



MEMORANDUM

Agenda Item #: 13
Meeting Date: June 12, 2018

TO: HONORABLE MAYOR AND CITY COUNCIL

THRU: ANTON DAHLERBRUCH, CITY MANAGER /s/

**FROM: SHARON DEL ROSARIO, INTERIM FINANCE DIRECTOR /s/
KARINA BAÑALES, ASSISTANT TO THE CITY MANAGER /s/**

SUBJECT: PRESENTATION OF THE BIENNIAL FISCAL YEAR 2018-2020 BUDGET

DATE: JUNE 12, 2018

ISSUE

It is recommended that the City Council receive public testimony in reference to the proposed 2018-2020 biannual budget and provide direction for its adoption on June 26, 2018.

INTRODUCTION

The budget serves as the City's roadmap for allocating resources. The budget is a resource allocation plan for providing city services and achieving the priorities and goals of the City Council that serve residents and the public. Importantly, the budget also represents the projections necessary for managing and monitoring annual revenue and expenditures in a fiscally responsible manner. Preparation of a two-year fiscal year (FY) budget involves numerous steps.

The steps in the budget process, to date, have included:

- 1) February 27, 2018 - presentation of the mid-year budget status. These included a review of revenues (specifically property tax and new building permit fees) and expenditures (by individual Departments), reconciliation of budget and actual figures to the City's audited financial reports, and the calibration of projected Fund Balance.
- 2) May 8, 2018 – presentation of the year-end projections. The year-end projections establish the base upon which the City builds the base budget (the annual budget without enhancements) and identifies the projected Fund Balance for the upcoming year.

- 3) May 22, 2018 - Workshop presentation presenting the base budget for FY 2018-20 and for the City Council to identify (list and describe) priorities and changes in the base budget.
- 4) May 30, 2018 – Workshop with the City Council discussing and providing direction on “decision packages” for inclusion in the base budget and Capital Improvement Program (CIP). Decision packages represent the City Council’s priorities to include in the budget as well as staff’s recommendations for management and operations of the City.

With this public hearing, staff is presenting the complete budget consisting of the base budget and decision packages. With any additional modifications resulting from this hearing, the final budget will be prepared and presented for City Council approval on June 26, 2018. Then, throughout the year, the budget process will continue. Staff will develop and prepare on a quarterly basis a comparison of the budget to the actual revenues and expenditures (to date) toward the goal of creating year-end projections and proceeding to adoption of the subsequent year budget. Throughout the year, as warranted by unexpected circumstances that are not covered by the budget, the City Council will also be presented with Resolutions for “budget adjustments” for consideration and approval.

Also on June 26, 2018, as part of the budget approval process, the City Council will be presented with the City’s Investment Policy for review and approval.

Every City Council meeting for discussion of the budget is public, and each includes the opportunity for public input. In addition, members of the Finance Advisory Committee have been included in each meeting.

THIS BUDGET PRESENTATION

This public hearing provides an overview of the FY 2018-20 budget; the presentation is supported by a line-item budget, critically reviewed, discussed and subsequently consolidated from all previous budget meetings. The Finance Department will begin the hearing with presenting the biennial foundational projections, the projected year-end status and the fiscal position of the City. Thereafter, each Department will provide a summarized budget presentation, discussing department operations and services. Department presentations will be followed by a presentation of FY 2018-20 budgeted infrastructure projects in the Capital Improvement Program. At the conclusion of these presentations, it is recommended that the City Council receive public testimony and thereafter, provide additional direction and changes for finalizing the FY 2018-20 budget. The final document will be on the City Council agenda, with corresponding Resolutions, on June 26, 2018 for approval.

DISCUSSION

A municipal corporation has been established to provide general local government for a specific population concentration in a defined area. In other words, cities exist to provide and maintain the services and quality of life benefits prioritized by the community. Taxes, in turn, are received and appropriated for achieving the community’s priorities. Communities generally prioritize public safety, community programs (e.g., recreational programs), maintenance of public areas (parks, streets, medians, storm drains), planning and zoning, animal control, community events, etc. for use of its revenue and will save a portion for “a rainy day” (hold funds in reserve for the City to recover from a disaster). All revenue is spent in the interest of the public (for operations and capital improvements) or held at an appropriate level in reserve for an emergency. By policy, Palos Verdes

Estates maintains a 50% operating reserve. With the reserve set aside, the City Council determines how to allocate any residual revenue (undesignated Fund Balance) for programs and services.

Palos Verdes Estates has limited revenue to accomplish the broad and varied interests of the community. Revenue is constituted primarily of property taxes and a parcel tax that is dedicated to public safety (Police); revenue does not significantly fluctuate from year to year. Expenses of a City are primarily its in-house and contract personnel who provide services. As such, state and federal laws exist that define and prescribe employees, consultants and contractors. In summary, current service levels and staffing, with associated costs, are maintained on a fixed income. The following describes the projected revenue with the commensurate cost of providing existing services along with resulting year-end Fund Balance.

Overview of the City’s General Fund balance and General Fund Reserve

The presentation below compares the projected Fund Balance at June 30, 2018 to the proposed Fund Balance as of June 30, 2019, and June 30, 2020. With the passage of Measure E, the projected Law Enforcement Fund FY 2018-19 revenue is projected to be \$4,973,000 and remains flat through FY 2019-20; these funds will be 100% fully expended in FY 2018-19 and FY 2019-20 for the Police Department proposed and planned expenditures.

How to View Fund Balance

The Fund Balance for each Fund should be viewed individually, as a discrete figure, as each Fund has a specific purpose and unique expenses and revenues.

General Fund – Fund Balance

The General Fund is the operating Fund of the City. It provides for, and serves as, the clearing house for meeting day-to-day obligations and responsibilities of the City. For FY 2018-19 and FY 2019-20, the General Fund is balanced. The proposed General Fund Balance as of June 30, 2019, is budgeted to be \$857,286 higher than the Projected June 30, 2018, General Fund Balance. The FY 2019-20 General Fund Balance is also planned to increase by \$1,371,828. Thus, allowing a fiscal reserve balance at 50% of expenditures and proposed FY 2018-19 and planned FY 2019-20 undesignated fund balance of \$1,579,725 and \$2,797,911 respectively (Attachment D and E).

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	10,653,377
Revenues	13,637,968	14,461,039	14,853,416
Expenditures	12,258,495	18,147,305	18,454,588
Net Revenue over Expenditures (before transfers)	1,379,472	(3,686,266)	(3,601,172)
Transfers In (Out)	(2,722,112)	4,543,552	4,973,000
Net Revenue over Expenditures (after transfers)	(1,342,640)	857,286	1,371,828
Ending Fund Balance	9,796,091	10,653,377	12,025,205
Reserved Fund Balance	7,200,000	9,073,653	9,227,294
Undesignated Fund Balance	2,596,091	1,579,725	2,797,911

Capital Project Funds – Fund Balance

The Capital Project Funds receive revenue from a variety of sources that are “transferred-in” when such sources have revenues to transfer-in. Revenue may consist of Undesignated Fund Balance from the General Fund, Special Revenue Funds such as Gas Tax, and Proposition C (transportation), or a dedicated tax source such as the Sewer Tax that previously existed. As revenue is collected in the Capital Project Funds, it is banked until enough has accumulated for large infrastructure improvement or maintenance projects. As such, the annual project expenses reduce the Fund Balance each year until transfers-in re-accumulate in the Fund for future projects. Most of the projects are one-time events, but it is necessary to continually transfer-in for future infrastructure needs.

Special Revenue Funds- Fund Balance

Special Revenue Funds hold revenue and include expenses that can be used only for specific, legally defined purposes. Similar to Capital Project Funds, as revenue is collected in Special Revenue Funds, it is banked until enough has been accumulated to spend for the specific purpose. The Fund Balance represents the result of having spent the accumulated funds for the dedicated purpose of the Special Revenue.

Internal Service Funds – Fund Balance

Internal Service Funds receive “transfers-in” (also known as “allocations”) from the General Fund Departments for expenses that are for a specific, defined purpose as defined by the City. Similar to Capital Project Funds, as the transfers-in are collected in the Internal Service Funds, it is banked until it is appropriate time to spend the funds for the specific purpose. The Fund Balance represents the result of having accumulated funds for the dedicated purpose of the Internal Service expenditures. In the upcoming biannual period, the Fund Balance for Equipment Replacement will be evaluated through an inventory and asset valuation process to determine if the appropriate level of funds are being maintained for the future replacement of equipment.

Fund Balance – Summary

The following chart presents a summary overview of the projected Fund Balance for all Funds. While recognizing the decreases in the Special Revenue Fund Balance and Capital Projects Fund Balance represent spending the accumulated funds for projects, it is also important to recognize that concurrently maintaining a 50% operating (General Fund) reserve (Fund Balance) exceeds the minimum two-month reserve recommended by the Government Finance Officers Association.

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	9,073,653	9,227,294
Undesignated	2,596,091	1,579,725	2,797,911
Total General Fund **	9,796,091	10,653,377	12,025,205
Special Projects	961,688	994,688	1,023,688
Fire/Paramedic Parcel Tax	122,552	-	-
PVE Law Enforcement Fund	-	-	-
Transit Proposition A	38,737	69,867	90,268
Total Special Revenue Funds	1,122,977	1,064,555	1,113,956
Capital Improvement Fund	5,060,913	1,609,278	587,528
Sewer Capital Projects Fund	3,687,835	2,925,645	2,590,328
Total Capital Projects Funds	8,748,748	4,534,924	3,177,857
Total Other Governmental Funds *	2,018,697	2,763,508	3,689,852
Total Governmental Funds	21,686,513	19,016,364	20,006,870
Equipment Replacement	2,382,091	2,180,131	2,042,781
Insurance	1,051,064	1,056,064	1,060,064
Total Internal Service Funds	3,433,155	3,236,195	3,102,845
Total Governmental including Internal Service Funds	25,119,669	22,252,559	23,109,715

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

** Projected FY 2018-19 General Fund Revenue (\$14,423,639) in Attachment A is different from Attachment D - General Fund Revenues (\$14,461,039) before transfers by the Stable Fund revenues of \$37,400. Planned FY 2019-20 is different by the same Planned Stable revenues of \$37,400.

*** Fiscal Reserve Balance is budgeted at 50% of Expenditures for FY18-19 & FY19-20.

Proposed and Planned Net Revenues over Expenditures

FY 2018-19 proposed General Fund revenues (excluding transfers) are higher than projected FY 2017-18 revenues by 6.04% and 7.73% higher than FY 2017-18 Adjusted Budget. Property tax remains the key driver with an increase projected to be 6.43% from projected FY 2017-18. In addition, the new development fee structure contributes to the increase in revenues. FY 2019-20 revenues continue this trend and are planned to be 2.72% higher than proposed FY 2018-19 revenues mostly due to property tax revenues.

Overall, FY 2018-19 proposed net General Fund revenues (inclusive of proposed transfers from the Law Enforcement Fund and return balance of prior year transferred monies from the Fire/Paramedic Parcel Tax Fund) are \$857,286 over proposed expenditures (inclusive of proposed transfers to the Capital Improvement and Parklands funds). Planned FY 2019-20 net General Fund revenues (inclusive of planned transfers from the Law Enforcement Fund) are also over planned expenditures by \$1,371,828.

Overview of the City’s General Fund Revenue Sources

General Fund Revenue Sources	Projection FY 2017-18	Proposed FY 2018-19	Planned FY 2019-20
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
Key Revenues	11,978,033	12,831,039	13,207,216
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
Other Revenues	1,623,503	1,592,600	1,608,800
Revenues Before Transfers	13,601,537	14,423,639	14,816,016
Transfers In	1,623,746	5,095,552	4,973,000
Total Revenues Including Transfers	15,225,283	19,519,191	19,789,016

Overview of the City’s General Fund Expenditures

- Expenditures have been adjusted for City Council approved decision packages.
- Base budget expenditures have been updated for two new recent items:
 - NBS – property tax roll administration services in the Police Department (\$4,500).
 - Videographer projected expenses for Technology Advisory Committee in Public Works Department (\$1,400).
- The budget prioritizes public safety, community infrastructure, equipment, and facility repairs and it includes funding for staff training.
- CalPERS Safety and Miscellaneous pension rate increases and Unfunded Accrued Liability (UAL) annual payment, as identified in the 2017 actuarial report from CalPERS, have been anticipated. The annual discounted UAL amounts for each year are FY 2018-19 \$694,491 and FY 2019-20 \$889,077 (projected).
- A 10% increase in medical insurance costs is included (\$21,800).
- Worker’s compensation and liability annual cost allocations and payment to the California Joint Powers Insurance Authority (CJPIA) are included (\$978,951).
- Accounts for supplies and services cover current and mandated programs and requirements.
- Los Angeles County Fire Services are budgeted with a 3% increase (\$5,275,615).
- Capital Improvement transfer of \$552,000 based on City Council approved decision packages.
- Designated contractual services from the budgeted contingency in Non-Departmental for a physical inventory count and software management of capital assets - approximately \$15,000.

