



CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

**JUNE 10, 2019, 6:30 PM
SPECIAL MEETING
COMMUNITY BUDGET WORKSHOP**

**CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

**Mayor Lloyd Johnson
Mayor Pro Tem Tony Wu
Councilman Dario Castellanos
Councilwoman Letty Lopez-Viado
Councilmember Jessica C. Shewmaker**

Please turn off all cell phones and other electronic devices prior to entering the Council Chambers

AMERICANS WITH DISABILITIES ACT

The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

AGENDA MATERIAL

Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

NOTICE

The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

**PUBLIC COMMENTS
ADDRESSING THE CITY COUNCIL
(Per WCMC 2-48, Ordinance No. 2150)**

Any person wishing to address the City Council on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk.

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to five (5) minutes per speaker.

Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.

Any testimony or comments regarding a matter set for a Public Hearing will be heard during the hearing.

RULES OF DECORUM

Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

AGENDA

CITY OF WEST COVINA CITY COUNCIL/SUCCESSOR AGENCY

**MONDAY, JUNE 10, 2019, 6:30 PM
SPECIAL MEETING
COMMUNITY BUDGET WORKSHOP**

PLEDGE OF ALLEGIANCE

Led by Mayor Lloyd Johnson

ROLL CALL

PUBLIC COMMENTS ON ITEMS ON THE AGENDA

1) PRELIMINARY FISCAL YEAR 2019-20 BUDGET DISCUSSION

Provide input on Fiscal Year 2019-2020 Budget.

ADJOURNMENT

RULES OF DECORUM

The following are excerpts from the West Covina Municipal Code:

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

- a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
- b. The city council may establish a limit on the duration of oral communications.
- c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
- d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

- a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
- b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, "willfully disrupt" includes, but is not limited to, continuing to do any of the following after being warned by the Mayor that continuing to do so will be a violation of the law:
 - a. Addressing the Mayor and City Council without first being recognized.
 - b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
 - c. Repetitiously addressing the same subject.
 - d. Failing to relinquish the podium when directed to do so.
 - e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
 - f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

Sec. 2-52. Persons authorized to be within council area.

No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

The following are excerpts from the Penal Code

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: June 10, 2019

TO: Mayor and City Council

FROM: David Carmany
Interim City Manager

SUBJECT: **PRELIMINARY FISCAL YEAR 2019-20 BUDGET DISCUSSION**

RECOMMENDATION:

Provide input on Fiscal Year 2019-2020 Budget.

BACKGROUND:

City staff presented the preliminary Fiscal Year 2019-2020 budget its last regularly scheduled City Council meeting held on Tuesday, June 4, 2019. City Council directed staff to hold a Community Workshop to obtain additional input.

The City of West Covina fiscal year is a 12-month period used to measure revenues and expenditures. It starts July 1 and ends June 30 the following year. At its highest level, a municipal budget identifies the needs and interests of the community and allocates available resources to those interests while remaining fiscally strong for the future. In crafting the following proposed allocations, the staff was guided by the principles of fiscal sustainability & responsibility. This budget represents the City's 2019-20 financial plan.

DISCUSSION:

The City's financial policies, plans, and reporting systems help the operating departments achieve their objectives and ensure the City's long-term fiscal health. The City's accounting program maintains accounting records in accordance with Governmental Accounting Standards Board (GASB) pronouncements and Generally Accepted Accounting Principles (GAAP).

The 2019-20 Budget is balanced and focuses on provision of essential services. It assumes changes will be made to the city organization to achieve economies and efficiencies in city operations, and improved service. As these changes are implemented, the City will analyze service delivery options, to include levels of service, service quality and expected performance, service revenues and costs, required transition activities and other relevant factors before implementing service delivery methods. Timing and labor relations will be critical factors.

City Fund Structure

A number of different funds are utilized to account for the City, the Successor Agency to the Former Redevelopment Agency, and the West Covina Housing Authority financial resources. Funds are classified into the following fund types:

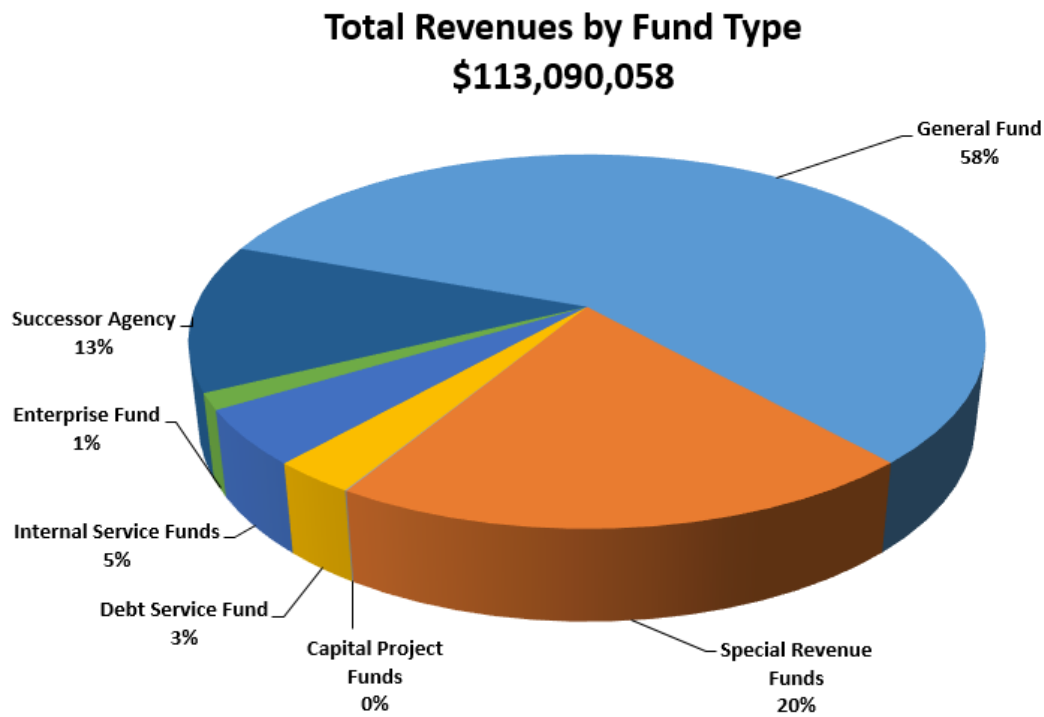
- General Fund
- Special Revenue

- Debt Service
- Capital Projects
- Proprietary
- Private Purpose Trust

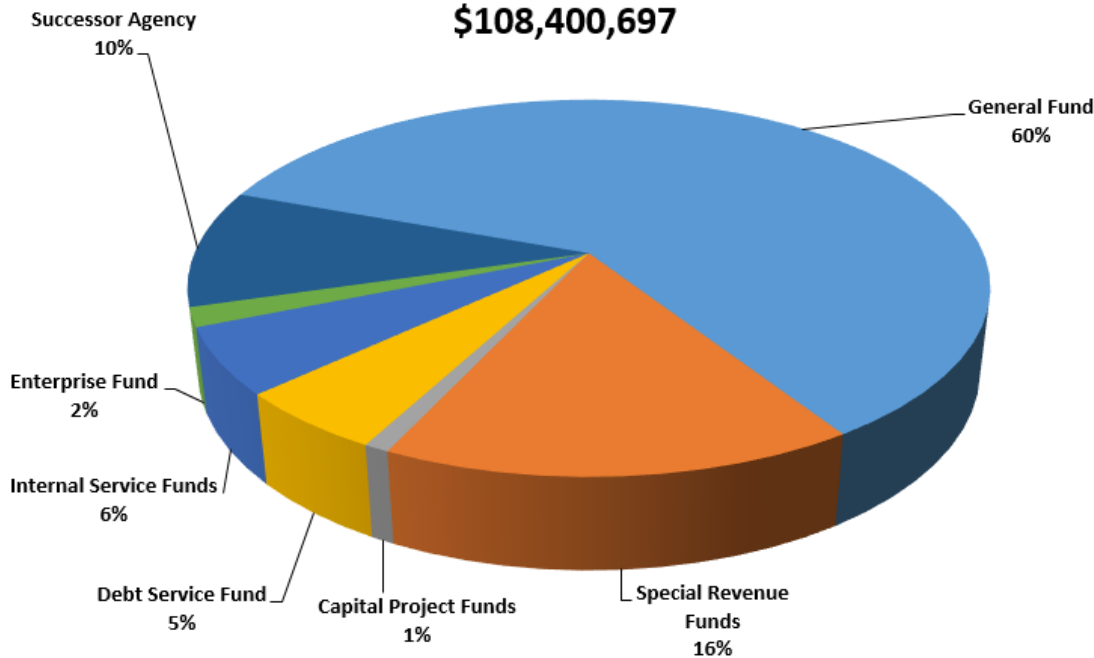
The City has established multiple funds, under each fund type, to assist in accounting and record keeping for the City and outside agencies. A brief description of all the funds is provided in Attachment No. 1.

Proposed Budget Information

For FY 2019-20, estimated revenues (including transfers in) on an all funds basis are \$113,090,058. Many funds make up the total budget amount, with the largest being the General Fund in the amount of \$65,358,773, or 58% of the City's total budget.

