

# CITY MANAGER'S BUDGET MESSAGE



To the Honorable Mayor and Members of the City Council,

On behalf of City Staff, it is my privilege to present to the residents of the City of Burbank the adopted budget for Fiscal Year (FY) 2016-2017. Each year, the City's budget represents a series of challenges and difficult decisions required to adequately fund the excellent level of services and programs the residents of this City have come to expect. This year was no exception. Following several public meetings, the City Council approved this budget, which will fund public safety, transportation, library, parks and open space, street improvements and facility upgrades, as well as many other municipal programs and services.



As a result of previous City Council efforts, the City was able to adopt structurally balanced budgets in the last two fiscal years (FY 2014-15 and FY 2015-16). However, growth in expenses has outpaced the growth of revenues, and the City once again faced a recurring budget deficit heading into FY 2016-17. Adding to this recurring gap was a significant backlog of capital needs that if not addressed will inevitably deteriorate the quality of infrastructure and services the Burbank community has grown accustomed to. Having faced over a decade of budget cuts, the City Manager's Office, along with City Staff, has embarked upon a strategic plan which proposes to utilize one-time funds to close the City's budget gap while longer term sustainable solutions are developed to correct the City's structural deficit. These solutions will be multi-pronged, including strategic revenue growth and development, alternative business practices or service delivery models, internal service fund evaluations and a revised labor strategy.

While poised in a financial position that is far better than most California cities, the City of Burbank must continue to make tough decisions and strategically invest funds in order to achieve a structurally balanced budget and address the City's backlog of infrastructure needs in the years to come. The Adopted FY 2016-17 Budget includes strategic spending meant to address some of these identified needs while still considering the long-term structural balance of our Five-Year Financial Forecast. Achieving a structurally balanced budget in the years to come will require tough decisions on how and where to invest limited funds, while encouraging smart development to enhance revenue growth. That being said, with the City Council's continued leadership and fiscal responsibility, I am confident we will enter this new budget cycle and those to come strongly positioned to meet the challenges that lie ahead.

The following executive summary provides an overview of the FY 2016-17 Budget.

## **BUDGET OVERVIEW**

### **BUDGET DEVELOPMENT PROCESS**

At the beginning of the budget development process, staff projected a recurring budget deficit of \$1.2 million heading into FY 2016-17. After years of across the board budget cuts, departments were not required to make reductions to their discretionary expenditures, but instead were asked to identify long term sustainable solutions that help realign expenses and revenues over time. Using one time funds to balance the budget in the current year will allow the City Manager's Office and Departments to strategically implement a long term cohesive plan.

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Several departments did identify immediate needs for new budget items that required funding for FY 2016-17. The City Manager reviewed in detail the proposed budget requests during the months of March and April and, at that point, decided on which budget items would be incorporated into the FY 2016-17 Proposed Budget. The City Council reviewed the Proposed Budget in its entirety during two Budget Study Sessions that took place during the month of May. Staff incorporated feedback received from the Council during those meetings into a final budget which was adopted at the public hearing on June 7, 2016.

Overall, the General Fund budget increased by approximately 6.2% from FY 2015-16, and included several new positions and budget increases approved by the City Council for FY 2016-17. Some of the more notable items are listed below.

- Increase in Fire Department Constant Staffing - \$700,000
- Fire Fighter Recruit Academy - \$408,672
- IT Support Services for Financial and Human Resources/Payroll systems - \$260,000
- Police Officer Recruitment Plan - \$292,513
- Electronic Chalk Parking Control System - \$120,000
- Laborer Position for Roadway/Parkway Maintenance - \$70,082
- Intermediate Clerk for Residential Parking Permit Program - \$61,533

After incorporating the new budget items mentioned above, the General Fund is expected to have a recurring deficit of \$1,268,897 and a total available balance of \$2,792,450 at the end of FY 2016-17. It should be noted that this projected balance does not include any General Fund amounts currently held in reserves or anticipated loan repayments expected to be received in FY 2016-17.

**ADOPTED BUDGET SUMMARY**

The FY 2016-17 budget totals just over \$659 million for all funds with the General Fund appropriations totaling \$168.4 million. The chart below illustrates the source of funds and appropriations for each fund or fund type for the FY 2016-17 Budget.

