

CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90720

AGENDA BUDGET STANDING COMMITTEE SPECIAL MEETING

Thursday, June 7, 2021 – 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 7, 2021 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: 828 3151 8353. 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). 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

Mayor Chirco
Mayor Pro Tem Hasselbrink

3. CONSENT CALENDAR

A. Approval of Minutes

Approve the Minutes of the Special Meeting on May 6, 2021.

4. DISCUSSION ITEM

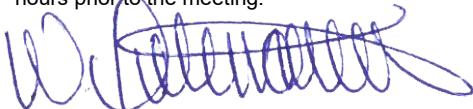
A. Follow-Up Discussion for Preliminary Budget for Fiscal Year 2021-22 and Fiscal Year 2022-23

This report provides additional information in connection with the preliminary budget for the Fiscal Year 2021-22 and Fiscal Year 2022-23.

Recommendation: Review and discuss additional information in connection with the preliminary budget for Fiscal Year 2021-22 and Fiscal Year 2022-23, and provide direction to staff.

5. ADJOURNMENT

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



Windmera Quintanar, MMC, City Clerk

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

SPECIAL MEETING

Thursday May 6, 2021 – 5:00 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 5:00 p.m., Thursday, May 6, 2021, via video conference, Mayor Chirco and Mayor Pro Tem Hasselbrink presiding.

2. ROLL CALL

Present: Committee Members: Mayor Chirco
Mayor Pro Tem Hasselbrink

Absent: Committee Members: None

Present: Staff: Chet Simmons, City Manager
Craig Koehler, Interim Finance Director
Windmera Quintanar, MMC, City Clerk

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 March 10, 2021.

4. DISCUSSION ITEMS

A. Financial Projection for Fiscal Year 2021-22 and Fiscal Year 2022-23

The Budget Standing Committee received the preliminary budget for Fiscal Year 2021-22 and Fiscal Year 2022-23.

The Committee requested follow-up information to be brought back at the next meeting on PERS, Police services for motor and bicycle patrols, homeless shelters, and a review of the savings with self-insurance.

5. ADJOURNMENT

The meeting adjourned at 6:20 p.m.

Craig Koehler, Interim Finance Director

City of Los Alamitos

BUDGET STANDING COMMITTEE

AGENDA REPORT

MEETING DATE: June 7, 2021

ITEM NUMBER: 4A

To: Budget Standing Committee Members

Presented By: Craig Koehler, Interim Finance Director

Subject: Follow-Up Discussion for Preliminary Budget for Fiscal Year 2021-22 and Fiscal Year 2022-23

SUMMARY

This report provides additional information in connection with the preliminary budget for the Fiscal Year 2021-22 and Fiscal Year 2022-23.

RECOMMENDATION

Review and discuss additional information in connection with the preliminary budget for Fiscal Year 2021-22 and Fiscal Year 2022-23, and provide direction to staff.

BACKGROUND

Staff met with the Budget Standing Committee on May 6 and presented the preliminary budget for Fiscal Year 2021-22 and Fiscal Year 2022-23. The same report was provided to Council on May 17. Staff has been meeting individually with Council members, as well as the Planning, Traffic, and Recreation Commissions in order to solicit additional input regarding specific areas of focus within the proposed budget.

In anticipation of budget adoption at the June 21 Council meeting, this meeting is to provide the Budget Standing Committee with additional information as requested from the May 6 Budget Standing Committee meeting and May 17 Council meeting, and feedback from the meetings with Council Members and the Commissions.

DISCUSSION

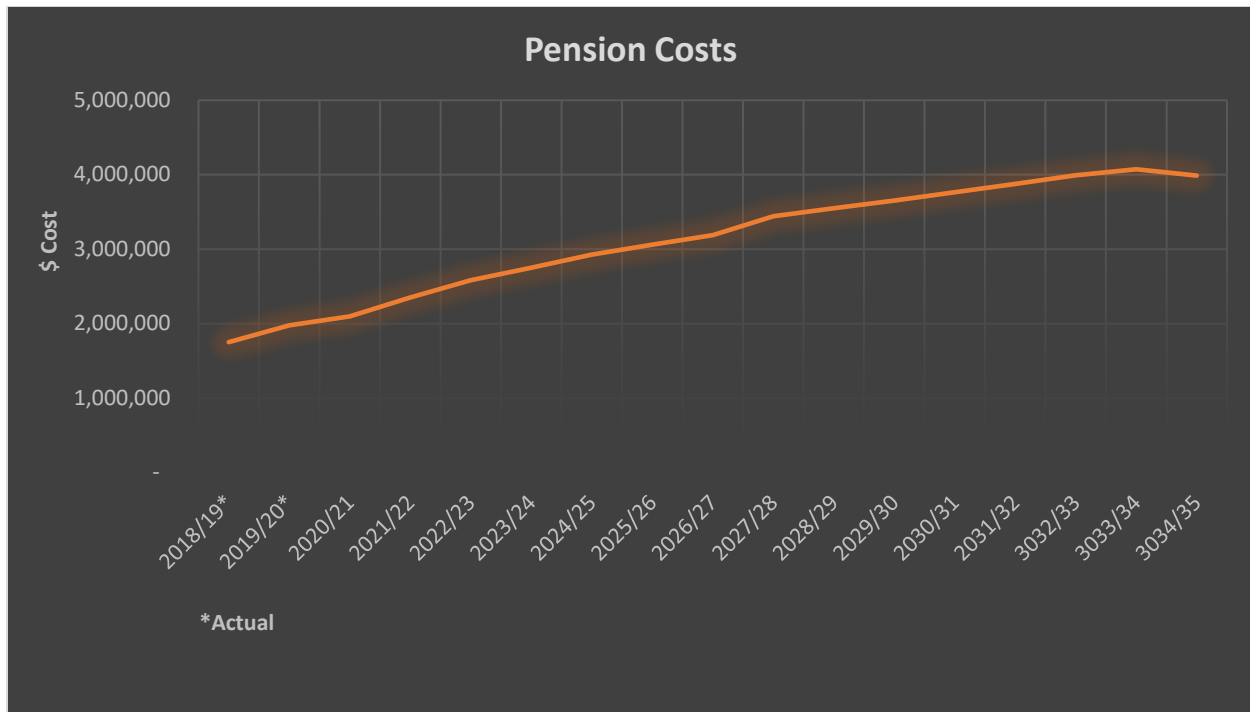
As requested, the following additional information is presented for consideration:

PERS Costs

Pension costs continue to be a major part of the City's employee and benefit costs and represent 48% of the total employee costs. The City is projected to pay \$2,352,638 to CalPERS in Pension Costs for FY21-22, which includes the UUAL payment of \$1,677,621. This is an overall increase of \$243,386, or 17%, from prior year FY20-21 UAL cost of \$1,434,235. As in prior years practice, Finance is recommending to pay the

UAL in one lump sum payment, with a projected cost savings of \$58,804, or approximately 3%. The projected pension cost for FY22-23 is approximately \$2.6 million, which will be an increase of approximately \$232,000 compared to FY21-22. This increase is being driven by a number of factors, but most notably the efforts to shorten the event horizon of amortizing the portfolio gains/losses from 30 years to 20 years.

The graph below illustrates the historical recorded and projected pension costs forecasted over the next several years. Beginning in FY34-35, pensions costs are forecasted to decline as a result of a reduction in UUAL and total overall projected pensions costs.



In reviewing various ways to address rising pension costs and unfunded liability, Finance has provided additional background information for consideration.

One potential way to address rising pension costs would be to accelerate payments, making payments over a shorter time period thereby reducing the liability, and bring the funding ratio closer to a targeted percentage of funding. The current funding ratios as of June 30, 2019 actuarial valuation report (July 2020), are: PEPRA-Miscellaneous 90.3%, Safety 71.3%, Miscellaneous 68.5%, and PEPRA-Safety 86.9%, for a blended average of 79.3%.

In September 2013, the Board of Directors of OCFA approved several strategies to accelerate OCFA’s UAAL with OCERS, and was referred to as the “Snowball Plan”, and later revised in November 2015 to include using unencumbered fund balance available at the close of each fiscal year to make annual lump sum payments, and also budgeting an additional amount that increased annually. A similar plan could also be implemented for Los Alamitos. Shown below is a table representing estimates for accelerated payoff scenarios for the City’s four plans.

ESTIMATE OF EARLY PAYOFF		PEPRA-Misc	SAFETY	MISC	PEPRA-Safety	Annual Costs
20 Years	Normal Cost		330,268	245,362	71,552	
	UAL		875,353	796,693	2,913	
	ADP		<u>214,830</u>	<u>151,505</u>	<u>2,188</u>	
	Total		1,420,451	1,193,560	76,653	2,690,664
15 Years	Normal Cost	27,835	330,268	245,362	71,552	
	UAL	2,662	875,353	796,693	2,913	
	ADP	<u>430</u>	<u>392,711</u>	<u>306,219</u>	<u>3,020</u>	
	Total	30,497	1,598,332	1,348,274	77,485	3,054,588
10 Years	Normal Cost	27,835	330,268	245,362	71,552	
	UAL	2,662	875,353	796,693	2,913	
	ADP	<u>1,348</u>	<u>769,024</u>	<u>633,522</u>	<u>4,781</u>	
	Total	31,845	1,974,645	1,675,577	79,246	3,761,313
5 Years	Normal Cost	27,835	330,268	245,362	71,552	
	UAL	2,662	875,353	796,693	2,913	
	ADP	<u>4,207</u>	<u>1,941,442</u>	<u>1,653,245</u>	<u>10,266</u>	
	Total	34,704	3,147,063	2,695,300	84,731	5,961,798

Note that the calculations and estimates above are based on the projected Unfunded Accrued Liability as of June 30, 2021 as determined in the June 30, 2019 valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions and actuarial experience different than assumed. Making an additional discretionary payment (ADP) for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

In addition to accelerated payments, or a “Snowball Plan”, other funding methods could include the addition of an Internal Revenue Service Section 115 Trust, to set aside additional restricted funding for future pension obligations.

Police Bicycle and Motor Patrols

Bicycle

Bicycle patrols are conducted by teams comprised of two officers. For adequate coverage and availability of officers for deployment, the City would need to train and outfit a total of six officers. Officers approved for a bicycle patrol assignment must first complete a weeklong POST approved bicycle patrol training program. An implementation timeline for this program is to be determined, as there are currently no classes scheduled due to the pandemic. The Police Department will continue to monitor POST and pursue the first available class when available.

The cost of a mountain bike typically used for bicycle patrol, bike patrol specific uniforms, and bicycle outfitting is estimated at \$1,800 per officer. The cost of the most recent class offered was \$335 per officer. The total estimated costs for six officers are \$12,810. This does not include ongoing maintenance costs.

Motorcycle Officer

The estimated cost of a properly outfitted police motorcycle is \$35,000. Uniform and safety equipment is estimated at \$3,000. There is a 5% specialty pay tethered to the assignment. Implementation will be driven by Police Department staffing levels. While there are a number of factors that will impact the City's ability to reach a full complement of officers, it is anticipated that the Police Department could reach this point within 22-months of approval. As a motorcycle officer could be used to supplement general patrol, a selection could be made prior to being fully staffed, conservatively within 12 months. There are similar challenges with the availability of training which involves an 80-hour POST approved motorcycle officer class. This class is typically \$1,000 per student. There are also ongoing maintenance and training costs associated with the position.

Homeless Shelters

In an effort to comply with a Federal Mandate as well a recent case law, Martin vs. Boise (2018), the North Orange County Service Planning Area ("North SPA") has been collaborating on a regional approach to address homelessness in the North Orange County. The North SPA is comprised of the Cities of: Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Los Alamitos, Orange, Placentia, Stanton, Villa Park, and Yorba Linda. The North SPA has opened two Navigation Centers, one in Buena Park and one in Placentia, to serve the North Orange County homeless population.

The Navigation Centers not only provide housing for those experiencing homelessness, but also provide health resources, job and social skills, and opportunities to reunite with family and friends. The Navigation Centers' goal is to integrate North Orange County's homeless to become productive members of society while decreasing the number of homeless individuals in public areas. With the Memorandum of Understanding (MOU) between the cities in North SPA, Los Alamitos' contributive share of costs are 1.95%.

