “internally” from other funds of the City. For instance, each division within the General Fund pays its Workers Compensation costs by a line item budget in the General Fund and that payment is made to an Internal Service Fund for Workers Compensation programs. The Workers Compensation Fund then takes the “revenue” from the General Fund payments and Other Fund payments and expends those funds to pay the claims for Workers Compensation benefits. Similarly other Internal Service Funds for equipment replacement, liability insurance, and employee medical, dental, and vision benefits are included in the miscellaneous or Internal Service Fund categories.

## Departmental Highlights

The following section highlights each of the City’s 16 departments’ missions, challenges, accomplishments, upcoming goals, and overall budget.

### **Administrative Services - Finance**

The mission of Finance is to provide leadership to responsibly manage the City’s financial resources. Finance maintains all of the City’s accounting records and performs daily operations of payroll, accounts payable and receivable, cost accounting, grants, purchasing, and other related financial duties. Finance also

oversees the Enterprise Services and Graphics sections. Enterprise Services operates the Live Scan and passport services for the City.

The payroll and financial systems are two core computer systems for the City. A continued challenge for Finance and Information Services is the maintenance and upgrades necessary on these systems to provide improved reliability and functionality. Within the last year, the Finance Department, in coordination with other city departments, successfully upgraded the City's payroll system. The system is now current with all patches and upgrades. The upgraded system allows improved overall maintenance and reliability.

The total General Fund budget in fiscal year 2008-09 for Finance is approximately \$10 million. A continued increase to the department's budget is the Los Angeles County property tax administration fee. This fee is applied to all property tax revenues received by the General Fund and has increased significantly over the last few years due to the application of the administration fee to the new ERAF (Educational Revenue Augmentation Fund) payments in lieu of Vehicle License Fees and Sales Tax revenue (triple flip) structured by the State of California. Looking at the remaining expenses for the 2008/09 fiscal year, the department eliminated one vacant position, reduced the budget for hourly wages and eliminated a number of contractual services expenses for a total cost reduction of approximately \$250,000. Finance continues to seek opportunities for additional cost savings measures as well as additional revenue strategies. Further, providing accurate and timely accounting information to City Management and the other departments in order for close budget monitoring to occur is a main focus for 2008-09 and going forward.

### **City Attorney**

In accordance with the City Charter, the City Attorney is appointed by the City Council to prosecute all criminal cases for violation of the Charter and City ordinances, and to attend to all suits and other matters to which the City is a party or in which the City may be legally interested. The City Attorney provides a full range of legal services to the city and is the chief legal advisor to the City Council, Redevelopment Agency, Housing Authority, City Departments, and all appointed boards and commissions. While performing his duties as the City's chief legal advisor, the City Attorney, among other things, manages all outside counsel, reviews and negotiates City and Redevelopment Agency agreements, advises on labor and employment issues, drafts and reviews legislation, litigates civil cases, and prosecutes Glendale Municipal Code violations.

The City Attorney has a 2008/09 General Fund budget of approximately \$1.9 million for the areas of Internal Services/Transactional, Litigation and Code Enforcement. Looking at reducing expenses for the year, the department eliminated one vacant position and streamlined its operational processes to minimize operating costs.

### **City Clerk**

The City Clerk is the Custodian of Records for the City of Glendale and the City's Election Official responsible for all General Municipal and Special Elections. The City Clerk's primary responsibility is to accurately record the actions and proceedings of City Council, Redevelopment Agency and Housing Authority meetings; administer the City's Records Management Program; maintain the Municipal Code; issue licenses/permits and ensures Fair Code compliance; administer regulations relating to the Fair Political Practices Commission, and research and provide information to the public and City personnel.

The City Clerk's total budget for 2008/09 is a little over \$1.4 million of which 77% was appropriated for department operations and the remaining 23% was budgeted for the upcoming election in April 2009. In an effort to reduce costs, the department has eliminated one vacant position in operations and also tightened expenses in the Maintenance & Operations (M&O) budget.

### **City Treasurer**

The City Treasurer's role as Investment Manager of the City's funds is to maximize yield without compromising safety and liquidity of the City's reserves. Working under the Government Code of the State of California, and with the advice of the Investment Policy Advisory Committee, the City Treasurer directs the investment of the City's reserve funds that are earmarked for future use. As of June 30, 2008, the City's portfolio, not including the Glendale Water and Power bond proceeds, was valued at approximately \$470 million, down \$12 million from \$480 million at June 30, 2007. A continued challenge for the City Treasurer has been the declining interest rates of return over the previous six years. As a result, investment revenue projections for fiscal year 2008/09 indicate an 8.5% decrease from actual interest earned during fiscal year ended June 30, 2008.

The City Treasurer's office also manages the City's banking relationship and acts as the banker for the City. Revenues are collected from various City departments on a daily basis and combined into the bank deposit. Daily treasury management and reconciliation of the official City bank accounts are primary functions in this area.

The total budget for the City Treasurer is \$562,000 which consists of \$496,000 salaries for staff of five and \$66,000 for Maintenance & Operations (M&O). The City Treasurer's Office has been managed with the minimal staffing and funding environment. As a result, efforts are underway in automating department operations and supporting the E-Commerce initiatives within the City.

