



City of Glendale

5850 West Glendale Avenue
Glendale, AZ 85301

City Council Workshop Agenda

*Mayor Jerry Weiers
Councilmember Jamie Aldama
Councilmember Samuel Chavira
Councilmember Ian Hugh
Councilmember Gary Sherwood
Councilmember Lauren Tolmachoff
Councilmember Bart Turner*

Tuesday, December 16, 2014

1:30 PM

Council Chambers - Room B3

Workshop

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

WORKSHOP SESSION

- 1. 14-478** NORTH GLENDALE PARK-AND-RIDE/TRANSIT CENTER PROJECT UPDATE
Staff Contact: Jack Friedline, Director, Public Works
- 2. 14-496** FIVE-YEAR FINANCIAL FORECASTS
Staff Contact: Tom Duensing, Director, Finance and Technology

Attachments: [Five-Year Forecast Memorandum](#)

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

CITY ATTORNEY'S REPORT

This report allows the City Attorney to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Attorney since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.

MOTION TO GO INTO EXECUTIVE SESSION

EXECUTIVE SESSION

1. LEGAL MATTERS

A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

B. Council will meet to discuss and consider records exempt by law from public inspection and are specifically required to be maintained as confidential by state or federal law. (A.R.S. § 38-431.03(A)(4))

2. LEGAL MATTERS - PROPERTY & CONTRACTS

A. Discussion and consultation with the City Attorney to receive an update, consider its position and provide instruction and direction to the City Attorney regarding Glendale's position in connection with agreements associated with the Arena and the Hockey Team. (A.R.S. § 38-431.03(A)(3)(4)(7))

B. The City Council will meet with the City Attorney to receive an update, consider its position and provide instruction and direction to the City Attorney regarding Glendale's position in connection with one or more agreements associated with or near the Foothills Library. (A.R.S. § 38-431.03(A)(3)(4)(7))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));**
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));**
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));**
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));**
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or**
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).**

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

**This agenda has been reviewed and approved for posting by Brenda S. Fischer, ICMA-CM,
City Manager.**



Legislation Description

File #: 14-478, Version: 1

NORTH GLENDALE PARK-AND-RIDE/TRANSIT CENTER PROJECT UPDATE

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Policy Guidance

The purpose of this presentation is to give an update on the progress of the North Glendale Park-and-Ride and Transit Center project and is for Council information only.

Background

The Glendale Transportation Program and the Regional Transportation Plan identify the need for transit facilities within the City of Glendale, as well as the allocation of federal, local and regional funding for design and construction.

A 2007 study identified the need for a park-and-ride/transit center in north Glendale due to the convergence of multiple transit routes in the area of Loop 101 and Bell Road, and the lack of adequate infrastructure to support existing transit service. Currently, three local and two express routes serve the north Glendale area, and are the only fixed-route and express transit services provided in this part of the northwest valley. The heavy use of these services, combined with the lack of a transit facility, create the need for this project.

Temporary, informal agreements currently exist with two private landowners for the use of their properties for transit purposes, which provide for private vehicle parking, as well as a location for bus passenger pick-up and drop-off. The Home Depot, located at 59th Avenue and Behrend Drive, is used as a temporary park-and-ride lot for two express routes.

The second location, at Arrowhead Towne Center, provides a bus stop and a bus layover for two express routes and three local bus routes. This site generates over 75,000 local bus route boardings per year. Improvements are needed to the transit center to increase access and circulation, and this location does not provide adequate parking capacity for express patrons.

Analysis

Through a comprehensive process that began in September 2012, which included in-depth analysis and public input, two sites have been selected for the park-and-ride and transit center. As discussed at the April 15, 2014 Council Workshop session, the site selected for the park-and-ride is on a vacant, private parcel of land located north of Union Hills Drive, adjacent to and north of the city's water treatment facility, along the New River. The location currently being used at Arrowhead Towne Center was selected for the transit center location.

Staff has been in contact with the owner of the parcel along the river, and he is willing to sell the tract of land to the city. Because the majority of this project will be federally funded, there is a specific process and incremental steps that must be followed prior to the city entering into negotiations with the owner for purchase of the land. An environmental study of the project must be done and submitted to the City of Phoenix (Designated Recipient), who in turn will submit to the Federal Transit Administration (FTA) on Glendale's behalf for approval. At least two separate appraisals of the property must also be conducted to determine the true "fair market value" of the property. Once the appraisal process has been completed, the information must be sent to the FTA for review and concurrence. Once these two steps are complete, negotiations with the landowner can begin, and phase two of the design process (100% design complete) can also begin.

The environmental study on the proposed park-and-ride site has been completed and submitted to the City of Phoenix and they have forwarded it to the FTA for approval. Two property appraisals have also been completed and staff is now working on having a third party review the two appraisals to determine the most accurate, fair and cost-beneficial amount; not only for the city, but also the property owner. Staff hopes to enter into negotiations with the property owner in early to mid-February or sooner. Staff is planning to bring the professional services agreement for phase two of the design process for the park-and-ride to Council for approval in January.

Additionally, staff is discussing with the City of Peoria the possibility of constructing a pedestrian/bicycle bridge connecting the park-and-ride and the neighborhoods directly across the river, adjacent to 83rd Avenue. These discussions are in the early stages, and Peoria is evaluating possible funding sources for the project. The construction of this bridge would be entirely funded by the City of Peoria. Currently, construction of the park-and-ride is projected in early 2016, with completion in the November-December timeframe. It is estimated that the cost for the construction of the park-and-ride will be between \$10,000,000 and \$12,000,000.

The environmental study for the transit center at Arrowhead Towne Center has been completed and forwarded to the FTA for approval. Because Glendale will not be purchasing the land for the transit center, no property appraisals are required. Discussions with Macerich (owner of Arrowhead Towne Center) regarding a licensing agreement for the use of the land for the transit center have begun. Macerich will begin a renovation project this spring, and would like the transit center to be constructed concurrently with their project, with both projects completed by next November. In order to meet this timeline, the final design phase for the transit center will be separated from the park-and-ride project. Staff is planning to present the professional services agreement for phase two of the design process for the transit center to Council for approval in January, and the construction contract in May. It is estimated that the cost for the construction of the transit center will be approximately \$2,000,000.

Previous Related Council Action

On April 15, 2014, Council was given an update on the progress of the project at a Workshop session.

On August 14, 2012, Council approved a professional services agreement with Dick & Fritsche Design Group, Inc. for planning and design services for the North Glendale Park and Ride/Transit Center project.

On June 28, 2011, Council approved the acceptance of grant funds for the pre-design and design phase of the project.

Community Benefit/Public Involvement

A third public meeting was held in September in which the conceptual drawings for both the park-and-ride and transit center were displayed to the public. The feedback received was positive and the interest shown in both projects was very encouraging.

This project will address insufficient infrastructure for transit services in north Glendale. The transit facility will provide an expanded and covered waiting area at the mall, as well as mitigate traffic congestion by routing buses out of traffic lanes during passenger drop-off and pick-up.

The park-and-ride facility will provide access to the Loop 101, provide ample parking for future demand and help reduce traffic congestion. It will also mitigate urban heat island effects by encouraging transit use and provide ridesharing options.

Budget and Financial Impacts

The total amount of funding available for these projects, including design, right-of-way acquisition and construction is \$16,483,500. This amount is made up of \$11,773,410 in federal funds, \$2,710,090 in regional funds, and \$2,000,000 in local funds, which are budgeted within the GO Transportation program.

