

FY 2021-22 Budget Presentation

June 15, 2021





AGENDA



Overview Assumptions



All Funds - Revenues & Expenditures



General Fund - Revenues & Expenditures



Capital Improvement Program



Next Steps



Questions

Overview

BUDGET FACTS

- ▶ COVID-19 Pandemic - March 16, 2020
 - Major Loss of Sales Tax
 - Loss of City Business
 - Loss of Employment
 - Potential Second Wave

Overview

BUDGET FACTS - Continued

- ▶ Rising Costs
- ▶ Conservative Approach
- ▶ Structural Deficit - \$2.3 Million
- ▶ Overtime
- ▶ West Covina Sportsplex & Health Department

Overview

EXPENDITURE PROJECTIONS

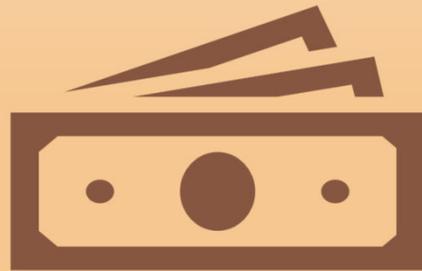
Budget Projections Based On
Roll-Over Budget

Maximize Use of Special
Funds

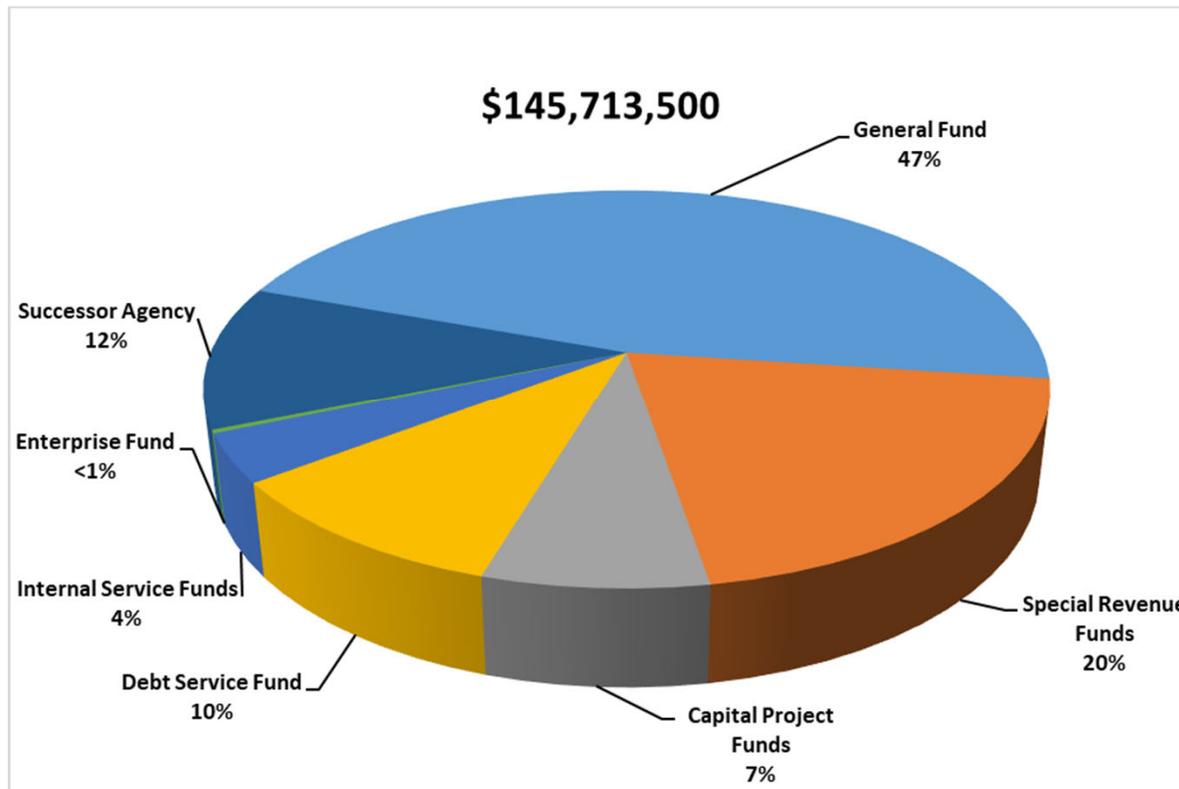
Evaluate Ongoing Contracts

Salary Savings Through
Attrition

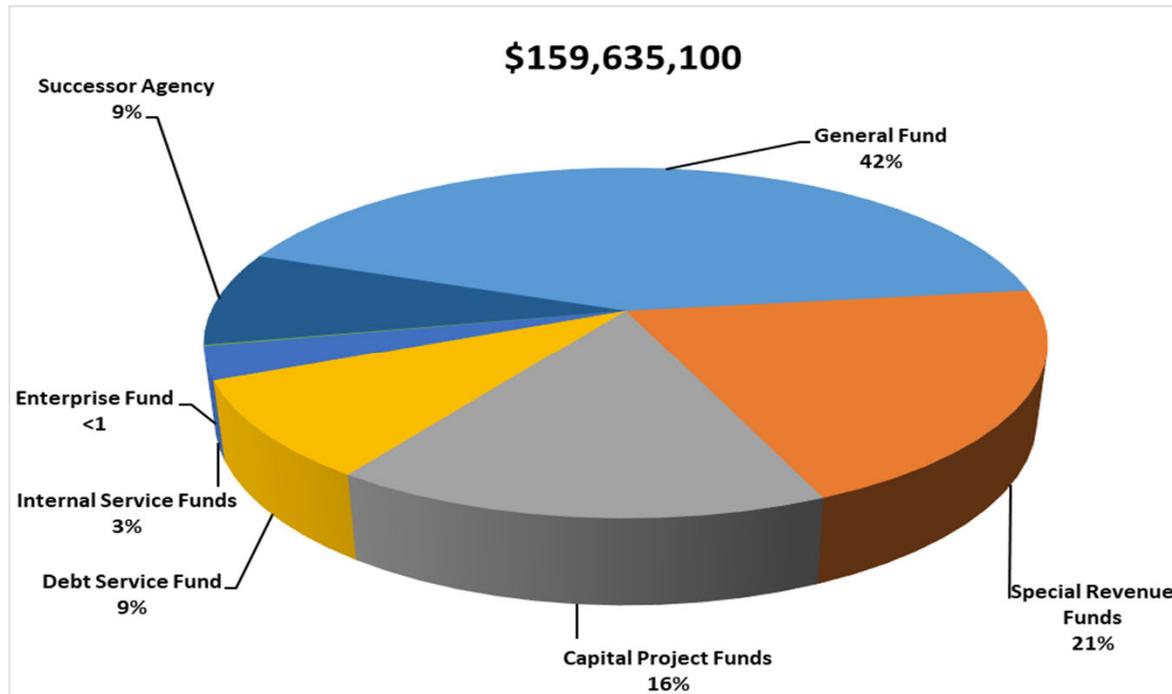
