



# Fiscal Year 2020-21 Final Budget Approval

Monrovia City Council  
August 4, 2020



# Presentation Overview

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- Other City Funds – Budgetary Overview
- Measure K Overview
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- Fees and Charges
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# FY 2020-21 Budget Overview

Fund Type	FY20-21 Original Budget		FY20-21 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure
General Fund	\$43.38M	\$43.16M	\$41.16M	\$41.88M
General Operating Funds	\$2.73M	\$4.27M	\$9.56M	\$5.10M
Enterprise Funds	\$19.60M	\$19.65M	\$19.46M	\$24.24M
Special Purpose Funds	\$29.90M	\$30.12M	\$31.84M	\$35.17M
Internal Service Funds	\$8.40M	\$9.89M	\$9.29M	\$10.66M
Total Budget	\$104.01M	\$107.09M	\$111.31M	\$117.05M

The above table does not include Fiduciary Grants.

# FY 2020-21 General Fund Revenues and Expenditures

- FY 2019-20 is expected to close the year with a \$610K surplus.
- Based on the preliminary proposed budget, a deficit of \$720K is expected for FY 2020-21. This amount includes setting aside \$500K in a Section 115 Trust to fund future obligations.
- Considering that FY 2019-20 is expected to possibly close the year \$1.1M better than originally anticipated, the FY 2019-20 positive position will help offset the \$720K deficit in FY 2020-21.
- Staff will closely monitor the City's financial position over the next 12 months and will return to Council with adjustments throughout the year.

Budget Category	FY 2019-20 Estimated Actuals	FY 2020-21 Original Budget	FY 2020-21 Proposed Budget
Revenues	\$ 40.42 M	\$ 43.38 M	\$ 41.16 M
Expenditures	\$ 39.81 M	\$ 43.16 M	\$ 41.38 M
Funds Set Aside for Section 115 Trust	\$ 00.00 M	\$ 00.00 M	\$ 00.50 M
<b>NET GF SURPLUS/-DEFICIT</b>	<b>\$ 00.61 M</b>	<b>\$ 00.22 M</b>	<b>\$ -00.72 M</b>

# FY 2020-21 General Fund Revenue

General Fund Revenues				
FY 2020-21 Budget				
Revenue Source	FY 2020-21 Original Budget	FY 2020-21 Proposed Budget	\$ Increase/ -Decrease	% Increase / -Decrease
Property Tax	\$13,779,062	\$13,850,417	\$71,355	0.5%
Sales Tax	\$11,351,351	\$9,978,504	-\$1,372,847	-12.1%
Transfers In	\$8,786,233	\$8,839,796	\$53,563	0.6%
Other Taxes (Includes TOT)	\$5,387,665	\$4,010,675	-\$1,376,990	-25.6%
Project Revenues	\$364,250	\$381,740	\$17,490	4.8%
Charges for Services	\$3,030,392	\$3,408,265	\$377,873	12.5%
Other Revenues	\$679,730	\$693,820	\$14,090	2.1%
<b>TOTAL REVENUES</b>	<b>\$ 43,378,683</b>	<b>\$ 41,163,217</b>	<b>-\$2,215,466</b>	<b>-5.1%</b>

# FY 2020-21 General Fund Revenues

## Property Tax and Sales Tax

### Property Tax - \$13,850,417

- Increase of \$71,355 over the original budget.
- Makes up 34% of the General Fund revenues.
- COVID-19 impacts are expected to be minimal in FY 2020-21. To-date, the housing market has remained relatively strong in California.
- FY 2020-21 property tax values were set as of January 1, 2020.
- We've incorporated a delinquency rate of approximately 1% for FY 2020-21.

### Sales Tax - \$9,978,504

- Decrease of \$1,372,847 from the original budget.
- Makes up 24% of General Fund revenues.
- Sales tax is the most impacted revenue in the General Fund.
- The decline in this revenue source is a key contributor to the overall deficit.
- Some segments of industry are doing well, such as online sales/pool allocations.
- Staff will continue to monitor this revenue item closely.

