



City of Glendale  
*Budget Study Session #1*  
April 27, 2021

# Agenda

- FY 2020-21
  - General Fund Update
- FY 2021-22
  - Proposed General Fund Budget
  - Five Year Forecast
  - American Rescue Plan Act (ARPA) Funds
  - Proposed Citywide Fee Changes
- Budget Calendar
- Questions & Comments



# City of Glendale

## *FY 2020-21 General Fund Update*



# FY 2020-21 General Fund Revenues (1 of 2)

Revenues received total approximately \$116.5 million, or 52.9% of total Q2 Revised Budget (exclusive of Measure S revenues)

- Property Tax, Sales Taxes, and Utility Users' Tax continue to track closely to the revenue projection



- Transient Occupancy Taxes continue to track low due to the Hospitality industry not being fully recovered



# FY 2020-21 General Fund Revenues (2 of 2)

(In Thousands)\*

|                                    | Adopted<br>Budget | Revised<br>Budget Q1 | Revised<br>Budget Q2 | Actuals<br>2/28/21 | %<br>Received |
|------------------------------------|-------------------|----------------------|----------------------|--------------------|---------------|
| Property Taxes                     | \$ 69,809         | \$ 69,809            | \$ 70,358            | \$ 37,428          | 53.2%         |
| Sales Taxes**                      | 42,547            | 42,547               | 42,547               | 25,507             | 60.0%         |
| Utility Users' Taxes               | 24,224            | 24,224               | 25,784               | 15,705             | 60.9%         |
| Occupancy and Other Taxes          | 18,201            | 14,201               | 12,951               | 5,508              | 42.5%         |
| Licenses and Permits               | 9,147             | 9,147                | 8,879                | 5,263              | 59.3%         |
| Revenue From Other Agencies        | 220               | 2,755                | 2,755                | 2,535              | 92.0%         |
| Charges For Services               | 17,342            | 17,342               | 13,561               | 8,484              | 62.6%         |
| Interfund Revenue                  | 18,223            | 18,223               | 18,223               | 12,068             | 66.2%         |
| Fines and Forfeitures              | 3,330             | 3,330                | 3,005                | 1,887              | 62.8%         |
| Interest/Use Of Money and Property | 1,811             | 1,811                | 1,811                | 1,082              | 59.7%         |
| Miscellaneous and Non-Operating    | 1,707             | 1,707                | 1,707                | 314                | 18.4%         |
| Transfers from Other Funds         | 18,594            | 18,594               | 18,594               | 767                | 4.1%          |
| <b>Total Revenues:</b>             | <b>\$ 225,156</b> | <b>\$ 223,691</b>    | <b>\$ 220,176</b>    | <b>\$ 116,549</b>  | <b>52.9%</b>  |

\*Excludes GSA Loan Repayment amount, which is no longer being recorded as earned revenues but will be reflected in the unassigned fund balance category for the City's General Fund.

\*\*Excludes Measure S sales tax revenues; includes receipts for the months of July through January.



## FY 2020-21 General Fund Expenditures (1 of 3)

- Expenditures recorded total approximately \$151.5 million, or 64.1% of total revised budget (exclusive of Measure S expenditures)
- Revised Expenditure Budget includes Budget Carryovers, Departmental Budget Reductions, and Other Adjustments

| Changes to Adopted Budget As of 2/28/21<br>(In Thousands) |                      |   |                      |                   |
|---|----------------------|---|----------------------|-------------------|
| Adopted<br>Budget   | Budget<br>Carryovers | Budget<br>Reductions<br>(1 <sup>st</sup> Qrt) | Other<br>Adjustments | Revised<br>Budget |
| \$238,802   | \$769                | (\$1,663)                                     | \$200                | \$238,108         |



# FY 2020-21 General Fund Expenditures (2 of 3)

Projected year-end budget savings \$6.6 million

| General Fund Projected Year-End Savings<br>(In Thousands) |                 |                 |
|---|-----------------|-----------------|
| Category  | Initial         | Revised         |
| Salaries & Benefits                                       | \$ 314          | \$ 1,623        |
| Contractual Services                                      | 1,376           | 1,400           |
| Supplies  | 551             | 631             |
| Utilities   | 531             | 341             |
| Liability Insurance                                       | 1,720           | 1,813           |
| Other   | 670             | 755             |
| <b>Total Projected Savings</b>                            | <b>\$ 5,162</b> | <b>\$ 6,563</b> |



