



CITY COUNCIL BUDGET ADOPTION

Fiscal Year 2015-17 Budget

June 2, 2015

Presentation Overview

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Budget Highlights

CITYWIDE BUDGET

Budget Highlights

- ▶ FY 2014/15 budget is anticipated to close the year on track as expected
- ▶ FY 2015/16 and FY 2016/17 budgets are balanced
 - ▶ Appropriations cover all budgetary funds, including the General Fund
 - ▶ Budgets have been developed relying on conservative projections that incorporate steady growth in revenues and expenditures
 - ▶ The incorporated fee adjustment proposals in the budget will better align fees being assessed with the cost of services
 - ▶ A comprehensive street / sidewalk / water / sewer CIP Plan, dubbed *Monrovia Renewal*, has been developed to address key infrastructure concerns
 - ▶ An additional base CIP plans call for making additional repairs and enhancements throughout the City
 - ▶ The proposed budget incorporates City Council feedback from the Budget Study Session held on May 19, 2015



Budget Overview

GENERAL FUND

General Fund Budget

- ▶ Overall FY 2014/15 General Fund budget is currently tracking close to projections
- ▶ Proposed operating budgets for FY 2015/16 and FY 2016/17 are balanced
- ▶ Fiscal Year 2015/16
 - ▶ Projected revenues: \$36.00M
 - ▶ Projected expenditures: \$35.88M
- ▶ Fiscal Year 2016/17
 - ▶ Projected revenues: \$36.98M
 - ▶ Projected expenditures: \$36.96M



Revenues

GENERAL FUND OVERVIEW

General Fund Revenues

General Fund – Sources of Revenue:

Revenue	2014-15	2015-16	2016-17
Property Tax	\$10.02M	\$ 10.40M	\$10.79M
Sales Tax	\$9.27M	\$ 9.61M	\$9.96M
Transfers In	\$7.53M	\$ 7.99M	\$8.52M
Other Taxes	\$3.83M	\$ 4.49M	\$4.08M
Other Revenues	\$3.48M	\$ 1.93M	\$2.05M
Charges for Services	<u>\$1.51M</u>	<u>\$ 1.58M</u>	<u>\$1.58M</u>
Total Revenues	<u>\$35.64M</u>	<u>\$ 36.00M</u>	<u>\$36.98M</u>

