

City Council Adjourned Regular Meeting

Budget Study Session #2

Tuesday, May 30, 2017

6:00 PM

City Council Chambers



Mayor David J. Lesser
Mayor Pro Tem Amy Howorth
Councilmember Steve Napolitano
Councilmember Nancy Hersman
Councilmember Richard Montgomery

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
Stephanie Katsouleas, Public Works Director
Mark Leyman, Parks & Recreation Director

Nadine Nader, Assistant City Manager
Anne McIntosh, Community Development Director
Bruce Moe, Finance Director
Liza Tamura, City Clerk
Sanford Taylor, Information Technology 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

May 30, 2017

City Council Meeting Agenda Packet

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MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

Your presence and participation contribute to good city government.

By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, this agenda provides an early opportunity for public comments under "Public Comments," at which time speakers may comment on any matter within the subject matter jurisdiction of the City Council, including items on the agenda.

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

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 24, 2017, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED.**A. CALL MEETING TO ORDER****B. PLEDGE TO THE FLAG****C. ROLL CALL****D. PUBLIC COMMENTS (3 MINUTES PER PERSON PER ITEM)**

Speakers may provide public comments on any matter that is within the subject matter jurisdiction of the City Council, including items on the agenda. 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. Each speaker may speak for up to 3 minutes.

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. OLD BUSINESS

1. Presentation of the Proposed 5-Year Capital Improvement Program (CIP) for FY 2017-2018 Through FY 2021-2022 (Public Works Director Katsouleas). [17-0244](#)

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

Attachments: [Proposed 5-Year CIP Presented on May 4, 2017](#)
[94 Funded and 23 Unfunded Project Summaries \(Web-Link Provided\)](#)
[Streets and Sidewalks Projects](#)
[Water Infrastructure Projects](#)
[Stormwater Infrastructure Projects](#)
[Wastewater Infrastructure Projects](#)
[Refuse and Solid Waste Collection Projects](#)
[City Parking Facilities Projects](#)
[State Pier and Parking Lot Projects](#)
[City Facilities and Building Infrastructure Projects](#)
[PowerPoint Presentation](#)

2. Budget Study Session #2: Fiscal Year 2017-2018 Proposed Operating Budget (Finance Director Moe). [17-0245](#)

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

Attachments: [Budget Expenditure Reduction Options](#)
[Revenue Enhancement Options](#)
[City Council Work Plan Priorities - Fiscal Implications](#)
[FY 2017-2018 Proposed Changes to Approved Budget](#)
[Parks & Recreation Profit/Loss Estimates for FY 2017-2018](#)
[Athletic Field Fee Comparison](#)
[May 30th Budget Study Session PowerPoint Presentation](#)

F. ADJOURNMENT

Agenda Date: 5/30/2017

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Stephanie Katsouleas, Public Works Director
Prem Kumar, City Engineer
Anna Luke-Jones, Senior Management Analyst

SUBJECT:

Presentation of the Proposed 5-Year Capital Improvement Program (CIP) for FY 2017-2018 Through FY 2021-2022 (Public Works Director Katsouleas).

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that City Council:

- 1) review the proposed 5-year CIP presented in Attachments (3-10);
- 2) provide direction on whether to make any changes or modifications funded and unfunded lists presented herein; and
- 3) provide direction to staff on whether to investigate/evaluate possible revenue opportunities that could help offset CIP funding shortfalls.

FISCAL IMPLICATIONS:

The proposed 5-Year Capital Improvement Program (CIP) includes 138 individual projects totaling \$125,030,698. This includes projects already underway as well as those to be initiated within the next five years. The majority of the proposed expenditures are for projects that were approved in prior years, representing approximately \$48 million. The balance of the proposed 5-Year CIP includes significant water infrastructure projects (\$35 million), wastewater projects (\$17 million), streets projects (\$11.7 million), facility improvements (\$7.6 million) and other miscellaneous projects (\$5 million). The report also includes an Unfunded Projects list, which includes 23 projects valued at nearly \$60 million.

EXECUTIVE SUMMARY:

This staff report includes a comprehensive summary of the 138 capital projects and studies proposed in the upcoming 5-Year CIP. They are grouped into eight categories based on their unique sources of funding, with emphasis given to which projects have already been

initiated, those which have yet to commence, and an additional 23 projects for which funding has yet to be identified. Upon closer review of the projects listed in each of these eight categories, staff is seeking direction from City Council on whether to proceed with the 5-Year CIP as presented, or whether to augment the list by removing some projects and instead allocating these funds to other priority projects. Staff also seeks direction from City Council on whether to plan for and/or pursue other sources of funding that would help increase the revenues available for the City's CIP program.

BACKGROUND:

The 5-Year Capital Improvement Program (CIP) is the City's planning document that guides the selection and implementation of near and mid-term capital improvement projects. It is presented to by City Council annually each spring as part of the budget adoption process. Projects listed in the 5-Year plan are aligned with the 6 City-wide Strategic Plan Pillars, with a focus on Effective Physical Asset Management - Infrastructure, Facilities and Amenities. They are also aligned with available funding resources and the established priorities of City Council, staff, user groups and the community at large.

On May 4, 2017 staff presented a proposed \$125 million 5-year CIP (FY 17/18 - FY 2021/22) to City Council for consideration. The presentation included a list of 137 unique CIP projects listed within 94 line items (Attachment 1), which were grouped into eight basic categories (listed below). The report also highlighted 23 proposed but unfunded projects valued at an estimated \$60 million. At that meeting, City Council indicated that, in addition to considering the new projects proposed, they would also like to revisit the previously approved list of CIP projects and evaluate whether new priorities should be established for the entire CIP. Shortly thereafter and at Council request, staff provided City Council a complete summary of the 94 CIP types contained in the 5-Year CIP (Attachment 2: weblink provided).

Project categories include:

1. Streets and Sidewalks Projects
2. City Facilities and Buildings Infrastructure Projects
3. Water Infrastructure Projects
4. Wastewater Infrastructure Projects
5. Storm Drain Infrastructure Projects
6. Refuse and Solid Waste Collection Projects
7. City Parking Facilities Projects
8. State Pier and Parking Lots Projects

This report recaps the summary of the proposed 5-Year CIP presented on May 4, 2017 and seeks direction from City Council on whether to amend the proposed 5-Year CIP as proposed. City Council is being asked to review both the proposed funded and unfunded list of projects for priority consideration, and to consider whether some CIP revenue sources should be reevaluated for potential rate increases.

DISCUSSION:

Please recall that the City has adopted a two-year budget cycle process. Therefore, City Council is being asked to evaluate and approve funding for CIP projects for both the upcoming FY 2017/18 as well as FY 2018/19. Only minor changes to the 5-year CIP are

expected in FY 2018/19, and would include funding adjustments or the addition of new projects should additional revenues become available.

5-Year CIP List and Priorities (FY 2017/18 - FY 2021/22)

The body of this report highlights the 138 new and previously approved projects listed in the proposed 5-Year CIP and includes their funding sources, examples of the types of projects eligible for each funding within each source, and specific changes and additions to the proposed 5-Year CIP that differ from last year's adopted list (Attachment 1). It is worth noting that the majority of the eight (8) categories listed above have very specific project eligibility criteria, making it difficult move projects from one category to another unless they meet that criteria. Those projects that were included in prior 5-Year CIP lists are identified in black, while those projects that are either new this year or have been modified are listed in red. In setting the CIP priorities moving forward, Staff recommends that City Council discuss each category of projects individually due to the limitations of eligibility requirements and funding available.

1. Streets and Sidewalks Projects

This category includes street resurfacing, slurry seal applications, replacement of damaged curbs, gutters and sidewalks, intersection and turn movement improvements, capacity enhancements and lane widening, pedestrian safety projects and Americans with Disabilities Act (ADA) access improvements. There are no projects on the unfunded list in this category of projects that would otherwise qualify for funding from the sources listed below. The following summary is provided (see also attachment 3):

- 44 unique projects in this category within 29 line items
- 16 projects are active
- 28 have yet to be initiated
- \$39,668,323 in total value for all 44 projects
 - \$27,908,323 in total value from prior years' appropriations for 22 projects
 - \$11,760,000 in total value for 22 projects proposed in FY 2017/18 - 2021/22

The schedule and priority of projects proposed is based on a variety of factors, including the documented condition of local and arterial roadways, public safety, community needs, traffic volumes, grant awards, and legal concerns. Staff recommends that City Council adopt the Streets and Sidewalks category of projects as proposed, with a focus on the following order of implementation:

1. Complete the 16 active projects first;
2. Initiate the 6 pending projects that were from prior years appropriations; and
3. Initiate the remaining 22 FY 2017/18 - 2021/22 projects sequentially thereafter.

2. Water Infrastructure Projects

This category of projects addresses the infrastructure needs that support operations and maintenance of the City's water distribution system and includes water main and valve replacements, pump station refurbishments, reservoir replacements, well pumping and treatment activities, meter upgrades and automation, and all required studies and master plans. All projects in this category are fully funded through the Water Enterprise Fund using revenues collected through fixed and variable water rates. The most significant water project

is the replacement of Peck Reservoir, which accounts for more than half of the total funding allocation. Two projects are identified on the Unfunded Projects list that qualify for funding with Water Enterprise Funds, which include replacing the Block 35 Reservoir and constructing a new well collection line from Well 11A to Bock 35. The following summary is provided (see also attachment 4):

- 17 unique projects in this category within 12 line items
- 5 projects are active
- 12 have yet to be initiated
- \$42,215,946 in total value for all 17 projects
 - \$7,095,946 in total value from prior years' appropriations for 8 projects
 - \$35,120,000 in total value for 9 projects proposed in FY 2017/18 - 2021/22
- \$13,250,000 needed for two unfunded projects

The schedule and priority of projects proposed is based on a variety of factors, including the need to address the structural defects of Peck Reservoir for the reliability of our water distribution system, the desire to coordinate water-related pier upgrades with other planned pier work to minimize the impact on the community, to upgrade electronic systems that will minimize water loss, and to arrest further deterioration of the elevated tank. Planning for and implementing the two projects identified on the Unfunded Projects list will require undertaking one or more funding options, which include:

- Deferring all of the projects with prior appropriations that have not yet been initiated AND deferring the next five years of planned water main replacements (not recommended). However, this option would not yield the \$13.25 million needed for the unfunded projects and thus other funding options would still be needed.
- Significantly delay implementation of these two projects until enough funds could be accumulated in the Water Enterprise Fund. This would require scheduling these projects in 7-10 years from now while also minimizing all other water-related CIPS (nor recommended).
- Looking for alternative funding sources such as conducting a new Water Rate Study and Prop 218 to raise water rates (recommended).

Therefore, staff recommends that City Council adopt the Water Infrastructure Category of projects as proposed, with a focus on the following order of implementation:

1. Complete the 5 active projects first;
2. Initiate the 3 projects that were from prior years appropriations;
3. Initiate the remaining 9 FY 2017/18 - 2021/22 projects sequentially thereafter; and
4. Direct staff to investigate and plan for storm water fee increases for the current and future unfunded projects.

3. Storm Water Infrastructure Projects

This category of projects addresses infrastructure needs for both storm water conveyance and national pollution discharge elimination system (NPDES) compliance requirements. Projects include storm drain repairs and upgrades, capacity enhancements, trash capture devices, storm water master plans and enhanced watershed management plan (EWMP) infrastructure needs (e.g., infiltration projects). The storm water fund is supported by storm

water assessment fees and transfers from the general fund. It is worth noting, however, that staff expects a significant increase in funding will be needed within the next five years to address NPDES permit requirements outlined the Enhanced Watershed Management Program (EWMP) implementation plan. Staff has included a placeholder of \$8 million in the Unfunded Projects list in FY 2020/21 for Manhattan Beach's share of the total project costs, although the actual amount has yet to be determined. The following summary is provided (see also attachment 5):

- 12 unique projects in this category within 4 line items
- 2 projects are active
- 10 have yet to be initiated
- \$5,000,591 in total value for all 12 projects
 - \$1,200,591 in total value from prior years' appropriations for 2 projects
 - \$3,800,000 in total value for 10 projects proposed in FY 2017/18 - 2021/22
- \$8,000,000 needed for one unfunded project.

The schedule and priority of projects proposed is based on maintaining and repairing the storm water infrastructure to ensure its proper operation, complying with NPDES permit requirements, developing a plan for future upgrades and providing matching funds for grant awards. Planning for and implementing the one project identified on the Unfunded Projects list will require undertaking one or more funding options, which include:

- Deferring all of the projects with prior appropriations that have not yet been initiated AND deferring the next five years of planned water main replacements (not recommended). This option would not yield the \$8 million needed for the unfunded project and thus other funding options would still be needed.
- Looking for alternative funding sources such as conducting a new Storm Water Rate Study and Prop 218 to raise storm water fees (recommended).

Therefore, staff recommends that City Council adopt the Storm Water Infrastructure Category of projects as proposed, with a focus on the following order of implementation:

1. Complete the 2 active projects first;
2. Initiate the remaining 10 FY 2017/18 - 2021/22 projects sequentially thereafter; and
3. Direct staff to investigate and plan for storm water fee increases for the current and future unfunded projects.

4. Wastewater Infrastructure Projects

This category of projects addresses the infrastructure needs that support operation and maintenance of the City's wastewater system, and includes sewer main replacements, lift station refurbishments, radio telemetry, and all required studies and master plans. Notably, several of projects listed are for lift station upgrades. Lift stations are the backbone of an otherwise gravity flow system, and their proper care is paramount to the safe and effective operation of the entire wastewater system.

All projects in this category are fully funded through the Wastewater Enterprise Fund using revenues collected through sewer fees. There are no projects on the unfunded list in this category of projects that would otherwise qualify for funding from the Wastewater

Infrastructure Fund. The following summary is provided (see also attachment 6):

- 13 unique projects in this category within 9 line items
- 3 projects are active
- 10 have yet to be initiated
- \$18,773,366 in total value for all 13 projects
 - \$1,523,366 in total value from prior years' appropriations for 3 projects
 - \$17,250,000 in total value for 10 projects proposed in FY 2017/18 - 2021/22

The schedule and priority of projects proposed is based on maintaining, refurbishing and/or replacing wastewater infrastructure to ensure their proper operation. Please note that replacement of sewer mains is prioritized according to closed circuit TV inspections that assess the quality and deterioration of each sewer line segment. Those with the worst ratings are prioritized for replacement first on an annual basis, with a goal of repairing and replacing a minimum of one mile per year. Therefore, staff recommends that City Council adopt the Wastewater Infrastructure Category of projects as proposed, with a focus on the following order of implementation:

1. Complete the 3 active projects first; and
2. Initiate the remaining 10 FY 2017/18 - 2021/22 projects sequentially thereafter.

5. Refuse and Solid Waste Collection Projects

This category of projects addresses the need for City trash enclosure improvements. Revenues for Refuse and Solid Waste Collection are generated through trash collection user fees. There is only one (1) project listed in this category for \$150,000, which represents 18 locations at City facilities where trash enclosures need to be connected to the sanitary sewer system and enclosures need to be reconstructed to better accommodate waste containers. This project is scheduled for implementation in FY 2019/20 due to the extensive list of other CIP priorities listed in the 5-Year CIP (see Attachment 7).

Therefore, staff recommends that City Council adopt the one Refuse and Solid Waste Collection project as proposed.

6. City Parking Facilities Projects

This category of projects addresses the maintenance, repair and rehabilitation of the City's public parking lots and surrounding landscaped areas, including Metlox, other downtown parking structures, the North End parking lot and business district, and several beach parking lots owned by Los Angeles County. Funding for projects in this category come from the meter fees collected at city and county parking lots and curbside parking stalls. However, it is worth noting that the revenues currently generated from the City's parking meters only cover maintenance and operations, leaving virtually no funding for parking lot infrastructure rehabilitation. Staff expects that a significant increase in funding will be needed within the next five years to implement the three unfunded projects, which include addressing the structural deterioration of the City's elevated parking structures, up to and including full replacement if needed. Staff has included a placeholder of \$13.3 million in the Unfunded Projects list in FY 2019/20 for parking structure rehab, although the actual amount has yet to be determined.

The following summary is provided (see also attachment 8):

- 3 unique projects in this category
- 1 project is active
- 2 have yet to be initiated
- \$735,944 in total value for all 3 projects
 - \$135,944 in total value from prior years' appropriations for 2 projects
 - \$600,000 in total value for 1 carryover project and 1 project proposed in FY 2017/18 - 2021/22
- \$13,225,000 needed for 3 unfunded projects.

The schedule and priority of projects proposed is based completing one active project and completing the structural analysis needed to move forward with repairs for parking lots 3 and 4 (adjacent to Metlox and the North Manhattan Beach, respectively).

Planning for and implementing the Parking Structure Structural Rehabilitation project identified on the Unfunded Projects list will require looking for alternative funding sources such as raising the City's parking meter rates. The remaining two unfunded projects could also be funded by increasing meter rates. Alternatively, City Council may wish to consider deferring the structural analysis project currently scheduled and use those funds instead for the Downtown Parking Facility Capital Investment Plan and Intelligent Parking Occupancy System projects.

Staff recommends that City Council adopt the City Parking Facilities Category of projects as proposed, with a focus on the following order of implementation:

1. Complete the one active projects first;
2. Initiate the structural rehab assessment project in FY 2017/18 project in the coming year; and
3. Direct staff to investigate and plan for increasing meter rates to generate revenue for the three unfunded projects.

