

ADOPTED BUDGET

FY 2019-2020

RESOURCES &
APPROPRIATIONS

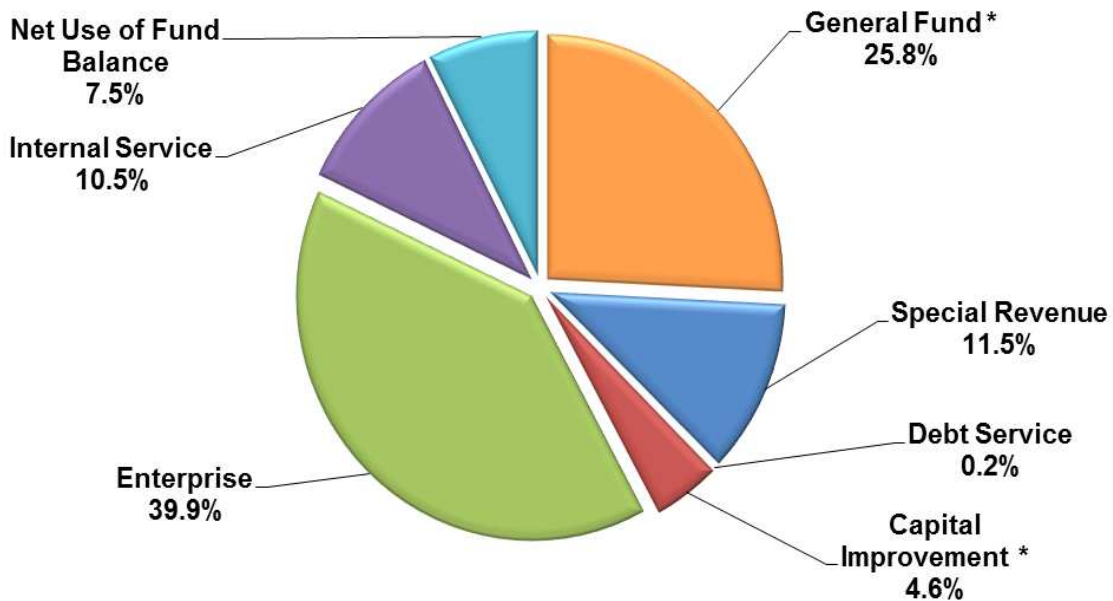
CITY OF GLENDALE RESOURCES & APPROPRIATIONS

OVERVIEW OF RESOURCES

The City Resources forecasted for FY 2019-20 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 2019-20 City Resources (including Transfers from Other Funds and Use of Fund Balance) are \$938.3 million. The following chart and table illustrate the total budgeted resources for all City Funds for FY 2019-20:

FY 2019-20 Total City Resources



*The Measure S percent of total budget is 0.7% in the General Fund and 2.5% in the Capital Improvement category.

| Fund Type | Adopted FY 2018-19 | Adopted FY 2019-20 | Increase / (Decrease) | % Change |
|-----------------------------------|-----------------------|-----------------------|--------------------------|---------------|
| General Fund | | | | |
| General Fund* | \$ 228,409,246 | \$ 236,021,322 | \$ 7,612,076 | 3.3% |
| General Fund – Measure S** | - | 6,500,000 | 6,500,000 | - |
| Total General Fund | \$ 228,409,246 | \$ 242,521,322 | \$ 14,112,076 | 6.2% |
| Special Revenue* | 108,311,822 | 108,000,735 | (311,087) | -0.3% |
| Debt Service | 1,200,000 | 1,700,000 | 500,000 | 41.7% |
| Capital Improvement Funds | | | | |
| Capital Improvement | 21,810,652 | 20,184,647 | (1,626,005) | -7.5% |
| Capital Improvement – Measure S** | - | 23,500,000 | 23,500,000 | - |
| Total Capital Improvement | \$ 21,810,652 | \$ 43,684,647 | \$ 21,873,995 | 100.3% |
| Enterprise | 354,310,569 | 374,128,655 | 19,818,086 | 5.6% |
| Internal Service | 101,343,092 | 98,311,530 | (3,031,562) | -3.0% |
| Net Use of Fund Balance | 71,875,183 | 69,990,235 | (1,884,948) | -2.6% |
| Total Resources | \$ 887,260,564 | \$ 938,337,124 | \$ 51,076,560 | 5.8% |

* The Filming Funds and Recreation Fund are shifting into the General Fund beginning FY 2019-20.

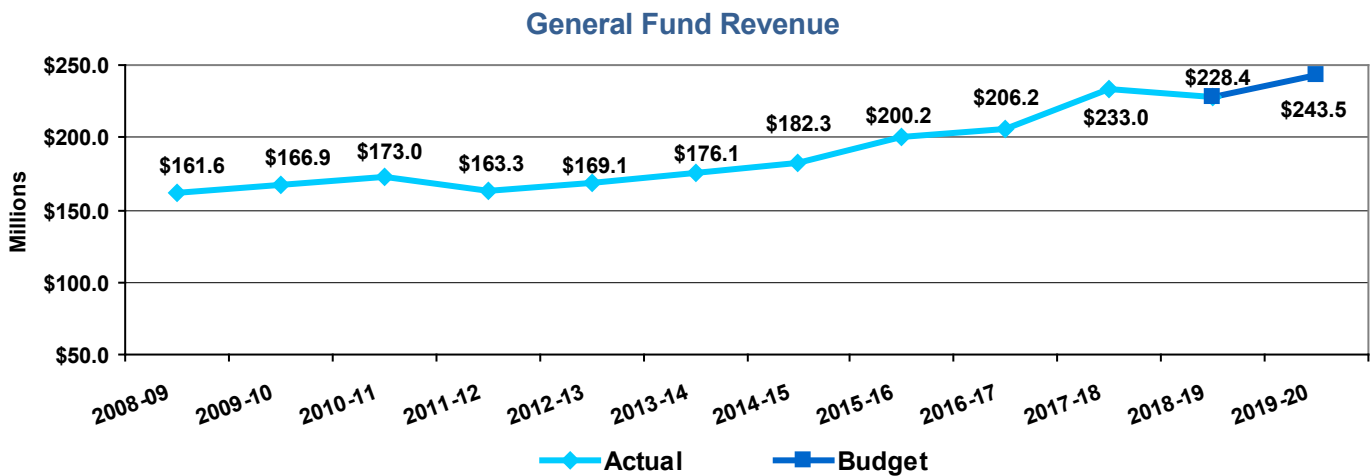
** This is part of the Measure S revenue estimate totaling \$30.0 million for FY 2019-20.

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General Fund Resources

The General Fund Resource budget for FY 2019-20 is projected to be \$243.5 million (including \$6.5 million for Measure S sales tax revenue). 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, Innovation, Performance and Audit (IPA), Administrative Services - Finance, and Human Resources. This fund is supported by general taxes, including property, sales and utility user 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 2018-19 and FY 2019-20.



The table below shows the estimates of the major revenue sources for the General Fund by category for FY 2018-19 and FY 2019-20.