General Fund Revenues

Property and Sales Tax

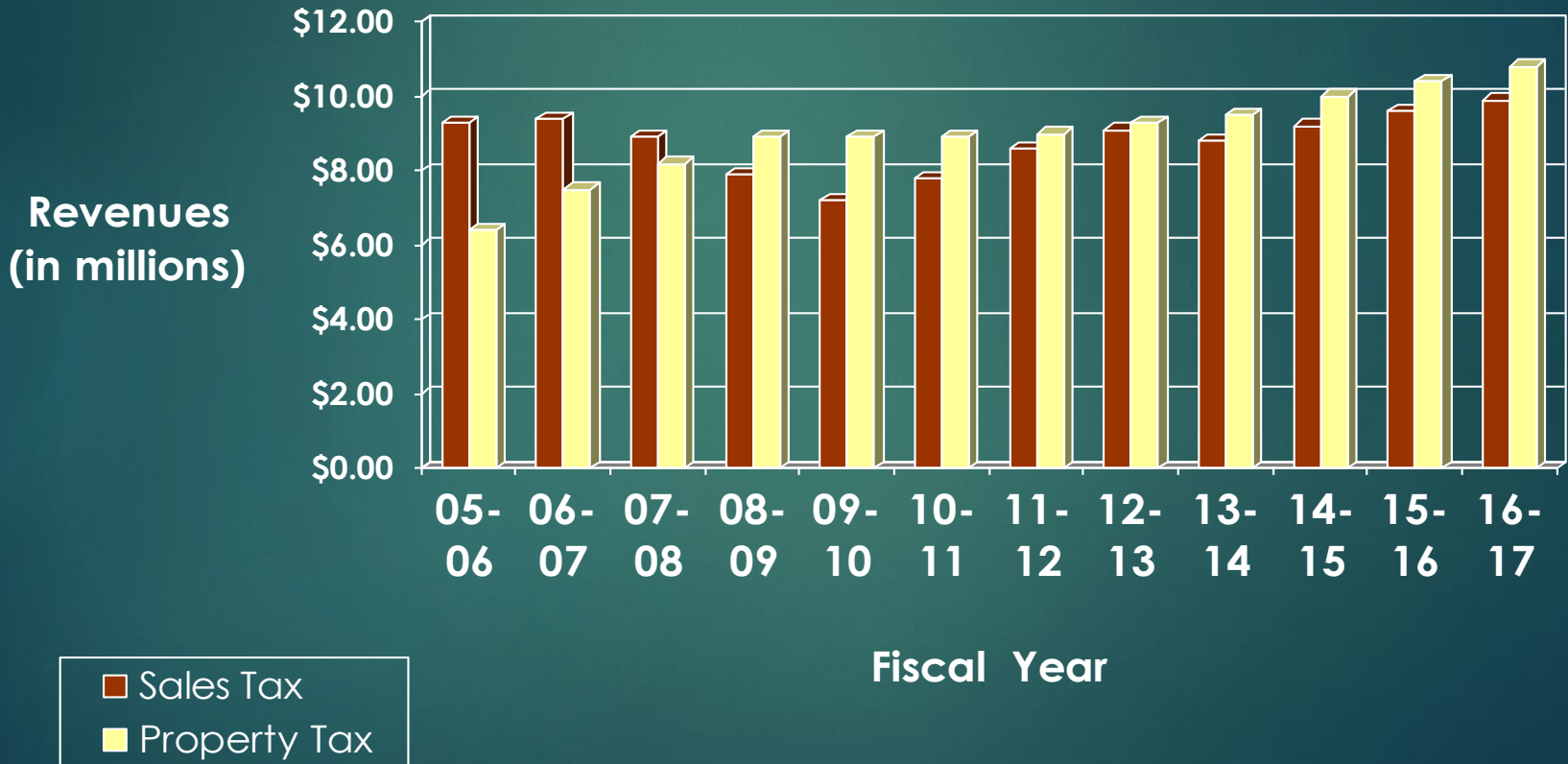
Property Tax

- ▶ Steady growth
- ▶ Growth assumption = 4%
- ▶ Budget:
 - ▶ FY 15-16 = \$10.40M
 - ▶ FY 16-17 = \$10.79M
- ▶ Revenue has been historically stable

Sales Tax

- ▶ Consistent growth
- ▶ Growth assumption = 4%
- ▶ Budget:
 - ▶ FY 15-16 = \$9.61M
 - ▶ FY 16-17 = \$9.96M

General Fund Revenues Property and Sales Tax History



General Fund Revenues

- ▶ Other major revenue:
 - ▶ Hotel Occupancy Tax:
 - ▶ FY 2015/16 = \$1.71M
 - ▶ FY 2016/17 = \$1.76M
 - ▶ Impacts of Airbnb are determined to be minimal at this time
- ▶ Revenues continue to grow at a steady pace
- ▶ New fees and fee increases have been incorporated into the budget



Expenditures

GENERAL FUND OVERVIEW

General Fund Expenditures

General Fund Budgeted Expenditures:

Expenditure Type	2014-15	2015-16	2016-17
Personnel	\$23.27M	\$24.63M	\$25.71M
Maintenance & Operations	\$ 7.98M	\$ 8.26M	\$8.32M
Special Projects	\$.42M	\$.37M	\$.21M
Transfers Out	<u>\$ 2.86M</u>	<u>\$ 2.62M</u>	<u>\$ 2.72M</u>
Total	<u>\$34.53M</u>	<u>\$35.88M</u>	<u>\$36.96M</u>

