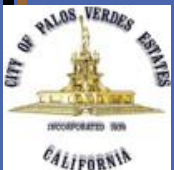


*City of Palos Verdes Estates*  
FISCAL YEAR 2018-2020 BUDGET  
PRESENTATION AND DISCUSSION  
WORKSHOP



# BASE BUDGET PRESENTATION & DISCUSSION AGENDA

- HdL Overview of Property Taxes
- Overview of the City's Funds Balance and General Fund Reserve
- Overview of Revenue Sources
- Department expenditures presented by department
  - Police
  - Planning & Building
  - Public Works
  - Administration
  - Finance
- Capital Projects
- Equipment Replacement
- City Council Priorities
  - Review list of Proposed Decision Packages
  - Identification of Potential Decision Packages



# BASE BUDGET PRESENTATION & DISCUSSION

- Foundation for allocating resources
- Workshop Steps:
  - Presentation of base budget
  - City council to identify priorities and changes to base budget
- Overall Process:
  - Included cost-conscious control of costs, achieving the efficient and effective delivery of the highest quality of services possible with the funds available.
  - While maintaining current level of services and day to day operations.

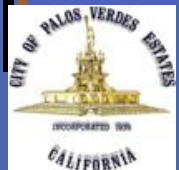


# OVERVIEW OF GENERAL FUND (OPERATING FUND)

## HIGHLIGHTS

- General Fund is balanced.
- Primary expenditures increases
  - Contract for Fire and Paramedic services Proposed \$5.1M and Planned \$5.3M.
  - Re-instated Equip Replacement allocation Proposed \$352K and Planned \$334K.
- CalPERS pension rate.
- Primary increases for ending Fund Balance
  - \$4.9M annual transfer-in from the new Law Enforcement Fund.
  - FY18-19 transfer-in of \$122K from prior year excess transfer to Fire Parcel Tax Fund.

General Fund Balance	Projected Fund Balance FY17-18	Proposed Fund Balance FY18-19	Planned Fund Balance FY19-20
Beginning Fund Balance	11,138,731	9,796,091	11,021,329
Revenues	13,637,968	14,461,039	14,853,416
Expenditures	12,258,495	18,331,354	18,691,696
<b>Net Revenue over Expenditures (before transfers)</b>	<b>1,379,472</b>	<b>(3,870,315)</b>	<b>(3,838,280)</b>
Transfers In (Out)	(2,722,112)	5,095,552	4,973,000
<b>Net Revenue over Expenditures (after transfers)</b>	<b>(1,342,640)</b>	<b>1,225,238</b>	<b>1,134,720</b>
<b>Ending Fund Balance</b>	<b>9,796,091</b>	<b>11,021,329</b>	<b>12,156,049</b>
<i>Reserved Fund Balance</i>	7,200,000	7,200,000	7,200,000
<i>Undesignated Fund Balance</i>	2,596,091	3,821,329	4,956,049
Policy reserve for 50% of operating expenses			
	FY18-19	FY19-20	
Reserved	\$9,165,677	\$9,345,848	
Undesignated	\$1,855,652	\$2,810,201	



# OVERVIEW OF GENERAL FUND REVENUE SOURCES

## HIGHLIGHTS

Service Charges decrease:

- due to new accounting method for medical reimbursement receipts.

Transfers include:

- Annual \$4.9M transfer-in from the Law Enforcement Fund.
- \$122K transfer-in from excess prior year transfer into Fire Parcel Tax Fund.

General Fund Revenue Sources	Projection 17-18	Proposed 18-19	Planned 19-20
Property Tax	7,795,302	8,296,297	8,591,564
Property Tax-In Lieu	1,391,098	1,514,992	1,570,592
Sales Tax	339,840	354,000	356,000
Real Estates Transfer Tax	192,000	200,000	200,000
Business License Tax	208,600	221,250	225,000
Franchise Fees	572,788	578,500	587,060
Development Fees	1,449,265	1,532,500	1,532,500
Interest Income	29,140	133,500	144,500
<b>Key Revenues</b>	<b>11,978,033</b>	<b>12,831,039</b>	<b>13,207,216</b>
Concessions and Rent	1,354,832	1,308,600	1,333,800
Licenses & Permits	14,515	30,500	30,500
Safety Fines	127,048	150,000	150,000
Services Charges	92,952	49,000	47,000
Other Fees	34,157	54,500	47,500
<b>Other Revenues</b>	<b>1,623,503</b>	<b>1,592,600</b>	<b>1,608,800</b>
Revenues Before Transfers	13,601,537	14,423,639	14,816,016
<b>Transfers In</b>	<b>1,623,746</b>	<b>5,095,552</b>	<b>4,973,000</b>
<b>Total Revenues Incl Transfers</b>	<b>15,225,283</b>	<b>19,519,191</b>	<b>19,789,016</b>



