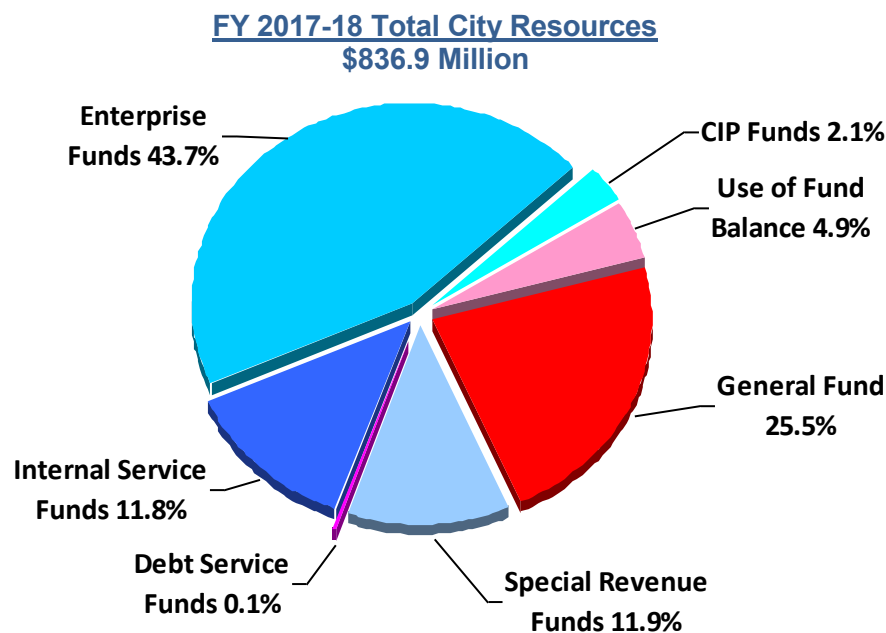


# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## OVERVIEW OF RESOURCES

The City Resources forecasted for FY 2017-18 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 2017-18 City Resources (including Transfers from Other Funds and Use of Fund Balance) are \$836.9 million. The following chart illustrates the total budgeted resources for all City Funds for FY 2017-18:



### **Total City Resources** **(In Millions)**

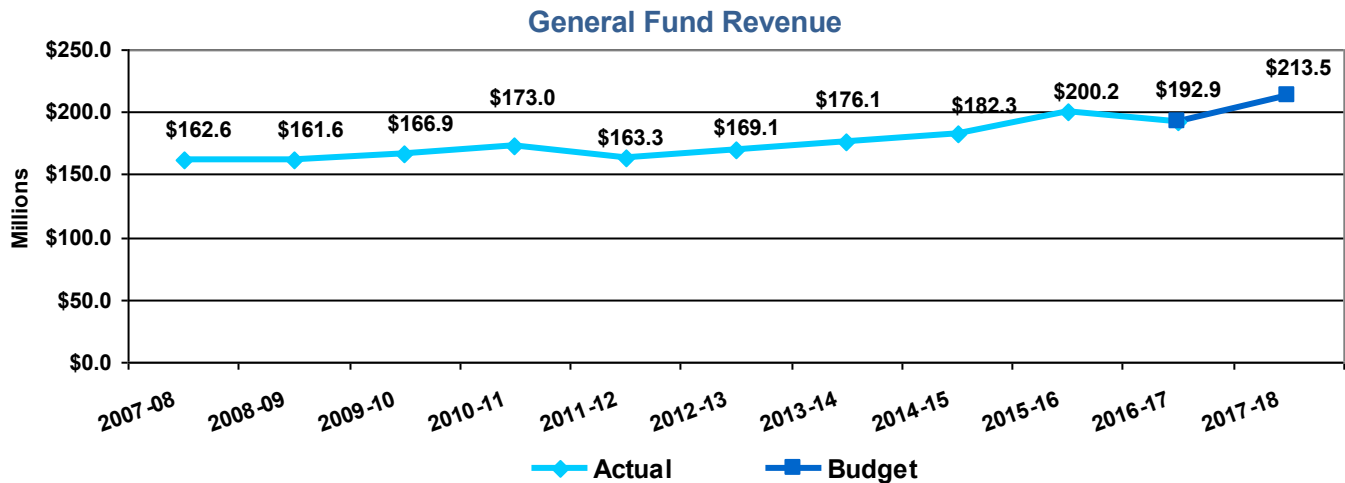
<b>Fund Type</b>	<b>Adopted 2016-17</b>	<b>Adopted 2017-18</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
General Fund	\$ 192,857,527	\$ 213,508,136	\$ 20,650,609	10.7%
Special Revenue	100,061,166	99,936,237	(124,929)	-0.1%
Debt Service	978,330	981,286	2,956	0.3%
Capital Projects	19,865,475	17,305,821	(2,559,654)	-12.9%
Enterprise	370,779,626	365,501,271	(5,278,355)	-1.4%
Internal Service	105,841,543	98,496,122	(7,345,421)	-6.9%
Net Use of Fund Balance	29,149,467	41,185,604	12,036,137	41.3%
<b>Total Resources</b>	<b>\$ 819,533,134</b>	<b>\$ 836,914,477</b>	<b>\$ 17,381,343</b>	<b>2.1%</b>

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## General Fund Resources

The General Fund Resource budget for FY 2017-18 is projected to be \$215.0 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 2016-17 and FY 2017-18.



The table below shows the estimates of the major revenue sources for the General Fund by category for FY 2016-17 and FY 2017-18.

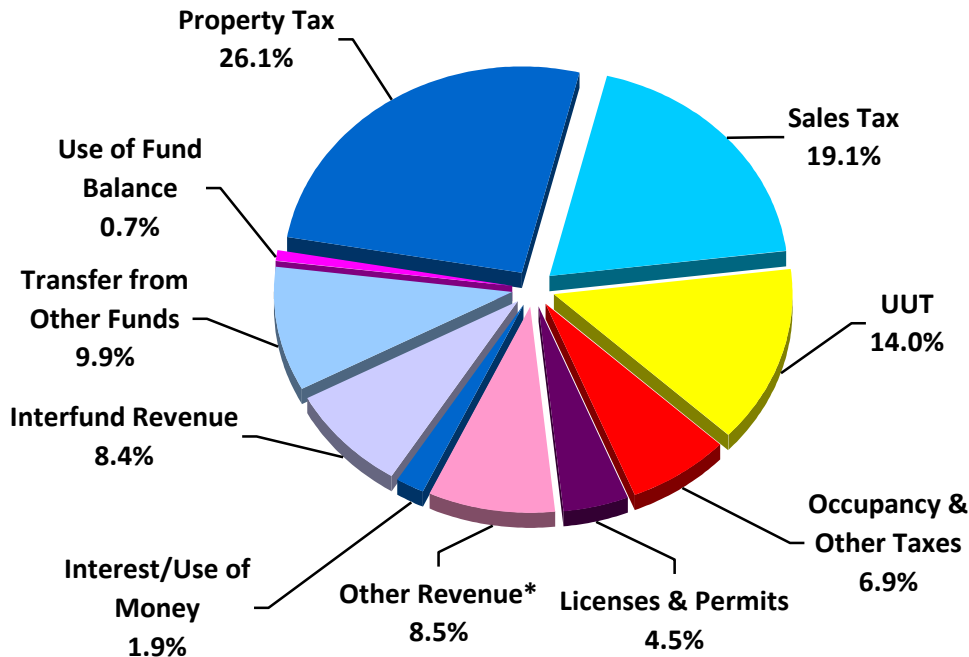
## General Fund Resources

Category	Adopted 2016-17	Adopted 2017-18	Dollar Change	Percentage Change
<b>Revenues</b>				
Property Taxes	\$ 54,592,500	\$ 56,229,054	\$ 1,636,554	3.0%
Sales Tax	39,208,000	41,015,140	1,807,140	4.6%
UUT	28,745,000	30,054,000	1,309,000	4.6%
Occupancy & Other Taxes	11,900,000	14,858,661	2,958,661	24.9%
Licenses & Permits	8,953,000	9,597,000	644,000	7.2%
Fines & Forfeitures	2,700,000	2,621,776	(78,224)	-2.9%
Interest/Use of Money	3,625,000	4,045,000	420,000	11.6%
Revenue from Other Agencies	100,000	112,000	12,000	12.0%
Charges for Services	3,006,000	9,225,000	6,219,000	206.9%
Misc & Non-Operating	1,537,000	1,455,500	(81,500)	-5.3%
Interfund Revenue	14,184,797	18,099,742	3,914,945	27.6%
Transfer from Other Funds	21,306,230	21,310,000	3,770	0.0%
GSA Reimbursement	3,000,000	4,885,263	1,885,263	62.8%
<b>Total Revenues</b>	<b>\$ 192,857,527</b>	<b>\$ 213,508,136</b>	<b>\$ 20,650,609</b>	<b>10.7%</b>
<b>Use of Fund Balance</b>				
Use of Assigned Econ. Fund Bal.	920,013	905,734	(14,279)	-1.6%
Use of General Fund Bal.	1,003,123	629,075	(374,048)	-37.3%
<b>Total Resources</b>	<b>\$ 194,780,663</b>	<b>\$ 215,042,945</b>	<b>\$ 20,262,282</b>	<b>10.4%</b>

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

Almost 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 explanation of all of the major General Fund revenue categories.

