

City of Glendale
Budget Study Session #1
May 2, 2017



Agenda

■ FY 2016-17

- 3rd Quarter Update
 - Proposed Council Action to note and file Third Quarter Budget Report
 - Proposed Council Action Appropriating \$4.0 million to transfer from the General Fund to the Capital Improvement and Building Maintenance Funds
- Year-End Projection
- Section 115 Trust
 - Direction to Staff
- General Fund Forecast

■ FY 2017-18

- Proposed General Fund Budget
- Loss of General Fund Transfer
- Organizational Profile
- Summary of All Funds by Type
- Budget Adoption Calendar

■ Conclusion

FY 2016-17 Third Quarter Update
March 31, 2017

FY 2016-17 3rd Quarter Update

General Fund Revenues

- Revenues received as of March 31, 2017 were \$121.1 million versus \$101.2 million compared to the same period last year, an increase of 19%.
- For FY 2016-17 the Revenue estimates have been increased by \$13.6 million, mainly due to:
 - \$9.5 million higher loan repayment received from the State
 - Overall amount to be paid by the State does not change even though payments are accelerated
 - \$4.1 million revenue increases/adjustments noted in Property Taxes, UUTs, Occupancy Taxes, Licenses & Permits and Charges for Services

General Fund Resources - March 31, 2017 (In Thousands) Slide 5

	Adopted Budget	Adjustments	Revised Resources	Actual Receipts	% Received
Property Taxes	\$ 54,593	\$ 413	\$ 55,006	\$ 29,583	53.8%
Sales Taxes	39,208	103	39,311	23,050	58.6%
Utility Users Taxes	28,745	305	29,050	19,838	68.3%
Occupancy & Other Taxes	11,900	1,776	13,676	7,649	55.9%
Licenses And Permits	8,953	586	9,539	7,873	82.5%
Revenue Fr Other Agencies	100		100	196	196.0%
Charges For Services	3,006	575	3,581	2,839	79.3%
Interfund Revenue	14,185		14,185	10,586	74.6%
Fines & Forfeitures	2,700	(100)	2,600	1,795	69.0%
Interest/Use Of Money	3,625	400	4,025	3,523	87.5%
Misc. & Non Operating	1,537		1,537	801	52.1%
Transfers	21,306		21,306	862	4.0%
GSA Reimbursement	3,000	9,511	12,511	12,511	100.0%
Subtotal:	\$ 192,858	\$ 13,569	\$ 206,427	\$ 121,106	58.7%
Use of Assigned Fund Balance-Econ Dev.	920		920		N/A
Use of Fund Balance	1,003		2,944 [*]		N/A
Total Resources:	\$ 194,781	\$ 13,569	\$ 210,291	\$ 121,106	57.6%

* Includes Pending 3rd Quarter adjustment of \$4.0 million



FY 2016-17 3rd Quarter Update

General Fund Expenditures

- Department expenditures are tracking as expected
 - Total expenditures are at \$146.2 million (70.9% of total budget) compared to \$136.6 million (72.6%) at the same point last year
 - All departments are at or below the 75% mark
 - Transfers exceeded the mark due to the 20% transfer of the GSA Loan Repayment to the Low and Mod housing fund

General Fund Expenditures - March 31, 2017 (In Thousands)

	Adopted Budget	Adjustments*	Revised Budget	Actual Expended	% Expended
Administrative Services	\$ 5,342	\$ 179	\$ 5,521	\$ 3,583	64.9%
City Attorney	3,548	121	3,669	2,565	69.9%
City Clerk	1,350	655	2,005	898	44.8%
City Treasurer	742	79	821	527	64.2%
Community Development	14,944	2,243	17,187	10,333	60.1%
Comm. Services & Parks	12,631	931	13,562	9,011	66.4%
Fire	48,702	1,638	50,340	37,631	74.8%
Human Resources	2,655	114	2,769	1,552	56.0%
Library, Arts & Culture	9,595	1,030	10,625	6,606	62.2%
Management Services	4,392	217	4,609	3,018	65.5%
Police	72,731	1,987	74,718	55,684	74.5%
Public Works	14,184	389	14,573	9,866	67.7%
Transfers	3,067	1,902	4,969	4,261	85.8%
Retirement Incentive	898		898	673	74.9%
Non Departmental		25	25		0.0%
Subtotal:	\$ 194,781	\$ 11,510	\$ 206,291	\$ 146,208	70.9%
Pend. Approval 3 rd Qtr. Adj.		4,000	4,000		0.0%
Total Expenditures:	\$ 194,781	\$ 15,510	\$ 210,291	\$ 146,208	69.5%

* Includes Carryovers & Adjustments

FY 2016-17 General Fund Projected Fund Balance

As of June 30, 2017 (In Thousands) (1 of 2)

	FY 2016 17	Unassigned & Charter Reserve	% of Budget*
Beginning Fund Balance, 7/1/2016		\$ 80,824	41.5%
<i>FY 2015 16 Initial Funding for PERS Stabilization Fund</i>		(10,800)	
Beginning Fund Balance, 7/01/2016		\$ 70,024	36.0%
Adopted FY 16-17 Resources	\$ 193,778		
FY 16 17 Revenue Adjustments	13,569		
Revised FY 16-17 Resources	\$ 207,347		
Adopted FY 16-17 Appropriation	\$ 194,781		
FY 16 17 One-Time Council Approved Budget Adjustments:			
FY 16 17 Budget Carryovers	\$ 4,120		
20% Transfer of GSA Loan Repayment to Low & Mod Income Housing Fund	1,902		
Firefighter Recruit./Training Academy	1,398		
Continuum of Care/ Homeless Programming, Military Banner Program, Historic Resource Survey, Gain Share, and Savings Incentive Program (SIP)	1,786		
FY 16 17 Recurring Council Approved Budget Adjustments:			
Police MOU Adjustments, Central Block Grant, Election Costs, and Other Adjustments	2,304		
Revised FY 16-17 Appropriation	\$ 206,291		

*The reserve calculation is based on FY 2016-17 adopted recurring appropriation of \$194.8 million. Current policy is a floor of 30% with a target of 35%

FY 2016-17 General Fund Projected Fund Balance

As of June 30, 2017 (In Thousands) (2 of 2)

	FY 2016 17	Unassigned & Charter Reserve	% of Budget *
FY 2016-17 Projected Surplus	\$ 1,056		
FY 2016 17 Pending 3 rd Quarter Adjustments:			
<u>One Time:</u> Transfer to CIP and Building Maintenance Funds	\$ (4,000)		
Projected Use of Fund Balance as of 6/30/2017		(2,944)	
Projected Additional Savings as of 06/30/2017**		5,417	
Beginning Fund Balance, 7/01/2016		\$ 70,024	36.0%
Projected Ending Fund Balance, 6/30/2017		\$ 72,497	37.2%
<i>FY 2016 17 Add'l Funding for PERS Stabilization Fund</i>		<i>(13,200)</i>	
Projected Ending Unassigned & Charter Reserve, 6/30/2017		\$ 59,297	30.4%

*The reserve calculation is based on FY 2016-17 adopted recurring appropriation of \$194.8 million. Current policy is a floor of 30% with a target of 35%

**The Projected Additional Savings is based on the assumption that not all of the FY 2016-17 appropriation is expended by the end of the fiscal year and some portion may need to be carried over into FY 17-18.

PERS Rate Stabilization Fund

PERS Rate History

Fiscal Year	Safety Rate	Misc Rate
FY 1984-85	32.49%	20.01%
FY 1989-90	18.33%	11.62%
FY 1994-95	10.95%	7.51%
FY 1999-00	0.0%	0.0%
FY 2004-05	24.58%	6.29%
FY 2010-11	25.07%	11.67%
FY 2011-12	30.31%	15.66%
FY 2012-13	30.38%	15.73%
FY 2013-14	31.79%	16.18%
FY 2014-15	34.97%	17.46%
FY 2015-16	38.29%	20.89%
FY 2016-17	41.71%	22.94%
FY 2017-18	45.03%	26.57%

PERS Rate Projections

- PERS rate calculation now based on fixed *Normal Cost* rates plus a variable dollar amount for *Unfunded Accrued Liability (UAL)*
 - *Normal Cost* is fixed currently at 18.8% for Safety and 8.3% for Misc.
 - FY 2017-18 *UAL* is \$13.4 million for Safety and \$16.8 million for Misc.
 - The table below has future rates and projected costs of the *Normal Cost + UAL*

Fiscal Year*	Safety Rate	Misc. Rate	Citywide Cost (Normal + UAL)
FY 2017-18	45.03%	26.57%	\$50.3M
<i>FY 2018-19 Projected</i>	<i>49.97%</i>	<i>30.51%</i>	<i>\$57.8M</i>
<i>FY 2019-20 Projected</i>	<i>55.20%</i>	<i>34.67%</i>	<i>\$65.6M</i>
<i>FY 2020-21 Projected</i>	<i>58.30%</i>	<i>36.86%</i>	<i>\$70.3M</i>
<i>FY 2021-22 Projected</i>	<i>61.68%</i>	<i>39.59%</i>	<i>\$75.7M</i>
<i>FY 2022-23 Projected</i>	<i>59.60%</i>	<i>41.00%</i>	<i>\$77.9M</i>

*Based on data provided by PERS

PERS Rate Projections

- Projected Impact on General Fund

Fiscal Year*	Safety Rate	Misc. Rate	General Fund Gross Cost	Net of Cost Share	GF % Net of Cost Share
FY 2016-17	41.71%	22.94%	\$27.1M	\$24.6M	12.3%
FY 2017-18	45.03%	26.57%	\$34.1M	\$30.5M	14.2%
<i>FY 2018-19 Projected</i>	<i>49.97%</i>	<i>30.51%</i>	<i>\$38.5M</i>	<i>\$35.0M</i>	<i>15.6%</i>
<i>FY 2019-20 Projected</i>	<i>55.20%</i>	<i>34.67%</i>	<i>\$43.7M</i>	<i>\$40.1M</i>	<i>17.3%</i>
<i>FY 2020-21 Projected</i>	<i>58.30%</i>	<i>36.86%</i>	<i>\$47.0M</i>	<i>\$43.4M</i>	<i>18.2%</i>
<i>FY 2021-22 Projected</i>	<i>61.68%</i>	<i>39.59%</i>	<i>\$50.8M</i>	<i>\$47.1M</i>	<i>19.3%</i>