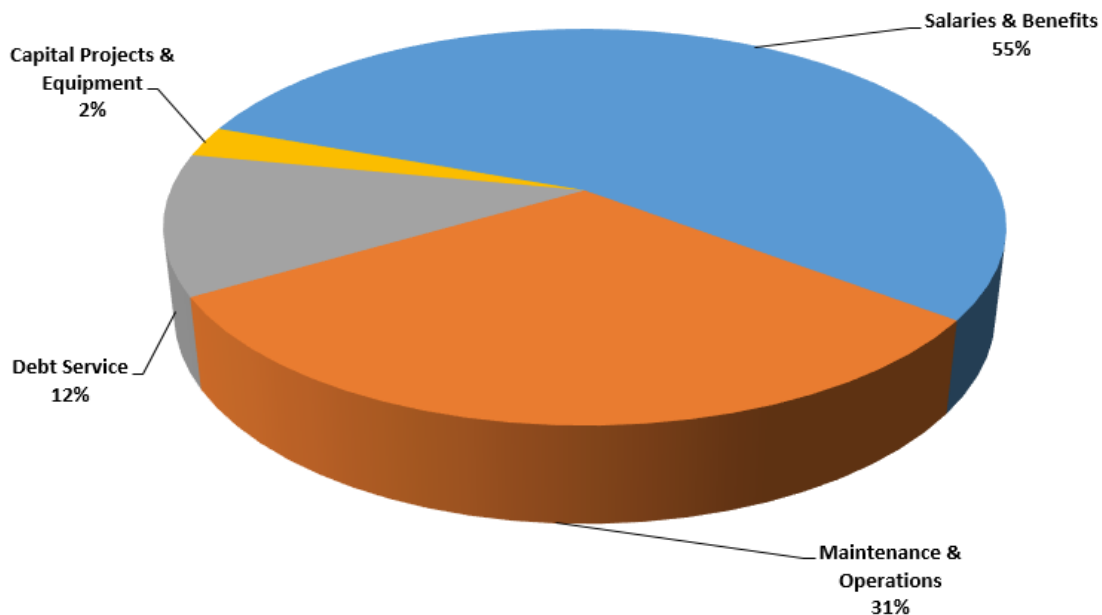


Total Expenditures by Fund Type \$108,400,697



Estimated expenditures (including transfers out) for all budgeted funds are estimated at \$108,400,697. The General Fund makes up 60% of the organization's total budget, or \$65,358,773.

Total Expenditures by Category \$108,400,697



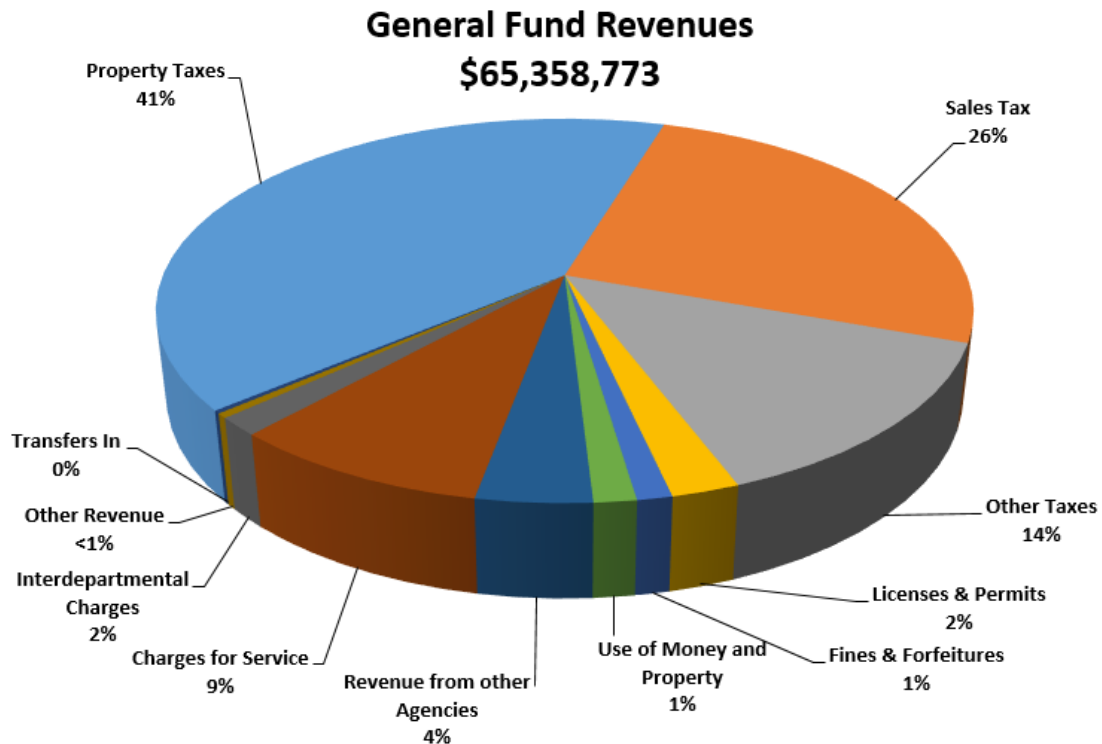
Personnel costs inclusive of all City funds are anticipated to be \$59.4 million. Pension costs for the California Public Employee's Retirement System (CalPERS) continue to increase again this year and are anticipated to rise for the next several years.

General Fund

The City's primary financial goal is to provide an appropriate level of municipal services meeting the needs of the present without compromising the ability of future generations to meet their own needs. This will require that community leaders continue to take an active role in the city's efforts to think and act sustainably. The City's General Fund continues to be negatively impacted by economic conditions, increases in pension costs, the State's elimination of redevelopment, and the State's raid of local revenues.

General Fund Revenues:

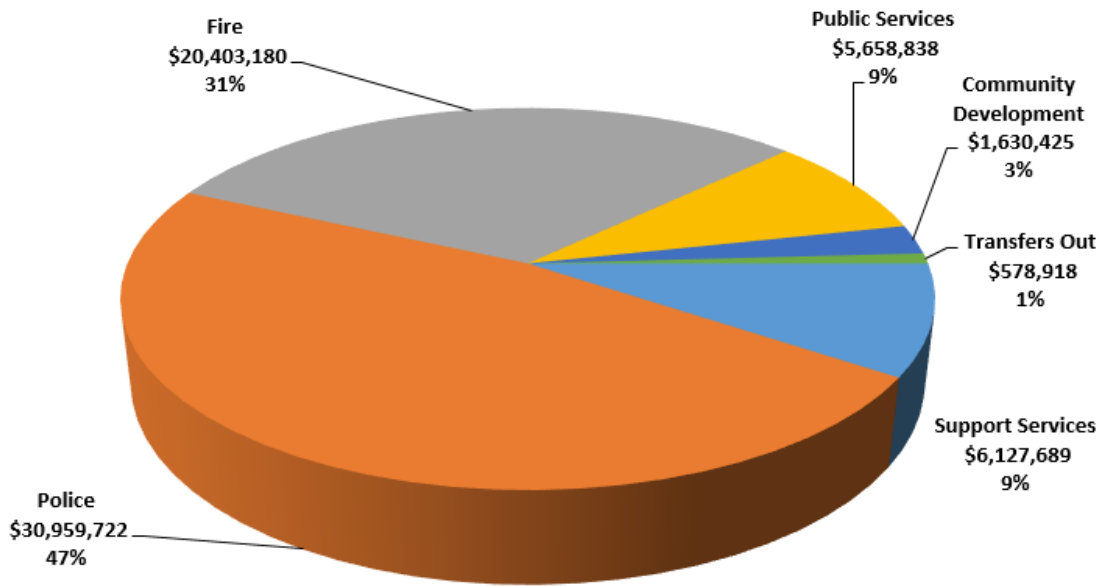
Total General Fund revenues are projected to be \$65,358,773, a decrease of \$502,913 or less than 1% from the prior year adopted budget. Although many of the revenue sources of the City are increasing such as property tax, the decline is largely due to a transfer into the General Fund budgeted in the previous fiscal year in the amount of \$1.9 million.



General Fund Expenditures:

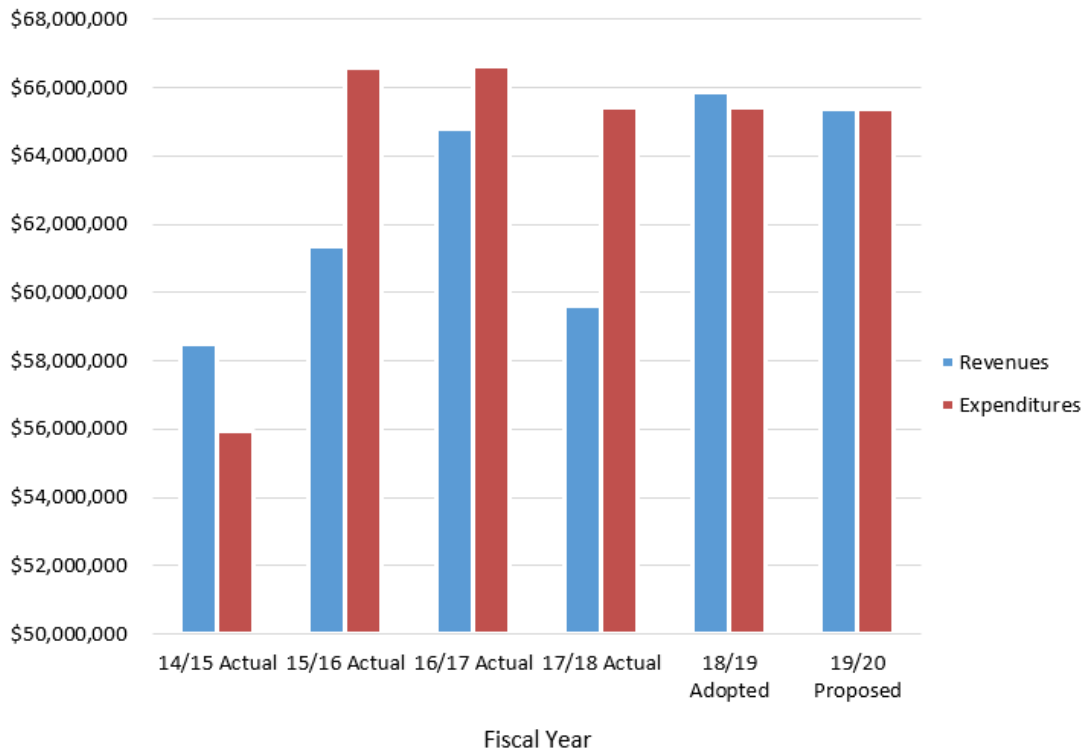
At this time, General Fund expenditures for FY 2019-20 are projected to be \$65,358,773. This equates to a slight decrease in budgeted expenditures of \$67,895 when compared to the adopted budget for FY 2018-19.

General Fund Expenditures by Department \$65,358,773



General Fund revenues and expenditures are equal and the budget is balanced once again this year as illustrated in the chart below.

General Fund Comparison



General Fund Reserves:

To maintain the City's credit rating and meet seasonal cash flow shortfalls, economic downturns or a local disaster, the budget provides for an anticipated fund balance for general fund. The General Fund ending unassigned fund

balance, or reserve, is equivalent to a “savings account” to cover unexpected costs or significant economic changes. The intent is to not use this for normal operating expenses. Unless changes are made to this preliminary budget, the General Fund ending unassigned fund balance is projected to be approximately \$12 million, which is 18.3% of operating expenditures, which meets the City’s 17% reserve policy.

