City of Sierra Madre
Community Redevelopment Agency
Public Finance Authority
Agenda Report

TO: Honorable Mayor Buchanan and Members of the City Council

FROM: Elaine Aguilar, City Manager

INITIATED BY: Karin Schnaider, Administrative Services Director

DATE: June 14, 2011

SUBJECT: PUBLIC HEARING FOR THE CONSIDERATION OF:

- RESOLUTION NO. 11-43; CRA RESOLUTION NO. 442; and PFA RESOLUTION NO. 66: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE ADOPTING THE BIENNIAL BUDGET FOR FISCAL YEARS 2011-2012 AND 2012-2013 AND APPROPRIATING THE AMOUNTS BUDGETED.
- RESOLUTION NO. 11-44: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2011-2012 AT $ 8,151,128 IN ACCORDANCE WITH ARTICLE XIII-B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA
- RESOLUTION NO. 11-45: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE ESTABLISHING A SCHDULE OF FEES AND CHARGES FOR CITY SERVICES FOR FISCAL YEAR 2011-2013.
- RESOLUTION NO. 11-46: A RESOLUTION OF THE CITY OF SIERRA MADRE APPROVING THE STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2011-2012.
- RESOLUTION NO. 11-49: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE ADOPTING SALARY MATRICES FOR MEMBERS OF THE SIERRA MADRE CLASSIFIED EMPLOYEES ASSOCATION, POLICE OFFICERS ASSOCIATION, UNREPRESENTED EMPLOYEE GROUPS (CONFIDENITAL-EXEMPT AND MANAGEMENT) AND PART-TIME AND SEASONAL EMPLOYEES

Staff is presenting the Fiscal Year 2001-2012 and Fiscal Year 2012-2013 Biennial Budget for approval by the City Council, Redevelopment Agency and the Public Finance Authority. The Budget is the City's financial plan for the period of July 1, 2011 through June 30, 2103. As part of the Budget adoption, there are seven resolutions to be considered and approved.

FOR CITY COUNCIL AGENDA_____ **AGENDA ITEM #** 2

In addition, at the conclusion of the May 24th meeting, the City Council had requested follow-up to a few items. The items were:

A. **If the voters hadn't approved Measure U in April 2008, what would have been the "inflationary" increase in UUT revenue between 2008 and 2011?**
B. **Replace $7,500 in funds in the Fire Department for training, and identify whether budget reductions are possible to "recoup" all or a portion of the $7,500.**

Lastly, the Council had not yet reviewed the Capital Improvement budget or the Redevelopment Agency budget. These budgets are being presented for consideration and adoption this evening. Staff is recommending one revision to the Redevelopment Agency budget.

ANALYSIS

Background

In March 2011 a Mid-Year Budget update was presented to the City Council for Fiscal Year 2010-2011 and staff sought general Council direction regarding the preparation of the new Biennial Budget. Then in May 2010, the FY 2011-13 proposal was reviewed by the Council, with staff returning later in the month of May with additional information regarding a few of the recommended budget reductions. At the May 28th meeting, the Council provided staff with additional direction and authorized staff to schedule tonight's public hearing and prepare the Proposed Budget.

The Budget as presented is a balanced budget (General fund) – for both fiscal years. Balancing the Budget was particularly challenging, as it was necessary to reduce General Fund expenditures by more than $900,000. To achieve a balanced budget, each department was provided with a budget reduction target. The actual recommended reductions were previously presented to the City Council for formal authorization. The chart on the next page provides a summary of the reductions by department.

(This section left blank intentionally, please see next page.)

	Midyear look at FY 2011-2012	Proposed FY 2011-2012	Final Adjustments*
REVENUES			
Property Taxes	$ 3,353,069	$ 3,394,479	$ 41,410
VLF/Property Tax Backfill	$ 893,440	$ 893,200	$ (240)
Utility User Taxes	$ 2,525,000	$ 2,625,000	$ 100,000
Sales Tax	$ 187,860	$ 191,580	$ 3,720
Franchise Fees	$ 333,250	$ 358,550	$ 25,300
Other Revenue Sources	$ 719,976	$ 787,788	$ 67,812
Total Revenue	**$ 8,012,595**	**$ 8,250,597**	**$ 238,002**
EXPENDITURES			
Administration	$ 1,669,874	$ 1,307,028	$ (362,846)
Development Services*	$ -	$ -	$ -
Police	$ 4,195,906	$ 3,850,522	$ (345,384)
Fire	$ 839,561	$ 757,241	$ (82,320)
Public Works	$ 392,197	$ 336,298	$ (55,899)
Community Services/Personnel	$ 284,088	$ 255,570	$ (28,518)
Library	$ 781,668	$ 818,580	$ 36,912
Total Expenditures	**$ 8,163,294**	**$ 7,325,240**	**$ (838,054)**
Net Budgeted Transfers, Out/(In)	$ 659,200	$ 839,157	$ 84,883
	$ (809,899) $ -	$ 86,200 $ -	$ 991,173

Note: This is exclusive of one-time use of committed reserves for General Plan and Housing Element.

The City's midyear budget had projected a shortfall of more than $800,000 for FY 2011-2012. The chart above shows the total adjustments between the original projection, and the Proposed Budget for FY 2011-2012. For details regarding each departments' budget reductions, please see Section 3 for Revenues and Section 4 for Expenditures, in the Proposed Budget document. (This staff report does not provide additional details regarding the reductions, because these reductions have been discussed at two previous Council meetings.)

