



# Budget Guide





## Budget Document Organization

The Budget Document provides comprehensive budgetary information on the City of Glendale. It can be accessed on the City's website at [www.glendaleca.gov](http://www.glendaleca.gov) on the Finance Department page. The Budget Document consists of the following sections:

- *Introductory Section* - This section includes the Community Profile, which provides some facts and figures about the City of Glendale. Additionally, this section provides the overall Form of Government and Organizational Chart for the City.
- *Budget Message* - This section includes the City Manager's Budget Message, which formally presents the budget to the City Council and outlines the total budgeted appropriations. The Budget Message also provides the principles that were used to determine the budget priorities and outlines the City's challenges as well as its strategic goals.
- *Budget Guide* - This section explains the organization of the budget document along with the budget and financial policies for the City. There is a brief discussion of the fund structures and their descriptions, the Gann Appropriations Limit, and the adopted budget resolution.
- *Resources & Appropriations* - This section contains information and summaries highlighting the major resources and appropriations in the FY 2023-24 Adopted Budget.
- *Strategic Goals* - This section includes information about the City's accomplishments over the past year in relation to its long-term strategic goals. Performance Measures are provided in this section and are used as a tool by management to measure effectiveness of the City's operations and services in relation to the strategic goals.
- *Budget Summaries* - This section includes various schedules and summaries that provide the financial plan adopted by City Council.
- *Department Budgets* - This section provides the mission and description of each department within the City's Organizational Chart and highlights how each department's programs and services relate to the City's strategic goals. It also includes the operating budget for each departmental division and personnel detail.
- *Appendices* - This section includes the Glossary of Terms which provides the readers with the definitions of the various budgetary and financial vocabularies, including acronyms found throughout the Budget Document and a description of all fund types.

## Budget Policies & Procedures

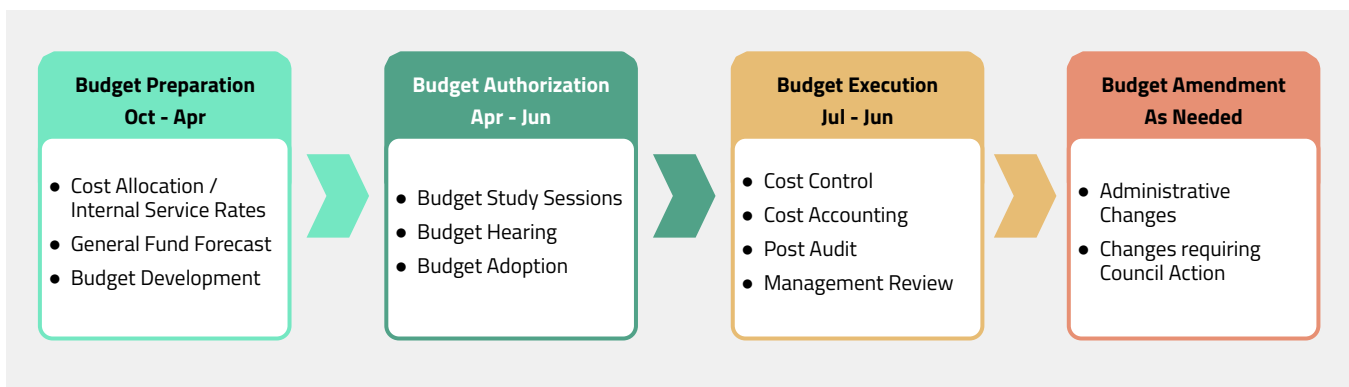
As the financial plan of action for the City government, the annual budget is an important document and the process of preparing that plan of action is one of the most significant jobs performed by City personnel during the year. The budget is more than just the financial plan for receiving and spending money to operate the City government; it determines the quality and quantity of governmental services, and the method of distributing costs to the various segments of the community through collection of taxes and fees. It defines the level of services to be rendered by City departments and highlights capital purchases and projects for the upcoming fiscal year.

The proposed budget is compiled from detailed information furnished by the various departments and includes estimates of revenues and expenditures for the ensuing year. These estimates are required to be as nearly uniform as possible and shall include the following:

- An estimate of the expenses for each department;
- Expenditures of corresponding items for the prior and the current fiscal years, including adjustments due to transfers between appropriations plus an estimate of expenditures to complete the current fiscal year;
- Such information as may be required by the City Council or as the City Manager may deem advisable to submit; and
- The recommendations of the City Manager as to the amounts to be appropriated, the reasons therefore, in such detail as the City Council may direct. The City Council shall have power to revise, correct or modify said proposed budgets.

