

City Council Study Session

Adjourned Regular Meeting - Budget Study Session #2

Monday, May 23, 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, the City Council has specified a time for citizen comments on the agenda 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, with each speaker limited to three minutes.

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 to make an inquiry concerning the nature of the item described on the agenda.

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****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 Wednesday, May 18, 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

1. Study Session #2: Fiscal Year 2016-2017/2017-2018 Biennial Operating Budget [16-0269](#)
DISCUSS AND PROVIDE DIRECTION

Attachments: [Budget Study Session #1 Questions](#)
[Professional Contractual Services \(FY2014-2015 and FY2015-2016 To Date\)](#)
[Reconciliation of Position Changes in Proposed Budget](#)
[PERS Contributions and Medical Cost Projections](#)
[Five Year Forecast With Continued General Fund Subsidies to Stormwater Fun](#)

F. OTHER COUNCIL BUSINESS, COMMITTEE AND TRAVEL REPORTS, FUTURE DISCUSSION ITEMS**G. ADJOURNMENT****H. FUTURE MEETINGS****CITY COUNCIL MEETINGS**

May 31, 2016 – Tuesday -- 6:00 PM - Budget Study Session #3 (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 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
June 27, 2016 - Monday - 6:30 PM - Parks and Recreation Commission Meeting
July 11, 2016 - Monday - 6:30 PM - Library Commission Meeting
July 12, 2016 - Tuesday - 6:00 PM - Cultural Arts Commission Meeting
July 13, 2016 - Wednesday - 6:30 PM - Planning Commission Meeting
July 25, 2016 - Monday - 6:30 PM - Parks and Recreation Commission Meeting
July 27, 2016 - Wednesday - 6:30 PM - Planning 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 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: 5/23/2016

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director
Henry Mitzner, Controller
Libby Bretthauer, Financial Analyst

SUBJECT:

Study Session #2: Fiscal Year 2016-2017/2017-2018 Biennial Operating Budget
DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council discuss and provide direction on the FY 2016-2017/2017-2018 Biennial Operating Budget.

FISCAL IMPLICATIONS:

The City's fiscal year 2016-2017 Proposed Budget includes expenditures across all funds totaling \$114,280,733. The General Fund is balanced with revenues of \$67,822,465 and expenditures of \$67,250,989 resulting in a projected surplus of \$571,476. These funds are available for further allocation (one-time and on-going) by the City Council.

The Proposed fiscal year 2017-2018 Budget includes expenditures across all funds totaling \$133,108,379. The General Fund is balanced with revenues of \$70,233,976 and expenditures of \$69,607,107 resulting in a projected surplus of \$626,869. These funds are also available for further allocation (one-time and on-going) by the City Council.

Please note that all annual surpluses and estimated fund balances listed in the Budget and Five Year Forecast include up-to-date pension rate projections presented on May 3rd.

BACKGROUND:

The City's Proposed Budget is available on the City's website at:

www.citymb.info/ProposedFY17BiennialBudget
<<http://www.citymb.info/ProposedFY17BiennialBudget>>

Budget presentations and other documents are also available on the City's website at: <http://www.citymb.info/city-services/finance/budget-and-accounting/2016-2018-budget-development>

The City Council held Budget Study session #1 on May 5, 2016. At that time, staff presented an overview of the budget, including highlights of major service level changes, staffing adjustments and fiscal changes within departments. Questions and comments were received from the Community as well as from the City Council. Staff was instructed to compile a list of open questions and answers from that meeting, as well as any that may be received prior to Budget Study Session #2.

DISCUSSION:

Attachment #1 is a comprehensive list of open questions from Budget Study Session #1 as well as subsequent questions received. Answers, comments and reference links are provided for each open item. Staff will be available to answer further questions during Study Session #2.

In response to questions related to contractual professional services, Attachment #2 lists payments to contractors in FY 2014-2015 and FY 2015-2016 (to date). As evidenced by the descriptions, these contractors perform a variety of activities that outsource and supplement efforts required of our workforce, or have skillsets outside that required and possessed by our employees. This is a cost effective use of City funds as it allows us to access these special skills without the on-going cost of maintaining additional employees for these purposes. All-in-all, these services represented 3.6% of the total Citywide budget in FY 2014-2015.

To address questions related to the increase in the number of full-time positions and costs associated with these staffing changes, a reconciliation of position changes is included as Attachment #3. After cost offsets including full- and part-time salaries and benefits as well as contract services, the net budget impact for staffing changes in the FY 2016-17 Proposed Budget is estimated at \$509,535.

Future projections for pension contributions and medical insurance costs are included in Attachment #4. These costs are based on the number of positions included in the Proposed Budget and pension rate projections presented on May 3rd. The projected medical insurance cost was estimated using the number of positions in the Proposed Budget as well as historical insurance plan increases. Note these projections are incorporated into the Five Year Forecast on page 245 of the Proposed Budget.

Lastly, the five year forecast presented in the Proposed Budget assumes that the Storm Water funding problem is corrected by July 1, 2017 (the commencement of FY 2017/18) consistent with last year's forecast (FY 2015/16). This was done in recognition of the positive proactive steps taken by the Council to fix the storm water funding by hiring the engineering firm and survey company in FY 2014/15, which has led to the current position of reviewing revenue measures to fund storm water, CIPs and possibly services. It is also in line with the Council's stated desire to stop the transfers that are taking money away from core General Fund services (Police, Fire, etc.).

However, based on a Council request, a five year forecast that includes no new revenue for Storm Water is included as Attachment #5. If this is the case, over the five year period, the cumulative General Fund subsidies total \$5,297,102. That will virtually use up all of the Economic Uncertainty reserve by the end of the five year period.

The need to address Storm Water funding has been discussed in each and every budget going back to at least FY 2005-2006. General Fund subsidies have continued as Storm Water fees fall well short of the amount needed for basic maintenance and nominal capital projects. Further, no funding exists for significant capital projects on the horizon. New revenues must be developed to end General Fund subsidies which syphon moneys from core services including Police, Fire, Paramedics, etc.

PUBLIC OUTREACH/INTEREST:

Staff has responded to inquiries from community members and included these questions and answers in Attachment #1. Further questions and comments may be sent to Budget@citymb.info <<mailto:Budget@citymb.info>>.

ENVIRONMENTAL REVIEW:

Not Applicable.

LEGAL REVIEW:

Not Applicable.

ATTACHMENTS:

1. Budget Study Session #1 Questions
2. Professional Contractual Services (FY2014-2015 and FY2015-2016 To Date)
3. Reconciliation of Position Changes in Proposed Budget
4. PERS Contributions and Medical Cost Projections
5. Five Year Forecast With Continued General Fund Subsidies to Stormwater Fund

	Response
<p>Public Comment/Questions During Budget Study Session #1</p> <p>1. Request for security or surveillance cameras for end of Pier after break-ins and vandalism.</p>	
<p>2. Comment regarding expanded Senior Programs requiring additional full-time staff. Part-time staff has more turn-over. Supports full-time staff for expanded senior programs.</p>	
<p>3. Request for list of consultant contracts.</p>	<p>See Attachment #2 for Contractual Professional Services.</p>
<p>4. Request for funding for 1736 Family Crisis Center.</p>	
<p>5. Request for funding sources of Capital budget items.</p>	<p>Capital Projects are listed by Fund Source in the Capital Budget Summary section on Page 261 of the Proposed Budget.</p>
<p>6. Request for funding source of potential Pension Trust fund.</p>	<p>To be discussed by City Council.</p>
<p>7. Request for funding source of plan to increase revenues in Stormwater Fund.</p>	<p>To be discussed by City Council.</p>
<p>8. Request for information on profitability of Metlox Plaza.</p>	<p>The existing ground lease has generated \$1,247,990 over Fiscal Years 13-14, 14-15 and 15-16. In FY 16-17, \$490,000 in lease payments and profit sharing proceeds are anticipated.</p> <p>Note the Operator is voluntarily sharing in the costs of the proposed facility and infrastructure improvements that are included in the Proposed Budget. Otherwise the costs would be the City's sole responsibility.</p>
<p>9. Request for information on availability for existing staff to do foot beat patrols.</p>	<p>See Item #8 on City Council Questions List.</p>

**Budget Study Session #1 Questions
May 5, 2016**

Attachment #1

10.	Request for information regarding the need for a new ladder fire truck.	The current vehicle is a reserve fire apparatus and has exceeded its expected life. The vendor that performs repairs advises the engine should be repowered to eliminate excessive exhaust. This would be costly and repairs exceed the value of the vehicle.
11.	Request for dollar amounts associated with staff changes in schedule.	See Attachment #3.
12.	Request for "worst case scenario" if we don't resolve Storm Water funding issue.	See Item #29 on City Council Questions List.
13.	Request for written report on Risk Management, Health Insurance, Workers Comp, and Pensions.	To be provided by Human Resources Department at future date.

