



# Study Session #2 Fiscal Year 2021-23 Two-Year Budget

Monrovia City Council  
June 15, 2021



# Purpose

The purpose of this 2<sup>nd</sup> Study Session is to:

- Provide Summary of Fiscal Year 2021-23 Budget for City Council's consideration
- Respond to questions raised at initial Study Session on June 1<sup>st</sup>
- Review a proposed Measure K Spending Plan for the Fiscal Year 2021-23 Two-Year Budget
- Seek City Council's direction regarding next steps

# Fiscal Year 2021-23 Budget Overview

Fund Type	FY20-21 Revised Budget		FY21-22 Proposed Budget		FY22-23 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
General Fund	\$41.64 M	\$42.31 M	\$45.01M	\$44.88 M	\$47.30 M	\$46.79 M
General Fund – Other Funds (Dev. Services/Emergency Services/Measure K)	\$11.48 M	\$7.77 M	\$10.51 M	\$5.43 M	\$7.90 M	\$4.74 M
Enterprise Funds	\$19.74 M	\$20.37 M	\$24.67 M	\$21.48 M	\$23.46 M	\$22.20 M
Special Purpose Funds	\$39.72 M	\$42.06 M	\$37.75 M	\$39.41 M	\$37.04 M	\$37.46 M
Internal Service Funds	\$10.41 M	\$11.17 M	\$10.13 M	\$11.18 M	\$10.23 M	\$10.68 M
Total Budget	\$122.99 M	\$123.68 M	\$128.07 M	\$122.38 M	\$125.93 M	\$121.87 M

# Fiscal Year 2021-23 General Fund Revenues and Expenditures

- Both fiscal years are expected to close with a surplus.
- Based on the preliminary proposed budget, a surplus of \$123K is expected for Fiscal Year 2021-22 and \$509K is expected for Fiscal Year 2022-23. This amount includes setting aside \$495K (FY 2021-22) and \$555K (FY 2022-23) in a Section 115 Trust to fund future obligations.
- One-time revenues for a reimbursement and property sale have been included in the projection. As the City recovers from the pandemic, these revenues will be replaced with growth in normal revenues in the future.
- Staff will closely monitor the City's financial position over the next 12 months and will return to City Council with adjustments, as necessary, throughout the year.

Budget Category	FY 2020-21 Revised Budget	FY 2021-22 Proposed Budget	FY 2022-23 Proposed Budget
Revenues	\$ 41.64 M	\$ 45.01 M	\$ 47.30 M
Expenditures	\$ 41.81 M	\$ 44.39 M	\$ 46.24 M
Funds Set Aside for Section 115 Trust	<u>\$ 00.50 M</u>	<u>\$ 00.49 M</u>	<u>\$ 00.55 M</u>
<b>NET GF SURPLUS/DEFICIT</b>	<b><u>(\$ 00.67 M)</u></b>	<b><u>\$ 00.13 M</u></b>	<b><u>\$ 00.51 M</u></b>

# Fiscal Year 2021-23 One-Time Revenue American Rescue Plan Act 2021 (“ARPA”)

- ARPA was signed into law on March 11, 2021, and provides \$350 billion in funding for state and local governments.
- Funding for Monrovia will be received (directly from the State) in two installments (or tranches). The first is expected to be received in June 2021 and the second is expected to be received in June 2022.
- Monrovia’s initial projection was \$6.8m. On Monday, June 7<sup>th</sup>, staff was made aware our allocation will be \$8,691,147 according to the CA Dept. of Finance. Several eligible uses include:
  - To respond to the COVID-19 public health emergency.
  - To provide government services to cover the loss in revenue due to COVID-19.
  - To assist workers performing essential work during the COVID-19 pandemic.
  - To make necessary investments in water, sewer, and broadband infrastructure.
- A portion of ARPA Funds have been included in the budget. \$1.1M has been included in Fiscal Year 2021-22 and \$1.0M has been included in Fiscal Year 2022-23, which falls under the category of “To provide government services to cover the loss in revenue due to COVID-19.” The balance of \$6.59M in ARPA Funds remains unallocated.
- Staff is currently awaiting additional guidance from the State of California and the United States Treasury. Once additional guidance is received, staff will continue to develop a funding plan proposal and return to City Council to provide an update.

