



A G E N D A
SPECIAL MEETING: GLENDALE CITY COUNCIL

COUNCIL CHAMBER, City Hall – 613 E. Broadway, 2nd Floor
Glendale, CA 91206

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APRIL 30, 2019

- ROLL CALL** - 9:00 a.m.
- Report of the City Clerk of the City Council, re: Posting of Agenda. The Agenda for the April 30, 2019 Special Public Meeting of the City Council was posted on Thursday, April 25, 2019 on the Bulletin Board Outside City Hall.

A **SPECIAL PUBLIC MEETING** of the City Council is hereby called to meet at 9:00 a.m. on Tuesday, April 30, 2019, in the City Council Chamber, City Hall, 613 E. Broadway, 2nd Floor, Glendale, CA 91206 to Consider the Following item(s) of Business, to Wit;

- 1. Interim Director of Finance, re: Financial Status Report - March 31, 2019**
 - a. Motion to Note and File the Financial Status Report for the FY 2018-19 Third Quarter Ended March 31, 2019
 - b. Resolution Appropriating \$84,763 in Adjustments to the Adopted FY 2018-19 Budget
- 2. Interim Director of Finance, re: Budget Study Session #1**
 - a. FY 2019-20 Proposed General Fund Budget and Forecast

ADJOURNMENT



Ardashes Kassakhian, City Clerk

ACKNOWLEDGMENT OF SERVICE

Members of the public may address the City Council regarding any item in this notice. Service of the above Call for a Special Public Meeting of the City Council, at the time and place above designated, is hereby acknowledged, and the Notice required by Government Code Section 54956 is hereby waived:

Hour: ____ a.m./p.m., this ____ day of _____, 20__.

By _____ Title: City Council Member



CITY OF GLENDALE, CALIFORNIA
REPORT TO THE:

Joint City Council Housing Authority Successor Agency Oversight Board
Glendale Financing Authority

April 30, 2019

AGENDA ITEM

Financial Status Report – March 31, 2019

- 1) Motion to note and file the Financial Status Report for the FY 2018-19 third quarter ended March 31, 2019.
- 2) Resolution of appropriation approving \$84,763 in adjustments to the adopted FY 2018-19 Budget.

COUNCIL ACTION

Public Hearing Ordinance Consent Calendar Action Item Report Only

Approved for April 30, 2019 calendar

ADMINISTRATIVE ACTION

Submitted by:
Michele Flynn, Interim Director of Finance

Prepared by:
Adrine Isayan, Deputy Director of Finance

Jonathan Paul, Revenue Analyst

Mari Karamyan, Sr. Budget Analyst

Approved by:
Yasmin K. Beers, City Manager

Reviewed By:
Roubik Golanian, Assistant City Manager

Michael J. Garcia, City Attorney

Signature

Michele Flynn

Adrine Isayan
Jonathan Paul
Mari Karamyan

Yasmin K. Beers

Yasmin K. Beers for
Michael J. Garcia

RECOMMENDATION

It is recommended that the City Council approve the following:

- 1) Motion to note and file the Financial Status Report for the FY 2018-19 third quarter ended March 31, 2019.
- 2) Resolution of appropriation approving \$84,763 in adjustments to the adopted FY 2018-19 Budget.

BACKGROUND/ANALYSIS

FY 2018-19 GENERAL FUND THIRD QUARTER RESULTS

Resources

General Fund Revenues as of March 31, 2019 are estimated to be \$133.8 million, which is \$7.0 million, or 5.5%, higher than what had been received at the same point last year. This variance is due primarily to the GSA Loan Repayment, which had a higher annual amount repaid this year compared to last fiscal year (by \$5.2 million), as well as higher Property Taxes and Sales Taxes.

Based on current year tracking, we are proposing adjustments to the revenue estimates for: Utility Users Tax, by reducing the Telecommunications category by \$1.4 million (from \$7.4 million to \$6.0 million), due to the impact of consumers shifting telecommunication habits; Occupancy and Other Taxes, by reducing the Transient Occupancy Tax by \$1.1 million (from \$8.6 million to \$7.5 million), due to a combination of revenue overestimation and changes in hotel completion; and Revenue from Other Agencies, by increasing Disaster Relief Reimbursement by \$385,000 and Local Grants by \$54,000, due to revenues received to date that are normally unbudgeted due to volatility.

The table on the following page shows the estimated General Fund Resources as of March 31, 2019.