# OVERVIEW OF GENERAL FUND EXPENDITURES

DEPT / DIVISION EXPENDITURES	Projection 17-18	% of Total	Proposed 18-19	% of Total	Planned 19-20	% of Total
CITY MANAGER	668,875		629,986		648,889	
CITY ATTORNEY	233,054		213,000		203,000	
CITY CLERK	276,321		280,197		238,539	
NON-DEPARTMENTAL	172,090		297,227		158,861	
<b>ADMINISTRATION</b>	<b>1,350,340</b>	<b>8.13%</b>	<b>1,420,410</b>	<b>7.75%</b>	<b>1,249,288</b>	<b>6.68%</b>
FINANCE	796,178		730,296		699,988	
CITY TREASURER	38,416		44,927		47,481	
<b>FINANCE</b>	<b>834,594</b>	<b>5.03%</b>	<b>775,223</b>	<b>4.23%</b>	<b>747,469</b>	<b>4.00%</b>
POLICE	6,586,586		7,144,814		7,379,324	
FIRE	-		5,121,957		5,275,615	
<b>SAFETY</b>	<b>6,586,586</b>	<b>39.67%</b>	<b>12,266,771</b>	<b>66.92%</b>	<b>12,654,940</b>	<b>67.70%</b>
BUILDING	801,167		860,330		878,943	
PLANNING	403,585		365,543		387,507	
PARKLANDS	1,249,116		1,335,972		1,379,543	
<b>PLANNING &amp; BUILDING</b>	<b>2,453,868</b>	<b>14.78%</b>	<b>2,561,844</b>	<b>13.98%</b>	<b>2,645,993</b>	<b>14.16%</b>
CITY PROPERTIES	165,363		254,943		239,513	
PUBLIC WORKS ADMIN	775,066		866,323		900,224	
STREETS	92,678		185,840		254,269	
<b>PUBLIC WORKS</b>	<b>1,033,107</b>	<b>6.22%</b>	<b>1,307,106</b>	<b>7.13%</b>	<b>1,394,006</b>	<b>7.46%</b>
General Fund Expenditures before Transfers	12,258,495		18,331,354		18,691,696	
Transfers Out	4,345,858	26.17%		0.00%		0.00%
General Fund Expenditures Including Transfers	16,604,353	100.00%	18,331,354	100.00%	18,691,696	100.00%

## HIGHLIGHTS

- FY18-19 and FY19-20 Contract for Fire and Paramedic services in General Fund.
- Police Department remains 100% in General Fund.
- FY17-18 shows last transfer-out to Fire Parcel Tax Fund.
- Does not include transfers-out to CIP.

## Primary expenditures increases

- Contract for Fire and Paramedic services.
- Re-instated Equipment Replacement allocation.
- CalPERS pension rate.