# FY 2020-21 General Fund Expenditures (3 of 3)

(In Thousands)\*

|  | Adopted<br>Budget | Revised<br>Budget | Actuals<br>2/28/21 | %<br>Expensed |
|--|-------------------|-------------------|--------------------|---------------|
| Salaries & Benefits                    | \$ 188,155        | \$ 186,105        | \$ 123,208         | 66.2%         |
| Maintenance & Operations               | 47,421            | 48,595            | 27,061             | 55.7%         |
| Capital Outlay                         | -                 | 181               | 137                | 75.7%         |
| Transfers Out                          | 1,585             | 1,585             | 1,056              | 66.6%         |
| <b>Sub-Total General Fund Budget</b>   | <b>\$ 237,160</b> | <b>\$ 236,466</b> | <b>\$ 151,462</b>  | <b>64.1%</b>  |
| GSA Loan Repayment 20% Transfers Out** | 1,642             | 1,642             | 1,642              | 100.0%        |
| <b>Grand Total Expenditures:</b>       | <b>\$ 238,802</b> | <b>\$ 238,108</b> | <b>\$ 153,104</b>  | <b>64.3%</b>  |
| Projected Year-End Savings             | -                 | (6,563)           | -                  | -             |
| <b>Projected Total Expenditures:</b>   | <b>\$ 238,802</b> | <b>\$ 231,545</b> | <b>\$ 153,104</b>  | <b>66.1%</b>  |

\*Excludes Measure S sales tax expenditures

\*\*The 20% transfer of the GSA Loan Repayment to the Low and Moderate Housing Fund will no longer be recorded as a transfers out in the General Fund but will be directly reflected in the Low and Moderate Housing Fund.





# FY 2020-21 General Fund Summary Update

(In Thousands)

|   | Adopted<br>FY2020-21 | Revised<br>FY2020-21 | GSA Loan<br>Repayment | Projected<br>Savings | Total<br>Projected |
|---|----------------------|----------------------|-----------------------|----------------------|--------------------|
| Resources                                       | \$ 225,156           | \$ 220,176           | \$ -                  | \$ -                 | \$ 220,176         |
| GSA Loan Repayment                              | 8,210                | -                    | 8,210                 | -                    | 8,210              |
| Econ Dev Assigned Fund Balance                  | 667                  | 667                  | -                     | -                    | 667                |
| <b>Total Resources</b>                          | <b>\$ 234,033</b>    | <b>\$ 220,843</b>    | <b>\$ 8,210</b>       | <b>\$ -</b>          | <b>\$ 229,053</b>  |
| Appropriations                                  | \$ 237,160           | \$ 236,466           | \$ -                  | \$ (6,563)           | \$ 229,903         |
| Carryovers from FY 2019-20                      | -                    | (769)                | -                     | -                    | (769)              |
| GSA Loan Repayment Transfer to Low & Mod        | 1,642                | -                    | 1,642                 | -                    | 1,642              |
| <b>Total Appropriations</b>                     | <b>\$ 238,802</b>    | <b>\$ 235,697</b>    | <b>\$ 1,642</b>       | <b>\$ (6,563)</b>    | <b>\$ 230,776</b>  |
| <b>Ending Net Surplus/(Use of Fund Balance)</b> | <b>\$ (4,769)</b>    | <b>\$ (14,854)</b>   | <b>\$ 6,568</b>       | <b>\$ 6,563</b>      | <b>\$ (1,723)</b>  |



