



City of San Gabriel

Long-Term Financial Plan

Fiscal Year 2019/20 Through Fiscal Year 2023/24

San Gabriel Long-Term Financial Plan

- ▶ Purpose of LTFP - Improve Financial and Operational Decision Making
- ▶ Scope - 5 Years, FY2019/20 - FY2023/24
- ▶ Forecast Methodology - GFOA Recommended Best Practice

San Gabriel Long-Term Financial Plan

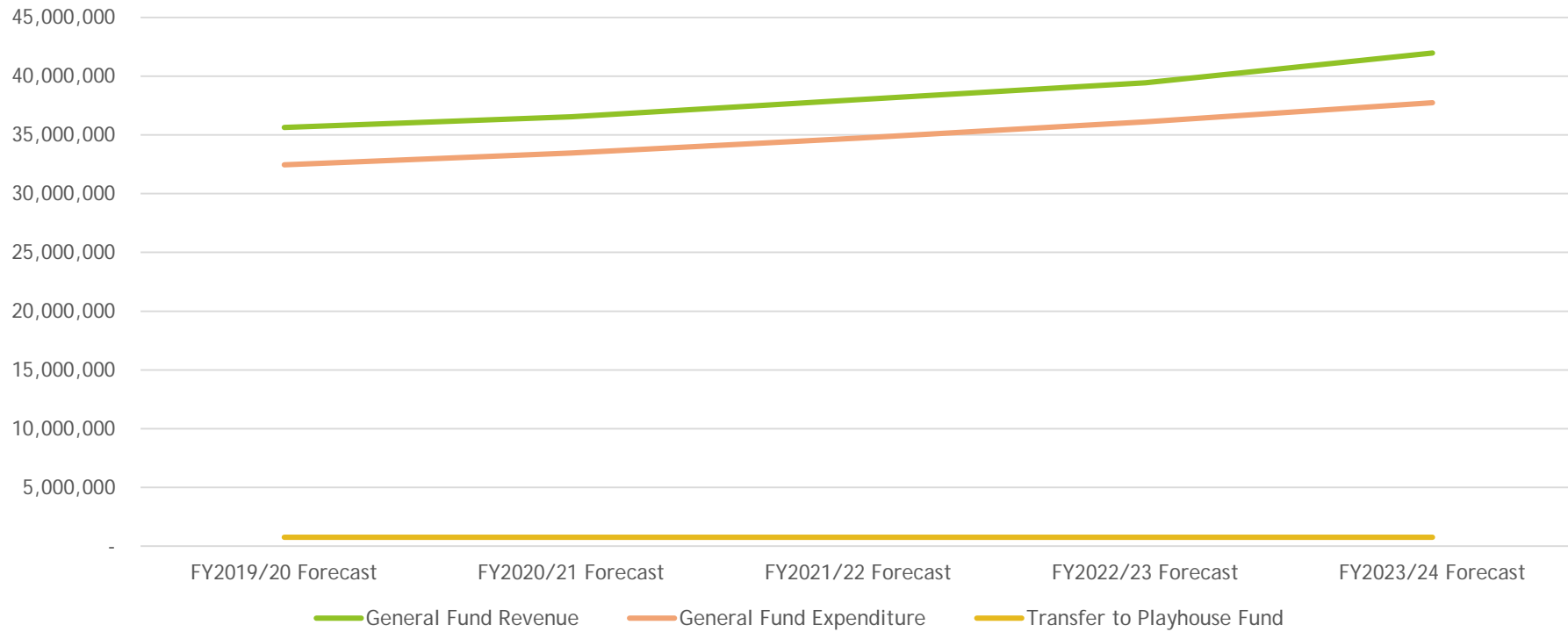
▶ Summary

- ▶ Long-Term Financial Plan FY19/20 - FY23/24
- ▶ Status Quo Service Levels and Other Options
- ▶ General Fund 5 Years Forecast
- ▶ Retirement Fund 5 Years Forecast
- ▶ Financial Position 5 Years Forecast

General Fund 5 Years Forecast - Status Quo Service Levels (No Police Station Borrowing)

General Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
General Fund Revenue	35,645,380	36,543,523	38,016,077	39,442,889	41,972,720
General Fund Expenditure	32,452,425	33,458,240	34,719,710	36,126,969	37,736,183
Transfer to Playhouse Fund	760,712	758,875	756,114	752,363	747,554
Surplus	2,432,243	2,326,407	2,540,254	2,563,557	3,488,983

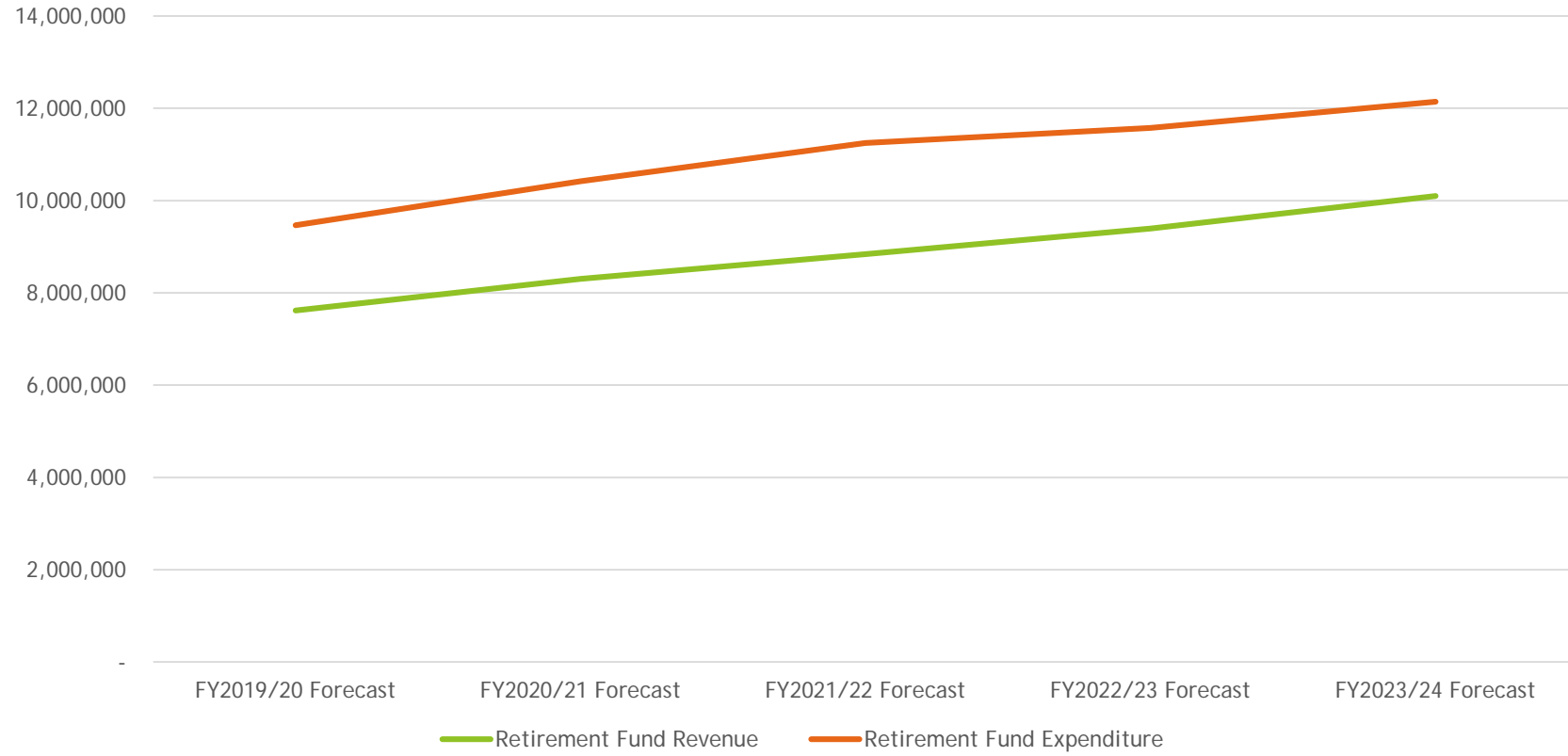
General Fund Revenue - Expenditure 5 Years Forecast