Cost	Fund-Department-Account
\$2,000,000	2210-65080-550800: Bell/101 Park & Ride/Transit Ctr

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No



Legislation Description

File #: 14-496, **Version:** 1

FIVE-YEAR FINANCIAL FORECASTS

Staff Contact: Tom Duensing, Director, Finance and Technology

Purpose and Policy Guidance

The purpose of this item is to provide Council with an updated Five-Year Financial Forecast of the City's major Operating Funds, including the General Fund which. The five-year forecasts for each fund include projected revenues and other financing sources, expenditures and other financing uses, amounts set aside for annual contingency, and forecasted ending fund balance.

Background

As part of the annual budget process, a Five-Year Financial Forecast is prepared for each of the City's major operating funds. These forecasts serves two purposes: 1) provide a long-term view of current year budget decisions affecting the City and 2) provide an estimate of the fund balance and sensitivity to revenue and expenditures changes over the forecast period. Best forecasting practice calls for realistic, yet conservative revenue estimates coupled with realistic service and staffing levels.

The forecasts include the City's General Fund and certain enterprise and special revenue funds. The forecasts for the Enterprise Funds include the Water & Sewer Funds, Sanitation Fund, and Landfill Fund. The Special Revenue Fund forecasts include the Highway User Revenue Funds (HURF), Transportation Funds, Police Special Revenue Fund, and Fire Special Revenue Fund. Unlike the General Fund, where the revenues are primarily unrestricted and can be used for any governmental purpose, revenues earned within the Enterprise and Special Revenue funds are restricted to the specific activities related to the fund's purpose. The Enterprise Funds are primarily supported through user fees or charges for services and operate much like a business. The Special Revenue Funds each have dedicated revenue sources which determine the level of expenditures or activities within the specific fund.

Analysis

Approach

To help in analyzing the financial information, it is important to understand the methodology used to prepare the forecast. Inherent in any forecast are normal revenue and expenditure growth assumptions. Additionally, the approach taken to develop the forecast assumes an increase in police and fire services, continuation of all other services at current levels, maintaining contractual obligations, reasonable revenue forecasts, and consistency with financial policies and specific bond covenants. It is important to note that forecasted contingency (amounts set aside for unforeseen expenses) is included in each fund and the contingency methodology for each fund may be different depending upon the fiscal health of a fund.

Fund overviews are provided below. Detailed discussions about the forecasts for the different funds are included in the associated Five-Year Financial Forecasts Memorandum.

General Fund

FY14-15 was the first time the City used the Five-Year Financial Forecast, presented to Council on December 17, 2013, to begin the budget process. This ensured long-term financial planning and stability were central themes during the FY14-15 budget process.

The December 17, 2013 forecast identified an annual structural deficit (estimated operating expenditures/contingency in excess of operating revenue) in FY 14-15 through FY 16-17 which averaged \$14 million per year, and upon the elimination of the temporary sales tax (FY 17-18), the annual structural deficit averaged \$30 million per year.

Based on these estimates, a series of Council Budget Workshops were dedicated to addressing this issue and preserving City services, and a significant amount of time and effort was committed to ensuring the long-term financial stability of the General Fund. To address the structural deficit, approximately \$15 million in expenditure reductions and revenue enhancements were identified and Council approved the continuation of the 7/10th sales tax beyond an August, 2017 termination date. Additionally, these efforts included the implementation of a “zero-based” budget approach. A zero-based approach means departments were required to request and justify all FY14-15 budget requests and did not receive “target” allocations at the beginning of the budget process.

Current General Fund Forecast

The current General Fund forecast does not identify a structural deficit throughout the five-year period which means ongoing operating revenues are sufficient to cover ongoing operating expenditures. As stated previously, the ongoing operating expenditures assume an increase in police and fire services, continuation of remaining service levels, continuation of current contractual obligations, moderate revenue growth, controlling operating costs, and achieving savings from an Excise Tax Bond refunding. This forecast also assumes a steady decline of the General Fund sales tax rate each year, and absorbing significant costs increases in health insurance and public safety retirement.

Finally, this General Fund forecast absorbs the impacts of what were formerly referred to as the General Fund, Sub-Funds. Although the General Fund Sub-Funds, totaling 23, were supported primarily by the General Fund, several of these funds had appropriated spending deficiencies throughout the past several fiscal years. Combining these funds ensures financial transparency, financial stability in the sub-funds, simplification of General Fund financial presentations, and is consistent with best budget practices. It is important to note that one General Fund Sub-Fund, the Vehicle Replacement Fund, remains as the City Code requires it to be a separate fund.

Enterprise Funds

As stated previously, the Enterprise Funds include the Water & Sewer Funds, Sanitation Fund, and Landfill Fund, and these funds are supported primarily from user fees or charges for services and operate much like a business. Forecasts for these funds are included on the following pages.

Overall, the Enterprise Funds are forecasted to remain relatively stable. The financial results of the Enterprise

Funds are significantly influenced by the capital outlay spending and financing. It is anticipated enterprise fund rate adjustments will not be necessary in the upcoming FY15-16. Annual revenues are sufficient to cover ongoing operating expenses and meet capital planning needs through available ending fund balance. It is important to note that annual capital outlay assumes 100% of planned projects are expensed each year.

Special Revenue Funds

As state previously, the Special Revenue Funds, which include the Highway User Revenue Funds (HURF), the Transportation Funds, the Police Special Revenue Fund, and the Fire Special Revenue Fund, each have dedicated revenues sources which determine the level of expenditures or activities within the specific fund.

The Special Revenue Funds are forecasted to remain relatively stable. Unlike the enterprise operations, there are forecasted increases in revenue growth as these funds are not user fee supported. Similar to the enterprise operations, annual capital outlay assumes 100% of planned projects are expenses each year.

Previous Related Council Action

On December 17, 2013, the General Fund Five-Year Financial Forecast was presented at Council Workshop and initiated the FY14-15 budget process.

On February 18, 2014, the remaining FY14-15 Five-Year Financial Forecasts for the other major operating funds were presented at a Council Budget Workshop.

Community Benefit/Public Involvement

The community benefit of the City's major operating funds' includes sound financial analysis and provides the basic framework for the upcoming budget process and resource allocation plan.

Budget and Financial Impacts

Budget and financial impacts are based on Council feedback.



Finance Department Memorandum

DATE: December 16, 2014
TO: Mayor and City Councilmembers
FROM: Tom Duensing, CPA, Financial and Technology Director
SUBJECT: Five-Year Financial Forecasts

Purpose of the Financial Forecasts

As part of the annual budget process, a Five-Year Financial Forecast is prepared for each of the City's major operating funds. These forecasts serves two purposes: 1) provide a long-term view of current year budget decisions affecting the City and 2) provide an estimate of the fund balance and sensitivity to revenue and expenditures changes over the forecast period. Best forecasting practice calls for realistic, yet conservative revenue estimates coupled with realistic service and staffing levels.

