



GENERAL FUND

Community Input Meetings

May 2015

The Sierra Madre City Council is seeking input on how to balance the City's General Fund budget. During the month of May, Council Members will be visiting a number of community groups, commissions, and boards in order to listen to residents' priorities on General Fund spending and seek out ways to reduce costs (services) or increase revenues (taxes and fees). The City Council will present an accumulation of this information for further input at a **Town Hall Meeting** on **Saturday, June 6** from **10am-12noon** in the **Fire Station Bay** and will consider all community input when deciding how to balance and create a sustainable budget. The budget will be adopted at a June City Council meeting as the City's fiscal year run from July 1st to June 30th.

Residents are invited to participate in these community input meetings - but attendance is not the only way to provide your opinion. There will be an **online budget input webinar** that can be attended from home on **Wednesday, May 27** at **7:00pm**. Residents can also email their suggestions or set up a time to talk with a Councilmember.

Residents can send suggestions, register for the Budget Input Webinar, or find more information on the community input meetings by emailing city@cityofsierramadre.com, calling 626.355.7135 x202, or visiting City Hall at 232 West Sierra Madre Blvd. Monday - Thursday 7:30am - 5:30pm.

General Fund Comparison of Revenues to Expenditures (in thousands) including Transfers

Revenues	FYE 2015	FYE 2016	FYE 2017
	Proposed	Projected	Projected
Property Taxes	3,978	4,139	4,280
AB1X26	200	200	200
Sales Tax	200	250	255
Utility User Tax	2,495	1,996	1,597
VLF/Property Tax	1,045	1,085	1,096
Other Taxes	68	69	70
Charges for Services	187	174	177
Intergovernmental	6	5	5
Business Licenses	260	268	271
Franchise Fees	351	356	361
Licenses and Permits-Other	136	136	138
Fines and Forfeitures	237	234	234
Investment Income	10	10	10
Miscellaneous	35	11	11
Total Revenues	\$ 9,208	\$ 8,933	\$ 8,705
Expenditures			
Administration	1,353	1,593	1,598
Community Services	202	142	148
Elected and Appointed	330	387	336
Fire	1,046	1,059	1,081
Library	781	809	816
Police	3,865	3,953	4,038
Public Works	476	532	517
Total Expenditures	\$ 8,053	\$ 8,475	\$ 8,534
Net Transfers In/(Out)			
Transfer In	100	100	100
Transfers Out	(899)	(1,320)	(1,276)
Total Net Transfers In/(Out)	\$ (799)	\$ (1,220)	\$ (1,176)
Change to Fund Balance	356	(762)	(1,005)

Budget Input Meetings

Saturday, May 2nd @ 3:00pm
Sierra Madre Community Foundation

Monday, May 4th @ 7:00pm
Library Board of Trustees

Tuesday, May 5th @ 7:00am
Sierra Madre Rotary Club

Thursday, May 7th @ 3:00pm
Senior Community Commission

Thursday, May 7th @ 7:00pm
Planning Commission

Tuesday, May 12th @ noon
Sierra Madre Kiwanis Club

Tuesday, May 19th @ 6:30pm
Community Services Commission

Wednesday, May 20th @ 7:00pm
Energy, Envir. & Natural Resources

Thursday, May 21st @ 7:15pm
Historical Preservation Society

Wednesday, May 27th @ 7:00pm
Online Webcast

How does the City spend its money?

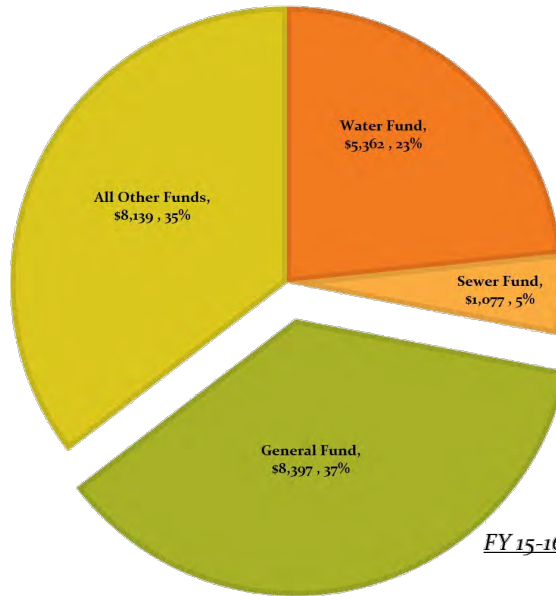
What is the General Fund?

The General Fund is the City's unrestricted source of revenues and expenditures; it is its largest government-type fund at almost \$9 million.

The General Fund supports all departments and more than 50% of the City's total personnel costs. The Elected and Appointed, Community Services, Library, Planning and Public Safety Departments are all dependent on the General Fund for their operations. The General Fund is primarily funded by property taxes, local taxes, and user fees.

