

ADOPTED BUDGET 2016-17



CITY HALL 75th ANNIVERSARY



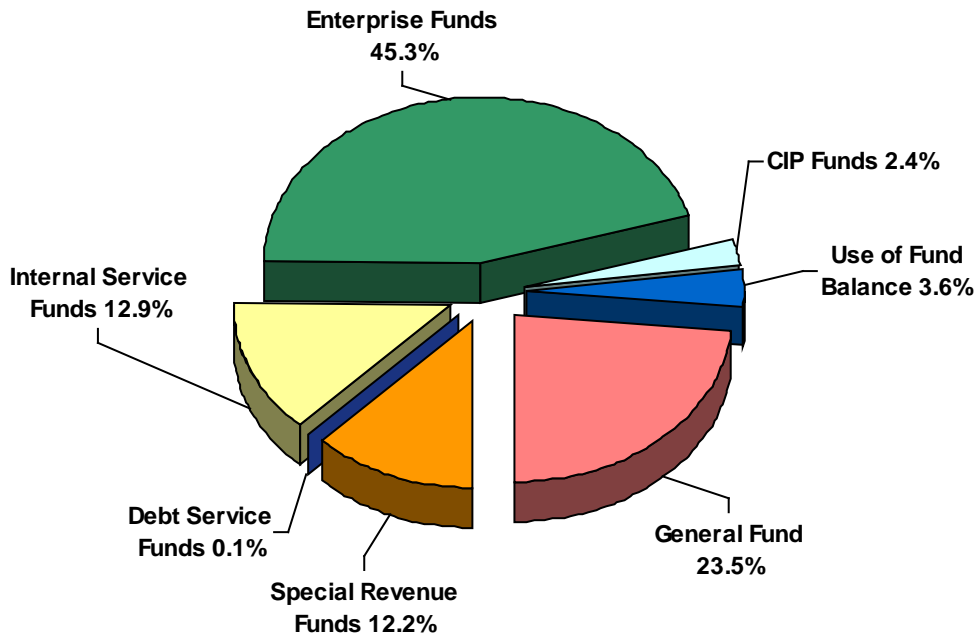
CITY OF GLENDALE RESOURCES & APPROPRIATIONS

OVERVIEW OF RESOURCES

The City Resources forecasted for FY 2016-17 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 2016-17 City Resources (including Transfers from Other Funds and Use of Fund Balance) are \$819.5 million. The following chart illustrates the total budgeted resources for all City Funds for FY 2016-17:

FY 2016-17 Total City Resources
\$819.5 Million



Total City Resources
(In Millions)

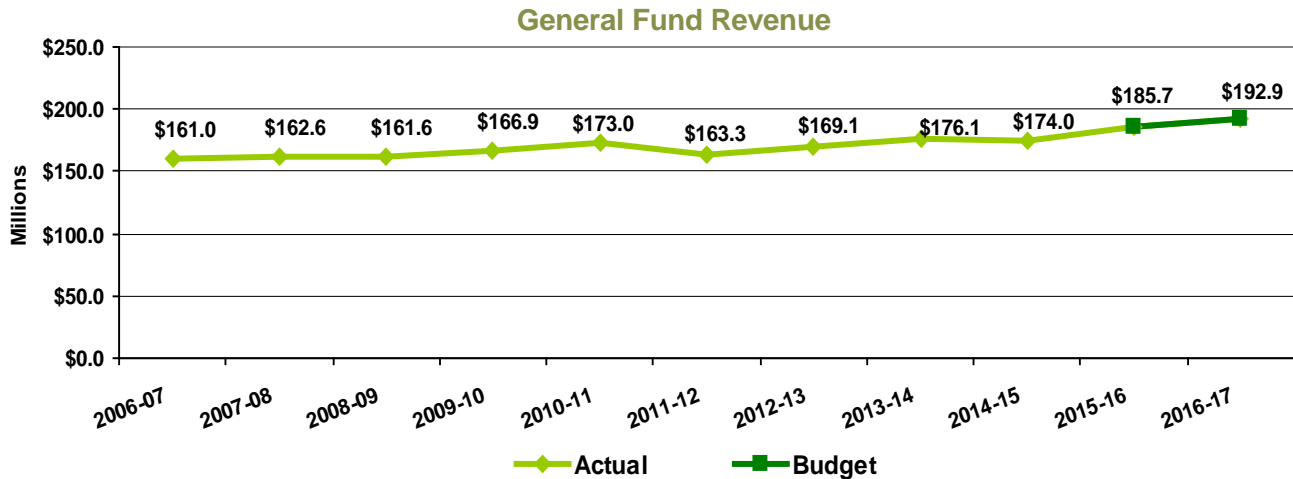
Fund Type	Adopted 2015-16	Adopted 2016-17	Increase / (Decrease)	% Change
General Fund	\$ 185,666,560	\$ 192,857,527	\$ 7,190,967	3.9%
Special Revenue	104,213,462	100,061,166	(4,152,296)	-4.0%
Debt Service	675,000	978,330	303,330	44.9%
Capital Improvement	16,514,859	19,865,475	3,350,616	20.3%
Enterprise	363,116,638	370,779,626	7,662,988	2.1%
Internal Service	100,180,086	105,841,543	5,661,457	5.7%
Net Use of Fund Balance	27,462,988	29,149,467	1,686,479	6.1%
Total Resources	\$ 797,829,593	\$ 819,533,134	\$ 21,703,541	2.7%

CITY OF GLENDALE RESOURCES & APPROPRIATIONS

General Fund Resources

The General Fund Resource budget for FY 2016-17 is projected to be \$194.8 million. The General Fund provides the majority of ongoing governmental services that are not funded through restricted special revenue funds. These services include Fire, Police, Library, Arts & Culture, Community Services & Parks, Community Development, Public Works and general staff support services that include the City Clerk, City Treasurer, City Attorney, City Manager, Administrative Services - Finance, and Human Resources. This fund is supported by general taxes including property, sales, and utility users taxes, in addition to other fees, taxes and transfers from other funds.

The graph below shows the General Fund revenue history along with adopted budgets for FY 2015-16 and FY 2016-17.



The table below shows the estimates of the major revenue sources for the General Fund by category for FY 2015-16 and FY 2016-17.

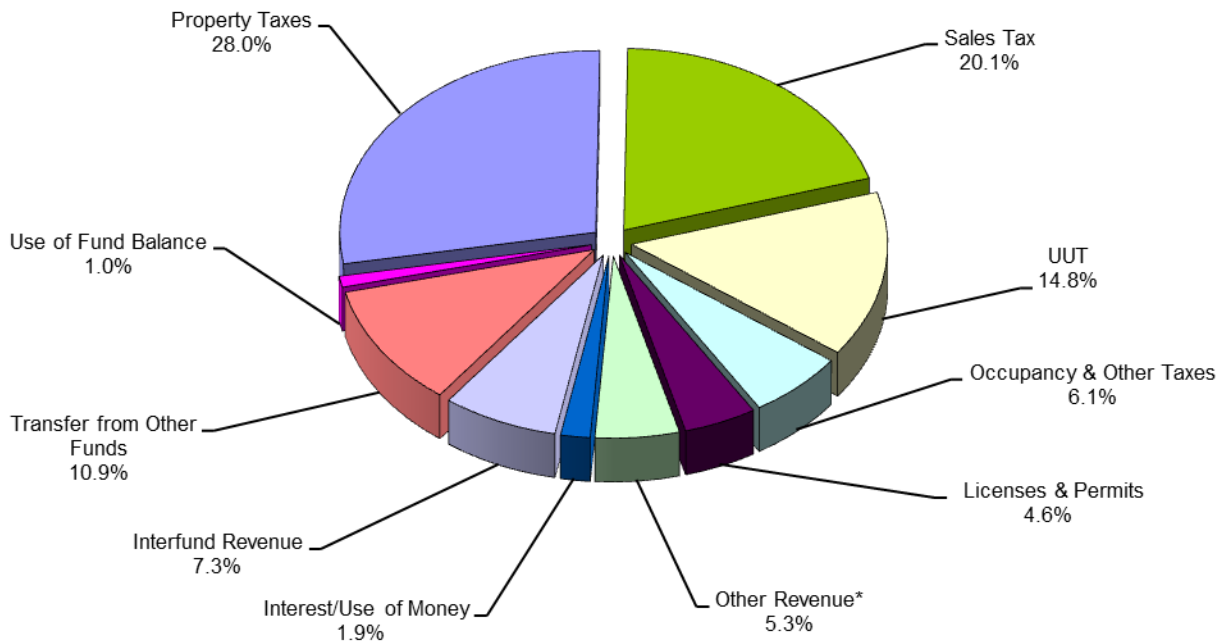
General Fund Resources

Category	Adopted 2015-16	Adopted 2016-17	Dollar Change	Percentage Change
Revenues				
Property Taxes	\$ 49,740,000	\$ 54,592,500	\$ 4,852,500	9.8%
Sales Tax	37,700,000	39,208,000	1,508,000	4.0%
UUT	28,250,000	28,745,000	495,000	1.8%
Occupancy & Other Taxes	11,000,000	11,900,000	900,000	8.2%
Licenses & Permits	8,105,000	8,953,000	848,000	10.5%
Fines & Forfeitures	2,850,000	2,700,000	(150,000)	-5.3%
Interest/Use of Money	3,220,000	3,625,000	405,000	12.6%
Revenue from Other Agencies	350,000	100,000	(250,000)	-71.4%
Charges for Services	2,781,000	3,006,000	225,000	8.1%
Misc & Non-Operating	1,402,030	1,537,000	134,970	9.6%
Interfund Revenue	15,090,577	14,184,797	(905,780)	-6.0%
Transfer from Other Funds	21,257,000	21,306,230	49,230	0.2%
GSA Reimbursement	3,920,953	3,000,000	(920,953)	-23.5%
Total Revenues	\$ 185,666,560	\$ 192,857,527	\$ 7,190,967	3.9%
Use of Fund Balance				
Use of Assigned Econ. Development Fund Balance	-	920,013	920,013	N/A
Use of Unassigned General Fund Balance	-	1,003,123	1,003,123	N/A
Total Resources	\$ 185,666,560	\$ 194,780,663	\$ 9,114,103	4.9%

