

City Council
Regular Meeting
Tuesday, January 20, 2015
6:00 PM
City Council Chambers

5:00 PM Adjourned Regular Meeting - Closed Session



Mayor Wayne Powell
Mayor Pro Tem Mark Burton
Councilmember Tony D'Errico
Councilmember David J. Lesser
Councilmember Amy Howorth

Executive Team

Mark Danaj, City Manager
Quinn Barrow, City Attorney

Robert Espinosa, Fire Chief
Cathy Hanson, Human Resources Director
Eve R. Irvine, Police Chief
Mark Leyman, Parks & Recreation Director
Bruce Moe, Finance Director

Nadine Nader, Assistant City Manager
Tony Olmos, Public Works Director
Liza Tamura, City Clerk
Marisa Lundstedt, Community
Development Director

MISSION STATEMENT:

The City of Manhattan Beach is dedicated to providing exemplary municipal services, preserving our small beach town character and enhancing the quality of life for our residents, businesses and visitors.

January 20, 2015

City Council Meeting Agenda Packet

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MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

Your presence and participation contribute to good city government.

By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, the City Council has specified two additional times for public comments on the agenda--under "Community Announcements Regarding Upcoming Events," at which time the public may address the City Council regarding any upcoming events for up to one minute in duration for any speaker; and again under "Public Comment on Non-Agenda Items," at which time speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the legislative body, not including items on the agenda, for up to three minutes for each speaker. Estimated times have been placed under each heading to assist with meeting management. Please note that these times are merely an estimate.

Please note that each speaker may speak for up to 15 minutes at any one Council meeting, with additional time during public hearings.

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are available for review on the City's website at www.citymb.info, the Police Department located at 420 15th Street, and are also on file in the Office of the City Clerk for public inspection. Any person who has any question concerning any agenda item may call the City Clerk's office at (310) 802-5056.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (310) 802-5056 (voice) or (310) 546-3501 (TDD). Notification 36 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED. THE RECOMMENDED COUNCIL ACTION IS LISTED IMMEDIATELY AFTER THE TITLE OF EACH ITEM IN BOLD CAPITAL LETTERS.**A. PLEDGE TO THE FLAG**

5 MINUTES

B. NATIONAL ANTHEM

5 MINUTES

C. ROLL CALL

1 MINUTE

D. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

1 MINUTE

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Wednesday, January 14, 2015, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

E. APPROVAL OF AGENDA AND WAIVER OF FULL READING OF ORDINANCES

5 MINUTES

By motion of the City Council this is the time to notify the public of any changes to the agenda and/or rearrange the order of the agenda.

F. CEREMONIAL CALENDAR

30 MINUTES

1. Presentation of the "I ♥ MB Award" to the Manhattan Beach Police Department Victims Assistance Team. [15-0047](#)
PRESENT
2. Presentation of the "I ♥ MB Award" to Danny Zuker. [15-0048](#)
PRESENT

G. CITY MANAGER REPORT

5 MINUTES

H. CITY ATTORNEY REPORT

5 MINUTES

I. CITY COUNCIL ANNOUNCEMENTS AND REPORTS

5 MINUTES PER CITY COUNCILMEMBER FOR TOTAL OF 25 MINUTES

J. COMMUNITY ANNOUNCEMENTS REGARDING UPCOMING EVENTS

1 MINUTE PER PERSON

This portion of the meeting is to provide an opportunity for citizens to address the City Council regarding upcoming events. The duration for an individual speaking under "Community Announcements Regarding Upcoming Events" is limited to one minute. A second, extended opportunity to speak is provided under "Public Comment on Non-Agenda Items." While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda, except under very limited circumstances. Please complete the "Request to Address the City Council" card by filling out your name, city of residence, and returning it to the City Clerk. Thank you!

K. PUBLIC COMMENT ON NON-AGENDA ITEMS

3 MINUTES PER PERSON - 30 MINUTES MAXIMUM

Speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the legislative body, not including items on the agenda. The Mayor may determine whether an item is within the subject matter jurisdiction of the City. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda, except under very limited circumstances. Please complete the "Request to Address the City Council" card by filling out your name, city of residence, and returning it to the City Clerk.

L. CONSENT CALENDAR

5 MINUTES

NOTICE TO THE PUBLIC - The items on the "Consent Calendar" are routine and customary business items and will be enacted with one vote. The Mayor will ask the public, the City Councilmembers and the staff if there is anyone who wishes to remove any item from the "Consent Calendar" for public comment, discussion and consideration. The matters removed from the "Consent Calendar" will be considered individually at the end of this Agenda under "Items Removed from the Consent Calendar." At that time, any member of the audience may comment on any item pulled from the "Consent Calendar." The entire "Consent Calendar," with the exception of items removed to be discussed under "Items Removed from the Consent Calendar," is then voted upon by roll call under one motion, after the Mayor has invited the public to speak.

3. Side Letter Agreements with the California Teamsters Local 911 (Teamsters), Manhattan Beach Police Officers Association (POA), Manhattan Beach Fire Association (FA) and Manhattan Beach Police Manager's Association (PMA) (Human Resources Director Hanson). [15-0049](#)

APPROVE

Attachments: [PMA FSA Side Letter Agreement Signed](#)
[POA FBA Side Letter Agreement Signed](#)
[FA Side Letter Agreement Signed](#)
[Teamsters FSA Side Letter](#)

4. Resolution of Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 17, 2015 for a Public Hearing (Finance Director Moe). [RES 15-0002](#)

ADOPT RESOLUTION NO. 15-0002

Attachments: [Resolution No. 15-0002](#)
[North Manhattan Beach Business Improvement Plan 2015](#)

5. Authorize the City Manager to Enter into an Agreement with Davey Resource Group for the Development of a Street Tree Master Plan (Public Works Director Olmos). [15-0043](#)

APPROVE

Attachments: [Professional Services Agreement](#)
[Exhibit A- Proposal and Pricing Schedule](#)

6. Award of Purchase Order to Quick Crete Products Corp. for the Purchase of Replacement Public Trash Cans and Doors in the Amount of \$43,098.60. (Public Works Director Olmos). [15-0042](#)

APPROVE

-
7. Amendment No. 1 to the Professional Engineering Services Agreement with Wallace & Associates for Additional Construction Inspection Services for the Sepulveda Boulevard and 2nd Street Water Main Replacement Project in the Amount of \$23,020 (Public Works Director Olmos). [CON 15-0004](#)

APPROVE

Attachments: [Sepulveda Boulevard and 2nd Street Water Main Replacement Project–Budget Amendment No. 1 to Wallace Agreement](#)

8. Minutes: [15-0008](#)
This item contains action minutes of City Council meetings which are presented for approval. Staff recommends that the City Council, by motion, take action to approve the action minutes of the:
- a) City Council Regular Meeting of December 16, 2014
 - b) City Council Adjourned Regular Meeting-Closed Session of January 6, 2015
 - c) City Council Regular Meeting of January 6, 2015 (City Clerk Tamura).

APPROVE

Attachments: [City Council Regular Meeting of December 16, 2014](#)
[City Council Adjourned Regular Meeting-Closed Session of January 6, 2015](#)
[City Council Regular Meeting of January 6, 2015](#)

M. PUBLIC HEARINGS

30 MINUTES PER ITEM

N. GENERAL BUSINESS

30 MINUTES PER ITEM

9. Information Systems Master Plan Update (Finance Director Moe) [14-0496](#)
RECEIVE REPORT

Attachments: [Information Systems Master Plan - April 2013](#)
[Information Systems Assessment - March 2013](#)
[Project Review and Status](#)

-
10. Status Report on Smoke-Free Public Places Ordinance (Public Works Director Olmos). [15-0040](#)
DISCUSS AND PROVIDE DIRECTION

Attachments: [Smoke-Free Public Places Ordinance](#)
[CA4Health Smoke-Free Multi-Unit Housing Infographic](#)
[Smokefree Air for Everyone Public Opinion Survey Report](#)
[Los Angeles County Public Health Non-Smoking Multi-Unit Housing Ordinances](#)
[Map of Multi-Unit Housing in Manhattan Beach](#)

O. ITEMS REMOVED FROM THE CONSENT CALENDAR

5 MINUTES PER ITEM

Prior to the Council's consideration of each item removed from the consent calendar, speakers may comment on any or all of those items for up to three minutes per item.

P. OPTIONAL ADDITIONAL PUBLIC COMMENTS ON NON-AGENDA ITEMS

For speakers who did not speak at the first "Public Comment" period because the 30 minute time limit was reached.

3 MINUTES PER PERSON

Q. OTHER COUNCIL BUSINESS, COMMITTEE AND TRAVEL REPORTS, FUTURE DISCUSSION ITEMS

5 MINUTES PER CITY COUNCILMEMBER FOR TOTAL OF 25 MINUTES

R. RECEIVE AND FILE ITEMS

The following items are informational items that do not require action by the City Council. They can be "Received and Filed" by one motion: "Motion to Receive and File" or by order of the Chair.

The Mayor will provide a maximum of three minutes for speakers to comment on this category.

11. Financial Reports: [15-0035](#)
a) Schedules of Demands: December 18, 2014 and December 31, 2014
b) Investment Portfolio for the Month Ending November 30, 2014
c) Financial Reports for the Month Ending November 30, 2014
(Finance Director Moe).
RECEIVE AND FILE

Attachments: [Schedules of Demands for December 20, 2014 and December 31, 2014](#)
[Investment Portfolio for the Month Ending November 30, 2014](#)
[Financial Reports for the Month Ending November 30, 2014](#)

-
12. Fiscal Year 2013-2014 Comprehensive Annual Financial Report (Finance Director Moe) [15-0044](#)

RECEIVE AND FILE

Attachments: [FY 2013-2014 General & Enterprise Fund Summary Results](#)
[FY 2013-2014 Comprehensive Annual Financial Report Report on Internal Control \(Management Letter\).pdf](#)
[Audit Committee Letter](#)
[Dial-A-Ride Purchase staff report dated 4/2/2013](#)
[Dial-A-Ride Purchase staff report dated 11/20/2012](#)

13. Commission Minutes: [15-0050](#)

This item contains action minutes of City Council subcommittees and other City commissions and committees which are presented to be Received and Filed by the City Council. Staff recommends that the City Council, by motion, take action to Receive and File the action minutes of the:

- a) Library Commission Meeting of December 8, 2014
(Parks and Recreation Director Leyman)
- b) Cultural Arts Commission Meeting of December 9, 2014
(Parks and Recreation Director Leyman)
- c) Finance Subcommittee Meeting of December 30, 2014
(Finance Director Moe)

RECEIVE AND FILE

Attachments: [Library Commission Minutes December 8, 2014](#)
[Cultural Arts Commission Draft Minutes Meeting of December 9, 2014](#)
[Finance Subcommittee Action Minutes Meeting of December 30, 2014](#)

S. ADJOURNMENT**T. FUTURE MEETINGS**

CITY COUNCIL MEETINGS

Feb. 3, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Feb. 17, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Mar. 4, 2015 – Wednesday -- 6:00 PM - City Council Meeting
Mar. 12, 2015 – City Council Retreat
Mar. 13, 2015 – City Council Retreat
Mar. 17, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Apr. 7, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Apr. 21, 2015 – Tuesday -- 6:00 PM - City Council Meeting
May 5, 2015 – Tuesday -- 6:00 PM - City Council Meeting
May 7, 2015 – Thursday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #1
May 11, 2015 – Monday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #2
May 19, 2015 – Tuesday -- 6:00 PM - City Council Meeting
May 21, 2015 – Thursday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #3
May 26, 2015 – Thursday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #4
Jun. 2, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Jun. 16, 2015 – Tuesday -- 6:00 PM - City Council Meeting

BOARDS, COMMISSIONS AND COMMITTEE MEETINGS

Jan. 22, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Jan. 26, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
Jan. 28, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Feb. 9, 2015 – Monday – 6:30 PM – Library Commission Meeting
Feb. 10, 2015 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
Feb. 11, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Feb. 23, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
Feb. 25, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Feb. 26, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Mar. 9, 2015 – Monday – 6:30 PM – Library Commission Meeting
Mar. 10, 2015 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
Mar. 11, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Mar. 23, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
Mar. 25, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Mar. 26, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Apr. 8, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Apr. 13, 2015 – Monday – 6:30 PM – Library Commission Meeting
Apr. 14, 2015 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
Apr. 22, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Apr. 23, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Apr. 27, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting

U. CITY HOLIDAYS

CITY OFFICES CLOSED ON THE FOLLOWING DAYS:

Feb. 16, 2015 – Monday – President's Day

May. 25, 2015 – Monday – Memorial Day

Jul. 3, 2015 - Friday - Independence Day

Sep. 7, 2015 – Monday – Labor Day

Oct. 12, 2015 – Monday – Columbus Day

Nov. 11, 2015 – Wednesday – Veterans Day

Nov. 26-27, 2015 – Thursday & Friday – Thanksgiving Holiday

Dec. 25, 2015 – Friday – Christmas Day

Jan. 1, 2016 – Friday – New Years Day

Jan. 18, 2016 – Monday – Martin Luther King Day

Agenda Date: 1/20/2015

TO:

Members of the City Council

FROM:

Mayor Powell

SUBJECT:

Presentation of the "I ♥ MB Award" to the Manhattan Beach Police Department Victims Assistance Team.

PRESENT

**The City Council of the City of Manhattan Beach
Does Hereby Proudly Present the
"I ♥ MB Award" to
The Manhattan Beach Police Department
Victims Assistance Team**

Agenda Date: 1/20/2015

TO:

Members of the City Council

FROM:

Mayor Powell

SUBJECT:

Presentation of the "I ♥ MB Award" to Danny Zuker.

PRESENT

**The City Council of the City of Manhattan Beach
Does Hereby Present the
"I ♥ MB Award" to
Danny Zuker**

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Cathy A. Hanson, Human Resources Director

SUBJECT:

Side Letter Agreements with the California Teamsters Local 911 (Teamsters), Manhattan Beach Police Officers Association (POA), Manhattan Beach Fire Association (FA) and Manhattan Beach Police Manager's Association (PMA) (Human Resources Director Hanson).

APPROVE

RECOMMENDATION:

Staff recommends that City Council approve the Side Letter Agreements between the City of Manhattan Beach and the Teamsters, POA, FA, and PMA.

FISCAL IMPLICATIONS:

There are no fiscal implications to these Side Letter Agreements. Only the method of payment is changing to comply with the Affordable Care Act (ACT).

BACKGROUND:

The City and the City's bargaining groups entered into Memorandum of Understandings (MOUs) as follows:

- Teamsters - January 1, 2013 through December 31, 2015
- POA - January 1, 2013 through December 31, 2015
- FA - January 1, 2013 through December 31, 2015
- PMA - November 30, 2013 through December 31, 2015

As part of these MOUs, they each have an Article in the MOU regarding health insurance which specifies the amount of the City's contribution as well as a provision that states that if an employee opts out of health insurance completely, they are eligible to allocate the City's contribution only to the City's Section 125 Flexible Benefits Plan for Health Care and

Childcare up to the annual limits set by the IRS. All of the provisions specify that there shall be no cash back to employees.

The provisions for employees who completely opt out of healthcare are in part as follows:

- Teamsters - "...employees are eligible to allocate (from a cafeteria plan allocation of up to a maximum of 97% of the employee only Kaiser HMO premium rate) up to the maximum permitted by law to be allocated into the City's Section 125 Flexible Benefits Plan" for Healthcare and Childcare."
- POA - "...employees...will receive 95% of the employee only PORAC premium rate, which may be allocated to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan..."
- FA - "...employees...will receive 95% of the employee-only PORAC premium rate and are eligible to allocate any portion to their City's Section 125 Healthcare or Childcare Flexible Benefits Plan..."
- PMA - "...employees...will receive 95% of the employee only PORAC premium rate, which may be allocated to the City's Section 125 Healthcare or Childcare Flexible Benefits Plans ..."

Management Confidential employees who completely opt out of health insurance currently receive 95% of the employee only CalPERS Choice amount contributed directly into the Healthcare Flexible Benefits Plan and if applicable the Childcare plan.

While the current Personnel Rules do not address this benefit, the City has historically granted a similar benefit to Management Confidential that they have given to the Teamsters.

Currently, eighteen employees completely opt out of healthcare and receive the contribution to their Flexible Benefits Account(s). The total amount an employee would receive each year varies depending on whether or not they were eligible to utilize both the Healthcare Flexible Benefits Plan and the Childcare Flexible Benefits Plan as well as the legal limits of the contributions to each plan set by the IRS each year.

Prior to January 1, 2015, employees did not need to show proof of health insurance coverage in order to opt out. As of January 1, 2015, employees choosing to opt out of Healthcare must show acceptable proof of coverage under a qualified plan determined by the (ACT).

DISCUSSION:

In 2010, President Barack Obama signed into law a statute commonly called the "Affordable Care Act (ACT) or Obamacare." As part of this law, severe limits were placed on the amount an organization/employer can contribute into the Flexible Benefits Plans on behalf of employees. Given this change, the City was required to meet and confer with each bargaining group on how this benefit would be administered beginning on January 1, 2015 until the expiration of the current MOUs.

The City's Insurance Broker, Wells Fargo, assisted in identifying the possible options that could be negotiated in order to comply with the ACT. City representatives met and conferred with each bargaining group and agreed that if an employee opts completely out of healthcare, the City will pay to the employee as wages the identified percentage listed above to the legally determined Flexible Benefit Plan maximums in which the employee is eligible

for and the employee can then contribute the amount to the Flexible Benefits Plans or take the amount in their paycheck minus applicable taxes up to the amount they would have received directly into the Flexible Benefits Plans under the negotiated language in the current MOUs. The amount paid to the employee in his/her paycheck is not considered PERSable by CALPERS.

Following past practice, the City will similarly treat the Management Confidential employees who completely opt out of health insurance the same way. When the Personnel Rules are updated, similar language will be added regarding this benefit.

CONCLUSION:

Staff recommends that City Council approve the side letter agreements between the City of Manhattan Beach and the Teamsters, POA, FA and PMA.

Attachments:

1. PMA FSA Side Letter Agreement Signed
2. POA FBA Side Letter Agreement Signed
3. FA Side Letter Agreement Signed
4. Teamsters FSA Side Letter

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

THE MANHATTAN BEACH POLICE MANAGEMENT ASSOCIATION

This Side Letter of Agreement ("Agreement") between the City of Manhattan Beach ("City") and the Manhattan Beach Police Management Association ("PMA") (collectively "Parties") is entered into with respect to the following:

WHEREAS, the City and the Association entered into a Memorandum of Understanding with the term of November 30, 2013 through December 31, 2015; and

WHEREAS, the parties wish to modify Article 12 1.(d); and

NOW THEREFORE, the parties agree as follows:

ARTICLE 12: HEALTH CARE, OTHER INSURANCES & RETIREE MEDICAL

1. (d) There shall be no cash back to employees from their health care allowances, however, employees who opt out of health insurance completely will receive 95% of the employee only PORAC premium rate, which will be paid to the employee in their normal paycheck subject to applicable taxes. If taken as pay, this amount will not be compensation earnable (i.e., PERSable) as it is not part of the employee's regular compensation and is not considered "special compensation" under the CalPERS regulations which define "special compensation." Employees may choose to allocate the amount to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan (if qualified to participate) up to the maximum allowed by law. Employees completely opting out of health insurance must show proof of coverage under another acceptable health plan.

FOR THE CITY OF MANHATTAN BEACH

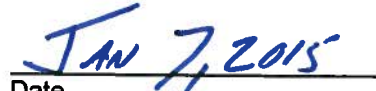
Mark Danaj
City Manager

Date

FOR THE MANHATTAN BEACH POLICE MANAGEMENT ASSOCIATION



Steve Tobias
President, MBPMA



Date

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

THE MANHATTAN BEACH POLICE OFFICERS ASSOCIATION

This Side Letter of Agreement ("Agreement") between the City of Manhattan Beach ("City") and the Manhattan Beach Police Officers Association ("POA") (collectively "Parties") is entered into with respect to the following:

WHEREAS, the City and the Association entered into a Memorandum of Understanding with the term of January 1, 2013 through December 31, 2015; and

WHEREAS, the parties wish to modify Article 16 1. (c); and

NOW THEREFORE, the parties agree as follows:

ARTICLE 16: HEALTH CARE AND RETIREE MEDICAL CONTRIBUTIONS

1. (c) There shall be no cash back to employees from their health care allowances, however, employees who opt out of health insurance completely will receive 95% of the employee only PORAC premium rate, which will be paid to the employee in their normal paycheck subject to applicable taxes to the extent the City would have contributed to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan (if qualified to participate) up to the maximum allowed by law according to the unmodified language in the POA MOU. If taken as pay, this amount will not be compensation earnable (i.e., PERSable) as it is not part of the employee's regular compensation and is not considered "special compensation" under the CalPERS regulations which define "special compensation." Employees may choose to allocate the amount to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan up to the maximum allowed by law. Employees completely opting out of health insurance must show proof of coverage under another acceptable health plan.

FOR THE CITY OF MANHATTAN BEACH

Mark Danaj
City Manager

Date

FOR THE MANHATTAN BEACH POLICE OFFICERS' ASSOCIATION



Michael Rosenberger
President, MBPOA

12/30/14

Date

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

THE MANHATTAN BEACH FIRE ASSOCIATION

This Side Letter of Agreement ("Agreement") between the City of Manhattan Beach ("City") and the Manhattan Beach Fire Association ("FA") (collectively "Parties") is entered into with respect to the following:

WHEREAS, the City and the Association entered into a Memorandum of Understanding with the term of January 1, 2013 through December 31, 2015; and

WHEREAS, the parties wish to modify Article 31 (a) 2 paragraph 3; and

NOW THEREFORE, the parties agree as follows:

ARTICLE 31 – INSURANCE

- (a) 2. Paragraph 3 There shall be no cash back to employees from health care allowances, however, employees who opt out of health insurance completely will receive 95% of the employee only PORAC premium rate, which will be paid to the employee in their normal paycheck subject to applicable taxes to the extent the City would have contributed to the City's Section 125 Helathcare or Childcare Flexible Benefits Plan (if qualified to participate) up to the maximum allowed by law according to the unmodified language in the FA MOU. If taken as pay, this amount will not be compensation earnable (i.e., PERSable) as it is not part of the employee's regular compensation and is not considered "special compensation" under the CalPERS regulations which define "special compensation." Employees may choose to allocate the amount to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan up to the maximum allowed by law. Employees completely opting out of health insurance must show proof of coverage under another acceptable health plan.

FOR THE CITY OF MANHATTAN BEACH

Mark Danaj
City Manager

Date

FOR THE MANHATTAN BEACH FIRE ASSOCIATION



MBFA

1-9-15

Date

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

CALIFORNIA TEAMSTERS LOCAL 911

This Side Letter of Agreement ("Agreement") between the City of Manhattan Beach ("City") and the California Teamsters ("Teamsters") (collectively "Parties") is entered into with respect to the following:

WHEREAS, the City and the Teamsters entered into a Memorandum of Understanding with the term of January 1, 2013 through December 31, 2015; and

WHEREAS, the parties wish to modify Article 31, paragraph 2; and

NOW THEREFORE, the parties agree as follows:

ARTICLE 31: HEALTH INSURANCE (medical, retiree medical, dental, vision, long and short term disability)

Medical Paragraph #2

There shall be no cash back to employees from any allowances contributed by the City, however, employees who opt out of health insurance completely will receive 97% of the employee only CalPERS Kaiser HMO premium rate, which will be paid to the employee in their normal paycheck subject to applicable taxes to the extent the City would have contributed to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan (if qualified to participate) up to the maximum allowed by law according to the unmodified language in the Teamster MOU. If taken as pay, this amount will not be compensation earnable (i.e. PERSable) as it is not part of the employee's regular compensation and is not considered "special compensation" under the CalPERS regulations which define "special compensation." Employees may choose to allocate the amount to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan up to the maximum allowed by law. Employees completely opting out of health insurance must show proof of coverage under another acceptable health plan.

FOR THE CITY OF MANHATTAN BEACH

Mark Danaj
City Manager

Date

FOR THE CALIFORNIA TEAMSTERS LOCAL 911



Julie Butcher
California Teamsters Local 911

Date

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

Steve Charelian, Revenue Services Manager

SUBJECT:

Resolution of Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 17, 2015 for a Public Hearing (Finance Director Moe).

ADOPT RESOLUTION NO. 15-0002

RECOMMENDATION:

The North Manhattan Beach Business Improvement District Advisory Board and City staff recommend that the City Council adopt Resolution No. 15-0002 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District for 2015, and setting the public hearing for February 17, 2015.

FISCAL IMPLICATION:

There is no budgetary or other financial implication associated with the adoption of the Resolution of Intention.

BACKGROUND:

From 1969 to 2004, a North End Business Improvement District existed for commercial properties located along the northern portion of Highland Avenue and a few businesses located along Rosecrans Avenue just east of Highland. This Business Improvement District, formed under the Parking and Business Improvement District Law of 1965, was fairly limited in scope and was used mainly to address parking acquisition and construction.

In December 2004, Council approved revamping the North End Business Improvement District because it was apparent that opportunities for increased parking in this section of the community were limited. Additionally, the business owners in this area were interested in using the accumulated funds (now totaling approximately \$500,000) for business promotional purposes, and to create an identity for the North End. As a result, the old

Business Improvement District was converted from the 1965 law to the 1989 Business Improvement District law, which permits funds to be used for broad purposes such as marketing, promotions, capital improvements and special events to name a few. Districts and the associated assessments were also required to be renewed annually.

At its meeting of February 17, 2015, the City Council will hold a public hearing to consider the request from the North Manhattan Beach Business Improvement District Advisory Board to renew the district and levy the associated assessments (80% surcharge on business license fees to a maximum of \$500).

DISCUSSION:

The purpose of the Resolution is to announce the City's intention to renew the Business Improvement District, establish the method of assessment, outline the activities and services to be funded by the assessment, and to set the date for a formal public hearing. The funding for the Business Improvement District is established through an 80% surcharge on the business license tax, not-to-exceed \$500 for any individual business.

On December 3, 2014, the North Manhattan Beach Business Improvement District Advisory Board met to discuss the proposed project and activity plan and associated budget for the coming year. At that time, the Board approved the project and activity plan (Attachment 2) and now requests that the City Council consider adopting the Resolution of Intention (Attachment 1).

By way of recent activity in the North Manhattan Beach Business Improvement District, funds totaling approximately \$57,000 were expended over the past couple of years to beautify and upkeep the area, including the maintenance of curb extensions with landscaping and irrigation at certain intersections, three directories with area maps, enhanced crosswalk treatments unique to the area, power sidewalk washing, purchase of aluminum branding signs, planting of sidewalk trees, installation of an entry monument on Rosecrans Avenue and trimming of existing trees. As part of this year's proposed enhancement projects and activity plan the North Manhattan Beach Business Improvement District Advisory Board is looking to enhance marketing opportunities through events for the area, refreshing the current website, focusing on social media for branding exposure, working more closely with the Downtown BID and Chamber of Commerce, maintenance on entry monument and directories and evaluation of the placement as well as funding for lighted crosswalks.

The Business Improvement District has elected an Advisory Board for 2015 which will be presented for Council ratification at the February 17th Council meeting. The board members-elect include:

- James McClearly, Sea View Inn (Chairperson)
- Harry Ashikian, Salvatore's Show Repair (Vice Chairperson)
- Janice Davenport, Pancho's Restaurant (Recording Secretary)
- Steve Delk, OB's Pub & Grill
- Peter Kim, Sloopy's
- Steve Oliveira, Steve Oliveira D.D.S
- Anthony Sulaiman, Baja Sharkeez

Mayor Powell currently serves as the North Manhattan Beach Business Improvement District Council representative, with Councilmember Mayor Pro Tem Burton as the alternate.

If adopted by the City Council, this Resolution of Intention will be circulated to all business owners within the Business Improvement District as notification of the public hearing on February 17, 2015. In addition, a notice advertising the public hearing will be placed in *The Beach Reporter*. At the public hearing, all proponents and opponents of the proposed Business Improvement District will have an opportunity to present information to the City Council.

CONCLUSION:

The North Manhattan Beach Business Improvement District Advisory Board and City staff recommend that the City Council adopt Resolution No. 15-0002 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District for 2015, and setting the public hearing for February 17, 2015.

Attachments:

1. Resolution No. 15-0002
2. North Manhattan Beach Business Improvement District Plan 2015

RESOLUTION NO. 15-0002

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL DECLARING ITS INTENTION TO PROVIDE FOR ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO CALIFORNIA STREETS & HIGHWAYS CODE SECTION 36500, AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON

WHEREAS, the City Council has previously formed a Property and Business Improvement District in North Manhattan Beach, pursuant to Streets and Highways Code Section 36500 et. seq. (SB 1424 - Parking & Business Improvement Law of 1989, Chapter 2);

WHEREAS, the North Manhattan Beach Business Improvement District Advisory Board met on December 3, 2014 and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2015; and

WHEREAS, the City Council desires to continue the assessment on businesses within the Parking & Business Improvement District to allow the business owners within the District to utilize the funds for a range of services and activities that will promote and enhance North Manhattan Beach.

NOW, THEREFORE, BE IT RESOLVED THAT THE MANHATTAN BEACH CITY COUNCIL DOES HEREBY DECLARE, FIND, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Business Improvement District is known as the North Manhattan Beach Business Improvement District (herein referred to as District).

SECTION 3. The District physical boundaries include all operating businesses along Highland Avenue from 45th Street to the North and to 32nd Place to the South, and along Rosecrans Avenue from Highland Avenue to the West to the 500 block of Rosecrans to the East. A map identifying the specific, legal boundary for the North Manhattan Beach Business Improvement District is available for review in the Office of the Finance Director.

SECTION 4. All businesses, with the exception of home based businesses, commercial property owners who rent/lease to licensed businesses, and residential rental units, within the boundaries of said District as described herein are subject to the provisions of the additional assessment which will be levied annually to pay for all improvements and activities within the District.

SECTION 5. The assessment methodology for funding the services and activities of the North Manhattan Beach Business Improvement District shall be a surcharge of 80% on the business license tax, not to exceed \$500.00 per business license.

SECTION 6. The funds generated by the business license surcharge shall be used for the following purposes:

- Parking & Transportation
- Marketing and Promotions

Special Events
Management Services

SECTION 7. The City Council shall convene a Public Hearing regarding the levying of assessments by the North Manhattan Beach Business Improvement District on February 17, 2015 at 6:00 p.m. in the City Council Chambers located at 1400 Highland Avenue in said City. At that time, the City Council will hear testimony of all interested parties for or against the levying of assessments by the District, the extent of the District, and/or the activities and services which shall be provided through the District.

SECTION 8. This Resolution shall be circulated to each business owner within seven days of the date of adoption by the City Council.

SECTION 9. The City Clerk shall make this Resolution available for public inspection the day after this Resolution is adopted.

SECTION 10. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED January 20, 2015.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach

ATTEST:

City Clerk

**NORTH MANHATTAN BEACH
BUSINESS IMPROVEMENT DISTRICT
(NORTH MB BID)**

Enhancement Projects and Activity Plan
2015

Location: The area generally surrounding the Rosecrans Avenue and Highland Avenue intersection. Specific boundaries are:

- (north to south) the extent of the Highland Avenue right-of-way from the northernmost City line at 45th Street to 32nd Place on the south;
- (east to west) the extent of Rosecrans Avenue right-of-way from Bell Avenue to the west side of Highland Avenue

Stakeholders: North Manhattan Beach Businesses – All business license holders in the North Manhattan Beach area, with the exception of home-based businesses, residential rental units and commercial property owners.

Improvements and Activities:

- A. Capital Improvement Project Design
- B. Marketing & Advertising
- C. Project Implementation
- D. Professional Communications

Method of Financing: Benefit-based assessments on City Business License Tax

Assessment: An 80% surcharge on the City Business License Tax not to exceed \$500.00.

Collection: The fees are collected in March/April of each year with the Business License Tax. The funds shall be retained in a designated fund and disbursed through the City.

Governance: A City Council-ratified Advisory Board serves to make recommendations to the City Council for the North Manhattan Business Improvement District (BID) on such topics as budget and assessments. The Advisory Board consists of seven (7) members composed of area business owners, residents, or members at large. The City Council ratifies the board members annually. It is anticipated that the Advisory Board will meet at least once per Month on the 1st Wednesday at 6:00 PM.

In delivering BID improvements and activities, the Advisory Board will strive to meet the following objectives:

- Maximize coordination with the City and other civic organizations to leverage resources;
- Identify streetscape, landscape and other improvements, and create an identity plan for North Manhattan Beach;

- Provide accountability to business owners who pay assessments.

Maintaining the District:

The City Council maintains the district by adopting a Resolution of Intention. A public hearing shall be held after the adoption of the Resolution of Intention. If there is insufficient protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

Benefits of the District:

The BID allows for streetscape, signage and landscape improvements, and creation of a North Manhattan Beach identity through integrated marketing efforts such as promotions, branding and advertising.

The BID shall provide key promotional and organizational support through a variety of functions that directly benefit its ratepayers as well as the City; such as:

- Enhancing the appearance of North Manhattan Beach through signage, landscaping, etc.,
- Establishing and implementing a North Manhattan vision, and a beautification image that is in line with the rest of Manhattan Beach and one that reflects the good health and economic vitality of the entire City; making the City an attractive venue for business.
- Providing an inclusive link to the north end of the City.

ENHANCEMENT PROJECT AND ACTIVITY PLAN

The BID work plan for 2015 includes the following items:

- **Marketing:**
 - Use website for NMB BID visitor outreach and marketing - update and enhance the current website. Research professional guidance for implementing social media through Facebook, Twitter etc.
 - Develop a NMB BID web site survey and collect updated emails. Evaluate e-notification opportunities on NMB BID website (www.northmb.info).

- Continue efforts to promote Holiday Winter Walkabout event. Review holiday lighting/decoration strategies and partnerships.
- Look for opportunities to enhance participation by NMB BID businesses.
- Explore opportunities to create additional NMB BID events.
- Review feasible options to develop a NMB BID master plan.
- Work with the Chamber of Commerce for additional marketing opportunities.
- Update the Entry Monument sign lettering on Rosecrans Ave for better visibility.
- Update three directories with outer color change and powder coat enhancements.
 - New professional graphically enhanced directory maps.
- **Parking:**
 - Look to expand parking opportunities to accommodate visitors to the NMB BID.
 - Lighted crosswalk in conjunction with the specification with the City’s Mobility Plan.

- **Budget:**

FY 2013-2014 Actuals			
Beginning Reserve Balance July 1, 2013		\$	520,514.22
Revenues			29,061.14
Interest			4,344.90
Expenditures			(21,410.09)
Ending Reserve Balances as of June 30, 2014		\$	<u>532,510.17</u>
FY 2014-2015 Budget			
Beginning Reserve Balance July 1, 2014		\$	532,510.17
Budgeted Revenues (1)			22,000.00
Approved appropriations - CIP Carry Forward from Prior Years (2)			(130,964.19)
Projected Ending Reserve Balance as of June 30, 2015 (3)		\$	<u>423,545.98</u>
<i>(1) Budgeted Revenues are projected based on business license tax assessments not to exceed \$500 annually per business.</i>			
<i>(2) Approved appropriations consist of the balance from the original \$370,000 CIP amount budgeted in FY 2006-2007 to beautify and maintain North Manhattan Beach including: directories, monuments, tree trimming, power washing, sidewalk improvements, etc.</i>			
<i>(3) The Projected Ending Reserve Balance is based on actual reserves at the beginning of the fiscal year adjusted for projected revenues and funds remaining in the CIP carried over from previous years.</i>			

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Tony Olmos, Director of Public Works
Juan Price, Maintenance Superintendent

SUBJECT:

Authorize the City Manager to Enter into an Agreement with Davey Resource Group for the Development of a Street Tree Master Plan (Public Works Director Olmos).

APPROVE

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to enter into an agreement with Davey Resource Group to develop a Street Tree Master Plan per the City Council approved Request-for-Proposal.

FISCAL IMPLICATIONS:

Sufficient funds in the amount of \$67,930 are available in the Streets 100-18-032 and Parks 100-18-042 operating budgets to fund the project.

BACKGROUND:

As part of the 2013 Strategic Plan, Public Works was tasked with conducting an inventory of all City maintained trees. The inventory was to include all street trees within the public right-of-way, including those currently maintained by adjacent property owners. At the April 4, 2013 City Council meeting, City Council approved and awarded a three year tree trimming and tree inventory services contract to West Coast Arborists. The citywide street tree inventory was completed and presented to City Council on February 4, 2014.

At the same February 4, 2014 City Council meeting, staff discussed and recommended that City should undertake the preparation of a Street Tree Master Plan. Advantages discussed included providing a uniform approach to tree management for all trees in the public right-of-way, defining the comprehensive purpose and goals for a managed urban forest, and defining a potential comprehensive tree care and maintenance program. City Council

requested that staff return with the suggested scope of the proposed Request for Proposal (RFP). City Council reviewed the proposed scope of the RFP at the September 2, 2014 City Council meeting and authorized staff to solicit proposals to develop a Street Tree Master Plan.

DISCUSSION:

In addition to comprehensive and systematic tree care, including regular trimming, elements of a Street Tree Master Plan should include but not be limited to:

- 1) A fully developed approved tree list with location-specific recommendations,
- 2) Review of current codes and ordinances,
- 3) Mapping of maintenance districts,
- 4) Trimming frequencies and estimated costs,
- 5) Funding mechanisms,
- 6) Tree pruning standards specific to local trees,
- 7) Provisions for addressing recurring maintenance costs associated with problematic trees, and
- 8) Assess and address tree and hardscape conflicts.

All of this information is needed to assist City leadership and staff in making data driven decisions concerning City trees and was included in the RFP. A Street Tree Master Plan and the included instructions would be of immediate value in working with City maintained trees, but will prove invaluable should the City ultimately decide to actively manage all trees set within the City right- of- way.

Additionally, nomenclature regarding street tree master planning and management is often used interchangeably with the term urban forest management planning, a more descriptive and comprehensive term that best describes the intent of the proposed scope of work.

Proposal Selection

Staff issued the RFP for development of the Street Tree Master Plan and received a total of four responses. After initial review of the submittal packets, Davey Resource Group, Mia Lehrer & Associates, and Dudek were selected to be interviewed. Members of Community Development, Public Works, Parks & Recreation and Information Systems (GIS) with direct tree related experience conducted the interviews.

The interview process revealed that all three firms were technically capable and had strengths in differing areas. The successful development process for this particular project relies heavily on public presentation skills and community engagement to develop an implementable plan. Davey Resource Group had the largest portfolio of recently developed master plans that most closely met the advertised scope and envisioned end product and best presented their development plan and methodologies. The competing firms master plan specific portfolios were not as robust or recent.

Davey Resource Group was selected as the most qualified to develop the Street Tree Master Plan due to their level of experience, technical ability, in-house resources and City review of previously developed street tree master plans. In addition to technical expertise, Davey Resource Group displayed a keen understanding of the need for community

engagement specifically tailored to our community and was the strongest of the presenters. Additionally, Davey Resource Group included four community meetings during the project development course.

CONCLUSION:

Staff recommends that the City Council approve the Request for Proposal and authorize the City Manager to enter into an agreement with Davey Resource Group. The Street Tree Master Plan/Urban Forest Management Plan will help guide public tree policy and practice for the next 25 years. Through community meetings and online solicitation, the master plan will align current policy and practice with community expectations and allow for streamlined dissemination of information to residents, developers and City management alike. Furthermore, the comprehensive approach allows for accurate budget forecasting through programmed maintenance.

Attachments

1. Professional Services Agreement
2. Exhibit A- Proposal and Pricing Schedule

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into on this ___ day of January, 2015, by and between the City of Manhattan Beach, a municipal corporation ("City") and The Davey Tree Expert Company, an Ohio corporation, operating through its Davey Resource Group division ("Contractor") (collectively, the "Parties").

RECITALS

A. City desires to obtain services of Contractor to assess City's current tree program and develop a Street Tree Master Plan.

B. Contractor represents that it is qualified and able to perform the services required by this Agreement.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereto agree as follows:

Section 1. Contractor's Services. Contractor shall perform the services described in Exhibit A (the "Services") in a manner satisfactory to City and consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

Section 2. Term of Agreement. This Agreement shall apply to services rendered on or after January 20, 2015 and shall terminate when the work is completed, unless sooner terminated by the City.

Section 3. Time of Performance. Contractor shall commence its services under this Agreement upon receipt of a written notice to proceed from City in the manner described in Exhibit A. Contractor shall complete the services in conformance with the timeline set forth in Exhibit A, or as otherwise directed by the City's representative.

Section 4. Compensation.

(a) City agrees to pay Contractor in accordance with the fee schedule included as part of Exhibit A. Except as otherwise stated in subsection (c) of this section, in no event shall the Contractor be paid more than \$ 67,930.00 during the term of this Agreement.

(b) Unless expressly provided for in Exhibit A, Contractor shall not be entitled to reimbursement for any expenses. Any expenses incurred by Contractor that are not expressly authorized by this Agreement will not be reimbursed by City.

(c) The City Manager may authorize cumulative increases for additional work of up to 20%. Any additional work in excess of this amount shall be approved by the City Council.

Section 5. Method of Payment. City shall pay Contractor in accordance with the method and schedule of payment set forth in Exhibit A, attached hereto and incorporated herein. Unless otherwise specified in Exhibit A, Contractor shall submit to City a detailed invoice on a monthly basis for the services performed pursuant to this Agreement. Each invoice shall describe in detail the services rendered during the period, the days worked, number of hours worked, the hourly rates charged, and the services performed for each day in the period, as applicable. Within 45 days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice.

Section 6. Independent Contractor. The Parties agree, understand, and acknowledge that Contractor is not an employee of the City, but is solely an independent contractor. Contractor expressly acknowledges and agrees that City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance or other employee benefits and that any person employed by Contractor shall not be in any way an employee of the City. As such, Contractor shall have the sole legal responsibility to remit all federal and state income and social security taxes and to provide for his/her own workers' compensation and unemployment insurance and that of his/her employees or subcontractors. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees. Contractor shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Contractor shall indemnify and hold harmless City and its elected officials, officers and employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Contractor's personnel practices. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Section 6.

Section 7. Assignment. This Agreement shall not be assigned, in whole or in part, by Contractor without the prior written approval of City. Any attempt by Contractor to so assign this Agreement or any rights, duties, or obligations arising hereunder shall be void and of no effect.

Section 8. Responsible Principals.

(a) Contractor's responsible principal, Jack McCabe, Vice President of Operations, shall be principally responsible for Contractor's obligations under this Agreement and shall serve as principal liaison between City and Contractor. Designation of another Responsible Principal by Contractor shall not be made without prior written consent of City.

(b) City's Responsible Principal shall be the City Manager, who shall administer the terms of the Agreement on behalf of City.

Section 9. Personnel. Contractor represents that it has, or shall secure at its own expense, all personnel required to perform the Services under this Agreement. All personnel engaged in the work shall be qualified to perform such Services.

Section 10. Permits and Licenses. Contractor shall obtain and maintain during the term of this Agreement all necessary licenses, permits, and certificates required by law for the provision of the Services, including a business license.

Section 11. Interests of Contractor.

(a) Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the Services, or which would conflict in any manner with the performance of the Services. Contractor further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Contractor shall avoid the appearance of having any interest, which would conflict in any manner with the performance of the Services. Contractor shall not accept any employment or representation during the term of this Agreement which is or may likely make Contractor "financially interested" (as provided in California Government Code §§ 1090 and 87100) in any decision made by City on any matter in connection with which Contractor has been retained.

(b) Contractor further warrants and maintains that it has not employed or retained any person or entity, other than a bona fide employee working exclusively for Contractor, to solicit or obtain this Agreement. Nor has Contractor paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Contractor, any fee, commission, gift, percentage, or any other consideration contingent upon the execution of this Agreement. Upon any breach or violation of this warranty, City shall have the right, at its sole and absolute discretion, to terminate this Agreement without further liability, or to deduct from any sums payable to Contractor hereunder the full amount or value of any such fee, commission, percentage or gift.

(c) Contractor warrants and maintains that it has no knowledge that any officer or employee of City has any interest, whether contractual, non-contractual, financial, proprietary, or otherwise, in this transaction or in the business of Contractor, and that if any such interest comes to the knowledge of Contractor at any time during the term of this Agreement, Contractor shall immediately make a complete, written disclosure of such interest to City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws as described in this subsection.

Section 12. Insurance. [Check if Applicable]

(a) Contractor shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1. A policy or policies of Comprehensive General Liability Insurance, with minimum limits of \$2,000,000 for each occurrence, combined single

limit, against any personal injury, death, loss, or damage resulting from the wrongful or negligent acts by Contractor.

2. A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of \$1,000,000 per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the Services required by this Agreement.

3. Workers' compensation insurance as required by the State of California.

4. A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of \$2,000,000 per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by City. Further, Contractor agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(b) Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials, are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no limitations on the scope of protection afforded to City, its officers, officials, employees, designated volunteers or agents serving as independent contractors in the role of City officials which are not also limitations applicable to the named insured.

2. For any claims related to this Agreement, Contractor's insurance coverage shall be primary insurance as respects City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials. Any insurance or self-insurance maintained by City, its officers, officials, employees, designated volunteers or agents serving as independent contractors in the role of City officials shall be excess of Contractor's insurance and shall not contribute with it.

3. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

4. Each insurance policy, except for the professional liability policy, required by this clause shall expressly waive the insurer's right of subrogation against City and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of City officials.

5. Each insurance policy required by this Agreement shall be endorsed to state: should the policy be canceled before the expiration date, the issuing insurer shall mail 30 days' prior written notice to the City.

6. If insurance coverage is canceled or reduced in coverage or in limits, Contractor shall within two business days of notice from insurer, phone, fax and/or notify the City via certified mail, return receipt requested, of the changes to or cancellation of the policy.

(c) The City's Risk Manager may, in writing, amend and/or waive any or all of the insurance provisions set forth herein. In such case, the Contractor shall comply with the insurance provisions required by the City's Risk Manager.

(d) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A-;VII in the latest edition of Best's Insurance Guide, unless waived in writing by City's Risk Manager.

(e) Contractor agrees that if it does not keep the insurance in full force and effect, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at Contractor's expense, the premium thereon.

(f) All insurance coverages shall be confirmed by execution of endorsements on forms approved by City. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by City before services commence. As an alternative to City forms, Contractor's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

(g) Any deductibles or self-insured retentions must be declared to and approved by City, and shall not exceed \$25,000.

(h) Contractor shall require each of its sub-contractors (if any) to maintain insurance coverage that meets all of the requirements of this Agreement.

Section 13. Indemnification.

(a) Indemnity for Design Professional Services. Contractor is considered a "design professional" as that term is defined in Civil Code Section 2782.8. In connection with its design professional services, Contractor shall hold harmless and indemnify City, and its elected officials, officers, employees, servants, designated volunteers, and those city agents serving as independent consultants in the role of city officials (collectively, "Indemnitees"), with respect to any and all claims, demands, damages, liabilities, losses, costs or expenses, including reimbursement of attorneys' fees and costs of defense (collectively, "Claims" hereinafter), including but not limited to Claims relating to death or injury to any person and injury to any property, which arise out of, pertain to, or relate to in whole or in part to the negligence, recklessness, or

willful misconduct of Contractor or any of its officers, employees, subcontractors, or agents in the performance of its design professional services under this Agreement.

(b) Other Indemnities. In connection with any and all claims, demands, damages, liabilities, losses, costs or expenses, including attorneys' fees and costs of defense (collectively, "Damages" hereinafter) not covered by Section (a) herein, Contractor shall defend, hold harmless and indemnify the Indemnitees with respect to any and all Damages, including but not limited to, Damages relating to death or injury to any person and injury to any property, which arise out of, pertain to, or relate to the acts or omissions of Contractor or any of its officers, employees, subcontractors, or agents in connection with the performance of this Agreement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses, except for such loss or damage arising from the sole negligence or willful misconduct of the City, as determined by final arbitration or court decision or by the agreement of the parties. Contractor shall defend Indemnitees in any action or actions file in connection with any such Damages with counsel of City's choice, and shall pay all costs, judgments, and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor or City. All duties of Contractor under this Section shall survive termination of this Agreement.

Section 14. Termination.

(a) City shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to Contractor. Contractor agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) City may at any time, for any reason, with or without cause, suspend this Agreement, or any portion hereof, by serving upon the Contractor written notice. Upon receipt of that notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends only a portion of this Agreement, such suspension shall not make void or invalidate the remainder of this Agreement.

(c) In the event of termination or cancellation of this Agreement by City, due to no fault or failure of performance by Contractor, Contractor shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the Services required by this Agreement. Contractor shall have no other claim against City by reason of such termination, including any claim for compensation.

Section 15. City's Responsibility. City shall provide Contractor with all pertinent data, documents, and other requested information as is available for the proper performance of Contractor's Services.

Section 16. Information and Documents.

(a) Contractor covenants that all data, documents, discussion, or other information (collectively "Data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Contractor without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Contractor, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Contractor gives City notice of such court order or subpoena.

(b) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, the City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite the response.

(c) All Data required to be furnished to City in connection with this Agreement shall become the property of City, and City may use all or any portion of the Data submitted by Contractor as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the Services shall become the sole property of the City and may be used, reused or otherwise disposed of by City without Contractor's permission.

(d) Contractor shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of 3 years after receipt of final payment.

(e) Contractor's covenants under this Section shall survive the termination of this Agreement.

Section 17. Default

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, it shall not be considered a default.

(b) If the City Manager or his delegate determines that the Contractor is in default in the performance of any of the terms or conditions of this Agreement, City shall serve the Contractor with written notice of the default. The Contractor shall have ten (10) days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that the Contractor fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

Section 18. Changes in the Services. City shall have the right to order, in writing, changes in the Services or the services to be performed. Any changes in the Services requested by Contractor must be made in writing and approved by both Parties.

Section 19. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the Parties may, from time to time, designate in writing pursuant to this section.

If to City: City of Manhattan Beach Public Works
3621 Bell Avenue
Manhattan Beach, California 90266
Attn: Juan Price

If to Contractor: Davey Resource Group
6005 Capistrano Unit A
Atascadero, CA 93422
Attn: Jack McCabe, Vice President of Operations

Section 20. Attorneys' Fees. If a party commences any legal, administrative, or other action against the other party arising out of or in connection with this Agreement, the prevailing party in such action shall be

entitled to have and recover from the losing party all of its attorneys' fees and other costs incurred in connection therewith, in addition to such other relief as may be sought and awarded.

Section 21. Entire Agreement. This Agreement represents the entire integrated agreement between City and Contractor, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both City and Contractor.

Section 22. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 23. Venue. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Manhattan Beach.

Section 24. City Not Obligated to Third Parties. City shall not be obligated or liable under this Agreement to any party other than Contractor.

Section 25. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 26. Corporate Authority. The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement on behalf of the Parties and that by their execution, the Parties are formally bound to the provision of this Agreement.


Section 27. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED on the date first written above at Manhattan Beach, California.

CITY OF MANHATTAN BEACH

CONTRACTOR: Davey Resource Group, A Division of
The Davey Tree Expert Company

Mark Danaj
City Manager




ATTEST:

Jack McCabe, Vice President of Operations

LIZA TAMURA
City Clerk

APPROVED AS TO FORM:



QUINN M. BARROW
City Attorney

EXHIBIT A
SCOPE OF SERVICES

Proposal: RFP #1015-15 Tree Master Plan

City of Manhattan Beach, California



Western Region Office

6005 Capistrano Unit A
Atascadero, CA 93422

Company Headquarters

1500 N Mantua Street
Kent, OH 44240

www.daveyresourcegroup.com



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Proposal

As part of an ongoing commitment to environmental and quality of life issues, the City of Manhattan Beach is exploring the development of a comprehensive tree management program through the development of a Street Tree Master Plan (STMP). Manhattan Beach will be well served by Davey Resource Group's (DRG's) experience in providing plans to cities throughout California and across the country. Our well-developed methodology is thorough, yet flexible and based on our ability to connect to both the constituents and clients within a community. The following description of our approach to this project is based on working with communities and entities that we have served both locally and across North America.

Phase One – Kickoff Meeting

We will begin this project with a kickoff meeting that will be held in the City of Manhattan Beach. We will set the agenda with your input and approval before this meeting takes place. At this time, we establish lines of communications, expectations for interaction (telephone, e-mail, other), and introduce you to our team and their roles. DRG team members attending this meeting include our, Project Developer, and Project Coordinator via teleconference. For this meeting, it is our hope that your critical project team members would be in attendance. This includes not only your project manager, but any key personnel that might be interacting with DRG throughout this process. At this meeting, we will obtain names and contact information from you for the projected stakeholder interview candidates. Also, we will verify the resources that we need to obtain from Manhattan Beach. We will discuss and agree on milestone dates for timely completion of the project and assure that our bi-weekly reporting meets your standards. We will review our implementation plan as well. Lastly, we will have interactive discussion that refines your goals and objectives for the plan and it's outcomes beyond the RFP. This may include the development of a vision and mission for the plan, or incorporating the City's mission and vision into the plan. Together, we will determine the final scope of work within the budget you have allocated for this project, and finalize timing and deliverables.

Phase Two – Research and Fact Finding

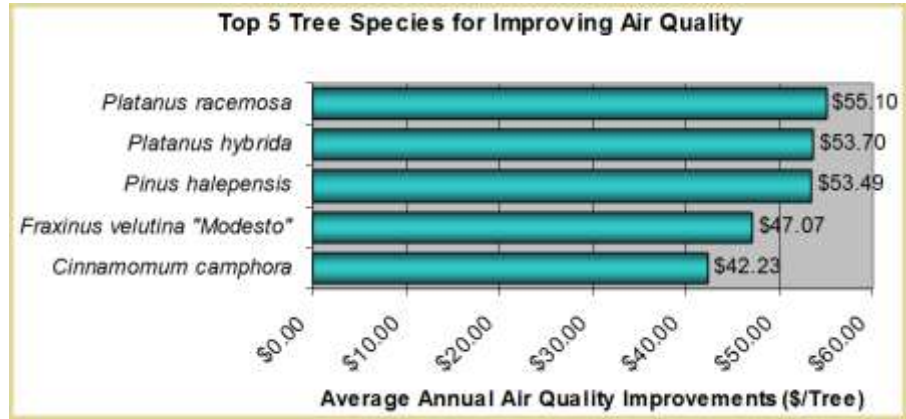
DRG has varied methodologies for the completion of a street tree master plan. We base our projects on an adaptive management methodology; examining what the city has, what they want, what they need, and how to achieve the goals. Based on the objectives Manhattan Beach wants to achieve for this plan and techniques we have utilized for other communities, we have developed the following methodology:

Task 1: To incorporate and evaluate the existing tree inventory, DRG plans on utilizing i-Tree *Streets* (www.itreetools.org). The i-Tree suite of tools was developed in partnership with the USDA Forest Service, the National Arbor Day Foundation, the Society of Municipal Arborists, the International Society of Arboriculture, Casey Trees and The Davey Tree Expert Company. i-Tree provides the models necessary for cities to analyze their trees and assess the value of the services they provide. i-Tree *Streets* was developed to determine the structure, function, and value of the urban forest and will help evaluate the ecosystem services provided by the urban forest and establish meaningful and measurable goals for the future. Knowing that the urban forest doesn't exist

in a vacuum, DRG will focus efforts toward critical issues that are of concern to municipalities such as **stormwater runoff** and **air quality**.

The following quantification is available through i-Tree *Streets*:

- Stormwater runoff reduction.
- Air quality improvement.
- Carbon dioxide reduction.
- Energy conservation.
- Property value increase.



In addition, i-Tree *Streets* calculates the following aspects of your tree resource:

- Structure (e.g., species composition, age distribution, canopy cover).
- Function (environmental and aesthetic benefits).
- Value (annual monetary value of benefits and costs).
- Replacement Value
- Management needs (e.g., recommended maintenance, stocking levels, tree conflicts).

The data, charts, and documents created through the i-Tree *Streets* analysis will be full color graphic reports that will inform the remainder of the Street Tree Management Plan and support the development of your goals and objectives. It will be utilized to “tell a story” about Manhattan Beach’s urban forest in a factual and scientific method to internal and external stakeholders.

Task 2: Once the i-Tree *Streets* report is completed, DRG will begin to **develop recommendations for urban forest goals, objectives, and policies**. This will be a process that is completed through research and education. Determining what the City has is the first step; this will be captured through departmental interviews and research of existing codes and policies. The stakeholder and constituent interviews are critical as they set the tone for the project. We work with the city’s project manager to determine the list of key personnel that have a “stake” in the urban forest. This may include members of various city departments and elected officials, if desired. Having previously conducted many of these types of projects, DRG has developed methodology for this critically important task. Our process includes developing a standard set of questions that will be asked during these interviews. These questions do not preclude additional discussion that might be pertinent, but they do allow for consistency in research. In addition, if a critical stakeholder’s schedule makes it difficult to conduct the interview, an e-mail survey can take the place of a face-to-face interview. Once this step is complete, DRG will analyze the data to determine program strengths, gaps, and challenges. DRG will consider best management practices (BMPs) and incorporate community culture to develop our recommendations to include in the plan.

While we are researching existing codes and policies, we will also **examine current operations standards** that exist within the city. We will do this by researching specifications currently in use, as well as auditing recent

planting and maintenance sites within the city limits. We will document and compare them with current BMPs including ANSI A300 and Z133, CalFire, and the International Society of Arboriculture. We will determine what standards need to be updated and incorporate recommendations into the plan. These include pruning intervals and vegetation management for conflict(s) as requested in the RFP.

Because our experience is nationwide, we have a great deal of experience in the **development and revision(s) of Tree Ordinances and Standards**. To complete this objective, DRG will incorporate questions about the current ordinances and standards into our research. This includes asking staff and stakeholders if the current ordinance is being followed and enforced, provides for proper mitigation, fits with the culture of the community, or is too burdensome or not strong enough. Also, if desired, we can reach beyond the internal stakeholders and work with those who are directly impacted by ordinances and standards. In addition, these issues will be a part of the first community workshop presentation to determine if stakeholders understand and are satisfied with the ordinance(s). Recommendations will be provided as a secondary document and incorporated into the plan if desired. This task will include the assessment and development of tree preservation standards, view ordinance effectiveness, removal criteria, appeals process, and tree valuation standards as requested in the RFP.

During this task, DRG will examine the “conflict” issues that may exist within city. This includes looking at the public right of way tree ordinances as opposed to private property trees. Also, we will work to determine what coordination is taking place for utility tree pruning to develop recommendations for the plan. This may include interviews with utility foresters from Southern California Edison and will be part of the internal interviews with Manhattan Beach staff.



Task 3: In general, DRG has utilized comparison cities in most of our management plans. In many cases, we are able to incorporate some of the tools that we have developed including i-Tree Streets reports and Canopy Studies as part of the comparison. As requested, we will reach out the Cities of Beverly Hills, Santa Monica, and Palo Alto. In addition, we will determine, with your approval, additional cities within California as comparison cities for the report. (Alternates serve to “fill in”

when we are unable to obtain the right amount of information from a city.) To obtain the full amount of data needed to create relevant comparisons, we send an email survey asking about pertinent practices and funding sources. In addition, we ask for detail that includes number of trees per capita, budget breakdowns, personnel numbers, and general political support. We then follow up with a phone interview as well. This not only informs the plan in general, but will also inform the need for an urban forester. Because our footprint is across North

America, we can also bring in unique concepts for funding and practices from other cities, many who are DRG clients, and incorporate that information into the plan and the report.

Task 4: To support the planning process, we propose conducting **public outreach** through four meetings and an online survey. We propose utilizing four of the meetings **during** plan development for community feedback. DRG is prepared to utilize these meetings to seek input from the community stakeholders about the urban forest within Manhattan Beach. At these community meetings, our project team will present information that has been researched through the Tasks 1-3, as well as seeking some input for the planting palette (Task 5). We will prepare information on the plan to present to the public including the results of the i-Tree Streets analysis.

When seeking input from the community, we present findings obtained through research and interviews through MS PowerPoint and discussion. Then we create a series of questions that are explained to the group. For example, these questions might be: “Do you believe that Manhattan Beach has a strong enough view ordinance?” or “Do you believe that Manhattan Beach needs to strengthen its appeal process?” These questions are then posted within the meeting and participants have the opportunity to “vote” and establish priorities. Many times, constituents provide their own solutions and ideas to incorporate into plans. As appropriate, we include these in our discussions. (We utilize a methodology that incorporates the use of green, yellow, and red “sticky dots” to vote on questions and commentary. Green is favorable, yellow is somewhat supportive, and red is against a concept or an idea.)



In addition, DRG will present the plan to City Council for input and revisions. It is assumed that the City will be responsible for securing a location for and publicizing the community meeting(s). DRG will assist with development of a meeting announcement flyer and press releases.

As we work through the research portion of the project, the questions developed to solicit input from the public become very clear. We develop the questions and seek your final approval on what is to be presented during the meetings. We allow additional feedback at the meetings to assist in the development of the plan. After the meetings, the feedback is gathered, synthesized, and then utilized to create recommendations for the plan.

In addition to public meetings, DRG has had success in creating online surveys to gauge the public perception of the community’s urban forest and the management thereof. Survey questions are written based on findings



and approved by the city's project management. The survey is posted on the city's website and DRG and Manhattan Beach will work in partnership to draw respondents to the survey.

Outreach also gives an opportunity to refine recommendations to the public including ongoing processes for education to businesses, property owners, and residents. Those recommendations will become part of the plan, along with the recommendations from the on-line survey.

DRG will also present the plan to City Council as requested. We are flexible as to the type of presentation Council prefers. All PowerPoint presentations, handouts, summaries, etc., will be prepared with time for approval from Manhattan Beach project management.

Task 5: A citywide planting palette and planting plan will be developed through examining the i-Tree Streets report, input from internal stakeholders through the fact finding process, best management practices, and public meeting input. This task also can take place prior to the public meetings to receive specific input as to the species citizens would like to see on their streets. Ultimately, the list that is developed should prioritize tree planting that will enhance the city's livability and economics. Most importantly, the tree list should provide trees that also meet the goals and objectives of the plan and look to providing environmental sustainability for Manhattan Beach. Our landscape architect and urban forestry specialists will develop this plan that will result in drawings (CAD, or other format) and recommended list(s) for the plan.

Phase Three

Putting the actual plan together is the last phase of the project. With consideration for all the information that has been gleaned through research, interviews, meetings, and studies, DRG creates the plan and the recommendations. This will include potential funding strategies and revenue streams, estimated costs to fund the proposed plan, the planting plan, the tree palette, and code/ordinance additions and/or modifications. Much like many of the plans that DRG develops, specific questions are asked and answered through the research process. As you will see in the matrix developed below under "Methodologies," we understand that there are specific needs being addressed through this project. Additional goals and objectives will arise during this project as well. Phase Three puts all of those together to form the details in the plan.

Availability to Perform the Work

DRG will be available to perform the work as necessary. Our team is flexible, and many team members are involved in each project. Our internal quality control and work planning procedures assure that your project is moving forward on a timely basis. Also, because of the size of our team, many tasks can take place at the same time. This assures completion when you need the project to be completed.

Methodologies

Utilizing all of the research completed in Phase Two, DRG will write the plan and develop recommendations that have been requested in the RFP. These include the development of recommendations for codes and ordinances as necessary. The following matrix outlines each task as developed in the RFP and DRG’s methodology for completing the component. In addition, the phase in which each requested component is noted within the methodology. Additional methodologies for project completion appear at the end of the matrix.

Manhattan Beach Request	Davey Resource Group Methodology
Thorough review of the current tree inventory	Phase Two: The review will include analyzing the inventory through i-Tree Streets. This analysis will help determine the structure, function and value of the urban forest as a whole, and determine which trees, by species, are providing significant benefits for the City. A full report will be included as part of the plan and will be used to educate constituents during the community input phase.
Review of current municipal code requirements, suggest modifications.	Phase Two: These will be reviewed through the research portion of the project. In addition, they can be compared to other cities, and modifications will be suggested based on review of other models, Best Management Practices, and experience.
<p>Meet with and discuss current practices with City employees engaged in tree maintenance issues.</p> <p>Catalog and identify recurrent issues, specifically those considered points of contention, between staff and the public.</p> <p>Specifically address vegetation conflicts relating to traffic views, blockage of regulatory signage, sign placements, and general encroachment of vegetation onto right of way.</p> <p>Suggest recommended practices.</p>	<p>Phase One and Two: During the kick off phase, DRG will work with Manhattan Beach project leadership to determine which employees to interview. Additional suggestions may be made by DRG. Questions will be developed and approved by Manhattan Beach project leadership. Employees will be interviewed by DRG staff.</p> <p>Recommendations will be made through analysis, review of other models, Best Management practices, and experience.</p>
Conduct a sufficient number of public meetings and outreach to engage, educate, receive input and integrate public comment as appropriate. Additionally, the proposer shall plan to present the draft plan and report at a City Council meeting.	Phase Two: DRG will conduct four community meetings that include three for education and input into the plan, and one for draft plan comment. In addition, with the City’s approval, (and input), DRG will develop an on-line survey to seek additional input. As requested, the draft plan will be presented to City Council.
Development of a recommended tree palette and planting plan.	Phase Three: Using the i-Tree Analysis, the Street Tree Guide for Southern California, and other

Manhattan Beach Request	Davey Resource Group Methodology
	resources, our Landscape Architect together with our urban forestry specialist(s), will develop and tree palette and plan will include species lists, as well as drawings and planting specifications (as necessary.)
Development of pruning interval matrix by species and annualized costs.	Phase Three: By examining the current tree inventory and Best Management Practices, DRG will develop the matrix. Annualized costs will be developed through our partnership with Southern California tree care companies.
Create a recommended tree preservation standard for trees that may have a high valuation but are problematic due to disease or structural defect.	Phase Three: During the fact finding process, DRG will examine the current processes and standards that currently exist for high value trees. Standard will be developed utilizing comparison communities, best management practices, and current community culture.
Explore current view conflict and city policy thereof; recommend modification if warranted.	Phase Three: Examine current processes, standards and culture of the city. Recommendations, if necessary, will come from comparison communities, (specifically where view ordinances are viable,) best management practices, and culture of the city.
Develop standardized removal criteria which include investigating hardscape, utility and view considerations.	Phase Two and Three: Exploring current standards and comparing them with like cities and best management practices will allow the development of standard criteria that can be followed.
Review current appeal processes, recommend modification if warranted.	Phase Two and Three: Most likely, significant input for this task will come in community meetings and fact finding. In addition, best management practices will be incorporated into making recommendations if necessary.
Develop and/or recommend a tree valuation standard.	Phase Three: Current standards and best management practices exist for tree valuation systems. DRG will explore the best standard for the City, with recommended adaptations as necessary.
Develop a proposed budget to fund recommended street tree master plan.	Phase Three: Budget(s) will be recommended by tasks at current dollars.
Gather data and generate report on current practice of minimum of 5 California agencies and funding mechanisms employed to maintain their urban forests. The report shall contain a matrix of practices and funding mechanisms. The agencies polled shall include the Cities of Santa Monica, Beverly Hills, and Palo Alto in addition to 7 other cities of similar size and demographic.	Phase Two: Incorporating tasks from requests by Manhattan Beach, (this list), additional tasks as identified through the Planning process, and prior experience, DRG will develop a list of 5 cities with Manhattan Beach approval, to report on current practices. In addition, with nationwide experience, DRG can also offer additional input into the report that may include unique practices and funding mechanisms that may not be in practice in California.

Manhattan Beach Request	Davey Resource Group Methodology
Identify cross over issues, policies and regulations of public right of way trees versus private property trees.	Phase Two: By examining current policies and regulations, and determining the community’s understanding of the value of trees, DRG will determine conflicts with tree ordinances, culture of the care of trees on private property v public property trees.
Identify and recommend coordination techniques for line clearing and other overhead utility conflicts with outside utility companies.	Phase Two: Understanding the standards and policies (PRC 4298 and FAC-003-03 in particular) and how those intersect with community culture and practice will be the determining factors on resolving conflicts and creating coordination. This will flow from community meetings and will be addressed in the plan as appropriate.
Analyze and estimate current and future carbon sequestration potential of the Urban Canopy.	Phase One: DRG will develop current environmental numbers through the use of i-Tree to determine current environmental benefits of tree city trees.
Coordinate Master Tree Plan with Veterans Parkway Master Plan.	Phase One and Three: During the kick off meeting, DRG will determine the key components of the Veterans Parkway Master Plan to the City. During the plan development process, DRG will assure that the two plans are coordinated.
Identify the need for an Urban Forester.	Phase Two: After examining current operations, policies, community support, elected official support, DRG will make a recommendation for the need for an urban forester for Manhattan Beach.

Additional Methodology and Deliverables

Utilizing the completed fact finding of stakeholder research, ordinance review, i-Tree Streets analysis and the canopy study, the first draft of the plan will be completed 120 days (or sooner) after the kick off meeting. When completing these projects, we will send a “100% draft” document to the city for their review. When that review is complete, we make corrections and re-submit our document back to the city for final comments. We understand that there are many circumstances that can cause a project to slow down. We develop a timeline based on your knowledge of your current staffing situation and work to help you adhere to the timeline. If we encounter issues with timing, we communicate them immediately so that you are aware of them.

The actual format of the document can be as Manhattan Beach desires. We will use not only a narrative document but tables, texts, images, and maps to convey the critical information necessary to achieve your objectives. We intend to utilize not only one of our current urban forest specialists to help design the document, but we will also utilize our corporate communications department. They have extensive graphic design experience and have assisted DRG with a number of our projects and their design. One concept is to break down the actual document into booklets that can be housed together as one document or stored in a binder and removed for certain projects or specific uses. Another concept is to bind the document completely



with sections tabbed for ease of use. A third concept is to link the document back to an action plan and goals list that can be literally “checked off” as recommendations are achieved. We will bring plan samples to the kickoff meeting for as part of the discussion. The plan can be designed with a number of audiences in mind. It will be available in color for Web applications (with dynamic links) as well as .pdf files. All maps and drawings will be available separately. We will deliver 3 bound copies and one CD that contains the Management plan in a PDF format and a CD that contains PowerPoint presentation(s) that summarize the plan for public relations purposes.

Engagement Philosophy

Our philosophy of engagement embodies our goals and visions for what we do everyday. We keep our employee owners engaged through interesting projects and growth opportunities and allow their ideas to help drive our business. We believe that the first “rule of engagement” is listening. We provide advice and commentary as experts, but our clients and their constituents have opinions and ideas that need to be heard. We also believe in preparedness prior to engaging communities. This means that we will have completed most of our research prior to the start of community meetings. It also means that our presentation styles are rehearsed and professional, but leave room for comments and questions. Lastly, we understand the passion that trees can sometimes evoke in communities. We feel the same—or we wouldn’t be in the business of helping communities manage their urban forests. We allow this passion to help drive the plan as needed, but not influence the scientific, social, and design principles that create an outstanding urban forest program.

Project Timeline

The project timeline below is flexible. We have the ability to move this project forward to meet the needs of Manhattan Beach. Projected completion is 6/30/2015.

Task	Weeks									
Kickoff Meeting	Week 1									
i-Tree Streets Analysis		Weeks 2-4								
Stakeholder Interviews		Weeks 2-4								
Review of Ordinances		Weeks 3-4								
Review of Operations Standards		Weeks 3-4								
Comparison Cities Input			Weeks 5-9							
Canopy Study			Weeks 6-7							
Community Input Meetings (3)				Weeks 11-12						
Plan Development					Weeks 13-17					
Plan Presentation Meeting (Community)						Week 18				
Draft 1 Delivered							Week 19			
Manhattan Beach Edits								Weeks 19-21		
Draft 2 Delivered									Week 22	
Final Plans to City										Week 24
City Council Meeting										Week 25



Staff Resumes

Ruth Williams, Urban and Community Forestry Specialist, joined Davey Resource Group in 2011. She has an extensive career in community engagement in the urban forest, throughout the Western US and Canada. Her current projects include support of the City of Orange Management Plan, the City of Roseville Master Plan, and all i-Tree projects currently being conducted by DRG. Other projects she supported include a specialized canopy project for the City of Portland, Oregon, a management plan for the city of Kirkland, WA and a master plan for the City of Clovis, CA. Prior to joining DRG, Ms. Williams was the executive director of Tree Davis, a nonprofit in the Sacramento Valley with the mission to advocate for and protect the trees in Davis and other Yolo County environs. While the Executive Director of Tree Davis, Ms. Williams developed a number of projects supporting the City of Davis Urban Forest Program. These included community engagement planting projects and creating public advocacy projects for the urban forest. While working in Davis, Ms. Williams was appointed by City Council to the Climate Action Team. That team produced the Climate Action Plan for the city and includes a number of tree related objectives and goals. Her background also includes working as an arborist for various tree companies.

Ms. Williams is a former board member of the California Urban Forests Council and served as chair of the Sacramento Regional Council of that organization for five years. She holds a Bachelor of Science degree in Environmental Horticulture and Urban Forestry, and Landscape Design and Architecture; both from the University of California at Davis. In addition, she has a Masters of Arts in Nonprofit Administration from the University of San Francisco. In addition to her formal education, Ms. Williams is a graduate of the American Society of Consulting Arborists Academy, a Certified Arborist with a municipal specialist designation and holds a Tree Risk Assessment Qualification (TRAQ). She volunteers her time as a docent at an arboretum and with the Western Chapter of the ISA. ***For this project, Ms. Williams will serve this project as a researcher and author. She will assist in the development of all aspects of the project.***

Dan Howse, Landscape Architect, is the project developer and Landscape Architect for DRG's Land Development Solutions division in the Western Region of the US. Mr. Howse lends his LA expertise to various projects across the country, specifically in the development of plant palettes from a planning and design perspective. In addition, Mr. Howse is responsible for working with our design and construction clients to develop and implement solutions for the preservation of trees and mature landscapes on development and redevelopment sites. He is also the staff expert on transplanting and large tree moving. Mr. Howse's depth of experience on sites includes working as a landscape contractor, for a site developer, and as an assistant manager of Davey's Large Tree moving group. On the design side, Mr. Howse is a licensed landscape architect and spent 10 years with the Olin Partnership working on projects across the country. More recently, Mr. Howse directly participated in the "Reading Takes Root" program. He is a graduate of Temple University's landscape architecture program. ***For this project, Mr. Howse will provide expertise on the Tree Palette, and street design and additional design consulting as needed.***



Dr. Julia Bartens is a Consulting Urban Forester and Urban & Community Forestry Specialist with the Davey Resource Group. Dr. Bartens received her MS in Urban Horticulture and her PhD in Urban Forestry, both from Virginia Tech. Prior to that, she studied Horticulture at University of Hannover, Germany, completing her undergraduate work. Before working for the Davey Resource Group, Dr. Bartens was a postdoctoral scholar for the University of California until 2013 where she worked closely with the Urban Ecosystems and Social Dynamics Team of the USDA Forest Service's Pacific Southwest Research Station. While there, she helped assess land cover and quantify effects of urban trees on building energy use, air pollutant uptake, carbon sequestration, rainfall interception, and property value increases for San Jose and Marin County, CA, and Denver, CO. Dr. Bartens recently worked on a project with a large utility company for which she evaluated the potential effects of trees on utility conduits. This project aimed to determine whether trees pose a risk to such structures which would in turn affect tree management within the conduits' vicinity. She has published and reviewed scientific and technical publications, including work on trees and structural soil, tree stability, dendrochronology, and Urban Forest Inventory and Analysis, including California. She is an ISA certified arborist, (MA-5129A) and a member and volunteer of the Western Chapter ISA. She is a founding member of the Urban Tree Growth & Longevity working group (urbantreegrowth.org), an organization that fosters communication and collaboration amongst researchers and practitioners to enhance the quality of research on urban tree growth, mortality, and longevity. Her interests include urban soils, urban tree growth and longevity, ecosystem service assessments, GIS, and many other topics related to urban forest sustainability. ***For this project, Ms. Bartens will assist in research, and plan development.***

Tina McKeand is a Project Coordinator and Urban & Community Forestry Specialist for Davey Resource Group. Ms. McKeand recently was the project coordinator for the Cities of Orange and Roseville, CA master plans. She is currently working on the City of Mountain View Urban Forest Master Plan. She completed a canopy study analysis and management plan for the City of Anchorage, AK and is assisted with a US EPA project on the use of stormwater retention strategies in cities across the United States. Her recent projects include the cities of Sacramento, Roseville, and Woodland tree inventories and i-Tree Streets projects for Palo Alto, San Mateo, Burlingame, and Roseville. In addition, she was responsible for the development of an urban forest master plan for the Cities of Clovis CA, and Tempe, Arizona, which included a sample inventory, and a complete i-Tree Streets analysis. She also worked on the Portland project as a primary author. Ms. McKeand is the former urban forester for the City of Yuma, Arizona, having worked for Davey for over seven years. In her position with Yuma, she was fully responsible for the development, planning, and management of their urban forestry program. Her duties included supervision and management of staff, development, and implementation of training programs, monitoring of contractors, and adherence to all industry standards for tree care, including all safety practices and operations. She was responsible for communication with City council, City management, and other departments and outside agencies. Other duties included budget development and administration, as well as grant writing and administration. She is the former president of the Arizona Community Tree Council and a volunteer for the Western Chapter of the International Society of Arboriculture. She is a Certified Arborist (WE-5005AM) with a Municipal Specialist designation and a graduate of the Municipal Forestry Institute. ***For this project, Ms. McKeand will be the coordinator, leading the team in all aspects of research and information gathering. In addition, she will serve as the primary author and designer for the project. She will be the lead contact for the City of Manhattan Beach.***



Project Management

Emily Spillett is an Operations/Project Manager and joined the Davey Resource Group team in 2001 as a consulting forester. She has eleven years professional experience working with utility forestry, urban forestry, land use planning, and natural resource management issues. Ms. Spillett currently manages a variety of municipal and utility projects in California, Oregon, Washington, and British Columbia including municipal projects in Salinas, San Jose, San Francisco, San Mateo, Orange and other municipalities throughout California and the Western United States. Ms. Spillett leads the team of foresters through the unique requirements of consulting projects throughout the West. She is currently managing a variety of projects including the Mountain View and Roseville Master plans and supported the projects in the cities of Clovis, CA and Kirkland, WA. She was involved in two consulting projects for the City of Portland and provided oversight on the Anchorage canopy analysis project and small management and planning projects in California. Her past professional experience includes working with The Nature Conservancy as both an interpreter and as a research biologist. Ms. Spillett holds a Bachelor of Science degree in environmental forest biology from the State University of New York College of Environmental Science and Forestry. In order to obtain this degree, Ms. Spillett was required to complete forest and ecological inventories in the Adirondack Mountains of New York. She is an International Society of Arboriculture (ISA) Certified Arborist and Utility Specialist (WE-6702AU). ***For this project, Ms. Spillett will manage all day-to-day operations on the project including personnel management, logistical planning, project delivery and cost control.***

Dana Karcher is a project developer and market manager for Davey Resource Group, working with communities throughout the West helping them achieve their vegetation management goals. Ms. Karcher joined Davey Resource Group in 2006 after six years as a self-employed arboriculture consultant and the executive director of an urban and community forestry nonprofit organization. During that time, she worked closely with municipal foresters on grant writing and program management. In her current position, she is responsible for the project development and marketing activities of the Western region team. Recent projects that Ms. Karcher has been involved in include a variety urban forest projects throughout the West and i-Tree reports for a number of municipalities. She developed the projects for the cities of Mountain View, Roseville, Orange, Sacramento, Woodland, Roseville, Burlingame, San Mateo, Palo Alto and San Jose among others. She is on the team that is delivered a management plan for the cities of Clovis, Orange, and Roseville CA, and Tempe, Arizona. Currently, she is supporting the City of Mountain View Master Plan project. She frequently conducts meetings, presenting programs to government bodies and at public hearings. Ms. Karcher holds a degree in Political Science from the California State University, East Bay. She is a Certified Arborist through the International Society of Arboriculture (WE-7103A) and Immediate Past-President of the Western Chapter of the International Society of Arboriculture. She was an advisor to the state urban forester on the California Community Forestry Advisory Board. She is a member of the Society of Municipal Arborists and the Utility Arborist Association. She is a frequent speaker on urban and community forestry throughout the country was a founding faculty member for the Municipal Forester Institute. She was the former President of the California Urban Forests Council, and a graduate of the ASCA Academy. ***For this project, Ms. Karcher will provide direct project support to the City providing analysis, recommendations, and project editing. In addition, Ms. Karcher will assist in community meetings and public hearings as necessary.***



About Davey Resource Group

Davey Resource Group has a company history rich in science, technology, arboriculture, and urban forestry. Our employees are trained to understand the vital role that trees play in communities and the relationship of people to their trees. Our roots as a Tree Expert Company mean that we provide a unique perspective on consulting urban forestry. In 1880, John Davey created a company and culture founded on the principal that nature and the built environment can co-exist for the benefit of people and their communities. Purchased by our employees in 1978, our company still believes that to be true and we feel this philosophy aligns well with our client's vision for their urban forest.

Davey, with its home office in Kent, OH, operates in 45 states, with offices throughout the country. In the Western US, DRG is based out of Atascadero, California with offices in the Sacramento region, throughout the Bay Area, Southern California, San Joaquin Valley, and Northern California. DRG has 800+ employees that provide services to municipalities, utilities, park districts, golf courses, and private entities. Our tools include the latest in software and hardware that helps us meet the needs of our clients. Providing innovative solutions to meet the opportunities and challenges of our clients is what Davey Resource Group does every day. That is the Davey Difference. We listen to our clients. We incorporate the best and most current research into the custom design of each project. Our resources are deep, our client list is diverse, and our partnerships are beneficial to our clients.

Davey Resource Group believes in making a difference and improving the management of our urban and community forest resources, including our own pursuit for **continuous improvement** in the following areas:

- **Quality Assurance:** This includes feedback loops to ensure that you receive deliverables that are well researched, state-of-the-art, and individualized to meet Manhattan Beach's goals and objectives.
- **Teamwork:** Our personnel each have a role in the development of the plan. In addition, we start each project understanding that Manhattan Beach's stakeholders are a critical part of the team.
- **Communication:** Our personnel are trained to understand the critical importance of communication before, during, and after a project—both internally and with the client.



References

City of Clovis, California

Contact: Jeff Wooten, City Arborist, (559) 324-2652, jeffwo@cityofclovis.com

Contact: Eric Aller, Parks Manager, (559) 324-2616, erica@cityofclovis.com

Davey Resource Group began our relationship with Clovis by performing a complete tree inventory for them in 2009-10. That project, coupled with an i-Tree *Streets* analysis and the purchase of TreeKeeper software, led them to the next logical step, a management plan. In 2012, DRG was contracted to complete a management plan funded by a CalFire grant. The project began with a kick-off meeting where we developed our communication parameters and the internal and external stakeholders list. We aligned their plan with a mission and vision statement that parallels that of Clovis. We discussed comparative communities to examine during this process for evaluation with Clovis' program. In general, we explored the culture of Clovis so that we went into the community meetings with an understanding of their community. The project included stakeholder interviews, two community meetings, an on-line survey and a final city council presentation. The deliverable was a plan that will serve the community for years to come. Included in the plan are recommendations for moving the program forward and allowing it to continue to grow. Our hope is that it will be a model plan for the San Joaquin Valley. The project was completed in 2013. (DRG personnel that worked on the plan included, Emily Spillett, Tina McKeand, Dana Karcher and Ruth Williams.)

City of Orange, CA Urban Forest Management Plan

Contact: Christian Saxe, 714-532-6455, csaxe@cityoforange.org

This project began in early 2013. The City of Orange created an opportunity to develop a plan based on the fact that there are numerous departments managing trees within the city. The DRG task was to understand the role of the various tree care departments and create a plan that addresses conflicting ordinances and roles. To do this, we performed document research, extensive interviews among external stakeholders, examined their current inventory, and created recommendations based on our findings. We worked with their ordinances to determine conflicts, overlaps, enforceability, and ease for use. This plan was completed in June of 2014. (DRG personnel that have worked on this project include Tina McKeand, Dana Karcher and Ruth Williams.)



City of Roseville, CA Urban Forest Master Plan and Canopy Study

Contact: Michael Neumann, 916-774-5579, mneumann@roseville.ca.us

The City of Roseville has worked with DRG since their first inventory project in 2008. Since that time, DRG has assisted them in developing an i-Tree Streets plan, customized TreeKeeper Software, and now, and Urban Forest Master Plan and Canopy Study. The plan, began with a kick-off meeting and meetings with stakeholders. A great deal of research went into the plan, including numerous interviews, meetings, document analysis, current code understanding, and comparative municipality studies. The project also included a full canopy study where DRG did the extraction work and determined the first canopy numbers for the City. In addition, DRG has made recommendations for managing the Roseville's open space, and oak tree mitigation programs. The project is near completion and will be delivered as both a hard copy document and an online document. DRG will be presenting the plan to City Council in Fall of 2014. Still in the completion phase are a "report card" and educational materials. (DRG Personnel working on this project include Emily Spillett, Dana Karcher, Tina McKeand, Ruth Williams, Julia Bartens and Deb Sheeler [GIS/IT].)

Proposed Costs

We have developed pricing for this project based on our interpretation of the RFP, our past experience in developing plans, and examining what we believe will be needed to complete your plan to the City of Manhattan Beach’s satisfaction. Each task within each phase is priced separately. For example, for research and stakeholder interviews, we commit a number of hours to determine what we believe will give enough information to inform the plan. Adjustments can be made to the budget based on number of interviews, and hours of research committed to the project. We would be happy to discuss our pricing to assure it fits your budget parameters to develop a plan that fits the needs of the city.

Hourly Rates

Employee Name	Title/Role	Rate
Dana Karcher	Market Manager/Community Meeting Leader	\$125.00/Hour
Emily Spillet	Project Manager	\$115.00/Hour
Tina McKeand	Project Leader/Urban and Community Forestry Specialist	\$95.00/Hour
Julia Bartens, PhD.	Urban and Community Forestry Specialist	\$95.00/Hour
Ruth Williams	Urban and Community Forestry Specialist	\$85.00/Hour
Dan Howse	Landscape Architect	\$85.00/Hour

Phase, Task	Personnel	Hours	Total
PHASE 1: Project Kickoff			
Task 1: Kick Off Meeting, includes preparation, follow up, and travel.	Karcher, McKeand		\$2,140.00
PHASE 2: Analyze Inventory			
Task 1: Review Inventory, Perform i-Tree Streets Analysis	Williams, Bartens		\$4,420.00
Task(s) 2: Research/Stakeholder Meetings			
Research Existing Codes and Policies	McKeand	12	\$1,140.00
Interviews with Internal Staff/Stake holder (10)	McKeand	40	\$3,800.00
Analysis of Interview Data	McKeand	32	\$3,040.00
Review Operations Standards/Provide Recommendations	Williams, Bartens	40	\$3,400.00
Develop and Revise Tree Ordinance, Preservation Guidelines	McKeand	60	\$5,700.00
Task 3: Comparison City (5 cities minimum)			
Review/Analysis	Williams, Bartens	60	\$2,550.00
Task 4: Outreach			
Community Meetings (4)	Karcher, McKeand	24	\$2,280.00
Council Meetings (3)	Karcher	15	\$1,830.00
Developing Meeting Materials-discussions with client	Karcher, McKeand	24	\$2,280.00
Outreach and follow up	Karcher, McKeand	16	\$1,520.00
Online Survey			
Survey Development	Williams, Bartens	24	\$2,040.00
Survey Implementation	Williams, Bartens	16	\$1,360.00
Survey Analysis	Williams, Bartens	24	\$2,040.00
Task 5: Planting Palette			
Planting Palette, Review and Recommend	Howse, McKeand	32	\$2,720.00
PHASE 3: Plan Drafting			
Draft 1 Compilation	McKeand	120	\$11,400.00
Draft 1 Review	McKeand	40	\$3,800.00
Draft 2 Compilation	McKeand	40	\$3,800.00
Draft 2 Review	McKeand	20	\$1,900.00
Final Draft Compilation	McKeand	32	\$2,720.00
Formatting	Communications/Admin	20	\$1,900.00
Copies of Plan (18)			\$150.00
Total			\$67,930.00



Additional Information

- We understand that the City of Manhattan Beach would like to pay in full after the project is completed. (Page 3, RFP, under “Payments”.) During the length of this project, we will be incurring expenses including payroll in performance of this project. We respectfully request that we negotiate different payment terms once the project is awarded.
- We acknowledge the receipt of Addendum #1 (dated 11/12/14) and Addendum #2 (dated 11/20/14).



City of Manhattan Beach Bid Form

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Tony Olmos, Public Works Director
Anna Luke-Jones, Public Works Senior Management Analyst
Gwen Eng, Purchasing Manager

SUBJECT:

Award of Purchase Order to Quick Crete Products Corp. for the Purchase of Replacement Public Trash Cans and Doors in the Amount of \$43,098.60. (Public Works Director Olmos).

APPROVE

RECOMMENDATION:

Staff recommends that the City Council:

- 1) Waive formal bidding per Municipal Code Section 2.36.140 (waivers); and
- 2) Award an order to Quick Crete Products Corp. for the purchase of replacement public trash cans and doors in the amount of \$43,098.60.

FISCAL IMPLICATIONS:

There are sufficient funds in the Public Works Refuse Fund Operating Budget for this purchase.

BACKGROUND:

The City of Manhattan Beach has over 500 public refuse containers in the public right-of-way that are purchased and maintained by City Staff. 150 of these refuse containers (both trash and recycling) are custom pre-cast concrete containers located on the Strand, Pier, and adjacent lots. Quick Crete Products Inc. created the mold and has been producing this can design for the City of Manhattan Beach for at least 10 years. All containers were custom designed for the City and fabricated specifically for: durability, resistance to stains, appropriate shape for our signage requirements, reduced access to scavenging fowl and to prevent rain water from filling the refuse can liners. The containers located along the Strand, Pier, and adjacent lots are especially affected by the marine environment and high usage. Staff repairs and replaces all public containers and performs routine maintenance such as

power washing, graffiti removal, hardware repair, and insert replacement.

DISCUSSION:

The public trash cans located along the Strand, Pier, and adjacent lots have been in place for close to 10 years. There are several cans which are in need of replacement due to severe weathering. Staff has exhausted the current inventory and additional replacement cans need to be ordered.

In addition, the original door design on the can has a lock and key mechanism. This mechanism is high maintenance and is being replaced by a magnetic lock design. This new lock has been tested by Staff and provides a very tight closure.

This order is for twenty (20) trash cans and (100) replacement doors. From past experience, it has been very difficult to obtain containers similar in construction to City standards from another vendor. Quick Crete is the single source with the capability to build these custom containers. Therefore, the competitive bid process is not recommended. As a result, staff recommends that the City Council waive formal bidding per Municipal Code Section 2.36.140 (waivers) and approve the purchase of cans and doors from Quick Crete Products Inc. An 8-10 week lead-time is anticipated for the fabrications of these products.

CONCLUSION:

Staff recommends that the City Council waive formal bidding per Municipal Code Section 2.36.140 (waivers) and award an order in the amount of \$43,098.60 to Quick Crete Products Inc. for the purchase of replacement public trash cans and doors.

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Tony Olmos, Public Works Director

Joe Parco, City Engineer

Michael A. Guerrero, Principal Civil Engineer

SUBJECT:

Amendment No. 1 to the Professional Engineering Services Agreement with Wallace & Associates for Additional Construction Inspection Services for the Sepulveda Boulevard and 2nd Street Water Main Replacement Project in the Amount of \$23,020 (Public Works Director Olmos).

APPROVE

RECOMMENDATION:

Staff recommends that the City Council approve Amendment No. 1 to the Professional Engineering Services Agreement with Wallace & Associates for additional construction inspection services for the Sepulveda Boulevard and 2nd Street Water Main Replacement Project in the amount of \$23,020.

FISCAL IMPLICATIONS:

Funding for this project has been appropriated by the City Council in the amounts indicated in Attachment No.1.

BACKGROUND:

This project is part of the City's ongoing program to replace aging water mains within the City's water distribution system. This project provides for construction of replacement water mains and new fire hydrants along Sepulveda Boulevard from Manhattan Beach Boulevard to 2nd Street and along 2nd Street from the Larsson Street Pump Station to the 2nd Street Pump Station. In addition, new or replacement pipes crossing Sepulveda Boulevard would be constructed at 9th, 10th, and 11th Streets. According to City records, the existing water mains on the west side of Sepulveda Boulevard are approximately 90 years old. Replacing these mains and the main along 2nd Street will assure the longevity and dependability of the

water system.

Sepulveda Boulevard is owned/operated/maintained by Caltrans and requires a Caltrans Encroachment Permit for the proposed improvements along Sepulveda Boulevard. Caltrans has issued the City the Encroachment Permit and required for work on Sepulveda Boulevard to be completed at night (working hours from 9pm to 5am) since Sepulveda Boulevard is a heavily travelled commuter route. Work not located on Sepulveda Boulevard (i.e. on local City streets) is being performed during normal construction hours (7:30am to 5pm). The work requires water main shut downs when connecting the new water main to the City's existing water distribution system and during the service conversion for each property when connecting existing water meters from the existing water main to the new main. City continues to work with the Contractor to minimize the time of proposed water main shut downs and ensure that affected residents/businesses have appropriate advanced notice. Water main shut downs, when necessary, are typically being performed between 10pm to 2am.

On July 15, 2014, the City Council awarded the construction contract, authorized the construction inspection agreement with Wallace & Associates (\$99,744), and authorized a 10% construction inspection contingency amount (\$10,000).

DISCUSSION:

The Contractor started construction on August 25, 2014 and has completed the water main line installation on Sepulveda Boulevard. Once the new water main has been pressure tested and sterilized, the new main can be connected to the existing water distribution system. During the course of pre-excavation investigations, the Contractor encountered several existing underground utilities that were not identified during the project design. A majority of these utilities were underground electrical and telephone lines. The Contractor was required to complete additional pothole investigations in order to ensure that the new water main alignment did not conflict with the existing underground utilities. Upon completing the investigation, it was determined that the new water main would have to be installed at a deeper elevation than the original plan which required additional excavation and trench shoring. All of this additional work has been exacerbated by the night time work and the significant traffic control required on Sepulveda Boulevard. The additional work has increased the amount of time to complete the work and the associated amount of inspection time. Therefore, Public Works staff is recommending Amendment No. 1 in the amount of \$23,020 for additional inspection services in consideration of the nighttime working hours.

Attachments:

1. Sepulveda Boulevard and 2nd Street Water Main Replacement Project-Budget and Expenditures
2. Amendment No. 1 to Wallace and Associates Agreement

ATTACHMENT 1

Sepulveda Boulevard and 2nd Street Water Main Replacement Project

Budget and Expenditures

BUDGET	
FY 11/12 Water Fund (Design)	\$ 100,000
Appropriation from Water Fund Reserves (CCM 04/03/12)	\$ 25,000
FY 12/13 Water Fund (Construction)	\$1,100,000
FY 13/14 Water Fund (Construction)	\$ 700,000
TOTAL BUDGET	\$1,925,000
EXPENDITURES	
Project Management: VA Consulting (CCM 12/20/11)	\$ 28,108
Geotechnical: Kling Consulting Group (CCM 03/06/12)	\$ 3,913
Topographic Survey: KDM Meridian (CCM 03/06/12)	\$ 12,410
Design: Psomas (CCM 04/03/12)	\$ 75,000
Design Amendment No. 1: Psomas (CCM 04/03/12)	\$ 5,000
Design Amendment No. 2: Psomas (CCM 05/07/13)	\$ 13,000
Design Amendment No. 3: Psomas (CCM 05/06/14)	\$ 6,000
TOTAL DESIGN EXPENDITURES	\$ 143,431
Construction Contract (GMZ Engineering)	\$1,283,200
10% Construction Contingency	\$ 130,000
Construction Support/Inspection Contract (Wallace & Assoc)	\$ 99,744
10% Construction Inspection Contingency	\$ 10,000
Inspection Amendment No. 1 (Recommended)	\$ 23,020
TOTAL CONSTRUCTION EXPENDITURES	\$1,545,964
TOTAL EXPENDITURES	\$1,689,395

FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE
CITY OF MANHATTAN BEACH AND WALLACE &
ASSOCIATES

This First Amendment ("Amendment No. 1") to that certain agreement dated July 22, 2014 by and between the City of Manhattan Beach, a California municipal corporation ("City") and Wallace & Associates, a California corporation ("Consultant") (collectively, the "Parties") is hereby entered into as of this ____ day of January, 2015.

RECITALS

- A. On July 22, 2014, the City and Consultant entered into an agreement for professional services for construction observation for the Sepulveda Boulevard and 2nd Street Water Main Replacement Project ("Agreement");
- B. City desires to amend the Agreement to add additional services related to the construction observation of the Sepulveda Boulevard and 2nd Street Water Main Replacement Project and to provide compensation for those additional services;
- C. Consultant desires to provide the additional services.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereby amend the Agreement as follows:

Section 1. Consultant shall perform the services described in Exhibit A attached to this Amendment No. 1 to the full satisfaction of the City and pursuant to a timeline as directed by City.

Section 2. For the services described in Exhibit A attached to this Amendment No. 1, City agrees to compensate Consultant and Consultant agrees to accept in full satisfaction for the services required by this Amendment No. 1 an amount not to exceed \$23,020, based on the hourly rates set forth in Exhibit A to this Amendment No. 1. That compensation shall constitute reimbursement of Consultant's fee for the services as well as the actual cost of any equipment, materials, and supplies necessary to provide the services (including all labor, materials, delivery, tax, assembly, and installation, as applicable). City shall pay Consultant the compensation in accordance with the schedule of payment set forth in the Agreement.


Section 3. The services to be provided by Consultant under this Amendment No. 1 shall be provided pursuant to the terms and conditions of the Agreement.

Section 4. Except as specifically amended by this First Amendment, all terms and conditions set forth in the Agreement shall remain in full force and effect.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 1 on the day and year first shown above.

Wallace & Associates

By 
CARL WALLACE - DIRECTOR OF OPERATIONS

By 
CATHY WALLACE - PRESIDENT

CITY OF MANHATTAN BEACH
A Municipal Corporation

Mark Danaj, City Manager

ATTEST:

Liza Tamura, City Clerk

APPROVED AS TO FORM:


Quinn M. Barrow, City Attorney

APPROVED AS TO CONTENT:


Tony Olmos, Director of Public Works

EXHIBIT A
SERVICES AND HOURLY RATES



January 2, 2015

Construction Engineering/Observation Services for Sepulveda Boulevard Water Main Replacement Project												
Anticipated Weeks of Construction												
Allocation	Staff	Role	1	2	3	4	5	6	Total Hours	Hourly Rate	Cost	
1 - Construction Management Services			1	2	3	4	5	6				
<i>Wallace & Associates Staff</i>												
As Needed	Carl Wallace PE	Project Manager / Principal	2	2	2	2	2		10	\$130	\$1,300	
Full time	Doug Blois, PE, QSD	CE/Inspector	40	40	40	40	40		200	\$102	\$20,400	
As-Needed	Heidi Nesper	Project Administrator	4	4	4	4	4		20	\$66	\$1,320	
Direct Cost Budget (Reproduction, Postage, Shipping, Incidentals)												
									Total Hours	230	Subtotal	\$23,020

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Liza Tamura, City Clerk

SUBJECT:

Minutes:

This item contains action minutes of City Council meetings which are presented for approval.

Staff recommends that the City Council, by motion, take action to approve the action minutes of the:

- a) City Council Regular Meeting of December 16, 2014
- b) City Council Adjourned Regular Meeting-Closed Session of January 6, 2015
- c) City Council Regular Meeting of January 6, 2015

(City Clerk Tamura).

APPROVE

RECOMMENDATION:

Staff recommends that the City Council, by motion, take action to approve the minutes of the City Council.

Attachments:

- 1. City Council Regular Meeting of December 16, 2014
- 2. City Council Adjourned Regular Meeting-Closed Session of January 6, 2015
- 3. City Council Regular Meeting of January 6, 2015

City of Manhattan Beach

1400 Highland Avenue
Manhattan Beach, CA 90266



Meeting Minutes - Draft

Tuesday, December 16, 2014

6:00 PM

Regular Meeting

City Council Chambers

4:30 PM Adjourned Regular Meeting - Closed Session

City Council

Mayor Wayne Powell
Mayor Pro Tem Mark Burton
Councilmember Tony D'Errico
Councilmember David J. Lesser
Councilmember Amy Howorth

PLEASE NOTE THAT THE CITY ARCHIVES THE VIDEO RECORDINGS OF ALL REGULAR CITY COUNCIL MEETINGS AND THE VIDEO FOR THIS MEETING IS HEREBY INCORPORATED BY THIS REFERENCE. FOR A COMPLETE RECORD OF THIS CITY COUNCIL MEETING, GO TO www.citymb.info/city-officials/city-clerk/city-council-meetings-agendas-and-minutes

A. PLEDGE TO THE FLAG

Mollie Simms, 5th Grade student at American Martyrs Catholic School led the Pledge of Allegiance.

B. NATIONAL ANTHEM

Matt Yamada, Saxophonist from Mira Costa High School played the National Anthem.

C. ROLL CALL

Present: 5 - Mayor Powell, Mayor Pro Tem Burton, Councilmember D'Errico, Councilmember Lesser and Councilmember Howorth

D. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

City Clerk Liza Tamura confirmed that the meeting was properly posted.

E. APPROVAL OF AGENDA AND WAIVER OF FULL READING OF ORDINANCES

Mayor Pro Tem Burton noted that on Hermosa Beach's City Council tonight was a request from Councilmember Fangary to return to the City Council in January with a resolution opposing the measure, and would like to continue the item until after Hermosa acts.

Mayor Pro Tem Burton made a motion to continue Item No. 8 Discussion of Hermosa Beach's Measure O. and to direct the City Manager to report back to the City Council at the first regular meeting in February with a copy of Measure O, copies of impartial analysis, ballot arguments, Hermosa Beach's proposed drilling for oil and impacts, if any, to Manhattan Beach and a simple draft resolution in opposition with concise and direct recitals. The motion was seconded by Councilmember D'Errico. The motion failed by the following vote:

Aye: 2 - Burton and D'Errico

Nay: 3 - Powell, Lesser and Howorth

F. CEREMONIAL CALENDAR

1. Presentation of the "I ♥ MB Award" to S. Branson. [14-0531](#)
PRESENT

Mayor Powell, on behalf of the City Council, presented the "I ♥ MB Award" to Serene Branson.

G. CITY MANAGER REPORT

Assistant City Manager Nadine Nader introduced Police Chief Eve Irvine who gave a status update on crime prevention efforts.

H. CITY ATTORNEY REPORT

None.

I. CITY COUNCIL ANNOUNCEMENTS AND REPORTS

Mayor Powell recognized the Leadership Manhattan Beach class attending the City Council Meeting.

Councilmember Howorth wished everyone a safe, healthy and Happy Hannukah and a Merry Christmas.