At this time, the General Fund’s estimated ending fund balance for FY 2019-20 is \$22.7 million; however, \$10 million is considered non-spendable. The non-spendable portion consists of unpaid loans to the former Redevelopment Agency which have been approved by the Department of Finance (DOF) and will be repaid over the next few years in the amount of \$6.4 million and land held for resale in the amount of \$3 million.

Capital Improvement Program:

Staff is recommending a number of CIP projects for FY 2019-20, with the all of them being funded from special revenue funds. These projects are listed on Attachment No. 2

This Preliminary Budget will be available on the City's website at the following address:
www.westcovina.org/AnnualBudget

Challenges:

The many and varied changes in this century have created new problems for local government. Certainly, in this period the complexities of urban living have been compounded and now present local government with some of the most challenging of problems and opportunities. West Covina provides a full range of first-class municipal services. These services are varied, complex and often expensive. The quality of public infrastructure and public services which the City provides help define quality of life for residents.

There is much work to be done, starting with planning for necessary expenditures by quantifying then identifying solutions. Current unfunded liabilities include facility and fleet maintenance, competitive employee salaries and pension costs and other post-employment benefits, risk management and infrastructure facilities. The 2019-20 budget is a coordinated fiscal plan which provides vision, direction and fiscal guidance for the municipal organization. The budget will guide decisions to achieve a future that is responsive to what the public wants. It is possible to achieve this future with vigilance and specific action steps.

The budget was prepared to provide the City Council and public with transparent, balanced and objective information to assist in understanding the City’s finances.

ENVIRONMENTAL REVIEW:

This project is a General Exemption under the California Environmental Quality Act.

Prepared by: Robbeyn Bird, CPA, Interim Finance Director

Attachments

Attachment No. 1 - City Fund Structure

Attachment No. 2 - 2019-2020 Project Summary by Fund Number

CITY FUND STRUCTURE

A number of different funds are utilized to account for the City, the Successor Agency to the Former Redevelopment Agency, and the West Covina Housing Authority financial resources. Funds are classified into the following fund types:

- General Fund
- Special Revenue
- Debt Service
- Capital Projects
- Proprietary
- Private Purpose Trust

The City has established multiple funds, under each fund type, to assist in accounting and record keeping for the City and outside agencies.

GENERAL FUND TYPE

General Fund (Fund 110)

The General Fund is the City's largest single fund type and is used to account for unrestricted revenues. The City's General Fund is the main operating fund for non-restricted revenues, such as general taxes and fees. Appropriations may be made from the General Fund for City activities. This fund is used to account for basic City services such as police, fire, recreation, building, planning, and general administration. Within the General Fund, the City maintains non-spendable (not available) and unassigned (available) reserves that represent the unappropriated fund balance.

SPECIAL REVENUE FUNDS

Asset Seizure (Funds 116 and 117)

Asset Seizure revenues are received based on the City's participation in drug-related asset seizures. Funds are received from federal and state agencies. These funds are restricted to uses that enhance the police department's activities.

Air Quality Improvement Trust (Fund 119)

In 1991-1992, the state passed AB 2766, the State's Air Quality Improvement Trust Fund. An increase in motor vehicle license fees collected by the State of California supports this state fund. The City receives a portion of the fees to enhance the City's clean air efforts.

Proposition A (Fund 121)

Under Proposition A, the City receives a portion of the ½ cent of sales tax levied in Los Angeles County to provide transportation-related programs and projects. For years the City has sold its Proposition A funds to other cities in exchange for non-restricted General Fund dollars.

Proposition C (Fund 122)

Under Proposition C, the City receives a portion of an additional ½ cent sales tax approved for transportation-related programs in Los Angeles County. The funds may be used for certain capital projects or transportation projects similar to those allowed under Proposition A. Projects include street rehabilitation and reconstruction, traffic monitoring systems, congestion management and planning, bus shelter maintenance, Park-and-Ride lots, the City's shuttle and Dial-A-Ride services and recreational transit services.

Gas Tax (Fund 124)

This fund accounts for State Gas Tax monies received under various state laws. The funds are used to fund the City's street maintenance program. Activities include ongoing minor street repairs, upgrades of traffic signals, replacement and installation of new traffic signs and street painting. Programs are administered through the Community Development and Community Services Departments.

Police Donations (Fund 127)

This fund accounts for donations received and expenditures related to various police programs.

Transportation Development Act (Fund 128)

Transportation Development Act funds are received through the County and may only be used for specific transportation development purposes. These funds are generally used by the City for sidewalk rehabilitation and construction, and the long-term transportation planning efforts within the City.

AB 939 (Fund 129)

This fund accounts for revenues and expenditures of programs implemented to meet the requirements of the California Integrated Waste Management Act of 1989 (AB 939). Revenues are generated through a waste management fee. Programs funded include the development and implementation of a solid waste reduction and recycling project, household hazardous waste disposal project, and solid waste management activities.

Community Development Block Grant (Fund 131)

This fund accounts for activities of the Community Development Block Grant received from the U.S. Department of Housing and Urban Development, including monies received from this agency as part of the federal stimulus program.

Surface Transportation Program (STP) Local (Fund 140)

The Intermodal Surface Transportation Efficiency Act of 1992 (ISTEA) is the Federal Highway Program. This fund accounts for federal money received for use in improving certain major streets. Caltrans and the Federal Highway Administration must approve projects.

LA County Park Bond (Fund 143 & 210)

These funds account for grant money received through the Los Angeles County Regional Park and Open Space District Grant.