### FY 2017-18 General Fund Resources \$215.0 Million



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

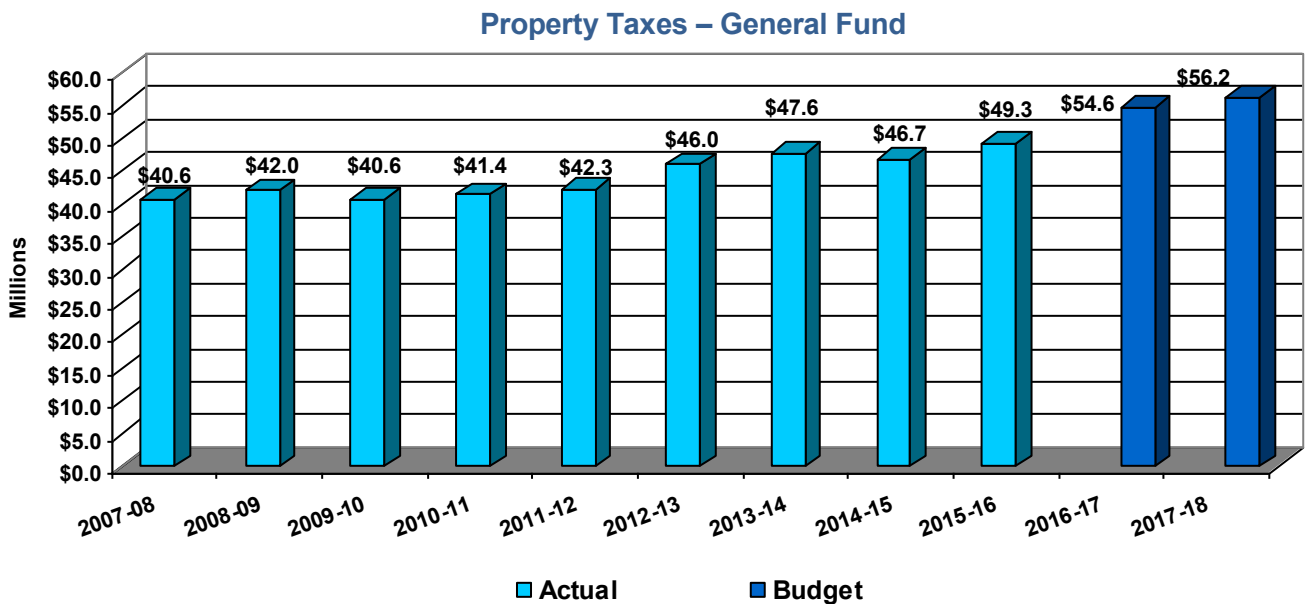
**Property Taxes** are the largest revenue source in the General Fund, representing 26.1% of the total General Fund resources for the FY 2017-18 budget. For FY 2017-18 the property tax category is projected to increase by \$1.6 million or 3.0% for a total of \$56.2 million. Majority of the increase is 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 and a tight inventory of homes in the market which supports continued growth in home prices. Per HdL Companies, foreclosure levels are back to historical norms and the median prices and numbers of sale transactions are up statewide and this trend is expected to continue in FY 2017-18. Also contributing to the increase is the City's share of Property Tax Residuals which moved from economic development function to the General Fund Effective FY 2016-17. The City's Share of Property Tax Residuals is the amount left after all Redevelopment Project Area Obligations have been paid.

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

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

“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 County Tax Collector and is distributed to various public agencies. The City of Glendale receives 13.5% of the 1% levy on assessed value.

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.



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

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100 WGB Hotel Owner LLC Americana at Brand LLC Disney Worldwide Services Inc. Glendale Adventist Medical Center Glendale Mall Associates LLC	Glendale Successor Agency Metropolitan Life Insurance Company PR III Glendale Member LLC PR Glendale Plaza Office California LLC Wells Reit Glendale California LLC
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*Source: HdL Coren & Cone 2016-17 property data (Tax District #1)*

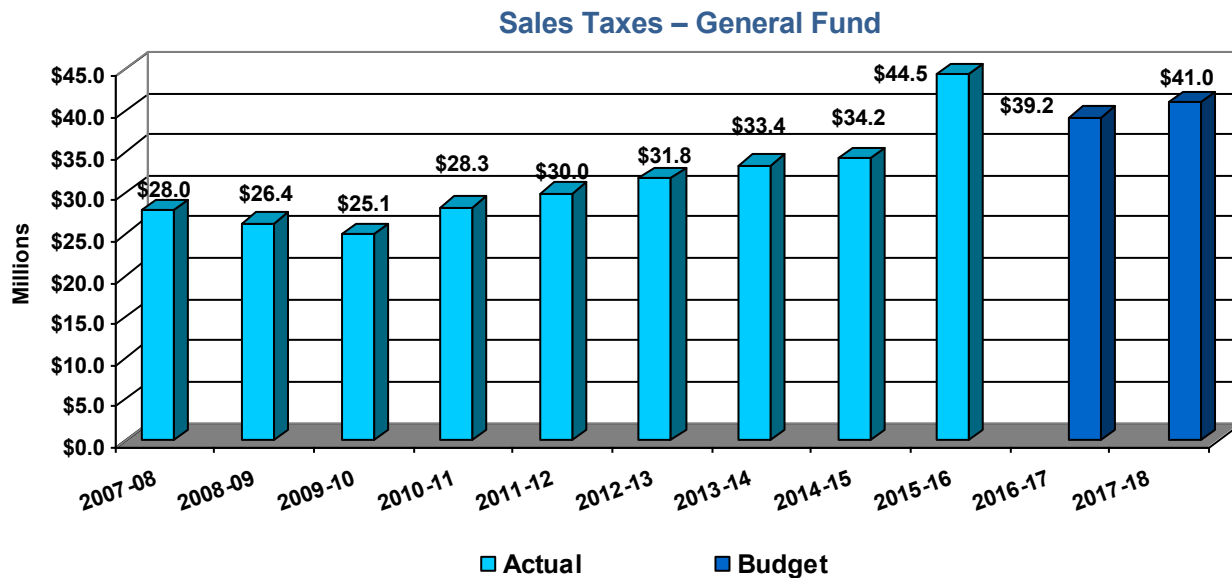
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**Sales Taxes** are the second largest revenue source in the General Fund, representing 19.1% of the total General Fund resources estimated for the FY 2017-18 budget. For FY 2017-18, Sales Taxes are forecasted to increase by \$1.8 million, or 4.6%, for a total of \$41.0 million. California’s retail sales have risen again and recent additions to the auto, department stores and restaurant categories will contribute to the overall increase in sales tax for FY 2017-18. Also, on a positive note, California’s unemployment rate is expected to continue its gradual decline in FY 2017-18 and according to the City’s sales tax consultant, HdL Companies, the U.S. unemployment rate reached 4.7% in April 2017, and the coming fiscal year will be at 4.6%.

It should be noted that 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 2010-11 and

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

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% from FY 2018-19 through FY 2021-22. In FY 2022-23 it will be increased to 2.5%. 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.