	Response
<p>City Council Questions During Budget Study Session #1</p> <p>1. Regarding employee headcount schedule on p. 288 of Proposed Budget, please provide reconciliation of the increase in employees from FY2015.</p>	<p>See Attachment #3 for reconciliation of position changes and associated costs.</p>
<p>2. Post Full Supplemental Request Documents</p>	<p>Posted to http://www.citymb.info/city-services/finance/budget-and-accounting/2016-2018-budget-development on May 6, 2015.</p>
<p>3. Is there a budget impact for moving the election to November due to recent State Law?</p>	<p>To be determined. The earliest November election for the City would occur in November 2019, thus no impacts to this two-year budget cycle.</p>
<p>4. Other options for ICRMA and analysis on risk management programs?</p>	<p>New Agreement with Third Party Administrator will be presented for City Council in June. Review of Insurance structure is in process and will be presented in next six months.</p>
<p>5. If two new Police Officer positions are deferred, what is impact to Department operations?</p>	<p>If the two police officer positions are deferred, we will continue operations as normal. The last time an increase to overall budgeted authority for police officers was in 1999. There has been a significant increase in duties and responsibilities over the past several years. Additional officers will not only help with those added duties, but also assist us in the successful management of crime repercussions from new laws such as AB 109 and Prop 47.</p>
<p>6. What is cost for four additional Police Officers?</p>	<p>See Attachment #3. The fiscal year cost for each additional Police Officer is estimated at \$122,775.</p>

**Budget Study Session #1 Questions
May 5, 2016**

Attachment #1

7.	What extra hours/benefits (i.e. foot beat patrols) would two additional Police Officers provide?	There would be no "extra hours" provided. We will continue to staffing for foot beats all throughout the city through patrol staffing as well as overtime special assignments. There needs to be an understanding that the request of 2 police officers is NOT for staffing of footbeats. It is to deal with issues from question #6.
8.	Could foot beat patrols be achieved with current staffing?	Yes, we are doing that now with regular on duty officers as well as overtime duties.
9.	What is the pension cost for each additional position?	See Attachment #3. The City's estimated fiscal year pension contribution for each additional Police Officer is \$16,440.
10.	Do we have a formal fleet replacement program?	Currently staff does a year-to-year review of fleet replacement needs. Staff is reviewing a potential lease program for vehicles (not including certain Public Safety vehicles) and will return to City Council in the next 6 months to present options and a formal replacement program.
11.	Request for report from Fire Chief on hiring additional staff in lieu of Overtime usage.	Analysis was completed and concluded that filling temporary vacancies through Overtime is still less expensive due to constant staffing requirements, "rank-for-rank" procedures, and other operational standards. Further information to be discussed at Study Session.

<p>12.</p>	<p>Request for more information on Development Services Coordinator position.</p>	<p>As one of the busiest counters at City Hall, the Community Development Department assists 80 to 110 customers each day, and issues thousands of permits each year. In FY 2015, 4,600 permits were issued, and based on current trends, permit issuance will increase nearly 30% in FY 2016. With a sustained increase in development and building activity, demand at the public counter is continuous throughout the day.</p> <p>More specifically, the new Development Services Coordinator position will be a dedicated Community Development team member that will greet customers, determine their needs and be responsible for guiding and facilitating them through the development review process. This coordinator will be very knowledgeable about the development review process and its component parts, both internally and externally, and will provide full-service technical and administrative support facilitating the integration and coordination of permitting activities among various City divisions and departments, thus streamlining the process for our customers. In addition, the Coordinator will develop a comprehensive performance measurement system of reports to track metrics related to each phase of the development review process to ensure timely and optimal efficiency. With department revenues increasing nearly 60% over the last five years (FY 2010 to FY 2015), ensuring a timely review process to our construction community is critical during the development review process.</p>
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<p>13. Request for report back on how to finance the Sepulveda Corridor Specific Plan and include any synergies on doing Sepulveda and Rosecrans together. Discuss phased approach for completion in next two years and use of Economic Uncertainty and/or Council Policy Reserve.</p>	<p>The Rosecrans and Sepulveda are two corridors although connected, are unique in the form and character. Issues to be evaluated on Sepulveda will likely be distinct in its nature. Only limited synergies may exist by combining the Rosecrans and Sepulveda Corridor together. However, if combined, commonality between market demands may be evaluated concurrently.</p> <p>The Sepulveda Corridor Specific Plan will likely consist of a 3-4 year process to complete the plan. The plan will include research, evaluation, outreach, plan development and environmental review. A phased approach may be considered by allocating approximately \$550,000 for plan development/outreach in years 1-2 and \$450,000 for environmental review in years 2-4. (These costs are only estimates and may be higher). Staffing costs associated with the Sepulveda Corridor Specific plan will range approximately \$250,000 annually.</p> <p>It is recommended that an option could be included in the Request for Proposals (RFP) to explore the Rosecrans Corridor and the feasibility and cost for the Rosecrans Specific Plan would be determined based on the RFP responses.</p>
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**Budget Study Session #1 Questions
May 5, 2016**

Attachment #1

<p>14.</p>	<p>Request for background on different reserves and history of why they were implemented. What are rules for use of each type of reserve?</p>	<p>Staff is researching the history on reserves and will report back at a future budget study session meeting. By way of the purpose of the reserves, the City's Financial Policies (located in the Appendix of the budget) state:</p> <p><i>"The General Fund Unassigned Fund Balance will be maintained in an amount equal to at least 20 percent of the annual General Fund expenditure budget. These funds are designed to be used in the event of significant financial emergency. Council may, at its discretion, set aside additional funds above the 20% minimum. Such additional amounts may be allocated for specific purposes, such as capital projects or for known significant future cost items. Any residual balance shall be available for general operational working capital uses."</i></p> <p>The City's Economic Uncertainty Reserve falls into the latter category of "additional funds above the 20% minimum."</p>
<p>15.</p>	<p>How does Council participate in deciding priorities for Environmental programs?</p>	<p>Environmental Programs is working on developing a work plan for the next round of potential environmental initiatives. The draft work plan will be presented to City Council at an upcoming City Council meeting or study session.</p>

<p>16.</p>	<p>Has grant funding been explored for projects in the CIP Fund? (e.g. Sepulveda Blvd Multi-modal Plan and Signal Battery Back-ups.)</p>	<p>At this time, there are no other funding sources for the Sepulveda Blvd Multi-Modal Project. Staff continues to work with Caltrans and Metro on potential partnering on future phases of this project, such as a Project Study Report, Environmental Assessment, Final Design, and Construction. Staff will investigate possible grant opportunities related to safety improvements the Signal Battery Back-ups project provides.</p> <p>City has been successful in obtaining grants for other CIP projects, including Safe Routes to Schools, Federal funds for Sepulveda Widening, and County funds for the Skate Park. Staff will continue seeking grant funding opportunities in the future. Since the City does not have dedicated staff to apply for and manage grants, staff seeks grants that result in the largest return for investment of City time & resources given the numerous grant administration requirements.</p>
<p>17.</p>	<p>What is the status of the Parkview Sidewalk Project?</p>	<p>1400 Block of Parkview is included and funded in Curb, Gutter and Sidewalk Project. Project page in CIP will be updated to name all locations.</p>
<p>18.</p>	<p>Status of Pavement Management Plan update to City Council?</p>	<p>The previously approved CIP includes numerous pavement improvement projects dating back several years. After completion of these projects, the City's recently completed Pavement Management Program (PMP) will become the primary tool for determining the pavement improvement priorities, excluding the annual slurry seal. Staff will present the latest PMP to City Council at an upcoming City Council meeting or study session.</p>

19.	Request for staff to research left-turn lane by Toyota Dealership.	Staff is discussing options with Toyota Dealership.
20.	What would additional cost be to add a camera at the Pier Roundhouse and at the Historical Society's "Little Red House"?	Preliminary cost estimates for camera equipment and materials, including for installation and interconnectivity: Pier Roundhouse - \$63,000 Historical Red House - \$10,500
21.	Request for Police Department to provide statistics on vandalism and break-in activity at the Pier Roundhouse and "Little Red House"?	There were 4 incidents in 2015 (Two attempted burglaries and two vandalisms. There was one incident in February of 2016 for a vandalism). No other crimes to report.
22.	Question regarding Sepulveda Bridge Widening Project and Easement issues – is there impact to budget?	The Sepulveda Bridge project is fully funded.
23.	How soon can GovInvest be implemented?	First quarter of FY 2016-17.
24.	General Questions Related to Pensions: A. How is volatility taken into account in pension rates and unfunded liabilities?	A. Per John Bartel, generally the full impact of volatility is taken into account in each valuation's unfunded liability. The contribution impact of volatility is phased in over 5 years so the full impact on rates is not felt for some time. For example a 6/30/16 asset loss will show up in the 6/30/16 funded status and first show up in the 18/19 rates with full impact showing up in 22/23 rates.