The forecasts include the City's General Fund and certain enterprise and special revenue funds. The forecasts for the Enterprise Funds include the Water & Sewer Funds, Sanitation Fund, and Landfill Fund. The Special Revenue Fund forecasts include the Highway User Revenue Funds (HURF), Transportation Funds, Police Special Revenue Fund, and Fire Special Revenue Fund. Unlike the General Fund, where the revenues are primarily unrestricted and can be used for any governmental purpose, revenues earned within the Enterprise and Special Revenue funds are restricted to the specific activities related to the fund's purpose. The Enterprise Funds are primarily supported through user fees or charges for services and operate much like a business. The Special Revenue Funds each have dedicated revenue sources which determine the level of expenditures or activities within the specific fund.

To help in analyzing the financial information, it is important to understand the methodology used to prepare the forecast. Inherent in any forecast are normal revenue and expenditure growth assumptions. Additionally, the approach taken to develop the forecast assumes an increase in police and fire services, continuation of all other services at current levels, maintaining contractual obligations, reasonable revenue forecasts, and consistency with financial policies and specific bond covenants. It is important to note that forecasted contingency (amounts set aside for unforeseen expenses) is included in each fund and the contingency methodology for each fund may be different depending upon the fiscal health of a fund.

Forecast Methodology

The City's General and Special Revenue Funds are primarily supported by taxes. Therefore, actual revenue recognized in these funds is dependent upon the local and state economies. Enterprise Funds are primarily supported by user fees and revenues which are mostly dependent upon rates established by the City.

The General and Special Revenue Funds' revenue forecasts assume modest increases in local and state economies with average transaction privilege tax (sales tax) growth of slightly less than 3.5% per year and other fund revenues increase by approximately 1% per year. Beginning in FY15-16, the General Fund forecast assumes a reduction in the 1.9% sales tax rate of 0.025% per year, except for those taxable items in excess of \$5,000 which will remain at the current 1.2%. Assuming Council approval, this would lower the total General Fund sales tax rate to 1.875% in FY15-16, 1.850% in FY16-17, 1.825% in FY17-18, 1.8% in FY18-19 and 1.775% in FY19-20.

Revenue growth in the Enterprise Funds does not assume any rate adjustments in the five-year forecast period; however, they do assume an increase of one-half of one percent (0.5%) per year due to new customers. It should be noted, however, that rate studies should be conducted to determine the necessity of rate adjustments within the five-year forecast period.

Expenditure growth in the operating funds assume annual 2.5% increases in wages and salaries for non-represented employees and anticipated wage and salary growth in police and fire consistent with current memoranda of understanding. In addition to the wage and salary growth for current employees, a total of \$3 million in increased police and fire services is assumed beginning in FY15-16. Two additional, significant increases assumed in the operating fund forecasts are increases in health insurance and public safety retirement costs totaling \$1 million and \$3.5 million, respectively, for the General Fund alone.

General Fund

FY14-15 was the first time the City used the Five-Year Financial Forecast, presented to Council on December 17, 2013, to begin the budget process. This ensured long-term financial planning and stability were central themes during the FY14-15 budget process.

The December 17, 2013 forecast identified an annual structural deficit (estimated operating expenditures/contingency in excess of operating revenue) in FY 14-15 through FY 16-17 which averaged \$14 million per year, and upon the elimination of the temporary sales tax (FY 17-18), the annual structural deficit averaged \$30 million per year.

Based on these estimates, a series of Council Budget Workshops were dedicated to addressing this issue and preserving City services, and a significant amount of time and effort was committed to ensuring the long-term financial stability of the General Fund. To address the structural deficit, approximately \$15 million in expenditure reductions and revenue enhancements were identified and Council approved the continuation of the 7/10th sales tax beyond an August, 2017 termination date. Additionally, these efforts included the implementation of a "zero-based" budget approach. A zero-based approach means departments

were required to request and justify all FY14-15 budget requests and did not receive “target” allocations at the beginning of the budget process.

Current General Fund Forecast

The current General Fund forecast does not identify a structural deficit throughout the five-year period which means ongoing operating revenues are sufficient to cover ongoing operating expenditures. As stated previously, the ongoing operating expenditures assume an increase in police and fire services, continuation of remaining service levels, continuation of current contractual obligations, moderate revenue growth, controlling operating costs, and achieving savings from an Excise Tax Bond refunding. This forecast also assumes a steady decline of the General Fund sales tax rate each year, and absorbing significant costs increases in health insurance and public safety retirement.

General Fund sales tax **revenues** are forecasted to increase slightly less than 3.5% per year offset by a reduction in the sales tax rate (except for taxable retail purchases in excess of \$5,000 per item already taxed at the 1.2% General fund rate). State-shared sales and income taxes are anticipated to increase by an average of 4.8% per year consistent with the October 7, 2014 Joint Legislative Budget Committee’s (JLBC), Financial Advisory Committee report. The forecast for Other Intergovernmental revenues is based on the Tohono O’odham settlement agreement, approved August 12, 2014. Finally, the growth rates for the other General Fund revenues assume increases between 1% and 1.5% per year.

Although sales tax revenues are anticipated to grow annually, it is difficult to determine the impact of House Bill (HB) 2111 signed into law on June 25, 2013. The taxability for construction contractors is changing effective January 1, 2015, and January 1, 2016 is the effective date for the Arizona Department of Revenue to begin collection and remittance of all sales taxes by taxpayers to the City. Like Glendale, cities affected by this legislation are watching the impact closely.

General Fund **transfers** assume estimated savings from the Excise Tax Bond refunding to be \$10.9 million and \$7.0 million in FY15-16 and FY16-17, respectively. This anticipates the City taking advantage of lower interest rates in the market in addition to refinancing Excise Tax Bonds from taxable bonds to tax-exempt bonds.

Finally, this General Fund forecast absorbs the impacts of what were formerly referred to as the General Fund, Sub-Funds. Although the General Fund Sub-Funds, totaling 23, were supported primarily by the General Fund, several of these funds had appropriated spending deficiencies throughout the past several fiscal years. Combining these funds ensures financial transparency, financial stability in the sub-funds, simplification of General Fund financial presentations, and is consistent with best budget practices. It is important to note that one General Fund Sub-Fund, the Vehicle Replacement Fund, remains as the City Code requires it to be a separate fund.

On October 21, 2014, preliminary FY13-14 General Fund year-end results were presented at the Council Workshop. These results indicated the FY13-14 ending fund balance totaled \$26.9 million (unaudited). By combining the sub-funds’ fund balances totaling \$7.6 million, the revised FY13-14 ending fund balance totals \$34.5 million.

General Fund - Five-Year Financial Forecast
FY15-16 Through FY19-20 with FY13-14 & FY14-15 Comparative Data