General Fund Department/Division Expenditures	Projection FY 2017-18	Proposed FY 2018-19	Planned FY 2019-20
City Manager	668,875	649,493	667,289
City Attorney	233,054	213,000	203,000
City Clerk	276,321	280,197	238,539
Non-Departmental	172,090	297,227	158,861
Administration	1,350,340	1,439,917	1,267,688
Finance	796,178	796,437	701,188
City Treasurer	38,416	44,963	47,517
Finance	834,594	841,400	748,705
Police	6,586,586	6,896,226	7,137,129
Fire	-	5,121,957	5,275,615
Safety	6,586,586	12,018,183	12,412,744
Building	801,167	874,471	897,798
Planning	403,585	371,269	398,377
Parklands	1,249,116	1,318,683	1,363,136
Planning & Building	2,453,868	2,564,423	2,659,310
City Properties	165,363	206,403	193,449
Public Works Administration	775,066	883,429	909,830
Streets	92,678	193,551	262,862
Public Works	1,033,107	1,283,382	1,366,141
General Fund Expenditures Before Transfers	12,258,495	18,147,305	18,454,588
Transfers Out	4,345,858	552,000	
General Fund Expenditures Including Transfers	16,604,353	18,699,305	18,454,588

(Additional detail of changes to the base budget are summarized in Attachment B & L.)

Overview of Expenditures by Type – General Fund and Citywide

<i>GENERAL FUND Expenditures by Type</i>	Projections FY 2017-18	Percent of Total	Proposed FY 2018-19	Percent of Total	Planned FY 2019-20	Percent of Total
<i>Salaries</i>	5,487,788	44.77%	5,643,384	31.10%	5,630,549	30.51%
<i>Benefits</i>	2,573,675	21.00%	2,840,096	15.65%	3,126,446	16.94%
<i>Subtotal Salaries & Benefits</i>	8,061,463	65.76%	8,483,480	46.75%	8,756,995	47.45%
<i>Supplies & Services*</i>	3,577,047	29.18%	9,102,805	50.16%	9,033,203	48.95%
<i>Allocations</i>	603,372	4.92%	558,395	3.08%	661,640	3.59%
<i>Capital Outlay</i>	16,612	0.14%	2,625	0.01%	2,750	0.01%
<i>Total General Fund</i>	12,258,494	100.00%	18,147,305	100.00%	18,454,588	100.00%

<i>CITYWIDE (All Funds) Expenditures by Type</i>	Projections FY 2017-18	Percent of Total	Proposed FY 2018-19	Percent of Total	Planned FY 2019-20	Percent of Total
<i>Salaries</i>	5,657,920	31.06%	5,813,944	24.42%	5,801,110	28.29%
<i>Benefits</i>	2,655,510	14.58%	2,934,308	12.32%	3,229,719	15.75%
<i>Subtotal Salaries & Benefits</i>	8,313,430	45.64%	8,748,252	36.74%	9,030,829	44.04%
<i>Supplies & Services*</i>	8,838,451	48.52%	9,786,423	41.10%	9,736,913	47.48%
<i>Allocations</i>	603,372	3.31%	558,395	2.35%	661,640	3.23%
<i>Capital Outlay</i>	16,612	0.09%	2,625	0.01%	2,750	0.01%
<i>Capital Projects</i>	445,319	2.44%	4,713,903	19.80%	1,073,750	5.24%
<i>Total Citywide (All Funds)</i>	18,217,183	100.00%	23,809,598	100.00%	20,505,881	100.00%

**FY 2018-20 supplies & services increased due to Fire Safety expenditures now included in General Fund.*

Other Fund Revenues

A variety of other Funds hold revenue that are dedicated and restricted for special services. Three of note are the Gas Tax Fund, RMRA Fund and Proposition “C” Fund.

Gas Tax revenues are projected to remain relatively flat in FY 2018-19 over projected FY 2017-18 revenues. The California Department of Finance projects these revenues to also remain flat in FY 2019-20. Growth in Gas Tax revenues has declined due to the combination of lower fuel prices, higher efficiency vehicles and electric vehicles. This revenue source will be re-evaluated in the spring of 2019. Rising fuel costs could dampen revenue growth further.

In FY 2017-18, the City began receiving funding generated from the recently enacted Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is known as the “*Road Repair and Accountability Act of 2017*”. This Act increases per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration taxes; stabilizes the price-based fuel tax rates; and provides for inflationary adjustments to rates in future years, which is deposited into the State Controller’s newly created Road Maintenance and Rehabilitation Account (RMRA). RMRA funds can be used for basic road maintenance, rehabilitation, and critical safety projects on the local streets and road system. Revenues the City receives from RMRA are currently being accumulated as Fund Balance and are proposed to be appropriated for a qualifying project at a later time.

The City began accumulating Proposition “C” Transportation Funds in FY 2016-17, rather than exchanging these funds at a discount for General Funds. Annual receipts remained flat between FY 2016-17 and FY 2017-18 and are projected to increase modestly in FY 2018-19 and FY 2019-20. These funds will be used to improve the condition of streets utilized by fixed transit service. Revenues the City receives from Proposition C are currently being accumulated as Fund Balance and will be appropriated upon development of a qualifying project.

Capital Projects

The total proposed Capital Improvement Program for FY 2018-19 and FY 2019-20 is \$3,924,635 and \$1,073,750 respectively (included transfers). The budget presents the base budget and city council approved decision packages, including FY 2018-19 transfers from the General Fund of \$552,000, Special Projects fund of \$68,900 and Measure R fund of \$168,368. Future infrastructure projects, planning and funding will be a subject for additional discussion by the City Council and Financial Advisory Committee (Attachment F).

Equipment Replacement and Depreciation of Assets

The total proposed Equipment Replacement expenditures for FY 2018-19 and FY 2019-20 are \$222,960 and \$159,350 respectively. The annual allocation was suspended for this fund based on current needs and resources. It has been identified that a long-range replacement assessment is necessary by staff (Attachment G). The annual depreciation expense calculation is prepared during the year-end financial audit process and is not included in this budget presentation. Mindful of maintaining and replacing the City's assets, both an inventory of assets and an evaluation of the Depreciation Schedule has been identified by staff as a project goal over the next 24-month budget cycle.

Treatment / Presentation of Palos Verdes Estates Law Enforcement Fund

With the passage of Measure E, the projected Law Enforcement Fund revenue is projected to be \$4,973,000 in FY 2018-19 and is expected to be relatively flat during the life of the levy; an increase in revenue will be minimal base on redevelopment of property. These funds will be 100% fully expended each year during the life of levy as the Police Department expenditures will exceed annual revenues.

The budget presents Police Department expenditures in the General Fund. As such, all Police operating costs are together for reporting, presentation and accounting; Department costs and the General Fund expenditures for services are therefore fully represented in one place. The parcel tax revenue, on the other hand, will be collected and contained in a special Law Enforcement Fund. In this scenario, it is anticipated that the Citizen Oversight Committee will review the detailed expenditures to-date of the Police Department at least twice a year and upon being satisfied that expenses are equal to or exceed parcel tax revenue, a recommendation will be made to the City Council to "transfer in" to the General Fund for Department expenditures. This method of accounting will ensure the community and Citizen Oversight Committee and the City Council full review of the Police Department budget to validate appropriate use of parcel tax revenue. From an accounting perspective, this eliminates line-item account adjustments ("transfers out") from the General Fund into the Law Enforcement Fund, which would be time consuming and new work for staff that may also seem arbitrary as decisions are made to determine each expense line to transfer. The City's external auditor is satisfied with this approach in recognition that Police Department costs exceed the revenue received from the parcel tax. As an alternative, separating the Police Department budget between the General Fund and Law Enforcement Fund is not recommended for accounting, managing, presenting and tracking expenses. The other alternative is to place the entire Police Department budget into the Law Enforcement Fund and during the fiscal year, "transfer out" the expenses that exceed parcel tax revenue into the General Fund. This is also not recommended, as the Law Enforcement Fund will be

in a negative position throughout the year because parcel tax revenue will be received twice a year and not sufficient to cover the entire budget.

NOTIFICATION

This matter was posted and noticed for the City Council meeting consistent with the City's routine process. The Finance Advisory Committee has also been forwarded this information.

CONCLUSION

In the budget process, staff is focused on presenting a balanced budget that continues the City's prudent, cost-conscious control of costs, achieves the efficient and effective delivery of the highest quality of services possible with the funds available, stretches every dollar and revenue source opportunity to reduce the reliance on the General Fund, and is fiscally responsible. As such, the budget being presented represents the revenue and expenditures for maintaining the current level of services and day-to-day operations inclusive of the priorities of the City Council.

The budget intends to meet three objectives: It represents the City's resources. It presents projected revenues and expenses for current services. It shows a balanced budget with revenues exceeding expenditures.

This report and the attachments progress from top-level summary to detailed Department line-items. Based on additional modifications from this public hearing, the final budget will be prepared and presented for City Council approval on June 26, 2018.

ALTERNATIVES AVAILABLE TO COUNCIL

The following alternatives are available to the City Council:

- 1) Direct staff to agendize the FY 2018-20 biannual budget and associated Resolutions for adoption on June 26, 2018.
- 2) Direct modifications to the FY 2018-20 biannual budget and to agendize the FY 2018-20 biannual budget and associated Resolutions for adoption on June 26, 2018.
- 3) Request additional information or provide alternate direction.

RECOMMENDATION

It is recommended that the City Council conduct a public hearing, receive public comment on the Preliminary FY 2018-20 City of Palos Verdes Estates budget, provide direction accordingly, and direct staff to prepare the budget with associated Resolutions for approval on June 26, 2018.

Attachments:

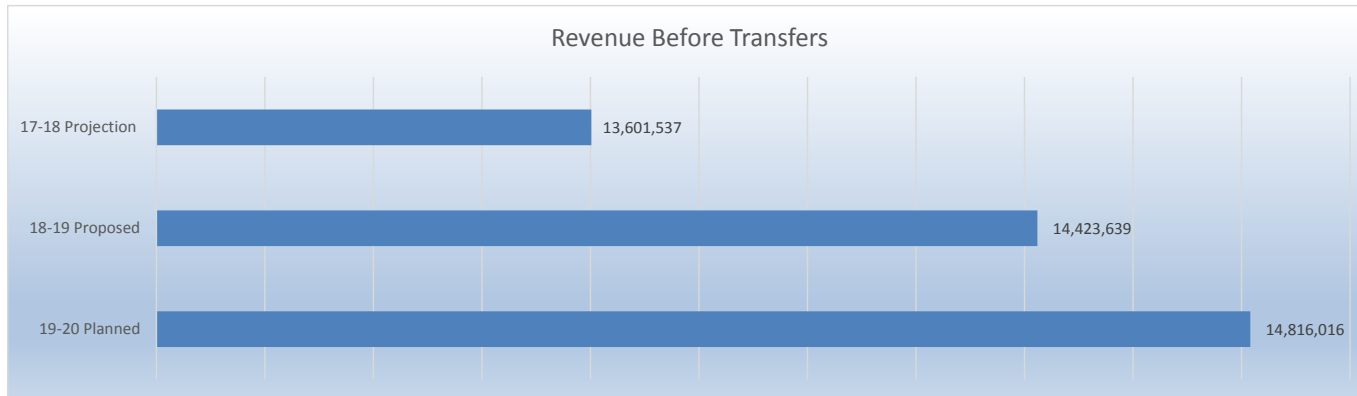
- A. Revenue Budget to Projection Comparisons - General Fund
- B. Budget to Projected Expenditures by Program - General Fund
- C. Projected FY 17-18 Fund Balance - As of June 30, 2018
- D. Proposed FY 18-19 Fund Balance - As of June 30, 2019
- E. Planned FY 19-20 Fund Balance - As of June 30, 2020
- F. Budget to Projected Expenditures - CIP Status Report
- G. Equipment and Technology Requests
- H. Department Expenditure Detail – FY 18-20
- I. Citywide Positions
- J. Exception Report – FY 2018/20
- K. Description of Funds & Fund Types
- L. Decision Package Approved List
- M. Public Correspondence



**City of Palos Verdes Estates
Revenue Budget to Projection Comparisons - General Fund
Fiscal Year 2017 - 2018 Year-end Projections
2018 - 2020 Budgets**