Retirement Fund 5 Years Forecast - Status Quo Service Levels

Retirement Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
Retirement Fund Revenue	7,615,475	8,305,963	8,842,170	9,395,652	10,101,230
Retirement Fund Expenditure	9,469,290	10,421,256	11,250,037	11,575,220	12,141,443
Transfer to Playhouse Fund	210,125	228,527	245,307	247,804	256,619
Deficit	(2,063,940)	(2,343,820)	(2,653,174)	(2,427,372)	(2,296,833)

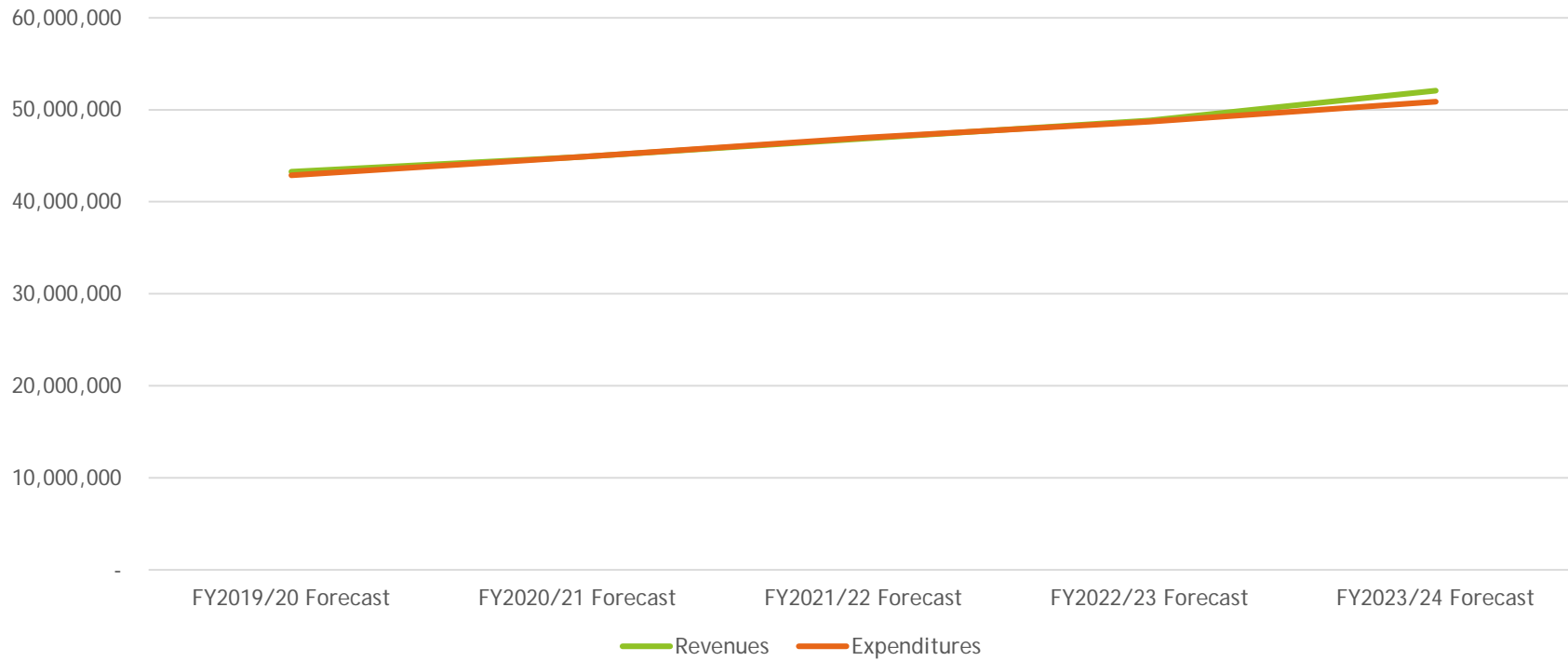
Retirement Fund Revenue - Expenditure 5 years Forecast



