

# ADOPTED BUDGET 2015-16

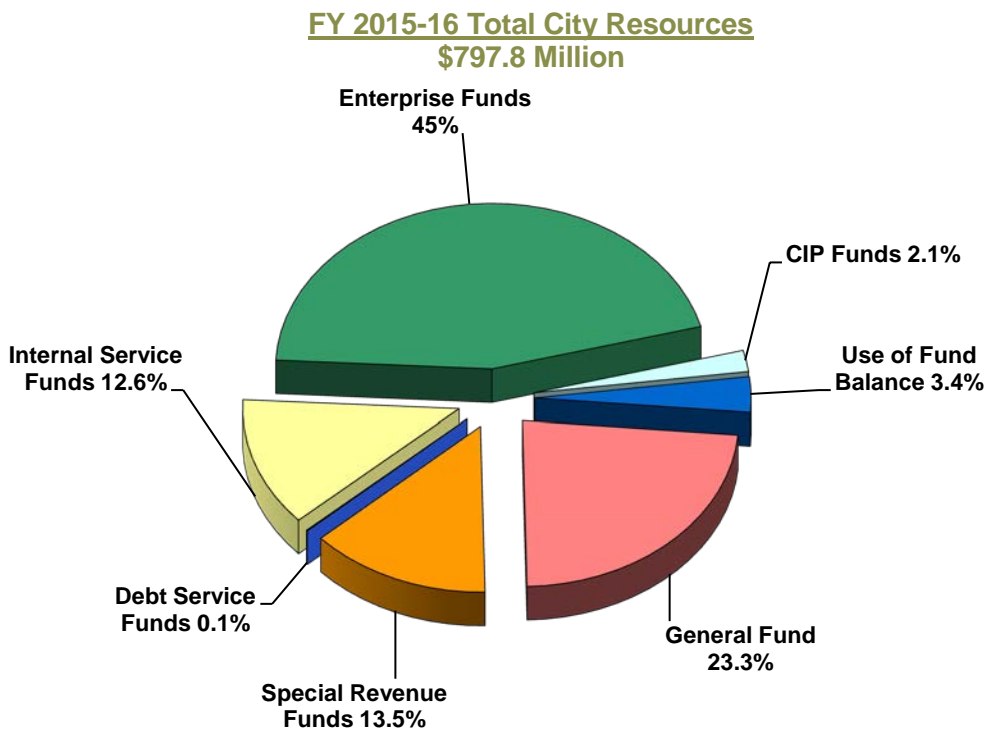


# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## OVERVIEW OF RESOURCES

The City Resources forecasted for FY 2015-16 reflect a somewhat conservative yet consistent approach with established budget practices and financial principles. We used various forecasting techniques such as trend analysis, economic indicators, and professional judgment to arrive at the forecasted revenue. Revenue forecasting is one of the most challenging aspects in the budget process and a variety of factors come into play when deciding on revenue projections. Estimates of population growth, local and regional economic growth, inflation, historical revenue patterns, and factors specific to individual revenue sources are considered.

Total FY 2015-16 City Resources (including Transfers from Other Funds and Use of Fund Balance) are \$797.8 million. The following chart illustrates the total budgeted resources for all City Funds for FY 2015-16:



### Total City Resources (In Millions)

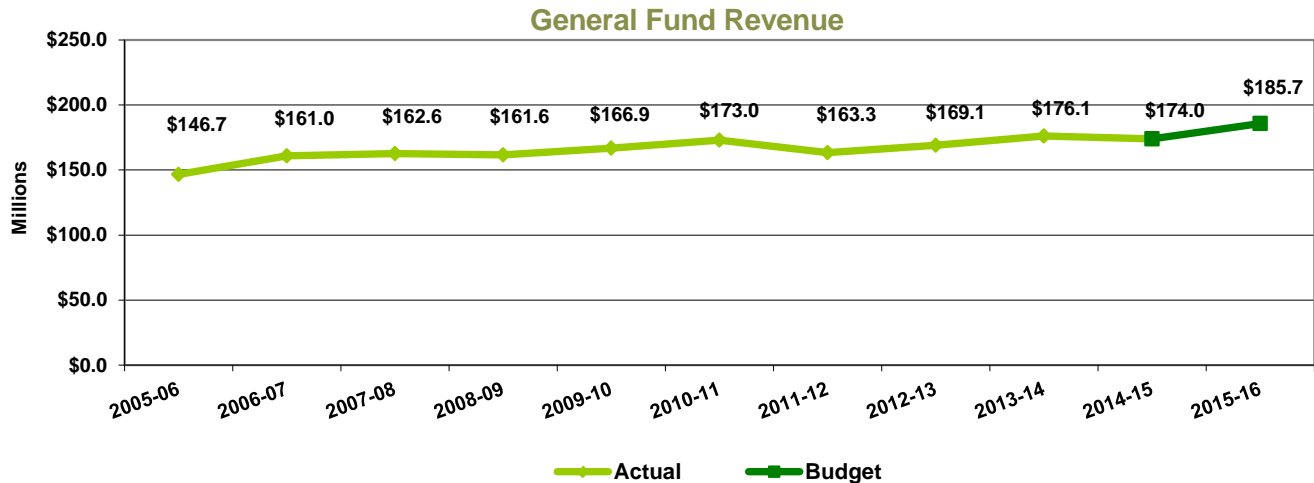
| <b>Fund Type</b>        | <b>Adopted<br/>2014-15</b> | <b>Adopted<br/>2015-16</b> | <b>Increase /<br/>(Decrease)</b> | <b>%<br/>Change</b> |
|-------------------------|----------------------------|----------------------------|----------------------------------|---------------------|
| General Fund            | \$ 174,006,103             | \$ 185,666,560             | \$ 11,660,457                    | 6.7%                |
| Special Revenue         | 95,293,579                 | 104,213,462                | 8,919,883                        | 9.4%                |
| Debt Service            | 700,000                    | 675,000                    | (25,000)                         | -3.6%               |
| Capital Improvement     | 26,316,827                 | 16,514,859                 | (9,801,968)                      | -37.2%              |
| Enterprise              | 350,994,636                | 363,116,638                | 12,122,002                       | 3.5%                |
| Internal Service        | 94,380,406                 | 100,180,086                | 5,799,680                        | 6.1%                |
| Net Use of Fund Balance | 91,024,378                 | 27,462,988                 | (63,561,390)                     | -69.8%              |
| <b>Total Resources</b>  | <b>\$ 832,715,929</b>      | <b>\$ 797,829,593</b>      | <b>\$ (34,886,336)</b>           | <b>-4.2%</b>        |

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## General Fund

The General Fund Resource budget for FY 2015-16 is projected to be \$185.7 million. The General Fund provides the majority of ongoing governmental services that are not funded through restricted special revenue funds. These services include Fire, Police, Library, Arts & Culture, Community Services & Parks, Community Development, Public Works and general staff support services that include the City Clerk, City Treasurer, City Attorney, City Manager, Administrative Services - Finance, and Human Resources. This fund is supported by general taxes including property, sales, and utility users taxes, in addition to other various fees, taxes and transfers from other funds.

The graph below shows the General Fund revenue history along with adopted budgets for FY 2014-15 and FY 2015-16.



The table below shows the estimates of the major revenue sources for the General Fund by category for FY 2014-15 and FY 2015-16.