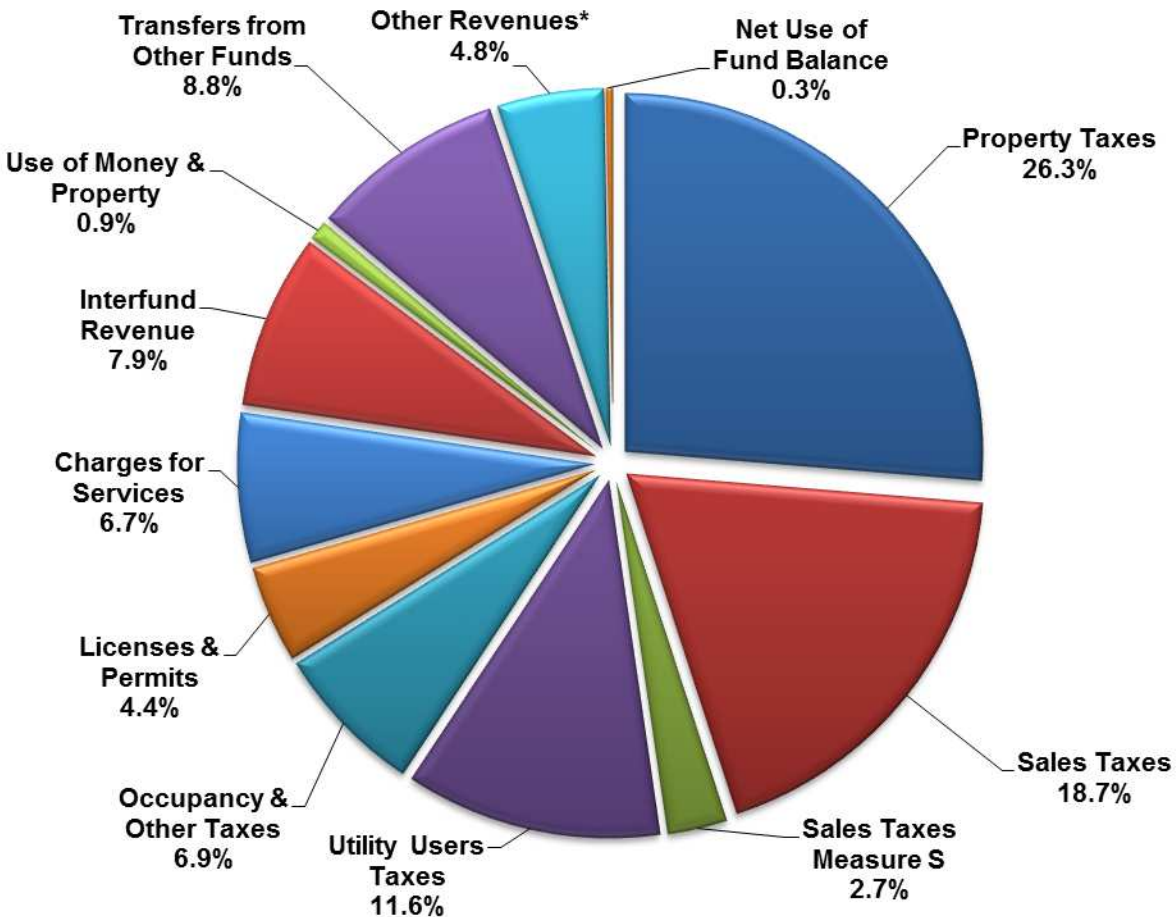
General Fund Resources

| Category | Adopted 2018-19 | Adopted 2019-20 | Increase / (Decrease) | % Change |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-------------|
| Property Taxes | \$ 61,537,641 | \$ 64,042,913 | \$ 2,505,272 | 4.1% |
| Sales Taxes | 44,685,000 | 45,402,731 | 717,731 | 1.6% |
| Utility Users Taxes | 29,855,000 | 28,161,976 | (1,693,024) | -5.7% |
| Occupancy and Other Taxes | 16,278,661 | 16,690,400 | 411,739 | 2.5% |
| Licenses and Permits | 9,725,000 | 10,684,757 | 959,757 | 9.9% |
| Fines and Forfeitures | 2,500,000 | 3,259,984 | 759,984 | 30.4% |
| Interest/Use of Money and Property | 1,550,000 | 2,289,323 | 739,323 | 47.7% |
| Revenue from Other Agencies | 100,000 | 104,000 | 4,000 | 4.0% |
| Charges for Services | 9,205,500 | 16,269,709 | 7,064,209 | 76.7% |
| Miscellaneous and Non-Operating | 1,164,265 | 4,646,056 | 3,481,791 | 299.1% |
| Interfund Revenue | 19,582,006 | 19,309,904 | (272,102) | -1.4% |
| Transfer from Other Funds | 22,186,300 | 21,427,055 | (759,245) | -3.4% |
| GSA Loan Repayment | 10,039,873 | 3,732,514 | (6,307,359) | -62.8% |
| Total Revenues | \$ 228,409,246 | \$ 236,021,322 | \$ 7,612,076 | 3.3% |
| Use of Assigned Econ Dev Fund Balance | 985,379 | 628,251 | (357,128) | -36.2% |
| Use of Fund Balance | - | 319,004 | 319,004 | - |
| Subtotal Resources | \$ 229,394,625 | \$ 236,968,577 | \$ 7,573,952 | 3.3% |
| Sales Taxes – Measure S | - | 6,500,000 | 6,500,000 | - |
| Total Resources | \$ 229,394,625 | \$ 243,468,577 | \$ 14,073,952 | 6.1% |

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Almost 60% of the City's General Fund resources consist of three revenue sources: property taxes, sales taxes and utility user taxes. Other General Fund revenues include franchise tax, transient occupancy tax, building and planning permits, fines and forfeitures, interest/use of money and 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 2019-20 General Fund Resources



* Other Revenues consists of Revenues from Other Agencies, Fines and Forfeitures, Miscellaneous & Non-Operating Revenue, and GSA Loan Repayment.

Property Taxes are the largest revenue source in the General Fund, representing 26.3% of the total General Fund resources. For FY 2019-20, the property tax category is projected to increase by \$2.5 million, or 4.1%, for a total of \$64.0 million. The increase is attributable to a variety of factors, including increases in the assessed property valuations and continued low mortgage rates. Due to recent mortgage rate increases, however, the California housing market has slowed somewhat; once the market adjusts to these new rates, housing sales should begin to rise again.

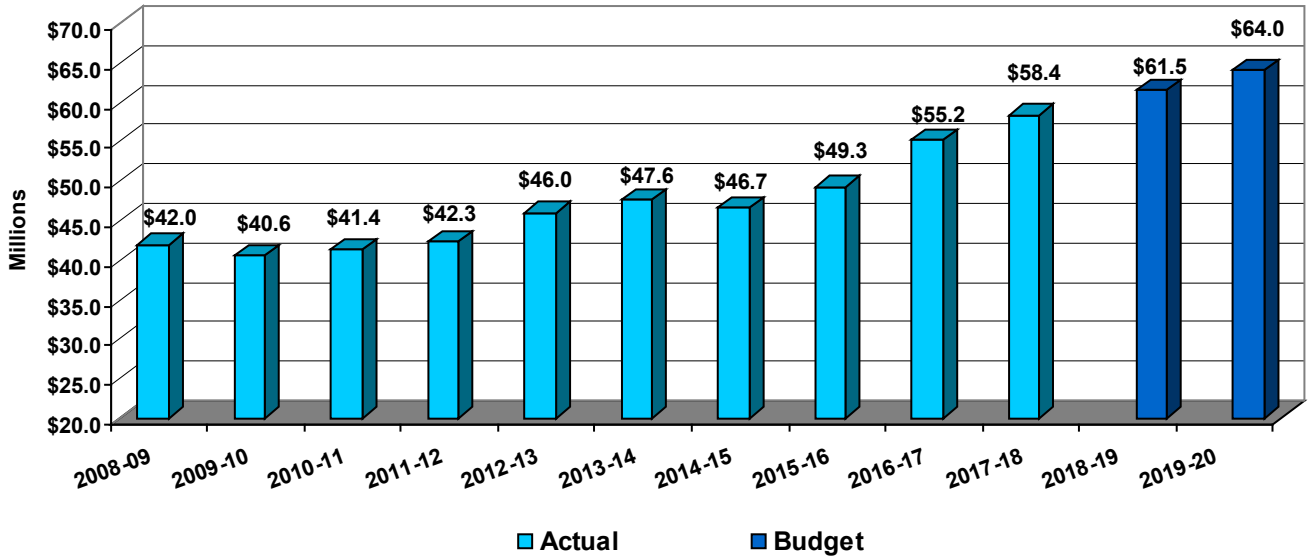
Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13 adopted by the California voters on June 6, 1978, created a comprehensive system for the assessment and limitation 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 2.0% for any given year). The County Assessor also

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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 1.0% of the property’s full value plus overriding rates to pay specifically approved voter indebtedness. The 1.0% 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 1.0% levy on assessed value.

The graph below shows the historical and forecasted Property Tax revenues, 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)**

- | | |
|--|---|
| <ul style="list-style-type: none"> CP IV Glendale LLC DWF V 655 North Central LLC Equity Residential Glendale Faruque Sikder Co Trustee Glendale Adventist Medical Center | <ul style="list-style-type: none"> Glendale Fashion Associates LLC MCP Onyx LLC PH Glendale LLC Stanley A Sirott Trust Towne at Glendale LLC |
|--|---|

Source: HdL Coren & Cone 2018-19 property data (Tax District #1: General Fund)

Sales Taxes are the second largest revenue source in the General Fund, representing 18.6% of the total General Fund resources. For FY 2019-20, sales taxes are forecasted to increase by \$718 thousand, or 1.6%, for a total of \$45.4 million. This figure does not include the revenue estimate for the recently approved Glendale Quality of Life and Essential Services Protection Measure (Measure S). While California’s retail sales continue to rise on an annual basis, the growth in certain industries are projected to be smaller going into FY 2019-20 than in FY 2018-19, including autos/transportation, building/construction, and fuel/service stations.

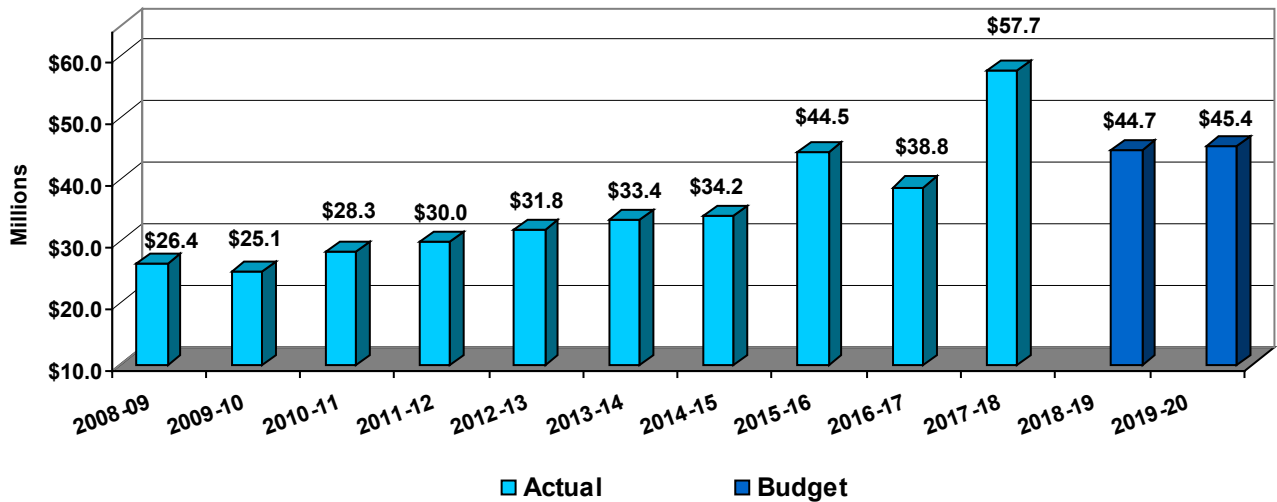
It should be noted that through FY 2008-09, 86% of the Sales Tax revenue was deposited into the General Fund, with the remaining 14% deposited into the Capital Improvement Fund (4010). In FY 2009-10, the split of Sales Tax was shifted to 96% and 4%, respectively. For FY 2010-11 and FY 2011-12, 100% of the Sales Tax went to the General Fund. Starting in FY 2012-13, the City restored sales tax

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funding to the Capital Improvement Fund (CIP), albeit only 1.0% of the estimate. Starting in FY 2015-16, the 1.0% sales tax transfer to the CIP increased by 0.25% each year, and was capped at 2.0% in FY 2018-19 and will stay at 2.0% 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. The City 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 revenues followed by a listing of the top 25 Sales Tax producers for the City.

