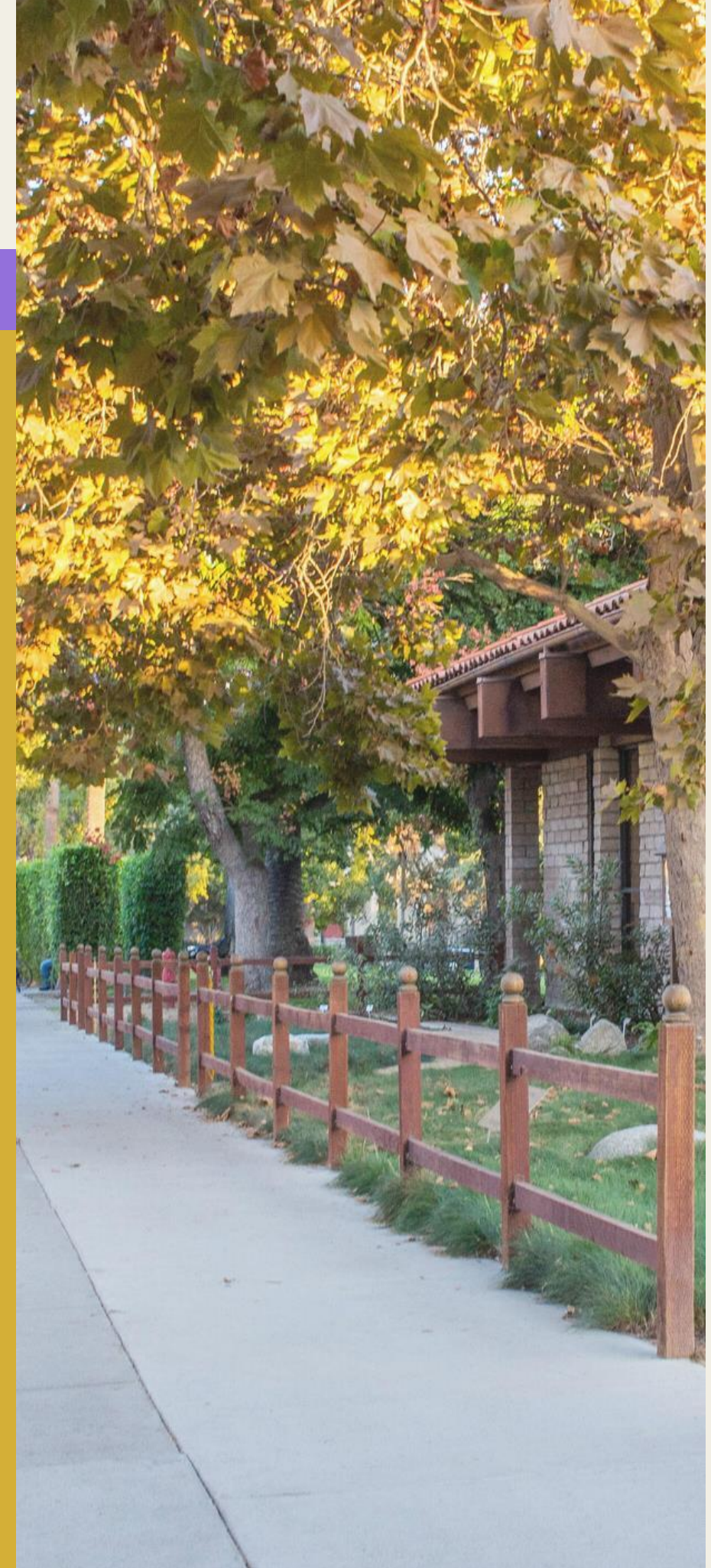


2019 MAYOR'S STATE OF THE CITY ADDRESS

City of Sierra Madre



The Golden Age of Sierra Madre



AGENDA

Finances

City Services

Public Safety

Library

Public Works (Water, Sewer)

