



## Study Session #2

# Fiscal Year 2023-25 Operating Budget & Fees and Charges

*Monrovia City Council*

*June 6, 2023*



# Purpose

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

- Provide an overview of the Fiscal Year 2023-25 Two-Year Operating Budget for City Council's review and consideration.
- Provide an overview of the Fiscal Year Fees and Charges for Fiscal Year 2023-24.
- Discuss several issues, trends, and forecast items to keep on our radar.
- Seek City Council's input and direction regarding next steps.

# Budget Timeline

## Study Session # 1 – May 16, 2023

- Reviewed the Citywide Capital Improvement Program (CIP) and discussed Fiscal Year 2023-24 projects and funding.

## Study Session # 2 – June 2, 2023 (tonight!)

- Review of the Fiscal Year 2023-25 Two-Year Operating Budget.
- Review of Fiscal Year 2023-24 Fees and Charges.

## Budget Adoption – June 20, 2023

- Present Fiscal Year 2023-25 Budget for City Council's approval.

Staff will continue to provide quarterly budget updates throughout the upcoming fiscal year.

# Budget Objectives

This budget proposal:

- Incorporates conservative revenue and expenditure projections.
- Includes a special focus on funding as many CIP projects as possible.
- Addresses long term liabilities (e.g., pension, OPEB, unfunded leave, etc.) by paying down debt and setting aside funding for future long-term liabilities.
- Aims to build up reserve levels to prepare for the future.
- Seeks outside funding, whenever possible, to help fund special projects and programs.

# Fiscal Health

The City is now settling into its post-COVID operations, and we are experiencing continued growth, progress, and stability.

Improving overall fiscal health has been a key budget objective for our City. Significant progress in achieving this objective has been made, which can be seen in the following accomplishments:

1. Overall, the City's cash and investment balances continue to grow each year. For example, at the close of the last fiscal year, the City's Cash and Investment balances increased by approximately \$18 million, or 55%, over the prior year.
2. The City's overall Net Position increased by approximately \$74 million during the last fiscal year, resulting in a year-end net position of approximately \$61 million.
3. The City's credit worthiness continues to improve. The City received a credit rating upgrade in June 2022 from AA to AA+.

# Fiscal Health *(continued)*

4. Some funds that have historically been in deficit are showing improvement. For example, the Worker's Compensation Fund, a fund that typically runs a deficit, has a positive balance for the first time in over 20 years!
5. Over the last several years, funding has been set aside to address PERS and OPEB obligations through the Section 115 Trust, putting the City in a better long-term fiscal position. At the end of Fiscal Year 2022-23, \$5.3M has been set aside for future obligations.
6. Paying down other liabilities, such as employee leave liabilities, has been a priority this past year and will continue to be a focus area in the upcoming years.
  - Vacation liability payout provisions were included in recent MOU's. These provisions provide a mechanism for paying down leave liabilities. Paying down leave liabilities provides two positive benefits:
    - It reduces the City's overall liabilities and is positively reflected in the annual financial statements.
    - It saves the City money, over time, as liabilities are paid out at a lower cost (i.e., paid at current hourly rate vs. a higher rate in future years).





# Citywide Budget

*A high-level review of Citywide expenditures and revenues.*



# Citywide Revenue & Expenditures Overview

- Overall, a conservative and realistic approach to revenue and expenditure estimates has been incorporated into the Fiscal Year 2023-25 budget.
- A CPI increase in user fees has been reflected in revenue projection estimates.
- Inflationary impacts in City vendor contracts have been incorporated into this budget proposal.
- This budget proposal includes funding all positions. 243.75 FTE's (full-time equivalent) positions have been included in both years. However, staff will evaluate every vacancy for cost and need before proceeding with filling the position (i.e., we will evaluate full cost of salary and benefits).
- When developing the budget, each line item was thoroughly reviewed for need and appropriate cost, and budgets were developed from the ground up, starting from zero.



# Fiscal Year 2023-25 Budget Overview

## All City Funds (Includes CIP)

Fund Type	FY22-23 Revised Budget		FY23-24 Proposed Budget		FY24-25 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
General Fund	\$53.14 M	\$54.17 M	\$49.80 M	\$50.25 M	\$52.15 M	\$53.51 M
General Fund – Other Funds (Dev. Services/Emergency Services/Measure K)	\$15.14 M	\$9.81 M	\$23.00 M	\$16.71 M	\$10.89 M	\$5.69 M
Enterprise Funds	\$23.93 M	\$23.18 M	\$22.12 M	\$27.02 M	\$21.51 M	\$22.12 M
Special Purpose Funds	\$37.58 M	\$35.92 M	\$35.08 M	\$42.72 M	\$34.09 M	\$36.85 M
Internal Service Funds	<u>\$12.15 M</u>	<u>\$11.96 M</u>	<u>\$10.87 M</u>	<u>\$11.79 M</u>	<u>\$10.90 M</u>	<u>\$11.68 M</u>
Total Budget	<b><u>\$141.94 M</u></b>	<b><u>\$135.04 M</u></b>	<b><u>\$140.87 M</u></b>	<b><u>\$148.49 M</u></b>	<b><u>\$129.54 M</u></b>	<b><u>\$129.85 M</u></b>



# General Fund Review

*A review of General Fund revenues and expenditures.*



# General Fund Overview

The General Fund is in a strong position and has been showing positive growth over the years.

- The General Fund's overall financial position has improved over time. In the last five years, the balance has grown from \$6.8M in FY 17-18 to an estimated \$16.5M at the end of FY 22-23.
- Key revenues, such as property tax and sales tax, which make up approximately 60% of the General Fund's revenues, have shown consistent growth each year (ranging from 2-6%).
- Because of its positive position, the City was able to transfer funds from the General Fund to the City's Capital Improvement Fund in FY 2021-22 and FY 2022-23 to help fund CIP projects, including the Wellfield Electrical Project. A total of approximately \$7M was transferred over the last two years.
- We have also been able to set aside Section 115 Trust funds for future PERS and OPEB liabilities and we're also addressing other long-term liabilities.
- This budget proposal incorporates conservative estimates for revenues and expenditures. While deficits are proposed in both years, staff will closely monitor the budget and adjust throughout the year during quarterly budget updates.