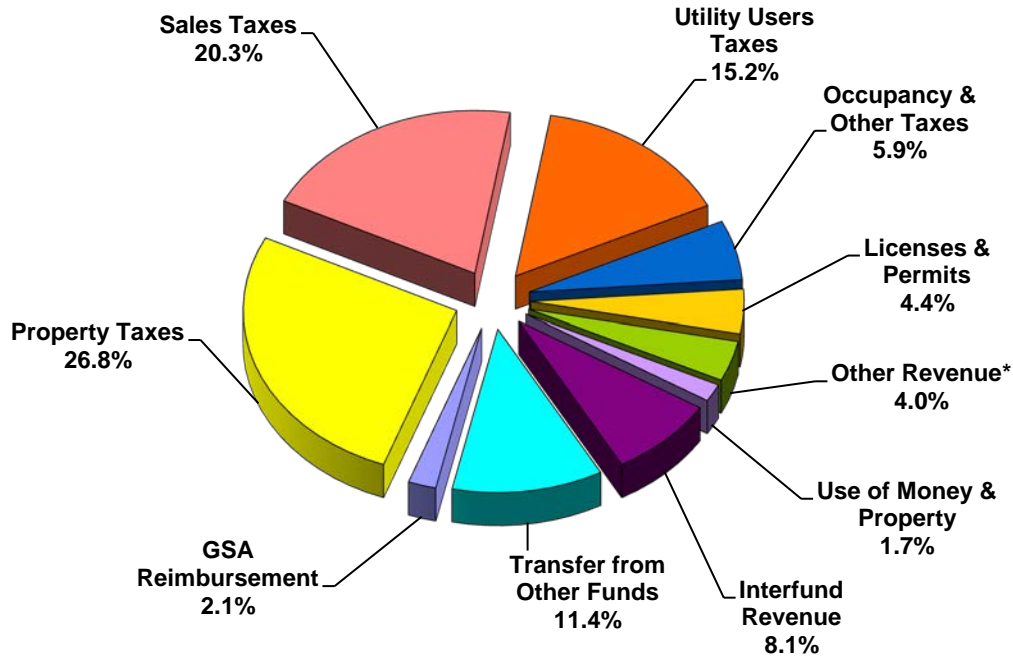
## General Fund Resources

| Category                    | Adopted<br>2014-15    | Adopted<br>2015-16    | Increase /<br>(Decrease) | % Change    |
|-----------------------------|-----------------------|-----------------------|--------------------------|-------------|
| <b>Revenues</b>             |                       |                       |                          |             |
| Property Taxes              | \$ 46,865,000         | \$ 49,740,000         | \$ 2,875,000             | 6.1%        |
| Sales Taxes                 | 34,700,000            | 37,700,000            | 3,000,000                | 8.6%        |
| Utility Users Taxes         | 27,746,000            | 28,250,000            | 504,000                  | 1.8%        |
| Occupancy & Other Taxes     | 9,340,000             | 11,000,000            | 1,660,000                | 17.8%       |
| Licenses & Permits          | 6,925,000             | 8,105,000             | 1,180,000                | 17.0%       |
| Fines & Forfeitures         | 950,000               | 2,850,000             | 1,900,000                | 200.0%      |
| Intergovernmental           | 1,200,000             | -                     | (1,200,000)              | -100.0%     |
| Interest/Use of Money       | 3,215,000             | 3,220,000             | 5,000                    | 0.2%        |
| Revenue from Other Agencies | 100,000               | 350,000               | 250,000                  | 250.0%      |
| Charges for Services        | 1,872,000             | 2,781,000             | 909,000                  | 48.6%       |
| Misc & Non-Operating        | 1,163,500             | 1,402,030             | 238,530                  | 20.5%       |
| Interfund Revenue           | 16,522,603            | 15,090,577            | (1,432,026)              | -8.7%       |
| Transfer from Other Funds   | 23,407,000            | 21,257,000            | (2,150,000)              | -9.2%       |
| GSA Reimbursement           | -                     | 3,920,953             | 3,920,953                | N/A         |
| <b>Total Revenues</b>       | <b>\$ 174,006,103</b> | <b>\$ 185,666,560</b> | <b>\$ 11,660,457</b>     | <b>6.7%</b> |
| Use of Fund Balance         | 495,424               | -                     | (495,424)                | -100.0%     |
| <b>Total Resources</b>      | <b>\$ 174,501,527</b> | <b>\$ 185,666,560</b> | <b>\$ 11,165,033</b>     | <b>6.4%</b> |

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

Over 60% of the City's General Fund resources consist of three revenue sources: property taxes, sales taxes and utility users taxes. Other General Fund revenues include franchise tax, transient occupancy tax, building & planning permits, fines & forfeitures, use of money & property and other revenues. Below is a graph of the various General Fund Resources by category which will be followed by a more in-depth discussion on all of the major General Fund revenue categories.

**FY 2015-16 General Fund Resources**  
**\$185.7 Million**



\*Note: Other Revenue consists of Fines & Forfeitures, InterGovernmental, Revenues from Other Agencies, Charges for Services and Miscellaneous Revenues.

**Property Taxes** are the largest revenue source in the General Fund. It represents 26.8% of the total General Fund resources for the FY 2015-16 budget. For FY 2015-16 the property tax category is projected to increase by \$2.9 million or 6.1% for a total of \$49.7 million. The increase is attributable to an increase in the assessed property valuation. Also, the housing market still continues to improve as home buying continues to increase due to continued low interest rates. Per HdL Companies, foreclosure levels are back to historical norms. Median prices and numbers of sale transactions are up statewide and this trend is expected to continue in FY 2015-16.

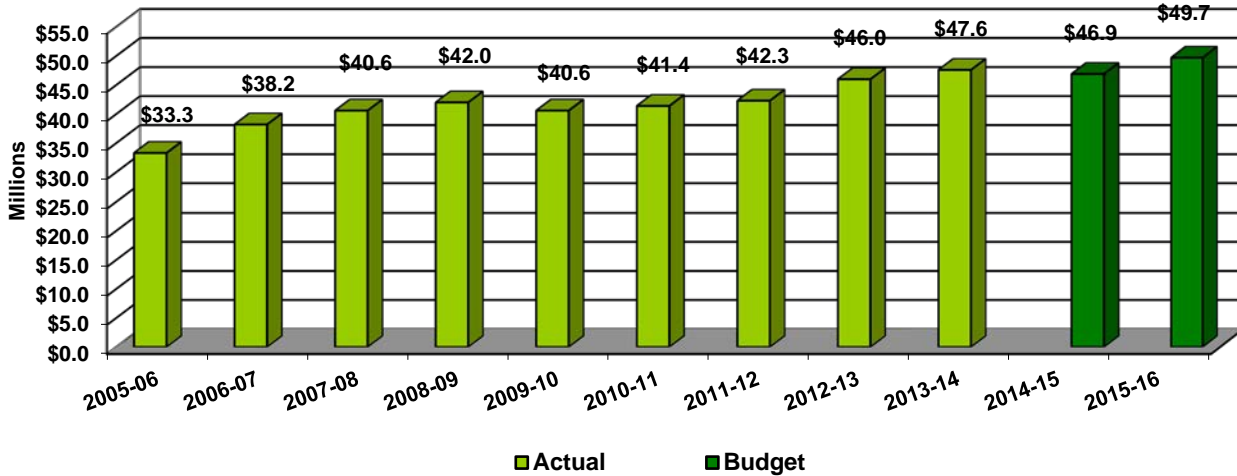
Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13 adopted by the California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property tax is based on the real property's adjusted assessed full value. Proposition 13 set the FY 1975-76 assessed values as the base year from which future annual inflationary assessed value increases are calculated (not to exceed 2% for any given year). The County Assessor also re-appraises each real property parcel when there are purchases, construction, or other statutory defined "changes in ownership". Proposition 13 limits the property tax rate to 1% of the property's full value plus overriding rates to pay specifically approved voter indebtedness. The 1% property tax levy is collected by the County Tax Collector and is distributed to various public agencies. The City of Glendale receives 13.5% of the 1% levy on assessed value.

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

It should be noted that starting in FY 2014-15 the newly created Economic Development Fund 215 will receive the City's Share of Property Tax Residuals to support the economic development related services for the City. The City's Share of Property Tax Residuals is the amounts left after all Redevelopment Project Area Obligations have been paid.

The graph below shows the historical and forecasted Property Tax revenue followed by a listing of the top 10 property taxpayers for the City's General Fund.

**Property Taxes – General Fund**



### Top 10 Property Taxpayers (In Alphabetical Order)

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|   |  |
|---|--|
| David Weiswasser Trust<br>Equity Residential Glendale<br>Essex 416 on Broadway LP<br>Glendale Adventist Medical<br>Glendale Fashion Associates, LLC | Grand Villa Glendale, LLC<br>PR Glendale Plaza Office California, LLC<br>Property Reserve, Inc.<br>Stanley A. Sirott Trust<br>USC Verdugo Hills Hospital |
|---|--|

*Source: HdL Coren & Cone 2014-15 property data (Tax District #1)*

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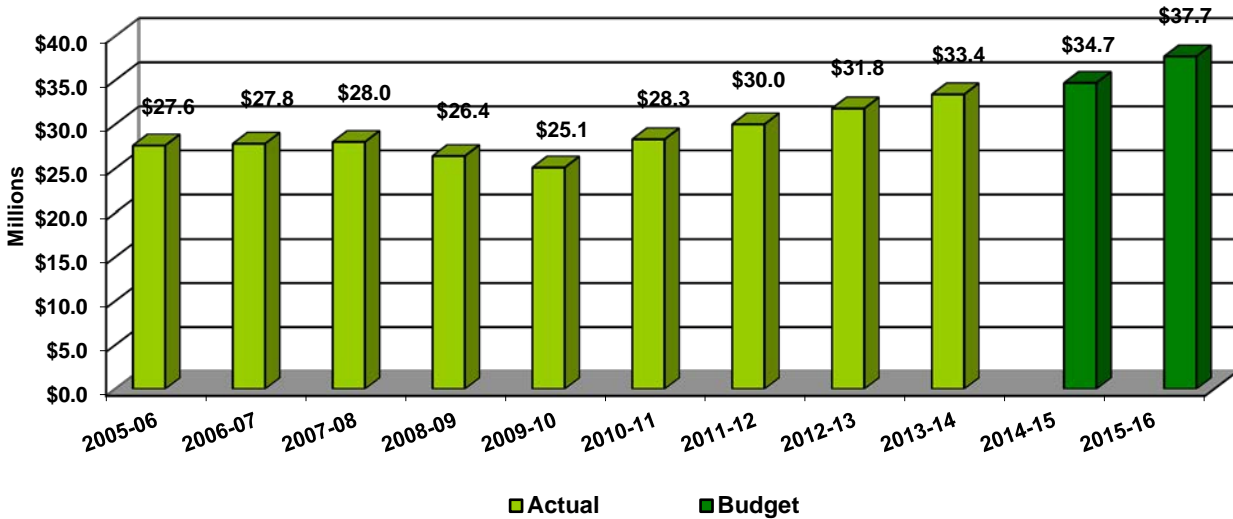
**Sales Taxes** are the second largest revenue source in the General Fund, representing 20.3% of the total General Fund resources estimated for the FY 2015-16 budget. For FY 2015-16, Sales Taxes are forecasted to increase by \$3 million, or 8.6%, for a total of \$37.7 million. California's retail sales have risen again and recent additions to the auto, department store and restaurant categories will contribute to the overall increase in sales tax for FY 2015-16. Also, on a positive note, California's unemployment rate is expected to continue its gradual decline in FY 2015-16 and according to the City's sales tax consultant, HdL Companies, the U.S. unemployment rate reached 5.5% in May 2015, and the coming fiscal year will be at 5.3%.