*Based on data provided by PERS

PERS Stabilization Trust Fund

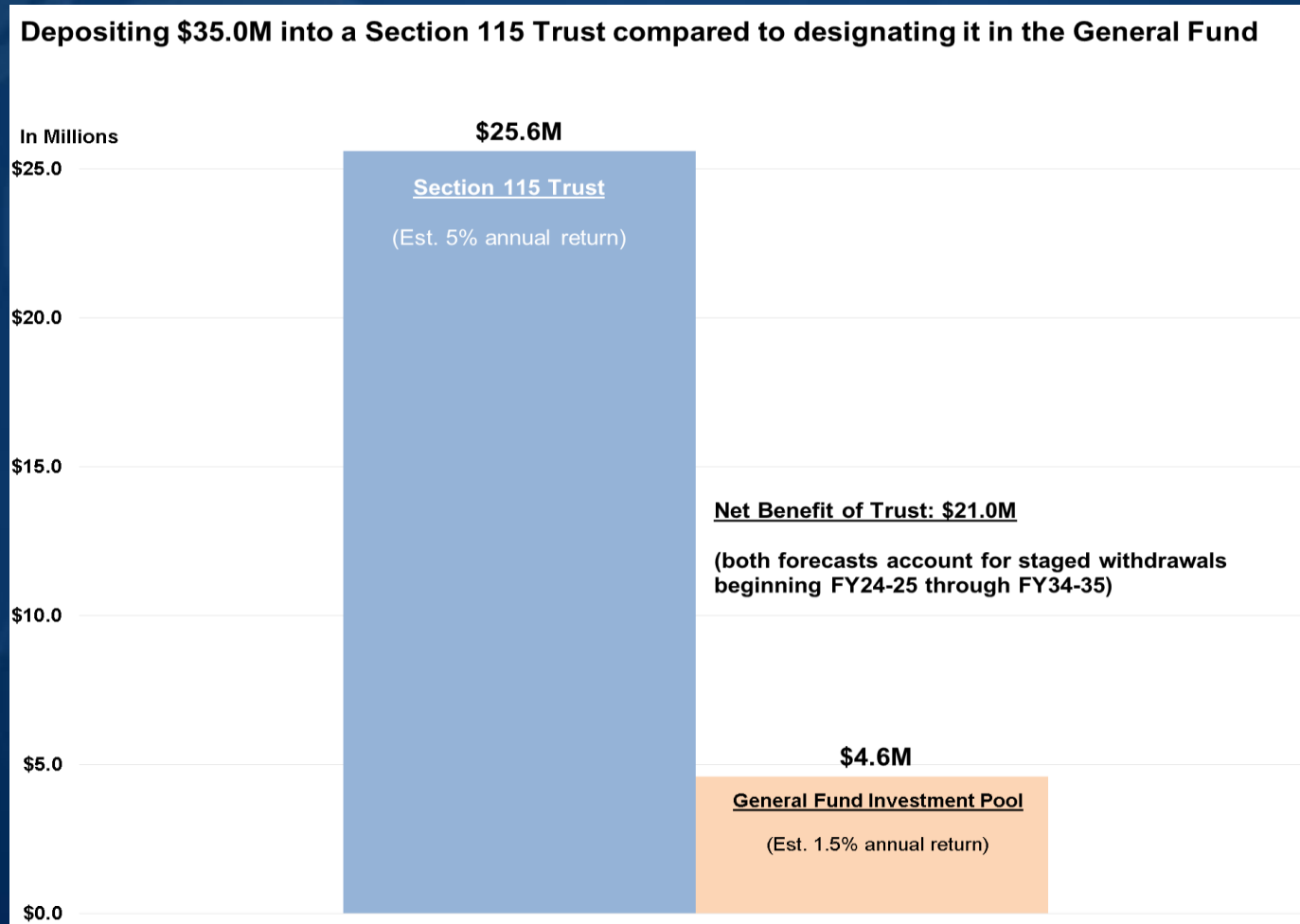
- What is a PERS Stabilization Trust Fund?
 - Trust fund established to help mitigate future PERS rate increases
- Example:
 - Deposit \$35 million into the Trust Fund
 - Investment earnings greater than Treasury
 - Longer term investments
 - Assumes 5.0% rate of return
 - Return on Investment of approx. \$16.7 million by year 8, assuming no withdrawals
 - Withdrawals used to reimburse PERS costs (rate stabilization)

Impact of PERS Stabilization Trust Fund

- Depending on initial and ongoing contributions to the Trust Fund, the savings from drawdowns could be \$5 to \$10 million a year in future years
- Long-term financial planning alleviates burden on General Fund resources and helps ensure adequate funding for Council/community priorities
- Best use of cash-on-hand in anticipation of known future liabilities

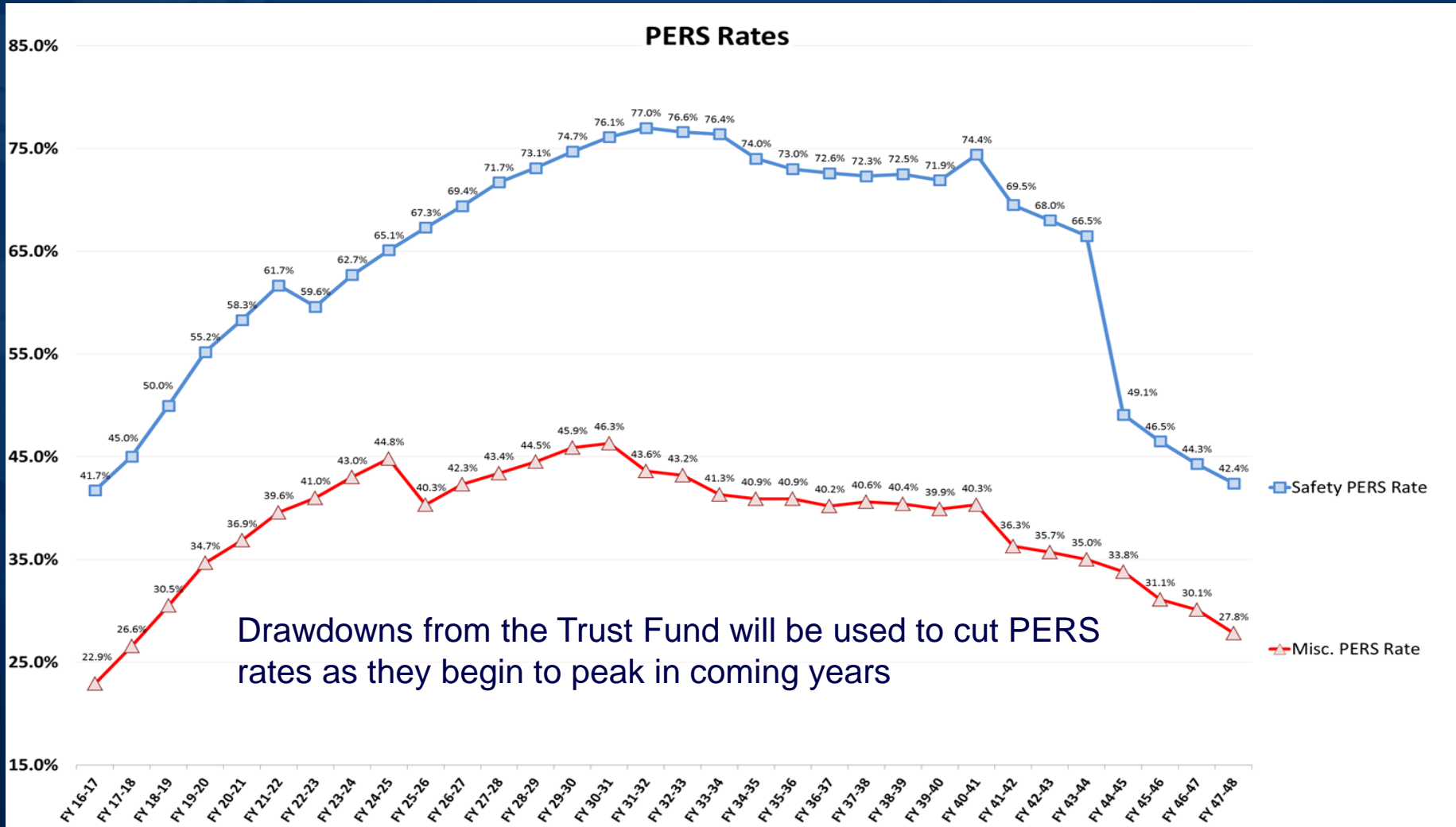
Impact of PERS Stabilization Trust Fund

*Scenario**: \$35 million deposited earning 5.0% return vs. General Fund Pool earning 1.5% return



*Assumes deposits of \$24.0m on July 1st 2017, \$2.5m on Jan 1st 2018, \$5.0m on Jan 1st 2019, and \$3.5m on Jan 1st 2020

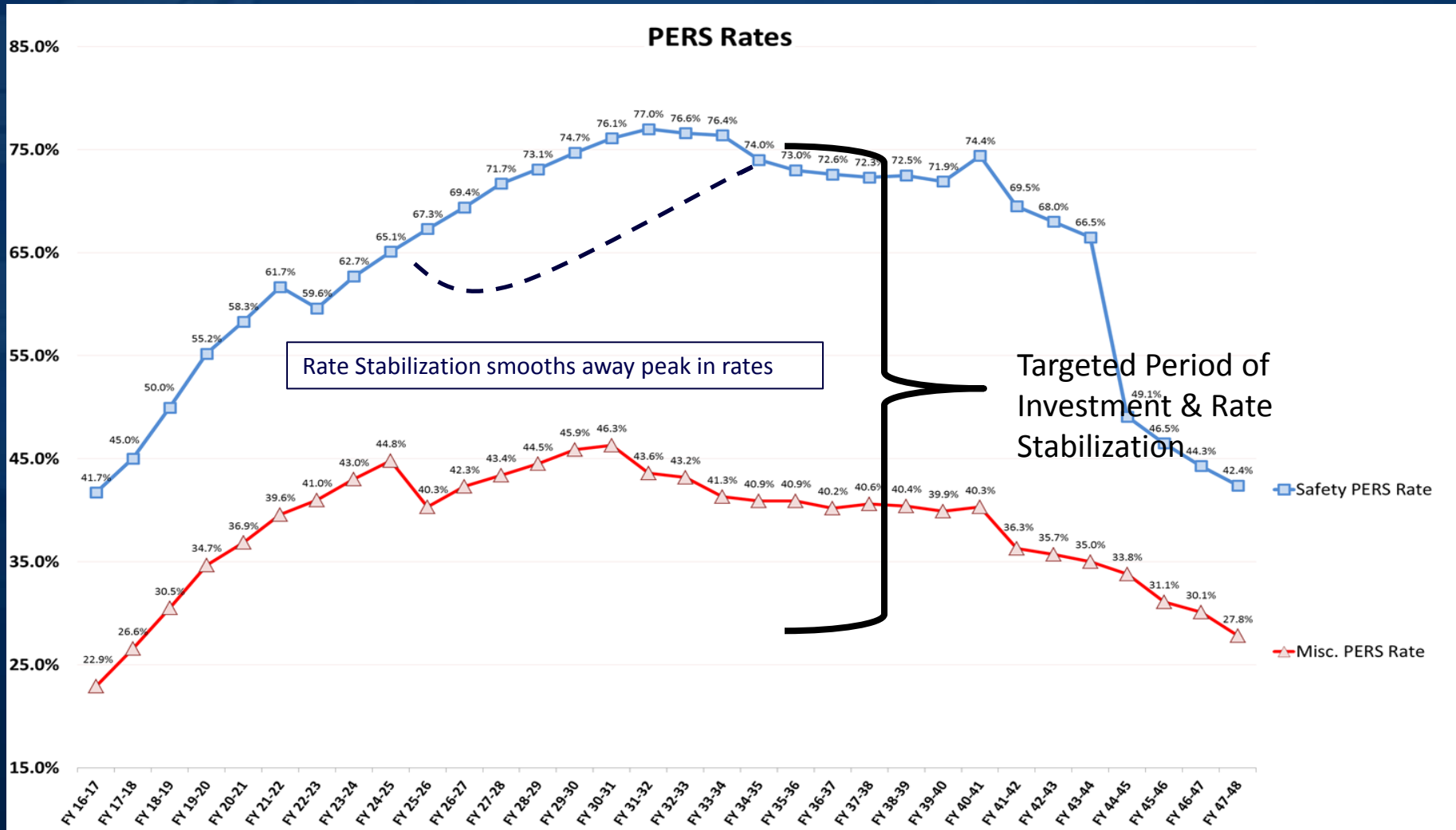
Impact of PERS Stabilization Trust Fund PERS Rates



