

TO: Honorable Mayor and Members of the City Council

FROM: Steve Charelian, Finance Director

MEETING: City Council Regular Meeting, February 20, 2024

SUBJECT: Agenda Item No. 13 – Fiscal Year 2023-2024 Budget Report Including Funding Appropriations and Staffing Adjustments; and Fiscal Year 2024-2025 Budget Development.

DATE: February 16, 2024

SUPPLEMENTAL ATTACHMENT

- PowerPoint Presentation

MID-Year Budget REPORT

fiscal year 2023-2024

February 20, 2024



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FY2023-2024 PROJECTION

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GENERAL FUND ADOPTED BUDGET

REVENUES	\$93,300,981
EXPENDITURES	92,825,964
ADOPTED SURPLUS	\$475,017

GENERAL FUND PROJECTION

NET BUDGET ADJUSTMENTS (to date)	(\$1,848,045)
REVENUES OVER BUDGET	927,300
OPERATING EXPENDITURES UNDER BUDGET	1,558,916
PROJECTED SURPLUS	\$1,113,188



GENERAL FUND REVENUES

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Projected General Fund Revenues are expected to end the year \$927,300 (1.0%) higher than the Adjusted Budget

Major Revenue Sources	Compared to Budget	
Property Tax	\$193,126	0.5% Higher
Sales & Use Tax	\$100,000	0.9% Higher
Transient Occupancy Tax	\$50,000	0.7% Higher
Business License Tax	\$150,000	3.1% Higher
Real Estate Transfer Tax	(\$150,000)	18.8% Lower
Building Plan Check Fees	(\$50,000)	2.7% Lower
Service Charges	\$452,070	6.4% Higher



PENDING FEMA REIMBURSEMENTS

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Ten reimbursement applications submitted to FEMA since September 2020

- Encompassed roughly \$1.5 million of expenditures related to its COVID-19 response

Status of 10 Project Applications submitted to FEMA:

- Pending Ineligibility Review: 4
- Project in Procurement Stage: 6

Total Reimbursements Submitted:	\$1,190,238
Ineligible for Reimbursement:	<u>\$ 392,075</u>
Anticipated Reimbursement:	<u>\$ 798,163</u>
Received	\$ 194,719
Outstanding	\$ 603,444



GENERAL FUND EXPENDITURES

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Projected General Fund Expenditures are expected to end the year \$1.6 million (1.6%) lower than the Adjusted Budget

Major Expenditures	Compared to Budget	
Salaries & Wages	(\$418,329)	1.0% Higher
Employee Benefits	\$390,974	2.5% Lower
Contract & Professional Services*	\$1,113,758	7.1% Lower
Materials & Services	\$429,622	10.0% Lower
Utilities	(\$19,445)	1.6% Higher

*Contract encumbrances that are not fully expended in the year they are originally budgeted may be carried forward into and expended within a subsequent fiscal year.



PROPOSED MID-YEAR ADJUSTMENTS

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PROPOSED BUDGET ADJUSTMENTS	EXPENDITURES	REVENUES
[PW] SB 1383 Compliance (General Fund)	\$97,000	\$75,893
TOTAL	\$97,000	\$75,893



PROPOSED STAFFING ADJUSTMENTS

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PROPOSED NET NEW STAFFING (8)	TO BE FILLED FY 2023-2024	TO BE FILLED FY 2024-2025
[FD] Add Deputy Chief	✓	-
[FD] Add (6) Firefighters	-	✓
[PD] Add (3) Lead Community Service Officers	-	✓
[CD] Add Senior Planner	-	✓
[CD] Add Associate Planner	-	✓
[CD] Add Plans Examiner	-	✓
[FN] Add Grants Administrator	-	✓

PROPOSED STAFFING ADJUSTMENTS IN FY 2023-2024

- [FN] Upgrade Account Service Representative (PT) to Accounting Technician
- [PW] Upgrade Senior Civil Engineer to Principal Civil Engineer
- [PW] Upgrade Senior Management Analyst to Solid Waste Administrator
- [PW] Upgrade Administrative Assistant to Administrative Analyst
- [PW] Downgrade Senior Civil Engineer to Associate Engineer



FIRE DEPARTMENT INSOURCING

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- Recommendations will result in net new 4 Full-Time positions
- Recommend authorizing staff to open and fill Deputy Chief position in FY 2023-2024

PROPOSED STAFFING ADJUSTMENT (FY 2023-2024)