7. State Pier and Parking Lots Projects

This category of projects addresses the maintenance, repair and rehabilitation of the State's public parking lots and Manhattan Beach Pier. Eligible projects include Roundhouse building upgrades, pier railing and lighting replacement/rehab, installation of safety devices and deck repairs. Funding for projects in this category come from the meter fees collected by visitors and patrons at the State parking lots adjacent to the pier. There are no projects on the unfunded list in this category of projects that would otherwise qualify for funding from the State Pier and Parking Lots Fund.

The following summary is provided (see also attachment 9):

- 5 unique projects in this category
- 3 projects are active
- 2 have yet to be initiated
- \$1983964 in total value for all 5 projects
 - \$1,333,964 in total value from prior years' appropriations for 3 projects

- \$650,000 total value for 2 projects proposed in FY 2020/21 - 2021/22

The schedule and priority of projects proposed is based on coordinating the pier upgrades with another project underway - improvements to the Roundhouse Aquarium - so that impacts to the community and beachgoers are minimized. The remaining two projects are for planned maintenance based on expected need at that time. Please note, however, that planning for future CIP projects will require developing additional sources of revenue, such as raising the meter rates at the State Pier parking lots. The funding currently provided by the meters does not generate sufficient funding for the ongoing capital maintenance that will be needed in the coming years.

Therefore, staff recommends that City Council adopt the State Pier and Parking Lots Category of projects as proposed, with a focus on the following order of implementation:

1. Complete the 2 active projects in concert with other planned construction activities; and
2. Initiate the remaining 2 FY 2020/21 - 2021/22 projects as planned.
3. Direct staff to investigate and plan for increasing meter rates to generate revenue for the future capital project needs.

8. City Facilities and Buildings Infrastructure Projects (the CIP Fund):

This category of projects addresses all of the projects that do not otherwise qualify for funding from the seven other special revenue sources listed above. The CIP fund is generated from a combination of the transient occupancy tax (TOT), parking citations and parking meter revenues. It has also received General Fund support on occasion. CIP projects primarily include building and other facility improvements, parks facility upgrades, studies and master plans, landscaping enhancements, signage, and other right-of-way and public property improvements. The 43 planned and 17 unfunded projects address a variety of building and outdoor facilities improvements for seniors, community user groups and city staff. The following summary is provided (see also attachment 10):

- 43 unique projects in this category within 30 line items. 1 was eliminated (Strand Bikeway Undercrossing)
- 16 projects are active
- 27 have yet to be initiated
- \$16,502,564 in total value for all 43 projects
 - \$8,942,564 in total value from prior years' appropriations for 29 projects
 - \$7,560,000 in total value for 14 projects proposed in FY 2017/18 - 2021/22
- \$25,130,230, needed for 17 unfunded projects
 - \$18,000,000 for Begg Pool
 - \$7,130,230 for the remaining 16 unfunded projects

The 43 planned projects are further broken down into the following groupings:

- 13 Building improvements valued at \$6,446,623
- 4 Park facility Improvements valued at \$2,193,681
- 9 Traffic-related and other ROW improvements \$4,077,171
- 13 Pedestrian and non-motorized transportation improvements \$3,405,089

- 4 Studies and masterplans valued at \$380,000

When considering planning and implementation of the 16 active projects, 27 previous approved but pending projects and 17 projects identified on the Unfunded Projects list, City Council may wish to consider the following:

- Whether to remove any of the 27 projects on the planned (but not yet initiated) list and instead allocate those dollars to projects on the unfunded list. There is a total of \$10,209,311 allocated to projects in the 5-Year CIP that have not been initiated and could be redirected to other projects.
- Whether to halt any of the 16 projects currently active and allocate any unspent funds to unfunded projects. There is up to \$3,487,474 available that could be redirected to other projects (pending outstanding invoices to be paid).
- Whether to consider new revenues such as increasing the TOT, parking meter rates or citation charges. Based on the list of unfunded projects proposed, the City would need to generate approximately \$2 million more annually over what is currently provided by these revenue sources (approximately \$1.5 million) in order to accommodate all the CIP needs identified over the next five years.

Staff recommends that City Council review each of the projects included on the City Facilities and Buildings Infrastructure Projects funded and unfunded lists and provide direction on which projects should ultimately be included in the proposed 5-Year CIP.

CONCLUSION:

It is worth noting that staff's priority recommendations are based on recognizing that many projects are already underway, some have grant deadlines, others include structural deficiencies that must be resolved and some address safety concerns that were previously considered high priorities. Therefore, staff recommends that City Council:

1. Review the proposed 5-year CIP presented in Attachments 2-9 and discussed above;
2. Provide direction on whether to make any changes or modifications to the funded and unfunded lists presented herein; and
3. Provide direction to staff on whether to investigate/evaluate possible revenue opportunities that could help offset CIP funding shortfalls.

PUBLIC OUTREACH/INTEREST:

There was no public outreach conducted in the preparation of this report. However, the existing and proposed projects included in the 5-Year CIP are the result of year-long public input through phone calls, go-reach submittals, electronic communications and user group input.

ENVIRONMENTAL REVIEW:

Receiving this report is not considered a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis

is necessary.

Attachment/Attachments:

1. Proposed 5-Year CIP presented on May 4, 2017
2. 94 Funded and 23 Unfunded Project Summaries (Web-Link Provided)
3. Streets and Sidewalks Projects
4. Water Infrastructure Projects
5. Storm Water Infrastructure Projects
6. Wastewater Infrastructure Projects
7. Refuse and Solid Waste Collection Projects
8. City Parking Facilities Projects
9. State Pier and Parking Lot Projects
10. City Facilities and Building Infrastructure Projects
11. PowerPoint Presentation

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

	Prior Year Appropriation ¹	Budget	Proposed 5-Year CIP			TOTAL	COMMENTS		
		FY17/18	FY18/19	FY19/20	FY20/21	FY21/22		Five-Year	
CIP Project Funding Summary		6	7	8	9	10	11		
1a Streets & Highways Fund	5,868,833	500,000	1,415,000	1,250,000	1,250,000	1,290,000	11,573,833		
1b Prop C Fund	20,486,854	1,300,000	700,000	700,000	700,000	700,000	24,586,854		
1c Measure R Fund	1,552,636	250,000	-	420,000	-	-	2,222,636		
1d Measure M Fund	-	200,000	-	840,000	245,000	-	1,285,000		
2 CIP Fund	8,942,564	2,715,000	1,655,000	1,130,000	930,000	1,205,000	16,577,564		
3 Water Fund	7,095,946	4,570,000	25,750,000	1,500,000	1,800,000	1,500,000	42,215,946		
4 Stormwater Fund	1,200,591	460,000	710,000	1,210,000	710,000	710,000	5,000,591		
5 Wastewater Fund	1,523,366	4,100,000	3,500,000	3,250,000	3,300,000	3,100,000	18,773,366		
6 Refuse Fund	-	-	-	150,000	-	-	150,000		
7 Parking Fund	135,944	600,000	-	-	-	-	735,944		
8 State Pier & Parking Lot Fund	1,333,964	-	-	-	250,000	400,000	1,983,964		
	\$48,140,698	\$14,695,000	\$33,730,000	\$10,450,000	\$9,185,000	\$8,905,000	\$125,105,698		
U Unfunded Projects		\$160,230	\$2,205,000	\$1,245,000	\$28,355,000	\$25,420,000	\$2,495,000	\$59,880,230	

¹ Prior Year Appropriation column includes estimated carryover funding that will be expended as multi-year projects progress. Reported carryover funds reflect the amount of fund balance previously committed to projects in prior year adopted budgets. In the Five Year Forecast, Opening Fund Balances include assumptions for Committed Capital Project expenditures and, where applicable, anticipated grant revenue.

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL		
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year	COMMENTS
Streets & Highways Fund (Gas Tax)									
1	Annual Curb, Gutter and Ramp Replacement	617,803	-	365,000	365,000	365,000	365,000	2,077,803	
2	x Parkview Sidewalk Project	110,622	-	-	-	-	-	110,622	
3	Annual Slurry Seal Program	723,078	Reduced	385,000	385,000	385,000	385,000	2,263,078	Carryover funds will cover implementation for 2017/18 so additional funds for this FY are not needed; carry over funds were reduced by \$100,050 based on historical expenditures
4	Annual Residential Street Resurfacing Program	-	-	500,000	500,000	500,000	500,000	2,000,000	Bundled future projects into a single title rather than calling them out individually. Selection based on PCI.
5	Street Resurfacing Project: Rosecrans Avenue	250,000	500,000	-	-	-	-	750,000	Additional funding needed to complete project between Sepulveda and Aviation Blvds.
6	x Manhattan Ave/Highland (1st - 8th) Ave Improvement Project	665,640	-	-	-	-	-	665,640	
7	Street Resurfacing: Morningside Drive from 10th to MBB	74,480	-	125,000	-	-	-	199,480	
8	Street Resurfacing: Blanche, Marine & 27th	375,000	-	-	-	-	-	375,000	
9	x Street Resurfacing: MB Blvd from Sepulveda to Aviation	901,042	-	-	-	-	-	901,042	
10	x Street Resurfacing: Oak, Redondo & 11th	222,510	-	-	-	-	-	222,510	
11	Triennial Pavement Management System Update	-	-	40,000	-	-	40,000	80,000	
12	x Aviation at Artesia, SB to WB Right-Turn Lane (SBHP Grant)	1,481,990	-	-	-	-	-	1,481,990	
13	x 22 Intersection Pedestrian Improvements (HSIP Grant - Cycle 5)	226,477	-	-	-	-	-	226,477	
14	x Sepulveda & 8th St Intersection Improvements (HSIP Grant)	220,191	-	-	-	-	-	220,191	
Streets & Highways Total		\$5,868,833	\$500,000	\$1,415,000	\$1,250,000	\$1,250,000	\$1,290,000	\$11,573,833	
Prop C Fund									
15	x Street Resurfacing: Marine from Sepulveda to Aviation	96,760	400,000	-	-	-	-	496,760	This project was reduced by \$300,000 based on revised scope
16	Street Resurfacing: Arterial & Collector Roadways	-	-	700,000	700,000	700,000	700,000	2,800,000	Bundled future projects into a single title rather than calling them out individually. Selection based on PCI
17	x Dual LT Lanes on MBB at Sepulveda (SBHP Grant)	1,338,773	-	-	-	-	-	1,338,773	Grant Funded
18	x Sepulveda Bridge (SBHP Grant)	8,953,546	-	-	-	-	-	8,953,546	Grant Funded
	x Sepulveda Bridge Widening (MTA Call Grant)	6,813,318	-	-	-	-	-	6,813,318	Grant Funded
	x Sepulveda Bridge Widening (Prop C Local)	3,199,017	-	-	-	-	-	3,199,017	Grant Funded
19	x Sepulveda Intersection Improvements (SBHP Grant)	85,440	900,000	-	-	-	-	985,440	Grant Funded
Prop C Total		\$20,486,854	\$1,300,000	\$700,000	\$700,000	\$700,000	\$700,000	\$24,586,854	

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL		
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year	COMMENTS
Measure R Local Return									
20	x	Street Resurfacing Project: 1100 Block of 3rd St	319,773	-	-	-	-	319,773	
21	x	Street Resurfacing: Liberty Village	795,680	-	-	-	-	795,680	
22		Protected LT Lanes: MBB at Peck Ave	35,000	250,000	-	-	-	285,000	Increased funding by \$75,000 based on revised estimate
23	x	Highland & 38th Improvements	130,863	-	-	-	-	130,863	
24	x	Raised Median Construction: MBB, West of Aviation	119,240	-	-	-	-	119,240	
25	x	Signalized Crosswalk: MBB at Target Driveway	152,080	-	-	-	-	152,080	
26		Aviation (West-side) and 33rd Sidewalk	-	-	420,000	-	-	420,000	
		Measure R Total	\$1,552,636	\$250,000	-	\$420,000	-	\$2,222,636	
Measure M Local Return									
27		ADA Transition Plan within Public Rights of Way	-	200,000	-	-	-	200,000	Federal requirement to develop a plan for implementation
28		Rowell Avenue Sidewalk Connection (Curtis & 1st St.)	-	-	840,000	-	-	840,000	Installation of a missing sidewalk in front of Pennekamp Elementary; requires substantial work for ADA compliance and storm drain reconfiguration
29		Intersection Improvements at Laurel & 31st	-	-	-	245,000	-	245,000	This project will address a drainage problem impacting the storm drain system directly to the south of this intersection
		Measure M Total	-	\$200,000	-	\$840,000	\$245,000	\$1,285,000	

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

CIP Fund	Prior Year Appropriation ¹	Budget	Proposed 5-Year CIP			TOTAL	COMMENTS		
		FY17/18	FY18/19	FY19/20	FY20/21	FY21/22		Five-Year	
30	Facility Improvements	233,311	1,000,000	830,000	830,000	830,000	830,000	4,553,311	This funding was reduced by \$170,000 annually to cover one new engineer
31 x	Streetlight Purchase and LED Retrofit	1,226,927						1,226,927	
32 x	City Hall 1st & 2nd Floor Restroom Remodel	41,731	450,000	-	-	-	-	491,731	This project uses the remaining funds from the welcome center remodel and added funds for 4 City Hall bathroom renovations (includes ADA upgrades and new plumbing)
33 x	Marine Ave Park Baseball Field Synthetic Turf	133,432	346,570	-	-	-	-	480,002	Supplementing prior appropriation to implement the project
34	Miraposa Fitness Station	55,000	-	200,000	-	-	-	255,000	Supplementing prior appropriation to implement the project
35	Begg Field Synthetic Turf & Light Fixture Replacement	1,332,000	-	-	-	-	-	1,332,000	
36	Ceramics Studio Renovation	267,000	-	-	-	-	-	267,000	
37	Community Development Front Counter & Office Remodel	220,000	-	-	-	-	-	220,000	
38 x	Engineering Division Space Planning	259,513	133,430	-	-	-	-	392,943	Additional funding needed to reconfigure PW Yard offices for Supervisors and new engineers
39 x	Fiber Master Plan	150,000	-	-	-	-	-	150,000	
40 x	Field Netting at Dorsey, Live Oak and Manhattan Heights	126,679	-	-	-	-	-	126,679	
41 x	Fire Station 2 Design Development	319,638	-	-	-	-	-	319,638	
42	Fire Station Security Card Installation	40,000	-	-	-	-	-	40,000	
43	Human Resources Offices Reconfiguration & Improvements	132,000	-	-	-	-	-	132,000	
44	Park Master Plan	100,000	-	-	-	-	-	100,000	
45	Replacement/Upgrade Fire Station 1 Diesel Exhaust Removal System	30,000	-	-	-	-	-	30,000	
46 x	Veterans Parkway Landscape/Hardscape	399,752	-	-	-	-	-	399,752	Grant Funded
47 x	Wayfinding Sign Program	52,800	-	-	-	-	-	52,800	
48 x	Downtown Streetscape Improvements: Traffic Signal Pole Replacements	1,048,703	-	-	-	-	-	1,048,703	
49	Traffic Signal Battery Back-Up Installation	110,000	-	-	-	-	-	110,000	
50 x	Traffic Signal Preemption Devices	150,000	75,000	75,000	-	-	-	300,000	
51	Sepulveda/Oak Neighborhood Intrusion Study	50,000	-	-	-	-	-	50,000	
52	CDBG Access Ramp Construction	119,462	200,000	-	200,000	-	200,000	719,462	Grant Funded
53 x	Cycle 10 Safe Routes to School Program	431,441	-	-	-	-	-	431,441	Grant Funded
54 x	Cycle 3 Safe Routes to School Program	489,725	-	-	-	-	-	489,725	Grant Funded
55 x	Non-Motorized Transportation Crosswalks, Bike Lanes, Etc.	276,410	180,000	100,000	100,000	100,000	100,000	856,410	Fund increased by \$80,000 for previously planned projects
56 x	Non-Motorized Transportation Project: Rosecrans Ave Bike Lane	128,051	330,000	-	-	-	-	458,051	Restored funding needed for the remaining 250 ft on Chevron property
57	Ocean Drive Walkstreet Crossing	-	-	450,000	-	-	-	450,000	Project reduced by \$50,000
58	Strand Bikeway Pier Undercrossing	-	-	-	-	-	75,000	75,000	Recommend removal of this project
59 x	Strand Stairs - Construction	938,989	-	-	-	-	-	938,989	
60	Veterans Parkway Pedestrian Access Master Plan	80,000	-	-	-	-	-	80,000	
CIP Fund Total		\$8,942,564	\$2,715,000	\$1,655,000	\$1,130,000	\$930,000	\$1,205,000	\$16,577,564	