CITY OF GLENDALE RESOURCES & APPROPRIATIONS

Over 60% of the City's General Fund resources consist of three revenue sources: property taxes, sales taxes and utility users taxes. Other General Fund revenues include franchise tax, transient occupancy tax, building & planning permits, fines & forfeitures, use of money & property and other revenues. Below is a graph of the various General Fund Resources by category which will be followed by a more in-depth discussion on all of the major General Fund revenue categories.

FY 2016-17 General Fund Resources \$194.8 Million



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

Property Taxes are the largest revenue source in the General Fund, representing 28% of the total General Fund resources for the FY 2016-17 Adopted Budget. Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13 adopted by the California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property tax is based on the real property's adjusted assessed full value. Proposition 13 set the FY 1975-76 assessed values as the base year from which future annual inflationary assessed value increases are calculated (not to exceed 2% for any given year). The County Assessor also re-appraises each real property parcel when there are purchases, construction, or other statutory defined "changes in ownership". Proposition 13 limits the property tax rate to 1% of the property's full value plus overriding rates to pay specifically approved voter indebtedness. The 1% property tax levy is collected by County Tax Collector and is distributed to various public agencies. The City of Glendale receives 13.5% of the 1% levy on assessed value.

For FY 2016-17 the property tax category is projected to increase by \$4.9 million or 9.8% for a total of \$54.6 million. A majority of the increase is due to the City's share of Property Tax Residual revenues. It's

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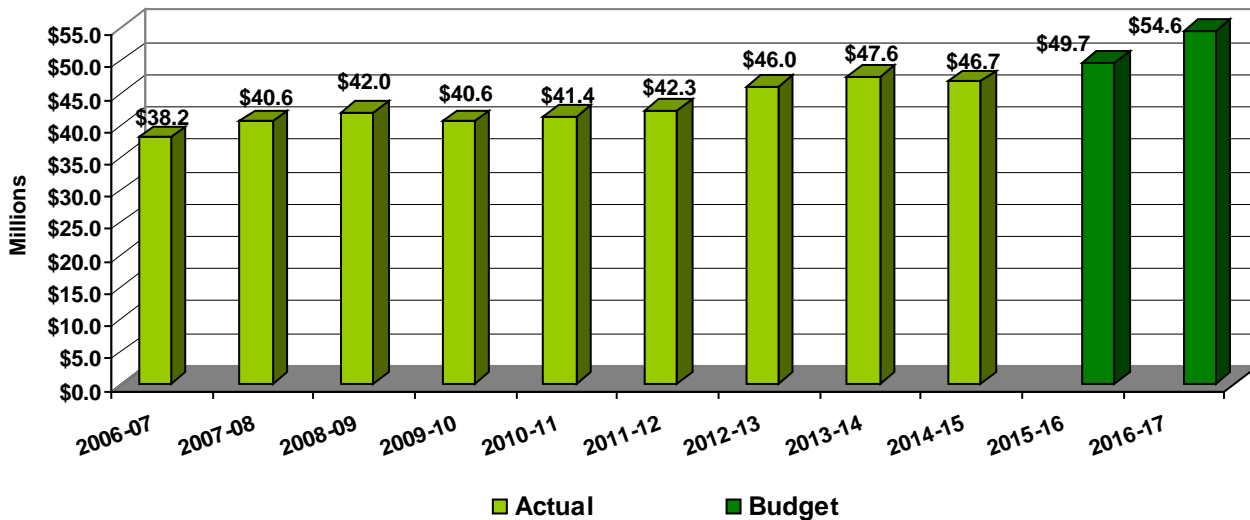
RESOURCES & APPROPRIATIONS

worth noting that in FY 2014-15 and FY 2015-16, the newly created Economic Development Fund (215) received the City's Share of Property Tax Residuals to support economic development related services for the City. However, starting in FY 2016-17 the economic development function has moved to the General Fund. Thus going forward, the City's Share of Property Tax Residuals which is the amounts left after all Redevelopment Project Area Obligations have been paid, will be received in the General Fund.

Other reasons for the increase in this category include an increase in the assessed property valuation, as well as the continued increase in home buying. Per HdL Companies, foreclosure levels are back to historical norms. Median prices and numbers of sale transactions are up statewide and this trend is expected to continue in FY 2016-17.

The graph below shows the historical and forecasted Property Tax revenue followed by a listing of the top 10 property taxpayers for the City's General Fund.

Property Taxes – General Fund



Top 10 Property Taxpayers (In Alphabetical Order)

- | | |
|---|--|
| <ul style="list-style-type: none"> Americana at Brand LLC DW Glendale California Landlord LLC Glendale Mall Associates LLC Glendale Successor Agency GPI 500 Brand Limited | <ul style="list-style-type: none"> North Brand Property Owner LLC PR III Glendale Member PR Glendale Plaza Office California LLC Walt Disney World Company Wells Reit Glendale CA LLC |
|---|--|

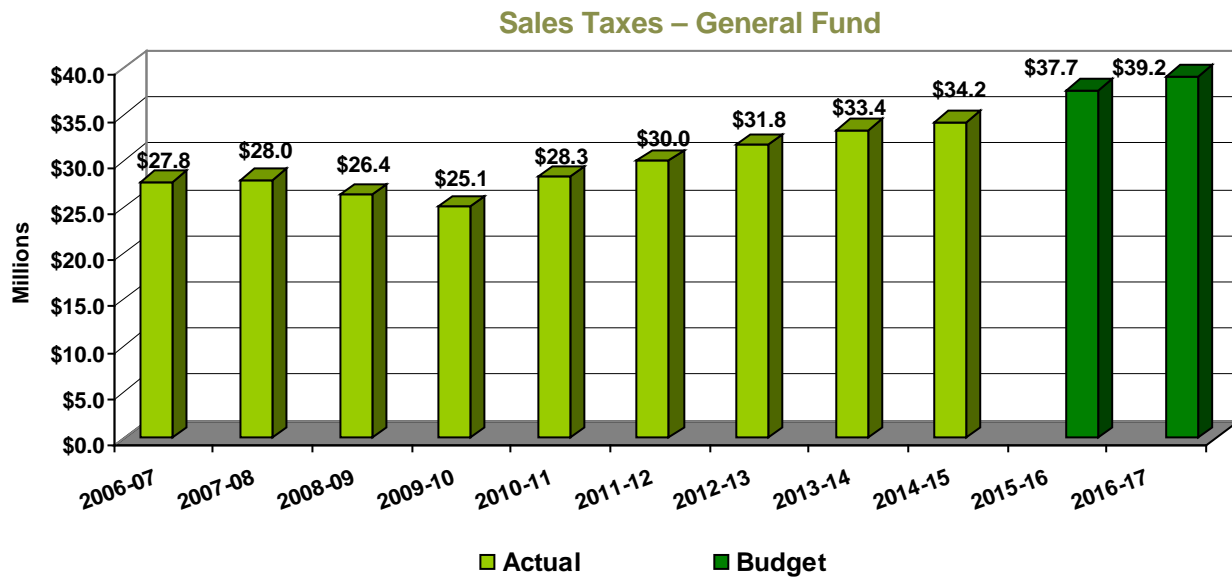
Source: HdL Coren & Cone 2015-16 property data (Tax District #1)

Sales Taxes are the second largest revenue source in the General Fund, representing 20.1% of the total General Fund resources estimated for the FY 2016-17 budget. For FY 2016-17, Sales Taxes are forecasted to increase by \$1.5 million, or 4.0%, for a total of \$39.2 million. California's retail sales have risen again and recent additions to the auto, department store and restaurant categories will contribute to the overall increase in sales tax for FY 2016-17. Also, on a positive note, California's unemployment rate is expected to continue its gradual decline in FY 2016-17 and according to the City's sales tax

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consultant, HdL Companies, the U.S. unemployment rate reached 5.1% in July 2016, and the coming fiscal year will be at 4.9%.

