



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor and Members of the City Council

THROUGH: Mark Danaj, City Manager

FROM: Bruce Moe, Finance Director

DATE: May 1, 2015

SUBJECT: Supplemental Information for Agenda Item #16 – Introduction of Fiscal Year 2015-2016 Proposed Operating Budget

The Fiscal Year 2015-2016 budget was issued on April 29, 2015. At that time, staff indicated that the five year forecast of revenues and expenditures would be issued in advance of the May 5, 2015 City Council meeting. The preliminary forecast, and the assumptions used to create the projections, are attached to this memo.

Among the major assumptions used in the forecast is that the Storm Water funding subsidies from the General Fund will be corrected starting in FY 2017-2018. This assumption is based on City Council's direction at the January 15, 2015 study session on Storm Water and Street Lighting Subsidies, to take the next steps towards correcting the funding imbalance. To that end, funds have been included in the FY 2015-2016 budget for education and polling. Ultimately a successful Proposition 218 vote will be necessary. This assumes that full funding of the Storm Water enterprise will occur in FY 2017-2018, providing adequate time to achieve the goal. Doing so saves the General Fund \$4.9 million over the five year forecast. To the extent the subsidies continue, the forecast will change dramatically and will result in further use of General Fund reserves.

Please refer to the attached forecast for all other assumptions.

As a high level overview, the forecast indicates that:

- General Fund revenues exceed expenditures over the next five years, although surpluses diminish over time
- Net transfers out from the General Fund total \$4.5 million over the five year forecast in support of Storm Water, Street Lighting and Capital Improvements
- Storm Water transfers total \$2.7 million from FY 2015-2016 to FY 2016-2017
- The CIP Fund transfers-in from the General Fund to support planned projects in FY 2017-2018 through FY 2019-2020 total \$1.57 million

- General Fund unreserved fund balance fluctuates from \$1.4 million at the end of FY 2015-2016 to \$-0- at the end of FY 2018-2019 and FY 2019-2020
- Economic Uncertainty reserves are tapped into in FY 18-19 (\$280,210) and FY 19-20 (\$631,140) in continued support of planned general (non-enterprise) CIP projects and Street Lighting subsidies
- Wastewater funding is adequate until FY 2018-2019, at which time a small loan from the Water Fund (\$126,378) is required to support capital projects. The loan is repaid the next year, but policy reserve levels are short by \$206,400

Staff will discuss the forecast in detail at the May 5th Budget Overview.

Attachment:

Five Year Forecast (FY 2015-2016 to FY 2019-2020)

FIVE YEAR FORECAST ASSUMPTIONS - FY 2015-2016 THROUGH 2019-2020

MAJOR ASSUMPTIONS

General Fund

Revenues

- * Property taxes are forecast at 4% growth annually.
- * Sales taxes are forecast at 1.5% growth annually.
- * Business License Taxes are forecast at 1% growth annually.
- * Hotel Bed Taxes are forecast at 4% growth annually.
- * Building permits and Plan Check fees are expected to increase 3% annually.
- * Parking Citations are expected to remain flat after 2015-2016 increase.
- * Interest Income expected to remain flat.
- * Parks & Recreation Fees are expected to increase by 2% per year.
- * Administrative Service Charge to reimburse the General Fund for overhead costs is expected to be flat.
- * No State takeaways are projected.
- * Remaining revenues are forecast at 2% growth annually.

Expenditures

- * Salary and benefit adjustments are provided for after expiration of the existing MOU's in FY 2015-2016. Step increases continue.
- * FY 2015-2016 includes an across-the-board \$1.8 million (4.6%) staffing vacancy funding reduction which is continued in the outlying years.
- * Medical increases 7% per year.
- * Workers Compensation costs were maintained at \$3.5 million per year.
- * Current School Agreement is in place until its expiration in FY 2015-2016. Contract amount is forecasted to increase 2% in subsequent years.
- * PERS costs are escalated in line with rate forecasts from PERS.
- * Line items including material & supplies, contract services, utilities, internal services, etc. (unless otherwise noted) are adjusted annually by 2.0%.
- * Election costs of \$80,000 scheduled in the odd years.
- * Council Contingency was maintained at \$100,000.

FIVE YEAR FORECAST ASSUMPTIONS - FY 2015-2016 THROUGH 2019-2020

Street Lighting Fund

- * Assessments remain unchanged (Prop 218 vote required to change).
- * General Fund continues to subsidize this program through transfers.
- * Utility costs, which make up a large portion of the cost of this program, are estimated to increase by 2.5% annually.

Water Fund

- * Reflect increase in water rates set forth by rate study by AKM (infrastructure) and FCS (rates).
- * MWD rates increase by 5% in the outlying years.
- * Consumption rates assumed to remain level with 2015-2016.

Waste Water Fund

- * Reflect increase in wastewater rates set forth by rate study by AKM (infrastructure) and FCS (rates).
- * Consumption rates reflect conservation efforts.

Storm Water Fund

- * Assumes Stormwater Assessments are increased in FY2017-2018 to meet expenditures (Prop 218 vote required).
- * Mandated projects expected in the future.