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL		
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year	COMMENTS
Water Fund									
61	Annual Pipe Replacement & Fire Hydrant Installations	182,656	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,682,656	Programming funding for annual main replacement program
62	x Water Meter Upgrade and Automation	2,670,000	2,670,000	-	-	-	-	5,340,000	
63	x Pier Water Main and Fire Service Replacements	-	400,000	-	-	-	-	400,000	Added and coordinated with Aquarium renovations
64	Block 35 Ground Level Reservoir Replacement (Design Only)	-	-	1,200,000	-	-	-	1,200,000	Project scaled back to cover design costs only. Funding not available for construction within this 5-year time
65	Chloramination System at Wells 11 & 15	302,879	-	-	-	-	-	302,879	
66	Larsson Street Booster Station Improvement	745,500	-	-	-	-	-	745,500	
67	x Paint Block 35 Elevated Tank	863,744	-	-	-	-	-	863,744	
68	x Peck Ground Level Reservoir Replacement	1,811,283	-	22,000,000	-	-	-	23,811,283	Funds added to cover cost of construction for 8 MG reservoir
69	Redrill & Equip Well 15	300,000	-	350,000	-	-	-	650,000	Total estimate for design and construction
70	x Utility Radio Telemetry	219,884	-	-	-	-	-	219,884	
71	Well Collection Line from Well 11A to Block 35 (Design Only)	-	-	700,000	-	-	-	700,000	Project scaled back from \$5.75M to cover design costs only. Funding not available for construction within this 5-year time frame
72	Water Masterplan Update	-	-	-	-	300,000	-	300,000	Last one completed in 2010; this is a 10-year update
Water Total		\$7,095,946	\$4,570,000	\$25,750,000	\$1,500,000	\$1,800,000	\$1,500,000	\$42,215,946	
Stormwater Fund									
73	x Storm Drain Debris Collection Devices	372,418	210,000	210,000	210,000	210,000	210,000	1,422,418	
74	x Storm Drain Repairs	828,173	-	500,000	500,000	500,000	500,000	2,828,173	
75	Stormwater Masterplan Update	-	250,000	-	-	-	-	250,000	Needed to assess capacity deficiencies and need for future storm drain upgrades
76	Joint Watershed Project: Hermosa Greenbelt	-	-	-	500,000	-	-	500,000	Required match for grant received
Stormwater Total		\$1,200,591	\$460,000	\$710,000	\$1,210,000	\$710,000	\$710,000	\$5,000,591	
Wastewater Fund									
77	x Annual Rehabilitation of Gravity Sewer Mains	1,146,708	450,000	1,100,000	1,100,000	1,100,000	1,100,000	5,996,708	Programming funding for annual main replacement program
78	Poinsettia Sewage Lift Station and Force Main Replacement	300,000	3,000,000	-	-	-	-	3,300,000	
79	x Pier Pump Station and Force Main Replacement Construction	-	650,000	-	-	-	-	650,000	Rehab needed
80	x Utility Radio Telemetry	76,658	-	-	-	-	-	76,658	
81	Pacific Lift Station Upgrade	-	-	2,400,000	-	-	-	2,400,000	
82	Voorhees Lift Station Upgrade	-	-	-	2,150,000	-	-	2,150,000	
83	Meadows Lift Station Upgrade	-	-	-	-	1,900,000	-	1,900,000	
84	Sewer System Master Plan Update	-	-	-	-	300,000	-	300,000	Required every five years
85	Palm Lift Station Upgrade	-	-	-	-	-	2,000,000	2,000,000	Increased by \$1.75M to cover both design and construction
Wastewater Total		\$1,523,366	\$4,100,000	\$3,500,000	\$3,250,000	\$3,300,000	\$3,100,000	\$18,773,366	

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

		Prior Year Appropriation ¹	Budget FY17/18	FY18/19	Proposed 5-Year CIP			TOTAL Five-Year	COMMENTS
Refuse Fund									
86	City-owned Refuse Enclosure Improvements Design	-	-	-	150,000	-	-	150,000	
Refuse Total		-	-	-	\$150,000	-	-	\$150,000	
Parking Fund									
87	x Lot 1 Retaining Wall (10th & Bayview)	80,320	100,000	-	-	-	-	180,320	Revised estimate based completed design
88	North MB Business Improvement District Streetscape	55,624	-	-	-	-	-	55,624	
89	Parking Structure Structural Rehab Analysis (Lots 3 & 4)	-	500,000	-	-	-	-	500,000	Decreased by \$314,500 to cover structural analysis only for lots 3 & 4
Parking Total		\$135,944	\$600,000	-	-	-	-	\$735,944	
State Pier & Lot Fund									
90	x Pier Improvements (Includes Roundhouse & Comfort Station)	647,988	-	-	-	-	-	647,988	
91	x Pier Roundhouse Aquarium (Design & Project Management)	645,976	-	-	-	-	-	645,976	
92	x Pier Lot Safety Lighting	40,000	-	-	-	-	-	40,000	Reduced by \$175,000 due to revised implementation plan
93	Pier Deck Repairs	-	-	-	-	250,000	-	250,000	Anticipated upgrades needed in three years
94	Pier Railings	-	-	-	-	-	400,000	400,000	Anticipated upgrades needed in four years
State Pier & Lot Fund Total		\$1,333,964	-	-	-	\$250,000	\$400,000	\$1,983,964	

SCHEDULE OF CAPITAL PROJECTS BY FUND & TYPE

	Prior Year Appropriation ¹	Budget	Proposed 5-Year CIP			TOTAL	COMMENTS	
		FY17/18	FY18/19	FY19/20	FY20/21	FY21/22		Five-Year
Unfunded Projects								
Facilities Projects								
							Eligible Funding Sources	
1	Village Field Replacement Turf	160,230	1,500,000	-	-	-	1,660,230	CIP; General Fund
2	Heights Park Synthetic Grass Installation	-	150,000	-	-	-	150,000	CIP; General Fund
3	Joslyn Center Raised Garden	-	75,000	-	-	-	75,000	CIP; General Fund
4	Joslyn Center OASIS Patio and Outside Deck Installation	-	-	-	150,000	-	-	
5	Repair, Upgrade, Standardize Picnic Pad at all parks	-	80,000	80,000	80,000	80,000	400,000	CIP; General Fund
6	Manhattan Heights Rooms #6 & #7 Improvements	-	-	550,000	-	-	550,000	CIP; General Fund
7	Manhattan Heights Community Center Improvements	-	-	-	-	525,000	525,000	CIP; General Fund
8	Replace three pairs of Banner Poles across streets	-	-	450,000	-	-	450,000	CIP; General Fund
9	Replace Mobile EOC Shelter Storage Container with trailer unit	-	-	60,000	-	-	60,000	CIP; General Fund
10	Cultural Arts Center Track Light System	-	-	80,000	-	-	80,000	CIP; General Fund
11	Cultural Arts Center Flooring Replacement	-	-	-	100,000	-	100,000	CIP; General Fund
12	Cultural Arts Center Studio A Remodel	-	-	-	200,000	-	200,000	CIP; General Fund
13	Conversion of Engineering Division Office Space to Training Room	-	300,000	-	-	-	300,000	CIP; General Fund
14	Begg Pool Remodel/Replacement	-	-	-	1,500,000	16,500,000	18,000,000	CIP; General Fund
15	Village Field Restroom Upgrades	-	-	-	-	400,000	400,000	CIP; General Fund
16	Security Cameras at Parks, Facilities, Fields and Skate Spot	-	-	-	90,000	90,000	180,000	CIP; General Fund
17	Sand Dune Park Facility Improvements	-	-	-	200,000	1,800,000	2,000,000	CIP; General Fund
	Facilities Projects Total	\$160,230	\$2,105,000	\$1,220,000	\$1,880,000	\$17,420,000	\$2,495,000	\$25,130,230
Water Projects								
18	Block 35 Ground Level Reservoir Replacement (Construction)	-	-	-	7,500,000	-	7,500,000	Water Fund
19	Well Collection Line from Well 11A to Block 35 (Construction)	-	-	-	5,750,000	-	5,750,000	Water Fund
	Water Projects Total	-	-	-	\$13,250,000	-	\$13,250,000	
Stormwater Projects								
20	Joint Watershed Project: Beach Outfall	-	-	-	-	8,000,000	8,000,000	CIP; General Fund
	Stormwater Projects Total	-	-	-	-	\$8,000,000	\$8,000,000	
Parking Structure Projects								
21	Downtown Parking Facility Capital Investment Plan	-	100,000	-	-	-	100,000	CIP; General Fund; Parking Fund
22	Intelligent Parking Occupancy System (Lots 2, 3, Metlox & Civic Center)	-	-	25,000	225,000	-	250,000	CIP; General Fund; Parking Fund
23	Parking Structure Rehab Projects Per Structural Analysis	-	-	-	13,000,000	-	13,000,000	CIP; General Fund; Parking Fund
	Parking Structure Projects Total	-	\$100,000	\$25,000	\$13,225,000	-	\$13,350,000	
	Unfunded Projects Total	\$160,230	\$2,205,000	\$1,245,000	\$28,355,000	\$25,420,000	\$2,495,000	\$59,880,230

Removed: Sepulveda Multimodal streetscape plan

x - Project is currently active
 Project Names listed in **Red** are new or the title of the project has been changed.
 Dollar values listed in **Red** are new or have been modified from the last approved 5-Year CIP.
 Projects shaded in gray are grant-funded specifically for the project identified.

ATTACHMENT 2
94 Funded and 23 Unfunded Project Summaries
(Web-Link Provided)

<http://www.citymb.info/home/showdocument?id=28224>

ATTACHMENT 3: STREETS AND SIDEWALKS PROJECTS

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL	
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year
CIP Project Funding Summary								
1a	Streets & Highways Fund	5,868,833	500,000	1,415,000	1,250,000	1,250,000	1,290,000	11,573,833
1b	Prop C Fund	20,486,854	1,300,000	700,000	700,000	700,000	700,000	24,586,854
1c	Measure R Fund	1,552,636	250,000	-	420,000	-	-	2,222,636
1d	Measure M Fund	-	200,000	-	840,000	245,000	-	1,285,000
		\$27,908,323	\$2,250,000	\$2,115,000	\$3,210,000	\$2,195,000	\$1,990,000	\$39,668,323

Streets & Highways Fund (Gas Tax)									
	1	Annual Curb, Gutter and Ramp Replacement	617,803	-	365,000	365,000	365,000	365,000	2,077,803
Ready to Award Const.	2 x	Parkview Sidewalk Project	110,622	-	-	-	-	-	110,622
	3	Annual Slurry Seal Program	723,078	Reduced	385,000	385,000	385,000	385,000	2,263,078
	4	Annual Residential Street Resurfacing Program	-	-	500,000	500,000	500,000	500,000	2,000,000
	5	Street Resurfacing Project: Rosecrans Avenue	250,000	500,000	-	-	-	-	750,000
In Design	6 x	Manhattan Ave/Highland (1st - 8th) Ave Improvement Project	665,640	-	-	-	-	-	665,640
	7	Street Resurfacing: Morningside Drive from 10th to MBB	74,480	-	125,000	-	-	-	199,480
	8	Street Resurfacing: Blanche, Marine & 27th	375,000	-	-	-	-	-	375,000
Ready to Award Const.	9 x	Street Resurfacing: MB Blvd from Sepulveda to Aviation	901,042	-	-	-	-	-	901,042
Ready to Award Const.	10 x	Street Resurfacing: Oak, Redondo & 11th	222,510	-	-	-	-	-	222,510
	11	Triennial Pavement Management System Update	-	-	40,000	-	-	40,000	80,000
In Design	12 x	Aviation at Artesia, SB to WB Right-Turn Lane (SBHP Grant)	1,481,990	-	-	-	-	-	1,481,990
In Design	13 x	22 Intersection Pedestrian Improvements (HSIP Grant - Cycle 5)	226,477	-	-	-	-	-	226,477
In Design	14 x	Sepulveda & 8th St Intersection Improvements (HSIP Grant)	220,191	-	-	-	-	-	220,191
Streets & Highways Total			\$5,868,833	\$500,000	\$1,415,000	\$1,250,000	\$1,250,000	\$1,290,000	\$11,573,833

Prop C Fund									
Ready to Award Design	15 x	Street Resurfacing: Marine from Sepulveda to Aviation	96,760	400,000	-	-	-	-	496,760
	16	Street Resurfacing: Arterial & Collector Roadways	-	-	700,000	700,000	700,000	700,000	2,800,000
In Design	17 x	Dual LT Lanes on MBB at Sepulveda (SBHP Grant)	1,338,773	-	-	-	-	-	1,338,773
Design Completed	18 x	Sepulveda Bridge (SBHP Grant)	8,953,546	-	-	-	-	-	8,953,546
	x	Sepulveda Bridge Widening (MTA Call Grant)	6,813,318	-	-	-	-	-	6,813,318
	x	Sepulveda Bridge Widening (Prop C Local)	3,199,017	-	-	-	-	-	3,199,017
Grant Execution Metro	19 x	Sepulveda Intersection Improvements (SBHP Grant - 33rd, Rosecrans, &)	85,440	900,000	-	-	-	-	985,440
Prop C Total			\$20,486,854	\$1,300,000	\$700,000	\$700,000	\$700,000	\$700,000	\$24,586,854

ATTACHMENT 3: STREETS AND SIDEWALKS PROJECTS

			Prior Year	Budget	Proposed 5-Year CIP			TOTAL		
			Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year	
Measure R Local Return										
Ready to Award Const.	20	x	Street Resurfacing Project: 1100 Block of 3rd St	319,773	-	-	-	-	-	319,773
Ready to Award Design	21	x	Street Resurfacing: Liberty Village	795,680	-	-	-	-	-	795,680
	22		Protected LT Lanes: MBB at Peck Ave	35,000	250,000	-	-	-	-	285,000
In Construction	23	x	Highland & 38th Improvements	130,863	-	-	-	-	-	130,863
Ready to Award Const.	24	x	Raised Median Construction: MBB, West of Aviation	119,240	-	-	-	-	-	119,240
Ready to Award Const.	25	x	Signalized Crosswalk: MBB at Target Driveway	152,080	-	-	-	-	-	152,080
	26		Aviation (West-side) and 33rd Sidewalk	-	-	-	420,000	-	-	420,000
			Measure R Total	\$1,552,636	\$250,000	-	\$420,000	-	-	\$2,222,636
Measure M Local Return										
	27		ADA Transition Plan within Public Rights of Way	-	200,000	-	-	-	-	200,000
	28		Rowell Avenue Sidewalk Connection (Curtis & 1st St.)	-	-	-	840,000	-	-	840,000
	29		Intersection Improvements at Laurel & 31st	-	-	-	-	245,000	-	245,000
			Measure M Total	-	\$200,000	-	\$840,000	\$245,000	-	\$1,285,000

x - Project is currently active
 Project Names listed in **Red** are new or the title of the project has been changed.
 Dollar values listed in **Red** are new or have been modified from the last approved 5-Year CIP.
 Projects shaded in gray are grant-funded specifically for the project identified.

ATTACHMENT 4: WATER INFRASTRUCTURE PROJECTS

			Prior Year	Budget	Proposed 5-Year CIP			TOTAL	
			Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year
Water Fund									
	1	Annual Pipe Replacement & Fire Hydrant Installations	182,656	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,682,656
Pilot Testing	2	x Water Meter Upgrade and Automation	2,670,000	2,670,000	-	-	-	-	5,340,000
In Design	3	x Pier Water Main and Fire Service Replacements	-	400,000	-	-	-	-	400,000
	4	Block 35 Ground Level Reservoir Replacement (Design Only)	-	-	1,200,000	-	-	-	1,200,000
	5	Chloramination System at Wells 11 & 15	302,879	-	-	-	-	-	302,879
	6	Larsson Street Booster Station Improvement	745,500	-	-	-	-	-	745,500
Pre-Design	7	x Paint Block 35 Elevated Tank	863,744	-	-	-	-	-	863,744
In Design	8	x Peck Ground Level Reservoir Replacement	1,811,283	-	22,000,000	-	-	-	23,811,283
	9	Redrill & Equip Well 15	300,000	-	350,000	-	-	-	650,000
In Design	10	x Utility Radio Telemetry	219,884	-	-	-	-	-	219,884
	11	Well Collection Line from Well 11A to Block 35 (Design Only)	-	-	700,000	-	-	-	700,000
	12	Water Masterplan Update	-	-	-	-	300,000	-	300,000
Water Total			\$7,095,946	\$4,570,000	\$25,750,000	\$1,500,000	\$1,800,000	\$1,500,000	\$42,215,946
Unfunded Projects									
	1	Block 35 Ground Level Reservoir Replacement (Construction)	-	-	-	7,500,000	-	-	7,500,000
	2	Well Collection Line from Well 11A to Block 35 (Construction)	-	-	-	5,750,000	-	-	5,750,000
Unfunded Projects Total			-	-	-	\$13,250,000	-	-	\$13,250,000

x - Project is currently active

Project Names listed in **Red** are new or the title of the project has been changed.

Dollar values listed in **Red** are new or have been modified from the last approved 5-Year CIP.

ATTACHMENT 5 : STORMWATER INFRASTRUCTURE PROJECTS

			Prior Year Appropriation ¹	Budget FY17/18	Proposed 5-Year CIP			TOTAL Five-Year	
				FY18/19	FY19/20	FY20/21	FY21/22		
Stormwater Fund									
In Construction	1	x	372,418	210,000	210,000	210,000	210,000	210,000	1,422,418
Design/Construction	2	x	828,173	-	500,000	500,000	500,000	500,000	2,828,173
	3		-	250,000	-	-	-	-	250,000
	4		-	-	500,000	-	-	-	500,000
	Stormwater Total		\$1,200,591	\$460,000	\$710,000	\$1,210,000	\$710,000	\$710,000	\$5,000,591
Unfunded Projects									
	1		-	-	-	-	8,000,000	-	8,000,000
	Unfunded Projects Total		-	-	-	-	\$8,000,000	-	\$8,000,000

x - Project is currently active

Project Names listed in Red are new or the title of the project has been changed.

Dollar values listed in Red are new or have been modified from the last approved 5-Year CIP.

