THE CITY OF BURBANK – BRIEF OVERVIEW

The City of Burbank is a unique urban community, located in the heart of Los Angeles County, and nestled between the Hollywood Hills and the Verdugo Mountains. The City is one of the three older Los Angeles suburbs that comprise the "Tri-cities" of Burbank, Glendale, and Pasadena. There are approximately 17,587 business firms located within the City and 41,414 households with a median income of $66,111 per household (U.S. Census). The City covers 17.16 square miles. As of January 1, 2016, Burbank's population is estimated to be 105,110 (as per the California Department of Finance), making it the 15th largest city in Los Angeles County.

Burbank is home to one of the strongest entertainment areas in the country, if not the world. Burbank's continued commitment to the entertainment industry and the area's rejuvenation is accomplished in conjunction with some of the most famous names in the entertainment world: Walt Disney Studios, Disney Channel, Warner Bros., ABC, Nickelodeon Animation, Dick Clark Productions and the Cartoon Network. The Bob Hope Airport, with major airlines offering scheduled daily flights, plays a prominent role in fulfilling the air transportation needs of Burbank's residents and businesses, as well as surrounding communities. Other businesses and industries with a strong presence in Burbank include: manufacturing, retail, wholesale, real estate, banking/finance, hospital/medical facilities, automotive, hotels, office buildings, and public utilities. Several major retail and business centers throughout the city contribute to the City's role as a major retail and entertainment destination, including the Burbank Town Center, Burbank Empire Center and the Burbank Entertainment Village. Recent development projects such as the new IKEA, Talaria at Burbank and two downtown hotels are expected to play a major role in Burbank's increased economic growth.

However, the real pride and joy of Burbank is its residential community. While tourists will notice the theaters, nightlife, restaurants, office buildings, and studio backlots, Burbank residents praise their tree lined neighborhoods, equestrian trails, well-kept roads, high quality schools, innovative recycling programs, numerous parks and recreational facilities, outstanding police and fire services, and high levels of general governmental services.

FORM OF GOVERNMENT

The City of Burbank is a full service Charter City governed by the Council-Manager form of government. Residents elect the City Council members who in turn appoint the City Manager and City Attorney. The Council consists of five members and acts as the legislative body of the City. The City Council also serves as the governing bodies of the Burbank Housing Authority, Burbank Parking Authority and Public Financing Authority. City Council members serve four-year terms with elections staggered every two years. The Mayor is chosen by the Council to serve as its presiding officer. Traditionally, the Mayor serves a one-year term. The City Treasurer and City Clerk are also elected at large for four-year terms.

Numerous advisory Boards, Commissions and Committees assist the City Council in serving the Burbank community by identifying specific needs and problems within their realm of responsibility. Each Board, Commission and Committee may also get involved in a wide range of activities from fund raising to reviewing City ordinances, to recommending major revisions to City programs. Each meets on a regular basis and each meeting is open to the public. The length of member terms and when they are appointed varies.

The City Manager, who is appointed by the City Council, acts as the chief administrative officer responsible for the day-to-day operations of the City. The City Manager appoints all non-elected and non-Council appointed department managers. Each department manager is responsible for the day-to-day operations of his/her department and selects his/her division managers as well as various support staff members. The goals and objectives of each department and its divisions/programs are discussed at the beginning of each department's budget section.

The City Attorney is appointed by the City Council to be the legal advisor to the City Council, Housing Authority, Parking Authority, and all other City officials. The City Attorney appoints all the attorneys his/her staff. The goals and objectives of the City Attorney's Office are discussed at the beginning of the City Attorney's budget section.

The City of Burbank has a long-time reputation of providing excellent levels of services to its residential and business communities. The Police and Fire Departments provide some of the highest police, fire and paramedic service levels in all of Southern California. Burbank offers outstanding recreational, cultural, educational and social programs. The Community Development Department is very active in meeting diverse planning, zoning, housing, transportation and economic development needs. The Public Works Department provides high levels of building maintenance, street maintenance, equipment maintenance, construction engineering, traffic control, signal and lighting maintenance, water reclamation, sanitary sewer maintenance, refuse collection and disposal, and recycling services. Burbank Water & Power provides a wide range of electric and water services, at the lowest feasible cost, to its consumers.

BUDGET PROCESS

Background

Section 1005 of the Burbank City Charter mandates and sets forth the legal requirements for the preparation and adoption of the City budget. The Financial Services Department - Budget Division, prepares an annual Budget Guide providing detailed instructions and assistance to each department with respect to the preparation of their particular department budgets.

Burbank uses a combined program and line item budget format. This is designed to provide for a comprehensive management control and fiscal planning system. This format is aimed at achieving goals and objectives at the operational levels that are consistent with the City Council's policies and annual Work Program. The budgeting process is generally an incremental one which starts with a historical base budget. Requests for changes in appropriations are made at the departmental level and are initially compiled and reviewed by the Budget Division. The City Manager reviews all of the requests and ensures that all budget decisions are in full accordance with stated City Council policies and all applicable federal, state, and local laws and regulations.

