

City Council Study Session

Adjourned Regular Meeting - Budget Study Session #1

Thursday, May 5, 2016

6:00 PM

Police/Fire Conference Room

400/420 15th Street

Manhattan Beach, California 90266



Mayor Tony D'Errico

Mayor Pro Tem David J. Lesser

Councilmember Amy Howorth

Councilmember Wayne Powell

Councilmember Mark Burton

Executive Team

Mark Danaj, City Manager

Quinn Barrow, City Attorney

Robert Espinosa, Fire Chief

Teresia Zadroga-Haase, Human Resources Director

Eve R. Irvine, Police Chief

Mark Leyman, Parks & Recreation Director

Bruce Moe, Finance Director

Sanford Taylor, Information Technology 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 recognized for providing exemplary municipal services and contributing to the exceptional quality of life afforded to residents, businesses and visitors who enjoy living in and visiting California's safest beach community

MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

Your presence and participation contribute to good city government.

By your presence in the Police/Fire Conference Room, you are participating in the process of representative government. To encourage that participation, this agenda provides an early opportunity for public comments under "Public Comments," at which time speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the City Council, including items on the agenda. In addition, speakers may comment during any public hearing after the public hearing on that item has been opened.

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. The City also provides closed captioning of all its Regular City Council Meetings for the hearing impaired.

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****B. ROLL CALL****C. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING**

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Thursday, April 28, 2016, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

D. PUBLIC COMMENTS (2 MINUTES PER PERSON FOR ONE ITEM, A MAXIMUM OF 5 MINUTES IF A SPEAKER WANTS TO COMMENT ON MORE THAN ONE ITEM)

THIS IS YOUR OPPORTUNITY TO COMMENT ON ANY ITEM ON THE AGENDA THAT IS NOT A PUBLIC HEARING, AS WELL AS ANY ITEM THAT IS WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL. The Mayor may determine whether an item is within the subject matter jurisdiction of the City Council. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the Agenda. Please complete the "Request to Address the City Council" card by filling out your name, city of residence, the item(s) you would like to offer public comment, and returning it to the City Clerk.

E. NEW BUSINESS

Discussion of Fiscal Year 2016-2017/2017-2018 Budget and Fiscal Year 2017-2021 Capital Improvement Plan (Finance Director Moe and Public Works Director Olmos).

[16-0181](#)

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

Attachments: [Budget Study Session FY 16-17 and 17-18](#)
[FY2017-2021 CIP City Council Study Session Presentation](#)
[May 3rd City Council Budget PowerPoint](#)

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

G. ADJOURNMENT

H. FUTURE MEETINGS

CITY COUNCIL MEETINGS

May 10, 2016 – Tuesday -- 6:00 PM - Budget Study Session #2
May 12, 2016 – Thursday -- 6:00 PM - Budget Study Session #3 (Tentative)
May 17, 2016 – Tuesday -- 6:00 PM - City Council Meeting
May 19, 2016 – Thursday -- 6:00 PM - Budget Study Session #4 (Tentative)
June 7, 2016 – Tuesday -- 6:00 PM - City Council Meeting
June 21, 2016 – Tuesday -- 6:00 PM - City Council Meeting
July 5, 2016 – Tuesday -- 6:00 PM - City Council Meeting
July 19, 2016 – Tuesday -- 6:00 PM - City Council Meeting
Aug. 2, 2016 – Tuesday -- 6:00 PM - City Council Meeting
Aug. 16, 2016 – Tuesday -- 6:00 PM - City Council Meeting
Sep. 6, 2016 – Tuesday -- 6:00 PM - City Council Meeting
Sep. 20, 2016 – Tuesday -- 6:00 PM - City Council Meeting

BOARDS, COMMISSIONS AND COMMITTEE MEETINGS

May 9, 2016 – Monday – 6:30 PM – Library Commission Meeting
May 10, 2016 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
May 11, 2016 – Wednesday – 6:30 PM – Planning Commission Meeting
May 23, 2016 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
May 25, 2016 – Wednesday – 6:30 PM – Planning Commission Meeting
May 26, 2016 – Thursday – 6:30 PM - Parking & Public Improvements Commission Meeting
June 8, 2016 - Wednesday - 6:30 PM - Planning Commission Meeting
June 13, 2016 - Monday - 6:30 PM - Library Commission Meeting
June 14, 2016 - Tuesday - 6:00 PM - Cultural Arts Commission
June 16, 2016 - Thursday - 8:30 AM - Finance Subcommittee Meeting
June 22, 2016 - Wednesday - 6:30 PM - Planning Commission Meeting
June 23, 2016 - Thursday - 6:30 PM - Parking & Public Improvements Commission Meeting

I. CITY OFFICES CLOSED ON THE FOLLOWING DAYS:

CITY HOLIDAYS

- May 30, 2016 – Monday – Memorial Day*
- Jul. 4, 2016 - Monday - Independence Day*
- Sep. 5, 2016 - Monday - Labor Day*
- Oct. 10, 2016 – Monday – Columbus Day*
- Nov. 11, 2016 – Friday – Veterans Day*
- Nov. 24-25, 2016 - Thursday & Friday - Thanksgiving Holiday*
- Dec. 26, 2016 - Monday - Christmas Day*
- Jan. 2, 2017 – Monday – New Years Day*
- Jan. 16, 2017 – Monday – Martin Luther King Day*
- Feb. 20, 2017 - Monday - Presidents Day*

CITY OFFICES CLOSED ON FOLLOWING ALTERNATIVE FRIDAYS:

- May 13, 2016 - Friday*
- May 27, 2016 - Friday*
- June 10, 2016 - Friday*
- June 24, 2016 - Friday*
- July 8, 2016 - Friday*
- July 22, 2016 - Friday*
- Aug. 5, 2016 - Friday*
- Aug. 19, 2016 - Friday*
- Sep. 2, 2016 - Friday*
- Sep. 16, 2016 - Friday*
- Sep. 30, 2016 - Friday*
- Oct. 14, 2016 - Friday*
- Oct. 28, 2016 - Friday*
- Nov. 11, 2016 - Friday*
- Nov. 23, 2016 - Friday*
- Dec. 9, 2016 - Friday*
- Dec. 23, 2016 - Friday*

Agenda Date: 5/5/2016

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

Tony Olmos, Public Works Director

SUBJECT:

Discussion of Fiscal Year 2016-2017/2017-2018 Budget and Fiscal Year 2017-2021 Capital Improvement Plan (Finance Director Moe and Public Works Director Olmos).

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council receive a presentation of the two year budget for fiscal years 2016-2017 and 2017-2018, and discuss and provide direction.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

At the May 3rd meeting, City Council received an overview of the FY 2016-2017/2017-2018 budget. Tonight's study session is designed to provide more detailed information at the department level. The FY 2017-2021 Capital Improvement Plan will also be presented.

DISCUSSION:

Please find this link to the Proposed Fiscal Year 2016-2017/2017-2018 Operating Budget at <<<https://www.citymb.info/ProposedFY17BiennialBudget>>> as supporting documentation for all budget study sessions noted in this report.

Well-managed budget deliberations result in decisions that serve the long-term interests of the community. The budget study sessions are a critical part of the deliberative process. It is important that the community and City Council clearly understand the City's financial resources in order to make sound decisions on prioritizing public spending.

This year's study sessions will follow a new streamlined format. Previous study sessions

included presentations by each department. This year, the Finance Director will present all department spending plans, highlighting major fiscal changes and other notable issues. Department directors will be available to answer questions as well. The FY 2017-2021 Capital Improvement Plan will also be presented at Study Session #1. The link to that report is:

www.citymb.info/DraftProposedFY17-21CapitalImprovementPlan
<<http://www.citymb.info/DraftProposedFY17-21CapitalImprovementPlan>>.

The goal is to present all departments and the CIP at Budget Study Session #1, with Budget Study Session #2 reserved for Council discussion and direction. Two additional Budget Study Sessions are reserved in the event more time is needed.

The schedule is as follows:

May 5 - Council Budget Study Session #1

6:00 PM at the Police/Fire Conference Room

Presentation of all departmental budgets and FY 2017-2021 Capital Improvement Plan

May 10 - Council Budget Study Session #2

6:00 PM at the Police/Fire Conference Room

May 12 - Council Budget Study Session #3 (if necessary)

6:00 PM at the Police/Fire Conference Room

May 19 - Council Budget Study Session #4 (if necessary)

6:00 PM at the Police/Fire Conference Room

June 7 - Final Review Prior to Adoption

6:00 PM at the Council Chambers

Ultimately, the Budget will be adopted by a vote of the City Council which is scheduled for June 21, 2016.

CONCLUSION:

Staff recommends that the City Council receive the budget presentation, and discuss and provide direction.

PUBLIC OUTREACH/INTEREST:

Important budget dates have been included on the City's calendar of events for which e-notifications are sent. An advertisement was included in *The Beach Reporter* as well. Letters inviting residents to participate in the budget process were sent to all households.

ENVIRONMENTAL REVIEW

None.

LEGAL REVIEW

Not applicable.

