



City of Glendale

Budget Study Session #4

May 21, 2024

Agenda

- Year over Year Budget Comparisons
- FY 24-25 Proposed Budget Revisions
- General Fund Five Year Forecast
- Central Support Department Presentations
- Follow-Up Items



Year over Year Budget Comparisons



Proposed FY 24-25 Budget

Year over Year Budget Comparison

Category (In Millions)	FY 23-24 Adopted	FY 24-25 Proposed	Increase/ (Decrease)	Changes
Public Safety – Fire	\$90.3	\$97.9	\$7.6	Increases: General Fund \$5.6m, CIP \$500k, Verdugo Dispatch \$1.5m
Public Safety – Police	\$133.2	\$137.9	\$4.7	Increases: General Fund \$7.1m, Joint Air Support \$300k Decreases: Asset Forfeiture \$1.6m, Wireless Fund \$1.1m
Transit – Public Works	\$48.4	\$57.7	\$9.3	Increases: Measure R Local Return \$6m, Parking Fund \$2.9m
Infrastructure – Public Works	\$33.6	\$46.8	\$13.2	Increases: General Fund \$1.2m, CIP Grant \$17.1m Decreases: CIP \$5m, Measure W \$100k
Quality of Life – Parks	\$42.4	\$48.0	\$5.5	Increases: General Fund \$1.5m, CIP \$1m, Workforce Development \$2.3m, All Other Fund \$700k



Proposed FY 24-25 Budget Year over Year Budget Changes

Category (In Millions)	FY 23-24 Adopted	FY 24-25 Proposed	Increase/ (Decrease)	Changes
Quality of Life – Library	\$17.1	\$18.1	\$1.0	<p>Increases: General Fund \$1m, Library Fund \$500k</p> <p>Decreases: CIP \$100k, Development Impact \$400k</p>
Housing – Community Development	\$57.9	\$56.7	(\$1.2)	Decreases: Housing Assistance \$1m, All Other Funds \$200k
Quality of Life – Community Development	\$27.6	\$24.3	(\$3.3)	<p>Increase: Air Quality Improvement Fund \$800k</p> <p>Decreases: General Fund \$3.4m, CIP \$700k</p>



Proposed FY 24-25 Budget Revisions



Proposed FY 24-25 Budget Revisions

- Glendale Water & Power Electric Capital Fund (5830) – Biogas Renewable Generation Project
 - Total Project Budget \$74.2m, Estimated Remaining Budget \$43.9m, which will be carried over to FY 24-25
- Public Works Sewer Fund (5250) – Los Angeles-Glendale Water Reclamation Plant (LAGWRP)
 - City of Los Angeles has not billed Glendale for since FY 20-21
 - City has recognized the annual expense and corresponding liability
 - Proposed FY 24-25 Appropriation is reduced by \$11.4m to reflect current year expense only



General Fund Five-Year Forecast



General Fund Forecast

\$ In Millions	24-25	25-26	26-27	27-28	28-29
Resources	\$293.2	\$303.1	\$311.8	\$311.1	\$319.8
Section 115 Trust	0.0	0.0	5.0	5.0	5.0
Proposed Citywide Fees	4.0	4.0	4.0	4.0	4.0
GWP Transfer	21.5	21.7	21.9	22.2	22.4
Total Resources	\$318.7	\$328.8	\$342.7	\$342.3	\$351.2
Appropriations	\$323.6	\$334.6	\$347.5	\$356.4	\$369.0
Projected Vacancy Savings	(\$8.0)	(\$8.0)	(\$8.0)	(\$8.0)	(\$8.0)
Capital Improvement	10.0	10.0	10.0	10.0	10.0
Total Appropriations	\$325.6	\$336.6	\$349.5	\$358.4	\$371.0
Add/(Use of Fund Balance)	(\$6.9)	(\$7.8)	(\$6.8)	(\$16.1)	(\$19.8)
Ending Reserve*	\$116.3	\$108.5	\$101.7	\$85.6	\$65.8
	35.7%	32.2%	29.1%	23.9%	17.7%

