



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Lindy Coe-Juell, Assistant to the City Manager

DATE: May 18, 2010

SUBJECT: Consideration of Reinstating Funds for Mira Costa High School's Grad Nite

RECOMMENDATION:

Staff recommends that the City Council approve reinstating funds for Mira Costa High School's Grad Nite from the Council Contingency fund.

FISCAL IMPACT:

The Council Contingency fund has a current balance of \$19,150. Should the City Council reinstate the Grad Nite funds of \$7,500, the remaining balance for FY 2009-2010 will be \$11,650.

BACKGROUND:

During the City Council meeting on May 4, 2010, Councilmember Cohen requested that this item be placed the City Council's agenda for consideration.

DISCUSSION:

During the June 2, 2009 City Council meeting, the City Council directed budget cuts to help balance the 2009-2010 budget. Among the items selected for elimination was the Mira Costa Grad Nite funding of \$7,500. This funding may be reinstated at this time with City Council approval.

Attachment A provides the list of budget cuts that were made for FY 2009-2010 and Attachment B is a copy of the June 2, 2009 staff report that provided the description of Grad Nite as attachment C.

ATTACHMENTS:

- A) FY 2009-2010 Budget Modifications
- B) June 2, 2009 Staff Report

City of Manhattan Beach FY 2009-2010 Budget Modifications to be Included in Adopted Budget

Attachment "A"

Department	Description	Change in Budgeted Expenditures increase/(decrease)	General Fund Change in Budgeted Revenues Increase/(decrease)	Notes	On-Going?
All	Budget for staff vacancies in all departments with the exception of Fire (minimum staffing requirement)				
Community Dev	Eliminate Vacant Associate Planner position	\$ (400,000)			Yes
Community Dev	Suspend attendance at conferences for Planning Commission members	\$ (102,840)			Yes
Community Dev	Suspend Tree Committee Budget Allocation	\$ (6,000)			Yes
Community Dev	Reduce arborist contract by \$10K (new total \$10K)	\$ (13,000)		Tree program to be moved under the Environmental Task Force purview.	Yes
Community Dev	Suspend Neighborhood Traffic Management Programs	\$ (10,000)			Yes
Community Dev	Reduce Coordinating Council participation - maintain one \$50 membership	\$ (25,000)			Yes
Finance	Suspend Chamber of Commerce Allocation	\$ (2,184)			Yes
Finance	Suspend Holiday Parking meter Bagging and allocate moneys to the General Fund	\$ (210,000)		Multiple departments	Yes
Finance	Reduce Public Education budget (Overtime, general materials)	\$	\$ 110,000		Yes
Fire	Reduce Employee Recognition programs to a new total of \$10,000	\$ (4,000)			Yes
Human Resources	Council Contingency - add back in \$50,000 bringing the new total to \$100,000	\$ (6,230)			Yes
Management Services	Suspend lobbyist contract	\$ 50,000			Yes
Management Services	Council conferences and meetings - reduce by 50% (full amount of \$57,170)	\$ (13,000)			Yes
Management Services	Reduce City Manager's conferences and meetings budget by 50% (original amount of \$16,133)	\$ (28,585)			Yes
Management Services	Suspend Grad Night Contribution to MCHS	\$ (8,067)			Yes
Management Services	Reduce the City Treasurer's Budget by \$3,000	\$ (7,500)			Yes
Management Services	Combine Quarterly Newsletter with P&R brochure	\$ (3,000)		estimated savings	Yes
Management Services	Reduce funding for Earth Day to 50% level (full budget of \$7,856)	\$ (6,000)			Yes
Parks & Recreation	Rainstate 50% funding for Pet Appreciation Day (full budget of \$9,612)	\$ (3,928)			Yes
Parks & Recreation	Suspend Sand Castle Design Contest	\$ 4,806		See below - June 2nd. Funding completely suspended	Yes
Parks & Recreation	Suspend Family Fishing Derby	\$ (1,237)			Yes
Parks & Recreation	Suspend Halloween Carnival	\$ (1,685)			Yes
Parks & Recreation	Suspend Family Holiday Credits Night	\$ (3,347)			Yes
Parks & Recreation	Suspend Family Kite Festival	\$ (1,527)			Yes
Parks & Recreation	Suspend Pumpkin Race	\$ (1,379)			Yes
Parks & Recreation	Suspend Arts Manhattan Funding	\$ (15,586)			Yes
Parks & Recreation	Suspend Mailbox Series	\$ (20,000)			Yes
Parks & Recreation	Suspend MBUSD Art Education Program	\$ (18,500)		6/2/09: Added supplies and advertising to the original reduction. New total is \$16,500 savings.	Yes
Parks & Recreation		\$ (12,000)			Yes