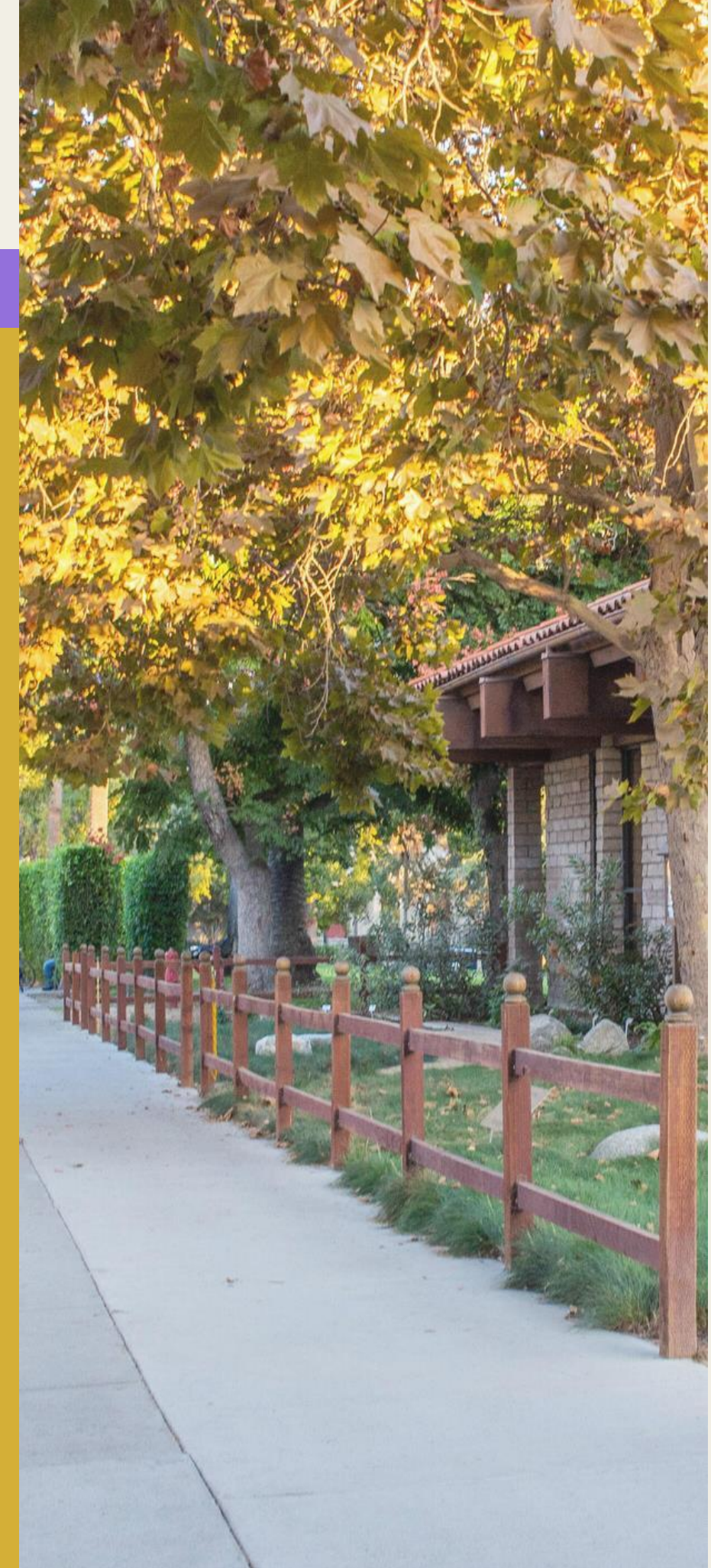
Stewardship

Clean Power Alliance

The Golden Age of Sierra Madre

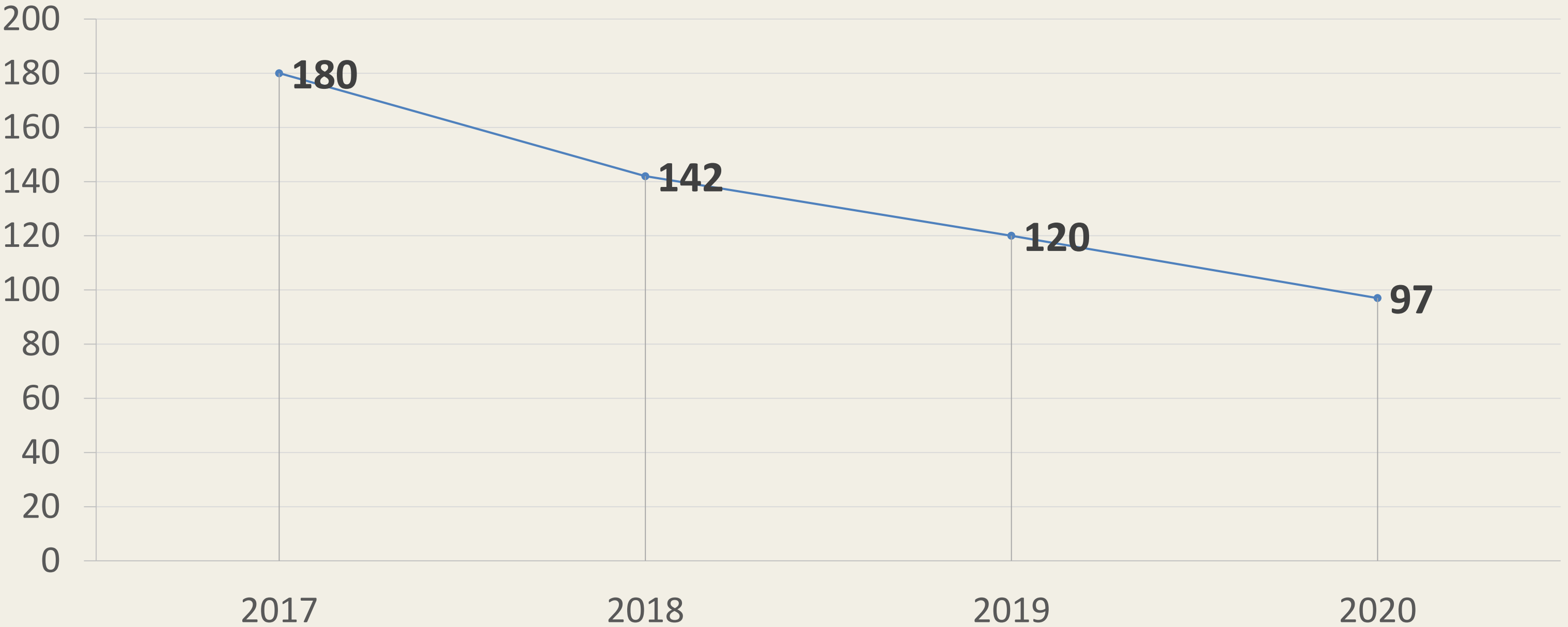
State of the City: Fiscal Health

- COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
- 2019-2020 FISCAL YEAR BUDGET
- FUTURE COSTS AND LIABILITIES



State of the City: Fiscal Health

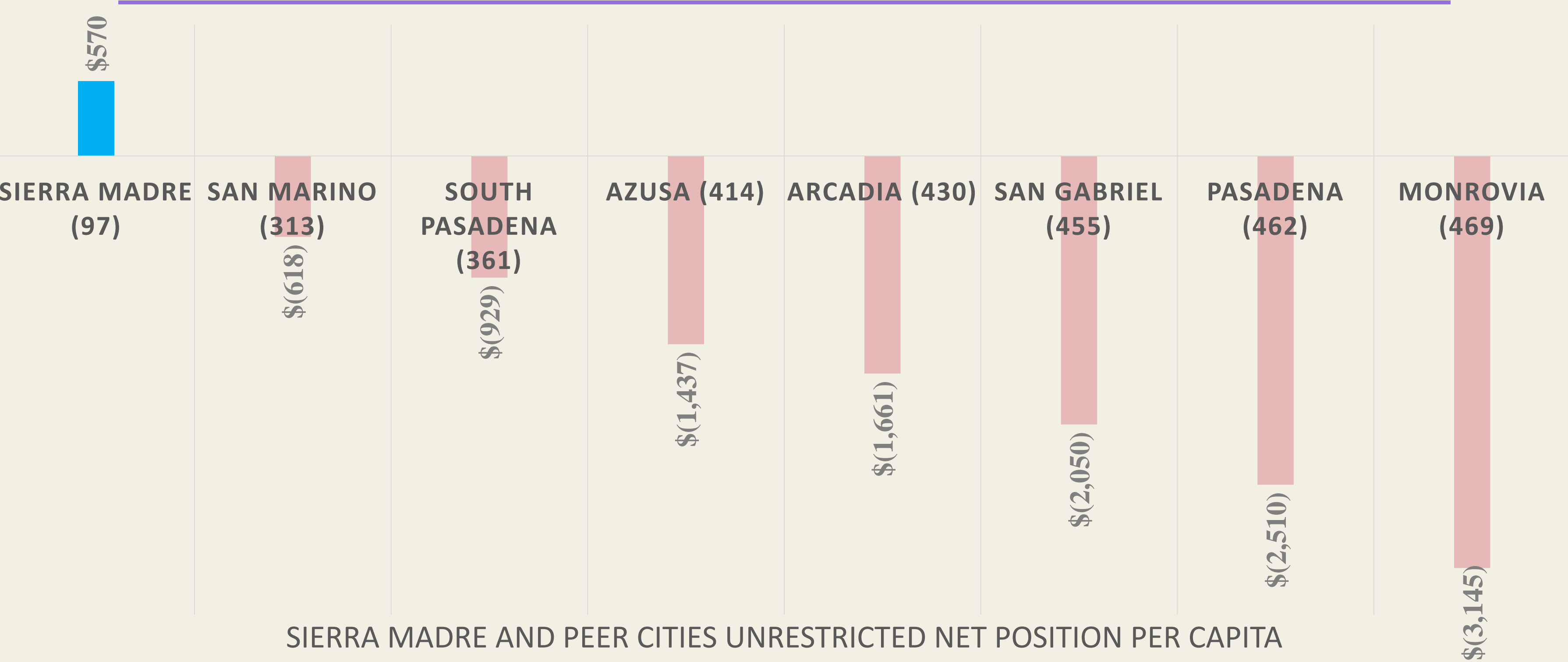
Moorlach Report



Sierra Madre Ranking of Fiscal Soundness (of 482 California Cities)