*Council Reserve Policy is a floor of 25% with a target of 35%



Proposed FY 24-25 Budget General Fund Forecast

- GWP Electric Transfer
 - Transfer has been 10% of Electric Operating Revenue since FY 15-16
 - Reduced to 9% in FY 20-21 due to the pandemic
 - Five-Year forecast included the transfer at less than 10%
 - Recent information from consultant has confirmed that transfer can remain at 10% without impacting rates



General Fund Forecast Revised

\$ In Millions	24-25	25-26	26-27	27-28	28-29
Resources	\$293.3	\$303.2	\$311.8	\$311.1	\$319.8
Section 115 Trust	0.0	0.0	0.0	5.0	5.0
Proposed Citywide Fees	4.0	4.0	4.0	4.0	4.0
Revised GWP Transfer	29.0	32.5	32.9	33.3	33.9
Total Resources	\$326.3	\$339.7	\$348.7	\$353.4	\$362.7
Appropriations	\$323.6	\$334.6	\$347.5	\$356.4	\$369.0
Projected Vacancy Savings	(\$8.0)	(\$8.0)	(\$8.0)	(\$8.0)	(\$8.0)
Capital Improvement	10.0	10.0	10.0	10.0	10.0
Total Appropriations	\$325.6	\$336.6	\$349.5	\$358.4	\$371.0
Add/(Use of Fund Balance)	\$0.7	\$3.1	(\$0.8)	(\$5.0)	(\$8.3)
Ending Reserve*	\$123.9	\$127.0	\$126.2	\$121.2	\$112.9
	38.1%	37.7%	36.1%	33.8%	30.4%

*Council Reserve Policy is a floor of 25% with a target of 35%



FY 24-25 Proposed Citywide Budget By Fund Type w/ Revisions

Fund Type (In Millions)	FY 23-24 Adopted	FY 24-25 Proposed	Increase/ (Decrease)	% Change
General Fund	\$314.5	\$325.7	\$11.2	3.6%
Special Revenue Funds	\$145.3	\$152.2	\$6.9	4.8%
Debt Service Funds	\$3.0	\$3.0	\$0.0	0.0%
Non-Enterprise Capital Projects Funds	\$21.4	\$33.3	\$11.9	55.6%
Enterprise Funds	\$543.5	\$544.1	\$0.6	0.1%
Internal Service Funds	\$145.1	\$146.0	\$0.9	0.7%
Total:	\$1,172.8	\$1,204.3	\$31.5	2.7%



Additional Staffing Needs

Current

- Police
- Fire
- Finance
- City Treasurer
- City Attorney
- City Clerk
- Glendale Water & Power
- Community Development
- Public Works
- Community Services & Parks
- Management Services

Future

- Police
- Community Development
- Transportation Department/
Division
- Human Resources
- Communications/
Community Outreach
- Prosecution Unit
- City Council Liaison



Public Safety – Police

- Increasing Sworn Personnel from 248 to 300
 - Estimated Cost Total \$15.1m

Category	Quantity	Estimated Cost	Total
<u>Personnel</u>			
Police Officer	45	\$216k	\$9.7m
Police Sergeant	5	\$392k	\$2.0m
Police Lieutenant	2	\$500k	\$1.0m
Total Personnel:	52		\$12.7m
		Fleet	\$2.2m
		Equipment	\$100k
		IT Support	\$100k
		Grand Total:	\$15.1m



Staffing for Council

- Other Jurisdictions:

	Pasadena		San Jose	Chino	Irvine
Title	Executive Assistant to the Mayor/City Council, City of Pasadena	City Council District Liaison	Council Community Relations – Customer Service Specialist/Manager	Council Liaison	Chief of Staff for Councilmember
Salary Range*	\$111k – \$139k	\$101k – \$127k	\$88k – \$165k	\$117k – \$153k	\$129k – \$202k
Reports to	Mayor	(An at-will position) Mayor or one of seven City Council Members	Mayor	City Manager	A Specific Councilmember
Quantity	1-2 Positions	1-7 Positions	1 Position	1 Position	1 per Councilmember Up to 5 Positions

