

CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90720

AGENDA BUDGET STANDING COMMITTEE SPECIAL MEETING June 3, 2020 – 5:00 p.m.

SAFETY ALERT –NOTICE REGARDING COVID-19

Due to COVID-19, the City of Los Alamitos Budget Standing Committee Special Meeting on June 3, 2020 will be conducted by videoconference pursuant to the provisions of the Governor’s Executive Orders N-25-20 and N-29-20. The public may access the meeting electronically or telephonically.

Pursuant to Executive Orders and given the current health concerns, members of the public can access meetings by using your phone to dial +1 (301) 715-8592 and enter the Meeting ID: 810-0048-7912. Your microphone will be disabled upon entry for the duration of the meeting. **Members of the public may not attend the meeting in person.**

The public can submit comments to cityclerk@cityoflosalamitos.org with the subject line “PUBLIC COMMENT ITEM #” (insert the item number relevant to your comment) or “PUBLIC COMMENT NON-AGENDA ITEM.” Comments **received by 3:00 p.m.** will be compiled and provided to the Budget Standing Committee and made available to the public before the start of the meeting. Staff will not read email comments at the meeting but the official record will include all email comments received until the close of the meeting.

Members of the public wishing to verbally deliver comments via the telephone conference can submit their requests to cityclerk@cityoflosalamitos.org **until the close of the public comment period.** The City Clerk will compile a list of speakers who have indicated a desire to speak. Before the close of the meeting, the City Clerk will announce each speaker, enable the speaker’s microphone, and begin the three minute timer. The speaker’s microphone will automatically be disabled at the end of three minutes.

All speakers shall observe civility, decorum and good behavior. Any item submitted to the Budget Standing Committee during the meeting shall become public record and subject to applicable disclosure laws.

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 on the City’s website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Any written materials relating to an item on this agenda submitted after distribution of the agenda packet are available for public inspection on the City's website at www.cityoflosalamitos.org.

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.

1. CALL TO ORDER

2. ROLL CALL

Council Member Chirco
Council Member Hasselbrink

3. CONSENT CALENDAR

A. Approval of Minutes

Approve the Minutes of the Special Meeting on May 13, 2020.

4. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Los Alamitos Police Officers Association
Authority: Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager
Unrepresented Employees: Executive Management, Middle Management and Non-Management Employees
Authority: Government Code Section 54957.6

5. DISCUSSION ITEMS

A. 7-Year Capital Improvement Program

Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2020-21 through 2026-27.

Recommendation: Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2020-21 through 2026-27.

B. Proposed Budget for Vehicle & Equipment Replacement Schedule

Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2020-21.

Recommendation: Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2020-21.

C. Fiscal Year 2020-2021 General Fund Budget Gap Measures

Staff will discuss options for closing the Fiscal Year 2020-2021 General Fund budget gap with the Budget Standing Committee. On May 18, 2020, the preliminary budget for Fiscal Year 2020-21 General Fund reported a \$1,347,073 budget gap deficit. At this time, staff will discuss budget gap measure options to close the budget gap deficit for Fiscal Year 2020-21.

Recommendations:

1. Review Potential General Fund Gap Closures for Budget Fiscal Year 2020-2021; and,
2. Direct Staff regarding modifications to the Preliminary Budget for Fiscal Year 2020-2021.


D. Other Funds' Budget Update Fiscal Year 2020-21

Staff has discussed the General Fund and CIP Budgets for the Fiscal Year 2020-21. This report updates the Budget Standing Committee 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 2020-21.

6. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at City Hall, 3191 Katella Ave., Los Alamitos, CA 900720 and on the City's website at www.cityoflosalamitos.org not less than 24 hours prior to the meeting.



Windmera Quintanar, MMC, City Clerk
Date: June 2, 2020

MINUTES OF THE BUDGET STANDING COMMITTEE OF THE CITY OF LOS ALAMITOS

SPECIAL MEETING

Wednesday May 13, 2020 – 5:00 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 5:00 p.m., Wednesday, May 13, 2020, via video conference, Council Members Chirco and Hasselbrink presiding.

2. ROLL CALL

Present: Committee Members: Council Member Chirco
Council Member Hasselbrink

Absent: Committee Members: None

Present: Staff: Chet Simmons, City Manager
Craig Koehler, Interim Finance Director
Windy Quintanar, City Clerk
Michael Daudt, City Attorney

3. CONSENT CALENDAR

A. Approval of Minutes

Motion/Second: Chirco/Hasselbrink

Unanimously Carried: The Budget Standing Committee approved the Minutes of the Special Meeting on May 6, 2020.

4. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Los Alamitos Police Officers Association
Authority: Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Executive Management, Middle
Management and Non-Management
Employees
Authority: Government Code Section 54957.6

5. ADJOURNMENT

The Budget Standing Committee adjourned at approximately 5:24 p.m.

Craig Koehler, Interim Finance Director

City of Los Alamitos

BUDGET STANDING COMMITTEE

AGENDA REPORT

MEETING DATE: June 3, 2020

ITEM NUMBER: 5A

To: Budget Standing Committee Members

**Presented By: Craig Koehler, Interim Finance Director
Chris Kelly, City Engineer**

Subject: 7-Year Capital Improvement Program

SUMMARY

Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2020-21 through 2026-27.

RECOMMENDATION

Review and discuss the Preliminary Seven-Year Capital Improvement Program for Fiscal Years 2020-21 through 2026-27.

BACKGROUND

Budget Workshops for Fiscal Year 2020-21 were held with the Budget Standing Committee on March 23rd, April 14th, May 6th and May 13th, which focused on the City's operating budget. Today's Budget Workshop 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 2019-20 are not reflected in the upcoming 7-Year CIP. However, unexpended

amounts on projects that are “in-process” as of June 30, 2020 will be carried-over and re-budgeted in Fiscal Year 2020-21.

Presented for your consideration is the Capital Improvement Program (CIP) for Fiscal Year 2020-21 through Fiscal Year 2026-27 (**Attachment 1**). Chris Kelly, City Engineer, will be present at the meeting to discuss the 7-Year CIP in conjunction with the proposed projects.