<p>B. City's funding percent is 80-84%. Are there agencies funded at 100%?</p> <p>C. What is linkage between increase in staff and pension cost increases?</p> <p>D. For every 1% change in discount rate, what is the financial impact?</p>	<p>B. Per CalPERS Annual Review of Funding Levels and Risk dated November 17, 2015:</p> <p>“The vast majority of pooled plans were between 70 percent and 90 percent funded as of June 30, 2015 with a few hundred plans over 100%; these plans were recently created new tier plans prior to PEPRAs.”</p> <p>“There are a few non-pooled plans that has a funded status over 100 percent, these are plans that have either recently joined CalPERS and has contributed more than their liabilities (0 percent past service) since inception or have had good investment, demographic experience or made additional payments towards their UAL. There are over 80 non-pooled plans that are between 80 percent and 100 percent funded, these plans have had either good experience or have been making contributions above those that are required but none indicated that Pension Obligation Bonds were the source of the extra contributions.”</p> <p>(https://www.calpers.ca.gov/docs/forms-publications/annual-review-funding-2015.pdf, p. 20)</p> <p>C. See Attachment #3 for pension costs related to position changes. New employees do not increase the Unfunded Liability upon hiring.</p> <p>D. Each 1% change in the discount rate is estimated to raise rates about 25%, which is approximately \$1.6 million in FY 2016/17.</p>
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	<p>E. Are there other, longer-term unintended consequences?</p> <p>F. What happens when there are more retirees than active employees?</p>	<p>E. The Five Year Forecast (page 245 of Proposed Budget) includes projected salaries and benefits of existing and proposed positions. The Forecast indicates adequate funding for the Proposed Operating and Capital Budgets as well as the funding of reserves at current policy levels.</p> <p>F. Per John Bartel, more retirees than actives is just an indication that a plan is becoming more mature. The more mature a plan becomes the more susceptible the plan is to volatility from investment return in particular.</p>
<p>25.</p>	<p>Questions Related to City's Unfunded Pension Liability:</p> <p>A. Regarding Council Policy Reserve, can we calculate the interest on the Policy Reserve versus paying down the unfunded liability?</p> <p>B. Regarding one-time transfer fees from sale of Marriott estimated at \$800,000, could these one-time revenues go toward the Unfunded Liability? Does it make sense to put one-time monies toward the Unfunded Liability?</p> <p>C. Does changing the Economic Policy Reserve from \$4 million down to \$1 million and putting the \$3 million toward the Unfunded Liability make sense?</p> <p>D. What other trade-offs are there?</p>	<p>Staff is reviewing options for addressing the City's Unfunded Pension Liabilities. Once all information is gathered, staff will present to the City Council at a future date the researched alternatives, including the financial costs, advantages and disadvantages.</p>

**Budget Study Session #1 Questions
May 5, 2016**

Attachment #1

<p>26.</p>	<p>A. Please provide the projected total pension contributions for the City for FY 16/17, 17/18, 18/19, 19/20, 20/21 and 21/22. (Projections out to 21/22 since that is the relevant time period identified by the independent actuary.)</p> <p>B. Please provide the projected total unfunded liability for fiscal years 16/17, 17/18, 18/19, 19/20, 20/21 and 21/22. (The total unfunded liability for 15/16 was \$45 million.)</p> <p>C. Please provide the information requested for the above questions if the discount rate were 6.5%.</p> <p>D. Please provide the information requested for the above questions if the actual rate of return were 4%.</p>	<p>See Attachment #4 for projected total pension contributions.</p> <p>The Actuary is calculating information on the projected total unfunded liability and discount rate scenarios, which should be available by the May 23rd Study Session.</p>
<p>27.</p>	<p>Request for costs for employee medical over the next five years?</p>	<p>See Attachment #4.</p>
<p>28.</p>	<p>What are the differences in the Pension Presentation in 2016 from 2015?</p>	<p>Bartel's report is the same as last year except data from comparison agencies was added and rates were updated to reflect the latest information, including new risk mitigation policies adopted by CalPERS. The most recent report also includes actual FY 14-15 investment returns and projected FY 15-16 year-end returns.</p>

<p>29. What would the Budget and Five Year Forecast look like if assumed Storm Water funding is factored back out?</p>	<p>The need to address Storm Water funding has been discussed in each and every budget going back to at least FY 2005-2006. General Fund subsidies have continued as Storm Water fees fall well short of the amount needed for basic maintenance and nominal capital projects. Further, no funding exists for significant capital projects on the horizon. New revenues must be developed to end General Fund subsidies which syphon moneys from core services including Police, Fire, Paramedics, etc.</p> <p>Consistent with the FY15/16 budget, the FY17-21 five year forecast included in the budget assumes funding is corrected beginning with the FY17/18 budget. To the extent that does not occur, the second version of the forecast (Attachment #5) shows the impacts of unmitigated subsidies. In short, virtually all of the \$4 million Economic Uncertainty reserve in the General Fund will be utilized and there will be no unreserved General Funds available.</p>
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Subsequent Budget Questions from Community Members

1. PAGE 3: Insurance Fund - is the \$7.1M actually revenue

The revenues to the insurance fund are primarily achieved through charge-outs to the using departments based on their experience with claims both liability and workers compensation. Please see page 8 for details on revenues.

Revenue item #3852 (Liability Insurance Billings) equals the charge-outs to departments under expenditure object #5631 (Insurance Allocation). If you look in any given program and see object 5631, that is the charge to the department that flows to the Insurance Fund which is captured in revenue item #3852. Same is true in Workers Compensation with revenue #3850 being tied to expenditure #4205

2. PAGE 6: 3930 Lease Purchase Proceeds \$900K explain

The City is planning on lease/purchase financing new radios for the Police and Fire Departments. The Police's portion (\$900,000) is initially being financed in the Asset Forfeiture Fund. When we lease/purchase equipment (or finance anything from new facilities to vehicles such as the Fire Truck), we must account for all fund flows. As a result, when we borrow \$900K, that money needs to be accounted for as revenue and then as it is expended for the purchase through a purchase order (which is in the Police budget for 17/18). We then also include the debt service payments for the radios. This is the appropriate method of accounting for these types of transactions.

3. PAGE 6: 3641 \$810K explain

These are funds for the Sepulveda Bridge project which are derived from Countywide Measure R transportation funds that have been earmarked and committed for the South Bay. They are grant funds for the project being accounted for in Proposition C fund.

4. PAGE 7: 3737 \$2.4M explain

This is the plug figure used to indicate that the Storm Water funding, currently being subsidized by the General Fund, is forecasted to be sufficient to mitigate all General Fund subsidies starting in FY17/18. This is dependent upon the City Council taking steps to identify one or more revenue sources to correct the imbalance.

5. PAGE 9: 3930 Lease Purchase Proceeds \$1.2M explain

Same as above explanation in #2, except this is for the \$1.2 million fire ladder truck.

6. PAGE 12: Water Fund from \$10.4M to \$21.8M

The main reason for the increase is that the total expenditures in the Water Fund include capital improvements that total \$3.8 million in FY16/17 and \$10.9 million in FY17/18. These costs are in addition to normal operating costs of \$10.3 million in FY16/17 and \$10.7 in FY17/18.

Budget Study Session #1 Questions May 5, 2016

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7. PAGE 15: Percent Change of 16.47%?

The percentage change is the difference between FY16/17 and FY17/18 expenditures. Capital projects in the second year (\$26.7 million) exceed the first year (\$11.7 million) by \$15 million. That is the majority share of the increase. Without that increase, the total would be a 3.4% increase.

8. PAGE 18: Asset Forfeiture \$1.3M explain

This includes the \$900,000 in new radios explained above.

9. PAGE 19: Sewer Maintenance \$8.5M

The Wastewater (sewer) fund includes \$7.25 million in capital improvement projects in FY17/18. Basic operating costs are \$1.1 million.

10. PAGE 39: 4201 Group Medical Insurance - jump up in 2015/16 and beyond explain

The 2015/16 Year End Estimate is incorrect and should be \$50,936. After the annual increase that went into effect in January, Medical Insurance costs in this program are trending around \$5,100 per month. The FY2016/17 and 2017/18 Proposed Budgets are aligned with current costs plus anticipated annual increases.

11. PAGE 39: 5101 Contract Services \$103,000 in 2015/16 explain

The year-end estimate (calculated in March) was based on Strategic Planning workshop invoices that were charged to this account. However, this activity was budgeted in the Training, Conferences & Meetings (5205) object code (split 50/50 in the City Council and City Manager budgets). The charges were correctly transferred to the 5205 accounts in April in accordance with the budget appropriations.

12. PAGE 43: 4101, 4201, 4211 what positions are included

The positions included in this program's salaries and allowances (4101), Group Medical (4201) and PERS Contributions (4211) are listed on the opposite page (42) and include the City Manager, Assistant City Manager, Economic Vitality Manager, one half of a shared Management Analyst with the City Clerk's Office, one fully dedicated Management Analyst, the Administrative Assistant to the City Manager, and the Receptionist Clerk, for a total of 6.5 full time positions.

13. PAGE 43: 5101 Contract Service - why increase in out years

With the placement of the Economic Vitality Manager in FY15/16, \$100,000 of economic development partnership funding was transferred from the Community Development department to the City Manager's office where the economic vitality efforts are budgeted.

