

CITY OF WEST HOLLYWOOD

2019-20 BUDGET Y2 UPDATE



City of West Hollywood
California 1984

June 6, 2019 6 PM

Finance Presenters

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Presentation Overview



- Budget Practices
- Fiscal Policies
- General Fund Revenues
- General Fund Expenditures
- Budget Priorities

BUDGET PRACTICES

Sunset Blvd



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2019-20 Budget Y2 Update

Budget Overview

- TWO-YEAR Budget Cycle with updates every six months
- FINANCIAL PLAN for the operation of the City
- ACCOMPLISHMENTS document achievements from prior year activities
- WORK PLANS set out departmental goals and objectives for the next year
- CAPITAL IMPROVEMENT PLAN guides major capital investment and maintenance program

Budget Process

- Budget is on a two-year cycle. We are entering Year 2 of the **2018-2020** budget cycle.
- Capital Work Program is a five-year plan.
- Grounded in Vision 2020 Strategic Plan. City has started the Vision 2050 Strategic Planning process.
- Fiscal Year is **July 1, 2019** to **June 30, 2020** and is often referred to as **FY20**.

FISCAL POLICIES



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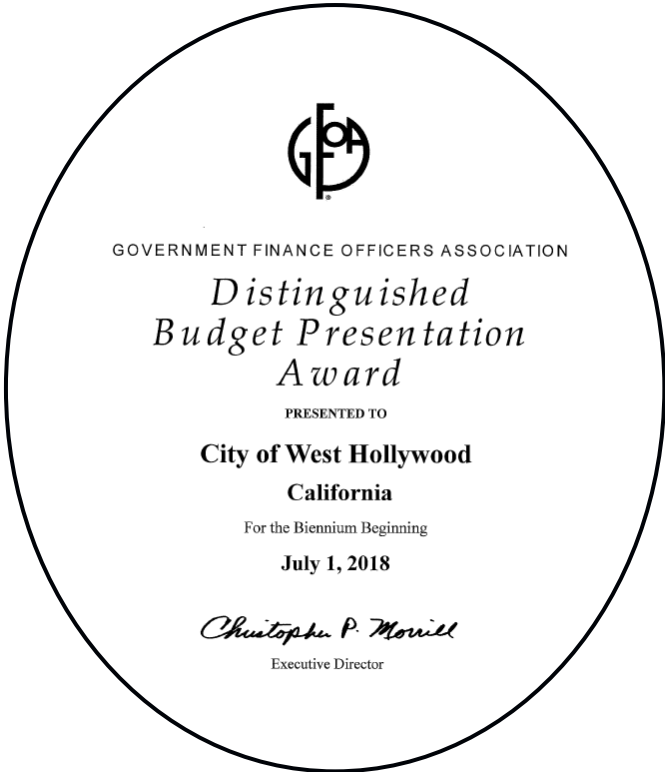
Fiscal Policies

- Generally Accepted Accounting Principles
- Balanced operating budget for all governmental funds so that Revenues \geq Expenditures
- Proprietary funds must be self supporting
- Maintain adequate reserves: 25% of the General Fund Budget

Fiscal Policies

- Equivalent inflation for revenue and expenditures: new spending must have new funding or offsets
- Maintain a long-range fiscal perspective
- Major capital improvements or acquisitions will be made using long-term financing methods

Budget Awards



Bond Ratings

FitchRatings

FITCH AFFIRMS WEST HOLLYWOOD PFA, CA'S LRBS AT 'AA+'; OUTLOOK STABLE

Fitch Ratings-San Francisco-20 March 2017: Fitch Ratings has affirmed the following West Hollywood Public Financing Authority (PFA), California lease revenue bonds (LRBs):

- \$11 million 2009 LRBs, series A (1998 COPs Refunding and Capital Improvement Projects) and 2009 taxable LRBs, series B (Capital Improvement Projects) (Federally Taxable - Build America Bonds - Direct Payment) at 'AA+';
- \$18 million 2013 LRBs (City Hall Parking; Werle Building) at 'AA+';
- \$85 million 2016 LRBs (West Hollywood Park Phase II; Werle Building; 2009B Refunding) at 'AA+'.