FUND/FUND GROUP	ESTIMATED RESOURCES	ADOPTED APPROPRIATIONS
General Fund	\$ 168,427,476	\$ 168,427,476
Special Revenue Funds (incl. Cap. Projects Fund)	54,562,788	48,155,950
Internal Services Funds	38,443,146	33,960,394
Enterprise Funds	48,196,865	48,196,865
Water and Electric (BWP)	327,673,899	327,673,899
Successor Agency	19,399,616	10,712,665
Public Financing Authority	9,098,378	9,098,378
Housing Authority	12,001,062	12,001,062
Parking Authority	802,675	791,755
<b>TOTAL ALL FUNDS</b>	<b>\$ 678,605,905</b>	<b>\$ 659,018,444</b>

**GENERAL FUND REVENUE**

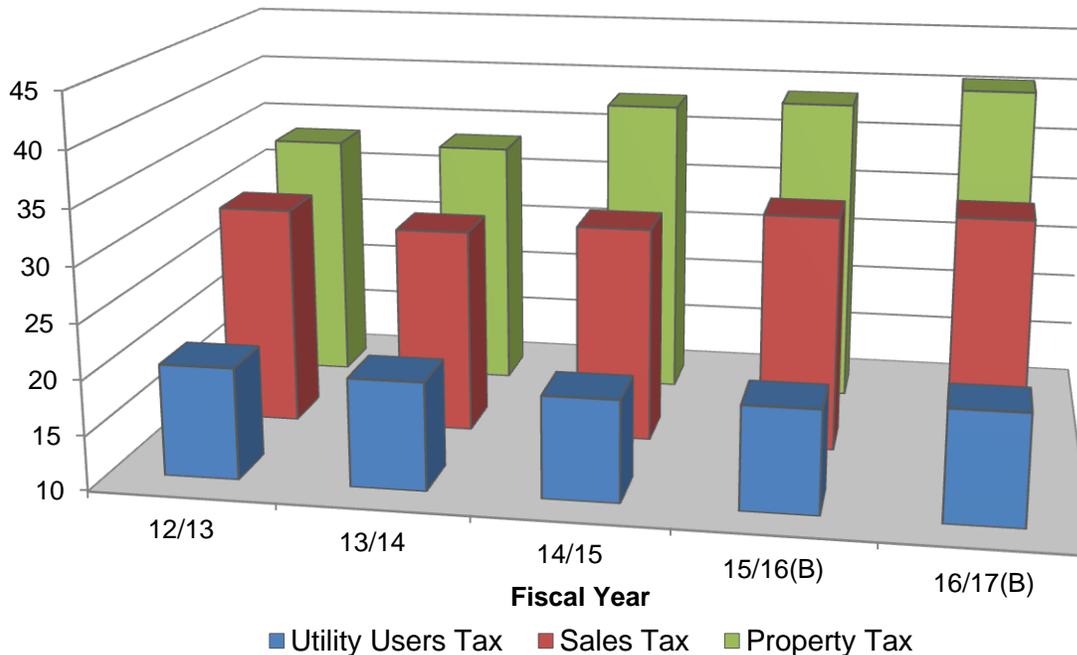
Overall, the City’s recurring revenue estimates for FY 2016-17 increased 4.0 percent over revised FY 2015-16 projections. Higher than average growth in several revenues including sales tax, property tax, transient occupancy tax, building permits and business taxes offset a decrease in service charges and little to no growth in interest earnings and franchise fees. Sales tax, property tax, and the utility users’ tax continue to be the largest revenue sources, representing 57 percent of the General Fund’s recurring revenue.

The chart on the next page highlights three years of actual results and two years of projections for the top three revenue sources for General Fund dollars: Sales Tax, Property Tax and Utility Users Tax. For more detail on the City’s General Fund revenue projections and assumptions, refer to the “Revenues” section of this budget document.

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## Top General Fund Revenue Categories (\$ in Millions)



### **GENERAL FUND APPROPRIATIONS**

This year's adopted City of Burbank recurring appropriations amount is \$168 million. General Fund appropriations are mainly driven by labor costs. In fact, 78 percent of this year's General Fund budget is related to salaries and benefits.

