

# FISCAL YEAR 2024-2025 PROPOSED BUDGET

MAY 7, 2024



\*Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.\*

# FY 2024-2025 BUDGET TIMELINE



# FISCAL OUTLOOK

- Spending plan supports City Council priorities of public safety and outstanding essential services
- Revenues are stable and growing in key areas
- City's AAA credit rating re-affirmed by S&P in 2021
- Overall financial position allows re-investment in our infrastructure, maintenance and service levels
- Approximately \$1.0 million in COVID-19 expenditures submitted for FEMA reimbursement
  - \$194,719 received to date
  - Approximately \$116,300 in eligible reimbursements remain



# BUDGET HIGHLIGHTS

- Significant additions and initiatives include:
  - Vehicle Replacements, including \$2.0 million Fire Engine replacement
  - Capital improvement projects supported by \$1.0 million General Fund transfer
  - Police SWAT Rescue Vehicle
  - Environmental Compliance and SB 1383 Assistance
  - Contract Services includes CPI adjustments and enhancements
  - Citywide Artificial Intelligence (AI) initiatives



# BUDGET HIGHLIGHTS

- Personnel costs include:
  - MOU Adjustments
  - Full impacts of 12 positions approved at mid-year
  - Four new full-time positions:
    - Permits Technician (CD)
    - Office Assistant (IT – Information Technology Fund)
    - Account Specialist (FIN)
    - Water Systems Operator (PW – Water Fund)



# FY 2024-2025 SUMMARY

## TOTAL CITYWIDE BUDGET

REVENUES	\$170.0 million
EXPENDITURES	184.6 million
<i>Operating</i>	<i>\$136.8 million</i>
<i>CIP &amp; Equipment</i>	<i>37.5 million</i>
<i>Debt Service</i>	<i>10.3 million</i>

## GENERAL FUND BUDGET

REVENUES	\$99.0 million
EXPENDITURES	98.5 million
OPERATING SURPLUS	\$508,264



# FY 2024-2025 SUMMARY

## General Fund Reserve Projections after FY 2024-2025:

20% of Expenditures Policy	\$19.5 million
Economic Uncertainty	\$ 4.0 million
Unreserved Fund Balance	\$ 5.6 million

## General Fund Balance impacted by transfers out to other funds:

### Transfers to support operations and one-time projects:

- CIP Fund - \$1.0 million
- Street Lighting & Landscape Fund - \$313,346

### Transfers as a result of UAL Pension Policy:

- CIP Fund for projects - \$1,194,471
- Section 115 Trust Fund to prefund future pension costs - \$1,791,707

Section 115 Trust Fund Balance projected to be \$4.2 million in FY 2024-2025



# PERFORMANCE MEASURES

## PERFORMANCE MEASURES

### CUSTOMER INQUIRIES SERVED IN A TIMELY MANNER

PRIOR YEAR			TARGET	EXCELLENT MUNICIPAL SERVICES
2021-2022	2022-2023	2023-2024	2024-2025	
Actual	Actual	Estimate	Budget	
N/A*	85%	95%	95%	

The department served approximately 26,400 customers in Fiscal Year 2023-2024. The department strives to serve customers at the public counter, by walk-in and individual appointment, as well as via phone calls within 10 minutes. The service time for email inquiries and return phone calls is one business day. This serves as initial contact for zoning standards, building code, code enforcement reports, Public Records Act requests, and other services, which are all counted within this metric.

### BUILDING AND PLANNING SERVICES TURNAROUND TIME

PRIOR YEAR			TARGET	EXCELLENT MUNICIPAL SERVICES
2021-2022	2022-2023	2023-2024	2024-2025	
Actual	Actual	Estimate	Budget	
N/A*	54%	65%	75%	

The department reviews applications and plan checks for various projects throughout the City. The Planning Division's goal is to review discretionary applications for completeness within 30 days which is a State requirement. The Building Division's goal is to complete major plan checks within six weeks (average) and minor plan checks (such as re-roofs, window change outs, solar systems, electric vehicle chargers, etc.) within two business days.

### BUILDING INSPECTIONS COMPLETED BY NEXT BUSINESS DAY

PRIOR YEAR			TARGET	SAFETY & HEALTH OF THE COMMUNITY
2021-2022	2022-2023	2023-2024	2024-2025	
Actual	Actual	Estimate	Budget	
N/A*	100%	100%	95%	

Construction projects within the City require numerous inspections. All inspections that are submitted on a business day prior to 3:00 PM are scheduled for inspection the next business day.

### CODE ENFORCEMENT SERVICE REQUESTS REVIEWED WITHIN TWO DAYS

PRIOR YEAR			TARGET	SAFETY & HEALTH OF THE COMMUNITY
2021-2022	2022-2023	2023-2024	2024-2025	
Actual	Actual	Estimate	Budget	
N/A*	100%	99%	95%	

Code Enforcement staff are responsible for ensuring compliance with construction rules, the Municipal Code and applicable regulations to maintain a safe and healthy community. New requests are expected to be reviewed and acknowledged within two days of receipt, after which staff performs more in-depth work to gain compliance.

