CITY OF MANHATTAN BEACH



BUDGET SNAPSHOT



FISCAL YEAR 2020-2021

The City of Manhattan Beach continues to see financial stability, with consistent revenue flows supporting essential City services. The City's history of balanced budgeting and long term planning have prepared us to maintain our services and a high quality of life during the stress of the COVID-19 pandemic and resulting economic downturn. Scheduled capital projects are also continuing to sustain and improve the City's infrastructure.

The complete FY 2020-2021 Operating Budget and Capital Improvement Plan can be found at www.citymb.info/Budget.

FISCAL SNAPSHOT

- The City maintains AAA Credit Ratings from Standard & Poor's and Moody's.
- Although Property Taxes are expected to grow 6% in FY 2020-2021, Sales Taxes and Transient Occupancy (Hotel) Taxes are projected to decline by nearly 11% and 8%, respectively.
- The rising costs of maintaining current services are being analyzed for new efficiencies and savings made possible through recent technology enhancements.
- General Fund subsidies to the Stormwater Fund and Street Lighting and Landscape Fund will accumulate to \$6.4 million over the next 5 years.
- Projected Employer Pension contributions will increase from \$10.1 million in FY 2020-2021 to nearly \$14.6 million in FY 2024-2025.
- The Adopted General Fund Budget is nearly balanced in FY 2020-2021. Over the next year, the City Council and staff will be addressing the structural deficits projected for future years.

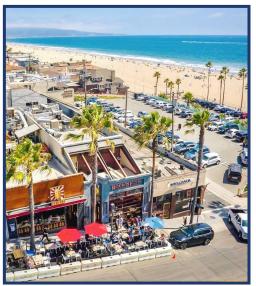


Photo credit: Rock n' Fish

Operating Budget expenditures include a wide range of programs and initiatives, including Public Safety, Public Works, Community Development, Environmental Sustainability, and Support Services such as Finance, Human Resources, and Information Technology.

Capital Budget expenditures involve the acquisition and maintenance of capital assets, including Capital Improvement Projects and the purchase of equipment and furniture.

Debt Service expenditures represent the payment of principal and interest on outstanding bond issues.

CITY-WIDE EXPENDITURES

\$135,084,085

Operating Budget \$103,851,644

Capital Budget \$27,222,336

Debt Service \$3,910,105

GENERAL FUND REVENUES & EXPENDITURES

REVENUES \$73.1 million **PROPERTY TAXES** \$35.1 million (48%) The net taxable value of properties increased 7% in FY 2020-2021 due to higher assessed values. SERVICE CHARGES \$35.1 million \$6.3 million (9%) Cost recovery fees associated with various City services and programs (e.g., Plan Check fees, Parks and Recreation programs). TRANSIENT OCCUPANCY TAX \$4.4 million (6%) The City levies a 12% tax (increased from 10% in July 2020) on hotel / \$8.2 million motel rooms within the City. • 15% of the first 10% in taxes are dedicated to the Capital Improvements Fund. \$6.3 million **BUSINESS LICENSE TAX** \$3.3 million (5%) \$5.3 million • The City issues over 4,500 business licenses annually; the tax is based on the type of business and gross \$4.4 million receipts reported. \$3.8 million **OTHER TAXES** \$3.3 million \$2.2 million (3%) Includes Franchise Fees and Real \$2.7 million Estate Transfer Taxes \$2.2 million

\$1.8 million

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SALES & USE TAX

\$8.2 million (11%)

- Largest industry groups generating Sales Tax include General Consumer Goods and Restaurants/ Hotels.
- Impacted by Safer at Home orders and the downturn in the travel and tourism industry.

OTHER REVENUE

\$5.3 million (7%)

- General Fund receives \$3.4 million for Administration and Overhead from other funds.
- Also includes grants and other miscellaneous revenues, including revenues from other governments.