14. PAGE 43: 5270 City Manager Home Loan - which loan is that

This was the Assistant City Manager loan funded in FY15/16.

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**Budget Study Session #1 Questions
May 5, 2016**

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15. PAGE 79: 4101 what positions are included

The positions included in this program's salaries and allowances (4101) are listed on the opposite page (78) and include half of the HR Director position, the Risk Manager, a HR Technician and one half of the Executive Assistant for a total of 3 full time positions.

16. PAGE 120: 5631 Insurance Allocation why the large increase in the out years

There are four main drivers in the rate increases: 1) losses tied to the using department, 2) increased insurance premiums, 3) recovery of additional funds from prior losses, and 4) a reallocation of Human Resources costing (overhead):

<u>Category</u>	<u>FY15/16</u>	<u>FY16/17</u>	<u>Change</u>
Losses	\$ 46,081	\$ 376,207	\$ 330,126
Premiums	\$ 33,216	\$ 302,867	\$ 269,651
Excess Recovery	\$ 34,216	\$ 113,131	\$ 78,915
Overhead	\$ <u>11,790</u>	\$ <u>80,501</u>	\$ <u>68,711</u>
Police Total	\$ 125,303	\$ 872,706	\$ 747,403
Citywide Total	\$1,665,491	\$2,699,944	\$1,024,453

The department has had poor loss experience in the past two years. Due to losses in the Independent Cities Risk Management Authority (ICRMA) risk pool the City belongs to, the pool is assessing a recapitalization charge to member agencies to ensure there is sufficient funding for claims (this is included in the Premiums category above). As is done with all costs in the Insurance Fund, departments are charged back for losses based on their experience. In this case with the assessment, which is not tied to a particular case in the City, the amount is charged back based on the current claims paid cost allocation method, which uses recent case history (2 year average as the basis).

Finally, with the recent reorganization of the Human Resources Department, personnel have been reassigned, and with it, the costs associated with the position. The following changes are in the Risk Management program which is allocated to using departments:

<u>Position</u>	<u>FY15/16</u>	<u>FY16/17</u>
Human Resources Director	0.25	0.5
Risk Manager	0.75	1.0
Executive Assistant	0.0	0.5

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**Budget Study Session #1 Questions
May 5, 2016**

Attachment #1

17. PAGE 134: why the addition of the Sergeant and Admin Clerk

As the Neighborhood Watch program continues to grow, with initiatives such as "Paint the Town Orange," designed to expand participation, the need for management of the program is evident. As a result, a Police Sergeant is being transferred from Patrol to Community Affairs to provide supervisory oversight needed to enhance communication and engagement efforts. Further, the Administrative Clerk position is a consolidation of two part time clerks. These part time positions have been difficult to staff as these employees find fulltime employment elsewhere. In order to provide consistency and stability in this important function, the two part time positions are being consolidated into one full time.

18. PAGE 138: why the addition of the Lieutenant

This was not an additional position. The Fiscal Year 2015/2016 budget reallocated a third patrol Lieutenant back to the Traffic Section, where it had traditionally been budgeted. In Fiscal Year 2012/2013, the Traffic Lieutenant position was reassigned to Patrol to provide a third Lieutenant to ensure consistent oversight over all three patrol shifts (day shift, swing shift, and graveyard shift). When the Department permanently implemented the 3/12.5 work schedule (August 2014), the new work schedule allowed the Traffic Lieutenant to return to his primary duties in the Traffic Section.

19. PAGE 147: 6141 \$900K is this expensed/amortized over some time period

The lease/purchase is over a five year period.

20. PAGE 147: 7302 Property & Equipment Principal what is this

This relates to the lease/purchase of the Police radios. As with any loan or financing, there are two components: principal and interest. Principal is the amount borrowed, or the portion of the amount borrowed which remains unpaid (excluding interest). Interest is the amount charged by the lender for use of the money for a given timeframe. Line item, #7302, is the principal of the loan while the interest is captured under item #7303.

21. PAGE 159: 7302 Property & Equipment Principal what is this

This relates to the lease/purchase of the Fire Department radios. As with any loan or financing, there are two components: principal and interest. Principal is the amount borrowed, or the portion of the amount borrowed which remains unpaid (excluding interest). Interest is the amount charged by the lender for use of the money for a given timeframe. Line item, #7302, is the principal of the loan while the interest is captured under item #7303.

22. PAGE 195: Water Division same as question re. page 12

The main reason for the increase is that the total expenditures in the Water Fund include capital improvements that total \$3.8 million in FY16/17 and \$10.9 million in FY17/18. These costs are in addition to normal operating costs of \$10.3 million in FY16/17 and \$10.7 in FY17/18.

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23. PAGE 195: Sewer Maintenance \$8.5M same as question re. page 19

The Wastewater (sewer) fund includes \$7.25 million in capital improvement projects in FY17/18. Basic operating costs are \$1.1 million.

24. PAGE 217: Water increase to \$5.7M explain

The increase from FY15/16 to 16/17 is \$485,706. Of that amount, \$300,000 is for new capital projects. Also, contract services (#5101) increased by \$185,587 in FY16/17 and another \$259,875 which is caused by projected increases in the cost of imported water purchased from West Basin Municipal Water District (WBMWD). The following are the projected WBMWD costs:

Current FY 2015-2016	\$4,346,450	\$1,296/acre foot	
FY2016/2017	\$4,538,850	\$1,353/acre foot	+4.4%
FY2017/2018	\$4,765,790	\$1,420/acre foot	+5.0%

25. PAGE 225: Capital Projects & Equipment \$7.25M explain

The \$7.25 million in capital projects in fiscal year 2017/2018 are listed on page 266 of the budget, and include spot repair and rehab of gravity sewer mains (\$4 million); Poinsettia Sewage Lift Station and Force Main Replacement (\$3 million); and Pacific Lift Station upgrade (\$250,000). The entire Capital Improvement Plan document has full details on each project, and can be viewed on the City's website at:

<http://www.citymb.info/home/showdocument?id=23282>

26. Page 139: Is Year-End estimated for FY15/16 accurate? Seems low compared to adopted budget.

The Year-end Estimate in Traffic Safety is low; however, Estimates in other Police programs (e.g. Patrol and Investigations) exceed the Adopted Budget. The Police Department will occasionally move staff between programs based on department need. Full-Year Estimates are based on actual activity through January. Overall, Sworn Salaries within the Police Department are \$366,281 or 4.5% over the Adopted Budget reflecting full staffing levels (No vacancies).

27. Page 39: What is included in the line item for Public Relations?

City Sponsorships of Public Service events including: Richstone Affair of the Heart Fundraiser, AVP Championship Dinner, Mira Costa Grad Night, MB Education Foundation Annual Event, Mayor's Youth Council, Grades of Green, TEDx Sponsorship, Best of Manhattan Gold Level Sponsorship, Economic Forum Gold Level Sponsorship, State of the City Gold Level Sponsorship.

28. Page 165: Why the increase in contract services?

This item contains \$30,000 for an outsourced Contract Medical Director service which is required for the paramedic program.

29. Page 179: What has been spent in FY15/16 for the estimated \$350,000 total?

\$15,913 Contract Personnel, including for Accela Implementation

\$58,000 Holiday lights

\$30,000 Hotel Study

\$49,500 Management Partners Study

\$282 Fed Ex

\$480 Hot Spot

\$8,000 Doculynx contract

The Estimate of \$350,000 also included \$175,000 for the Historic Preservation Program (\$100,000 for the Historic Context Statement and Detailed Potential Historic Resources Survey and Inventory and \$75,000 for ongoing Historic Preservation support) that is no longer expected to be spent before June 30. This amount has been rebudgeted in FY 2016-17.

30. What has been spent thus far on the Downtown Specific Plan?

As of 5/5/16, invoices totaling \$240,766.84 have been submitted for payment to MBI (formerly PMC).

