

City of Manhattan Beach

*1400 Highland Avenue
Manhattan Beach, CA 90266*



Meeting Minutes - Draft

Tuesday, May 30, 2017

6:00 PM

Budget Study Session #2

City Council Chambers

City Council Adjourned Regular Meeting

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CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED.

A. CALL MEETING TO ORDER

At 6:00 PM, Mayor Lesser called the meeting to order.

B. PLEDGE TO THE FLAG

Mayor Lesser led the Pledge of Allegiance.

C. ROLL CALL

Present 5 - Mayor David Lesser, Mayor Pro Tem Amy Howorth, City Councilmember Steve Napolitano, City Councilmember Nancy Hersman, and City Councilmember Richard Montgomery

D. PUBLIC COMMENTS (3 MINUTES PER PERSON PER ITEM)

Jim Burton spoke about the Veterans Parkway Preliminary Design Project and encouraging the City Council to examine costs and savings as projects get brought back for City Council review.

E. OLD BUSINESS

1. Presentation of the Proposed 5-Year Capital Improvement Program (CIP) for FY 2017-2018 Through FY 2021-2022 (Public Works Director Katsouleas). [17-0244](#)

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

Mayor Lesser introduced the item and Public Works Director Stephanie Katsouleas provided the PowerPoint presentation.

Public Works Director Katsouleas, Finance Director Bruce Moe, Parks and Recreation Director Mark Leyman and City Engineer Prem Kumar responded to City Council questions.

A motion was made by Councilmember Hersman, seconded by Mayor Pro Tem Howorth to receive the report regarding the Capital Improvement Plan with the following direction from City Council to move forward with the projects outlined within the Streets and Sidewalks Fund, Water Fund, Storm Water Fund, Wastewater Fund, Refuse Fund, City Parking Fund, State Pier & Parking Lots Fund, and CIP Fund. In addition, City Council requested to review the finishings of the City Hall 1st and 2nd Floor Restroom Remodel when the bid is awarded at a later City Council meeting, agendaize the Safe Routes to School Project at Polliwog Park for City Council review, and reduce the scope of the Park Master Plan. A motion carried by the following vote:

Aye: 5 - Mayor Lesser, Mayor Pro Tem Howorth, City Councilmember Napolitano, City Councilmember Hersman and City Councilmember Montgomery

At 7:48 PM City Council recessed and reconvened at 8:00 PM with all Councilmembers present.

2. Budget Study Session #2: Fiscal Year 2017-2018 Proposed Operating Budget (Finance Director Moe).

[17-0245](#)

RECEIVE REPORT; DISCUSS AND PROVIDE DIRECTION

Mayor Lesser introduced the item and Finance Director Bruce Moe provided the PowerPoint presentation.

Finance Director Moe, Public Works Director Stephanie Katsouleas, City Manager Mark Danaj, and Parks and Recreation Director Mark Leyman responded to City Council questions.

Mayor Lesser opened the floor to public comment.

Mark Lipps from the Manhattan Beach Chamber of Commerce spoke about the legacy of the Chamber of Commerce, the services the Chamber can provide to the City, and consideration of funding towards the Chamber.

Jane Guthrie, Chair of the Manhattan Beach Conservancy, discussed the value of a survey of historical resources and advocated to initiate the Mills Acts and Landmark Program.

Craig Cadwalder discussed the importance of maintaining the Environmental Programs Manager position.

Seeing no further requests to speak, Mayor Lesser closed the floor to public comment.

A motion was made by Mayor Lesser, seconded by Councilmember Hersman to prepare the Proposed Fiscal Year 2017-2018 Biennial Operating Budget incorporating the following Budget Expenditure Reduction Options from Attachment #1 that include: #3, #4, #7, #10, #14, #17, #22, #23, #24, #25, #26, #27, #28, #29, #30, #32, #34, #35, #36, #37, #45, #58, #60, #62, as well as a \$3,000 expenditure for a paid summer internship program and proceed with Community Development Department staffing changes. In addition, agendaize Revenue Enhancement Options #2, #3, #4 reflected in Attachment #2 for future consideration.

