

# MANHATTAN BEACH BUDGETSNAPSHOT

The City of Manhattan Beach continues to see overall economic stability and meet organizational goals, including efficiently providing excellent services to the community and maintaining adequate fund reserves, while retaining the City's triple-A credit rating. The City is committed to remaining fiscally sound through balanced budgeting and long-term planning.

## TAILWINDS

The City balances its Operating Budget every year.

A Pension Stabilization Reserve Fund was created in 2017 to help offset the impact of future CalPERS employer contribution increases.

Tax revenues are stable; Property Taxes are expected to grow 7.0% in FY 2018-2019.

Standard & Poor's reaffirmed the City's **AAA** Credit Rating in 2016.

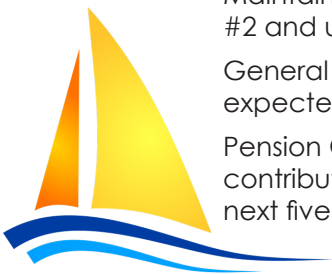


## HEADWINDS

Maintaining current services competes with saving for large projects like replacing Fire Station #2 and upgrades to community facilities.

General Fund subsidies to the Stormwater Fund and Street Lighting & Landscape Fund are expected to total \$6.7 million over the next five years.

Pension Costs are rising due to CalPERS not meeting expected investment returns. Employer contributions (\$6.9 million in FY 2017-2018) are projected to rise to over \$12.0 million over the next five years.



The City operates on a two-year budget cycle, with the first year focus placed on Operations and the second year focus on the Five Year Capital Improvement Plan. A new two-year cycle is now beginning with planning for fiscal years 2018-2019 and 2019-2020.

## FY 2017 - 2018 CITY-WIDE BUDGET \$125,661,039

**OPERATING BUDGET**  
\$102.5 million

**CAPITAL BUDGET**  
\$18.8 million

**DEBT SERVICE**  
\$4.3 million

**GENERAL**  
\$80.8  
million

**ENTERPRISE  
ACTIVITIES**  
\$19.7  
million

**SPECIAL  
REVENUE  
FUNDS**  
\$2.0  
million

**GENERAL  
CIPs &  
EQUIP**  
\$6.1  
million

**SPECIAL  
REV CIPs &  
EQUIP**  
\$2.9  
million

**ENTERPRISE  
CIPs**  
\$9.8  
million

**GENERAL**  
\$2.9  
million

**ENTERPRISE  
ACTIVITIES**  
\$1.4  
million

# REVENUES

Funding for Operations, Capital Investments & Debt Service

## FY 2017-2018 General Fund Revenues (\$71.0 Million)

### OTHER TAXES

\$2.5 million | 3.5%

- Includes Franchise Fees and Real Estate Transfer Taxes.

### FINES & FORFEITURES

\$2.8 million | 3.9%

- Includes parking citations (\$4 of most citations goes to Capital Improvements Fund) and vehicle code fines.

### BUSINESS LICENSE TAX

\$3.6 million | 5.1%

- The City issues over 5,000 business licenses annually; the tax is based on the type of business and gross receipts reported.

### OTHER REVENUES

\$5.5 million | 7.8%

- General Fund receives \$3.7 million from other funds for Administration and Overhead.
- Also includes grants and other miscellaneous revenues.

### SALES TAX

\$9.0 million | 12.7%

- Largest industry groups generating Sales Tax include General Consumer Goods and Restaurants/Hotels.
- Businesses located in the Sepulveda Corridor contribute about 27% of total revenues, followed by the Village Mall (21%) and Downtown (16%).
- Risks include growth in online sales and a downturn in the travel and tourism industry.

\$2.5 Million

\$2.8 Million

\$2.8 Million

\$3.6 Million

\$3.6 Million

\$4.5 Million

\$5.5 Million

\$7.2 Million

\$9.0 Million

\$29.5 Million

### PERMITS

\$2.8 million | 3.9%

- Building Permits generate 63% of total Permit revenue.
- Includes residential and commercial permits.