### **Community Development and Housing**

The mission of the Department of Community Development and Housing is to build strong communities—physically, socially and economically. The Department is comprised of four Divisions: Housing, Community Development Block Grant (CDBG), Neighborhood Services, Youth Employment and Workforce Development. For the next two years the Department will be addressing primarily

the Housing, Safe Community, Community Services and Facilities and Economic Vitality goals from the long range strategic plan. The initiatives to meet these goals will include facilitating sustainability of homeless services and transitional housing programs, by working with local non profits; development of a joint affordable housing/park project in downtown for home ownership, using “green” building standards; responding to local impacts of the mortgage industry meltdown; exploration of the development of a joint affordable housing/library project in Glendale; strategies for streamlining the code enforcement process including administrative citations and rental housing inspection; integrating all City and Employment Development Department services at the Verdugo Jobs Center to be more demand driven and efficient; Quality of Life strategies for addressing smoking in public places; and a Quality of Life Indicators update.

The total budget for the Department is nearly \$40 million, the majority of which (92%) comes from Federal Agencies including Housing and Urban Development and the Department of Labor. The remaining eight percent (8%) of the funding comes from the City General Fund. Neighborhood Services and the Youth Employment programs receive a percentage of their funds from the City General Fund, and both programs leverage these funds with fundraising activities by affiliated non profits. Whereas CDBG, Housing and Workforce Development receive funds based on a Federal formula, Neighborhood Services and Youth Employment are more dependent on grants for which they must apply.

Reductions in Federal funding, particularly in CDBG and Workforce Development, have resulted in diminished resources for programs and for administration of the programs. Reduction in staffing has resulted in streamlining operations, and efforts to reduce operational costs for the Verdugo Jobs Center. The reduction that Neighborhood Services has experienced over the past two years has hindered their ability to meet expectations. Although an additional inspector was added this year, a support position was eliminated, challenging the Division’s ability to address the volume and complexity of code enforcement cases. Funding for Neighborhood Services continues to be a challenge. About half of the funding for Neighborhood Services comes from Redevelopment Set Aside, CDBG and other grant funds. Constraints on the use of these sources limit the ability to provide code enforcement citywide in an equitable fashion. The demand for Section 8 housing continues to be strong with a waiting list of approximately 7,000 individuals. Affordable housing, both rental and ownership, is one of the highest priority needs in the community. Youth employment programs, through the Glendale Youth Alliance, continue to expand opportunities for young people to gain meaningful work experience. Funding for these programs continues to be a challenge.

**Development Services – Glendale Redevelopment Agency**

The current economy and its affect on the state, private development and the nation’s consumer spending is the biggest influence on carrying out the Agency’s mission. The State’s budget crisis has lead to another “taking” of local funds to augment the Proposition 98 mandated funding for public education. This year’s budget legislation requires a one-time transfer of \$350,000,000 by California



redevelopment agencies to the State's Education Revenue Augmentation Fund. Glendale's share of this transfer is \$2,275,000. While this one-time taking will reduce the funding available to pay for local Glendale projects, the real concern is the State's appetite for continuing this practice and the effect it will have on the Agency's ability to issue bonds. The nation's financial crisis has led to tightened credit markets making funding necessary to continue development and growth scarce. Many projects that were ready to begin construction have been shelved until there is stabilization in the nation's financial markets. The nation's general economy has slowed consumer spending that is critical to a growing economy. This has a ripple effect that ultimately means less revenue to fund general services. The other major influence on the Agency's ability to revitalize Glendale's downtown is the "sunset" of the Central Glendale Redevelopment Project Area. The Agency will cease activity in August 2015 when the City will take over all the Agency's assets and the tax revenue that Glendale received as a result of having a redevelopment project area will revert back to the other taxing entities. A major effort will be to create strategies to maximize the revenue collected to benefit Glendale in the remaining years.

Despite the bad news, there are areas of promise and opportunity. Several projects are currently under construction or have been funded and will begin soon. These projects provide short-term construction jobs and long-term permanent positions that serve to bolster the sliding economy. The hospitality industry is very positive on Glendale with several brand operators interested in locating new hotels and meeting space in the City. The Agency is currently negotiating a Hyatt Place limited service hotel for the downtown. Timing for this and other hotel projects should coincide with a rebound in the financial markets putting Glendale in a good position to capture much of the Tri-Cities demand. There are other approved housing projects that will also be timing construction to the rebound of the housing markets estimated for 2009/10. The completed projects will provide revenue for new parks and libraries per policy adopted by the City Council and Redevelopment Agency to set-aside up to 75% of the tax revenue from development projects to fund public facilities. Glendale's office market is showing positive signs as well. Current rents attract businesses looking to locate in the Tri-Cities area. In addition to the existing space, new construction is currently underway at the 211 West Goode Project, the DreamWorks Studio expansion and Disney's Grand Central Creative Campus.