It is also important to provide a general statement regarding City General fund revenues. Between 2008 and today, the majority of the increase in the total General Fund revenues is from the increase in the UUT rate. If the financial effect of the UUT rate increase is subtracted, City revenues have experienced a decline in FY 2007-2008 through FY 2010-2011; and in FY 2011-2012 and FY 2012-2013 the proposed revenues without the UUT are growing by a modest 1.5%. However, even at the close of FY 2012-2013, City revenues have not recovered to the FY 2007-2008 General Fund revenues. (Please also see chart on page 7)

Proposed Budget Document

Upon Council's authorization at the May 28th meeting, staff has prepared and is presenting the Proposed FY 2011-2012 & FY 2012-2013 Budget. (This year, staff is presenting the entire budget document, and not just the revenue and expenditure sections. Normally the "actual budget document" is not prepared until later in the month.) The Proposed Budget as presented, can be summarized by the chart on the next page. The chart summarizes the projected revenues and expenditures by Fund for FY 08-09 (Audited), FY 09-10

(Audited), FY 10-11 (projected) and for the new Biannual FY 11-12 & 12-13 Budget. Please note that the "deficits" on the chart do not reflect an "unbalanced" budget. The "deficits" reflect the use of restricted reserves that have been earmarked in prior years, for specific projects, particularly in the Capital Improvement Project area, for the Redevelopment Agency, and in the Internal Service funds. The General Fund deficit/surplus (the reflection of whether the City's General fund budget is "balanced" is shown on page 5 of this staff report.)

Citywide Comparison of Revenues to Expenditures

(Table is exclusive of Transfers In-Transfers Out)

Citywide Revenues	06-30-2009 Audited	06-30-2010 Audited	Projected FY 2010-11	Proposed FY 2011-12	Proposed FY 2012-13
General Fund	$ 6,838,736	$ 8,040,897	$ 8,060,811	$ 8,250,597	$ 8,456,349
Development Services	$ 327,046	$ 267,913	$ 477,807	$ 435,232	$ 439,585
EMS-Paramedic	$ 263,050	$ 256,786	$ 266,500	$ 241,715	$ 241,932
Gas Tax	$ 201,429	$ 157,990	$ 294,173	$ 294,173	$ 297,116
Prop A	$ 189,061	$ 165,327	$ 173,165	$ 156,767	$ 158,295
Prop C	$ 146,675	$ 127,076	$ 130,346	$ 126,716	$ 126,716
Grants	$	$ 154,549			
Special Revenue	$ 1,195,923	$ 935,823	$ 605,540	$ 487,199	$ 487,199
Assessment	$ 40,588	$ 39,883	45,491	$ 45,491	$ 45,491
Internal Services	$ 3,608,953	$ 3,421,044	$ 3,619,693	$ 3,957,241	$ 4,169,324
Business Type	$ 570,966	$ 534,357	$ 428,325	$ 382,750	$ 382,750
Sewer	$ 725,985	$ 730,821	$ 749,000	$ 731,500	$ 731,500
Water	$ 8,891,115	$ 3,194,998	$ 3,179,638	$ 3,438,472	$ 3,686,490
Redevelopment	$ 1,587,118	$ 1,423,348	$ 1,573,924	$ 1,589,663	$ 1,605,560
Revenue Total	$ 24,586,646	$ 19,450,811	$ 19,604,412	$ 20,137,516	$ 20,828,306
City Wide Expenditures					
General Fund	$ 5,681,239	$ 6,036,991	$ 7,266,947	$ 7,389,075	$ 7,562,274
Development Services	$ 456,606	$ 375,842	$ 476,370	$ 579,330	$ 593,391
EMS-Paramedic	$ 643,822	$ 679,538	$ 760,756	$ 810,301	$ 831,264
Gas Tax	$ 164,135	$ 263,410	$ 291,911	$ 452,173	$ 297,116
Prop A	$ 258,543	$ 185,741	$ 183,089	$ 156,767	$ 158,295
Prop C	$ 27,572	$ 82,389	$ 61,824	$ 404,998	$ 126,716
Assessment	$ 165,904	$ 111,380	$ 105,348	$ 101,805	$ 103,928
Special Revenues	$ 569,072	$ 232,812	$ 439,348	$ 1,180,199	$ 331,199
Grants	$	$ 77,540	$ 2,796		
Internal Services	$ 3,834,385	$ 4,631,161	$ 4,120,488	$ 3,843,127	$ 3,895,827
Business-Type	$ 670,441	$ 576,876	$ 628,014	$ 610,095	$ 604,778
Sewer	$ 627,238	$ 732,532	$ 896,577	$ 1,236,723	$ 1,125,398
Water	$ (671,863)	$ 3,234,418	$ 3,176,420	$ 3,665,492	$ 3,887,827
Redevelopment	$ 1,331,618	$ 1,168,713	$ 1,564,458	$ 4,049,826	$ 1,780,899
Expenditure Total	$13,758,714	$ 18,389,344	$ 19,974,345	$ 24,479,911	$ 21,298,911
Increase- (Decrease) in Citywide Reserves	**$10,827,932**	**$ 1,061,467**	**$ (369,933)**	**$ (4,342,395)**	**$ (470,605)**

*"deficits" shown at the bottom of this chart reflect the use of restricted reserves that have been earmarked in prior years, for specific projects, particularly in the Capital Improvement Project area, for the Redevelopment Agency, and in the Internal Service funds.

The chart below provides a one page summary of the City's General Fund revenues, expenditures and changes to net assets (or the City's surplus or deficit) for a three year time span. FY 2010-2011 column provides the most current estimate of revenues and expenditures.

