



ADOPTED BUDGET

RESOURCES &
APPROPRIATIONS

FY 2020-2021

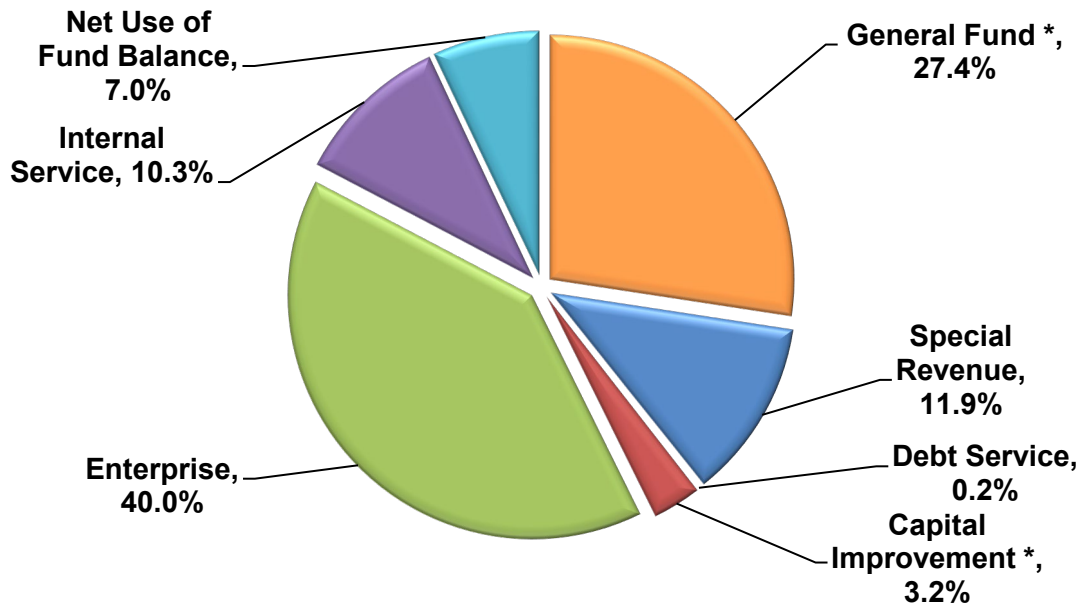
CITY OF GLENDALE RESOURCES & APPROPRIATIONS

OVERVIEW OF RESOURCES

The City Resources forecasted for FY 2020-21 reflect a 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. With the onset of the COVID-19 pandemic, these have been scrutinized with current economic conditions in mind, with some revenue categories impacted more than others.

Total FY 2020-21 City Resources (including Transfers from Other Funds and Use of Fund Balance) are approximately \$906.8 million. The following chart and table illustrate the total budgeted resources for all City Funds for FY 2020-21:

FY 2020-21 Total City Resources



*The Measure S percent of total budget is 1.7% in the General Fund and 0.8% in the Capital Improvement category.

Fund Type	Adopted FY 2019-20	Adopted FY 2020-21	Increase / (Decrease)	% Change
General Fund				
General Fund	\$ 236,021,322	\$ 233,366,038	\$ (2,655,284)	(1.1%)
General Fund – Measure S*	6,500,000	15,170,000	8,670,000	133.4%
Total General Fund	\$ 242,521,322	\$ 248,536,038	\$ 6,014,716	2.5%
Special Revenue	108,000,735	108,172,335	171,600	0.2%
Debt Service	1,700,000	1,656,000	(44,000)	(2.6%)
Capital Improvement Funds				
Capital Improvement	20,184,647	21,858,881	1,674,234	8.3%
Capital Improvement – Measure S*	23,500,000	7,000,000	(16,500,000)	(70.2%)
Total Capital Improvement	\$ 43,684,647	\$ 28,858,881	\$ (14,825,766)	(33.9%)
Enterprise	374,128,655	362,691,889	(11,436,766)	(3.1%)
Internal Service	98,311,530	93,660,873	(4,650,657)	(4.7%)
Net Use of Fund Balance	69,990,235	63,207,447	(6,782,788)	(9.7%)
Total Resources	\$ 938,337,124	\$ 906,783,463	\$ (31,553,661)	(3.4%)

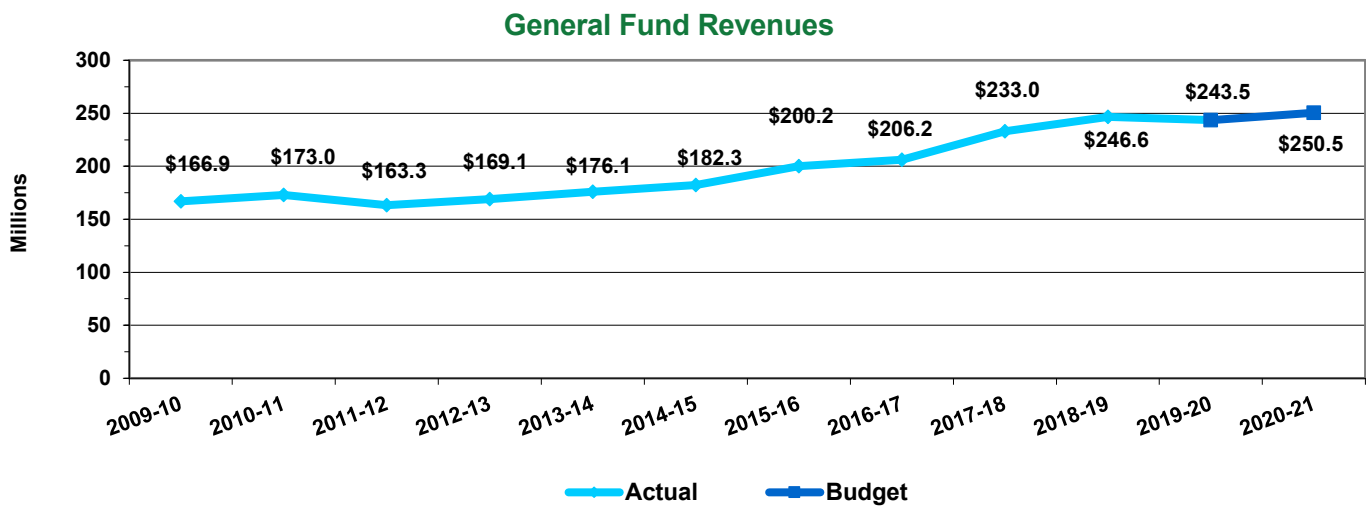
* This is part of the Measure S revenue estimate totaling approximately \$22.2 million for FY 2020-21.

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General Fund Resources

The General Fund Resource budget for FY 2020-21 is projected to be \$250.5 million (including approximately \$15.2 million for Measure S sales tax revenue). The General Fund provides the majority of ongoing governmental services that are not funded through restricted special revenue funds. These services include Fire, Police, Library, Arts & Culture, Community Services & Parks, Community Development, Public Works and general staff support services that include the City Clerk, City Treasurer, City Attorney, City Manager, Innovation, Performance and Audit (IPA), Administrative Services - Finance, and Human Resources. This fund is supported by general taxes, including property, sales and utility user taxes, in addition to other various fees, taxes and transfers from other funds.

The graph below shows the General Fund revenue history along with adopted budgets for FY 2019-20 and FY 2020-21.



The table below shows the estimates of the major revenue sources for the General Fund by category for FY 2019-20 and FY 2020-21.

