



City of Glendale
Budget Study Session #1
May 5, 2020

Agenda

- COVID-19 Financial Impacts
- FY 2019-20
 - General Fund Update
- FY 2020-21
 - Proposed General Fund Budget
 - Five Year Forecast
 - Measure S Discussion
 - Projects for Consideration
 - Organizational Profile
 - Budget Adoption Calendar
- Questions & Comments



City of Glendale

COVID-19 Financial Impacts



General Fund

COVID-19 Financial Impacts

- Sales Tax Estimates*
 - FY 2019-20 decrease of \$2.9m (6.3%) / FY 2020-21 decrease of \$5.6m (11.6%)
 - Recovery will be over 24 to 36 months
 - Online sales help boost State & County Pool allocations
 - Sales tax deferment measures for small businesses will delay cash flow
 - Impacts are consistent for Measure S

Estimated Revenue Impact from Prior Year		
Category	Fiscal Year 2019-20	Fiscal Year 2020-21
Autos & Transportation	(13.9%)	(1.0%)
Building & Construction	(13.0%)	0.5%
Business & Industry	(14.5%)	(1.4%)
Food & Drugs	1.9%	0.6%
Fuel & Service Stations	(16.8%)	(2.7%)
General Consumer Goods	(18.6%)	(0.8%)
Restaurants & Hotels	(18.6%)	(6.8%)
State & County Pools	17.7%	6.3%



General Fund

COVID-19 Financial Impacts

- Utility Users Tax (UUT) Estimates
 - FY 2019-20 decrease of \$715K (2.7%) / FY 2020-21 decrease of \$1.2m (4.9%)
 - Impacts are immediate with slow recovery in FY 2021
 - Decrease in commercial usage greater than increase in residential usage (cooler weather partially contributes to this)
- Transient Occupancy Tax (TOT) Estimates
 - FY 2019-20 decrease of \$1.1m (6.6%) / FY 2020-21 decrease of \$1.0m (5.2%)
 - Impacts are immediate with slow recovery into FY 2021
 - Occupancy down from average of 80% to approximately 20%



General Fund

COVID-19 Financial Impacts

- Licenses and Permits Estimates
 - FY 2019-20 decrease of \$1.9m (17.4%) / FY 2020-21 decrease of \$2.0m (17.9%)
 - Impacts are immediate with slow recovery in FY 2021
 - Planning applications and Building & Safety activity estimated decrease of 35% and 60%, respectively, for FY 2019-20
 - Code Compliance activity focused on “safer-at-home” order
- Charges for Services Estimates
 - FY 2019-20 decrease of \$1.4m (8.6%) / FY 2020-21 decrease of \$660k (3.7%)
 - Impacts are immediate with slow recovery starting in July 2020
 - Facility rentals, contract classes, and spring camps cancelled
 - Closures anticipated in whole or in part thru early fall 2020



City of Glendale

FY 2019-20 General Fund Update



FY 2019-20 General Fund Update

General Fund Resources (In Thousands)

	Adopted	Revised Prior to COVID-19	COVID-19 Losses	Revised Post COVID-19	% Impact
Property Taxes	\$ 64,043	\$ 64,043	\$ -	\$ 64,043	-
Sales Taxes*	45,403	45,403	(2,865)	42,537	(6.3%)
Utility Users' Taxes	28,162	25,844	(715)	25,129	(2.7%)
Occupancy and Other Taxes	16,690	16,690	(1,100)	15,590	(6.6%)
Licenses and Permits	10,685	10,685	(1,864)	8,821	(17.4%)
Revenue From Other Agencies	204	398	-	398	-
Charges For Services	16,270	16,420	(1,416)	15,003	(8.6%)
Interfund Revenue	19,310	19,310	-	19,310	-
Fines and Forfeitures	3,260	3,260	-	3,260	-
Interest/Use Of Money and Property	2,289	2,289	-	2,289	-
Miscellaneous and Non-Operating	4,546	5,288	-	5,289	-
Transfers from Other Funds	21,427	20,070	-	20,070	-
GSA Loan Repayment	3,733	3,733	-	3,733	-
Sub-Total Revenues:	\$ 236,021	\$ 233,433	\$ (7,960)	\$ 225,473	(3.4%)

* Excludes Measure S Sales Taxes



FY 2019-20 General Fund Update

General Fund Expenditures (In Thousands)