Preparation of the Budget Document

Altogether, the budget preparation process takes approximately eight months. Departments begin preparing their budget requests and revenue estimates in January. During years when a recurring budget deficit is projected, departments will also prepare budget reduction scenarios based on a percentage of their discretionary budgets as determined by the City Manager. Budget Division staff meets on a regular basis with departmental representatives throughout the budget preparation process.

From January through March, the Budget Division and the City Manager carefully reviews, evaluates and prioritizes department reductions (when necessary) as well as each department's budget submissions for new and additional services, positions, capital outlay and capital improvement projects. The overall picture of estimated revenues and proposed appropriations is also carefully studied. Moreover, remaining mindful of public safety and legal requirements; adhering to the City Council's financial policies; and providing the most efficient, effective and economical service levels possible are major considerations throughout the budget process.

The City Manager meets with each department manager, along with budget staff, to review department budget requests and reductions as necessary. Once the final decisions are made on these items, a Proposed Budget document is printed. The Proposed Budget is distributed to the City Council and City Staff, and made available to the public for review during the first week of May. (Section 38 of the Charter requires that, "...on or before the first day of June, the City Manager shall prepare or have prepared, a proposed budget and submit it to the City Council with appropriate recommendations...").

Budget study sessions are held in May, culminating with a public hearing, which typically occurs in early June. The Council may revise the City Manager's Proposed Budget as it deems necessary. A majority vote is required to adopt the final Budget. Per the requirements of the City Charter, the budget must be adopted prior to the beginning of the fiscal year on July 1.

Budget Calendar - Summary

The following calendar highlights some of the key deadlines used for FY 2016-17:

January 7	Budget Kick-Off Meeting
January 28	1st Budget Deadline: New Position and upgrade requests, program requests, MS&S exception requests and capital outlay requests submitted
February 11	2nd Budget Deadline: Revenue projections, department budget worksheets, PSA & contract listings and Fee Schedule changes submitted
February 25	3rd Budget Deadline**:** Budget Salary worksheet changes and Capital Improvement Program items submitted
March 17	4th Budget Deadline: Department narratives, Work Program Highlights and Goals, and Discussion Papers submitted
May 4	Proposed Budget document distributed to the City Council, Executive Team, and budget representatives and are made available for public review at several City locations and on the City's website
May 10 & 24	City Council study sessions highlighting proposed changes to departmental budgets were presented. Study sessions provide a high level overview of General Fund revenues, appropriations, fee changes, projected balances and the Five-Year Forecast. An overview was also presented for Internal Services Funds, Special Revenue Funds, Housing and Parking Authorities and Enterprise Funds, including separate presentations from Public Works and Burbank Water and Power on the City's utility funds.
May 24	Public hearing on utility rates
June 7	Public hearing and adoption of the FY 2016-17 Annual Budget
Early September	Publication of Adopted Budget

Budget Implementation and Budget Transfers

Once the budget is adopted by the City Council, the responsibility of implementing each department's budget lies with each department manager, with ultimate responsibility resting with the City Manager. Department managers are expected to operate their departments within the appropriations established in the budget. Budget transfers or budget amendments should be the exception rather than the rule and are discouraged. In certain cases, however, requests are considered where events have occurred which are unforeseen. In such cases, the Financial Services Department may approve transfers within the same budget function. Transfers from unappropriated balances or reserves must be approved by the City Council. (Further details with respect to budget transfers and amendments can be found in Administrative Procedure VIII-4.)

BUDGET ORGANIZATION

The City of Burbank's Budget document consists of several sections with a corresponding tab for each section.

Introductory Sections

The City Manager's Budget Message outlines the key contents of the Budget and how they relate to the City Council's goals for the coming year. The fiscal health of all the fund types, as well as the City as a whole are also discussed.

BUDGET USER'S GUIDE

The Budget User's Guide provides the reader with a brief overview and introduction to the City of Burbank as well as an explanation on how to understand, read, and use this Budget document.

The Budget Summaries section provides an easy to read overview of the City's expenditures/appropriations and various other financial matters.

The Revenues Section provides a more detailed overview of each fund's estimated revenues and each General Fund revenue source. It is important to note that the City's revenue estimates are fairly conservative and make assumptions based on actual receipts and future economic forecasts and legislation. Overall, the revenue estimates assume moderate and stable growth. Appropriations, in turn, are based on the assumed revenue increases.

Department Budget Sections

These sections represent the main body of the Budget document. They contain the following department budgets: City Council, City Clerk, City Treasurer, City Attorney, City Manager, Management Services, Information Technology, Financial Services, Parks & Recreation, Library Services, Community Development, Public Works, Fire, Police and Non-Departmental.