# Fiscal Year 2023-25 General Fund Revenues and Expenditures

Budget Category	FY 2022-23 Revised Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Revenues	\$ 53.14 M	\$ 49.80 M	\$ 52.15 M
Expenditures	<u>\$ 54.17 M</u>	<u>\$ 50.25 M</u>	<u>\$ 53.51 M</u>
<b>NET GF SURPLUS/DEFICIT</b>	<b><u>(\$ 1.03 M)</u></b>	<b><u>(\$ 0.45 M)</u></b>	<b><u>(\$ 1.36 M)</u></b>

# Fiscal Year 2023-25 General Fund Revenues By Source

General Fund Revenues Year-Over-Year Comparison					
Revenue Source	FY 2022-23 Revised Budget	FY 2023-24 Proposed Budget	% Increase / (Decrease)	FY 2024-25 Proposed Budget	% Increase / (Decrease)
Property Tax	\$15.85 M	\$16.90 M	6.62%	\$17.54 M	3.79%
Sales Tax	\$13.33 M	\$13.44 M	0.83%	\$13.82 M	2.83%
Transfers In	\$9.79 M	\$9.23 M	(5.72%)	\$10.68 M	15.71%
Other Taxes	\$4.20 M	\$4.56 M	8.57%	\$4.69 M	2.85%
Project Revenues	\$1.67 M	\$0.72 M	(56.89%)	\$0.67 M	(6.94%)
Charges for Services	\$3.33 M	\$3.77 M	13.21%	\$3.56 M	(5.57%)
Other Revenues	<u>\$4.97 M</u>	<u>\$1.18 M</u>	<u>(76.26%)</u>	<u>\$1.19 M</u>	<u>0.85%</u>
<b>TOTAL REVENUES</b>	<b><u>\$53.14 M</u></b>	<b><u>\$49.80 M</u></b>	<b><u>(6.29%)</u></b>	<b><u>\$52.15 M</u></b>	<b><u>4.72%</u></b>