Refuse Fund

- * Revenues estimated to coincide with new contract rates as a pass through, plus other program related expenses.

Parking Fund

- * \$.50/hr dedicated from on-street meters to CIP fund remains in place.

City of Manhattan Beach
 General Fund Five Year Forecast Summary (FY 2016-2020)

FIVE YEAR FORECAST ASSUMPTIONS - FY 2015-2016 THROUGH 2019-2020

Year	Revenues	Change	%	Expenditures	Change	%	Surplus/ (Deficit)	Year-end Fund Balance	Reserves	Unreserved Fund Balance	Use of Reserves	Net Transfers
FY 2015-2016	\$63,706,793	\$3,859,844	6.4%	\$63,328,305	\$2,627,100	4.3%	\$378,488	\$18,056,765	\$16,665,661	\$1,391,104	-	(\$884,613)
FY 2016-2017	\$65,395,618	\$1,688,825	2.7%	\$64,115,491	\$787,186	1.2%	\$1,280,127	\$17,390,345	\$16,823,098	\$567,247	-	(\$1,946,547)
FY 2017-2018	\$67,138,017	\$1,742,399	2.7%	\$66,126,113	\$2,010,622	3.1%	\$1,011,904	\$17,311,612	\$17,225,223	\$86,389	-	(\$1,090,637)
FY 2018-2019	\$68,937,167	\$1,799,150	2.7%	\$68,472,228	\$2,346,115	3.5%	\$464,939	\$17,414,236	\$17,414,236	-	\$280,210	(\$362,315)
FY 2019-2020	\$70,796,064	\$1,858,897	2.7%	\$70,730,485	\$2,258,257	3.3%	\$65,579	\$17,234,747	\$17,234,747	-	\$631,140	(\$245,067)
											\$911,350	(\$4,529,179)

FIVE YEAR FORECAST
FY 2015-2016 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2015 Opening Balance	2015-2016 Estimated Revenues	2015-2016 Operating Expenditures	2015-2016 Capital Projects & Equipment	2015-2016 Total Expenditures	2015-2016 Fund Balance Before Xfers	2015-2016 Fund Transfers	06/30/2016 Total Fund Balance	06/30/2016 Reserves & Designations	06/30/2016 Unreserved Balance
General Fund Undesignated	\$2,422,649	\$63,706,793	(\$62,980,748)	(\$347,557)	(\$63,328,305)	\$2,801,137	(\$525,420)	\$1,391,104		\$1,391,104
<i>Transfer from County Lots Parking Fund</i>	-						174,302			
<i>Transfer to Street Lighting Fund</i>	-						(217,649)			
<i>Transfer to Stormwater Fund</i>							(841,266)			
<i>Financial Policy Designation</i>	12,140,241					12,140,241	525,420	12,665,661	12,665,661	
<i>Reserve for Economic Uncertainty</i>	4,000,000					4,000,000		4,000,000	4,000,000	
<i>Debt Service Reserve</i>	-					-		-	-	
Total General Fund Balance	\$18,562,890	\$63,706,793	(\$62,980,748)	(\$347,557)	(\$63,328,305)	\$18,941,378	(\$884,613)	\$18,056,765	\$16,665,661	\$1,391,104
Special Revenue Funds										
Street Lighting & Landscape	-	\$397,180	(\$614,829)		(\$614,829)	(\$217,649)	\$217,649	-		-
Gas Tax	\$2,948,449	830,485		(2,752,541)	(2,752,541)	1,026,393		\$1,026,393		\$1,026,393
Asset Forfeiture & Safety Grants	799,557	7,300	(166,454)	(49,496)	(215,950)	590,907		590,907		590,907
Police Safety Grants	199,706	101,200	(80,000)	(25,000)	(105,000)	195,906		195,906		195,906
Federal & State Grants	(22,488)	-			-	(22,488)		(22,488)		(22,488)
Prop A	-	670,395	(859,540)		(859,540)	(189,145)	189,145	-		-
Prop C	4,017,320	563,514		(2,468,399)	(2,468,399)	2,112,435		2,112,435		2,112,435
AB 2766	67,620	51,712	(11,100)		(11,100)	108,232		108,232		108,232
Measure R	1,445,788	407,740		(335,000)	(335,000)	1,518,528	(189,145)	1,329,383		1,329,383
Total Special Revenue Funds Balance	\$9,455,952	\$3,029,526	(\$1,731,923)	(\$5,630,436)	(\$7,362,359)	\$5,123,119	\$217,649	\$5,340,768	-	\$5,340,768
Capital Project Funds										
Capital Improvement Fund	\$10,078,444	\$1,599,523	(\$774,536)	(\$7,335,898)	(\$8,110,434)	\$3,567,533		\$3,567,533		\$3,567,533
Underground Utility Construction Fund	589,782	1,200			-	590,982		590,982		590,982
Total Capital Project Funds Balance	\$10,668,226	\$1,600,723	(\$774,536)	(\$7,335,898)	(\$8,110,434)	\$4,158,515	-	\$4,158,515	-	\$4,158,515
Enterprise Funds										
Water	\$25,243,189	\$16,063,977	(\$9,903,707)	(\$3,542,153)	(\$13,445,860)	\$27,861,306	-	\$27,861,306	\$3,301,236	\$24,560,070
Stormwater* (a)	527,672	353,406	(1,122,129)	(600,215)	(1,722,344)	(841,266)	841,266	-	-	-
Wastewater	6,462,447	3,543,910	(1,299,698)	(1,162,867)	(2,462,565)	7,543,792		7,543,792	433,233	7,110,559
Refuse*	607,523	4,190,074	(3,986,040)	(281,853)	(4,267,893)	529,704		529,704	529,704	-
Parking	1,938,896	2,503,797	(2,347,413)	(1,250,129)	(3,597,542)	845,151		845,151	782,471	62,680
County Parking Lots	-	809,000	(634,698)		(634,698)	174,302	(174,302)	-	-	-
State Pier & Parking	2,339,781	617,274	(389,051)	(1,600,000)	(1,989,051)	968,004		968,004	129,684	838,320
Enterprise Fund Reserves:										
North Manhattan Beach BID Reserve	532,510					532,510		532,510	532,510	
Total Enterprise Funds Balance	\$37,652,018	\$28,081,438	(\$19,682,736)	(\$8,437,217)	(\$28,119,953)	\$37,613,503	\$666,964	\$38,280,467	\$5,708,837	\$32,571,630