The 2016 LRBs are an advance crossover of the 2009 LRBs, series B, with a crossover date of Feb. 1, 2019. Proceeds from the 2016 LRBs were transferred into an irrevocable escrow fund for 2009 LRB, series B interest payment dates in fiscal years 2017-2019, capitalized interest, and prepayment of the outstanding bonds on Feb. 1, 2019.

In addition, Fitch has affirmed the city of West Hollywood's Issuer Default Rating (IDR) at 'AAA'.

BUDGET STRUCTURE

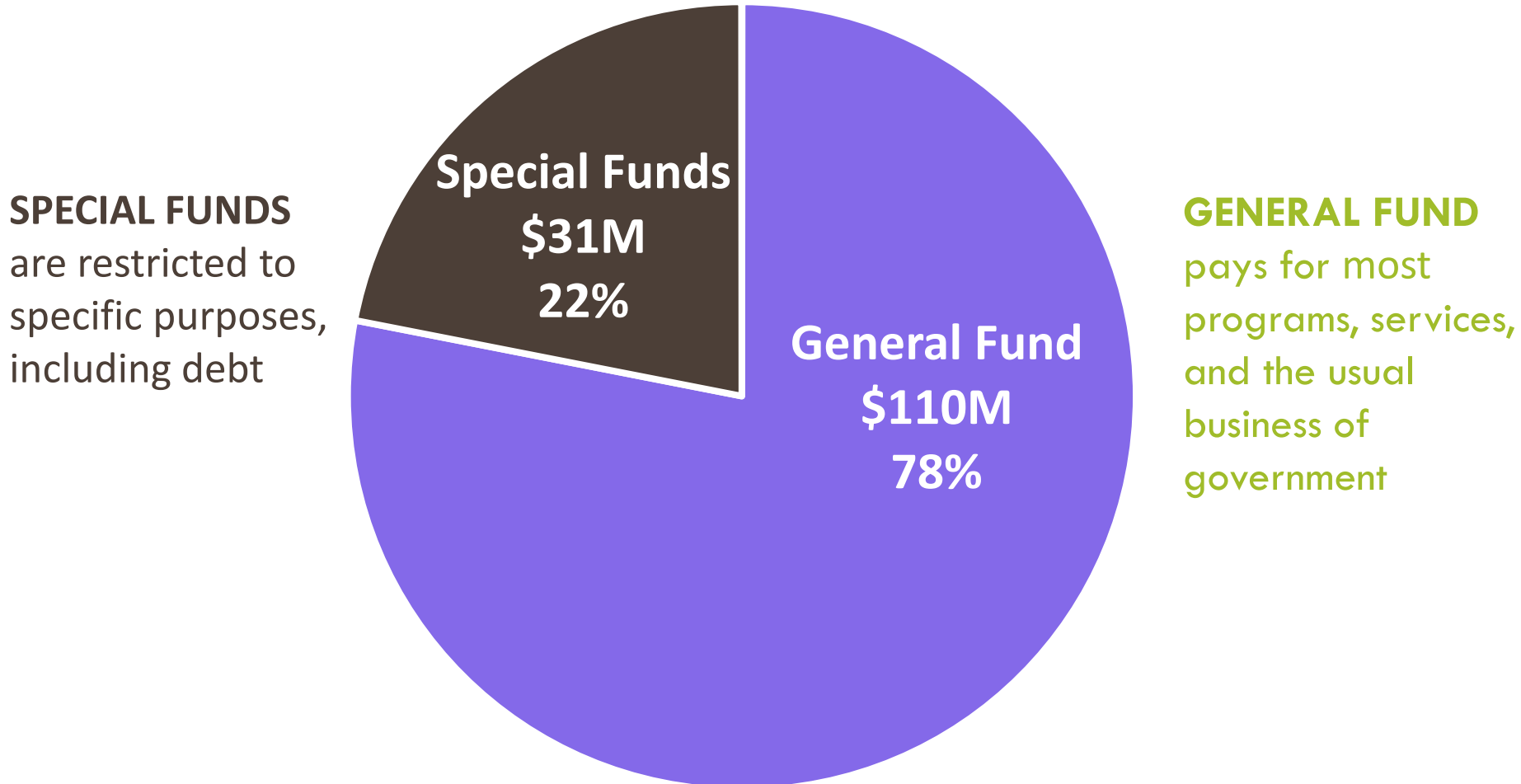


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2019-20 Budget Y2 Update

Major Fund Types

Total Revenues: \$141 million (net of transfers)