Note: rate projections as of Sept. 30, 2016

Impact of PERS Stabilization Trust Fund

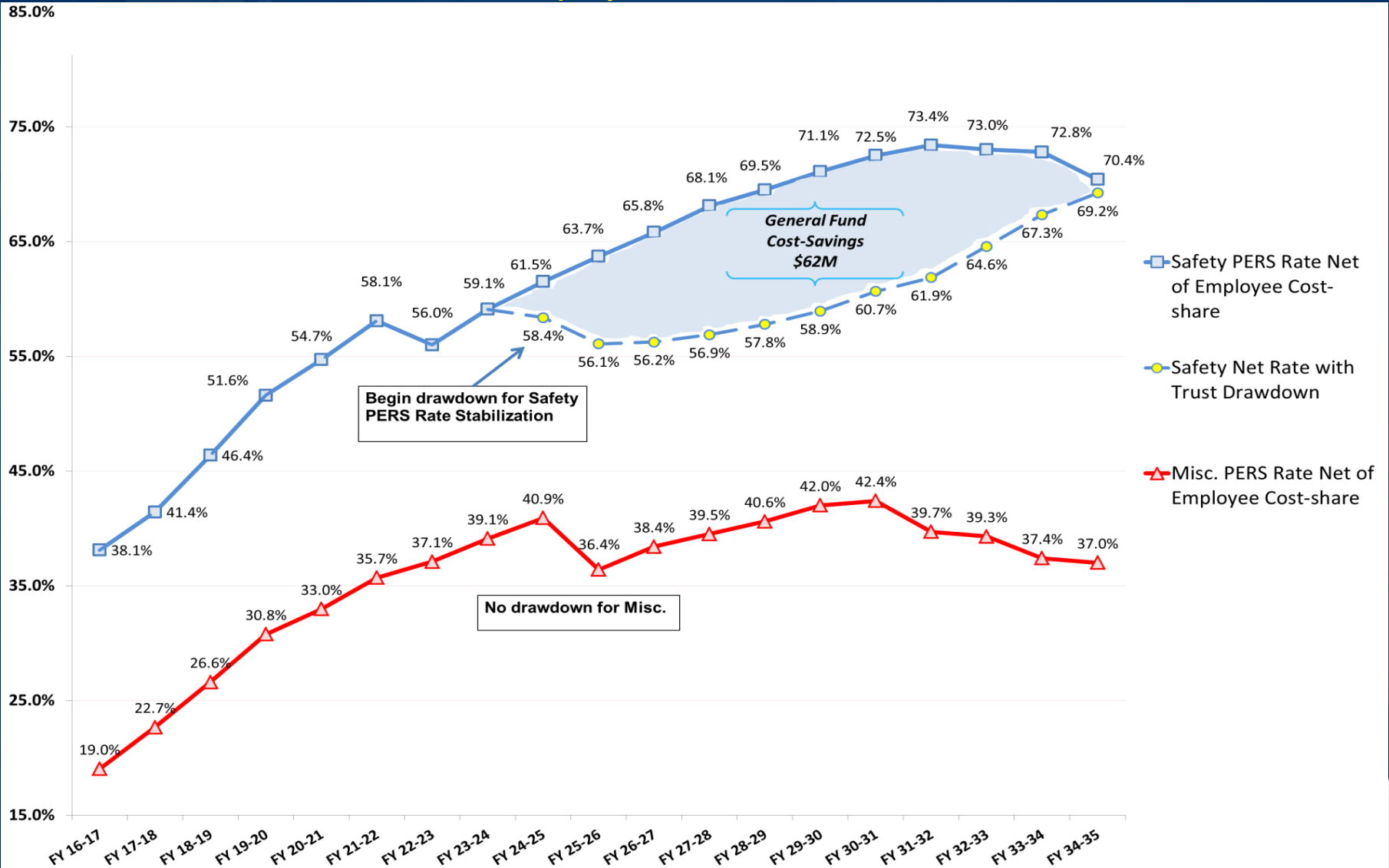
PERS Rates *after* Stabilization



Note: rate projections as of Sept. 30, 2016

Impact of PERS Stabilization Trust Fund

PERS Rates after Employee Cost-Share & Rate Stabilization



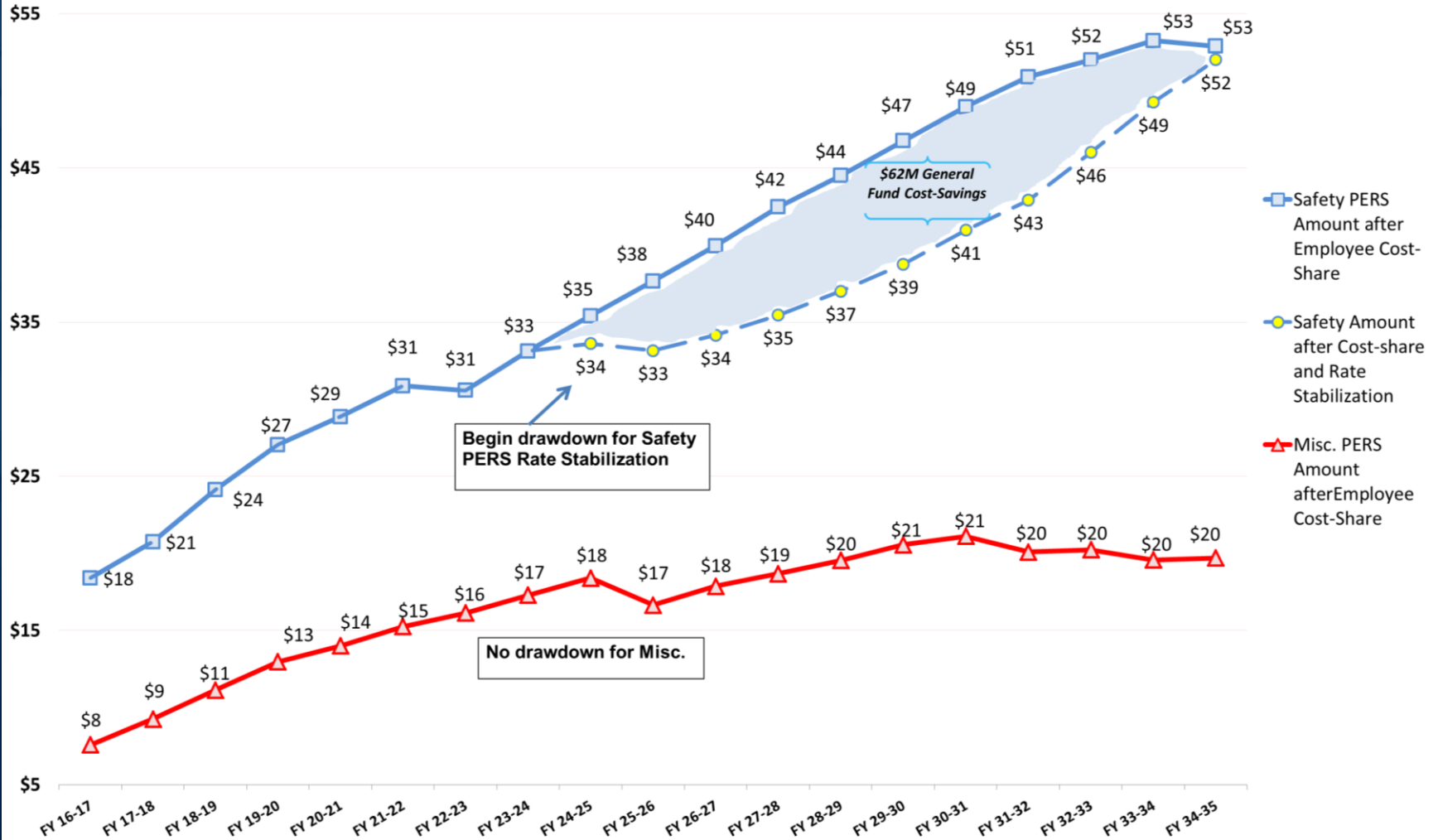
Note:
 Assumes \$35M put on deposit in annual amounts of \$24M (FY16-17), \$2.5M (FY17-18), \$5M (FY18-19) and \$3.5M (FY19-20) earning 5% interest annually.
 Assumes average employee cost-share is 3.6% for Safety, 3.9% for Miscellaneous

Rates and financial impacts estimated as of Sept. 30, 2016 - 1st Quarter Financial Update

