

FISCAL RESILIENCY PLAN UPDATE



April 21, 2020

City Council

Fiscal Resiliency Plan Update

- Response to Economic Impacts of COVID-19
 - *Immediate impact now and through the Summer*
 - *Recovery is expected to be slow*
 - *Recovery is expected*
- Address significant losses to City revenue sources
 - *Major losses in city revenues (sales tax, hotel tax, and program fees)*
 - *Governor Newsom's Executive Order N-40-20*
 - *Federal and State aid is coming but unlikely to address loss of tax revenue*
 - *FEMA does not cover "economic loss"*
 - *Recent federal stimulus provided aid to cities over 500,000.*
 - *State to decide if it shares aid with local municipalities*
- Identify citywide measures to address declining revenues

Leadership Approach

- When the pandemic has passed, the City of Monrovia will serve as an example of “how to do things right”
 - *Taking care of our employees*
 - *Financial management*
- Make difficult decisions now to prevent, delay or hinder other decisions-
 - *Current planned approach does not include layoffs, furloughs or staff reductions*
 - *Future approach could include layoffs, furloughs or reductions*
- Must communicate effectively
- Must manage expectations
- Show our values by our actions
 - *Humble, Hungry, Loyal & Smart*

Adopted March 17th, 2020

**GENERAL FUND
Projection**

	2017-18 ACTUAL YEAR END	2018-19 ACTUAL YEAR END	2019-20 REVISED BUDGET	2020-21 PROJECTED BUDGET	Rev 3/17/2020 <i>Future Year Assumptions</i>
Beginning Undesignated Fund Balance	\$811,014	\$2,075,116	\$2,885,141	\$3,110,697	
Revenue:					
Property Tax	12,009,485	12,633,562	13,233,121	13,761,790	3.00%
Sales Tax	10,696,762	10,579,344	10,924,446	10,988,332	2.50%
Other Tax	3,959,889	4,497,585	4,618,932	4,806,432	2.00%
Other Revenues	5,075,331	5,874,067	4,299,788	4,467,211	1.00%
New Revenues - Mello Roos	0	0	0	0	2.00%
Operating Transfer In	12,012,262	7,160,564	8,600,055	8,786,233	3.00%
Transfer From Designation: Special Programs	0	282,734	0	0	
Transfer From Designation: Set Aside	0	0	0	0	
Transfer From Designation: Land Held for Resale	353,790	0	0	0	
Total Revenue	44,107,519	41,027,856	41,676,342	42,809,998	
TOTAL AVAILABLE	44,918,532	43,102,972	44,561,483	45,920,695	

Property Tax

- April 2020 Property Tax Payment is an 85% advance on property tax collections
 - *As of Friday 17th, payment was a little more than 6% of what we estimated (4.7% increase). Represents \$100k more than budgeted*
- Property taxes become delinquent on July 1st. May and July Payments WILL BE impacted
 - *During Great Recession, delinquencies were highest ever at 5%*
 - *Estimate delinquencies to be approx. 1%*

Sales Tax

- Q1 and Q2 is historically about \$800k per month in Sales Tax Collections
- Top 25 sales tax producers in Monrovia -

76	Interior Services	Myrtle Chevron
ABC Supply Co	Jays Shell	Nissan Infiniti
BMW & Mini of Monrovia	Juvolicious	Ross
Chevron	Kohl's	Sierra Chrysler Dodge Jeep Ram
Financial Services Vehicle Trust	Living Spaces Furniture	Sierra Honda Chevrolet
Financial Tech Solutions	Marshall's	Superior Pool Products
Home Depot	Metro Infiniti	TJ Maxx
Honda Lease Trust	Monrovia Shell	Trader Joe's
		Von's

Sales Tax (cont.)

- Top 25 producers equal 68% of total per quarter
- HdL Consensus Forecast for Q1 and Q2 –

Category	April 1, 2020 Forecast	April 9, 2020 Forecast
Autos/Transportation	-38%	-67%
Building/Construction	-7%	-47%
Business/Industry	-30%	-45%
Fuel/Service Stations	-23%	-60%
Food/Drugs	+10%	+10%
General Consumer Goods	-34.5%	-60%
Restaurants/Hotels	-29.5%	-70%
State & County Pools	+37%	+25%

Sales Tax

- Range of Top 25 is \$350k to \$10k per quarter
- Top 25 sales tax producers in Monrovia –

76	Interior Services	Myrtle Chevron
ABC Supply Co	Jays Shell	Nissan Infiniti
BMW & Mini of Monrovia	Juvolicious	Ross
Chevron	Kohl's	Sierra Chrysler Dodge Jeep Ram
Financial Services Vehicle Trust	Living Spaces Furniture	Sierra Honda Chevrolet
Financial Tech Solutions	Marshall's	Superior Pool Products
Home Depot	Metro Infiniti	TJ Maxx
Honda Lease Trust	Monrovia Shell	Trader Joe's
		Von's

Executive Order

- Effective April 2, 2020, small business taxpayers, those with less than \$5 million in taxable annual sales, can take advantage of a 12-month, interest-free, payment plan for up to \$50,000 of sales and use tax liability.
 - Significantly reduces cash flow
- This affects every single business in Monrovia except a small handful.
- We could possibly see nominal sales tax revenues when we normally see approx. \$800k-\$900k per month

