

2013-15 Fiscal Year Budget

City Council Budget Study Session

June 4, 2013

Overview

- Water Fund
- Storm Drain Maintenance Fund
- General Fund Budget Options
- PlanMonrovia- Funding Status
- Council Budgets
- Outstanding Issues
- Questions and Answers

Water Fund Review

- Annual Costs = \$7.0M; Annual Revenues = \$6.5M
- Revenues remain flat due to conservation efforts
- Funding is available (from annual revenues and reserves) for operating expenses; no funding is available to set aside additional reserves
- Options for funding future capital assets and infrastructure:
 - Temporary use of reserves (1-2 years)
 - Possible rate increases

Water Fund Rate Increase

- Rate Increase:
 - Last increase in 2008
 - What is needed to raise rates?
 - Must comply with Prop. 218 requirements
 - Provide notice, by mail, of the fee increase
 - Conduct a public hearing
 - Consider all protests
 - Council approval

Storm Drain Maintenance Fund

Ongoing Costs

Ongoing Costs (beginning in 14-15):

- Increase in annual operating costs of \$346K per year for ongoing maintenance of catch basins and new permit program requirements (currently unfunded)

Storm Water Permit Compliance

New Ongoing Program Costs

Develop/implement business ed/inspection & enf. program	\$60,000*
Catch basin cleaning & inspection program	\$190,000
Develop/implement public outreach education program	\$10,000
Develop construction permitting process program	\$20,000*
Enhance code enforcement program	\$30,000
Conduct trash TMDL monitoring	\$10,000
LA River Receiving Water Monitoring program	\$6,500
K-12 education program	\$10,000
Employee/contractor training re MS4 permit	\$10,000
Total – Ongoing program costs	<u>\$346,500</u>

* *Costs may be covered by new permit fees*

Storm Drain Maintenance Fund

Ongoing Costs

Ongoing Costs:

- Funding option recommendation:
 - May use Waste Fund reserves (up to \$500K)
 - Will need to look at long-term solutions within next 24 months
 - Defer for 12 months?

Storm Drain Maintenance Fund

One-Time Costs

One-Time Costs:

- Trash screens to be installed in catch basins by June 30, 2014:
 - Estimated one-time cost = \$1.05M
(includes LA County permit fees)
 - Additional unfunded strategic plan costs = \$91,500
 - Total = \$1.14M

Storm Water Permit Compliance One-Time Costs

Trash screens in catch basins	\$1,045,000
Low impact development ordinance	\$25,000
Integrated watershed & monitoring plan	\$43,000
Prepare public facility inventory	\$5,000
Inventory of retrofit opportunities	\$10,000
Update of storm water ordinance	\$5,000
Develop/implement pest management program	\$3,500
Total – Unfunded one time costs	<u>\$1,136,500</u>

Storm Drain Maintenance Fund

One-Time Costs

- Funding option recommendation: Internal Borrowing
 - May use unrestricted funds
 - Potential fund borrowings:

Fund	\$ Available	\$ Recommended
General Fund	\$3.50M	\$0M
Water Fund	\$8.20M	\$1.14M

- Repayment = Waste Franchise Fees:
 - \$100K-\$150K per year through 2017
 - May decrease in future years (down to \$50K or less)
 - Will return to Council if revenue stream changes

Storm Drain Catch Basin Costs

- Storm drain inventory estimate:
 - 150 City-owned catch basins
 - 400 County Flood Control District-owned catch basins
- County Flood Control District-owned catch basins will require additional fees (one-time):
 - Construction Permit and Inspection Fees
 - Estimated cost = \$200,000 (400 x \$500)
 - Fee cost is included in one-time estimate of \$1.14M

General Fund Budget Options Review

Budget Item	Potential Short-Term Deferrals/Cuts	Other Budget Balancing Options
Fire Department OT	\$282,000	
CDBG/Code Enforcement	\$79,900	
MAP Program	\$81,000*	
Fire Dept. Equip Replacement & Training	\$180,000**	
Asset Forfeiture Subsidy	\$70,000	
Contribution to GF Reserve	\$400,000	
Contribution to Facilities Reserve	\$200,000	
Adjust Operating Budgets	\$170,000	
Increase Overhead Rate Charge By 1%		\$185,000
Use of Reserves: GF Reserves		\$???

* Was originally \$93K; Part-time salaries adjusted by \$12K.

**Was originally \$115K; Adjusted for additional equipment omitted during first Study Session.

CDBG/Code Enforcement

Description	\$
Net Salary (Full-Time and Part-Time Salaries)	\$220,272
M & O: <i>Operational expenditures to run programs</i>	\$89,570
Vehicle Replacement: <i>Set-aside of funds for future replacement of 3 Code Enforcement vehicles</i>	\$7,500
Less: Federal Funding	<u>(\$237,442)</u>
Total	<u>\$79,900</u>

- Shortfall of \$79,900 also includes the following programs:
 - Residential Rehab = \$6,700
 - Neighborhood Recreation Program = \$6,600

Monrovia Area Partnership (MAP)

Description	\$
Salary (.75 FTE Positions)	\$49,000
Part-Time Salaries	\$12,000
M & O Costs:	<u>\$20,000</u>
<i>Adult and Youth Leadership Academies</i>	
<i>Annual Neighborhood Conference</i>	
<i>Neighborhood Meetings and Events</i>	
<i>Resource Development</i>	
<i>Quarterly Educational Neighborhood Leader Meetings</i>	
<i>Other Events</i>	
Total	<u>\$81,000</u>