# FY 2020-21 General Fund Revenues Transient Occupancy Tax (TOT) and Other Revenues

## TOT- \$1,861,180

- Decrease of \$1,113,820 from the original budget.
- Makes up 4.5% of the General Fund revenues.
- A pre-COVID-19 adjustment of approximately \$525,000 is included in the adjustment amount.
- After sales tax, TOT is second most impacted revenue in the General Fund.
- A recent survey of hotel operators indicates occupancy rates are at 60-80% occupancy levels.
- Conservative estimates have been incorporated into the FY 2020-21 budget

## All Other Revenues - \$6,633,320

- Increase of \$146,283 over the original budget.
- Fees for Service will be impacted from the closure of City facilities and the replacement of in-person programming with virtual programming for various activities.
- Some increases are expected in Other Revenues that will offset reductions:
  - \$415K in additional AB 1290 revenues is anticipated.
  - \$240K in one-time Rule 20A Exchange funds have been included.

# FY 2020-21 General Fund Expenditures By Type

Expenditure Type	FY 2020-21 Original Budget	FY 2020-21 Proposed Budget	\$ Increase / -Decrease	% Increase / -Decrease
Personnel Costs	\$ 30,055,560	\$ 29,093,867	-\$961,693	-3.2%
Maintenance & Operations	\$ 9,572,391	\$ 9,224,940	-\$347,451	-3.6%
Transfers & Other	\$ 3,529,903	\$ 3,063,804	-\$466,099	-13.2%
EXPENDITURES SUBTOTAL	\$ 43,157,854	\$ 41,382,611	-\$1,775,243	-4.1%
Funds Set Aside for Section 115 Trust	\$ 0	\$ 500,000	\$500,000	N/A
TOTAL EXPENDITURES & SET ASIDE	\$ 43,157,854	\$ 41,882,611	-\$1,275,243	-3.0%



# FY 2020-21 General Fund Personnel By Department

Significant personnel savings has been achieved by keeping 15 non-critical General Fund positions vacant during FY 2020-21.

Personnel Expenditure By Department	FY 2020-21 Original Budget	FY 2020-21 Proposed Budget	Difference
Admin Services	\$984,678	\$948,013	-\$36,665
CMO/HR/City Clerk/IS	\$1,673,457	\$1,590,785	-\$82,672
Community Development	\$462,867	\$449,887	-\$12,980
Fire	\$9,536,607	\$9,393,312	-\$143,295
Non-Departmental	\$150,000	\$250,000	\$100,000
Police	\$13,505,872	\$13,063,819	-\$442,053
Public Works	\$506,398	\$431,094	-\$75,304
Recreation/Library	\$3,235,681	\$2,966,957	-\$268,724
<b>TOTAL PERSONNEL</b>	<b>\$ 30,055,560</b>	<b>\$ 29,093,867</b>	<b>-\$961,693</b>

# FY 2020-21 Other City Funds Revenues and Expenditures

Fund Type	FY 2020-21 Original Budget		FY 2020-21 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure
General Operating Funds	\$2.73M	\$4.27M	\$9.56M	\$5.10M
Enterprise Funds	\$19.60M	\$19.65M	\$19.46M	\$24.24M
Special Purpose Funds	\$29.90M	\$30.12M	\$31.84M	\$35.17M
Internal Service Funds	\$8.40M	\$9.89M	\$9.29M	\$10.66M
Total Budget	\$60.63M	\$63.93M	\$70.15M	\$75.17M

*The above table does not include Fiduciary Grants*

# FY 2020-21 Other Funds New Community Programs

A variety of community programs that are aimed at enhancing the quality of life for our residents have been added to the FY 2020-21 budget. Staff has been successful in obtaining grant funding for these programs. When combined, funding for these programs totals approximately \$1.8M. Programs include:

- Emergency COVID Housing Impact Grant (\$150K) – Housing and Homelessness ✓
- Homeless Prevention and Diversion Program (\$15K) – Housing and Homelessness ✓
- Homeless Plan Implementation Program (\$150K) – Housing and Homelessness ✓
- CDBG CARES Program (\$127K) – Housing and Homelessness ✓
- LEAP Housing Planning Grant (\$150K) – Housing/Affordable Housing and General Plan ✓
- SB2 Planning Grant Program (\$120K) – Housing/Affordable Housing and General Plan ✓
- Lucinda Garcia Park Improvements (\$1.1M) – Quality of Life/Community Enhancements ✓

Staff will continue to seek funding opportunities that allow additional investment within our community and will enhance the quality of life in Monrovia.

# FY 2020-21 Other Funds

## Funds of Concern

- One of the objectives of the Financial Resiliency Plan is to Protect General Fund dollars and minimize subsidies to other funds.
- In past years and in FY 2020-21, there are several City funds that are not self-sustaining and require subsidies. Funds of concern are as follows:
  - Lighting and Landscape Assessment District Fund
  - Park Maintenance Assessment District Fund
  - Worker's Compensation Fund
- The current pandemic has presented additional setbacks to achieving our goals for several of these funds.
- Additionally, achieving target reserve levels for our Vehicle and Equipment Replacement Fund has been a concern in prior years and again in FY 2020-21. By achieving target reserves, the City will have funding set aside to help replace vehicles and equipment based on a regular replacement schedule.

# FY 2020-21 Measure K

- During the budget study session on July 21, City Council was presented with survey results, including funding priorities and suggestions received from respondents.
  - Given the uncertainty of the current financial environment and the uncertainty of the actual amount of Measure K revenue that will be received during the year, the City Council decided it would be prudent to delay approving a spending plan at this time.
- Staff will return to Council for additional discussion later in the year.
- For FY 2020-21, projected revenues of \$3,705,800 have been included in the budget. Because a funding plan has not yet been approved, expenditures have not been included in the FY 2020-21 budget.

# FY 2020-21 CIP Program Budget

After a review of our current capital initiatives and available funding sources, the FY 2020-21 CIP Program Budget has been updated. The update proposes to:

- Close out 2 CIP projects that have been completed:

***Fire Station 101 Renovations***

***PD Flooring and Paint***

- Roll over 6 existing CIP projects into the FY 2020-21 budget:

***Community Center Planning Project***

***Bradoaks/Santa Fe Project***

***Huntington Drive Phase II Project***

***Huntington Drive/5<sup>th</sup> Ave. Project***

***Mountain Ave Resurfacing Project***

***Comprehensive Library Park Upgrades Project***

- Add 1 new CIP project:

***Lucinda Garcia Park Program***

- The proposed FY 2020-21 budget includes CIP expenditures totaling \$4.3M.

# FY 2020-21 Fees and Charges

## Increased Fees

Fee Type	Department	Current Fee	FY 2020-21 Proposed Fees	Proposed \$ Increase	% Cost Recovery
Foothill Transit Bus Pass (Senior/Disabilities Local) (Resident)	Community Services	\$13.00	\$21.00	\$8.00	70%
Foothill Transit Bus Pass (Student Local) (Resident)	Community Services	\$22.00	\$29.00	\$7.00	73%
Foothill Transit Bus Pass (Adult Local) (Resident)	Community Services	\$45.00	\$50.00	\$5.00	83%
Inmate Worker Program - Processing Fee	Police	\$50.00	\$73.00	\$23.00	100%
Inmate Worker Program - Completion Letter	Police	\$25.00	\$36.00	\$11.00	100%
Police Photo Reproduction (on CD or thumb drive)	Police	\$30.00	\$40.00	\$10.00	55%
Vehicle Equipment Correction Inspection (Fix-it Ticket) (Resident)	Police	\$16.00	\$20.00	\$4.00	56%
Police Crime Verification Letter	Police	\$20.00	\$25.00	\$5.00	100%
1st Copy of Traffic Report (Non-Injury or Injury)	Police	\$25.00	\$35.00	\$10.00	57%
Inmate Worker Program - Accept Daily Fee	Police	\$90.00	\$100.00	\$10.00	23%
Video/Audio Tape Reproduction	Police	\$75.00	\$82.00	\$7.00	75%
Computer Records Search	Police	\$60.00	\$65.00	\$5.00	100%