Attachment:

1. FY 16-17/17-18 Operating Budget Presentation
2. FY2017-2021 CIP City Council Study Session Presentation
3. May 3rd City Council Budget PowerPoint

City of Manhattan Beach

Fiscal Years

2016 - 2017

2017 - 2018

Budget Study Session

May 5, 2016





Agenda

- } Department budgets – Overview/Highlights
- } Capital Improvement Plan – FY 2017-2021
- } Q&A

Budget Study Sessions

- } 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



Common Themes

- Workers Compensation down in most depts.
- Implementation of Technology
- Automating Paper Processes (ERP)
- Customer Service Training
- MOUs reflected in budgets
- Insurance premiums increasing
- Pension and medical costs increases
- Conferences, meetings and training consolidated into one object code (5205)





Management Services

- Conversion of Management Fellow to Management Analyst (cost neutral)
- Election Costs added in (every other year)
- Economic Development Partnerships transferred
- Insurance Allocation up due to claims activity

Operating Budget Change

- FY16/17 +6.3%
- FY17/18 +0.6%



Finance

- } Assistant Finance Director reinstated in FY17/18
- } Enterprise Resource Planning network budgeted in FY17/18 (\$750,000)

Operating Budget Change

- o FY16/17 -0.5%
- o FY17/18 +6.9%



Human Resources

- } Insurance Premium increased
- } Reorganization approved in FY15/16 reflected in FY16/17
- } Citywide training
 - o Customer Service
 - o Management Training

Operating Budget Change

- o FY16/17 +3.8%
- o FY17/18 +6.2%



Parks and Recreation

- } Reorganization/reclassifications occurring with budget (net reduction of \$16,000)
- } Full time Older Adults Coordinator (offset by part time hour reduction)
- } Park Ranger transferred to Police Department
- } Ceramics studio expanded class offerings

Operating Budget Change

o FY16/17	+5.4%
o FY17/18	+2.6%



Police

- } Two Police Officers added
- } Part time clerk converted to full time for Neighborhood Watch support position
- } New radios for interoperability in FY17/18 (\$900K)
- } Community Cameras (\$400,000)

Operating Budget Change

- o FY16/17 +9.3%
- o FY17/18 +3.2%



Fire

} Interoperable Radios (FY17/18)

} EMS Director

} Future Consideration:

- o Inspection and permitting programs

Operating Budget Change

- o FY16/17 +1.1%
- o FY17/18 +3.4%



Community Development

- } Development Services Coordinator
- } Administrative Clerk II (2)
- } Additional Plan Check Engineer (Outsourced)

- } Future Budget Considerations:
 - o Sepulveda Corridor Specific Plan
 - o Accela project reassessment/resources

<u>Operating Budget Change</u>	
o FY16/17	+1.3%
o FY17/18	+1.5%



Public Works

- } Environmental Programs moved from Administration to its own program
- } Engineering Assistant added to FY2016/2017
- } Fleet purchases (see Capital Budget tab in budget)
- } CIP Five Year Plan



Public Works

- } Replacement Mini-Excavator (Bobcat) in FY16-17
- } Special projects at Metlox Plaza in FY 2016-17:
 - o Resurfacing the center sea glass fountain
 - o Replacing the Plaza furniture
 - o Modifying the kiln
- } Special projects at Metlox Plaza in FY 2017-18:
 - o Replacing the escalator trellis
 - o Painting the Plaza's common areas

Operating Budget Change

- o FY16/17 +3.4%
- o FY17/18 +3.1%



Information Technology

- } Management Analyst
- } ISMP Continues
- } Fiber Optic Master Plan
- } Wide Area Network expansion
- } Wi-Fi in the Parks

Operating Budget Change

- o FY16/17 +9.9%
- o FY17/18 +1.6%

FY 2016/17 - 2017/18 Budget

Q&A



**City of Manhattan Beach
Public Works Department**

**Fiscal Year
2017-2021
5-Year Capital Improvement Plan**

City Council Study Session

May 5, 2016





Objectives

- Creating the Capital Improvement Plan
- FY2017-2021 Plan Adoption Timeline
- Funding the Capital Improvement Plan
- FY2016-2017 CIP Proposed Project Review by Type
- Q&A

**City of Manhattan Beach
Public Works Department**

Creating the Capital Improvement Plan



What is a 5-year CIP?

- "CIP" – Capital Improvement Plan
- Financial planning tool
- 5-year capital infrastructure needs
- Opportunities to fund larger projects
- Goals, priorities, needs
- **Funding appropriated for upcoming fiscal year only**
- Revised annually





What qualifies as a CIP project?

- Infrastructure need
- New, replacement or improvement
- Minimum life expectancy of five years
- Cost exceeds \$50,000
- Exception: studies for projects

How do projects make it to the CIP?

Requests submitted to Public Works & Reviewed by City Manager and Department Heads

- Community
- City Council
- City staff
 - Master Plans (Sewer & Water, Pavement Management, etc.)
 - Departmental Needs

Evaluated by Public Works

CIP Committee Review/Approve Draft



Capital Improvement Plan Adoption Timeline

- ▶ City Council CIP Draft Project List.....February 16, 2016
- ▶ City Council Review.....April 19, 2016
- ▶ Planning Commission (GP Conformance).....April 27, 2016
- ▶ Parking and Public Improvements
Commission (Approval).....April 28, 2016
- ▶ City Council Study Session.....May 5, 2016
- ▶ Council Adoption of FY16-17 CIP.....June 21, 2016
- ▶ Effective Date of Adopted FY16-17 CIP.....July 1, 2016



Two year CIP to Start Next Year

- ▶ Goal to offset operating budget and CIP
 - Two year operating budget to begin in FY16-17 and cover FY16-17 to FY 17-18
 - Two year CIP to begin in FY17-18 and cover FY17-18 to FY18-19
- ▶ Currently proposed CIP for FY16-17 to be for one year
- ▶ Annual processing timeline for two-year CIP to be revised to allow for more community and City Council input



Funding the Capital Improvement Plan



How are the Projects Funded?

Fund Sources for Proposed FY 2017-2021 CIP Projects

Dedicated/Restricted Funds

- Wastewater
 - Gas Tax
- Water
 - Prop C
- Stormwater
 - Refuse
- Measure R Local Return
 - State Pier & Parking Lot
- Measure R South Bay Highway Program
 - Parking (City)

Multi-Use Fund

- Capital Improvement Fund



PPIC & Planning Commission

PPIC

- Reviewed Draft 5-Year Capital Improvement Plan
- Provided Feedback on CIP Project List

PC

- Reviewed Proposed Projects to be funded in FY16-17 to determine if they are in conformance with General Plan



Key City Council Actions for CIP

TONIGHT

- Review Draft 5-Year Capital Improvement Plan
- Add/Delete/Modify CIP Project List

JUNE 2016

- Approve 5-Year CIP and Appropriate Funds for FY16-17 only



SNAPSHOT OF 5 YEAR PLAN FY16-17 THROUGH FY20-21

**City of Manhattan Beach, Capital Improvement Plan FY2017-2021
DRAFT PROJECTS BY TYPE FOR FY2016-17 THRU FY2020-21**

PROJECT TITLE	Previously Committed Unspent Funds	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FIVE YEAR TOTAL (Includes Previously Committed Unspent Funds & New Funds)
SUMMARY ALL PROJECT TYPES							
WASTEWATER PROJECTS	\$2,772,835	\$100,000	\$7,250,000	\$2,400,000	\$2,150,000	\$1,950,000	\$16,622,835
WATER PROJECTS	\$5,046,780	\$3,835,000	\$10,920,000	\$6,475,000	\$6,475,000	\$0	\$32,751,780
STORMWATER PROJECTS	\$1,097,475	\$210,000	\$210,000	\$712,700	\$712,700	\$712,700	\$3,655,575
STREETS PROJECTS (w/out Sep Bdg)	\$11,048,336	\$4,030,000	\$2,710,000	\$1,075,000	\$1,440,000	\$1,025,000	\$21,328,336
FACILITIES PROJECTS	\$4,660,245	\$877,000	\$1,450,000	\$1,000,000	\$1,000,000	\$1,000,000	\$9,987,245
FACILITIES PROJECTS (Special Revenue Funds)	\$1,513,190	\$0	\$0	\$0	\$0	\$0	\$1,513,190
PARKING PROJECTS	\$776,515	\$854,500	\$275,000	\$25,000	\$225,000	\$0	\$2,156,015
FUNDED PROJECTS BY TYPE SUBTOTAL	\$26,915,376	\$9,906,500	\$22,815,000	\$11,687,700	\$12,002,700	\$4,687,700	\$88,014,976
Sepulveda Bridge	\$19,450,710	\$0	\$0	\$0	\$0	\$0	\$19,450,710
FUNDED PROJECTS BY TYPE TOTAL	\$46,366,086	\$9,906,500	\$22,815,000	\$11,687,700	\$12,002,700	\$4,687,700	\$107,465,686