#### Memorandum of Understanding (MOU) Projected Costs:

Labor relations and the memorandum of understanding (MOU) negotiation process for the City's bargaining groups plays a significant role in determining the City's financial position. The current General Fund forecast includes assumptions for salary and benefit growth over the next five years which reflect the status of current negotiations. This growth is offset by previously adopted concessions, with all of the City's bargaining groups agreeing to pay the full Employee Paid Member Contribution (EPMC) by FY 2017-18. The City's financial policies dictate that Burbank strives to pay market rates to all of the City's labor groups. Market rates are determined through salary and benefit surveys which compare the City's job classifications to those of similar organizations throughout the region. The City of Burbank calculates the average salary paid for the comparable positions to determine whether employee salaries are at market. The City Council has taken steps through the negotiated MOU process to start to bring Burbank employee salaries to market levels.

Currently, there are MOUs in place for FY 2016-17 with the Burbank City Employee's Association (BCEA), Burbank Police Officers Association (BPOA), Burbank Fire Fighters (BFF), International Brotherhood of Electrical Workers (IBEW), Executives and Unrepresented (Z) Managers. Agreements with the Burbank Management Association (BMA) and Burbank Fire Fighters Chief Officers Unit (BFFCOU) are still outstanding as of the date of this publication. The City continues to work to maintain fiscal sustainability as it relates to salary and benefit costs.

#### Public Employees Retirement System (PERS) Costs:

The City of Burbank has taken numerous actions towards controlling pension costs, including sending lump sum contributions to CalPERS to decrease the City's unfunded liability and increasing employee contributions towards their pension rates, along with implementing the changes directed by the Public Employees' Pension Reform Act (PEPRA) adopted by the State of California in 2012. Offsetting these savings has been CalPERS' phase-in of changes to amortization periods and smoothing methods known

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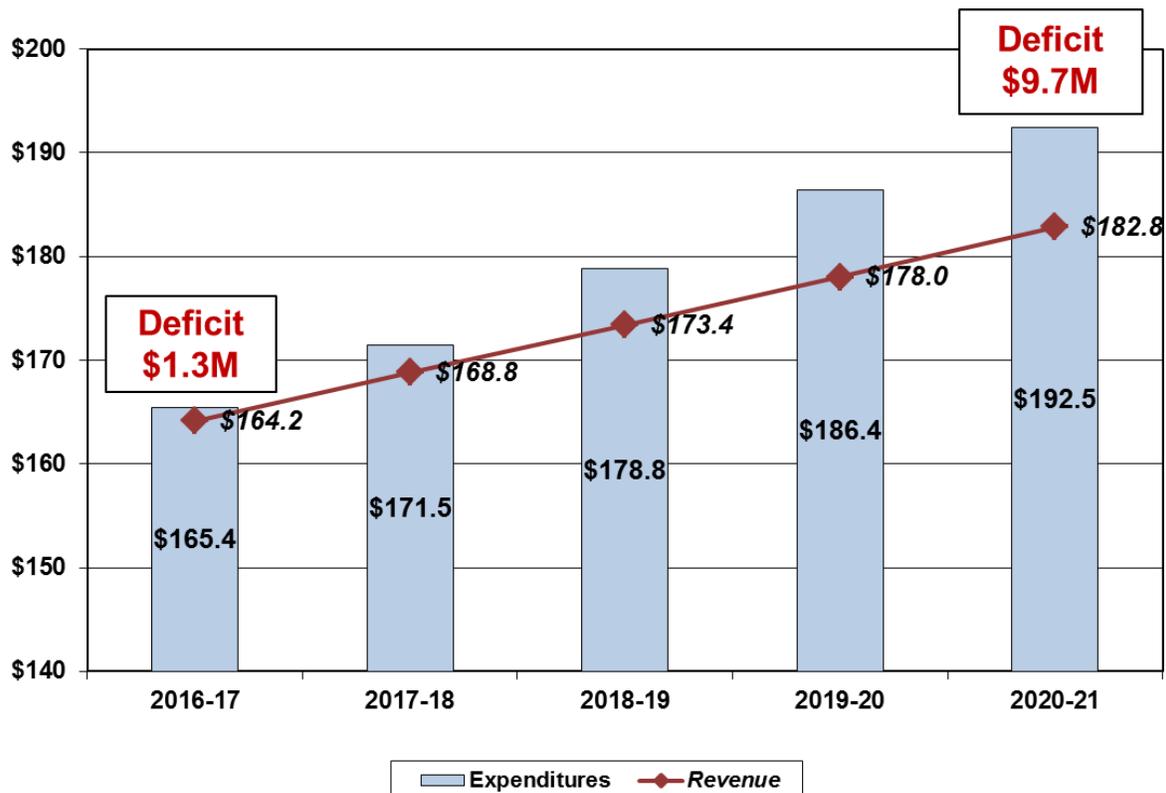
as Method 5, adopted decreases in their discount rate and adopted changes to retiree mortality rates. Netting these actions together, the City's rates for FY 2016-17 still increased by an average of 3.3% among the City's three plans, and are anticipated to increase an additional 2.8% per year over the next five years.