The Agency's 2008/09 budget of \$26 million funds activities in the Central Glendale and San Fernando Road Corridor Redevelopment Project Areas and City-wide economic development. In addition, the Agency contributes almost \$7,000,000 to fund the creation and preservation of affordable housing in Glendale, administered through the City's Community Development and Housing Department. Agency activities include involvement in Public/Private Partnership Projects; commitment of over \$32,000,000 in funding to the current 10-year Capital Improvement Program and other previously approved projects for the development of public infrastructure and facilities; City-wide economic development program is responsible for the retention, attraction and expansion of Glendale's business community; and the repayment of approximately \$2,000,000

to City General Fund for long-term debt to fund public infrastructure improvements.

### **Fire**

The mission of the Glendale Fire Department is to prevent or reduce the loss of life and the destruction of property and the environment from fire, medical, hazardous materials and other emergency occurrences. The economic downturn facing the City has challenged our personnel to maintain existing service levels while reducing staffing by six sworn positions. The management of overtime costs is a continuing challenge. Fire has substantially reduced overtime budgeted for purposes other than to maintain minimum staffing. Continuing to provide training will challenge the department to develop more efficient training modes and to develop other financial resources such as partnering with Glendale Community College. The increasing cost of energy, whether for fuel to operate emergency apparatus or to support operation of our facilities, is a challenge to all. Energy conservation is going to be incorporated into every activity of the department. Continued static levels of payments received for paramedic services present the challenge to rethink the Paramedic Program and provide the same level of service through a different delivery model. The department will be evaluating the use of "Dispatch Triage" for emergency medical calls as another means of reducing costs.

The cost of Operations and Maintenance for the year is \$53.8 million. Approximately \$19.3 of this total is offset by fees received in exchange for services. An additional \$6.6 million is budgeted for capital outlay such as response apparatus and the Regional Training Center. Approximately \$2.2 million of this figure is provided by grant funds.

In addition to the challenges noted above, Fire will be taking delivery of four new apparatus this year. Each will require outfitting. Training and documentation will be developed to ensure their proper operation and maintenance. The department is also specifying a new aerial ladder truck to be purchased this year. Work continues for the Regional Training Center that is being funded from Homeland Security funds. This center will provide a venue for Urban Search and Rescue and other vital specialty training that is necessary. Funds have been approved to perform deferred maintenance of Station 26. Fire personnel will be coordinating the needed work with the Public Works Department.

### **Glendale Water & Power (GWP)**

GWP is working to meet the challenges of additional North American Electric Reliability Council (NERC) regulations in areas of electric reliability and emission limitation without staffing increases. On the water side, maintaining water systems at the required Class 1 Fire Department rating level is a goal of the department. The requested valve maintenance truck is essential to maintain system valves on schedule, and as all vehicle purchases were delayed for fiscal year 2008-09, there is concern about the ability to maintain all valves on schedule. However, various infrastructure upgrades and enhancements have

been planned that will continue to provide the high level of reliability service for both electric and water systems Glendale prides itself on.

In today's market, with high volatility and increasing prices in natural gas fuel and electrical energy, the Fuel Adjustment Charge (FAC) reserve required an increase of \$23 million. A continued challenge for the department is to provide reasonable electric and water rates to our customers. Actions taken in 2007-08 to reduce the cost of natural gas fuel began to pay off with receipt of natural gas fuel under the prepaid natural gas purchase agreement. This resulted in a saving of approximately \$1 million in 2008-09. In addition to that, Wholesale Marketing addresses tightening market opportunities and increased concerns over market stability while optimizing GWP resources and developing a new trading organizational structure and process. This includes the development of a layered, protective strategy for hedging the City's exposure to the energy market risk. With the combination of these efforts an increase in wholesale marketing revenues is expected. In addition, with the worsening drought conditions and increasing cost of imported water, GWP along with Public Works will be evaluating options for expanding the City's use of reclaimed water.

GWP will complete a business case study for installation and application of an Automated Metering Infrastructure (AMI), and proceed with development consistent with the study results for electric and water. GWP plans to meet citywide energy efficiency and demand reduction goals. The department will provide leadership and Public Benefit Charge program support to help the City successfully implement its 20% energy and transportation fuel reduction goal. GWP further plans to work with other departments in the City to adopt and successfully implement "Green Glendale" sustainable city policies and programs. Many other customer support improvements are planned in 2008-09 that will assist low-income customers, help protect customers from identify theft, automate monthly payment options for customers and provide employee training on conservation best practices in order to assist customers with meeting their goals.

GWP is committed to providing low cost electricity and water in an environmentally sustainable manner. However, the department finds itself facing a limited Capital Investment while working with aging infrastructure. Other concerns are focused on water conservation program, recycled water and chromium regulations. During the next six months, decisions by regulators regarding implementation of Assembly Bill 32 "Greenhouse Gas Reduction" legislation could have a dramatic impact on electric utility rates in Southern California. The method GWP uses to meet these upcoming regulations, particularly in relation to how our competitors meet them, will greatly influence our future rates compared to other utilities.