Sales Taxes – General Fund



**Top 25 Sales Tax Producers
(In Alphabetical Order)**

- | | |
|--|---|
| <ul style="list-style-type: none"> Apple Car Pros Kia Glendale CDW Direct CDW Government Financial Services Vehicle Trust Glendale Dodge Chrysler Jeep Glendale Subaru/Mitsubishi Home Depot Hyundai Lease Titling Trust JC Penney Lexus of Glendale Macy’s Marshalls | <ul style="list-style-type: none"> New Century Honda Nordstrom Pacific BMW Ross Star Auto Group Target Tesla Motors Toyota Lease Trust Toyota of Glendale Scion United Oil Victory Chevron Vons |
|--|---|

Source: HdL Companies 4th Quarter 2018 Newsletter – City of Glendale

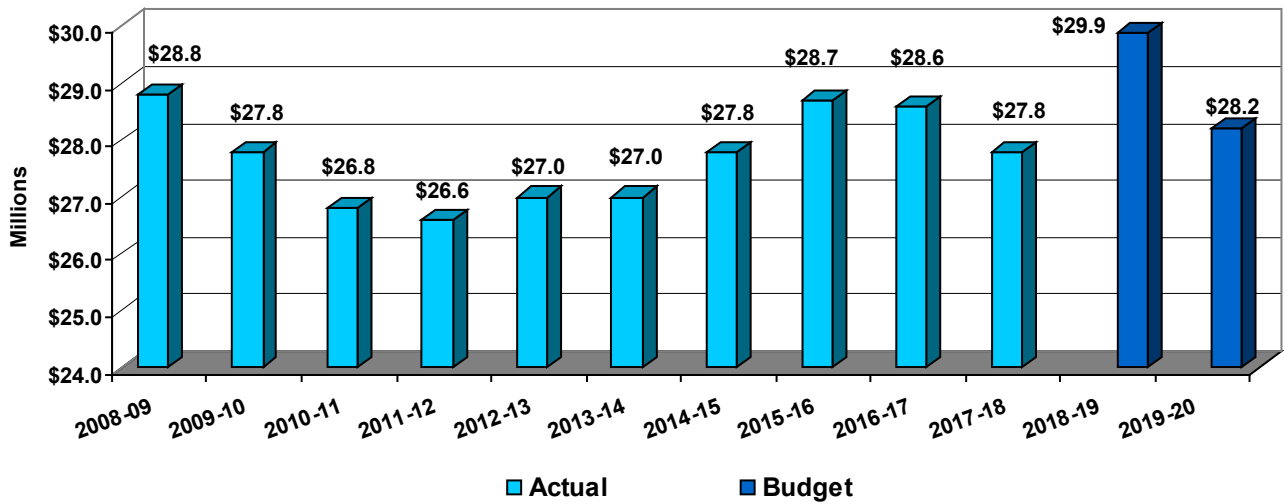
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Sales Tax – Measure S – In November 2018, Glendale voters approved the Quality of Life and Essential Services Protection Measure (Measure S), which took effect April 1, 2019, and added 0.75% to the sales tax rate in the City. This additional sales rate revenue is estimated to generate \$30.0 million in FY 2019-20, of which \$6.5 million will be received in the General Fund and \$23.5 million in the Measure S Capital Improvement Fund (Fund 4011) to fund various new affordable housing developments and infrastructure needs.

Utility Users Taxes (UUT) are the third largest revenue source for the General Fund, representing 11.6% of the total General Fund resources. This tax is levied on the following utility services: telecommunications (6.5%), video (6.5%), electricity (7.0%), gas (7.0%), and water (7.0%). 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 decrease by \$1.7 million, or 5.7%, for a total FY 2019-20 estimate of \$28.2 million. Decreases are forecasted in telecommunications, video and gas, while a modest increase is projected in the water category. It is 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. However, this is expected to sunset on January 1, 2020; legislation for extension is being considered. The graph below illustrates historical and forecasted UUT revenues.

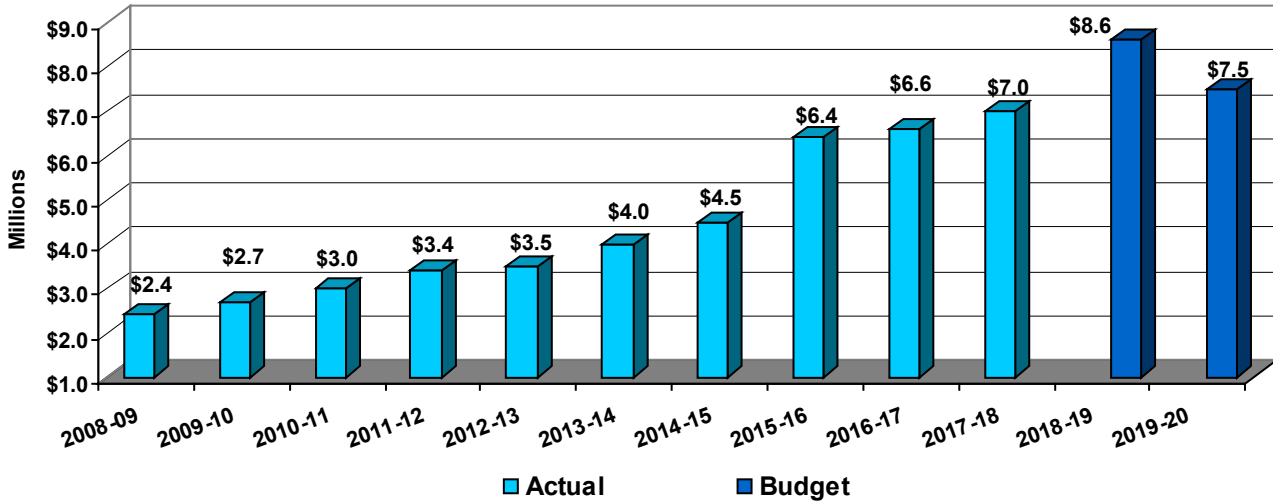
Utility Users Taxes – General Fund



Transient Occupancy Tax (TOT) represents 3.1% of the total General Fund resources in the FY 2019-20 Adopted Budget. This tax is levied at 12.0% for occupying a room(s) or other living space(s) 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. 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 still expected to continue. For FY 2019-20, TOT revenue is anticipated to decrease by \$1.1 million, or 12.4%, for a total estimate of \$7.5 million. This is due primarily to changes in schedule for planned hotel construction, and is not representative of a downward trend in actual hotel activity. It is worth noting that in April 2015, Glendale voters passed revenue ballot Measure O, which increased the transient occupancy tax (hotel tax) from 10.0% to 12.0%. The graph on the following page illustrates historical and forecasted TOT revenues.

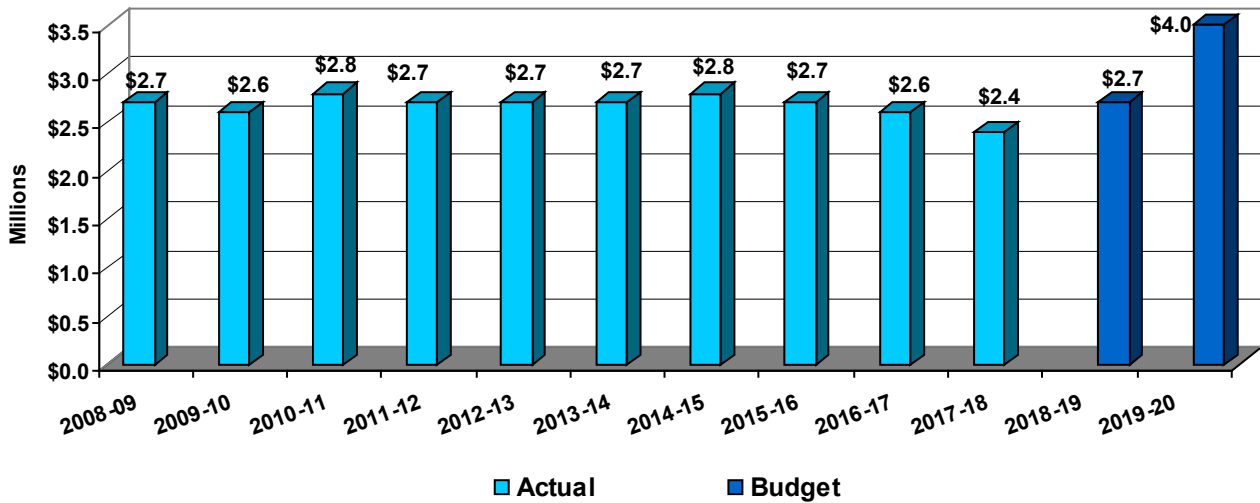
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Transient Occupancy Tax – General Fund



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 the City's franchise revenue is received from Charter Communications, Pacific Bell and the Southern California Gas Company. For FY 2019-20, the franchise tax is estimated to be \$4.0 million, or 1.6% of the total General Fund resources. The graph below illustrates historical and forecasted Franchise Tax revenues.

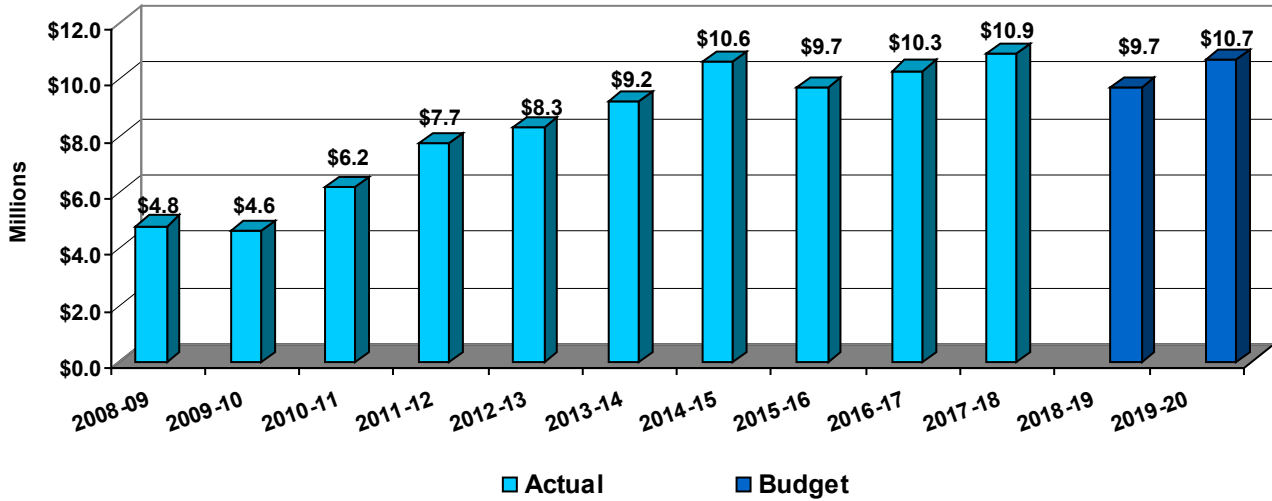
Franchise Tax – General Fund



Licenses and 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. Revenue in this category is project-based and non-recurring, and is estimated to increase by \$960 thousand, or 9.9%, for FY 2019-20. A portion of the increase is attributable to the recommended fee increases that are based on a Consumer Price Index (CPI) adjustment of 3.15% for the 12-month period ending January 2019, while another portion is attributable to several new permit fees introduced in FY 2019-20. The graph on the following page illustrates historical and forecasted Licenses and Permits revenues.