Below are the actual PERS rates for the three employee classifications for the current year (FY 2015-16), next fiscal year (FY 2016-17) and the projected PERS rates for the following two fiscal years (FY 2017-18 and FY 2018-19).

Classification	Actual FY 2015-16	Actual FY 2016-17	Projected FY 2017-18	Projected FY 2018-19
<u>Police</u> Classic: 3% @ 50 PEPRA: 2.7% @ 57	37.576%	42.245%	45.4%	48.6%
<u>Fire</u> Classic: 3% @ 55 PEPRA: 2.7% @ 57	24.137%	27.598%	31.1%	34.7%
<u>Miscellaneous</u> Classic: 2.5% @ 55 PEPRA: 2% @ 62	19.952%	21.620%	23.3%	24.9%

## GENERAL FUND FIVE-YEAR FORECAST

The General Fund Five-Year Forecast projects a \$1.3 million recurring deficit in FY 2016-17, growing to \$9.7 million in year five (FY 2020-21). The following chart illustrates the relationship between recurring revenue and expenditures for the foreseeable future.



Currently, it is staff's expectation that recurring revenue growth will average 3% while recurring expenditure growth will average 4.2% from FY 2016-17 through FY 2020-21. Additionally, without corrective action, the General Fund will deplete its available one-time funds (not including formal reserves

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or set-asides) in FY 2018-19. The FY 2016-17 Adopted Budget assumes the use of one-time funds to close this projected gap while City staff and City Council work together to develop long term sustainable strategies to correct the structural deficit and address the backlog high priority infrastructure and capital needs facing the City in the coming years.

## **INTERNAL SERVICE FUNDS**

The City of Burbank utilizes seven Internal Service Funds to accumulate monies for specific purposes, such as equipment replacement and insurance. As part of an overall effort to identify ways to reduce recurring costs, each year staff examines each internal service fund rental rates to see if savings could be achieved. Life cycles and replacement costs of city equipment are reviewed and the health of each overall fund is analyzed to insure that funds will be available for future scheduled replacements.

Due to the identified need of additional resources for infrastructure, in FY 2014-15, the City Council approved a five-year plan increase in the General Fund's contribution to the Municipal Building Maintenance Fund (Fund 534). This fund provides for the maintenance of all general government buildings and facilities, including City Hall, the Community Services Building (CSB), and all of the parks, recreation centers, library branches and fire stations throughout the City. Many of these aging facilities are in need of upgrades such as seismic retrofitting, HVAC replacement and roof repair, which had been put on hold due to the economic downturn. The contribution to Fund 534 increased by \$100,000 for FY 2016-17 (for a total of \$1.3 million) and will increase by an additional \$100,000 per year until it reaches \$1.5 million in FY 2018-19. This financial commitment is just one step towards reinvesting in the City's infrastructure needs, as will be outlined later in this report.

## **SPECIAL REVENUE FUNDS**

The City has several Special Revenue Funds which are administered by various departments and fund infrastructure improvements as well as a range of City programs. These funds receive dedicated revenues that can only be used for specific purposes, such as Gas Tax Funds for street construction and maintenance or Housing and Urban Development (HUD) funds for affordable housing. The following highlights some of the special revenue funds which have new appropriations for FY 2016-17:

*Funds 104, 105 and 107 (Transportation Funds):* These funds provide transit programs and public improvements through the use of Local Return money generated by ½ cent sales tax increases that were approved by Los Angeles County voters in 1980, 1990 and 2008. Within these funds, nearly \$5.3 million has been appropriated for FY 2016-17 to fund the BurbankBus system (including fixed-route, senior and disabled transit), maintenance and improvements to the Downtown Metrolink Station, and various street improvements throughout the City.