**CITY OF MANHATTAN BEACH
PROFESSIONAL CONTRACTUAL SERVICES
FY 2014-2015 and FY 2015-2016**

Attachment #2

Vendor #	Contractor Name	Description	FY 2015-2016	
			Full Year	Year-to-Date
33580	AC MARTIN PARTNERS INC	Architect Design of Admin Office	\$ 12,062	\$ 12,703
11297	ADMINSURE INC	Workcomp & Liability 3rd Party Administrators	\$ 113,005	\$ 123,278
17072	ADVANCED APPLIED ENGRG INC	Engineering Sewer Rehabilitation	\$ 7,030	\$ 6,225
27317	AKM ENGINEERING	Engineering Services	\$ 81,397	\$ 26,460
34016	ALBERT GROVER AND ASSOCIATES	Traffic/CIP Street Design	\$ 2,320	\$ 8,121
30518	ANDERSONPENNA	Construction Management & Inspection	No Payment	\$ 13,890
29917	AQUILUS ENTERPRISES INC	Police Consultant Strategic Plan	\$ 5,550	\$ 19,300
30046	BARTEL ASSOCIATES	Pension Actuarial Services	No Payment	\$ 7,675
18199	BEHRENS AND ASSOCIATES INC	Noise Monitoring - Shade Hotel	\$ 5,943	No Payment
11648	BICKMORE & ASSOCIATES INC	Risk Management/CRMA Pool Administrators	\$ 1,272,578	No Payment
30185	CAROLYNA MESSINA & ASSOC INC	Professional Development & Coaching	\$ 28,563	\$ 29,531
34721	CBRE INC	Market Study	No Payment	\$ 15,594
32314	CINDY NESS	Administrative Hearing Officer	\$ 6,526.90	\$ 4,882.50
33639	CITYGATE ASSOCIATES LLC	Fire Dept. Deployment Fire Station 2 Relocation	\$ 13,328	\$ 7,220
34713	CIVILSOURCE	Construction Management & Inspection	No Payment	\$ 215,191
33027	COM STRAT LLC	Telecommunications Consulting	\$ 12,140	\$ 27,185
34046	CONSTANT & ASSOCIATES	Emergency Management Plans	No Payment	\$ 13,832
24173	CONTROL AUTOMATION DESIGN INC	SCADA Maintenance	\$ 47,423	\$ 24,391
29686	DAVID T HAMILTON & ASSOC INC	Engineering City Yard Cover	\$ 37,216	\$ 87,470
11400	DONNOE & ASSOCIATES INC	Recruitment Services	\$ 9,189	\$ 2,750
25772	DYNTEK SERVICES INC	Information Technology	\$ 37,779	\$ 10,572
28788	EYESTONE-JONES ENVIRONMENTAL	EIR Review (Manhattan Village Mall)	\$ 29,522	\$ 5,046
34041	FAIRBANK MASLIN MAULLIN	Community Surveys	\$ 19,900	No Payment
16063	FIRE SUPPORT SERVICES	Fire Department Records Management	\$ 26,347	\$ 26,960
33924	FRANK I BENEST	Professional Development & Coaching	\$ 3,150	\$ 2,947
26416	GEOSYNTEC CONSULTANTS INC	NPDES Consulting	\$ 39,833	\$ 19,121
11534	GLADWELL GOV SERVICES INC	Records Management and Elections Services	\$ 7,798	\$ 6,320
19280	H F & H CONSULTANTS LLC	Refuse/Environmental Consulting	\$ 5,533	\$ 4,053
20827	HARRIS & ASSOCIATES INC	Engineering Consultant	\$ 38,927	\$ 61,857
33396	HAZEN AND SAWYER PC	Engineering Services	\$ 40,154	\$ 13,967
11596	HDL COREN & CONE	Analysis of property tax	\$ 12,314	\$ 9,666
11625	HINDERLITER DE LLAMAS & ASSOC	Analysis of sales tax	\$ 14,472	\$ 8,158
30558	ITERIS INC	Traffic Engineering	\$ 23,455	\$ 14,542
13577	JENKINS	Legal Services	\$ 152,725	\$ 152,724
31182	JOE DELIA	Polygraph Examiner	\$ 10,550.00	\$ 10,050.00
13156	JOHN L HUNTER AND ASSOC INC	Restaurant Inspection Services	\$ 6,033	\$ 28,114
33474	JOHN NALBANDIAN	Professional Development & Coaching/Council Team Building	\$ 16,358	\$ 5,334
24958	KATHLEEN MCGOWAN	NPDES Consultant	No Payment	\$ 58,625
33992	KENNETH HARGIS	Recruitment Services Battalion Chief	\$ 15,007	No Payment
15657	KEYSER MARSTON ASSOCIATES INC	Real Estate Development Economic Analyses	No Payment	\$ 30,653
11782	LANCE SOLL & LUNGHARD LLP	External Audit Firm	\$ 44,620	\$ 55,609
33086	LAURA MECOY COMMUNICATIONS	Public Communication - Breathe Free MB	\$ 9,037	No Payment
30699	LEO ARNOLD	Background Investigation	\$ 14,617	\$ 10,195

**CITY OF MANHATTAN BEACH
PROFESSIONAL CONTRACTUAL SERVICES
FY 2014-2015 and FY 2015-2016**

Attachment #2

Vendor #	Contractor Name	Description	FY 2015-2016	
			Full Year	Year-to-Date
11811	LIEBERT CASSIDY WHITMORE	Legal Services	\$ 86,299	\$ 116,570
34049	MANAGEMENT PARTNERS INC	Community Budget Workshop/Local Government Consulting	\$ 25,800	\$ 65,189
12645	MANNING AND KASS ELLROD RAMIREZ TRESTE	Legal Services	\$ 5,717	\$ 15,942
33055	MATRIX CONSULTING GROUP LTD	User Fee & Cost Allocation Study	\$ 38,000	No Payment
29264	MELAD AND ASSOCIATES INC	Plan Check Inspection Services	\$ 438,845	\$ 288,648
34949	MGT OF AMERICA	Consulting Services SB 90 Claims	No Payment	\$ 12,200
30525	MUNICIPAL RESOURCE GROUP LLC	Personnel Evaluation & Consulting	\$ 14,586	\$ 7,059
30553	NEXLEVEL INFORMATION TECH INC	Information Technology	No Payment	No Payment
34161	NONZERO ARCHITECTURE	Architect Pier Rehab	\$ 24,136	\$ 112,505
23842	NOVACOAST INC	Information Technology	\$ 8,750	\$ 41,694
33843	PACIFIC MUNICIPAL CONSULTANTS	Downtown Specific Plan	\$ 16,630	\$ 244,016
34739	PENCO ENGINEERING	Engineering Services	No Payment	\$ 78,073
12112	PSOMAS	Construction Management & Inspection	No Payment	\$ 77,147
34835	QUANTUM QUALITY CONSULTING INC	Engineering Storm Drain	No Payment	\$ 9,921
28549	RALPH ANDERSON & ASSOCIATES	Personnel Recruitment	No Payment	\$ 12,750
30556	REBECCA ANSERT	Public Art Project Management	\$ 8,750	No Payment
23636	RICHARDS WATSON & GERSHON	Legal Services	\$ 531,536	\$ 591,131
33449	SHAWN SPANO	Professional Development & Coaching	\$ 7,422	\$ 13,108
30023	STANTEC	Construction Design Skate Board Park	No Payment	No Payment
30611	STEVEN TILLMANN	Finger Print Identification	\$ 4,275	\$ 1,350
12371	SUSAN SAXE CLIFFORD PHD	Public Safety Psychological Exams	\$ 6,400	\$ 4,275
33966	SWCA INCORPORATED	Historic Preservation	\$ 24,143	\$ 24,612
25564	TERI BLACK & COMPANY LLC	Management Recruitment Services	\$ 31,623	\$ 58,412
34790	THE ABERNATHY MACGREGOR GROUP	Human Resource Public Relations	No Payment	\$ 1,993
26177	THE LEW EDWARDS GROUP	Revenue Measure Consulting	No Payment	\$ 3,500
34723	THE NOVAK CONSULTING GROUP	City Manager/City Council Strategic Planning	No Payment	\$ 39,500
35028	TOTAL COMPENSATION SYSTEMS	Other Post Employment Benefits Actuarial Services	No Payment	\$ 2,550
34786	TRANSTECH	Engineering Services	No Payment	\$ 34,862
12467	UC REGENTS	Nurse Educator	\$ 28,692	\$ 24,055
33687	URBAN LAND INSTITUTE	Professional Services Comm Dev	\$ 120,000	\$ 5,000
20030	VECTOR RESOURCES INC	Information System Expertise	\$ 59,542	\$ 11,843
33447	VISION MARKETING AND CONSULTING	Recreation Marketing	\$ 2,500	No Payment
30973	WALLACE & ASSOCIATES	Construction Management	\$ 187,804	\$ 12,863
20060	WILLDAN INC	Traffic Engineering	\$ 109,247	No Payment
33640	WORKPLACE CHEMISTRY	Management Assessment/Leadership	\$ 3,203	\$ 9,941
Fiscal Year Totals			\$ 4,006,299	\$ 3,100,918
Percentage of Total Citywide Budget (All Funds)			3.6%	2.6%

These contractors have been assigned United States Department of Labor Standard Industrial Classification Code #8742 - Management Consulting Services. These establishments are primarily engaged in furnishing operating counsel and assistance to managements of private, nonprofit, and public organizations. These establishments generally perform a variety of activities, such as strategic and organizational planning; financial planning and budgeting; marketing objectives and policies; information systems planning, evaluation and selection; human resource policies and practices planning; and production scheduling and control planning.