Special Revenue Funds Section

This section contains funds that provide "Special Revenue" activities. In most cases, these funds represent activities that are grant funded or provided for via specific user fees, charges, and taxes. These revenues are usually legally restricted to expenditures for specific purposes. Special Revenue Funds include: Propositions A and C—Transportation Funds (Fund 104 and 105), AQMD Fees—Transportation Fund (Fund 106), Measure R—Transportation Fund (Fund 107), General City Grant Fund (Fund 121), CDBG Fund (Fund 122), Drug Asset Forfeiture Fund (Fund 124), State Gas Tax Fund (Fund 125), Public Improvement Development Impact Fees (Fund 127), HOME Program Fund (Fund 128), Street Lighting Fund (Fund 129), Youth Endowment Services (YES) Fund (Fund 130), Tieton Hydropower Project (Fund 133), and, Magnolia Power Plant (MPP) Fund (Fund 483).

Internal Service Funds Section

This section contains the City's seven internal service funds: General Liability Insurance (Fund 530), Workers Compensation Insurance (Fund 531), Vehicle Equipment Maintenance and Replacement (Fund 532), Office Equipment Maintenance and Replacement (Fund 533), Municipal Building Maintenance (Fund 534), Communications Equipment Maintenance and Replacement (Fund 535), and Computer Equipment Replacement (Fund 537).

Burbank Water and Power Section

This section contains the Burbank Water & Power (BWP) Fund budget. There are two enterprise funds within this section: Electric Fund (Fund 496) and Water Fund (Fund 497).

Enterprise Funds Section

This section contains the City's three non-BWP enterprise funds: Water Reclamation and Sewer Fund (Fund 494), Golf Fund (Fund 495), and Refuse Collection and Disposal Fund (Fund 498).

Successor Agency Section

As outlined in the Community Redevelopment Law, successor agencies are given the authority to make payments on the former Redevelopment Agency enforceable obligations and wind-down the activities of the former Redevelopment Agency. The Successor Agency budget must be approved by a separate Oversight Board whose role is to determine which obligations are enforceable and must be paid out. Thus, this section is included within the City budget document for informational purposes only.

Housing Authority Section

Housing Authority activities are administered by the Housing Division of the Community Development Department. Since the dissolution of the Redevelopment Agency, the Housing Authority is entrusted with the former Redevelopment Agency's affordable housing projects and the Low and Moderate Income Housing Fund. A separate budget section is prepared for the Housing Authority because it is separate from, and outside the control of the City Council, although City Council Members also serve as Authority Board Members.

Parking Authority Section

The Public Works Department administers the Parking Authority's activities. A separate budget section is prepared for the Parking Authority since its activities are overseen by the Burbank Parking Authority, which is separate from, and outside the control of the City Council, although the City Council Members also serve as Authority Board Members.

Concluding Sections

Performance Measures, organized by department**,** are provided as a tool to measure effectiveness and efficiencies of City operations.

The Glossary of Budget Terms is provided to better familiarize the reader with some of the budgetary and financial vocabulary found throughout the Budget document. The Glossary also contains descriptions of all City funds and fund types. Along with the budget terms and fund descriptions, a glossary of acronyms is included in this section as well.

The Appendix contains the following items to better inform the reader: 1) Community Profile and Historical Timeline; 2) A map of the City; 3) Facts about Burbank; 4) A list of the City's Boards, Commissions, and Committees; 5) A revenue / appropriation comparison with other cities, and 5) A list of individual departments' Professional Services Agreements.

The Index provides specific constituents with a quick and easy to use reference to their particular area(s) of interest. The Index references every City department, division/program, section, special activity, and notable item of interest.

THE ACCOUNTING SYSTEM, BUDGETARY CONTROL AND THE CITY COUNCIL'S FINANCIAL POLICIES

The City of Burbank's accounting records are maintained in full accordance with Generally Accepted Accounting Principles (GAAP), as established by the Government Accounting Standards Board (GASB). Government fund types (General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds), Agency funds, and expendable trust funds are maintained via a modified accrual basis of accounting. Proprietary fund types (Enterprise and Internal Service Funds) and non-expendable trust funds are maintained via an accrual accounting basis.

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue (except for the Drug Asset Forfeiture), Debt Service and Capital Projects funds. The budgets are presented for reporting purposes, in accordance with GASB 54, on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. Under this method, revenues are recognized in the period they become measurable and available, while expenditures are recorded when incurred. Certain multi-year capital improvements and other projects are also budgeted on a project length basis.

Additionally, appropriations for the Drug Asset Forfeiture fund occur based on actual cash receipts and do not lapse at year end. A comparison of these budgets with current year expenditures will not be meaningful, due to the multi-year nature of these projects.