# FY 2020-21 Fees and Charges

## Increased Fees

Fee Type	Department	Current Fee	FY 2020-21 Proposed Fees	Proposed \$ Increase	% Cost Recovery
911 Recording Reproduction	Police	\$60.00	\$70.00	\$10.00	78%
Vehicle Impound Storage Fee (Suspended or No License)	Police	\$151.00	\$160.00	\$9.00	100%
DUI Arrest/Impound and Report	Police	\$517.00	\$634.00	\$117.00	100%
Building Departmental Review Process	Public Works	\$218.00	\$270.00	\$52.00	100%
Curb Drain Inspection Fee	Public Works	\$244.00	\$280.00	\$36.00	100%
Sewer Wye Inspection Fee	Public Works	\$269.00	\$306.00	\$37.00	100%
Driveway Inspection Fee	Public Works	\$347.00	\$389.00	\$42.00	100%
Street Excavation Inspection Fee (per 50 sq. ft.)	Public Works	\$450.00	\$498.00	\$48.00	100%
Sidewalk Inspection Fee (per 300 sq. ft.)	Public Works	\$382.00	\$425.00	\$43.00	100%
Curb and Gutter Inspection Fee (per 50 linear ft.)	Public Works	\$382.00	\$425.00	\$43.00	100%
Encroachment Permit	Public Works	\$244.00	\$270.00	\$26.00	100%
Waste Impact Fee	Public Works	\$2.81	\$2.82	\$0.01	100%



# FY 2020-21 Fees and Charges

## New Fees and Reduced Fees

### New Fees:

Service Description	New Fee	% Cost Recovery	Comments
<b>Public Works:</b> Administrative Processing Fee	\$71.00	100%	Fee includes coordination of inspection appointment, process paperwork, and plan check review.
Encroachment in Residential Zone	\$18.00/day over 14 days Not to exceed \$270.00	100%	Fee includes application, processing paperwork, plan check review, traffic control review, and two inspections.
Technical Services Fee	Actuals + 15%	100%	The Technical Services Fee will offset the cost of utilizing an outside contract service provider plan review of various technical plans including, but not limited to: hydrology/drainage plans; geology/geotechnical plans; storm water pollution prevention plans; Low Impact Development plans; Best Management Practices plans; Traffic Studies; and Fats/Oils/Grease (FOG) Source Control plans.

### Reduced Fees:

In order to align the fee schedule with our current fee for Canyon Park Weekend and Holiday Parking, the fee will be adjusted from \$10 to \$6 (the current rate being charged).

# FY 2020-21 Fees and Charges Eliminated Fees

Fee Type	Department	Current Fee	Reason
Encroachment License - Ground Monitoring Well	Public Works	\$2,396.00	Obsolete- No longer charge this fee.
Encroachment Permit (Annual)	Public Works	\$360.00	Obsolete- No longer charge this fee.
Encroachment License	Public Works	\$758.00	Obsolete- No longer charge this fee.
Canyon Park Non-Resident Fees	Community Services	Various	LA County Proposition A funding was used to help fund development at Canyon Park. This funding source carries restrictions and does not allow for different rates to be charged. Therefore, staff is proposing to eliminate Canyon Park Non-Resident Fees.

# Questions?

