

City of Glendale
Budget Study Session #1
May 5, 2015



Agenda

- FY 2014-15
 - 3rd Quarter Update
 - Year-End Projection
 - Proposed Budget Adjustments
 - Organizational Profile
- FY 2015-16
 - General Fund Forecast
 - Proposed General Fund Budget
 - Budget Calendar
- Questions & Comments

FY 2014-15 3rd Quarter Update
As of March 31, 2015

FY 2014-15 3rd Quarter Update

General Fund Resources

- Revenues received through March 31, 2015 are \$100.3 million
 - Last year at this time revenue was \$95.3 million
 - Compared to the same period last year, the revenues are approximately 5.2% higher
 - Increases noted in sales tax, utility users' tax, occupancy tax, building permits, and charges for services
 - Revenues are expected to meet forecast by year-end, no adjustments proposed at this time

General Fund Resources

March 31, 2015 (In Thousands)

	Adopted Budget	Adjustments	Revised Resources	Actual Receipts	% Received
Property Taxes	\$ 46,865	\$ 750	\$ 47,615	\$ 25,539	53.6%
Sales Taxes	34,700	725	35,425	19,343	54.6%
Utility Users Taxes	27,746	-	27,746	19,312	69.6%
Occupancy & Other Taxes	9,340	260	9,600	5,182	54.0%
Licenses And Permits	6,925	1,350	8,275	7,216	87.2%
Revenue Fr Other Agencies	100	244	344	357	103.8%
Charges For Services	1,872	635	2,507	2,361	94.2%
Cost Allocation	16,523	-	16,523	12,489	75.6%
Fines & Forfeitures	950	-	950	554	58.3%
Interest/Use Of Money	3,215	-	3,215	2,480	77.1%
Intergovernmental	1,200	(1,200)	-	-	N/A
Misc & Non-Operating	1,164	101	1,265	1,632	129.0%
Transfers	23,407	-	23,407	2,288	9.8%
GSA Reimbursement	-	1,502	1,502	1,509	100.5%
Subtotal:	\$ 174,007	\$ 4,367	\$ 178,374	\$ 100,262	56.2%
Use of Fund Balance	7,495	(514)	6,981	-	0.0%
Total Resources:	\$ 181,502	\$ 3,853	\$ 185,355	\$ 100,262	54.1%

FY 2014-15 3rd Quarter Update

General Fund Resources- Revenue From Other Agencies

- Revenue from other agencies contains various Federal, State, and Local grants, as well as the SB90, Motor Vehicle in Lieu, Mutual Aid Reimbursement, Historic Preservation Grant, and all other revenue received from other agencies

- Total received as of March 31, 2015 is \$357K or 103.8%, mainly due to the following:
 - Mutual Aid Reimbursement, \$34k received
 - Motor Vehicle in Lieu, \$85k received

FY 2014-15 3rd Quarter Update

General Fund Resources- Miscellaneous & Non-Operating Revenue

- Miscellaneous & non operating revenue contains donations and contributions, advertising revenue, rebate revenue, unclaimed money and property revenue, and other miscellaneous revenues

- Total received as of March 31, 2015 is \$1.6 million, or 129.0%, mainly due to the following:
 - AB 109 Revenue, \$698k received
 - Advertising Revenue, \$100k received
 - Unclaimed Money & Property, \$69K received

FY 2014-15 3rd Quarter Update

General Fund Expenditures

- Department expenditures are tracking as expected
 - Reported at the first quarter and mid-year, departments are on track to meet their budget; this remains unchanged at the third quarter
 - General Fund Expenditures are \$136.1 million, 73.5% expended versus 71.9% last year
 - All Departments are forecasted to either meet or come in under budget by year-end barring any unforeseen expenditures

General Fund Expenditures - March 31, 2015 (In Thousands)