The Fiscal Year 2008-2009 budget for the Electric Works Fund and Water Works Fund is \$274,658,000 and \$83,794,000 respectively. This budget includes capital expenditures and transfers to the General Fund. An additional \$6.8 million is

appropriated for the Electric Public Benefit Fund which is considered a Special Revenue Fund.

### **Human Resources**

Human Resources continues to strive to maximize the effectiveness, productivity and performance of the City's human capital through the development of a workplace environment which is responsive to the needs of the organization and its employees. For the current fiscal year, the department submitted budgetary cuts involving the elimination of a vacant professional level generalist position and additional reductions to the City-wide training fund. In spite of these reductions, the department faces significant challenges and major organization-wide objectives for the 2008-09 fiscal year including the commencement of labor negotiations with the Glendale City Employees' Association (GCEA) and Glendale Management Association (GMA); implementation of the on-line application management system; continuation of aggressive outreach recruitment efforts, including the utilization of more strategic media-oriented strategies involving television, internet and other non-traditional resources; focus on the timely and efficient filling of vacant positions, including executive-level positions; and revision and amending of Glendale's Civil Service Rules and Regulations.

In the training arena, the department will graduate the Glendale Supervisory Academy Class of 2008 and commence the next sixty participants for the 2009 program. It will complete the Americans with Disabilities Act (ADA) Sensitivity Awareness program, and then fully implement the Diversity Awareness program known as "Mind the Gap". The department will also continue its biennial Workplace Harassment program for all employees. For Health Benefits, the department anticipates completing the bid process for the consideration of a new health benefits insurance broker. Additionally, the department is seeking to enhance outreach and communication of these programs to employees and retirees to ensure that participants are educated and better able to utilize these programs both efficiently and responsibly. The department is also working with the Finance Department to establish an advisory committee to improve communication, understanding and awareness of the City's Retirement Health Savings Plan and Deferred Compensation programs.

From the Employee Health Services standpoint, the department seeks to increase health screening utilization by at least 10% for this fiscal year, in an effort to take assertive preventative steps to improve employee health and wellness. Such health screenings have proven to be beneficial in identifying major health problems and risk factors, which have enabled employees to seek treatment and/or make lifestyle changes. Employee Health Services will also continue to provide some basic services (i.e. flu shots) to active employees and retirees to ensure their ongoing health and wellness. The Safety Section seeks to implement Cal-OSHA mandated Injury/Illness Prevention Programs (IIPP) for the Fire, Parks and Community Development Departments. Workers' Compensation seeks to scan all closed claims into the File Net program, which will allow for the eventual destruction of "paper" files and enable the claims adjusters to more efficiently access the information via their computers. The department will also

expand its meetings with departments with high claim utilization to enhance communication on the status of claims and develop coordinated strategies to mitigate future injuries and facilitate return to work efforts.

The total budget for the Human Resources Department is nearly \$12 million. Approximately \$1.9 million is in the General Fund and is allocated between Administration and Citywide Training. The remaining \$10 million is allocated to Internal Service Funds for the City's Self Insurance Fund, Employee Health Services, Compensation Insurance, and Safety.

### **Information Services**

The primary goals of the Information Services Department are to provide integrated technology to support local businesses, enhance government service delivery, and foster community access to technology, information and government. The Department is organized into three major sections: Technical Services, Application Services, and Wireless Communications.

A number of the projects included in the 2008-09 budget are multi-year, scheduled for completion during the 2008-09 year or in future years. The department is seeking to implement the City Service Interface System in Building and Safety, Neighborhood Services, Fire and Management Services. Additionally, Information Services plans to develop and implement a Geographic Information Systems (GIS) Master Plan. At the same time, the department will be conducting a clean up and update of the GIS Base Data Layers. Upgrades of all Radio Site Power systems and implementation of a Work Order Management in Parks and GWP are also scheduled.

A new IS Director is expected to bring the opportunities for change. Possible disruptions in continuity of service are being minimized due to an aggressive recruitment schedule for the new Director. Additional opportunities exist within the City for consolidation of information technology resources such as Library technical support staff, GIS data in various departments, printing fleet citywide, etc.

The Department's total budget is approximately \$12 million. Nearly \$5 million of this budget is allocated to the General Fund for Administration, Infrastructure Support, Application Support, and Telephone System Support. The remaining \$7 million is allocated to various Internal Service Funds for equipment and software replacement and capital improvements. Various staffing, maintenance, and operations costs were reduced for the Fiscal Year 2008-2009 General Fund budget.

### **Library**

The Glendale Public Library is committed to providing convenient access to services, materials and activities to enrich life, foster literacy, inspire intellectual curiosity and stimulate the imagination. To achieve this primary mission the staff maintains high standards of service and professionalism and is dedicated to contributing to Glendale's quality of life by meeting the ongoing and changing

needs of the community. Through its many services the library encourages adult and early childhood literacy and serves as a vital civic center and community gathering place for long time residents and newcomers. Library staff serve the public at Central Library, six branch libraries, Brand Art and Music Library and Art Center, and a bookmobile that provides service to schools and senior living facilities.

