

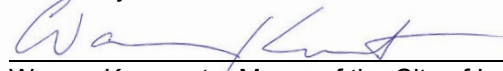
# CITY OF LOS ALAMITOS

3191 Katella Ave.  
Los Alamitos, CA 90720

## AGENDA CITY COUNCIL SPECIAL MEETING

**Monday, May 20, 2019 – 5:00 p.m.**

I, Warren Kusumoto, as Mayor of the City of Los Alamitos, do hereby call a special meeting of the City Council of the City of Los Alamitos, to be held at the time and place listed above to discuss the matters listed below.



Warren Kusumoto, Mayor of the City of Los Alamitos

### NOTICE TO THE PUBLIC

This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at [www.cityoflosalamitos.org](http://www.cityoflosalamitos.org) once the agenda has been publicly posted.

Each matter on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "for information" or "for discussion" may also be the subject of an "action" taken by the City Council at the same meeting.

Any written materials relating to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 3191 Katella Ave., Los Alamitos CA 90720, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made. Assisted listening devices may be obtained from the City Clerk at the meeting for individuals with hearing impairments.

Persons wishing to address the City Council on any item on the City Council Agenda will be called upon at the time the agenda item is called or during the City Council's consideration of the item and may address the City Council for up to three minutes.

### 1. CALL TO ORDER

### 2. ROLL CALL

Mayor Kusumoto  
Mayor Pro Tem Murphy  
Council Member Chirco  
Council Member Grose  
Council Member Hasselbrink

### **3. SPECIAL ORDERS OF THE DAY**

- A. 7-Year Capital Improvement Program (Finance)**  
Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2019-20 through 2025-26.

Recommendation: Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2019-20 through 2025-26.

- B. Proposed Budget for Vehicle & Equipment Replacement Schedule (Finance)**  
Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2019-20.

Recommendation: Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2019-20.

- C. Continued FY 2019-2020 General Fund Budget Gap Measures (Finance)**

Staff will discuss the recommendations from the May 7th Budget Standing Committee meeting for closing the Fiscal Year 2019-2020 General Fund budget gap. On March 18, 2019, the preliminary budget for Fiscal Year 2019-20 General Fund reported a \$482,500 budget gap deficit. On April 15, 2019, there were potential gap measures approved that reduced the budget gap by \$417,800 to a \$64,700 budget gap deficit. At this time, staff will discuss the additional budget gap measure options recommended by the Budget Standing Committee to close the remaining budget gap deficit for Fiscal Year 2019-20.

Recommendations:

1. Review Potential General Fund Gap Closures for Budget Fiscal Year 2019-2020; and,
2. Direct staff regarding modifications to the Preliminary Budget for Fiscal Year 2019-2020.

- D. Other Funds' Budget Update Fiscal Year 2019-2020 (Finance)**  
Staff has discussed the General Fund and CIP Budgets for the Fiscal Year 2019-20. This report updates the City Council on the budget for all other funds not included in previous reports.

Recommendation: Review Other Funds (Other than General Fund and CIP) for Budget Fiscal Year 2019-2020.

**E. Budget and Fiscal Sustainability Calendar, Community Engagement Opportunities, and PARS 115 Trust (Finance)**

This report provides an overview of the discussion and feedback provided by the Budget Standing Committee members on the Fiscal Sustainability Calendar and suggested topics for the balance of the 2019 calendar year; community engagement opportunities; and PARS 115 Trust.

Recommendations:

1. Receive and file the recommended Fiscal Sustainability Calendar and topics for July-December 2019; and,
2. Receive and file information related to the PARS 115 Trust & Community Outreach opportunities.

**4. CLOSED SESSION**

**A. CONFERENCE WITH LABOR NEGOTIATOR**

City Negotiator: Bret M. Plumlee, City Manager  
Employee Organization: Teamsters Local 911  
Authority: Government Code Section 54957.6

**B. CONFERENCE WITH LABOR NEGOTIATOR**

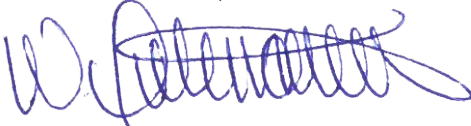
City Negotiator: Bret M. Plumlee, City Manager  
Unrepresented Employees: Executive Management, Middle Management and Non-Management Employees  
Authority: Government Code Section 54957.6

**C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Paragraph (1) of subdivision (d) of Section 54956.9 of the Government Code.  
Name of case: Raimo v. City of Los Alamitos – Claim No. GHC0017868

**5. ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the following locations: Los Alamitos City Hall, 3191 Katella Ave.; Los Alamitos Community Center, 10911 Oak Street; and, Los Alamitos Museum, 11062 Los Alamitos Blvd.; not less than 24 hours prior to the meeting.



Windmera Quintanar, MMC, City Clerk  
Date: May 14, 2019

# City of Los Alamitos

## CITY COUNCIL AGENDA REPORT

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**MEETING DATE: May 20, 2019**

**ITEM NUMBER: 3A**

**To: Mayor Warren Kusumoto & Members of the City Council**

**Presented By: Eric Hendrickson, Finance Director  
Dave Hunt, City Engineer**

**Subject: 7-Year Capital Improvement Program**

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### **SUMMARY**

Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2019-20 through 2025-26.

### **RECOMMENDATION**

Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2019-20 through 2025-26.

### **BACKGROUND**

Budget Workshops for Fiscal Year 2019-20 were held with the Budget Standing Committee on February 11<sup>th</sup>, March 11<sup>th</sup>, April 2<sup>nd</sup>, and May 7<sup>th</sup> which focused on the City's operating budget. Today's City Council meeting will focus on the City's Capital Improvement Program.

### **DISCUSSION**

The City's Capital Improvement Program (CIP) is a multi-year planning instrument that drives the evaluation and identification of capital infrastructure projects in need of renovation, repair, and/or construction. Capital projects range from road maintenance or construction to the renovation of municipal buildings, park improvements, etc. The CIP relates these projected capital needs to the financial sources that will support their realization and the timeframe in which both the financing and work will take place.

The Capital Improvement Program document is different from the annual budget as it sets forth a seven-year program. The first year's program contains projects that are included in the proposed Annual Operating Budget for the upcoming fiscal year. The remaining six years reflect staff's recommended priorities for the future and are reviewed and revised annually by the City Council. Capital projects that have been budgeted in the current Fiscal Year 2018-19 are not reflected in the upcoming 7-Year CIP. However, unexpended amounts on projects that are "in-process" as of June 30, 2019 will be carried-over and re-budgeted in Fiscal Year 2019-20.

Presented for your consideration is the Capital Improvement Program (CIP) for Fiscal Year 2019-20 through Fiscal Year 2025-26 (**Attachment 1**). Dave Hunt, City Engineer, will be present at the meeting to discuss both the 7-Year CIP and the Pavement Management Plan (PMP) (**Attachment 2**) in conjunction with the proposed projects. The PMP includes a map of the City and different areas of the most recent work.

The following projects are recommended in the Fiscal Year 2019-20 capital budget:

<b>Fund</b>	<b>Project Description</b>
CDBG (19)	Noel Street Improvements from Farquhar to Katella Ave
Gas Tax (20)	Regular Yearly Street Maintenance
SB1 Gas Tax (20)	Farquhar- between Los Alamitos Blvd and Bloomfield
Measure M (26)	Regular street maintenance, ADA curb ramps and sidewalks
AQMD (23)	Katella Ave Signal Synchronization
Park Development (40)	Park projects - various park renovations, Community Center and Youth Center ADA repairs, Community Center Door
Facilities Streets Parks (52)	Upgrade Electric Service and Wiring in Police Department

There are available resources in each fund for the proposed projects.

Community Development Block Grant (Fund 19) – Every year the City applies to receive Community Development Block Grant (CDBG) funds to fund programs for neighborhood revitalization, economic development, improvement of community facilities, and can be used for ADA projects as well. On January 16, 2018, City Council adopted a resolution to use the Fiscal Year 2019-20 CDBG funds to remove and replace sections of asphalt concrete, grind and overlay Noel Street, from Katella Avenue to Farquhar Avenue in the Apartment Row neighborhood. By reconstructing this street, it would make it easier for residents to travel to and from their residences. The project was approved by HUD for \$150,000 with a 10% city match. As detailed in Attachment 1, the City will use \$135,000 from the CDBG grant and \$15,000 will be funded with gas tax funds.

Gas Tax (20) – The City is estimated to receive \$329,250 in gas tax funds and \$209,730 in SB1 Funds in Fund 20. \$185,000 is proposed to be transferred to the General Fund to offset the Street Maintenance division. Staff recommends using the remaining gas tax funds for regular street maintenance such as arterial and residential tree trimming as well as street marking and striping, which amount to \$65,000. There is an additional amount of \$15,000 match requested as aforementioned for the Noel Street improvements.

On April 15, 2019, Council approved SB1 funds in the amount of \$209,700 to be used on the Farquhar Street rehabilitation. The total project will cost approximately \$300,000 therefore the matching funds will be funded by Measure M in the amount of \$90,300.

Measure M (26) – The City is estimated to receive \$234,250 in Measure M funds for Fiscal Year 2019-20. Staff recommends \$95,000 be used on regular street maintenance such as residential street improvements (crack seals, potholes), tree planting, replace safety lights and intersections with LED lights, and maintaining and repairing traffic signal heads. There is an additional \$50,000 proposed for ADA repairs on curb ramps and sidewalks

from Measure M. There is an additional amount of \$90,270 match requested from Measure M for the Farquhar Street rehabilitation primarily funded by SB1 Funds.

Air Quality Management (23) – The City is estimated to receive \$14,900 in AQMD funds for Fiscal Year 2019-20. There is a fund balance projected as July 1, 2019 of \$62,395. The FY 2019-20 CIP budget proposes to use \$51,150 of AQMD funds toward the Katella Avenue signal synchronization project that is administered by the Orange County Transportation Agency (OCTA).

