

City of Manhattan Beach

Fiscal Years

2016 - 2017

2017 - 2018

Proposed Operating Budget



Agenda

- ▶ Budget Introduction
 - Overview of Budget Document
 - Highlights
 - Common themes across departments in advance of the Budget Study Session
- ▶ Five Year Forecast
- ▶ Pension Actuary Presentation
- ▶ Q&A



Budget Study Sessions

- ▶ May 5 Departmental highlights
Capital Improvement Plan
- ▶ May 10 Council questions/discussion
- ▶ May 12 If Necessary
- ▶ May 19 If Necessary

All held at 6 PM in Police/Fire Conference Room
Live Stream and Broadcast



Other Important Dates

- ▶ June 7 Final Direction at Council meeting
- ▶ June 21 Public Hearing and Adoption
- ▶ July 1 Effective date of budget

Directed changes will be incorporated by Resolution
at time of adoption



Community Engagement Efforts

- ▶ January – Community Budget Priorities Meetings
- ▶ February - Adoption of Budget Goals
- ▶ Announced and published meeting schedule
- ▶ Advertisement in The Beach Reporter
- ▶ Open City Hall Topic
- ▶ E-Notifications & Social Media
- ▶ Invitations to all households and businesses
- ▶ Budget@citymb.info



Two Year Budget

- ▶ Encourage long range planning
- ▶ Strategic Plan factored
- ▶ Greater emphasis on service delivery
- ▶ First year adopted – second year approved
- ▶ Revisit FY 2017-2018 at end of year one, then adopt
- ▶ CIP focus in year two



Service Delivery Investments

- ▶ Public Safety
 - Community Cameras
 - Police Department Staffing
 - Police/Fire Radio Interoperability
 - EMS Director
- ▶ Customer Service Excellence
 - Customer Service Training
 - Community Development Investments
- ▶ Technology Investments
 - ERP
 - IT Staffing/Project Management



Service Delivery Investments

- ▶ Other Investments
 - Older Adults Program
 - Metlox Improvements
 - Engineering Assistant
 - Management Services Analyst
 - Assistant Finance Director (FY 2017-18)



Economic Outlook

- ▶ Major revenue stability and expansion
- ▶ New labor agreements factored into budget
- ▶ Closely and actively monitoring and addressing pension costs
- ▶ Medical costs continue to rise
- ▶ Workers compensation activity
- ▶ Fund subsidies



Proposed Budget - By the Numbers...



FY 2016-17 Budget – By the Numbers...

▶ Total City Budget:

- Revenues \$113.8 million
- Expenditures \$114.3 million
 - Operating \$98.6 million
 - Capital Projects & Equipment \$11.7 million
 - Debt Service \$4.0 million

▶ General Fund Budget:

- Revenues \$67.8 million
- Expenditures \$67.3 million
- Operating Surplus \$571,476



Budget – By the Numbers...

- ▶ General Fund Designations:
 - 20% of Expenditures Policy \$13.5 million
 - Increase of \$0.7 million
 - Economic Uncertainty \$ 1.8 million

- ▶ Other Fund reserves within policy except Storm Water, Refuse and Parking Funds



FY 2017-18 Budget – By the Numbers...

▶ Total City Budget:

- Revenues \$121.7 million
- Expenditures \$133.1 million
 - Operating \$101.9 million
 - Capital Projects & Equipment \$26.7 million
 - Debt Service \$4.6 million

▶ General Fund Budget:

- Revenues \$70.2 million
- Expenditures \$69.6 million
- Operating Surplus \$626,869



Budget – By the Numbers...

- ▶ General Fund Designations:
 - 20% of Expenditures Policy \$13.9 million
 - Increase of \$0.5 million
 - Economic Uncertainty \$ 1.9 million
- ▶ Assumed revenue increase Stormwater Fund to alleviate General Fund transfers
- ▶ Other Fund reserves within policy except Refuse and Parking Funds