FY 2016-2017 Funding Request

- 30 total projects in the CIP need funding in FY2016-2017
 - 13 brand new
 - 17 existing
- Total FY16-17 funding request:
\$9,906,500



17 Brand New Projects to the 5-Year CIP

(13 OF THESE PROJECTS REQUIRE 16-17 FUNDING, 4 ARE "FUTURE YEAR PROJECTS")

	PROJECT TITLE	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FUND SOURCE(S)
1	Water Meter Upgrade and Automation	\$ 2,670,000	\$ 2,670,000				Water Fund
2	Sepulveda/Oak Neighborhood Intrusion Study	\$ 50,000					CIP Fund
3	Protected Left-Turns: Manhattan Beach Blvd at Peck Ave	\$ 35,000	\$ 175,000				Msr R Local Return
4	Sepulveda Intersection Improvements (Rosecrans, 33rd, Cedar, 14th St & 2nd St.)	\$ 90,000	\$ 810,000				Proposition C
5	Veterans Parkway Pedestrian Access Master Plan	\$ 80,000					CIP Fund
6	Ocean Drive Walkstreet Crossing			\$ 50,000	\$ 450,000		CIP Fund
7	Strand Bikeway Pier Undercrossing					\$ 75,000	CIP Fund
8	Street Resurfacing Project: 1100 block of 3rd St.	\$ 350,000					Msr R Local Return
9	Street Resurfacing Project: Liberty Village	\$ 800,000					Msr R Local Return
10	Sepulveda Blvd Multi-Modal Streetscape Plan	\$ 150,000					CIP Fund
11	Signal Battery Back-Up Installation	\$ 110,000					CIP Fund
12	Village Field Replacement Turf	\$ 60,000	\$ 450,000				CIP Fund
13	Ceramics Studio Renovation	\$ 267,000					CIP Fund
14	Fiber Master Plan	\$ 150,000					CIP Fund
15	Downtown Parking Facility Capital Investment Plan		\$ 100,000				Parking Fund
16	Intelligent Parking Occupancy System (Lots 3 & M)			\$ 25,000	\$ 225,000		Parking Fund
17	Pier Lot Safety Lighting	\$ 40,000	\$ 175,000				State Pier & Parking Fund
	BRAND NEW PROJECTS TO THE 5-YEAR PLAN	\$ 4,852,000	\$ 4,380,000	\$ 75,000	\$ 675,000	\$ 75,000	

17 Existing Projects Requiring FY16-17 Funding

Appropriation

(17 PROJECTS THAT WERE ALREADY SHOWN IN A PREVIOUS CIP PLAN THAT NOW NEED FUNDING)

PROJECT TITLE	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FUND SOURCE(S)
Spot Repairs in Areas 5, 6 & 7 Rehabilitation of Gravity Sewer Mains	\$ 100,000	\$ 2,600,000				Wastewater Fund
Paint Block 35 Elevated Tank	\$ 365,000					Water Fund
Peck Ground Level Reservoir Replacement	\$ 500,000	\$ 7,500,000				Water Fund
Redrill & Equip Well 15	\$ 300,000	\$ 250,000				Water Fund
Stormwater Quality Improvement Catch Basin Inserts	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	Storm Drain Fund
Annual Non-Motorized Transportation Project	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	CIP Fund
CDBG Access Ramp Construction Project	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	CIP Fund (CDBG Funds)
Annual Curb, Gutter and Ramp Replacement	\$ 365,000	\$ 365,000	\$ 365,000	\$ 365,000	\$ 365,000	Gas Tax Fund
Street Resurfacing Project: Blanche, Marine, & 27th	\$ 300,000					Gas Tax Fund
Street Resurfacing Project: MBB (Sepulveda to Aviation)	\$ 900,000					Gas Tax Fund
Annual Slurry Seal Project	\$ 385,000	\$ 385,000	\$ 385,000	\$ 385,000	\$ 385,000	Gas Tax Fund
Triennial Pavement Management System Update	\$ 40,000			\$ 40,000		Gas Tax Fund
Street Resurfacing Project: Marine (Sepulveda to Aviation)	\$ 100,000	\$ 700,000				Proposition C
Traffic Signal Preemption Devices	\$ 75,000	\$ 75,000	\$ 75,000			CIP Fund
Community Development Office Two (2) New Work Stations and Front Counter Modification	\$ 150,000					CIP Fund
Engineering Division Space Planning	\$ 250,000					CIP Fund
Parking Structure Structural Rehabilitation/Reinvestment (Based on findings of Structural Inspection)	\$ 814,500					Parking Fund
EXISTING 5-YEAR PROJECTS WITH FY16-17 FUNDING APPROPRIATION	\$ 5,054,500	\$12,285,000	\$1,235,000	\$1,200,000	\$1,160,000	

DRAFT FY16-17 FUNDING APPROPRIATIONS

13 BRAND NEW PROJECTS TO THE 5-YEAR REQUIRING FY16-17 FUNDING APPROPRIATIONS	\$4,852,000
17 EXISTING PROJECTS IN THE 5-YEAR PLAN REQUIRING FY16-17 FUNDING APPROPRIATIONS	\$5,054,500
TOTAL FY16-17 REQUESTED APPROPRIATION	\$9,906,500



SNAPSHOT OF 5 YEAR PLAN FY16-17 THROUGH FY20-21

**City of Manhattan Beach, Capital Improvement Plan FY2017-2021
DRAFT PROJECTS BY TYPE FOR FY2016-17 THRU FY2020-21**

PROJECT TITLE	Previously Committed Unspent Funds	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FIVE YEAR TOTAL (Includes Previously Committed Unspent Funds & New Funds)
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THANK YOU!

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@cityymb.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

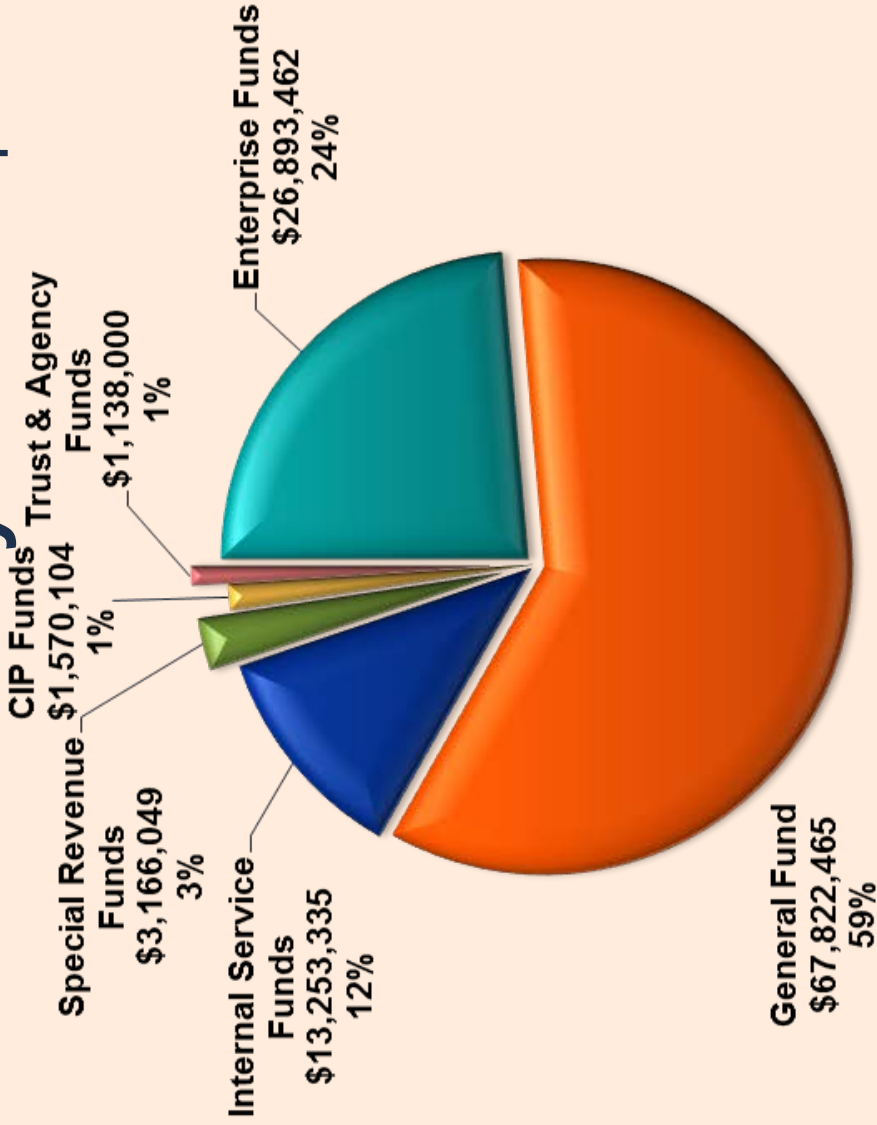
- ▶ Other Fund reserves within policy except Refuse and Parking Funds