FY 2015-2016 ADOPTED BUDGET

New FT ¹	Net FTE ²	Fund	Dept	Title	Budgeted Salary and Benefits				Net Budget Impact			
					Salary	PERS	Medical	Other ³	Total	Salary/ Benefits Offset	Contract Services Offset	Net Cost
1.0	0.2	GEN	MGMT	ADMIN CLERK I/II (CITY CLERK)	\$45,732	\$5,876	\$7,381	\$663	\$59,652	(\$35,399)		\$24,253
1.0	0.2	GEN	PREC	CERAMICS STUDIO SUPERVISOR	62,400	8,017	7,025	905	78,347	(30,850)	(18,000)	29,497
1.0	1.0	GEN	CDEV	CODE ENFORCEMENT/RESIDENTIAL CONST. OFFICER	72,432	9,306	17,864	1,050	100,652			100,652
1.0	1.0	GEN	MGMT	ECONOMIC VITALITY MANAGER	140,628	17,652	19,790	8,549	186,619		(100,000)	186,619
1.0	1.0	GEN	CDEV	PLAN CHECK ENGINEER	84,012	10,794	17,864	1,218	113,888			13,888
1.0	(0.8)	GEN	PREC	RECREATION COORDINATOR (AQUATICS)	43,512	5,590	7,025	631	56,758	(57,358)	(20,000)	(20,600)
1.0	(0.8)	GEN	PREC	RECREATION COORDINATOR (SPORTS)	43,512	5,590	7,025	631	56,758	(86,319)		(29,561)
-	-	PROP A	PREC	REC COORDINATOR (TRANSPORTATION ADMIN CLERK)	56,440	6,896	1,099	818	65,253	(64,347)		906
1.0	1.0	GEN	MGMT	TEMPORARY MANAGEMENT FELLOW	67,790	8,602	6,685	2,657	85,734	(58,618)		85,734
-	-	GEN	PWKS	URBAN FORESTER (UPGRADE MAINT. WORKER I/II)	75,000	9,636	17,660	1,088	103,384			44,766
<i>Position Changes Approved in March 2016⁴</i>												
-	-	GEN	HR	H.R. MANAGER (UPGRADE SEN. HR ANALYST)	126,240	15,803	19,481	7,365	168,889	(138,735)		30,154
1.0	1.0	GEN	HR	HUMAN RESOURCES ASSISTANT	55,121	7,477	8,142	2,156	72,896	-		72,896
1.0	1.0	GEN/INS	HR	HUMAN RESOURCES EXECUTIVE ASSISTANT	63,150	8,584	8,226	2,474	82,434	-		82,434
10.0	4.8				\$935,969	\$119,823	\$145,267	\$30,205	\$1,231,264	(471,626)	(138,000)	\$621,638

FY 2016-2017 PROPOSED

New FT ¹	Net FTE ²	Fund	Dept	Title	Budgeted Salary and Benefits				Initial Estimate	Net Budget Impact		
					Salary	PERS	Medical	Other ³		Total	Salary/ Benefits Offset	Contract Services Offset
1.0	0.1	GEN	POL	ADMIN CLERK I/II (COMMUNITY AFFAIRS)	\$42,784	\$5,893	\$7,750	\$620	\$57,047	\$26,089		\$23,754
1.0	(0.2)	GEN	CDEV	ADMIN CLERK I/II (PLANNING)	42,784	5,893	7,750	620	57,047	10,857	(47,750)	9,297
1.0	-	GEN	CDEV	ADMIN CLERK I/II (BUILDING)	42,784	5,893	7,750	620	57,047	16,840	(41,767)	15,280
1.0	1.0	GEN	CDEV	DEVELOPMENT SERVICES COORDINATOR	63,520	8,750	18,466	921	91,658	78,902		91,658
1.0	1.0	GEN	PWKS	ENGINEERING ASSISTANT	78,530	10,818	7,956	1,139	98,442	55,419	(40,000)	58,442
1.0	1.0	IT	IT	MANAGEMENT ANALYST	91,818	12,202	7,890	3,511	115,421	110,667	(18,000)	115,421
-	-	GEN	MGMT	MGMT ANALYST (UPGRADE TEMP FELLOW)	77,920	10,618	7,131	3,057	98,725	-		(614)
1.0	1.0	GEN	POL	POLICE OFFICER	90,182	16,440	14,146	2,008	122,775	128,000		122,775
1.0	1.0	GEN	POL	POLICE OFFICER	90,182	16,440	14,146	2,008	122,775	128,000		122,775
1.0	0.3	GEN	PREC	RECREATION COORDINATOR	51,702	7,122	8,023	750	67,597	38,966		40,602
-	(2.3)	GEN/INS	HR	ADMIN CLERK I/II (5 PART-TIME POSITIONS) ⁴	-	-	-	-	-	-		(89,856)
9.0	2.9				\$672,206	\$100,069	\$101,006	\$15,254	\$888,535	\$593,740	(58,000)	\$509,535

FY 2017-2018 PROPOSED

New FT ¹	Net FTE ²	Fund	Dept	Title	Budgeted Salary and Benefits				Initial Estimate	Net Budget Impact		
					Salary	PERS	Medical	Other ³		Total	Salary/ Benefits Offset	Contract Services Offset
1.0	0.4	GEN	FIN	ASSISTANT FINANCE DIRECTOR	146,698	21,519	15,446	5,714	189,376	124,150	(53,924)	135,452
1.0	0.4				\$146,698	\$21,519	\$15,446	\$5,714	\$189,376	\$124,150	(\$53,924)	\$135,452
20.0	8.1	Total Full-time Positions and Net Operational Impact in Personnel Hours										

¹ New Full-Time Positions added to Roster.
² Net Full-Time Equivalent (FTE) is the net operational impact in full-time and part-time personnel hours (does not account for offsets in Contractual Professional Services which further reduce costs).
³ Other Category includes Medicare costs and, if applicable, Uniform Allowance and/or 401(a) Deferred Compensation Benefits.
⁴ Reorganization of Human Resources Department was approved in March 2016. Attrition of part-time Administrative Clerks will occur by June 30, hence these part-time personnel hours were removed from the FY 2016-2017 Proposed Budget.

PERS CONTRIBUTIONS (Objects 4211 & 4212)							
	2015-16 Adopted ¹	2016-17 Proposed ²	2017-18 Proposed	2018-19 Projection	2019-20 Projection	2020-21 Projection	2021-22 Projection
Miscellaneous							
General Fund Normal Cost & UAL	\$ 1,565,629	\$ 1,771,662	\$ 1,993,027	\$ 2,192,853	\$ 2,491,629	\$ 2,663,011	\$ 2,904,812
Other Funds	402,341	466,049	516,892	596,771	678,081	724,721	734,120
Miscellaneous All Funds	\$ 1,967,970	\$ 2,237,711	\$ 2,509,919	\$ 2,789,624	\$ 3,169,710	\$ 3,387,732	\$ 3,638,932
Fire (All General Fund)	\$ 1,181,302	\$ 1,289,901	\$ 1,431,960	\$ 1,612,662	\$ 1,950,621	\$ 2,029,147	\$ 2,222,529
Contributions By Type:							
Normal Cost Contribution	1,181,302	781,474	793,095	754,662	752,621	760,147	777,529
Unfunded Liability Payment		508,427	638,865	858,000	1,198,000	1,269,000	1,445,000
Police (All General Fund)	\$ 2,415,994	\$ 2,763,933	\$ 3,058,387	\$ 3,500,660	\$ 3,998,982	\$ 4,336,502	\$ 4,731,955
Contributions By Type:							
Normal Cost Contribution	2,415,994	1,553,775	1,569,318	1,562,660	1,551,982	1,567,502	1,618,955
Unfunded Liability Payment		1,210,158	1,489,069	1,938,000	2,447,000	2,769,000	3,113,000
TOTAL PERS CONTRIBUTIONS							
PERS - Regular (4211)	\$ 1,967,970	\$ 2,237,711	\$ 2,509,919	\$ 2,789,624	\$ 3,169,710	\$ 3,387,732	\$ 3,638,932
PERS - Sworn (4212)	3,597,296	4,053,833	4,490,347	5,113,322	5,949,603	6,365,649	6,954,483
Total All Funds	\$ 5,565,266	\$ 6,291,545	\$ 7,000,266	\$ 7,902,945	\$ 9,119,312	\$ 9,753,381	\$ 10,593,415
		+13.1%	+11.3%	+12.9%	+15.4%	+7.0%	+8.6%
GROUP MEDICAL INSURANCE (Object 4201)							
2015-16 Adopted ¹	3,740,405	4,118,162	4,425,819	4,691,368	4,972,850	5,271,221	5,587,494
Total All Funds		+10.1%	+7.5%	+6.0%	+6.0%	+6.0%	+6.0%

¹ FY 2015-16 Adopted Budget includes a vacancy factor of 4.6%. A Vacancy Factor of 4.0% is applied in FY 2016-17 and beyond.

² For Pooled Plans (Fire and Police), the breakout of Unfunded Liability Payments from the Normal Cost Contribution began in FY 2016-17.

