

FISCAL YEAR 2013-14 CITY BUDGET-IN-BRIEF



CITY OF TEMPLE CITY | 9701 LAS TUNAS DR., TEMPLE CITY, CA 91780 | (626) 285-2171



FY 2013-14 BUDGET OVERVIEW

EFFECTIVE

July 1, 2013 – June 30,
2014

CITY BUDGET

\$33,289,865

NOTABLE TRENDS

Local revenues are flat-
lining, though property
taxes continue to rise.

KEY INITIATIVES

Continue zero-based
budgeting to maximize
operational efficiency,
elevate service levels.

Strengthen economic base
through focused planning
efforts and strategic
investment.

Continue fostering citizen
engagement in government.

May 16, 2013

Honorable Council of the City of Temple City
Esteemed Community Members:

Imagining the ideal Temple City of tomorrow,
much of the progress we shall see will largely
depend on actions we take today in securing
our community's long-term financial health and
prosperity.

With that in mind, I present you this year's
Budget-in-Brief for the Fiscal Year (FY) 2013-
14 City Budget. The following report provides
a concise overview of the City's financial
position and planning efforts, as well as
a brief analysis of key budget initiatives,
anticipated revenues and expenditures, and
overall economic trends.

BUDGETING APPROACH

Considering the tough economic challenges
brought about by the recent recession, public
agencies nationwide have been confronted
with painful funding cuts, reduced revenues,
rising costs, etc. Fortunately, Temple City has
been in a stable position. With our unique

flexibility as a contract city, combined with a tradition of prudent financial planning and a strengthened emphasis on strategic investment, we have been able to adapt and even thrive. Looking ahead, continuing to implement the same strategies that have worked will allow us to maintain and grow toward a strong and sustainable financial future.

When we first experienced revenue decline a few years ago, what pulled us through was a strong commitment to maximizing available resources. We were focused not just on cutting costs, but doing so thoughtfully so as to minimize impacts to in-demand public services. Indeed, instituting zero-based budgeting—wherein we annually review program performance to prioritize spending—allowed us to consolidate operations, elevate levels of service while also realizing cost savings.

In conjunction with streamlining operations, our commitment to high-performance at City Hall also resulted in an ambitious grant-writing strategy, leveraging available funds to capture additional resources. While many public entities felt the sting of the recession in the form of major budget slashes and program cuts, our staff stepped up efforts to pursue grant resources.

Efforts have since yielded \$5.1 million dollars in external funding which has not only backfilled lost revenue, but funded full-fledged endeavors like the \$20.7 million Rosemead Boulevard Safety Enhancement and Beautification Project—more than 90 percent of which is paid for by grant and non-General Fund resources.

Grants received to date include Safe Routes to School and Community Development Block Grant for pedestrian improvements; Caltrans BTA funds for bike facilities; CalRecycle Recycled Asphalt Concrete Program to repave Rosemead Boulevard; Highway Safety Improvement Program for new Las Tunas Drive traffic signals; as well as a tree-planting grant from Supervisor Michael Antonovich.



With the City’s fortunate success in capturing external resources during recent years, this year’s revenues is seeing a dip, resulting largely from the absence of secured grants. However, with the City having applied for more than \$8 million in grant funding for the Las Tunas Drive Project, these numbers may change by July. And as we await notification on these awards, we are reminded that one-time grant funds do not provide a dependable source of revenue—but allow the City to leverage resources to complete impactful special projects.

Even as our financial standing stabilizes, we intend to integrate this practice as part of standard budget procedures, toward ensuring that the City utilizes revenues in a manner that will yield the highest return possible.

FY 2013-14: SECURING LOCAL REVENUES

In putting together this financial plan, decisions were driven largely by their potential to grow and improve our community. Included budget initiatives address a broad spectrum of issues from street maintenance and economic vitality, to recreation and communications—all working in harmony to nurture a more well-rounded and complete Temple City.

REVENUES AND EXPENDITURES

The City’s revenues consist of the **General Fund** (GF), comprised of local taxes—such as property and sales; and **special funds**, made up of external resources like transportation dollars and State gas taxes.