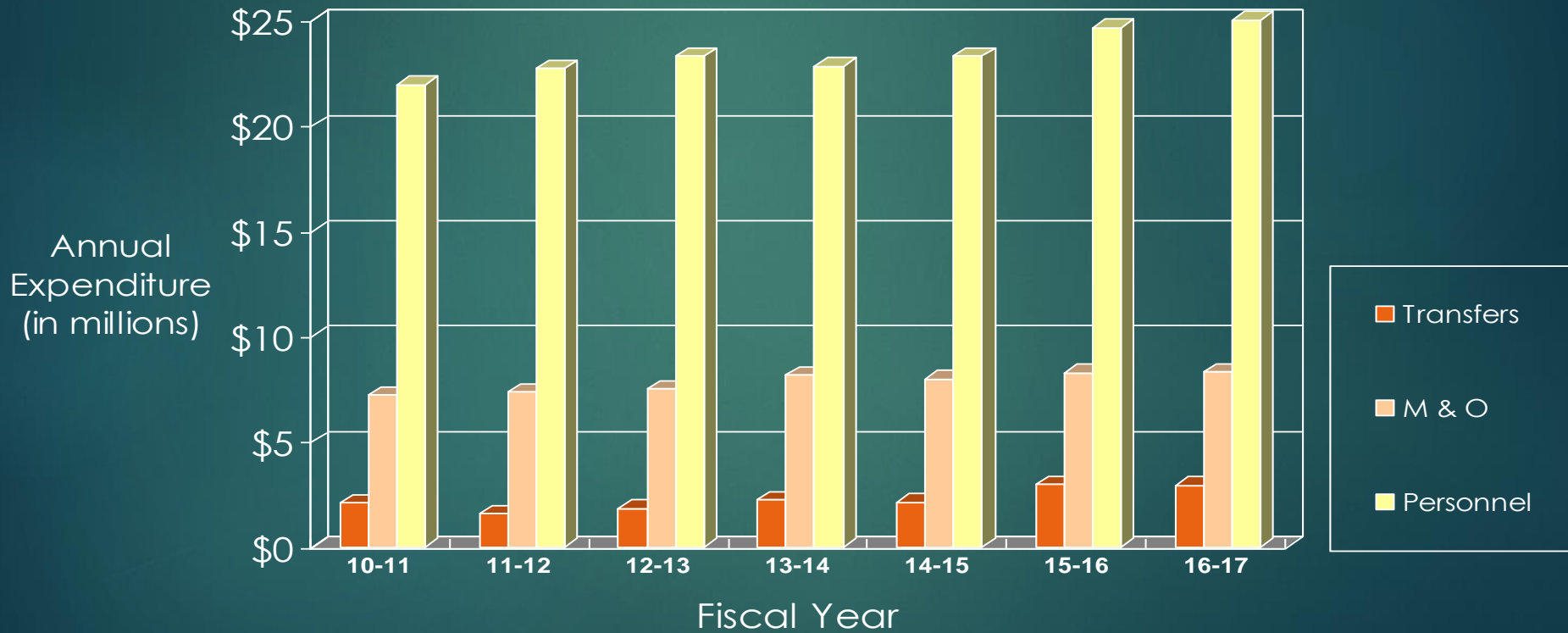
General Fund Expenditures

FY 2015-17 Expenditure Budget Overview

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- ▶ Maintenance & Operations (M & O) Overview
 - ▶ M&O costs include an increase of 3.5% in FY 2015/16 and .7% in FY 2016/17
 - ▶ A detailed list of significant M & O increases has been provided to Council
- ▶ Personnel Cost Overview
 - ▶ Overall personnel costs are under 70% of total expenditures, providing the City with flexibility to address budgetary issues
 - ▶ FY 2015/16 personnel costs are up 5.8%
 - ▶ FY 2016/17 personnel costs are up 4.3%
 - ▶ Cost increase is primarily attributable to pension rates
 - ▶ Employee contributions continue to help offset future increases (Approximately \$1.7M annually)

General Fund Historical Data- Expenditure By Type





Budget Overview

OTHER CITY FUNDS

Other City Funds

- ▶ Outside of the General Fund, the City also maintains 45 other funds which cover all discretionary and restricted revenue sources and expenditures.
- ▶ An analysis of our other funds for FY 2015/16 and FY 2016/17 illustrates that the total City budget is balanced

Other City Funds

HWP Maintenance Tax Revenue

- ▶ Annual HWP Maintenance Tax Revenue results in around \$80,000 / year
 - ▶ These revenues are accrued in Fund 713 – Hillside Acquisition Debt Service Fund
 - ▶ Each year, the specific HWP Maintenance Tax Revenues are accounted for separately and transferred out to the General Fund
 - ▶ The monies are used to pay for operating expenses for maintenance of the HWP
 - ▶ Any funds not used during the course of a year are accounted for separately and carried forward into the future