General Fund Statement of Revenues, Expenditures and Changes to Net Assets

REVENUES (in thousands)	Projected FY 10-11	Proposed FY 11-12	Proposed FY 12-13
Property Taxes	$ 3,403	$ 3,394	$ 3,428
VLF-Property Tax Backfill	$ 880	$ 893	$ 907
Utility User Taxes	$ 2,500	$ 2,625	$ 2,756
Sales Tax	$ 170	$ 192	$ 197
Franchise Fees	$ 355	$ 359	$ 362
Other Revenue Sources	$ 753	$ 788	$ 806
Total Revenues	**$ 8,061**	**$ 8,251**	**$ 8,456**
Administration	$ 1,167	$ 1,307	$ 1,332
Community-Personnel	$ 281	$ 255	$ 259
Development Services	$ 0	$ 64	$ 79
Fire	$ 809	$ 757	$ 896
Library	$ 766	$ 819	$ 828
Police	$ 3,878	$ 3,851	$ 3,829
Public Works	$ 366	$ 336	$ 339
Grand Total	**$ 7,267**	**$ 7,389**	**$ 7,562**
Net Budgeted Transfers, Out-(In)	$ 647	$ 839	$ 864
Increase-(Decrease) to Net Assets	$ 147	$ 22	$ 30
Carry Over for Public Safety/General Plan	$ 400	$ 100	$ 100
Increase-(Decrease) to Net Assets	**$ 547**	**$ 122**	**$ 130**

If the carryover funds for the General Plan and Public Safety are not included in the totals, the General Fund Budget for FY 2011-12 is estimated to end the year with a slight $22,000 surplus, while FY 2012-13 is anticipated to end with a slight $30,000 surplus. If the carry-over amounts are considered, the surpluses are estimated at $122,000 and $130,000 respectively.

Regarding the personnel component of the budget, the proposed budget assumes no cost of living increases for City employees, and assumes cost savings equal to the employees paying the projected FY 2011-2012 increase in PERS costs. However, the actual savings will be contingent on negotiations with the City's bargaining units. Additionally, there are only three minor personnel changes in the new two-year budget. Two modifications only revise position titles, with no increase in costs or benefits: the Assistant Fire Chief title will be changed to Fire Chief, and one part-time Records Clerk position will be created by eliminating and equal amount of part-time Dispatcher hours. Lastly, the FY 2012-2013 budget includes the elimination of the Fire Marshall and Paramedic Coordinator positions, and the creation of three new full-time Fire Captain positions, a full-time employee increase of one (1) position in the Department.

Lastly, after considering all of the General fund revenues and all of the General Fund expenditures, the City is estimating continued growth in total General fund reserves. The City Council has established a minimum reserve level equal to 50% of the annual operating revenues. In the year 2010-2011, budgeted reserves are estimated to increase from 53% to 59% of operating appropriations; and in FY 2012-2013, they are estimated to amount to slightly less than 59%. The *General Fund Projected Totals Proposed FY 2011-2013* shows the General Fund increasing fund reserves by $122,000 in FY 2011-2012 and $130,000 FY 2012-2013. These totals assume the use of $100,000 in General Plan related committed reserves.

	Undesignated Fund Balance for General Fund (Estimated)	***Percentage of Fund Balance to General Fund Revenues (Estimated)***
Adjusted General Fund Reserves as of FY 2009-2010	**$4,246**	***53.08%***
Increase/(Decrease) to Net Assets	$486	
Projected General Fund Reserves FY 2010-2011	**$4,732**	***59.16%***
Increase/(Decrease) to Net Assets	$122	
Proposed General Fund Reserves FY 2011-2012	**$4,854**	***58.84%***
Increase/(Decrease) to Net Assets	$130	
Proposed General Fund Reserves FY 2012-2013	**$4,984**	***58.94%***

City Council Follow-Up Information

The City Council had requested follow-up on two items.

UUT Inflation

The first item pertained to a question of whether or not staff could calculate an estimated amount of naturally occurring inflationary growth in the Utility Users Tax, assuming that Measure U (the voter approved measure that increased the UUT) had not been approved by the voters. For a number of reasons, this is difficult to estimate, however, staff has made some general assumptions as described below.

The below chart provides a history of UUT revenue, beginning with FY 2007-2008. (The UUT increase was approved by the voters in April 2008, effective July 2008.) The second portion of the chart shows the amount of UUT collected from each of the utilities.

(In Thousands)	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
GENERAL FUND WITHOUT UUT RATE INCREASE	$ 6,881	$ 6,675	$ 6,632	$ 6,632	$ 6,728	$ 6.867
GENERAL FUND REVENUES WITH UUT RATE INCREASE	$ 6,881	$ 7,238	$ 8,041	$8,061	$ 8,251	$ 8,456

Year	Electricity	Communications	Water/ Sewer	Gas	Cable	Trash	Trash (one-time settlement)	Total
07-08	$ 450,904	$ 349,741	$ 178,482	$ 187,934	$ -	$ -	$ -	$ 1,167,061
08-09	$ 615,830	$ 574,575	$ 255,913	$ 207,217	$ 166,887			$1,820,422
09-10	$ 687,725	$ 927,726	$ 326,261	$ 217,862	$ 198,792	$ 104,886	$112,536	$2,575,807
Increase from 07-08 to 09-10	*$ 236,821*	*$ 577,984*	*$ 147,779*	*$ 29,948*	*$ 198,792*	*$ 104,886*	*$ 112,536*	*$1,408,746*

The general assumptions are:

1. UUT collected on electricity in 2008 was $450,904 which calculates to $75,151 per percent. Multiplied by the current collection rate of 10% the City should assume the "non-inflationary" collection in FY 2010-2011 would be $751,510. The projected UUT for FY 2010-11, is $753,639. So it could be assumed that the "inflationary" increase would be very minimal, or the difference between the $751,510 and the currently estimated $753,636, or $2,000.
2. Natural gas in 2008 was $187,937 which calculates to $31,322 per percent. Multiplied by the current collection rate of 10%, the City should assume the collection in FY 2010-2011 would be $313,223. The FY 2010-2011 estimated collection is $274,855 – which is $38,368 less than the rate estimated using a straight line assumption of $313,223. So in essence, it appears that there has been no inflationary growth, but actually a decrease.
3. Calculation of Communication UUT inflationary growth is difficult because the UUT ordinance provided for modernization of the previous ordinance that resulted in the addition of "new" communications technology. In 2008 the collection rate was $349,741

which calculates to $58,290 per percent. Multiplied by the current collection rate of 10% the City should assume the collection in FY 2010-2011 would be $582,900; however, the collection is projected to be twice that at close to $1 million. It is nearly impossible to determine the amount of the increase that is associated with inflation (based upon the "old" technology) verses what is correlated to the modernization of the UUT ordinance. One might argue that the "smart-phone" marketing is all inflation related, because we are all aware that our cell phone contracts (and fees) are much higher today, as compared to 2008. But to what extent it should be assumed inflationary growth over the base year cannot be determined. Depending on the determination regarding the "modernization" portion of the ordinance, the maximum inflationary increase could be as high as $345,000.