*Fund 122 (Community Development Block Grant):* Community Development Block Grant (CDBG) monies go to fund both public service projects as well as capital projects designed to benefit persons of low to moderate income. For FY 2016-17, \$131,901 in public service funding has been appropriated for local non-profit groups including the Armenian Relief Society, BCR "A Place to Grow", Boys and Girls Club, Burbank Coordinating Council, Burbank Family YMCA, Burbank Library, Burbank Noon Lions, Burbank Temporary Aid Center, Burbank Unified School District (BUSD), Family Promise of the Verdugos, Family Service Agency of Burbank, and the Kids Community Dental Clinic. In addition, capital project funds totaling \$673,452 will assist in funding street reconstruction and various community projects.

*Fund 125 (Gas Tax Fund):* The City of Burbank appropriated \$628,000 of its allocation of FY 2016-17 Highway Users Tax Act (HUTA) funds for the purpose of resurfacing and reconstructing streets, alleys and sidewalks, as well as the upgrade of traffic signals throughout the City.

*Fund 127 (Public Improvements Fund):* This program funds public improvements through the receipt of Development Impact Fees. For FY 2016-17, the City Council allocated \$200,000 for the construction of

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the Empire Interchange and Buena Vista / San Fernando railroad grade separation and \$95,000 for the Los Angeles River Bridge. An additional \$275,000 was also appropriated to fund designs concepts for a new Central Library.

*Fund 128 (HUD HOME Program):* A total of \$331,768 was appropriated in this year's HOME fund for Focus Neighborhoods to improve substandard housing in the City.

*Fund 129 (Street Lighting):* This fund provides for citywide street lighting maintenance through the use of 1.5 percent of gross retail sales of electricity. Approximately \$3.2 million was appropriated this year for street lighting improvements and maintenance.

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The City of Burbank currently has five Enterprise Funds: Electric, Water, Golf, Water Reclamation & Sewer, and Refuse. Each fund must ensure that its revenues cover operating expenses, including depreciation and cost of providing goods and services to users/customers. Revenues may be comprised of service charges/fees/sales, interest and other income. The Electric, Water, Water Reclamation & Sewer and Refuse Funds all required rate increases ranging from 1% to 3.4% for FY 2016-17 due to increases in costs.



*Water Reclamation and Sewer Fund:* The Public Works Department administers this Fund and its main objective is to operate and maintain the City's Water Reclamation Plant and Industrial Waste Monitoring in compliance with federal, state and local regulations. The Water Reclamation & Sewer Fund's adopted budget reflects an overall rate increase of 1% for FY 2016-17, which equates to a monthly cost increase of \$.24 for the average single family dwelling. The increase is needed because of increased charges from the City of Los Angeles for sewage treatment services, labor and utility costs to operate Burbank's wastewater treatment plant, and capital projects to improve the sewer system.

*Refuse Collection and Disposal Fund:* This Fund is also administered by the Public Works Department and consists of three programs: Refuse Collection, Refuse Disposal and Recycling. One of the main goals of the Fund is to maintain refuse collection, disposal and recycling fees at a level sufficient to fund operating costs and future capital improvements, while continuing to keep the rates as low as possible to customers. The City Council authorized a 1% rate increase for FY 2016-17, which represents a monthly increase of \$.32 for typical single family dwelling service. The increase is needed to meet operational costs in order to continue providing comprehensive refuse services that include household trash disposal, green waste recycling, recyclable collection and processing, and unlimited bulky item pick-up.

