

# City of Montclair

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Fiscal Year 2021-22  
General Operating Fund Budget Review  
Monday, June 28, 2021  
6:00 p.m.



# Fiscal Year 2021-22

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## OVERVIEW And BUDGET PROCESS



# Fiscal Year 2021–22 Overview

- This evening’s workshop provides an overview of the Proposed Annual Budget for the City of Montclair for Fiscal Year 2021–22, with focused discussion on the following topics:
  - Budget Process.
  - Producing a Balanced Budget.
  - Revenue and Appropriations.
  - Unassigned and Special Purpose Reserve Funds.
  - CalPERS.
  - Fiscal recovery post COVID–19 pandemic (Recovery, Coronavirus Local Fiscal Recovery Fund, Measure L, Critical Infrastructure Improvement Bonds, and Pension Obligation Bonds).
  - Reorganization Element .

# Fiscal Year 2021-22

## Budget Process

- ❑ The annual budget development process includes the following significant steps:
  - Finance Department staff develop and refine revenue projections.
  - Finance Department staff, in conjunction with Departments, forecast personnel requirements.
  - Department heads and their staff are provided with prior year amounts and formats for budgeting annual budget requests.
  - Departments prepare their budget requests for appropriations.
  - City Manager and Finance Department meet with Department Heads, as appropriate, to evaluate, modify, and finalize Department-level requests.
  - The Proposed Annual Budget document is submitted for City Council review and consideration.

# Fiscal Year 2021-22

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PRODUCING A  
BALANCED BUDGET



# Fiscal Year 2021–22

## Balancing the Budget

- The annual and primary goal related to budget preparation:
  - Produce an operating budget where revenues equal or exceed appropriations:
    - The Fiscal Year 2021–22 Budget, as presented, has a net excess of General Fund Revenues over General Fund Operating Appropriations in the amount of \$2,079,847.
      - This excess in General Fund Revenues is directly related to projected increases in the City’s Sales Tax and Transactions and Use Tax Revenues.
      - This surplus in General Fund Revenue over General Fund Appropriations has enabled the General Fund Unassigned Reserve to be brought to \$8 million, which is approximately 24.95% of the General Fund Operating Appropriations, effectively meeting Council’s Unassigned Reserve Ratio goal of 25%.

# Fiscal Year 2021-22

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## REVENUES



# Fiscal Year 2021-22 Revenue Budget

**Table 1**  
**Estimate of Revenues – All Funds**

	<u>Current Year</u>	<u>Revised Prior Year</u>	<u>Change</u>
<b>Estimated Revenue:</b>			
<b>All Funds</b>	<b>\$ 57,075,691</b>	<b>\$ 44,552,570</b>	<b>\$ 12,523,121</b>
<b>General Operating Fund</b>	<b>\$ 35,002,751</b>	<b>\$ 28,962,530</b>	<b>\$ 6,040,221</b>



# Fiscal Year 2021–22

## Revenue Components

### ❑ Significant Revenue Components: General Fund:

- \$8,931,276 **increase** in property, sales and use, and transactions and use taxes—primarily due to a rebounding economy following reopening of the state post COVID–19 Pandemic, and the passage of Measure L by Montclair voters at the November 3, 2020, General Municipal Election. Of this total:
  - \$2.6 million is set aside in this budget for the debt service payment on a 2021 Lease Revenue Bond.
  - \$2.1 million is allocated to the Unassigned Reserve Fund.
  - \$850,000 represents transfers (including \$558,000 to a UAL maintenance fund and \$300,000 to the Equipment Replacement Fund).
  - \$1.9 million additional operating monies.
  - Balance used to restore monies drawn from the Unassigned and Special Reserve Funds to produce a balanced budget during Fiscal Year 2020–21 and respond to City Council approved pandemic–related expenditures.

# Fiscal Year 2021–22

## Revenue Components

- ❑ Significant Revenue Components: General Fund:
  - \$36,600 **increase** in Intergovernmental revenues—primarily due to a projected increase in P.O.S.T. reimbursement and a proposed new contract with Greyhound for the transcenter lease/maintenance.
  - \$70,800 **decrease** in fines and forfeitures—primarily due to a reduction in parking citations and vehicle impound fees to reflect actual revenues received for the current year.
  - \$134,800 **increase** in miscellaneous revenue—primarily due to a projected increase in interest income.

# Fiscal Year 2021-22

## Revenue Components

- ❑ Significant Revenue Components: All Other Fund Accounts:
  - \$56,758 increase in the Gas Tax Fund—due primarily to the reopening of the state post COVID-19 Pandemic, resulting in an increase of vehicle usage and gasoline purchases.
  - \$222,713 increase in the Measure I Fund—due primarily to the reopening of the state post COVID-19 Pandemic resulting in an increase in retail sales.
  - \$202,250 increase in the Community Development Block Grant Fund—recognizing increased federal allocations available through San Bernardino County for costs related to the COVID-19 Pandemic.
  - \$3,250,000 increase in the American Rescue Plan Fund—recognizing increased federal allocations available through San Bernardino County for costs related to the COVID-19 Pandemic.

# Fiscal Year 2021-22

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## APPROPRIATIONS



# Fiscal Year 2021-22 Operating Appropriations

**Table 2  
Department Requests/City Manager Reductions**

	<u>Department's Request</u>	<u>City Manager Approved</u>	<u>Change</u>
<b>Appropriations:</b>			
<b>Total - All Funds (Exclusive of Debt Service)</b>	\$ 45,665,502	\$ 44,617,028	\$ 1,048,474
<b>Total - General Operating Fund</b>	\$ 34,019,900	\$ 32,064,243	\$ 1,955,657

**Table 3  
City Manager Recommended Amounts**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Change</u>
<b>Appropriations:</b>			
<b>All Funds</b>	\$ 49,807,415	\$ 42,196,318	\$ 7,611,097
<b>General Operating Fund</b>	\$ 32,064,243	\$ 28,730,780	\$ 3,333,463

# Fiscal Year 2021–22

## Operating Appropriations

### □ Personnel Services:

- All Funds: \$28,901,483—64.8% of Total Appropriations.
  - Up from \$26,271,670 (66.3%) for FY 2020–21
- General Fund: \$23,663,705—73.8% of General Fund Appropriations.
  - Up from \$21,815,666 (75.9%) for FY 2020–21

# Fiscal Year 2021–22

## Operating Appropriations

### □ Personnel Services:

#### ➤ 189 Full–Time Positions.

- 187.61 assigned to General Fund/Sewer Fund/Gas Tax/Economic Development Fund/Grants
- 0.90 Montclair Housing Corporation
- 0.49 Montclair Successor Redevelopment Agency