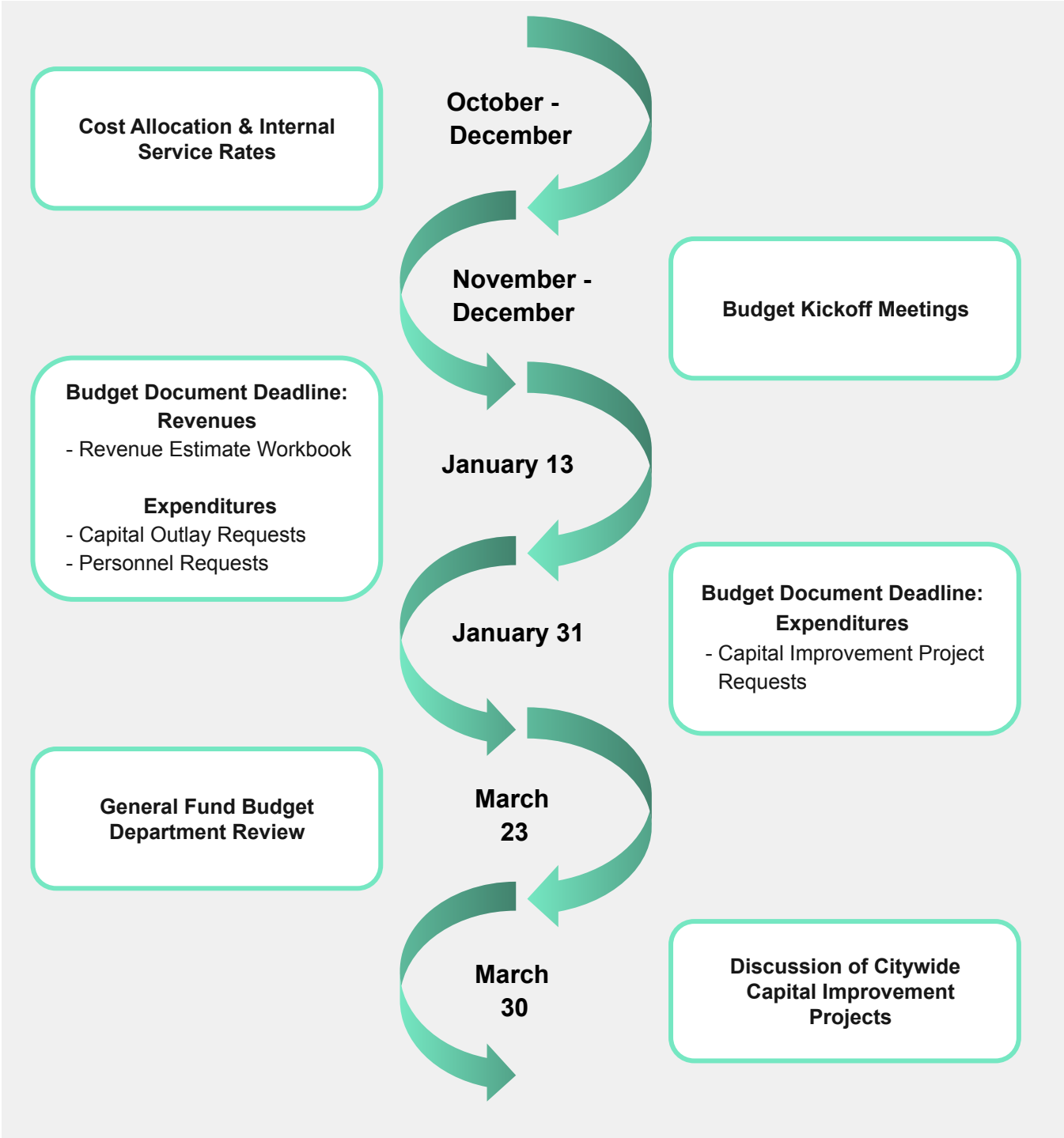
The Charter also provides that the City Council hold a public hearing to solicit public input on the proposed budget. It is the City's policy to adopt the budget on or before June 30.

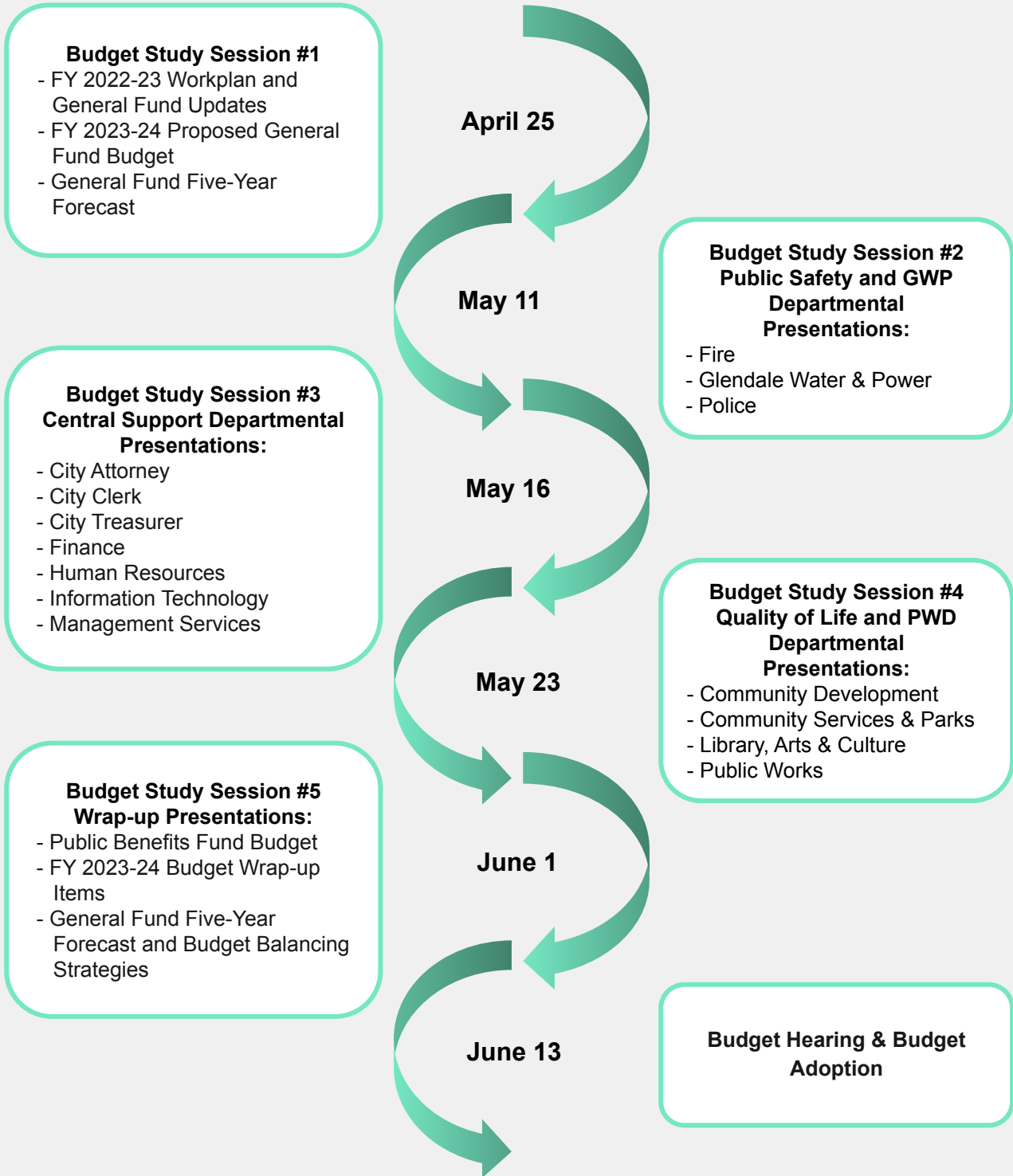
The annual budget process is a year-long continuous process. The main phases to the budget process include *Budget Preparation*, *Budget Authorization*, *Budget Execution*, and *Budget Amendment*, as shown below.