### CITIZEN TRAFFIC AND PARKING REQUESTS REVIEWED WITHIN 10 DAYS

PRIOR YEAR			TARGET	EXCELLENT MUNICIPAL SERVICES
2021-2022	2022-2023	2023-2024	2024-2025	
Actual	Actual	Estimate	Budget	
N/A*	96%	96%	95%	

The Traffic Engineering Division receives traffic and parking requests for various traffic improvements throughout the City. These requests include, but are not limited to, stop sign requests, crosswalks, red curbs, disabled parking spaces, adding and removing traffic signs, street striping, permit parking, and loading zones.

\*This is a new performance measure that began to be tracked in FY 2022-2023. Some data may not be available for years prior to this.

## BY THE NUMBERS IN 2023

### PERMITS

**471** RESIDENTIAL  
**43** COMMERCIAL

<b>263</b> ELECTRICAL	<b>83</b> MECHANICAL	<b>227</b> SOLAR SYSTEMS
<b>268</b> RE-ROOF	<b>836</b> RIGHT-OF-WAY STREET USE	<b>211</b> TEMPORARY PARKING

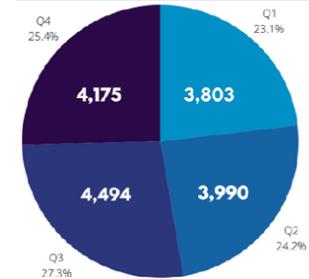
**343** RESIDENTIAL BUILDING RECORD REPORTS

**252** DEPARTMENT RESPONSES TO PUBLIC RECORDS REQUESTS

**1,149** NEW CODE ENFORCEMENT CASES  
**1,057** CLOSED CODE ENFORCEMENT CASES



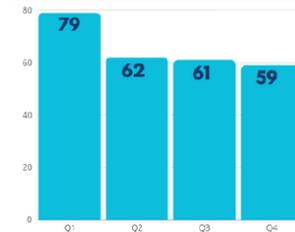
**16,463** BUILDING INSPECTIONS



Completed 12 years of the **GREEN BUSINESS PROGRAM** and certified 100 businesses resulting in:

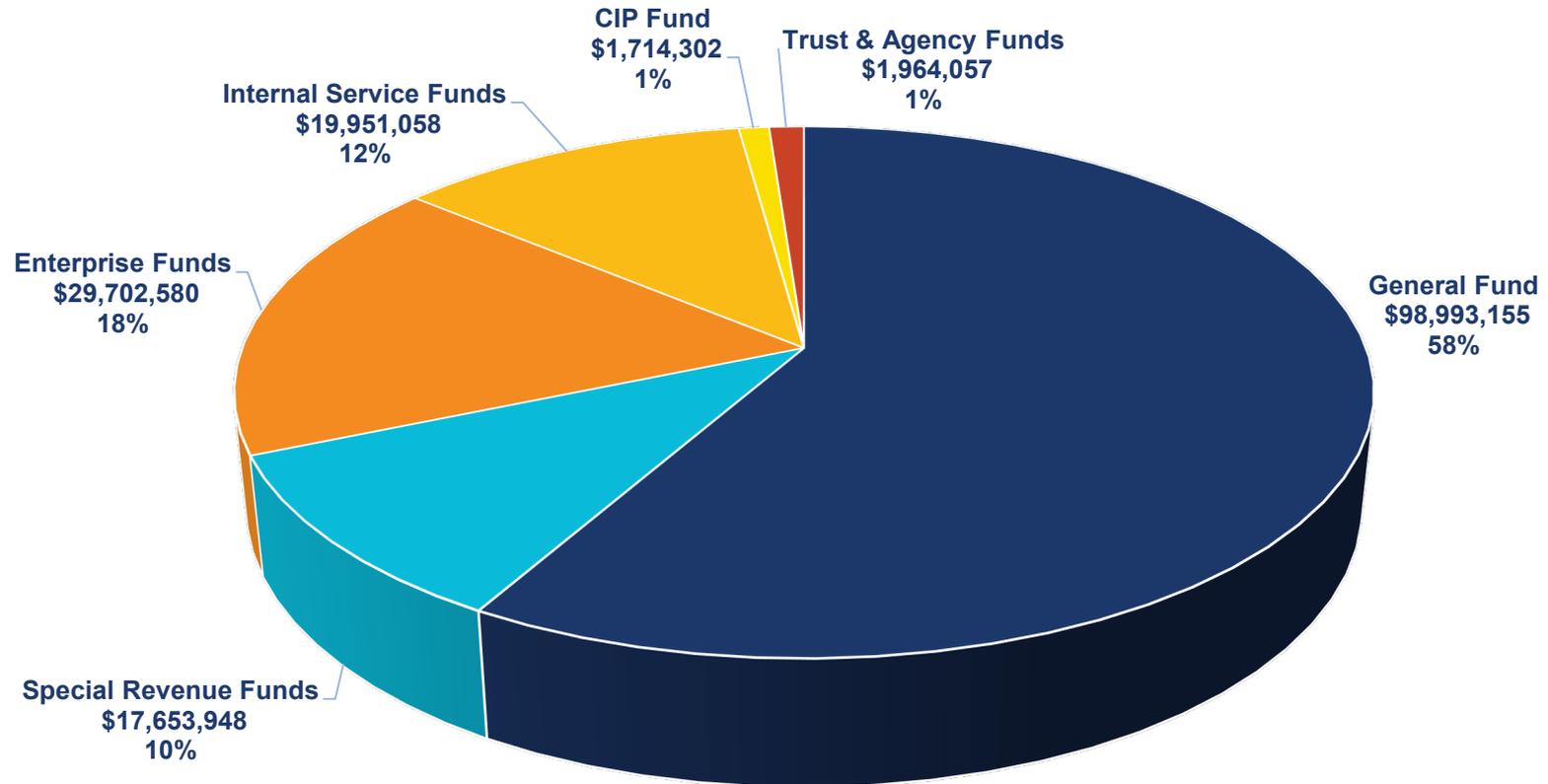
**1,876,777** pounds of GHG reduced  
**1,407,191** kilowatts of energy saved  
**2,626,161** pounds of solid waste diverted  
**8,286,430** gallons of water saved