# FY 2020-21 General Fund Projected Ending Fund Balance

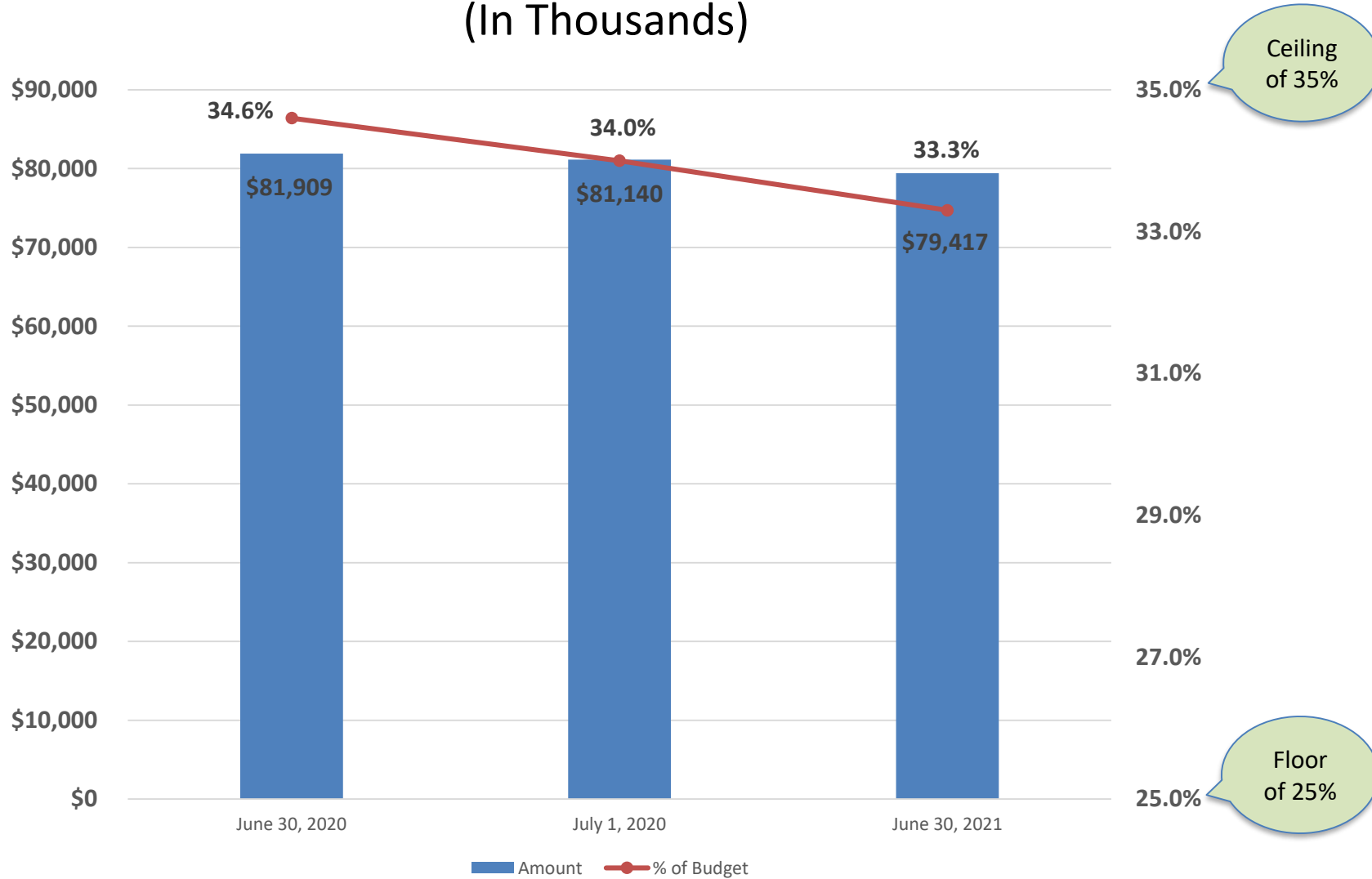
## (In Thousands)

|  | Unassigned &<br>Charter Reserve | % of<br>Budget* |
|--|---------------------------------|-----------------|
| Ending Unassigned & Charter Reserve, 06/30/2020            | \$ 81,909                       | 34.6%           |
| FY 2019-20 Budget Carryovers                               | (769)                           |                 |
| Beginning Adjusted Unassigned & Charter Reserve 07/01/2020 | \$ 81,140                       | 34.0%           |
| FY 2020-21 Revised Projected Use of Fund Balance           | (1,723)                         |                 |
| Projected Ending Unassigned & Charter Reserve, 06/30/2021  | \$ 79,417                       | 33.3%           |

\*Ending Unassigned & Charter Reserve, 6/30/2020 percentage is based on the Adopted FY 2019-20 expense budget. All other Reserve percentages are based on the Adopted FY 2020-21 expense budget. Council Policy is a floor of 25% with target of 35%



# FY 2020-21 General Fund Projected Ending Fund Balance (In Thousands)



*FY 2021-22 General Fund*  
Proposed Budget



# FY 2021-22 General Fund Revenue Assumptions (1 of 2)

- **Sales Tax** – Restaurants & Hotels, Fuel Service, and General Consumer Goods are slowly tracking up out of the pandemic; online sales continue to generate strong revenues

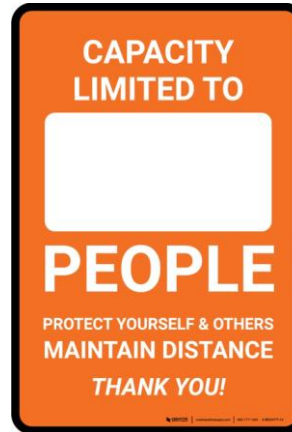


- **Occupancy & Other Taxes** – Hospitality industry is slowly recovering, TOT revenues gradually ramping back up although anticipated to not be fully recovered in FY 2021-22



# FY 2021-22 General Fund Revenue Assumptions (2 of 2)

- **Fines & Forfeitures –**  
Traffic Safety Fines are decreased, with remote work still in process and travel being suppressed