A motion carried by the following vote:

Aye: 5 - Mayor Lesser, Mayor Pro Tem Howorth, City Councilmember Napolitano, City Councilmember Hersman and City Councilmember Montgomery.

F. ADJOURNMENT

At 10:33 PM Mayor Lesser adjourned the meeting to the City Council Adjourned Regular Joint Meeting with the Parks and Recreation Department Commissions on June 5, 2017 at 6:00 PM.

George Gabriel
Recording Secretary

David Lesser
Mayor

ATTEST:

Liza Tamura
City Clerk

	Department	Category	Account	Line Item	Amount	Tier 1	Tier 2	Tier 3	Description
58	Management Services	Mayors Youth Council	100-11-011-5262	5	\$ (2,000)	(2,000)	-	-	- The City requires any volunteers for MYC to be fingerprinted. Historically, this charge has come from the HR budget, but because it is a City Council program, it will be charged to the City Council. Future charges for fingerprinting will be less than in prior years because volunteers will not have to be scanned every year. MYC has trust account with \$14,260.77 at beginning of FY16-17 and \$3500 was used for expenditures during the year. The City contributes in-kind donations, such as staff time and use of City resources, like rooms or nametags. The fingerprinting services are also considered in-kind services. Eliminating this allocation will not impact the MYC or the services they receive from the City.
3	Finance	Advertising for Community Meetings	100-12-011-5101	5	(9,300)	(9,300)	-	-	- Includes Budget Letter previously mailed to households for which little response was received, as well as a banner announcing the budget community meeting. Staff will utilize social media, print media, City website and community announcements during Council meetings to advertise the meetings.
7	Finance	Community Budget Meeting/Survey	100-12-011-5101	6	(15,000)	(15,000)	-	-	- These meetings were previously facilitated by an outside firm. Staff will conduct these meetings going forward.
10	Finance	GovInvest Actuarial Software	100-12-011-5104	4	(6,000)	-	(6,000)	-	- The goal was to be able to utilize this software to run in-house estimates of pension costs under "what-if" scenarios. Given the complexities and the need for more exact projections, staff prefers to retain the services of a professional actuary on an as-needed basis.
14	Finance	Commercial Enterprise Audits	100-12-011-5103	1	(20,000)	(20,000)	-	-	- The major audits have been completed or are financially provided for with current funds. The next round of audits will be performed in 3-4 years therefore funds may be reduced until that time.
28	Finance	OPEB Actuarial Study	100-12-021-5101	2	(7,000)	(7,000)	-	-	- Staff has identified a less expensive actuary to use for this requirement, thereby reducing the budgeted funds by \$7,000 to \$5,000.
32	Finance	Block & Associates Actuaries	100-12-021-5101	1	(1,200)	(1,200)	-	-	- Biennial actuarial services are performed on dormant City pension plans to ensure adequate funding. This reduction reflects the recent cost trends for those studies
37	Finance	Overtime	100-12-041-4111	1	(400)	(400)	-	-	- Reduction for minimal overtime based on trends.
45	Finance	Local business longevity awards program	100-12-032-5217	1	(300)	(300)	-	-	- Annual awards program to be absorbed by Economic Vitality program budget. This pays for plaques and certificates.
30	Fire	Department Supplies	100-16-041-5217	5	(8,000)	(8,000)	-	-	- Trimming a portion of supplies budget for unanticipated equipment and supplies.