The following projects are recommended in the Fiscal Year 2020-21 capital budget:

Fund	Project Description
CDBG (19)	Apartment Row Howard Street, Reagan to Maple
Gas Tax (20)	Regular Yearly Street Maintenance
SB1 Gas Tax (20)	Suburbia Rehabilitation
Measure M (26)	Regular Street Maintenance
Los Al TV (28)	Los Alamitos Television Equipment
ISF Self Insurance (54)	Insurance Claim

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 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 Howard Street, from Reagan to Maple 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 \$121,000 with a 10% City match. As detailed in Attachment 1, the City will use \$110,000 from the CDBG grant and \$11,000 will be funded with Measure M funds.

Gas Tax (20) – The City is estimated to receive \$251,252 in gas tax funds for Fiscal Year 2020-21. A transfer of \$120,000 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 \$150,000.

SB1 Gas Tax (20) – The City is estimated to receive \$186,984 in SB1 gas tax funds for Fiscal Year 2020-21. Staff recommends using the funds for the Suburbia Rehabilitation project.

Measure M (26) – The City is estimated to receive \$223,500 in Measure M funds for Fiscal Year 2020-21. Staff recommends \$340,946 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. This amount includes an \$11,000 match requested from Measure M for the Howard Street

rehabilitation primarily funded by CDBG Funds, and an additional \$10,000 funded by Measure M for the Cerritos Avenue Bridge Guardrail.

Los Alamitos Television (28) – Based on the OURLosAI contract and regular scheduled expenses in the fund, there is a projected budget of \$52,350 (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. An amount of \$11,880 is requested in order to purchase a new high-definition switcher to use with the new PTZ cameras in different places, including in the Council Chambers. It would have made the current Zoom meetings look much better, provide better resolution on onscreen documents, and allow remote video for an absent Councilmember or a remote report from an expert in the future. The costs for these can range from \$5,000 to \$15,000, yet costs continue to drop dramatically.

Internal Service Fund - Self-Insurance (Fund 54) – There is a project estimated at \$45,000 for repair to the Cerritos Bridge guardrail stemming from damage caused by a vehicle. The City Attorney has secured a judgement against the driver and owner of the vehicle covering construction costs and a portion of the engineering costs.

There are no new projects being proposed for Facilities, Streets and Parks Capital Expenditures (Fund 52) or Park Development (Fund 40) for Fiscal Year 2020-21.

The FY 2020-21 through FY 2026-27 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 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 2021-22 and beyond. The City is experiencing difficulty balancing the budget for Fiscal Year 2020-21 therefore no projects are proposed from the General Fund.

Fiscal Impact

The Preliminary Seven-Year Capital Improvement Program includes \$844,810 of proposed capital expenditures in Fiscal Year 2020-21. As shown below, sufficient funds are available to cover the proposed capital improvements from the following funds:

Fund	Projected Fund Balance as of July 1, 2020	2020-21 Revenues	2020-21 Capital Improvement Projects	Projected Fund Balance as of June 30, 2021
CDBG (19)	\$ 175	\$ 110,000	\$ 110,000	\$ 175
Gas Tax (20)	48,229	335,614	150,000	233,843
SB1 Gas Tax (20)	-	186,984	186,984	-
Measure M (26)	352,729	227,500	340,946	239,283
Los Alamitos Television (28)	73,766	47,350	11,880	
ISF Self Insurance (54)	453,011	621,000	45,000	1,029,011
	<u>\$ 927,910</u>	<u>\$ 1,528,448</u>	<u>\$ 844,810</u>	<u>\$ 1,502,312</u>

1 FY 2020-21 Gas Tax Revenues are net of amounts to be transferred to the General Fund in 2020-21 to offset the costs (\$120,000) of the street maintenance division.

Submitted by: Craig Koehler, Interim Finance Director
Approved by: Chet Simmons, City Manager

Attachment: 1. 7-Year Capital Improvement Program

	PROJECT TITLE	FUNDING SOURCE	FISCAL YEAR 2020-21	FISCAL YEAR 2021-22	FISCAL YEAR 2022-23	FISCAL YEAR 2023-24	FISCAL YEAR 2024-25	FISCAL YEAR 2025-26	FISCAL YEAR 2026-27	TOTAL PROJECT COSTS
	STREETS AND DRAINAGE									
	Regular Yearly Work									
1	Arterial and Residential Tree Trimming and Removal Program	Measure M	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 434,000
2	Street Markings/Striping	Measure M	\$ 30,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 120,000
3	Street Improvements - Rehab/Crack Seal/Potholes/Repairs	Measure M	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 105,000
4	Median Islands Katella Ave Remove Turf and Install Drought Tolerant Plants	Gas Tax	\$ -	\$ -						\$ -
5	Replacement of Overhead Street Signs at Intersection	Measure M	\$ 25,000	\$ 25,000	\$ -					\$ 50,000
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				\$ 15,000
	ADA Study									
8	ADA Curb Ramps per Study - 20 year plan	Measure M	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 150,000
9	ADA Sidewalks per Study - 20 year plan	Measure M	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 150,000
	Special Funded Projects									
10	Katella Ave. Signal Sync (OCTA grant appl prep & Matching funds for grant)	OCTA								
		AQMD	\$ -							\$ -
12	Update Every Two Years Pavement Management Plan	Measure M	\$ -	\$ 30,000		\$ 15,000		\$ 30,000		\$ 75,000
13	Cerritos Avenue Guardrail Repair	Insurance Claim	\$ 45,000							\$ 45,000
14		Measure M	\$ 10,000							\$ 10,000
14	Speed Survey	Measure M	\$ 15,000							\$ 15,000
15	Old Towne West Lane Narrow Striping - Traffic Calming	Measure M	\$ 45,000	\$ 30,000	30000					\$ 105,000
	Unfunded Projects									
16	Cerritos Ave W City Limits to Bloomfield	Unfunded		\$ 756,000						\$ 756,000
17	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
18	Los Alamitos Blvd Signal Sync (City-funded interim)	Unfunded					\$ 27,000			\$ 27,000
19	Alley Improvements - Btwn Kyle and Bloomfield	Unfunded			\$ 75,000					\$ 75,000
20	Relocate Crosswalk on Katella at Cherry	Unfunded			\$ 35,000					\$ 35,000
21	Systemic Safety Analysis Report Program (SSARP) Grant Appl prep & Matching funds	Unfunded				\$ 8,500	\$ 1,000			\$ 9,500
22	HSIP Improvements (from SSARP) Grant Appl prep & Matching funds)	Unfunded		\$ 10,000	\$ 4,500	\$ 20,000	\$ 6,000	\$ 6,000		\$ 46,500
23	Alley Improvements - Between Katella and Green and Reagan and Los Alamitos	Unfunded							\$ 100,000	\$ 100,000
	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									
	FISCAL YEAR 2026-27									
	TOTAL PROJECT COSTS									

