

City of Manhattan Beach Proposed Budget Addendum

FY 2019-20

May 7, 2019

Agenda

- ▶ Overview of two year Budget Process
- ▶ Proposed Adjustments to FY 2019-20 Approved Budget
 - Five Year Forecast
 - Attachments
- ▶ Potential Budget Cuts (May 23rd Study Session)
- ▶ General Fund Balance Sheet Accounts
- ▶ Q&A

Budget Schedule

MAY							JUNE							JULY						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
29	30	1	2	3	4	5	27	28	29	30	31	1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31	1	2	24	25	26	27	28	29	30	29	30	31	1	2	3	4

- May 7 Presentation of Proposed Budget
- May 21 Regular City Council Meeting
- May 23 Budget Study Session
- June 4 Public Hearing and Adoption
- July 1 Effective date of new budget

Directed Changes will be incorporated by Resolution at time of adoption in June.

All meetings held at 6 PM in City Council Chambers

Budget Documents

▶ Biennial Budget

- Introduction
- Summaries
- Departments
- Five Year Forecast
- Capital Budget Summary
- Strategic Plan and Performance Measures

▶ Budget Addendum

Two Year Budget

- ▶ Encourage long range planning
- ▶ Greater emphasis on service delivery
- ▶ CIP focus in year two
- ▶ First Year adopted; Second year approved
- ▶ Second Year amendments proposed for City Council review and adoption
 - Focus on City Council Work Plan initiatives

Amendments to Approved Budget

Personnel

• Part-time Salary Adjustments	\$173,308
• Crime Analyst (Reclass from Secretary)	\$15,659
• IS Specialist (Reclass from Full-time GIS Technician)	\$2,160
• Part-time GIS Technician (IT Fund - offset by the elimination of IT Intern hours)	(\$8,056)
• Part-time Administrative Clerk II (New – fully offset by reduction in Community Development Contract Services)	\$32,464

Programs

• Additional Ceramics Classes (Offset by anticipated revenue increase \$32,000)	\$29,521
• Concerts in the Park – Temporary Stage	\$40,000

Carryforward* Amendments

Projects

• Climate Adaptation and Resiliency (Offset by CA Coastal Commission Grant of \$225,000)	\$275,000
• ERP Implementation	\$43,376
• Document Scanning Services	\$70,000
• Community & Employee Surveys	\$40,000

Public Safety

• Dispatch and Records Management Replacement	\$205,000
• Public Safety Equipment (Offset by Grant revenue)	\$103,124
• Traffic Safety Police Patrols (Offset by Grant revenue)	\$20,000

* Carryforwards are items that were approved in previous budgets, but have not yet been expended

Carryforward* Equipment & CIP

Carryforward Equipment

• Police Animal Control Truck (Replacement)	\$79,722
• Public Works CCTV Vehicle (New)	\$30,000
• Public Works Inspector Truck (New)	\$50,000
• Public Works Electrician Truck (New)	\$50,000

Capital Projects

• CIP Project Modifications	\$2.7 million
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* Carryforwards are items that were approved in previous budgets, but have not yet been expended

Fiscal Impact of Proposed Budget

	FY 2019-20 Approved* (millions)	FY 2019-20 Proposed (millions)	Variance (millions)
City-wide Budget			
Revenues	\$ 125.0	\$ 128.9	\$ 3.9
Expenditures	\$ 125.8	\$ 130.1	\$ 4.3
<i>Operating</i>	\$ 110.8	\$ 111.5	\$ 0.7
<i>CIP and Equipment</i>	\$ 11.3	\$ 14.8	\$ 3.5
<i>Debt Service</i>	\$ 3.6	\$ 3.8	\$ 0.2
General Fund Budget			
Revenues	\$ 75.2	\$ 76.0	\$ 0.8
Expenditures	\$ 74.6	\$ 75.7	\$ 1.1
<i>Surplus/(Deficit)</i>	\$ 574,079	\$ 350,257	(\$ 223,822)

Economic Outlook

- ▶ Stability in major revenue sources
- ▶ Monitoring and addressing pension costs
- ▶ Stormwater Fund and Streetlighting & Landscape Fund subsidies continue to impact General Fund
 - Stormwater Fund **\$1.3 million**
 - Streetlighting Fund **\$170,530**
- ▶ CalPERS contributions are projected to increase each year by approximately \$1 million (Accommodated 5 Year Forecast)

Proposed Budget

By the Numbers...