**FIVE YEAR FORECAST
FY 2015-2016 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES**

	07/01/2015 Opening Balance	2015-2016 Estimated Revenues	2015-2016 Operating Expenditures	2015-2016 Capital Projects & Equipment	2015-2016 Total Expenditures	2015-2016 Fund Balance Before Xfers	2015-2016 Fund Transfers	06/30/2016 Total Fund Balance	06/30/2016 Reserves & Designations	06/30/2016 Unreserved Balance
Internal Service Funds										
Insurance Reserve	\$3,834,476	\$6,280,680	(\$6,244,606)		(\$6,244,606)	\$3,870,550		\$3,870,550	\$2,000,000	\$1,870,550
Information Technology	255,634	2,283,351	(2,068,540)	(463,828)	(2,532,368)	6,600		6,600		6,600
Fleet Management	2,784,406	2,447,895	(1,415,146)	(453,873)	(1,869,019)	3,363,282		3,363,282		3,363,282
Building Maintenance & Operations	18,085	1,781,814	(1,799,899)	-	(1,799,899)	-		-		-
Total Insurance Service Funds Balance	\$6,892,601	\$12,793,740	(\$11,528,191)	(\$917,701)	(\$12,445,892)	\$7,240,432	-	\$7,240,432	\$2,000,000	\$5,240,432
Trust & Agency Funds										
Underground Assessment Fund	\$1,826,314	\$965,000	(\$950,038)		(\$950,038)	\$1,841,276		\$1,841,276	\$1,841,276	
Pension Trust	324,035	171,900	(235,565)		(235,565)	260,370		260,370	260,370	
Total Trust Agency Funds Balance	\$2,150,349	\$1,136,900	(\$1,185,603)	-	(\$1,185,603)	\$2,101,646	-	\$2,101,646	\$2,101,646	-
Grand Total - Adopted Budget	\$85,382,035	\$110,349,120	(\$97,883,737)	(\$22,668,809)	(\$120,552,546)	\$75,178,592	-	\$75,178,592	\$26,476,144	\$48,702,449

* Not meeting current Financial Reserve Policy.