Fund Components

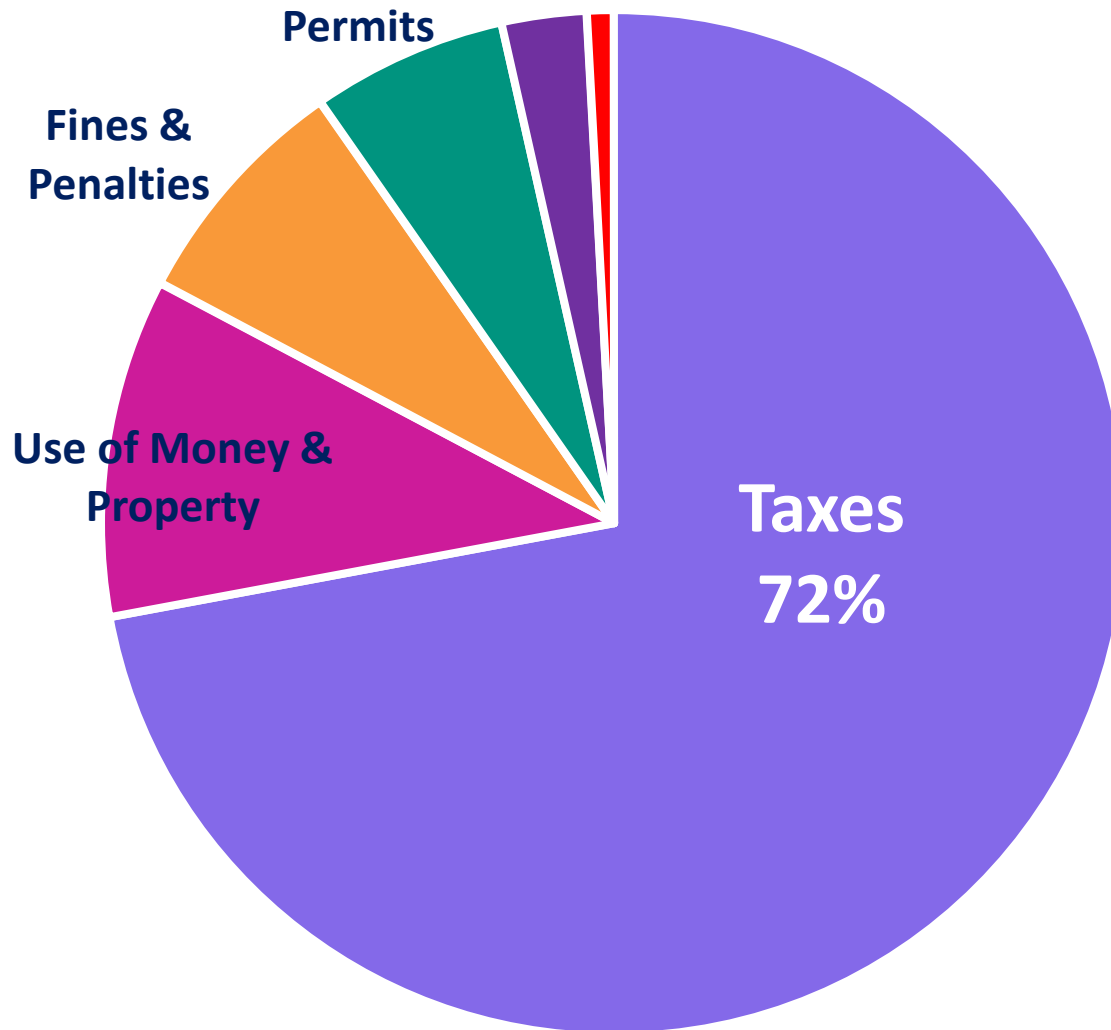
OPENING GENERAL FUND BALANCE	\$116,184,000
+ PROJECTED REVENUES	\$110,019,000
+/- FUND TRANSFERS IN (OUT)	(\$7,750,000)
- OPERATING EXPENDITURES	(\$99,747,000)
- CAPITAL PROJECTS	(\$2,497,000)
= CHANGE TO FUND BALANCE	<u>\$25,000</u>
- DRAWDOWNS FROM RESERVES	<u>(\$3,000,000)</u>
= ENDING GENERAL FUND BALANCE	\$113,209,000