	Adopted Budget	Adjustments	Revised Budget	Actual Expended	% Expended
Administrative Services	\$ 4,875	\$ 23	\$ 4,898	\$ 3,305	67.5%
City Attorney	3,291	21	3,312	2,403	72.6%
City Clerk	1,143	458	1,601	867	54.2%
City Treasurer	654	4	658	471	71.6%
Community Development	10,084	565	10,649	7,309	68.6%
Comm. Services & Parks	9,691	346	10,037	7,250	72.2%
Fire	42,761	406	43,167	32,317	74.9%
Human Resources	2,481	44	2,525	1,642	65.0%
Library, Arts & Culture	8,243	38	8,281	5,618	67.8%
Management Services	4,582	224	4,806	3,323	69.1%
Police	67,178	434	67,612	51,474	76.1%
Public Works	17,704	615	18,319	12,961	70.8%
Transfers	5,917	-	5,917	4,438	75.0%
Retirement Incentive	898	-	898	673	74.9%
Non-Departmental	2,000	534	2,534	2,009	79.3%
Subtotal:	\$ 181,502	\$ 3,712	\$ 185,214	\$ 136,060	73.5%
Projected Savings:	-	(2,098)	(2,098)	-	N/A
Pending Council Approval	-	2,239	2,239	-	N/A
Total Expenditures:	\$ 181,502	\$3,853	\$ 185,355	\$ 136,060	73.4%

Cash Balances – All Funds

March 31, 2015 (In Thousands)

Major Funds:

General Fund		\$	51,201
Housing Assistance Fund			1,897
Capital Improvement Fund			5,585
Sewer Fund			60,985
Electric Fund			149,538
Cash from Operations	79,582		
Cash from Bond Proceeds	54,688		
Transfer Reserve	15,268		
Water Fund			2,359
Cash from Operations	(17,034)		
Cash from Bond Proceeds	19,393		
Major Funds Total:		\$	271,565

Other Funds:

Capital Projects Funds		\$	38,113
Debt Service Funds			24,118
Special Revenue Funds			27,100
Nonmajor Enterprise Funds			44,913
Internal Service Funds			101,232
Other Funds Total:		\$	235,476

Grand Total: \$ 507,041

FY 2014-15 General Fund
Year End Projection

FY 2014-15 General Fund

Year End Projection (In Thousands)

	Adoption		Forecast	
Unassigned & Charter Reserve, 7/1/2014	\$ 66,074	37.9%	\$ 66,074	37.9%
Approved One-Time Use of Fund Balance	(7,000)		(7,000)	
Subtotal	\$ 59,074	33.9%	\$ 59,074	33.9%
Revenues	\$ 174,007		\$ 174,007	
Adjustments	-		4,367	
Total Revenues	\$ 174,007		\$ 178,374	
Appropriation	\$ (174,502)		\$ (174,502)	
Adjustments & Carryovers	-		(3,712)	
Estimated Savings	-		2,098	
Total Appropriations	\$ (174,502)		\$ (176,116)	
Net Surplus / (Use) of Fund Balance	(495)		2,258	
3rd Quarter Pending Items	-		(2,239)	
Estimated Unassigned & Charter Reserve	\$ 58,579	33.6%	\$ 59,093	33.9%

FY 2014-15 3rd Quarter
Proposed Budget Adjustments

FY 2014-15 3rd Quarter

Proposed Budget Adjustments (1 of 2)

- Proposed adjustments totaling \$2.2 million to be funded from projected year-end surplus

- Building Maintenance - \$1 million
 - Funding to establish new fund for critical maintenance for City facilities, ongoing costs to be cost allocated

- Library - \$800,000
 - Funding to upgrade the checkout, security, & inventory system to RFID technology

- Community Services & Parks - \$28,000
 - Funding for Senior Services & STAR Youth Programs

FY 2014-15 3rd Quarter

Proposed Budget Adjustments (2 of 2)

- Police - \$461,165
 - Funding of \$354,465 for GPOA memorandum of understanding that was Council approved in August 2014
 - Funding of \$106,700 for the DNA Lab shifting to General Fund as grant funding expired March 31

- Reduce General Fund Funding for 2016 Rose Float – (\$50,000)
 - At mid year, \$50,000 was approved in the General Fund budget to be appropriated for the 2016 Rose Float. Since the ToR is mandating a minimum float budget of \$200,000 for the 2016 Rose Float, if Council is inclined to fund a 2016 Rose Float, staff is requesting that the entire \$200,000 be appropriated out of the Economic Development Fund and not the General Fund.