Waste Management Enforcement Grant (Fund 145)

This fund accounts for the money received from the State of California to help support the local enforcement agent who monitors the local closed landfill.

Senior Meals Program (Fund 146)

This program provides meals to low-income seniors with funding from the United States Department of Agriculture and Area Agency on Aging. The program also receives donations from seniors for the meals served.

Used Oil Block Grant (Fund 149)

The California Integrated Waste Management Board (CIWMB) provides grant funds to cities to promote used motor oil recycling.

Inmate Welfare (Fund 150)

This fund accounts for any money, refund, rebate or commission received from a telephone call from inmates while incarcerated to meet the requirements of California Penal Code: Part 3; Title 4; Chapter 1; Section 4025. The monies are to be expended for the benefit, education, and welfare of inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of the jail facilities.

Public Safety Augmentation (Fund 153)

This fund accounts for the permanent extension of the sales tax by ½ cent guaranteed under Proposition 172. These revenues are restricted to the enhancement of public safety services. Revenue is allocated based on each qualified county's proportionate share of statewide taxable sales.

COPS/SLESA (Fund 155)

This fund accounts for grant revenue provided by the state to support Community Oriented Policing programs. Funds must be spent on front-line law enforcement services.

Beverage Container Recycling Grant (Fund 158)

The Beverage Container Recycling Grant provides funds derived from consumer deposits on beverage containers. These funds are to be used for beverage container recycling and litter cleanup activities.

Summer Meals Program (Fund 159)

This fund comes from the Food and Nutrition Service (FNS) of the United States Department of Agriculture, which provides a free lunch to children on weekdays during the summer months.

Maintenance District Funds (Fund 18x)

The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance. Assessment districts currently established in the City include:

Maintenance District #1 (Fund 181)
Maintenance District #2 (Fund 182)
Maintenance District #4 (Fund 184)
Maintenance District #6 (Fund 186)
Maintenance District #7 (Fund 187)

Coastal Sage and Scrub Community Facilities District (Fund 183)

This community facilities district was formed to provide for the restoration and ongoing maintenance of sensitive environmental habitat within the development area of a former landfill, including habitat for endangered species such as the California gnatcatcher (*Polioptila californica*).

Citywide Maintenance District (Fund 188)

This is the City's most significant special assessment fund. Revenue for the fund comes from annual special benefit assessments from property owners who benefit from covered improvements. The Citywide Assessment District provides the majority of funding for the City's street lighting system and street tree program.

Sewer Maintenance (Fund 189)

This fund supports the City's street sweeping program and maintenance of the City's sewer system.

Business Improvement District (Fund 190)

This is an assessment district supported by six of West Covina's automobile dealers to fund the construction, maintenance and operation of a reader board adjacent to Interstate 10.

Police Grant Funds

These funds come from federal or state grants to provide funding for various public safety programs.

Bureau of Justice Assistance Grant (Fund 130), Alcohol Beverage Control (ABC) Grant (Fund 138), and Police Private Grants (Fund 221)

Charter PEG (Fund 205)

Charter Communications awarded the City a \$150,000 Public Education Grant for a number of years. Due to changes in communications rules, no additional grant revenue is being received. The money remaining in this fund can only be used to make capital expenditures related to the City's Public Access Channel.

Art in Public Places (Fund 212)

This fund accounts for development fees paid in lieu of acquisition and installation of approved artwork in a development, with expenditures restricted to acquisition, installation, maintenance and repair of artworks at approved sites.

WC Community Services Foundation (Fund 220)

This fund is used to account for activity of the West Covina Community Services Foundation, a 501(c)(3) non-profit organization.

Measure R (Fund 224)

Under Measure R, the City receives a portion of a ½ cent sales tax levied in Los Angeles County to provide transportation related projects and programs. The City uses Measure R Funds to provide a variety of transportation services including Dial-A-Ride and the West Covina Shuttle (a fixed route system).

Taskforce for Regional Auto Theft Prevention (TRAP) Grant (Fund 233)

A regional law enforcement taskforce known as TRAP is funded through vehicle registration fees pursuant to Vehicle Code section 9250.14 (SB-2139). The primary mission of TRAP is to combat auto thefts and spearhead major investigations related to vehicle thefts throughout the Southern California regions.

City Law Enforcement Grant (Fund 234)

This fund accounts for personnel costs that are reimbursable through the Board of State and Community Corrections (BSCC) City Law Enforcement Grant.

Measure M (Fund 235)

Under Measure M, the City receives a portion of a ½ cent sales tax levied in Los Angeles County to provide transportation related projects and programs. The City uses Measure M Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction, traffic monitoring systems, and congestion management and planning.

Measure A (Fund 236)

Under Measure A, the City receives a portion of a 1.5 cent per square foot parcel tax levied in Los Angeles County to help fund new parks and maintain existing ones. The City uses Measure A Funds for certain capital projects related to parks, such as rebuilding restrooms, updating park parking lots, and the purchase of new playground equipment.

SB1 – Road Maintenance Rehab (Fund 237)

Senate Bill (SB) 1, known as the Road Repair and Accountability Act of 2017, increased per gallon fuel excise taxes, increased diesel fuel sales taxes and vehicle registration fees, and provides for inflationary adjustments to tax rates in future years, to address basic road maintenance, rehabilitation and critical safety needs on both state highways and local streets. The City uses SB1 funding for street improvements such as residential road rehabilitation.