# Fiscal Year 2021-23 General Fund Expenditures By Type

Expenditure Type	FY 2020-21 Revised Budget	FY 2021-22 Proposed Budget	% Increase / Decrease	FY 2022-23 Proposed Budget	% Increase / Decrease
Personnel Costs	\$29.31 M	\$31.17 M	6.35%	\$33.02 M	5.94%
Maintenance & Operations	\$ 6.32 M	\$ 6.66 M	5.38%	\$ 6.27 M	-5.86%
Transfers & Other	\$ 6.18 M	\$ 6.56 M	6.15%	\$ 6.95 M	5.95%
EXPENDITURES SUBTOTAL	\$41.81 M	\$44.39 M	6.17%	\$46.24 M	4.17%
Funds Set Aside for Section 115 Trust	\$ 00.50 M	\$ 00.49 M	-2.00%	\$ 00.55 M	12.24%
TOTAL EXPENDITURES & SET ASIDE	\$42.31 M	\$44.88 M	6.07%	\$46.79 M	4.26%

# Fiscal Year 2021-23 General Fund Combined Fund View

Fund Type	FY20-21 Revised Budget		FY21-22 Proposed Budget		FY22-23 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
General Fund	\$41.64 M	\$42.31 M	\$45.01 M	\$44.88 M	\$47.30 M	\$46.79 M
General Fund – Development Services	\$4.29 M	\$5.24M	\$3.96 M	\$4.22 M	\$2.38 M	\$3.74 M
General Fund – Emergency Services	\$1.63 M	\$1.20 M	\$1.23 M	\$0.00 M	\$0.00 M	\$0.00 M
General Fund – Measure K	\$5.56 M	\$1.33 M	\$5.32 M	\$1.21 M	\$5.52 M	\$1.00 M
Total General Fund Budget	\$53.12M	\$50.08 M	\$55.52 M	\$50.31 M	\$55.20 M	\$51.53 M



# Fiscal Year 2021-23 Other City Funds Revenues and Expenditures

Fund Type	FY 2020-21 Revised Budget		FY 2021-22 Proposed Budget		FY 2022-23 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
Enterprise Funds	\$19.74 M	\$20.37 M	\$24.67 M	\$21.48 M	\$23.46 M	\$22.20 M
Special Purpose Funds	\$39.72 M	\$42.06 M	\$37.75 M	\$39.41 M	\$37.04 M	\$37.46 M
Internal Service Funds	\$10.41 M	\$11.17 M	\$10.13 M	\$11.18 M	\$10.23 M	\$10.68 M
Total Budget	\$69.87 M	\$73.60 M	\$72.55 M	\$72.07 M	\$70.73 M	\$70.34 M



# Follow up from June 1<sup>st</sup> Study Session

Question – What is the breakdown of the \$14.4m unfunded pension liability, or UAL (unfunded actuarial liability)?

## CalPERS UAL Estimated Outstanding Balance at 6/30/21

*From CalPERS Valuation Reports Dated July 2020*

Base Type	Amount of Base	Description of Base
Fresh Start Surplus	(\$939,913)	This base resulted with the initial payoff of the UAL and is due to timing of the payoff of the UAL.
Non-Investment (Gain)/Loss	\$2,143,667	This base is the result of differences between actual demographic experience and the actuarial assumptions used to estimate our liability, which includes items such as mortality differences, retirement age differences, pay increases, and turnover being greater or less than assumed.
Investment (Gain)/Loss	(\$311,595)	This base is the result of plan investments earning a different rate of return (either higher or lower) than the expected rate of return of 7.0%. This amount does not yet include the investment loss from Fiscal Year 2019-20, which earned 4.7%.
Method Change	\$2,493,376	This base includes changes in amortization policy. For example, effective with the June 30, 2019 valuation, the amortization period for gains and losses was shortened from 30 years to 20 years. Additionally, the 5-year ramp up and ramp down was removed on certain bases.
Assumption Change	\$11,030,800	This base is the result of changes in actuarial assumptions, such as changes in demographic and economic assumptions, including changes in the discount rate. The City's balance for this base is mainly due to the discount rate change from 7.25% to 7.0%, which occurred after the payoff of the UAL.
Total	\$14,416,335	

# Follow up from June 1<sup>st</sup> Study Session (cont.)

Question – What is the breakdown of the 13 positions held vacant?