HISTORICAL REFERENCE									
	17-18 Adopted Budget	17-18 Adjusted Budget	17-18 Projection	18-19 Proposed	Proposed to Projection \$\$ Change	Proposed to Projection % Change	19-20 Planned	Planned to Proposed \$\$ Change	Planned to Proposed % Change
REVENUE SOURCES									
GENERAL FUND REVENUES									
PROPERTY TAX	7,981,689	7,981,689	7,795,302	8,296,297	500,995	6.43%	8,591,564	295,267	3.56%
PROPERTY TAX - IN LIEU	1,375,395	1,375,395	1,391,098	1,514,992	123,894	8.91%	1,570,592	55,600	3.67%
SALES TAX	379,000	379,000	339,840	354,000	14,160	4.17%	356,000	2,000	0.56%
REAL ESTATE TRANSFER TAX	200,000	200,000	192,000	200,000	8,000	4.17%	200,000	0	0.00%
BUSINESS LICENSE TAX	208,000	218,000	208,600	221,250	12,650	6.06%	225,000	3,750	1.69%
FRANCHISE FEES	569,206	569,206	572,788	578,500	5,712	1.00%	587,060	8,560	1.48%
DEVELOPMENT FEES	994,000	1,031,000	1,449,265	1,532,500	83,235	5.74%	1,532,500	0	0.00%
INTEREST INCOME	70,000	70,000	29,140	133,500	104,360	358.13%	144,500	11,000	8.24%
KEY REVENUES	11,777,290	11,824,290	11,978,033	12,831,039	853,006	7.12%	13,207,216	376,177	2.93%
CONCESSIONS AND RENT	1,288,100	1,288,100	1,354,832	1,308,600	(46,232)	-3.41%	1,333,800	25,200	1.93%
LICENSES & PERMITS	30,500	30,500	14,515	30,500	15,986	110.13%	30,500	0	0.00%
SAFETY FINES	150,000	150,000	127,048	150,000	22,952	18.07%	150,000	0	0.00%
SERVICE CHARGES	58,000	58,000	92,952	49,000	(43,952)	-47.28%	47,000	(2,000)	-4.08%
OTHER FEES	539,591	37,449	34,157	54,500	20,343	59.56%	47,500	(7,000)	-12.84%
OTHER REVENUES	2,066,191	1,564,049	1,623,503	1,592,600	(30,903)	-1.90%	1,608,800	16,200	1.02%
REVENUES BEFORE TRANSFERS	13,843,481	13,388,339	13,601,537	14,423,639	822,102	6.04%	14,816,016	392,377	2.72%
TRANSFERS IN *	1,623,746	1,626,796	1,623,746	5,095,552	3,471,806	213.81%	4,973,000	(122,552)	-2.41%
TOTAL REVENUES INCLUDING TRANSFERS	15,467,227	15,015,135	15,225,283	19,519,191	4,293,908	28.20%	19,789,016	269,825	1.38%
Revenue Over (Under) Prior Year Dollars					4,293,908			269,825	

* FY18-19 proposed transfers-in include \$4,973,000 from the PVE Law Enforcement fund and \$122,552 from the Fire Parcel Tax fund.





City of Palos Verdes Estates
Budget to Projected Expenditures by Program - General Fund
Fiscal Year 2017 - 2018 Year-End Projections
2018 - 2020 Budgets

DEPT / DIVISION EXPENDITURES	17-18 Adopted Budget	17-18 Adjusted Budget	17-18 Projection	18-19 Base Proposed (05/22/18)	Changes to Base Budget	Decision Package (05/30/18)	18-19 Revised Proposed	19-20 Base Planned (05/22/18)	Changes to Base Budget	Decision Package (05/30/18)	19-20 Revised Planned
CITY MANAGER	726,014	782,514	668,875	629,986		19,507	649,493	648,889		18,400	667,289
CITY ATTORNEY	177,000	191,900	233,054	213,000		-	213,000	203,000		-	203,000
CITY CLERK	203,919	296,892	276,321	280,197		-	280,197	238,539		-	238,539
NON-DEPARTMENTAL	167,532	145,432	172,090	297,227		-	297,227	158,861		-	158,861
ADMINISTRATION	1,274,466	1,416,738	1,350,340	1,420,410	-	19,507	1,439,917	1,249,288	-	18,400	1,267,688
FINANCE	619,119	699,493	796,178	730,296	2	66,139	796,437	699,988	-	1,200	701,188
CITY TREASURER	45,398	45,398	38,416	44,927		36	44,963	47,481		36	47,517
FINANCE	664,517	744,891	834,594	775,223	2	66,175	841,400	747,469	-	1,236	748,705
POLICE	7,142,338	7,133,988	6,586,586	7,144,814	4,670	(253,258)	6,896,226	7,379,324	4,789	(246,985)	7,137,129
FIRE	-	-	-	5,121,957		-	5,121,957	5,275,615		-	5,275,615
SAFETY	7,142,338	7,133,988	6,586,586	12,266,771	4,670	(253,258)	12,018,183	12,654,940	4,789	(246,985)	12,412,744
BUILDING	738,671	738,671	801,167	860,330		14,142	874,471	878,943		18,855	897,798
PLANNING	367,021	367,021	403,585	365,543		5,727	371,269	387,507		10,870	398,377
PARKLANDS	1,201,785	1,251,785	1,249,116	1,335,972		(17,289)	1,318,683	1,379,543		(16,407)	1,363,136
PLANNING & BUILDING	2,307,477	2,357,477	2,453,868	2,561,844	-	2,579	2,564,423	2,645,993	-	13,317	2,659,310
CITY PROPERTIES	177,501	177,501	165,363	254,943		(48,540)	206,403	239,513		(46,064)	193,449
PUBLIC WORKS ADMIN	829,263	829,263	775,066	866,323	1,400	15,706	883,429	900,224	1,400	8,206	909,830
STREETS	102,385	102,385	92,678	185,840		7,711	193,551	254,269		8,593	262,862
PUBLIC WORKS	1,109,149	1,109,149	1,033,107	1,307,106	1,400	(25,123)	1,283,382	1,394,006	1,400	(29,265)	1,366,141
GENERAL FUND EXPENDITURES BEFORE TRANSFERS	12,497,947	12,762,243	12,258,495	18,331,354	6,071	(190,120)	18,147,305	18,691,696	6,189	(243,297)	18,454,588
TRANSFERS OUT **	4,345,858	4,345,858	4,345,858			552,000	552,000				-
GENERAL FUND EXPENDITURES INCLUDING TRANSFERS	16,843,805	17,108,101	16,604,353	18,331,354	6,071	361,880	18,699,305	18,691,696	6,189	(243,297)	18,454,588

* Year to date expenditures include encumbered amounts

** FY 18-19 proposed transfers-out include \$482,000 to the Capital Improvements fund and \$70,000 to the Parklands fund

*** Changes to base budget include a new NBS property tax roll administration contract & Videographer fee for Technology Committee

**** Additional detail of decision packages are summarized on last page of Attachment L

**City of Palos Verdes Estates
Projected FY 17-18 Fund Balance
As of June 30, 2018**

Funds	Audited Fund Balance June 30, 2017	FY 17-18 Projected Revenues	FY 17-18 Projected Expenditures	FY 17-18 Projected Transfers - In	FY 17-18 Projected Transfers - Out	FY 17-18 Net Transfers	Projected Fund Balance June 30, 2018
Fiscal Policy Reserve	7,200,000	-		-		-	7,200,000
Undesignated	3,938,731	13,637,968	12,258,495	1,623,746	4,345,858	(2,722,112)	2,596,091
Total General Fund **	11,138,731	13,637,968	12,258,495	1,623,746	4,345,858	(2,722,112)	9,796,091
Special Projects	943,848	56,272	8,432		30,000	(30,000)	961,688
Fire/Paramedic Parcel Tax	703,615	45,852	4,972,773	4,345,858		4,345,858	122,552
Transit Proposition A	2,124	249,398	212,785			-	38,737
Total Special Revenue Funds	1,649,587	351,522	5,193,990	4,345,858	30,000	4,315,858	1,122,977
Capital Improvement Fund	6,182,123	52,000	402,960	258,996	1,029,246	(770,250)	5,060,913
Sewer Capital Projects Fund	3,698,194	32,000	42,359			-	3,687,835
Total Capital Projects Funds	9,880,317	84,000	445,319	258,996	1,029,246	(770,250)	8,748,748
Gas Tax	84,703	304,360	317,913			-	71,150
Drug Intervention	83,681	429,142	-			-	512,823
Police Grants (SLESF)	304,542	132,559	-		76,747	(76,747)	360,354
Corrections	4,352	3,207	1,467			-	6,092
Measure R	273,824	158,640	-		258,996	(258,996)	173,468
Prop C	388,479	212,167	-			-	600,646
Parklands	100,459	500	-		50,000	(50,000)	50,959
RMRA		78,423	-			-	78,423
Measure M		164,783	-			-	164,783
Total Other Governmental Funds *	1,240,040	1,483,780	319,380	-	385,743	(385,743)	2,018,697
Total Governmental Before Internal Service Funds	23,908,675	15,557,270	18,217,185	6,228,600	5,790,847	437,753	21,686,513
Equipment Replacement	2,962,825	38,610	181,591	106,747	544,500	(437,753)	2,382,091
Insurance	1,045,064	984,496	978,496			-	1,051,064
Total Internal Service Funds	4,007,889	1,023,106	1,160,087	106,747	544,500	(437,753)	3,433,155
Total Government Including Internal Service Funds	27,916,564	16,580,376	19,377,271	6,335,347	6,335,347	-	25,119,669

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

** Projected FY17-18 General Fund Revenues (\$13,637,967) in this presentation is different from Attachment A - Projected FY 17-18 General Fund Revenues (\$13,601,537 before transfers) by the Stable Fund revenues of \$36,430.

6/7/2018

**City of Palos Verdes Estates
Proposed FY 18-19 Fund Balance
As of June 30, 2019**

Funds	Projected Fund Balance June 30, 2018	FY 18-19 Proposed Budget Revenues	FY 18-19 Proposed Budget Expenditures	FY 18-19 Proposed Budget Transfers - In	FY 18-19 Proposed Budget Transfers - Out	FY 18-19 Proposed Budget Net Transfers	Proposed Fund Balance June 30, 2019
Fiscal Policy Reserve***	7,200,000	-	-	-	-	-	9,073,653
Undesignated	2,596,091	14,461,039	18,147,305	5,095,552	552,000	4,543,552	1,579,725
Total General Fund **	9,796,091	14,461,039	18,147,305	5,095,552	552,000	4,543,552	10,653,377
Special Projects	961,688	135,900	34,000		68,900	(68,900)	994,688
Fire/Paramedic Parcel Tax	122,552	-	-		122,552	(122,552)	-
PVE Law Enforcement	-	4,973,000	-		4,973,000	(4,973,000)	-
Transit Proposition A	38,737	268,423	237,293			-	69,867
Total Special Revenue Funds	1,122,977	5,377,323	271,293	-	5,164,452	(5,164,452)	1,064,555
Capital Improvement Fund	5,060,913	48,000	4,218,903	719,268		719,268	1,609,278
Sewer Capital Projects Fund	3,687,835	29,000	791,189			-	2,925,645
Total Capital Projects Funds	8,748,748	77,000	5,010,092	719,268	-	719,268	4,534,924
Gas Tax	71,150	302,163	306,207			-	67,105
Drug Intervention	512,823	1,700	-			-	514,523
Police Grants (SLESF)	360,354	102,200	-			-	462,554
Corrections	6,092	6,000	4,700			-	7,392
Measure R	173,468	168,368	-		168,368	(168,368)	173,468
Prop C	600,646	225,820	-			-	826,466
Parklands	50,959	500	70,000	70,000		70,000	51,459
RMRA	78,423	227,888	-			-	306,311
Measure M	164,783	189,447	-			-	354,230
Total Other Governmental Funds *	2,018,697	1,224,086	380,907	70,000	168,368	(98,368)	2,763,508
Total Governmental Before Internal Service Funds	21,686,513	21,139,448	23,809,598	5,884,820	5,884,820	0	19,016,364
Equipment Replacement	2,382,091	21,000	222,960			-	2,180,131
Insurance	1,051,064	998,267	993,267			-	1,056,064
Total Internal Service Funds	3,433,155	1,019,267	1,216,227	-	-	-	3,236,195
Total Government Including Internal Service Funds	25,119,669	22,158,715	25,025,825	5,884,820	5,884,820	0	22,252,559

* Other Governmental Funds include - Gas Tax, Drug Intervention, Police Grants, Corrections, Measure R, Prop C, Parklands, RMRA and Measure M. Gas Tax Revenues were decreased to reflect newly released estimates of shared revenues as of 5/30/18

** Proposed FY18-19 General Fund Revenues (\$14,461,039) in this presentation is different from Attachment A - Proposed FY 18-20 General Fund Revenues (\$14,423,639 before transfers) by the Stable Fund revenues of \$37,400.