### USE OF MONEY & PROPERTY

\$3.6 million | 5.1%

- The City invests reserve funds in high-grade securities in accordance with our Investment Policy and State law.
- Also includes ground leases at Metlox, Marriott Hotel and country club.

### TRANSIENT OCCUPANCY TAX

\$4.5 million | 6.4%

- The City levies a 10% tax on hotel/motel rooms within the City.
- 15% of taxes are dedicated to the Capital Improvements Fund.

### SERVICE CHARGES

\$7.2 million | 10.1%

- Cost recovery fees associated with various City services and programs (e.g. Plan Check fees, Parks and Rec programs)

### PROPERTY TAX

\$29.5 million | 41.6%

- The net taxable value of properties increased 7.0% in FY 2017-2018 due to higher assessed values.
- Home prices have fully recovered from the recession; Median sale prices are at 148% of the pre-recession peak price (per Q1-Q3 2017 available data).
- Nearly 2,000 parcels (21.6%) in the City are still assessed at Pre-1978 levels.

## ENTERPRISE FUNDS

**WATER FUND** (\$14.9 Million) | **WASTEWATER FUND** (\$3.4 million)

- Last rate increase January 2014
- Revenues fund operations & infrastructure projects

**STORMWATER FUND** (\$354,300)

- Original rates from 1996 still in effect
- General Fund subsidies required to fund operations & infrastructure improvements

**REFUSE FUND** (\$4.3 million)

- Revenue funds are paid to City's waste hauler for service (less city recovery cost)

**PARKING FUNDS** (\$4.0 Million)

- Parking Meter rates last changed in 2008
- \$1.2 Million goes to Metlox Debt Service & land leases

## SPECIAL REVENUE FUNDS

**ROAD & TRANSPORTATION FUNDS** (\$3.9 Million)

- Gas tax, Prop A, Prop C, Measure R & Measure M
- Gas taxes paid per gallon at the pump
- Prop A, Prop C, Measure R & Measure M are county-wide sales taxes

**CIP FUND** (\$1.7 Million)

- General Fund revenues dedicated to capital improvements
- About half of revenues go to Police/Fire Facility Debt Service

**STREET LIGHTING & LANDSCAPE FUND** (\$0.4 million)

- Original rates from 1996 still in effect
- General fund subsidies required to fund operations



# OPERATIONS

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.

## Services & Programs that make Manhattan Beach **SHINE**

\$8,889,831

25 Full-Time Employees

Administration	\$2.6
Recreation Services	\$2.4
Sports & Aquatics	\$1.5
Transportation Services	\$0.9
Cultural Arts	\$0.9
Older Adults & Volunteers	\$0.6



## Public Safety & Emergency Services to **PROTECT** life & property

\$39,549,929

138 Full-Time Employees

Police Patrol & Investigations	\$11.9
Police Command & Support	\$10.6
Fire Operations	\$6.7
Fire Command & Fire Prevention	\$3.5
Traffic Safety	\$2.1
Parking Enf. & Animal Control	\$2.1
Emergency Medical Services	\$2.0
Emergency Preparedness & Education	\$0.7



**\$102.5 Million**

**SHINE**  
9%  
\$8.9

**SUPPORT**  
19%  
\$19.4

**PROTECT**  
39%  
\$39.5

**PRESERVE**  
34%  
\$34.7

## City-wide Internal **SUPPORT**

\$19,403,182

55 Full-Time Employees

Finance & HR	\$11.3
Management Services	\$4.2
Information Technology	\$2.5
Fleet Maintenance & Warehouse Services	\$1.5

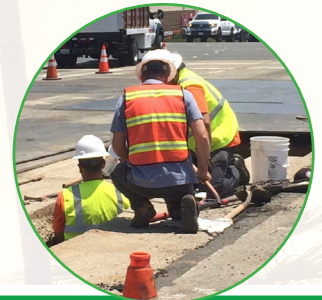


## Infrastructure & Investments to **PRESERVE** our Quality of Life

\$34,670,337

84 Full-Time Employees

Water Utility	\$10.8
Refuse Utility	\$4.2
Planning, Building & Code Enforcement	\$3.8
Public Works & Engineering	\$3.4
Facilities Maintenance	\$3.3
Streets, Sidewalks & Tree Maint.	\$3.1
Parking Meters, Lots & Structures	\$2.5
Sewer Utility	\$1.3
Administration & Environmental Policy	\$1.0
Storm Drain Utility	\$0.9
Traffic & Transportation	\$0.3