	Department	Position
1	CITY MANAGER'S OFFICE	Assistant to the City Manager
2		Assistant to the City Clerk
3		HR Office Aide
4	ADMIN SERVICES	Senior Accounting Assistant <i>(Formerly Sr. Financial Systems Technician)</i>
5	FIRE DEPARTMENT	Firefighter w/Paramedic Assignment
6		FD Admin Assistant
7	COMMUNITY DEVELOPMENT	Planning Administrative Assistant
8	COMMUNITY SERVICES	Recreation Coordinator
9		Recreation Coordinator
10		Recreation Coordinator
11		Librarian
12	PUBLIC WORKS DEPARTMENT	Water Quality Superintendent
13		Utility Maintenance Worker

# Follow up from June 1<sup>st</sup> Study Session (cont.)

Question – Can you provide more explanation for items 23, 24, 30 and 31 on the Measure K Proposed Project List?

- Item 23 – Annual Facility Replacement \$300,000
- Item 24 – Annual Park Replacement \$300,000
- Item 30 – Station 101 Door Replacement \$150,000
- Item 31 – Station 102 Improvements \$200,000

CIP Planning  
City of Monrovia  
Annual Facility Replacement

Facility	Basis	Scope of Work	Est. Cost
Library Maintenance Improvements	In addition to the planned expansion/modification to the Library, there is maintenance work to be done (e.g., exterior painting, flooring, etc.).	Flooring replacement (\$35k), emergency batteries (\$25k), grouting of arches (\$15k), exterior painting (\$35k), exterior lighting (\$20k), roof replacement (\$120k).	\$ 250,000.00
Community Center	Various upgrades/replacement items are needed.	Roof replacement (\$100k), door replacement, and electrical upgrades (\$30K for both).	\$ 130,000.00
Citywide Facilities Assessment/Master Plan	Survey to assess facilities and recommend maintenance plans - Just Engineering	Citywide facility needs assessment, engineering assessment of structures, and ADA upgrades.	\$ 100,000.00
City Hall Painting and Carpeting	Paint and carpet have exceeded useful life.	New carpet throughout facility, exterior and interior painting of entire facility.	\$ 250,000.00
Fire Station 102 Upgrades	Kitchen and dorms are outdated.	Replace interior kitchen, which is original to the fire station when built in 1998. Also, modify dormitories to meet current accessibility standards.	\$ 200,000.00
Fire Station 101 Door Replacements	4 large, bay doors are old, some damaged, and eventually need to be replaced.	Replace 4 large, unique bay doors at Station 101.	\$ 150,000.00
<b>Total</b>			<u>\$ 1,080,000.00</u>