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City Clerk of the City of Manhattan Beach

City of Manhattan Beach FY 2009-2010 Budget Modifications to be Included in Adopted Budget

Department	Description	General Fund		Notes	On-Going?
		Change in Budgeted Expenditures Increase/(decrease)	Change in Budgeted Revenues Increase/(decrease)		
Parks & Recreation	Reduce funding for OASIS weekend staffing (original cost of \$8,400)	\$ (3,400)			Yes
Parks & Recreation	Increase fees for AYSO and MB Little League from \$5 to \$10 per participant	\$	\$ 30,000		Yes
Parks & Recreation	Related costs in other departments associated with the P&R events listed above	\$ (10,094)		Public Works and Police Department support	Yes
Parks & Recreation	Suspend Pet Appreciation Day	\$ (4,806)		Previous 50% funding level eliminated	Yes
Parks & Recreation	Arts Festival revenues and expenditures not removed from budget when event was originally eliminated	\$ (10,088)	\$ (10,000)		Yes
Parks & Recreation/Police	Reduce Funding for Volunteer Recognition Dinner (original budget of \$24,000)	\$ (11,000)			Yes
Police	Update of PERS contribution rate (Finance)	\$ 63,184		Split proportionately between P&R and Police	Yes
Police	Eliminate Code Blue emergency call boxes	\$ (8,500)		Original amount \$63,000 - Final amount is \$63,184	Yes
Police	Scale back Wellness Program to Police personnel only (original cost \$55,000 - new \$30,000)	\$ (25,000)			Yes
Police	Reduce Community Police Academy from two classes per year to one class per year	\$ (11,150)			Yes
Police	Combine Crime Prevention and one School Resource Officer positions into one combined position, thereby eliminating one Police Officer (full year total)	\$ (144,610)		City Manager and Police Chief recommend as an alternative one sworn officer position be eliminated, but actual deployment of police officers to be determined by the Chief of Police. (Number updated for final by \$17)	Yes
Public Works	Reduce Landscaping Contract by an Additional 20%	\$ (97,773)			Yes
Public Works	Increase Reduction in Fleet Allocation from \$500,000 to \$800,000 and Utilize Fund Balance Reduction in General Fund expenditures required for Streetscape due to overall reduction in Fleet charge-outs	\$ (262,305)		Original General Fund benefit estimated at \$240,000. Actual amount = \$282,305.	No
Public Works		\$ (1,242)			No
Summary of Changes in General Fund					
		Expenditures		Revenues	
Total of Proposed Changes Increase/(decrease)		\$ (1,392,573)	\$ 130,000		
Original Proposed Budget		\$ 52,303,768	\$ 49,272,520		
Revised Budget Totals		\$ 50,911,195	\$ 49,402,520		
Original Deficit		\$ (3,031,248)			
Revised Deficit		\$ (1,508,675)			
Net Increase/(Decrease)		\$ (1,522,573)			



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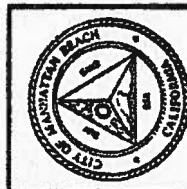


City Clerk of the City of Manhattan Beach

City of Manhattan Beach FY 2009-2010 Budget Modifications to be Included in Adopted Budget

Attachment "A"

Summary of Changes in Other Funds			
Fund Name	Change in Budgeted Expenditures Increase/(decrease)	Change in Budgeted Revenues Increase/(decrease)	Notes
Street Lighting and Landscaping	\$ (4,265)	\$ (1,242)	Fleet allocation reduced consistent with the General Fund reductions. General Fund transfer (revenue) to support Streetscape reduced due to lower fleet allocation.
Proposition "A"	\$ (1,419)		Fleet allocation reduced consistent with the General Fund reductions.
Water Fund	\$ (15,442)		Fleet allocation reduced consistent with the General Fund reductions + overall landscape maintenance reductions.
Stormwater Fund	\$ (1,099)		Landscape maintenance reductions
Wastewater Fund	\$ (11,390)		Fleet allocation reduced consistent with the General Fund reductions + overall landscape maintenance reductions. Also, \$136,250 was transferred from the Building Maintenance program to the Sewer Maintenance program to accurately reflect the allocation of the Public Works Yard Master plan CIP plan. Intradepartmental change only - no change in total dollars.
Parking Fund	\$ (4,680)		Fleet allocation reduced consistent with the General Fund reductions + overall landscape maintenance reductions.
County Parking Lot Fund	\$ (1,780)		Landscape maintenance reductions
Fleet Management Fund	\$	\$ (300,000)	Fleet allocation reductions (reducing revenue from charge-outs.
Building Maintenance and Operations Fund	\$ (6,507)	\$ (550)	Fleet allocation reduced consistent with the General Fund reductions (expenditures). Revenues reduced by \$550 due to a reduction in Warehouse Purchases by using departments.
Subtotal of Other Non General Fund Changes	\$ (46,582)	\$ (301,782)	
Summary of Changes in All Funds			
	Expenditures	Revenues	
Total of Proposed Changes Increase/(decrease)	\$ (1,439,155)	\$ (171,782)	
Original Proposed Budget (All Funds)	\$ 88,705,517	\$ 81,418,799	
Revised Budget Totals (All Funds)	\$ 87,266,362	\$ 81,247,007	