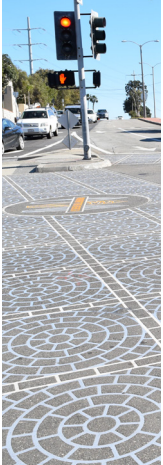


\*Breakdown costs are in millions

# CAPITAL INVESTMENTS & DEBT

## KEY CURRENT/UPCOMING CAPITAL IMPROVEMENT PROJECTS

As adopted in FY 2018-2022 Capital Improvement Plan available at [www.cityymb.info/CIP](http://www.cityymb.info/CIP)



### STREETS, SIDEWALKS & TRANSPORTATION

(\$46.8 million)

*Funded by Gas Tax, Proposition C, Measure R, Measure M and various grant funds.*

- Sepulveda Bridge Retrofit and Widening
- Aviation south-bound at Artesia westbound right-turn lane
- Dual Left-turn lanes on MBB at Sepulveda
- Rosecrans Avenue Bike Lane
- Ocean Drive Walkstreet Crossing
- Annual Slurry Seals and Curb, Gutter and Ramp Replacements

### PARKING FUNDS

(\$0.8 million)

*Funded by parking meters and lot space fees.*

- Parking Structure Structural Rehab Analysis

### STORMWATER UTILITY

(\$5.0 million)

*Funded by Utility Service Charges (\$19 per parcel) and General Fund subsidies.*

- Storm Drain Repairs
- Storm Drain Debris Collection Devices
- Hermosa Greenbelt Joint Watershed Project



### FACILITIES & GENERAL CAPITAL IMPROVEMENTS

(\$11.3 million)

*Funded by Transient Occupancy Taxes (15%), Parking Citations (\$4), Parking Meters, and various grant funds.*

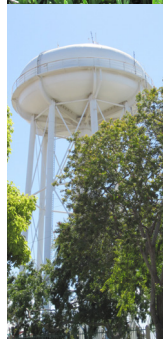
- Manhattan Village Field Synthetic Turf & Light Fixtures
- Field netting at Dorsey & Live Oak Fields
- Pier Improvements
- Veterans Parkway Landscape/Hardscape
- Citywide Fiber Master Plan Study – Fiber to the Home (FTTH)s

### WATER UTILITY

(\$42.2 million)

*Funded by Utility Service Charges and Connection Fees.*

- Citywide Water Meter Upgrades/ Automation
- Peck Ground Level Reservoir Replacement
- Pier Water Main and Fire Service Replacements



### WASTEWATER UTILITY

(\$18.8 million)

*Funded by Utility Service Charges, Connection Fees and Environmental Permit Fees.*

- Poinsettia Sewer Lift Station & Main Replacement
- Sewer Lift Station Upgrades at Pacific, Palm, Meadows, and Voorhees
- Pier Pump Station and Main Replacement



## ANNUAL DEBT SERVICE

Funded by taxes, fees and service charges:

- Marine Avenue Park Certificates of Participation Bonds (General Fund \$462,725)
- Police/Fire Facility Certificates of Participation Bonds (CIP Fund \$767,362)
- Metlox (Parking Fund \$717,413), Water (\$172,001) & Wastewater (\$84,625) Certificates of Participation Bonds
- Fire Truck Capital Lease (\$406,898)

Funded by property owner assessments:

- Utility Undergrounding Assessment Districts Bonds (\$947,439)  
\*Refinancing in March 2018 for an average savings per property owner of \$441 in Districts 04-1, 04-3 and 04-5 and \$1,568 in Districts 05-2 and 05-6.

Funded by parking meter revenues:

- 26th St. County Lot and Land Lease (\$86,000)
- El Porto County Lot and Land Lease (\$350,000)