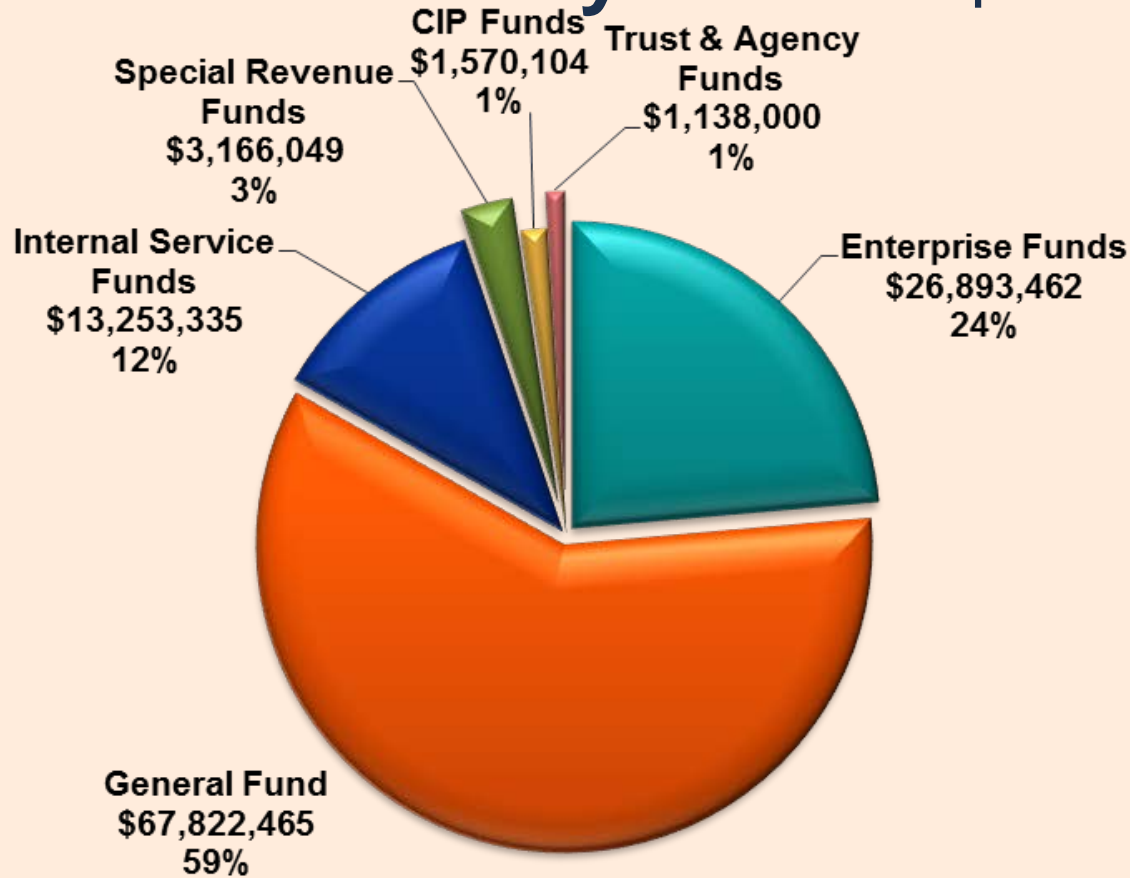


Citywide Budget



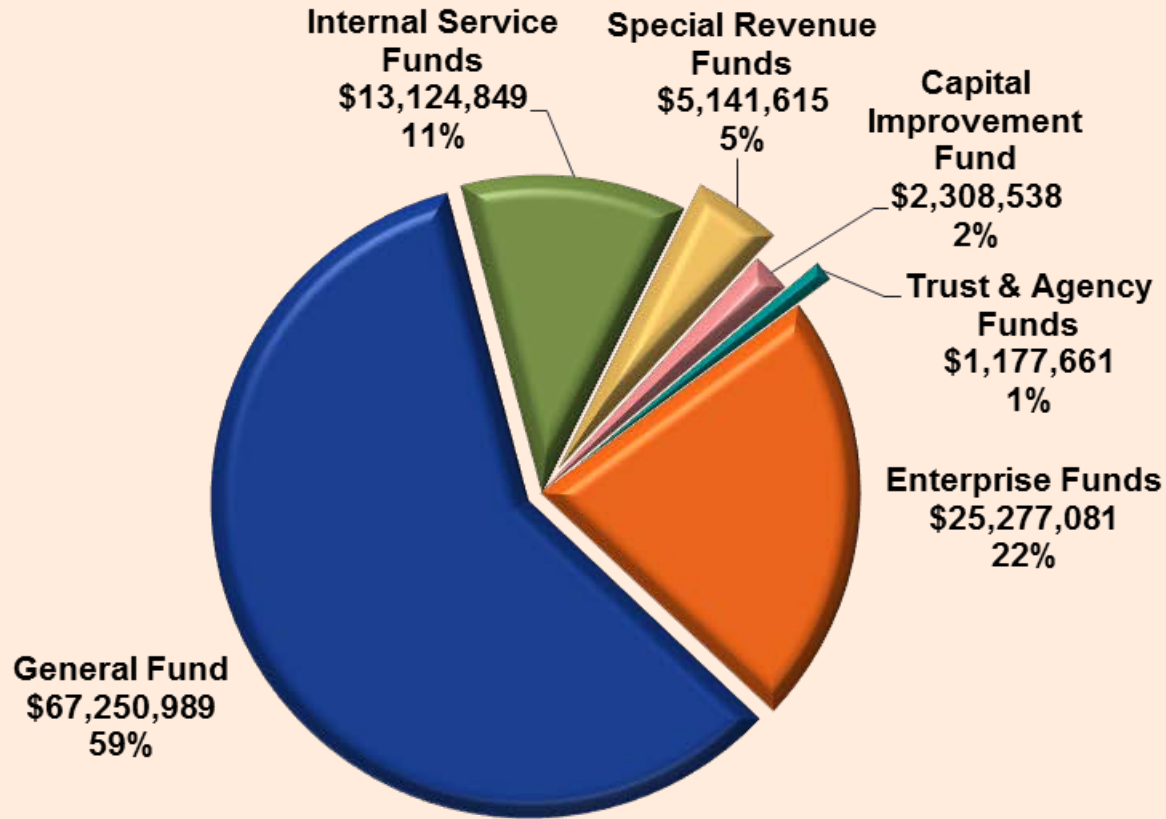
FY 2016-2017

Source of Funds - City-Wide = \$113,843,415



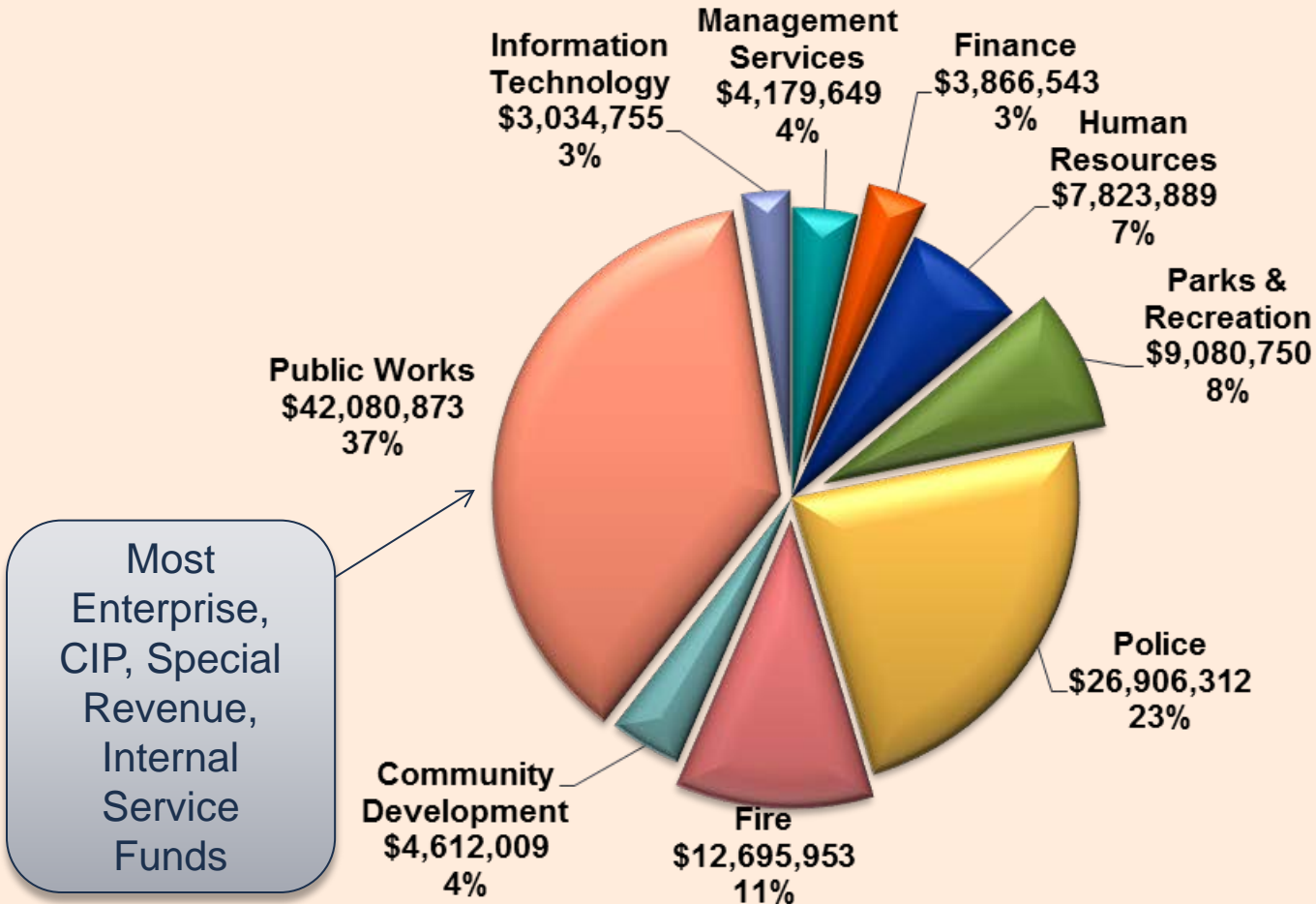
FY 2016-2017

Use of Funds - City-Wide = \$114,280,733



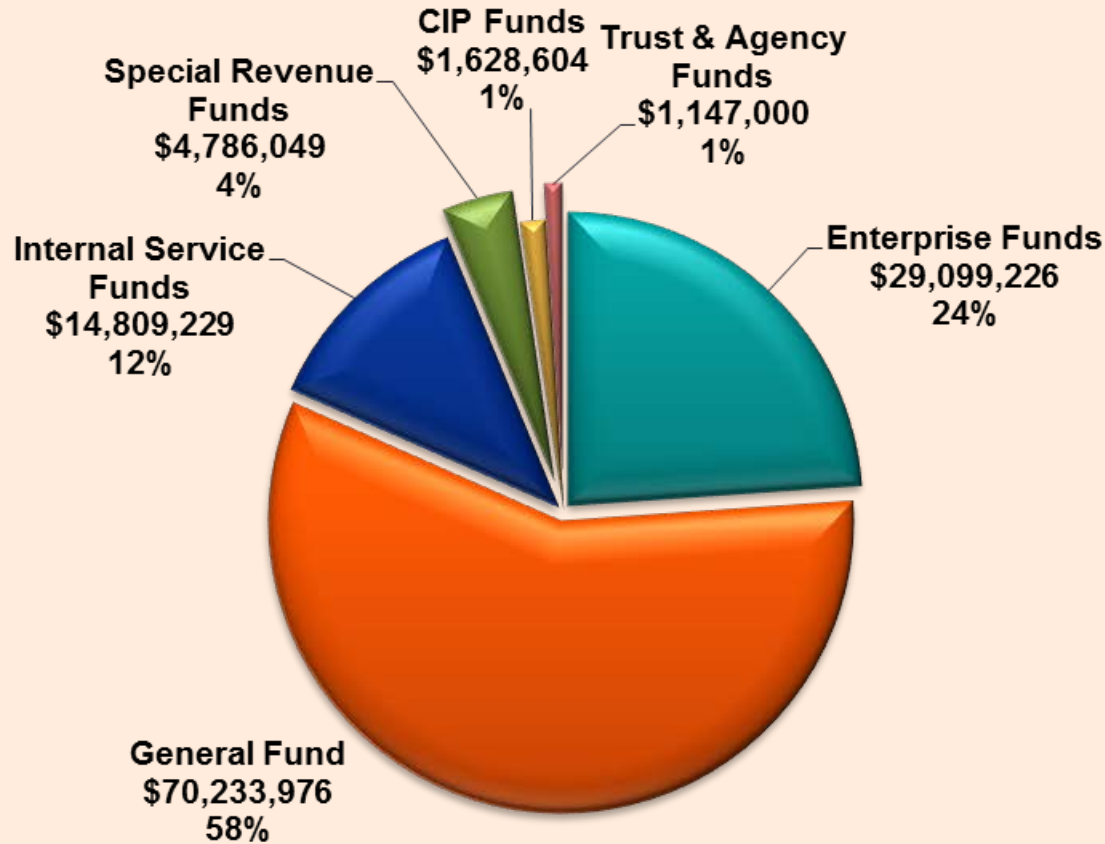
FY 2016-2017

Use of Funds - City-Wide = \$114,280,733



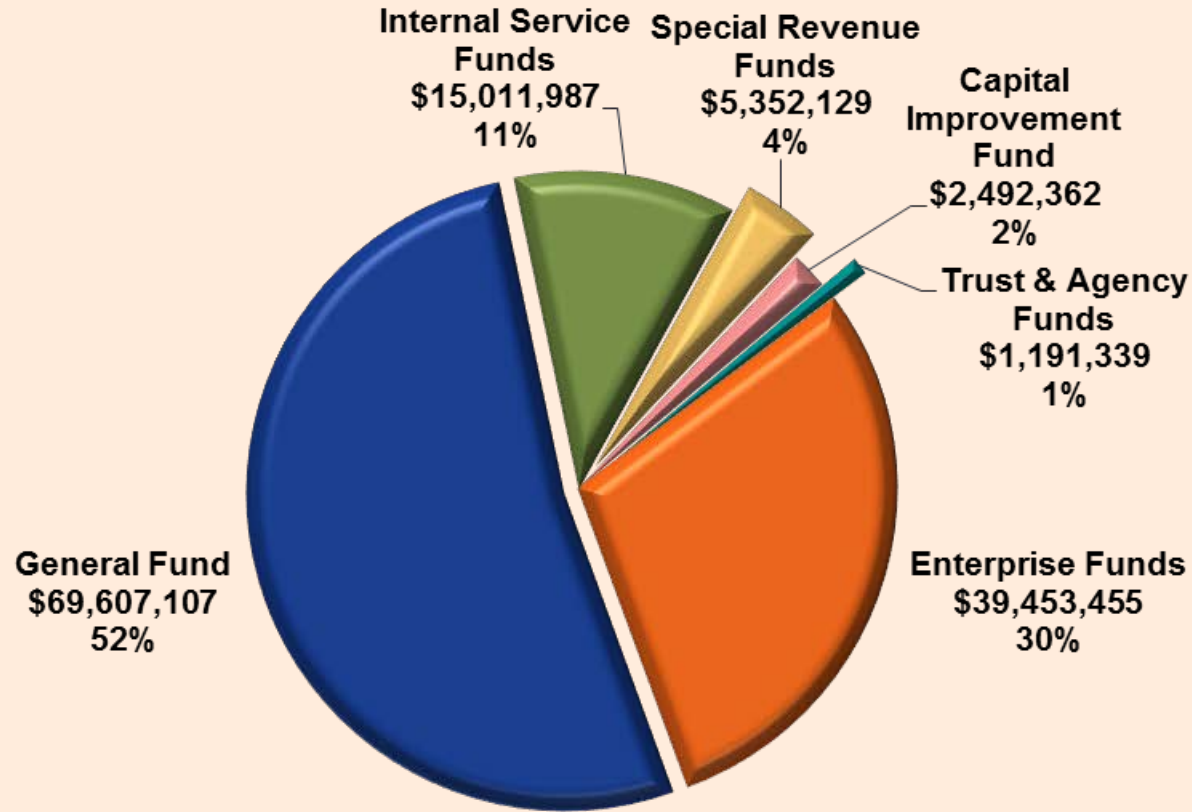
FY 2017-2018

Source of Funds - City-Wide = \$121,704,084



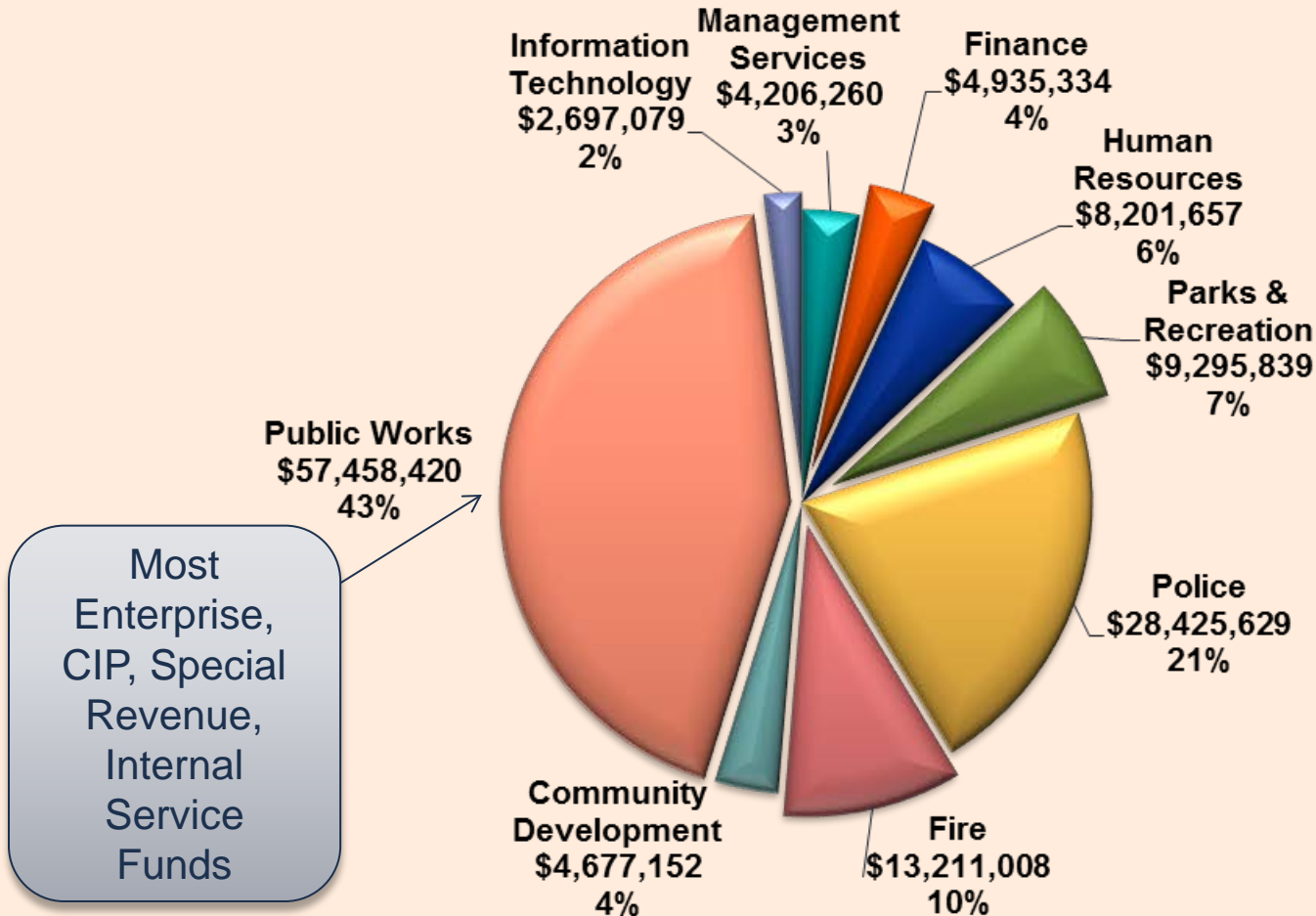
FY 2017-2018

Use of Funds - City-Wide = \$133,108,379