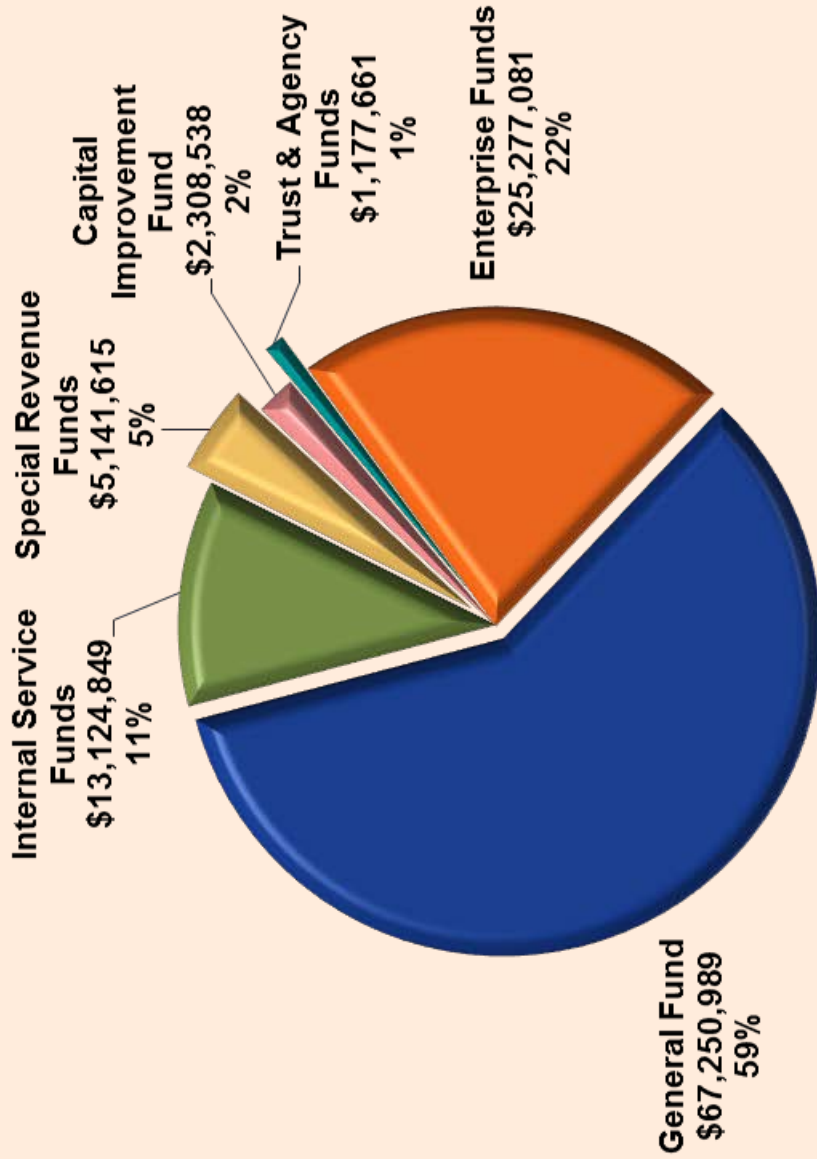
Citywide Budget

FY 2016-2017

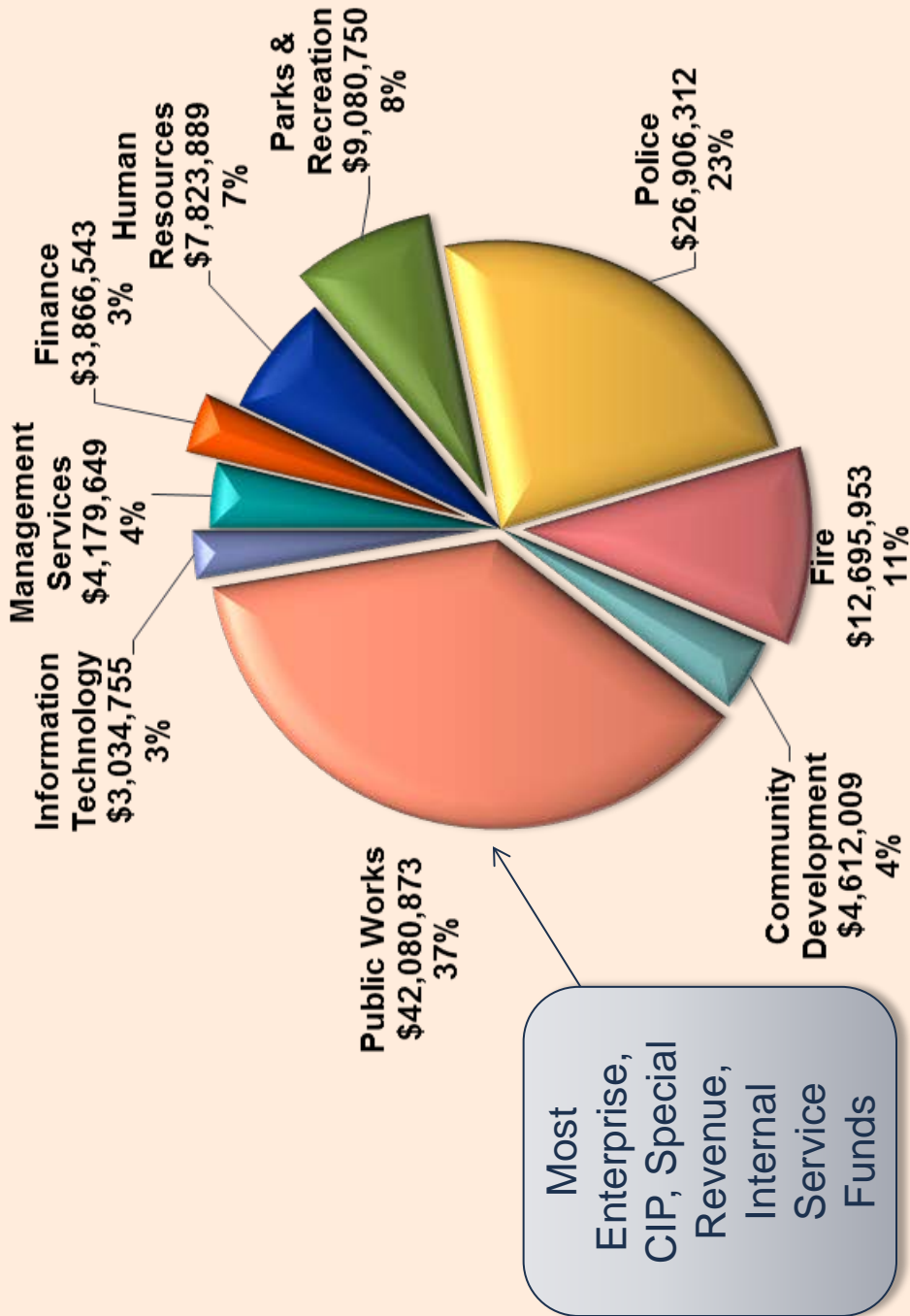
Source of Funds - City-Wide = \$113,843,415