FIVE YEAR FORECAST
FY 2016-2017 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2016 Opening Balance	2016-2017 Estimated Revenues	2016-2017 Operating Expenditures	2016-2017 Capital Projects & Equipment	2016-2017 Total Expenditures	2016-2017 Fund Balance Before Xfers	2016-2017 Fund Transfers	06/30/2017 Total Fund Balance	06/30/2017 Reserves & Designations	06/30/2017 Unreserved Balance
General Fund Undesignated	\$1,391,104	\$65,395,618	(\$63,815,491)	(\$300,000)	(\$64,115,491)	\$2,671,231	(\$157,437)	\$567,247		\$567,247
<i>Transfer from County Lots Parking Fund</i>	-						185,973			
<i>Transfer to Street Lighting Fund</i>	-						(229,470)			
<i>Transfer to Stormwater Fund</i>	-						(1,903,051)			
<i>Transfer to Capital Improvements Fund</i>							-			
<i>Financial Policy Designation</i>	12,665,661					12,665,661	157,437	12,823,098	12,823,098	
<i>Reserve for Economic Uncertainty</i>	4,000,000					4,000,000		4,000,000	4,000,000	
<i>Debt Service Reserve</i>	-					-		-	-	
Total General Fund Balance	\$18,056,765	\$65,395,618	(\$63,815,491)	(\$300,000)	(\$64,115,491)	\$19,336,892	(\$1,946,547)	\$17,390,345	\$16,823,098	\$567,247
Special Revenue Funds										
Street Lighting & Landscape	-	\$397,656	(\$627,126)	-	(\$627,126)	(\$229,470)	\$229,470	-		-
Gas Tax	\$1,026,393	1,596,175		(2,420,616)	(2,420,616)	201,952		\$201,952		\$201,952
Asset Forfeiture & Safety Grants	590,907	17,300	(135,212)	-	(135,212)	472,995		472,995		472,995
Police Safety Grants	195,906	101,200	(81,600)	-	(81,600)	215,506		215,506		215,506
Federal & State Grants	(22,488)	-				(22,488)		(22,488)		(22,488)
Prop A	-	680,579	(821,177)	-	(821,177)	(140,598)	140,598	-		-
Prop C	2,112,435	12,695,802		(13,827,483)	(13,827,483)	980,754		980,754		980,754
AB 2766	108,232	51,712	(11,412)	-	(11,412)	148,532		148,532		148,532
Measure R	1,329,383	415,743		(175,000)	(175,000)	1,570,126	(140,598)	1,429,528		1,429,528
Total Special Revenue Funds Balance	\$5,340,768	\$15,956,166	(\$1,676,527)	(\$16,423,099)	(\$18,099,626)	\$3,197,308	\$229,470	\$3,426,778	-	\$3,426,778
Capital Project Funds										
Capital Improvement Fund	\$3,567,533	\$1,642,563	(\$770,448)	(\$3,520,201)	(\$4,290,649)	919,447		\$919,447		\$919,447
Underground Utility Construction Fund	590,982	1,200				592,182		592,182		592,182
Total Capital Project Funds Balance	\$4,158,515	\$1,643,763	(\$770,448)	(\$3,520,201)	(\$4,290,649)	\$1,511,629	-	\$1,511,629	-	\$1,511,629
Enterprise Funds										
Water	\$27,861,306	\$16,074,783	(\$10,210,646)	(\$4,463,534)	(\$14,674,180)	\$29,261,909	-	29,261,909	\$3,403,549	\$25,858,360
Stormwater* (a)	-	353,680	(1,146,730)	(1,110,000)	(2,256,730)	(1,903,051)	1,903,051	-	-	-
Wastewater	7,543,792	3,547,033	(1,178,874)	(4,050,000)	(5,228,874)	5,861,951	-	5,861,951	392,958	5,468,993
Refuse*	529,704	4,271,858	(4,068,550)	-	(4,068,550)	733,012		733,012	733,012	-
Parking*	845,151	2,551,118	(2,359,877)	(400,000)	(2,759,877)	636,392		636,392	636,392	-
County Parking Lots	-	825,180	(639,207)		(639,207)	185,973	(185,973)	-	-	-
State Pier & Parking	968,004	629,956	(397,679)	-	(397,679)	1,200,281		1,200,281	132,560	1,067,721
Enterprise Fund Reserves:										
North Manhattan Beach BID Reserve	532,510					532,510		532,510	532,510	
Total Enterprise Funds Balance	\$38,280,467	\$28,253,606	(\$20,001,563)	(\$10,023,534)	(\$30,025,097)	\$36,508,976	\$1,717,078	\$38,226,054	\$5,830,980	\$32,395,074

**FIVE YEAR FORECAST
FY 2016-2017 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES**

	07/01/2016 Opening Balance	2016-2017 Estimated Revenues	2016-2017 Operating Expenditures	2016-2017 Capital Projects & Equipment	2016-2017 Total Expenditures	2016-2017 Fund Balance Before Xfers	2016-2017 Fund Transfers	06/30/2017 Total Fund Balance	06/30/2017 Reserves & Designations	06/30/2017 Unreserved Balance
Internal Service Funds										
Insurance Reserve	\$3,870,550	\$6,376,080	(\$6,376,080)	-	(\$6,376,080)	\$3,870,550		\$3,870,550	\$2,000,000	\$1,870,550
Information Systems	6,600	2,525,282	(1,925,282)	(600,000)	(2,525,282)	6,600		6,600		6,600
Fleet Management	3,363,282	1,762,461	(1,298,107)	(500,000)	(1,798,107)	3,327,636		3,327,636		3,327,636
Building Maintenance & Operations	-	1,845,505	(1,845,505)	-	(1,845,505)	-		-		-
Total Insurance Service Funds Balance	\$7,240,432	\$12,509,328	(\$11,444,974)	(\$1,100,000)	(\$12,544,974)	\$7,204,786	-	\$7,204,786	\$2,000,000	\$5,204,786
Trust & Agency Funds										
Underground Assessment Fund	\$1,841,276	\$965,000	(\$944,761)	-	(\$944,761)	\$1,861,515		\$1,861,515	\$1,861,515	
Pension Trust	260,370	171,900	(243,536)		(243,536)	188,734		188,734	188,734	
Total Trust Agency Funds Balance	\$2,101,646	\$1,136,900	(\$1,188,297)	-	(\$1,188,297)	\$2,050,249	-	\$2,050,249	\$2,050,249	-
Grand Total - Adopted Budget	\$75,178,593	\$124,895,382	(\$98,897,300)	(\$31,366,834)	(\$130,264,134)	\$69,809,840	-	\$69,809,840	\$26,704,327	\$43,105,514

* Not meeting current Financial Reserve Policy.