ATTACHMENT 6: WASTEWATER INFRASTRUCTURE PROJECTS

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL		
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year	
Wastewater Fund									
Closeout/Design	1 x	Annual Rehabilitation of Gravity Sewer Mains	1,146,708	450,000	1,100,000	1,100,000	1,100,000	1,100,000	5,996,708
	2	Poinsettia Sewage Lift Station and Force Main Replacement	300,000	3,000,000	-	-	-	-	3,300,000
In Design	3 x	Pier Pump Station and Force Main Replacement Construction	-	650,000	-	-	-	-	650,000
In Design	4 x	Utility Radio Telemetry	76,658	-	-	-	-	-	76,658
	5	Pacific Lift Station Upgrade	-	-	2,400,000	-	-	-	2,400,000
	6	Voorhees Lift Station Upgrade	-	-	-	2,150,000	-	-	2,150,000
	7	Meadows Lift Station Upgrade	-	-	-	-	1,900,000	-	1,900,000
	8	Wastewater Masterplan Update	-	-	-	-	300,000	-	300,000
	9	Palm Lift Station Upgrade	-	-	-	-	-	2,000,000	2,000,000
		Wastewater Total	\$1,523,366	\$4,100,000	\$3,500,000	\$3,250,000	\$3,300,000	\$3,100,000	\$18,773,366

x - Project is currently active

Project Names listed in **Red** are new or the title of the project has been changed.

Dollar values listed in **Red** are new or have been modified from the last approved 5-Year CIP.

ATTACHMENT 7: REFUSE AND SOLID WASTE COLLECTION PROJECTS

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL	
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year
Refuse Fund								
1	City-owned Refuse Enclosure Improvements Design	-	-	-	150,000	-	-	150,000
	Refuse Total	-	-	-	\$150,000	-	-	\$150,000

ATTACHMENT 8: CITY PARKING FACILITIES PROJECTS

		Prior Year Appropriation ¹	Budget FY17/18	Proposed 5-Year CIP			TOTAL Five-Year	
			FY18/19	FY19/20	FY20/21	FY21/22		
Parking Fund								
In Design	1 x	Lot 1 Retaining Wall (10th & Bayview)	80,320	100,000	-	-	-	180,320
	2	North MB Business Improvement District Streetscape	55,624	-	-	-	-	55,624
	3	Parking Structure Structural Rehab Analysis (Lots 3 & 4)	-	500,000	-	-	-	500,000
	Parking Total		\$135,944	\$600,000	-	-	-	\$735,944
Unfunded Projects								
	1	Downtown Parking Facility Capital Investment Plan	-	100,000	-	-	-	100,000
	2	Intelligent Parking Occupancy Syst. (Lots 2, 3, Metlox & Civic Center)	-	-	25,000	225,000	-	250,000
	3	Parking Structure Rehab Projects Per Structural Analysis	-	-	-	13,000,000	-	13,000,000
Unfunded Projects Total		-	\$100,000	\$25,000	\$13,225,000	-	-	\$13,350,000

Removed: Sepulveda Multimodal streetscape plan

x - Project is currently active

Dollar values listed in Red are new or have been modified from the last approved 5-Year CIP.

ATTACHMENT 9: STATE PIER AND PARKING LOT PROJECTS

CIP Project Funding Summary	Prior Year	Budget	Proposed 5-Year CIP				TOTAL	
	Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year	
			6	7	8	9	10	11
State Pier & Parking Lot Fund	1,333,964	-	-	-	250,000	400,000		1,983,964

State Pier & Lot Fund										
Design/Constructio	1	x	Pier Improvements (Includes Roundhouse & Comfort Station)	647,988	-	-	-	-	-	647,988
Underway	2	x	Pier Roundhouse Aquarium (Design & Project Management)	645,976	-	-	-	-	-	645,976
Coord. w/ SCE	3	x	Pier Lot Safety Lighting	40,000	-	-	-	-	-	40,000
	4		Pier Deck Repairs	-	-	-	250,000	-	-	250,000
	5		Pier Railings	-	-	-	-	400,000	-	400,000
State Pier & Lot Fund Total				\$1,333,964	-	-	-	\$250,000	\$400,000	\$1,983,964

x - Project is currently active
 Project Names listed in Red are new or the title of the project has been changed.
 Dollar values listed in Red are new or have been modified from the last approved 5-Year CIP.

ATTACHMENT 10: CITY FACILITIES AND BUILDING INFRASTRUCTURE PROJECTS

		Prior Year Appropriation ¹	Budget FY17/18	Proposed 5-Year CIP			TOTAL Five-Year		
		FY18/19	FY19/20	FY20/21	FY21/22				
CIP Project Funding Summary									
CIP Fund		8,942,564	2,715,000	1,655,000	1,130,000	930,000	1,130,000	16,502,564	
Unfunded Projects		\$160,230	\$2,105,000	\$1,220,000	\$1,880,000	\$17,420,000	\$2,495,000	\$25,280,230	
CIP Fund									
	1	Facility Improvements	233,311	1,000,000	830,000	830,000	830,000	830,000	4,553,311
Under Contract	2	x Streetlight Purchase and LED Retrofit	1,226,927						1,226,927
In Design	3	x City Hall 1st & 2nd Floor Restroom Remodel	41,731	450,000					491,731
Design Completed	4	x Marine Ave Park Baseball Field Synthetic Turf	133,432	346,570					480,002
	5	Miraposa Fitness Station	55,000		200,000				255,000
	6	Begg Field Synthetic Turf & Light Fixture Replacement	1,332,000						1,332,000
	7	Ceramics Studio Renovation	267,000						267,000
	8	Community Development Front Counter & Office Remodel	220,000						220,000
Pre-Design	9	x Engineering Division Space Planning	259,513	133,430					392,943
Ready to Award RFP	10	x Fiber Master Plan	150,000						150,000
In Design	11	x Field Netting at Dorsey, Live Oak and Manhattan Heights	126,679						126,679
Conceptual Design	12	x Fire Station 2 Design Development	319,638						319,638
	13	Fire Station Security Card Installation	40,000						40,000
	14	Human Resources Offices Reconfiguration & Improvements	132,000						132,000
	15	Park Master Plan	100,000						100,000
	16	Replacement/Upgrade Fire Station 1 Diesel Exhaust Removal System	30,000						30,000
In Final Design	17	x Veterans Parkway Landscape/Hardscape	399,752						399,752
Conceptual Design	18	x Wayfinding Sign Program	52,800						52,800
In Design	19	x Downtown Streetscape Improvements: Traffic Signal Pole Replacement:	1,048,703						1,048,703
	20	Traffic Signal Battery Back-Up Installation	110,000						110,000
Construction Awarde	21	x Traffic Signal Preemption Devices	150,000	75,000	75,000				300,000
	22	Sepulveda/Oak Neighborhood Intrusion Study	50,000						50,000
	23	CDBG Access Ramp Construction	119,462	200,000		200,000		200,000	719,462
In Design	24	x Cycle 10 Safe Routes to School Program	431,441						431,441
In Design	25	x Cycle 3 Safe Routes to School Program	489,725						489,725
In Design	26	x Non-Motorized Transportation Crosswalks, Bike Lanes, Etc.	276,410	180,000	100,000	100,000	100,000	100,000	856,410
In Design	27	x Non-Motorized Transportation Project: Rosecrans Ave Bike Lane	128,051	330,000					458,051
	28	Ocean Drive Walkstreet Crossing	-		450,000				450,000
Completed	29	x Strand Stairs - Construction	938,989						938,989
	30	Veterans Parkway Pedestrian Access Masterplan	80,000						80,000
CIP Fund Total		\$8,942,564	\$2,715,000	\$1,655,000	\$1,130,000	\$930,000	\$1,130,000	\$16,502,564	

ATTACHMENT 10: CIP FUND

		Prior Year	Budget	Proposed 5-Year CIP			TOTAL	
		Appropriation ¹	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Five-Year
Unfunded Projects								
1	Village Field Replacement Turf	160,230	1,500,000	-	-	-	-	1,660,230
2	Heights Park Synthetic Grass Installation	-	150,000	-	-	-	-	150,000
3	Joslyn Center Raised Garden	-	75,000	-	-	-	-	75,000
4	Joslyn Center OASIS Patio and Outside Deck Installation	-	-	-	-	150,000	-	150,000
5	Repair, Upgrade, Standardize Picnic Pad at all parks	-	80,000	80,000	80,000	80,000	80,000	400,000
6	Manhattan Heights Rooms #6 & #7 Improvements	-	-	550,000	-	-	-	550,000
7	Manhattan Heights Community Center Improvements	-	-	-	-	-	525,000	525,000
8	Replace three pairs of Banner Poles across streets	-	-	450,000	-	-	-	450,000
9	Replace Mobile EOC Shelter Storage Container with trailer unit	-	-	60,000	-	-	-	60,000
10	Cultural Arts Center Track Light System	-	-	80,000	-	-	-	80,000
11	Cultural Arts Center Flooring Replacement	-	-	-	100,000	-	-	100,000
12	Cultural Arts Center Studio A Remodel	-	-	-	200,000	-	-	200,000
13	Conversion of Engineering Division Office Space to Training Room	-	300,000	-	-	-	-	300,000
14	Begg Pool Remodel/Replacement	-	-	-	1,500,000	16,500,000	-	18,000,000
15	Village Field Restroom Upgrades	-	-	-	-	400,000	-	400,000
16	Security Cameras at Parks, Facilities, Fields and Skate Spot	-	-	-	-	90,000	90,000	180,000
17	Sand Dune Park Facility Improvements	-	-	-	-	200,000	1,800,000	2,000,000
Unfunded Projects Total		\$160,230	\$2,105,000	\$1,220,000	\$1,880,000	\$17,420,000	\$2,495,000	\$25,280,230

Removed: Sepulveda Multimodal streetscape plan
 Removed: Strand Bikeway Pier Undercrossing

x - Project is currently active

Project Names listed in **Red** are new or the title of the project has been changed.

Dollar values listed in **Red** are new or have been modified from the last approved 5-Year CIP.

Projects shaded in gray are grant-funded specifically for the project identified.

Proposed Capital Improvement Program FY 2017/18- 2021/22

City of Manhattan Beach Department of Public Works

Stephanie Katsouleas, P.E., Director

Prem Kumar, P.E., City Engineer

Anna Luke-Jones, Senior Management Analyst



5-Year CIP Snapshot

46 Active Projects \$67,959,905

26 Pending Projects (Previously Approved) \$14,497,501

66 Upcoming Projects: 2017/18 - 2020/21 \$42,648,292

138 Total Projects Active, in the Queue & Proposed

Proposed 5-Year CIP Budget

\$125,030,698



8 CIP Categories in the Budget

1. Streets and Sidewalks
 - Gas Tax, Prop C, Measure R and Measure M
2. Water
3. Storm Water
4. Wastewater
5. Refuse
6. City Parking Lots/Meters
7. State Pier and Parking Lots
8. CIP Fund



1. Streets and Sidewalks

Slurry seal, street resurfacing, intersection improvements, capacity enhancements, studies, ADA access improvements, sidewalks

- ▶ 44 Projects Listed
- ▶ \$39,668,323
- ▶ No Unfunded Projects

Recommendation:
Adopt List as Presented



2. Water Fund

- ▶ 17 Projects Listed
- ▶ \$42,215,946
- ▶ 2 Unfunded Projects for \$13.25 Million

Recommendation:
Adopt List as Presented

Water main replacement, reservoir upgrades, elevated tank painting, meter upgrades, well rehab and improved treatment processes



3. Storm Water Fund

Storm drain improvements, storm water conveyance upgrades, NPDES compliance

- ▶ 12 Projects Listed
- ▶ \$5,000,591
- ▶ 1 Unfunded Project for \$8 million

Recommendation:
Adopt List as Presented



4. Wastewater Fund

Sewer main replacement, pump station upgrades, improved telemetry, force main replacements

- ▶ 13 Projects Listed
- ▶ \$18,773,366
- ▶ No Unfunded Projects

Recommendation:
Adopt List as Presented



5. Refuse Fund

City trash enclosure
enhancement and
connection to the sanitary
sewer system

- ▶ 1 Project Listed
- ▶ \$150,000
- ▶ No Unfunded Projects

Recommendation:
Adopt List as
Presented

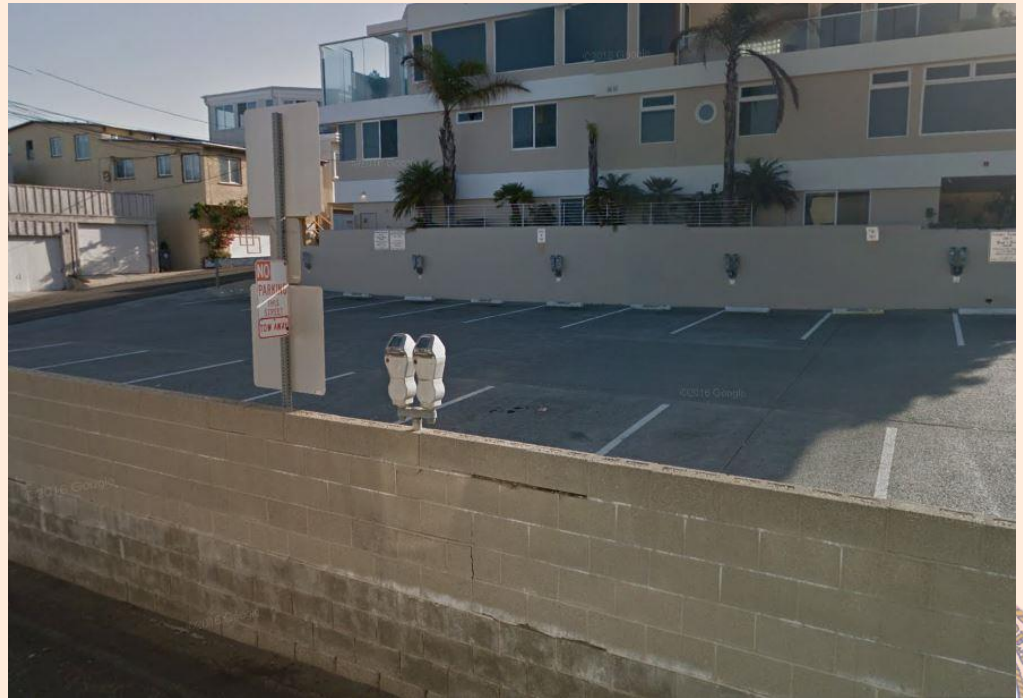


6. City Parking Fund

- ▶ 3 Projects Listed
- ▶ \$735,944
- ▶ 3 Unfunded Projects for 13.35 Million

Recommendation:
Adopt List as Presented

Parking lot structural improvements, streetscape improvements and structural analysis



7. State Pier & Parking Lots

Pier utility improvements, deck replacement, safety lighting upgrades and pier railing replacement

- ▶ 5 Projects Listed
- ▶ \$1,983,964
- ▶ No Unfunded Projects

Recommendation:
Adopt List as Presented



8. CIP Fund (City Facilities)

- ▶ 43 Projects Listed
- ▶ \$16,502,564
- ▶ 17 Unfunded Projects for \$25 Million
 - \$18M Begg Pool
 - \$7M Other Improvements

Recommendation:
Provide Direction on Final
List of Projects for Inclusion

Turf replacements, building and parks repairs/ improvements, master plans, streetscape, traffic signals, pedestrian access, bike lanes, Veterans Parkway



Recap: Staff Recommendations

- ▶ Approve the following 5-Year CIP projects as proposed for:
 - Streets and Sidewalks
 - Water Infrastructure Projects
 - Storm Water Infrastructure Projects
 - Wastewater Infrastructure Projects
 - Refuse and Solid Waste Collection Projects
 - City Parking Facilities Projects
 - State Pier and Parking Lot Projects

- ▶ Direct staff to incorporate Council's Proposed Changes to the City Facilities and Buildings Infrastructure Projects (CIP Fund) List





Questions and Answers



Agenda Date: 5/30/2017

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:

Budget Study Session #2: Fiscal Year 2017-2018 Proposed Operating Budget (Finance Director Moe).

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council receive a report on the Proposed Fiscal Year (FY) 2017-2018 Biennial Operating Budget, and discuss and provide direction.

FISCAL IMPLICATIONS:

The fiscal implications are discussed within this report.

BACKGROUND:

The City Council held its first Budget Study Session on May 4, 2017, and directed staff to return at the May 30th Study Session with information on the following topics:

1. All Departments:

- a. Identify potential budget reductions that would total \$500,000, \$1 million, and \$1.5 million, and the associated impacts (Attachment #1)
- b. Separately, provide potential revenue enhancements (Attachment #2)
- c. Provide costing information for Work Plan priorities identified during the City Council retreat on May 3rd (Attachment #3)

2. Parks and Recreation Department:

- a. Review General fund supported activities and staffing from art exhibitions and special events
- b. Discuss staffing for revenue-generating programs, classes and camps
- c. Discuss revenue potential and return on investment with the ceramic classes

- relative to the purchase of replacement kiln
 - d. Review opportunity for more P&R revenue. What the fee structure would be compared to other cities in the region, particularly the club fees that are paid.
- 3. Community Development:**
- a. Review the staffing model to potentially merge and consolidate some part-time with full-time personnel, which may provide greater value and greater institutional knowledge and stability for the department.