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City Clerk of the City of Manhattan Beach



Agenda Item #: _____



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager *GD*

FROM: Bruce Moe, Finance Director *BM*

DATE: June 2, 2009

SUBJECT: Continuation of Discussion of FY 2009-2010 Proposed Operating Budget and Fiscal Year 2009-2014 Capital Improvement Project Plan

RECOMMENDATION:

Staff recommends that the City Council discuss and provide direction on the FY 2009-2010 proposed Operating Budget and 2009-2014 Capital Improvement Project (CIP) plan.

FISCAL IMPLICATION:

The original General Fund deficit in the Proposed Budget was \$3,031,248. As a result of the changes made during the first two Budget Study Sessions, revenues have increased by \$30,000, and expenditures have decreased by \$195,770. Therefore, the new General Fund deficit is currently \$2,805,478. This will be accommodated by using unreserved General Fund surplus which totals approximately \$3.4 million.

Through Wednesday, May 27th, Council had reviewed the Management Services, Police, Fire, Human Resources and Parks & Recreation budgets. Beyond the cuts Council ordered in those budgets, there is still \$1.39 million in combined General Fund revenues and spending cuts remaining for Council consideration in other departments, which will be discussed at the June 1st study session. Any of those reductions will be reflected in the final tally presented to Council on June 2nd.

DISCUSSION:

At the time of report preparation, the City Council had held two budget study sessions to review and amend the Proposed Operating Budget for FY 2009-2010. The specific actions taken during those meetings are reflected on the attached summary (Attachment "A"). Additional revisions are anticipated during the third study session scheduled for Monday, June 1st. Any recommended changes from that meeting will be summarized, and distributed at the June 2nd Council meeting.

In addition to these changes, Council directed staff to provide more information or take action as indicated on the following issues:

- Review the cost of combining the resident newsletter (annual cost of \$25,000) with the Parks & Recreation class brochure. Staff anticipates having this information for this evening's meeting.
- Provide more information on how the Mira Costa Grad Night donation funds (\$7,500) are utilized. This has been gathered and is presented as Attachment "C."
- Perform a cost-benefit analysis of expanding parking enforcement hours to 10 PM, midnight or 2 AM.
- Follow-up with Raleigh Studios to negotiate a new reimbursement agreement for the Fire Inspector's time spent in support of the studios. Potential revenue enhancements have not been included due to the uncertainty of the final agreement.
- Adding parking meters along Bell Avenue adjacent to Sand Dune Park (and a resident parking permit program in the surrounding neighborhood) to control park usage while also raising revenue to offset the operational costs of this heavily used venue. Council directed staff to hold community meetings and have the appropriate commission(s) review the concept before bringing the issue back to the Council.
- Look into reducing the employee awards and recognition costs by reviewing the program and possibly scaling back the awards (this line item was reduced by \$6,230 to \$10,000 on the attached cuts list).
- Review property insurance premiums and determine if the \$10,000 deductible could be increased to lower the overall premium cost.
- Research the option of auditing our employee health benefits with CalPERS to verify eligibility, with possible cost savings resulting.
- With the proposed elimination of the funding for Arts Manhattan (\$20,000), seek proposals from outside art exhibitions, with potential revenue gains.
- While not being reduced for FY 2009-2010, Council also directed that the Police & Fire Open Houses be held on a biennial basis starting in 09-10. As a result, the FY 2010-2011 budget, and every other year thereafter, will show a reduction of approximately \$16,800.
- Provide revenue information on the ball field lighting electricity charged to the users.

Where possible and applicable, staff will provide information on these items during the June 2nd Council meeting.