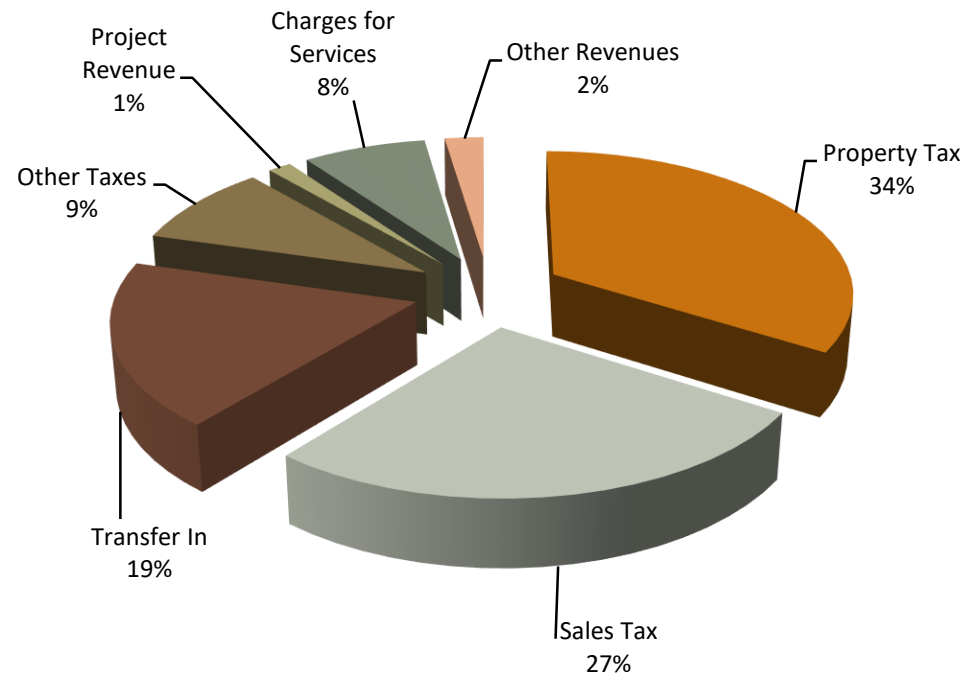
# Fiscal Year 2023-25 General Fund

## General Fund Key Revenues

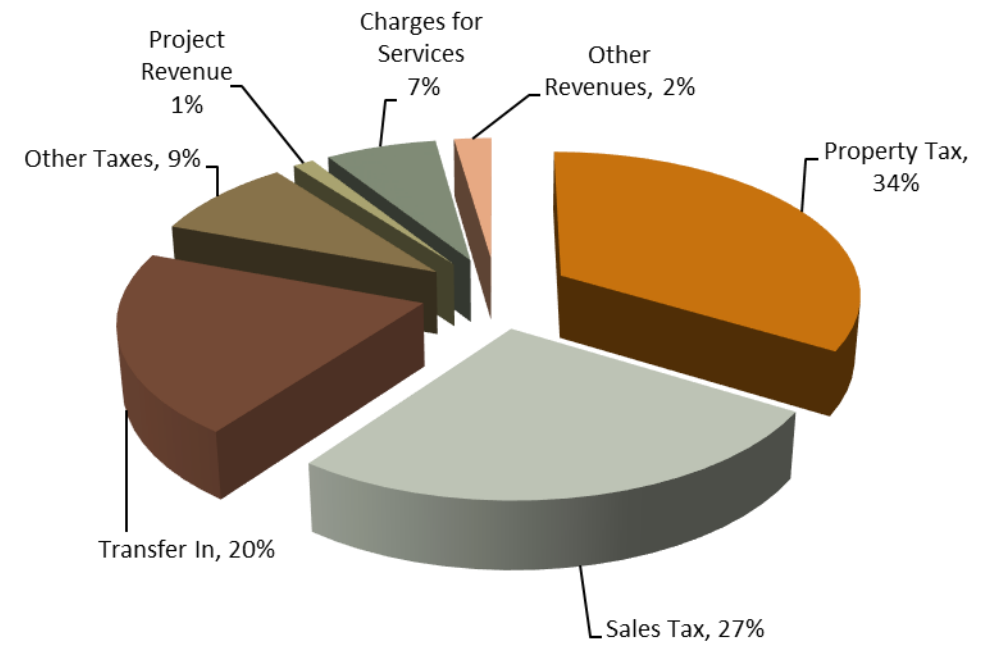
<p>Property Tax</p>	<ul style="list-style-type: none"> <li>• Makes up 34-35% of General Fund revenue.</li> <li>• Continues to be strong and reliable.</li> <li>• New development revenue has been included in projections.</li> </ul>
<p>Sales Tax</p>	<ul style="list-style-type: none"> <li>• Makes up 27% of General Fund revenue.</li> <li>• Sales tax revenues continue to be strong and consistent.</li> <li>• Auto sales and State pool allocations continue to be our two biggest producers.</li> </ul>
<p>Transient Occupancy Tax (TOT)</p>	<ul style="list-style-type: none"> <li>• Makes up approximately 4.5% of General Fund revenue.</li> <li>• Is showing consistent growth each year and has exceeded pre-pandemic levels.</li> <li>• Revenues have been included for Marriott TownPlace Suites (for 2 quarters of the fiscal year)</li> </ul>