#### ➤ 6 part–time benefitted positions.

# Fiscal Year 2021–22

## Operating Appropriations

### ▣ Services and Supplies:

- All Funds: \$15,229,220—47.5% of Total Appropriations.
  - Up from \$13,526,900 (32.5%) for FY 2020–21
- General Fund: \$8,301,188—25.9% of General Fund Appropriations.
  - Up from \$7,395,722 (25.5%) for FY 2020–21



# Fiscal Year 2021–22

## Operating Appropriations

- Capital Outlay: \$486,325 is budgeted in FY 2021–22 of which \$346,975 is being funded by the Equipment Replacement Fund.
  - City Manager Department.
    - \$53,000–Computer equipment for Information Technology (General Fund)
  - Police Department.
    - \$38,500 – One Investigations Vehicle (Equipment Replacement Fund)
    - \$178,475 – Three Patrol Vehicles (Equipment Replacement Fund)
  - Fire Department.
    - \$ 7,500 – ME 152 Pre–Connect Hose Bed Modification (General Fund)
    - \$32,650 – Forcible–Entry and Ventilation Training Props (General Fund)

# Fiscal Year 2021–22

## Operating Appropriations

- Capital Outlay: \$486,325 is budgeted in FY 2021–22 of which \$346,975 is being funded by the Equipment Replacement Fund.
  - Public Works Department.
    - \$45,000 – Chevrolet Regular Cab Flat Bed Truck (Equipment Replacement Fund)
    - \$80,000 – Toro Ride on Mower (Equipment Replacement Fund/Park Maintenance Fund)
    - \$45,000 – Mobile Column Heavy Equipment Lift (Equipment Replacement Fund)

# Fiscal Year 2021-22

## Operating Appropriations

### Table 4 Budget Allocations by Department

	Personnel Services	Services Supplies	Capital Outlay	Total	Change From Prior Year	Prior Year
City Council	\$ 158,800	\$ 244,716	\$ -	\$ 403,516	\$ 98,203	\$ 305,313
City Manager	1,629,854	3,001,367	57,200	4,688,421	(507,358)	\$ 5,195,779
Administrative Services	709,044	576,693	-	1,285,737	166,313	\$ 1,119,424
Human Services	2,528,228	1,061,656	-	3,589,884	946,902	\$ 2,642,982
Police	9,120,454	1,054,608	216,975	10,392,037	956,373	\$ 9,435,664
Fire	3,256,639	542,979	40,150	3,839,768	(579,594)	\$ 4,419,362
Public Works	2,967,267	6,097,101	172,000	9,236,368	1,352,113	\$ 7,884,255
Community Development	1,362,307	142,015	-	1,504,322	59,207	\$ 1,445,115
Economic Development	685,378	502,760	-	1,188,138	(621,768)	\$ 1,809,906
City Attorney	108,437	190,000	-	298,437	15,384	\$ 283,053
Citywide	6,312,471	1,724,075	-	8,036,546	597,631	\$ 7,438,915
Community Facility Districts	62,604	91,250	-	153,854	-	\$ 153,854
<b>Total Operating Expenditures</b>	<b>\$ 28,901,483</b>	<b>\$ 15,229,220</b>	<b>\$ 486,325</b>	<b>\$ 44,617,028</b>	<b>\$ 2,483,406</b>	<b>\$ 42,133,622</b>
Debt Service	-	-	-	5,190,387	2,599,625	2,590,762
<b>Total Expenditures</b>	<b>\$ 28,901,483</b>	<b>\$ 15,229,220</b>	<b>\$ 486,325</b>	<b>\$ 49,807,415</b>	<b>\$ 5,083,031</b>	<b>\$ 44,724,384</b>

# Fiscal Year 2021-22

## Fund Transfers

- The Preliminary Operating Budget recommends the following transfers in to the General Fund Operating Budget:

**Table 5**  
**Transfers to General Fund Operating Budget**

<u>To</u>	<u>From</u>	<u>Purpose</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Operating Fund	Traffic Safety Fund	Program costs	\$ 100,000	
General Operating Fund	Traffic Safety Fund	Program costs		\$ 100,000
	Total Transfers		<u>\$ 100,000</u>	<u>\$ 100,000</u>

# Fiscal Year 2021–22

## Fund Transfers

- ❑ The Preliminary Operating Budget recommends the following transfers in to the General Fund Operating Budget:
  - \$100,000 from the Traffic Safety Fund for applicable programs.
  
- ❑ The Preliminary Operating Budget recommends the following transfers out from the the General Fund Operating Budget to the Special Purpose Funds indicated below:
  - \$300,000 to the Equipment Replacement Fund to replenish the fund for future purchases.
  - \$558,661 to the proposed UAL/POB Amortization Fund for maintenance of any new UAL in the event the City Council approves an issue of pension obligation bonds.

# Fiscal Year 2021-22

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## GENERAL FUND OPERATING FUND BALANCE (Unassigned Reserve)



# Fiscal Year 2021-22

## General Fund Operating Fund Unassigned Reserve Balance

**Table 6**  
**General Operating Fund Balance (Unassigned Reserve)**  
**and Comparisons with Operating Appropriations**

Fiscal Year	Operating Fund Balance	Operating Appropriations	Percentage
Estimated 2021-22	\$8,000,000	\$32,064,243	24.95%
2020-21	\$5,750,543	\$28,730,780	20.02%
2019-20	\$6,157,935	\$30,786,656	20.00%
2018-19	\$6,201,691	\$30,013,635	20.66%
2017-18	\$6,173,868	\$28,853,787	21.40%
2016-17	\$6,021,152	\$28,175,709	21.37%
2015-16	\$5,616,395	\$26,437,292	21.24%
2014-15	\$5,208,425	\$24,597,663	21.17%
2013-14	\$5,018,635	\$24,687,911	20.33%
2012-13	\$4,439,979	\$25,448,034	17.45%
2011-12	\$3,442,188	\$25,572,212	13.46%

# Fiscal Year 2021–22

## General Fund Operating Fund Unassigned Reserve Balance

- ❑ Government Finance Officers' Association (GFOA) Reserve Ratio Recommendation is 25%.
- ❑ City Council Direction — Maintain Unassigned Reserve Ratio of 25% of Operating Appropriations.
  - Estimated June 30, 2022 General Operating Fund's Fund Balance estimate of approximately \$8 million effectively meets the threshold target of 25% of operating appropriations.