II. Budget Preparation

Budget Preparation includes determining the objectives and needs of the organization, evaluating courses of action, and determining the means of attaining these objectives. It identifies the key work activities and projects to be done and the resources required to achieve them in the upcoming year. The following calendar highlights the significant milestones for preparing the FY 2023-24 Adopted Budget:





The process of developing the budget allows for Department Heads and the City Manager to review departmental work programs, propose changes in services, recommend revisions in organizational structure, hear and discuss budget requests, and provide feedback regarding City operations.

1. Cost Allocation / Internal Service Rates - It is the City's policy to recover certain General Fund costs via a formal Cost Allocation plan. Its premise is to identify costs associated with services provided by the Central Service Departments within the General Fund to receiving departments outside the General Fund, and to recover said costs. Without a formalized Cost Allocation plan, the General Fund would subsidize these costs. A portion, if not all, of the funding for receiving departments comes from outside the General Fund and resides in Special Revenue Funds, Enterprise Funds, or Internal Services Funds. The main source of revenue for these non-General Fund departments is user fees and/or charges for services. Through the Cost Allocation plan, all departments can better identify the true cost of the services they provide (including both direct and indirect costs) and adjust their fees and charges accordingly. The Cost Allocation plan provides for a defensible, rational method on which to base these user fees or potential fee increases and is an essential step for establishing any fee or charge that is subject to Proposition 218.

It is also the City's policy to fund Internal Service funds via rates charged to receiving departments for the use of their services. During each budget process, the following internal service rates are reviewed and adjusted as needed:

- Fleet Management (Fund 6010)
  - ITD Infrastructure (Fund 6030)
  - ITD Applications (Fund 6040)
  - Building Maintenance (Fund 6070)
  - Unemployment Insurance (Fund 6100)
  - Liability Insurance (Fund 6120)
  - Compensation Insurance (Fund 6140)
  - Dental Insurance (Fund 6150)
  - Medical Insurance (Fund 6160)
  - Vision Insurance (Fund 6170)
  - Employee Benefits (Fund 6400)
  - RHSP Benefits (Fund 6410)
  - Post-Employment Benefits (Fund 6420)
  - Wireless Fund (Fund 6600)
2. General Fund Forecast - As part of the annual budget process, it is the City's policy to prepare a General Fund Forecast for the next five years. Generally, estimates should be conservative and based on a variety of information, such as:
    - Historical patterns;
    - Industry experts and forecasts from consultants when applicable;
    - Annual forecasts and updates from California Public Employees' Retirement System (PERS);
    - Applicable Memorandum of Understandings with the various employee bargaining groups;

- Changes or new programs that may have a budgetary impact per Department Heads and Management; and
- Professional judgment.

The City's General Fund Forecast is further discussed in the Budget Message section.

3. *Budget Kickoff* - As directed by the City Manager, it is the City's policy to have an annual budget kickoff meeting with all Department Heads and Budget Officers to review the assumptions for the upcoming budget process. The purpose of this meeting is to provide guidelines that will assist the various Departments in the preparation of their respective budgets. Information presented at this meeting may include items such as revenue estimates, personnel expenditures, maintenance and operation expenditures, capital outlay, and relevant forecasts. The budget calendar is also reviewed at the budget kickoff meeting, which sets forth the chronological sequence of events in the budget preparation process that culminates with the adoption of the budget by the City Council in June.
4. *Budget Development* - After the Budget Kickoff, Departments and Budget Officers are tasked with preparing their respective budgets for the upcoming year, taking into account the assumptions and guidelines presented at the Kickoff. The budget is comprised of the following components listed below.
  - a. *Revenue Estimates* - Projection for recurring revenues, new revenues, user fees and proposed changes (increases, decreases, or new fees), one-time revenues, and grant funding.
  - b. *Salaries & Benefits* - Personnel data pre-calculated with salaries and benefits information generated from the payroll system including step increases, changes in Memoranda of Understanding (MOU) from various employee groups and internal service rates for benefits, and any other budget assumptions. Departments are responsible for planning and budgeting for upcoming personnel needs, including overtime and hourly wages. New full-time personnel requests require the approval of the City Manager and City Council.
  - c. *Maintenance & Operation* - In preparing estimates of requirements for maintenance and operation, it is especially important that figures be well justified based on projected conditions for the ensuing year, rather than relying too heavily on experience from the prior year. Changes in the following conditions, among others, should be considered: general economic conditions; changes in level of service; effects of population or geographical growth; adjustments in utility rates and postage rates; increasing maintenance costs due to aging equipment; adjustments in subscription or membership fees and travel allowance due to location of conferences; rent increases or decreases; special non-capital equipment items; and other non-recurring expenses.
  - d. *Capital Outlay* - Tangible assets having a unit cost equal to or more than \$10,000 or \$100,000 in aggregate, and a utility which extends beyond the current year are considered to be "capital" items. Examples of capital items include, but are not limited to, the following: equipment, vehicles, furniture and fixtures, computer hardware, and software.
  - e. *Capital Improvement Program* - The Capital Improvement Program (CIP) is primarily a tool for the long-range planning and programming of the City's capital improvement needs. It provides a method for identifying and funding the needs of all City Departments. Capital improvements are projects of large size, fixed nature, or long life which provide new or additional public facilities or services. Also included in this broad definition of the term are major replacements and reconstructions; items of large equipment such as fire trucks, furniture and other equipment

when purchased as a part of the initial projects; and acquisition of land needed for projects within and beyond the immediate five-year period. There are two distinct components of the City's Capital Improvement Program: General Fund capital improvements and capital improvements within all other funds.