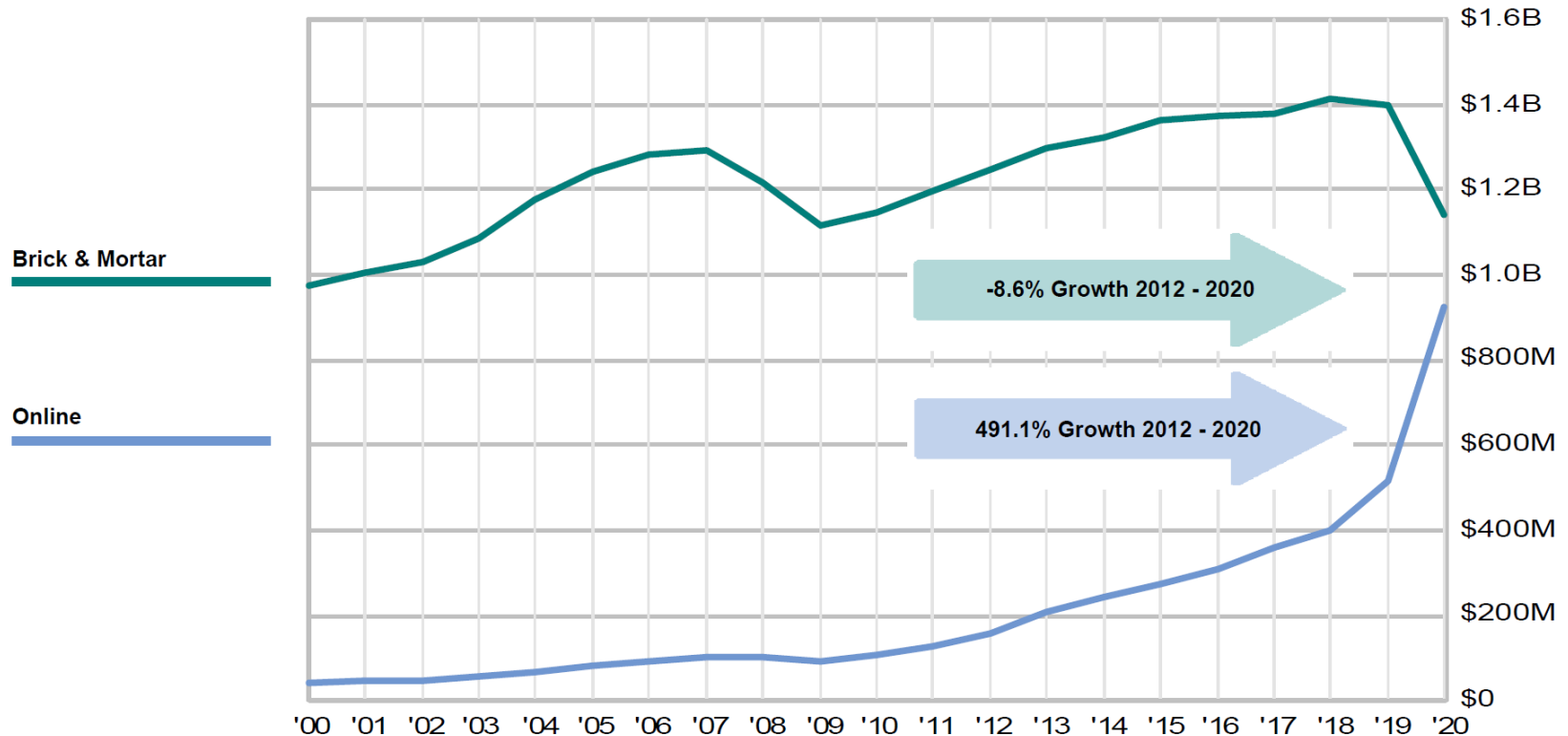


- **Charges for Services –** Revenues to track higher as programs and City facilities return to operations, although some reductions in revenues still sustained for a portion of the year due to limited capacity, and less anticipated activity



# Sales Tax – Brick & Mortar vs. Online Sales

## Local 1% Sales Tax by Calendar Year



### Legend:

Brick & Mortar - Statewide General Consumer Goods from Place-of-Sale locations

Online - Statewide General Consumer Goods from Fulfillment Centers and County Use-Tax Pool Allocations

Chart provided by HdL



# FY 2021-22 General Fund Proposed Revenues

|                                 | FY 2020-21<br>Revised Budget | FY 2021-22<br>Proposed Budget | Variance         | %           |
|---------------------------------|------------------------------|-------------------------------|------------------|-------------|
| Property Taxes                  | \$ 70,358                    | \$ 73,179                     | \$ 2,821         | 4.0%        |
| Sales Taxes**                   | 42,547                       | 44,061                        | 1,514            | 3.6%        |
| Utility Users' Taxes            | 25,784                       | 26,020                        | 236              | 0.9%        |
| Occupancy and Other Taxes       | 12,951                       | 15,608                        | 2,657            | 20.5%       |
| Licenses and Permits            | 8,879                        | 9,828                         | 949              | 10.7%       |
| Revenue From Other Agencies     | 2,755                        | 220                           | (2,535)          | (92.0%)     |
| Charges For Services            | 13,561                       | 16,023                        | 2,462            | 18.2%       |
| Interfund Revenue               | 18,223                       | 18,886                        | 663              | 3.6%        |
| Fines and Forfeitures           | 3,005                        | 3,005                         | -                | -           |
| Interest/Use Of Money           | 1,811                        | 1,748                         | (63)             | (3.5%)      |
| Miscellaneous and Non-Operating | 1,707                        | 1,525                         | (182)            | (10.7%)     |
| Transfers from Other Funds      | 18,594                       | 20,700                        | 2,106            | 11.3%       |
| <b>Total Revenues:</b>          | <b>\$ 220,176</b>            | <b>\$ 230,804</b>             | <b>\$ 10,628</b> | <b>4.8%</b> |