DISCUSSION:

General Fund Budget Reductions/Revenue Enhancements

City Council requested that staff identify reductions in General Fund expenditures at three levels: \$500,000, \$1.0 million and \$1.5 million. The Council provided the City Manager with discretion to identify the sources and activities for the potential reductions. Given that reductions always carry some impact to a constituency, internal and/or external, staff determined that the most useful way to present reductions is by impact category. To that end, reductions have been sorted into three impact levels:

- 1 *Moderate* impact to the community/organization (includes internal efficiencies and savings). Total Value: \$336,523
- 2 *Moderate to significant* impact to City operations and community service levels. Total Value: \$506,319
- 3 *Significant and sustained* impacts (over time will deteriorate services, programs or facilities). Total Value: \$610,005

Attachment #1 includes 68 budget reductions impacting the General Fund either directly, or indirectly such as reductions in internal service funds (Insurance, IT and Building Maintenance) that flow through to the General Fund. Additionally, three reductions are included in Other Funds that although do not impact General Fund Expenditures do impact either General Fund transfers or funding for capital improvements.

Revenue Enhancements are also provided with this report as Attachment #2. These options are provided across several funds and total as follows:

General Fund	\$4,528,770
Storm Water Fund	2,055,000
Parking Fund	1,568,000
Street Lighting Fund	275,000
CIP Fund	150,000
Public Arts Trust Fund	<u>100,000</u>
Total	\$8,676,770

Work Plan Priorities

City Council also requested costing for the priorities established during the Council retreat

on May 3rd. Attachment #3 lists priorities along with a brief description of what may be necessary and the estimated fiscal implications.

Parks and Recreation Department

Overall, the Parks and Recreation department brings in over \$3 million annually from revenue generating programs, with net profits historically ranging from \$100,000 to over \$300,000. For FY 2017-2018, Parks and Recreation revenue generating classes and activities are projected to produce an overall profit of \$96,644 (see Attachment #5). Revenue generating program areas include: facilities and reservations, special classes, special events, tennis operations, arts education classes, concerts in the park, sports leagues, sports classes, swimming activities and older adult activities.

Each program area includes staff costs directly related to a specific program area, including a percentage for registration staff (prorated based on registration numbers). Based on community input and need, programs are continuously evaluated for relevance and pricing. Pricing is market driven and determined by the activity. Examples of new programs in 2017-18 include: expansion of the afterschool program, new and additional offerings for art camps, ceramics studio classes, science, technology and specialty camps, and family art workshops.

Currently, the Arts Education classes are scheduled to run a \$135,526 deficit for FY 17-18. This category of classes includes Ceramics, Drawing and Painting, Art Camps, Music and other art classes. The overall deficit in this category is primarily due to two factors within the Ceramics classes: the one-time \$45,000 budgeted kiln replacement, and application of the direct on-going salary of the ceramics supervisor (\$95,000). The latter is the direct result of the full time ceramics supervisor position approved by the City Council in FY 2015-2016. As a side note, a deficit of \$87,000 in Arts Education Classes was projected for FY 16-17 in last year's budget also mainly due to the added position. To further enhance revenues, Staff has increased fees where appropriate and added new class offerings.

The return on investment for the kiln purchase will be generated through a combination of new programming and operational efficiencies. The new kiln is more energy efficient and "fires" ceramic pieces in approximately half the time of the old unit, saving \$4,000 annually in staff time and natural gas. More importantly however, without the new kiln, existing programming and revenues cannot be sustained, greatly reducing existing classes and associated revenues. In an effort to improve profitability, open lab pricing will be increased on July 1, 2017 from \$10 per session to \$15 per session, generating approximately \$30,000 in additional revenue. Finally, if City Council approves the CIP project for the new ceramics studio space, the revenues will increase significantly, more than doubling from \$120,000 to approximately \$250,000, with estimated net profit of approximately \$90,000.

The Concerts in the Park program also operates at a deficit. The series of ten concerts, including Salute to the Troops, costs \$75,000 to produce including band fees, staging, staffing, sound reinforcement and marketing. These costs are mostly offset by donations (\$7,000) and through corporate sponsorships. Sponsorship support is at an all-time high of \$60,000, resulting in an estimated deficit of \$8,000.

Regarding the City's field use fees, City Council directed staff to evaluate the current

structure for user groups and compare it to other cities in the region. The field rates for Manhattan Beach were generally in-line with other cities; however, there are opportunities for additional revenue (Attachment #6 - Athletic Field Fee Comparison). Hourly rates for non-resident and for-profit groups are below market value and may be increased.

Currently, the fee structure for resident, non-profit recreational based groups is \$15 per person. These community-based groups (AYSO, MB Little League, Pony Baseball) provide \$104,790 in revenue annually. If the fees were raised to \$20 per person, the revenue would increase to \$139,720 annually, or to \$174,650 for an increase to \$25 per person.

Staff would like City Council direction to further discuss the rates of resident-based, non-profit recreational and club groups. In addition to the \$15 per person fee, groups have been interested in contributing significant capital donations towards future synthetic turf projects, and some groups have provided additional resources to the City for field improvements. If additional work is needed (infield sod, re-leveling, etc.), staff could explore rate increases in the following areas: 1) per person, 2) hourly field rates, and 3) capital for funding future projects. Based upon City Council direction, staff can focus on one revenue area or take a hybrid approach.

Community Development Staffing

The Community Development Department's permit processing center serves as a "One-Stop Shop" for permit issuance for all construction activity citywide, as well as permits for the Public Works Department and Fire Department. The permit processing center services over 80 customers a day, issues 8,000 permits per year, and is on track to generate just over \$5 million in revenues this fiscal year. Staff has been collaborating with Information Services on the procurement of a new electronic permitting software solution to streamline permit intake and issuance at the public counter as well as options for online permits and electronic plan check submittals, all which will greatly enhance the overall customer service experience for our building community.

With building activity at an all-time high, counter activity is constant throughout the day, resulting in extended wait times for assistance from counter staff. In an effort to provide efficiencies for our customers, counter staff and intradepartmental activities related to the permitting process, the Community Development Department is proposing a full-time Building Supervisor position and the consolidation of three part-time Administrative Clerks to two-full time Administrative Clerk positions.

The proposed Building Supervisor position will manage and coordinate the daily operations of the Department's One-Stop Shop counter. This includes supervising staff and activities pertaining to the receipt, processing and issuance of permits and applications, building and planning records management, evaluating and updating permit fees and revenues, monitoring customer service delivery and follow-up, and acting as a liaison to provide full-service technical and administrative support facilitating the integration and coordination of permitting activities among various City divisions and departments, thus, providing a seamless process for the construction community. This position will also be key in the implementation and integration of a new electronic permitting software solution. This results in efficiencies for external and internal customers and provides a strong customer service focus which translates into service delivery consistent with the priorities and expectations of

the City Council. Because this would be a new position added to the budget, the Building Supervisor position would result in a fiscal impact of approximately \$106,400.

FY 2018 budget includes three part-time Administrative Clerk positions totaling 4,108 hours of administrative support for the Administration and Building Divisions. Two full-time employees would work 4,160 hours annually. Due to the volume of work generated at the public counter, the hours allotted for the three positions are currently filled by two Administrative Clerks working 39-40 hours per week, with part-time employment status, with the City paying partial benefits. Consolidating three part-time Administrative Clerk positions to two full-time positions would allow the Department to maximize staff knowledge and experience and increase the value of their training, responsibilities and maintains stability with staffing resources, thereby enhancing the department's services and customer deliverables which translates to excellent City services. Based on the current salary and benefits budgeted for these three positions, this consolidation would result in approximately \$32,600 in additional funding.

The staffing realignment would result in an additional impact of \$139,000 to the General Fund. However, partial cost recovery can be achieved through the elimination of a budgeted part-time contract Plan Check Engineer. This position is currently vacant and eliminating it would result in savings of \$98,800, thus, requiring a total of \$40,200 in additional funding for the realignment. Additionally, the next iteration of the user fee study will incorporate the proposed staffing efficiencies for cost recovery.

Next Steps

With the information provided, staff recommends that the City Council discuss the FY 2017-2018 Biennial Operating Budget, and provide direction so that the spending plan may be finalized for adoption at the June 20, 2017 City Council meeting. As it stands now, the approved FY 17-18 budget will be amended as stated in Attachment #4 which was provided to the Council at the May 3rd Budget Study Session. Any further changes directed by the City Council will be added to the list of changes presented on June 20th for adoption.

PUBLIC OUTREACH/INTEREST:

Budget Study Sessions were advertised through the City's eNews and social media communications.

ENVIRONMENTAL REVIEW

None required.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachment/Attachments:

1. Budget Expenditure Reduction Options
2. Revenue Enhancement Options
3. City Council Work Plan Priorities - Fiscal Implications
4. FY 2017-2018 Proposed Changes to Approved Budget
5. Parks and Recreation Profit/Loss Estimates for FY 2017-2018
6. Athletic Field Fee Comparison
7. May 30th Budget Study Session Power Point Presentation

Expenditure Reductions Summary

Budget Study Session #2

May 30, 2017

Tier 1 = Moderate impact to community/organization (Also includes internal efficiencies and savings)

Tier 2 = Moderate to significant impact to City operations and community service levels

Tier 3 = Significant and sustained impacts (over time will deteriorate services, programs or facilities)

EXPENDITURES*

General Fund	Amount	Tier 1	Tier 2	Tier 3
Communications/Advertising	\$67,500	\$10,500	\$57,000	-
Community Engagement/Events	66,670	15,000	31,670	20,000
Computer Contract Services	11,000	-	11,000	-
Contract Services	155,947	38,648	105,299	12,000
Internal Efficiencies/Savings	79,945	79,945	-	-
Public Safety	439,342	90,850	50,800	297,692
Programs -				
Arts	15,500	-	9,500	6,000
Aquatics	4,000	4,000	-	-
Seniors	37,000	-	-	37,000
Youth	2,000	2,000	-	-
Employee Development	53,740	17,780	15,960	20,000
Public Safety (Community Police Academy)	12,500	-	-	12,500
Economic Development	34,800	2,800	32,000	-
Historic Preservation	261,250	75,000	186,250	-
Subtotal Programs	\$420,790	\$101,580	\$243,710	\$75,500
SUBTOTAL GENERAL FUND	\$1,241,194	\$336,523	\$499,479	\$405,192
<i>Cumulative Subtotal</i>			\$836,002	\$1,241,194
Reductions with staffing impact:				
Environmental Programs				
Manager, Events, and ancillary costs	\$211,653	-	\$6,840	\$204,813
Total Programs	\$632,443	\$101,580	\$250,550	\$280,313
TOTAL GENERAL FUND	\$1,452,847	\$336,523	\$506,319	\$610,005
<i>Cumulative Total</i>			\$842,842	\$1,452,847
Other Funds	Amount	Tier 1	Tier 2	Tier 3
Contract Services	110,000	20,000	90,000	-
TOTAL OTHER FUNDS	\$110,000	\$20,000	\$90,000	\$0
ALL FUNDS	\$1,562,847	\$356,523	\$596,319	\$610,005
<i>Cumulative Total</i>			\$952,842	\$1,562,847

*In the event appropriated funds are not spent in any given fiscal year, those funds revert to fund balance and are available for future uses.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
GENERAL FUND						
Communications/Advertising						
1 Parks and Recreation	Manhappenings	45,000		45,000		The Community wide survey by FM3 showed that Manhappenings was one of the first places MB residents look for information. (Same as Easy Reader.) Reduction in Manhappenings may impact overall department registration. To minimize the impact on registration of Parks & Rec programs, the brochure will be available online and for pick up in City Hall, community center and local businesses. A special brochure will be mailed to residents notifying them the brochure is available online and the dates for registration.
2 Parks and Recreation	Advertising for social media/marketing	12,000		12,000		This reduction will eliminate the contract with the Beach Reporter for social media advertisements, which have helped us build our social media following to over 8,000. The social media connections have been instrumental in driving registrations and special event attendance, and is an effective way to communicate with MB residents.
3 Finance	Advertising for Community Meetings	9,300	9,300			Includes Budget Letter previously mailed to households for which little response was received, as well as a banner announcing the budget community meeting. Staff will utilize social media, print media, City website and community announcements during Council meetings to advertise the meetings.
4 Public Works	Advertising for CIP bids	1,200	1,200			This expense will be transferred to the CIP project budgets as part of the total cost to implement the project. No impact on services.
Communications/Advertising		\$67,500	\$10,500	\$57,000	-	

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Community Engagement/Events						
5 Public Works	Overtime for Community Events	21,170		21,170		PW provides staff time for community events, such as the Grand Prix Bike Race, Hometown Fair, Robinson Fun Run, MB Little League Parade, Grandview Gator Run, Tour de Pier. Overtime costs could be transferred to the event organizers to cover. Otherwise, City staffing would not be available for these events if the overtime budget is reduced.
6 Management Services	Community Survey	20,000			20,000	The City conducted its first Community Survey in 2015 and used the information gathered to inform decisions regarding the budget and strategic planning. It is also a helpful tool for the City Council when prioritizing initiatives or projects. This survey offers a statistically accurate overview of how residents of Manhattan Beach feel about issues facing their community. This survey provides a benchmark for service improvements that affect the entire City. It gathered data regarding the construction of a skate park, as well as identified street light repair as a major infrastructure priority, which helped inform the decision of the City to purchase its lights from Southern California Edison. Eliminating this from the budget would hinder the City's ability to collect such information.
7 Finance	Community Budget Meeting/Survey	15,000	15,000			These meetings were previously facilitated by an outside firm. Staff will conduct these meetings going forward.

City Council Meeting
 May 30, 2017

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Management Services	Grades of Green Sponsorship	5,500		5,500		The City has sponsored the annual Grades of Green Fundraising Gala, Verte, since 2014. In 2017, the City was one of 11 sponsors of the fundraiser. This organization began in Manhattan Beach and has grown into an organization that has impacted hundreds of thousands of students across the world. Supporting this cause and attending this event allows the City Council and sometimes City staff to show support for an organization that is doing great things in our community.
9 Management Services	Growing Great Sponsorship	5,000		5,000		This program began in Manhattan Beach in 1999 and has expanded regionally, as well as into other states. It supplements our school system's nutritional education without putting a strain on often already overextended resources. It supplements our school system's nutritional education without putting a strain on often already overextended resources. Supporting this cause is a way for the City Council to promote a community of health at any age.
Community Engagement/Events		66,670	15,000	31,670	20,000	
Computer Contract Services						
10 Finance	GovInvest Actuarial Software	6,000		6,000		The goal was to be able to utilize this software to run in-house estimates of pension costs under "what-if" scenarios. Given the complexities and the need for more exact projections, staff prefers to retain the services of a professional actuary on an as-needed basis.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Finance	OpenGov Budget Transparency Tool	5,000		5,000		While the tool allows for staff and the public to parse budget and actual data in various ways, It has not been widely used. This cost is an annual subscription for the cloud-based service. The application can be viewed on the City's website under Budget and Accounting, Budget Transparency Platform (OpenGov). Eliminating this tool will reduce public access to an understanding of City finances.
Computer Contract Services		\$11,000	-	\$11,000	-	
Contract Services						
12 Parks and Recreation	Monthly Contract cleaning at recreation facilities	44,000		32,000	12,000	Will result in a decline in Community Centers' cleanliness on a daily basis. Will result in additional responsibilities for staff and contract day porter.
13 Management Services	Legal Services not covered by retainer	15,000		15,000		This cut will decrease the capacity of the City's legal services for "major projects" and prosecution.
14 Finance	Commercial Enterprise Audits	20,000	20,000			The major audits have been completed or are financially provided for with current funds. The next round of audits will be performed in 3-4 years therefore funds may be reduced until that time.
15 Public Works	Traffic Control Markings Contract	20,000		20,000		Reduce contract by 25%. This will impact PW availability for special roadway striping requests and striping/painting "refresh" frequency will be less. This will eventually impact the operation of and upkeep of the facilities as they fade.
16 Public Works	Reduce extras in Janitorial Contract	17,200		17,200		Reduce carpet cleaning frequency to annually, furniture cleaning, window washing from quarterly to biannually. The cleanliness and care of City facilities will be impacted.
17 Public Works	Reduce Engineering Contract Services	11,750	11,750			If Public Works receives 4 additional engineers, work that is currently contracted out will be absorbed and performed in house.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Public Works	Powerwashing the Strand	11,725		11,725		Reduce frequency by half, from bi-weekly to monthly, with spot cleaning every two weeks instead of weekly. This will impact the look and cleanliness of the Strand. We have received complaints from residents on the current cleanliness on the Strand.
19 Finance	Water Service	9,374		9,374		Filtered water is available from water dispensers in most City facilities.
20 Finance	Plant service	3,427	3,427			This weekly service maintains the health and appearance of office plants. Maintenance (watering, trimming, etc.) would be performed by City staff.
21 Public Works	Reduce weekly floor mat service	1,720	1,720			Reduce by half at City Hall, PW, PD, Fire. The look and care of City facilities will be impacted.
22 Information Technology	Broadband mobile connection	867	867			Wide Area Expansion completion will reduce the need for staff use of broadband mobile devices while in the field.
23 Public Works	Eliminate hotspot access	504	504			There is no impact to operations. Staff can use cell phones and Wi-Fi in lieu of iPad or computer access when needed.
24 Public Works	Remove fence at 2613 Crest	380	380			History of fence is unclear; no impact to operations to remove it.
Contract Services		\$155,947	\$38,648	\$105,299	\$12,000	
Internal Efficiencies/Savings						
25 Information Technology	Changed Internet Access Provider	22,801	22,801			Changing Internet Service Provider via RFP process reduces annual service cost and increased bandwidth. This cost was scheduled to be eliminated in next biennial budget cycle.
26 Information Technology	TW Fiber Maintenance Services for select City locations (increase to support redundant network)	18,400	18,400			The increase in internet bandwidth and adding internet connectivity at the city yard, city hall, and fire station 2 will also be used for failover/redundancy if the fiber to these facilities is cut. This cost was scheduled to be eliminated in next biennial budget cycle.