Departments submit their project requests for both General Fund and Non-General Fund CIP projects, providing an overview of each project, its funding sources, budget needs, and impact on annual operating and maintenance costs. As part of the budget process, an annual meeting is conducted to present all new requests, along with some previously approved projects, to be reviewed by the City Manager, Department Heads, and Budget Officers. The goal is to ensure and reaffirm that funding is available for projects appropriated in previous budget years, as well as for new projects approved during the budget process.

During this meeting, the projects are presented on a ten-year plan basis, with the "Future Years" column representing the accumulation of years six through ten. The years beyond are included for informational and planning purposes so that the City Manager may also take into consideration the needs in future years. However, when the budget is adopted by the City Council, only that year's proposed budget is approved and authorized.

### III. Budget Authorization

Budget Authorization is concerned with public hearings and final enactment of the budget, which includes the authorization of funds, possible amendment of fees and user charges, and the adoption of necessary resolutions to effectuate the budget's plan. Presentation of the budget to the City Council provides the City Manager an opportunity to explain proposed municipal programs and focus attention on problems, services and programs that require City Council action or support for implementation. In reviewing the budget, the City Council has an opportunity to evaluate the adequacy of proposed operating programs, to establish the level of municipal services to be rendered, determine basic organizational and personnel staffing patterns, and review the efficiency of work methods. The needs of one service can be compared with needs of others, and the desirability of proposed services and programs can be weighed against the taxes or charges required to finance them.

1. *Budget Study Sessions* - After the Budget is prepared for review, it is the City's policy to conduct annual budget study sessions that usually occur in April, May, and June of each year. Topics that will usually be presented include the General Fund proposed budget and forecast, proposed departmental citywide budgets, proposed capital improvement projects, proposed citywide fee changes, and other items requested by the City Council. The purpose of these meetings is to inform the community of the programs, services, and projects to be funded in the upcoming year. In addition, this affords the City Council an opportunity to review the proposed budget, ask questions, and prioritize programs and services. Lastly, the budget study sessions provide a public forum for the City to conduct its fiscal affairs in an open and transparent manner.
2. *Budget Hearing* - In accordance with the City Charter, the City conducts a public budget hearing in which members of the community may comment on any aspect of the proposed budget. After hearing such comments, the City Council has the ability to amend the proposed budget in any manner it deems appropriate. As required by the City Charter, a public notice will be published at least ten days prior to the public hearing.
3. *Budget Adoption* - In accordance with the City Charter, the City Council must adopt by resolution the annual budget for the upcoming fiscal year on or before June 30 of each year.



## IV. Budget Execution

Budget execution includes more than the traditional concept of assuring that the goals, service levels, and program changes are accomplished. It also ensures that plans and programs are accomplished within budgetary limits and are carried out in an effective, efficient, and timely manner. It further includes:

1. *Cost Control* - The reduction of costs and increase in efficiency and economy through placing the responsibility for cost containment on the individual manager.
2. *Cost Accounting* - The maintaining of records of labor distribution and expenditures to provide full costs in connection with services and programs, which are recurring factors for decision-making and setting the appropriate level of cost recovery.
3. *Post Audit* - The performance of a verification of the propriety of the manner in which funds are expended.
4. *Management Review* - The comparison of actual performance to projected goals, service levels, and program changes.

It is the departments' responsibility to operate within the budget provided, unless compelling and unforeseen circumstances require a supplementary appropriation. More than occasional exceeding of appropriations due to unusual circumstances is evidence of lax administration. Departments shall make every effort to keep within budget appropriations. If doing so would mean a serious cutback or curtailment of services, the City Manager should be advised of the circumstances. Absent any unusual circumstances, proper administration and planning should prevent budget over-expenditures.

## V. Changes to the Adopted Budget

The budget is not a static guideline for City spending, but rather a dynamic document subject to constant scrutiny, revision, and adjustment. While every effort is made to adopt an accurate budget, it is comprised of management's best estimates at a particular point in time. As such, the adopted budget may need revision from time to time as new information and actual receipts and expenditures come to fruition during the year. As specified in the City Charter, the budget may be amended or supplemented during the year by a 3/5 vote of the City Council via a Resolution of Appropriation. Some budget adjustment actions may be made administratively, as defined in the budget policy, which is consistent with the City Charter.

# The Accounting System & Basis of Budgeting, Financial Policies, Budgetary Controls, & Investment Portfolio

## Accounting System & Basis of Budgeting

The City of Glendale's accounting records are maintained in full accordance with Generally Accepted Accounting Principles (GAAP), as established by the Government Accounting Standards Board (GASB). Government fund types (General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds) are maintained via a modified accrual basis of accounting. Proprietary fund types (Enterprise and Internal Service Funds) are maintained via a full accrual accounting basis.

The City Council is required to adopt an annual budget resolution by June 30 of each fiscal year for the General Fund, Special Revenue Funds, and Debt Service Funds. The budgets are presented for reporting purposes on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

Under this method, revenues are recognized in the period they become measurable and available, while expenditures are recorded when liability is incurred.

The City Council annually adopts the Capital Improvement Program for the capital projects funds. During the year, unspent Capital Improvement Projects in the prior years' budget are carried forward into the new fiscal year. Therefore, an annual budget comparison on multi-year projects is impractical.

The City Council also adopts budgets for the Enterprise and Internal Service funds annually. However, all proprietary fund types are accounted for on a cost of service (net income), or "capital maintenance", measurement basis.

In addition, the City uses an "encumbrance system". Under this procedure, encumbrance accounting is used to the extent necessary to assure effective budget control and accountability, and to facilitate effective cash planning and control.