\*Excludes the GSA Loan Repayment amount, which is no longer being recorded as earned revenues but will be reflected in the unassigned fund balance category for the City's General Fund.

\*\*Excludes Measure S sales tax revenues





# FY 2021-22 General Fund Proposed Appropriations (1 of 2)

|                                      | FY 2020-21<br>Revised Budget* | FY 2021-22<br>Proposed Budget | Variance        | %           |
|--------------------------------------|-------------------------------|-------------------------------|-----------------|-------------|
| <b>Salaries &amp; Benefits</b>       |                               |                               |                 |             |
| Salaries                             | \$ 100,533                    | \$ 102,003                    | \$ 1,470        | 1.5%        |
| Overtime                             | 10,741                        | 10,739                        | (2)             | 0.0%        |
| Hourly Wages                         | 7,104                         | 7,389                         | 285             | 4.0%        |
| Benefits (Net Salary Charges out)    | 27,521                        | 29,160                        | 1,639           | 6.0%        |
| PERS (Net of Cost-Share)             | 47,050                        | 50,988                        | 3,939           | 8.4%        |
| Vacancy Budget Savings               | (5,000)                       | (5,000)                       | -               | 0.0%        |
| <b>Total Salaries &amp; Benefits</b> | <b>\$ 187,948</b>             | <b>\$ 195,279</b>             | <b>\$ 7,331</b> | <b>3.9%</b> |

\*Excludes one-time adjustments and carryovers



# FY 2021-22 General Fund Proposed Appropriations (2 of 2)

|   | FY 2020-21<br>Revised Budget* | FY 2021-22<br>Proposed Budget | Variance         | %           |
|---|-------------------------------|-------------------------------|------------------|-------------|
| <b>Maintenance &amp; Operation</b>        |                               |                               |                  |             |
| Contractual Services                      | \$ 8,695                      | \$ 8,955                      | \$ 260           | 3.0%        |
| Fleet Equipment Rental Charge             | 2,000                         | 3,000                         | 1,000            | 50.0%       |
| ISD Service Charge                        | 11,959                        | 13,085                        | 1,126            | 9.4%        |
| Building Maintenance Service Charge       | 4,000                         | 4,977                         | 977              | 24.4%       |
| All Other M&O                             | 19,711                        | 19,840                        | 129              | 0.7%        |
| <b>Total Maintenance &amp; Operations</b> | <b>\$ 46,366</b>              | <b>\$ 49,857</b>              | <b>\$ 3,492</b>  | <b>7.5%</b> |
| Capital Outlay                            | -                             | 118                           | 118              | N/A         |
| Transfers Out                             | 1,585                         | 1,585                         | -                | 0.0%        |
| <b>Sub-Total General Fund Budget</b>      | <b>\$ 235,898</b>             | <b>\$ 246,839</b>             | <b>\$ 10,940</b> | <b>4.6%</b> |
| GSA Loan Repayment 20% Transfers Out**    | 1,642                         | -                             | (1,642)          | (100%)      |
| <b>Grand Total Expenditures:</b>          | <b>\$ 237,540</b>             | <b>\$ 246,839</b>             | <b>\$ 9,298</b>  | <b>3.9%</b> |

\*Excludes one-time adjustments and carryovers

\*\*The 20% transfer of the GSA Loan Repayment to the Low and Moderate Housing Fund will no longer be recorded as a transfers out in the General Fund but will be directly reflected in the Low and Moderate Housing Fund.



# American Rescue Plan Act (ARPA) Funds

ARPA signed into law On March 11, 2021 guaranteeing direct financial relief to Local Governments

**City of Glendale allocation - \$49.8 million**

## What the Funds Can Be Used For...

- Revenue Replacement
- Water, Sewer, & Broadband Infrastructure
- COVID Assistance Programs
- Hero Pay for municipal employees up to \$13/per hour

**Funds must be spent by December 31, 2024**



# FY 2021-22 General Fund Proposed Budget Summary

## (In Thousands)

|  | FY 2021-22<br>Proposed<br>Budget |
|--|----------------------------------|
| Revenues*                                | \$ 230,804                       |
| GSA Loan Repayment                       | 1,467                            |
| Econ Dev Assigned Fund Balance           | 535                              |
| ARPA Funds                               | 14,033                           |
| Total Resources                          | \$ 246,839                       |
| Appropriations*                          | \$ 246,839                       |
| Ending Net Surplus/(Use of Fund Balance) | \$ -                             |

\*Excludes Measure S sales tax revenues and expenditures

\*\*The 20% transfer of the GSA Loan Repayment to the Low and Moderate Housing Fund will no longer be recorded as a transfers out in the General Fund but will be directly reflected in the Low and Moderate Housing Fund.