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Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Public Works	Eliminate Storage for Ceramics	8,600	8,600			No further need and no impact on the department. This cost was scheduled to be eliminated in next biennial budget cycle.
28 Finance	OPEB Actuarial Study	7,000	7,000			Staff has identified a less expensive actuary to use for this requirement, thereby reducing the budgeted funds by \$7,000 to \$5,000.
29 Information Technology	Overtime to oversee broadcast contractors	3,512	3,512			IT recently selected broadcast vendor to provide broadcast services for council and commission meeting. Hence, reducing overtime required by city staff to broadcast the meetings.
30 Fire	Department Supplies	8,000	8,000			Trimming a portion of supplies budget for unanticipated equipment and supplies.
31 Management Services	Overtime	6,612	6,612			Management Services staff regularly work extra hours to ensure that City Council meetings are properly noticed and packets are prepared. When these offices were understaffed, it fell on other staff members to fulfill the duties of vacant positions. Now that both offices are fully staffed, these allocations can be cut back. They should not be eliminated because it allows more flexibility when preparing for unforeseen meetings and preparing extra documents.
32 Finance	Block & Associates Actuaries	1,200	1,200			Biennial actuarial services are performed on dormant City pension plans to ensure adequate funding. This reduction reflects the recent cost trends for those studies
33 Parks and Recreation	Holiday Decorations	1,000	1,000			No new holiday decorations will be purchased.
34 Fire	Uniforms/Safety Equipment	1,000	1,000			Funds budgeted annually for replacement of personal protective equipment. All personal protective equipment is currently up to date.
35 Information Technology	Wireless Access Point	920	920			By reducing the quantity of scheduled access point refresh deployments to city facilities, annual maintenance costs will be further reduced.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Information Technology	Overtime	500	500			Overtime due to broadcast assistance (GIS Tech average 3 hrs/month).
37 Finance	Overtime	400	400			Reduction for minimal overtime based on trends.
Internal Efficiencies/Savings		\$79,945	\$79,945	-	-	
Programs - Aquatics						
38 Parks and Recreation	Aquatics departmental supplies	4,000	4,000			General reduction in supplies budget. Reduces ability to fund unforeseen purchases needed to operate the pool.
Programs - Aquatics		\$4,000	\$4,000	-	-	
Programs - Arts						
39 Parks and Recreation	Reduction in MB Arts Center P/T Hours	6,000			6,000	Further reduction in staffing hours at the Arts Center in all areas that do not directly affect our educational programs. As revenue generating programs increase, staffing hours may be reinstated.
40 Parks and Recreation	Metlox Arts Programs (Jazz Series)	5,000		5,000		The Jazz series is a collaboration with Metlox. Reduction may impact the number of Sunday Summer Jazz concerts.
41 Parks and Recreation	Expansion of art exhibition programs at the Mall and Downtown	4,500		4,500		Eliminating this would not affect programming since this line item is for newly proposed programs. Public Arts Trust Fund could possibly fund this in the future.
Programs - Arts		\$15,500	-	\$9,500	\$6,000	
Programs - Economic Development						
42 Management Services	Economic Development Partnerships	26,000		26,000		Previously, this money was the City's sponsorship to the Manhattan Beach Chamber of Commerce. However, in FY16-17, the City opted to review their sponsorship and explore other ways this fund could be used in creating economic partnerships. Cutting this fund decreases the capacity of Management Services to access new tools and resources that could improve the economic position of the City.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Management Services	Gold Level MB Chamber Sponsorship	6,000		6,000		The Chamber provides a great service to our business community, connecting them to networking opportunities and valuable resources. Many City employees have benefitted over the years from having access to workshops, trainings or forums that help them increase their skill set and engage with others in the business community.
44 Management Services	LAEDC Membership	2,500	2,500			The LA Economic Development Corporation offers the opportunity to foster economic growth throughout all of LA County, helping to develop and implement initiatives that support its members and the regional economy. It also allows the chance for MB to grow and engage within the broader economic environment.
45 Finance	Local business longevity awards program	300	300			Annual awards program to be absorbed by Economic Vitality program budget. This pays for plaques and certificates.
Programs - Economic Development		\$34,800	\$2,800	\$32,000	-	

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Programs - Employee Development						
46 Human Resources	Employee Survey planned for 17/18	20,000			20,000	In 2015, Council directed an employee survey, out of which several initiatives around training and employee engagement evolved. The employee focus groups and all the work they have undertaken, and the city-wide performance mgmt. and customer service training were also initiatives resulting from the employee survey. The intent was to refresh the survey every two years to determine whether we are accomplishing goals, improving employee engagement, and developing the workforce required to serve this community. To eliminate the survey will impact employee morale and limit our opportunities to review progress to date and where we need to focus our resources going forward.
47 Human Resources	Flu Shots	2,940		2,940		This cut represents the elimination of a service provided to employees as a convenience and to facilitate prevention of the flu in the workplace during the flu season. Employees will still be able to receive flu shots through their health benefits, but the intent is that the convenience of having them provided at work means less lost time for doctor appointments and the assurance of greater participation. Reduction in the spread of the flu in the long term is not only for the protection of our employees, but reduces lost work hours and protects the public.
48 Human Resources	City-Wide Training Courses	5,000		5,000		This cut represents a 12.5% reduction to the City-wide training budget, which will mean a corresponding reduction in trainings such as performance management, customer service, supervisory skills and/or business analysis.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Finance	Training, Conferences & Meetings	7,800	7,800			Reduction of conferences and meetings across all divisions. This will impact department staff by limiting the opportunity to learn about new technologies, processes and materials which have the opportunity to save money and time or reduce risks to the City.
50 Information Technology	Training, Conferences & Meetings	6,900	1,380	5,520		The IT Manager and IT Director attend annual industry related conferences which would be eliminated. This will impact the department by limiting the opportunity to learn about new technologies, processes and materials which have the opportunity to save money and time or reduce risks to the City.
51 Management Services	Training, Conferences & Meetings	3,000	3,000			Management Services attends trainings, conferences and meetings in order to stay on top of relevant legal changes, new technologies and other trends in surrounding municipalities. Decreasing this budget will diminish the department's ability to provide the most up-to-date services to the City and the City Council, as well as staying legally compliant with county, state and federal regulations.
52 Public Works	Training, Conferences & Meetings	2,500		2,500		This will impact department staff by limiting the opportunity learn about new technologies, processes and materials which have the opportunity to save money and time or reduce risks to the City. However, required and mandatory training will continue.
53 Parks and Recreation	Training, Conferences & Meetings	5,000	5,000			Aquatics training in-house with the incorporation of a Full Time Recreation Coordinator.
54 Finance	Quarterly staff meeting supplies/food	600	600			Elimination of refreshments for quarterly department-wide staff meetings held during the lunch hour.
Programs - Employee Development		\$53,740	\$17,780	\$15,960	\$20,000	

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Programs - Historic Preservation						
55 Community Development	Historic Preservation Program as currently budgeted includes annual Consultant fee, context statement and inventory performed every five years, as well as costs for new Commission (Recording Secretary, Memberships, Advertising, Printing, Conference for Commissioners, etc.)	261,250	75,000	186,250		Reassessment of HP program directed by Council. Eliminates costs for a new commission and conducting a historic resources survey. Remaining program requirements can be conducted by existing staff.
Programs - Historic Preservation		\$261,250	\$75,000	\$186,250	-	
Programs - Public Safety (Community Police Academy)						
56 Police	Community Police Academy	12,500			12,500	The Community Police Academy provides members of the community an in-depth look at Police Department operations, promoting transparency. The Community Police Academy also builds morale within the Police Department. It is also a good source for recruiting Police volunteers; many graduates go on to become active Police volunteers and become involved in the Neighborhood Watch program.
Programs - Community Police Academy		\$12,500	-	-	\$12,500	
Programs - Seniors						
57 Parks and Recreation	BCHD Care Management for seniors	37,000			37,000	If funds are cut, Manhattan Beach would no longer have a dedicated care manager for senior and disabled residents. We currently rely on the presence of a dedicated care manager on a weekly basis at Joslyn Center to discuss concerns with and to refer seniors to as a designated point of contact. Additionally weekly office hours at the Police and Fire Departments may not continue.
Programs - Seniors		\$37,000	-	-	\$37,000	

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Programs - Youth						
58 Management Services	Mayors Youth Council	2,000	2,000			The City requires any volunteers for MYC to be fingerprinted. Historically, this charge has come from the HR budget, but because it is a City Council program, it will be charged to the City Council. Future charges for fingerprinting will be less than in prior years because volunteers will not have to be scanned every year. MYC has trust account with \$14,260.77 at beginning of FY16-17 and \$3500 was used for expenditures during the year. The City contributes in-kind donations, such as staff time and use of City resources, like rooms or nametags. The fingerprinting services are also considered in-kind services. Eliminating this allocation will not impact the MYC or the services they receive from the City.
Programs - Youth		\$2,000	\$2,000	-	-	
Public Safety						
59 Fire	Overtime Training/Special Detail	142,400	50,800	50,800	40,800	Scalable reduction - Tier 1: \$50,800; Tier 2: \$101,600; Tier 3: \$142,400. These funds pay overtime and backfilling vacancy caused by meetings and conferences. There are many times development or training opportunities allow the fire department to participate in local, regional, and state discussions to influence policy and legislation.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Fire	Overtime Sworn Employees	27,000	27,000			Reductions are related to decreases in training in non-Operational Divisions budgets. This reduction is in contractual overtime obligation that no longer exists in the current contract. This will affect overtime and backfill for training related to managing hazardous materials incidents and fire investigations. Individuals holding certifications for these specialties are not required to attend additional training. The Department funded this training to allow individuals to maintain their skill level and stay current with industry practices.
61 Fire	Training, Conferences & Meetings	5,050	5,050			Same as above. Instead of Public Education training for two people, training would be limited to one.
62 Fire	Overtime for MOU Training	8,000	8,000			General reduction based on past spending trends.
63 Police	High Visibility Patrol Details	122,500			122,500	This line item provides funding for overtime for foot patrol details and bicycle patrol details. Total budget for high visibility patrol details is \$150,000. Cuts to this line item are scalable. Deployment of personnel on high visibility patrols is dependent upon volume of calls for service; this line item was added so that dedicated resources would be available to put officers out on high visibility patrols on an overtime basis, therefore not impacting normal patrol operations. Impact of reducing this line item is that there will be fewer patrols conducted on foot or bicycle, which will result in reduced community outreach and engagement opportunities.

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Police	Crossing Guard (eliminate 11 of the 23 locations with the lowest traffic)	134,392			134,392	FY 2017/18 Budget includes funding for 23 Crossing Guard locations (includes 2 new); approx. \$12,000 per location per year. Cuts to this program are scalable. Locations to be eliminated would be determined by traffic flow and average number of students crossing at the respective locations, with the objective of maintaining Crossing Guards at the busiest intersections with the most children being crossed. Impact would be that, at certain intersections, students would no longer have the assistance of a crossing guard to cross the street.
Public Safety		\$439,342	\$90,850	\$50,800	\$297,692	
	Subtotal	\$1,241,194	\$336,523	\$499,479	\$405,192	

Department	Description	Amount	Anticipated Impact*			Comments/Impacts
			Tier 1	Tier 2	Tier 3	
Reductions with staffing impact:						
Environmental Programs Manager, Events, and ancillary costs						
65 Public Works	Eliminate Environmental Programs Manager	152,613			152,613	Elimination of the position and associated program dollars will have a significant impact on the City's environmental programs as there are no staff resources available to absorb the breadth of policies and initiatives that this person carries out. It would effectively eliminate sustainability and community environmental programs and opportunities.
66 Public Works	Eliminate Supplies for Environmental Programs	52,200			52,200	Supplies, consultants and memberships associated with Environmental Programs Manager.
67 Parks and Recreation	Earth Day supplies and rentals	5,000		5,000		May be cut if the environmental programs manager position is eliminated.
68 Public Works	Overtime for Earthday	1,840		1,840		Earth Day was not formerly a city program. However, overtime is necessary if we are going to take ownership of or sponsor the event in any way, unless funds can be passed on to a future organizer.
Programs - Environmental		\$211,653	-	\$6,840	\$204,813	
General Fund Expenditures Total		\$1,452,847	\$336,523	\$506,319	\$610,005	

Department	Description	Amount	Anticipated Impact*			Comments/Impacts	
			Tier 1	Tier 2	Tier 3		
OTHER FUNDS							
1	Parks and Recreation (Prop A Fund)	Ocean Express	20,000	20,000			Reduces Prop A Expenditures and required transfer from Measure R, thereby freeing up Measure R funds for capital improvements.
2	Public Works (Street Lighting & Landscape Fund)	Reduce Streetscape Maintenance Services	30,000		30,000		Reduce expenses by 25%, including landscape maintenance, power washing and shrubbery replacement. Reduction in Street lighting Fund will reduce General Fund subsidy, not General Fund expenditures.
3	Public Works (Stormwater Fund)	Reduce frequency of streetsweeping	60,000		60,000		Reduction of street sweeping in non-essential areas to biweekly or monthly (16% reduction in contract). Reduction in Stormwater Fund will reduce General Fund subsidy, not General Fund expenditures.
		Other Funds	\$110,000	\$20,000	\$90,000	-	
All Funds Total			\$1,562,847	\$356,523	\$596,319	\$610,005	
<p>Tier 1 = Moderate impact to community/organization (Also includes internal efficiencies and savings) Tier 2 = Moderate to significant impact to City operations and community service levels Tier 3 = Significant and sustained impacts (over time will deteriorate services, programs or facilities)</p>							

Budget Study Session #2
May 30, 2017

REVENUES

General Fund by Category	Amount
Taxes & Assessments	\$4,020,000
Charges for Services	185,600
Fees and Permits	193,170
Fines	130,000
Total General Fund	\$4,528,770

Other Funds	Amount
Stormwater	\$2,055,000
Parking	1,568,000
Street Lighting & Landscape	275,000
CIP Fund	150,000
Public Arts Trust	100,000
Total Other Funds	\$4,148,000

ALL FUNDS	\$8,676,770
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City Council Meeting
May 30, 2017

Department	Description	Amount	Fund	Comments/Impacts	
GENERAL FUND					
Charges for Services					
1	Parks and Recreation	Instructor contract terms 65/35	100,000	General	Split with contract instructors would change from 70% contractor / 30% City to 65% Instructor / 35% City. Some instructors may increase their fees if approved.
2	Parks and Recreation	Alcohol Sponsorships	50,000	General	Sponsorship opportunities through special events (i.e. Concerts in the Park, MBO Tennis Tournament) are estimated to generate an additional \$50,000 in sponsorship revenue.
3	Management Services	Provide Passport Services	25,000	General	This is an estimate based on the fee of \$25/passport and the projection of reviewing about 1000 passport applications per year.
4	Management Services	City Store	10,000	General	This is a very conservative, general estimate.
5	Management Services	Provide Notary Services	600	General	This is an estimate based on the fee of \$10/notary and the usage reported from other municipalities that offer these services (about 60 per year)
		Charges for Services	\$185,600		
Fees and Permits					
6	Police and Public Works	Special Events OT - charge for fee waived events	106,170	General	Police Department (\$85,000) and Public Works (\$21,170) costs currently waived for special events - Grand Prix, Hometown Fair, MB 10K, Holiday Fireworks, Little League Parade, and Robinson/Grandview/American Martyrs 5Ks. Fee Waivers Citywide total \$193,435.
7	Community Development	Congestion Management Parking Program (CMPP) Fee	25,000	General	The CMPP is a new program that began in 2016. Currently, no fees are being collected for the Traffic Engineer's review and processing of these applications. In FY 2016, the Traffic Engineer processed approximately 84 applications (\$588 review fee per fee schedule). If fees are collected for the review of the CMPP, this could potentially generate approximately \$50,000 in additional revenues.