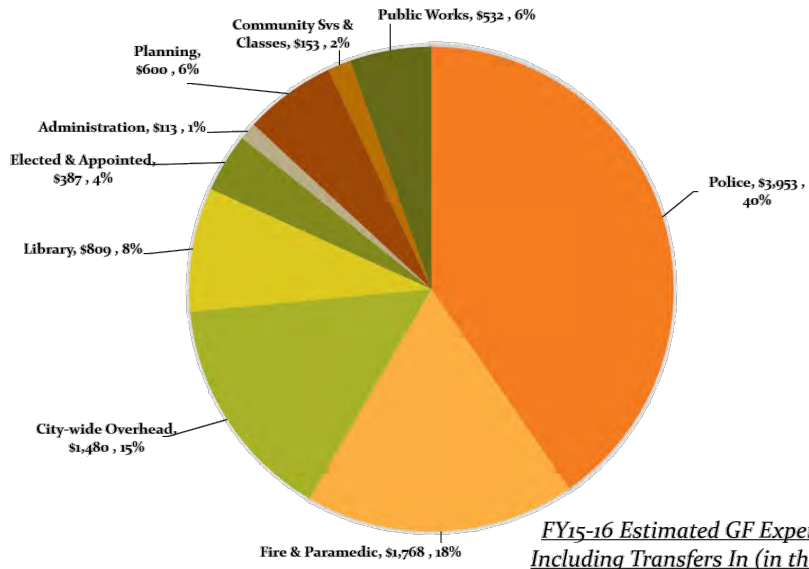
Why can't we use resources other than the General Fund to pay for priority services such as fire, the library, and police?

Enterprise (water & sewer), Special Revenue (Gas Tax, Prop C & grants) and Assessment Funds have legal restrictions that mandate the collection and expenditure of these funds for very specific purposes. As such, legally these funds cannot be redirected to general purpose expenditures.



FY 15-16 Total City Expenditures (in thousands)

Public Safety makes up 58% or \$5.7 million of the General Fund Budget.

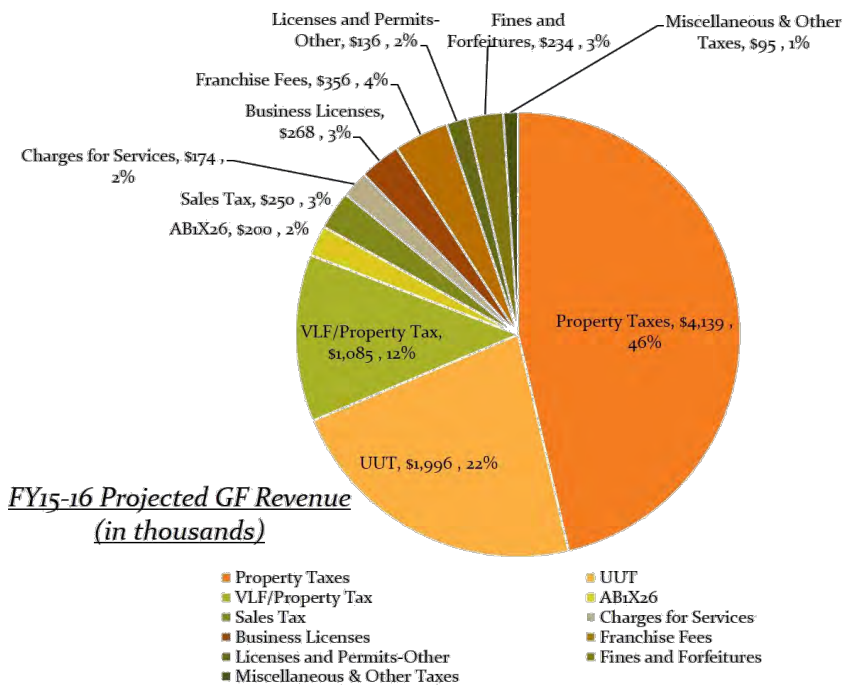


FY 15-16 Estimated GF Expenditures Including Transfers In (in thousands)

Cost Drivers

Cost drivers that impact all departments/funds include health insurance, retirement benefits, and workers compensation. State mandates like sick leave for all part-time employees and other mandates, such as storm water regulations increased costs. Unique to Sierra Madre, a decline in volunteer fire engineers, captains, and battalion chiefs means the City must increase personnel costs.

Where does the General Fund money come from?



Property Taxes

The largest General Fund revenue source is Property Taxes. Property tax equates for 46%, which is approximately \$4.1 million of the General Fund's revenue for FY15-16.