# Fiscal Year 2021–22

## General Fund Operating Fund Unassigned Reserve Balance

- ❑ Obtaining a Fund Balance in the General Operating Fund that represents no less than 25% of the General Operating Fund's Operating budget for Fiscal Year 2021–22 is achievable due to the following:
  - Fiscal restraint achieved by implementation of sound economic policies and practices.
  - The passing of Measure L by voters at the November 3, 2020, General Municipal Election.
  - The reopening of the state post COVID–19 Pandemic resulting in an increase in retail sales, and the associated rebound in economic activity.

# Fiscal Year 2021–22

## General Fund Operating Fund Unassigned Reserve Balance

- ❑ Obtaining a Fund Balance in the General Operating Fund that represents no less than 25% of the General Operating Fund's Appropriations budget for Fiscal Year 2021–22 is achievable due to the following:
  - Reviewing the shared allocation of personnel–related costs between the General Operating Fund, other City entities, and other City Funds.
  - Sales and Use Tax, Transactions and Use Tax, and Property Tax improvements related to Property Development activities occurring throughout the Montclair community.
- ❑ City staff will continue to maintain a Fund Balance Ratio in the General Operating Fund's Unassigned Reserves that represents no less than 25% of the General Operating Fund's Appropriations Budget.

# Fiscal Year 2021-22

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MAINTAINING GENERAL FUND'S  
FUND BALANCE AND RESERVES



# Fiscal Year 2021–22

## General Operating Fund's Fund Balance/Revenue

- In recent years, the City's success at achieving and maintaining a healthy General Fund Operating Fund Unassigned Reserve Fund Balance has been accomplished through commitment to the following coordinated objectives:
  - Implementation of sound economic policies and practices;
  - Achieving a shared allocation of personnel–related costs between the General Operating Fund, other City entities, and other City Funds;
  - Controlling/Adjusting the number of full–time personnel to address economic changes;
  - Employees required to contribute toward CalPERS–related member costs; and
  - Implementation of revenue enhancement measures.

# Fiscal Year 2021–22

## General Operating Fund’s Fund Balance/Revenue

- ❑ Despite efforts to promote a healthy General Operating Fund, Fiscal management practices of the City are annually countered by the decisions of the CalPERS Administrative Board of Directors to substantially increase employer pension rates.
  - Actions implemented by the CalPERS Board of Directors produce cumulative year-to-year increases in unfunded accrued liabilities (the “UAL”) and the employer rate.
  - Annual rate increases are anticipated through Fiscal Year 2032–33, when the total annual CalPERS payment is projected to be in excess of \$10.5 million.
  - For Fiscal Year 2021–22, the cumulative CalPERS payment is estimated at \$7.85 million (including \$5.708 million on the UAL), up \$4.9 million from Fiscal Year 2013–14.
  - The UAL is currently estimated to be approximately \$79 million.

# Fiscal Year 2021–22

## General Operating Fund's Fund Balance/Revenue

- Recent and ongoing efforts designed to enhance City revenues including the following:
  - Formation of a new Transactions and Use Tax District (Measure L) – approved by voters at the November 3, 2020, General Municipal Election.
  - Ongoing evaluation of service contracting for specified programs, targeted at maintaining and enhancing services and achievable cost efficiencies.
  - Consideration of a Proposition 64 compliance program, and any related fee structure.
  - Consideration of pension obligation bonds to cap annual employer payments on unfunded accrued pension liabilities (UAL).
  - Promoting development within north Montclair pursuant to the Amended North Montclair Downtown Specific Plan (NMDSP), with projects to include high-density residential and mixed-use development.

# Fiscal Year 2021–22

## General Operating Fund's Fund Balance/Revenue

- Recent and ongoing efforts designed to enhance City revenues including the following:
  - Pursue development within the Montclair Place District Specific Plan Area, with development to address the changing nature of the retail industry.
  - Promote housing, commercial, and industrial development projects throughout the Montclair community.
  - Re-establish the Economic Development/Housing Department to promote the City's economic development, enhance Montclair's sales and property tax base, and develop affordable housing for the community.
  - Adopt the General Plan Update and the Arrow Highway Mixed Use District Specific Plan (AHMUD) to promote appropriate zoning patterns throughout the community and direct development in the northeast area of the City.

# Fiscal Year 2021-22

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## CaIPERS EMPLOYER COSTS





# Future Considerations CalPERS Employer Costs

**Table 7**  
**Estimation of FY 2021-22 CalPERS Costs**

Employee Groups	Projected City Payments			Projected Employee Payments
	Normal Cost	Unfunded Liability	Total	
General - Miscellaneous	\$ 719,908	\$ 2,238,853	\$ 2,958,761	\$ 216,555
Public Safety - Fire	379,038	1,721,390	2,100,428	379,038
Public Safety - Police	757,350	1,999,172	2,756,522	757,350
<b>Total</b>	<b>\$ 1,856,296</b>	<b>\$ 5,959,415</b>	<b>\$ 7,815,711</b>	<b>\$ 1,352,943</b>

	Funding Status		PERS - Employer Contribution Rates				
	6/30/18	6/30/19	2019-20	2020-21		Projected 2021-22	
			%	%	\$ Annual	%	\$ Annual
Fire First Tier	64.2%	63.1%	23.65%	25.54%	\$ 1,641,050	25.59%	\$ 1,843,138
Fire Second Tier	83.7%	83.8%	21.75%	23.56%	\$ 154,957	23.62%	\$ 163,986
Police First Tier	68.1%	67.6%	21.93%	23.67%	\$ 2,057,391	23.71%	\$ 2,305,941
Police Second Tier	82.8%	81.1%	20.07%	21.75%	\$ 168,086	21.79%	\$ 187,255
Misc. Pooled - First Tier	66.3%	66.1%	10.92%	12.66%	\$ 2,449,720	13.16%	\$ 2,629,186
Misc. Pooled - Second Tier	72.7%	76.5%	10.92%	11.16%	\$ 104,127	10.54%	\$ 101,304
PEPRA - Misc.	75.7%	81.8%	10.92%	10.88%	\$ 246,895	9.95%	\$ 228,271
PEPRA - Fire	92.6%	91.4%	13.79%	13.88%	\$ 91,620	13.98%	\$ 93,304
PEPRA - Police	90.2%	88.7%	13.03%	13.04%	\$ 258,054	13.13%	\$ 263,326
				<b>\$ 7,171,900</b>			<b>\$ 7,815,711</b>
						Increase	<b>\$ 643,811</b>

# Fiscal Year 2021–22 CalPERS Employer Costs

- ❑ What is on Montclair’s CalPERS horizon?
  - The combined, estimated 2021–22 annual UAL (\$5.6 million) and employer rate (\$2.2 million) payment is approximately \$7.8 million, representing an increase of approximately \$4.8 million since FY 2013–14.
  - The increase experienced by the City is recurring going forward; i.e., it does not last for just one year, but compounds and carries over year–to–year.
  - Had the Public Employee Pension Reform Act (PEPRA) of 2012 not become law, and had the City, over the last decade, not negotiated with ALL employees and bargaining groups to pay all or a portion of the Member Contribution, the City would be paying approximately \$1.352 million of the annual member rate, for a total FY 2021–22 payment of **\$9,168,654**.