FIVE YEAR FORECAST ASSUMPTIONS - FY 2016-2017 THROUGH 2020-2021

MAJOR ASSUMPTIONS

General Fund

Revenues

- * Property taxes are forecast at 4% growth annually.
- * Sales taxes are forecast at 2.05% 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 conservatively projected to increase 0.5% per year beginning FY 2019.
- * 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

- * Modest Salary and benefit adjustments are provided for after expiration of existing MOU's in FY 2018-2019. Step increases continue.
- * Budget Years FY 2016-2017 and FY 2017-2018 include an across-the-board staffing vacancy funding reduction which is continued in the outlying years. The vacancy reduction (4%) totaled \$1.59 million in FY 2016-2017 and \$1.64 million in FY 2017-2018.
- * Medical increases were estimated at 6% per year based on recent trends.
- * Workers Compensation costs were maintained at \$3.4 million per year.
- * School Agreement budgeted in line with contract (FY 2016-17 = \$574,000; FY 2017-18 = \$582,000). Increases in subsequent years budgeted at 2%.
- * 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 \$100,000 scheduled in the odd years.
- * Council Contingency was maintained at \$100,000.

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.

Streets & Highways Fund

- * Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

Prop A Fund

- * Assumes transfer from Measure R Fund every year to help fund Dial-A-Ride services.

FIVE YEAR FORECAST ASSUMPTIONS - FY 2016-2017 THROUGH 2020-2021

Prop C Fund

* Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

Measure R Fund

* Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

* Assumes transfer to Prop A Fund to help fund Dial-A-Ride services.

Capital Improvement Fund

* Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

Water Fund

* Assumed MWD rates increase by 5% in the outlying years.

* Consumption rates assumed to remain level with the current year.

* Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

Storm Water Fund

* **Assumes Stormwater Assessments are maintained and continued transfers from General Fund to finance expenditures.**

* Mandated projects expected in the future.

Waste Water Fund

* Consumption rates reflect conservation efforts.

* Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

Refuse Fund

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

Parking Funds

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

* Assumes all projects listed in Proposed FY 2017-2021 Capital Improvement Plan are funded using pay-as-you-go financing from existing revenue streams and fund reserves.

Insurance Reserve Fund

* Insurance Reserve Unreserved Balance is utilized to cover long-term liabilities, which totaled approximately \$4.15 million on June 30, 2015. As a result, transfers from the General Fund were scheduled over a three year period (FY2016, FY2017 & FY2018) to provide sufficient capital.

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

	07/01/2016	2016-2017	2016-2017	2016-2017	2016-2017	2016-2017	2016-2017	2016-2017	2016-2017	06/30/2017	06/30/2017	06/30/2017
	Opening Balance ¹	Estimated Revenues	Operating Expenditures	Capital Equip & Projects ²	Debt Service Payments ²	Total Expenditures	Fund Balance Before Xfers	Fund Transfers	Total Fund Balance	Reserves & Designations	Unreserved Balance	
General Fund Undesignated	\$3,047,105	\$67,822,465	(\$65,927,254)	(\$652,121)	(\$671,614)	(\$67,250,989)	\$3,618,580	(\$802,324)	\$1,944,064		\$1,944,064	
Transfer from County Lots Parking Fund								186,503				
Transfer from Information Technology Fund								561,684				
Transfer to Street Lighting Fund								(207,413)				
Transfer to Stormwater Fund								(745,967)				
Transfer to Insurance Reserve Fund								(667,000)				
Financial Policy Designation	12,713,032						12,713,032	737,166	13,450,198	13,450,198		
Reserve for Economic Uncertainty	1,799,010						1,799,010	65,158	1,864,168	1,864,168		
Debt Service Reserve	-						-	-	-	-		
Total General Fund Balance	\$17,559,147	\$67,822,465	(\$65,927,254)	(\$652,121)	(\$671,614)	(\$67,250,989)	\$18,130,623	(\$872,193)	\$17,258,430	\$15,314,366	\$1,944,064	
Special Revenue Funds												
Street Lighting & Landscape	-	\$396,134	(\$603,547)	-	-	(\$603,547)	(\$207,413)	\$207,413	-	-	-	
Gas Tax	1,217,156	784,911	-	(1,990,000)	-	(1,990,000)	12,067	-	\$12,067	-	\$12,067	
Asset Forfeiture & Safety Grants	651,637	58,300	(186,920)	-	-	(186,920)	523,017	-	523,017	-	523,017	
Police Safety Grants	142,584	101,400	(105,000)	-	-	(105,000)	138,984	-	138,984	-	138,984	
Federal & State Grants	(22,488)	-	-	-	-	-	(22,488)	-	(22,488)	-	(22,488)	
Prop A	-	680,260	(869,848)	-	-	(869,848)	189,588	189,588	-	-	-	
Prop C	652,737	673,521	-	(190,000)	-	(190,000)	1,136,258	-	1,136,258	-	1,136,258	
AB 2766	200,007	50,412	(11,300)	-	-	(11,300)	239,119	-	239,119	-	239,119	
Measure R	1,107,394	421,111	-	(1,185,000)	-	(1,185,000)	343,505	(189,588)	153,917	-	153,917	
Total Special Revenue Funds Balance	\$3,949,027	\$3,166,049	(\$1,776,615)	(\$3,365,000)	-	(\$5,141,615)	\$1,973,461	\$207,413	\$2,180,874	-	\$2,180,874	
Capital Project Funds												
Capital Improvement Fund	\$3,151,271	\$1,568,304	-	(\$1,542,000)	(\$766,538)	(\$2,308,538)	\$2,411,037	-	\$2,411,037	-	\$2,411,037	
Underground Utility Construction Fund	592,049	1,800	-	-	-	-	593,849	-	593,849	-	593,849	
Total Capital Project Funds Balance	\$3,743,320	\$1,570,104	-	(\$1,542,000)	(\$766,538)	(\$2,308,538)	\$3,004,886	-	\$3,004,886	-	\$3,004,886	
Enterprise Funds												
Water	\$23,758,817	\$14,897,000	(\$10,263,385)	(\$3,835,000)	(\$173,040)	(\$14,271,425)	\$24,384,391	\$15,317	\$24,399,708	\$3,478,808	\$20,920,900	
Stormwater*	-	354,300	(890,267)	(210,000)	-	(1,100,267)	(745,967)	745,967	-	-	-	
Wastewater	5,544,307	3,358,500	(1,115,431)	(100,000)	(85,136)	(1,300,567)	7,602,240	-	7,602,240	400,189	7,202,051	
Refuse*	529,547	4,282,562	(4,141,558)	-	-	(4,141,558)	670,551	-	670,551	670,551	-	
Parking*	1,019,179	2,593,000	(1,825,847)	(814,500)	(713,563)	(3,353,910)	258,269	2,561	260,830	260,830	-	
County Parking Lots	-	798,500	(175,997)	-	(436,000)	(611,997)	186,503	(186,503)	-	-	-	
State Pier & Parking	916,332	609,600	(457,358)	(40,000)	-	(497,358)	1,028,574	-	1,028,574	152,453	876,121	
Enterprise Fund Reserves:												
North Manhattan Beach BID Reserve	518,896	-	-	-	-	-	518,896	-	518,896	518,896	-	
Total Enterprise Funds Balance	\$32,287,078	\$26,893,462	(\$18,869,842)	(\$4,999,500)	(\$1,407,739)	(\$25,277,081)	\$33,903,459	\$577,342	\$34,480,801	\$5,481,728	\$28,999,073	

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

	07/01/2016	2016-2017		2016-2017		2016-2017		2016-2017		2016-2017		06/30/2017		06/30/2017	
	Opening Balance ¹	Estimated Revenues	Operating Expenditures	Capital Equip & Projects ²	Debt Service Payments ²	Total Expenditures	Fund Balance Before Xfers	Transfers	Fund Balance	Total	Fund Transfers	Fund Balance	Reserves & Designations	Total	Unreserved Balance
Internal Service Funds															
Insurance Reserve ³	\$4,040,091	\$6,869,640	(\$6,555,285)	-	-	(\$6,555,285)	\$4,354,446	\$672,106	\$5,026,552	\$5,026,552	\$2,000,000	\$3,026,552			
Information Technology ⁴	1,153,569	2,293,140	(2,285,418)	(388,818)	-	(2,674,236)	772,473	(600,000)	172,473	172,473		172,473			
Fleet Management	2,226,392	2,232,420	(1,145,705)	(702,631)	(197,859)	(2,046,195)	2,412,617	7,666	2,420,283	2,420,283		2,420,283			
Building Maintenance & Operations	3,464	1,858,135	(1,849,132)	-	-	(1,849,132)	12,467	7,666	20,133	20,133		20,133			
Total Insurance Service Funds Balance	\$7,423,516	\$13,253,335	(\$11,835,541)	(\$1,091,449)	(\$197,859)	(\$13,124,849)	\$7,552,003	\$87,438	\$7,639,441	\$7,639,441	\$2,000,000	\$5,639,441			\$5,639,441
Trust & Agency Funds															
Underground Assessment Fund	\$1,848,423	\$965,000			(\$944,261)	(\$944,261)	\$1,869,162		\$1,869,162	\$1,869,162	\$1,869,162	\$1,869,162			
Pension Trust	263,936	173,000	(233,400)			(233,400)	203,536		203,536	203,536	203,536	203,536			
Total Trust Agency Funds Balance	\$2,112,359	\$1,138,000	(\$233,400)	-	(\$944,261)	(\$1,177,661)	\$2,072,698	-	\$2,072,698	\$2,072,698	\$2,072,698	\$2,072,698			-
Grand Total	\$67,074,447	\$113,843,415	(\$98,642,652)	(\$11,650,070)	(\$3,988,011)	(\$114,280,733)	\$66,637,130	-	\$66,637,130	\$66,637,130	\$24,868,792	\$41,768,337			\$41,768,337

* Not meeting current Financial Reserve Policy.