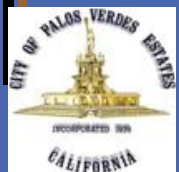
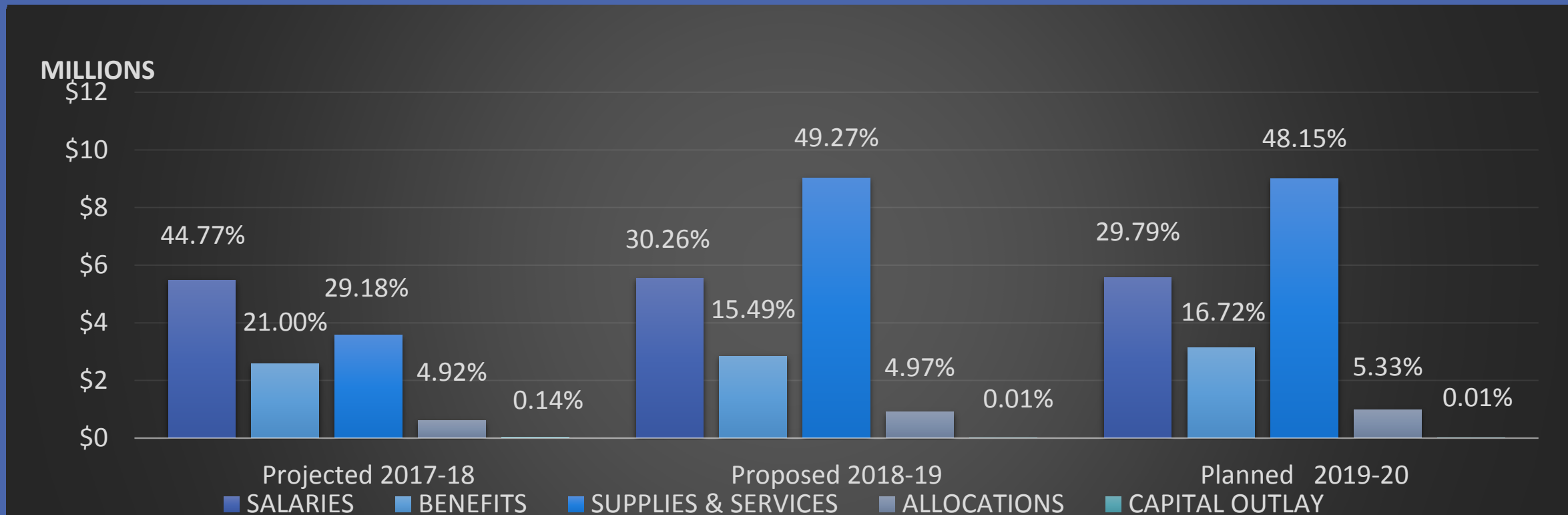


Preliminary Base Budget  
subject to change

# GENERAL FUND EXPENDITURES BY TYPE

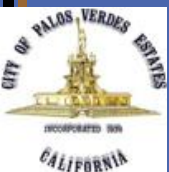
General Fund Expenditures	Projected 2017-18	Percent of Total	Proposed 2018-19	Percent of Total	Planned 2019-20	Percent of Total
SALARIES	5,487,788	44.77%	5,547,302	30.26%	5,568,554	29.79%
BENEFITS	2,573,675	21.00%	2,838,855	15.49%	3,125,732	16.72%
SUPPLIES & SERVICES*	3,577,047	29.18%	9,032,385	49.27%	8,999,172	48.15%
ALLOCATIONS	603,372	4.92%	910,186	4.97%	995,488	5.33%
CAPITAL OUTLAY	16,612	0.14%	2,625	0.01%	2,750	0.01%
<b>TOTAL GENERAL FUND</b>	<b>12,258,494</b>	<b>100.00%</b>	<b>18,331,354</b>	<b>100.00%</b>	<b>18,691,696</b>	<b>100.00%</b>

\*FY 2018-20 General Fund expenditures for supplies and services increased due to Fire Safety expenditures are now included in the General Fund.



# CITY OF PALOS VERDES ESTATES FISCAL YEAR 2018-2020 BUDGET

## *Department Presentations*





# OVERVIEW OF ALL FUNDS

## HIGHLIGHTS

- 100% of Law Enforcement Fund balance is transferred to the General Fund to cover Police Department Expenditures.
- Total Governmental Fund balance decreases from FY17-18 due to capital project expenditures without transfer-in funding sources.