FIVE YEAR FORECAST
FY 2017-2018 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2017 Opening Balance	2017-2018 Estimated Revenues	2017-2018 Operating Expenditures	2017-2018 Capital Projects & Equipment	2017-2018 Total Expenditures	2017-2018 Fund Balance Before Xfers	2017-2018 Fund Transfers	06/30/2018 Total Fund Balance	06/30/2018 Reserves & Designations	06/30/2018 Unreserved Balance
General Fund Undesignated	\$567,247	\$67,138,017	(\$65,826,113)	(\$300,000)	(\$66,126,113)	1,579,151	(\$402,125)	\$86,389		\$86,389
<i>Transfer from County Lots Parking Fund</i>	-						197,897			
<i>Transfer to Street Lighting Fund</i>	-						(241,523)			
<i>Transfer to Stormwater Fund</i>							-			
<i>Transfer to Capital Improvements Fund</i>							(1,047,010)			
<i>Financial Policy Designation</i>	\$12,823,098					12,823,098	402,125	13,225,223	13,225,223	
<i>Reserve for Economic Uncertainty</i>	4,000,000					4,000,000		4,000,000	4,000,000	
<i>Debt Service Reserve</i>	-					-		-	-	
Total General Fund Balance	\$17,390,345	\$67,138,017	(\$65,826,113)	(\$300,000)	(\$66,126,113)	\$18,402,249	(\$1,090,637)	\$17,311,612	\$17,225,223	\$86,389
Special Revenue Funds										
Street Lighting & Landscape	-	\$398,145	(\$639,668)	-	(\$639,668)	(\$241,523)	\$241,523	-		-
Gas Tax	\$201,952	3,012,178		(3,166,736)	(3,166,736)	47,394		\$47,394		\$47,394
Asset Forfeiture & Safety Grants	472,995	17,300	(138,230)	(50,000)	(188,230)	302,065		302,065		302,065
Police Safety Grants	215,506	101,200	(83,232)	-	(83,232)	233,474		233,474		233,474
Federal & State Grants	(22,488)	-			-	(22,488)		(22,488)		(22,488)
Prop A	-	690,918	(847,567)	-	(847,567)	(156,649)	156,649	-		-
Prop C	980,754	4,967,242		(5,826,605)	(5,826,605)	121,391		121,391		121,391
AB 2766	148,532	51,712	(11,733)	-	(11,733)	188,511		188,511		188,511
Measure R	1,429,528	423,906		-	-	1,853,433	(156,649)	1,696,785		1,696,785
Total Special Revenue Funds Balance	\$3,426,778	\$9,662,601	(\$1,720,430)	(\$9,043,341)	(\$10,763,771)	\$2,325,608	\$241,523	\$2,567,131	-	\$2,567,131
Capital Project Funds										
Capital Improvement Fund	\$919,447	\$1,687,040	(\$771,497)	(\$2,882,000)	(\$3,653,497)	(\$1,047,010)	1,047,010	-		-
Underground Utility Construction Fund	592,182	1,200			-	593,382		593,382		593,382
Total Capital Project Funds Balance	\$1,511,629	\$1,688,240	(\$771,497)	(\$2,882,000)	(\$3,653,497)	(\$453,628)	\$1,047,010	\$593,382	-	\$593,382
Enterprise Funds										
Water	\$29,261,909	\$16,084,048	(\$10,595,237)	(\$11,375,000)	(\$21,970,237)	\$23,375,719	-	\$23,375,719	\$3,531,746	\$19,843,974
Stormwater*	-	2,138,729	(1,171,744)	(958,100)	(2,129,844)	8,885	-	8,885	8,885	-
Wastewater	5,861,951	3,549,806	(1,206,249)	(7,500,000)	(8,706,249)	705,508	-	705,508	402,083	303,425
Refuse*	733,012	4,355,234	(4,152,554)	-	(4,152,554)	935,692		935,692	935,692	-
Parking	636,392	2,599,169	(2,398,916)	-	(2,398,916)	836,644		836,644	799,639	37,006
County Parking Lots	-	841,684	(643,787)		(643,787)	197,897	(197,897)	-		-
State Pier & Parking	1,200,281	642,707	(406,463)	-	(406,463)	1,436,524		1,436,524	135,488	1,301,036
Enterprise Fund Reserves:										
North Manhattan Beach BID Reserve	532,510					532,510		532,510	532,510	
Total Enterprise Funds Balance	\$38,226,054	\$30,211,376	(\$20,574,950)	(\$19,833,100)	(\$40,408,050)	\$28,029,379	(\$197,897)	\$27,831,482	\$6,346,042	\$21,485,441