*** For FY18-19, General Fund Fiscal Policy Reserve was changed from \$7,200,000 to 50% of the proposed general fund expenditures for FY18-19 (\$18,147,305 * 50%).

**City of Palos Verdes Estates
Planned FY 19-20 Fund Balance
As of June 30, 2020**

Funds	Projected Fund Balance June 30, 2019	FY 19-20 Planned Budget Revenues	FY 19-20 Planned Budget Expenditures	FY 19-20 Planned Budget Transfers - In	FY 19-20 Planned Budget Transfers - Out	FY 19-20 Planned Budget Net Transfers	Planned Fund Balance June 30, 2020
Fiscal Policy Reserve ***	9,073,653	-	-	-	-	-	9,227,294
Undesignated	1,579,725	14,853,416	18,454,588	4,973,000	-	4,973,000	2,797,911
Total General Fund **	10,653,377	14,853,416	18,454,588	4,973,000	-	4,973,000	12,025,205
Special Projects	994,688	63,000	34,000			-	1,023,688
Fire/Paramedic Parcel Tax	-	-	-			-	-
PVE Law Enforcement	-	4,973,000	-		4,973,000	(4,973,000)	-
Transit Proposition A	69,867	276,946	256,545			-	90,268
Total Special Revenue Funds	1,064,555	5,312,946	290,545	-	4,973,000	(4,973,000)	1,113,956
Capital Improvement Fund	1,609,278	52,000	1,073,750			-	587,528
Sewer Capital Projects Fund	2,925,645	31,000	366,317			-	2,590,328
Total Capital Projects Funds	4,534,924	83,000	1,440,067	-	-	-	3,177,857
Gas Tax	67,105	302,363	315,982			-	53,486
Drug Intervention	514,523	1,100	-			-	515,623
Police Grants (SLESF)	462,554	102,500	-			-	565,054
Corrections	7,392	6,000	4,700			-	8,692
Measure R	173,468	173,859	-			-	347,327
Prop C	826,466	232,975	-			-	1,059,441
Parklands	51,459	500	-			-	51,959
RMRA	306,311	232,426	-			-	538,737
Measure M	354,230	195,303	-			-	549,534
Total Other Governmental Funds *	2,763,508	1,247,026	320,682	-	-	-	3,689,852
Total Governmental Before Internal Service Funds	19,016,364	21,496,388	20,505,881	4,973,000	4,973,000	-	20,006,870
Equipment Replacement	2,180,131	22,000	159,350			-	2,042,781
Insurance	1,056,064	1,095,426	1,091,426			-	1,060,064
Total Internal Service Funds	3,236,195	1,117,426	1,250,776	-	-	-	3,102,845
Total Government Including Internal Service Funds	22,252,559	22,613,814	21,756,657	4,973,000	4,973,000	-	23,109,715

* Other Governmental Funds include - Gas Tax, Drug Intervention, Police Grants, Corrections, Measure R, Prop C, Parklands, RMRA and Measure M. Gas Tax Revenues were decreased to reflect newly released estimates of shared revenues as of 5/30/18

** Planned FY19-20 General Fund Revenues (\$14,853,416) in this presentation is different from Attachment A - Planned FY 19-20 General Fund Revenues (\$14,816,016 before transfers) by the Stable Fund revenues of \$37,400.

*** For FY18-19, General Fund Fiscal Policy Reserve was changed from \$7,200,000 to 50% of the proposed general fund expenditures for FY19-20 (\$18,454,588 * 50%).



**City of Palos Verdes Estates
Budget to Projected Expenditures - CIP Status Report
Fiscal Year 2017 - 2018 Year-end Projections
2018 - 2020 Budgets**

FUND	ACCOUNT	PROJECT #	CAPITAL PROJECT	17-18 ADOPTED BUDGET	17-18 ADJUSTED BUDGET	17-18 PROJECTION	18-19 PROPOSED BUDGET	19-20 PLANNED BUDGET
	30-7500-5	80047	TRAFFIC CALMING	26,200	26,200	13,945	27,500	28,750
	30-7500-5	80050	SLURRY SEAL	-	-	580	242,800	240,000
	30-7500-5	80100	REPAIRS STORM	50,600	50,600	2,812	400,000	50,000
	30-7500-5	80102	CATCH BASIN REPLACEMENT	1,815	1,815	-	375,000	-
	30-7500-5	80103	CROSS GUTTER	-	-	-	35,000	35,000
	30-7500-5	80159	MS4: FULL CAPTURE SM BAY	210,000	210,000	51,145	210,000	-
	30-7500-5	80800	STREET CONST. & MAINT.	-	-	-	364,000	360,000
	30-7500-5	80806	PINALE LANE EMERGENCT RP	-	97,775	70,889	-	-
	30-7500-5	80849	CITY HALL SAFETY PROJECT	-	-	-	110,000	-
	30-7500-5	80855	CITY HALL ADA IMPROVEMEN	187,969	187,969	-	188,000	-
	30-7500-5	80891	ON-CALL ROADWAY MAINT/REPAIR	354,400	354,400	139,525	412,580	180,000
	30-7500-5	80892	PAVEMENT MGMT SYSTEM	60,000	60,000	60,000	-	-
	30-7500-5	80895	LIGHT CRS WLK PVDW VIA C	-	-	1,200	-	-
	30-7500-5	80896	ADA UPGRADES CITYWIDE	202,500	202,500	-	302,500	105,000
	30-7500-5	80898	EOC CONVERSION	-	-	-	47,000	-
	30-7500-5	80899	SERVER RM UPGRADE/RELOCATION	-	-	-	150,000	-
	30-7500-5	80900	ADA UPGRADES FOR CITY HALL & POLICE STATION ENTRANCE	-	-	-	200,000	-
	30-7500-5	80904	CTY STM DRN #3 REPAIR	288,920	288,920	-	300,000	-
	30-7500-5	80906	TREE MGMT PLAN	50,000	50,000	-	50,000	-
	30-7500-5	80909	PVDW TRIANGLE STUDY	102,471	102,471	2,700	100,000	-
	30-7500-5	80910	FARNHAM MARTIN PK FNTN UPGRADE	-	-	-	23,500	-
	30-7500-5	80911	ROSSLER FOUNTAIN UPGRADE	10,000	10,000	-	1,500	-
	30-7500-5	80913	LNDA BY PLZA ENHANCEMENT	150,000	150,000	-	150,000	-
	30-7500-5	80916	TREE INVENTORY	50,000	50,000	-	50,000	-
	30-7500-5	80917	PARKLAND MGMT PLAN	-	-	-	-	-
	30-7500-5	80919	AUTOMOBILE LICENSE PLATE READER	24,000	24,000	19,787	-	-
	30-7500-5	81300	CURB & GUTTERS	76,900	76,900	25,377	126,523	75,000
	30-7500-5	81310	GUARDRAIL PROJECT	25,000	25,000	15,000	253,000	-
	30-7500-5	81315	REFLECT ROAD REG SIGNS	100,000	100,000	-	100,000	-
30 - CAPITAL IMPROVEMENT				1,970,775	2,068,550	402,960	4,218,903	1,073,750
	30-7500-5		CIP - NET OPERATING TRANSFERS **	1,029,246	1,029,246	1,029,246	(719,268)	-
30 - CAPITAL IMPROVEMENT				3,000,021	3,097,796	1,432,206	3,499,635	1,073,750
	31-7500-5	80920	PARKLANDS PROJECTS	100,000	100,000	-	70,000	-
	31-7500-5		NET OPERATING TRANSFERS ***	-	50,000	50,000	(70,000)	-
31 - PARKLANDS				100,000	150,000	50,000	-	-
	62-7200-3	80101	SEWER REPAIR	361,635	361,635	9,727	-	-
	62-7200-3	80155	VIA CORONEL/ZURITA UPGRA	343,940	343,940	26,130	325,000	-
	62-7200-3	80158	SEWER COND ASSESSMENT	58,420	58,420	6,502	100,000	-
62 - SEWER				763,995	763,995	42,359	425,000	-
	50-7500-5	80886	STABLE MANURE PLATFORM	-	35,000	-	-	-
50 - PV STABLES				-	35,000	-	-	-
GRAND TOTAL				3,864,016	4,046,791	1,524,565	3,924,635	1,073,750

* Year-end expenditures include encumbered amounts

** Proposed FY18-19 net transfers include transfers in from Special Projects fund of \$68,900, Measure R of \$168,368, and General Fund of \$482,000

*** Proposed FY18-19 net transfers include transfer in from General Fund of \$70,000

Equip & Technology Requests

Description	Funding Source	Projected FY 17-18	Proposed FY 18-19	Planned FY 19-20
EQUIPMENT REPLCEMENT FUND				
Financial Software Upgrade	Finance	60-7000-70770		13,110
HDL Sales Business License reporting & audit	Finance	60-7000-70770	22,408	
Regular Workstation	Technology	60-7000-70770		2,100
Dispatch Workstation (1)	Technology	60-7000-70770		2,000
Regular Laptop (3)	Technology	60-7000-70770		3,000
Advanced Laptop (2)	Technology	60-7000-70770		4,000
Monitors (5)	Technology	60-7000-70770		1,000
Professional Services	Technology	60-7000-70770		2,700
Add'l 4GB RAM for remaining workstations (30)	Technology	60-7000-70770		1,050
Hyper-V Server - Hardware	Technology	60-7000-70770		13,000
Hyper-V Server - Software	Technology	60-7000-70770		8,000
Hyper-V Server - Professional Services	Technology	60-7000-70770		15,000
City Hall Phone System Upgrade	Technology	60-7000-70720	153,695	
City Hall Needs Assessment	Technology	60-7000-70720		75,000
Vehicle Replacement Patrol Cars	Police	60-7000-70750	5,488	83,000
TOTAL			\$ 181,591	\$ 222,960
				\$ 159,350

CITY MANAGER					
2000	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries	421,377	447,732	381,275	382,656	382,656
Car Allowance	4,393	4,500	4,500	4,500	4,500
Phone Allowance	703	720	720	720	720
Overtime	-	-	-	-	-
SALARIES	426,473	452,952	386,495	387,876	387,876
Retirement	43,106	45,022	45,591	58,826	72,671
Workers' Compensation	2,488	2,828	2,828	3,279	3,241
Health Insurance	65,976	66,129	61,360	72,817	79,640
Disability Insur	1,035	2,309	1,392	1,781	1,781
Social Security	-	-	764	-	-
Medicare	6,165	6,492	5,512	5,624	5,624
Unemployment Insurance	6,168	-	-	-	-
BENEFITS	124,937	122,780	117,447	142,327	162,957
Dues & Memberships	5,035	3,725	3,500	5,030	5,220
Mileage	-	-	-	-	-
Training	47,729	27,500	7,439	49,507	48,400
Subscriptions	-	225	-	-	-
Travel & Meetings	3,605	3,575	2,566	5,350	3,575
Printing & Binding	-	-	-	-	-
General Service	1,373	1,377	969	1,500	1,530
Professional Services	69,155	137,100	122,622	8,000	8,000
Contractual Service	25,000	-	6,000	24,000	24,000
Legal Services	33,191	8,000	1,925	-	-
Hiring	5,044	4,300	4,545	6,865	6,993
Employee Recognition	8,240	9,000	3,387	7,950	5,600
SUPPLIES & SERVICES	198,371	194,802	152,952	108,202	103,318
Insurance Allocation	9,998	11,981	11,981	11,088	13,138
ALLOCATIONS	9,998	11,981	11,981	11,088	13,138
Computer Equipment	1,546	-	-	-	-
CAPITAL OUTLAY	1,546	-	-	-	-
TOTAL	761,325	782,514	668,875	649,493	667,289

CITY ATTORNEY

3040	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Legal Services	3,552	-	-	-	-
Retainer	93,500	102,000	93,500	102,000	102,000
Professional Services	94,085	89,900	139,554	111,000	101,000
SUPPLIES AND SERVICES	191,137	191,900	233,054	213,000	203,000
TOTAL	191,137	191,900	233,054	213,000	203,000

