Fiscal Year 2019-20
Proposed Budget

Budget Study Session
April 16, 2019
Review of Budget Binder Materials:

Budget Binder is organized with 31 Sections/Tabs:

1. Review of Proposed Budget
   • Staff report provided for the budget presentation

2. New Budget Requests
   • City Manager approved budget requests submitted by departments

3. Infrastructure Investment Plan
   • Non-Utility Funding plan for programmatic capital and new CIP

4. City Needs List
   • Unfunded Existing and New Infrastructure Needs lists and Operational Needs list
Review of Budget Binder Materials:

5. Budget Summaries
   • High level overview of the Citywide and General Fund proposed budgets

6. Revenues
   • Overview of Citywide projected revenues and descriptions

7-28. General Fund department’s line item budgets, followed by individual budgets for all City fund
Review of Budget Binder Materials:

29. Agreements and Contracts List
   • List of contracts City Council is authorizing with budget adoption

30. Fee Schedule Changes
   • Citywide fee schedule detailing all new fees and changes to the citywide fee schedule

31. Supplemental Materials
   • Additional budget materials including requested Discussion Papers
Availability of Budget Materials Provided:

- Burbank Public Libraries
  - Central Library
  - Buena Vista Branch Library
  - Northwest Branch Library
- Financial Services Department Public Counter
- City Clerk Office Public Counter
- City of Burbank website [www.BurbankCA.gov](http://www.BurbankCA.gov)
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>February 7</td>
<td>Budget Study Session – Pension Costs</td>
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<tr>
<td>February 19</td>
<td>Budget Study Session – Infrastructure</td>
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<tr>
<td>April 16</td>
<td>Citywide Overview, General Fund, BWP, Water Reclamation &amp; Sewer, Refuse Collection &amp; Disposal</td>
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<tr>
<td>April 30</td>
<td>FY 2019-20 Infrastructure Plan, Internal Service Funds, Special Revenue Funds</td>
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<tr>
<td>May 7</td>
<td>Utility Rates Public Hearing and Adoption</td>
</tr>
<tr>
<td>May 14</td>
<td>Citywide Budget Public Hearing and Adoption</td>
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</table>
FY 19-20 Total City Budget: $667,855,649

- Special Revenue Funds, $51,835,150
- Internal Service Funds, $59,183,459
- Successor Agency, Housing Authority, $9,465,613
- Parking Authority, $921,066
- Water Reclamation & Sewer, $24,508,549
- Refuse Collection and Disposal, $19,295,435
- Water and Electric (BWP), $294,921,427
- General Fund, $197,422,310
- Special Revenue Funds, $51,835,150

Total City Budget: $667,855,649
FY 19-20 Total City Budget: $667,855,649

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- Parking Authority, $921,066
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- Special Revenue Funds, $51,835,150
- Housing Authority, $10,302,640
- Parking Authority, $921,066

Average Revenue Growth: 2.6%
General Fund 5 Year Financial Forecast
#s in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Revenue Growth: 2.6%</th>
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<tbody>
<tr>
<td>2019-20</td>
<td>$184.3</td>
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<tr>
<td>2020-21</td>
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<td>$202.4</td>
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<tr>
<td>2023-24</td>
<td>$207.3</td>
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Recurring Surplus:
- 2019-20: $5.5
- 2020-21: $2.7
- 2021-22: $0.5
- 2022-23: $0.8
- 2023-24: $3.1
### City of Burbank

#### Three Essential Elements to Secure Burbank’s Future

<table>
<thead>
<tr>
<th>Element</th>
<th>Investment</th>
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<tr>
<td>Operating Deficit</td>
<td>($30.5)M</td>
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<tr>
<td>1) Measure T: In-Lieu Transfer</td>
<td>$12.5 M</td>
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<tr>
<td><strong>Complete</strong></td>
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<tr>
<td>2) Council &amp; Labor Initiatives</td>
<td>$9 M</td>
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<tr>
<td><strong>In Progress</strong></td>
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<tr>
<td>3) Potential New Revenue Source</td>
<td>$20 M*</td>
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<tr>
<td>Remaining Balance</td>
<td>$11 M</td>
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</table>

*Revenue estimate based on potential 3/4 cent Sales Tax Measure

- Operating Safety: $1 M
- Enhancements: $2.5 M
- Street Pavement: $2.5 M
- To begin addressing Infrastructure: $7.5 M
- Repairs & Maint.: $11 M
- **Total Investment**: $11 M
Essential Element 1: Measure T
Burbank Water and Power Fee Transfer