The degree of appropriated budgetary control is at the functional departmental level. The City Manager or

Financial Services Director may authorize transfers of appropriations within a department function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the City Council by a majority vote. Such amendments are typically effected by the adoption of a City Council resolution. These appropriations, representing amendments to the budget during the year, could be significant in relationship to the original budget as adopted. As part of the budgetary control, City staff reports to the City Council on a quarterly basis to inform them of the financial condition at the close of the quarter. Generally, the City Council is presented with proposed budget adjustments after mid-year financial reports are complete. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are re-appropriated in the next year's budget.

The City uses an "encumbrance system." Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as reserved fund balance.

The City Council adopts budgets for the Enterprise and Internal Service funds. However, all proprietary fund types are accounted for on a cost of service (net income), or "capital maintenance" measurement basis. As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these proprietary fund types on a budget comparison basis.

A carefully designed system of internal accounting and budgetary controls is used to ensure that revenues and expenditures/expenses are tracked and used as intended. These controls are designed to provide reasonable, but not necessarily absolute, assurance with respect to the reliability of financial and budgetary records for use in the preparation of financial statements as well as accountability for all City of Burbank assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits and that the evaluation of costs and benefits likely to be derived thereof require estimates and judgments by management. The system is reviewed as regularly as possible, and as required by law, by either internal audit staff and/or independent, certified public accountants.

The City's financial policies were originally adopted in 1990 as a means to ensure long-term fiscal stability, and were updated in 1996. Combined with the City Treasurer's formal Investment Policies, these Financial Policies serve as a solid foundation in guiding both elected officials and staff with respect to managing the City's resources. Continued adherence to these Financial Policies will help the City avoid operating practices which could have adverse financial consequences.

City Council Financial Policies

I. Maintain a designated General Fund working capital reserve equivalent to 15% of the General Fund's operating budget and a designated emergency reserve equivalent to 5% of the General Fund's operating budget.

II. Maintain a balanced operating budget for all governmental funds with recurring revenues equal to or greater than recurring expenditures. Appropriations of available fund balance will only be permitted for "one-time" non-recurring expenditures.

III. Assume that normal revenue inflation and/or growth will go to pay normal inflation expenditures. In no event will normal expenditure increases be approved which exceed normal revenue inflation and/or growth. Any new or expanded programs will be required to identify new funding sources and/or off-setting reductions in expenditures in other programs.

IV. Require that all Enterprise Funds have revenues (customer charges, interest income, and all other income) sufficient to meet all cash operating expenses, depreciation expense, and prescribed cash reserve policies per financial policies as recommended for each enterprise activity. Additionally, each Enterprise Fund will maintain debt service coverage requirements set forth in any related bond covenants.

V. Require that each Internal Service Fund which includes vehicles, equipment, and building maintenance have revenues, (City user charges, interest income, and all other income) sufficient to meet all cash operating expenses and depreciation expenses. The related revenues should also be sufficient to maintain cash reserves which provide sufficient cash to replace vehicles and equipment in accordance with replacement policies.

VI. Maintain appropriate reserves in the Risk Management Self-Insurance Fund and the Workers' Compensation Self – Insurance Fund to meet statutory requirements and actuarially projected needs.

VII. Maintain a general operating reserve which will support operations for each Enterprise Fund during times of financial emergencies. The amount of the general operating reserves will be determined based on a risk assessment of each Enterprise Fund.

VIII. Maintain other Enterprise Fund reserves such as debt reduction and capital funding reserves, fleet replacement reserves, and general plant reserves (in addition to the general operating reserve and other reserves) as necessary and prudent for the operation of the specific Enterprise Fund. Such reserves will be reviewed as necessary during the annual budget process, or at least every two years.

IX. Maintain a long-range fiscal perspective through the use of an annual operating budget, a five-year capital improvement plan, and a five-year financial forecast.

X. Use long-term financing methods or cash accumulated in excess of policy requirements for major capital improvements and acquisitions. These improvements will be planned via the annual capital improvement plan process.

XI. Issue bonds or incur other terms of indebtedness only for appropriate purposes and only if the debt service does not affect the City's ability to meet future operating, capital and reserve requirements.

XII. Require each budget appropriation request to include a fiscal impact analysis.

XIII. Comply with all the requirements of "Generally Accepted Accounting Principles."

XIV. Strive to pay competitive market level compensation to our employees.

Policy XI has provided adequate guidance to the City Council on the subject of debt issuance, and allows the City Council the ability to consider the need for debt within the context of the economic situation and needs of the City at the time of issuance. However, it does not meet the strict standards of the GFOA with regard to debt issuance policy because it does not provide an absolute limitation on the uses of debt nor does it provide an absolute ceiling on the amount of debt incurred. This has not been an issue in the City of Burbank, as the City has been very judicious in its use of debt financing.