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

Allen Gwynn Chevrolet	JC Penney
Apple	Lexus of Glendale
Bloomingdales	Macys
Car Pros Kia Glendale	Nordstrom
Financial Services Vehicle Trust	Pacific BMW
First Amer Commercial Bancorp	Ralphs
Glendale Dodge Chrysler Jeep	Star Ford Lincoln
Glendale Nissan Infiniti	Target
Glendale Subaru/Mitsubishi	Toyota Lease Trust
Home Depot	Toyota of Glendale Scion

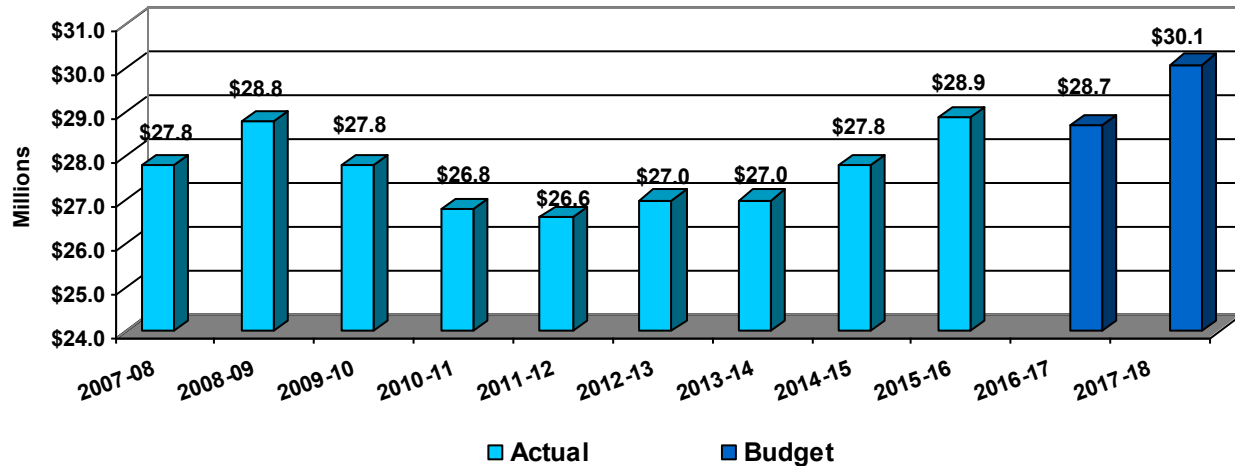
*Source: HdL Companies*

**Utility Users Taxes (UUT)** are the third largest revenue source for the General Fund, representing 14.0% of the total General Fund resources estimated for the FY 2017-18 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, prepaid, intrastate, interstate, and international services; ancillary services; voice-over internet protocol; paging; and private communication services. UUT revenues are estimated to increase by \$1.3 million, or 4.6%,

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

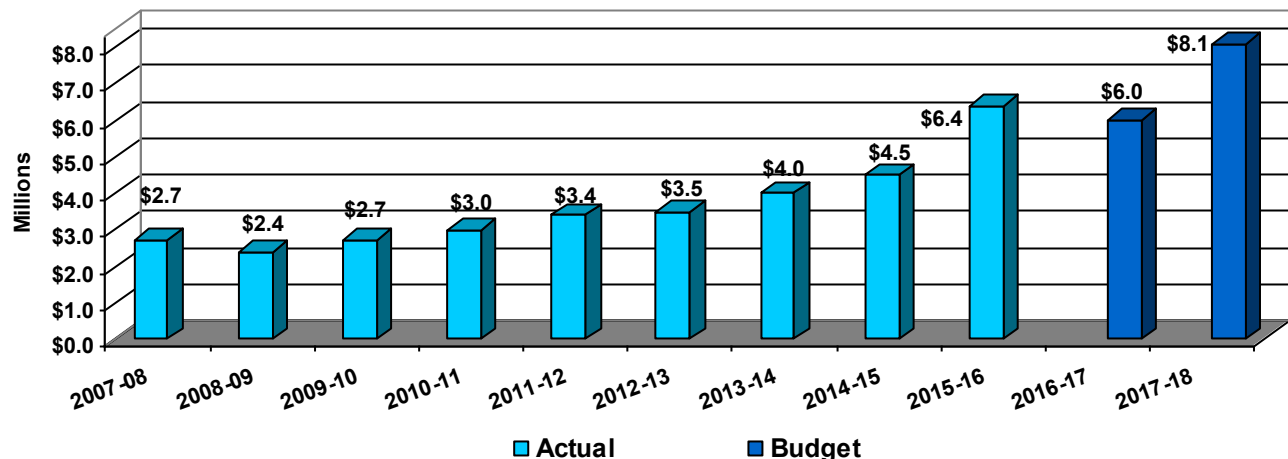
for a total estimate of \$30.1 million. Modest increases are forecasted in gas, water, telecommunications and electric categories. It's worth noting that per AB1717, effective January 1, 2016, the Board of Equalization and the City have been authorized to collect the UUT from prepaid wireless sales within local jurisdictions.

**Utility Users Taxes – General Fund**



**Transient Occupancy Tax (TOT)** represents about 3.7% of the total General Fund resources in the FY 2017-18 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 below, 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 2017-18, TOT revenue is anticipated to increase by \$2.1 million, or 34.3% for a total estimate of \$8.1 million. 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 addition of a new hotel and continued uptick in the travel industry.

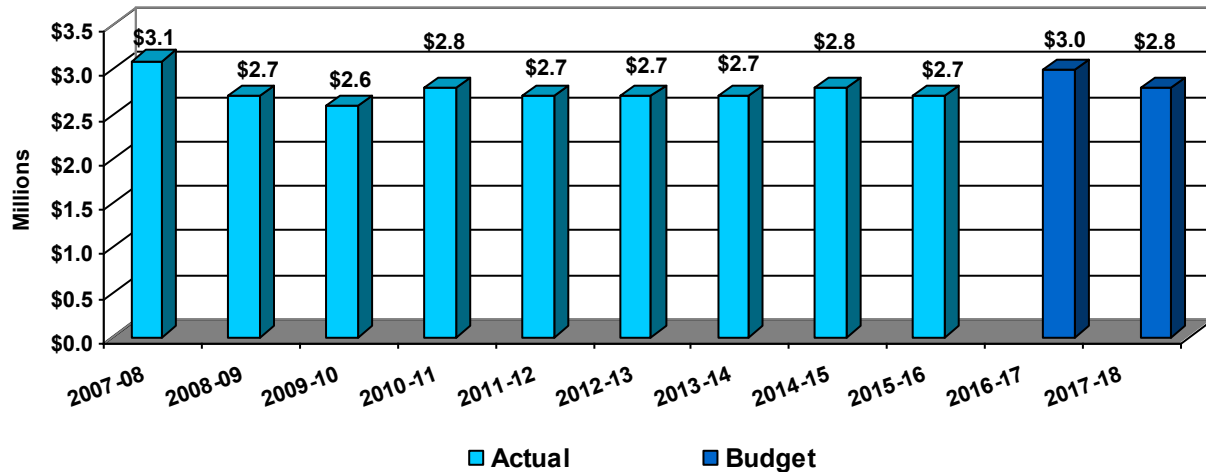
**Transient Occupancy Tax – General Fund**



## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

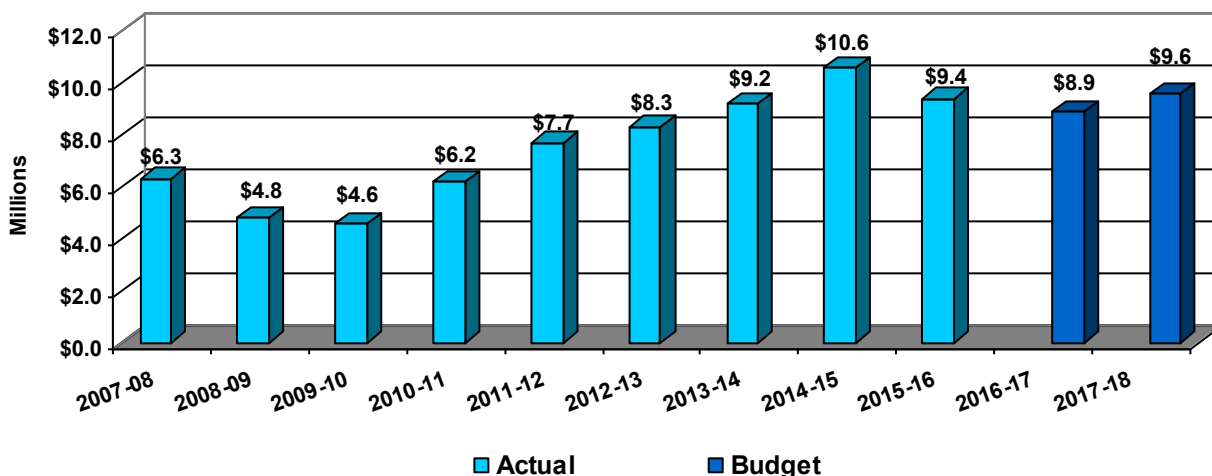
**Franchise Tax** is a charge for a right-of-way or license granted to an individual or a group to market a company's goods or services in a particular territory. The majority of our franchise revenue is received from Charter Communications, Pacific Bell and the Gas Company. Starting in FY 2008-09, this revenue dropped due to the economic recession. For FY 2017-18 the franchise tax is estimated to be \$2.8 million or 1.3% of the total General Fund resources.

**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 4.5% of the total General Fund resources for FY 2017-18 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 2016-17 is estimated to reach \$9.9 million compared to the \$8.9 million initially forecasted. In addition, it should be noted that revenue in this category is project-based and non-recurring and, as such, the revenue forecast for FY 2017-18 is estimated to increase by \$644 thousand, or 7.2% from the FY 2016-17 Adopted Budget. This revenue will be monitored throughout the upcoming year and adjusted as needed.