- 81.24% PASSING VOTE – June 5, 2018 Statewide Primary Election
- Since 1950’s, the City has transferred up to 7% of BWP gross annual sales of electricity to the General Fund in-lieu of other taxes paid by a private utility such as Property Taxes and Franchise Fees.
- Pays for City of Burbank services such as Police, Fire, Library and Street Lights
- Measure T preserved $12.5 million in annual General Fund revenue
Essential Element 2: City Council and Labor Initiatives

Estimated $9 Million Recurring Savings

- Labor pays 1/2 of Pension Cost: $3.7
- Market Compensation Policy: $2.0
- Workers Compensation Savings: $1.2
- Fee Study: $1.2
- CalPERS Liability Pre-Payment: $0.9
Update on Council and Labor Initiatives

- Market Labor Policy

  - Employee Compensation & Pension Cost Sharing Policy
    - Adopted September 2016 and amended for pension costs January 2018
    - States that in order to recruit and retain a qualified workforce, we will compensate employees at the average of Burbank’s relevant labor market.

  - Market rate is determined as the AVERAGE pay calculated through a salary survey of relevant market/cities

  - Forecast assumes market rate pay plus on-going 2% annual market rate increase
Update on Council and Labor Initiatives

- Labor Pays ½ of Pension Normal Cost
  - Employee Compensation & Pension Cost Sharing Policy
    - Adopted September 2016 and amended for pension costs January 2018
    - Fully implemented by FY 2021-22
  - Current General Fund Forecast assumes an additional $3.7 million in annual recurring savings achieved by fully implementing the 50/50 cost share across all labor groups
Update on Council and Labor Initiatives

- Workers Compensation Savings

  ➢ Through FY 2018-19 we achieved $1.2 million in annual General Fund savings.
  ➢ FY 2019-20 an additional $1.5 million citywide savings
    - FY 2019-20 General Fund annual workers compensation savings $750,000

  ➢ TOTAL GENERAL FUND ANNUAL SAVINGS: $1.9 million
Update on Council and Labor Initiatives

- Fee Study Implementation
  - Set City service fees to recover cost of service provided subject the City’s Cost Recovery Policy
  - PASS program helps ensure that lower income residents can access valued City services and facilities
    - 500+ PASS program participants to date
Update on Council and Labor Initiatives

- CalPERS Liability Pre-Payment
  - FY 2018-29 Savings $811,000 Citywide
  - FY 2019-20 Savings $940,000 Citywide

- New Council and Labor Initiatives
  - Required to keep pace with evolving community needs
  - Finding “Better Business Models” to provide more for less
  - Five new initiatives proposed for Council consideration
Essential Element 3: Measure P
Measure P – Burbank Infrastructure and Community Services Protection Transaction and Use Tax

- 61.79% PASSING VOTE – November 6, 2018 Midterm Election

- General purpose ¾¢ local sales tax, projected to provide approximately $20 million annually

- Measure P revenues will help preserve valued City services and resident quality of life by providing much needed revenue to address the City’s two largest liabilities.
Financial Road Map for the Future:

1. Identify, initiate, and implement New Council and Labor Initiatives – Create a culture of continual evolution and improvement

2. Address unfunded Infrastructure needs totaling $470 million for existing City assets alone

3. Reduce increasing City pension costs and address the Unfunded Pension Liability totaling $349.9 million
Proposed New Council and Labor Initiatives

- **Parking Management/Paid Parking**
  - Manage parking throughout the City while generating a revenue stream to support parking enforcement and parking infrastructure.

- **Updated Development Impact Fees**
  - Modernize Development Impacts to ensure developers are contributing fairly towards City impacts. Revenues are used to fund capital improvements identified in the City’s infrastructure blueprint to mitigate the impact brought by new development.
Proposed New Council and Labor Initiatives

- **Short-Term Rentals (i.e. ARBNB or VRBO)**
  - Capture appropriate business tax and TOT revenues from short-term stay rental businesses already operating in the City.

- **EMS Delivery Model Study**
  - $60,000 included in FY 2019-20 budget to study alternative business models for providing emergency medical response services.