**General Fund
Resources Budget to Actuals, March 31, 2019
(In Thousands)**

	Adopted 18-19	Adjustments 18-19	Revised Resources	Estimated Receipts	% Received
Property Taxes	\$ 61,538	\$ -	\$ 61,538	\$ 35,791	58.2%
Sales Taxes	44,685	-	44,685	26,468	59.2%
UUT	29,855	(1,400)	28,455	18,607	65.4%
Occupancy & Other Taxes	16,279	(1,109)	15,170	8,742	57.6%
Licenses & Permits	9,725	-	9,725	7,192	73.9%
Revenue from Other Agencies	100	439	539	454	84.2%
Charges for Services	9,206	-	9,206	7,029	76.4%
Interfund Revenue	19,582	-	19,582	14,586	74.5%
Fines & Forfeitures	2,500	-	2,500	1,817	72.7%
Interest/Use of Money	1,550	-	1,550	1,145	73.8%
Misc & Non-Operating	1,164	178	1,342	1,033	77.0%
Transfer from Other Funds	22,186	-	22,186	862	3.9%
GSA Loan Repayment	10,040	-	10,040	10,040	100.0%
Total Revenue:	\$ 228,409	\$ (1,891)	\$ 226,518	\$ 133,767	59.1%
Use of Assigned Fund Balance	985	1,197	2,182	-	0.0%
Use of Unassigned Fund Balance	-	6,592	6,592	-	0.0%
Total Resources:	\$ 229,394	\$ 5,898	\$ 235,292	\$ 133,767	56.9%

Expenditures

As of third quarter, department expenditures are tracking as expected. Total General Fund expenditures as of March 31, 2019, are estimated to be \$168.9 million or 71.8% of total revised budget compared to \$155.5 million (70.0%) of total revised budget at the same point last year. At this point in time, staff expects department expenditures to be close to the 75% expended mark. All departments are at or well below this mark. The Transfers category exceeded the mark due to the GSA Loan Repayment being received within the first quarter, of which 20% is transferred into the Low & Moderate Housing Fund. The table on the following page shows the General Fund Expenditures as of March 31, 2019.

General Fund
Expenditures Budget to Actuals, March 31, 2019
(In Thousands)

	Adopted Budget	Recurring Adjustments	One-Time Adjustments*	Revised Budget*	Estimated Actuals	% Exp.
Administrative Services	\$ 5,788	\$ -	\$ 21	\$ 5,809	\$ 3,784	65.1%
City Attorney	3,802	-	-	3,802	2,876	75.6%
City Clerk	1,452	-	811	2,263	698	30.8%
City Treasurer	794	-	38	832	598	71.9%
Community Development	17,465	175	1,854	19,494	13,120	67.3%
Comm. Services & Parks	12,831	-	157	12,988	9,209	70.9%
Fire	59,415	359	2,060	61,834	46,274	74.8%
Human Resources	3,187	-	-	3,187	1,700	53.3%
Innov., Performance, & Audit	1,384	-	-	1,384	942	68.1%
Library, Arts & Culture	10,560	-	104	10,664	7,960	74.6%
Management Services	4,619	-	349	4,968	3,447	69.4%
Police	87,315	-	336	87,651	64,228	73.3%
Public Works	15,248	-	902	16,150	10,461	64.8%
Transfers	3,926	-	273	4,199	3,624	86.3%
Sub-Total:	\$227,786	\$ 534	\$ 6,905	\$235,225	\$168,921	71.8%
<i>Pending Approval 3rd Qtr. Adj.</i>	-	67	-	67	-	0.0%
Total Expenditures:	\$227,786	\$ 601	\$ 6,905	\$235,292	\$168,921	71.8%

* Includes Carryovers and Adjustments

Projected General Fund Ending Fund Balance, June 30, 2019

The City's beginning unassigned & charter reserve fund balance for the FY 2018-19 is \$75.5 million with a reserve percentage of 33.2%. After considering all projections for revenues, expenditures and carryovers, staff anticipates closing the FY 2018-19 with a \$189 thousand use of fund balance. This will decrease the unassigned & charter reserve fund balance estimate to approximately \$75.3 million and the reserve percentage to 33.1%, which is still within the Council's policy reserve percentage range of 25% to 35%. A summary of the projected unassigned & charter reserve fund balance for FY 2018-19 is provided below.

General Fund
Projected Fund Balance, June 30, 2019
(In Thousands)

	Changes to Fund Balance	Unassigned & Charter Reserve	% of Budget*
Beginning Fund Balance, 7/1/2018		\$ 75,533	33.2%
Projected Year-end Savings, 6/30/2019	2,378		
Less: Pending 3 rd Quarter Adjustment	(67)		
Less: Projected Carryovers into FY 2019-20	(2,500)	(189)	
Projected Ending Unassigned & Charter Reserve, 6/30/2019		\$ 75,344	33.1%

* Reserve percentage is based on FY 2018-19 adopted appropriation of \$227.8 million. Current policy is a floor of 25% and a target of 35%, which was adopted in July, 2017.