### Financial Policies

The City Council has adopted the following financial policies as a primary guide for the preparation of the City's annual budget:

- I. The City will maintain a balanced operating budget for all governmental funds with ongoing resources equal to or greater than ongoing expenditures.
- II. The City will prepare and maintain a multi-year General Fund Forecast on an annual basis. Forecasts for other funds will be prepared by the appropriate department on an as-needed basis. Forecasts for revenues and expenditures should be conservative and based on a variety of factors that shall include, but not be limited to, the following: (1) historical trends; (2) anticipated external factors that could have a significant impact on revenues and expenditures; (3) input from City personnel and economic forecasts from recognized agencies and publications; (4) new fees or increases/decreases to existing fees enacted for the upcoming year; and (5) professional judgment by the forecaster.
- III. The City shall self-insure against future claims and limit the total loss per incident by purchasing the appropriate excess liability coverage when deemed cost effective to do so.
- IV. The City shall establish Internal Service Funds on an as-needed basis for a variety of functions and services that are collectively shared by departments citywide, including employee benefits, insurance, information technology, fleet maintenance and acquisition, and building maintenance.
  - A. All Internal Services Funds shall be self-supporting via a rate that is allocated to the user departments. The particular methodology may be unique to each Internal Service Fund and costs will be allocated in a reasonable manner as deemed appropriate by the Director of Finance and Information Technology.
  - B. Rates for all Internal Service Funds shall be annually reviewed and adjusted, if needed, to ensure current and future costs relative to each Internal Service Fund are funded. Except as otherwise noted, the goal is to avoid funding on a "pay-go" basis for major capital acquisition and/or replacement in these funds.
  - C. If a fund balance deficit exists in a given Internal Service Fund, a rate will be developed that will amortize the deficit over a fixed period of time as determined by the City Manager. The goal is to eliminate fund balance deficits as soon as reasonably possible.

- D. The City will strive to maintain adequate cash, not less than the claims payable, in each self-insurance Internal Service Fund.
- E. To the extent possible, all costs associated with an Internal Service Fund's purpose shall be paid for out of said fund and allocated to user departments based on a pre-determined methodology.
- V. The City will continue to fund all City governmental capital improvements on a "pay-as-you-go" or cash basis, but recognize that there may be times when an alternate financing strategy may be appropriate. Each strategy (e.g., General Obligation Bonds, Certificates of Participation, and Lease-Back arrangements, etc.) needs to be considered in light of the specific project and the consequences of each financing strategy.
  - A. Whenever possible, the City shall use special assessment, revenue, or other self-supporting bonds instead of general obligations bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.
  - B. The City shall not use long-term debt for current operations.
  - C. The City shall maintain good communications with bond rating agencies regarding its financial conditions, and shall comply with all bond coverage ratios, covenants, and disclosure requirements.
- VI. The City will continue to fund post-employment liabilities on a "pay-as-you-go" or cash basis as the expense is paid out.
- VII. The City will not leverage borrowed money for purposes of increased investment return nor to increase its borrowing capacity.
- VIII. The City will continue to comply with all the requirements of GAAP and GASB statements. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, recommends an adoption of a formal comprehensive fund balance policy to serve as the framework upon which consistent operations may be built and sustained.
  - A. Non-spendable Fund Balance – At the end of each fiscal year, the City will report the portion of the fund balance that is not in spendable form as "Non-spendable Fund Balance" on the financial statements.
  - B. Restricted Fund Balance – The restricted fund balances are restricted for specific purposes by third parties or legislative action.
  - C. Committed Fund Balance – The committed fund balances include amounts that can be used only for specific purposes determined by the formal action of the City Council, as they are the highest level of decision-making authority. The City Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
  - D. Assigned Fund Balances – The City Manager or his/her designee is authorized by the City Council to assign fund balance in the "Assigned" category, which is comprised of amounts intended to be used by the City for specific purposes but are not restricted or committed.
  - E. Unassigned General Fund, Fund Balance – Unassigned fund balances are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four

categories, and include all deficit amounts in all other governmental funds. The City will strive to maintain a General Fund Reserve (including the City Charter-required reserve plus the unassigned fund balance) of 35% and not less than 25% of the budget.

- IX. The City will pursue cost recovery for services funded by governmental funds incorporating defined budgets, specific goals, and measurable milestones.
- X. The City will pursue collection activities that will yield the highest amount of revenue that is due to the City while minimizing the costs incurred to do so.
- XI. The City will continue to maintain an Investment Committee whose primary purpose is to serve in an advisory role. The Investment Committee will function under its own prescribed procedures as defined by its adopted charter.
- XII. The City will continue to maintain an Audit Committee whose primary purpose is to serve in an advisory role. The Audit Committee will function under its own prescribed procedures as defined by its adopted charter.

## Budgetary Controls

On at least a monthly basis, Budget staff review actual expenditures against the authorized annual budget. The budgetary controls are set up at the fund level within each department. The City Manager may authorize a transfer of appropriation within different functions at the fund level. The system is set up to control expenditures against budget at two levels:

**General Ledger Level** – system checks actual transactions against category level spending within each fund and department (Salaries & Benefits, Discretionary Maintenance & Operation, Non-Discretionary Maintenance & Operation, Other Uses, Transfers, Capital Outlay, and Capital Improvement).

**Project Ledger Level** – system checks actual transactions against the project budget within the system. There is a one-to-one relationship between the project and the budget. Hence, even if funding is available within the total appropriation for a said fund, if the project itself does not have enough appropriation, the system will generate a budget control error and stop the transaction from going through.

Having the above budgetary controls in place ensures that all transactions processed within the system are within the City Council authorized budget for the fiscal year. Additionally, for the General Fund, a quarterly budget update report is presented to the City Council. These reports provide the details on how departmental expenditures are tracking and summarize the adjustments that have been approved by the City Council post-budget adoption. This process further ensures that all supplemental adjustments made to the citywide budget post-budget adoption have been authorized by the City Council. Furthermore, on an annual basis, external auditors review the budget and verify that adjustments made to the budget after adoption are supported by Resolutions of Appropriation.