*Golf Fund:* This Fund, administered by the Park, Recreation and Community Services Department, was established to maintain and operate an 18-hole course, a 9-hole par 3 course, a driving range, and a clubhouse. On October 22, 2013, the City Council approved a lease and operating agreement between the City of Burbank and S.S. Golf, Inc. to manage the ongoing operations of the DeBell Golf Course for a fixed term commencing on January 1, 2014. The maintenance and operational costs of the DeBell Golf Course, as well as the financial support for all capital improvement projects related to this facility, are to be completely funded by green fees and rent received from the operator. While this contract was a necessary step toward improving the financial stability of the Golf Fund, additional significant improvement is still required in order to meet the debt repayment obligations to the City's General Fund and fund future capital projects at the Golf Course.

*Electric Fund:* Burbank Water and Power (BWP) administers this fund, which supplies and distributes to the City of Burbank and its consumers electricity that is reliable, sustainable and cost efficient. The Electric Utility strives to keep rates competitive, while providing sufficient funding for operations and

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maintenance, including covering the rising costs of energy and providing funds for system reliability and capital improvements. The City Council approved a 2.1% electric rate increase for FY 2016-17 which equates to a monthly increase of approximately \$1.93 to the average residential customer. The increase is driven by the City's commitment to sustainable power sources that are consistent with mandatory State laws and regulations, and lower energy demand caused by conservation and lack of growth.

The BWP Electric Fund's FY 2015-16 Budget has a total of \$293.5 million in overall appropriations, with a projected operating income of \$269.4 million. The FY 2016-17 CIP budget for the Electric Fund is approximately \$30 million.

*Water Fund:* Also administered by BWP, the Water Fund supplies potable and recycled water to the City of Burbank and its customers. The Water Utility is committed to providing safe drinking water reliably at competitive rates, promoting sustainability, and drought proofing a portion of the water supply by investing in the Recycled Water System. The City Council approved a 3.4% rate increase for FY 2016-17 which represents an increase of approximately \$.13 to the average residential customer due to rate design and the rebalancing of price levels between the residential and commercial classes, as a result of the water cost of service analysis. The increase is necessary because of the increased cost of purchased water, operations and maintenance.

The Water Fund Budget includes total appropriations of \$34.1 million, with a projected operating income of approximately \$28.7 million. The Water Fund CIP Budget for FY 2016-17 totals approximately \$5 million.

## **HOUSING AUTHORITY**

The City's Housing Authority is funded by the United States Department of Housing and Urban Development (HUD), and the use of funds is pursuant to federal government regulations. The Housing Authority will continue to concentrate on expanding housing opportunities for very low-income housing families, avoiding concentrations of assisted housing, and using existing housing stock as affordable housing. This year, nearly \$7.8 million has been budgeted for housing assistance payments.



Since the dissolution of Redevelopment in February 2012, the Burbank Housing Authority has assumed oversight of the Low and Moderate Income Housing Fund, which provided funding for the City's Affordable Housing Program. The objective is to utilize available funds to implement the Focus Neighborhood Revitalization Program to transform once-blighted areas into healthy neighborhoods that encourage community engagement, heightened community identity, and that foster a meaningful quality of life. The Housing Authority now receives debt reimbursement payments associated with the debt between the former Redevelopment Agency and the City. As required by State law, 20 percent of the reimbursement payments are restricted to affordable housing purposes only. As a result of these payments, the Housing Authority expects to invest over \$2.8 million into the affordable housing program for FY 2016-17.

## **PARKING AUTHORITY**

The Parking Authority Capital Projects Fund provides for the acquisition, construction, maintenance, and operation of all City-owned or operated public parking facilities within the City of Burbank. Revenue sources include monthly parking permit fees, lease fees, the Downtown Public Facility Maintenance District levy, and various public-private parking agreements within the downtown area. The FY 2015-16 Parking Authority Budget includes \$871,755 in appropriations to provide for the maintenance of City-owned public parking lots and structures as well as the City's share of operating expenses for privately owned parking structures that contain a public parking component. The Parking Authority Fund has experienced several years of operating losses, and its expenses will once again exceed its revenues in FY 2016-17. With no other identified revenue source, the Parking Authority will receive \$80,000 in supplemental funding from the General Fund for operations and maintenance in FY 2016-17. This fund

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will require future action on the part of the City Council to enhance revenues in order to keep pace with maintenance and utility costs.