	Payment Month	ACTUAL		FORECAST *	
		Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2019-20	Fiscal Year 2020-21
1st Advance	June	\$ 805,254	\$ 1,021,514	\$ 1,021,514	\$ 723,900
2nd Advance	July	868,588	772,014	772,014	723,900
Clean Up	August	816,680	760,810	760,810	1,198,280
2nd Quarter Allocation		2,490,523	2,554,338	2,554,338	2,646,080
1st Advance	September	762,014	1,017,817	1,017,817	736,300
2nd Advance	October	842,850	792,695	792,695	736,300
Clean Up	November	1,290,818	888,614	888,614	1,218,878
3rd Quarter Allocation		2,895,681	2,699,126	2,699,126	2,691,478
1st Advance	December	1,047,054	985,509	985,509	738,700
2nd Advance	January	806,248	759,420	759,420	738,700
Clean Up	February	813,901	-	915,352	1,223,052
4th Quarter Allocation		2,667,203	1,744,929	2,660,281	2,700,452
1st Advance	March	927,298	-	668,100	662,700
2nd Advance	April	681,411	-	668,100	662,700
Clean Up	May	766,663	-	1,106,126	1,096,989
1st Quarter Allocation		2,375,373	-	2,442,326	2,422,389
1st Advance	June	1,021,514	-	723,900	735,700
2nd Advance	July	772,014	-	723,900	735,700
Clean Up	August	760,810	-	1,198,280	1,218,009
2nd Quarter Allocation		2,554,338	-	2,646,080	2,689,409
Fiscal Year Reconciliation					
Accrual		\$ 10,492,595	\$ 4,444,055	\$ 10,447,814	\$ 10,503,729

Sales Tax Forecast – April 14th

Industry Group	Actuals	HdL Projections		
	FY 2018-19	FY2019-20	FY2020-21	
Autos & Transportation	3,587,295	3,168,876	2,969,237	-6.3%
Building & Construction	1,384,391	1,222,917	1,221,694	-0.1%
Business & Industry	1,048,243	925,977	875,974	-5.4%
Food & Drugs	342,590	302,631	308,683	2.0%
Fuel & Service Stations	463,513	409,449	409,449	0.0%
General Consumer Goods	1,194,043	1,054,771	1,028,402	-2.5%
Restaurants & Hotels	1,199,782	1,059,840	990,951	-6.5%
Transfers & Unidentified	3,057	2,700	2,700	0.0%
State & County Pools	1,373,413	1,213,219	1,301,784	7.3%
Total	10,596,327	9,360,380	9,108,874	
Admin Cost	(105,123)	(128,862)	(138,347)	
Total Net of Admin	10,491,204	9,231,518	8,970,527	
CDTFA Allocation Adj	1,389			
With Accrual	10,492,593			

	FY 2019-20	FY 2020-21	
Original Budget	10,447,814	10,503,729	
HdL Revised Estimate	\$ 9,231,518	8,970,527	\$ 8,678,954
Sales Tax Deferrals (HDL)	\$ 552,565	552,565	
Anticipated Sales Tax Decrease	(1,768,860)	(2,085,766)	
% Decrease from Budget	-16.9%	-19.9%	

Transient Occupancy Tax (Hotel Tax)

Hotel Operator comments from informal City survey

- They are down 70% compared to last year due to cancelations they've seen in March and are seeing in April.
- Spoke with receptionist and her feedback was that business has slowed down significantly.
- Business has slowed down tremendously from around 80-100% occupancy to now 15% occupancy due to a lot of cancellations
- Hotel has been very slow to the point that their GM had considered closing the hotel until further notice (yet wasn't able to because of franchise restrictions). She indicated their occupancy has been around 20%, compared to 90% around this time of year. This week alone, they have dropped down to 9% occupancy due to all the cancelations.

TOT (cont.)

- Indicated that they still have a lot of guests since they have extended stays over 30 days where people live there. However, they are experiencing a reduction in occupancy.
 - *Extended stays DO NOT PAY TOT*
 - *County is using federal stimulus funds to house people in hotels. County is exempting itself from paying TOT*
- Business has slowed down tremendously due to cancelations
 - *Operator is first to ask for TOT payment extension*

Fees for Service

- Fees for service expected to be impacted
- Closures of City facilities
- Cancelled programs, activities and events
- Community is encouraged to remain “Safer at Home” and not participate in non-essential activities

Fees for Service	March_2019	March_2020	Feb_2019	Feb_2020
City Attorney	-	-	-	-
City Clerk	19	204	90	75
City Council	-	-	-	-
City Manager	70	22	11	-
Community Development	8,584	4,199	2,672	6,731
Community Services	83,814	33,525	32,181	49,956
Finance Operations	-	-	-	-
Fire	177,588	123,381	160,242	68,724
Human Resources	-	-	-	-
Non-Departmental	22	15,141	-	35
Police	70,258	45,162	11,201	17,309
Public Works	1,125	8,356	2,700	11,056
Grand Total	341,481	229,990	209,097	153,885
		-33%		-26%

- Excludes Lease Revenue from one-time lease revenue in 2019
- To date, we temporarily suspended other revenue-related activities including -
 - Parking enforcement
 - Late payment penalties
 - Collections of delinquent accounts

Globally...

- [CalPERS](#) loses \$69 billion in biggest market losses since Great Recession
 - *From record high of \$405 billion to \$335 billion in one month -17%*
 - *As of 4/8/20, CalPERS reported YTD earnings of -4% (\$355.2B in assets)*
- *Small businesses have 'a [million](#) questions' about paycheck relief loan as applications come due*
 - Bank of America sees [booming](#) rescue loan demand, with applications for nearly 10% of program
- [Auto Sales](#). *"The automobile is one of the single most expensive consumer purchases people make," she said. "When you can't leave your house, it's very difficult to do that."*
- [Construction Lenders](#) Are Open For Business Amid COVID-19 Disruption

National Unemployment

- 3/28/09 – 665,000
- 3/21/20 – 3,307,000
- 3/28/20 – 6,900,000
- 4/04/20 – 6,600,000
- 4/11/20 – 5,245,000