# FY 2021-22 General Fund Projected Ending Fund Balance

(In Thousands)

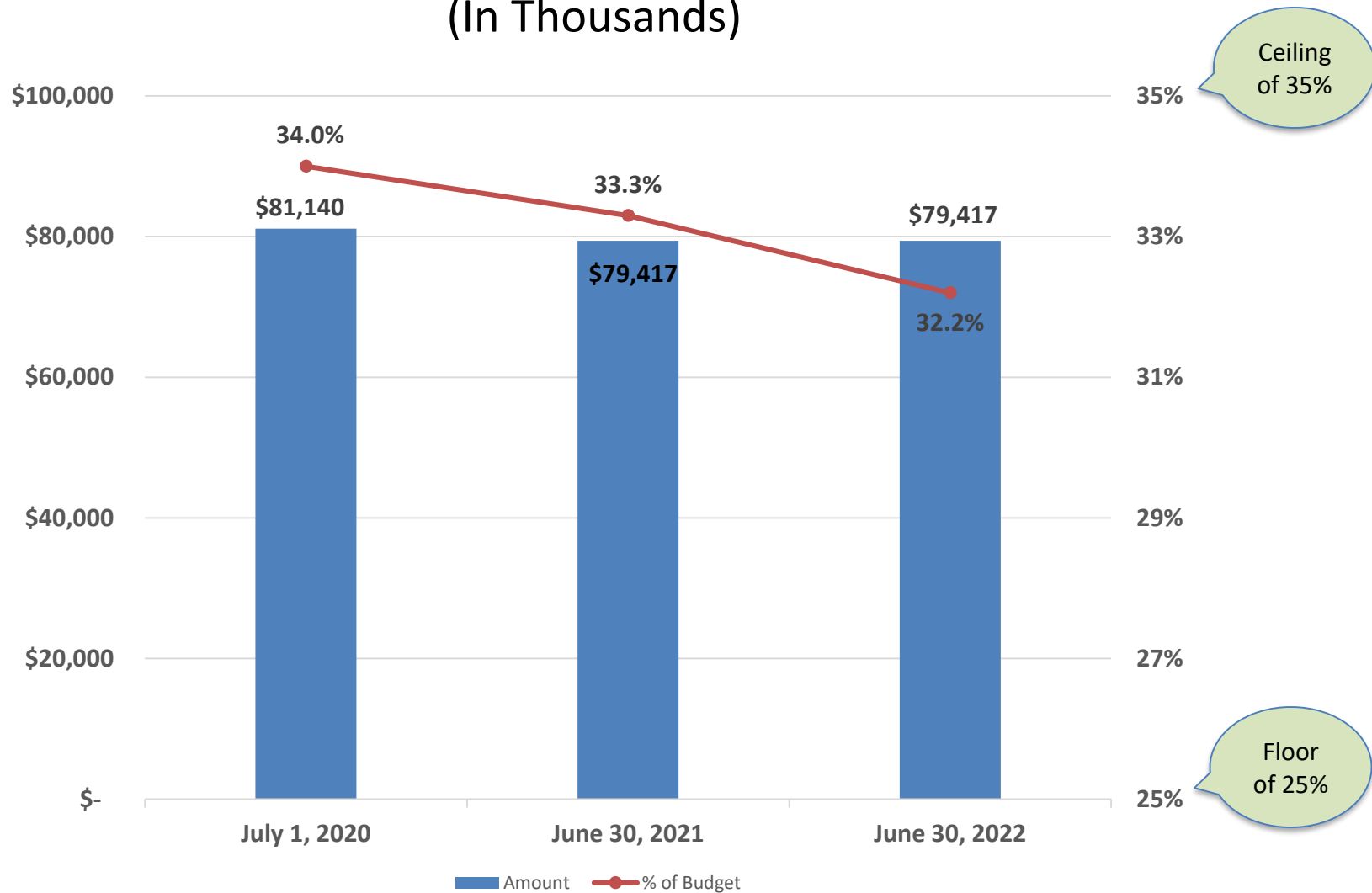
|  | Unassigned &<br>Charter Reserve | % Projected*<br>Reserve |
|--|---------------------------------|-------------------------|
| Beginning Adjusted Fund Balance, 7/1/2020* | \$ 81,140                       | 34.0%                   |
| FY 20-21 Projected Use of Fund Balance     | (1,723)                         |                         |
| Projected Ending Fund Balance, 6/30/2021*  | \$ 79,417                       | 33.3%                   |
| FY 21-22 Projected Use of Fund Balance     | -                               |                         |
| Projected Ending Fund Balance, 6/30/2022** | \$ 79,417                       | 32.2%                   |

\* Reserve percentage is based on FY 2020-21 adopted appropriation of \$238.8 million. Current policy is a floor of 25% and a target of 35%.