In FY 19-20, the centers operated for half a year, resulting in a funding credit being issued which was applied to the FY20-21 budget. As a result, the City's program cost for FY20-21 was \$8,206. A funding estimate for the City's proportional share in the amount of \$31,000 has been budgeted for FY21-22.

In addition to access to these facilities, the City is always looking for ways to continue to improve upon service delivery in this space. The Police Department recently began using a new program called Be Well OC. This program, which focuses on effective de-escalation tactics and efficient processing was recently highlighted in a case where a homeless woman brandishing a weapon was disarmed without incident and was taken to a Be Well OC facility for treatment. Realizing the value of this resource is, Los Alamitos reached out to their director and solidified this as an option for Los Alamitos to utilize. This

partnership has already proven extremely effective, as it recently took our HLO Officer only 10 minutes to process and admit a homeless person from a recent incident in Los Alamitos. This is vast improvement in efficiency as mental health and under the influence holds have historically taken hours to process depending on the hospital or facility being utilized. By utilizing Be Well OC, it enables the City's officers to return the city and be back on patrol in record time.

Self-Insurance

Prior to 2016, the City was a member of the California Joint Powers Authority (CJPIA). For Fiscal Year 2015-16, the City elected to be self-insured and no longer participating as a member of CJPIA. With that, a new fund was created, Self-Insurance Trust Fund (Fund 54), and was funded with a one-time transfer of \$350,000 transfer from the General Fund for future potential claim reserves. The fund is used to account for the operations of the City's self-insured workers' compensation, general liability and property insurance programs.

The expenditure budget consists of amounts appropriated for insurance premiums, third-party administration fees, actuarial services, training costs and estimated claims expense, which is funded from an annual operating transfer of \$660,000 estimated for FY21-22. Prior to the move to become self-insured, the City's annual costs to CJPIA were approximately \$810,000 in June 2015. By applying CPI inflation factors, CJPIA costs in today's dollars would be approximately \$908,000. The election to become self-insured remains valid today, as the potential savings over participation in CJPIA exceeds \$240,000.

Staffing Timeline

The timeline for staffing and recruitment for vacant and additional proposed positions varies depending upon the position and the department. A typical recruitment for non-safety positions could take up to 90 days. For safety positions, recruitment could be much longer, and as long as 22 months to be at full staffing complement.

ARPA Stimulus Funding

The American Rescue Plan Act (ARPA) became law on March 11, 2021. For the first time, all 19,000 municipal governments are entitled to a direct, non-competitive deferral formula grant from the U.S. Treasury Department. The \$360 billion in funding is broken down as follows: State Governments \$195.3 billion, Tribal Governments \$20 billion, and Local Governments \$130.2 billion split evenly between municipal governments and county governments. The grant calculations are based on a Modified CDBG formula, with 30% of funds, or \$19.5 billion obligated to cities with less than 50,000 residents. There is also a cap in that the grants cannot exceed 75% of the City's most recent pre-pandemic budget. The funding is scheduled to flow from the federal government to each state, to be further distributed to local cities.

The estimated funding for the City is \$2.1 million, to be distributed in 2 tranches, one-half following enactment, and the remainder 12 months following receipt of the initial payment. The funding remains available for spending until December 31, 2024 and unexpended funds must be returned to the U.S. Treasury. Although final guidance has not yet been

released, an Interim Final Rule providing guidance has been released and provides an outline and guidelines for eligible uses:

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
3. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

Within these guidelines, the City could consider additional qualified expenditures for additional CIP infrastructure or other related qualified expenditures. Once further clarification from the U.S. Treasury is released, a formal spending plan can be prepared.

Fiscal Year 2021-22 and Fiscal Year 2022-23 Budget Overview

The new budget reflects 2 fiscal years. This is the first time the City has done a two-year budget, and will assist the City in focusing on long-term and strategic aspects of the budget that align with the FSP. As shown below, projected revenues for FY21-22 are \$18.9 million.

Revenue Summary	FY21-22 Preliminary
Property Taxes	\$ 4,584,079
Sales & Use Taxes	3,140,400
Measure Y Local Sales Tax	4,438,588
Utility Users Tax	2,009,900
Transit Occupancy Tax	180,670
Franchise Fees	667,836
License & Permits	1,705,903
Fines & Forfeitures	738,309
Investment Earnings	229,280
Revenue from Other Agencies	120,200
Charges for Current Services	620,903
Miscellaneous Revenues	68,000
Total Revenue	18,504,068
Interfund Transfers	375,000
Total Revenues and Transfers In	\$ 18,879,068

General Fund Projected Revenues

Fiscal Year 2021-22 projections by category are as follows:

- ❖ **Property Taxes** remain almost unaffected by the pandemic and the negative impact that it had on the economy. At the time of the lockdowns, most property tax bills for FY19-20 had already been paid. As a result, there was no noticeable increase in delinquency rates anywhere in the state. The assessed values for 2020-21 were established as of January 1, 2020 and were largely unaffected by the pandemic. Home sales declined by 30-40% in the second quarter of 2020 which impacted the amount of supplemental assessment revenue allocated to cities. The number of sales declined, however the sales prices of homes that did sell rose at rates greater than what was seen for sales in 2019.

According to a report from HdL dated April 21, California's median home price reached a new record high in March, up nearly 24% from the previous year. The statewide median home price increased to \$758,990, a 23.9% increase from \$612,440 in March 2020. The year-over-year improvement was the highest since October 2013. For Los Alamitos, the median home price was \$834,000 for the first quarter 2021.

The projection for property taxes for FY21-22 is \$4,584,079. Growth is projected to continue in secured property taxes and property tax in lieu of VLF. Real estate transfer and supplemental taxes have been budgeted to remain flat.

- ❖ **Sales & Use Taxes** are a reflection of a rebounding economy, mainly in building and construction and the state and county pools, which are attributable to the full implementation of Wayfair in 2019. According to the latest report from HdL, dated May 3, 2021, Sales & Use Taxes are projected to be \$3,140,400 for FY21-22 and reflect continued growth into the new budget years. The Governor's recent announcement of a State-wide reopening on June 15 is also expected to contribute to a faster recovery.

