

April 1, 2020

Christy Pinuelas
Director of Finance
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301

Dear Ms. Pinuelas:

We are pleased to inform you, based on the examination of your budget document by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for two years. To continue your participation in the program, it will be necessary to submit your next biennial budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. A Distinguished Budget Program application is posted on GFOA's website. This application must be completed and accompany your next submission. (See numbers 12 and 13 on page 2 of the application for fee information and submission instructions.)

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

Department of Finance

Continuing participants will find a brass medallion enclosed with these results. First-time recipients will receive an award plaque that will be mailed separately and should arrive within eight to ten weeks. Also enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria.

The following standardized text should be used:

Christy Pinuelas

April 1, 2020

Page 2

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Agoura Hills, California**, for its Biennial Budget for the biennium beginning **July 1, 2019**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Technical Services Center

Enclosure



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Agoura Hills
California**

For the Biennium Beginning

July 1, 2019

Christopher P. Morill

Executive Director

BUDGET REVIEW COMPOSITE RATING FORM
GFOA Distinguished Budget Presentation Awards Program

Agency: **Agoura Hills, CA**

Fiscal Year beginning: **July 2019**

Document number: **B9941631**

At least 2 of the three reviewers must rate the document "proficient" or "outstanding" on all four overall categories and all mandatory criteria in order for the document to receive the award

Information Not Present (1)			Does Not Satisfy (2)			Proficient (3)			Outstanding (4)			
R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3	
						✓	✓	✓				Introduction and Overview
						✓	✓	✓				* C1 Table of contents (mandatory)
						✓	✓	✓				P1 Strategic goals & strategies
						✓	✓	✓				P2 Short-term organization-wide factors influencing decisions
						✓	✓	✓				* P3 Priorities and issues (mandatory)
						✓	✓	✓				* C2 Budget overview (mandatory)
												Financial Structure, Policy, and Process
						✓	✓	✓		✓		* O1 Organizational chart (mandatory)
						✓	✓	✓				F1 Fund descriptions and fund structure
						✓	✓	✓				O2 Department/fund relationship
						✓	✓	✓		✓		F2 Basis of budgeting
						✓	✓	✓				* P4 Financial policies (mandatory)
						✓	✓	✓				* P5 Budget process (mandatory)
												Financial Summaries
							✓	✓	✓			* F3 Consolidated financial schedule (mandatory)
						✓	✓	✓				* F4 Three (four) year consolidated & fund financial schedules (mandatory)
							✓	✓	✓	✓		* F5 Fund balance (mandatory)
			✓		✓		✓	✓	✓	✓		* F6 Revenues (mandatory)
							✓	✓	✓			F7 Long-range financial plans
												Capital & Debt
		✓	✓		✓	✓	✓	✓				* F8 Capital expenditures (mandatory)
						✓	✓	✓				F9 Impact of capital investments on operating budget
						✓	✓	✓				* F10 Debt (mandatory)
												Departmental Information
						✓	✓	✓				* O3 Position summary schedule (mandatory)
						✓	✓	✓				* O4 Department descriptions (mandatory)
						✓	✓	✓				O5 Unit goals and objectives
				✓	✓	✓	✓	✓				O6 Performance measures
												Document-wide Criteria
						✓	✓	✓		✓		C3 Statistical/supplemental section
							✓	✓	✓			C4 Glossary
						✓	✓	✓	✓			C5 Charts and graphs
							✓	✓				C6 Understandability and usability
												Overall
						✓	✓	✓				Overall as a policy document
						✓	✓	✓				Overall as a financial plan
						✓	✓	✓				Overall as a operations guide
						✓	✓	✓				Overall as a communications device

- N Special Capital recognition (three "outstanding" ratings on F8 and F9)
- N Special Performance Measure recognition (three "outstanding" ratings on O6)

Introduction and Overview

- C1. **Mandatory:** The document shall include a table of contents that makes it easier to locate information in the document. **Proficient.**
- P1. The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues. **Proficient.** The areas of prioritization are introduced early in the budget and provide the framework for allocations.
- P2. The document should describe the entity's short-term factors that influence the decisions made in the development of the budget for the upcoming year. **Proficient.** Several issues impacted budget development including (but not limited to) infrastructure demands, land use and economic development, public safety, communication, environmental stability and parks/recreation/transportation. These are priority areas. Additionally, the rising CalPERS costs also impacted budget development.
- P3. **Mandatory:** The document shall include a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (*e.g., transmittal letter, budget summary section*). **Proficient.** The message addresses the strong financial position of the City due to conservative planning, a strong financial plan and prudent reserves. Financial highlights are included as well as an in-depth look at the general fund and debt. The budget process is outlined, and the reserve policy and staffing are also discussed. Concise and on-point.
- C2. **Mandatory:** The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section (*e.g., executive summary*) or integrated within the transmittal letter or as a separate budget-in-brief document. **Proficient.** Criteria met on the pages cited.