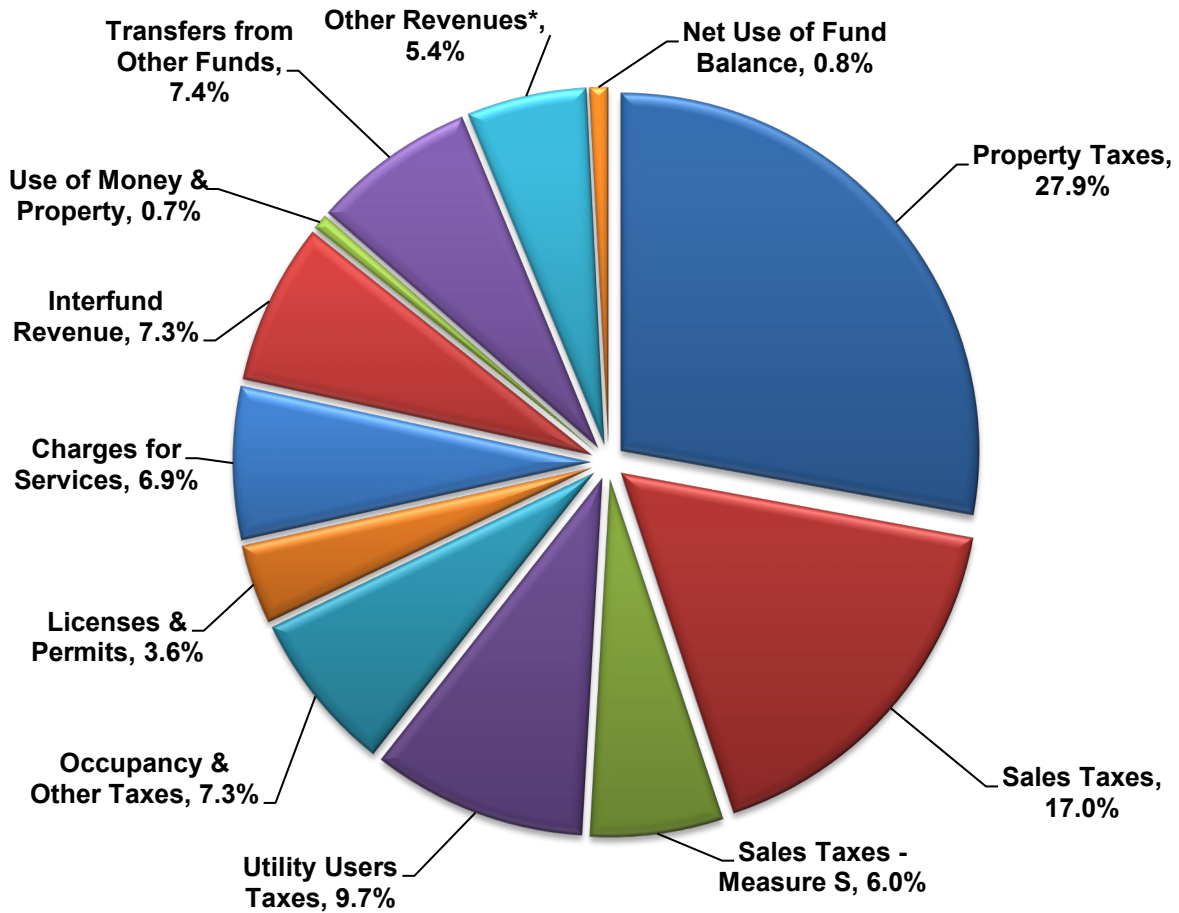
General Fund Resources

Category	Adopted 2019-20	Adopted 2020-21	Increase / (Decrease)	% Change
Property Taxes	\$ 64,042,913	\$ 69,808,945	\$ 5,766,032	9.0%
Sales Taxes	45,402,731	42,546,768	(2,855,963)	(6.3%)
Utility Users Taxes	28,161,976	24,224,221	(3,937,755)	(14.0%)
Occupancy and Other Taxes	16,690,400	18,200,657	1,510,257	9.0%
Licenses and Permits	10,684,757	9,147,432	(1,537,325)	(14.4%)
Fines and Forfeitures	3,259,984	3,330,000	70,016	2.1%
Interest/Use of Money and Property	2,289,323	1,811,142	(478,181)	(20.9%)
Revenue from Other Agencies	204,000	220,000	16,000	7.8%
Charges for Services	16,269,709	17,342,032	1,072,323	6.6%
Miscellaneous and Non-Operating	4,546,056	1,707,136	(2,838,920)	(62.4%)
Interfund Revenue	19,309,904	18,223,246	(1,086,658)	(5.6%)
Transfer from Other Funds	21,427,055	18,594,341	(2,832,714)	(13.2%)
GSA Loan Repayment	3,732,514	8,210,118	4,477,604	120.0%
Total Revenues	\$ 236,021,322	\$ 233,336,038	\$(2,685,284)	(1.1%)
Use of Assigned Econ Dev Fund Balance	628,251	667,296	39,045	6.2%
Use of Fund Balance	319,004	1,276,061	957,057	300.0%
Subtotal Resources	\$ 236,968,577	\$ 235,309,395	\$(1,659,182)	(0.7%)
Sales Taxes – Measure S	6,500,000	15,170,000	8,670,000	133.4%
Total Resources	\$ 243,468,577	\$ 250,479,395	\$ 7,010,818	2.9%

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

FY 2020-21 General Fund Resources



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

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Due to the COVID-19 pandemic and its effects on local government resources, reductions were incorporated into various major revenue categories totaling \$11.4 million in the General Fund. The table below reflects these impacts by revenue category.

General Fund Revenues – COVID-19 Impacts

Category	Initial Proposed FY 2020-21	COVID-19 Impact	Final Adopted FY 2020-21	% Impact
Property Taxes	\$ 69,808,945	\$ -	\$ 69,808,945	0.0%
Sales Taxes *	48,128,223	(5,581,455)	42,546,768	(11.6%)
Utility Users Taxes	25,465,194	(1,240,973)	24,224,221	(4.9%)
Occupancy and Other Taxes	19,195,805	(995,148)	18,200,657	(5.2%)
Licenses & Permits	11,137,739	(1,990,307)	9,147,432	(17.9%)
Revenue from Other Agencies	220,000	-	220,000	0.0%
Charges for Services	18,000,069	(658,037)	17,342,032	(3.7%)
Interfund Revenue	18,223,246	-	18,223,246	0.0%
Fines and Forfeitures	3,330,000	-	3,330,000	0.0%
Use of Money and Property	1,811,142	-	1,811,142	0.0%
Miscellaneous Revenue	1,707,136	-	1,707,136	0.0%
Transfers from Other Funds	19,495,863	(901,522)	18,594,341	(4.6%)
GSA Loan Repayment	8,210,118	-	8,210,118	0.0%
Total Revenues	\$244,733,480	\$(11,367,442)	\$233,366,038	(4.6%)

Property Taxes are the largest revenue source in the General Fund, representing 27.9% of the total General Fund resources. For FY 2020-21, the property tax category is projected to increase by \$5.8 million, or 9.0%, for a total of \$69.8 million. In the past year, home sales were generally declining and the growth in median sale prices appeared to have flattened. However, recent updates have shown that the housing market throughout the state has spiked with median home prices setting a record high, due partially to low interest rates, fewer COVID-19 lockdown restrictions, and pent-up demand¹. Furthermore, new construction activity continues to add value to the property tax rolls, allowing for continued year-over-year increases in estimated revenues in this category. Because property tax estimates for FY 2020-21 are not informed by 2020 activity, but rather prior year values, this resource is not anticipated to be affected immediately by COVID-19 activity.

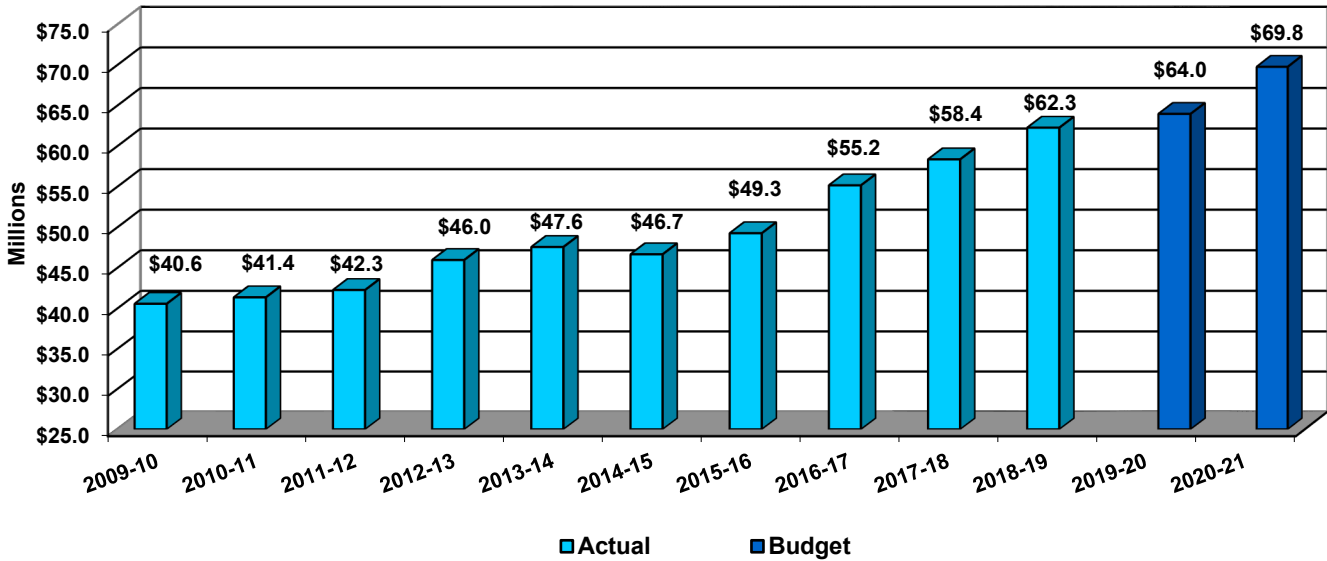
Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13 adopted by the California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property tax is based on the real property's adjusted assessed full value. Proposition 13 set the FY 1975-76 assessed values as the base year from which future annual inflationary assessed value increases are calculated (not to exceed 2.0% for any given year). The County Assessor also re-appraises each real property parcel when there are purchases, construction, or other statutory defined "changes in ownership". Proposition 13 limits the property tax rate to 1.0% of the property's full value plus overriding rates to pay specifically approved voter indebtedness. The 1.0% property tax levy is collected by the County Tax Collector and is distributed to various public agencies. The City of Glendale receives 13.57% of the 1.0% levy on assessed value.

The graph on the following page shows the historical and forecasted Property Tax revenues, followed by a listing of the top 10 property taxpayers for the City's General Fund.

¹ HDL Coren & Cone

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Property Taxes – General Fund



Top 10 Property Taxpayers (In Alphabetical Order)

<p>CP IV Glendale LLC Dignity Community Care DWF V 655 North Central LLC Equity Residential Glendale Faruque Sikder Cotrustee</p>	<p>Glendale Fashion Associates LLC J P Allen Company LLC MCP Onyx LLC PH Glendale LLC Stanley A Sirott Trust</p>
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Source: HdL Coren & Cone 2019-20 Property Data (Tax District #1: General Fund)

Sales Taxes are the second largest revenue source in the General Fund, representing 17.0% of the total General Fund resources, not including Measure S revenues. For FY 2020-21, sales taxes are forecasted to decrease by \$2.9 million, or 6.3%, for a total of \$42.5 million.

Of all the City’s revenue sources, this category has been hit the hardest by the COVID-19 pandemic, and was immediately and significantly affected by it as well as by the State and local “Safer at Home” orders. It is anticipated the recovery of this revenue stream will last 24 to 36 months. Sales Tax receipts will also see a shift in cash flow from one fiscal year to another due to various tax deferment programs for small businesses. Projections for Sales Tax revenues in FY 2020-21 are informed by the City’s Sales Tax consultant, HdL Companies, which is working to provide Glendale and other client cities with regular updates and adjusted forecasts as necessary. Due to COVID-19 and related “Safer at Home” orders, this resource suffers estimated losses in FY 2020-21 of approximately \$5.6 million, as decreases in various industries from FY 2019-20 estimates are built into the FY 2020-21 budget. However, such decreases are partially offset by anticipated increases in State and County pool allocations due to the shift to online purchases and recent legislation allowing for the collection of sales taxes therefrom.