Impact of PERS Stabilization Trust Fund

PERS Contributions after Employee Cost-share & Rate Stabilization

In Millions

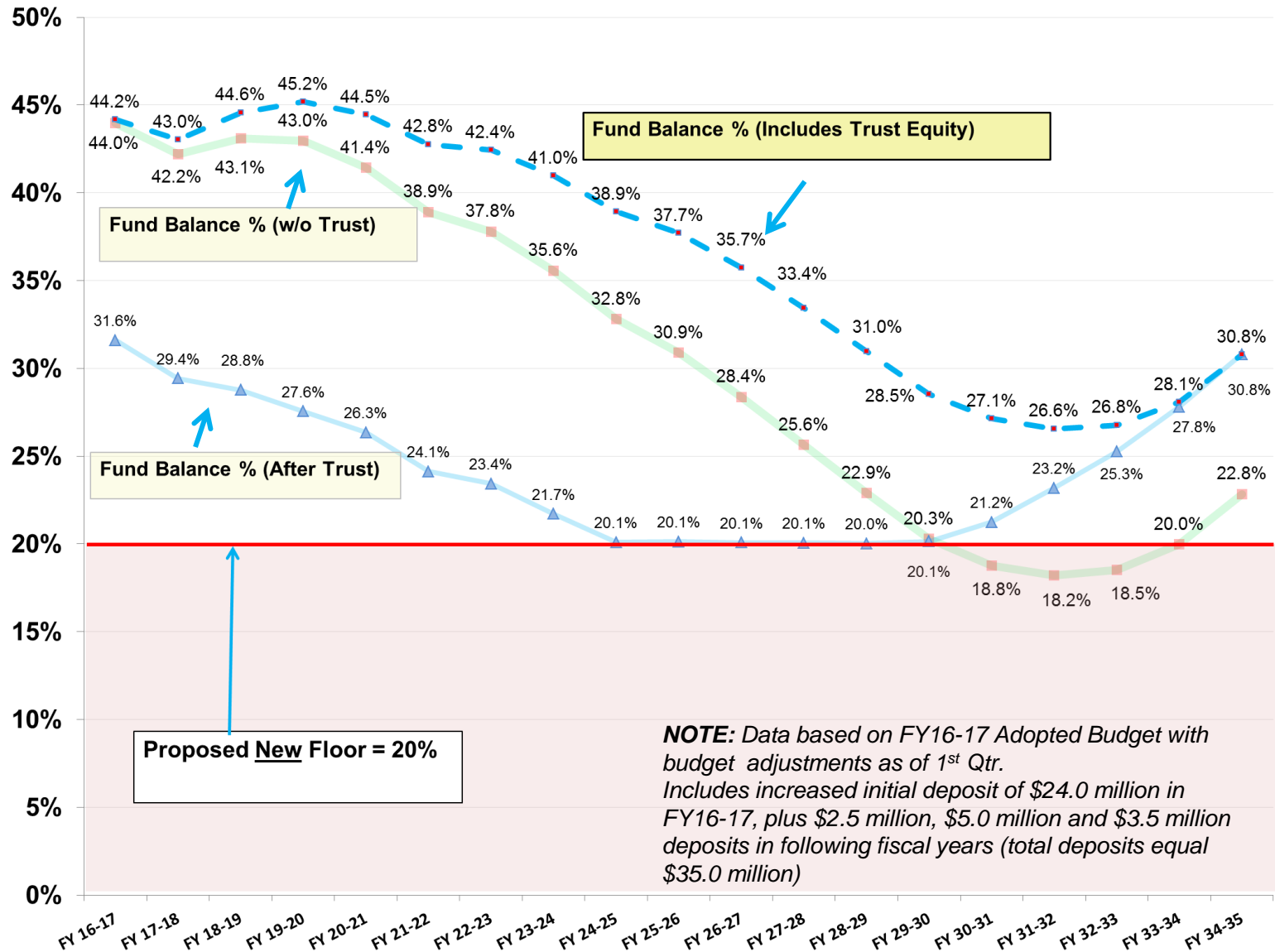


Note:

Assumes \$35M put on deposit in annual amounts of \$24M (FY16-17), \$2.5M (FY17-18), \$5M (FY18-19) and \$3.5M (FY19-20) earning 5% interest annually. Assumes average employee cost-share is 3.6% for Safety, 3.9% for Miscellaneous

Rates and financial impacts estimated as of Sept. 30, 2016 - 1st Quarter Financial Update

Impact of PERS Stabilization Trust Fund General Fund Reserves



NOTE: Data based on FY16-17 Adopted Budget with budget adjustments as of 1st Qtr. Includes increased initial deposit of \$24.0 million in FY16-17, plus \$2.5 million, \$5.0 million and \$3.5 million deposits in following fiscal years (total deposits equal \$35.0 million)

General Fund Reserve Policy Survey

Recommended new policy: 20% minimum, with 35% target reserve

Current Policy compared to Similar Cities:

City	Minimum Fund Balance %	Target Fund Balance %
Glendale	30.0%	35.0%
Pasadena	20.0%	20.0%
Burbank	20.0%	20.0%
Long Beach	16.7% (i.e. 2 months Ops. Exp)	17.0%
Huntington Beach	16.7% (i.e. 2 months Ops. Exp)	16.7%
Santa Monica	15.0%	15.0%
Inglewood	25.0%	25.0%
Torrance	10.0%	10.0%
Anaheim	11.0%	11.0%
Santa Ana	20.0%	20.0%
Garden Grove	N/A	N/A

Average minimum Reserve Policy of other cities is 15.4%

Government Finance Officers Association recommends minimum Reserve Policy of 16.7% (2 months)

Frequently Asked Questions - PERS Stabilization Trust Fund

Unfavorable Market Conditions?

- Trust assets are available to the City at any time

- Trust Fund portfolios have performed well over the long term
 - Over the past 10 years, Great Recession included, HighMark Capital portfolio returns have ranged between 3.8% - 5.0%

- Trust Fund portfolios are not as volatile as CalPERS's portfolio
 - HighMark trust funds seek returns similar to the market average, but CalPERS needs a highly aggressive investment strategy to continually outperform the market. This leads CalPERS to make high risk investments with higher volatility ratings. Unfavorable market conditions therefore affect CalPERS's portfolio to a greater degree than HighMark.

Frequently Asked Questions - PERS Stabilization Trust Fund Investment Returns & Volatility?

- PERS Stabilization Trusts offer one-on-one investment services
- City's portfolio would be managed by HighMark Capital.

Period ending 12/31/2016	CalPERS		Trust Fund HighMark Capital (Moderate)	
	CalPERS' Historical Return	Targeted Return (discount rate)	HighMark's Historical Return	City's Gross Targeted Return
1-year	0.6%	7.5%	7.2%	5.5%
5-year	6.7%	7.5%	7.1%	5.5%

- HighMark's Moderate portfolio earns higher returns (with less volatility) compared to CalPERS,
- CalPERS's investment strategy is overly aggressive, leading to underperformance relative to their targeted return.

Frequently Asked Questions - PERS Stabilization Trust Fund

Fiscal Emergencies

- What if the City experiences an emergency? What if budgeted revenues fall far below what was anticipated?
 - Withdrawals from the Trust can be made *at any time*, relieving the General Fund of its financial burden in times of scarce resources or emergencies
 - Example: Financial crisis necessitates withdrawal of money from PARS trust in FY 2018-19. City Council could liquidate PARS trust to offset FY 2018-19 PERS bill of \$38.5 million
 - IRS mandates that Trust withdrawals be used for pension obligations

PERS Stabilization Trust Fund

Next Steps...

At the time of the FY 2017-18 Budget Adoption staff recommends:

- City Council approve the establishment of a Section 115 Pension Rate Stabilization Program
 - Authorizes Professional Services Agreement with PARS
- City Council approve a new General Fund Reserve Policy, setting floor to 20% and target of 35%
- City Council approve the initial planned deposit of \$24.0 million into Section 115 Pension Rate Stabilization Program from prior years' one-time revenues plus an additional deposit of \$2.5 million from FY 2017-18 anticipated one-time revenues.

*FY 2016-17 General Fund Five Year
Forecast*



FY 2016-17 General Fund Forecast

	Adopted FY 16-17	Revised 3 rd Qtr FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22
Resources	\$ 193.8	\$ 207.3	\$ 214.4	\$ 231.3	\$ 234.6	\$ 242.2	\$ 240.2
Appropriations							
Base Line	\$ 167.8	\$ 174.6	\$ 183.7	\$ 188.2	\$ 191.2	\$ 194.4	\$ 195.9
PERS	28.7	27.1	34.1	38.5	43.7	47.0	50.8
PERS Cost Share	(3.3)	(2.5)	(3.6)	(3.5)	(3.6)	(3.6)	(3.7)
Net PERS	\$ 25.4	\$ 24.6	\$ 30.5	\$ 35.0	\$ 40.1	\$ 43.4	\$ 47.1
CIP	1.6	1.6	0.7	0.9	0.9	0.9	1.0
Total Appropriations	\$ 194.8	\$ 200.8	\$ 214.9	\$ 224.1	\$ 232.2	\$ 238.7	\$ 244.0
Net Surplus/(Deficit)	\$ (1.0)	\$ 6.5	\$ (0.5)	\$ 7.2	\$ 2.4	\$ 3.5	\$ (3.8)
<i>PERS Stabilization Fund (Deposit)/Withdrawal</i>		(13.2)	(2.5)	(5.0)	(3.5)		
<i>Pending Adjustments</i>		(4.0)					
Net Surplus/(Deficit) – Final	\$ (1.0)*	\$ (10.7)	\$ (3.0)	\$ 2.2	\$ (1.1)	\$ 3.5	\$ (3.8)

* Does not include use of \$920K in assigned fund balance for Economic Development

Cash Balances – All Funds

March 31, 2017 (In Thousands)

Major Funds:

General Fund	\$	97,369
Housing Assistance Fund		3,280
Capital Improvement Fund		10,050
Sewer Fund		45,584
Electric Fund		234,810
Operating Cash	\$	147,195
Transfer Reserve		
Restricted Cash		11,850
Operating Reserve		66,400
Bond Cash		9,365
Water Fund	\$	26,343
Operating Cash	\$	12,329
Restricted Cash		5,150
Operating Reserve		2,850
Bond Cash		6,014
Major Funds Total:	\$	417,436

Other Funds:

Capital Projects Funds	\$	87,250
Debt Service Funds		19,789
Special Revenue Funds		60,079
Nonmajor Enterprise Funds		40,165
Internal Service Funds		116,159
Other Funds Total:	\$	323,442

Grand Total: \$ 740,878

FY 2017-18 General Fund
Proposed Budget



Timeline for Budget Development (1 of 2)

- Late October, Budget Process starts with annual cost allocation process. This is a process to distribute General Funds support department costs to non-General Fund departments to maximize cost recovery to the General Fund
- Late November, Internal Service Fund Rates are established for all Internal Service Funds (i.e. Medical Insurance, Workers' Compensation Insurance, Liability Insurance, Information Services Funds, Fleet/Equipment Fund)
- Late January, Citywide Budget Kickoff is held
 - All key staff from all departments are present for discussion and direction on the FY2017-18 Budget
 - Calendar of key dates and deliverables are provided and discussed
 - Changes impacting the budget are highlighted, such as overhead rates, etc.