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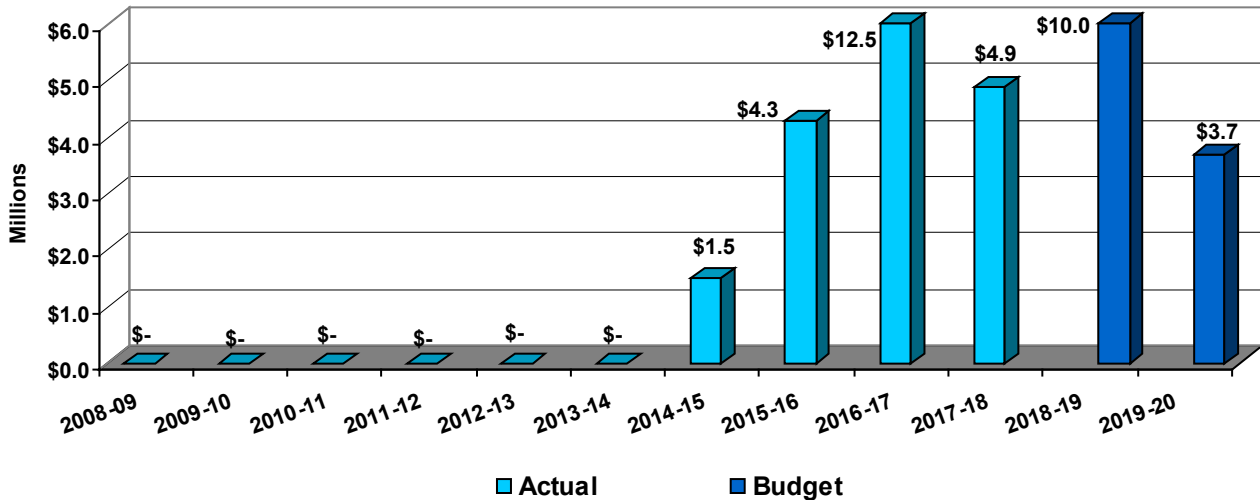
Licenses & Permits – General Fund



GSA Loan Repayment 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. The GSA Loan Repayment is estimated at \$3.7 million for FY 2019-20, which is 1.5% of the total General Fund resources.

The graph below illustrates historical and forecasted GSA Loan Repayment revenues.

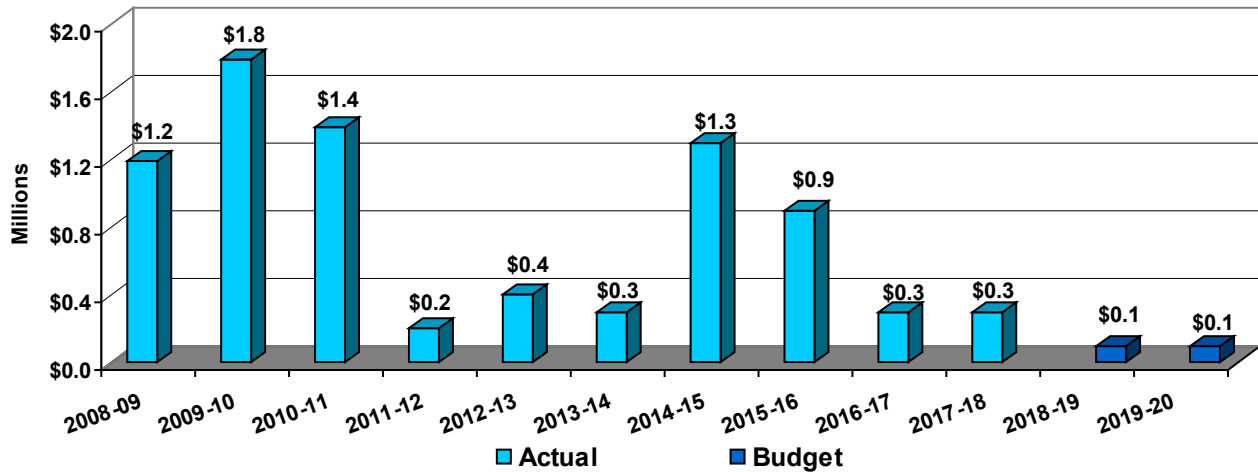
GSA Reimbursement – General Fund



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Revenues from Other Agencies mainly consist of Federal, State and Local grants, which include State SB 90 and Mutual Aid Reimbursements. It is generally more difficult to estimate grant revenues since it is based on grant availability and whether the grants are awarded. If grants are awarded during the year, departments go to City Council for authorization in accordance with Article XI, Section 8 of the City Charter. The graph below illustrates historical and forecasted Revenues from Other Agencies.

Revenues from Other Agencies – General Fund

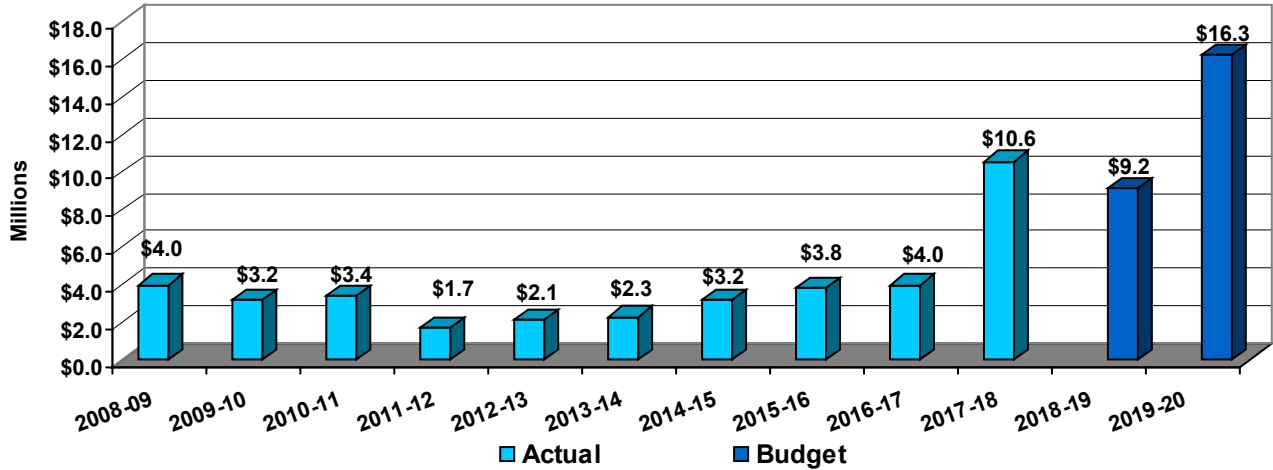


Charges for Services are generally known as user fees that are charged for a variety of services provided to the general public. Fees charged for services in this category include library fees, fire fees, special police fees, map and publication fees and code enforcement fees. The decrease in FY 2011-12 is primarily due to the shifting of the Glendale Youth Alliance (GYA) from the General Fund to a Special Revenue Fund (Fund 2110). However, revenues increased by \$400 thousand in FY 2012-13, which was primarily due to fee increases following a Citywide fee study. In FY 2017-18, the large increase is mainly due to the shift of the Emergency Medical Response fund (Fund 2200) to the General Fund, which also includes the Paramedic Membership Fees.

For FY 2019-20, the shift of the Filming Funds (\$1.5 million) and the Recreation Fund (\$3.2 million) into the General Fund significantly increased the revenue estimate for this category. Also contributing to higher revenues in this category for FY 2019-20 is the receipt of \$2.0 million in Scholl Canyon Tipping Fees that had previously been received in the Capital Improvement Fund. It is worth noting that this revenue category also includes increases to various line items due to fee increases resulting from applying a Consumer Price Index (CPI) adjustment of 3.15% for FY 2019-20. The graph on the following page illustrates historical and forecasted revenues from Charges for Services.

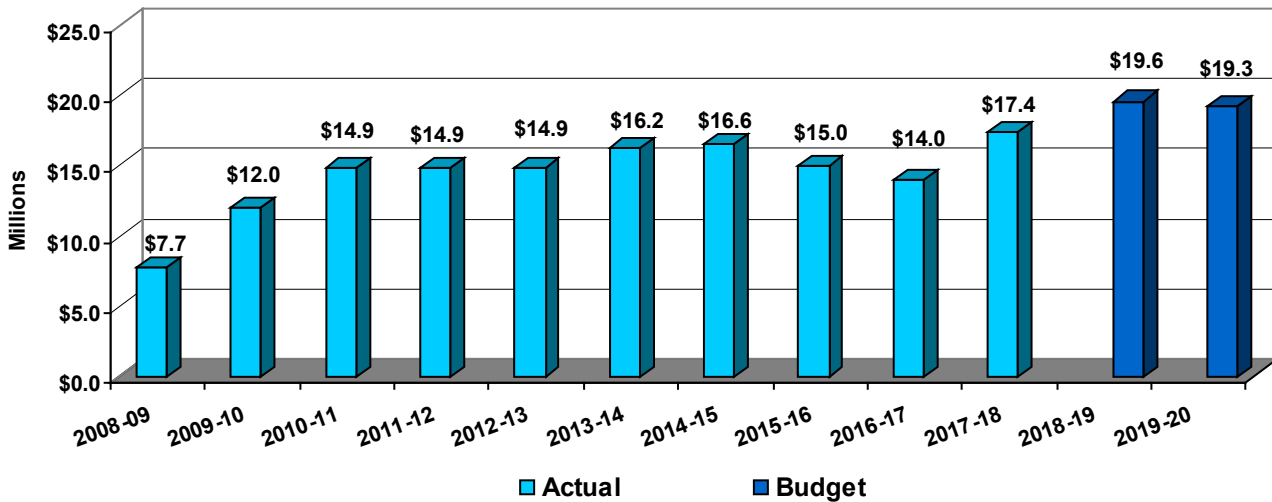
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Charges for Services – General Fund



Interfund Revenue is mainly 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, Innovation, Performance, & Audit, 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 2019-20, this category is expected to decrease by \$272 thousand, or 1.4%, to a total \$19.3 million, which represents 7.9% of the total General Fund resources. The graph below illustrates historical and forecasted Interfund Revenue.