All Funds - Revenues & Expenditures



FY 2021-22 Total Revenues by Fund Type All Funds

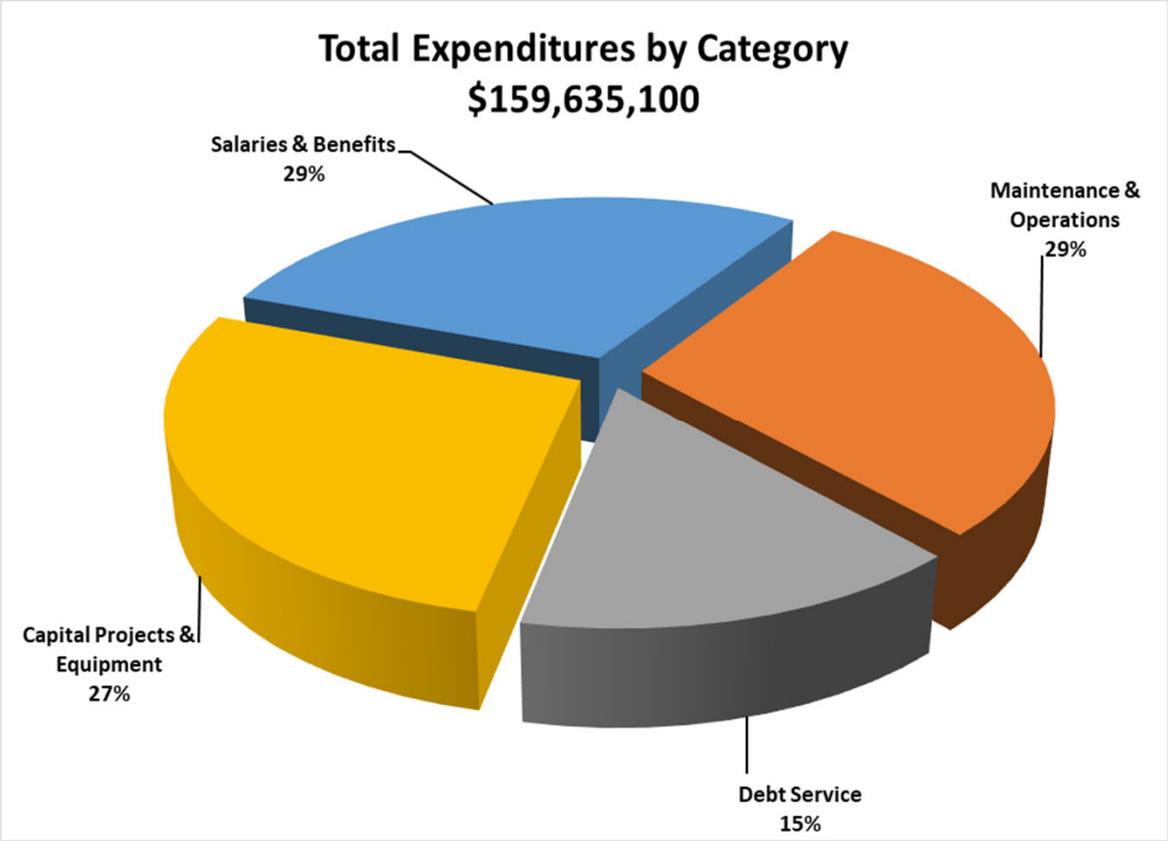


FY 2021-22 Total Expenditures by Fund Type



FY 2021-22

Total Expenditures by Category

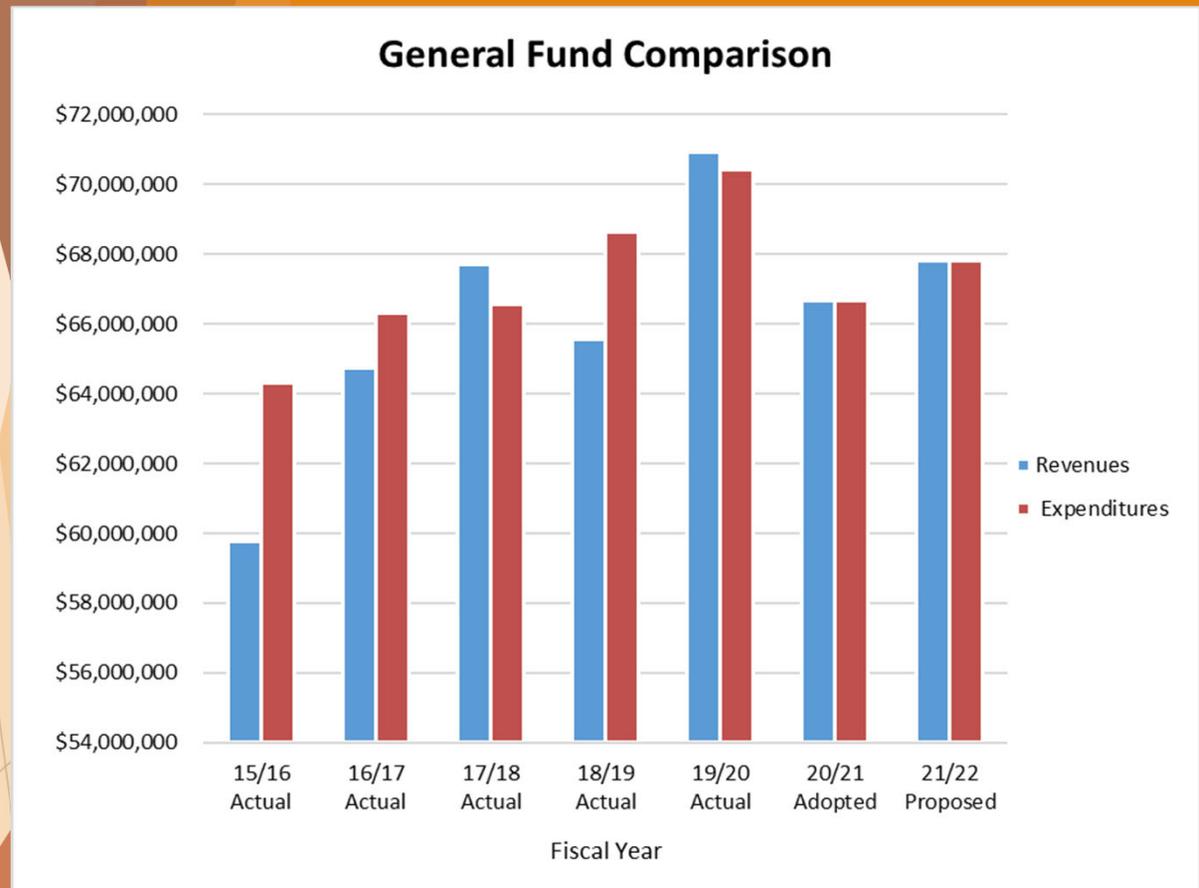


General Fund



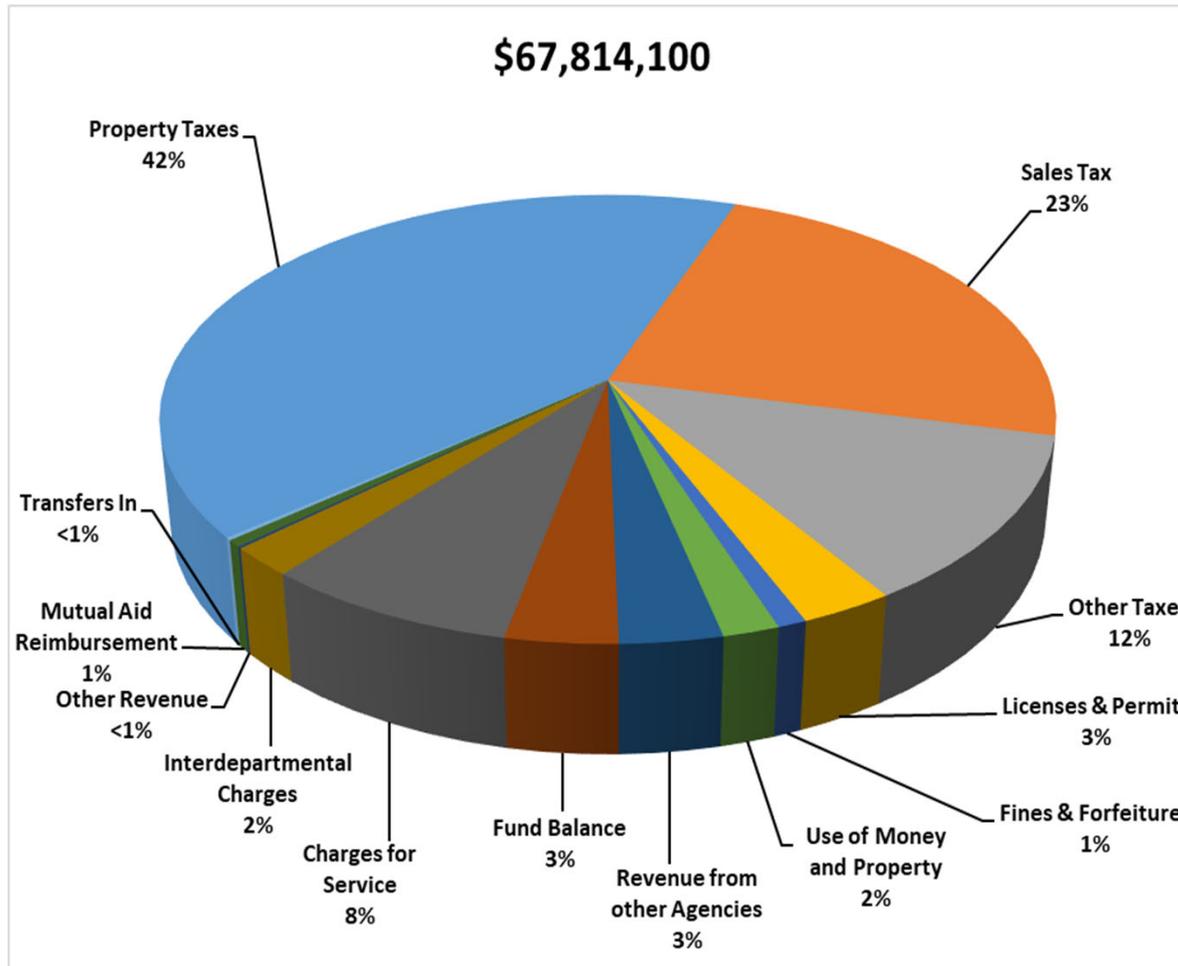


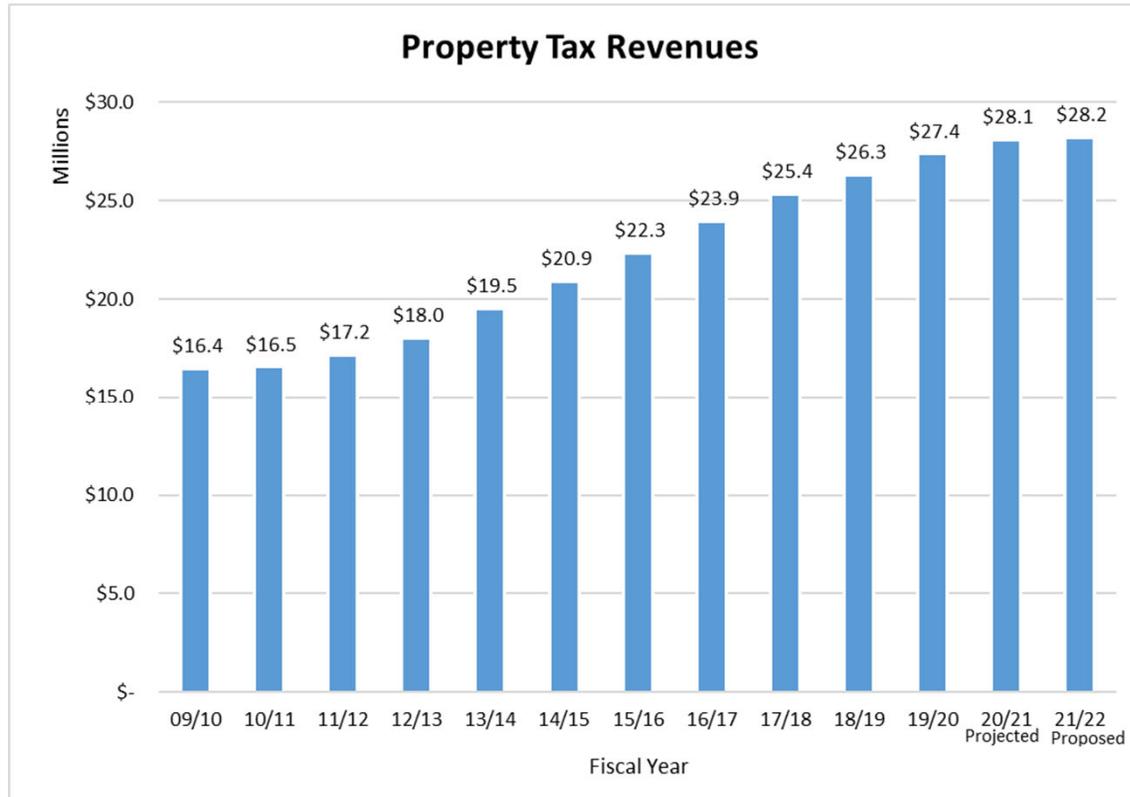
FY 2021-22 General Fund Comparison Revenues vs Expenditures