It should be noted that starting from FY 2003-04 through FY 2008-09, 86% of the Sales Tax revenue was deposited into the General Fund, with the remaining 14% deposited into the Capital Improvement Fund (401). Starting in FY 2009-10, the split of Sales Tax was shifted to 96% and 4%, respectively. For FY

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

2010-11 and FY 2011-12, 100% of the Sales Tax went to the General Fund. Starting in FY 2012-13, the City has restored sales tax funding to the Capital Improvement Fund, albeit only 1% of the estimate. Starting in FY 2015-16 the 1% sales tax transfer to CIP will be increased by .25% and will cap at 2%. This is part of the City's strategy in becoming structurally balanced and will look to increase the sales tax contribution to the Capital Improvement Fund over the next several years as resources permit. The graph below illustrates historical and forecasted sales tax revenue for the past 10 fiscal years followed by a listing of the top 20 Sales Tax producers for the City.

**Sales Taxes – General Fund**



## Top 20 Sales Tax Producers (In Alphabetical Order)

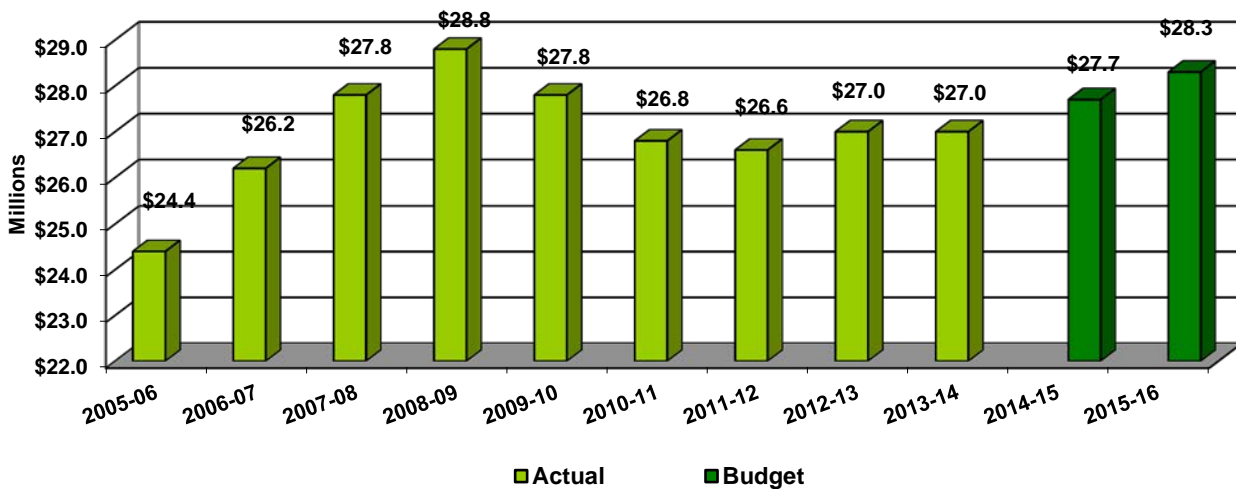
- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Allen Gwynn Chevrolet</li> <li>Apple</li> <li>Bloomington</li> <li>Car Pros Kia Glendale</li> <li>CDW</li> <li>Diamond Honda of Glendale</li> <li>Financial Services Vehicle Trust</li> <li>Glendale Dodge Chrysler Jeep</li> <li>Glendale Nissan Infiniti</li> <li>Glendale Subaru/Mitsubishi</li> </ul> | <ul style="list-style-type: none"> <li>Home Depot</li> <li>JC Penny</li> <li>Lexus of Glendale</li> <li>Macy's</li> <li>Nordstrom</li> <li>Pacific BMW</li> <li>Star Ford Lincoln</li> <li>Target</li> <li>Toyota of Glendale</li> <li>Video Equipment Rental</li> </ul> |
|--|--|

*Source: HdL Coren & Cone*

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

**Utility Users Taxes (UUT)** are the third largest revenue source for the General Fund, representing 15.2% of the total General Fund resources estimated for the FY 2015-16 budget. This tax is levied on the following utility services: telecommunications (6.5%), video (6.5%), electricity (7%), gas (7%), and water (7%). The telecommunications category now includes wired and wireless telecommunications, intrastate, interstate, and international services; ancillary services; voice-over internet protocol; paging; and private communication services. UUT revenues are estimated to increase by \$504 thousand, or 1.8%, for a total estimate of \$28.3 million. Modest increases are forecasted for the Electric, Gas, Water and Video UUT categories; however this will be offset by the Telecommunications category. This segment continues to decline due to wireless customers shifting from conventional contracts to prepaid wireless services. It's worth noting that per AB1717, effective January 1, 2016, the Board of Equalization is authorized to collect the UUT from prepaid wireless on behalf of the local jurisdictions; however, the revenues from the prepaid wireless UUT won't be received by the City until the FY 2016-17.

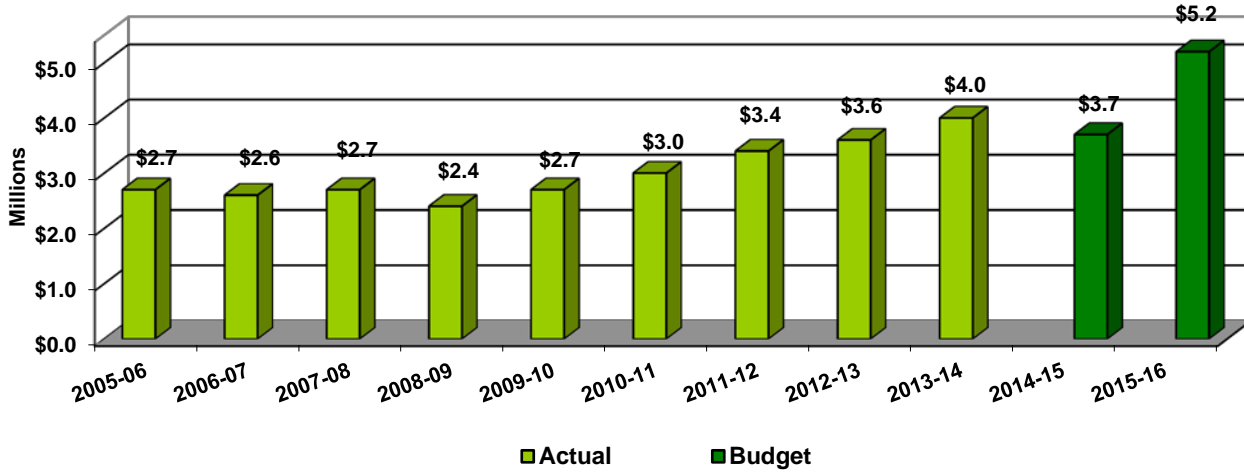
**Utility Users Taxes – General Fund**



**Transient Occupancy Tax (TOT)** represents about 2.8% of the total General Fund resources in the FY 2015-16 Adopted Budget. This tax is levied at 12% for occupying a room(s) or other living space in a hotel, inn, tourist home/house, motel or other lodging for a period of 30 days or less. The TOT is authorized under Section 4.32 of the Glendale Municipal Code and the revenue is deposited into the General Fund. As shown on the graph on the next page, TOT revenue decreased by 12.8% in FY 2008-09 due to the economic recession. However, this sector started recovering in FY 2009-10 and this trend is expected to continue. For FY 2015-16, TOT revenue is anticipated to increase by \$1.5 million or 40.5%. This is attributable to the passage of revenue ballot Measure O, which increased the transient occupancy tax (hotel tax) from 10% to 12%. Also contributing to the increase is the continued uptick in the travel industry.

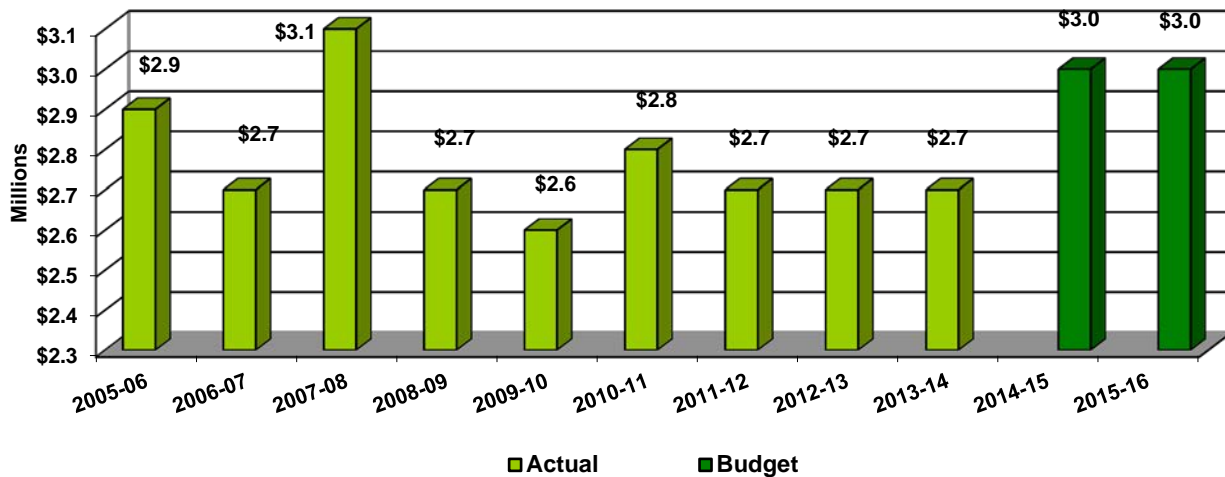
# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## Transient Occupancy Tax – General Fund



**Franchise Tax** is a charge for a right-of-way or license granted to an individual or a group to market a company's goods or services in a particular territory. The majority of our franchise revenue is received from Charter Communications, Pacific Bell and the Gas Company. The Franchise Tax represents about 1.6% of the total General Fund resources in the FY 2015-16 Adopted Budget. Starting in FY 2008-09, this revenue dropped due to the economic recession. For FY 2015-16 it is estimated for franchise tax to decrease slightly by \$40 thousand, or 1.3%, for a total of \$3.0 million.