24	Katella Ave at Los Alamitos Blvd Hot Spots Improvements	Unfunded								\$ -
25	Saratoga Dr Curb and Gutter Replacement	Unfunded		\$ 30,000						\$ 30,000
26	Pedestrian Bridges over Katella Ave at Oak Street	Unfunded					\$ 400,000	\$ 4,000,000		\$ 4,400,000
27	Pedestrian Bridges over Katella Ave at Bloomfield	Unfunded				\$ 400,000	\$ 4,000,000			\$ 4,400,000
28	Add lanes on Katella Ave at I-605	Unfunded		\$ 180,000						\$ 180,000

29	Pedestrian Bridges over Cerritos Ave at High School	Unfunded					\$ 400,000	\$ 4,000,000		\$ 4,400,000
30	Los Alamitos Blvd Bridge over Coyote Creek	Unfunded						\$ 1,500,000	\$ 15,000,000	\$ 16,500,000
31	Cerritos Ave Bridge over Coyote Creek	Unfunded							\$ 1,500,000	\$ 1,500,000
32	Widen Lexington from Katella Ave to old RR	Unfunded								\$ -
	Pavement Management Plan									
33	Suburbia - Rehabilitation	SB1	\$ 186,984							
		Measure M	\$ 122,946							
		Gas Tax	\$ 150,000							
34	Cerritos and Lexington Intersection Improvements	Measure M / Gas Tax							\$ 200,000	\$ 200,000
35	Country Square	Measure M / Gas Tax							\$ 150,000	\$ 150,000
36	Old Town East and Medical Center Area (Phases 1 and 2)	Measure M / Gas Tax					\$ 273,540	\$ 392,151		\$ 665,691
37	New Dutch Haven (Phases 1 and 2)	Measure M / Gas Tax		\$ 320,928	\$ 410,496					\$ 731,424
38	Orangewood Avenue Pavement Rehabilitation	Measure M / Gas Tax							\$ 100,000	\$ 100,000
39	Old Town West - Rehabilitation (Phase 1 of 2)	Measure M / Gas Tax							\$ 396,168	\$ 396,168
40	Woodcrest - Rehab	Measure M / Gas Tax		\$ 33,124						\$ 33,124
41	College Park North	Measure M / Gas Tax					\$ 335,866			\$ 335,866
42	Storm Drain Master Plan - Citywide	Measure M / Gas Tax							\$ 75,000	\$ 75,000
43	GIS Map Showing Detailed City Right of Way, setting up a gis system w tom -DELETE per Dave this was a steven m item	Measure M / Gas Tax					\$ 75,000			\$ 75,000
44	Bloomfield Ave - Cerritos to Katella	Measure M / Gas Tax							\$ 531,300	\$ 531,300
45	Los Alamitos Blvd - N City Limit to Cerritos Ave	Measure M / Gas Tax							\$ 200,000	\$ 200,000
46	Katella Ave - Los Alamitos Blvd to Bloomfield St	Measure M / Gas Tax							\$ 759,780	\$ 759,780
47	Katella Ave - Bloomfield St to Lexington Dr	Measure M / Gas Tax							\$ 777,630	\$ 777,630
48	Katella Ave - Lexington Dr to Siboney	Measure M / Gas Tax							\$ 713,808	\$ 713,808
	PMP - CDBG Funding Projects									
49	Apartment Row Green Street, Reagan to Lexington	CDBG / Gas Tax/ Measure M								\$ -
50	Apartment Row Howard Street, Reagan to Maple	CDBG	\$ 110,000							\$ 110,000
		Measure M	\$ 11,000							\$ 11,000
51	Apartment Row Farquhar Ave, Bloomfield to Lexington	CDBG / Gas Tax/ Measure M						\$ 180,250		\$ 180,250
52	Apartment Row Reagan, Farquhar to Katella	CDBG / Gas Tax/ Measure M				\$ 230,000				\$ 230,000
53	Apartment Row Maple, Farquhar to Katella	CDBG / Gas Tax/ Measure M					\$ 122,400			\$ 122,400
54	Apartment Row Bloomfield, Farquhar to Katella	CDBG / Gas Tax/ Measure M			\$ 140,000					\$ 140,000
55	Apartment Row Green, Raegan to Maple	CDBG / Gas Tax/ Measure M							\$ 117,315	\$ 117,315
56	Apartment Row Howard Street, Noel to Lexington	CDBG / Gas Tax/ Measure M		\$ 129,294						\$ 129,294
	Subtotal Streets and Drainage Funded		\$ 832,930	\$ -	\$ -	\$ -	\$ -	\$ -		
	Subtotal Streets and Drainage Unfunded			\$ 1,696,346	\$ 851,996	\$ 1,197,366	\$ 5,053,940	\$ 6,657,401	\$ 24,768,001	\$ 40,598,050