The department has initiated its building/service projects with the development of a renovation plan for Brand Library, completion of a long-term building plan and furniture/signage for Central Library together with the Casa Verdugo Branch Library interior remodel. It has also developed a plan for mobile services to library community, enhanced service to targeted communities with focus on outreach to Armenian and Spanish communities. To expand revenue generating options, the Library can create a Library Foundation to leverage a \$1 million bequest, increase and add fees, explore feasibility of a tax assessment district and filming opportunities at Central Libraries.

While striving to meet demand for high service expectation, the Library is having difficulty recruiting library professionals at entry and management levels. Current economic downturn with State budget issues resulted in reductions of 56% in the Public Library Fund and 49% State funding for the Library's Literacy program over the last five years. Other challenges include decreases in grant opportunities that supplement the City's general fund budget; increases in energy costs coupled with inefficient and outdated heating, air conditioning and lighting systems make it difficult to assume full savings; increases in security issues; and rising costs of library materials including books, online resources, periodicals, etc.

The Library's 2008-2009 budget of approximately \$8.4 million funds all library services in the City and includes approximately \$6.6 million for salaries and \$1.8 million for Maintenance and Operations. A capital outlay budget of \$130,000 will allow purchase of self check equipment and laptop computers to provide enhanced public service. The Library's capital improvement project cumulative budget will be used for renovation and rehabilitation of existing libraries such as Brand Library, Central Library, Casa Verdugo Branch Library and Montrose Branch Library/Rockhaven project.

### **Management Services**

The City of Glendale operates under a Council/Manager form of government. The Council Members are elected at-large to serve four year terms. The Mayor is appointed on an annual basis by his/her colleagues. Management Services is the department through which the City Manager, the chief administrative officer of the City, directs and coordinates the official services and business affairs of the City. Staff works closely with the City Council, recommending policy options and assuring the proper and efficient implementation of Council approved policies, programs and directives. Management Services has general oversight of City departments and ensures that these operate in a cost effective and customer service oriented manner. Management Services, in conjunction with Finance, is

responsible for the preparation and presentation of the annual city budget to the City Council for its review and adoption. The department also coordinates the organization's strategic planning efforts and ensures operations reflect the directives of the City Council and the needs of the community. The City Manager serves as the Executive Director of the Redevelopment Agency and engages in the business development and economic assistance efforts of the City. This department also incorporates Internal Audit, Public Information Office, and the Commission on the Status of Women.

#### [Internal Audit](#)

The Internal Audit group is responsible for examining every phase of operations to insure the City's assets are properly recorded and safeguarded and that operations are conducted in an efficient and effective manner. On an annual basis, the City Auditor is required by the Glendale Municipal Code to prepare an annual audit work plan based on an assessment of the organizational risk. The Audit Committee, under the direction of City Council, reviews and recommends to the City Manager the annual audit work plan and its priorities.

#### [Public Information Office](#)

The Public Information Office oversees the dissemination of information to the public through press releases, the quarterly newsletter CityViews, and the City's Government Access Channel 6. The office also serves as the liaison with the news media and assists other departments with public outreach efforts.

#### [Commission on the Status of Women](#)

The department also provides staff support to the Commission on the Status of Women, an advisory commission to the City Council, which assesses and evaluates the needs and issues of women and girls in the City. The Commission focuses on three major issue areas of relevance to women in the City: economic literacy and self-sufficiency, leadership development (political participation and visibility), and women's health (including awareness and prevention of violence against women).

The total 2008-2009 budget for the department is \$4.2 million. There is a little more than \$3.6 million allocated to General Fund expenditures and \$700,000 allocated to the Cable Access Fund. All City departments were requested to reduce their budgets by 5% in an effort to balance the 2008-2009 budget. The Management Services budget was reduced by \$187,000.

#### **Parks, Recreation & Community Services**

The mission of Glendale's Parks, Recreation, and Community Services department is to enhance the quality of life for residents by providing safe and well-maintained places, preserving open space and historical resources, caring for people, strengthening the bonds of the community and creating opportunities for renewal, growth, and enrichment. The Parks department is divided into six sections, including Parks Administration, all working towards the mission of the

department. Primary challenges for fiscal year 2008-09 included budget reductions where vacant positions were eliminated. Further, utility costs have been increasing and impacting operations. This department manages the following sections:

#### [Park Services](#)

In an attempt to recover new and ongoing increases to maintenance expenditures, the department submitted service level requests for Brand Park Security Contract, Cedar Mini Park Maintenance, Tree Maintenance Program, Chess Park Pressure Washing, Tennis & Basketball Court Resurfacing, Contractual Landscape Maintenance, and Scholl Canyon Dump Fees. Only three of the requests were approved for funding: Brand Park Security Contract, Cedar Mini Park Maintenance, and Contractual Landscape Maintenance. The department will either make an attempt to absorb these costs or defer the maintenance to a later time.