Measure Y Local Sales Tax was not enacted at the time the previous budget was prepared, but was successfully passed in November. Beginning in FY2021-22, the full allocation of the 1.5 percent local sales tax has been budgeted and is projected to exceed \$4 million per fiscal year.

- ❖ **Transient Occupancy Tax** projections does reflect the opening of the new hotel, Fairfield by Marriott, Inn & Suites, but overall business travel is predicted to be slow to rebound from the effects of the pandemic. A report from HdL dated March 17, is forecasting a 10% to 15% increase year-over-year beginning in FY21-22, and possibly as much as two to three years recovery to pre-Covid levels, depending on the geographic region.

- ❖ **Licenses & Permits** are projected to show modest growth of 2% to 3% increase year-over-year. HdL estimates it will be one to two years before a return to pre-Covid levels.
- ❖ **Fines & Forfeitures** are projected to increase for FY21-22 and are estimated to be back on track to meet pre-Covid levels in FY22-23.
- ❖ **Investment Earnings** are estimated to increase with a projected overall increase in the investment portfolio from additional revenue stream from Measure Y and Federal stimulus money beginning in FY21-22.
- ❖ **Charges for Services** from Recreation programs were significantly impacted by the pandemic. Although the projection for FY21-22 is estimated to reflect an improvement over the FY20-21, significant improvement will not be realized until Recreation programs and classes and have been fully restored and are able to accommodate pre-pandemic levels of participation.

General Fund Proposed Expenditures

The proposed expenditures represent a restructuring of the City's internal operations in order to meet the goals set forth in the FSP. As with any organization that has under gone more than ten years of cuts, there is a significant need to address the structural deficiencies within the organization in order to ensure the stability of operations and the ability to support the new goals and objectives of the City. While the proposed budget does envision returning position that were previously frozen or eliminated, it also re-orders the tasks and responsibilities of some positions to be able to effectively manage the proposed workloads. The table below reflects the Preliminary General Fund Budget for FY21-22 for department expenditures, including the additional staffing positions.

The proposed budget for FY21-22 reflects a healthy surplus and reserve levels going forward. The Fiscal Sustainability Pledge (FSP) served as the basis for the development of this year's budget.

As such, the proposed budget seeks to address the following issues:

- The City's need to develop an agile organizational structure that has the capacity to effectively address the service needs of our residents, while allowing for flexibility to address new challenges.
- Formalizing past restructuring efforts that have proven to be successful.
- Identifying and addressing the organizational deficiency that would hinder achieving the goals set forth in the FSP.
- Development of an aggressive Capital Improvement Plan aimed at protecting Los Alamitos residents' quality of life and ensuring the long-term viability of the City's infrastructure.

Department	FY21-22 Preliminary
City Council	\$ 66,895
Administration	1,051,340
Finance	725,906
City Attorney	176,000
Police	7,376,168
Development Services	3,577,574
Recreation	1,775,322
Non-Departmental	<u>608,223</u>
Total Expenditures	15,357,428
Interfund Operating Transfers Out	1,303,500
Total Operating Expenditures / Transfers Out	\$ 16,660,928

Proposed Staffing Changes

In order to provide a clear picture of the City's new staffing model, a reconciliation of full-time and part-time positions have been completed, reflecting positions from 2020, to current, including positions being proposed. The City had 51 full-time positions as of June 2020. Of those 51 positions, 5 were frozen as part of the measures to close a \$1.3 million budget gap for FY20-21. Looking forward, an addition of 5 full-time positions are being proposed for FY21-22, as well as adding back the 5 positions that were previously frozen, bringing the total full-time positions to 56.

Full Time Position Control

Department	June 2020 Projection	Current Full Time Positions	Proposed 21/22 Budget
Administration			
1	CITY MANAGER	CITY MANAGER	CITY MANAGER
2	CITY CLERK	CITY CLERK	CITY CLERK
3	EXECUTIVE ASSISTANT/BENEFITS	EXECUTIVE ASSISTANT/BENEFITS	EXECUTIVE ASSISTANT/BENEFITS
4			ADMIN. SERVICES MANAGER
Total Positions	3	3	4
Finance			
1	FINANCE DIRECTOR	INTERIM FINANCE DIRECTOR	FINANCE DIRECTOR
2	ACCOUNTANT	ACCOUNTANT	ACCOUNTANT
3	FINANCE ASSISTANT	FINANCE ASSISTANT	SR. FINANCE ASSISTANT* (reclass)
Total Positions	3	3	3
Development Services			
1	DEV SERVICES DIRECTOR	ACTING DEV SERVICES DIRECTOR	DEV. SERVICES DIRECTOR/DCM
2	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY
3	MANAGEMENT ANALYST	MANAGEMENT ANALYST	MANAGEMENT ANALYST
4	ASSOCIATE PLANNER	ASSOCIATE PLANNER	ASSOCIATE PLANNER
5	MAINTENANCE WORKER I	MAINTENANCE WORKER I	MAINTENANCE WORKER I
6	MAINTENANCE WORKER	MAINTENANCE WORKER	MAINTENANCE WORKER
7	MAINTENANCE WORKER	MAINTENANCE WORKER	MAINTENANCE WORKER
8	MAINTENANCE FOREMAN	MAINTENANCE FOREMAN	MAINTENANCE FOREMAN
9	SR. MAINTENANCE WORKER	SR. MAINTENANCE WORKER	SR. MAINTENANCE WORKER
10	MAINTENANCE WORKER	MAINTENANCE WORKER	MAINTENANCE WORKER
11	CODE ENFORCEMENT OFFICER	CODE ENFORCEMENT OFFICER	CODE ENFORCEMENT OFFICER* (under-fill)
12	LEAD FOREMAN	LEAD FOREMAN (frozen)	PUBLIC WORKS SUPERVISOR* (reclass)
13			DEVELOPMENT SERVICES MANAGER
14			MAINTENANCE WORKER
Total Positions	12	12 (1 Frozen)	14
Rec & Com Services			
1	RECREATION MANAGER	ACTING REC. SERVICES DIRECTOR	REC. SERVICES DIRECTOR
2	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY
3	RECREATION COORDINATOR	RECREATION COORDINATOR	RECREATION COORDINATOR
4	RECREATION SUPERVISOR	RECREATION SUPERVISOR (vacant)	RECREATION SUPERVISOR
5	RECREATION MANAGER	RECREATION MANAGER (frozen)	RECREATION MANAGER
6			REC. COORDINATOR / GRAPHICS
Total Positions	5	5 (1 Frozen)	6
Police Department			
1	POLICE CHIEF	POLICE CHIEF	POLICE CHIEF
2	POLICE CAPTAIN	POLICE CAPTAIN	POLICE CAPTAIN
3	POLICE CAPTAIN	POLICE CAPTAIN	POLICE CAPTAIN
4	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY
5	RECORDS SPECIALIST	RECORDS SPECIALIST	RECORDS SPECIALIST
6	RECORDS SPECIALIST	RECORDS SPECIALIST	RECORDS SPECIALIST
7	COMMUNITY LIAISON OFFICER	COMMUNITY LIAISON OFFICER	COMMUNITY LIAISON OFFICER
8	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
9	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
10	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
11	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
12	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
13	POLICE CORPORAL	POLICE CORPORAL	POLICE CORPORAL
14	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
15	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
16	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
17	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
18	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
19	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
20	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
21	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
22	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
23	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
24	POLICE OFFICER	POLICE OFFICER (vacant)	POLICE OFFICER
25	POLICE OFFICER	POLICE OFFICER (vacant)	POLICE OFFICER
26	POLICE CORPORAL	POLICE CORPORAL (frozen)	POLICE CORPORAL
27	POLICE CORPORAL	POLICE CORPORAL (frozen)	POLICE CORPORAL
28	POLICE CORPORAL	POLICE CORPORAL (frozen)	POLICE CORPORAL
29			SUPPORT SERVICES MANAGER
Total Positions	28 (24 Sworn/4 Non-Sworn)	28 (21 Sworn/4 Non-Sworn/3 Frozen)	29 (24 Sworn/5 Non-Sworn)
Full Time Grand Total	51	51 (5 Frozen)	56