Organizational Profile

As of March 31, 2015

FY 2014-15 3rd Quarter

Organizational Profile

	Adopted FY 2013-14	Adopted FY 2014-15
<ul style="list-style-type: none"> ■ Total Population (Per Department of Finance) 	193,652	195,799
<ul style="list-style-type: none"> ■ Total City Employees (FT) Budgeted <ul style="list-style-type: none"> • Total General Fund FT 	1,588 905	1,584* 890
<ul style="list-style-type: none"> ■ Total Adopted Budget <ul style="list-style-type: none"> • Total General Fund Adopted Budget 	\$737,941,725 \$170,731,906	\$832,715,929 \$181,501,527
<ul style="list-style-type: none"> ■ Residents served per FT <ul style="list-style-type: none"> • Residents served per FT (General Fund) 	122 214	124 220
<ul style="list-style-type: none"> ■ Total Budget per capita <ul style="list-style-type: none"> • General Fund Budget per capita 	\$3,811 \$882	\$4,253 \$927

*Shown as adopted, revised total count will be 1,520 post-Separation/Retirement Incentive as of third quarter

FY 2014-15 3rd Quarter

Organizational Profile

Outstanding Debt (In Thousands)

	<u>June 2013</u>	<u>June 2014</u>
▪ COPs (GPD Facility)	\$ 48,900	\$ 41,195
▪ Revenue Bonds	195,905	253,405
▪ Claims Payable	43,650	44,497
▪ Landfill Closure Liability	39,635	41,810
▪ Compensated Absences	22,147	18,392
▪ Post Employment Benefits	57,997	75,922
▪ Other	17,180	14,403
Total Outstanding Debt	<u>\$ 425,414</u>	<u>\$ 489,624</u>

FY 2014-15 3rd Quarter

Organizational Profile

Liquidity Ratios (In Thousands)

Tri-City Comparison

	As of June 30, 2014		
	Burbank	Pasadena	Glendale
▪ Total Current Assets	\$ 406,303	\$ 543,172	\$ 481,722
▪ Total Current Liabilities	\$ 86,833	\$ 177,505	\$ 77,197
▪ Total Inventories	\$ 8,875	\$ 8,875	\$ 6,128
▪ Current Ratio	4.68x	3.06x	6.24x
▪ Quick Ratio	4.58x	2.94x	6.16x

FY 2014-15 3rd Quarter

Organizational Profile

Debt Ratios (In Thousands)

Tri-City Comparison

	As of June 30, 2014		
	Burbank	Pasadena	Glendale
▪ Total Assets	\$ 1,856,501	\$ 1,854,711	\$ 2,193,648
▪ Total Liabilities	\$ 400,367	\$ 688,193	\$ 544,033
▪ Total Net Assets	\$ 1,456,134	\$ 1,166,518	\$ 1,650,906
▪ Debt Ratio	22%	37%	25%
▪ Debt to Equity Ratio	27%	59%	33%

FY 2014-15 3rd Quarter

Organizational Profile

	Adopted FY 2013-14		Adopted FY 2014-15	
Public Safety	\$ 130,131,085	18.3%	\$ 130,531,413	16.3%
Public Works, Utilities & Transit	406,345,956	57.3%	490,165,914	61.2%
Community Development	42,392,779	6.0%	43,193,442	5.4%
Quality of Life	38,039,162	5.4%	40,231,190	5.0%
Administration & Internal Service	92,701,619	13.0%	97,269,970	12.1%
Total Operational Expenditures*	\$ 709,610,601	100.0%	\$ 801,391,929	100.0%

*Excludes transfers

FY 2014-15 3rd Quarter

Organizational Profile

Total Personnel Appropriation - All Funds Four-Year Comparison (in millions)