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Revised	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Operating Revenue								
<i>Local Taxes</i>								
City Sales Tax	91,755,447	96,501,449	96,760,623	100,300,169	103,741,303	107,312,169	111,007,821	114,832,638
Sales Tax Reduction	-	-	-	(909,790)	(1,883,266)	(2,923,770)	(4,034,803)	(5,220,026)
Primary Property Tax	5,096,745	5,364,136	5,364,136	5,471,419	5,580,847	5,692,464	5,806,313	5,922,439
Total Local Taxes	96,852,192	101,865,585	102,124,759	104,861,798	107,438,884	110,080,863	112,779,331	115,535,051
<i>Intergovernmental</i>								
State Shared Revenue	53,091,782	55,947,163	55,947,163	58,313,147	61,129,013	64,207,390	67,441,610	70,839,605
Other Intergovernmental	-	-	500,000	1,400,000	1,428,000	1,456,560	1,485,691	1,515,405
Total Intergovernmental	53,091,782	55,947,163	56,447,163	59,713,147	62,557,013	65,663,950	68,927,301	72,355,010
<i>Fees, Licenses, Permits, & Arena Fees</i>								
Fees, Licenses, & Permits	23,057,760	20,573,253	22,077,212	22,345,260	22,616,937	22,892,285	23,171,361	23,454,213
Arena Fees	4,825,836	6,413,085	6,413,085	6,477,216	6,541,988	6,607,408	6,673,482	6,740,217
Total Fees, Licenses & Permits	27,883,596	26,986,338	28,490,297	28,822,476	29,158,925	29,499,693	29,844,843	30,194,430
<i>Other & Miscellaneous</i>								
Other Revenues	2,182,827	2,812,395	2,812,395	2,837,736	2,863,330	2,889,180	2,915,289	2,941,659
Staff Admin. Chargeback Revenue	9,200,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000
Internal Charges	2,794,573	1,212,222	1,212,222	1,671,630	1,688,346	1,705,229	1,722,281	1,739,504
Interest Income	407,283	255,000	400,000	404,000	408,040	412,120	416,241	420,403
Total Other & Miscellaneous	14,584,683	13,979,617	14,124,617	14,613,366	14,659,716	14,706,529	14,753,811	14,801,566
Total Operating Revenue	192,412,253	198,778,703	201,186,836	208,010,787	213,814,538	219,951,035	226,305,286	232,886,057
Expenditures & Other Financing Sources/Uses								
<i>Expenditures</i>								
Wages and Salaries	(72,116,157)	(88,435,393)	(88,435,393)	(92,378,035)	(94,105,107)	(95,487,668)	(97,607,985)	(98,801,019)
Overtime	(4,396,655)	(6,425,467)	(6,425,467)	(5,504,947)	(6,563,947)	(5,504,947)	(5,504,947)	(5,504,947)
Benefits	(27,435,210)	(37,106,158)	(37,106,158)	(43,943,309)	(45,262,154)	(46,804,100)	(48,255,849)	(49,261,906)
Supplies and Contracts	(17,967,410)	(26,266,857)	(26,266,857)	(24,842,678)	(25,297,358)	(25,760,927)	(26,233,563)	(26,715,443)
Utilities	(5,588,878)	(6,497,705)	(6,497,705)	(6,405,809)	(6,533,925)	(6,664,604)	(6,797,896)	(6,933,854)
Vehicle Maintenance & Fuel	(2,883,709)	(3,197,286)	(3,197,286)	(3,192,202)	(3,256,046)	(3,321,167)	(3,387,590)	(3,455,342)
Vehicles, Technology, Risk Mgt., Workers' Comp.	(5,300,823)	(3,872,090)	(3,872,090)	(3,949,532)	(4,028,522)	(4,109,093)	(4,191,275)	(4,275,100)
Capital Outlay	(1,091,238)	(2,291,013)	(3,694,565)	(4,920,865)	(2,720,865)	(2,720,865)	(2,720,865)	(2,720,865)
Arena Management Fee/Capital	(14,002,055)	(15,500,000)	(15,500,000)	(15,500,000)	(15,500,000)	(15,500,000)	(15,500,000)	(15,500,000)
NHL Management Fee	-	-	-	-	(5,000,000)	-	-	-
Camelback Ranch - Phoenix IGA	-	-	(345,750)	(668,646)	(668,646)	(668,646)	-	(1,086,822)
Lease Payments	(1,329,454)	(1,801,434)	(1,801,434)	(3,358,809)	(3,307,216)	(3,307,115)	(1,179)	-
Interfund Loan	(403,640)	(501,610)	(501,610)	(598,600)	(1,089,550)	(1,449,660)	(1,553,250)	(1,579,810)
Total Expenditures	(152,515,228)	(191,895,013)	(193,644,315)	(205,263,432)	(213,333,337)	(211,298,792)	(211,754,398)	(215,835,109)
<i>Other Financing Sources/Uses</i>								
<i>Transfers In</i>								
Other Transfers In	340,981	-	-	-	-	-	-	-
Special Revenue - PSST Police	-	16,550,770	16,550,770	15,945,955	16,457,517	17,002,030	17,565,601	18,148,897
Special Revenue - PSST Fire	-	7,891,649	7,891,649	7,676,332	7,933,927	8,208,114	8,491,898	8,785,614
Total Transfers In	340,981	24,442,419	24,442,419	23,622,287	24,391,444	25,210,144	26,057,499	26,934,511
<i>Transfers Out</i>								
Special Revenue - HURF	(15,000)	-	-	-	-	-	-	-
Special Revenue - Transportation	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Special Revenue - Other	(467,221)	(534,299)	(534,299)	(534,299)	(534,299)	(534,299)	(534,299)	(534,299)
Debt Service - MPC	(29,496,134)	(31,288,661)	(31,288,661)	(19,887,862)	(24,270,332)	(31,034,934)	(33,400,455)	(34,696,441)
Total Transfers Out	(30,878,355)	(32,722,960)	(32,722,960)	(21,322,161)	(25,704,631)	(32,469,233)	(34,834,754)	(36,130,740)
Total Expenditures & Other Financing Sources/Uses	(183,052,602)	(200,175,554)	(201,924,856)	(202,963,306)	(214,646,524)	(218,557,881)	(220,531,653)	(225,031,338)
Total Surplus/(Deficit) Before Contingency	9,359,651	(1,396,851)	(738,020)	5,047,481	(831,986)	1,393,154	5,773,633	7,854,719
<i>Contingency</i>	-	(5,330,000)	(3,580,698)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total Surplus/(Deficit) After Contingency	9,359,651	(6,726,851)	(4,318,718)	47,481	(5,831,986)	(3,606,846)	773,633	2,854,719
Beginning Fund Balance - With Contingency	25,134,560	34,494,210	34,494,210	30,175,492	30,222,973	24,390,988	20,784,141	21,557,774
Ending Fund Balance - With Contingency	34,494,210	27,767,359	30,175,492	30,222,973	24,390,988	20,784,141	21,557,774	24,412,493

Enterprise Funds

As stated previously, the Enterprise Funds include the Water & Sewer Funds, Sanitation Fund, and Landfill Fund, and these funds are supported primarily from user fees or charges for services and operate much like a business. Forecasts for these funds are included on the following pages.

Overall, the financial results of the Enterprise Funds are significantly influenced by the capital outlay spending and financing. It is anticipated enterprise fund rate adjustments will not be necessary in the upcoming FY15-16. Annual revenues are sufficient to cover ongoing operating expenses and meet capital planning needs through available ending fund balance. It is important to note that annual capital outlay assumes 100% of planned projects are expensed each year.

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Water & Sewer Enterprise Funds: These funds support the provision of water and sewer service to Glendale residents and businesses. Activities are completely self-supported through water sales, sewer user fees, and other related user fees. Over the five-year forecast period, revenues are expected to remain stable with no assumed rate increases. There are no planned fee adjustments in FY15-16; however, it is important to note that depending on the timing of capital outlay projects and fund performance, future rate adjustments may be necessary. The forecast incorporates all estimated operational cost, with nominal inflation. The expense category includes all costs related to personnel services, contractual and commodities. Also included are the required debt service obligations, which average approximately \$25 million per year. Capital Outlay included in the plan totals \$107.5 million for the next five years. Staff will continue to monitor and update the financial operations for potential changes in capital planning or potential rate adjustments.