# Fiscal Year 2023-25 General Fund Sources of Revenues

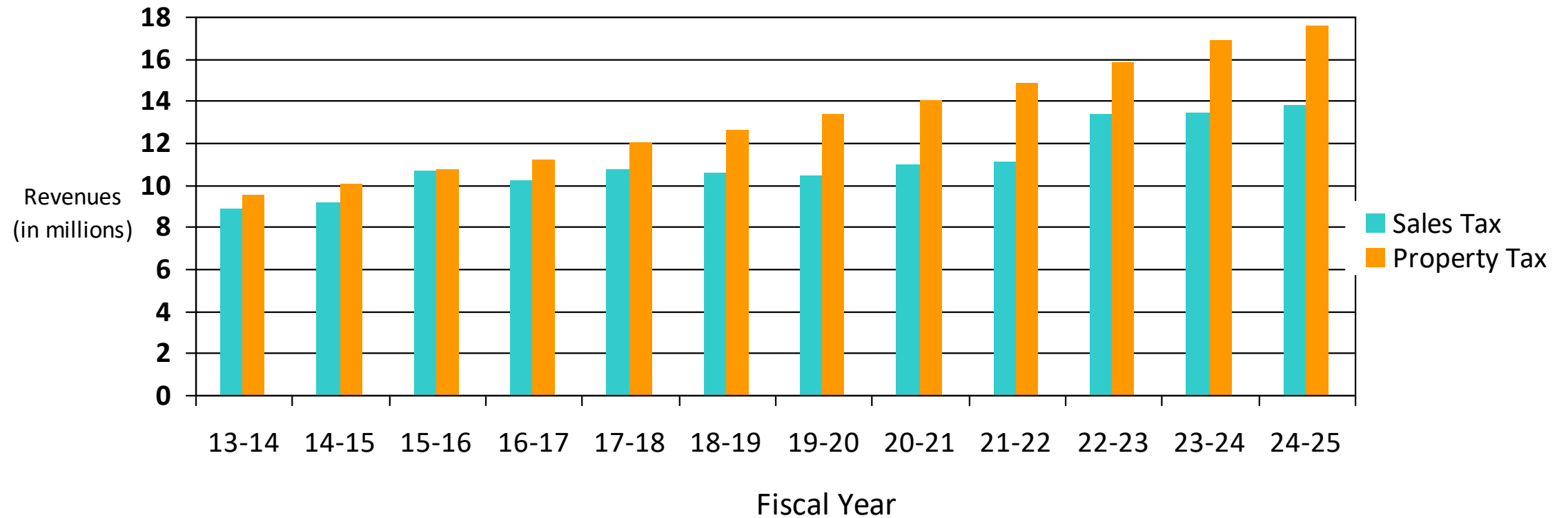
## FISCAL YEAR 2023-24



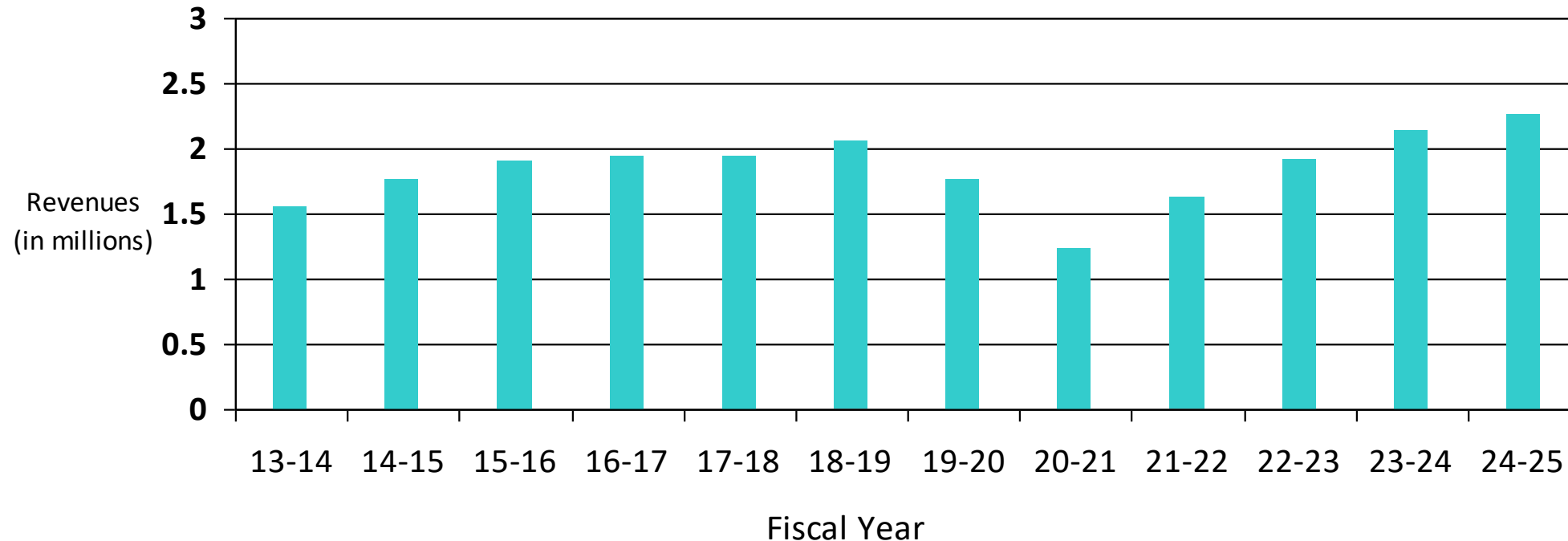
## FISCAL YEAR 2024-25



# General Fund Revenue Sales and Property Tax History



# Fiscal Year 2023-25 General Fund Revenue Transient Occupancy Tax (TOT) History



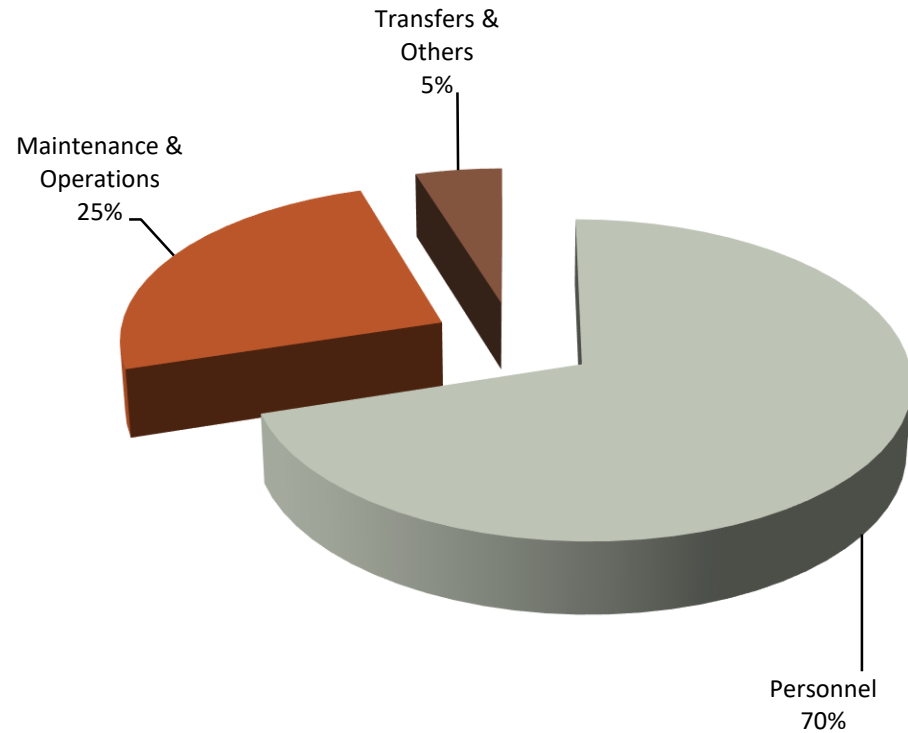
# Fiscal Year 2023-25 General Fund Expenditures By Type

Expenditure Type	FY 2022-23 Revised Budget	FY 2023-24 Proposed Budget	% Increase / (Decrease)	FY 2024-25 Proposed Budget	% Increase / (Decrease)
Personnel Costs (Salary & Benefits)	\$34.26 M	\$35.25 M	2.89%	\$38.06 M	7.97%
Maintenance & Operations (M & O)	\$11.84 M	\$12.57 M	6.17%	\$12.44 M	(1.03%)
Transfers & Other	<u>\$ 8.07 M</u>	<u>\$2.43 M</u>	<u>(69.89%)</u>	<u>\$3.01 M</u>	<u>23.87%</u>
EXPENDITURES SUBTOTAL	<b><u>\$54.17 M</u></b>	<b><u>\$50.25 M</u></b>	<b><u>(7.24%)</u></b>	<b><u>\$53.51 M</u></b>	<b><u>6.49%</u></b>