34	Fire	Uniforms/Safety Equipment	100-16-011-5206	2	(1,000)	(1,000)	-	-	Funds budgeted annually for replacement of personal protective equipment. All personal protective equipment is currently up to date.
60	Fire	Overtime Sworn Employees	100-16-***-4112	0	(27,000)	(27,000)	-	-	Reductions are related to decreases in training in non-Operational Divisions budgets. This reduction is in contractual overtime obligation that no longer exists in the current contract. This will affect overtime and backfill for training related to managing hazardous materials incidents and fire investigations. Individuals holding certifications for these specialties are not required to attend additional training. The Department funded this training to allow individuals to maintain their skill level and stay current with industry practices.
62	Fire	Overtime for MOU Training	100-16-011-4112	2	(8,000)	(8,000)	-	-	General reduction based on past spending trends.
4	Public Works	Advertising for CIP bids	100-18-021-5207	1	(1,200)	(1,200)	-	-	This expense will be transferred to the CIP project budgets as part of the total cost to implement the project. No impact on services.
17	Public Works	Reduce Engineering Contract Services	100-18-021-5101	4	(11,750)	(11,750)	-	-	If Public Works receives 4 additional engineers, work that is currently contracted out will be absorbed and performed in house.
23	Public Works	Eliminate hotspot access	100-18-011-5101	2	(504)	(504)	-	-	There is no impact to operations. Staff can use cell phones and Wi-Fi in lieu of iPad or computer access when needed.
24	Public Works	Remove fence at 2613 Crest	100-18-032-5101	5	(380)	(380)	-	-	History of fence is unclear; no impact to operations to remove it.
27	Public Works	Eliminate Storage for Ceramics	615-18-041-5217	14	(8,600)	(8,600)	-	-	No further need and no impact on the department. This cost was scheduled to be eliminated in next biennial budget cycle.
22	Information Technology	Broadband mobile connection	605-19-051-5101	2	(867)	(867)	-	-	Wide Area Expansion completion will reduce the need for staff use of broadband mobile devices while in the field.
25	Information Technology	Changed Internet Access Provider	605-19-051-5104	3	(22,801)	(22,801)	-	-	Changing Internet Service Provider via RFP process reduces annual service cost and increased bandwidth. This cost was scheduled to be eliminated in next biennial budget cycle.
26	Information Technology	TW Fiber Maintenance Services for select City locations (increase to support redundant network)	605-19-051-5101	4	(18,400)	(18,400)	-	-	The increase in internet bandwidth and adding internet connectivity at the city yard, city hall, and fire station 2 will also be used for failover/redundancy if the fiber to these facilities is cut. This cost was scheduled to be eliminated in next biennial budget cycle.
29	Information Technology	Overtime to oversee broadcast contractors	605-19-051-4111	2	(3,512)	(3,512)	-	-	IT recently selected broadcast vendor to provide broadcast services for council and commission meeting. Hence, reducing overtime required by city staff to broadcast the meetings.
35	Information Technology	Wireless Access Point	605-19-051-5213	4	(920)	(920)	-	-	By reducing the quantity of scheduled access point refresh deployments to city facilities, annual maintenance costs will be further reduced.

36	Information Technology	Overtime	100-19-052-4111	1	(500)	(500)	-	-	Overtime due to broadcast assistance (GIS Tech average 3 hrs/month).
					(174,634)	(168,634)	(6,000)	-	
Add	Management Services	Paid Summer Internship Program			\$ 3,000				
Add	Community Development	Community Development Positions			40,200				Building Supervisor, Two FT Admin Clerks less offsets
					(131,434)	-	-	-	

Revenue Enhancements for further review

	Department	Description	Amount	Fund	Comments/Impacts
2	Parks and Recreation	Alcohol Sponsorships	50,000	General	Sponsorship opportunities through special events (i.e. Concerts in the Park, MBO Tennis Tournament) are estimated to generate an additional \$50,000 in sponsorship revenue.
3	Management Services	Provide Passport Services	25,000	General	This is an estimate based on the fee of \$25/passport and the projection of reviewing about 1000 passport applications per year.
4	Management Services	City Store	10,000	General	This is a very conservative, general estimate.
		TOTAL	\$85,000		