Interfund Revenue – General Fund

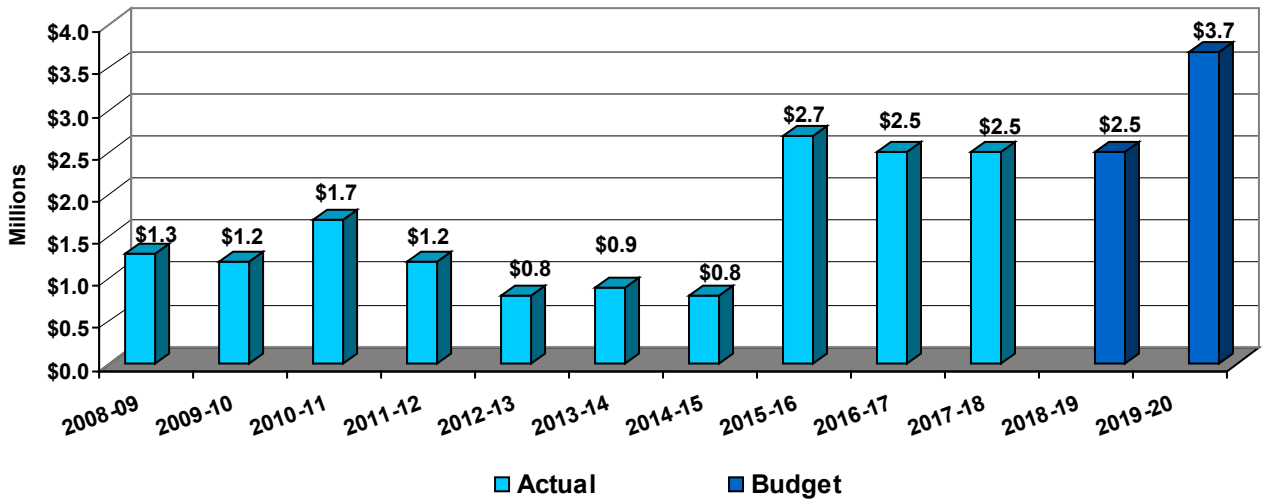


Fines and Forfeitures are derived from the collection of penalties for violations of statutory offenses, administrative rules, confiscated property, and court fees. Fines and Forfeitures revenue represents 1.3% of the total General Fund resources in the FY 2019-20 Adopted Budget. FY 2010-11 experienced an increase due to the shifting of the “Red Light Traffic” revenue from the Police Staff Augmentation Fund (Fund 263) to the General Fund. However, due to a series of court cases at the State level over the

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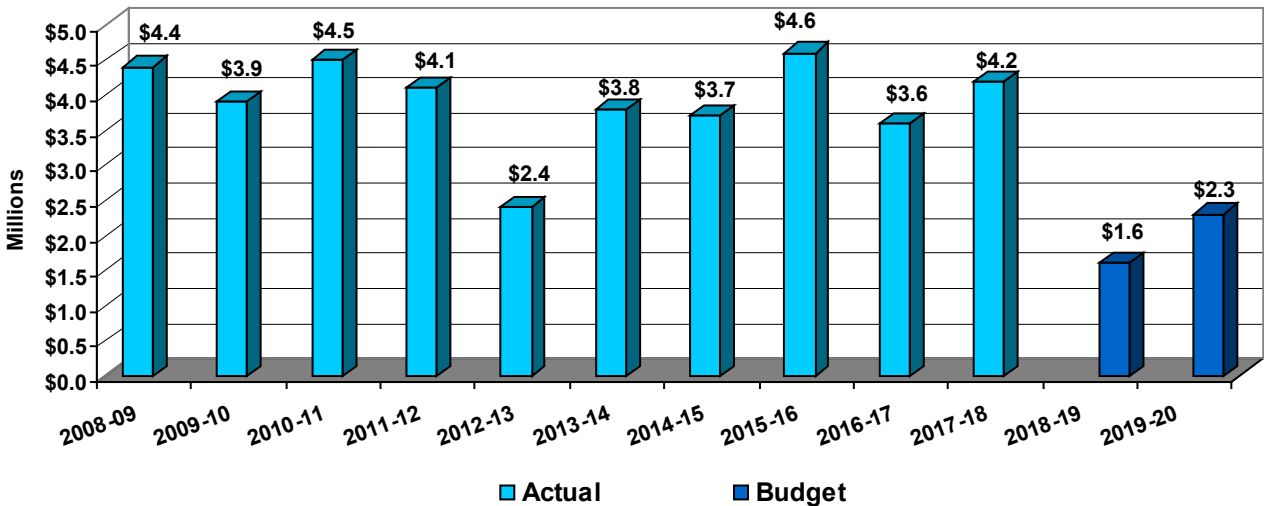
legality of red light camera enforcement, the City voluntarily decided to terminate the program as of February 2012, which accounted for the decrease in the following year. Starting in FY 2015-16, the annual transfer from the Parking Fund was no longer listed under *Transfer From Other Funds* category but reported under this category. The estimated revenue for FY 2019-20 is \$3.3 million, of which \$2.6 million is the revenue derived from parking tickets, representing 1.4% of the total General Fund resources. The graph below illustrates historical and forecasted revenues from Fines and Forfeitures.

Fines and Forfeitures – General Fund



Use of Money and Property includes Interest and Investment Revenues and Rent and 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. As of FY 2018-19, the Landfill Gas Royalties was eliminated from this category due to the flaring of the gas. This category is projected to increase by \$739 thousand, or 47.7%, for FY 2019-20 due to the shift of the Recreation Fund (\$532 thousand) and Filming Funds (\$20 thousand) into the General Fund. The graph below illustrates historical and forecasted revenues from Use of Money and Property.

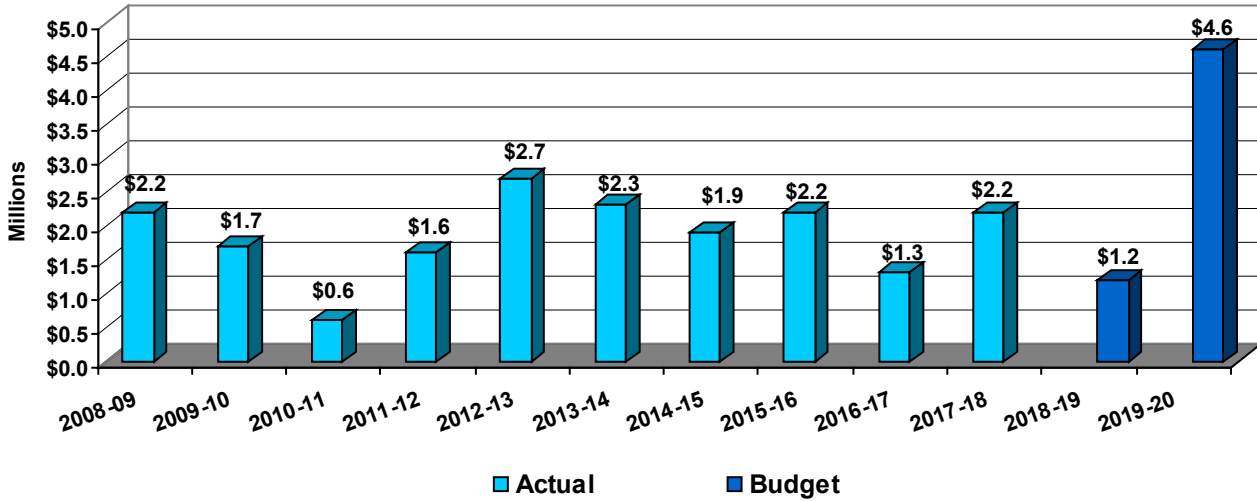
Use of Money and Property – General Fund



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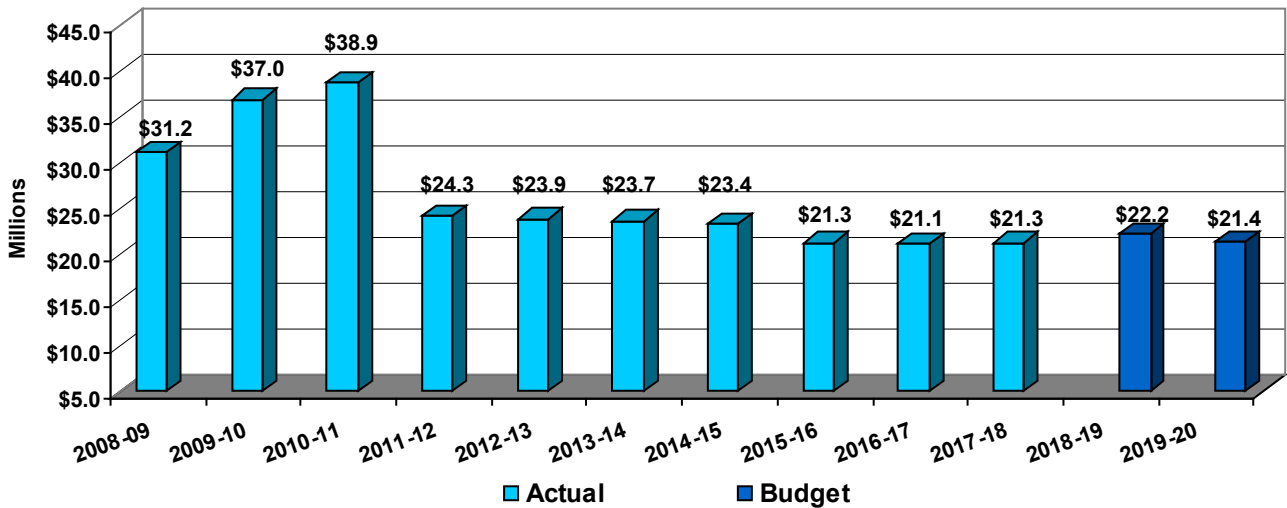
Miscellaneous Revenue consists of revenues other than taxes and fees, such as the sale of items/property not normally held for resale, collections from advertising, unclaimed money or property or other contributions and donations. The graph below illustrates historical and forecasted Miscellaneous Revenue.