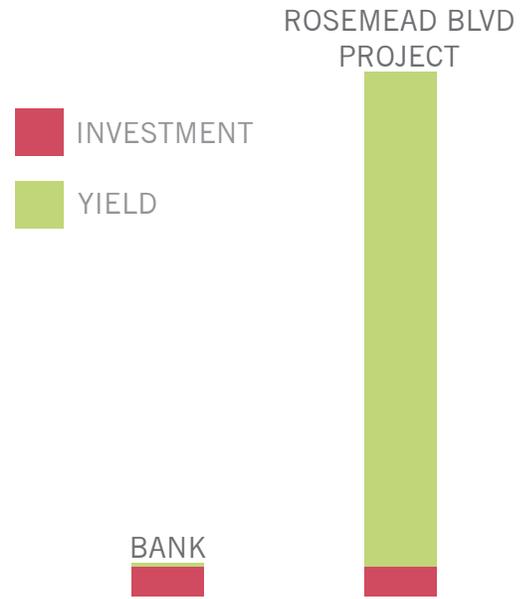
TOTAL REVENUES \$15,927,920
GENERAL FUND \$11,607,600
SPECIAL FUND \$ 4,269,320
OTHER \$ 51,000

GENERAL FUND
 OTHER SOURCES
 PROPERTY TAXES
 SALES TAXES
 OTHER TAXES
 INTERGOVERNMENTAL
 FINES, FEES, CHARGES
 INVESTMENTS

Highlights of notable budget initiatives are detailed below by category: Community Planning, Community Services and Community Engagement.

In anticipating upcoming fiscal conditions—especially with outside funding sources varying by year, and returns from our investment portfolio declining due to low interest rates—the key to our future prosperity is developing a solid tax base by leveraging resources. Though property values in Temple City continue to rise, sales tax revenues are seeing negligible increases and essentially leveling off.

Economic development projects are therefore becoming increasingly important for sustaining a competitive economic standing and strengthening our future



LEVERAGING RESOURCES

To spend or not to spend—that is the question at the heart of many financial decisions. With interest rates being low, the City is instead investing in high-yield endeavors and capital improvement projects that will pay in grant awards and long-term economic vitality. Using \$1.39 million in local revenues, the Rosemead Boulevard Project put together a more than \$20.7 budget—plus future revenue growth. That same amount in the bank would only have yielded \$35,000 over five years.

For FY 2013-14, a significant portion of expenditures is for the Rosemead Boulevard Project, which uses special revenues accumulated over the past several years—including received grants and transportation funds.



TOTAL EXPENDITURES \$33,289,865
GENERAL FUND \$11,977,090
GENERAL FUND RESERVE \$ 3,700,000
RESERVES AND GRANTS \$17,982,265

EXPENDITURES BY DEPARTMENT

- MANAGEMENT SERVICES
- ADMINISTRATIVE SERVICES
- COMMUNITY DEVELOPMENT
- PUBLIC SAFETY
- MAINTENANCE
- PARKS AND RECREATION

GENERAL FUND RESERVE

Thanks to a combination of financial prudence and favorable interest rates in previous years, the City was able to accumulate a significant **General Fund Reserve** (GFR) that last year was at 200 percent of the total operating budget, while most cities maintain about a 5 to 25 percent level.

With interest rates currently low, the City has taken a strategic approach, investing money on high-yield endeavors, such as capital improvement projects like the Rosemead Boulevard and Las Tunas Drive streetscape improvement plans.

This year, the City is expected to appropriate about \$3.7 million in GFR money for planning initiatives that invest in the community's future financial stability and economic vitality.

After the one-time outlays, the GFR will be at about \$17.5 million—still 150 percent of the operation budget. Emergency reserves of \$4.5 million remain in tact.

financial prospects. As such, this year's budget includes one-time General Fund Reserve (GFR) expenditures totaling about \$3.7 million to carry out such initiatives as the Las Tunas Drive downtown revitalization project, Civic Center Master Plan, General Plan Update and Las Tunas Drive/Rosemead Boulevard Specific Plan.

While some may express concern over the GFR outlays, these investments are in accord with our fiscal planning objectives of maximizing available resources and fostering long-term growth. Thanks in part to a tradition of financial prudence, our community's been able to accumulate significant reserves that last year was at 200 percent of our total operating budget, when most cities are maintaining a five to 25 percent level. And after this year's anticipated one-time appropriations, our \$17.5 million GFR will still be at 150 percent—meaning that even if we had zero revenues, we'd still be able to sustain existing levels of service for a year and a half.