Mayor Powell announced that the deadline for entries for the "I ♥ MB Art Contest" would be extended to Friday at 5:00 PM.

Councilmember Lesser commented on the Manhattan Beach Fireworks being a wonderful addition to our community and thanked all of those involved.

J. COMMUNITY ANNOUNCEMENTS REGARDING UPCOMING EVENTS

Don Gould, Manhattan Beach Library, commented on the new library and noted that it should open in April.

K. PUBLIC COMMENT ON NON-AGENDA ITEMS

Mayor Powell, with consent of the City Council, allowed the youth to speak on an item on the agenda, as it is a school night.

Isabella Bacallao, Hermosa Beach resident, opposed to E & B Oil Drilling.

Max Riley, 6th grader at Hermosa Valley School, spoke about seeing a great white shark and stated that he is opposed to Measure O to protect the ocean and wildlife.

James Gill, resident, announced new categories for membership in the Historical Society.

George Apostol, resident, spoke on behalf of Leadership Manhattan Beach.

Gerry O'Connor, resident, commented that he was troubled by the Manhattan Village Mall decision and provided a list of items that he wants to see back on the agenda.

L. CONSENT CALENDAR

Item No. 5 was pulled by Gerry O'Connor

Mayor Pro Tem Burton pulled Item No.3.

A motion was made by Councilmember Lesser, seconded by Mayor Pro Tem Burton, to approve the Consent Calendar Item Nos. 2-5 with the exception of Item Nos. 3 and 5. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

2. Ordinance No. 14-0023 Amending and Restating Municipal Code Provisions Governing Franchises for Vehicles for Hire (City Attorney Barrow). [ORD 14-0023](#)
ADOPT ORDINANCE NO. 14-0023

The recommendation for this item was approved on the Consent Calendar.

3. Award of Five-Year Taxicab Franchises to All Yellow Taxi, Inc., Bell Cab Company, Inc., United Independent Taxi Drivers, Inc. and Yellow Cab of South Bay Cooperative, Inc. Effective January 1, 2015 (First Year Revenue of \$152,295) (Finance Director Moe). [14-0532](#)
APPROVE

This Item was removed from the Consent Calendar and heard later under Item No. O.

4. Approve License Agreement (Pole Use Agreement) Between Southern California Edison and the City of Manhattan Beach (Public Works Director Olmos). [CON 14-0058](#)
APPROVE

The recommendation for this item was approved on the Consent Calendar.

5. Minutes: [14-0346](#)
- This item contains action minutes of City Council meetings which are presented for approval. Staff recommends that the City Council, by motion, take action to approve the action minutes of the:
- a) City Council Adjourned Regular Meeting-Closed Session of December 2, 2014
- APPROVE**
- b) City Council Regular Meeting of December 2, 2014
- CONTINUED TO A FUTURE MEETING**
(City Clerk Tamura).

This Item was removed from the Consent Calendar and heard later under Item No. O.

M. PUBLIC HEARINGS

None.

N. GENERAL BUSINESS

6. Status Report on Historic Preservation Ordinance and Mills Act [14-0524](#)
(Community Development Director Lundstedt).

RECEIVE

Mayor Powell introduced Community Development Director, Marisa Lundstedt who provided background information on Historic Preservation and then introduced Planning Manager, Laurie Jester who provided the staff presentation.

Planning Manager Jester responded to City Council questions.

Mayor Powell opened the floor to public comments.

Jan Dennis remarked that she didn't think that the Planning Commission is trained to be a landmark committee.

Jane Guthrie, resident, conveyed her thoughts that there needs to be a Historic Preservation Commission or Committee with requirements for being a member.

Esther Besbris, resident, asserted that the Historical Society Conservancy should oversee the Historical Preservation.

Marcello Vavala, Preservation Associate of the Los Angeles Conservancy, shared that they are pleased with the progress and they want to continue to offer their assistance.

Gerry O'Connor noted that he feels there is a disconnect between the staff report and timing.

Bill Victor, resident, stated that he wanted to see more specifics, rather than vague benchmarks.

Seeing no further requests to speak, Mayor Powell closed the public comment.

A motion was made by Councilmember Lesser, seconded by Mayor Pro Tem Burton, that this item be received and filed and for Staff to return in February with further refinements. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

At 7:44 PM City Council recessed and reconvened at 7:53 PM with all Councilmembers present.

7. Report on the 2014 International Surf Festival's Charlie Saikley Six-Man Beach Volleyball Tournament and Recommendation to Hold the 2015 Tournament on Thursday, July 30 and Friday, July 31, 2015 (Parks and Recreation Director Leyman).

[14-0508](#)

APPROVE

Mayor Powell introduced Parks and Recreation Director Mark Leyman who stated that Sports and Aquatics Manager Jessica Vincent and Police Captain Tim Hageman would give the presentations.

Sports and Aquatics Manager Jessica Vincent presented a PowerPoint Presentation with background information on the tournament.

Police Captain Hageman provided a PowerPoint Presentation regarding arrests and reduced personnel.

Parks & Recreation Director Leyman, Sports and Aquatics Manager Vincent and Police Captain Hageman responded to City Council questions.

Mayor Powell opened the floor to public comment.

Bill Victor, stakeholder, thinks it is bad judgment to move the tournament days.

Chris Brown, President of California Beach Volleyball Association, stated that it is a unanimous decision of the committee to change the tournament days and that the trend now is unsustainable. He further added that it is hard to get sponsorships midweek.

Gerry O'Connor remarked that from a financial stand point more information and more statistics are needed.

Kelly Stroman, Downtown Business Association, acknowledged that the association is in support of moving the event to Thursday/Friday and also how important the history of this event is to Manahattan Beach.

Jay Saikley, Tournament Director, explained the background of the tournament and how social media changed the nature of the event.

Denny Smith, resident, reiterated how much the tournament means and the need to move to Thursday/Friday.

A motion was made by Mayor Pro Tem Burton, seconded by Councilmember Howorth, to hold the tournament on Thursday/Friday and have staff work with the promoter to increase sponsorships. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

At 9:06 PM City Council recessed and reconvened at 9:16 PM with all Councilmembers present.

O. ITEMS REMOVED FROM THE CONSENT CALENDAR

3. Award of Five-Year Taxicab Franchises to All Yellow Taxi, Inc., Bell Cab Company, Inc., United Independent Taxi Drivers, Inc. and Yellow Cab of South Bay Cooperative, Inc. Effective January 1, 2015 (First Year Revenue of \$152,295) (Finance Director Moe). [14-0532](#)

APPROVE

Mayor Powell introduced Finance Director Bruce Moe.

Finance Director Moe and City Attorney Quinn Barrow responded to City Council questions.

Mayor Powell opened the floor to public comment.

Martha Andreani, resident, spoke of the taxi drivers littering with their cigarette butts.

Jackie May, resident, echoed the littering comments and noted an issue of the taxi cabs double parking.

Seeing no further requests to speak, Mayor Powell closed the public comment.

A motion was made by Councilmember Lesser, seconded by Mayor Powell to Award a Five Year Taxicab Franchises to All Yellow, Bell, South Bay Yellow and United Independent Cab Companies to Provide Taxicab Services Commencing January 1, 2015 Through December 31, 2019, with an amendment to the subcontractor contract to include the following language: Lessor (taxicab driver) acknowledges and understands that Manhattan Beach Municipal Code Chapter 4.108 contains regulations regulating taxicabs and other vehicles for hire, including a provision that during specified hours no driver shall stand or park while awaiting employment at any place other than a taxicab stand, except for the act of loading and unloading of passengers.

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

5. Minutes:[14-0346](#)

This item contains action minutes of City Council meetings which are presented for approval. Staff recommends that the City Council, by motion, take action to approve the action minutes of the:

a) City Council Adjourned Regular Meeting-Closed Session of December 2, 2014

APPROVE

b) City Council Regular Meeting of December 2, 2014

CONTINUED TO A FUTURE MEETING

(City Clerk Tamura).

Mayor Powell asked for clarification on when the December 2, 2014 minutes would be on the agenda.

City Attorney Quinn Barrow and City Clerk Liza Tamura responded that the minutes would be on the January 6, 2015 agenda.

Mayor Powell opened the floor to public comment.

Gerry O'Connor stated his concern about the meeting minutes not being published at the next meeting.

Seeing no further requests to speak, Mayor Powell closed the floor to public comment.

A motion was made by Councilmember Lesser, seconded by Councilmember Howorth, to approve the Regular Meeting-Closed Session, December 2, 2014, and to amend bringing the Regular Meeting, December 2, 2014 on the January 6, 2015, instead of January 20, 2015. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

P. OPTIONAL ADDITIONAL PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

Q. OTHER COUNCIL BUSINESS, COMMITTEE AND TRAVEL REPORTS, FUTURE DISCUSSION ITEMS

8. Request by City Council to Discuss and Provide Direction Regarding The City of Hermosa Beach's Measure O which proposes the adoption of an ordinance that would grant The City of Hermosa Beach's approval to E&B Natural Resources Management Corporation's oil and gas drilling and production project at the City of Hermosa Beach's maintenance yard at 555 Sixth Street (Please note attachments have been revised on December 11, 2014).

[14-0542](#)

DISCUSS AND PROVIDE DIRECTION

Mayor Powell introduced this item.

City Attorney Quinn Barrow responded to Councilmember questions.

Mayor Powell opened the floor to public comment.

Craig Cadwallader, resident and representing the Surfrider Foundation, expressed his concerns about not being able to vote on this measure, but as a resident he will be exposed to things, if there were an oil spill.

Jose Bacallao, Hermosa Beach resident and staff member of Heal the Bay, feels the potential to drill wells in Hermosa Beach is very risky.

Betsy Ryan, Hermosa Beach resident, asked the City Council to pass a resolution opposing Measure O. She then read a letter that one hundred Manhattan Beach residents signed.

Phil Freidel, Hermosa Beach resident, spoke about the potential effects of oil drilling in Hermosa Beach.

Joe Galliani, South Bay 350 Climate Action Group, indicated that it is the responsibility of the people that live by the beach to protect it.

Diane Wallace, resident, spoke about the negative impacts of drilling.

Gerry O'Connor, resident, asserted that the City Council needs to take action.

Marie Colmey, resident, conveyed that there isn't enough information for City Council to consider the issue this evening.

Martha Andreani, resident, stated there is no positive impact and is opposed to the drilling.

Seeing no further requests to speak, Mayor Powell closed the public comment.

Discussion continued with all City Councilmembers.

A motion was made by Mayor Pro Tem Burton, seconded by Councilmember Howorth, to direct the City Manager to report back at the first meeting in February with a copy of Measure O, copy of impartial analysis, copies of the ballot arguments, staff to do an analysis of the impacts on Manhattan Beach, a simple draft resolution with recitals, and to publish as soon as possible on the City's website the April 14, 2014, letter with responses.

A friendly amendment was made by Councilmember Howorth to include a draft that says we are concerned about the responses and may take further action.

The motion passed by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

9. Request by Mayor Pro Tem Burton to Discuss the Blue Strand Benches.

[14-0543](#)

DISCUSS AND PROVIDE DIRECTION

Mayor Pro Tem Burton would like to direct staff to not install any more of the blue benches and make sure the color is the color City Council approved and direct the City Manager to come back with a revised policy for the Strand Bench Program.

Parks and Recreation Director Mark Leyman confirmed that this was the original color and that the original design was open ended.

Mayor Powell opened the floor to public comment.

Marie colmey, resident, relayed that the bench is uncomfortable and she doesn't like them.

Gerry O'Connor alleged this was a potential Brown Act violation, because he didn't feel it was properly agendized.

city Attorney Barrow confirmed that it was properly agendized.

Seeing no further requests to speak, Mayor Powell closed the floor to public comment.

A motion was made by Mayor Pro Tem Burton, seconded by Councilmember Howorth to cease installation of the benches, until Staff reports back to the City Council with proposed policies on the Strand Alcove Bench program. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

Councilmember Lesser would like to discuss the role of the Library Commission and seek direction from the City Council and the County and to have this discussion before the opening of the new library in April.

Mayor Pro Tem Burton requested that the City Attorney separate Case Settlement Protocol and Risk Management as Case Settlement Protocol could be done relatively quickly.

City Attorney Barrow will bring back informational memo

Mayor Pro Tem Burton would like to discuss the IT Director position at the mid year budget review in February and possibly have the consultant come back and explain why the position is necessary.

Mayor Pro Tem Burton direct City Manager and Staff to review prior City Council Sunshine Ordinance documents and report back with a suggested ordinance, if appropriate. Councilmember Lesser would also like to include the log of Public Records Requests.

Councilmember Lesser asked when the next opportunity would be to discuss the Strategic Plan. City Manager Danaj responded in March after the election.

Mayor Powell would like to get direction on amending the resolution and what it takes to get an item on the agenda, rather than having two Councilmembers, it should be based on a majority vote.

Councilmember Lesser requested a review of overall meeting management.

R. RECEIVE AND FILE ITEMS

Mayor Powell opened the floor to public comment.

Seeing no requests to speak, the Mayor closed the floor to public comment.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Burton that Item Nos. 10 and 11 be received and filed. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

- 10.** Financial Reports: [14-0523](#)
- a) Schedule of Demands: November 20, 2014
 - b) Investment Portfolio for the Month Ending October 31, 2014
 - c) Financial Reports for the Month Ending October 31, 2014
(Finance Director Moe).

RECEIVE AND FILE

This item was received and filed.

11. Commission Minutes:

[14-0538](#)

This item contains action minutes of City Council subcommittees and other City commissions and committees which are presented to be Received and Filed by the City Council. Staff recommends that the City Council, by motion, take action to Receive and File the minutes of the:

a) Finance Subcommittee Meeting of December 1, 2014

RECEIVE AND FILE

This item was received and filed.

S. ADJOURNMENT

At 11:36 PM the Regular City Council Meeting was adjourned to the 5:00 PM Adjourned Regular Meeting (Closed Session) on January 6, 2015, in the City Council Chambers, at City Hall, in said City.

Matthew Cuevas
Recording Secretary

Wayne Powell
Mayor

ATTEST:

Liza Tamura
City Clerk

City of Manhattan Beach

1400 Highland Avenue
Manhattan Beach, CA 90266



Meeting Minutes - Draft

Tuesday, January 6, 2015

5:00 PM

Adjourned Regular Meeting - Closed Session

City Council Chambers

City Council Meeting

Mayor Wayne Powell
Mayor Pro Tem Mark Burton
Councilmember Tony D'Errico
Councilmember David J. Lesser
Councilmember Amy Howorth

A. CALL MEETING TO ORDER

The Closed Session Meeting of January 6, 2015, was called to order at 5:00 PM.

B. PLEDGE TO THE FLAG

Mayor Powell led the Pledge to the Flag.

C. ROLL CALL

Present 5 - Mayor Wayne Powell, Mayor Pro Tem Mark Burton, Councilmember Tony D'Errico, Councilmember David J. Lesser, and Councilmember Amy Howorth

D. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

City Clerk Liza Tamura confirmed that the meeting was properly posted.

E. PUBLIC COMMENTS

None.

F. ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

At 5:02 PM, City Attorney Quinn Barrow read into the record the following Closed Session items:

1. CONFERENCE WITH LEGAL COUNSEL (EXISTING LITIGATION)

Government Code Section 54956.9(d)(1)

Goodbody vs. City of Manhattan Beach, et al. Los Angeles Superior Court

Case No. BC522741

G. RECESS INTO CLOSED SESSION

The City Council recessed into Closed Session at 5:02 PM.

H. RECONVENE INTO OPEN SESSION

The City Council reconvened into Open Session at 6:02 PM.

I. CLOSED SESSION ANNOUNCEMENT IN OPEN SESSION

The City Attorney announced that the City Council provided direction to Special Counsel with no other reportable action taken.

J. ADJOURNMENT

At 6:02 PM, Mayor Powell adjourned the January 6, 2015, Adjourned Regular Meeting - Closed Session to the January 6, 2015, Regular City Council Meeting in City Council Chambers, in said city.

Quinn Barrow
Recording Secretary

Wayne Powell
Mayor

ATTEST:

Liza Tamura
City Clerk

City of Manhattan Beach

1400 Highland Avenue
Manhattan Beach, CA 90266



Meeting Minutes - Draft

Tuesday, January 6, 2015

6:00 PM

Regular Meeting

City Council Chambers

5:00 PM Adjourned Regular Meeting - Closed Session

City Council

Mayor Wayne Powell
Mayor Pro Tem Mark Burton
Councilmember Tony D'Errico
Councilmember David J. Lesser
Councilmember Amy Howorth

PLEASE NOTE THAT THE CITY ARCHIVES THE VIDEO RECORDINGS OF ALL REGULAR CITY COUNCIL MEETINGS AND THE VIDEO FOR THIS MEETING IS HEREBY INCORPORATED BY THIS REFERENCE. FOR A COMPLETE RECORD OF THIS CITY COUNCIL MEETING, GO TO www.citymb.info/city-officials/city-clerk/city-council-meetings-agendas-and-minutes

A. PLEDGE TO THE FLAG

Wyatt Dyer, 5th grader at Robinson Elementary School led the Pledge of Allegiance.

B. NATIONAL ANTHEM

Manhattan Beach Middle School Students Lily Kohler, Kelly Woick, Abigail Glavin and Allyson Doyle sang the National Anthem.

C. ROLL CALL

Present: 5 - Mayor Powell, Mayor Pro Tem Burton, Councilmember D'Errico, Councilmember Lesser and Councilmember Howorth

D. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

City Clerk Liza Tamura confirmed that the meeting was properly posted.

E. APPROVAL OF AGENDA AND WAIVER OF FULL READING OF ORDINANCES

Seeing no requests for changes to the agenda, Mayor Powell moved to approve the agenda. Hearing no objections, it was so moved.

F. CEREMONIAL CALENDAR

1. Presentation of the "I ♥ MB Award" to Roundhouse Aquarium (Oceanographic Teaching Stations, Inc.) [15-0030](#)
PRESENT

Mayor Powell, on behalf of the City Council, presented the "I ♥ MB Award" to the Roundhouse Aquarium (Oceanographic Teaching Stations, Inc.).

2. Presentation of the "I ♥ MB Award" to JD Roth and Todd Nelson. [14-0537](#)
PRESENT

Mayor Powell, on behalf of the City Council, presented the "I ♥ MB Award" to JD Roth and Todd Nelson producers of "the Biggest Losers".

G. CITY MANAGER REPORT

City Manager Mark Danaj announced that next week the City will kick-off its engagement with Urban Land Institute (ULI). The City encourages all residents to attend the public reception on January 12, 2015, from 6-8 PM in the Joslyn Community Center and on Friday, January 16, 2015, from 9-11:30 AM at the Joslyn Community Center, and there will be a public presentation of the panels findings.

H. CITY ATTORNEY REPORT

None.

I. CITY COUNCIL ANNOUNCEMENTS AND REPORTS

Mayor Powell announced that the "Why I ♥ MB Art Contest" is closed and the winners will be displayed throughout City Hall. On January 29, 2015, at 6:00 PM there will be a reception where winners will be honored.

Mayor Powell also reported that LAX is trying an experiment with a new flight route and later in the meeting he will request support to direct staff to draft a letter to LAX and the FAA regarding noise complaints.. He further stated that he has added contact information on the City's Website and urged everyone to participate and provide comments and feedback.

J. COMMUNITY ANNOUNCEMENTS REGARDING UPCOMING EVENTS

Don Gould, Manhattan Beach Librarian, reported that "Story Time" has begun again on Tuesday and Wednesday in the Police/Fire Conference Room.

K. PUBLIC COMMENT ON NON-AGENDA ITEMS

Robert Bush, read into the record his statement regarding elections, lawsuits, City Managers and the Manhattan Village Mall.

Bill Victor complimented the new Assistant City Manager, Nadine Nader, and stated that she is an enhancement to our City. He further commented on the upcoming ULI events expressing his concerns regarding the definition of "stakeholder".

L. CONSENT CALENDAR

Bill Victor pulled Item Nos. 3, 4, 5, and 7.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Burton, to approve the Consent Calendar Item Nos. 3-8, with the exception of Item Nos. 3, 4, 5 and 7.. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

3. Budgeted Replacement Vehicle Purchases: [14-0536](#)
- 1) Award of Bid to South Bay Ford for Six Patrol Utility Interceptors for the Police Department and One Transit Connect for the Public Works Department (\$211,155.45);
 - 2) Award of Bid to Raceway Ford for One K-9 Interceptor (\$32,707.66); and
 - 3) Award of Bid to Frontier Ford for One Explorer for the Police Department and One CMax for the Public Works Department (\$63,930.27) (Finance Director Moe).

APPROVE

This item was removed from the Consent Calendar and heard later under Item O, Items removed from the Consent Calendar.

4. Award Contract to NCE for Engineering Services to Update and Develop the City's Pavement Management System in the Amount of \$47,265 and; Approve an Additional Budget Allocation of \$7,265 to Complete the Project (Public Works Director Olmos). [CON 14-0059](#)

APPROVE

This item was removed from the Consent Calendar and heard later under Item O, Items removed from the Consent Calendar.

5. Award Contract to Albert Grover and Associates for Engineering Services for the Sepulveda Boulevard and 8th Street Intersection Improvement Project in the Amount of \$32,771 (Public Works Director Olmos). [CON 15-0003](#)

APPROVE

This item was removed from the Consent Calendar and heard later under Item O, Items removed from the Consent Calendar.

6. Planning Commission Approval of a Use Permit and Vesting Tentative Parcel Map 72494 for Proposed Construction of Five Residential Condominium Units Located at 757-761 Manhattan Beach Boulevard (Community Development Director Lundstedt). [15-0033](#)

RECEIVE REPORT

This item was approved on the Consent Calendar.

7. Request by the Library Commission to Discuss the Option of Considering Sunday Library Hours (Parks & Recreation Director Leyman). [15-0034](#)

APPROVE

This item was removed from the Consent Calendar and heard later under Item O, Items removed from the Consent Calendar.

8. Minutes: [15-0007](#)
This item contains action minutes of City Council meetings which are presented for approval. Staff recommends that the City Council, by motion, take action to approve the action minutes of the:
a) City Council Regular Meeting of December 2, 2014
(City Clerk Tamura).

APPROVE

This item was approved on the Consent Calendar.

M. PUBLIC HEARINGS

None.

N. GENERAL BUSINESS

9. Award of Contract to Stantec for Skate Park Planning Services in the Amount of \$19,972 (Parks & Recreation Director Leyman).

[CON 15-0001](#)

APPROVE

Mayor Powell stated that this item is for an award of a contract to Stantec and to clarify that the item is only to approve the contract, not address the merits of a skatepark, the location or how it is to be funded..

Mayor Powell introduced Parks and Recreation Director Mark Leyman who provided an overview of the selection process.

Parks and Recreation Director Leyman responded to City Council questions along with Stantec Project Manager, Kanten Russell.

Mayor Powell opened the floor to public comment.

Stephanie Robins, served on the skatepark committee, would like a brief moratorium to explore the possibility with the mall developer.

Ellen Rosenberg, speaking on behalf of the school board, related that the School Board is willing to consider Polliwog Park for a skatepark, as it is School Board property and a skatepark may be in the best interest of the students.

Robert Bush, resident, questioned the need for a skatepark and why the City Council needed to hire a consultant.

Alita Rethmeyer, resident, wants to make sure the consultant listens to, and presents the pros and cons of a skatepark.

Rchard Crow, member of the selection committee, is very impressed by the consultant and believes he cares about the City.

Bill Victor, resident, suggest that the contract be bifurcated and do the survey first.

Steve Robins remarked that the consultant needs to use a statistically valid criteria for the survey. He further added that the School Board should have plenty to work on without being concerned about a skatepark.

Seeing no further requests to speak, Mayor Powell closed the floor to public comment.

Councilmember D'Errico relayed that he is troubled and thinks the City has taken steps backwards and that the process does need to be bifurcated. He explained that the consultant needs to engage the community to help make a decision about whether or not to have a skatepark, not to convince them to come on board.

Councilmeber Lesser made a motion, seconded by Councilmember Howorth, to award a contract to Stantec for Skate Park Planning Services in the amount of \$19,972.

Mayor Pro Tem Burton commented that an expert had already done a feasibility study and doesn't know why we are doing it again. Mayor Pro Tem Burton relayed that he thought the RFP was to see if we should even have a skatepark and also the City should be talking to the Mall developers.

Mayor Pro Tem Burton made a substitute motion, seconded by Councilmember D'Errico to approve the Stantec contract with specific direction, that the contractor does public outreach and engagement, it also be included in the community survey, report back and work with City Council subcommittee to reach out to Deutsche Bank to reach out regarding a skatepark.

City Manager Danaj responded to questions.

Councilmember Howorth stated that she did not want to limit the consultant under their scope of services and would be voting "no".

Mayor Pro Tem Burton withdrew his motion.

Vote was taken on original motion.

A motion was made by Councilmember Lesser, seconded by Councilmember Howorth, to award a contract to Stantec Park Planning Services in the Amount of \$19,872. and to explore, but not limited to Manhattan Village Mall and funding sources. The motion carried by the following vote:

Aye: 3 - Powell, Lesser and Howorth

Nay: 2 - Burton and D'Errico

At 8:20 PM the meeting recessed and reconvened at 8:30 PM with all Councilmembers present.

10. Fiscal Year 2015-2016 Budget Policies and Process (Finance Director Moe).

[14-0548](#)

DISCUSS AND PROVIDE DIRECTION; APPROPRIATE

Mayor Powell introduced Finance Director Bruce Moe who presented a PowerPoint Presentation.

Finance Director Moe and City Manager Mark Danaj responded to City Council questions.

Mayor Powell opened the floor to public comment.

Alita Rethmeyer, resident, urged diversity and repetition to reach out to the community to get participation.

Bill Victor complimented Finance Director Moe on his presentation and thought that the trash bill with a grid on what is happening is a good idea.

Seeing no further requests to speak, Mayor Powell closed the public comment.

A motion was made by Mayor Pro Tem Burton, seconded by Councilmember Howorth, to adopt the proposed Fiscal Year 2015-2016 Budget Policies and Processes and to appropriate \$51, 490.00 from the available General Fund to support new civic engagement initiatives for the budget process and to direct the City Manager to report back on unfunded pension liabilities. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

11. Status Report on El Porto Substation Removal Project and Power Reliability (Public Works Director Olmos).

[15-0005](#)

RECEIVE REPORT

Mayor Powell introduced Public Works Director Tony Olmos. Public Works Director Olmos then introduced Southern California Edison Interim Regional Manager, Mark Olson who gave a PowerPoint Presentation.

Interim Regional Manager Olson introduced Southern California Edison District Manager, Jeff Kennedy and they responded to City Council questions.

Mayor Powell opened the floor to public comment.

Mark Neumann, resident, asked if the Manhattan Village Mall is in the plan to be upgraded.

Alita Rethmeyer, resident, question how Edison knows there is a power outage and if there are undergrounding plans in the future.

Diane Wallace, resident, confirmed that Edison has done significant work, but would like the City to take a stronger leadership role with Edison.

Bill Victor questioned the demographics of the City and also asked Edison to provide phone numbers on their bills so that people can get help more easily.

Seeing no further requests to speak, Mayor Powell closed the floor to public comment.

Discussion continued and Councilmembers questions were responded to by Mark Olson.

A motion was made by Councilmember Lesser, seconded by Councilmember Howorth, to receive and file the report and the authorization to allow Public Works Director Olmos to file comments on CPUC on the rule-making proceeding and to have the subcommittee meet with the City Manager and Public Works Director Olmos on various issues and come up with a framework for involving other residents. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

At 10:56 PM City Council recessed and reconvened at 11:03 with all Councilmembers present.

13. Consideration of the Parking and Public Improvement Commission's Recommendation to Uphold an Encroachment Permit Appeal and Allow a Private Water Fountain Feature in the Public Right-of-Way to Remain - 130 41st Street (*Continued from the November 18, 2014, City Council Meeting*) (Community Development Director Lundstedt).
DENY APPEAL

[14-0541](#)

This item was taken out of order and heard before Item No. 12.

Mayor Powell stated that the appellant for this item requested it to be heard before Item No.12. Seeing no objections, it was so ordered.

Mayor Powell introduced Community Development Director Marisa Lunstedt who noted background information. Community Development Director Lundstedt introduced Assistant Planner Jason Masters who gave a PowerPoint Presentation showing that the Director of Community Development denied a request for an encroachment permit to allow a fountain to remain in the public right of way. The applicant appealed the decision and the Parking and Public Improvements Commission (PPIC) recommended to the City Council that it uphold the appeal.

Assistant Planner Masters and City Attorney Quinn Barrow responded to City Council questions.

Robert Rubin, appellant, and Lucas Goettsche, architect gave a presentation on the appeal and responded to City Council questions.

Mayor Powell opened the floor to public comment.

Jackie May, resident, reported that in another City, in a similar situation, children walk by and play in the water. She further added that children can drown in a bucket of water and perhaps that is the nuisance.

Seeing no further requests to speak, Mayor Powell closed the floor to public comment.

Councilmember Lesser stated that he is pleased by the remodel, but he can't support the motion because it does set a precedent and it was done without consulting City Staff.

Mayor Powell acknowledged that the PPIC was split on this decision, but the encroachment is black and white and you can't build on City property. he further added that it is not a matter of aesthetics and it does set a dangerous precedent.

Councilmember Howorth remarked that she respects what the Mayor said and is now convinced of his viewpoint.

A motion was made by Mayor Pro Tem Burton, seconded by Councilmember D'Errico, to accept the PPIC's recommendaation to approve the encroachment appeal to allow the water feature in the public right of way to remain. The motion failed by the following vote:

Aye: 2 - Burton and D'Errico

Nay: 3 - Powell, Lesser and Howorth

Accordingly, the Community Development Director's decision not to issue an encroachment permit stands.

12. Previously Approved Sepulveda Bridge Widening Project, Design Update and Approve HDR's Contract Amendment No. 1 in the Amount of \$493,091 (Public Works Director Olmos).

[CON 14-0060](#)

RECEIVE REPORT AND APPROVE

This item was taken out of order and heard after Item No. 13.

Mayor Powell introduced Public Works Director Olmos who presented a PowerPoint Presentation.

Public Works Director Olmos responded to City Council questions.

Mayor Powell opened the floor to public comment.

Mark Neumann, resident, requested a glass sound wall be added to the top of the bridge next to property at 3500 Sepulveda and displayed pictures on the document reader showing this building. He further added that a skatepark could be built under the bridge.

Bill Victor stated that it could be a win win situation to have a skatepark in that area.

Seeing no further requests to speak, Mayor Powell closed the floor to public comment.

Mayor Pro Tem Burton reported on Measure R Funds, stated that it's fiscally irresponsible to spend any of our money, as it is not our bridge. The City need to take action to make sure this is paid for from Measure R Funds, as we are not getting a fair share. The City shouldn't use \$4.2 million in Prop C Funds. He further added that he doesn't think prior City Councils were aware that this is a three lane highway and the fourth lane is for deceleration. There needs to be a traffic engineering solution to preserve the deceleration lane.

Councilmember D'Errico stated that the traffic engineer said that widening the bridge would have no measurable impact on north bound traffic south of Marine.

Public Works Director Olmos confirmed.

A motion was made by Councilmember Lesser, seconded by Councilmember Howorth, to receive the design status update on the previously approved Sepulveda Boulevard Bridge Widening Project, Approve HDR's Contract Amendment No. 1 in the Amount of \$493,091, Authorize City Manager to execute Contract Amendment and Authorize a design contingency in the cumulative amount of \$150,000 and authorize staff to issue change orders for individual tasks that do not exceed \$25, 000 each. The motion carried by the following vote:

Aye: 3 - Powell, Lesser and Howorth

Nay: 2 - Burton and D'Errico

Councilmember Lesser gave direction to explore sound buffering options for the east side of the bridge, come up with costs and seek approval from CalTrans with City Council concurrence.

Mayor Pro Tem Burton stated that he would like to direct to see if the City can get money from the SBCCOG, CalTrans or Metro for the \$4.2 million funding, and also see if there is a traffic engineering solution to keeping the fourth lane as a deceleration lane and open it up only in the early morning hours.

City council discussion continued and it was decided that Mayor Pro Tem Burton will work with staff and Mayor Butts from Inglewood on the \$4.2 million funding.

O. ITEMS REMOVED FROM THE CONSENT CALENDAR

3. Budgeted Replacement Vehicle Purchases: [14-0536](#)
- 1) Award of Bid to South Bay Ford for Six Patrol Utility Interceptors for the Police Department and One Transit Connect for the Public Works Department (\$211,155.45);
 - 2) Award of Bid to Raceway Ford for One K-9 Interceptor (\$32,707.66); and
 - 3) Award of Bid to Frontier Ford for One Explorer for the Police Department and One CMax for the Public Works Department (\$63,930.27) (Finance Director Moe).

APPROVE

Bill Victor pulled this item and relayed that he didn't understand why it is necessary to buy all 11 vehicles just because they are in the budget and questioned why there are build-out costs.

Police Chief Eve Irvine responded to City Council questions.

Mayor Powell opened the floor to public comment.

Seeing no requests to speak, Mayor Powell closed the floor to public comment.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Burton, to approve the Budgeted Replacement Vehicle Purchases:

- 1) Award of Bid to South Bay Ford for Six Patrol Utility Interceptors for the Police Department and One Transit Connect for the Public Works Department (\$211,155.45);**
- 2) Award of Bid to Raceway Ford for One K-9 Interceptor (\$32,707.66); and**
- 3) Award of Bid to Frontier Ford for One Explorer for the Police Department and One CMax for the Public Works Department (\$63,930.27). the motion carried by the following vote:**

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

4. Award Contract to NCE for Engineering Services to Update and Develop the City's Pavement Management System in the Amount of \$47,265 and; Approve an Additional Budget Allocation of \$7,265 to Complete the Project (Public Works Director Olmos).

[CON 14-0059](#)

APPROVE

Bill Victor pulled this item and inquired if the City allocates on half of Artesia, Aviation and Rosecrans and how the item was figured.

Mayor Powell opened the floor to public comment.

Seeing no requests to speak, Mayor Powell closed the floor to public comment.

Public Works Director Tony Olmos responded to questions.

A motion was made by Councilmember Howorth, seconded by Mayor Pro Tem Burton, to approve Awarding Contract to NCE for Engineering Services to Update and Develop the City's Pavement Management System in the Amount of \$47,265 and; Approve an Additional Budget Allocation of \$7,265 to Complete the Project The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

5. Award Contract to Albert Grover and Associates for Engineering Services for the Sepulveda Boulevard and 8th Street Intersection Improvement Project in the Amount of \$32,771 (Public Works Director Olmos).

[CON 15-0003](#)

APPROVE

Bill Victor pulled this item and stated that he finds the staff report extremely non-specific.

Public Works Director Tony Olmos responded to City Council questions.

Mayor Powell opened the floor to public comment.

Seeing no requests to speak, Mayor Powell closed the floor to public comment.

A motion was made by Mayor Pro Tem Burton, seconded by Councilmember Lesser, to Award Contract to Albert Grover and Associates for Engineering Services for the Sepulveda Boulevard and 8th Street Intersection Improvement Project in the Amount of \$32,771.

The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

7. Request by the Library Commission to Discuss the Option of Considering Sunday Library Hours (Parks & Recreation Director Leyman).

[15-0034](#)

APPROVE

Bill Victor pulled this item and stated that the library should be encouraged to have Sunday hours.

Parks and Recreation Director Mark Leyman responded to City Council questions.

Mayor Powell opened the floor to public comment.

Seeing no requests to speak, Mayor Powell closed the floor to public comment.

A motion was made by Councilmember Howorth, seconded by Councilmember Lesser ,to approve the Request by the Library Commission to Discuss the Option of Considering Sunday Library Hours . The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

P. OPTIONAL ADDITIONAL PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

Q. OTHER COUNCIL BUSINESS, COMMITTEE AND TRAVEL REPORTS, FUTURE DISCUSSION ITEMS

Mayor Powell requested that we send a letter to the appropriate individual at LAX and the FAA, to express our concerns and possible opposition regarding the pilot program to allow flights to come over our City – and express our objection to extending the time for three additional hours.

Mayor Pro Tem Burton said the letter should go to the Board of Airport Commissioners and the Mayor and local Councilmember in Los Angeles.

Mayor Powell also wanted to also copy newly elected Congressman Ted Lieu and State Senator Ben Allen.

Mayor Powell directed Staff to send the letter with City Council concurrence.

Mayor Pro Tem Burton brought up the rumor that Artesia Boulevard is being renamed Redondo Beach Boulevard. City Manager Danaj said that staff is currently looking into this matter and he will report back to Council.

R. RECEIVE AND FILE ITEMS

Mayor Powell opened the floor to public comment.

Seeing no requests to speak, Mayor Powell closed the floor to public comment.

A motion was made by Councilmember Lesser, seconded by Mayor Pro Tem Burton, that Item Nos.14-15 be received and filed. The motion carried by the following vote:

Aye: 5 - Powell, Burton, D'Errico, Lesser and Howorth

14. Financial Report: [14-0540](#)

Schedule of Demands: December 4, 2014 (Finance Director Moe).

RECEIVE AND FILE

This item was received and filed.

15. Commission Minutes: [15-0032](#)

This item contains action minutes of City Council subcommittees and other City commissions and committees which are presented to be Received and Filed by the City Council. Staff recommends that the City Council, by motion, take action to Receive and File the action minutes of the:

- a) Library Commission Meeting of September 8, 2014
(Parks and Recreation Director Leyman)
- b) Cultural Arts Commission Meeting of November 13, 2014
(Parks and Recreation Director Leyman)
- c) Parks and Recreation Commission Meeting of November 24, 2014
(Parks and Recreation Director Leyman)
- d) Parking and Public Improvements Commission Meeting of
December 4, 2014
(Community Development Director Lundstedt)
- e) Planning Commission Meeting of December 10, 2014
(Community Development Director Lundstedt).

RECEIVE AND FILE

This item was received and filed.

S. ADJOURNMENT

At 1:30 AM the Regular City Council Meeting was adjourned to the 6:00 PM Adjourned Regular Meeting Study Session on Thursday, January 15, 2015.

Matthew Cuevas
Recording Secretary

Wayne Powell
Mayor

ATTEST:

Liza Tamura
City Clerk

Agenda Date: 1/20/2015

TO:

Honorable Mayor Powell and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

Leilani Flores Emnace, Information Systems Manager

SUBJECT:

Information Systems Master Plan Update (Finance Director Moe)

RECEIVE REPORT

RECOMMENDATION:

Staff recommends that the City Council receive a report on the status of the Information Systems Master Plan.

FISCAL IMPLICATIONS:

There is no fiscal impact associated with the recommended action.

BACKGROUND:

Information Systems is a division of the Finance Department. The division supports the following:

- Wide area network spanning 8 locations on a fiber network
- Local area network comprised of 17 wireless access points, a core switch and 23 network switches
- 30 network servers
- Storage Area Network (11 terabytes)
- 390 network devices which includes workstations, laptops and printers
- 448 telephones and mobile devices
- 467 full and part time employees
- Geographic Information Systems
- 145 enterprise and departmental software applications
- SCADA network infrastructure

- Broadcast/recording of city meetings
- City cable channel broadcast and video streaming
- Audio visual systems
- Surveillance systems
- City website and integrated solutions which include:
 - Online payments (water and parking citations)
 - Citizen service requests
 - Social media (Facebook, Twitter, Nixle)
 - Municipal code
 - City Council agendas and minutes
 - On demand streaming
 - Class registration and facility reservations

Supporting technology, Information Systems addresses projects which are standard operations such as server and desktop refresh every four years, mobile device replacements every two years, server and operating system updates, and security solutions such as spam, anti-virus and internet access filtering. Each year seven to eight servers are replaced which involves coordination with the using department and the professional services of the department's software vendor for data migration, database administration and or other assistance as needed. Eighty-five desktops, laptops and monitors are replaced yearly as are six printers. This Fiscal Year all mobile tablets are scheduled for a refresh.

On April 16th 2013, City Council approved the Information Systems Master Plan (ISMP) to guide the organization in the next three to five years in planning, procuring, implementing and managing current and future technology investments and resources. Serving as a strategic roadmap, the ISMP identifies the project priorities to effectively support the City's current and future needs. Over the period of five years, the projected range of overall costs had been identified between \$1.76 million and \$2.99 million (in FY 12/13 cost) to fund the project priorities in the respective fiscal year budgets.

The Information Systems Master Plan included two reports: 1) Information Systems Assessment (ISA) (Attachment 1) focused on the effectiveness of current technology service delivery in support of the City's daily operations and 2) Information Systems Master Plan (Attachment 2) identifying the technology projects to address key technology challenges facing the City.

The ISMP's assessment report of the City's current technology environment and sets of recommendations pertinent to the environment addressed the areas of:

1. Governance
2. Service Delivery
3. Infrastructure
4. Security
5. Administration
6. Documentation
7. Business Technology Applications/Projects

The Master Plan outlined major technology projects required to address key technology

issues including Information Systems (IS) Division's organizational changes and hardware lifecycle management to ensure technology operation in the next three to five years. Furthermore, the Master Plan included recommendations with respect to the organization's prioritized projects, initiatives and tactical initiatives to be implemented on a division or department level.

DISCUSSION:

Information Systems is actively addressing the recommendations identified in the Master Plan. Several are highlighted below.

1. Governance: Governance is generally defined as the leadership, communication structure and processes that ensure the organization's information technology sustains and extends the City's strategies and objectives. More specifically, Governance helps ensure that:

- **Technology is aligned with the business (strategic alignment)**
- **Technology is a business enabler and maximizes benefits (performance measurement)**
- **Technology resources are used responsibly (resource management)**
- **Technology risks are managed appropriately (risk management)**
- **Technology delivers value to the organization (value delivery)**

To support technology governance, the Information Systems Steering Committee (ISSC) was created. The ISSC meets on a regular basis and includes the City Manager, Department Heads and the Information Systems Manager. The committee reviews projects and defines priorities on an enterprise-wide scale while ensuring alignment with the City's main priorities. Projects' prioritization considers factors such as, but not limited to, financial impact, health and safety, customer service, business operations, business vision and goals alignment, human and capital resources.

2. Service Delivery: Service delivery is the function of coordinating the processes involved in providing customer technology support including training, helpdesk, and service delivery management frequently based on established service level agreements (SLAs).

Training is necessary to maintain and increase staff productivity. The ISMP recommendation to establish and fund a user training program has been completed as it is included in Information Systems budget; Human Resources is currently working on vendor selection. In alignment with current and upcoming support needs, the recommended technical IS Staff training is in the Information Systems budget. IS staff has been attending technical trainings in order to increase staff effectiveness and competency.

The Help Desk provides user support related to hardware and software issues and/or use or assistance with other technology systems i.e. audio-video. The open Help Desk service requests are reviewed once a week and all tickets are analyzed periodically for the reason of

the service, thus, identifying potential areas of user and/or IS staff training. A formal after-hours IS support program has been implemented provided by IS Network Administrators alternating coverage weekly. In accordance with the ISMP, dedicated public safety staff support (primary and secondary) has been implemented to address technology needs for the Police and Fire departments.

3. Infrastructure: Infrastructure is the technology framework that ensures a reliable, robust and high-performing network. It is a complex environment which includes network architecture, Internet and Intranet, remote access, servers, desktops, operational procedures and equipment replacement planning.

In accordance with the ISMP, Information Systems is currently working with Time Warner on a wide area network expansion project for City facilities. A pending project is the addition of a redundant network connection between City Hall and the City Yard. Another completed recommendation is related to the increased Internet access speed from 3 mbps to 45 mbps and a redundant Internet circuit recently implemented with an additional 50 mbps. Further, remote access has been implemented for City management staff upon request.

Information Systems maintains a formal technology refreshment policy of a 4-year replacement cycle for servers, desktops, and laptops and a 2-year refresh for mobile devices. In addition, Staff continues to evaluate mobile computing features and functions of current and future business applications to take full advantage of mobile computing. When appropriate, the division will continue to use temporary labor to install new equipment as suggested in the Master Plan.

The City launched a refreshed website in October 2013 which included an upgraded Content Management Tool (CMT) that integrates with social media. The City's Intranet is in the process of being upgraded to use the latest CMT as well.

4. Security: Maintaining a secure and protected technology infrastructure is of primary concern for the City of Manhattan Beach. Effective security involves a combination of policy and standards, personal user conduct, software tools (filtering, monitoring, etc.), and periodic audits to validate effectiveness. The City must manage security and risk. Effective security and risk management starts at the top levels of the organization by establishing standards and expectations. Once those are established, it is up to the departments to implement the tools, processes, and practices to meet the standards and expectations.

The Master Plan included an evaluation of current Department of Justice (DOJ) requirements with the annual network penetration test. Penetration tests are conducted annually. With Assembly Bill 1149 (data security) requirements and ISMP recommendations, the email encryption project is currently in progress to protect electronic confidential communications and data from unauthorized access. Another ISMP suggestion under consideration is the reinstatement of Tyler Eden (financial system) disaster recovery remote site. Completed security recommendations include a review of designated department representatives with desktop administrative rights and the implementation of a procedure to periodically install server patches.

5. Administration: Administration focuses on effective management of technology in the areas of budget, procurement, contract and vendor management, software license agreements, and inventory management.

The ISMP recommended migrating administrative duties to clerical personnel to free the I.S. Manager's time for more strategic and important activities. The IS division does not have clerical staff. At present, one IS Specialist assists the IS Manager in administration. All City systems and technology procurements require the review and approval of the IS Manager. Major technology procurements are also reviewed by the IS Steering Committee.

The Master Plan also recommended Information Systems centralized oversight of all:

- technology expenditures across City departments to capture and report, and to ensure total technology related costs are captured and reportable
- Citywide licenses and maintenance agreements

With 145 enterprise and departmental software applications, current IS staffing levels do not allow for centralized oversight of all technology expenditures, licenses and maintenance agreements.

6. Documentation: Best practices organizations maintain current and accurate documentation on all activities such that processes can be completed in the absence of any one individual. Strong documentation promotes cross training, enables backup and recovery, provides succession planning and reduces the risk of change when introducing new technology.

Based on ISMP recommendation, the IS Steering Committee has engaged in the development and approval of policies. Most recently, the City's Social Media Policy was implemented; other technology policies are scheduled for review and update. With the implementation of the upgraded document management solution, Information Systems plans to create and centralize technical documentation.

7. Business Technology Applications/Projects: The effective selection, implementation, and management of City applications is critical to attaining a high-level of staff productivity, cost-effective service delivery, efficient business processes, and a return on the City's technology investment.

Several business technology application projects were identified for implementation and/or replacement in the Master Plan (Attachment 3). All of the projects scheduled (plan, procure and implement) are a priority. Other projects for implementation were also identified. The ISMP includes a planning schedule for the project implementation which may change over time given project complexity and requirements (prerequisites), technology progress, staff training and current work flow. Constraints such as Information Systems Division, City department and/or vendor resource availability have also impacted schedules. Department impact in daily operations also effected project start and implementation timelines.

In addition, Information Systems addresses many projects that were not identified in the Master Plan. Some projects, in the area of data protection are a result of regulatory

compliance. Departments also identified technology needs during the budgeting process which became priorities.

Completed *Information System Master Plan and other projects are highlighted below:

- *Technology Governance
- *Granicus Implementation
- *Fire Department Telestaff Scheduling Software
- *Website enhancement: Vision Internet Content Management Tool upgrade
- *Smart Classroom in Public Safety Facility
- *Broadcast Enhancements: Mobile Production Equipment
- *Broadcast Enhancements: Master Control Room
- *Broadcast Enhancements: City Council Chambers (including High Definition)
- *Broadcast Capabilities: Public Safety Facility
- *Remote Network Access for City Management
- *Internet Connectivity Upgrade and Redundancy
- *Crime Analysis Tools
- *Information Systems Office Relocation
- *Conference Room Equipment Upgrades (City Council Chambers and Human Resources)
- Mobile Phone Replacements and Upgrades in Fire (Quantity 12)
- Revenue Services Surveillance System
- Internal Affairs Software
- Joslyn Center Public WiFi Expansion
- Police Department Surveillance Replacement
- OpenGov Financial Reporting
- Mira Costa Swim Office Infrastructure
- Parks and Recreation Mobile Phone Upgrades (13 devices)
- Total Station Forensic Mapping System for Traffic Collisions and Crime Scenes
- Broadcast Live Feed (Lobby and Council Chambers Conference Room)
- Firewall Replacement
- Social Media Enplug Media Integration

*Information System Master Plan and other subsequent projects in progress Information Systems are actively addressing include:

- *Broadcast Capabilities: Joslyn Center
- *Permit System Replacement
- *Work Order Management Software
- *Finance System Enhancements: Cashier System Replacement
- *Geographic Information System (GIS) Expansion
- *Wide Area Network Expansion
- *Telephone System Replacement
- *Document Management System Replacement
- *Applicant Tracking Software

- *Project Management Software
- *Emergency Operations Center (EOC) Enhancements (Nixle Notification of City Staff)
- *Dial-a-Ride Enhancements
- *Wide Area Network Expansion
- *Police Scheduling Software
- *Conference Room Equipment Upgrades (City Yard Training Room, Community Development and City Manager)
- *Intranet Implementation
- Assembly Bill 1149 Compliance (protection of private/personal information)
- Email Encryption
- Form 700 Solution (tied to Work Order Management Software)
- SCADA Infrastructure Upgrades
- Network Switch Replacements (23 devices)
- Uninterruptable Power Supply (UPS) Audit and Replacements
- Oasis Audio Visual Upgrade
- Public Records Request Software (tied to Work Order Management Software)
- Network Wireless Access Point Replacements (17 devices)
- Civic Engagement (Peak Democracy)
- Telemedicine Communications

A complete list of projects may be viewed in Attachment 3. Details of select ISMP and other projects in progress are outlined below:

Broadcast Capabilities (Joslyn Center): With the exception of the Joslyn Center, all other components of the broadcast enhancements project are complete. Broadcast equipment has been installed in the Joslyn Center. Project completion is dependent upon Time Warner Cable Company's repair of damaged fiber connectivity between the Joslyn Community Center and City Hall. Time Warner has been very slow to respond to the multiple requests for service and ultimately advised that a maintenance agreement would be required, which the City Council approved in September. The City is still waiting on repair. The goal is to have the fiber repaired in time for the March election results to be broadcast live from the Joslyn Center.

Permit System Replacement: The ISMP Community Development permit system replacement was planned to be procured in quarter 1 of Fiscal Year (FY) 13/14. The permit system replacement project planning phase required additional time and encountered other project constraints. City Council approved the \$340,267 contract for an Accela Software Solution in February 2014. The permit system project is currently on track to be implemented in quarter 2 of FY 15/16. The permit system replacement project will streamline permit processing, plan checking and inspection services in the Community Development and for website viewers, provide select permits online and the ability to check permit status.

Work Order Management Software: The \$150,000 work order management software project scheduled for FY 13/14 was put on hold for several reasons. There were several staff changes in the Public Works department. After staff's participation in multiple work order management solution demonstrations, it was decided to continue to use the Government Outreach service request solution for work order management. Government Outreach has

had several program updates such as the mobile application that the City is in the process of implementing. At the time of the program updates, Accela Software Solutions acquired Government Outreach. The partnership between these two vendors will bring additional functionality to the City's service request solution. As a result, the City will continue to use the Accela Software/Government Outreach solution and review its capabilities at the end of this fiscal year to determine that this project is one of work order management solution maintenance instead of replacement.

Document Management System Replacement: The ISMP Citywide document management system replacement project was initially scheduled to start in quarter 3 of FY 13/14 as an upgrade of the current solution to the vendor's latest offering. In an effort to ensure that the application installed is as comprehensive as possible, and not simply an upgrade of a lesser product, staff released an RFP in October 2014 to ensure research and competitive review of other document management solutions. Also, per ISMP recommendation in the area of project management, a consultant was hired to assist in managing system replacement. Staff is currently in the process of reviewing proposals and will seek City Council approval in the near future. \$250,000 was budgeted for this project. Document Management impacts all City departments. Implementation will be a phased approach. File conversion from the existing solution will be the first phase. Implementations in each department will be planned and budgeted after the replacement is complete.

Telephone System Replacement: The ISMP telephone system replacement project was scheduled for FY 13/14. Due to IS division resource constraints, the project did not start until FY 14/15. Information Systems facilitated bids and procured the services of an experienced consultant to assist with the budgeted \$450,000 telecommunications project. Information Systems conducted multiple meetings with the consultant, researched telecommunication options, facilitated requirement studies with City staff and released an RFP in September 2014. Information Systems identified the short list, conducted further review of the solutions and will come to City Council for approval in February 2015.

CONCLUSION:

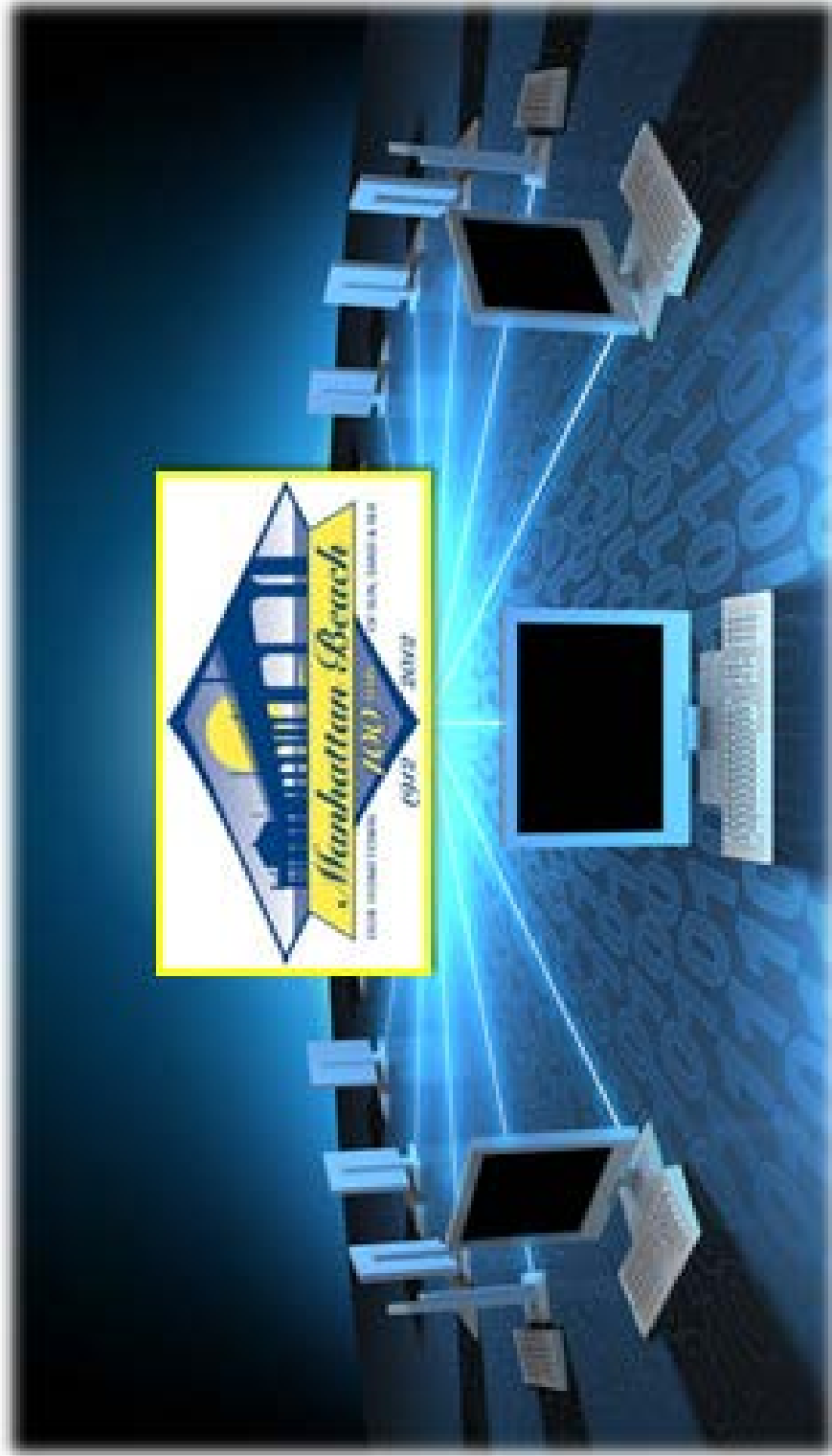
The IS Master Plan is a living document that serves as a strategic road map for developing, implementing and utilizing technology in a coordinated effort Citywide. Since April 2013, progress has been made on many of the plan's objectives; all efforts to complete the plan continue to be a priority. Information Systems looks forward to periodically providing City Council with updates to the Master Plan.

Staff recommends the City Council to receive this report.

Attachments:

1. Information Systems Master Plan - April 2013
2. Information Systems Assessment - March 2013
3. Project Review and Status

City of Manhattan Beach
Information Systems Master Plan (ISMP)



April 2013

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*NexLevel Information
Technology, Inc. assisted
the City of Manhattan
Beach in the development
of this IS Master Plan.*

*The Plan is intended to be
used as a roadmap to help
ensure information
technology effectively
supports the City's current
and future needs.*



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1 Introduction

1.1 City Profile

Manhattan Beach is a beachfront community located 19 miles southwest of Los Angeles on the southerly end of Santa Monica Bay. The City encompasses just under 4 square miles, with 2.1 miles of beachfront and 40 acres of recreational beach area available to residents and visitors.

Manhattan Beach is primarily residential, with just over 49% of its land area zoned for housing, and has a population of approximately 35,000 residents.

Manhattan Beach was incorporated on December 2, 1912 as a general law city. The City Council is made up of five members, elected at large, serving four-year terms. The Mayor is selected for a nine-month term from among the members of the City Council. The City operates under a council-manager form of government. The City Council appoints the City Manager, City Attorney and City Clerk.

The City of Manhattan Beach has 274 authorized full-time employees and delivers municipal services through eight departments: Management Services; Finance; Human Resources; Parks & Recreation; Police; Fire; Community Development; and Public Works.

The City of Manhattan Beach is dedicated to providing exemplary municipal services, preserving our small beach town character and enhancing the quality of life for our residents, businesses and visitors.

1.2 Background

Manhattan Beach has a history of being fiscally conservative. In recent years, when the economy deteriorated, the City reduced costs in ways that avoided major service impacts to residents and businesses. Today, the City continues to see overall economic stability and advancement. Property tax reversed the downward trend from two years ago and is improving slowly. Sales tax is growing with the general economy and consumer confidence. Building activity is returning, along with tourism and travel. Given this outlook, the City continues with the budget goals of maintaining the levels of service currently provided to residents, reducing expenses wherever practical, meeting employee obligations and maintaining adequate general fund reserves.

At the same time, technology in general has been progressing at breakneck speed, and citizens have become more technology savvy, expecting increased and more efficient services through the use of technology. Technology has the potential to improve citizen access to services, increase staff productivity, extend availability of services beyond the normal business hours, and provide more transparency regarding operations.

In 2012, Manhattan Beach established a set of Strategic Objectives to identify the City's top priorities and identified timelines for completion. Included in the Citywide Strategic Plan was the following technology related objective:

Assess the City's technology needs and develop and present to the City Council for action an Information Systems Master Plan, including funding.

In order to meet this objective, Manhattan Beach selected NexLevel Information Technology, Inc. (NexLevel) to assist in the development of an IS Master Plan (ISMP). NexLevel is a Technology Management Consulting company that specializes in helping California local governments plan for and implement technology. This document presents the resulting IS Master Plan.

1.3 Project Purpose and Benefits

Over time, local governments typically struggle to keep up with technology demands. Technology needs and reliance often exceeds what can be delivered by the supporting IT organization's resources and capabilities.

As shown in Figure 1, the IS Master Plan provides a roadmap that will help Manhattan Beach close the gap between current and future technology needs compared to available resources.

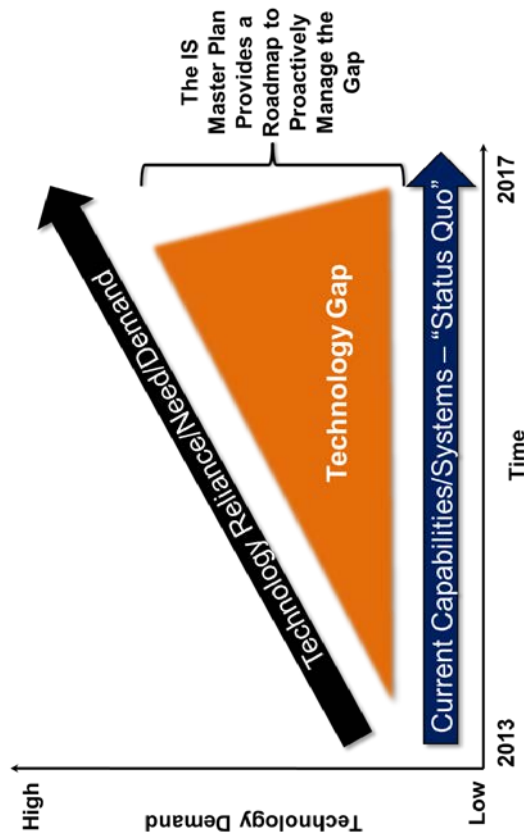


Figure 1 - Technology Gap

For Manhattan Beach, the ISMP addresses the key technology issues facing the City, describes the technology projects necessary to address the issues, as well as the IS Division's organizational changes and hardware lifecycle management approach that will provide for the successful technology operation for the next three to five years. The ISMP also includes a project timeline, which addresses project priorities by fiscal year budget cycles.

Implementation of the ISMP will provide the City with the following bottom-line benefits:

- ❖ Improved public safety delivery
- ❖ Improved business operations
- ❖ Improved customer service
- ❖ Reduced operational costs
- ❖ Increased staff productivity
- ❖ Improved succession planning
- ❖ Improved technology project decision making

Manhattan Beach will make annual updates to the ISMP. By evaluating progress, while also revisiting goals and objectives, annual updates help identify any adjustments necessary to keep Manhattan Beach focused on the best technology outcomes for its residents and businesses.

2 Approach

The ISMP development process was a Citywide effort involving more than 150 City staff from every department. It focused on identifying the current and future technology challenges and needs.

A goal of the planning process is to identify a “business driver”

for each technology need. To support prioritization and planning, it is important that the business impact of any proposed project is well defined because ultimately the return on the investment in technology is defined in business terms.

The information gathered during the planning process, along with research regarding how other cities are addressing technology needs, was used to identify specific technology projects. In developing the ISMP, NexLevel provided expertise regarding best practices and industry standards.

Figure 2 identifies the major tasks and general timing of the activities performed to develop the ISMP.

The use of a structured planning approach and methodology encouraged participation and buy-in from all stakeholders.

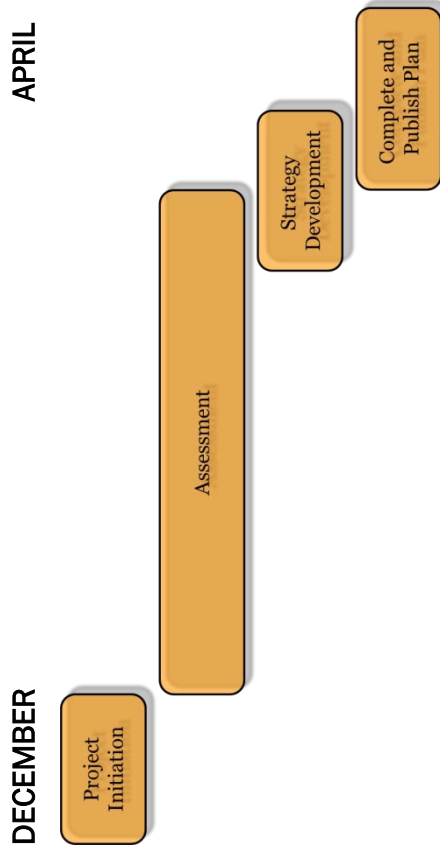


Figure 2 – Project Activities Timeline

At a summary level, the major activities included:

- ❖ Project Initiation – development of project materials and conducting the kickoff meeting.
- ❖ Assessment – administration of a user satisfaction survey; interviews with City management and staff; tours of City facilities; review of existing documentation; and development of a comprehensive assessment report.
- ❖ Strategy Development – development of a technology project listing through the facilitation of two prioritization workshops along with development of a prioritized project timeline.
- ❖ Complete and Publish Plan – completion of draft and final ISMP documents.

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3 Current Environment

A reliable and high performing technology infrastructure is critical to obtaining the maximum benefits from business and operations technologies (e.g. finance, payroll, permitting, document management, etc.). The responsibility for managing the City's technology infrastructure and applications primarily reside with the IS Division.

The City's current technology environment provides a solid foundation to build upon to realize the full benefits technology has to offer.

The IS Division reports to the Director of Finance and is staffed by a combination of full time and part time positions. Figure 3 – IS Division Organization Chart illustrates the approved staffing level of the IS Division.

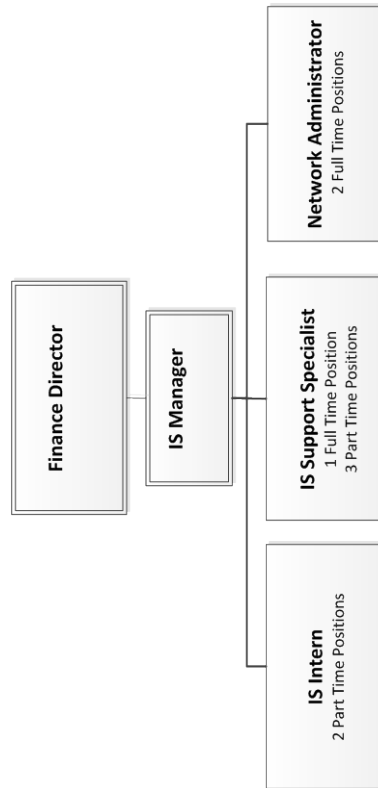


Figure 3 – IS Division Organization Chart

The City's IS Division supports 441 City technology users. Support hours are Monday through Friday from 8:00 AM –

5:00 PM, with on-call service available after hours. The IS Division staff scope of services includes:

- ❖ Hardware support and deployment (desktops, laptops, printers, servers, etc.)
- ❖ Communications (voice & voice mail, wide area network, wireless access, internet, network security, etc.)
- ❖ Help Desk services
- ❖ Website oversight, including integration with outside vendors
- ❖ Broadcasting of City Council and other public meetings

The IS Division participates in software installations and provides a limited role in software version upgrades, while the City departments generally manage the implementation of new technology, provide on-going application administration, and coordinate with vendor upgrades.

In addition to the technology services provided by IS Division, the City also relies on the following outside services:

- ❖ Fire and Police computer aided dispatch (CAD), records management system (RMS), radio services, and mobile data computer (MDC) support is provided through a joint powers agreement (JPA) with the South Bay Regional Public Communications Authority (SBRPCA) located at the Regional Communications Center (RCC). City IS Division staff is responsible for supporting Fire and Police technology needs outside of the scope of services provided by the RCC.

❖ Various applications are vendor hosted and supported through the Internet (referred to as “cloud” or Software as a Service (SaaS) applications).

Additionally, software applications are a critical component of the City’s technology environment. The City relies on third party service providers to support core software applications. Table 1 identifies the City’s core applications, the Department that owns the application and vendor responsible for maintenance support.

Table 1 - Core Application Support Responsibilities

Applications	Application Owner (Department)	Maintenance Support Vendor
Finance / Payroll	Finance	Tyler Eden
Permitting	Community Development	Accela Permits Plus
Geographic Information Systems	Finance / Information Systems	ESRI
Document Management	City Clerk	LibertyNet
Agenda Management	City Clerk	Granicus
Class Registration/Scheduling	Parks & Recreation	Active Network
City Website	Information Services	Vision Internet
Tiburon Computer Aided Dispatch (CAD) and Record Management System (RMS)	Fire Department Police Department	SBRPCA and Tiburon

4 Assessment

In order to help the City maximize its investment in technology and provide the highest level of service to its customers, it is first necessary to assess the current state of the City's technology operations. To complete the assessment, NexLevel used the processes and data identified in Section 4.1 below.

We compared this information against research regarding how other municipalities address technology needs, and against a series of operational best practices that represent the typical roles and responsibilities for a municipal technology service delivery organization including:

- ❖ Governance - The leadership, reporting structure, management overview, method of communicating with stakeholders, and consistent tracking of technology services that ensure end-user business needs and requirements are met.
- ❖ Service Delivery - The function of coordinating the processes involved in providing robust customer technology support including training, helpdesk, and service delivery management.
- ❖ Business Technology - The business and operational software applications supporting City departments.

A comprehensive understanding of how an organization uses technology to support its business provides the foundation upon which to plan.

- ❖ Infrastructure - The data center, hardware/equipment, storage area network (SAN), server virtualization, operating systems, support software, and communications network services used within the City to provide technology services to end users.
 - ❖ Security - The effective application of policies and standards, user conduct, software tools (filtering, monitoring, etc.), and audits to validate that the City's material and software resources are used only for their intended purposes.
 - ❖ Administration - The management of the technology in terms of budgets, maintenance agreements, and software licenses.
 - ❖ Documentation - The development and maintenance of current and accurate documentation of all technology activities such that processes can be completed in the absence of any one individual while promoting cross training, enabling backup and recovery, and reducing the risk of change.
- The Assessment provided a high-level view of each best practice area (dimension), as a weakness in any one can adversely impact the overall effectiveness of the organization. To achieve best practices for technology management, an organization needs to perform strongly in all dimensions.

4.1 Assessment Activities

The Assessment included the following activities:

- ❖ Individual interviews with Mayor Lesser and the City Manager
- ❖ Face-to-face interviews with the IS Manager and IS staff

- ❖ Face-to-face interviews with more than 45 City staff
- ❖ Web-based user satisfaction survey with 156 City staff
- ❖ Tour of IS Division offices and data centers
- ❖ Review of technology related documentation (e.g. budget, policies, procedures, etc.)
- ❖ Review of the findings of the Citywide website survey conducted with residents in fall 2012
- ❖ Follow up interviews and queries with IS Division staff to resolve or clarify issues
- ❖ Compilation of information regarding technology practices in similar organizations
- ❖ Research and analysis of findings
- ❖ Two project prioritization workshops attended by executive management staff

4.2 Findings and Recommendations

NexLevel evaluated the City's use and management of technology and plotted performance, by best practice area, on a diagram as presented in Figure 4. The diagram identifies areas requiring focus, as well as areas that are performing at or near best practice levels (as indicated by green).

In order to evaluate each best practice area, NexLevel used information gathered from a user satisfaction survey, department interviews, review of documentation, and site tours. The results were representative of the feedback and findings obtained during the department interviews. NexLevel evaluated all information compiled to arrive at the best practice ratings, and accompanying recommendations, as presented in the following pages.

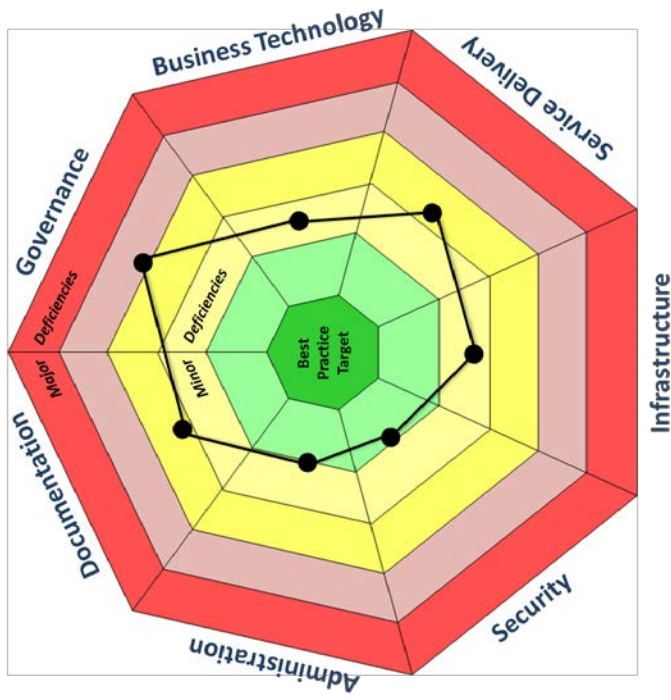


Figure 4 - Assessment Dimension Summary Results

The following sections (4.2.1 – 4.2.7) provide information on each of the 7 dimensions illustrated in Figure 4.

4.2.1 Technology Governance

The City's technology governance includes informal and formal processes associated with the daily operations of the IS Division and the City's strategic planning activities related to technology. The IS Division is challenged to keep up with the existing demands placed upon it, and is not adequately staffed to meet the growing department technology needs. The City's

overall technology governance would benefit from a more formal steering committee structure with active participation from department directors on a regular basis. NexLevel provides the following recommendations:

- ❖ Reorganize IS Division staffing to provide a higher level of customer service. Consider consolidating multiple part time positions into one or more full time positions to reduce continual loss of part time staff. Evaluate current reporting relationships within the IS Division and consider alternatives to the current reporting relationships, including the creation of a stand-alone IS Department.
- ❖ Augment IS Division staffing with outside contractors for major project implementations and projects.
- ❖ Reassign non IS-related duties to other City departments.
- ❖ Establish a Technology Steering Committee with top management representatives from each department.
- ❖ Implement a project management framework including tools, templates, and processes to guide staff functioning as project managers.
- ❖ Establish service level agreements, particularly for IS support of public safety after-hours needs.

4.2.2 Service Delivery

The City's technology service delivery is meeting most department needs. However, as with virtually any technology environment, opportunities for improvement exist. As such, NexLevel provides the following recommendations:

- ❖ Establish a training policy, and if feasible, set up an internal training room.
- ❖ Implement a periodic analysis of help desk calls to ensure user concerns are being resolved in a timely and efficient manner.
- ❖ Establish formal procedures for after-hours IS support.
- ❖ Create an IS Division service catalog that clearly identifies the technology services and associated performance levels to better manage user expectations.

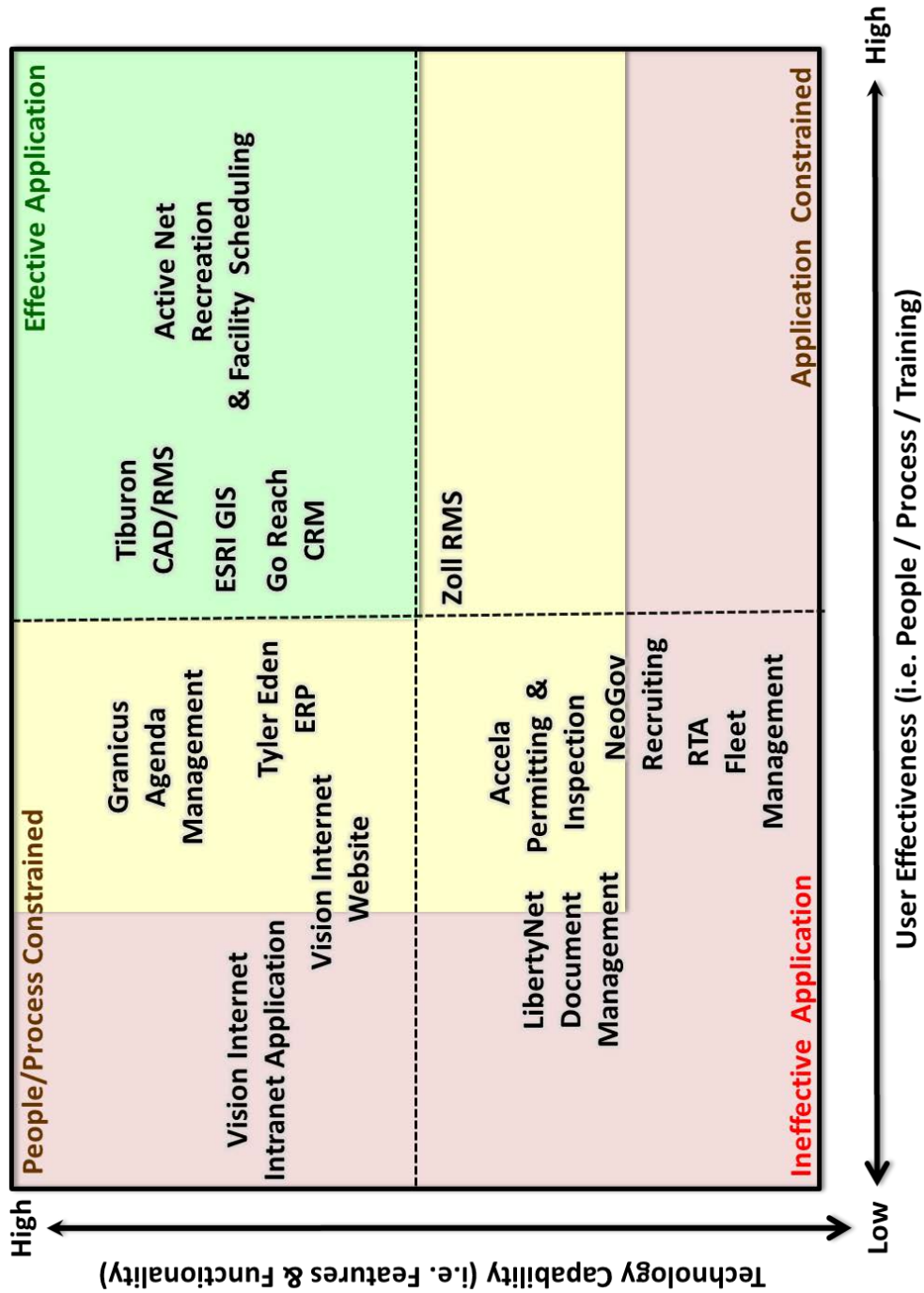
Note that the implementation of a formal governance structure will also help improve service delivery as it will help quickly identify and ensure focus on timely resolution of service delivery issues.

4.2.3 Business Technology

The effective selection, implementation, and management of department software applications is critical toward attaining a high-level of staff productivity, cost-effective service delivery, efficient business processes, and a return on the City's technology investment. The sum of the City's applications is called the Application Portfolio.

The City's Application Portfolio supporting the City's business and operational functions are providing the features and functionality consistent with similar size municipalities. However, it should be noted that some software applications are nearing the end of their useful life. In addition, there are several business and operational functions that are currently not leveraging applications or are relying on internally developed software that does not provide the functionality that is needed.

To help evaluate the effectiveness of Manhattan Beach's Application Portfolio, NexLevel plotted core applications on a chart where the vertical axis represented "Application Capabilities" (i.e. features and functionality) and the horizontal axis represented "User Effectiveness" (i.e. how effectively is staff at leveraging the application). The following figure plots Manhattan Beach's current application effectiveness.



Since the applications are critical to the City's ongoing success, NexLevel provides the following recommendations:

- ❖ Active Net (recreation class registration, facility reservations and point of sale) - Expand application to be available to staff working in all City locations.
- ❖ Tiburon Computer Aided Dispatch (CAD) and Police Records Management System (RMS) – Ensure the City remains current with software releases.
- ❖ GoReach Customer Relationship Management (CRM) - Continue use of the CRM module for citizens to submit requests for service, and acquire a separate work order management system to support City maintenance activities.
- ❖ ESRI GIS – Enhance the value of the GIS system by integrating GIS with other address-based applications; provide access to GIS in the public safety MDCs.
- ❖ Granicus (Agenda Management) – Provide additional training to increase the value of the applications.
- ❖ Vision Internet (Web site application) - Continue with periodic upgrades when new features are available.
- ❖ Vision Internet (Intranet application) – Implement the use of the Intranet services available to staff.
- ❖ Tyler Eden (Financials, Payroll and Utility Billing) – Determine if the system can provide additional functionality needed by departments; if not, procure additional systems and/or acquire a replacement financial system.
- ❖ Zoll Fire (Records Management) – Explore other options including working with other local fire agencies.

- ❖ Accela Permits Plus (Permitting System) - Seek replacement/upgrade as it does not adequately support department needs.
- ❖ LibertyNet (Document Management) – Replace the application with long-term viable solution. The vendor support ends in 2014.
- ❖ NEOGOV (Recruiting) – Replace the current version which is no longer supported; integration with a human resources application is desired.
- ❖ RTA (Fleet Management) – Replace the application with a solution that meets the current and long-term needs of the City.

Section 5 of the plan identifies projects to address the above recommendations.

4.2.4 Infrastructure

The City has developed a cost effective, reliable, and secure technology infrastructure. While the majority of the City's technology infrastructure is performing well, during the staff interviews and the user survey, some off-site staff indicated they are not satisfied with the network performance. As such, the City is currently taking steps to resolve the network performance issues and NexLevel provides the following recommendations:

- ❖ Expand the wide area network to be inclusive of all City facilities.
- ❖ Add a redundant network connection between City Hall and the City Yard.
- ❖ Publish a Remote Access policy with guidance from the Technology Steering Committee.

- ❖ Implement virtual server technology to replace current servers as they need to be replaced.
- ❖ Train IS Division staff on server virtualization and, if necessary, contract services to provide support.
- ❖ Publish a formal technology refreshment policy and establish an ongoing technology refreshment budget.
- ❖ Leverage temporary labor to install new equipment when needed.
- ❖ Establish a mobile technology refreshment policy and budget, and evaluate the mobile technology features and functions of current and future business applications to take full advantage of mobile computing.
- ❖ Implement security procedures, policies and tools to ensure mobile devices can be “wiped” if lost or stolen, including policies covering non-City owned devices (e.g. Bring Your Own Device or BYOD policies).
- ❖ Consider implementing recommendations for data center enhancements identified in the facilities study currently under way.

4.2.5 Security

The City has implemented security policies and practices that are performing well. However, in today’s world, municipalities are prone to malicious attacks, and as such, NexLevel makes the following recommendations:

- ❖ Expand the annual network penetration testing to include an evaluation of current DOJ requirements.
- ❖ Implement a visitor sign-in policy and visitor badges.
- ❖ Implement the use of email encryption.

- ❖ Track and review department staff that have desktop administrative rights.
- ❖ Create and publish a Business Continuity Plan (BCP).
- ❖ Consider reinstating the Tyler Eden disaster recovery cold site.
- ❖ Establish a procedure to periodically install patches on laptops utilized in the EOC and document procedures for supporting the EOC and ensure staff is trained on the procedures.
- ❖ Implement procedures to install server patches on a more frequent basis.
- ❖ Centralize log files to prevent overwriting.

4.2.6 Administration

The City is effectively managing the administrative aspects of the City’s technology operations. However, continued focus is required on administration of budgets, maintenance agreements, and software licensing to ensure continued effective operations. NexLevel makes the following recommendations:

- ❖ Review and update the current process whereby all technology expenditures across City departments are captured and reported on, to ensure total technology related costs are easily captured and reportable.
- ❖ Establish a process whereby major technology procurements are reviewed by the Technology Steering Committee.
- ❖ Review all maintenance agreements annually.

- ❖ Create a centralized repository of Citywide license and maintenance agreements, and implement a Citywide centralized license management role within the IS Division.

4.2.7 Documentation

Best practice organizations maintain current, accurate, and comprehensive documentation on all activities such that processes can be completed in the absence of one individual. NexLevel makes the following recommendations:

- ❖ Regularly review technical documentation for accuracy, and centralize documentation in the IS Division.
- ❖ Engage the Technology Steering Committee in the review of all existing policies.
- ❖ Distribute policies to staff on a regular basis.
- ❖ Establish processes whereby IS Division monitors compliance with policies.

4.2.8 Summary

The City performs effectively in many of the assessment dimensions. However, as shown by the recommendations, there are still opportunities for improvement, and as a result of the constantly changing technology and user needs, the City must continue to evolve technology management and support activities to ensure a secure, reliable, and robust technology environment.

It is important to note that some of the recommendations presented are incorporated into the IS Master Plan as strategic projects, while others will be addressed at a department level. The latter, considered “non-strategic project recommendations,” will be addressed by staff over time. Some

will be implemented quickly, while others may take significant planning, hardware/software purchases, and additional personnel resources to execute.

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5 Roadmap

The IS Master Plan focuses on the identification and definition of strategic projects. A strategic project is one that has the potential to provide significant benefits to the City and/or the citizens and businesses it serves. A strategic project may streamline existing processes, enable new capabilities to improve service delivery, improve operational processes to allow staff to be more productive, reduce costs to meet budget demands, and/or improve public safety. The primary focus of the IS Master Plan is to publish a roadmap that identifies strategic projects that will be implemented over the next three to five years.

The ISMP provides a roadmap, as well as a call to action, to take the City's technology from where it is today to where it needs to be to meet business needs.

5.1 ISMP Enablers

As discussed in the previous section, the Assessment recommendations that are not deemed to be strategic projects will be addressed by IS Division staff over time. However, NexLevel believes there are several recommendations that are critical to the overall success of the IS Master Plan and referred to as key enablers. The key enablers, as shown in Figure 6, include Governance, Infrastructure, Project Management, Standards, and Organization. They form the foundation upon which the plan is built and should be addressed as soon as possible to provide the best chance for a successful ISMP.

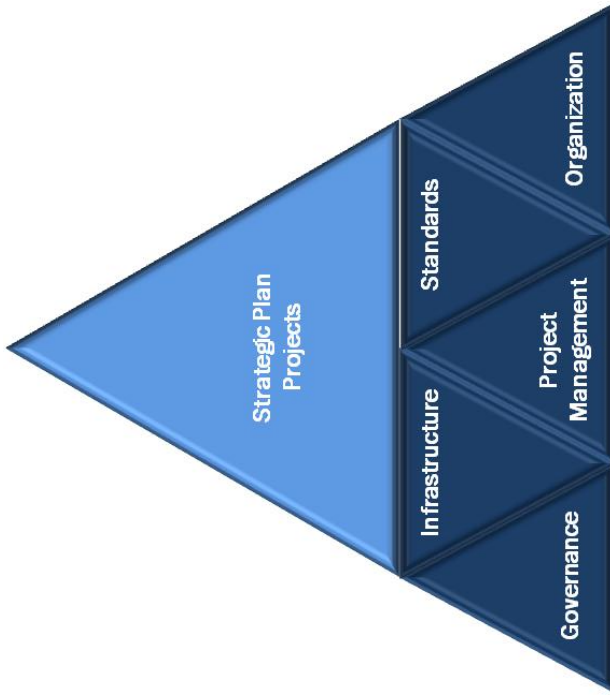


Figure 6 – IS Master Plan Enablers

In the remainder of this section, we discuss the plan enablers.

5.1.1 Governance

Industry studies completed by respected research firms have suggested that as high as 20% of all technology investment is wasted each year. When you factor in the potential wasted investment, along with the annual technology expenditure, the importance of IT governance in managing and ensuring an adequate return on investment is significant.

The City would enjoy significant benefits by implementing a formal technology governance structure to oversee and guide technology activities that are being performed at the IS staff level, and within other groups. A formal technology governance structure would create an effective forum to plan,

communicate, manage, and coordinate technology projects from an enterprise perspective.

The City should establish a Technology Steering Committee whose members are comprised of department heads and selected line staff from each department. The Technology Steering Committee will create an effective forum to plan, communicate, manage, and coordinate technology projects, as well as to ensure decisions about projects, resources, and priorities are made with an enterprise-wide view. The scope and responsibilities of the Technology Steering Committee will include:

- ❖ IS Master Plan – The Technology Steering Committee will provide input to, and review of, the technology project priorities and timelines.
- ❖ Strategic Direction/Alignment – The Technology Steering Committee will provide input and feedback relative to each activity. This dialog will ensure appropriate priority and efficient and effective use of technology systems and services.
- ❖ IS Division Project Review – The Technology Steering Committee will review IS Division projects for consistency and compliance with the ISMP to ensure the City's business systems are supported by the existing platforms and that they can be easily integrated, as needed, with other City applications. This will be a collaborative effort to ensure technology solutions are solving real business needs and that the requirements of all impacted departments are addressed.
- ❖ Policy Guidance – The Technology Steering Committee will review technology policies and guidelines provided by the IS Division staff. The Technology Steering

Committee will approve these policies, communicate them to staff and ensure Citywide compliance.

- ❖ Platform Usage – The Technology Steering Committee will discuss how new technologies will be used and provide input to the IS Division staff relative to performance metrics, equipment utilization and hardware/software acquisitions.
- ❖ Technology Information – The Technology Steering Committee will receive updates and status reports relative to technology issues, information security and evolving technology trends from the IS Division staff. Members will disseminate this information, when appropriate, to their respective staffs.

The Technology Steering Committee will oversee the City's technology strategic direction; thus it is important that membership consist of department heads and selected line staff, and attendance and participation should not be delegated to others with less authority. Those with limited technical knowledge or experience may hesitate to participate in technology governance. However, technology impacts the delivery of business services, and participation in governance by senior executives of the organization is needed for effective service delivery to meet organizational needs. The City's IS staff will assist by providing input regarding technical requirements for implementation and support.

5.1.2 Infrastructure

To ensure a reliable, robust, and secure technology infrastructure, best practice encourages timely replacement (refreshment) of technology infrastructure hardware and equipment. Technology infrastructure includes all hardware and equipment (from the desktop to the data center) that

ensures the City's technology users are able to access software applications. As technology infrastructure hardware ages, it becomes less reliable, resulting in higher support costs and increased staff disruption. In addition, as software applications are upgraded or replaced, the new applications are generally optimized to run on the most current hardware. Technology infrastructure replacement cycles typically run three – five years depending upon the hardware.

5.1.3 Project Management

Project management is the discipline of planning, organizing, securing and managing resources to achieve specific goals. Ineffective project management can result in extended timelines, budget overrun, and project failure.

For each of the IS Master Plan projects that is initiated, the City should assign a project manager who has the skill set and authority to effectively perform the required project duties. The project manager should be accountable to the project owner, as well as the Technology Steering Committee for project updates.

Technology projects should be executed following basic standard project management methodologies, practices, and templates. Prior to initiating a project, a formal project charter should be completed to help ensure that the project is well defined. A project charter authorizes a project and ensures that necessary resources are provided to be successful. It is a document that provides an understanding of the role and responsibilities of all affected staff before the project starts. It simply provides a common understanding of what the project is about, why it is being done, who is involved, roles and responsibilities, schedule and delivery approach.

Once a project is initiated, the City should have standardized templates for the project manager to track and report on project progress. At a minimum, the project manager should complete the following templates throughout the project.

- ❖ Project Plan (inclusive of issues management, change management, risk management, etc.)
- ❖ Project Schedule
- ❖ Budget Tracking
- ❖ Project Status Reports

The use of a standardized project management framework will help ensure a comprehensive understanding of projects among stakeholders and impacted staff and help mitigate any risks to the project.

5.1.4 Standards

Establishing Citywide technology standards provides the following benefits:

- ❖ Promotes consistency in common infrastructure systems
- ❖ Minimizes duplicative efforts among departments
- ❖ Ensures or enhances continuity of ongoing technology operations
- ❖ Promotes efficiencies relating to ongoing support and problem resolution
- ❖ Promotes short or long-term cost savings or cost avoidance
- ❖ Streamlines the delivery of information or services by promoting consistency in the handling, collection, transport or storage of data information

- ❖ Protects and secures the City's technology infrastructure and/or data
- ❖ Increases productivity
- ❖ Enables greater workforce mobility
- ❖ Promotes ease in training new staff and support succession planning

The City currently has standardized the desktop and network environment. While standards may define or limit the tools, vendors, and software that is implemented, the tradeoffs are generally well worth it. Standards should be established, monitored and enforced by the City's technology governance structure.

General equipment standards include desktops, mobile devices (i.e. PDAs, Smartphones, Tablets, etc.), network equipment, data center servers, and printers. In addition, standards should be set for desktop software environment (i.e. versions of Office, Adobe, etc.) and database software (i.e. SQL, Oracle, etc.).

5.1.5 Organization

Effective leverage and organization of the City's technology resources is critical to the successful implementation of the IS Master Plan and in ensuring cost-effective ongoing support. Currently, the City's IS Division lacks adequate resources to provide its customers with the level of service expected by the organization. Staffing consists of several part time individuals without technology-related education or experience. This structure contributes to limiting the Division's ability to respond to and resolve technology issues, and also requires additional time and effort to mentor untrained staff.

In addition, the organization is not placing an appropriate level of focus on technology issues. Lack of a formal technology governance structure is resulting in constantly changing priorities and a lack of strategic technology direction.

The IS Assessment included the following recommendations that would improve the City's ability to support current and future technology.

- ❖ Increase the number of hours the IS Division staff is available by restructuring how the IS Division is staffed
- ❖ Assign a full time IS Division staff member to support public safety
- ❖ Procure services from experienced technology providers (private sector) to assist the IS Division in reducing the current service request backlog
- ❖ Implement a formal training plan and budget for IS Division staff training
- ❖ Re-focus IS Division staff meetings to place the highest priority on critical IS support issues
- ❖ Establish a formal Technology Steering Committee to oversee the City's technology strategic direction
- ❖ Consider creating a stand-alone IS Department in recognition of the prominent emphasis placed on technology, both in terms of financial investment and service provided to the public and internal customers

5.2 Projects

The technology planning process culminated in the identification and prioritization of technology projects that will help ensure the City's technology environment supports current and anticipated business needs. These projects span across all departments and will improve services, operations, and/or

increase the security and reliability of the existing technology environment.

Projects were prioritized based on criteria such as financial impact, health and safety impact, customer service impact, business operations impact, alignment to business vision and mission, and technology obsolescence. In addition to these criteria, the plan also considered the limited resources (both human and capital) available to implement and manage technology projects.

The IS Master Plan strives to set reasonable expectations as to when the projects will be completed. However, a project's ultimate start date will be based on funding or budget approval. It is the intent of the IS Master Plan to support the City's annual budgeting process by providing direction and input necessary to justify expenditure.

The IS Master Plan does not include detailed specifications, requirements, or recommended vendor solutions. When a project is initiated, the IS Master Plan assumes City department staff will follow traditional project planning and management processes that would include detailed requirements analysis, formal procurement and selection, and implementation processes. With the rapid change in technology and vendor solutions, City departments would be best served by carefully evaluating the market solutions available at the time a project is scheduled for procurement.

5.2.1 Project List by Department

Table 2 on the following pages lists each of the projects by department.

Table 2 – Projects by Department

ID #	Project Name	Sponsoring Department	Project Description
1	Technology Governance	City Manager's Office / Finance Department	<p>Description: Establish a formal structure and process for the acquisition of technology, including submittal of requests, decision / prioritization processes, and ongoing oversight of technology implementations.</p> <p>Objectives / Benefits: Provides the organization with established processes for the acquisition and implementation of technology. Improves communication about technology projects, provides for organization-wide input into technology decisions, and establishes the process for prioritization of technology needs. Includes development of formal policies relating to technology (i.e. social media; BYOD (bring your own device); web page change approvals).</p> <p>Drivers: Staff in several departments indicated that they are not aware of the status of IS related projects throughout the year, are not regularly informed of major IS initiatives underway, and/or do not feel that their IS related issues are being addressed. A properly executed IT Governance structure will address these and other concerns.</p>
2	Granicus Implementation In Process	Management Services	<p>Description: Implementation of Granicus applications to automate agenda creation, distribution, and minutes creation.</p> <p>Objectives / Benefits: Automates agenda development and staff report review process.</p> <p>Drivers: Inefficiency of current manual processes.</p>

Project Name		Sponsoring Department		Project Description
3	Document Management System Replacement	Management Services	Management Services	<p>Description: Replace the current document imaging/retention system (LibertyNet) with a more robust and comprehensive system that is fully supported by the selected vendor.</p> <p>Objectives / Benefits: Provides improved searchability of archived documents for both internal and public search functions, full integration with Granicus Legistar and I-Legislate systems, and document redaction capability. Promotes open government objective by providing a more robust search tool for the community to view public documents on the city's web site.</p> <p>Drivers: Time consuming process for addressing public records requests; difficulty posting public documents to city website; inability to search records using keywords; lack of document storage/management consistency between departments. Vendor support for LibertyNet ends in 2014.</p>
4	Public Records Request Software	Management Services	Management Services	<p>Description: Software application to manage requests for public records.</p> <p>Objectives / Benefits: Improved service delivery to the public through automated tracking of requests. System will enable centralized tracking of requests throughout departments.</p> <p>Drivers: Current manual tracking of requests is cumbersome and time consuming for staff.</p>

Project Name		Sponsoring Department		Project Description	
5	Contract Management Software	Management Services		<p>Description: Software application to centrally manage contracts and track certificates of insurance.</p> <p>Objectives / Benefits: Provides for centralized management of contracts to improve the creation, versioning and storage of associated materials including insurance certificates. Ensures vendors and contractors are properly insured, thus reducing risk to city.</p> <p>Drivers: Lack of consistent City-wide system for processing and recording contracts and maintaining certificates of insurance. Individual departments are responsible for their contracts and certificates, resulting in additional work to gather data when needed, along with potential exposure to City in the event a contract and/or insurance certificate has expired.</p>	

ID #	Project Name	Sponsoring Department	Project Description
6	Permit System Replacement Two Phases	Community Development	<p>Phase 1 Description: Procurement of automated permit system for issuance and tracking of permits. Migrate Community Development's existing business functions to the selected product.</p> <p>Objectives / Benefits: Supports City-wide permit processes and allows information sharing across departments. Provides the ability to add a citizen access portal that allows citizens to obtain permit details and information 24/7 including requests for inspections. Promotes mobile technology for field access to allow inspectors to access information about permits, previous inspection results and to record results while working in the field.</p> <p>Drivers: Lack of information sharing and inability to easily access information among departments; manual inspection request processing; manual permit issuance process for many City permits; inability to maintain electronic repository regarding specific cases / permit history.</p> <p>Phase 2 Description: Expand the use of the selected automated permit system to include an enterprise-wide usage of the product to all affected departments, along with providing a public access portal through the City's website.</p> <p>Objectives / Benefits: Supports City-wide permit processes and allows information sharing across departments. Provides a citizen access portal that allows citizens to obtain permit details and information 24/7 including requests for inspections. Promotes mobile technology for field access to allow inspectors to access information about permits, previous inspection results and to record results while working in the field.</p> <p>Drivers: Lack of information sharing and inability to easily access information among departments; manual inspection request processing; manual permit issuance process for many City permits; inability to maintain electronic repository regarding specific cases / permit history.</p>

Project Name		Sponsoring Department		Project Description	
7	Electronic Plans Submittal Software	Community Development		<p>Description: Accept plans electronically and allow electronic review, comments and routing.</p> <p>Objectives / Benefits: Reduce the storage and manual processing of paper documents.</p> <p>Drivers: Improved relationship with applicants, reduction in storage and manual processing of plans.</p>	
8	Financial System Enhancements	Finance		<p>Description: Fully engage Tyler Technologies regarding the future sustainability of their Eden financial system product, and secure a written commitment from Tyler that provides for future support of the system. Subsequent to this, enter into discussions regarding available Eden enhancements (i.e. Human Resources module; integrated cashiering; remote employee time entry; CIP project budget tracking; fixed assets; inventory; purchasing; and workflow for the various financial system functions). If the Eden system cannot meet the City's requirements, procurement of a new system is recommended (see Financial System Replacement project).</p> <p>Objectives / Benefits: Provides increased productivity through electronic processes, reducing duplicative data entry in multiple stand-alone systems.</p> <p>Drivers: Human Resources uses manual processes for recruitment, benefits, workers compensation, liability, training, and other HR functions; fixed assets tracked manually; duplication of effort with employee time entry for payroll (versus remotely by employees); Public Works CIP projects tracked manually; payables, purchasing and other functions approvals performed manually (versus electronically through workflow).</p>	

Project Name		Sponsoring Department		Project Description
9	Travel Approval / Reimbursement Software	Finance	Finance	<p>Description: Acquire software to manage business travel approvals and reimbursements.</p> <p>Objectives / Benefits: Automated system of tracking pre-travel approvals and post-travel expenses will eliminate current manual system, improve efficiency and reduce amount of time to reimburse employees for job-related travel.</p> <p>Drivers: Increased efficiency.</p>
10	CAFR Software	Finance	Finance	<p>Description: Acquire software to assist with the production of the City's CAFR (Comprehensive Annual Financial Report), an annual requirement.</p> <p>Objectives / Benefits: A software solution will reduce manual data gathering from multiple systems.</p> <p>Drivers: Increased staff efficiency.</p>
11	Finance System Replacement	Finance	Finance	<p>Description: The Eden financial system was implemented in 1996. While the vendor continues to maintain the application, analysis and possible replacement of the Eden system is a consideration for the IS Master Plan.</p> <p>Objectives / Benefits: The implementation of a new financial system affects the way information is processed throughout an organization. Rather than automating inefficient processes or continuing tasks that may not be necessary in the first place, business process re-engineering (BPR) provides the opportunity to review systems, procedures and methods of doing business to gain efficiencies. The use of available off-the-shelf tools (i.e. integrated document management, workflow, and employee self-service) offers additional benefits to staff productivity. The implementation of a new financial system is also the ideal time to modify the organization's chart of accounts to better accommodate budget and expense management to support decision-making.</p> <p>Drivers: Increased organizational efficiency and improved productivity.</p>

Project Name		Sponsoring Department		Project Description	
12	Internet Connectivity Upgrade (including redundancy) In Process	Finance / Information Services	Description: Increase bandwidth to improve the speed of the Internet. Objectives / Benefits: Slow performance limits the ability to access applications in the cloud and reduces staff productivity. Drivers: Staff efficiency.		
13	Web Site Enhancements In Process	Finance / Information Services	Description: Enhance the City's current website to improve its ease of use and increase information to the public (i.e. provide direct links to additional information; standardize calendars and other resources; improve site search capabilities; provide capability for public to provide email address for notifications regarding city projects/programs). Refresh the design and layout and upgrade the content management system. Objectives / Benefits: Provides greater access to city information. Responds to open government accessibility goal. Drivers: Staff has indicated that the current website structure is cumbersome to use and modify. Additionally, it can be confusing for the public (i.e. web calendar of recreation activities does not look the same as the hard copy of the calendar, causing distrust of the web calendar). Further, a recently completed community survey of the website indicates dissatisfaction with the timeliness of the content and the searchability of the site.		
14	Telephone Use Expense Management In Process	Finance / Information Services	Description: Software to track and report on telephone usage. Objectives / Benefits: Provides automated system to monitor telephone usage and provide reporting tools for management. Drivers: Appropriate use of City equipment / accountability.		