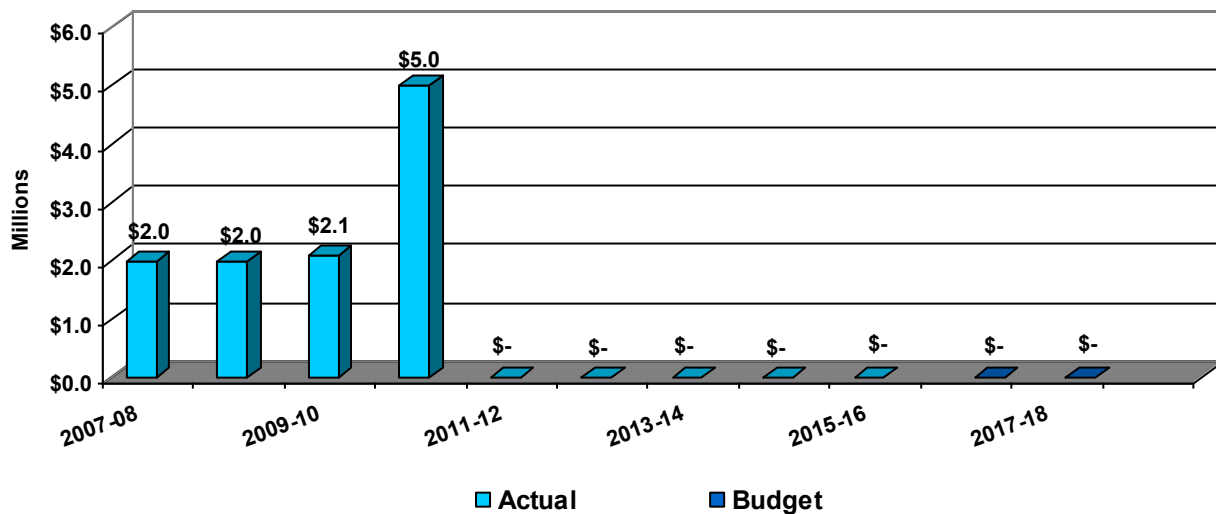
**Licenses & Permits – General Fund**



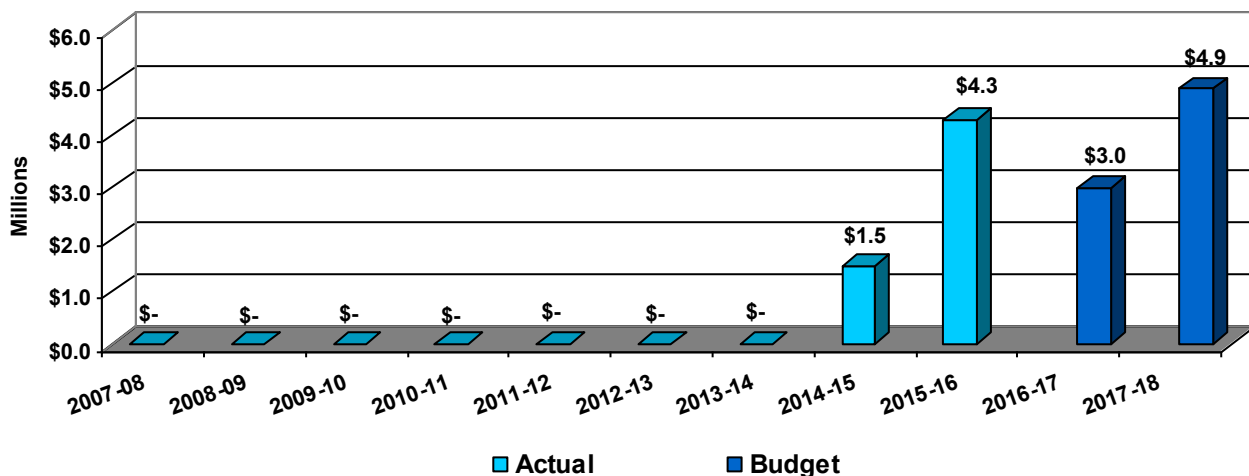
## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

***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 \$4.9 million for FY 2017-18. At this point in time the State is accelerating its payments to pay off loan sooner than originally anticipated. 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



### GSA Reimbursement – General Fund

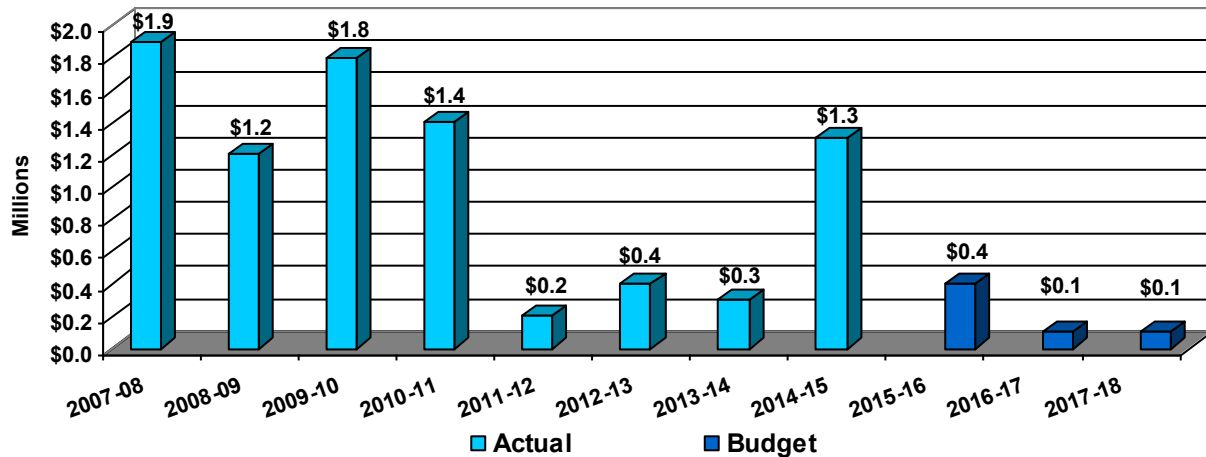




## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

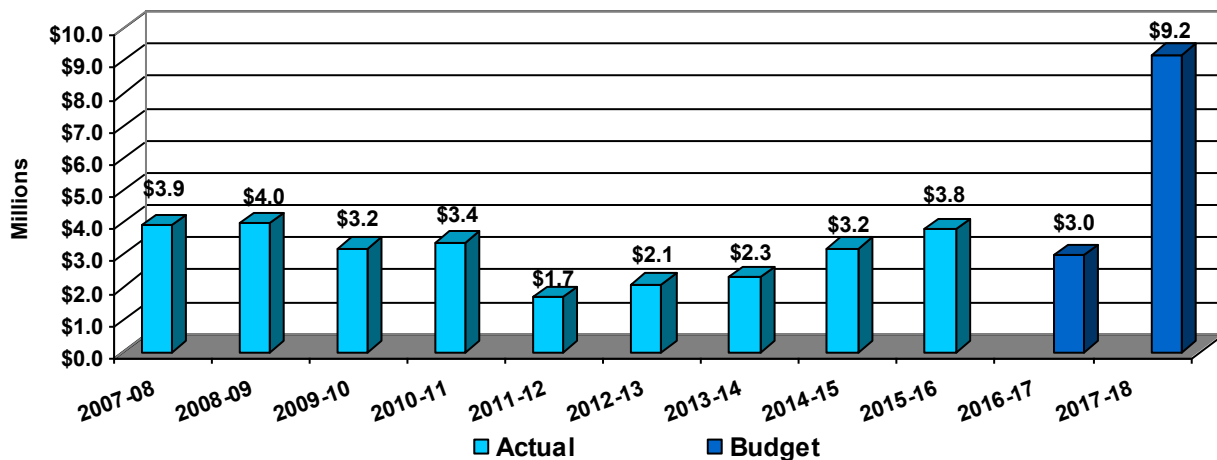
**Revenues from Other Agencies** mainly consist of Federal, State and Local grants, which include State SB 90, Mutual Aid Reimbursements and Motor Vehicle In Lieu Fees. Starting in FY 2011-12 the State suspended the motor vehicle in lieu fee and this suspension will continue for future fiscal years. 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**



**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 2017-18 this category is projected to increase by \$6.2 million or 206.9%. The increase is mainly due to the collapse of the Emergency Medical Response fund (511) to the General Fund, which also includes the Paramedic Membership Fees. Other increases include the Consumer Price Index (CPI) adjustment of 2.1% and various recommended fee increases for FY 2017-18.