#### [Recreational & Community Services](#)

In an attempt to recover new and ongoing increases to maintenance expenditures, the department submitted service level requests for the Rose Parade Float Contribution Increase, Montrose July 4th Fireworks Sponsorship, Summer Entertainment Event Series, Cultural Affairs and a Strategic Plan for the Arts. None of the above service level requests were approved. In an attempt to offset the expenditures for supplies and equipment, staff members have had to learn to become more resourceful in their efforts to conduct activities and events. This includes the solicitation of donations and sponsorships to provide on-going levels of service. This is especially true for city-wide special events, such as Cruise Night, Winter Wonderland, the Summer Concert Series, Movies in the Park, and Theater in the Park. However, the staff members are receiving less community donations and sponsorships as a result of the overall economy. If the department is unsuccessful in obtaining future sponsorships, we will more than likely have to reduce the number of events that we provide to the public.

#### [Recreation Enterprise Fund](#)

There are two facilities within this fund which the department continues to monitor closely. They are the Glendale Civic Auditorium and the Glendale Sports Complex. These two facilities must support their operations with the revenue that they generate.

- Glendale Civic Auditorium - continues to operate at a deficit which grows each year. This can be attributed to three main factors: (1) The increase in personnel costs, (2) the decrease in the number of private events held at the Civic Auditorium, and (3) the increase in number of "internal" City functions held at the Civic which do not generate any revenue. Currently, revenue streams from other department facilities, programs and services are used to cover the increasing deficit.



Recently, the department has eliminated one full time position assigned to the Civic Auditorium. This will result in a savings of \$69,300 annually. The department has also implemented a new policy which requires all departments pay for equipment delivery requests. The implementation of these two measures should reduce the anticipated budget shortfall by 50%.

- The Glendale Sports Complex – Currently, this facility provides a self-sufficient operation. This is largely attributed to the “annual draw” of \$260,000 in Los Angeles County Proposition A Maintenance and Servicing Funds. While there is no short term risk of an operational deficit to this facility, the department is carefully watching out for the long-term or future potential revenue shortfalls.

Nutritional Meals Fund

This is a special fund which was established to account for the funding received by the Los Angeles County Area Agency on Aging grant funds which are awarded annually. This fund supports the Senior Nutritional Meals Program, the Integrated Care Management Program and the Home Delivered Meals program. In fiscal year 2008-09, the county awarded the City of Glendale \$570,000. The department submitted a balanced budget request that assumed the same level of services and projected funding.

Park Planning and Development

The approved budget for capital improvement projects in FY 2008-09 was \$3,409,000. The following represents the projects planned and approved for the fiscal year:

Project Name	
• Furniture & Equipment for the new Adult Recreation Center	\$ 184,000
• Renovation of Central Park	500,000
• Tax Defaulted Properties	100,000
• Development of Columbus Soccer Field	400,000
• Replacement of the ARC Tennis Courts	225,000
• Park Upgrades	500,000
• New Park Development Funds	500,000
• Development of Freeway Site A	500,000
• Maintenance of Rockhaven Site (listed under Library CIP)	<u>500,000</u>
Total Projects	\$3,409,000

The department has traditionally received annual allocations of \$2,500,000 and \$750,000 for New Park Development and Park Upgrades respectively. The allocation for these two items is projected to be funded at \$500,000 each for the next five to six years. This will have an impact on the department’s ability to fund new park projects as well the ability to maintain the existing thirty seven parks throughout the city.

The Parks Department General Fund budget for Fiscal Year 2008-2009 is approximately \$13 million. Another \$2.4 million is appropriated in the Recreation Fund and \$570,000 in the Nutritional Meals Fund.

### **Planning Department**

The Planning department provides leadership and assistance in guiding the physical, social, and economic growth of Glendale in accord with goals and policies established by City Council. In addition to its ongoing responsibilities, the Planning Department will focus on the following specific issues during fiscal year 2008-09:

#### **La Crescenta Community Plan**

Council directed staff to examine the possibility of producing a cohesive, multi-jurisdictional plan for the La Crescenta area. In response, the Planning Department has adjusted the General Plan update program to focus on this area first. The La Crescenta community planning effort will serve as a model for updating the entire General Plan. Staff will hold two community workshops in the fall and will submit a preliminary report to Council in December. This effort will connect the General Plan and Design Guidelines with zoning in the area and serve as a model for the remainder of the City's General Plan.

#### **Housing Element of the General Plan**

The Housing Element Update of the City's General Plan is expected to be completed this year. This element will be brought to Council for final approval following review by the State Housing and Community Development Department. Because the update was completed by city staff, no funding was earmarked for this project. New State legislation, combined with the updated Housing Element will likely result in modifications in other planning regulations, which staff will identify and bring to Council during the year.

#### **Historic Districts**

Funding for three historic districts was approved by City Council for fiscal year 2008-09: Royal Boulevard, Ard Eevin Highlands, and Cottage Grove. These districts are expected to be voted on by Council. In addition, two new historic district applications are expected this year. Additional funding would be necessary for new applications.

#### **Case Planning**

The process for Zoning Administrator hearings will be augmented with detailed staff reports and recommendations. No additional funding is required.

#### **Downtown Specific Plan (DSP) Amendments**

Several amendments to the DSP have been proposed and will be initiated or completed this year. Some of the proposed amendments may require additional funding for environmental review.