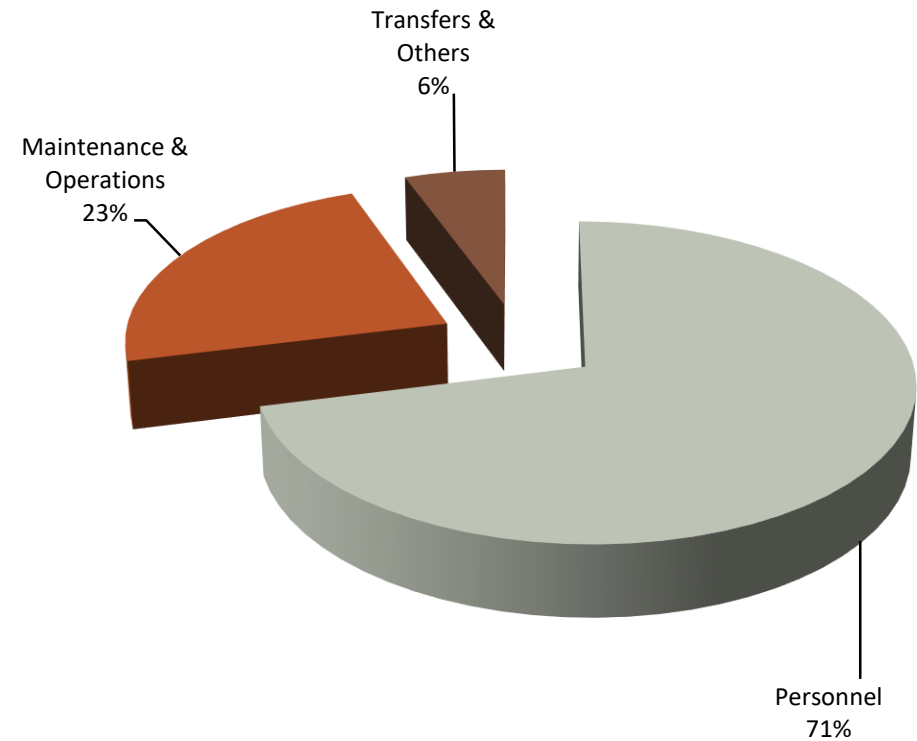


# Fiscal Year 2023-25 General Fund Expenditures By Type

Proposed Budget FY 2023-24:



Proposed Budget FY 2024-25:



# Fiscal Year 2023-25 General Fund Combined Fund View

Several funds are part of the General Fund and are combined into one fund on the City's Annual Financial Report (ACFR). This includes:

- The General Fund
- The Development Services Fund
- The Emergency Event Fund; and
- The Measure K Fund.

A combined fund view is presented on the next slide.

# Fiscal Year 2023-25 General Fund Combined Fund View

Fund Type	FY22-23 Revised Budget		FY23-24 Proposed Budget		FY24-25 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
General Fund	\$53.14 M	\$54.17 M	\$49.80 M	\$50.25 M	\$52.15 M	\$53.51 M
General Fund – Development Services	\$5.35 M	\$5.36 M	\$3.52 M	\$4.66 M	\$4.06 M	\$5.69 M
General Fund – Emergency Events	\$3.31 M	\$3.45 M	\$12.84 M	\$12.05 M	\$0.00 M	\$0.00 M
General Fund – Measure K	<u>\$6.48 M</u>	<u>\$1.00 M</u>	<u>\$6.64 M</u>	<u>\$0.00M</u>	<u>\$6.83 M</u>	<u>\$0.00 M</u>
Total General Fund Budget	<b><u>\$68.28 M</u></b>	<b><u>\$63.98 M</u></b>	<b><u>\$72.80 M</u></b>	<b><u>\$66.96M</u></b>	<b><u>\$63.04 M</u></b>	<b><u>\$59.20 M</u></b>



# Other City Funds

*A review of other funds (non-General Fund funds) within the City.*



# FY 2022-23 Other Funds

## Recap of Remaining City Funds

- The City has over 50 other funds covering all unrestricted and restricted revenue sources and expenditures.
- All funds are expected to end each year with positive fund balances, except for the Lighting and Landscape Assessment District Fund, the Park Maintenance Assessment District Fund, and the Proposition A Fund.
  - A discussion of each these three funds will follow.
- Good News! The Worker's Compensation Fund is now in a positive position in both years!



# Fiscal Year 2023-25 Other City Funds Revenues and Expenditures (Includes CIP)

Fund Type	FY 2022-23 Revised Budget		FY 2023-24 Proposed Budget		FY 2024-25 Proposed Budget	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
Enterprise Funds	\$23.93 M	\$23.18 M	\$22.12 M	\$27.02 M	\$21.51 M	\$22.12 M
Special Purpose Funds	\$37.58 M	\$35.92 M	\$35.08 M	\$42.72 M	\$34.09 M	\$36.85 M
Internal Service Funds	<u>\$12.15 M</u>	<u>\$11.96 M</u>	<u>\$10.87 M</u>	<u>\$11.79 M</u>	<u>\$10.90 M</u>	<u>\$11.68 M</u>
Total Budget	<u>\$73.66 M</u>	<u>\$71.06 M</u>	<u>\$68.07 M</u>	<u>\$81.53 M</u>	<u>\$66.50 M</u>	<u>\$70.65 M</u>

# Fiscal Year 2023-25

## Funds To Watch

In this two-year budget cycle, and in past budget cycles, there are two City funds that are not self-sustaining and require subsidies. They are as follows:

- Lighting and Landscape Assessment District Fund (Shortfall in Year 1 and Year 2)
- Park Maintenance Assessment District Fund (Minor shortfall in Year 1)

Due to increasing program costs, the following fund has a deficit of approximately \$560K in Fiscal Year 2024-25:

- Proposition A Fund

Additionally, the following funds are currently undergoing rate studies to ensure rates are sufficient to cover growing operational costs:

- Water Fund
- Sewer Fund

# Rate Studies Are Currently Underway!

Rate studies are currently underway to establish updated costs for the following operations:

- Lighting and Landscape Assessment District
- Park Maintenance Assessment District
- Water
- Sewer

Staff is planning to return to City Council with the results of the rate studies within the next few months:

- Water and Sewer will be presented first, followed by the assessment district studies.