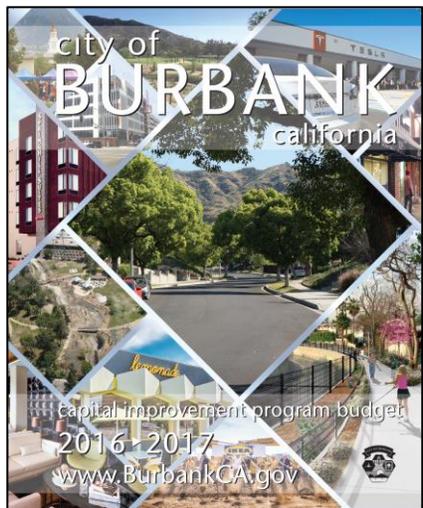
## **STATE BUDGET IMPLICATIONS FOR THE FY 2016-17 BUDGET**

In June, Governor Brown signed the FY 2016-17 State of California Budget including a State General Fund Budget of \$122.5 billion, the largest in California's history. As enacted, the budget largely maintains the status quo for local agencies. The Governor's overriding message is the importance of preparing for an inevitable recession. He points out that economic recoveries typically last five years, and California is currently in its seventh year of expansion. To support this, the adopted budget includes increasing the voter approved Rainy Day Fund by \$2 billion in FY 2016-17. Despite recessionary concerns, the backlog in infrastructure maintenance and a lack of funding is enough of an issue that the Governor's January budget proposal included a major increase to transportation funding, requiring legislative approval for additional taxes and fees. While significant support exists in the Legislature, it did not have the votes to pass by the June 15 State budget deadline. The Governor's transportation funding proposal was removed from the budget and will be addressed in a special session.

City staff continues to monitor State and Federal legislation throughout the year as it relates to the City's Budget.

## **CAPITAL IMPROVEMENT PROGRAM**

Although the Capital Improvement Program (CIP) Budget document is developed in conjunction with the operating budget, it is submitted separately in order to provide more detailed information for each of the



173 capital projects taking place within the City of Burbank. The document itself is a cooperative effort among City staff responsible for their respective projects. Major capital improvements can often be complex projects requiring several years of strategic planning, design, funding, and ultimately, construction. The CIP is a five-year program designed to tie the planning of capital improvements to realistic, reliable funding sources to ensure that both planning and implementation of such projects are balanced with available resources.

Of the City's total budget for FY 2016-17, approximately 9 percent is appropriated for Capital Improvements. The multi-year Capital Improvement Program totals \$392 million, including FY 2016-17 appropriations of \$60 million and prior year appropriations of \$209 million. Approximately \$123 million in future year appropriations will be required to complete all of the projects included in this year's Capital Improvement Program Budget.

Investing in the City's aging infrastructure has been identified as one of the City Council's top priorities for the past several years, and one of the City's biggest financial challenges. Currently the City's General Fund contributes \$1 million annually out of available budget savings into an Infrastructure Replacement Reserve account and an additional \$1.2 million per year to specifically address the City's streets and roadways in order to stabilize the overall pavement condition throughout the City. However, while progress has been made, it is estimated that an additional \$5 million annual investment is required to address the current backlog of maintenance on the City's infrastructure and update all of Burbank's aging facilities to a level that meets the growing needs of this community.

Staff continues to maintain a comprehensive list of the City's projected capital and infrastructure needs over the next ten years. This list is reviewed annually by the City Manager and City Staff and categorized by priority level. While the City continues its efforts to seek out grants for projects, leverage projects with non-General Funds and/or restricted funds and invest in capital projects that result in reduced operating costs, the City's backlog of maintenance and overall funding gap for capital projects continues to grow with each passing fiscal year.

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## **CITYWIDE DEVELOPMENT HIGHLIGHTS**

As always, there are numerous City projects occurring throughout the year. The following highlights a few of the more significant projects that have been completed or are underway throughout the City.

- On July 21, 2016 the City celebrated the grand re-opening of Johnny Carson Park with a free concert in the park. The renovations included a complete redesign of the park, streambed restoration and the replacement of water and electrical systems to enhance resource conservation. The City was awarded over \$2.2 million in grant funds towards the rehabilitation of this 17.6 acre park.