FY 2016-2017 Use of Funds - City-Wide = \$114,280,733

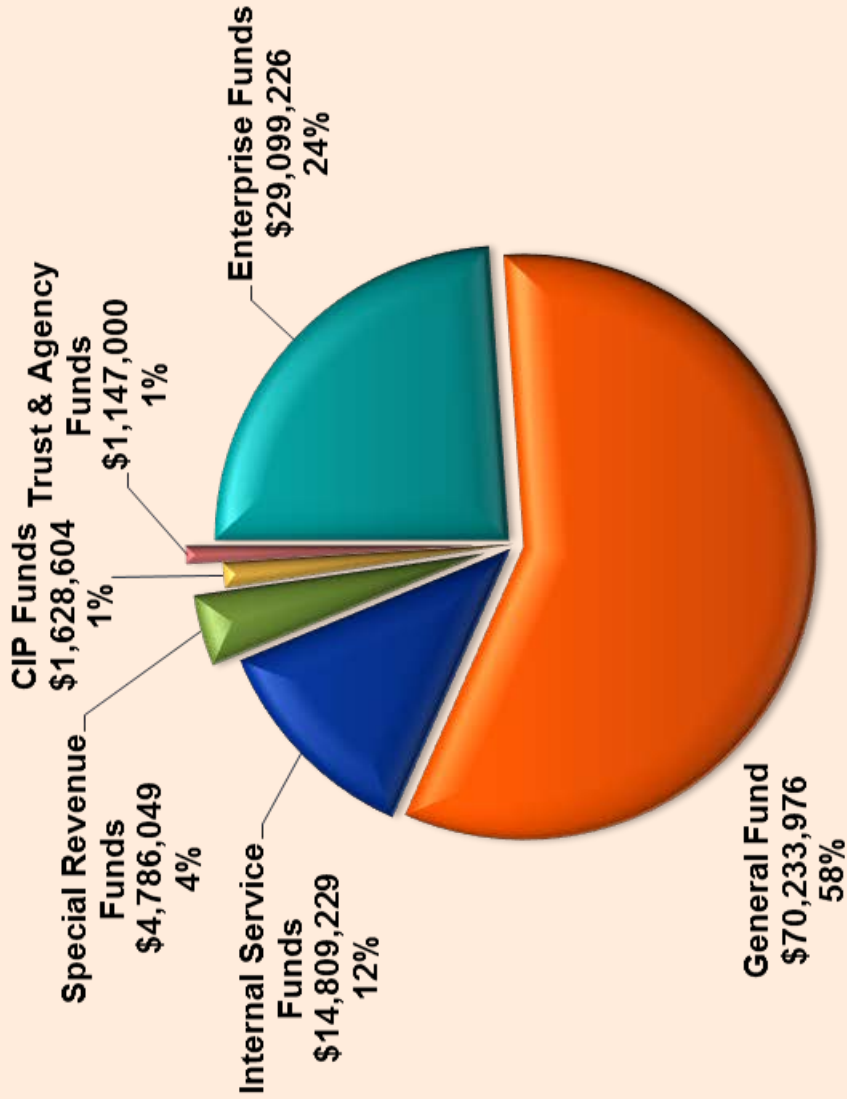


FY 2016-2017 Use of Funds - City-Wide = \$114,280,733

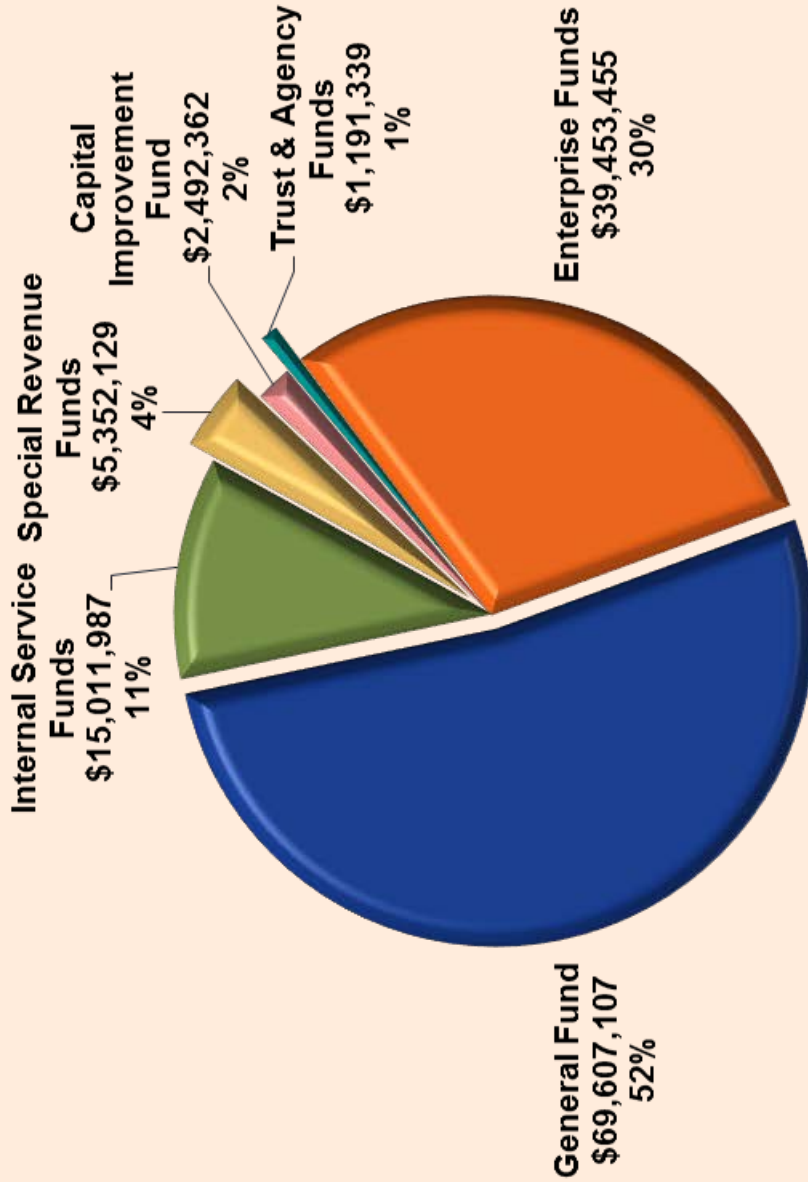


FY 2017-2018

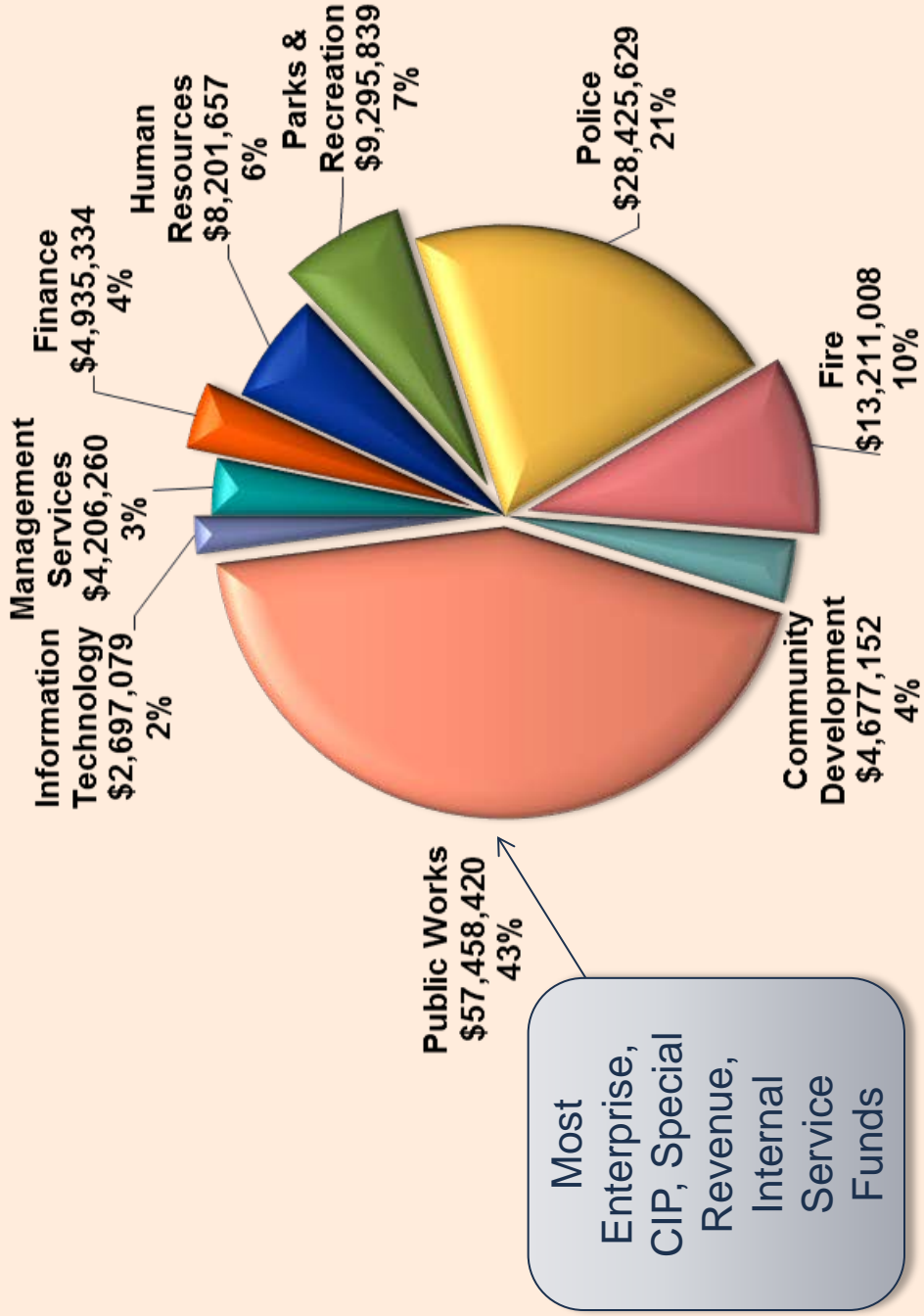
Source of Funds - City-Wide = \$121,704,084