GENERAL FUND REVENUES



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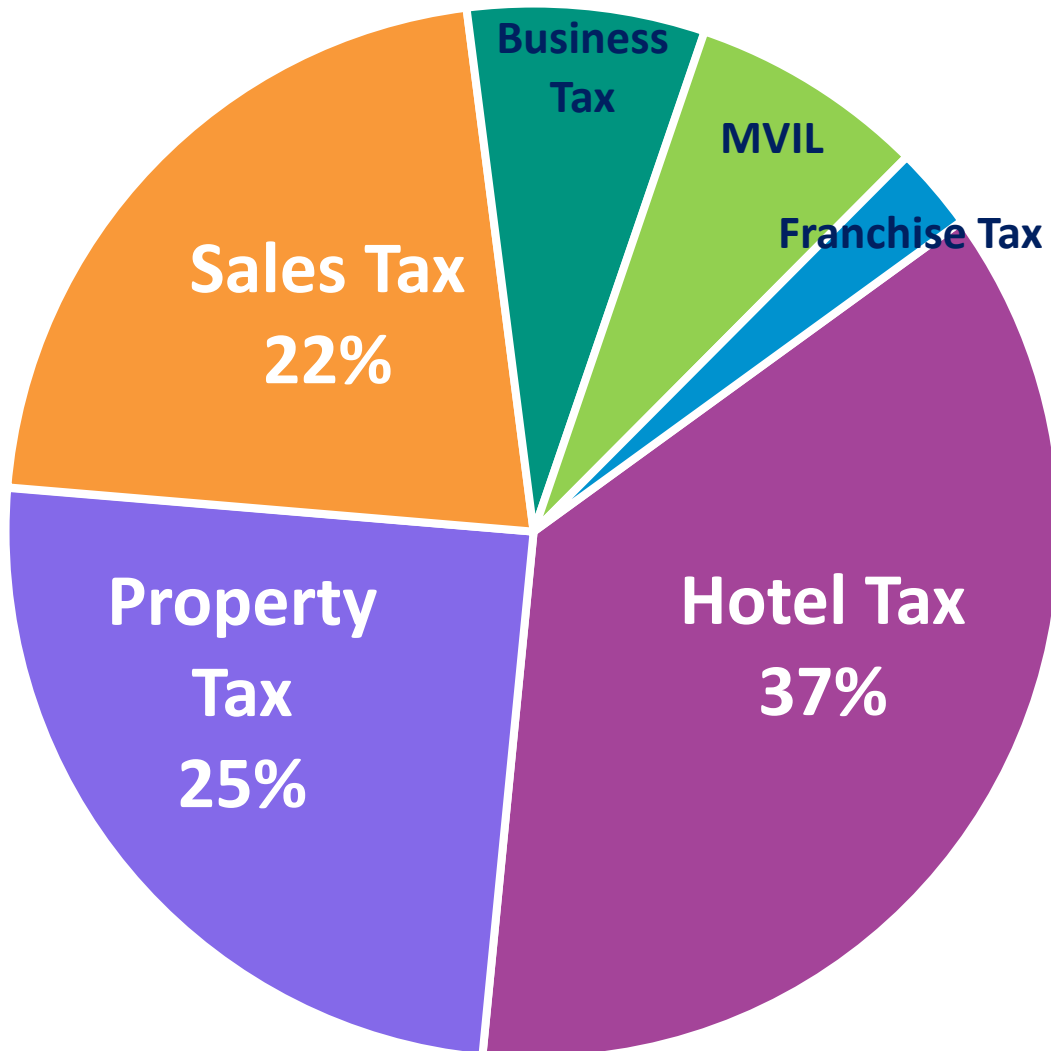
General Fund Revenues by Type