Department	Description	Amount	Fund	Comments/Impacts
Police	CSC costs for waived special events	25,000	General	Police Department Contract Services costs waived for this special event.
Police	Special Event OT - Six Man Tournament	24,000	General	Estimate of Police Department Overtime costs waived for the event.
10 Police	Block Party Permits (subsidizing each permit approx \$200 @65 permits)	13,000	General	Estimate of block party permits subsidized by the City.
Fees and Permits		\$193,170		
Fines				
11 Finance	Increase Parking Citations from \$53 to \$55	130,000	General	Since the City issues roughly 65,000 citations each year, each dollar increase per citation would create approximately \$65,000 in revenue. An increase to \$55 would be in line with comparable municipalities.
Fines		\$130,000		
Taxes & Assessments				
12 Finance	Sales Tax Increase	1,970,000	General	Based upon implementing a quarter-cent sales transaction tax on all retail sales made in Manhattan Beach, using calendar year 2016 as the benchmark (\$788 million).
13 Finance	Create a new Utility User Tax	1,000,000	General	Each 1% would generate roughly \$1 million in new revenue, which could be strategically allocated to various programs and improvements.
14 Finance	Increase TOT from 10% to 12%	900,000	General	Current budget (FY 16-17) for TOT is \$4.5 million in the General Fund and \$731,500 in the CIP Fund (revenue is split 85%/15%). A 2% increase would generate approximately \$900,000 in new General Fund revenue and \$150,000 in the CIP Fund.
15 Finance	Reinstate short term rentals	150,000	General	Before this revenue stream was eliminated, the City received \$150,000 from about 50 registered homes. If short term rentals are re-instated, there is potential for higher revenues from previously unregistered homes.
Taxes and Assessments		\$4,020,000		
GENERAL FUND REVENUES TOTAL		\$4,528,770		

City Council Meetings
May 30, 2017

Department	Description	Amount	Fund	Comments/Impacts
OTHER FUNDS				
Finance	Stormwater Assessments	2,055,000	Stormwater	Requires Prop 218 Vote. Would reduce or eliminate General Fund subsidy.
17 Finance	Increase City Parking Lots and Street meters by \$0.25/hr	695,000	Parking	Each \$0.25 increase will create an additional \$695,000 in Parking Fund revenue. Street meters would increase to \$1.50 per hour and lots would increase to \$1.00 per hour.
18 Finance	Peak Pricing at City Parking Lots and Street Meters	500,000	Parking	Additional \$0.50/hour at City Parking Lots and Street Meters during peak times. This would raise street meters from \$1.50 to \$2.00 per hour and City lots from \$1.00 to \$1.50 per hour. Based on historical data, peak parking demand is from June 1st to September 30th, 8:00AM to 6:59PM.
19 Finance	Street Lighting & Landscape Assessments	275,000	Street Lighting & Landscape	Requires Prop 218 Vote. Would eliminate General Fund subsidy.
20 Finance	Stop bagging meters during holidays	180,000	Parking	Each week City Lots and Street meters are bagged equates to roughly \$60,000 in lost revenue. (County and State Lots are not bagged.) In recent years, the meters have been bagged for 3 weeks.
21 Finance	Increase TOT from 10% to 12%	150,000	CIP Fund	Current budget (FY 16-17) for TOT is \$4.5 million in the General Fund and \$731,500 in the CIP Fund (revenue is split 85%/15%). A 2% increase would generate approximately \$900,000 in new General Fund revenue and \$150,000 in the CIP Fund.
22 Finance	Meter Upper Civic Center Parking	145,000	Parking	This lot includes 53 parking spaces. If meters were installed and operating during the hours of 8AM to 9PM and current parking rates applied, these meters would generate roughly \$145,000 (estimating occupancy at 75% of the time).
23 Parks and Recreation	Public Arts Trust Fund - Movies, StArt, Exhibitions, Concerts in the Park, family workshops, etc.	100,000	Public Arts Trust	Public Arts Trust fund balance of roughly \$600,000 could be utilized to offset General Fund programs such as art exhibitions, art education in the schools and concerts in the park.
24 Finance	Parking Permit Program	48,000	Parking	10% rate increase = \$48,000; 20% rate increase = \$96,000
OTHER FUNDS TOTAL		\$4,148,000		
ALL FUNDS TOTAL		\$8,676,770		

Work Plan Items - Preliminary Cost Estimates
 (Resource allocations will be discussed at later dates)

Department	Description	Amount	Fund	Comments/Impacts
1 Management Services	Start a City Hall Intern Program	\$21,050	General Fund	In the past, the City has engaged both paid and unpaid internships. However, some of the most successful partnerships have been a result of the paid positions. A paid internship could range from \$3,000 for a 10-week summer program (HS Student) up to \$21,050 for a year-long program (College student).
2 Management Services	Revisit Strategic Plan Framework and City mission statement	-		No fiscal impact; existing staff resources would be reallocated to this initiative.
3 Management Services	Engage EDAC in discussion about the Sepulveda Corridor	-		No fiscal impact; existing staff resources would be reallocated to this initiative.
4 Management Services	Establish goals for EDAC and expand membership (i.e. women)	-		No fiscal impact; existing staff resources would be reallocated to this initiative.
5 Management Services	Expand Downtowner service (consider public/private partnership)	TBD		Staff is currently researching opportunities to expand the Downtowner service that will be detailed in a report being released soon. The City Council will be presented with these options when sufficient information has been gathered and asked to indicate their preference.
6 Finance	Develop a Comprehensive Finance Master Plan and include Water and Wastewater Rates, General Fund subsidies to Stormwater and Street lighting funds, and increases in Transient Occupancy Taxes and Sales Tax.	-		No fiscal impact. Existing staff resources would be reallocated to this initiative.
6a Finance	Water and Wastewater Rate Study	\$60,000		Total estimated cost to Water and Wastewater Funds
6b Finance	Increase assessments for Stormwater and Street Lighting Funds (requires Prop 218 votes) to eliminate General Fund subsidies	\$100,000		Includes fee analysis, public outreach, polling and voting process. Costs may be recovered with new assessments and fees.

Work Plan Items - Preliminary Cost Estimates
 (Resource allocations will be discussed at later dates)

	Department	Description	Amount	Fund	Comments/Impacts
6c	Finance	Transient Occupancy Tax Increase	\$150,000		Estimated cost of required public outreach, polling, and voting process
6d	Finance	Sales Tax increase	\$150,000		Estimated cost of required public outreach, polling, and voting process
7	Finance	Set aside a dedicated stream for Capital Improvements	TBD		Options to be considered through the development of the Comprehensive Finance Master Plan.
8	Finance	Raise parking meter rates	-		Minimal costs associated with coastal commission approval, public hearings, reprogramming, etc.
9	Human Resources	Revisit Alternate Friday Closings of City Hall in implementation of 9/80 schedules and Labor Group MOUs	TBD		Fiscal impact to be determined depending on timing as this would require modifications to existing MOUs. Potential significant employee morale issues. Reduction in daily accessibility (fewer daily hours) in exchange for Monday through Friday accessibility.
10	Parks and Recreation	Commission public art (utility boxes like Hermosa)	TBD		If City Council directs staff to move forward, Public Arts Trust Fund dollars may be used to fund the project. (Balance of Trust Fund currently about \$600,000.)
11	Community Development	Short-term vacation rentals policy	-		No fiscal impact. Existing staff resources would be reallocated to this initiative.
12	Community Development	Plan Zero Pedestrian Improvement Plan	-		No fiscal impact. Existing staff resources would be reallocated to this initiative.
13	Community Development	Downtown streetscape – North End	-		No fiscal impact. Existing staff resources would be reallocated to this initiative.
14	Community Development	Evaluate and propose “modern” parking standards	-		No fiscal impact. Existing staff resources would be reallocated to this initiative.
15	Community Development	Commercial – residential interface toolbox of design solutions	-		No fiscal impact. Existing staff resources would be reallocated to this initiative.

Work Plan Items - Preliminary Cost Estimates
 (Resource allocations will be discussed at later dates)

	Department	Description	Amount	Fund	Comments/Impacts
16	Public Works	Solar landscape and street lighting	\$1,226,927	CIP Fund	<p>Street light purchase (\$813,738), Street Light Retrofit (\$381,189), and Annual maintenance fund for street light repairs/replacements (\$32,000) reviewed by City Council on Feb 21, 2017 and approved for further study.</p> <p>Solar Installations were reviewed by City Council on Feb 21, 2017 but not approved for further study. Staff is investigating solar street lights, but does not anticipate a budget request for FY 2017/18. Research can be accomplished within existing staff resources.</p>
17	Public Works	Consideration of facilities, review of Facilities Master Plan, including Pool, Fire Station #2, Joslyn Center and Scout House.	TBD		No funding needed to review the Big 3 document or to review the 2007 Facilities Strategic Plan. Any future funding needed would depend on the direction provided by Council, which could include polling and surveys, updating the FSP or developing a completely new plan.
18	Public Works	Intelligent Parking System	\$250,000	Parking Fund	Included in Five Year CIP on unfunded list. Project estimate includes converting parking structures and perhaps stalls to electronic notification of availability (like Santa Monica's structures).
19	Information Technology	Municipal Fiber (Fiber Master Plan)	\$150,000	CIP Fund	Project was funded in FY2016-17 as part of Capital Improvement Plan. See Capital Improvement Plan project detail for full description.
TOTAL			\$2,107,977		

FY 2017-18 Budget Amendment Requests

Adj. Type	Category	Description	Revenues	Expenditures	Comments
Policy Changes					
Revenue/Personnel	Operating Transfers In/Salaries & Ben	Four Senior Civil Engineers	674,950	674,950	Rev Reimb from other funds
Revenue	Transient Occupancy Tax	Transient Occupancy Tax	326,500	-	Transfer \$500,000 back from CIP
Other	Employee Benefits	Reduce Pension Fund Additional Payment	-	(250,000)	
Revenue/Personnel	Salary & Wages	Ambulance Operator Program	115,720	115,720	
Other	Contract & Professional Services	Add Crossing Guards at two locations	-	36,000	
		Subtotal	1,117,170	576,670	
Technical Changes					
Revenue	Property Tax	C.Yr Secured Property Tax	604,005	-	
Revenue	Sales & Use Tax	Sales & Use Tax	(500,000)	-	
Revenue	Building Permits	Building Permits	(297,200)	-	
Revenue	Real Estate Transfer Tax	Real Estate Transfer Tax	(260,000)	-	
Revenue	Miscellaneous	Workers' Compensation Salary Continuation	200,000	-	
Revenue	Charges for Services	Right of Way Permits	184,500	-	
Revenue	Interest Earnings	Interest Earnings	100,000	-	
Revenue	Charges for Services	Special Events *	94,600	-	
Revenue	Building Plan Check Fees	Building Plan Check Fees	69,600	-	
Revenue	Charges for Services	Arts/Education Classes *	(53,500)	-	
Revenue	Charges for Services	Planning Filing Fees	52,000	-	
Revenue	Property Tax	Supplemental Property Tax	50,000	-	
Revenue	Charges for Services	Facility & Parks Reservations *	50,000	-	
Revenue	Charges for Services	Building Record Report Fees	(41,500)	-	
Revenue	Licenses & Permits	Fire Code Permits - Annual	(40,000)	-	
Revenue	Licenses & Permits	Building Permits Surcharge	(39,900)	-	
Revenue	Licenses & Permits	Other Construction Permits	(36,800)	-	
Revenue	Charges for Services	Sports Leagues & Tournaments *	(16,000)	-	
Revenue	Charges for Services	Fire Inspection Fees	10,800	-	
Revenue	Charges for Services	Sports Classes *	10,000	-	
Revenue	Charges for Services	Special Activity Classes *	8,925	-	
Revenue	Charges for Services	Swimming Classes *	8,000	-	
Revenue	Charges for Services	Fire Plan Check	(6,000)	-	
Revenue	Licenses & Permits	Police Alarm Permits	5,500	-	
Revenue	Licenses & Permits	Studio Tenant Fees	5,000	-	
Revenue	Licenses & Permits	Fire Permits - One Time	4,500	-	
Revenue	Licenses & Permits	Outdoor Facilities Permits	(2,330)	-	
Revenue	Licenses & Permits	Fire Construction Inspections	(2,000)	-	
Revenue	Charges for Services	Traffic Engineer - Special Events	300	-	
Other	Employee Benefits	Medical Retirement Contributions	-	(238,512)	
One-time	Contract & Professional Services	SBRPCA and Replacement of Dispatch Software	-	238,648	Split 25% Fire/75% Police
One-time	Property & Equipment	Carryforward Finance/HR System (ERP) Enhancement	-	178,585	
Carryforward	Contract & Professional Services	Carryforward Historic Preservation Program	-	176,200	\$75k One-time; \$100k 3-5 yrs
Other	Bond Debt Service	Savings from Marine Bond Refunding	-	(122,431)	
One-time	Property & Equipment	Carryforward License Plate Reader & Camera Project	-	100,000	
Other	Property Leases & Rentals	Remove Lease Purchase Financing for ALPR Cameras	-	(85,238)	Purchased outright in FY16/17
One-time	Contract & Professional Services	Carryforward Permitting Software Solution	-	74,123	
One-time	Property & Equipment	Replacment Ceramics Kiln	-	45,000	
One-time	Contract & Professional Services	Legal Services for Labor Negotiations	-	30,000	
Other	Contract & Professional Services	Reimbursable Special Event Security	-	15,000	Approved 2/7 CC Meeting
Other	Contract & Professional Services	FPPC Filing Software Annual Cost	-	10,000	Approved 3/21 CC Meeting
One-time	Property & Equipment	Carryforward Work Order Management System	-	10,000	
Personnel	Salary & Wages	Convert Vacant MW I/II to MW III	-	7,843	
One-time	Materials & Services	Carryforward Ruggedized Laptop Purchase	-	3,100	
		Subtotal	162,500	442,318	
Total General Fund			1,279,670	1,018,988	
				260,682	Net Impact to Fund Balance

FY 2017-18 Budget Amendment Requests

Adj. Type	Category	Description	Revenues	Expenditures	Comments
Streets & Highways Fund					
Technical Changes					
Revenue	From Other Agencies	State Gas Tax 2103	56,971	-	
Revenue	From Other Agencies	State Gas Tax 2107	(45,146)	-	
Revenue	From Other Agencies	Highway Users Tax Loan Repayment	40,387	-	
Revenue	From Other Agencies	State Gas Tax 2105	(18,209)	-	
Revenue	From Other Agencies	State Gas Tax 2106	14,881	-	
Revenue	From Other Agencies	SB 821 TDA	(356)	-	
Capital	Capital Improvement Projects	Rosecrans Avenue Street Resurfacing	-	500,000	
Capital	Capital Improvement Projects	Realignment of Annual Slurry Seal Program	-	(385,000)	
Capital	Capital Improvement Projects	Realignment of Annual Curb and Gutter Program	-	(365,000)	
Personnel	Internal Service Charges	Allocate portion of one new Senior Civil Engineer	-	32,060	
Total Streets & Highways Fund			48,528	(217,940)	
				266,468	Net Impact to Fund Balance
Asset Forfeiture Fund					
Technical Changes					
Revenue	From Other Agencies	Fed Forfeitures - D.O.J Regional	(50,000)	-	
Total Asset Forfeiture Fund			(50,000)	-	
				(50,000)	Net Impact to Fund Balance
Prop A Fund					
Technical Changes					
Revenue	Other Taxes & Assessments	Transit Sales Tax	(421)	-	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(3,216)	
Total Prop A Fund			(421)	(3,216)	
				2,795	Net Impact to Fund Balance
Prop C Fund					
Technical Changes					
Revenue	Other Taxes & Assessments	Transit Sales Tax	(349)	-	
Capital	Capital Improvement Projects	Marine Resurfacing from Sepulveda to Aviation	-	(300,000)	
Capital	Capital Improvement Projects	Sepulveda Intersection Improvements	-	90,000	
Personnel	Internal Service Charges	Allocate portion of one new Senior Civil Engineer	-	69,183	
Total Prop C Fund			(349)	(140,817)	
				140,468	Net Impact to Fund Balance
Measure R Fund					
Technical Changes					
Revenue	Other Taxes & Assessments	Measure R Sales Tax	(224)	-	
Capital	Capital Improvement Projects	Protected LT Lanes on MBB at Peck Ave	-	75,000	
Personnel	Internal Service Charges	Allocate portion of one new Senior Civil Engineer	-	25,311	
Total Measure R Fund			(224)	100,311	
				(100,535)	Net Impact to Fund Balance
Measure M Fund					
Technical Changes					
Revenue	Other Taxes & Assessments	Measure M Sales Tax	415,899	-	
Capital	Capital Improvement Projects	ADA Transition Plan within Public Rights of Way	-	200,000	
Personnel	Internal Service Charges	Allocate portion of one new Senior Civil Engineer	-	42,185	
Total Measure M Fund			415,899	242,185	
				173,714	Net Impact to Fund Balance

FY 2017-18 Budget Amendment Requests

Adj. Type	Category	Description	Revenues	Expenditures	Comments
CIP Fund					
Technical Changes					
Revenue	Transient Occupancy Tax	Transient Occupancy Tax	(500,000)	-	Transferred back to General Fund
Revenue	From Other Agencies	CDBG Grant Funds	100,000	-	
Capital	Capital Improvement Projects	City Hall 1st & 2nd Floor Restroom Remodel	-	450,000	
Capital	Capital Improvement Projects	Village Field Replacement Turf	-	(450,000)	Moved to Unfunded List
Capital	Capital Improvement Projects	Marine Ave Park Baseball Field Synthetic Turf	-	346,570	
Capital	Capital Improvement Projects	Non-motorized Trans. - Rosecrans Ave Bike Lane	-	330,000	
Personnel	Internal Service Charges	One new Senior Civil Engineer	-	168,738	
Capital	Capital Improvement Projects	Engineering Division Space Planning	-	133,430	
Capital	Capital Improvement Projects	CDGB Access Ramp Construction	-	100,000	
Capital	Capital Improvement Projects	Non-motorized Trans. - Crosswalks, Bike lanes, etc.	-	80,000	
Total CIP Fund			(400,000)	1,158,738	
				(1,558,738)	Net Impact to Fund Balance
Water Fund					
Technical Changes					
Revenue	Charges for Services	Utility Connection Fees	(40,800)	-	
Revenue	Charges for Services	Meter Installation	(15,700)	-	
Revenue	Miscellaneous	Bad Debt Writeoff	(7,000)	-	
Capital	Capital Improvement Projects	Peck Ground Level Reservoir Replacement	-	(7,500,000)	Deferred to FY 2018-19
Capital	Capital Improvement Projects	Annual Pipe Replacement & Fire Hydrant Installs	-	1,500,000	
Capital	Capital Improvement Projects	Pier Water Main Replacement	-	400,000	
Capital	Capital Improvement Projects	Block 35 Ground Level Reservoir Replacement	-	(300,000)	Deferred to FY 2018-19
Capital	Capital Improvement Projects	Redrill & Equip Well 15	-	(250,000)	Deferred to FY 2018-19
Capital	Capital Improvement Projects	Well Collection Line from Well 11A to Block 35	-	(200,000)	Deferred to FY 2018-19
Personnel	Internal Service Charges	One new Senior Civil Engineer	-	168,738	
One-time	Property & Equipment	Work Order Management System	-	45,000	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(10,140)	
Personnel	Salary & Wages	Convert Vacant MW I/II to MW III	-	7,843	
One-time	Materials & Services	Ruggedized Laptop Purchase	-	3,100	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(2,868)	
Total Water Fund			(63,500)	(6,138,327)	
				6,074,827	Net Impact to Fund Balance
Stormwater Fund					
Technical Changes					
Revenue	Charges for Services	Utility Service Charges	(2,055,000)	-	
Capital	Capital Improvement Projects	Stormwater Masterplan Update	-	250,000	
Total Stormwater Fund			(2,055,000)	250,000	
				(2,305,000)	Net Impact to Fund Balance
Wastewater Fund					
Technical Changes					
Revenue	Charges for Services	Utility Connection Fees	(27,800)	-	
Capital	Capital Improvement Projects	Realign Annual Gravity Sewer Main Rehab Projects	-	(3,550,000)	
Capital	Capital Improvement Projects	Pier Pump Station Force Main Replacement	-	650,000	
Capital	Capital Improvement Projects	Pacific Lift Station Upgrade	-	(250,000)	Deferred to FY 2018-19
Personnel	Internal Service Charges	One new Senior Civil Engineer	-	168,738	
One-time	Property & Equipment	Carryforward Work Order Management System	-	45,000	
Personnel	Salary & Wages	Convert Vacant MW I/II to MW III	-	7,843	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(3,420)	
One-time	Materials & Services	Carryforward Ruggedized Laptop Purchase	-	3,100	
Total Wastewater Fund			(27,800)	(2,928,739)	
				2,900,939	Net Impact to Fund Balance