# Funds To Watch: Assessment District Funds

## Lighting & Landscape District (LLD)

- This District was established in the 1990's. The revenue assessment for this District has remained essentially unchanged for nearly 30 years, and an increase in the rate (to keep up with costs) is not allowed.
- Costs have consistently increased each year (e.g., maintenance costs, electricity, etc.).
- The LLD Assessment amount is currently established at \$56.23 per dwelling unit.
- Based on the most recent Engineer's Report conducted for the LLD, the operation is being subsidized by over \$900,000 / year.
- In addition to the annual subsidy, there is still a deficit in both fiscal years, as follows:
  - Fiscal Year 2023-24 = (\$554K)
  - Fiscal Year 2024-25 = (\$820K)

# Funds To Watch: Assessment District Funds

## Lighting & Landscape District (LLD)

- A cost and rate analysis is currently underway.
- Staff will return with the results of the study within the next few months.

# Funds To Watch: Assessment District Funds

## Park Maintenance District (PMD)

- This District was established in the 1990's. Unlike the Lighting and Landscape District, this District allows for an annual CPI increase. This has helped to keep better pace with increasing costs.
  - However, CPI has been as low as .87% in the last five years and has not always kept pace with the City's costs.
- When the PMD was first formed, the cost was established at \$8.25 per dwelling unit (DU). In 2023 (nearly 30 years later), the PMD assessment level is currently \$14.86 / DU.
- Based on the most recent Engineer's Report conducted for the PMD, the operation is being subsidized by over \$850,000 / year.
- FY 2023-24 allows for a 5.77% CPI increase, which will help to better sustain the fund.



# Funds To Watch: Assessment District Funds

## Park Maintenance District (PMD)

- The PMD Fund has a minor deficit of \$6K in Fiscal Year 2023-24 and a surplus of \$4K in Fiscal Year 2024-25.
- A cost and rate analysis is currently underway.
- Staff will return with the results of the study within the next few months.

# Funds To Watch: Proposition A Transportation Fund

- Go Monrovia and Dial-A-Ride are funded by a combination of funds from Proposition A, Proposition C, Measure R, and Measure M sales tax revenues.
- Beginning in Fiscal Year 2023-24, expanded Dial-A-Ride service hours (to align with the Lyft program) will be offered, which will increase overall costs for the program.
- The City will receive significant one-time grants to help fund these expanded Dial-A-Ride services.
  - \$900K in grant/toll credit revenues has been included in Fiscal Year 2023-24 and \$600K has been included in Fiscal Year 2024-25.
- A deficit of approximately \$560K in funding exists in Fiscal Year 2024-25.
- Staff will perform a review and analysis of the program during Fiscal Year 2023-24 and will return to City Council with the results of the review and options to ensure a sustainable program.



# Section 115 Trust

*A review of the City's Section 115 Trust.*



# Section 115 Trust

- The Section 115 Trust has been an effective tool for addressing the City’s long-term pension and OPEB liabilities.
- Establishing a Funding Policy and making ongoing City contributions to the Trust are two steps that are positively viewed by credit rating agencies.
- Due to positive CalPERS investment returns in Fiscal Year 2020-21, the City’s Unfunded Accrued Liability (UAL) is currently “super funded,” and an annual UAL payment is not required in Fiscal Year 2023-24.
  - Even though a payment is not required, staff is proposing to set aside the amount that would have been paid, which is estimated to be \$1M, in the Section 115 Trust in-lieu of the required payment. If approved, contributions will be as follows:
    - FY 2023-24 = \$2M (RPTTF Property Tax Revenues of \$1M and \$1M in funds that would have been sent to PERS)
    - FY 2024-25 = \$1M (RPTTF Property Tax Revenues of \$1M)

# Section 115 Trust

Source of Section 115 Trust Deposits	Amount
Section 115 Trust Contributions at End of FY 2022-23	\$5,322,000
Budgeted RPTTF Revenues + Additional Contribution – FY 2023-24	\$2,000,000
Budgeted RPTTF Revenues – FY 2024-25	\$1,000,000
Section 115 Trust Contributions at the End of FY 2024-25	<u>\$8,322,000</u>





# Fees and Charges

*The proposed budget incorporates new fees and fee adjustments.*





# Fees & Charges Methodology

- Each year, departments conduct a review of key fees that are charged for services:
- The goal of the fee review is to analyze the extent to which costs are recovered for specific non-general services provided by the City.
  - Based on actual costs, a reasonable and recommended fee schedule is proposed for consideration.

Fees are typically established either by statute, survey results, and / or a comprehensive service delivery cost analysis

# Fees & Charges Methodology

To keep up with the cost of providing services, the City has incorporated a CPI in prior years, as follows:

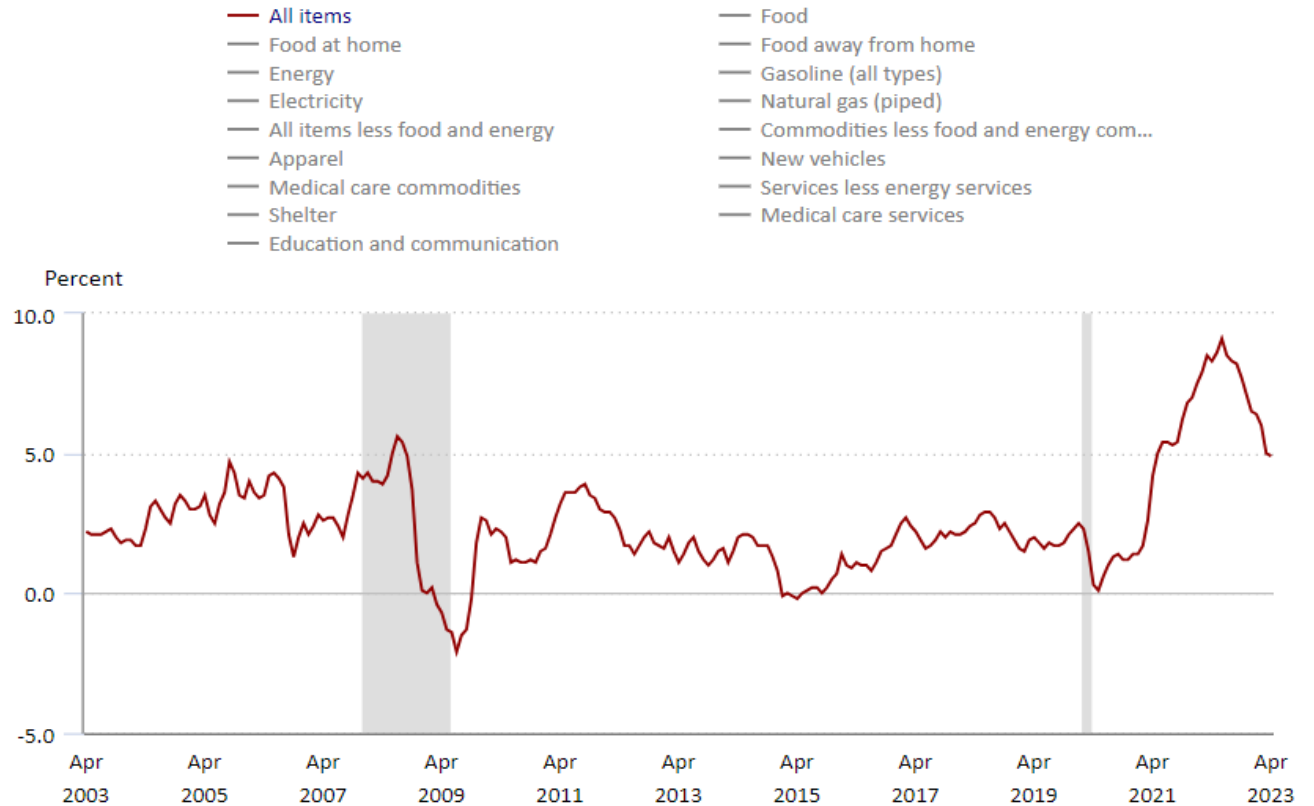
<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b> (Proposed)
0%	3%	0%	3%	5%	7%

Incorporating a CPI helps fees stay in line with annual inflation and cost of living increases.

# Fees & Charges – CPI Impacts

- While CPI is declining, it reached unprecedented levels over the past year.
- As of April 2023, the average CPI for the last 12 months was 7.19%
- Staff is proposing a 7% CPI increase for many fees as part of this budget proposal, since the cost of providing services has been increasing.

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.

# Fees Adjustment Summary

Staff assumed a base 7% increase across-the-board for all fees and then individually reviewed each fee to determine the applicability of the proposed change. Fees were adjusted appropriately based on a review of the individual circumstances for each fee.

All fee adjustments being proposed are projected to result in approximately \$182K in new revenue collection.

# Fees Adjustment Summary

Based on staff’s review of each fee, adjustments are being proposed as follows:

No Change	22 % of all fees
Decreased	.5 % of all fees
Less than 7% Increase	1 % of all fees
7% Increase	67 % of all fees
Greater than 7% Increase	8 % of all fees
Eliminated	.5 % of all fees
New	0 % of all fees
Restructured	1 % of all fees

As part of our in-depth review, we will be presenting those fees that had a greater than 7% increase, as well as eliminated fees and restructured fees.

# Fees With >7% Increase

## Community Development Fees

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Minor Permits Tier 1	\$105	\$94	\$105	12%
Minor Permits Tier 2	\$198	\$183	\$198	8%
Moderate Permits Tier 1	\$437	\$404	\$437	8%
Moderate Permits Tier 3	\$1,078	\$973	\$1,078	11%
Building Plan Check: Alternative Materials or Methods of Construction Request	\$270	\$221	\$270	22%
Permit Renewal	\$60	\$53	\$60	13%
Plan Review / Permit Extension	\$30	\$26	\$30	15%
Technology Cost Recovery Fee	Varies	\$7	\$8	14%



# Fees With >7% Increase

## Community Development Fees (continued)

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Neighborhood Compatibility Design Review <ul style="list-style-type: none"> <li>Level 2: SFR Addition – front, single story</li> </ul> <i>all other fees under this category only increased by 7%</i>	\$532	\$108	\$120	11%
Development Review Committee – Design Review (decision)	\$1,612	\$1,300	\$1,400	8%
CEQA / Environmental – Notice of Exemption (NOE)	\$40	\$37	\$40	8%
Appeals / Misc. Planning Fees – Time Extension Review	\$648	\$446	\$480	8%
Administrative – Temporary Banner Review	\$16	\$8	\$9	13%
Administrative – Landscape Plan Check	\$440	\$405	\$440	9%
Administrative – Zoning Research Letter - Standard	\$110	\$69	\$75	9%
Administrative – Zoning Research Letter - Non-Standard	\$284	\$183	\$200	9%

# Fees With >7% Increase

## Community Development Fees (continued)

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Historic Preservation* – Landmark Designation	\$1,827	\$556	\$600	8%
Historic Preservation* – Historic Assessment Exemption	\$1,157	\$269	\$290	8%
Surcharge – Technology Cost Recovery Fee	Varies	\$7	\$8	14%
Surcharge – Technology Cost Recovery Fee (TRAKIT)	Varies	\$5	\$6	20%

*\*City Council has decided to maintain fees related to Historic Preservation (HP) lower than actual costs for HP applicants as a tool to promote HP.*

# Fees With >7% Increase

## Community Services Fees

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Security Guard per Hour	\$35	\$32	\$35	9%
Security Guard per Hour – Overtime	\$52.50	\$49	\$52.50	7.1%

## Fire Department Fees

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Special Events <ul style="list-style-type: none"><li>Candles/Open Flames in an Assembly (charged daily)</li></ul> <i>all other fees under this category only increased by 7%</i>	\$25	\$22	\$25	14%