Other City Funds

HWP Maintenance Tax Revenue

- ▶ Based on City Council direction received at the May 19, 2015 Budget Study Session, staff is in the process of developing an updated HWP maintenance plan
 - ▶ Recent refinancing has generated around \$100,000 / year in additional funds that can be used for HWP maintenance
 - ▶ This updated plan will continue to ensure that Measure B funds not being used for debt service costs are spent solely on HWP maintenance activities
 - ▶ All maintenance activities will be coordinated through the new Public Services Department
 - ▶ Staff anticipates bringing the overall HWP maintenance plan forward for City Council consideration on June 16, 2015



Proposed Adjustments

FEES & CHARGES

Fees & Charges Adjustment 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 that assessment, 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
- ▶ A detailed fee schedule with fee increase percentages is attached to the agenda report

Fees and Charges

Police Department Fee Adjustments

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Service Description	Fee	Comments
Permitted Parking	\$30	
30-Day Temporary Parking Permit	\$15	
Microfilm Reproduction	\$20	
Vehicle Equipment Correction Inspection- Resident	\$15	New reduced rate for residents

Service Description	Old Fee	New Fee	Comments
Impounded/Abandoned/Abated Vehicle Release	\$133	\$135	
Vehicle Impounds Storage Fee (suspended/no license)	\$144	\$155	
Records Check/Clearance Letter	\$25	\$45	
Photo Reproduction on CD	\$1.25	\$20	
Video/Audio Reproduction	\$10	\$50	
DUI Arrest/Impound and Report	\$499	\$510	

Fees and Charges

Public Services Recreation Fee Adjustments

Service Description	Old Fee	New Fee
Community Center Multi-Purpose Room	\$25	\$30
Canopy Rental	\$35	\$45
Urban Park Quadrant Fee	\$150/hour	\$175/hour
Canyon Park Bus Parking	\$15/visit	\$20/visit
Canyon Park Annual Parking Pass	\$60	\$65

Recreation fee increases have been approved by the Community Services Commission.

Fees and Charges

Community Development Fee Adjustments

Service Description	Old Fee	New Fee	Comments
Major Conditional Use Permit Review-All Others	\$1,250	\$1,375	Plus publication fee.
Major Conditional Use Permit Review-New Construction	\$2,400	\$2,640	Plus \$.03 per SF over 50,000 SF (non-residential), plus publication fee Plus \$150 per unit (residential) when no subdivision map requested
Minor Conditional Use Permit Review	\$500	\$550	Plus publication fee.
Conditional Use Permit Amendment	\$1,050	\$1,155	Plus publication fee.
Major Variance Review	\$1,500	\$1,650	Plus publication fee.
Exceptions Review	\$340	\$370	Plus publication fee.
Misc. Dev. Review-Single Family Addition	\$155	\$170	
Misc. Dev. Review-Single Family New	\$185	\$205	
Misc. Dev. Review-Office/Commercial/Industrial/Multi Family Residential 2+ With Dev. Review Committee Decision	\$825	\$900	

Fees and Charges

Community Development Fee Adjustments

Service Description	Old Fee	New Fee	Comments
Hillside Development Permit Review	\$630	\$2,000	
Building Permit/Plan Revision Checking:			
Based on Valuation:			
\$1-\$500	\$28	\$35	Base fee for first \$500
\$501-\$2,000	\$32.10-\$89.50	\$35.00-\$111.50	\$35.00, plus \$5.10 for each add'l \$100
\$2,001-\$25,000	\$104.50-\$434.50	\$111.51-\$502.50	\$111.50, plus \$17 for each add'l \$1,000
\$25,001-\$50,000	\$448.60-\$787.00	\$502.51-\$833.75	\$502.50, plus \$13.25 for each add'l \$1,000
\$50,001-\$100,000	\$795.10-\$1,192.00	\$833.76-\$1,283.75	\$833.75, plus \$9.00 for each add'l \$1,000
\$100,001-\$500,000	\$1,198.10-\$3,632.00	\$1,283.76-\$4,083.75	\$1,283.75, plus \$7 for each add'l \$1,000
\$500,001-\$1,000,000	\$3,637.75-\$6,507.00	\$4,083.76-\$7,458.75	\$4,083.75, plus \$6.75 for each add'l \$1,000
\$1,000,001 and up	\$6,511.75 and up	\$7,458.76-\$30,458.75	\$7,458.75, plus \$5.75 for each add'l \$1,000