Water & Sewer Funds - Five-Year Financial Forecast
FY15-16 Through FY19-20 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
<i>Water Revenue</i>	46,686,517	49,076,386	46,535,731	46,768,410	47,002,252	47,331,267	47,757,246	48,234,819
<i>Sewer Revenue</i>	32,581,238	33,514,156	33,032,630	33,197,793	33,363,783	33,597,330	33,899,706	34,238,703
<i>Development Permits/Fees/Impact</i>	810,683	1,115,086	1,115,086	1,115,086	1,115,086	1,115,086	1,115,086	1,115,086
<i>Staff & Adm Chargebacks</i>	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
<i>Interfund Loan Proceeds</i>	134,700	167,203	167,203	200,670	229,388	449,025	481,905	489,218
<i>Interest</i>	255,839	120,000	200,000	200,000	200,000	200,000	200,000	200,000
<i>Other Revenue</i>	1,019,384	81,000	81,000	81,080	81,160	81,273	81,420	81,585
<i>Bond Proceeds</i>	-	-	-	-	-	-	-	-
Total Revenue & Other Financing Sources	81,570,360	84,155,831	81,213,650	81,645,039	82,073,669	82,855,981	83,617,363	84,441,411
Expenses & Other Financing Uses								
<i>Wages and Salaries</i>	(11,097,173)	(12,823,423)	(12,823,423)	(13,043,914)	(13,312,575)	(13,570,735)	(13,810,828)	(14,043,120)
<i>Overtime</i>	(321,588)	(293,060)	(293,060)	(293,060)	(293,060)	(293,060)	(293,060)	(293,060)
<i>Benefits</i>	(3,754,943)	(4,454,808)	(4,454,808)	(4,806,271)	(4,985,018)	(5,143,027)	(5,275,699)	(5,409,479)
<i>Supplies and Contracts</i>	(16,129,058)	(20,855,816)	(17,700,000)	(18,231,000)	(18,777,930)	(19,341,268)	(19,921,506)	(20,519,151)
<i>Utilities</i>	(3,736,894)	(3,983,041)	(3,983,041)	(3,785,669)	(3,861,382)	(3,938,610)	(4,017,382)	(4,097,730)
<i>Vehicle Maintenance & Fuel</i>	(618,659)	(782,313)	(782,313)	(797,959)	(813,918)	(830,197)	(846,801)	(863,737)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(6,954,156)	(6,290,071)	(6,290,071)	(6,817,292)	(7,426,945)	(7,459,991)	(7,493,698)	(7,528,079)
<i>Capital Outlay</i>	(2,091,677)	(36,150,259)	(31,408,919)	(16,693,495)	(27,656,004)	(24,756,740)	(19,947,557)	(18,521,225)
<i>Debt Service - Principal</i>	(15,725,000)	(13,170,000)	(13,170,000)	(13,770,000)	(14,375,000)	(15,075,000)	(15,680,000)	(16,005,000)
<i>Debt Service - Interest & Fiscal Agent Fees</i>	(12,747,318)	(12,308,365)	(12,308,365)	(11,709,714)	(11,094,264)	(10,405,014)	(9,794,026)	(9,103,326)
<i>Transfer Out</i>	(125,677)	-	-	-	-	-	-	-
Total Expenses & Other Financing Uses	(73,302,142)	(111,111,156)	(103,214,000)	(89,948,374)	(102,596,097)	(100,813,642)	(97,080,557)	(96,383,906)
Total Income (Loss)	8,268,218	(26,955,325)	(22,000,350)	(8,303,335)	(20,522,428)	(17,957,661)	(13,463,194)	(11,942,495)
Contingency	-	(4,200,000)	(4,200,000)	(2,000,000)	(2,100,000)	(2,100,000)	(2,100,000)	(2,100,000)
Total Income(Loss) w/ Contingency	8,268,218	(31,155,325)	(26,200,350)	(10,303,335)	(22,622,428)	(20,057,661)	(15,563,194)	(14,042,495)
Beginning Fund Balance - With Contingency	76,482,245	84,750,463	84,750,463	58,550,113	48,246,778	25,624,350	5,566,689	(9,996,505)
Ending Fund Balance - With Contingency	84,750,463	53,595,138	58,550,113	48,246,778	25,624,350	5,566,689	(9,996,505)	(24,039,000)

Sanitation Enterprise Fund: This fund supports refuse collection and disposal services to homes and businesses in the city. Over the five-year forecast period, revenues are expected to remain stable with no assumed rate increases. There are no planned fee adjustments in FY15-16; however, it is important to note that depending on the timing of capital outlay projects and fund performance, future rate adjustments may be necessary. While revenues from operations are predicted to sustain operational costs, capital purchases, primarily including the replacement of vehicles, are assumed to be financed through capital leases if necessary. Future capital funding include pay-as-you-go funding dependent on fund performance. Staff will continue to monitor and update the financial operations for potential changes in capital planning or potential rate adjustments.

Sanitation Fund - Five-Year Financial Forecast
FY15-16 Through FY19-20 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
<i>Commercial Sanitation Revenue</i>	3,336,433	3,400,000	3,400,000	3,417,000	3,434,085	3,451,255	3,468,511	3,485,854
<i>Commercial Sanitation Rolloff</i>	560,386	600,000	600,000	603,000	606,015	609,045	612,090	615,150
<i>Outside City Commercial</i>	55,482	-	-	-	-	-	-	-
<i>Residential Sanitation</i>	10,606,128	10,630,000	10,630,000	10,683,150	10,736,566	10,790,249	10,844,200	10,898,421
<i>Miscellaneous Bin Service</i>	89,917	100,000	100,000	100,500	101,003	101,508	102,016	102,526
<i>Internal Charges</i>	84,293	115,000	115,000	115,000	115,000	115,000	115,000	115,000
<i>Interfund Loan Proceeds</i>	35,846	44,588	44,450	52,967	125,392	136,154	145,714	148,404
<i>Interest</i>	4,345	4,000	4,000	4,020	4,040	4,060	4,080	4,100
<i>Other Revenue</i>	182,377	101,000	101,000	101,000	101,000	101,000	101,000	101,000
<i>Lease Proceeds</i>	-	-	-	4,070,000	3,635,000	1,925,000	1,470,000	2,739,000
Total Revenue & Other Financing Sources	14,955,206	14,994,588	14,994,450	19,146,637	18,858,101	17,233,271	16,862,611	18,209,455
Expenses & Other Financing Uses								
<i>Wages and Salaries</i>	(2,937,654)	(3,008,493)	(3,008,493)	(3,026,239)	(3,092,447)	(3,156,520)	(3,218,047)	(3,277,946)
<i>Overtime</i>	(192,939)	(131,000)	(131,000)	(131,000)	(131,000)	(131,000)	(131,000)	(131,000)
<i>Benefits</i>	(1,158,492)	(1,233,150)	(1,233,150)	(1,303,041)	(1,353,614)	(1,398,077)	(1,435,464)	(1,473,355)
<i>Supplies and Contracts</i>	(3,125,588)	(3,004,028)	(3,004,028)	(572,972)	(584,431)	(596,120)	(608,042)	(620,203)
<i>Utilities</i>	(825)	(2,700)	(2,700)	(1,020)	(1,040)	(1,061)	(1,082)	(1,104)
<i>Vehicle Maintenance & Fuel</i>	(3,184,046)	(3,550,667)	(3,550,667)	(3,621,680)	(3,694,114)	(3,767,996)	(3,843,356)	(3,920,223)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(2,331,807)	(2,402,960)	(2,402,960)	(4,862,994)	(4,868,678)	(4,874,476)	(4,880,390)	(4,886,422)
<i>Capital Outlay</i>	(776,673)	(3,985,528)	(3,985,528)	(4,070,010)	(3,635,000)	(1,925,000)	(1,470,000)	(2,739,000)
<i>Debt Service - Principal</i>	(246,416)	-	-	(515,301)	(996,139)	(1,279,708)	(1,517,011)	(1,924,474)
<i>Debt Service - Interest & Fiscal Agent Fees</i>	(3,461)	-	-	(162,800)	(287,588)	(324,743)	(332,356)	(381,236)
<i>Transfers Out</i>	(39,872)	-	-	-	-	-	-	-
Total Expenses & Other Financing Uses	(13,997,772)	(17,318,526)	(17,318,526)	(18,267,058)	(18,644,052)	(17,454,701)	(17,436,748)	(19,354,963)
Total Income (Loss)	957,434	(2,323,938)	(2,324,076)	879,579	214,049	(221,430)	(574,137)	(1,145,508)
Contingency	-	(700,000)	(700,000)	(750,000)	(760,000)	(760,000)	(760,000)	(770,000)
Total Income/(Loss) w/ Contingency	957,434	(3,023,938)	(3,024,076)	129,579	(545,951)	(981,430)	(1,334,137)	(1,915,508)
Beginning Fund Balance - With Contingency	3,111,034	4,068,468	4,068,468	1,044,392	1,173,971	628,021	(353,409)	(1,687,546)
Ending Fund Balance - With Contingency	4,068,468	1,044,530	1,044,392	1,173,971	628,021	(353,409)	(1,687,546)	(3,603,055)