COVID-19

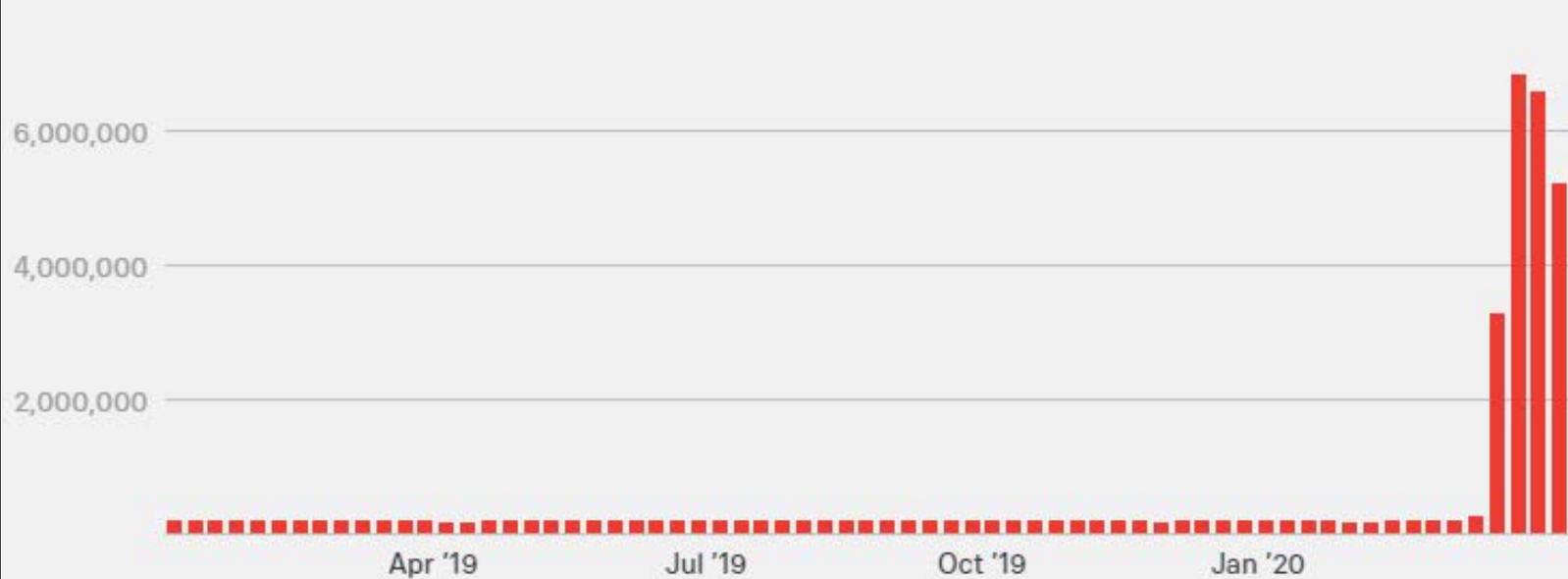
5 week total: 22,052,000

Unemployment claims continue to surge due to coronavirus

It was the highest number of initial claims filed in history, surpassing last week's 3.3 million claims.



National Unemployment Claims since 2019



Notes: Data is seasonally adjusted.

Source: Department of Labor via FRED



Source: US Employment and Training Administration via FRED

Mother Jones

Unemployment (cont.)

- "[Further job loss](#) expected in coming weeks is very likely to push unemployment above 10%, even taking account of a potential steep decline in the labor force participation rate, as some displaced workers are neither furloughed nor looking for work." – March 26th
- [22 million](#) have lost their jobs over the past rate likely nearing 18%month—real unemployment - April 16th
- 37,118,000 unemployment claims were filed during the 2008 recession

Overview of City's General Fund Forecast

- Estimate \$2.6m revenue loss thru June 30th. Losses in -
 - *Sales Tax*
 - *Hotel Tax*
 - *Property Tax delinquency is possible*
 - *Fees for Service*
 - *Fines and Fees*
- Revenue loss is happening over 3.5 months
- City relying on forecasts and assumptions

PROPERTY TAXES:			
Current Secured	\$7,795,655	\$7,717,698	(\$77,957) Per HDL, don't expect much of a decline. Deducted 1% for additional delinquencies.
Redemption Taxes	\$85,000	\$85,000	\$0 Leave flat
Current Unsecured	\$200,000	\$200,000	\$0 Leave flat
Property Tax In Lieu of VLF	\$4,575,466	\$4,575,466	\$0 Leave flat
Penalties & Interest	\$25,000	\$25,000	\$0 Leave flat
In-Lieu Property Taxes	\$552,000	\$552,000	\$0 Charged to water and sewer - this amount shouldn't change much.
Mello Roos			\$0
Subtotal	\$13,233,121	\$13,155,164	(\$77,957)
SALES TAXES:			
Sales Tax - 1%	\$10,447,814	\$8,678,954	(\$1,768,860) Updated based on HDL forecasted projections.
PSAF - 1/2 Cent Sales Tax	\$476,632	\$398,081	(\$80,551) Applied same percentage reduction as 1% sales tax.
Prop Tax-In Lieu of Sales Tax			\$0
Subtotal	\$10,924,446	\$9,075,035	(\$1,849,411)
OTHER TAXES:			
Franchise Fees	\$825,675	\$725,675	(\$100,000) Expect some impacts from COVID-19. Will adjust by \$100K.
Property Transfer Tax	\$230,000	\$230,000	\$0 Leave flat
Business License Tax	\$740,000	\$740,000	\$0 May be slightly impacted, but not sure how much. Leave as-is for now.
Business License Penalties	\$20,000	\$20,000	\$0 Leave flat
Occupancy Taxes	\$2,253,257	\$1,656,480	(\$596,777) Based on individual analysis of each hotel. Utilized occupancy rate survey data.
In-Lieu Franchise Fees	\$550,000	\$550,000	\$0 Charged to water and sewer - this amount shouldn't change.
Subtotal	\$4,618,932	\$3,922,155	(\$696,777)
Animal Licenses	\$40,000	\$30,000	(\$10,000)
Taxi Service Establishment	\$0	\$0	\$0
Taxi Service Driver License	\$0	\$0	\$0
Fining Coordinator Fees	\$0	\$0	\$0
Special Bus Regulation Permit	\$0	\$0	\$0
Filming Permits	\$7,500	\$23,000	\$15,500
Garage Sale Permits	\$2,750	\$1,500	(\$1,250)
B/L Admin Processing Fee	\$0	\$0	\$0
Fire Department Permits	\$500	\$900	\$400
Hydrant System Flow Test	\$0	\$0	\$0