Project Name		Sponsoring Department		Project Description
ID #	Project Name	Finance / Information Services	Finance / Information Services	
15	Remote Network Access	Finance / Information Services	Finance / Information Services	<p>Description: Provide the ability for City staff to access email, files, and other information residing on City equipment from locations other than City Hall.</p> <p>Objectives / Benefits: Increased efficiency, faster response to requests for information, and ability to access data while in the field.</p> <p>Drivers: Staff's need to access information from locations other than City Hall.</p>
16	Audio Visual Broadcast / Production Equipment Enhancement	Finance / Information Services	Finance / Information Services	<p>Description: Refresh existing A/V broadcast and production equipment. Acquire portable production system for remote productions.</p> <p>Objectives / Benefits: Reduction in equipment failures, increased production quality, reduced staff time for transfer / posting of video productions, and ability for staff to record events at remote locations. Faster posting of City Council and other public meeting videos.</p> <p>Drivers: Updating equipment to current technology will reduce time spent on video production and potentially increase the quality of productions, along with reducing amount of time between video recording and posting of content for the public.</p>
17	Telephone System Replacement	Finance / Information Services	Finance / Information Services	<p>Description: Replacement of current telephone system in City facilities.</p> <p>Objectives / Benefits: Existing system is at end of life and does not provide the features available in current systems.</p> <p>Drivers: Increased efficiency and reduction in down time, and system obsolescence.</p>

Project Name		Sponsoring Department		Project Description	
18	Wide Area Network Expansion	Finance / Information Services		<p>Description: Provide network connectivity to all City facilities, and provide redundancy between City Hall and Public Works Services Center.</p> <p>Objectives / Benefits: Electronic communication to all City facilities increases productivity and supports electronic processes (i.e. email; access to applications and department share drives; future technology enhancements such as remote time entry and electronic workflow). Redundancy between City Hall and Public Works Services Center helps ensure continued communication between the facilities in the event of a service disruption or disaster. (Public Works and Purchasing staffs are located at the Services Center.)</p> <p>Drivers: Lack of connectivity or unreliable connectivity to Parks and Recreation remote locations; lack of redundant connectivity to the Service Center in the event of a service disruption.</p>	
19	Project Management Software	Finance / Information Services		<p>Description: Software system to manage major projects on a city-wide basis. The stated need is for a project tracking software for projects that may cross department lines and which there is a need to track through a central location (i.e. – projects that the City Manager’s office tracks in order to report back to the City Council on status).</p> <p>Objectives / Benefits: Provides an automated method to track projects, reduces redundancy and manual processes.</p> <p>Drivers: Need to timely track major / important projects city-wide.</p>	

Project Name		Sponsoring Department		Project Description
20	Conference Room Equipment Upgrade	Finance / Information Services		<p>Description: Establish a City-wide equipment standard for all conference rooms, complete a comprehensive inventory of current equipment in conference rooms, and develop a project plan for procurement and installation of equipment for conference rooms citywide.</p> <p>Objectives / Benefits: Provides standardized conference room equipment throughout City; maximizes usage of all available rooms; increases efficiencies in supporting electronic devices.</p> <p>Drivers: The various conference rooms throughout City facilities have differing levels and types of equipment available to them, causing some rooms to be underutilized. Maintenance of divergent equipment and systems increases IS support time. Standardization of equipment in rooms makes utilization of rooms by staff less complex.</p>
21	Fire Scheduling Software In Process	Fire		<p>Description: Implementation of automated scheduling software for the Fire Department.</p> <p>Objectives / Benefits: Provides automated system to schedule fire coverage, along with automated calling for shift coverage in the event of employee absence.</p> <p>Drivers: Increased efficiency through reduction of manual processes.</p>
22	Smart Classrooms for Fire In Process	Fire		<p>Description: Funded through a grant, “smart classrooms” will be installed in Los Angeles area fire agencies and allow the agencies to connect for meetings and training.</p> <p>Objectives / Benefits: Efficiency through shared resources without requiring travel out of the City.</p> <p>Drivers: Efficiency through technology.</p>

Project Name		Sponsoring Department		Project Description
23	Fire Records Management System (RMS) Upgrade	Fire	Fire	<p>Description: The Fire Department Zoll Records Management System (RMS) provides fundamental information, but the inspection application is cumbersome and requires duplication of effort. Obtaining reports from the information gathered by the application is difficult.</p> <p>Objectives / Benefits: Improved productivity with the use of mobile devices to record inspection results and generate inspection invoices while in the field.</p> <p>Drivers: Other local fire agencies are implementing another RMS solution, and a global approach may offer advantages to the City.</p>
24	Emergency Operations Center Enhancements	Fire	Fire	<p>Description: Complete equipment purchases (i.e. wall mounted monitors; smart boards; dedicated laptops; printers; dedicated phones), along with implementation of software and systems (i.e. resource tracking software; redundant internet connectivity; automated application to contact staff) to fully outfit the City's Emergency Operations Center.</p> <p>Objectives / Benefits: Provides for a stable and reliable resource for responding to and managing a City emergency. Provides tools for tracking resources and keeping elected officials and the public informed during a disaster. Provides a plan for continuation of IT related services in the event of a disaster.</p> <p>Drivers: While the City has a dedicated EOC location and a strong City-wide EOC Team, the overall EOC response plan lacks all of the equipment and software that would provide the optimum response ability in the event of an emergency. Providing additional tools will help ensure an organized response to a disaster to maximize the benefit to the community.</p>

Project Name		Sponsoring Department		Project Description	
25	Fire Scan-able First Aid Reports / Field Data Collection System	Fire		<p>Description: Provide the ability for Fire personnel to scan handwritten first aid reports for electronic storage, retrieval, and transmission. In the event this proposed project is not feasible, the department will need to transition from handwritten paper reports to an electronic format. This would include an interface from the CAD (computer aided dispatch) application. Patient information and procedures performed would be gathered electronically on a handheld device while with the patient.</p> <p>Objectives / Benefits: Reduce redundant work processes.</p> <p>Drivers: Improved efficiency.</p>	
26	Human Resources Software	Human Resources		<p>Description: A Human Resources application tracks personnel action forms, performance reviews, job history, safety/certifications/training, disciplinary actions, dependents/emergency contacts, vacation/sick/leave tracking, benefits, etc. The application can include workflow for approval routing and web based employee self-service.</p> <p>Objectives / Benefits: This project is to implement a commercial-off-the-shelf (COTS) human resources management system to automate and streamline existing processes that are largely paper based or supported using desktop tools. The City does not have the Eden Human Resources module. The scope of this project would be to identify the department's requirements and evaluate whether Eden's Human Resources application will provide the desired features. The Human Resources application should be integrated with the Payroll application in order to eliminate duplication of effort.</p> <p>Drivers: Increased efficiency through reduction in manual and redundant processes. Faster access to data with comprehensive history.</p>	

Project Name		Sponsoring Department		Project Description
27	Applicant Tracking Software	Human Resources	Human Resources	<p>Description: Acquire software system for job recruitments and applicant tracking.</p> <p>Objectives / Benefits: The City uses an older version of the Neogov recruiting application that is no longer supported by the vendor and does not provide many of the features available in current systems.</p> <p>Drivers: Efficiency for applicants, Human Resources and hiring managers.</p>
28	Risk Management Software	Human Resources	Human Resources	<p>Description: Identify and implement a solution to help the City manage claims activity and provide a centralized repository of information including photographs.</p> <p>Objectives / Benefits: Claims are submitted on paper managed using informal processes (i.e. email, file storage, hardcopies, etc.).</p> <p>Drivers: Increased efficiency.</p>
29	Tennis Reservation Software	Parks and Recreation	Parks and Recreation	<p>Description: Acquire a software application to support tennis reservations, tennis lessons and payments.</p> <p>Objectives / Benefits: Increase staff efficiency and service to the community by acquiring an application to support tennis activities.</p> <p>Drivers: Increase staff efficiency and service to the community.</p>

ID #	Project Name	Sponsoring Department	Project Description
30	Dial-a-Ride Software Enhancements	Parks and Recreation	<p>Description: Enhance the existing software used for Dial A Ride services to provide additional information sharing between the office and vehicles, and additional data gathering of vehicle routes, calls, and stops.</p> <p>Objectives / Benefits: Increase efficiencies with the Dial A Ride service. Enhancements would provide dispatchers with real-time vehicle locations to assist with route optimization and additional features to enhance customer service. Automate production of the MTA report that is currently being completed by a contractor.</p> <p>Drivers: Improved staff efficiency and service.</p>
31	Active Network Expansion	Parks and Recreation	<p>Description: The City has successfully implemented the Active Network application to support class registration, membership and point of sale activities. However, access to the applications is not available at several of the City's recreation facilities.</p> <p>Objectives / Benefits: Expanded use of the Active Network application to support activity. This project would require expansion of the City's wide area network.</p> <p>Drivers: Improved staff efficiency and service to the community.</p>
32	Customer Satisfaction Survey Software	Parks and Recreation	<p>Description: The Parks and Recreation Department surveys recreation activity participants at the completion of a class to solicit feedback to ensure quality and satisfaction. A feature in Vision Internet (the City's web site application) is used to create customer satisfaction surveys; however, it is cumbersome to use.</p> <p>Objectives / Benefits: This project would research other options to determine if another survey tool is available to automate the survey and information gathering process.</p> <p>Drivers: Improved staff efficiency.</p>

ID #	Project Name	Sponsoring Department	Project Description
33	Active Network Integration with Tyler Eden	Parks and Recreation	<p>Description: Integrate the Active Network software application with the City's Tyler Eden financial system.</p> <p>Objectives / Benefits: Integration would provide immediate population of revenue data into the financial system when recreation data is entered into Active, thus reducing duplicative data entry of information.</p> <p>Drivers: Improved efficiency and reduction of redundant data entry.</p>
34	Police Time Reporting Software	Police	<p>Description: Acquire software to automate time reporting activities.</p> <p>Objectives / Benefits: Reduction of manual processes; increased accuracy and efficiency.</p> <p>Drivers: Improved efficiency.</p>
35	Mobile Fingerprint Identification System	Police	<p>Description: Provide mobile fingerprint technology.</p> <p>Objectives / Benefits: Increase efficiency in the field through the ability to identify suspects with fingerprints.</p> <p>Drivers: Increased productivity.</p>
36	Crime Analysis Tools	Police	<p>Description: An add-on to the City's geographic information system (GIS), the crime analysis application provides the ability to plot crime on the City's map.</p> <p>Objectives / Benefits: Crime analysis is an additional tool to support crime prevention. This project would expand the capabilities.</p> <p>Drivers: Community safety.</p>

Project Name		Sponsoring Department		Project Description	
37	Internal Affairs Software	Police		<p>Description: Obtain an application to support internal affairs activity and record keeping.</p> <p>Objectives / Benefits: Automated tool to support centralized information.</p> <p>Drivers: Improved efficiency.</p>	
38	Work Order Management Software	Public Works		<p>Description: Obtain a work order management system to support maintenance and operations activities. It should be noted that, depending on the selection of software systems, this project may be capable of meeting the needs for pavement management, facilities management, and fleet management.</p> <p>Objectives / Benefits: Provides for a fully integrated system that will improve scheduling of work and fully track costs for personnel, equipment and supplies associated with each work order.</p> <p>Drivers: Currently the online Citizen Relationship Management (CRM) application is used as a tool to support work order processing but it provides limited functionality for work order processing.</p>	
39	Facility Management Software	Public Works		<p>Description: Facility management software supports building maintenance activity and budgeting.</p> <p>Objectives / Benefits: Improved expense tracking and budgeting.</p> <p>Drivers: Opportunity to reduce expenses through preventive maintenance.</p>	

Project Name		Sponsoring Department		Project Description	
40	Pavement Management Software	Public Works		<p>Description: The pavement application supports budgeting, planning and forecasting expenses through pavement condition assessment and maintenance.</p> <p>Objectives / Benefits: Explore the options available to replace the Stantec pavement management application. Considerations for replacing the application include ease of use, integration with the City's GIS application and reporting capability.</p> <p>Drivers: Improved efficiency to support street maintenance and budgeting.</p>	
41	Fleet Management Software	Public Works		<p>Description: Fleet management software supports vehicle maintenance and provides cost information for budgeting purposes.</p> <p>Objectives / Benefits: The existing fleet management application (RTA) has limitations that limit the application's effectiveness for managing the City's fleet of vehicles, i.e. the application does not provide fixed asset information; does not include the cost to maintain each vehicle and vehicle expenses cannot be tracked by department.</p> <p>Drivers: The limitations of the RTA application affect Public Works and Purchasing because manual workarounds are required to obtain information to assist with decisions about repair or replacement.</p>	

ID #	Project Name	Sponsoring Department	Project Description
42	Geographic Information System Expansion	Public Works	<p>Description: Acquire hardware and software to increase the use of the City's existing GIS system for improved City-wide access to geo-based information. Includes procurement of hardware to allow enhancements to the hosted mapping application. Integrate GIS with other City applications (i.e. permitting; fire; police; finance).</p> <p>Objectives / Benefits: Provides a single GIS database for all departments, reduces redundancies, allows for information sharing between departments by using address link to data, and provides increased information to the public through the City's website.</p> <p>Drivers: Some departments utilize the City's GIS data, while other departments are unaware of the data that exists and how it could be utilized to improve efficiency and work product.</p>
43	Automated Metering Infrastructure (AMI) Study	Public Works	<p>Description: Conduct an evaluation of the benefits of AMI.</p> <p>Objectives / Benefits: AMI is an emerging technology designed to reduce operations costs, increase efficiency, and improve customer service. Implementation of this tool has City-wide impacts; thus a full evaluation of initial and on-going support costs, as well as changes to job descriptions and staffing, should be considered.</p> <p>Drivers: Potential for increased efficiencies for meter reading services, along with improved customer service.</p>

5.2.2 Timeline and Costs

To be successful, the IS Master Plan must establish a realistic and achievable schedule as to when projects can be completed. The project timeline presented in Table 3 on the following pages provides a clear roadmap for the City in terms of project planning and budgeting.

During the two Prioritization Workshops, NexLevel facilitated a process that allowed Manhattan Beach to actively participate in establishing the project implementation sequence using a combination of needs, staff resources, risk to the city, and budget.

For each project, NexLevel included a planning and evaluation period, and it is during this time that City staff will define detailed requirements, develop and release a request for proposal (RFP), evaluate vendor solutions, complete the procurement, and oversee the implementation. In addition, several of the projects involve ongoing processes that will follow after the implementation period and these have been identified as such.

It will be critical for the City to identify and quantify any potential staffing or support requirements prior to implementing each project. This includes identifying necessary training of staff to ensure ongoing support of the technology implemented. To implement projects without addressing staffing requirements will jeopardize support and service levels.

Table 3 – Technology Project Timeline

Projects	Cost		FY 13/14			FY 14/15				
	Low	High	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fiscal Year 13/14										
Technology Governance	0	25	Impl.							
Work Order Management Software	50	150	Procure	Impl.	Impl.	Impl.				
Permits System Replacement (Two Phases)	400	400	Procure	Impl. #1	Impl. #1	Impl. #1	Impl. #2	Impl. #2		
Fire Scan-Able First Aid Reports / Field Data Collection System	50	50	Procure	Impl.	Impl.	Impl.				
Form 700 Statement of Economic Interests Reporting Software	10	25	Planning	Procure	Impl.					
Geographic Information System (GIS) Expansion	50	100	Planning	Procure	Impl.					
Financial System Enhancements	100	200		Planning	Procure	Impl.	Impl.	Impl.		
Mobile Fingerprint Identification System	25	50		Planning	Procure	Impl.				
Wide Area Network Expansion	50	100		Planning	Impl.	Impl.				
Dial A Ride Software Enhancements	0	25		Planning	Procure	Impl.				
Telephone System Replacement	100	200		Planning	Procure	Procure	Impl.	Impl.		
Tennis Reservation Software	0	25			Planning	Procure	Procure	Impl.	Impl.	Impl.
Document Management System Replacement	100	200			Planning	Procure	Procure	Impl.	Impl.	Impl.
Fire Records Management System Upgrade	50	100			Planning	Procure	Procure	Impl.	Impl.	Impl.
Total Estimated Cost Range for FY 13/14	985	1650								

Projects	Cost		FY 13/14	FY 14/15			FY 15/16				
	Low	High	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fiscal Year 14/15											
Active Network Expansion	50	100	Planning	Impl.	Impl.	Impl.	Impl.				
Human Resources Software	50	100		Planning	Procure	Impl.	Impl.				
Project Management Software	0	10		Procure	Impl.						
Emergency Operations Center (EOC) Enhancements	25	50				Planning	Procure	Impl.	Impl.	Impl.	
Crime Analysis Tools	25	50				Planning	Procure	Impl.	Impl.	Impl.	
Electronic Plan Submittal Software	50	100				Planning	Procure	Impl.	Impl.	Impl.	
Total Estimated Cost Range for FY 14/15	200	410									

Table 3 – Technology Project Timeline (continued)

Projects	Cost		FY 15/16			FY 16/17				
	Low	High	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fiscal Year 15/16										
Customer Satisfaction Survey Software	0	25	Planning	Procure	Impl.					
Total Estimated Cost Range for FY 15/16	0	25								
Fiscal Year 16/17										
Internal Affairs Software	25	50								
Conference Room Equipment Upgrade	25	50				Planning	Procure	Impl.		
Total Estimated Cost Range for FY 16/17	50	100					Planning	Procure	Impl.	
Future Projects										
Automated Metering Infrastructure (AMI) Study	25	50								
Financial System Replacement	500	750								
Total Estimated Cost Range for Future Projects	525	800								
Estimated Cost for Entire Plan	1,760	2,985								

6 Conclusion

At its most basic level, technology promises to reduce the costs associated with delivering services. At the next level, when technology is fully leveraged across an organization, it has the potential to significantly improve and enhance service delivery.

Manhattan Beach recognizes the importance of leveraging technology to meet the growing business and service delivery needs in the most cost effective manner. The IS Master Plan is a valuable tool to ensure technology is procured, implemented, and managed in a cost-effective approach that maximizes the benefits to the city and its customers.

The city has made progress by enhancing and improving its existing technology environment. However, it is evident from the number of projects in the IS Master Plan that the city faces a significant challenge over the next three to five years to implement and manage technology. As many organizations have come to realize, the cost and risk of implementing technology can be significant. The IS Master Plan recognizes this and places a high level of importance on implementing a formal technology governance process to help manage and provide oversight to technology implementations.

The IS Master Plan is a result of a comprehensive, city-wide planning effort that provided the opportunity for management and staff to review, discuss, and integrate their technology

needs into a common framework. It provided a common understanding of the city's technology priorities, and served as a tool to provide an overall picture of what is to be accomplished and why.

Manhattan Beach's current technology environment represents a complex system that consists of numerous applications and infrastructure. As with any complex system, the addition or modification of any component has the potential to impact other parts of the system. This IS Master Plan includes projects that are aimed at improving business applications, technology infrastructure, and governance. As projects are implemented, it will take careful coordination and planning to manage the change introduced and to ensure the projects do not adversely impact other components within the city's technology environment.

While the creation of the IS Master Plan represents the culmination of only one step in the planning process, it also marks the beginning of another step – one through which city leaders must work together to create an environment that supports the IS Master Plan. The IS Division must now work closely with city management, leaders, and staff as they begin a journey to create an organizational sense of purpose that goes much deeper than any vision statement, mission statement, or plan can communicate.

The potential is significant, but so too are the challenges. Manhattan Beach has the opportunity to transform the enterprise into an environment that has the information it needs to function at peak performance, while it and its constituents are well connected in a seamless, effective manner.

Like the City of

Manhattan Beach's Six-Month Strategic

Objectives process, this IS

Master Plan is not only a

call to action, but also a

tool for ongoing

accountability.

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1 *Executive Summary*

1.1 IS Assessment Purpose

The City of Manhattan Beach (City) contracted with NexLevel Information Technology, Inc. (NexLevel) to complete an Information Systems Master Plan (ISMP). An important step in the creation of the ISMP is an assessment that focuses on the effectiveness of the City's current technology service delivery in supporting the City's day-to-day operations. More specifically, the assessment focuses on how the City is leveraging technology to attain its mission and vision.

The IS Assessment provides an objective review of the City's current technology environment, along with a set of recommendations pertinent to the City's existing technical environment (i.e. Infrastructure, network, applications, and technical standards and policies) and IS Division needs. The IS Assessment provides two types of recommendations:

1. Projects or initiatives that will be carried forward into the ISMP and included in the overall project prioritization process; and
2. Tactical initiatives that can be implemented at a division or department level and will not be included as part of the ISMP.

1.2 Approach

In support of the ISMP, NexLevel performed an assessment of the IS Division and the City's current use of technology. NexLevel reviewed the City's use and management of technology based on a series of Assessment Dimensions which define public agency technology service delivery and management best practices, including:

- ◆ Governance
- ◆ Service Delivery
- ◆ Business Technology Applications
- ◆ Infrastructure
- ◆ Security
- ◆ Administration
- ◆ Documentation

The IS Assessment includes a high-level view of all technology operations, as a weakness in any one particular dimension can adversely impact the overall effectiveness of the organization. To achieve best practices for technology management, an organization needs to perform strongly in all dimensions as identified in Figure 1 – Technology Assessment Framework.



Figure 1 – Technology Assessment Framework

The following provides a brief definition of each assessment dimension:

- ♦ Technology Governance - The leadership, reporting structure, management overview, and consistent tracking of technology services that ensure end-user business needs and requirements are met.
- ♦ Service Delivery - The function of coordinating the processes involved in providing robust customer technology support including training, helpdesk, and service delivery management frequently based on established service level agreements (SLAs).
- ♦ Business Technology Applications - The business and operational software applications supporting the City.
- ♦ Infrastructure - The technology equipment, operating systems, support software, and communications network services used within the City to provide computer services to end users.
- ♦ Security - The effective application of policies and standards, user conduct, software tools (filtering, monitoring, etc.), and audits to validate that the City's material and software resources are used only for their intended purposes.
- ♦ Administration - The management of the technology in terms of budgets, maintenance agreements, and software licenses.
- ♦ Documentation - The development and maintenance of current and accurate documentation on all technology activities such that processes can be completed in the absence of any one individual while promoting cross training, enabling backup and recovery, and reducing the risk of change.

The completion of the IS Assessment followed a structured methodology focused on ensuring staff involvement and input. More specifically, the IS Assessment included the following major activities:

- ♦ Individual interviews with Mayor Lesser and the City Manager
- ♦ Face-to-face interviews with the IS Manager and IS staff
- ♦ Face-to-face interviews with more than 45 City staff
- ♦ Web-based user satisfaction survey with 156 City staff
- ♦ Tour of IS Division offices and data centers

- ◆ Review of technology related documentation (e.g. budget, policies, procedures, etc.)
- ◆ Review of the findings of the Citywide website survey conducted with residents in fall 2012
- ◆ Follow up interviews and queries with IS Division staff to resolve or clarify issues
- ◆ Compilation of information regarding technology practices in similar organizations
- ◆ Research and analysis of findings
- ◆ Two project prioritization workshops attended by executive management staff

1.3 Assessment Dimension Rankings Summary

To provide a summary overview of the assessment results by dimension, NexLevel plotted each dimension that indicates the level of deficiency or risk. The diagram allows the reader to quickly identify areas requiring focus, as well as areas that are performing at or near best practice levels. Our results are provided in Figure 2 – Assessment Dimension Summary Results.

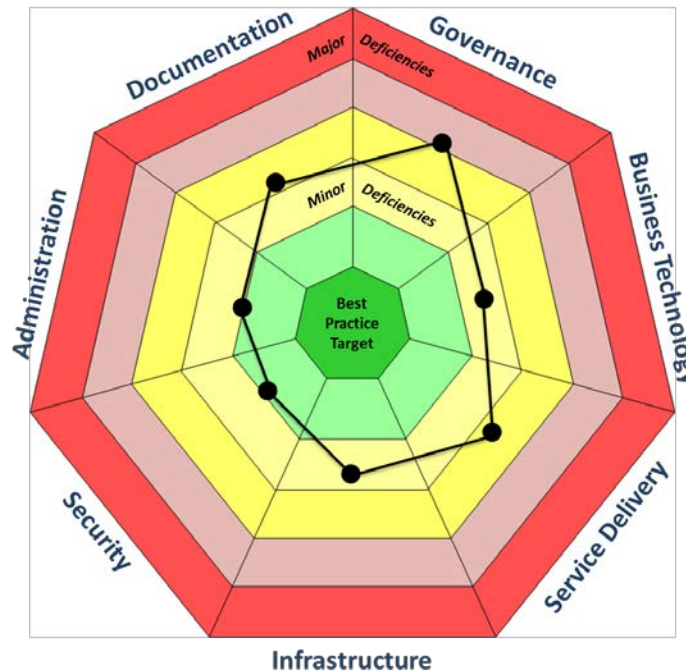


Figure 2 – Assessment Dimension Summary Results

The IS Assessment report is organized by the above dimensions. In each section, NexLevel identifies the basis for the rating and offers recommendations to help the City perform at or near a best practice level.

1.4 User Satisfaction Survey Results Summary

As part of the IS Assessment, a web-based user satisfaction survey in was used to gather information relative to IS Division service management and delivery. The survey was made available to the City’s 441 staff and 156 responded (a 35% response rate).

Table 1 – Technology User Satisfaction Survey Results provides a summary of the survey responses related to the City’s technology delivery and support. The table also provides a comparison against peer organizations and best practices.

For each survey questions, staff was asked to respond on a scale of 1 (low satisfaction) to 5 (high satisfaction). In the table, the percentages are calculated based on the percentage of respondents rating each question a 4 or above, indicating an acceptable level of satisfaction.

The “Peer Average” is the average score of all surveys conducted by NexLevel within other California governmental jurisdictions. NexLevel has conducted over 20 of these surveys during the course of work with local government agencies. The “Best Practice Goal” is based on the NexLevel team’s collective experience with California municipal entities. Our experience shows that an effective, well-balanced technology organization will meet or exceed Best Practice Goal – this should be the target for the IS Division.

Table 1 – IS User Satisfaction Survey Results

Survey Question	Manhattan Beach Satisfaction	Public Agency Peer Average	Best Practice Goal
Speed of the Internet	15.3%	57.1%	85%
Computer programs meet business needs	36.0%	69.1%	80%
Equipment used (computer, printer)	37.4%	63.5%	80%
Version of the computer programs used	41.4%	65.8%	75%
Management of technology projects	42.5%	64.2%	80%
General IS related training received	43.3%	47.7%	75%
Communications network availability	43.8%	75.8%	90%
Speed of communications network	43.9%	67.6%	85%
Technology leadership and planning	45.0%	62.3%	85%
Check back on service provided	54.3%	64.8%	80%
Time to satisfy request for service	55.2%	73.8%	80%
Overall service	56.3%	78.7%	85%
Time to respond service request	56.7%	73.9%	85%
Understand departments’ business needs	58.4%	68.0%	75%
Ability to solve problem on the first call	62.0%	79.2%	85%
Understand the City’s business objectives	64.0%	73.7%	75%
Communications with users	66.4%	72.2%	80%
Technical knowledge of staff	69.7%	84.8%	85%
GIS solutions	71.9%	72.5%	85%
Control of viruses and malware	76.0%	84.0%	90%
Control of spam	85.1%	87.3%	90%

1.5 Conclusions and Recommendations

Overall, the City performs effectively in many of the assessment dimensions. However, as the results of the user survey indicate, the IS Division is challenged to meet customer service expectations of the users. This report identifies opportunities for improvement to help the City evolve technology management and support activities to ensure a secure, reliable, and robust technology environment while also providing a high level of customer service. Table 2 – IS Assessment Recommendations provides a summary of the recommendations by Assessment Dimension.

Table 2 – IS Assessment Recommendations

Dimension	Recommendations
<p>Technology Governance</p>	<ul style="list-style-type: none"> ◆ Reassign non-technical duties to allow IS Division staff to focus on technology support ◆ Increase the number of hours the IS Division staff is available by restructuring how the IS Division is staffed ◆ Assign a full time IS Division staff member to support public safety ◆ Procure services from experienced technology providers (private sector) to assist the IS Division in reducing the current service request backlog ◆ As new technology is introduced, carefully evaluate the required technology support for both implementation and on-going support ◆ Implement a formal training plan and budget for IS Division staff training ◆ In public safety, whenever possible, assign application system administrative duties to non-sworn personnel ◆ Implement a service level agreement (SLA) for public safety to identify the responsibilities of the IS Division staff and the public safety staff ◆ Reconfigure the IS Division work area to provide work areas with fewer interruptions ◆ Re-focus IS Division staff meetings to place the highest priority on critical IS support issues ◆ Establish a formal Technology Steering Committee to oversee the City’s technology strategic direction ◆ Provide dedicated project management of new technology initiatives and upgrades
<p>Service Delivery</p>	<ul style="list-style-type: none"> ◆ Establish and fund a user training program ◆ Periodically analyze Help Desk calls to identify the reasons for the calls ◆ Implement a procedure to ensure issues are resolved to the user’s satisfaction ◆ Implement a process to periodically review all open call tickets ◆ Develop service level agreements (SLAs) to identify the mission critical 24/7 technologies ◆ Establish formal procedures for requesting after-hours support and identify the IS Division staff member(s) responsible for providing support ◆ Create an IS Division service catalog describing services provided by IS and expected service levels ◆ Implement automated network management tools ◆ Create baseline metrics for servers ◆ Implement change management processes
<p>Business Technology Applications</p>	<ul style="list-style-type: none"> ◆ Active – Recreation class registration, facility reservations and point of sale - Make the application available to staff working in all City locations ◆ Tiburon Computer Aided Dispatch (CAD) and Police Records Management System (RMS) – Continue to remain current with software releases ◆ GoReach – Customer Relationship Management (CRM) - Continue use of the CRM module; acquire a work order management system to support City maintenance activities

Dimension	Recommendations
	<ul style="list-style-type: none"> ◆ GIS – Enhance the value of the GIS system by integrating GIS with other address-based applications; provide access to GIS in the public safety MDCs ◆ Granicus – Additional training and experience will increase the value of the applications ◆ Vision Internet (Web site application) - Continue with periodic upgrades when new features are available ◆ Vision Internet (Intranet application) – Implement the Intranet ◆ Tyler Eden – Financials, Payroll and Utility Billing – Determine if Tyler Eden can provide additional functionality; if not, acquire a replacement system ◆ Zoll Fire Records Management – Explore other options including working with other local fire agencies ◆ Accela Permits Plus – Permitting System - The application cannot provide the desired features and functionality; replacing Permits Plus is required ◆ LibertyNet Document Management – Replace the application; vendor support ends in 2014 ◆ NEOGOV Recruiting – Replace the current version that is no longer supported; integration with a human resources application is desired ◆ RTA Fleet Management – Replace the application
<p style="text-align: center;">Infrastructure</p>	<ul style="list-style-type: none"> ◆ Expand the wide area network to be inclusive of all City facilities ◆ Add a redundant network connection between City Hall and the City Yard ◆ Implement the Intranet included in the Vision Internet web site procurement ◆ Publish a Remote Access policy with guidance from the Technology Steering Committee ◆ Implement virtual server technology to replace current servers as they need to be replaced ◆ Train IS Division staff on server virtualization software and possibly contract services to support the initial deployment ◆ Publish a formal technology refreshment policy and establish the budget ◆ When appropriate, use temporary labor to install new equipment ◆ Establish a policy to encrypt laptop computers ◆ Monitor the evolution of mobile computer devices ◆ Establish a mobile computer refreshment policy and budget ◆ Evaluate the mobile computer features and functions of current and future business applications to take full advantage of mobile computing ◆ Implement security procedures, policies and tools to ensure mobile devices can be “wiped” if lost or stolen ◆ Analyze recommendations for data center enhancements identified in the facilities study currently under way
<p style="text-align: center;">Security</p>	<ul style="list-style-type: none"> ◆ Include an evaluation of current DOJ requirements with the annual network penetration test ◆ Consider implementing a visitor sign in and visitor badges ◆ Implement the ability to encrypt email ◆ Routinely review the designated department representatives who have desktop

Dimension	Recommendations
	administrative rights <ul style="list-style-type: none"> ◆ Ensure the IS Division immediately acknowledges requests for assistance installing software and/or equipment, and responds in a timely manner ◆ Create and publish a Business Continuity Plan (BCP) ◆ Consider reinstating the Tyler Eden disaster recovery cold site ◆ Establish a procedure to periodically install patches on the EOC laptops ◆ Document procedures for supporting the EOC and ensure staff is trained on the procedures ◆ Implement procedures to install server patches on a more frequent basis ◆ Centralize log files to prevent overwriting
Administration	<ul style="list-style-type: none"> ◆ Review and update the current process whereby all technology expenditures across City departments are captured and reported on, to ensure total technology related costs are easily captured and reportable ◆ Major technology procurement should be reviewed by the Technology Steering Committee ◆ Citywide, review all maintenance agreements annually ◆ Create a centralized repository of all Citywide maintenance agreements within the IS Division ◆ Implement a centralized license management role within the IS Division
Documentation	<ul style="list-style-type: none"> ◆ Create and centralize technical documentation ◆ Engage the Technology Steering Committee in the review of all existing policies ◆ Distribute policies to staff ◆ Establish processes whereby IS Division monitors compliance with policies

The remainder of this report provides detailed discussions for each assessment dimension and provides recommendations that will improve the City's technology management (i.e., customer service, communication with users, etc.). In addition, the recommendations in the IS Assessment help prepare the City to implement the ISMP.

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2 Technology Governance

Governance is generally defined as the leadership, communication structure and processes that ensure the organization's information technology sustains and extends the City's strategies and objectives. More specifically, Governance helps ensure that:

- ♦ Technology is aligned with the business (strategic alignment)
- ♦ Technology is a business enabler and maximizes benefits (performance measurement)
- ♦ Technology resources are used responsibly (resource management)
- ♦ Technology risks are managed appropriately (risk management)
- ♦ Technology delivers value to the organization (value delivery)

In today's environment, industry studies completed by respected research firms have suggested that as high as 20% of all technology investment is wasted each year. When you factor in the potential wasted investment, along with the annual expenditure of an entity on technology, the importance of technology governance in managing and ensuring an adequate return on investment is significant.

The overall success of a technology organization is generally measured by their ability to help the organization achieve their business goals. In addition, as an organization's dependency on technology to support day-to-day business goals increases, the importance of a strong technology governance structure becomes more critical.

This dimension evaluates the organizational foundation of technology service delivery within the City. A strong delivery structure, management overview and consistent tracking of technology services will ensure end-user business needs and requirements are met.

2.1 IS Division Resources and Scope of Services

The IS Division reports to the Director of Finance and is staffed by a combination of full time and part time positions. Figure 3 – IS Division Organization Chart illustrates the approved staffing level of the IS Division.

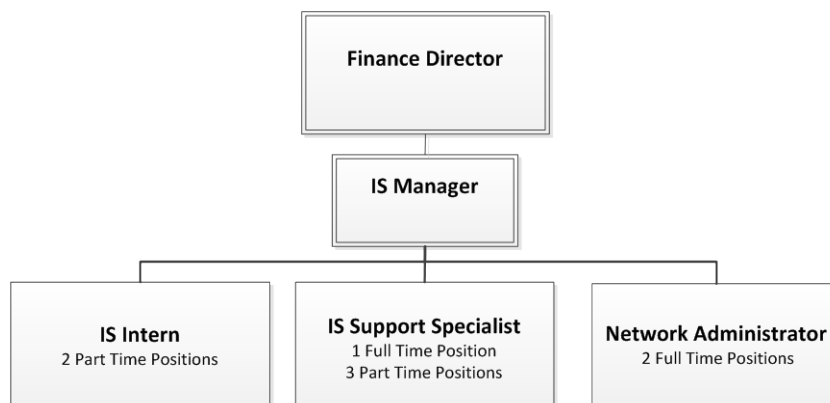


Figure 3 –IS Division Organization Chart

The IS Division staff scope of services includes:

- Hardware support and deployment (desktops, laptops, printers, servers)

- Communications (voice & voice mail, wide area network, wireless access, internet, network security)
- Help Desk services
- Website content oversight
- Broadcasting of City Council and other public meetings

While the IS Division participates in software installations and provides a limited role in software version upgrades, users in City departments generally manage the implementation of new technology, provide on-going application administration, and coordinate software version upgrades.

In addition to the services provided by IS Division staff, the City relies on the following services supported by resources other than City staff:

- Fire and Police Computer Aided Dispatch (CAD), records management system (RMS), radio services, and mobile data computer (MDC) support is provided through a Joint Powers Agreement (JPA) with the South Bay Regional Public Communications Authority (SCRPCA) located at the Regional Communications Center (RCC). City IS Division staff is responsible for supporting Fire and Police technology needs outside of the scope of services provided by the RCC.
- Various applications are vendor hosted and supported through the internet (referred to as “cloud” or Software as a Service (SaaS) applications).

The City’s IS Division is faced with a variety of challenges in their efforts to meet the needs and expectations of their City clients. These challenges include:

- IS Division staffing structure – As shown in Figure 3, the IS Division consists of nine total positions, including one IS Manager, two part time IS Interns, one full time and three part time IS Support Specialists, and two full time Network Administrators. Part time positions in the City have been budgeted at 19 hours per week, which can be a deterrent to recruiting and maintaining consistent staffing for these positions. Recruitment for one vacant part time IS Support Specialist position began in July 2012 and was filled recently. Recruitment for a second vacant part time IS Support Specialist position is underway.
- Lack of IS Division staff assigned to public safety – Typically, an organization the size of Manhattan Beach, with full service Police and Fire Departments, has at least one technology position assigned to directly support these critical 24/7 operations. In addition, other organizations typically establish a standard protocol for after-hours support, so that critical issues can be addressed as quickly and efficiently as possible.
- IS Division training – IS Division staff have participated in various levels of training dependent on the budget and staffing levels in the Division. The IS Division Intern positions do not require specific training prior to hire; thus, these positions typically learn “on the job”, creating an additional burden on existing staff.
- IS Division videography responsibilities – Typically, video coverage, editing, and broadcast of public meetings and events is not the responsibility of a City’s technology Division. These duties are more typically the responsibility of a Public Information Officer, with the videography duties being done by part time staff.
- IS Manager’s scope of responsibilities – the IS Manager is responsible for items that are typically not overseen by technology divisions. For example, content to be placed on the City’s website is reviewed and approved by the IS Manager for verbiage, consistency, and style. Also, the IS Manager attends City Council meetings to assist the City Clerk with technical support issues, assist with broadcasting, and to help identify members of the

public attending for recognition events, so that her staff can properly record the event. The IS Manager utilizes overtime or flex scheduling for this, thus increasing costs or reducing availability for IS support during regular business hours. Duties such as these are typically managed through a Public Information Officer or similar position in the City Manager's Office.

These challenges will continue to affect the timeliness and quality of technology support services provided to City departments.

Recommendations

The following recommendations are provided based on NexLevel's experience with other agencies, best practices, and our observations during interviews with City personnel. We believe that implementation of these recommendations will improve the level of support provided by the IS Division.

- ◆ The City currently is structured such that the IS function is a Division of the Finance Department. However, based on the City's expanding demands for technology at all levels of the organization, and the reliance and importance on that technology in maintaining and enhancing operations, the City should consider establishing the IS function as a standalone department. Elevating the function to department status would likely result in improved alignment of the technology needs with the City's priorities, including maintaining secure and reliable technology infrastructure. Further, just as Human Resources and Finance provide internal services, the IS Division's services are utilized by virtually all employees and are an important support system to daily operations. If not acted upon in the short term, NexLevel anticipates that in the long term, it will be necessary for the City's technology service organization to have representation at a department level, as this organizational structure will eventually be the industry norm.
- ◆ Reassign video broadcast and recording services from the IS Division network administrators to another City department to allow IS Division staff to focus on technology support. The IS Division's performance of these functions is unusual when compared to other peer municipalities and pulls focus away from the maintenance and support of the City's technology infrastructure and new projects. The City might want to explore options such as hiring students pursuing careers in the film industry to assume these duties.
- ◆ Reassign the approval process for content changes to the web site. Typically this function is not performed by a City's technology resources. More commonly, it is considered a part of the duties of a Public Information Officer (PIO) or a representative in the City Manager's office, or these duties are the direct responsibility of each City department requesting the web site content change. The time spent by the City's IS Division staff supporting this function detracts from their core functions of maintenance and support of the City's technology infrastructure and new projects. The City should reassign web page change approvals to another department to allow the IS Division to focus on technical support.
- ◆ Increase the total number of hours the IS Division staff is available by restructuring how the IS Division is staffed. This could include merging part time positions into full time positions. The use of part time positions presents a challenge because technology professionals typically seek full time employment, resulting in the City losing experience and expertise when a part time staff member resigns, and difficulty finding qualified candidates when positions are vacant.
- ◆ Assign a full time IS Division member to public safety (Fire and Police Departments), as it requires dedicated support.
- ◆ Identify and procure the services of experienced technology providers (private sector) to assist the IS Division in reducing the current service request backlog. The task assignments should be specific to allow the temporary contractors to work effectively without continuous

direction required from the incumbent staff. For example, installation of refreshment desktops.

- ◆ As new technology is introduced, carefully evaluate the required technology support for both implementation and ongoing support, and allocate the necessary budget to ensure support resources are available. As the City moves forward with the implementation of new technology identified in the ISMP, demands for IS Division support will increase. If the resource requirements are temporary (i.e., project management for new system implementation), then an effective service approach is to use outside resources to augment the City's IS Division resources. This strategy will allow the City to access resources with specific skills on an as-needed basis. It should be noted that the introduction of new technology will continue to affect user departments; thus subject matter experts within departments will continue to be integral to the effective implementation and ongoing use of these new technologies.
- ◆ Implement a formal training plan and invest in on-going training for the IS Division staff. Currently a significant portion of the staff training is learned on the job. It is more effective and will improve customer service to proactively train staff using formal technology training.
- ◆ In public safety, whenever possible, assign application system administration duties to non-sworn personnel (i.e. administrative analysts, records supervisor, etc.) when the technology is not specific to sworn officer duties. Provide for on-going training from the application vendors as needed. Numerous technology applications are in use at the Police Department to support business activity. With the periodic rotation of positions within the Police Department, application administrative responsibility passes to individuals in new positions who may not be familiar with the application. Police staff expect the IS Division to be able to support all technology in use, including application use and system administration, and this is not a realistic expectation.
- ◆ Implement an IS Division service level agreement (SLA) for public safety to identify the responsibilities of the IS Division and the public safety staff. The SLA should define the responsibility for application management and support, technical systems administration and hardware support.
- ◆ Reconfigure the existing work areas of IS Division staff to increase productivity and reduce interruption during critical tasks. Currently, the IS Division staff share one work area, which is not conducive to productive work. A revised work area that provides fewer interruptions will improve overall service delivery. It should be noted that the IS Division is scheduled to relocate to new work space, thus providing improved work configurations for IS Division staff.
- ◆ Re-focus IS Division staff meetings to place the highest priority on critical IS support issues.

2.2 Technology Oversight

The City lacks a formal technology governance structure that provides well-defined processes for setting IS Division staff direction and priorities, providing oversight, and guiding the City's overall technology service delivery and management. Without a strong technology governance structure, IS Division staff may tend to set priorities using their own judgment, which may not align with the organization's leadership needs and expectations.

While the City does have an established IS Steering Committee consisting of representatives from each department, the quarterly meetings are not always attended by all Committee members, which reduces the overall effectiveness of the meetings. In addition, the meetings are generally used for communicating information from the IS Division to the departments, and the Committee functions as more of a user group than a Steering Committee.

Recommendations

The City should establish a formal Technology Steering Committee to oversee the City's technology strategic direction and ensure that IS Division resources stay aligned with the City's top priorities. It is important that membership consist of department heads and selected line staff, and that attendance and participation is not delegated to others with less authority. Those with limited technical knowledge or experience may hesitate to participate in technology governance. However, technology affects the delivery of business services, and participation in governance by senior executives of the organization is needed for effective service delivery to meet organizational needs.

The Technology Steering Committee will create an effective forum to plan, communicate, and coordinate technology projects, as well as to ensure decisions about projects, resources, and priorities are made with an enterprise-wide view. The scope and responsibilities of the Technology Steering Committee include:

- ◆ Technology Strategic Plan – The Technology Steering Committee will provide input to, and review of, the technology project priorities and timelines.
- ◆ Strategic Direction/Alignment – The Technology Steering Committee will provide input and feedback relative to each activity. This dialog will ensure appropriate priority and efficient and effective use of technology systems and services.
- ◆ IS Division Project Review – The Technology Steering Committee will review IS Division projects for consistency and compliance with the ISMP to ensure the City's business systems are supported by the existing platforms and that they can be easily integrated, as needed, with other City applications. This will be a collaborative effort to ensure technology solutions are solving real business needs and that the requirements of all impacted departments are addressed.
- ◆ Policy Guidance – The Technology Steering Committee will review technology policies and guidelines provided by the IS Division staff. The Technology Steering Committee will approve these policies, communicate them to staff and ensure citywide compliance.
- ◆ Platform Usage – The Technology Steering Committee will discuss how new technologies will be used and provide input to the IS Division staff relative to performance metrics, equipment utilization and hardware/software acquisitions.
- ◆ Technology Information – The Technology Steering Committee will receive updates and status reports relative to technology issues, information security and evolving technology trends from the IS Division staff. Members will disseminate this information, when appropriate, to their respective staffs. The Technology Steering Committee will periodically review all open Help Desk calls to monitor the backlog.

2.3 Project Management

Project management is the discipline of planning, organizing, securing and managing resources to achieve specific goals. Ineffective project management can result in extended timelines, budget overrun, and project failure.

In Manhattan Beach, the Department that is implementing the new technology performs project management duties. IS Division staff attends the initial project meeting and provides or coordinates software and hardware installation services.

Recommendations

Provide dedicated project management support for new technology initiatives and upgrades. While it is appropriate for department personnel to serve as subject matter experts (SMEs), assigning project management to department staff inexperienced with the implementation of technology is

problematic. Projects should be executed following basic standard project management practices and templates that include project charter, project plan, schedule, budget, and status reporting. The use of a standardized project management framework will help ensure a comprehensive understanding of projects among stakeholders and impacted staff and reduce project risks.

A project manager needs the skill set, time and authority to effectively perform the required project duties. The project manager should be accountable to the project owner, as well as the Technology Steering Committee to provide project updates.

- ◆ Project management services could be procured from a consultant as needed to support active projects. Other alternatives are to provide project management training to designated staff, or to create a project manager position in the City.
- ◆ Prior to initiating a project, a formal project charter should be completed to help ensure that the project is well defined. A project charter authorizes a project and ensures that necessary resources are provided to be successful. It is a document that provides an understanding of the role and responsibilities of all affected staff before the project starts. It simply provides a common understanding of what the project is about, why it is being done, who is involved, roles and responsibilities, schedule and delivery approach.
- ◆ Once a project is initiated, the City should have standardized templates for the project manager to track and report on project progress. At a minimum, the project manager should complete the following templates throughout the project.
 - Project Plan
 - Issue Management
 - Risk Management
 - Project Schedule and Resource Tracking
 - Budget Tracking
 - Project Status Reports

3 *Service Delivery*

This dimension identifies core competencies that are the foundation of all technology organizations. To be successful, the technology organization must be capable of addressing these areas, effectively balance among them, and plan resources to ensure coverage in all capacities. NexLevel evaluated the daily operation of the IS Division service delivery environment including user and IS staff training, help desk, and service delivery management.

3.1 User Training

User training is important because it supports staff productivity and lessens the possibility of unintentional errors. Training is a challenge to schedule because it requires staff to be away from their day-to-day operational duties, requires a training budget, and if an onsite training room is not available, requires travel to an off-site location.

The budget for user training was eliminated due to budget considerations. Training classes are not available to users as they transition to the newest version of Microsoft operating system and Office applications. In the face-to-face department interviews, staff expressed frustration with having to learn new technology on their own after the installation of new software/hardware on their workstation.

Recommendations

- ◆ Establish and fund a formal ongoing user training program. Training is a key component of every technology implementation. While the IS Division has posted tips and tricks on the Intranet for users to identify common issues and resolution, this is not an effective approach for user training.
- ◆ Consider establishing a formal training room so staff do not have to travel off site for training or IS Division staff do not have to perform set up each time training is required.

3.2 IS Division Staff Training

Technical training for IS Division staff supports the ability to remain current on technology versions in order to increase competency to provide optimum support. Training increases the effectiveness of staff and can result in fewer support issues. Without formal training, staff must learn on the job, which is generally not as effective, as it can be time consuming and lead to learning by trial and error.

There is a limited budget for IS Division staff training; thus only the most critical training courses are attended, and by only a portion of IS staff.

Recommendations

- ◆ Establish a training plan and budget for each IS Division staff member that aligns with current and upcoming support needs.
- ◆ If space permits, establish a permanent training room.

- ◆ Periodically analyze the Help Desk calls to identify the primary reasons for the calls and determine if additional training might reduce the call volume.

3.3 Help Desk

A Help Desk provides assistance to users requiring support for hardware issues, use of software applications or assistance with other technology systems. Ideally, as the single point of contact, the timely resolution of issues is the goal and best practices strives to resolve issues on the user's first call to the Help Desk.

The IS Division staff support 441 users. Users submit requests for service via email or a phone call to the Help Desk. The IS Division Interns are responsible to field the calls to the Help Desk. The Help Desk uses Manage Engine, a Help Desk application, to manage Help Desk requests and provide activity reports. Remote access to desktops is available to enable IS Division staff to resolve issues without leaving their work area.

The data collected during interviews and responses to the survey indicate the majority of the users contact the Help Desk for assistance once or twice a month. This is consistent with the number of tickets reported in the Manage Engine help desk application. For FY2011/12, the IS Division reported 6,552 help desk tickets. The survey indicates the top five reasons for contacting the Help Desk for support are email, network, printer, desktop and Internet.

During interviews, users identified concerns that tickets were closed without issue resolution and that tickets remained open for extended periods of time.

Recommendations

- ◆ Implement a procedure to ensure issues are resolved to the user's satisfaction prior to closing tickets.
- ◆ Implement a process to review open call tickets by date opened on a routine basis to ensure issues are resolved in a timely manner. This should also include proactively communicating the status of open tickets to the users until the issue is resolved.

3.4 Service Hours of Support

The Help Desk is staffed Monday through Friday from 8:00 AM to 5:00 PM. Consistent with industry best practices, the network administrators perform server maintenance outside of regular business hours to minimize adverse impact to the users. Typically server maintenance requires downtime, and the number of users impacted by downtime should be kept to a minimum.

Technology support outside of City Hall business hours is requested by contacting the IS Manager. The Fire and Police Departments report concerns about the lack of a formal extended hours support policy for critical services. The City recently implemented standby services for after-hours support.

Recommendations

- ◆ As noted in section 2.1, develop service level agreements (SLAs) to identify the mission-critical technologies that must be available for public safety functions 24/7.
- ◆ Establish formal procedures for requesting after-hours support and identify the IS Division staff member(s) responsible for providing support.

3.5 Service Delivery Management

The City's technology infrastructure support is provided by a combination of the IS Division, the RCC, and application vendors. The IS Division is the first line of support for desktops, laptops, printers,

servers, network management and connectivity (including cables, switches and routers), security, the telephone and voice mail systems, audio/visual and cable broadcast equipment, and the physical server and telecommunication facilities. Administration of the City's business applications is the responsibility of the individual department. The RCC supports the public safety computer aided dispatch, records management, mobile data computers and radio communication.

The IS Division does not have a service catalog or service level agreements (SLAs) with the departments. As a result, there is not a mechanism in place to proactively manage user expectations.

With regard to the City's servers, server capacity management and planning is important because it measures the amount of data storage available to ensure the systems are supporting the growing needs of the user community. The IS Division currently performs this function using informal processes and does not have formal tools to proactively identify capacity related issues.

In terms of upgrades and changes to existing hardware and software, the IS Division does not follow a standard methodology to inform users of upcoming changes and manage the rollout of the changes.

Recommendations

- ◆ Create an IS Division service catalog with published service levels that can be used to manage user expectations. The service catalog should describe what the Help Desk supports and what the user can expect. This would include describing the service levels in the maintenance agreements the City has with outside vendors and service providers.
- ◆ Implement automated network management tools to assist with troubleshooting and data storage management.
- ◆ Create baseline metrics for servers including CPU utilization, memory, and storage. Once established, the IS Division should evaluate the current environment against the baseline on a regular basis to identify issues or trends.
- ◆ Implement basic change management processes that ensure timely communication with users, effective planning and management of risks associated with changes being introduced, and creation of supporting documentation for future reference. The processes should ensure changes are well planned and fully documented to include change management logs that record the who, what, where, and when, for changes made. Most technology organizations of similar size to the City use basic desktop tools (i.e. MSWord, Excel, and email distribution lists) to support change management. While there are software solutions to help in this area, it is recommended the IS Division initially keep it simple by maintaining a repository of logs and emailing users of changes via distribution lists.

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4 Business Technology Applications

This dimension evaluates the City's core business technology applications supporting the department operations by analyzing their strengths and weaknesses, as well as the ability to support future needs. Collectively, the City's applications make up an application portfolio. Managing this portfolio has many similarities to how a financial portfolio may be managed. For instance, the application portfolio owner should be continually evaluating the performance of each individual asset (application) in terms of delivering value to the City, as well as evaluating the risk associated with the portfolio (technology obsolescence, patch/release management, etc.). In addition, the application portfolio owner needs to carefully analyze and assess the impact of new applications with recognition that all applications execute on a shared infrastructure.

The City's Application Portfolio investment is significant, in terms of both the original investment (licensing, implementation, training, etc.) and ongoing maintenance and support. In addition, the true return on investment of the City's technology infrastructure (network, desktops/laptops, servers, data centers, etc.) is largely realized through the effectiveness of the Application Portfolio. A strong Application Portfolio running on a weak technology infrastructure leads to high user frustration and underutilized assets. In turn, a weak Application Portfolio running on a strong technology infrastructure results in poor leverage of the City's investment. It is for this reason that a high priority must be placed on implementing the right applications (in terms of features, functions, compatibility, vendor roadmap, and support) to realize the maximum benefits from the City's investment in technology.

Table 4 identifies the City's core applications. A comprehensive application inventory is provided in Attachment B.

Application	Department Owner	Vendor
Finance / Payroll / Utility Billing	Finance	Tyler Technologies Eden
Permitting	Community Development	Accela
Geographic Information Systems (GIS)	Finance/IS Division	ESRI
Document Management	City Clerk	Hyland - LibertyNet
Agenda Management, Streaming Video	City Manager/City Clerk/IS Division	Granicus
Registration/Scheduling	Parks and Recreation	Active Network (Class)
City Website	Finance/IS Division	Vision Internet
Computer Aided Dispatch (CAD) and Record Management System (RMS)	RCC	Tiburon and Zoll
Pavement Management	Public Works	RTA
Customer Relationship Management	Finance/IS Division	Government Outreach
Recruiting	Human Resources	NEOGOV

Table 4 – Application Support Responsibilities

4.1 Business Technology Effectiveness

The effective selection, implementation, and management of the applications included in the City's Application Portfolio is critical to attaining a high-level of staff productivity, cost-effective service delivery, efficient business processes, and a return on the City's technology investment. To help evaluate the effectiveness of the City's Application Portfolio, NexLevel presents a chart where the vertical axis represents "Technology Capabilities" (i.e. features and functionality) and the horizontal axis represents "User Effectiveness" (i.e. how effective is staff at leveraging the application). The chart provides the ability to quickly understand which applications are being effectively leveraged and which applications are failing to effectively support the City business and operations activities. For those applications that are failing, the chart quickly identifies the reasons for underperforming applications such as poor technology (i.e. limited features and functions) or weak user effectiveness (i.e. poor processes, lack of training, etc.).

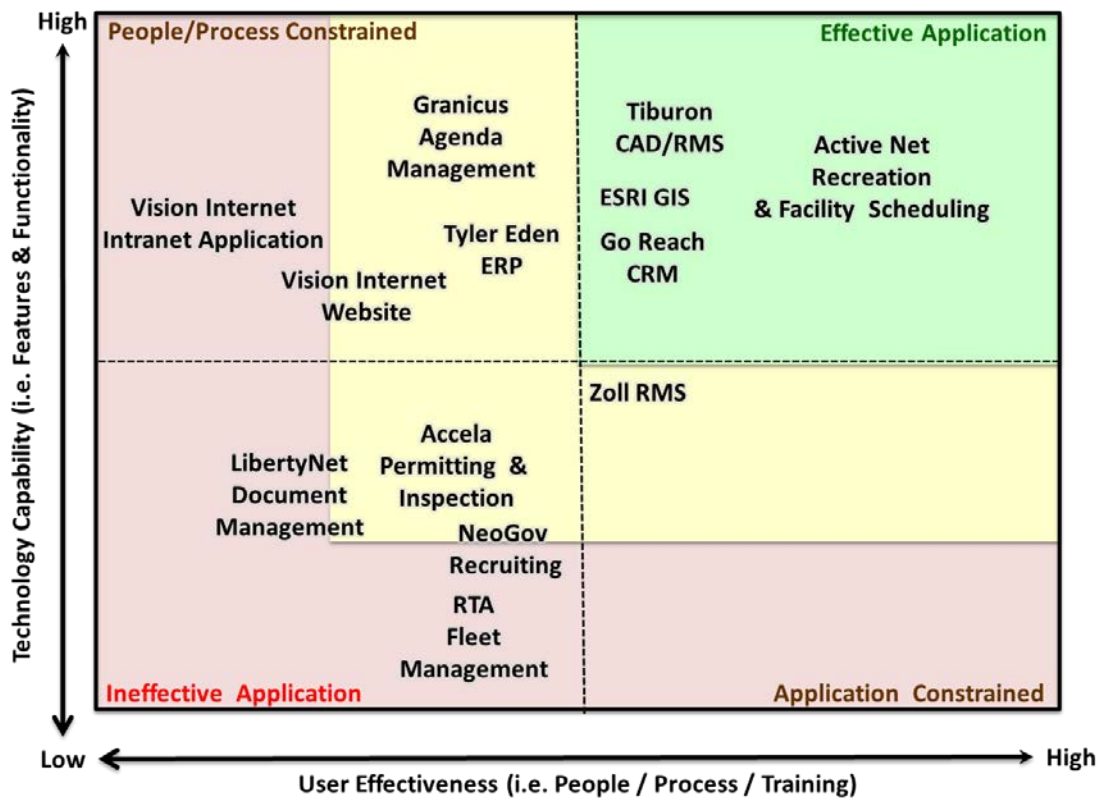


Figure 4 - Business Technology Effectiveness Diagram

4.2 Effectiveness Analysis

An analysis of the Business Technology Effectiveness chart allows the City to quickly identify specific applications within four areas:

- ◆ **Effective Application (Green)** – Indicates that the application is current with today’s best practice features/functions and the vendor has a published roadmap to continue to evolve and support the application. In addition, it indicates the City is effectively leveraging the application through well-trained users, strong processes, and alignment to business objectives.

Possible High-Level Recommended Actions – continue to invest, keep current with vendor releases, use of standard operating procedures reflecting application capabilities, occasional refresher user training, and active participation in user conferences to influence product direction.

- ◆ **People/Process Constrained Application (Yellow)** – Indicates that the application is relatively current with today’s best practice features/functions and vendor has a published roadmap to continue to evolve the application. However, the application effectiveness is not fully realized due to lack of training or application knowledge, work processes that do not align with application, lack of integration with other key systems, and/or inconsistent adoption by the user community.

Possible High-Level Recommended Actions – determine if additional training, integration and/or process re-engineering will enable “Effective Application Leverage.” If yes, then continue to invest in the application. If no, then consider replacement as budget and resources allow – Probably not a critical project.

- ◆ **Application Constrained (Yellow)** – Indicates that staff is effectively leveraging the application features and functions, but the application lacks the capability to effectively support business practices or efficient business processes.

Possible High-Level Recommended Actions – Evaluate whether the application is current in terms of releases/patches, request increased vendor support or modifications, evaluate technology infrastructure if performance related, or evaluate integration to other applications. If application constraints cannot be overcome, then the City may want to consider replacement.

- ◆ **Ineffective Application (Red)** - Indicates that the application lacks features and functions to support efficient business processes, as well as the users are not prepared to fully leverage the application. This determination can be the result of one or more factors such as the organization’s use of an older version of software and the way the software is being utilized.

Possible High-Level Recommended Action – Determine specific business requirements and needs and proceed with procurement to replace application as budget and resources allow. Avoid additional investment unless critical issues arise.

Effective Applications

Based on the IS Assessment activities and user department interviews, the following applications are viewed as effective in supporting the City’s business and operational needs:

- ◆ **Active Net**
Recommended Actions – The Active Net applications effectively support the City’s Parks & Recreation activities. Registration for recreation classes is available on the City’s web site. Internal access to the application is not available at all of the City’s recreation facilities,

which is a limitation to the department's efficiency. Access to the Active Net applications for some of the facilities will first require connectivity to the City's wide area network and then additional software licenses and equipment. Connection to the wide area network will also allow staff located at remote facilities to have access to City email and in-house systems.

- ♦ **Tiburon Computer Aided Dispatch (CAD) for Fire and Police**
Recommended Actions – Continue to remain current with software releases and look to take advantage of new features and functions as they become available.
- ♦ **Tiburon Records Management System (RMS) for Police**
Recommended Actions – The application, supported by the RCC, is effectively meeting requirements. No recommendations.
- ♦ **Government Outreach (Go Reach) Customer Request Management (CRM)**
Recommended Actions – The CRM application is available on the City's web site and allows citizens submit requests for service. This tool is also used by staff to track work requests. The application works effectively for CRM purposes, but it is not intended to function as a work order management application. The acquisition of a work order specific application is recommended for enhanced work order management features.
- ♦ **Geographic Information System (GIS)**
Recommended Actions – The value of the of the ESRI GIS application can expand through integration with other applications (i.e. Business License, Utility Billing) by associating data with a physical location. Access to GIS in the Fire MDCs would enhance fire operations and risk management activities including event pre-planning.

It should be noted that just because an application is an effective technology, there could be opportunities to improve the application leverage via more effective integration with other core technologies, increased user training, or business process re-engineering to better leverage application. If an application does not continue to evolve, along with user adoption of new features/functions, then eventually that application will fall into an ineffective state.

People/Process Constrained

Based on the IS Assessment activities and user department interviews, the following applications are viewed as not fully effective in supporting the City's business and operational needs due largely to user ineffectiveness:

- ♦ **Tyler Eden ERP Applications**
Recommended Actions – The Tyler Eden applications currently in use at the City effectively supports the basic financial system, utility billing and payroll functions, but lacks desired features including automated time card entry, a Human Resources module, inventory, CIP budget, project accounting, purchase requisitions, fixed asset management, workflow and employee self-service. The first recommendation is to determine if Tyler Eden can provide enhancements to increase organizational efficiency and productivity. The acquisition and implementation of a new financial, payroll and human resources system should be considered if Tyler Eden cannot provide expanded functionality.
- ♦ **Granicus – Agenda Management**
Recommended Actions – Granicus is a proven solution used by numerous municipalities and is fully featured to support the City's agenda management process from origination through completion. Recently implemented, the Agenda Management application will be a viable solution to support these important City tasks.
- ♦ **Vision Internet – (Web Site Application)**
Recommended Actions – The City recently conducted a community survey soliciting suggestions for web site improvement. The web site design will be refreshed along with an

upgrade of the content management system. The upgrade will get underway when approval of the new design is obtained.

- ◆ **Vision Internet – (Intranet Application)**

Recommended Actions – When the City procured Vision Internet for the web site, an intranet application was included in the procurement. The intranet is not fully implemented primarily because user departments were unable to appoint a staff member to maintain each department's content.

Application Constrained

Based on the IS Assessment activities and user department interviews, the following applications are viewed as not fully effective in supporting the City's business and operational needs due limited technology features and functions:

- ◆ **Zoll Records Management System (RMS)**

Recommended Actions – The Fire Department's Zoll RMS application provides fundamental information, but the inspection application is cumbersome and requires duplication of effort. Obtaining reports from the information gathered by the application is difficult. Other local fire agencies are implementing another RMS solution, and a global procurement approach may offer advantages to the City.

Ineffective Applications

Based on the IS Assessment activities and user department interviews, the following applications are viewed as lacking the features and functions to support City business and operational needs. In addition, significant people and process issues exist which prevent applications from being more effective in supporting City business:

- ◆ **Accela Permits Plus – Building Permit Application**

Recommended Actions – Permits Plus, an older application version, cannot provide desired features including allowing the public to request inspections and view permit status online, mobile access for field staff, and workflow to internally support inspections by various departments. Accela Automation is the newer application version replacing Permits Plus, and solutions are available from other vendors. Replacing Permits Plus is required to make the desired enhancements available.

- ◆ **LibertyNet Document Management**

Recommended Actions – The LibertyNet application is not effectively supporting document management because the search features do not consistently provide results. LibertyNet was purchased by another vendor (Hyland) and support will be discontinued in 2014. The acquisition of a new document management application is recommended. The scope of the project should include conversion of the document images from the LibertyNet application.

- ◆ **NEOGOV Recruiting Application**

Recommended Actions – The City uses an older version of the NEOGOV recruiting application that is no longer supported by the vendor. The City's version allows positions to be posted on the web site, but applicants must print a copy of the application and submit it on paper rather than allowing the application to be submitted on line. Replacement of the City's version of NEOGOV is recommended. Integration with a human resources application to automate processing when an applicant is hired would further automate processing.

- ◆ **RTA Fleet Management**

Recommended Actions – The fleet management application provides limited information needed for making repair or replace decisions, and it does not provide the ability to track vehicle expenses by department. The fleet management needs may be addressed in a work order management system.

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5 Infrastructure

This dimension focuses on the effectiveness and management of the City's technology infrastructure. The activities evaluated in this dimension are the daily, weekly, monthly, and yearly tasks that ensure a reliable, robust and high performing technology infrastructure. Areas of review include the network architecture, Internet and Intranet access and usage, remote access management, server administration, desktop standards, operational procedures, environmental considerations, and equipment refreshment planning.

5.1 Network Operation

The IS Division network administrators support the City's wide area network (WAN) which includes connection to most of the City's facilities (e.g. City Hall, Public Safety, City Yard, the fire stations, Cultural Arts, Joslyn Center, Begg Pool, Dial A Ride, RCC, and the SCADA system locations). The WAN connectivity includes fiber, wireless, Verizon frame relay, DSL and T-1 leased lines.

The network services provided to the City by the IS Division include:

- ♦ Wide area network (WAN)
- ♦ Internet connectivity
- ♦ Wireless connectivity in Council Chambers, Joslyn Center and the EOC located in the Public Safety facility
- ♦ Network security
- ♦ Network management services

The SCADA system is supported by Public Works while the IS Division only supports the network the SCADA system uses. The SCADA system network consists of City owned fiber and frame relay lines leased from Verizon.

There are a number of City facilities that are not part of the WAN (e.g. Live Oak Park, Sand Dune Park, and Marine Avenue Park), as a result staff located at these facilities do not have access to email or City applications such as Active Net.

The connection between City Hall and the City Yard uses point-to-point communications which means if the connection is unavailable, staff located at the City Yard will lose access to all systems.

The IS Division has done a good job documenting the network layout which is described as a "flat" network, rather than designed with network segments. On a large, flat network, performance can degrade and security concerns increase. VLANs, or network segments, serve as a security boundary and improve performance by isolating network traffic.

Recommendations

- ♦ Expand the WAN to be inclusive of all City facilities.
- ♦ Add a redundant network connection between the City Yard and City Hall to eliminate the possibility of downtime caused by a single point of failure. As a result of the relocation of the Public Works staff from City Hall to the City Yard the need for reliable network connectivity is more important.

- ♦ The IS Division staff recognizes advantages to using VLANs (versus a “flat” network configuration) but have not had the resources or expertise to design and implement a layered network infrastructure. In the event that VLANs are required to enhance network capabilities, assistance by an outside network professional is recommended.

5.2 Internet Access

During meetings with the departments and results of the User Satisfaction Survey, the City’s Internet connectivity speed was reported as a significant issue. An upgrade to the Internet connectivity was recently completed to increase the speed from 3 Mbps (megabits per second) to 45 Mbps. The upgrade has resolved the issue, but users reported the slow connectivity continued for the previous 18 to 24 months.

The City’s application portfolio includes several applications that are in the “cloud”, meaning access to the application is available only through the Internet. Poor Internet performance has impeded staff productivity. Examples of workarounds reported include driving with a laptop to the mall in order to download needed information and several staff members reported working from home or on personally owned equipment to circumvent the slow speed of the City’s Internet.

IS Division staff recognized the issue in fiscal year 2011/2012. The scope of the project required an RFP and changes to the City’s Internet protocol (IP) address scheme including the City’s web page, which would have resulted in the City’s web site being unavailable for up to 48 hours. The project did not proceed.

The recently completed upgrade started in June 2012. The original project schedule was 2 months but the project required Verizon to install new infrastructure, which delayed the installation until February 2013.

Access to the Internet is filtered to block access to non-business categories (e.g. gambling, hobbies, crafts, etc.). The exception to this is where job duties specifically require additional access (e.g. Police, Parks and Recreation, etc.). Other categories are available for a limited amount of time per day (i.e. sports). Internet use is recorded and Directors are provided Internet usage reports for their staff.

Recommendations

- ♦ Implement procedures to proactively monitor Internet capacity to effectively plan for increased bandwidth.
- ♦ Update and distribute the existing Internet Use policy with input and guidance from the Technology Steering Committee.

5.3 Intranet

Intranets have the potential to help staff quickly access common information, share information, and more effectively collaborate. At a minimum, an Intranet should include current information such as templates, forms, policies and procedures, staff directory, and other citywide reference information. The potential feature and functionality of an Intranet can expand significantly beyond the minimum to include department level sites, electronic forms, workflows, training materials, alerts, videos, picture galleries, frequently asked questions and more.

The City procured an Intranet as part of the Vision Internet web site implementation 2007. The Intranet was intended to replace a Microsoft FrontPage site that was developed internally. Unfortunately, the implementation of the Vision Internet Intranet solution was not successful as it required the individual departments to migrate, manage, and create their own sites.

Recommendations

- ◆ Implement the Intranet included in the Vision Internet web site procurement. To ensure the Intranet is successfully implemented, the City should follow formal project planning and management processes. In addition, the City will need to ensure the training and support structure exists to maintain the Intranet.

5.4 Remote Network Access

Remote access to the City's network is available and is provided on a limited basis because of network security concerns. Remote network access is available for use by prescreened vendors to service specific software applications and for the IS Division network administrators. Remote access for the City's vendors is provided using WebEx under the supervision of the IS Division staff.

During the assessment and survey, staff expressed a desire for remote access and a better process to manage vendor access.

Recommendations

- ◆ Publish a Remote Access policy with guidance from the Technology Steering Committee. Since security is of critical importance, the City will need to implement the tools and procedures to ensure the network and City data is adequately protected. The IS Division will identify any costs or modifications required to allow secured remote network access.

5.5 Servers

The City has standardized on HP servers that are refreshed every 4 years. Data storage is supported with a 7.0 terabyte storage area network (SAN) and a 4-terabyte network attached storage (NAS) device. Currently the City has 30 stand-alone file servers supporting the department applications and technology infrastructure.

Server virtualization is specially designed software that allows one physical server to be configured into multiple virtual servers sharing a data storage device. In the past few years server virtualization has emerged as a leading technology because it conserves space, power consumption and reduces the amount of air conditioning required to cool the data center environment. Server virtualization also provides enhanced management capability and redundancy.

Microsoft Exchange is a core system for the City, and Microsoft Cluster Server software is implemented to provide failover and increased availability for the application.

Recommendations

- ◆ Implement virtual server technology to replace current servers as they need to be replaced and to support new technology implemented as part of the ISMP.
- ◆ Train IS Division staff on server virtualization software and possibly contract services to support IS Division staff with the initial deployment.

5.6 Routers and Switches

The City has standardized on Cisco communication equipment. The core switch is configured with dual supervisors and the vendor provides 4-hour response time on a 24/7 basis. Since a core switch failure disrupts all network communication, the City has followed best practice to create redundancy to ensure continuing operation.

Rather than obtaining maintenance agreements on other Cisco equipment, the City keeps spares to reduce ongoing maintenance expenses. Consistent with best practices, routers and switches are

located in secured closets within City facilities. The router and switch closets were described by staff as organized with appropriate cable labeling.

Recommendations

- ◆ The City conforms to industry best practices. No changes are recommended.

5.7 Desktop/Laptop/Printer

The City has standardized on Dell desktops and laptops. The City has network printers available that provide users with a choice of printers. Multifunction devices provide scanning and fax ability. Tablet computers have been issued to City Councilmembers and the department Directors for use in agenda distribution.

The City's refreshment policy is currently set at 5 years, extended from 4 years due to budget considerations. The current budget includes desktop and laptop replacement; however, deployment has been delayed because of limited IS Division staff resources. Until recently, a new desktop was deployed only when an existing desktop failed due to the IS Division staffing constraints.

The City has standardized on Microsoft operating system and desktop software (e.g. Microsoft Office 2010, Windows 7), although the migration to the newer versions of Microsoft software is not complete.

The IS User Satisfaction Survey Report indicates the level of user satisfaction with the equipment (i.e. computers, printers) used in performing their job is below the peer average score.

Desktop virtualization is an emerging technology. Performance results may vary with the applications in use. The IS Division has appropriately identified evaluation of the suitability of desktop virtualization as a future project.

Recommendations

- ◆ Publish a formal technology refreshment policy and supporting budget that establishes a 4 year replacement cycle. This helps ensure a reliable, robust and high performing computer environment. Technology refreshment is important because as equipment ages, it becomes less reliable and requires a higher level of support. In addition, business technology application providers continually upgrade their software to run on current hardware and software versions. A strong technology refreshment policy allows for an orderly replacement of aging equipment and reduces the adverse impact of equipment failure.
- ◆ When appropriate, use temporary labor to install new equipment to ensure timely installation.
- ◆ Establish a policy and methods to encrypt laptop computers to prevent unauthorized access in the event loss or theft.

5.8 Mobile Computing

A challenge for technology professionals is the deployment and support of mobile computing devices (i.e. smartphones, tablets, etc.). While the current use of mobile computing is limited, it should be expected that at some point, nearly all employees will have devices that provide them access to the City's system while working away from City facilities. There are numerous benefits to providing staff mobility in terms of access to City systems; however, it also creates a support challenge and increases network and data security risks.

There is a growing demand for "bring your own device" (BYOD), meaning the ability to use a personally owned device to conduct City business.

Technology support for BYOD is creating new challenges for technical support staff. Aside from the security concerns of using personal devices for access to City systems and data, the technical staff is

also challenged with troubleshooting personal device issues as they can't be familiar with every model available.

Recommendations

- ◆ Monitor the evolution of mobile computing devices (i.e. smartphones, tablets, etc.) and implement standards, training, and support as necessary to allow staff to leverage mobile technologies to improve service delivery.
- ◆ Establish a mobile computing refreshment policy and budget. The Technology Steering Committee should establish a refreshment policy for mobile devices along with a budget. New product offerings may provide additional benefits for staff, which could require more frequent replacement.
- ◆ Evaluate the mobile computer features and functions of current and future business applications to take full advantage of mobile computing.
- ◆ Implement security procedures, policies, and tools to ensure mobile devices can be "wiped" clean if lost or stolen.

5.9 Data Center Environment

The primary data center is located in City Hall and contains the computer and communication equipment that supports the City's software applications and voice/voice mail systems. The data center is located in a secured environment with controlled access. The room is orderly and the equipment labeled.

UPS (uninterruptable power supply) units are installed that will supply approximately one hour of battery backup in the event of a power failure. Power to the room is supplemented with a generator that can supply power for an extended time, and the generator is tested periodically.

A backup air conditioning system is installed, and heat alarms alert building maintenance in the event the temperature rises above recommended levels. The server racks are bolted to the floor for seismic safety.

A secondary data center is located in the Police facility and houses servers that support applications used by the department, as well as video surveillance equipment. The equipment is in a shared space that is also used for storage. The room is secured.

The protection and security of the City's data center is important because the performance of the equipment is critical to providing services. The City's data centers are adequately protected from the common vulnerabilities.

Recommendations

- ◆ Limit access to the storage area in the Police Department that contains data center equipment.
- ◆ A facility study will be underway that includes an evaluation of the City Hall data center to ensure the equipment is properly protected from damage or failure due to inadequate air conditioning or power supply.

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6 Security

This dimension evaluates how the City manages security and risk. Effective security and risk management starts at the top levels of the organization by establishing standards and expectations. Once those are established, it is up to the departments to implement the tools, processes, and practices to meet the standards and expectations. Maintaining a secure and protected technology infrastructure is of primary concern for any technology organization. Effective security involves a combination of policy and standards, personal user conduct, software tools (filtering, monitoring, etc.), and occasional audits to validate effectiveness.

6.1 Network

The security of the City's network is a critical component of technology best practices. In today's world, every computer is subject to malicious attack through the Internet. Skilled computer hackers attempt to break into networks to obtain private information, to utilize disk space for their own use, to attempt to cover malicious attacks to other organizations, or to cause damage to information.

The City has implemented intrusion detection software (IDS) to continually monitor the network for malicious activities. The network is protected by a firewall and DMZ (a sub-network that helps protect the City's local area network from external attacks).

A network penetration test is performed annually by an outside security consultant, and issues identified in the test are remediated. This is best practice and should continue.

Recommendations

- ◆ Expand the annual network penetration test performed by a network expert to include an evaluation of the Department of Justice (DOJ) current requirements and mandates.

6.2 Physical

The public entrance to the Finance and IS Division work area in City Hall is staffed by City employees at the front counter. The data center is locked and access requires a key.

The lobby at the public safety facility is staffed and entrance to the facility requires permission. The data center in the public safety facility is locked and requires a key.

Recommendations

- ◆ Consider implementing a visitor sign in and visitor badges.

6.3 Data

From a user perspective, passwords are often considered an inconvenience, but they are a critical component to an organization's security program. Passwords serve to restrict access to computer applications to only those that have authorized access. Passwords are most effective when parameters are

established that prevents choices that can be easily hacked (i.e. “password,” a common name, 12345, etc.). The City has established a password policy.

The City currently does not encrypt email which would protect email content from access by unauthorized individuals. Encryption is appropriate for communicating confidential information.

Recommendations

- ◆ Implement email encryption to protect confidential information.

6.4 Desktops

Desktop level security procedures are instrumental to an effective security program. A key component of desktop security is restricting administrative rights to desktops. Administrative rights restrict the authority to someone designated as the system administrator to control what hardware and software can be installed on a desktop computer.

Allowing users to have the ability to install software on their desktops presents risk because malware, non-standard software, or improperly licensed software could be installed. An infected desktop has the potential of quickly impacting City computer users and stopping all business applications.

The IS Division’s policy is to restrict administrative rights on the desktops, which is consistent with best practices. However, the IS Division reported designated staff in certain departments have administrative rights to allow designated staff assist others when updates or changes are needed. When meeting with the departments, this policy was not clear. Users expressed frustration with delays from having to request service from the Help Desk for what they view as routine changes.

Recommendations

- ◆ Review annually the designated department representatives who have desktop administrative rights. Provide ongoing instruction to train the representatives on acceptable practices. Consider establishing an Administrative Rights User Agreement to define protocols for administrative rights. Determine if additional department representatives are needed.
- ◆ Ensure the IS Division responds immediately to all requests asking for assistance for the installation of software and/or equipment that require administrator privileges.

6.5 Data Backups

A mission critical function for any technology department is protecting and backing up business and operational data. An effective backup and recovery strategy can protect the City from data lost due to hardware failure, damaged equipment, or software failure. Another benefit to having backups is to protect users who may inadvertently delete important files. Having an effective backup strategy provides an opportunity to recover from such an event.

A full backup is completed weekly, followed by daily incremental backups. For disaster recovery purposes, the tapes are stored off site at the RCC. IS Division staff indicate that users frequently request file restores and staff is confident recovery could be completed using the backup tapes.

Recommendations

- ◆ The City conforms to industry best practices. No changes are recommended.

6.6 Business Continuity

Business continuity planning provides the foundation for how business would be conducted after a major catastrophic event. The City does not have formal plans related to technology disaster recovery or business continuity.

Recommendations

- ♦ Create and publish a Business Continuity Plan (BCP) to ensure adequate processes, procedures, and resources are available to support an orderly recovery of the City's applications within the defined timeframe and in priorities as deemed by the departments.
- ♦ Consider establishing the use of the Tyler Eden "cold site" to provide backup and recovery of the City's financial and payroll data. A disaster recovery cold site is available for the Tyler Eden applications (financial, utility billing and payroll). At one time, the City's agreement with Tyler Eden included the disaster recovery site; however, use of the cold site was never implemented.
- ♦ Develop and test a disaster recovery plan for the IS Division.

6.7 Emergency Operations Center (EOC)

The City's primary EOC is located in the Public Safety facility. The secondary EOC is located at the RCC. The City participates in annual disaster drills that are managed by the Fire Department. The City's EOC Committee meets monthly to plan and prepare to effectively support activity during EOC activation. The Committee has identified desired improvements for the EOC and improvements should be included in the ISMP.

In the event of an emergency activation, IS Division staff is responsible for ensuring Internet connectivity, computers and printer services are working.

Laptop computers are used in the EOC, and during the last drill, Microsoft patches were installed preventing the laptops from being used until the installations completed.

Recommendations

- ♦ Ensure the procedure to periodically install patches on the EOC laptops is completed timely.
- ♦ Develop and publish detailed procedures for supporting IS related EOC responsibilities. This will ensure that IS related support functions are addressed in the event that IS staff is unable to respond to the EOC during an emergency,

6.8 Virus/Spam Protection

The introduction of a virus to a network could cause the network/data center to fail and/or damage City data. The City uses the TrendMicro application for network and desktop virus and malware protection. The updates are pushed through the network to the desktop computers and are applied when the user logs into the network.

Recommendations

- ♦ The City conforms to industry best practices. No changes are recommended.

6.9 Patch Management

Timely patch management is instrumental for protecting the City's data and ensuring that hardware/software executes as intended. Microsoft frequently issues patches for file servers and desktop computers and the timely installation of patches is important for security and optimum

application performance. The City subscribes to Microsoft Windows Server Update Services (WSUS) to obtain patches when they are released. The users are instructed to leave their desktops running overnight on Tuesdays to allow the current patches to be installed, and IS Division posts friendly reminders. The desktop policy for patch installation conforms to best practice.

The IS Division applies patches to the servers quarterly during non-business hours to avoid staff disruption. Applying patches often times requires that servers be rebooted; thus making them unavailable to the users.

Recommendations

- ◆ Implement procedures to install server patches on a more frequent basis.

6.10 Server Event Logs

Log files maintained on each server contain information about server performance anomalies. The information can prove invaluable when troubleshooting. As the log file size increases, the errors overwrite the previous information. In the event that an issue repeats, the initial information can be lost. Therefore, it is important that log files are maintained to prevent overwriting.

Recommendations

- ◆ Centralize log files to prevent overwriting.

7 Administration

This dimension focuses on how effectively the IS Division manages the technology infrastructure in terms of budgets, maintenance agreements, and software licenses. As the title indicates, these functions are largely administrative activities and do not require deep technical expertise.

7.1 Administrative Staff

Administrative duties required in the IS Division include processing accounts payable, software license and maintenance renewals, and budget preparation. The IS Manager is assisted by one of the part-time IS support specialists in performing administrative duties.

Recommendations

- ◆ When possible, migrate administrative duties to clerical personnel to free up the IS Manager's time for more strategic and important activities.

7.2 Budget

Typically municipalities spend between 3.0% and 5.0% of their annual general fund on technology. The City's annual budget for FY13/14 indicates the IS Division represents approximately 2.89% of the general fund budget. However, this doesn't represent technology related expenditures managed at the department level. As an example, business application maintenance costs are included in the department budgets (e.g. Finance for Tyler Eden, Community Development for Accela, etc.). The City does not centralize its technology related expenditures in the IS Division, but instead budgets for IS related expenses in the City department that is primarily utilizing the application. This practice is followed to allow for the full costing of specific functions (i.e., the total cost to operate the building division includes the cost of maintaining the permit software application). While this methodology is conducive to capturing total costs for specific City functions, it can impede the ability of the City to capture the total cost of providing information services across all departments.

Recommendations

- ◆ Review the current processes and procedures in place that enable the Finance Department to capture and report on the full cost to provide information services to the City, in order to ensure that all technology costs across departments are easily captured and reported.

7.3 Procurement

The City's purchasing policy requires IS Division approval for all technology purchases. This is important to ensure that new purchases align with current technology standards, can be supported, and does not adversely impact the existing network and users. In addition, the IS Division is best positioned to identify opportunities to leverage existing technology infrastructure.

Recommendations

- ♦ Major technology procurements should be reviewed by the Technology Steering Committee. The Technology Steering Committee should establish acquisition standards and policies, and communicate expectations to users.

7.4 Contract & Vendor Management

The business application maintenance agreements are included in the department budgets. The departments are responsible for maintaining the agreements and ensuring the support service levels meet the City's requirements. Best practices encourage a collaborative approach to proactively managing technology vendors and agreements.

Recommendations

- ♦ Citywide, review all maintenance agreements annually to confirm the agreements provide the appropriate level of service.
- ♦ Create a centralized repository for all maintenance contracts within the IS Division. This method allows for the consolidation of like vendors, acquisition of volume discounts, and having a single point of contact for all technology agreements within the City. This methodology also provides increased control over the total technology expenditure within the City.

7.5 Software License Management

The City maintains a Microsoft Enterprise Agreement (EA) for the desktop/laptop operating system, Office Productivity Suite, Email Exchange and back office applications. The EA is a three-year contract with an annual renewal and provides newer software versions at no additional cost to the City. Microsoft licensing can be complex and expensive. The EA assures the latest Microsoft software products are available within the annual costs of the agreement. The City conforms to industry best practices.

The departments are responsible for application licenses and maintenance support.

Recommendations

- ♦ Implement a centralized license management role (which should include department applications) within the IS Division to ensure the City is complying with software licensing agreements. This also helps the City fully identify the total cost of technology.

7.6 Inventory Management

Inventories of the desktop and laptops are maintained using the IS Division's Help Desk software, Manage Engine. This software provides an automated tool for inventory management. In addition, the City conducts a physical inventory annually to audit the information from Manage Engine, and resolve any discrepancies.

A server inventory was not available.

Recommendations

- ♦ The City conforms to industry best practices. No changes are recommended.

8 Documentation

This dimension evaluates the effectiveness of the IS Division's documentation as compared to a best practices technology organization. While informal, undocumented processes can be effective, such processes force organizations to rely on individual expertise and knowledge. Best practices organizations maintain current and accurate documentation on all activities such that processes can be completed in the absence of any one individual. Strong documentation promotes cross training, enables backup and recovery, provides succession planning and reduces the risk of change when introducing new technology.

8.1 Technical Documentation

Maintaining a current and accurate document repository for any technology organization is a challenge. Often times, technical staff is required to "wear many hats" and can trend towards operating in a reactive mode. Some organizations may be able to perform with minimal documentation, as they appear to effectively and quickly communicate with one another – this usually exists in environments where permanent staff have a long term working relationship. However, in the long run, all organizations are best served by ensuring appropriate focus is placed on documentation.

The IS Division was able to provide some written documentation in response to NexLevel's request. An inventory of the documentation provided is included in Attachment A of this report.

It is important that the IS Division is allowed to allocate sufficient time to create and maintain technical documentation. If necessary, this helps ensure that external technology professionals would be able to quickly understand and support the technical infrastructure in a reasonable, proficient manner. In addition, it supports bringing new staff up to speed quickly.

Recommendations

- ◆ Regularly review technical documentation for all aspects of the IS Division's day-to-day operation to ensure the documentation is kept current and is retained in a centralized location. Personal folders, notes and instructions should be written in a consistent format and moved to a central repository.

8.2 Policies & Procedures

The IS Division provided NexLevel with the Microsoft Home Use Policy and Citywide IS User Policy. While the Citywide IS User Policy provides a foundation to build on, it needs to be updated to reflect the current environment, computing trends, and changed procedures.

A core component of technology best practices is to establish and enforce comprehensive technology policies and procedures. Effective policies and procedures guide computer users in the use of technology to ensure a secure, reliable, and supportable environment. The following list identifies common technology polices that exist with best practice public agencies.

- ◆ Internet Use
- ◆ Help Desk

- ◆ Public Information
- ◆ Document Retention
- ◆ Equipment Acquisition
- ◆ Equipment Sanitation/Disposal
- ◆ Software License
- ◆ Green IT
- ◆ Administrative Rights
- ◆ Anti-Virus
- ◆ Change Control - Freezes & Risk Evaluation
- ◆ Data Security
- ◆ Desktop Move/Add/Change
- ◆ E-Mail Archiving and Retention
- ◆ Inventory
- ◆ IT Services Catalog
- ◆ Mobile Device Acceptable Use
- ◆ Password
- ◆ Patch Management
- ◆ Remote Access
- ◆ Removable Media Acceptable Use
- ◆ Social Media
- ◆ System Backup/Recovery
- ◆ Technology Training
- ◆ Third-Party Access
- ◆ Wireless Access Point

Recommendations

- ◆ Engage the Technology Steering Committee in the review of all existing policies to obtain input on potential gaps or shortcomings. Develop and publish new policies.
- ◆ Distribute policies to staff and consider requiring signatures to indicate that the policies are reviewed during annual performance reviews.
- ◆ Establish processes whereby the IS Division monitors compliance with established policies, and the Technology Steering Committee acts as the enforcement of the policies.

Attachment A - Documentation

Table 5 presents the documentation provided by the IS Division during the completion of the IS Assessment.

Table 5 – Documentation Provided to NexLevel by the IS Division

Document	Purpose/Content
2013 IS Budget	Itemized line item detail budget for FY2012/2013.
2013 IS Performance Measures	Comparative counts by fiscal year of the network servers/workstations/printers, telephone handsets and mobile phones, unique visitors on the website, City meetings broadcasted, website e-notification subscribers, Granicus Internet viewers of City meetings.
All City Landlines	Landline inventory: DID, voice mail, name, department, location and type of service.
Citywide Information Systems Use Policy	Privacy, system changes, system security, appropriate use, enforcement, unattended workstations; employee signature on the acknowledgement of receipt. Date revised May 1, 2002.
Class Comp Study	Completed position description questionnaire for: IS Systems Manager, Intern, IS Support Specialist and Network Administrator.
CMB Network 2012	City of Manhattan Beach wide area network diagram.
Finance Org Chart	Finance Department organizational chart with division duties.
Home Use Program Policy	Microsoft policy for employee application home use.
IS Narrative FY2013	IS goals and initiatives in the 2012/2013 budget.
IS Project List 2012-2013	List of Information Systems projects and City department IS projects and initiatives identified for completion in 2012-1013. Prepared by IS staff.
IS Weekly Staff Meeting Packet 1/9/13	Weekly incoming and outgoing email summary; project list sorted by staff assigned; quarter-to-date help desk requests by department and by category; month-to-date number of completed requests by staff member; count of CRM requests received by topic, by employee and most frequent requestors; Vision content count report and audit report; IS calendar for January through April 2013.
Internet Access Request Form	Permission form for access to the Internet; date revised May 2, 2002.

Document	Purpose/Content
List of Applications	Application, type and department; January 2013.
Network Assessment	Assessment dated August 17, 2009; remediation scope of work dated December 13, 2011.
Supported Devices Count	Number of workstations, printers/scanners/plotters, telephone devices and audio/visual equipment by department.

Attachment B – Application Inventory

An application inventory is presented in Table 6. The information was obtained from the IS Division and in meetings with the departments.

Table 6 – City of Manhattan Beach Application Inventory

Application Name	Application Description	Primary Department	Data Center Model
Accela Permits Plus	Permits management	Community Development	In House
Active Net	Class registration, facilities, point of sale, aquatics registration	Parks and Recreation	Cloud and In House
Adobe	Writer, Creative Suite, Illustrator, InDesign, Photoshop, Reader	Various	In House
AFIS	Crime scene fingerprint equipment	Police	In House
Alarm Tracking System	Alarm tracking	Police, Finance and Community Development	In House
ARC GIS	GIS	Public Works	In House
Assure ID	Access pass maker	Police	In House
AutoCAD	Engineering	Public Works	In House
AutoCITE	Duncan Solutions parking and enforcement	Police	Cloud and In House
Benefits Management		Human Resources	In House
BlueCheck	Fingerprint scanner for field use	Police	In House
Calendar Creator	Editing application	Management Services	In House
California Legal Source Book	California Legal Source Book online	Police	Cloud
CARS		Police	In House
Cigma	Applicant tracking	Human Resources	In House
CLETS	California Law Enforcement Telecommunication System	Police	In House
Coplink 4	Crime fighting application	Police	In House
CopWare	Legal reference	Police	In House
Crystal Reports	Report creation application	Enterprise	In House
Dbase	Inventory	Finance	In House
DES	L3 Mobile Vision digital evidence	Police	In House
DOT	Licenses and I9 expirations	Human Resources	In House
DSX	Keypads for entry to the Fire/Police facility	Police	In House
Duncan CashKey	Parking cash key	Finance	In House
EJWard	Fuel management	Public Works	In House

Application Name	Application Description	Primary Department	Data Center Model
Election PC	Election management solution	Management Services	In House
EnerCalc	Structural engineering software	Public Works	In House
ESRI GIS	Geographic information system	Public Works	In House
Esubpoena	LA County Grand Jury	Police	Cloud
Experion	Locate Plus credit bureau	Police	Cloud
Finance Credit Network	Collections (online)	Finance	Cloud
Firefox	Browser	Various	In House
Flashback	L3 Mobile digital video recording system	Police	In House
FrontPage	Intranet	Various	In House
Go Reach	Customer Request Management	Citywide	In House
Google Earth	Earth imagery, maps, terrain	Various	In House
Granicus	iLegislate, Legistar, Media Manager	City Manager	In House & Cloud
Hazardous Materials Management	LA County support hazmat	Fire	Cloud - LA County
HDL	Sales tax and property tax information	Finance	In House
HVAC	Air conditioning management	Public Works	In House
Hy-Tek	Aquatics Meet Manager and Team Manager	Parks and Recreation	Cloud
InDesign	Graphics	Parks and Recreation	In House
Infosend	Utility bill print service and electronic bill presentment	Finance	Cloud
Internet Explorer	Browser	Various	In House
IVOS	Workers compensation management	Human Resources	Cloud
JADAC	CopsWest, CLETS, JADAC	Police	In House
Jail Wrist Band	Report	Police	In House
Jamar	Traffic strip (count cars and speed)	Police	In House
Java	Programming language	Citywide	In House
Java Professional	For brochures	Parks and Recreation	In House
JDIC	DOJ liaison	Police	In House
KATS	Canine management	Police	In House
Keller DOT	Drug testing	Human Resources	In House
KeriSys Gate	City yard gate system	Public Works	In House
Keystone	Secure keypad	Police	In House
LA County	Maintenance and monitoring of traffic signals	Public Works	Cloud - LA County

Application Name	Application Description	Primary Department	Data Center Model
LAXAPOL	Policy management system	Police	In House
LEFTS	LEFTA – field officer training	Police	Cloud
Legacy	Phone system for use by prisoners in the jail.	Police	In House
Legal Solutions	Legal management software	Management Services	In House
LexisNexis	Research	Police	Cloud
LibertyNet	Document Management	Various	In House
LS MVS	Mobile video system	Police	In House
Lync	Unified communications platform	Various	In House
MDCs	Mobile data computers in Fire and Police vehicles	Police	Cloud - RCC
Microsoft Desktop	InfoPath, FrontPage, Visio, Project	Desktop	In House
Microsoft Exchange	Email	Enterprise	In House
Microsoft Office	Access, Excel, PowerPoint, Word, Publisher, Outlook, OneNote, Internet Explorer	Enterprise Desktop Applications	In House
Musco Control-Link	Lighting control	Parks and Recreation	In House
NEOGOV	Recruiting application	Human Resources	Cloud
Nero	CD/DVD burner	Various	In House
OARRS	Emergency Management from NC4	EOC	In House
OSHA	Employee regulations	Human Resources	Cloud – CA Chamber
PaintShop Pro	Editing application	Various	In House
PDF Creator	Editing application	Citywide	In House
Pelco	Video security for the police station and jail	Police	In House
PIPS	Automated license plate recognition	Police	Cloud
Power DMS	Policy updates	Police	In House
Power DVD	Video player	Citywide	In House
Progressive Solutions	Police ticket collections and false alarm billing	Finance	In House
PUMA	For audio recording with Scorpion recorders	Police	In House
Quadrant	Cashiering (interfaces to Tyler Eden)	Finance	In House
Quicktime	Video player	Citywide	In House
Raid Bird Maxicom	Landscape	Public Works	In House
RetainPro	Retaining walls engineering design	Community Development	In House

Application Name	Application Description	Primary Department	Data Center Model
Reverse 9-1-1	Community contact for emergency notification	Police	In House
Route Match	Dial a Ride	Parks and Recreation	In House
Roxio	CD/DVD burner	Citywide	In House
RTA	Fleet management	Public Works	In House
Safari	Web browser	Various	In House
SCADA	Water management system	Public Works	In House
SMS	Subpoena management system	Police	In House
Sound Meter	Used to measure noise disturbance	Police	In House
Stanley	Secures doors to move prisoners	Police	In House
Stantec	Pavement management	Public Works	In House
Symantec EndPoint	Antivirus	Citywide	In House
Target Solutions	Training records	Fire	Cloud
Telestaff	Staffing application	Fire	In House
Tele-Works	Frequently asked questions	Various	In House
Tiburon	Computer Aided Dispatch	Fire	Cloud - RCC
Tiburon	CAD and RMS	Police	Cloud - RCC
Turbo Data	Parking ticket collections	Finance	In House
Tyler Eden Inforum Gold	Financial, payroll, animal licensing, business license and utility billing applications	Finance	In House
UCM Plus	Unemployment	Human Resources	Cloud
VLC Player	Video player	Various	In House
Vision Internet	Web site	IS	Cloud
Visual Studios	Office application	Various	In House
Voting System	Public meeting management solution	Management Services	In House
WestNet	Station alarm alert	Fire	In House
Whitman	Ambulance billing	Finance	In House
Win2Data	Property information	Community Development	In House
WinDSX	Access control system	Police	In House
Windows 7	Desktop operating system	Various	In House
Windows Media Player	Video player	Citywide	In House
Windows XP	Desktop operating system	Various	In House
WinZip	File compression	Various	In House
Wireless Video	Undercover	Police	In House

Application Name	Application Description	Primary Department	Data Center Model
Zoll	Records management system (previously SunPro)	Fire	Cloud - RCC
Zonar	AVL for Public Works vehicles	Public Works	Cloud


IS Division Application Inventory

Name	Description
Acronis TrueImage	PC backup
Barracuda	Web Filtering
CallExpress	Voicemail system
Cisco VPN	Secure remote connectivity
CommVault	Backup and recovery solution
Cytrix Client	Desktop
DameWare	Remote desktop
DaVinci	Audio management system
FinalCut	Editing app
Firefox	Browser
GEN CG	Character generator
IntelliAdmin	Remote administration software
IronPort Mail flow Central	Email filtering solution
Leightronix WinLGX	Automated broadcast and streaming video-on-demand control system
Manage Engine Helpdesk Plus	Helpdesk management solution
MDM (Web based)	Mobile device management tool
Microsoft Active Directory	MS directory service
Microsoft SQL 2000	Database
Microsoft SQL 2005	Database
Microsoft SQL 2008	Database
Microsoft Windows Server 2003	Server
Microsoft Windows Server 2008	Server
Mitel Software	Mitel PBX system
OmniPage	Document conversion software
OnTrack Power Control	Data recovery tool
PC Anywhere	Remote access software
Pinnacle Studios	Editing App
Powerchute	UPS management tool
Redhat Enterprise	Server
SnagIt	Screen capture
SQL 2008	Server

Name	Description
Symantec Ghost	Imaging software
Terastation Client Software	
TreeSize Professional	Hard disk space management

Information Systems Master Plan

Information Systems Projects		FY 13/14				FY 14/15				FY 15/16				FY 16/17		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
ISMP Projects		Status	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Technology Governance	complete	Impl.													
2	Work Order Management Software	in progress	Procure	Impl.	Impl.		Planning	Procure								
3	Permits System Replacement (Two Phases)	in progress	Procure	Impl. #1	Procure	Impl. #1	Impl. #1	Impl. #1	Impl. #2							
4	Fire Scan-Able First Aid Reports / Field Data Collection System	not started	Procure	Impl.	Impl.	Impl.										
5	Form 700 Statement of Economic Interests Reporting Software	in progress	Planning	Procure	Impl.	Planning	Planning	Planning	Procure							
6	Geographic Information System (GIS) Expansion	in progress	Planning	Procure	Impl.	Impl.	Impl.	Impl.	Impl.							
7	Financial System Enhancements	in progress		Planning	Procure	Impl.	Planning	Procure	Procure	Impl.						
8	Mobile Fingerprint Identification System	in progress		Planning	Procure	Impl.	Impl.	Impl.	Impl.							
9	Wide Area Network Expansion	in progress		Planning	Planning	Planning	Procure	Procure	Impl.	Impl.						
10	Dial-A-Ride Software Enhancements	in progress		Planning	Procure	Impl.			Planning	Procure	Procure	Procure	Impl.			
11	Telephone System Replacement	in progress			Planning	Planning	Procure	Procure	Procure	Impl.						
12	Tennis Reservation Software	not started			Planning	Procure	Impl.									
13	Document Management System Replacement	in progress			Planning	Procure	Impl.	Procure	Procure	Impl.	Impl.	Impl.	Impl.			
14	Fire Records Management System Upgrade	not started			Planning	Procure	Impl.	Impl.								
15	Active Network Expansion	not started				Planning	Procure	Impl.								
16	Project Management Software	in progress				Planning	Procure	Procure	Impl.							
17	Emergency Operations Center Enhancements	in progress						Planning	Procure	Procure	Procure	Procure	Impl.			
18	Crime Analysis Tools	complete							Planning	Procure	Impl.	Procure	Impl.			
19	Customer Satisfaction Survey Software	not started								Planning	Procure	Procure	Impl.			
20	Internal Affairs Software	complete	Procure	Impl.										Planning	Procure	Impl.
21	Conference Room Equipment Upgrade	in progress												Planning	Procure	Procure

 Shade reflects ISMP timeline change - project in progress

Information Systems Master Plan

Information Systems Projects		Status	FY 13/14				FY 14/15				FY 15/16				FY 16/17	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Other ISMP Projects																
1	Granicus Implementation	complete														
2	Public Records Request Software	in progress														
3	Internet Connectivity Upgrade (redundancy)	complete														
4	Web Site Enhancements	complete														
5	Remote Network Access	complete														
6	Broadcast Enhancements: Mobile Production Equipment	complete														
7	Broadcast Enhancements: Master Control Rm	complete														
8	Broadcast Enhancements: Council Chambers (including High Definition)	complete														
9	Broadcast Capabilities: Joslyn Center	in progress														
10	Broadcast Capabilities: Public Safety	complete														
11	Fire Scheduling Software	complete														
12	Fire Mobile Data System (MDCs) Enhancements	not started														
13	Fire Computer Aided Dispatch (CAD) Enhancements	not started														
14	Smart Classrooms For Fire	complete														
15	Email Encryption	in progress														
16	Human Resources Software	not started														
17	Applicant Tracking Software	in progress														
18	Police Time Reporting Software	in progress														
Future ISMP Projects																
1	Automated Metering Infrastructure Study															
2	Financial System Replacement															

Projects that May be addressed by Eden Enhancements

Travel Reimbursement Software
Contract Management Software
CAFR Software
Risk Management Software
Active Network Integration with Eden

Projects that may be addressed by a comprehensive Work Order System

Pavement Management Software	Pub Works
Facility Management Software	Pub Works
Fleet Management Software	Pub Works

Information Systems Master Plan

Information Systems Projects		Status	FY 13/14				FY 14/15				FY 15/16				FY 16/17	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Additional (Net New) Projects																
1	Web Site Enhancements: City Intranet	in progress	Impl.	Impl.	Impl.	Impl.	Impl.	Impl.	Impl.	Impl.						
2	SCADA Upgrades	Not Planned in progress		Procure	Impl.	Impl.	Impl.	Impl.	Impl.	Impl.	Impl.					
3	Network Switch Replacements (23 devices)	in progress			Planning	Procure	Impl.	Impl.	Impl.	Impl.						
4	UPS Audit and Replacement	in progress			Planning	Procure	Procure	Impl.	Impl.	Impl.						
5	Oasis Audio Visual Upgrade	Not Planned in progress				Planning	Procure	Procure	Impl.	Impl.						
6	Civic Engagement (Peak Democracy)	Not Planned in progress				Planning	Planning	Planning	Planning	Planning						
7	AB 1149 Compliance	Not Planned in progress			Planning	Planning	Planning	Planning	Procure	Procure	Impl.					
8	Network Wireless Access Point Replacements (17 devices)	in progress						Planning	Planning	Procure	Impl.					
9	Telemedicine Communications	Not Planned in progress							Planning	Procure	Impl.					
10	Total Station Forensic Mapping System for Traffic Collisions and Crime Scenes	complete														
11	Fire iPhone Replacements (12 units)	complete														
12	Joslyn Center Public WiFi Expansion	Not Planned complete														
13	PD Surveillance - Pelco Replacement	Not Planned complete														
15	Financial System Enhancements: OpenGov	Not Planned complete														
16	Mira Costa Swim Office Infrastructure	Not Planned complete														
17	Coin Room Surveillance	complete														
18	Broadcast Live Feed (Lobby / Council Chambers Cnf Rm)	Not Planned complete														
19	Parks and Recreation Mobile Phone (13 units)	complete														

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Tony Olmos, Public Works Director
Sona Coffee, Environmental Programs Manager

SUBJECT:

Status Report on Smoke-Free Public Places Ordinance (Public Works Director Olmos).

DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Discuss and provide direction on issues relating to implementation of the smoke-free public places ordinance.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with this action. However, there may be fiscal impacts dependent on City Council direction.

EXECUTIVE SUMMARY:

The City's Smoke-Free Public Places Ordinance has been in place for six-months and has generally been effective in reducing smoking in public. Staff has reviewed initial implementation of the ordinance, conducted outreach, and received input from residents and the local business community and as a result has identified some issues for City Council discussion, including a strategy to enhance education and enforcement of the ordinance. Staff has also begun an initial review of restrictions for multi-unit housing and designated smoking areas. Staff seeks City Council's direction to further explore such topics.

BACKGROUND:

City Council adopted the Smoke-Free Public Places ordinance on June 17, 2014, and directed staff to return with a status report on enforcement issues and a follow-up on multi-unit housing. The ordinance became effective in Manhattan Beach on July 18, 2014, but staff deferred enforcement until August 18, 2014 while the City conducted a public outreach campaign to raise awareness on the policy.

Under the ordinance, smoking (including e-cigarette use) is only permitted in the following locations within the city, unless otherwise provided by state or federal law:

- Private residential property, other than those used as a child-care or health-care facility subject to State licensing requirements
- In up to twenty percent of guest rooms in any hotel or motel that meets certain conditions
- Within a moving vehicle.

Public Outreach and the Breathe Free MB Campaign

The City held two community town hall meetings to gather input on the proposed ordinance, several meetings with local business representatives and associations, and coordinated a community event to promote the Breathe Free MB campaign and announce the start of the ordinance. The Breathe Free MB logo and slogan became the central theme of the City's educational signage and social media outreach.

As part of the Breathe Free MB campaign kickoff, volunteers from Beach Cities Health District and Grades of Green distributed informational items and window decals to educate local businesses and the public on the ordinance. Many of the businesses throughout the city now display the Breathe Free MB smoke-free decals in their windows, and distribution of materials and window decals continue to occur by request.

The ordinance has also been featured in several print and TV news media outlets, as well as local news and school papers. Additionally, the City has placed ads in local papers, made website announcements, displayed street banners in prominent locations around the city, and posted signage in the business districts, parks, beaches, parking lots and walkways depicting the Breathe Free MB logo and Manhattan Beach Municipal Code information (MBMC Section 4.116.030) as a way to notify the public of the Smoke-Free Public Places policy. Further, City Staff placed 50 signs in visible/high-traffic locations throughout the city, including several at the Manhattan Village Mall, and will consider placing more signage in areas that are heavily frequented by visitors.

Compliance Requirements and Enforcement

The Smoke-Free Public Places ordinance is intended to be self-enforcing with City Code Enforcement staff and the Police Department responding to smoking violations as needed. In cases of non-compliance, the City has the ability to issue a citation in an amount of up to \$100 for the first offense.

The ordinance requires that those responsible for an outdoor area in which smoking is prohibited shall not knowingly allow smoking in that area. In addition, they shall post "No Smoking" or "Smoke-Free" signs, or the international "No Smoking" symbol at the primary entrance to any public place or place of employment. Businesses or individuals can request, or download and post, the City's Breathe Free MB logo or poster to meet this requirement.

Violations of the ordinance are considered an infraction of the City's Municipal Code, and any person convicted of an infraction under the provisions of the City's Municipal Code shall be punishable by:

- A fine of not more than \$100 for a first violation; or

- A fine of not more than \$200 for a second violation of the same provision of the applicable chapter within one year; or
- A fine of not more than \$500.00 for each additional violation of the same provision of the applicable chapter within one year.

DISCUSSION:

By adopting the Smoke-Free Public Places ordinance, City Council intended to provide protection of public health, safety, and welfare of the community by discouraging smoking behavior around non-tobacco users. This action was also taken to prevent the re-normalization of smoking which results from the expanded use of cigarettes and e-cigarettes, and reduce the smoking waste generated in order to protect the marine environment. Please refer to Attachment 1 to read the ordinance.

Overall, the Smoke-Free Public Places ordinance has been well received by the community, with a number of residents calling to thank the City for taking leadership in this area and expanding smoke-free policies to all outdoor public places in the city, including the use of e-cigarettes everywhere that smoking is prohibited. However, there have been several requests from residents and businesses reporting smoking, and asking for more enforcement.

Following the adoption of the Smoke-Free Public Places ordinance, City Councilmembers requested staff to return with a review on enforcement of the ordinance, and information on expanding the ordinance to include multi-unit housing. As part of the discussion on enforcement issues, this report will highlight a strategy to enhance enforcement efforts. The report also provides information on designated smoking areas.

Summary of Enforcement Issues

Violations of the smoking ordinance are considered infractions of the City's Municipal Code, and range from \$100-\$500. The enforcement of the ordinance is complaint driven, and begins with a verbal warning, followed by warning letters or phone calls to those violating the ordinance. The City intended for the ordinance to be self-enforcing, and hoped to correct any violations of the ordinance through warnings and advisement of the City's policies. To date, no citations have been issued.

Staff in the Community Development Department, Police Department, and Public Works Department, have received messages from residents and local businesses regarding violations of the smoking ordinance. At the start of the implementation period, the Police Department received a number of calls from residents complaining of smoking violations. Nearly 50 calls and emails have been responded to by staff. Several of these calls reflect an individual resident contacting the City on behalf of a group of neighbors, or are anonymous tips from employees and tenants that witness smoking occurring in the community.

Staff has met with the local businesses where the violations occur, sent reminders to contractors and business districts of the smoking regulations, and spoken to individuals making the complaints. In some cases, the Police Department has sent officers to the location when a complaint is received. Community Service, Code Enforcement, and Police Officers also advise people they see smoking in public and remind them of the City's Smoke-Free Public Places ordinance.

Some residents report that they remind individuals that smoking is no longer allowed in outdoor public places within the city, but have told staff they see the same individuals continuing to smoke around the city with no enforcement taking place.

Strategy for Enhancing Enforcement Efforts

After the 6-month period of ordinance implementation, complaints have decreased. However staff continues to receive some complaints. Staff will pursue additional outreach methods to encourage compliance with the ordinance. Staff has identified the following measures to enhance enforcement efforts for City Council consideration:

1. Outreach and education
 - Staff has worked with Beach Cities Health District, Grades of Green, Roundhouse Aquarium, National Charity League, Heal the Bay and Surfrider Foundation to raise awareness of the Smoke-Free Public Places Ordinance
 - Staff will continue outreach with these groups, and reach out to schools and youth groups, and additional community organizations to share information on the ordinance
2. Increase signage in key locations
 - To respond to the request for more visible signage in the city, staff will roll-out another phase of sign installation in high-traffic areas to raise awareness of the ordinance, especially downtown and the Pier
3. Installation of clearly labeled ashtrays
 - Ashtrays that remind the public of the ordinance and ask for cigarette litter to be disposed of properly are important to prevent pollution from entering waterways
 - The Surfrider Foundation has committed to donating 20 ashtrays, and the City can purchase more as needed
4. Training of uniformed staff
 - Police Department and Code Enforcement staff have already been informed of the ordinance requirements and been instructed to inform smokers on the City's policy
 - Staff will host a training for additional staff in various departments to inform them of the Smoke-Free Public Places Ordinance, and how they can assist with enforcement and public education efforts
5. Consider Environmental Enforcement Officer position
 - A part-time Environmental Enforcement Office would assist in monitoring smoking violations and other environmental initiatives such as the stormwater, plastic bag, polystyrene, and water conservation ordinances

Enforcement staff currently has the authority to issue citations. However, before any issuance of citations, Staff recommends implementing the above noted strategies.

Designated Smoking Areas

The Smoke-Free Public Places ordinance does not include designated smoking areas.

However, the Council may want to consider establishing criteria to designate smoking areas as needed.

1. Large employers - Since implementation of the Smoke-Free Public Places ordinance, Staff has been contacted by employers in the City seeking accommodation for their employees who smoke. Manhattan Beach Studios, Northrop Grumman and others have employees who use public transportation to commute to work and do not live in Manhattan Beach, leaving them with no area in which to smoke. The employers have specifically requested designated smoking areas on-site to avoid their employees violating the ordinance in public places.

Staff seeks direction on exploring options with these large employers.

2. The Manhattan Village Mall - The owners of the mall have requested that they be allowed to designate smoking areas.

Staff seeks direction on exploring options with the Mall.

3. Other Areas (e.g. Downtown and North MB) - Further, local businesses have also contacted Staff regarding violations of the ordinance, particularly for some areas in Downtown Manhattan Beach that are experiencing cigarette pollution problems because the area is prone to smokers who litter. Installing properly messaged ashtrays as mentioned in these areas may alleviate the pollution problem.

For other public areas, staff would like the opportunity to implement the suggested enhancements and education efforts before making a determination and seeking Council direction on designated smoking areas citywide.

As background, several cities in California include designated smoking areas, or criteria to create a smoking area as long as buffer zones that prevent smoke from reaching neighboring businesses or residents ranging from 20-50 feet are in place. Some of these cities provide for a city administrative approval of designated smoking areas, while others define a set of criteria for the property manager to follow in creating their own designated smoking areas.

Some examples of criteria in other cities include:

- Must be in an unenclosed area, located at least 25 feet from any enclosed area that is a non-smoking area;
- Must be no more than 10% of the total unenclosed area and have a clearly marked perimeter;
- Must be identified by conspicuous signs that are clear and unambiguous;
- Prohibit smoking in unenclosed areas of an adjacent property within 25 feet in any direction of any doorway, window, opening, or other vent into an enclosed area that is a nonsmoking area; and
- Prohibit smoking in unenclosed areas, including balconies, porches, decks, and patios within 25 feet in any direction of any doorway, window, opening, or other vent into an enclosed area that is a nonsmoking area.

Options to Expand Smoke-Free Policy to Multi-Unit Housing

Local governments and landlords can prohibit smoking in multi-unit housing as a way to protect residents from exposure to secondhand smoke where they live. Attachment 2 from CA4Health has an infographic that summarizes the approaches to incorporate smoke-free policies in multi-unit housing.

Staff has received complaints from residents who have neighbors that smoke, resulting in the smoke entering their units. In March 2014 an advocacy group, Smokefree Air for Everyone, conducted surveys of residents to gather some anecdotal information regarding a smoke-free policy in multi-unit housing. Ninety-two residents completed the survey, and 100% of those surveyed believe secondhand smoke is harmful to people's health (see Attachment 3 for full survey results).

There are sixteen jurisdictions in California that have passed ordinances requiring no smoking in 100% of units, balconies, patios and common areas. Twelve of those cities include condominiums in their ordinances. In October 2014, Culver City adopted a Smoke-Free Housing Ordinance that requires no smoking in all apartments units, and in condos/townhouses of two or more units. Another ten cities in Los Angeles County regulate smoking in apartments, seven of those include condominiums as well (see Attachment 4 for a summary of these ordinances).

Staff estimates 15% of the housing stock in Manhattan Beach is considered multi-unit housing. The Finance Department issues business licenses to fifty condo associations, and 300 properties that have three or more units on site. See Attachment 5 for a map of areas that include multi-unit housing in Manhattan Beach.

Staff has received some initial input that property managers and HOAs are interested in smoke-free ordinances as a way to reduce exposure to second-hand smoke, and reduce the cleaning costs associated with smoking units. City Council may want to provide direction on inclusion of apartment rental buildings. It should be noted that outreach needs to be conducted to gather feedback from property owners/management and tenants. Some consideration will also need to be given to whether or not this type of ordinance could be used to target long-term tenants, and if an accommodation in terms of a smoking area or designated smoking units could be made.

Staff seeks direction from City Council as to whether it wants staff to further explore restrictions for multi-unit housing. If City Council so desires, Staff can collect more information on the impacts to multi-unit housing in the city and start gathering feedback from stakeholders.

Attachments:

1. Smoke-Free Public Places Ordinance
2. CA4Health Smoke-Free Multi-Unit Housing Infographic
3. Smokefree Air for Everyone Public Opinion Survey Report
4. Los Angeles County Public Health Non-Smoking Multi-Unit Housing Ordinances
5. Map of Multi-Unit Housing in Manhattan Beach

ORDINANCE NO. 14-0008

AN ORDINANCE OF THE CITY OF MANHATTAN BEACH ESTABLISHING A CITYWIDE SMOKING BAN IN PUBLIC PLACES, REGULATING ELECTRONIC CIGARETTES IN THE SAME MANNER AS OTHER SMOKING DEVICES, AND AMENDING CHAPTERS 4.116, 12.08, 12.12, AND 12.48 OF THE MANHATTAN BEACH MUNICIPAL CODE

THE MANHATTAN BEACH CITY COUNCIL HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City Council hereby finds, determines and declares that:

- A. Tobacco use and exposure to secondhand smoke cause death and disease and impose great social and economic costs; and
- B. More than 440,000 people die in the United States from tobacco-related diseases every year, making it the nation's leading cause of preventable death; and
- C. The World Health Organization estimates that by 2030, tobacco will account for 10 million deaths per year, making it the greatest cause of death worldwide; and
- D. The United States Environmental Protection Agency has found secondhand smoke to be a risk to public health and has classified secondhand smoke as a group A carcinogen, the most dangerous class of carcinogen; and
- E. Secondhand smoke is responsible for an estimated 38,000 deaths among non-smokers each year in the United States, which includes 3,000 lung cancer deaths and 35,000 deaths due to heart disease; and
- F. 87.9% of non-smokers showed detectable levels of cotinine (a metabolite of nicotine) in their blood, the most likely source of which is secondhand smoke exposure; and
- G. Secondhand smoke exposure adversely affects fetal growth with elevated risk of low birth weight and increased risk of Sudden Infant Death Syndrome in infants of mothers who smoke; and
- H. Secondhand smoke exposure causes as many as 300,000 children in the United States under the age of 18 months to suffer lower respiratory tract infections, such as pneumonia and bronchitis; exacerbates childhood asthma; and increases the risk of acute, chronic, middle-ear infections in children; and
- I. The total cost of smoking in California was estimated as \$475 per resident or \$3,331 per smoker per year, for a total of nearly \$15.8 billion in smoking-related costs in 1999 alone; and

J. Cigarettes, cigars, pipes and other smoking materials are the leading cause of fire deaths in the United States, causing an estimated 31,200 structure fires and 830 deaths in 2001; and

K. 84% of Californians are non-smokers; and

L. There is no Constitutional right to smoke; and

M. The U.S. Food and Drug Administration conducted laboratory analysis of electronic cigarette samples and found they contained carcinogens and toxic chemicals to which users and bystanders could potentially be exposed; and

N. California law declares that anything that is injurious to health or obstructs the free use of property so as to interfere with the comfortable enjoyment of life or property is a nuisance; and

O. Local governments have broad latitude to declare nuisances and are not constrained by prior definitions of nuisance; and

P. Electronic cigarettes, commonly known as e-cigarettes, e-cigars, e-cigarillos, e-pipes, and e-hookahs, are battery operated devices, designed to be used in the same manner as conventional tobacco products, and some of which are designed to look like conventional cigarettes. Electronic cigarettes employ the use of a cartridge, generally containing up to twenty (20) milligrams of nicotine, to deliver vaporized nicotine to users. Some cartridges used by electronic cigarettes can be re-filled with liquid nicotine solution, creating the potential for exposure to dangerous concentrations of nicotine. Yamin, C.K., Bitton A., and Bates, D.W. "E-Cigarettes: A Rapidly Growing Internet Phenomenon." *Annals of Internal Medicine*, 153:607-609, 2010; and

Q. The U.S. Food and Drug Administration ("FDA") conducted laboratory analysis of electronic cigarettes and found the following: 1) diethylene glycol, an ingredient used in antifreeze and toxic to humans, was found in one cartridge; 2) certain tobacco-specific nitrosamines, which are human carcinogens, were detected in half of the samples tested; 3) tobacco-specific impurities suspected of being harmful to humans-anabasine, myosmine, and B-nicotyrine-were detected in a majority of the samples tested; 4) all but one tested cartridge labeled as containing no nicotine did in fact contain low levels of nicotine; 5) three identically labeled cartridges emitted markedly different amounts of nicotine with each puff (nicotine levels per one hundred (100) millilitres puff ranged dramatically from 26.8 to 43.2 micrograms nicotine); and 6) one high-nicotine cartridge delivered twice as much nicotine to users as was delivered by a nicotine inhalation product approved by the FDA for use as a smoking cessation aid, which was used as a control. U.S. Food and Drug Administration. Letter Re: Evaluation of E-Cigarettes. 2009.

<http://www.fda.gov/downloads/drugs/scienceresearch/ucm173250.pdf>); and

R. The FDA has raised concerns that electronic cigarettes, which are often marketed in appealing flavors, can increase nicotine addiction among young people and may lead youth to try conventional tobacco products. U.S. Food and Drug

Administration. *E-Cigarette: Questions and Answers*. 2010.
www.fda.gov/forconsumers/consumerupdates/ucm225210.htm; and

S. The FDA has also raised concerns that electronic cigarettes are marketed and sold to young people and are readily accessible online and via mall kiosks. U.S. Food and Drug Administration. *News Release, FDA and Public Health Experts Warn About Electronic Cigarettes*. July 22, 2009.
www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm173222.htm; and

T. A study published in the American Journal of Public Health found similar results to the FDA testing and concluded that the electronic cigarettes tested so far have demonstrated "poor quality control; toxic contaminants, albeit at low levels; misrepresentation of the nicotine delivered; and insufficient evidence of the overall public health benefit." Cobb, N.K., Byron, J., and Abrams, D.B., et al. "Novel Nicotine Delivery Systems and Public Health: The Rise of the 'E-Cigarette.'" *American Journal of Public Health*, 100 (12): 2340-2342, 2010; and

U. Clinical studies about the safety and efficacy of electronic cigarettes for their intended use have not been submitted to the FDA, and for this reason, consumers currently have no way of knowing: 1) whether electronic cigarettes are safe for their intended use; 2) what types or concentrations of potentially harmful chemicals the products contain; or 3) what dose of nicotine the products deliver. U.S. Food and Drug Administration. *FDA Warns Of Health Risk Posed By E-Cigarettes*. 2009.
www.fda.gov/downloads/forconsumers/consumerupdates/UCM173430.pdf; and

V. The World Medical Association has determined that electronic cigarettes "are not comparable to scientifically-proven methods of smoking cessation" and that "neither their value as therapeutic aids for smoking cessation nor their safety as cigarette replacements is established." World Medical Association. *Statement on Electronic Cigarettes and Other Electronic Nicotine Delivery Systems*. October 2012.
[www.wma.net/en/30publications/10publications/e19/index.html.pdf?print-media-type&footer-right=\[pageJ/rtoPageJ\]](http://www.wma.net/en/30publications/10publications/e19/index.html.pdf?print-media-type&footer-right=[pageJ/rtoPageJ]); and

W. Between 2010 and 2011, rates of both awareness and use of unregulated electronic cigarettes by adults increased significantly. King, B.A., Alam, S., and Promoff, G., et al. "Awareness and Ever Use of Electronic Cigarettes Among U.S. Adults, 2010-2011." *Nicotine and Tobacco Research*; and

X. A study published in the Journal of Environmental and Public Health suggests that electronic cigarettes "may have the capacity to 're-normalize' tobacco use in a demographic that has had significant denormalization of tobacco use previously." McMillen, R., Maduka, J., and Winickoff, J. "Use of Emerging Tobacco Products in the United States." *Journal of Environmental and Public Health*; and

Y. Recent newspaper reports from across the nation indicate that electronic cigarettes have a propensity for exploding while charging or in use. These explosions have caused severe burns and physical injuries to users. Additionally, these explosions

have caused property damage. CBS News. "Electronic Cigarette Explodes in Man's Mouth, Causes Serious Injuries." February 16, 2012. <http://www.cbsnews.com/news/electronic-cigarette-explodes-in-mans-mouth-causes-serious-injuries>; Fox 13 News. "E-Cigarette Explodes While Charging." December 9, 2013. <http://fox13now.com/2013/12/09/e-cigarette-explodes-while-charging>; and

Z. Cigarette butts and other smoking waste are commonly littered and blown out of trash receptacles so that such waste migrates to the storm drain system and eventually pollutes the ocean and beaches; and

AA. Smoking waste pollutes the marine environment, negatively impacting water quality and harming marine wildlife that often mistake smoking waste for food; and

BB. According to the State Water Resources Control Board: "Storm water pollution in Los Angeles County has significant impacts on the region's water quality, while also posing risks to the health and safety of residents, degrading natural resources, threatening the area's tourist driven economy and lowering property values in local neighborhoods"; and

CC. To aid in the protection of the marine environment and protect public health, the Los Angeles Regional Water Quality Control Board adopted a resolution incorporating a zero trash Total Maximum Daily Load (TMDL) for Debris for Nearshore and Offshore Santa Monica Bay; and

DD. The City of Manhattan Beach is identified as a responsible jurisdiction for the debris discharged to the marine environment through storm drains; and

EE. By voluntarily adopting the plastic bag, polystyrene, and outdoor smoking ordinances, the City's compliance schedule may be revised to include a three-year extension of the final compliance date, in accordance with the TMDL provisions; and

FF. An expansion of the City's smoking prohibition would lead to a reduction in smoking waste that is deposited into the storm drain system by eliminating the areas in the public right-of-way that area available for smoking; and

GG. A reduction in cigarette litter will advance compliance with Federal, State, and City clean water mandates, including with the Total Maximum Daily Loads and other requirements of the National Pollutant Discharge Elimination System, and reduce pollution in the nearby marine environment and at the City's beaches; and

HH. It is the intent of the City Council in enacting this Ordinance to provide for the public health, safety, and welfare by discouraging the inherently dangerous behavior of smoking around non-tobacco users; by protecting children from exposure to smoking where they live and play; by protecting the public from nonconsensual exposure to secondhand smoke and the potential health risks related to a-cigarettes; by preventing the re-normalization of smoking that results from the expanded use of a-cigarettes; and by reducing smoking waste to protect the marine environment.

SECTION 2. The City Council hereby amends Manhattan Beach Municipal Code Chapter 4.116 in its entirety to read as follows:

"Chapter 4.116 - Regulation of Smoking in Public Places and Places of Employment.

4.116.010 - Scope.

The provisions of this chapter, along with the separate provisions in Title 12 (prohibiting smoking in parks, at the beach, on the Strand, and on the Valley Ardmere Greenbelt), are intended to establish a comprehensive citywide ban on smoking, with the limited exceptions set forth in this chapter. This chapter shall be interpreted in a manner supplementary to and consistent with California Labor Code Section 6404.5 and California Health and Safety Code Sections 104495 and 118875, et seq., as amended, and in all cases of conflict between this chapter and any state law, the applicable state law provision shall prevail.

4.116.020 - Definitions.

The following definitions shall govern construction of this chapter, unless the context clearly requires otherwise:

- A. "Employee" means any person who is employed by, or retained as an independent contractor by, any Employer, or any person who volunteers his or her services for a business or Employer.
- B. "Employer" means any person, partnership, corporation, association, nonprofit or other entity who or which employs or retains the service of one or more Employees.
- C. "Place of Employment" means any area under the legal or de facto control of an Employer that an Employee or the general public may enter in the normal course of operations, but regardless of the hours of operation, including, for example, indoor and outdoor work areas, construction sites, vehicles used in employment or for business purposes, taxis, employee lounges, conference and banquet rooms, bingo and gaming facilities, long-term health facilities, warehouses, and any private residences subject to state licensing requirements that are used as child-care or health-care facilities.
- D. "Public Place" means any public place, or any private place open to the general public regardless of any fee or age requirement, including, for example, streets, sidewalks, plazas, bars, restaurants, clubs, stores, stadiums, farmers' markets, bus shelters, ATM or ticket lines, theaters, parking lots, parks, playgrounds, taxis, and buses. This also shall include outdoor dining areas open to the general public.
- E. "Smoke" means the gases, particles, or vapors released into the air as a result of combustion, electrical ignition or vaporization, when the apparent or usual purpose of the combustion, electrical ignition or vaporization is human inhalation of the byproducts, except when the combusting material contains no tobacco or nicotine

and the purpose of inhalation is solely olfactory, such as, for example, smoke from incense. The term "Smoke" includes, but is not limited to, tobacco smoke, electronic cigarette vapors, and marijuana smoke.

- F. "Smoking" means engaging in an act that generates Smoke, such as, for example: possessing a lighted pipe or a lighted hookah pipe; operating an electronic cigarette, a lighted cigar, or a lighted cigarette of any kind; or lighting or igniting a pipe, a hookah pipe, a cigar, or a cigarette of any kind.

4.116.030 - Prohibition of Smoking.

- A. Except as otherwise provided by this chapter or by state or federal law, Smoking is prohibited in the following locations:
1. Public Places;
 2. Places of Employment, including those regulated by California Labor Code Section 6404.5;
 3. Any area within 20 feet of any door, window, opening, or vent, into a Public Place, except for such areas on private residential property.
- B. Smoking is permitted in the following locations within the City, unless otherwise provided by state or federal law:
1. Private residential property, other than those used as a child-care or health-care facility subject to State licensing requirements.
 2. In up to twenty percent of guest rooms in any hotel or motel, if the hotel or motel permanently designates at least 80 percent of its guest rooms as nonsmoking rooms, appropriately signs non-smoking rooms and permanently removes ashtrays and matches from them. Smoking rooms shall be segregated from non-smoking rooms on separate floors, wings, or portions of either; smoking and non-smoking rooms shall not be interspersed. Nothing in this ordinance shall require a hotel or motel to provide Smoking rooms and the owner or operator of a hotel or motel may choose to prohibit Smoking throughout the property.
 3. Within a moving vehicle.
- C. No person shall dispose of any Smoking waste, including but not limited to any part of a cigarette, cigar, pipe, or tobacco product, in an area in which Smoking is prohibited by this chapter or other law, except in specific receptacles designated by the City for Smoking waste.

4.116.040 - Allowing, Aiding or Abetting Illegal Smoking.

- A. No person shall knowingly permit Smoking in an area under his, her, or its legal or de facto control where Smoking is prohibited by this chapter or other law.
- B. The person who has legal or de facto control of any Public Place or Place of Employment shall post a "No Smoking" or "Smoke Free" sign, with letters of no less than one inch in height or the international "No Smoking" symbol (consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across it), at the primary entrance to each Public Place or Place of Employment in which Smoking is prohibited by this chapter. Notwithstanding this provision, the presence or absence of signs shall not be a defense to the violation of any other provision of this chapter.

4.116.050 - Penalties and Enforcement.

- A. Each separate violation of this chapter is an infraction punishable in accordance with Chapter 1.04 of this code."

SECTION 3. The City Council hereby amends Manhattan Beach Municipal Code Section 12.08.320.A to revise the definition of "Smoke/Smoking" as follows:

"Smoke" means the gases, particles, or vapors released into the air as a result of combustion, electrical ignition or vaporization, when the apparent or usual purpose of the combustion, electrical ignition or vaporization is human inhalation of the byproducts, except when the combusting material contains no tobacco or nicotine and the purpose of inhalation is solely olfactory, such as, for example, smoke from incense. The term "Smoke" includes, but is not limited to, tobacco smoke, electronic cigarette vapors, and marijuana smoke.

"Smoking" means engaging in an act that generates Smoke, such as, for example: possessing a lighted pipe or a lighted hookah pipe; operating an electronic cigarette, a lighted cigar, or a lighted cigarette of any kind; or lighting or igniting a pipe, an electronic cigarette, a hookah pipe, a cigar, or a cigarette of any kind.

SECTION 4. The City Council hereby amends Manhattan Beach Municipal Code Section 12.12.010 to revise the definition of "Smoke/Smoking" as follows:

"Smoke" means the gases, particles, or vapors released into the air as a result of combustion, electrical ignition or vaporization, when the apparent or usual purpose of the combustion, electrical ignition or vaporization is human inhalation of the byproducts, except when the combusting material contains no tobacco or nicotine and the purpose of inhalation is solely olfactory, such as, for example, smoke from incense. The term "Smoke" includes, but is not limited to, tobacco smoke, electronic cigarette vapors, and marijuana smoke.

"Smoking" means engaging in an act that generates Smoke, such as, for example: possessing a lighted pipe or a lighted hookah pipe; operating an electronic

cigarette, a lighted cigar, or a lighted cigarette of any kind; or lighting or igniting a pipe, an electronic cigarette, a hookah pipe, a cigar, or a cigarette of any kind.

SECTION 5. The City Council hereby amends Manhattan Beach Municipal Code Section 12.48.056.A to revise the definition of "Smoke/Smoking" as follows:

"Smoke" means the gases, particles, or vapors released into the air as a result of combustion, electrical ignition or vaporization, when the apparent or usual purpose of the combustion, electrical ignition or vaporization is human inhalation of the byproducts, except when the combusting material contains no tobacco or nicotine and the purpose of inhalation is solely olfactory, such as, for example, smoke from incense. The term "Smoke" includes, but is not limited to, tobacco smoke, electronic cigarette vapors, and marijuana smoke.

"Smoking" means engaging in an act that generates Smoke, such as, for example: possessing a lighted pipe or a lighted hookah pipe; operating an electronic cigarette, a lighted cigar, or a lighted cigarette of any kind; or lighting or igniting a pipe, an electronic cigarette, a hookah pipe, a cigar, or a cigarette of any kind.

SECTION 6. CEQA Finding. The City Council hereby finds that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA"). To the extent that the Ordinance applies to Places of Employment, it regulates working conditions by ensuring that employees and volunteers are not exposed to the harmful effects of second-hand smoke and is therefore categorically exempt from CEQA pursuant to Section 15324(c) of Title 14 of the California Code of Regulations ("CEQA Guidelines"). The Ordinance is also exempt from CEQA in its entirety pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment. The Ordinance will have no adverse environmental effects because it will reduce the public's exposure to the harmful effects of second-hand smoke.

SECTION 7. If any sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining provisions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each sentence, clause or phrase thereof irrespective of the fact that any one or more sentence, clauses or phrases be declared unconstitutional or otherwise invalid.

SECTION 8. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published within 15 days after its passage, in accordance with Section 36933 of the Government Code.

SECTION 9. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

PASSED, APPROVED AND ADOPTED this 17th day of June, 2014.

AYES: Lesser, D'Errico, Burton, Powell and Mayor Howorth

NOES:

ABSENT:

ABSTAIN:



AMY THOMAS HOWORTH
Mayor

ATTEST:



LIZATAMURA
City Clerk

Smoke-Free Multi-Unit Housing

Approaches to Protect Tenants from Secondhand Smoke

Disclosure
State law requires landlords to indicate in new leases where smoking is prohibited on the property. Local governments can require landlords to provide all tenants with this information directly (landlords can also provide this voluntarily).



Smoke-Free Common Areas

Many indoor common areas, like hallways and laundry rooms, are already required by state law to be smoke-free. Local governments and landlords can also make outdoor common areas, like gardens and pool areas, smoke-free.

Smoke-Free Units

Local governments and landlords can make some or all individual units smoke-free, including patios and balconies.

Smoke-Free Buffer Zones

Local governments and landlords can prohibit smoking within a specific distance from all entrances, doorways, or operable windows of a building. Landlords who want to create designated smoking areas for their tenants who smoke should take care to locate them outside of the buffer zone.

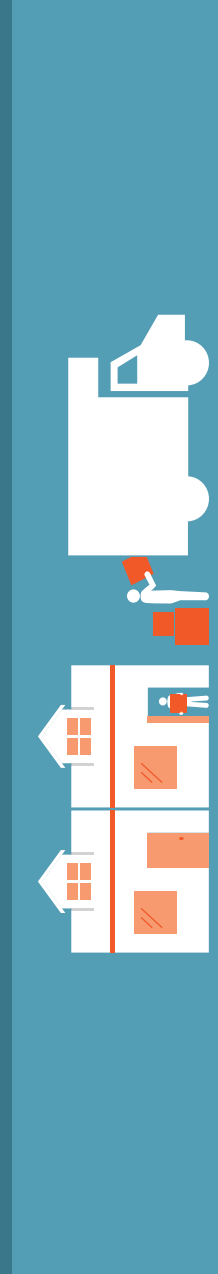
Above: Essential elements of smoke-free housing (can be adopted by landlords or local government)

Below: Additional approaches that could be adopted by local government



Nuisance and Trespass

Local governments can declare involuntary exposure to secondhand smoke a nuisance, and designate unwanted tobacco smoke on residential property a trespass. This may give tenants greater legal recourse against drifting smoke.



Last Resort Move Out Options

Local governments can also pass a law allowing tenants to break their lease early and without penalty in cases where they're exposed to secondhand smoke from another tenant, and where the landlord fails to take adequate steps to remedy the problem. Local governments can make a landlord's failure to remedy a drifting secondhand smoke problem grounds for a claim of constructive eviction, which might allow tenants to escape their lease without penalty.



Implied Warranty of Habitability / Implied Covenant of Quiet Enjoyment

Local governments can make drifting secondhand smoke a potential violation of a landlord's responsibility to maintain property in habitable condition and to protect tenants' right to enjoy their unit.



S.A.F.E. Smokefree Air For Everyone

Encouraging smokefree environments where people live, work and play

10722 White Oak Avenue, #5, Granada Hills, CA 91344 • Phone: 818-363-4220 • FAX: 818-363-2260
Website: www.smokefreeapartments.org EMail: esther@smokefreeapartments.org
S.A.F.E. is a project of Community Partners®

City of Manhattan Beach Public Opinion Survey Report

Characteristics of the Survey:

This report presents data collected from residents of the City of Manhattan Beach from March 11, 2014 to May 7, 2014.

The survey was conducted among a convenience sample of 92 Manhattan Beach residents living in multi-unit housing whose age distribution represents the general Manhattan Beach population. Also, the survey respondents were of varied sex, racial/ethnic groups, housing types and tobacco use status. All respondents live in multi-unit housing (e.g. apartments, condominiums, senior housing). Respondents included 10% of residents who identified themselves as current tobacco-users while 90% stated they are non-tobacco users. Twenty-nine percent of respondents stated they had used tobacco products in the past.

Please keep in mind that this is not a scientific survey. Hence, findings may not be representative of all residents of El Monte.

Survey Results:

A total of 100% of non-tobacco users and 100% of current tobacco users believe that secondhand smoke is harmful to people's health.

18% of respondents had secondhand smoke drift into their home in the last year.
Of these:

44% of respondents or someone they live with have a medical condition that worsens due to exposure from secondhand smoke.

72% live with children and/or senior citizens, groups particularly vulnerable to the harmful effects of secondhand smoke.

88% do not allow smoking in their own home.

City of Manhattan Beach Public Opinion Survey Report- page 2

Of the respondents who reported that secondhand smoke drifted into their homes, 94% indicated that the smoke came from outdoors and 56% indicated that the smoke came from another unit. 50% said the smoke drifted in from both outdoors and another unit.

88% tried to prevent the smoke from entering the home and 38% complained to management.

Percentage of respondents preferring to be protected from tobacco smoke

88% of respondents would prefer to live in a smoke-free section of a building as is done in hotels.

91% of non-tobacco users and 50% of current tobacco users would prefer to live in a smoke-free section of a building.

83% of respondents would prefer to live in a completely smoke-free building. Of the non-tobacco users, 86% would prefer to live in a completely smoke-free building. Of the current tobacco users, 50 % would prefer to live in a completely smoke-free building.

Percentage of respondents in favor of regulation of smoking

86% of respondents would be in favor of a law that would prohibit smoking in indoor common areas. This includes 85% of non-tobacco users and 89 % of current tobacco users.

74% would be in favor of a law that would prohibit smoking in outdoor common areas. This includes 77% of non-tobacco users and 44% of current tobacco users.

60% would be in favor of a law that would prohibit smoking on balconies and patios. This includes 65% of non-tobacco users and 13% of current tobacco users.

67% of all respondents favor a law requiring some units to be non-smoking.

70% of non-tobacco users favor a law requiring some units to be non-smoking.

38% of current tobacco users favor a law requiring some units to be non-smoking.

Of the respondents who support restriction of smoking in housing, 95% believe that smoke-free housing laws should apply to new multi-unit housing, and 90% believe that smoke-free housing laws should apply to existing multi-unit housing. 89% believe that smoke-free housing laws should apply to both new and existing multi-unit housing.

88% of non-tobacco users and 67% of current tobacco users believe that it is okay to require a person to move out of a rented unit if they repeatedly violate smoking bans.

67% of current tobacco users reported that they do not allow smoking in their homes.

33% of current tobacco users reported that they do allow smoking in their homes.

RACE/ETHNICITY		AGE GROUP	
African American	2%	18-34	48%
Hispanic	10%	35-44	30%
Asian/Pacific Islander	8%	45-59	18%
White	79%	60 or older	4%
Other	1%		



NON-SMOKING MULTI-UNIT HOUSING ORDINANCES
 LOS ANGELES COUNTY

Year Passed:	2008	2008	2008	2009	2010	2010	2011
	Calabasas	Glendale	Santa Monica	South Pasadena	Burbank*	Pasadena	

POLICY PROVISIONS	2008	2008	2009	2010	2010	2011
Create separate smoking and non-smoking sections	X			X		
Prohibit smoking in at least 75% of the individual units	X (80%)			X (80%)		X (100%)
Prohibit smoking in indoor common areas	X	X	X	X	X	X
Prohibit smoking in outdoor common areas	X	X	X	X		X
Designate smoking area away from doors and windows	X	X (2010)	X (2012)	X		
Prohibit smoking on balconies and patios		X (2010)	X (2010)		X	X
Disclosure of the location of smoking units to prospective tenants	X	X	X (2012)	X		X**
Prohibit smoking in buffer zones (balconies and patios of smoking-permitted units directly adjacent to non-smoking units)	X			X		
Declare second-hand smoke a nuisance in housing	X	X		X		
Include a phase-in plan	X		X (2012)			X
Apply to condominiums		X	X	X	X	X
Apply to existing housing	X	X	X	X	X	X
Apply to new housing	X	X	X	X	X	X
Enforcement plan						
• public education	X		X	X		X
• smoke-free lease terms	X			X		X
• private citizen enforcement	X		X	X		X
• local government enforcement	X	X		X		X

*Smoking is prohibited in units that share a common ducting system and in children's play areas and the swimming pool area when children are present.
 ** Landlords are required to disclose to prospective tenants about the no-smoking policy.



NON-SMOKING MULTI-UNIT HOUSING ORDINANCES
 LOS ANGELES COUNTY

	Compton	Baldwin Park	Carson	Huntington Park	Temple City
Year Passed:	2011	2011	2011	2012	2012

POLICY PROVISIONS	Compton	Baldwin Park	Carson	Huntington Park	Temple City
Create separate smoking and non-smoking sections		X		X	
Prohibit smoking in at least 75% of the individual units	X (100%)	X (80%)			
Prohibit smoking in indoor common areas	X	X	X	X	X
Prohibit smoking in outdoor common areas	X	X		X	
Designate smoking area away from doors and windows		X		X	X
Prohibit smoking on balconies and patios	X	X		X	
Disclosure of the location of smoking units to prospective tenants		X***			
Prohibit smoking in buffer zones (balconies and patios of smoking-permitted units directly adjacent to non-smoking units)		X		X	
Declare second-hand smoke a nuisance in housing	X	X		X	X
Include a phase-in plan	X	X		X	X
Apply to condominiums	X	X			X (rental units only)
Apply to existing housing	X	X		X	X
Apply to new housing	X	X		X	X
Enforcement plan					
<ul style="list-style-type: none"> • public education • smoke-free lease terms • private citizen enforcement • local government enforcement 	X	X		X	X

*** Landlords are required to disclose to prospective tenants about the no-smoking policy and location of smoking and non-smoking units. In single-family dwellings licensed as Family Day Care Home, persons with legal control must disclose to parents/guardians if smoking is permitted and does occur at facility.

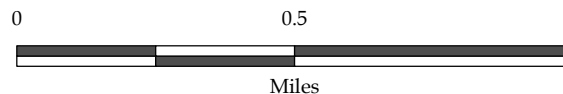
Last updated 12/27/2012
 This material was made possible by funds through the Proposition 99 Tobacco Tax Initiative from the Los Angeles County Department of Public Health.
 For more information please contact the Tobacco Control and Prevention Program at 213-351-7340.

Multi-Family Residential Properties

City of Manhattan Beach



January 2015



Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

SUBJECT:

Financial Reports:

- a) Schedules of Demands: December 18, 2014 and December 31, 2014
- b) Investment Portfolio for the Month Ending November 30, 2014
- c) Financial Reports for the Month Ending November 30, 2014
(Finance Director Moe).

RECEIVE AND FILE

RECOMMENDATION:

Staff recommends that the City Council ratify the attached schedules of demands, and receive and file these reports.

FISCAL IMPLICATIONS:

The financial reports included herein are designed to communicate fiscal activity based upon adopted and approved budget appropriations. No further action of a fiscal nature is requested as part of this report.

The total value of the warrant registers for December 18, 2014 and December 31, 2014 is \$7,551,775.48.

BACKGROUND:

Finance staff prepares a variety of financial reports for City Council and Finance Subcommittee. A brief discussion of the enclosed reports follows.

DISCUSSION:

Ratification of Demands:

Every two weeks staff prepares a comprehensive listing of all disbursements (warrant and payroll registers) with staff certification that the expenditure transactions listed have been reviewed and are within budgeted appropriations.

Investment Portfolio:

Detailed Investment reports are provided to the Finance Subcommittee with summary reporting to City Council. The month end portfolio includes a certification by the Finance Director that all investments comply with established Investment Policies (or with Finance Subcommittee approved exceptions) and there is sufficient liquidity to support projected expenditures.

Financial Reports:

This package includes summary level financial reports for the month ending November 30, 2014. These reports mark the fifth month of the 2014-2015 fiscal year and reflect the annual budget adopted by City Council.

These reports provide monthly and year-to-date activity for all funds and departments presenting a snapshot of budget performance. A report highlighting the performance of key revenue sources is also included.

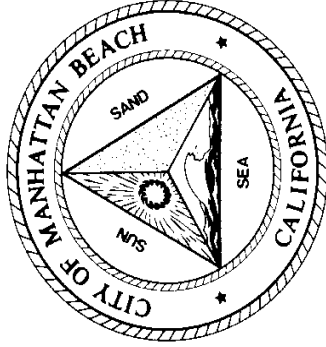
CONCLUSION:

Staff recommends that the City Council ratify the attached schedules of demands, and receive and file these reports.

Attachments:

1. Schedules of Demands for December 18, 2014 and December 31, 2014
2. Investment Portfolio for the Month Ending November 30, 2014
3. Financial Reports for the Month Ending November 30, 2014

City of Manhattan Beach





Schedule of Demands December 18, 2014 and December 31, 2014

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT(S) WR 13B & WR 14B
DATED: 12/18/2014 & 12/31/2014

I HEREBY CERTIFY THAT THE CLAIMS OR DEMANDS COVERED BY THE ABOVE WARRANT(S) IN THE AMOUNT OF \$7,551,775.48 HAVE BEEN REVIEWED AND THAT SAID CLAIMS OR DEMANDS ARE ACCURATE, ARE IN CONFORMANCE WITH THE ADOPTED BUDGET, AND THAT THE FUNDS ARE AVAILABLE THEREOF.



 FINANCE DIRECTOR


 CITY MANAGER

THIS 20TH DAY OF JANUARY

WARRANT REGISTER (S)	WR 13B & WR 14B	WARRANT(S)	13B	2,401,347.58
			14B	1,382,795.11
		PREPAID / MANUAL CKS	13B	1,672,134.40
			14B	370,725.97
		VOIDS	13B	(1,834.97)
			14B	(1,361.32)
		PAYROLL PE 12/12/2014	PY	934,502.70
		PAYROLL PE 12/26/2014	PY	793,466.01
		TOTAL WARRANTS		<u>7,551,775.48</u>

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 13b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
121114	12/11/2014	T	US BANK	DEBT SVC - METLOX WATER PD FIRE	1,370,133.22
122214	12/22/2014	T	UNION BANK	F.I.T./MEDICARE/S.I.T.	302,001.18
SUBTOTAL					1,672,134.40
517055	12/18/2014	N	ACCELA INC	CITYWIDE PERMITTING SOFTWARE CONT	1,067.60
517056	12/18/2014	N	ACCUTRACK LLC	PERMIT REFUND	4,962.50
517057	12/18/2014	N	ADMINSURE INC	CLAIMS ADMINISTRATION	10,273.15
517058	12/18/2014	N	ADPI WEST INC	AMBULANCE BILLING-NOVEMBER 2014	5,754.62
517059	12/18/2014	N	AIR SOURCE INDUSTRIES INC	PARAMEDIC EQUIPMENT	190.65
517060	12/18/2014	N	FARSHAN ALI AKBAR	FIRE RESERVE	175.00
517061	12/18/2014	N	ALL CITY MANAGEMENT SVCS	CROSSING GUARD SERVICES	10,330.22
517062	12/18/2014	N	GINA ALLEN	REIMBURSEMENT	127.43
517063	12/18/2014	N	JOSH ALPERT	GOLF INSTRUCTOR	1,691.50
517064	12/18/2014	N	AMERICAN ARBORE CARE	REFUND RIGHT OF WAY DEPOSIT	496.00
517065	12/18/2014	N	AM-TEC TOTAL SECURITY INC	VIDEO SECURITY SYSTEM	1,694.20
517066	12/18/2014	N	GEORGE ANAYA	HVAC MAINTENANCE & REPAIR	1,828.00
517067	12/18/2014	N	MACAULAY ANDERSON	FIRE RESERVE	175.00
517068	12/18/2014	N	ANI ACQUISITION SUB DOCULYNX	CONTRACT SERVICE-DOC IMAGING	2,191.54
517069	12/18/2014	N	ANTHONY'S READY MIX	CONCRETE	1,076.92
517070	12/18/2014	N	AQUA FLO	IRRIGATION SUPPLIES CONTRACT	480.07
517071	12/18/2014	N	HISAKO ASANO GOULD	ART INSTRUCTOR	330.40
517073	12/18/2014	N	AT&T MOBILITY	CELLULAR CHARGES	3,834.22
517074	12/18/2014	N	ANDREW BAKER	FIRE RESERVE	175.00
517075	12/18/2014	N	SHIRLEY BAKER	PARKS & RECREATION REFUND	66.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

wr 13b

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517076	12/18/2014	N	BEAU BUREAUX INTERIORS INC	ENGINEERING FURNITURE RECONFIGURA	1,573.50
517077	12/18/2014	N	BLUE HAVEN POOLS	REFUND RIGHT OF WAY DEPOSIT	496.00
517078	12/18/2014	N	BODY & MIND COE DYNAMICS INC	FITNESS INSTRUCTOR	50.00
517079	12/18/2014	N	KEVIN BRADY	TENNIS INSTRUCTOR	5,720.00
517080	12/18/2014	N	LESLEY BRADY	TENNIS INSTRUCTOR	4,504.50
517081	12/18/2014	N	DON J BRAUNECKER	VOLLEYBALL INSTRUCTOR	800.00
517082	12/18/2014	N	BRIT WEST SOCCER INC	SOCCER INSTRUCTOR	3,706.50
517083	12/18/2014	N	CA NEWSPAPER PARTNERSHIP	ADVERTISING	6,328.75
517084	12/18/2014	N	CA TEAMSTERS LOCAL 911	DUES (MISC): PAYMENT	6,292.00
517085	12/18/2014	N	CAPITAL ONE NATIONAL ASSN	MISC SUPPLIES-COSTCO	2,461.44
517086	12/18/2014	N	CELLCO PARTNERSHIP	CONTRACT SERVICES	111.35
517087	12/18/2014	N	CHEVRON	WATER RIGHT LICENSE AGREEMENT	11,170.95
517088	12/18/2014	N	CHEVRON	GASOLINE	781.43
517089	12/18/2014	N	CITY OF MANHATTAN BEACH	PETTY CASH REPLENISHMENT	585.63
517090	12/18/2014	N	CITYGATE ASSOCIATES LLC	PREPARATION SERVICES	5,351.06
517091	12/18/2014	N	CODE 5 GROUP LLC	CONTRACT SERVICES	600.00
517092	12/18/2014	N	CONTEMPORARY SERVICES CORP	UNARMED SECURITY SERVICES	657.83
517093	12/18/2014	N	CONTROL AUTOMATION DESIGN INC	SCADA COMPUTER REPAIRS	10,500.00
517094	12/18/2014	N	CORELOGIC INFO SOLUTIONS INC	CONTRACT SERVICES-WIN2DATA	500.00
517095	12/18/2014	N	SANTIAGO A CORNEJO	TENNIS COURT MONTHLY WASHING	1,440.00
517096	12/18/2014	N	COUNTY OF LOS ANGELES	CONTROLLED SUBSTANCE CHARGES	675.00
517097	12/18/2014	N	R CRAIG CROTTY	ARBORIST SERVICES	1,062.50

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 13b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517098	12/18/2014	N	JULIE DAHLGREN	REIMBURSEMENT-TRAVEL EXPENSE	78.92
517099	12/18/2014	N	MICHAEL DAVIES	FIRE RESERVE	175.00
517100	12/18/2014	N	DOUGLAS DECASTRO	BANNERS, DECALS, SIGNAGE	684.52
517101	12/18/2014	N	ADAM VINCENT DEMOLAY	FIRE RESERVE	175.00
517102	12/18/2014	N	JANET DENNIS	STREET SWEEPING REIMBURSEMENT	8.41
517103	12/18/2014	N	DEPT MOTOR VEHICLES	RHINO REGISTRATION-VEHICLE# 012	75.00
517104	12/18/2014	N	RUSSELL DOUTHIT	STREET SWEEPING REIMBURSEMENT	171.86
517105	12/18/2014	N	DUTHIE ELECTRIC SERVICES	GENERATOR RENTAL & REPAIRS	610.00
517106	12/18/2014	N	EDUCATIONAL CREDIT MGMT CORP	EARNINGS WITHHOLDING	435.10
517107	12/18/2014	N	CHRISTIAN EICHENLAUB	REIMBURSEMENT-TRAVEL EXPENSE	253.71
517108	12/18/2014	N	EMPLOYMENT TAX SPECIALISTS INC	CONTRACT SERVICE	375.00
517109	12/18/2014	N	EQUARIUS WATERWORKS	WATER METER SUPPLY CONTRACT	2,016.50
517110	12/18/2014	N	EXPERIAN INFO SOLUTIONS INC	JOB APPLICANT CREDIT CHECKS	77.00
517111	12/18/2014	N	FIRE INFO SUPPORT SERVICES INC	FIRERMS SUPPORT & MAINTENANCE CON	1,200.00
517112	12/18/2014	N	JAN E FOX	OVERPAYMENT AMBULANCE BILLING	101.15
517113	12/18/2014	N	FRANCHISE TAX BOARD	EARNINGS WITHHOLDING	659.37
517114	12/18/2014	N	FRANCHISE TAX BOARD	EARNINGS WITHHOLDING	400.00
517115	12/18/2014	N	TONY FRYKLUND	VEHICLE GRAPHICS	2,027.40
517116	12/18/2014	N	ARMANDO GARCIA	PARKS & RECREATION REFUND	300.00
517117	12/18/2014	N	GARDA CL WEST INC	ARMORED SERVICES	472.09
517118	12/18/2014	N	JOSEPH DANE GIESREGEN	FIRE RESERVE	175.00
517119	12/18/2014	N	GLOBALSTAR INC	BATTALION 21 SATELLITE SERVICE	4.15

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WR 13b

WARRANT BATCH NUMBER:

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517120	12/18/2014	N	GMZ ENGINEERING INC	SEPULVEDA & 2ND ST WATER MAIN - PP4	150,879.00
517121	12/18/2014	N	GOVERNMENT STAFFING SERVICES	TEMPORARY EMPLOYEE SERVICES	2,722.50
517122	12/18/2014	N	CHRISTOPHER MICHAEL GRAFTON	FIRE RESERVE	175.00
517123	12/18/2014	N	LANAKILA KAMAKA GUERRERO	FIRE RESERVE	175.00
517124	12/18/2014	N	HARRIES HEDER COLLABORATIVE	MB ART PROJECT	26,000.00
517125	12/18/2014	N	JAKE HERRON	FIRE RESERVE	175.00
517126	12/18/2014	N	HH DRYWALL	REFUND RIGHT OF WAY DEPOSIT	496.00
517127	12/18/2014	N	KIRK HONDA	FIRE RESERVE	175.00
517128	12/18/2014	N	HUNTINGTON BCH MOTORSPORTS INC	MOTORCYCLE PARTS & SERVICE	3,527.58
517129	12/18/2014	N	STEPHEN ROSS HYDE	PARKS & RECREATION REFUND	780.00
517130	12/18/2014	N	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 108075: PAYMENT	673.08
517131	12/18/2014	N	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 109365: PAYMENT	3,292.04
517132	12/18/2014	N	ICMA RETIREMENT TRUST - 457	DEFERRED COMP AND LOAN REPAY 457	82,927.12
517133	12/18/2014	N	ICMA RETIREMENT TRUST 401	DEFERRED COMP 109766: PAYMENT	5,631.15
517134	12/18/2014	N	IMPRES TECHNOLOGY SOLNS INC	MERAKI SWITCHES	15,429.72
517135	12/18/2014	N	IPS GROUP INC	PARKING METER REPLACEMENT PARTS &	1,840.00
517136	12/18/2014	N	JOAN STEIN JENKINS	PROSECUTION SERVICES	6,466.00
517137	12/18/2014	N	CASEY JENNINGS	CITATION REFUND	79.00
517138	12/18/2014	N	JMDIAZ INC	SEPULVEDA INTERSECTION IMPROV	32,401.56
517139	12/18/2014	N	VICTORIA HELEN JOHNSON	ARTHRITIS INSTRUCTOR	540.00
517140	12/18/2014	N	JPMORGAN CHASE BANK NATL ASSC	MONTHLY LEASE-SEWER TRUCK	16,488.30
517141	12/18/2014	N	JENNIFER KALLOK	EARNINGS WITHHOLDING	184.62

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WR 13b

WARRANT BATCH NUMBER:

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517142	12/18/2014	N	BRYAN KING	PARKS & RECREATION REFUND	50.00
517143	12/18/2014	N	L A COUNTY FIRE DEPARTMENT	CUPA PERMITS RENEWAL FEE	2,962.00
517144	12/18/2014	N	L A COUNTY MTA	NOVEMBER 2014 E-Z PASS	462.00
517145	12/18/2014	N	L A COUNTY MTA	NOVEMBER 2014 TAP	100.00
517146	12/18/2014	N	L A COUNTY SHERIFF'S OFFICE	EARNINGS WITHHOLDING	87.50
517147	12/18/2014	N	LACPCA	MEMBERSHIP & DUES	500.00
517148	12/18/2014	N	ANNE GRAY LEWIS	TENNIS INSTRUCTOR	6,435.00
517149	12/18/2014	N	KEITH LINCOLN	FIRE RESERVE	175.00
517150	12/18/2014	N	ROBERT LOUGHBOM	STREET SWEEPING REIMBURSEMENT	274.81
517151	12/18/2014	N	ELIZABETH H LUBIN	ENTERTAINMENT	650.00
517152	12/18/2014	N	M B POLICE MGMT ASSC	DUES \$ (POL MGT ASSN): PAYMENT	280.00
517153	12/18/2014	N	M B POLICE OFFICERS ASSOCIA	DUES \$ (POLICE FIXED): PAYMENT	5,798.20
517154	12/18/2014	N	M B WATER DEPARTMENT	MONTHLY WATER CHARGES	51,930.53
517155	12/18/2014	N	GARY MACLEAN	STREET SWEEPING REIMBURSEMENT	143.47
517156	12/18/2014	N	MARY JEAN MALLMAN	CERAMCIS INSTRUCTOR	5,468.43
517157	12/18/2014	N	MANHATTAN AUTO CENTER	AUTOMOTIVE REPAIR SERVICES	189.92
517158	12/18/2014	N	MARINE RESOURCES INC	TEMPORARY EMPLOYEE SERVICES	2,070.36
517159	12/18/2014	N	MATTHEW ROBERT MARTINEZ	FIRE RESERVE	175.00
517160	12/18/2014	N	DANIEL MATUSZCZAK	FIRE RESERVE	175.00
517161	12/18/2014	N	MBPOA RETIREE	MD TRUST (MED TRUST): PAYMENT	2,625.00
517162	12/18/2014	N	KIT MCCALLA	PARKS & RECREATION REFUND	300.00
517163	12/18/2014	N	SCOTT MCLELLAN	FIRE RESERVE	175.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

wr 13b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517164	12/18/2014	N	KATHLEEN MCMAHON	STREET SWEEPING REIMBURSEMENT	132.75
517165	12/18/2014	N	MELAD AND ASSOCIATES INC	PLAN CHECK AND INSPECTION SERVICES	15,455.25
517166	12/18/2014	N	MELROY COMPANY INC	CORE DRILLING AND CONCRETE WORK	310.00
517167	12/18/2014	N	MERCHANTS LANDSCAPE SVCS INC	LANDSCAPE SERVICE EXTRAS	72,554.47
517168	12/18/2014	N	CYNTHIA MICKSCHL	REIMBURSEMENT-CMRTA QUARTERLY ME	50.00
517169	12/18/2014	N	BRUCE A MOE	REIMBURSEMENT-TRAVEL EXPENSE	627.07
517170	12/18/2014	N	MORNINGSTAR PRODUCTIONS LLC	PROFESSIONAL SOUND SYSTEM SERVICES	2,800.00
517171	12/18/2014	N	NADINE NADER	HOUSING ALLOWANCE	4,111.69
517172	12/18/2014	N	NETWORK INNOVATION ASSOC INC	ANNUAL SERVICE	1,434.00
517173	12/18/2014	N	NEXTEL OF CALIFORNIA INC	MOBILE COMMUNICATIONS	156.21
517174	12/18/2014	N	RICHARD LEONARD NIGGEMANN II	FIRE RESERVE	175.00
517175	12/18/2014	N	OCCU-MED LTD	CONTRACT SERVICES	81.00
517176	12/18/2014	N	ORANGE COUNTY STRIPING SVCS	CITYWIDE TRAFFIC CONTROL MARKING S	9,715.44
517177	12/18/2014	N	NANCY E O'ROURKE GARCIA	AUDIO & TECHNICAL SERVICES	700.00
517178	12/18/2014	N	JILL PIERCE	OVERPAYMENT AMBULANCE BILLING	1,583.33
517179	12/18/2014	N	BILIANA KIRILOVA POPOVA	CERAMIC WORKSHOP	400.00
517180	12/18/2014	N	POSTMASTER	POSTAGE PERMIT	3,122.07
517181	12/18/2014	N	PREPAID LEGAL SERVICES INC	PREPAID LEGAL: PAYMENT	94.70
517182	12/18/2014	N	BRAD PRESTON	CONTRACT SERVICES	391.00
517183	12/18/2014	N	GAIL PRINTER	STREET SWEEPING REIMBURSEMENT	137.72
517184	12/18/2014	N	PUBLIC EMPLOYEES'	PENSION CONTRIBUTION SAFETY: PAYME	287,068.10
517185	12/18/2014	N	GILBERT RAMIREZ	FIRE RESERVE	175.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

wr 13b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517186	12/18/2014	N	WILLIAM REDANZ	FIRE RESERVE	175.00
517187	12/18/2014	N	ZACHARY REYNOLDS	FIRE RESERVE	175.00
517188	12/18/2014	N	RICHARDS WATSON & GERSHON	PROFESSIONAL LEGAL SERVICES	52,169.73
517189	12/18/2014	N	IRENE ROBINSON	STREET SWEEPING REIMBURSEMENT	142.46
517190	12/18/2014	N	MICHAEL L ROBINSON	MB FITNESS INSTRUCTOR	50.00
517191	12/18/2014	N	CARLOS ROJAS	PARKS & RECREATION REFUND	150.00
517192	12/18/2014	N	ROUTEMATCH SOFTWARE INC	DIAL A RIDE SOFTWARE	375.00
517193	12/18/2014	N	SBRPCA	3RD QTR ASSESSMENT-COMM AUTH	385,917.25
517194	12/18/2014	N	JOEL SCHOFF	STREET SWEEPING REIMBURSEMENT	142.73
517195	12/18/2014	N	SELECTIVE GIFT INSTITUTE	EMPLOYEE AWARDS & EVENTS	791.53
517196	12/18/2014	N	RYAN SLOWAY	FIRE RESERVE	175.00
517197	12/18/2014	N	RYAN B SMALL	REIMBURSEMENT-TRAVEL EXPENSE	136.00
517198	12/18/2014	N	SMART SOURCE OF CALIFORNIA LLC	PRINTING AND DIRECT MAILING SERVICE	98.10
517199	12/18/2014	N	TERRY/L SMITH/POLONSKY	STREET SWEEPING REIMBURSEMENT	144.35
517200	12/18/2014	N	MICHAEL/ALICIA SOLIS	STREET SWEEPING REIMBURSEMENT	142.47
517201	12/18/2014	N	MARIE SOLYMOSSI	BEE REMOVAL SERVICES	120.00
517202	12/18/2014	N	SOUTH BAY EXPLORER ADVISORS AS	MEMBERSHIPS & DUES	569.39
517203	12/18/2014	N	SOUTH BAY FORD INC	AUTO PARTS & SERVICE	389.30
517204	12/18/2014	N	SOUTHERN CALIFORNIA EDISON	STREET LIGHTING	25,855.64
517205	12/18/2014	N	SOUTHERN CALIFORNIA EDISON	MONTHLY ELECTRIC CHARGES	86,822.95
517206	12/18/2014	N	JINNY SOUTHERS	PARKS & RECREATION REFUND	50.00
517207	12/18/2014	N	SPCA LA	ANIMAL SHELTERING SERVICES	550.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

wr 13b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517208	12/18/2014	N	SPRINT SOLUTIONS INC	MOBILE COMMUNICATIONS	37.99
517209	12/18/2014	N	SSBRA	SOCCER OFFICIALS	2,720.00
517210	12/18/2014	N	STATE DISBURSEMENT UNIT	EARNINGS WITHHOLDING	1,236.00
517211	12/18/2014	N	STATE OF CA DEPT OF HEALTH	COB SECONDARY PATER DETERMINATION	34.69
517212	12/18/2014	N	STATE OF CALIFORNIA	LIVE SCAN FINGERPRINTS	944.00
517213	12/18/2014	N	SULLY MILLER CONTRACTING CO	ASPHALT/EMULSION	411.97
517214	12/18/2014	N	SUPERIOR COURT OF CA-CO OF LA	CITATION SURCHARGE-NOV 2014	58,434.20
517215	12/18/2014	N	SURF CONCEPTS INC	REFUND TEMPORARY SIGN PERMIT	301.00
517216	12/18/2014	N	LARRY SWANSON	STREET SWEEPING REIMBURSEMENT	131.07
517217	12/18/2014	N	AMY SWINDLE	STREET SWEEPING REIMBURSEMENT	131.52
517218	12/18/2014	N	THE EDGE FITNESS TRAINING	MB FIT/LUNCH & LEARN	747.00
517219	12/18/2014	N	THE GAS COMPANY	MONTHLY GAS CHARGES	4,882.08
517220	12/18/2014	N	THE MONKEY WRENCH	STREET SWEEPING REIMBURSEMENT	1,232.58
517221	12/18/2014	N	THE RULES GUYS LLC	ANNUAL MAINTENANCE	150.00
517222	12/18/2014	N	MIKE THOMPSON	PARKS & RECREATION REFUND	50.00
517223	12/18/2014	N	ROBERT THORPE	SCBA FIT TESTING	1,330.00
517224	12/18/2014	N	STEVEN TILLMANN	FINGERPRINT IDENTIFICATION	150.00
517225	12/18/2014	N	TORTORO ENTERPRISES	2014 EMPLOYEE PICNIC	7,223.73
517226	12/18/2014	N	TOTAL ADMINISTRATION SVCS CORP	MONTHLY FEES	424.50
517227	12/18/2014	N	TOTAL ADMINISTRATIVE SVCS CORP	CHILD125 (CHILD 125 PLAN): PAYMENT	7,083.13
517228	12/18/2014	N	TOWNE INC	MAIL HOUSE FOR ELECTION	4,680.00
517229	12/18/2014	N	TOWNE INC	MAIL HOUSE FOR ELECTION	2,400.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 13b

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517230	12/18/2014	N	NHUNG TRAN	STREET SWEEPING REIMBURSEMENT	143.39
517231	12/18/2014	N	TURBO DATA SYSTEMS INC	CITATION PROCESSING-NOV 2014	13,863.39
517232	12/18/2014	N	U.S. BANK	P/T EMP RETIREMENT CONTRIB: PAYMEN	3,351.27
517233	12/18/2014	N	UC REGENTS	PARAMEDIC NURSE EDUCATOR	2,386.40
517234	12/18/2014	N	UCLA MEDICAL CENTER	MEDICAL SERVICES	730.00
517235	12/18/2014	N	UNDERGROUND SERVICE ALERT	UNDERGROUND SCHEMATIC NOTIFICATIO	250.50
517236	12/18/2014	N	UNITED ELECTRICAL INC	REFUND FEE	1,141.00
517237	12/18/2014	N	UNITED PARCEL SERVICE	DELIVERY SERVICE	22.60
517238	12/18/2014	N	UNITED SITE SVCS OF CA INC	PORTABLE RESTROOMS	256.60
517239	12/18/2014	N	US BANCORP CARD SERVICES INC	P-CARD CHARGES	101,252.35
517240	12/18/2014	N	VAN LINGEN BODY SHOP INC	TOWING AND VEHICLE STORAGE	123.50
517241	12/18/2014	N	VANTAGEPOINT TRANSFER AGENTS	RETMT HLTH SAVINGS CONTRIB: PAYME	31,428.29
517242	12/18/2014	N	ROBIN L VARGAS	EARNINGS WITHHOLDING	553.85
517243	12/18/2014	N	DANETTE VEGA	STREET SWEEPING REIMBURSEMENT	142.47
517244	12/18/2014	N	DENNIS VELEZ II	FIRE RESERVE	175.00
517245	12/18/2014	N	VERDE INC	DUI TRAILER	27,617.55
517246	12/18/2014	N	VERIZON CALIFORNIA INC	CABLE SERVICE	10,198.66
517247	12/18/2014	N	WALLACE & ASSOC CONSULTING INC	SEPULVEDA & 2ND ST WATER MAIN - INSP	21,588.17
517248	12/18/2014	N	WASTE MANAGEMENT INC	NOVEMBER 2014 REFUSE	286,569.79
517249	12/18/2014	N	WEST BASIN MUNICIPAL WATER DIS	MONTHLY WATER PURCHASE	274,484.20
517250	12/18/2014	N	GARY WEXLER	STREET SWEEPING REIMBURSEMENT	268.55
517251	12/18/2014	N	MICHAEL WILLS	PM RECERTIFICATION REIMBURSEMENT	203.79

**CITY OF MANHATTAN BEACH
WARRANT REGISTER**

WR 13b

WARRANT BATCH NUMBER:

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517252	12/18/2014	N	JEFFREY WOODALL	FIRE RESERVE	175.00
517253	12/18/2014	N	BETH WOOLEY	STREET SWEEPING REIMBURSEMENT	142.47
517254	12/18/2014	N	XEROX CORPORATION	MULTI MACHINES LEASE & BASE BUSINES	9,885.85
517255	12/18/2014	N	XEROX CORPORATION	COPIER SUPPLIES	603.96
517256	12/18/2014	N	CHARLES YANG	STREET SWEEPING REIMBURSEMENT	1,239.58
517257	12/18/2014	N	ZAP MANUFACTURING INC	TRAFFIC SIGNS	1,552.18
517258	12/18/2014	N	JOHN EDWARD ZIELLO	SLO-PITCH/KICKBALL LEAGUE OFFICIAL	4,865.00
517259	12/18/2014	N	DAVE ZINDROSKI	STREET SWEEPING REIMBURSEMENT	131.53
SUBTOTAL					2,401,347.58
COMBINED TOTAL					4,073,481.98

PAYMENT LEGEND:

- T = Wire Transfers
- N = System Printed Checks
- H = Hand Written Checks

CITY OF MANHATTAN BEACH
WARRANT REGISTER
CHECKS EQUAL TO OR ABOVE
\$2,500.00

WARRANT BATCH NUMBER:

wr 13b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
121114	12/11/2014	T	US BANK	DEBT SVC - METLOX WATER PD FIRE	1,370,133.22
122214	12/22/2014	T	UNION BANK	F.I.T./MEDICARE/S.I.T.	302,001.18
SUBTOTAL					1,672,134.40
517056	12/18/2014	N	ACCUTRACK LLC	PERMIT REFUND	4,962.50
517057	12/18/2014	N	ADMINSURE INC	CLAIMS ADMINISTRATION	10,273.15
517058	12/18/2014	N	ADPI WEST INC	AMBULANCE BILLING-NOVEMBER 2014	5,754.62
517061	12/18/2014	N	ALL CITY MANAGEMENT SVCS	CROSSING GUARD SERVICES	10,330.22
517073	12/18/2014	N	AT&T MOBILITY	CELLULAR CHARGES	3,834.22
517079	12/18/2014	N	KEVIN BRADY	TENNIS INSTRUCTOR	5,720.00
517080	12/18/2014	N	LESLEY BRADY	TENNIS INSTRUCTOR	4,504.50
517082	12/18/2014	N	BRIT WEST SOCCER INC	SOCCER INSTRUCTOR	3,706.50
517083	12/18/2014	N	CA NEWSPAPER PARTNERSHIP	ADVERTISING	6,328.75
517084	12/18/2014	N	CA TEAMSTERS LOCAL 911	DUES (MISC): PAYMENT	6,292.00
517087	12/18/2014	N	CHEVRON	WATER RIGHT LICENSE AGREEMENT	11,170.95
517090	12/18/2014	N	CITYGATE ASSOCIATES LLC	PREPARATION SERVICES	5,351.06
517093	12/18/2014	N	CONTROL AUTOMATION DESIGN INC	SCADA COMPUTER REPAIRS	10,500.00
517120	12/18/2014	N	GMZ ENGINEERING INC	SEPULVEDA & 2ND ST WATER MAIN - PP4	150,879.00
517121	12/18/2014	N	GOVERNMENT STAFFING SERVICES	TEMPORARY EMPLOYEE SERVICES	2,722.50
517124	12/18/2014	N	HARRIES HEDER COLLABORATIVE	MB ART PROJECT	26,000.00
517128	12/18/2014	N	HUNTINGTON BCH MOTORSPORTS IN	MOTORCYCLE PARTS & SERVICE	3,527.58
517131	12/18/2014	N	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 109365: PAYMENT	3,292.04
517132	12/18/2014	N	ICMA RETIREMENT TRUST - 457	DEFERRED COMP AND LOAN REPAY 457	82,927.12
517133	12/18/2014	N	ICMA RETIREMENT TRUST 401	DEFERRED COMP 109766: PAYMENT	5,631.15

CITY OF MANHATTAN BEACH
WARRANT REGISTER
CHECKS EQUAL TO OR ABOVE
\$2,500.00

wr 13b

WARRANT BATCH NUMBER:

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517134	12/18/2014	N	IMPRES TECHNOLOGY SOLNS INC	MERAKI SWITCHES	15,429.72
517136	12/18/2014	N	JOAN STEIN JENKINS	PROSECUTION SERVICES	6,466.00
517138	12/18/2014	N	JMDIAZ INC	SEPULVEDA INTERSECTION IMPROV	32,401.56
517140	12/18/2014	N	JPMORGAN CHASE BANK NATL ASSC	MONTHLY LEASE-SEWER TRUCK	16,488.30
517143	12/18/2014	N	L A COUNTY FIRE DEPARTMENT	CUPA PERMITS RENEWAL FEE	2,962.00
517148	12/18/2014	N	ANNE GRAY LEWIS	TENNIS INSTRUCTOR	6,435.00
517153	12/18/2014	N	M B POLICE OFFICERS ASSOCIA	DUES \$ (POLICE FIXED): PAYMENT	5,798.20
517154	12/18/2014	N	M B WATER DEPARTMENT	MONTHLY WATER CHARGES	51,930.53
517156	12/18/2014	N	MARY JEAN MALLMAN	CERAMCIS INSTRUCTOR	5,468.43
517161	12/18/2014	N	MBPOA RETIREE	MD TRUST (MED TRUST): PAYMENT	2,625.00
517165	12/18/2014	N	MELAD AND ASSOCIATES INC	PLAN CHECK AND INSPECTION SERVICES	15,455.25
517167	12/18/2014	N	MERCHANTS LANDSCAPE SVCS INC	LANDSCAPE SERVICE EXTRAS	72,554.47
517170	12/18/2014	N	MORNINGSTAR PRODUCTIONS LLC	PROFESSIONAL SOUND SYSTEM SERVICES	2,800.00
517171	12/18/2014	N	NADINE NADER	HOUSING ALLOWANCE	4,111.69
517176	12/18/2014	N	ORANGE COUNTY STRIPING SVCS	CITYWIDE TRAFFIC CONTROL MARKING S	9,715.44
517180	12/18/2014	N	POSTMASTER	POSTAGE PERMIT	3,122.07
517184	12/18/2014	N	PUBLIC EMPLOYEES'	PENSION CONTRIBUTION SAFETY: PAYME	287,068.10
517188	12/18/2014	N	RICHARDS WATSON & GERSHON	PROFESSIONAL LEGAL SERVICES	52,169.73
517193	12/18/2014	N	SBRPCA	3RD QTR ASSESSMENT-COMM AUTH	385,917.25
517204	12/18/2014	N	SOUTHERN CALIFORNIA EDISON	STREET LIGHTING	25,855.64
517205	12/18/2014	N	SOUTHERN CALIFORNIA EDISON	MONTHLY ELECTRIC CHARGES	86,822.95
517209	12/18/2014	N	SSBRA	SOCCER OFFICIALS	2,720.00

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12/22/2014

CITY OF MANHATTAN BEACH
WARRANT REGISTER
CHECKS EQUAL TO OR ABOVE
\$2,500.00

wr 13b

WARRANT BATCH NUMBER:

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517214	12/18/2014	N	SUPERIOR COURT OF CA-CO OF LA	CITATION SURCHARGE-NOV 2014	58,434.20
517219	12/18/2014	N	THE GAS COMPANY	MONTHLY GAS CHARGES	4,882.08
517225	12/18/2014	N	TORTORO ENTERPRISES	2014 EMPLOYEE PICNIC	7,223.73
517227	12/18/2014	N	TOTAL ADMINISTRATIVE SVCS CORP	CHILD125 (CHILD 125 PLAN): PAYMENT	7,083.13
517228	12/18/2014	N	TOWNE INC	MAIL HOUSE FOR ELECTION	4,680.00
517231	12/18/2014	N	TURBO DATA SYSTEMS INC	CITATION PROCESSING-NOV 2014	13,863.39
517232	12/18/2014	N	U.S. BANK	P/T EMP RETIREMENT CONTRIB: PAYMEN	3,351.27
517239	12/18/2014	N	US BANCORP CARD SERVICES INC	P-CARD CHARGES	101,252.35
517241	12/18/2014	N	VANTAGEPOINT TRANSFER AGENTS	RETMT HLTH SAVINGS CONTRIB: PAYME	31,428.29
517245	12/18/2014	N	VERDE INC	DUI TRAILER	27,617.55
517246	12/18/2014	N	VERIZON CALIFORNIA INC	CABLE SERVICE	10,198.66
517247	12/18/2014	N	WALLACE & ASSOC CONSULTING INC	SEPULVEDA & 2ND ST WATER MAIN - INSP	21,588.17
517248	12/18/2014	N	WASTE MANAGEMENT INC	NOVEMBER 2014 REFUSE	286,569.79
517249	12/18/2014	N	WEST BASIN MUNICIPAL WATER DIS	MONTHLY WATER PURCHASE	274,484.20
517254	12/18/2014	N	XEROX CORPORATION	MULTI MACHINES LEASE & BASE BUSINES	9,885.85
517258	12/18/2014	N	JOHN EDWARD ZIELLO	SLO-PITCH/KICKBALL LEAGUE OFFICIAL	4,865.00
SUBTOTAL					2,325,432.85
COMBINED TOTAL					3,997,567.25

PAYMENT LEGEND:
T = Wire Transfers
N = System Printed Checks
H = Hand Written Checks

Report of Warrant Disbursements
wr 13b

Fund	Description	Amount
400	General	1,691,040.08
501	Street Light	27,719.17
505	Streets & Highways	32,401.56
210	Asset Forfeiture	756.21
230	Prop A	1,438.29
401	Capital Improvements	614,872.69
501	Water	641,270.00
502	Storm	1,978.79
503	Waste Water	74,483.21
510	Refuse	292,314.98
520	Parking	555,227.68
521	County Parking Lot	882.56
522	State Pier Lots	5,330.36
601	Insurance	10,758.75
605	Information Services	16,865.85
610	Vehicle Fleet	56,782.14
615	Building Maintenance	23,359.66
802	Trust Deposit	26,000.00
		<u>4,073,481.98</u>
		<u><u>4,073,481.98</u></u>

**CITY OF MANHATTAN BEACH PAYROLL
PAY PERIOD: 11/29/14 TO 12/12/14
PAY DATE: 12/19/14**

NET PAY 934,502.70

11/29/2014

12/12/2014

CITY OF MANHATTAN BEACH PAYROLL REPORT

PAYROLL PERIOD ENDING DATE 12/12/2014

FUND	DESCRIPTION	AMOUNT
400	General Fund	1,312,173.67
400	Asset Forfeiture Fund	3,252.43
230	Prop. A Fund	14,989.56
232	AB 2766 Air Quality Fund	660.00
501	Water Fund	31,886.28
502	Stormwater Fund	3,699.69
503	Wastewater Fund	10,869.46
510	Refuse Fund	4,076.59
520	Parking Fund	2,021.18
521	County Parking Lots Fund	481.30
522	State Pier and Parking Lot Fund	481.28
601	Insurance Reserve Fund	8,153.43
605	Information Systems Fund	31,297.93
610	Fleet Management Fund	9,458.68
615	Building Maintenance & Operations Fund	19,214.40
801	Pension Trust Fund	8,629.26
	Gross Pay	<u>1,461,345.14</u>
	Deductions	526,842.44
	Net Pay	<u><u>934,502.70</u></u>

January 20, 2015
City Council Meeting

Check History Listing
CITY OF MANHATTAN BEACH

apCkHist
12/18/2014 5:31PM

Bank code: union

Check #	Date	Vendor	Status	Clear/Void Date	Invoice	Inv. Date	Amount Paid	Check Total
511981	04/10/2014	32911 GARY MACLEAN	V	12/18/2014	95-0186042-05	04/02/2014	143.47	143.47
516868	12/04/2014	24453 DAVE ALPERT	V	12/18/2014	FALL 2014	11/12/2014	1,691.50	1,691.50

union Total: 1,834.97

Total Checks: 1,834.97

2 checks in this report

Report of P-Card Transactions

Account Date	Department Management Services	Amount
100-11-011-5204	Conferences & Meetings	
11/25/2014	INDEPENDENT CITIES A	450.00
100-11-011-5204	Conferences & Meetings	450.00
100-11-011-5217	Departmental Supplies	
11/25/2014	EL GAUCHO MEAT MARKET	50.84
11/25/2014	FRESH BROTHERS	190.90
11/25/2014	SMARTNFINAL52910305290	13.93
11/25/2014	SMARTNFINAL52910305290	44.23
11/25/2014	THE KETTLE RESTAURANT	21.21
11/25/2014	TRADER JOE'S #034 QPS	32.55
11/25/2014	TRADER JOE'S #106 QPS	29.01
100-11-011-5217	Departmental Supplies	382.67
100-11-011-5225	Printing	
11/25/2014	SMARTSOURCE OF CALIF	124.26
100-11-011-5225	Printing	124.26
100-11-021-5101	Contract Services	
11/25/2014	MARRIOTT 337W6 MB	-303.90
100-11-021-5101	Contract Services	-303.90
100-11-021-5201	Office Supplies	
11/25/2014	OFFICE DEPOT #1078	12.99
11/25/2014	OFFICE DEPOT #2740	252.28
11/25/2014	OFFICE DEPOT #5125	29.30
11/25/2014	OFFICE DEPOT #5125	51.96
11/25/2014	OFFICE DEPOT #5125	56.91
11/25/2014	OFFICE DEPOT #5125	64.20
11/25/2014	OFFICE DEPOT #5125	80.54
100-11-021-5201	Office Supplies	548.18
100-11-021-5204	Conferences & Meetings	
11/25/2014	INDEPENDENT CITIES A	450.00
11/25/2014	LEAGUE OF CALIFORNIA CIT	480.00
100-11-021-5204	Conferences & Meetings	930.00
100-11-021-5205	Training	
11/25/2014	THE OLIVE GARD00017236	232.45

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Management Services	Amount
100-11-021-5205	Training	<u>232.45</u>
100-11-021-5217	Departmental Supplies	
11/25/2014	LE PAIN QUOTIDIEN	9.68
11/25/2014	MARTHAS 22ND STREET GRILL	48.23
11/25/2014	OLDE ENGLISH CRACKERS	75.00
11/25/2014	TARGET 00001990	11.18
11/25/2014	UNCLE BILLS PANCAKE HOUSE	30.62
100-11-021-5217	Departmental Supplies	<u>174.71</u>
100-11-041-5101	Contract Services	
11/25/2014	THE SUTTA COMPANY	3.75
100-11-041-5101	Contract Services	<u>3.75</u>
11	Management Services	<u><u>2,542.12</u></u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Finance	Amount
100-12-011-5101	Contract Services	
11/25/2014	THE SUTTA COMPANY	3.75
100-12-011-5101	Contract Services	3.75
100-12-011-5201	Office Supplies	
11/25/2014	OFFICE DEPOT #1170	8.27
11/25/2014	OFFICE DEPOT #5125	144.76
11/25/2014	OFFICE DEPOT #5125	15.25
11/25/2014	OFFICE DEPOT #5125	-32.69
11/25/2014	OFFICE DEPOT #5125	32.69
11/25/2014	OFFICE DEPOT #5125	37.86
11/25/2014	OFFICE DEPOT #5125	47.42
11/25/2014	OFFICE DEPOT #5125	54.50
11/25/2014	OFFICE DEPOT #5125	549.34
11/25/2014	OFFICE DEPOT #5125	62.06
11/25/2014	OFFICE DEPOT #5125	63.78
11/25/2014	OFFICE DEPOT #5910	10.44
100-12-011-5201	Office Supplies	993.68
100-12-011-5210	Computers, Supplies & Software	
11/25/2014	DMI* DELL K-12/GOVT	191.03
11/25/2014	DMI* DELL K-12/GOVT	902.50
100-12-011-5210	Computers, Supplies & Software	1,093.53
100-12-032-5225	Printing	
11/25/2014	RYDIN DECAL- MOTO ST	794.45
100-12-032-5225	Printing	794.45
100-12-052-5217	Departmental Supplies	
11/25/2014	SMARTSOURCE OF CALIF	88.51
100-12-052-5217	Departmental Supplies	88.51
605-12-051-5104	Computer Contract Services	
11/25/2014	STK*SHUTTERSTOCK, INC.	199.00
605-12-051-5104	Computer Contract Services	199.00
605-12-051-5203	Reference Books & Periodicals	
11/25/2014	SMARTNFINAL45810304582	15.25
605-12-051-5203	Reference Books & Periodicals	15.25

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Finance	Amount
605-12-051-5210	Computers, Supplies & Software	
11/25/2014	AIRSERVER LICENSES	19.99
11/25/2014	AMAZON.COM	21.56
11/25/2014	AMAZON.COM	28.79
11/25/2014	AT&T S849 5708	61.04
11/25/2014	BEST BUY MHT 00001040	1,460.64
11/25/2014	BEST BUY MHT 00001040	1,810.36
11/25/2014	C N A 18005161262	46.20
11/25/2014	C N A 18005161262	88.28
11/25/2014	CDW GOVERNMENT	183.95
11/25/2014	DMI* DELL K-12/GOVT	1,100.00
11/25/2014	FRY'S ELECTRONICS #5	76.29
11/25/2014	LASER ZONE I INC	299.00
11/25/2014	LASER ZONE I INC	299.00
11/25/2014	SAM ASH MUSIC #62	-295.71
11/25/2014	SAM ASH MUSIC #62	327.00
11/25/2014	TARGET 00001990	59.79
605-12-051-5210	Computers, Supplies & Software	5,586.18
 615-12-042-5101	 Contract Services	
11/25/2014	GOURMETCOFFEESERVICE,INC	1,083.01
11/25/2014	GOURMETCOFFEESERVICE,INC	1,155.05
11/25/2014	DS SERVICES STANDARD COFF	740.00
11/25/2014	G2 REVOLUTION LLC	199.50
11/25/2014	SUPERIOR PLANT SCAPES	240.88
11/25/2014	SUPERIOR PLANT SCAPES	631.68
615-12-042-5101	Contract Services	4,050.12
 615-12-042-5211	 Automotive Parts	
11/25/2014	EDDINGS 0026741	84.50
11/25/2014	FACTORY MOTOR PARTS #12	225.76
11/25/2014	GOODYEAR TIRE&RUBBER CO	715.32
11/25/2014	GOODYEAR TIRE&RUBBER CO	835.78
615-12-042-5211	Automotive Parts	1,861.36
 615-12-042-5222	 Warehouse Inventory Purchases	
11/25/2014	CLEANSOURCE	1,174.68
11/25/2014	CLEANSOURCE	818.75
11/25/2014	CORE PRODUCTS	1,043.13
11/25/2014	OFFICE DEPOT #5125	1,829.89
11/25/2014	SANDLER BROS	386.96

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Finance	Amount
11/25/2014	SOUTHLAND ENVELOPE	677.44
11/25/2014	WAXIE SANITARY SUPPLY	36.84
11/25/2014	WW GRAINGER	192.78
11/25/2014	WW GRAINGER	233.85
11/25/2014	WW GRAINGER	29.30
11/25/2014	WW GRAINGER	43.94
615-12-042-5222	Warehouse Inventory Purchases	<u>6,467.56</u>
12	Finance	<u>21,153.39</u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Human Resources	Amount
100-13-011-5101	Contract Services	
11/25/2014	THE SUTTA COMPANY	3.75
100-13-011-5101	Contract Services	3.75
100-13-011-5201	Office Supplies	
11/25/2014	OFFICE DEPOT #1078	18.84
11/25/2014	OFFICE DEPOT #5125	117.82
11/25/2014	XEROX DIRECT*XEROXCORP	333.51
100-13-011-5201	Office Supplies	470.17
100-13-011-5205	Training	
11/25/2014	PAYPAL *LIEBERTCASS	55.00
100-13-011-5205	Training	55.00
100-13-011-5218	Recruitment Costs	
11/25/2014	CRAIGSLIST.ORG	50.00
11/25/2014	ICMA INTERNET	297.99
11/25/2014	JOBS AVAILABLE INC	819.00
11/25/2014	PEET'S #03903	11.40
11/25/2014	PETROS GREEK CUISINE AND	44.70
11/25/2014	READY REPRODUCTIONS	130.80
11/25/2014	READY REPRODUCTIONS	159.14
100-13-011-5218	Recruitment Costs	1,513.03
601-13-021-5202	Memberships & Dues	
11/25/2014	PAYPAL *COUNCILSELF	100.00
601-13-021-5202	Memberships & Dues	100.00
601-13-021-5204	Conferences & Meetings	
11/25/2014	IWCF	350.00
601-13-021-5204	Conferences & Meetings	350.00
13	Human Resources	2,491.95

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Recreation	Amount
100-14-011-5201	Office Supplies	
11/25/2014	AMAZON MKTPLACE PMTS	154.29
11/25/2014	AMAZON MKTPLACE PMTS	192.99
11/25/2014	AMAZON MKTPLACE PMTS	636.55
11/25/2014	AMAZON MKTPLACE PMTS	745.60
11/25/2014	AMAZON MKTPLACE PMTS	749.99
11/25/2014	AMAZON.COM	362.96
11/25/2014	OFFICE DEPOT #2740	54.02
11/25/2014	OFFICE DEPOT #5125	123.18
11/25/2014	OFFICE DEPOT #5125	136.24
11/25/2014	OFFICE DEPOT #5125	262.47
11/25/2014	OFFICE DEPOT #5125	424.99
11/25/2014	OFFICE DEPOT #5125	58.81
11/25/2014	OFFICE DEPOT #5125	79.12
11/25/2014	PARADISE AWARDS	45.02
11/25/2014	XEROX SUPPLY TEXAS	445.98
100-14-011-5201	Office Supplies	4,472.21
100-14-011-5217	Departmental Supplies	
11/25/2014	VARIDESK	374.37
100-14-011-5217	Departmental Supplies	374.37
14	Recreation	4,846.58

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Police	Amount
100-15-011-5104	Computer Contract Services	
11/25/2014	LOCATEPLUS	104.95
100-15-011-5104	Computer Contract Services	104.95
100-15-011-5201	Office Supplies	
11/25/2014	OFFICE DEPOT 1135	15.96
11/25/2014	OFFICE DEPOT #1078	6.34
11/25/2014	OFFICE DEPOT #5125	112.75
11/25/2014	OFFICE DEPOT #5125	147.15
11/25/2014	OFFICE DEPOT #5125	158.02
11/25/2014	OFFICE DEPOT #5125	21.79
11/25/2014	OFFICE DEPOT #5125	69.69
11/25/2014	OFFICE DEPOT #5125	228.74
11/25/2014	OFFICE DEPOT #5125	254.53
11/25/2014	OFFICE DEPOT #5125	36.42
11/25/2014	OFFICE DEPOT #5125	411.32
11/25/2014	OFFICE DEPOT #5125	477.76
11/25/2014	OFFICE DEPOT #5125	51.02
11/25/2014	OFFICE DEPOT #5125	64.55
100-15-011-5201	Office Supplies	2,056.04
100-15-011-5202	Memberships & Dues	
11/25/2014	FBI LEEDA INC	50.00
100-15-011-5202	Memberships & Dues	50.00
100-15-011-5204	Conferences & Meetings	
11/25/2014	VONS STORE00022756	20.10
100-15-011-5204	Conferences & Meetings	20.10
100-15-011-5206	Uniforms/Safety Equipment	
11/25/2014	VERSATILE INFORMATION PR	663.94
100-15-011-5206	Uniforms/Safety Equipment	663.94
100-15-011-5214	Employee Awards & Events	
11/25/2014	NOAH'S-ONLINE CATERING	91.95
11/25/2014	VONS STORE00022756	15.83
100-15-011-5214	Employee Awards & Events	107.78
100-15-011-5217	Departmental Supplies	
11/25/2014	AMAZON.COM	91.54

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Police	Amount
11/25/2014	FRY'S ELECTRONICS #5	98.09
11/25/2014	INSTYLE FLOWERS	402.00
100-15-011-5217	Departmental Supplies	591.63
100-15-021-5101	Contract Services	
11/25/2014	ROYAL AUTO DETAIL LLC	100.00
11/25/2014	SQ *ALAN'S BOARD-UPS	225.00
100-15-021-5101	Contract Services	325.00
100-15-021-5202	Memberships & Dues	
11/25/2014	CA ASSN OF TACTICAL OFFIC	100.00
100-15-021-5202	Memberships & Dues	100.00
100-15-021-5205	Training	
11/25/2014	RALPHS #0166	39.79
100-15-021-5205	Training	39.79
100-15-021-5206	Uniforms/Safety Equipment	
11/25/2014	WESTWAY UNIFORMS INC	59.90
100-15-021-5206	Uniforms/Safety Equipment	59.90
100-15-021-5217	Departmental Supplies	
11/25/2014	CAFE RIO MANHATTAN QPS	43.09
11/25/2014	FRIENDS FUR-EVER	115.52
11/25/2014	PEET'S #03903	34.00
11/25/2014	PET FOODS MARKET	61.68
100-15-021-5217	Departmental Supplies	254.29
100-15-031-5104	Computer Contract Services	
11/25/2014	LEXISNEXIS RISK MGT	426.41
100-15-031-5104	Computer Contract Services	426.41
100-15-031-5217	Departmental Supplies	
11/25/2014	PCH LOCK AND KEY	13.08
100-15-031-5217	Departmental Supplies	13.08
100-15-041-5101	Contract Services	
11/25/2014	CDW GOVERNMENT	414.18
11/25/2014	THE SUTTA COMPANY	37.75

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Report of P-Card Transactions

Account Date	Department Police	Amount
100-15-041-5101	Contract Services	451.93
100-15-041-5202	Memberships & Dues	
11/25/2014	PAYPAL *CAPE	45.00
100-15-041-5202	Memberships & Dues	45.00
100-15-041-5208	Postage	
11/25/2014	USPS 05471802231805609	6.49
100-15-041-5208	Postage	6.49
100-15-041-5210	Computers, Supplies & Software	
11/25/2014	DMI* DELL K-12/GOVT	458.10
100-15-041-5210	Computers, Supplies & Software	458.10
100-15-041-5217	Departmental Supplies	
11/25/2014	MERCHANT	277.02
100-15-041-5217	Departmental Supplies	277.02
100-15-051-5205	Training	
11/25/2014	RED LION HOTEL ANAHEIM PA	14.00
11/25/2014	RED LION HOTEL ANAHEIM PA	14.00
100-15-051-5205	Training	28.00
100-15-071-5101	Contract Services	
11/25/2014	MISSION LINEN	383.59
100-15-071-5101	Contract Services	383.59
100-15-071-5217	Departmental Supplies	
11/25/2014	GOLDEN PACIFIC HCP	253.10
11/25/2014	MERCHANT	160.23
100-15-071-5217	Departmental Supplies	413.33
100-15-081-5206	Uniforms/Safety Equipment	
11/25/2014	WESTWAY UNIFORMS INC	17.39
11/25/2014	WESTWAY UNIFORMS INC	59.90
100-15-081-5206	Uniforms/Safety Equipment	77.29
100-15-081-5217	Departmental Supplies	
11/25/2014	NOAH'S-ONLINE CATERING	59.97

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Report of P-Card Transactions

Account Date	Department Police	Amount
11/25/2014	WW GRAINGER	127.03
100-15-081-5217	Departmental Supplies	<u>187.00</u>
15	Police	<u>7,140.66</u>

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Report of P-Card Transactions

Account Date	Department Fire	Amount
100-16-011-5101	Contract Services	
11/25/2014	THE SUTTA COMPANY	5.00
100-16-011-5101	Contract Services	5.00
100-16-011-5201	Office Supplies	
11/25/2014	OFFICE DEPOT #5125	458.09
11/25/2014	OFFICE DEPOT #5125	80.65
11/25/2014	OFFICE DEPOT #5125	822.58
100-16-011-5201	Office Supplies	1,361.32
100-16-011-5204	Conferences & Meetings	
11/25/2014	AMPCO PARKING LONG BEACH	17.00
100-16-011-5204	Conferences & Meetings	17.00
100-16-011-5214	Employee Awards & Events	
11/25/2014	AARON BROTHERS312	32.68
11/25/2014	CAMPUTEE PRESS	-90.00
100-16-011-5214	Employee Awards & Events	-57.32
100-16-011-5217	Departmental Supplies	
11/25/2014	DMI* DELL K-12/GOVT	191.03
100-16-011-5217	Departmental Supplies	191.03
100-16-031-5206	Uniforms/Safety Equipment	
11/25/2014	FIREFIGHTERS SAFETY WEB	295.61
100-16-031-5206	Uniforms/Safety Equipment	295.61
100-16-031-5217	Departmental Supplies	
11/25/2014	FRY'S ELECTRONICS #5	13.92
11/25/2014	HOMEDEPOT.COM	358.61
11/25/2014	HOMEDEPOT.COM	-55.00
11/25/2014	REPLACEMENT PARTS	18.75
11/25/2014	TARGET 00001990	10.78
11/25/2014	TARGET 00001990	39.17
11/25/2014	THE HOME DEPOT 620	123.64
11/25/2014	THE HOME DEPOT 620	-950.59
100-16-031-5217	Departmental Supplies	-440.72
100-16-041-5101	Contract Services	
11/25/2014	EMSP 0312	200.00

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Report of P-Card Transactions

Account Date	Department Fire	Amount
100-16-041-5101	Contract Services	<u>200.00</u>
100-16-041-5217	Departmental Supplies	
11/25/2014	BOUND TREE MEDICAL LLC	135.36
11/25/2014	BOUND TREE MEDICAL LLC	1,915.04
11/25/2014	BOUND TREE MEDICAL LLC	25.80
11/25/2014	BOUND TREE MEDICAL LLC	38.00
11/25/2014	BOUND TREE MEDICAL LLC	45.12
11/25/2014	BOUND TREE MEDICAL LLC	49.74
11/25/2014	BOUND TREE MEDICAL LLC	71.22
11/25/2014	BOUND TREE MEDICAL LLC	815.46
11/25/2014	BOUND TREE MEDICAL LLC	82.56
11/25/2014	NSC*NORTHERN SAFETY CO	361.96
100-16-041-5217	Departmental Supplies	<u>3,540.26</u>
100-16-052-5217	Departmental Supplies	
11/25/2014	CPR SAVERS & FIRST AID	1,623.20
11/25/2014	FEDEX OFFICE 00010165	119.26
11/25/2014	FEDEX OFFICE 00010165	261.06
100-16-052-5217	Departmental Supplies	<u>2,003.52</u>
100-16-053-5205	Training	
11/25/2014	PERFECT FIREFIGHTER CANDI	55.00
100-16-053-5205	Training	<u>55.00</u>
100-16-056-5225	Printing	
11/25/2014	PARADISE AWARDS	47.96
100-16-056-5225	Printing	<u>47.96</u>
16	Fire	<u><u>7,218.66</u></u>

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Report of P-Card Transactions

Account Date	Department Community Development	Amount
100-17-011-5201	Office Supplies	
11/25/2014	ALL STATE LEGAL	250.70
11/25/2014	OFFICE DEPOT #5125	15.26
11/25/2014	OFFICE DEPOT #5125	216.37
11/25/2014	OFFICE DEPOT #5125	252.65
100-17-011-5201	Office Supplies	<u>734.98</u>
100-17-011-5217	Departmental Supplies	
11/25/2014	PARADISE AWARDS	84.04
11/25/2014	SMARTNFINAL32210303220	22.62
100-17-011-5217	Departmental Supplies	<u>106.66</u>
17	Community Development	<u><u>841.64</u></u>

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
100-18-011-5201	Office Supplies	
11/25/2014	OFFICE DEPOT #5125	26.97
11/25/2014	OFFICE DEPOT #5125	34.80
11/25/2014	OFFICE DEPOT #5125	56.60
11/25/2014	OFFICE DEPOT #5125	60.75
11/25/2014	OFFICE DEPOT #5125	78.03
11/25/2014	OFFICE DEPOT #5910	5.44
100-18-011-5201	Office Supplies	262.59
100-18-011-5204	Conferences & Meetings	
11/25/2014	NOAH'S-ONLINE CATERING	84.97
11/25/2014	SM-DWNTWN STRUCT	1.00
100-18-011-5204	Conferences & Meetings	85.97
100-18-011-5210	Computers, Supplies & Software	
11/25/2014	AMAZON MKTPLACE PMTS	39.95
11/25/2014	DMI* DELL K-12/GOVT	191.03
11/25/2014	DMI* DELL K-12/GOVT	191.03
11/25/2014	DMI* DELL K-12/GOVT	902.50
100-18-011-5210	Computers, Supplies & Software	1,324.51
100-18-011-5217	Departmental Supplies	
11/25/2014	MARINA GRAPHIC CENTER	747.74
11/25/2014	PARADISE AWARDS	39.02
100-18-011-5217	Departmental Supplies	786.76
100-18-021-5203	Reference Books & Periodicals	
11/25/2014	AMERICAN PUBLIC WORKS	553.28
100-18-021-5203	Reference Books & Periodicals	553.28
100-18-021-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	16.97
100-18-021-5206	Uniforms/Safety Equipment	16.97
100-18-021-5217	Departmental Supplies	
11/25/2014	XEROX CORPORATION/RBO	-1,455.42
11/25/2014	XEROX CORPORATION/RBO	-196.93
100-18-021-5217	Departmental Supplies	-1,652.35
100-18-032-5101	Contract Services	

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
11/25/2014	USA MOBILITY WIRELE	1.99
100-18-032-5101	Contract Services	<u>1.99</u>
100-18-032-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	492.02
11/25/2014	RED WING SHOE STORE 0	380.38
100-18-032-5206	Uniforms/Safety Equipment	<u>872.40</u>
100-18-032-5217	Departmental Supplies	
11/25/2014	INT*EDINGER MATERIALS, IN	135.00
11/25/2014	AMAZON MKTPLACE PMTS	136.36
11/25/2014	AT&T S849 5708	32.69
11/25/2014	AT&T S849 5708	85.02
11/25/2014	B.D. WHITE TOPSOIL CO INC	109.00
11/25/2014	K-JACK ENGINEERING CO INC	142.79
11/25/2014	NEXGEN	449.29
11/25/2014	STREET TREE SEMINAR INC	38.00
11/25/2014	THE HOME DEPOT 620	112.19
11/25/2014	THE HOME DEPOT 620	425.39
100-18-032-5217	Departmental Supplies	<u>1,665.73</u>
100-18-034-5101	Contract Services	
11/25/2014	IN *ROWEKAMP ASSOCIATES I	500.00
11/25/2014	TRAFFIC MANAGEMENT - ANA	1,315.00
100-18-034-5101	Contract Services	<u>1,815.00</u>
100-18-034-5205	Training	
11/25/2014	FREDPRYOR CAREERTRACK	199.00
100-18-034-5205	Training	<u>199.00</u>
100-18-034-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	33.94
100-18-034-5206	Uniforms/Safety Equipment	<u>33.94</u>
100-18-034-5217	Departmental Supplies	
11/25/2014	MANERI SIGN CO	171.67
11/25/2014	MANERI SIGN CO	179.86
11/25/2014	MANERI SIGN CO	272.50
11/25/2014	MANERI SIGN CO	626.76
11/25/2014	RYDIN DECAL- MOTO ST	296.62
11/25/2014	STAR HYDRAULICS LLC	625.28

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
11/25/2014	THE HOME DEPOT 620	105.65
100-18-034-5217	Departmental Supplies	<u>2,278.34</u>
100-18-042-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	33.94
11/25/2014	RED WING SHOE STORE 0	243.03
100-18-042-5206	Uniforms/Safety Equipment	<u>276.97</u>
100-18-042-5217	Departmental Supplies	
11/25/2014	M & K METAL COMPANY	135.89
11/25/2014	THE HOME DEPOT 620	172.64
11/25/2014	THE HOME DEPOT 620	-4.67
11/25/2014	THE HOME DEPOT 620	79.66
100-18-042-5217	Departmental Supplies	<u>383.52</u>
100-18-043-5217	Departmental Supplies	
11/25/2014	RJ S LAWNSDALE	142.03
100-18-043-5217	Departmental Supplies	<u>142.03</u>
501-18-231-5101	Contract Services	
11/25/2014	BRITHINEE ELECTRIC	968.00
11/25/2014	USA MOBILITY WIRELE	8.09
501-18-231-5101	Contract Services	<u>976.09</u>
501-18-231-5205	Training	
11/25/2014	TECHNICAL LEARNING CONSU	425.00
501-18-231-5205	Training	<u>425.00</u>
501-18-231-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	33.94
501-18-231-5206	Uniforms/Safety Equipment	<u>33.94</u>
501-18-231-5217	Departmental Supplies	
11/25/2014	HARRINGTON 01 LA COMMERC	313.24
11/25/2014	HARRINGTON 01 LA COMMERC	-597.32
11/25/2014	HARRINGTON 01 LA COMMERC	615.53
11/25/2014	HARRINGTON 01 LA COMMERC	79.68
11/25/2014	J.G. TUCKER & SON INC	156.44
11/25/2014	MCMASTER-CARR	39.56
11/25/2014	MCMASTER-CARR	93.11

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
11/25/2014	THE HOME DEPOT 620	14.88
501-18-231-5217	Departmental Supplies	715.12
501-18-241-5217	Departmental Supplies	
11/25/2014	BAVCO	544.56
11/25/2014	SMARDAN SUPPLY CO 2	1,959.82
11/25/2014	THE HOME DEPOT 620	185.19
11/25/2014	WATERLINE TECHNOLOGIES IN	1,100.99
11/25/2014	WATERLINE TECHNOLOGIES IN	463.03
11/25/2014	WATERLINE TECHNOLOGIES IN	-697.60
11/25/2014	WATERLINE TECHNOLOGIES IN	697.60
11/25/2014	WATERLINE TECHNOLOGIES IN	861.75
501-18-241-5217	Departmental Supplies	5,115.34
501-18-251-5101	Contract Services	
11/25/2014	USA MOBILITY WIRELE	1.99
501-18-251-5101	Contract Services	1.99
501-18-251-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	508.99
501-18-251-5206	Uniforms/Safety Equipment	508.99
501-18-251-5217	Departmental Supplies	
11/25/2014	B.D. WHITE TOPSOIL CO INC	-109.00
11/25/2014	B.D. WHITE TOPSOIL CO INC	109.00
11/25/2014	FERGUSON ENT #1112	666.98
11/25/2014	FRANKLINCOVEYPRODUCTS	101.72
11/25/2014	FRANKLINCOVEYPRODUCTS	116.43
11/25/2014	M & K METAL COMPANY	360.13
11/25/2014	MOST DEPENDABLE FOUNTAINS	300.81
501-18-251-5217	Departmental Supplies	1,546.07
502-18-311-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	16.97
502-18-311-5206	Uniforms/Safety Equipment	16.97
502-18-311-5217	Departmental Supplies	
11/25/2014	AIS SPECIALTY PRODUCTS	456.61
11/25/2014	J.G. TUCKER & SON INC	970.36
11/25/2014	WW GRAINGER	238.32

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
502-18-311-5217	Departmental Supplies	<u>1,665.29</u>
503-18-321-5101	Contract Services	
11/25/2014	USA MOBILITY WIRELE	3.98
503-18-321-5101	Contract Services	<u>3.98</u>
503-18-321-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	50.91
503-18-321-5206	Uniforms/Safety Equipment	<u>50.91</u>
503-18-321-5217	Departmental Supplies	
11/25/2014	PLUMBERS DEPOT INC	666.35
503-18-321-5217	Departmental Supplies	<u>666.35</u>
520-18-511-5101	Contract Services	
11/25/2014	USA MOBILITY WIRELE	1.99
520-18-511-5101	Contract Services	<u>1.99</u>
520-18-511-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	50.91
11/25/2014	RED WING SHOE STORE 0	330.20
520-18-511-5206	Uniforms/Safety Equipment	<u>381.11</u>
520-18-511-5217	Departmental Supplies	
11/25/2014	ENVIRONMENTALLIGHTS	134.24
11/25/2014	ENVIRONMENTALLIGHTS	1,412.81
11/25/2014	FRY'S ELECTRONICS #5	394.97
11/25/2014	HARBOR FREIGHT TOOLS 425	17.64
11/25/2014	LOWES #02268*	369.37
11/25/2014	THE HOME DEPOT 620	1,210.11
11/25/2014	THE HOME DEPOT 620	458.96
11/25/2014	WWW.SUPERBRIGHTLEDS.COM	721.30
11/25/2014	WWW.SUPERBRIGHTLEDS.COM	870.00
520-18-511-5217	Departmental Supplies	<u>5,589.40</u>
522-18-512-5217	Departmental Supplies	
11/25/2014	ALLSTAR FIRE EQUIPMENT	123.49
11/25/2014	BIRDDOGDISTRIBUTING	514.00
11/25/2014	IMPERIAL PRODUCTS	437.01
11/25/2014	MCMASTER-CARR	18.99

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
11/25/2014	MCMASTER-CARR	433.26
11/25/2014	MCMASTER-CARR	465.19
11/25/2014	MCMASTER-CARR	65.44
11/25/2014	STARBUCKS #00542 MANHATTA	15.70
11/25/2014	TARGET 00001990	653.46
11/25/2014	THE HOME DEPOT 620	21.74
11/25/2014	THE HOME DEPOT 620	83.08
522-18-512-5217	Departmental Supplies	<u>2,831.36</u>
522-18-512-5501	Telephone	
11/25/2014	PACIFIC TELEMAGEMENT	70.00
522-18-512-5501	Telephone	<u>70.00</u>
610-18-611-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	67.88
11/25/2014	RED WING SHOE STORE 0	162.13
610-18-611-5206	Uniforms/Safety Equipment	<u>230.01</u>
610-18-611-5211	Automotive Parts	
11/25/2014	HOSE MAN,THE	406.34
11/25/2014	A-Z BUS SALES	165.18
11/25/2014	BAY CITIES RADIATOR INC	116.63
11/25/2014	COMPLETES PLUS CPL	105.86
11/25/2014	EDDINGS 0026741	124.26
11/25/2014	EDDINGS 0026741	15.28
11/25/2014	EDDINGS 0026741	18.29
11/25/2014	EDDINGS 0026741	18.51
11/25/2014	EDDINGS 0026741	18.94
11/25/2014	EDDINGS 0026741	20.81
11/25/2014	EDDINGS 0026741	21.76
11/25/2014	EDDINGS 0026741	229.99
11/25/2014	EDDINGS 0026741	24.55
11/25/2014	EDDINGS 0026741	259.42
11/25/2014	EDDINGS 0026741	31.35
11/25/2014	EDDINGS 0026741	39.51
11/25/2014	EDDINGS 0026741	4.71
11/25/2014	EDDINGS 0026741	4.71
11/25/2014	EDDINGS 0026741	477.42
11/25/2014	EDDINGS 0026741	48.35
11/25/2014	EDDINGS 0026741	48.44
11/25/2014	EDDINGS 0026741	48.61
11/25/2014	EDDINGS 0026741	50.12

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Public Works	Amount
11/25/2014	EDDINGS 0026741	52.56
11/25/2014	EDDINGS 0026741	624.57
11/25/2014	EDDINGS 0026741	64.19
11/25/2014	EDDINGS 0026741	79.44
11/25/2014	EDDINGS 0026741	8.32
11/25/2014	EDDINGS 0026741	89.09
11/25/2014	EDDINGS 0026741	95.88
11/25/2014	FIRESTONE 011819	133.13
11/25/2014	FIRESTONE 011819	342.46
11/25/2014	HARBOR FREIGHT TOOLS 425	29.87
11/25/2014	M & M LIFTS	1,720.00
11/25/2014	MUNICIPAL MAINTENANCE EQU	265.64
11/25/2014	SCOTT ROBINSON CHRYSLER	56.46
11/25/2014	SIMS WELDING SUPPL	58.22
11/25/2014	SOUTH BAY FORD	21.76
11/25/2014	SOUTH BAY FORD	82.84
11/25/2014	TARGET 00001990	52.28
11/25/2014	THE HOME DEPOT 620	110.54
11/25/2014	TMS*SOUTHERN CALIFORNI	60.00
11/25/2014	UNITED RENTALS #018976	927.04
11/25/2014	WEST MARINE 1244	98.04
610-18-611-5211	Automotive Parts	7,271.37
610-18-611-5217	Departmental Supplies	
11/25/2014	MEYERS RV, INC.	3.22
11/25/2014	EDDINGS 0026741	118.27
11/25/2014	EDDINGS 0026741	13.04
11/25/2014	EDDINGS 0026741	17.05
11/25/2014	EDDINGS 0026741	19.08
11/25/2014	EDDINGS 0026741	26.03
11/25/2014	EDDINGS 0026741	35.89
11/25/2014	EDDINGS 0026741	57.86
11/25/2014	EDDINGS 0026741	68.41
11/25/2014	HARBOR FREIGHT TOOLS 425	16.32
11/25/2014	HARBOR FREIGHT TOOLS 425	41.41
11/25/2014	LAWSON PRODUCTS	1,007.86
11/25/2014	NEXGEN	647.72
11/25/2014	RITE AID STORE 5482	73.52
11/25/2014	STATE CHEMIC*STATE CHE	275.56
11/25/2014	THE HOME DEPOT 620	134.83
11/25/2014	THE HOME DEPOT 620	22.69
11/25/2014	THE HOME DEPOT 620	9.60

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Report of P-Card Transactions

Account Date	Department Public Works	Amount
610-18-611-5217	Departmental Supplies	2,588.36
610-18-611-5221	Automotive Repair Services	
11/25/2014	THE HOME DEPOT 620	313.63
610-18-611-5221	Automotive Repair Services	313.63
615-18-041-5206	Uniforms/Safety Equipment	
11/25/2014	MANHATTAN STITCHING CO	67.88
615-18-041-5206	Uniforms/Safety Equipment	67.88
615-18-041-5217	Departmental Supplies	
11/25/2014	BATTERIESPLUS.COM	85.30
11/25/2014	CARPET SPECTRUM INC	2,482.75
11/25/2014	COMLOCK SECURITY	3.24
11/25/2014	FRY'S ELECTRONICS #5	105.68
11/25/2014	FRY'S ELECTRONICS #5	3.70
11/25/2014	IMPERIAL PRODUCTS	2,356.51
11/25/2014	INTERMOUNTAIN LOCK AND SE	93.59
11/25/2014	LEARNED LUMBER	323.62
11/25/2014	LOWES #02268*	295.11
11/25/2014	LOWES #02268*	44.54
11/25/2014	LOWES #02268*	925.41
11/25/2014	MCMASTER-CARR	1,172.21
11/25/2014	OFFICE DEPOT #5125	178.75
11/25/2014	OFFICE DEPOT #5125	326.99
11/25/2014	ROCKLER WOOD*	23.95
11/25/2014	STEVES LOCK&SAFE	81.75
11/25/2014	SUPREME PAINT (MANHATT	166.02
11/25/2014	SUPREME PAINT (MANHATT	273.86
11/25/2014	THE HOME DEPOT 620	110.26
11/25/2014	THE HOME DEPOT 620	138.28
11/25/2014	THE HOME DEPOT 620	155.12
11/25/2014	THE HOME DEPOT 620	242.91
11/25/2014	THE HOME DEPOT 620	252.99
11/25/2014	THE HOME DEPOT 620	256.85
11/25/2014	THE HOME DEPOT 620	289.38
11/25/2014	THE HOME DEPOT 620	42.41
11/25/2014	THE HOME DEPOT 620	536.61
11/25/2014	THE HOME DEPOT 620	58.03
11/25/2014	THE HOME DEPOT 620	63.83
11/25/2014	THE HOME DEPOT 620	67.09
11/25/2014	THE HOME DEPOT 620	78.40

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

Report of P-Card Transactions

Account Date	Department Public Works	Amount
11/25/2014	TODD PIPE AND SUPPLY	67.38
11/25/2014	TR TRADING COMPANY	309.56
11/25/2014	WESTWOOD BUILDING MATE	994.57
11/25/2014	WW GRAINGER	102.20
11/25/2014	WW GRAINGER	1,377.22
11/25/2014	WW GRAINGER	151.73
11/25/2014	WW GRAINGER	237.89
11/25/2014	WW GRAINGER	24.09
11/25/2014	WW GRAINGER	313.63
11/25/2014	WW GRAINGER	86.14
615-18-041-5217	Departmental Supplies	<u>14,899.55</u>
18	Public Works	<u>55,017.35</u>
	Report Totals	<u><u>101,252.35</u></u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 13b, dated 12/18/2014; Check number 517239.