State of the City: Fiscal Health

Moorlach Report



State of the City: Fiscal Health

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2018-19:

General Fund Reserves of
\$6.9M or 67.6% of GF
expenditures

Sewer Fund position
increased from \$240,000

Water Fund Infrastructure:
\$2.3M in 2020 budget
\$5.3M in 2017-19 budgets



State of the City: Fiscal Health

BUDGET

TOTAL EXPENDITURES OF \$22.25M IN FY 19-20

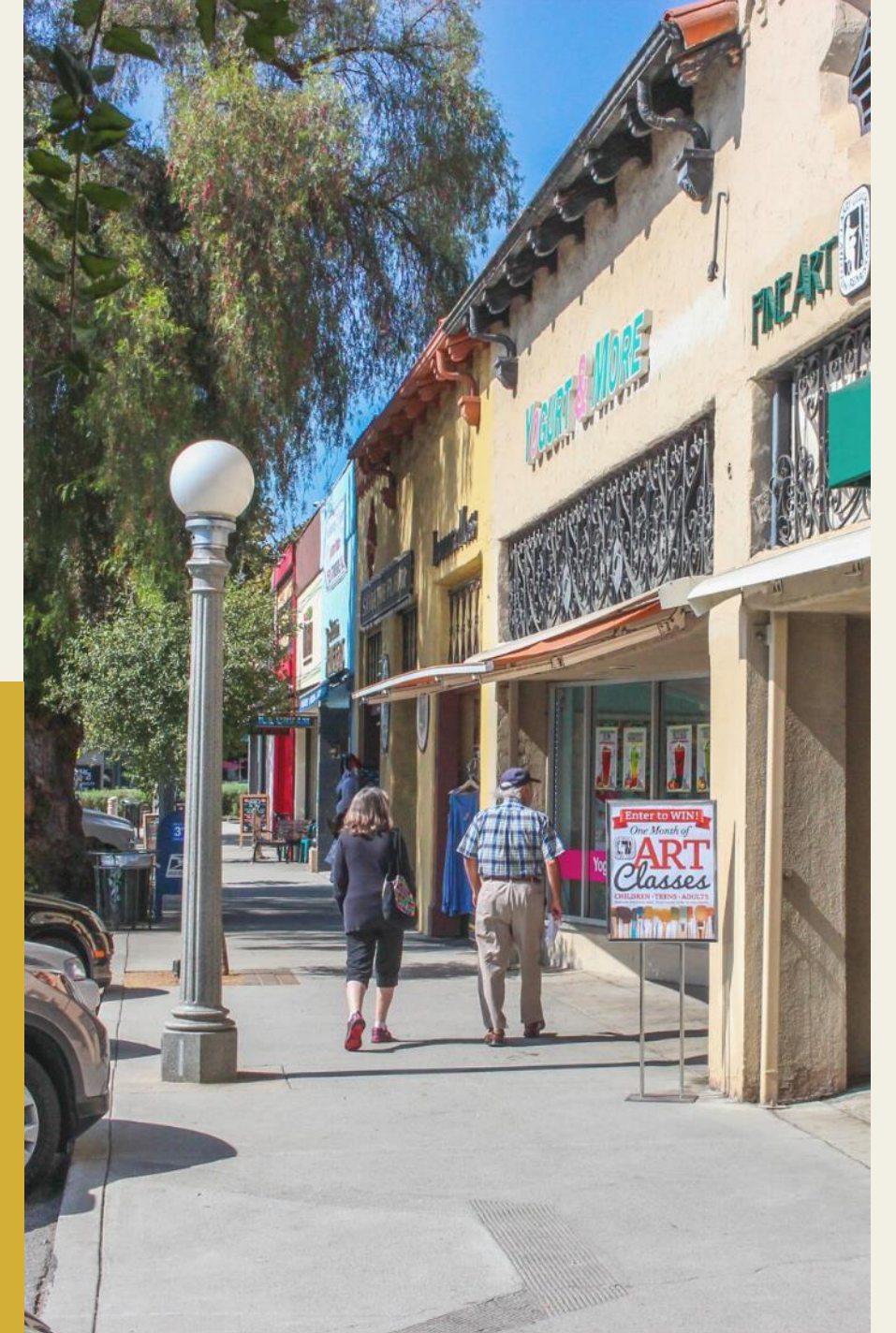
- Reduces spending by \$816,000 from FY 18-19 (\$23.06M, 3.5% reduction)
- Reduces spending by \$3,332,000 from 17-18 (\$25.58M, 12% reduction)

TOTAL GENERAL FUND EXPENDITURES OF \$10.2M

- Reduces spending by \$1.1M from FY 18-19 (\$11.3M, 10.3% reduction)