ESTIMATED COST

Add Deputy Chief

\$86,304

- Recommend authorizing opening the recruitment of 6 Firefighters to fill the positions in in FY 2024-2025

PROPOSED STAFFING ADJUSTS (FY 2024-2025)

ESTIMATED COST*

ASSOCIATED OFFSETS*

NET IMPACT*

Deputy Chief

287,680

- 287,680

Add (6) Firefighters

763,746

- 763,746

Personnel and Contract Offsets

- 1,256,619 (1,256,619)

TOTAL \$1,051,426 \$1,256,619 (\$205,193)

*Estimated Costs, Associated Offsets, and Net Impact figures are rounded. Additional costs for Vehicle and OSHA Mandated Safety Equipment to be included in the Proposed Budget for FY 2024-2025.



POLICE DEPARTMENT

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- Recommendations will result in new 3 Full-Time positions
- Recommend authorizing opening the recruitment of 3 Lead CSOs positions to be filled in FY 2024-2025

PROPOSED STAFFING ADJSTS (FY 2024-2025)	ESTIMATED COST*	ASSOCIATED OFFSETS*	NET IMPACT*
Add (3) Lead Community Service Officers	306,456	525,000	(\$218,544)
TOTAL	\$306,456	\$525,000	(\$218,544)

*Estimated Costs, Associated Offsets, and Net Impact figures are rounded.



COMMUNITY DEVELOPMENT

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- Recommendations will result in new 3 Full-Time positions
- Recommend authorizing opening the recruitment of Senior Planner, Associate Planner, and Plans Examiner positions to be filled in FY 2024-2025

PROPOSED STAFFING ADJSTS (FY 2024-2025)	ESTIMATED COST*	ASSOCIATED OFFSETS*	NET IMPACT*
Add Senior Planner	168,417	84,209	84,209
Add Associate Planner	135,620	67,810	67,810
Add Plans Examiner	130,773	65,387	65,387
TOTAL	\$434,810	\$217,405	\$217,405

*Estimated Costs, Associated Offsets, and Net Impact figures are rounded.

- The offset from cost recovery fees in FY 2024-2025 will be implemented for half a year due to the timing of the user fee study
 - In subsequent Fiscal Years these positions will be fully offset by cost recovery fees.



PUBLIC WORKS ADJUSTMENTS

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- Recommend changes to positions as listed below in FY 2023-2024

PROPOSED STAFFING ADJUSTMENT (FY 2023-2024)	ESTIMATED COST
Upgrade Sr. Civil Engineer to Principal Civil Engineer	3,162
Upgrade Sr. Mgmt Analyst to Solid Waste Administrator	1,480
Upgrade Admin Assistant to Admin Analyst	562
Downgrade Sr. Civil Engineer to Associate Engineer	(3,248)
TOTAL	\$1,956

PROPOSED STAFFING ADJUSTS (FY 2024-2025)	ESTIMATED COST*	ASSOCIATED OFFSETS*	NET IMPACT*
Upgrade Sr. Civil Engineer to Principal Civil Engineer	18,971	-	18,971
Upgrade Sr. Mgmt Analyst to Solid Waste Admin	8,878	-	8,878
Upgrade Admin Assistant to Admin Analyst	3,368	-	3,368
Downgrade Sr. Civil Engineer to Associate Engineer	-	19,484	(19,484)
TOTAL	\$31,217	\$19,484	\$11,733

*Estimated Costs, Associated Offsets, and Net Impact figures are rounded.



FINANCE DEPARTMENT

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- Recommendations will result in new 2 Full-Time positions, offset by one 35-hour Part-Time position
- Recommend authorizing the upgrade of Account Services Representative (PT) to Accounting Technician in FY 2023-2024

PROPOSED STAFFING ADJUSTMENT (FY 2023-2024)	ESTIMATED COST
Upgrade Account Services Representative (PT) to Account Technician	\$4,831

- Recommend authorizing opening the recruitment of Grants Administrator to fill the position in FY 2024-2025

PROPOSED STAFFING ADJUSTS (FY 2024-2025)	ESTIMATED COST*	ASSOCIATED OFFSETS*	NET IMPACT*
Add Grants Administrator	139,450	104,588	34,863
Upgrade Account Services Rep (PT) to Account Tech	28,986	-	28,986
TOTAL	\$168,436	\$104,588	\$63,849

*Estimated Costs, Associated Offsets, and Net Impact figures are rounded.