GF Revenue: \$110M

Revenue Type	Budget	%
Taxes	\$ 79,471,716	72%
Use of Money & Property	\$ 11,770,650	11%
Fines & Penalties	\$ 8,330,150	8%
Permits	\$ 6,811,605	6%
Charges for Service	\$ 2,936,625	3%
Miscellaneous Revenue	\$ 940,300	1%

General Fund Revenues by Tax Category



Tax Revenue: \$79M

Tax Category	Budget	%
Hotel Tax (TOT)	\$29,050,000	37%
Property Tax	\$19,693,000	25%
Sales Tax	\$17,200,000	22%
Business Tax	\$5,775,000	7%
Motor Vehicle In Lieu	\$5,734,000	7%
Franchise Tax	\$2,019,000	3%

EXPENDITURES

As a Smart City, West Hollywood is resilient. WeHo remains a strong City that is flexible to ever-changing needs and demands.

RESILIENCY

LEARN MORE AT
weho.org/smartcity



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WEHO
SMART
CITY

As a Smart City, West Hollywood is universally transparent. WeHo communicates with residents openly to instill smart operations and service, while encouraging civic engagement.

TRANSPARENCY

LEARN MORE AT
weho.org/smartcity

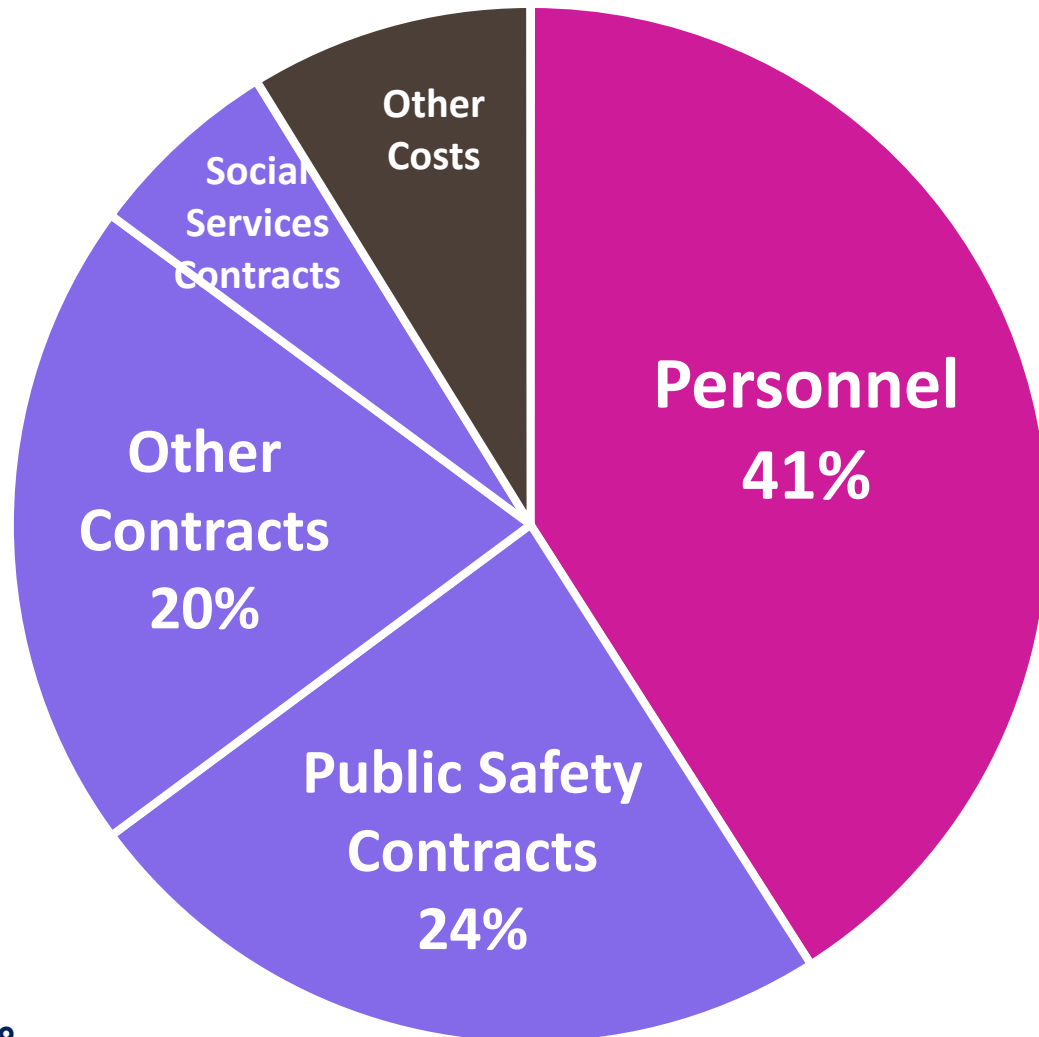


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Operating Expenditures

by Expenditure Type

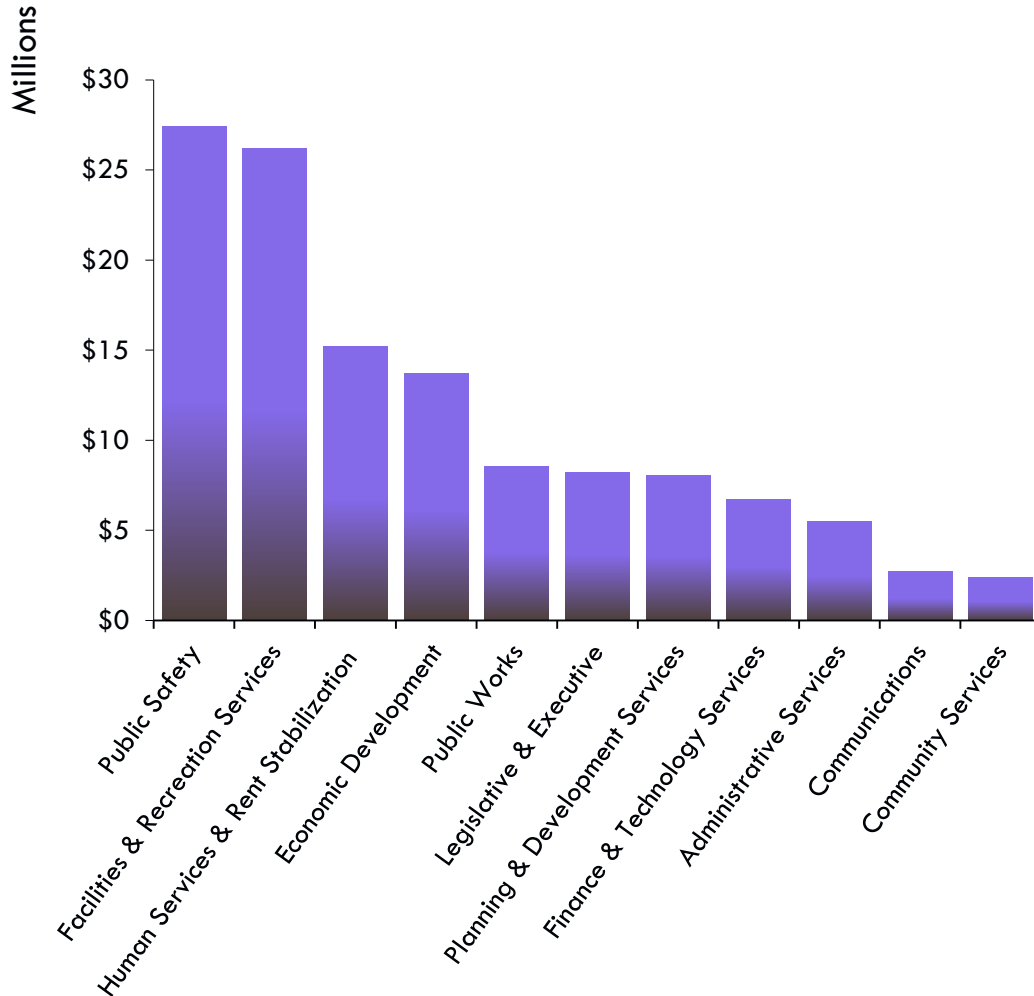


General Fund: \$100M

Category	Budget	%
Personnel	\$40,856,000	41%
All Contracts	\$50,103,000	50%
- Public Safety Contracts	\$23,814,000	24%