Los Alamitos Television (28) – Based on the OURLosAI contract and regular scheduled expenses in the fund, there is a projected budget of \$36,650 (maintenance and operations), which is funded by the revenue projected in the fund for PEG fees. The fund pays for meeting cablecasting, event filming that is reimbursed, dues and subscriptions. \$15,500 is requested in order to purchase cameras for digital upgrade (capital project).

Facilities, Streets and Parks Capital Expenditures (52) – On September 17, 2018, Council approved \$40,000 to be an annual allocation from the General Fund to Fund 52 in order to replenish the fund. Staff recommends \$40,000 be used this year to fund the electric service and wiring in the Police Department. The police department building has been in existence since 1970. During that time frame, there have been many demands placed on the electrical infrastructure, including expansions/additions of electrical panels. As technology has advanced, so has the need for more power and outlets. There are many electrical outlets connected to essential equipment, which do not receive power during outages. There is also a need to provide additional power supplies in the building as to accomplish core level workloads. The purpose of the “Upgrade Electric Service and Wiring Project”, is to identify current and future needs of power to all areas of the building and to identify additional electrical panels or restructuring of the existing panels to maximize the loads without the current problems of overloading panels and breakers, causing them to trip and lose power.

Park Development (Fund 40) - Staff recommends the Recreation and Community Services Department use Park Development funds that are expected from the 50-unit Olsen project on several park projects. The development fees collected in relation to the permits for the units are restricted for park development use. The recommended projects include Community Center and Park ADA repairs, various playground and equipment renovations, and a new door for the Community Center. There is a total of \$268,250 park development funds proposed in the Capital Improvement budget for Fiscal Year 2019-20. Labourdette Park playground and equipment renovation, which is projected at a cost of \$163,000, has been suggested for delay by the Budget Standing Committee. The Budget Standing Committee recommended shifting these park funds so they have a broader impact on the City. The Committee recommended the funds be used for Laurel Park Restrooms, Laurel Park tennis courts, Stansbury Park Turf Renovation, ADA compliant bleachers at Laurel Park, and Soroptomist Park Turf Renovation. The Labourdette Park project was adopted in the Fiscal Year 2018-19 CIP Budget for \$140,000 however bids came in higher. With the proposed \$163,000 for the Labourdette Park in Fiscal Year 2020-21, staff will modify the specs and ensure to stay within the budget. Potentially, the City is eligible for the Prop 68 grant and it has been recommended that those grant funds go towards Labourdette Park. If the City actually receives this grant funding, then the

Labourdette Park Renovation will be moved up into Fiscal Year 2019-20. The City will have a more concrete idea of timing once grants have been awarded by the State. Additionally, there is \$45,000 proposed for ADA repairs and \$60,000 for a new Community Center door. The FY 2019-20 through FY 2025-26 CIP provides a spending plan, which provides funding for critical, safety related projects that will get the City through the next 3 to 5 years and funding for key Recreation facilities and projects which will benefit the entire community. There are several critical and safety-related projects that staff would like to accomplish however due to funding, these projects have been delayed to Fiscal Year 2020-21 and beyond. The City is experiencing difficulty balancing the budget for Fiscal Year 2019-20 therefore no projects are proposed from the General Fund.

## Fiscal Impact

The Preliminary Seven-Year Capital Improvement Program includes \$1,036,600 of proposed capital expenditures in Fiscal Year 2019-20. As shown below, sufficient funds are available to cover the proposed capital improvements from the following funds:

<b>Fund</b>	<b>Projected Fund Balance as of July 1, 2019<sup>1</sup></b>	<b>2019-20 Revenues</b>	<b>2019-20 Capital Improvement Projects</b>	<b>Projected Fund Balance as of June 30, 2020</b>
CDBG (19)	\$ -	\$ 135,000	\$ 135,000	\$ -
Gas Tax (20)	-	329,250 <sup>2</sup>	289,700	39,550
Measure M (26)	28,050	234,250	250,250	12,050
AQMD (23)	62,350	14,900	51,150	26,100
Los Alamitos Television (28)	86,400	-	15,500	70,900
Facilities Streets & Parks (52)	123,000	40,000	40,000	123,000
Park Development (40)	300	268,250	255,000	13,550
<b>Total</b>	<b>\$ 300,100</b>	<b>\$ 1,021,650</b>	<b>\$ 1,036,600</b>	<b>\$ 285,150</b>

<sup>1</sup> The projected fund balance at July 1, 2019 assumes all capital projects that have been budgeted in Fiscal Year 2018-19 will be fully expended.

<sup>2</sup> 2019-20 Gas Tax Revenues are net of amounts to be transferred to the General Fund in 2019-20 to offset the costs (\$185,000) of the street maintenance division.

Submitted By: Eric Hendrickson, Finance Director  
 Approved By: Bret M. Plumlee, City Manager

*Attachments:*        1. 7-Year Capital Improvement Program  
                               2. Pavement Management Plan

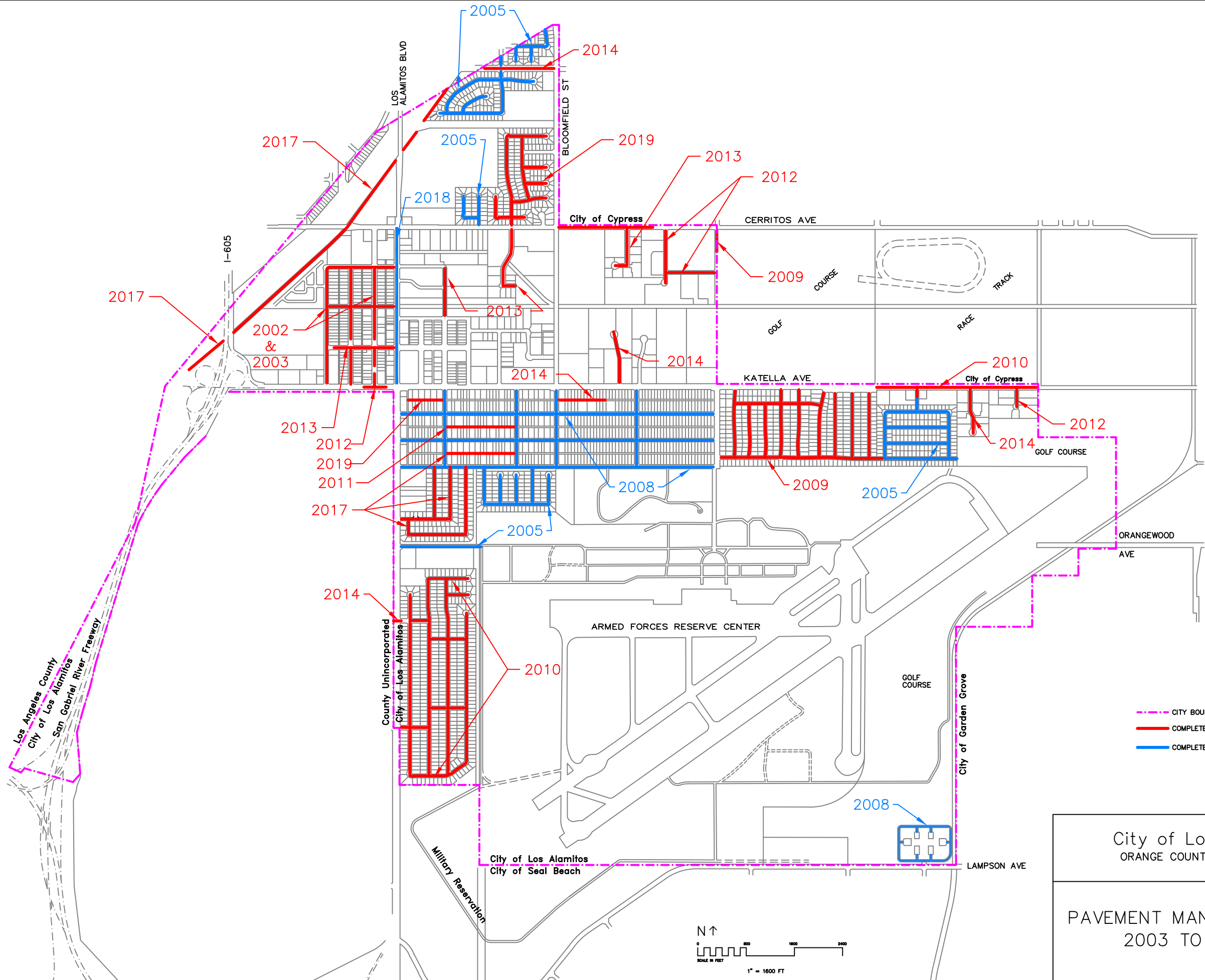
	PROJECT TITLE	FUNDING SOURCE	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21	FISCAL YEAR 2021-22	FISCAL YEAR 2022-23	FISCAL YEAR 2023-24	FISCAL YEAR 2024-25	FISCAL YEAR 2025-26	TOTAL PROJECT COSTS
	<b>STREETS AND DRAINAGE</b>									
	<b>Regular Yearly Work</b>									
1	Arterial and Residential Tree Trimming and Removal Program	Gas Tax	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 350,000
2	Street Markings/Striping	Gas Tax	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 105,000
3	Street Improvements - Rehab/Crack Seal/Potholes/Repairs	Measure M	\$ 40,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 100,000
4	Median Islands Katella Ave Remove Turf and Install Drought Tolerant Plants	Gas Tax		\$ 15,000						\$ 15,000
5	Replacement of Overhead Street Signs at Intersection	Measure M	\$ 25,000	\$ 25,000	\$ 25,000					\$ 75,000
6	Tree Planting	Measure M	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 35,000
7	Replace Safety Lights at Intersections with LED Lights	Measure M	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000				\$ 20,000
8	Maintain and Repair Traffic Signal Head	Measure M	\$ 20,000	\$ 20,000	\$ 20,000					\$ 60,000
	<b>ADA Study</b>									
9	ADA Curb Ramps per Study - 20 year plan	Measure M	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 325,000
10	ADA Sidewalks per Study - 20 year plan	Measure M	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 325,000
	<b>Special Funded Projects</b>									
11	Katella Ave. Signal Sync (OCTA grant appl prep & Matching funds for grant)	OCTA								
		AQMD	\$ 51,150							\$ 51,150
12	Update Every Two Years-Pavement Management Plan	Measure M		\$ 12,000		\$ 12,000		\$ 27,000		\$ 51,000
13	Visually Impaired Pedestrian Signals (APS)Los Alamitos at Florista	Measure M	\$ 15,000							\$ 15,000
	<b>Unfunded Projects</b>									
14	Cerritos Ave W City Limits to Bloomfield	Unfunded		\$ 756,000						\$ 756,000
15	Los Alamitos Bl/Seal Beach Bl. Signal Sync (OCTA grant appl prep & Matching funds for grant)	Unfunded			\$ 5,000	\$ 36,000	\$ 2,000	\$ 2,000		\$ 45,000
16	Los Alamitos Blvd Signal Sync (City-funded interim)	Unfunded					\$ 27,000			\$ 27,000
17	Alley Improvements - Btwn Kyle and Bloomfield	Unfunded			\$ 75,000					\$ 75,000
18	Relocate Crosswalk on Katella at Cherry	Unfunded			\$ 35,000					\$ 35,000
19	Systemic Safety Analysis Report Program (SSARP) Grant Appl prep & Matching funds	Unfunded				\$ 8,500	\$ 1,000			\$ 9,500
20	HSIP Improvements (from SSARP) Grant Appl prep & Matching funds)	Unfunded		\$ 10,000	\$ 4,500	\$ 20,000	\$ 6,000	\$ 6,000		\$ 46,500
21	Alley Improvements - Between Katella and Green and Reagan and Los Alamitos	Unfunded							\$ 100,000	\$ 100,000
22	Katella Ave at Los Alamitos Blvd Hot Spots Improvements	Unfunded								\$ -
23	Saratoga Dr Curb and Gutter Replacement	Unfunded		\$ 30,000						\$ 30,000
24	Pedestrian Bridges over Katella Ave at Oak Street	Unfunded						\$ 400,000	\$ 4,000,000	\$ 4,400,000
25	Pedestrian Bridges over Katella Ave at Bloomfield	Unfunded				\$ 400,000	\$ 4,000,000			\$ 4,400,000
26	Add lanes on Katella Ave at I-605	Unfunded		\$ 180,000						\$ 180,000
27	Pedestrian Bridges over Cerritos Ave at High School	Unfunded					\$ 400,000	\$ 4,000,000		\$ 4,400,000
28	Los Alamitos Blvd Bridge over Coyote Creek	Unfunded						\$ 1,500,000	\$ 15,000,000	\$ 16,500,000
29	Cerritos Ave Bridge over Coyote Creek	Unfunded							\$ 1,500,000	\$ 1,500,000
30	Widen Lexington from Katella Ave to old RR	Unfunded								\$ -
	<b>School Traffic Study - Special Projects</b>									
31	Widen Intersection at Cerritos at Lexington Ave	City of Cypress								\$ -
32	Widen North side of Katella Ave at Chestnut	Unfunded								\$ -
33	Cerritos Ave @High School Intersection - Striping Duel Left turns into school	Unfunded							\$ 7,700	\$ 7,700