# Fiscal Year 2021–22

## CalPERS Employer Costs

- ❑ What is on Montclair’s CalPERS horizon?
  - February of 2018 — CalPERS approved shortening the period over which actuarial gains and losses are amortized (unfunded accrued liabilities, or “UAL”) to 20 years from 30 years for new pension liabilities.
    - Shortening the amortization period results in significantly larger annual increases to the CalPERS UAL.
  - CalPERS continues to experience problematic performance on investment earnings, burdening member agencies with annual cost increases to the UAL and employer rates.
    - For the year ending June 30, 2020, CalPERS posted a net rate of return of 4.7% on investments – its target is 7%.
    - The Fund’s net position increased by \$19.5 billion, increasing to \$392.5 billion as of June 30, 2020, compared to \$372.6 billion one year earlier.

# Fiscal Year 2021–22

## CalPERS Employer Costs

- ❑ What is on Montclair’s CalPERS horizon?
  - CalPERS continues to experience problematic performance on investment earnings, burdening member agencies with annual cost increases to the UAL and employer rates.
    - For the month ending May 31, 2021, CalPERS estimated asset value is \$463.7 billion – as of last June, the funding level averaged 70.1% based on \$392.5 billion in investments.
    - CalPERS paid out \$25.8 billion in benefits to more than 732,000 retirees, up \$1.6 billion over the previous year.
    - CalPERS’ investment performance over:
      - 3 years – 6.6%
      - 5 years – 6.3%
      - 10 years – 8.5%
      - 20 years – 5.5%
      - 30 years – 8.0%

# Fiscal Year 2021–22

## CalPERS Employer Costs

- What is on Montclair’s CalPERS horizon?
  - In December 2016, CalPERS approved lowering its discount rate from 7.5% to 7% over the course of three years, as follows for local governments:

▪ FY 2018–19:	7.375%
▪ FY 2019–20:	7.25%
▪ FY 2020–21:	7.00%
  - Lowering the discount rate means:
    - Employers will continue to see increases in both their normal costs and unfunded accrued liabilities (UAL).
      - On average, employer rate increases will be approximately 1 to 3 percent of payroll for miscellaneous plans and 2 to 5 percent for safety plans.
      - 30 to 40 percent increases in current UAL payments over a 20 year amortization period are also projected to occur.

# Fiscal Year 2021–22

## CalPERS Employer Costs

### □ Responding to CalPERS Cost Increases:

- Be active – interact with CalPERS to address rate impacts—previous discussion in FY 2014–15 resulted in temporary reduction of \$2.1 million over proposed increase.
  - Presented CalPERS with a multi–point plan to control rate impacts on contract partners;
  - Control labor costs impacted by CalPERS rates;
  - Reduce long–term rate impacts by supporting legislative policy changes (e.g., PEPRA);
  - Consider pension bond to address unfunded actuarial liabilities; and
  - Reduce interest by paying annual payment at start of fiscal year.

# Fiscal Year 2021–22

## CalPERS Employer Costs

- Responding to CalPERS Cost Increases:
  - Continue to prudently maintain fiscal operations by:
    - Controlling Expenditures.
    - Propose Increases to Revenue.
    - Pursue New Development in the Community.
    - Control the Size of the Labor Force.
    - Share Pension–related Costs with Employees.
    - Consider pension obligation bonds to produce long–term savings, control annual increases to the total rate, and improve budget oversight and budgeting practices.

# Fiscal Year 2021-22

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Restoring the City's Fiscal Integrity  
Post COVID-19 Pandemic





# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity Post COVID–19 Pandemic

### □ Economic Recovery—Post Pandemic

- Calendar Year 2020 demonstrated successive fiscal quarters of decline compared to the same quarters in 2019:
  - -4.7% decline in First Quarter.
  - -33% decline in Second Quarter.
  - -5.7% decline in Third Quarter.
  - -11% decline in Fourth Quarter (Christmas Holiday Quarter).
- The first two quarters of calendar year 2021 are projected to demonstrate similar declines in revenue compared to the same quarters in 2019.
- Montclair’s sales and use and transactions and use tax revenues are projected to fully recover year-to-year through Fiscal Year 2023–24.
- To cope with the projected decline in General Fund Revenue for Fiscal Year 2020–21, the City Manager proposed a General Operating Fund Budget that was \$2.05 million below Fiscal year 2019–20.

# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

#### □ Economic Recovery—Post Pandemic

- Fiscal Year 2020–21 also required a spend down of approximately \$1.8 million in General Operating Fund Unassigned Reserve monies to fund various pandemic–related expenditures, including offsetting revenue losses for the last two quarters of Fiscal Year 2019–20.
- Early pandemic projections indicated cities would suffer extraordinary fiscal losses due to the series of state issued stay–at–home orders nationwide that shuttered retail economic activity.
- However, in California, online retail activity continued consumer spending, buoying sales tax receipts distributed through county pools.
  - In San Bernardino County, the countywide pool increased by 28% for 2020 due to legislative changes that expanded internet activity subject to taxations, and consumer purchase.
  - County pool sales tax receipts are distributed based on a municipal agency’s prior tax revenues—a distribution formula beneficial to Montclair.
  - Cities hosting distribution and fulfillment centers are promoting legislation to redirect online sales tax activity back to point of sale; other agencies promote distribution based on population. Both distribution formulas would have negative affects for Montclair.