4. UUT on Sewer is over and above our base year of 2008. However, there is no differentiation in the city's calculation of Sewer UUT from Water UUT on the utility bills (or software). When comparing water revenue in 2008 to 2011, the City's water fund revenue has decreased $200,000; or 6%, it can only be assumed that there is no inflation in UUT related to water utility. Water in 2008 was $178,482 which calculates to $29,747 per percent. Multiplied by the current collection rate of 10% the City should assume the collection in FY 2010-2011 would be $297,470. The annual projected collection for both Water and Sewer is $326,000 ($80,000 is assumed to be Sewer and $246,000 Water) . The inflation rate might be estimated at ($51,000)

In conclusion, communications appears to be the only utility with an inflationary increase in 2011 as compared to collection rates in 2008, but this increase is offset in the negative inflation (reduction) in Natural Gas and Water UUT, and the flat Electricity UUT. Therefore, a rough assumption of the naturally incurring inflation in UUT between 2008 and today, would be estimated somewhere between $0 to $257,000 (net amount, increase less decreases), but with little certainty as to where it really lies.

Fire Department Training

The second City Council follow-up item pertained to the re-allocation of $7,500 in appropriations for Fire Department training, and to see whether any of the $7,500 increase could be offset by expenditure reductions elsewhere in the budget. The Fire Chief recommended reducing general equipment by $2,000 and reducing $3,000 in communications. The communications reduction is possible, as the Fire Chief has been phasing out the costs of pagers as improvements in technology have provided alternatives to this department expense, and he will continue this emphasis on using newer technology to keep these costs low.

Capital Improvement Projects/Expenditures and the Community Redevelopment Agency (See Attachment 3)

The City's total capital expenditures (Capital Projects and Capital Purchases) are estimated at slightly more than $3,900,000. In total, the City/Agency/Authority is estimated to use $4.3 million more in expenditures than available current revenues in

FY 2011-2012 (see last line on Attachment 2). As explained previously, this is due to the use of restricted reserves that have been earmarked in prior years, for specific projects, particularly in the Capital Improvement Project area, for the Redevelopment Agency, and in the Internal Service funds. In fact, more than half of the $4.3 million is for the use of Redevelopment reserves for CRA infrastructure improvements and other CRA programs; another 25% is from Phase III street maintenance funding in Proposition C, Measure R, and Gas Tax/Proposition 42 fund reserves; Water and Sewer maintenance is another $600,000 and the last 10% is from Facilities improvements, such as the Library.

Even with this investment in the City's infrastructure, the total unfunded capital improvements list totals $46 million. (See the full list of Capital Projects and funding on Attachment 3.) Below is a summary of capital improvement project funding. (Does not include capital purchases.)

Summary of Capital Improvement Projects

by Funding Source and Receiving Department

FUND	DEPT	FY 2011-12	FY 2012-13
REDEVELOPMENT	C-SVCS	$ 175,000	
	PW	$ 1,500,000	
REDEVELOPMENT Total		**$ 1,675,000**	
CDBG GRANT	ADMIN		
	PW	$ 35,000	$ 35,000
CDBG GRANT Total		**$ 35,000**	**$ 35,000**
FACILITIES	ADMIN		
	C-SVCS	$ 20,000	
	Fire	$ 15,000	
	Lib	$ 93,000	
	PW		$ 20,000
FACILITIES Total		**$ 128,000**	**$ 20,000**
WATER	PW	$ 389,000	$ 310,000
WATER Total		**$ 389,000**	**$ 310,000**
SEWER	PW	$ 233,000	$ 109,800
SEWER Total		**$ 233,000**	**$ 109,800**
SENIOR CENTER	C-SVCS	$ 450,000	
SENIOR CENTER Total		**$ 450,000**	
STREET PROGRAM	PW	$ 775,000	
STREET PROGRAM Total		**$ 775,000**	
Grand Total		**$3,685,000**	**$ 474,800**

Staff would like to highlight one significant change in the Redevelopment Agency budget, with respect to previously recommended capital improvement projects. Given the uncertainty with the State budget and the possibility of an alternative to the Governor's proposal to eliminate Redevelopment Agencies, it is recommended that adequate reserves be maintained to permit the CRA to participate in the possible "alternative proposal" which would permit the CRA to give funds directly to the local school district. In order to have this funding available, plus funding to pay for other on-going shifts of Agency funds to the State, it is recommended that one large capital project be removed from the list of approved Capital Improvement projects – Replacing the Pool House & Equipment estimated at $650,000. While this is staff's recommendation, the Council could decide to replace the funding for this project, or could decide to eliminate other projects equal to the $650,000 amount.

Additionally, staff has reprogrammed excess funding in the amount of $93,000, from this year's Library AC project, to other Library related projects, primarily related to lighting and electrical upgrades. As an alternative, the Council could direct that these funds go back to reserves.

CONCLUSION

Staff has presented a balanced General Fund budget that follows the City Council's Strategic Goals and priorities. Staff is asking the Council to consider for adoption:

- RESOLUTION NO. 11-43; CRA RESOLUTION NO. 442; and PFA RESOLUTION NO. 66: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE ADOPTING THE BIENNIAL BUDGET FOR FISCAL YEARS 2011-2012 AND 2012-2013 AND APPROPRIATING THE AMOUNTS BUDGETED.
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ALTERNATIVES

The City Council may wish provide further direction on the FY 2011-2013 biennial budget and direct staff to return to a future meeting.