Fees and Charges

Community Development Fee Adjustments

Service Description	Old Fee	New Fee	Comments
Commercial Roof Mounted Solar Permit Fee:			
Based on Valuation:			
\$1-\$500	\$28	\$35	Base fee for first \$500
\$501-\$2,000	\$32.10-\$89.50	\$35.00-\$111.50	\$35.00, plus \$5.10 for each add'l \$100
\$2,001-\$25,000	\$104.50-\$434.50	\$111.51-\$502.50	\$111.50, plus \$17 for each add'l \$1,000
\$25,001-\$50,000	\$448.60-\$787.00	\$502.51-\$833.75	\$502.50, plus \$13.25 for each add'l \$1,000
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\$100,001-\$500,000	\$1,198.10-\$3,632.00	\$1,283.76-\$4,083.75	\$1,283.75, plus \$7.00 for each add'l \$1,000
\$500,001-\$1,000,000	\$3,637.75-\$6,507.00	\$4,083.76-\$7,458.75	\$4,083.75, plus \$6.75 for each add'l \$1,000
\$1,000,001 and up	\$6,511.75 and up	\$7,458.76-\$30,458.75	\$7,458.75, plus \$5.75 for each add'l \$1,000

Fees and Charges

Engineering Fee Adjustments

Service Description	Old Fee	New Fee	Comments
Street Vacation Processing	Actual Cost	Actual Cost + 15%	15% Administrative Cost
Final Maps (Parcel Map and Tract Map)	Actual Cost	Actual Cost + 15%	15% Administrative Cost. Deposit Required = \$1,500
Lot Line Adjustment	Actual Cost	Actual Cost + 15%	15% Administrative Cost. Deposit Required = \$1,000

Fees and Charges

Environmental Services Fee

Adjustments

Service Description	Old Fee	New Fee	Comments
Residential Waste Impact Fee	\$2.50	No Increase- Will remain at \$2.50	AB 939 Fee; Annual CPI increase approved via Resolution 2008-67

Update- CPI factor released on May 22nd does not call for an increase; therefore, the fee will remain the same for FY 2015/16.

Fees and Charges

Business License Fee Adjustments

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Service Description	Fee	Comment
Residential Rental Property Owner	\$27 per unit	Properties with 2+ Units
Commercial Rental Property Owner	\$155 base fee	
New Application Fee- Residential Owner	\$30 first year \$15 each subsequent year	
New Application Fee - Commercial Owner	\$30 first year \$15 each subsequent year	

Service Description	Old Base Fee	New Base Fee	Old Per Employee	New Per Employee	Comments
Regular Business License (In Town)	\$145	\$155	\$11	\$13	
Regular Business License (Out of Town)	\$145	\$155	\$11	\$13	
Home Occupation License	\$72	\$77	\$0	\$0	
Hotels/Motels	\$16	\$21	\$0	\$0	Base rate per room
Residential Rental Property Owner	\$22	\$27	\$0	\$0	3+ units
Delivery Truck Businesses	\$48	\$53	\$0	\$0	Base rate per truck
3-Month License	\$87	\$92	\$6	\$7	
Single Job License	\$43	\$48	\$3	\$4	

Update - Residential rentals with 1 unit will not be assessed a business license fee.

Fees and Charges

Fire Department Fee Adjustments

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Service Description	Old Fee	New Fee	Comments
Fire and Life Safety System Plan Check/Inspection	\$170 plus \$15 per device	\$250 plus \$18 per device	
Plan Check and Inspection Fees	All based on actual costs, except for two	All based on actual costs	Fully burdened Fire Prevention hourly rate
Optical Scanning of plans and calculations	\$2.25 per page	\$10 flat, plus \$.10 per page	
Fire False Alarms	Ranges from \$103-\$700 per response	\$408 per response	No charge for 1 st and 2 nd response
Hazardous Materials Review and Inspection	Ranges from \$103-\$865	Ranges from \$205-\$954	
Fire Incident Report Copy- Orig. Document Preparation (over 15 minutes)	\$10	Actual Cost	Fully burdened hourly rate, in 15 minute increments
Engine Company Inspection (with no annual fire permit)- Commercial & Rental (5-50 units) Second Re-inspection	Ranges from \$103-\$618 Ranges from \$144-\$216	Ranges from \$187-\$890 Actual Cost	First re-inspection- No Charge
Annual Fire Permit (Includes Engine Company Inspection)	Ranges from \$86-\$172	Ranges from \$165-495	New business categories identified.
Failure to Obtain Require Permit	Double Fee	\$500	