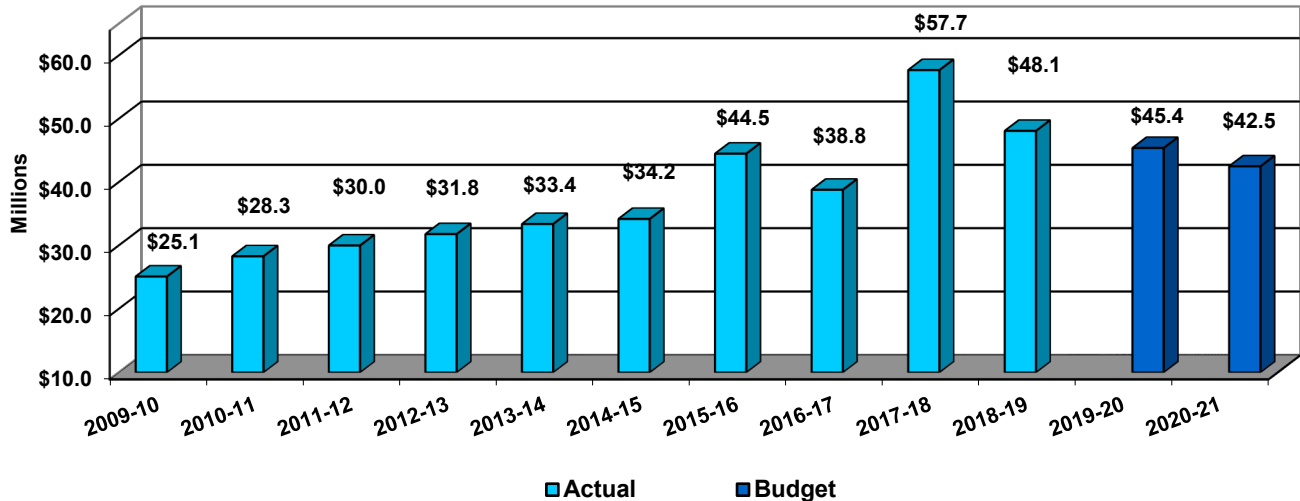
It should be noted that through FY 2008-09, 86% of the Sales Tax revenue was deposited into the General Fund, with the remaining 14% deposited into the Capital Improvement Fund (4010). In FY 2009-10, the split of Sales Tax was shifted to 96% and 4%, respectively. For FY 2010-11 and FY 2011-12, 100% of the Sales Tax went to the General Fund. Starting in FY 2012-13, the City restored sales tax funding to the Capital Improvement Fund (CIP), albeit only 1.0% of the estimate. Starting in FY 2015-16, the 1.0% sales tax transfer to the CIP increased by 0.25% each year, and was capped at

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2.0% in FY 2018-19 and FY 2019-20. Due to the COVID-19 pandemic and its strain on City resources, particularly sales tax receipts, this transfer was not included in the FY 2020-21 adopted budget. The City will look to reinstate and/or increase the sales tax contribution to the Capital Improvement Fund as resources permit.

The graph below illustrates historical and forecasted sales tax revenues followed by a listing of the top 25 Sales Tax producers for the City.

Sales Taxes – General Fund



Top 25 Sales Tax Producers (In Alphabetical Order)

- | | |
|--|---|
| <ul style="list-style-type: none"> Allen Gwynn Chevrolet Apple Avis Car Sales Bloomingdale's Calstar Mercedes Car Pros Kia Glendale CDW Direct CDW Government CVS Pharmacy Daimler Trust Financial Services Vehicle Trust Glendale Dodge Chrysler Jeep Home Depot | <ul style="list-style-type: none"> Hyundai Lease Titling Trust Lexus of Glendale Macys New Century Honda Nordstrom Pacific BMW Star Auto Group Target Tesla Motors Toyota Lease Trust Toyota of Glendale Scion Vons |
|--|---|

Source: HdL Companies 1st Quarter 2020 Newsletter – City of Glendale

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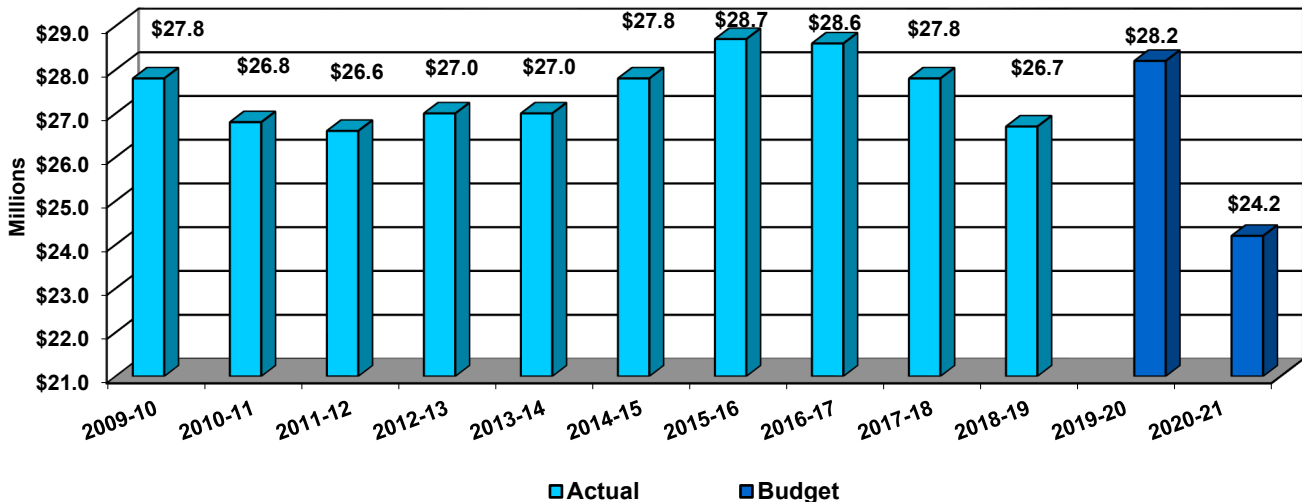
Sales Tax – Measure S - In November 2018, Glendale voters approved the Quality of Life and Essential Services Protection Measure (Measure S), which took effect April 1, 2019, and added 0.75% to the sales tax rate in the City. This additional sales tax revenue is estimated to generate approximately \$22.2 million in FY 2020-21, of which approximately \$15.2 million will be received in the General Fund and \$7.0 million in the Measure S Capital Improvement Fund (Fund 4011) to fund various new affordable housing developments and the acquisition of recreational land. This revenue source has been similarly impacted by the COVID-19 pandemic as the Sales Tax category noted in the previous page.

Utility Users’ Taxes (UUT) are the third largest revenue source for the General Fund, representing 9.7% of the total General Fund resources. This tax is levied on the following utility services: telecommunications (6.5%), video (6.5%), electricity (7.0%), gas (7.0%), and water (7.0%). The telecommunications category now includes wired and wireless telecommunications, prepaid, intrastate, interstate, and international services; ancillary services; voice-over internet protocol; paging; and private communication services. UUT revenues are estimated to decrease by \$3.9 million, or 14.0%, for a total FY 2020-21 estimate of \$24.2 million. Decreases are forecasted in telecommunications, video, water, and electricity, while a modest increase is projected in the gas category.

Impacts to the electric, water, and gas UUT receipts due to COVID-19 are significant, and this category is estimated to suffer approximately \$1.2 million in losses therefrom. Estimates show decreases in commercial electric and water usage being greater than increases in residential usage (though cooler weather partially contributes to this); consequently, 5.0% reductions have been incorporated in electric and water revenues and associated UUT receipts.

In addition, 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. The original legislation was to sunset on January 1, 2020; however, that has been extended to January 1, 2021. Further legislation for extension is being considered. The graph below illustrates historical and forecasted UUT revenues.

Utility Users Taxes – General Fund



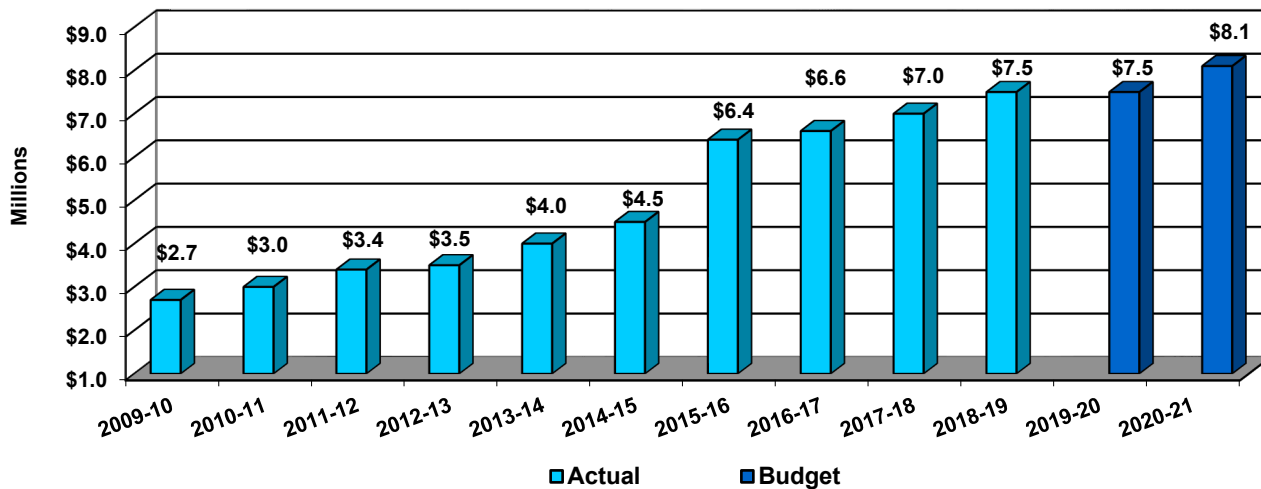
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Transient Occupancy Tax (TOT) represents 3.2% of the total General Fund resources in the FY 2020-21 Adopted Budget. This tax is levied at 12.0% for occupying a room(s) or other living space(s) in a hotel, inn, tourist home/house, motel or other lodging for a period of 30 days or less. The TOT is authorized under Section 4.32 of the Glendale Municipal Code and the revenue is deposited into the General Fund. For FY 2020-21, TOT revenue is anticipated to increase by \$590 thousand, or 7.9%, for a total estimate of \$8.1 million. This is due primarily to the anticipated completion of several new hotels, mitigated by the continuing effects of the COVID-19 pandemic. It is worth noting that in April 2015, Glendale voters passed revenue ballot Measure O, which increased the transient occupancy tax (hotel tax) from 10.0% to 12.0%.

With much of the population staying home, fewer people are traveling and thereby not using hotel services. Consequently, Transient Occupancy Tax (TOT) revenues, which are generally received by hotels at the time of booking and remitted to the City on a monthly basis, saw immediate declines, with slow recovery anticipated for FY 2020-21. Built into the FY 2020-21 revenue estimates are declines for the first half of the fiscal year. While the impacts of COVID-19 on Transient Occupancy Tax (TOT) receipts have been immediate, new hotel openings scheduled during FY 2020-21 are anticipated to offset these decreases. The COVID-19 losses are estimated to be approximately \$995 thousand for FY 2020-21.

The graph below illustrates historical and forecasted TOT revenues.