# Monrovia Citywide Parks Master Plan

## Parks Capital Facilities Plan

2018-2030

Park / Location	Project Description	Estimated Cost	2018	2019	2020	2021	2022	2023	2024	2025-2030
Canyon Park	Roadway / parking repairs	\$750,000		\$750,000						
	Irrigation system upgrades	\$100,000			\$50,000	\$50,000				
	Reforestation / native landscape installations	\$60,000				\$60,000				
	Wayfinding system - design & installation	\$90,000			\$90,000					
Kiwanis Park at Grand Ave.	Master Plan - site design	\$100,000		\$100,000						
	Park renovations (playground, pathway circulation, ADA upgrades)	\$1,000,000			\$1,000,000					
Library Park	Park renovations (restroom, playground)	\$680,000	\$680,000							
Lucinda Garcia Park	Path improvements & additions	\$100,000	\$100,000							
	Picnic shelter - small	\$150,000			\$150,000					
	Playground enhancement/replacement	\$300,000			\$300,000					
	Install exercise circuit stations	\$125,000			\$125,000					
Recreation Park	Master plan - revitalize park design / layout	\$1,500,000			\$1,500,000					
	Comprehensive park upgrade & renovation	\$15,000,000					\$15,000,000			
Rotary Park	Pathway repairs/upgrades	\$50,000	\$50,000							
	New playground (replacement)	\$225,000		\$225,000						
	New small shelter	\$150,000			\$150,000					
New South-end Park	Land acquisition ( ~1 acre ) - SW Monrovia	\$2,250,000				\$2,250,000				
	Master Plan - site design	\$100,000					\$100,000			
	Phase 1 park development improvements	\$1,000,000								\$1,000,000
Peck Lake Wetlands Project	Acquire & develop site for stormwater treatment & passive recreation	TBD						TBD		
Neighborhood Park Acquisition	Land acquisition ( ~1 acre ) - SE Monrovia	TBD								
Neighborhood Park Acquisition	Land acquisition ( ~1 acre ) - S of Live Oak	TBD								
Neighborhood Park Acquisition	Land acquisition ( ~1 acre ) - S Monrovia	TBD								
Neighborhood Park Acquisition	Land acquisition ( ~0.5 acre ) - N of I-210	TBD								
Neighborhood Park Acquisition	Land acquisition ( ~0.5 acre ) - N of Foothill	TBD								
Neighborhood Park Acquisition	Land acquisition ( ~0.5 acre ) - N of Foothill	TBD								
Off-Leash Dog Park	Secure property & construct dog park	\$950,000						\$850,000	\$100,000	
System-wide ADA Upgrades	Barrier removal, benches, tables, paved paths	\$200,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$60,000
Capital Repairs (system-wide)		\$1,000,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$300,000
System-wide Irrigation Upgrades		\$500,000	\$200,000		\$150,000		\$150,000			
<b>TOTALS:</b>		<b>\$26,380,000</b>	<b>\$1,150,000</b>	<b>\$1,195,000</b>	<b>\$3,635,000</b>	<b>\$2,480,000</b>	<b>\$15,370,000</b>	<b>\$970,000</b>	<b>\$220,000</b>	<b>\$1,360,000</b>





# Measure K

*A review of the proposed Measure K Budget for Fiscal Year 2021-23.*



# Fiscal Year 2021-23 Measure K Discussion

On June 1<sup>st</sup>, Council was concerned about how Measure K Funds would be spent. Council wanted to review the original intent of Measure K, as well as the original “preliminary spending plan,” which was shared publicly before the measure was passed.

The “Keep Monrovia Local Sales and Use Tax” proposal was placed before voters to ensure the remaining 0.75% of our local sales tax base rate would remain in Monrovia.

## Ballot Language

- To keep local sales tax dollars in Monrovia to fund general city services, including community center improvements, police, fire, 911, senior services, parks, recreation, clean water and others, shall the Monrovia Transactions and Use Tax Ordinance of 2019, placed on the ballot by the City Council, be approved, imposing a 0.75% transactions and use (sales) tax to collect approximately \$4.5 million annually spent only in Monrovia, with a Citizens Advisory Committee and annual spending plan?

Since the Measure passed, Monrovia has experienced a pandemic, wildfire, and recession.

<u>Keep Monrovia Revenues Local</u>			
Staff Proposed Sales & Use Tax Expenditure Plan			
5-Year Program Allocation			
Item	Annual Allocation	Duration of Allocation (In Years)	Total Investment Over 5-Years
<b><u>Establish A New Community Center</u></b>			
Community Center Upgrade	\$ 1,250,000	5	\$ 6,250,000
<b><u>Achieve AAA Credit Rating</u></b>			
General Fund Reserve	\$ 500,000	5	\$ 2,500,000
Workers' Compensation Legacy Costs	\$ 500,000	5	\$ 2,500,000
Enhanced Pension UAL Cost Set-Aside	\$ 500,000	5	\$ 2,500,000
<b><u>Give Money Back To Residents / Stop Future Increases</u></b>			
Eliminate Residential Emergency Services Fee	\$ 500,000	5	\$ 2,500,000
Subsidize LLD / PMD Funds	\$ 500,000	5	\$ 2,500,000
<b><u>Investment in Capital / Infrastructure</u></b>			
Park Funding	\$ 150,000	5	\$ 750,000
Facility Funding	\$ 150,000	5	\$ 750,000
Vehicle Replacement Funding	\$ 150,000	5	\$ 750,000
Traffic Signal / Intersection Improvements	\$ 150,000	5	\$ 750,000
Misc. Capital Upgrades	\$ 50,000	5	\$ 250,000
<b><u>Community Priorities</u></b>			
Affordable Housing	\$ 25,000	5	\$ 125,000
Housing Displacement Response Program	\$ 25,000	5	\$ 125,000
Youth Programs / Workforce Development	\$ 25,000	5	\$ 125,000
MUSD - New Crossing Guards	\$ 12,500	5	\$ 62,500
CBO Funding Program	\$ 12,500	5	\$ 62,500
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,500,000</b>		<b>\$ 22,500,000</b>