FY 2017-2018 Use of Funds - City-Wide = \$133,108,379



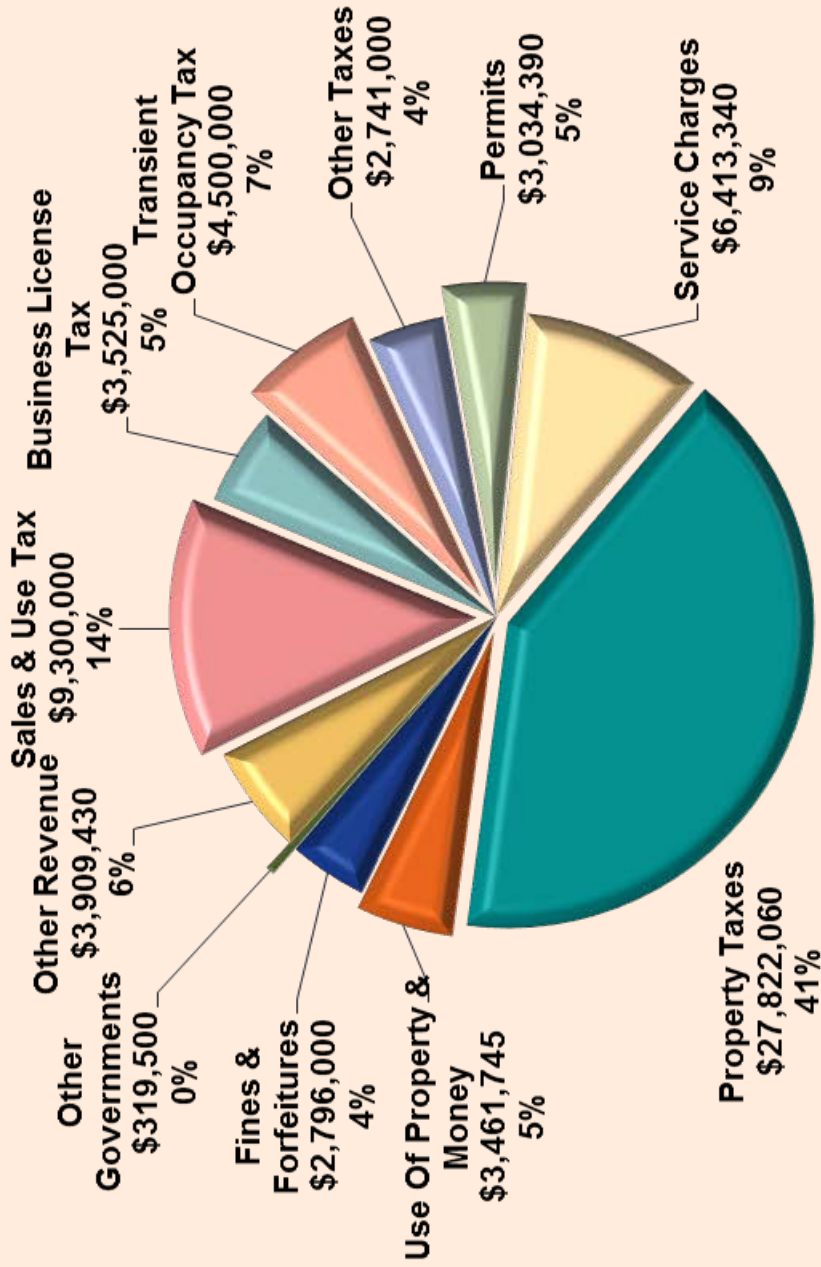
FY 2017-2018 Use of Funds - City-Wide = \$133,108,379



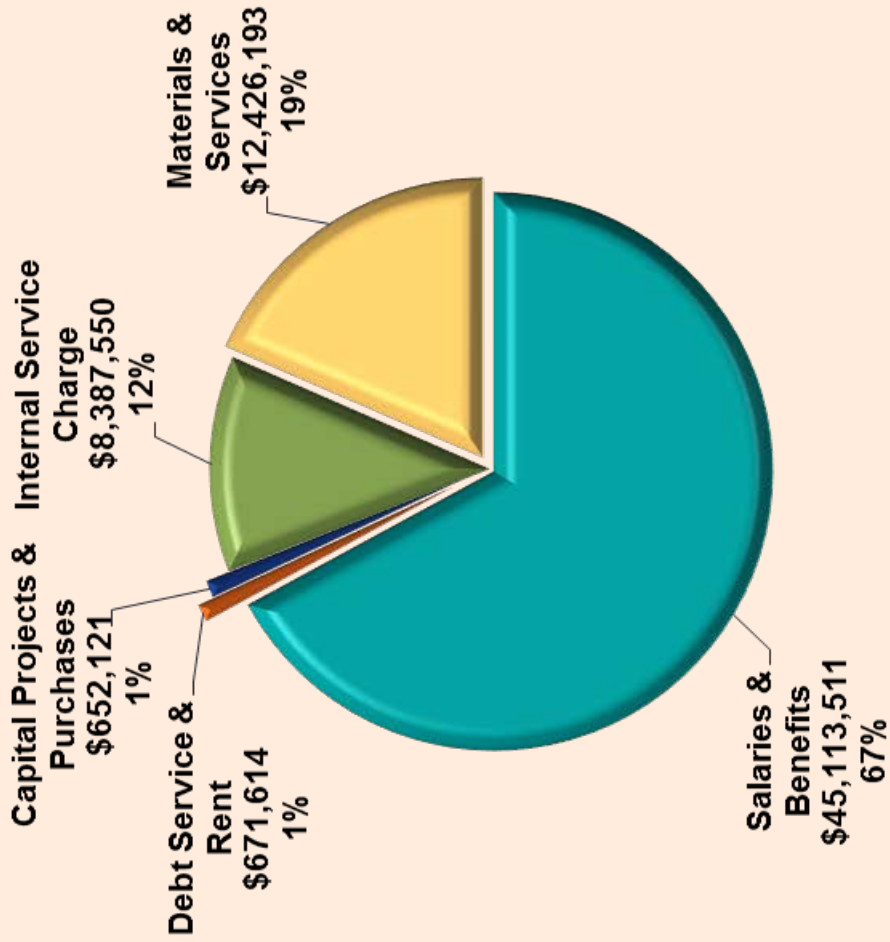
The General Fund Proposed Budget



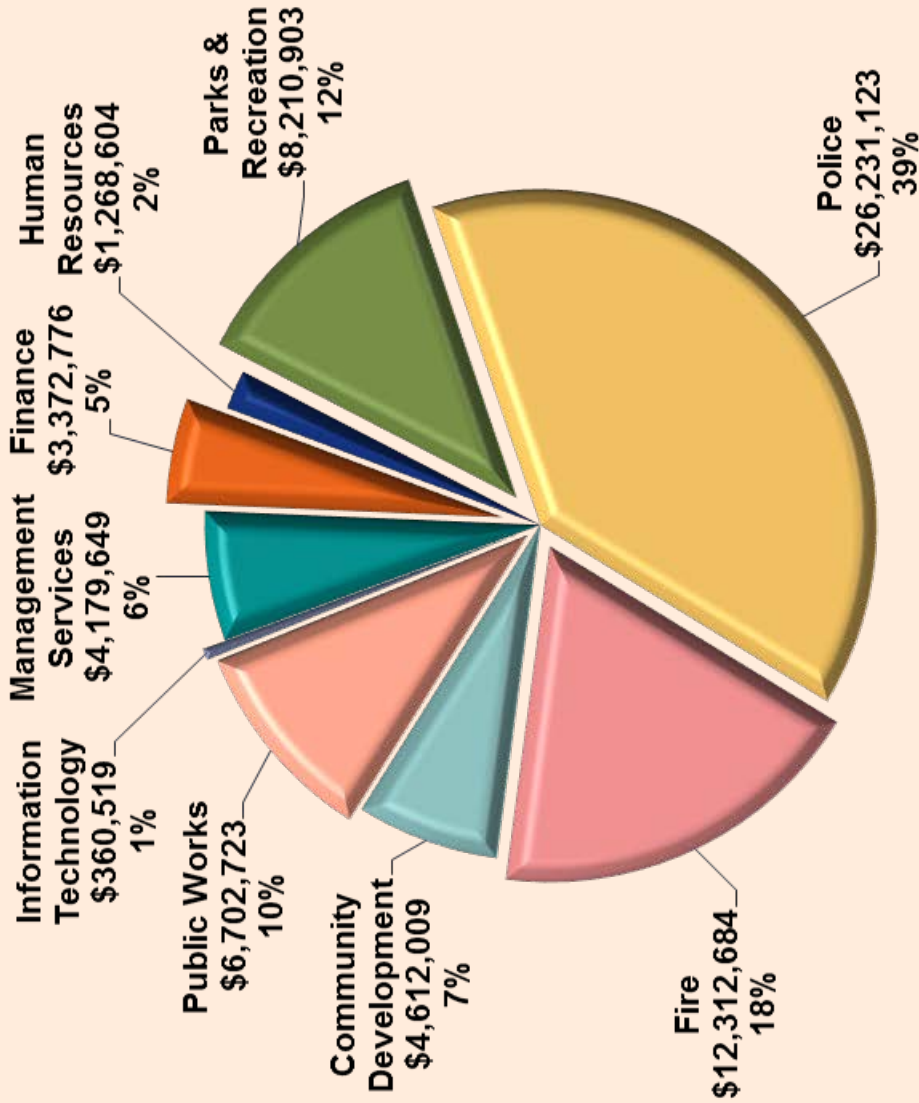
FY 2016-2017 Source of Funds – General Fund = \$67,822,465