**FIVE YEAR FORECAST
FY 2017-2018 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES**

	07/01/2017 Opening Balance	2017-2018 Estimated Revenues	2017-2018 Operating Expenditures	2017-2018 Capital Projects & Equipment	2017-2018 Total Expenditures	2017-2018 Fund Balance Before Xfers	2017-2018 Fund Transfers	06/30/2018 Total Fund Balance	06/30/2018 Reserves & Designations	06/30/2018 Unreserved Balance
Internal Service Funds										
Insurance Reserve	\$3,870,550	\$6,509,920	(\$6,509,920)	-	(\$6,509,920)	\$3,870,550		\$3,870,550	\$2,000,000	\$1,870,550
Information Systems	6,600	2,561,858	(1,986,858)	(575,000)	(2,561,858)	6,600		6,600		6,600
Fleet Management	3,327,636	1,893,423	(1,277,057)	(600,000)	(1,877,057)	3,344,002		3,344,002		3,344,002
Building Maintenance & Operations	-	1,891,908	(1,891,908)	-	(1,891,908)	-		-		-
Total Insurance Service Funds Balance	\$7,204,786	\$12,857,109	(\$11,665,743)	(\$1,175,000)	(\$12,840,743)	\$7,221,152	-	\$7,221,152	\$2,000,000	\$5,221,152
Trust & Agency Funds										
Underground Assessment Fund	\$1,861,515	\$965,000	(\$948,139)	-	(\$948,139)	\$1,878,376		\$1,878,376	\$1,878,376	
Pension Trust	188,734	171,900	(251,797)		(251,797)	108,837		108,837	108,837	
Total Trust Agency Funds Balance	\$2,050,249	\$1,136,900	(\$1,199,936)	-	(\$1,199,936)	\$1,987,213	-	\$1,987,213	\$1,987,213	-
Grand Total - Adopted Budget	\$69,809,841	\$122,694,243	(\$101,758,669)	(\$33,233,441)	(\$134,992,110)	\$57,511,973	-	\$57,511,973	\$27,558,478	\$29,953,495

* Not meeting current Financial Reserve Policy.

FIVE YEAR FORECAST
FY 2018-2019 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2018 Opening Balance	2018-2019 Estimated Revenues	2018-2019 Operating Expenditures	2018-2019 Capital Projects & Equipment	2018-2019 Total Expenditures	2018-2019 Fund Balance Before Xfers	2018-2019 Fund Transfers	06/30/2019 Total Fund Balance	06/30/2019 Reserves & Designations	06/30/2019 Unreserved Balance
General Fund Undesignated	\$86,389	\$68,937,167	(\$68,172,228)	(\$300,000)	(\$68,472,228)	551,328	(\$469,223)	(\$280,210)		-
<i>Transfer from County Lots Parking Fund</i>	-						210,043			
<i>Transfer to Street Lighting Fund</i>	-						(253,816)			
<i>Transfer to Stormwater Fund</i>							-			
<i>Transfer to Capital Improvements Fund</i>							(318,542)			
<i>Financial Policy Designation</i>	\$13,225,223					13,225,223	469,223	13,694,446	13,694,446	
<i>Reserve for Economic Uncertainty</i>	4,000,000					4,000,000		4,000,000	3,719,790	
<i>Debt Service Reserve</i>	-					-		-	-	
Total General Fund Balance	\$17,311,612	\$68,937,167	(\$68,172,228)	(\$300,000)	(\$68,472,228)	\$17,776,551	(\$362,315)	\$17,414,236	\$17,414,236	-
Special Revenue Funds										
Street Lighting & Landscape	-	\$398,645	(\$652,461)	-	(\$652,461)	(\$253,816)	\$253,816	-		-
Gas Tax	\$47,394	878,501		(850,000)	(850,000)	75,895		\$75,895		\$75,895
Asset Forfeiture & Safety Grants	302,065	17,300	(141,318)	-	(141,318)	178,047		178,047		178,047
Police Safety Grants	233,474	101,200	(84,897)	-	(84,897)	249,777		249,777		249,777
Federal & State Grants	(22,488)	-				(22,488)		(22,488)		(22,488)
Prop A	-	701,415	(874,473)	-	(874,473)	(173,058)	173,058	-		-
Prop C	121,391	587,884				709,275		709,275		709,275
AB 2766	188,511	51,712	(12,063)	-	(12,063)	228,160		228,160		228,160
Measure R	1,696,785	432,232				2,129,016	(173,058)	1,955,959		1,955,959
Total Special Revenue Funds Balance	\$2,567,131	\$3,168,890	(\$1,765,212)	(\$850,000)	(\$2,615,212)	\$3,120,809	\$253,816	\$3,374,625	-	\$3,374,625
Capital Project Funds										
Capital Improvement Fund	-	\$1,733,005	(\$776,547)	(\$1,275,000)	(\$2,051,547)	(\$318,542)	318,542	-		-
Underground Utility Construction Fund	593,382	1,200				594,582		594,582		594,582
Total Capital Project Funds Balance	\$593,382	\$1,734,205	(\$776,547)	(\$1,275,000)	(\$2,051,547)	\$276,040	\$318,542	\$594,582	-	\$594,582
Enterprise Funds										
Water	\$23,375,719	\$16,092,181	(\$10,997,076)	(\$6,050,000)	(\$17,047,076)	\$22,420,825	(\$126,378)	22,294,447	\$3,665,692	18,628,756
Stormwater*	8,885	1,919,029	(1,197,291)	(712,700)	(1,909,991)	17,923	-	17,923	17,923	-
Wastewater*	705,508	3,552,327	(1,234,213)	(3,150,000)	(4,384,213)	(126,378)	126,378	-	-	-
Refuse*	935,692	4,440,245	(4,238,254)	-	(4,238,254)	1,137,682		1,137,682	1,137,682	-
Parking	836,644	2,648,019	(2,428,114)	-	(2,428,114)	1,056,549		1,056,549	809,371	247,178
County Parking Lots	-	858,517	(648,474)		(648,474)	210,043	(210,043)	-	-	-
State Pier & Parking	1,436,524	655,575	(415,438)	-	(415,438)	1,676,661		1,676,661	138,479	1,538,182
Enterprise Fund Reserves:										
North Manhattan Beach BID Reserve	532,510					532,510		532,510	532,510	
Total Enterprise Funds Balance	\$27,831,482	\$30,165,893	(\$21,158,860)	(\$9,912,700)	(\$31,071,560)	\$26,925,816	(\$210,043)	\$26,715,773	\$6,301,658	\$20,414,115