FY 2017-2018

Use of Funds - City-Wide = \$133,108,379

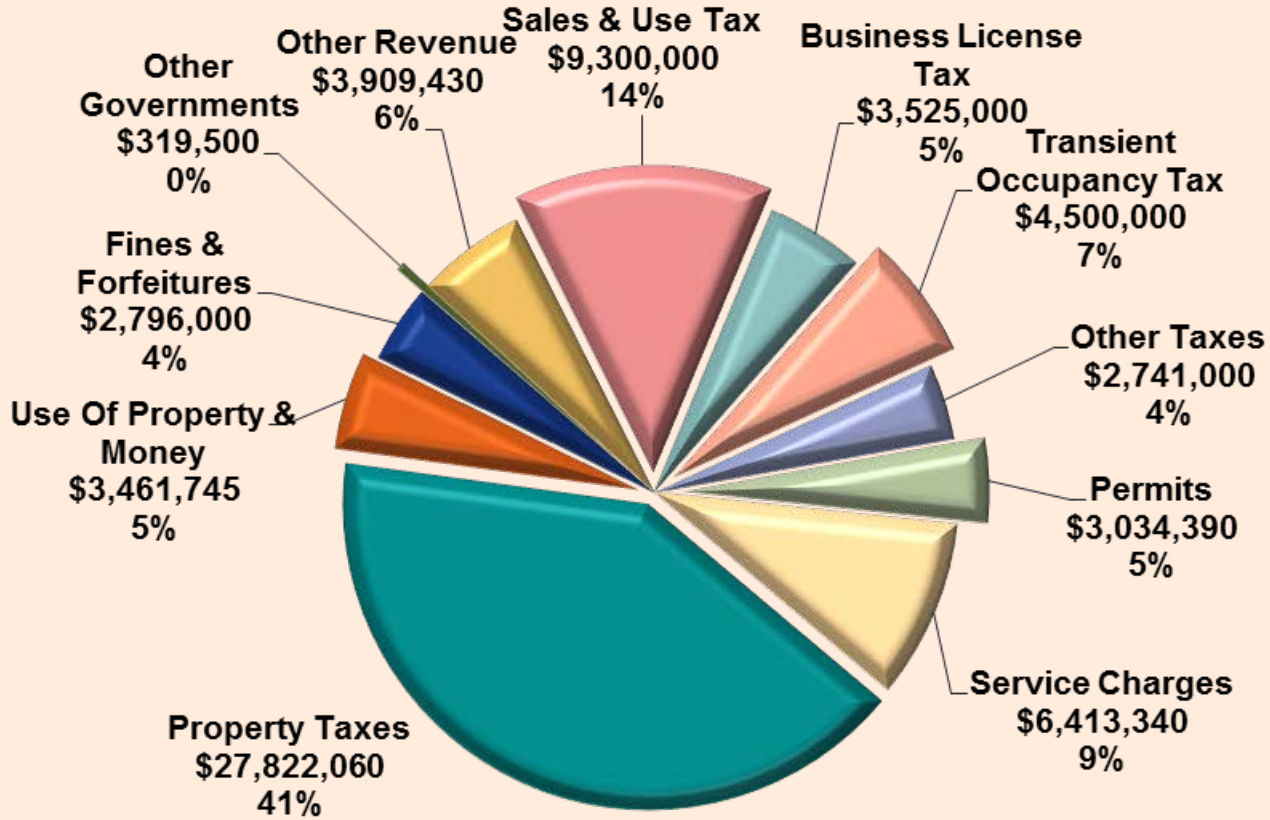


The General Fund Proposed Budget



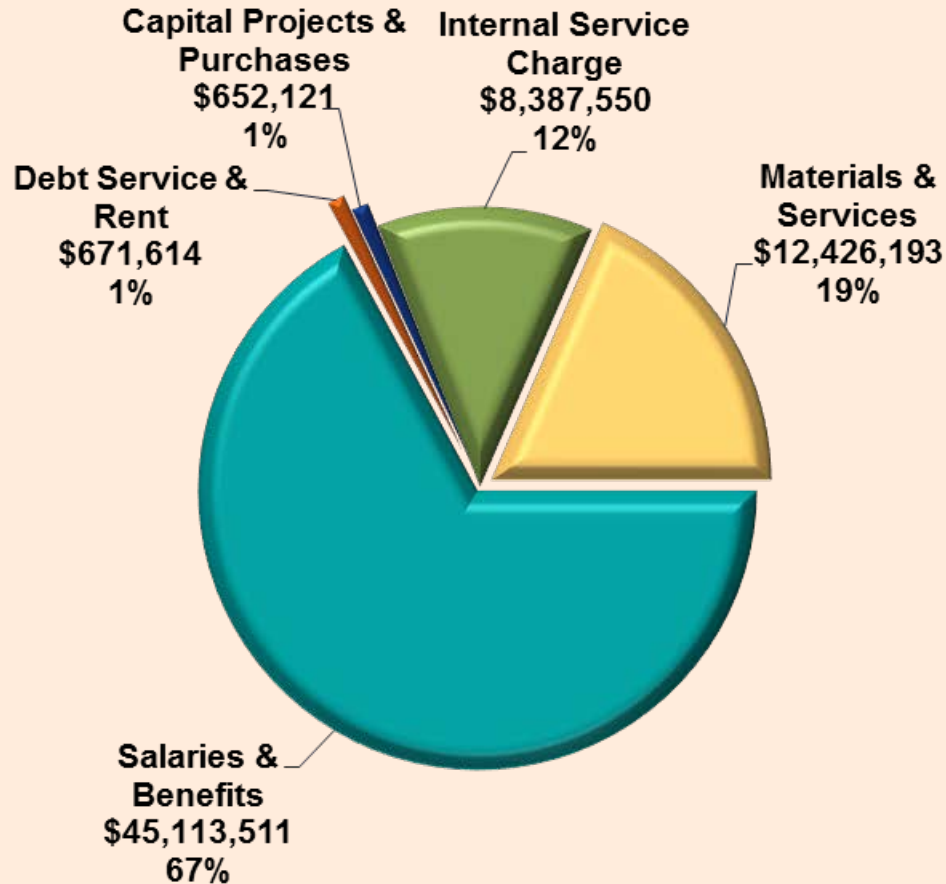
FY 2016-2017

Source of Funds – General Fund = \$67,822,465



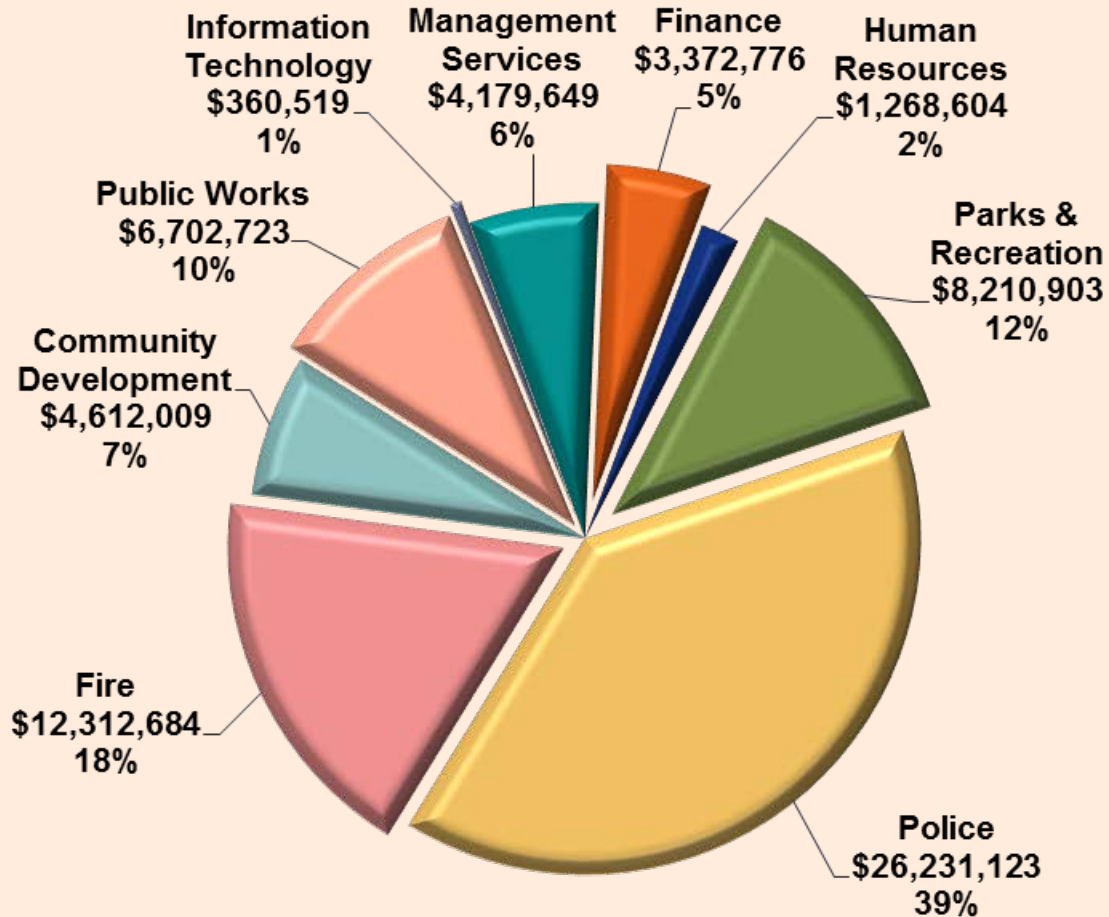
FY 2016-2017

Use of Funds – General Fund = \$67,250,989



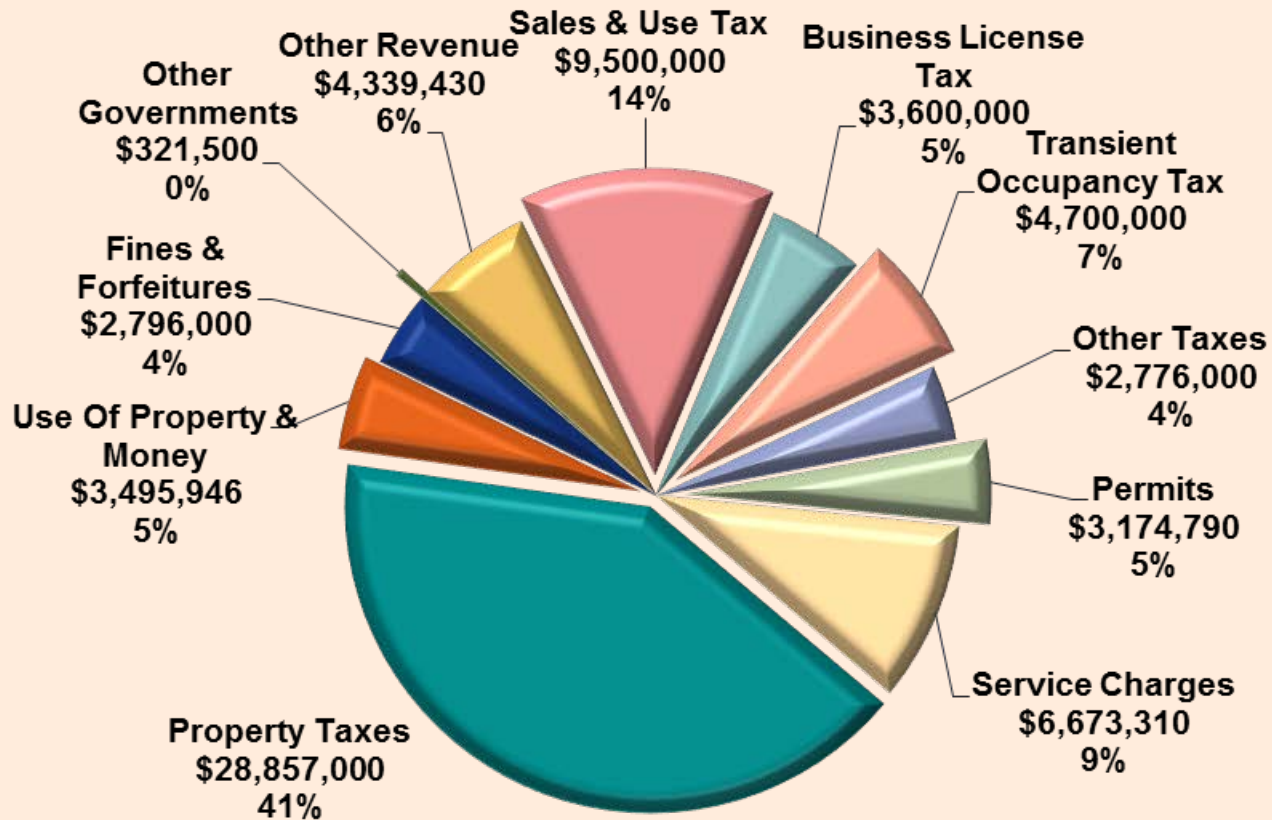
FY 2016-2017

Use of Funds – General Fund = \$67,250,989



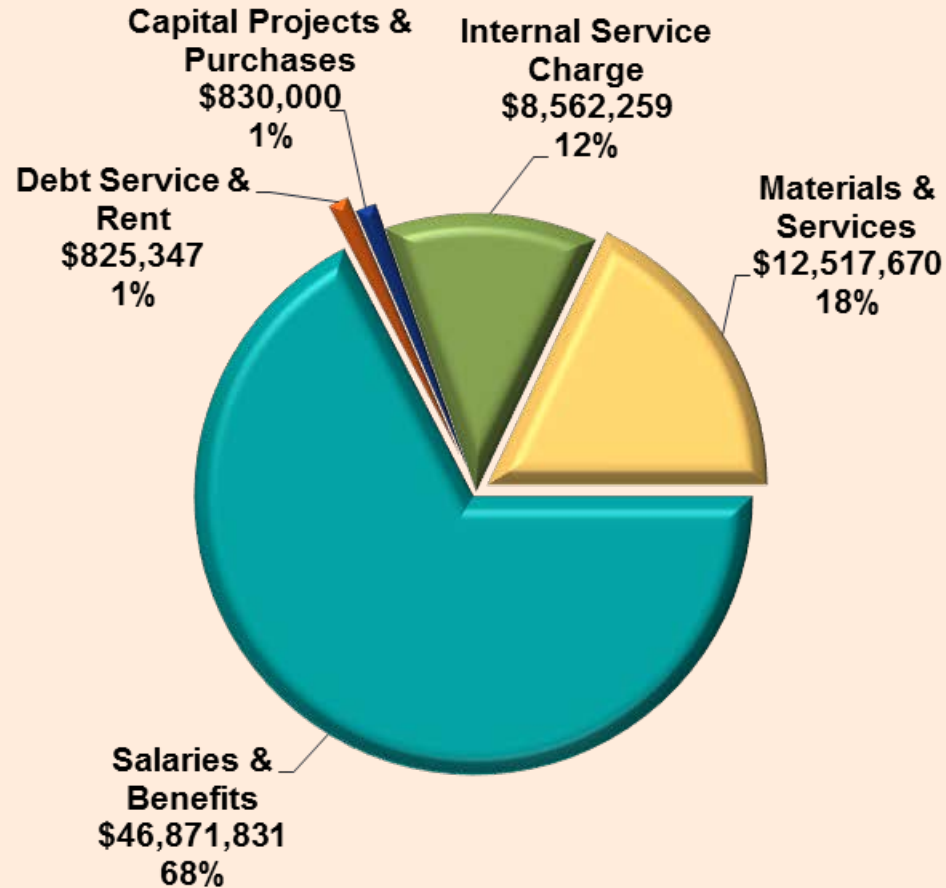
FY 2017-2018

Source of Funds – General Fund = \$70,233,976



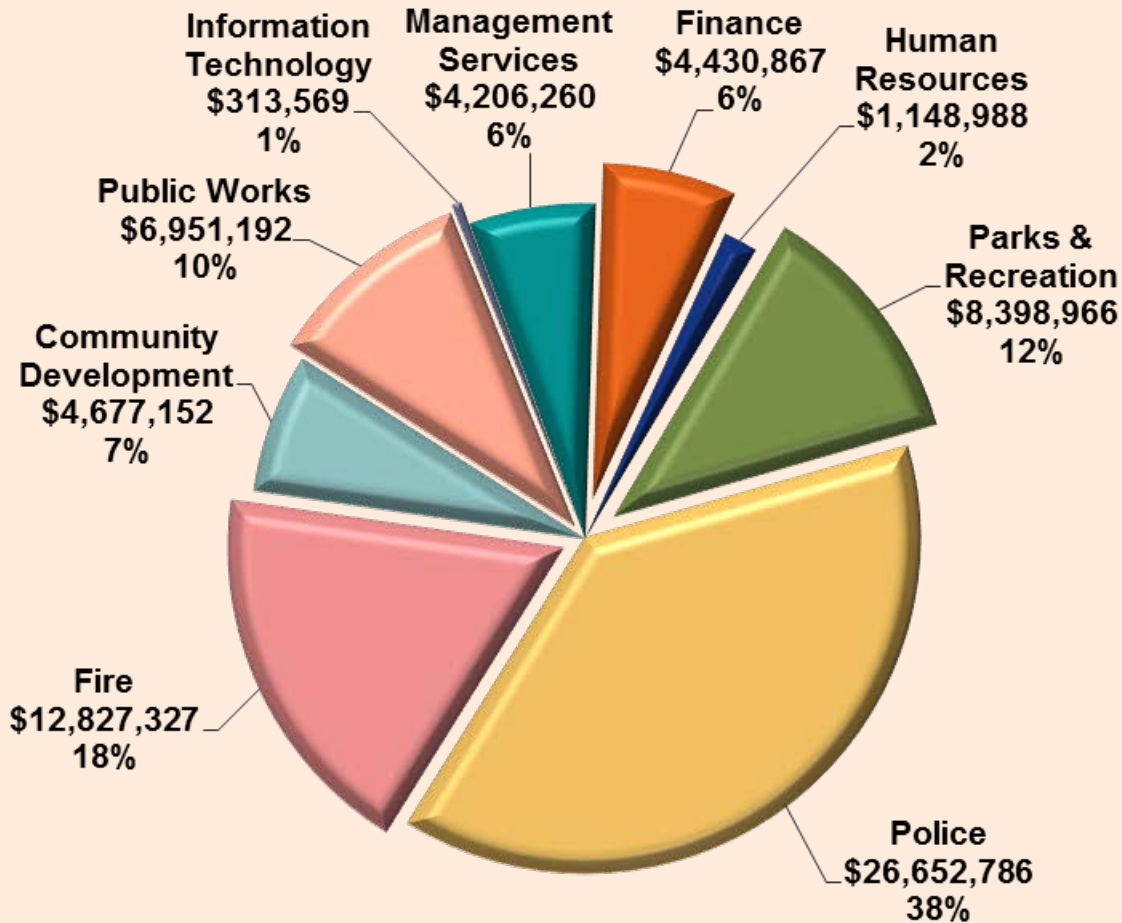