**224** PLANNING APPLICATIONS



# CITYWIDE REVENUES

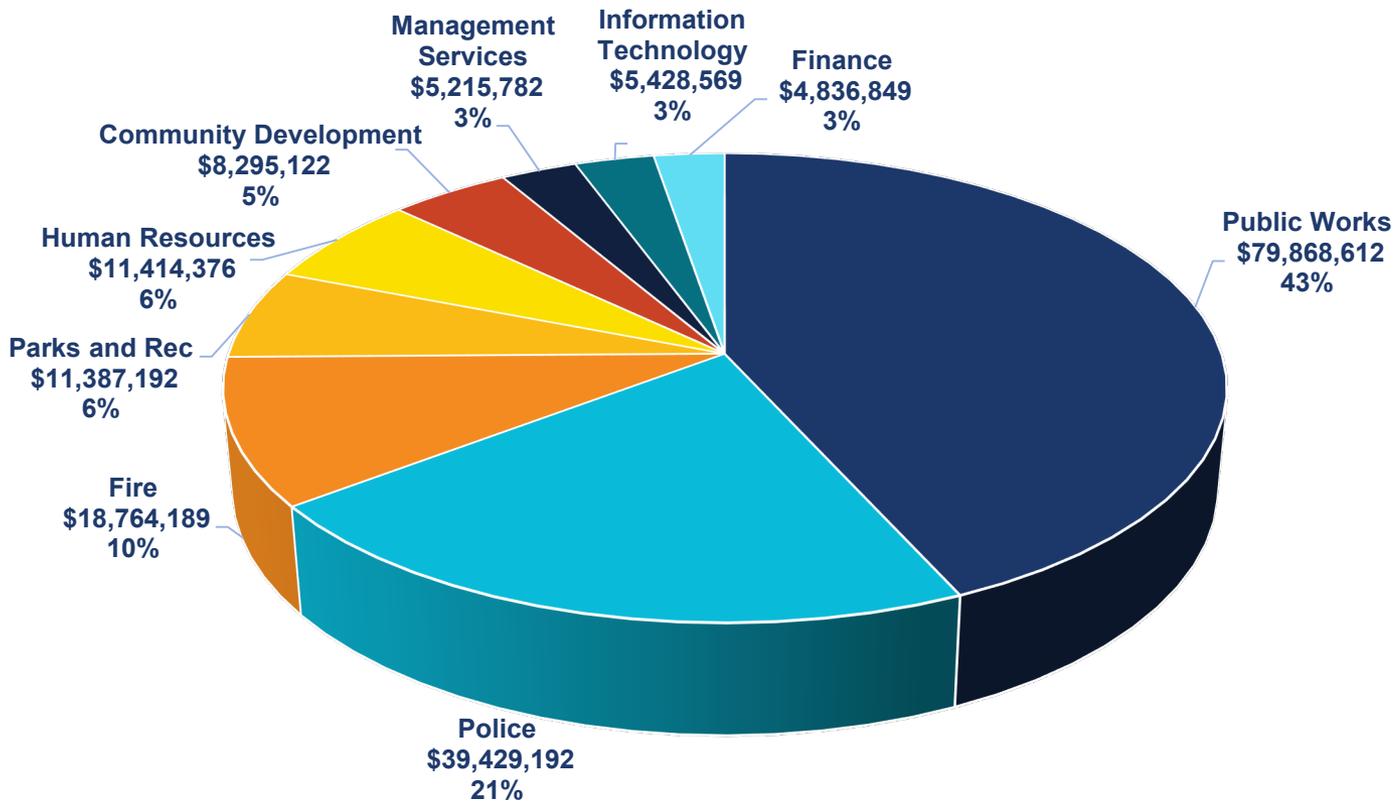
## \$169,979,100



# CITYWIDE REVENUES

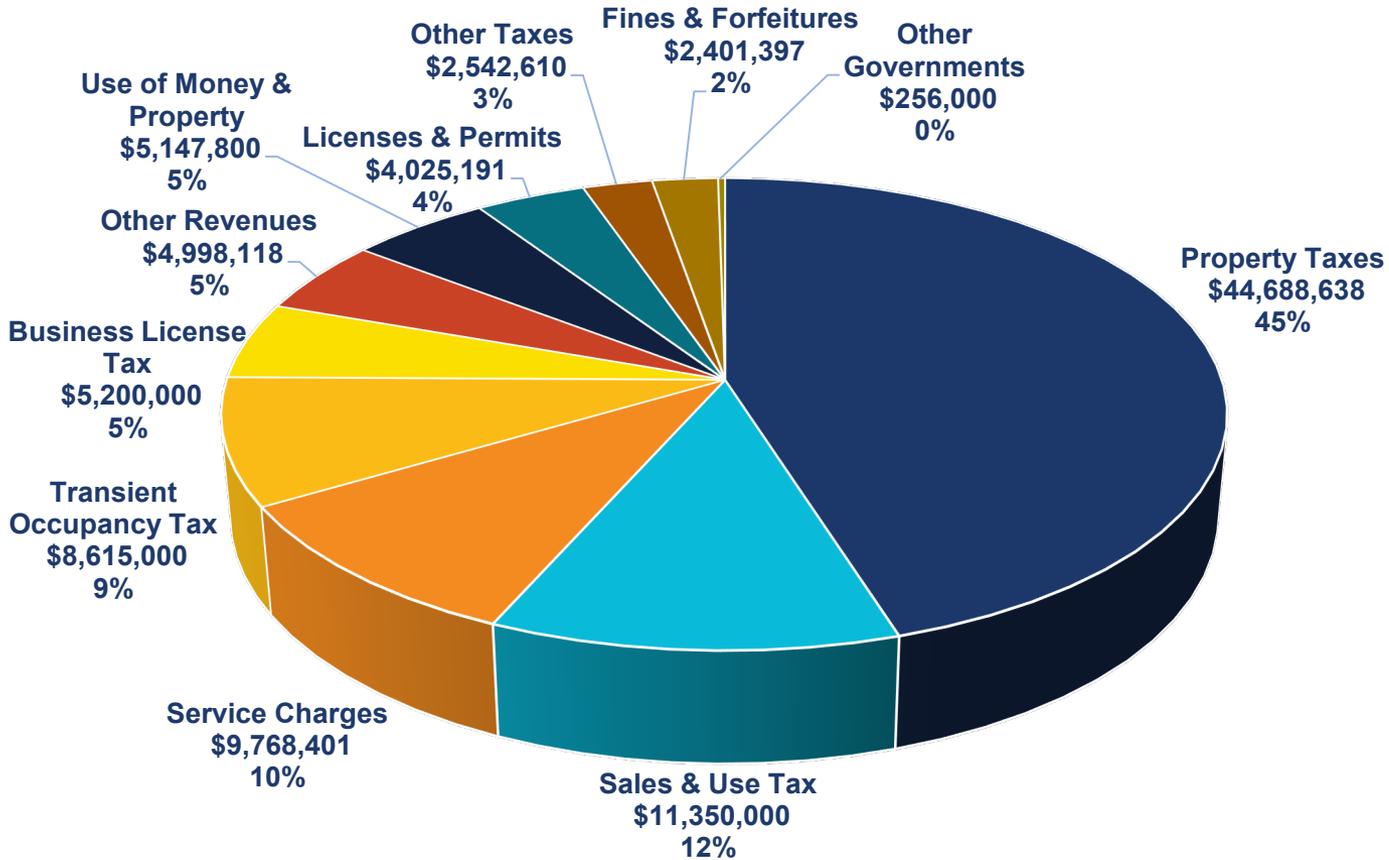
## By Department

# \$184,639,883



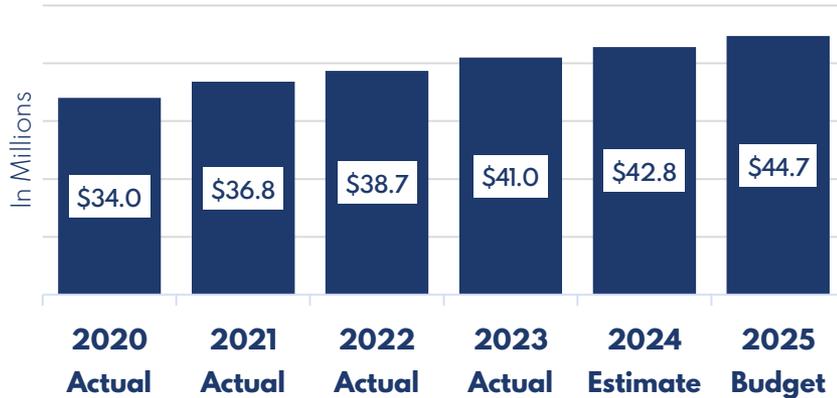
# GENERAL FUND REVENUES

## \$98,993,155

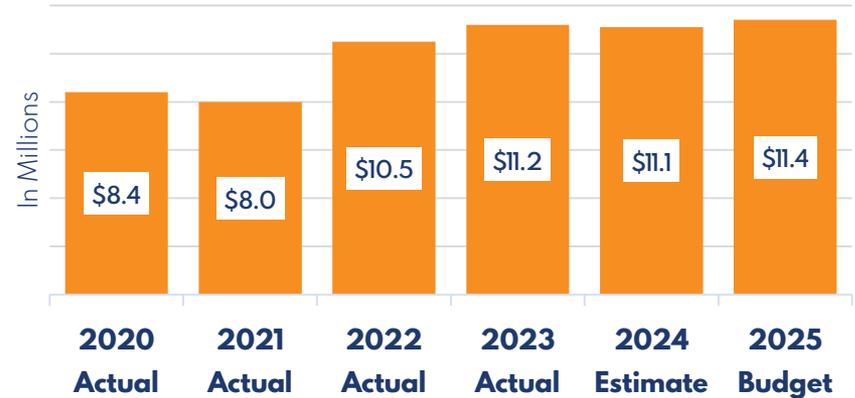


# GENERAL FUND REVENUES

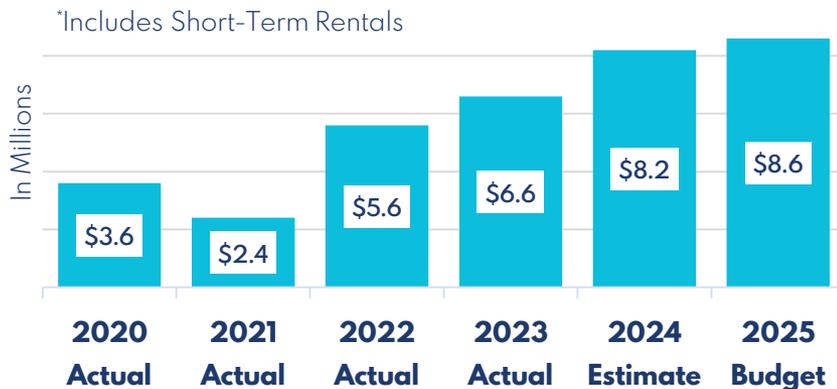
## PROPERTY TAX



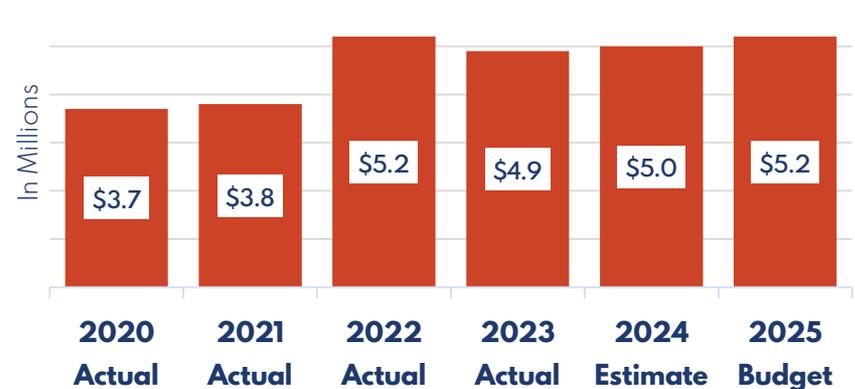