# Fiscal Year 2021-23 Measure K Budget Review

- To-date, Measure K has been allocated to only the following items -
  - Total = \$1,325,250:
    - Transfer to General Fund Reserves = \$500,000
    - Transfer to Worker's Compensation Fund Reserves = \$500,000
    - Transfer to Assessment District Fund = \$200,000
    - Batting Cages at Barney Glen Field = \$20,000
    - ADA Transition Plan = \$105,250
- Overall, Measure K revenue has been more positive than originally expected. Based on staff review and HDL projections, estimated revenues for the Fiscal Year 2021-23 Budget are as follows:
  - Forecasted Measure K Balance as of June 30, 2021 = \$5,176,226
  - Fiscal Year 2021-22 = \$5,315,000
  - Fiscal Year 2022-23 = \$5,522,000

On June 1<sup>st</sup>, staff presented a proposed spending plan. Council raised several questions pertaining to these items, including whether they met the intent of what Council told voters prior to the Measure K election.

Measure K Budget Totals		
City Council Objectives	FY 21-22	FY 22-23
Financial Management	1,000,000	1,000,000
Infrastructure	4,169,666	4,211,000
Relationships	285,000	190,000
<b>Total Projects (37 Projects)</b>	<b>5,454,666</b>	<b>5,401,000</b>

Of the staff-proposed list, there are 7 key items staff would like to include in the FY22 and FY23 Budget, either by using Measure K or identifying another source of funds (shown in yellow).

Ultimately, Council has complete discretion and authority over how to spend the funds.

## Measure K Items FY 2021-23 Two-Year Budget

Item #	Description	Council Target Objective	FY 21-22 Amount	FY 22-23 Amount
1	Transfer to Worker's Comp	Financial Management	500,000	500,000
2	General Fund Reserves	Financial Management	500,000	500,000
3	Replace Samson Statue	Infrastructure	1,000	-
4	Taxidermy Replacement	Infrastructure	3,000	-
5	Engineering Digitization Project	Infrastructure	50,000	50,000
6	Energy Action Plan	Infrastructure	150,000	-
7	Message Board Replacement	Infrastructure	21,000	21,000
8	LED Demonstration Project	Infrastructure	30,000	-
9	Painting of Exterior of Police Station & New Signage	Infrastructure	43,000	-
10	Kay Dalton Wood Floor Polishing	Infrastructure	5,000	-
11	Floor Replacement for Ranger Station	Infrastructure	3,000	-
12	Recreation Park Tool Shed	Infrastructure	3,000	-
13	Grading Lower Clamshell Motorway	Infrastructure	-	50,000
14	Annual Server Replacement	Infrastructure	-	15,000
15	Storage Area Network Unit- City Hall	Infrastructure	-	75,000
16	OnBase and Munis Upgrade	Infrastructure	82,666	-
17	Mitel Phone Improvements	Infrastructure	28,500	-
18	City Hall Wireless Access Points	Infrastructure	48,500	-
19	City Clerk Wall Removal	Infrastructure	25,000	-
20	Colorado Commons Parking Lot Painting Project	Infrastructure	11,000	-
21	Completion of Fuel Pump Replacement	Infrastructure	50,000	-
22	Parking Lots	Infrastructure	800,000	800,000
23	Annual Facility Replacement	Infrastructure	300,000	300,000
24	Annual Park Replacement	Infrastructure	300,000	300,000
25	Annual Street Preservation	Infrastructure	1,100,000	1,100,000
26	Replacement Vehicles - Canyon Park	Infrastructure	80,000	-
27	New Dog Park	Infrastructure	10,000	150,000
28	Painting of Historic Museum	Infrastructure	125,000	-
29	Mountain Avenue Resurfacing	Infrastructure	-	800,000
30	Station 101 Door Replacement	Infrastructure	150,000	-
31	Station 102 Improvements	Infrastructure	200,000	-
32	Transfer to Fire Vehicle Replacement	Infrastructure	550,000	550,000
33	Inclusionary Housing Ordinance	Relationships	100,000	-
34	RWG -Retention Schedule Review	Relationships	-	5,000
35	Replacement Trees	Relationships	25,000	25,000
36	MAP Block Party Events	Relationships	10,000	10,000
37	Community Enrichment Grants	Relationships	150,000	150,000
Total Projects (37 Projects)			5,454,666	5,401,000