It should be noted that through FY 2008-09, 86% of the Sales Tax revenue was deposited into the General Fund, with the remaining 14% deposited into the Capital Improvement Fund (401). Starting in FY 2009-10, the split of Sales Tax was shifted to 96% and 4%, respectively. For FY 2010-11 and FY 2011-12, 100% of the Sales Tax went to the General Fund. Starting in FY 2012-13, the City has restored sales tax funding to the Capital Improvement Fund, albeit only 1% of the estimate. Starting in FY 2015-16 the 1% sales tax transfer to CIP will be increased by .25% per fiscal year and will cap at 2% from FY 2018-19 through FY 2021-22. In FY 2022-23 it will be increased to 2.5%. The graph below illustrates historical and forecasted sales tax revenue for the past 10 fiscal years followed by a listing of the top 20 Sales Tax producers for the City.



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

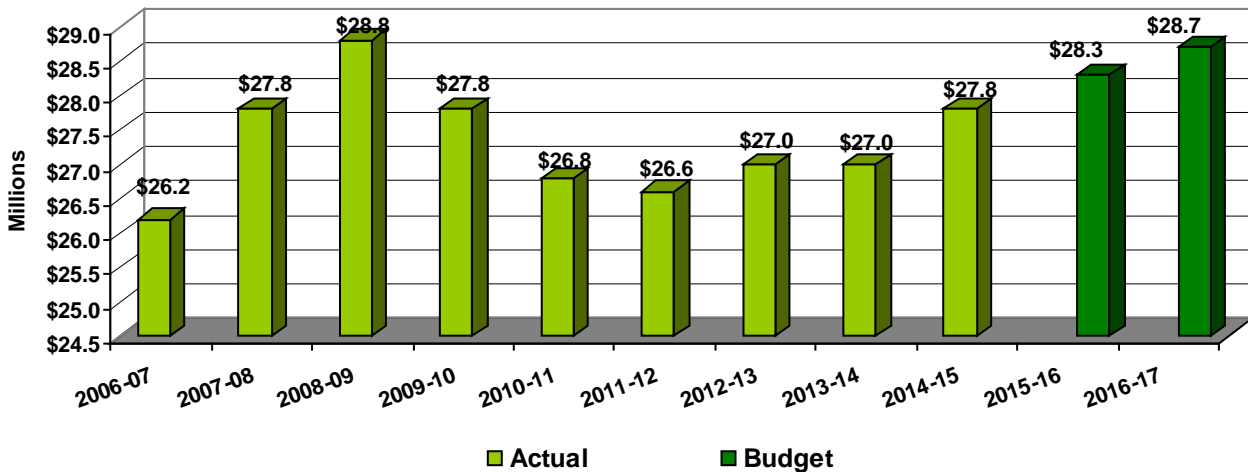
- | | |
|---|--|
| <ul style="list-style-type: none"> Allen Gwynn Chevrolet Apple Bloomingdales Bob Smith Toyota Calstar Mercedes Car Pros Kia Glendale Diamond Honda of Glendale Financial Services Vehicle Trust Glendale Dodge Chrysler Jeep Glendale Nissan Infiniti | <ul style="list-style-type: none"> Glendale Subaru/Mitsubishi Home Depot JC Penney Lexus of Glendale Macy's Marshalls Nordstrom Pacific BMW Ralphs Star Ford Lincoln |
|---|--|

Source: HdL Companies

CITY OF GLENDALE RESOURCES & APPROPRIATIONS

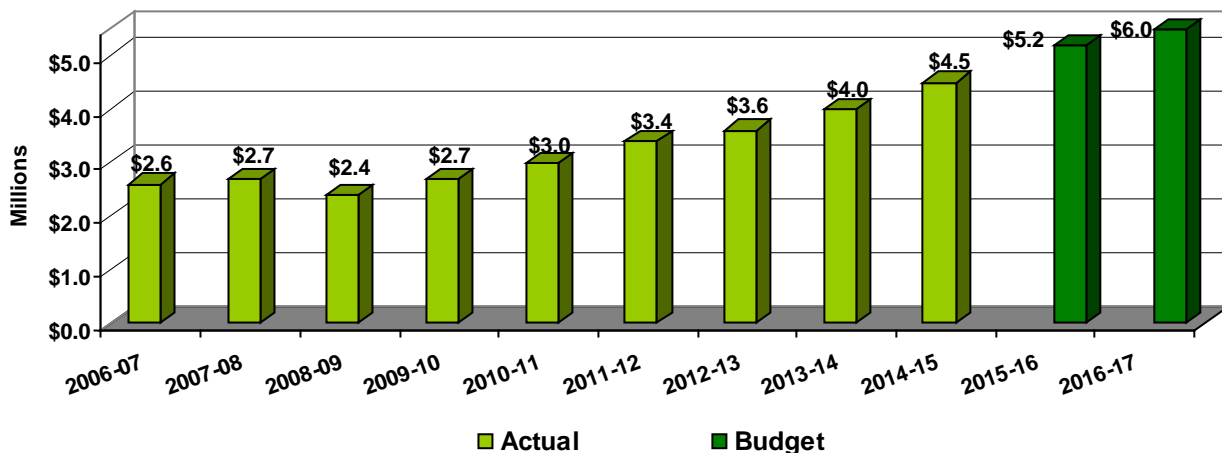
Utility Users Taxes (UUT) are the third largest revenue source for the General Fund, representing 14.8% of the total General Fund resources estimated for the FY 2016-17 budget. This tax is levied on the following utility services: telecommunications (6.5%), video (6.5%), electricity (7%), gas (7%), and water (7%). The telecommunications category now includes wired and wireless telecommunications, prepaid, intrastate, interstate, and international services; ancillary services; voice-over internet protocol; paging; and private communication services. UUT revenues are estimated to increase by \$495 thousand, or 1.8%, for a total estimate of \$28.7 million. This is mainly due to an increase from prepaid wireless revenues within the Telecommunications category. It's worth noting that per AB1717, effective January 1, 2016, the Board of Equalization and the City have been authorized to collect the UUT from prepaid wireless sales within local jurisdictions.

Utility Users Taxes – General Fund



Transient Occupancy Tax (TOT) represents about 3.1% of the total General Fund resources in the FY 2016-17 Adopted Budget. This tax is levied at 12% for occupying a room(s) or other living space in a hotel, inn, tourist home/house, motel or other lodging for a period of 30 days or less. The TOT is authorized under Section 4.32 of the Glendale Municipal Code and the revenue is deposited into the General Fund. As shown on the graph below, TOT revenue decreased by 12.8% in FY 2008-09 due to the economic recession. However, this sector started recovering in FY 2009-10 and this trend is expected to continue. For FY 2016-17, TOT revenue is anticipated to increase by \$800 thousand, or 15.4% for a total estimate of \$6.0 million. This is attributable to the passage of revenue ballot Measure O, which increased the transient occupancy tax (hotel tax) from 10% to 12%. Also contributing to the increase is the continued uptick in the travel industry.