REVISED PROJECTED SURPLUS

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GENERAL FUND PROJECTION

REVENUES	\$94,799,789
EXPENDITURES	93,686,301
PROJECTED SURPLUS	\$1,113,188

PROPOSED BUDGET ADJUSTMENTS

Net Staffing Adjustments	\$93,091
Net Budget Adjustments	21,107
REVISED PROJECTED SURPLUS	\$998,990



FIVE YEAR FORECAST

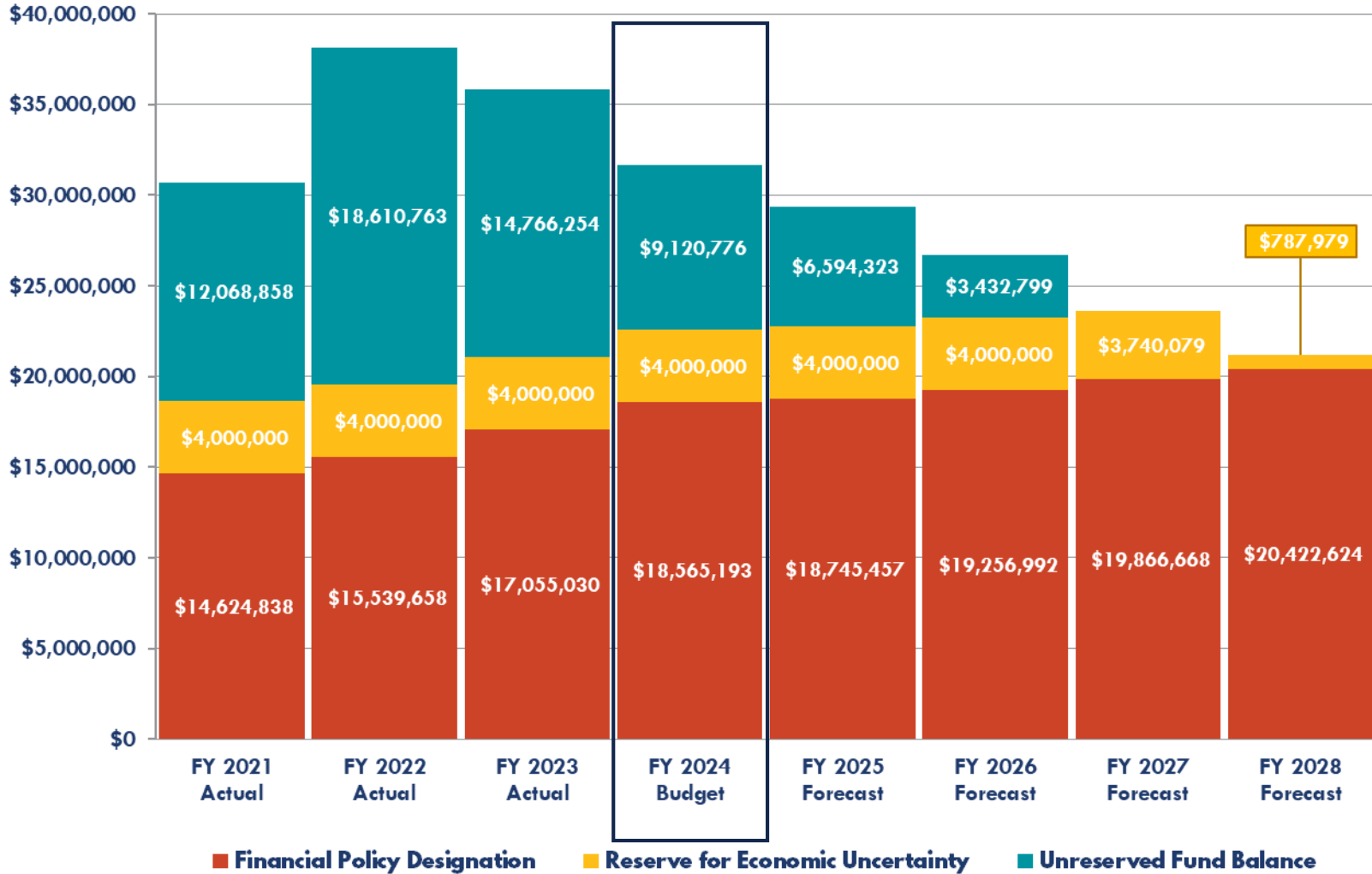
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- Five Year Forecast revised projections indicate continued annual structural surpluses
 - Ongoing revenues are projected to exceed expenditures
 - Staff refines growth factors and updates revenue projections during the budget process
- After FY 2023-2024, the General Fund will no longer provide a subsidy to the Stormwater Fund
 - General Fund will continue provide a subsidy to the Street Lighting & Landscaping Fund.