It must be stressed that the information presented in the Budget is not audited nor necessarily in full compliance with GAAP. The information presented in the Budget is designed to enhance management control and fiscal planning on a program-by-program basis and is not intended to directly correlate with the data presented in financial reports such as the Comprehensive Annual Financial Report, which is designed to provide a retrospective overview on a fund-by-fund basis.

EMPLOYEE COMPENSATION/BENEFITS

One of the City's financial policies is to "Strive to pay competitive market level compensation to our employees." Salary surveys with our comparison cities, (Anaheim, Glendale, Garden Grove, Huntington Beach, Inglewood, Long Beach, Pasadena, Riverside, San Bernardino, Santa Ana, Santa Monica, and Torrance) are made periodically to determine if Burbank employees' wages are at market levels. These surveys may be part of multi-year labor agreements.

Each classification title within the City of Burbank has a corresponding salary range. As part of the budget preparation for salaries and benefits each year, range movement, if an employee is not at "top step," and any approved cost of living adjustments (COLA) are programmed according to existing MOU's.

Retirement – The City is a member of the California Public Employee Retirement System (CalPERS). There are three benefit plans, and their rates are determined by whether an employee became a CalPERS member before

January 1, 2013 (Classic) or a CalPERS member after January 1, 2013 (New). Employees in the CalPERS system are not covered by Social Security.

PLAN	CLASSIC	NEW
Miscellaneous Group	2.5% @ 55	2.0% @ 62
Fire Safety Group	3.0% @ 50	2.7% @ 57
Police Safety Group	3.0% @ 55	2.7% @ 57

The City continues to experience annual increases in pension costs as a result of prior investment losses and changes to future assumptions by CalPERS. Below are the actual rates for the three employee classifications for last fiscal year (FY 2015-16), the current fiscal year (FY 2016-17) and the projected rates for the next fiscal year (FY 2017-18).

	FY 2015-16	FY 2016-17	FY 2017-18
Miscellaneous Group	19.952%	21.620%	23.3%
Fire Safety Group	24.137%	27.598%	31.1%
Police Safety Group	37.576%	42.245%	45.4%

Flexible Benefits Plan – The City provides a specific dollar amount to each employee based on the employee's bargaining unit, to use toward the purchase of health insurance, dental insurance, life insurance, and other related benefits. Employees who have insurance coverage provided by a spouse can receive any unused amount as taxable compensation. ICMA, a non-profit independent financial services corporation, currently provides Section 457 deferred compensation benefits to employees.

Medicare – All newly hired employees contribute a portion of gross salary for Medicare coverage as determined by Federal regulations.

Section 125 Plan – Employees may also sign up for Section 125 benefits related to medical reimbursement or child care reimbursement during an open enrollment period. An exception to this would be a change in the family, such as the birth of a child.

Post-Retirement Medical Trust – In FY 2002-03, a retiree medical trust was established to provide partial funding for post-retirement medical expenses. Employees with 5 years of service are eligible to receive the benefits at the age of 58.

Tuition Reimbursement – The City supports the continued education of its employees and offers a program that is negotiated with each bargaining unit. Any reimbursement must have the employee's supervisor's approval prior to course enrollment, and the student must satisfactorily pass the course to receive a percentage reimbursement.

Sick Leave – Full-time employees receive eight hours of sick leave per month; for part-time employees this amount is pro-rated.

Vacation – Time is granted based on number of years of service to the City. For the most part, employees with less than five years earn two weeks vacation, from 5 – 15 years earn three weeks vacation, and employees working over 15 years earn four weeks vacation.

Universal Leave – The City has instituted a universal leave plan for executives, unrepresented managers and members of the BMA. Rather than granting time in separate categories, such as vacation and sick leave, these groups will accumulate universal leave time on a monthly basis which they can use for any type of absence from work.

COST ALLOCATION PLAN

Every year, a cost allocation plan is prepared to identify the costs associated with providing certain services. These indirect charges reimburse the administration and overhead services provided by General Fund departments such as Financial Services, City Attorney and Information Technology. The full cost allocation plan

delineates the basis of allocation by department and can include the total operating budget (excluding capital and debt), the number of full-time equivalent positions per department, specific number of requests or hours of service provided, or percentage estimates provided by departments.

Additionally, a supplemental utility cost plan has been incorporated which includes allocations for public safety and right of way street costs in order to fully reimburse the General Fund for services provided to the City's Enterprise Funds.

The City uses a "Double Step Down" method which allocates service costs to all departments and then allocates service costs only to operating departments. The "Services of Other Departments - Indirect" account is listed as a line item in the Enterprise Funds, Burbank Water & Power, Special Revenue Funds, Internal Service Funds, Housing Authority and Parking Authority budget sections.