	Adopted Budget	Recurring Adjustments	One-Time Adjustments*	Revised Budget*
Administrative Services - Finance	\$ 6,177	\$ -	\$ -	\$ 6,177
City Attorney	4,389	65	-	4,454
City Clerk	1,120	-	1,083	2,202
City Treasurer	851	-	-	851
Community Development**	16,636	-	439	17,074
Community Services & Parks**	16,882	26	130	17,039
Fire	62,154	-	80	62,234
Human Resources	3,069	-	-	3,069
Innovation, Performance & Audit	1,370	-	-	1,370
Library, Arts & Culture	11,005	-	-	11,005
Management Services	5,949	-	-	5,949
Police	89,023	1,154	481	90,658
Public Works	15,104	-	728	15,832
Transfers	3,239	-	1,282	4,521
Total Budget:	\$ 236,969	\$ 1,245	\$ 4,222	\$ 242,436
Estimated Budget Savings:	-	-	-	(10,502)
Estimated Year-End Expenditures:	\$ -	\$ -	\$ -	\$ 231,934

* Includes carryover appropriations

** Excludes Measure S



FY 2019-20 General Fund Update

General Fund Resources and Appropriations (In Thousands)

Resources:	
Revenues	\$ 225,473
Use of Assigned Econ Dev Fund Balance	628*
Total Resources:	<u>\$ 226,101</u>
Estimated Actuals:	<u>\$ 231,934</u>
Projected Net Loss:	<u>\$ (5,833)</u>

*Assigned Economic Development Fund Balance was created as a result of the Economic Development section shifting from a Special Revenue Fund into the General Fund in FY 2014-15.



FY 2020-21 General Fund
Proposed Budget



FY 2020-21 General Fund Proposed Budget

Proposed Resources (In Thousands)

	Initial Proposed Resources	Covid-19 Losses	Final Proposed Resources	% Impact
Property Taxes	\$ 69,809	\$ -	\$ 69,809	-
Sales Taxes*	48,128	(5,581)	42,547	(11.6%)
Utility Users' Taxes	25,465	(1,241)	24,224	(4.9%)
Occupancy and Other Taxes	19,196	(995)	18,201	(5.2%)
Licenses and Permits	11,138	(1,990)	9,147	(17.9%)
Revenue From Other Agencies	220	-	220	-
Charges For Services	18,000	(658)	17,342	(3.7%)
Interfund Revenue	18,223	-	18,223	-
Fines and Forfeitures	3,330	-	3,330	-
Interest/Use Of Money	1,811	-	1,811	-
Miscellaneous and Non-Operating	1,707	-	1,707	-
Transfers from Other Funds	19,496	(902)	18,594	(4.6%)
GSA Loan Repayment	8,210	-	8,210	-
Sub-Total Revenues:	\$ 244,733	\$ (11,367)	\$ 233,366	(4.6%)

* Excludes Measure S Sales Taxes



FY 2020-21 General Fund Proposed Budget

Proposed Appropriations (In Thousands)

Revised FY 2019-20 Budget*		\$ 238,214
Salaries & Benefits		
Salaries and Benefits	\$ 3,989	
Estimated Vacancy Savings	(5,000)	
Total Salaries & Benefits Increase/(Decrease):		\$ (1,011)
Maintenance & Operation		
Liability Insurance	\$ 921	
ISD Service Charge	557	
Fleet/Equipment Rental Charge	(777)	
All Other M&O	911	
Total Maintenance & Operations Increase/(Decrease):		\$ 1,612
Transfers Out/Capital Outlay Increase/(Decrease)		\$ (13)
Total Proposed FY 2020-21 General Fund Budget		\$ 238,802

* Excludes one-time adjustments and carryovers



FY 2020-21 General Fund Five Year Forecast (In Millions)

(as of June 30, 2020)

	<i>Est. Actuals</i> FY 19-20	<i>Proposed</i> FY 20-21	<i>Projected</i> FY 21-22	<i>Projected</i> FY 22-23	<i>Projected</i> FY 23-24	<i>Projected</i> FY 24-25
Resources						
Revenues	\$ 225.5	\$ 233.3	\$ 240.4	\$ 243.4	\$ 247.7	\$ 252.0
Econ. Dev. Assigned Fund Balance	0.6	0.7	0.7	0.7	0.7	0.7
Total Resources	\$ 226.1	\$ 234.0	\$ 241.1	\$ 244.1	\$ 248.4	\$ 252.7
Appropriations						
Base Line	\$ 191.0	\$ 191.7	\$ 194.7	\$ 198.4	\$ 201.8	\$ 205.5
PERS	43.5	51.1	56.3	59.3	61.2	63.2
PERS Cost Share	(3.5)	(4.0)	(4.2)	(4.2)	(4.3)	(4.4)
Net PERS	\$ 40.0	\$ 47.1	\$ 52.1	\$ 55.1	\$ 56.9	\$ 58.8
2% Sales Tax Transfer to CIP (Excluding Measure S)	0.9	-	0.9	0.9	1.0	1.0
Total Appropriations	\$ 231.9	\$ 238.8	\$ 247.7	\$ 254.4	\$ 259.7	\$ 265.3
Change to Fund Balance	\$ (5.8)	\$ (4.8)	\$ (6.6)	\$ (10.3)	\$ (11.3)	\$ (12.6)
Est. FY 19-20 Carryovers into FY 20-21	0.8	-	-	-	-	-
Change in Fund Balance	\$ (6.6)	\$ (4.8)	\$ (6.6)	\$ (10.3)	\$ (11.3)	\$ (12.6)