## Franchise Tax – General Fund

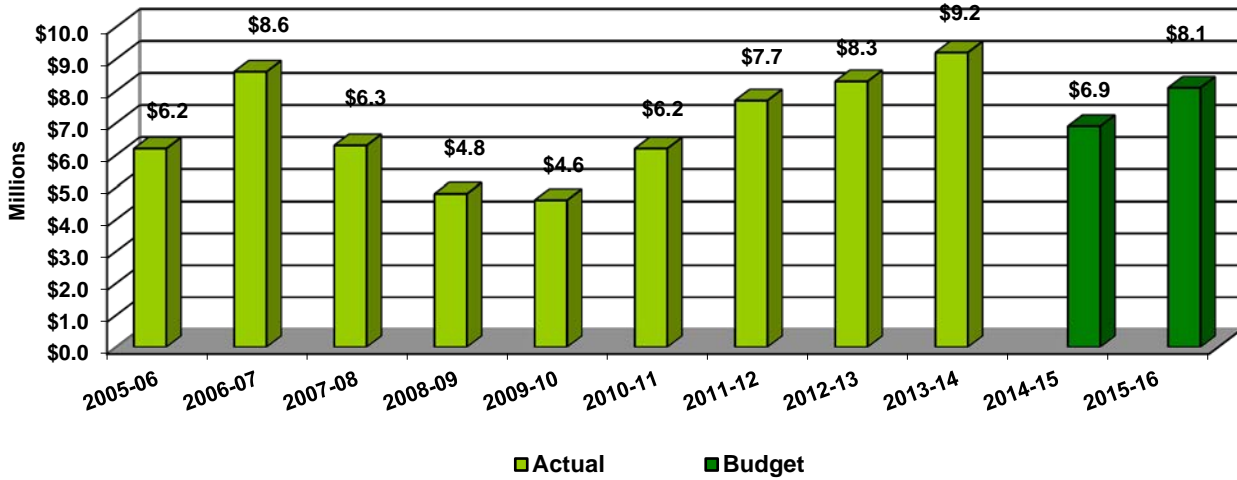


**Licenses & Permits** include Building Permits, Business License Permits, Variance Permits, Plan Check Fees, Street Permits and Dog License Fees. Licenses & Permits represent 4.4% of the total General Fund resources for FY 2015-16 Adopted Budget. The Licenses & Permits category decreased significantly from FY 2007-08 through FY 2009-10 due to the economic recession in which the construction industry was severely impacted. Starting in FY 2010-11, there was an increase in construction projects which included Disney, Doran Gardens, 200 E. Broadway Lofts, the Triangle Project and the renovation of the historic Seeley's building. It's worth noting that due to continued construction activities in the City the actual revenue for FY 2014-15 is estimated to reach \$8.3 million compared to the \$6.9 million initially forecasted. It should be noted that revenue in this category is project-based and non-recurring and, as such, the revenue forecast for FY 2015-16 is estimated to increase by \$1.2 million, or 17% from the FY 2014-15 Adopted Budget. This revenue will be monitored throughout the upcoming year and adjusted as needed.



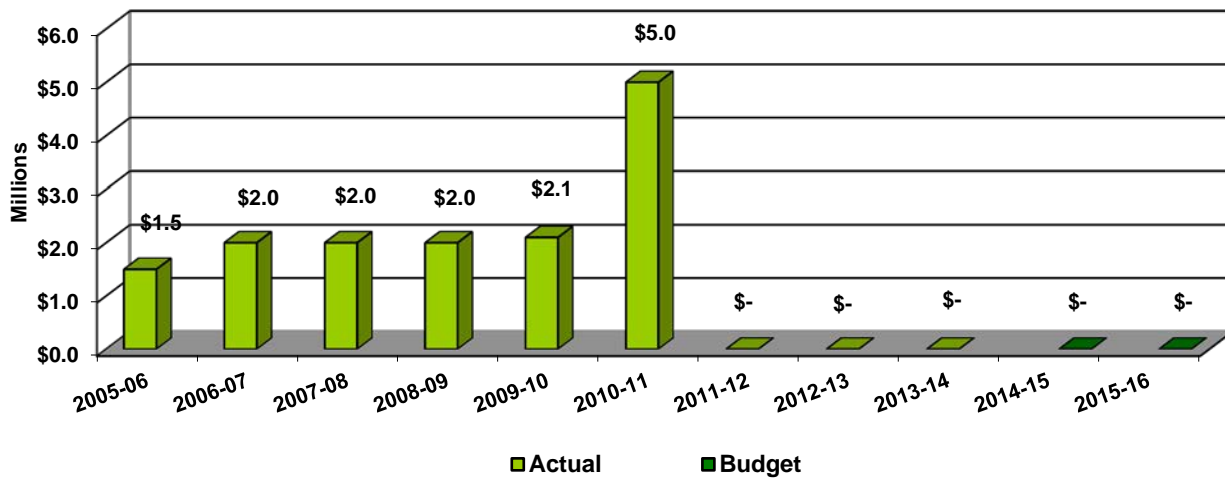
# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## Licenses & Permits – General Fund



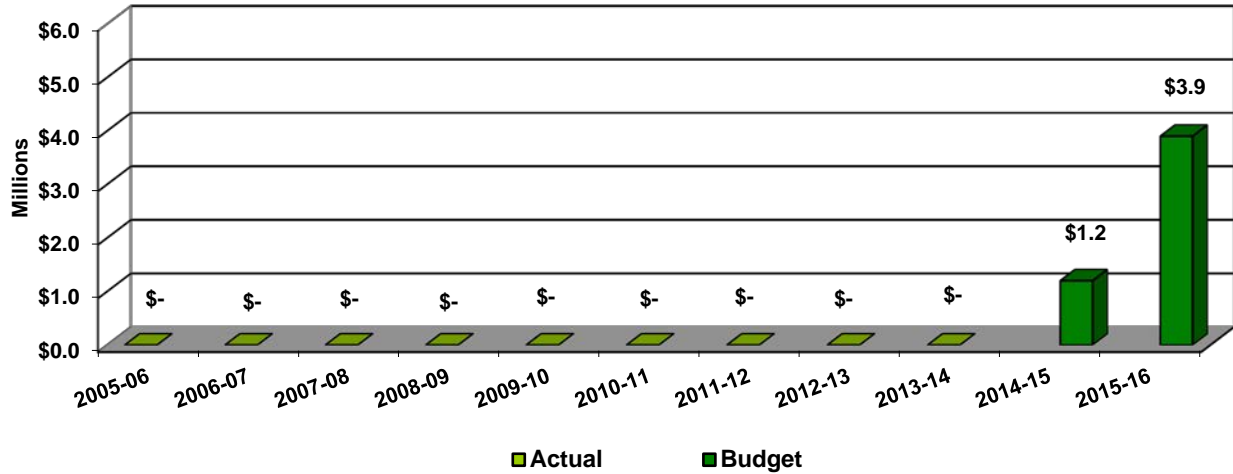
**Intergovernmental Revenue / GSA Reimbursement** is the loan repayment from the Successor Agency (formerly known as the Glendale Redevelopment Agency) to the General Fund. When the Glendale Redevelopment Agency (GRA) was formed, the General Fund loaned a significant amount of money to the GRA which was slowly being repaid using tax increment generated from new projects in the redevelopment project areas. GSA Reimbursement is estimated at \$3.9 million for FY 2015-16. Prior to FY 2014-15 this revenue was reported in the Intergovernmental Revenue category. The purpose of this change was for better visibility of the repayment. This reporting change accounts for the increase and decrease in the GSA Reimbursement and Intergovernmental Revenue categories respectively.