Follow Up Discussion for Preliminary Budget for Fiscal Year 2021-22 and 2022-23
 June 7, 2021
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The City had 20 permanent part time positions as of June 2020. Of those 20 positions, 2 were frozen as part of the measures to close a \$1.3 million budget gap for FY20-21. Looking forward, an addition of 3 permanent part-time positions and 1 reclass are being proposed for FY21-22, as well as adding back the 2 positions that were previously frozen, bringing the total permanent part-time positions to 23.

PERMANENT PART-TIME POSITIONS 21/22		
Department	Current Part Time Positions	Proposed Part Time Positions 21/22 Budget
Administration		
1	RECEPTIONIST	RECEPTIONIST
2	RECEPTIONIST (VACANT)	RECEPTIONIST
3	CLERICAL ASSISTANT / CITY CLERK (frozen)	CLERICAL ASSISTANT / CITY CLERK
Total Positions	3 (1 Frozen)	3
Finance		
1	SPECIAL PROJECT COODINATOR (frozen)	SPECIAL PROJECT COODINATOR
Total Positions	1 (1 Frozen)	1
Development Services		
1	MAINTENANCE WORKER	MAINTENANCE WORKER
2	MAINTENANCE WORKER	MAINTENANCE WORKER
3	CODE ENFORCEMENT OFFICER	CODE ENFORCEMENT OFFICER
4	CODE ENFORCEMENT OFFICER	SR CODE ENFORCEMENT OFFICER (RECLASS)
		CODE ENFORCEMENT OFFICER
		CLERICAL ASSISTANT
		SPECIAL PROJECT COORDINATOR
Total Positions	4	7
Rec & Com Services		
1	COMMUNITY SERVICES COORDINATOR	COMMUNITY SERVICES COORDINATOR
2	RECREATION SPECIALIST	RECREATION SPECIALIST
3	COMMUNITY SERVICES COORDINATOR	COMMUNITY SERVICES COORDINATOR
4	RECREATION SPECIALIST	RECREATION SPECIALIST
5	SPECIAL PROJECTS COORDINATOR	SPECIAL PROJECT COORDINATOR
Total Positions	5	5
Police Department		
1	POLICE AIDE	POLICE AIDE
2	POLICE AIDE	POLICE AIDE
3	POLICE AIDE (VACANT)	POLICE AIDE
4	POLICE AIDE	POLICE AIDE
5	RESERVE POLICE OFFICER	RESERVE POLICE OFFICER
6	PHOTO ENFORCEMENT OFFICER	PHOTO ENFORCEMENT OFFICER
7	EMERGENCY SERVICES COORDINATOR	EMERGENCY SERVICES COORDINATOR
Total Positions	7	7
Part-Time Grand Total	20 (2 Frozen)	23

Capital Funding Needs

Due to years of necessary cuts to maintain a balanced budget, Council highlighted the City's infrastructure as an area of desired focus. In order to address this, staff has developed an aggressive Capital Improvement Program aim at ensuring the long-term viability of these vital City systems.

Below is a list of the proposed Capital Improvement Projects for FY21-22. These projects are already included within the proposed budgets. It is important to note that due to the City's access to alternative funding sources and insightful planning, these projects are funded primarily through non-General Fund sources. Out of a total of \$1,641,123 in proposed projects, only \$243,000 in matching funds from the City's General Fund would be required. Over the past few years, the City has undertaken an average of \$350,000 in Capital Improvement Projects. The proposed projects for FY21-22 are listed below:

CDBG (FUND 19)

Round #1 Howard Street Project from Noel to Lexington	131,000
Round #2 Bloomfield Street Project from Farquhar to Katella	<u>160,000</u>
	291,000

GAS TAX (FUND 20)

SB-1 Suburbia Street Project (c/o from FY20-21)	186,984
SB-1 Woodcrest & Carrier Row Street Project	229,083
Street Marking/Striping	75,000
Storm Drain Management Plan	75,000
Survey City Boundaries	<u>75,000</u>
	641,067

MEASURE M (FUND 26)

ADA Curbs	25,000
ADA Sidewalks	25,000
Street Signs at Intersection (Arterial Overhead)	80,000
Katella Ave Signal Sync Project (c/o from FY20-21)	51,110
Pavement MGMT Project (c/o from FY20-21)	20,000
Tree Planting Citywide	50,000
Arterial & Residential Tree Trimming	62,000
Cerritos Ave Bridge Guardrail	30,000
Suburbia Street Project (c/o from FY20-21)	<u>122,946</u>
	466,056

GENERAL FUND

BUILDING IMPROV (FUND 25)	
Comm Ctr Front Door / Emer Exit	65,000
Flooring: Youth Ctr, Comm Ctr, PD offices	50,000
Painting: PD (indoor), Comm Ctr (outdoor)	25,000
Storage Containers (2)	12,000
PW Modular Breakroom	75,000
NON-DEPARTMENTAL	
OCTA GRANT	
(\$80,000, \$16,000 City match)	<u>16,000</u>
	243,000

TOTAL ESTIMATED CIP 1,641,123

GENERAL FUND	243,000	15%
OTHER FUNDING	1,398,123	85%

Recommendations

The estimated surplus (revenues exceeding expenditures) for FY21-22 is \$2.2 million.