Timeline for Budget Development (2 of 2)

- Early February, budget module open for inputting FY 2017-18 budget to all departments
 - Budget module is used to build the budget via worksheets generated for all 67 funds across 15 departments
- Mid February, departments submit budget requests, which include Personnel Requests, Capital Outlay, Equipment Replacement, New Fees, and Service Level Adjustments
 - These requests are analyzed and reviewed with each department
- Late March, individual departmental meetings are held with City Manager and budget staff to discuss the departmental submittals
- Early April, an all hands meeting with department Executives, Budget staff, and the City Manager is held to review and determine which items are approved for inclusion in the proposed FY 2017-18 Budget
- Mid April is used to finalize the proposed FY 2017-18 Budget and prepare for Study Sessions held in May

FY 2017-18 General Fund Proposed Budget

Proposed Resources

Starting Revenue Estimate: \$ 206,426,775

Adjustments:

Property Tax	\$ 1,223,455
Sales Tax	1,703,810
Utility Users Tax	1,004,000
Occupancy/Franchise	1,183,028
Building Permits & Licenses	58,000
Cost Allocation	3,914,945
GRA Loan Repayment*	(7,625,923)
All Other Revenues (net)	5,620,046

Total Adjustments: \$ 7,081,361

FY 2017-18 Revenue Estimate: \$ 213,508,136

Use of Assigned Econ Dev Fund Balance 905,134

Use of Unassigned Fund Balance 525,029

FY 2017-18 Proposed Resources: \$ 214,938,299

*Depending on CA Department of Finance payment

FY 2017-18 General Fund Proposed Budget

Revenue Changes

- Overall General Fund revenues are expected to grow by 0.9%
- Increases include:
 - Property Tax forecasted to increase 2.2%
 - Sales Tax forecasted to increase 4.3%
 - Transient Occupancy Tax (TOT) will increase approximately 17.2% due to the addition of a new hotel and improved economic recovery
 - Utility Users' Tax 3.5%
 - Licenses and permits 0.6%
 - Charges for Services are increasing by 11.3%, not including Emergency Medical Services
 - Emergency Medical Response and Paramedic membership fee will be included in the General Fund starting FY 2017 18
- Electric Fund Transfer to General fund is equal to 10.0% of Electric Revenues effective FY 2016-17

FY 2017-18 General Fund Proposed Budget

Proposed Appropriations

Adopted FY 2016-17 Budget		\$ 194,780,663
Salaries & Benefits Increase		
Salaries	\$ 5,157,495	
PERS, Net of Cost Share	4,994,226	
Hourly Wages Less Econ Dev	1,061,280	
Overtime	1,496,491	
All Other Benefits (Medical, Dental, Vision, Work' Comp, etc.)	1,359,689	
Assigned Econ Dev Fund Balance for Hourly	\$805,134	
Total Salaries & Benefits Increase		\$ 14,874,315
Maintenance & Operation Increase / (Decrease)		
Liability Insurance	\$ 280,840	
Fleet/Equipment Rental Charge	517,380	
ISD Service Charge	1,699,613	
All Other M&O	3,047,510	
Assigned Econ Dev Fund Balance	100,000	
Total Maintenance & Operations Increase		\$ 5,645,343
Transfers Out/Capital Outlay		\$ (362,022)
Total Proposed FY 2017-18 General Fund Budget		\$ 214,938,299

Budget Overview (1 of 4)

- **Salaries & Benefits increase of \$14.9 million primarily due to:**
 - Net PERS increase of \$5.0 million compared to last year
 - Increase of \$3.7 million due to Emergency Medical Services Fund (Fund 511) collapsing into General Fund
 - Increase of \$2.3 million for proposed service level adjustments
 - Net 3 Positions Added in Fire, Police, and Innovation, Performance & Audit (IPA) Departments
 - Police Overtime
 - Reallocating 15 positions throughout various Departments
 - Hourly wages increasing

Budget Overview (2 of 4)

- **Salaries & Benefits changes continued...**
 - Workers' Comp increase of \$1.6 million
 - Mainly due to increase in safety rates
 - \$805 thousand is for Economic Development Hourly Wages and Benefits using Assigned Fund Balance
 - Cost of Living Adjustments for GFFA (3.5%), GPOA (3%), GMA (Police Sworn) (3%), GMA (Fire Sworn) (2%) and Hourly Employees (3%)

Budget Overview (3 of 4)

- **Maintenance & Operation increase of \$5.6 million primarily due to:**
 - Increase of \$1.7 million in ISD Service Charge
 - Increase of \$1.8 million due to Emergency Medical Services Fund (Fund 511) collapsing into General Fund
 - Increase of \$2.8 million for proposed service level adjustments across various M&O accounts (details on following slides)
 - Decrease of \$408 thousand in Building Maintenance
 - Decrease of \$290 thousand in Furniture & Equipment

Budget Overview (4 of 4)

- **Transfers and Capital Outlay decrease of \$362 thousand primarily due to:**
 - Decrease of \$488 thousand in transfers to Capital Improvement Fund
 - Decrease net of \$84 thousand proposed service level adjustment for transfer to Nutritional Meals Fund
 - Increase of \$126 thousand in Capital Outlay for proposed service level adjustments

FY 2017-18 General Fund Proposed Budget

Proposed Service Level Adjustments Recap

	Recurring Adjustments	One-Time Adjustments	Total
Administrative Services	\$ 46,000	\$	\$ 46,000
City Attorney	141,398		141,398
City Clerk	156,420	25,000	181,420
Innovation Performance & Audit (IPA)	552,523		552,523
Community Development	215,554	488,833	704,387
Comm. Services & Parks	186,879	34,500	221,379
Fire	503,321	561,843	1,065,164
Human Resources	20,000		20,000
Library, Arts & Culture	214,370	590,000	804,370
Management Services	21,781	14,200	35,981
Police	865,441	300,050	1,165,491
Public Works	71,494	213,500	284,994
Total Adjustments:	\$ 2,995,181	\$ 2,227,926	\$ 5,223,107

FY 2017-18 General Fund Proposed Budget

General Fund Resources and Appropriations

Total Resources:

Revenues	\$	213,508,136
Use of Assigned Econ Dev Fund Balance		905,134
Use of Unassigned Fund Balance		525,029

Total Resources:

\$ 214,938,299

Total Appropriations:

\$ 214,938,299

FY 2017-18 General Fund Proposed Budget

Fund Balance Projection

	Unassigned & Charter Reserve	% Projected Reserve **
Projected Beginning Balance, 7/1/2017*	\$ 59,297,000	27.7%
Projected Use of Fund Balance	(525,029)	
Projected Ending Fund Balance, 6/30/2018	\$ 58,771,971	27.5%
Potential PERS Stabilization deposit	(2,500,000)	
Projected Ending Fund Balance, 6/30/2018	\$ 56,271,971	26.3%

*The projected beginning balance includes the reduction of the potential PERS stabilization deposit of \$24 million. Combined total would be \$82.8 million or 38.8% total reserve.

**Based on proposed recurring appropriation of \$214 million. Current policy is floor of 30% with a target of 35%.

FY 2016-17 General Fund Forecast

	Adopted FY 16-17	Revised 3 rd Qtr FY 16-17	Projected FY 17-18	Projected FY 18-19	Projected FY 19-20	Projected FY 20-21	Projected FY 21-22
Resources	\$ 193.8	\$ 207.3	\$ 214.4	\$ 231.3	\$ 234.6	\$ 242.2	\$ 240.2
Appropriations							
Base Line	\$ 167.8	\$ 174.6	\$ 183.7	\$ 188.2	\$ 191.2	\$ 194.4	\$ 195.9
PERS	28.7	27.1	34.1	38.5	43.7	47.0	50.8
PERS Cost Share	(3.3)	(2.5)	(3.6)	(3.5)	(3.6)	(3.6)	(3.7)
Net PERS	\$ 25.4	\$ 24.6	\$ 30.5	\$ 35.0	\$ 40.1	\$ 43.4	\$ 47.1
CIP	1.6	1.6	0.7	0.9	0.9	0.9	1.0
Total Appropriations	\$ 194.8	\$ 200.8	\$ 214.9	\$ 224.1	\$ 232.2	\$ 238.7	\$ 244.0
Net Surplus/(Deficit)	\$ (1.0)	\$ 6.5	\$ (0.5)	\$ 7.2	\$ 2.4	\$ 3.5	\$ (3.8)
<i>PERS Stabilization Fund (Deposit)/Withdrawal</i>		(13.2)	(2.5)	(5.0)	(3.5)		
<i>Pending Adjustments</i>		(4.0)					
Net Surplus/(Deficit) – Final	\$ (1.0)*	\$ (10.7)	\$ (3.0)	\$ 2.2	\$ (1.1)	\$ 3.5	\$ (3.8)

* Does not include use of \$920K in assigned fund balance for Economic Development

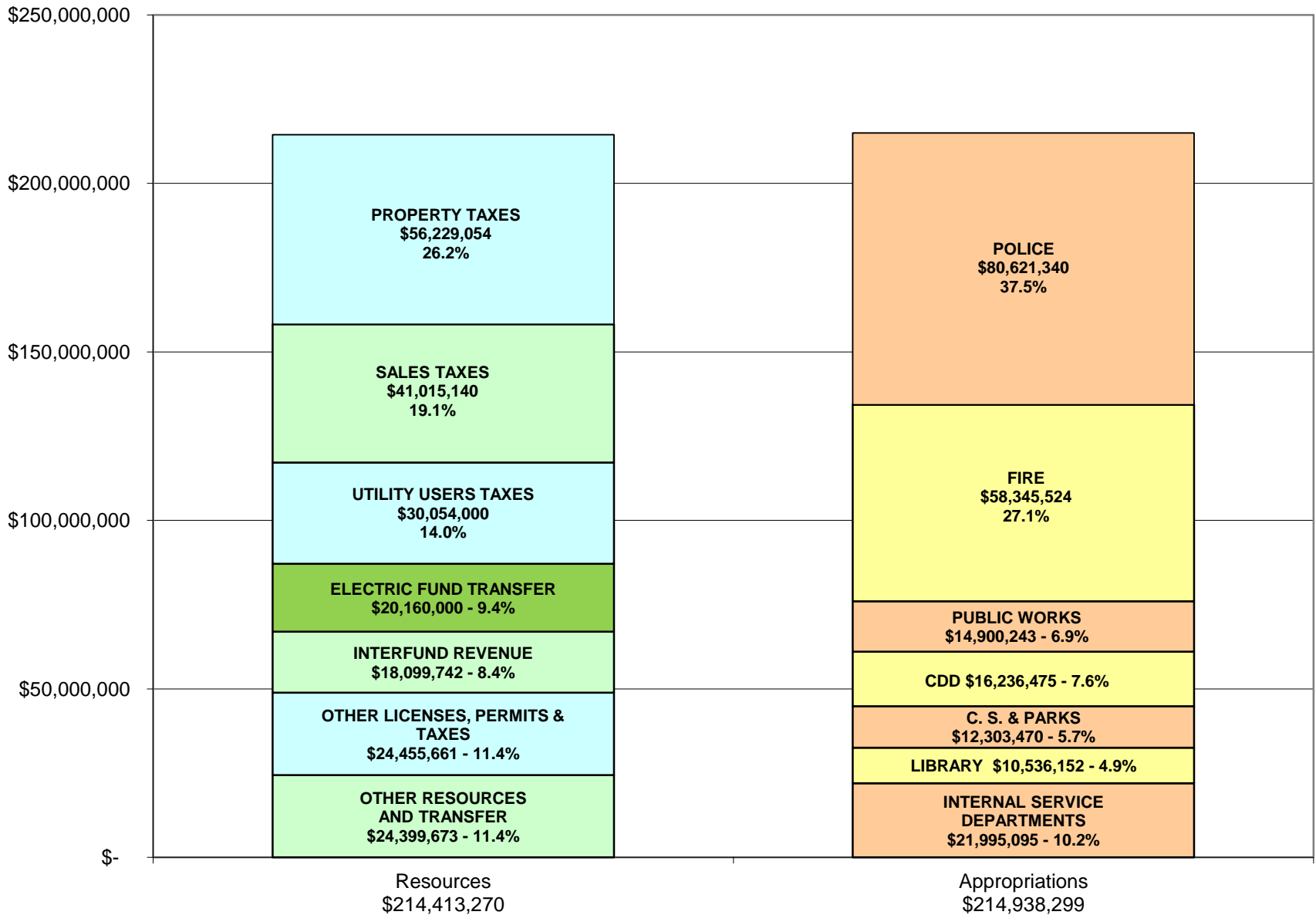
Impacts from Loss of General Fund Transfer