CITY CLERK

3010	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries City	108,357	125,497	101,104	103,680	103,680
Temporary Salaries / OT	5,874	2,700	2,500	2,500	2,500
Regular Overtime	22	-	1,180	-	-
SALARIES	114,253	128,197	104,784	106,180	106,180
Retirement	11,706	14,343	12,295	16,468	20,674
Workers' Compensation	929	1,058	1,058	1,226	1,212
Health Insurance	6,062	128	64	100	100
Disability Insur	60	647	365	365	365
Social Security	-	-	301	-	-
Medicare	1,557	1,820	1,460	1,819	1,819
Unemployment	-	-	-	-	-
BENEFITS	20,313	17,996	15,542	19,978	24,170
Dues & Memberships	215	325	130	175	200
Training	1,450	-	1,600	3,200	-
Travel & Meetings	(150)	565	900	900	925
Public Information	21,911	19,525	20,628	23,306	24,700
Legal Publishing	2,628	2,000	5,679	8,000	9,000
Elections	26,875	74,566	71,884	80,400	31,500
General Service	7,120	8,262	2,705	2,700	2,700
Professional Services	11,633	20,450	16,381	17,370	19,390
Contractual Service	10,623	8,108	14,985	9,857	10,500
SUPPLIES & SERVICES	82,304	133,801	134,893	145,908	98,915
Insurance Allocation	4,752	5,949	5,949	5,506	6,524
ALLOCATIONS	4,752	5,949	5,949	5,506	6,524
Office Equipment	-	2,500	6,703	2,625	2,750
Computer Equipment	-	8,449	8,449	-	-
CAPITAL OUTLAY	-	10,949	15,152	2,625	2,750
TOTAL CITY CLERK	221,622	296,892	276,321	280,197	238,539

NON-DEPARTMENTAL

3160 Line Items	ACTUAL 2016/17	BUDGET 2017/18	PROJECTED 2017/18	PROPOSED 2018/19	PLANNED 2019/20
Health Insurance - Cobra	558	18,300	49,302	-	-
Flexible Spending Accounts	900	600	600	600	600
Employee Wellness	29	1,000	-	-	-
Retiree Health Stipend	19,800	23,100	23,100	19,800	23,100
BENEFITS	21,287	43,000	73,002	20,400	23,700
Dues & Memberships	9,440	9,590	18,783	12,491	12,591
Dues & Memberships (26)	6,016	5,310	-	6,740	6,740
Subscriptions	470	435	712	695	695
Travel & Meetings	3,759	3,500	2,752	5,885	5,950
General Services	132	1,000	278	-	-
LA County Processing Fee	98,845	-	-	-	-
Professional Service	279	-	286	-	-
Contractual Services	1,465	1,900	1,951	2,050	2,150
SB Juv. Diversion	-	-	-	-	-
Lease Agreement	18,401	19,600	12,517	25,100	25,100
Contingency Reserve	89,801	12,900	8,302	181,087	30,000
SUPPLIES AND SERVICES	228,607	54,235	45,581	234,048	83,226
Insurance Allocation	42,739	53,507	53,507	49,519	58,675
ALLOCATIONS	42,739	53,507	53,507	49,519	58,675
TOTAL NON-DEPARTMENTAL	292,633	150,742	172,090	303,967	165,601
GENERAL FUND	286,617	145,432	172,090	297,227	158,861
OTHER FUNDS	6,016	5,310	-	6,740	6,740
TOTAL	292,633	150,742	172,090	303,967	165,601

FINANCE

3000 Line Items	ACTUAL 2016/17	BUDGET 2017/18	PROJECTED 2017/18	PROPOSED 2018/19	PLANNED 2019/20
Salaries	293,350	293,900	273,583	341,728	301,327
Car Allowance	4,393	4,500	2,250	4,500	4,500
Phone Allowance	703	720	360	720	720
Regular Overtime	47	2,500	1,045	1,500	1,500
SALARIES	298,493	301,620	277,238	348,448	308,047
Retirement	29,089	25,696	22,152	39,995	50,986
Workers' Compensation	1,526	1,741	1,760	2,018	1,994
Health Insurance	50,799	50,341	38,531	51,002	64,344
Disability Insur	749	1,515	791	1,690	1,539
Social Security	-	-	3,442	1,500	-
Medicare	4,222	4,262	3,978	4,115	4,716
BENEFITS	86,386	83,555	70,654	100,320	123,579
Dues & Memberships	795	955	740	795	795
Training	2,897	5,055	835	5,830	5,830
Subscriptions	-	-	-	-	-
Travel & Meetings	247	400	-	-	-
Printing & Binding	2,218	3,100	1,479	2,094	2,094
Public Information	-	-	1,400	1,400	1,400
General Service	3,462	4,365	1,823	3,500	3,500
Professional Services	109,938	122,409	249,418	116,393	41,641
Hiring	(63)	-	-	-	-
Contractual Services	133,915	162,057	180,615	206,573	201,169
SUPPLIES & SERVICES	253,409	298,341	436,310	336,585	256,430
Insurance Allocation	9,566	11,976	11,976	11,084	13,133
Services Allocation	-	-	-	-	-
ALLOCATIONS	9,566	11,976	11,976	11,084	13,133
Computer Equipment	-	4,000	-	-	-
Furniture & Fixtures	-	-	-	-	-
CAPITAL OUTLAY	-	4,000	-	-	-
TOTAL FINANCE	647,854	699,493	796,178	796,437	701,188

CITY TREASURER

3020	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries	13,300	10,585	7,005	11,222	12,372
Regular Overtime	-	-	-	-	-
SALARIES	13,300	10,585	7,005	11,222	12,372
Retirement	1,202	703	679	1,192	1,467
Workers' Compensation	100	120	120	139	138
Health Insurance	3,396	3,431	1,964	3,601	3,781
Disability Insur	80	55	34	55	60
Medicare	193	153	101	163	179
Unemployment Insurance	-	-	-	-	-
BENEFITS	4,971	4,463	2,898	5,150	5,625
Dues & Memberships	65	200	155	155	155
Training	-	500	-	-	-
Subscriptions	-	-	-	-	-
Travel & Meetings	(32)	2,000	-	-	-
Printing & Binding	-	-	-	-	-
General Service	282	140	235	235	235
Misc. Equip. Supplies	-	-	-	-	-
Banking Services	15,507	21,398	22,009	22,542	22,426
SUPPLIES & SERVICES	15,822	24,238	22,399	22,932	22,816
Insurance Allocations	4,883	6,114	6,114	5,658	6,704
ALLOCATIONS	4,883	6,114	6,114	5,658	6,704
TOTAL CITY TREASURER	38,976	45,398	38,416	44,963	47,517

POLICE

4000 Line Items	ACTUAL 2016/17	BUDGET 2017/18	PROJECTED 2017/18	ADOPTED 2018/19	PLANNED 2019/20
Salaries	3,665,528	3,789,837	3,444,496	3,520,705	3,543,109
Salaries (05)	-	-	-	-	-
Phone Allowance	703	720	120	-	-
Temporary Salaries	5,818	24,250	26,812	31,068	32,832
Shooting Pay	6,240	5,880	5,480	5,480	5,480
Acting Pay	253	-	-	-	-
Regular Overtime	280,875	146,000	220,243	182,000	175,000
Regular Overtime (05)	-	-	-	-	-
Special Enforcement OT	31,001	-	16,682	16,500	16,500
Sick Leave Replacement	174,243	45,000	95,997	95,000	95,000
Training Overtime	16,006	46,800	38,421	35,000	35,000
Outside Overtime (100% Reimb - Rev Acct)	(453)	5,000	2,733	2,000	2,000
Call Back O/T	-	500	-	-	-
Court Overtime	46,354	25,000	31,405	30,000	30,000
Student & the Law	1,928	-	-	-	-
Detective O/T Pay	4,082	10,000	9,369	9,500	9,500
K-9 Pay	2,453	550	547	-	-
SALARIES	4,235,029	4,099,537	3,892,305	3,927,253	3,944,421
Uniform Allowance	27,765	31,350	28,943	27,225	27,225
Uniform Allowance (05)	-	-	-	-	-
Retirement	1,091,654	1,262,905	1,062,364	1,182,916	1,350,720
Retirement Lump Sum PERS	-	-	-	-	-
All benefits (05)	-	-	-	-	-
Workers' Compensation	294,865	333,740	333,740	386,898	382,371
Health Insurance	535,621	557,847	529,547	586,972	622,896
Disability Insurance	9,146	19,503	22,270	17,155	16,862
Social Security	1,487	-	1,766	1,766	1,766
Medicare	59,161	55,492	52,632	52,032	52,383
Unemployment	1,994	-	(1,400)	-	-

POLICE

4000	ACTUAL	BUDGET	PROJECTED	ADOPTED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
BENEFITS	2,021,694	2,260,837	2,029,863	2,254,964	2,454,223
Dues & Memberships	2,534	2,315	2,284	2,530	2,530
Uniform Supplies	3,994	5,500	4,844	4,800	4,800
Training	28,527	34,000	31,596	35,000	34,000
Subscriptions	896	1,300	900	1,000	1,000
Travel & Meetings	1,197	1,200	1,300	1,200	1,200
Reserve Officer	1,933	2,300	2,088	2,050	2,050
Prisoner Expenses	11,384	11,800	10,474	10,500	10,500
Printing & Binding	1,079	3,800	3,765	3,800	3,800
Photography	97	500	-	500	-
Utilities	56,716	55,094	51,611	55,000	55,000
Canine Maintenance + K9	2,500	-	-	-	-
General Service	29,958	29,380	26,277	26,100	26,100
Cleaning Supplies	1,028	1,300	813	800	800
Auto Supplies	82,849	123,550	95,360	107,300	107,300
Safety Equipment	7,902	4,000	4,009	3,500	3,500
Computer Maintenance Contract	60,663	60,280	60,280	84,167	75,294
PVE CARES	10,762	3,240	9,545	7,850	7,850
Volunteer Program	6,875	1,600	1,541	1,550	1,550
Community Support	7,320	12,000	9,000	9,000	9,000
Radio Communications	-	-	-	-	-
Comm. Services Officer Equip.	1,142	1,400	1,394	1,350	1,350
Legal Services	5,377	15,000	-	-	-
Professional Services	770	-	-	-	-
Contractual Services	86,488	143,550	109,250	125,570	128,270
Vaccinations	-	-	-	-	-
Criminal Justice	18,568	30,000	18,485	18,500	18,500
Hiring	10,212	15,300	8,035	8,100	8,100
Animal Control	11,887	11,500	11,500	18,000	20,000

POLICE

4000	ACTUAL	BUDGET	PROJECTED	ADOPTED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Peafowl Management	5,012	6,000	5,261	5,250	5,250
Jail & Correction (01)	-	250	39	-	-
Jail & Correction (07)	3,004	4,700	1,467	4,700	4,700
Copier Lease	8,299	11,000	7,963	8,000	8,000
Discretionary (01)	-	-	-	-	-
Emergency Preparedness	10,706	8,055	7,243	9,805	9,855
Emerg Backpacks	1,000	2,500	2,204	-	-
SUPPLIES & SERVICES	480,677	602,414	488,526	555,921	550,298
Equipment Repl. Allocation	273,723	-	-	-	-
Insurance Allocation	140,500	175,900	175,900	162,787	192,886
ALLOCATIONS	414,223	175,900	175,900	162,787	192,886
Body Armour	-	-	1,460	-	-
Communication Equipment (05)	-	-	-	-	-
Furniture Fixtures (05)	14,145	-	-	-	-
Automotive (05)	-	-	-	-	-
Weapons (05)	-	-	-	-	-
Disaster Prep Supplies (05)	-	-	-	-	-
Computer Equipment (05)	-	-	-	-	-
COPS Fund Expenditures (05)	-	-	-	-	-
CAPITAL OUTLAY	14,145	-	1,460	-	-
TOTAL POLICE	7,165,767	7,138,688	6,588,053	6,900,926	7,141,829
GENERAL FUND	7,148,618	7,133,988	6,586,586	6,896,226	7,137,129
OTHER FUNDS	17,149	4,700	1,467	4,700	4,700
TOTAL	7,165,767	7,138,688	6,588,053	6,900,926	7,141,829

PARAMEDIC & FIRE SERVICES

4100 Line Items	ACTUAL 2016/17	BUDGET 2017/18	PROJECTED 2017/18	PROPOSED 2018/19	PLANNED 2019/20
Utilities	-	9,551	-	-	-
Professional Services	9,021	5,571	-	-	-
Contractual Services (01)	-	-	-	5,121,957	5,275,615
Contractual Services (22)	4,679,642	4,991,866	4,972,773	-	-
SUPPLIES & SERVICES	4,688,663	5,006,988	4,972,773	5,121,957	5,275,615
TOTAL FIRE	4,688,663	5,006,988	4,972,773	5,121,957	5,275,615
GENERAL FUND	-	-	-	5,121,957	5,275,615
OTHER FUNDS	4,688,663	5,006,988	4,972,773	-	-
TOTAL	4,688,663	5,006,988	4,972,773	5,121,957	5,275,615