34	Cerritos Avenue/Los Alamitos Boulevard Intersection Improvements	Unfunded							\$ 131,000	\$ 131,000
35	Los Alamitos Blvd North of Cerritos add signal at Teachers Parking Lot	Unfunded							\$ 460,000	\$ 460,000
36	McAuliffe Middle School Restriping Cerritos Ave	Unfunded								\$ -
37	McAuliffe Middle School protective right-turn arrow for northbound Bloomfield and Cerritos Ave	Unfunded								\$ -
38	Los Alamitos Elementary School Restriping Bloomfield Ave	Unfunded								\$ -
39	Fix drainage problems on East side of Saratoga Dr	Unfunded						\$ 25,000		\$ 25,000
	<b>Pavement Management Plan</b>									
40	Noel Street Improvements from Farquhar to Katella Ave	CDBG	\$ 135,000							
		Gas Tax	\$ 15,000							
41	Farquhar - between Los Alamitos Blvd and Bloomfield	SB1 70%/ Measure M 30%	\$ 300,000							
42	Suburbia - Rehabilitation	Measure M / Gas Tax		\$ 328,800						\$ 328,800
43	Cerritos and Lexington Intersection Improvements	Measure M / Gas Tax			\$ 200,000					\$ 200,000
44	Country Square	Measure M / Gas Tax			\$ 76,800					\$ 76,800
45	Old Town East and Medical Center Area	Measure M / Gas Tax			\$ 111,000					\$ 111,000
46	New Dutch Haven	Measure M / Gas Tax			\$ 69,600					\$ 69,600
47	Orangewood Avenue Pavement Rehabilitation	Measure M / Gas Tax			\$ 18,000					\$ 18,000
48	Old Town West - Rehabilitation	Measure M / Gas Tax			\$ 85,000					\$ 85,000
49	Woodcrest - Rehab	Measure M / Gas Tax				\$ 36,000				\$ 36,000
50	College Park North	Measure M / Gas Tax				\$ 318,000				\$ 318,000
51	Storm Drain Master Plan - Citywide	Measure M / Gas Tax				\$ 50,000				\$ 50,000
52	GIS Map Showing Detailed City Right of Way	Measure M / Gas Tax				\$ 50,000				\$ 50,000
53	Bloomfield Ave - Cerritos to Katella	Measure M / Gas Tax				\$ 73,200				\$ 73,200
54	Los Alamitos Blvd - N City Limit to Cerritos Ave	Measure M / Gas Tax				\$ 70,800				\$ 70,800
55	Katella Ave - Los Alamitos Blvd to Bloomfield St	Measure M / Gas Tax				\$ 52,800				\$ 52,800
56	Katella Ave - Bloomfield St to Lexington Dr	Measure M / Gas Tax				\$ 51,600				\$ 51,600
57	Katella Ave - Lexington Dr to Siboney	Measure M / Gas Tax				\$ 57,600				\$ 57,600
	<b>PMP - CDBG Funding Projects</b>									
58	Apartment Row Green Street, Reagan to Lexington	CDBG / Gas Tax/ Measure M				\$ 200,000				\$ 200,000
59	Apartment Row Howard Street, Reagan to	CDBG / Gas Tax/ Measure M			\$ 204,000					\$ 204,000
60	Apartment Row Farquhar Ave, Reagan to Lexington	CDBG / Gas Tax/ Measure M			\$ 252,000					\$ 252,000
61	Apartment Row Reagan, Farquhar to Katella	CDBG / Gas Tax/ Measure M					\$ 192,000			\$ 192,000
62	Apartment Row Maple, Farquhar to Katella	CDBG / Gas Tax/ Measure M					\$ 167,000			\$ 167,000
63	Apartment Row Bloomfield, Farquhar to Katella	CDBG / Gas Tax/ Measure M						\$ 128,000		\$ 128,000
64	Apartment Row Lexington, Farquhar to Katella	CDBG / Gas Tax/ Measure M						\$ 30,000		\$ 30,000
	<b>Subtotal Streets and Drainage Funded</b>		\$ 726,150	\$ -	\$ -	\$ -	\$ -	\$ -		
	<b>Subtotal Streets and Drainage Unfunded</b>			\$ 1,561,800	\$ 1,365,900	\$ 1,621,500	\$ 4,975,000	\$ 6,140,000	\$ 21,536,700	\$ 37,477,050

	PROJECT TITLE	FUNDING SOURCE	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21	FISCAL YEAR 2021-22	FISCAL YEAR 2022-23	FISCAL YEAR 2023-24	FISCAL YEAR 2024-25	FISCAL YEAR 2025-26	TOTAL PROJECT COSTS
	<b>FACILITIES</b>									
1	Community Center and Youth Center ADA Repairs	Park Development Fund	\$ 45,000	\$ 50,000	\$ 50,000					\$ 145,000
2	11'X8' Glass Aluminum Door for Community Center	Park Development Fund	\$ 60,000							\$ 60,000
3	Incode General Ledger Update	Unfunded		\$ 105,000						
4	Community Center Generator	Unfunded			\$ 150,000					\$ 150,000
5	Painting of Police and City Hall Interiors	Unfunded		\$ 15,000						
6	Replace Roof Hatches	Unfunded			\$ 3,000					\$ 3,000
7	Pine Street Parking Lot Pavement Rehabilitation	Unfunded			\$ 50,000					\$ 50,000
8	Mobile Outdoor Screen	Unfunded			\$ 65,000					\$ 65,000
9	City Council Chamber Upgrade - PTZ HD Cameras	Los Alamitos Television (28)	\$ 15,500							
10	New Carpeting for Youth Center, Community Center and Police Department	Unfunded		\$ 30,000						\$ 30,000
11	City Hall, Community Center and Youth Center Exterior Wood Repairs	Unfunded		\$ 75,000						
12	Los Alamitos Museum Seismic Retrofits	Unfunded			\$ 30,000					\$ 30,000
13	City Hall New Entrance	Unfunded								\$ -
	<b>JLL Study</b>									
14	Install Emergency Lighting throughout blgs and pathways	Unfunded		\$ 30,000						\$ 30,000
15	City Hall Sidewalk	Unfunded			\$ 49,500					\$ 49,500
16	Consultant to Design Fire Alarm system	Unfunded					\$ 100,000			\$ 100,000
17	Interior to TV Building	Unfunded						\$ 150,000		\$ 150,000
18	TV Blg HVAC	Unfunded						\$ 15,000		\$ 15,000
19	LA TV Roof	Unfunded								\$ -
	<b>Police Department</b>									
20	Upgrade Electric Service and Wiring	Facilities Streets and Parks Fund	\$ 40,000							\$ 40,000
21	Update Emergency Operations Center (EOC)	Unfunded		\$ 250,000						\$ 250,000
22	Key Fob Lock System	Unfunded		\$ 35,000						\$ 35,000
23	Kitchen Remodel	Unfunded			\$ 15,000					\$ 15,000
24	Remodel Training Room	Unfunded			\$ 50,000					\$ 50,000
25	Property Room Remodel	Unfunded		\$ 100,000						\$ 100,000
26	Remodel Holding Facility	Unfunded						\$ 200,000		\$ 200,000
	<b>ADA Study</b>									
27	City Hall & Council Chamber	Unfunded		\$ 140,699				\$ 430,467		\$ 571,166
28	Community & Youth Center	Unfunded			\$ 64,727			\$ 402,021		\$ 466,748
29	Police Department	Unfunded				\$ 30,850		\$ 350,106		\$ 380,956
30	LATV Studio	Unfunded					\$ 4,586	\$ 169,976		\$ 174,562
31	City Owned Parking Lot	Unfunded					\$ 670			\$ 670
32	Museum	Unfunded						\$ 97,197		\$ 97,197
	<b>Subtotal Facilities</b>									
			\$ 160,500	\$ 830,699	\$ 527,227	\$ 30,850	\$ 105,256	\$ 1,814,767	\$ -	\$ 3,258,799