DESCRIPTION	2019-20 REV PROJECTION	2019-20 COVID-19 PROJECTION	Variance	COVID Notes
GENERAL FUND				
State Mandated Inspection	\$0	\$0	\$0	
Fire Service Impact Fee	\$70,000	\$70,000	\$0	Currently at \$36K ???
Fire Inspection Fee	\$0	\$0	\$0	
Fire System Permit Fee	\$115,000	\$24,000	(\$91,000)	Currently at \$24K; Marriott to hit next year (FY 20-21 for \$115K)
Fortune Tell Permit	\$0	\$0	\$0	
Subtotal	\$235,750	\$149,400	(\$86,350)	
FINES & FORFEITURES:				
Court Fines (Vehicle Code)	\$95,000	\$95,000	\$0	Currently at \$56K
Civil Subpoena	\$200	\$600	\$400	
Library Book Fines	\$12,000	\$7,600	(\$4,400)	Currently at \$7,600
Miscellaneous Fines	\$120	\$120	\$0	
Subtotal	\$107,320	\$103,320	(\$4,000)	
USE OF MONEY & PROPERTY:				
Interest & Investment Earnings	\$50,000	\$50,000	\$0	Leave flat.
Rents & Concessions	\$0	\$0	\$0	
Lease Revenue	\$0	\$0	\$0	
Subtotal	\$50,000	\$50,000	\$0	
REVENUE FROM OTHER AGENCIES:				
Prop "A" Park Maintenance	\$29,000	\$29,000	\$0	Leave flat.
Motor Vehicle In-Lieu	\$20,000	\$31,000	\$11,000	Currently at \$31K
St. POST Reimbursements	\$7,500	\$25,000	\$17,500	Currently at \$25K
Homeowners Property Tax Relief	\$45,000	\$45,000	\$0	Leave flat.
St. Supp. Property Tax	\$225,000	\$225,000	\$0	Leave flat.
Subtotal	\$326,500	\$355,000	\$28,500	
CHARGES FOR SERVICES:				
<u>Plan Check</u>				
Plan Check Fees	\$25,000	\$16,000	(\$9,000)	
Miscellaneous Inspection		\$0	\$0	
Subtotal	\$25,000	\$16,000	(\$9,000)	
<u>Public Safety Services</u>				
Fingerprinting	\$0	\$0	\$0	

Impounds	\$107,500	\$81,000	(\$46,500) Currently at \$81K
Noise Disturb Call Back	\$0	\$0	\$0
Vehicle Equipment Corr. Inspection	\$4,000	\$3,600	(\$400)
Vehicle Accident/Invest Reports	\$13,000	\$23,000	\$10,000
Special Services	\$0	\$0	\$0
EMS (ALS pass through)	\$190,000	\$210,000	\$20,000
Police and Fire False Alarms	\$27,500	\$35,000	\$7,500
Miscellaneous Services	\$2,200	\$2,900	\$700
Special Services/ Police and Fire	\$0	\$0	\$0
Paramedic Service	\$540,000	\$540,000	\$0 Leave flat.
Fire Inspt/Test Fees	\$245,000	\$185,000	(\$60,000) \$155K current plus \$30K deferred billing.
Ambulance Dispatch Fee	\$0	\$0	\$0
First Responded Assessment Fee	\$0	\$0	\$0
Booking Fee	\$0	\$0	\$0
911 Recording Reproduction	\$6,000	\$120	(\$5,880)
Weapons Intake & Release	\$450	\$450	\$0
Subtotal	\$1,135,650	\$1,061,070	(\$74,580)
<u>Recreation & Library Services</u>			
Racquetball Fees	\$1,135	\$855	(\$280)
Canyon Park Cabin Rental	\$36,000	\$20,534	(\$15,466)
Taxable Merchandise Revenue	\$1,000	\$1,450	\$450
Room Rentals - Comm. Center	\$80,000	\$49,000	(\$31,000)
Software Cost Recovery	\$0	\$0	\$0
Program Income-CS Program	\$24,500	\$22,500	(\$2,000)
Tennis Court Rental	\$0	\$0	\$0
Youth Contract Classes	\$30,000	\$26,000	(\$4,000)
Adult Contract Classes	\$33,000	\$20,500	(\$12,500)
Rec Lessons	\$0	\$0	\$0
Park Outdoor Ed Program	\$3,000	\$300	(\$2,700)
Outdoor Ed Program- MUSD	\$8,000	\$8,400	\$400
Park Facility Reservation	\$10,000	\$15,000	\$5,000
Youth Ball field Rental	\$500	\$3,600	\$3,100
Adult Ball field Rental	\$0	\$0	\$0
CS-Equipment Rental	\$350	\$0	(\$350)
Canyon Park Admission Fee	\$135,500	\$105,000	(\$30,500)