PUBLIC NOTICE POLICY

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter and the Sierra Madre Public Library. A public hearing notice was published in the locally adjudicated paper.

STAFF RECOMMENDATION

Staff is recommending the City Council open the public hearing, receive public comment, discuss, and approve the City of Sierra Madre FY 2011-2013 Biennial Budget as presented; and adopt the various resolutions.

Attachment 1: General Fund Proposed FY 2011-2013
Attachment 2. Citywide Proposed FY 2011-2013
Attachment 3: Five Year Capital Improvement Listing
Attachment 4: City Manager Transmittal Letter
Attachment 5: City Resolutions for Consideration

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ATTAC IENT 1

City of Sierra Madre

Projected Totals

Proposed for FY 2011-2013

General Fund

	UNAUDITED FY 2010-2012	PROPOSED FY 2011-2012	PROPOSED FY 2012-2013	ESTIMATED FY 2013-2014	ESTIMATED FY 2014-2015
REVENUES					
Property Taxes	$ 3,360,870	$ 3,394,479	$ 3,428,424	$ 3,479,851	$ 3,532,049
VLF/Property Tax Backfill	880,000	893,200	906,598	920,197	934,000
Utility User Taxes	2,500,000	2,625,000	2,756,250	2,894,063	3,038,766
Sales Tax	186,000	191,580	197,327	203,247	209,344
Franchise Fees	355,000	358,550	362,136	367,568	373,082
Other Revenue Sources	718,000	787,788	805,614	813,070	824,885
Total Revenue	**$ 7,999,870**	**$ 8,250,597**	**$ 8,456,349**	**$ 8,677,996**	**$ 8,912,126**
EXPENDITURES					
Administration	$ 1,167,286	$ 1,307,028	$ 1,331,659	$ 1,371,009	$ 1,435,574
Development Services	0	63,835	78,905	0	0
Police	3,877,626	3,850,522	3,828,990	3,875,957	3,923,628
Fire	809,181	757,241	895,897	905,736	915,722
Public Works	365,616	336,298	339,216	344,304	349,468
Community Services/Personnel	281,627	255,570	258,838	262,720	266,661
Library	765,611	818,580	828,770	841,201	853,819
Total Expenditures	**$ 7,266,947**	**$ 7,389,075**	**$ 7,562,274**	**$ 7,600,926**	**$ 7,744,872**
Net Budgeted Transfers, Out/(In)	$ 646,863	$ 839,157	$ 864,166	$ 800,000	$ 800,000
Increase/(Decrease) to Net Assets	**$ 86,060**	**$ 22,365**	**$ 29,909**	**$ 277,070**	**$ 367,254**
Carryover for Public Safety/General Plan	$ 400,000	$ 100,000	$ 100,000		
Increase/(Decrease) to Net Assets	**$ 486,060**	**$ 122,365**	**$ 129,909**	**$ 277,070**	**$ 367,254**

Note: Transfers Out/(In) will occur as part of year-end.

City of Sierra Madre
Projected Totals
Proposed for FY 2011-2013
Citywide Funds

(Table is exclusive of Transfers In-Transfers Out)

	6/30/2010 Actuals	UNAUDITED FY 2010-2011	PROPOSED FY 2011-2012	PROPOSED FY 2012-2013	ESTIMATED FY 2013-2014	ESTIMATED FY 2014-2015
General Fund	$ 8,040,897	$ 8,060,811	$ 8,250,597	$ 8,456,349	$ 8,677,996	$ 8,912,126
Assessment Districts	$ 39,883	$ 45,491	$ 45,491	$ 45,491	$ 45,491	$ 45,491
Development Services	$ 267,913	$ 477,807	$ 435,232	$ 439,585	$ 446,179	$ 452,872
EMS/Paramedic	$ 256,786	$ 266,500	$ 241,715	$ 241,932	$ 245,561	$ 249,245
Gas Tax	$ 157,990	$ 294,173	$ 294,173	$ 297,116	$ 301,572	$ 306,095
Prop A	$ 165,327	$ 173,165	$ 156,767	$ 158,295	$ 160,609	$ 162,958
Prop C	$ 127,076	$ 130,346	$ 126,716	$ 126,716	$ 126,716	$ 126,716
Special Revenue_Grants	$ 154,549	$ -	$ -	$ -	$ -	$ -
Special Revenue	$ 935,823	$ 605,540	$ 487,199	$ 487,199	$ 416,337	$ 416,337
Redevelopment	$ 1,423,348	$ 1,573,924	$ 1,589,663	$ 1,605,560	$ 1,629,643	$ 1,654,089
Internal Services	$ 3,421,044	$ 3,619,693	$ 3,957,241	$ 4,169,324	$ 4,232,855	$ 4,253,848
Water	$ 3,194,998	$ 3,179,638	$ 3,438,472	$ 3,686,490	$ 3,935,305	$ 4,222,421
Sewer	$ 730,821	$ 749,000	$ 731,500	$ 731,500	$ 731,500	$ 731,508
Business Type	$ 534,357	$ 428,325	$ 382,750	$ 382,750	$ 382,750	$ 382,750
Revenue Total	**$ 19,450,811**	**$ 19,604,412**	**$ 20,137,516**	**$ 20,828,306**	**$ 21,332,514**	**$ 21,916,455**
General Fund	$ 6,036,991	$ 7,266,947	$ 7,389,075	$ 7,562,274	$ 7,600,926	$ 7,744,872
Assessment Districts	$ 111,380	$ 105,348	$ 101,805	$ 103,928	$ 101,805	$ 101,805
Development Services	$ 375,842	$ 476,370	$ 579,330	$ 593,391	$ 551,542	$ 559,815
EMS/Paramedic	$ 679,538	$ 760,756	$ 810,301	$ 831,264	$ 843,732	$ 856,388
Gas Tax	$ 263,410	$ 291,911	$ 452,173	$ 297,116	$ 294,173	$ 294,173
Prop A	$ 185,741	$ 183,089	$ 156,767	$ 158,295	$ 160,587	$ 162,912
Prop C	$ 82,389	$ 61,824	$ 404,998	$ 126,716	$ 128,617	$ 130,546
Special Revenue_Grants	$ 77,540	$ 2,796	$ -	$ -	$ -	$ -
Special Revenue	$ 232,812	$ 439,348	$ 1,180,199	$ 331,199	$ 253,280	$ 262,361
Redevelopment	$ 1,168,713	$ 1,564,458	$ 4,049,826	$ 1,780,899	$ 1,813,715	$ 1,759,571
Internal Services	$ 4,631,161	$ 4,120,488	$ 3,843,127	$ 3,895,827	$ 4,264,641	$ 4,330,236
Water	$ 3,234,418	$ 3,176,420	$ 3,665,492	$ 3,887,827	$ 3,983,768	$ 4,111,737
Sewer	$ 732,532	$ 896,577	$ 1,236,723	$ 1,125,398	$ 1,167,762	$ 1,194,004
Business Type	$ 576,876	$ 628,014	$ 610,095	$ 604,778	$ 593,550	$ 602,453
Expenditure Total	**$ 18,389,344**	**$ 19,974,345**	**$ 24,479,911**	**$ 21,298,911**	**$ 21,758,098**	**$ 22,110,874**
Increase/(Decrease) in Citywide Reserves	**$1,061,467**	**($369,933)**	**($4,342,395)**	**($470,605)**	**($425,584)**	**($194,419)**