\*\* Reserve percentage is based on FY 2021-22 proposed appropriation of \$246.8 million.



# FY 2021-22 General Fund Projected Ending Fund Balance (In Thousands)



# FY 2021-22 General Fund Five Year Forecast

(In Millions)\*

|                          | <i>Projected<br/>FY 20-21</i> | <i>Proposed<br/>FY 21-22</i> | <i>Projected<br/>FY 22-23</i> | <i>Projected<br/>FY 23-24</i> | <i>Projected<br/>FY 24-25</i> | <i>Projected<br/>FY 25-26</i> |
|--------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Resources                | \$ 229.1                      | \$ 232.9                     | \$ 239.4                      | \$ 246.2                      | \$ 252.4                      | \$ 249.1                      |
| ARPA Funds               | -                             | 14.0                         | 17.1                          | -                             | -                             | -                             |
| Total Resources          | \$ 229.1                      | \$ 246.9                     | \$ 256.5                      | \$ 246.2                      | \$ 252.4                      | \$ 249.1                      |
| Appropriations           |                               |                              |                               |                               |                               |                               |
| Base Line                | \$ 187.2                      | \$ 195.9                     | \$ 201.7                      | \$ 206.7                      | \$ 211.2                      | \$ 215.4                      |
| PERS (Net of Cost Share) | 43.6                          | 51.0                         | 54.8                          | 56.5                          | 58.3                          | 56.0                          |
| Total Appropriations     | \$ 230.8                      | \$ 246.9                     | \$ 256.5                      | \$ 263.2                      | \$ 269.5                      | \$ 271.4                      |
| Change to Fund Balance   | \$ (1.7)                      | \$ -                         | \$ -                          | \$ (17.0)                     | \$ (17.1)                     | \$ (22.3)                     |

\*Excludes Measure S sales tax revenues and appropriations



# Proposed Citywide Fee Changes

## FY 2021-22

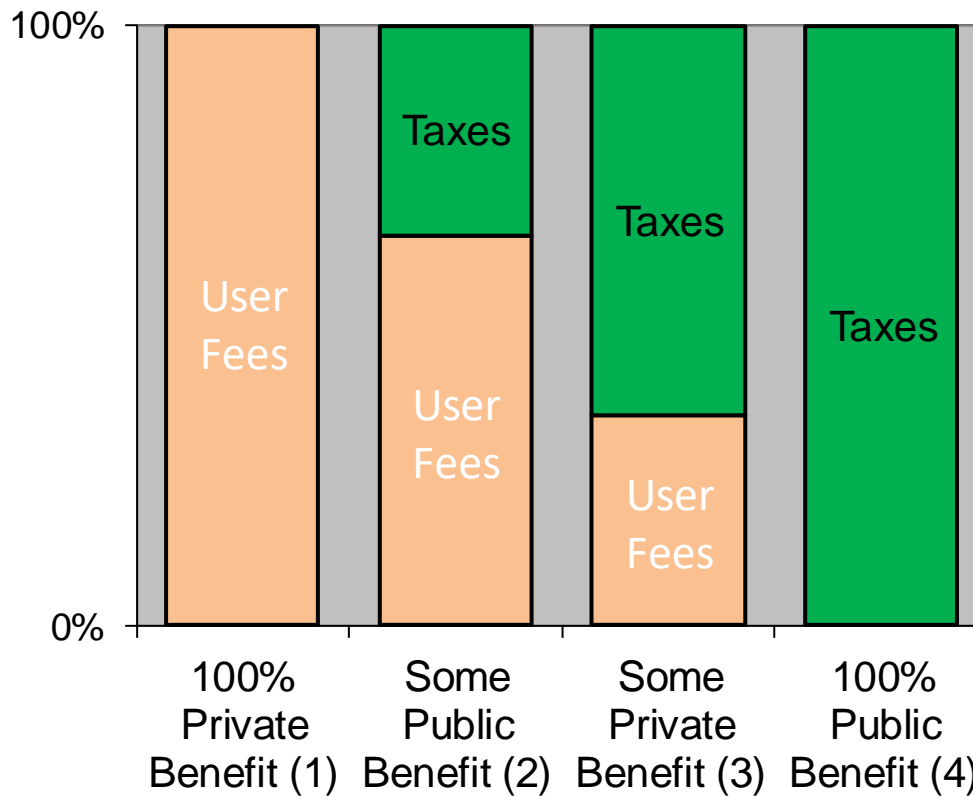




# Fee Setting Guidelines

## *Fee vs. Tax*

### Source of Service Funding



### Examples

- 1) Building Permits
- 2) Youth Programs
- 3) Historic Preservation
- 4) Police Patrol