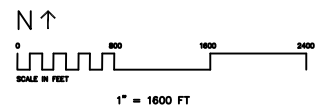
	PROJECT TITLE	FUNDING SOURCE	FISCAL YEAR 2019-20	FISCAL YEAR 2020-21	FISCAL YEAR 2021-22	FISCAL YEAR 2022-23	FISCAL YEAR 2023-24	FISCAL YEAR 2024-25	FISCAL YEAR 2025-26	TOTAL PROJECT COSTS
	<b>PARKS</b>									
1	Little Cottonwood Park Septic Tank Rehab	Unfunded					\$ 100,000			\$ 100,000
2	Laurel Park Restrooms	Park Development Fund	\$ 30,000							\$ 30,000
3	Replace mesh around tennis court and add it to fence between Laurel field and church	Park Development Fund	\$ 30,000							\$ 30,000
4	Labourdette Park Playground Equipment and Surface	Park Development Fund		\$ 163,000						\$ 163,000
5	Oak Field Lights Upgrade	CIP Fund Fee		\$ 100,000						\$ 100,000
6	Stansbury Park Turf Renovations	Park Development Fund	\$ 10,000							\$ 10,000
7	Laurel Park Tennis Court Resurfacing	Park Development Fund	\$ 40,000							\$ 40,000
8	Installation of ADA compliant bleachers at Laurel Park	Unfunded	\$ 30,000							\$ 30,000
9	Sterns Park Turf Renovations	Unfunded		\$ 10,000						\$ 10,000
10	Sterns Park New Playground Equipment and Surface	Unfunded		\$ 120,000						\$ 120,000
11	Soroptimist Park Turf Renovations	Unfunded	\$ 10,000							\$ 10,000
12	Laurel Park Parking Lot Lights	Unfunded			\$ 50,000					\$ 50,000
13	Orville Lewis Park Field	Unfunded			\$ 125,000					\$ 125,000
14	Sterns Park Turf Renovations	Unfunded			\$ 10,000					\$ 10,000
15	Roberts Park Turf Renovations	Unfunded			\$ 10,000					\$ 10,000
16	Laurel Park Playground	Unfunded						\$ 40,000		\$ 40,000
17	Little Cottonwood Park Field Renovations	Unfunded				\$ 275,000				\$ 275,000
18	Stanbury Park New Playground Equipment and Surface	Unfunded				\$ 120,000				\$ 120,000
19	Replace playground woodchips with poured or tiled flooring	Unfunded					\$ 30,000			\$ 30,000
20	Purchase and place modular building at Little Cottonwood Park	Unfunded					\$ 50,000			\$ 50,000
21	Soroptimist Park New Playground Equipment and Surface	Unfunded					\$ 120,000			\$ 120,000
	<b>ADA Study</b>									
22	Little Cottonwood Park	Unfunded					\$ 94,784			\$ 94,784
23	Laurel Park	Unfunded						\$ 84,507		\$ 84,507
24	Stansbury Park	Unfunded					\$ 23,333			\$ 23,333
25	Orville Lewis Park	Unfunded		\$ 19,301						\$ 19,301
26	Sterns Park	Unfunded						\$ 16,368		\$ 16,368
27	Labourdette Park	Unfunded		\$ 11,238						\$ 11,238
28	Roberts Park	Unfunded						\$ 6,678		\$ 6,678
29	Soroptimist Park	Unfunded						\$ 6,283		\$ 6,283
30	Coyote Creek Park & Bike Trail	Unfunded						\$ 68,810		\$ 68,810
	<b>Subtotal Parks Funded</b>		-	\$ -	\$ -	\$ -	\$ -	\$ -		
	<b>Subtotal Parks Unfunded</b>		\$ 150,000	\$ 423,539	\$ 195,000	\$ 395,000	\$ 418,117	\$ 222,646	\$ -	\$ 1,804,302
			\$ 1,036,650	\$ 2,816,038	\$ 2,088,127	\$ 2,047,350	\$ 5,498,373	\$ 8,177,413	\$ 21,536,700	\$ 42,540,151



- - - CITY BOUNDARY
- COMPLETED GRIND AND OVERLAY
- COMPLETED SLURRY SEALS

City of Los Alamitos  
ORANGE COUNTY CALIFORNIA

PAVEMENT MANAGEMENT PLAN  
2003 TO PRESENT



# City of Los Alamitos

## CITY COUNCIL AGENDA REPORT

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**MEETING DATE: May 20, 2019**

**ITEM NUMBER: 3B**

**To: Mayor Warren Kusumoto & Members of the City Council**

**Presented By: Eric Hendrickson, Finance Director**

**Subject: Proposed Budget for Vehicle & Equipment Replacement Schedule**

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### **SUMMARY**

Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2019-20.

### **RECOMMENDATION**

Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2019-20.

### **BACKGROUND/ DISCUSSION**

In 2013 the City Council adopted Resolution No. 2013-07 (**Attachment 1**), which outlined the Vehicle & Equipment Replacement Policy. The Policy established guidelines for replacement based on a number of factors including, but not limited to, age, mileage, mechanical condition, maintenance costs, etc. The Policy also established targeted replacement cycles for vehicles and equipment. For example, the targeted replacement cycle for a Police Patrol Sedan is 4 years and 75,000 miles whereas the targeted replacement cycle for a Police SUV is 5 years and 100,000.

In March and April 2019 each department reviewed the inventory of vehicles and equipment. Based on the results of that assessment and as reflected in the Vehicle and Equipment Replacement Schedule (**Attachment 2**), it is recommended that the following items be replaced/purchased:

The Development Services Department also needs the following vehicle and equipment for replacement:

- **1 Development Services Vehicle and 1 equipment item**
  1. 2012 Code Enforcement Dodge Charger
    - Mileage is at 110,705 miles and there have been several trips to the repair shop in relation to the maintenance and repair. The vehicle is in need of repairs in order to be in safe conditions. It would be more useful if it were replaced new at an estimated replacement cost of \$37,000.
  2. 2012 Floor Machine
    - The floor machine typically has a 7-year lifespan. The floor machine purchased is what our Public Works crew used to clean and make our facilities' floors shine. Over the past couple of years, the current floor machine has been repaired several times with various parts wearing out on the machine. It is the only floor machine and is used frequently. Estimated replacement cost is \$9,100.

The Recreation and Community Services Department also needs the following vehicle for replacement:

- **1 Recreation and Community Services Vehicle**
  1. 2009 Recreation Van
    - Mileage is at 29,445 and expected to be at 34,000 when a replacement vehicle is delivered. Repairs to this van are needed frequently due to constant transporting of heavy equipment for special events and events to promote the department. The Recreation Department is in need of replacement of the vehicle in order to transport equipment and to transport more people to trainings/meetings/conferences. The current van is insufficient to satisfy the needs of the department. Estimated replacement cost is \$37,000.

The Police Department is not requesting vehicles for replacement/purchase for the Budget Fiscal Year 2019-20. Based on usage, condition, and current staffing, Police is recommending replacement of scheduled vehicles from 2019-20 be pushed back another budget year. Additionally, there was a motorcycle scheduled to be purchased in Fiscal Year 2018-19. The motor officer position has been vacant in Fiscal Year 2018-19 and is not expected to be filled in Fiscal Year 2019-20; therefore, the purchase of the motorcycle associated with the position will be pushed out to Fiscal Year 2020-2021.

Approved vehicles that were budgeted in the current Fiscal Year 2018-19 are not reflected in the upcoming requests for Fiscal Year 2019-20. Unexpended amounts at June 30, 2019 will be carried-over and re-budgeted in Fiscal Year 2019-20.

## **FISCAL IMPACT**

The cost to replace the two vehicles and floor machine equipment requested is \$83,100 which will be funded from Fund 50- Vehicle and Equipment Replacement Fund. The cost to replace the floor machine equipment item is \$9,100 and the three vehicles are estimated to cost \$74,000.

There is sufficient fund balance in Fund 50- Vehicle and Equipment Replacement Fund for the budget in Fiscal Year 2019-20.

Submitted By: Eric Hendrickson, Finance Director

Approved By: Bret M. Plumlee, City Manager

*Attachments:*

- 1. Vehicle & Equipment Replacement Policy*
- 2. 2019 Vehicle & Equipment Replacement Schedule*
- 3. Vehicle & Equipment Fund Revenues & Expenses (5 Years)*

**RESOLUTION NO. 2013-07**

**A RESOLUTION OF CITY COUNCIL OF THE CITY OF LOS  
ALAMITOS, CALIFORNIA, APPROVING THE  
VEHICLE/EQUIPMENT REPLACEMENT POLICY**

**WHEREAS**, the City of Los Alamitos wishes to properly formalize a mechanism for vehicle/equipment replacement and expenditures from the Fleet Maintenance Fund; and,

**WHEREAS**, Staff has conducted an intensive research to determine the best practical policy that would serve the City of Los Alamitos and was able to develop a policy that incorporates all the City departments' needs for vehicles and equipment; and,

**WHEREAS**, the policy identifies timely budgeting procedures for all departments, a replacement schedule that is based upon mileage and age, and a spreadsheet for determining internal charge rates; and,

**WHEREAS**, the policy will provide guidelines for vehicle replacement and allow for improved budgeting and planning with regard to the City's fleet of vehicles.