The following are recommendations for additional expenditures for consideration:

Additional Capital Improvement Projects

In addition to the CIP funding outlined above, additional CIP projects in the amount of \$1,248,615 are also being contemplated and could be funded from the Measure Y revenue. See attached map for projected year one residential street improvements. Sufficient funding is available for the additional CIP, leaving an estimated General Fund surplus of approximately \$969,000 for FY21-22. (See Attachment 1 and Attachment 2, Map and Schedule of Projected One Year Residential Improvements – Measure Y.)

Additional PERS UAL Paydown (General Fund)

Additional PERS funding could be made to reach a targeted funding goal and accelerate an earlier payoff of the Unfunded Accrued Liability. For example, the City's current funding over 20 years could be cut in half by adding an additional \$1 million in discretionary payments over 10 years, allowing for an accelerated paydown of the UAL and thereby reducing the City's overall cost.

ARPA Funding

Additional funding could be made towards qualified expenditures as outlined in the American Rescue Plan Act (ARPA). Listed below are some potential uses:

- Direct Assistant Programs
 - Financial stimulus for residents (program to be defined based on final guidelines)
 - Provide reopening assistance to businesses
- Public Health and Safety
 - Additional public green space
 - Allowed improvements to existing parks, community center
- Critical infrastructure
 - Cyber security
 - Ventilation improvements to public facilities
- City's fiscal health
 - Recover revenue losses to fund government services

Fiscal Impact

The fiscal impact associated with the various personnel changes that are recommended is incorporated in the FY21-22 Proposed Budget. This report presents additional information for consideration in connection with the preliminary projections for the budget for Fiscal Year 2021-22, in anticipation of adoption of the budget at the June 21, 2021 Council meeting.

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

Attachments:

- 1. Projected Year One Residential Street Improvements - Map*
- 2. Projected Year One Residential Improvements – Measure Y – Schedule*
- 3. Full Time Position Control*
- 4. Permanent Part Time Position Control*

City of Los Alamitos

Projected Year One Residential Street Improvements



District 1:
 -Florista St: \$130,190
 -Cherry St: \$123,490
TOTAL: \$253,680

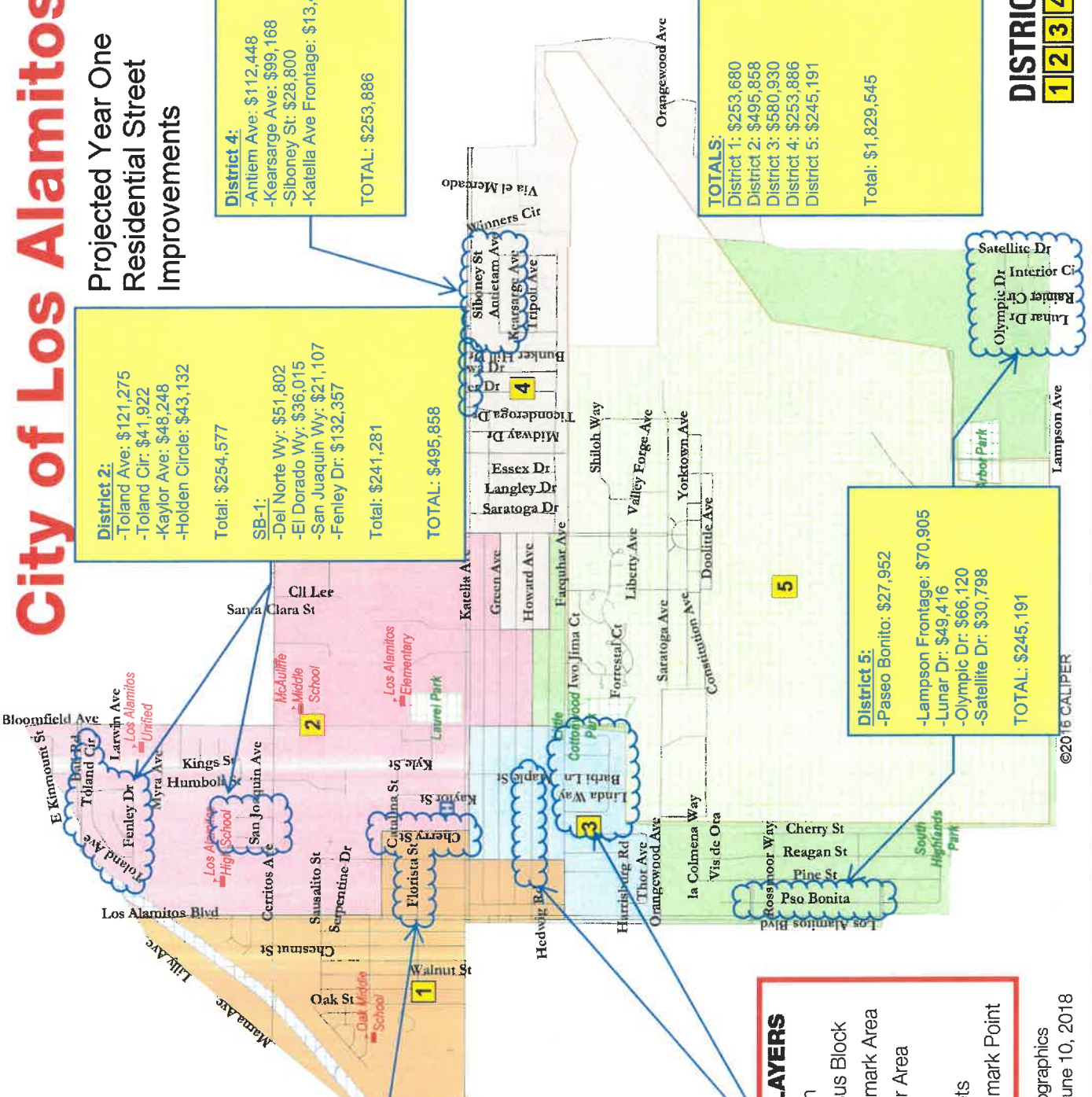
District 3:
Suburbia Neighborhood Project
 -Rochelle St
 -Linda Way
 -Barol Ln
 -Maple St
 -Kelly Ln
 -(Part of 2021 Street Work - Suburbia Project, Funding per SB-1, Gas Tax) - \$459,930
Howard Ave CDBG Project
 -(Howard Ave from Raegan St to Maple St - 2021 CDBG, Gas Tax Project) - \$121,000
TOTAL: \$580,930