# Fiscal Year 2021–22

## Restoring the City's Fiscal Integrity

### Post COVID–19 Pandemic

#### □ Economic Recovery—Post Pandemic

- The passage of Measure L on November 3, 2020, and the City's emerging economic recovery from the pandemic provide the City with the means to restore many of the reductions to personnel, services, supplies and capital projects that were imposed in Fiscal Year 2020–21, including:
  - Restoring the General Operating Fund Unassigned Reserve Ratio to 25% of the General Operating Fund Budget.
  - Restore frozen positions and other positions affected by the pandemic and recent, successive years of fiscal restriction.
  - Fund Department requests for programs, personnel, services and supplies, and capital purchases—year-to-year the General Fund Operations Budget increased from \$28,730,780 in Fiscal Year 2020–21 to \$32,064,243 in the proposed Fiscal Year 2021–22 Budget.
  - Improve conditions of employment.
  - Allocate \$2.6 million toward the annual payment on a 2021–22 Issue of lease revenue bonds.

# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

#### □ Economic Recovery—Post Pandemic

- The proposed Fiscal Year 2021–22 Budget recommends that revenues generated by all General Fund Revenue Sources in FY 2021–22, including property, sales and use, and transactions and use taxes be used to fund all General Fund programs and operations of the City including the following:
  - Recover from personnel and services and supplies restrictions imposed during the 2020 coronavirus pandemic;
  - Achieve a necessary reorganization of personnel to accommodate the evolving scope of service delivery;
  - Restore and meet City Council objectives related to General Fund Reserves;
  - Achieve improvements to conditions of employment; and
  - Fund a lease revenue bond to achieve an expansive array of critical infrastructure projects.

# Fiscal Year 2021–22

## Restoring the City's Fiscal Integrity

### Post COVID–19 Pandemic

#### □ Transactions and Use Tax District (Measure L):

##### ➤ Passage of Measure L :

- Approved by voters at the November 3, 2020 General Municipal Election.
- Presented to voters as a general tax – Measure L ballot language complies with the purpose and intent of a general tax.
- Derived revenues are expended at the discretion of the local governing body to fund an array of general government services.
- Does not qualify as a special tax measure and cannot be used for a specific purpose or purposes to the exclusion of the general purposes of a local government.

# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

#### ❑ Transactions and Use Tax District (Measure L):

##### ➤ Passage of Measure L :

- Funds raised by Measure L are placed and commingled in the City’s General Fund to be used for all government operations, and thus are not identifiable except as General Fund revenue.
- Accordingly, the Fiscal Year 2021–22 General Fund Expenditure Budget does not reference revenue raised through Measure L as a funding source for any programmed expenditure.

# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

- ❑ Coronavirus Local Fiscal Recovery Fund:
  - City staff anticipates receipt of approximately \$7.5 million in “Coronavirus Local Fiscal Recovery Fund(s).
    - Distributed in two annual tranches (Fiscal Year 2021–22 and 2022–23) through the American Rescue Plan Act of 2021 (H.R. 1319).
    - The American Rescue Plan comes with restrictions on use of fiscal recovery funds distributed.

# Fiscal Year 2021–22

## Restoring the City's Fiscal Integrity

### Post COVID–19 Pandemic

#### ❑ Coronavirus Local Fiscal Recovery Fund:

- Funds must be used by December 31, 2024, and only for the following purposes – unspent funds are to be returned to the U.S. Department of Treasury:
  - Respond to the public health emergency with respect to COVID–19 or its negative economic impacts.
  - Provide premium pay to eligible workers of the locality that are performing essential work, or provide grants to eligible employers that have such workers.
  - For the provision of government services to the extent of the reduction in revenue of the locality due to the COVID–19 public health emergency, relative to revenues collected in the most recent full fiscal year prior to the emergency.
  - Make necessary investments in water, sewer or broadband infrastructure.



# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

#### □ Coronavirus Local Fiscal Recovery Fund:

- The U.S. Department of Treasury continues developing specific guidance on allowable uses of the funds and will determine final allocations based on the most recent census data and the final language in the law.
  - For localities with populations under 50,000, final rules are expected to be completed in late July 2021 with funds being available in August 2021.
  - Localities must make periodic reports to the Treasury Department to account for funds expended.
- Except as provided for COVID–19–related infrastructure improvements, the City Manager anticipates seeking general guidelines from the City Council regarding disposition of Coronavirus Local Fiscal Recovery Funds.

# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

#### ❑ Coronavirus Local Fiscal Recovery Fund:

➤ The Fiscal Year 2021–22 General Operating Fund Budget proposes utilizing approximately \$645,045 in Coronavirus Local Fiscal Recovery Fund(s) for qualifying modifications to City facilities.

- Remodel Theater Room restrooms – \$75,000
- Storefront window at Public Works/Community Development Counter – \$4,000
- Install sliding electronic entry door in City Council/Administrative office area – \$22,000
- Install Civic Center monument/reader sign – \$60,000
- Remodel Memorial Garden/Courtyard – \$45,000
- Construct new library restrooms – \$100,000

# Fiscal Year 2021–22

## Restoring the City's Fiscal Integrity

### Post COVID–19 Pandemic

- ❑ Coronavirus Local Fiscal Recovery Fund:
  - Remodel Library Courtyard – \$50,000
  - Remodel Station 151 and 152 shower/restroom areas – \$150,000
  - Replace carpeting at Station 151 and 152 with polished concrete – \$100,000
  - Install automatic/ADA sliding door at Fire Station 151 – \$16,000
  - Install access reader for electronic entry at Stations 151 and 152 – \$16,545
  - Replace flooring in Senior Center Lobby – \$6,500
- Localities must make periodic reports to the U.S. Department of Treasury to account for funds expended.

# Fiscal Year 2021–22

## Restoring the City’s Fiscal Integrity

### Post COVID–19 Pandemic

#### □ General Operating Fund Facilities Projects

➤ The proposed Fiscal Year 2021–22 General Fund Operating Budget includes the following major capital projects:

##### ▪ Civic Center

- Interior Painting/repairs City Hall/Community Center/Youth & Senior Center/Human Services facility – \$46,000
- Refinish Community Center gymnasium and stage floors, and racquetball court floors – \$8,000
- Exterior Painting/siding/roof improvements of buildings at Civic Center Campus – \$259,100
- New carpeting/flooring at Civic Center facilities – \$61,500
- Relocate Freedom Plaza artwork to Civic Center Campus and reconstruct pedestal – \$10,500
- Splash Pad Launching Services for 2022 Season – \$10,000 (This item to be added during the mid-year budget review).