- **Needs Based Staffing Policy**
  - Propose financial policy for Council adoption on the need for all MOU agreements to allows the City to determine staffing levels
General Fund Top Financial Priorities

**Pension Liability**
- Pay Down Pension Liability
- Reduce City’s Annual Pension Cost
- Risk of Future CalPERS Changes & Market Performance

**Unfunded Infrastructure Needs**
- Improve Street Pavement
- Deferred Maintenance & Programmatic Capital
- New Community Assets (Library, Dog Park, Soccer Fields, etc.)
Infrastructure Funding
Measure P – Burbank Infrastructure and Community Services Protection Transaction and Use Tax

- Infrastructure Maintenance, Repair, and Improvement Funding Commitment Policy - Adopted October 2018
  - No less than 50% of Measure P revenue dedicated to infrastructure repairs, maintenance and improvements.
  - Annual General Fund infrastructure funding commitment of $4.7 million to ensure new revenue does not supplant previous funding.

- Oversight to be provided by a new *Infrastructure Oversight Board*

- Infrastructure Presentation scheduled on Tuesday, April 30th City Council Meeting
General Fund Pension & Benefits: Average Cost per FTE

**FY 2019-20**

**Police**
- Pension Normal: $29,036
- Pension UAL: $38,967
- Total Pension Cost: $68,003

**Fire**
- Pension Normal: $20,724
- Pension UAL: $29,991
- Total Pension Cost: $50,715

**Miscellaneous**
- Pension Normal: $6,563
- Pension UAL: $14,946
- Total Pension Cost: $21,509

**FY 2023-24**

**Police**
- Pension Normal: $33,726
- Pension UAL: $55,744
- Total Pension Cost: $89,470

**Fire**
- Pension Normal: $24,037
- Pension UAL: $48,483
- Total Pension Cost: $72,520

**Miscellaneous**
- Pension Normal: $8,121
- Pension UAL: $20,516
- Total Pension Cost: $28,637
Proposed Normal Cost Reduction Strategies

- **Employee Benefit Formula Reduction**
  - Public Employees’ Pension Reform Act of 2013 Benefit Reduction:
    - Final compensation based on 3-year highest average
    - Reduction in pension-qualifying differentials

<table>
<thead>
<tr>
<th></th>
<th>MISCELLANEOUS</th>
<th>POLICE</th>
<th>FIRE</th>
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<tbody>
<tr>
<td>Classic Members</td>
<td>2.5% @ 55</td>
<td>3.0% @ 50</td>
<td>3.0% @ 55</td>
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<td>(Pre-January 2013)</td>
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<tr>
<td>New Members</td>
<td>2.0% @ 62</td>
<td>2.7% @ 57</td>
<td>2.7% @ 57</td>
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<tr>
<td>(Post-January 2013)</td>
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- **Increase Employee Contribution toward Pension Costs**
  - Financial Policy all employees to pay 50% of pension normal cost
PEPRA Employee Growth

![Chart showing employee growth for PEPRA and Classic categories for different years.]
## Update on Council and Labor Initiatives

<table>
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<th>POLICE</th>
<th>FIRE</th>
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<tr>
<td>Employer</td>
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<td>10.25%</td>
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<tr>
<td>Employee</td>
<td>12.75%</td>
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</tr>
<tr>
<td>Employee %</td>
<td>50%</td>
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</table>

**CLASSIC**

**PEPRA**

FINANCIAL POLICY GOAL

FINANCIAL POLICY GOAL ACHieved
Projected General Fund UAL Payment

Total Unfunded Pension Liability: $349.9 Million
Proposed UAL Cost Reduction Strategies

- **Pay down your liability to CalPERs**
  - Use one-time funds to pay down the unfunded liability
  - Improves long-term cash flow by reducing future payment amounts
  - Generate significant interest expense savings

- **Establish a §115 Supplemental Pension Trust**
  - Can be used by local governments to fund essential governmental functions (i.e. retiree healthcare, pension)
# Citywide Proposed Pension Funding Plan

## Table: Pension Funding Plan

<table>
<thead>
<tr>
<th>PLAN</th>
<th>TOTAL 4-YEAR COMMITMENT</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>INTEREST SAVINGS</th>
<th>PAY-OFF PERIOD</th>
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<td>Miscellaneous*</td>
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<td>$ 8,000,000</td>
<td>$ 8,000,000</td>
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<td>$ 3,000,000</td>
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<td>$ 2,000,000</td>
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<td>$ 1,000,000</td>
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<td>$15,000,000</td>
<td>$13,000,000</td>
<td>$13,000,000</td>
<td>$12,000,000</td>
<td>$62,958,559</td>
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</table>