## Intergovernmental Revenue – General Fund



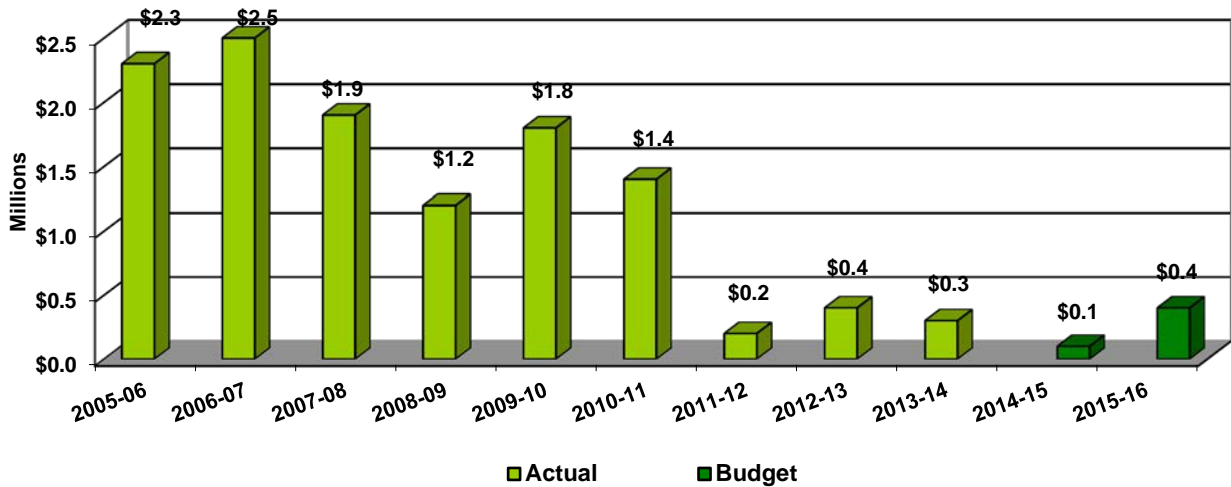
# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## GSA Reimbursement – General Fund



**Revenues from Other Agencies** mainly consists of Federal, State and Local grants, which includes State SB 90, Mutual Aid Reimbursements and Motor Vehicle In Lieu Fees. Starting in FY 2011-12 the State suspended the motor vehicle in lieu fee and this suspension will continue for future fiscal years. It is generally more difficult to estimate grant revenues since most grant awards are made throughout the fiscal year in the form of an award letter or funding agreement. As grants are awarded during the year, departments go to City Council for an authorization in accordance with Article XI, Section 8 of the City Charter.

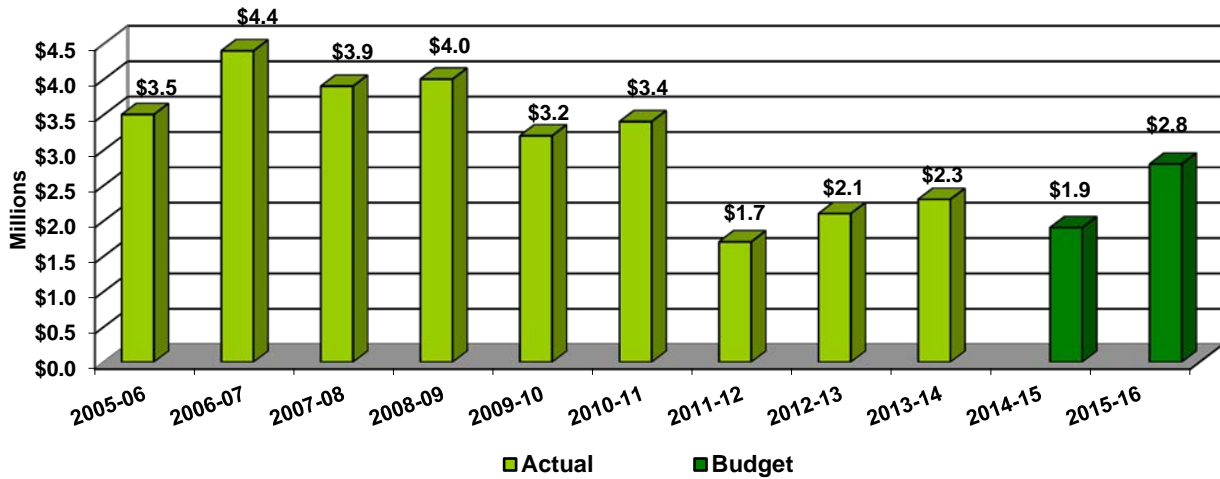
## Revenues from Other Agencies – General Fund



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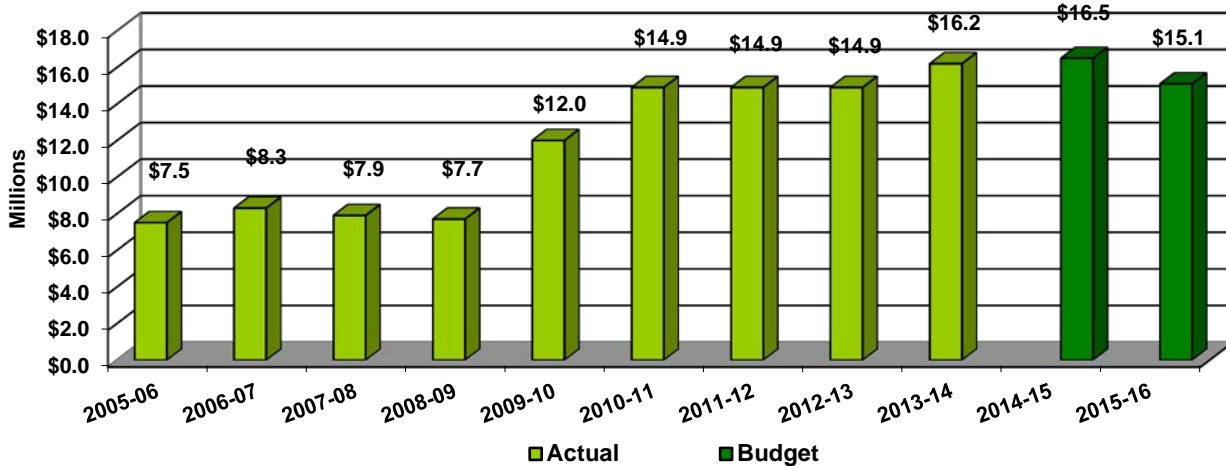
**Charges for Services** are generally known as user fees that are charged for a variety of services provided to the general public. Fees charged for services in this category include library fees, fire fees, special police fees, map and publication fees and code enforcement fees. The large decrease in FY 2011-12 is primarily due to the shifting of the Glendale Youth Alliance (GYA) from the General Fund to a Special Revenue Fund (211). However, revenues increased by \$400 thousand in FY 2012-13, which was primarily due to fee increases following a Citywide fee study. For FY 2015-16 this category is projected to increase by \$909 thousand, or 48.6%. This increase is primarily due to an increase in the Vehicle Towing Administrative Cost Recovery (VTACR) fee that was effective last year. Also, the DNA lab and associated revenues were shifted from a Special Revenue Fund to the General Fund.

**Charges for Services – General Fund**



**Interfund Revenue** is the revenue derived from the City’s cost allocation plan, which commenced in FY 2009-10. This plan formally allocates certain General Fund costs from “central service” departments to a variety of “receiving” departments that are funded outside of the General Fund. The central service departments in the General Fund include the City Attorney, City Clerk, City Treasurer, Administrative Services-Finance, Management Services, Human Resources, Fire Administration, and Public Works Administration. Receiving departments include Community Development, Community Services & Parks, Fire, Glendale Water & Power, Information Services, Library, Arts & Culture, Public Works, and Police. The premise behind the formal cost allocation plan is to identify those costs associated with services provided by the central service departments to the receiving departments and recover said costs. For FY 2015-16 this category is expected to decrease by \$1.4 million or 8.7%. This is mainly due to personnel and budget reductions within the General Fund.