Furthermore with interest rates currently low, the choice between options is clear: keep money in the bank on 0.5 percent yield, or invest on initiatives that secure our community's future prospects. The planning initiatives included in this year's budget will not only modernize local infrastructure, but also bring



our economy in alignment with the regional market, making Temple City a more pleasant and desirable place to live, work and play; while also naturally bolstering local sales and property tax revenues.

Ultimately, managing expenditures and investing in high-yield projects will ensure the health of the City's local revenues, enable our community to remain competitive in the regional economy, and provide resources that will allow us to sustain and improve public services.

BUDGET HIGHLIGHTS

The FY 2013-14 City Budget addresses a comprehensive set of issues geared toward fostering a complete and well-rounded community. To learn more about any of the following initiatives, call City Hall at (626) 285-2171, or email info@templecity.us.

Community Planning

Toward establishing a sustainable future for Temple City, the following planning initiatives—some mandated by State law—are aimed at updating infrastructure and modernizing our local economy to meet community and market needs for the next generation and beyond. With the recommendations of specific projects and programs from these planning exercises, the City will also become eligible for a variety of new funding opportunities.

General Plan Update

The General Plan sets a long-term vision for the growth and development of the community. While it is recommended for jurisdictions to update their plans every 10 years to reflect community changes and new laws—such as environmental and transportation regulations—Temple City’s last plan was completed in 1987.

Housing Element

Per State mandate, the City must update its Housing Element every five years to identify the community’s existing and projected housing needs, as well as develop policies and programs to address any shortfalls.

Five-Year Strategic Plan

With the many planning initiatives recently completed and underway, the Strategic Plan works with the public to determine community priorities and establish a plan for implementation.

Las Tunas/Rosemead Specific Plan

As a main sales tax-generating hub in the City, the future of the properties in the vicinity of the Las Tunas Drive/Rosemead Boulevard intersection, is critical for our

local economy. This specific plan will set guidelines for new development in alignment with market trends and needs—including the introduction of mixed-use design concepts that will further strengthen the economic potential of the area.

Civic Center Master Plan

A joint collaboration with adjacent property owners, Los Angeles County and Temple City Unified School District, will rejuvenate the Civic Center area into a potential private-public partnership (P3) project, including a new City Hall, new library, additional open spaces, and possibly even revenue-generating rental office units.

Library Needs Assessment

This study surveys the community to identify whether library needs are being met by the County facility. Results will help inform decisions made in regards to the upcoming Civic Center Master Plan.

Parks and Open Space Master Plan

This in-progress plan identifies opportunities for new parks facilities and programs to meet the evolving needs of our growing population and changing demographics.

Community Services

Continuing with our commitment to both streamlining and elevating operations, this year's budget includes the addition of new amenities, a focus on cost-saving preventative maintenance and reevaluation of existing contracts to ensure a high level of service to the community.

Pavement Management Plan (PMP)

The PMP takes a systematic approach to roadway, curb and gutter, and sidewalk maintenance that focuses on preventative care, which not only promotes better system performance, but also yields long-term cost-savings.

Fixed-Route Transit

As part of ongoing efforts to elevate service, the City has conducted a feasibility and planning study to determine demand for a potential community shuttle program.

Service Contracts

With the City's agreement for public safety services coming up for renewal, staff is reevaluating the contract with the Los Angeles Sheriff's Department to ensure quality service delivery.

Staff Support

With new planning initiatives and a new core communications function, two new full-time staff positions have been added this year to provide additional staff and customer service support in the Community Development Department and the Management Services Department.



Community Engagement

In exercising government transparency and responding to community demand for civic engagement, the City in 2012 established the Communications Office, adding public information as a core community service.

Communications Program

With the Communications Office, the City launched several brand-new tools and programs to keep the community informed, engaged and educated on City projects. Such include the award-winning Connect Magazine, social media platforms, a website redesign and a media release function.

Citizen's Academy

For aspiring next-generation City leaders and interested community

members, Citizen's Academy provides opportunities to learn about government functions and procedures.

Complete Neighborhoods Initiative

Toward building community and local pride, this initiative takes a celebratory approach by encouraging open dialogue between City Hall and residents in inviting settings like neighborhood block parties and townhall meetings.



I hope this Budget-in-Brief has been an informative overview of the FY 2013-14 Budget. With the coming year's heavy focus on community planning initiatives, I look forward to meeting and collaborating with you to reimagine a new, brighter and more modernized Temple City of tomorrow.

Sincerely,

Jose E. Pulido
City Manager