Electric Fund Transfer

- According to City Charter, Chapter 11, Section 22:
 - At the end of each fiscal year an amount equal to 25% of the operating revenues of the department of Glendale Water and Power for such year, shall be transferred from Glendale Water and Power surplus fund to the general reserve fund; provided, that the council may annually, at or before the time for adopting the general budget for the ensuing fiscal year, reduce said amount or wholly waive such transfer if, in its opinion, such reduction or waiver is necessary to insure the sound financial position of said department of Glendale Water and Power
- Transfer provision was voted on and approved by Glendale citizens twice, once in 1941 and again in 1946, and has been in place ever since
- Current transfer is \$20.1 million, or 10%, of the Electric Revenues
- Lawsuit from *Glendale Coalition for a Better Government* and *IBEW* in 2014 challenged the transfer to the General Fund
- City lost in trial court and is currently appealing the General Fund transfer issue to the California Appellate Court
 - If unchallenged, the entire GFT would be lost

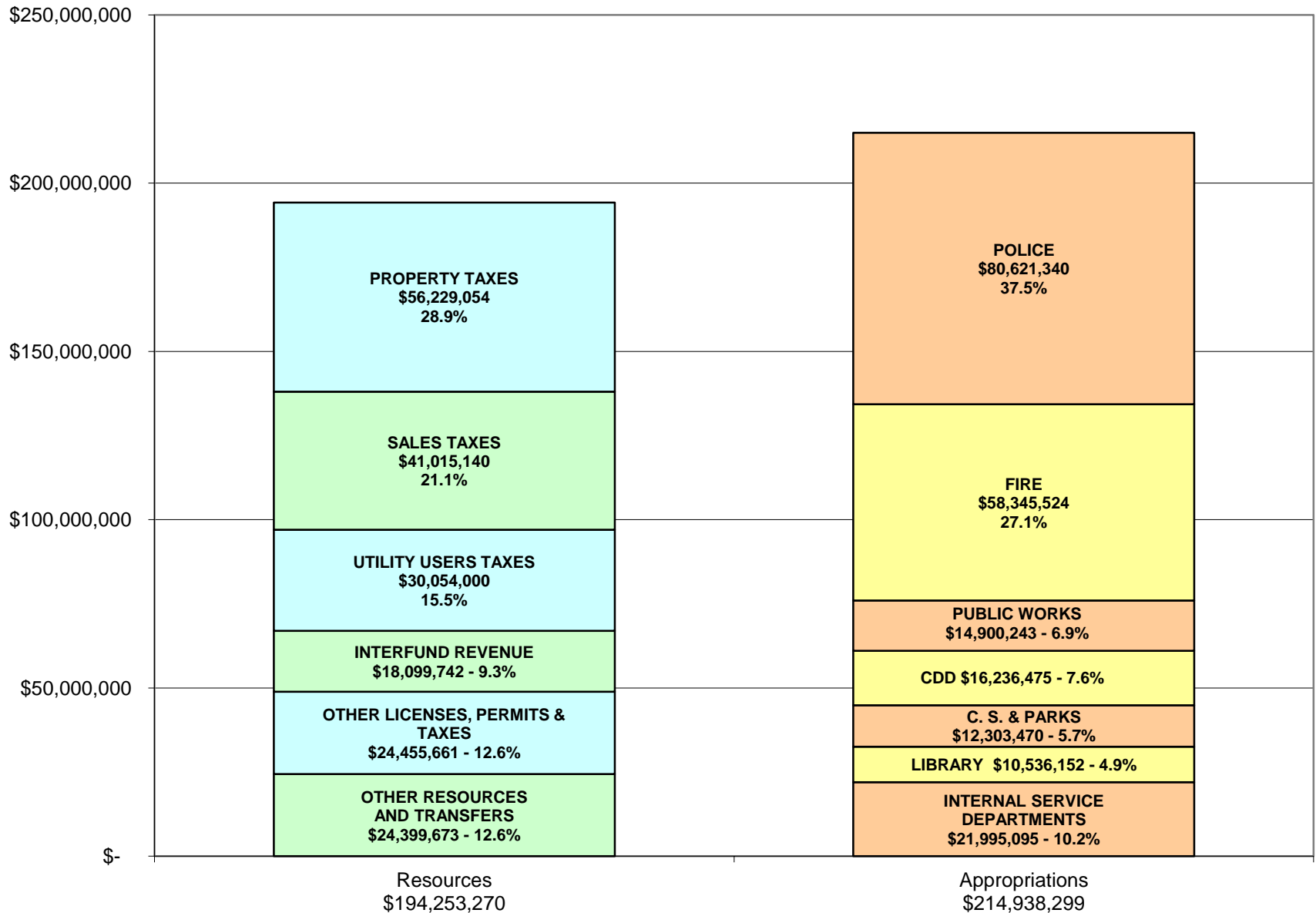
FY 2017-18 General Fund Proposed Budget

Resources vs Appropriations with Electric Fund Transfer



FY 2017-18 General Fund Proposed Budget

Resources vs Appropriations **without** Electric Fund Transfer



Electric Fund Transfer Loss Options

- Options for General Fund Reductions of \$20,160,000:
 - Option 1 – Reduce 9.4% across all City Departments
 - Option 2 – Reduce 88.3% from Library, Arts & Culture and Community Services & Parks (CSP)
 - Option 3 – Reduce 14.5% from Police and Fire

FY 2017-18 General Fund Proposed Budget

Electric Fund Transfer Loss Options

Department	FY 2017 18 Proposed Budget	Option 1 Reduction		Option 2 Reduction		Option 3 Reduction	
Police	\$ 80,621,340	\$ 7,556,406	9.4%	0.0%		\$ 11,695,782	14.5%
Fire	58,345,524	5,469,479	9.4%	0.0%		8,464,218	14.5%
CDD	16,236,475	1,519,029	9.4%	0.0%			0.0%
Public Works	14,900,243	1,400,623	9.4%	0.0%			0.0%
CSP	12,303,470	1,156,526	9.4%	\$ 10,860,964	88.3%		0.0%
Library	10,536,152	990,398	9.4%	9,299,036	88.3%		0.0%
Admin. Finance	4,917,711	462,264	9.4%	0.0%			0.0%
Mgmt. Services	4,376,123	411,356	9.4%	0.0%			0.0%
City Attorney	3,693,779	347,215	9.4%	0.0%			0.0%
Human Resource	2,997,059	281,724	9.4%	0.0%			0.0%
Non Departmental	2,579,677	242,490	9.4%	0.0%			0.0%
City Clerk	1,426,103	134,054	9.4%	0.0%			0.0%
IPA*	1,253,381	117,817	9.4%	0.0%			0.0%
City Treasurer	751,262	70,619	9.4%	0.0%			0.0%
Total	\$ 214,938,299	\$ 20,160,000	-	\$ 20,160,000	-	\$ 20,160,000	

* Department of Innovation, Performance & Audit (IPA)

Electric Fund Transfer Loss Options - Recap

▪ Option 1: Reductions of \$20,160,000 across all City Departments:

- Reductions to Police & Fire Departments
 - Elimination of about 30 Police full-time positions, 15 Fire full-time positions, programs and services such as elimination of Vice/Narco Program and reduction in Patrol and Traffic Bureau
 - Longer response times
- Reduction in Public Works Department such as in Street Maintenance, Traffic Signals, Sidewalk repairs, etc.
- Reduction in Community Development in the areas of Neighborhood Services, Economic Development and Urban Design & Mobility
- Loss of community services for residents, seniors and youth within the Departments of Community Services & Park and Library, Arts & Culture
- Reduction from internal service departments such as City Attorney, Finance, Human Resources, Management Services, etc.

Electric Fund Transfer Loss Options - Recap

▪ Option 2: Reductions of \$20,160,000 From CSP & Library Departments:

- Eliminate both departments almost in their entirety
- Elimination of about 55 CSP positions and about 42 Library positions
- Closure of park facilities; significant reductions in park and facility maintenance; loss of programs and services
- Closure of all neighborhood libraries; loss of programs and services

▪ Option 3: Reductions of \$20,160,000 From Police & Fire Departments:

- Significant reductions to Police & Fire Departments
 - Elimination of as many as 90 full-time positions, programs and services
 - Longer response times
 - Loss of proactive police services
 - Higher property insurance & loss of real estate value

FY 2017-18
Organizational Profile

FY 2017-18 Citywide Organizational Profile

	Adopted FY 2016-17	Proposed FY 2017-18
■ Total Population	199,182	201,668
■ Total City Employees (FTE) Budgeted	1,579	1,587
• Total General Fund FTE	866	878
■ Total Adopted Budget	\$ 819,533,134	\$ 836,409,831
• Total General Fund Adopted Budget	\$ 194,780,663	\$ 214,938,299
■ Residents served per FTE	126	127
• Residents served per FTE (General Fund)	230	230
■ Total Budget per capita	\$4,114	\$4,147
• General Fund Budget per capita	\$978	\$1,066

FY 2017-18 Citywide Organizational Profile

Per Capita Tri-City Comparison – General Fund

Property Tax

	Adopted FY 2012-13	Adopted FY 2013-14	Adopted FY 2014-15	Adopted FY 2015-16	Adopted FY 2016-17
Glendale	\$ 229	\$ 232	\$ 235	\$ 250	\$ 274
Burbank	\$ 304	\$ 301	\$ 323	\$ 336	\$ 386
Pasadena	\$ 285	\$ 291	\$ 313	\$ 371	\$398