Summary of Capital Projects by Funding Source and Receiving Department

		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
REDEVELOPMENT	C-SVCS	$ 175,000				
	PW	$ 1,500,000				
REDEVELOPMENT Total		$ 1,675,000				
CDBG GRANT	PW	$ 35,000	$ 35,000	$ 50,000		
CDBG GRANT Total		$ 35,000	$ 35,000	$ 50,000		
PROP 42	PW			$ 25,000	$ 25,000	$ 25,000
PROP 42 Total				$ 25,000	$ 25,000	$ 25,000
FACILITIES	ADMIN			$ 60,000		
	C-SVCS	$ 20,000				$ 125,000
	Fire	$ 15,000				
	Lib	$ 93,000				
	PW			$ 60,000	$ 125,000	$ 81,500
FACILITIES Total		$ 128,000		$ 120,000	$ 125,000	$ 206,500
WATER	PW	$ 389,000	$ 310,000	$ 435,000	$ 325,000	$ 362,000
WATER Total		$ 389,000	$ 310,000	$ 435,000	$ 325,000	$ 362,000
SEWER	PW	$ 233,000	$ 109,800	$ 95,200	$ 79,500	
SEWER Total		$ 233,000	$ 109,800	$ 95,200	$ 79,500	
SENIOR CENTER	C-SVCS	$ 450,000				
SENIOR CENTER Total		$ 450,000				
future	C-SVCS					
	PW					
future Total						
UNFUNDED	ADMIN					
	Lib					
	PW		$ 20,000			
UNFUNDED Total			$ 20,000			
STREET PROGRAM	PW	$ 775,000				
STREET PROGRAM Total		$ 775,000				
Grand Total		**$ 3,685,000**	**$ 474,800**	**$ 725,200**	**$ 554,500**	**$ 593,500**

CITY of SIERRA MADRE
FIVE YEAR CAPITAL IMPROVEMENT PROJECTS
FY 2011-2016

PROJ. NO.	PROJECT	DEPT.	Fund #	2011-12	2012-13	2013-14	2014-15	2015-16	Unfunded Amount	STATUS
Sewer/Storm Drain Projects										
413	Catch Basin Inserts	PW	72000	$28,000	$28,000	$28,000				ongoing
424	Peck Pit Trash TMDL Regional Project	PW	72000				$79,500			Sewer/Storm drain Fund
467	Sewer Main Replacement	PW	72000	$205,000	$81,800	$67,200				Per Sewer Master Plan recommendation
Street Improvements										
484	Repave City-owned parking lots	PW	33001	$500,000					$0	Possible CRA project
	Repave East Montecito	PW	UNFUNDED						$125,000	possible Prop C or Measure R
406	Citywide Street Reconstruction	PW	various	$775,000					$5,549,515	Measure R, Prop C, Prop 42 and General Fund
	Street light LED conversion	PW	38009			$25,000	$25,000	$25,000		Prop 42
Parks Improvements										
440	Sierra Vista Park Irrigation replacement	PW	60001		$20,000					Partially completed via SGVMWD grant; finish with Facilities
453	Repair Volleyball Court	C-SVCS	future						$25,000	est 7 years
448	Resurface tennis courts (2 parks)	C-SVCS	60001	$20,000						
485	Replace Pool House & Equip.	C-SVCS	33001						$650,000	Possible CRA Project
486	Replace Memorial Park Playground equipment	C-SVCS	33001	$75,000						10 year life
486	Replace Sierra Vista Park Playground equipment	C-SVCS	60001					$125,000		10 year life
486	Replace Turtle Park Playground equipment	C-SVCS	future						$75,000	ten year life : budget for 2018
Facility Improvements										
487	Downtown Wi-Fi	ADMIN	UNFUNDED						$10,000	Possible CRA Project $10,000
414	Hart Park House Refurbishment	C-SVCS	37006/33001	$450,000						Maintenance and Services funding; CRA funding
408	Dutyman House Remodel (records retention facility)	PW	UNFUNDED						$200,000	
417	Energy Efficiency Upgrades-All Facilities	PW	60001							One-time capital project started in FY 07-08
479	Install Solar Panels	PW	60001					$50,000		possible deferred maintenance funding
443	Library HVAC Replacement	Lib	60001	$35,000						CC designated $93,000 to share among various Library maintenance