FY 2019-20 Summary

► Total City Budget:

• Revenues	\$128.9 million
• Expenditures	\$130.1 million
› <i>Operating</i>	<i>\$111.5 million</i>
› <i>CIP and Equipment</i>	<i>\$14.8 million</i>
› <i>Debt Service*</i>	<i>\$3.8 million</i>

► General Fund Budget

• Revenues	\$76.0 million
• Expenditures	\$75.7 million
• Operating Surplus	\$350,257

**Debt Service for Metlox, Water/Sewer, Police/Fire Facility, Marine Ave Park*

FY 2019-20 Budget Reserves

► General Fund Reserves:

• 20% of Expenditures Policy	\$15.1 million
• Economic Uncertainty	\$4.0 million
• Unreserved Fund Balance	\$4.0 million

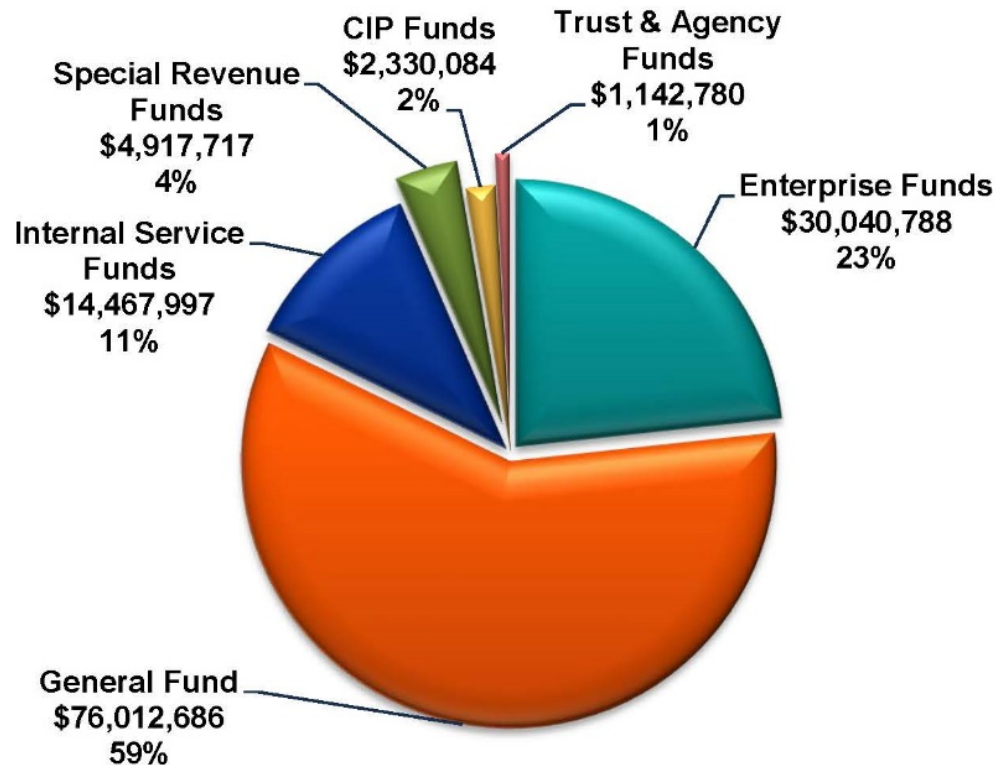
- Other Fund reserves within policy except Water, Stormwater, and Parking Funds
- PARS Pension Stabilization Trust Fund \$1.25 million (As of 6/30/2020)