Subtotal	\$362,985	\$273,139	(\$89,846)	
<u>Miscellaneous Services</u>				
Sale of Prints & Publications	\$150	\$50	(\$100)	
Passport Fees	\$56,000	\$27,000	(\$29,000)	
Document Notification	\$10	\$10	\$0	
Typing Certification	\$0	\$0	\$0	
Proctor Testing	\$0	\$0	\$0	
Business License Application Fees	\$62,000	\$62,000	\$0	May be slightly impacted, but not sure how much. Leave as-is for now.
Microfilming Fees	\$0	\$0	\$0	
Agenda Mailing Services	\$0	\$0	\$0	
Subtotal	\$118,160	\$89,060	(\$29,100)	
<u>Other Revenues</u>				
Sale of Real/Personal Property	\$0	\$0	\$0	
Gain/Loss on Sale of Property	\$0	\$0	\$0	
Tech Center Sales	\$400	\$400	\$0	
SB-90 Reimbursement	\$30,000	\$30,000	\$0	Leave flat.
Reimbursements	\$148,881	\$148,881	\$0	Leave flat.
Contributions	\$13,100	\$13,100	\$0	Leave flat.
Contributions - Park Bench	\$0	\$0	\$0	
Gain/Loss on Investment	\$0	\$0	\$0	
Repossession Fees	\$1,000	\$1,000	\$0	
Inmate Worker Program	\$6,000	\$1,500	(\$4,500)	
Other Revenues	\$70,000	\$70,000	\$0	Leave flat.
Misc. Revenues	\$9,000	\$22,000	\$13,000	
Halloween Haunted Hike	\$0	\$0	\$0	
Event Staff Recovery Fee	\$5,000	\$15,000	\$10,000	
Senior Excursions	\$0	\$0	\$0	
Staff Recovery Fee	\$1,500	\$1,700	\$200	
AB1290 Reimbursement	\$850,000	\$1,106,000	\$456,000	
Prop 69 DNA ID	\$1,500	\$600	(\$900)	
Admin Fine Citations	\$0	\$0	\$0	
Youth sports	\$7,820	\$3,700	(\$4,120)	
DVD Rental	\$0	\$0	\$0	
Passport Photos	\$32,000	\$12,000	(\$20,000)	

Passport Postage	\$20,000	\$3,000	(\$17,000)	
Emergency Response/Mitigation	\$0	\$0	\$0	
Library Computer	\$0	\$0	\$0	
Birthday Package	\$0	\$0	\$0	
Notarization Fee	\$200	\$300	\$100	
Sponsorships	\$2,000	\$11,000	\$9,000	
CYNPK Special Activities and Events	\$8,000	\$3,900	(\$4,100)	
No Shush Wednesday	\$0	\$0	\$0	
Parade Sponsorships	\$3,000	\$3,500	\$500	
Halloween Sponsorships	\$9,000	\$10,500	\$1,500	
Administrative Cost Allowance	\$250,000	\$250,000	\$0	
MUSD Reimbursement	\$80,000	\$80,000	(\$20,000)	
Rents and Concessions - Held Property	\$0	\$0	\$0	
Citation - Admin Fine Program	\$45,000	\$23,000	(\$22,000)	
Citation - Foreclosed Properties	\$0	\$0	\$0	
Fourth of July Contributions	\$5,250	\$6,000	\$750	
Friday Night Live	\$0	\$0	\$0	
Fountain to the Falls Contributions	\$11,250	\$300	(\$10,950)	
Election Fees	\$0	\$0	\$0	
Monrovia Days Contributions	\$95,000	\$1,000	(\$94,000)	
Senior Program Donations	\$0	\$0	\$0	
Maintenance Agreement Revenues	\$100,272	\$100,272	\$0	Leave flat.
Subtotal	\$1,605,173	\$1,898,653	\$293,480	
TOTAL GENERAL FUND	\$32,743,037	\$30,147,996	(\$2,595,040)	
Project Revenues	\$339,250	\$339,250	\$0	
Total GF Revenues w/ Projects Excludes Transfers In	\$33,082,287	\$30,487,246	(\$2,595,040)	

City of Monrovia Debt Issues

Bond Name	FY 19-20 Debt Service	FY 19-20 Expected Revenues (Post COVID-19)
Measure R & Proposition C Bonds	\$788,106	\$1,101,985
Water Bonds	\$1,520,494	\$12,909,333
Sewer Bonds	\$610,468	\$1,545,751
Hillside Wilderness Bonds	\$495,668	\$653,400
Library Bonds	\$934,363	\$1,039,500
Pension Obligation Bonds	\$6,467,496	\$9,683,205

Monrovia Renewal Bonds

Monrovia Renewal Bond Name	FY 19-20 Debt Service	FY 19-20 Current Budgeted Revenues	FY 19-20 Expected Revenues (Post-COVID-19)	Comments
Measure R & Proposition C Bonds	\$788,106	\$1,167,504	\$1,101,985	Excess revenues are used to support transportation programs
Water Bonds	\$1,520,494	\$12,974,204	\$12,909,333	Excess revenues are used to support Water Fund operational costs
Sewer Bonds	\$610,468	\$1,553,519	\$1,545,751	Excess revenues are used to support Sewer Fund operational costs

City must address expenditures when revenues are declining

- Several measures are related to personnel but immediately implemented
- Requesting commitment from everyone in the organization
 - *Our next emergency could be a Financial one*
- We're all in this together and everyone's help is needed
- Here is the Tier One Approach...

Immediate freeze of vacant positions through remainder of Fiscal Year 2019-20

As of March 24, there were 22 vacant positions

- City Manager's Office - 2
- Fire - 5
- Police - 6
- Community Development - 1
- Community Services - 2
- Public Works - 6