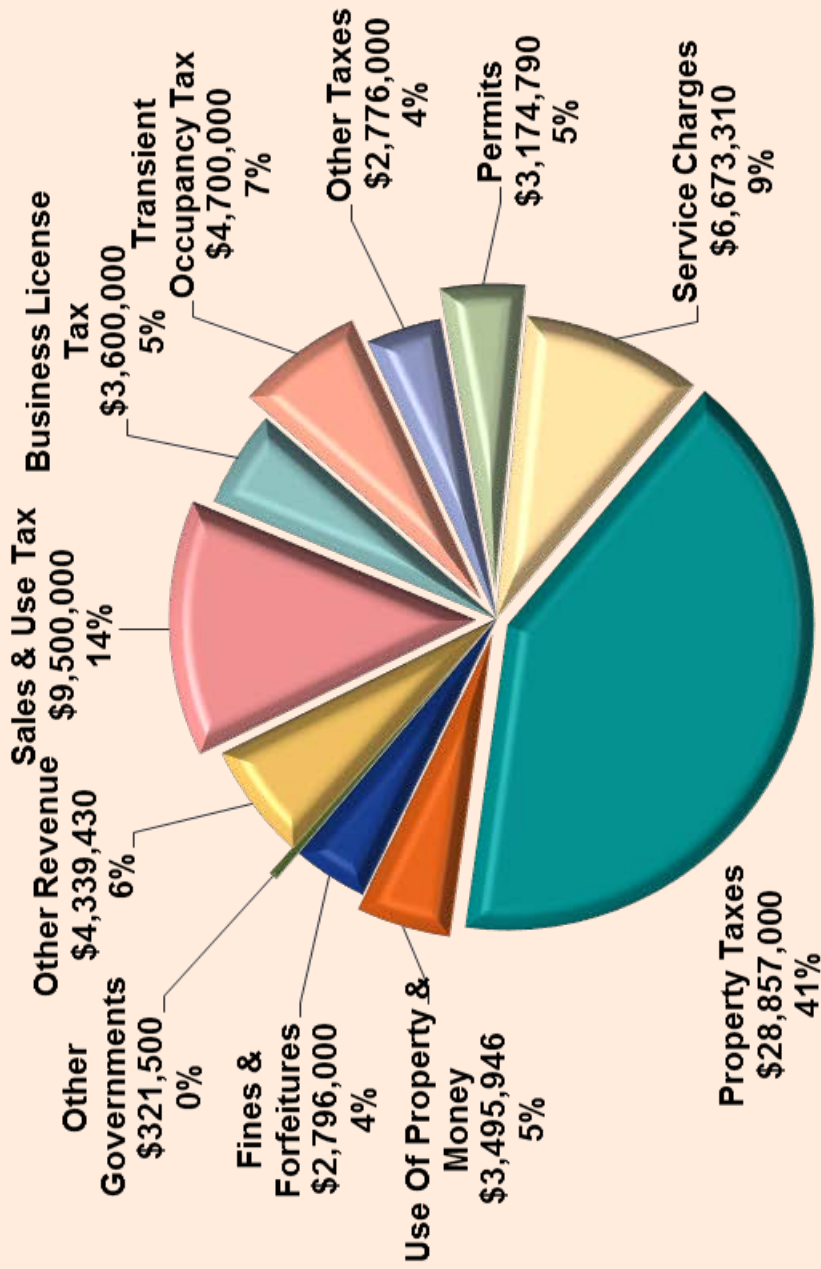
FY 2016-2017 Use of Funds – General Fund = \$67,250,989



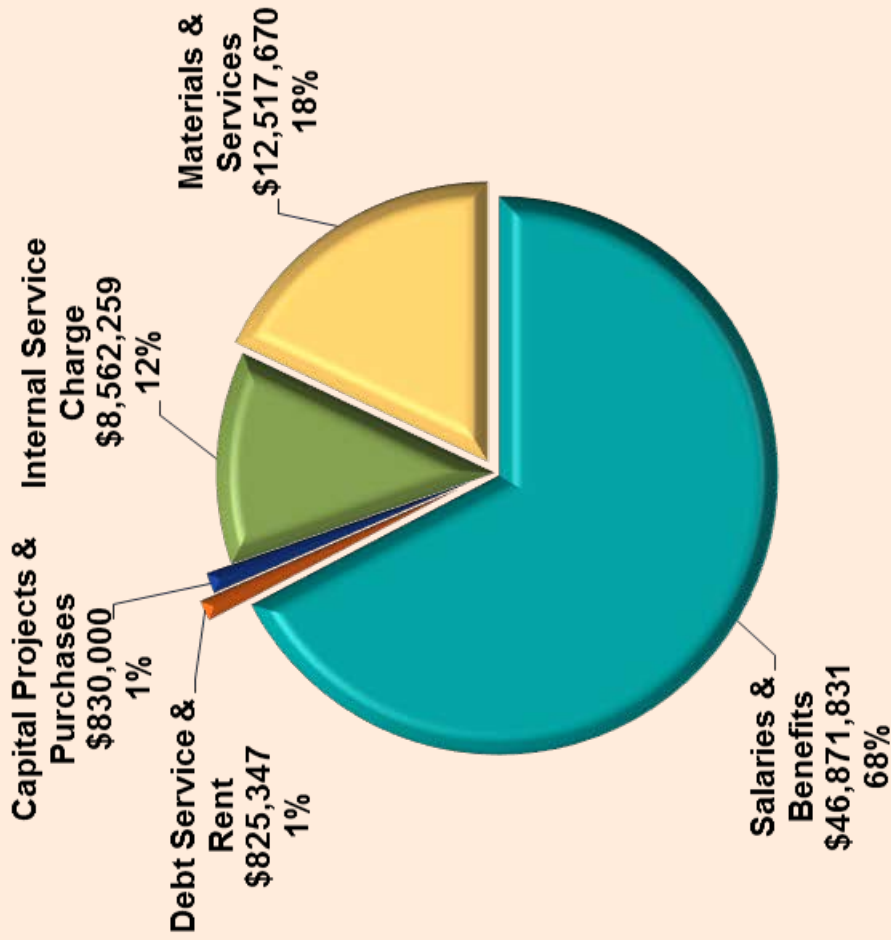
FY 2016-2017 Use of Funds – General Fund = \$67,250,989



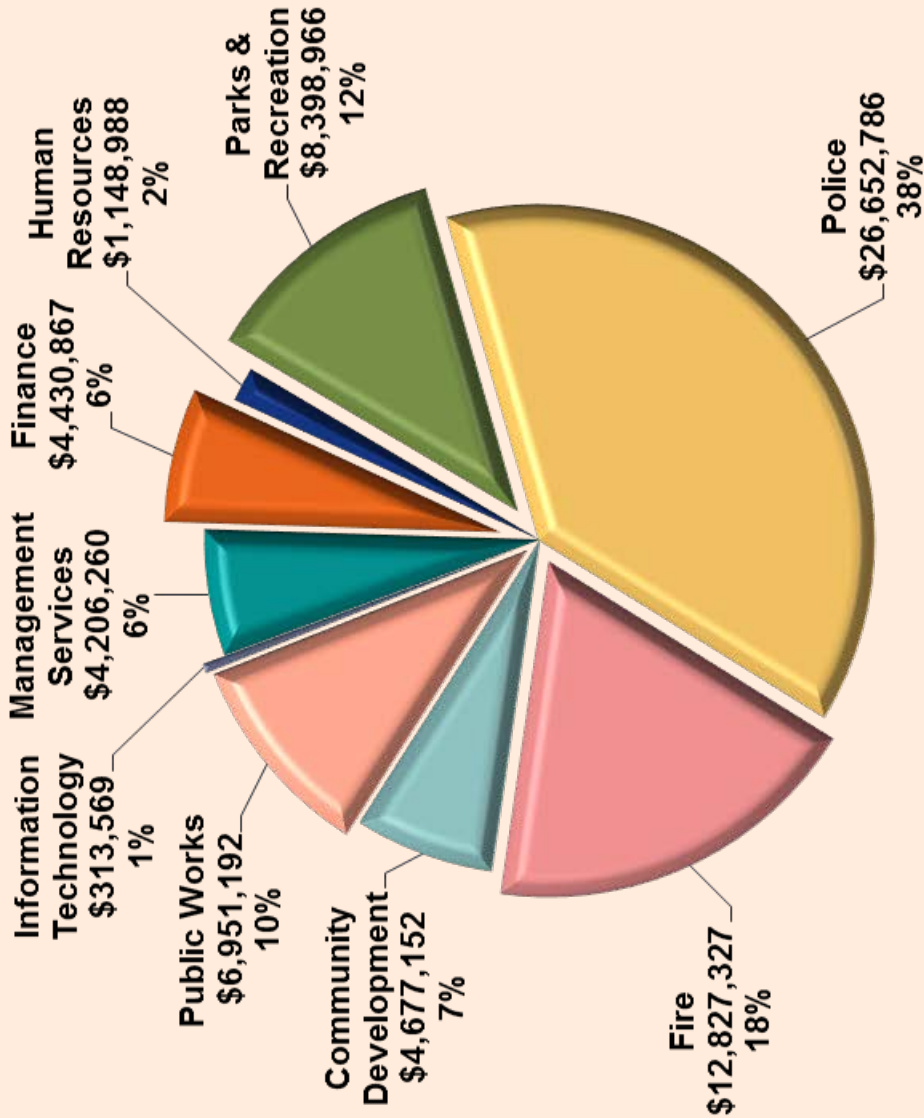
FY 2017-2018 Source of Funds – General Fund = \$70,233,976