	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
	FACILITIES									
1	Community Center and Youth Center ADA Repairs	Park Development Fund		\$ 50,000	\$ 50,000					\$ 100,000
2	11'X8' Glass Aluminum Door for Community Center	Park Development Fund	\$ -							\$ -
3	Incode General Ledger Update	Unfunded		\$ 105,000						\$ 105,000
4	Community Center Generator	Unfunded			\$ 150,000					\$ 150,000
5	Painting of Police and City Hall Interiors	Unfunded		\$ 15,000						\$ 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	New Carpeting for Youth Center, Community Center and Police Department	Unfunded		\$ 30,000						\$ 30,000
10	LATV (28) Studio - Equipment Upgrade	Los Alamitos Television (28)	\$11,880.00							\$ 11,880
10	City Hall, Community Center and Youth Center Exterior Wood Repairs	Unfunded		\$ 75,000						\$ 75,000
11	Los Alamitos Museum Seismic Retrofits	Unfunded			\$ 30,000					\$ 30,000
12	City Hall New Entrance	Unfunded								\$ -
	JLL Study									
13	Install Emergency Lighting throughout blgs and pathways	Unfunded		\$ 30,000						\$ 30,000
14	City Hall Sidewalk	Unfunded			\$ 49,500					\$ 49,500
15	Consultant to Design Fire Alarm system	Unfunded					\$ 100,000			\$ 100,000
16	Interior to TV Building	Unfunded						\$ 150,000		\$ 150,000
17	TV Bldg HVAC	Unfunded						\$ 15,000		\$ 15,000
	Police Department									
18	Upgrade Electric Service and Wiring	Facilities Streets and Parks Fund								\$ -
19	Update Emergency Operations Center (EOC)	Unfunded		\$ 250,000						\$ 250,000
20	Key Fob Lock System	Unfunded		\$ 35,000						\$ 35,000
21	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
	ADA Study									
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
	Subtotal Facilities		\$ 11,880	\$ 830,699	\$ 527,227	\$ 30,850	\$ 105,256	\$ 1,814,767	\$ -	\$ 3,320,679

	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
	PARKS									
1	Little Cottonwood Park Septic Tank Rehab	Unfunded					\$ 100,000			\$ 100,000
2	Laurel Park Restrooms	Park Development Fund								\$ -
3	Replace mesh around tennis court and add it to fence between Laurel field and church	Park Development Fund								\$ -
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								\$ -
7	Laurel Park Tennis Court Resurfacing	Park Development Fund								\$ -
8	Installation of ADA compliant bleachers at Laurel Park	Unfunded								\$ -
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								\$ -
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
	ADA Study									
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
	Subtotal Parks Funded		-	\$ -	\$ -	\$ -	\$ -	\$ -		
	Subtotal Parks Unfunded		\$ -	\$ 423,539	\$ 195,000	\$ 395,000	\$ 418,117	\$ 222,646	\$ -	\$ 1,654,302
			\$ 844,810	\$ 2,950,584	\$ 1,574,223	\$ 1,623,216	\$ 5,577,313	\$ 8,694,814	\$ 24,768,001	\$ 45,573,031

City of Los Alamitos

BUDGET STANDING COMMITTEE

AGENDA REPORT

MEETING DATE: June 3, 2020

ITEM NUMBER: 5B

To: Budget Standing Committee Members

Presented By: Craig Koehler, Interim Finance Director

Subject: Proposed Budget for Vehicle & Equipment Replacement Schedule

SUMMARY

Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2020-21.

RECOMMENDATION

Review and discuss the recommended Vehicle & Equipment Replacement Schedule for Fiscal Year 2020-21.

BACKGROUND

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.

DISCUSSION

During the months of April and May, the departments reviewed the inventory of vehicles and equipment. Based on this assessment, results are reflected in the Vehicle and Equipment Replacement Schedule (**Attachment 2**). The two Police vehicles were previously approved in Fiscal Year 2018-19 and carried over and re-budgeted for Fiscal year 2020-21. Based on the critical need for these safety vehicles, it is recommended that the following items be replaced/purchased for Fiscal Year 2020-21:

- **Police Vehicles (2)**
 1. 2014 Dodge Charger (Unit 48-2)
 - Mileage is at approximate 60,000, vehicle is inoperable

- Estimated replacement cost is \$39,000
 - **Previously approved, funds carried over from Fiscal Year 2018-19**
2. 2013 Dodge Charger (Unit UM-1Blu Chg)
- Mileage is at 90,351, estimated replacement cost is \$37,000
 - **Previously approved, funds carried over from Fiscal Year 2018-19**

In consideration of the overall budget constraints for FY2020-21, it is recommended that all other scheduled purchases/replacements for FY2020-21 be pushed back another budget year.

The two approved vehicles (Code Enforcement Dodge Charger, and RECVAN) that were budgeted in the current Fiscal Year 2019-20 are not reflected in the upcoming requests for Fiscal Year 2020-21, and are included as part of the Enterprise Lease Program. The Code Enforcement Dodge Charger is to be replaced by a Ford F150.

The two listed Police vehicles were previously approved and funded in Fiscal Year 2018-19. Since they have been carried over from Fiscal Year 2018-19, they are not included as new funding and there is no fiscal impact for Fiscal Year 2020-21.

There are also three remaining vehicles carried over from Fiscal Year 2018-19 totaling \$112,000 (listed as Police Pkg-1, Public Works PS7SPR, and PS8CNGPU), and funding has been carried over and included in future budget years. In addition \$35,000 was approved for funding by AQMD (Fund 23) in Fiscal 2019-20 and carried over for available funding in future years.

FISCAL IMPACT

The cost to replace the two Police vehicles requested is estimated at \$76,000. Since the funding was carried over from Fiscal year 2018-19, there will be no fiscal impact to Fiscal Year 2020-21. If the Police vehicles are replaced as recommended, they will be funded by Fund 50 – Vehicle & Replacement Fund.

Submitted by: Craig Koehler, Interim Finance Director
 Approved by: Chet Simmons, City Manager

- Attachments:*
1. *Vehicle & Equipment Replacement Policy*
 2. *2020 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.