### General Fund Commitment

|            | $ 36,000,000 | $10,000,000 | $ 9,000,000 | $ 9,000,000 | $ 8,000,000 | $45,026,368         |

* Approximately 50% funded by General Fund
General Fund Funding Source: Proposed Pension Funding Plan

FY 2019-20

$10 million
Source: FY 2018-19 General Fund Spendable Balance
$10 million*
*Remaining General Funds Spendable balance $29.7 million

FY 2020-21

$9 million
Source: Projected FY 2019-20 Recurring Balance $8.5 million
General Fund Spendable fund balance $500k

FY 2021-22

$9 million
Source: Projected FY 2020-21 Recurring Balance $6 million
General Fund Spendable fund balance $3 million

FY 2022-23

$8 million
Source: Projected FY 2021-22 Recurring Balance $1.5 million
General Fund Spendable fund balance $6.5 million
Projected General Fund UAL Payment: with Proposed Pension Funding Plan

$16,000,000, $18,000,000, $20,000,000, $22,000,000, $24,000,000, $26,000,000, $28,000,000, $30,000,000, $32,000,000, $34,000,000
WHAT IF: Investment Return 6.75%

Projected General Fund UAL Payment at 6.75% CalPERS

Investment Return
§115 Supplemental Pension Trust

- Allows the City to reserve funds to absorb funding volatility as a result of economic downturns or future actuarial changes
- Expanded investment options allow for a higher yield earnings
- Funds can be used to reimburse the City for payments to CalPERs
- CalPERs will offer a §115 Supplemental Pension Trust to participating agencies in FY 2019-20
- Funding Source: allocate portion of future recurring savings generated by pension funding plan
Proposed Pension Funding Commitment Policy

In effort to ensure employee pension benefits are responsibly funded, the City will require that any yearend General Fund balance, in excess of 6% of the General Fund’s budgeted recurring appropriations, be used to fund employee pension liabilities (either through a 115 trust or through direct payment to the benefit administrator i.e. CalPERS). This annual funding commitment will be required if employee pension benefits are less than 90% funded.*

*The pension funding commitment should not cause the General Fund balance to decline below $10 million.
General Fund Revenues by Source: $190,031,006

- Sales Tax, $47,271,124
- Property Taxes, $56,038,673
- Utility Users Tax, $18,058,907
- Service Charges, $17,208,512
- Intra City Service Charges, $12,809,735
- Transient Occupancy Tax, $12,465,000
- Parking/Traffic/Other Fines, $2,500,200
- Interest/Use of Money, $2,070,140
- In Lieu of Tax, $9,236,303
- Transient Parking Tax, $3,494,805
- Business Taxes, $2,300,000
- Franchises, $1,524,179
- Intergovernmental Revenues, $983,533
General Fund Revenue Trends

- **Property Tax:**
  - FY 2019-20: $56 million
  - 30% of General Fund revenue
  - Outlook: Stable 3% annual growth projection

- **Sales Tax:**
  - FY 2019-20: $47 million – Includes 50% Measure P revenue
  - 25% of General Fund revenue
  - Outlook: Stable 2% annual growth projection

- **Utility Users Tax:**
  - FY 2019-20: $18 million
  - 9% of General Fund revenue
  - Outlook: 0% growth to a slight decline in the growth expectation
General Fund Revenue Trends

- **Service Charges:**
  - **FY 2019-20:** $17 million
  - 9% of General Fund revenue
  - Outlook: 24% growth expected in FY 2019-20 long-term growth projected at 2%

- **In-Lieu of Tax:**
  - **FY 2019-20:** $9 million
  - 5% of General Fund revenue
  - Outlook: 0% growth to slight decline long-term

- **Transient Parking Tax:**
  - **FY 2019-20:** $3.5 million
  - 2% of General Fund revenue
  - Outlook: Projected conservatively to grow 2.5% annually.
General Fund Revenue Trends

- **Transient Occupancy Tax:**
  - FY 2019-20 $12.5 million
  - 6.6% of General Fund revenue
  - Outlook: Projections include the addition of one new hotel property in FY 2020-21. Subsequent annual growth expected at 3%.

