2011-13 Fiscal Year Budget

City Council Budget Study Session
May 31, 2011
2010-2011 Program Budget Study Session

- General Fund Financial Forecast
- Other Key City Funds
- Redevelopment Agency
- Fees and Charges
- City Council Priorities
- Departmental Work Programs (June 6)
General Fund Review

- **Estimated financial condition at June 30, 2011:**
  - Cash reserved for economic uncertainties - $4.9 million (15%)
  - City Council goal is to reach and maintain a 20% (of General Fund budget) reserve level
  - 20% = $6.3 million

- **Good news is current year surplus of $188,000; bad news is one time deficit of $509,000 remains (made up in future years)**
General Fund Revenues
Sales Tax

- Down 25% from 2006-07 to 2009-10; lost revenue of over $2M
- Retail sales back up in 2010-11
  - 5% growth this year
  - Projecting another 5% next year
  - $236,000 growth
- 4 to 5 years to fully recover lost revenue
**General Fund Revenues**

**Property Tax**

- 3% growth rate in current year
- 4% next year; in part due to property tax in-lieu’s (motor vehicle fees and sales tax swap)
- Reassessments minimal (assessed value reductions)
- New revenue of $357,000
General Fund Expenditures
FY 2011-13 Proposed Budget

- Increase to Facilities Improvement Fund - $153,000
- Increase to Liability Insurance Fund - $120,000
- Increase in Retirement Fund contributions - $200,000 (from $300k to $500k)
- Increase in retiree health costs (and other operational costs) - $100,000
- Prior year deferred replacement of vehicle fleet - $225,000 (one time savings last year)
- Reduction in contribution to reserves for Economic Uncertainty ($200k to $0)
Personnel cost increases –
- 2 to 3% average cost increase
- For 2011-12, with retirements and downsizing, overall personnel cost increases are small
- For 12-13, personnel cost growth more in line with average
OPEB and PERS Costs - *Monrovia leading by example*

- Two-tier retiree medical program implemented in 2009; move to 401(k) style program
- Monrovia employees now pay a portion of PERS costs; will negotiate with employee groups to pay more of employee portion (over period of time)
- Two-tier pension model will be discussed with employee groups
Principles of Public Employee Compensation

- City Council Priority No. I
  - Fiscal Responsibility

- City Council Priority No. V
  - Quality City Personnel
Principles of Public Employee Compensation

- City shall set compensation competitively, based on department mission, program priority, and market forces.

- Employees shall be compensated at the average of comparable cities.
  - Merit compensation increases and bonus consideration based solely on performance and fund availability.

- Employees shall pay for the employee share of retirement costs.
**Principles of Public Employee Compensation**

- City’s PERS program will reflect sustainable actuarial horizons
- City total workforce costs must not exceed 75% of net operating expenses
- Time accruals will be monitored and utilized to ensure that separating employees’ payouts are minimized
General Fund Expenditures
FY 2011-12 Proposed Budget (cont.)

- Projected revenues: $31,891,000
- Projected expenditures: $31,885,000
- Reserve Fund of $4.9M (15%)
- For 2012-13:
  - Projected revenues: $32,356,000
  - Projected expenditures: $32,305,327
General Fund Reserves
Long Range Forecast - 20% Reserve Level
General Fund
Five Year Forecast

- Revenues and expenditures expected to increase, 17% and 16%, respectively
- Very conservative estimates on revenue and expenditure sides
  - Fiscal Responsibility must remain top priority
  - Cost-containment (compensation policy)
  - Public safety of residents and businesses is goal number one
General Fund
Five Year Forecast

City of Monrovia
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Retirement Fund
Long Term Projections

Reserve Balance
Annual Expenditures
Community Development Block Grant (CDBG) Fund

- Funding for 2011-12 down 8% from prior year; additional 7.5% pending
- Reductions could total $60,000
- Critical programs for safe and healthy neighborhoods
  - Will be funded with Affordable Housing funds
Street Maintenance Fund

- Prop 42 transportation revenues replaced by increased Gas Tax revenues
  - Approximately $400,000 annually
  - Funding for street resurfacing projects and operations

- Federal “ARRA” funds used for:
  - Huntington Drive resurfacing project
  - Traffic signal installation/upgrade

- Annual Street Resurfacing program reinstated - $465,000
Capital Improvement Projects