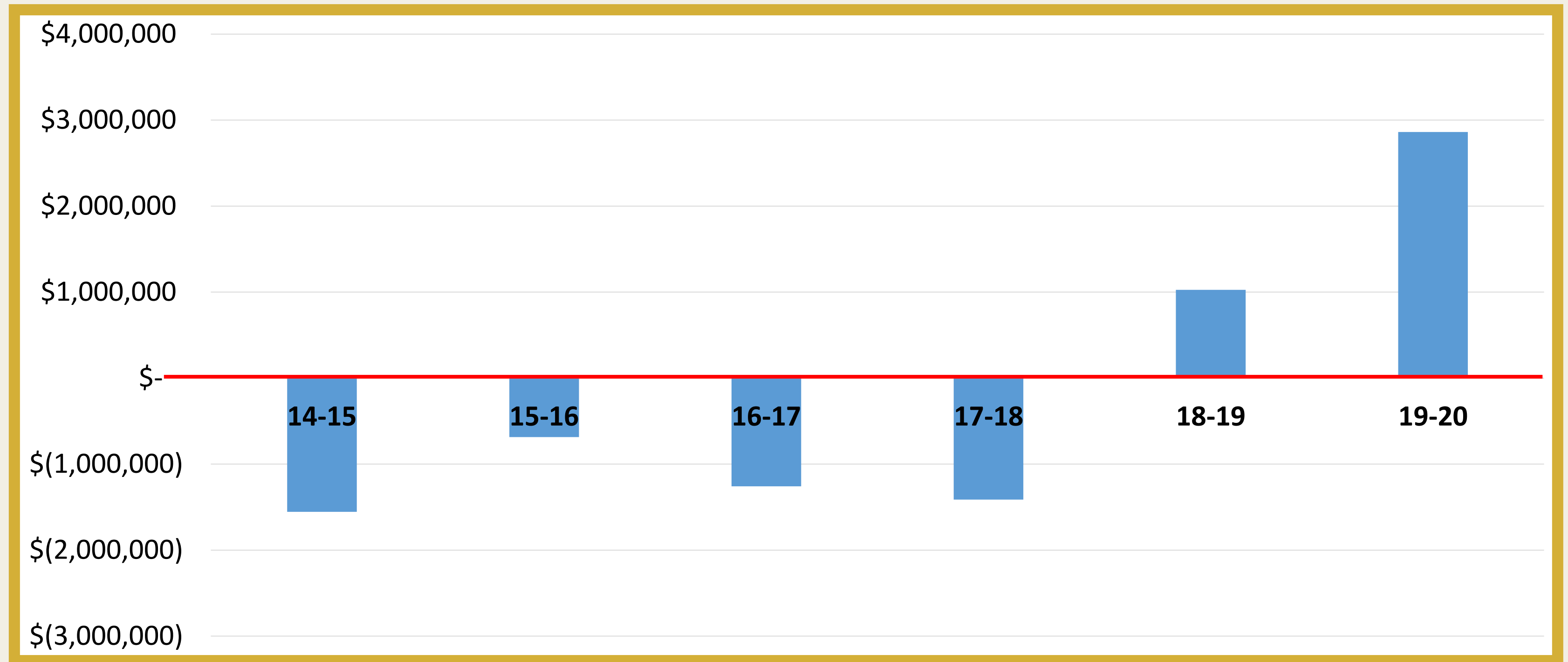
GENERAL FUND SURPLUS OF \$1.84M (18%)

ALL FUNDS SURPLUS OF \$2.86M (12.8%)



State of the City: Fiscal Health (Budget)

Deficit/Surplus: All Funds FY 15/16 - 19/20



State of the City: Fiscal Health (Budget)

FURTHER REDUCES ALLOCATIONS/TRANSFERS TO GENERAL FUND FROM UTILITY FUNDS

- Water Allocation to General Fund reduced to \$480,300 from \$997,000 in FY17-18
- Sewer Allocation to General Fund reduced to \$128,700 from \$304,400 in FY17-18

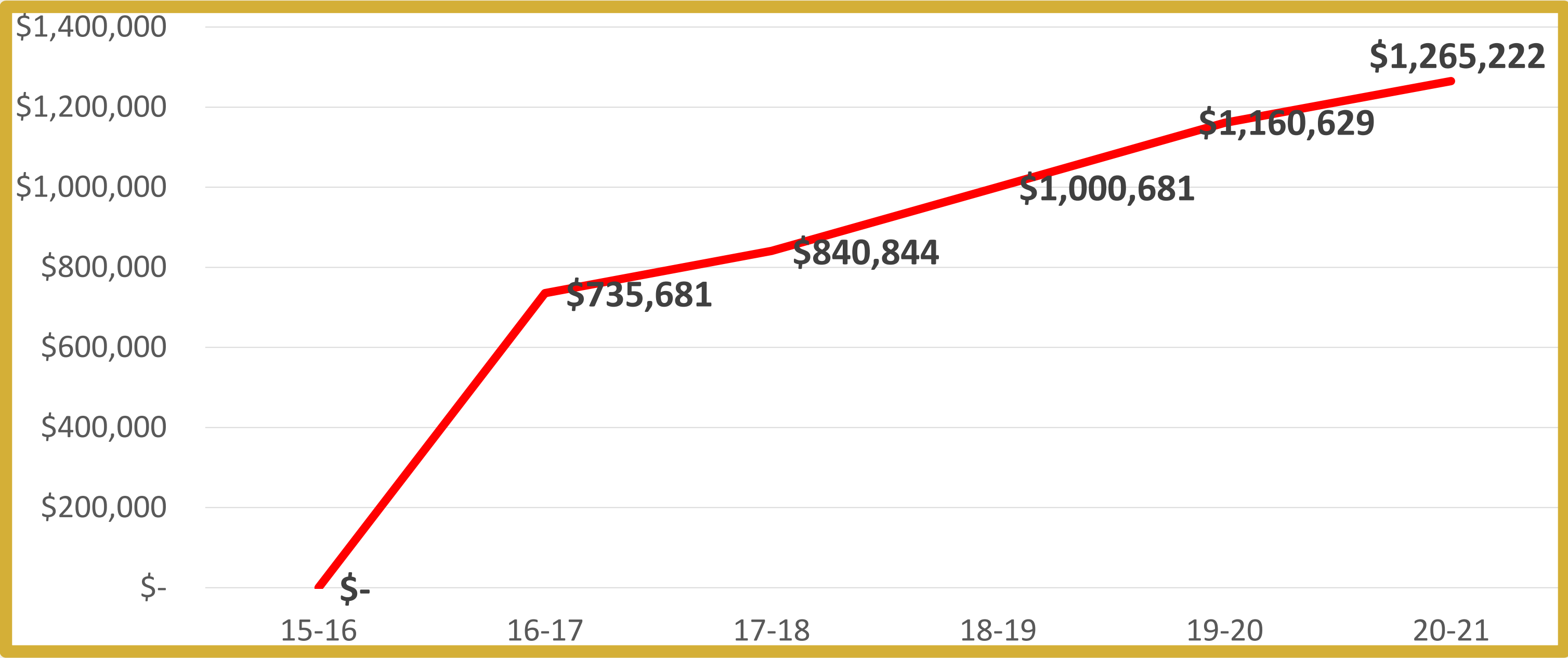
FURTHER INCREASES IN INFRASTRUCTURE EXPENDITURES IN WATER

- Water Fund will invest \$2.3M in infrastructure, up from \$300,000 total in FY16-17