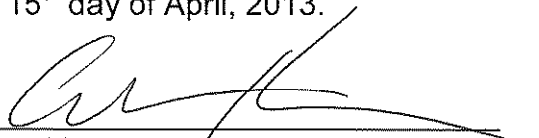
**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:**

SECTION 1. The City Council of the City of Los Alamitos, California, finds that the above recitals are true and correct.

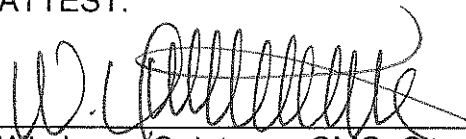
SECTION 2. The City Council hereby approves the attached Vehicle/Equipment Replacement Policy (Exhibit A).

SECTION 3. The City Clerk shall certify as to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** this 15<sup>th</sup> day of April, 2013.

  
Warren Kusumoto, Mayor

ATTEST:

  
Windmera Quintanar, CMC, City Clerk



APPROVED AS TO FORM:



\_\_\_\_\_  
Steve Skolnik, Interim City Attorney

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) ss  
CITY OF LOS ALAMITOS   )

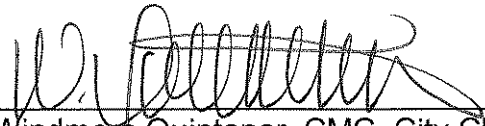
I, Windmera Quintanar, CMC, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council held on the 15<sup>th</sup> day of April, 2013, by the following vote to wit:

AYES:           COUNCILMEMBERS:    Grose, Murphy, Graham-Mejia

NOES:           COUNCILMEMBERS:    Edgar, Kusumoto

ABSENT:        COUNCILMEMBERS:    None

ABSTAIN:       COUNCILMEMBERS:    None

  
\_\_\_\_\_  
Windmera Quintanar, CMC, City Clerk

# **CITY OF LOS ALAMITOS FLEET MAINTENANCE DIVISION**

## **Vehicle/Equipment Replacement Guidelines/ Procedures**

### **MISSION**

The Public Works Fleet Maintenance Division's mission is to provide and maintain the most appropriate, safe, reliable, and clean vehicles/equipment allowing departments to better serve the residents.

### **OBJECTIVES**

The objective of this vehicle/equipment replacement guideline/procedure is to promote an orderly system of funding, purchasing and managing a standardized fleet replacement process and to plan future departmental transportation requirements.

### **GENERAL**

All City vehicles/equipment acquired and maintained by Public Works Fleet Maintenance Division are recommended for replacement in accordance with this guideline/procedure and all departments are responsible for complying with these guidelines/procedures. Priority will be given to those departments whose services relate to public health, safety, and law enforcement.

As vehicles/equipment reach the targeted mileage and age of replacement criteria, a vehicle/equipment maintenance evaluation will be performed by Public Works Fleet Maintenance Division. If the evaluation proves the vehicle/equipment would be economical to retain for an additional year(s), the vehicle/equipment will be targeted for retention or reassignment.

### **ACQUISITION**

The Public Works Fleet Maintenance Division is responsible for acquiring all City vehicles/equipment with the approval of the City Council. Vehicles/equipment are to be purchased using one of the following criteria:

- Utilizing the "Piggy Back" process whenever possible, as more vehicles can be acquired at lower prices; or

- Request for Proposal (RFP) process as outlined in Section 2.60.030 of the City's Municipal Code; or
- Purchases at an auction (will require City Council pre-approval). The City Council will set a predetermined spending cap. The purchase decision will be made by the Public Works Superintendent.

Before any order is placed, the Public Works Fleet Maintenance Division and the user department will jointly review department requirements and vehicle/equipment specifications. It is the Public Works Fleet Maintenance Division's goal to select the proper vehicle/equipment for the department. Suitability and appropriateness for the job intended, balanced by initial cost, depreciation/resale value, and maintenance repair factors are the primary factors for the review process. Compatibility with the rest of the fleet, fuel economy, safety/repair records, and serviceability are also important considerations.

Once the replacement cycle is complete, the replaced vehicle/equipment is evaluated for reassignment as a "low usage" vehicle to another department or declared surplus and sold at auction.

### **RETENTION or REASSIGNMENT**

In some cases, it may be beneficial to reassign vehicles/equipment to other departments that have "low usage" requirements. These decisions are made on a case by case basis between the Public Works Superintendent and the director of the department to which the vehicle is to re-assigned. The vehicle/equipment must have one third of its life expectancy remaining (years and mileage) and show a direct cost savings to the budget. Exception to this rule is if the vehicle/equipment in question has had major repairs completed within the past 12 months, deeming it reliable for use by the Fleet Maintenance Division.

### **ADDITIONS TO THE FLEET**

Additions are defined as any increase in the total number of vehicles/equipment assigned to a City's department. Additions to the fleet are to be requested by City departments via a Vehicle/Equipment Request Form and approved by the Department Head before submitting to the Public Works Fleet Maintenance Division.

### **REPLACED VEHICLE/EQUIPMENT**

Replaced vehicles/equipment that are not reassigned to another City department are to be declared surplus by the City Council. After the equipment is declared surplus, the Fleet Maintenance Division shall dispose of it in a manner best serving the interest of the City, which include:

- Public auction; or
- Sale or transfer to other governmental entities; or
- Sale or transfer to nonprofit entities

### **MID-YEAR REQUESTS**

If a department desires to add or replace a vehicle/equipment to the fleet, outside of the annual vehicle replacement request process, a completed Vehicle/Equipment Request Form shall be submitted for processing. In addition to the Vehicle/Equipment Request Form, a budget amendment request for funding may be needed. This request is to be submitted by November 1<sup>st</sup> of that year.

### **VEHICLE/EQUIPMENT REQUEST CYCLE**

The Public Works Fleet Maintenance Division initiates the vehicle/equipment request cycle each year in February when departments are asked to submit requests for additional or replacement vehicles/equipment. Requests are reviewed and prioritized based on the vehicle or equipment's inspection report. Throughout February and March, the Public Works Fleet Maintenance Division works with departments to recommend a vehicle/equipment replacement list based on the strategic budget outlook and the total vehicle/equipment replacement liability. In May, the Public Works Superintendent prepares the annual vehicle/equipment replacement request for budget consideration from City Council.

### **REPLACEMENT CRITERIA\***

Timely replacement ensures that vehicles/equipment are replaced once the life cycle, or economic costs, reach a minimum. The guidelines for vehicles/equipment replacement are, but not limited to:

- Predetermined age and/or mileage
- Mechanical condition
- State of technology
- Availability of replacement parts
- Anticipated depreciation
- Resale value
- Operation costs
- Safety standards
- Departmental needs
- Overall appearance

The Public Works Fleet Maintenance Division recommends replacement of vehicles or equipment based on the above criteria met for each class of vehicle. A technical/maintenance evaluation of requested replacement vehicles/equipment will be performed by Public Works Fleet Maintenance staff before each vehicle/equipment is recommended for replacement. The targeted replacement cycles, in terms of years and miles, are as follows:

<u>DESCRIPTION</u>	<u>AGE/MILES</u>
<b>Law Enforcement</b>	
• Sedan – Patrol	4 yrs./75,000 miles
• SUV – Patrol	5 yrs./100,000 miles
• Detective/Unmarked	5 yrs./75,000 miles
• Motorcycle	4 yrs./75,000 miles
<b>Administrative – Passenger</b>	10 yrs./90,000 miles
<b>Light Duty Trucks</b>	
• Sports Utility	10 yrs./90,000 miles
• Pickup & 4 x 4	10 yrs./95,000 miles
<b>Medium &amp; Heavy Duty Trucks</b>	15 yrs./100,000 miles
<b>Miscellaneous Equipment</b>	
• Trailers	By condition
• Mowers (tractor style)	By condition

\*The above vehicle replacement criteria are from Local Agency Surveys and City of Los Alamitos historical data.