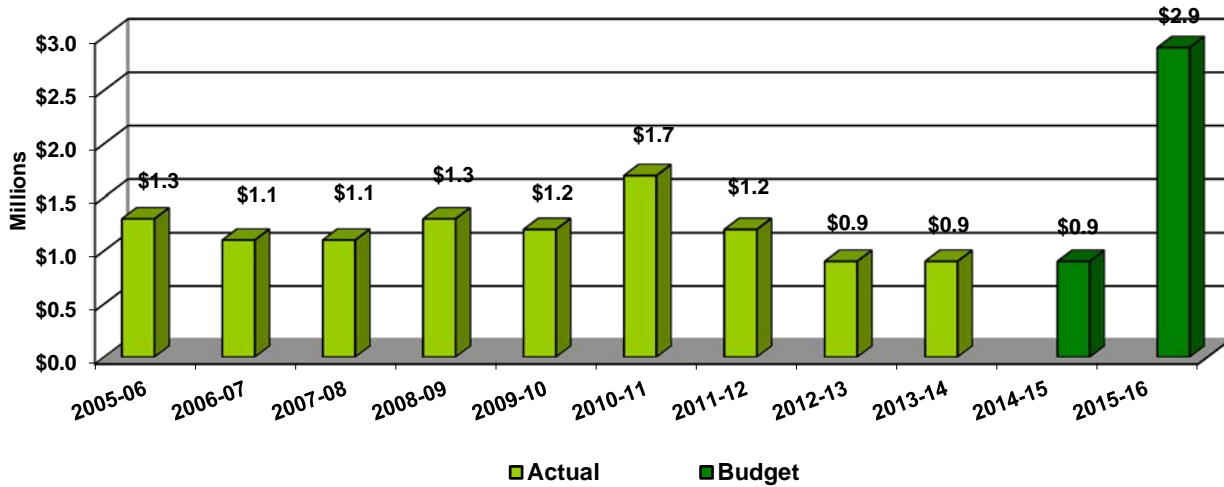
**Interfund Revenue – General Fund**



# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

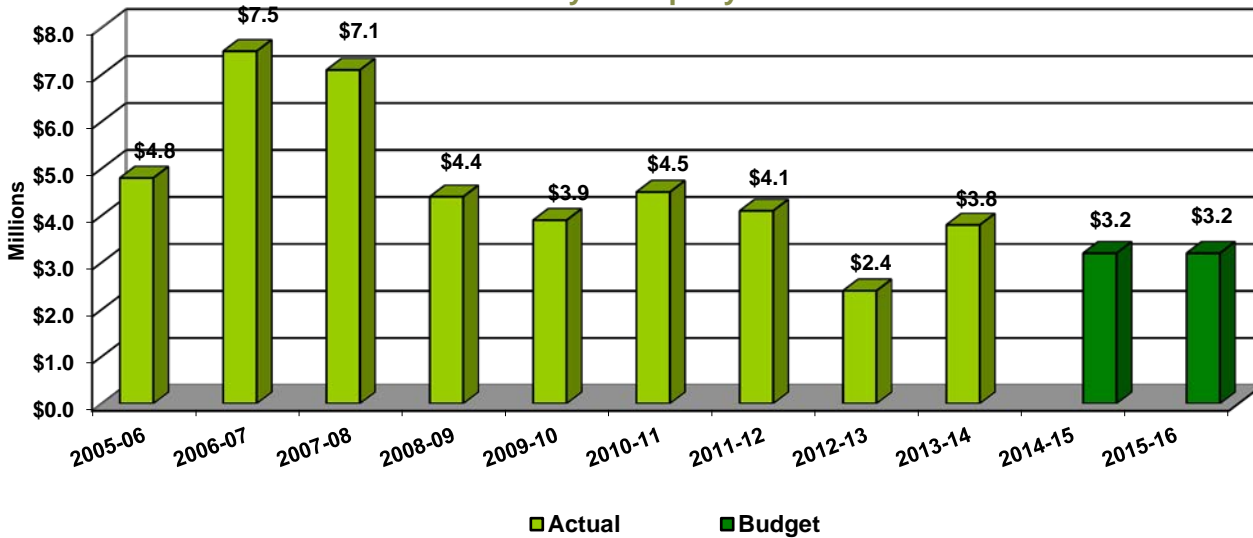
**Fines & Forfeitures** are derived from the collection of penalties for violations of statutory offenses, administrative rules, confiscated property, and court fees. Fines & Forfeitures revenue represents 1.5% of the total General Fund resources in the FY 2015-16 Adopted Budget. FY 2010-11 experienced a large increase due to the shifting of the “Red Light Traffic” revenue from the Police Staff Augmentation Fund (263) to the General Fund. However, due to a series of court cases at the State level over the legality of red light camera enforcement, the City has voluntarily decided to terminate the program as of February 2012, which accounted for the decrease in the following year. Starting in FY 2015-16, the \$1.9 million transfer from the Parking Fund will no longer be listed under *Transfer From Other Funds* category but reported under this category.

**Fines & Forfeitures – General Fund**



**Use of Money & Property** includes Interest & Investment Revenues, Landfill Gas Royalties and Rent & Lease Income. The City Treasurer invests funds that are available but not needed for immediate disbursement. Funds are invested in Local Investments Pool and in a core portfolio of U.S. Government Obligations. For FY 2015-16 this category is projected to increase by \$5 thousand, or 0.2%.

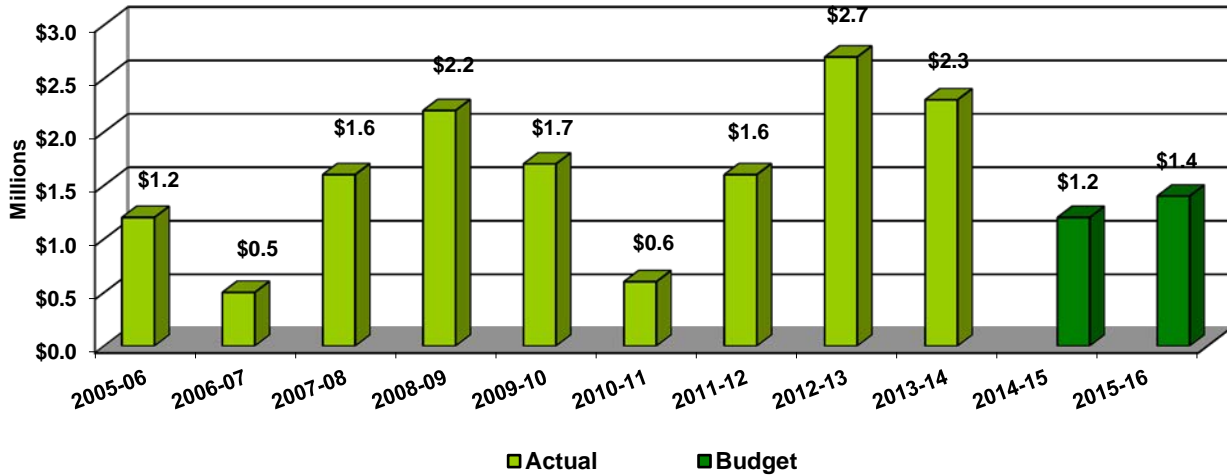
**Use of Money & Property – General Fund**



# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

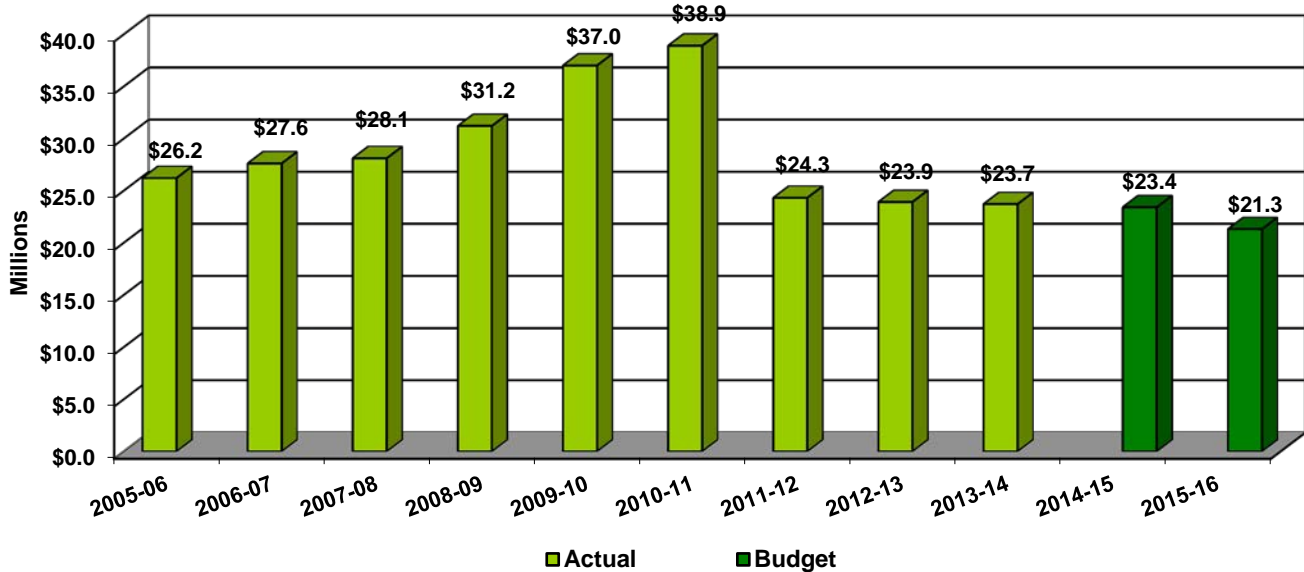
**Miscellaneous Revenue** consists of revenues other than taxes and fees, such as: sale of items/property not normally held for resale, collections from advertising, unclaimed money, and property or other contributions and donations.

**Miscellaneous Revenue – General Fund**



**Transfers from Other Funds** are made to the General Fund for a variety of purposes. Transfers represent 11.4% of the total General Fund resources in the FY 2015-16 Adopted Budget and include transfers from Electric Utility, Parking, and Refuse Disposal Funds. The decrease for FY 2011-12 in Transfers was attributable to the loss of the Water Utility transfer of \$4.2 million, the loss of the one-time transfer from the close out of the Police Staff Augmentation Fund, and the loss of two transfers from the Internal Service Funds (ISF). The two ISF transfers consisted of a transfer to the ISD Applications Fund (604) and a transfer to the Fleet / Equipment Management Fund (601). These transfers were discontinued in FY 2011-12 as they were incorporated into the Internal Service Fund rates in lieu of a straight transfer to General Fund. FY 2015-16, the decrease in Transfers was attributable to the reduction of the Electric Utility transfer by \$250 thousand. Also, the \$1.9 million transfer from the Parking Fund will no longer be listed under this category but reported in the *Fines & Forfeiture* category.