West Covina Housing Authority (Fund 820)

Under ABX1 26, the housing functions were transferred to the West Covina Housing Authority with the adoption of Resolution No. 2012-11 by the West Covina City Council on January 17, 2012. Accordingly, all rights, powers, duties and obligations related to the housing functions have been assumed by the Housing Authority and it may enforce affordability covenants and perform related activities pursuant to the applicable provisions of the Community Redevelopment Law.

ABX1 26 provides that the non-cash housing assets and obligations of dissolving redevelopment agencies ("RDAs") do not pass to the Successor Agencies formed to wind-down each RDA, but rather to the Housing Successor Agency. As such, decisions regarding such housing assets and obligations are not subject to approval by the Oversight Board of the Successor Agency.

This fund will accumulate loan repayments from homeowners and multi-family housing developers per agreements that were put in place using low and moderate income housing funds

of the former Redevelopment Agency. Those funds, along with repayment of the Supplemental Educational Revenue Augmentation Fund loans that were previously made by the housing fund of the former Redevelopment Agency, will be used to continue to provide low and moderate income housing programs in compliance with state law regarding affordable housing.

CAPITAL PROJECT FUNDS

Capital Projects (Fund 160)

The fund was established by the City Council to serve as the source of capital funding for projects that have no other funding source.

Construction Tax (Fund 161)

The Construction Tax Fund receives monies from developers based on the construction of dwelling units in the City. These funds are then used to purchase or construct public facilities, such as street reconstruction, traffic signal modifications, curb and gutter replacements and rehabilitation of park structures and equipment.

Information Technology (Fund 162)

The funds paid into this fund are to be used for information technology capital outlay projects.

Development Impact Fees (Fund 16x)

The City receives one-time fees on new development to be used to cover costs of capital equipment and infrastructure required to serve new growth. The following funds have been established:

Fund 164 – Police Impact Fees

Fund 165 – Fire Impact Fees

Fund 166 – Park Impact Fees

Fund 167 – City Administrative Impact Fees

Fund 168 – Public Works Impact Fees

Park Acquisition (Fund 169)

The funds paid into this fund are to be utilized for new parkland acquisition and the development of new parkland.

Park Dedication Fees (Fund 17x)

The City receives fees from developers to fund recreation facilities. The City has been divided into seven park districts for purposes of collecting revenue. These funds are used for qualified recreational purposes throughout the City. The following Districts have been established:

Fund 170 – Park District “A”

Fund 171 – Park District “B”

Fund 172 – Park District “C”

Fund 173 – Park District “D”

Fund 174 – Park District “E”

Fund 175 – Park District “F”

Fund 176 – Park District “G”

Fund 177 – Park District “H”

DEBT SERVICE FUND

Debt Service (Fund 300)

The City has established one Debt Service Fund to accumulate assets for the repayment of City long-term debt, which includes outstanding bonds, notes, capital leases and related costs. Funding is accumulated from interest income, developer reimbursements, and transfers from the General Fund and the Successor Agency.

INTERNAL SERVICE FUNDS

Self-Insurance - General and Auto Liability (Fund 361)

Funding for general/auto liability claims, uninsured losses and insurance premiums is provided through a charge on all operating departments based on prior year claims expense.

Self-Insurance - Workers' Compensation (Fund 363)

Funding for workers' compensation is derived from a percentage charge of all salaries with different rates levied for the various employee categories.

Fleet Management (Fund 365)

The Maintenance Division of the Public Works Department operates the fleet management function for the City which oversees the repair and disposal of City vehicles and heavy equipment. Revenue for the fleet management fund is generated through charges to operating departments. Each department that operates assigned vehicles is charged based on the departmental usage of the vehicles. Fleet management costs are reflected in each department's line-item budget.

Vehicle Replacement (Fund 367)

The City put surplus funds into this fund for the replacement of vehicles to update the fleet and save on maintenance costs.

Retirement Health Savings Plan (368)

This fund accounts for the set-aside lump sum benefits for retiring employees.

ENTERPRISE FUND

Police Computer Service Group (Fund 375)

This fund accounts for the computer services provided by the Police Department to other public safety agencies for a fee. The programs are marketed to both public and private agencies. The program also provides these products and services to the West Covina Police Department.

SUCCESSOR AGENCY

Successor Agency Redevelopment Obligation Retirement (Fund 810)

The City's Redevelopment Agency was dissolved as a result of the passage of ABX1 26, and the Successor Agency was subsequently created for the purpose of winding down the affairs of the former Redevelopment Agency. The responsibilities of the Successor Agency are to (1) continue to make payments on the outstanding debt of the former Redevelopment Agency for items that are

deemed to be “enforceable obligations”, and (2) wind down the activities of the Redevelopment Agency through the sale and disposition of assets and properties. The Successor Agency will receive allocations of property tax increment in amounts determined by the State Department of Finance (DOF) and deposited into the Redevelopment Property Tax Trust Fund (RPTTF) by the county. Those RPTTF allocations will then be used to pay the enforceable obligations.

Successor Agency Administration (Fund 815)

This fund is for all allowable administrative expenses of the Successor Agency, including salaries and benefits, legal costs, appraisals, consultants, and other administrative and overhead charges as well as support costs incurred for the Oversight Board. The Successor Agency receives an annual amount equal to 3% of the RPTTF allocation approved for payment of enforceable obligations.