**CITY OF MANHATTAN BEACH
WARRANT REGISTER**

WARRANT BATCH NUMBER:

WR 14b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
10515	1/5/2015	T	UNION BANK	F.I.T./MEDICARE/S.I.T.	217,289.29
123114	12/31/2014	T	UNION BANK	F.I.T./MEDICARE/S.I.T.	1,433.90
1222141	12/22/2014	T	CMB RISK MGMT LIABILITY	MONTHLY DISBURSAL - LIABILITY NOV	26,920.90
12222014	12/22/2014	T	CMB RISK MGMT WORKERS COMP	MONTHLY DISBURSAL - WORKERS COMP I	121,104.46
SUBTOTAL					366,748.55
517260	12/31/2014	N	AC MARTIN PARTNERS INC	ARCHITECT	52.52
517261	12/31/2014	N	ACCELA INC	CITYWIDE PERMITTING SOFTWARE CONT	24,507.70
517262	12/31/2014	N	ADAMSON POLICE PRODUCTS	BALLISTIC VESTS	695.96
517263	12/31/2014	N	AKM CONSULTING ENGINEERS INC	CONTRACT EXTENSION - PROFESSIONAL S	1,535.00
517264	12/31/2014	N	ALL CITY MANAGEMENT SVCS	CROSSING GUARD SERVICES	6,212.12
517265	12/31/2014	N	PERRY ALLISON	GYM EQUIPMENT MAINTENANCE AGREEN	290.00
517266	12/31/2014	N	ANIMAL EMERGENCY MEDICAL CTR	EMERGENCY VET SERVICES	75.00
517267	12/31/2014	N	ARAKELIAN ENTERPRISES INC	STREET SWEEPING SERVICES EXTRAS	30,161.69
517268	12/31/2014	N	ART TO GROW ON	YOUTH ART INSTRUCTOR	1,316.70
517269	12/31/2014	N	AT&T	T1 LINE TO RCC	142.88
517270	12/31/2014	N	AT&T MOBILITY	CELLULAR CHARGES	1,287.53
517271	12/31/2014	N	JOHN BALK	PARKS & RECREATION REFUND	50.00
517272	12/31/2014	N	MICHAEL H BRADY	PATIENT TRANSPORT UNIT	3,926.00
517273	12/31/2014	N	BRIT WEST SOCCER INC	SOCCER INSTRUCTOR	3,838.50
517274	12/31/2014	N	CHRISTINA MARIE BROOME	WATER AEROBICS INSTRUCTOR	105.00
517275	12/31/2014	N	BRYAN CAVE LLP	LEGAL SERVICES	105.00
517276	12/31/2014	N	CA NEWSPAPER PARTNERSHIP	LEGAL PUBLICATION	3,708.00
517277	12/31/2014	N	CA SDU	WITHHOLDING	503.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 14b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517278	12/31/2014	N	LISA M CANNON	CAPACITY TESTING TRUCKS	250.00
517279	12/31/2014	N	CDW GOVERNMENT INC	NETWORK MANAGEMENT CARDS	3,357.20
517280	12/31/2014	N	JOE CHARLES	FITNESS INSTRUCTOR	797.00
517281	12/31/2014	N	CITIBANK NA	GASOLINE	116.66
517282	12/31/2014	N	CLE ELECTRIC INC	ON-CALL ELECTRICIAN	19,824.50
517283	12/31/2014	N	CLEAN ENERGY	FUEL PURCHASE-MAY 2014	1,246.63
517284	12/31/2014	N	CLEANS TREE	LANDSCAPE SERVICE EXTRAS	39,471.19
517285	12/31/2014	N	CLINICAL LAB OF SAN BERNARDINO	WATER QUALITY TESTING SERVICES CON	1,573.20
517286	12/31/2014	N	COLLICUTT ENERGY SERVICES INC	TRASFER SWITCH FOR LARSSON PARK PU	9,390.40
517287	12/31/2014	N	GEOFFREY COLMAN	CASH KEY REFUND	23.00
517288	12/31/2014	N	COMPETITIVE EDGE SCREENPRINT	UNIFORM/SAFETY EQUIPMENT	117.72
517289	12/31/2014	N	R CRAIG CROTTY	ARBORIST SERVICES	1,500.00
517291	12/31/2014	N	CROWN BLDG MAINTENANCE CO INC	JANITORIAL SERVICES EXTRAS	63,937.04
517292	12/31/2014	N	ANDREA DALFONSO	REFUND FEE	64.50
517293	12/31/2014	N	DOUGLAS DECASTRO	BANNERS, DECALS, SIGNAGE	320.46
517294	12/31/2014	N	DELTA DENTAL OF CALIFORNIA	DENTAL PREMIUMS	29,021.33
517295	12/31/2014	N	DR PAVE LLC	POTHOLE REPAIR	2,500.00
517296	12/31/2014	N	EDUCATIONAL CREDIT MGMT CORP	EARNINGS WITHHOLDING	435.10
517297	12/31/2014	N	FRANCHISE TAX BOARD	EARNINGS WITHHOLDING	185.98
517298	12/31/2014	N	G & M PLASTERING	REFUND RIGHT OF WAY DEPOSIT	496.00
517299	12/31/2014	N	DANIEL C GACAD	KARATE INSTRUCTOR	268.80
517300	12/31/2014	N	GARDA CL WEST INC	ARMORED SERVICES	410.28

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 14b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517301	12/31/2014	N	GIBSON ROOFING	REFUND FEE	108.00
517302	12/31/2014	N	GOLDEN METERS SERVICE INC	INDEPENDENT METER TESTING	2,183.13
517303	12/31/2014	N	GOVERNMENT STAFFING SERVICES	TEMPORARY EMPLOYEE SERVICES	6,633.00
517304	12/31/2014	N	DOUGLAS GUIMOND	AED SIGN PLATES	65.10
517305	12/31/2014	N	RICK HALL	REFUND FEE	792.31
517306	12/31/2014	N	MELISSA HAMMOND	CITATION REFUND	48.00
517307	12/31/2014	N	GENE HARBECK	STREET SWEEPING REIMBURSEMENT	1.90
517308	12/31/2014	N	MARJORIE HARBECK	STREET SWEEPING REIMBURSEMENT	71.40
517309	12/31/2014	N	HEAL THE BAY	MB PIER EDUCATION & OUTREACH SVS A	5,000.00
517310	12/31/2014	N	KAT HEIDRICH	PARKS & RECREATION REFUND	100.00
517311	12/31/2014	N	HONEYWELL INTERNATIONAL INC	HVAC MAINTENANCE & REPAIR	24,836.44
517312	12/31/2014	N	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 108075: PAYMENT	673.08
517313	12/31/2014	N	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 109365: PAYMENT	2,993.38
517314	12/31/2014	N	ICMA RETIREMENT TRUST - 457	DEFERRED COMP AND LOAN REPAY 457	64,792.00
517315	12/31/2014	N	ICMA RETIREMENT TRUST 401	DEFERRED COMP 109766: PAYMENT	5,357.32
517316	12/31/2014	N	INCONTACT INC	LONG DISTANCE SERVICE	550.68
517317	12/31/2014	N	INFOSEND INC	UB BILL/WEB PORTAL	3,933.82
517318	12/31/2014	N	INTERNAP NETWORK SERVICES CORP	INTERNET SERVICES PROVIDER CONTRAC	7,857.19
517319	12/31/2014	N	IPS GROUP INC	PARKING METER REPLACEMENT PARTS &	21,842.22
517320	12/31/2014	N	IRON MOUNTAIN INFO MNGMT INC	OFF-SITE STORAGE	1,195.17
517321	12/31/2014	N	JOAN STEIN JENKINS	PROSECUTION SERVICES	5,512.00
517322	12/31/2014	N	ALFRED L JOHNSON	SAFETY WORKSHOP INSTRUCTOR	500.00

2:50:54PM
12/31/2014

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 14b

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517323	12/31/2014	N	VICTORIA HELEN JOHNSON	WATER AEROBICS INSTRUCTOR	216.00
517324	12/31/2014	N	JON R WALKER PLUMBING	REFUND FEE	118.00
517325	12/31/2014	N	JENNIFER KALLOK	EARNINGS WITHHOLDING	184.62
517326	12/31/2014	N	KEALY CONSTRUCTION	REFUND FEE	1,872.75
517327	12/31/2014	N	KING FENCE INC	FENCE RENTAL	30.00
517328	12/31/2014	N	KKC DEVELOPMENT	REFUND FEE	1,038.00
517329	12/31/2014	N	KLM ENGINEERING	REFUND FEE	794.50
517330	12/31/2014	N	L A COUNTY ASSESSOR	PARCEL MAP	8.00
517331	12/31/2014	N	L A COUNTY CLERK/RECORDER	DOWNTOWN CROSSWALK & SLURRY SEAL	75.00
517332	12/31/2014	N	L A COUNTY DEPT OF P W	TRAFFIC SIGNAL MAINTENANCE	7,678.27
517333	12/31/2014	N	L A COUNTY SHERIFFS DEPT	POLICE DEPT JAIL SUPPLIES	738.22
517334	12/31/2014	N	L A COUNTY SHERIFF'S OFFICE	EARNINGS WITHHOLDING	87.50
517335	12/31/2014	N	ROSEMARY LACKOW	RECORDING SERVICES	201.25
517336	12/31/2014	N	LAKIN TIRE WEST INC	WASTE TIRE REMOVAL	142.65
517337	12/31/2014	N	STEPHEN LANCASTER	ADVANCE DISABILITY PENSION	60,183.37
517338	12/31/2014	N	LASERZONE 1 INC	XEROX SERVICES	454.49
517339	12/31/2014	N	JACQUELINE LEON	LINE DANCING INSTUCTOR	54.00
517340	12/31/2014	N	ANNE GRAY LEWIS	MB FIT TENNIS INSTRUCTOR	300.00
517341	12/31/2014	N	LEXIPOL LLC	POLICY MANUAL UPDATE SUBSCRIPTION	3,200.00
517342	12/31/2014	N	M B POLICE MGMT ASSC	DUES \$ (POL MGT ASSN): PAYMENT	280.00
517343	12/31/2014	N	M B POLICE OFFICERS ASSOCIA	DUES \$ (POLICE FIXED): PAYMENT	5,715.53
517344	12/31/2014	N	M B WATER DEPARTMENT	MONTHLY WATER CHARGES	9,818.34

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 14b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517345	12/31/2014	N	JOSEPH MANCUSO	ART INSTRUTOR	4,916.80
517346	12/31/2014	N	MANHATTAN AUTO CENTER	AUTOMOTIVE REPAIR SERVICES	134.96
517347	12/31/2014	N	MARINE RESOURCES INC	TEMPORARY EMPLOYEE SERVICES	22,774.16
517348	12/31/2014	N	MBPOA RETIREE	MD TRUST (MED TRUST): PAYMENT	2,571.50
517349	12/31/2014	N	MERCHANTS LANDSCAPE SVCS INC	LANDSCAPE SERVICES EXTRAS	2,750.00
517350	12/31/2014	N	MUNICIPAL EMERGENCY SERVICES	THREE-YEAR TURNOUT CONTRACT	10,197.83
517351	12/31/2014	N	MUNICIPAL RESOURCE GROUP LLC	CONTRACT SERVICES	7,813.92
517352	12/31/2014	N	BRANDON MUZATKO	REIMBURSEMENT-TRAVEL EXPENSE	330.00
517353	12/31/2014	N	NTH GENERATION COMPUTING INC	NETWORK SERVERS AND ENGINEERING S	15,063.14
517354	12/31/2014	N	KATHARINE NYHUS	CASH KEY REFUND	49.00
517355	12/31/2014	N	PACIFIC COAST ELEVATOR CORP	ELEVATOR MAINTENANCE	3,973.05
517356	12/31/2014	N	ERIC PARKER	CITATION REFUND	48.00
517357	12/31/2014	N	PUBLIC EMPLOYEES'	PENSION CONTRIBUTION SAFETY: PAYME	272,575.72
517358	12/31/2014	N	PUBLIC EMPLOYEES'	MEDICAL PREMIUMS	285,541.01
517359	12/31/2014	N	RAINVILLE DESIGN STUDIO	REFUND FEE	1,463.97
517360	12/31/2014	N	RESCUE ROOTER	PLUMBING SERVICES	1,435.00
517361	12/31/2014	N	KEITH RING	CITATION REFUND	48.00
517362	12/31/2014	N	LANA RIZIKA	CASH KEY REFUND	30.00
517363	12/31/2014	N	SCOTT ROBERT	GOLF INSTRUCTOR	787.50
517364	12/31/2014	N	SUSAN ROSENTHAL	CASH KEY REFUND	28.00
517365	12/31/2014	N	SAFETY KLEEN CORP	GARAGE SUPPLIES	170.41
517366	12/31/2014	N	JOSE SANDOVAL	CITATION REFUND	48.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 14b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517367	12/31/2014	N	BRIAN SCOTT SCHREIBER	DISC JOCKEY OLDER ADULT PROGRAM	350.00
517368	12/31/2014	N	SIGNPRO CORPORATION	PRINT CONSTRUCTION SIGNS	1,739.64
517369	12/31/2014	N	KAPIL OR SANDESHA SINGH	CASH KEY REFUND	30.00
517370	12/31/2014	N	SMART SOURCE OF CALIFORNIA LLC	PRINTING AND DIRECT MAILING SERVICE	25.08
517371	12/31/2014	N	MARC SMOOT	REFUND RIGHT OF WAY DEPOSIT	427.00
517372	12/31/2014	N	SOUTH BAY ELECTRIC	REFUND FEE	64.50
517373	12/31/2014	N	SOUTH COAST AQMD	ANNUAL OPERATING EMISSIONS FEES	451.57
517374	12/31/2014	N	SOUTHERN COUNTIES OIL CO	BULK FUEL CONTRACT	17,171.27
517375	12/31/2014	N	SPEARS APPLIANCE SERVICE INC	APPLIANCE REPAIRS	378.06
517376	12/31/2014	N	SPRINT SOLUTIONS INC	DEVICE/EXPENSE MANAGEMENT SERVICE	317.42
517377	12/31/2014	N	SSBRA	SOCCER OFFICIALS	2,040.00
517378	12/31/2014	N	STANDARD INSURANCE COMPANY	STD PREMIUMS	988.26
517379	12/31/2014	N	STANDARD INSURANCE COMPANY	INSURANCE PREMIUMS	11,775.31
517380	12/31/2014	N	STATE DISBURSEMENT UNIT	EARNINGS WITHHOLDING	2,020.39
517381	12/31/2014	N	STATE OF CALIFORNIA	PARAMEDIC RECERTIFICATION	200.00
517382	12/31/2014	N	STEVE ITALIANO CONSTRUCTION	REFUND RIGHT OF WAY DEPOSIT	496.00
517383	12/31/2014	N	JEFF STREDER	PARKS & RECREATION REFUND	50.00
517384	12/31/2014	N	SULLY MILLER CONTRACTING CO	ASPHALT/EMULSION	589.73
517385	12/31/2014	N	CHARLIE SWARTZ	CASH KEY REFUND	19.00
517386	12/31/2014	N	SCOTT SWENSON	CASH KEY REFUND	20.00
517387	12/31/2014	N	SWRCB FEES	STATE WATER ANNUAL FEES	16,654.00
517388	12/31/2014	N	SWRCB FEES	WATER DISTRIBUTION CERTIFICATION RE	130.00

CITY OF MANHATTAN BEACH
WARRANT REGISTER

WARRANT BATCH NUMBER:

WR 14b

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517389	12/31/2014	N	THE PITNEY BOWES BANK INC	POSTAGE PURCHASE POWER	8,350.99
517390	12/31/2014	N	DANIEL J THOMPSON	SANTA PHOTO SERVICES	225.00
517391	12/31/2014	N	TERRELL LYNN THOMPSON	GYMNASTICS INSTRUCTOR	5,341.00
517392	12/31/2014	N	TERRELL LYNN THOMPSON	GYMNASTICS BIRTHDAY PARTIES	269.50
517393	12/31/2014	N	ROBERT THORPE	ANNUAL FIT TESTING	1,625.00
517394	12/31/2014	N	TORRANCE MEMORIAL MEDICAL CNTR	MEDICAL SERVICES	70.00
517395	12/31/2014	N	TOTAL ADMINISTRATIVE SVCS CORP	CHILD125 (CHILD 125 PLAN): PAYMENT	7,763.67
517396	12/31/2014	N	TRAFFIC MANAGEMENT INC	TRAFFIC CONTROL	1,380.00
517397	12/31/2014	N	TRIGDIG	REFUND FEE	395.00
517398	12/31/2014	N	U.S. BANK	P/T EMP RETIREMENT CONTRIB: PAYMEN	2,878.51
517399	12/31/2014	N	UNITED PARCEL SERVICE	DELIVERY SERVICE	45.20
517400	12/31/2014	N	UNITED SITE SVCS OF CA INC	PORTABLE RESTROOMS	180.04
517401	12/31/2014	N	URBAN LAND INSTITUTE	PROFESSIONAL SERVICES AGREEMENT	60,000.00
517402	12/31/2014	N	US BANCORP CARD SERVICES INC	D-CARD CHARGES	30,495.83
517403	12/31/2014	N	VANTAGEPOINT TRANSFER AGENTS	RETMTN HLTH SAVINGS CONTRIB: PAYME	1,465.86
517404	12/31/2014	N	ROBIN L VARGAS	EARNINGS WITHHOLDING	553.85
517405	12/31/2014	N	VECTOR RESOURCES INC	FORTINET SOLUTION	17,638.00
517406	12/31/2014	N	KRISTIN VERITY	CASH KEY REFUND	56.00
517407	12/31/2014	N	VERIZON CALIFORNIA INC	TELEPHONE SERVICE	1,800.08
517408	12/31/2014	N	VISION INTERNET PROVIDERS INC	ADD TWO HOMEPAGE BUTTONS	660.00
517409	12/31/2014	N	VISION SERVICE PLAN	VISION PREMIUMS	3,778.26
517410	12/31/2014	N	VORTEX INDUSTRIES	INDUSTRIAL DOOR & ELECTRONIC GATE	8,906.19

**CITY OF MANHATTAN BEACH
WARRANT REGISTER**

WR 14b

WARRANT BATCH NUMBER:

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517411	12/31/2014	N	RON WALKER	REIMBURSEMENT-TRAVEL EXPENSE	190.00
517412	12/31/2014	N	WALTERS WHOLESALE ELECTRIC CO	ELECTRICAL SUPPLIES	22,375.55
517413	12/31/2014	N	LISA WEBER	CASH KEY REFUND	49.00
517414	12/31/2014	N	WEST PAYMENT CENTER	PUBLIC RECORDS DATABASE	157.41
517415	12/31/2014	N	WILLDAN INC	TRAFFIC ENGINEERING SERVICES	12,493.75
517416	12/31/2014	N	KAITLIN YOUNG	CITATION REFUND	48.00
517417	12/31/2014	N	ZOLL DATA SYSTEMS INC	FIRE RMS ANNUAL MAINTENANCE AGREE	2,860.00
SUBTOTAL					1,382,795.11
10209	12/23/2014	H	LA VILLA CATERING	OAP HOLIDAY LUNCHEON	3,977.42
SUBTOTAL					3,977.42
COMBINED TOTAL					1,753,521.08

PAYMENT LEGEND:
T = Wire Transfers
N = System Printed Checks
H = Hand Written Checks

**CITY OF MANHATTAN BEACH
WARRANT REGISTER
CHECKS EQUAL TO OR ABOVE
\$2,500.00**

WR 14b

WARRANT BATCH NUMBER:

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
10515	1/5/2015	T	UNION BANK	F.I.T./MEDICARE/S.I.T.	217,289.29
1222141	12/22/2014	T	CMB RISK MGMT LIABILITY	MONTHLY DISBURSAL - LIABILITY NOV	26,920.90
1222014	12/22/2014	T	CMB RISK MGMT WORKERS COMP	MONTHLY DISBURSAL - WORKERS COMP I	121,104.46
SUBTOTAL					365,314.65
517261	12/31/2014	N	ACCELA INC	CITYWIDE PERMITTING SOFTWARE CONT	24,507.70
517264	12/31/2014	N	ALL CITY MANAGEMENT SVCS	CROSSING GUARD SERVICES	6,212.12
517267	12/31/2014	N	ARAKELIAN ENTERPRISES INC	STREET SWEEPING SERVICES EXTRAS	30,161.69
517272	12/31/2014	N	MICHAEL H BRADY	PATIENT TRANSPORT UNIT	3,926.00
517273	12/31/2014	N	BRIT WEST SOCCER INC	SOCCER INSTRUCTOR	3,838.50
517276	12/31/2014	N	CA NEWSPAPER PARTNERSHIP	LEGAL PUBLICATION	3,708.00
517279	12/31/2014	N	CDW GOVERNMENT INC	NETWORK MANAGEMENT CARDS	3,357.20
517282	12/31/2014	N	CLE ELECTRIC INC	ON-CALL ELECTRICIAN	19,824.50
517284	12/31/2014	N	CLEANSSTREET	LANDSCAPE SERVICE EXTRAS	39,471.19
517286	12/31/2014	N	COLLICUTT ENERGY SERVICES INC	TRASFER SWITCH FOR LARSSON PARK PU	9,390.40
517291	12/31/2014	N	CROWN BLDG MAINTENANCE CO INC	JANITORIAL SERVICES EXTRAS	63,937.04
517294	12/31/2014	N	DELTA DENTAL OF CALIFORNIA	DENTAL PREMIUMS	29,021.33
517295	12/31/2014	N	DR PAVE LLC	POTHOLE REPAIR	2,500.00
517303	12/31/2014	N	GOVERNMENT STAFFING SERVICES	TEMPORARY EMPLOYEE SERVICES	6,633.00
517309	12/31/2014	N	HEAL THE BAY	MB PIER EDUCATION & OUTREACH SVS A	5,000.00
517311	12/31/2014	N	HONEYWELL INTERNATIONAL INC	HVAC MAINTENANCE & REPAIR	24,836.44
517313	12/31/2014	N	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 109365: PAYMENT	2,993.38
517314	12/31/2014	N	ICMA RETIREMENT TRUST - 457	DEFERRED COMP AND LOAN REPAY 457	64,792.00
517315	12/31/2014	N	ICMA RETIREMENT TRUST 401	DEFERRED COMP 109766: PAYMENT	5,357.32

2:52:10PM
12/31/2014

CITY OF MANHATTAN BEACH
WARRANT REGISTER
CHECKS EQUAL TO OR ABOVE
\$2,500.00

WARRANT BATCH NUMBER:

WR 14b

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517317	12/31/2014	N	INFOSEND INC	UB BILL/WEB PORTAL	3,933.82
517318	12/31/2014	N	INTERNAP NETWORK SERVICES COR	INTERNET SERVICES PROVIDER CONTRAC	7,857.19
517319	12/31/2014	N	IPS GROUP INC	PARKING METER REPLACEMENT PARTS &	21,842.22
517321	12/31/2014	N	JOAN STEIN JENKINS	PROSECUTION SERVICES	5,512.00
517332	12/31/2014	N	L A COUNTY DEPT OF P W	TRAFFIC SIGNAL MAINTENANCE	7,678.27
517337	12/31/2014	N	STEPHEN LANCASTER	ADVANCE DISABILITY PENSION	60,183.37
517341	12/31/2014	N	LEXIPOL LLC	POLICY MANUAL UPDATE SUBSCRIPTION	3,200.00
517343	12/31/2014	N	M B POLICE OFFICERS ASSOCIA	DUES \$ (POLICE FIXED): PAYMENT	5,715.53
517344	12/31/2014	N	M B WATER DEPARTMENT	MONTHLY WATER CHARGES	9,818.34
517345	12/31/2014	N	JOSEPH MANCUSO	ART INSTRUCTOR	4,916.80
517347	12/31/2014	N	MARINE RESOURCES INC	TEMPORARY EMPLOYEE SERVICES	22,774.16
517348	12/31/2014	N	MBPOA RETIREE	MD TRUST (MED TRUST): PAYMENT	2,571.50
517349	12/31/2014	N	MERCHANTS LANDSCAPE SVCS INC	LANDSCAPE SERVICES EXTRAS	2,750.00
517350	12/31/2014	N	MUNICIPAL EMERGENCY SERVICES	THREE-YEAR TURNOUT CONTRACT	10,197.83
517351	12/31/2014	N	MUNICIPAL RESOURCE GROUP LLC	CONTRACT SERVICES	7,813.92
517353	12/31/2014	N	NTH GENERATION COMPUTING INC	NETWORK SERVERS AND ENGINEERING S	15,063.14
517355	12/31/2014	N	PACIFIC COAST ELEVATOR CORP	ELEVATOR MAINTENANCE	3,973.05
517357	12/31/2014	N	PUBLIC EMPLOYEES'	PENSION CONTRIBUTION SAFETY: PAYME	272,575.72
517358	12/31/2014	N	PUBLIC EMPLOYEES'	MEDICAL PREMIUMS	285,541.01
517374	12/31/2014	N	SOUTHERN COUNTIES OIL CO	BULK FUEL CONTRACT	17,171.27
517379	12/31/2014	N	STANDARD INSURANCE COMPANY	INSURANCE PREMIUMS	11,775.31
517387	12/31/2014	N	SWRCB FEES	STATE WATER ANNUAL FEES	16,654.00

2:52:10PM
12/31/2014

CITY OF MANHATTAN BEACH
WARRANT REGISTER
CHECKS EQUAL TO OR ABOVE
\$2,500.00

WR 14b

WARRANT BATCH NUMBER:

January 20, 2015
City Council Meeting

CHECK NO.	DATE	TYPE	PAYEE NAME	PAYMENT DESCRIPTION	CHECK AMOUNT
517389	12/31/2014	N	THE PITNEY BOWES BANK INC	POSTAGE PURCHASE POWER	8,350.99
517391	12/31/2014	N	TERRELL LYNN THOMPSON	GYMNASTICS INSTRUCTOR	5,341.00
517395	12/31/2014	N	TOTAL ADMINISTRATIVE SVCS CORP	CHILD125 (CHILD 125 PLAN): PAYMENT	7,763.67
517398	12/31/2014	N	U.S. BANK	P/T EMP RETIREMENT CONTRIB: PAYMEN	2,878.51
517401	12/31/2014	N	URBAN LAND INSTITUTE	PROFESSIONAL SERVICES AGREEMENT	60,000.00
517402	12/31/2014	N	US BANCORP CARD SERVICES INC	D-CARD CHARGES	30,495.83
517405	12/31/2014	N	VECTOR RESOURCES INC	FORTINET SOLUTION	17,638.00
517409	12/31/2014	N	VISION SERVICE PLAN	VISION PREMIUMS	3,778.26
517410	12/31/2014	N	VORTEX INDUSTRIES	INDUSTRIAL DOOR & ELECTRONIC GATE	8,906.19
517412	12/31/2014	N	WALTERS WHOLESALE ELECTRIC CO	ELECTRICAL SUPPLIES	22,375.55
517415	12/31/2014	N	WILLDAN INC	TRAFFIC ENGINEERING SERVICES	12,493.75
517417	12/31/2014	N	ZOLL DATA SYSTEMS INC	FIRE RMS ANNUAL MAINTENANCE AGREE	2,860.00
SUBTOTAL					1,331,868.01
10209	12/23/2014	H	LA VILLA CATERING	OAP HOLIDAY LUNCHEON	3,977.42
SUBTOTAL					3,977.42
COMBINED TOTAL					1,701,160.08

PAYMENT LEGEND:
T = Wire Transfers
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Report of Warrant Disbursements
wr 14b

Fund	Description	Amount
400	General	1,263,509.78
501	Street Light	17,552.54
505	Streets & Highways	366.25
210	Asset Forfeiture	463.97
401	Capital Improvements	19,945.15
501	Water	24,137.11
502	Storm	27,632.64
503	Waste Water	16,101.00
510	Refuse	788.30
520	Parking	60,851.67
521	County Parking Lot	1,721.87
522	State Pier Lots	27,092.85
601	Insurance	148,025.36
605	Information Services	45,347.44
610	Vehicle Fleet	21,098.82
615	Building Maintenance	78,886.33
		<u>1,753,521.08</u>
		<u>1,753,521.08</u>

**CITY OF MANHATTAN BEACH PAYROLL
PAY PERIOD: 12/13/14 TO 12/26/14
PAY DATE: 01/02/15**

NET PAY 790,018.73

CITY OF MANHATTAN BEACH PAYROLL
PAY PERIOD: 12/13/14 TO 12/26/14 Special
PAY DATE: 12/31/14

NET PAY 3,447.28

Check History Listing
CITY OF MANHATTAN BEACH

apCkHist
12/31/2014 2:41PM

January 20, 2015
City Council Meeting

Bank code: union

Check #	Date	Vendor	Status	Clear/Void Date	Invoice	Inv. Date	Amount Paid	Check Total
511846	04/10/2014	32346 R FIESELMAN	V	12/31/2014	20-0132030-09	03/25/2014	134.47	134.47
512009	04/10/2014	25138 FRANCISCO MEDINA	V	12/31/2014	03-21-14	03/21/2014	178.66	178.66
512110	04/10/2014	20042 TONI SCHOTTENHAMMER	V	12/31/2014	SPRING 2014	03/25/2014	36.00	36.00
512302	04/24/2014	31937 ROBERT M DOELL	V	12/31/2014	46-0528011-09	03/25/2014	69.75	69.75
512488	04/24/2014	31332 BELINDA MITCHELL	V	12/31/2014	57-0461002-09	03/25/2014	69.48	69.48
512535	04/24/2014	15850 ANNE POTTER	V	12/31/2014	51-0558041-03	03/25/2014	70.02	70.02
512969	05/08/2014	32955 ROWLAND NDUBAKU	V	12/31/2014	61082821	02/10/2014	48.00	48.00
513239	05/22/2014	33040 KATHLEEN BRUNICK	V	12/31/2014	125200	05/05/2014	14.75	14.75
513478	05/22/2014	32343 KEVIN OR ERIN JOYCE	V	12/31/2014	95-0063054-07	03/25/2014	9.43	9.43
513500	05/22/2014	31272 GREGORY KORENEVSKY	V	12/31/2014	82-1296900-01	03/25/2014	71.88	71.88
513964	06/05/2014	33119 OFELDA GOMEZ	V	12/31/2014	28-0223022-12	05/08/2014	185.37	185.37
513979	06/05/2014	33107 GIANNA INGRAM	V	12/31/2014	158494	05/27/2014	28.50	28.50
514045	06/05/2014	33133 BRUCE OSTENDORF	V	12/31/2014	98-0254023-04	05/08/2014	142.91	142.91
514061	06/05/2014	33093 ANDREA SALTER	V	12/31/2014	SPRING 2014	05/20/2014	69.10	69.10
514160	06/19/2014	33171 DEBBIE CREEM	V	12/31/2014	85653/94497	05/30/2014	58.00	58.00
514207	06/19/2014	32518 CHRISTOPHER PETER JUE	V	12/31/2014	MAY 2014	06/03/2014	175.00	175.00

union Total: **1,361.32**

16 checks in this report
Total Checks: **1,361.32**

12/13/2014

12/26/2014

CITY OF MANHATTAN BEACH PAYROLL REPORT

PAYROLL PERIOD ENDING DATE 12/26/2014

January 20, 2015
City Council Meeting

FUND	DESCRIPTION	AMOUNT
400	General Fund	1,057,199.66
530	Prop. A Fund	15,466.77
501	Water Fund	26,811.59
502	Stormwater Fund	3,240.58
503	Wastewater Fund	9,496.77
510	Refuse Fund	3,994.30
520	Parking Fund	2,368.11
521	County Parking Lots Fund	481.30
522	State Pier and Parking Lot Fund	481.29
601	Insurance Reserve Fund	7,775.51
605	Information Systems Fund	25,777.60
610	Fleet Management Fund	9,265.86
615	Building Maintenance & Operations Fund	12,996.60
801	Pension Trust Fund	8,647.72
	Gross Pay	1,184,003.66
	Deductions	390,537.65
	Net Pay	793,466.01

Report of D-Card Transactions

Account Date	Department Recreation	Amount
100-14-011-5210	Computers, Supplies & Software	
12/10/2014	SURVEYMONKEY.COM	300.00
100-14-011-5210	Computers, Supplies & Software	300.00
100-14-011-5217	Departmental Supplies	
12/10/2014	JOANN ETC #1919	13.72
12/10/2014	JOANN ETC #1919	158.65
12/10/2014	JOANN ETC #1919	3.92
12/10/2014	JOANN ETC #1919	3.92
12/10/2014	MICHAELS STORES 3048	18.51
12/10/2014	MICHAELS STORES 3048	27.76
12/10/2014	PEPBOYS STORE 814	35.95
12/10/2014	TARGET.COM *	67.00
100-14-011-5217	Departmental Supplies	329.43
100-14-021-5217	Departmental Supplies	
12/10/2014	99-CENTS-ONLY #0065	13.08
12/10/2014	GROWING WILD	400.00
12/10/2014	ORCHARD SUPPLY #721	224.32
12/10/2014	PARTY CITY #164	27.52
12/10/2014	TARGET 00001990	17.30
12/10/2014	TARGET 00001990	65.75
12/10/2014	THE HOME DEPOT 620	309.44
12/10/2014	THE HOME DEPOT 620	7.91
12/10/2014	VACUUMBAGS.COM	161.75
100-14-021-5217	Departmental Supplies	1,227.07
100-14-024-5217	Departmental Supplies	
12/10/2014	DOLRTREE 5298 00052985	46.87
12/10/2014	TARGET 00001990	115.71
12/10/2014	TARGET 00001990	14.16
12/10/2014	TARGET 00001990	41.90
12/10/2014	TARGET 00001990	5.82
12/10/2014	TARGET 00001990	9.10
100-14-024-5217	Departmental Supplies	233.56
100-14-025-5217	Departmental Supplies	
12/10/2014	BEST BUY MHT 00010116	207.05
12/10/2014	BEST BUY MHT 00010116	595.00
12/10/2014	ORIENTAL TRADING CO	1,484.40
12/10/2014	SMARTNFINAL52910305290	655.92

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department Recreation	Amount
12/10/2014	TARGET 00001990	13.23
12/10/2014	TARGET 00001990	372.58
12/10/2014	TARGET 00001990	46.91
12/10/2014	TARGET 00001990	65.31
100-14-025-5217	Departmental Supplies	3,440.40
100-14-026-5217	Departmental Supplies	
12/10/2014	99 CENTS ONLY STORES #310	22.89
12/10/2014	NOAH'S BAGELS #2546	21.58
12/10/2014	PARTY CITY #164	13.04
12/10/2014	PEET'S #03903	17.00
12/10/2014	PEET'S #03903	53.00
12/10/2014	SIMS WELDING SUPPL	102.38
12/10/2014	SIMS WELDING SUPPL	188.20
12/10/2014	SMARTNFINAL52910305290	241.25
12/10/2014	SMARTNFINAL52910305290	70.03
12/10/2014	TARGET 00001990	3.58
12/10/2014	TARGET 00001990	92.13
12/10/2014	THE HOME DEPOT 620	173.48
12/10/2014	TRADER JOE'S #106 QPS	44.60
100-14-026-5217	Departmental Supplies	1,043.16
100-14-028-5205	Training	
12/10/2014	MANHATTAN BEACH CHAMBER O	50.00
100-14-028-5205	Training	50.00
100-14-028-5206	Uniforms/Safety Equipment	
12/10/2014	MANHATTAN STITCHING CO	1,962.00
100-14-028-5206	Uniforms/Safety Equipment	1,962.00
100-14-028-5217	Departmental Supplies	
12/10/2014	BEST BUY MHT 00010116	1,857.30
12/10/2014	FRY'S ELECTRONICS #5	6.53
12/10/2014	PARKINK	1,265.43
12/10/2014	REI 14 MANHATTAN BEACH	312.83
12/10/2014	TARGET 00001990	65.39
100-14-028-5217	Departmental Supplies	3,507.48
100-14-031-5207	Advertising	
12/10/2014	IN *EASY READER, INC.	550.00

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Report of D-Card Transactions

Account Date	Department Recreation	Amount
100-14-031-5207	Advertising	550.00
100-14-031-5217	Departmental Supplies	
12/10/2014	CALIFORNIA PIZZA 059	55.00
12/10/2014	NOAH'S BAGELS #2546	24.98
12/10/2014	SIGNVERTISE	577.70
12/10/2014	THE HOME DEPOT 620	132.71
12/10/2014	U-HAULA&K POWER EQUIPMENT	-104.36
12/10/2014	U-HAULA&K POWER EQUIPMENT	104.36
12/10/2014	U-HAULA&K POWER EQUIPMENT	-112.77
12/10/2014	U-HAULA&K POWER EQUIPMENT	112.77
12/10/2014	U-HAULA&K POWER EQUIPMENT	132.77
100-14-031-5217	Departmental Supplies	923.16
100-14-034-5217	Departmental Supplies	
12/10/2014	LAGUNA CLAY CO FL	674.69
100-14-034-5217	Departmental Supplies	674.69
100-14-041-5217	Departmental Supplies	
12/10/2014	PARADISE AWARDS	119.90
12/10/2014	PARADISE AWARDS	87.20
100-14-041-5217	Departmental Supplies	207.10
100-14-042-5217	Departmental Supplies	
12/10/2014	EL POLLO LOCO RESTAURANT	210.34
12/10/2014	ISTOCK *INTERNATIONAL	33.00
12/10/2014	JAMBA JUICE #6	240.00
12/10/2014	JAMBA JUICE #6	-287.40
12/10/2014	JAMBA JUICE #6	287.40
12/10/2014	VONS STORE00022756	85.46
100-14-042-5217	Departmental Supplies	568.80
100-14-043-5101	Contract Services	
12/10/2014	KNORR SYSTEMS, INC	264.00
12/10/2014	KNORR SYSTEMS, INC	300.00
12/10/2014	KNORR SYSTEMS, INC	300.00
12/10/2014	DS SERVICES STANDARD COFF	36.00
12/10/2014	WATERLINE TECHNOLOGIES IN	331.80
12/10/2014	WATERLINE TECHNOLOGIES IN	402.78
12/10/2014	WATERLINE TECHNOLOGIES IN	576.65

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department Recreation	Amount
100-14-043-5101	Contract Services	2,211.23
100-14-043-5217	Departmental Supplies	
12/10/2014	ART S LOCK AND KEY	29.19
12/10/2014	COMMONCENTSEMSSUPPL	215.11
12/10/2014	HASTY AWARDS	64.90
12/10/2014	RADIOSHACK COR00130229	13.06
12/10/2014	TARGET 00001990	7.32
12/10/2014	THE HOME DEPOT 620	127.69
12/10/2014	THE HOME DEPOT 620	25.86
12/10/2014	THE LIFEGUARD STORE IN	1,310.00
12/10/2014	WWW.NORTHERNSAFETY.COM	138.44
12/10/2014	WWW.NORTHERNSAFETY.COM	27.50
100-14-043-5217	Departmental Supplies	1,959.07
100-14-043-5501	Telephone	
12/10/2014	VERIZON*RECURRING PAY	79.95
100-14-043-5501	Telephone	79.95
100-14-051-5202	Memberships & Dues	
12/10/2014	CALIFORNIA PARK & RECR	65.00
100-14-051-5202	Memberships & Dues	65.00
100-14-061-5217	Departmental Supplies	
12/10/2014	99 CENTS ONLY STORES #310	38.15
12/10/2014	99 CENTS ONLY STORES #310	42.44
12/10/2014	AUTRY MUSEUM OF WESTERN	165.00
12/10/2014	BED BATH & BEYOND #383	113.10
12/10/2014	DOLLARTREE.COM	549.36
12/10/2014	JERSEY MIKES SUBS#20033	237.60
12/10/2014	OFFICE DEPOT #2740	304.82
12/10/2014	PARTY CITY #164	118.15
12/10/2014	RALPHS #0166	95.00
12/10/2014	SMARTNFINAL45810304582	416.81
12/10/2014	TARGET 00001990	34.32
12/10/2014	TARGET 00001990	35.20
12/10/2014	TARGET 00001990	38.34
12/10/2014	TARGET 00001990	95.00
100-14-061-5217	Departmental Supplies	2,283.29
100-14-062-5217	Departmental Supplies	

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department Recreation	Amount
12/10/2014	EL POLLO LOCO 3237	342.42
12/10/2014	SMARTNFINAL32210303220	15.96
12/10/2014	SMARTNFINAL45810304582	62.73
12/10/2014	SMARTNFINAL52910305290	156.53
12/10/2014	SMARTNFINAL52910305290	181.40
100-14-062-5217	Departmental Supplies	<u>759.04</u>
14	Recreation	<u>22,374.43</u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department Police	Amount
100-15-011-5101	Contract Services	
12/10/2014	GOOGLE *VOICE	20.00
100-15-011-5101	Contract Services	20.00
100-15-011-5204	Conferences & Meetings	
12/10/2014	RANCHO BERNARDO INN	380.76
100-15-011-5204	Conferences & Meetings	380.76
100-15-011-5214	Employee Awards & Events	
12/10/2014	RALPHS #0166	11.10
100-15-011-5214	Employee Awards & Events	11.10
100-15-011-5217	Departmental Supplies	
12/10/2014	ANNAS LINENS 115	21.78
12/10/2014	HK PARTS	255.89
12/10/2014	TARGET 00019802	75.16
12/10/2014	VALENTINO'S PIZZA	139.01
12/10/2014	VALENTINO'S PIZZA	32.18
12/10/2014	VALENTINO'S PIZZA	46.21
12/10/2014	VONS STORE00022756	34.79
100-15-011-5217	Departmental Supplies	605.02
100-15-011-5220	POST Training	
12/10/2014	SQ *CHEROKEE PRODUCTIONS,	295.00
12/10/2014	CALIFORNIA PEACE OFFICERS	160.00
12/10/2014	CALIFORNIA PEACE OFFICERS	180.00
12/10/2014	CALIFORNIA PEACE OFFICERS	270.00
12/10/2014	RESIDENCE INNS SAN BERNRD	495.65
12/10/2014	RVSD SHERIFF BEN CLARK TR	207.03
100-15-011-5220	POST Training	1,607.68
100-15-021-5217	Departmental Supplies	
12/10/2014	SMARTNFINAL52910305290	76.57
100-15-021-5217	Departmental Supplies	76.57
100-15-031-5204	Conferences & Meetings	
12/10/2014	SERRATO TRA	70.00
100-15-031-5204	Conferences & Meetings	70.00
100-15-061-5206	Uniforms/Safety Equipment	

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department Police	Amount
12/10/2014	MOTOR COP SHOP, INC	408.00
100-15-061-5206	Uniforms/Safety Equipment	<u>408.00</u>
100-15-071-5217	Departmental Supplies	
12/10/2014	CHEFS' TOYS (TORRANCE)	33.90
12/10/2014	SMARTNFINAL52910305290	57.98
100-15-071-5217	Departmental Supplies	<u>91.88</u>
100-15-091-5217	Departmental Supplies	
12/10/2014	ANIMAL CARE EQUIPMENT	424.06
12/10/2014	PETSMART INC 1316	395.77
12/10/2014	RALPHS #0166	14.03
12/10/2014	TARGET 00001990	123.61
12/10/2014	THE HOME DEPOT 620	47.76
100-15-091-5217	Departmental Supplies	<u>1,005.23</u>
15	Police	<u><u>4,276.24</u></u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department Fire	Amount
100-16-011-5206	Uniforms/Safety Equipment	
12/10/2014	ENTENMANN-ROVIN COMPANY	61.41
100-16-011-5206	Uniforms/Safety Equipment	<u>61.41</u>
100-16-052-5217	Departmental Supplies	
12/10/2014	SOURCE GRAPHICS	1,101.16
100-16-052-5217	Departmental Supplies	<u>1,101.16</u>
100-16-054-5205	Training	
12/10/2014	AMIGOS TACOS	14.92
12/10/2014	AMIGOS TACOS	172.94
12/10/2014	NOAH'S BAGELS #2546	26.98
12/10/2014	PEET'S #03903	34.00
12/10/2014	THE ORIGINAL RINALDI'S	175.68
100-16-054-5205	Training	<u>424.52</u>
16	Fire	<u>1,587.09</u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department	Amount
100-21590	Graux/Rotary Trust Fire	
12/10/2014	BESTBUYCOM684748050721	326.98
12/10/2014	PP*Q PELLETS	478.51
100-21590	Graux/Rotary Trust Fire	805.49
21590		805.49

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department	Amount
100-21606	Polc-Neighborhood Watch Deposits	
12/10/2014	DES STATE PRINTER	-6.96
100-21606	Polc-Neighborhood Watch Deposits	-6.96
21606		-6.96

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

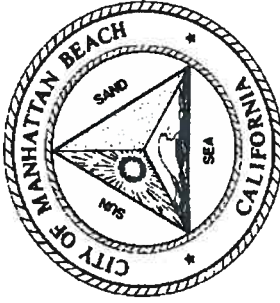
Account Date	Department	Amount
100-21727	Pumpkin Race	
12/10/2014	IN *ENPLUG, INC.	250.00
12/10/2014	SMARTSOURCE OF CALIF	801.16
100-21727	Pumpkin Race	1,051.16
21727		1,051.16

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.

Report of D-Card Transactions

Account Date	Department	Amount
100-21728	Mayor's Youth Council Trust	
12/10/2014	CORNER BAKERY	400.00
12/10/2014	RALPHS #0166	8.38
100-21728	Mayor's Youth Council Trust	<u>408.38</u>
21728		<u>408.38</u>
	Report Totals	<u><u>30,495.83</u></u>

To enable prompt payment, these PCard expenditures were paid to US Bancorp on Warrant Register wr 14b, dated 12/31/2014; Check number 517402.



City of Manhattan Beach

Investment Portfolio November 2014

As Finance Director for the City of Manhattan Beach, I hereby certify that these investments are in compliance with the City's investment policy (unless otherwise noted). Sufficient liquidity has been maintained to meet budget expenditure requirements for the current six month period.




Bruce Moe, Director of Finance

**CITY OF MANHATTAN BEACH
Portfolio Management
Portfolio Summary**

November 1, 2014 through November 30, 2014

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIIF	25,450,000.00	25,450,000.00	25,450,000.00	34.03	1	1	0.257	0.261
Certificates of Deposit - Bank	8,051,000.00	8,079,901.52	8,051,000.00	10.77	1,337	707	0.995	1.009
Medium Term Notes	12,000,000.00	12,167,145.00	12,168,999.66	16.27	1,276	623	1.195	1.212
Federal Agency Issues - Coupon	29,000,000.00	29,182,810.00	29,106,577.30	38.92	1,502	1,094	1.325	1.344
Investments	74,501,000.00	74,879,856.52	74,776,576.96	100.00%	937	604	0.905	0.918
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	1,423,460.41	1,423,460.41	1,423,460.41		1	1	0.000	0.000
Accrued Interest at Purchase		26,644.79	26,644.79					
Subtotal		1,450,105.20	1,450,105.20					
Total Cash and Investments	75,924,460.41	76,329,961.72	76,226,682.16		937	604	0.905	0.918

Total Earnings November 30 Month Ending 46,211.91

Current Year 
BRUCE A. MOE, FINANCE DIRECTOR

Reporting period 11/01/2014-11/30/2014

Run Date: 12/23/2014 - 10:40

No fiscal year history available

Portfolio CITY
CP
PM (PRF PM1) 7.3.0
Report Ver. 7.3.5

CITY OF MANHATTAN BEACH
Portfolio Management
Portfolio Details - Investments
November 30, 2014

GUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
LAIF	3000	Local Agency Invest. Fund	07/01/2000	25,450,000.00	25,450,000.00	25,450,000.00	0.261		0.261	1	
		Subtotal and Average		25,450,000.00	25,450,000.00	25,450,000.00			0.261	1	
Certificates of Deposit - Bank											
	CD0033	Comenity Capital Bank	12/02/2013	245,000.00	245,568.40	245,000.00	0.750		0.750	549	06/02/2016
	CD0007	Ally Bank	03/21/2012	245,000.00	247,325.05	245,000.00	1.150		1.150	476	03/21/2016
	CD0027	Barrington Bank (WFTC)	09/27/2013	245,000.00	245,477.75	245,000.00	0.650		0.650	301	09/28/2015
	CD0025	Compass Bank	09/25/2013	245,000.00	245,399.35	245,000.00	0.750		0.750	298	09/25/2015
	CD0014	Bank of Holland	08/29/2012	245,000.00	243,346.25	245,000.00	1.050		1.050	1,002	08/29/2017
	CD0034	Bank of North Carolina	02/14/2014	245,000.00	245,296.45	245,000.00	0.800		0.800	806	02/14/2017
	CD0003	Bank of Manhattan	10/28/2011	245,000.00	245,000.00	245,000.00	1.730		1.730	331	10/28/2015
	CD0024	Boston Private Bank & Trust	04/04/2013	245,000.00	243,946.50	245,000.00	0.950		0.950	1,220	04/04/2018
	CD0036	CITIZENS DEPOSIT BANK	02/20/2014	211,000.00	211,204.67	211,000.00	1.300		1.300	1,177	02/20/2018
	CD0006	Discover Bank Greenwood Intere	02/15/2012	245,000.00	249,998.00	245,000.00	1.600		1.600	807	02/15/2017
	CD0031	First Bank North Carolina	11/27/2013	245,000.00	245,820.75	245,000.00	0.800		0.800	728	11/28/2016
	CD0013	Everbank Jacksonville FL	08/29/2012	245,000.00	247,205.00	245,000.00	0.900		0.900	637	08/29/2016
	CD0030	First Sentry Bank	11/22/2013	245,000.00	245,700.70	245,000.00	0.750		0.750	722	11/22/2016
	CD0011	Flushing SVGS Bk NY	07/27/2012	245,000.00	248,839.15	245,000.00	1.100		1.100	969	07/27/2017
	CD0038	FIRST MERT BANK	02/24/2014	245,000.00	245,318.50	245,000.00	1.300		1.300	1,183	02/26/2018
	CD0029	Fox Chase Bank	09/30/2013	245,000.00	245,539.00	245,000.00	0.600		0.600	303	09/30/2015
	CD0004	GENERAL ELECTRIC CAPITAL	12/29/2011	245,000.00	250,125.40	245,000.00	2.100		2.100	759	12/29/2016
	CD0021	Georgia Bank & Trust	03/28/2013	245,000.00	242,763.15	245,000.00	0.750		0.750	848	03/28/2017
	CD0005	Goldman Sachs	01/05/2012	245,000.00	250,198.90	245,000.00	2.050		2.050	766	01/05/2017
	CD0010	BANK HAPOALIM NY	07/24/2012	245,000.00	246,090.25	245,000.00	1.000		1.000	235	07/24/2015
	CD0026	Key Bank NA	09/25/2013	245,000.00	245,441.00	245,000.00	0.550		0.550	298	09/25/2015
	CD0015	Merrick Bank	08/29/2012	245,000.00	247,026.15	245,000.00	0.700		0.700	455	02/29/2016
	CD0032	Marlin Business Bank	11/27/2013	245,000.00	245,624.75	245,000.00	0.850		0.850	728	11/28/2016
	CD0022	Pyramax Bank	03/28/2013	245,000.00	243,936.70	245,000.00	0.750		0.750	848	03/28/2017
	CD0009	Safra National Bank	05/31/2012	245,000.00	245,857.50	245,000.00	0.800		0.800	182	06/01/2015
	CD0012	SALLIE MAE BANK	08/08/2012	245,000.00	246,141.70	245,000.00	1.100		1.100	252	08/10/2015
	CD0018	State Bank of India	12/21/2012	245,000.00	246,648.85	245,000.00	1.200		1.200	1,116	12/21/2017
	CD0037	THIRD FEDERAL SAVINGS & LOAN	02/21/2014	245,000.00	245,482.65	245,000.00	1.150		1.150	1,086	11/21/2017
	CD0035	CROSSFIRST BANK	02/19/2014	245,000.00	244,943.65	245,000.00	0.750		0.750	813	02/21/2017
	CD0020	USNY Bank	03/28/2013	245,000.00	242,537.75	245,000.00	0.750		0.750	879	04/28/2017
	CD0023	Washington Federal	03/28/2013	245,000.00	243,997.95	245,000.00	1.000		1.000	1,213	03/28/2018
	CD0019	Webster Bank	12/26/2012	245,000.00	246,621.90	245,000.00	1.000		1.000	1,121	12/26/2017

Portfolio CITY
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CITY OF MANHATTAN BEACH
Portfolio Management
Portfolio Details - Investments
November 30, 2014

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank											
962721AM8	CD0028	Wheaton Bank & Trust (WTFB)	09/27/2013	245,000.00	245,477.75	245,000.00	0.650		0.650	301	09/28/2015
				Subtotal and Average	8,079,901.52	8,051,000.00			1.009	707	
Money Market Fund											
SYSGMRA39907	GIMRA39907	Union Bank of California	10/09/2008	0.00	0.00	0.00	0.350		0.350	1	
				Subtotal and Average	0.00	0.00			0.000	0	
Medium Term Notes											
084670BD9	MTN0065	BERKSHIRE HATHAWY	07/20/2012	1,000,000.00	1,020,630.00	1,021,884.37	1.900	AAA	1.112	792	01/31/2017
20271RAA8	MTN0063	Commonwealth Bank Australia	06/13/2012	1,000,000.00	1,004,350.00	1,006,690.00	1.950		1.750	105	03/16/2015
22160KAD7	MTN0071	COSTCO COMPANIES	08/20/2013	1,000,000.00	1,003,500.00	1,002,270.00	0.650		0.550	371	12/07/2015
36962G5C4	MTN0066	Gen elec Cap Corp	10/24/2012	2,000,000.00	2,068,060.00	2,065,367.88	2.950		1.350	525	05/09/2016
88579YAD3	MTN0072	3M	11/21/2013	1,000,000.00	1,013,600.00	1,018,367.76	1.375		0.783	668	09/29/2016
63254AAC2	MTN0067	NATL AUSTRALIA BANK	10/24/2012	500,000.00	504,150.00	509,880.00	1.600		0.880	249	08/07/2015
68389XAN5	MTN0074	ORACLE CORP	02/18/2014	1,000,000.00	1,000,490.00	994,650.00	1.200		1.350	1,049	10/15/2017
717081DG5	MTN0073	Pfizer Inc	12/27/2013	1,000,000.00	1,003,900.00	990,150.00	1.500	AA	1.730	1,292	06/15/2018
89233P6S0	MTN0069	Toyota Motor Corp	12/21/2012	1,000,000.00	1,000,710.00	1,005,100.00	1.250		1.140	1,039	10/05/2017
90520EAC5	MTN0070	Union Bank	12/21/2012	1,000,000.00	1,029,490.00	1,033,592.48	3.000		1.244	553	06/06/2016
94974BF43	MTN0064	WELLS FARGO & CO SRNT	07/20/2012	1,000,000.00	1,001,880.00	1,003,270.00	1.250		1.120	74	02/13/2015
94974BEZ9	MTN0068	WELLS FARGO & CO	10/24/2012	500,000.00	516,385.00	517,777.17	2.625		1.256	745	12/15/2016
				Subtotal and Average	12,167,145.00	12,168,999.66			1.212	623	
Federal Agency Issues - Coupon											
31331SNP4	FAC0194	FED FARM CR BK	07/14/2010	2,000,000.00	2,022,600.00	2,032,847.95	4.550	AAA	2.177	93	03/04/2015
3133EDE99	FAC0219	FED FARM CR BK	02/13/2014	2,000,000.00	2,018,300.00	2,009,541.70	1.340	AA	1.213	1,124	12/29/2017
3133EDLR1	FAC0222	FED FARM CR BK	05/29/2014	2,000,000.00	2,010,280.00	2,010,750.11	1.650	AAA	1.542	1,626	05/15/2019
3133EDD33	FAC0228	FED FARM CR BK	11/04/2014	2,000,000.00	2,033,420.00	2,028,200.00	1.550	AAA	1.050	1,022	09/18/2017
313373SZ6	FAC0202	Federal Home Loan Bank	08/29/2011	1,000,000.00	1,025,700.00	1,017,615.92	2.125	AAA	1.233	557	06/10/2016
313383LA7	FAC0215	Federal Home Loan Bank	06/27/2013	2,000,000.00	2,001,740.00	2,000,000.00	1.450	AA	1.450	1,304	06/27/2018
3130A0UC2	FAC0217	Federal Home Loan Bank	11/21/2013	1,000,000.00	1,009,260.00	1,000,000.00	1.550	AA	1.550	1,451	11/21/2018
313376BR5	FAC0218	Federal Home Loan Bank	12/27/2013	1,000,000.00	1,012,980.00	998,570.00	1.750	AAA	1.780	1,474	12/14/2018
3130A33J1	FAC0226	Federal Home Loan Bank	09/22/2014	3,000,000.00	3,012,660.00	3,001,740.00	1.200	AAA	1.180	1,023	09/19/2017
3130A3CE2	FAC0227	Federal Home Loan Bank	11/04/2014	2,000,000.00	2,002,220.00	2,001,720.00	0.625	AAA	0.580	683	10/14/2016
31334G37A2	FAC0213	Federal Home Loan Mortgage	04/02/2013	2,000,000.00	1,989,700.00	2,000,000.00	1.125	AAA	1.125	1,218	04/02/2018
31337EADK2	FAC0224	Federal Home Loan Mortgage	08/01/2014	2,000,000.00	1,964,060.00	1,949,500.00	1.250	AAA	1.780	1,704	08/01/2019
3134G5EK7	FAC0225	Federal Home Loan Mortgage	08/21/2014	2,000,000.00	2,003,120.00	2,000,000.00	1.200	AAA	1.200	994	08/21/2017

Portfolio CITY
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**CITY OF MANHATTAN BEACH
Portfolio Management
Portfolio Details - Investments
November 30, 2014**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date	
Federal Agency Issues - Coupon												
3135GOCM3	FAC0206	Fannie Mae	12/28/2011	2,000,000.00	2,028,300.00	2,006,420.00	1.250	AAA	1.180	667	09/28/2016	
3135G0ZA4	FAC0221	Fannie Mae	05/29/2014	1,000,000.00	1,015,750.00	1,018,967.69	1.875	AAA	1.478	1,541	02/19/2019	
880591EQ1	FAC0220	Tennessee Valley Authority	05/29/2014	2,000,000.00	2,032,720.00	2,030,703.93	1.750		1.395	1,414	10/15/2018	
Subtotal and Average				29,000,000.00	29,182,810.00	29,106,577.30			1.344	1,094		
Total and Average				74,501,000.00	74,879,856.52	74,776,576.96			0.918	604		

**CITY OF MANHATTAN BEACH
 Portfolio Management
 Portfolio Details - Cash
 November 30, 2014**

CSISIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
	39901	UNION BANK	06/01/2003	1,423,460.41	1,423,460.41	1,423,460.41			0.000	1
				Accrued Interest at Purchase	26,644.79	26,644.79				
				Subtotal	1,450,105.20	1,450,105.20				1
				Total Cash and Investments	75,924,460.41	76,226,682.16			0.918	604

**City of Manhattan Beach
Investment Portfolio Summary
As of November 30, 2014**

PORTFOLIO PROFILE	Nov 30, 2014	Oct 31, 2014	Sep 30, 2014	Aug 31, 2014	Jul 31, 2014
Total Book Value (Excluding Trust Funds)	\$74,776,577	\$75,274,962	\$76,564,962	\$79,463,222	\$80,263,722
Increase/(Decrease) from Prior Period	(498,385) (0.7%)	(1,290,000) (1.7%)	(2,898,260) (3.6%)	(800,500) (1.0%)	(2,302,387) (2.8%)
Percentage Change					
Average Yield to Maturity (365 Days)	0.919%	0.972%	0.974%	0.917%	0.843%
Increase/(Decrease) from Prior Period	(0.053%)	(0.002%)	0.056%	0.074%	0.007%

PORTFOLIO ALLOCATIONS

By Security	Value (Par)	Percent	Par YTM	Time Horizon	Percent
LAIF*	\$25,450,000	34.2%	0.261%	Next 12 months	45%
Certificates of Deposit	8,051,000	10.8%	1.009%	Months 13-24	15%
Medium Term Notes	12,000,000	16.1%	1.212%	Months 25-36	20%
Federal Agencies	29,000,000	38.9%	1.346%	Months 37-48	13%
				Months 49-60	7%
Total	\$74,501,000	100.0%	0.917%	Total	100.0%

*LAIF YTM as of November 30, 2014

RECENT ACTIVITY

Security	Date of Activity	Maturity Date	Purchase (Par)	Maturing/Call	YTM
FHLB - 0.875% Coupon	7/28/2014	1/17/2017	2,000,000		0.875%
FHLMC - 1.25% Coupon	8/1/2014	8/1/2019	2,000,000		1.780%
FHLMC - 1.2% Coupon	8/21/2014	8/21/2017	2,000,000		1.200%
FHLB - 1.2% Coupon	9/22/2014	9/19/2017	3,000,000		1.180%
FHLB - 0.625% Coupon	11/4/2014	10/14/2016	2,000,000		0.580%
FFCB - 1.55% Coupon	11/4/2014	9/18/2017	2,000,000		1.100%
Total Purchases			\$13,000,000		1.124%
Matured: FHLMC - 3% Coupon	7/28/2014	7/28/2014		2,000,000	1.576%
Matured: CD - 0.75% Coupon	10/24/2014	10/24/2014		245,000	0.750%
Matured: CD - 0.7% Coupon	10/27/2014	10/27/2014		245,000	0.700%
Called: FHLB - 0.875% Coupon	10/29/2014	1/17/2017		2,000,000	0.875%
Matured: FHLMC - 5% Coupon	11/13/2014	11/13/2014		2,000,000	2.325%
Matured: FNMA - 2.625% Coupon	11/20/2014	11/20/2014		2,000,000	1.482%
Total Maturing/Calls				\$8,490,000	1.516%

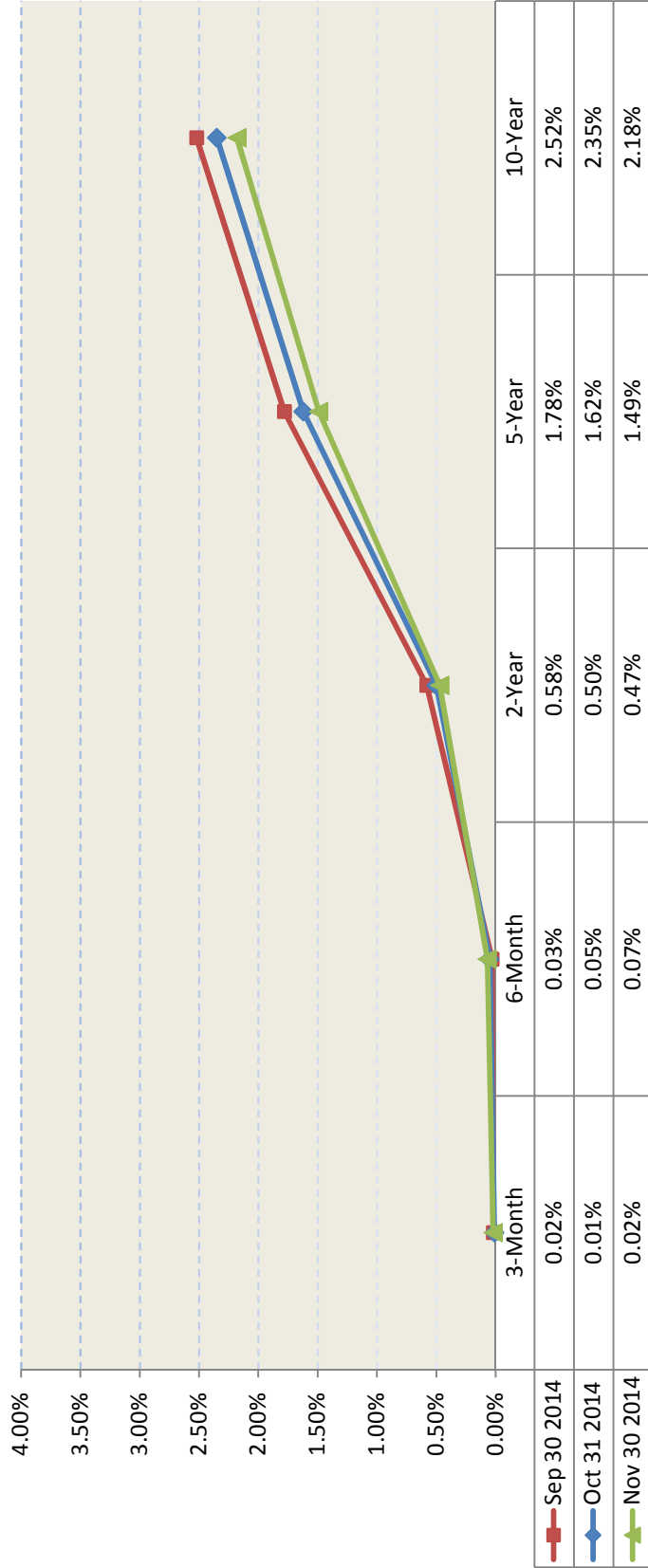
**City of Manhattan Beach
Investment Portfolio Summary
As of November 30, 2014**

PORTFOLIO FUNDS HELD IN TRUST	Value
Police/Fire Refund Delivery Cost	\$1
Marine Avenue	36,549
Metlox & Water/Wastewater Refunding	4
UUAD Assessment Funds	1,359,648
Total Funds Held in Trust	\$1,396,201

As of November 30, 2014

US Treasuries Yield Curve

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**City of Manhattan Beach
Investment Policy Compliance Chart**

As of November 30, 2014

Instrument	Account Number	Balance	% of Total	Dollar Compliance		Percentage Compliance	Term Compliance
				Limit	Compliant?		
Local Agency Investment Fund (LAIF)				\$25,450,000	34.2%		
Certificates of Deposit							
Discover Bank (5649)	5649	\$245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
First Merit Bank (13675)	13675	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
First Bank NC (15019)	15019	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Flushing SB NY (16049)	16049	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Citizens Deposit Bk (16852)	16852	211,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Key Bank NA (17534)	17534	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Webster Bank (18221)	18221	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Compass Bank (19048)	19048	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Bank of Manhattan (23191)	23191	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Boston Private Bank & Trust (24811)	24811	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Safra National Bank (26876)	26876	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Georgia Bank & Trust (27574)	27574	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Fox Chase Bank (28888)	28888	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Pyramid Bank (29120)	29120	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Third Fed Svgs Bk (30012)	30012	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Washington Federal (30570)	30570	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Goldman Sachs Bk (33124)	33124	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Bank of NC (33527)	33527	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
State Bank of India NY (33682)	33682	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Bank Hapoalim NY (33686)	33686	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
GE Cap Financial Inc (GE Capital Bank - 33778)	33778	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Wheaton Bk & Trust (33803)	33803	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
First Sentry Bank (34241)	34241	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Barrington Bank & Trust (34395)	34395	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Merrick Bank (34519)	34519	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
EverBank (34775)	34775	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Bank of Holland (34862)	34862	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Comenity Capital (57570)	57570	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Ally Bank (57803)	57803	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Sallie Mae Bank (58177)	58177	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Marlin Business Bank (58267)	58267	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
USNY Bank (58541)	58541	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Crossfirst Bank (58648)	58648	245,000	0.3%	1,000,000	Yes	5.0%	5 Years Yes
Total Certificates of Deposit (33)				\$8,051,000	10.8%	20.0%	Yes
Medium Term (Corporate) Notes							
Berkshire Hathaway		\$1,000,000	1.3%			5.0%	5 Years Yes
Commwealth Bank Australia		1,000,000	1.3%			5.0%	5 Years Yes
Costco Companies		1,000,000	1.3%			5.0%	5 Years Yes
GE Cap Corp		2,000,000	2.7%			5.0%	5 Years Yes
National Australia Bank		500,000	0.7%			5.0%	5 Years Yes
Oracle		1,000,000	1.3%			5.0%	5 Years Yes
Pfizer Inc		1,000,000	1.3%			5.0%	5 Years Yes
Toyota Motor Credit		1,000,000	1.3%			5.0%	5 Years Yes
Union Bank		1,000,000	1.3%			5.0%	5 Years Yes
Wells Fargo & Co		1,500,000	2.0%			5.0%	5 Years Yes
3M		1,000,000	1.3%			5.0%	5 Years Yes
Total Medium Term Notes (11)				\$12,000,000	16.1%	20.0%	Yes
Federal Agencies							
Federal Home Loan Bank (FHLB)		\$10,000,000	13.4%			33.3%	5 Years Yes
Federal Farm Credit (FFCB)		8,000,000	10.7%			33.3%	5 Years Yes
Fannie Mae (FNMA)		3,000,000	4.0%			33.3%	5 Years Yes
Freddie Mac (FHLMC)		6,000,000	8.1%			33.3%	5 Years Yes
Tenn Valley Authority (TVA)		2,000,000	2.7%			33.3%	5 Years Yes
Total Federal Agencies (5)				\$29,000,000	38.9%	60.0%	Yes
Total Portfolio				\$74,501,000	100.0%		

CITY OF MANHATTAN BEACH
November 30, 2014

Investments

LAIF	\$25,450,000.00
Medium Term Notes	12,168,999.66
Federal Agency Issues-Coupon	29,106,577.30
Certificates of Deposit	8,051,000.00
Subtotal Investments	<u>\$74,776,576.96</u>

Demand Deposit/Petty Cash

Cash in Bank	\$1,423,460.41
Petty Cash	2,482.50
Subtotal Demand Deposit	<u>\$1,425,942.91</u>

Subtotal City Cash & Investments

\$76,202,519.87

Bond Funds Held in Trust

Police Fire Refund Delivery Cost	0.57
Marine	36,549.40
Metlox & Water/Wastewater Refunding	3.72
Utility Assessment Dist	1,359,647.65
Subtotal Bonds Held in Trust	<u>\$1,396,201.34</u>
Treasurer's Balance	<u><u>\$77,598,721.21</u></u>



**BILL LOCKYER
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

LAIF Performance Report

Quarter Ending 09/30/14

Apportionment Rate: 0.24%
 Earnings Ratio: .00000662348923179
 Fair Value Factor: 1.000181284
 Daily: 0.25%
 Quarter To Date: 0.25%
 Average Life: 232

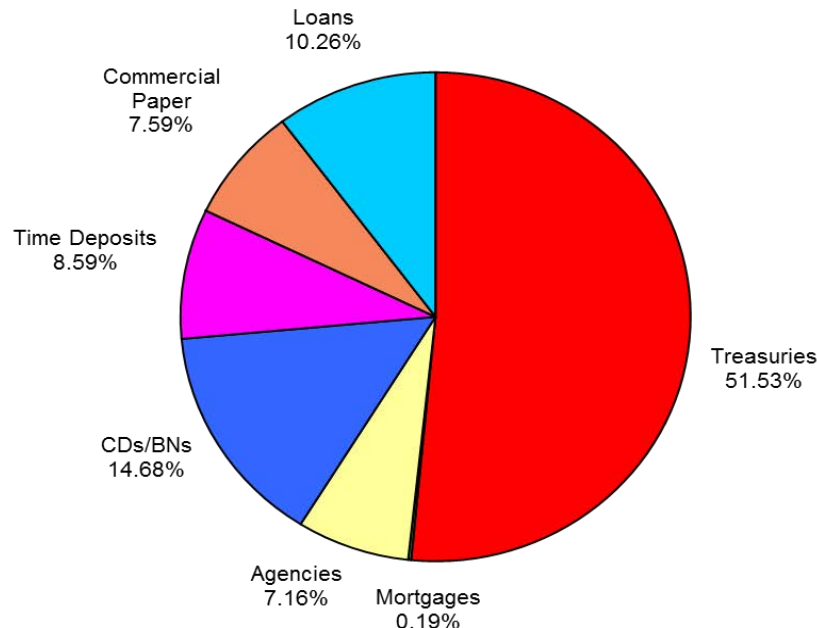
Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
11/24/14	0.26	0.26	208
11/25/14	0.26	0.26	196
11/26/14	0.26	0.26	191
11/27/14	0.26	0.26	191
11/28/14	0.26	0.26	191
11/29/14	0.26	0.26	191
11/30/14	0.26	0.26	191
12/01/14	0.27	0.26	196
12/02/14	0.27	0.26	199
12/03/14	0.27	0.26	199
12/04/14	0.27	0.26	200
12/05/14	0.27	0.26	201
12/06/14	0.27	0.26	201
12/07/14	0.27	0.26	201

PMIA Average Monthly Effective Yields

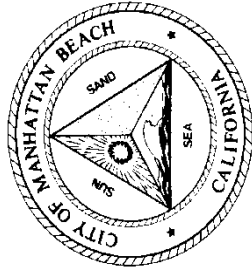
NOV 2014 0.261%
 OCT 2014 0.261%
 SEP 2014 0.246%

*Daily yield does not reflect capital gains or losses

Pooled Money Investment Account
 Portfolio Composition
 \$57.5 Billion
 10/31/14



City of Manhattan Beach



Financial Reports November 2014 Fiscal Year 2014-2015

General Fund Expenditures By Department

	Annual Budget	Current Month	YTD Expend.	YTD Encumb.	Available Budget	Percent Utilized*
11 Management Services	2,677,892	236,631	1,036,125	66,500	1,575,267	41.18
12 Finance	3,774,231	222,647	1,387,260	133,464	2,253,507	40.29
13 Human Resources	1,251,945	69,602	370,327	68,035	813,583	35.01
14 Parks and Recreation	7,664,943	443,820	3,167,753	36,032	4,461,158	41.80
15 Police	23,210,318	1,749,468	9,916,337	242	13,293,739	42.72
16 Fire	11,461,981	868,591	5,031,730	46,891	6,383,360	44.31
17 Community Development	4,529,001	272,078	1,638,699	369,131	2,521,172	44.33
18 Public Works	6,915,722	503,265	2,664,483	56,369	4,194,870	39.34
100 General Fund	61,486,033	4,366,102	25,212,714	776,664	35,496,656	42.27

*Percent Utilized includes YTD encumbrances.

City of Manhattan Beach
Fiscal Year 2014 Statement of Revenues & Expenditures
 November 30, 2014

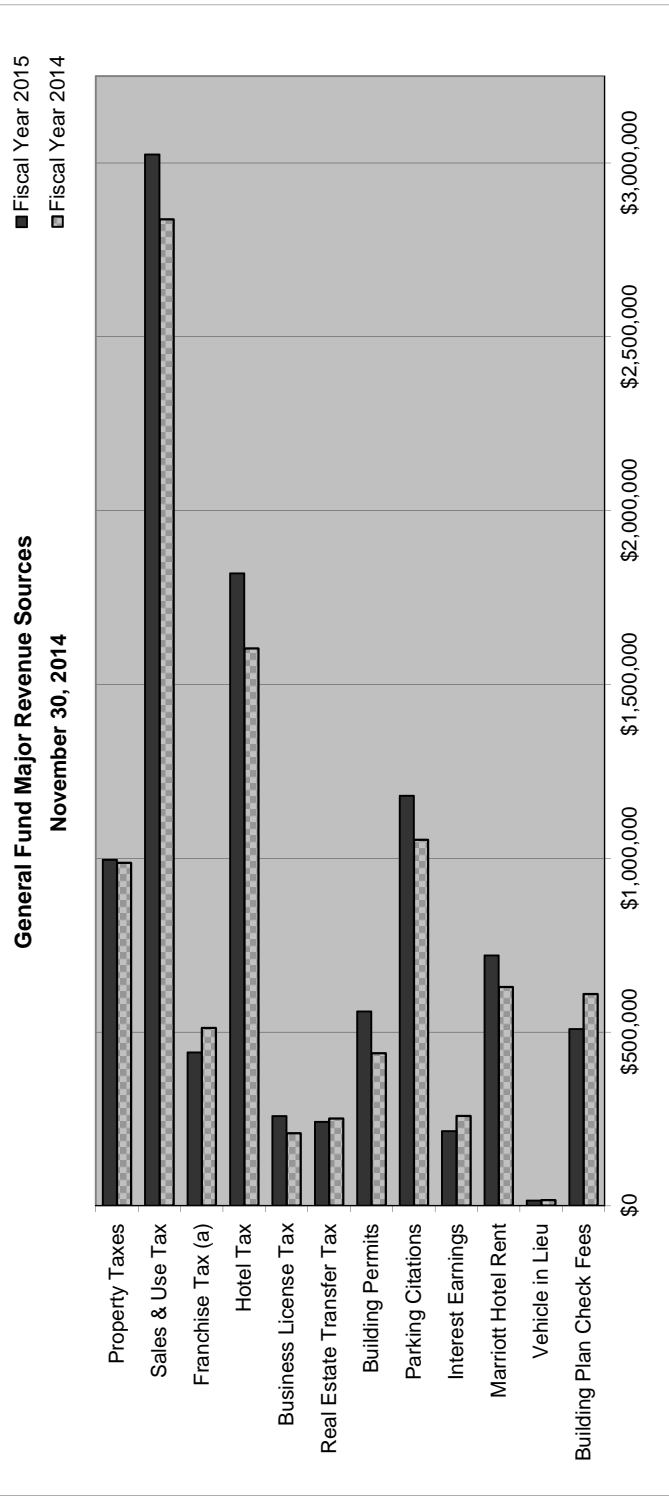
% of Year
41.7%

		Current Year Activity					
Fund Title	Fund No.	Budgeted Revenue	YTD Revenues	% Realized	Budgeted Expenditures	YTD Expenditures	% Expended
General Fund	100	\$59,846,949	\$15,765,655	26.3%	\$61,486,033	\$25,212,714	41.0%
Street Lighting & Landscaping Fund	201	399,620	3,110	0.8%	652,909	216,329	33.1%
Gas Tax Fund	205	1,202,947	365,916	30.4%	2,965,824	939,576	31.7%
Asset Forfeiture	210	7,300	33,132	453.9%	226,345	72,765	32.1%
Police Safety Grants	211	101,200	40,983	40.5%	209,274	72,440	34.6%
Federal & State Grants	220	-	-	n/a	-	-	n/a
Prop A Fund	230	637,699	274,623	43.1%	805,070	295,943	36.8%
Prop C Fund	231	6,118,340	222,289	3.6%	8,814,434	127,422	1.4%
AB 2766 Fund	232	74,197	11,871	16.0%	200,068	3,745	1.9%
Measure R	233	416,577	160,897	38.6%	335,000	-	0.0%
Capital Improvements Fund	401	2,363,901	779,480	33.0%	6,591,162	49,223	0.7%
Underground Assessment District Construction	403	1,200	510	42.5%	-	-	n/a
Water Fund	501	16,546,891	7,975,718	48.2%	16,611,703	3,910,841	23.5%
Storm Drain Fund	502	353,033	4,591	1.3%	1,429,814	172,623	12.1%
Wastewater Fund	503	3,743,047	1,686,110	45.0%	3,784,912	598,681	15.8%
Refuse Fund	510	3,968,705	1,684,595	42.4%	4,335,621	1,359,392	31.4%
Parking Fund	520	2,385,078	1,043,016	43.7%	2,638,942	580,934	22.0%
County Parking Lots Fund	521	775,510	386,148	49.8%	644,806	76,649	11.9%
State Pier & Parking Lot Fund	522	581,729	272,592	46.9%	2,584,282	193,606	7.5%
Insurance Reserve Fund	601	4,661,672	1,990,252	42.7%	4,702,745	3,814,854	81.1%
Information Systems Reserve Fund	605	2,272,016	946,675	41.7%	2,861,335	658,297	23.0%
Fleet Management Fund	610	2,223,625	1,017,459	45.8%	2,646,638	739,647	27.9%
Building Maintenance & Operation Fund	615	1,699,779	775,570	45.6%	1,698,391	769,454	45.3%
Special Assessment Debt Service	710	965,000	23,242	2.4%	953,389	759,401	79.7%
City Pension Fund	801	180,900	3,710	2.1%	233,220	91,252	39.1%
		\$111,526,915	\$35,468,145	31.8%	\$127,411,917	\$40,715,786	32.0%

City of Manhattan Beach
 Fiscal Year 2014 General Fund Major Revenue Trends
 November 30, 2014

Percent of Year
 41.67%

Major Revenue Accounts	Fund No.	Year-To-Date Actuals					FY 2015		
		2010	2011	2012	2013	2014	2015	Adj Budget	Realized
Property Taxes	100	1,121,127	998,239	906,621	937,889	985,686	995,217	23,911,150	4.16%
Sales & Use Tax	100	2,199,404	2,425,336	2,640,831	2,792,718	2,837,311	3,025,271	9,112,873	33.20%
Franchise Tax (a)	100	402,670	431,300	456,134	488,949	510,685	440,904	1,407,385	31.33%
Hotel Tax	100	1,226,113	1,263,042	1,216,507	1,404,696	1,602,934	1,819,780	3,769,000	48.28%
Business License Tax	100	207,724	181,072	217,524	209,093	207,604	258,175	3,125,000	8.26%
Real Estate Transfer Tax	100	176,438	149,635	229,019	247,847	249,916	241,777	595,000	40.63%
Building Permits	100	266,568	300,692	355,258	352,125	438,095	559,064	1,160,000	48.20%
Parking Citations	100	1,082,893	1,100,139	1,270,833	1,037,395	1,052,537	1,179,482	2,340,000	50.41%
Interest Earnings	100	288,029	297,587	255,520	318,227	257,529	214,469	486,600	44.08%
Marriott Hotel Rent	100	441,266	474,841	407,317	532,712	628,651	720,481	1,320,000	54.58%
Vehicle in Lieu	100	52,724	57,161	95,915	18,887	15,631	15,099	-	-
Building Plan Check Fees	100	223,115	311,586	402,644	428,192	608,791	508,684	1,350,000	37.68%
Total Major Revenue Accounts		7,688,070	7,990,629	8,454,122	8,768,728	9,395,369	9,978,403	48,577,008	20.54%
Over/(Under) Prior Year		302,559	463,493	314,606	626,641	583,034			
Percent Change From Prior Year		3.94%	5.80%	3.72%	7.15%	6.21%			
Other Revenues		4,693,349	4,933,750	5,333,252	4,774,886	5,224,698	5,787,252	11,269,941	51.35%
Total General Fund Revenues		12,381,419	12,924,379	13,787,374	13,543,613	14,620,067	15,765,655	59,846,949	26.34%



(e) The structure of payments for some of the franchise fees has changed resulting in lower initial revenues at the beginning of the fiscal year as compared to prior years. This revenue will self adjust throughout the year to better align with prior full-year numbers.

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director
Henry Mitzner, Controller

SUBJECT:

Fiscal Year 2013-2014 Comprehensive Annual Financial Report (Finance Director Moe)

RECEIVE AND FILE

RECOMMENDATION:

Staff recommends that the City Council receive and file this report.

FISCAL IMPLICATIONS:

There is no fiscal implication associated with the recommended action. The results of fiscal year 2013-2014 are summarized below, and are included in the attached Comprehensive Annual Financial Report (CAFR).

DISCUSSION:

Attached to this report is the City's CAFR for the year ended June 30, 2014. This independent audit report is prepared by the City's auditor, Lance, Soll and Lunghard, the certified public accountancy firm selected by the Council. Staff would like to take this opportunity to acknowledge the auditor's professionalism and diligence in the completion of the audit.

We are pleased to report that once again, the City has received the best possible opinion, an unmodified (formerly unqualified) audit opinion, meaning that the auditor believes that the City's financial statements are fairly presented in all material respects in conformity with Generally Accepted Accounting Principles (GAAP). Further, the auditor reported no material deficiencies (see Attachment #3).

The attached report contains detailed information about the City's financial results for FY 2013-2014. The document, which is in industry-standard format, is organized as follows:

Introductory Section

The Introductory Section includes the City's transmittal letter providing an executive summary of the financial and economic events characterizing FY 2013-2014. A review of the transmittal letter will help the reader understand the City's organizational structure and provides performance highlights of the City's most significant funds and operations.

Financial Section

The Financial Section presents the independent auditor's report. The auditor's report contains two main sections: the Audit Opinion and the Management Discussion & Analysis (MD&A).

Audit Opinion

The Audit Opinion, worded in an industry standard format, provides a statement by the auditor attesting to the fair presentation of financial data in conformity with generally accepted accounting principles and government accounting standards.

Management Discussion & Analysis (MD&A)

The required MD&A is intended to serve as an introduction to the City's basic financial statements, which comprise three components: 1) Government Wide Financial statements, 2) Fund Financial statements, and 3) notes to the financial statements, which is an overview and analysis of the financial activities of the City of Manhattan Beach for the fiscal year ended June 30, 2014.

The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements utilize full accrual accounting as is done in private industry. The statements included in this section are the statement of net position (formerly statement of net assets) and the statement of activities. Both government-wide statements are designed to show the annual increase or decrease in net assets and, in doing so, distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, planning, building and safety, and recreation. The City's business-type activities include water, waste water, storm water, refuse and parking.

The Fund Financial Statements include governmental funds reported on a budgetary modified accrual basis and proprietary funds reported on a full accrual basis. Major governmental funds (General Fund, Capital Improvement Fund) and major enterprise funds (Water, Waste Water, Refuse and Parking) are shown individually, while non-major funds are aggregated into a single column (full details are listed later in the document). Internal service funds are considered minor proprietary funds and are aggregated following enterprise funds.

The Notes to the Financial Statements section follows, which provides financial disclosures about the City's financial statements. That section is followed by the Combining Financial Statements & Schedules and the Statistical Section. The combining statements are presented in the traditional fund manner and report on the detail of all non-major funds which

appear on a combined basis in the front of the document. The Statistical Section, not subject to audit review and testing, provides general trend information presenting financial and economic data over time.

Finally, new for last audit year (FY 2012-2013) is a section entitled "Bond Disclosure." This optional enhancement has been added by the City to provide investors and other interested parties with a single source for all continuing disclosure requirements for debt issued by and through the City.

Staff recommends that the City Council, at a minimum, review the Letter of Transmittal, and MD&A portions of the report. These will provide an overview of the audit results and financial highlights.

The audit results were discussed with the Finance Subcommittee at their December 30, 2014 meeting. The Auditor will be available to answer questions at the City Council meeting.

Summary of Results

General Fund

Overall, General Fund results were better than budgeted projections. Revenues exceeded expenditures by \$2,113,773. When considering net transfers to and from other funds, and sale of capital assets, General Fund balance increased by \$1,309,575 from the prior year. Transfers out, which totaled \$1,006,397, included \$763,073 to the Capital Improvement Project (CIP) Fund to facilitate projects (the list of transfers is detailed in the audit report in the MD&A).

By category, revenues exceeded the final (amended) budget by \$2,631,415 and expenditures came in under final (amended) budget by \$1,467,168 as detailed in Attachment 1.

The total fund balance in the General Fund as of June 30, 2013 was \$20,898,335. Utilizing governmental accounting standards classifications for governmental type funds (GASB 54), the fund balance is as follows:

Unassigned: \$18,338,105
Restricted: \$813,407
Non-Spendable: \$1,746,823

The Unassigned category includes the City Council financial policy reserve of \$11.8 million (20% of expenditures) and the Economic Uncertainty Reserve of \$4 million. Once all City Council established internal reserves and designations have been accounted for, the General Fund had an available balance as of June 30, 2014 of \$3.4 million (please note that this amount does not reflect subsequent appropriations from the available fund balance including those in the fiscal year 2014-2015 budget).

General Fund Revenue Highlights

Revenues exceeded budget by \$2,631,415, or 4.6% (see Attachment #1). Property Tax exceeded the budget by 5.2% (\$1.16M), and surpassed the prior year by 8% (\$1.7M). As a category, Other Taxes (Sales, TOT, Franchise, etc.) exceeded budget by \$398K or 2.2%. Transient Occupancy Tax (TOT) exceeded budget by \$240,700 and the prior year by \$344K or 10.7%.

Sales Tax came in slightly under budget by \$19,000 (.2%) and \$165,923 (1.8%) less than FY 2012-2013. For the current year, the budget is \$23,000 below FY 2013-2014 actual revenue. Sales Tax is flat for the current year, and we will see an impact from falling gas prices with the DeWitt contract, perhaps in the \$50,000 to \$75,000 range in lower revenue.

Licenses and permits came in over budget by 8.2% (\$131,203). This includes building permits which came in over budget by \$107K (and \$159K or 18.3% over FY 2012-2013).

Fines and Forfeitures performed below budget by \$239,800 or 9%. In this group, Parking Citations were \$218,500 under budget (9%) but were on par with the prior year (1.2% or \$27,600 below last year). Staff reduced the Parking Citation budget by \$100K for FY 2014-2015, and revenues appear to be on target 6 months through the year.