MAP improvement grants will be funded with bond proceeds

Fire Equipment and Training

Description	\$
Equipment: <i>EKG monitors</i> <i>Medical equipment</i> <i>Personal protective equipment</i> <i>Other Equipment :</i> <i>Hose, nozzles, ladders, and small tools</i>	\$160,000
Training: <i>State and Federal compliance training mandates</i>	<u>\$20,000</u>
Total	<u>\$180,000</u>

General Fund Budget Options Recommendation

\$1M is needed to balance the General Fund budget. Management's recommendations are as follows:

Budget Item	Cut Expense	Other Options	Recommendation
Fire Department OT	\$282,000		
Code Enforcement	\$79,900		
MAP Program	\$81,000		
Fire Dept. Equip Replacement & Training	\$180,000		\$15,000
Asset Forfeiture Subsidy	\$70,000		
Contribution to GF Reserve	\$400,000		\$400,000
Contribution to Facilities Reserve	\$200,000		\$200,000
Adjust Operating Budgets	\$170,000		\$85,000
Increase Overhead Rate By 1%		\$185,000	\$185,000
One-Time Use of General Fund Reserves		\$???	<u>\$115,000</u>
Total Savings			<u>\$1,000,000</u>

PlanMonrovia

Review of Funding Status

PlanMonrovia

Ongoing Costs

Funding Status

Priority	Funded	Unfunded
Infrastructure & Facility Maintenance	\$527,500	\$653,000
Public Safety	\$0	\$0
Fiscal Responsibility	\$0	\$0
Economic Development	\$78,080	\$53,020
Historic Preservation	<u>\$0</u>	<u>\$1,500</u>
Total	<u>\$605,580</u>	<u>\$707,520</u>

Infrastructure – Deferred Maintenance

Unfunded Ongoing Costs

Street sign (ADA compliance) replacement	\$175,000
Increased parks and trees maintenance (4 yr trimming cycle)	\$133,000
Streets – ongoing crack sealing repair program	\$25,000
Street restriping – initiate ongoing program	\$60,000
New street sign compliance costs	\$10,000
Sidewalk repairs (CIP program)	\$250,000
Total – Unfunded one time costs	<hr/> <u>\$653,000</u>

Economic Development

Unfunded Ongoing Costs

Business support services

\$53,020

Total – Unfunded ongoing costs

\$53,020

PlanMonrovia

One-Time Costs

Funding Status

Priority	Funded	Unfunded
Infrastructure & Facility Maintenance	\$1,639,000	\$3,435,000
Public Safety	\$123,000	\$210,000
Fiscal Responsibility	\$80,000	\$0
Economic Development	\$205,000	\$0
Historic Preservation	<u>\$0</u>	<u>\$71,000</u>
Total	<u>\$2,047,000</u>	<u>\$3,716,000</u>

Infrastructure

Unfunded One-Time Costs

Water system – wells and reservoir maintenance	\$185,000
Julian Fisher park improvements	\$950,000
Sidewalk repairs (grinding) (\$400,000 for two years)	\$800,000
City Hall HVAC system replacement	<u>\$1,500,000</u>
Total – Infrastructure unfunded one time costs	<u>\$3,435,000</u>

Public Safety

Unfunded One-Time Costs

Fire – Training and technology (13-14)	\$15,000
Fire – Standards of Response Coverage study (14-15)	\$40,000
Police – Purchase 2 automatic license plate readers (14-15)	\$50,000
Police – Purchase personal video cameras (14-15)	\$15,000
Police – Purchase new server (14-15)	\$80,000
Comm. Services – Enhance Cyn Park radio comm. (13-14)	\$10,000
Total – Unfunded one-time costs	<u>\$210,000</u>

Historic Preservation

Unfunded One-Time Costs

Historic resources survey	\$50,000
Municipal code revision	\$6,000
Historic preservation ordinance	\$15,000
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Total – Unfunded one-time costs	\$71,000
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Council Budgets Review

- Policy Change
- Current budgets = \$5,166 per Councilmember
- Proposal:
 - Adjust individual budgets
 - Create budget for identified travel and conferences to be approved each year

Council Budgets Conference Listing

Conference	Date	Location	Estimated Cost/Person
International Council of Shopping Centers	May 18-21, 2014	Las Vegas	\$1,000
International Council of Shopping Centers	September, 2013	San Diego	\$750
League of California Cities, Annual Conference	Sept. 18-20, 2013	Sacramento	\$1,300
League of California Cities, New Mayors and City Council Academy	January 22-24, 2014	Sacramento	\$1,300
League of California Cities, Legislative Action Days	April, 2014	Sacramento	\$500
National League of Cities, US Congress of Cities	November, 2103	Seattle	\$2,000
National League of Cities, Annual Conference	March, 2014	Washington, DC	\$2,000
Independent Cities Association, Summer Seminar	July 11-14, 2013	Rancho Bernardo	\$1,700
Independent Cities Association, Winter Seminar	January 30-February 2, 2014	Santa Barbara	\$1,200
Neighborhoods, USA	May, 2014	TBD	\$2,500
US Conference of Mayors, Winter meeting	January 22-24, 2014	Washington, DC	\$2,500
US Conference of Mayors, Annual Conference	June, 2014	Dallas, TX	\$2,500

Outstanding Issues

Budget ad hoc committee:

- Purpose: brainstorm ideas regarding revenue generation and/or cost containment; discussion of community acceptance of revenue generation and/or cost containment options; policy level discussion regarding future provision of municipal services to the community.
- Committee would meet as necessary for three to six months and report back to the entire council as appropriate to present ideas.
- Committee formation and appointment could be scheduled for Council's June 18 meeting.

FY 2013-15 Fiscal Year Budget

Questions and Answers

2013-15 Budget

City Council Budget Study Session

June 4, 2013