CFD Debt Service (Fund 853)

This fund was established as part of the Fashion Plaza Expansion Project of the former Redevelopment Agency for issuing bonds to assist in the expansion of the leasable square footage and parking facilities of a regional shopping mall. The fund collects revenues from a special tax assessment on the property, as well as sales and property tax increment revenues generated on the property. Those revenues are used to service the principal and interest payments, and related costs of the outstanding bonds.

FY 2019-2020 PROJECT SUMMARY BY FUND

NO	FUND NO.	FUND	PROJECT	AMOUNT
S-5	122	Prop C	Bus Stop Enhancement Annual Program	25,000
			TOTAL PROPOSITION C - 122	25,000
S-1	124	GT	Pavement Management Plan Update	75,000
T-13	124	GT	Traffic Signal Battery Back-up Controller Replacement	60,000
T-14	124	GT	Traffic Signal Battery Back-up Battery Replacement	30,000
T-15	124	GT	Installation of traffic Control Devices	30,000
			TOTAL GAS TAX - 124	195,000
S-3	128	TDA	Annual Concrete Sidewalk Installation/Replacement Program	70,000
			TOTAL TRANSPORTATION DEVELOPMENT ACT - 128	70,000
S-6	131	CDBG	Curb Access Ramp Programs	100,000
			TOTAL COMMUNITY DEVELOPMENT GRANT PROGRAM - 131	100,000
SD-1	160	CP	Update Housing Element	65,000
S-9	160	CP	Residential Street Rehabilitation Annual Program	567,148
			TOTAL CAPITAL PROJECTS - 160	632,148
G-8	161	CT	BKK Radio Tower Monitoring System	150,000
			TOTAL CONSTRUCTION TAX - 161	150,000
P-13	170	PDF A	Del Norte Park Restroom Improvements	30,000
P-14	170	PDF A	Del Norte Park Repair Trash Enclosures	30,000
			TOTAL PARK DEDICATION FEES "A" - 170	60,000
P-29	171	PDF B	Palmview Park Repair Trash Enclosures	30,000
			TOTAL PARK DEDICATION FEES "B" - 171	30,000
P-25	172	PDF C	Orangewood Park Security Fencing	150,000
P-26	172	PDF C	Orangewood Park Restroom Improvements	30,000
			TOTAL PARK DEDICATION FEES "C" - 172	180,000
P-8	174	PDF E	Cortez Park - Repair Trash Enclosures	30,000
P-9	174	PDF E	Cortez Park - Repair Football Goal Posts	20,000
			TOTAL PARK DEDICATION FEES "E" - 174	50,000
P-37	175	PDF F	Shadow Oak Park Restroom Improvements	30,000
P-38	175	PDF F	Shadow Oak Park Repair Trash Enclosure	30,000
			TOTAL PARK DEDICATION FEES "F" - 175	60,000
P-16	177	PDF H	Friendship Park Replace Drinking Fountains	20,000
P-17	177	PDF H	Friendship Park Repair Trash Enclosure	30,000
			TOTAL PARK DEDICATION FEE "H" - 177	50,000
P-42	183	CSS	Upgrade Landscaping based on Biologist Report	100,000
			TOTAL Coast Scrub and Sage CFD - 183	100,000
P-21	184	LMD-4	Tree trimming and shrub clearing	400,000
P-22	184	LMD-4	Paseo Lighting Replacement/Repair	100,000
			TOTAL MAINTENANCE DISTRICT 4 - 184	500,000
U-1	189	Sewer	Replace/upgrade pumps for City Hall Storm Water Lift Station	50,000
U-2	189	Sewer	Upgrades to Sewer Lift Station at Police Department Building	600,000
U-6	189	Sewer	Sewer Main Replacement - Portions of Glenview Rd, Michelle St, and Azusa Ave	1,450,000
U-7	189	Sewer	Sewer Main Replacement - Portions of Azusa Ave	295,000
U-8	189	Sewer	Sewer Main Replacement - Portion of Citrus St	230,000
N-1	189	Sewer	Catch basin Trash Capture Device Installation Program	50,000
			TOTAL SEWER FUND - 189	2,675,000
S-11	224	Measure R	Implementation of green Streets Improvements	500,000
T-1	224	Measure R	Merced / Sunset- Install Left-turn Phasing	190,000
T-2	224	Measure R	Glendora / Merced - Install Left-turn Phasing	190,000
T-3	224	Measure R	Merced / Valinda - Install Left-turn Phasing	25,000
T-4	224	Measure R	La Puente Road / Forcastle - New Traffic Signal Installation with City of Walnut	200,000
			TOTAL MEASURE R - 224	1,105,000
S-2	235	Measure M	Annual concrete sidewalk and curb and gutter repair program	180,000
S-9	235	Measure M	Residential Street Rehabilitation Annual Program	500,000
			TOTAL MEASURE M - 235	680,000
T-3		Grant	Merced / Valinda - Install Left-turn Phasing	165,000
			TOTAL GRANT FUNDS	165,000
S-9	237	SB-1	Residential Street Rehabilitation Annual Program	1,500,000
			TOTAL SB-1 - 237	1,500,000
GRAND TOTAL				\$8,327,148