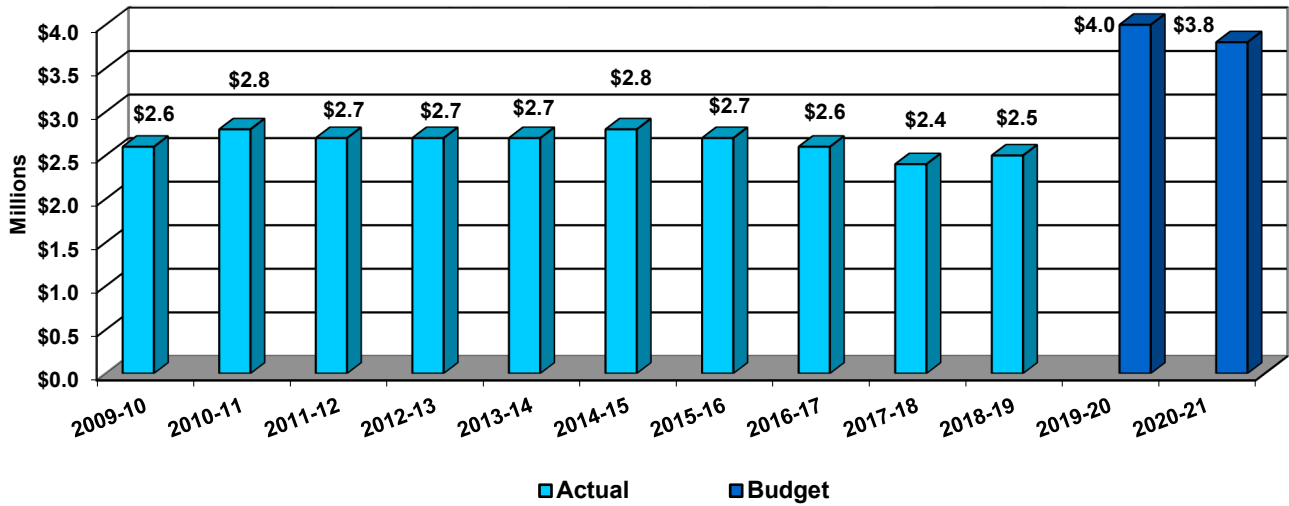
Transient Occupancy Tax – General Fund



Franchise Tax is a charge for a right-of-way or license granted to an individual or a group to market a company's goods or services in a particular territory. The majority of the City's franchise revenue is received from Charter Communications, Pacific Bell and the Southern California Gas Company. For FY 2020-21, the franchise tax is estimated to be \$3.8 million, or 1.5% of the total General Fund resources. The graph on the following page illustrates historical and forecasted Franchise Tax revenues.

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Franchise Tax – General Fund

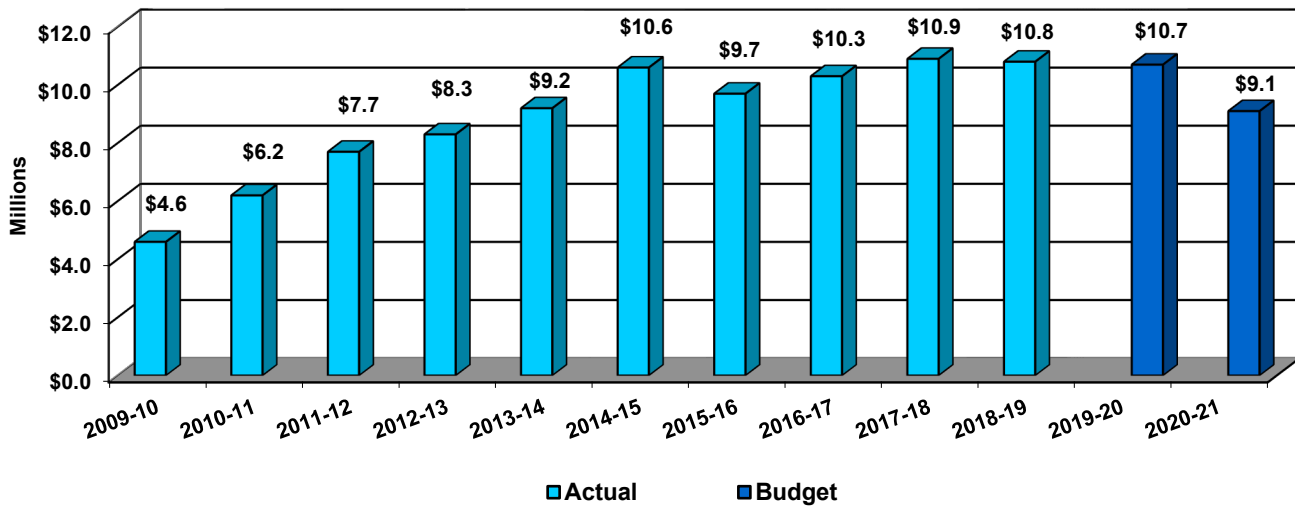


Licenses and Permits include Building Permits, Business License Permits, Variance Permits, Plan Check Fees, Street Permits and Dog License Fees. Licenses & Permits represent 3.7% of the total General Fund resources. Revenue in this category is project-based and non-recurring, and is estimated to decrease by \$1.5 million, or 14.4%, for FY 2020-21.

Revenues in this category were originally anticipated to increase by approximately \$453 thousand from FY 2019-20; however, due to COVID-19, this category is anticipated to be negatively impacted by approximately \$2.0 million, totaling a net year-over-year variance of \$1.5 million. Impacts to this revenue category were immediate and are expected to recover slowly in FY 2020-21. The primary driver of the estimated declines reflected in this category is Building Permits, which are estimated to be impacted by 20.0% for FY 2020-21 due to the possible loss of confidence in taking on new projects.

The graph below illustrates historical and forecasted Licenses and Permits revenues.

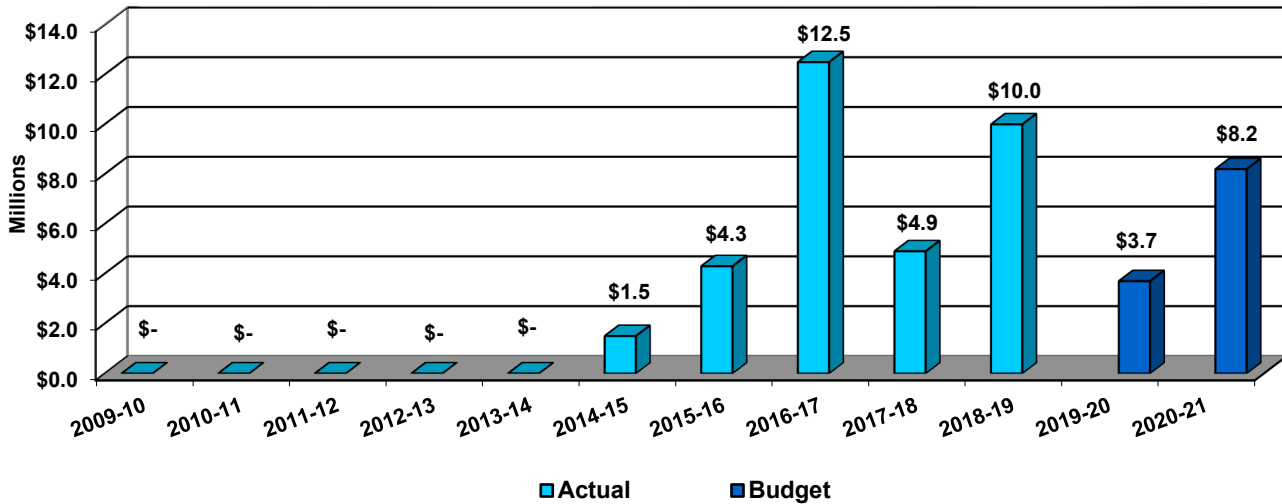
Licenses & Permits – General Fund



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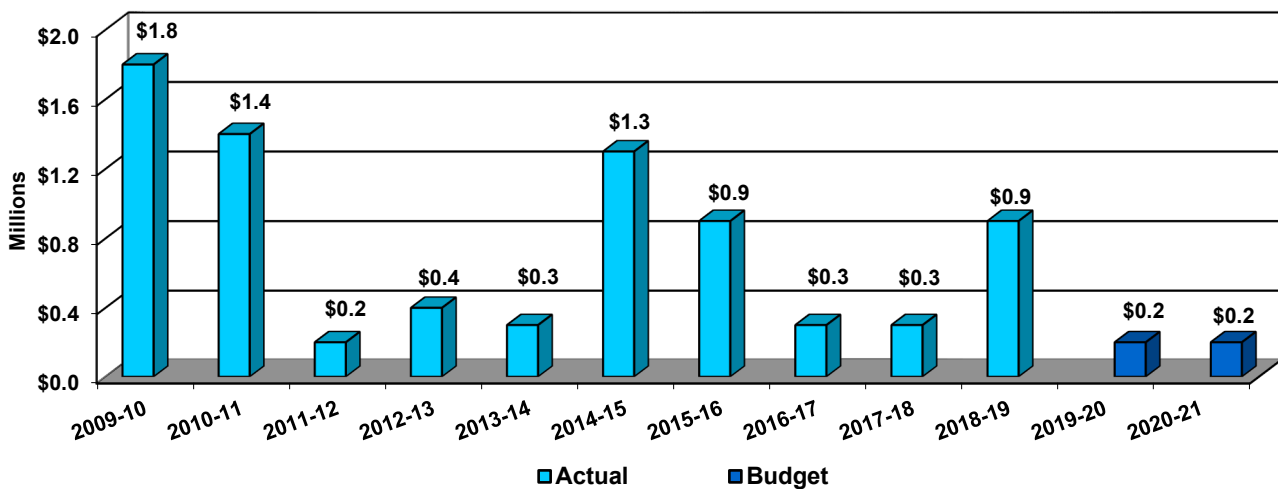
GSA Loan Repayment is the loan repayment from the Successor Agency (formerly known as the Glendale Redevelopment Agency) to the General Fund. When the Glendale Redevelopment Agency (GRA) was formed, the General Fund loaned a significant amount of money to the GRA, which was slowly being repaid using tax increment generated from new projects in the redevelopment project areas. The GSA Loan Repayment is estimated at \$8.2 million for FY 2020-21, which is 3.3% of the total General Fund resources. The graph below illustrates historical and forecasted GSA Loan Repayment revenues.