CITY of SIERRA MADRE
FIVE YEAR CAPITAL IMPROVEMENT PROJECTS
FY 2011-2016

PROJ. NO.	PROJECT	DEPT.	Fund #	2011-12	2012-13	2013-14	2014-15	2015-16	Unfunded Amount	STATUS
488	Library Lighting & Electrical - $95,000	LIB	60001	$58,000					$37,000	CC designated $93,000 to share among various Library maintenance
444	Memorial Park Restroom	C-SVCS	33001	$100,000						CRA Project
470	Paint City Hall	admin	60001			$60,000				possible deferred maintenance funding
478	Paint PS Building	PW	60001			$60,000				possible deferred maintenance funding
412	Vehicle Wash Facility (clarifier)	PW	60001				$75,000			possible deferred maintenance funding
482	Upgrade City Hall/PD entries for ADA	PW	38002	$35,000	$35,000					CDBG-Funded
482	Upgrade YAC elevator for ADA	PW	38002			$50,000				CDBG-Funded
	Reconstruction of Library	LIB	UNFUNDED						$7,000,000	est $7,000,000
	Remodel front counters at city hall	ADMIN	UNFUNDED						$50,000	possible deferred maintenance funding
419	Refurbish PW Facil.	PW	60001					$31,500		possible deferred maintenance funding
	Painting - $35,000 (exterior & interior is needed	LIB	UNFUNDED						$35,000	CC designated $93,000 to share among various Library maintenance
	Plumbing – Library $30,000	LIB	UNFUNDED						$30,000	CC designated $93,000 to share among various Library maintenance
	Resurface FD apparatus floor	Fire	60001	$15,000						possible deferred maintenance funding
442	Resurface Maint. Yard	PW	UNFUNDED						$90,000	possible Prop C
490	City Hall Roof	PW	33001	$125,000						Possible CRA Project
490	P/S Bldg. Roof	PW	33001	$125,000						Possible CRA Project
491	Security & Fire System - $17,000	LIB	UNFUNDED						$17,000	CC designated $93,000 to share among various Library maintenance
Water System Improvements										
492	Sierra Madre Bl. Water Main replacement	PW	33001	$750,000						CRA Project
	Well rehabilitation	PW	71000	$250,000	$150,000	$150,000	$150,000	$150,000		well rotation five year
452	Auburn Reservoir interior re-coating	PW	71000			$185,000				water deferred maintenance
493	Auburn Reservoir exterior re-coating/ladder replacement	PW	71000		$51,000					water deferred maintenance

PROJ. NO.	PROJECT	DEPT.	Fund #	2011-12	2012-13	2013-14	2014-15	2015-16	Unfunded Amount	STATUS
495	Auburn Reservoir Inlet/outlet modification; install flex coupling	PW	71000	$30,000						water deferred maintenance
496	Auburn Reseervoir Replacement	PW	UNFUNDED						$4,052,000	Seismic reliability improvement
445	Carter Reservoir Replacement	PW	UNFUNDED						$230,000	est $230,000
450	Main Plant Reconst	PW	UNFUNDED						$2,310,000	est $2,310,000
483	Repl. Water services & meters	PW	71000	$100,000	$100,000	$100,000	$100,000	$100,000		Ongoing
418	Replace fence at Maint/Spreading	PW	60001				$50,000			Possible CRA Project
447	San Gabriel Court Main repl	PW	71000					$112,000		
446	Santa Anita Court Main repl.	PW	FUTURE						$112,000	expected 2017
480	Water System Repairs	PW	UNFUNDED						$1,604,800	
410	Well 7 construction	PW	UNFUNDED						$1,800,000	Possible Federal (WRDA)
497	Install soft start on boosters 6 & 7	PW	71000	$9,000						Energy savings
498	Install soft start on well 3 & 5	PW	71000		$9,000					Energy savings
	Rehabilitate West Tunnel	PW	71000				$75,000			Increase production
409	Wells 3-6 Replacement	PW	UNFUNDED						$4,403,000	Possible Federal (WRDA)
454	Zone 2 interconnect with Arcadia	PW	UNFUNDED						$975,000	Possible Federal (WRDA)
451	Zone 2 Pipeline - Lima	PW	UNFUNDED						$360,000	Possible Federal (WRDA)
449	SGVMWD pipeline	PW	UNFUNDED						$17,000,000	Possible SGVMWD project
East Raymond Basin Groundwater Projects										
456	Santa Anita Creek Div. Pipeline	PW	FUTURE							Possible Federal (WRDA) est $200,000 (Thru FY 2014-15)
459	Santa Anita Creek Diversion Structure	PW	FUTURE							Possible Federal (WRDA) est $372,00
457	Santa Anita Creek Spreading Grd.	PW	FUTURE							Possible Federal (WRDA) est ? (Thru FY 2014-15)
463	Santa Anita Dam Rehab	PW	FUTURE							Possible Federal (WRDA) (Thru FY 2014-15), est $100,000
458	Santa Anita Debris Basin Rehab.	PW	FUTURE							Possible Federal (WRDA) est $2,781,500 (Thru FY 2014-15)

PROJ. NO.	PROJECT	DEPT.	Fund #	2011-12	2012-13	2013-14	2014-15	2015-16	Unfunded Amount	STATUS
461	Santa Anita Spreading Grounds Booster Pump Station	PW	FUTURE							Possible Federal (WRDA) est $1,000,000
460	Sierra Madre Creek Diversion Rehab.	PW	FUTURE							Possible Federal (WRDA) est $85,000
462	Sierra Madre Spreading Grounds Rehab	PW	FUTURE							Possible Federal (WRDA) est $1,254,000
				$ 3,685,000	$ 474,800	$ 725,200	$ 554,500	$ 593,500	$ 46,740,315	