Financial Structure, Policy, and Process

- O1. **Mandatory:** The document shall include an organization chart(s) for the entire entity **Outstanding.** The org chart is included. This rating is for the footnote explaining how Police and Fire Services are provided. Well done.
- F1. The document should include and describe all funds that are subject to appropriation. **Proficient.** Funds are clearly defined. Improvement noted.
- O2. The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds in the aggregate. **Proficient.** Pages 2-18 and 2-19 also meet criteria with additional details.
- F2. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis. **Proficient.**
- P4. **Mandatory:** The document should include a coherent statement of entity-wide long-term financial policies. **Outstanding.** Comprehensive policies are presented. This rating is warranted due the Financial Policy requiring an update/review every three years. This timed follow up is generally not mentioned and it ensures you remain in synch with mandates. Well done.

- P5. **Mandatory:** The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption. **Proficient.** Thanks for mentioning the meetings held by Council to develop goals. Nice job.

Financial Summaries

- F3. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization. **Proficient.** Criteria met.
- F4. **Mandatory:** The document must include summaries of revenues and other financing sources and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year. **Proficient.** Criteria met.
- F5. **Mandatory:** The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document). **Proficient.** Variances are clearly explained. Nice job.
- F6. **Mandatory:** The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends. **Proficient.** Revenue sources, assumptions and trends are addressed.
- F7. The document should explain long-range financial plans and its affect upon the budget and the budget process. **Proficient-needs work.** The pages cited address future plans. This criteria is generally met with a multi-year projection including assumptions, financials and conclusions that should include budget projections for an additional biennium.

Capital & Debt

- F8. **Mandatory:** The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget. **Proficient.** The CIP is defined, projects identified and financials for the life of the plan are included. Nice job.
- F9. The document should describe if and to what extent significant nonrecurring capital expenditures will affect the entity's current and future operating budget and the services that the entity provides. **Proficient.** The impact summary is an effective addition. Improvement noted. Please total by year.
- F10. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations. **Proficient.** Criteria met. Comprehensive.

Departmental Information

- O3. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided. **Proficient.** Criteria met.
- O4. **Mandatory:** The document shall describe activities, services or functions carried out by organizational units. **Proficient.** Departments are defined, accomplishments identified,

objectives and measures presented, and financials are presented for both years of the biennium.

- O5. The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*). **Proficient.** Departmental objectives are included. You mention in your response that you have chosen not to link overall goals to departmental objectives. Please see outstanding samples included in the prior review that illustrates the importance of this linkage.
- O6. The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs. **Does not satisfy.** Financials are presented for both years of the biennium, but measures/outcomes include only year one. Was this an oversight?

Document-wide Criteria

- C3. The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided. **Outstanding.** Location and content of the profile are effective. Well done.
- C4. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader. **Proficient.** Please add balanced budget to the glossary.
- C5. Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident. **Proficient.** Graphics are relevant and well-placed.
- C6. The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs. **Proficient.**

The budget as a policy document:	Overall	proficient
The budget as a financial plan:	Overall	proficient
The budget as an operations guide:	Overall	proficient
The budget as a communication device:	Overall	proficient

General comments:

You have produced an informative document with some improvements suggested in the prior review being implemented. Please address those areas that need attention to fully met criteria. Nice job overall.

Suggested priorities for improving the budget presentation:

Included in review.

Noteworthy pages or unique item/presentation:

Distinguished Budget Presentation Review

Reviewer ID R953

Agoura Hills, CA

Doc#B9941631

<p>#C1: The document shall include a table of contents that makes it easier to locate information in the document. A variety of formats may be used. Details indices preceding individual sections can be helpful, but they are not a substitute for a single comprehensive table of contents.</p>	<p><i>Table of contents is included and provides the required information. This information is effective in providing the required criteria. Proficient.</i></p>
<p>#P1: Strategic goals and strategies: the document should include a coherent statement of organization-wide, strategic goals, and strategies that address long-term concerns and issues:</p>	<p><i>This document includes information that relates to the long-term, entity-wide, strategic goals of the entity. Annual decisions will be made based on these long-term goals. Proficient.</i></p>
<p>#P2: The document should describe the entity's short-term factors that influence the decisions made in the development of the budget for the upcoming year.</p>	<p><i>This document provides a discussion of the key factors that guide the development of the upcoming year's budget. Proficient.</i></p>
<p>#P3 Priorities and issues (mandatory)-The document shall include a budget message that articulates priorities and issues for the upcoming year.</p>	<p><i>The budget message describes significant changes in priorities from the current year and explains the factors that led to those changes. This criterion requires a summary explanation of key issues and decisions made during the budget process. The budget message also should address the ramifications of these decisions. It is recommended that the total amount of the budget be included in the budget message. Proficient.</i></p>
<p>#C2. The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section or integrated within the transmittal letter or as a separate budget in brief document.</p>	<p><i>The intent of this criterion is to encourage presentations that allow the reader to quickly grasp the major budgetary issues, trends, and choices addressed in the budget. This criterion encourages creative and innovative efforts in communicating the significant information in the budget to the reader. The information provided by the budget message is Proficient.</i></p>
<p><u>FINANCIAL STRUCTURE, POLICY, and PROCESS</u></p>	
<p>#01. Organization charts (mandatory). The document shall include an organization chart for the entire entity.</p>	<p><i>Although individual charts have been provided, organizational charts for individual units are not required. When organizational charts are provided for individual units within the entity, those charts should be presented in such a way as to the link between individual units and the overall entity Proficient.</i></p>