GSA Reimbursement – General Fund



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

Revenues from Other Agencies – General Fund



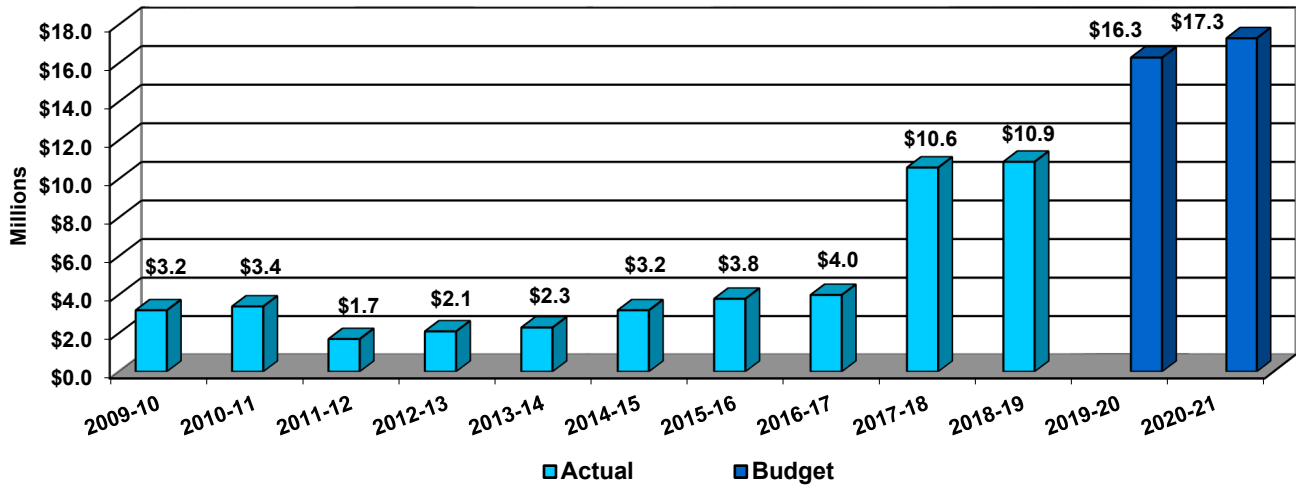
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Charges for Services are generally known as user fees that are charged for a variety of services provided to the general public. Fees charged for services in this category include library fees, fire fees, special police fees, map and publication fees and code enforcement fees. The decrease in FY 2011-12 is primarily due to the shifting of the Glendale Youth Alliance (GYA) from the General Fund to a Special Revenue Fund (Fund 2110). However, revenues increased by \$400 thousand in FY 2012-13, which was primarily due to fee increases following a Citywide fee study. In FY 2017-18, the large increase is mainly due to the shift of the Emergency Medical Response fund (Fund 2200) to the General Fund, which also includes the Paramedic Membership Fees. In FY 2019-20, the shift of the Filming Funds and the Recreation Fund into the General Fund significantly increased the revenue estimate for this category, as well as the receipt of \$2.0 million in Scholl Canyon Tipping Fees that had previously only been received in the Capital Improvement Fund.

Due to COVID-19 and the related suspension of various City programs and activities, this category is anticipated to be negatively impacted by approximately \$658 thousand. Various City programs and activities were on hold during the budget process due to “Safer at Home” measures, such as facility rentals, contract classes, and summer camps, and closures were anticipated in whole or in part through most of first quarter of FY 2020-21. Consequently, impacts to this revenue category due to COVID-19 were immediate, with slow recovery forecasted to start in July 2020. Built into FY 2020-21 revenue estimates are 15% - 25% reductions in many of the programs and services that flow into this category.

The graph below illustrates historical and forecasted revenues from Charges for Services.

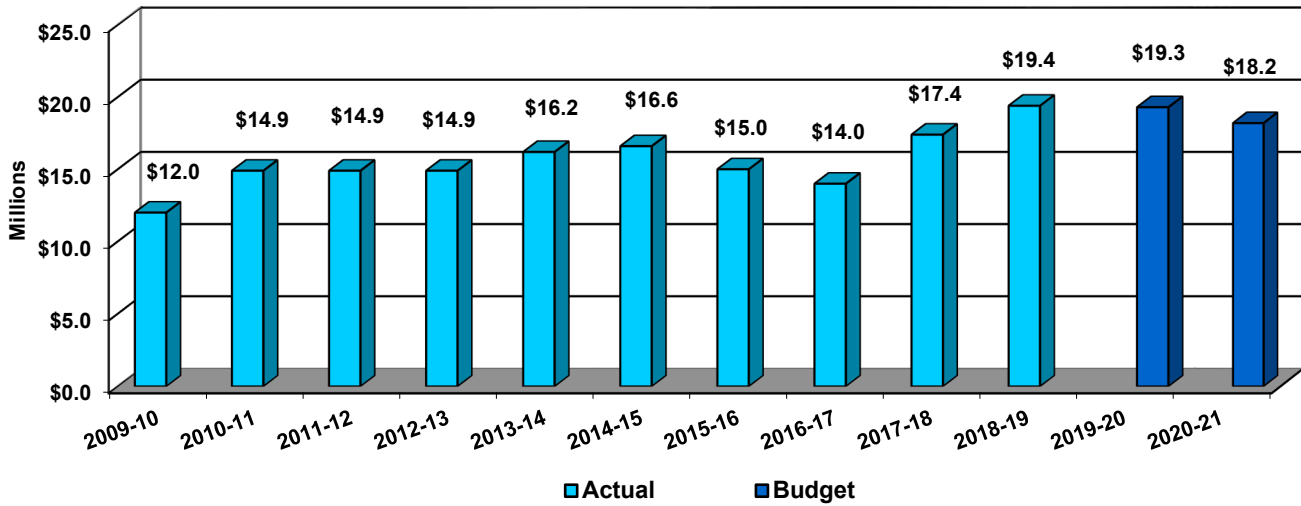
Charges for Services – General Fund



Interfund Revenue is mainly the revenue derived from the City’s cost allocation plan, which commenced in FY 2009-10. This plan formally allocates certain General Fund costs from “central service” departments to a variety of “receiving” departments that are funded outside of the General Fund. The central service departments in the General Fund include the City Attorney, City Clerk, City Treasurer, Administrative Services-Finance, Management Services, Human Resources, Innovation, Performance, & Audit, Fire Administration, and Public Works Administration. Receiving departments include Community Development, Community Services & Parks, Fire, Glendale Water & Power, Information Services, Library, Arts & Culture, Public Works, and Police. The premise behind the formal cost allocation plan is to identify those costs associated with services provided by the central service departments to the receiving departments and recover said costs. For FY 2020-21, this category is expected to decrease by \$1.1 million, or 5.6%, to a total \$18.2 million, which represents 7.3% of the total General Fund resources. The graph on the following page illustrates historical and forecasted Interfund Revenue.

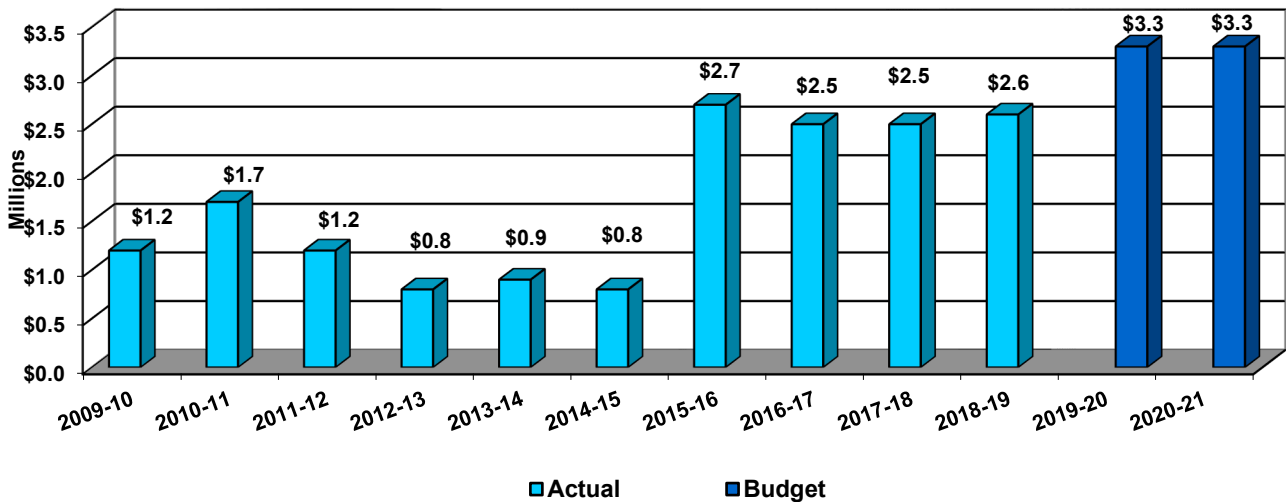
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Interfund Revenue – General Fund



Fines and Forfeitures are derived from the collection of penalties for violations of statutory offenses, administrative rules, confiscated property, and court fees. Fines and Forfeitures revenue represents 1.3% of the total General Fund resources in the FY 2020-21 Adopted Budget. FY 2010-11 experienced an increase due to the shifting of the “Red Light Traffic” revenue from the Police Staff Augmentation Fund (Fund 2630) 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 accounted for the decrease in the following year. Starting in FY 2015-16, the annual transfer from the Parking Fund was no longer listed under *Transfer from Other Funds* category but reported under this category. The estimated revenue for FY 2020-21 is \$3.3 million, of which \$2.6 million is the revenue derived from parking tickets, representing 1.0% of the total General Fund resources. The graph below illustrates historical and forecasted revenues from Fines and Forfeitures.