FY 2017-2018

Use of Funds – General Fund = \$69,607,107



FY 2017-2018

Use of Funds – General Fund = \$69,607,107



General Fund Estimated-to-Budget Comparison

	*Estimated FY 15-16	FY 16-17	FY 17-18
Revenues	\$64,951,900	\$67,822,465	\$70,233,976
\$ Change		2,870,565	2,411,511
% Change		4.4%	3.6%
Expenditures	66,627,650	67,250,989	69,607,107
\$ Change		623,339	2,356,118
% Change		1.0%	3.5%
Totals	(1,675,750)	571,476	626,869



General Fund Budget – Details

- ▶ Salary and benefit adjustments per MOUs
- ▶ Vacancy factor of 4.0% (\$1.4 million) built-in
- ▶ Council Contingency maintained at \$100,000
- ▶ School District Joint Use Agreement Included
- ▶ Pension costs accommodated



General Fund Expenditures

FY 2016/17 General Fund Budgeted Expenditures by Category

Expenditure Category	Budget 2015-2016	Estimated 2015-2016	Budget 2016-2017	FY16 to FY17 Budget Var		FY16 to FY17 Estimate Var	
				Change	Percent	Change	Percent
Salaries & Benefits	\$43,133,053	\$43,494,450	\$45,113,511	\$1,980,458	4.6%	\$1,619,061	3.7%
Materials and Services	11,823,591	14,613,610	12,408,186	584,595	4.9%	(2,205,424)	(15.1%)