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	\$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	14,613,610	12,408,186			584,595	4.9%	(2,205,424)	(15.1%)
Internal Service Charges	7,591,862	7,456,551	7,456,551	8,387,550			795,688	10.5%	930,999	12.5%
Capital Equipment	416,372	461,755	461,755	652,121			235,749	56.6%	190,366	41.2%
Debt Service	581,231	582,231	582,231	671,614			90,383	15.6%	89,383	15.4%
Interfund Transfers	19,053	19,053	19,053	18,007			(1,046)	(5.5%)	(1,046)	(5.5%)
Totals	\$63,565,162	\$66,627,650	\$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		Budget 2017-2018	FY17 to FY18 Budget Var		FY16 to FY18 Budget Var	
	2015-2016	2016-2017		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

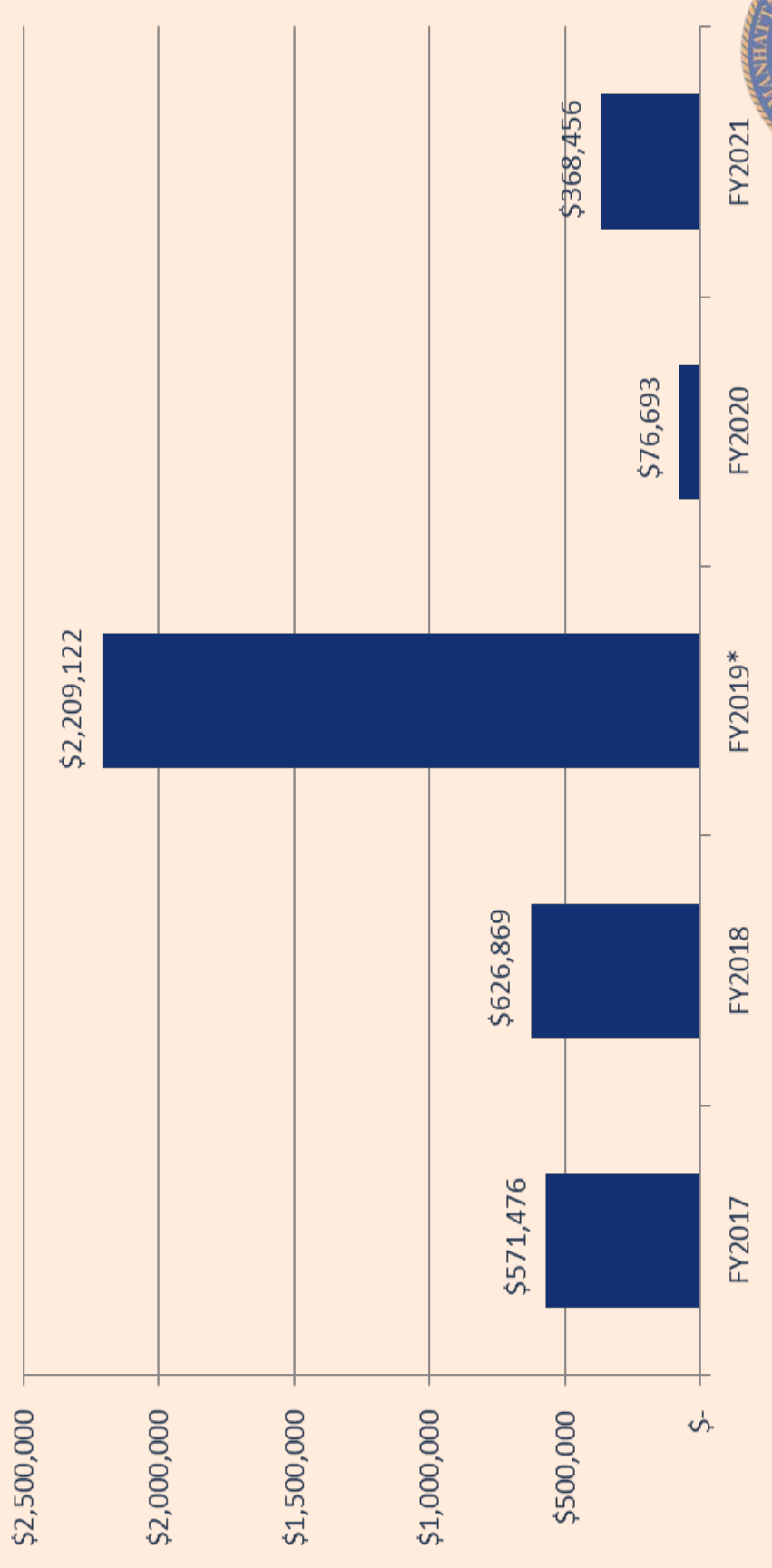
- ▲ Storm Water
- ▲ Street Lighting and Landscaping
- ▲ Proposition A
- ▲ Measure R
- ▲ Insurance Reserve Fund
- ▲ Capital Improvement Fund

Five Year Forecast General Fund

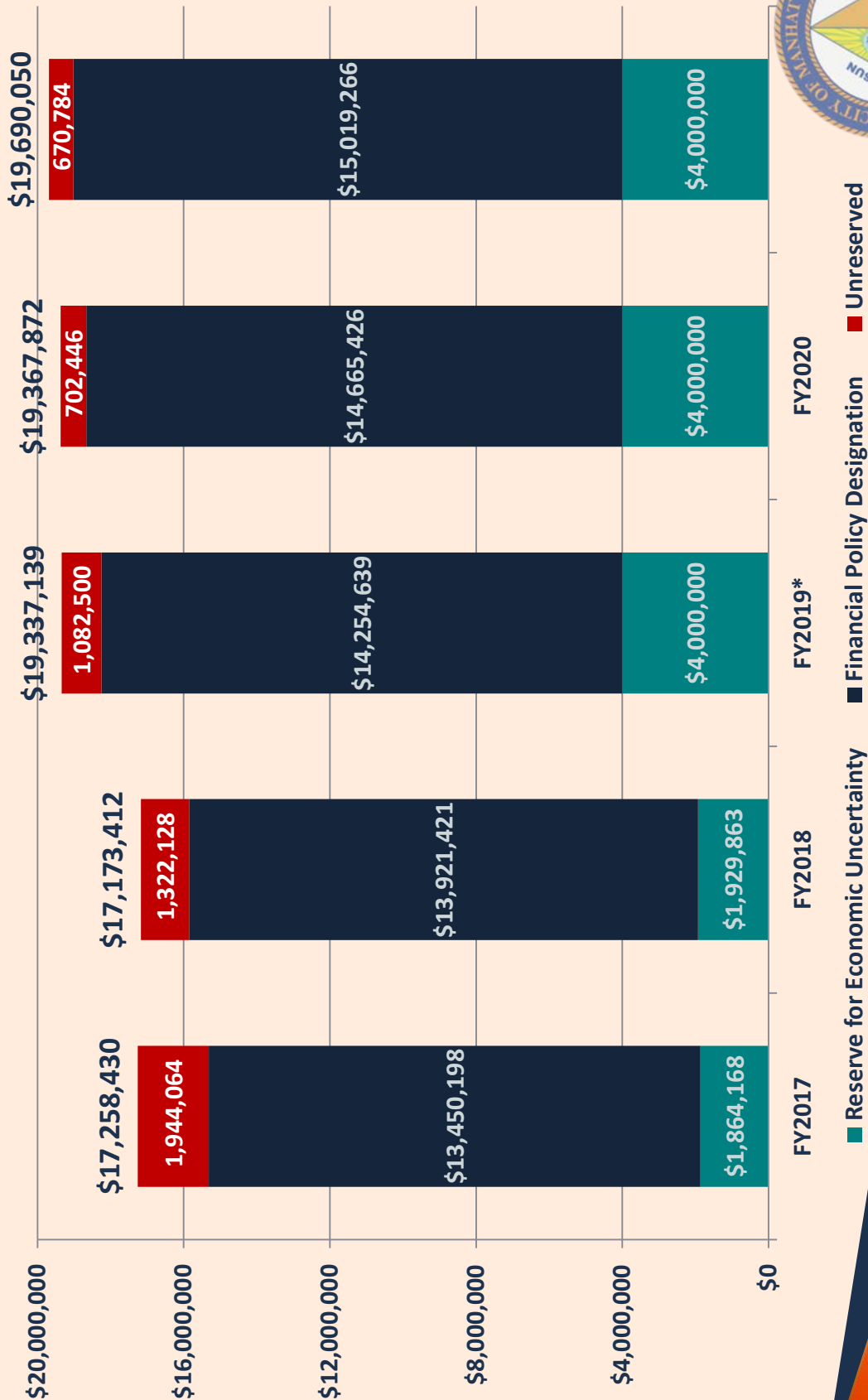




General Fund Five Year Revenues over Expenditures



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