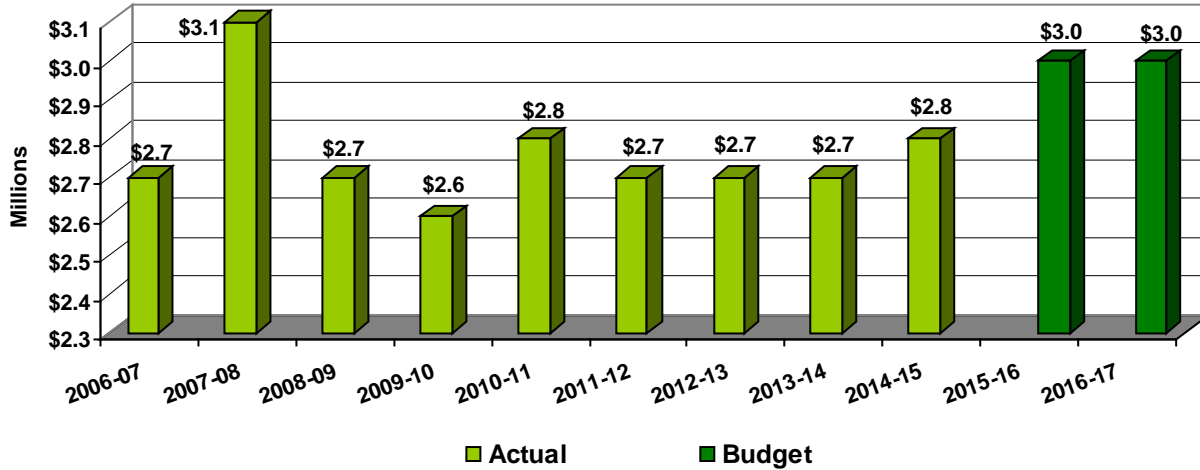
Transient Occupancy Tax – General Fund



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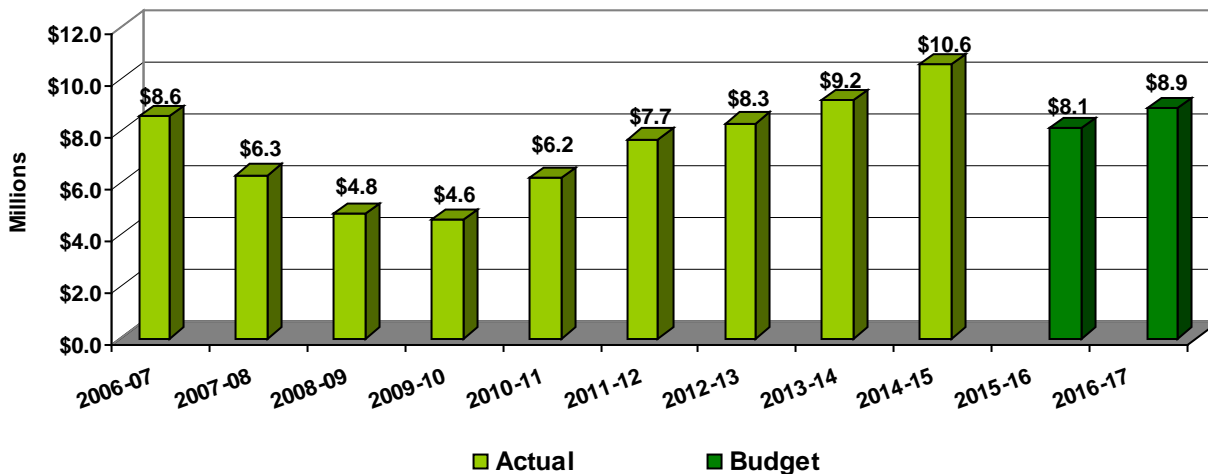
Franchise Tax is a charge for a right-of-way or license granted to an individual or a group to market a company's goods or services in a particular territory. The majority of our franchise revenue is received from Charter Communications, Pacific Bell and the Gas Company. Starting in FY 2008-09, this revenue dropped due to the economic recession. For FY 2016-17 the estimated franchise tax is \$3.0 million, or 1.5% of the total General Fund resources.

Franchise Tax – General Fund



Licenses & Permits include Building Permits, Business License Permits, Variance Permits, Plan Check Fees, Street Permits and Dog License Fees. Licenses & Permits represent 4.6% of the total General Fund resources for FY 2016-17 Adopted Budget. The Licenses & Permits category decreased significantly from FY 2007-08 through FY 2009-10 due to the economic recession in which the construction industry was severely impacted. Starting in FY 2010-11, there was an increase in construction projects which included Disney, Doran Gardens, 200 E. Broadway Lofts, the Triangle Project and the renovation of the historic Seeley's building. It's worth noting that due to continued construction activities in the City, the actual revenue for FY 2015-16 is estimated to reach \$9.7 million compared to the \$8.1 million initially forecasted. The revenue in this category is project-based and non-recurring and, as such, the revenue forecast for FY 2016-17 is estimated to increase by \$848 thousand, or 10.5% from the FY 2015-16 Adopted Budget. This revenue will be monitored throughout the upcoming year and adjusted as needed.

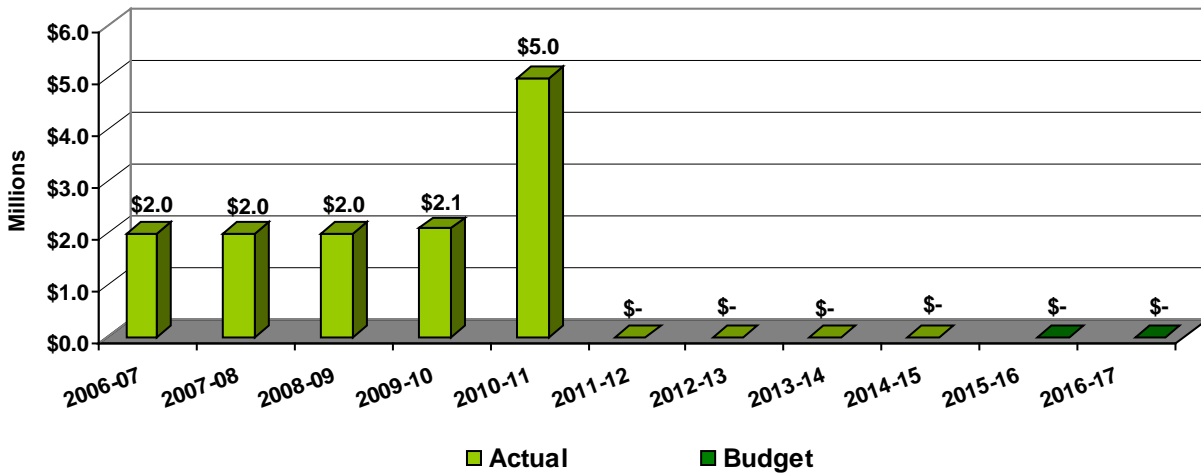
Licenses & Permits – General Fund



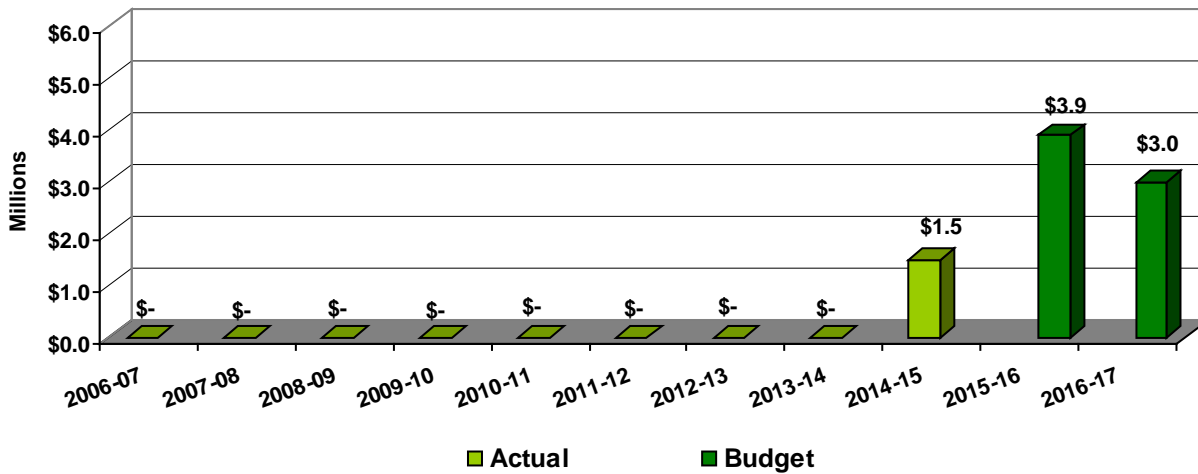
CITY OF GLENDALE RESOURCES & APPROPRIATIONS

Intergovernmental Revenue / GSA Reimbursement is the loan repayment from the Successor Agency (formerly known as the Glendale Redevelopment Agency) to the General Fund. When the Glendale Redevelopment Agency (GRA) was formed, the General Fund loaned a significant amount of money to the GRA which was slowly being repaid using tax increment generated from new projects in the redevelopment project areas. GSA Reimbursement is estimated at \$3.0 million for FY 2016-17. Prior to FY 2014-15, this revenue was reported in the Intergovernmental Revenue category. The purpose of this change was for better visibility of the repayment. This reporting change accounts for the increase and decrease in the GSA Reimbursement and Intergovernmental Revenue categories respectively.