SECOND CONSECUTIVE YEAR ALL FUNDS ARE BALANCED WITH A SURPLUS

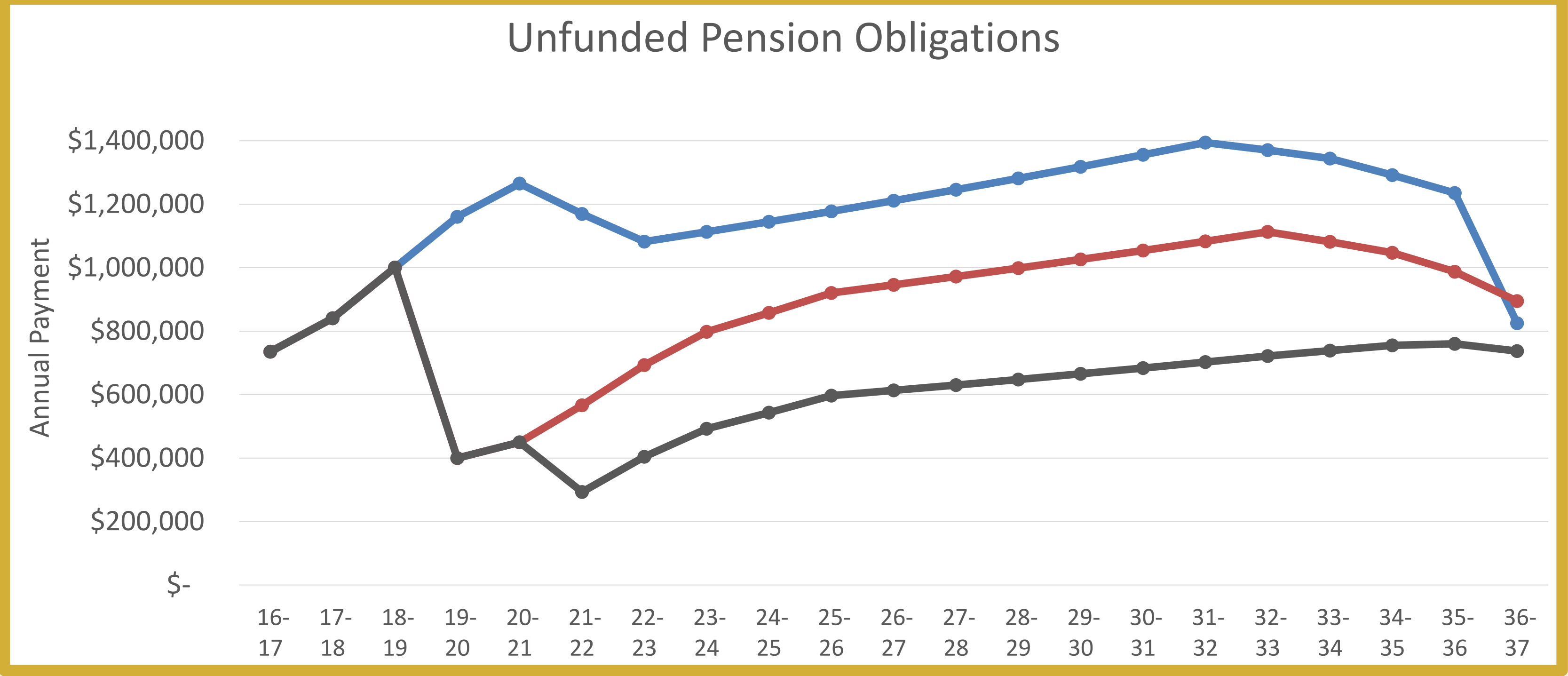
State of the City: Fiscal Health (Future)