Authorized Full-Time Positions

As of first quarter, the revised authorized full-time salaried position count for FY 2018-19 was 1,587. Since then, two Administrative Analyst positions have been approved by Council as part of the Housing Renter Rights program. As for the General Fund, there were multiple shifts in various departments across funds, resulting in a total increase of two salaried positions in the General Fund. Thus, the revised authorized full-time salaried position count is 1,589 with 897 positions in the General Fund. As of the third quarter, staff is requesting the addition of one Assistant City Attorney position in the General Fund. If this request is approved, the revised authorized, full-time salaried position count for FY 2018-19 will be 1,590 positions, with 898 positions in the General Fund. A summary is provided in the table below.

Authorized Full-Time Salaried Positions

	<u>Revised 2017-18</u>	<u>Adopted 2018-19</u>	<u>Revised 2018-19</u>	<u>Proposed 2018-19</u>
All Funds	1,587	1,588	1,589	1,590
General Fund	882	894	897	898

FISCAL IMPACT

Staff is proposing \$84,763 in adjustments to the adopted FY 2018-19 Budget. A description of each adjustment is presented below:

1) *General Fund:*

- a) The City Attorney’s Department is requesting \$66,763 in funding from the General Fund Undesignated Fund Balance for the addition of an Assistant City Attorney position. This requested amount is what the department expects will be needed for the remainder of FY 2018-19. The full annual cost of the position is estimated to be \$200,289.

2) *Non General Fund:*

- a) The Library, Arts & Culture Department is requesting \$18,000 in the Library Fund (Fund 2750) to appropriate grant funding received from the Verdugo Workforce Development Board for literacy services.

ALTERNATIVES

Alternative 1: The City Council may approve

- 1) Motion to note and file the Financial Status Report for the FY 2018-19 third quarter ended March 31, 2019.
- 2) Resolution of appropriation approving \$84,763 in adjustments to the adopted FY 2018-19 Budget.

Alternative 2: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

Not applicable.

EXHIBITS

Not applicable.

MOTION

Moved by Council Member _____,

Seconded by Council Member _____,

that the financial status report for the fiscal year 2018-19 third quarter financial report for the period ended March 31, 2019, and the comments by the Council members considered on April 30, 2019, are hereby deemed noted and filed.

Vote as follows:

Ayes:

Noes:

Absent:

Abstain:

MOTION ADOPTED BY THE GLENDALE CITY COUNCIL AT THE
REGULAR MEETING HELD ON _____

APPROVED AS TO FORM


CITY ATTORNEY

DATE 4/25/19

1 A /

RESOLUTION NO. _____
RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE
MAKING AN APPROPRIATION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE:

SECTION 1: That the sum of \$84,763 in adjustments to the adopted FY. 2018-19 Budget is hereby appropriated and/or transferred from the following accounts to the following accounts:

	Accounts	Description	From	To
a)	25300-1010-000	Undesignated Fund Balance, General Fund	\$66,763	
	41100-1010-CAD-1000-P0000-T0000	Salaries, General Fund, City Attorney		\$66,763
b)	32610-2750-LAC-0000-P0000-T0000	State Grants, Library Fund, Library, Arts & Culture	\$18,000	
	41300-2750-LAC-0020-P0000-T0000; LAC000027G	Hourly Wages, Library Fund, Library, Arts & Culture, Projects		\$18,000

To appropriate funding for the third quarter budget adjustments to the adopted FY 2018-19 Budget.

SECTION 2: The Director of Finance 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 changes specified in this resolution.

SECTION 3: The City Clerk shall certify to the adoption of this Resolution.

Adopted this _____ day of _____, 2019.

Mayor

ATTEST:

City Clerk



CITY OF GLENDALE
DATE 4/24/2019
APPROVED AS TO FINANCIAL
PROVISION FOR \$ 84,763

Mr. Michele Lynn

 Director of Finance

STATE OF CALIFORNIA)
 COUNTY OF LOS ANGELES) SS
 CITY OF GLENDALE)

1 B /

I, Ardashes Kassakhian, City Clerk of the City of Glendale, do hereby certify that the foregoing Resolution No. _____ was adopted by the Council of the City of Glendale, California, at a regular meeting held on the _____ day of _____, 2019, and that the same was adopted by the following vote:

Ayes:

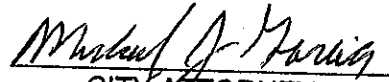
Noes:

Absent:

Abstain:

City Clerk

APPROVED AS TO FORM


CITY ATTORNEY

DATE 4/25/19