Miscellaneous Revenue – General Fund



Transfers from Other Funds are made to the General Fund for a variety of purposes. Transfers represent 8.8% of the total General Fund resources in the FY 2019-20 Adopted Budget and include transfers from Electric Utility (\$20.3 million) and Refuse Disposal (\$1.2 million) Funds. The decrease for FY 2011-12 in this category was attributable to the loss of the Water Utility transfer, 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 from the ISD Applications Fund (Fund 6040) and a transfer from the Fleet/Equipment Management Fund (Fund 6010). These transfers were discontinued in FY 2011-12 as they were incorporated into the ISF rates in lieu of a straight transfer to General Fund. As of FY 2015-16, the \$1.9 million transfer from the Parking Fund was no longer listed under this category, but rather in the *Fines & Forfeiture* category. Effective FY 2016-17, the electric transfer amount was capped at 10.0% of the electric revenues. The graph below illustrates historical and forecasted Transfers from Other Funds.

Transfers from Other Funds – General Fund



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Special Revenue Funds

Revenues in Special Revenue Funds are estimated to total \$108.0 million in FY 2019-20, which is \$311 thousand, or 0.3%, lower than the prior year, due primarily to the following changes:

- *Housing Assistance Fund (2020)* – The increase of \$1.3 million in this fund is due primarily to additional funding in the Housing Choice Voucher (HCV) Housing Assistance Payments (HAP) program and the HCV portable voucher HAP program anticipated to be received from the U.S. Department of Housing and Urban Development (HUD).
- *Home Grant Fund (2030)* – The increase of \$601 thousand is due primarily to increased funding in the housing program as well as a one-time settlement.
- *Workforce Innovation and Opportunity Act Fund (2060)* – The increase of \$467 thousand is due to additional funding for the various programs in this fund.
- *Affordable Housing Trust Fund (2090)* – The increase of \$190 thousand is due primarily to anticipated revenues resulting from adjusted affordable housing in-lieu fees.
- *Low and Moderate Income Housing Asset Fund (2130)* – The decrease of \$1.3 million is due primarily to a lower transfer from the General Fund. Each year, 20.0% of the amount received from the Glendale Successor Agency (GSA) Loan Repayment in the General Fund is transferred to this fund. The repayment amount for FY 2019-20 will be significantly lower than the prior fiscal year, resulting in a lower interfund transfer.
- *Miscellaneous Grant Fund (2160)* – The increase of \$699 thousand is due primarily to an increase in the Emergency Solutions grant.
- *Filming Fund (2170)* – The decrease of \$861 thousand is due to the fund being shifted into the General Fund in FY 2019-20.
- *Recreation Fund (2180)* – The decrease of \$3.9 million is due to the fund being shifted into the General Fund in FY 2019-20.
- *Parking Fund (2210)* – The increase of \$2.7 million is due primarily to an increase in anticipated revenue from parking tickets as a result of an increase in contractual services for parking enforcement.
- *Measure M Local Return Fund (2220)* – The increase of \$350 thousand is due to higher annual sales tax receipts.
- *Measure W Fund (2260)* – This is a new fund for FY 2019-20; the \$1.2 million revenue estimate is due to anticipated receipts from the County resulting from the voter-approved Los Angeles County Measure W (Safe Clean Water Program) parcel tax of 2.5 cents per square foot.
- *Transit Utility Fund (2580)* – The increase of \$447 thousand in this fund is due primarily to an increase in the subsidy for Proposition A local return funds, partially offset by an anticipated decrease in transit fare revenue.
- *Fire Mutual Aid Fund (2660)* – The increase of \$150 thousand is due to a modest anticipated increase for mutual aid reimbursements.

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- Special Events Fund (2670) – The decrease of \$1.2 million is due to the fund being shifted into the General Fund in FY 2019-20.

Debt Service Funds

For FY 2019-20, there is an increase from the prior year of \$500 thousand, or 41.7%, for a total \$1.7 million, in the Debt Service Fund for the Police Building construction project, based on the Police Building Certificates of Participation schedule.

Capital Improvement Program (CIP)

Revenues in Capital Improvement Program Funds are estimated to total \$43.7 million in FY 2019-20, which is \$21.9 million, or 100.3%, higher than the prior year, due primarily to the following changes:

- General Fund Capital Improvement Fund (4010) – The decrease of \$1.8 million is due primarily to the receipt of \$2.0 million in Scholl Canyon Tipping Fees in the General Fund in FY 2019-20 that had previously been received in this Capital Improvement Fund. This decrease is partially offset by an increase in the Transfer from the General Fund, which is set at 2.0% of the annual estimated Sales Tax revenue.
- Measure S Capital Improvement Fund (4011) – This is a new fund for FY 2019-20; the \$23.5 million revenue estimate for this fund is a portion of the estimated \$30.0 million in additional sales tax anticipated to result from the voter-approved Glendale Quality of Life and Essential Services Protection Measure (Measure S), which took effect April 1, 2019. This fund makes up the majority of the change in the Capital Improvement Program category from the prior fiscal year.
- State Gas Tax Fund (4020) – The increase of \$305 thousand is due primarily to increases in State gas tax revenues.
- Housing Development Impact Fee Fund (4110) – This is a new fund for FY 2019-20, established to house the Affordable Housing Commercial Development Impact Fee. The \$125 thousand revenue estimate is due to anticipated revenues.

Enterprise Funds

Revenues in Enterprise Funds are estimated to total \$374.1 million in FY 2019-20, which is \$19.8 million, or 5.6%, higher than the prior year, due primarily to the following changes:

- Sewer Fund (5250) – The increase of \$11.4 million is due to increased sewer usage and flat rates for Single-Family, Multi-Family, and Commercial user groups.
- Refuse Disposal Fund (5300) – The increase of \$528 thousand is due primarily to increases in Commercial Bin Services and anticipated AB 939 revenues, partially offset by a decrease in anticipated revenues from the sale of recyclables.
- Fiber Optic Fund (5400) – This is a new fund for FY 2019-20, established to provide improved commercial network infrastructure to expand the City's operation as a provider. The \$278 thousand revenue estimate for this fund is due to funding resulting from contractual service agreements.

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- Electric Utility Funds (5810 – 5880) – The net increase of \$1.4 million is due primarily to an increase in the estimated revenue from commercial electric sales, partially offset by a decrease in the estimated revenue from domestic electric sales.
- Water Utility Funds (5910 – 5980) – The net increase of \$6.0 million is due primarily to increases in revenue from the sale of water in Single-Family, Multi-Family, and Commercial user groups.

Internal Service Funds

Revenues in Internal Service Funds are estimated to total \$98.3 million in FY 2019-20, which is \$3.0 million, or 3.0%, lower than the prior year, due primarily to the following changes:

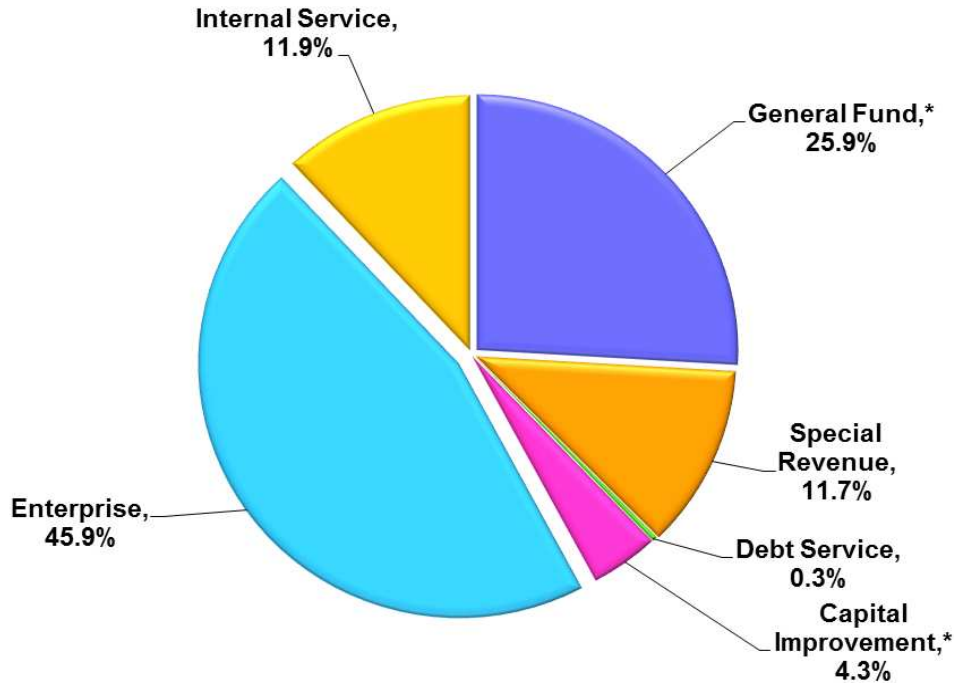
- Fleet Management Fund (6010) – The decrease of \$3.1 million is due primarily to a decrease in the fleet service charge to other departments.
- ISD Infrastructure Fund (6030) – The decrease of \$224 thousand is due primarily to a decrease in ISD service charges to other departments.
- Building Maintenance Fund (6070) – The decrease of \$306 thousand is due to the decrease in Building Maintenance Service Charge cost recovery.
- Liability Insurance Fund (6120) – The increase of \$1.6 million is due primarily to a higher liability rate for FY 2019-20, thereby increasing revenue estimates for self-insured and excess liability insurance.
- Compensation Insurance Fund (6140) – The decrease of \$1.1 million is due partly to a one-time transfer made from the Unemployment Insurance Fund in FY 2018-19 that was not sustained in FY 2019-20, as well as a decrease in the Workers' Compensation rate.
- Medical Insurance Fund (6160) – The decrease of \$1.5 million is due partly to one-time transfers made from the Dental Insurance Fund and Vision Insurance Fund in FY 2018-19 that were not sustained in FY 2019-20, and partly to anticipated decreases in medical premiums and claims.
- Employee Benefits Fund (6400) – The increase of \$1.2 million is due primarily to increases in charges for vacation leave and compensatory time benefits.
- Post Employment Benefits Fund (6420) – The increase of \$306 thousand is due primarily to an increase in the post-employment rate.