Intergovernmental Revenue – General Fund



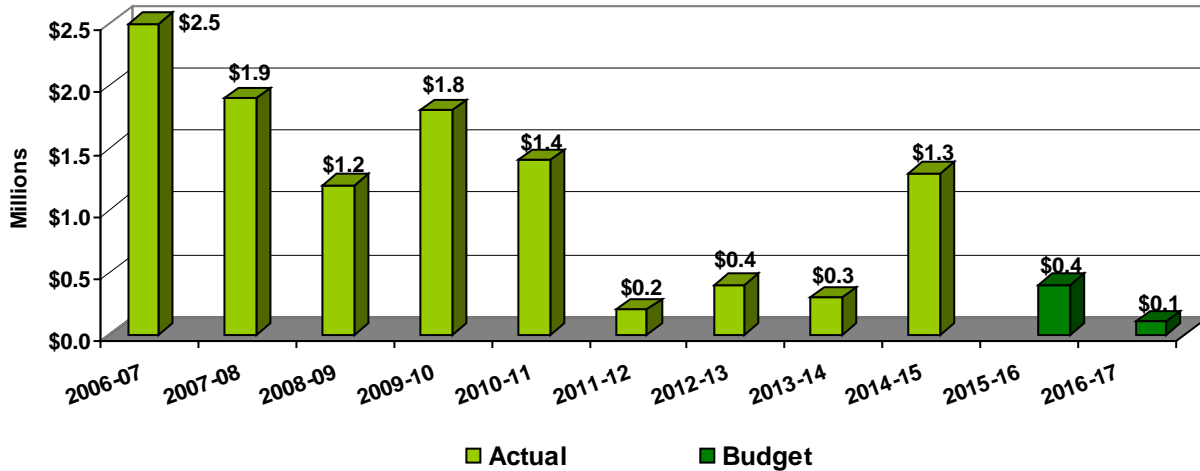
GSA Reimbursement – General Fund



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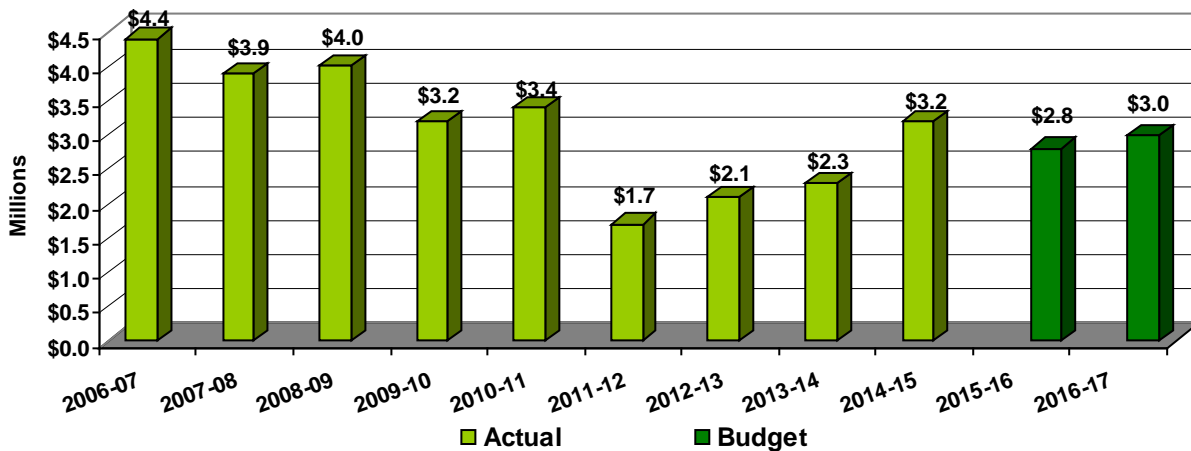
Revenues from Other Agencies mainly consist of Federal, State and Local grants, which include State SB 90, Mutual Aid Reimbursements and Motor Vehicle In Lieu Fees. Starting in FY 2011-12, the State suspended the motor vehicle in lieu fee and this suspension will continue for future fiscal years. It is generally more difficult to estimate grant revenues since most grant awards are made throughout the fiscal year in the form of an award letter or funding agreement. As grants are awarded during the year, departments go to City Council for an authorization in accordance with Article XI, Section 8 of the City Charter.

Revenues from Other Agencies – General Fund



Charges for Services are generally known as user fees that are charged for a variety of services provided to the general public. Fees charged for services in this category include library fees, fire fees, special police fees, map and publication fees and code enforcement fees. The large decrease in FY 2011-12 is primarily due to the shifting of the Glendale Youth Alliance (GYA) from the General Fund to a Special Revenue Fund (211). However, revenues increased by \$400 thousand in FY 2012-13, which was primarily due to fee increases following a Citywide fee study. For FY 2016-17, this category is projected to increase by \$225 thousand, or 8.1% compared to FY 2015-16.

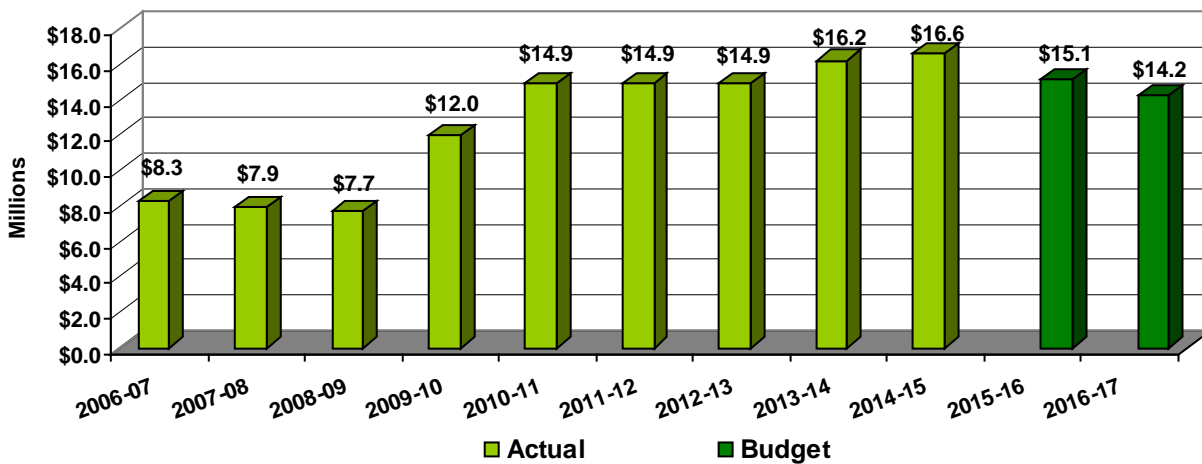
Charges for Services – General Fund



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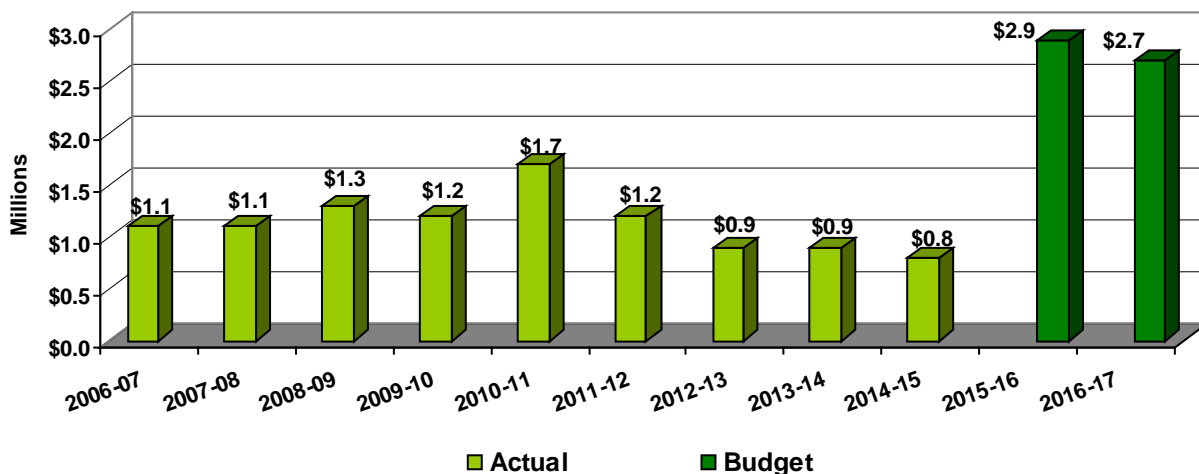
Interfund Revenue is the revenue derived from the City’s cost allocation plan, which commenced in FY 2009-10. This plan formally allocates certain General Fund costs from “central service” departments to a variety of “receiving” departments that are funded outside of the General Fund. The central service departments in the General Fund include the City Attorney, City Clerk, City Treasurer, Administrative Services-Finance, Management Services, Human Resources, Fire Administration, and Public Works Administration. Receiving departments include Community Development, Community Services & Parks, Fire, Glendale Water & Power, Information Services, Library, Arts & Culture, Public Works, and Police. The premise behind the formal cost allocation plan is to identify those costs associated with services provided by the central service departments to the receiving departments and recover said costs. For FY 2016-17, this category is expected to decrease by \$906 thousand or 6.0%. This is mainly due to the building maintenance operation shifting from the General Fund into an Internal Service Fund.

Interfund Revenue – General Fund



Fines & Forfeitures are derived from the collection of penalties for violations of statutory offenses, administrative rules, confiscated property, and court fees. Fines & Forfeitures revenue represents 1.4% of the total General Fund resources in the FY 2016-17 Adopted Budget. FY 2010-11 experienced a large increase due to the shifting of the “Red Light Traffic” revenue from the Police Staff Augmentation Fund (263) to the General Fund. However, due to a series of court cases at the State level over the legality of red light camera enforcement, the City voluntarily decided to terminate the program as of February 2012, which accounts for the decrease in the following year. Starting in FY 2015-16, the \$1.9 million transfer from the Parking Fund will no longer be listed under *Transfer From Other Funds* category but reported under this category. The estimated revenue for FY 2016-17 is \$2.7 million.