PERFORMANCE MEASURES

Included towards the end of the budget document are the departmental Performance Measures. Performance Measures are used by the City to assess how efficiently and effectively programs and activities are provided and determine whether organizational goals are being met.

Burbank began including Performance Measures in the Budget in FY 2000-2001. In FY 2011-12, the departments spent a great deal of time revamping their current measures so that they are linked to both the City's Annual Budget and Work Program. These modifications allow the City's programs and services to be measured in such a way that the following may be ascertained: how well are our services being delivered; are planned accomplishments being met; are community problems being solved; and, are the City's residents/customers satisfied with the results. Since most of the measures have been in place for a significant amount of time, the actual data from prior years is reported and used as a gauge by which to project results for FY 2016-17.

SAMPLE BUDGET FORMAT

This budget is formatted to create a reader friendly document, summarizing department, division and program expenditures while maintaining line item detail within each section. Each division or program has line item detail page located within the department section. A Position Summary provides details as to budgeted positions over a three-year time frame.

The following contains a sample budget format from the Verdugo Park Program of the Parks & Recreation Department. This sample budget format includes:

① The heading identifies the division, program and/or section discussed. Underneath the heading is the cost center (PR31B in this example) designation in Hyperion and the Oracle financial system.

② This section provides a brief descriptive overview of the division/program/section's mission as well as a description of some of its major activities.

③ <u>Objectives</u>
This section provides a list of some of the division/program's goals for the upcoming fiscal year, and is directly related to the City Council Work Program. While the budget for the fiscal year outlines what each department intends to do over the next twelve months, the Work Program acts as a tracking device designed to monitor the progress toward attaining these goals and objectives.

④ <u>Changes from Prior Year</u>
This section describes some of the major appropriations for FY 2016-17 and a discussion of changes from the prior year, explaining the variances by expenditure, if any, which are projected to occur during the next fiscal year.

⑤ Line Item Budget

This section identifies the division/program's Staff Years, Salaries and Benefits, Materials, Supplies, and Services, and may include Capital Outlay, Capital Improvements and Contributions to Other Funds. Line item details for the actual 2014-15 fiscal year end, the FY 2015-16 Budget, the FY 2016-17 Budget, and the change from the FY 2015-16 Budget are also provided in this section.

SAMPLE

① **Verdugo Park Program**
001.PR31B

② The Verdugo Park Program provides a variety of enrichment experiences, including over 250 instructional classes per year, various recreation programs and drop-in recreational activities for community members of all ages. Verdugo Park is also the home of a variety of teen programs which include dances, events and excursions. In addition, this program provides oversight and supervision of the Burbank Skate/BMX Park located at Valley Park.

OBJECTIVES ③

- Offer on a quarterly basis, a variety of special interest classes and programs for all ages.
- Provide facility accessibility and equipment for community organizations.
- Coordinate seasonal day camp programs conducted on-site.
- Coordinate Citywide teen activities, including dances and excursions.
- Coordinate and supervise activities at the skate park facility.
- Provide holiday and seasonal special events.

CHANGES FROM PRIOR YEAR ④

To align expenditures, discretionary funds from another cost center were moved to this cost center to better reflect the Department's operation. ⑤

	EXPENDITURES FY2014-15	BUDGET FY2015-16	BUDGET FY2016-17	CHANGE FROM PRIOR YEAR
Staff Years	**7.616**	**5.824**	**5.701**	**(0.123)**
60001.0000 Salaries & Wages	$ 497,957	$ 318,519	$ 320,410	$ 1,891
60006.0000 Overtime - Non-Safety	5,947	3,000	3,000	
60012.0000 Fringe Benefits	94,781	54,991	48,383	(6,608)
60012.1008 Fringe Benefits:Retiree Benefits	100	8,068	4,310	(3,758)
60012.1509 Fringe Benefits:Employer Paid PE	101,730	54,898	50,921	(3,977)
60012.1528 Fringe Benefits:Workers Comp	8,285	8,273	9,093	820
60015.0000 Wellness Program Reimburseme	158			
60027.0000 Payroll Taxes Non-Safety		4,619	4,646	27
60031.0000 Payroll Adjustments	1,861			
Salaries & Benefits	**710,820**	**452,368**	**440,762**	**(11,606)**
62000.0000 Utilities	$ 20,574	$ 124,110	$ 21,274	$ (102,836)
62165.0000 Special Recreation Contract Servi	111,736	95,750	115,750	20,000
62300.0000 Special Dept Supplies	10,729	10,420	10,420	
62305.0000 Reimbursable Materials	13,071	12,559	12,559	
62310.0000 Office Supplies, Postage & Printin	988	1,000	1,000	
62315.0000 Radio Supplies & Maint	128			
62470.0000 Fund 533 Office Equip Rental Rate	221	221	221	
62475.0000 Fund 532 Vehicle Equip Rental Ra	3,865	4,756	2,557	(2,199)
62496.0000 Fund 537 Computer System Renta	3,637	2,796	2,862	66
62685.0000 Holiday Decorations - City		1,500	1,500	
Materials, Supplies & Services	**164,950**	**253,112**	**168,143**	**(84,969)**

OTHER USEFUL INFORMATION SOURCES AND FINANCIAL AND BUDGET REPORTS

Oracle Financial System

The City of Burbank converted to the Oracle financial system in April 1999. All financial data can be viewed in the various modules as part of the software package. General Ledger balances can also be accessed through the Oracle system. In January 2008, the City converted its payroll/human resources system to Oracle. This conversion facilitated the City's converting to a bi-weekly payroll system instead of a semi-monthly system.