UNIT #/ ID	VIN #/SERIAL #	MAKE	MODEL	YEAR	PURCHASE COST	TARGETED	ESTIMATED	POLICY	ESTIMATED	2019-20	2020-21	2021-22	2022-23	2023-24 and Beyond
						REPLACEMENT CYCLE (YEARS)1	REPLACEMENT COST	REPLACEMENT YEAR	REPLACEMENT YEAR					
<b>POLICE</b>														
522	48-1	1GNLCDEC5JR182930	Chevy	Tahoe	2018	42,368	5	52,000	2022-23	2022-24				52,000
522	48-2	2C3CDXATXEHS50827	Dodge	Charger	2014	35,000	4	39,000	2017-18	2018-19	4			39,000
522	48-3	2C3CDXAT7GH188335	Dodge	Charger	2016	35,000	4	39,000	2019-20	2020-21		39,000		
522	48-4	2C3CDXAT6HH608717	Dodge	Charger	2017	36,712	4	39,000	2021-22	2021-22			39,000	
522	48-5	2C3CDXATXHH608719	Dodge	Charger	2017	36,712	4	39,000	2021-22	2021-22			39,000	
522	48-6	2C3CDXAT8HH608718	Dodge	Charger	2017	36,712	4	39,000	2021-22	2021-22			39,000	
522	48-7	2C3CDXAT5GH188334	Dodge	Charger	2016	35,000	4	39,000	2019-20	2020-21			39,000	
522	48-SRO	2C3CDXATXCH287838	Dodge	Charger	2012	35,000	4	39,000	2015-16	2020-21			39,000	
528	Motorcycle	JH2SC5156DK100046	Honda	Motor	2014	26,993	4	31,000	2017-18	2020-21			31,000	
528	Pkg-1							35,000		2018-19	4			
528	Pkg-2	2B3LA43H08H314565	Dodge	Charger	2008	35,000	5	37,625	2012-13	2020-21	2			
523	UM-1/Blu Chg	2C3CDXAT1DH560506	Dodge	Charger	2013	35,000	5	37,000	2016-17	2018-19	4			37,000
523	UM-2/Chv HPU	3GCUCEJ6DG148222	Chevy	1500HYB	2013	42,331	5	46,225	2017-18	2020-21	2			46,225
523	UM-3/Jeep Ch	1C4RJAGXFC836435	Jeep	Cherokee	2015	35,168	5	37,625	2019-20	2020-21			37,625	
521	UM-4/Slv Chg	2C3CDXAT1HH649384	Dodge	Charger	2017	27,017	5	37,625	2022-23	2022-23			37,625	
521	UM-5/Slv Dur	1C4SDJFT4HC921605	Dodge	Durango	2017	36,274	5	37,500	2022-23	2023-24				37,500
521	UM-6/Blk Dur	1C4SDJFT6HC921606	Dodge	Durango	2017	36,274	5	37,500	2022-23	2023-24				37,500
524	Supp-1	1GNLC2E07CR190184	Chevy	Tahoe	2012	38,847	5	45,000	2016-17	2020-21	2			
523	Supp-2							37,625	2016-17	2021-22	3			
522	Supp-3/Recruitment	2C3CDXAT4CH287835	Dodge	Charger	2012	35,743	4	37,100	2015-16	2021-22	2	Reassigned		
<b>PUBLIC WORKS</b>														
<b>TRUCKS</b>														
542	PS1	1FTBF2A66CEC99622	Ford	F250	2012	30,630	10	34,000	2021-22	2022-23	2			34,000
543	PS2	1FTBF2A68CEC99623	Ford	F250	2012	30,630	10	34,000	2021-22	2023-24				34,000
543	PS3IRR	1FDWF30599EA32799	Ford	F350	2008	45,000	10	46,000	2017-18	2022-23	2			46,000
543	PS4STK	1FDWF36Y9EA32800	Ford	F350	2008	45,000	10	46,000	2017-18	2021-22	2			
542	PS6MEC	1GCGC24R8XR710246	Chevy	2500	1999	24,999	10	46,000	2008-09	2020-21	2			46,000
542	PS7SPR	1GCEC19R3W1108954	Chevy	1500	1997	24,899	10	38,500	2006-07	2018-19	4			38,500
542	PS8CNGPU	1GCHC24U87E177962	Chevy	2500	2007	48,911	10	38,500	2016-17	2018-19	4			38,500
543	PS5550	1FDAF56S73ED54609	Ford	F550	2003	63,000	15	71,175	2017-18	2021-22	2			71,175
542	PS10DMP	3FDNF65222MA16634	Ford	F550	2002	65,000	15	74,625	2016-17	2023-24	2			74,625
542	PS11BOOM	1FDXF46S24ED66432	Ford	F450	2004	67,398	15	95,000	2018-19	2021-22	2			95,000
533	Code Enforcement	2C3CDXAT6H261737	Dodge	Charger	2012	35,000	10	37,000	2016-17	2019-20			37,000	
<b>EQUIPMENT</b>														
544	Floor Machine	3510120802544	Adfinity	20R Ecoflex	2012	6,500	5	9,100	2016-17	2019-20			9,100	
542	Concrete Mixer	MHZ5430	MQ Whiteman		2001	5,000	10	5,000	2011-12	2021-22	2			5,000
542	1250 Balancer	SN 0807303517	Coats		2009	5,598	10	7,300	2019-20	2022-23	2			7,300
542	Scan TL Part 700-7108	C1VCGM39080025790T			2009	5,386	10	6,000	2019-20	2022-23	2			6,000
546	Light Tower	G4500031	MultiQuip	2400W	2019	10,506	10	11,000	2029-30	2029-30				11,000
543	Dual Equip Trailer	4ZCLT2020E1063033	LOAD TRAIL		2014	5,194	20	6,890	2033-34	2033-34				6,890
542	Press. Washer Trl	1W9DC061XK1063087	FMC/Los AL PW		2013	5,000	20	5,000	2032-33	2032-33				5,000
543	knife aerator	92141490005	Aerway		2014	9,908	15	11,250	2028-29	2033-34				11,250
543	72" ride on mower	6310544	Grasshopper		2012	14,604	15	15,375	2026-27	2026-27				15,375
546	Turf Tiger 72" ride-on mower	FMO700105	Yamada	STTII-72V-26CH	2018	12,229	10	16,000	2029-30	2029-30				16,000
542	bobcat	502422578	Bobcat Corp.		1986	20,000	25	40,000	2010-11	2020-21	2			40,000
543	turf vacuum	G1602	Smithco	Sweep Star 60	2003	24,545	15	24,545	2017-18	2020-21	2			24,545
543	turf Tractor	M-Y3702	Massey Ferguson		2003	17,186	25	20,250	2027-28	2027-28				20,250
542	Striping machine	BA2091	Graco		2005	11,865	25	14,000	2029-30	2029-30				14,000
542	Crack Sealer Trl	1C9EP1226T1418200	Crafco		1996	30,169	20	32,500	2015-16	2020-21	2			32,500
546	Tack Sprayr Trl	198587	Lee Boy	Leeboy L150T	2018	12,856	10	14,000	2029-30	2029-30				14,000
542	BACK HOE	JJG0232727	Case		1996	56,015	25	59,000	2020-21	2021-22				59,000

Vehicle & Equipment Replacement Schedule

ATTACHMENT 2

UNIT #/ ID	VIN #/SERIAL #	MAKE	MODEL	YEAR	PURCHASE COST	TARGETED	ESTIMATED	POLICY	ESTIMATED	2019-20	2020-21	2021-22	2022-23	2023-24 and Beyond		
						REPLACEMENT CYCLE (YEARS) <sup>1</sup>	REPLACEMENT COST	REPLACEMENT YEAR	REPLACEMENT YEAR							
<b>RECREATION</b>																
551	REC HYBRID	3GCUCUEJ7DG243419	Chevy	1500HYB	2013	42,331	10	49,450	2022-23	2023-24				49,450		
551	RECVAN	2D8HN44E79R625663	Dodge	caravan	2009	24,529	10	37,000	2018-19	2019-20	37,000					
551	REC TRLR	53BTV1213DF004879	Looks	Vision	2012	6,000	20	7,800	2031-32	2026-27				7,800		
<b>CABLE TV</b>																
511	Los AI TV	1FTEE14Y1THA31907	Ford	E150	1995	11,840	10	28,750	2004-05	2020-21	2	28,750				
							Vehicles	1,465,625		Vehicles		74,000	389,225	403,900	117,625	480,875
							Equip	297,210		Equip		9,100	97,045	64,000	13,300	113,765
							Total	1,762,835		Total		83,100	486,270	467,900	130,925	594,640

1 - Per Vehicle/Equipment Replacement Policy Approved by City Council on April 15, 2013

2 - Vehicles Scheduled past due for Replacement in Fiscal Year however have been determined by department to be bumped for future fiscal years for replacement

3 - The 2013 Police Dodge Charger (UM-1/Blu Chg) will be repurposed and used for Police Support-2

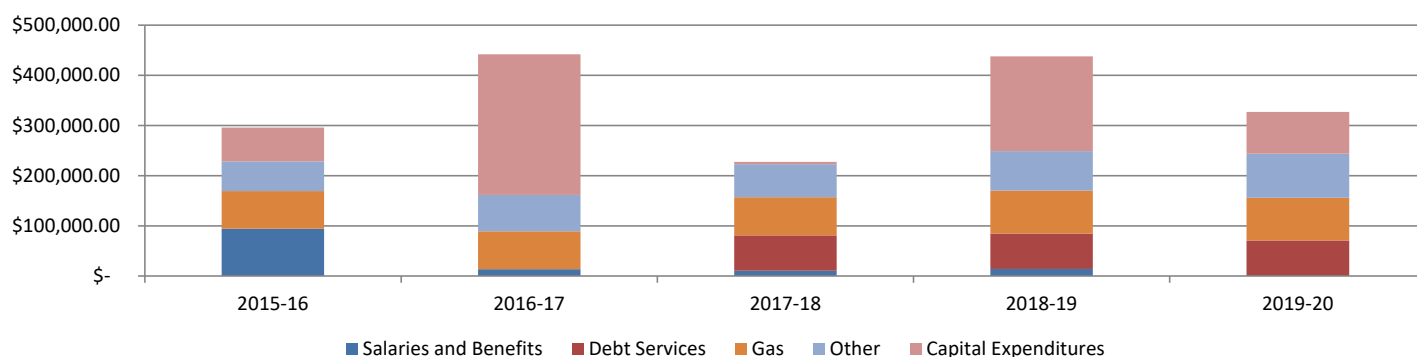
4 - Vehicles have not been purchased as of May 7, 2019 however funds will be available from Fiscal Year 2018-19 to be carried forward to purchase in Fiscal Year 2019-20, if not purchased by June 30, 2019.