General Fund & Retirement Fund 5 Years Forecast - Status Quo Service Levels

General & Retirement Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
General Fund	2,432,243	2,326,407	2,540,254	2,563,557	3,488,983
Retirement Fund	(2,063,940)	(2,343,820)	(2,653,174)	(2,427,372)	(2,296,833)
Surplus/Deficit	368,303	(17,413)	(112,920)	136,185	1,192,150

General Fund & Retirement Fund Revenue - Expenditure 5 Years Forecast



Financial Position 5 Years Forecast - Status Quo Service Levels

General & Retirement Fund	FY2018/19 Budget	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
Fund Balance, Beginning	(690,195)	(2,065,361)	(1,697,058)	(1,714,470)	(1,827,390)	(1,691,205)
Revenues	41,542,011	43,260,855	44,849,486	46,858,247	48,838,541	52,073,949
Expenditures	42,917,177	42,892,552	44,866,899	46,971,167	48,702,355	50,881,799
Surplus/(Deficit)	(1,375,166)	368,303	(17,413)	(112,920)	136,185	1,192,150
Fund Balance, Ending	(2,065,361)	(1,697,058)	(1,714,470)	(1,827,390)	(1,691,205)	(499,054)

General Fund & Retirement Fund Combined Ending Fund Balance



Option #1 – City Sales and Use Tax Increase (Transaction and Use Tax Increase)

- ▶ City TUT Increase $\frac{3}{4}$ Percent
- ▶ Special Election in November, 2019
- ▶ Anticipate \$750,000 by June 30, 2020 and \$3,000,000/year after

General Fund 5 Years Forecast - Sales Tax Increase

General Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
General Fund Revenue	35,645,380	36,543,523	38,016,077	39,442,889	41,972,720
General Fund Expenditure	32,752,425	33,458,240	34,719,710	36,126,969	37,736,183
Transfer to Playhouse Fund	760,712	758,875	756,114	752,363	747,554
TUT (Sales Tax) Increase	750,000	3,007,500	3,067,650	3,129,003	3,191,583
Surplus	2,882,244	5,333,908	5,607,904	5,692,560	6,680,566

Retirement Fund 5 Years Forecast - TUT Increase (No Impact on Retirement Fund)

Retirement Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
Retirement Fund Revenue	7,615,475	8,305,963	8,842,170	9,395,652	10,101,230
Retirement Fund Expenditure	9,469,290	10,421,256	11,250,037	11,575,220	12,141,443
Transfer to Playhouse Fund	210,125	228,527	245,307	247,804	256,619
Deficit	(2,063,940)	(2,343,820)	(2,653,174)	(2,427,372)	(2,296,833)

Financial Position 5 Years Forecast - TUT Increase

General & Retirement Fund	FY2018/19 Budget	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
Fund Balance, Beginning	(690,195)	(2,065,361)	(1,247,057)	1,743,030	4,697,760	7,962,949
Revenues	41,542,011	44,010,855	47,856,986	49,925,897	51,967,544	55,265,532
Expenditures	42,917,177	43,192,551	44,866,898	46,971,167	48,702,355	50,881,799
Surplus/(Deficit)	(1,375,166)	818,304	2,990,088	2,954,730	3,265,188	4,383,733
Fund Balance, Ending	(2,065,361)	(1,247,057)	1,743,030	4,697,760	7,962,949	12,346,682

Option #2 – Annexation of Fire Services

- ▶ LA County Fire District Proposal, Option A
- ▶ Take effect in fiscal year 2020/21
- ▶ Financial Impact
- ▶ Detailed Cost and Benefit Analysis

General Fund 5 Years Forecast - Annexation Fire Services

General Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
General Fund Revenue	35,645,380	36,543,523	38,016,077	39,442,889	41,972,719
General Fund Expenditure	32,452,425	33,458,240	34,719,709	36,126,970	37,736,183
Transfer to Playhouse Fund	760,712	758,875	756,114	752,363	747,554
Fire Annexation Cost Increase	-	1,606,417	1,839,306	2,079,076	2,324,305
Surplus	2,432,244	719,991	700,948	484,480	1,164,677