Citywide Budget

FY 2019-20

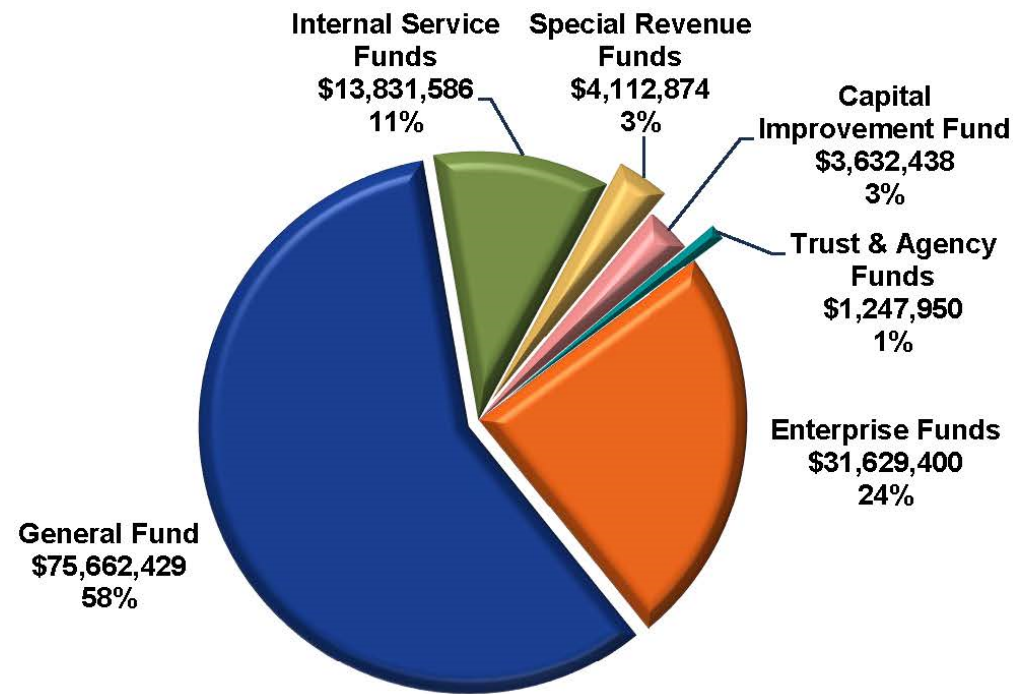
FY 2019-20 Sources of Funds

City-wide = \$ 128,912,052



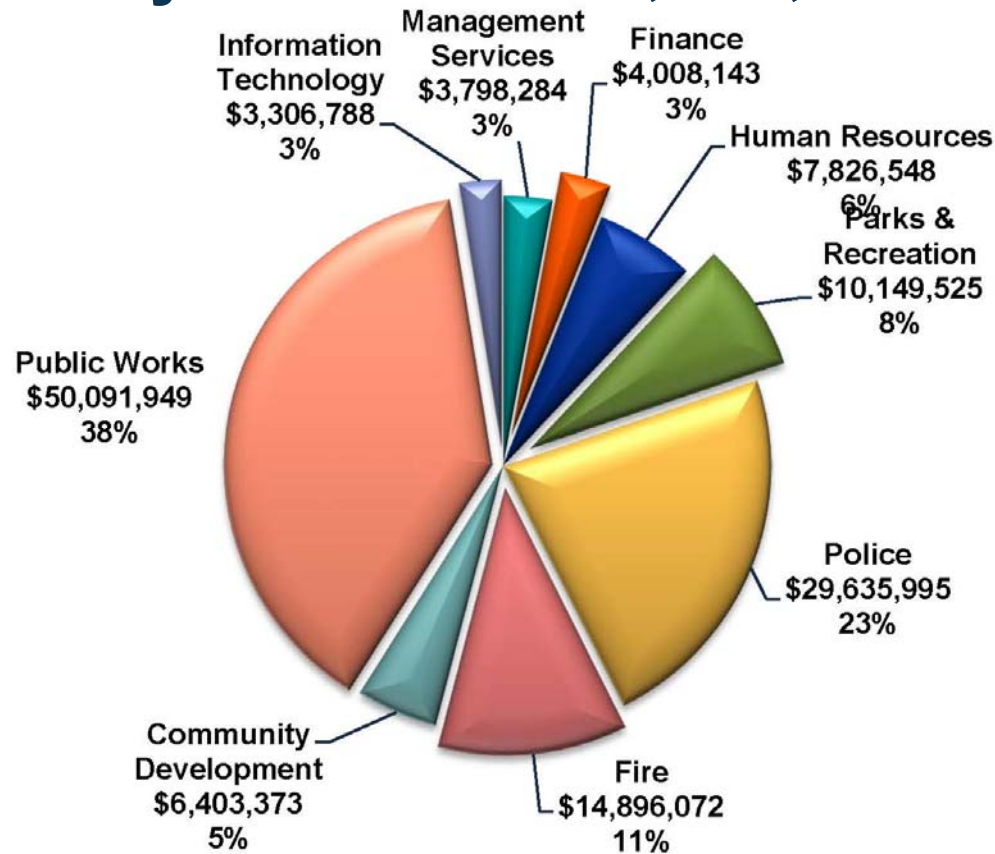
FY 2019-20 Use of Funds By Fund Type

City-Wide = \$130,116,677



FY 2019-20 Use of Funds By Department

City-Wide = \$130,116,677