BUILDING

4200	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries	161,865	115,611	111,287	123,829	128,454
Car Allowance	2,196	2,250	2,250	2,250	2,250
Phone Allowance	351	360	360	360	360
Temporary Salaries	-	-	-	-	-
Regular Overtime	1,670	400	692	600	600
SALARIES	166,083	118,621	114,589	127,039	131,664
Retirement	17,578	13,893	21,259	18,730	23,241
Workers' Compensation	332	375	375	435	430
Health Insurance	23,381	23,513	17,388	18,005	18,906
Disability Insur	586	596	497	595	617
Medicare	2,314	1,676	1,577	1,833	1,900
Unemployment	-	-	-	-	-
BENEFITS	44,191	40,053	41,096	39,599	45,094
Printing & Binding	-	-	1,346	500	1,500
General Services	1,011	1,656	299	400	400
Professional Services Fee Related	442,553	454,000	519,863	579,710	579,710
Professional Services	-	-	-	-	-
Contractual Svcs (Tech Enhance)	-	-	-	14,700	14,700
Geotechnical & Geological	46,586	50,000	46,355	46,500	46,500
Strong Motion	-	2,000	4,800	-	-
Strong Motion /SB 1473	-	1,000	1,480	-	-
SUPPLIES & SERVICES	490,151	508,656	574,142	641,810	642,810
Insurance Allocations	56,983	71,341	71,341	66,023	78,230
ALLOCATIONS	56,983	71,341	71,341	66,023	78,230
TOTAL BUILDING	757,408	738,671	801,167	874,471	897,798

PLANNING					
4800	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries	277,689	207,458	203,858	210,361	214,986
Car Allowance	2,196	2,250	2,250	2,250	2,250
Phone Allowance	351	360	360	360	360
Regular Overtime	9,986	6,750	5,706	6,750	6,750
Minutes	1,025	-	-	-	-
SALARIES	291,247	216,818	212,174	219,721	224,346
Uniform Allowance	180	500	-	-	-
Retirement	26,607	24,929	21,663	33,533	41,624
Workers' Compensation	663	750	750	870	860
Health Insurance	34,173	30,102	30,807	32,634	34,898
Disability Insurance	449	1,070	888	1,013	1,034
Social Security	3,261	-	43	-	-
Medicare	4,134	1,676	2,979	3,088	3,155
Unemployment	-	-	-	-	-
BENEFITS	69,467	59,027	57,130	71,138	81,572
Dues and Membership	2,578	-	-	-	-
Training	-	-	182	-	-
Travel & Meeting	2,616	1,250	-	1,250	1,250
Code Enforcement Supplies	1,046	200	-	-	-
Printing & Binding	-	200	-	200	200
Legal Publishing/Public Info	2,101	5,000	2,644	3,327	4,187
Legal Publishing	11,226	7,500	6,101	8,266	8,266
General Services	5,350	7,635	2,484	2,850	2,850
Professional Services Fee Related	-	-	-	-	-
Professional Services & Green Prgm	45,638	-	52,198	-	-
Contractual Services	5,760	4,000	5,280	4,000	4,000
SUPPLIES & SERVICES	76,314	25,785	68,889	19,893	20,753
Insurance Allocation	52,231	65,391	65,391	60,517	71,706
Equipment Allocation	8,415	-	-	-	-
ALLOCATIONS	60,646	65,391	65,391	60,517	71,706
TOTAL PLANNING	497,674	367,021	403,585	371,269	398,377

PARKLANDS					
6000	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries	260,854	268,319	257,171	258,402	258,402
Temporary Salaries	2,754	8,000	9,302	-	-
Acting Pay	291	-	143	-	-
Minutes	-	-	-	-	-
Overtime	2,339	1,000	1,327	2,000	2,000
Call Back Overtime	11,865	-	64	-	-
SALARIES	278,104	277,319	268,007	260,402	260,402
Uniform Allowance	750	-	750	750	750
Retirement	26,825	27,581	30,824	37,878	46,544
Workers' Compensation	15,257	17,256	17,256	20,004	19,770
Health Insurance	51,759	38,974	52,482	55,601	59,187
Disability	423	1,383	1,105	1,253	1,253
Social Security	1,095	-	740	-	-
Medicare	2,315	3,891	2,328	3,764	3,764
Unemployment	-	-	-	-	-
BENEFITS	98,423	89,084	105,485	119,250	131,268
Uniform Supplies	150	250	94	250	250
Travel & Meetings /Training	(46)	500	75	500	500
Utilities	180,600	182,000	148,303	188,500	193,500
General Services	421	689	124	-	-
Auto Supplies	1,200	-	-	-	-
Radio Communications	319	-	-	-	-
Parklands Supplies/Maintenance	17,131	17,722	19,843	21,000	21,000
Professional Services	-	-	-	-	-
Weed Abatement	169,711	200,000	200,000	205,000	210,000
Parklands Maint Cont.	190,309	185,000	178,087	185,000	192,000
Tree Maintenance Contract	356,623	265,361	265,361	275,445	285,085
Contract Svcs - Irrigation	-	-	-	-	-
Tree Bank Expense	21,865	-	29,876	32,000	32,000
SUPPLIES & SERVICES	938,284	851,522	841,764	907,695	934,335
Equipment Repl. Allocation	21,063	-	-	-	-
Insurance Allocation	27,046	33,860	33,860	31,336	37,130
ALLOCATIONS	48,109	33,860	33,860	31,336	37,130
TOTAL PARKLANDS	1,362,919	1,251,785	1,249,116	1,318,683	1,363,136

CITY PROPERTIES

3080 Line Items	ACTUAL 2016/17	BUDGET 2017/18	PROJECTED 2017/18	PROPOSED 2018/19	PLANNED 2019/20
Utilities City	69,272	70,000	65,345	84,004	87,470
Building Supplies	26,415	28,500	27,762	54,080	30,984
Professional Services	6,095	3,500	-	-	-
Contractual Services	30,428	37,132	33,886	32,809	32,921
SUPPLIES AND SERVICES	132,210	139,132	126,994	170,894	151,375
Equipment Repl. Allocation	46,206	-	-	-	-
Insurance Allocation	30,647	38,369	38,369	35,509	42,074
ALLOCATIONS	76,853	38,369	38,369	35,509	42,074
TOTAL CITY PROPERTIES	209,063	177,501	165,363	206,403	193,449

PUBLIC WORKS ADMINISTRATION					
5000	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Salaries	194,703	222,085	211,813	208,153	208,153
Auto Allowance	4,393	4,500	4,500	4,388	4,388
Phone Allowance	703	720	720	702	702
Minutes	-	-	-	-	-
Housing Allowance	-	-	-	-	-
Regular Overtime	70	-	-	-	-
SALARIES	199,869	227,305	217,033	213,242	213,242
Retirement	18,083	18,389	21,756	26,975	32,490
Workers' Compensation	265	300	300	348	344
Health Insurance	30,031	34,310	34,552	35,561	37,339
Disability Insurance	461	1,145	938	1,000	1,000
Social Security	-	-	-	-	-
Medicare	2,792	3,220	3,013	3,085	3,085
BENEFITS	51,633	57,365	60,559	66,969	74,258
Refuse Containers (06)	-	-	-	-	-
Dues and Memberships	230	604	449	490	740
Training	-	-	-	2,500	2,600
Travel/Meetings	1,742	3,795	195	3,610	3,710
Public Information	-	-	-	2,440	2,440
Legal Publications	473	916	526	-	-
General Services	1,963	2,856	1,357	1,950	1,975
NPDES-MOU City Contribution	69,318	110,700	79,945	97,970	99,318
Profes Servs	422,435	253,349	253,349	290,020	296,030
Prof Servs. NPDES	58,909	60,000	49,531	80,500	82,500
Contractual Services GIS	80,681	17,250	17,000	35,706	28,706
Recycling AB969 (06)	10,406	10,160	8,432	29,000	29,000
Recycle Containers (06)	-	-	-	5,000	5,000
SUPPLIES & SERVICES	646,157	459,630	410,783	549,186	552,019
Insurance Allocation	75,980	95,123	95,123	88,032	104,310
ALLOCATIONS	75,980	95,123	95,123	88,032	104,310
TOTAL PUBLIC WORKS ADMIN.	973,638	839,423	783,498	917,429	943,830
GENERAL FUND	963,232	829,263	775,066	883,429	909,830
OTHER FUNDS	10,406	10,160	8,432	34,000	34,000
TOTAL	973,638	839,423	783,498	917,429	943,830

STREETS

5100 Line Items	ACTUAL 2016/17	BUDGET 2017/18	PROJECTED 2017/18	PROPOSED 2018/19	PLANNED 2019/20
Salaries	-	-	-	-	-
Salaries (02)	178,478	181,424	170,205	164,635	164,635
Temporary Salaries (02)	-	-	-	-	-
Phone Allowance (02)	-	-	-	-	-
Temporary Salaries	-	-	-	25,000	25,000
Acting Pay (02)	291	-	143	-	-
Regular Overtime	-	-	-	-	-
Regular Overtime (02)	-	-	-	-	-
Call Back Overtime	896	17,000	8,158	17,000	17,000
Call Back Overtime (02)	13,017	-	(216)	-	-
Special Event Overtime	-	-	-	-	-
SALARIES	192,682	198,424	178,290	206,635	206,635
Uniform Allowance	-	-	-	-	-
Uniform Allowance (02)	750	-	750	750	750
Retirement	-	-	-	-	-
Retirement (02)	21,168	21,805	23,604	28,608	35,647
Workers' Compensation	-	-	-	-	-
Workers' Compensation (02)	15,257	16,956	16,956	19,656	19,426
Health Insurance	483	-	-	-	-
Health Insurance (02)	33,362	38,974	38,981	40,733	42,933
Disability Insurance	432	-	-	-	-
Disability Insurance (02)	211	935	740	796	796
Social Security (02)	265	-	-	-	-
Medicare (02)	1,037	2,631	804	2,405	2,405
Unemployment Insurance	-	-	-	-	-
BENEFITS	72,965	81,300	81,835	92,947	101,957
Uniform Supply	6,162	5,700	12,646	7,500	5,050
Travel & Meetings	183	500	-	500	500

STREETS

5100	ACTUAL	BUDGET	PROJECTED	PROPOSED	PLANNED
Line Items	2016/17	2017/18	2017/18	2018/19	2019/20
Utilities	1,273	-	1,276	1,340	1,407
General Services	543	900	439	750	750
Auto Supplies	23,168	23,625	23,625	23,625	23,625
Safety Equipment	1,316	3,000	3,000	3,000	3,200
Radio Communication	8,259	12,000	8,210	8,500	8,700
Street Maintenance (02)	17,323	20,000	3,182	20,000	20,500
Street & Traffic Signs	-	-	-	30,000	30,000
Street & Traffic Signs (02)	10,981	30,000	9,892	-	-
Professional Services	-	-	-	-	-
Professional Services (02)	-	3,000	3,000	3,000	2,640
Contractual Service	-	2,800	-	2,000	2,000
Street Striping (02)	23,898	25,000	25,000	25,625	26,250
Storm Drain Cleaning	-	-	-	40,000	105,500
Storm Drain Cleaning (02)	23,033	23,000	24,873	-	-
Street Sweeping	-	-	-	-	-
Equipment Rental	7,625	3,000	1,463	3,000	3,000
SUPPLIES & SERVICES	123,764	152,525	116,606	168,840	233,122
Equipment Repl. Allocation	21,063	-	-	-	-
Insurance Allocations	27,046	33,860	33,860	31,336	37,130
ALLOCATIONS	48,109	33,860	33,860	31,336	37,130
TOTAL STREETS	437,520	466,109	410,591	499,758	578,844
GENERAL FUND	98,449	102,385	92,678	193,551	262,862
OTHER FUNDS	339,071	363,724	317,913	306,207	315,982
TOTAL	437,520	466,109	410,591	499,758	578,844