# Fiscal Year 2021-22

## Restoring the City's Fiscal Integrity

### Post COVID-19 Pandemic

#### □ General Operating Fund Facilities Projects

- The proposed Fiscal Year 2021-22 General Fund Operating Budget includes the following major capital projects:
  - Police Campus/Fire Facilities
    - Replace generator fuel lines at Police Facility – \$3,500
    - Repair and polish terrazzo flooring – \$15,000
    - Pressure wash Police Facility roof/windows – \$14,350
    - Glass treatments at Fire Station 151 and 152 – \$12,000

# Fiscal Year 2021–22

## Leveraging for a Balanced Future

### ❑ City Council Priority Objectives

➤ In preparing for the Fiscal Year 2021–22 Budget, the City Council recognized two priority objectives:

1. Controlling public employee pension costs; and
2. Addressing the community’s need for critical infrastructure projects.

❑ On April 20, 2021, a City Council Workshop was conducted on Pension Obligation and Lease Revenue Bonds

# Fiscal Year 2021–22

## Leveraging for a Balanced Future

- ❑ Fiscal Year 2021–22 Issue of Lease Revenue Bonds
  - 30–year amortization
  - Bond Par Amount of \$42.770 million (principal), plus Bond Premium of approximately \$4.524 million (investor payment to offset higher interest rates) for an estimated \$47 million deposited to Infrastructure Project Fund.
  - Total Debt Service – approximately \$72,712,565.
  - Annual payment, approximately \$2.6 million.

# Fiscal Year 2021–22

## Leveraging for a Balanced Future

### □ Fiscal Year 2021–22 Issue of Lease Revenue Bonds

#### ➤ Provide funding for various critical infrastructure projects, including:

- Pavement/median rehabilitation
- Traffic calming
- Safe Routes to Schools
- Systemic traffic and roadway improvements
- Park Development/Improvements
- Facilities and grounds improvements
- Central Avenue Bridge replacement/rehabilitation
- Montclair Transcenter improvements
- Reclaimed water pipe extension to North Montclair
- Design/engineering and construction improvements for roadways/pedestrian paths and utilities in North Montclair
- Other critical projects



# Fiscal Year 2021–22 Leveraging for a Balanced Future

- ❑ Fiscal Year 2021–22 Issue of Lease Revenue Bonds
  - Recommend establishing a 2021–22 Issue of Lease Revenue Bonds Debt Service Fund.
  - Commit \$2.6 million annually in General Fund Revenue for debt service on critical infrastructure lease revenue bonds.
    - Dedicating funds provides assurance to credit raters and bond holders of the City’s creditworthiness and fiscal capacity to meet debt service obligations.
  - Funding infrastructure projects complies with voter survey results related to formation of a new Transactions and Use Tax District (Measure L)
  - City Council agenda item on a Fiscal Year 2021–22 Issue of Lease Revenue Bonds to be presented on or about August 2021.

# Fiscal Year 2021–22

## Leveraging for a Balanced Future

- ❑ Fiscal Year 2021–22 Issue of Pension Obligation Bonds:
  - Proposed as a means to effectively budget, manage and control the City’s annual California Public Employees’ Retirement System (CalPERS) unfunded accrued liability (UAL) contribution.
  - City’s estimated UAL as of June 30, 2019, was \$77,699,081. As of today the City’s UAL is approximately \$79 million.
  - All or a portion of the UAL can be funded through pension obligation bonds (POBs).
  - The City Council, at its meeting of May 3, 2021, authorized pursuing judicial validation for POBs.
  - On May 17, 2021, the Complaint for Validation and the *Ex Parte* Application for Publication were filed and accepted in the San Bernardino Superior Court.
  - The validation process asks a court of competent jurisdiction to rule that the proposed POBs are legal, valid and binding.

# Fiscal Year 2021–22

## Leveraging for a Balanced Future

- Fiscal Year 2021–22 Issue of Pension Obligation Bonds:
  - Debt on the POBs would be serviced annually with General Fund moneys that would otherwise be budgeted by the City to meet its CalPERS UAL payment obligation.
  - The POB process replaces the CalPERS UAL for POB, at a lower interest rate from 7 percent to an estimated 4 percent, based on current rates.
  - City staff proposed three POB funding scenarios:
    - Scenario 1 – Bell Curve.
      - Amortization period – 2022–2041
      - CalPERS UAL debt service versus POB debt service:  
\$141,653,510/\$102,141,847
      - Total Projected Savings: \$39,511,663

# Fiscal Year 2021–22

## Leveraging for a Balanced Future

- Fiscal Year 2021–22 Issue of Pension Obligation Bonds:
  - Scenario 2 – Level Debt Service.
    - Amortization period – 2022–2040
    - CalPERS UAL debt service versus POB debt service:  
\$141,653,510/\$102,490,327
    - Total Projected Savings: \$39,163,183
  - Scenario 3 – Level Debt Service.
    - Amortization period – 2022–2045
    - CalPERS UAL debt service versus POB debt service:  
\$141,653,510/\$111,741,590
    - Total Projected Savings: \$29,922,920

# Fiscal Year 2021-22

## Leveraging for a Balanced Future

### □ Fiscal Year 2021-22 Issue of Pension Obligation Bonds:

#### ➤ UAL/POB Amortization Service Fund:

- Scenario 3 produces less total savings, but provides greater flexibility to service future UAL growth.
- If Scenario 3 is selected, the City Manager proposes using the Calendar Year 2022 CalPERS UAL payment (\$5,707,689) and Scenario 3 annual debt service payment (\$4,654,953) to establish a baseline for allocating \$1,052,736 (baseline difference between the 2022 UAL payment and 2022 POB debt service payment) to a UAL/POB Amortization Service Fund.
  - UAL/POB Amortization Service Fund to annually service any new UAL growth.
  - Reduce the amortization period on the POB.
  - In twenty years the UAL/POB Amortization Service Fund would accrue an estimated \$21,054,720, plus interest.
  - Potentially used to reduce POB Amortization period by up to four years.

# Fiscal Year 2021-22

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General Fund  
Special Purpose Funds



# Fiscal Year 2021–22

## Special Purpose Funds

- ❑ Special Purpose Funds Established to Address Current and Future Liabilities/Programs/Projects/Goals Requiring a Commitment of Funds Not Incorporated into the General Fund Operating Budget:
  - **CalPERS and Post Employment Liabilities Fund.**
    - Retains \$2,500,000 for CalPERS and Post Employment Liabilities.
  - **Technology Account.**
    - Retains \$286,251 for technology acquisitions.
  - **Self-Insurance Fund.**
    - Retains \$850,000 for City-related self-insurance retention liabilities.
  - **Building Maintenance Fund.**
    - Retains \$600,000 for building maintenance.