* Includes an estimated 50% benefit load



Staffing for Council

- Fully Loaded Estimated Costs

Position	Part-Time Hourly*	Full-Time Salary
Assistant to City Council	\$40k – \$52k	\$98k – \$120k
Senior Assistant to City Council	\$44k – \$58k	\$108k – \$133k
Executive Assistant to City Council	\$47k – \$69k	\$115k – \$157k

* Part-Time Hourly was Calculated at 1,040 Hours



Prosecution Unit (1 of 2)

- Procedure
 - Under Article VIII, §2 of Glendale City Charter, the City Attorney is authorized to prosecute criminal cases for violations of the Charter and City ordinances.
 - Expanding this authority to state misdemeanors requires one of two actions:
 1. City Attorney must obtain the District Attorney's consent to prosecute state misdemeanors as required by Government Code § 41803.51
 2. City's Charter must be amended to expand the City Attorney's authority and responsibilities.



Prosecution Unit (2 of 2)

- Staffing Costs

Position	Quantity	Fully Loaded Cost	Total
Principal Assistant City Attorney	1	\$334k	\$334k
Assistant City Attorney	1	\$264k	\$264k
Deputy City Attorney	2	\$184k	\$368k
Senior Office Specialist	2	\$101k	\$202k
Total:	6		\$1.2m



Enhanced Code Enforcement

- Enforcement Options*
 - Street Vending
 - Mylar Balloon
 - Plastic Takeout Ban
 - Gas Powered Leaf Blowers
 - Increased Enforcement on Tree Protection
- Staffing Cost

Position	Quantity	Fully Loaded Cost	Total
Associate Code Compliance Inspector	2	\$118k	\$236k

* Enhanced focus on education



Central Support Departments



Central Support Departments

- General Fund Central Service Departments Include:
 - City Attorney, City Clerk, City Treasurer, Finance, Human Resources, & Management Services
- Collectively account for \$27.9m or 8.6% of total Proposed FY 24-25 General Fund Budget
 - 75% Salary & Benefits / 25% Maintenance & Operation (i.e., Contractual Services, Training, Office Supplies, Rent, Insurance, etc.)
- Also responsible for managing Other Funds
 - City Attorney – Liability Insurance Fund
 - Human Resources – Employee Fringe Benefits
 - Management Services – Cable Access Fund



FY 24-25 Proposed Citywide Budget Central Support Departments

Department (In Millions)	FY 23-24 Adopted	FY 24-25 Proposed	Increase/ (Decrease)
City Attorney*	\$18.6	\$20.6	\$2.0
City Clerk	\$1.5	\$1.6	\$0.1
City Treasurer	\$1.1	\$1.0	(\$0.1)
Finance	\$7.4	\$7.6	\$0.2
Human Resources*	\$59.2	\$61.1	\$1.9
Management Services*	\$7.4	\$7.4	(\$0.0)
Total:	\$95.2	\$99.2	\$4.0

*Includes Other Funds



Proposed FY 24-25 Budget Highlights

Finance

- Independent External Audit of City's Financial Statements
- Federal Single Audit
- Compliance Audits
 - Sales Tax
 - Property Tax
 - Utility Users' Tax
 - Transient Occupancy Tax
- Actuarial Analysis



Proposed FY 24-25 Budget Highlights

City Attorney

- Departmental Services Division
 - Advice & Counsel to City Council, Boards & Commissions, Department Heads and Staff
 - Legal Services Requests
 - Ordinances, Resolutions, and Motions
 - Contracts
- Litigation and Risk Management Division
 - Risk Insurance
 - Claims
 - Litigation