- **Building Permits/License Fees:**
  - FY 2019-20 $4 million
  - 2% of General Fund revenue
  - Outlook: FY 2018-19 grew 17% over the prior year, a slight revenue decline is projected for FY 2019-20 as demand is expected to normalize with stable 2-3% growth following.
General Fund Fee Schedule Highlights

- New Fees for Building and Planning
  - Allocates costs appropriately to citywide improvement and development projects
  - Provides revenue needed for improved customer service levels, and staffing to complete long-range planning

- Updated Parking Enforcement Citation Rates
  - Last time rates were updated was in 2010
  - New fee recommendation based on an 11 city survey
General Fund 5 Year Financial Forecast

#s in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
<th>Revenue</th>
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<tr>
<td>2019-20</td>
<td>$184.3</td>
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<td>2022-23</td>
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<tr>
<td>2023-24</td>
<td>$198.5</td>
<td>$180</td>
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Average Revenue Growth: 2.6%

Recurring Surplus:
- 2019-20: $5.5
- 2020-21: $2.7
- 2021-22: $0.5
- 2022-23: $0.8
- 2023-24: $3.1

Expenses: $207.3
Revenue: $204.2
City Council

FY 2019-20 Proposed Budget $692,712  FTE 3.0

- The elected legislative and policy-making body enacting all laws and directing actions.

- Authorizes contracts, purchases and sales of City property, approves agreements, appoints City commissions, boards and committees, reviews and adopts the operating budget.

- **Budget Highlight**
  - Increase the budget for Boards and Commissions Award Dinner - $3,500
City Manager/PIO

FY 2019-20 Proposed Budget $3,191,573  FTE 11.8

Set goals and provide administrative direction for all City departments in full accordance with the policies established by the City Council.

Budget Highlight

- Use restricted PEG funding to upgrade production studio equipment - $880,000 (One-time)
City Clerk

FY 2019-20 Proposed Budget $1,406,817  FTE 9.535

- Conducts municipal elections and is responsible for coordinating voter registration services with Los Angeles County.

- Serves as Clerk to the City Council, Successor Agency, Parking Authority, Housing Authority and Public Financing Authority.

- Maintains all official city records including the Burbank City Charter and Municipal Code.

- Passport Acceptance Facility, handling all new and renewal services.
City Clerk Budget Highlights

- **Recurring**
  - Two position upgrades in the Records Section and Passport Program - $12,361. Partially offset by passport revenues.
  - New Clerical Worker position (0.625 FTE) to support the Electronic Content Management System (ECMS) Project $31,911
  - Increases to various MS&S accounts totaling $4,350 after revenue offset.
City Treasurer

FY 2019-20 Proposed Budget $867,301  FTE 5.0

- Processed 196 investment transactions (calls, purchases, sales, maturities) totaling $195,393,000
- Processed 616 non-investment related wires totaling $161,135,000
- Deposited Cash: Treasurer’s Office $1,862,000, Burbank Water and Power $5,598,000, for a total of $7,460,000
- No new budget requests.
City Attorney

FY 2019-20 Proposed Budget $4,100,754  FTE 18.0

- Carries out the goals, policies and directives established by the City Council.

- Represents the City, its officers and employees in litigation filed by and against the City.

- City Prosecutors file on average of over 4,000 cases each year.
City Attorney Budget Highlights

- **Recurring**
  - Ongoing services for Police Strategic Oversight - $75,000

- **Non-Recurring**
  - OneDevice technology for City Prosecutors allowing for immediate updates to CAO Case Management System - $8,720
Management Services

FY 2019-20 Proposed Budget $6,193,885  FTE 46.262

- Provides citywide training and support services to departments.
- Provide job search resources through the WorkForce Connection and employment opportunities for the City’s youth.

- **Budget Highlight**
  - One-time request of $19,250 for assessment of Citywide printing services
Financial Services

FY 2019-20 Proposed Budget $5,694,910  FTE 32.8

- Budget, Accounting, Revenue, Purchasing, Payroll, Accounts Payable, Accounts Receivable and Collections, Fixed Asset Management, Deferred Compensation Administration, Debt Management and Internal and External Audit Management

- Received the National Achievement Awards for the CAFR and City Budget documents from GFOA and CSMFO and the Achievement of Excellence in Procurement award through the National Procurement Institute.