## Investment Portfolio

The City follows the “Prudent-Man Rule” of investing. This rule provides that the City Treasurer, who is responsible for investing the City’s money, must act as a prudent man or woman would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and avoid speculative investments. Specifically, the City’s portfolio is invested with the following objectives: (1) Safety – protect, preserve, and maintain cash and investments; (2) Liquidity – maintain short-term securities that can be converted to cash if necessary and invest all securities with active secondary or resale markets; (3) Yield – should become a consideration only after the basic requirements of safety and liquidity have been met.



## Fund Structure and Descriptions

The City of Glendale's adopted budget consists of the following Fund types:

### General Fund

The General Fund is the primary fund of the City. The General Fund provides City services that the general public typically associates with local government, such as parks, libraries, public safety, and general administrative support. The General Fund collects all general revenues not specifically levied or collected for other City funds or expenditures.

### Special Revenue Funds

The Special Revenue Funds consist of those "restricted receipts" which may not be used for general municipal purposes. They are restricted by Local Ordinance or State or Federal Statute to be used for specific purposes. These groups of funds represent services funded primarily by other levels of government and not "traditionally" provided by local government. Should the funding for most of these programs be eliminated, it is likely that the services would also be eliminated. As a result of AB 1x26, the Glendale Redevelopment Agency (GRA) was dissolved effective February 1, 2012. All of the Redevelopment related Special Revenue Funds became obligations of the Successor Agency and their budgets will no longer be included in the City's budget book. A detailed list and description of all Special Revenue Funds can be found in the *Budget Summaries* section.

### Debt Service Funds

These funds are intended to account for the resources allocated toward debt service. The City of Glendale's General Fund has no outstanding General Obligation (GO) debt. Its long-term debt in the Debt Service Fund is comprised of revenue bonds. The Glendale Municipal Financing Authority 2019 Lease Revenue Refunding Bonds were issued to refinance an existing lease relating to the City's outstanding Variable Rate Demand Certificates of Participation (COPs) and to pay the costs of issuing the bonds.

### Capital Improvement Funds

The Capital Improvement Program in the General Fund includes funding for a variety of City projects from parks development to library renovation, facility modification, and other various street and infrastructure improvement projects. Funds in this category provide the resources for the governmental capital improvement projects. A detailed description of each Capital Improvement Fund can be found in the *Budget Summaries* section.

### Enterprise Funds

Enterprise Funds' primary sources of revenues are charges for services and reflect characteristics that are more commonly associated with businesses. Enterprise Funds are considered self-supporting and rely on their income sources to fund their operations. The City's largest Enterprise Funds are the Electric, Water, and Sewer funds. A detailed list and description of all Enterprise Funds can be found in the *Budget Summaries* section.

### Internal Service Funds

The Internal Service Funds are proprietary funds, serving internal departments of the City of Glendale. Some of the major funds in this category include Fleet Management, ITD Funds, Building Maintenance, and the City's self-insurance funds. All of these funds derive their resources from expensing the Governmental and Enterprise budgets and are already included within the City budget. They are presented for informational and memorandum control purposes. A detailed description of all Internal Service Funds can be found in the *Budget Summaries* section.

## Gann Appropriation Limit

On November 6, 1979, California voters passed Proposition 4, commonly referred to as the “Gann Initiative”. The Gann Initiative established constitutional limits on the amount of tax revenue that may be appropriated by California governmental agencies in a given fiscal year. This limit is initially calculated using actual appropriations from a base year and then adjusted annually using a growth factor that takes into account changes in population and the cost of living. Statutes clarifying the provisions of the Gann Initiative are now codified in article XIII B of the California Constitution, which provides the formula for calculating local government spending limits. In addition to Article XIII B, the Revenue and Taxation Code, Section 7910, requires each local governmental unit to establish its appropriations limit by the beginning of each fiscal year. In June 1989, California voters passed Proposition 111, which further improved procedural transparency for local governments setting annual appropriations limits. Among other things, Proposition 111 revised the base year used in calculating the Gann Appropriations Limit from 1979 to 1987 and simplified the formula used for calculating annual adjustments.

Each year, local governments must adjust their Appropriations Limit using two variables: the change in the cost of living and the change in population. California state law allows a public entity to choose among different methods for calculating these two variables. A local government that is not a school or a college district may choose to define the change in the cost of living in either of two ways: (1) the change in California’s per capita personal income, or (2) the change in the jurisdiction’s local assessment roll from the preceding year that is due to the addition of local non-residential new construction.

Local governments also have two options for defining the change in population: (1) the percentage change in population within the City, or (2) the percentage change in population within the county where the city is located. To ensure consistency and accuracy among jurisdictions, the Department of Finance is required to post an annual newsletter by May 1st that provides the percentage change in California’s per capita personal income as well as data on population change for each city in the State. The City of Glendale utilizes this newsletter in computing its annual Appropriations Limit.

In calculating the City of Glendale’s FY 2023-24 Gann Appropriations Limit, staff analyzed the four alternative methods for calculating the appropriations limit and elected to use the method that resulted in the most conservative appropriations limit. Based on this analysis, staff has elected this year to define the change in the cost of living as the change in the City of Glendale’s local assessment roll from the preceding year that is due to the addition of local non-residential new construction. Consistent with the prior year, staff has elected to define the change in population as the percentage change in population within the City. The year over year change in the City of Glendale’s local assessment roll has been 1.18% and the change in the City’s population has been (0.82%). These percentages are each converted to ratios using a state-mandated formula and then multiplied together to obtain an appropriations increase factor. The increase factor for FY 2023-24 is 1.0035. The Appropriations Limit for the upcoming year is finally calculated by multiplying this factor by the Appropriations Limit of the prior fiscal year.

Based on staff’s calculation, the FY 2023-24 Appropriations Limit for the City of Glendale is \$382,980,637. The City’s total proposed appropriation subject to the Gann Initiative spending limit (i.e. proceeds from taxes less state mandated exclusions) is \$247,210,038. Therefore, the City’s Proposed FY 2023-24 Budget is in compliance with State of California spending limits as established in article XIII B of the California Constitution. The attached resolution will authorize the new Appropriations Limit for next fiscal year as required by the California Constitution and applicable State Law.