**Transfers from Other Funds – General Fund**



# CITY OF GLENDALE

## RESOURCES & APPROPRIATIONS

### *Special Revenue Funds*

Special Revenue funds for FY 2015-16 are expected to have a net increase of \$8.9 million, or 9.4%, primarily due to the following increases/decreases:

- Housing Assistance Fund 202 – The decrease of approximately \$817 thousand in this fund is due to a reduction in the portable voucher administrative fee and HAP revenue from HUD.
- Supportive Housing Grant Fund 204 – The increase of approximately \$302 thousand is due to an increase in funding from HUD.
- Workforce Investment Act Fund 206 – The increase of approximately \$408 thousand is due to an increase in Federal grant funding.
- Economic Development Fund 215 – The increase in revenues of \$2.4 million is primarily due to revenues from the City's share of the property tax increments for ROPS 15-16 to fund this newly created Economic Development fund. Prior to the creation of this fund, this revenue was receipted in the General Fund.
- Miscellaneous Grant Fund 216 – This fund was created to account for Citywide grant-funded projects that are not capital improvement projects in nature. Thus, the increase of \$5.5 million in this fund.
- Filming Fund 217 – This fund was created to account for the Citywide Filming activity. Thus, there is an increase of approximately \$505 thousand to reflect the shifting of revenues from the General Fund and from the Special Events Fund (Fund 267) into this fund.
- Measure R Regional Return Fund 255 – The decrease of \$1.4 million is due to reductions in local grants.
- Fire Mutual Aid Fund 266 – The increase of \$275 thousand is due to increase for mutual-aid reimbursements.
- Emergency Medical Services Fund 511 – The decrease of \$1.9 million is due to increase in insurance write-downs and an increase in uncollectable accounts.
- Transit Utility Fund 258 – The decrease of approximately \$9.2 million in this fund is due to a reduction in federal grants and shifting to the newly established Miscellaneous Grant Fund (Fund 216).
- Recreation Fund 501 – The increase of approximately \$3.4 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Hazardous Disposal Fund 510 – The increase of approximately \$1.6 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Parking Fund 520 – The increase of approximately \$7.9 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.

# CITY OF GLENDALE

## RESOURCES & APPROPRIATIONS

### *Debt Service Funds*

For FY 2015-16, revenues in the Debt Service fund category are estimated to decrease compared to last fiscal year. This is primarily due to the lower interest cost for the variable rate certificates of participation (i.e., debt on the police building construction).

### *Capital Improvement Program (CIP)*

Revenues in CIP funds for FY 2015-16 are estimated to decrease by \$9.8 million due to the following increases/decreases:

- General Fund Capital Improvement Fund 401 – The net decrease of approximately \$4.6 million is primarily due to the transfer of \$5 million from the General Fund for the Central Library Renovation project.
- State Gas Tax Fund 402 – The net decrease of approximately \$851 thousand is due to reduction in State gas tax revenues.
- Parks Mitigation Fee Fund 405 – The net decrease of approximately \$3.7 million is primarily due to budgeting only fifty percent of project revenues from anticipated projects, as some of the revenues received from these projects may fall in different fiscal years.
- Library Mitigation Fee Fund 407 – The decrease of approximately \$346 thousand is due to budgeting only fifty percent of project revenues from anticipated projects, as some of the revenues received from these projects may fall in different fiscal years.
- CIP Reimbursement Fund 409 – The decrease of approximately \$350 thousand is a result of a decrease in revenues relative to last year.

### *Enterprise Funds*

For FY 2015-16, revenues in the Enterprise funds are estimated to see a net increase of \$12.1 million primarily due to the following increases/decreases:

- Recreation Fund 501 – The decrease of approximately \$3.1 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Hazardous Disposal Fund 510 – The decrease of approximately \$1.7 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Parking Fund 520 – The decrease of approximately \$9.3 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Sewer Fund 525 – The increase of approximately \$1.1 million is due to an increase from sewer multi-family user groups and SFR usage revenues.
- Refuse Disposal Fund 530 – The increase of approximately \$1.4 million is due to an increase from residential refuse revenues and sales of recyclables.
- Electric Utility Fund 552, 553 & 555 – The net increase of approximately \$20.6 million is attributable to a revenue increase of about \$20.1 million from the Electric Works Revenue Fund

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

552 as increased electric rates were implemented a few years ago. For the Electric Depreciation Fund 553, revenues are anticipated to increase by \$981 thousand for FY 2015-16. For Electric Customer Paid Capital Fund 555, revenues are anticipated to decrease by \$511 thousand for FY 2015-16.

- Water Utility Funds 572, 573 & 575 – The net increase of approximately \$3.1 million is attributable to a revenue increase of about \$1.8 million in the Water Works Revenue fund 572, as increased water rates were implemented early in FY 2014-15. Revenue is estimated to increase in the Water Depreciation Fund 573 by \$259 thousand and decrease by \$330 thousand in the Water Customer Paid Capital Fund 575 for FY 2015-16.

### *Internal Service Funds*

For FY 2015-16, revenues in the Internal Service funds are estimated to increase by \$5.8 million primarily due to the following:

- ISD Infrastructure Fund 603 – The decrease of approximately \$2.3 million is from decreased charges for services to other funds due to a reduction in full-time positions.
- ISD Applications Fund 604 – The net increase of approximately \$6.2 million is mainly attributable to the funding set aside for the Enterprise Resource Planning Tier II implementation project. The funding of \$5.6 million was received as a transfer from the Post Employment Benefits Fund (642).
- Compensation Insurance Fund 614 – The increase of approximately \$1.7 million is due to increased rates to other funds for higher future claims costs and to amortize the existing fund balance deficit.
- Medical Insurance Fund 616 – The increase of approximately \$1 million is due to anticipated increases in medical premiums and claims.



# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## OVERVIEW OF APPROPRIATIONS

The table below depicts the total City appropriations by fund type as adopted for FY 2014-15 and FY 2015-16. Additional details can be found in the *Summary of Appropriations by Fund Type (SUM-7)* under the Budget Summaries section of this book.

### Total City Budgeted Appropriations

| <b>Fund Type</b> | <b>Adopted<br/>2014-15</b> | <b>Adopted<br/>2015-16</b> | <b>Increase/<br/>(Decrease)</b> | <b>% Change</b> |
|------------------|----------------------------|----------------------------|---------------------------------|-----------------|
| General Fund     | \$ 181,501,527             | \$ 182,890,934             | \$ 1,389,407                    | 0.8%            |
| Special Revenue  | 96,683,890                 | 103,702,342                | 7,018,452                       | 7.3%            |
| Debt Service     | 3,053,500                  | 3,025,000                  | (28,500)                        | -0.9%           |
| Capital Projects | 15,264,102                 | 13,755,000                 | (1,509,102)                     | -9.9%           |
| Enterprise       | 444,404,223                | 390,966,533                | (53,437,690)                    | -12.0%          |
| Internal Service | 91,808,687                 | 103,489,784                | 11,681,097                      | 12.7%           |
| <b>Totals</b>    | <b>\$ 832,715,929</b>      | <b>\$ 797,829,593</b>      | <b>\$ (34,886,336)</b>          | <b>-4.2%</b>    |

The following sections discuss some of the major changes in appropriations depicted in the table above for each fund type.

### General Fund

The appropriations for the adopted FY 2015-16 General Fund budget, together with comparative FY 2014-15 appropriations, are as follows:

### General Fund Appropriations

| <b>Category</b>                  | <b>Adopted<br/>2014-15</b> | <b>Adopted<br/>2015-16</b> | <b>Increase /<br/>(Decrease)</b> | <b>% Change</b> |
|----------------------------------|----------------------------|----------------------------|----------------------------------|-----------------|
| Salaries                         | \$ 79,463,020              | \$ 80,152,090              | \$ 689,070                       | 0.9%            |
| Overtime                         | 6,901,626                  | 7,039,806                  | 138,180                          | 2.0%            |
| Hourly Wages                     | 2,902,799                  | 2,857,615                  | (45,184)                         | -1.6%           |
| Benefits                         | 26,673,244                 | 28,112,746                 | 1,439,502                        | 5.4%            |
| PERS                             | 20,092,380                 | 23,113,222                 | 3,020,842                        | 15.0%           |
| Maintenance & Operation          | 38,550,312                 | 38,557,503                 | 7,191                            | 0.0%            |
| Capital Outlay                   | 103,258                    | 35,000                     | (68,258)                         | -66.1%          |
| Transfers                        | 5,917,000                  | 2,125,441                  | (3,791,559)                      | -64.1%          |
| Retirement Incentive             | 897,888                    | 897,511                    | (377)                            | 0.0%            |
| <b>Total General Fund Budget</b> | <b>\$ 181,501,527</b>      | <b>\$182,890,934</b>       | <b>\$ 1,389,407</b>              | <b>0.8%</b>     |