STAFF POSITIONS

Function	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	6/12/2018 Vacant Positions	2018/19	2019/20
City Manager										
City Manager	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000
Asst. to the City Manager	1.000	1.000	1.000	1.000	1.000	-	1.000	-	1.000	1.000
City Clerk/ Exec Asst. to CM	-	-	-	0.500	0.500	0.500	0.500	-	0.500	0.500
Deputy City Clerk/ Exec Asst.	1.000	0.500	0.500	-	-	-	-	-	-	-
Administrative Analyst	0.500	0.500	0.500	0.500	0.500	2.000	1.000	1.00	1.000	1.000
Receptionist	-	-	-	0.563	0.563	-	-	-	-	-
Senior Receptionist	-	-	-	0.563	0.563	-	-	-	-	-
	3.500	3.000	3.000	4.126	4.126	3.500	3.500	1.00	3.500	3.500
City Clerk										
City Clerk/ Exec Asst. to CM	-	-	-	0.500	0.500	0.500	0.500	-	0.500	0.500
Deputy City Clerk/ Exec Asst.	-	0.500	0.500	-	-	-	-	-	-	-
Office Specialist	0.500	0.500	0.500	0.563	0.563	0.560	0.560	-	-	-
Receptionist	0.563	0.563	0.563	-	-	0.563	0.563	-	-	-
Senior Receptionist	0.563	0.563	0.563	-	-	0.563	0.563	-	0.563	0.563
	1.626	2.126	2.126	1.063	1.063	2.186	2.186	0.00	1.063	1.063
Administration Total	5.126	5.126	5.126	5.189	5.189	5.686	5.686	1.00	4.563	4.563
Finance & Treasury										
Finance Director	-	-	1.000	1.000	1.000	1.000	1.000	1.00	1.000	1.000
Administrative Analyst	-	-	-	-	-	-	-	-	-	-
Budget Analyst	-	-	-	-	-	-	-	-	0.500	0.000
Financial Services Manager	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	-	-
Senior Accountant	-	-	-	-	-	-	-	-	1.000	1.000
Financial Services Technician	2.000	2.000	2.000	2.000	2.000	2.000	2.000	1.00	2.000	2.000
	3.000	3.000	4.000	4.000	4.000	4.000	4.000	2.00	4.500	4.000

STAFF POSITIONS

Function	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	6/12/2018 Vacant Positions	2018/19	2019/20
POLICE										
Police Chief	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000
Police Captain	2.000	2.000	2.000	2.000	2.000	2.000	2.000	-	1.000	1.000
Support Services Manager	-	-	-	-	-	-	-	1.00	1.000	1.000
Exec. Asst./Custodian of Records	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000
Police Officer	13.000	13.000	13.000	13.000	13.000	13.000	13.000	-	11.000	11.000
Police Corporal (Sr. Police Officer)	3.000	3.000	3.000	3.000	3.000	3.000	3.000	1.00	4.000	4.000
Police Sergeant	6.000	6.000	6.000	6.000	6.000	6.000	6.000	-	6.000	6.000
Services Officer	9.000	9.000	9.000	9.000	9.000	9.000	9.000	-	9.000	9.000
Lead Services Officer	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	-	-
Community Relations Officer	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000
Traffic Control Officer	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000
Data Entry Clerk	0.500	0.500	0.500	0.300	0.300	0.300	-	-	-	-
Police Service Aide	1.000	1.000	1.000	1.000	1.500	2.000	1.000	-	1.000	1.000
PVE Cares Coordinator	-	-	0.300	0.300	0.300	-	-	-	-	-
Police Volunteer Coordinator	-	-	-	-	-	0.600	0.500	-	0.500	0.500
	39.500	39.500	39.800	39.600	40.100	40.900	39.500	2.00	37.500	37.500

STAFF POSITIONS

Function	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	6/12/2018	2018/19	2019/20
								Vacant Positions		
Planning & Building										
Planning & Building Director	-	-	1.000	1.000	1.000	1.000	1.000	-	1.000	1.000
Planner	-	-	-	1.000	1.000	1.000	1.000	-	1.000	1.000
Code Enforcement Officer	-	-	-	-	-	1.000	0.000	-	0.500	0.500
Permit Technician	1.500	1.500	1.500	1.500	1.500	1.000	1.000	-	1.000	1.000
Admin Analyst/Code Enf.	0.500	0.500	0.500	0.500	0.500	-	-	-	-	-
Maintenance Foreman	1.000	1.000	1.000	1.000	1.000	0.500	0.500	-	0.500	0.500
Equipment Mechanic	0.500	0.500	0.500	0.500	0.500	0.250	0.250	-	0.000	0.000
Maintenance Worker	4.000	4.000	4.000	4.000	4.000	2.000	2.000	-	2.000	2.000
Forester	-	-	-	-	-	1.000	1.000	-	1.000	1.000
	7.500	7.500	8.500	9.500	9.500	7.750	6.750	0.00	7.000	7.000
Public Works										
City Engineer	-	-	-	-	-	1.000	1.000	-	1.000	1.000
Permit Technician	-	-	-	-	-	1.000	1.000	-	1.000	1.000
Maintenance Foreman	-	-	-	-	-	0.500	0.500	-	0.500	0.500
Equipment Mechanic	-	-	-	-	-	0.250	0.250	-	0.000	0.000
Maintenance Worker	-	-	-	-	-	2.000	2.000	-	2.000	2.000
	-	-	-	-	-	4.750	4.750	0.00	4.500	4.500
Planning and Public Works Total	7.500	7.500	8.500	9.500	9.500	12.500	11.500	0.00	11.500	11.500
Citywide	55	55	57	58	59	63	61	5.00	58	58
Contract Fire										
Captain	3.000	3.000	3.000	3.000	3.000	3.000	3.000	-	3.000	3.000
Engineer	3.000	3.000	3.000	3.000	3.000	3.000	3.000	-	3.000	3.000
Paramedics/FireFighters	9.000	9.000	9.000	9.000	9.000	9.000	9.000	-	9.000	9.000
(3 Shifts 24/7)	15	15	15	15	15	15	15	0.00	15	15

**CITY OF PALOS VERDES ESTATES
FISCAL YEAR 2018-2020
YEAR TO YEAR EXCEPTION REPORT**

Department	Projection FY 17/18	Proposed FY 18/19	Change FY 18/19 to FY 17/18	Planned FY 19/20	Change FY 19/20 to FY 18/19	Comments
Administration	\$1,350,000	\$1,440,000	\$90,000	\$1,268,000	(\$172,000)	Fiscal Year 2018-19 includes an increase of \$90,000 primarily due to Labor Relations (counsel) for contract negotiations with employee labor organizations and personnel matters, tuition reimbursement and training for professional development, and membership in the South Bay Cities Council of Governments (COG). Fiscal year 2019-20 projects a planned decrease primarily due to a reduction in Labor Relations (counsel) associated with contract negotiations, and election expenses.
Finance	\$835,000	\$841,000	\$6,000	\$749,000	(\$92,000)	The FY 18-19 increase of \$6,000 is due to a fully staffed department and a new part-time budget analyst position, CalPERS retirement rates, benefits, new security IT related costs and business license fees partially off set by reduction in use of consultant support services throughout the year. FY 19-20 decreased due to eliminating the use of consultant support services and part-time budget analyst and new one-time IT costs only budgeted for FY18-19.
Police	\$6,587,000	\$6,896,000	\$309,000	\$7,137,000	\$241,000	The FY 18-19 increase of \$309,00 is due to an increase of \$27,948 in salaries, a \$225,101 increase in benefits, and a \$62,726 increase in supplies and services (primarily due to utilities, anticipated automotive costs, reallocation of computer and contractual services, and the animal control contract). The FY 19-20 budget increases \$241,000 primarily due to an increase of \$199,259 in benefits, \$17,168 increase in salary, and an increase of \$30,099 in insurance allocations.
Planning & Building and Parklands	\$2,454,000	\$2,564,000	\$110,000	\$2,659,000	\$95,000	The FY18-19 increase of \$110,000 is primarily due to an increase in Professional Services and Contractual Services for Technology Enhancements in Building, however these are entirely offset by increased revenue generated by building permit activities. There are also increases in Utilities and Contract Services in Parklands. Both yearly increases also are due to the increase in CalPERS retirement rates, and the addition of a part-time code enforcement officer.
Public Works	\$1,033,000	\$1,283,000	\$250,000	\$1,366,000	\$83,000	The FY18-19 increase of \$250,000 is due to all building related utilities now funded exclusively through Department 3080 (previously partially funding in PD); costs to replace a portion of the City Hall sewer lateral along PVDW and replacement of the green waste transfer yard gate; modest increased engineering consultant costs (including stormwater and solid waste), funding of shoreline storm water monitoring previously performed by County Sanitation District; and costs for more frequent catch basin cleaning (from once/per year to up to six times/year). During FY 19-20, the increase is primarily due to the need to clean additional catch basins six times/year when the SMB TMDL project is fully complete. Both yearly increases are also partially due to an increase in CalPERS retirement rates.
Total	\$12,259,000	\$13,024,000	\$765,000	\$13,179,000	\$155,000	

* Data is rounded and represents General Fund only

**CITY OF PALOS VERDES ESTATES
DESCRIPTION OF FUNDS & FUND TYPES**

GOVERNMENTAL FUNDS

Are typically used to account for tax-supported (governmental) activities. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

GENERAL FUND (01) – Unrestricted:

The General fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

SPECIAL REVENUE FUNDS:

Are used to account for proceeds of specific sources (other than for major capital projects) that are legally restricted for specific purposes. The following funds are considered Special Revenue Funds:

State Gas Tax Fund (02) - Restricted: Accounts for a share of revenues derived from the State Highway Users' Tax under Sections 2103, 2105, 2106, 2107, and 2107.5. The revenue is derived from a share of the gasoline taxes and is restricted to be used for the construction and maintenance of the road network system of the City.

Drug Intervention Fund (03) - Restricted: Accounts for receipt and disbursement of narcotic forfeitures received from the County, State, and Federal agencies pursuant to Section 11470 of State Health & Safety Code and Federal Statute 21USC Section 881.

SLESF (COPS) Fund (05) - Restricted: Account for receipt and disbursement of funds received under the State Citizens' Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statutes. This fund, also known as the Supplemental Law Enforcement Services Fund (SLESF), is allocated based on population and can only be spent for "front line municipal police services" such as local crime prevention and community-oriented policing, per Government Code Section 30061 (c)(2).

Special Projects Fund (06) - Restricted: Account for revenue for grants or disbursements from Federal, State, County, and special agencies and districts, including but not limited to monies received from Transportation Development Act Article 3, AB 2766, AB 939, CalRecycle Rubberized Pavement and Container Grants, STP-L Fund Exchange.

Corrections Fund (07): Account for revenue received from the State Department of Corrections.

RMRA Fund (08): Account for receipt of funds received from the State Controller's Road Maintenance and Rehabilitation Account (RMRA). RMRA funds can be used for basic road maintenance, rehabilitation, and critical safety projects on the local streets and road system. The City currently uses these funds for certain capital projects such as street rehabilitation.

Special Fire Parcel Tax Special Revenue Fund (22) - Restricted: Account for funds received from a voter approved direct assessment levied by the City for the purpose of funding contract fire suppression services through Los Angeles County. This assessment sunset after FY 16-17 and is no longer funded.

Measure M Fund (25) - Restricted: Account for a share of the revenues received under Measure M, a portion of a ½ cent sales tax levied in Los Angeles County in November 2016 to provide transportation related projects and programs. These are restricted funds. Eligible projects include street and road repair and maintenance, green streets, complete streets, storm drains, traffic control measures, bicycle and pedestrian transportation improvements, transit services and vehicles, transportation marketing, and transportation demand management. The City currently uses Measure M Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction.

Prop “C” Transportation Fund (26) - Restricted: Account for a share of the revenues received under Proposition C, a portion of a ½ cent of sales tax levied in Los Angeles County in November 1990 to provide transportation-related programs and projects. These are restricted funds, eligible to be used to improve transit services and operations; reduce traffic congestion; improve air quality; operate and improve the condition of the streets and freeways utilized by public transit; and reduce foreign oil dependence. The City currently uses these funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction on fixed transit routes.

Measure R Fund (27) - Restricted: Account for a share of the revenues received under Measure R, a portion of a ½ cent sales tax levied in Los Angeles County in November 2008 to provide for transportation related projects and programs. Revenues are funneled to the City through the Los Angeles County Metropolitan Transportation Authority. These are restricted funds. Eligible projects include street and road repair, traffic signal improvements, bicycle and pedestrian transportation improvements, transit services and vehicles, transportation marketing, and transportation demand management. The City currently uses Measure R Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction.

Prop “A” Transportation Fund (28) - Restricted: Account for a share of the revenues received under Proposition A, a portion of a ½ cent of sales tax levied in Los Angeles County in November 1980 to provide transportation-related programs and projects. These are restricted funds, eligible to be used for transit and bus stop improvements and maintenance only. The City uses these funds to pay the City’s annual funding obligation to Palos Verdes Peninsula Transit Authority (PVPTA) as a member of the Palos Verdes Peninsula Joint Powers Authority. Unused accumulated balance is sold to the PVPTA or other cities in exchange for non-restricted General Fund dollars.