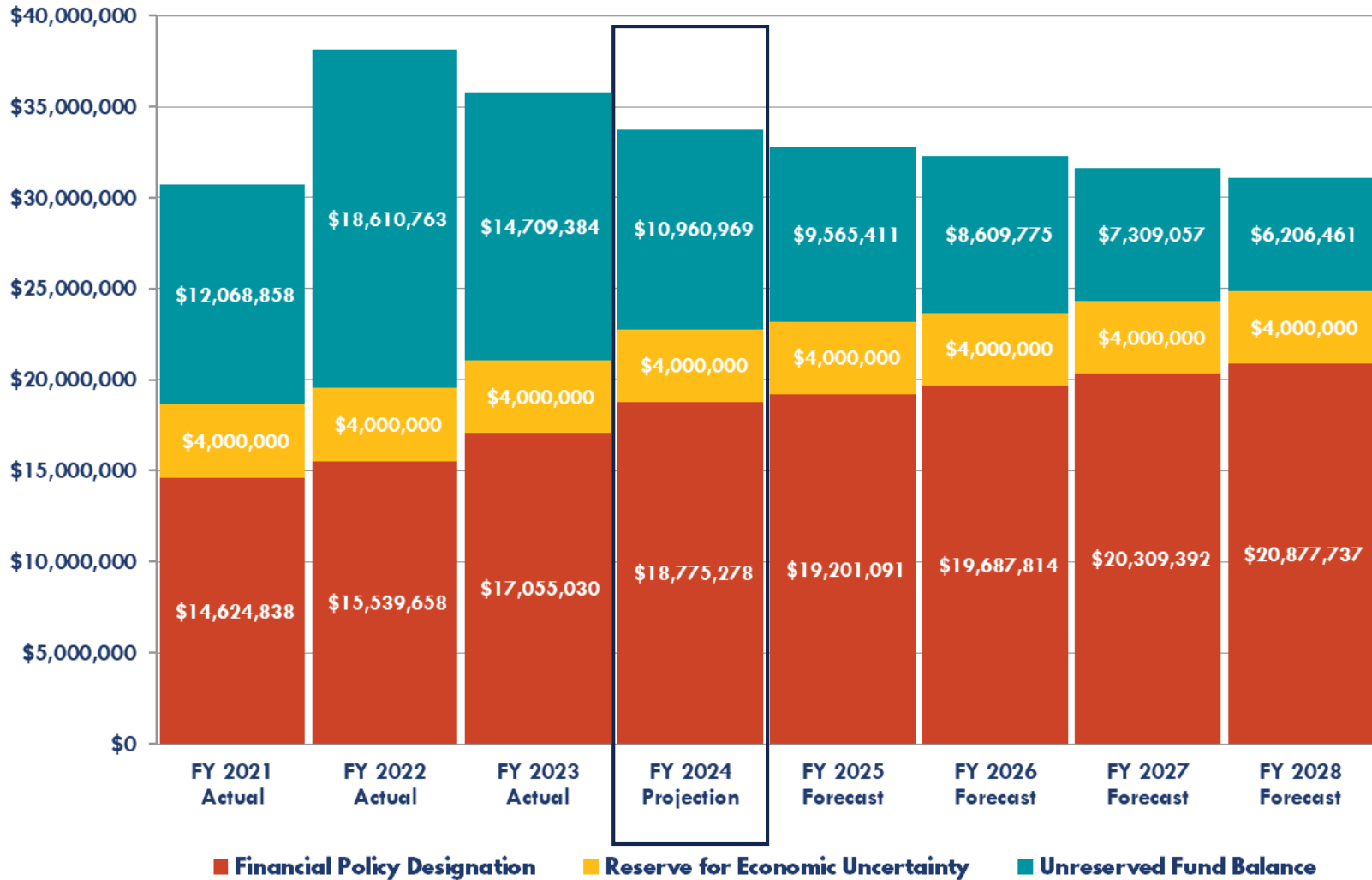
FIVE YEAR FORECAST (DEC. 2023)

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FIVE YEAR FORECAST (PRELIMINARY)

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BUDGET OUTREACH

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Budget Priorities Community Meeting held on February 15 via Zoom

- Attendees were provided with:
 - FY 2023-2024 Budget Video
 - FY 2023-2024 Budget Overview
 - Opportunities to discuss questions and comments with staff
 - FY 2024-2025 Budget Timeline and additional opportunities for public input