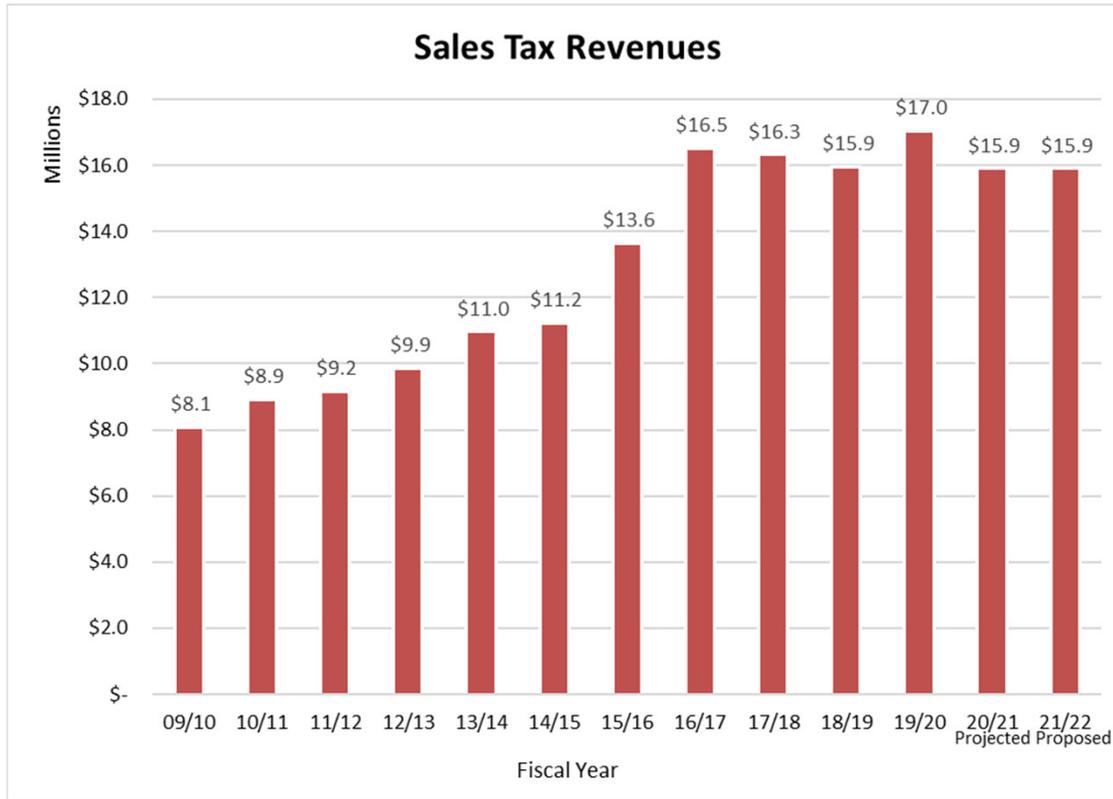


FY 21-22 General Fund Revenues





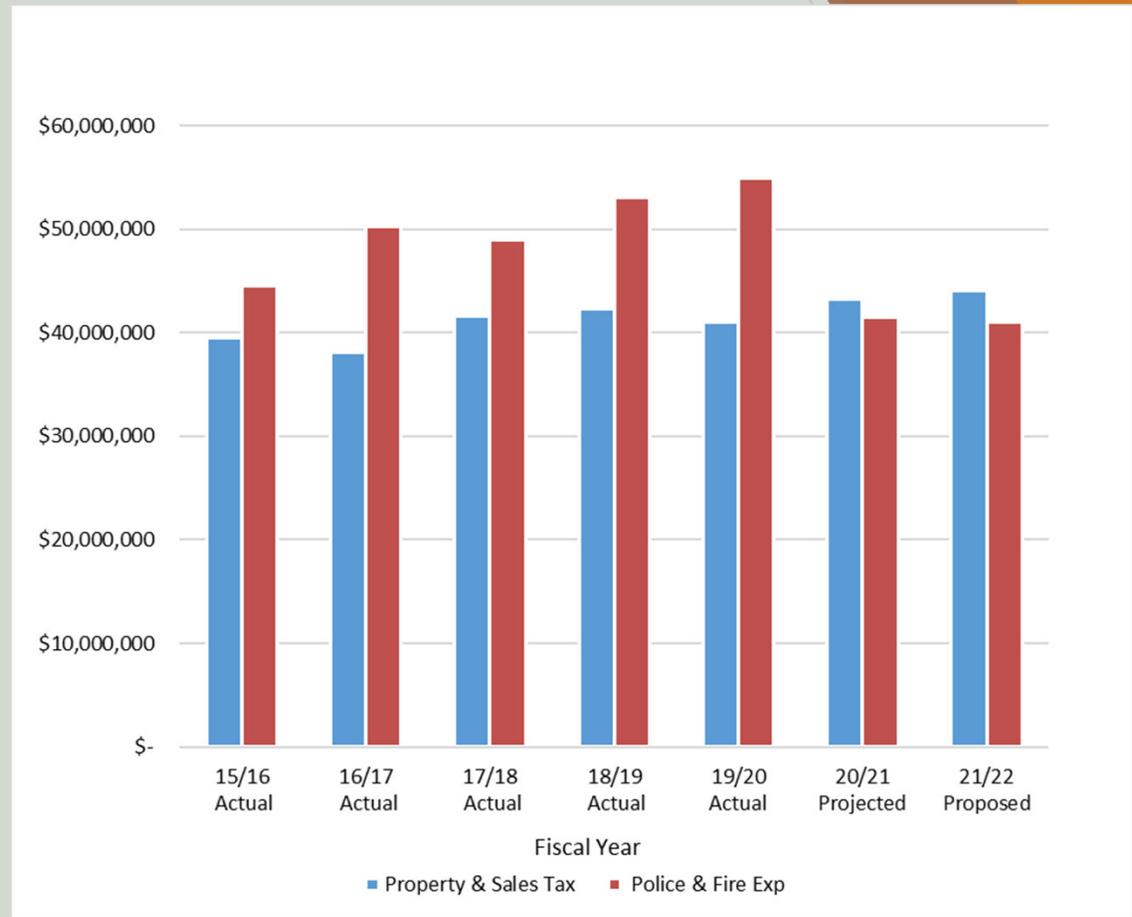
Property Tax Revenues