Landfill Enterprise Fund: This fund includes the activities at the Glendale Landfill such as recycling, the materials recovery facility, and potential by-product services. Over the five-year forecast period, revenues are expected to remain stable with no assumed rate increases. There are no planned fee adjustments in FY15-16; however, it is important to note that depending on the timing of capital outlay projects and fund performance, future rate adjustments may be necessary. Of the nearly \$11 million in FY14-15 annual budgeted revenue (excluding bond proceeds), approximately 22.5% or \$2.4 million is generated from the sale of recyclables. Large capital improvement projects in the later years of the plan include closure of the south quadrant of the landfill and major soil excavation. Declining fund balances due to these major projects indicates future bond sales are necessary. Staff will continue to monitor the performance of the fund for future financing options.

Landfill Fund - Five-Year Financial Forecast
FY15-16 Through FY19-20 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
<i>Recycling Sales</i>	1,719,266	2,478,380	2,478,380	2,503,164	2,528,196	2,553,478	2,579,013	2,604,803
<i>Tipping Fees</i>	4,107,327	5,174,760	5,174,760	5,226,508	5,278,773	5,331,561	5,384,877	5,438,726
<i>Staff & Adm Chargebacks</i>	431,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
<i>Internal Charges</i>	2,687,112	2,204,800	2,204,800	2,226,848	2,249,116	2,271,607	2,294,323	2,317,266
<i>Interfund Loan Proceeds</i>	438,071	358,503	233,361	278,074	658,308	714,807	764,997	779,117
<i>Interest</i>	39,141	40,000	40,000	40,400	40,804	41,212	41,624	42,040
<i>Other Revenue</i>	254,154	233,200	233,200	233,200	233,200	233,200	233,200	233,200
<i>Bond Proceeds</i>	-	-	-	15,000,000	5,000,000	5,000,000	-	-
Total Revenue & Other Financing Sources	9,676,071	11,014,643	10,889,501	26,033,194	16,513,397	16,670,865	11,823,034	11,940,152
Expenses & Other Financing Uses								
<i>Wages and Salaries</i>	(1,906,367)	(2,241,531)	(2,241,531)	(2,232,530)	(2,276,984)	(2,321,837)	(2,364,557)	(2,405,671)
<i>Overtime</i>	(94,730)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
<i>Benefits</i>	(664,343)	(772,339)	(772,339)	(830,028)	(860,026)	(886,975)	(910,049)	(933,276)
<i>Supplies and Contracts</i>	(2,040,743)	(3,723,823)	(3,723,823)	(3,779,028)	(3,854,608)	(3,931,700)	(4,010,334)	(4,090,541)
<i>Utilities</i>	(281,438)	(333,160)	(333,160)	(327,420)	(333,968)	(340,648)	(347,461)	(354,410)
<i>Vehicle Maintenance & Fuel</i>	(566,978)	(513,971)	(513,971)	(553,886)	(564,963)	(576,262)	(587,788)	(599,543)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(1,109,428)	(1,143,457)	(1,143,457)	(1,167,668)	(1,169,944)	(1,172,264)	(1,174,632)	(1,177,046)
<i>Capital Outlay</i>	(723,220)	(12,254,529)	(6,474,416)	(19,902,893)	(8,094,830)	(6,136,310)	-	(785,341)
<i>Debt Service - Principal</i>	-	-	-	-	(407,768)	(568,157)	(738,169)	(782,459)
<i>Debt Service - Interest & Fiscal Agent Fees</i>	-	-	-	-	(900,000)	(1,175,534)	(1,441,445)	(1,397,155)
<i>Transfers Out</i>	(21,014)	-	-	-	-	-	-	-
Total Expenses & Other Financing Uses	(7,408,261)	(21,017,810)	(15,237,697)	(28,828,452)	(18,498,092)	(17,144,688)	(11,609,434)	(12,560,442)
Total Income (Loss)	2,267,810	(10,003,167)	(4,348,196)	(2,795,258)	(1,984,695)	(473,823)	213,600	(620,290)
Contingency	-	(600,000)	(600,000)	(550,000)	(580,000)	(580,000)	(590,000)	(600,000)
Total Income/(Loss) w/ Contingency	2,267,810	(10,603,167)	(4,948,196)	(3,345,258)	(2,564,695)	(1,053,823)	(376,400)	(1,220,290)
Beginning Fund Balance - With Contingency	9,834,861	12,102,671	12,102,671	7,154,475	3,809,217	1,244,522	190,699	(185,701)
Ending Fund Balance - With Contingency	12,102,671	1,499,504	7,154,475	3,809,217	1,244,522	190,699	(185,701)	(1,405,991)

Special Revenue Funds

As state previously, the Special Revenue Funds, which include the Highway User Revenue Funds (HURF), the Transportation Funds, the Police Special Revenue Fund, and the Fire Special Revenue Fund, each have dedicated revenues sources which determine the level of expenditures or activities within the specific fund.

The Special Revenue Funds are forecasted to remain relatively stable. Unlike the enterprise operations, there are forecasted increases in revenue growth as these funds are not user fee supported. Similar to the enterprise operations, annual capital outlay assumes 100% of planned projects are expenses each year.