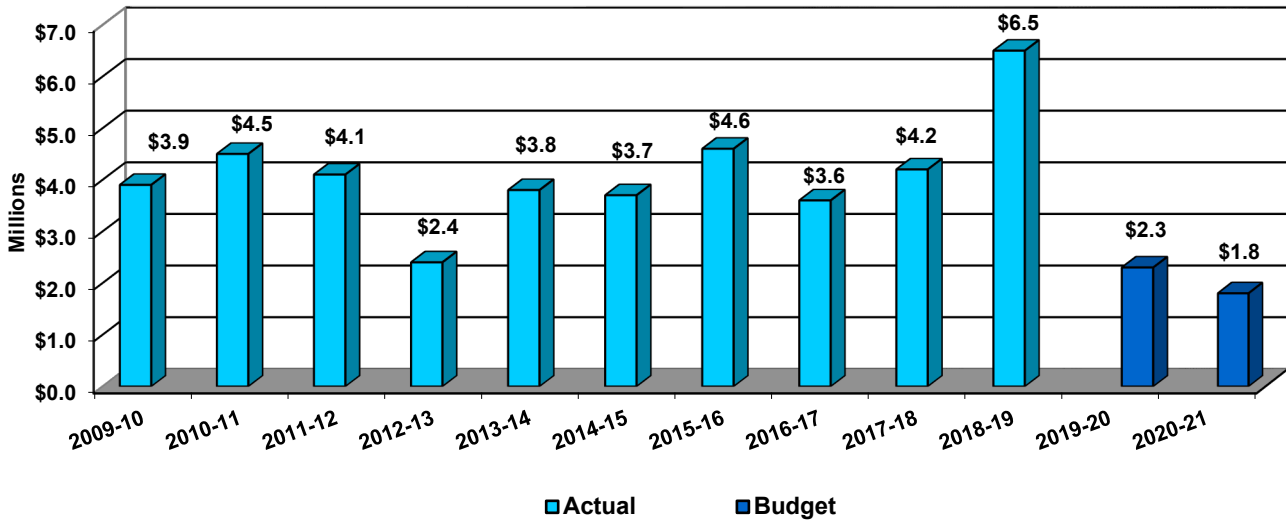
Fines and Forfeitures – General Fund



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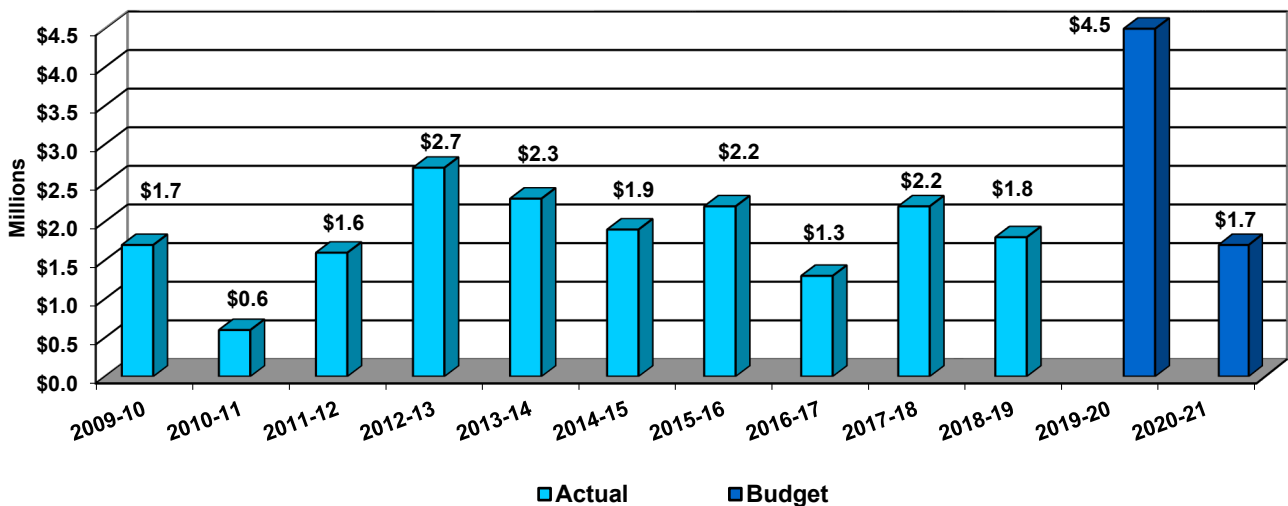
Use of Money and Property includes Interest and Investment Revenues and Rent and Lease Income. The City Treasurer invests funds that are available but not needed for immediate disbursement. Funds are invested in Local Investments Pool and in a core portfolio of U.S. Government Obligations. As of FY 2018-19, the Landfill Gas Royalties was eliminated from this category due to the flaring of the gas. This category is projected to decrease by \$478 thousand, or 20.9%, for FY 2020-21, due primarily to a decrease in anticipated interest revenue resulting from the COVID-19 pandemic's effects on the economy. The graph below illustrates historical and forecasted revenues from Use of Money and Property.

Use of Money and Property – General Fund



Miscellaneous Revenue consists of revenues other than taxes and fees, such as the sale of items/property not normally held for resale, collections from advertising, unclaimed money or property or other contributions and donations. The increase in FY 2019-20 is due to the recognition of \$3.0 million in vacancy savings in this category. However, for FY 2020-21 this was removed from the revenue side because the entire salary savings will be realized under the expenditures. The graph below illustrates historical and forecasted Miscellaneous Revenue.

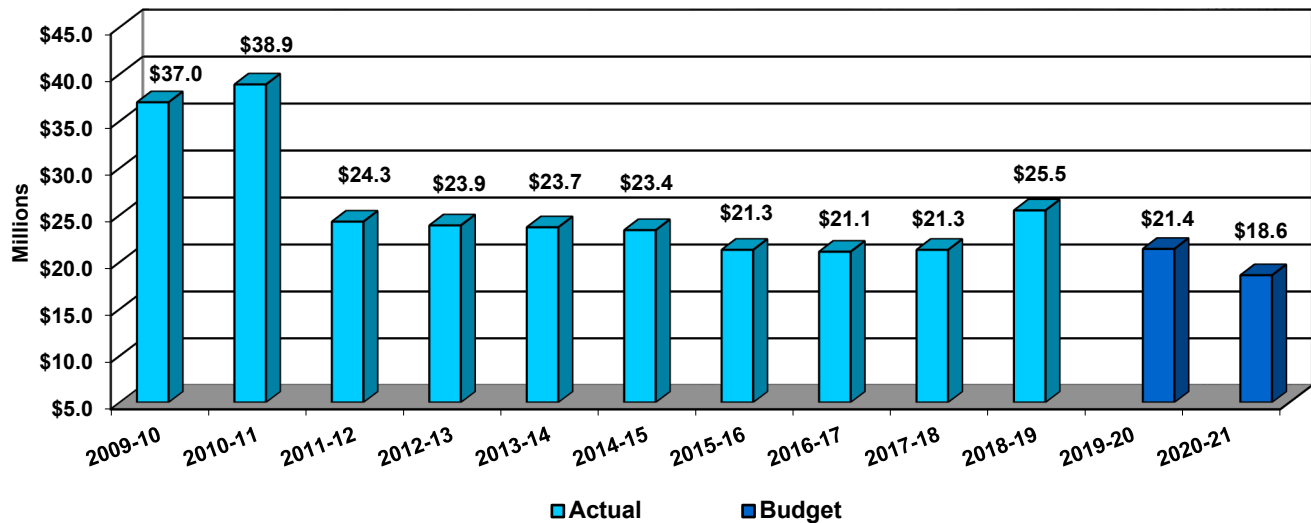
Miscellaneous Revenue – General Fund



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Transfers from Other Funds are made to the General Fund for a variety of purposes. Transfers represent 7.4% of the total General Fund resources in the FY 2020-21 Adopted Budget and include transfers from Electric Utility and Refuse Disposal Funds. The decrease for FY 2011-12 in this category was attributable to the loss of the Water Utility transfer, the loss of the one-time transfer from the close out of the Police Staff Augmentation Fund, and the loss of two transfers from the Internal Service Funds (ISF). The two ISF transfers consisted of a transfer from the ISD Applications Fund (Fund 6040) and a transfer from the Fleet/Equipment Management Fund (Fund 6010). These transfers were discontinued in FY 2011-12 as they were incorporated into the ISF rates in lieu of a straight transfer to General Fund. As of FY 2015-16, the \$1.9 million transfer from the Parking Fund was no longer listed under this category, but rather in the *Fines & Forfeiture* category. Effective FY 2016-17, the electric transfer amount was capped at 10.0% of the electric revenues. For FY 2020-21, the electric transfer amount was reduced to 9.0% of the electric operating revenues. The graph below illustrates historical and forecasted Transfers from Other Funds.

Transfers from Other Funds – General Fund



Special Revenue Funds

Revenues in Special Revenue Funds are estimated to total \$108.2 million in FY 2020-21, which is \$172 thousand, or 0.2%, higher than the prior year, due primarily to the following changes:

- **Housing Assistance Fund (2020)** – The increase of \$1.6 million in this fund is due primarily to additional funding in the Housing Choice Voucher (HCV) Housing Assistance Payments (HAP) program and the HCV portable voucher HAP program anticipated to be received from the U.S. Department of Housing and Urban Development (HUD).
- **Home Grant Fund (2030)** – The decrease of \$776 thousand is due primarily to the one-time settlement that was realized in FY 2019-20, offset by increased funding in the housing program.
- **Continuum of Care Grant Fund (2040)** – The decrease of \$2.3 million is due to the main portion of the federal grant funding being received and appropriated in FY 2019-20 through City Council action. Remaining funds will carry over to FY 2020-21.

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- Low and Moderate Income Housing Asset Fund (2130) – The increase of \$966 thousand is due primarily to a higher transfer from the General Fund. Each year, 20.0% of the amount received from the Glendale Successor Agency (GSA) Loan Repayment in the General Fund is transferred to this fund. The repayment amount for FY 2020-21 will be significantly higher than the prior fiscal year, resulting in a higher interfund transfer.
- Parking Fund (2210) – The decrease of \$3.3 million is due primarily to a decrease in anticipated parking revenue as a result of the COVID-19 pandemic. This is a combined result of City agencies not enforcing parking penalties, as well as a decrease in the population driving to various locations.
- Measure R Regional Return Fund (2550) – The increase of \$2.8 million is due to the recognition of revenues to be received in FY 2020-21, which was not budgeted in FY 2019-20 during budget adoption, as there were no projects budgeted at that time.
- Transit Utility Fund (2580) – The increase of \$2.6 million in this fund is due primarily to an increase in the subsidy for Proposition C local return funds.

Debt Service Funds

For FY 2020-21, there is a decrease from the prior year of \$44 thousand, or 2.6%, for a total \$1.7 million, in the Debt Service Fund for the Police Building construction project, based on the Police Building Certificates of Participation schedule.

Capital Improvement Program (CIP)

Revenues in Capital Improvement Program Funds are estimated to total \$28.9 million in FY 2020-21, which is \$14.8 million, or 33.9%, lower than the prior year, due primarily to the following changes:

- General Fund Capital Improvement Fund (4010) – The decrease of \$1.2 million is due primarily to a decrease in anticipated Scholl Canyon Tipping Fees, as well as the elimination of the 2.0% transfer of Sales Tax revenue from the General Fund, due to the COVID-19 pandemic.
- Measure S Capital Improvement Fund (4011) – The \$7.0 million revenue estimate for this fund is a portion of the estimated \$22.2 million in Measure S sales tax revenues. The variance of \$16.5 million to the prior year is due primarily to less allocated funding for Affordable Housing Development for FY 2020-21.
- Housing Development Impact Fee Fund (4110) – The increase of \$980 thousand is due primarily to the estimate of the quantity and dollar amount of payments resulting from the Housing Development Impact Fee.