**FIVE YEAR FORECAST
FY 2018-2019 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES**

	07/01/2018 Opening Balance	2018-2019 Estimated Revenues	2018-2019 Operating Expenditures	2018-2019 Capital Projects & Equipment	2018-2019 Total Expenditures	2018-2019 Fund Balance Before Xfers	2018-2019 Fund Transfers	06/30/2019 Total Fund Balance	06/30/2019 Reserves & Designations	06/30/2019 Unreserved Balance
Internal Service Funds										
Insurance Reserve	\$3,870,550	\$6,646,525	(\$6,646,525)	-	(\$6,646,525)	\$3,870,550		\$3,870,550	\$2,000,000	\$1,870,550
Information Systems	6,600	2,599,907	(2,049,907)	(550,000)	(2,599,907)	6,600		6,600		6,600
Fleet Management	3,344,002	1,925,158	(1,157,278)	(600,000)	(1,757,278)	3,511,883		3,511,883		3,511,883
Building Maintenance & Operations	-	1,939,333	(1,939,333)	-	(1,939,333)	-		-		-
Total Insurance Service Funds Balance	\$7,221,152	\$13,110,923	(\$11,793,043)	(\$1,150,000)	(\$12,943,043)	\$7,389,033	-	\$7,389,033	\$2,000,000	\$5,389,033
Trust & Agency Funds										
Underground Assessment Fund	\$1,878,376	\$965,000	(\$939,547)	-	(\$939,547)	\$1,903,829		\$1,903,829	\$1,903,829	
Pension Trust	108,837	171,900	(260,359)		(260,359)	20,378		20,378	20,378	
Total Trust Agency Funds Balance	\$1,987,213	\$1,136,900	(\$1,199,906)	-	(\$1,199,906)	\$1,924,207	-	\$1,924,207	\$1,924,207	-
Grand Total - Adopted Budget	\$57,511,973	\$118,253,978	(\$104,865,796)	(\$13,487,700)	(\$118,353,496)	\$57,412,456	-	\$57,412,456	\$27,640,101	\$29,772,354

* Not meeting current Financial Reserve Policy.