Priority	Project No.	Description / Detail	Proposed	Estimated	Project Justification
1	22008	<b>Munis Upgrades</b>	FY 2022	FY 2023	The City's current version of the Munis Enterprise System will no longer be supported and is in need of an upgrade.
		(3) Windows Server 2019, 16 Core Licensing	2,950	0	
		(4) Windows Server 2019, 2 Core Licensing	500	0	
		(2) SQL Server Standard 2019, 2 Cores	7,200	0	
		(3) ShadowProtect Backup License (available inventory)	0	0	
		(1) UCC SSL Certificate to cover 3 URLs	200	0	
		Acorn Labor / configuration (3) Servers	5,000	0	
		Acorn Monthly Recurring Charges (MRC)	5,760	0	
		<b>Total</b>	<b>21,610</b>	<b>0</b>	
		<b>Total w/ Contingency (10%)</b>	<b>23,771</b>	<b>0</b>	
		Difference (Contingency)	2,161		

**Notes:**

MRC increase \$480/mo or \$5,760/yr; cost for new servers will offset the cost of existing servers pending project completion. Servers will run simultaneously throughout the testing and implementation period.

Priority	Project No.	Description / Detail	Proposed	Estimated	Project Justification
2	22008	<b>OnBase Upgrades</b>	FY 2022	FY 2023	The City's current version of the OnBased Document Management System will no longer be supported and is in need of an upgrade.
		Konica Minolta Labor	20,000	0	
		(4) Windows Server 2019, 16 Core Licensing	3,933	0	
		(8) Windows Server 2019, 2 Core Licensing	1,000	0	
		(2) SQL Server Standard 2019, 2 Cores	7,200	0	
		(4) ShadowProtect Backup License	3,460	0	
		(1) UCC SSL Certificate to cover 4 URLs	268	0	
		Acorn Labor / configuration (4) Servers	10,000	0	
		Acorn Monthly Recurring Charges (MRC)	7,680	0	
		<b>Total</b>	<b>53,541</b>	<b>0</b>	
		<b>Total w/ Contingency (10%)</b>	<b>58,895</b>	<b>0</b>	

Priority	Project No.	Description / Detail	Proposed	Estimated	Project Justification
3	22008	<b>Wireless Access Points (WAP) Improvements - City Hall Network</b>	FY 2022	FY 2023	The Wi-Fi devices (WAPs) at City Hall and various facilities are no longer supported or available. If the existing equipment fails, staff would need to find replacements, if available, on third party vendor sites. The improvements will increase the Wi-Fi signal at all locations for both City staff and the public.
		City Hall WAPs (5)	855	0	
		Community Center Devices WAPs (4)	685	0	
		Public Works Devices WAPs (6)	1,025		
		Fire Station 101 WAPs (5)	855	0	
		Fire Station 102 WAPs (4)	685	0	
		Library WAPs (5)	855	0	
		Canyon Park Cabin and Ranger Station WAPs (2)	345	0	
		Acorn Labor (Installation & Configuration)	5,000	0	
		Contract Labor (Cabling & Power)	8,000	0	
		Acorn Labor (Citywide Assessment) - Completed FY2021	0	0	
		<b>Total</b>	<b>18,305</b>	<b>0</b>	
		<b>Total w/ Contingency (10%)</b>	<b>20,136</b>	<b>0</b>	
		Difference (Contingency)	1,831		