Revised April 2019

VEHICLE & EQUIPMENT FUND REVENUES & EXPENSES (4 YEARS)

Account Description	Type	2015-16	2016-17	2017-18	2018-19	2019-20
		Actual	Actual	Actual	Projected	Proposed Budget
<b>REVENUES</b>						
GENERAL FUND CHARGES/TRANSFERS	INTERNAL SVC FUND CHGS	234,018	404,026	404,026	304,026	304,026
GAIN/LOSS ON DISPOSAL OF ASSET	MISCELLANEOUS REVENUE	994	-	18,590	-	-
INSURANCE REIMBURSEMENT	MISCELLANEOUS REVENUE	1,831	27,306	1,926	-	-
CAPITAL LEASE PROCEEDS	MISCELLANEOUS REVENUE	-	189,676	79,473	-	-
<b>TOTAL REVENUES</b>		<b>236,843</b>	<b>621,008</b>	<b>504,015</b>	<b>304,026</b>	<b>304,026</b>
<b>EXPENSES</b>						
SALARIES - FULLTIME	SALARIES AND BENEFITS	42,497	11,565	-	-	-
ON CALL PAY	SALARIES AND BENEFITS	1,285	-	-	-	-
UNIFORM ALLOWANCE	SALARIES AND BENEFITS	650	25	-	-	-
OVERTIME	SALARIES AND BENEFITS	2,715	-	-	-	-
SICK CONVERSION	SALARIES AND BENEFITS	9,334	-	-	-	-
VACATION CONVERSION	SALARIES AND BENEFITS	9,665	-	-	-	-
MEDICARE	SALARIES AND BENEFITS	921	299	-	-	-
RETIREMENT	SALARIES AND BENEFITS	13,215	424	10,550	13,885	-
HEALTH INSURANCE	SALARIES AND BENEFITS	13,262	1,222	-	-	-
LIFE INSURANCE	SALARIES AND BENEFITS	146	12	-	-	-
DISABILITY INSURANCE	SALARIES AND BENEFITS	300	25	-	-	-
SUPPLIES	OTHER	6,154	13,718	5,109	16,200	17,000
UNIFORMS	OTHER	260	260	-	-	-
TRAVEL & TRAINING	OTHER	20	-	-	-	-
INSURANCE	OTHER	-	6,995	5,357	7,074	7,075
AUTO PARTS - POLICE	OTHER	15,371	6,065	3,158	10,000	10,000
AUTO PARTS-RECREATION	OTHER	169	-	-	500	500
AUTO PARTS-PW	OTHER	4,119	8,287	7,895	10,000	10,000
AUTO PARTS-OTHER	OTHER	-	379	116	1,500	1,500
NATURAL GAS	GAS	2,876	2,525	274	2,500	2,500
GASOLINE	GAS	72,586	73,105	75,551	83,000	83,000
OUTSIDE SERVICES-PD	OTHER	25,571	21,558	26,554	21,000	26,000
OUTSIDE SERVICES-REC	OTHER	805	1,042	777	850	1,000
OUTSIDE SERVICES-PW	OTHER	4,523	4,419	9,661	8,000	10,000
OUTSIDE SERVICES-OTHER	OTHER	310	7,584	2,880	2,000	3,000
TECHNOLOGY INTRNL SRVC	OTHER	1,865	1,865	4,103	1,865	1,600
INTEREST EXPENSE	DEBT SERVICE	-	-	4,980	3,770	2,536
PRINCIPAL EXPENSE	DEBT SERVICE	-	-	65,661	66,872	68,105
VEHICLES/EQUIPMENT PURCHASES	CAPITAL OUTLAY	67,394	203,435	4,607	35,590	83,100
VEHICLE CARRYFORWARD		-	77,000	-	153,000	-
<b>TOTAL EXPENSES</b>		<b>296,013</b>	<b>441,809</b>	<b>227,233</b>	<b>437,606</b>	<b>326,916</b>
<b>BEGINNING BUDGETARY FUND BALANCE AT JULY 1</b>		<b>163,842</b>	<b>104,672</b>	<b>283,871</b>	<b>560,653</b>	<b>427,073</b>
<b>ENDING BUDGETARY FUND BALANCE AT JUNE 30</b>		<b>104,672</b>	<b>283,871</b>	<b>560,653</b>	<b>427,073</b>	<b>404,183</b>

Expenses by Type





# City of Los Alamitos

## CITY COUNCIL AGENDA REPORT

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**MEETING DATE: May 20, 2019**

**ITEM NUMBER: 3C**

**To: Mayor Warren Kusumoto & Members of the City Council**

**Presented By: Eric Hendrickson, Finance Director**

**Subject: Continued FY 2019-2020 General Fund Budget Gap Measures**

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### **SUMMARY**

Staff will discuss the recommendations from the May 7<sup>th</sup> Budget Standing Committee meeting for closing the Fiscal Year 2019-2020 General Fund budget gap. On March 18, 2019, the preliminary budget for Fiscal Year 2019-20 General Fund reported a \$482,500 budget gap deficit. On April 15, 2019, there were potential gap measures approved that reduced the budget gap by \$417,800 to a \$64,700 budget gap deficit. At this time, staff will discuss the additional budget gap measure options recommended by the Budget Standing Committee to close the remaining budget gap deficit for Fiscal Year 2019-20.

### **RECOMMENDATIONS**

1. Review Potential General Fund Gap Closures for Budget Fiscal Year 2019-2020; and,
2. Direct staff regarding modifications to the Preliminary Budget for Fiscal Year 2019-2020.

### **BACKGROUND**

Staff has been meeting with the Budget Standing Committee and will continue to meet regularly to discuss budgetary issues along with developing a long-term fiscal sustainability plan. The objective of the budget workshops are to eliminate the General Fund structural deficit and provide long-term fiscal sustainability.

On March 18, 2019, staff reported on the preliminary projected General Fund budget for Fiscal Year 2019-2020, including an initial budget gap of \$482,500. Material increases in Fiscal Year 2019-2020 expenditures are primarily due to salaries and benefits. On April 15, 2019, there were potential gap measures approved that reduced the budget gap by \$417,800 to a \$64,700 budget gap deficit.

## **DISCUSSION**

As of April 15, 2019, the budget gap deficit for the Fiscal Year 2019-20 General Fund budget was \$64,700. As a result of changes in estimates, the following items alter the Fiscal Year 2019-20 expenditure budget:

### Expenditure Adjustments:

- ❖ Police: Reduction in one-time bonuses due to ineligibility of POA members entitled to the bonus (coincide with criteria in MOU). 9,000

These changes bring the budget gap down from \$64,700 to \$55,700. In an effort to close the remainder of the budget gap of \$55,700, staff has gathered the following options for consideration to close the short-term budget gap forecasted for Fiscal Year 2019-20:

### Expenditure Adjustments:

- ❖ Reduce Community Group outreach contract by \$42,150. The FY 2019-2020 General Fund Budget includes \$60,000 for a community outreach consulting group that would assist the City Council, Budget Standing Committee, Fiscal Sustainability Manager, Finance Director and executive team with a long-term fiscal plan. After consideration, the budget may be reduced and the product of a community survey would serve the purpose of the project. 42,150
- ❖ Police: Realistic savings in Patrol due to vacancies. Estimate is based on one month of police officer's savings. 13,550

At previous meetings, the Budget Standing Committee and City Council gave approval for the use of prior year's surpluses to close the Fiscal Year 2019-2020 budget gap. The Budget Standing Committee has directed staff to continue to present additional options to reduce the budget gap as much as possible before using prior year's surpluses. At the May 7, 2019 meeting, the Budget Standing Committee gave direction to staff to use the budget gap measures presented above to completely close the gap. Therefore, the FY 2019-2020 General Fund Preliminary Budget will be balanced without having to use any of the \$220,000 FY 2017-2018 General Fund surplus.

## **FISCAL IMPACT**

The Fiscal Year 2019-2020 preliminary budget presented an initial budget gap of \$482,500 on March 18, 2019. As a result of changes in assumptions and budget gap measures approved, the budget gap was reduced by \$482,500 to \$64,700 on April 15, 2019. If the options discussed in this report are approved, as recommended by the Budget Standing Committee, the Fiscal Year 2019-20 General Fund Budget will be balanced.

Submitted By: Eric Hendrickson, Finance Director  
Approved By: Bret M. Plumlee, City Manager

# City of Los Alamitos

## CITY COUNCIL AGENDA REPORT

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**MEETING DATE: May 20, 2019**

**ITEM NUMBER: 3D**

**To: Mayor Warren Kusumoto & Members of the City Council**

**Presented By: Eric Hendrickson, Finance Director**

**Subject: Other Funds' Budget Update Fiscal Year 2019-2020**

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### **SUMMARY**

Staff has discussed the General Fund and CIP Budgets for the Fiscal Year 2019-2020. This report updates the City Council on the budget for all other funds not included in previous reports.

### **RECOMMENDATIONS**

Review Other Funds (Other than General Fund and CIP) for Budget Fiscal Year 2019-2020.

### **BACKGROUND**

Staff has been meeting with the Budget Standing Committee to update the Committee on the Fiscal Year 2019-2020 General Fund revenues and expenditures budget and discussing closing the budget gap deficit. The City additionally has nine (9) special revenue funds, one debt service fund, four (4) capital projects funds and five (5) internal service funds to discuss for budget purposes.

### **DISCUSSION**

The following are the funds in the City separated by type of fund:

<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Internal Service Funds</b>
CDBG (19)	Debt Service Fund (31)	Residential Street (24)	Vehicles & Equipment (50)
Gas Tax (20)		Building Improvement (25)	Police Capital (51)
PSAF (21)		Park Development (40)	Facilities Streets and Parks (52)
SLESF (22)		Traffic Improvement (44)	Technology (53)
AQMD (23)			Self-Insurance (54)
Measure M (26)			
Asset Seizure (27)			
Los Alamitos TV (28)			
Office of Traffic Safety (29)			

5 special revenue funds (CDBG, Gas Tax, Measure M, Los Alamitos Television and AQMD) are discussed in the 7-Year Capital Improvement Program (CIP) report since the funds are used to fund capital projects for Fiscal Year 2019-2020. The Park Development

Capital Project Fund is additionally discussed in the 7-Year CIP to fund the various playground renovations and other community center projects. The Facilities Streets and Parks Internal Service Fund is discussed in the CIP Budget to be used to fund the electric service and wiring in the Police Department. Staff provided the Budget Standing Committee with detail of proposed revenue and expenditures for the remaining funds.

Special Revenue Funds:

<b>Fund</b>	<b>Projected Fund Balance as of July 1, 2019</b>	<b>2019-20 Revenues</b>	<b>2019-20 Transfers /Expenditures</b>	<b>Projected Fund Balance as of June 30, 2020</b>
PSAF (21)	\$ 29,650	\$ 105,000	\$ 120,000 *	\$ 14,650
SLESF (22)	64,250	140,000	150,000 *	54,250
Asset Seizure (27)	10,250	500	-	10,750
Office of the Traffic Safety (29)	25,000	10,000	5,000 *	30,000
<b>Total</b>	<b>\$ 129,150</b>	<b>\$ 255,500</b>	<b>\$ 275,000</b>	<b>\$ 109,650</b>

\*Transfers Out

The Public Safety Augmentation Fund (PSAF) and Supplemental Law Enforcement Services Fund (SLESF) include transfers of \$120,000 and \$150,000, respectively to fund the General Fund for police-specific programs that are specified through the special revenue purpose.