Retirement Fund 5 Years Forecast - Annexation Fire Services

Retirement Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
Retirement Fund Revenue	7,615,475	8,305,963	8,842,170	9,395,652	10,101,230
Transfer to General & Risk Management Fund	9,469,290	10,421,256	11,250,037	11,575,220	12,141,443
Transfer to Playhouse Fund	210,125	228,527	245,307	247,804	256,619
Fire Annexation Saving	-	2,937,169	3,137,121	3,317,334	3,448,062
Surplus/(Deficit)	(2,063,940)	593,349	483,947	889,962	1,151,230

General Fund & Retirement Fund Forecast - Annexation Fire Services

General & Retirement Fund	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
General Fund	2,432,244	2,326,408	2,540,254	2,563,556	3,488,982
Retirement Fund	(2,063,940)	(2,343,820)	(2,653,174)	(2,427,372)	(2,296,832)
Fire Annexation Net Saving	-	1,330,752	1,297,815	1,238,258	1,123,757
Surplus	368,304	1,313,339	1,184,895	1,374,442	2,315,907

Financial Position 5 Years Forecast - Annexation of Fire Services

General & Retirement Fund	FY2018/19 Budget	FY2019/20 Forecast	FY2020/21 Forecast	FY2021/22 Forecast	FY2022/23 Forecast	FY2023/24 Forecast
Fund Balance, Beginning	(690,195)	(2,065,361)	(1,697,057)	(383,718)	801,177	2,175,619
Revenues	41,542,011	43,260,855	43,653,897	45,550,955	47,409,109	50,510,966
Expenditures	42,917,177	42,892,551	42,340,558	44,366,060	46,034,667	48,195,059
Surplus/(Deficit)	(1,375,166)	368,304	1,313,339	1,184,895	1,374,442	2,315,907
Fund Balance, Ending	(2,065,361)	(1,697,057)	(383,718)	801,177	2,175,619	4,491,526