## SALES & USE TAX



## TRANSIENT OCCUPANCY TAX

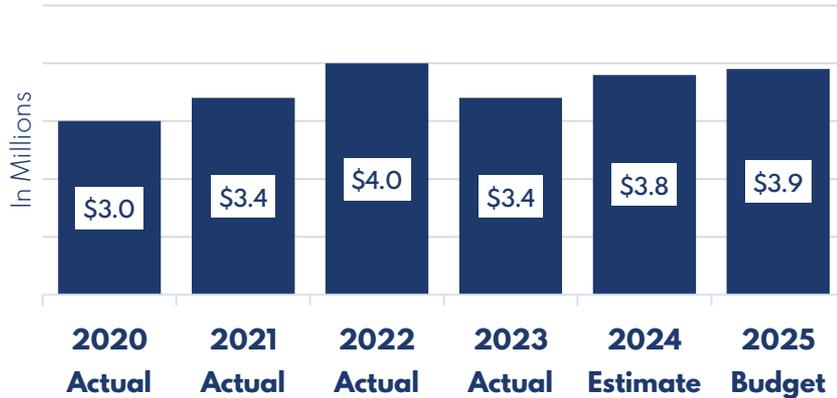


## BUSINESS LICENSE TAX



# GENERAL FUND REVENUES

## BUILDING PERMITS & PLAN CHECK FEES



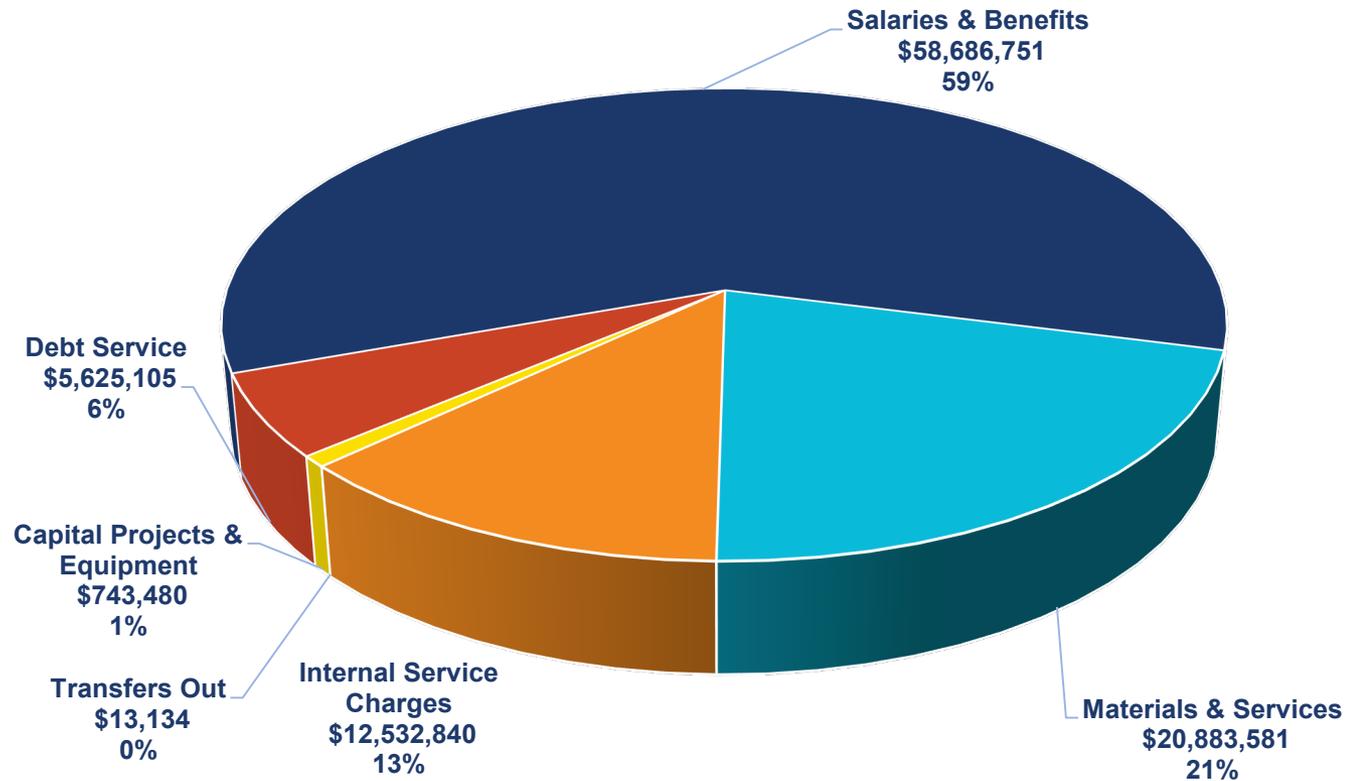
## PARKS & RECREATION REVENUES



# GENERAL FUND EXPENDITURES

By Category

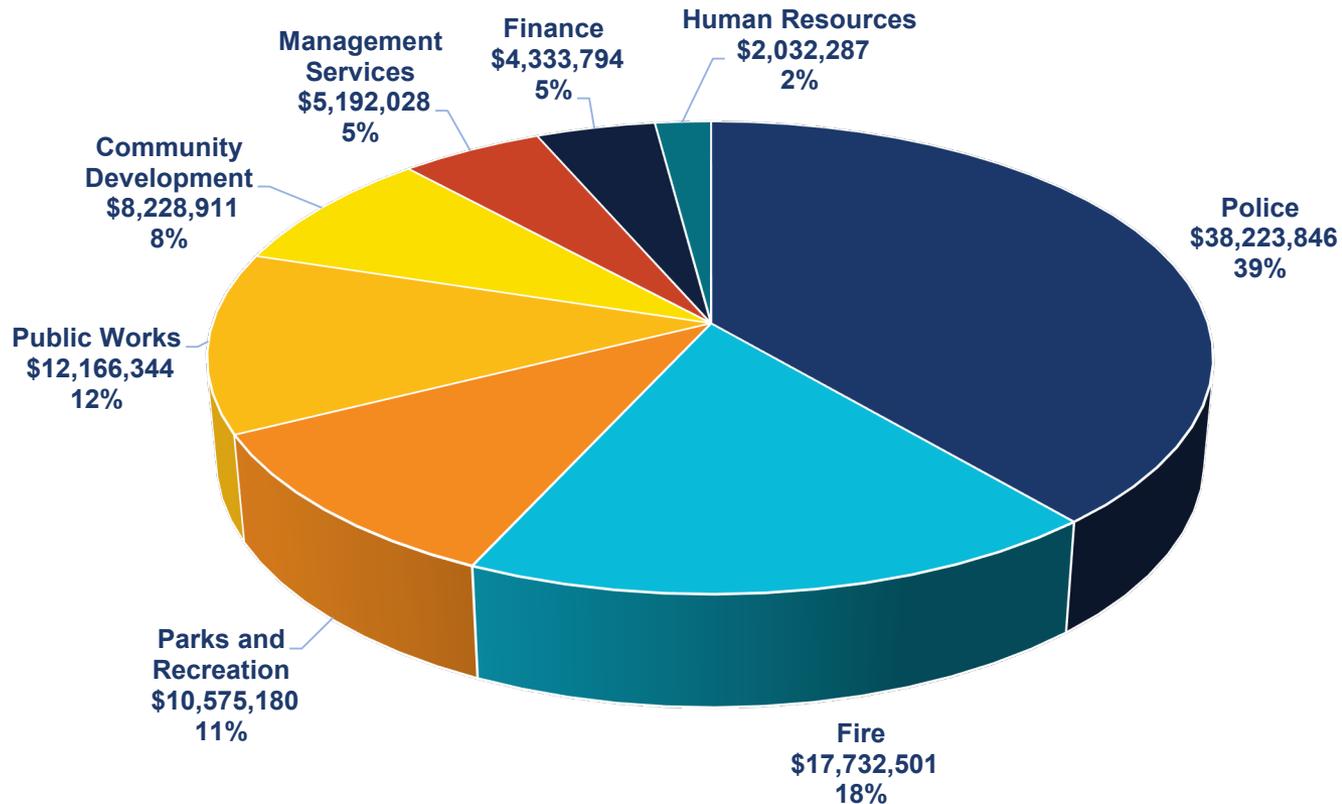
**\$98,484,891**



# GENERAL FUND EXPENDITURES

## By Department

**\$98,484,891**



# GENERAL FUND EXPENDITURES

- Salaries and Benefits increasing \$3.1 million based on MOU increases and associated benefits