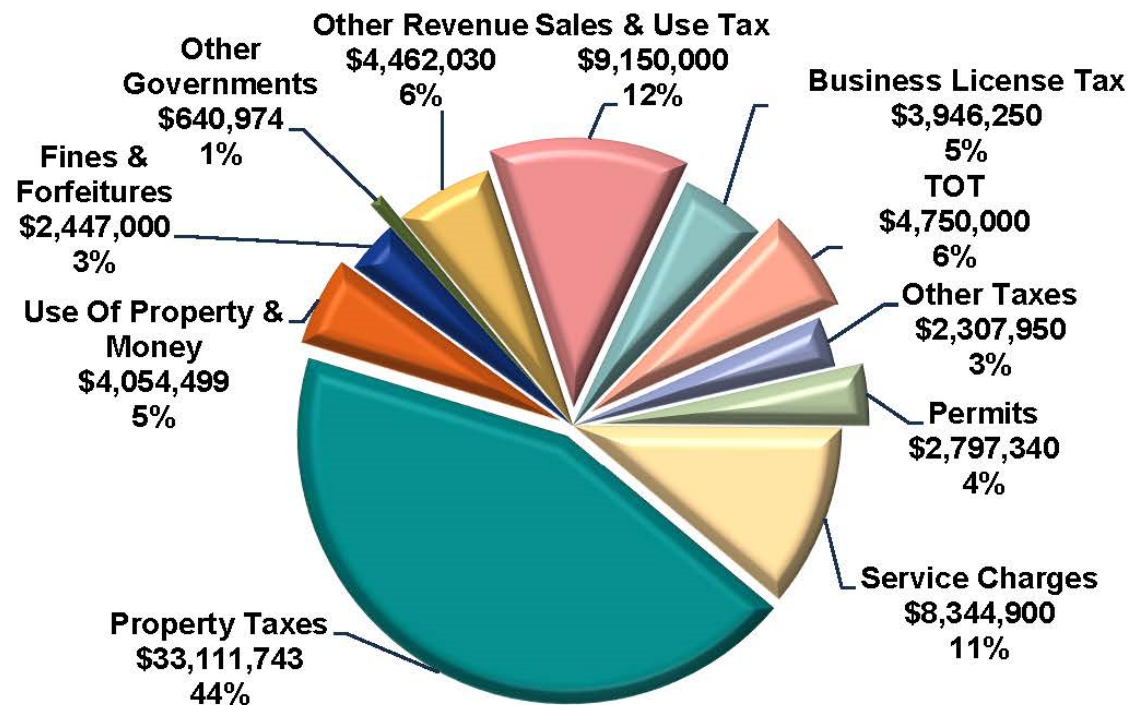


General Fund Proposed Budget

FY 2019-20

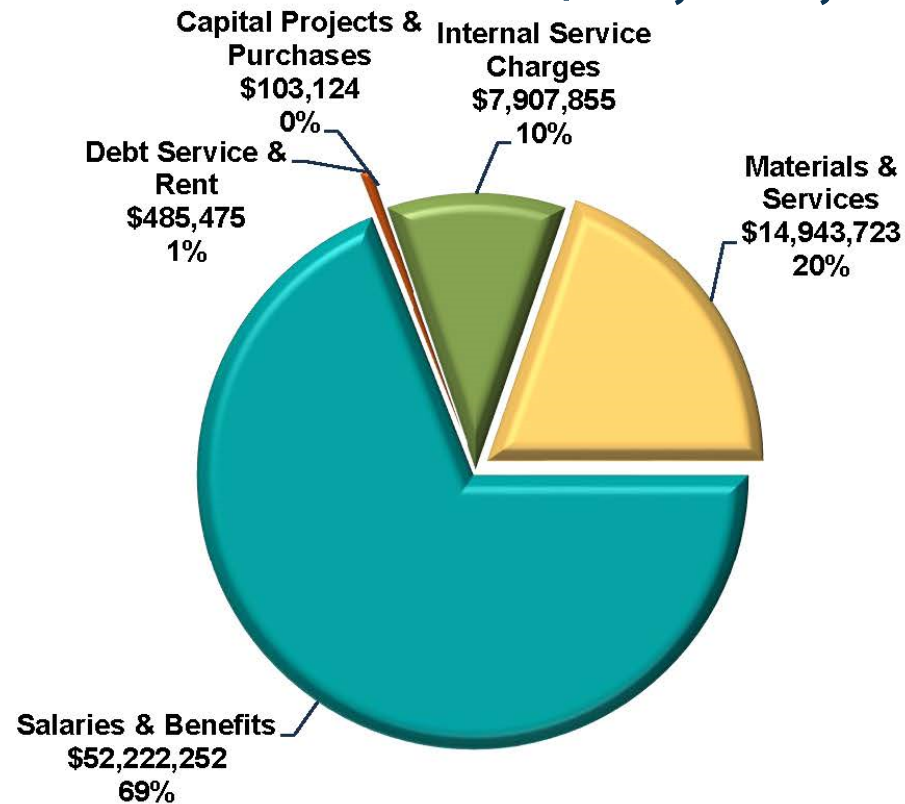
FY 2019-20 Sources of Funds

General Fund = \$76,012,686



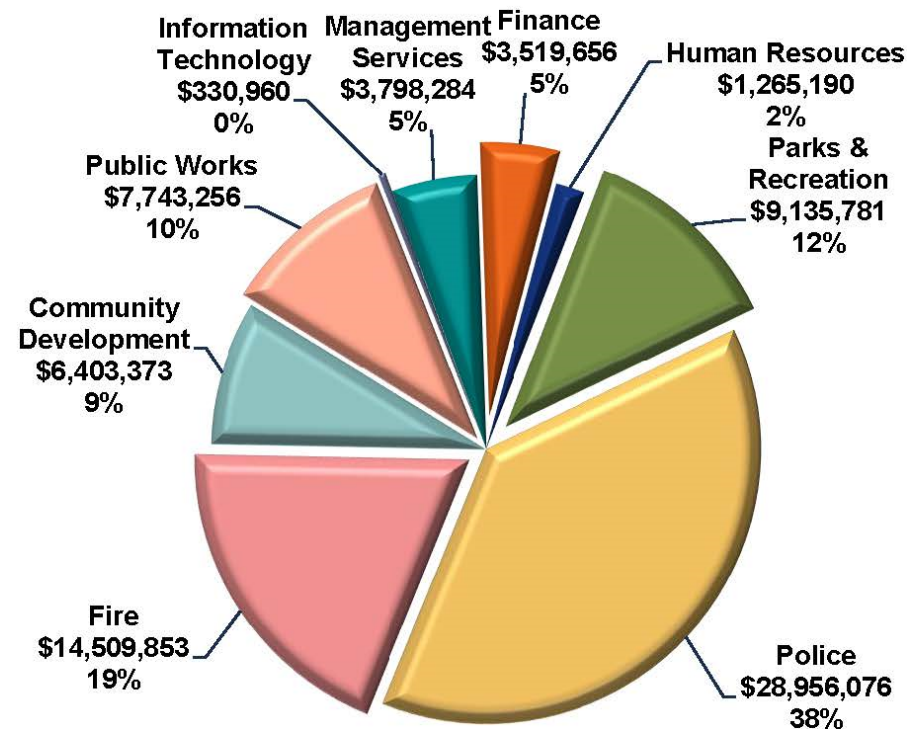
FY 2019-20 Use of Funds By Category

General Fund = \$75,662,429



FY 2019-20 Use of Funds By Department

General Fund = \$75,662,429



General Fund Budget - Details

- ▶ Approved MOUs provided for within budgeted increases
- ▶ Required Pension contributions accommodated
- ▶ Vacancy Factor of 4.0% (\$1.5 million) built-in
- ▶ Council Contingency maintained at \$100,000