Summary of Capital Purchases by Funding Source and Receiving Department

		FY 2011/12	FY 2012/13	FY 2013/14	FY 2014-15	FY 2015-16
ADMIN	Technology	$ 49,800	$ 49,800	$ 114,800	$ 49,800	$ 89,800
ADMIN Total		$ 49,800	$ 49,800	$ 114,800	$ 49,800	$ 89,800
C-SVCS	Aquatics	$ 7,500	$ 12,500	$ 11,000	$ 10,000	$ 6,000
C-SVCS Total		$ 7,500	$ 12,500	$ 11,000	$ 10,000	$ 6,000
FIRE	General Fund	$ 38,000	$ 12,000	$ 24,000	$ 22,000	$ 10,000
	Fleet			$ 175,000		
	Paramedic		$ 20,000			
FIRE Total		$ 38,000	$ 32,000	$ 199,000	$ 22,000	$ 10,000
LIB	General Fund	$ 35,000		$ 17,000		
LIB Total		$ 35,000		$ 17,000		
PD	General Fund			$ 9,000	$ 33,000	$ 51,000
	Fleet	$ 33,000	$ 33,000	$ 33,000	$ 33,000	$ 33,000
	COPS		$ 12,000			
PD Total		$ 33,000	$ 45,000	$ 42,000	$ 66,000	$ 84,000
PW	Fleet	$ 7,500		$ 132,000		
	Water	$ 10,000	$ 110,000	$ 10,000	$ 110,000	$ 10,000
	AQMD	$ 60,000				
PW Total		$ 77,500	$ 110,000	$ 142,000	$ 110,000	$ 10,000
Grand Total		**$ 240,800**	**$ 249,300**	**$ 525,800**	**$ 257,800**	**$ 199,800**

CITY of SIERRA MADRE
FIVE YEAR CAPITAL PURCHASES
FY 2011-2016

PURCHASE	DEPT.	FUND #	2011/12	2012/13	2013/14	2014-15	2015-16	STATUS
Administration								
Records retention/preservation	ADMIN	60003						est $200,000
Computer replacement policy (20-25 annually)	ADMIN	60003	$0	$30,000	$30,000	$30,000	$30,000	budgeted annually IT, delayed 2011-2012 for budget cuts
Microsoft office licensing	ADMIN	60003	$19,800	$19,800	$19,800	$19,800	$19,800	IT policy budgeted annually
Email Server	ADMIN	60003	$15,000					six year rotation
PD1 server	ADMIN	60003	$15,000					six year rotation
City Hall Server	ADMIN	60003					$15,000	six year rotation
Tyler Servers	ADMIN	60003					$25,000	six year rotation
YAC/Yards Server	ADMIN	60003			$5,000			six year rotation
Library Server-general	ADMIN	60003			$10,000			six year rotation
voicemail replacement	ADMIN	60003			$50,000			IT one time use of reserves, should be planned every 10 years
Community & Personnel Services								
Bleachers for Pool	C-SVCS	77001			$5,000			every five years
Diving Board	C-SVCS	77001				$10,000		every 7-10 years
Drain Covers & Install	C-SVCS	77001						every 7-10 years
Plaster Pools	C-SVCS	77001		$6,000			$6,000	every 3 years
Pool Cover	C-SVCS	77001		$6,500				every 5 years
Pool Lane Lines	C-SVCS	77001	$7,500					every 5 years
Pool Furniture/Lifeguard Stand	C-SVCS	77001			$6,000			every 5 years
Fire Department								
Dual Axle trailer - USAR	FIRE	10000				$10,000		every 15 years
Utility Truck	FIRE	10000	$38,000					every 10 years
Fire Dept. MDC's	FIRE	10000		$12,000		$12,000		every two years (replaces 2)
Thermal Imaging Camera	FIRE	10000					$10,000	every six years
Jaws-of-life	FIRE	10000			$24,000			every 20 year

CITY of SIERRA MADRE
FIVE YEAR CAPITAL PURCHASES
FY 2011-2016

PURCHASE	DEPT.	FUND #	2011/12	2012/13	2013/14	2014-15	2015-16	STATUS
Ambulance	FIRE	60000			$175,000			every five years
Cardiac defibulators	FIRE	36001		$20,000				every six years
Library								
Library information system upgrade	LIB	10000			$17,000			five year rotation with (annual lease)
Digital Scanning/Document Management	LIB	10000	$35,000					every 10 years
Imaging Station	LIB	10000						seven year life
Outdoor Furniture	LIB	10000						every 7-10 years
Police Department								
Media Server Back up	PD	10000**		$12,000				five year life
PD Mobile Radios	PD	10000				$24,000	$24,000	estimated cost to replace 25 radios
Ruggedized laptops for police cars	PD	10000			$9,000	$9,000		five year life
Patrol Vehicle	PD	60000	$33,000	$33,000	$33,000	$33,000	$33,000	annual rotation
Stancil Dispatch Recorder	PD	10000					$27,000	ongoing fleet rotation, useful life 10 years
Public Works								
Sewer Spill Resp. Trailer	PW	60000			$12,000			new
Backhoe replacement	PW	60000			$120,000			every 20 years
Telescopic Boom Lift	PW	38003	$60,000					Possible AQMD funding for LP-powered unit
Tow-behind Cement Mixer	PW	60000	$7,500					every 10 years
Computer equip/software repl.	PW	71000	$10,000	$10,000	$10,000	$10,000	$10,000	Water, as needed
Replace Chlorine Analyzer	PW	71000		$100,000		$100,000		Water Fund, biennial
			$240,800	**$249,300**	**$525,800**	**$257,800**	**$199,800**	$0