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OVERVIEW OF APPROPRIATIONS

Total citywide FY 2019-20 appropriations (including Transfers to Other Funds) are \$938.3 million, of which \$29.8 million is approved Measure S Funding. The following chart illustrates the percentage of budgeted appropriations for each fund type:

FY 2019-20 Total Citywide Appropriation



*The Measure S percent of total budget is 0.7% in the General Fund and 2.5% in the Capital Improvement category.

The table below depicts the total City appropriations by fund type as adopted for FY 2018-19 and FY 2019-20. 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

| Fund Type | Adopted FY 2018-19 | Adopted FY 2019-20 | Increase / (Decrease) | % Change |
|----------------------------------|-----------------------|-----------------------|--------------------------|--------------|
| General Fund | | | | |
| General Fund* | \$ 227,786,018 | \$ 236,968,577 | \$ 9,182,559 | 4.0% |
| General Fund - Measure S** | - | 6,348,000 | 6,348,000 | N/A |
| Total General Fund | \$ 227,786,018 | \$ 243,316,577 | \$ 15,530,559 | 6.8% |
| Special Revenue* | 111,398,466 | 109,586,125 | (1,812,341) | (1.6%) |
| Debt Service | 2,619,909 | 3,080,797 | 460,888 | 17.6% |
| Capital Improvement Funds | | | | |
| Capital Improvement | 28,433,000 | 16,334,500 | (12,098,500) | (42.6%) |
| Capital Improvement–Measure S** | - | 23,500,000 | 23,500,000 | N/A |
| Total Capital Improvement | \$ 28,433,000 | \$ 39,834,500 | \$ 11,401,500 | 40.1% |
| Enterprise | 399,248,497 | 430,676,203 | 31,427,706 | 7.9% |
| Internal Service | 117,774,674 | 111,842,922 | (5,931,752) | (5.0%) |
| Total Appropriations | \$ 887,260,564 | \$ 938,337,124 | \$ 51,076,560 | 5.8% |

* The Filming Funds and Recreation Fund are shifting into the General Fund beginning FY 2019-20.

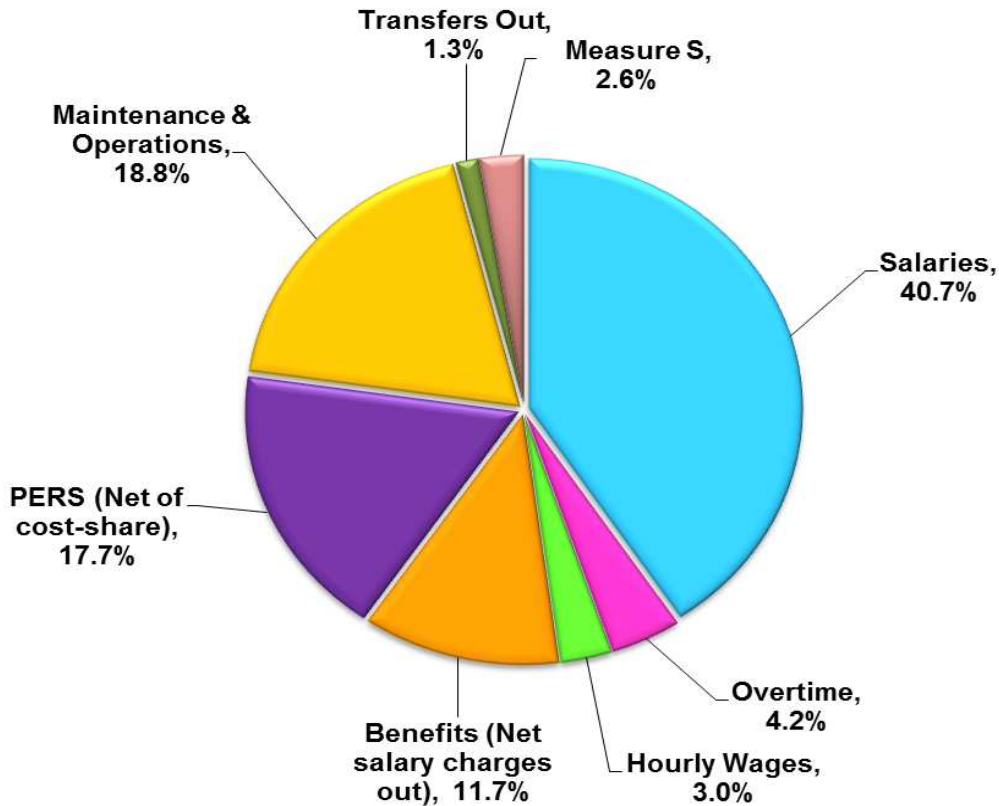
** Part of the Measure S funding approved by City Council in the total amount of \$29.8 million.

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

General Fund Appropriations

Total FY 2019-20 General Fund Appropriations (including Transfers Out) are \$243.3 million, of which \$6.3 million is approved Measure S Funding. The following chart illustrates the percentage of budgeted appropriations for each category:



The appropriations for the adopted FY 2019-20 General Fund budget, together with comparative appropriations from FY 2018-19, are as follows:

| Category | Adopted FY 2018-19 | Adopted FY 2019-20 | Increase/ (Decrease) | % Change |
|-----------------------------------|-----------------------|-----------------------|-------------------------|-------------|
| Salaries | \$ 95,445,174 | \$ 98,972,309 | \$ 3,527,135 | 3.7% |
| Overtime | 9,020,309 | 10,180,776 | 1,160,467 | 12.9% |
| Hourly Wages | 6,378,557 | 7,342,435 | 963,878 | 15.1% |
| Benefits (Net salary charges out) | 28,359,950 | 28,487,065 | 127,115 | 0.4% |
| PERS (Net of cost-share) | 36,844,519 | 43,028,898 | 6,184,379 | 16.8% |
| Maintenance & Operation | 47,811,257 | 45,717,959 | (2,093,298) | (4.4%) |
| Transfers Out | 3,926,252 | 3,239,135 | (687,117) | (17.5%) |
| General Fund | \$ 227,786,018 | \$ 236,968,577 | \$ 9,182,559 | 4.0% |
| Measure S | - | 6,348,000 | 6,348,000 | N/A |
| Total General Fund Budget | \$ 227,786,018 | \$ 243,316,577 | \$ 15,530,559 | 6.8% |

Notes: Total General Fund includes use of Assigned Economic Development fund balance of \$628 thousand for FY 2019-20.

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As indicated above, the General Fund budget has increased by approximately \$9.2 million or 4.0% (not inclusive of Measure S). This increase is mainly attributable to the following:

- Salaries and Benefits: The total net increase in the Salaries and Benefits category is \$11.9 million. Of this amount, \$6.2 million is an increase in PERS costs (net of employee cost sharing); \$3.0 million due to the Recreation Fund moving from the Special Revenue Category into the General Fund; \$1.1 million due to the Filming Funds moving from the Special Revenue Category into the General Fund; as well as Cost of Living Adjustments for GFFA (1.5%), GCEA (1.5%), GMA (1.5%) and Hourly Employees (1.5%), and normal step progression and reallocation of employees. Total Benefits are net of salary charges out to other Funds.
- Maintenance & Operation (M&O): The total net decrease in the M&O budget is \$2.1 million. This is due to a decrease of approximately \$3.0 million in Fleet/Equipment Rental Charge; \$1.0 million in all other M&O due to various departmental budget reductions and \$390 thousand for ISD Service Charge. These decreases in appropriation are offset by increases of \$1.1 million due to the Recreation Fund moving from the Special Revenue Category into the General Fund; \$1.0 million in Liability Insurance and \$174 thousand due to the Filming Funds moving from the Special Revenue Category into the General Fund.
- Transfers Out: There is a total net decrease of \$687 thousand in the transfer budget in FY 2019-20. This is due to a decrease of approximately \$1.3 million in transfers to the Low and Moderate Housing Fund resulting from less GSA Loan Repayment budgeted than last fiscal year. This decrease is offset by increases of \$500 thousand in transfer to the Debt Service Fund and \$74 thousand in Sales Tax transfer to the Capital Fund.

Based on the adopted revenues and appropriations, we anticipate balancing the budget with an estimated use of fund balance of approximately \$319 thousand. Although we have adopted a budget with a slight budget gap for FY 2019-20, it is an improvement from our initial budget gap of \$11.0 million. With cooperation from various departments, we were able to efficiently reduce departmental budgets as well as internal service costs by eliminating some vacant positions and reducing various M&O projections to achieve a well balanced budget. The adopted General Fund budget for FY 2019-20 represents our continued commitment to deliver quality services while maintaining fiscal responsibility.

General Fund – Measure S Appropriations

In FY 2019-20, City Council approved a total of \$29.8 million in Measure S funding of which \$6.3 million is in the General Fund for the following programs: \$4.2 million for the Monthly Housing Rental Subsidy Program, \$750 thousand for the First Time Home Buyer Program, \$560 thousand for the Aquatics Program Expansion, \$458 thousand for the Holiday Ice Rink and \$410 thousand for the Rental Rights Program.