The installation of new technology parking meters that accept credit cards has resulted in higher parking meter revenue as drivers opt to feed more money in the meters as insurance against an expired meter citation. Parking meter revenue in FY 2013-2014 across all funds rose 9.8% (\$369,136) compared to the prior year. The FY 2013-2014 results include increased revenue derived from the installation of 750 new technology replacement meters during the year. Overall, as the new (replacement) meters have been installed, the City has realized a 30% increase (approximately \$950,000) in meter revenues since FY 2010-2011.

Parking citation data indicates that since the phased installation of the new technology meters began in FY 2009-2010, expired meter citations have decreased by 30%, from roughly 35,000 citations in FY 2010-2011 to 22,900 in FY 2013-2014. While this has equated to an estimated reduction in parking citation revenue of \$430,400 to the General Fund, the corresponding increase in Parking Meter revenue (\$950,000) has more than offset that reduction. While the increased revenue may be attributable to other factors such as an improving economy, staff believes that the bulk of the increase is directly related to the new meters. Additionally, this increase is consistent with other cities' experience with the new technology meters.

The category of Interest and Rents includes the Marriott Hotel Percentage rent which exceeded budget by \$87,600 (11%) and by \$134,392 (16.6%) compared to the prior year. This revenue is derived from the ground lease the City holds with Marriott.

Current Services came in over budget by \$797,000, and includes Plan Check, Parks and Recreation, and Police and Fire service fees among others. Plan Check exceeded budget by \$370K or 36% and FY 2012-2013 by \$368K (35%). The current year is trending towards the budget of \$1.25 million.

General Fund Expenditure Highlights

FY 2013-2014 General Fund expenditures as a group came in below budget by \$1,467,168 (see Attachment #1). All departments finished the year within budgeted appropriations with the exception of the Police Department, which ended the year 2.4% (\$561,062) over. The overage is caused by the following:

1. Salary and Wages over by \$338,704 (3.0%)
2. Employee Benefits over by \$219,002 (3.6%)

These overages occurred for several reasons: Staffing was maintained at a level in excess of the 4% vacancy factor assumed in the annual budget, and overtime exceeded budget by \$228,364 (item #1 above) in response to a number of targeted details, including crimes that were occurring in the community in the aftermath of AB109 realignment in the first half of FY 2013-2014.

Attachment #1 lists the expenditures across all departments. By object class, Operating Expenditures (contract services, materials, utilities, etc.) exceeded budget by \$290,239 (1.7%). Specific areas of overage include legal services (\$124,046 over), contract services (\$92,933 over) and utilities which went over by \$107,579.

Areas of offsetting savings included:

1. Capital expenditures under by \$1,323,434
2. Salaries and Wages under by \$408,025
3. Debt Service under by \$253,422

The budgeted capital expenditures are primarily for Information Systems Master Plan (ISMP) projects, for which planning and development may be protracted. Major projects within this budget include: Document Management Systems - \$200,000; Financial Systems Enhancements - \$200,000; GIS Expansion - \$100,000; Fire Records Management System - \$100,000; Community Development Permitting Systems - \$400,000 and a Work Order Management System - \$150,000. A full report on the status of these projects is included on a separate item on the City Council agenda for tonight's (January 20, 2015) meeting.

Despite the Police Department's staffing needs in excess of budgeted allocations this year, overall Salaries and Wages came in under budget due to vacancies in excess of the budgeted vacancy factor. Debt Service typically performs under budget as well, due to a bond covenant requirement to budget at a certain interest rate that typically exceeds the actual market rate paid.

Other Funds of Note

While most funds performed as expected, several are worth mentioning.

The Proposition A Fund, which is used for transportation purposes, most notably the City's Dial-A-Ride program, shows that expenditures exceeded budgeted appropriations by \$161,179. This overage was not caused by actual spending in excess of approved appropriations, rather it was caused by a clerical error.

Specifically, two new Dial-A-Ride busses ordered in prior years were delivered during FY 2013-2014. The funding process for these busses is that the Fleet Fund purchases the vehicles, and then the Proposition A Fund reimburses the Fleet Fund. This standard process was described in the Fiscal Implications section of the two staff reports sent to City Council seeking approval for the purchases (see Attachments #5 & #6). The budget adjustments described in the reports were not processed. As a result, the standard reimbursement from Proposition A to the Fleet Fund occurred without the concomitant expenditure budget in Proposition A. This further resulted in the expenditures in Proposition A exceeding the budget.

The Street Lighting and Landscaping Fund also exceeded budget by \$6,482 (1%). Approximately half the cost overage was in unanticipated but reimbursable L.A. Kings Hockey Victory Parade expenses (clean up) while the remaining amount was the result of utility costs (natural gas) exceeding budgeted amounts. Please note that the General Fund continues to subsidize this fund and that these overages were in fact funded by the General Fund.

The Water Fund continues to build the resources for planned capital improvements needed to sustain the utility's operation and infrastructure. Net income from operations totaled \$7,084,879, an improvement from the prior year which had net operating income of \$6,170,437. Revenue from sales increased by 9.1%, while operating expenses (labor, materials, services, etc.) rose by 5.0%. During FY 2010, the City Council approved increased water and waste water rates to support system infrastructure needs as well as to bolster the fiscal integrity of those funds. The new rate structure became effective in January 2010 and provided for annual increases each January through 2014. The most recent increase in water rates, contributed to the results which will be used to fund planned capital improvements to the utility's infrastructure, estimated at \$36.5 million over the next five years.

The Waste Water fund net operating income for FY 2013-2014 was \$1,595,661 versus \$1,436,254 in FY 2012-2013 - a net increase of \$159,407, or 11.1%. Revenue from sales increased \$233,485 (6.9%) while operating expenses increased \$73,510 (3.7%). This improvement is primarily due to new waste water rates implemented along with the water rates in January 2013. Similar to the water utility, the new rates are being utilized to fund needed capital improvements to the waste water system.

Refuse Fund net income from operations totaled \$65,294 in FY 2013-2014, a decrease of \$193,586 from the prior year. Operating expenses decreased by \$266,722 (6.4%) and operating revenues decreased by \$460,308 (10.4%). These expense and revenue decreases are attributable to the elimination of the street sweeping charge and the transfer of street sweeping expenses to the Stormwater Fund. In FY 2013-2014, the City voluntarily commenced issuing refunds for past street sweeping charges collected on utility bills. The amount of these refunds was \$618,708. Consequently it was necessary to restate the net position at the beginning of fiscal 2013-2014. Refunds occurring in subsequent fiscal years will also necessitate a restatement of beginning net position.

The Stormwater Fund net operating loss in FY 2013-2014 totaled \$420,831, a further loss from the FY 2012-2013 net loss of \$57,093. The increased incremental cost due to the

street sweeping contract is \$295,000 annually. The combination of fixed assessments and rising costs currently requires a General Fund subsidy of administrative overhead, and ultimately will require cash subsidies. Additionally, capital improvements due to legislative mandates will also result in increased costs. A Proposition 218 assessment vote will be necessary to properly fund operations going forward.

CONCLUSION:

Staff is pleased to report that the fiscal year 2013-2014 financial audit resulted in the City once again receiving an unmodified opinion. The General Fund performed better than expected, with revenues exceeding expenditures by \$2.1 million. City Council policy reserves remain fully funded.

The City Manager and Finance Director wish to recognize the dedication, hard work and attention to detail of all departments during the year that enables the City to achieve the unqualified opinion. Special recognition is in order for Finance staff, particularly Henry Mitzner, Jeanne O'Brien, Eugene Wee and Julie Chan.

Attachments:

1. FY 2013-2014 General and Enterprise Fund Summary Results
2. FY 2013-2014 Comprehensive Annual Financial Report
3. Report on Internal Control (Management Letter)
4. Audit Committee Letter
5. Dial-A-Ride Purchase staff report dated 4/2/2013
6. Dial-A-Ride Purchase staff report dated 11/20/2012

City of Manhattan Beach General Fund Revenue Analysis - Fiscal Year 2013-2014

Category	Revenue	Final Budget	Full Year Actual	Excess	% Variance
A	Property Taxes	22,192,415	23,353,741	1,161,326	5.2%
B	Other Taxes	17,982,600	18,380,900	398,300	2.2%
C	Licenses and Permits	1,598,905	1,730,108	131,203	8.2%
D	Fines & Forfeitures	2,677,500	2,437,700	(239,800)	-9.0%
E	Interest & Rents	2,712,753	2,959,996	247,243	9.1%
F	From Other Agencies	351,590	477,385	125,795	35.8%
G	Current Services	5,742,101	6,539,004	796,903	13.9%
H	Interfund Charges	2,913,338	2,913,324	(14)	0.0%
I	Miscellaneous Revenues	511,005	521,464	10,459	2.0%
	Total Revenues	56,682,207	59,313,622	2,631,415	4.6%

Significant Revenue Variances*

A	P.Yr Secured Prop Tax	175,000	228,907	53,907	30.8%
	Supplemental Property Tax	250,000	476,867	226,867	90.7%
				-	
B	Federal Grant Programs	76,823	121,208	44,384	57.8%
				-	
C	Building Plan Check Fees	1,040,000	1,409,954	369,954	35.6%
	Planning Filing Fees	129,000	206,022	77,022	59.7%
	Police Service Fees	31,000	123,369	92,369	298.0%
	Special Event O.T. Reimb	60,000	125,793	65,793	109.7%
	DUI Cost Recovery	3,000	28,072	25,072	835.7%
	Fire Services Fees	52,000	195,393	143,393	275.8%
	Right of Way Permits	230,000	325,340	95,340	41.5%
	Facility & Parks Reservations	298,071	420,542	122,471	41.1%
	Subset Totals	2,344,894	3,661,467	1,316,572	56.1%

*includes revenues with +/- \$25,000 and +/- 25% budget variance

City of Manhattan Beach General Fund Expenditures - Fiscal Year 2013-2014

Bolded lines indicate budget utilization percentages less than 85% or greater than 110%

By Department	FY 2014 Budget	FY2014 Actual	Budget Variance	% Utilized
Management Services	2,841,140	2,608,112	233,028	91.8%
Finance	3,481,848	3,152,241	329,607	90.5%
Human Resources	977,038	834,964	142,074	85.5%
Recreation	6,818,154	6,236,494	581,660	91.5%
Police	23,055,809	23,616,870	(561,062)	102.4%
Fire	11,072,729	10,960,557	112,172	99.0%
Community Development	4,230,509	3,900,094	330,415	92.2%
Public Works	6,188,049	5,888,776	299,274	95.2%
Total Expenditures	58,665,276	57,198,108	1,467,168	97.5%

By Object Class	FY 2014 Budget	FY2014 Actual	Budget Variance	% Utilized
4000 Personnel Services	38,577,287	38,401,162	176,125	99.5%
5000 Operating Expenditures	16,812,989	17,103,228	(290,239)	101.7%
6000 Capital Expenditures	1,514,829	191,395	1,323,434	12.6%
7000 Debt Service	1,734,880	1,481,458	253,422	85.4%
9000 Interfund Transfers	25,291	20,865	4,426	82.5%
Totals	58,665,276	57,198,108	1,467,168	97.5%

By Object Subclass	FY 2014 Budget	FY2014 Actual	Budget Variance	% Utilized
4100 Salaries & Wages	27,635,523	27,227,498	408,025	98.5%
4200 Employee Benefits	10,941,764	11,173,665	(231,901)	102.1%
5100 Contract & Professional	7,363,004	7,654,943	(291,939)	104.0%
5200 Materials & Services	2,407,966	2,186,362	221,604	90.8%
5500 Utilities	1,060,461	1,168,041	(107,580)	110.1%
5600 Internal Services	5,981,558	6,093,881	(112,323)	101.9%
6100 Property & Equipment	1,514,829	191,395	1,323,434	12.6%
7100 Bond Debt	1,734,880	1,481,458	253,422	85.4%
9100 Interfund Transfers	25,291	20,865	4,426	82.5%
Totals	58,665,276	57,198,108	1,467,168	97.5%

Manhattan Beach Enterprise Fund Results - Fiscal Year 2013-2014

Fund	Net Income				Net Postion	
	Operating	Nonoperating	Transfers	Totals	Beginning	Ending
Water	7,084,879	52,593		7,137,472	29,226,663	36,364,135
Stormwater	(420,831)	6,077		(414,754)	5,292,561	4,877,807
Sewer	1,595,661	(4,341)		1,591,320	9,130,691	10,722,011
Refuse	65,294	24,834		90,128	451,477	541,605
Parking	824,407	(309,267)		515,140	9,405,250	9,920,390
County Lots	199,751	-	(200,458)	(707)	3,144	2,437
State Pier	123,822	12,183		136,005	2,049,031	2,185,036
Totals	9,472,983	(217,921)	(200,458)	9,054,604	55,558,817	64,613,421

City of Manhattan Beach, California



Comprehensive Annual Financial Report

Year Ended June 30, 2014

CITY OF MANHATTAN BEACH, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014



Prepared by the Finance Department

Bruce Moe, Finance Director



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CITY OF MANHATTAN BEACH
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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January 20, 2015

Honorable Mayor, Councilmembers and Citizens of Manhattan Beach
Manhattan Beach City Hall
Manhattan Beach, California 90266

We are pleased to present the Comprehensive Annual Financial Report of the City of Manhattan Beach for the Fiscal Year ended June 30, 2014. This report has been prepared in accordance with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

The City's financial policies require an external independent audit be performed annually, and that the auditor's opinions be included in the Comprehensive Annual Financial Report (CAFR). Further, it states that the results be reviewed with the Finance Subcommittee, which met with the auditor and discussed the results in December 2014.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material, statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included.

City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Lance, Soll & Lunghard, CPAs, an accounting firm selected by the City Council, based on a recommendation from the Finance Subcommittee. The

goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the City of Manhattan Beach's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement the Management Discussion & Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City of Manhattan Beach is located in the South Bay region of Los Angeles County. The current population¹ is 35,619. The City encompasses approximately four square miles.

Incorporated in 1912 under the general laws of the State of California, the city operates under the Council-Manager form of government. The City Council is comprised of five members elected at-large for overlapping four-year terms. Each member may serve as Mayor for a nine-month period once during his or her four-year term in office. The City Treasurer is also elected to a four-year term, and serves as the chairperson for the Finance Subcommittee. City Councilmembers are limited to two consecutive terms.

The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Councilmembers also serve as the governing body of the Manhattan Beach Capital Improvements Corporation (please see Note 1 in the CAFR for more information).

In addition, the City Council appoints the members of the following advisory Boards and Commissions:

Planning Commission	Parking and Public Improvements Commission
Parks & Recreation Commission	Board of Building Appeals
Library Commission	Business Improvement District Advisory Boards
Cultural Arts Commission	

¹ State of California Department of Finance, January 2014

The city is a full-service municipality, and provides a variety of services to the community, including:

Police services	Fire and paramedic services
Culture and recreation	Building and safety
Solid waste and recycling	Water and waste water utilities
Storm water management	Parking facilities
Street and landscape maintenance	General government

Budget Process

The City's budget process begins in January of each year. Line-item budget development is accomplished through the City's financial system, which allows each department to build its budget using computerized worksheets. The departments are responsible for developing the Materials & Supplies line items and part-time employees' salaries. The remaining Salary & Benefit information is calculated and entered by the Finance Department. All supplemental budget requests (new personnel, service or equipment) are subject to City Manager review and approval before becoming part of the operating budget. This process applies to all governmental and enterprise funds.

The Finance Director, in coordination with the applicable operating departments, provides the City Manager with proposed revenue projections. These revenue estimates are reviewed with the department budget requests to determine available funding levels for the fiscal year. The City Manager and Finance Director meet with the departments to review the operating and supplemental budget requests.

After final review and approval by the City Manager, the proposed budget document is presented to the City Council in May. At least three study sessions and a public hearing are held by the City Council. The budget is adopted by resolution prior to June 30.

During the fiscal year, the budget can be amended as necessary to meet the City's needs. The City Council has the legal authority to amend the budget at any time. Department Heads and their designated representatives may only authorize expenditures based on appropriations approved by City Council action, and only from accounts under their organizational responsibility. Actual expenditures may exceed budget appropriations by line-item. However, total expenditures within each fund may not exceed the total appropriation for that fund. The City Manager has the authority and discretion to approve interdepartmental appropriation transfers as long as they are within the same fund. Inter-fund transfers require a budget amendment by the City Council.

Economic Condition

Local Economy

The South Bay region is home to a number of industries including aerospace, entertainment, leisure and tourism, and manufacturing. Economists report that the South Bay area has strong fundamentals including high levels of education, high incomes and competitive industries. Further, the area has fared better during the recent weak economic conditions than some other areas of the state. Case in point, the most recently available figures indicate that Manhattan Beach has a 2.7% unemployment rate, compared to Los Angeles County at 7.9% and the State of California at 7.2%².

² State of California Employment Development Department, December 19, 2014

Long Term Planning

Each year during the budget process, the City develops a five-year forecast of General Fund revenues and expenditures. During the most recent budget cycle (FY 2014-2015), the forecast concluded that unassigned General Fund balances will remain in a range from an estimated \$17.4 million at the end of FY 2014-2015 to \$16.0 million in FY 2018-2019. It is important to note that those estimates indicate the need to utilize unassigned fund balance (designated as an economic uncertainty reserve by City Council) for on-going support of Storm Water operations and Street Lighting and Landscape fund deficits, which can only be corrected by a Proposition 218 vote. The City Council's Financial Policy to maintain a balance of 20% of General Fund expenditures will remain funded. The complete five-year forecast can be found in the FY 2014-2015 budget document, available on line at www.citymb.info. It will be updated for the FY 2015-2016 budget to reflect FY 2013-2014 results as presented in this audit report.

Financial Policies

In 1997-1998, the City Council approved the City's first set of financial policies, designed to promote sound financial management and ensure that the City's fiscal integrity remains intact as staff and Councilmembers change. This CAFR reflects these financial guidelines. While governmental accounting standards do not classify reserves specifically, and list such designations as "unassigned" assets due to the spendable nature of the funds, please note that the City's unassigned assets do include those funds previously classified as designated for reserves in an effort to define fund balance as of the financial report date.

Major Initiatives

Library Improvements

During the year, the City continued working with the County on the construction of a new library in the civic center. It is anticipated that this project, estimated to cost \$22.75 million, will be fully funded by the County of Los Angeles with the surplus property tax currently paid by Manhattan Beach property owners to the County Library District. The project includes expanding the library from 12,500 square feet to approximately 22,000 square feet. The Grand Opening is expected in April 2015.

Manhattan Village Mall Enhancement Project

On December 2, 2014, the City Council approved the Mall Expansion Project with additional conditions. The approval allows construction of Phases 1 and 2, and defers Phase 3 (Fry's corner) for future public review and input. Phase 1 totals 50,000 square feet with restaurant and retail uses. Phase 2, totals 60,000 square feet and includes the consolidation and expansion of the Macy's property. Upon completion, the shopping center will total approximately 686,500 square feet. As a next step, the City will be working closely with the developer and property owners on a schedule for construction of the project.

Sepulveda Bridge Widening Project

The Sepulveda Bridge is located on Sepulveda Boulevard (State Route 1) between Rosecrans Avenue and 33rd Street. The existing bridge currently has 3 northbound and 3 southbound lanes in

each direction and serves an average of 71,000 vehicles per day. Sepulveda Boulevard immediately north and south of the bridge has 3 southbound and 4 northbound lanes. The proposed project will widen the east side of the bridge to provide a fourth northbound lane to remove the existing bottleneck at the bridge. Sepulveda Boulevard, including the bridge, is owned and maintained by Caltrans. Due to the local significance of the roadway, the City entered into an agreement with Caltrans in February 2009 to widen the bridge as a joint project with the City taking the lead and Caltrans serving in a supporting role. Since then, the City has secured project funding. The total budgeted project cost is \$21.6 million, \$17.4 funded by grants. Once approved by the City Council, construction is expected to start in October, 2015.

EXECUTIVE FINANCIAL OVERVIEW

This top level overview is presented as a supplement to the more detailed and comprehensive analysis presented in the MD&A. As such, it serves to highlight key financial performance indicators for our major funds. We encourage readers to review the MD&A for a further analysis of the City's financial condition.

General Fund

The General Fund is the primary operating fund of the City of Manhattan Beach. In comparing year-end 2014 to 2013, the total fund balance increased by \$1,309,575. General Fund revenues exceeded expenditures by \$2,113,773. Other Financing Sources (transfers-in, transfers-out and sale of capital assets) netted out to a negative \$804,198, largely due to the transfer of funds from the General Fund to the CIP Fund (\$763,073) to support future capital improvement projects. At the end of fiscal year 2014, the total General Fund balance equaled \$20.9 million, with an unassigned fund balance of \$18.3 million. Within the unassigned fund balance, City Council has established earmarks for financial policies and economic uncertainties of \$15.8 million, which is available for use at City Council's discretion.

General Fund transfers included:

- \$763,073 to the CIP Fund for general infrastructure improvements
- \$243,324 to the Street Lighting Fund to relieve a deficit fund balance
- \$200,458 of excess reserves from the County Lot Fund to the General Fund in line with the contract with the County of Los Angeles.

The City's General Fund revenues showed improvement from the prior year, particularly in Property Tax, and Other Taxes (sales, transient occupancy, business license, etc.). This can be noted by the trends below:

General Fund Revenues by Category - Fiscal Year 2014

Revenue Category	2013 Actual	2014 Actual	Increase/ (Decrease)	%
Property Tax	\$21,626,173	\$23,353,743	\$1,727,570	8.0%
Other Taxes (Sales, Hotel, Business License, etc.)	18,037,100	18,380,743	\$343,643	1.9%
Licenses and Permits (Building, Construction, Film Permits)	1,499,285	1,730,108	\$230,823	15.4%
Fines (Parking Citations, Vehicle Code Fines)	2,466,837	2,437,700	(\$29,137)	(1.2%)
Use of Money and Property (Interest, Rents and Ground Leases)	2,538,827	2,959,996	\$421,169	16.6%
Received From Other Agencies (Vehicle License Fees, Grants)	395,087	477,386	\$82,299	20.8%
Service Charges (Plan Check Fees, P&R Class, Ambulance Fees)	5,575,335	6,574,905	\$999,570	17.9%
Interfund Charges (Admin Service Charge)	2,913,324	2,913,324	-	-
Miscellaneous*	910,280	485,722	(\$424,558)	(46.6%)
Total	\$55,962,248	\$59,313,627	\$3,351,379	6.0%

*Includes proceeds from the sale of capital assets of \$1,741

Sales tax was nearly flat with budgetary estimates but down \$165,923 (1.8%) from the prior year's actual receipts. Business License Tax exceeded budget by \$90,273 (3%) and the prior year by 1%. Plan Check fees exceeded budget by \$380,838 (35%) and the prior year by 35% due to increased activity levels, resulting in a year-over-year revenue increase of \$385,311. Building Permits were up 12% from budgetary estimates, and up 18% from the prior year to \$1,031,410. Real Estate Transfer Tax revenue of \$642,718 exceeded prior year by 9% and budget by 3% due to increased real estate market activity. On an overall basis, total General Fund revenues (including sale of property) totaled \$59.3 million, up nearly \$3.4 million or 6% ahead of last year and exceeded budget estimates by \$2.6 million or 5%.

Other Funds

Capital Improvement Fund

The Capital Improvement Projects Fund (CIP) is designed to manage general governmental infrastructure and facilities capital projects. In FY 2014, CIP Fund total revenues were \$1.5 million (plus one-time proceeds from sale of property of \$.7 million) and expenditures were \$1.9 million. It should be noted that on-going projected revenues less debt service result in a steady state excess of only \$.7 million, and future General Fund transfers and/or grants will be required to finance larger scale future projects.

At June 30, 2014, the total balance of the CIP Fund is \$9.7 million. Of this balance, \$9.6 million is committed for planned infrastructure projects. Committed funds for defined major capital projects at year end include:

- \$2.2 million for Downtown Streetscape projects
- \$1.7 million for the Strand stairs project
- \$1.3 million for Safe Routes to School Grant programs
- \$200,000 for Non-motorized crosswalks and bike lanes

- \$121,879 for the City Yard fuel island cover
- \$100,000 for the Parks Master Plan

Enterprise, Internal Service, and Special Revenue Funds

This group includes the City's enterprises such as Water, Waste Water, Storm Water and Refuse funds; internal service funds such as fleet, insurance, building maintenance and information systems; and Special Revenue funds including Gas Tax, Proposition A & C, Grants, Measure R, Asset Forfeiture, etc. Among this group, several funds deserve attention.

The Water Fund continues to build the resources for planned capital improvements needed to sustain the utility's operation and infrastructure. Net income from operations totaled \$7,084,879 compared to \$6,170,437 the prior year. Operating revenues increased by \$1,352,827 (9.1%), while operating expenses (labor, materials, services, etc.) rose by \$438,385 (5%). During FY 2010, the City Council approved increased water and waste water rates to support system infrastructure needs as well as to bolster the fiscal integrity of those funds. The rate structure became effective in January 2010 and provided for annual increases each January through 2014. The most recent increase in water rates, which is the last scheduled under the existing authorization, became effective halfway through the fiscal year, and contributed to the results which will be used to fund planned capital improvements to the utility's infrastructure, estimated at \$36.5 million over the next five years.

The Waste Water Fund net operating income for FY 2013-2014 was \$1,595,661 versus \$1,436,254 in FY 2012-2013 - a net increase of \$159,407, or 11.1%. Operating revenue increased \$232,917 (6.8%) while operating expenses increased \$73,510 (3.7%). This improvement is primarily due to new waste water rates implemented along with the water rates in January 2014. Similar to the water utility, the new rates are being utilized to fund needed capital improvements to the waste water system.

The Refuse Fund balance for fiscal year ending June 30, 2013 is being restated with this audit report. The purpose of the restatement is to recognize the street sweeping refunds issued from prior year revenues. The restatement reduced the opening fund balance by \$618,708 (the amount of refunds processed through June 30, 2014) resulting in an adjusted opening balance of \$451,477. The new net position (fund balance) in the Refuse Fund as of June 30, 2014 is \$541,605, a change of \$90,128.

The Storm Water Fund net operating loss in FY 2013-2014 was \$420,831 compared to the FY 2012-2013 loss of \$57,093. The increase is primarily due to street sweeping costs from the Refuse Fund. The amount of street sweeping cost was \$295,000. The combination of fixed assessments (which have been constant for 19 years) and rising costs currently requires a General Fund subsidy of administrative overhead, and ultimately will require cash subsidies (as budgeted in FY 2014-2015). Additionally, capital improvements due to legislative mandates will also result in increased costs. A Proposition 218 assessment vote will be necessary to properly fund operations going forward.

The Street Lighting Fund continues to run deficits each year. For FY 2013-2014, expenditures exceeded revenues by \$243,324. As in the case of Storm Water Fund, assessments have been constant for 19 years. Because there is no fund balance to draw upon, the General Fund contributed the entire amount needed for continued operations. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues.

Trust and Agency Funds

In several cases, the City acts as a custodian of funds held for the benefit of others which mostly relates to the administration of employee pension and 401(a) deferred compensation plans. All such plan funding requirements have been maintained. City Plans include the supplemental retirement and single highest year programs - dormant plans which were previously offered by the City. It is significant to note that this financial report does not include the value of trust holdings in the employees' 457 deferred compensation plan at June 30, 2014, thus recognizing enacted legislation establishing the City as a plan trustee and protecting these employee-owned assets from external creditors.

The trust and agency fund group also includes debt service funds held in trust on behalf of the under-grounding assessment districts. This fund accounts for assessment collections and the related debt service payments. The cash held as of June 30, 2014, will be used to pay bondholders in FY 2014-2015.

CURRENT TRENDS AND EVENTS

The local economy continues to improve from the last economic recession. The City's biggest General Fund revenue source, property tax, grew by 8% from the prior year driven by the housing recovery. This trend is expected to continue in FY 2014-2015.

Retail sales activity is improving as well, and with it, sales tax revenues, which were up from the prior year by 6.9%. Transient Occupancy Tax also grew; increasing 10.5% compared to the prior year during which construction at one of the major hotels limited room sales. The general improvement in the economy, tourism and travel is expected to continue in the coming year (LAX passenger volume is expected to grow significantly due to increases in international travel). Building related fees, such as building permits and plan check fees, continued gains from the prior year and have recovered along with the improved housing market.

As a service organization, labor accounts for the majority of costs - approximately 70% in the General Fund. Labor agreements with the four existing bargaining units (Police Officers, Police Management, Fire and Teamsters) are effective until December 2015. New agreements will be negotiated during FY 2014-2015.

Manhattan Beach has maintained a sound financial condition. Established reserves remain funded, and the City continues to operate efficiently and effectively, all while continuing to provide outstanding services for the community.

OTHER INFORMATION

Acknowledgments: This report was made possible through the efforts and teamwork of the highly dedicated Finance staff. Special thanks to Henry Mitzner, Jeanne O'Brien, Eugene Wee and Julie Chan. Appreciation is also expressed to the City Council and City Treasurer for their interest and support, which made this presentation possible, and to the City's auditing firm of Lance, Soll & Lunghard, LLP for their professional and diligence in preparing this year-end financial report.



Mark Danaj, City Manager
January 20, 2015
City Council Meeting



Bruce Moe, Finance Director
Page 361 of 555

ELECTED OFFICIALS & EXECUTIVE STAFF

ELECTED OFFICIALS

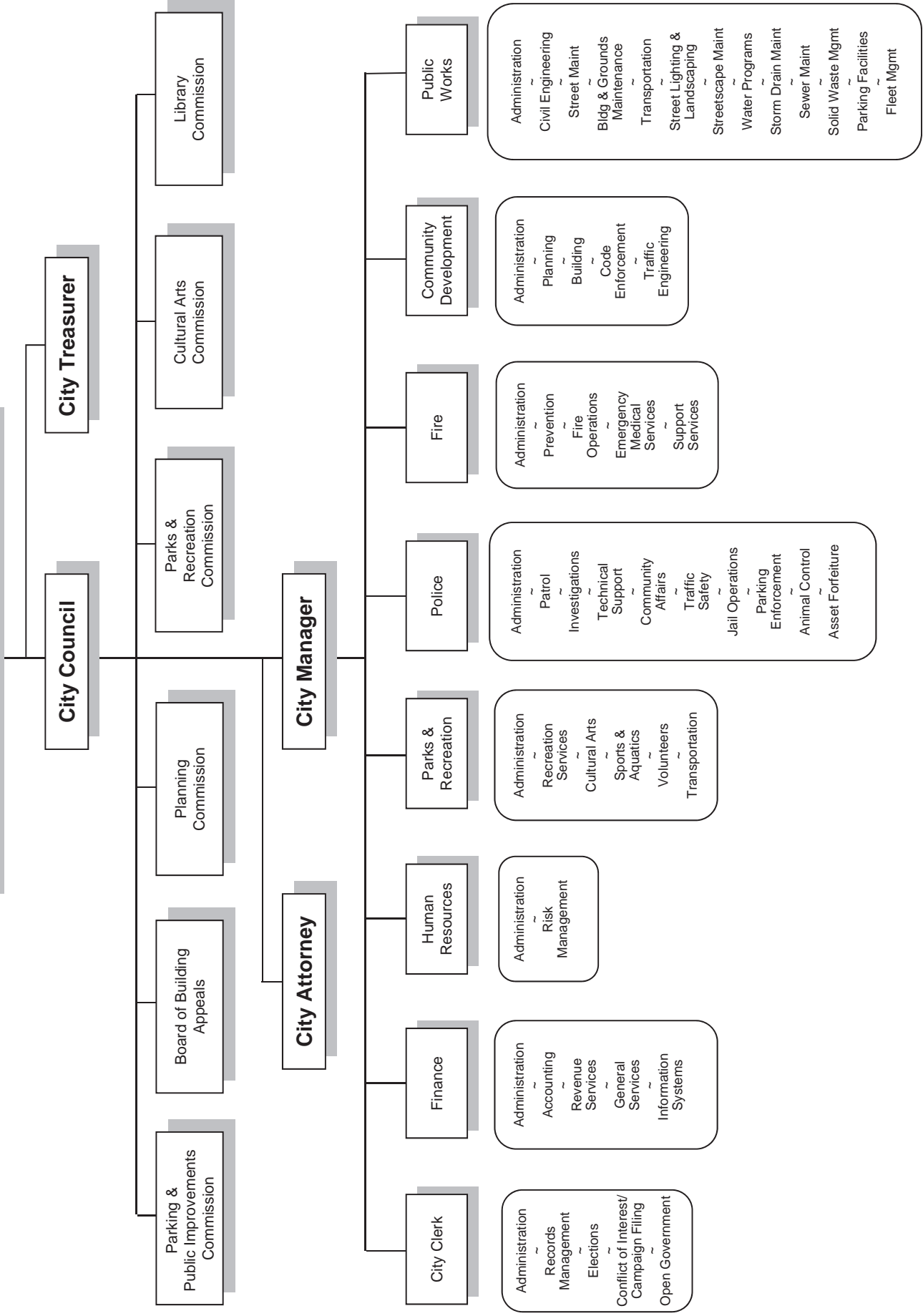
TERM ENDS

Mayor	Wayne Powell	March 2017
Mayor Pro-Tem	Mark Burton	March 2017
City Councilmembers	Tony D'Errico	March 2017
	David J. Lesser	March 2015
	Amy Thomas Howorth	March 2015
City Treasurer	Tim Lilligren	March 2017

EXECUTIVE STAFF

City Manager	Mark Danaj
Assistant City Manager	Nadine Nader
City Clerk	Liza Tamura
City Attorney	Quinn M. Barrow
Director of Finance	Bruce Moe
Director of Human Resources	Cathy Hanson
Director of Parks & Recreation	Mark Leyman
Chief of Police	Eve R. Irvine
Fire Chief	Robert Espinosa
Director of Community Development	Marisa Lundstedt
Director of Public Works	Tony Olmos

CITIZENS OF MANHATTAN BEACH





Government Finance Officers Association

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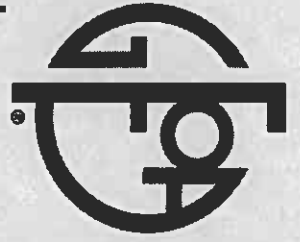
Presented to

**City of Manhattan Beach
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
City of Manhattan Beach, California

The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date July 30, 2014



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Manhattan Beach, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the information on the City's Pension Trust Fund(s) as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
January 9, 2015



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CITY OF MANHATTAN BEACH

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Manhattan Beach, we offer our readers of these financial statements this narrative overview and analysis of the financial activities of the City of Manhattan Beach for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to viii of this report.

FINANCIAL HIGHLIGHTS

Government Wide Financial Basis

- As of June 30, 2014, the City's total net position citywide (including all governmental and business type activities) totaled \$208,497,405, an increase from the prior fiscal year of \$12,134,915, or 6.2%. This is the result of a change in net position of \$12,753,623 less the prior period restatement of net position of (\$618,708), as described in Note 9a.
 - Governmental net position for the fiscal year increased \$3,699,019 or 2.6%.
 - Business-type activity net position increased by \$8,435,896 or 15%. This is the result of a change in net position of \$9,054,604 less the prior period restatement of the Refuse Fund net position of \$618,708.
- Unrestricted net position, which may be used to meet the government's on-going obligations within certain parameters and requirements, totaled \$61,236,712. This is an increase of \$8,424,240 or 16.0% from FY 2012-2013 levels. Net income from utilities (water and wastewater) as well as revenues exceeding expenditures in the General fund contributed to this increase.
- Citywide capital assets (land, work in progress, completed) net of depreciation increased by \$952,216. Governmental net capital assets increased by \$1,080,288; capital additions of \$5,365,698 were offset by accumulated depreciation of \$3,657,125 less the net book value of disposals of \$628,285. The net book value of disposals is attributable to the sale of residential property. Business-type net capital assets decreased by \$128,072; additions were \$891,449 and increase in accumulated depreciation was \$1,019,521 (See Note 4).
- The City's bond debt decreased by \$2,360,000 during FY 2013-2014. This decrease is attributable to the scheduled principal pay down of issued bonds by both governmental activities (\$1,830,000) and business-type activities (\$530,000). Capital lease obligations decreased from \$903,841 in fiscal year 2013 to \$719,342 in fiscal year 2014 due to scheduled principal lease payments on a fire truck and sewer truck (See Note 5).
- Long-term liability and workers compensation insurance claim reserves increased by \$970,219. Growth in liability claims activity resulted in a reserve increase of \$45,622, in addition to an increase in workers compensation reserves of \$924,597 (See Note 5).

Fund Financial Basis – Governmental Funds

- As of June 30, 2014, the General Fund balance was \$20,898,335. Fund revenues exceeded expenditures by \$2,113,773.
- Governmental Funds (General, Capital Improvement and Special Revenue) revenue totaled \$64,547,022, an increase of \$2,963,577 (4.8%) from the prior year. An improving economic climate contributed to higher tax revenue, as well as permits and service revenues.
- Governmental Fund expenditures totaled \$62,380,711, up \$2,890,361 (4.9%) from FY 2012-2013. This rise was driven by increased operational expenditures in the General Fund, primarily public safety and recreation offset by decreases in Special Revenue Fund and Capital Improvement Funds. The decrease in Capital Improvement Fund expenditures is attributable to a decrease in debt service due to extraordinary bond refunding in fiscal 2013.

- General Fund transfers-out totaled \$1,006,397. This included transfers to the Capital Improvement Project (CIP) Fund of \$763,073 and the Street Lighting Fund of \$243,324. General Fund transfers-in equaled \$200,458 from the County Parking Fund.

USING THIS ANNUAL REPORT

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting on the City as a Whole

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred inflows/outflows of resources and liabilities, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Manhattan Beach is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs on a full-accrual basis, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government wide statement of activities has two components:

Governmental Activities

This is a consolidation of all governmental funds and includes the General Fund, Capital Projects Funds, Special Revenue Funds and Internal Service Funds. These funds are supported by taxes, intergovernmental revenues, grants, and charges for services. Expenses include materials and labor, depreciation, and amortization of prepaid pension obligations. Governmental fund expenditures for payment of principal on long-term debt and capital assets are excluded. All intra-governmental charges and expenses and transfers within governmental funds are eliminated.

All internal service fund expenses and depreciation on capital assets are fully allocated to each functional program. Expenses are classified among the following programs: general government, public safety, culture and recreation, and public works. Program activities that produce revenues or receive grant support are applied against program expenses to yield the net expenses. Revenues that cannot be attributed to a specific program, such as taxes and interest (e.g. General Revenues), are shown separately. The total of General Revenues, less net program expenses, generates the change in net position. Total net position of governmental activities differs from fund balances of governmental funds by long-term assets (capital and prepaid pension), long-term liabilities and the total of internal service fund net position.

Business Type Activities

This includes all enterprise funds (Water, Waste Water, Storm Water, Refuse and Parking Funds). These activities have been traditionally presented as enterprise funds and tie directly to the *Statement of Revenues, Expenses, and Change in Net position – Proprietary Funds*, as shown in the Funds section of this report.

The government-wide financial statements can be found on pages 19 to 21 of this report.

Reporting on the City's Most Significant Funds

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Manhattan Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. In effect, the budgetary governmental fund statements are working capital flow of funds statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds *Balance Sheet*, and *Statement of Revenues, Expenditures and Changes in Fund Balances*, there are respective reconciliations of the fund balance to *Statement of Net position*, and *Net Change in Fund Balances* – total governmental funds to change in net position of governmental activities. As discussed above, the reconciliations include treatment of capital expenditures, depreciation, changes in capital assets, long-term debt, prepaid pension costs, full accrual versus modified accrual and change in net position of internal service funds.

The City of Manhattan Beach maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and the Capital Projects fund, both of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the fund financial statements section of this report.

The City of Manhattan Beach adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23 to 27 of this report.

Proprietary funds: Proprietary funds account for goods and services provided to customers and for cost recovery via service charges. There are two types of proprietary funds: enterprise funds which provide services to outside users (residents and businesses of Manhattan Beach), and internal service funds, which provide services to City departments. The City uses internal service funds to account for its fleet of vehicles, computer systems, shared building and maintenance costs, and City-wide insurance costs. Because these services predominantly benefit the governmental function, they have been included within governmental activities in the government-wide financial statements and related intra-governmental charges and transfers have been eliminated accordingly, except for charges and transfers to the enterprise funds, which are quasi-internal transactions.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. All four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements. Four of the City's seven enterprise funds are considered major funds and presented as such in the fund financial statements. The three non-major funds, Storm Water, County and State pier and parking lots, are presented individually in the combining statements.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 87 to 113 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 to 70 of this report.

The City as Trustee

Other information: In addition to the basic financial statements and accompanying notes, this report also presents the City's progress in funding its obligation to provide pension benefits to its employees and the budget-to-actual financial comparisons for the General Fund. The City has elected to present this information within the basic financial statement and financial statement sections of the report. Note 7 provides detailed analysis of City retirement plans.

All of the City's fiduciary activities are reporting distinctly in a separate Statement of Fiduciary Assets and Liabilities. These figures are not combined with other financial statements because the City cannot use these assets to finance present or future operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position (assets plus deferred outflows minus deferred inflows and liabilities) serves as an indicator of a government's financial position. In the case of the City of Manhattan Beach, net position totaled \$208,497,405 at June 30, 2014.

By far, the largest portion of the City's net position (65%) reflects its net investment in capital assets (e.g., land, infrastructure, buildings and equipment) net of related debt and reflects the extent to which the City uses its internally generated funds to support capital infrastructure. The City uses these capital assets (roads, buildings, and infrastructure) in the provision of services to citizens.

City of Manhattan Beach Net Position

	Governmental Activities		Business Type Activities		Total	
	2014	2013	2014	2013*	2014	2013*
Current Assets	\$59,685,389	\$56,480,103	\$31,925,078	\$24,678,591	\$91,610,467	\$81,158,694
Total Capital Assets Net of Depreciation	118,552,178	117,471,890	46,926,076	47,054,148	165,478,254	164,526,038
Other Non-Current Assets	3,396,919	4,801,033	346,620	389,946	3,743,539	5,190,979
Total Assets	\$181,634,486	\$178,753,026	\$79,197,774	\$72,122,685	\$260,832,260	\$250,875,711
Deferred Outflow of Resources	\$563,285	\$595,473	-	-	\$563,285	\$595,473
Current Liabilities	\$14,592,038	\$14,866,917	\$2,476,913	\$3,894,959	\$17,068,951	\$18,761,876
Non-Current Liabilities	23,721,749	24,296,617	12,107,440	12,668,909	35,829,189	36,965,526
Total Liabilities	\$38,313,787	\$39,163,534	\$14,584,353	\$16,563,868	\$52,898,140	\$55,727,402
Net Investment in Capital Assets	\$100,924,816	\$98,930,447	\$34,342,910	\$33,902,701	\$135,267,726	\$132,833,148
Restricted	11,244,801	10,196,356	748,166	520,514	11,992,967	10,716,870
Unrestricted	31,714,367	31,058,162	29,522,345	21,135,602	61,236,712	52,193,764
Total Net Position	\$143,883,984	\$140,184,965	\$64,613,421	\$55,558,817	\$208,497,405	\$195,743,782

*Includes restatement of Business-type Current Liabilities in FY 2013.

For comparison purposes, fiscal 2013 Business Type Activities net position has been restated to reflect restatement of net position at end of year. 2013 Current liabilities have been increased by \$618,708 and Unrestricted Net Position reduced by \$618,708. This is necessary to ensure that comparisons are consistent with the change in net position indicated in Statement of Activities

Net position of the City's *Governmental* activities amounted to \$143.9 million, an increase from the prior year of \$3,699,019. Of the \$143.9 million, \$100.9 million is net investment in capital assets such as land, buildings, machinery, infrastructure, equipment and other improvements; \$11.2 million is restricted for debt service or for Special Revenue Fund resources that are subject to external restrictions on use. The balance of unrestricted net position (\$31.7 million) is available to the City. A subset of this amount equal to \$28 million is reflected by the total of General Fund unassigned balance and the Capital Improvement Fund committed balance. A significant portion of this remaining balance is subject to internal policy reserves regarding working capital.

Net position of the City's *Business-type* activities totaled \$64.6 million. This represents an increase from FY 2012-2013 of \$9,054,604 million, which includes a restatement of current liabilities in FY 2013 (See Note 9a). \$34.3 million is net investment in capital assets (land, buildings, machinery, equipment, etc.), while \$215,656 is restricted for debt service and \$532,510 is restricted for business improvement district use. \$29.5 million represents available working capital and was primarily generated by the Water Fund.

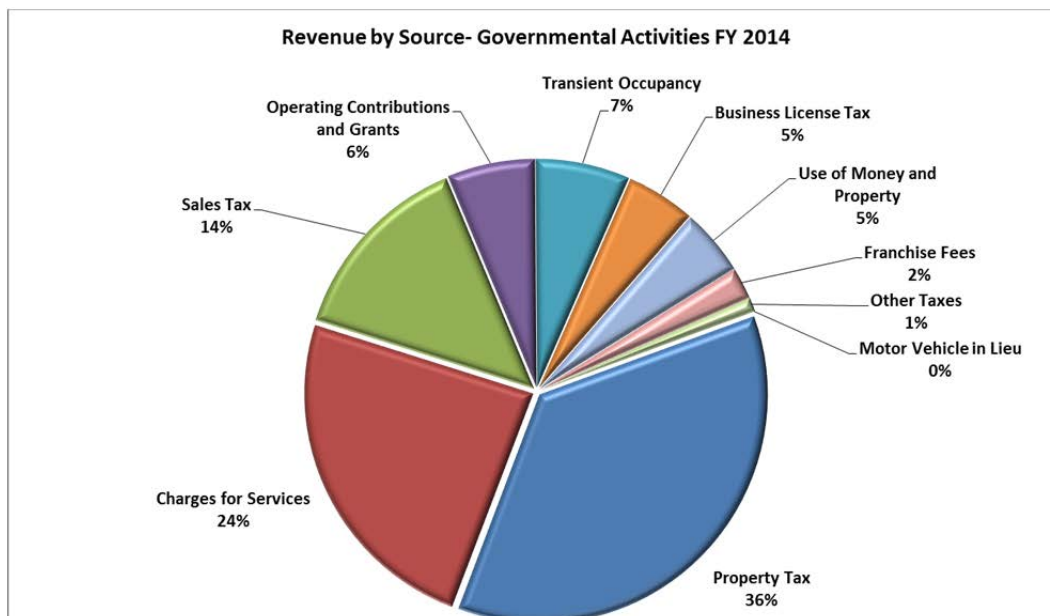
The City's total change in net position amounts to an increase of \$12,753,623. This change is primarily due to utility (water and wastewater) net income as well as revenues exceeding expenditures in the General Fund. The following is the condensed Statement of Activities and Change in Net Position for the fiscal years ending June 30, 2014 and June 30, 2013:

City of Manhattan Beach Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for Services	\$15,467,337	\$15,970,540	\$27,974,114	\$26,600,680	\$43,441,451	\$42,571,220
Operating Contributions and Grants	1,638,522	1,847,316	19,880	69,937	1,658,402	1,917,253
Capital Contributions and Grants	2,314,830	2,032,724	-	500,000	2,314,830	2,532,724
General Revenues:						
Property Taxes	23,353,743	21,626,173	-	-	23,353,743	21,626,173
Other Taxes	18,435,115	18,319,187	-	-	18,435,115	18,319,187
Motor Vehicle in Lieu	15,631	18,887	-	-	15,631	18,887
Use of Money and Property	3,035,388	2,633,125	151,923	56,266	3,187,311	2,689,391
Other	-	-	43,388	19,521	43,388	19,521
Total Revenues	\$64,260,566	\$62,447,952	\$28,189,305	\$27,246,404	\$92,449,871	\$89,694,356
Expenses:						
General Government	\$11,102,480	\$8,659,381	\$ -	\$ -	\$11,102,480	\$8,659,381
Public Safety	34,955,520	33,374,733	-	-	34,955,520	33,374,733
Public Works	7,256,983	8,044,071	-	-	7,256,983	8,044,071
Culture & Recreation	7,062,072	5,798,599	-	-	7,062,072	5,798,599
Interest on Long-Term Debt	384,950	791,358	-	-	384,950	791,358
Water, Waste, Storm	-	-	12,070,045	11,285,510	12,070,045	11,285,510
Refuse	-	-	3,900,588	4,167,310	3,900,588	4,167,310
Parking	-	-	2,963,610	3,385,556	2,963,610	3,385,556
Total Expenses	\$60,762,005	\$56,668,142	\$18,934,243	\$18,838,376	\$79,696,248	\$75,506,518
Revenues Over Expenses	3,498,561	5,779,810	9,255,062	8,408,028	12,753,623	14,187,838
Transfers In (Out)	200,458	200,583	(200,458)	(200,583)	-	-
Increase (Decrease) in Net Position	\$3,699,019	\$5,980,393	\$9,054,604	\$8,207,445	\$12,753,623	\$14,187,838
Net Position - Beginning	\$140,184,965	\$134,204,572	\$56,177,525	\$47,970,080	\$196,362,490	\$182,174,652
Restatement of Net Position	-	-	(\$618,708)	-	(618,708)	-
Net Position - June 30 (Year End)	\$143,883,984	\$140,184,965	\$64,613,421	\$56,177,525	\$208,497,405	\$196,362,490

Changes in Net Position - Governmental Activities

The City's governmental activities in FY 2013-2014 increased net position by \$3,699,019 (2.6%) from FY 2012-2013. Total governmental activities revenue of \$64,260,566 excluding transfers-in of \$200,458 is broken out as follows:



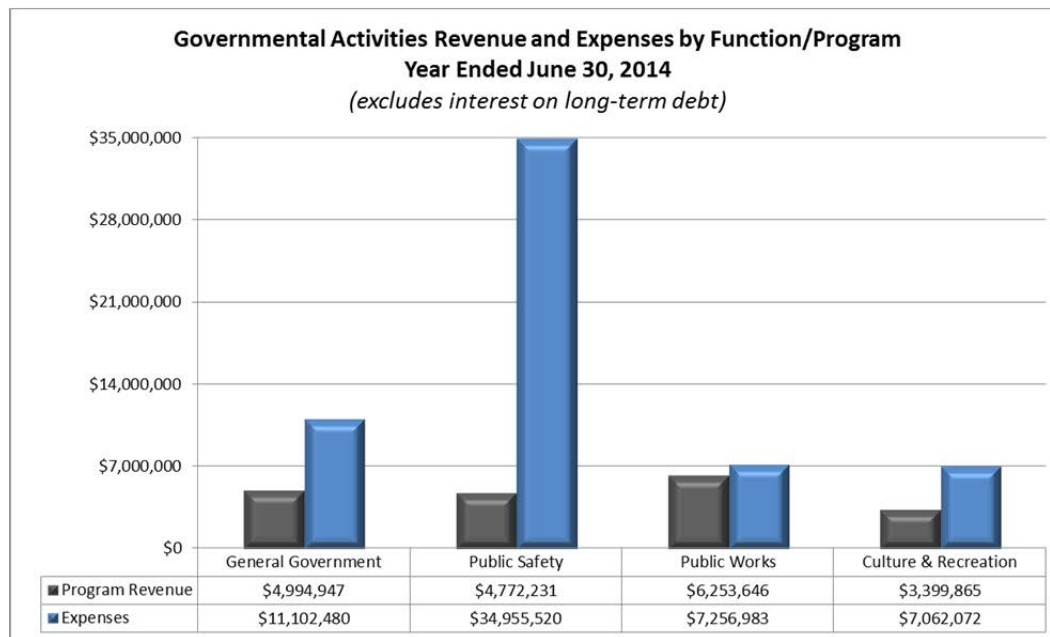
Functional expenses (excluding interest on debt) for the years ending June 30, 2014 and 2013 were as follows:

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
General Government	11,102,480	8,659,381	(6,107,533)	(4,113,270)
Public Safety	34,955,520	33,374,733	(30,183,289)	(27,918,574)
Public Works	7,256,983	8,044,071	(3,662,207)	(2,173,676)
Culture and Recreation	7,062,072	5,798,599	(1,003,337)	(1,820,684)
Total	\$60,377,055	\$55,876,784	(\$40,956,366)	(\$36,026,204)

**Excludes interest on long-term debt.*

The total cost of services increased from the prior year by \$4,500,271 (8.1%), while the net cost of services increased by \$4,930,162 (13.7%) from the prior year. Total cost of services for Public Safety increased by \$1,580,787, Culture and Recreation increased \$1,263,473. General Government increased by \$2,443,099 while Public Works decreased by \$787,088.

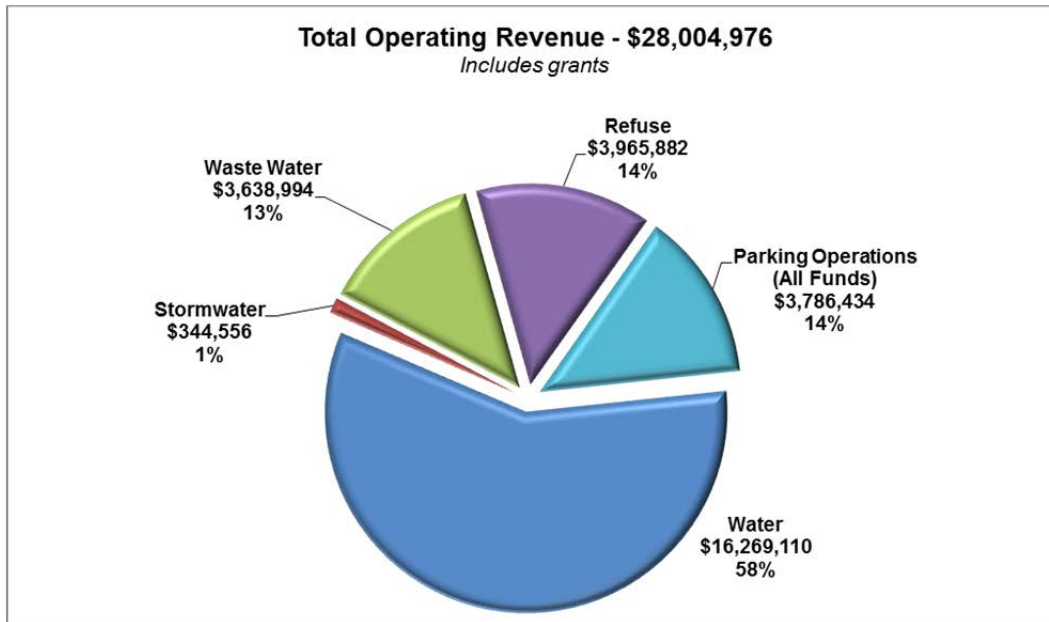
The following chart illustrates governmental revenues and expenses by function for the year ended June 30, 2014.



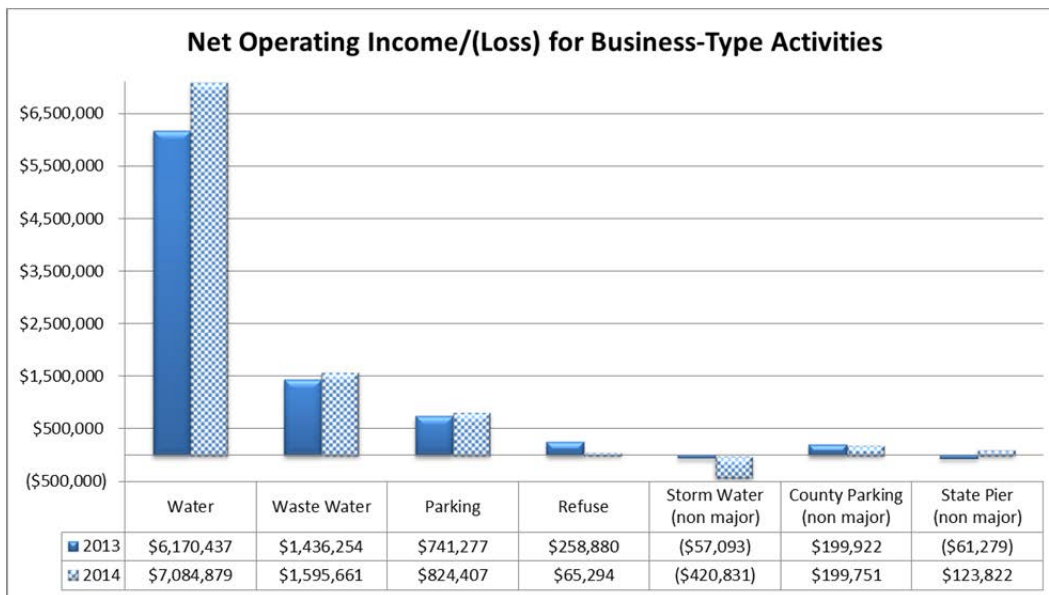
Change in Net Position - Business Type Activities

In fiscal year 2013-2014, total revenues for the City's business-type activities amounted to \$28,189,305. Program revenues totaled \$27,993,994, while general revenues (primarily interest) totaled \$195,311. Expenses totaled \$18,934,243 of which operating expenses equaled \$18,531,993, and non-operating expenses (primarily debt interest expense) totaled \$402,250. Total income from operations was \$9,472,983, while net income before transfers was \$9,255,062. After net transfers-out totaling \$200,458, and restatement of opening position, net position increased by \$9,054,604.

Operating Revenues by Source - Business Type Activities FY 2014



Operating Income varied across the business-type activities in FY 2014. A year-over-year comparison is presented below. Further analysis of the major funds is discussed later in this report.



FUND FINANCIAL STATEMENTS

Governmental Funds

As of the end of the 2014 fiscal year, the City's governmental funds ending fund balances totaled \$40.9 million, an increase of \$3.1 million (8.1) in comparison with the prior year.

Approximately \$18.3 million (45%) of the Governmental Funds total constitutes unassigned fund balance. The remainder of the fund balance (\$22.6 million) is non-spendable, restricted or committed to indicate that it is not available for new spending because it has already been committed for on-going capital

projects, advanced to other funds for legally restricted use, long term notes receivable, or for legally-required debt service reserves.

Notwithstanding Governmental Accounting Standards Board (GASB) pronouncements, the City Council has established earmarks within the unassigned category for working capital and budgetary capital planning initiatives. Of the \$18.3 million unassigned governmental fund balance noted above, \$15.8 million has been designated by City Council policy.

General Fund

The General Fund is the chief operating fund of the City of Manhattan Beach. At the end of the 2013-2014 fiscal year, unassigned fund balance of the General Fund was \$18.3 million, while total fund balance was \$20.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.8 months of total General Fund expenditures, while total fund balance represents 4.4 months of General Fund expenditures.

During the year, General Fund revenues (including proceeds from sale of capital assets) exceeded expenditures by \$2,115,514. The non-spendable portion of fund balance increased by \$1,268,000 from \$432,000 to \$1,700,000 due to an increase in notes receivable.

Net transfer activity in this fund totaled negative \$805,939 and included the following transfers:

- \$763,073 was transferred to the CIP Fund for general infrastructure improvements
- \$243,324 was transferred to the Street Lighting Fund to relieve a deficit fund balance
- \$200,458 of excess reserves from the County Lot Fund was transferred to the General Fund in line with the contract with the County of Los Angeles.

Please see Note 3 for more information.

Capital Improvement Fund

The Capital Improvement Fund serves to plan and manage the construction and maintenance of non-enterprise projects which are funded through dedicated revenue sources as well as General Fund surpluses which may arise from year to year. The City adopts a five-year capital project plan in which City Council priorities are planned. The Capital Improvement Fund is one of the major funds covered in that City-wide plan.

At the end of fiscal year 2014, total fund balance of the Capital Improvement Fund was \$9,781,627. Of the total fund balance, \$164,481 includes restricted funds for debt service, and \$9,617,146 committed to capital projects.

A partial list of identified long-term project commitments at year-end includes:

- \$2,240,000 for Downtown Streetscape improvements
- \$1,740,174 for the Strand Stairs project
- \$1,196,941 for Safe Routes to School program grants

During Fiscal Year 2013-2014, the Capital Improvement Project Fund balance increased by \$1,136,407 (13.1%) due primarily to a General Fund transfer of \$763,073 and extraordinary proceeds from the sale of residential property of \$691,871. Revenues were offset by capital expenditures of \$1.05 million and debt service of \$818,000.

Revenues to the Capital Improvement Fund totaled \$1,542,934. Certain dedicated revenues described below amounted to \$1,487,657 in FY 2013-2014. These revenues are earmarked for funding general government capital improvement projects in the effort to maintain and enhance City infrastructure. A breakdown of these follows:

Hotel Tax: 15% of the Transient Occupancy Tax has been dedicated to funding CIP's, generating \$626,635 in revenue for the year, which is \$58,211 (10.2%) above prior year levels. The increase was due to an improved economic climate resulting in higher levels of travel and tourism.

Parking Meter Rates: Fifty cents of the \$1.25 per hour on-street parking meter rates is dedicated to capital improvements. This source generated revenue of \$732,286 this fiscal year, up \$48,715 or 7.1% from the prior year levels.

Parking Citation Rates: Most parking citations include four dollars dedicated to the CIP fund. For FY 2013-2014, revenue of \$128,736 was realized; an increase of \$6,708 (5.5%) from the prior year.

In addition to these dedicated revenues, there was an extraordinary revenue of \$691,871 from the sale of residential property and a private party contribution of \$19,973 towards basketball court reconstruction.

Capital Improvement Fund expenditures equaled \$1,861,471 which included:

- \$813,762 for debt service
- \$711,395 to install a synthetic turf field at Marine Avenue Park
- \$124,645 for design work for the Strand Stairs project
- \$104,574 to resurface tennis and basketball courts
- \$95,440 for City facilities assessments.

Other Governmental Funds

Other non-major governmental funds include all Special Revenue funds used exclusively to account for intergovernmental and assessment proceeds, which are restricted in use by law. This group of funds includes the Street Lighting Fund, Gas Tax Fund, Federal and State Grants Fund, Propositions A and C Funds, Measure R Fund, Asset Forfeiture Fund, Police Safety Grant Fund, the Air Quality Management Fund and Underground Assessment Fund. The majority of the dollars which flow through these funds are used for the maintenance of streets, parks, local transportation programs and the purchase of safety and fuel efficient equipment.

The Street Lighting Fund continues to run deficits each year. For FY 2013-2014, expenditures exceeded revenues by \$243,324. Because there is no fund balance to draw upon, the General Fund contributed \$243,324 to make up for the deficit in the Street Lighting Fund. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues.

Proprietary Funds

The City's proprietary funds consist of enterprise funds and internal service funds. The enterprise funds include Water, Wastewater, Refuse and Parking Funds (major funds), as well as Storm Water, and both the County and State Pier & Parking Lot Funds (which are considered non-major). Internal service funds include Insurance Reserve, Information Systems, Fleet Management and Building Maintenance and Operations.

Enterprise Funds

At year-end, total net position of all enterprise funds amounted to \$64,613,421. \$29.5 million of the total is unrestricted. The remaining balance is net investment in capital assets (\$34.3 million), restricted for business improvement district funds (\$0.5 million), and debt service (\$0.2 million).

Overall, enterprise funds combined net income was \$9,255,062 before transfers. Net position increased for all enterprise funds by \$9,054,604. This includes an operating transfer-out of \$200,458 from the County Parking Lots enterprise fund to the General Fund.

Several enterprise funds are worth noting this year:

- The Water Fund continues to build the resources for planned capital improvements needed to sustain the utility's operation and infrastructure. Net income from operations totaled \$7,084,879, an improvement from the prior year which had net operating income of \$6,170,437. Revenue from sales increased by 9.1%, while operating expenses (labor, materials, services, etc.) rose by 5.0%. During FY 2010, the City Council approved increased water and waste water rates to support system infrastructure needs as well as to bolster the fiscal integrity of those funds. The new rate structure became effective in January 2010 and provided for annual increases each January through 2014. The most recent increase in water rates, contributed to the results which will be used to fund planned capital improvements to the utility's infrastructure, estimated at \$36.5 million over the next five years.
- The Waste Water fund net operating income for FY 2013-2014 was \$1,595,661 versus \$1,436,254 in FY 2012-2013 – a net increase of \$159,407, or 11.1%. Revenue from sales increased \$233,485 (6.9%) while operating expenses increased \$73,510 (3.7%). This improvement is primarily due to new waste water rates implemented along with the water rates in January 2013. Similar to the water utility, the new rates are being utilized to fund needed capital improvements to the waste water system.
- Refuse Fund net income from operations totaled \$65,294 in FY 2013-2014, a decrease of \$193,586 from the prior year. Operating expenses decreased by \$266,722 (6.4%) and operating revenues decreased by \$460,308 (10.4%). These expense and revenue decreases are attributable to the elimination of the street sweeping charge and the transfer of street sweeping expenses to the Stormwater Fund. In FY 2013-2014, the City voluntarily commenced issuing refunds for past street sweeping charges collected on utility bills. The amount of these refunds was \$618,708. Consequently it was necessary to restate the net position at the beginning of fiscal 2013-2014. Refunds occurring in subsequent fiscal years will also necessitate a restatement of beginning net position.
- The Stormwater Fund net operating loss in FY 2013-2014 totaled \$420,831, a further loss from the FY 2012-2013 net loss of \$57,093. The increased incremental cost due to the street sweeping contract is \$295,000 annually. The combination of fixed assessments and rising costs currently requires a General Fund subsidy of administrative overhead, and ultimately will require cash subsidies. Additionally, capital improvements due to legislative mandates will also result in increased costs. A Proposition 218 assessment vote will be necessary to properly fund operations going forward.

Internal Service Funds

Unrestricted net position of the internal service funds at the end of the year amounted to \$3.0 million with net position total of \$7.9 million. Total net position increased by \$285,145 (3.7%).

In the Insurance Fund, net position decreased by 50.6% or \$499,173 to \$487,407. FY 2013-2014 workers compensation and liability claims expense totaled \$ 5.2 million, compared to \$3.77 million in FY 2012-2013, \$4.96 million in FY 2011-12, \$3.59 million in FY 2010-11, \$1.69 million in FY 2009-10, and \$2.98 million in FY 2008-09. The unpredictable nature of workers compensation and liability causes these fluctuations in claims expense from year to year. The City continually looks for ways to proactively manage risk and reduce these costs.

Net position in the Fleet Fund increased by \$693,084 to \$6.9 million, reflecting departmental charge-outs (revenues to the fund) for vehicles in advance of purchases. Capital purchases totaled \$2.1 million in FY 2013-2014 versus \$2.8 million in FY 2012-2013, as the City continued to catch-up on overdue vehicle purchases suspended during difficult economic conditions in previous years.

General Fund Budgetary Highlights

Estimated Revenues

Total revenues totaled \$59,514,085 including transfers in and outperformed the final budget by \$2,761,866. Tax revenues exceeded budget by \$1,559,471. Charges for Services were over budget by \$832,790, while Licenses and Permits came in \$131,203 over budget. Fines and Forfeitures underperformed the final budget by \$239,800 mainly due to parking citation revenue.

Appropriations

The final amended budget reflects a net increase of \$1,427,195 over the adopted appropriations.

Significant budget adjustments included:

- \$1,700,000 for the City Manager's home loan
- (\$966,613) for debt service due to enterprise refunding bonds, offset by charges to those enterprise funds
- \$220,269 for open purchase orders from the prior year

Capital Asset and Debt Administration

Capital Assets: Government wide, the City's investment in capital assets (net of accumulated depreciation) as of June 30, 2014 is \$165,478,254. This is an increase from the prior year of \$952,216 or 0.6%. This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture and other equipment.

City of Manhattan Beach Capital Assets (Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$33,634,565	\$34,072,066	\$1,757,434	\$1,757,434	\$35,391,999	\$35,829,500
Buildings	34,648,903	35,602,490	15,638,089	15,638,089	50,286,992	51,240,579
Machinery & Equipment	1,800,093	1,183,126	238,153	489,922	2,038,246	1,673,048
Vehicles	5,651,206	4,342,773	-	-	5,651,206	4,342,773
Infrastructure	36,130,818	37,780,743	23,412,587	22,358,052	59,543,405	60,138,795
Invested in Joint Venture (RCC)	1,758,759	1,838,931	-	-	1,758,759	1,838,931
Work in Progress	4,927,834	2,651,761	5,879,813	6,810,651	10,807,647	9,462,412
Total	\$118,552,178	\$117,471,890	\$46,926,076	\$47,054,148	\$165,478,254	\$164,526,038

Governmental

During Fiscal Year 2013-2014, governmental capital expenditures included:

- \$1,429,931 streets/roadways renovation and improvements
- \$841,276 recreation facilities and grounds
- \$2,127,456 vehicle purchases
- \$897,684 machinery and equipment.

Business-type

During the fiscal year, Business-type capitalized expenditures totaled \$891,449. Major items were: \$145,444 in water system improvements; \$336,657 in wastewater improvements; \$39,746 in Storm Water system projects; and \$369,602 in new parking meter technology. These increases were offset by depreciation of \$1,019,521, resulting in a net decrease in assets of \$128,072.

Please refer to Note 4 for additional information on the City's capital assets.

Long-Term Liabilities: Total long-term liabilities citywide (excluding unamortized bond premiums) equal \$43,545,835, a decrease of \$1,152,575 from fiscal 2012-2013. Governmental liabilities decreased by \$638,989 (2.0%) while business type liabilities decreased by \$513,586 (4.0%). The following table is a condensation of footnote 5.

City of Manhattan Beach Outstanding Liabilities (Excluding Bond Premium)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Marine Avenue COPs	\$6,980,000	\$7,235,000	\$ -	\$ -	\$6,980,000	\$7,235,000
Capital Equipment Lease	719,342	903,841	-	-	719,342	903,841
Police & Fire Facility Refunding COPs	10,030,000	10,510,000	-	-	10,030,000	-
Accrued Employee Leave & Benefits	3,079,992	2,675,483	79,670	63,256	3,159,662	2,738,739
Supplemental Leave	5,389	4,607	-	-	5,389	4,607
Water and Wastewater COPs	-	-	-	-	-	-
Water and Wastewater Refunding COPs	-	-	2,520,000	2,680,000	2,520,000	2,680,000
Metlox Parking COPs	-	-	-	-	-	-
Metlox Parking Refunding COPs	-	-	9,480,000	9,850,000	9,480,000	9,850,000
Pension Obligation Bonds	765,000	1,860,000	-	-	765,000	1,860,000
Bond Premium	-	-	-	-	-	-
Insurance Claim Reserves	9,886,442	8,916,223	-	-	9,886,442	8,916,223
Total Long Term Liabilities	\$31,466,165	\$32,105,154	\$12,079,670	\$12,593,256	\$43,545,835	\$34,188,410
Current portion of Long Term (due within one year)	8,205,721	8,296,203	555,396	545,794	8,761,117	8,841,997
Long Term Liabilities - Non Current	\$23,260,444	\$23,808,951	\$11,524,274	\$12,047,462	\$34,784,718	\$25,346,413

Governmental

Principal obligations for existing long-term bonded debt were reduced in accordance with existing debt service schedules.

Business Type

Business type principal obligations for existing long-term bonded debt were reduced in accordance with existing debt service schedules. For the details regarding components of long term liabilities including debt service schedules, please refer to Note 5.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.75% of its total assessed valuation. The current debt limitation for the City of Manhattan Beach (fiscal year 2013-2014) is \$504,498,896.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council adopted the FY 2014-15 General Fund operating budget in June 2014. The original budget estimates General Fund revenues at \$59,846,949 and expenditures of \$60,701,205, resulting in a use of fund balance of \$854,256. The imbalance is due to the planned use of accumulated funds (\$854,256) to support the Information System Master Plan (ISMP).

The City's major General Fund revenue sources continue to improve after the lasting effects of the Great Recession. Property tax, the single biggest General Fund revenue source, which dramatically slowed with the housing market, is expected to increase in FY 2014-2015 by 2.4% over FY 2013-2014 actual receipts. Building-related activity is expected to generate additional building permit and plan check revenues. Sales tax is projected to remain flat from FY 2013-2014 as the economy and retail sales environment continue to recover; however, Transient Occupancy Taxes are expected to increase 2.9% in FY 2014-2015.

As a service organization, labor accounts for most of our costs - approximately 70% in the General Fund. Labor agreements with four bargaining units (Police Officers, Police Management, Fire and Teamsters) expire in December 2015. New agreements will be negotiated during FY 2014-2015.

The City continues its focus on capital improvements. \$107.0 million (including carryover projects) is planned over the next five years for utility, street and facility projects. \$55.2 million of that amount is for water, wastewater, and stormwater projects exclusive of mandated improvement projects under the federal National Pollution Discharge Elimination System (NPDES). An additional \$20.4 million has been budgeted for street and roadway needs, \$10.7 for general facilities (including parking facilities), and \$20.9 for the Sepulveda Bridge project. These projects will ensure continued functionality of vital systems, traffic flow and community facilities.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the City of Manhattan Beach for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1400 Highland Avenue, Manhattan Beach, CA 90266.

CITY OF MANHATTAN BEACH

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 53,090,796	\$ 30,492,389	\$ 83,583,185
Receivables:			
Accounts	785,491	1,449,571	2,235,062
Taxes	2,878,062	-	2,878,062
Notes and loans	1,752,043	-	1,752,043
Accrued interest	236,218	-	236,218
Internal balances	219,200	(219,200)	-
Prepaid costs	47,198	1,440	48,638
Due from other governments	568,256	-	568,256
Inventories	108,125	200,878	309,003
Total Current Assets	59,685,389	31,925,078	91,610,467
Restricted assets:			
Cash with fiscal agent	1,368,772	215,656	1,584,428
Prepaid other post-employment benefits	2,028,147	130,964	2,159,111
Capital assets not being depreciated	38,562,399	7,637,247	46,199,646
Capital assets, net of depreciation	79,989,779	39,288,829	119,278,608
Total Noncurrent Assets	121,949,097	47,272,696	169,221,793
Total Assets	181,634,486	79,197,774	260,832,260
Deferred Outflows of Resources:			
Deferred charge on refunding	563,285	-	563,285
Total Deferred Outflows of Resources	563,285	-	563,285
Liabilities:			
Accounts payable	2,369,147	1,606,696	3,975,843
Accrued liabilities	2,169,076	-	2,169,076
Accrued interest	183,648	215,656	399,304
Unearned revenue	899,453	-	899,453
Deposits payable	764,993	99,165	864,158
Long-term liabilities due within one year:			
Leases Payable	187,522	-	187,522
Bonds Payable	1,480,000	540,000	2,020,000
Accrued workers comp/liability claims and judgments	6,039,782	-	6,039,782
Accrued employee benefits	498,417	15,396	513,813
Total Current Liabilities	14,592,038	2,476,913	17,068,951
Noncurrent liabilities:			
Long term liabilities due in more than one year			
Leases payable	531,820	-	531,820
Bonds payable	16,756,305	12,043,166	28,799,471
Accrued workers comp/liability claims and judgments	3,846,660	-	3,846,660
Accrued employee benefits	2,586,964	64,274	2,651,238
Total Noncurrent Liabilities	23,721,749	12,107,440	35,829,189
Total Liabilities	38,313,787	14,584,353	52,898,140
Net Position:			
Net investment in capital assets	100,924,816	34,342,910	135,267,726
Restricted for:			
Public safety	1,084,541	-	1,084,541
Public works	4,546,040	-	4,546,040
Capital projects	4,636,332	-	4,636,332
Debt service	977,888	215,656	1,193,544
Business improvement districts	-	532,510	532,510
Unrestricted	31,714,367	29,522,345	61,236,712
Total Net Position	\$ 143,883,984	\$ 64,613,421	\$ 208,497,405

CITY OF MANHATTAN BEACH

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 11,102,480	\$ 4,950,743	\$ 44,204	\$ -
Public safety	34,955,520	4,154,836	617,395	-
Culture and recreation	7,062,072	2,798,673	601,192	-
Public works	7,256,983	3,563,085	375,731	2,314,830
Interest on long-term debt	384,950	-	-	-
Total Governmental Activities	60,762,005	15,467,337	1,638,522	2,314,830
Business-Type Activities:				
Water	9,235,903	16,275,584	-	-
Stormwater	765,387	344,556	-	-
Wastewater	2,068,755	3,626,144	-	-
Refuse	3,900,588	3,965,882	19,880	-
Parking	1,933,707	2,412,816	-	-
County Parking Lot	573,658	773,409	-	-
State Pier and Parking Lot	456,245	575,723	-	-
Total Business-Type Activities	18,934,243	27,974,114	19,880	-
Total Primary Government	\$ 79,696,248	\$ 43,441,451	\$ 1,658,402	\$ 2,314,830

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Real estate transfer taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (6,107,533)	\$ -	\$ (6,107,533)
(30,183,289)	-	(30,183,289)
(3,662,207)	-	(3,662,207)
(1,003,337)	-	(1,003,337)
(384,950)	-	(384,950)
(41,341,316)	-	(41,341,316)
-	7,039,681	7,039,681
-	(420,831)	(420,831)
-	1,557,389	1,557,389
-	85,174	85,174
-	479,109	479,109
-	199,751	199,751
-	119,478	119,478
-	9,059,751	9,059,751
(41,341,316)	9,059,751	(32,281,565)
23,353,743	-	23,353,743
4,289,009	-	4,289,009
8,921,346	-	8,921,346
1,441,769	-	1,441,769
3,140,273	-	3,140,273
642,718	-	642,718
15,631	-	15,631
3,035,388	151,923	3,187,311
-	43,388	43,388
200,458	(200,458)	-
45,040,335	(5,147)	45,035,188
3,699,019	9,054,604	12,753,623
140,184,965	56,177,525	196,362,490
-	(618,708)	(618,708)
\$ 143,883,984	\$ 64,613,421	\$ 208,497,405



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CITY OF MANHATTAN BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>General</u>	<u>Capital Projects Fund Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Pooled cash and investments	\$ 20,366,333	\$ 9,653,240	\$ 9,977,880	\$ 39,997,453
Receivables:				
Accounts	765,703	-	19,788	785,491
Taxes	2,819,774	58,288	-	2,878,062
Notes and loans	1,700,000	52,043	-	1,752,043
Accrued interest	236,218	-	-	236,218
Prepaid costs	46,823	-	375	47,198
Due from other funds	22,488	-	-	22,488
Due from other governments	206,359	99,808	262,089	568,256
Advances to other funds	-	219,200	-	219,200
Restricted assets:				
Cash and investments with fiscal agents	813,407	164,481	390,884	1,368,772
Total Assets	\$ 26,977,105	\$ 10,247,060	\$ 10,651,016	\$ 47,875,181
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,561,963	\$ 201,144	\$ 214,784	\$ 1,977,891
Accrued liabilities	2,154,722	164,481	32,753	2,351,956
Unearned revenues	899,453	-	-	899,453
Deposits payable	763,252	-	1,741	764,993
Due to other funds	-	-	22,488	22,488
Total Liabilities	5,379,390	365,625	271,766	6,016,781
Deferred Inflows of Resources:				
Unavailable revenues	699,380	99,808	134,825	934,013
Total Deferred Inflows of Resources	699,380	99,808	134,825	934,013
Fund Balances:				
Nonspendable:				
Prepaid costs	46,823	-	-	46,823
Notes and loans	1,700,000	-	-	1,700,000
Restricted for:				
Public safety	-	-	1,084,541	1,084,541
Public works	-	-	4,546,040	4,546,040
Capital Projects	-	-	4,636,332	4,636,332
Debt service	813,407	164,481	-	977,888
Committed to:				
Capital Projects	-	9,617,146	-	9,617,146
Unassigned	18,338,105	-	(22,488)	18,315,617
Total Fund Balances	20,898,335	9,781,627	10,244,425	40,924,387
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,977,105	\$ 10,247,060	\$ 10,651,016	\$ 47,875,181

CITY OF MANHATTAN BEACH

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Fund balances of governmental funds \$ 40,924,387

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in governmental funds. 112,900,972

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

COPS payable	\$(17,010,000)	
Pension obligation bonds payable	(765,000)	
Supplemental leave allowance	(5,389)	
Compensated Absences	(3,079,992)	
Unamortized bond premiums/discounts	<u>(461,305)</u>	(21,321,686)

For bond refundings, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred charge on refunding in the Statement of Net Position. 563,285

Governmental funds report all other post-retirement benefit obligations as expenditures, however, in the Statement of Net Position, excess contributions over the annual required contribution (ARC) are reported as prepaid other post-employment benefit obligations. 1,942,872

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 934,013

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 7,940,141

Net Position of governmental activities \$ 143,883,984

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General	Capital Projects Fund Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and assessments	\$ 41,734,486	\$ 626,635	\$ 1,852,226	\$ 44,213,347
Licenses and permits	1,730,108	29,072	-	1,759,180
Intergovernmental	477,386	2,310	1,704,294	2,183,990
Charges for services	9,488,229	732,286	33,025	10,253,540
Use of money and property	2,959,996	3,921	84,832	3,048,749
Fines and forfeitures	2,437,700	128,736	-	2,566,436
Miscellaneous Revenues	483,981	19,974	17,825	521,780
Total Revenues	59,311,886	1,542,934	3,692,202	64,547,022
Expenditures:				
Current:				
General government	10,467,524	-	-	10,467,524
Public safety	33,425,442	-	100,386	33,525,828
Culture and recreation	5,964,556	1,552	865,460	6,831,568
Public works	5,878,089	-	649,448	6,527,537
Capital outlay	67,141	1,046,157	1,705,833	2,819,131
Debt service:				
Principal retirement	1,350,000	480,000	-	1,830,000
Interest and fiscal charges	45,361	333,762	-	379,123
Total Expenditures	57,198,113	1,861,471	3,321,127	62,380,711
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,113,773	(318,537)	371,075	2,166,311
Other Financing Sources (Uses):				
Transfers in	200,458	763,073	296,796	1,260,327
Transfers out	(1,006,397)	-	(53,472)	(1,059,869)
Proceeds from sale of capital asset	1,741	691,871	-	693,612
Total Other Financing Sources (Uses)	(804,198)	1,454,944	243,324	894,070
Net Change in Fund Balances	1,309,575	1,136,407	614,399	3,060,381
Fund Balances, Beginning of Year	19,588,760	8,645,220	9,630,026	37,864,006
Fund Balances, End of Year	\$ 20,898,335	\$ 9,781,627	\$ 10,244,425	\$ 40,924,387



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CITY OF MANHATTAN BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

Net change in fund balances - total governmental funds \$ 3,060,381

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Cost of assets capitalized	\$ 3,238,242	
Depreciation expense	(2,924,099)	
Disposal of capital assets	<u>(542,288)</u>	(228,145)

The issuance of long-term debt (e.g. bonds, leases) provides current resources to governmental funds, while the repayment of long term debt principal consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities

Repayment of bond principal:		
Certificates of participation	735,000	
Pension obligation bonds	1,095,000	
Amortization of bond premiums - Police Fire Facility bonds refunding	26,361	
Amortization of deferred charges on refunding	<u>(32,188)</u>	1,824,173

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (405,290)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (564,150)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (273,095)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 285,145

Change in net position of governmental activities \$ 3,699,019

CITY OF MANHATTAN BEACH

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Parking</u>
Assets:			
Current:			
Cash and investments	19,469,553	4,342,432	2,525,452
Receivables:			
Accounts	911,586	246,668	2,213
Prepaid costs	1,440	-	-
Inventories	200,878	-	-
Total Current Assets	<u>20,583,457</u>	<u>4,589,100</u>	<u>2,527,665</u>
Noncurrent:			
Prepaid other post-employment benefits	83,754	19,796	7,310
Restricted:			
Cash with fiscal agent	30,144	14,831	170,681
Capital assets - net of accumulated depreciation	18,297,205	7,036,898	17,687,660
Total Noncurrent Assets	<u>18,411,103</u>	<u>7,071,525</u>	<u>17,865,651</u>
Total Assets	<u>\$ 38,994,560</u>	<u>\$ 11,660,625</u>	<u>\$ 20,393,316</u>
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 718,050	\$ 37,995	\$ 89,063
Accrued interest	30,144	14,831	170,681
Deposits payable	2,110	-	97,055
Accrued compensated absences	15,396	-	-
Workers' compensation claims	-	-	-
Accrued claims and judgments	-	-	-
Bonds, notes, and capital leases	110,591	54,409	375,000
Total Current Liabilities	<u>876,291</u>	<u>107,235</u>	<u>731,799</u>
Noncurrent:			
Advances from other funds	-	-	219,200
Accrued compensated absences	64,274	-	-
Workers' compensation claims	-	-	-
Accrued claims and judgments	-	-	-
Bonds, notes, and capital leases	1,689,860	831,379	9,521,927
Total Noncurrent Liabilities	<u>1,754,134</u>	<u>831,379</u>	<u>9,741,127</u>
Total Liabilities	<u>2,630,425</u>	<u>938,614</u>	<u>10,472,926</u>
Net Position:			
Net investment in capital assets	16,496,754	6,151,110	7,790,733
Restricted for debt service	30,144	14,831	170,681
Restricted for business improvement district	-	-	532,510
Unrestricted	19,837,237	4,556,070	1,426,466
Total Net Position	<u>36,364,135</u>	<u>10,722,011</u>	<u>9,920,390</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 38,994,560</u>	<u>\$ 11,660,625</u>	<u>\$ 20,393,316</u>

CITY OF MANHATTAN BEACH

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Services Funds
	Other Enterprise Funds	Totals	
Assets:			
Current:			
Cash and investments	\$ 4,154,952	\$ 30,492,389	\$ 13,093,343
Receivables:			
Accounts	289,104	1,449,571	-
Prepaid costs	-	1,440	-
Inventories	-	200,878	108,125
Total Current Assets	4,444,056	32,144,278	13,201,468
Noncurrent:			
Prepaid other post-employment benefits	20,104	130,964	85,275
Restricted:			
Cash with fiscal agent	-	215,656	-
Capital assets - net of accumulated depreciation	3,904,313	46,926,076	5,651,206
Total Noncurrent Assets	3,924,417	47,272,696	5,736,481
Total Assets	\$ 8,368,473	\$ 79,416,974	\$ 18,937,949
Liabilities and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 761,588	\$ 1,606,696	\$ 391,256
Accrued interest	-	215,656	-
Deposits payable	-	99,165	-
Accrued compensated absences	-	15,396	-
Workers' compensation claims	-	-	5,346,087
Accrued claims and judgments	-	-	693,695
Bonds, notes, and capital leases	-	540,000	187,522
Total Current Liabilities	761,588	2,476,913	6,619,328
Noncurrent:			
Advances from other funds	-	219,200	-
Accrued compensated absences	-	64,274	-
Workers' compensation claims	-	-	3,366,609
Accrued claims and judgments	-	-	480,051
Bonds, notes, and capital leases	-	12,043,166	531,820
Total Noncurrent Liabilities	-	12,326,640	4,378,480
Total Liabilities	761,588	14,803,553	10,997,808
Net Position:			
Net investment in capital assets	3,904,313	34,342,910	4,931,864
Restricted for debt service	-	215,656	-
Restricted for business improvement district	-	532,510	-
Unrestricted	3,702,572	29,522,345	3,008,277
Total Net Position	7,606,885	64,613,421	7,940,141
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,368,473	\$ 79,416,974	\$ 18,937,949

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Parking</u>
Operating Revenues:			
Sales and service charges	\$ 16,263,058	\$ 3,626,144	\$ 2,412,816
Miscellaneous	6,052	12,850	20,142
Total Operating Revenues	<u>16,269,110</u>	<u>3,638,994</u>	<u>2,432,958</u>
Operating Expenses:			
Salaries	668,238	222,662	53,409
Employee benefits	277,173	71,097	21,018
Contract and professional services	4,759,550	125,142	489,895
Materials and services	1,317,741	606,493	518,693
Utilities	370,584	28,893	98,255
Administrative service charges	1,349,517	814,479	175,512
Leases and rents	-	-	-
Claims expense	-	-	-
Depreciation expense	441,428	174,567	251,769
Total Operating Expenses	<u>9,184,231</u>	<u>2,043,333</u>	<u>1,608,551</u>
Operating Income (Loss)	<u>7,084,879</u>	<u>1,595,661</u>	<u>824,407</u>
Nonoperating Revenues (Expenses):			
Interest revenue	91,739	21,081	15,889
Interest expense	(51,672)	(25,422)	(325,156)
Grant revenue	-	-	-
Gain (loss) on disposal of capital assets	12,526	-	-
Total Nonoperating Revenues (Expenses)	<u>52,593</u>	<u>(4,341)</u>	<u>(309,267)</u>
Income (Loss) Before Transfers	7,137,472	1,591,320	515,140
Transfers out	-	-	-
Changes in Net Position	<u>\$ 7,137,472</u>	<u>\$ 1,591,320</u>	<u>\$ 515,140</u>
Net Position:			
Beginning of Fiscal Year, as originally reported	\$ 29,226,663	\$ 9,130,691	\$ 9,405,250
Restatements	-	-	-
Beginning of Fiscal Year, as restated	29,226,663	9,130,691	9,405,250
Changes in Net Position	<u>7,137,472</u>	<u>1,591,320</u>	<u>515,140</u>
End of Fiscal Year	<u>\$ 36,364,135</u>	<u>\$ 10,722,011</u>	<u>\$ 9,920,390</u>

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		Governmental
	Other Enterprise Funds	Totals	Activities- Internal Service Funds
Operating Revenues:			
Sales and service charges	\$ 5,659,570	\$ 27,961,588	\$ 11,053,930
Miscellaneous	4,344	43,388	1,285
Total Operating Revenues	5,663,914	28,004,976	11,055,215
Operating Expenses:			
Salaries	192,490	1,136,799	1,362,398
Employee benefits	70,601	439,889	404,668
Contract and professional services	4,078,002	9,452,589	1,050,141
Materials and services	215,562	2,658,489	1,993,627
Utilities	66,742	564,474	118,326
Administrative service charges	495,348	2,834,856	-
Leases and rents	425,376	425,376	-
Claims expense	-	-	5,172,418
Depreciation expense	151,757	1,019,521	733,026
Total Operating Expenses	5,695,878	18,531,993	10,834,604
Operating Income (Loss)	(31,964)	9,472,983	220,611
Nonoperating Revenues (Expenses):			
Interest revenue	23,214	151,923	-
Interest expense	-	(402,250)	(13,361)
Grant revenue	19,880	19,880	-
Gain (loss) on disposal of capital assets	-	12,526	77,895
Total Nonoperating Revenues (Expenses)	43,094	(217,921)	64,534
Income (Loss) Before Transfers	11,130	9,255,062	285,145
Transfers out	(200,458)	(200,458)	-
Changes in Net Position	\$ (189,328)	\$ 9,054,604	\$ 285,145
Net Position:			
Beginning of Fiscal Year, as originally reported	\$ 8,414,921	\$ 56,177,525	\$ 7,654,996
Restatements	(618,708)	(618,708)	-
Beginning of Fiscal Year, as restated	7,796,213	55,558,817	7,654,996
Changes in Net Position	(189,328)	9,054,604	285,145
End of Fiscal Year	\$ 7,606,885	\$ 64,613,421	\$ 7,940,141

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Parking</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 16,305,883	\$ 3,642,042	\$ 2,428,388
Cash received from/(paid to) interfund service provided	-	-	-
Cash paid to suppliers for goods and services	(8,399,613)	(1,865,980)	(1,453,563)
Cash paid to employees for services	(904,677)	(288,011)	(72,305)
Net Cash Provided (Used) by Operating Activities	<u>7,001,593</u>	<u>1,488,051</u>	<u>902,520</u>
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	-	-
Repayment received from other funds	-	-	(250,000)
Grant subsidy	-	-	-
Street sweeping fee refunds	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>(250,000)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(145,445)	(336,657)	(369,601)
Principal paid on capital debt	(107,239)	(52,761)	(370,000)
Interest paid on capital debt	(31,218)	(15,359)	(178,300)
Cash from sale of property	12,526	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(271,376)</u>	<u>(404,777)</u>	<u>(917,901)</u>
Cash Flows from Investing Activities:			
Interest received	91,739	21,081	15,889
Net Cash Provided (Used) by Investing Activities	<u>91,739</u>	<u>21,081</u>	<u>15,889</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>6,821,956</u>	<u>1,104,355</u>	<u>(249,492)</u>
Cash and Cash Equivalents at Beginning of Year	12,677,741	3,252,908	2,945,625
Cash and Cash Equivalents at End of Year	<u>\$ 19,499,697</u>	<u>\$ 4,357,263</u>	<u>\$ 2,696,133</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 7,084,879	\$ 1,595,661	\$ 824,407
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	441,428	174,567	251,769
(Increase) decrease in accounts receivable	37,098	3,048	2,390
(Increase) decrease in prepaid expense	(1,440)	-	-
(Increase) decrease in inventory	11,018	-	-
(Increase) decrease in prepaid other post-employment benefits	24,320	5,748	2,122
Increase (decrease) in accounts payable	(611,799)	(290,973)	(171,208)
Increase (decrease) in deposits payable	(325)	-	(6,960)
Increase (decrease) in workers' compensation claims	-	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	16,414	-	-
Total Adjustments	<u>(83,286)</u>	<u>(107,610)</u>	<u>78,113</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,001,593</u>	<u>\$ 1,488,051</u>	<u>\$ 902,520</u>

Non-Cash Investing, Capital, and Financing Activities:
 There was no non-cash investing, capital and financing activities during the fiscal year.

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal
	Other Enterprise Funds	Totals	Service Funds
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 5,746,639	\$ 28,122,952	\$ 1,285
Cash received from/(paid to) interfund service provided	-	-	11,053,930
Cash paid to suppliers for goods and services	(5,224,359)	(16,943,515)	(7,447,131)
Cash paid to employees for services	(257,255)	(1,522,248)	(1,742,304)
Net Cash Provided (Used) by Operating Activities	265,025	9,657,189	1,865,780
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(200,458)	(200,458)	-
Repayment received from other funds	-	(250,000)	-
Grant subsidy	19,880	19,880	10,000
Street sweeping fee refunds	(618,708)	(618,708)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(799,286)	(1,049,286)	10,000
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(39,746)	(891,449)	(2,127,456)
Principal paid on capital debt	-	(530,000)	(184,499)
Interest paid on capital debt	-	(224,877)	(13,361)
Cash from sale of property	-	12,526	163,892
Net Cash Provided (Used) by Capital and Related Financing Activities	(39,746)	(1,633,800)	(2,161,424)
Cash Flows from Investing Activities:			
Interest received	23,214	151,923	-
Net Cash Provided (Used) by Investing Activities	23,214	151,923	-
Net Increase (Decrease) in Cash and Cash Equivalents	(550,793)	7,126,026	(285,644)
Cash and Cash Equivalents at Beginning of Year	4,705,745	23,582,019	13,378,987
Cash and Cash Equivalents at End of Year	\$ 4,154,952	\$ 30,708,045	\$ 13,093,343
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (31,964)	\$ 9,472,983	\$ 220,611
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	151,757	1,019,521	733,026
(Increase) decrease in accounts receivable	82,725	125,261	-
(Increase) decrease in prepaid expense	-	(1,440)	975
(Increase) decrease in inventory	-	11,018	24,762
(Increase) decrease in prepaid other post-employment benefits	5,836	38,026	1,757
Increase (decrease) in accounts payable	56,671	(1,017,309)	(85,570)
Increase (decrease) in deposits payable	-	(7,285)	-
Increase (decrease) in workers' compensation claims	-	-	924,597
Increase (decrease) in claims and judgments	-	-	45,622
Increase (decrease) in compensated absences	-	16,414	-
Total Adjustments	296,989	184,206	1,645,169
Net Cash Provided (Used) by Operating Activities	\$ 265,025	\$ 9,657,189	\$ 1,865,780

Non-Cash Investing, Capital, and Financing Activities:
 There was no non-cash investing, capital and financing activities during the fiscal year.

CITY OF MANHATTAN BEACH

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	<u>Agency Funds</u>	<u>Pension Trust Fund</u>
Assets:		
Pooled cash and investments	\$ 1,160,162	\$ 234,492
Receivables:		
Accounts	20,969	146,380
Restricted assets:		
Cash and investments with fiscal agents	<u>972,173</u>	<u>-</u>
Total Assets	<u>\$ 2,153,304</u>	<u>380,872</u>
Liabilities:		
Accounts payable	\$ 10,072	-
Art development fees	297,663	-
Deposits payable	30,456	-
Due to bond holders	<u>1,815,113</u>	<u>-</u>
Total Liabilities	<u>\$ 2,153,304</u>	<u>-</u>
Net Position:		
Held in trust for pension		<u>380,872</u>
Total Net Position		<u>\$ 380,872</u>

CITY OF MANHATTAN BEACH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2014

	<u>Pension Trust Fund</u>
Additions:	
Investment income	\$ 16,728
Refund of contributions	<u>146,380</u>
Total Additions	<u>163,108</u>
Deductions:	
Benefit payments	<u>216,390</u>
Total Deductions	<u>216,390</u>
Changes in Net Position	(53,282)
Net Position - Beginning of the Year	<u>434,154</u>
Net Position - End of the Year	<u>\$ 380,872</u>



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Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Manhattan Beach, California (the City), was incorporated on December 12, 1912, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Manhattan Beach (the primary government) and its component unit, the Manhattan Beach Capital Improvements Corporation. The component unit is included in the reporting entity because of the significance of its operational or financial relationships with the City of Manhattan Beach. It is governed by the City Council of the City of Manhattan Beach and its activities exclusively benefit the City, therefore it is presented as a blended component unit. Separate financial statements are not prepared for the Manhattan Beach Capital Improvements Corporation.

Blended Component Unit

Manhattan Beach Capital Improvements Corporation - The Manhattan Beach Capital Improvements Corporation (the Corporation) is a nonprofit public benefits corporation, organized under the laws of the State of California in September 1996, pursuant to the Nonprofit Public Benefit Corporation Laws (Title I, Division 2, Part 2, Section 5110). The sole purpose of the Corporation is to issue debt for capital improvements. Certificates of participation are debt issued by the Corporation providing the holder an interest, i.e. the right to participate in the lease payments paid by the City to the Corporation. In September of 1996, this entity issued \$4,615,000 of debt in the form of Certificates of Participation (the "1996 Certificates") to fund specific projects related to the City's water and wastewater infrastructure. This debt is accounted for in the proprietary fund types within the Water and Wastewater Funds. In April of 2002, this entity issued \$9,535,000 of debt to pay the cost of refinancing existing ground lease commitments with the Beach Cities' Health District for the newly constructed Marine Avenue Sports Fields. This debt was structured as a variable rate demand Certificate of Participation. In January 2003, this entity issued \$13,350,000 of fixed rate Certificates of Participation (the "2003 Certificates") for the construction of a two-level downtown subterranean parking structure and outdoor plaza. This endeavor is commonly known as the Metlox Public Improvement project. The parking lot portion of the project was completed in January 2004, and the public plaza portion of the project was completed in November 2005. In November 2004, this entity issued fixed rate Certificates of Participation (the "2004 Certificates") in the amount of \$12,980,000 to contribute toward the full funding of the construction of a new Police and Fire facility and adjoining City Hall plaza. This major project was completed in December 2007. Capital construction costs for the project were \$38,404,048. In July 2012, the entity issued \$12,975,000 of Certificates of Participation, Series 2012 (the "2012 Certificates"), to refund the outstanding balance of the 1996 Certificates of Participation and the outstanding balance of the 2003 Certificates of Participation. In February 2013, the entity issued \$10,510,000 of Certificates of Participation, Series 2013 (the "2013 Certificates"), to refund the outstanding balance of the 2004 Certificates of Participation. There are no separately issued financial statements for this entity.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

b. Accounting and Reporting Policies

The City adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which established accounting and financial reporting standards for financial statements of state and local governments.

c. Description of Funds

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with the City's municipal code and budget, several different types of funds are used to record the City's financial transactions. For financial reporting purposes, such funds have been categorized and are presented as follows:

Governmental Fund Types

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Capital Projects Funds - to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds. In recent years, the Underground Assessment District Fund was added to this category.

Proprietary Fund Types

Enterprise Funds - to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where determination of net income is deemed appropriate.

Internal Service Funds - to account for insurance reserve, information systems, building maintenance and operations and fleet management services provided to the departments of the City on a continuing basis, which are financed or recovered primarily by charges to the user departments.

Fiduciary Fund Types

Pension Trust Funds - to account for resources that are required to be held in trust for the members and beneficiaries of supplemental retirement plans, single highest year plans, and post retirement health plans for firefighters and for police.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Agency Funds:

- Special Assessment Redemption Fund – to account for special assessment collections for debt service for the underground assessment bonds that the City remits to the fiscal agent.
- Special Deposits Fund – to account for utility development deposits, art development fees and other miscellaneous items.

d. Basis of Accounting/Measurement Funds

Government-Wide Financial Statements

The City government-wide financial statements include a Statement of Net Position and Statement of Activities and Changes in Net Position. These statements present summaries of Governmental Activities for the City. Interfund services provided and used are not eliminated in the process of consolidation. Fiduciary activities of the City are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred inflows and outflows of resources, and liabilities; including capital assets and infrastructure as well as long-term debt are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the benefit is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Government-wide financial statements do not provide information by fund; they simply distinguish between governmental and business activities. The City’s Statement of Net Position includes current and noncurrent assets and liabilities, as well as deferred inflows and outflows of resources.

Financial Statement Classification

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in capital assets

This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of capital assets reduce this category.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Restricted Net Position

This category presents restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the City, not restricted for any project or other purpose.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Change in Fund Balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the qualifications of GASB Statement No. 34.

All governmental funds are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the governmental fund balance sheet. Related operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used by all governmental funds as the basis for recognizing revenues. Under the modified accrual basis of accounting, revenues are susceptible to accrual and consequently recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be readily determined, and "available" means that the transaction amount is collectible within the current period or soon thereafter (generally 60 days after year-end) to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes and sales taxes collected after year-end, earned and uncollected investment interest income, uncollected rents and leases and unbilled service receivables. Revenues from such items as license and permit fees, fines and forfeitures and general service charges are not susceptible to accrual because they are generally not measurable until received in cash.

The government reports unearned revenue on its balance sheet for grant monies received before the City has a legal claim to them, such as grant funds received prior to incurring qualified expenses. In subsequent periods, the unearned revenue is removed once revenue recognition criteria are met and the City has established legal claim to the resources.

Governmental fund expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when they are due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Proprietary Funds Financial Statements

Proprietary funds financial statements include a Statement of Fund Net Position, Statement of Revenues, Expenses and Change in Fund Net Position, and Statement of Cash Flows. All proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. With this measurement focus, all assets, deferred outflows/inflows of resources and liabilities (current and long-term) resulting from the operations of these funds are included in the Statement of Net Position. Accordingly, the proprietary fund Statement of Net Position presents assets, deferred inflows/outflows of resources and liabilities classified into their respective current and long-term categories.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

There is no look-back adjustment on the statement of fund net position and the statement of revenues, expenses and changes in fund net position for the enterprise funds' participation in the internal services funds because these transactions are paid in cash, therefore there is no internal balance related to what can be considered a quasi-external transaction.

Fiduciary Funds

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Change in Fiduciary Net Position. The fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support City programs. The reporting focus is on net position and change in net position, and is reported using accounting principles similar to proprietary funds. Since these assets are being held for the benefit of a third party, these funds are not incorporated into the government-wide statements.