Proposed FY 24-25 Budget Highlights

City Clerk

- General Public Inquiries and Counter Service
- Public Records Requests
- Agenda Management
- City Council/Housing Authority/Commission meeting support
- City Records
- Boards & Commissions
- Elections
- Commission Status of Women
- Ceremonial/educational outreach
- Other operations including Bids, 700 Forms, Lobbyist Registration, Refunds & Claims for Damages, Codification, Certificate of Life and Residency



Proposed FY 24-25 Budget Highlights

City Treasurer

- Banking
- Payment Card Industry (PCI)
- Investments



Proposed FY 24-25 Budget Highlights

Human Resources

- Maintain Competitive Compensation and Benefits
- Sustain a Supportive Employee Experience
- Collaborate to Build Innovative Technology
- Explore New Marketing Opportunities
- Invest in Employee Development



Proposed FY 24-25 Budget Highlights

Management Services

- Citywide Strategic Planning
- Community Engagement Plan/Strategy
- Community Satisfaction Survey
- Women's Equality Day Summit



Follow-Up Items



Follow-Up Items

1. Community Development – Verdugo Wash Staff time costs

- No exact estimate as project scope of work is not finalized
- Best estimate is 5%-15% of direct staff time totaling to about \$45k
- Grant cannot be applied to a different project

2. Community Development – BEGIN Fund History

- \$5.3m grant from the State to 57 eligible first-time home buyers in the Doran Gardens project for mortgage down payment in FY 12-13 and FY 13-14
- Loan amount ranges from \$250k to \$400k per moderate income households



Follow-Up Items

3. Conditional Use Permit fees variance in cost Single Family vs. Multi-Family

- Design Review Fees:
 - Single Family – \$6,744
 - 2-50 Residential units, Mixed-Use Development, entirely Live/Work development, or commercial or industrial with less than 20,000 sq. ft. of floor area – \$9,558
 - 51-100 Residential Units – \$8,942
 - 101 or greater residential units, or commercial, or industrial with 20,000 sq. ft. or more of floor area – \$9,131
- Conditional Use Permit fees:
 - Below 50 residential units or commercial or industrial projects with up to 20,000 sq. ft. of floor area – \$5,964
 - More than 50 residential units, mixed use development, entirely Live/Work development, or commercial or industrial projects with more than 20,000 sq. ft. of floor area – \$11,548



Follow-Up Items

4. Total Inspection Fees normal hours and outside of normal hours

- Community Development
 - Normal hours - Building & Safety – 27,944; Neighborhood Services – 12,970
 - Outside normal hours – Building & Safety for large projects & emergencies only – 18
- Fire
 - Normal hours – 14,767
 - Outside normal hours – 800 for multi-family residences & assembly's, 25 special events, and 15 new construction



Follow-Up Items

5. Fire - Paramedic Tuition for Ambulance Operators budget redirected to Girls Camp program for FY 24-25 – \$66k

- Was a part of FY 23-24 Adopted Budget but due to turnover in leadership, program has not been implemented yet
- Since Ambulance Operators received a pay adjustment, it has helped to attract new hires and retain current staff
- Amount will instead be used to support up to 60 participants for the Tri-City Girls Camp



Follow-Up Items

6. CSP – Higher fees and lower priority to outside entities using City facilities (e.g., soccer fields)

- Currently the Fee Schedule has Resident/Non-Resident rates for Aquatics, Day Camp, and Skate Park fees
- Will evaluate surrounding cities' policies and present findings to Parks Commission