	Adopted FY 2011-12	Adopted FY 2012-13*	Adopted FY 2013-14	Adopted FY 2014-15	Revised FY 2014-15**	% Change from 13-14
Total City Salaries & Benefits	\$240.3	\$218.7	\$216.8	\$222.3	\$215.0	(0.8%)
Total City Operating Costs (not including transfers & capital improvement)	\$678.0	\$630.9	\$651.4	\$668.1	\$660.6	1.4%
Personnel v. Operating Costs All Funds	35.4%	34.7%	33.3%	33.3%	32.5%***	(2.7%)
Employee Count	1,873	1,605	1,588	1,584	1,520	(4.8%)

*Includes General Fund & GWP Balancing Strategies

**Includes Separation/Retirement Incentive

***Meets target of 35%

FY 2014-15 3rd Quarter

Organizational Profile

Total Personnel Appropriation - **General Fund** Four-Year Comparison (in millions)

	Adopted FY 2011-12	Adopted FY 2012-13*	Adopted FY 2013-14	Adopted FY 2014-15	Revised FY 2014-15**	% Change from 13-14
Salaries & Benefits	\$ 142.2	\$ 131.4	\$134.2	\$136.9	\$133.7	(0.4%)
Maintenance & Operation / ISF Charges	32.7	33.4	35.8	38.6	38.5	7.5%
Capital Outlay	0.1	0.2	0.3	0.1	0.1	(66.7%)
Cost Savings Target	(7.7)	(0.6)	-	-	-	-
Annual Appropriations Fund (not including transfers)	\$ 167.2	\$ 164.4	\$170.3	\$175.6	\$172.3	1.2%
Personnel v. M&O General Fund	85.0%	79.9%	78.8%	78.0%	77.6%***	(1.5%)
Employee Count	998	896	905	890	863	(4.7%)

*Includes General Fund Balancing Strategies

**Includes Separation/Retirement Incentive

***Does not meet target of 75%

FY 2014-15 3rd Quarter

Organizational Profile

Total Personnel Appropriation - **All Funds** Management v. Non-Management (in millions)

	Adopted FY 2012-13	Adopted FY 2013-14	Adopted FY 2014-15	Revised FY 2014-15*
Total Salaries (w/o benefit roll-up)	\$147.8	\$134.7	\$135.3	\$130.4
Management Salaries	\$28.5	\$25.3	\$26.0	\$24.7
Non-Management Salaries	\$119.3	\$109.4	\$109.3	\$105.7
Management Salary Ratio	19.3%	18.8%	19.2%	18.9%**

*Includes Separation/Retirement Incentive

**Meets target of 25%

FY 2014-15 3rd Quarter

Organizational Profile

Average Benefit Load - All Employees*

Benefit	2012-13 Safety	2012-13 Non-Safety	2013-14 Safety	2013-14 Non-Safety	2014-15 Safety	2014-15 Non-Safety
Accrued Time	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Employee Insurances	12.27%	14.96%	12.20%	16.30%	12.58%	16.52%
Employer Costs	19.75%	11.21%	17.31%	10.76%	20.00%	11.31%
Retirement	30.38%	15.73%	31.79%	16.18%	34.97%	17.78%
Retirement Cost Share	(2.75%)	(2.20%)	(2.87%)	(2.20%)	(3.39%)	(2.50%)
Total	64.85%	44.90%	63.63%	46.24%	69.36%	48.31%

* Data based on weighted average

Authorized Full-Time Positions

	Fiscal Year	Authorized Positions	
	2002-03	1,835	
	2003-04	1,829	
	2004-05	1,881	
	2005-06	1,995	
	2006-07	1,974	
	2007-08	1,986	
	2008-09	1,942	
	2009-10	1,904	
	2010-11	1,899	
	2011-12	1,873	
	2012-13	1,605	
	2013-14	1,588	
	2014-15	1,584	
	2014-15 Revised	1,520*	
23.8% reduction since FY 2005-06			FY 2014-15 authorized positions reflect FY 1995-96 levels

* Includes Separation/Retirement Incentive with 3 Electrical Line Mechanics, 3 Electrical Line Mechanic Supervisors, and 1 System Analyst reinstated

*Questions
&
Comments*