Cost and Benefit Analysis - Annexation of Fire Services

Fire Department Cost Breakdown -w/o Annexation										
Revenue	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Expenditure	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Fire Inspection	1,140,176	1,003,949	839,360	408,104	800,000	532,614	554,328	576,927	600,447	624,926
Ambulance Service	710,681	825,729	804,535	825,247	1,000,000	1,093,430	1,195,589	1,307,292	1,429,432	1,562,983
Salary	3,956,863	4,160,411	4,181,949	4,426,884	4,194,944	4,278,843	4,364,420	4,451,708	4,540,742	4,631,557
Non-Departmental -Insurance	-	-	795,345	636,226	636,226	738,022	856,106	993,083	1,151,976	1,336,292
Health Insurance	538,994	513,363	568,870	522,796	687,135	721,492	757,566	795,445	835,217	876,978
Benefits	61,172	64,118	64,077	66,451	59,212	60,692	62,210	63,765	65,359	66,993
General Expenses	830,459	749,447	799,813	319,417	255,224	262,625	270,242	278,079	286,143	294,441
Professional and Contract Services	238,308	236,610	323,583	347,931	229,765	236,428	243,285	250,340	257,600	265,070
Supplies and Materials	9,345	9,291	11,948	10,486	5,000	5,145	5,294	5,448	5,606	5,768
Maintenance and Repair	474,008	517,374	489,577	468,225	471,758	485,439	499,517	514,003	528,909	544,247
Utilities	75,709	88,297	87,305	86,499	92,918	95,613	98,385	101,239	104,174	107,196
Conferences and Training	25,366	21,021	18,525	22,730	37,678	38,771	39,895	41,052	42,242	43,468
Capital Imp Project	-	-	20,179	60,036	500,234	-	-	-	-	-
General Fund Total Cost	4,359,366	4,530,254	5,717,277	5,734,330	5,370,094	6,923,070	7,196,919	7,494,160	7,817,968	8,172,009
Retirement	1,197,144	1,519,060	1,590,913	1,744,186	2,118,738	2,351,066	2,539,834	2,697,261	2,828,757	2,909,672
Retiree Health Insurance	281,753	362,002	400,701	257,064	343,923	341,645	397,335	439,859	488,576	538,391
Retirement Fund Total Cost	1,478,897	1,881,062	1,991,615	2,001,250	2,462,661	2,692,712	2,937,169	3,137,121	3,317,333	3,448,062
Net Cost	5,838,263	6,411,316	7,708,891	7,735,580	7,832,755	7,989,738	8,384,171	8,747,061	9,105,423	9,432,163
Fire Department Cost Breakdown -with Annexation										
Revenue	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Expenditure	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Fire Inspection	1,140,176	1,003,949	839,360	408,104	800,000	532,614	554,328	576,927	600,447	624,926
Ambulance Service	710,681	825,729	804,535	825,247	1,000,000	1,093,430	-	-	-	-
Salary	3,956,863	4,160,411	4,181,949	4,426,884	4,194,944	4,278,843	-	-	-	-
Non-Departmental -Insurance	-	-	795,345	636,226	636,226	738,022	-	-	-	-
Health Insurance	538,994	513,363	568,870	522,796	687,135	721,492	-	-	-	-
Benefits	61,172	64,118	64,077	66,451	59,212	60,692	-	-	-	-
General Expenses	830,459	749,447	799,813	319,417	255,224	262,625	-	-	-	-
Professional and Contract Services	238,308	236,610	323,583	347,931	229,765	236,428	-	-	-	-
Supplies and Materials	9,345	9,291	11,948	10,486	5,000	5,145	-	-	-	-
Maintenance and Repair	474,008	517,374	489,577	468,225	471,758	485,439	-	-	-	-
Utilities	75,709	88,297	87,305	86,499	92,918	95,613	-	-	-	-
Conferences and Training	25,366	21,021	18,525	22,730	37,678	38,771	-	-	-	-
Capital Imp Project	-	-	20,179	60,036	500,234	-	-	-	-	-
General Fund Total Cost	4,359,366	4,530,254	5,717,277	5,734,330	5,370,094	5,297,026	(554,328)	(576,927)	(600,447)	(624,926)
Retirement	1,197,144	1,519,060	1,590,913	1,744,186	2,118,738	2,351,066	-	-	-	-
Retiree Health Insurance	281,753	362,002	400,701	257,064	343,923	341,645	-	-	-	-
Retirement Fund Total Cost	1,478,897	1,881,062	1,991,615	2,001,250	2,462,661	2,692,712	-	-	-	-
Payment to LA County Fire	-	-	-	-	-	-	7,607,747	8,026,173	8,467,613	8,933,332
Net Cost	5,838,263	6,411,316	7,708,891	7,735,580	7,832,755	7,989,738	7,053,419	7,449,247	7,867,166	8,308,406
NET SAVINGS	-	-	-	-	-	-	1,330,752	1,297,815	1,238,256	1,123,757
Impact to Automotive Maintenance Fund										
Operating Revenue	794,778	825,000	845,000	875,000	875,000	900,375	926,486	953,354	981,001	1,009,450
Operating Expenditure-Personnel	260,962	254,069	262,006	333,041	337,345	344,092	350,974	357,993	365,153	372,456
Operating Expenditure-Service & S	516,285	533,419	596,668	591,024	550,600	566,567	582,998	599,905	617,302	635,204
Fire Department Share- Net	281,000	281,000	285,000	285,000	285,000	293,265	301,770	310,521	319,526	328,792
Net Operating Gain/(Loss)	17,531	37,512	(13,674)	(49,064)	(12,945)	(10,284)	(122,697)	(123,095)	(123,443)	(123,737)

Note:

- 1) LA County's proposal of \$6,835,199 is for FY18/19, and it will increase 5.5% annually. Staff anticipate the Annexation takes effect on FY 20/21, therefore used \$7,607,747 as the amount.
- 2) LA County has .5 FTE conduct Fire Inspection. The fees collected for this service will be credited back to the City. Staff assume the same amount of revenue.
- 3) Revenues collected for the paramedic on board would be credit back to the City also. Further study need to be done to determine the future ambulance revenue. No amount of revenue forecast above.
- 4) Fire Department contributes 32% of Automotive Maintenance Fund's operating revenue. Staff estimate that 32% of services and supplies will be reduced by the Annexation and factored in the reduction. Staff left the personnel cost untouched in the analysis. Based on this assumption, the impact to Automotive Maintenance Fund is negative and the estimated loss is showing above.

Q & A ?