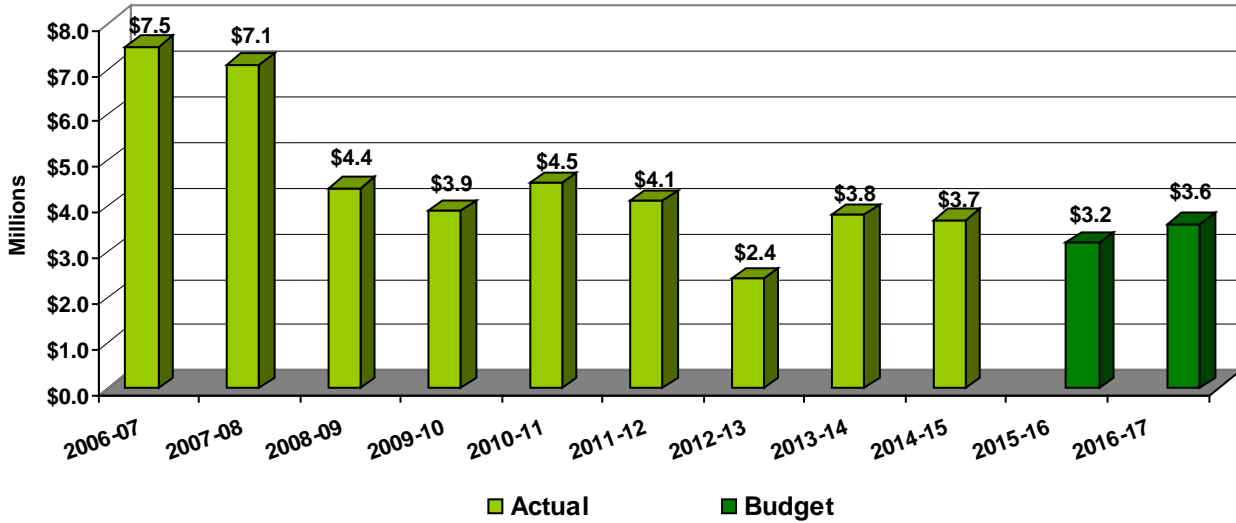
Fines & Forfeitures – General Fund



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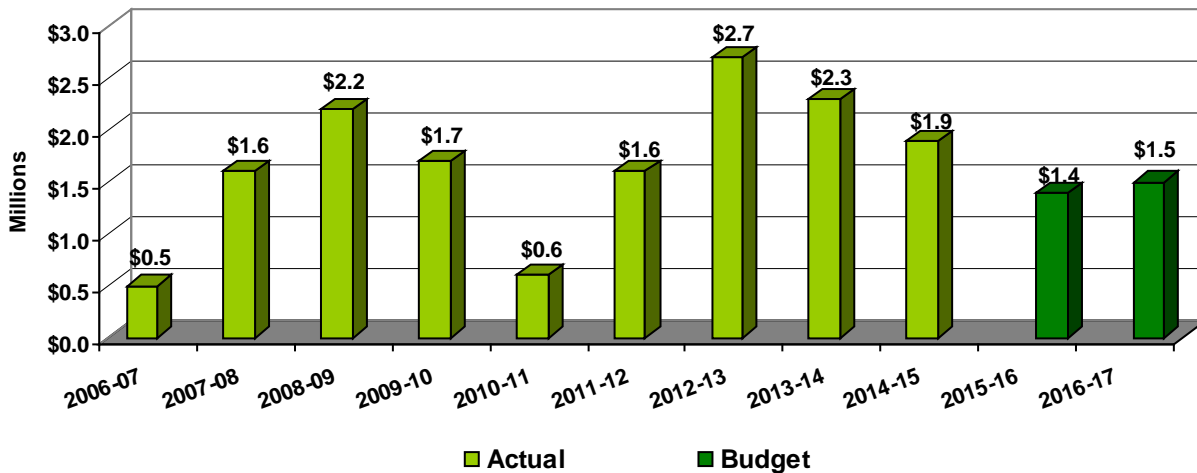
Use of Money & Property includes Interest & Investment Revenues, Landfill Gas Royalties and Rent & Lease Income. The City Treasurer invests funds that are available but not needed for immediate disbursement. Funds are invested in Local Investments Pool and in a core portfolio of U.S. Government Obligations. For FY 2016-17 this category is projected to increase by \$405 thousand, or 12.6%, compared to FY 2015-16.

Use of Money & Property – General Fund



Miscellaneous Revenue consists of revenues other than taxes and fees, such as: sale of items/property not normally held for resale, collections from advertising, unclaimed money, and property or other contributions and donations.

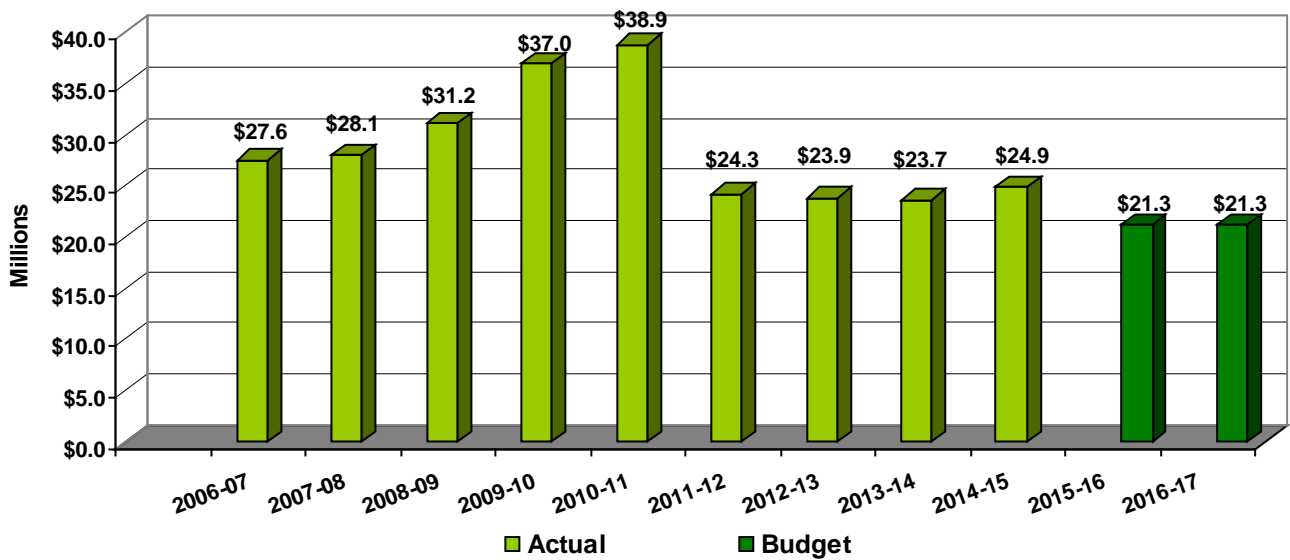
Miscellaneous Revenue – General Fund



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Transfers from Other Funds are made to the General Fund for a variety of purposes. Transfers represent 10.9% of the total General Fund resources in the FY 2016-17 Adopted Budget and include transfers from Electric Utility and Refuse Disposal Funds. The decrease for FY 2011-12 in Transfers was attributable to the loss of the Water Utility transfer of \$4.2 million, the loss of the one-time transfer from the close out of the Police Staff Augmentation Fund, and the loss of two transfers from the Internal Service Funds (ISF). The two ISF transfers consisted of a transfer to the ISD Applications Fund (604) and a transfer to the Fleet / Equipment Management Fund (601). These transfers were discontinued in FY 2011-12 as they were incorporated into the Internal Service Fund rates in lieu of a straight transfer to the General Fund. Beginning FY 2015-16 the \$1.9 million transfer from the Parking Fund is no longer listed under this category but reported in the *Fines & Forfeiture* category. Starting in FY 2016-17 the electric transfer amount will be capped at 10% of the electric revenues.

Transfers from Other Funds – General Fund



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Special Revenue Funds Resources

The Revenue in Special Revenue funds for FY 2016-17 are expected to have a net decrease of \$4.2 million, or 4%, primarily due to the following increases/decreases:

- Housing Assistance Fund 202 – The increase of approximately \$2.5 million in this fund is due to an increase in the voucher program and also the portable voucher HAP revenue from HUD.
- Home Grant Fund 203 – The increase of about \$58 thousand is due to an increase in housing program funding.
- Continuum of Care Grant Fund 204 – The decrease of approximately \$25 thousand is due to a reduction in grant funding from HUD.
- Emergency Solutions Grant Fund 205 – The decrease of approximately \$14 thousand is due to a reduction in grant funding.
- Workforce Innovation and Opportunity Act Fund 206 – The increase of approximately \$296 thousand is due to an increase in Federal grant funding.
- Economic Development Fund 215 – The decrease of \$4.2 million is due to the shift of Fund 215 to the General Fund.
- Miscellaneous Grant Fund 216 – The decrease of approximately \$5.0 million is due to reduction in grant funding and projects in FY 2016-17.
- Filming Fund 217 – The increase of approximately \$95 thousand is mainly due to rental of city property and other associated fees for filming.
- Transit Utility Fund 258 – The increase of approximately \$76 thousand in this fund is due to increase in federal grants.
- Fire Mutual Aid Fund 266 – The increase of \$100 thousand is due to increase for mutual-aid reimbursements.
- Recreation Fund 501 – The increase of approximately \$182 thousand is due to the increase in various recreational activities and rental incomes.
- Emergency Medical Services Fund 511 – The increase of \$38 thousand is due to increase in emergency medical response.
- Parking Fund 520 – The increase of approximately \$1.8 million is due to increase in parking fees and in fines and forfeitures.

Debt Service Funds Resources

For FY 2016-17 there is an increase of \$303 thousand in the Debt Service Fund for the Police Building construction Project based on the Police Building Certificates of Participation (COPs) schedule.