# Fiscal Year 2021–22

## Special Purpose Funds

- Special Purpose Funds Established to Address Current and Future Liabilities/Programs/Projects/Goals Requiring a Commitment of Funds Not Incorporated into the General Fund Operating Budget:
  - **Unanticipated Personnel Adjustment Fund.**
    - Retains \$700,000 for unanticipated personnel–related expenditures.
  - **Equipment Replacement Fund.**
    - Retains \$1,315,091 for equipment acquisitions.
    - Reflects a reduction of \$346,975 towards FY 2021–22 Capital Outlay purchases and a transfer in of \$300,000 from the General Fund Operating Budget for a net effect of –\$46,975.



# Fiscal Year 2021–22

## Special Purpose Funds

- Special Purpose Funds Established to Address Current and Future Liabilities/Programs/Projects/Goals Requiring a Commitment of Funds Not Incorporated into the General Fund Operating Budget:

- **Retiree Medical Liability.**

- Retains \$560,000 for Other Post Employment Benefits (OPEB).

- **Contingency Account.**

- Retains \$125,283 for unanticipated expenditures.

- **UAL/POB Amortization Service Fund.**

- Retains \$558,661 after a proposed FY 2021–22 transfer in.

**\*TOTAL ESTIMATED ALL SPECIAL PURPOSE FUNDS: \$7,495,286**

# Fiscal Year 2021-22

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2014 Issue of Lease Revenue Bonds

Payment Period

Fiscal Year 2014 to 2045



# 2014 Issue of Lease Revenue Bonds

- Debt Service: 2014 Issue of Lease Revenue Bond:
  - Issue Amount: \$45,000,000.
  - Purpose:
    - Defeasance balance of 2005 Issue.
    - Remaining balance: Approximately \$22 million used for Police Facility and Youth and Senior Center Projects.
  - The 2014 Issue of Lease Revenue Bond funds have been substantially exhausted.

# 2014 Issue of Lease Revenue Bonds

- ❑ Debt Service: 2014 Issue of Lease Revenue Bond:
  - Annual debt service: approximately \$2.6 million through FY 2044–45.
  - Funding Source for annual debt service:
    - General Fund Revenue—\$1,840,087
    - Residual Redevelopment Property Tax Revenues—\$750,000
      - Projected FY 2021–22 residual revenue—\$1,595,000
  - Based on the projected health of the General Fund Revenue Budget, the City Manager proposes removing the commitment of residual redevelopment property tax revenue to increase the capacity of the Economic Development Fund to finance Economic Development operations, including the restoration of funds for affordable housing projects.

# Fiscal Year 2021-22

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## Reorganization Element



# Fiscal Year 2021–22 Reorganization Element

- Fiscal Year 2021–22 Reorganization Element:
  - Duty of the City Manager to recommend to the City Council reorganization of offices, positions, departments, programs or units in the interests of the efficient, effective and economical conduct of City business.
    - Reorganization typically uses “downsizing” or “rightsizing” to re-engineer organizational structure.
    - In recent years, the City has downsized (reduced) personnel to maintain balanced budgets during successive years of economic recession.
    - Fiscal Year 2021–22 Proposed Budget recommends:
      - Restoring positions recently lost to the pandemic and other economic factors.
      - Improving working conditions.
      - Re-engineering Departments.

# Fiscal Year 2021-22 Reorganization Element

- Fiscal Year 2021-22 Reorganization Element:
  - City Council/City Attorney/Advisory Bodies.
    - No recommended changes.
  - Office of the City Manager.
    - Establish Information Technology Division as separate Department.
      - Appoint IT Manager to Director of Information Technology.
      - Total Net Cost – \$64,640 at Step “E”, included in Budget.
    - Reclassify Senior IT Specialist classification as IT Analyst.
      - Appoint two Senior IT Specialist incumbents to IT Analyst classification.
      - Total Net Cost – \$35,116 at Step “E”, included in Budget.

# Fiscal Year 2021–22 Reorganization Element

- Fiscal Year 2021–22 Reorganization Element:
  - Administrative Services/Human Resources Department.
    - No recommended changes.
  - Community Development Department.
    - Establish Assistant Code Enforcement Manager classification.
      - Reclassify Code Enforcement Supervisor to Assistant Code Enforcement Manager position.
      - Total Net Cost – \$41,583 at Step “E”, included in Budget.
    - Reclassify Senior Code Enforcement Officer to Code Enforcement Supervisor.
      - Total Net Cost – \$10,504 at Step “E”, included in Budget.



# Fiscal Year 2021–22 Reorganization Element

## □ Fiscal Year 2021–22 Reorganization Element:

### ➤ Economic Development/Housing Department.

- Re-establish Economic Development/Housing Department.
- Establish Director of Economic Development/Housing classification.
  - Appoint Senior Management Analyst to Director of Economic Development/Housing.
  - Total Net Cost – \$88,293 at Step “E”, included in Budget.
- Establish Economic Services and Housing Manager classification.
  - Reclassify Economic Development Coordinator/Housing Associate to Economic Services and Housing Manager position.
  - Total Net Cost – \$36,244 at Step “E”, included in Budget.

# Fiscal Year 2021–22 Reorganization Element

- Fiscal Year 2021–22 Reorganization Element:
  - Economic Development/Housing Department.
    - Re–title Information Relations Officer classification as Economic Promotion Coordinator classification.
      - Restore funding for Economic Promotion Coordinator classification.
      - Recruit to fill position.
      - Total Net Cost – \$81,670 at Step “E”, included in Budget.
    - Retain in Economic Development Fund Annual Allocation Previously Diverted to Make Payment on 2014 Issue of Lease Revenue Bonds.
      - Retention restoration amount: \$750,000
      - Fiscal Year 2021–22 total retention amount – \$6,175,415

# Fiscal Year 2021–22 Reorganization Element

- Fiscal Year 2021–22 Reorganization Element:
  - Human Services Department.
    - Reclassify Administrative Analyst to Senior Management Analyst.
      - Total Net Cost – \$18,257 at Step “E”, included in Budget.

# Fiscal Year 2021-22 Reorganization Element

## □ Fiscal Year 2021-22 Reorganization Element:

### ➤ Public Safety Department – Police.

- Restore funding for five “frozen” Police Officer positions.
  - Total Net Cost – \$600,870 at Step “E”, included in Budget.
- Upon retirement of Public Safety/Administrative Services Supervisor, reclassify to Police Sergeant.
  - Total Net Cost – \$24,090 at Step “E”, not included in Budget as retirement date of Public Safety/Administrative Services Supervisor is undetermined.
- Add two Police Dispatcher positions.
  - Total Net Cost – \$171,510 at Step “E”, included in Budget.