USE OF PROPERTY & MONEY

\$3.8 million (5%)

- Interest income on the City's investments.
- Also includes ground leases at Metlox, Marriot Hotel and country

PERMITS

\$2.7 million (4%)

- Building Permits generate 59% of total Permit Revenue.
- Includes residential and commercial permits.

FINES & FORFEITURES

\$1.8 million (2%)

 Includes parking citations (\$4 of most citations go to the Capital Improvement Fund) and vehicle code fines.

\$73.1 million



As a service organization, about 73% of the City's General Fund budget goes toward Salaries & Benefits. The City currently has 309 full time employees, including 65 Sworn Officers in the Police Department and 30 Sworn Fire Department personnel.

Stay tuned to the City's website and social media for updates and additional information on these projects and others on the horizon.

 $Upcoming\ projects\ for\ Fiscal\ Year\ 2020-2021\ include:$

- Emergency Notification System
- Environmental Sustainability Work Plan Items
- Implementation of New Enterprise Resource Planning (ERP) System to replace outdated Finance/HR software
- Implementation of Online Payments for Business Licensing
- Implementation of an Online Bidding Portal
- Online Permitting Software for Building & Planning
- Public Art Murals and Sculpture Garden
- Utility Undergrounding Assessment Districts

Join us in 2021...

The budget process will recommence in early 2021 when the City Council receives a presentation on mid-year results for FY 2020-2021. In May, the City will present the Proposed Operating Budget for FY 2021-2022 and the Five Year Capital Improvement Plan (CIP) for fiscal years 2021-2022 through 2025-2026. These initial presentations will be followed by customary Study Sessions before the FY 2021-2022 Budget and CIP is officially adopted in June.

About the City...

Our mission is to provide excellent municipal services, preserve our small beach town character, and enhance the quality of life for our residents, businesses, and visitors.

The City of Manhattan Beach was incorporated on December 2, 1912, as a general law city. Today there are approximately 35,183^(a) residents living within the City's 3.9 square miles. With over two miles of beach front property, the City boasts 40 acres of recreational beach and a 928 foot long pier, in addition to the 54 acres of developed parks, 21-acre parkway, nine-hole golf course and two community centers. The City is serviced by two fire stations, one police station, a Los Angeles County branch library, 309 authorized full-time employees, and is presided over by a five-member City Council each serving a nine-month mayoral position during their four-year term.

(a) US Census Bureau, 2019 estimate



KEY CURRENT/UPCOMING CAPITAL IMPROVEMENT PROJECTS

- Sepulveda Bridge Retrofit and Widening
- Peck Ground Level Reservoir Replacement
- Manhattan Beach Automatic Traffic Sync (MBATS)
- Protected Left Turn Lanes: Manhattan Beach Blvd. at Peck Ave.
- Rosecrans Bike Lane Improvements
- City Hall HVAC Replacement/Repair
- Polliwog Playground Resurfacing & Equipment Replacement
- Annual Street Resurfacing
- Annual Curb, Gutter and Ramp Replacements
- Annual Sewer Main and Storm Drain Maintenance and Replacements

The adopted Capital Improvement Plan is available at www.citymb.info/CIP

City of Manhattan Beach

City Hall 1400 Highland Avenue Manhattan Beach, CA 90266 (310) 802-5000

www.citymb.info Facebook.com/citymb Twitter.com/citymb



Elected Officials

Mayor Richard Montgomery

Mayor Pro-Tem Suzanne Hadley

City Councilmembers
Hildy Stern
Steve Napolitano
Nancy Hersman

City Treasurer Tim Lilligren

Executive Staff

City Manager Bruce Moe

City Clerk Liza Tamura

City Attorney Quinn M. Barrow

Finance Director Steve S. Charelian

Human Resources Director Lisa Jenkins

Parks & Recreation Director Mark Leyman

> Chief of Police Derrick Abell

Interim Fire Chief Wolfgang Knabe

Community Development
Director
Carrie Tai

Public Works Director Stephanie Katsouleas, P.E.

Information Technology Director
Terry Hackelman