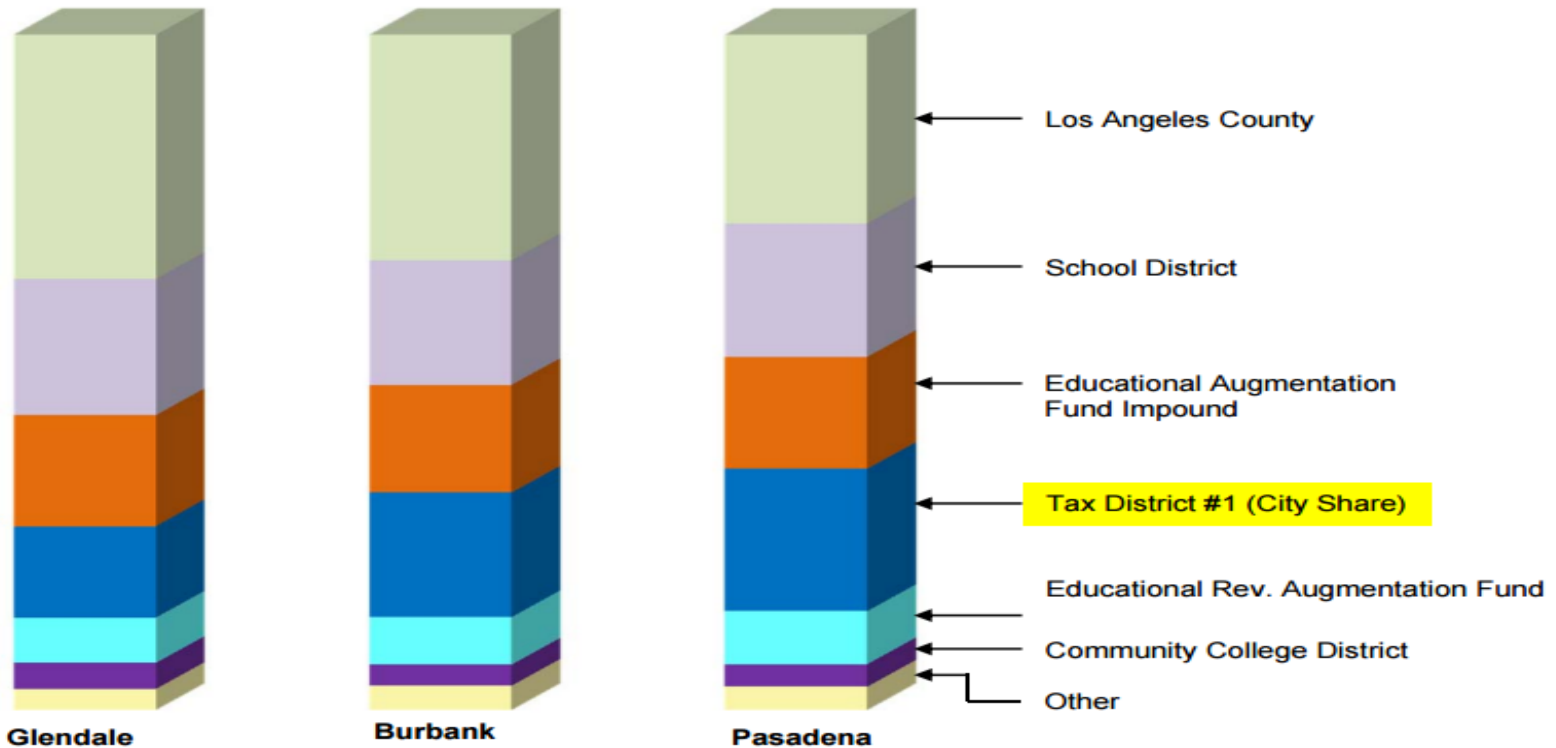
Population

Glendale	193,111	194,478	196,021	199,182	199,182
Burbank	104,427	104,982	105,543	106,084	105,110
Pasadena	139,222	140,020	140,879	141,510	142,250

FY 2016-17 Citywide Organizational Profile

Property Tax Breakdown

1% Property Tax Breakdown	Glendale	Burbank	Pasadena
Los Angeles County	0.3612	0.3337	0.2788
School District	0.2016	0.1843	0.1977
Educational Augmentation Fund Impound	0.1645	0.1596	0.1659
Tax District #1 (City Share)	0.1357	0.1847	0.2109
Educational Revenue Augmentation Fund	0.0671	0.0704	0.0787
Community College District	0.0386	0.0312	0.0333
Other	0.0313	0.0361	0.0347
Total	1.0000	1.0000	1.0000



FY 2017-18 Citywide Organizational Profile

Per Capita Tri-City Comparison – General Fund

Sales Tax

	Adopted FY 2012-13	Adopted FY 2013-14	Adopted FY 2014-15	Adopted FY 2015-16	Adopted FY 2016-17
Glendale	\$ 161	\$ 169	\$ 174	\$ 189	\$197
Burbank	\$ 282	\$ 281	\$ 280	\$ 299	\$306
Pasadena	\$ 224	\$ 226	\$ 235	\$ 240	\$249

Population

Glendale	193,111	194,478	196,021	199,182	199,182
Burbank	104,427	104,982	105,543	106,084	105,110
Pasadena	139,222	140,020	140,879	141,510	142,250

FY 2017-18 Citywide Organizational Profile

Per Capita Tri-City Comparison – General Fund

Utility Users Tax

	Adopted FY 2012-13	Adopted FY 2013-14	Adopted FY 2014-15	Adopted FY 2015-16	Adopted FY 2016-17
Glendale	\$ 140	\$ 142	\$ 139	\$ 142	\$144
Burbank	\$ 200	\$ 199	\$ 194	\$ 193	\$192
Pasadena	\$ 218	\$ 224	\$ 217	\$ 214	\$214

Population

Glendale	193,111	194,478	196,021	199,182	199,182
Burbank	104,427	104,982	105,543	106,084	105,110
Pasadena	139,222	140,020	140,879	141,510	142,250

FY 2017-18 Citywide Organizational Profile

	Adopted FY 2016-17		Proposed FY 2017-18		Expenditure % Change from 16-17
Public Safety	\$ 140,301,662	17.7%	\$ 157,358,189	19.4%	12.2%
Public Works & Utilities	418,443,090	52.8%	433,861,634	53.5%	3.7%
Community Development & Transit	73,598,087	9.3%	75,791,627	9.4%	3.0%
Quality of Life	56,710,505	7.2%	43,229,139	5.3%	(23.8%)
Administration & Internal Service	103,635,663	13.0%	100,279,565	12.4%	(3.2%)
Total Expenditures*	\$ 792,689,007	100.0%	\$ 810,520,154	100.0%	2.2%

*Data excludes transfers out

FY 2017-18 Citywide Organizational Profile

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

	Adopted FY 2014-15	Adopted FY 2015-16	Adopted FY 2016-17	Proposed FY 2017-18	% Change from 16-17
Salaries & Benefits	\$ 222.3	\$ 230.4	\$ 241.6	\$ 257.4	6.5%
M&O & Capital Outlay	445.8	465.1	490.2	511.0	4.2%
Total Operating Costs*	\$ 668.1	\$ 695.5	\$ 731.8	\$ 768.4	5.0%
Personnel Costs v. Total Operating Costs*	33.2%	33.1%	33.0%	33.5%**	1.5%
Employee Count	1,584	1,566	1,579	1,587	0.5%

* Operating Cost does not include transfers or capital improvement

** Meets target of 35%

FY 2017-18 Citywide Organizational Profile

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

	Adopted FY 2014-15*	Adopted FY 2015-16	Adopted FY 2016-17	Proposed FY 2017-18	% Change from 16-17
Salaries & Benefits	\$ 136.9	\$ 142.2	\$ 147.7	\$ 162.6	10.0%
Maintenance & Operation / ISF Charges	38.9	38.6	44.1	49.6	12.5%
Capital Outlay	0.2	0.04	-	0.13	N/A
Annual Appropriations (excluding transfers)	\$ 176.0	\$ 180.8	\$ 191.8	\$ 212.3	10.7%
Personnel v. Operating	77.8%	78.7%	77.0%	76.6% ^{**}	(0.5%)
Employee Count	890	882	866	878	1.4%

* Does not include Separation/Retirement Incentive

** Does not meet target of 75%

FY 2017-18 Citywide Organizational Profile

Total Personnel - All Funds Management to Non-Management Ratio

	Employee Count	Employee Count %	Salary %
Management	177	11.2%	17.0% *
Non-Management**	1,410	88.8%	83.0%
Total:	1,587	100.0%	100.0%

* Meets target of 25% maximum

** Includes Supervisor, Technical/Professional, and General Employees

FY 2017-18 Proposed Budget

Summary of All Funds by Type

FY 2017-18 Proposed Budget Definitions

- **Governmental Funds** – Used for specific governmental purposes and report on a modified accrual basis
- **Proprietary Funds** – Used to report business-like operations and report on a full accrual basis

FY 2017-18 Proposed Budget

Governmental Funds

- **General Fund:** The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use
- **Special Revenue Funds:** This fund type collects revenues that are restricted by the City, State, or Federal Government as to how they may be spent. Most of the special revenue funds are grant revenues
- **Debt Service Funds:** This fund type is used to account for the payment of principal and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation
- **Capital Improvement Funds:** Used for capital outlays including the acquisition or construction of capital facilities or other capital assets

FY 2017-18 Proposed Budget

Proprietary Funds

- **Enterprise Funds:** This fund type serves the public and charges a fee for services or goods. Fees, rather than taxes or transfers, are charged in order to fund the business which makes the fund self-supporting
- **Internal Service Funds:** This fund type provides services to other City departments and charges for services rendered, similar to a private business. It is intended to be self-supporting

FY 2017-18 Proposed Budget

Summary of Appropriations-All Funds Recap

Fund Type	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
Governmental Funds				
General Fund	\$ 194,780,663	\$ 214,938,299	\$ 20,157,636	10.3%
Special Revenue Funds	100,630,978	98,780,317	(1,850,661)	(1.8%)
Debt Service Funds	3,010,000	2,222,150	(787,850)	(26.2%)
Capital Improvement Funds	25,362,000	16,008,821	(9,353,179)	(36.9%)
Proprietary Funds				
Enterprise Funds	385,917,075	393,568,677	7,651,602	2.0%
Internal Service Funds	109,832,418	110,891,567	1,059,149	1.0%
All Funds – Grand Total	\$ 819,533,134	\$ 836,409,831	\$ 16,876,697	2.1%

FY 2017-18 Proposed Budget

Summary of Appropriations-General Fund (1 of 2)

General Fund Department	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
Administrative Services	\$ 5,341,567	\$ 4,917,711	\$ (423,856)	(7.9%)
City Attorney	3,548,439	3,693,779	145,340	4.1%
City Clerk	1,349,630	1,426,103	76,473	5.7%
City Treasurer	742,164	751,262	9,098	1.2%
Community Development	14,943,660	16,236,475	1,292,815	8.7%
Community Services & Parks	12,631,020	12,303,470	(327,550)	(2.6%)
Continuous Improvement, Performance & Audit*		1,253,381	1,253,381	N/A
Fire	48,702,523	58,345,524	9,643,001	19.8%
Human Resources	2,654,861	2,997,059	342,198	12.9%