- **Budget Highlight**
  - One-time request of $78,000 to upgrade Hyperion Public Sector Planning & Budgeting Software.
Parks & Recreation

FY 2019-20 Proposed Budget $25,377,647  FTE 168.297

- Administration, Landscape and Forestry Services, Recreation Services and Community Services

- Maintains and operates 41 public parks and facilities, offers recreation service programs and year-round community events

- Administers senior and human services and provides 70,000 meals to seniors age 60+

- Maintains 33,000 trees, 125 acres of maintained park property, 18 playgrounds, and 15 ball fields
Parks & Recreation

- New Golf Course contract (PR27A)
  - Anticipated Revenues: $3,086,069
  - Proposed Appropriations: $2,837,808

- Will be reviewed at the May 7, 2019 City Council Meeting
Parks & Recreation

- Recurring Budget Requests
  - Administrative Analyst I (M), PASS Program - $84,880 (Revenue Offset)
  - Sports Officials Contract Compliance - $315,500 (Revenue Offset)
  - Youth Sports Contract Services - $110,000 (Revenue Offset)
Parks & Recreation

- Non-Recurring Budget Requests
  - New and replacement equipment for Forestry and Landscape Services - $395,611
    - Includes Mini Excavator, Skid Steer Loader, Chippers and chainsaw replacements.
  - $14,000 from Art in Public Places to fund the Utility Box Beautification Project
Library Services

FY 2019-20 Proposed Budget $7,704,104  FTE 64.015

- With three branches, provides access to formal and informal learning opportunities through its collection, programs and services that reach 850,000 people per year.

- Increases equity and access in the community by supporting skill-building for all ages in both traditional literacy and new digital literacies.

- Adapts and modernizes services with the goal of being more responsive to community needs while improving efficiency.

- Budget Highlight:
  - Recurring request of $15,000 to fund three new modules to the library’s primary operating software, SirsiDynix
Community Development (CDD)

FY 2019-20 Proposed Budget $10,624,509  FTE 57.840

• Preserve and protect neighborhoods

• Build a better community with transit services, land use & transportation planning, and economic development strategies

• Implement affordable housing and homeless services, programs, and strategies

• Protect life safety in the built environment
CDD Budget Highlights

- Recurring (Revenue Offset through Planning and Building Fees)
  - Planning Division staffing increases - $376,374
  - Transportation section position requests - $69,023
  - Consultant services to augment Building & Safety staff - $231,000
CDD Budget Highlights

- Non-Recurring
  - $380,000 to complete the next Housing Element Update for FY 2020-21 (Revenue Offset)
Public Works

FY 2019-20 Proposed Budget $16,417,846  FTE 90.398

- Administration, Engineering Design and Construction, Fleet and Building Maintenance, Streets, Traffic

- The Public Works Department plans, designs, builds, operates and maintains the City's infrastructure to provide a safe and reliable system to meet the needs of the community
Public Works Budget Highlights

- **Recurring**
  - Civil Engineering Associate Upgrade - $25,816 (Revenue Offset)
  - Roadway & Parkway Utility Increases - $44,565
  - $50,000 to support the Alameda North Protection Plan
Public Works Budget Highlights

- Non-Recurring
  - $125,000 to purchase various items for emergency response to maintain signal control
  - Five Year licenses for traffic camera and traffic signal control software systems - $85,000
  - Various tools, equipment and technology for traffic control, signal maintenance and the TMC - $49,000
Fire Department

FY 2019-20 Proposed Budget $36,987,284  FTE 136.0

- Fire Prevention, Fire Suppression, Emergency Medical Services (EMS), Emergency Management, Fire Apparatus & Equipment, Training & Safety and Administration

- Responds to over 11,000 emergencies annually including fires, HazMat incidents, urban search and rescues, emergency medical services, regional mutual aid needs, state and federal strike teams and miscellaneous calls

- Handles the emergency operations management of the City including the Emergency Operations Center
Fire Department Budget Highlights

- **Recurring**
  - Electronic Patient Care Reporting - $38,000 (Revenue Offset)

- **Non-Recurring**
  - Mountain fire zone hazard tree risk study - $100,000
  - Feasibility study on Emergency Medical Services (EMS) Program deployment of resources - $60,000
  - Complete purchase of 3 rescue ambulances - $130,683
Police Department
FY 2019-20 Proposed Budget $61,135,061  FTE 271.280

• Patrol, Investigations, Administrative Services and Support Services

• Respond to approximately 49,000 service calls annually with an average response time for emergency calls of 3:30

• A full-service Animal Shelter which provides animal recovery, temporary shelter, adoption services, education and enforcement to protect the welfare of animals and the community we serve

• A state-of-the-art 911 Communication Center

• An Air Support Unit which provides air borne crime suppression, responds to critical incidents, coordinates field responses and is a force multiplier that enhances officer safety
Police Department Budget Highlights

- **Recurring**
  - Administrative Analyst II – Mental Health Evaluation Team - $98,898
  - Jail Manager (New Position) - $111,706
  - Contractual increases for software and services - $46,850
Non-Departmental