Major Funds

Governmental Accounting Standards Board Statement 34 (GASB 34) requires the City to report all major funds in the basic financial statements. In accordance with GASB 34, the following funds are classified as major governmental funds:

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The General Fund is used to account for all unrestricted resources except those required to be accounted for in another fund. This fund accounts for general citywide operations.

The Capital Improvement Capital Projects Fund accounts for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise, Internal Service Funds or other project specific funds.

The following funds are classified as major proprietary funds:

Water Fund is used to account for the operation of the City's water utility system. Revenues are generated from user fees, which are adjusted periodically to meet the costs of administration, operation, maintenance and capital improvements to the system. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater systems.

Wastewater Fund is used to account for the maintenance and improvements of the City's sewer system. Revenues are derived from a user charge placed on the water bills. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater system.

Parking Fund is used to account for the general operations and maintenance of City parking lots and spaces. Revenues are generated from the use of these properties.

e. Property Tax Calculator

Property tax revenue is recognized on the basis of GASB Code Section P70, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 AM on the first day in January prior to the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, by December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 each year and are delinquent, if unpaid, on August 31.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

f. Cash and Investments

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the City considers cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds in its 125 medical flex plan; outstanding Water and Wastewater; Marine Avenue Sports Field; and Metlox, Police & Fire Facility bonded debt, which are held by outside trustees.

Investments

Investments are shown at fair value, in accordance with GASB Statement No. 31. Fair value is based upon quoted market prices.

For purposes of the Statement of Cash Flows, the proprietary fund types consider all cash and investments to be cash equivalents, as these funds participate in the citywide cash and investment pool

g. Capital Assets

Capital assets, which include land, machinery and equipment, buildings and improvements, intangibles, and infrastructure (roads, bridges, curbs and gutters, streets, walk-streets and sidewalks, parks and recreation improvements), are reported in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and \$100,000 respectively (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are reported net of accumulated depreciation on the Statement of Net Position. Depreciation is provided for on the straight-line method over the estimated useful lives of the assets as follows:

Asset	Years
Equipment	5 - 20
Vehicles	3 - 20
Buildings/Improvements	40 - 100
Water and Sewer Systems	30 - 50
Other Infrastructure	15 - 100

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

i. Interfund Transfers

As a general rule, interfund transactions have been eliminated from the government-wide financial statements. Exceptions to this rule are payments in lieu or charges for current service between the City's enterprise activity and the City's General Fund. Elimination of these transactions would distort the direct costs and program revenues for the various functions. Certain eliminations have been made regarding interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental, business-type, and Trust & Agency activities have not been eliminated.

j. Long-Term Obligations

In the government-wide and proprietary funds financial statements, long-term obligations are recorded as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the debt using the bonds outstanding method.

In the governmental fund financial statements, long-term obligation, bond discounts and premiums are recognized as other financing sources or uses when incurred. Issuance costs are recorded as a current year expenditure.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City has recorded all judgment and claim liabilities resulting from workers' compensation and liability insurance claims in the Insurance Reserve Fund, which is a component of the Internal Service Funds Group. The recorded liability is based upon an estimate of reported claims as provided by an analysis of a third party administrator. Reported short-term and long-term estimated losses and reserves of \$5,346,087 and \$3,366,609 respectively, are recorded in the Insurance Reserve Fund.

Only the short-term liability is reflected as a current liability in all applicable governmental fund types; the remainder of the liability is reported as long-term debt in the Statement of Net Position.

k. Vacation and Sick Leave

The City's policy is to record the cost of vested vacation and sick leave as it is earned. Vacation is payable to employees at the time a vacation is taken or upon termination of employment. At termination, employees are eligible to convert 50% of unused sick time to service credit; however, sworn fire safety personnel, upon service retirement, may opt to cash out 50% of the value of unused sick leave.

Miscellaneous and sworn police employees may accrue compensated time off in lieu of payment for overtime hours. Overtime hours are banked at either time-and-a-half or straight-time hours depending upon the nature of the overtime worked. The dollar value of these hours is included as an employee benefits liability as shown in the balance sheet.

l. Supplemental Leave Allowance

In December 1994, an emergency leave bank was established for active management/confidential employees. At June 30, 2014, the total accrued liability for this benefit amounted to \$5,389, based on accumulated hours for months in service during the time period from January 1, 1990 to December 4, 1994, as specified in the parameters of the plan. Upon termination, the employee will be paid for any unused leave and as such the total amount of the liability is accrued as a long-term item (see Note 5).

m. Allocation of Interest Income

The City pools all non-restricted cash for investment purchases and allocates interest income based on month-end cash balances. Interest earned by restricted Cash is posted to their respective accounts.

n. Other Accounting Policies

Inventories

Inventories of materials and supplies are carried at cost on a weighted-average basis. The City uses the consumption method of accounting for inventories.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

o. Estimates

The accompanying financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

p. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

q. Fund balance flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

r. Fund balance policy

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 2: Cash and Investments

As of June 30, 2014, cash and investments were reported in the accompanying financial statements as follows:

Governmental Funds	\$ 41,366,225
Internal Service	13,093,343
Business-type activities	30,708,045
Agency	2,132,335
Pension Trust	<u>234,492</u>
Total Cash and Investments	<u>\$ 87,534,440</u>

The City pools all cash and investments that is available for use for all funds, including fiduciary funds. Each fund type's position in the pool is reported on the Combined Balance Sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

a. Deposits

At June 30, 2014, the carrying amount of the City's deposits was \$2,276,913 and the bank balance was \$2,033,364. The \$243,549 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City's Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking.

The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency.

Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the City.

b. Authorized Investments

Under provisions of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan associations
- Negotiable Certificates of Deposit

Note 2: Cash and Investments (Continued)

- Bankers Acceptances
- Commercial Paper
- Local Agency Investment Fund (State Pool) Demand Deposits
- Passbook Savings Account Demand Deposits
- Federally Insured Thrift and Loan
- Repurchase Agreements
- Medium-Term Corporate Notes
- Floaters or step-ups with market driven interest rate adjustments
- Mutual Funds of highest ratings

The City's investment policy does not allow the use of reverse-repurchase agreements and, accordingly, the City did not borrow through the use of reverse-repurchase agreements at any time during the year.

c. Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Entity's investment policy.

d. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holdings in LAIF. The City had a contractual withdrawal value of \$37,700,000 whose pro-rata share of fair value was estimated by the State Treasurer to be \$37,711,263.

e. Investment in State Treasury's Investment Pool and 401(a) Plan

Investment in State Treasury's Investment Pool and 401(a) plan cannot be assigned a credit risk category because the City does not own specific securities. However, the funds' investment policies and practices with regard to the credit and market risks have been determined acceptable to the City's investment policies.

f. GASB Statement No. 31

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option

Note 2: Cash and Investments (Continued)

contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the Entity reports its investments at fair value in the balance sheet.

All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Methods and assumptions used to estimate fair value. The City maintains investment accounting records and adjusts those records to "fair value" on an annual basis for material amounts. The City's investment custodian provides market values on each investment instrument on a monthly basis for material amounts. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. Material unrealized gains and losses are recorded on an annual basis and the carrying value of its investments is considered fair value. For the year ended June 30, 2014, the book value exceeded the fair value of investments by \$625,334.

g. Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated in the top three rating categories by two of the three largest nationally recognized rating services at time of purchase. As of June 30, 2014, the City's investment in medium-term notes consisted of investments with Wells Fargo & Company, Costco Wholesaler Corp., 3M Co., General Electric Capital Corp., Union Bank, Berkshire Hathaway Inc., Wells Fargo Co., Oracle Corp., Pfizer Inc., Citizens Deposit Bank, Commonwealth Bank of Australia, National Australia Bank, and Toyota Motor Credit Corp. All MTN's were rated "A" or higher by Moody's at time of purchase. All securities were investment grade and were legal under state and city policies. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed.

h. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk.

As of June 30, 2014, none of the City's deposits or investments was exposed to custodial credit risk.

i. Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer for the following types of investments. With respect to concentration of credit risk, as of June 30, 2014, the City is in compliance with its investment policy's restrictions.

In accordance with GASB Statement No. 40, if the city has invested more than 5% of its total investments in any one issuer then it is exposed to credit risk. The following issuers

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 2: Cash and Investments (Continued)

are above the 5% of total investments: Federal Home Loan Bank (6.1%), Federal Farm Credit (7.4%), Federal National Mortgage Association (6.1%) and Federal Home Loan Mortgage Corporation (7.3%). These government-sponsored investments are backed by the federal government and are below the City's investment policy limit of 33.33% of total investments.

j. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that no investment can mature more than five years from the date of purchase in line with state code requirements. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2014, the City had the following investments and original maturities:

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	More than 3 years	
Pooled Investments:					
Local Government Fund	\$ 37,711,263	\$ -	\$ -	\$ -	\$ 37,711,263
Certificate of Deposit	-	-	3,443,090	4,923,949	8,367,039
US Treasury and agency notes	6,058,780	2,059,800	1,030,950	15,055,689	24,205,219
Medium-term notes	-	2,017,110	4,637,535	5,761,722	12,416,367
	<u>\$ 43,770,043</u>	<u>\$ 4,076,910</u>	<u>\$ 9,111,575</u>	<u>\$ 25,741,360</u>	<u>82,699,888</u>
<u>Investment with Fiscal Agents:</u>					
Utility Undergrounding					1,359,637
Water/Wastewater, Metlox Refunding bonds					215,656
Marine certificates of participation					29,240
Police & Fire certificate of participation refunding bonds					164,481
Police & Fire pension bonds					784,177
					<u>2,553,191</u>
Demand deposits					2,276,913
Other deposits					3,410
Petty cash					1,038
					<u>2,281,361</u>
 Grand Total					 <u>\$ 87,534,440</u>

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 3: Interfund Transactions

Due To/From Other Funds

	Due To Other Funds
	<u>Nonmajor Governmental Funds</u>
<u>Due From Other Funds</u>	
General Fund	<u>\$ 22,488</u>

The amount due to the General Fund consists of the elimination of a cash deficit in the Federal and State Grants Fund for grant funds not yet received.

Advances to Other Funds

	Advance to Other Funds
	<u>Capital Improvement Fund</u>
<u>Advances From Other Funds</u>	
Parking Fund	<u>\$ 219,200</u>

The advance is the balance of a loan from the Capital Improvement Fund to the Parking Fund for the purchase of parking meters. The opening balance of the advance was \$469,200. Payment to the Capital Improvement Fund of \$250,000 reduced the advance to \$219,200 as of June 30, 2014.

Interfund Transfers

With City Council approval, resources may be transferred from one fund to another. Transfers between individual funds during the fiscal year ended June 30, 2014, are presented below:

	Transfers In			Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
<u>Transfers Out</u>				
General Fund	\$ -	\$ 763,073	\$ 243,324	\$ 1,006,397
Nonmajor Governmental Funds	-	-	53,472	53,472
Nonmajor Proprietary Funds	200,458	-	-	200,458
Total	<u>\$ 200,458</u>	<u>\$ 763,073</u>	<u>\$ 296,796</u>	<u>\$ 1,260,327</u>

The interfund transfers scheduled above resulted from a variety of City initiatives including the following:

- The County Parking Lot fund transferred \$200,458 to the General Fund for recreation purposes.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 3: Interfund Transactions (Continued)

- The General Fund transferred \$243,324 to the Street Lighting Fund to relieve a deficit fund balance.
- The General Fund transferred \$763,073 to Capital Improvement Fund for ongoing capital improvement projects.
- The Measure R Fund transferred \$53,472 to the Prop A Fund for the purchase of busses.

Note 4: Capital Assets and Depreciation

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation have been recorded. The following table presents the capital assets activity for the year ended June 30, 2014:

	Beginning Balance July 1, 2013	Increases additions	Decreases (deletions)	Ending Balance June 30, 2014
Governmental Activities:				
Land	\$ 34,072,066	\$ -	\$ (437,501)	\$ 33,634,565
Construction-in-progress				
Streets / Roadways	2,080,616	1,429,931	-	3,510,547
Recreation	557,891	841,276	-	1,399,167
Buildings	13,254	4,866		18,120
Total Capital Assets, Not Being Depreciated	36,723,827	2,276,073	(437,501)	38,562,399
Buildings and Structures	43,412,146	-	(102,500)	43,309,646
Machinery and Equipment	6,321,140	897,684	(25,331)	7,193,493
Vehicles	9,800,360	2,127,456	(987,429)	10,940,387
Infrastructure				
Streets / Roadways	51,210,166	-	-	51,210,166
Parks & Recreation	17,372,263	-	-	17,372,263
Investment in Joint Venture (RCC)	2,888,038	64,485	(117,834)	2,834,689
Total Capital Assets, Being Depreciated	131,004,113	3,089,625	(1,233,094)	132,860,644
Less Accumulated Depreciation:				
Buildings and Structures	(7,809,653)	(863,903)	12,813	(8,660,743)
Machinery and Equipment	(5,138,015)	(280,716)	25,331	(5,393,400)
Vehicles	(5,457,587)	(733,026)	901,432	(5,289,181)
Infrastructure				
Streets / Roadways	(25,857,240)	(1,340,472)	-	(27,197,712)
Parks & Recreation	(4,944,448)	(309,451)	-	(5,253,899)
Investment in Joint Venture (RCC)	(1,049,107)	(129,557)	102,734	(1,075,930)
Total Accumulated Depreciation	(50,256,050)	(3,657,125)	1,042,310	(52,870,865)
Total Capital Assets, Being Depreciated, Net	80,748,063	(567,500)	(190,784)	79,989,779
Governmental Activities Capital Assets, Net	\$ 117,471,890	\$ 1,708,573	\$ (628,285)	\$ 118,552,178

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 4: Capital Assets and Depreciation (Continued)

	Beginning Balance July 1, 2013	Increases additions	Decreases (deletions)	Transfers	Ending Balance June 30, 2014
Business-Type Activities:					
Capital assets, not being depreciated:					
Land - water	\$ 307,967	\$ -	\$ -	\$ -	\$ 307,967
Land - storm water	7,650	-	-	-	7,650
Land - parking	1,441,817	-	-	-	1,441,817
Construction-in-progress	6,810,651	891,449	-	(1,822,287)	5,879,813
Total Capital Assets, Not Being Depreciated	8,568,085	891,449	-	(1,822,287)	7,637,247
Capital assets, being depreciated:					
Buildings and structures - parking	17,186,603	-	-	-	17,186,603
Machinery and equipment - parking	1,137,266	-	-	-	1,137,266
Water	24,640,339	-	-	1,263,081	25,903,420
Storm water	6,871,403	-	-	-	6,871,403
Wastewater	10,680,566	-	-	559,206	11,239,772
Total Capital Assets, Being Depreciated	60,516,177	-	-	1,822,287	62,338,464
Less Accumulated Depreciation:					
Buildings and structures - parking	(1,548,514)	-	-	-	(1,548,514)
Machinery and equipment - parking	(647,344)	(251,769)	-	-	(899,113)
Water	(10,615,473)	(441,428)	-	-	(11,056,901)
Storm water	(3,522,940)	(151,757)	-	-	(3,674,697)
Wastewater	(5,695,843)	(174,567)	-	-	(5,870,410)
Total Accumulated Depreciation	(22,030,114)	(1,019,521)	-	-	(23,049,635)
Total Capital Assets, Being Depreciated, Net	38,486,063	(1,019,521)	-	1,822,287	39,288,829
Business-Type Activities Capital Assets, Net	\$ 47,054,148	\$ (128,072)	\$ -	\$ -	\$ 46,926,076

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:	
General government	\$ 124,141
Public safety	1,066,344
Public works	1,413,021
Parks and recreation	320,593
Internal service funds	733,026
Total Depreciation Expense - Governmental Activities	\$ 3,657,125
Business-Type Activities:	
Water	\$ 441,428
Wastewater	174,567
Parking	251,769
Storm water	151,757
Total Depreciation Expense - Business-Type Activities	\$ 1,019,521

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 5: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Due in One Year
Governmental Activities:					
Long-term Debt:					
Marine Ave Park COP	\$ 7,235,000	\$ -	\$ (255,000)	\$ 6,980,000	\$ 265,000
2007 Pension Obligation Bonds	1,860,000	-	(1,095,000)	765,000	765,000
2013 Police and Fire Refunding COP	10,510,000	-	(480,000)	10,030,000	450,000
Lease Purchase Fire and Sewer Truck	903,841	-	(184,499)	719,342	187,522
Other:					
Supplemental Leave Allowance	4,607	782	-	5,389	-
Compensated Absences	2,675,483	2,568,858	(2,164,349)	3,079,992	498,417
Workers Compensation Claims	7,788,099	4,324,362	(3,399,765)	8,712,696	5,346,087
General Liability Claims	1,128,124	1,010,793	(965,171)	1,173,746	693,695
Total Governmental	<u>\$ 32,105,154</u>	<u>\$ 7,904,795</u>	<u>\$ (8,543,784)</u>	31,466,165	<u>\$ 8,205,721</u>
Unamortized premium				461,305	
				<u>\$ 31,927,470</u>	
Business-Type Activities:					
Long-term Debt:					
2012 Metlox and Water/Wastewater Refunding COP	\$ 12,530,000	\$ -	\$ (530,000)	\$ 12,000,000	\$ 540,000
Other long term liabilities:					
Compensated Absences	63,256	68,287	(51,873)	79,670	15,396
Total Business Type	<u>\$ 12,593,256</u>	<u>\$ 68,287</u>	<u>\$ (581,873)</u>	12,079,670	<u>\$ 555,396</u>
Unamortized premium				583,166	
				<u>\$ 12,662,836</u>	

a. Marine Avenue Certificates of Participation

On April 24, 2002, the City of Manhattan Beach issued \$9,535,000 of Variable Rate Demand Refunding Certificates of Participation (COP) to refinance the Marine Sports Field Lease. The adjustable interest rate will be the interest rate for actual days elapsed which, in the judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, when payable with respect to the Certificates, would equal the interest rate necessary to enable the Remarketing Agent to remarket the tendered Certificates at 100% of the principal amount thereof. The rate used for the repayment schedule is 3.58%, which was the rate estimated at the issuance of the COP's. The COP's mature on August 1, 2032.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 5: Long-Term Liabilities (Continued)

Annual debt service requirements to maturity for the Marine Avenue Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 265,000	\$ 245,141	\$ 510,141
2016	270,000	235,564	505,564
2017	280,000	225,719	505,719
2018	290,000	215,516	505,516
2019	305,000	204,866	509,866
2020-2024	1,685,000	850,340	2,535,340
2025-2029	2,005,000	520,980	2,525,980
2030-2033	1,880,000	137,651	2,017,651
Total	<u>\$ 6,980,000</u>	<u>\$ 2,635,777</u>	<u>\$ 9,615,777</u>

b. 2007 Pension Obligation Bonds

On March 14, 2007, the City issued \$6,800,000 in Taxable Pension Obligation Bonds, for the purpose of paying off the Police and Fire side-fund accrued actuarial liabilities due to the California Public Employees' Retirement System (See Note 8 Mandatory Police and Fire Risk Pooling). The bonds mature annually in amounts ranging from \$695,000 to \$1,095,000, bearing interest at 5.011%.

The annual requirements to amortize the 2007 Taxable Pension Obligation Bonds outstanding at June 30, 2014, were as follows:

Year Ending June 30,	Principal	Interest	Total
2015	<u>\$ 765,000</u>	<u>\$ 19,167</u>	<u>\$ 784,167</u>

c. 2013 Police and Fire Facility Refunding Certificates of Participation

In February 2013, the City issued \$10,510,000 of Certificates of Participation, Series 2013, to advance refund the 2004 Police and Fire Certificates of Participation (2004 COP). The payments under the lease agreement are due January and July of each year until maturity in January 2032 and include interest rates ranging from 2% to 4%. The proceeds were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The balance at June 30, 2014, includes an unamortized bond premium of \$461,305 which will be amortized over the life of the issue.

The reacquisition price exceeded the net carrying amount of the old debt by \$595,473. This amount is being deferred as an outflow of resources and amortized over the remaining life of the refunded debt.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014
Note 5: Long-Term Liabilities (Continued)

Annual debts service requirements to maturity for the 2013 Police and Fire Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 450,000	\$ 328,963	\$ 778,963
2016	455,000	319,963	774,963
2017	465,000	306,313	771,313
2018	480,000	292,363	772,363
2019	500,000	277,963	777,963
2020-2024	2,725,000	1,155,813	3,880,813
2025-2029	3,240,000	633,819	3,873,819
2030-2032	1,715,000	99,000	1,814,000
Total	<u>\$ 10,030,000</u>	<u>\$ 3,414,197</u>	<u>\$ 13,444,197</u>

d. Fire and Sewer Truck Capital Leases

In fiscal year 2012-2013, the City entered into two lease agreements as lessee for financing the acquisition of one fire truck and one sewer truck valued at \$568,208 and \$381,305 respectively. The trucks each have an estimated useful life of 10 years. These lease agreements qualify as a capital lease for accounting purposes and therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 187,522	\$ 10,338	\$ 197,860
2016	190,595	7,264	197,859
2017	193,718	4,141	197,859
2018	147,507	1,095	148,602
Total	<u>\$ 719,342</u>	<u>\$ 22,838</u>	<u>\$ 742,180</u>

e. 2012 Metlox and Water/Wastewater Refunding Certificates of Participation

In July 2012, the City of Manhattan Beach issued \$12,975,000 of fixed rate Certificates of Participation (COP) to refund the City's 2003 Metlox Public Improvements Certificates of Participation and the 1996 Water and Wastewater Improvement Project Certificates of Participation. The payments under the lease agreement are due January and July of each year with interest rates ranging from 2% to 4% and mature through January 2032. The COP includes an unamortized premium of \$583,166 at June 30, 2014, which will be amortized over the life of the issue. This refunding was undertaken to reduce total debt service payments over the next 19 years by \$5,152,888 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding COPs) of \$2,842,601.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

Note 5: Long-Term Liabilities (Continued)

Annual debt service requirements to maturity for the Metlox, Water and Wastewater Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Water			Wastewater		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 110,591	\$ 60,289	\$ 170,880	\$ 54,409	\$ 29,661	\$ 84,070
2016	117,293	55,865	173,158	57,707	27,485	85,192
2017	123,996	51,173	175,169	61,004	25,177	86,181
2018	127,347	46,214	173,561	62,653	22,736	85,389
2019	130,698	42,393	173,091	64,302	20,857	85,159
2020-2024	737,271	141,657	878,928	362,729	69,693	432,422
2025-2029	341,833	17,158	358,991	168,167	8,442	176,609
Total	\$ 1,689,029	\$ 414,749	\$ 2,103,778	\$ 830,971	\$ 204,051	\$ 1,035,022

Fiscal Year Ending June 30,	Metlox			Total		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 375,000	\$ 341,363	\$ 716,363	\$ 540,000	\$ 431,313	\$ 971,313
2016	395,000	326,362	721,362	570,000	409,712	979,712
2017	410,000	310,563	720,563	595,000	386,913	981,913
2018	430,000	294,162	724,162	620,000	363,112	983,112
2019	440,000	278,263	718,263	635,000	341,513	976,513
2020-2024	2,450,000	1,156,413	3,606,413	3,550,000	1,367,763	4,917,763
2025-2029	2,950,000	688,312	3,638,312	3,460,000	713,912	4,173,912
2030-2034	2,030,000	147,100	2,177,100	2,030,000	147,100	2,177,100
Total	\$ 9,480,000	\$ 3,542,538	\$ 13,022,538	\$ 12,000,000	\$ 4,161,338	\$ 16,161,338

f. Compensated Absences

At June 30, 2014, the total citywide accrued liability for compensated absences amounted to \$3,165,051 which is comprised of \$2,664,211 and \$500,840 of vested vacation and sick leave, respectively. \$3,085,381 of this compensated leave liability is related to general government services with the remaining \$79,670 related to business type activities. The governmental activities liability is generally liquidated by the General Fund and the business type activities liabilities are liquidated by the corresponding proprietary funds.

g. Workers' Compensation Claims

As of June 30, 2014, reserves for open workers compensation claims have been established in accordance with analysis by a third party claims administrator. The value of these claims is \$5,346,087. In addition, reserves of \$3,366,609 have been set aside for incurred but not reported claims. Total reserves are \$8,712,696.

h. General Liability Claims

As of June 30, 2014, reserves for open general liability claims have been established in accordance with an analysis by a third party claims administrator. The value of these claims is \$693,695. In addition, reserves of \$480,051 have been set aside for incurred but not reported claims. Total reserves are \$1,173,746.

Note 6: Non-City Obligation

In August 2004, the City issued three separate limited obligation improvement bonds totaling \$3,402,891, under provisions of the Improvement Bond Act of 1915, for Underground Assessment Districts 04-1, 04-3 and 04-5. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The bonds are secured solely by the subject properties and the amounts held in respective reserve and bond funds. The bonds are not secured by the general taxing power of the City of Manhattan Beach and the City has not pledged credit for payment thereof.

In August 2006, the City issued two separate limited obligation improvement bonds totaling \$9,207,823, under provisions of the Improvement Bond Act of 1915, for Underground Assessment Districts 05-2 and 05-6, in the amounts of \$4,525,000 and \$4,628,823, respectively. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The bonds are secured solely by the subject properties and the amounts held in respective reserve and bond funds. The bonds are not secured by the general taxing power of the City of Manhattan Beach and the City has not pledged credit for payment thereof.

Because these bonds are not City obligations, the related liabilities are not reflected in the financial statements.

Note 7: Retirement Plans and Other Post Employment Benefits

a. California Public Employees Retirement System

The City of Manhattan Beach (the City) defined benefit pension plans (the "Safety and Miscellaneous Plans") provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. California Public Employees Retirement System (PERS) acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees' Retirement Law. The City of Manhattan Beach selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance or resolution. PERS issues a separate comprehensive annual financial report. Copies of the PERS's annual financial report may be obtained from the PERS Executive Office - 400 P Street, Sacramento, California 95814.

Miscellaneous Employees Plan

Plan Description

The City of Manhattan Beach Miscellaneous Plan is an agent multiple employer defined benefit plan.

Plan Benefits

Standard Service Retirement

The basic benefit formula is number of years of service times single highest year compensation times 2% at age 55 increasing to 2.418% at age 63. The retiree may elect to modify the basic benefit. However all benefits are actuarially equivalent.

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

Funding Policy

Active plan members in the Miscellaneous Plans are required to contribute 7% of their annual covered salary. The City is required to contribute the actuarially determined additional percentage of payroll amounts necessary to fund the benefits for its members. In accordance with existing bargaining group labor agreements, the City fully pays the employee contribution for all full time miscellaneous employees. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The Annual Actuarial Valuation Report as of June 30, 2011, determined the required employer contribution rate for fiscal year 2013-2014 to be 11.014% for miscellaneous employees. The contribution requirements of the plan members are established by state statute, and the employer contribution rate is established and adjusted in accordance with actuarial assumptions, investment performance, benefits and demographics.

Assumptions

A summary of principal assumptions and methods used to determine the ARC is as follows for the agent multiple employer plan.

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	32 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

The plans' actuarial value (which differs from fair value) and funding progress over the past three years are set forth below at their actuarial valuation date of June 30. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress for PERS
 Miscellaneous Plan
 Most Recent Available

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio		Annual Covered Payroll	Unfunded Liability as % of Payroll
				(AV/AL)	Market Value		
6/30/2011	\$ 71,498,265	\$ 63,418,351	\$ 8,079,914	88.7%	78.9%	\$ 13,463,033	60.0%
6/30/2012	74,098,516	66,623,300	7,475,216	89.9%	75.0%	12,847,411	58.2%
6/30/2013	77,384,979	61,794,318	15,590,661	79.9%	79.9%	12,370,124	126.0%

Annual Pension Cost and Net Pension Obligation Miscellaneous Plan

The City of Manhattan Beach annual pension cost and change in net pension obligation in fiscal year ending June 30, 2014, was as follows:

Three-Year Trend Information for PERS Miscellaneous Plan			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 1,265,396	100%	\$ -
6/30/2013	1,249,505	100%	-
6/30/2014	1,620,020	100%	-

Safety Employees Plan – Pooled Participation

Plan Description

The Safety Plan is a cost sharing multiple employer public employee defined benefit pension plan and consists of respective pools for Sworn Police and Sworn Fire employees.

The City of Manhattan Beach Police and Fire retirement plans participate in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups thereby reducing potential rate fluctuations that are incurred by small populations. Mandated participation in risk pools began in fiscal year 2005-2006 for plans with less than 100 active members based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The difference between the normal cost of each of the safety plans (based on final standalone evaluation) and that of the pool was phased out over a five year period. The difference was charged in full in the first year, 80% in the second year and so on until the difference was phased out after fiscal 2010-2011. Initially, the final standalone normal costs for both safety plans were greater than that of the pool. In addition, each group is charged for class 1 benefits, one year final compensation and post retirement survivor continuance.

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

At the time that the City joined the risk pool, existing unfunded liabilities for both plans were transferred to the PERS "Side Fund". In March 2007, the City issued taxable pension bonds to pay off the side fund. The City has and will realize cost savings since the effective interest rate of the bonds is substantially lower than the amortization at an imputed interest rate of 7.75%. The amortization period for the side fund was ten years. Debt service requirements for these pension bonds are presented in Note 5b.

Plan Benefits

Police - The basic benefit formula is number of years of service times single highest year compensation times 3% at age 50 and up.

Fire - The basic benefit formula is number of years of service times single highest year compensation times 3% at age 55 and up.

The retiree may elect to modify the basic benefit. However all benefits are actuarially equivalent.

Funding Policy

Active plan members in the Safety Plan are required to contribute 9% of their annual covered salary. The City is required to contribute the actuarially determined additional percentage amounts necessary to fund the benefits for its members. In accordance with existing bargaining group labor agreements, the City fully pays the employee contribution for all full time salaried safety employees. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The Annual Actuarial Valuation Report as of June 30, 2011, determined the required employer contribution rate for fiscal year 2013-2014, as 27.877% and 23.397% for police and fire sworn employees, respectively. These rates reflect the payment of the side fund liability.

The contribution requirements of the plan members are established by state statute, and the employer contribution rate is established and adjusted in accordance with actuarial assumptions, investment performance, benefits and demographics.

Pool assumptions (Both Police and Fire Safety)

A summary of principal assumptions and methods used to determine the ARC is shown below for cost-sharing multiple-employer defined benefit plan

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	21 Years – Police; 20 Years – Fire as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market

Actuarial Assumptions:	
Investment Rate of Return	7.50% (net of administrative expenses)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Changes in the liability due to plan amendments, actuarial assumptions or methods are amortized separately as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the pool's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Annual Pension Cost and Net Pension Obligation Police Plan

The City of Manhattan Beach police plan annual pension cost and change in net pension obligation in fiscal year ending June 30, 2014, was as follows:

<u>Fiscal Year</u>	<u>Annual pension cost</u>	<u>Percent of APC contributed</u>	<u>Net Pension Obligation</u>
6/30/2012	\$ 1,951,952	100.00%	\$ -
6/30/2013	2,127,387	100.00%	-
6/30/2014	2,183,728	100.00%	-

Annual Pension Cost and Net Pension Obligation Fire Plan

The City of Manhattan Beach fire plan annual pension cost and change in net pension obligation in fiscal year ending June 30, 2014, was as follows:

<u>Fiscal Year</u>	<u>Annual pension cost</u>	<u>Percent of APC contributed</u>	<u>Net Pension Obligation</u>
6/30/2012	\$ 995,621	100.00%	\$ -
6/30/2013	1,016,353	100.00%	-
6/30/2014	996,761	100.00%	-

The net pension obligation relates to the plan specific to the Sworn Safety employees of the City. The status of the risk pool is a separate matter.

Summary of Annual Pension Payments and Cost

For fiscal year ending June 30, 2014, the City of Manhattan Beach's annual pension payment was \$4,524,352 for the Police, Fire and Miscellaneous Plans combined, and was equal to the City's required contribution. The City also contributed \$183,622 for the 2013-2014, fiscal year on behalf of the employees. Employee payments by group are as follows: Miscellaneous \$118,618, Fire \$21,228, Police \$42776. The City's payroll for employees covered by the plans for the year ended June 30, 2014, was \$24,863,877. The total payroll for the year was \$30,069,807 and includes compensation not subject to PERS such as overtime and part time personnel enrolled in PARS.

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

b. City Funded Pension Plans

The City's pension trust fund includes the Supplemental Retirement Plan and the Single Highest Year Plan. The City implemented GASB Statement No. 67. The information for the Supplemental Retirement Plan and the Single Highest Year Plan is presented as required supplementary information.

c. Other Post Retirement Benefits

City of Manhattan Beach Retiree Medical Program

Plan Description

The City Retiree Medical Program is a Single Employer Plan that provides a fixed stipend to qualifying retirees and a contribution to all retirees enrolled in PERS medical plan.

Plan Benefits

In accordance with employee Memoranda of Understanding (MOU), the City provides fixed stipends during retirement. Payments cease at age 65. The plan provides a benefit of \$250 to \$400 per month directly to the employee to be used towards the health insurance premiums. Employees who retire from employment with the City and meet service requirements ranging from 15 to 20 years are eligible. The plan and payment amounts are established by MOU with the applicable employee bargaining units and may be amended by agreement between the City and the bargaining units. In fiscal year 2014, the City paid \$146,380 to retirees.

The plan does not issue a separate report, however it is included in the actuarial report that includes other post-retirement benefits (OPEB); per MOU agreements mandated by the State of California. All plan activity is reported within the financial statements of the City.

Funding Policy

The City of Manhattan Beach contracts with PERS to participate in the Public Employee Medical and Hospital Care Act (PEMHCA). Under this contract, both active employees and retirees are provided access to health insurance. The City makes a contribution to retirees who elect to purchase insurance through PERS. This contribution is mandated by Assembly Bill 2544 and is adjusted annually by PERS. For fiscal year 2014, the City contribution paid to PERS was \$109,411. Plan members receiving benefits paid \$590,273.

The plans is financed via actuarially determined contributions and deposited into a trust fund managed by PERS. PERS has dual independent capacities as a provider of medical plans and as a trustee. In its capacity as a trustee, PERS will be referred to as CERBT (California Employees' Retirement Benefit Trust). City payments to employees and PERS will be reimbursed by payments from CERBT in fiscal year 2014. Therefore, the City will be reimbursed for \$255,791 (\$109,411 to PERS and \$146,380 to retirees in City Plan). Benefits per employee are determined according to MOU and PEMHCA requirements.

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

The policy of the City Council is to budget the actuarially required contributions and to amend the budget if necessary on an annual basis. All contributions are made by the City; there is no employee contribution. Allocation of cost is made based on the MOU benefit corresponding to each position and the number of position within each fund/program. Payment to the trustee is exactly equal to the total budget for this benefit. Payroll does not drive the allocation.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Valuations are performed biennially; the most recent is as of July 1, 2013. The next valuation will be as of July 1, 2015.

In the July 1, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 7.06% investment rate of return (net of administrative expenses), which is the actuarial rate of return used by PERS for assets in CERBT Strategy 2 plans, an annual healthcare cost trend rate of 10% as of July 1, 2013, reduced by decrements to an ultimate rate of 5% by 2016, and a fixed population of active participants. The current maximum year-to-year increase is \$100, as stated in Government Code section 22892(c). This amount is assumed to remain unchanged through 2016, then increase 2% per annum in subsequent years. The assets are valued at fair value.

The Net OPEB Obligation (NOO) is being amortized over a closed ten-year period ending June 30, 2017. The unfunded accrued actuarial liability is being amortized over the same period as that of the net OPEB obligation. Gains and losses are being amortized over the same closed period. The actuarial value of assets is equal to the amount reported by CERBT at June 30, 2014. The number of PEMHCA participants is: active - 229, retired participants - 79. The number of City Plan participants is: active - 244, retired participants - 25.

Annual OPEB Cost and Net OPEB Obligation

In the fiscal year 2013-14, the City conducted an actuarial analysis of these two plans in order to be in conformance with GASB 45. The valuation date was July 1, 2013.

The City's annual post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 and amortization of any Net OPEB Obligation existing at the beginning of the fiscal year. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

The updated valuation resulted in a fiscal 2013-2014, projected normal cost of \$376,000 and amortization of unfunded actuarial accrued liability of (\$128,000) resulting in an actuarially required contribution for fiscal 2013-2014, of \$248,000. Actuarial valuations are performed biannually. The next actuarial valuation date will be July 1, 2015, and based on that report, a revised ARC for fiscal 2014-2015, will be determined as well as a projected ARC for fiscal 2014-2015.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation:

Annual required contributions (ARC)	\$ 248,000
Interest on net OPEB	(196,695)
Amortization of OPEB	<u>823,634</u>
Annual OPEB cost	874,939
Less: Annual contributions made	<u>248,000</u>
Increase (decrease) in net OPEB obligation	626,939
Net OPEB obligation (asset) - beginning of year	<u>(2,786,050)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (2,159,111)</u></u>

The City's annual OPEB cost, the amount of annual OPEB cost contributed to the plan and the net OPEB obligation (NOO) for fiscal year 2013-2014, and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Contribution	Net OPEB Obligation (Asset)	Percent of OPEB Cost Contributed
6/30/2012	\$ 755,979	\$ 209,000	\$ (3,371,646)	27.65%
6/30/2013	821,596	236,000	(2,786,050)	28.72%
6/30/2014	874,939	248,000	(2,159,111)	28.34%

Funded Status and Funding Programs

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Benefits are projected based on benefit levels as of the date of the valuation and do not explicitly reflect the potential effects of legal or contractual funding limitations. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial valuations take a long-term perspective that involves the use of techniques designed to reduce volatility.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 7: Retirement Plans and Other Post Employment Benefits (Continued)

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Contributions are held and invested by California Employer's Retiree Benefit Trust (CERBT), which has been established by PERS. The value of the City of Manhattan Beach's account as June 30, 2014, was \$8,849,000, which reflects a gain of \$536,501 from the prior fiscal year 2012-2013.

Fiscal Year Ending	Type of Valuation	Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
6/30/2010	Actual	7/1/2009	\$ 5,926,000	\$ 4,946,560	\$ 979,440	83.5%	\$ 19,502,000	5.0%
6/30/2011	Estimated	7/1/2009	5,926,000	5,910,001	15,999	99.7%	19,502,000	0.1%
6/30/2012	Actual	7/1/2011	6,846,000	7,664,474	(818,474)	112.0%	21,871,000	(3.7%)
6/30/2013	Actual	7/1/2011	6,846,000	8,312,499	(1,466,499)	121.4%	21,871,000	(6.7%)
6/30/2014	Actual	7/1/2013	7,882,000	8,849,000	(967,000)	112.3%	22,191,000	(4.4%)

It should be noted that benefits are not a function of covered payroll. The benefit is a function of employee count, prescribed benefit per employee according to MOU and PEMHCA requirements.

d. Retirement Plan for Part-Time, Seasonal and Temporary Employees

On June 6, 1997, the City dissolved the City-administered retirement plan for part-time, seasonal and temporary employees and selected the Public Agency Retirement System (PARS) as the retirement program for this group.

The PARS plan is a defined contribution pension plan, which is administered by PARS. Benefits and funding requirements are determined by PARS' governing board. All members' earnings are subject to contribution from the employee and the employer. Historically, the contribution rate for both employee and employer has been 3.75% of payroll. In April 2011, the City exercised its option not to pick up 50% share of the required 7.50%. Consequently, for fiscal year ending June 30, 2014, 100% of contribution is derived from employee deduction.

Total payroll for employees covered by this plan for the year was \$1,495,301. The amount of employee contribution was \$112,148.

Note 8: Risk Management

The City is exposed to various risks of losses related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City adopted a self-insured workers' compensation program that is administered by City staff and a claims administrator.

The City is a member of the Independent Cities Risk Management Authority (ICRMA), a public entity risk pool currently operating as a common risk management and insurance program for 22 California cities. The City pays an annual premium to the pool for its excess insurance coverage including property (earthquake, flood and all risk), workers compensation and general liability. The City also purchases a separate earthquake policy for the public safety facility.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 8: Risk Management (Continued)

For workers compensation, the City is self-insured for the first \$750,000 on each claim with excess coverage up to a limit of \$5,000,000. For general liability, the City is self-insured for the first \$500,000 on each claim with excess coverage up to a limit of \$30,000,000.

The City is insured for property losses with a deductible of \$10,000 all risk (fire and theft) and earthquake loss with a deductible of 5% or \$100,000, whichever is greater.

Claims expenditures and liabilities (general and worker’s compensation) are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2014, the amount of these liabilities was \$9,886,442. The amount represents an estimate of \$6,039,782 for reported claims through June 30, 2014, and \$3,846,660 of estimated incurred but not reported claims. This liability is the City’s best estimate based on available information. Changes in the reported liability at June 30, 2014, resulted from the following:

Year	Liability Beginning of Year	Current Year Claims and Increases in Estimates	Payments and Decreases In Estimates	Liability End of Year
2013	\$ 9,704,688	\$ 4,894,823	\$ (5,683,288)	\$ 8,916,223
2014	8,916,223	5,335,155	(4,364,936)	9,886,442

During the past three fiscal (claims) years, none of the above programs has had settlements or judgments that exceed pooled or insured coverage. There have been no significant reductions in pooled or insured coverages from coverage in the prior year.

The ICRMA has published its own financial report for the year ended June 30, 2014, which can be obtained from Independent Cities Risk Management Authority, 1100 W. Town and Country Road Suite 1550 Orange, California 92868.

Note 9: Net Position and Fund Balance

a. Net Position Restatement

Beginning net position has been restated by \$(618,708) in the Refuse Fund to refund prior year street sweeping fees. This course of action was undertaken after legal review of the validity of such fees.

b. Fund Balance Deficit

The Federal and State Grants Fund has a deficit of \$22,488. This deficit is due to Accounts Receivable (Due from Other Governments) offset by a unavailable revenue liability. Revenues under modified accrual are recognized when “available” i.e. within 60 days of the end of the fiscal year. The deficit will be eliminated as grant reimbursements are received.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 10: Joint Ventures and Jointly Governed Organizations

a. Joint Venture

South Bay Regional Public Communications Authority

The City is a member of the South Bay Regional Public Communications Authority (SBRPCA), a joint powers authority of the cities of Manhattan Beach, Gardena and Hawthorne. SBRPCA was formed October 14, 1975, for the purpose of financing a public safety communications system for the member cities. The Governing Board is composed of an elected official of each member city. An executive committee is composed of the city managers of each member city. The City's participation percentage at June 30, 2014, was 22.7%.

Summarized audited financial information for SBRPCA at June 30, 2013*, is presented below:

Statement of Net Position

Assets	
Current assets	\$ 3,104,167
Due from other governments	<u>7,750,578</u>
Total Assets	<u>10,854,745</u>
Liabilities	
Current liabilities	424,686
Noncurrent liabilities	<u>924,214</u>
Total Liabilities	<u>1,348,900</u>
Net Position	<u>\$ 9,505,845</u>

Statement of Activities

Operating Revenues	\$ 9,334,051
Operating Expenses	<u>(9,535,808)</u>
Excess of Expenses Over Revenues	<u>(201,757)</u>
Non operating revenues (expenses)	
Interest earnings	<u>7,524</u>
Non operating revenues (expenses)	<u>7,524</u>
Change in net position	(194,233)
Net Position - June 30, 2012	<u>9,700,078</u>
Net Position - June 30, 2013	<u>\$ 9,505,845</u>

*Most current information available. SBRPCA has issued its own separate financial statements, which are available at 4440 W. Broadway, Hawthorne, California 90250.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2014

Note 10: Joint Ventures and Jointly Governed Organizations (Continued)

b. Jointly Governed Organization

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City of Manhattan Beach is a member of Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. The Organization was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking enterprise and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort.

Summarized audited financial information for L.A. IMPACT at June 30, 2013*, is presented below:

Statement of Net Position

Assets

Current assets	\$ 4,970,546
Noncurrent assets	649,014
Total Assets	<u>5,619,560</u>

Liabilities

Current liabilities	2,028,504
Noncurrent liabilities	438,551
Total liabilities	<u>2,467,055</u>

Net Position	<u>\$ 3,152,505</u>
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Statement of Activities

Revenues	\$ 5,987,700
Expenses	<u>(9,002,434)</u>
Excess of Expenditures Over Revenues	<u>(3,014,734)</u>

Non operating revenues (expenses)

Investment earnings	5,927
Interest expense	<u>(39,416)</u>
Non operating revenues (expenses)	<u>(33,489)</u>

Change in net position	(3,048,223)
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Net Position - June 30, 2011	<u>6,200,728</u>
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Net Position - June 30, 2012	<u>\$ 3,152,505</u>
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*Most current information available. LA Impact has issued its own separate financial statements, which are available at 5700 S. Eastern Avenue, Commerce, California 90040.

CITY OF MANHATTAN BEACH

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

Note 11: Commitments and Contingencies

Contingencies

There are certain claims and lawsuits pending against the City that seek monetary damages. Potential liabilities due to these claims are accounted for in the Insurance Reserve Fund.

Construction Commitments

The following material construction commitments existed as of June 30, 2014:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2014</u>	<u>Remaining Commitments</u>
Sepulveda Bridge Widening Prop C & Safetea Lu 10827, 11830	\$ 1,474,449	\$ 756,861	\$ 717,588
Sepulveda Blvd & 2nd Street Water Main Replacement 12829	1,283,200	-	1,283,200
Dual Left-turn Lanes Marine/Sepulveda 12821	432,799	-	432,799
	<u>\$ 3,190,448</u>	<u>\$ 756,861</u>	<u>\$ 2,433,587</u>

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,588,760	\$ 19,588,760	\$ 19,588,760	\$ -
Resources (Inflows):				
Taxes and assessments	40,175,015	40,175,015	41,734,486	1,559,471
Licenses and permits	1,598,905	1,598,905	1,730,108	131,203
Intergovernmental	231,500	351,590	477,386	125,796
Charges for services	8,655,439	8,655,439	9,488,229	832,790
Use of money and property	2,712,753	2,712,753	2,959,996	247,243
Fines and forfeitures	2,677,500	2,677,500	2,437,700	(239,800)
Miscellaneous	509,805	509,805	483,981	(25,824)
Transfers in	70,012	70,012	200,458	130,446
Notes and loans issued	966,613	-	-	-
Proceeds from sale of capital asset	1,200	1,200	1,741	541
Amounts Available for Appropriations	77,187,502	76,340,979	79,102,845	2,761,866
Charges to Appropriation (Outflow):				
General government	10,541,712	12,723,034	10,467,524	2,255,510
Public safety	32,841,243	32,976,257	33,425,442	(449,185)
Culture and recreation	6,275,399	6,272,533	5,964,556	307,977
Public works	5,960,656	6,022,049	5,878,089	143,960
Capital outlay	703,575	722,520	67,141	655,379
Debt service:				
Principal retirement	1,880,000	1,350,000	1,350,000	-
Interest and fiscal charges	735,493	298,880	45,361	253,519
Transfers out	988,520	988,520	1,006,397	(17,877)
Total Charges to Appropriations	59,926,598	61,353,793	58,204,510	3,149,283
Budgetary Fund Balance, June 30	\$ 17,260,904	\$ 14,987,186	\$ 20,898,335	\$ 5,911,149

CITY OF MANHATTAN BEACH

**PENSION PLAN - SUPPLEMENTAL RETIREMENT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (A)**

	<u>2014</u>
Total pension liability:	
Interest	\$ 4,535
Benefit payments, including refunds of member contributions	(20,118)
Experience losses/(gains)	<u>(6,296)</u>
Net change in total pension liability	(21,879)
Total pension liability, beginning of year	<u>133,183</u>
Total pension liability, end of year	<u>111,304</u>
Plan fiduciary net position:	
Net investment income	4,535
Benefit payments, including refunds of member contributions	<u>(20,118)</u>
Net change in plan fiduciary net position	(15,583)
Total fiduciary net position, beginning of year	<u>118,255</u>
Total fiduciary net position, end of year	<u>102,672</u>
Net pension liability (asset), end of year	<u>\$ 8,632</u>
Plan fiduciary net position as a percentage of the total pension liability	92.24%
The Supplement Retirement Plan is dormant.	
Covered-employee payroll	N/A
Net pension liability as a percentage of covered-employee payroll	N/A

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

CITY OF MANHATTAN BEACH

PENSION PLAN - SUPPLEMENTAL RETIREMENT PLAN
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (A)

	2014
Employer contributions:	
Actuarial determined contributions	\$ -
Actual contributions	-
	-
Deficiency/(Excess)	\$ -

The Supplement Retirement Plan is dormant.

Actual contributions as a percentage of actuarial determined contributions	N/A
Covered-employee payroll	N/A
Contributions as a percentage of covered-employee payroll	N/A

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

CITY OF MANHATTAN BEACH

PENSION PLAN - SUPPLEMENTAL RETIREMENT PLAN
SCHEDULE OF INVESTMENT RETURNS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (A)

2014

Annual money-weighted rate of return, net of investment expense

4.40%

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

CITY OF MANHATTAN BEACH

**PENSION PLAN - SINGLE HIGHEST YEAR PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (A)**

	<u>2014</u>
Total pension liability:	
Interest	\$ 12,194
Benefit payments, including refunds of member contributions	(49,893)
Experience losses/(gains)	<u>(20,492)</u>
Net change in total pension liability	(58,191)
Total pension liability, beginning of year	<u>373,634</u>
Total pension liability, end of year	<u>315,443</u>
Plan fiduciary net position:	
Net investment income	12,194
Benefit payments, including refunds of member contributions	<u>(49,893)</u>
Net change in plan fiduciary net position	(37,699)
Total fiduciary net position, beginning of year	<u>315,899</u>
Total fiduciary net position, end of year	<u>278,200</u>
Net pension liability (asset), end of year	<u>\$ 37,243</u>
Plan fiduciary net position as a percentage of the total pension liability	88.19%
The Single Highest Year Plan is dormant.	
Covered-employee payroll	N/A
Net pension liability as a percentage of covered-employee payroll	N/A

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

CITY OF MANHATTAN BEACH

PENSION PLAN - SINGLE HIGHEST YEAR PLAN
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (A)

	<u>2014</u>
Employer contributions:	
Actuarial determined contributions	\$ -
Actual contributions	-
	<hr/>
Deficiency/(Excess)	\$ -
	<hr/> <hr/>

The Single Highest Year Plan is dormant.

Actual contributions as a percentage of actuarial determined contributions	N/A
Covered-employee payroll	N/A
Contributions as a percentage of covered-employee payroll	N/A

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

CITY OF MANHATTAN BEACH

**PENSION PLAN - SINGLE HIGHEST YEAR PLAN
SCHEDULE OF INVESTMENT RETURNS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (A)**

2014

Annual money-weighted rate of return, net of investment expense

4.40%

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.



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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2014

Note 1: Budgetary Comparison Information

a. General Budget Policies

The operating budget serves as the annual financial plan for the City and serves as the policy document of the City Council for implementing Council goals and objectives. The budget provides the staff the resources necessary to accomplish City Council determined service levels.

The City Manager annually will prepare and present a proposed operating budget to the City Council no later than the second regular Council meeting in May of each year; and Council will adopt said budget no later than June 30 of each year. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.

The City's annual budget will be presented by department, with a logical breakdown of programs and proposed expenses. The budget document will also summarize expenditures at the personnel, operating and maintenance, and capital levels.

Where practical, the City's annual budget will include measures of workload, efficiency, and effectiveness.

b. Budgetary Control and Accountability

Budget control is maintained at the departmental level. The City Manager has the authority to approve appropriation transfers between programs or departments. In no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Amendments to the budget are approved by the City Council with the exception of the appropriation and transfer of funds from employee leave reserves to a specific department's program budget to cover unplanned customary termination leave expenditures within a given year. Such amendments may be approved by the City Manager.

Budget accountability rests primarily with the operating departments of the City.

For the year ended June 30, 2014, the following funds had expenditures in excess of budget:

Fund	Expenditures	Appropriations	Excess
Street Lighting & Landscaping			
Public Works	\$ 639,920	\$ 633,438	\$ (6,482)
Prop A			
Culture and Recreation	865,460	729,281	(136,179)

c. Basis of Budgeting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device.

Note 2: Supplemental Retirement Plan

a. Summary of Significant Accounting Policies

Method used to value investments

The City of Manhattan Beach Supplemental Retirement Plan (the Supplemental Plan) investments are reported at fair market value.

Investment Policy

The Supplemental Plan's policy in regard to the allocation and types of invested assets is established and may be amended by the City of Manhattan Beach's City Council. It is the policy of City Council to pursue an investment strategy that reduces risk. As of June 30, 2014, City Council has approved to have 100% of the Supplemental Plan's assets allocated to cash and cash equivalents.

Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on Supplemental Plan investments, net of investment expense, was 4.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b. Plan Description

The Supplemental Retirement Plan is a single-employer defined benefit pension plan that covers Police, Fire and Management/Confidential employees who retired prior to January 1995. The plan provides the employee the difference between the benefit provided by the California Public Employees Retirement System (PERS) calculated under the life annuity option and the PERS benefit had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The plan states "The City shall pay each retiring officer, sergeant, lieutenant, firefighter and management employee upon retirement, a monthly amount which would make up the difference for that option of which the officer will receive from PERS under Government Code Section 21330 through 21335 and what only the officer would have received while alive had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The payment shall be made to the officer only while the officer is alive and will cease upon death. Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's retirement allowance."

This plan is being accounted for in the Pension Fund. The benefit is payable for the life of the employee. The benefit is subject to a 2% annual cost-of-living increase. This plan is currently dormant. The Supplemental Retirement Plan does not have a separate annual financial report.

The City of Manhattan Beach incurred the accrued liabilities of active participants under the City PERS plan as of January 1, 1995. The City's remaining obligation is to fund the benefits for those participants who were then currently and are retired.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 JUNE 30, 2014

Note 2: Supplemental Retirement Plan (Continued)

The number of participants covered under the plan as of June 30, 2014, was as follows:

Retirees and beneficiaries receiving benefits Management/Confidential	<u><u>5</u></u>
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c. Net Pension Liability

The Supplemental Plan is dormant and no contribution was made during the year. The components of the net pension liability of the Plan at June 30, 2014, were as follows:

Total pension liability	\$ 111,304
Plan fiduciary net pension	<u>102,672</u>
Net pension liability	<u><u>\$ 8,632</u></u>

Plan fiduciary net position as a percentage of the total pension liability	92.24%
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d. Actuarial Assumptions

Valuation date	June 30, 2014
Pre-retirement mortality rates	RP-2000 Mortality Table Projected to 2014
Asset valuation method	Fair Market Value
Discount rate	4.4%

Discount Rate

The discount rate used to measure the total pension liability was 4.4%. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 4.40%, as well as what the Employer's net pension liability would be if it were calculated using a discount rate that is 1% lower (3.40%) or 1% higher (5.40%) than the current rate:

	1% Lower (3.40%)	Current Discount Rate (4.40%)	1% Higher (5.40%)
Net pension liability	\$ 116,015	\$ 111,304	\$ 106,976

Note 3: Single Highest Year Plan

a. Summary of Significant Accounting Policies

Method used to value investments

The City of Manhattan Beach Single Highest Year Plan (the Highest Year Plan) investments are reported at fair market value.

Investment Policy

The Highest Year Plan's policy in regard to the allocation and types of invested assets is established and may be amended by the City of Manhattan Beach's City Council. It is the policy of City Council to pursue an investment strategy that reduces risk. As of June 30, 2014, City Council has approved to have 100% of the Supplemental Plan's assets allocated to cash and cash equivalents.

Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on the Highest Year Plan investments, net of investment expense, was 4.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b. Plan Description

The Single Highest Year Plan is a single-employer defined benefit pension plan of the City. This plan was adopted effective January 1, 1990, covering Management/Confidential Employees and Non-management/Confidential Sworn Police Employees on July 1, 1990, and is for employees who retired prior to May 1993. The plan is known as the City Funded Single Highest Year Plan. The plan pays a retiring employee the difference between the pension payable from PERS and what the PERS pension would be if it were based on the single highest year only. "The payment shall be made to the member only while the member is alive and will cease upon death." Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's PERS retirement.

This plan is being accounted for in the Pension Fund. Benefits vest after five years of service. Retirees must qualify for PERS retirement to qualify for the Single Highest Year Plan. The benefit is payable for the life of the employee and is subject to a 2% annual cost of living increase. This plan is currently dormant as discussed in the next paragraph. The Single Highest Year Plan does not issue a separate annual financial report.

The City incurred the accrued liabilities of active participants under City PERS plan as of January 1, 1993. The City's remaining obligation is to fund the benefits for those participants who were then and are currently retired.

The number of participants covered under the plan as of June 30, 2014, was as follows:

Retirees receiving benefits:	
Management Confidential	3
Police	4
	<u>7</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
 JUNE 30, 2014

Note 3: Single Highest Year Plan (Continued)

c. Net Pension Liability

The Supplemental Plan is dormant and no contribution was made during the year. The components of the net pension liability of the Plan at June 30, 2014, were as follows:

Total pension liability	\$ 315,443
Plan fiduciary net pension	<u>278,200</u>
Net pension liability	<u>\$ 37,243</u>
Plan fiduciary net position as a percentage of the total pension liability	88.19%

d. Actuarial Assumptions

Valuation date	June 30, 2014
Pre-retirement mortality rates	RP-2000 Mortality Table Projected to 2014
Asset valuation method	Fair Market Value
Discount rate	4.4%

Discount Rate

The discount rate used to measure the total pension liability was 4.4%. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of plan members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 4.40%, as well as what the Employer's net pension liability would be if it were calculated using a discount rate that is 1% lower (3.40%) or 1% higher (5.40%) than the current rate:

	1% Lower (3.40%)	Current Discount Rate (4.40%)	1% Higher (5.40%)
Net pension liability	\$ 330,563	\$ 315,443	\$ 301,639



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CITY OF MANHATTAN BEACH

JUNE 30, 2014

NONMAJOR FUNDS

Special Revenue Fund Description

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law to expenditures for specified purposes.

Street Lighting and Landscape Fund provides the power, maintenance and capital improvements for the lighting system within the City of Manhattan Beach. Money is received from a special assessment placed on each tax bill in the City, the amount of which is determined by the benefit received by the owner of each property.

Gas Tax Fund is used to account for the City's share of the state and county gasoline tax collection in accordance with the provisions of the State of California Streets and Highway Code. Revenues are disbursed by the state based on population and must be used toward the maintenance and repair of City streets that serve as state and county thoroughfares.

Asset Forfeiture Fund is used to account for funds received through federal and state agencies for drug seizures in which the City participated. These funds must be used to supplement, not supplant, the Police Department's normal operating budget. The amount of revenue will vary from year to year based on activity levels.

Public Safety Grants are used for monies received from the federal and state governments for the purposes of supplementing front-line law enforcement services.

Federal and State Grants Fund acts as a pass through for capital grants received from local, state and federal authorities. Given the nature of this funding source, this fund's activity levels can vary significantly from year to year.

Proposition A and C Funds are used to account for proceeds from the half-cent sales taxes generated by the approval of Proposition A and C by Los Angeles County voters. These funds, which are administered by the Los Angeles County Metropolitan Transportation Authority (MTA), are distributed based on population and must be used for transportation-related projects.

AB 2766 Fund is used to account for proceeds received from the additional vehicle registration fee imposed by the state and regulated by the Air Quality Management District (AQMD). These funds are distributed based on population and must be used for programs designed to reduce air pollution from motor vehicles.

Measure R Fund is a half cent sales tax approved by Los Angeles voters to be used for new and existing transportation projects, including local bus operations and local city sponsored transportation improvements. Local cities are allocated 15% of collections on a per capita basis. The City of Manhattan Beach began receiving Measure R funds in fiscal 2010-2011, and established a separate fund to capture revenues and expenditures. Eligible expenditures are streets and signals, bikeways, pedestrian improvements, and transit service improvements.

Capital Project Fund Description

Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds.

Underground Assessment District Fund accounts for the resources to construct an underground utility in the future.

CITY OF MANHATTAN BEACH

JUNE 30, 2014

NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent in using this type of fund is to see that the costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Storm Water Fund is used to account for the maintenance and improvement of the City's storm drains. Revenues are derived from a storm drain assessment to property owners, which are based on size and use of the parcel, and collected through the property tax rolls.

Refuse Fund is used to account for the provision of refuse collection, street sweeping and recycling services in the City. The City bills both residential and commercial properties.

County Parking Lot Fund is used to account for the operation and maintenance of parking lots that are owned by Los Angeles County but leased to the City. Proceeds from the meters and parking permits are divided 55% to the county, with an annual guaranteed minimum of \$130,000 and 45% to the City.

State Pier and Parking Lot Fund is used to account for the operation and maintenance of the Manhattan Beach Pier, comfort station and four adjacent parking lots. These properties are owned by the State of California but controlled by the City through an operating agreement.

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
Assets:				
Pooled cash and investments	\$ 46,428	\$ 3,157,182	\$ 872,745	\$ 205,718
Receivables:				
Accounts	4,513	15,275	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	111,070	16,676	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 50,941	\$ 3,283,527	\$ 889,421	\$ 205,718
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 50,941	\$ 53,524	\$ 156	\$ 10,442
Accrued liabilities	-	32,753	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	50,941	86,277	156	10,442
Deferred Inflows of Resources:				
Unavailable revenues	-	482	-	-
Total Deferred Inflows of Resources	-	482	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	889,265	195,276
Public works	-	3,196,768	-	-
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	3,196,768	889,265	195,276
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 50,941	\$ 3,283,527	\$ 889,421	\$ 205,718

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds			
	Federal and State Grants	Proposition A	Proposition C	AB 2766
Assets:				
Pooled cash and investments	\$ -	\$ 12,731	\$ 4,133,316	\$ 169,976
Receivables:				
Accounts	-	-	-	-
Prepaid costs	-	375	-	-
Due from other governments	22,488	-	100,443	11,412
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 22,488	\$ 13,106	\$ 4,233,759	\$ 181,388
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 13,106	\$ 85,365	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	22,488	-	-	-
Total Liabilities	22,488	13,106	85,365	-
Deferred Inflows of Resources:				
Unavailable revenues	22,488	-	100,443	11,412
Total Deferred Inflows of Resources	22,488	-	100,443	11,412
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Public works	-	-	-	169,976
Capital Projects	-	-	4,047,951	-
Unassigned	(22,488)	-	-	-
Total Fund Balances	(22,488)	-	4,047,951	169,976
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,488	\$ 13,106	\$ 4,233,759	\$ 181,388

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Measure R</u>	<u>Underground Assessment District</u>	
Assets:			
Pooled cash and investments	\$ 1,180,546	\$ 199,238	\$ 9,977,880
Receivables:			
Accounts	-	-	19,788
Prepaid costs	-	-	375
Due from other governments	-	-	262,089
Restricted assets:			
Cash and investments with fiscal agents	-	390,884	390,884
Total Assets	<u>\$ 1,180,546</u>	<u>\$ 590,122</u>	<u>\$ 10,651,016</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,250	\$ -	\$ 214,784
Accrued liabilities	-	-	32,753
Deposits payable	-	1,741	1,741
Due to other funds	-	-	22,488
Total Liabilities	<u>1,250</u>	<u>1,741</u>	<u>271,766</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	134,825
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>134,825</u>
Fund Balances:			
Restricted for:			
Public safety	-	-	1,084,541
Public works	1,179,296	-	4,546,040
Capital Projects	-	588,381	4,636,332
Unassigned	<u>-</u>	<u>-</u>	<u>(22,488)</u>
Total Fund Balances	<u>1,179,296</u>	<u>588,381</u>	<u>10,244,425</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,180,546</u>	<u>\$ 590,122</u>	<u>\$ 10,651,016</u>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
Revenues:				
Taxes	\$ 375,731	\$ 3,617	\$ -	\$ -
Intergovernmental	-	1,219,642	52,020	100,000
Charges for services	20,865	-	-	-
Use of money and property	-	26,820	7,866	1,491
Miscellaneous	-	-	-	-
Total Revenues	396,596	1,250,079	59,886	101,491
Expenditures:				
Current:				
Public safety	-	-	56,814	43,572
Culture and recreation	-	-	-	-
Public works	639,920	-	-	-
Capital outlay	-	1,271,807	31,029	19,210
Total Expenditures	639,920	1,271,807	87,843	62,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,324)	(21,728)	(27,957)	38,709
Other Financing Sources (Uses):				
Transfers in	243,324	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	243,324	-	-	-
Net Change in Fund Balances	-	(21,728)	(27,957)	38,709
Fund Balances, Beginning of Year	-	3,218,496	917,222	156,567
Fund Balances, End of Year	\$ -	\$ 3,196,768	\$ 889,265	\$ 195,276

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Federal and State Grants	Proposition A	Proposition C	AB 2766
Revenues:				
Taxes	\$ -	\$ 601,192	\$ 499,530	\$ -
Intergovernmental	-	-	300,179	32,453
Charges for services	-	12,160	-	-
Use of money and property	-	1,148	34,496	1,248
Miscellaneous	-	17,825	-	-
Total Revenues	-	632,325	834,205	33,701
Expenditures:				
Current:				
Public safety	-	-	-	-
Culture and recreation	-	865,460	-	-
Public works	-	-	-	9,528
Capital outlay	-	-	358,488	-
Total Expenditures	-	865,460	358,488	9,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(233,135)	475,717	24,173
Other Financing Sources (Uses):				
Transfers in	-	53,472	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	53,472	-	-
Net Change in Fund Balances	-	(179,663)	475,717	24,173
Fund Balances, Beginning of Year	(22,488)	179,663	3,572,234	145,803
Fund Balances, End of Year	\$ (22,488)	\$ -	\$ 4,047,951	\$ 169,976

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Measure R	Underground Assessment District	
Revenues:			
Taxes	\$ 372,156	\$ -	\$ 1,852,226
Intergovernmental	-	-	1,704,294
Charges for services	-	-	33,025
Use of money and property	9,974	1,789	84,832
Miscellaneous	-	-	17,825
Total Revenues	382,130	1,789	3,692,202
Expenditures:			
Current:			
Public safety	-	-	100,386
Culture and recreation	-	-	865,460
Public works	-	-	649,448
Capital outlay	25,299	-	1,705,833
Total Expenditures	25,299	-	3,321,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	356,831	1,789	371,075
Other Financing Sources (Uses):			
Transfers in	-	-	296,796
Transfers out	(53,472)	-	(53,472)
Total Other Financing Sources (Uses)	(53,472)	-	243,324
Net Change in Fund Balances	303,359	1,789	614,399
Fund Balances, Beginning of Year	875,937	586,592	9,630,026
Fund Balances, End of Year	\$ 1,179,296	\$ 588,381	\$ 10,244,425

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING AND LANDSCAPE
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	379,200	379,200	375,731	(3,469)
Charges for services	25,291	25,291	20,865	(4,426)
Transfers in	225,447	225,447	243,324	17,877
Amounts Available for Appropriations	629,938	629,938	639,920	9,982
Charges to Appropriation (Outflow):				
Public works	629,938	633,438	639,920	(6,482)
Total Charges to Appropriations	629,938	633,438	639,920	(6,482)
Budgetary Fund Balance, June 30	\$ -	\$ (3,500)	\$ -	\$ 3,500

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,218,496	\$ 3,218,496	\$ 3,218,496	\$ -
Resources (Inflows):				
Taxes	155,000	155,000	3,617	(151,383)
Intergovernmental	1,097,100	1,544,600	1,219,642	(324,958)
Use of money and property	25,666	25,666	26,820	1,154
Amounts Available for Appropriations	4,496,262	4,943,762	4,468,575	(475,187)
Charges to Appropriation (Outflow):				
Capital outlay	1,115,000	3,663,657	1,271,807	2,391,850
Total Charges to Appropriations	1,115,000	3,663,657	1,271,807	2,391,850
Budgetary Fund Balance, June 30	\$ 3,381,262	\$ 1,280,105	\$ 3,196,768	\$ 1,916,663

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 917,222	\$ 917,222	\$ 917,222	\$ -
Resources (Inflows):				
Intergovernmental	-	-	52,020	52,020
Use of money and property	8,053	8,053	7,866	(187)
Amounts Available for Appropriations	925,275	925,275	977,108	51,833
Charges to Appropriation (Outflow):				
Public safety	192,615	146,273	56,814	89,459
Capital outlay	-	55,996	31,029	24,967
Transfers out	-	74,000	-	74,000
Total Charges to Appropriations	192,615	276,269	87,843	188,426
Budgetary Fund Balance, June 30	\$ 732,660	\$ 649,006	\$ 889,265	\$ 240,259

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY GRANTS
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 156,567	\$ 156,567	\$ 156,567	\$ -
Resources (Inflows):				
Intergovernmental	-	-	100,000	100,000
Use of money and property	1,300	1,300	1,491	191
Amounts Available for Appropriations	157,867	157,867	258,058	100,191
Charges to Appropriation (Outflow):				
Public safety	-	102,882	43,572	59,310
Capital outlay	-	64,710	19,210	45,500
Total Charges to Appropriations	-	167,592	62,782	104,810
Budgetary Fund Balance, June 30	\$ 157,867	\$ (9,725)	\$ 195,276	\$ 205,001

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 179,663	\$ 179,663	\$ 179,663	\$ -
Resources (Inflows):				
Taxes	599,798	599,798	601,192	1,394
Charges for services	10,800	10,800	12,160	1,360
Use of money and property	716	716	1,148	432
Miscellaneous	14,000	14,000	17,825	3,825
Transfers in	103,967	103,967	53,472	(50,495)
Amounts Available for Appropriations	908,944	908,944	865,460	(43,484)
Charges to Appropriation (Outflow):				
Culture and recreation	729,281	729,281	865,460	(136,179)
Total Charges to Appropriations	729,281	729,281	865,460	(136,179)
Budgetary Fund Balance, June 30	\$ 179,663	\$ 179,663	\$ -	\$ (179,663)

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,572,234	\$ 3,572,234	\$ 3,572,234	\$ -
Resources (Inflows):				
Taxes	497,517	497,517	499,530	2,013
Intergovernmental	11,159,325	12,483,380	300,179	(12,183,201)
Use of money and property	28,266	28,266	34,496	6,230
Amounts Available for Appropriations	15,257,342	16,581,397	4,406,439	(12,174,958)
Charges to Appropriation (Outflow):				
Capital outlay	12,785,472	14,824,446	358,488	14,465,958
Total Charges to Appropriations	12,785,472	14,824,446	358,488	14,465,958
Budgetary Fund Balance, June 30	\$ 2,471,870	\$ 1,756,951	\$ 4,047,951	\$ 2,291,000

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE

AB 2766

YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 145,803	\$ 145,803	\$ 145,803	\$ -
Resources (Inflows):				
Intergovernmental	40,000	40,000	32,453	(7,547)
Use of money and property	3,287	3,287	1,248	(2,039)
Amounts Available for Appropriations	189,090	189,090	179,504	(9,586)
Charges to Appropriation (Outflow):				
Public works	8,068	8,068	9,528	(1,460)
Capital outlay	89,000	89,000	-	89,000
Total Charges to Appropriations	97,068	97,068	9,528	87,540
Budgetary Fund Balance, June 30	\$ 92,022	\$ 92,022	\$ 169,976	\$ 77,954

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 875,937	\$ 875,937	\$ 875,937	\$ -
Resources (Inflows):				
Taxes	373,137	373,137	372,156	(981)
Use of money and property	7,608	7,608	9,974	2,366
Amounts Available for Appropriations	1,256,682	1,256,682	1,258,067	1,385
Charges to Appropriation (Outflow):				
Capital outlay	-	50,000	25,299	24,701
Transfers out	103,967	103,967	53,472	50,495
Total Charges to Appropriations	103,967	153,967	78,771	75,196
Budgetary Fund Balance, June 30	\$ 1,152,715	\$ 1,102,715	\$ 1,179,296	\$ 76,581

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,645,220	\$ 8,645,220	\$ 8,645,220	\$ -
Resources (Inflows):				
Taxes	586,659	586,659	626,635	39,976
Licenses and permits	10,902	10,902	29,072	18,170
Intergovernmental	-	2,834,851	2,310	(2,832,541)
Charges for services	650,000	650,000	732,286	82,286
Use of money and property	3,000	3,000	3,921	921
Fines and forfeitures	114,470	114,470	128,736	14,266
Miscellaneous	-	20,000	19,974	(26)
Transfers in	763,073	763,073	763,073	-
Proceeds from sale of capital asset	-	-	691,871	691,871
Amounts Available for Appropriations	10,773,324	13,628,175	11,643,098	(1,985,077)
Charges to Appropriation (Outflow):				
Culture and recreation	12,820	14,720	1,552	13,168
Capital outlay	2,000,000	6,912,147	1,046,157	5,865,990
Debt service:				
Principal retirement	11,645,000	480,000	480,000	-
Interest and fiscal charges	594,802	333,764	333,762	2
Total Charges to Appropriations	14,252,622	7,740,631	1,861,471	5,879,160
Budgetary Fund Balance, June 30	\$ (3,479,298)	\$ 5,887,544	\$ 9,781,627	\$ 3,894,083

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE
 UNDERGROUND ASSESSMENT DISTRICT
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 586,592	\$ 586,592	\$ 586,592	\$ -
Resources (Inflows):				
Use of money and property	1,125	1,125	1,789	664
Amounts Available for Appropriations	587,717	587,717	588,381	664
Budgetary Fund Balance, June 30	\$ 587,717	\$ 587,717	\$ 588,381	\$ 664

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Totals
	Stormwater	Refuse	County Parking Lot	State Pier and Parking Lot	
Assets:					
Current:					
Cash and investments	\$ 1,031,545	\$ 547,165	\$ 351,735	\$ 2,224,507	\$ 4,154,952
Receivables:					
Accounts	4,446	284,658	-	-	289,104
Total Current Assets	1,035,991	831,823	351,735	2,224,507	4,444,056
Noncurrent:					
Prepaid other post-employment benefits	6,092	9,138	2,437	2,437	20,104
Capital assets - net of accumulated depreciation	3,904,313	-	-	-	3,904,313
Total Noncurrent Assets	3,910,405	9,138	2,437	2,437	3,924,417
Total Assets	\$ 4,946,396	\$ 840,961	\$ 354,172	\$ 2,226,944	\$ 8,368,473
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 68,589	\$ 299,356	\$ 351,735	\$ 41,908	\$ 761,588
Total Current Liabilities	68,589	299,356	351,735	41,908	761,588
Total Liabilities	68,589	299,356	351,735	41,908	761,588
Net Position:					
Net investment in capital assets	3,904,313	-	-	-	3,904,313
Unrestricted	973,494	541,605	2,437	2,185,036	3,702,572
Total Net Position	4,877,807	541,605	2,437	2,185,036	7,606,885
Total Liabilities and Net Position	\$ 4,946,396	\$ 840,961	\$ 354,172	\$ 2,226,944	\$ 8,368,473

CITY OF MANHATTAN BEACH

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds				Totals
	Stormwater	Refuse	County Parking Lot	State Pier and Parking Lot	
Operating Revenues:					
Sales and service charges	\$ 344,556	\$ 3,965,882	\$ 773,409	\$ 575,723	\$ 5,659,570
Miscellaneous	-	-	-	4,344	4,344
Total Operating Revenues	344,556	3,965,882	773,409	580,067	5,663,914
Operating Expenses:					
Salaries	71,936	95,242	12,656	12,656	192,490
Employee benefits	24,635	34,251	5,857	5,858	70,601
Contract and professional services	457,343	3,356,993	62,879	200,787	4,078,002
Materials and services	47,919	54,691	23,296	89,656	215,562
Utilities	11,797	299	5,794	48,852	66,742
Administrative service charges	-	359,112	37,800	98,436	495,348
Leases and rents	-	-	425,376	-	425,376
Depreciation expense	151,757	-	-	-	151,757
Total Operating Expenses	765,387	3,900,588	573,658	456,245	5,695,878
Operating Income (Loss)	(420,831)	65,294	199,751	123,822	(31,964)
Nonoperating Revenues (Expenses):					
Interest revenue	6,077	4,954	-	12,183	23,214
Grant revenue	-	19,880	-	-	19,880
Total Nonoperating Revenues (Expenses)	6,077	24,834	-	12,183	43,094
Income (Loss) Before Transfers	(414,754)	90,128	199,751	136,005	11,130
Transfers out	-	-	(200,458)	-	(200,458)
Changes in Net Position	<u>\$ (414,754)</u>	<u>\$ 90,128</u>	<u>\$ (707)</u>	<u>\$ 136,005</u>	<u>\$ (189,328)</u>
Net Position:					
Beginning of Year, as originally reported	\$ 5,292,561	\$ 1,070,185	\$ 3,144	\$ 2,049,031	\$ 8,414,921
Restatements	-	(618,708)	-	-	(618,708)
Beginning of Fiscal Year, as restated	5,292,561	451,477	3,144	2,049,031	7,796,213
Changes in Net Position	(414,754)	90,128	(707)	136,005	(189,328)
End of Fiscal Year	<u>\$ 4,877,807</u>	<u>\$ 541,605</u>	<u>\$ 2,437</u>	<u>\$ 2,185,036</u>	<u>\$ 7,606,885</u>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Totals
	Stormwater	Refuse	County Parking Lot	State Pier and Parking Lot	
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 401,238	\$ 3,991,925	\$ 773,409	\$ 580,067	\$ 5,746,639
Cash paid to suppliers for goods and services	(494,501)	(3,806,789)	(478,323)	(444,746)	(5,224,359)
Cash paid to employees for services	(94,802)	(126,840)	(17,806)	(17,807)	(257,255)
Net Cash Provided (Used) by Operating Activities	(188,065)	58,296	277,280	117,514	265,025
Cash Flows from Non-Capital Financing Activities:					
Cash transfers out	-	-	(200,458)	-	(200,458)
Grant Subsidy	-	19,880	-	-	19,880
Street sweeping fee refunds	-	(618,708)	-	-	(618,708)
Net Cash Provided (Used) by Non-Capital Financing Activities	-	(598,828)	(200,458)	-	(799,286)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(39,746)	-	-	-	(39,746)
Net Cash Provided (Used) by Capital and Related Financing Activities	(39,746)	-	-	-	(39,746)
Cash Flows from Investing Activities:					
Interest received	6,077	4,954	-	12,183	23,214
Net Cash Provided (Used) by Investing Activities	6,077	4,954	-	12,183	23,214
Net Increase (Decrease) in Cash and Cash Equivalents	(221,734)	(535,578)	76,822	129,697	(550,793)
Cash and Cash Equivalents at Beginning of Year	1,253,279	1,082,743	274,913	2,094,810	4,705,745
Cash and Cash Equivalents at End of Year	\$ 1,031,545	\$ 547,165	\$ 351,735	\$ 2,224,507	\$ 4,154,952
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (420,831)	\$ 65,294	\$ 199,751	\$ 123,822	\$ (31,964)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	151,757	-	-	-	151,757
(Increase) decrease in accounts receivable	56,682	26,043	-	-	82,725
(Increase) decrease in prepaid other post-employment benefits	1,769	2,653	707	707	5,836
Increase (decrease) in accounts payable	22,558	(35,694)	76,822	(7,015)	56,671
Total Adjustments	232,766	(6,998)	77,529	(6,308)	296,989
Net Cash Provided (Used) by Operating Activities	\$ (188,065)	\$ 58,296	\$ 277,280	\$ 117,514	\$ 265,025

Non-Cash Investing, Capital, and Financing Activities:

There was no non-cash investing, capital and financing activities during the fiscal year.



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CITY OF MANHATTAN BEACH

JUNE 30, 2014

INTERNAL SERVICE FUNDS

Internal Service Funds have been established to finance, administer and account for the provision of goods and services to all funds and all departments on a cost-reimbursement basis.

Insurance Reserve Fund is used to account for the City's self-insured workers' compensation and general liability programs. The fund collects premiums from departments based on claims history.

Information Systems Fund is used to account for the operation, maintenance and replacement of the City's Information Systems including the citywide network and related hardware and software. Revenues are generated from charges to departments based on the number of PCs in use.

Fleet Management Fund is used to account for the operation, maintenance and replacement of City vehicles. Revenues are generated from vehicle rental charges to departments based upon the number, type and age of vehicles utilized.

Building Maintenance and Operations Fund is used to account for the operation and maintenance of certain City facilities. Revenues are generated by charges to user departments based on the number of personnel in the department.

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Governmental Activities - Internal Service Funds				Totals
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	
Assets:					
Current:					
Cash and investments	\$ 10,387,576	\$ 485,178	\$ 1,996,465	\$ 224,124	\$ 13,093,343
Inventories	-	-	-	108,125	108,125
Total Current Assets	10,387,576	485,178	1,996,465	332,249	13,201,468
Noncurrent:					
Prepaid other post-employment benefits	12,183	24,364	24,364	24,364	85,275
Capital assets - net of accumulated depreciation	-	-	5,651,206	-	5,651,206
Total Noncurrent Assets	12,183	24,364	5,675,570	24,364	5,736,481
Total Assets	\$ 10,399,759	\$ 509,542	\$ 7,672,035	\$ 356,613	\$ 18,937,949
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 25,910	\$ 66,317	\$ 70,691	\$ 228,338	\$ 391,256
Accrued liabilities	-	768	-	-	768
Capital leases	-	-	187,522	-	187,522
Workers' compensation claims	5,346,087	-	-	-	5,346,087
Accrued claims and judgments	693,695	-	-	-	693,695
Total Current Liabilities	6,065,692	67,085	258,213	228,338	6,619,328
Noncurrent:					
Capital leases	-	-	531,820	-	531,820
Workers' compensation claims	3,366,609	-	-	-	3,366,609
Accrued claims and judgments	480,051	-	-	-	480,051
Total Noncurrent Liabilities	3,846,660	-	531,820	-	4,378,480
Total Liabilities	9,912,352	67,085	790,033	228,338	10,997,808
Net Position:					
Net investment in capital assets	-	-	4,931,864	-	4,931,864
Unrestricted	487,407	442,457	1,950,138	128,275	3,008,277
Total Net Position	487,407	442,457	6,882,002	128,275	7,940,141
Total Liabilities and Net Position	\$ 10,399,759	\$ 509,542	\$ 7,672,035	\$ 356,613	\$ 18,937,949

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds				
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Totals
Operating Revenues:					
Sales and service charges	\$ 5,344,610	\$ 1,531,294	\$ 2,430,056	\$ 1,747,970	\$ 11,053,930
Miscellaneous	-	-	515	770	1,285
Total Operating Revenues	5,344,610	1,531,294	2,430,571	1,748,740	11,055,215
Operating Expenses:					
Salaries	149,870	625,241	236,671	350,616	1,362,398
Employee benefits	54,854	156,577	90,022	103,215	404,668
Contract for professional services	18,177	284,523	85,064	662,377	1,050,141
Materials and services	441,155	401,714	657,238	493,520	1,993,627
Utilities	7,309	2,436	-	108,581	118,326
Claims expense	5,172,418	-	-	-	5,172,418
Depreciation expense	-	-	733,026	-	733,026
Total Operating Expenses	5,843,783	1,470,491	1,802,021	1,718,309	10,834,604
Operating Income (Loss)	(499,173)	60,803	628,550	30,431	220,611
Nonoperating Revenues (Expenses):					
Interest expense	-	-	(13,361)	-	(13,361)
Gain (loss) on disposal of capital assets	-	-	77,895	-	77,895
Total Nonoperating Revenues (Expenses)	-	-	64,534	-	64,534
Changes in Net Position	(499,173)	60,803	693,084	30,431	285,145
Net Position:					
Beginning of Year	986,580	381,654	6,188,918	97,844	7,654,996
End of Fiscal Year	\$ 487,407	\$ 442,457	\$ 6,882,002	\$ 128,275	\$ 7,940,141

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds				
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Totals
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ -	\$ -	\$ 515	\$ 770	\$ 1,285
Cash received from/(paid to) interfund service provided	5,344,610	1,531,294	2,430,056	1,747,970	11,053,930
Cash paid to suppliers for goods and services	(4,652,655)	(661,431)	(1,016,487)	(1,116,558)	(7,447,131)
Cash paid to employees for services	(201,187)	(774,743)	(319,618)	(446,756)	(1,742,304)
Net Cash Provided (Used) by Operating Activities	490,768	95,120	1,094,466	185,426	1,865,780
Cash Flows from Non-Capital Financing Activities:					
Grant subsidy	-	-	10,000	-	10,000
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	10,000	-	10,000
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	-	(2,127,456)	-	(2,127,456)
Principal paid on capital debt	-	-	(184,499)	-	(184,499)
Interest paid on capital debt	-	-	(13,361)	-	(13,361)
Proceeds from sales of capital assets	-	-	163,892	-	163,892
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(2,161,424)	-	(2,161,424)
Net Increase (Decrease) in Cash and Cash Equivalents	490,768	95,120	(1,056,958)	185,426	(285,644)
Cash and Cash Equivalents at Beginning of Year	9,896,808	390,058	3,053,423	38,698	13,378,987
Cash and Cash Equivalents at End of Year	\$ 10,387,576	\$ 485,178	\$ 1,996,465	\$ 224,124	\$ 13,093,343
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (499,173)	\$ 60,803	\$ 628,550	\$ 30,431	\$ 220,611
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	-	-	733,026	-	733,026
(Increase) decrease in prepaid expense	-	-	975	-	975
(Increase) decrease in prepaid other post-employment benefits	3,537	7,075	7,075	7,075	24,762
(Increase) decrease in inventory	-	-	-	1,757	1,757
Increase (decrease) in accounts payable	16,185	27,242	(275,160)	146,163	(85,570)
Increase (decrease) in workers' compensation claims	924,597	-	-	-	924,597
Increase (decrease) in claims and judgments	45,622	-	-	-	45,622
Total Adjustments	989,941	34,317	465,916	154,995	1,645,169
Net Cash Provided (Used) by Operating Activities	\$ 490,768	\$ 95,120	\$ 1,094,466	\$ 185,426	\$ 1,865,780

Non-Cash Investing, Capital, and Financing Activities:
There was no non-cash investing, capital and financing activities during the fiscal year.

CITY OF MANHATTAN BEACH

JUNE 30, 2014

AGENCY FUNDS

Agency funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Special Assessment Redemption Fund is used to account for special assessment collections for debt service for the underground assessment bonds that the City remits to the fiscal agent.

Special Deposits Fund is used to account for 401(a) plan deposits, utility development deposits, art development fees and other miscellaneous deposits.

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2014

	Special Assessment Redemption	Special Deposits	Totals
Assets:			
Pooled cash and investments	\$ 825,381	\$ 334,781	\$ 1,160,162
Receivables:			
Accounts	20,969	-	20,969
Restricted assets:			
Cash and investments with fiscal agents	968,763	3,410	972,173
Total Assets	\$ 1,815,113	\$ 338,191	\$ 2,153,304
Liabilities:			
Accounts payable	\$ -	\$ 10,072	\$ 10,072
Art development fees	-	297,663	297,663
Deposits payable	-	30,456	30,456
Due to bond holders	1,815,113	-	1,815,113
Total Liabilities	\$ 1,815,113	\$ 338,191	\$ 2,153,304

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2014

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
<u>Special Assessment Redemption</u>				
Assets:				
Pooled cash and investments	\$ 807,288	\$ 1,921,844	\$ 1,903,751	\$ 825,381
Receivables:				
Accounts	18,916	20,969	18,916	20,969
Restricted assets:				
Cash and investments with fiscal agents	968,763	-	-	968,763
Total Assets	\$ 1,794,967	\$ 1,942,813	\$ 1,922,667	\$ 1,815,113
Liabilities:				
Due to bondholders	\$ 1,794,967	\$ 4,793,608	\$ 4,773,462	\$ 1,815,113
Total Liabilities	\$ 1,794,967	\$ 4,793,608	\$ 4,773,462	\$ 1,815,113
<u>Special Deposits</u>				
Assets:				
Pooled cash and investments	\$ 473,489	\$ 237,783	\$ 376,491	\$ 334,781
Restricted assets:				
Cash and investments with fiscal agents	2,252,713	5,908,151	8,157,454	3,410
Total Assets	\$ 2,726,202	\$ 6,145,934	\$ 8,533,945	\$ 338,191
Liabilities:				
Accounts payable	\$ 13,657	\$ 183,305	\$ 186,890	\$ 10,072
401(a) plan deposits	2,249,203	429,144	2,678,347	-
Art development fees	414,158	66,840	183,335	297,663
Other deposits	49,184	170,942	189,670	30,456
Total Liabilities	\$ 2,726,202	\$ 850,231	\$ 3,238,242	\$ 338,191
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 1,280,777	\$ 2,159,627	\$ 2,280,242	\$ 1,160,162
Receivables:				
Accounts	18,916	20,969	18,916	20,969
Restricted assets:				
Cash and investments with fiscal agents	3,221,476	5,908,151	8,157,454	972,173
Total Assets	\$ 4,521,169	\$ 8,088,747	\$ 10,456,612	\$ 2,153,304
Liabilities:				
Accounts payable	\$ 13,657	\$ 183,305	\$ 186,890	\$ 10,072
401(a) plan deposits	2,249,203	429,144	2,678,347	-
Art development fees	414,158	66,840	183,335	297,663
Deposits payable	49,184	170,942	189,670	30,456
Due to bond holders	1,794,967	4,793,608	4,773,462	1,815,113
Total Liabilities	\$ 4,521,169	\$ 5,643,839	\$ 8,011,704	\$ 2,153,304



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Statistical Section (Unaudited)

This part of the City's Statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

A-2 to A-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

A-6 to A-14

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

A-15 to A-18

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

A-19 to A-21

Operating & Other Information

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

A-22 to A-25

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in FY2002-2003; schedules presenting government-wide information include information beginning in that year. Where ever possible and practical the City provided historical data as far back as ten years.*



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Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

City of Manhattan Beach
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities					
Net Investment in capital assets	\$ 70,373,993	\$ 87,848,227	\$ 93,644,407	\$ 94,464,084	\$ 95,603,960
Restricted:					
Debt Service & Restricted Cash	19,119,420	10,676,274	2,801,554	3,255,752	2,062,149
Special Revenue Funds	<u>5,493,705</u>	<u>5,659,610</u>	<u>5,209,486</u>	<u>5,291,992</u>	<u>6,003,666</u>
Total Restricted	24,613,125	16,335,884	8,011,040	8,547,744	8,065,815
Unrestricted	<u>26,283,278</u>	<u>24,859,010</u>	<u>28,892,839</u>	<u>28,048,237</u>	<u>27,972,613</u>
Total governmental activities net position	<u>\$ 121,270,396</u>	<u>\$ 129,043,121</u>	<u>\$ 130,548,286</u>	<u>\$ 131,060,065</u>	<u>\$ 131,642,388</u>
Business-type activities					
Net Investment in capital assets	\$ 17,903,955	\$ 21,672,031	\$ 23,447,692	24,736,571	24,967,604
Restricted:					
Business Improvement district	427,607	461,754	536,856	555,569	598,329
Debt Service & Restricted Cash	<u>3,648,074</u>	<u>1,400,471</u>	<u>1,210,265</u>	<u>1,210,061</u>	<u>1,213,448</u>
Total Restricted	4,075,681	1,862,225	1,747,121	1,765,630	1,811,777
Unrestricted	<u>14,842,196</u>	<u>14,888,040</u>	<u>14,310,331</u>	<u>13,556,500</u>	<u>12,660,558</u>
Total business-type activities net position	<u>\$ 36,821,832</u>	<u>\$ 38,422,296</u>	<u>\$ 39,505,144</u>	<u>\$ 40,058,701</u>	<u>\$ 39,439,939</u>
Primary government					
Net Investment in capital assets	\$ 88,277,948	\$ 109,520,258	\$ 117,092,099	\$ 119,200,655	\$ 120,571,564
Restricted:					
Business Improvement district	427,607	461,754	536,856	555,569	598,329
Debt Service & Restricted Cash	22,767,494	12,076,745	4,011,819	4,465,813	3,275,597
Special Revenue Funds	<u>5,493,705</u>	<u>5,659,610</u>	<u>5,209,486</u>	<u>5,291,992</u>	<u>6,003,666</u>
Total Restricted	28,688,806	18,198,109	9,758,161	10,313,374	9,877,592
Unrestricted	<u>41,125,474</u>	<u>39,747,050</u>	<u>43,203,170</u>	<u>41,604,737</u>	<u>40,633,171</u>
Total primary government net position	<u>\$ 158,092,228</u>	<u>\$ 167,465,417</u>	<u>\$ 170,053,430</u>	<u>\$ 171,118,766</u>	<u>\$ 171,082,327</u>

Fiscal Year Ending				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 94,713,693	\$ 93,795,303	\$ 93,795,301	\$ 98,930,447	\$ 100,924,816
1,960,662	1,999,346	2,062,187	1,130,434	977,888
<u>6,651,292</u>	<u>7,479,933</u>	<u>9,122,955</u>	<u>9,065,922</u>	<u>10,266,913</u>
8,611,954	9,479,279	11,185,142	10,196,356	11,244,801
<u>29,916,356</u>	<u>31,513,669</u>	<u>29,224,129</u>	<u>31,058,162</u>	<u>31,714,367</u>
<u>\$ 133,242,003</u>	<u>\$ 134,788,251</u>	<u>\$ 134,204,572</u>	<u>\$ 140,184,965</u>	<u>\$ 143,883,984</u>
25,485,791	27,111,091	28,293,829	33,902,701	34,342,910
508,617	517,072	523,928	520,514	532,510
<u>1,221,763</u>	<u>1,208,833</u>	<u>1,210,125</u>	<u>-</u>	<u>215,656</u>
1,730,380	1,725,905	1,734,053	520,514	748,166
<u>12,384,155</u>	<u>13,385,526</u>	<u>17,942,198</u>	<u>21,754,310</u>	<u>29,522,345</u>
<u>\$ 39,600,326</u>	<u>\$ 42,222,522</u>	<u>\$ 47,970,080</u>	<u>\$ 56,177,525</u>	<u>\$ 64,613,421</u>
\$ 120,199,484	\$ 120,906,394	\$ 122,089,130	\$ 132,833,148	\$ 135,267,726
508,617	517,072	523,928	520,514	532,510
3,182,425	3,208,179	3,272,312	1,130,434	1,193,544
<u>6,651,292</u>	<u>7,479,933</u>	<u>9,122,955</u>	<u>9,065,922</u>	<u>10,266,913</u>
10,342,334	11,205,184	12,919,195	10,716,870	11,992,967
<u>42,300,511</u>	<u>44,899,195</u>	<u>47,166,327</u>	<u>52,812,472</u>	<u>61,236,712</u>
<u>\$ 172,842,329</u>	<u>\$ 177,010,773</u>	<u>\$ 182,174,652</u>	<u>\$ 196,362,490</u>	<u>\$ 208,497,405</u>

City of Manhattan Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses					
Governmental activities:					
General government	\$ 7,814,392	\$ 7,070,028	\$ 9,057,584	\$ 9,090,991	\$ 9,528,102
Public Safety	23,756,438	24,270,798	27,134,132	31,752,170	29,889,347
Culture and recreation	4,772,150	4,724,704	5,593,739	6,031,938	5,811,982
Public Works	10,355,400	10,380,032	19,721,241	8,675,214	8,460,078
Interest on long-term debt	574,108	875,519	990,298	1,178,065	954,861
Total governmental activities expenses	<u>47,272,488</u>	<u>47,321,081</u>	<u>62,496,994</u>	<u>56,728,378</u>	<u>54,644,370</u>
Business-type activities:					
Water	6,516,122	6,535,885	7,303,547	7,500,615	7,844,741
Wastewater	338,986	1,143,541	1,268,737	1,279,325	1,938,298
Refuse	3,430,815	3,692,611	3,858,401	3,888,615	4,212,176
Parking	1,476,255	1,623,963	1,973,300	2,392,802	2,082,830
Total business-type activities expenses	<u>12,833,735</u>	<u>13,267,364</u>	<u>14,726,551</u>	<u>15,479,445</u>	<u>16,628,279</u>
Total primary government expenses	<u>\$ 60,106,223</u>	<u>\$ 60,588,445</u>	<u>\$ 77,223,545</u>	<u>\$ 72,207,823</u>	<u>\$ 71,272,649</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 5,311,693	\$ 5,425,563	\$ 4,535,955	\$ 4,265,277	\$ 3,881,178
Public Safety	2,877,951	2,925,278	3,433,570	4,206,318	4,299,002
Parks and recreation	1,945,432	1,965,118	2,261,707	2,336,374	2,449,945
Public works	1,277,149	1,168,167	2,673,037	2,683,443	2,492,418
Operating grants and contributions	2,571,735	2,767,865	1,933,403	2,250,606	2,078,062
Capital grants and contributions	4,795,086	5,598,244	10,923,007	679,865	1,105,439
Total governmental activities program revenues	<u>18,779,046</u>	<u>19,850,235</u>	<u>25,760,679</u>	<u>16,421,883</u>	<u>16,306,044</u>
Business-type activities:					
Charges for services:					
Water	6,776,437	6,976,473	7,227,008	6,860,563	7,380,055
Stormwater	346,906	345,327	353,929	338,208	347,162
Wastewater	1,325,721	1,310,622	1,333,639	1,275,553	1,317,713
Refuse	3,531,951	3,684,121	3,866,381	3,816,699	4,082,292
Parking	1,672,347	1,781,333	2,108,255	2,066,617	2,094,179
Operating grants and contributions	20,088	19,758	10,861	90,853	458,769
Capital grants and contributions	21,807	-	-	900,000	-
Total business-type activities program revenues	<u>13,695,257</u>	<u>14,117,634</u>	<u>14,900,073</u>	<u>15,348,493</u>	<u>15,680,170</u>
Total primary government program revenues	<u>\$ 32,474,303</u>	<u>\$ 33,967,869</u>	<u>\$ 40,660,752</u>	<u>\$ 31,770,376</u>	<u>\$ 31,986,214</u>

Fiscal Year Ending				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 10,308,925	\$ 9,464,347	\$ 9,489,937	\$ 8,659,381	\$ 11,102,480
28,879,836	30,686,086	32,190,597	33,374,733	34,955,520
5,853,076	6,018,205	5,761,135	5,798,599	7,062,072
7,906,172	8,338,105	8,369,506	8,044,071	7,256,983
811,710	769,374	820,494	791,358	384,950
53,759,719	55,276,117	56,631,669	56,668,142	60,762,005
8,214,250	8,326,398	8,523,452	8,857,744	9,235,903
1,685,881	1,692,812	1,740,453	2,024,852	2,068,755
4,282,026	4,386,842	4,205,443	4,167,310	3,900,588
2,190,580	2,352,386	2,888,269	3,385,556	2,963,610
16,747,250	17,168,626	18,109,874	18,838,376	18,934,243
\$ 70,506,969	\$ 72,444,743	\$ 74,741,543	\$ 75,506,518	\$ 79,696,248
\$ 4,085,381	\$ 3,883,959	\$ 4,223,405	\$ 4,535,499	\$ 4,950,743
4,576,210	4,765,404	4,783,038	5,172,443	4,154,836
2,577,883	3,029,554	2,805,841	2,470,359	2,798,673
2,512,225	3,440,572	4,134,599	3,792,239	3,563,085
2,224,949	1,322,867	1,183,103	1,847,316	1,638,522
1,399,366	1,504,759	2,554,310	2,032,724	2,314,830
17,376,014	17,947,115	19,684,296	19,850,580	19,420,689
7,887,900	9,557,717	12,578,908	14,916,283	16,275,584
360,926	347,602	352,860	345,821	344,556
1,820,756	2,620,669	3,087,150	3,406,077	3,626,144
4,110,342	4,189,639	4,363,739	4,426,190	3,965,882
2,544,834	3,008,206	3,396,749	3,506,309	3,761,948
-	19,638	33,209	69,937	19,880
57,398	-	-	500,000	-
16,782,156	19,743,471	23,812,615	27,170,617	27,993,994
\$ 34,158,170	\$ 37,690,586	\$ 43,496,911	\$ 47,021,197	\$ 47,414,683

City of Manhattan Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending				
	2005	2006	2007	2008	2009
Net (Expense)/Revenue					
Governmental activities	\$ (28,493,442)	\$ (27,470,846)	\$ (36,736,315)	\$ (40,306,495)	\$ (38,338,326)
Business-type activities	861,522	850,270	173,522	(130,952)	(948,109)
Total primary government net expense	<u>\$ (27,631,920)</u>	<u>\$ (26,620,576)</u>	<u>\$ (36,562,793)</u>	<u>\$ (40,437,447)</u>	<u>\$ (39,286,435)</u>
General Revenues and Other Changes					
Governmental activities:					
Taxes					
Property taxes	\$ 11,793,140	\$ 15,666,320	\$ 14,748,616	\$ 18,567,451	\$ 19,930,492
Sales taxes	7,903,191	8,072,906	8,104,778	8,230,387	7,436,912
Transient occupancy tax	2,449,326	3,186,359	3,665,741	3,995,411	3,507,775
Motor vehicle in lieu tax	2,472,372	835,709	2,753,900	157,143	105,883
Business license tax	2,316,232	2,501,180	2,464,239	2,747,098	2,767,070
Franchise taxes	903,490	1,149,740	1,200,503	1,168,383	1,185,406
Real estate transfer taxes	1,003,916	1,001,386	788,348	439,104	325,001
Rental income	1,625,068	1,788,242	2,260,408	2,201,037	2,021,352
Investment earnings	707,298	835,352	2,075,875	2,088,549	1,385,481
Other	327,376	410,374	-	1,254,482	145,047
Transfers	143,000	(204,000)	26,000	(30,771)	110,230
Total governmental activities	<u>\$ 31,644,409</u>	<u>\$ 35,243,568</u>	<u>\$ 38,088,408</u>	<u>\$ 40,818,274</u>	<u>\$ 38,920,649</u>
Business-type activities:					
Investment earnings	\$ 450,702	\$ 546,197	\$ 935,323	\$ 874,003	\$ 439,576
Transfers	(143,000)	204,000	(26,000)	30,771	(110,230)
Other	-	-	-	-	-
Total business-type activities	<u>\$ 307,702</u>	<u>\$ 750,197</u>	<u>\$ 909,323</u>	<u>\$ 904,774</u>	<u>\$ 329,346</u>
Total primary government	<u>\$ 31,952,111</u>	<u>\$ 35,993,765</u>	<u>\$ 38,997,731</u>	<u>\$ 41,723,048</u>	<u>\$ 39,249,995</u>
Change in Net Position					
Governmental activities	\$ 3,150,967	\$ 7,772,722	\$ 1,352,093	\$ 511,779	\$ 582,323
Business-type activities	1,169,224	1,600,467	1,082,845	773,822	(618,763)
Total primary government	<u>\$ 4,320,191</u>	<u>\$ 9,373,189</u>	<u>\$ 2,434,938</u>	<u>\$ 1,285,601</u>	<u>\$ (36,440)</u>