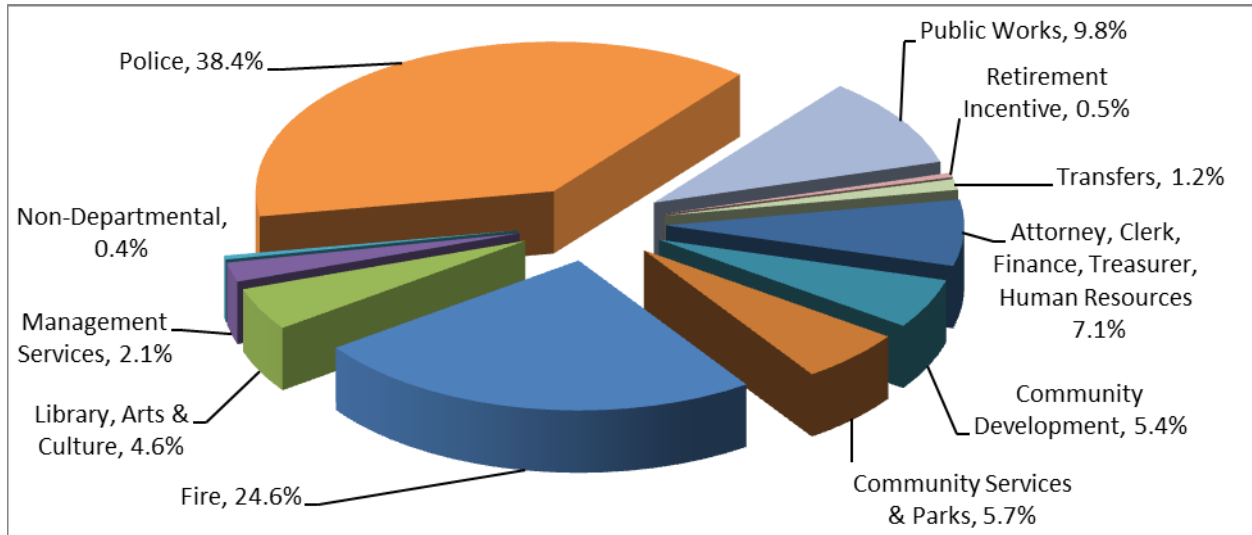
As indicated above, the General Fund budget is forecasted to increase approximately \$1.4 million, or .8%. The adopted budget in FY 2014-15 includes one-time use of fund balance of \$7 million for the Central Library and ISD Data Center Project. For comparison purposes, excluding this non-recurring approved use of fund balance yields an increase in the General Fund of approximately \$8.4 million. The bulk of the \$8.4 million increase is attributable to: \$3.0 million in PERS costs (net of employee cost sharing); \$338 thousand for Utilities; \$715 thousand for the Fleet/Equipment Management Fund; \$704 thousand for ISD Service Charge; \$836 thousand in contractual obligations; and \$1.4 million in

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

employee benefits, such as medical, dental, and vision costs. In addition, Transfers increased by \$1.2 million mainly due to the \$784 thousand transfer of 20% of GRA Loan Repayment to the Low & Moderate Incoming Housing Fund, as well as a \$300 thousand transfer to the Economic Development Fund for support of the Alex Theatre.

The graph below depicts the FY 2015-16 General Fund appropriations by Department.

**FY 2015-16 General Fund Appropriations**  
**\$182.9 Million**



### ***Special Revenue Funds***

The \$7.0 million increase in the *Special Revenue Funds* is primarily due to the following:

- *CDBG Fund 201* – The decrease of approximately \$167 thousand is due to a reduction in CDBG funding from HUD.
- *Housing Assistance Fund 202* – The decrease of approximately \$451 thousand is due to a reduction in portable voucher funding from HUD.
- *Home Grant Fund 203* – The decrease of approximately \$170 thousand is due to a reduction in funding from HUD.
- *Supportive Housing Grant Fund 204* – The increase of approximately \$302 thousand is due to an increase in funding from HUD.
- *Workforce Investment Act Fund 206* – The increase of approximately \$408 thousand is due to an increase in Federal grant funding.
- *Economic Development Fund 215* – The increase of approximately \$1.3 million is mainly due to the following: an increase in salaries and benefits of approximately \$120 thousand for the addition of an Administrative Assistant position as well as increases in PERS and other benefits costs; an increase of \$540 thousand in contractual services for the Alex Theatre management and funding

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for business incentives; an increase of \$250 thousand in the Cost Allocation charge from the General Fund; and project funding of \$371 thousand for the Laemmle Project.

- Miscellaneous Grant Fund 216 – This fund was created to account for citywide grant funded projects that are not capital improvement projects in nature. Thus, the increase of \$5.5 million is due to: \$401 thousand for the Citywide Pedestrian Plan project; \$401 thousand for the Citywide Safety Education Initiative project; approximately \$3.4 million for a portion of the purchase of nine transit buses; and approximately \$1.3 million for a portion of the purchase of 45 fareboxes.
- Filming Fund 217 – This fund was created to account for the citywide Filming activity. Thus, there is an increase of approximately \$501 thousand to reflect the shifting of staff and costs from the General Fund and from the Special Events Fund (Fund 267) into this fund.
- Measure R Local Return Fund 254 – The decrease of approximately \$4.9 million is due to the FY 2014-15 one-time partial funding for the overall maintenance and operation of the Beeline facility.
- Measure R Regional Return Fund 255 – The decrease of \$2.4 million is due to no new appropriations being reflected in this fund for FY 2015-16.
- Transit Prop A Local Return Fund 256 – The increase of \$202 thousand is mainly due to capital outlay funding for a portion of the purchase of 45 fareboxes.
- Transit Prop C Local Return Fund 257 – The increase of \$381 thousand is mainly due to new funding for the Refurbishment of Glendale Transportation Center and contractual services approved for outside maintenance of the Glendale Transportation Center.
- Transit Utility Fund 258 – The decrease of approximately \$9.2 million is due to \$4.7 million in appropriation for the purchase of transit buses and fareboxes now reflecting in the newly established Miscellaneous Grant Fund (Fund 216) and the one-time funding of \$4.6 million reflected in the FY 2014-15 for the for the overall maintenance and operation of the Beeline facility.
- Special Events Fund 267 – The decrease of approximately \$327 thousand is due to costs related to the filming operation shifting to the new Filming Fund (Fund 217).
- Electric Public Benefit Fund 290 – The increase of \$367 thousand is mainly due to increased appropriation for public benefit programs.
- Recreation Fund 501 – The increase of approximately \$5.1 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Hazardous Disposal Fund 510 – The increase of approximately \$1.5 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- Emergency Medical Services Fund 511 – The decrease of \$1.3 million is due to an accounting change implemented that nets the insurance write-downs against revenue instead of reflecting it as an appropriation in the maintenance and operation.
- Parking Fund 520 – The increase of approximately \$10.2 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.

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### *Debt Service Funds*

There is only one *Debt Service Fund* with an appropriation for FY 2015-16: the Police Building Project Fund 303. The decrease in this fund is due to lower interest cost for the variable rate certificates of participation (i.e., debt on the police building construction).

### *Capital Improvement Program*

Changes in the *Capital Improvement Program* equated to a net decrease of \$1.5 million and are attributable to the following:

- *General Fund Capital Improvement Fund 401* – The net decrease of approximately \$3.7 million is due to the one time funding for the Central Library of \$5 million that was appropriated in FY 2014-15. Offsetting this decrease was funding for new projects such as renovations at Verdugo Park and lighting and irrigation at Glorietta Park.
- *State Gas Tax Fund 402* – The decrease of approximately \$624 thousand is a result of decreased project appropriation relative to last year. It should be noted that the Finance Department will seek Council approval during the year should additional funding be needed.
- *Parks Mitigation Fee Fund 405* – The increase of approximately \$3.2 million is a result of additional project appropriation relative to last year. New projects for FY 2015-16 include the Fremont Park renovation and the Deukmejian Nature Education Center.
- *Library Mitigation Fee Fund 407* – The decrease of approximately \$45 thousand is a result of a decrease in appropriation relative to last year.
- *CIP Reimbursement Fund 409* – The decrease of approximately \$350 thousand is a result of a decrease in appropriation relative to last year.

### *Enterprise Funds*

The \$53.4 million decrease in the *Enterprise Funds* is primarily due to the following:

- *Recreation Fund 501* – The decrease of approximately \$4.5 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- *Hazardous Disposal Fund 510* – The decrease of approximately \$1.7 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- *Parking Fund 520* – The decrease of approximately \$12.3 million is due to the reclassification of this fund to a *Special Revenue Fund* effective June 30, 2015.
- *Refuse Disposal Fund 530* – The increase of approximately \$3 million is due to an increase for vehicle replacement and the Scholl Canyon Landfill Irrigation Project.
- *Electric Utility Funds 552 & 553* – The decrease of approximately \$23.3 million is attributable to a decrease in funding for capital improvement projects as most of the funding was appropriated during FY 2014-15. Part of this decrease was offset with an increase in purchased power costs.

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

- Water Utility Funds 572 & 573 – The decrease of approximately \$15.6 million is attributable to a decrease in funding for capital improvement projects as most of the funding was appropriated during FY 2014-15. Part of this decrease was offset with an increase in purchased water costs.

### *Internal Service Funds*

Changes in the *Internal Service Funds* equated to a net increase of \$11.7 million primarily due to the following:

- Fleet/Equipment Management Fund 601 – The increase of approximately \$652 thousand is primarily due to an increase in the vehicle replacement cost.
- Joint Helicopter Operation Fund 602 – The decrease of approximately \$96 thousand is due to the shift of one-half of a full-time position to the General Fund.
- ISD Infrastructure Fund 603 – The decrease of approximately \$1.3 million is due to a reduction in full-time positions and a decrease in appropriation for infrastructure projects relative to last year.
- ISD Applications Fund 604 – The increase of approximately \$5.5 million is attributable to the funding set aside for the Enterprise Resource Planning Tier II implementation project. The funding was received as a transfer from the Post Employment Benefits Fund (642).
- Liability Insurance Fund 612 – The increase of approximately \$299 thousand is due to the shifting of staffing costs from the Compensation Insurance Fund (614) and anticipated higher claims cost.
- Medical Insurance Fund 616 – The increase of approximately \$1.6 million is due to anticipated increases in medical premiums and claims.
- Post Employment Benefits Fund 642 – The increase of approximately \$5.6 million is due to the transfer of funding to the ISD Applications Fund (604) for the Enterprise Resource Planning Tier II implementation project.
- ISD Wireless Fund 660 – The decrease of approximately \$550 thousand is due to a reduction in full-time positions and a decrease in contractual services.