- Construction continues on the Interstate 5 High Occupancy Vehicle (HOV) / Empire Avenue Interchange Project. This project is a series of enhancements to the Interstate 5 Freeway in Burbank between Magnolia Boulevard and Buena Vista Street, and includes a new interchange at Empire Avenue. Led by Caltrans and funded by federal, State, and Los Angeles County transportation sales tax funds, this project will relieve congestion along Interstate 5 while providing an important local street connection across the freeway to provide better access to the Empire Center and Bob Hope Airport.
- The City continues to work towards improving the pavement condition on Burbank's streets and roadways. In FY 2016-17, design and construction was completed for improvements on 113 blocks of residential streets. Nearly \$3.8 million from a variety of funding sources has been appropriated for street improvements in FY 2016-17.
- Six City parks are scheduled for play equipment replacement and upgraded shade structures, including Earthwalk, Ralph Foy, Lincoln, Mountain View, Verdugo and Vickroy Parks. Additionally, restroom renovation projects are commencing for Brace Park, Maxam Memorial Park, Valley Park, Verdugo Park, and the Joslyn Senior Center.

## **CITY COUNCIL GOALS**

The goals of the City Council are central to the efforts of City staff in all activities of the City and the decision making process throughout the development of the budget. The most recent City Council Goal Setting workshop took place on August 22, 2015. In advance of the meeting, the City Council was given a list of approximately 60 topics of different city wide needs. Each Council Member was directed to choose which topics required additional time or resources in the next 1-2 budget cycles over and above what is already being done. The majority of the City Council identified the following 16 priorities as their highest goals for the next 1-2 years.



- Develop a detailed 5-year Capital Plan to address unfunded projects
- Identify funding for and move forward with Starlight Bowl improvements
- Aggressively seek Airport area Economic Development and Transit Oriented Development opportunities
- Seek construction of additional soccer fields
- Traffic management
- Seek to develop additional Affordable / Workforce Housing opportunities (public or private)

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- Develop land use and enforcement policies to facilitate the various Residential-Commercial interface disputes
- Seek a more robust civic outreach/engagement effort, especially relating to policy-setting or public hearing matters
- Move forward aggressively with the High Speed Rail Station Planning study
- Move forward with plans for a new Central Library facility
- Further upgrade Public Transit programs
- Move forward with design for a dog park
- Increase Library operations funding
- Enhance funding for Youth Services
- Enhance tourism marketing
- Move forward with bikeway improvement projects

## CONCLUSION

The adopted budget represents a tremendous amount of work by Department Managers and key members of their staff, and I would like to thank all of those responsible for the successful completion of this year's budget. Special thanks go to the Financial Services Department Budget Staff, who spent countless hours developing this budget into a single working document. Lastly, I would also like to thank the City Council for their leadership as policymakers throughout the budget process, and for making difficult, yet responsible decisions that will guide this City through uncertain economic times. I am proud and confident that this year's FY 2016-17 Budget meets the needs of the Burbank community.

The budget adopted by the Burbank City Council funds top notch safety and emergency services, traffic mitigation and street improvement projects, infrastructure upgrades, responsible and reliable delivery of utilities, and a multitude of community programs and services which benefit youth, seniors and residents of all ages. However, there is still much work to be done and tough decisions to be made in the coming years. The FY 2016-17 Budget assumes the use of one-time funds to close this projected gap while City staff and City Council work together to develop long term sustainable strategies to correct the structural deficit and address the backlog of infrastructure and capital needs facing the City in the coming years.

Fortunately for Burbank, we are still in much better financial condition than our neighboring cities both in Los Angeles County and throughout the State. This is largely due to our historically conservative approach to fiscal matters and the solid financial policies adopted by the Council. We have a diverse revenue base, and we continue to make strong efforts in economic development which will help provide fiscal health into the future, and allow us to continue to provide quality municipal programs and services to our residents. Renowned UCLA Basketball coach John Wooden once said "The most important key to achieving success is to decide upon your goal and launch, get started, take action, move." As leaders of this City, we must continue to look towards the future and take strategic actions to encourage revenue growth, retain our best employees and address the City's growing infrastructure and capital needs, while still maintaining the values of the Burbank community.

Thank you for allowing me the opportunity of playing a role in the continuing success of this great City.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ron Davis".

Ron Davis  
City Manager