Some sworn or critical positions may be filled in coming weeks/months

Estimated GF cost avoidance: \$350k. Annualized cost: \$2.1m

				Savings for FY19-20 Midyear	Fiscal Year End
		Dates			
	Position	Date Became Vacant	Expected Date of Hire	Estimated Savings through Expected Date of Hire	Additional Savings if Vacant through 06/30/20
CITY MANAGER'S OFFICE	Management Assistant	8/21/2019	6/30/2020	66,484.04	
	Management Analyst Savings Offset	N/A	12/9/2019	(52,702.65)	
	Assistant to the City Manager	2/21/2020	6/30/2020	51,212	
	Assistant to the City Clerk	4/2/2020	N/A		15,801
	Human Resources Officer	9/26/2019	2/10/2020	47,618	
ADMIN SERVICES	Accountant	7/1/2019	11/4/2019	37,674	
FIRE DEPARTMENT	Administrative Assistant	10/6/2019	4/13/2020	44,165	18,131
	Firefighter	2/19/2020	N/A		46,301
	Firefighter	11/6/2019	4/13/2020	50,718	24,881
POLICE DEPARTMENT	Police Services Representative	7/1/2019	1/13/2020	37,783	
	Jailer	11/26/2019	3/11/2020	26,271	27,511
	Police Officer	11/11/2019	4/13/2020	71,623	-
	Police Officer	11/21/2019	4/13/2020	49,927	27,044
	Police Officer	10/28/2019	4/13/2020	45,610	21,176
	Police Officer	7/9/2019	4/13/2020	85,911	24,018
	Police Officer	8/5/2019	4/13/2020	66,972	20,729
	Police Officer	11/6/2019	4/13/2020	42,256	20,729
COMMUNITY SERVICES	Recreation Superintendent	11/1/2019	3/11/2020	38,534	32,651
	Recreation Supervisor	9/17/2019	3/11/2020	51,301	-
	Recreation Coordinator	3/16/2020	N/A		22,073
	Recreation Coordinator	4/1/2020	N/A		20,159
	Librarian	3/28/2020	N/A		26,536
PUBLIC SERVICES DEPARTMENT	Field Services Maintenance Supervisor	11/18/2019	3/11/2020	27,171	26,456
	Utility Maintenance Worker	7/2/2019	3/11/2020	43,181	18,945
	Water Quality Superintendent	12/12/2019	3/11/2020	38,292	47,227
	Electrician	12/6/2019	3/11/2020	23,556	27,237
		VACANCY SAVINGS		\$ 893,557	\$ 467,604
		GENERAL FUND SAVINGS		\$ 701,648	\$ 351,903
		OTHER FUNDS SAVINGS		\$ 191,908	\$ 115,702

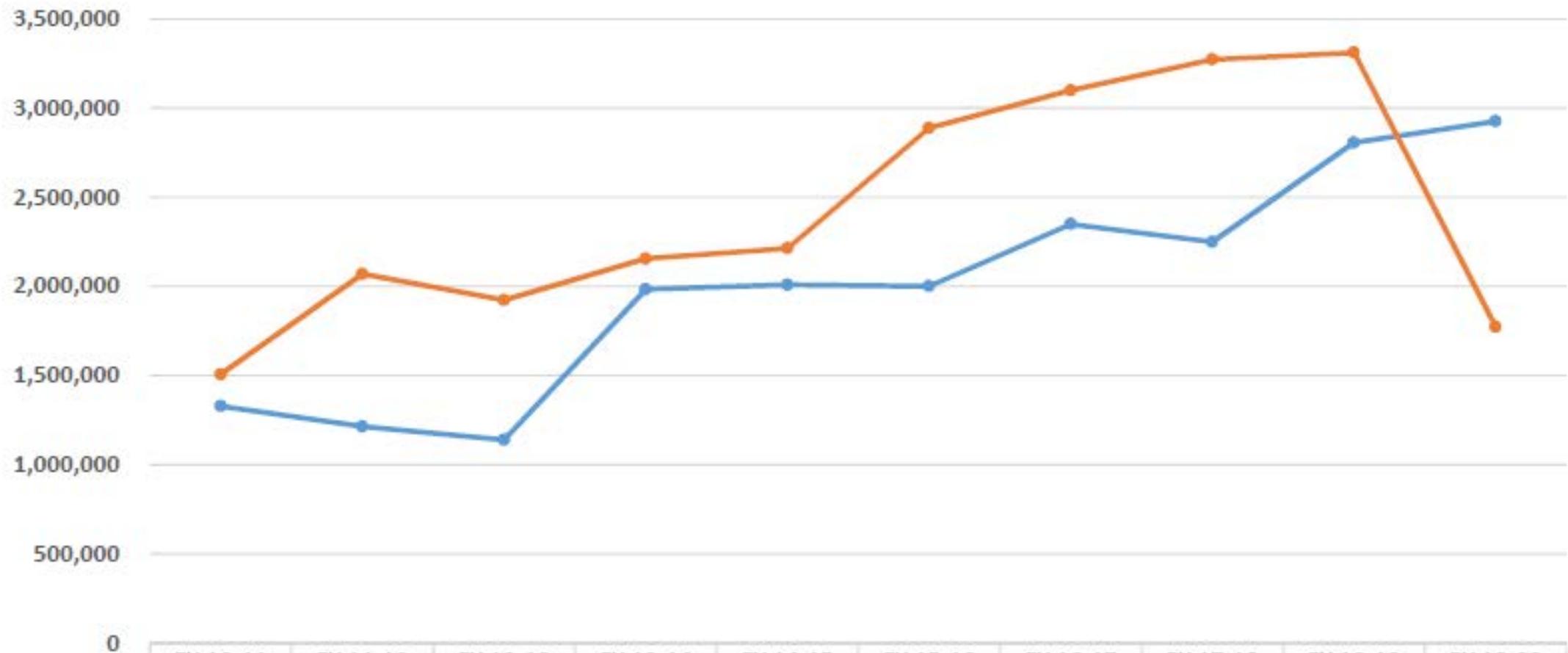
Immediate freeze of vacant positions through Fiscal Year 2020-21

- The City will freeze these positions to stave off future impacts to staff levels
- The City will thoughtfully and methodically fill positions vacated in the future on as needed basis to maintain core levels of service
- Estimated cost avoidance: \$2.1m