CalPERS Obligations 2016



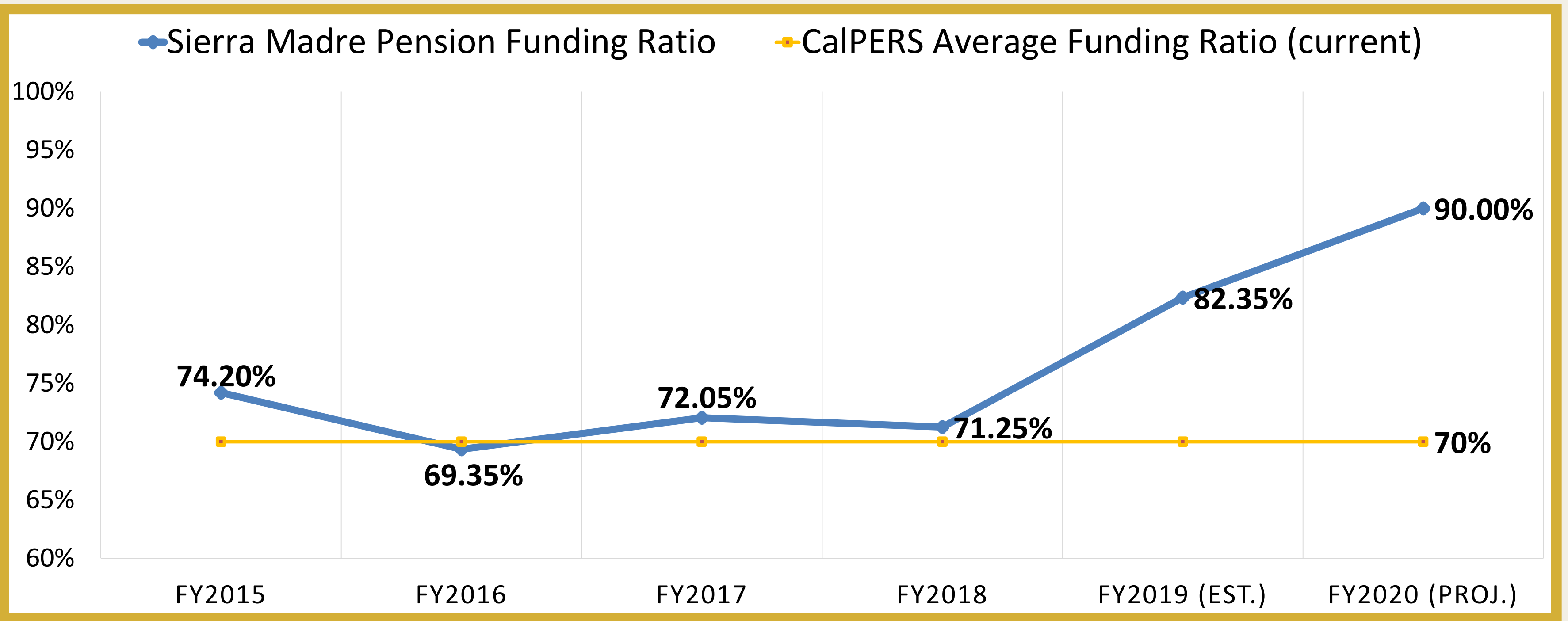
Fiscal Health: CalPERS Obligations

Unfunded Pension Obligations

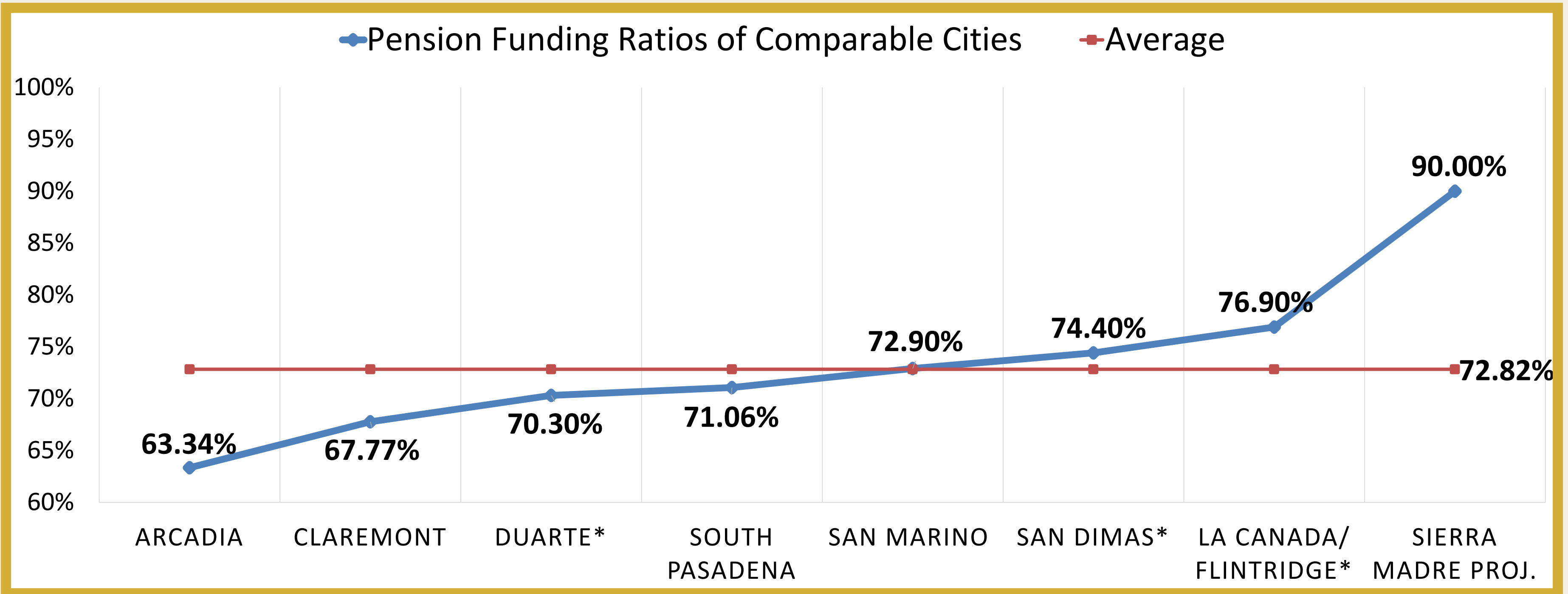


- Pension Obligations w/ No Council Action
- Pension Obligations After First Additional Payment
- Pension Obligations After Second Additional Payment

Sierra Madre Historic Funding Ratio



Funding Ratios of Comparable Cities



*Police and Fire Services are provided by LA County

* City of Monrovia made an additional payment of about \$98M to both Classic plans on December 2017. City of Monrovia issued 2017 Pension Obligation Bonds

State of the City: Public Safety

Fire Department



- Transition to a Career Department is now complete
- Trial period in Unified Response and Automatic Aid has started

Police Department



- Sierra Madre is again ranked as one of the top 20 safest cities in California
- 8,190 calls for service, with 4,648 calls officer-initiated
- Priority 1 (Emergency) response time 2:34

State of the City: Library



State of the City: Schools



State of the City: Water



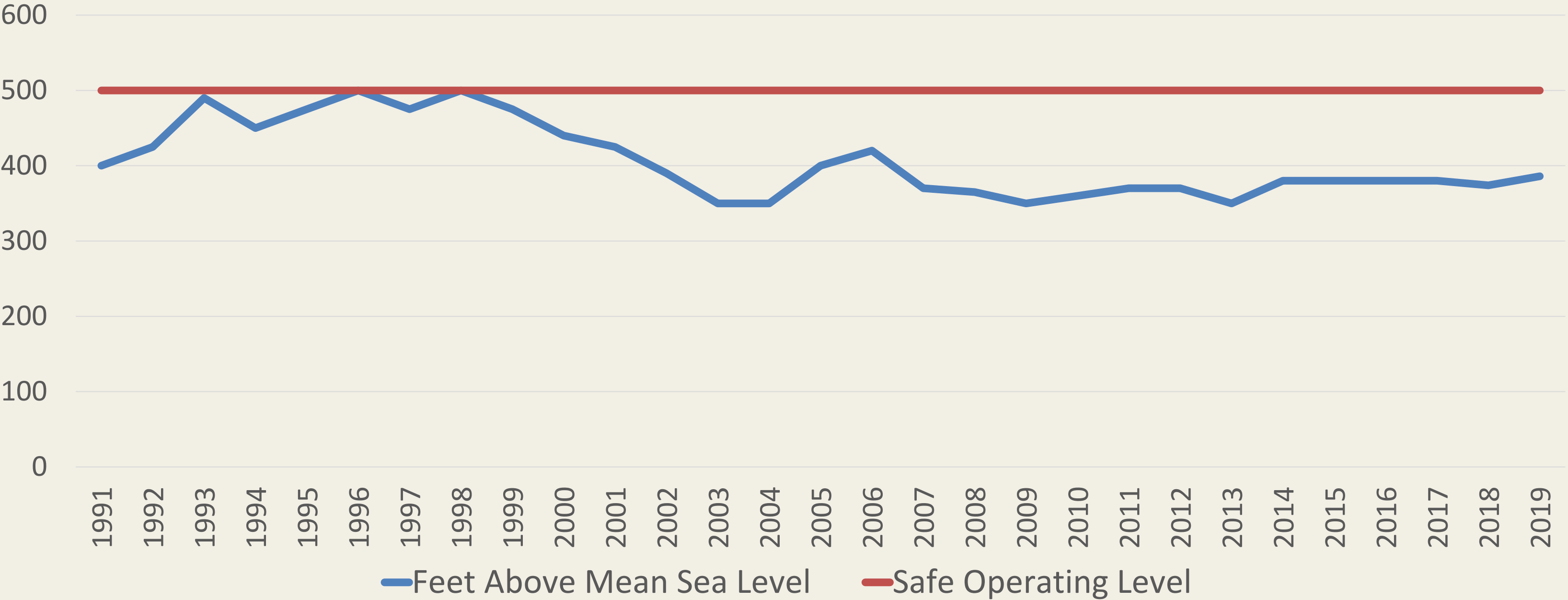
State of the City: Water

WATER AVAILABILITY

- The 500 ft. rule (940 Acre Feet)
 - Local water capable of meeting 40.8% of water demand
- Raymond Basin Management Board Sierra Madre Spreading Program
 - Imported water from District connection meets remaining demand

State of the City: Water

Water Levels of East Raymond Basin



State of the City: Water

WATER AVAILABILITY

Water Demand: 2,300 Acre. Ft./Annually

Water Sources:

Groundwater:	940 Acre Ft./Annually
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SGVMWD/MET agreement:	2,500 Acre Ft./Annually (Up to)
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Arcadia Wheeling Agreement:	As necessary/requested
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Joint Well (Planned, 2022):	1,000 - 1,300 Acre Ft. Annually
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State of the City: Water

WATER INFRASTRUCTURE 2016

- 64% of all water mains require replacement
- 28% of water mains have failed
- Most pipes are 70 year beyond useful life
- Water loss is 29%
- Infrastructure investment is less than \$300,000