Distinguished Budget Presentation Review

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<p>#F1 Fund description and fund structure- the document should include and describe all funds that are subject to appropriation.</p>	<p><i>Showing an entity's budgetary fund structure is essential for understanding the financial configuration. The information provided is proficient.</i></p>
<p>#02. Departments/fund relationship. The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds in the aggregate.</p>	<p><i>The matrix is one way to show this relationship that is very effective. This presentation is laid out effectively and meets the required criterion.</i></p>
<p>#F2. Basis of budgeting. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.</p>	<p><i>The document identifies the basis of budgeting. If the basis of budgeting is identical to the basis of accounting used in the audited fund financial statements in the basic financial statements for summer all categories of funds, that fact should be clearly stated. Differences between the basis of budgeting and the basis of accounting should be identified. The criterion is met.</i></p>
<p>#P4. Financial policies (Mandatory)-The document should include a coherent statement of entity-wide long-term financial policies.</p>	<p><i>The policies used by the city to governance are included and meet the requirements. Proficient.</i></p>
<p>P#5 Budget process (Mandatory)-the document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.</p>	<p><i>This budget process is described in a relevant manner. It includes the internal process for preparation, adoption, and opportunities for public input. Proficient.</i></p>
<p>#F3. Consolidated financials schedule(Mandatory)-The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.</p>	<p><i>This criterion provides a summary of the revenues and other financing sources and expenditures and other financing uses of all appropriated funds in the budget document. Other funds may be included in the schedule, but appropriated funds must be included. Proficient</i></p>
<p>#F4. Three (Four) Year Consolidated and Fund Financial Schedules (Mandatory). Document must include summaries of revenues and other financing sources and expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year.</p>	<p><i>The criterion requires a schedule that includes both revenues and other financing sources and expenditures, and other financing uses for at least three budget years: Prior year, current year, and budget year. Proficient.</i></p>
<p>#F5-Mandatory-The document shall include projected changes in fund balances as defined by the entity in the document, for appropriated governmental funds included in the budget</p>	<p><i>Fund balance change is included. It is good to remember how important each this criteria is. The information is included in the budget</i></p>

<p>presentation (fund equity if not governmental funds are included in the document).</p>	
<p>#F6-Revenues-The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.</p>	<p><i>The revenues are included, and analytical information is available for each related section. Make sure that all sources are identified and described. Revenue trend discussion is also a good way to show the stakeholders the big picture for the new budget year. The mandatory criterion is satisfied.</i></p>
<p>#F7. Long-range financial plans- The document should explain long-range financial plans and its affect upon the budget and the budget process.</p>	<p><i>This criterion includes long-term financial information. It does not include any verbiage concerning the associated requirements for long-term planning. The document should explain the long-term financial plans and their effect upon the budget and the budget process. The budget fails to provide any substantial live discussion of long-range financial plans while the budget provides procedural, financial information. There is no link to the overall plan for the city's mission and strategic goals. There should be a fundamental understanding of how future financial considerations guide the creation of the budget. The information included does not meet the criterion. Please review GFOA publications for examples of this criterion.</i></p>
<p>#F8. Capital expenditures (Mandatory) The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.</p>	<p><i>The capital projects fund provides program functions, revenue trends, and assumptions. This information is specific to your entity. However, each project should be evaluated for associated costs. The document should include budgeted capital expenditures, whether authorized in the operating budget or a separate capital budget. This criterion does not mandate any particular definition of "capital expenditures" only that whatever definition is being used by the entity be disclosed. After defining capital expenditures, the entity should indicate the total dollar amount of such expenditures for the budget year the entity is encouraged but not required to provide a summary of capital expenditures by major project, type, fund or user. This need additional work.</i></p>