* New Department beginning FY 17-18

FY 2017-18 Proposed Budget

Summary of Appropriations-General Fund (2 of 2)

General Fund Department	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
Library, Arts & Culture	\$ 9,594,695	\$ 10,536,152	\$ 941,457	9.8%
Management Services	4,392,282	4,376,123	(16,159)	(0.4%)
Police	72,730,666	80,621,340	7,890,674	10.8%
Public Works	14,184,318	14,900,243	715,925	5.0%
Retirement Incentive	897,511		(897,511)	(100.0%)
Transfers	3,067,327	2,579,677	(487,650)	(15.9%)
General Fund Total	\$ 194,780,663	\$ 214,938,299	\$ 20,157,636	10.3%

FY 2017-18 Proposed Budget

Slide 69

Summary of Appropriations-Special Revenue Funds (1 of 4)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
201 CDBG Fund	\$ 1,643,605	\$ 1,674,621	\$ 31,016	1.9%
202 Housing Assistance Fund	32,780,950	32,511,799	(269,151)	(0.8%)
203 Home Grant Fund	1,196,718	958,800	(237,918)	(19.9%)
204 Continuum of Care Grant Fund	2,319,804	1,524,809	(794,995)	(34.3%)
205 Emergency Solutions Grant Fund	142,237	180,382	38,145	26.8%
206 Workforce Innovation and Opportunity Act Fund	5,505,000	5,822,971	317,971	5.8%
209 Affordable Housing Trust Fund		20,000	20,000	N/A
210 Urban Art Fund	235,000	292,850	57,850	24.6%
211 Glendale Youth Alliance Fund	1,905,519	1,904,061	(1,458)	(0.1%)

FY 2017-18 Proposed Budget

Summary of Appropriations-Special Revenue Funds (2 of 4)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
212 BEGIN Affordable Homeownership Fund	89,520	300,000	210,480	235.1%
213 Low & Mod Income Housing Asset Fund	370,658	1,612,257	1,241,599	335.0%
216 Grant Fund	198,000	923,618	725,618	366.5%
217 Filming Fund	526,212	481,604	(44,608)	(8.5%)
222 Measure M Local Return Fund		1,911,100	1,911,100	N/A
251 Air Quality Improvement Fund	330,089	326,978	(3,111)	(0.9%)
253 San Fernando Landscape District Fund	89,986	91,457	1,471	1.6%
254 Measure R Local Return Fund	2,409,800	400,904	(2,008,896)	(83.4%)
255 Measure R-Regional Return Fund		1,765,000	1,765,000	N/A

FY 2017-18 Proposed Budget

Slide 71

Summary of Appropriation-Special Revenue Funds (3 of 4)

<u>Fund</u>	<u>Adopted FY 2016-17</u>	<u>Proposed FY 2017-18</u>	<u>Increase / (Decrease)</u>	<u>% Change</u>
256 Transit Prop A Local Return Fund	7,197,820	4,202,315	(2,995,505)	(41.6%)
257 Transit Prop C Local Return Fund	3,950,256	4,005,369	55,113	1.4%
258 Transit Utility Fund	9,604,404	9,944,008	339,604	3.5%
260 Asset Forfeiture Fund	568,473	775,200	206,727	36.4%
261 Police Special Grants Fund	363,528	781,536	418,008	115.0%
262 Supplemental Law Enforcement Fund	397,501	436,196	38,695	9.7%
265 Fire Grant Fund		4,400	4,400	N/A
266 Fire Mutual Aid Fund	250,000	300,001	50,001	20.0%
267 Special Events Fund	307,485	481,294	173,809	56.5%

FY 2017-18 Proposed Budget

Summary of Appropriation-Special Revenue Funds (4 of 4)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
270 Nutritional Meals Grant Fund	430,827	442,712	11,885	2.8%
275 Library Fund	245,214	694,625	449,411	183.3%
291 Electric Public Benefit Fund*	7,711,563	8,284,181	572,618	7.4%
501 Recreation Fund	3,579,584	4,230,715	651,131	18.2%
510 Hazardous Disposal Fund	1,534,266	1,640,565	106,299	6.9%
511 Emergency Medical Services Fund**	5,917,304		(5,917,304)	(100.0%)
520 Parking Fund	8,829,655	9,853,989	1,024,334	11.6%
Special Revenue Total	\$100,630,978	\$98,780,317	\$(1,850,661)	(1.8%)

* New Fund number beginning FY 17-18

** Fund 511 moved to Fund 101-405 beginning FY 17-18

FY 2017-18 Proposed Budget

Summary of Appropriation-Debt Service Funds

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
303-Police Building Project Fund	\$3,010,000	\$2,222,150	\$(787,850)	(26.2%)
Debt Service Total	\$3,010,000	\$2,222,150	\$(787,850)	(26.2%)

FY 2017-18 Proposed Budget

Summary of Appropriation-Capital Improvement Funds (1 of 2)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
Fund 401 Capital Improvement (GF)				
Police	\$	\$ 450,000	\$ 450,000	N/A
Fire	551,000	663,000	112,000	20.3%
Public Works	2,479,000	2,616,100	137,100	5.5%
Community Services & Parks	1,400,000	3,171,771	1,771,771	126.6%
Library, Arts & Culture	350,000	200,000	(150,000)	(42.9%)
Transfer to Scholl Canyon Landfill Post-closure Fund (403)	2,000,000	2,000,000		N/A
Total Fund 401 Capital Improvement	\$ 6,780,000	\$ 9,100,871	\$ 2,320,871	34.2%

FY 2017-18 Proposed Budget

Summary of Appropriation-Capital Improvement Funds (2 of 2)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
402-State Gas Tax Fund	1,854,000	4,135,000	2,281,000	123.0%
405-Parks Mitigation Fee Fund	16,173,000		(16,173,000)	(100.0%)
407-Library Mitigation Fee Fund	555,000	250,000	(305,000)	(55.0%)
409-CIP Reimbursement Fund		2,122,950	2,122,950	N/A
410 San Fernando Corr. Tax Share Fund		400,000	400,000	N/A
Capital Improvement Total	\$25,362,000	\$16,008,821	\$(9,353,179)	(36.9%)

FY 2017-18 Proposed Budget

Summary of Appropriation-Enterprise Funds (1 of 2)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
525 Sewer Fund	\$30,480,999	\$32,803,047	\$2,322,048	7.6%
530 Refuse Disposal Fund	24,657,570	28,721,438	4,063,868	16.5%
582 Electric Works Revenue Fund*	251,103,371	258,624,130	7,520,759	3.0%
583 Electric Depreciation Fund*	15,768,182	6,485,320	(9,282,862)	(58.9%)
585 Electric Customer Capital Fund*	1,894,751	1,819,781	(74,970)	(4.0%)
592 Water Works Revenue Fund*	51,977,680	53,275,960	1,298,280	2.5%

* New Fund numbers beginning FY 17-18

FY 2017-18 Proposed Budget

Summary of Appropriation-Enterprise Funds (2 of 2)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
593 Water Depreciation Fund*	4,222,618	2,983,680	(1,238,938)	(29.3%)
595 Water Customer Capital Fund*	1,469,640	1,471,000	1,360	0.1%
701 Fire Communication Fund	4,342,264	7,384,321	3,042,057	70.1%
Enterprise Total	\$385,917,075	\$393,568,677	\$7,651,602	2.0%

* New Fund numbers beginning FY 17-18

FY 2017-18 Proposed Budget

Summary of Appropriation-Internal Service Funds (1 of 2)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
601 Fleet Management Fund	\$16,023,658	\$18,228,087	\$2,204,429	13.8%
602 Joint Helicopter Operation Fund	1,626,652	3,252,662	1,626,010	100.0%
603 ISD Infrastructure Fund	7,773,035	8,507,798	734,763	9.5%
604 ISD Applications Fund	6,498,261	11,241,365	4,743,104	73.0%
607 Building Maintenance Fund	7,472,899	8,546,671	1,073,772	14.4%
610 Unemployment Insurance Fund	78,243	75,020	(3,223)	(4.1%)
612 Liability Insurance Fund	8,632,422	8,148,211	(484,211)	(5.6%)
614 Compensation Insurance Fund	12,928,223	13,513,294	585,071	4.5%
615 Dental Insurance Fund	1,655,291	1,490,082	(165,209)	(10.0%)

FY 2017-18 Proposed Budget

Summary of Appropriation-Internal Service Funds (2 of 2)

Fund	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
616 Medical Insurance Fund	35,101,482	25,774,990	(9,326,492)	(26.6%)
617 Vision Insurance Fund	294,568	261,840	(32,728)	(11.1%)
640 Compensated Absences Fund	4,317,791	5,261,012	943,221	21.8%
641 RHSP Benefits Fund	2,017,690	2,028,643	10,953	0.5%
642 Post Employment Benefits Fund	2,220,175	222,429	(1,997,746)	(90.0%)
660 ISD Wireless Fund	3,192,028	4,339,463	1,147,435	35.9%
Internal Service Total	\$109,832,418	\$110,891,567	\$1,059,149	1.0%

FY 2017-18 Proposed Budget

Summary of Appropriation-All Funds Recap

Fund Type	Adopted FY 2016-17	Proposed FY 2017-18	Increase / (Decrease)	% Change
Governmental Funds				
General Fund	\$ 194,780,663	\$ 214,938,299	\$ 20,157,636	10.3%
Special Revenue Funds	100,630,978	98,780,317	(1,850,661)	(1.8%)
Debt Service Funds	3,010,000	2,222,150	(787,850)	(26.2%)
Capital Improvement Funds	25,362,000	16,008,821	(9,353,179)	(36.9%)
Proprietary Funds				
Enterprise Funds	385,917,075	393,568,677	7,651,602	2.0%
Internal Service Funds	109,832,418	110,891,567	1,059,149	1.0%
All Funds – Grand Total	\$ 819,533,134	\$ 836,409,831	\$ 16,876,697	2.1%

FY 2017-18 Budget Adoption Calendar

Slide 81

■ May 2, Budget Study Session #1

- FY 2016-17 Third Quarter Update & General Fund Forecast
- FY 2017-18 Proposed General Fund Budget
- FY 2017-18 Organizational Profile
- FY 2017-18 Summary of All Funds by Type

FY 2017-18 Budget Adoption Calendar

Slide 82

- **May 9, Budget Study Session #2**
 - Departmental Dashboards
 - Strategic Goals
- **May 16, Budget Study Session #3**
 - Capital Improvement Program
 - Proposed New Fees & Increases
- **June 6, Budget Hearing, 6:00 p.m.**
- **June 13, Budget Adoption, 6:00 p.m.**

Conclusion

■ Staff Recommends...

- Council note and file Third Quarter Budget Report
- Council appropriate \$4.0 million transfer from the General Fund to the Capital Improvement and Building Maintenance Funds for the funding of various projects

■ Questions & Comments