**Gann Appropriations Limit  
FY 2023-24 Proposed Budget**

**Fiscal Year 2022-23 Appropriations Limit: \$ 381,644,880**

**\* Alternative 1 - City Election**

**Calculation of Increase Factor for FY 2023-24:**

City Population Growth:	(0.82%)
City Local Assessment Growth (non-residential):	1.18%
<b>Increase Factor for FY 2023-24 <math>[(-0.82 + 100)/100] * [(1.18 + 100)/100]</math>:</b>	<b>1.0035</b>

**Fiscal Year 2023-24 Appropriations Limit: \$ 382,980,637**

**Fiscal Year 2023-24 Appropriations Subject to Limitation: \$ 247,210,038**

(proceeds of taxes less state mandated exclusions)

**Total Under/(Over): \$ 135,770,599**

**Alternative 2**

**Calculation of Increase Factor for FY 2023-24:**

County Population Growth:	(0.75%)
City Local Assessment Growth (non-residential):	1.18%
<b>Increase Factor for FY 2023-24 <math>[(-0.75 + 100)/100] * [(1.18 + 100)/100]</math>:</b>	<b>1.0042</b>

**Fiscal Year 2023-24 Appropriations Limit: \$ 383,247,788**

**Fiscal Year 2023-24 Appropriations Subject to Limitation: \$ 247,210,038**

(proceeds of taxes less state mandated exclusions)

**Total Under/(Over): \$ 136,037,750**

**Alternative 3**

**Calculation of Increase Factor for FY 2023-24:**

City Population Growth:	(0.82%)
Per Capita Income Growth:	4.44%
<b>Increase Factor for FY 2023-24 <math>[(-0.82 + 100)/100] * [(4.44 + 100)/100]</math>:</b>	<b>1.0358</b>

**Fiscal Year 2023-24 Appropriations Limit: \$ 395,307,767**

**Fiscal Year 2023-24 Appropriations Subject to Limitation: \$ 247,210,038**

(proceeds of taxes less state mandated exclusions)

**Total Under/(Over): \$ 148,097,729**

**Alternative 4**

**Calculation of Increase Factor for FY 2023-24:**

County Population Growth:	(0.75%)
Per Capita Income Growth:	4.44%
<b>Increase Factor for FY 2023-24 <math>[(-0.75 + 100)/100] * [(4.44 + 100)/100]</math>:</b>	<b>1.0366</b>

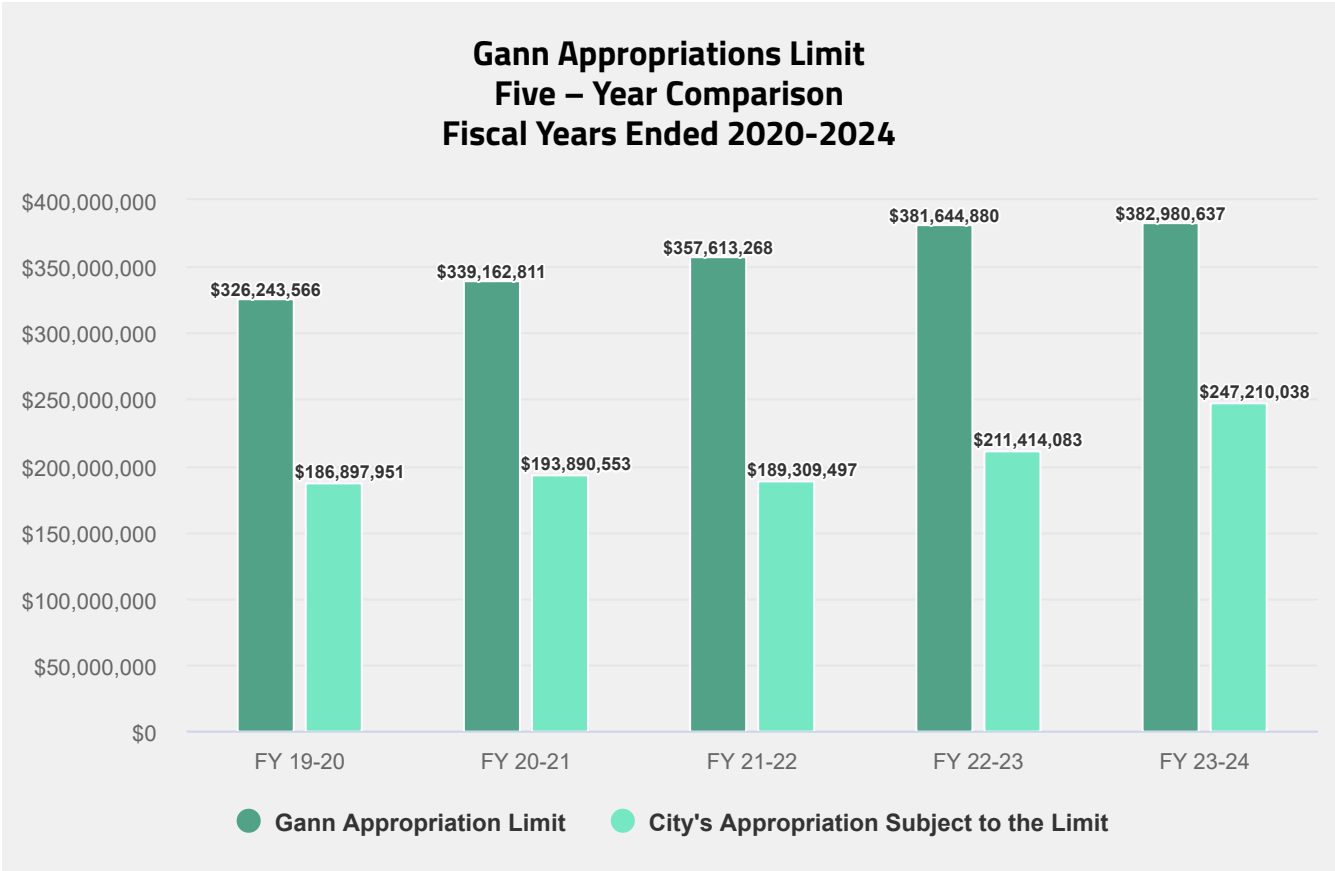
**Fiscal Year 2023-24 Appropriations Limit: \$ 395,613,083**

**Fiscal Year 2023-24 Appropriations Subject to Limitation: \$ 247,210,038**

(proceeds of taxes less state mandated exclusions)

**Total Under/(Over): \$ 148,403,045**

Below is a historical chart of the annual appropriation limit for the past five years and the City's appropriations subject to the limit.