Internal Service Charges	7,591,862	7,456,551	8,387,550	795,688	10.5%	930,999	12.5%
Capital Equipment	416,372	461,755	652,121	235,749	56.6%	190,366	41.2%
Debt Service	581,231	582,231	671,614	90,383	15.6%	89,383	15.4%
Interfund Transfers	19,053	19,053	18,007	(1,046)	(5.5%)	(1,046)	(5.5%)
Totals	\$63,565,162	\$66,627,650	\$67,250,989	\$3,685,827	5.8%	\$623,339	0.9%



General Fund Expenditures

FY 2017/18 General Fund Budgeted Expenditures by Category

Expenditure Category	Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	FY17 to FY18 Budget Var		FY16 to FY18 Budget Var	
				Change	Percent	Change	Percent
Salaries & Benefits	\$43,133,053	\$45,113,511	\$46,871,831	\$1,758,320	4.1%	\$3,738,778	8.7%
Materials and Services	11,823,591	12,408,186	12,499,663	91,477	0.8%	676,072	5.7%
Internal Service Charges	7,591,862	8,387,550	8,562,259	174,709	2.3%	970,397	12.8%
Capital Equipment	416,372	652,121	830,000	177,879	42.7%	413,628	99.3%
Debt Service	581,231	671,614	825,347	153,733	26.4%	244,116	42.0%
Interfund Transfers	19,053	18,007	18,007	-	-	(1,046)	(5.5%)
Totals	\$63,565,162	\$67,250,989	\$69,607,107	\$2,356,118	3.7%	\$6,041,945	9.5%