FY 2019-20 Proposed Budget $17,027,907

• Appropriations that are not specific to a single City department

➤ Budget Highlights

➤ Proposed Pension Funding Plan - $9,710,000 (General Fund portion)

➤ Annual Maintenance of Effort for Infrastructure - $4.7 million

➤ Use of Budgetary Reserves for Infrastructure - $832,000
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated Recurring Revenue</td>
<td>$189,822,513</td>
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<tr>
<td>Less: Recurring Appropriations</td>
<td>(184,342,859)</td>
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<tr>
<td>Projected Recurring Balance</td>
<td>$5,479,654</td>
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</tbody>
</table>
Projected Non-Recurring General Fund Balance

Spendable Fund Balance 6/30/19  $26,742,448
Estimated Budget Savings FY 2019-20  2,765,143
Non-Recurring Revenue  208,493
Less: Formal Reserve Adjustments  (3,363,049)
Less: Contribution to Compensated Absences  (406,339)
Less: Proposed Budget Items Non-Recurring  (1,606,783)
Less: Proposed Contribution to CalPERS  (9,710,000)

TOTAL NON-RECURRING BALANCE  $14,629,913
Projected FY 2019-20 General Fund Balance

Projected Recurring Balance $5,479,654

Projected Non-Recurring Balance $14,629,913

Projected Spendable Fund Balance 6/30/20 $20,109,567

Financial Reserve Balances $33.5 million
Conclusion: General Fund Budget
FY 2019-20

- Questions?
- Up Next: Utility Funds
FY 19-20 Total City Budget: $667,855,649

- General Fund, $197,422,310
- Water and Electric (BWP), $294,921,427
- Water Reclamation & Sewer, $24,508,549
- Refuse Collection and Disposal, $19,295,435
- Special Revenue Funds, $51,835,150
- Internal Service Funds, $59,183,459
- Successor Agency, Housing Authority, $9,465,613
- Parking Authority, $921,066
- Special Revenue Funds, $51,835,150
Budget Presentation Schedule

✓ February 7  Budget Study Session – Pension Costs
✓ February 19  Budget Study Session – Infrastructure
✓ April 16  Citywide Overview, General Fund, BWP, Water Reclamation & Sewer, Refuse Collection & Disposal
❖ April 30  FY 2019-20 Infrastructure Plan, Internal Service Funds, Special Revenue Funds
❖ May 7  Utility Rates Public Hearing and Adoption
❖ May 14  Citywide Budget Public Hearing and Adoption
Update on Council and Labor Initiatives

- Labor Pays ½ of Pension Normal Cost
  - Forecast assumes full implementation by FY 2020-21

- Market Labor Policy
  - Forecast assumes market rate pay plus on-going 2% annual market rate increase

- Workers Compensation Savings
  - Additional savings anticipated in both Workers Compensation and Liability. Forecast will be finalized following receipt of updated Actuarial reports, expected early February.
Update on Council and Labor Initiatives

- Fee Study Implementation
  - FY 2018-19 Service Charge revenues exceeded forecast by $2 million
  - PASS Program participation is up to 468 residents (311 adult, 157 children)

- CalPERS Liability Pre-Payment
  - Saved a net $810,845 Citywide in FY 2018-19

- New Council and Labor Initiatives (↓Cost/↑Revenue)
  - Required to keep pace with evolving community needs
  - Finding “Better Business Models” to provide more for less
Citywide Cost Recovery Philosophy

- **Individual Benefit**
  - **Added Value**
    - **User Fees**
    - **Important Subsidized – Taxes & Fees**
    - **Core Services: General Fund-Tax Supported**

- **Broad Public Benefit**
  - **0%-20% Cost Recovery**

- **80%-110% Cost Recovery**

- **20%-80% Cost Recovery**
Pension Cost Components

- NORMAL COST
  - The costs attributed to benefits accrued for the current year of service

- UNFUNDED ACCRUED LIABILITY (UAL)
  - The accrued liability attributed to past service that are greater than the market value of the plan assets
Assumed Investment Return VS Expected Actual Results – 20 Yr. History

11.4% Expected Volatility Rate
11.5% 20 Yr. Actual Volatility Rate
10.1% 30 Yr. Actual Volatility Rate
# Employee Normal Cost Contributions