Fees and Charges

Fire Department Fee Adjustments

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Service Description	Old Fee	New Fee	Comments
Fire Prevention Inspection (Non-Engine Company)- Commercial & Rental (5-50 units) Second Re-inspection	Ranges from \$43-\$432 Ranges from \$194-\$432	Ranges from \$66-\$481 Actual Cost	First re-inspection- No Charge Fully burdened Engine Company hourly rate
Water/Flood Pumping, Covering & Cleanup- Additional Non-Emergency Minor Incident	\$755	Actual Cost	Fully burdened Engine Company hourly rate
Hydrant System Flow Test-Checking Consultant's Test	\$43	Actual Cost	Fully burdened hourly rate plus materials
Underground Tank Installation/Removal Inspection (2 hr minimum)	\$185	Actual Cost	Fully burdened hourly rate plus materials
Weed Abatement: Admin Fee for City-Administered Abatement Failure to Abate- Re-inspection Fee	\$309 \$86	Actual Cost Actual Cost	Fully burdened hourly rate plus legal fees
State Mandated Fire Inspections	Ranges from \$86-\$1,525	Ranges from \$165-\$2,640	



Study Session Follow-up Items

UPDATE ON COUNCIL REQUESTS

Summary of Study Session Follow-up Items

- ▶ At the May 19, 2015 Study Session, Council requested additional information and changes to the projected budget. Below is a summary of the status of those requests:
 1. Comparative budget expenditure history for FY 14/15, FY 15/16, & FY 16/17
 - ▶ A separate schedule has been provided and FY 14/15 data has been added to presentation slides for the General Fund.
 2. A listing of significant new maintenance and operations budgetary items
 - ▶ A separate schedule has been provided.
 3. A fee schedule with recovery rate percentages for City assessed fees
 - ▶ A separate fee schedule has been provided.
 4. The Citywide street/water/sewer preliminary project report
 - ▶ The preliminary project report has been provided.
 5. An overview of the base CIP Plan
 - ▶ A separate report has been provided.
 6. An analysis of Airbnb impacts
 - ▶ Impacts have been analyzed and staff has determined those impacts to be minimal at this time. An annual analysis will be performed going forward.
 7. A revision was made to the business license fee proposal for rental housing units which now only includes those properties with two or more rental units.



Major CIP Proposal

MONROVIA RENEWAL OVERVIEW

Comprehensive CIP Plan Developed

- ▶ Staff has been working on the development of a comprehensive citywide CIP Plan
 - ▶ The largest proposed project in the CIP Plan is an initiative that has been dubbed *Monrovia Renewal*
 - ▶ The overall *Monrovia Renewal* project is estimated to cost around \$51.7 million and would involve the following
 - ▶ Repair / replace every street with a pavement condition index (PCI) rating of less than 70
 - ▶ Repair / replace all necessary water transmission pipes and water production facilities
 - ▶ Repair / replace all necessary sewer lines
 - ▶ Based on the current plan, the overall proposed project would begin in early 2016 and would be completed within 3-5 years

Monrovia Renewal

Project Execution Details

- ▶ The *Monrovia Renewal* project was developed based off of street, water system, and sewer system improvement plans developed during the course of the past several months
 - ▶ The plan calls for the repair of all streets (and associated sewer and water pipe repairs) in Monrovia that have a PCI rating of under 70
 - ▶ This accounts for approximately 65% of all City streets
- ▶ The overall project can be funded utilizing a mix of water fees, sewer fees, and special revenues restricted for street related improvements
 - ▶ The proposed financing plan would call for an estimated combined increase in sewer and water fees of \$14 / month