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Capital Improvement Program (CIP) Resources

Revenues in CIP funds for FY 2016-17 are estimated to increase by \$3.4 million due to the following increases/decreases:

- General Fund Capital Improvement Fund 401 – The net increase of approximately \$2.7 million is due to an increase in revenues from landfill royalty tipping fees, transfer from general fund for street improvements and an estimated increase in local grants.
- State Gas Tax Fund 402 – The net decrease of approximately \$317 thousand is due to reduction in State gas tax revenues.
- Parks Mitigation Fee Fund 405 – The net increase of \$1.0 million is primarily due to an increase in Parks Mitigation revenues from anticipated projects.

Enterprise Funds Resources

For FY 2016-17, revenues in the Enterprise funds are estimated to see a net increase of \$7.7 million primarily due to the following increases/decreases:

- Refuse Disposal Fund 530 – The increase of approximately \$924 thousand is due to an increase from commercial and residential refuse revenues.
- Electric Utility Fund 552, 553, 555 & 557 – The net increase of approximately \$4.9 million is attributable to the following: a decrease of approximately \$3.9 million in the Electric Works Revenue Fund 552, an increase of \$1.7 million in the Electric Depreciation Fund 553, a decrease of \$1 million in Electric Customer Paid Capital Fund 555, and an increase of approximately \$8.1 million in Regulatory Adjustment Charge (RAC) Fund 557.
- Water Utility Funds 572, 573 & 575 – The net increase of approximately \$1.2 million is attributable to the following: a revenue increase of about \$678 thousand in the Water Works Revenue fund 572, as increased water rates were implemented early in FY 2014-15, revenue is estimated to increase in the Water Depreciation Fund 573 by \$707 thousand and decrease by \$141 thousand in the Water Customer Paid Capital Fund 575 for FY 2016-17.
- Fire Communication Fund 701 – The increase of approximately \$565 thousand is mainly due to an increase in revenues from contract cities and capital contributions.

Internal Service Funds Resources

For FY 2016-17, revenues in the Internal Service funds are estimated to increase by \$5.7 million primarily due to the following:

- ISD Infrastructure Fund 603 – The decrease of approximately \$627 is due to elimination of technology surcharge from fund 603 and decrease in ISD service charges to other departments.
- ISD Applications Fund 604 – The decrease of approximately \$6.7 million is mainly attributable to the Enterprise Resource Planning Tier II implementation project which was funded in FY 2015-16 as well as the elimination of technology surcharge.

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- *Building Maintenance Fund 607* – The increase of approximately \$7.5 million is due to the Building Maintenance Fund shifting out of the General Fund. The Building Maintenance Fund was established in FY 2015-16, while the building maintenance fund rate is established in FY 2016-17 in order to centralize the building maintenance operation into a single fund and establish a rate for cost recovery.
- *Compensation Insurance Fund 614* – The increase of approximately \$741 thousand is due to increased rates for self-insurance due to anticipated costs for excess liability premiums and anticipated claims.
- *Medical Insurance Fund 616* – The increase of approximately \$3.9 million is due to anticipated increases in medical premiums and claims.

CITY OF GLENDALE RESOURCES & APPROPRIATIONS

OVERVIEW OF APPROPRIATIONS

The table below depicts the total City appropriations by fund type as adopted for FY 2015-16 and FY 2016-17. Additional details can be found in the *Summary of Appropriations by Fund Type* (SUM 6 to 8) under the Budget Summaries section of this book.

Total City Budgeted Appropriations

Fund Type	Adopted 2015-16	Adopted 2016-17	Increase/ (Decrease)	% Change
General Fund	\$ 182,890,934	\$ 194,780,663	\$ 11,889,729	6.5%
Special Revenue	103,702,342	100,630,978	(3,071,364)	-3.0%
Debt Service	3,025,000	3,010,000	(15,000)	-0.5%
Capital Projects	13,755,000	25,362,000	11,607,000	84.4%
Enterprise	390,966,533	385,917,075	(5,049,458)	-1.3%
Internal Service	103,489,784	109,832,418	6,342,634	6.1%
Totals	\$ 797,829,593	\$ 819,533,134	\$ 21,703,541	2.7%

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

General Fund Appropriations

The appropriations for the adopted FY 2016-17 General Fund budget, together with comparative FY 2015-16 appropriations, are as follows:

Category	Adopted 2015-16	Adopted 2016-17	Increase / (Decrease)	% Change
Salaries	\$ 83,054,924	\$ 84,784,962	\$ 1,730,038	2.1%
Overtime	7,039,806	7,152,702	112,896	1.6%
Hourly Wages	2,857,615	3,404,054	546,439	19.1%
Benefits (Net salary charges out)	25,209,912	25,330,400	120,488	0.5%
PERS	23,113,222	25,440,997	2,327,775	10.1%
Maintenance & Operation	38,557,503	43,782,697	5,225,194	13.6%
Capital Outlay	35,000	-	(35,000)	-100.0%
Transfers	2,125,441	3,067,327	941,886	44.3%
Retirement Incentive	897,511	897,511	-	0.0%
Total General Fund Budget	\$ 182,890,934	\$ 193,860,650	\$ 10,969,716	6.0%
Use of Assigned Econ Development Fund Balance	-	920,013	920,013	N/A
Total General Fund Budget	\$ 182,890,934	\$ 194,780,663	\$ 11,889,729	6.5%

As indicated above, the General Fund budget is forecasted to increase by approximately \$11.9 million or 6.5%. The bulk of the \$11.9 million increase is attributable to the following:

- Salaries and Benefits: \$700 thousand increase due to Cost of Living Adjustments for GMA and GCEA employees of 3.0% (offset by a 1% increase in PERS cost share); \$2.3 million increase in PERS costs (net of employee cost sharing); \$1.7 million increase for program restoration in

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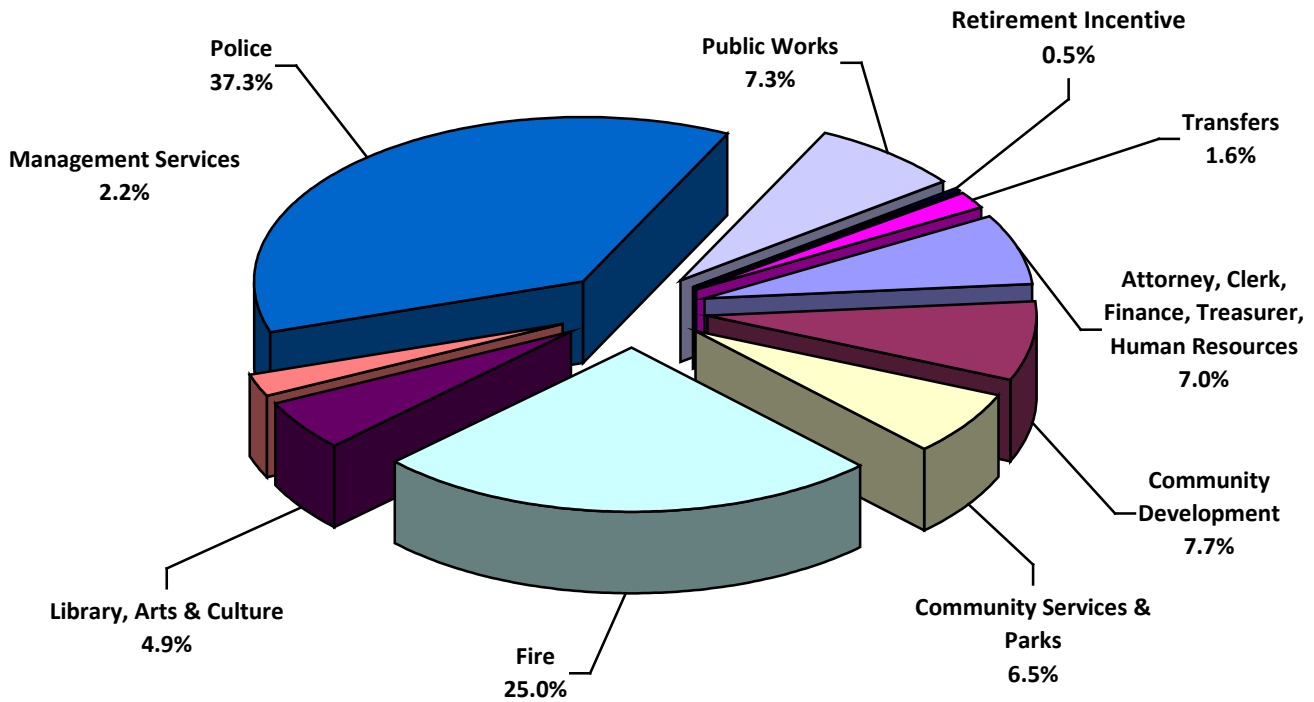
personnel costs; \$270 thousand increase for Workers' Compensation. Please note that total Benefits are net of salary charges out to other Funds.