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Highway User Revenue Funds (HURF) – These funds are used to track HURF monies that the State of Arizona distributes to cities, towns and counties. This revenue source is commonly referred to as the gasoline tax although there are several additional transportation related fees that comprise this revenue, including a portion of vehicle license taxes. Overall, much of this revenue source is based on the volume of fuel sold rather than the price of fuel. There is a state constitutional restriction on the use of HURF revenues; they must be used solely for street and highway purposes such as maintenance, repair, reconstruction, and roadside development. In Glendale, the fund supports street cleaning and maintenance, traffic signs and signals, street lighting, and other street-related activities. The anticipated rate of revenue growth is estimated at approximately 1% annually. Revenue estimates are provided by the League of Arizona Cities and Towns each March. Substantial expenditures over the next five years include major street improvements totaling \$31 million. Financing opportunities for these capital improvement projects would include HURF revenue bonds or pay-as-you go cash financing.

Highway User Revenue Funds - Five-Year Financial Forecast
FY15-16 Through FY19-20 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
<i>HURF Revenue</i>	12,789,798	12,903,286	12,903,286	13,032,319	13,162,642	13,294,268	13,427,211	13,561,483
<i>Interest</i>	5,375	21,406	21,406	21,620	21,836	22,054	22,275	22,498
<i>Other Revenue</i>	917	-	-	-	-	-	-	-
<i>Bond Proceeds</i>	-	-	-	10,000,000	-	-	-	-
<i>Transfers In</i>	1,015,000	1,000,000	1,000,000	1,000,000	-	-	-	-
Total Revenue & Other Financing Sources	13,811,091	13,924,692	13,924,692	24,053,939	13,184,478	13,316,322	13,449,486	13,583,981
Expenditures & Other Financing Uses								
<i>Wages and Salaries</i>	(1,842,196)	(2,137,680)	(2,137,680)	(2,067,896)	(2,108,816)	(2,147,536)	(2,184,976)	(2,222,514)
<i>Overtime</i>	(36,914)	(61,103)	(61,103)	(61,103)	(61,103)	(61,103)	(61,103)	(61,103)
<i>Benefits</i>	(661,319)	(739,758)	(739,758)	(782,133)	(810,700)	(835,762)	(857,030)	(878,761)
<i>Supplies and Contracts</i>	(2,342,369)	(2,408,180)	(2,408,180)	(2,391,475)	(2,484,185)	(2,533,869)	(2,584,546)	(2,636,237)
<i>Utilities</i>	(2,442,409)	(2,580,301)	(2,580,301)	(2,607,386)	(2,659,534)	(2,712,725)	(2,766,979)	(2,822,319)
<i>Vehicle Maintenance & Fuel</i>	(290,090)	(304,049)	(304,049)	(310,130)	(316,333)	(322,659)	(329,112)	(335,695)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(279,297)	(240,886)	(240,886)	(261,423)	(368,399)	(373,722)	(379,152)	(384,689)
<i>Capital Outlay</i>	-	(18,675,000)	(11,675,000)	(16,000,000)	(9,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<i>Debt Service - Principal</i>	(4,355,000)	(1,805,000)	(1,805,000)	(1,895,000)	(758,680)	(804,200)	(852,452)	(903,599)
<i>Debt Service - Interest & Fiscal Agent Fees</i>	(330,875)	(153,000)	(153,000)	(75,800)	(600,000)	(554,480)	(506,228)	(455,081)
<i>Transfers Out</i>	(21,014)	-	-	-	-	-	-	-
Total Expenditures & Other Financing Uses	(12,601,482)	(29,104,957)	(22,104,957)	(26,452,346)	(19,167,749)	(12,346,055)	(12,521,578)	(12,699,997)
Total Income (Loss)	1,209,608	(15,180,265)	(8,180,265)	(2,398,407)	(5,983,271)	970,267	927,908	883,984
Contingency	-	(600,000)	(600,000)	(650,000)	(660,000)	(670,000)	(670,000)	(680,000)
Total Income/(Loss) w/ Contingency	1,209,608	(15,780,265)	(8,780,265)	(3,048,407)	(6,643,271)	300,267	257,908	203,984
Beginning Fund Balance - With Contingency	18,853,666	20,063,274	20,063,274	11,283,009	8,234,602	1,591,331	1,891,597	2,149,506
Ending Fund Balance - With Contingency	20,063,274	4,283,009	11,283,009	8,234,602	1,591,331	1,891,597	2,149,506	2,353,489

Transportation Sales Tax: The Transportation Sales Tax Funds support transportation services in Glendale. The fund is primarily supported by designated sales tax revenue received from Proposition 402 (0.5%). In 2001 Glendale voters approved a one-half cent adjustment to the city sales tax rate to fund a comprehensive package of transportation projects including expansion of public transit service, intersection improvements to reduce congestion, and other street-related services. Transportation sales tax revenues are expected to grow at the same pace as the General Fund sales tax increases over the five-year forecast period (approximately 3.5% annually). Major projects include the Pavement Management Program at \$2 million annually and the Northern Ave. Super Street capital project. Transit operations remain stable over the forecast period and do not include service level reductions. Bond sales are planned in FY16-17; however, debt issuance would be dependent on available fund balances and prior year capital improvement project “carry-forward.” Debt service obligations of approximately \$8.6 million annually have been incorporated into the five year forecast as well as nominal inflation for operations.

Transportation Sales Tax Funds - Five-Year Financial Forecast
FY15-16 Through FY19-20 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
<i>City Sales Tax</i>	22,919,182	23,432,936	23,432,936	24,206,223	25,029,235	25,905,258	26,811,942	27,750,360
<i>Transit Revenue</i>	118,897	128,807	128,807	128,807	128,807	128,807	128,807	128,807
<i>Interest</i>	114,114	80,000	80,000	80,000	-	80,000	-	80,000
<i>Other Revenue</i>	88,486	-	-	-	-	-	-	-
<i>Bond Proceeds</i>	-	20,000,000	-	-	15,000,000	-	-	-
<i>Transfers In</i>	900,000	1,566,707	1,566,707	1,566,707	1,566,707	1,566,707	1,566,707	1,566,707
Total Revenue & Other Financing Sources	24,140,679	45,208,450	25,208,450	25,981,737	41,724,749	27,680,772	28,507,456	29,525,874
Expenditures & Other Financing Uses								
<i>Wages and Salaries</i>	(2,471,628)	(2,922,916)	(2,922,916)	(3,095,194)	(3,155,187)	(3,212,402)	(3,269,852)	(3,324,704)
<i>Overtime</i>	(39,945)	(36,750)	(36,750)	(36,750)	(36,750)	(36,750)	(36,750)	(36,750)
<i>Benefits</i>	(767,445)	(865,883)	(865,883)	(936,387)	(946,568)	(978,959)	(1,006,463)	(1,034,010)
<i>Supplies and Contracts</i>	(3,360,020)	(6,118,202)	(6,118,202)	(6,256,532)	(6,381,663)	(6,509,296)	(6,639,482)	(6,772,272)
<i>Utilities</i>	(159,530)	(285,022)	(285,022)	(274,756)	(280,252)	(285,857)	(291,574)	(297,405)
<i>Vehicle Maintenance & Fuel</i>	(530,606)	(683,560)	(683,560)	(697,231)	(711,176)	(725,399)	(739,907)	(754,705)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(1,566,596)	(1,572,692)	(1,572,692)	(1,575,370)	(1,641,557)	(1,644,343)	(1,647,186)	(1,650,085)
<i>Capital Outlay</i>	(6,711,041)	(41,321,008)	(15,321,008)	(16,364,821)	(15,575,468)	(3,098,083)	(3,430,204)	(9,591,954)
<i>Debt Service - Principal</i>	(3,125,000)	(3,250,000)	(3,250,000)	(3,380,000)	(3,550,000)	(4,137,768)	(4,347,234)	(4,528,168)
<i>Debt Service - Interest & Fiscal Agent Fees</i>	(4,202,781)	(4,081,081)	(4,081,081)	(3,946,081)	(3,777,081)	(4,499,581)	(4,288,615)	(4,106,081)
<i>Transfers Out</i>	(1,041,110)	(1,000,000)	(1,000,000)	(1,000,000)	-	-	-	-
Total Expenditures & Other Financing Uses	(23,975,702)	(62,137,114)	(36,137,114)	(37,563,123)	(36,055,701)	(25,128,439)	(25,697,267)	(32,096,134)
Total Income (Loss)	164,977	(16,928,664)	(10,928,664)	(11,581,386)	5,669,048	2,552,333	2,810,189	(2,570,260)
Contingency		(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,300,000)	(1,300,000)	(1,300,000)
Total Income(Loss) w/ Contingency	164,977	(18,128,664)	(12,128,664)	(12,781,386)	4,469,048	1,252,333	1,510,189	(3,870,260)
Beginning Fund Balance - With Contingency	30,501,147	30,666,124	30,666,124	18,537,460	5,756,074	10,225,123	11,477,456	12,987,645
Ending Fund Balance - With Contingency	30,666,124	12,537,460	18,537,460	5,756,074	10,225,123	11,477,456	12,987,645	9,117,385