- Other Contracts	\$20,228,000	20%
- Social Service Contracts	\$6,061,000	6%
Other Operating Costs	\$8,707,000	9%

Operating Expenditures

by Department



All Funds: \$137M

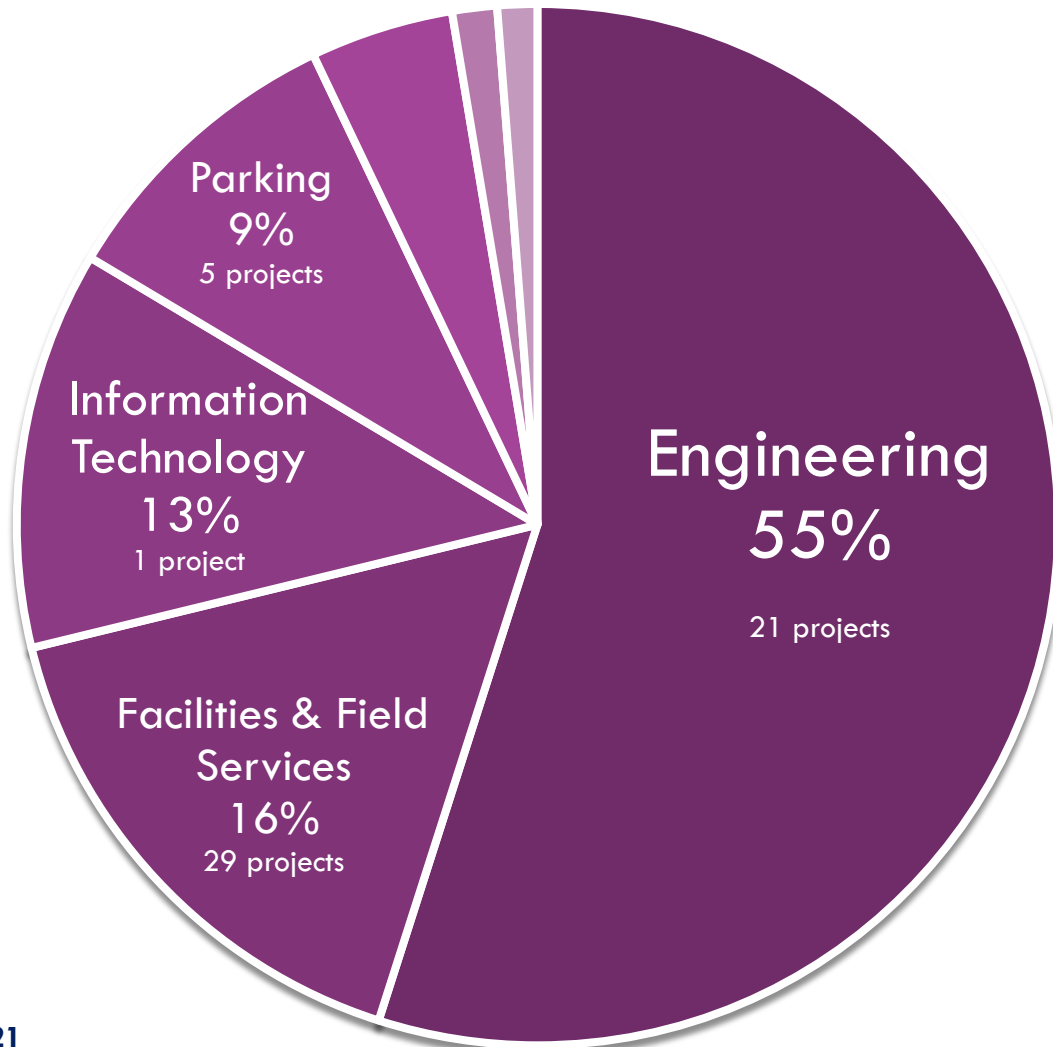
Department	Budget	%
Public Safety	\$27,429,000	22%
Facilities & Recreation	\$26,195,000	21%
Human Services & Rent Stabilization	\$15,205,000	12%
Economic Development	\$13,712,000	11%
Public Works	\$8,526,000	7%
Legislative & Executive	\$8,213,000	7%
Planning & Development	\$8,018,000	6%
Finance & Technology*	\$6,731,000	5%
Administrative Services	\$5,482,000	4%
Communications	\$2,718,000	2%
Community Services	\$2,381,000	2%