**Charges for Services – General Fund**

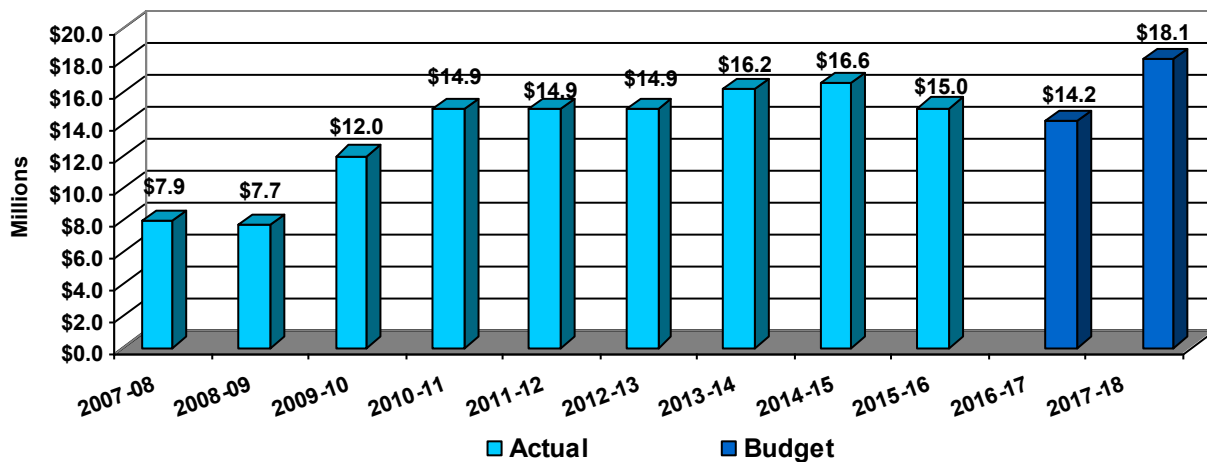


# CITY OF GLENDALE

## RESOURCES & APPROPRIATIONS

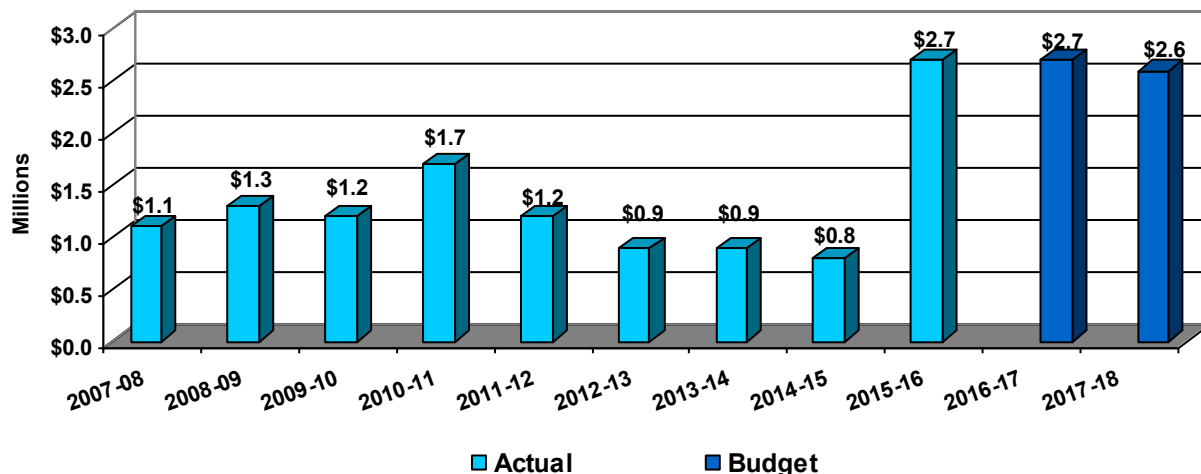
**Interfund Revenue** is the revenue derived from the City's cost allocation plan, which commenced in FY 2009-10. This plan formally allocates certain General Fund costs from "central service" departments to a variety of "receiving" departments that are funded outside of the General Fund. The central 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 2017-18 this category is expected to increase by \$3.9 million or 27.6%.

**Interfund Revenue – General Fund**



**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 1.2% of the total General Fund resources in the FY 2017-18 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. The estimated revenue for FY 2017-18 is \$2.6 million.

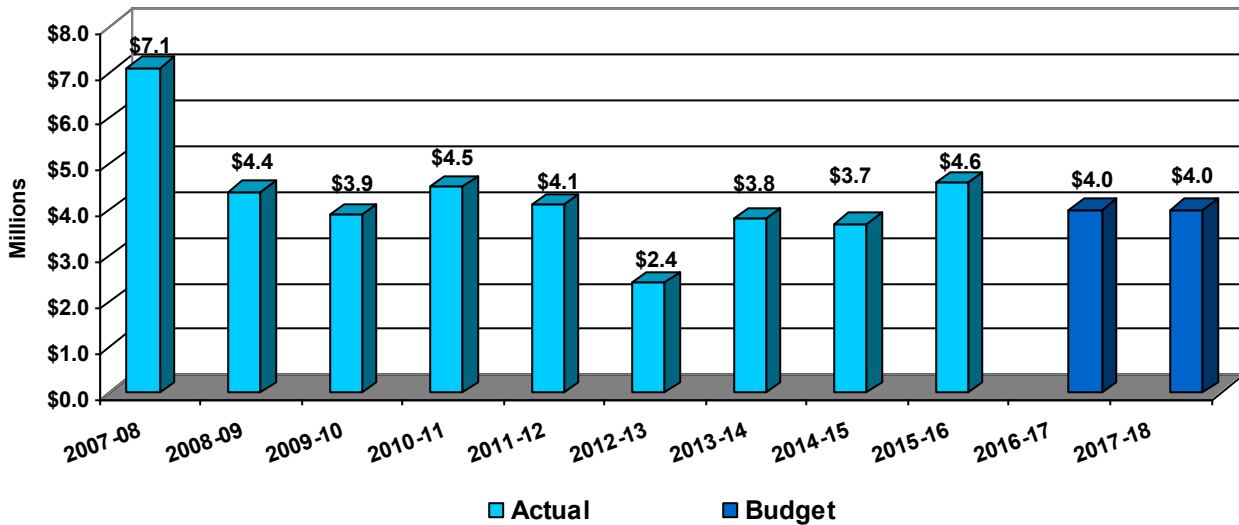
**Fines & Forfeitures – General Fund**



## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

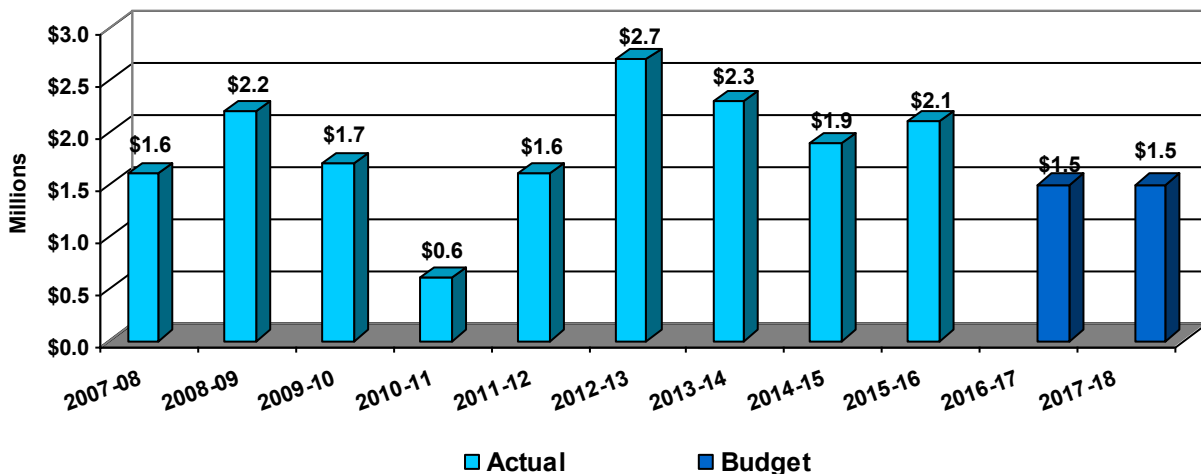
**Use of Money & Property** includes Interest & Investment Revenues, Landfill Gas Royalties and Rent & Lease Income. The City Treasurer invests funds that are available but not needed for immediate disbursement. Funds are invested in Local Investments Pool and in a core portfolio of U.S. Government Obligations. For FY 2017-18 this category is projected to increase by \$420 thousand, or 11.6%.