Police and Fire Special Revenue Funds: In 1994, Glendale voters passed a citizens’ initiative that increased the local sales tax by 0.1% to add police and fire personnel and related equipment. In September 2007, Glendale voters passed a separate initiative that increased the local sales tax by another 0.4%, bringing the total public safety tax rate to 0.5%, effective November 1, 2007. Both taxes specified that two-thirds of the revenue would go to police operations and one-third to fire operations. The original tax (0.1%) included all grocery related food sales but the new tax (0.4%) excludes all grocery related food sales. Both taxes specifically prohibit supplanting existing general fund budgets with the sales tax revenue. Two-thirds of the revenue is allocated to police operations (Police Special Revenue Fund) and one-third is allocated to fire operations (Fire Special Revenue Fund). The two funds are presented separately.

Prior to FY14-15 all expenditures related to “enhanced” public safety services, as defined through the previous ballot initiatives, were tracked within specific Police and Fire dedicated sales tax funds. In FY14-15, a new costing methodology was implemented to simplify the annual budget process and ensures accounting for public safety sales tax related expenditures is consistent with the initiative. An annual transfer from the Public Safety Sales Tax (PSST) funds to the general fund will provide direct reimbursement for the enhanced levels of service cost as approved by the previous voter initiatives.

The **Police Special Revenue Fund**, presented below, assumes sales tax revenue growth at the same pace as the General Fund sales tax increases over the five-year forecast period (approximately 3.5% annually). Transfer amounts to the General Fund include nominal inflation and maintenance of current contractual obligations.

PSST - Police Sales Tax Fund - Five-Year Financial Forecast
FY14-15 Through FY18-19 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
City Sales Tax	14,051,940	14,565,300	14,565,300	15,045,955	15,557,517	16,102,030	16,665,601	17,248,897
Other Revenue	175,939	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Revenue & Other Financing Sources	14,227,879	14,565,300	14,565,300	15,045,955	15,557,517	16,102,030	16,665,601	17,248,897
Expenditures & Other Financing Uses								
Wages and Salaries	(6,551,220)	-	-	-	-	-	-	-
Overtime	(474,686)	-	-	-	-	-	-	-
Benefits	(3,064,083)	-	-	-	-	-	-	-
Supplies and Contracts	(2,609,493)	-	-	-	-	-	-	-
Vehicle Maintenance & Fuel	(356,918)	-	-	-	-	-	-	-
Vehicles, Technology, Risk Mgt., Workers' Comp.	(373,693)	-	-	-	-	-	-	-
Transfers Out	-	(16,550,770)	(16,550,770)	(15,945,955)	(16,457,517)	(17,002,030)	(17,565,601)	(18,148,897)
Total Expenditures & Other Financing Uses	(13,430,093)	(16,550,770)	(16,550,770)	(15,945,955)	(16,457,517)	(17,002,030)	(17,565,601)	(18,148,897)
Total Income (Loss)	797,785	(1,985,470)	(1,985,470)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Contingency								
Total Income/(Loss) w/ Contingency	797,785	(1,985,470)	(1,985,470)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Beginning Fund Balance - With Contingency	8,614,760	9,412,545	9,412,545	7,427,075	6,527,075	5,627,075	4,727,075	3,827,075
Ending Fund Balance - With Contingency	9,412,545	7,427,075	7,427,075	6,527,075	5,627,075	4,727,075	3,827,075	2,927,075

The **Fire Special Revenue Fund**, presented below, assumes sales tax revenue growth at the same pace as the General Fund sales tax increases over the five-year forecast period (approximately 3.5% annually). Transfer amounts to the General Fund include nominal inflation and maintenance of current contractual obligations.

PSST - Fire Sales Tax Fund - Five-Year Financial Forecast
FY14-15 Through FY18-19 with FY13-14 & FY14-15 Comparative Date

	FY13-14	FY14-15		Forecast				
	Actual	Budget	Rev Est	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Revenue & Other Financing Sources								
<i>City Sales Tax</i>	7,020,940	7,334,300	7,334,300	7,576,332	7,833,927	8,108,114	8,391,898	8,685,614
Total Revenue & Other Financing Sources	<u>7,020,940</u>	<u>7,334,300</u>	<u>7,334,300</u>	<u>7,576,332</u>	<u>7,833,927</u>	<u>8,108,114</u>	<u>8,391,898</u>	<u>8,685,614</u>
Expenditures & Other Financing Uses								
<i>Wages and Salaries</i>	(3,256,468)	-	-	-	-	-	-	-
<i>Overtime</i>	(701,377)	-	-	-	-	-	-	-
<i>Benefits</i>	(1,416,511)	-	-	-	-	-	-	-
<i>Supplies and Contracts</i>	(976,496)	-	-	-	-	-	-	-
<i>Vehicle Maintenance & Fuel</i>	(18,883)	-	-	-	-	-	-	-
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(147,371)	-	-	-	-	-	-	-
<i>Transfers Out</i>	-	(7,891,649)	(7,891,649)	(7,676,332)	(7,933,927)	(8,208,114)	(8,491,898)	(8,785,614)
Total Expenditures & Other Financing Uses	<u>(6,517,107)</u>	<u>(7,891,649)</u>	<u>(7,891,649)</u>	<u>(7,676,332)</u>	<u>(7,933,927)</u>	<u>(8,208,114)</u>	<u>(8,491,898)</u>	<u>(8,785,614)</u>
Total Income (Loss)	<u>503,834</u>	<u>(557,349)</u>	<u>(557,349)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Contingency	-	-	-	-	-	-	-	-
Total Income/(Loss) w/ Contingency	<u>503,834</u>	<u>(557,349)</u>	<u>(557,349)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Beginning Fund Balance - With Contingency	990,160	1,493,994	1,493,994	936,645	836,645	736,645	636,645	536,645
Ending Fund Balance - With Contingency	1,493,994	936,645	936,645	836,645	736,645	636,645	536,645	436,645