Review and manage overtime expenses

- Between FY11 and FY20 Budget, Overtime has increased from \$1.4m to \$2.5m. This is an 82% increase
 - *FY11 FTE count: 234.75* *FY20 FTE count: 247.75* *5% increase*
- Excepting Police, Fire and Public Works, all other overtime costs have increased from \$12,505 to \$50,500. This is a 300% increase
- Lots of factors impact overtime...can any be addressed?
 - *Reimbursements*
 - *Grant/OES funding*
 - *Service demands*
 - *Labor agreements*
 - *Expectations of work output, hours or duties*
 - *Unforeseen needs*

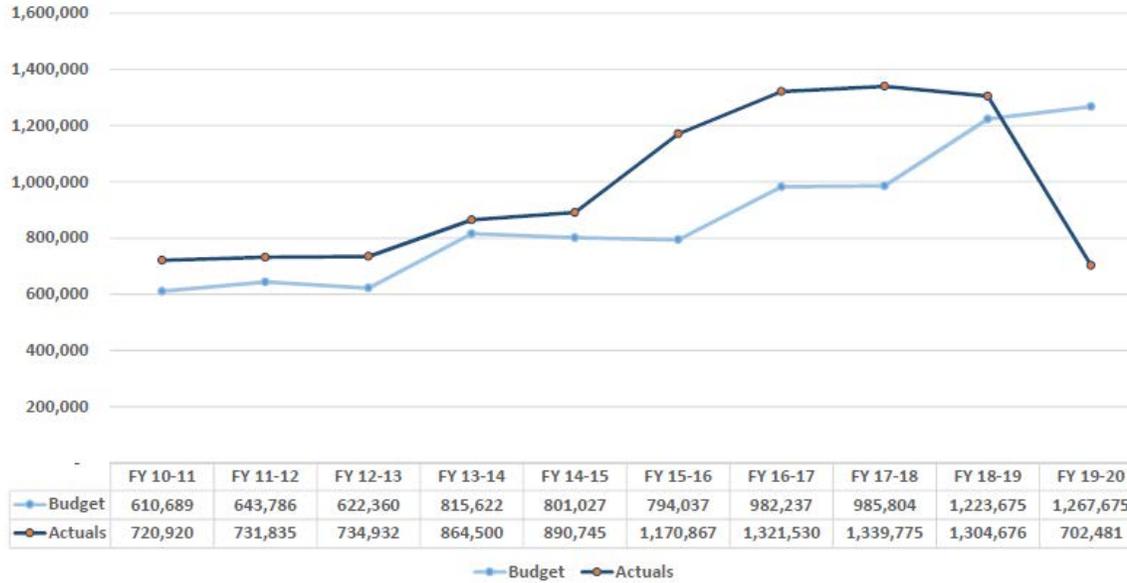
Overtime Analysis FY 2011 - 2020 Citywide



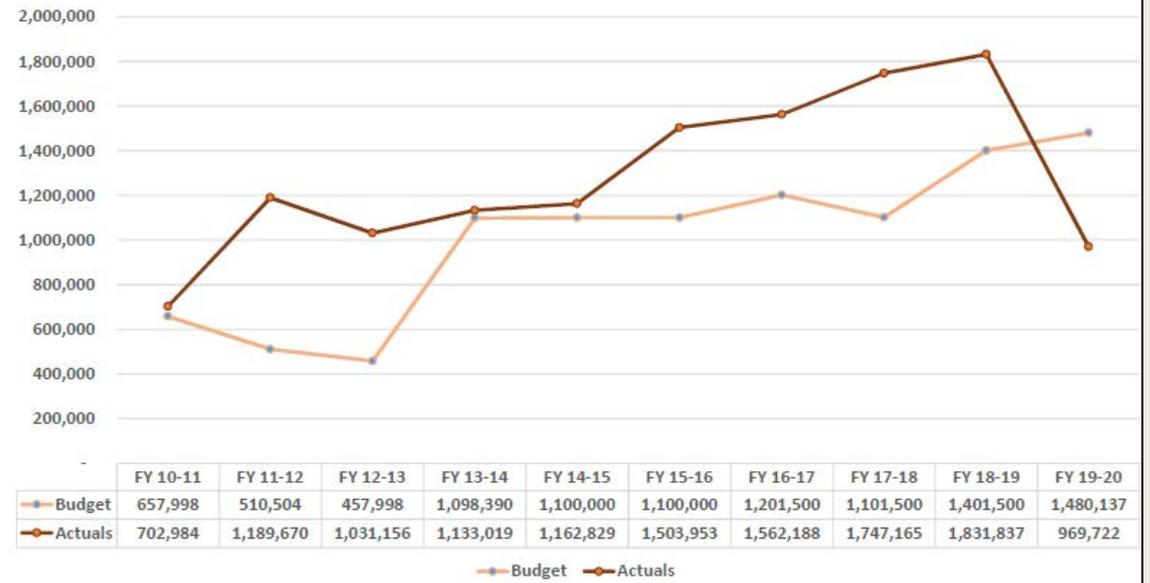
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
—●— Budget	1,328,737	1,213,962	1,140,030	1,983,498	2,009,027	2,001,037	2,349,537	2,249,104	2,805,975	2,926,312
—●— Actuals	1,507,647	2,069,972	1,922,931	2,155,864	2,213,795	2,888,830	3,098,947	3,272,337	3,310,662	1,772,973