FY 2020-21 General Fund Proposed Budget

Fund Balance Projection (In Thousands)

	Unassigned & Charter Reserve	% Projected* Reserve
Beginning Adjusted Fund Balance, 7/1/2019*	\$ 82,802	34.9%
Projected Year-End Use of Fund Balance	(5,833)	
Projected Ending Fund Balance, 6/30/2020*	\$ 76,969	32.5%
Projected Carryovers into FY 20-21	(800)	
Projected Beginning Fund Balance, 7/01/2020**	\$ 76,169	32.0%
FY 20-21 Projected Use of Fund Balance	(4,769)	
Projected Ending Fund Balance, 6/30/2021**	\$ 71,400	30.0%

* Reserve percentage is based on FY 2019-20 adopted appropriation of \$237.0 million. Current policy is a floor of 25% and a target of 35%.

**Reserve percentage is based on FY 2020-21 proposed appropriation of \$238.1 million not inclusive of Econ Dev use of assigned fund balance.



FY 2020-21 General Fund
Measure S



FY 2020-21 General Fund Proposed Budget

Measure S Update (In Thousands)

	FY 18-19 Actuals	FY 19-20 Budget	FY 19-20 Projected Actuals	FY 20-21 Carryover/ Proposed
<u>Revenues:</u>				
Sales Tax (Measure S)	\$ 5,184	\$ 30,000	\$ 22,140	\$ 22,170
<u>Expenses:</u>				
Rental Rights Program Administration	\$ -	\$ 410	\$ 374	\$ 445*
Housing Rental Subsidy Program	-	4,170	276	3,894
First Time Home Buyer Program	-	750	-	750
Year-Round Aquatics Program	-	560	434	582*
Ice Rink	-	458	436	-
Affordable Housing Land Acquisition	-	20,000	12,112	7,888
Fire Stations Seismic Upgrades	-	3,500	250	3,250
Total Expenses	\$ -	\$ 29,848	\$ 13,882	\$ 16,809
Net Total	\$ 5,184	\$ 152	\$ 8,258	\$ 5,361
Beginning Balance	-	5,184	5,184	13,442
Ending Balance	\$ 5,184	\$ 5,336	\$ 13,442	\$ 18,803

* New Appropriation Requested for FY 2020-21



FY 2020-21 General Fund
Projects for Consideration



FY 2020-21 General Fund Proposed Budget

Projects for Consideration

- Staff is seeking Council direction for the following projects:

Projects for Consideration	Amount
Hoover Pool Collaboration Capital Project*	\$7.0 - \$12.5 million
Citywide Traffic Study	\$500 thousand
Verdugo Wash Bikeway Feasibility Study	\$250 thousand

*Report will be brought to Council with project details



Organizational Profile



FY 2020-21 Citywide Organizational Profile

	Adopted FY 2019-20		Proposed FY 2020-21 **		Expenditure % Change from 19-20
Public Safety	\$168,446,285	18.6%	\$171,785,537	19.8%	2.0%
Public Works & Utilities	503,836,857	55.4%	479,032,553	55.3%	(4.9%)
Community Development	85,457,407	9.4%	62,046,359	7.2%	(27.4%)
Quality of Life	47,451,316	5.2%	44,056,772	5.1%	(7.2%)
Administration & Internal Service	103,919,069	11.4%	109,236,574	12.6%	5.1%
Total Expenditures *	\$909,110,934	100.0%	\$866,157,795	100.0%	(4.7%)

* Data excludes transfers out and projected vacancy savings

** Proposed FY 2020-21 Budget excludes Measure S funding



FY 2020-21 Citywide Organizational Profile

	Adopted FY 2019-20**	Proposed FY 2020-21**
Total Population	206,283	206,283*
Total Citywide Authorized Full Time Positions	1,585	1,584
Total General Fund Authorized Full Time Positions	909	907
Total Adopted Budget	\$ 938,337,124	\$ 887,856,524
Total General Fund Adopted Budget	\$ 243,316,577	\$ 238,802,457
Residents served per Full-Time Position (All Funds)	130	130
Residents served per Full-Time Position (General Fund)	227	227
Total Budget per capita (All Funds)	\$4,549	\$4,304
Total Budget per capita (General Fund)	\$1,180	\$1,158

* Estimated population California Department of Finance Annual Publication not yet available.

