

CITY OF MANHATTAN BEACH CITY HALL

1400 Highland Avenue, Manhattan Beach, CA 90266

WEBSITE: www.manhattanbeach.gov • PHONE: (310) 802-5000

TO: Honorable Mayor and Members of the City Council

FROM: Steve Charelian, Finance Director

MEETING: City Council Regular Meeting, February 15, 2022

SUBJECT: Agenda Item No. 15 - Fiscal year 2021-2022 Mid-Year Budget Report and Fiscal Year

2022-2023 Budget Development

DATE: February 11, 2022

SUPPLEMENTAL ATTACHMENT

PowerPoint Presentation

MID-YEAR BUDGET REPORT FISCAL YEAR 2021-2022

KEY TAKEAWAYS

Projections for Fiscal Year (FY) 2021-2022:

- General Fund Revenues exceed Expenditures
 - Revenues trending higher
- Expenditures are trending below budget
- Projected year-end transfers to other funds will reduce fund balance



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GENERAL FUND ADOPTED BUDGET	
REVENUES	\$82.3 million
EXPENDITURES	77.7 million
SURPLUS	\$4.6* million

GENERAL FUND PROJECTION	
NET BUDGET ADJUSTMENTS (to date)	(\$1.1 million)
REVENUES OVER BUDGET	4.6 million
OPERATING EXPENDITURES UNDER BUDGET	431,972
PROJECTED SURPLUS	\$8.5* million

*Includes \$4.2 million in American Rescue Plan Act (ARPA) funds



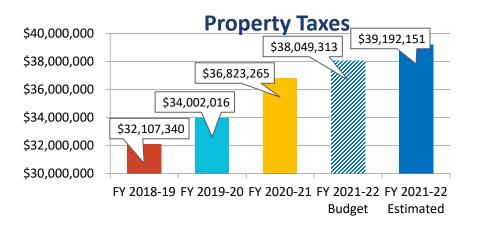
GENERAL FUND REVENUES

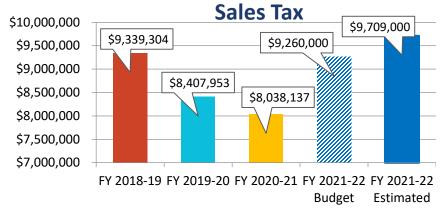
General Fund Revenues are expected to end the year \$2.9 million (4.9%) higher than the Adjusted Budget

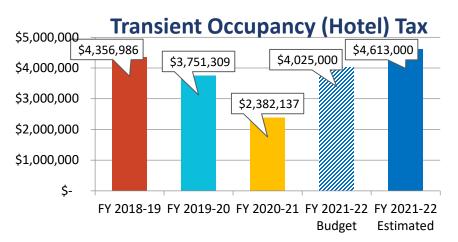
Major Revenue Sources	Compared to Budget	
Property Tax	\$1.1 million	3.0% Higher
Sales & Use Tax	\$449,000	4.8% Higher
Transient Occupancy Tax	\$588,000	14.6% Higher
Business License Tax	\$150,000	4.2% Higher
Real Estate Transfer Tax	\$290,000	35.8% Higher
Building Plan Check Fees	\$245,000	14.0% Higher
Service Charges	\$351,365	6.9% Higher

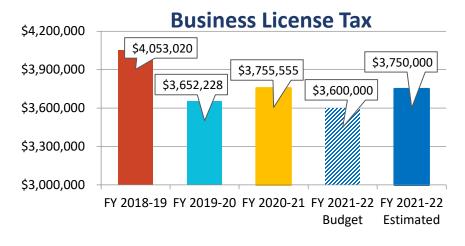
FEBRUARY 15. 2022

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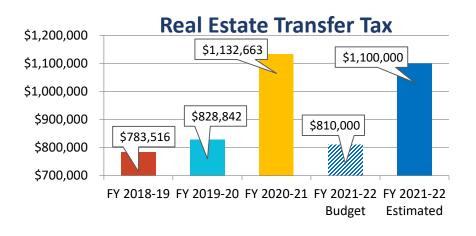


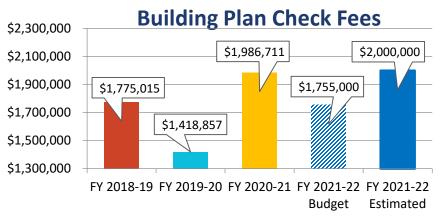


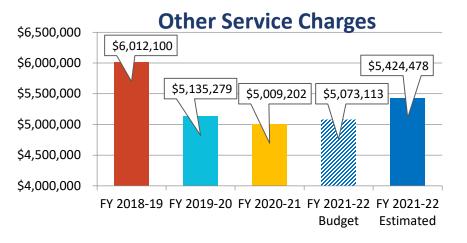




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PANDEMIC RELATED REVENUES

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Six reimbursement applications submitted to FEMA

- Covid-19 related materials, payroll, contracts and rentals
- \$1.3 million in expenditures pending FEMA review/approval