# Fiscal Year 2021–22 Reorganization Element

- Fiscal Year 2021–22 Reorganization Element:
  - Public Safety Department – Fire.
    - Implement Five–year Labor Agreement.
      - Total Net Cost – \$1.3 million at Step “E”.
      - Net cost of the agreement for Fiscal Year 2021–22 is \$73,662 at Step “E”, not included in Budget.

# Fiscal Year 2021–22 Reorganization Element

## □ Fiscal Year 2021–22 Reorganization Element:

### ➤ Public Works Department.

- Establish Senior Maintenance Worker Classification.
  - Recruit in-house to fill positions.
  - Total Net Cost – \$224,919, at Step “E”, included in Budget.
- Restore Graffiti Abatement Worker classification.
  - Total Net Cost – \$69,364 at Step “E”, included in Budget.
- Reorganize Maintenance Worker classification to include 8 full-time positions and 4 part-time positions.
  - Total Net Cost – \$10,303 at Step “E”, included in Budget.

# Fiscal Year 2021-22

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## Proposed Budget Conclusion



# Fiscal Year 2021–22 Conclusion

## □ Fiscal Year 2021–22 General Fund Operating Budget:

### ➤ Successful and balanced budget.

- Utilizes a number of funds and strategies to achieve balance.
- Improved sales tax revenues, combined with increased transactions and use tax earnings generated by Measure F and the recently voter-approved Measure L contribute to the City's ability to recover in the post-COVID-19 Pandemic era.
- Reductions have been made to requests from each Department; however, these reductions were typically based on expectations that certain services will continue to be impacted by the pandemic.
- Restores most of the positions frozen/laid off during Fiscal Year 2020–21 due to the economic impacts of the pandemic.



# Fiscal Year 2021–22 Conclusion

## □ Fiscal Year 2021–22 General Fund Operating Budget:

### ▪ Personnel:

- \$28,901,483 for All Funds Personnel Services (64.8% of Total Operating Appropriations) for FY 2021–22.
- \$23,663,705 for General Fund Personnel Services (73.8% of General Fund Operating Budget).
- Provides for 189 Full-time employment positions.

# Fiscal Year 2021–22

## Conclusion

### □ Fiscal Year 2021–22 General Fund Operating Budget:

#### ▪ Capital outlay:

- \$38,500 for a Police Department Investigations Vehicle (Equipment Replacement Fund).
- \$178,475 for three Police Department Patrol Vehicles (Equipment Replacement Fund).
- \$7,500 for a Fire Department ME 152 Pre-Connect Hose Bed Modification (General Fund).
- \$32,650 for Fire Department Forcible-Entry and Ventilation Training Props (General Fund).
- \$53,000 for computer equipment for Information Technology (General Fund).

# Fiscal Year 2021–22

## Conclusion

### □ Fiscal Year 2021–22 General Fund Operating Budget:

#### ▪ Capital outlay:

- \$45,000 for a Chevy Regular Cab Flat Bed Truck for Public Works (Equipment Replacement Fund).
- \$80,000 for a Toro Ride on Mower for Public Works (Equipment Replacement Fund, Park Maintenance Fund).
- \$45,000 for a Mobile Column Heavy Equipment Lift for Public Works (Equipment Replacement Fund).

# Fiscal Year 2021–22 Conclusion

- Fiscal Year 2021–22 General Fund Operating Budget:
  - Services and Supplies:
    - \$13,526,900 in Fiscal Year 2020–21.
    - \$15,229,220 proposed for Fiscal Year 2021–22, a difference of \$1,702,320 — a 12.5% increase.

# Fiscal Year 2021–22 Conclusion

## □ Fiscal Year 2021–22 General Fund Operating Budget:

### ▪ COVID–19 Expenses/Reimbursement:

- The City has applied to the Federal Emergency Management Administration (FEMA) for reimbursement for eligible COVID–19 expenses.
- To date, \$60,894 reimbursed from FEMA, and \$171,547 currently outstanding.
- An additional \$90,000 reimbursement is being prepared for submittal to FEMA
- City is scheduled to receive approximately \$49,886 Bureau of Justice Assistance grant for PPE and other public safety materials and equipment.

# Fiscal Year 2021–22

## Conclusion

### □ Fiscal Year 2021–22 General Fund Operating Budget:

#### ▪ Economic Development Fund:

- The Economic Development Fund maintains a current fund balance of \$6,175,415.
- The fund was created after the loss of Redevelopment in 2012 to establish a funding mechanism for economic development activities.
- Economic Development Funds are used to support the City’s economic activities and housing programs.
- Economic Development Funds allocated toward payment on the 2014 Issue of Lease Revenue Bonds are now fully committed to the Economic Development Fund to establish an Affordable Housing Program Fund.
- ✓ An Affordable Housing Program Fund will allow the City’s Housing Authority to recover from the loss of community redevelopment agencies in 2012, including the elimination of the 20 percent set-aside of property tax increment for affordable housing programs.



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End of  
Fiscal Year 2021-22  
Proposed Budget Review  
Presentation

# Montclair Housing Corporation

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Proposed Budget  
Fiscal Year 2021-22





# Montclair Housing Corporation Fiscal Year 2021–22 Sources and Uses—Estimated Revenue

- List of Montclair Housing Corporation Properties:
  - Contained in Montclair Housing Corporation Budget.
  - Estimated Fund Balance, July 1, 2021:
    - \$1,767,092
  - Estimated Revenue:
    - Rental Income: \$975,000
    - Interest Income: \$18,000
  - TOTAL: \$2,760,092

# Montclair Housing Corporation

## Fiscal Year 2021–22

### Sources and Uses—Appropriations

ADMINISTRATIVE COSTS	
Salaries and Benefits	\$ 183,269
MHC Property Expenses	\$ 580,000
Building Repair—Major	\$ 280,000
Legal Costs	\$ 25,000
Other Professional Services	\$ 20,000
General Insurance	\$ 30,914
Health Permit	\$ 950
Audit Fees	\$ 1,000
Miscellaneous Costs	\$ 1,000
<b>Subtotal:</b>	<b>\$ 1,122,133</b>
Assigned Fund Balance Long-term Maintenance & Repair	\$ 1,637,959
Unassigned Fund Balance	\$ 0
<b>ESTIMATED FUND BALANCE JUNE 30, 2021:</b>	<b>\$1,767,092</b>
<b>ESTIMATED FUND BALANCE JUNE 30, 2022:</b>	<b>\$1,637,959</b>



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End of  
Fiscal Year 2021-22  
Montclair Housing Corporation  
Budget Review Presentation

Questions & Answers