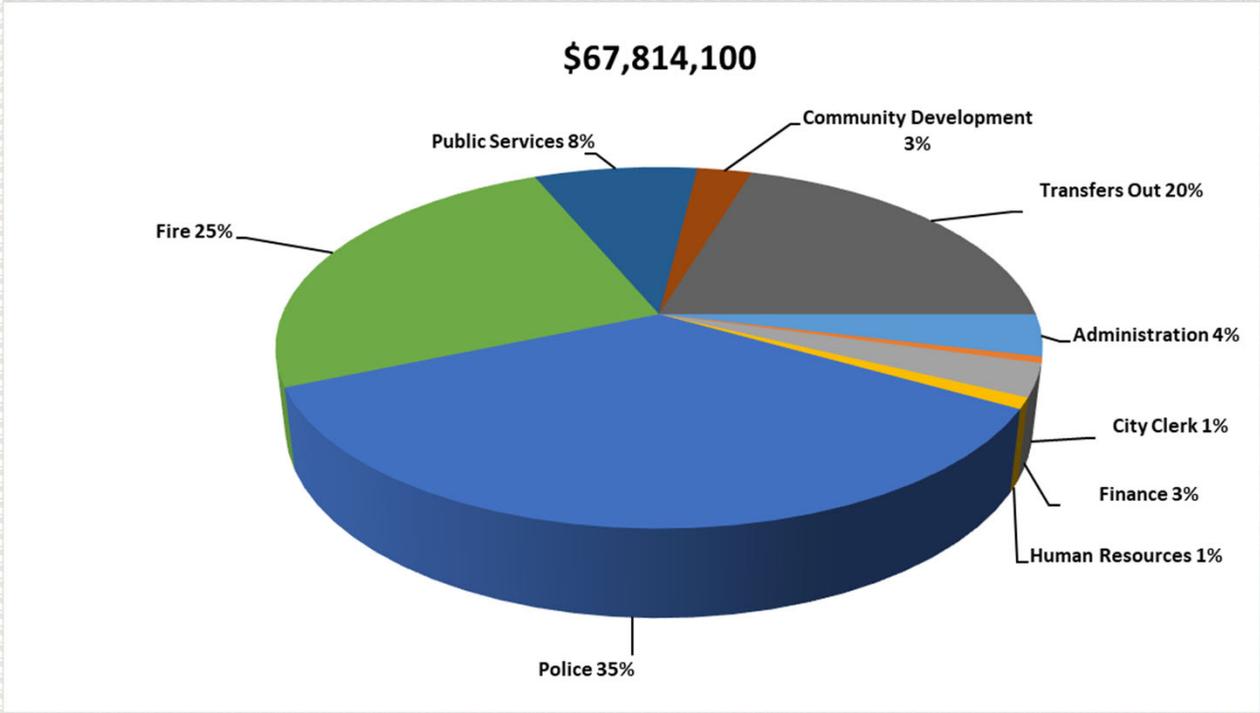
Sales Tax Revenues



Major Revenue & Public Safety Comparison

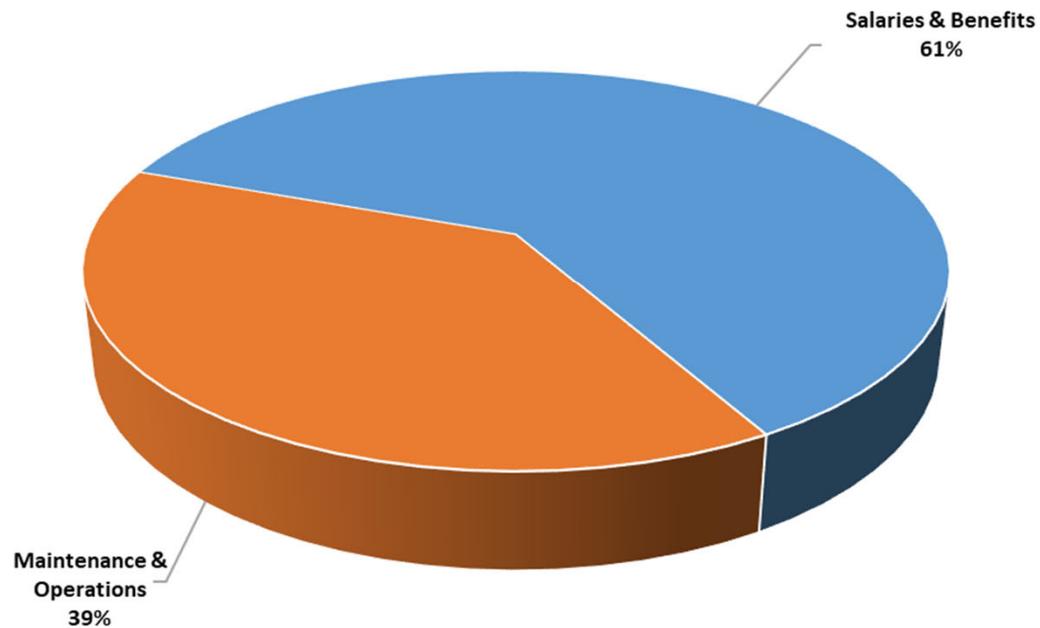