American Rescue Plan Act (ARPA) funds allocated to municipalities:

• The first ARPA disbursement of \$4.2 million received in July 2021



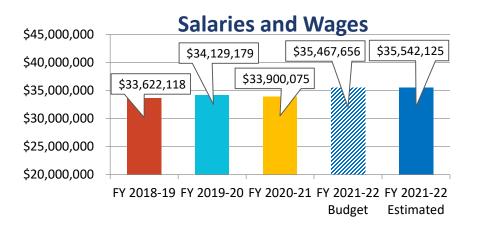
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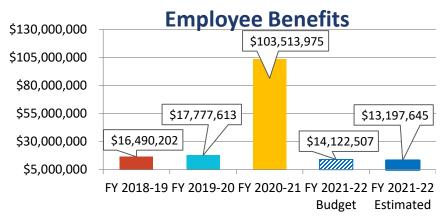
General Fund Expenditures are expected to end the year \$431,972 (0.5%) lower than the Adjusted Budget

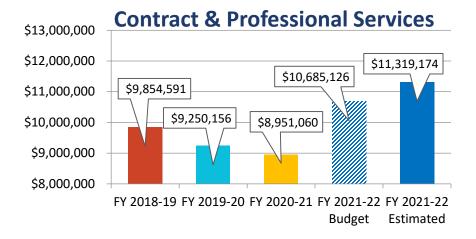
Expenditures	Compared	l to Budget
Salaries & Wages	(\$74,469)	0.2% Higher
Employee Benefits	\$924,862	6.5% Lower
Contract & Professional Services	(\$634,048)	5.9% Higher
Materials & Services	\$185,132	6.6% Lower
Utilities	(\$46,556)	4.8% Higher

EXPENDITURE PROJECTIONS

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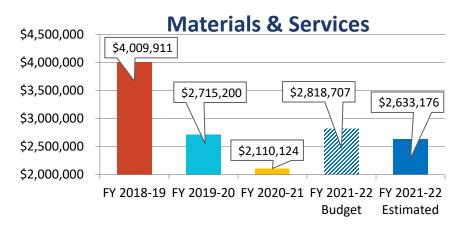


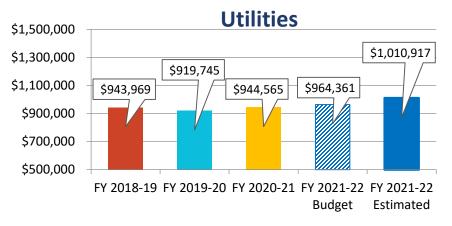


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PROPOSED MID-YEAR ADJUSTMENTS

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Requested FY 2021-2022 Budget Adjustments		
[PW] Park Maintenance & Landscaping Improvements	\$625,000	
[HR] Covid-19 Testing	150,000	
[HR] Insurance Fund Budget Adjustments (NET)	112,597	
TOTAL NET INCREASE	\$887,597	
Requested FY 2021-2022 Staffing Adjustments		
[PW] Eliminate Building Repair Craftsperson	(\$103,152)	
[PW] Add Senior Management Analyst	149,178	
[CD] Add Senior Planner	143,622	
[CD] Office Assistant to Admin Assistant	12,366	
[CD] Office Assistant to Admin Analyst	28,748	
[FD] Senior Management Analyst (PT) to Admin Analyst (FT)	57,488	
ANNUAL BUDGET IMPACT IN FUTURE YEARS	\$144,628	



BUDGET OUTREACH

Budget Priorities Community Meeting held on February 7 via Zoom

- About 27 attendees provided with:
 - FY 2021-2022 Budget Overview
 - FY 2022-2023 Budget Process Outline
 - FY 2022-2023 Budget Timeline
 - Opportunities to discuss questions and comments with staff



FY 2022-2023 BUDGET TIMELINE

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MID-YEAR BUDGET REPORT TO CITY COUNCIL

The Finance Department presents projected budget estimates for the current year to City Council

February 15, 2022

BUDGET STUDY SESSIONS

Study sessions are set up for the City Council to review and refine the Proposed Budget. These study sessions are open to the public.

May 10 & 24, 2022

PUBLIC HEARING & BUDGET ADOPTION

City Council's final review of the budget. Adoption of the Budget occurs based on a majority vote.

June 7, 2022

February 7, 2022

BUDGET PRIORITIES COMMUNITY MEETING

Overview of the City's Budget process and a chance to bring your questions, suggestions, and comments, to City Staff May 3, 2022

PROPOSED BUDGET PRESENTED TO CITY COUNCIL

After reviewing requests from each Department and input from the community a proposed budget is prepared and presented to City Council. May 17, 2022

REGULAR CITY COUNCIL MEETING

Potential Budget Study Session during regularly scheduled City Council meeting. July 1, 2022

BUDGET BEGINS

The new FY 2022-2023 begins. The budget covers July 1, 2022 through June 30, 2023.