Enterprise Funds

Revenues in Enterprise Funds are estimated to total \$362.7 million in FY 2020-21, which is \$11.4 million, or 3.1%, lower than the prior year, due primarily to the following changes:

- Sewer Fund (5250) – The decrease of \$1.6 million is due largely to decreased sewer usage estimates from the Single-Family user group.

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- Electric Utility Funds (5810 – 5880) – The net decrease of \$7.5 million is due primarily to a decrease in the estimated revenue from domestic and commercial electric sales, as well as an anticipated decrease in the interest income for the fund due to the COVID-19 pandemic.
- Water Utility Funds (5910 – 5980) – The net decrease of \$3.2 million is due primarily to decreases in revenue from the sale of recycled water in the Commercial and Irrigation user groups, as well as decreases in the municipal billing category, the budget for the depreciation of vehicles, and the estimates for customer-paid projects.

Internal Service Funds

Revenues in Internal Service Funds are estimated to total \$93.7 million in FY 2020-21, which is \$4.7 million, or 4.7%, lower than the prior year, due primarily to the following changes:

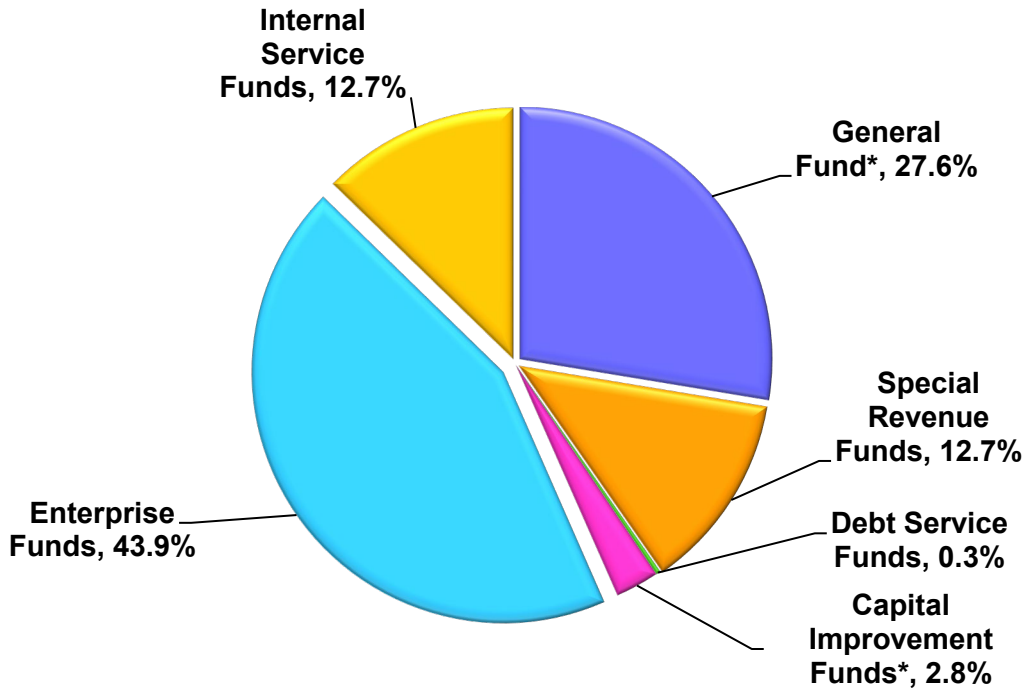
- Fleet Management Fund (6010) – The decrease of \$1.4 million is due primarily to a decrease in the fleet service charge to other departments.
- ISD Infrastructure Fund (6030) – The increase of \$819 thousand is due primarily to an increase in ISD service charges to other departments.
- Liability Insurance Fund (6120) – The decrease of \$1.2 million is due primarily decreases in revenue estimates for self-insured insurance.
- Compensation Insurance Fund (6140) – The decrease of \$1.4 million is due largely to a decrease in various Workers' Compensation rates.
- Medical Insurance Fund (6160) – The increase of \$1.6 million is due primarily to anticipated increases in medical premiums and claims.
- Employee Benefits Fund (6400) – The decrease of \$2.0 million is due primarily to decreases in anticipated charges for vacation leave and compensatory time benefits.
- Retiree Health Savings Program (RHSP) Benefits Fund (6410) – The decrease of \$780 thousand is due primarily to a decrease in the RHSP rate and claims.

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OVERVIEW OF APPROPRIATIONS

Total citywide FY 2020-21 appropriations (including Transfers to Other Funds) are \$906.8 million, of which \$18.7 million is approved Measure S Funding. The following chart illustrates the percentage of budgeted appropriations for each fund type:

FY 2020-21 Total Citywide Appropriation



*The Measure S percent of total budget is 1.3% in the General Fund and 0.8% in the Capital Improvement category.

The table below depicts the total City appropriations by fund type as adopted for FY 2019-20 and FY 2020-21. Additional details can be found in the *Summary of Appropriations by Fund Type* report under the “Budget Summaries” section of this book.

Total Citywide Budgeted Appropriations

Fund Type	Adopted FY 2019-20	Adopted FY 2020-21	Increase / (Decrease)	% Change
General Fund				
General Fund	\$ 236,968,577	\$ 238,802,457	\$ 1,833,880	0.8%
General Fund - Measure S*	6,348,000	11,676,938	5,328,938	83.9%
Total General Fund	\$ 243,316,577	\$ 250,479,395	\$ 7,162,818	2.9%
Special Revenue	109,586,125	114,670,803	5,084,678	4.6%
Debt Service	3,080,797	2,994,900	(85,897)	(2.8%)
Capital Improvement Funds				
Capital Improvement	16,334,500	17,957,787	1,623,287	9.9%
Capital Improvement–Measure S*	23,500,000	7,000,000	(16,500,000)	(70.2%)
Total Capital Improvement	\$ 39,834,500	\$ 24,957,787	\$ (14,876,713)	(37.3%)
Enterprise	430,676,203	398,434,356	(32,241,847)	(7.5%)
Internal Service	111,842,922	115,246,222	3,403,300	3.0%
Total Appropriations	\$ 938,337,124	\$ 906,783,463	\$ (31,553,661)	(3.4%)

* Part of the Measure S funding approved by City Council in the total amount of \$18.7 million for FY 2020-21.

CITY OF GLENDALE RESOURCES & APPROPRIATIONS

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

General Fund

Total FY 2020-21 General Fund Appropriations (including Transfers Out) are approximately \$250.5 million, of which approximately \$11.7 million is approved Measure S Funding. The appropriations for the adopted FY 2020-21 General Fund budget, together with comparative appropriations from FY 2019-20, are as follows:

Category	Adopted FY 2019-20	Adopted FY 2020-21	Increase/ (Decrease)	% Change
<u>Salaries & Benefits</u>				
Salaries	\$ 98,972,309	\$ 100,532,790	\$ 1,560,481	1.6%
Overtime	10,180,776	10,740,745	559,969	5.5%
Hourly Wages	7,342,435	7,257,131	(85,304)	(1.2%)
Benefits (Net salary charges out)	28,487,065	27,525,224	(961,841)	(3.4%)
PERS (Net of cost-share)	43,028,898	47,099,395	4,070,497	9.5%
Vacancy Salary Savings	-	(5,000,000)	(5,000,000)	N/A
Total Salaries & Benefits	\$ 188,011,483	\$ 188,155,285	\$ 143,802	0.1%
Maintenance & Operation	45,717,959	47,420,571	1,702,612	3.7%
Transfers Out	3,239,135	3,226,601	(12,534)	(0.4%)
General Fund	\$ 236,968,577	\$ 238,802,457	\$ 1,833,880	0.8%
Measure S	6,348,000	11,676,938	5,328,938	83.9%
Total General Fund Budget	\$ 243,316,577	\$ 250,479,395	\$ 7,162,818	2.9%

Notes: Total General Fund includes use of Assigned Economic Development fund balance of \$667 thousand for FY 2020-21.

As indicated above, the General Fund budget has increased by approximately \$1.8 million, or 0.8% (not inclusive of Measure S). This increase is mainly attributable to the following:

- **Salaries and Benefits:** The total net increase in the Salaries and Benefits category is approximately \$144 thousand. The increases of \$4.1 million in PERS costs (net of employee cost sharing), as well as Cost of Living Adjustments for GFFA and GPOA, and normal step progression and reallocation of employees, are offset by \$5.0 million in estimated vacancy savings due to the implementation of a hiring freeze as a response to the COVID-19 pandemic.
- **Maintenance & Operation (M&O):** There is a total net increase of approximately \$1.7 million in the M&O budget for FY 2020-21. This is primarily due to an increase of approximately \$921 thousand in Liability Insurance; \$680 thousand in Contractual Services; \$557 thousand in ISD Service Charge; and \$164 thousand for Utilities. These increases in appropriation are offset by a decrease of \$777 thousand in Fleet Equipment Rental Charge.
- **Transfers Out:** There is a total net decrease of \$13 thousand in the transfer budget for FY 2020-21. This is primarily due to the suspension of the annual transfer of 2.0% of sales tax into the Capital Improvement Fund, which was \$908 thousand in FY 2019-20. This decrease is offset by an increase of approximately \$896 thousand in the transfer to the Low and Moderate Housing Fund resulting from higher GSA Loan Repayment revenue forecasted than the prior fiscal year.

CITY OF GLENDALE RESOURCES & APPROPRIATIONS

Based on the FY 2020-21 proposed revenues and appropriations, as shown below, exclusive of Measure S, the budget is balanced with an estimated use of fund balance of approximately \$4.8 million.

Resources:	
Revenues	\$233,366,038
Use of Assigned Econ. Dev. Fund Balance	667,296
Total Resources:	\$234,033,334
Appropriations:	\$238,802,457
Projected Use of Fund Balance:	\$ 4,769,123

General Fund – Measure S

In FY 2020-21, the City Council approved a total of \$18.7 million in Measure S funding, of which \$11.7 million is in the General Fund for the following programs: \$6.3 million for Housing Assistance Programs, \$3.7 million for Economic Recovery (Commercial), \$582 thousand for the Aquatics Program Expansion, \$500 thousand for the Citywide Traffic Study, \$445 thousand for the Rental Rights Program, and \$250 thousand for the Verdugo Wash Greenway Feasibility Study.