District 2:
 -Toland Ave: \$121,275
 -Toland Cir: \$41,922
 -Kaylor Ave: \$48,248
 -Holden Circle: \$43,132
Total: \$254,577
SB-1:
 -Del Norte Wy: \$51,802
 -El Dorado Wy: \$36,015
 -San Juquin Wy: \$21,107
 -Fenley Dr: \$132,357
Total: \$241,281
TOTAL: \$495,858

District 4:
 -Antiem Ave: \$112,448
 -Kearsarge Ave: \$99,168
 -Siboney St: \$28,800
 -Katella Ave Frontage: \$13,470
TOTAL: \$253,886

TOTALS:
 District 1: \$253,680
 District 2: \$495,858
 District 3: \$580,930
 District 4: \$253,886
 District 5: \$245,191
Total: \$1,829,545

District 5:
 -Paseo Bonito: \$27,952
 -Lampson Frontage: \$70,905
 -Lunar Dr: \$49,416
 -Olympic Dr: \$66,120
 -Satellite Dr: \$30,798
TOTAL: \$245,191



- MAP LAYERS**
- Green
 - Census Block
 - Landmark Area
 - Water Area
 - River
 - Streets
 - Landmark Point

DISTRICTS
1 2 3 4 5

City of Los Alamitos - Projected Year One Residential Improvements - Measure Y

District	Street	From	To	Strategy	Cost	Length	Area
1	Cherry Street	Katella Avenue	Catalina Street	Thin Overlay	\$ 123,490	1,165	61,745
1	Florista Street	Los Alamitos Blvd	Pine Street	Thin Overlay	\$ 30,600	340	15,300
1	Florista Street	Pine Street	Reagan Street	Thick Overlay	\$ 54,540	360	18,180
1	Florista Street	Reagan Street	Cherry Street	Thin Overlay	\$ 45,050	425	22,525
TOTAL					\$ 253,680	2,290	117,750
2	Fenley Drive	West End	Kaylor Avenue	Thick Overlay	\$ 132,357	1,248	44,119
2	Holden Circle	Fenley Drive	North End	Thin Overlay	\$ 43,132	513	21,566
2	Kaylor Avenue	Fenley Drive	Toland Avenue	Thin Overlay	\$ 37,666	509	18,833
2	Kaylor Avenue	Toland Avneue	Ball Road	Thin Overlay	\$ 10,582	143	5,291
2	Toland Circle	Kaylor Avenue	East End	Thin Overlay	\$ 41,922	425	20,961
2	Toland Avenue	Fenley Drive	Kaylor Avenue	Thick Overlay	\$ 121,275	1,225	40,425
TOTAL					\$ 386,934	4,063	151,195
2	Del Norte Way	San Joaquin Way	North End	Thin Overlay	\$ 51,802	477	19,924
2	Eldorado Way	San Joaquin Way	North End	Thin Overlay	\$ 36,015	293	13,852
2	San Joaquin Way	Eldorado Way	Del Norte Way	Thin Overlay	\$ 21,107	246	8,118
TOTAL					\$ 108,924	1,016	41,894
3	2021 SB-1 Project (Suburbia Neighborhood: Rochelle St, Linda Wy, Barbi Ln, Maple St, Kelly Ln)				\$ 459,930		
3	2021 CDBG Project (Howard Ave from Raegan St to Maple St)				\$ 121,000		
TOTAL					\$ 580,930		
4	Antietam Avenue	Bennington Street	Mindora Street	Thick Overlay	\$ 112,448	1,004	32,128
4	Kearsarge Ave	Bennington Street	Mindora Street	Thick Overlay	\$ 99,168	1,033	33,056
4	Siboney Street	Antietam Avenue	Katella Avenue	Thin Overlay	\$ 28,800	400	14,400
4	Katella Frontage	Ticonderoga Drive	East End	Slurry Seal	\$ 13,470	898	26,940
TOTAL					\$ 253,886	3,335	106,524
5	Paseo Bonita	Bradbury Road	Rossmoor Way	Slurry Seal	\$ 27,952	1,747	55,940
5	Lampson Frontage	Lunar Drive	Satellite Drive	Thick Overlay	\$ 70,905	815	23,635
5	Lunar Drive	Lampson Frontage	Olympic Drive	Thick Overlay	\$ 49,416	568	16,472
5	Olympic Drive	Lunar Drive	Satellite Drive	Thick Overlay	\$ 66,120	760	22,040
5	Satellite Drive	Lampson Frontage	Olympic Drive	Thin Overlay	\$ 30,798	531	15,399
TOTAL					\$ 245,191	4,421	133,486
GRAND TOTAL					\$ 1,829,545	15,125	550,849

Less already included	\$ (580,930)
Add'l CIP	\$ 1,248,615
Est surpl's 21-22	\$ 2,218,140
End est surpl's 21-22	\$ 969,525