FY 2017-18 Budget Amendment Requests

Adj. Type	Category	Description	Revenues	Expenditures	Comments
Refuse Fund					
Technical Changes					
Revenue	Charges for Services	Residential Refuse Fee	(20,000)	-	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(1,332)	
Total Refuse Fund			(20,000)	(1,332)	
				(18,668)	Net Impact to Fund Balance
Parking Fund					
Technical Changes					
Capital	Capital Improvement Projects	Parking Structure Structural Rehab Analysis (Lots 3&4)	0	600,000	
Capital	Capital Improvement Projects	Downtown Parking Facility Capital Investment Plan	-	(100,000)	Moved to Unfunded List
Personnel	Employee Benefits	Medical Retirement Contributions	-	(1,464)	
Total Parking Fund			-	498,536	
				(498,536)	Net Impact to Fund Balance
County Parking Lots Fund					
Technical Changes					
Personnel	Employee Benefits	Medical Retirement Contributions	-	(204)	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(204)	
Total County Parking Lots Fund			-	(408)	
				408	Net Impact to Fund Balance
State Pier & Parking Fund					
Technical Changes					
Capital	Capital Improvement Projects	Pier Lot Safety Lighting	-	(175,000)	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(420)	
Total State Pier & Parking Fund			-	(175,420)	
				175,420	Net Impact to Fund Balance
Insurance Reserve Fund					
Technical Changes					
Other	Contract & Professional Services	Risk Mgmt Ancillary Costs previously paid through ICRMA	-	132,680	Company Nurse, State Assess., etc.
Other	Materials & Services	Liability Insurance Premiums	-	(1,070,495)	
Other	Materials & Services	Workers' Compensation Claims Paid	-	960,000	
Other	Materials & Services	Liability Claims Paid	-	(400,000)	
Other	Materials & Services	Property Insurance Premiums	-	(133,429)	
Other	Materials & Services	Workers' Compensation Insurance Premiums	-	(24,876)	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(1,608)	
Total Insurance Reserve Fund			-	(537,728)	
				537,728	Net Impact to Fund Balance
Information Technology Fund					
Technical Changes					
One-Time	Property & Equipment	Carryforward ISMP Project: AB1149 Data Encryption/Securit	-	50,000	
Personnel	Employee Benefits	Medical Retirement Contributions	-	(3,660)	
Total Information Technology Fund			-	46,340	
				(46,340)	Net Impact to Fund Balance

FY 2017-18 Budget Amendment Requests

Adj. Type	Category	Description	Revenues	Expenditures	Comments
Fleet Management Fund					
Policy Changes					
Personnel	Salary & Wages, Employee Benefits	Convert Long-Term Contract Employee to Full-time	-	33,438	Reinstatement of position elim. 2012
		Subtotal	-	33,438	
Technical Changes					
Personnel	Employee Benefits	Medical Retirement Contributions	-	(3,216)	
		Subtotal	-	(3,216)	
Total Fleet Management Fund			-	30,222	
				(30,222)	Net Impact to Fund Balance
Building Maintenance & Operations Fund					
Technical Changes					
Personnel	Employee Benefits	Medical Retirement Contributions	-	(4,740)	
Total Building Maintenance & Operations Fund			-	(4,740)	
				4,740	Net Impact to Fund Balance
TOTAL			(\$873,197)	(\$6,803,347)	

Parks and Recreation FY 2017-2018 Projection for Self Sustaining Programs
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14-028 Facilities and Parks Reservations	Revenues	Expenditures	Net
Facility- Outdoor Picnic Rentals	30,000	20,000	10,000
Facility- Field Rentals	350,000	83,000	267,000
Facility- Facility Rentals	20,000	20,000	-
Facility- Customer Banner Hanging	10,000	15,000	(5,000)
Facility- Sand Dune	10,000	-	10,000
Facility- Mira Costa Reservations (inc. 40% FT Rec Sup)	85,000	121,500	(36,500)
Subtotal		259,500	
Facitliy-FT Sports Coordinator		37,500	
Facility- FT Facility Reservation Clerk		71,000	(71,000)
Total	505,000	368,000	137,000

14-025 Special Classes	Revenues	Expenditures	Net
Sp Class- Tennis Lessons	173,600	129,920	43,680
Sp Class - Tennis Camps	60,300	40,195	20,105
Sp Class- Table Tennis	1,000	700	300
Sp Class- Bridge	500	500	-
Sp Class- Dog Obedience	-	-	-
Sp Class- Science changed to Education	20,000	11,830	8,170
Sp Class- Marine LOP Summer Camp	135,000	102,461	32,539
Sp Class- Cooking	4,950	3,810	1,140
Sp Class-Extreme Sports	20,000	17,903	2,097
Sp Class - Marine LOP Winter/Spring	16,000	9,200	6,800
Subtotal	431,350	316,519	114,831
Sp Class- Admin Payroll		30,763	(30,763)
Total	431,350	347,282	84,068

14-026 Special Events	Revenues	Expenditures	Net
Sp Event- Teen Dodgeball	-	-	-
Sp Event- Earth Day	-	-	-
Sp Event- Tennis Tourney	6,900	7,600	(700)
Sp Event- Teen Sports	-	-	-
Sp Event - One Day Special Event	-	-	-
Sp Event- REC Birthday Parties		-	-
Sp Event - REC Special Activities/Trip	13,500	12,000	1,500
Sp Event- Teen Ctr Summer Camp	5,000	2,000	3,000
Sp Event - Teen Ctr School Year	3,125	2,000	1,125
Sp Event - Teen Ctr Special Activities	32,215	24,925	7,290
Sp Event - Family Camp Out	7,500	6,750	750
Sp Event- Afterschool REC	210,000	187,766	22,234
Sp Event- Promotional Clinics			
Subtotal	278,240	243,041	35,199
Sp Class- Admin Payroll		24,286	(24,286)
Total	278,240	267,327	10,913

14-027 Tennis Operations	Revenues	Expenditures	Net
Tennis - Live Oak Tennis	156,795	129,500	53,295
Tennis - Mira Costa Tennis	24,750	28,000	(6,000)
Tennis - Manhattan Heights			-
Total	181,545	157,500	47,295

14-034 Arts Education Classes	Revenues	Expenditures	Net
Art Educ- Dance Instruction	5,000	4,000	1,000
Art Educ- Theater Arts	8,000	5,000	3,000
Art Educ- Literary Arts			-
Art Educ- Music	35,000	28,000	7,000
Art Educ- Ceramics	120,000	78,000	42,000
Art Educ- Drawing & Painting	50,000	30,800	19,200
Art Educ- Camps	39,000	27,300	11,700
Art Educ- Photography Media Art	10,000	5,660	4,340
Art Educ- Art Exhibitions	3,000	3,000	-
Art Educ- Sculpture	8,000	5,660	2,340
Subtotal		187,420	90,580
Ceramics Supervisor		95,000	(95,000)
Art Educ- Admin Payroll		27,606	(27,606)
Art Center Part-Time Staffing		58,500	(58,500)
One-time Equipment Purchase: Ceramics Kiln		45,000	(45,000)
Total	278,000	413,526	(135,526)

14-036 Concerts in the Park	Revenues	Expenditures	Net
Concerts in the Park	40,000	75,646	(35,646)
Total	40,000	75,646	(35,646)

14-041 Sports Leagues	Revenues	Expenditures	Net
SPT- 6-Man CBVA *Does not include PD, inc. CSC	19,000	44,000	(25,000)
SPT- Manhattan Open VB Tourney	75,000	75,000	-
SPT- Adult Volleyball	50,000	28,000	22,000
SPT- Slo-Pitch Leagues	25,000	20,000	5,000
SPT - Lacrosse	30,000	21,000	9,000
SPT - Baseball Camp	25,000	21,000	4,000
SPT- 7 on 7 Soccer	60,000	40,000	20,000
SPT- Summer Sunset Basketball League	45,000	22,000	23,000
SPT-Kickball League	20,000	13,000	7,000
Subtotal		284,000	(284,000)
SPT- Full Time Sports Coord.		35,700	(35,700)
SPT-Admin Fee		14,675	(14,675)
Total	349,000	334,375	14,625

14-042 Sports Classes	Revenues	Expenditures	Net
SPT- Aqualetics	210,000	85,300	124,700
SPT- Surfing & Volleyball Camp	35,000	26,250	8,750
SPT- Soccer- Brit West	150,000	110,000	40,000
SPT- Volleyball	42,000	25,000	17,000
SPT- Golf	10,000	9,000	1,000
SPT- Ice Sports	7,000	4,550	2,450
SPT- Adult Fitness	30,000	24,000	6,000
SPT-Karate	1,500	1,050	450
SPT-Youth Gymnastics	32,000	26,000	6,000
SPT-Youth Sports - Run	6,000	4,800	1,200
SPT-Yoga	22,000	16,000	6,000
Subtotal	545,500	331,950	213,550
SPT- Full Time Rec Sup		100,000	(100,000)
SPT- Admin Payroll		44,627	(44,627)
Total	545,500	476,577	68,923

14-043 Swimming Activities	Revenues	Expenditures	Net
SPT- Aquatics Summer	230,000	155,000	75,000
SPT - Swim Special Events	15,000	15,000	-
SPT- Swim Team	140,000	80,000	60,000
SPT- Swim Birthday Parties	15,000	5,000	10,000
SPT- Aquatics Fall	30,000	13,000	17,000
SPT- Aquatics-Spring	40,000	20,000	20,000
SPT- Aquatics - Winter	40,000	20,300	19,700
SPT- Pool Operations		60,000	(60,000)
Subtotal			-
SPT - FT Rec Sup 60%		60,000	(60,000)
SPT - FT Aquatics Coord.		75,000	(75,000)
SPT- Admin Payroll		43,378	(43,378)
Total	510,000	546,678	(36,678)

14-061 Older Adult Activities	Revenues	Expenditures	Net
OAA-Swing & Sway	6,400	6,000	400
OAA-Sr Events	20,000	45,000	(25,000)
OAA-Bus Excursions All	6,000	6,800	(800)
OAA-Bus Excursions-OA only	22,600	20,000	2,600
OAA-Community Programs	25,000	25,000	-
Subtotal	79,000	102,800	(23,800)
OAA-Admin Payroll	-	11,280	(11,280)
Total	79,000	114,080	(35,080)

	Revenues	Expenditures	Net
Total	3,197,635	3,100,991	96,644

Athletic Field Fee Comparison Chart

City	Fields	Turf Field	Non-Resident	For Profit	Lights	Youth Rec Groups (AYSO)	Notes
Manhattan Beach	\$25	Resident: \$100 Non-Resident: \$150 For Profit: \$200	\$50	\$100	\$21/hr	\$15/participant	
Hermosa Beach	-	-	-	-	\$20/hr	\$10/hr; 7pm-10pm = \$20	Only reserve to nonprofit organizations
Redondo Beach	\$25	\$125	\$0		\$20-25/hr	\$ -	No resident and nonresident fee.
El Segundo	-	resident: \$55; resident for profit:\$110; nonresident: \$165	\$90	\$160	\$0-20/hr	\$10/resident (per player) \$30 nonresident per player.	
Lawndale	-	-	-	-	No lights	Standard fee: \$250	No outside reservation because it is mostly used by the school
Hawthorne	\$13	-	-	-	\$15/hr	none	No field allocation, everything is on a first come first serve basis
Torrance	\$15	-	-	-	\$30/hr	-	Fees waived for Long-term youth sports non-profits
Huntington Beach	\$25	Youth= \$15/hr; Adults= \$25	-	-	\$10/hr	\$15/hr	
Newport Beach	\$15	-	\$104	\$187	\$30/hr	\$1/field rental	\$10 maint fee/participant to all field users

City of Manhattan Beach

Biennial Budget – Year 2 FY 2017-2018 Amendments May 30, 2017



Agenda

- ▶ Recap May 4, 2017 Study Session
- ▶ Requested information
 - All Departments
 - Expenditure Reductions
 - Revenue Enhancements
 - City Council Retreat Initiatives
 - Parks and Recreation Department program funding models, ROI for equipment purchases, revenue potential
 - Community Development Department staffing model
- ▶ Q&A



Important Dates

- ▶ May 4 Budget Study Session
- ▶ May 30 Budget Study Session
- ▶ June 20 Public Hearing and Adoption
- ▶ July 1 Effective date of budget

Directed changes will be incorporated by Resolution
at time of adoption



Reference Materials

▶ Attachments

- #1 – Expenditure Reductions
- #2 – Revenue Enhancements
- #3 – City Council Work Plan Priorities
- #4 – Proposed Changes to Approved Budget
- #5 – Parks & Rec Profit and Loss Estimates for FY17-18
- #6 – Field Rental Rate Comparison



Expenditure Reductions

- ▶ City Council requested staff to identify budget reductions with least amount of community impact in increments of \$500,000 to \$1.5 million
 - **Tier 1** Moderate impact to community or organization
 - Also includes efficiencies and savings already identified
 - **Tier 2** Moderate to significant impact to City operations and community service levels
 - **Tier 3** Significant and sustained impacts to community or organization
 - Over time these will deteriorate services, programs or facilities



Expenditure Reductions

Category	Amount	Tier 1	Tier 2	Tier 3
Communications/Advertising	\$67,500	\$10,500	\$57,000	-
Community Engagement/Events	66,670	15,000	31,670	20,000
Computer Contract Services	11,000	-	11,000	-
Contract Services	155,947	38,648	105,299	12,000
Internal Efficiencies/Savings	79,945	79,945	-	-
Programs	632,443	101,580	250,550	280,313
Public Safety	439,342	90,850	50,800	297,692
General Fund Expenditures	\$1,452,847	\$336,523	\$506,319	\$610,005
Other Funds	110,000	20,000	90,000	-
All Funds Expenditures	\$1,562,847	\$356,523	\$596,319	\$610,005



Expenditure Reductions

Programs	Amount	Tier 1	Tier 2	Tier 3
Arts	\$15,500	-	\$9,500	\$6,000
Aquatics	4,000	4,000	-	-
Seniors	37,000	-	-	37,000
Youth	2,000	2,000	-	-
Employee Development	53,740	17,780	15,960	20,000
Community Police Academy	12,500	-	-	12,500
Economic Development	34,800	2,800	32,000	-
Historic Preservation	261,250	75,000	186,250	-
Environmental*	211,653	-	6,840	204,813
Total Programs	\$632,443	\$101,580	\$250,550	\$280,313

**Reduction with staffing impact*



Revenue Enhancements

General Fund by Category	Amount
Taxes & Assessments	\$4,020,000
Charges for Services	225,600
Fees and Permits	172,000
Fines	130,000
Total General Fund	\$4,547,600
Stormwater Assessments	\$2,055,000
Parking Revenues	1,568,000
Street Lighting/Landscape Assessments	275,000
Public Arts Trust	100,000
Total Other Funds	\$3,998,000
Total All Funds	\$8,545,600



City Council Work Plan Priorities

- ▶ Attachment #3 includes preliminary cost estimates and potential funding sources where appropriate
 - Total Funding Identified \$2,107,977
- ▶ Resource allocations will be discussed at later dates



Parks and Recreation

- ▶ Review General fund supported activities and staffing from art exhibitions and special events
- ▶ Discuss staffing for revenue-generating programs, classes and camps
- ▶ Discuss revenue potential and return on investment with the ceramic classes relative to the purchase of replacement kiln
- ▶ Review opportunities for more P&R revenue
 - Field rental fees comparison



Community Development

- ▶ Review the staffing model to potentially merge and consolidate some part-time to full-time personnel
 - Net cost roughly \$139,000 to add one Building Supervisor (new position) and add two full-time Administrative Clerks in lieu of three part-time Administrative Clerks



Budget Q & A