Online Budget Survey available at:

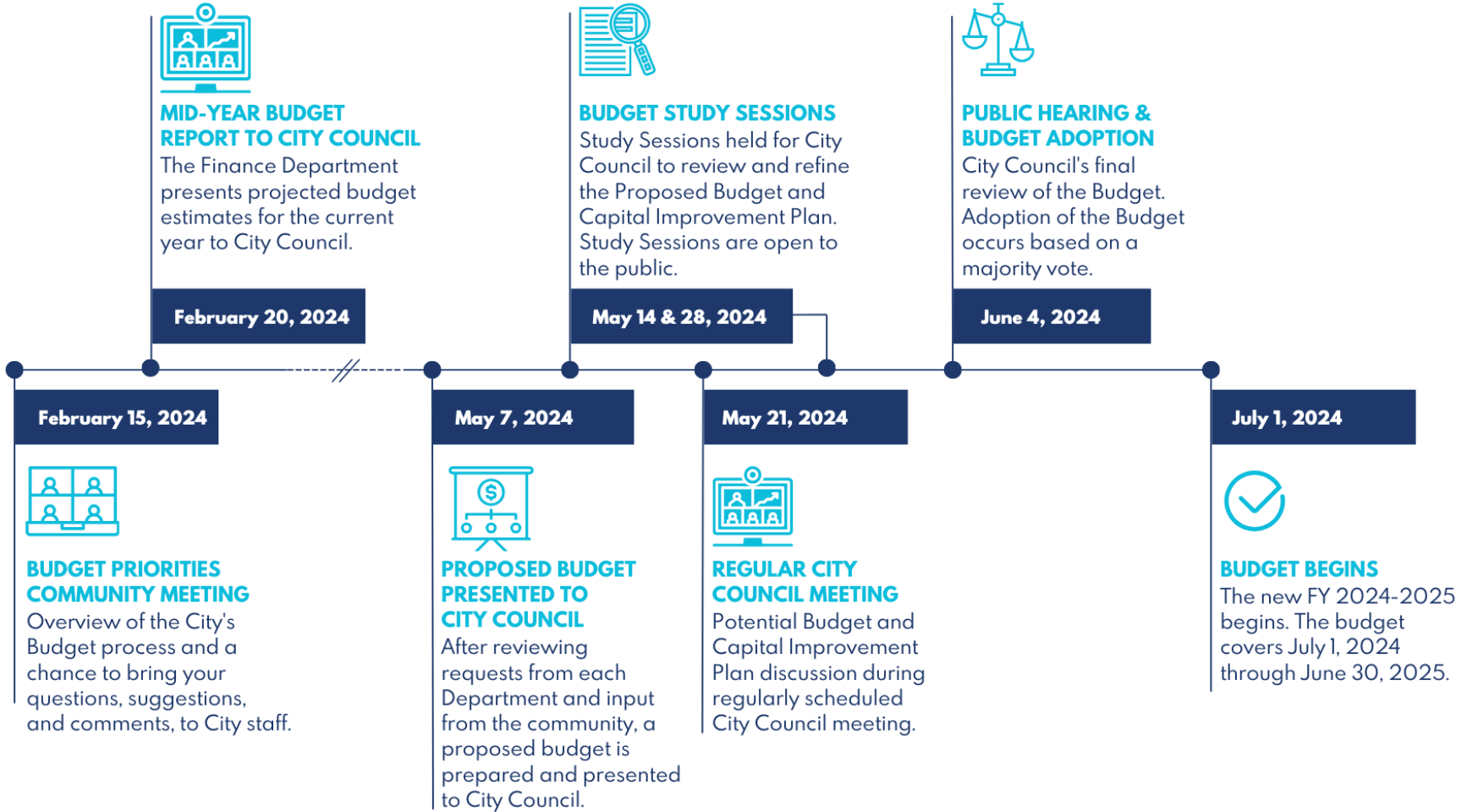
www.manhattanbeach.gov/budget

- Approximately 45 responses received in first week
- Survey will be open through March 10, 2024



FY 2024-2025 BUDGET TIMELINE

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RECOMMENDATIONS

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Staff recommends that the City Council:

1. Receive the Mid-Year Budget Report for FY 2023-2024 and FY 2024-2025 budget development calendar;
2. Appropriate \$97,000 from the General Fund and adjust revenues by \$75,893;
3. Approve staffing adjustments identified in the staff report.