—●— Budget —●— Actuals

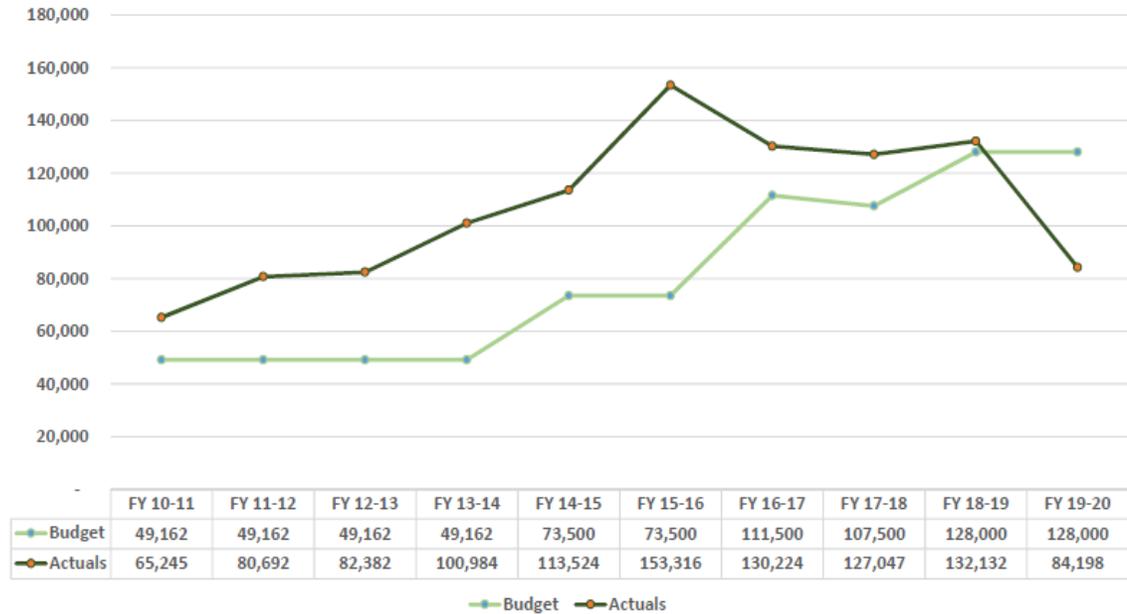
Overtime Analysis FY 2011 - 2020
Police Department



Overtime Analysis FY 2011 - 2020
Fire Department



Overtime Analysis FY 2011 - 2020
Public Works Department



Actual-to-Budget

FY2010-11	139%
FY2011-12	178%
FY2012-13	171%
FY2013-14	106%
FY2014-15	110%
FY2015-16	139%
FY2016-17	127%
FY2017-18	129%
FY2018-19	106%

Review and postpone nonessential Capital Improvement Program (CIP) projects through June 30, 2020

- Possibilities include-
 - *Station 101 Improvements project upon completion*
 - *Comprehensive Library Park Upgrades*
 - *PD Flooring & Paint project upon completion*
 - *Library Office renovations*
 - *IT Upgrades*

Temporary suspension of some promotional opportunities

- Suspend promotions as part of broader hiring freeze
- Some promotional opportunities may be deemed essential or necessary by the city manager. These could include –
 - *Positions which supervise other employees*
 - *Certain command positions*
 - *Essential positions which have no backup/redundancy*
- Pursue promotions resulting in cost savings vs staffing with higher paid positions
- Affects part-time to full-time promotions
- Cost savings may be partially offset by use of “acting pay” for employees working in an acting capacity

Request for employees to consider early retirement

- Positions held vacant to recover savings as long as possible
- Positions would be held vacant OR position would be filled with “acting” capacity
- Done in advance of forthcoming fiscal impacts
- The choice is voluntary

Review of all contracts and agreements

- Identify a team to review all “large” or “ongoing” contracts which could include -
 - *Merrell Johnson (Engineering)*
 - *Acorn (Information Technology)*
 - *Richards Watson Gershon (Legal)*
 - *Mariposa (Tree Trimming)*
- Identify scope of work changes or adjustments that would be tolerable during the downturn
- Identify opportunities to reduce ongoing costs
- Request vendors to “voluntarily” agree to % decrease in line item costs

Review all outstanding purchase orders and close out nonessential and unspent funds

- As of March 30, there are literally thousands of open purchase orders which should be reviewed, paid, and/or closed out
- Each department is responsible for its own review and determinations
- Staff working on these closeouts must understand the urgency of our financial situation...must all funds be spent?

Review all departmental budgets and identify cost avoidances across all non-personnel expense categories

- Department leadership to set a target savings amount for FY2020-21
- Consider cost avoidance for programs affected by COVID-19 closures such as—
 - *Concerts in the Park*
 - *GoMonrovia*
 - *Senior Lunch Program*
 - *Passport Program*
 - *Trash Services*
- Targeted savings goal is TBD

Review all outstanding development and/or purchase agreements

- Review will be done by the City Manager's Office
- Pursue collection of one-time payments for City property acquisitions

Future Considerations

- City is already implementing Tier One Approach
 - *Summer Programs will be scaled down if they happen at all*
- City must lobby for state and federal aid
- City must review/consider all other considerations
 - *When to implement Tier Two Approach?*
 - *Review and/or suspend programs like GoMonrovia or Monrovia Renewal Northeast project?*
 - *Measure K sales tax increase began on April 1st. New tax revenue will remain unallocated and may be needed to offset major structural imbalance*
- City must be thinking about Fiscal Year 2021-22
 - *CalPERS UAL increase for COVID-19 to take effect May/June 2022*
 - *Tax revenue recovery is estimated to take 4-5 years*
 - *Vacant commercial properties = decreased property tax revenues*
 - *Could residential foreclosures/vacancies occur?*
 - *Duration of federal stimulus?*

FY21 Budget Process – Complete by August 31st

- Forecasting FY21 is difficult
- No legal requirement to adopt budget before June 30th
- Government Code section 53901 - requires every local agency to file a copy of its annual budget with the county auditor within 60 days after beginning of fiscal year.
- Would ask the City Council take action to authorize continued spending (perhaps at 2019-2020 levels) until the formal budget is adopted. This would give the City Manager authority to continue funding operations in the absence of a budget.
- Government Code section 7910 requires a city to establish its appropriations limit by resolution each year for the following fiscal year. This section does not impose any particular deadline for doing so, but the language of “each year...for the following fiscal year...” strongly suggests that the appropriations limit must be set before the start of the next fiscal year.

Questions

Dylan Feik

City Manager

626-932-5585

dfeik@ci.monrovia.ca.us