Asset Seizure has no expenditures budgeted for Fiscal Year 2019-2020 however the Police Department is currently working on a Mobile-Device-Computer upgrade for their patrol cars and planning to utilize the asset forfeiture funds to make the purchase in the upcoming months. An appropriation will be brought forward by June 30, 2019.

The Office of Traffic Safety (OTS) Fund 29 is provided grant funding for local and state law enforcement agencies to participate in traffic enforcement programs to reduce occurrences of driving under the influence (DUI) and related collisions. The fund is projecting \$10,000 in revenues for Fiscal Year 2019-2020, which is an increase of the preliminary amount of \$5,000. A proposed gap measure for the General Fund is to transfer \$15,000 instead of \$5,000 that was included in the preliminary budget. There is sufficient funds in the fund for the transfer of \$15,000 in Fiscal Year 2019-2020.

Debt Service Fund:

<b>Fund</b>	<b>Projected Fund Balance as of July 1, 2019</b>	<b>2019-20 Transfers In from General Fund</b>	<b>2019-20 Transfer</b>	<b>Projected Fund Balance as of June 30, 2020</b>
Debt Service Fund (31)	\$ 3,350	\$ 209,000	\$ 210,300	\$ 2,050

On September 1, 2015, the City issued 2015 Certificates of Participation (COP) in the amount of \$3,685,000 to refinance the outstanding balance of Laurel Park Acquisition COP and to fund approximately \$915,000 for the Los Alamitos Boulevard median project. \$210,300 has been budgeted for debt service (principal and interest expense) in Fiscal Year 2019-20, which is funded from a transfer from the General Fund.

Capital Projects Funds:

The projected fund balances as of June 30, 2020 for Residential Street Fund, Building Improvement and Traffic Improvement Funds are \$6,500, \$15,200, and \$9,600, respectively. There are no proposed expenditures for the these funds. The Park Development Fund's activity is discussed in the 7-Year CIP report.

Internal Service Funds:

<b>Fund</b>	<b>Projected Fund Balance as of July 1, 2019</b>	<b>2019-20 Revenues/ Transfers In</b>	<b>2019-20 Expenses</b>	<b>Projected Fund Balance as of June 30, 2020</b>
Police Capital (51)	\$ 54,750	\$ 40,000	\$ 20,000	\$ 74,750
Technology Replacement (53)	44,300	160,000	160,000	44,300
Self-Insurance (54)	393,050	621,000	695,350	318,700
Total	<u>\$ 492,100</u>	<u>\$ 821,000</u>	<u>\$ 875,350</u>	<u>\$ 437,750</u>

On September 17, 2018, Council approved \$40,000 to be an annual allocation from the General Fund to the Police Capital Fund (51). There is a budget of \$20,000 proposed out of this fund for potential repair and replacement of 800MHz radios.

The Technology Replacement Fund (53) provides funding for ongoing technology upgrades and replacements. Charges to city departments for the 2019-20 fiscal year total \$160,000, which is what was budgeted for expenses. Expenses include annual anticipated amounts for contractual services with Scientia Consulting, computer purchases, software and licenses renewal.

Self-Insurance Fund (54) is used to account for the operations of the City's self-insured workers' compensation, general liability and property insurance programs. The expenses budgeted of \$695,350 include insurance premiums, third-party administration fees, actuarial services, training costs and estimated claim and worker's compensation expenses. There is an increase this year due to higher than anticipated reserve for a workers' compensation case.

## **FISCAL IMPACT**

As illustrated below for a comprehensive review of all funds discussed in the report, sufficient funds are available to cover the proposed expenditures/expenses.

<b>Fund</b>	<b>Projected Fund Balance as of July 1, 2019</b>	<b>2019-20 Revenues</b>	<b>2019-20 Transfers /Expenditures</b>	<b>Projected Fund Balance as of June 30, 2020</b>
PSAF (21)	\$ 29,650	\$ 105,000	\$ 120,000	\$ 14,650
SLESF (22)	64,250	140,000	150,000	54,250
Asset Seizure (27)	10,250	500	-	10,750
Office of the Traffic Safety (29)	25,000	10,000	5,000	30,000
Debt Service (31)	3,350	209,000	210,300	2,050
Police Capital (51)	54,750	40,000	20,000	74,750
Technology Replacement (53)	44,300	160,000	160,000	44,300
Self Insurance (54)	393,050	621,000	695,350	318,700
Total	<u>\$ 624,600</u>	<u>\$ 1,285,500</u>	<u>\$ 1,360,650</u>	<u>\$ 549,450</u>

Submitted By: Eric Hendrickson, Finance Director

Approved By: Bret M. Plumlee, City Manager

# City of Los Alamitos

## CITY COUNCIL AGENDA REPORT

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**MEETING DATE: May 20, 2019**

**ITEM NUMBER: 3E**

**To: Mayor Warren Kusumoto & Members of City Council**

**Via: Bret M. Plumlee, City Manager**

**From: David D. Cain, Fiscal Sustainability Manager**

**Subject: Budget and Fiscal Sustainability Calendar; Community Engagement Opportunities; and PARS 115 Trust**

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### **SUMMARY**

This report provides an overview of the discussion and feedback provided by the Budget Standing Committee members on the Fiscal Sustainability Calendar and suggested topics for the balance of the 2019 calendar year; community engagement opportunities; and PARS 115 Trust.

### **RECOMMENDATIONS**

1. Receive and file the recommended Fiscal Sustainability Calendar and topics for July-December 2019; and,
2. Receive and file information related to the PARS 115 Trust & Community Outreach opportunities.

### **COMMITTEE RECOMMENDATION**

The Budget Standing Committee reviewed these items on May 7, 2019. Staff has incorporated all recommended changes. The Committee recommended this item be forwarded to the full City Council for consideration.

### **BACKGROUND**

The City proposed monthly meeting dates for the Budget Standing Committee. The dates cover the balance of 2019 where discussion will take place on a variety of long-term Fiscal Sustainability issues related to the City of Los Alamitos and essential city services. These scheduled meetings will provide opportunities to discuss options for closing the structural budget gap; opportunities to develop an ongoing sustainable budget; and creation of a

20-year long term sustainable financial plan which would provide for maintaining essential city services, including public safety.

The Budget Sustainability Committee discussed the pros and cons of creating a Section 115 Trust for both pension and OPEB funds. The monies held in such trusts can be invested in accordance with the rules governing such special purpose accounts, thus allowing for a higher earnings due to the longer duration of the investments.

## **DISCUSSION**

### **Recommended Standing Budget Committee Calendar:**

Staff has prepared a series of Budget Standing Committee meetings for the balance of the calendar year. Proposed meeting dates for June – December 2019 are:

<b>Proposed Meeting Dates*</b>
July 22 (Monday)
August 12* (Monday)
September 23 (Monday)
October 16 (Wednesday)
November 4 (Monday)
December 9* (Monday)

\*Some meeting dates would be the second Monday of the month.

During these meetings, staff will present to the Budget Standing Committee a variety of topics and discussion items. The topics and focus areas will include the following:

- Overview of “Long Term Sustainability” – What is it?
- Review of State & Local Relationship and specific impacts on Los Alamitos
- Resident and Business Survey about community priorities related to essential city services
- 2018-19 FY Final Results and review of fund balance policies
- Presentation of a 20-year Long Term Financial & CIP Plan
- Update from each operating department about their essential service programs and the status based on an updated 20 year long term financial plan
- Economic Development enhancement options (including possible P3 project)
- Update on the 2019-20 Budget (Mid-Year)
- Update on revenue enhancement opportunities
- Review of proposed 2020-21 Budget Schedule (to be discussed in fall of 2019)
- Review of the Audited 2018-19 CAFR

### **Community Engagement Meetings:**

On June 7, 2019 City staff will have the opportunity to make a presentation discussing the City’s “fiscal sustainability” process, budget update and economic development activities at the Los Alamitos Chamber of Commerce Breakfast. This will give the City the opportunity to proactively reach out to the community through various engagement



meetings where we can seek feedback from our residents and business members about their priorities related to essential city services and explain what the long term fiscal sustainability plan process will encompass. Staff will be setting up one-on-one meetings with Council Members on June 3, June 4, or June 5 prior to the Chamber of Commerce breakfast meeting on June 7 to review the power point and material that will be discussed at the meeting.

Staff also discussed with the committee having a company such as FM3 Research to perform a statistically-reliable community survey to gather feedback on residents' priorities related to various fiscal sustainability options. More community meetings and feedback opportunities will be scheduled in the coming months.

### **115 Trust (Pension and OPEB):**

A 115 trust is a vehicle for segregating agency funds from general assets for the purpose of funding essential governmental functions. A Section 115 trust can be used to set aside monies to meet future pension and OPEB contributions or liabilities. The City has already committed 'assigned' reserves which have been set aside funds for both future pension and OPEB obligations, in the amount of \$3,620,000 and \$500,00 respectfully. It was recommended that the City formally authorize a PARS 115 trust for both pension and OPEB funds. The authorized trust would increase investment earnings on these funds and would further reduce the unfunded liabilities and lower costs which impact the General Fund. Funds from these assigned reserves would be added to the trust account as various City investments matured. There is no cost to the city for authorizing the formation of 115 trusts. Based on the recommendation of the Budget Standing Committee to bring this item forward to the full City Council for consideration and adoption, Staff is preparing a staff report for the June 17, 2019 City Council meeting.

### **FISCAL IMPACT**

None.

Submitted By: David D. Cain, Fiscal Sustainability Manager

Reviewed By: Eric Hendrickson, Director of Finance

Approved By: Bret M. Plumlee, City Manager