During the study sessions, Council also requested that the full time employee headcount be added to the ten year General Fund history previously provided. Please see Attachment "B."

Tonight is the final scheduled meeting to discuss and provide direction on the budget. Staff will present a comprehensive listing of all agreed upon changes to be incorporated into the adopted budget at the June 16th public hearing and adoption. Those changes will appear in the published version of the adopted budget.

- Attachments: A. FY 2009-2010 budget change listing
 B. General Fund ten year history amended to include FTE counts

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City of Manhattan Beach FY 2009-2010 Proposed Budget Revisions

Department	Description	General Fund		Notes
		Change in Budgeted Expenditures increase/(decrease)	Change in Budgeted Revenues increase/(decrease)	
Finance	Eliminate Coordinating Council participation	\$ (2,234)		
Fire	Reduce Public Education budget (Overtime, general materials)	\$ (4,000)		
Management Services	Council Contingency - add back in \$50,000 bringing the new total to \$100,000	\$ 50,000		
Management Services	Eliminate lobbyist	\$ (13,000)		
Management Services	Council conferences and meetings - reduce by 50% (full amount of \$57,170)	\$ (28,585)		
Management Services	Reduce City Manager's conferences and meetings budget by 50% (original amount of \$16,133)	\$ (8,067)		
Parks & Recreation	Reduce funding for Earth Day to 50% level (full budget of \$7,856)	\$ (3,928)		
Parks & Recreation	Reinstate 50% funding for Pet Appreciation Day (full budget of \$9,612)	\$ 4,806		
Parks & Recreation	Eliminate Sand Castle Design Contest	\$ (1,237)		
Parks & Recreation	Eliminate Family Fishing Derby	\$ (1,695)		
Parks & Recreation	Eliminate Halloween Carnival	\$ (3,347)		
Parks & Recreation	Eliminate Family Holiday Crafts Night	\$ (1,527)		
Parks & Recreation	Eliminate Family Kite Festival	\$ (1,379)		
Parks & Recreation	Eliminate Family Camp	\$ -		Note: Removed from consideration - Revenue generating activity which fully covers its costs
Parks & Recreation	Eliminate Pumpkin Race	\$ (15,586)		
Parks & Recreation	Eliminate Arts Manhattan Funding	\$ (20,000)		
Parks & Recreation	Eliminate Meitox Series	\$ (7,000)		
Parks & Recreation	Eliminate MBUSD Art Education Program	\$ (12,000)		
Parks & Recreation	Reduce Funding for Volunteer Recognition Dinner (original budget of \$24,000)	\$ (11,000)		
Parks & Recreation	Reduce funding for OASIS weekend staffing (original cost of \$6,400)	\$ (3,400)		
Parks & Recreation	Increase fees for AYSO and MB Little League from \$5 to \$10 per participant	\$ 30,000		
Parks & Recreation	Related costs in other departments associated with the P&R events listed above	\$ (10,094)		
Police	Update of PERS contribution rate (Finance)	\$ 63,000		Public Works and Police Department support
Police	Eliminate Code Blue emergency call boxes	\$ (6,500)		
Police	Scale back Wellness Program to Police personnel only (original cost \$55,000 - new \$30,000)	\$ (25,000)		