  - Vacancy factor built in to recognize savings up front
  - General Fund staffing adjustments summary:
    - Full impact of positions added in February 2024
    - Two new full-time positions (\$133,620)
    - Upgrades and part-time adjustments (\$179,524)
  - Benefits category includes CalPERS current service costs totaling \$5.3 million
- Debt service category includes \$5.2 million for POB payments



# GENERAL FUND EXPENDITURES

- Materials & Services increasing \$1.7 million due to:
  - Inflationary increases affecting costs of Contract Services, Utilities, and other materials
  - Additional contract services for Traffic Markings (\$140,000), Tree Planting (\$100,000), Janitorial Services (\$100,000), Landscaping Services (\$100,000), and Park Maintenance (\$75,000)
  - One-time Contract Services for City Leases and TOT audit (\$65,000)
  - Elections increasing (\$169,500)
  - Legal Services increasing (\$184,520)
  - SBRPCA (RCC) and INSB Communications increasing (\$110,951)



# GENERAL FUND EXPENDITURES

- New Equipment and Vehicles included:
  - Three net new vehicles added for Police Lieutenants (\$243,930)
  - New Police SWAT Rescue Vehicle (295,650)
  - Command Vehicle for new Fire Deputy Chief (\$70,000)
- Red House Upgrades (\$75,000)
- Internal Service Charges increasing \$520,129 primarily due to higher costs and inflationary increases (e.g., insurance premiums, contract services, materials and supplies, fuel costs, etc.)