Five Year Forecast

General Fund

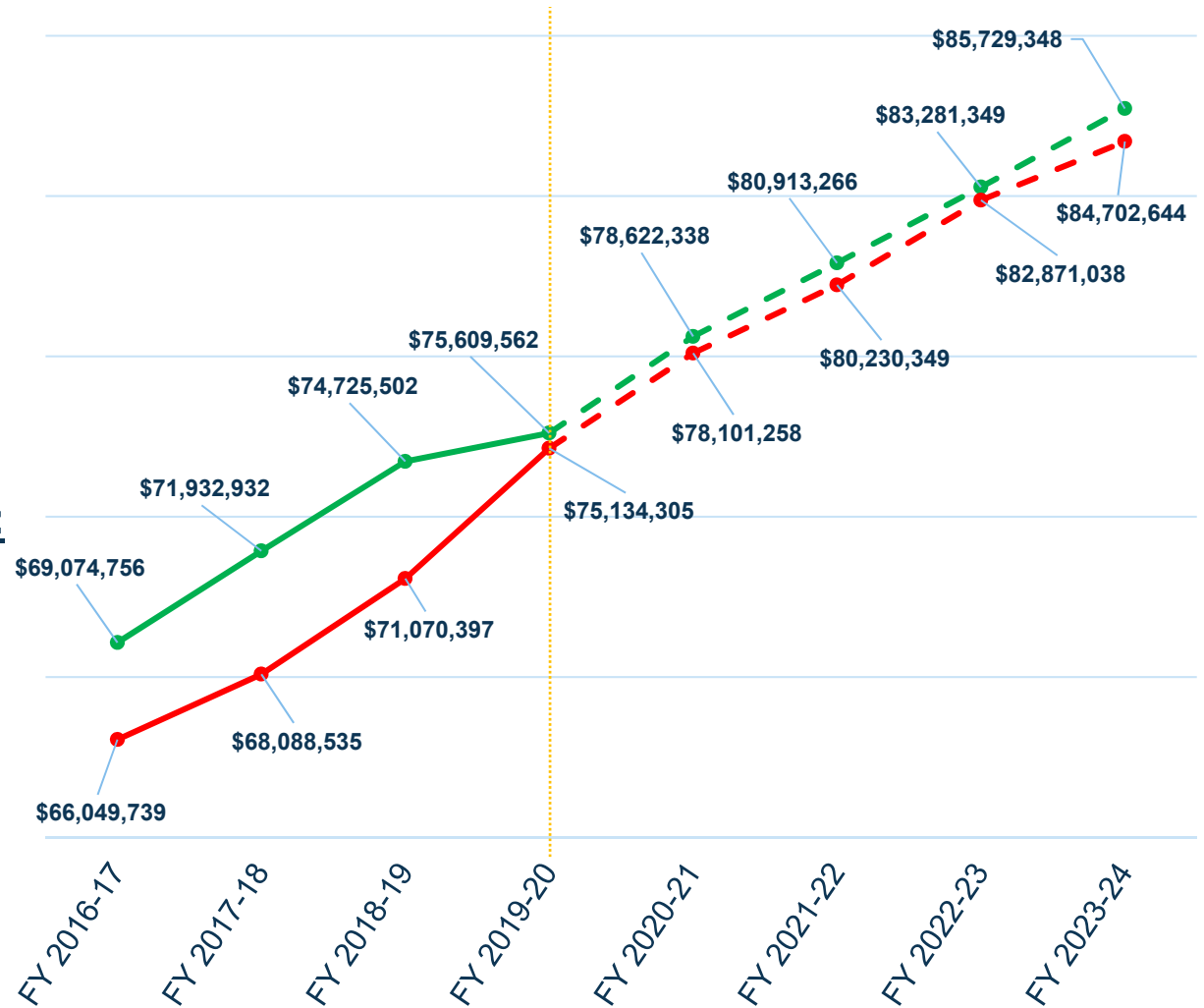
Core Revenues & Expenditures

Core Revenues include:

- ▶ Property Tax
- ▶ Sales & Use Tax
- ▶ Transient Occupancy Tax

Core Expenditures include:

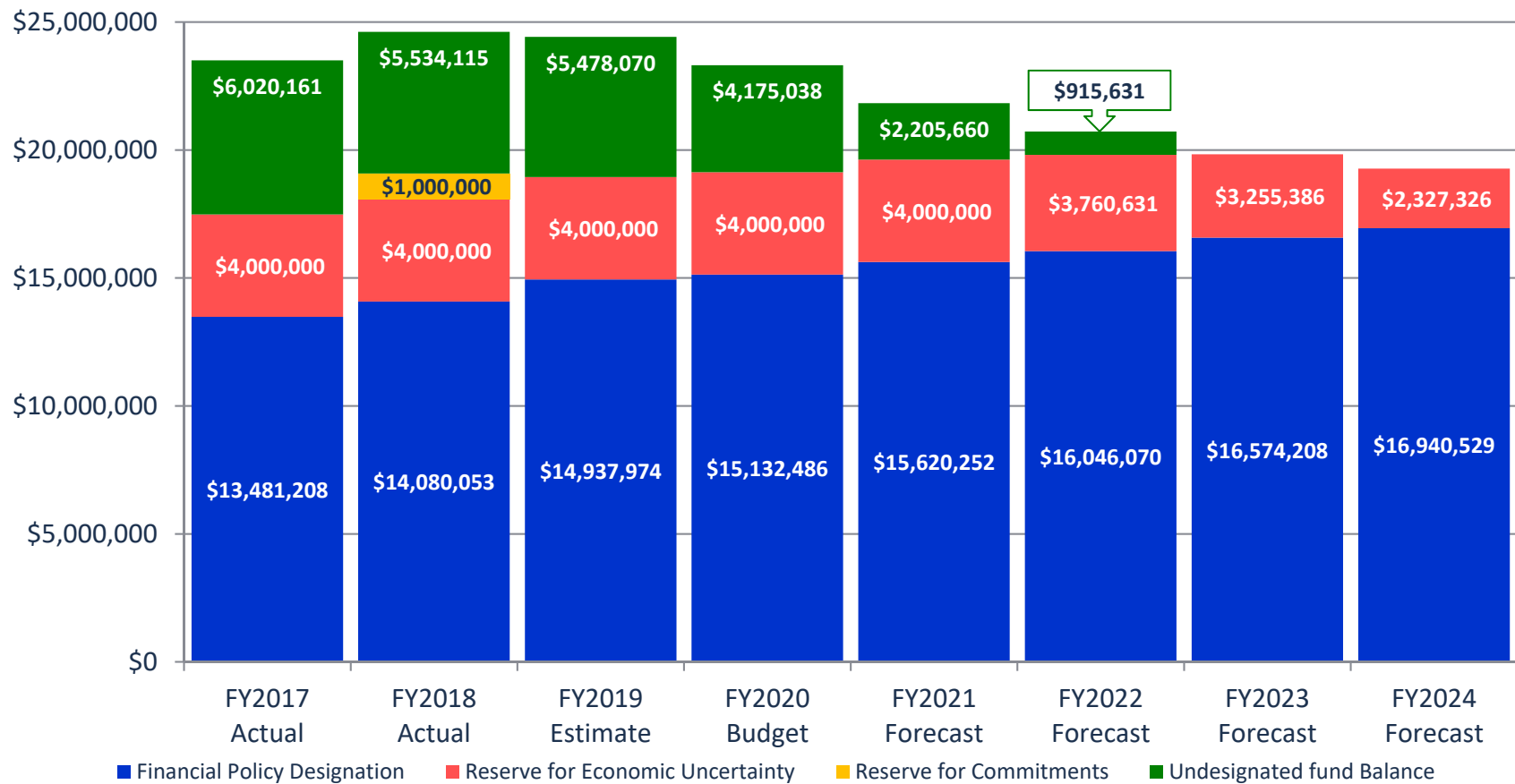
- ▶ Salaries & Benefits
- ▶ Materials & Services
- ▶ Debt Service



—●— Core Revenues —●— Core Expenditures

—●— —●— Dashed lines represent forecasted projections

Estimated General Fund Balance



Summary (FY 2019-20)

- ▶ General Fund budget balanced with surplus
 - FY 2019-20 Proposed Budget: **\$350,257**
- ▶ Unreserved General Fund balances at year end
 - FY 2019-20 Proposed Budget: **\$4.0 million**
- ▶ Reduction due to significant General Fund takeaways to support other funds
 - Stormwater Fund **\$1.3 million**
 - Streetlighting Fund **\$170,530**

Budget Q&A