¹ 07/01/2016 Opening Balances include 2015-2016 Full-Year Estimates and Committed Capital Projects/Grants.

² For detail, see Capital Budget Summary section and Appendix Schedule of Debt Service & Lease Payments.

³ Insurance Reserve Unreserved Balance is utilized to cover long-term liabilities, which totaled approximately \$4.15 million on June 30, 2015. As a result, transfers from the General Fund were scheduled over a three year period (FY2016, FY2017 & FY2018) to provide sufficient capital.

⁴ Funds receiving transfer of excess fund balance from Information Technology Fund: General Fund, Insurance Reserve, Water, Parking, Fleet Maintenance and Building & Operations.

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

	07/01/2017	2017-2018		2017-2018		2017-2018		2017-2018		2017-2018		06/30/2018		06/30/2018	
	Opening Balance ¹	Estimated Revenues	Operating Expenditures	Capital Equip & Projects ²	Debt Service Payments ²	Total Expenditures	Fund Balance Before Xfers	Fund Transfers	Total Fund Balance	Reserves & Designations	Total	Unreserved Balance	Unreserved Balance	Unreserved Balance	Unreserved Balance
Internal Service Funds															
Insurance Reserve ³	\$5,026,552	\$7,147,960	(\$7,052,669)	-	-	(\$7,052,669)	\$5,121,843	667,000	\$5,788,843	\$2,000,000	\$5,788,843	\$3,788,843	\$3,788,843		
Information Technology	172,473	2,333,880	(2,319,801)	(63,709)		(2,383,510)	122,843		122,843		122,843	122,843	122,843		
Fleet Management	2,420,283	3,433,420	(1,182,797)	(2,085,376)	(406,898)	(3,675,071)	2,178,632		2,178,632		2,178,632	2,178,632	2,178,632		
Building Maintenance & Operations	20,133	1,893,969	(1,900,736)	-	-	(1,900,736)	13,366		13,366		13,366	13,366	13,366		
Total Insurance Service Funds Balance	\$7,639,441	\$14,809,229	(\$12,456,004)	(\$2,149,085)	(\$406,898)	(\$15,011,987)	\$7,436,683	\$667,000	\$8,103,683	\$2,000,000	\$8,103,683	\$6,103,683	\$6,103,683		
Trust & Agency Funds															
Underground Assessment Fund	\$1,869,162	\$965,000	-	-	(\$947,439)	(\$947,439)	\$1,886,723		\$1,886,723	\$1,886,723	\$1,886,723	\$1,886,723	\$1,886,723		
Pension Trust	203,536	182,000	(243,900)	-		(243,900)	141,636		141,636	141,636	141,636	141,636	141,636		
Total Trust Agency Funds Balance	\$2,072,698	\$1,147,000	(\$243,900)	-	(\$947,439)	(\$1,191,339)	\$2,028,359	-	\$2,028,359	\$2,028,359	\$2,028,359	\$2,028,359	\$2,028,359		
Grand Total - Adopted Budget	\$66,637,129	\$119,649,084	(\$101,863,487)	(\$26,694,085)	(\$4,550,807)	(\$133,108,379)	\$53,177,835	-	\$53,177,835	\$25,542,948	\$27,634,887	\$27,634,887	\$27,634,887		

* Not meeting current Financial Reserve Policy.

¹ 07/01/2016 Opening Balances include 2015-2016 Full-Year Estimates and Committed Capital Projects/Grants.

² For detail, see Capital Budget Summary section and Appendix Schedule of Debt Service & Lease Payments.

³ Insurance Reserve Unreserved Balance is utilized to cover long-term liabilities, which totaled approximately \$4.15 million on June 30, 2015. As a result, transfers from the General Fund

FIVE YEAR FORECAST FY 2020-2021 SCHEDULE OF RESERVED & DESIGNATED FUND BALANCES

	07/01/2020	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	06/30/2021	06/30/2021	06/30/2021
	Opening Balance ¹	Estimated Revenues	Operating Expenditures	Capital Equip & Projects ²	Debt Service Payments ²	Total Expenditures	Fund Balance Before Xfers	Fund Transfers	Total Fund Balance	Reserves & Designations	Unreserved Balance		
General Fund Undesignated													
Transfer from County Lots Parking Fund	-	\$75,464,784	(\$73,798,478)	(\$200,000)	(\$1,097,850)	(\$75,096,328)	\$368,456	(\$353,840)	(\$1,323,647)				
Transfer to Street Lighting Fund	-							210,779					
Transfer to Stormwater Fund	-							(257,057)					
Transfer to Capital Improvements Fund								(1,291,984)					
Financial Policy Designation	\$14,665,426						14,665,426	353,840	15,019,266	15,019,266			
Reserve for Economic Uncertainty	1,443,296						1,443,296		1,443,296	119,649			
Debt Service Reserve	-						-		-				
Total General Fund Balance	\$16,108,722	\$75,464,784	(\$73,798,478)	(\$200,000)	(\$1,097,850)	(\$75,096,328)	\$16,477,178	(\$1,338,263)	\$15,138,915	\$15,138,915			
Special Revenue Funds													
Street Lighting & Landscape	-	\$397,519	(\$654,576)	-	-	(\$654,576)	(\$257,057)	\$257,057	-				
Gas Tax	\$121,717	830,425	-	(750,000)	-	(750,000)	202,142		\$202,142			\$202,142	
Asset Forfeiture & Safety Grants	38,523	58,425	(92,344)	-	-	(92,344)	4,604		4,604			4,604	
Police Safety Grants	121,863	101,421	(111,427)	-	-	(111,427)	111,857		111,857			111,857	
Federal & State Grants	(22,488)	-	-	-	-	-	(22,488)		(22,488)			(22,488)	
Prop A	-	711,721	(970,191)	-	-	(970,191)	(258,469)	258,469	-			2,820,954	
Prop C	2,212,003	608,951	-	-	-	-	2,820,954		2,820,954			395,622	
AB 2766	356,482	50,439	(11,300)	-	-	(11,300)	395,622		395,622			755,626	
Measure R	567,831	446,264	-	-	-	-	1,014,095	(258,469)	755,626			755,626	
Total Special Revenue Funds Balance	\$3,395,930	\$3,205,166	(\$1,839,837)	(\$750,000)	-	(\$2,589,837)	\$4,011,259	\$257,057	\$4,268,316	-	-	\$4,268,316	
Capital Project Funds													
Capital Improvement Fund	\$414,407	\$1,765,281	-	(\$1,275,000)	(\$771,763)	(\$2,046,763)	\$132,925	-	\$132,925			\$132,925	
Underground Utility Construction Fund	599,276	1,827	-	-	-	-	601,103		601,103			601,103	
Total Capital Project Funds Balance	\$1,013,683	\$1,767,108	-	(\$1,275,000)	(\$771,763)	(\$2,046,763)	\$734,028	-	\$734,028	-	-	\$734,028	
Enterprise Funds													
Water	\$11,912,425	\$15,015,193	(\$11,795,156)	-	(\$172,350)	(\$11,967,506)	\$14,960,113	-	\$14,960,113	\$3,989,169		\$10,970,944	
Stormwater*	-	354,440	(933,725)	(712,700)	-	(1,646,425)	(1,291,984)	1,291,984	-			-	
Wastewater	2,262,333	3,386,413	(1,172,941)	(1,950,000)	(85,075)	(3,208,016)	2,440,730	-	2,440,730	419,339		2,021,391	
Refuse*	889,544	4,505,054	(4,470,967)	-	-	(4,470,967)	923,631	-	923,631	923,631		923,631	
Parking*	111,098	2,744,124	(1,922,539)	-	(714,200)	(2,636,739)	218,482	(210,779)	218,482	218,482		218,482	
County Parking Lots	-	847,375	(194,023)	-	(442,573)	(636,596)	210,779		-			-	
State Pier & Parking	1,257,180	645,010	(502,613)	-	-	(502,613)	1,399,577		1,399,577	167,538		1,232,039	
Enterprise Fund Reserves:													
North Manhattan Beach BID Reserve	518,896						518,896		518,896	518,896		518,896	
Total Enterprise Funds Balance	\$16,951,476	\$27,497,608	(\$20,991,964)	(\$2,662,700)	(\$1,414,198)	(\$25,068,862)	\$19,380,223	\$1,081,206	\$20,461,428	\$6,237,054	\$14,224,374	\$14,224,374	