Notable Funds

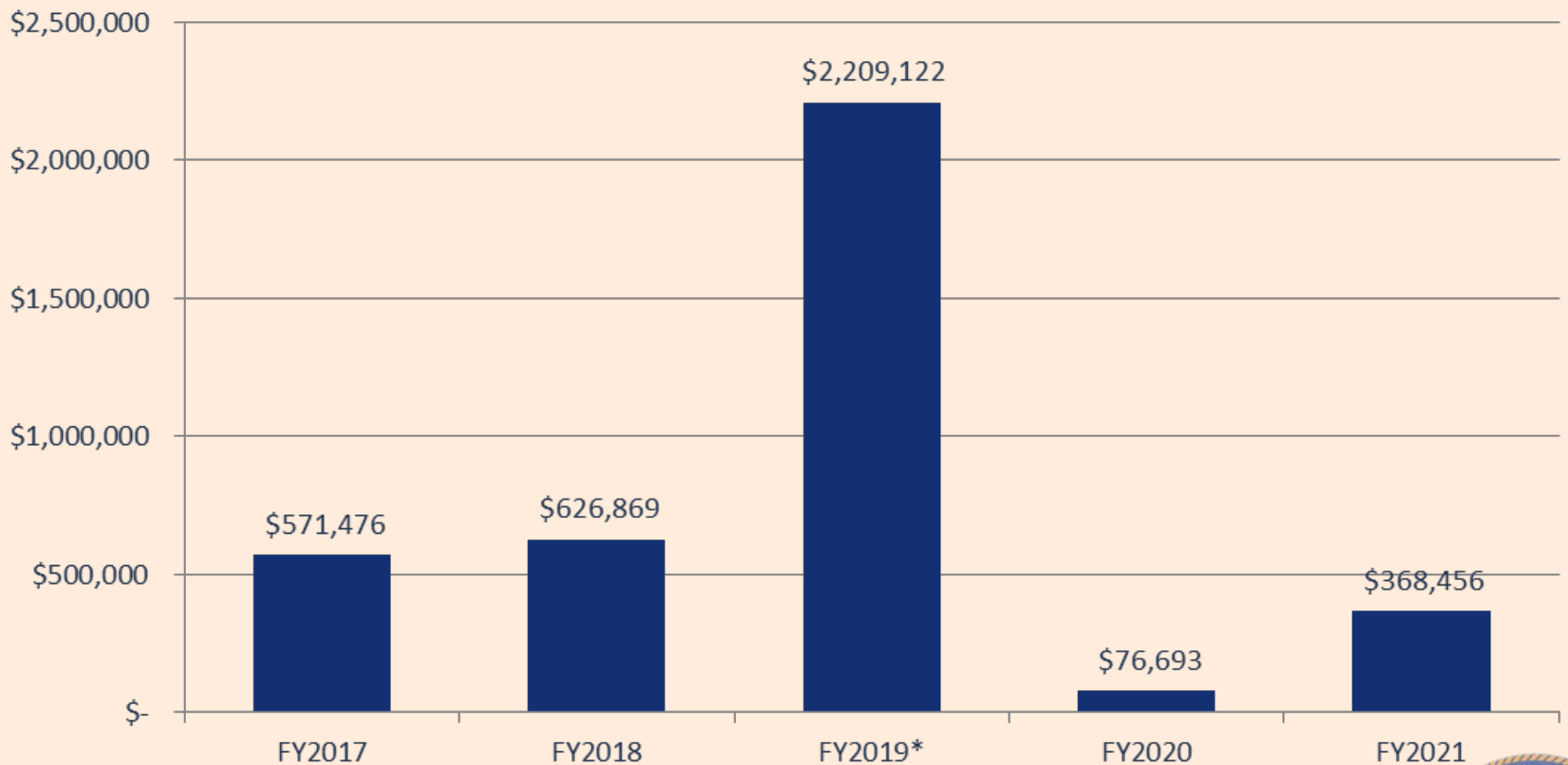
- ▶ Storm Water
- ▶ Street Lighting and Landscaping
- ▶ Proposition A
- ▶ Measure R
- ▶ Insurance Reserve Fund
- ▶ Capital Improvement Fund



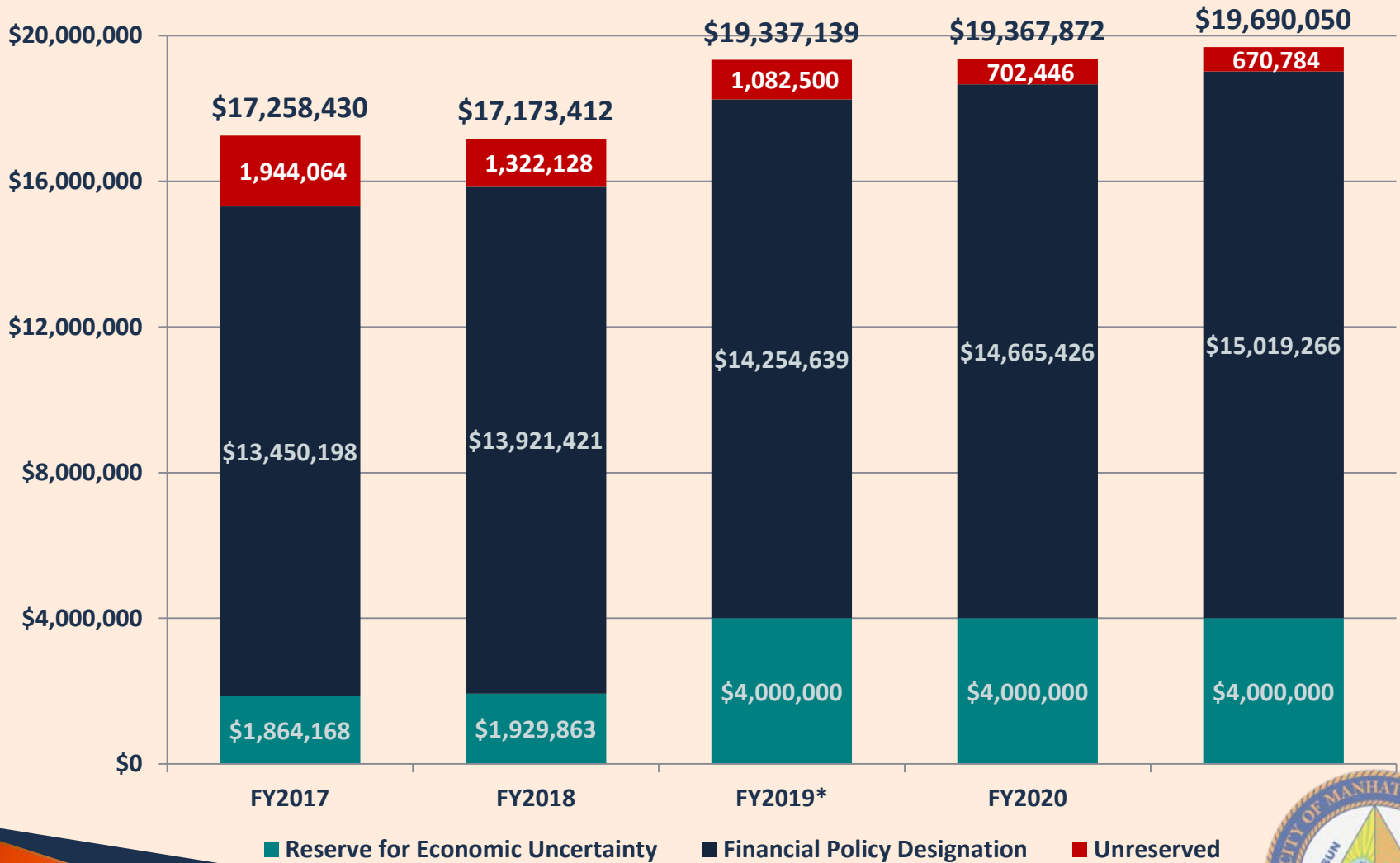
Five Year Forecast General Fund



General Fund Five Year Revenues over Expenditures



General Fund Five Year Fund Balance



Budget Summary



Summary

- ▶ General Fund budgets balanced with surpluses
 - \$571,476 in FY16-17
 - \$626,869 in FY17-18
- ▶ Unreserved General Fund balances at year end
 - \$1.9 million in FY16-17
 - \$1.3 million in FY17-18
- ▶ Key investments in public safety, customer service, technology
- ▶ Absorbing pension costs



Summary

- ▶ General Fund subsidizing Street Lighting and Storm Water
- ▶ Measure R subsidizing Proposition A
- ▶ Other funds of note being monitored
- ▶ Study session May 5th at 6 PM Police/Fire



Budget Q & A