Operating Expenditures do not include Transfers & Capital Expenditures. *Finance & Technology Services total excludes debt service payments (\$12.4 million)

Capital Expenditures

by Department in All Funds

Budget: \$8.1M



Category	Budget	%
Engineering	\$4,439,111	55%
Facilities & Field Services	\$1,314,000	16%
Information Technology	\$1,000,000	12%
Parking	\$755,000	9%
Urban Design & Architecture (7)	\$360,000	4%
Communications	\$113,000	1%
Social Services	\$100,000	1%

BUDGET PRIORITIES



- 1. Public Safety**
- 2. Homelessness**
- 3. Neighborhood Livability**
- 4. Capital Project Management**
- 5. Organizational Development**

PUBLIC SAFETY



- Park & Facilities Security Enhancements
- Security Ambassadors: Santa Monica, Sunset, Melrose & Beverly
- Smart City Implementation Projects

HOMELESSNESS

- Sheriff's Mental Health Team
- Library Security Guard
- Supplemental Neighborhood Patrols
- West Hollywood Homeless Initiative
 - Library Outreach Program
 - Hotel Bed Night Program & Emergency Supplies
 - Rapid Rehousing
 - Social Services Program Linkages

NEIGHBORHOOD LIVABILITY

- Seismic Retrofit Program
- Land Use, Sustainability, & Mobility Plans
- Enhanced Sidewalk Cleaning Program
- Ongoing
 - Metro Rail Service
 - Eastside Community Priorities Plan
 - Historic Preservation Consultant
 - Code Enforcement

CAPITAL PROJECT MANAGEMENT

- West Hollywood Park Phase 2
- Fiber Optic Cable and Wireless Infrastructure
- Bicycle & Ped Mobility Plan – Willoughby & Vista
- Parking Meter Replacements
- Pedestrian Safety & Fountain Avenue Safety Improvements
- Plummer Park Community Center

ORGANIZATIONAL DEVELOPMENT



- Focus on Community Services
 - Facilities & Recreation Services
 - Community & Legislative Affairs
 - Urban Design & Architecture Studio
 - Strategic Initiatives

City Council

The City Council
will discuss the
2019-2020 Budget Update
Agenda Item 4.A.
at the
City Council Meeting
on **Monday, June 17, 2019**



More Budget Information

City of West Hollywood Open Budget

In an effort to make the City's data easier to understand and use by the citizenry, the City of West Hollywood has created this portal to allow constituents to easily obtain data. The information is intended to be easy to read and useful for all audiences; from the average citizen to application developers building new mobile apps. It is the City's hope that access to this portal will result in a more informed constituency and ultimately lead to greater community engagement.

[Read More...](#)

Official City Budget:

www.weho.org/budget

Open Data Portals:

budget.weho.org
data.weho.org

Questions & Comments:

[budget @weho.org](mailto:budget@weho.org)

Thank you



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QUESTIONS?