WATER INFRASTRUCTURE 2020

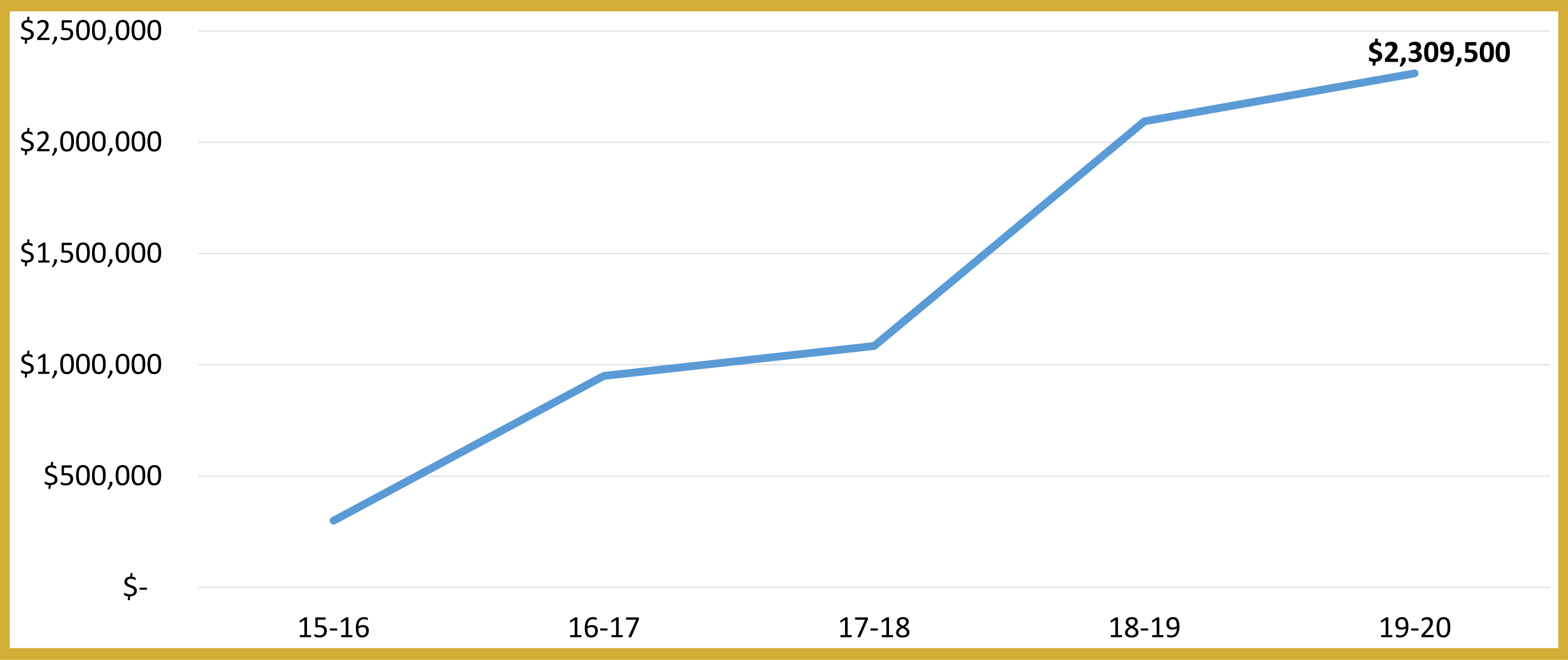
- Implemented Main Replacement Program
 - Invested \$5.3M in FY2017-19
 - Invested \$2.3M in FY2019-20
- Converted 100% of users to AMI
- Water loss projected at less than 10% for 2020

State of the City: Water

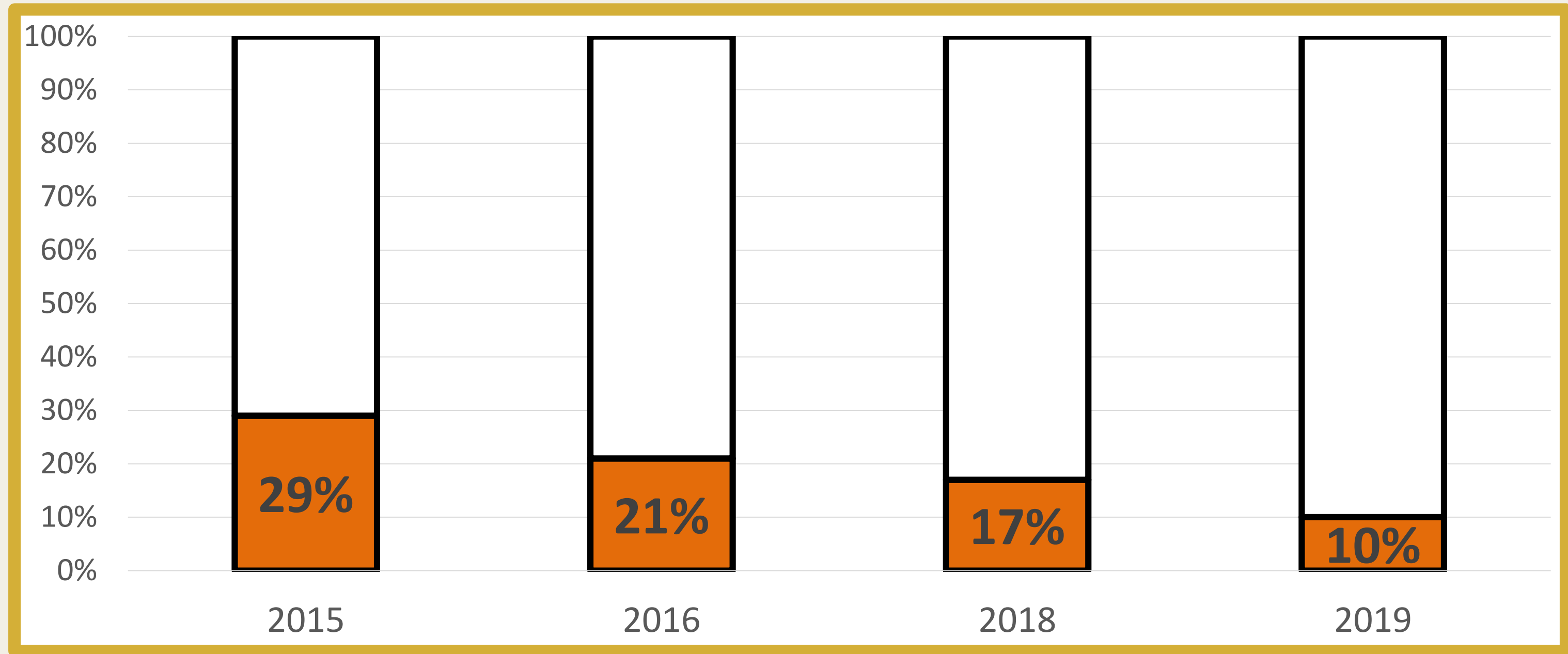
WATER FINANCIAL PERFORMANCE 2020

- Refinanced debt and reduced payments from \$420,000 to \$230,000
- Budget surplus is projected each year into future (great for infrastructure!)
- Simplified water rates from 4 tiers to 2 tiers
 - Excess water charges (penalties) eliminated
- Improved Bond Rating to "A" with an outlook of "stable" from "BBB" and "Negative Watch"