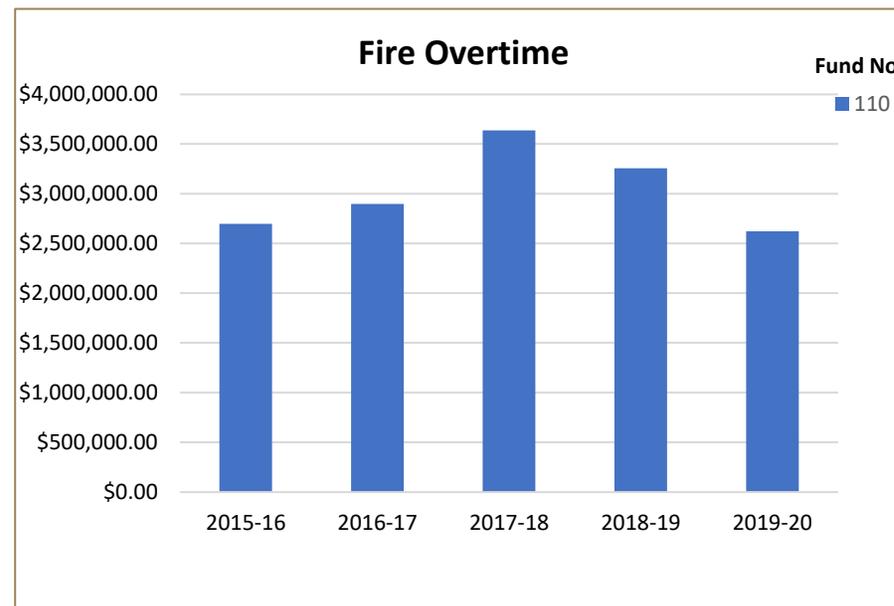
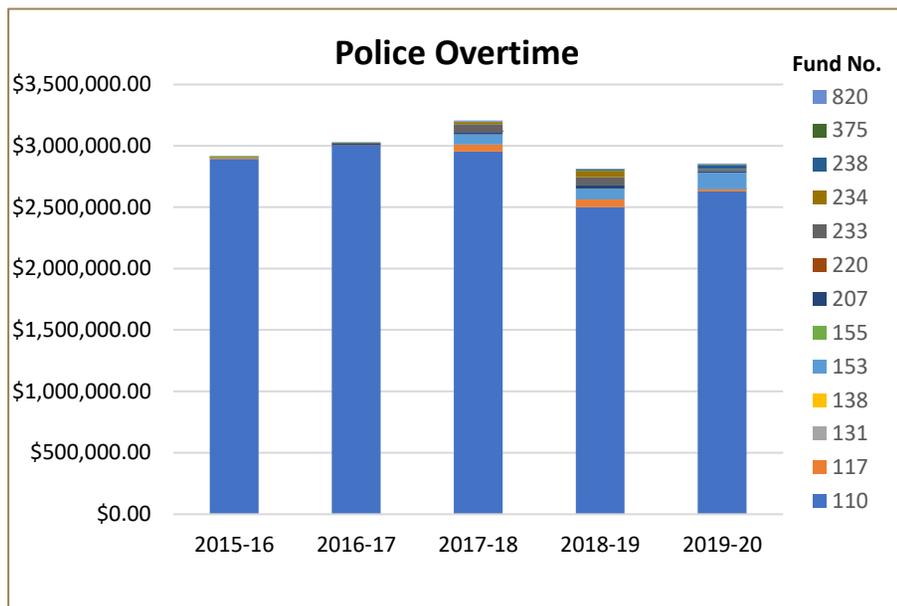
FY 2021-22 General Fund Expenditures