<table>
<thead>
<tr>
<th></th>
<th>POLICE</th>
<th>FIRE</th>
<th>MISCELLANEOUS</th>
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<td>Employer</td>
<td>25.89%</td>
<td>24.10%</td>
<td>16.55%</td>
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<tr>
<td>Employee</td>
<td>0.00%</td>
<td>9.00%</td>
<td>16.55%</td>
</tr>
<tr>
<td>Employee %</td>
<td>0%</td>
<td>27%</td>
<td>50%</td>
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<tr>
<td>PEPRA Employer</td>
<td>12.75%</td>
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<td>PEPRA Employee</td>
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<td>FINANCIAL POLICY GOAL ACHIEVED</td>
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<td>PEPRA Employee %</td>
<td>50%</td>
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New City Council Financial Policies

1) Employee Compensation & Pension CostSharing Policy
   • *Adopted September 2016 and amended for pension costs January 2018*

2) Pension and Other Post-Employment Benefit Funding Policy
   • *Adopted October 2018*

3) Infrastructure Maintenance, Repair, and Improvement Funding Commitment Policy
   • *Adopted October 2018*
Employee Compensation & Pension Cost Sharing Policy

Subject to the Financial Policies, and in order to recruit and retain a well-qualified workforce to provide exceptional services, we will compensate employees at a level commensurate with the average of Burbank’s relevant labor market. The City and employees will evenly share the Normal Cost of employee pensions.
Infrastructure Maintenance, Repair, and Improvement Funding Commitment Policy

The City’s objective is to maintain citywide infrastructure. To help ensure a minimum, reliable funding source for General Fund infrastructure improvements, maintenance, and repairs, the City will dedicate no less than 50% of the revenues generated through the Burbank Infrastructure and Community Services Protection Measure (Measure P, §BMC 2-4-2101, et. seq.) toward this purpose. This dedicated revenue does not supplant the previously existing General Fund commitment, but is in addition to the baseline General Fund annual commitment of $4.7 million. The baseline General Fund annual commitment is based on the average of the previous three year’s recurring General Fund infrastructure maintenance and repair funding prior to the voter approval of the Measure P (FY 2015-16, FY 2016-17, FY 2017-18).
Pension and Other Post-Employment Benefit Funding Policy

We will require responsible funding of City provided post-employment benefits. The objective being to maintain all benefits fully funded, understanding that due to the use of actuarial assumptions, actual results will vary leading to years of either over or under funded status. In all years, the City will include the greater of the actual actuarially calculated annual post-employment benefit cost or the actuarially calculated annual normal cost of the post-employment benefit as a recurring cost in the City’s annual budget. In other words, the City will pay as we go annually the cost of retirement benefits for current or past employment service. Further, the funding status of post-employment benefits will be reported to the City Council and public as an integral part of each year’s public budget presentation.
General Fund Revenues on the move...

Average Revenue Growth: 2.6%

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sales Tax</th>
<th>Prop Tax</th>
<th>UUT</th>
<th>Service Charges</th>
<th>Other Taxes</th>
<th>Other</th>
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<tr>
<td>2019-20</td>
<td>18.7</td>
<td>19.8</td>
<td>30.0</td>
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<td>56.0</td>
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<tr>
<td>2020-21</td>
<td>18.9</td>
<td>21.4</td>
<td>30.7</td>
<td>18.1</td>
<td>57.7</td>
<td>48.2</td>
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<tr>
<td>2021-22</td>
<td>19.1</td>
<td>21.9</td>
<td>31.4</td>
<td>18.1</td>
<td>59.5</td>
<td>49.2</td>
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<tr>
<td>2022-23</td>
<td>19.3</td>
<td>22.5</td>
<td>32.0</td>
<td>18.1</td>
<td>61.2</td>
<td>50.2</td>
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<td>2023-24</td>
<td>19.4</td>
<td>23.1</td>
<td>32.6</td>
<td>17.9</td>
<td>63.1</td>
<td>51.2</td>
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• Along with our updated Fee Policy the City implemented the Burbank PASS program to help ensure that all residents can access valued City services and facilities

• PASS Program participation: 543 residents (402 adult, 141 children)

• New Household Income Thresholds for FY 2019-20:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Income FY18-19</th>
<th>Income FY19-20</th>
<th>Household Size</th>
<th>Income FY18-19</th>
<th>Income FY19-20</th>
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<td>1</td>
<td>$47,657</td>
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<tr>
<td>4</td>
<td>$63,432</td>
<td>$80,861</td>
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<td>$92,871</td>
<td>$118,388</td>
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