Water Fund Infrastructure Investment FY 15/16 - 19/20

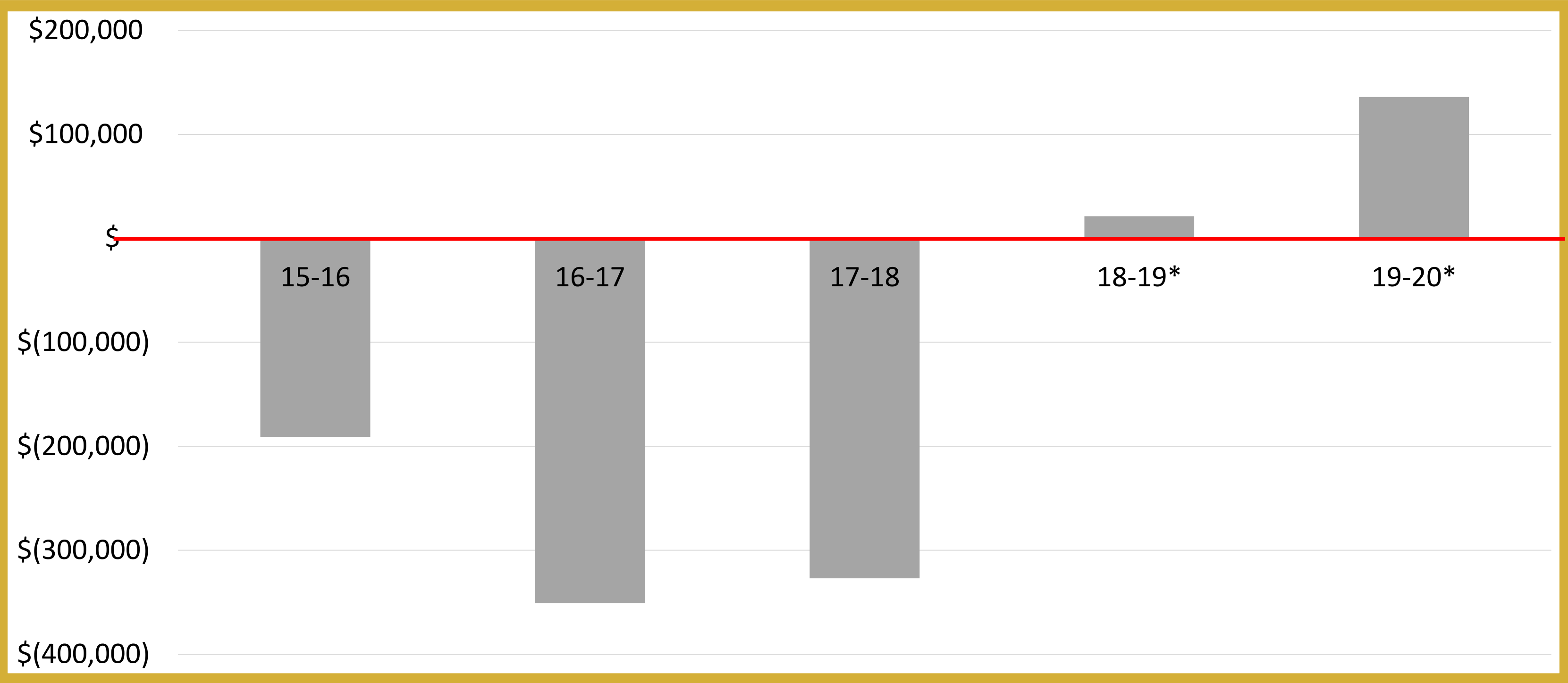


Percent of Water Production Lost 2015 - 2019



State of the City: Wastewater

Sewer Fund Deficit/Surplus FY 15/16 - 19/20

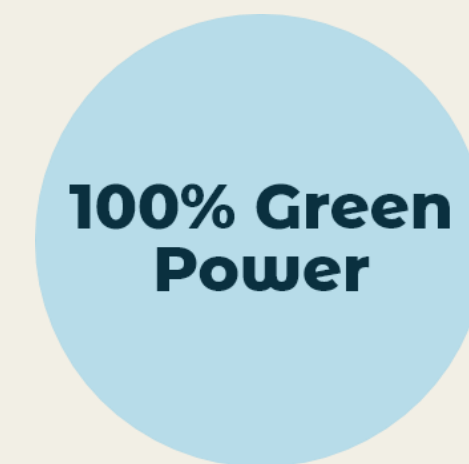
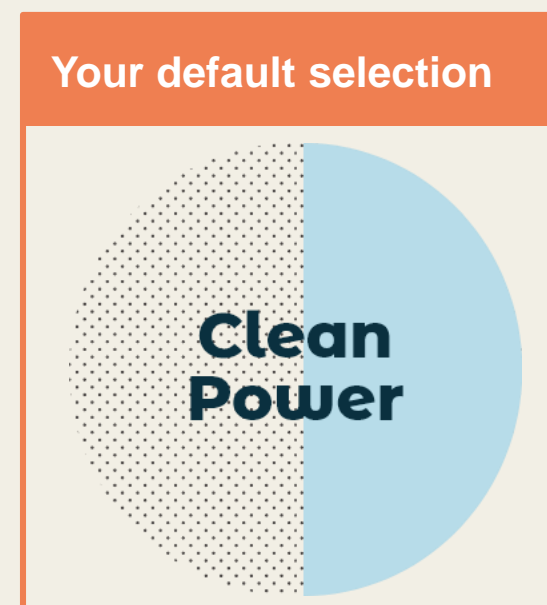


What is Clean Power Alliance?

Your new option for electricity at your home or business



Clean Power Alliance is our new default electricity supply provider, offering clean, renewable energy at competitive rates to Sierra Madre.



Successful service launch in Sierra Madre

- 95% of Sierra Madre residents kept Clean Power Alliance as their electricity supplier.
- 97% of Sierra Madre businesses kept Clean Power Alliance as their electricity supplier.
- These customers are experiencing greener energy (50% renewable) at no additional cost compared to what they would pay to Southern California Edison.
- Customers always have the choice to opt to Lean Power (36% renewable) to take advantage of cost savings...or to opt up to 100% Green Power show their commitment to sustainability.
- Stay tuned for new customer programs rolling out in 2020!



The Golden Age of Sierra Madre



THANK YOU