### Zoning Code Amendments

Miscellaneous code amendments have been initiated and will be completed during the year. These amendments have been discussed by constituency groups and will be scheduled for Planning Commission and City Council hearings throughout the year.

### Mobility Plan

Planning will work closely with Public Works and Development Services to complete and implement key components of the Mobility Plan with the already allocated funding.

### Design Review

Staff has been working closely with applicants prior to projects going to the Design Review Board in order to streamline the process, and encourage applicants to meet with Planning staff at the early stage of their project, as well as to address compatibility and privacy concerns of neighbors. A tracking system will be developed during fiscal year 2008-09 to determine the number of times cases are returned for redesign. At least one set of design guidelines will be completely updated during this fiscal year. No additional funding is required.

The total 2008-2009 operating budget for the Planning Department is \$3.3 million. This amount represents the sections of Administration, Current Planning, Permit Services, Comprehensive Planning, and our new section, Design Studio.

### **Police**

In partnership with the Glendale community, the Police department strives to ensure a safe and peaceful city in which to live, work and visit. Police is committed to providing proactive law enforcement and high quality police services to our diverse community. The City is currently evaluating the potential implementation of a Glendale Police Advisory Board.

Glendale is changing. The evolving downtown will continue to provide policing challenges by the nature of its increased density, 24-hour activity and vertical growth. The changing patterns of downtown radiate throughout the city (i.e. added downtown traffic creates more traffic throughout the city). The Police department will explore the feasibility of establishing an Area Based Community Policing Model in the downtown Business District to provide a geographic based deployment of department resources. In addition, an evaluation of the use of civilian traffic control officers in the downtown business district will be performed. These traffic control officers will work to mitigate enforcement, congestion, and pedestrian safety issues.

The department is also looking to technology to assist with our mission. Police will identify and implement crime analysis software and mapping tools. This technology will provide residents with real time access to crime data and provide department management with the data to more efficiently allocate and deploy

resources. Additionally, the department is making the determination of the feasibility of digital audio recorders and in-car video recording systems to increase department transparency, mitigate civil liability, and enhance public trust.

Fiscal year 2008-09 presents several challenges for Police. As a result of necessary budget reductions, Police staffing was reduced by 12 positions, eliminating or adversely affecting nine programs within the department. In order to continue the commitment of providing proactive law enforcement, the Police department will explore potential new revenue strategies that will grow and sustain law enforcement services now and into the future. The total General Fund budget for the Police Department is \$55.5 million. This amount combined with all Police Special Revenue Funds, Debt Service Fund, and Internal Service Funds brings the total Police Budget to \$68 million.

### **Public Works**

The mission of the Public Works Department is to provide the highest quality of public works services to the public and other City departments, balanced through efforts to maintain a cost effective operation and to provide these services in a responsible and efficient manner. The various sections of the department are discussed below.

The [Administration Division](#) oversees all operations within the entire Public Works Department. This Division's current high level goals are the Glendale Green Building Program, NPDES Storm Water Program, Scholl Canyon Landfill Expansion Environmental Impact Report, and ADA Transition Plan to improve accessibility in City facilities and citywide program and services.

The [Project Management Division](#) is actively engaged in projects involving City facilities. The significant CIP budgeted projects, for this Division, are the completion of the MSB Seismic Retrofit Project in the amount of \$15,889,000 and the Brand Library Renovation in the amount of \$7,400,000.

The [Engineering Division](#) is primarily responsible for the development, management, and construction of the Capital Improvement Projects (CIP). This includes survey, design, and construction inspection of street, sidewalk, and wastewater components of Glendale's infrastructure. The significant CIP budgeted projects underway include Glenoaks Boulevard Street Improvements in the amount of \$2,745,000, San Fernando Road Landscaping Phase III in the amount of \$4,200,000, Los Feliz Road and Verdugo Road Rehabilitation in the amount of \$1,224,000.

The [Building and Safety Division](#) reviews all building construction, and changes in use of existing buildings on privately owned City property. The significant project underway is the Parks and Library Impact Fee Program which will generate revenue for development and acquisition of park land and library facilities.

The [Maintenance Services Division](#) is responsible for the day to day maintenance of the City's infrastructure and is divided into two Sections in the General Fund: Facilities Services, and Street and Field Services. The Street and Field Services includes the maintenance of the City's streets, sidewalks, alleys, storm drains, sewers, street trees, traffic signs, street and curb paintings, and parking meters while Facilities Services maintains and cleans over one million square feet of City facilities.

The [Mechanical Maintenance Division](#) provides fleet maintenance service to over 465 vehicles and equipment. Currently, this Division is upgrading the maintenance shop to service compressed natural gas (CNG) powered vehicles which represents long term cost savings associated with the in-house maintenance. The upgrade project cost is \$1,000,000.