Monrovia Renewal

Prop 218 Implications

- ▶ In order to implement the entirety of the *Monrovia Renewal* CIP Plan, it will be necessary to adjust water and sewer fees, which requires a Proposition 218 public protest hearing
 - ▶ Proposition 218 requires that before the City can increase its water and / or sewer fees, the City Council must conduct a public protest hearing no sooner than 45 days after notices are distributed
- ▶ Based on City Council feedback, staff plans on bring back additional *Monrovia Renewal* project details during the next month prior to initiation of a Proposition 218 protest hearing

Monrovia Renewal

Ongoing Maintenance

- ▶ The proposed plan would address the approximate 65% of streets in the City with a PCI rating under 70
 - ▶ These are the most expensive streets to fix due to deferred maintenance
 - ▶ Per the Asphalt Pavement Association and various other best management practices, proper street maintenance should follow a 7-10 year time frame
- ▶ Remaining 35% of City streets are in good to excellent condition
 - ▶ Staff is developing an overall Citywide maintenance program for all City streets
 - ▶ Staff projects that the City will have around \$450,000 per year to utilize towards addressing street maintenance, facility maintenance, and storm drain maintenance activities



Base CIP Proposal

OVERVIEW OF PROPOSED BASE CAPITAL PROJECTS

FY 2015/16 Base CIP Plan Program Overview

- ▶ Outside of the *Monrovia Renewal* program, staff has also developed a comprehensive base CIP Plan as part of the FY 2015/16 Budget
 - ▶ The base CIP Plan calls for expenditures of \$3.6M on thirty-four (34) separate capital improvement and capital outlay projects

FY 2015/16 Base CIP Plan Project Listing

Monrovia Renewal Program - Initial Phase	\$750,000
Citywide Sidewalk Repair	\$160,000
Performance Measurement Program	\$10,000
Website Upgrade	\$30,000
Council Chamber Upgrades	\$89,000
IT Upgrades	\$110,300
Online Personnel Evaluation System	\$30,000
EV Charging Stations - Old Town	\$300,000
Bike Master Plan	\$35,000
Park Master Plan	\$35,000
Old Town Holiday Decorations Update (MOTAB)	\$40,000
Old Town Street Light Rehabilitation	\$50,000
Old Town Landscape Design/Improvements	\$165,000
Library Bldg Landscape Design/Construction	\$38,000
Library Bldg LED Replacement	\$8,000
Huntington Drive Median Upgrade	\$750,000
CBRE City ED Program	\$50,000

Julian Fisher Park - Local Match	\$140,000
City Hall - HVAC (Repair)	\$25,000
City Hall Upgrades (space planner)	\$30,000
City Hall - Emergency Generator Hookups	\$100,000
City Hall - Drought Tolerant Design/Landscape	\$50,000
Canyon Park - Cabin Upgrades	\$73,000
Canyon Park Entry Station Roof Repairs	\$10,000
Canyon Park - Dam Keepers Roof Repairs	\$10,000
Historical Museum - Roof Repairs	\$30,000
Fire Station 101 - Flooring Replacement	\$30,000
Fire Station 102 - Flooring Replacement	\$20,000
Fire Station 103 Upgrades	\$42,000
Monrovia Legacy Project	\$150,000
Boys and Girls Club - HVAC Repairs	\$6,000
EIFD Formation	\$25,000
CD Permitting/Case Mgmt Software Rep.	\$120,000
Mountain Ave/BMW PED Crosswalk	\$80,000



Budget Summary

FY 2015/16 & FY 2016/17

Budget Summary

- ▶ FY 2014/15 budget expected to close the year on track as expected
- ▶ FY 2015/16 and FY 2016/17 budgets are balanced
 - ▶ Budgets have been developed relying on conservative projections that incorporate steady growth in revenues and expenditures
 - ▶ The incorporated fee adjustment proposals in the budgets will better align fees being assessed with the cost of services
 - ▶ A comprehensive street / sidewalk / water / sewer CIP Plan, dubbed *Monrovia Renewal*, has been developed to address key infrastructure concerns
 - ▶ An additional base CIP plans call for making additional repairs and enhancements throughout the City
- ▶ As we move forward into FY 2015/16, staff will continue to provide the City Council with budget updates throughout the year.



Questions?

FY 2015/16 & FY 2016/17 BUDGET

City Council Budget Adoption
2015-17 Fiscal Year Budget
June 2, 2015