FY 2021-22 General Fund Expenditures by Category

\$67,814,100





Police & Fire Overtime

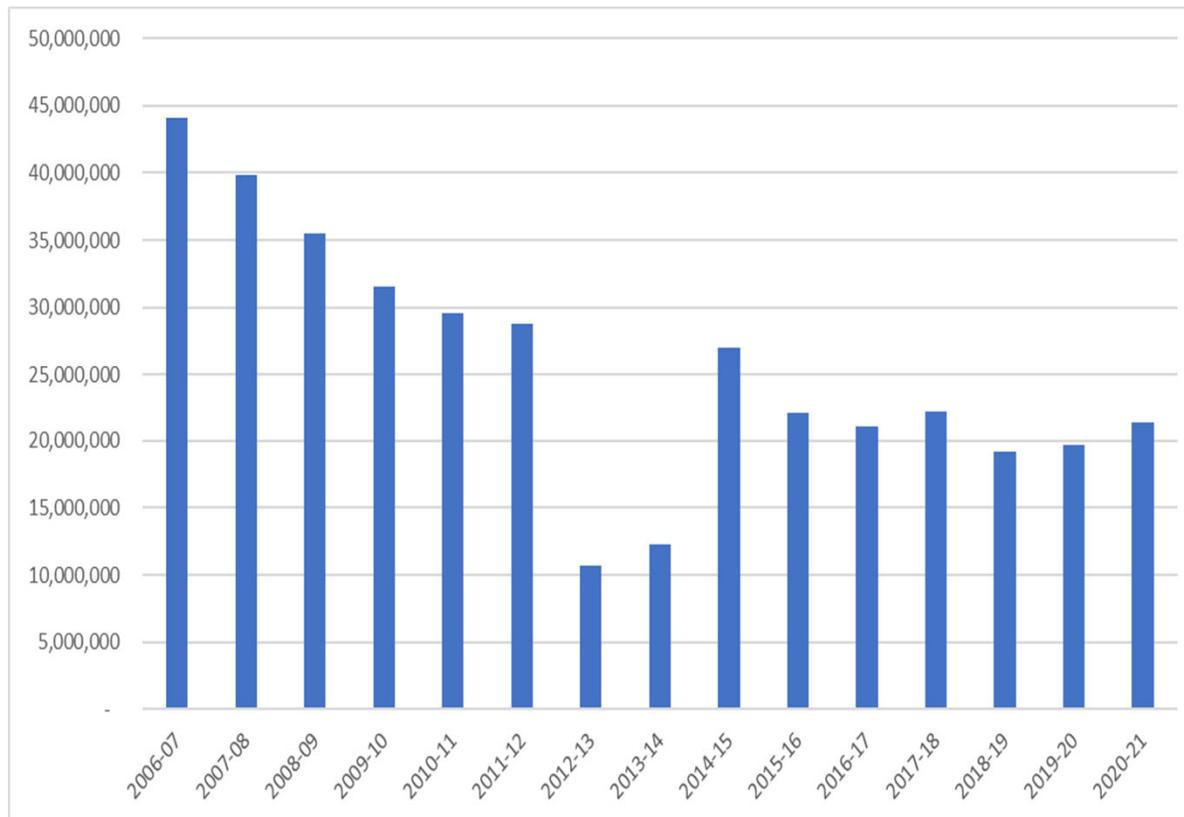
FY 2020-21

Projected Fund Balance

Projected Fund Balance at June 30, 2021		
Total Fund Balance		21,387,299
Non-Spendable Fund Balance:		
Prepaid Expenses	40,932	
Advances to Other Funds	226,623	
Advances to Successor Agency	238,279	
Land Held for Resale	3,007,802	(3,513,636)
<hr/>		
Unassigned Fund Balance at June 30, 2021		17,873,663
Unassigned Fund Balance as a Percentage of		
Operating Expenditures		26.8%