Hyperion Planning & Budgeting System

In 2015, the City's Financial Services Department, in collaboration with the Information Technology Department and Burbank Water and Power, rolled out a new budgeting software system to all City departments. Hyperion Public Sector Planning & Budgeting (PSPB) was developed and programmed to meet the coordination, operation and management requirements of the City's budget process. The new software system integrates with the City's Oracle financial and human resources management systems to provide accurate real-time and historical data, and enhanced personnel budgeting, capital planning, forecasting and reporting functionality to end users. Each of the line item budget sections in this budget document were developed utilizing Hyperion PSPB.

Budget at a Glance

The Financial Services Department publishes a "Budget-at-a-Glance" brochure which provides a summary of the City's adopted revenues and appropriations, key City data, and Council goals. A similar brochure is also available for the Proposed Budget each year in May.

Comprehensive Annual Financial Report (CAFR)

The CAFR is a detailed report that covers the financial statements for the City prepared in accordance with Generally Accepted Accounting Principles (GAAP) as pronounced by the Government Accounting Standards Board (GASB). This report includes an introductory section, the Independent Auditors' Report, and the Management's Discussion and Analysis (MD&A), which offers readers a narrative description as well as an analysis of the financial activity of the City for the fiscal year ended. The report continues with the government wide statements, fund financial statements, and notes to the financial statements. Beginning FY 2014-2015, the City incorporated GASB 68, which adjusts the CAFR to include the full Net Pension Liability for the City. Statements for major funds are presented in the report, followed by all non-major fund activity, internal service funds and the statistical section.

Water and Electric Fund Financial Statement

This report is similar to the CAFR. However, it contains audited balance sheets, related statements of operations and retained earnings, and changes in financial position for only the Water and Electric Enterprise Funds.

Citywide Fee Schedule

The Citywide Fee Schedule provides a list of fees charged by the City for services provided to Burbank residents and businesses. A description of each type of fee and the dollar amounts are provided, as well as information detailing when the fee was last updated. The Fee Schedule is submitted to the City Council for approval as part of the annual public hearing and Budget adoption in June, and is published subsequent to its adoption. Any changes in fees adopted as part of the Fee Schedule go into effect on July 1.

Occasionally, the need to change a fee may take place prior to the annual budget adoption process. Departments may then submit a report to the City Council delineating the need for the fee revision, thereby amending the annual "Fee Resolution." In such cases, the amendment would be effective during the fiscal year and would be incorporated into the annual Fee Schedule.

Capital Improvement Program (CIP) Budget

The Capital Improvement Program (CIP) Budget is submitted to the City Council as a separate budget document in order to provide more detailed descriptions of capital improvement projects scheduled to take place over the next five years. A CIP project is defined as an addition or improvement to the City's infrastructure or public facilities. The Budget Division coordinates CIP preparation, including review of fund cash flows to insure adequate funding over the project life. The City's Infrastructure Subcommittee, which is comprised of two City Council Members and key staff from several departments, evaluates and prioritizes all project requests in accordance with the City's infrastructure plan. CIP budget preparation deadlines and publication dates parallel the prescribed dates of the operating budget.

Funds that have designated capital improvement projects have dollar amounts summarized within this document. Many projects span multiple fiscal years and have multiple funding sources, including grant funding, bond proceeds, internal service funds and enterprise funds. Departments enter and submit each CIP in Hyperion to be undertaken. Special attention is paid to projects requiring General Fund dollars which typically reflect previously identified Council goals.

The CIP document is designed to give a readily understandable overview of the multi-year projects to which the City Council has made a long-term commitment. Due to multiple funding sources in many instances, capital improvement projects are presented in the following categories:

- Housing & Economic Development
- Municipal Facilities
- Parks and Recreation
- Refuse Collection & Disposal
- Traffic, Transportation & Pedestrian Access
- Wastewater
- BWP Electric Utility
- BWP Street Lighting
- BWP Magnolia Power Plant
- BWP Tieton Hydropower Project
- BWP Water Utility

Each project information sheet provides the project name, coordinating department, account number, priority level, description and justification, project status update, forecasted completion date, on-going operating and maintenance impact, project manager, and the FY 2016-17 adopted appropriation amount. Additionally, each sheet outlines the prior years' appropriations, proposed five-year project financing (which delineates funding sources and expenditure accounts and their respective dollar amounts per fiscal year), and projects future-year financing for projects anticipated to require more than five years for completion.