# FY 2021-22 Proposed Fee Changes

2,342 Fees with \$134,223 Revenue Impact

## No Changes

1,673 Fees

\$ -

## Fee Deletions

7 Fees

\$ -

## CPI Adjustments\* (0.87%)

659 Fees

\$ 71,823

## New Fees\*\*

3 Fees

\$ 62,400

\* General Fund impact is \$48,785

\*\* New Fee impact is in the General Fund



# FY 2021-22 Proposed Fee Deletions (1 of 2)

| Fee # | Page # | Service Title   | Dept/Div                                 | FY 2020-21 Fee         |
|-------|--------|---|--|------------------------|
| 17    | 2      | Police Officer (4 Hours Minimum)  | Miscellaneous / Filming & Special Events | \$126.00 per Hour      |
| 19    | 2      | Police Sergeant (4 Hours Minimum)   | Miscellaneous / Filming & Special Events | \$161.00 per Hour      |
| 62    | 58     | Historic Preservation Commission review of single family dwelling modification or demolition  | Community Development / Planning         | \$5,129.00 per Request |
| 63    | 58     | Historic Preservation Commission review of modification or demolition of buildings/structures/features other than single family dwellings | Community Development / Planning         | \$5,382.00 per Request |



# FY 2021-22 Proposed Fee Deletions (2 of 2)

| Fee # | Page # | Service Title  | Dept/Div                       | FY 2020-21 Fee        |
|-------|--------|--|--------------------------------|-----------------------|
| 6     | 137    | Residential Care facility: Permit to operate or maintain a Large family day care; includes periodic inspection | Fire / Miscellaneous Fire Fees | \$336.00 per Facility |
| 73    | 143    | FLS annual inspection not otherwise covered by CIP (conducted as incremental adjunct to CUPA inspection)       | Fire / Miscellaneous Fire Fees | \$30.00 per Site      |
| 76    | 143    | FLS annual inspection not otherwise covered by CIP (FPB inspection not otherwise covered)                      | Fire / Miscellaneous Fire Fees | \$30.00 per Site      |



# FY 2021-22 Proposed New Fees

| Fee # | Page # | Service Title  | Dept/Div                                 | Proposed Fee             |
|-------|--------|--|--|--------------------------|
| 39    | 3      | <b>Police Personnel Fee (4 hour minimum)</b><br><i>Hourly cost for providing Police Personnel (Officer or Sergeant) to monitor activity at Special Events and filming detail sites and ensure safety</i> | Miscellaneous / Filming & Special Events | \$147.00 per Hour        |
| 14    | 22     | <b>GTC Bike Locker Rental Deposit Fee</b><br><i>Deposit Fee to rent a locker at the Glendale Transportation Center for storing bicycles and other equipment</i>  | Public Works / Transit Fees              | \$50.00 per Key          |
| 125   | 62     | <b>Glendale Transportation Demand Model Run Services</b><br><i>As-needed transportation Demand Model runs for proposed developments in the City</i>  | Community Development / Planning Fees    | \$4,160.00 per Model Run |



# FY 2021-22 Budget Adoption Calendar (1 of 2)

- April 27, Budget Study Session #1, 9:00 a.m.
  - FY 2019-20 General Fund Update
  - FY 2020-21 Proposed General Fund Budget
  - Citywide Fee Schedule
- May 4, Budget Study Session #2, 9:00 a.m.
  - Measure S Discussion
- May 6, Budget Study Session #3, 1:00 p.m.
  - Departmental Presentations
    - City Clerk
    - City Attorney
    - Community Services & Parks
    - Human Resources
- May 11, Budget Study Session #4, 9:00 a.m.
  - Departmental Presentations
    - Library, Arts & Culture
    - Glendale, Water & Power
    - Police



# FY 2021-22 Budget Adoption Calendar (2 of 2)

- May 13, Budget Study Session #5, 9:00 a.m.
  - Departmental Presentations
    - Information Services
    - Community Development
    - Public Works
- May 18, Budget Study Session #6, 9:00 a.m.
  - Departmental Presentations
    - City Treasurer
    - Administrative Services - Finance
    - City Manager
    - Innovation, Performance & Audit
    - Fire
- May 20, Budget Study Session #7, 9:00 a.m.
  - FY 2021-22 Citywide Budget Summary
  - Follow-up Items
- June 8, Budget Hearing and Budget Adoption, 6:00 p.m.



# Questions & Comments







*#MyGlendale*