Priority	Project No.	Description / Detail	Proposed	Estimated	Project Justification
4	22008	<b>Citywide Mitel Phone System Improvements</b>	FY 2022	FY 2023	The City's phone system is running on outdated software due to the existing infrastructure. Outdated hardware and copper connections are prone to increased interruptions in service. Both City and Police are impacted by these issues. By Virtualizing the infrastructure and upgrading to a Fiber connection, upgrades to the current versions of Mitel Software is achievable, and a faster and more secure connection is established.
		Convert MiVB to Virtual and Add SIP Trunks - City Hall	11,264	0	
		Convert MiVB to Virtual and Add SIP Trunks - PD	11,218	0	
		Corporate Yard-16 Port ATA	1,264	0	
		Fire Station #1-8 Port ATA	684	0	
		Fire Station #2-8 Port ATA	684	0	
		Public Library-8 Port ATA	684	0	
		<b>Total</b>	<b>25,798</b>	<b>0</b>	
		<b>Total w/ Contingency (10%)</b>	<b>28,377</b>	<b>0</b>	
		Difference (Contingency)	2,580		

# Ongoing Council Priority Projects

Annual Street Resurfacing	\$1,100,000
Mountain Avenue (Monrovia Renewal Shortage)	\$800,000 (estimate)
Dog Park	\$150,000, including contingency
Old Town Parking Lots	\$4m total, 5 parking lots
Other/Misc.	
Building Reserves	
Future Stormwater Capital Funds	

# FY 2021-23 Capital Asset Program

While the budget to maintain the City’s capital asset systems has been included in the Fiscal Year 2021-23 Budget, it should be noted that the City has increased maintenance spending by 34% over the last 7 years:

**Maintenance Budget By Fiscal Year**

Asset Classification	Fiscal Year						
	16-17 Actual	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Budget	21-22 Budget	22-23 Budget
Water System	7,939,000	6,860,792	10,865,459	10,326,569	10,663,171	10,306,906	11,450,206
Sewer	1,041,000	1,168,058	746,013	1,045,744	898,197	1,151,177	1,641,132
Pavement & Sidewalks	1,280,000	1,380,000	1,053,000	906,000	936,530	1,134,530	1,072,000
Fleet	395,000	276,000	328,000	235,000	324,000	300,000	235,000
Buildings	1,811,000	1,627,000	1,786,000	1,823,000	1,790,000	1,949,000	2,035,000
Traffic Signals & Street Lights	533,000	811,000	807,000	956,000	943,000	1,022,000	1,041,000
Storm Drain	297,000	212,000	380,000	218,000	238,000	318,000	320,860
	<b>13,296,000</b>	<b>12,334,850</b>	<b>15,965,472</b>	<b>15,510,313</b>	<b>15,792,898</b>	<b>16,181,613</b>	<b>17,795,198</b>
	<b>% Increase From FY 16-17 to FY 22-23</b>						<b>34%</b>

Addressing maintenance needs and developing a comprehensive capital asset replacement plan will be part of staff’s continued work plans in the years to come.



# FY 2021-22 Fees and Charges

## Proposed Changes

- Based on our assessment, a summary of the adjustments includes the following:
  - No Change – 33% of all fees (236 fees total)
  - 3% Increase – 55% of all fees (397 fees total)
  - > 3% Increase – 10% of all fees (75 fees total)
  - Reduction – 0.28% of all fees (2 fees total)
  - New – 1 % of all fees (9 fees total)
  - Eliminated – 0.28% of all fees (2 fees total)
- As part of our in-depth review, we will be presenting those fees that had a >3% increase, a reduction, new fees and eliminated fees.



# Ongoing Issues

While the Fiscal Year 2021-23 Budget is balanced, the following outstanding issues remain and will be an area of focus for staff in the upcoming year:

1. Outstanding/delinquent payments that have accumulated during the pandemic:
  - a) Fire Inspection Fees and False Alarms - \$19K
  - b) Water bill payments - \$285K
  - c) Police False Alarms and Other Fees - \$143K
  - d) Other outstanding debt - \$65K
2. Post-Bobcat Fire Claims Handling Process
3. Renewing employee MOU's that expire on June 30, 2022:
  - a) MFA, MPOA, MMEA, Mid-Managers and Executives

# Next Steps

---

## Formal Budget Approval:

Consider formal approval at tonight's meeting. However, an additional study session can be scheduled, if needed.

## Ongoing Monitoring:

Staff will continue to monitor the financial situation closely and will return to City Council with quarterly updates throughout the year.

# Questions & Direction to Staff