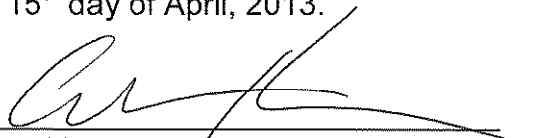
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:

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

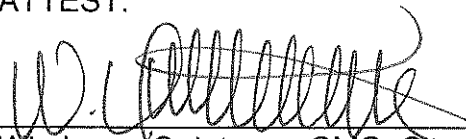
SECTION 2. The City Council hereby approves the attached Vehicle/Equipment Replacement Policy (Exhibit A).

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

PASSED, APPROVED, AND ADOPTED this 15th 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)

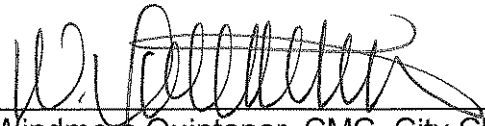
I, Windmera Quintanar, CMC, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council held on the 15th day of April, 2013, by the following vote to wit:

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 1st 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>
Law Enforcement	
• 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
Administrative – Passenger	10 yrs./90,000 miles
Light Duty Trucks	
• Sports Utility	10 yrs./90,000 miles
• Pickup & 4 x 4	10 yrs./95,000 miles
Medium & Heavy Duty Trucks	15 yrs./100,000 miles
Miscellaneous Equipment	
• 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.

Vehicle & Equipment Replacement Schedule

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					
POLICE														
522	48-1	1GNLCDECSJR182930	Chevy	Tahoe	2018	42,368	5	52,000	2022-23					52,000
522	48-2	2C3CDXATXEH350827	Dodge	Charger	2014	35,000	4	39,000	2017-18					
522	48-3	2C3CDXAT7GH188335	Dodge	Charger	2016	35,000	4	39,000	2019-20	3	39,000			
522	48-4	2C3CDXAT6HH608717	Dodge	Charger	2017	36,712	4	39,000	2021-22					
522	48-5	2C3CDXATXHH608719	Dodge	Charger	2017	36,712	4	39,000	2021-22					
522	48-6	2C3CDXAT8HH608718	Dodge	Charger	2017	36,712	4	39,000	2021-22					
522	48-7	2C3CDXAT5GH188334	Dodge	Charger	2016	35,000	4	39,000	2019-20	2				
522	48-SRO	2C3CDXATXCH287838	Dodge	Charger	2012	35,000	4	39,000	2015-16	2				
528	Motorcycle	JH2SC5156DK100046	Honda	Motor	2014	26,993	4	31,000	2017-18	2				
528	Pkg-1							35,000						
528	Pkg-2	2B3LA43H08H314565	Dodge	Charger	2008	35,000	5	37,625	2012-13	2				
523	UM-1/Blu Chg	2C3CDXAT1DH560506	Dodge	Charger	2013	35,000	5	37,000	2016-17	3				
523	UM-2/Chg HPU	3GCUCUEJ6DG148222	Chevy	1500HYB	2013	42,331	5	46,225	2017-18	2	37,000			
523	UM-3/Jeep Ch	1C4RJEAGXFC836435	Jeep	Cherokee	2015	35,168	5	37,625	2019-20	2				
521	UM-4/Siv Chg	2C3CDXAT1HH649384	Dodge	Charger	2017	27,017	5	37,625	2022-23				37,625	
521	UM-5/Siv Dur	1C4SDJFT4HC921605	Dodge	Durango	2017	36,274	5	37,500	2022-23					37,500
521	UM-6/Blk Dur	1C4SDJFT6HC921606	Dodge	Durango	2017	36,274	5	37,500	2022-23					37,500
524	Supp-1	1GNLC2E07CR190184	Chevy	Tahoe	2012	38,847	5	45,000	2016-17	2				
522	Supp-3/Recruitment	2C3CDXAT4CH287835	Dodge	Charger	2012	35,743	4	37,100	2015-16					
PUBLIC WORKS														
TRUCKS														
542	PS1	1FTBF2A66CEC99622	Ford	F250	2012	30,630	10	34,000	2021-22					
543	PS2	1FTBF2A68CEC99623	Ford	F250	2012	30,630	10	34,000	2021-22					
543	PS3IRR	1FDWFF30599EA32799	Ford	F350	2008	45,000	10	46,000	2017-18					
543	PS4STK	1FDWFF36YX9EA32800	Ford	F350	2008	45,000	10	46,000	2017-18	2				
542	PS6MEC	1GCGC24R8XR710246	Chevy	2500	1999	24,999	10	46,000	2008-09	2				
542	PS7SPR	1GCEC19R3W1108954	Chevy	1500	1997	24,899	10	38,500	2006-07	2				
542	PS8CNGPU	1GCHC24U87E177962	Chevy	2500	2007	48,911	10	38,500	2016-17	2				
543	PS5550	1FDAF56S73ED54609	Ford	F550	2003	63,000	15	71,175	2017-18					
542	PS10DMP	3FDNF65222MA16634	Ford		2002	65,000	15	74,625	2016-17					
542	PS11BOOM	1FDXF46S24ED66432	Ford	F450	2004	67,398	15	95,000	2018-19					
533	Code Enforcement	2C3CDXAT6H261737	Dodge	Charger	2012	35,000	10	37,000	2016-17		37,000			
EQUIPMENT														
544	Floor Machine	351012080Z544	Adfinity	20R Ecoflex	2012	6,500	5	9,100	2016-17		9,100			
542	Concrete Mixer	MHZ5430	MQ Whiteman		2001	5,000	10	5,000	2011-12					
542	1250 Balancer	SN 0807303517	Coats		2009	5,598	10	7,300	2019-20					
542	Scan TL Part 700-7108	C1VCGM3908002579OT			2009	5,386	10	6,000	2019-20					
546	Light Tower	G4500031	MultiQuip	2400W	2019	10,506	10	11,000	2029-30					
543	Dual Equip Trailer	4ZCLT2020E1063033	LOAD TRAIL		2014	5,194	20	6,890	2033-34					
542	Press. Washer Trl	1W9DC061XK1063087	FMC/Los AL PW		2013	5,000	20	5,000	2032-33					
543	knife aerator	92141490005	Aerway		2014	9,908	15	11,250	2028-29					
543	72" ride on mower	6310544	Grasshopper		2012	14,604	15	15,375	2026-27					
546	Turf Tiger 72" ride-on mower	FM0700105	Yamada	STTII-72V-26CH	2018	12,229	10	16,000	2029-30					
542	Bobcat	502422578	Bobcat Corp.		1986	20,000	25	40,000	2010-11	2				
543	turf vacuum	G1602	Smithco	Sweep Star 60	2003	24,545	15	24,545	2017-18	2				
543	turf Tractor	M-Y3702	Massey Ferguson		2003	17,186	25	20,250	2027-28					
542	Striping machine	BA2091	Graco		2005	11,865	25	14,000	2029-30					
542	Crack Sealer Trl	1C9EP1226T1418200	Crafco		1996	30,169	20	32,500	2015-16	2				
546	Tack Sprayer Trl	198587	Lee Boy	Leeboy L150T	2018	12,856	10	14,000	2029-30					
542	BACK HOE	JJG0232727	Case		1996	56,015	25	59,000	2020-21					