FIVE YEAR FORECAST
FY 2019-2020 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2019 Opening Balance	2019-2020 Estimated Revenues	2019-2020 Operating Expenditures	2019-2020 Capital Projects & Equipment	2019-2020 Total Expenditures	2019-2020 Fund Balance Before Xfers	2019-2020 Fund Transfers	06/30/2020 Total Fund Balance	06/30/2020 Reserves & Designations	06/30/2020 Unreserved Balance
General Fund Undesignated	-	\$70,796,064	(\$70,430,485)	(\$300,000)	(\$70,730,485)	\$65,579	(\$451,651)	(\$631,140)		-
<i>Transfer from County Lots Parking Fund</i>	-						222,369			
<i>Transfer to Street Lighting Fund</i>	-						(266,351)			
<i>Transfer to Stormwater Fund</i>							-			
<i>Transfer to Capital Improvements Fund</i>							(201,085)			
<i>Financial Policy Designation</i>	\$13,694,446					13,694,446	451,651	14,146,097	14,146,097	
<i>Reserve for Economic Uncertainty</i>	3,719,790					3,719,790		3,719,790	3,088,650	
<i>Debt Service Reserve</i>	-					-		-	-	
Total General Fund Balance	\$17,414,236	\$70,796,064	(\$70,430,485)	(\$300,000)	(\$70,730,485)	\$17,479,815	(\$245,067)	\$17,234,747	\$17,234,747	-
Special Revenue Funds										
Street Lighting & Landscape	-	\$399,158	(\$665,509)	-	(\$665,509)	(\$266,351)	\$266,351	-		-
Gas Tax	\$75,895	895,151		(750,000)	(750,000)	221,046		\$221,046		\$221,046
Asset Forfeiture & Safety Grants	178,047	17,300	(144,477)	(50,000)	(194,477)	870		870		870
Police Safety Grants	249,777	101,200	(86,595)	-	(86,595)	264,382		264,382		264,382
Federal & State Grants	(22,488)	-				(22,488)		(22,488)		(22,488)
Prop A	-	712,073	(902,864)	-	(902,864)	(190,791)	190,791	-		-
Prop C	709,275	596,252				1,305,528		1,305,528		1,305,528
AB 2766	228,160	51,712	(12,403)	-	(12,403)	267,469		267,469		267,469
Measure R	1,955,959	440,724				2,396,683	(190,791)	2,205,892		2,205,892
Total Special Revenue Funds Balance	\$3,374,625	\$3,213,571	(\$1,811,848)	(\$800,000)	(\$2,611,848)	\$3,976,348	\$266,351	\$4,242,699	-	\$4,242,699
Capital Project Funds										
Capital Improvement Fund	-	\$1,780,513	(\$781,598)	(\$1,200,000)	(\$1,981,598)	(\$201,085)	201,085	-		-
Underground Utility Construction Fund	594,582	1,200				595,782		595,782		595,782
Total Capital Project Funds Balance	\$594,582	\$1,781,713	(\$781,598)	(\$1,200,000)	(\$1,981,598)	\$394,697	\$201,085	\$595,782	-	\$595,782
Enterprise Funds										
Water	\$22,294,447	\$16,099,489	(\$11,417,347)	(\$3,800,000)	(\$15,217,347)	\$23,176,589	\$126,378	\$23,302,967	\$3,805,782	\$19,497,184
Stormwater*	17,923	1,945,374	(1,223,520)	(712,700)	(1,936,220)	27,077	-	27,077	27,077	-
Wastewater*	-	3,554,668	(1,263,575)	(1,950,000)	(3,213,575)	341,093	(126,378)	214,715	214,715	-
Refuse*	1,137,682	4,526,931	(4,325,883)	-	(4,325,883)	1,338,731		1,338,731	1,338,731	-
Parking	1,056,549	2,697,724	(2,467,542)	-	(2,467,542)	1,286,731		1,286,731	822,514	464,217
County Parking Lots	-	875,688	(653,319)		(653,319)	222,369	(222,369)	-		-
State Pier & Parking	1,676,661	668,597	(424,659)	-	(424,659)	1,920,599		1,920,599	141,553	1,779,046
Enterprise Fund Reserves:										
North Manhattan Beach BID Reserve	532,510					532,510		532,510	532,510	
Total Enterprise Funds Balance	\$26,715,773	\$30,368,470	(\$21,775,845)	(\$6,462,700)	(\$28,238,545)	\$28,845,697	(\$222,369)	\$28,623,329	\$6,882,882	\$21,740,447

FIVE YEAR FORECAST
FY 2019-2020 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2019 Opening Balance	2019-2020 Estimated Revenues	2019-2020 Operating Expenditures	2019-2020 Capital Projects & Equipment	2019-2020 Total Expenditures	2019-2020 Fund Balance Before Xfers	2019-2020 Fund Transfers	06/30/2020 Total Fund Balance	06/30/2020 Reserves & Designations	06/30/2020 Unreserved Balance
Internal Service Funds										
Insurance Reserve	\$3,870,550	\$6,786,377	(\$6,786,377)	-	(\$6,786,377)	\$3,870,550		\$3,870,550	\$2,000,000	\$1,870,550
Information Systems	6,600	2,666,069	(2,116,069)	(550,000)	(2,666,069)	6,600		6,600		6,600
Fleet Management	3,511,883	1,957,687	(1,187,234)	(600,000)	(1,787,234)	3,682,336		3,682,336		3,682,336
Building Maintenance & Operations	-	1,988,488	(1,988,488)	-	(1,988,488)	-		-		-
Total Insurance Service Funds Balance	\$7,389,033	\$13,398,621	(\$12,078,168)	(\$1,150,000)	(\$13,228,168)	\$7,559,486	-	\$7,559,486	\$2,000,000	\$5,559,486
Trust & Agency Funds										
Underground Assessment Fund	\$1,903,829	\$965,000	(\$930,500)	-	(\$930,500)	\$1,938,329		\$1,938,329	\$1,938,329	
Pension Trust	20,378	171,900	(269,235)		(269,235)	(76,957)		(76,957)	(76,957)	
Total Trust Agency Funds Balance	\$1,924,207	\$1,136,900	(\$1,199,735)	-	(\$1,199,735)	\$1,861,372	-	\$1,861,372	\$1,861,372	-
Grand Total - Adopted Budget	\$57,412,456	\$120,695,339	(\$108,077,679)	(\$9,912,700)	(\$117,990,379)	\$60,117,415	-	\$60,117,415	\$27,979,001	\$32,138,414

* Not meeting current Financial Reserve Policy.