<p>#F9. Impact of Capital investments on the operating budget. The document should describe if and to what extent significant, nonrecurring capital expenditures will affect the entity's current and future operating budget and the services that the entity provides.</p>	<p>The impact on capital investments should <i>clearly be stated. I am confused by the Criteria Location Guide. The page numbers you have listed DO NOT EXIST. The Information is not available.</i></p>
<p>#F10. Debt- The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations,</p>	<p>The document provides a clear statement of debt policies and debt ratios. Schedules are in place to show the amount of debt for this entity. Proficient.</p>
<p>#O3 Position Summary- A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.</p>	<p>The number of full-time equivalent positions is included. Job titles and other information are also associated with this document. Proficient</p>
<p>#O4. Department descriptions-The document shall describe activities, services or functions carried out by organizational units.</p>	<p>Each Department includes a description of the services and functions performed therein. A description of services provided will provide legislators with information on the value of the services provided.</p>
<p>#O5 Unit goals and objectives The document should include clearly stated goals and objectives of organizational units.</p>	<p>The information provided includes the objectives. The information located in the beginning of the document provides the reader with a good understanding of the goals and objectives of your city.</p>
<p>#O6 Performance Measures- The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.</p>	<p>These measures are included in the budget document. Make sure that these performance measurements are viable and that they are accurately measuring the information that stakeholders and legislators will require in understanding the operations of this city. Why are future estimates of performance measures below the current achieved levels? The measurements seem like a place holder. I suggest that you develop a realistic approach to viable performance measurments.</p>
<p>#C3 Statistical Information- The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other</p>	<p>This statistical information appears to be included and interesting to the citizen stakeholder, legislator, and administration of your entity. This criterion is satisfied within this budget document.</p>

Distinguished Budget Presentation Review

Reviewer ID R953

Agoura Hills, CA

Doc#B9941631

pertinent background information related to the services provided.	
#C4. Glossary- A glossary should be included for any terminology that is not readily understandable to a reasonably informed lay reader.	The glossary is included in this document. Make sure that it is updated annually to give the stakeholders the proper information on your document.
#C5. Charts and Graphs- Charts and graphs should be used where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.	The charts and graphs are included and well done. The revenue section is effective as you have many charts to support the revenue sources.
#C6. Understandability and usability.- The document should be produced and formatted in such a way as to enhance its understanding by the average reader.	The document is rough in its presentation. Some of the pages are not straight and it gives the document a less than professional look. However, the pages are numbered correctly, and the page orientation is followed.

You have submitted a good document to be considered for the Distinguished Budget Presentation Award. I commend you and your staff on the document that you have provided. Many of the items are correct. With very little work the remainder of the items could be improved. I would like to congratulate your staff on the obvious work that that you and your staff have incorporated into the document.

GOVERNMENT FINANCE OFFICERS ASSOCIATION
DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM
BUDGET REVIEWER'S COMMENTS AND SUGGESTIONS

For: CITY OF AGOURA HILLS, CA

Order #1672

Fiscal years: 2019-21

Introduction and Overview:

The City of Agoura Hills presented a table of contents (link it to the pages & vice versa; and number all pages consecutively to match the pdf file page numbers), their mission, values, priorities, issues and challenges that guided them in the budget development process and provide the framework for future budgets.

Financial Structure, Policy and Process:

All criteria were rated proficient. To further enhance F1, O2 and F2, see pages 66, 72, 75-78 and 87 of the GFOA publication, Building a Better Budget Document, 2nd edition, by John Fishbein.

Financial Summaries:

Mandatory criteria were rated at least proficient. A categorized budget year summary with fund balances was presented. Fund balances were projected and discussed. Revenues were enhanced with trend charts. To further enhance F4 and F7, see pages 127-129 and 170 of the GFOA publication referenced above on multi-year categorized summaries with forecasts.

Capital and Debt:

Mandatory criteria were rated proficient. Capital was presented, but I did not locate quantified operating impacts were addressed. Debt information was provided.

Departmental Information:

All criteria were rated proficient. Departments presented mission, description, prior accomplishments, objectives, multi-year measures and multi-year financial data. Provide a one line multi-year total of FTEs within the departments to earn outstanding on O3 from this reviewer.

Document-Wide Criteria:

Most criteria were rated at least proficient. Some economic and demographic information was presented. Add balanced budget, general fund, major fund and non-major fund to the glossary and list of acronyms. Number the pages consecutively from start to finish matching the PDF file page numbers. Luckily the table of contents was linked.

Comments/Suggestions:

The GFOA publication (mentioned above), Building a Better Budget Document, 2nd edition, by John Fishbein and the GFOA website under Best Practices are valuable resources available to assist you in further enhancing your budget document. Staff is to be commended for their efforts.

Control: B9941631

Record #300097888

Reviewer: S411

FEB 2020