** Position Count includes positions for affordable housing programs authorized for Measure S. Proposed FY 2020-21 Budget does not include Measure S funding pending discussion.



Tri-City Comparison (1 of 2)

FY 2019-20 Per Capita Data

	Glendale	Burbank	Pasadena***
Total Population*	206,283	105,952	146,312
Total Citywide City Employees (FTE)**	1,919	1,430	2,273
Total General Fund FTE**	1,094	914	1,003
Total Citywide Adopted Budget (in thousands)	\$938,337	\$667,856	\$872,496
Total General Fund Adopted Budget (in thousands)	\$243,317	\$197,422	\$274,407
Residents served per FTE (Citywide)	107	74	64
Residents served per FTE (General Fund)	189	116	146
Total Budget per capita (Citywide)	\$4,549	\$6,303	\$5,963
Total Budget per capita (General Fund)	\$1,180	\$1,863	\$1,875

*Source: California Department of Finance annual publication

** Full-Time Equivalent (FTE) counts include full-time, part-time and hourly positions

*** Includes Affiliated Agencies



Tri-City Comparison (2 of 2)

General Fund Unassigned and Reserves Fund Balance (In Thousands)

	Glendale	Burbank**	Pasadena**
FY 18-19 General Fund Adopted Appropriation	\$227,786	\$171,154	\$245,640
FY 18-19 General Fund Unassigned and Reserves Fund Balance	88,303	86,404	70,381
Reserve %*	38.8%	50.5%	28.7%

* Reserve percentages are based on the FY 2018-19 adopted General Fund appropriations for each City.

**The fund balance amounts for Burbank and Pasadena are inclusive of revenues from Local Sales Tax measures



General Fund Budget Reduction History (In Thousands)

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FYs 15-19	FY 19-20
Admin. Services - Finance	\$ 249	\$ 118	\$ 39	\$ 75	\$ 211	\$ -	\$ -	\$ -	\$ 236
City Attorney	80	47	29	-	85	-	-	-	10
City Clerk	58	-	4	-	-	-	-	-	-
City Treasurer	2	-	-	-	57	-	-	-	-
Community Development	66	110	48	177	160	-	-	-	875
Community Services & Parks	670	99	137	1,311	736	-	-	-	329
Fire	1,489	600	216	926	704	-	-	-	202
Human Resources	103	15	40	40	84	-	-	-	319
Information Services	250	140	-	-	152	-	-	-	-
Innov., Performance & Audit	-	-	-	-	-	-	-	-	124
Library, Arts & Culture	428	161	54	252	165	-	-	-	238
Management Services	187	71	25	295	288	-	-	-	144
Police	1,173	2,620	327	329	523	-	-	-	374
Public Works	1,151	210	116	1,220	1,141	-	-	-	672
Total Dept. Budget Reductions:	\$ 5,906	\$ 4,191	\$ 1,035	\$ 4,625	\$ 4,306	\$ -	\$ -	\$ -	\$ 3,523
Position Eliminations due to Retirement Incentives:	-	-	-	-	9,006	-	1,340	-	-
Total Budget Reductions:	\$ 5,906	\$ 4,191	\$ 1,035	\$ 4,625	\$ 13,312	\$ -	\$ 1,340	\$ -	\$ 3,523



Authorized Full-Time Positions History

Fiscal Year	Revised Authorized Positions
2005-06	1,995
2006-07	1,974
2007-08	1,986
2008-09	1,942
2009-10	1,904
2010-11	1,899
2011-12	1,873
2012-13	1,605*
2013-14	1,588
2014-15	1,520
2015-16	1,575
2016-17	1,584
2017-18	1,587
2018-19	1,591
2019-20	1,584**
Proposed 2020-21	1,584

*Includes General Fund & GWP Balancing Strategies

**Revised authorized position count includes elimination of one position after budget adoption



FY 2020-21 Budget Adoption Calendar

- May 5, Budget Study Session #1, 9:00 a.m.
 - COVID-19 Financial Impacts
 - FY 2019-20 General Fund Update
 - FY 2020-21 Proposed General Fund Budget
 - Measure S Discussion
 - Projects for Consideration
 - Organizational Profile
- May 12, Budget Study Session #2, 9:00 a.m.
 - Departmental Presentations
 - Capital Improvement Program
 - Citywide Fee Schedule
- May 19, Budget Hearing and Budget Adoption, 6:00 p.m.



Questions & Comments





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