City of Manhattan Beach Budgeted General Fund Expenditure History
(Full Time Employee Position Counts are Across all Funds)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-2010 Change
Management Services											
Change from Prior Year	1,600,035	1,472,425	1,518,984	1,454,476	1,641,791	1,791,885	2,003,981	2,199,358	2,934,862	3,401,946	1,801,911
Yearly Change - %	134,926	-127,610	46,559	-64,508	187,315	150,094	212,096	195,577	733,504	467,084	
FTE Head Count	13	13	13	13	13	13	13	14	14	14	1
Finance											
Change from Prior Year	2,236,811	1,996,135	2,052,902	2,061,938	2,230,459	2,423,451	2,642,407	2,829,046	2,942,931	2,904,731	667,920
Yearly Change - %	355,606	-249,676	56,767	9,036	168,521	192,992	218,956	186,639	113,885	-38,200	
FTE Head Count	20	20	20	20	20	21	21	21	21	20	0
Human Resources											
Change from Prior Year	596,014	574,109	585,302	618,488	675,425	711,163	757,090	825,889	824,581	882,880	286,866
Yearly Change - %	46,935	-21,905	11,193	33,186	56,937	35,738	45,927	68,769	-1,278	58,299	
FTE Head Count	7	7	7	7	7	7	7	7	7	7	0
Recreation											
Change from Prior Year	2,987,909	3,709,717	3,756,612	3,928,212	4,197,436	4,553,701	5,020,542	5,434,515	5,776,491	5,767,745	2,779,836
Yearly Change - %	308,075	721,808	46,895	171,600	264,224	361,265	466,841	413,973	341,976	-8,745	
FTE Head Count	14	15	16	16	16	16	19	19	20	20	6
Police											
Change from Prior Year	10,969,028	11,865,473	12,819,142	13,712,683	15,428,866	16,522,373	17,886,905	19,213,896	20,002,127	20,086,440	9,117,412
Yearly Change - %	468,744	896,445	953,669	893,541	1,716,183	1,093,507	1,364,532	1,326,991	788,231	84,313	
FTE Head Count	96	97	97	97	99	99	100	100	100	99	1
Fire											
Change from Prior Year	4,580,710	5,215,821	5,798,573	6,388,832	7,239,788	7,800,881	8,457,932	9,017,374	10,499,656	10,474,183	5,923,473
Yearly Change - %	307,895	665,111	582,752	560,259	880,956	561,093	657,051	559,442	1,482,282	-25,473	
FTE Head Count	31	31	31	31	31	31	31	31	31	31	0
Community Development											
Change from Prior Year	2,872,200	2,954,036	2,740,169	2,628,470	2,802,381	2,974,374	3,442,499	3,424,185	3,545,255	3,298,857	426,657
Yearly Change - %	518,041	81,836	-213,867	-111,699	173,911	171,993	468,125	-18,314	121,070	-246,398	
FTE Head Count	20	20	21	21	21	22	22	22	22	21	1
Public Works											
Change from Prior Year	4,107,054	4,464,295	4,521,861	4,596,620	4,641,823	5,062,473	5,323,163	5,640,865	5,795,580	5,486,986	1,379,932
	81,550	357,241	57,566	74,759	45,203	420,650	260,690	317,702	154,715	-308,594	

City of Manhattan Beach Budgeted General Fund Expenditure History
 (Full Time Employee Position Counts are Across all Funds)

Yearly Change - %	2.0%	8.7%	1.3%	1.7%	1.0%	9.1%	5.1%	6.0%	2.7%	-5.3%	33.60%
FTE Head Count	57	57	57	58	60	60	61	61	63	61	4
2001	29,919,761	32,252,011	33,793,545	35,359,719	38,852,969	41,840,301	45,534,519	48,585,098	52,321,483	52,303,768	10 Year
Change from Prior Year	2,221,772	2,332,290	1,541,534	1,566,174	3,493,250	2,987,332	3,694,218	3,050,579	3,736,385	-17,715	22,364,007
Yearly Change - %	8.0%	7.8%	4.8%	4.6%	9.9%	7.7%	8.8%	6.7%	7.7%	0.0%	88.90%
FTE Head Count	260	260	262	263	267	269	274	275	278	273	13

"C"

Information Regarding Mira Costa Grad Night

Financing

- The overall budget for Grad Night is approximately \$100,000. The ticket price charged is \$150 per student. Approximately 400 students attend the event. That leaves a budget shortfall of about \$40,000.
- The Grad Night organizers conduct fundraising to close that \$40,000 gap. In addition to the \$7,500 donated by MB they raise money from direct parent and business contributions. The cities of Hermosa Beach and Redondo Beach have contributed a small amount in years past based on the number of students attending Mira Costa from those two cities.
- The event organizers also get some in-kind contributions. For example, in the past Don Knabe's office has donated the bus service that is used to transport the kids to the event. His office was not able to provide all of the busses this year and that donation could be cut back even more next year.

About the Event

- The location of the event is always a surprise for the students. Previous years' events have been held at venues such as the Forum, Angels Stadium, and Dave & Busters.
- The check-in process for the event starts at 8pm and the kids are brought back to Mira Costa at 5am the next day.
- At the event, there are entertainment activities such as karaoke, photo booths, sumo suit wrestling, game booths, tattoo booth, etc. There is also a wide variety of food.

Format of the Event

- Years ago, Grad Night was held at the Mira Costa campus. However, it was easier for the kids to check-in and then sneak out of the school site versus an off-site, secured location. And, the kids were looking for something a little more exciting than hanging out on the school campus.
- More parent volunteers were required building up to and during the event when it was held on the school campus.
- Having a fun, secured event gives the kids a safe place to celebrate. The organizers think that this helps to keep the kids off the street and out of trouble that night...which can be seen as a huge positive for the kids, a benefit to the community and less of a burden to public safety personnel.