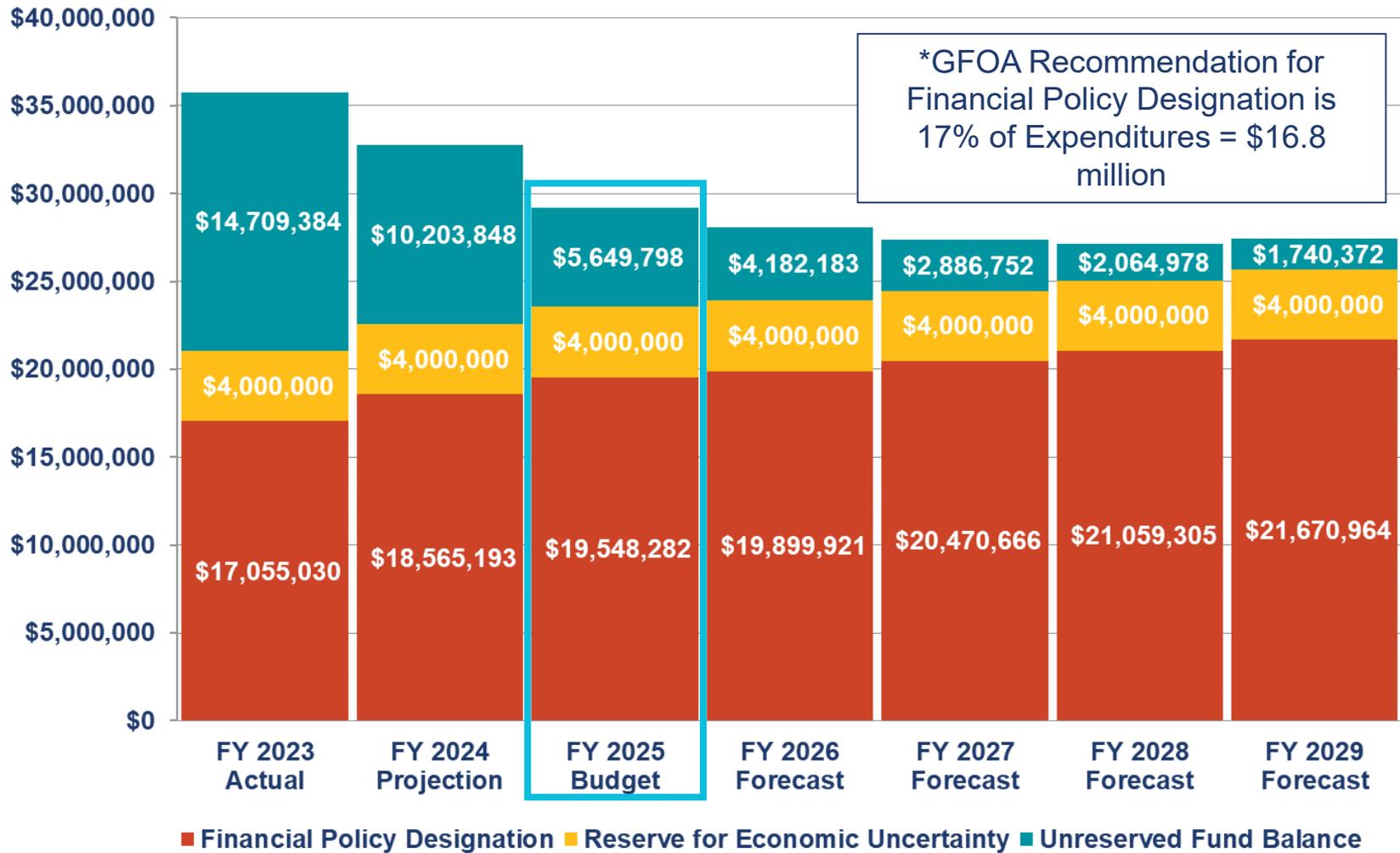
# CALPERS PENSION PAYMENTS

- Volatility in CalPERS investment returns from assumed rate of **6.8%** creates unfunded liabilities
  - FY 2021            22.4%
  - FY 2022            -7.5%
  - FY 2023\*          6.1%
- Based on FY 2022 investment return, City's unfunded liability is approximately \$28 million
- Unfunded Liability payment of \$1.1 million due in FY 2024-2025
- Finance staff will continue to monitor and provide updates to Finance Subcommittee

\* June 30, 2023 Actuarial Reports will be released in August 2024



# ESTIMATED GENERAL FUND BALANCE



# BUDGET RECAP

- Strong revenues and balanced budget
- Essential services maintained
- Re-investments in infrastructure, maintenance and services
  
- Next steps
  - May 14: Budget Study Session and CIP Presentation
  - May 21: Potential Budget discussion at Regular Meeting
  - May 28: Budget Study Session (if needed)
  - Email comments to [Budget@manhattanbeach.gov](mailto:Budget@manhattanbeach.gov)
  - June 4: Public Hearing and Budget/CIP Adoption



# QUESTIONS