FOR MORE INFORMATION

The Budget-at-a-Glance brochure, along with reference copies of the Adopted Budget, CIP and Fee Schedule, are available at City Hall, the Financial Services public counter, at each of the City's three libraries, and on the City's website at www.BurbankCA.gov. Questions may be referred to the Financial Services-Budget Office at (818) 238-5500.

RESOLUTION NO. 16-28,844

A RESOLUTION OF THE COUNCIL OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017, AND MAKING APPROPRIATIONS FOR AMOUNTS BUDGETED.

THE COUNCIL OF THE CITY OF BURBANK FINDS:

A. A proposed budget for the City of Burbank for the Fiscal Year commencing July 1, 2016, and ending June 30, 2017, was submitted to the Council, as required by Section 1005 of the City Charter and is on file in the City Clerk's Office.

B. Proceedings for the adoption of said budget have been duly taken.

C. The Council has made certain revisions, corrections, and modifications to said proposed budget, as in this resolution provided.

THE COUNCIL OF THE CITY OF BURBANK RESOLVES:

1. The proposed budget as herein amended is adopted as the budget of the City of Burbank for the Fiscal Year commencing July 1, 2016 and ending June 30, 2017.

2. There is hereby appropriated from the General Fund Undesignated Fund Balance Account the amount of $1,000,000 to fund the annual appropriation for infrastructure reserve fund.

3. The Financial Services Director is authorized to use incremental wholesale electrical power sales revenue to offset associated incremental wholesale power purchase costs exceeding those provided for in this budget.

4. Pursuant to the City's Charter, to meet the year's receipts shown as coming from revenues of the Burbank Water and Power Department, an amount not to exceed two percent (2.0%) of the gross sales of electricity by said Department, exclusive of wholesale sales of electricity to other public or privately-owned utilities, shall be deposited or transferred to the Street Lighting Fund to pay bills incurred by the City for lighting its public streets and five percent (5.0%) of the gross sales of electricity by said Department, exclusive of wholesale sales to other public or privately-owned utilities, shall be deposited or transferred to the General Fund in-lieu of taxes.

5. The Financial Services Director is authorized to replenish the Emergency Reserve account by an amount to make the balance equal five percent (5.0%) of the Fiscal Year 2016-2017 budget from projected surplus in the General Fund.

6. The Financial Services Director is authorized to appropriate an amount to make the balance equal fifteen percent (15.0%) of the Fiscal Year 2016-2017 budget from the projected General Fund surplus for increasing the working capital reserves.

7. The Financial Services Director is authorized to amend the Fiscal Year 2016-2017 Annual Budget by continuing appropriations for all ongoing capital projects from Fiscal Year 2015-2016 for the amounts remaining in various Funds.

8. The City Manager is authorized and empowered to expend such sums for the purpose of such accounts, but no expenditure by any office or department for any item within a cost center shall exceed the amount budgeted without the prior written consent of the City Manager.

9. The City of Burbank has adopted Financial Accounting Standards Board (FASB) Statement No. 71 - Accounting for the Effects of Certain Types of Regulation, as applied to certain enterprise fund revenues.

10. The City Manager or designee is authorized to approve and execute agreements for professional services, services and goods that are listed in the PSA appendix of the Budget adopted herein.

11. Pursuant to California Government Code Sections 50050-50053 and 50055, the City of Burbank may claim money in its treasury or under its control that remains unclaimed for more than three years. Upon providing public notice of checks uncashed for more than three years in accordance with these provisions, the City Treasurer is authorized and directed to void and cancel remaining uncashed checks and to transfer those funds to the General Fund.

12. The Financial Services Director is authorized to make such other revisions, individual appropriation line-items, changes in summaries, fund totals, grand totals, and other portions of the budget document as necessary to reflect and implement the programs specified in this resolution, and in full accordance to the direction provided by the Council up until the adoption of this resolution.

PASSED AND ADOPTED this 7th day of June, 2016.

Jess A. Talamantes
Mayor

Attest:

Zizette Mullins, CMC, City Clerk

Approved as to Form
Office of the City Attorney

By: Amy Albano
City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF BURBANK)

I, Zizette Mullins, CMC, City Clerk of the City of Burbank, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by a majority vote of the Council of the City of Burbank at its regular meeting held on the 7th day of June, 2016, by the following vote:

AYES: Frutos, Gabel-Luddy, Gordon, Rogers and Talamantes.

NOES: None.

ABSENT: None.

Zizette Mullins, CMC, City Clerk

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