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



**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.

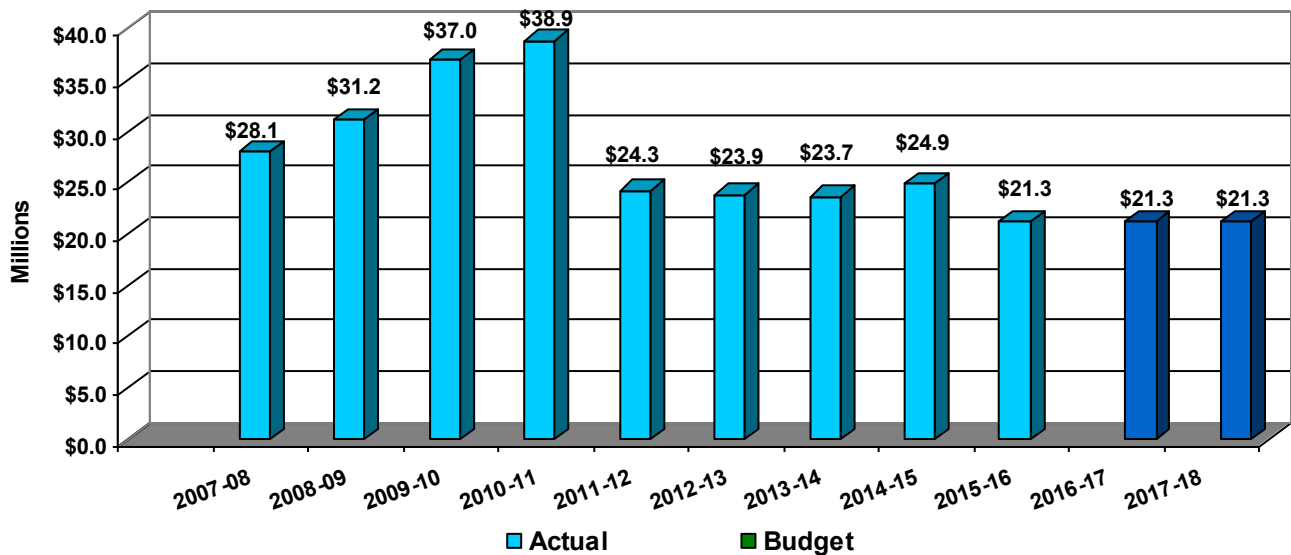
**Miscellaneous Revenue – General Fund**



## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

**Transfers from Other Funds** are made to the General Fund for a variety of purposes. Transfers represent 9.9% of the total General Fund resources in the FY 2017-18 Adopted Budget and include transfers from Electric Utility 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. In FY 2015-16 the \$1.9 million transfer from the Parking Fund will no longer be listed under this category but reported in the *Fines & Forfeiture* category. Effective FY 2016-17 the electric transfer amount was capped at 10% of the electric revenues.

**Transfers from Other Funds – General Fund**



# CITY OF GLENDALE

## RESOURCES & APPROPRIATIONS

### *Special Revenue Funds*

Special Revenue funds for FY 2017-18 are expected to have a net decrease of \$125 thousand, primarily due to the following increases/decreases:

- Housing Assistance Fund 202 – The decrease of approximately \$728 thousand in this fund is due to the decrease in the voucher program and also the portable voucher HAP revenue from HUD.
- Home Grant Fund 203 – The decrease of about \$240 thousand is due to decrease in housing program funding.
- Continuum of Care Grant Fund 204 – The increase of approximately \$52 thousand is due to an increase in grant funding from HUD.
- Emergency Solutions Grant Fund 205 – The increase of approximately \$121 thousand is due to an increase in grant funding.
- Workforce Innovation and Opportunity Act Fund 206 – The increase of approximately \$277 thousand is due to an increase in Federal grant funding.
- Miscellaneous Grant Fund 216 – The increase of approximately \$1.2 million is primarily due to increase in state grants.
- Filming Fund 217 – The increase of approximately \$115 thousand is mainly due to rental of city property and other associated fees for filming.
- Transit Utility Fund 258 – The increase of approximately \$340 thousand in this fund is due to increase in local grants.
- Fire Mutual Aid Fund 266 – The decrease of \$200 thousand is due to decrease for mutual-aid reimbursements.
- Recreation Fund 501 – The increase of approximately \$98 thousand is due to the increase in various recreational activities and rental incomes.
- Parking Fund 520 – The increase of approximately \$415 thousand is due to increase in parking meters and parking garage revenues.

### *Debt Service Funds*

For FY 2017-18 there is an increase of \$3 thousand or 0.3% in the Debt Service Fund for the Police Building construction Project based on the Police Building Certificates of Participation (COPs) schedule.

# CITY OF GLENDALE

## RESOURCES & APPROPRIATIONS

### *Capital Improvement Program (CIP)*

Revenues in CIP funds for FY 2017-18 are estimated to decrease by \$2.6 million due to the following increases/decreases:

- General Fund Capital Improvement Fund 401 – The net decrease of approximately \$444 thousand is due to an increase in revenues from landfill royalty tipping fees and a decrease from transfers from general fund for street improvements.
- State Gas Tax Fund 402 – The net increase of approximately \$1.6 million is due to increase in State gas tax revenues and the new revenue from the Road Maintenance and Rehabilitation Account.
- Parks Mitigation Fee Fund 405 – The net decrease of approximately \$5.5 million is primarily due to a decrease in Parks Mitigation revenues from no anticipated projects.

### *Enterprise Funds*

For FY 2017-18, revenues in the Enterprise funds are estimated to see a net decrease of \$5.3 million primarily due to the following increases/decreases:

- Refuse Disposal Fund 530 – The increase of approximately \$601 thousand is due to an increase from commercial and residential refuse revenues.
- Electric Utility Fund 582, 583, 585 & 587 – The net decrease of approximately \$702 thousand is attributable to the following: an increase of approximately \$639 thousand in the Electric Works Revenue Fund 582, a decrease of \$1.8 million in the Electric Depreciation Fund 583, a decrease of \$75 thousand in Electric Customer Paid Capital Fund 585, and an increase of approximately \$554 thousand in Regulatory Adjustment Charge (RAC) Fund 587.
- Water Utility Funds 592, 593 & 595 – The net decrease of approximately \$5.6 million is attributable to the following: a revenue decrease of about \$5.9 million in the Water Works Revenue fund 592, as increased water rates were implemented early in FY 2014-15, revenue is estimated to increase in the Water Depreciation Fund 593 by \$340 thousand and decrease by \$1 thousand in the Water Customer Paid Capital Fund 595 for FY 2017-18.
- Fire Communication Fund 701 – The increase of approximately \$209 thousand is mainly due to an increase in revenues from contract cities and fire communication fees.

### *Internal Service Funds*

For FY 2017-18, revenues in the Internal Service funds are estimated to decrease by \$7.3 million primarily due to the following:

- ISD Infrastructure Fund 603 – The decrease of approximately \$95 thousand is due to decrease in ISD service charges to other departments.
- ISD Applications Fund 604 – The increase of approximately \$1.1 million is attributable to the Enterprise Resource Planning Tier II implementation project.

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

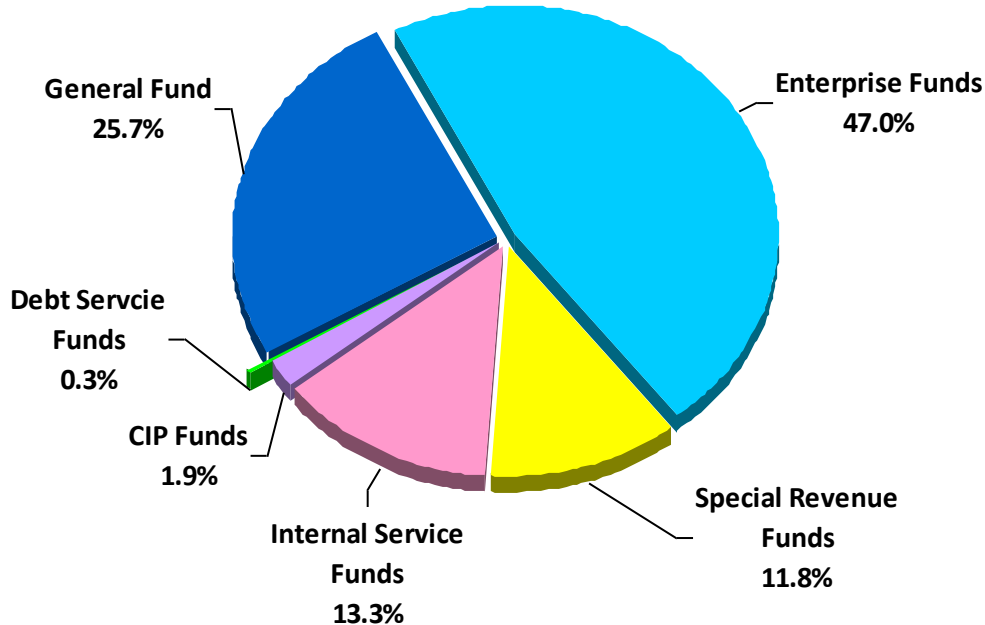
- *Building Maintenance Fund 607* – The increase of approximately \$476 thousand is due to the increase in Building Maintenance Service Charge and the cost recovery. The Building Maintenance Fund was established in FY 2015-16, while the building maintenance fund rate was established in FY 2016-17 in order to centralize the building maintenance operation into a single fund and establish a rate for cost recovery.
- *Compensation Insurance Fund 614* – The decrease of approximately \$666 thousand is based on anticipated costs for excess liability premiums and anticipated claims.
- *Medical Insurance Fund 616* – The decrease of approximately \$6.2 million is due to anticipated decreases in medical premiums and claims.