# Fees With >7% Increase (Increased to better match fees of similar cities)

## Community Development Fees

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Development Review Committee – Minor Conditional Use Permit Review	\$1,300	\$735	\$800	9%
Development Review Committee – Oak Tree Permit	\$231	\$52	\$75	44%
Planning Commission – Hillside Development Permit Review	\$9,760	\$3,150	\$4,500	43%
Subdivision – Tentative Parcel / Vesting Parcel Map Review	\$3,463	\$2,000	\$2,200	10%
Subdivision – Tentative Tract / Vesting Tract Map Review	\$4,551	\$2,432	\$2,700	11%
Subdivision – Lot Line Adjustment	\$1,090	\$945	\$1,080	14%
General Plan / Specific Plan				
• General Plan / Zoning Amendment	\$6,630	\$5,880	\$6,500	11%
• Specific Plan	\$8,284	\$7,350	\$8,000	9%

# Fees With >7% Increase (Increased to better match fees of similar cities)

## Community Development Fees (continued)

Fee Type	FY 2023-24 Cost	Current Fee	FY 2023-24 Proposed Fee	% Increase
Administrative – Change of Address <ul style="list-style-type: none"> <li>• Non Single Family</li> <li>• Single Family (50% of Non Single Family fee)</li> </ul>	\$335 \$168	\$269 \$135	\$300 \$150	11%
Administrative – Covenant Preparation Residential Unit	\$298	\$200	\$250	25%
Administrative – Covenant Preparation Non-Residential Unit	\$771	\$420	\$500	19%
Historic Preservation – Mills Act Contract	\$1,418	\$945	\$1,100	16%
Historic Preservation – Mills Act Contract Time Extension	\$335	\$264	\$300	14%

# Eliminated Fees

## Community Services Fees

Fee Type	Current Non-Resident Fee	Current Resident Fee	Comments
Summer Science Academy – Junior Researcher Academy	\$224	\$112	Program Eliminated. May be replaced with Junior Naturalist in FY 24-25.
Film Permits: Police Department Administrative Review	\$126	\$126	Previous established fee no longer used.



# Restructured Fees

## Community Services Fees

- The City does not currently charge a fee for review of passport renewals.
- We are proposing to revise the current Passport Execution Fee to include a “Review” component for renewals. The same fee will be charged for new passports and renewals.

Service Description	FY 2023-24 Proposed Fee	Comments
Passport Execution / Review Fee	\$35	Restructured to include a review fee for renewals. Rate will be the same as the Passport Execution Fee.

# Restructured Fees

## Fire Department Fees

- The Engine Company Inspection costs have been recalculated and fees have been adjusted to reflect revised costs.
- Annual fees have decreased, but second and third inspection fees have increased.

Service Description	Current Fee	Restructured Fee	Comments
Engine Company Inspection (Annual Fee) <ul style="list-style-type: none"> <li>• Commercial Units (fees range based on building square footage)</li> <li>• Rental Units (fees range based on No. of Units)</li> </ul>	\$248-\$579 \$229-\$579	\$245-\$567 \$225-\$567	Costs and fees revised according to current fully burdened hourly rate.
Second Inspection: <ul style="list-style-type: none"> <li>• Commercial Units</li> <li>• Rental Units</li> </ul>	No charge for second inspection.	\$147-\$301 \$147-\$301	Assessed only if violation is not corrected.
Third Inspection: <ul style="list-style-type: none"> <li>• Commercial Units</li> <li>• Rental Units</li> </ul>	\$132-\$266 \$132-\$266	\$191-\$406 \$191-\$406	Assessed only if violation is not corrected. Fee includes cost recovery for third inspection and final inspection.

# Restructured Fees

## Fire Department Fees

- The Fire Prevention Inspection costs have been recalculated and fees have been adjusted to reflect revised costs.
- Annual fees have decreased, but second and third inspection fees have increased.

Service Description	Current Fee	Restructured Fee	Comments
Fire Prevention Inspection (Non-Engine Company) (Annual Fee) <ul style="list-style-type: none"> <li>• Commercial Units (fees range based on building square footage)</li> <li>• Rental Units (fees range based on No. of units)</li> </ul>	\$76-\$561  \$44-\$561	\$63-\$164  \$58-\$164	Costs and fees revised according to current fully burdened hourly rate.
Second Inspection: <ul style="list-style-type: none"> <li>• Commercial Units</li> <li>• Rental Units</li> </ul>	No charge for second inspection.	\$44-\$105 \$44-\$105	Assessed only if violation is not corrected.
Third Inspection: <ul style="list-style-type: none"> <li>• Commercial Units</li> <li>• Rental Units</li> </ul>	No charge for third inspection.	\$89-\$211 \$89-\$211	Assessed only if violation is not corrected. Fee includes cost recovery for third inspection and final inspection.

# Financial Work Plan Items

In the upcoming year, staff will focus on the following financial work plan items:

1. Complete rate studies for the Water Fund, Sewer Fund, and Assessment Districts.
2. Complete an external comprehensive user fee cost study review and update, if applicable, user fees and charges to ensure fees are capturing the full cost of service delivery.
3. Review and analyze the Go Monrovia and Dial-A-Ride transit programs, and make adjustments, as necessary, to ensure costs are sustainable.
4. Review the City's investment strategy to ensure maximum return on investments.
5. Continue to seek additional grant/outside funding.

# Financial Work Plan Items *(continued)*

Financial Work Plan Items (continued):

6. Continue to seek reimbursement for Canyon Park repairs.
7. Continue to provide quarterly budget updates to City Council throughout the year.

# Next Steps - Budget Approval

## Formal Budget Approval:

Staff will present the proposed Fiscal Year 2023-25 Budget for formal approval at the City Council Meeting on June 20, 2023. However, an additional study session may be scheduled, if needed.

## Ongoing Monitoring:

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

**Thank you for your time!**



**Questions?**