The [Traffic and Transportation Division](#) is responsible for the City's Traffic, Transit, Parking and Transportation Planning Programs. Included in this Division is the State Route 134/San Fernando Road Access and Safety Improvement Project to provide a grade separated bridge access from State Route 134 to the Grand Central Business District in the amount of \$31,375,000, the Interstate 5 at Western Avenue Access Program which will create a new on-ramp and off-ramp at Flower Street in the amount of \$14,597,000, and the Flower, Grandview, and Sonora Railroad Crossing Safety Upgrade projects totaling \$13,672,000.

The [Transit](#) operation manages and operates the Glendale Beeline fixed route transit service and Dial-A-Ride paratransit service, coordinates with Metrolink Access Services, Metro Services, and other related transportation programs. Additionally, this Fund includes the ongoing CIP budget funding for the Bus Stop Furnishings, Bus Stop Schedule Cases and the Bus Stop Civil Improvements projects and the Bus Maintenance and Compressed Natural Gas Fueling Facility project.

The [Parking](#) operation is responsible for the operation of the Glendale Transportation Center, four parking structures and 24 City-owned lots (ten in downtown Glendale, eight in Montrose, and six at Glendale Community College). Additionally, this fund includes the Parking Citation budget, the ongoing parking lot resurfacing and refurbishment CIP project and the installation of the new Parking Lot Meter Pay Stations project currently underway with a total budget of \$860,000 through 2008-09.

The ongoing CIP projects budgeted in the [Sewer](#) Fund include the Sewer Reconstruction Program, Wastewater Capacity Improvement, Storm Water Pollutant Treatment System, the Hyperion Waste Water System capital portion, the LAGWRP capital portion, and the Storm Drain Replacement System replacements budgeted on an as needed basis. The significant budgeted project currently underway is the Victory Truck Boulevard Sewer Capacity Improvement Project totaling \$2,485,000.

For [Refuse](#) Fund, as part of the Administrative Division, the Environmental Management Section is also responsible for the maintenance and operation of Brand Park and Scholl Canyon Landfills. This includes the current Scholl Canyon Landfill Expansion Project. Public Works is currently working with the Los Angeles County Sanitation District to solicit bids for a consultant to prepare the EIR for the project. This project will expand the useful life of the Landfill by 19 additional years to the remaining 14 year life expectancy. Additionally, the Integrated Waste Management Division (IWM) is responsible for the collection, transportation, reclamation and disposal of solid waste materials in accordance with City codes and in a manner that assures public health for the Glendale community. IWM is the exclusive service provider for the City's single family residential sector for refuse, recycling and yard trimming collection. Additionally, IWM is providing daily refuse and recycling collection at Americana at Brand.

The Public Works Department continues to be committed to providing the highest quality public works services to the public and other City departments. Through this effort, Public Works continue to maintain a cost effective operation through the prudent use of limited resources which includes the capital replacement and ongoing maintenance of the City's infrastructure; streets, sewers, sidewalks and street trees and the many other core operations.

The Pavement Management System (PMS) was implemented and identified all areas of our City street pavement that have deteriorated based on various degrees. As a result of this Study, the findings indicate that our City streets continue to deteriorate more rapidly every year exponentially than the current funding levels. Additionally, due to the escalating cost of construction material and the Americans with Disabilities Act (ADA) compliance requirements, funding is inadequate to address the ongoing need to construct wheelchair access curb ramps and repair City sidewalks.

The increase in fuel costs are an ongoing issue for this Department. Although additional funding was provided this year to our core operations, the Department is working, as a whole, with all internal divisions as well as other Departments to reduce fleet size and fuel usage. City facilities upgrades and required ADA facility modifications are an ongoing challenge for Public Works. The current funding associated with these upgrades continues to be inadequate.

The Public Works Department budget approved by City Council for fiscal year 2008-09 is \$112.5 million which includes all General Operations, Local Transit, Air Quality Improvement, Capital Improvement, State Gas Tax, Parking, Sewer, Refuse Disposal, and the Equipment Replacement Funds.

## **Conclusion**

The 2008-2009 budget for the City of Glendale is balanced with projected revenues and resources to support all projected expenditures. As in the past, this budget serves as a "blueprint" for providing the Glendale community with City

services and is also a financial plan that communicates to all those who read and review the document.

The significant investment in infrastructure under the Capital Improvement Program is evidence of the commitment to continue to improve City facilities in order to meet the needs of the community. Additionally, the budget provides evidence of the City's desire to continue to improve upon existing programs and services. The goals of the City Council along with the dedicated City staff who provide high levels of service to the community continue to make Glendale a desirable place to work, live, and play.

I would like to express my appreciation to all Department Managers and staff who worked on the successful completion of this year's budget. Preparation of the budget continues to draw heavily on City staff throughout the organization. This document represents a remarkable effort by staff and others to develop a budget that makes every effort to meet the needs of the City Council and the community. I would also like to thank the City Council for their continued leadership as policymakers throughout this year's budget process.

As always, in order to assist City Council in making sound fiscal decisions for the City, staff will continue to be diligent in its review and monitoring of City finances. The 2008-2009 fiscal year poses many challenges and I look forward to working with you on implementing the goals set forth in this budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James E. Starbird". The signature is fluid and cursive, with a large initial "J" and "S".

**JAMES E. STARBIRD**  
CITY MANAGER