Exhibit A-3
Continued

Fiscal Year Ending				
2010	2011	2012	2013	2014
\$ (36,383,705)	\$ (37,329,002)	\$ (36,947,373)	\$ (36,817,562)	\$ (41,341,316)
34,906	2,574,845	5,702,741	8,332,241	9,059,751
<u>\$ (36,348,799)</u>	<u>\$ (34,754,157)</u>	<u>\$ (31,244,632)</u>	<u>\$ (28,485,321)</u>	<u>\$ (32,281,565)</u>
\$ 20,006,558	\$ 19,791,425	\$ 20,408,314	\$ 21,626,173	\$ 23,353,743
7,646,109	8,148,688	8,788,599	9,103,160	8,921,346
3,174,319	3,229,823	3,240,364	3,881,174	4,289,009
108,815	118,296	95,915	18,887	15,631
2,783,641	2,844,066	3,018,177	3,124,644	3,140,273
1,220,171	1,289,443	1,335,815	1,471,197	1,441,769
356,367	473,275	521,274	587,399	642,718
1,925,895	2,029,355	2,087,648	2,406,174	2,554,820
476,463	696,066	603,334	226,951	480,568
150,229	148,451	151,219	151,613	-
134,753	106,362	99,884	200,583	200,458
<u>\$ 37,983,320</u>	<u>\$ 38,875,250</u>	<u>\$ 40,350,543</u>	<u>\$ 42,797,955</u>	<u>\$ 45,040,335</u>
\$ 260,234	\$ 153,713	\$ 144,701	\$ 56,266	\$ 151,923
(134,753)	(106,362)	(99,884)	(200,583)	(200,458)
			19,521	43,388
<u>\$ 125,481</u>	<u>\$ 47,351</u>	<u>\$ 44,817</u>	<u>\$ (124,796)</u>	<u>\$ (5,147)</u>
<u>\$ 38,108,801</u>	<u>\$ 38,922,601</u>	<u>\$ 40,395,360</u>	<u>\$ 42,673,159</u>	<u>\$ 45,035,188</u>
\$ 1,599,615	\$ 1,546,248	\$ 3,403,170	\$ 5,980,393	\$ 3,699,019
160,387	2,622,196	5,747,558	8,207,445	9,054,604
<u>\$ 1,760,002</u>	<u>\$ 4,168,444</u>	<u>\$ 9,150,728</u>	<u>\$ 14,187,838</u>	<u>\$ 12,753,623</u>

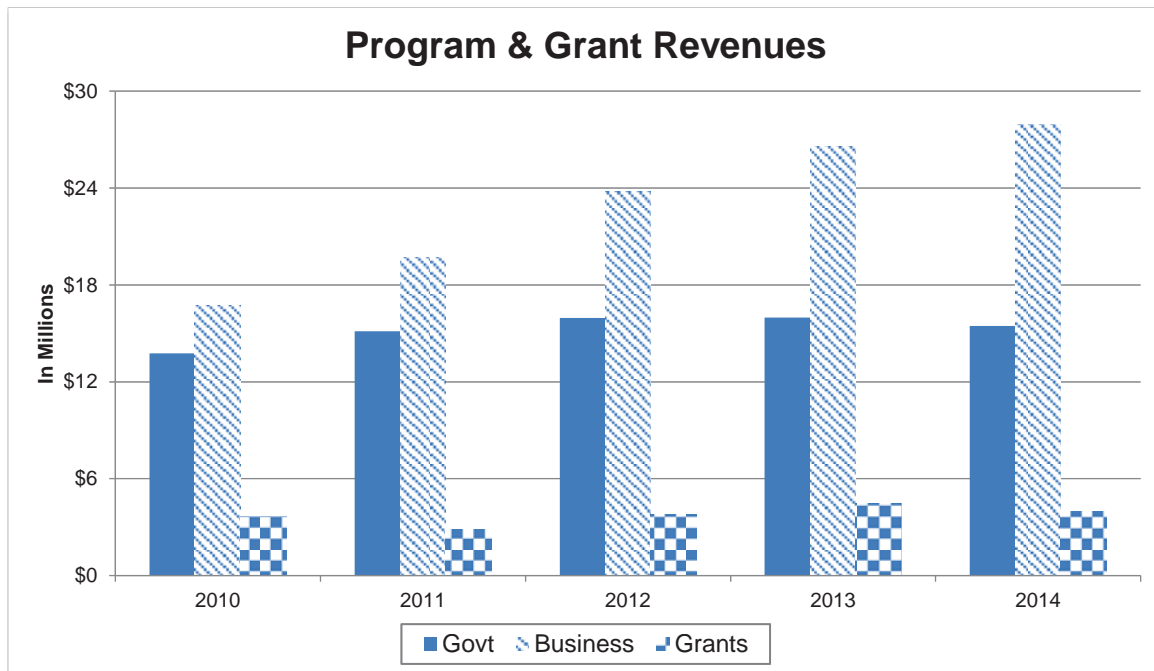


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City of Manhattan Beach
Program Revenues by Function/Program,
Last Five Fiscal Years
(accrual basis of accounting)

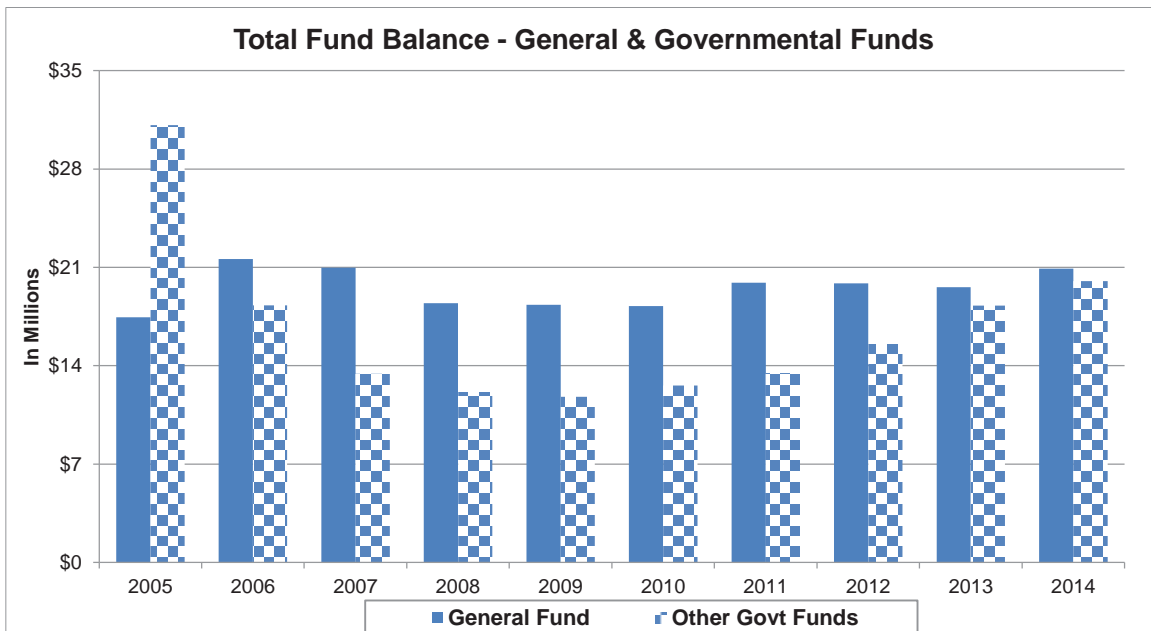
Exhibit A-4

	Fiscal Year				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 4,085,381	\$ 3,883,959	\$ 4,223,405	\$ 4,535,499	\$ 4,950,743
Public Safety	4,576,210	4,765,404	4,783,038	5,172,443	4,154,836
Culture and recreation	2,577,883	3,029,554	2,805,841	2,470,359	2,798,673
Public works	2,512,225	3,440,572	4,134,599	3,792,239	3,563,085
Operating grants and contributions	2,224,949	1,322,867	1,183,103	1,847,316	1,638,522
Capital grants and contributions	1,399,366	1,504,759	2,554,310	2,032,724	2,314,830
Total governmental activities program revenues	17,376,014	17,947,115	19,684,296	19,850,580	19,420,689
Business-type activities:					
Charges for services:					
Water	7,887,900	9,557,717	12,578,908	14,916,283	16,275,584
Stormwater	360,926	347,602	352,860	345,821	344,556
Wastewater	1,820,756	2,620,669	3,087,150	3,406,077	3,626,144
Refuse	4,110,342	4,189,639	4,363,739	4,426,190	3,965,882
Parking	2,544,834	3,008,206	3,396,749	3,506,309	3,761,948
Operating grants and contributions	-	19,638	33,209	69,937	19,880
Capital grants and contributions	57,398	-	-	500,000	-
Total business-type activities program revenues	16,782,156	19,743,471	23,812,615	27,170,617	27,993,994
Total primary government program revenues	\$ 34,158,170	\$ 37,690,586	\$ 43,496,911	\$ 47,021,197	\$ 47,414,683



City of Manhattan Beach
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved					
Debt service & restricted cash	\$ 49,300	\$ 404,204	\$ 972,422	\$ 1,355,530	\$ 1,244,971
Encumbrances & other items	1,025,189	646,111	507,096	495,646	373,980
Unreserved	16,365,761	20,528,738	19,499,495	16,585,982	16,710,818
Nonspendable					
Prepaid costs					
Notes and loans					
Advances to other funds					
Restricted					
Debt service & restricted cash					
Unassigned					
Total General fund	17,440,250	21,579,053	20,979,013	18,437,158	18,329,769
All Other Governmental Funds					
Reserved					
Continuing Projects	\$7,795,003	\$9,916,842	\$6,094,070	\$4,642,305	\$4,618,592
Debt service & restricted cash	19,170,120	935,696	817,081	817,076	817,178
Encumbrances & other items	8,148	218,926	9,427	40,925	71,887
Unreserved, reported in:					
Special revenue funds	2,438,704	2,111,598	2,842,097	2,748,609	2,340,055
Capital projects funds	1,715,536	5,115,277	3,657,446	3,878,706	3,934,840
Nonspendable					
Notes and loans					
Advances to other funds					
Restricted					
Public safety					
Parks and recreation					
Public works					
Capital projects					
Debt service					
Committed					
Capital projects					
Unassigned					
Total all other governmental funds	31,127,511	18,298,339	13,420,121	12,127,621	11,782,552
Total all governmental funds	\$ 48,567,761	\$ 39,877,392	\$ 34,399,134	\$ 30,564,779	\$ 30,112,321



Source: City of Manhattan Beach Finance department historical CAFRs

		Fiscal Year Ending							
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>			
\$	1,143,587								
	213,938								
	16,888,308								
		\$	19,519	\$	48,989	\$	42,514	\$	46,823
			432,000		432,000		432,000		1,700,000
			-		-		22,488		-
			1,182,271		1,245,112		1,130,434		813,407
			18,270,832		18,134,492		17,961,324		18,338,105
		18,245,833	19,904,622	19,860,593	19,588,760	20,898,335			
	\$6,755,397								
	817,075								
	393,852								
	2,692,575								
	1,925,704								
			42,744		38,336		45,052		-
			1,073,000		771,100		469,200		-
			1,247,014		1,187,562		1,073,789	\$	1,084,541
			80,284		107,428		179,663		-
			3,324,947		4,558,434		4,826,828		4,546,040
			2,827,688		3,269,531		3,572,234		4,636,332
			817,075		817,075		8,278		164,481
			4,089,866		4,823,535		8,122,690		9,617,146
			(22,488)		(22,488)		(22,488)		(22,488)
		12,584,603	13,480,130	15,550,513	18,275,246	20,026,052			
\$	30,830,436	\$	33,384,752	\$	35,411,106	\$	37,864,006	\$	40,924,387



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Statistical Section

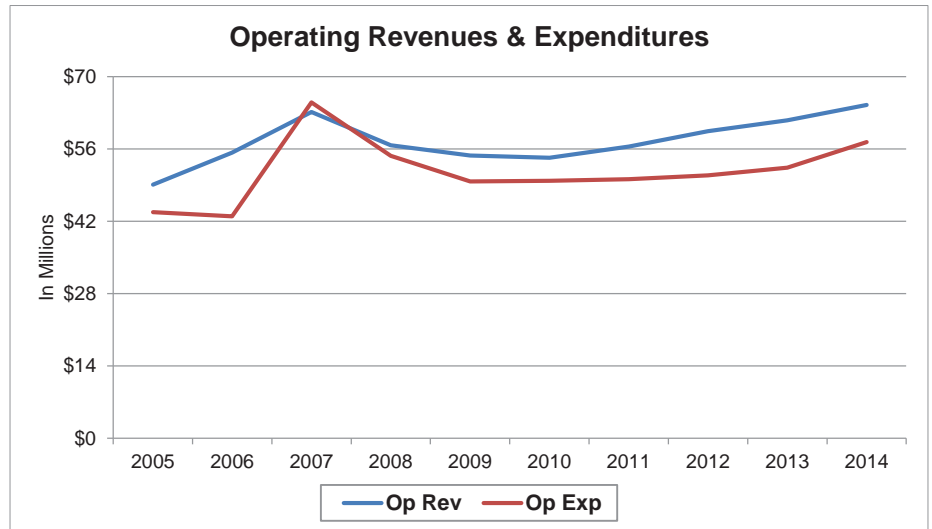
Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

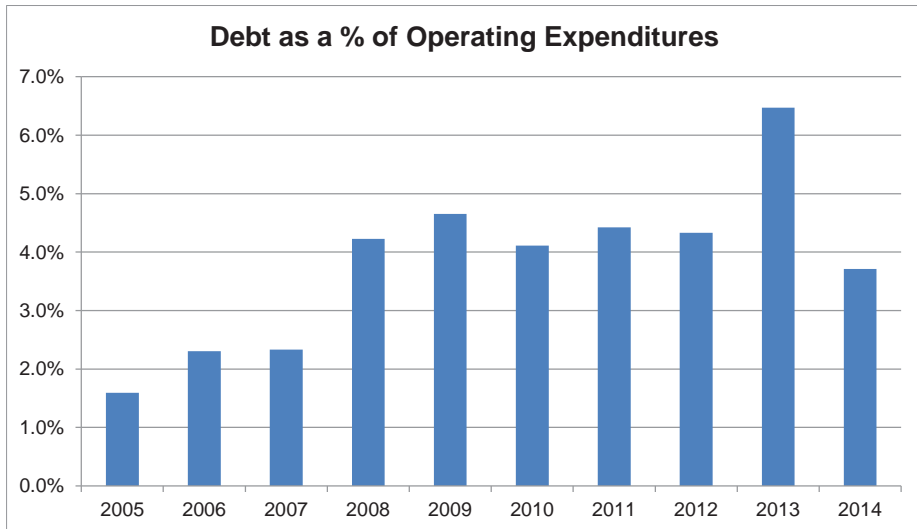
City of Manhattan Beach
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending				
	2005	2006	2007	2008	2009
Revenues					
Tax and assessments	\$ 26,907,138	\$ 33,026,089	\$ 35,261,246	\$ 36,933,447	\$ 36,839,471
Licenses, fees, and permits	1,560,346	1,810,681	1,686,922	1,463,207	1,200,529
Intergovernmental	4,623,276	2,994,138	3,007,764	2,147,817	2,072,660
Charges for services	7,218,915	7,400,197	7,812,110	8,013,155	8,202,164
Interest and Rents	2,863,553	3,354,041	3,845,001	3,939,191	3,607,997
Fines and forfeitures	1,910,757	1,895,506	2,153,078	2,169,402	2,400,483
Contributions from property owner	3,372,891	3,147,739	8,498,306	-	-
Net change fair value investments	(30,777)	(192,026)	353,642	350,394	(201,163)
Other revenues	705,588	1,863,937	553,241	1,707,735	634,524
Total revenues	49,131,687	55,300,302	63,171,310	56,724,348	54,756,665
Expenditures					
General government	7,120,760	7,452,850	8,646,822	9,808,544	9,215,265
Public Safety	22,735,205	24,020,705	33,302,747	31,354,970	28,727,983
Culture and recreation	4,592,628	4,680,871	5,328,693	6,027,462	5,599,052
Public works	9,303,463	6,819,825	17,737,634	7,500,615	6,207,990
Total operating expenditures	43,752,056	42,974,251	65,015,896	54,691,591	49,750,290
Excess of revenue over expenditures	5,379,631	12,326,051	(1,844,586)	2,032,757	5,006,375
Capital outlay	18,382,798	19,965,439	7,764,994	3,405,258	3,124,353
Debt service					
Interest	524,158	822,862	1,035,878	1,178,066	1,192,716
Principal	185,000	190,000	515,000	1,235,000	1,235,000
Cost of Issuance	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total Non Operating expenditures	19,091,956	20,978,301	9,315,872	5,818,324	5,552,069
Excess of revenues over expenditures	(13,712,325)	(8,652,250)	(11,160,458)	(3,785,567)	(545,694)
Other financing sources (Uses)					
Bonds issued	12,980,000	-	6,634,179	-	-
Premium on bonds issues	186,055	-	163,120	-	-
Proceeds from sale of capital assets	-	-	-	-	3,006
Transfers in	11,647,938	841,116	4,179,102	215,047	331,183
Transfers out	(12,554,938)	(1,045,116)	(5,497,006)	(263,835)	(220,953)
Other financing sources	-	-	-	-	-
Other financing uses	-	-	-	-	-
Total other financing sources (uses)	12,259,055	(204,000)	5,479,395	(48,788)	113,236
Prior Period Adjustment	-	165,882	202,807	-	(20,000)
Net change in fund balances	(1,453,270)	(8,690,368)	(5,478,256)	(3,834,355)	(452,458)

Debt - % of Operating Expenditures & Debt	1.6%	2.3%	2.3%	4.2%	4.7%
--	------	------	------	------	------



Fiscal Year Ending					
2010	2011	2012	2013	2014	
\$ 36,582,239	\$ 37,697,637	\$ 39,389,241	\$ 42,273,666	\$ 44,213,347	
1,200,347	1,289,183	1,418,230	1,513,821	1,759,180	
2,638,044	1,749,382	2,566,478	1,599,821	2,183,990	
8,291,275	9,396,606	9,706,289	9,202,436	10,253,540	
2,344,105	2,723,666	2,692,576	2,633,124	3,048,749	
2,984,868	2,867,072	2,805,559	2,588,865	2,566,436	
-	-	-	-	-	
58,253	(21,680)	(21,265)	(95,900)	30,910	
192,965	751,112	878,475	1,867,612	490,870	
54,292,096	56,452,978	59,435,583	61,583,445	64,547,022	
9,785,663	8,660,865	8,560,273	9,101,953	10,467,524	
28,461,175	29,176,141	30,449,560	30,470,567	33,525,828	
5,699,228	6,192,471	5,552,632	5,680,001	6,831,568	
5,923,828	6,149,939	6,369,092	7,155,292	6,527,537	
49,869,894	50,179,416	50,931,557	52,407,813	57,352,457	
4,422,202	6,273,562	8,504,026	9,175,632	7,194,565	
1,705,513	1,510,341	4,272,496	2,485,027	2,819,131	
811,711	896,096	820,494	640,413	379,123	
1,325,000	1,425,000	1,485,000	2,985,000	1,830,000	
-	-	-	150,944	-	
-	-	-	821,153	-	
3,842,224	3,831,437	6,577,990	7,082,537	5,028,254	
579,978	2,442,125	1,926,036	2,093,095	2,166,311	
-	-	-	-	-	
3,384	5,829	434	-	693,612	
424,211	830,712	3,353,075	3,770,569	1,260,327	
(289,458)	(724,350)	(3,253,191)	(3,569,986)	(1,059,869)	
-	-	-	11,010,846	-	
-	-	-	(10,851,624)	-	
138,137	112,191	100,318	359,805	894,070	
718,115	2,554,316	2,026,354	2,452,900	3,060,381	
4.1%	4.4%	4.3%	6.5%	3.7%	





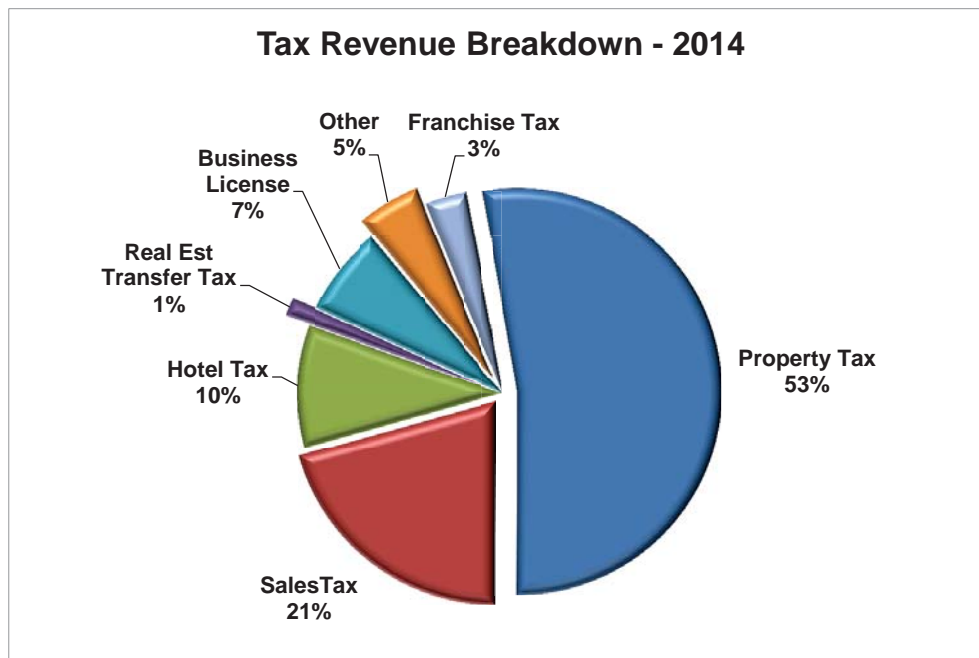
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City of Manhattan Beach
Taxes & Assessment Revenues by Source, Governmental Funds, and Assessment
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales & Use</u>	<u>Hotel</u>	<u>Franchise</u>	<u>Real Est Transfer</u>	<u>Business License</u>	<u>Other Taxes Assessments</u>	<u>Total</u>
2014	\$ 23,353,743	\$ 9,135,806	\$ 4,289,009	\$ 1,441,769	\$ 642,718	\$ 3,140,273	\$ 2,210,029	\$ 44,213,347
2013	21,626,173	9,103,160	3,881,174	1,471,197	587,399	3,124,644	2,479,919	42,273,666
2012	20,408,314	8,788,599	3,240,364	1,335,815	521,274	3,018,177	2,076,698	39,389,241
2011	19,791,425	8,148,688	3,229,823	1,289,443	473,280	2,844,066	1,920,912	37,697,637
2010	20,006,558	7,301,378	3,174,319	1,220,171	356,367	2,783,641	1,739,805	36,582,239
2009	19,930,492	7,480,516	3,507,774	1,185,406	325,001	2,767,070	1,643,212	36,839,471
2008	18,567,451	8,230,387	3,995,411	1,168,383	450,299	2,747,098	1,774,418	36,933,447
2007	17,116,975	8,416,844	3,665,741	1,200,503	788,347	2,464,239	1,608,597	35,261,246
2006	15,523,154	8,557,986	3,186,359	1,149,740	668,242	2,468,067	1,472,541	33,026,089
2005	11,652,108	7,581,885	2,449,326	903,490	688,616	2,285,524	1,346,189	26,907,138

Change

2005-2014	100.4%	20.5%	75.1%	59.6%	-6.7%	37.4%	64.2%	64.3%
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**City of Manhattan Beach
 Assessed Value and Estimated Actual Value of Taxable Property,
 Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property
2005	\$ 6,895,415,748	\$ 369,922,480	\$ 260,299,961	\$ 1,017,547,074
2006	7,674,008,480	714,543,660	265,885,057	753,424,800
2007	8,572,299,055	745,453,370	219,928,225	711,825,301
2008	9,427,136,444	796,972,539	224,326,781	737,961,261
2009	10,136,131,042	847,686,744	280,998,547	758,566,064
2010	10,279,360,710	870,969,553	286,618,511	760,569,467
2011	10,310,125,299	857,387,446	272,285,842	798,171,374
2012	10,639,403,753	900,787,632	355,749,068	624,994,067
2013	11,115,348,658	873,633,618	273,166,539	782,689,333
2014	11,778,259,052	922,429,548	275,869,861	810,528,769

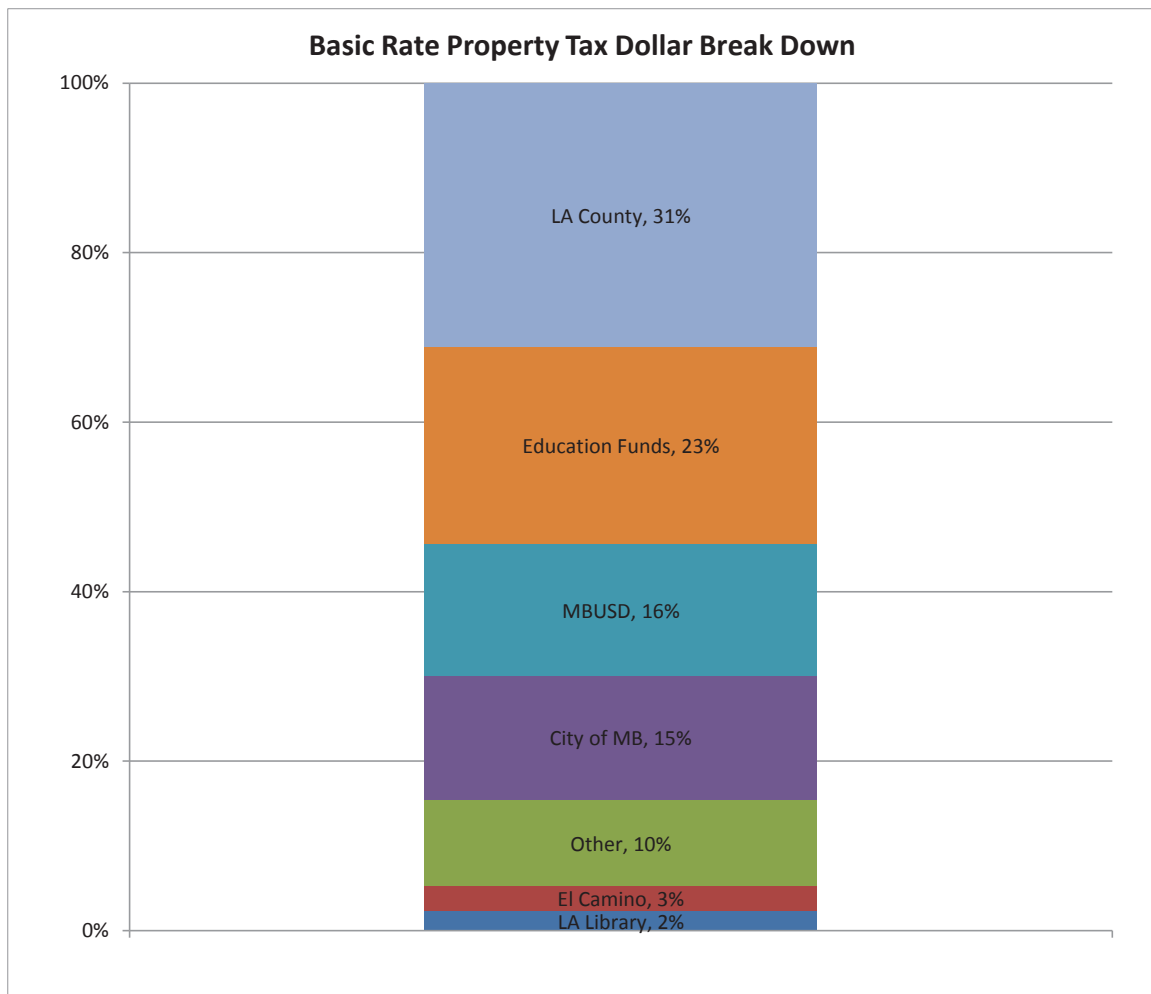
Total Assessed Value	Tax-Exempt Property	Total Direct Tax Rate	Net Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 8,543,185,263	\$ 305,194,535	0.14283%	\$ 8,216,800,523	103.972%
9,407,861,997	305,194,535	0.15692%	9,080,889,082	103.601%
10,249,505,951	301,140,884	0.15697%	9,925,464,834	103.265%
11,186,397,025	301,140,740	0.15793%	10,861,350,753	102.993%
12,023,382,397	301,140,740	0.15857%	11,697,899,600	102.782%
12,197,518,241	301,140,740	0.15842%	11,871,677,111	102.745%
12,237,969,961	301,140,740	0.15619%	11,913,602,319	102.723%
12,520,934,520	301,140,740	0.15928%	12,190,853,653	102.708%
13,044,838,148	301,114,939	0.15951%	12,713,329,765	102.608%
13,787,087,230	301,114,939	0.16012%	13,453,303,900	102.481%



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City of Manhattan Beach
 Direct and Overlapping Property Tax Rates,
 Last Ten Fiscal Years

Fiscal Year	City Direct Rates		Overlapping Rates						
	General Levy (Basic Rate)	Total Direct Rate	LA County	Colleges & School Districts	Metro Water District	Flood Control District	Total Overlap Rate	General Levy	Total Rate
2005	1.00000%	0.16664%	0.00092	0.05610	0.00580	0.00024	0.06306	1.00000	1.06306
2006	1.00000%	0.16706%	0.00080	0.05639	0.00520	0.00005	0.06244	1.00000	1.06244
2007	1.00000%	0.16733%	0.00066	0.07425	0.00470	0.00005	0.07966	1.00000	1.07966
2008	1.00000%	0.16758%	0.00000	0.05350	0.00450	0.00000	0.05800	1.00000	1.05800
2009	1.00000%	0.15857%	0.00000	0.11758	0.00430	0.00000	0.12188	1.00000	1.12188
2010	1.00000%	0.15842%	0.00000	0.11146	0.00430	0.00000	0.11576	1.00000	1.11576
2011	1.00000%	0.15619%	0.00000	0.14514	0.00370	0.00000	0.14884	1.00000	1.14884
2012	1.00000%	0.15928%	0.00000	0.11600	0.00370	0.00000	0.11970	1.00000	1.11970
2013	1.00000%	0.15951%	0.00000	0.15541	0.00350	0.00000	0.15891	1.00000	1.15891
2014	1.00000%	0.16012%	0.00000	0.16052	0.00350	0.00000	0.16402	1.00000	1.16402



**City of Manhattan Beach
Principal Property Tax Payers Based on Net Values,
Current Year and Ten Years Ago**

<u>Taxpayer</u>	2014	
	<u>Net Value</u>	<u>Percentage of Total City Net Value</u>
Northrop Grumman Systems Corp	\$ 193,256,841	1.44%
Reef America Reit II Corporation BBB	163,938,505	1.22%
CRP MB Studios LLC	138,000,000	1.03%
Host Marriott Corporation Interstate	87,376,549	0.65%
Parstem Realty Company Inc.	68,192,530	0.51%
1230 and 1240 Rosecrans Ave H	59,874,000	0.45%
Sketchers USA Inc.	38,551,832	0.29%
RIMB LLC	34,069,322	0.25%
St. Paul Properties Inc.	31,199,640	0.23%
Kinecta Federal Credit Union	27,666,943	0.21%
Top Ten Total	<u>\$ 842,126,162</u>	<u>6.28%</u>
City Total	<u><u>\$ 13,453,303,900</u></u>	

<u>Taxpayer</u>	2005	
	Net Value	Percentage of Total City Net Value
Northrop Grumman Systems Corp	\$ 207,312,658	2.52%
Shamrock MBS LLC	137,691,009	1.68%
Reef America Reit II Corporation BBB	110,857,296	1.35%
HSOV Manhattan Towers LP	62,702,724	0.76%
Pastem Realty Company Inc.	59,062,019	0.72%
TRW Inc	58,990,179	0.72%
Host Marriott Corporation Interstate	35,280,000	0.43%
Sketchers USA	27,914,291	0.34%
St Paul Properties Inc.	27,022,229	0.33%
Sunstone WB Manhattan Beach LLC	26,614,101	0.32%
	\$ 753,446,506	9.17%
	\$ 8,216,800,523	

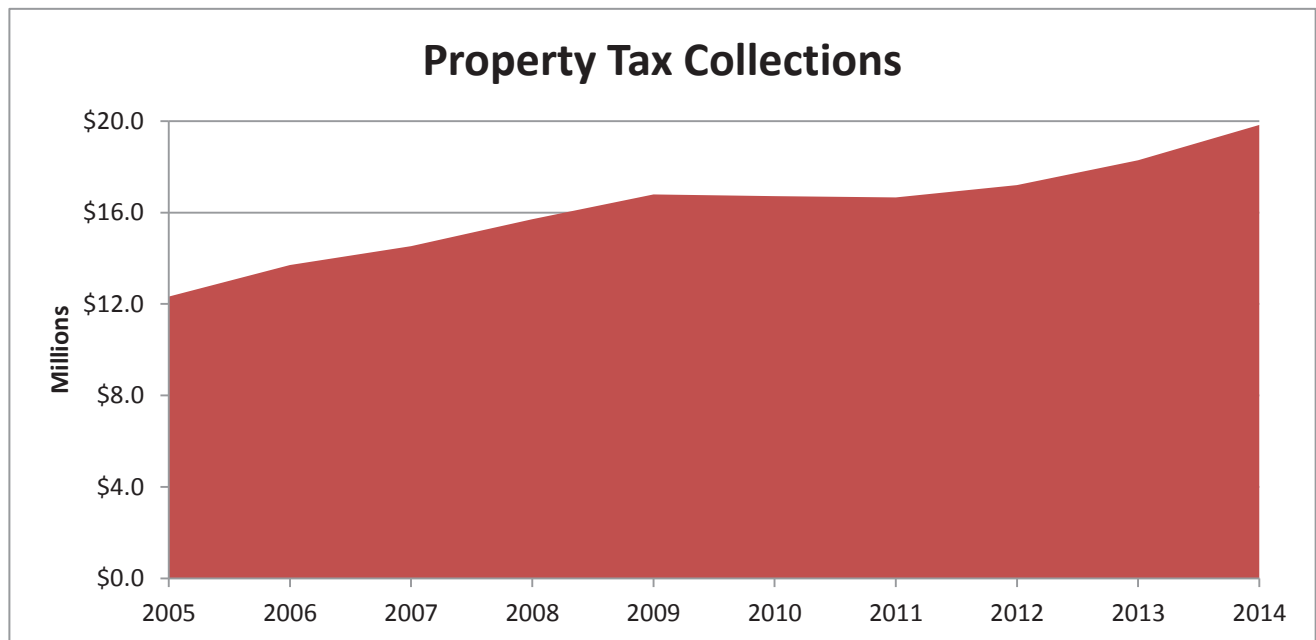


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**City of Manhattan Beach
Property Tax Levies and Collections,
Last Ten Fiscal Years**

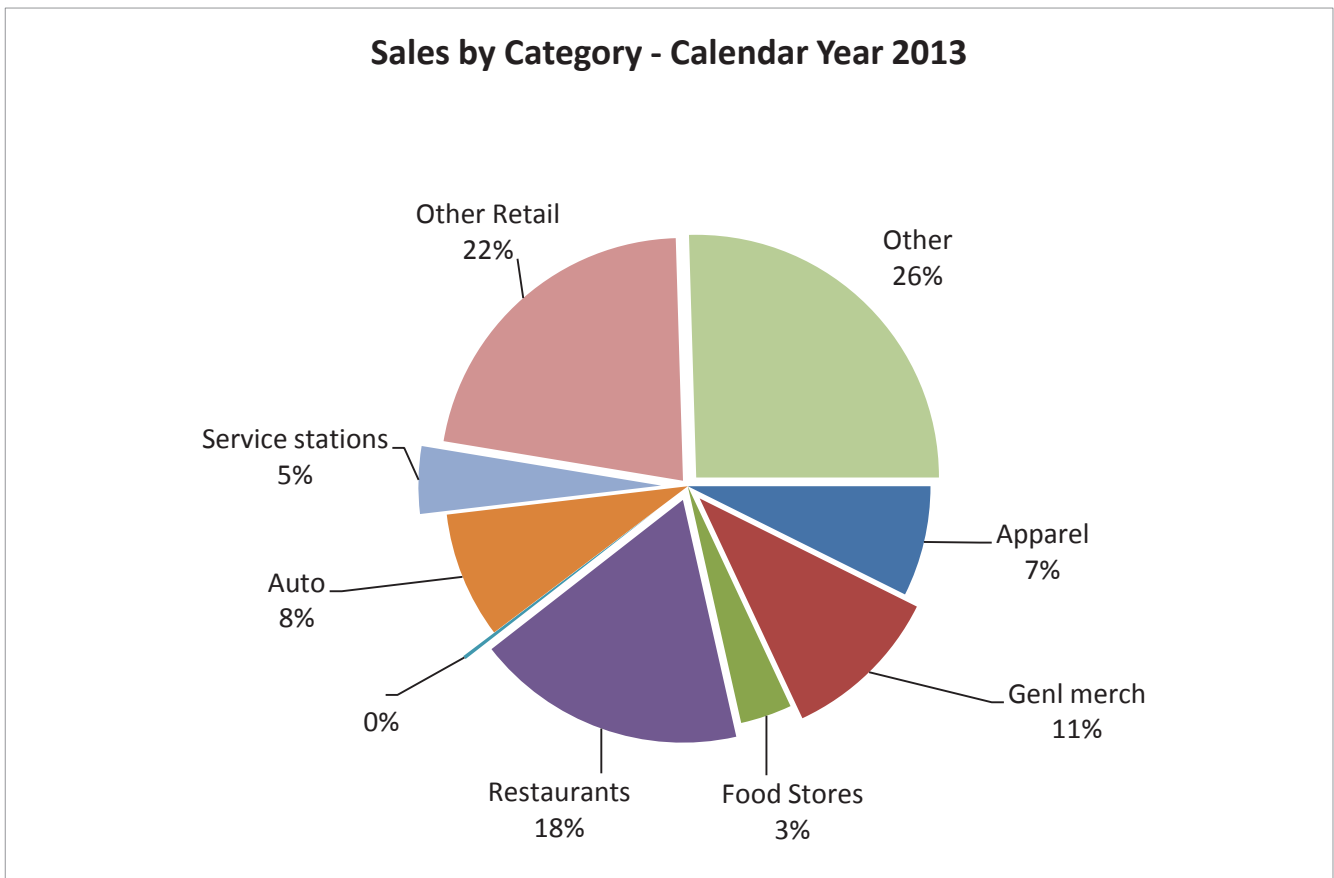
Exhibit A-11

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Prior Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$11,677,784	\$ 11,336,153	97.07%	\$ 923,375	\$ 12,326,299	105.55%
2006	12,944,802	12,527,975	96.78%	1,176,979	13,704,954	105.87%
2007	14,197,925	13,311,119	93.75%	1,219,824	14,530,943	102.35%
2008	15,564,989	14,643,132	94.08%	1,065,305	15,708,437	100.92%
2009	16,795,932	15,888,783	94.60%	902,280	16,791,063	99.97%
2010	17,041,081	16,054,348	94.21%	661,930	16,716,278	98.09%
2011	16,836,854	16,056,305	95.36%	604,649	16,660,953	98.96%
2012	17,529,077	16,865,345	96.21%	334,117	17,199,461	98.12%
2013	18,294,098	17,716,515	96.84%	569,183	18,285,698	99.95%
2014	19,402,284	19,103,356	98.46%	725,598	19,828,955	102.20%



**City of Manhattan Beach
Taxable Sales by Category,
Last Ten Calendar Years**
(in thousands of dollars)

	Calendar Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Apparel stores	\$ 67,532	\$ 70,601	\$ 74,378	\$ 73,718	\$ 68,636
General merchandise	108,179	109,968	114,822	118,771	112,692
Food stores	30,823	31,164	32,136	31,397	31,997
Eating and drinking establishments	119,712	128,303	137,030	139,470	145,481
Building Materials	3,116	3,129	3,229	2,994	2,592
Auto dealers and supplies	75,344	80,656	76,157	78,313	72,957
Service stations	29,693	34,472	34,577	33,604	37,510
Other retail stores	203,316	211,519	222,461	224,625	218,062
All other outlets	129,227	131,191	126,005	123,882	118,957
Total	<u>\$ 766,942</u>	<u>\$ 801,003</u>	<u>\$ 820,795</u>	<u>\$ 826,774</u>	<u>\$ 808,884</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%



Calendar Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 62,367	\$ 66,877	\$ 70,231	\$ 72,530	\$ 73,007
104,753	101,343	103,726	104,339	106,051
32,257	32,006	31,896	32,761	33,995
143,695	148,401	159,249	170,912	178,585
1,975	1,951	2,329	2,256	2,416
63,464	58,077	63,283	78,207	83,619
28,355	29,078	34,707	41,653	44,441
201,180	221,387	222,467	221,561	217,487
<u>104,763</u>	<u>167,418</u>	<u>221,449</u>	<u>246,666</u>	<u>252,837</u>
<u>\$ 742,809</u>	<u>\$ 826,538</u>	<u>\$ 909,337</u>	<u>\$ 970,885</u>	<u>\$ 992,438</u>
1.00%	1.00%	1.00%	1.00%	1.00%

**City of Manhattan Beach
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years**

Exhibit A-13

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>L.A. County</u>
2014	1.00%	.25%
2013	1.00%	.25%
2012	1.00%	.25%
2011	1.00%	.25%
2010	1.00%	.25%
2009	1.00%	.25%
2008	1.00%	.25%
2007	1.00%	.25%
2006	1.00%	.25%
2005	1.00%	.25%

**City of Manhattan Beach
Principal Sales Tax Remitters,
Fiscal Year Comparison**

Exhibit A-14

Tax Remitter

2014

Apple Store
Arco
AT&T Mobility
Barnes & Noble
BevMo
Chevron
Circle K
CVS Pharmacy
Dewitt Petroleum
Frys Electronics
Houston's
Macys
Manhattan Beach Marriott
Manhattan Beach Post
Manhattan Beach Toyota Scion
Old Navy
Olive Garden
Pottery Barn
Ralphs
REI
Sephora
Strand House Standbar
Target
Tin Roof Bistro
Trader Joes

2005

Barnes & Noble
Bristol Farms
California Pizza Kitchen
Chase Auto Leasing Corporation
Frys Electronics
Houston's
Islands
Kwik Gas
Macys (2)
Manhattan Beach Marriott
Manhattan Beach Toyota Scion
Mercedes Benz of South Bay
Mobil Oil
Office Depot
Old Navy
Olive Garden
Ralphs
REI
Sav On
Skechers
Target
Trader Joes
TRW Space & Electronics
Williams Sonoma

* Listed Alphabetically



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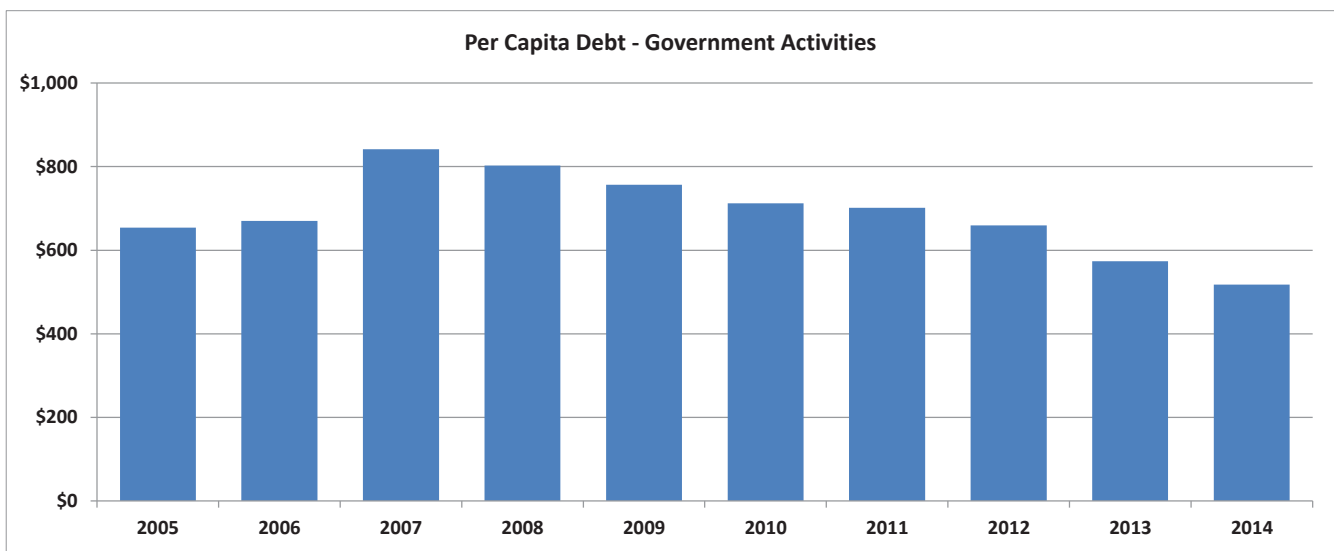
Statistical Section

Debt Capacity

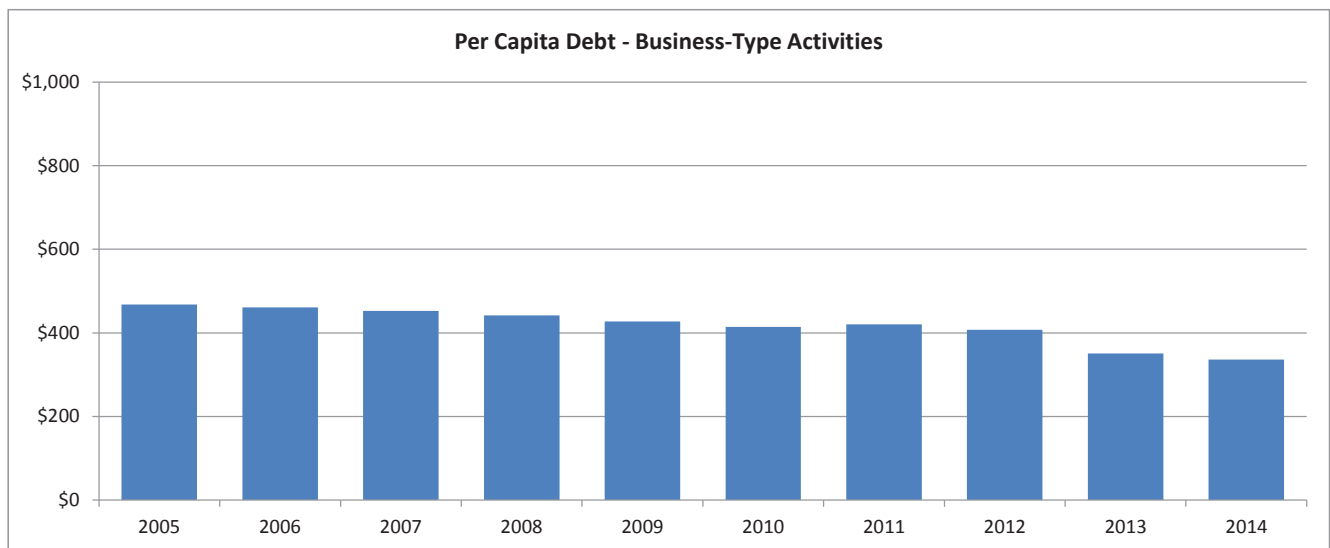
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

**City of Manhattan Beach
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**

Fiscal Year	RCC Facility	Governmental Activities						Total Governmental	Total Per Capita
		Pension Obligation Bonds	Marine Certificates of Participation	Police/Fire Certificates of Participation	Police/Fire Refunding Bonds	Capital Leases			
2005	\$ 1,975,000	\$ -	\$ 8,970,000	\$ 12,980,000	\$ -	\$ -	\$ 23,925,000	654	
2006	1,905,000	-	8,780,000	12,980,000	-	720,693	24,385,693	671	
2007	1,830,000	\$6,800,000	8,580,000	12,740,000	-	558,370	30,508,370	842	
2008	1,750,000	6,095,000	8,375,000	12,495,000	-	390,008	29,105,008	803	
2009	1,670,000	5,400,000	8,165,000	12,245,000	-	215,949	27,695,949	757	
2010	1,585,000	4,635,000	7,945,000	11,990,000	-	35,807	26,190,807	712	
2011	1,495,000	3,795,000	7,715,000	11,725,000	-	-	24,730,000	702	
2012	1,445,000	2,870,000	7,480,000	11,450,000	-	-	23,245,000	660	
2013	-	1,860,000	7,235,000	-	10,510,000	903,841	20,508,841	574	
2014	-	765,000	6,980,000	-	10,030,000	719,342	18,494,342	518	



Business-type Activities						Total		
Utility Revenue Bonds	Metlox Certificates of Participation	Utility Refunding Bonds	Metlox Refunding Bonds	Total Business Type	Total Per Capita	Total Primary Government	Percentage of Personal Income	Total Per Capita
\$ 4,015,000	\$ 13,095,000	\$ -	\$ -	\$ 17,110,000	\$ 468	\$ 41,035,000	1.68%	1,122
3,920,000	12,835,000	-	-	16,755,000	461	41,140,693	1.63%	1,131
3,820,000	12,570,000	-	-	16,390,000	452	46,898,370	1.81%	1,294
3,715,000	12,300,000	-	-	16,015,000	442	45,120,008	1.67%	1,244
3,605,000	12,020,000	-	-	15,625,000	427	43,320,949	1.63%	1,184
3,490,000	11,735,000	-	-	15,225,000	414	41,415,807	1.46%	1,126
3,370,000	11,435,000	-	-	14,805,000	420	39,535,000	1.41%	1,122
3,240,000	11,125,000	-	-	14,365,000	408	37,610,000	1.32%	1,067
-	-	2,680,000	9,850,000	12,530,000	351	33,038,841	1.12%	924
-	-	2,520,000	9,480,000	12,000,000	336	30,494,342	1.04%	854





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City of Manhattan Beach
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2014

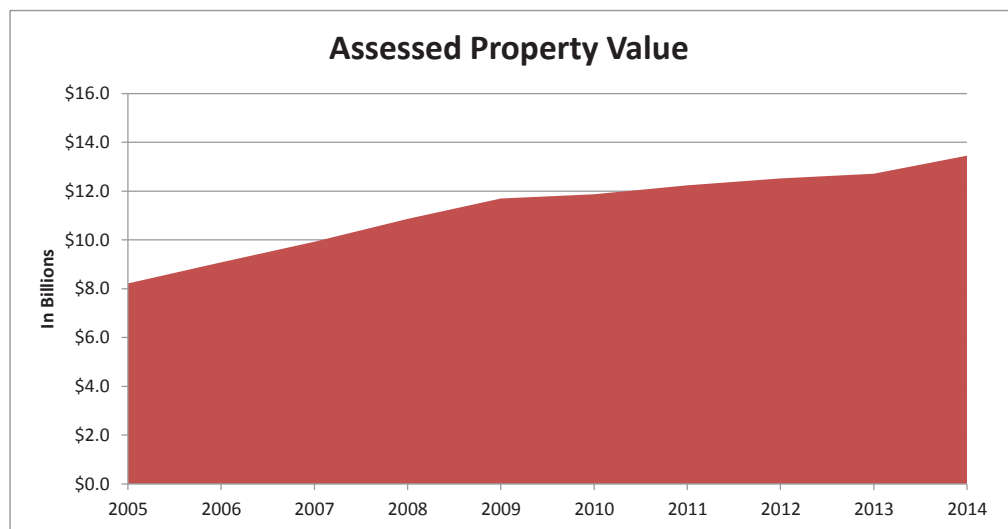
Exhibit A-16

<u>Governmental Unit</u>	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable To City</u>	<u>Net Bonded Debt</u>
Direct Debt			
Manhattan Beach UNIF 96 SER A DS	\$5,939,785	100.000%	\$5,939,785
Manhattan Beach UNIF DS 1998 SER B	5,358,685	100.000%	5,358,685
Manhattan Beach USD DS 1999 SER C	2,925,809	100.000%	2,925,809
Manhattan Beach USD DS 2001 SER D	4,628,829	100.000%	4,628,829
Manhattan Beach USD DS 1995 SER E	6,466,026	100.000%	6,466,026
Manhattan Beach USD DS 2000 SER B	3,829,947	100.000%	3,829,947
Manhattan Beach USD DS 2004 REF BDS	1,510,000	100.000%	1,510,000
Manhattan Beach USD DS 2008, 2011 SER C	17,390,467	100.000%	17,390,467
Manhattan Beach USD DS 2008 2012 SER D	10,550,000	100.000%	10,550,000
Manhattan Beach USD DS 2008 2012 SER E	14,395,000	100.000%	14,395,000
Manhattan Beach USD DS 2008 2013 SER F	22,625,000	100.000%	22,625,000
Manhattan Beach USD DS 2013 REF 2000 SER A	11,080,000	100.000%	11,080,000
Total Direct Debt			<u>\$106,699,548</u>
Overlapping Debt			
Metropolitan Water District	64,271,492	1.456%	\$935,885
El Camino CCS DS 2005 REF BONDS	27,113,382	15.718%	4,261,689
El Camino CCS DS 2002 SER 2006B	84,635,000	15.718%	13,302,954
El Camino CCS DS 2002 SER 2012C	180,812,882	15.718%	28,420,221
El Camino CCS DS 2012 REF BONDS	41,490,000	15.718%	6,521,410
Total Overlapping Debt			<u>\$53,442,159</u>
Total Direct and Overlapping Debt			<u>\$ 160,141,707</u>

In this particular instance of overlapping debt, overlapping governments are those whose boundaries whole or in part contained within the boundaries of a District that is issuing debt. The percent of overlap is based on the ratio assessed value of the land of the government to that of total assessed valuation of all governments within that district.

**City of Manhattan Beach
Legal Debt Margin Information,
Last Ten Fiscal Years**

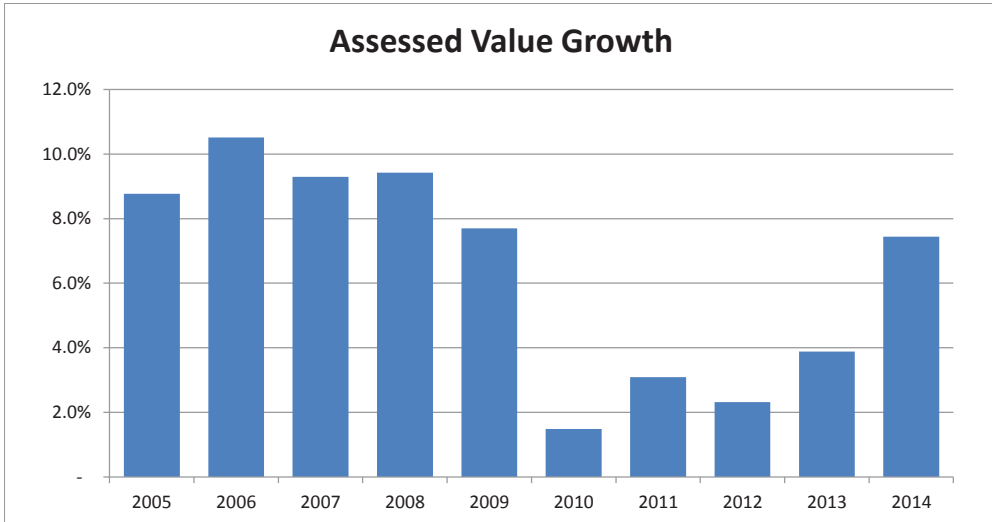
	Fiscal Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Assessed Value	\$ 8,216,800,523	\$ 9,080,889,082	\$ 9,925,464,834	\$ 10,861,350,753	\$ 11,697,899,600
Legal debt limit (3.75%)	308,130,020	340,533,341	372,204,931	407,300,653	438,671,235
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 308,130,020</u>	<u>\$ 340,533,341</u>	<u>\$ 372,204,931</u>	<u>\$ 407,300,653</u>	<u>\$ 438,671,235</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Assessed Value Growth	8.77%	10.52%	9.30%	9.43%	7.70%



Fiscal Year				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 11,871,677,111	\$ 12,237,969,961	\$ 12,520,934,520	\$ 12,713,329,765	\$ 13,453,303,900
445,187,892	458,923,874	469,535,045	476,749,866	504,498,896
-	-	-	-	-
<u>\$ 445,187,892</u>	<u>\$ 458,923,874</u>	<u>\$ 469,535,045</u>	<u>\$ 476,749,866</u>	<u>\$ 504,498,896</u>

0.00%	0.00%	0.00%	0.00%	0.00%
-------	-------	-------	-------	-------

1.49%	3.09%	2.31%	3.88%	7.45%
-------	-------	-------	-------	-------



**City of Statistical
Pledged-Revenue Coverage,
Last Ten Fiscal Years**

Water - Wastewater Debt Service Principal and Interest

Fiscal Year	Utility Service Charges	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2005	\$ 8,102,158	\$ 6,957,411	\$ 1,144,747	\$ 90,000	\$ 229,112	3.59
2006	8,287,096	6,993,409	1,293,687	95,000	224,121	4.05
2007	8,560,647	7,864,351	696,296	100,000	218,804	2.18
2008	8,136,116	8,053,961	82,155	105,000	213,205	0.26
2009	8,697,768	9,060,376	(362,608)	110,000	218,235	(1.10)
2010	9,668,966	9,129,202	539,764	115,000	212,345	1.65
2011	12,149,167	9,230,873	2,918,294	120,000	205,769	8.96
2012	15,572,398	9,431,747	6,140,651	130,000	201,090	18.55
2013 (c)	18,322,360	10,105,431	8,216,929	85,000	93,150	46.12
2014	19,908,104	10,611,569	9,296,535	160,000	93,150	36.72

(a) Operating Expense less depreciation expense

(b) Interest expense includes premium/discount amortization, trustee fees and other debt management expenses

(c) Refunding bonds - please refer to footnotes regarding bond refunding

Parking Debt Service Principal and Interest					
Parking Fund Revenue	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
			Principal	Interest	
\$ 964,598	\$ 357,360	\$ 607,238	\$ 255,000	\$ 595,321	0.71
1,149,312	511,760	637,552	260,000	590,171	0.75
1,411,406	693,207	718,199	265,000	584,590	0.85
1,355,513	644,225	711,288	270,000	577,896	0.84
1,735,739	664,415	1,071,324	280,000	585,311	1.24
1,591,919	789,917	802,002	285,000	575,046	0.93
2,094,783	765,202	1,329,581	300,000	564,432	1.54
2,302,557	988,324	1,314,233	310,000	552,580	1.52
2,305,348	1,326,796	978,552	360,000	342,475	1.39
2,432,958	1,356,782	1,076,176	370,000	348,762	1.50



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Statistical Section

Demographic and Economic Information

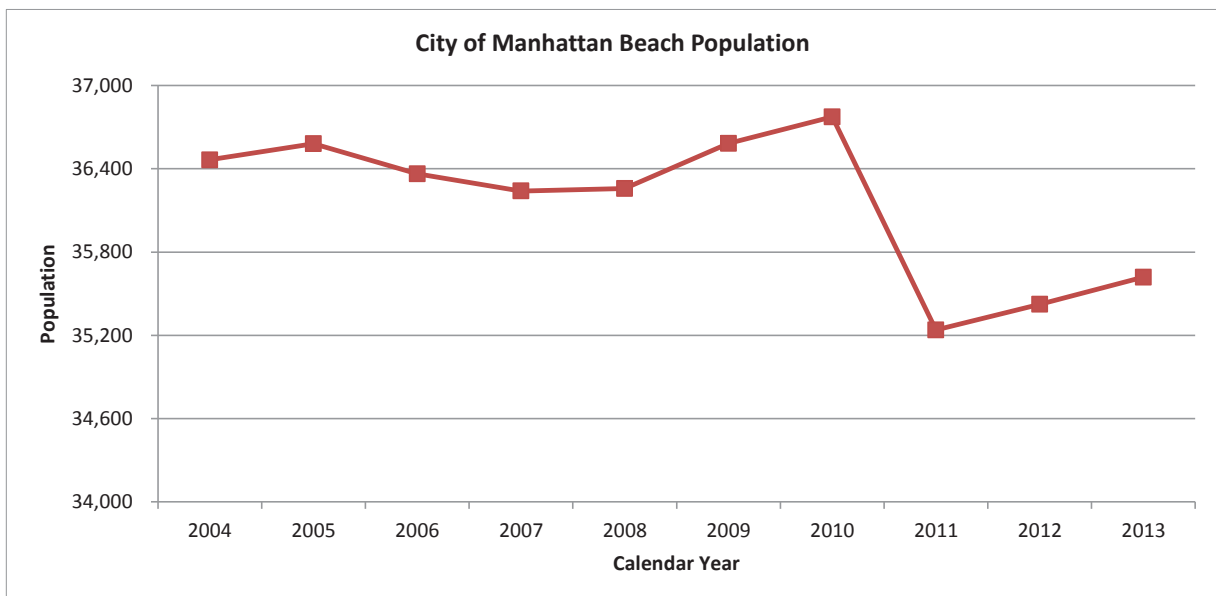
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

**City of Manhattan Beach
Demographic and Economic Statistics,
Last Ten Calendar Years**

Exhibit A-19

Calendar Year	Population	Man Beach Personal Income (in thousands)	Personal Income L.A. County* (in thousands)	Per Capita Personal Income L.A. County*	Per Capita Personal Income Man Beach	Unempl Rate	School Enrollment
2004	36,464	\$ 2,398,962	\$ 329,048,000	\$ 32,569	\$ 65,790	2.2%	6,354
2005	36,581	2,491,204	349,868,000	34,214	68,101	1.8%	6,260
2006	36,364	2,601,304	370,860,000	36,196	71,535	1.6%	6,266
2007	36,240	2,675,144	379,824,000	36,762	73,817	1.7%	6,307
2008	36,258	2,695,604	411,000,000	39,657	74,345	2.6%	6,282
2009	36,583	2,659,307	392,000,000	37,718	72,692	4.1%	6,560
2010	36,773	2,830,050	405,000,000	38,789	76,960	4.5%	6,602
2011	35,239	2,802,945	420,900,000	42,696	79,541	4.4%	6,651
2012	35,423	2,850,383	435,300,000	43,916	80,467	3.2%	6,768
2013	35,619	2,945,228	450,900,000 F	45,253 F	82,687	2.6%	6,814

Source: HdL Companies, County of Los Angeles Comprehensive Annual Financial Report
* Represents fiscal year ended June 30th.



City of Manhattan Beach
Principal Employers
Current Year

Exhibit A-20

<u>Employer</u>	<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Northrop Grumman	1,876	20.84%
Kinecta Federal Credit Union	550	6.11%
Target Corporation	405	4.50%
Skechers USA Inc.	323	3.59%
City of Manhattan Beach	271	3.01%
Macy's West LLC	268	2.98%
Fry's Electronics Inc.	264	2.93%
Marriott- HMC Interstate	233	2.59%
Skechers USA Inc.	183	2.03%
Ralphs Grocery Co.	167	1.86%
Skechers USA Inc.	148	1.64%
Tecolote Research	134	1.49%
Bristol Farms	129	1.43%
Olive Garden	117	1.30%
Houston's Restaurants Inc.	109	1.21%
24 Hour Fitness	108	1.20%
California Pizza Kitchen	106	1.18%
Il Fornaio	99	1.10%
MB Country Club	90	1.00%
Chili's Grill & Bar	85	0.94%
Manhattan Beach Toyota	82	0.91%
Islands Restaurant	75	0.83%
Recreational Equipment Inc.	75	0.83%
Belamar Hotel	71	0.79%
Old Navy #6043	71	0.79%
Shade Hotel	70	0.78%
Total	<u>6,109</u>	<u>67.86%</u>



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**City of Manhattan Beach
Full-time Authorized City Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit A-21

<u>Function/Program</u>	<u>Full-time Authorized Employees as of June 30</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Management services	13	13	13	14	14	14	14	13	12	13
Finance	20	20	21	21	21	20	20	20	20	25
Human Resources	7	7	7	7	7	7	7	6	6	6
Planning & Building	21	21	22	22	22	20	20	19	20	21
Parks and Recreation	16	16	19	19	19	20	20	20	20	21
Police										
Officers	64	64	65	65	65	63	64	62	65	65
Civilians	35	35	35	35	35	35	34	35	36	39.8
Fire										
Firefighters & officers	30	30	30	30	30	30	30	30	30	30
Civilians	1	1	1	1	1	1	1	1	1	1.2
Public works										
Engineering	7	7	7	7	9	8	8	8	8.2	7.25
Water	12	12	13	13	13	13.5	14.25	14.25	11.7	11.2
Wastewater	3	4	4	4	3	3.1	3.35	3.35	3.3	3.2
Other	37	37	37	37	38	36	34.4	34.4	34.8	34.35
Total	<u>266</u>	<u>267</u>	<u>274</u>	<u>275</u>	<u>277</u>	<u>271</u>	<u>270</u>	<u>266</u>	<u>268</u>	<u>278</u>



CITY OF MANHATTAN BEACH
SCHEDULE OF INSURANCE IN FORCE

June 30, 2014

<u>TYPE OF COVERAGE</u>	<u>POLICY NUMBER</u>	<u>FROM</u>
Liability		
Self-Insured - MOC	ICRMA 2014-IL	07/01/14
Excess Liability		
Independent Cities Risk Management		
ICRMA (Pool) - MOC	ICRMA 2014-IL	07/01/14
Argonaut - Primary	4628397-02	07/01/14
Starr Indemnity	8090025	07/01/14
Scor Re	F151479	07/01/14
Building & Property (All City excluding EQ/FL to public safety building)		
London - Primary	JA01482D	07/01/14
Other Carriers	Various	07/01/14
Building & Property Public Safety Building EQ/FL		
Various Carriers - Public Safety Bldg	Various	07/01/14
Princeton E&S	B2A3IM0001407-04	
Everest Indemnity Ins. Co.	8400001908-141	
Ins Co of the West	XCH2163426 07	
Workers' Comp.		
Self-Insured	-	07/01/14
Excess Workers' Comp.		
ICRMA (Pool) - MOC	ICRMA2014-1WC	07/01/14
Safety National	SP4051256	07/01/14
Employee Dishonesty (Crime), Replaces Public Officials		
	02-420-55-40	07/01/12
Inland Marine - Fine Arts	QT-660-6932N209-TIL-14	07/02/14
Special Events (Earth Day & Bike & Skateboard Safety Events)	AR6360147	04/18/14
Cyber Risk	G23685188-001	7/1/2014

**CITY OF MANHATTAN BEACH
SCHEDULE OF INSURANCE IN FORCE**

June 30, 2014

<u>TO</u>	<u>LIMITS OF COVERAGE</u>	<u>ANNUAL PREMIUM</u>
07/01/15	\$500,000 per occurrence	601,987
07/01/15	\$4,500,000 excess of \$500,000	Included in above
07/01/15	\$5,000,000 excess of \$5,000,000	Included in above
07/01/15	\$10,000,000 excess of \$10,000,000	Included in above
07/01/15	\$10,000,000 excess of \$20,000,000	Included in above
07/01/15	\$25,000,000 Primary	\$368,324
07/01/15	\$125,000,000 excess of \$25,000,000 Primary Earthquake & Flood shared proportionally	Included in above
07/01/15	\$30,726,721	
	\$10,000,000 p/o \$15MM	Included in above
	\$5,000,000 p/o \$15MM	Included in above
	\$15,725,721 xs. \$15MM - 2nd Layer	Included in above
07/01/15	\$750,000 per occurrence	\$296,501
07/01/15	\$5M xs \$750,000	
07/01/15	Statutory xs \$5M Retention	Included in above
06/30/13	1,000,000	\$2,507
07/02/15	\$250,000	\$3,000
01/01/15	\$1,000,000 per occurrence 2,000,000 annual aggregate	\$993.88
7/1/2015	\$1,000,000	\$6,049

**City of Manhattan Beach
Operating Indicators by Function/Program,
Last Ten Fiscal Years**

Exhibit A-23

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Building permits issued	3,269	3,829	3,477	1,142	1,077	1,254	1,318	1,484	1,339	1,673
Building inspections conducted	16,564	18,170	18,021	14,634	11,401	9,544	9,676	10,298	11,165	13,370
Police										
Arrests	1,081	1,179	1,359	1,247	1,242	1,224	1,007	1,387	1,173	1,367
Parking citations	54,091	54,214	57,807	57,356	71,810	72,789	70,001	68,080	63,624	61,651
Traffic citations	5,340	5,774	6,461	6,726	6,674	9,513	8,591	9,605	6,890	6,339
Fire (a)										
Emergency responses	2,719	2,469	2,831	2,958	3,158	3,036	3,100	3,254	3,176	3,379
Fires extinguished	98	75	103	126	124	94	98	94	95	76
Inspections	923	900	975	995	1,155	1,300	973	1,650	933	1,078
Refuse collection										
Refuse collected (tons per day)	73.7	77.8	63.0	58.7	58.09	62.33	60.27	47.78	43.55	42.05
Recyclables collected (tons per day)	34.6	28.6	61.0	52.2	39.22	42.44	44.07	45.18	48.16	50.19
Other public works										
Street resurfacing (miles)	2.3	0.4	1.2	1.2	3.6	8.5	6.6	3.9	-	1.0
Parks and recreation										
Athletic field permits issued	4,083	3,460	2,949	4,464	4,246	4,501	4,887	5,901	7,002	7,779
Community center admissions*	125,554	166,910	150,041	153,628	143,441	134,144	147,630	41,374	89,134	107,632
Water										
Water main breaks	7	5	10	2	-	-	4	3	4	6
Average daily consumption (thousands of gallons)	6,223	6,203	6,020	6,018	4,819	5,096	4,900	4,920	5,123	4,929
Peak daily consumption (thousands of gallons)	7,300	N/A	7,265	7,168	5,783	7,644	7,350	6,712	6,989	7,169
Transportation										
Total route miles	31,936	31,849	32,940	46,749	43,406	51,736	65,517	43,461	38,995	41,680
Passengers	9,654	9,142	9,785	11,911	12,842	14,945	18,831	18,899	16,039	17,059

(a) Represents calendar year data.

* The Community Centers underwent a full renovation. Both centers were fully operational by January 2013.

City of Statistical
 Capital Asset Statistics by Function/Program,
 Last Ten Fiscal Years

Exhibit A-24

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	23	23	23
Fire stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	110	110	110	110	110	110	110	108	108	108
Highways (miles)	10	10	10	10	10	10	10	10	10	10
Parks and recreation										
Acreage	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88
Baseball/softball diamonds	13	13	13	13	13	13	13	13	13	18
Soccer/football fields	15	15	15	15	15	15	15	15	15	19
Community centers	2	2	2	2	2	2	2	2	2	3
Water										
Water mains (miles)	-	106	106	106	106	106	106	106	106	106
Fire hydrants	-	667	669	670	671	775	774	774	774	774
Storage capacity (1000s Gallons)	-	9,830	9,830	9,830	9,830	9,830	9,800	9,800	9,800	9,800
Wastewater										
Sanitary sewers (miles)	-	84.0	84.0	84.0	84.0	84.0	81.6	82.0	82.0	82.0
Storm sewers (miles)	-	16.0	16.0	16.0	16.0	16.0	25.0	25.0	25.0	25.0
Transportation—minibuses	4	4	4	4	4	4	4	4	4	4

CITY OF MANHATTAN BEACH
DEMOGRAPHIC STATISTICAL DATA
Official Results from the 2010 US Census

Population distribution by ethnic group (one race):

	<u>Number of Persons</u>	<u>Percent</u>
White	29,686	84%
Asian	3,023	9%
Black or African American	290	1%
American Indian and Alaska Native	59	0%
Other	2,077	6%
	<u>35,135</u>	<u>100%</u>

Household Type:

	<u>Number of Persons</u>	<u>Percent</u>
Family:		
Married couple	7,583	54%
Female head	892	6%
Male head	438	3%
Nonfamily	5,125	37%
	<u>14,038</u>	<u>100%</u>

Population distribution by age group:

	<u>Number of Persons</u>	<u>Percent</u>
Under 5 years	2,031	6%
5-14	5,264	15%
15-24	3,170	9%
25-44	9,532	27%
45-59	8,508	24%
60-64	2,173	6%
65 and over	4,457	13%
	<u>35,135</u>	<u>100%</u>

Population distribution by gender:

	<u>Number of Persons</u>	<u>Percent</u>
Male	17,605	50%
Female	17,530	50%
	<u>35,135</u>	<u>100%</u>

Bond Disclosure Section

Continuing Disclosure Requirements

The following section provides information to fulfill the City's bond continuing disclosure requirements of material events, delinquencies, and other financial data not otherwise contained in the audited financial reports.

Continuing Disclosure Requirements

This section is provided in accordance with the Continuing Disclosure requirements, as set forth in the offering statements of the following debt issues:

- Underground Assessment District Bonds (04-01, 04-03, 04-05, 05-02, 05-06)
- Pension Obligation Bonds
- Marine Variable Rate Certificates of Participation
- Metlox and Water/Wastewater Refunding Certificates of Participation
- Police and Fire Facility Refunding Certificates of Participation

The required Annual Report is contained herein as the Audited Financial Statements.

Reporting of Events with Respect to Debt Issuance during Fiscal Year 2013-2014

Pension Obligation Bonds

In March 2007 the City issued Pension Obligation Bonds to payoff unfunded pension liabilities due to the sworn Police and Fire retirement plans. These unfunded liabilities were scheduled to be amortized over a remaining period of 7 years at an interest rate of 7.75%. By issuing bonds the City realized a present value savings of \$433,156.

After the July 1, 2014 payment, the bonds will be paid back in full.

Delinquencies of Underground Assessment District Bonds for Fiscal Year 2013-2014

As of June 30, 2014

PARCEL	TAX LEVIED	TAX PAID	Delinquencies
Agency 20482 (District 05-2)			
4169003011	3,137.03	1,568.51	1,568.52
4169012018	2,395.88	1,197.94	1,197.94
Agency 20482 Total			2,766.46
Agency 20483 (District 05-6)			
4178013060	1,349.59	674.79	674.80
4178009014	1,822.58	-	1,822.58
4178013081	1,349.59	-	1,349.59
4178013084	1,349.59	674.79	674.80
4179030045	1,822.58	911.29	911.29
Agency 20483 Total			5,433.06
Agency 20492 (District 04-1)			
4175029011	858.88	815.80	43.08
4176024007	858.88	-	858.88
Agency 20492 Total			901.96
Agency 20493 (District 04-3)			
4175024007	673.14	-	673.14
4176021008	545.06	272.53	272.53
Agency 20493 Total			945.67
Agency 20494 (District 04-5)			
None			
Agency 20494 Total			-
TOTAL DELIQUENCIES			\$10,047.15

Update of Financial Tables (Not Otherwise Contained in the Audited Financial Statements)

As required by the offering statements for the Metlox and Water/Wastewater Refunding and Police and Fire Facility Refunding Certificates of Participation.

Table 12 – Variable Rate Bonds Credit Enhancement

As of June 30, 2014

Bond	Outstanding Principal	Letter of Credit Provider	Scheduled Expiration of Letters of Credit
None for FY 2013-2014			

Table 13 – Investment Portfolio Summary

As of June 30, 2014

Type of Investment	Market Value
Cash	\$ 2,276,912
Local Government Fund	37,700,000
US Treasury & Agency Notes	24,204,530
Medium-Term Notes	12,205,610
Certificates of Deposit	8,577,796
Funds Held by Fiscal Agent	2,553,192
Petty Cash	2,372
Total	\$ 87,520,412

Table 14 – Unrepresented Unit and Employee Associations

As of June 30, 2014

Employee Unit	No. Full-Time Employees *	Percent of Workforce
Manhattan Beach Fire Association	25	9.9%
Manhattan Beach Police Officers' Association	53	21.0%
Manhattan Beach Police Management Association	7	2.8%
Miscellaneous Unit - Teamsters Local 911	115	45.6%
Management/Confidential (not represented)	52	20.7%
Total	252	100.0%

** Excludes elected officials.*

Additional Information

Fitch Ratings

As a result of the City's refunding of Metlox and Police/Fire Facility certificates of participation, in which the City selected only Standard and Poor's to rate the new issues, Fitch Ratings withdrew their AAA General Obligation (GO) rating for the City of Manhattan Beach. This reflects the fact that there are now no City debt issues that Fitch is monitoring, and Fitch no longer has a purpose for opining on the City's GO debt.

The City maintains triple-A general obligation ratings from both Moody's and Standard and Poor's.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Manhattan Beach, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 9, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Lughard, LLP

Brea, California
January 9, 2015

January 9, 2015

To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California (City) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 2, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. During fiscal year 2013-2014, the City implemented the provision of *GASB Statement No. 67, Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* for its supplemental retirement plan and its single highest year plan.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 9, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Manhattan Beach's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Information, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions, the Schedule of Investment Returns, the Notes to Required Supplementary Information and the Management Discussion and Analysis which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the introductory section, combining and individual nonmajor fund financial statements, and statistical section, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



To the Honorable Mayor and Members of the City Council
City of Manhattan Beach, California

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2013-2014 audit:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* - The City early implemented this pronouncement in fiscal year 2012-13.

GASB Statement No. 66, *Technical Corrections* – The City properly implemented this pronouncement.

GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB of GASB Statement No. 25* - The City implemented this pronouncement during the current fiscal year.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* - The City was not affected by this pronouncement at this time.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in your next fiscal year 2014-2015 audit and should be reviewed for proper implementation by management:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement no. 27*.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date*.

Restriction on Use

This information is intended solely for the use of Honorable Mayor, Members of the City Council and management of Manhattan Beach and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Brea, California



Legislation Text

File #: 13-0123, Version: 1

TO:
Honorable Mayor and Members of the City Council

THROUGH:
David N. Carmany, City Manager

FROM:
Richard Gill, Parks & Recreation Director
Bruce Moe, Finance Director
Eve Kelso, Recreation Services Manager
Gwen Eng, General Services Manager

SUBJECT:
Purchase of One Replacement Dial-A-Ride Paratransit Vehicle from Hogle Bus Company in the Amount of \$69,240; Transfer of \$75,000 from Unreserved Measure R Fund Balance to Proposition A Fund; Appropriate \$75,000 from Proposition A Fund.

APPROVE; TRANSFER; APPROPRIATE

RECOMMENDATION:

Staff recommends that the City Council:

- a) Waive formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing);
- b) Authorize the City Manager to purchase one replacement Dial-A-Ride paratransit vehicle in the amount of \$69,240 from Hogle Bus Company;
- c) Approve a transfer of \$75,000 from Unreserved Measure R Fund balance to the Proposition A Fund;
- d) Appropriate \$75,000 from Proposition A in order to purchase and equip the vehicle.

FISCAL IMPLICATIONS:

Funds totaling \$65,000 were budgeted in the fiscal year (FY) 2012-2013 Fleet Management Fund to purchase and equip this vehicle. However, this allocation more appropriately should come from the Proposition A Fund which is the source of funding for Dial-A-Ride operations. As a result, staff is recommending that the City Council appropriate the necessary funds (\$75,000) from Proposition A. However, existing service level coupled with flat revenues have caused the Proposition A Fund to be in a deficit position with no fund balance upon which to draw for this needed purchase. In fact, the FY 2012-2013 budget already includes a fund transfer of \$70,092 from the Measure R Fund to support Proposition A activities including Dial-A-Ride operations.

Measure R funding is the result of a countywide transportation sales tax measure approved by the voters in 2008. It can be used for such purposes as street maintenance and repairs. It can also be used for many of the same purposes for which Proposition A funds are utilized, including Dial-A-Ride services. As a result, and due to the shortfall of Proposition A funds, staff is recommending that Measure R funds be transferred to Proposition A to complete the purchase. The transfer is necessary

so that expenditures for Dial-A-Ride are appropriately captured in the Proposition A Fund even if the source of funds is elsewhere.

Staff considered other funding sources, including exchanging with another city, General Fund monies for discounted Proposition A funds (a common, allowable practice); however, staff was not able to locate any agencies interested in such an exchange at this time. As a result, staff is recommending the use of Measure R funds for this purchase.

The total cost to purchase and equip this unit is \$75,000; \$69,240 for the vehicle and \$5,760 for equipment. The current balance in the Measure R fund is \$779,789. This transfer will reduce that amount to \$704,789.

DISCUSSION:

The FY 2012-2013 budget includes the replacement of 61 vehicles in the City's fleet. The list includes a wide variety of vehicles that need to be replaced in order to maintain service levels, reduce repair costs and provide for cost-effective fleet operations. The list represents several "catch-up" years when the fleet was not actively replaced due to budget constraints. Where possible and practical, alternative fuel vehicles have been selected. For this requirement, there are no practical alternative fuel vehicles that meet our paratransit needs.

This recommended purchase is for one replacement Dial-A-Ride vehicle, an 8-passenger paratransit vehicle. The City maintains a fleet of three Dial-A-Ride buses and one van. Three units are typically in operation during peak periods. If a vehicle is in for scheduled maintenance, or for unscheduled repairs, service may be affected. This unit will replace the existing van.

The current unit, purchased in 2004, has accumulated over 120,000 miles. It is in need of a replacement wheelchair lift due to mechanical problems, and is no longer economically feasible to maintain due to age and mileage.

Staff reviewed the various models of small paratransit vehicles available in the market. This vehicle from the Hogle Bus Company was selected based on the following criteria: side entry for wheelchair users, which is safer than rear; adequate seating capacity to meet ridership demands; a vehicle size suitable to navigate narrow streets and parking lots with weight and/or height restrictions; an effective layout that maximizes access, headroom and legroom for passengers; and local service facilities for repairs and warranty work.

Whenever practical, the City "piggybacks" onto contracts which are economically advantageous. Piggybacking is the extension of pricing, terms, and conditions to other governmental agencies at the mutual consent of all parties. This is permissible under the City's Municipal Code, section 2.36.150. In this case, Hogle Bus Company has offered the City pricing from the Minnesota Department of Transportation (MnDOT) Cooperative Purchasing Venture (CPV). MnDOT is a state transit agency that competitively solicits bids on a wide variety of transit vehicles. As the lead agency on the bid, MnDOT, solicited bids and made multiple awards for accessible paratransit vehicles on behalf of 1,000 member agencies nationwide. The awards were based on varying models and specifications.

Hogle Bus Company was the lowest bidder for the model specified by the City of Manhattan Beach. Because of the pricing and structure of the competitive bid and resulting contracts, staff believes that the MnDOT CPV pricing is the best attainable that meets the City's needs. As a result

staff recommends purchasing the paratransit vehicle from Hogle Bus Company.

The original budgeted amount of \$65,000 (incorrectly allocated in the Fleet Fund) is not sufficient to effect the purchase. That amount was based upon replacing the existing unit with the same make and model vehicle; however, that van is no longer available. In addition, a new seat belt law is in effect which reduces seating capacity in this size van, requiring a larger vehicle to obtain adequate seating capacity. These issues resulted in a total cost above the original budget (in the Fleet Fund) of \$10,000 (\$4,240 for the vehicle and \$5,760 for graphics and back-up camera). In order to effect the purchase the required funds (\$75,000) need to be transferred from Measure R (to Proposition A) and appropriated from Proposition A.

The requested vehicle was selected as the best solution for the City's needs. Based on this available piggyback opportunity, staff recommends City Council authorize the City Manager to purchase one paratransit vehicle from Hogle Bus Company in the amount of \$69,240. If this purchase is approved, the existing unit will be retired and sent to auction. The new vehicle will arrive in approximately three months.

CONCLUSION

Staff recommends that the City Council:

- a) Waive formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing);
- b) Authorize the City Manager to purchase one replacement Dial-A-Ride paratransit vehicle in the amount of \$69,240 from Hogle Bus Company;
- c) Approve a transfer of \$75,000 from Unreserved Measure R Fund balance to the Proposition A Fund;
- d) Appropriate \$75,000 from Proposition A in order to purchase and equip the vehicle.



Legislation Text

File #: 12-0352, **Version:** 1

TO:

Honorable Mayor Powell and Members of the City Council

THROUGH:

David N. Carmany, City Manager

FROM:

Richard Gill, Parks & Recreation Director

Bruce Moe, Finance Director

Eve Kelso, Recreation Services Manager

Gwen Eng, Purchasing Manager

SUBJECT:..Title

Purchase of Two Replacement Dial-A-Ride Buses from A-Z Bus Sales in the Amount of \$253,169.31; Appropriation of \$23,169.31 from Unreserved Measure R Fund Balance.

APPROVE

RECOMMENDATION: Staff recommends that the City Council:

- a) Waive formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing);
- b) Authorize the City Manager to purchase two replacement Dial-A-Ride buses in the amount of \$253,169.31 from A-Z Bus Sales for; and
- c) Appropriate \$23,169.31 from the Unreserved Measure R Fund balance in order to finance the budget shortfall.

FISCAL IMPLICATIONS: Funds totaling \$230,000 are budgeted in the fiscal year (FY) 2012-2013 Fleet Management Fund to purchase and equip these vehicles. The Fleet Fund will be reimbursed by the Measure R Transportation Fund, which is authorized to purchase these two vehicles. The total cost to purchase and equip these two units is \$253,169.31. The budget shortfall of \$23,169.31 in the Fleet Management Fund will be offset by Measure R Transportation fund, which will need to be appropriated. The current balance in the Measure R fund is \$797,640.

DISCUSSION:

The FY 2012-2013 budget includes the replacement of 61 vehicles in the City's fleet. The list includes a wide variety of vehicles that need to be replaced in order to maintain service levels, reduce repair costs and provide for cost-effective fleet operations. The list represents several "catch-up" years when the fleet was not actively replaced due to budget constraints. Where possible and practical, alternative fuel vehicles have been selected, with eight such vehicles on the list replacing traditional fuel vehicles.

This recommended purchase is for two replacement Dial-A-Ride buses: a 20-passenger Compressed

Natural Gas (CNG) bus and a 23-passenger low-floor bus. The City maintains a fleet of three Dial-A-Ride buses and one van. Three units are typically in operation during peak periods. If one of the buses is in for scheduled maintenance, or for unscheduled repairs, service may be affected. Both units are replacing buses with lower seating capacities; the increased capacity is needed due to the fact that Dial-A-Ride ridership has more than doubled since 2006.

The requested buses are classified as paratransit vehicles which were selected to ensure the best solution for the City's requirements. The following selection criteria were used:

1. A tight turning radius to negotiate narrow streets
2. The angle of approach and departure to clear hilly topography without damage to the vehicle
3. An effective layout that maximizes seating access and legroom for passengers
4. Local, reliable service facilities for repairs and warranty work

Whenever practical, the City "piggybacks" onto contracts which are economically advantageous. In this case, A-Z Bus Sales has offered the City pricing from the CalACT (California Association for Coordinated Transportation) Vehicle Purchasing Cooperative. CalACT is a state transit association consisting of small, rural and specialized transportation providers statewide. The lead agency on the bid, Morongo Basin Transit Authority (MBTA), solicited bids and made multiple awards for accessible paratransit vehicles on behalf of 300 member agencies. The awards were based on varying models and specifications, with the agreement that the vendors awarded contracts may not offer lower pricing than the stated contract amounts. A-Z Bus Sales was the lowest bidder for the models specified by the City of Manhattan Beach. Because of the pricing and structure of the competitive bid and resulting contracts, staff believes that the CalACT pricing from the Morongo Basin Transit Authority is the best attainable that meets the City's needs. As a result staff recommends purchasing the buses from A-Z Bus Sales.

One of the recommended buses runs on CNG, an alternative fuel. The recommended vehicle, Glaval, has the farthest range (220 miles) in comparison to other vehicles in the same category. This will allow for fewer fueling interruptions during the day. This will be the primary bus used for the Older Adults program trips. The City already has a CNG Glaval in the fleet and is satisfied with its performance and dependability.

The second bus is an ARBOC low-floor model, which will better serve customers with limited mobility. This bus allows a wheelchair passenger to roll onto the vehicle via a ramp. This feature reduces injury risk to both driver and passenger through elimination of steps and wheelchair lift. This low-floor model has been in production since 2008, whereas the other manufacturers have only begun producing this type of bus in the last year, therefore, it has a proven track record.

The original budgeted amount of \$230,000 is not sufficient to effect the purchase. That amount was based upon replacing the existing units with the same make and model CNG-powered vehicle anticipated at \$115,000 each. The cost of the CNG Glaval is within budget at \$112,526.31. The ARBOC low-floor vehicle costs \$140,643.00, or \$25,643 over budget. The ARBOC bus specification was upgraded from the existing vehicle it replaces to accommodate increased ridership as well as the growing need for a more accessible vehicle in our fleet; the low-floor model was specifically chosen to better serve customers with mobility issues. The combination of these two vehicles results in the budget shortfall of \$23,169.31. As a result, staff recommends that the City Council appropriate \$23,169.31 from the Measure R Fund to complete the funding.

The requested paratransit vehicles were selected based on the best solution for the City's needs. Based on this available piggyback opportunity, staff recommends City Council authorize the City Manager to award an order to A-Z Bus Sales in the amount of \$253,169.31 for the purchase of two buses. If this purchase is approved, the existing units will be retired and sent to auction. The new vehicles will arrive in approximately five months.

Agenda Date: 1/20/2015

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Liza Tamura, City Clerk

SUBJECT:

Commission Minutes:

This item contains action minutes of City Council subcommittees and other City commissions and committees which are presented to be Received and Filed by the City Council. Staff recommends that the City Council, by motion, take action to Receive and File the action minutes of the:

- a) Library Commission Meeting of December 8, 2014
(Parks and Recreation Director Leyman)
- b) Cultural Arts Commission Meeting of December 9, 2014
(Parks and Recreation Director Leyman)
- c) Finance Subcommittee Meeting of December 30, 2014
(Finance Director Moe)

RECEIVE AND FILE

RECOMMENDATION:

Staff recommends that the City Council, by motion, take action to receive and file the minutes of the City Council subcommittees, City commissions, and other committees.

Attachments:

- 1. Library Commission Meeting of December 8, 2014
- 2. Cultural Arts Commission Draft Minutes Meeting of December 9, 2014
- 3. Finance Subcommittee Action Minutes Meeting of December 30, 2014

**CITY OF MANHATTAN BEACH
MINUTES OF THE LIBRARY COMMISSION**

December 8, 2014
6:30 p.m.
Manhattan Beach City Hall

CONTENTS

A. CALL TO ORDER

The meeting was called to order at 6:30 PM.

B. PLEDGE TO THE FLAG

C. ROLL CALL

Present: Commissioners Hartzell, Elasowich, Clemons and Silverman

Absent: Commissioner Cooperman

Others Present: Recreation Services Manager Gina Allen, Recording Secretary Linda Robb

D. APPROVAL OF MINUTES

September 8, 2014 – Commissioner Silverman moved to approve the minutes as written. The motion was seconded by Commissioner Clemons. The motion passed.

Ayes: Commissioners Hartzell, Elasowich, Clemons and Silverman

Nays: none

Abstain: none

Absent: Commissioner Cooperman

E. CEREMONIAL

None

F. AUDIENCE PARTICIPATION (3-Minute Limit)

Chairperson Hartzell opened the floor for audience participation after a brief explanation of the process to agendaize any matters for the City Council.

Chuck Milam (Treasurer and Director of personnel of Roundhouse Aquarium) – Mr. Milam came to speak about the education programs and educating the public regarding what the Roundhouse Aquarium does. Mr. Milam would like to explore the possibilities of how the Roundhouse can work with the Library.

Lauren Muller – (Board member Roundhouse Aquarium) – Ms. Muller spoke of fun-filled Roundhouse Aquarium family events that include the community. She would like for the Roundhouse to be able to display marketing materials in the new library on a permanent or semi-permanent basis. When asked by Commissioner Hartzell to clarify what she meant by semi-permanent basis, she stated that one idea would be a non-profit board that highlights different non-profit organizations on a monthly or quarterly basis.

Elizabeth Kunkee (resident, 3200 Block Alma Ave.) – Mrs. Kunkee requested that Sunday hours be added to an upcoming agenda for discussion. She stated that the library will receive a lot of attention in April when it opens and that is an ideal time to begin Sunday hours, which can be critical for working parents. She stated that the library hours have remained unchanged for the 18 years that she has been in residence. She stated that if there was no budget to add hours, perhaps hours could be shifted to accommodate a few hours on a Sunday and that it would be beneficial to coordinate with other local County libraries (Hermosa Beach and Lawndale, for example) to ensure that there is at least one library in the area open on Sundays. She stated that there are currently eleven LA County libraries that have Sunday hours.

Carey Lesser (resident, 200 block 14th Street) – Ms. Lesser also stated that Sunday hours are important for working families. She stated that she has faced challenges trying to get her children to the library with limited hours.

Jody Williams (resident, 1700 Curtis Ave.) – Ms. Williams spoke to support the topic of Sunday hours. She stated that her son asked her why the library would not be open on Sunday and she could not think of one good reason why.

Dave Kunkee (resident, 3200 Alma Ave.) – Mr. Kunkee stated that one of their families favorite activities is to come downtown for bagels on Sundays and the library would be a natural addition to that activity.

The floor was closed to public comment.

STAFF ITEMS

Recreation Services Manager, Gina Allen had three announcements

1. The City Council discussion of Commission process was tabled and there is currently no update.
2. The request for a tour of the Library construction site has reached the City Manager's office and is currently being reviewed.
3. Los Angeles County Library Commission has not yet made plans for the library grand opening but will be meeting soon to discuss.

Commissioner Silverman inquired as to when the art project would be placed. Ms. Stated that she believed it would be in 2016 because the piece has not yet been produced.

Commissioner Silverman inquired about the completion of the library. Ms. Allen stated that move in is scheduled for March with the grand opening in April 2015.

G. COMMISSION ITEMS

Commissioner Hartzell stated that there is an obvious citizen interest in Sunday hours for the new library. Commissioner Hartzell made a motion to request permission from City Council to discuss the idea of Sunday hours for the new library. Commissioner Clemons seconded the motion. The motion passed.

Ayes: Commissioners Hartzell, Elasowich, Clemons and Silverman

Nays: none

Abstain: none
Absent: Commissioner Cooperman

Regarding the Roundhouse presence in the Library – Commissioner Clemons stated that this sounds like a PR/Marketing issue that should go directly to the County instead of through the City Council as this is a County issue. Ms. Allen stated that would be more appropriate to address the issue with the County as it is the County that would ultimately make the decision. She stated that once the County has responded, the Commission could then ask City Council to support their findings. Commissioner Hartzell agreed. Commissioner Silverman stated that he thought the Roundhouse Aquarium was looking for support to raise community awareness. Commissioner Hartzell stated that the Roundhouse and Library have common goals and that it appears that the Roundhouse Aquarium is seeking an endorsement from the Commission. Ms. Allen stated that she has already posed the question to the County regarding the display of Roundhouse Aquarium marketing materials and is waiting for a response. Ms. Allen will provide an update at the next meeting regarding the possible connection between the Roundhouse Aquarium and the new library.

H. GENERAL BUSINESS

None

I. ADJOURNMENT

Commissioner Clemons moved to adjourn. The motion was seconded by Commissioner Silverman. The motion passed.

Ayes: Commissioners Hartzell, Elasowich, Clemons and Silverman

Nays: none

Abstain: none

Absent: Commissioner Cooperman

The meeting was adjourned at 6:56 p.m.

CITY OF MANHATTAN BEACH
MINUTES OF THE CULTURAL ARTS COMMISSION

December 9th, 2014

Manhattan Beach City Council Chambers

1400 Highland Avenue

Manhattan Beach, CA 90266

A. CALL TO ORDER

The meeting was called to order at 6:05 PM.

B. PLEDGE TO THE FLAG

C. ROLL CALL

Present: Commissioners Dunn, Ramezani, Gill, Samuels and May

Absent: none

Others present: Cultural Arts Manager, Martin Betz and Recording Secretary, Linda Robb

D. APPROVAL OF MINUTES

Commissioner Samuels moved to approve the November 13, 2014 minutes with the following corrections requested by Commissioner May:

Page 2, paragraph 3 – the word “wide” will now read “deep”; “Shell design” will now read “terra cotta benches”

Commissioner Dunn seconded the motion. The motion passed.

Ayes: Commissioners Dunn, Ramezani, Samuels and May

Nays: none

Abstain: Commissioner Gill

Absent: none

E. CEREMONIAL

None

F. AUDIENCE PARTICIPATION

Chairperson Dunn opened the floor to audience participation; seeing none, the floor was closed.

G. STAFF ITEMS

Decommissioning Policy - Cultural Arts Manager, Martin Betz stated that the City Attorney feels that the Cultural Arts Commission is capable of deciding whether or not to decommission a piece without a separate committee so the section regarding the subcommittee was removed.

Commissioner Gill expressed that he would like a chance to review the policy and discuss at the January meeting. It was requested that the Decommissioning Policy be included on the January agenda under Commission Items.

Harold Roach sculpture – Mr. Betz stated that we are waiting on the contract that needs to be signed before work starts.

Sculpture Garden – Mr. Betz stated that the RFP is out and many inquiries have been received. The RFP went out to the larger public art entities and will be published on the City website within the next couple of days. Submissions are due January 9th, before the commission meets. Commissioner Ramezani clarified that the timeline for the additional location is the same as the rest of the program.

Mr. Betz invited the Commissioners to the opening at the Manhattan Beach Art Center on Friday, December 12th. The show is called Dagnet, featuring LA Art Collaborative Durden and Ray, curated by Kio Griffith. The department is not renting space any more, all shows will have the city stamp on them. Mr. Betz stated that the next show coming up will feature three local Manhattan Beach artists (Terrel Kaisha, Abdul Mazid, Alex Weinstein.) and will open January 23rd.

Commissioner Gill inquired about funds showing on the budget for Arts Manhattan. Mr. Betz stated that would be removed. He stated that the City will not be paying people to show at the Art Center. The City may rent shows periodically if significant.

Commissioner May asked about the position on serving wine. She stated that she believed that the only thing necessary is to hire an insured caterer with a license. Mr. Betz stated that the openings are currently catered by staff because outside caterers are cost prohibitive. Commissioner May stated that the City would be allowed to serve wine if it had the appropriate insurance.

Commissioner Ramezani was pleased that some local artists are being featured. Mr. Betz stated that there are more shows scheduled in 2015 that feature local talent.

Mr. Betz raised the subject of Art Lab – educational programs at the Art Center – would like to promote programs for teens funded by the public arts trust fund for the first year. This would be a joint project with the Mira Costa art program. It would be a visual arts program that is a continuation of the education received at Mira Costa. High quality educators will be available to the youth to learn how to become professional artists.

Commissioner Ramezani stated that there are very limited art classes available to residents. She recommended surveying public interest as maybe the program could be further reaching than just teens and visual arts. Mr. Betz stated that this program is more like having your own art studio and trying to create a community. It is an experiment, an art lab that is a hybrid of studio and instruction. Mr. Betz stated that there are 3 programs with the MBUSD right now; Curator, Intergenerational and the proposed Art Lab.

Commissioner Dunn stated it seems that Mr. Betz is trying to fill a need that is not currently being met and that if it is a success, could be an example for others to follow.

Commissioner Samuels moved to request permission from the City Council to learn more about and discuss Art Lab. Commissioner Ramezani seconded the motion. The motion passed unanimously.

Ayes: Commissioners Dunn, Ramezani, Samuels, Gill and May

Nays: none

Abstain: none

Absent: none

Mr. Betz stated that the footings for the Light Gate Centennial Art Piece had been poured into the plaza and the sculpture was half fabricated.

H. COMMISSION ITEMS:

Commissioner Samuels inquired about the budget sheet and that only \$25,000 had been allocated to the Strand stairs and wanted clarification on how much total would be deducted. Mr. Betz stated that \$90,000 was approved, so there is \$65,000 more approved to be used. He stated that currently the bids received are not attractive so work has not yet begun.

Commissioner Gill inquired about the Shell bench. Mr. Betz stated that the issue would be raised at the 12/16 City Council meeting. Commissioner Samuels stated that he had gone down to test the bench and he agreed largely with Commissioner May's previous assessment. He spoke with a person who was sitting on the bench who liked it and that it worked for him and his yoga practice. Commissioner Samuels stated that it is a two-person bench and it would be uncomfortable to share the bench with a stranger. He also stated that the finish on the bench seems to dirty easily. Mr. Betz stated the bench has since been coated. Commissioner Gill would like to explore removing it from the catalog because he thinks it is terrible. Commissioner Samuels questions removing the benches but would encourage future purchasers to go out and experience the bench themselves to make sure it is what they want. Commissioner Ramezani stated the benches are meant to be art pieces but they need to be functional and of good quality. Commissioner Dunn stated that the bench program came about because someone wanted a bench with a back. Commissioner May stated that the benches are not just art that they need to be functional. Commissioner Gill stated that if it was purely about functionality, it wouldn't be in front of the commission. He stated that here is an art aspect to the benches and they should be functional. Commissioner Dunn stated that maybe a life sized model should be provided before a decision is made for new designs in the future. Commissioner Gill stated that in the past, the commission had the ability to have a sample made but that was voted down. Commissioner Samuels stated that it is tough to ask for a full scale model due to cost. Commissioner Ramezani stated that we should define what functional is so that there is no question. Mr. Betz stated that there are many artists out there that know how to build benches.

Commissioner Gill asked if there has been any discussion regarding the mural. Mr. Betz stated that there has been no progress made on that point.

Commissioner Samuels reported that artist, Cathy Taslitz had been chosen for the Library Art.

Gary McAulay stated that he had said that he was glad that the BELIEVE sculpture was gone. He also stated that the benches are first and foremost benches and should be functional.

He stated that it is great that they are artistic but that they are benches first and pieces of art secondary.

I. GENERAL BUSINESS:

None

J. ADJOURNMENT

Commissioner Gill moved to adjourn. Commissioner Ramezani seconded the motion. The motion passed. The meeting adjourned at 6:59 PM. The motion passed unanimously.

Ayes: Commissioners Dunn, Ramezani, Samuels, Gill and May

Nays: None

Abstain: None

Absent: None

DRAFT

Finance Subcommittee Meeting Action Minutes

Meeting Date: December 30, 2014
Recording Secretary: Helga Foushanes

In Attendance: Tim Lilligren, Treasurer
Wayne Powell, Mayor
Tony D'Errico, Councilmember
Bruce Moe, Finance Director
Henry Mitzner, Controller
Libby Bretthauer, Financial Analyst
Jeanne O'Brien, Senior Accountant

Called to Order: 11:00 AM by Tim Lilligren, City Treasurer

Agenda Item #1 – Approval of Minutes from December 1, 2014 Finance Subcommittee Meeting

The Finance Subcommittee unanimously approved the minutes of December 1, 2014.

Agenda Item #2 - Consideration of Results of Fiscal Year 2013-2014 Financial Audit

Finance Director Moe presented the overall audit results indicating that General Fund revenues exceeded expenditures by \$2,631,415. General Fund revenue and expenditure variations to budget show revenues exceeding the Final Adjusted Budget by 4.6%, while expenditures came in 2.5% below the Final Adjusted Budget.

Audit partner Richard Kikuchi from the firm of Lance, Soll and Lunghard provided the Subcommittee with an overview of the audit process.

Finance staff was excused and the Subcommittee further discussed the audit.

The Finance Subcommittee received and filed the report.

Agenda Item #3 – Public Comments

None.

Agenda Item #4 - Adjournment

The meeting was adjourned at 12:03 P.M.