Funds	Projected Fund Balance June 30, 2018	Proposed Fund Balance June 30, 2019	Planned Fund Balance June 30, 2020
Fiscal Policy Reserve	7,200,000	7,200,000	7,200,000
Undesignated	2,596,091	3,821,329	4,956,049
<b>Total General Fund</b>	<b>9,796,091</b>	<b>11,021,329</b>	<b>12,156,049</b>
Special Projects	961,688	994,688	1,023,688
Fire Parcel Tax	122,552	-	-
Law Enforcement Fund	-	-	-
Transit Proposition A	38,737	69,867	90,268
<b>Total Special Revenue Funds</b>	<b>1,122,977</b>	<b>1,064,555</b>	<b>1,113,956</b>
Capital Improvement Fund	5,060,913	1,609,278	587,528
Sewer Capital Projects Fund	3,687,835	2,925,645	2,590,328
<b>Total Capital Projects Funds</b>	<b>8,748,748</b>	<b>4,534,924</b>	<b>3,177,857</b>
Other Governmental Funds *	2,018,697	2,796,745	3,756,326
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>21,686,513</b>	<b>19,417,552</b>	<b>20,204,188</b>
Equipment Replacement	2,382,091	2,531,922	2,728,422
Insurance	1,051,064	1,056,064	1,060,064
<b>Total Internal Service Funds</b>	<b>3,433,155</b>	<b>3,587,986</b>	<b>3,788,486</b>
<b>TOTAL GOVERNMENTAL INCL INTERNAL SERVICE FUNDS</b>	<b>25,119,669</b>	<b>23,005,539</b>	<b>23,992,674</b>

\* Other Governmental Funds include - Gas Tax, Drug Intervention, Police Grants, Corrections, Measure R, Prop C, Parklands, RMRA and Measure M.

Preliminary Base Budget subject to change



# EQUIPMENT REPLACEMENT

EQUIPMENT REPLACEMENT FUND		PROJECTED FY 17-18	PROPOSED FY18-19	PLANNED FY19-20
Financial Software Upgrade	Finance		13,110	
HdL Sales Business License report & audit	Finance	22,408		
Regular Workstation	Technology		2,100	21,750
Dispatch Workstation (1)	Technology		2,000	
Regular Laptop (3)	Technology		3,000	
Advanced Laptop (2)	Technology		4,000	
Monitors (5)	Technology		1,000	
Professional Services	Technology		2,700	9,600
Add'l 4GB RAM for workstations (30)	Technology		1,050	
Hyper-V Server - Hardware	Technology		13,000	
Hyper-V Server - Software	Technology		8,000	
Hyper-V Server - Professional Services	Technology		15,000	
City Hall Phone System Upgrade	Technology	153,695		
City Hall Needs Assessment	City Hall		75,000	
Vehicle Replacement Patrol Cars	Police	5,488	83,000	128,000
<b>TOTAL</b>		<b>181,591</b>	<b>222,960</b>	<b>159,350</b>



# DECISION PACKAGES FOR CONSIDERATION

## *CITY COUNCIL DISCUSSION ON MAY 30*

### Police

- Community Engagement

### Public Works

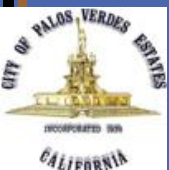
- Summer Worker Program
- Attendance at Monthly SBCCOG and APWA Meetings
- Work and Asset Management Software
- Equipment Rental and Overtime for Special Events

### Planning & Building

- Code Enforcement Officer
- Password Synchronization between Active Directory and Office 365 Tenant Account (email)

### Capital Improvement Program

- Paseo Del Sol Turn Around
- Farnham Martin Park and Rossler Fountains Upgrades
- Server Room Upgrade/Relocation
- Lunada Bay Plaza Enhancements
- Soll Park Renovation



# DECISION PACKAGES FOR CONSIDERATION

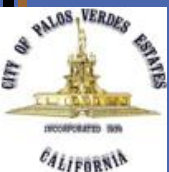
## *CITY COUNCIL DISCUSSION ON MAY 30*

### Administration

- Prepaying CalPERS Unfunded Accrued Liability (UAL)
- Afternoon Receptionist
- Planning & Public Works Department Reorganization
- Reserve Level
- Transfer into Capital Improvement Program
- Transfer into Parklands Fund
- Transfer into Equipment Replacement Fund
- Cost Containment
- Citywide Resident Satisfaction Survey
- Training & Development

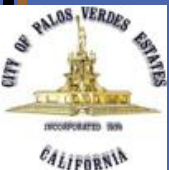
### Finance

- Fiscal Health Report
- Replace Accounting System
- Budget Analyst Position
- Cashless Counter Service
- Analyzing and Preparing Strategy Alternatives for CalPERS Unfunded Accrued Liability (UAL)
- Password Synchronization (IT)
- Multi-Factor Authentication (IT)



# DISCUSSION OF CITY COUNCIL PRIORITIES

Additional City Council Priorities:





5/22/2018