Vehicle & Equipment Replacement Schedule

UNIT #/ ID	VIN #/SERIAL #	MAKE	MODEL	YEAR	PURCHASE COST	TARGETED REPLACEMENT CYCLE (YEARS) ¹	ESTIMATED REPLACEMENT COST	POLICY REPLACEMENT YEAR	ESTIMATED REPLACEMENT YEAR	2019-20	2020-21	2021-22	2022-23	2023-24 and Beyond	
RECREATION															
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	
CABLE TV															
511	Los AI TV	1FTEE14Y1THA31907	Ford	E150	1995	11,840	10	28,750	2004-05	2020-21	28,750				
							Vehicles	1,428,000		Vehicles	74,000	0	794,000	117,625	403,375
							Equip	297,210		Equip	9,100	0	161,045	13,300	113,765
							Total	1,725,210		Total	83,100	0	955,045	130,925	517,140

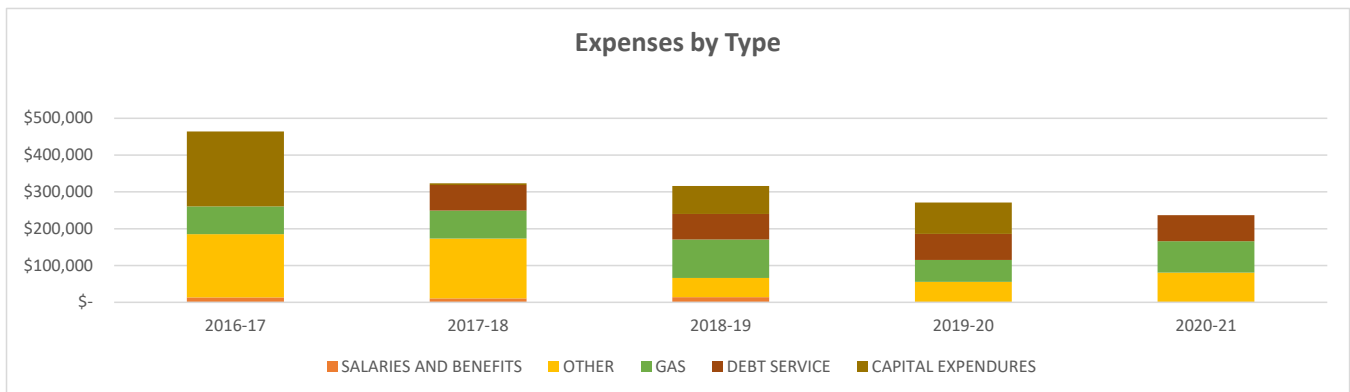
Enterprise lease program
 Funding approved 2018-19, c/o to 2019-20/2020-21

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 - Vehicles have not been purchased as of May 7, 2020 however funds will be available from Fiscal Year 2018-19 and Fiscal Year 2019-20 to be carried forward to purchase in Fiscal Year 2020-21, if not purchased by June 30, 2020.