Property taxes are collected by the County of Los Angeles, who sends the City its portion throughout the year. The City receives 21 cents of each dollar paid in property taxes. So, if \$5,000 are paid in property taxes, the City receives approximately \$1,050.

For FY15-16, the estimated increase in Property Taxes is 4.18% and 3.5% increase is projected for FY16-17.

Utility Users Tax

The City has had a local utility users tax (UUT) since 1993. In 2008 voters approved a gradual increase up to 12% (however, the City Council never increased it above 10%) in order to pay for salary increases for Police Association Members and continuation of the Paramedic Program. For FY14-15, the UUT makes up 27% or \$2.5 million of the General Fund revenues. However, the UUT has sunset reductions which commence July 1, 2015, from 10% to 8% (\$500,000 reduction), and July 1, 2016, from 8% to 6% (\$400,000) for an ongoing reduction of \$900,000. Even though the UUT revenue will begin to decrease, the costs associated with the UUT increase (Police salary increases and the Paramedic Program) have not.

It should be noted that for the past two years UUT collections have not increased with inflation. For example, the UUT on telecommunications continues to show year-over-year decreases, most likely the result of less expensive plans, and more individuals eliminating "landlines" for cell phones. The UUT from energy (electrical) providers is also showing signs of a leveling off, likely from conservation efforts and use of alternative energy sources. This is an example of how City revenues have not kept pace with the inflationary increases of the City's expenditures.

Most UUT collections are not increasing with inflation.

Actual UUT Collections by Utility		
Utility	Actual FY 12-13	Actual FY 13-14
Athens	143,134	162,076
So Cal Edison	813,191	768,989
So Cal Gas Company	231,475	224,895
Time Warner	229,139	224,559
Communications	748,713	695,451
Water & Sewer	356,238	368,856
	2,521,890	2,444,826

What services does the General Fund provide?

Community Services

Senior Services: lunch program, fitness classes, bingo, movies, health screenings, legal services, and excursions | Parks & Facilities: six parks and two community centers | Community Garden | Community Newsletter | Coordinating Council | Special Event Permits | Contract Services: Aquatics, Recreation Classes, After School Youth Programs | Special Events: Huck Finn, MWTR, 4th of July, Summer Fun in the Park, Concerts in the Park, Movies in the Park, Halloween | Staff the Community Services & Senior Community Commissions

Public Works

Park Maintenance | General admin for: streets, water & sewer utility, sidewalks & street repairs, street sweeping (most funding comes from restricted funds)

Police

Overall Public Safety | Crime Prevention | Traffic Safety | Investigates Crimes | Enforces Parking Restrictions | Neighborhood Watch | Business Watch | School Visits | Reserve Officers | Vacation Checks | Ride-A-Longs | Staff Public Safety Committee

Fire

Fire Prevention | Fire Control | Emergency Medical Services (Paramedics) | Paramedic Subscription Program | Weed Abatement | Public Education Services | Inspection Services | Review Building Plans

Planning & Community Preservation

Process Development Applications: new construction, remodels, additions | Conducts Environmental Review | Reviews Plans | Conducts site inspections | Issues Permits | Oversees Film Production | Maintains list of historic landmark structures | Manages Mills Acts Contracts | Historic Preservation Programs | Code Enforcement | Staff Planning Commission

Library

Borrow books and DVDS | Access to current and historical information | Titles to Go | Third Thursday Book Club | Summer Reading Programs | Barks & Books | Preschool Storytime | Baby Rhyme Time | Parent Child Workshops | Reference & Research | Teen Docents | Teen Summer Reading Volunteers | Teen Book Club | Local History | One Book One City | Staff Library Board of Trustees

Balancing the General Fund

Due to the ongoing dilemma of the inflationary growth of expenditures outpacing growth in revenues, the City Council has dealt with dwindling General Fund resources during the last two budget cycles; during that time the City has experienced continuous adjustments, realignments, and downsizing in order to maintain a balanced budget.

2011-2013 Reductions	2013-2015 Reductions
Staff Reorganization - \$191,700	Staff Reorganization - \$180,000
M&O Reductions	Cap Management Benefits
PD Overtime Reduction	Reduce Library contracts
Contract out Aquatics Center	Reduce Community Events
Contract out Teen Programs	Reduce Senior Programing

Based on current projections, there is likely not one solution that will close the budget gap; rather, it will likely take a combination of cuts of multiple programs/services as well as an increase in revenues in order to continue to operate in a status quo fashion.

Please provide your input on how to balance the General Fund at one of the community meetings, during the online webinar, or by emailing and talking to your City Council members.

Don't forget to join the City Council for the Town Hall Budget Meeting Saturday, June 6, 2015 10am - 12noon Fire Station Bay 242 W. Sierra Madre Blvd.

For more information please contact us at www.cityofsierramadre.com city@cityofsierramadre.com 626.355.7135