Special Revenue Fund

The approximately \$5.1 million increase in the *Special Revenue Funds* is primarily due to the following:

- CDBG Fund (2010) – The increase of approximately \$118 thousand is due to an increase in projected revenue applied towards capital projects.
- Housing Assistance Fund (2020) – The increase of approximately \$1.5 million is primarily due to an increase in anticipated revenue applied towards direct assistance and Portable Voucher HAP.
- Home Grant Fund (2030) – The decrease of approximately \$776 thousand is primarily due to a decrease in direct assistance due to lower projected revenues.
- Continuum of Care Grant Fund (2040) – The decrease of approximately \$2.3 million is primarily due to the 2019 Continuum of Care Grant in the amount of approximately \$2.4 million being appropriated in February 2020. For this fund, the majority of the allocated funds are usually budgeted during the fiscal year with all remaining funds carrying over to the following year. The remaining budget of the grant will be carried over into FY 2020-21.
- Affordable housing Trust Fund (2090) – The increase of approximately \$531 thousand is primarily due to an increase in anticipated revenue applied towards direct assistance.
- Glendale Youth Alliance Fund (2110) – The increase of approximately \$314 thousand is primarily due to an increase in anticipated revenue applied towards hourly wages and contractual services.
- BEGIN Affordable Homeownership Fund (2120) – The decrease of \$290 thousand is primarily due to the Doran Garden Loan payoff.
- Low & Mod Income Housing Asset Fund (2130) – The increase of approximately \$955 thousand is due to an increase in anticipated revenue applied towards contractual services and direct assistance.

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- Miscellaneous Grant Fund (2160) – The increase of approximately \$50 thousand is due to an increase in anticipated revenue applied towards direct assistance.
- Hazardous Disposal Fund (2190) – The increase of approximately \$70 thousand is due to an increase in personnel costs and ISD Service Charge.
- Parking Fund (2210) – The decrease of approximately \$380 thousand is due to a decrease in project appropriation relative to last fiscal year.
- Measure M Local Return Fund (2220) – The decrease of approximately \$1.9 million is due to a decrease in project appropriation relative to last fiscal year.
- Measure H Fund (2240) – The decrease of approximately \$317 thousand is due to no grant funds being appropriated for FY 2020-21 at this time.
- Measure W Fund (2260) – The increase of approximately \$48 thousand is due to an increase in project appropriation relative to last fiscal year. This increase is partially offset by a decrease in contractual services.
- Air Quality Improvement Fund (2510) – The increase of approximately \$17 thousand is due to an increase in contractual services.
- Measure R Regional Fund (2550) – The increase of approximately \$2.9 million is due to an increase in project appropriation relative to last fiscal year.
- Transit Prop A Local Return Fund (2560) – The decrease of approximately \$211 thousand is due to a decrease in contractual services and the Subsidy Prop A Local Return due to less projected revenue as a result of COVID-19.
- Transit Prop C Local Return Fund (2570) – The increase of approximately \$2.6 million is due to an increase in Subsidy Prop C Local Return.
- Transit Utility Fund (2580) – The increase of approximately \$2.6 million is due to an increase in contractual services.
- Asset Forfeiture Fund (2600) – The increase of approximately \$127 thousand is due to an increase in capital outlay. This increase is partially offset by a decrease in furniture and equipment.
- Police Special Grants Fund (2610) – The decrease of \$195 thousand is due to a decrease in personnel costs and contractual services due to less grant funding being appropriated for FY 2020-21 at this time.
- Supplemental Law Enforcement Fund (2620) – The increase of approximately \$48 thousand is due to an increase in personnel costs based on activity projected.
- Library Fund (2750) – The decrease of approximately \$89 thousand is due to a decrease in hourly wages, books and cost allocation charge. These decreases are partially offset by an increase in training.

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- Cable Access Fund (2800) – The decrease of approximately \$86 thousand is due to a decrease in project appropriation relative to last fiscal year. This decrease is partially offset by an increase in capital outlay.
- Electric Public Benefit Fund (2910) – The decrease of approximately \$222 thousand is due a decrease in contractual services.

Debt Service Funds

There is only one Debt Service Fund with an appropriation for FY 2020-21: the Police Building 2019 Fund (3031). The decrease in this fund of approximately \$86 thousand is mainly due to a decrease in interest costs on bonds.

Capital Improvement Funds

The approximately \$14.9 million net decrease in the *Capital Improvement Program* is primarily due to the following:

- General Fund Capital Improvement Fund (4010) - The decrease of approximately \$1.3 million is a result of less project appropriation relative to last fiscal year. Some of the major project appropriations for FY 2020-21 within this fund include: \$500 thousand for Sports Complex Field 3 Artificial Turf; \$350 thousand for Central Library Elevator Improvements; \$175 thousand for Brand Library Elevator Improvements; \$150 thousand for Parks Unanticipated Repairs; \$150 thousand for Brand Park T-Ball Field
- Measure S Capital Improvement Fund (4011) – The decrease of \$16.5 million is a result of less new appropriation for Affordable Housing Development projects relative to last fiscal year. Of the \$7.0 million that is appropriated, \$6.0 million is newly allocated for Affordable Housing Development and \$1.0 million is for Land Acquisition for Recreational purposes.
- State Gas Tax Fund (4020) – The increase of approximately \$2.2 million is a result of an increase in appropriation for projects relative to last fiscal year. Some of the major project appropriations for FY 2020-21 within this fund include: \$6.0 million for Maintenance District 6 Pavement Rehabilitation and \$200 thousand for South Verdugo Road Rehabilitation.
- Parks Mitigation Fee Fund (4050) – The decrease of \$750 thousand is due to a decrease in project appropriation relative to last fiscal year.
- Capital Improvement Reimbursement Fund (4090) –The increase of \$550 thousand is due to new project appropriation for the Glendale-LA Garden River Bridge.
- Measure A Fund (4130) – This newly established fund was created to account for projects related to repairing and upgrading parks and recreational facilities, to create new parks and to preserve and protect open spaces and beaches as well as support recreational programming. This fund has a proposed appropriation of \$921 thousand in project appropriation. Some of the major project appropriation for FY 2020-21 within this fund include: \$374 thousand for Glenoaks Park Playground Replacement, \$300 thousand for Pacific Park Multi-Purpose Field and \$247 thousand for Pacific Park Splash Pad.

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Enterprise Funds

The approximately \$32.2 million net decrease in the *Enterprise Funds* is primarily due to the following:

- *Sewer Fund (5250)* – The increase of approximately \$4.4 million is primarily due to an increase in project appropriation relative to last fiscal year. Some of the major project appropriations for FY 2020-21 within this fund include: \$1.4 million South Verdugo Road Rehabilitation and \$900 thousand for On Call Sewer and Storm Drain Repair Services. There were also increases to personnel costs, amortization expense, depreciation, capital outlay and ISD service charge. These increases are partially offset by a decrease in the cost allocation charge.
- *Refuse Disposal Fund (5300)* – The increase of approximately \$4.1 million is due to an increase in contractual services, disposable costs at Scholl Canyon, capital outlay, depreciation and general supplies. These increases are partially offset by decreases in the fleet equipment charge and personnel costs.
- *Fiber Optic Fund (5400)* – The decrease of approximately \$65 thousand is due to personnel costs.
- *Verdugo Fire Communication Fund (5800)* – The increase of approximately \$287 thousand is due to an increase in personnel costs, depreciation and ISD service charge. These increases are partially offset by a decrease in capital outlay.
- *Electric Utility Funds (5820, 5830, 5850 & 5880)* – The decrease of approximately \$34.4 million is mainly attributable to a decrease in project appropriation relative to last fiscal year, purchased power, gas depletion, depreciation and the transfer to the general fund due to the lowering of the percentage from 10% to 9%. These decreases are partially offset by increases in contractual services and salary charge outs.
- *Water Utility Funds (5920, 5930 & 5950 & 5980)* – The decrease of approximately \$6.6 million is mainly attributable to a decrease in project appropriation relative to last fiscal year, cost allocation charges, depreciation, building maintenance service charge and contractual services. These decreases are partially offset by increases in purchased water and salary charge outs.

Internal Service Funds

The approximately \$3.4 million increase in the *Internal Service Funds* is primarily due to the following:

- *Fleet Management Fund (6010)* – The decrease of approximately \$1.4 million is primarily due to a decrease in capital outlay and fuel costs. This decrease is partially offset by an increase in depreciation.
- *Joint Air Support Fund (6020)* – The decrease of approximately \$1.6 million is due to a decrease in capital outlay appropriation that was for the joint purchase of a helicopter with the City of Burbank last fiscal year. This decrease is partially offset by an increase in hourly wages and excess insurance and surety costs.
- *ISD Infrastructure Fund (6030)* – The increase of approximately \$362 thousand is primarily due to an increase in personnel costs, capital outlay and ISD service charge. These increases are partially offset by decreases in contractual services and computer hardware.

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- ISD Applications Fund (6040) – The increase of approximately \$1.5 million is primarily due to increases in contractual services and amortization expense. These increases are partially offset by a decrease in ISD service charge.
- Building Maintenance Fund (6070) – The increase of approximately \$1.6 million is primarily due to an increase in contractual services.
- Unemployment Insurance Fund (6100) – The increase of approximately \$34 thousand is primarily due to an increase in claims.
- Liability Insurance Fund (6120) – The increase of approximately \$1.4 million is primarily due to increases in excess insurance premium, claims and cost allocation charge. These increases are partially offset by a decrease in litigation expenses.
- Workers Comp Insurance Fund (6140) – The increase of approximately \$479 thousand is due to increases in benefit costs associated with employees on Worker’s Compensation.
- Medical Insurance Fund (6160) – The increase of approximately \$951 thousand is due to an increase in medical premiums and claims.
- Employee Benefits Fund (6400) – The decrease of approximately \$95 thousand is due to a decrease in anticipated separation and compensated time payouts.
- RHSP Benefits Fund (6410) – The decrease of approximately \$224 thousand is due to a decrease in separation payout.
- ISD Wireless Fund (6600) – The increase of approximately \$389 thousand is primarily due to an increase in contractual services and fire radios. These increases are partially offset by decreases in ISD service charge, depreciation and personnel costs.