Account Description	Type	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Projected	2020-21 Prelim Budget
REVENUES						
GENERAL FUND CHARGES/TRANSFERS	INTERNAL SVC FUND CHGS	404,026	404,026	304,026	304,026	304,026
CAPITAL LEASE PROCEEDS	MISC REVENUE	189,676	79,473	-	-	-
SALE OF PROPERTY	MISC REVENUE	-	18,590	-	-	-
INSURANCE REIMBURSEMENT	MISC REVENUE	27,306	1,926	-	-	-
DAMAGE TO CITY PROPERTY	MISC REVENUE	-	1,174	-	69	-
TOTAL REVENUES		621,008	505,189	304,026	304,095	304,026
EXPENSES						
SALARIES - FULL TIME	SALARIES AND BENEFITS	11,565	-	-	-	-
UNIFORM ALLOWANCE	SALARIES AND BENEFITS	25	-	-	-	-
MEDICARE	SALARIES AND BENEFITS	299	-	-	-	-
RETIREMENT	SALARIES AND BENEFITS	424	10,550	13,885	-	-
HEALTH INSURANCE	SALARIES AND BENEFITS	1,222	-	-	-	-
LIFE INSURANCE	SALARIES AND BENEFITS	12	-	-	-	-
DISABILITY INSURANCE	SALARIES AND BENEFITS	25	-	-	-	-
SUPPLIES	OTHER	13,718	5,109	10,610	6,207	17,000
UNIFORMS	OTHER	260	-	-	-	-
INSURANCE	OTHER	6,995	5,357	4,136	-	-
AUTO PARTS - POLICE	OTHER	6,065	3,158	8,035	21,988	10,000
AUTO PARTS-OTHER	OTHER	379	116	-	-	1,500
AUTO PARTS-PW	OTHER	8,287	7,895	2,904	3,299	10,000
AUTO PARTS-RECREATION	OTHER	-	-	-	58	500
OUTSIDE SERVICES-OTHER VEHICLE	OTHER	7,584	2,880	393	160	3,000
OUTSIDE SERVICES-PD	OTHER	21,558	26,554	19,997	17,082	26,000
OUTSIDE SERVICES-PW	OTHER	4,419	9,661	3,444	4,131	10,000
OUTSIDE SERVICES-REC	OTHER	1,042	777	700	1,188	1,000
TECHNOLOGY INTRNL SRVC CHG	OTHER	1,865	4,103	1,865	1,600	1,600
DEPRECIATION EXPENSE	OTHER	99,206	97,479	-	-	-
GASOLINE	GAS	73,105	75,551	104,339	59,437	83,000
NATURAL GAS	GAS	2,525	274	139	-	2,500
CAPITAL LEASE INTEREST	DEBT SERVICE	-	3,772	2,539	2,536	2,536
CAPITAL LEASE PRINCIPAL	DEBT SERVICE	-	65,661	66,872	68,105	68,105
VEHICLE/EQUIPMENT PURCHASES	CAPITAL OUTLAY	203,435	4,607	-	9,138	-
VEHICLE CARRYFORWARD		77,000	-	76,000	76,000	-
TOTAL EXPENDITURES		464,015	323,505	315,858	270,929	236,741
BEGINNING BUDGETARY FUND BALANCE AT JULY 1		104,672	261,665	443,350	431,518	464,684
ENDING BUDGETARY FUND BALANCE AT JUNE 30		261,665	443,350	431,518	464,684	531,969



City of Los Alamitos

BUDGET STANDING COMMITTEE

AGENDA REPORT

MEETING DATE: June 3, 2020

ITEM NUMBER: 5C

To: Budget Standing Committee Members

Presented By: Craig Koehler, , Interim Finance Director

Subject: FY 2020-2021 General Fund Budget Gap Measures

SUMMARY

Staff will discuss options for closing the Fiscal Year 2020-2021 General Fund budget gap with the Budget Standing Committee. On May 18, 2020, the preliminary budget for Fiscal Year 2020-21 General Fund reported a \$1,347,073 budget gap deficit. At this time, staff will discuss budget gap measure options to close the budget gap deficit for Fiscal Year 2020-21.

RECOMMENDATIONS

1. Review Potential General Fund Gap Closures for Budget Fiscal Year 2020-2021; and,
2. Direct staff regarding modifications to the Preliminary Budget for Fiscal Year 2020-2021.

BACKGROUND

Staff has been meeting with the Budget Standing Committee regularly to discuss closing the gap for the upcoming year 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 May 18, 2020, staff reported on the preliminary projected General Fund budget for Fiscal Year 2020-2021, including an initial budget gap of \$1,347,073. The deficit is consistent with the long range model that has been updated to reflect significant decrease in revenues as a result of the pandemic, federal and state regulatory changes, and other budgetary actions already taken to offset some of the losses. In addition to the projected decrease in revenues, there are also projected increases in expenditures, primarily due to salaries and benefits.

DISCUSSION

On May 18, 2020, staff discussed options and received direction for closing the budget gap with Council. The proposed options include organizational restructuring of the Development Services and Recreation Departments, freezing vacant positions, and other cost savings. The following items alter the Fiscal Year 2020-2021 expenditure budget:

	Projected 2020/2021 Budget Shortfalls	\$ 1,347,073	\$ 1,347,073
I.	Restructure of Development Services & Recreation Departments	\$ (201,251)	\$ (201,251)
	Development Services Department		
	Deputy City Manager to be Acting DS Director		
	Eliminate Interim DS services contact		
	Recreation Department		
	Rec Manager to Acting Rec Director		
	Eliminate rec manager position (1)		
II.	Frozen Positions		\$ (1,066,645)
	Police Department		
	Corporal	\$ (195,951)	
	Corporal	\$ (195,951)	
	Corporal	\$ (195,951)	
	Duties & shifts assigned to current officers		
	Finance Department		
	Part Time (1)	\$ (66,976)	
	Reassign workload to current staff		
	supplement with contract help, if needed		
	City Clerk's Office		
	Part Time (1)	\$ (23,400)	
	Reassign need workload to (2) P/T Receptionists		
	Recreation Department		
	Rec Supervisor Position	\$ (116,786)	
	Part Time (2)	\$ (48,000)	
	Public Works Department		
	Eliminate Lead Foreman Position	\$ (137,562)	
	Reassign workload to one Foreman Position		
	Development Services		
	Code Enforcement Officer	\$ (86,068)	
III.	Furlough & Other Cost Savings		\$ (54,637)
	Non-safety personnel: 5% reduction for 6 months	\$ (54,637)	
	Perviously Implemented Part Time Staff Reductions		
	Other Salary Savings: staggered hiring	\$ (29,064)	
	part-time reduction	\$ (10,000)	\$ (39,064)
	Remaining Budget Gap - Surplus	\$ (14,524)	\$ (14,524)

There may be additional options and realistic scenarios that will close the Fiscal Year 2020-21 budget, however the most likely scenarios available at this time are presented and included in the Fiscal Year General Fund Budget for 2020-21. If the Budget Standing Committee approves staff's recommendations included in this report to close the General Fund budget gap, then the FY 2020-2021 General Fund Preliminary Budget will be balanced with a projected \$14,524 surplus.

FISCAL IMPACT

The Fiscal Year 2020-2021 preliminary budget presented an initial budget gap of \$1,347,073 on May 18, 2020. If the options discussed in this report are approved, the Fiscal Year 2020-21 General Fund Budget will be balanced.