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

## OVERVIEW OF APPROPRIATIONS

Total citywide FY 2017-18 appropriations (included Transfers to Other Funds) are \$836.9 million. The following chart illustrates the percentage of budgeted appropriations for each fund type:

**FY 2017-18 Total Citywide Appropriation**  
**\$836.9 Million**



The table below depicts the total City appropriations by fund type as adopted for FY 2016-17 and FY 2017-18. Additional details can be found in the *Summary of Appropriations by Fund Type* report found under the Budget Summaries section of this book.

**Total Citywide Budgeted Appropriations**

<b>Fund Type</b>	<b>Adopted 2016-17</b>	<b>Adopted 2017-18</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
General Fund	\$ 194,780,663	\$ 215,042,945	\$ 20,262,282	10.4%
Special Revenue	100,630,978	98,780,317	(1,850,661)	-1.8%
Debt Service	3,010,000	2,222,150	(787,850)	-26.2%
Capital Projects	25,362,000	16,008,821	(9,353,179)	-36.9%
Enterprise	385,917,075	393,568,677	7,651,602	2.0%
Internal Service	109,832,418	111,291,567	1,459,149	1.3%
<b>Totals</b>	<b>\$ 819,533,134</b>	<b>\$ 836,914,477</b>	<b>\$ 17,381,343</b>	<b>2.1%</b>

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



# CITY OF GLENDALE

## RESOURCES & APPROPRIATIONS

### *General Fund Appropriations*

The appropriations for the adopted FY 2017-18 General Fund budget, together with comparative appropriations from FY 2016-17, are as follows:

Category	Adopted 2016-17	Adopted 2017-18	Increase / (Decrease)	% Change
Salaries	\$ 84,784,962	\$ 89,950,763	\$ 5,165,801	6.1%
Overtime	7,152,702	8,649,193	1,496,491	20.9%
Hourly Wages	3,404,054	5,220,240	1,816,186	53.4%
Benefits (Net salary charges out)	25,330,400	27,619,126	2,288,726	9.0%
PERS (Net of cost-share)	25,440,997	30,400,680	4,959,683	19.5%
Maintenance & Operation	43,782,697	49,591,904	5,809,207	13.3%
Capital Outlay	-	125,628	125,628	N/A
Transfers	3,067,327	2,579,677	(487,650)	-15.9%
Retirement Incentive	897,511	-	(897,511)	-100.0%
<b>Total General Fund Budget</b>	<b>\$ 193,860,650</b>	<b>\$ 214,137,211</b>	<b>\$ 20,276,561</b>	<b>10.5%</b>
Use of Assigned Econ Dev Fund Balance	920,013	905,734	(14,279)	-1.6%
<b>Total General Fund Budget</b>	<b>\$ 194,780,663</b>	<b>\$ 215,042,945</b>	<b>\$ 20,262,282</b>	<b>10.4%</b>

As indicated above, the General Fund budget has seen an increase of approximately \$20.3 million or 10.4%. The majority of the \$20.3 million increase is attributable to the following:

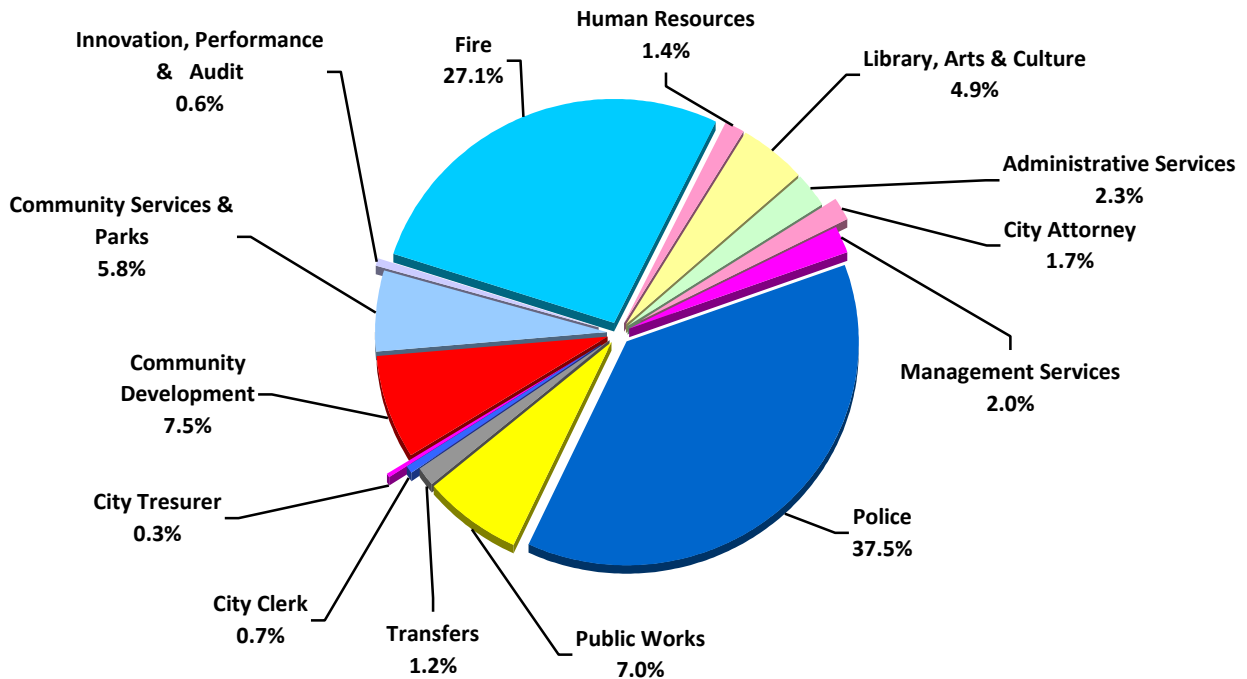
- **Salaries and Benefits:** \$5.0 million increase in PERS costs (net of employee cost sharing); \$3.7 million increase due to Fire Department's Emergency Medical Services Fund (Fund 511) collapsing into the General Fund; \$2.3 million increase for service level adjustments for additional personnel costs in various departments; \$1.6 million increase for Workers' Compensation benefits, mainly due to an increase in rates for Fire and Police personnel; Cost of Living Adjustments for all personnel belonging to the Glendale Fire Fighters' Association (3.5%), the Glendale Police Officers' Association (3%), the Glendale Management Association - Police Sworn (3%), Glendale Management Association - Fire Sworn (2%), and Hourly Employees (3%). Total Benefits are net of salary charge-outs to other Funds.
- **Maintenance & Operation:** \$1.7 million increase for the ISD Service Charge; \$1.8 million increase due to Fire Department's Emergency Medical Services Fund (Fund 511) collapsing into the General Fund; \$2.8 million increase for service level adjustments across M&O accounts in various departments; Increases offset by decreases of \$408 thousand in Building Maintenance charges and \$290 thousand in Furniture and Equipment for various departments.
- **Transfers/Capital Outlay:** \$488 thousand decrease in non-departmental transfers to the Capital Improvement Fund (net of an \$84 thousand increase in service level adjustments for a transfer to the Nutritional Meals Fund); \$126 thousand increase in capital outlay for the Fire Department.

In addition, there is a \$906 thousand budgeted Use of Assigned Fund Balance for hourly wages and contractual costs in the Economic Development Department. This amount represents a decrease of \$14 thousand from the FY 2016-17 Adopted Budget and is drawn down from a separate account assigned for this purpose.

# CITY OF GLENDALE RESOURCES & APPROPRIATIONS

The graph below depicts the FY 2017-18 General Fund appropriations by Department.