- Station Square street design improvements
  - Federal Transportation and MTA funded
- Train Depot Building renovation
  - Federal Transportation and Prop C funded
- 5th Ave. and Huntington Drive
  - Covering of the Santa Anita Wash (federal earmark)
- Chantry Flats road repair
- Clamshell road repairs
Liability Insurance Fund

- $1.8M in internal service charges (revenue) from other departments
- $200,000 increase from prior year
- Need to hold claim costs flat
- Incorporate certain claim costs directly into departments’ operating budgets
  - Department Accountability Program
- Three year goal is to increase reserve balance to $1,000,000
Worker’s Compensation Insurance Fund

- $1M in internal service charges (revenue) from other departments
- No increase from prior year
- Huge spike in claim costs in 2009-10; depleted reserves
- Department Accountability Program also in effect
- Three year goal is to increase reserve balance to $600,000
Facilities Reserve Fund

- $1.5M in internal service charges (revenue) from other departments
- Increase of $227,000
- Estimated contribution to reserves is $200,000
- Minor building “fix-its” will still be done
- Goal is to build $2M fund balance to address future needs
Storm Drain Maintenance Fund

- Revenues support the cleaning and maintenance operations
- Clean Water Act mandates installation of new catch basins
  - $800,000 cost over four years
- Major unfunded mandates around the corner
Citywide Fund Summary

- 46 funds covering all discretionary and restricted revenue sources and expenditures
- Estimated appropriations budgeted for 2011-12 is $51,695,729
- Estimated appropriations budgeted for 2012-13 is $55,246,348
Redevelopment Agency
Redevelopment Agency
Property Tax Increment Revenues

- 3% projected growth
  - $260,000 in new property tax revenue
  - $9.7M total tax increment

- $9M pays for debt service obligations

- $2.2M annually for low/moderate housing
Redevelopment Agency
Economic Development Projects

■ Maintenance Facility for Gold Line (GLCA)
  – Sale of property could occur in FY 2011-12
  – Or not; MRA will market proposed site

■ Station Square
  – Sale of properties
  – Development of Phase IA
  – Public improvements

■ Marketing of Fifth Ave. & Huntington Drive, Myrtle & Huntington, and Old Town
Redevelopment Agency
Affordable Housing Developments

- Monrovia Area Partnership
  - Grants and clean-ups
  - MAP Neighborhood Beautification Crew
- $7M bond issue done to generate one time proceeds for affordable housing
**Redevelopment Agency**

**Fund Summary**

- All debt obligations will be met
- All funds contain projected balanced budgets for the 2011-13 budget
- Total budgeted appropriations of $11,918,486 in 11-12; $10,931,270 in 12-13
Fees and Charges
New Items/Increases

- Fees set by
  - Periodic cost study
  - Survey
  - Statute

- Community Services Commission & Library Board recommendations
  - Hold the line
Fees and Charges
New Items/Increases

- Community Services
  - Increases:
    - Podium rental fee $50 to $55
    - TV/VCR/DVD rental fee $75 to $80
    - Screen rental fee $40 to $50

- Public Works
  - Environmental impact fee $2.33 to $2.42
Fees and Charges
New Items/Increases

Community Development
- Wireless facilities (CUP’s, reviews, exceptions)
- Covenant preparation
- Increases:
  - Major CUP permit review $1,050 to $1,100
  - Major variance review $1,050 to $1,100
  - Exceptions review $285 to $300
  - Misc dev. Review (new const.) $155 to $165
  - Misc dev. Review (additions) $130 to $137
  - Historic preservation – Mills Act $450 to $470
  - Temporary banner review $5 to $6
  - Window/Awning Sign Permit $10 to $11
City Council Priorities

I. Fiscal Responsibility
II. Public Safety
III. Economic Development/Redevelopment
IV. Citizen Participation
V. Quality City Personnel
VI. Quality of Life
VII. City Infrastructure
VIII. Transportation
IX. Support of Education
X. Affordable Housing
XI. Youth Policies
XII. Environmental Preservation
All funds balanced for 2011-13

Balanced budget achieved by
- Pension cost sharing
- Increased overhead rates
- Two tier retirement system
- No increase in staffing

Balanced budget will be presented for Council approval at the June 21 meeting
2011-13 Two Year Budget

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