Special Revenue Fund Appropriations

The \$1.8 million decrease (approximate) in the *Special Revenue Funds* is primarily due to the following:

- CDBG Fund (2010) – The increase of approximately \$27 thousand is due to an increase in projected revenue applied towards capital projects.
- Housing Assistance Fund (2020) – The increase of approximately \$1.3 million is primarily due to an increase in anticipated revenue applied towards personnel costs, direct assistance and Portable Voucher HAP.

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- Home Grant Fund (2030) – The increase of approximately \$601 thousand is due to an increase in anticipated revenue applied towards direct assistance.
- Continuum of Care Grant Fund (2040) – The increase of approximately \$33 thousand is due to an increase in anticipated revenue applied towards contractual services.
- Workforce Innovation and Opportunity Act Fund (2060) – The increase of approximately \$624 thousand is due to an increase in anticipated revenue applied towards direct assistance.
- Affordable Housing Trust Fund (2090) – The increase of approximately \$182 thousand is due to an increase in personnel costs.
- Urban Art Fund (2100) – The increase of approximately \$180 thousand is due to an increase in anticipated revenue received applied towards contractual services.
- Glendale Youth Alliance Fund (2110) – The increase of approximately \$393 thousand is due to an increase in anticipated revenue applied towards personnel costs.
- Low & Moderate Income Housing Asset Fund (2130) – The decrease of approximately \$672 thousand is due to a decrease in contractual services.
- Miscellaneous Grant Fund (2160) – The increase of approximately \$722 thousand is due to an increase in anticipated revenue applied towards direct assistance.
- Filming Fund (2170) – The decrease of approximately \$609 thousand is due to the fund being shifted into the General Fund in FY 2019-20.
- Recreation Fund (2180) – The decrease of approximately \$4.2 million is due to the fund being shifted into the General Fund in FY 2019-20.
- Hazardous Disposal Fund (2190) – The increase of approximately \$46 thousand is due to an increase in personnel costs.
- Parking Fund (2210) – The increase of approximately \$4.2 million is due to an increase in contractual services and capital projects.
- Measure M Local Return Fund (2220) – The decrease of approximately \$119 thousand is due to a decrease in contractual services.
- Measure H Fund (2240) – The increase of approximately \$38 thousand is due to personnel costs.
- Measure W Fund (2260) – This fund was newly established to account for a storm water maintenance and management program. Total appropriations of approximately \$1.2 million are for personnel costs, contractual services and CIP projects.
- Air Quality Improvement Fund (2510) – The increase of approximately \$15 thousand is due to an increase in contractual services.
- Measure R Local Return Fund (2540) – The decrease of approximately \$340 thousand is due to no new appropriation in capital outlay.

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- Measure R Regional Fund (2550) – The decrease of approximately \$4.5 million is due to no new appropriation in projects.
- Transit Prop A Local Return Fund (2560) – The increase of \$617 thousand is due to an increase in contractual services.
- Transit Prop C Local Return Fund (2570) – The decrease of approximately \$53 thousand is due to a decrease in contractual services.
- Transit Utility Fund (2580) – The increase of approximately \$463 thousand is due to an increase in contractual services, personnel costs and utility charges.
- Asset Forfeiture Fund (2600) – The decrease of approximately \$191 thousand is due to the shifting of a position into the General Fund.
- Police Special Grants Fund (2610) – The increase of \$144 thousand is due to an increase in personnel costs.
- Supplemental Law Enforcement Fund (2620) – The decrease of approximately \$64 thousand is due to a decrease in personnel costs based on activity projected.
- Fire Mutual Aid Fund (2660) – The increase of approximately \$150 thousand is due to an increase in anticipated revenues applied towards personnel costs.
- Special Events Fund (2670) – The decrease of approximately \$1.2 million is due to the fund being shifted into the General Fund in FY 2019-20.
- Library Fund (2750) – The increase of approximately \$96 thousand is due to an increase in hourly wages, books and general supplies.
- Cable Access Fund (2800) – The decrease of approximately \$675 thousand is due to a decrease in project appropriation relative to last fiscal year.
- Electric Public Benefit Fund (2910) – The decrease of approximately \$227 thousand is due a decrease in personnel costs, and decreases in the ISD and Building Maintenance rate charges.

Debt Service Funds

There is only one Debt Service Fund with an appropriation for FY 2019-20: the Police Building Project (Fund 3030). The increase in this fund of approximately \$461 thousand is mainly due to an increase in interest costs on bonds.

Capital Improvement Funds

The increase of \$11.4 million (approximate) in the *Capital Improvement Program* is primarily due to the following:

- General Fund Capital Improvement Fund (4010) - The decrease of approximately \$11.7 million is a result of a decrease in appropriation for projects relative to last year. Some of the major project appropriations for FY 2019-20 within this fund include: \$650 thousand for Fire Station 28 Reconstruction; \$625 thousand for Montrose Parking Lot and Electrical Upgrade; \$500 thousand for Dunsmore Parking Lot Resurfacing; \$250 thousand for Sports Complex Field 3 Artificial Turf;

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\$200 thousand for Fire Station 26 Reconstruction; \$200 thousand for MSB Tenant Improvements; \$125 thousand for ADA Facility Modification; and \$100 thousand for Branch Libraries.

- Measure S Capital Improvement Fund (4011) – In FY 2019-20, City Council approved \$29.8 million in Measure S funding, of which \$23.5 million is budgeted for in the newly created Measure S Capital Improvement Fund for the following programs: \$20.0 million for Affordable Housing developments and \$3.5 million for infrastructure needs for seismic upgrades.
- State Gas Tax Fund (4020) – The increase of approximately \$310 thousand is a result of an increase in appropriation for projects relative to last year. Some of the major project appropriations for FY 2019-20 within this fund include: \$2.4 million for the La Crescenta Avenue Rehabilitation Project; \$1.0 million for the Maintenance District 9 Pavement Rehabilitation; \$865 thousand for Street Resurfacing Program; \$650 thousand for Pavement Management System and \$660 thousand for Street Tree Maintenance Program.
- Parks Mitigation Fee Fund (4050) – The decrease of \$750 thousand is due to a decrease in project appropriation relative to last year. The only project appropriation for FY 2019-20 is for Pacific Park Artificial Turf in the amount of \$750 thousand.

Enterprise Funds

The \$31.4 million net increase (approximate) in the *Enterprise Funds* is primarily due to the following:

- Sewer Fund (5250) – The decrease of approximately \$3.1 million is due to a decrease in project appropriation relative to last year.
- Refuse Disposal Fund (5300) – The decrease of approximately \$1.3 million is due to less appropriation for capital outlay, depreciation and utilities. These decreases are offset by increases in contractual services.
- Fiber Optic Fund (5400) – This fund was newly established to provide improved commercial network infrastructure to expand the City's operation as a provider. This fund has appropriations of approximately \$220 thousand in personnel costs and contractual services.
- Verdugo Fire Communication Fund (5800) – The decrease of approximately \$1.8 million is due to a decrease in capital outlay. Part of this decrease is offset by an increase in contractual services, cost allocation and the ISD service charge.
- Electric Utility Funds (5810-5880) – The increase of approximately \$32.7 million is mainly attributable to an increase in purchased power, fuel-natural gas, regulatory expenses and an increase in project appropriation relative to last year.
- Water Utility Funds (5910-5980) – The increase of approximately \$4.6 million is mainly attributable to an increase in project appropriation relative to last year, personnel costs, cost allocation charges and depreciation.

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Internal Service Funds

The \$5.9 million decrease (approximate) in the *Internal Service Funds* is primarily due to the following:

- *Fleet Management Fund (6010)* – The decrease of approximately \$1.7 million is primarily due to a decrease in capital outlay.
- *Joint Air Support Fund (6020)* – The increase of approximately \$1.7 million is due to an increase in capital outlay for a purchase of a helicopter. The appropriation reflects 50% of helicopter purchase as the remaining 50% will be paid for by City of Burbank.
- *ISD Infrastructure Fund (6030)* – The decrease of approximately \$2.3 million is primarily due to a decrease in capital outlay. Part of this decrease is offset by an increase in contractual services.
- *ISD Applications Fund (6040)* – The decrease of approximately \$2.4 million is primarily due to decreases in capital outlay, computer software, contractual services and hourly wages.
- *Building Maintenance Fund (6070)* – The increase of approximately \$483 thousand is primarily due to an increase in repairs and grounds.
- *Unemployment Insurance Fund (6100)* – The decrease of approximately \$674 thousand is primarily due to a one-time transfer that was made in FY 2018-19 to the Compensation Insurance Fund (Fund 6140) to help improve its negative fund balance.
- *Liability Insurance Fund (6120)* – The decrease of approximately \$414 thousand is primarily due to a decrease in cost allocation charges and personnel costs. Part of this decrease is offset by an increase in general supplies and excess insurance premium.
- *Compensation Insurance Fund (6140)* – The increase of approximately \$634 thousand is due to increases in excess insurance premium and cost allocation charges.
- *Dental Insurance Fund (6150)* – The decrease of approximately \$561 thousand is primarily due to a one-time transfer that was made in FY 2018-19 to the Medical Insurance Fund (Fund 6160) due to funding needs.
- *Medical Insurance Fund (6160)* – The decrease of approximately \$35 thousand is due to a decrease in administrative fees for active and retired employees. Part of this decrease is offset by an increase in medical premiums and claims.
- *Vision Insurance Fund (6170)* – The decrease of approximately \$241 thousand is primarily due to a one-time transfer that was made in FY 2018-19 to the Medical Insurance Fund (Fund 6160) due to funding needs.
- *Employee Benefits Fund (6400)* – The increase of approximately \$448 thousand is due to an increase in anticipated separation and compensated time payouts.
- *RHSP Benefits Fund (6410)* – The decrease of approximately \$258 thousand is due to a decrease in compensated absences accrual.
- *ISD Wireless Fund (6600)* – The decrease of approximately \$693 thousand is primarily due to a decrease in capital outlay. Part of this decrease is offset by an increase in contractual services.