- Maintenance & Operation:** \$711 thousand increase in program restoration in M&O costs; \$825 thousand increase for ISD Service Charge; \$1.1 million increase due to Economic Development shifting into the General Fund; \$2.5 million increase due to Building Maintenance costs shifting to the maintenance & operation category, offset by salaries & benefits; \$179 thousand increase for adjustments in the Elections budget; and \$100 thousand increase for maintenance of Graphics printers.
- Transfers:** \$1.1 million increase in transfer to Capital Improvement Fund (Fund 401) primarily for Street Improvement projects; \$300 thousand increase in transfers for debt service for Certificates of Participation; and \$14 thousand increase in transfers to Nutritional Meals Fund, all offset by a decrease of \$184 thousand of transfer to the Low & Moderate Incoming Housing Fund for the 20% of GRA Loan Repayment and a decrease of \$300 thousand in transfer to the Economic Development Fund.

In addition, there is \$920 thousand budgeted in use of Assigned Fund Balance for hourly wages and contractual costs in Economic Development.

The graph below depicts the FY 2016-17 General Fund appropriations by Department.

FY 2016-17 General Fund Appropriations
\$194.8 Million



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Special Revenue Funds

The \$3.1 million decrease (approximate) in the *Special Revenue Funds* is primarily due to the following:

- *CDBG Fund 201* – The increase of approximately \$64 thousand is due to an increase in CDBG funding from HUD.
- *Housing Assistance Fund 202* – The increase of approximately \$2.3 million is due to an increase in HUD funding mainly applied toward direct assistance.
- *Home Grant Fund 203* – The increase of approximately \$56 thousand is due to an increase in HUD funding applied toward direct assistance.
- *Continuum of Care Grant Fund 204* – The decrease of approximately \$25 thousand is due to a reduction in funding from HUD.
- *Emergency Solutions Grant Fund 205* – The decrease of approximately \$19 thousand is due to a reduction in grant funding.
- *Workforce Investment Act Fund 206* – The increase of approximately \$288 thousand is due to an increase in Federal grant funding.
- *Urban Art Fund 210* – The decrease of approximately \$13 thousand is due to shifting the Principal Library, Art & Culture Administrator position back to the General Fund.
- *Glendale Youth Alliance Fund 211* – The increase of approximately \$368 thousand is due to an increase in hourly wages for the Enterprise programs, and also an increase in grant funding.
- *Low & Mod Income Housing Asset Fund 213* – The decrease of approximately \$31 thousand is due to a personnel shift between funds.
- *Economic Development Fund 215* – The decrease of approximately \$2.5 million is due to the shift of Fund 215 to the General Fund.
- *Miscellaneous Grant Fund 216* – The decrease of approximately \$5.3 million is due to a reduction in grant funding and projects budget for FY 2016-17.
- *Filming Fund 217* – The increase of approximately \$25 thousand is due to an increase in cost allocation charges.
- *Air Quality Improvement Fund 251* – The increase of approximately \$23 thousand is due to an increase in contractual services and in cost allocation charges.
- *PW Special Grants Fund 252* – The decrease of approximately \$24 thousand is due to no new appropriations being reflected in this fund for FY 16-17.
- *Measure R Local Return Fund 254* – The increase of approximately \$495 thousand is due to the Beeline Maintenance and Operation Facility and the Transportation Model projects.
- *Transit Prop A Local Return Fund 256* – The increase of approximately \$3.3 million is due to the Beeline Maintenance and Operation Facility project.

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- Transit Prop C Local Return Fund 257 – The decrease of approximately \$274 thousand is due to decreased project appropriation relative to last year.
- Transit Utility Fund 258 – The increase of approximately \$76 thousand is due to an increase in contractual services mainly for Dial A Ride and Beeline transportation services.
- Police Special Grants Fund 261 – The decrease of approximately \$571 thousand is due to shifting personnel to the General Fund and a reduction in overtime as a result of less grant funding.
- Fire Mutual Aid Fund 266 – The increase of approximately \$50 thousand is due to an increase in mutual aid activity applied towards salaries and benefits.
- Special Events Fund 267 – The decrease of approximately \$63 thousand is due to a reduction in special events overtime for Police.
- Library Fund 275 – The decrease of approximately \$77 thousand is due to a reduction in direct assistance.
- Electric Public Benefit Fund 290 – The increase of approximately \$1.3 million is due an increase in public benefit programs and contractual services.
- Recreation Fund 501 – The decrease of approximately \$1.6 million is due to less project appropriation relative to last year.
- Emergency Medical Services Fund 511 – The increase of approximately \$453 thousand is due to increases in hourly wages, contractual services, cost allocation and ISD service charges.
- Parking Fund 520 – The decrease of approximately \$1.4 million is due to decreased project appropriation relative to last year.

Debt Service Funds

There is only one *Debt Service Fund* with an appropriation for FY 2016-17: the Police Building Project (Fund 303). The decrease in this fund of approximately \$15 thousand is due to lower interest costs for the variable rate certificates of participation (debt on the police building construction).

Capital Improvement Program

Changes in the *Capital Improvement Program* equated to a net increase of approximately \$11.6 million and are attributable to the following:

- General Fund Capital Improvement Fund 401 - In FY 2015-16, the total appropriation in this fund was \$5.4 million, compared to \$6.8 million proposed in FY 16-17, which is a net increase of \$1.4 million. Some of the major project appropriations for FY16-17 within this fund include: \$1.3 million for Street Improvement projects; \$600 thousand for Illuminated Street Sign Replacements; and \$500 thousand for Deukmejian Nature Education Center. These increases in appropriation are offset by reductions in appropriation across various projects relative to last year.

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- State Gas Tax Fund 402 – The decrease of approximately \$2.5 million is a result of decreased project appropriations relative to last year. It should be noted that the department will seek Council approval during the year should additional funding be needed.
- Parks Mitigation Fee Fund 405 – The increase of approximately \$12.2 million is a result of additional project appropriation relative to last year. Some of the projects for FY 2016-17 include the Central Park Plaza, and the Soccer Fields at Columbus Elementary and Wilson Middle Schools.
- Library Mitigation Fee Fund 407 – The increase of approximately \$555 thousand is for the purchase of furniture in public areas as a part of the Central Library Renovation appropriation.

Enterprise Funds

The \$5 million decrease (approximate) in the *Enterprise Funds* is primarily due to the following:

- Sewer Fund 525 – The decrease of approximately \$3.6 million is due to less project appropriation relative to last year.
- Refuse Disposal Fund 530 – The decrease of approximately \$1 million is due to less project appropriation relative to last year as well as a decrease in the depreciation budget.
- Electric Utility Funds 552, 553 & 555 – An increase of approximately \$3.8 million is mainly attributable to an increase in purchased natural gas and power costs, contractual services, depreciation and regulatory charges. Part of this increase is offset with a decrease in funding for capital improvement projects and customer paid projects.
- Water Utility Funds 572, 573 & 575 – A decrease of approximately \$4.7 million is mainly attributable to a decrease in funding for capital improvement projects and customer paid projects. Part of this decrease is offset with an increase in depreciation, contractual services, utilities and A&G overhead.
- Fire Communication Fund 701 – The increase of approximately \$519 thousand is due to an addition of one position, and an increase in contractual services, depreciation and ISD charges.

Internal Service Funds

Changes in the *Internal Service Funds* equated to a net increase of approximately \$6.3 million primarily due to the following:

- Fleet/Equipment Management Fund 601 – The increase of approximately \$1.3 million is primarily due to an increase in the vehicle replacement cost capital outlay.
- Joint Helicopter Operation Fund 602 – The increase of approximately \$151 thousand is due to the shifting of a Helicopter Mechanic to Fund 602 from the General Fund.
- ISD Infrastructure Fund 603 – The decrease of approximately \$464 thousand is primarily due to less project appropriation relative to last year.
- ISD Applications Fund 604 – The decrease of approximately \$6.1 million is primarily due to less project appropriation relative to last year (Enterprise Resource Planning Tier II project).

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- *Building Maintenance Fund 607* – The increase of approximately \$7.5 million is due to the Building Maintenance Fund shifting out of the General Fund. The Building Maintenance Fund was established in FY 2015-16, while the building maintenance fund rate is established in FY 2016-17 in order to centralize the building maintenance operation into a single fund and establish a rate for cost recovery.
- *Unemployment Insurance Fund 610* – The decrease of approximately \$237 thousand is due to anticipated decreases in claims.
- *Liability Insurance Fund 612* – The increase of approximately \$670 thousand is primarily due to an increase in cost allocation charges and in the anticipated cost of excess liability premiums.
- *Compensation Insurance Fund 614* – The increase of approximately \$708 thousand is anticipated costs for excess liability premiums and anticipated claims.
- *Medical Insurance Fund 616* – The increase of approximately \$7.7 million is due to anticipated costs in premiums and claims for retirees and active employees.
- *Employee Benefits Fund 640* – The increase of approximately \$927 thousand is due to anticipated separation, vacation, compensated time payouts and the compensated absences accrual.
- *RHSP Benefits Fund 641* – The increase of approximately \$295 thousand is primarily due to the OPEB unblending payout and cost allocation charges.
- *Post Employment Benefits Fund 642* – The decrease of approximately \$5.6 million is due to a one time transfer that was budgeted in FY 2015-16 for the Enterprise Resource Planning Tier II project.
- *ISD Wireless Fund 660* – The decrease of approximately \$627 thousand is primarily due to less project appropriation relative to last year as well as a reduction in the depreciation budget.