Submitted by: Craig Koehler, Interim Finance Director
Approved by: Chet Simmons, City Manager

City of Los Alamitos

BUDGET STANDING COMMITTEE

AGENDA REPORT

MEETING DATE: June 3, 2020

ITEM NUMBER: 5D

To: Budget Standing Committee Members

Presented By: Craig Koehler, Interim Finance Director

Subject: Other Funds' Budget Update Fiscal Year 2020-21

SUMMARY

Staff has discussed the General Fund and CIP Budgets for the Fiscal Year 2020-21. This report updates the Budget Standing Committee 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 2020-21.

BACKGROUND

Staff has been meeting with the Budget Standing Committee to update the Committee on the Fiscal Year 2020-21 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:

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

Four (4) Special Revenue Funds (CDBG, Gas Tax, Measure M, and Los Alamitos Television) and one Internal Service Fund (Self Insurance) are discussed in the 7-Year

Capital Improvement Program (CIP) report, since the funds are used to fund capital projects for Fiscal Year 2020-21. Staff is providing the Budget Standing Committee with detail of proposed revenue and expenditures for the remaining funds.

Special Revenue Funds:

Fund	Projected Fund	2020-21		Projected Fund
	Balance as of July 1, 2020	2020-21 Revenues	Transfers/ Expenditures	Balance as of June 30, 2021
PSAF (21)	\$ 4,980	\$ 105,300	\$ 110,000 *	\$ 280
SLESF (22)	112,055	131,500	140,000 *	103,555
AQMD (23)	106,658	15,550	-	122,208
Asset Seizure (27)	16,954	500	-	17,454
Office of Traffic Safety (29)	44,316	10,100	5,000 *	49,416
Total	\$ 284,963	\$ 262,950	\$ 255,000	\$ 292,913

The Public Safety Augmentation Fund (PSAF) and Supplemental Law Enforcement Services Fund (SLESF) include transfers of \$110,000 and \$140,000, respectively to fund the General Fund for police-specific programs that are specified through the special revenue purpose. The transfer amounts were included in the Preliminary Budget.

AQMD (23) and Asset Seizure (27) have no expenditures budgeted for Fiscal Year 2020-21.

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 \$10,100 in revenues for Fiscal Year 2020-21. The transfer amount has been included in the Preliminary Budget.

Debt Service Fund:

Fund	Projected Fund Balance as of July 1, 2020	2020-21		Projected Fund Balance as of June 30, 2021
		Transfers In From General Fund	2020-21 Expenses	
Debt Service Fund (31)	\$ 3,617	\$ 208,100	\$ 206,825	\$ 4,892

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. \$206,825 has been budgeted for debt service (principal and interest expense) in Fiscal Year 2020-21, which is funded from a transfer from the General Fund.

Capital Projects Funds:

Fund	Projected Fund Balance as of July 1, 2020	2020-21 Revenues/ Transfers In	2020-21 Expenses	Projected Fund Balance as of June 30, 2021
Residential Street (24)	\$ 6,594	\$ 90	\$ -	\$ 6,684
Building Improvement (25)	133,695	200	-	133,895
Park Development (40)	487,862	5,000	248,402	244,460
Traffic Improvement (44)	23,923	1,000	-	24,923
	\$ 652,074	\$ 6,290	\$ 248,402	\$ 409,962

The projected fund balances as of June 30, 2021 for Residential Street Fund (24), Building Improvement (25) Park Development (40) and Traffic Improvement (44) Funds are \$6,684, \$133,895, \$244,460 and \$24,923, respectively. There are no new proposed project expenditures for the these funds for Fiscal Year 2020-21.

Internal Service Funds:

Fund	Projected Fund Balance as of July 1, 2020	2020-21 Revenues/ Transfers In	2020-21 Expenses	Projected Fund Balance as of June 30, 2021
Police Capital (51)	\$ 103,236	\$ 40,000	\$ -	\$ 143,236
Facility Street Park (52)	616,577	40,000	142,000	514,577
Technology Replacement (53)	214,414	160,000	305,000	69,414
Self-Insurance (54)	453,011	621,000	762,000	312,011
Total	\$ 1,387,238	\$ 861,000	\$ 1,209,000	\$ 1,039,238

On September 17, 2018, Council approved \$40,000 to be an annual allocation from the General Fund to the Police Capital Fund (51). There are no proposed expenditures for Fund 51 for Fiscal Year 2020-21. The Facility Street Park Fund (52) receives a transfer from the General Fund of \$40,000. There are no proposed project expenditures for Fund 52 for Fiscal Year 2020-21.

The Technology Replacement Fund (53) provides funding for ongoing technology upgrades and replacements. Charges to city departments for the 2020-21 fiscal year total \$160,000. 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 \$762,000 include insurance premiums, third-party administration fees, actuarial services, training costs and estimated claim and worker's compensation expenses.

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.

Fund	Projected Fund Balance as of July 1, 2020	2020-21 Revenues	2020-21 Transfers/ Expenditures	Projected Fund Balance as of June 30, 2021
PSAF (21)	\$ 4,980	\$ 105,300	\$ 110,000 *	\$ 280
SLESF (22)	112,055	131,500	140,000 *	103,555
AQMD (23)	106,658	15,550	-	122,208
Residential Street (24)	6,594	90	-	6,684
Building Improvement (25)	133,695	200	-	133,895
Asset Seizure (27)	16,954	500	-	17,454
Office of Traffic Safety (29)	44,316	10,100	5,000 *	49,416
Debt Service (31)	3,617	208,100	206,825	4,892
Park Development (40)	487,862	5,000	248,402 #	244,460
Traffic Improvement (44)	23,923	1,000	-	24,923
Police Capital (51)	103,236	40,000	-	143,236
Facility Street Park (52)	616,577	40,000	142,000 #	514,577
Technology Replacement (53)	214,414	160,000	305,000 #	69,414
Self-Insurance (54)	453,011	621,000	762,000	312,011
Total	\$ 2,327,892	\$ 1,338,340	\$ 1,919,227	\$ 1,747,005

* Transfers out to the General Fund

Includes project funding carryover from 2019-20

Submitted by: Craig Koehler, Interim Finance Director
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