7. CSP – Set commercial fees at full cost recovery and discounted for standard and nonprofit.

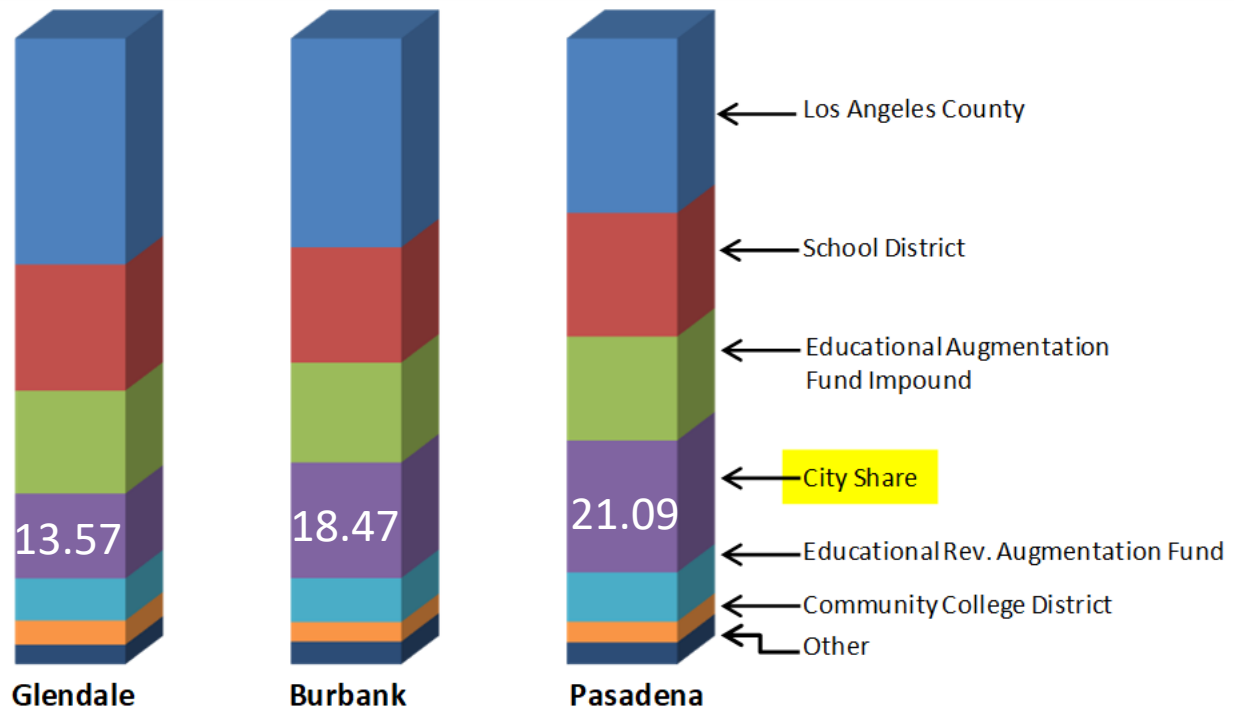
- Would result in 153 fees added to the Fee Schedule
- Infrequently applied – In 2023 City issued only 28 commercial permits (17.4%) for the Civic Auditorium
- Will present to Parks Commission after Council approves the Citywide Fee Schedule



Follow-Up Items

8. Exploring the possibility to increase Glendale's share of the 1% in Property Taxes

- Currently no possible method for City to increase its share of the 1% exists



Follow-Up Items

9. Pension Obligation Bonds – When is it a bad idea?

- Now – current rates generate very little savings over 30 years
- Becomes viable option when rates drop sufficiently to generate enough savings to mitigate against future risks
 - PERS rate of return risk
 - PERS changes underlying assumptions such as discount rate, life expectancy, wage increases, etc.
- Proceeding w/ the validation process allows City to take advantage when rates drop



Follow-Up Items

10. Subsidized fees breakdown by Department

	Department	Amount
General Fund	Community Development	\$600k
	Community Services & Parks	\$2.5m
	Citywide Filming	\$20k
	Police	\$400k
	Public Works	\$65k
	Total General Fund:	\$3.6m
Non-General Fund	Community Development	\$15k
	Glendale Water & Power	\$300k
	Library	\$15k
	Total Non-General Fund:	\$330k
	Total:	\$3.9m



11. Cannabis Tax

- Pasadena cannabis tax revenue \$600k per year & \$260k sales tax annual
- State cannabis tax revenue forecast is \$675m for FY 23-24, allocated as follows:
 - Youth Account – \$351m
 - Environmental Account – \$117m
 - Law Enforcement Account – \$117m



Questions?