Parklands (31): Account for the improvements to/in the City’s parklands. The primary source of general capital funds is an annual transfer of General Fund Operating surplus. The actual amount of the transfer, if any, is determined each year by the City Council after review of the annual audit report.

PVE Law Enforcement Fund (XX) - Restricted: Account for funds received from a voter approved (by Measure E in April 2018) direct assessment levied by the City for the purpose of funding the Palos Verdes Estates Police Department. This levy will be for fiscal years 2018-19

through 2026-27.

CAPITAL PROJECTS FUNDS:

Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The following is considered Capital Projects Fund:

Capital Improvement Fund (30): Account for the construction of capital facilities typically financed by the City's General Fund, transfers from Special Revenue Funds, and any grant not accounted for in a special revenue fund. The primary source of general capital funds is an annual transfer of General Fund Operating surplus. The actual amount of the transfer, if any, is determined each year by the City Council after review of the annual audit report. Capital projects typically improve City-owned assets such as buildings, parks, streets, and other infrastructure components.

Sewer Fund (62): Account for accumulated fund balance and expenses for the City's wastewater collection system, including replacement and maintenance of sewer facilities. As authorization for the property-owner approved sewer user fee expired in FY 12/13, these operations will become General Fund dependent once available resources are used towards capital and maintenance as outlined in prospective budget plans.

PROPRIETARY FUNDS

Proprietary funds are used to account for a government's "business" type activities. Enterprise Funds and Internal Service Funds are considered proprietary funds. The City of Palos Verdes Estates does not currently have any enterprise funds.

INTERNAL SERVICE FUNDS

The following are the City's Internal Service Funds:

Equipment Replacement Fund (60): Account for the financing of equipment on a cost reimbursement basis from charges to City departments and from proceeds from the sale of surplus equipment, which are used to purchase replacement of office furniture and equipment; vehicles; and other capital equipment.

Insurance Fund (65): Account to fund the City's annual contribution to the California Joint Powers Insurance Authority (CJPIA). The total funding requirement for self-insurance programs is estimated using actuarial models, with costs allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. CJPIA provides for both liability and worker's compensation coverage.

**CITY OF PALOS VERDES ESTATES
FY 18-19 AND FY 19-20 - DECISION PACKAGES**

Attachment L

DP#	PRIORITY RANK	DESCRIPTION	FUND SOURCE	REQUESTED		APPROVED	
				FY 18-19	FY 19-20	FY 18-19	FY 19-20
PD01	3	COMMUNITY SAFETY & ENGAGEMENT	GF	7,000		7,000	-
		DELETE EQUIPMENT REPLACEMENT ALLOCATION	GF			(260,258)	(246,985)
PD02	1	VEHICLE REPLACEMENT (in base budget)	Eq Rpl	48,000		48,000	-
PD02	1	VEHICLE REPLACEMENT (in base budget)	Eq Rpl	35,000		35,000	-
PD03	2	MOUNTAINS RECREATION AND CONSERVATION AUTHORITY (MRCA) CONTRACT (in base budget)	GF	25,000		25,000	25,000
PD04	4	VEHICLE REPLACEMENT (in base budget)	Eq Rpl		50,000	-	50,000
PD04	4	VEHICLE REPLACEMENT (in base budget)	Eq Rpl		48,000	-	48,000
PD04	4	VEHICLE REPLACEMENT (in base budget)	Eq Rpl		30,000	-	30,000
TOTAL POLICE				115,000	128,000	(145,258)	(93,985)
PL01	1	CODE ENFORCEMENT POSITION	GF	94,217	94,217	28,283	37,709
		DELETE EQUIPMENT REPLACEMENT ALLOCATION	GF			(25,704)	(24,392)
TOTAL PLANNING AND BUILDING				94,217	94,217	2,579	13,317
PW01	3	SPECIAL EVENT EQUIPMENT RENTAL AND STAFF OVERTIME	GF	18,360	18,360	-	-
PW02	2	SUMMER WORK PROGRAM	GF	28,800	28,800	25,000	25,000
		DELETE EQUIPMENT REPLACEMENT ALLOCATION	GF			(65,829)	(62,471)
PW03	1	WORK AND ASSET MANAGEMENT SOFTWARE	GF	15,706		15,706	8,206
TOTAL PUBLIC WORKS				62,866	47,160	(25,123)	(29,265)
CM01	6	AFTERNOON RECEPTIONIST	GF	21,200	21,200	-	-
CM02	9	CITYWIDE RESIDENT SATISFACTION SURVEY	GF	25,000		-	-
CM03	6	TRAINING & DEVELOPMENT	GF	18,187	18,400	19,507	18,400
TOTAL ADMINISTRATION - City Manager, City Clerk, Non-Dept				64,387	39,600	19,507	18,400

**CITY OF PALOS VERDES ESTATES
FY 18-19 AND FY 19-20 - DECISION PACKAGES**

DP#	PRIORITY RANK	DESCRIPTION	FUND SOURCE	REQUESTED		APPROVED	
				FY 18-19	FY 19-20	FY 18-19	FY 19-20
F01	2	CASHLESS COUNTER SERVICE	GF	36	36	36	36
F02	3	ANALYZE AND DEVELOP STRATEGY ALTERNATIVES FOR CALPERS UNFUNDED ACCRUED LIABILITY (UAL)	GF	38,000		20,000	-
F03	4	FISCAL HEALTH REPORT	GF	1,200		1,200	-
F04	5	BUDGET ANALYST POSITION	GF	95,000	95,000	37,039	-
F05	1	REPLACE ACCOUNTING SYSTEM	Eq Rpl	250,000		-	-
F05	1	REPLACE ACCOUNTING SYSTEM	GF	7,000	7,000	-	-
IT01	3	PASSWORD SYNCHRONIZATION BETWEEN ACTIVE DIRECTORY AND OFFICE 365 TENANT ACCOUNT(EMAIL)	GF	3,200		3,200	-
IT02	1	MULTI-FACTOR AUTHENTICATION(MFA) FOR OFFICE 365 (EMAIL)	GF	3,500		3,500	-
IT03	2	ANNUAL SUBSCRIPTION TO KNOWBE4 (USER CYBER SECURITY AWARENESS TRAINING)	GF	1,200	1,200	1,200	1,200
TOTAL FINANCE AND IT				399,136	103,236	66,175	1,236
GRAND TOTAL ALL DEPARTMENTS				735,606	412,213	(82,120)	(90,297)
CIP01	5	FARNHAM MARTIN AND ROESSLER FOUNTAINS UPGRADES	CIP	260,000		25,000	-
CIP02	4	LUNADA BAY PLAZA ENHANCEMENTS	CIP	150,000		150,000	-
CIP03	6	PASEO DEL SOL TURNOUT	CIP	420,000		-	-
CIP04	2	SERVER ROOM UPGRADES	CIP	150,000		150,000	-
		CITY HALL SECURITY PROJECT	CIP			110,000	-
		TRIANGLE LANDSCAPING	PKLNDS			20,000	-
CIP05	1	SOLL PARK RENOVATIONS	PKLNDS	50,000		50,000	-
CIP01	3	MODIFICATIONS TO COUNCIL CHAMBERS TO ALLOW FOR CONVERSION TO AN EMERGENCY OPERATION CENTER	CIP	47,000		47,000	-
TOTAL CAPITAL IMPROVEMENTS				1,077,000	-	552,000	-

**CITY OF PALOS VERDES ESTATES
FY 18-19 AND FY 19-20 - DECISION PACKAGES**

DP#	PRIORITY RANK	DESCRIPTION	FUND SOURCE	REQUESTED		APPROVED	
				FY 18-19	FY 19-20	FY 18-19	FY 19-20
TOTAL FOR BASE BUDGET ITEMS				108,000	128,000	108,000	153,000
DECISION PACKAGE FUND RECAP				REQUESTED		APPROVED	
				FY 18-19	FY 19-20	FY 18-19	FY 19-20
DEPARTMENT EQUIP REPLACEMENT ALLOCATION REVERSAL						(351,791)	(333,848)
GENERAL FUND				377,606	284,213	161,671	90,551
TOTAL GENERAL FUND DECISION PACKAGES				377,606	284,213	(190,120)	(243,297)
EQUIPMENT REPLACEMENT				250,000	-	-	-
CAPITAL IMPROVEMENT PROGRAM (CIP)				1,027,000	-	482,000	-
PARKLANDS				50,000	-	70,000	-
TOTAL EQUIP REPL + CIP + PARKLANDS DECISION PACKAGES				1,327,000	-	552,000	-
GRAND TOTAL DECISION PACKAGES				1,704,606	284,213	361,880	(243,297)
GRAND TOTAL DECISION PACKAGES + BASE BUDGET ITEMS				1,812,606	412,213	469,880	(90,297)
<u>BUDGETED RESERVE ANALYSIS - FROM BASE BUDGET</u>							
BUDGETED GENERAL FUND BALANCE				11,021,329	12,156,049	BASE BUDGET	
RESERVE AT 50% OF EXPENDITURES				9,165,677	9,345,848		
UNDESIGNATED FUND BALANCE				1,855,652	2,810,201		
<u>BUDGETED CAPITAL AND EQUIPMENT REPLACEMENT FUND BALANCES</u>							
CIP FUND BALANCE				1,609,278	587,528	BASE BUDGET	
EQUIPMENT REPLACEMENT FUND BALANCE				2,531,922	2,728,422	BASE BUDGET	

SUMMARY

Honorable Mayor and City Council Members,

On May 9, 2018 I sent the following note under the heading “Bidding for Services” to Mayor Peterson and copied the council and the city attorney:

- The contract with the current police force which is currently being negotiated, is a contract for services to be provided by a police force for PVE. The Palos Verdes Estates Municipal Code Chapter 3.24 “Purchasing System”. Section 3.24.070 speaks to “purchases of supplies, equipment and services over \$25,000 requiring a minimum number of bids, solicitation of bids, etc.
- Quick Question: Given that the cost of police service on annual basis is far in excess of \$25,000. Given that this is a service that can be supplied by a number of contractors, and that the bidding process/solicitation can specify service levels (in order to level the playing field). When will the bidding process as prescribed by the Municipal Code be initiated?

Thank you for your attention, I would appreciate confirmation that you received this note and a response. Regards, George Kay

I received the following response from Attorney Hogin:

- The agreements under negotiation are the memoranda of understanding between the City and the various unions to which City employees belong, resulting from legally required collective bargaining. These agreements are governed by state employment law. The unions are representing the City’s employees. These employee agreements are different than the contracts for goods and (independent) services governed by the City’s purchasing ordinance.

To which I responded:

- Thanks for getting back to me, help me understand what is being negotiated if it is future wages, and benefits for services performed when the current contract ends than wouldn't that serve as a cost basis for future services for a period certain, outlining specific job descriptions, service levels and duties. Why would that not serve as the basis for a proposal outlining costs and service levels to be provided to Palos Verdes Estates over a set period? Which in turn could be evaluated against competing proposals for the same service levels as prescribed by the Municipal Code. Certainly an annual expenditure of this magnitude deserves to be competitively bid when alternatives exist.

To which Attorney Hogin responded:

- Mr. Kay, now you’ve wandered out of my jurisdiction, so to speak. I can explain the legal difference between collective bargaining agreements with city employees and contracts for independent services. I see your follow up point is that the information provides a baseline for comparing options for police

services. That fact underscores the policy suggestion you are conveying to the council, which by this exchange they have received.

- I have added the city manager to this email. Let me take one more moment to explain (in case you are not aware) that state law prohibits a majority of city Councilmembers from participating in a discussion of city business outside of a public meeting. The purpose of the restriction is to make sure the public is afforded an opportunity to observe or participate in council deliberations. That is why the Councilmembers have not “replied to all” in this chain. I added Tony because it is customarily his role to make sure comments and suggestions from residents get to Councilmembers and relevant city staff.

So back to my original question. The Palos Verdes Estates, Mission and values statements among other values speak to efficiency and responsible use of fiscal resources. On one of the council members “Why I am Running” statements was the initiative to “Create Fiscal Responsibility”. Good Business Practices, standard purchasing policy and procedures, our own Municipal Code mandates soliciting competing bids in order to secure the most cost effective solution that will benefit the organization whether it is a private business, public entity, or household. Whether it is contracting for road repair, sewer construction, purchasing an automobile, or painting ones house it is only prudent to solicit a number of bids. Sole source contracts by definition provide no leverage in a negotiation.

The policing service is by dollar value the largest line item in the budget. There are at least two viable/capable policing services currently active on the Palos Verdes Peninsula.

Shouldn't the Cities purchasing agent be directed to issue an RFP and solicit bids as soon as possible?

Thank you for your consideration.

George Kay