Adopted  
06/13/23  
Najarian/Kassakhian  
All Ayes

RESOLUTION NO. 23-80

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE  
ADOPTING APPROPRIATIONS LIMIT FOR THE CITY OF GLENDALE

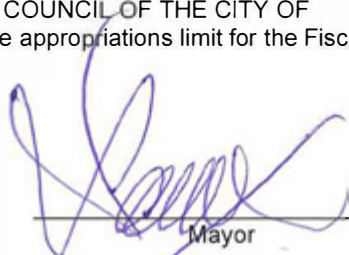
WHEREAS, California State law requires the adopting of an annual appropriations limit for the City of Glendale; and

WHEREAS, the Finance Department has calculated the appropriations limit for the Fiscal Year 2023-24 and in doing so has elected to use the change in the City of Glendale's population and the change in the City of Glendale's local assessment roll from the preceding year that is due to the addition of local non-residential new construction; and

WHEREAS, the Finance Department will retain these working papers on file for a period of fifteen (15) days as required under the law;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE THAT THE COUNCIL does hereby adopt the appropriations limit for the Fiscal Year 2023-24 of \$382,980,637.

Adopted this 13th day of June, 2023.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk


STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS  
CITY OF GLENDALE )

I, Suzie Abajian, Ph.D., City Clerk of the City of Glendale, certify that the foregoing Resolution No. 23-80 was adopted by the Council of the City of Glendale, California, at a regular meeting held on the 13th day of June 2023, and that the same was adopted by the following vote:

Ayes: Asatryan, Devine, Kassakhian, Najarian, Brotman  
Noes: None  
Absent: None  
Abstain: None

  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY  
DATE 6/22/23

8d1

Adopted  
06/13/23  
Najarian/Devine  
All Ayes

RESOLUTION NO. 23-82

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA  
ADOPTING A GENERAL BUDGET, ENTERPRISE BUDGETS, AND OTHER  
MISCELLANEOUS BUDGETS FOR THE FISCAL YEAR 2023-24

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE:

SECTION 1: The proposed City Budget is hereby approved and adopted as the Budget of the City, for fiscal year 2023-24.

SECTION 2: The amount of \$314,485,272 shall constitute the General Fund appropriation for fiscal year beginning July 1, 2023.

SECTION 3: The amount of \$145,322,171 shall constitute the Special Revenue Funds appropriation for the fiscal year beginning July 1, 2023.

SECTION 4: The amount of \$2,993,300 shall constitute the Debt Service Funds appropriation for the fiscal year beginning July 1, 2023.

SECTION 5: The amount of \$21,390,000 shall constitute the Capital Improvement Funds appropriation for the fiscal year beginning July 1, 2023.

SECTION 6: The amount of \$543,524,279 shall constitute the Enterprise Funds appropriation for the fiscal year beginning July 1, 2023.

SECTION 7: The amount of \$145,064,184 shall constitute the Internal Service Funds appropriation for the fiscal year beginning July 1, 2023.

SECTION 8: The number of authorized classified and unclassified budgeted salaried positions is 1,613.

SECTION 9: The Director of Finance and Information Technology is authorized to make such other revisions, individual appropriation line-items, changes in summaries, fund totals, grand totals, and other portions of the budget document as necessary to reflect and implement the changes specified in this resolution.

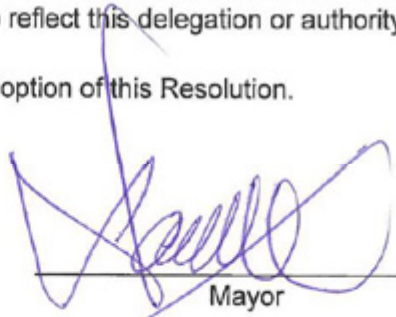
RESOLUTION NO. 23-82

SECTION 10: The Director of Finance and Information Technology is authorized to make such revisions, as permitted by the Charter, necessary in order to implement changes in expenditures due to final negotiations of City of Glendale employee associations Memorandums of Understanding.

SECTION 11: The City Manager or his/her designee is authorized by the City Council to assign fund balance in the "Assigned" category, which is comprised of amounts intended to be used by the City for specific purposes but are not restricted or committed. The financial policies of the City will also be updated to reflect this delegation or authority.

SECTION 12: The City Clerk shall certify to the adoption of this Resolution.

Adopted this 13th day of June, 2023.

  
\_\_\_\_\_  
Mayor


ATTEST:

  
\_\_\_\_\_  
City Clerk



CITY OF GLENDALE  
DATE 6/6/2023  
APPROVED AS TO FINANCIAL  
PROVISION FOR \$ 1,172,779,206

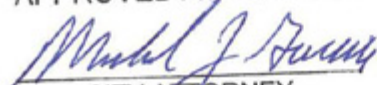
STATE OF CALIFORNIA)  
COUNTY OF LOS ANGELES) SS  
CITY OF GLENDALE)

  
\_\_\_\_\_  
Director of Finance & Information Technology

I, Suzie Abajian, PhD, City Clerk of the City of Glendale, do hereby certify that the foregoing Resolution No. 23-82 was adopted by the Council of the City of Glendale, California, at a regular meeting held on the 13th day of June, 2023, and that the same was adopted by the following vote:

- Ayes: Asatryan, Devine, Kassakhian, Najarian, Brotman
- Noes: None
- Absent: None
- Abstain: None

APPROVED AS TO FORM

  
\_\_\_\_\_  
CITY ATTORNEY  
DATE 6/22/23

  
\_\_\_\_\_  
City Clerk