## FY 2017-18 General Fund Appropriation \$215.0 Million



## Special Revenue Fund Appropriations

The \$1.9 million decrease in the Special Revenue Funds is primarily due to the following:

- CDBG Fund 201 – The increase of approximately \$31 thousand is due to an increase in project appropriation relative to last year.
- Housing Assistance Fund 202 – The decrease of approximately \$269 thousand is due to a decrease in portable vouchers and associated revenue.
- Home Grant Fund 203 – The decrease of approximately \$238 thousand is due to a decrease in HUD funding applied toward direct assistance.
- Continuum of Care Grant Fund 204 – The decrease of approximately \$795 thousand is due to a decrease in appropriation toward direct assistance.
- Emergency Solutions Grant Fund 205 – The increase of approximately \$38 thousand is due to an increase in funding applied toward direct assistance.

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

- Workforce Innovation & Opportunity Act Fund 206 – The increase of approximately \$318 thousand is mainly due to an increase in funding applied toward direct assistance.
- Affordable Housing Trust Fund 209 – The increase of \$20 thousand is due to an increase in HUD funding.
- Urban Art Fund 210 – An increase of approximately \$58 thousand is due to an increase in contractual services.
- Begin Affordable Homeownership Fund 212 – The increase of approximately \$210 thousand is due to an increase in HUD funding applied toward direct assistance.
- Low & Mod Income Housing Asset Fund 213 – The increase of approximately \$1.2 million is due to contractual services for property purchase and resale and personnel shifts between funds.
- Miscellaneous Grant Fund 216 – The increase of approximately \$726 thousand is due to an increase in grant funding and projects budget for FY 2017-18.
- Filming Fund 217 – The decrease of approximately \$45 thousand is due to a decrease in cost allocation charges and anticipated overtime costs.
- Measure M Local Return Fund 222 – New fund established for FY 2017-18. The appropriation of approximately \$1.9 million is for contractual services and Beeline Maintenance Facility project.
- Measure R Local Return Fund 254 – The decrease of approximately \$2.0 million is due to a decrease in project appropriations relative to last year.
- Measure R Regional Fund 255 – The increase of approximately \$1.8 million is due to new project appropriations relative to last year.
- Transit Prop A Local Return Fund 256 – The decrease of approximately \$3.0 million is due to a decrease in project appropriations relative to last year.
- Transit Prop C Local Return Fund 257 – The increase of approximately \$55 thousand is due to an increase in project appropriations relative to last year.
- Transit Utility Fund 258 – The increase of approximately \$340 thousand is due to an increase in contractual services mainly for Beeline transportation services.
- Asset Forfeiture Fund 260 – The increase of approximately \$207 thousand is due to an increase in appropriations for overtime and in furniture & equipment.
- Police Special Grants Fund 261 – The increase of approximately \$418 thousand is due to an increase in overtime, workers' compensation, PERS, and furniture & equipment for the Jail Security System upgrade.
- Supplemental Law Enforcement Fund 262 – The increase of approximately \$39 thousand is due to an increase in appropriations for salaries, overtime, and workers' compensation.
- Fire Mutual Aid Fund 266 – The increase of approximately \$50 thousand is due to an increase in mutual aid activity applied towards salaries and benefits.

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

- Special Events Fund 267 – The increase of approximately \$174 thousand is due to an increase in special events overtime for Police and cost allocation charges for Fire.
- Library Fund 275 – The increase of approximately \$449 thousand is due to an increase in direct assistance.
- Electric Public Benefit Fund 291 (Previously 290) – The increase of approximately \$573 thousand is due an increase in contractual services and municipal billing costs.
- Recreation Fund 501 – The increase of approximately \$651 thousand is due to the increase in the Building Maintenance rate to the Civic Auditorium and Sports Complex.
- Hazardous Disposal Fund 510 – The increase of approximately \$106 thousand is due to a new CIP project for Ventilation System Replacement, and municipal billing costs.
- Emergency Medical Services Fund 511 – The decrease of approximately \$5.9 million is due to the Fund collapsing into the General fund beginning FY 2017-18.
- Parking Fund 520 – The increase of approximately \$1.0 million is due to an increase in contractual services, construction services, building maintenance costs, and PERS.

### **Debt Service Funds**

There is only one Debt Service Fund with an appropriation for FY 2017-18: the Police Building Project (Fund 303). The decrease in this fund of approximately \$788 thousand is due to a lower principle payment based on the amortization schedule.

### **Capital Improvement Funds**

Changes in the *Capital Improvement Funds* equated to a net decrease of approximately \$9.4 million and are attributable to the following:

- General Fund Capital Improvement Fund 401 – The increase of approximately \$2.3 million in FY 2017-18 is a result of increased project appropriations relative to last year. Some of the major project appropriations for FY2017-18 within this fund include: \$2.0 million for Fremont Park Renovation; \$1.3 million for Street Improvements; \$700 thousand for Illuminated Street Sign Replacement; \$500 thousand for Fire Station 29 Reconstruction; and \$450 thousand for Jail Security System Video & Touchscreen Upgrade. These appropriation increases are offset by reductions to various projects relative to the prior year.
- State Gas Tax Fund 402 – The increase of approximately \$2.3 million is a result of increased project appropriations relative to last year. Some of the major project appropriations for FY 2017-18 within this fund include: \$975 thousand for the Street Resurfacing Program; \$610 thousand for Street Maintenance; and \$600 thousand for the Riverside Drive & Western Avenue Rehabilitation project.
- Parks Mitigation Fee Fund 405 – The decrease of approximately \$16.2 million is a result of reduced project appropriations relative to last year.

## CITY OF GLENDALE RESOURCES & APPROPRIATIONS

- Library Mitigation Fee Fund 407 – The decrease of approximately \$305 thousand is due to a decrease in project appropriation relative to last year.
- CIP Reimbursement Fund 409 – The increase of approximately \$2.1 million is due to an increase in project appropriation relative to last year. Some of the major project appropriations for FY 2017-18 within this fund include: \$1.6 million for the Beeline Maintenance Facility and \$522 thousand for the Glendale Sub-Regional Traffic Management project.
- San Fernando Corridor Tax Share Fund 410 – The increase of approximately \$400 thousand is due to a new appropriation for the Flower Street Improvement & Widening project.

### *Enterprise Funds*

The \$7.7 million increase in the *Enterprise Funds* is primarily due to the following:

- Sewer Fund 525 – The increase of approximately \$2.3 million is due to an increase in cost allocation, contractual services, and municipal billing costs.
- Refuse Disposal Fund 530 – The increase of approximately \$4.1 million is due to an increase in cost allocation charges, capital outlay, and contractual services.
- Electric Utility Funds 582, 583 & 585 (Previously 552, 553 & 555) – A decrease of approximately \$1.8 million is mainly attributable to a decrease in funding for capital improvement projects and customer-paid projects.
- Water Utility Funds 592, 593 & 595 (Previously 572, 573 & 575) – An increase of approximately \$61 thousand is mainly attributable to an increase in salaries & benefits and cost allocation. Part of this increase is offset by a decrease in funding for capital improvement projects.
- Fire Communication Fund 701 – The increase of approximately \$3.0 million is due to an increase in capital outlay items.

### *Internal Service Funds*

The \$1.5 million increase in the *Internal Service Funds* is primarily due to the following:

- Fleet/Equipment Management Fund 601 – The increase of approximately \$2.2 million is primarily due to an increase in capital outlay, vehicle maintenance, equipment, and new appropriations for various capital improvement projects.
- Joint Helicopter Operation Fund 602 – The increase of approximately \$1.6 million is due to the purchase of a new helicopter.
- ISD Infrastructure Fund 603 – The increase of approximately \$735 thousand is primarily due to an increase in equipment and PC purchases.
- ISD Applications Fund 604 – The increase of approximately \$4.7 million is primarily due to new computer software costs.

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- *Building Maintenance Fund 607* – The increase of approximately \$1.1 million is primarily due to new appropriation for various CIP projects.
- *Liability Insurance Fund 612* – The decrease of approximately \$84 thousand is primarily due to decreases in anticipated legal consultation fees, offset by increases to excess liability premiums, contractual services and cost allocation charges.
- *Compensation Insurance Fund 614* – The increase of approximately \$585 thousand is due to anticipated increases for excess liability premiums and claims.
- *Dental Insurance Fund 615* – The decrease of approximately \$165 thousand is due to anticipated decreases in costs for claims.
- *Medical Insurance Fund 616* – The decrease of approximately \$9.3 million is due to anticipated decreases in costs for premiums and claims for retirees and active employees.
- *Vision Insurance Fund 617* – The decrease of approximately \$33 thousand is primarily due to a decrease in anticipated claims.
- *Employee Benefits Fund 640* – The increase of approximately \$943 thousand is due to increases in anticipated separation, vacation, and compensated time payouts.
- *Post-Employment Benefits Fund 642* – The decrease of approximately \$2.0 million is due to the PARS Supplemental Retirement payments ending in FY 2016-17.
- *ISD Wireless Fund 660* – The increase of approximately \$1.2 million is primarily due to the purchase of radios for the Police and Fire departments, as well as depreciation costs.