General Fund - Fund Balance



**FY 2021-22
Proposed
Capital Improvement
Program Budget**



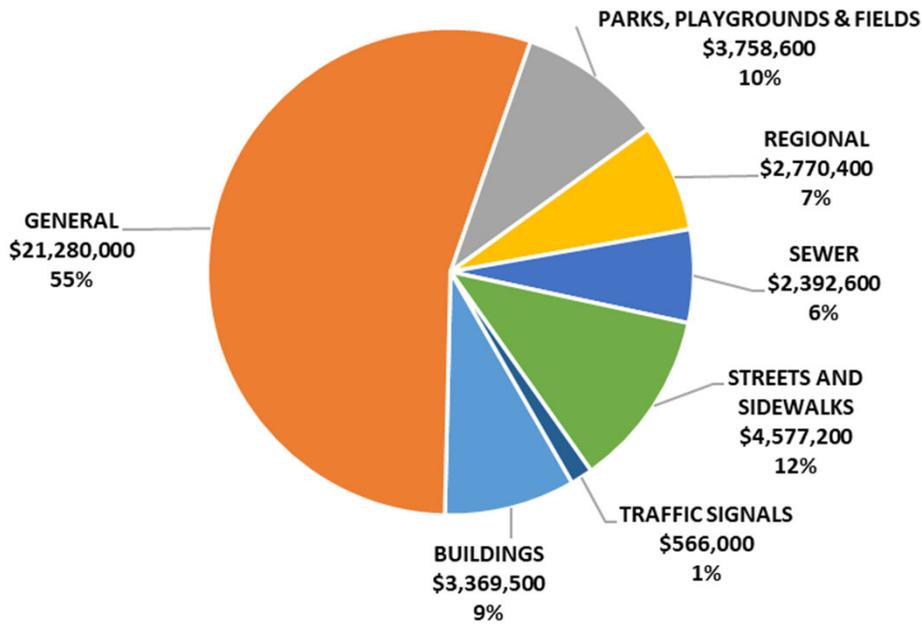


FY 21-22 Capital Improvement Program Summary

Category	FY Projected	Five-Year Funding Schedule					Five-Year Total
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	
BUILDINGS	\$1,432,500	\$3,369,500	\$100,000	\$250,000	\$100,000	\$250,000	\$4,069,500
GENERAL	\$128,150	\$21,280,000	\$0	\$0	\$0	\$125,000	\$21,405,000
PARKS, PLAYGROUNDS & FIELDS	\$470,000	\$3,758,600	\$0	\$0	\$340,000	\$340,000	\$4,438,600
REGIONAL	\$20,800	\$2,770,400	\$200,000	\$0	\$0	\$0	\$2,970,400
SEWER	\$2,223,200	\$2,392,600	\$2,292,600	\$2,152,600	\$2,000,000	\$2,000,000	\$10,837,800
STREETS AND SIDEWALKS	\$2,293,500	\$4,577,200	\$2,567,200	\$2,567,200	\$2,642,200	\$2,567,200	\$14,921,000
TRAFFIC SIGNALS	\$24,000	\$566,000	\$670,000	\$170,000	\$270,000	\$140,000	\$1,816,000
TOTALS	\$6,592,150	\$38,714,300	\$5,829,800	\$5,139,800	\$5,352,200	\$5,422,200	\$60,458,300



EXPENDITURES BY IMPROVEMENT TYPE



**FY 21-22
Capital
Improvement
Program -
\$38.7 M**

Public Input on Budget

- ▶ Finance & Audit Committee April 7, 2021
- ▶ Public Townhall Meeting May 19, 2021
- ▶ Public Townhall Meeting June 9, 2021

Summary of Finance & Audit Committee Input on Budget

- ▶ Fire
 - ▶ Review overtime utilization and freeze hiring until there is a vacancy in 1 captain, 1 engineer, and 1 fire fighter. Estimated savings of ~\$750,000 annually.
 - ▶ Reduce service out of the Fire Station #4 (Azusa Ave). Develop new policy that requires 1 week of vacation each year to be taken as a shift. Those absences would not be covered with OT (a total of 45 weeks per year citywide). Estimated Savings of ~\$400,000 annually.
 - ▶ Implement “tiered response” by contracting with LAFD or LACoFD to eliminate 1 ALS ambulance with 2 BLS ambulances
- ▶ Police
 - ▶ Look at vehicle code fines, moving violations, parking code fines, & false alarm fees.
 - ▶ Create permits for street sweeping or overnight parking.
 - ▶ Look into non-sworn employees to perform duties that are done by sworn.
- ▶ City Manager
 - ▶ Examine specific expenditure line items to possibly reduce cost

Summary of Community Input from Townhall Meetings

- ▶ Address Fire Department Overtime, consider browning out a station
- ▶ Concerned that budget does not address Health Department
- ▶ Concerned with deficit spending
- ▶ Increase Property Tax Revenue
- ▶ Show Estimate to Actuals instead of prior Budgeted
- ▶ Utilize Long-Range Planning
- ▶ Consider adding foul ball netting at ball parks
- ▶ Add more police officers
- ▶ Consider utilizing some federal funding to assist businesses
- ▶ Consider bringing back false alarm program

Next Steps



Monitor revenues & expenditures timely & make necessary adjustments to the budget



Prepare a plan to resolve General Fund structural deficit & maintain General Fund Reserves per City Policy



Shift from reactive to preventive maintenance



Adopt alternative dispute resolution methods e.g. interest-based bargaining



Adhere to adopted budget policies

CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS, AMERICAN RESCUE PLAN ACT OF 2021

CITY OF WEST COVINA, PROPOSED USE OF FUNDS

CORONAVIRUS
STATE & LOCAL
FISCAL
RECOVERY
FUNDS

The American Rescue Plan Act of 2021 established the Coronavirus State & Local Fiscal Recovery Funds

Includes \$350 billion to bolster response to the COVID-19 emergency and its economic impacts

City of West Covina is eligible for
\$19,566,027

ELIGIBLE USES OF FUNDING

01

Support public health expenditures

02

Address negative economic impacts caused by the public health emergency

03

Providing Government Services to the extent of Revenue Loss

04

Provide premium pay for essential workers

05

Invest in water, sewer, and broadband infrastructure

FUNDING RESTRICTIONS

Except for the revenue loss reimbursement, all expenses must be associated with the pandemic

Ineligible uses include:

- Paying interest or principal on **outstanding debt**
- Replenishing rainy day or other **reserve funds**
- Paying **settlements or judgments**
- Depositing into a **pension fund**
- **Non-federal grant matches**

SUPPORT PUBLIC HEALTH EXPENSES RELATED TO COVID-19

Use	Amount
COVID-19 response and prevention	
Electrocardiograms (EKG)	265,000
Police & Fire Communication Equipment	3,300,000
Fire Station Repairs (Vaccine Point of Distribution & Response Facilities)	5,377,837
PSA for Health Department Services	98,190
Subtotal, Support Public Health Expenditures	9,041,027

ADDRESS NEGATIVE ECONOMIC IMPACTS FROM PUBLIC HEALTH EMERGENCY

Use	Amount
Deliver Assistance to Workers and Families	
Job training and creation, partnership with community-based organization	1,000,000
Subtotal, Address Negative Economic Impacts	1,000,000

Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency.

PROVIDING GOVERNMENT SERVICES TO THE EXTENT OF REVENUE LOSS

Use	Amount
Microwave system infrastructure for city buildings	1,000,000
Electronic financial accounting software/system	1,500,000
Park pathway lighting	295,000
Park sports field lighting	930,000
ADA transition plan	1,000,000
Remove communication tower	100,000
Public Safety Equipment	
Self-Contained Breathing Apparatus (SCBA)	1,200,000
Pumper Fire Trucks (two)	1,800,000
Ladder Truck (quint)	1,700,000
Subtotal, Government Services	\$9,525,000

QUESTIONS?