Full Time Position Control

Department	June 2020 Projection	Current Full Time Positions	Proposed 21/22 Budget
Administration			
1	CITY MANAGER	CITY MANAGER	CITY MANAGER
2	CITY CLERK	CITY CLERK	CITY CLERK
3	EXECUTIVE ASSISTANT/BENEFITS	EXECUTIVE ASSISTANT/BENEFITS	EXECUTIVE ASSISTANT/BENEFITS
4			ADMIN. SERVICES MANAGER
Total Positions	3	3	4
Finance			
1	FINANCE DIRECTOR	INTERIM FINANCE DIRECTOR	FINANCE DIRECTOR
2	ACCOUNTANT	ACCOUNTANT	ACCOUNTANT
3	FINANCE ASSISTANT	FINANCE ASSISTANT	SR. FINANCE ASSISTANT* (reclass)
Total Positions	3	3	3
Development Services			
1	DEV SERVICES DIRECTOR	ACTING DEV SERVICES DIRECTOR	DEV. SERVICES DIRECTOR/DCM
2	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY
3	MANAGEMENT ANALYST	MANAGEMENT ANALYST	MANAGEMENT ANALYST
4	ASSOCIATE PLANNER	ASSOCIATE PLANNER	ASSOCIATE PLANNER
5	MAINTENANCE WORKER I	MAINTENANCE WORKER I	MAINTENANCE WORKER I
6	MAINTENANCE WORKER	MAINTENANCE WORKER	MAINTENANCE WORKER
7	MAINTENANCE WORKER	MAINTENANCE WORKER	MAINTENANCE WORKER
8	MAINTENANCE FOREMAN	MAINTENANCE FOREMAN	MAINTENANCE FOREMAN
9	SR. MAINTENANCE WORKER	SR. MAINTENANCE WORKER	SR. MAINTENANCE WORKER
10	MAINTENANCE WORKER	MAINTENANCE WORKER	MAINTENANCE WORKER
11	CODE ENFORCEMENT OFFICER	CODE ENFORCEMENT OFFICER	CODE ENFORCEMENT OFFICER* (under-fill)
12	LEAD FOREMAN	LEAD FOREMAN (frozen)	PUBLIC WORKS SUPERVISOR* (reclass)
13			DEVELOPMENT SERVICES MANAGER
14			MAINTENANCE WORKER
Total Positions	12	12 (1 Frozen)	14
Rec & Com Services			
1	RECREATION MANAGER	ACTING REC. SERVICES DIRECTOR	REC. SERVICES DIRECTOR
2	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY
3	RECREATION COORDINATOR	RECREATION COORDINATOR	RECREATION COORDINATOR
4	RECREATION SUPERVISOR	RECREATION SUPERVISOR (vacant)	RECREATION SUPERVISOR
5	RECREATION MANAGER	RECREATION MANAGER (frozen)	RECREATION MANAGER
6			REC. COORDINATOR / GRAPHICS
Total Positions	5	5 (1 Frozen)	6
Police Department			
1	POLICE CHIEF	POLICE CHIEF	POLICE CHIEF
2	POLICE CAPTAIN	POLICE CAPTAIN	POLICE CAPTAIN
3	POLICE CAPTAIN	POLICE CAPTAIN	POLICE CAPTAIN
4	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY	DEPARTMENT SECRETARY
5	RECORDS SPECIALIST	RECORDS SPECIALIST	RECORDS SPECIALIST
6	RECORDS SPECIALIST	RECORDS SPECIALIST	RECORDS SPECIALIST
7	COMMUNITY LIAISON OFFICER	COMMUNITY LIAISON OFFICER	COMMUNITY LIAISON OFFICER
8	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
9	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
10	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
11	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
12	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
13	POLICE CORPORAL	POLICE CORPORAL	POLICE CORPORAL
14	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
15	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
16	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
17	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
18	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
19	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
20	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
21	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
22	POLICE SERGEANT	POLICE SERGEANT	POLICE SERGEANT
23	POLICE OFFICER	POLICE OFFICER	POLICE OFFICER
24	POLICE OFFICER	POLICE OFFICER (vacant)	POLICE OFFICER
25	POLICE OFFICER	POLICE OFFICER (vacant)	POLICE OFFICER
26	POLICE CORPORAL	POLICE CORPORAL (frozen)	POLICE CORPORAL
27	POLICE CORPORAL	POLICE CORPORAL (frozen)	POLICE CORPORAL
28	POLICE CORPORAL	POLICE CORPORAL (frozen)	POLICE CORPORAL
29			SUPPORT SERVICES MANAGER
Total Positions	28 (24 Sworn/4 Non-Sworn)	28 (21 Sworn/4 Non-Sworn/3 Frozen)	29 (24 Sworn/5 Non-Sworn)
Full Time Grand Total	51	51 (5 Frozen)	56

PERMANENT PART-TIME POSITIONS 21/22

Department	Current Part Time Positions	Proposed Part Time Positions 21/22 Budget
Administration		
	1 RECEPTIONIST	RECEPTIONIST
	2 RECEPTIONIST (VACANT)	RECEPTIONIST
	3 CLERICAL ASSISTANT / CITY CLERK (frozen)	CLERICAL ASSISTANT / CITY CLERK
Total Positions	3 (1 Frozen)	3
Finance		
	1 SPECIAL PROJECT COODINATOR (frozen)	SPECIAL PROJECT COODINATOR
Total Positions	1 (1 Frozen)	1
Development Services		
	1 MAINTENANCE WORKER	MAINTENANCE WORKER
	2 MAINTENANCE WORKER	MAINTENANCE WORKER
	3 CODE ENFORCEMENT OFFICER	CODE ENFORCEMENT OFFICER
	4 CODE ENFORCEMENT OFFICER	SR CODE ENFORCEMENT OFFICER (RECLASS)
		CODE ENFORCEMENT OFFICER
		CLERICAL ASSISTANT
		SPECIAL PROJECT COORDINATOR
Total Positions	4	7
Rec & Com Services		
	1 COMMUNITY SERVICES COORDINATOR	COMMUNITY SERVICES COORDINATOR
	2 RECREATION SPECIALIST	RECREATION SPECIALIST
	3 COMMUNITY SERVICES COORDINATOR	COMMUNITY SERVICES COORDINATOR
	4 RECREATION SPECIALIST	RECREATION SPECIALIST
	5 SPECIAL PROJECTS COORDINATOR	SPECIAL PROJECT COORDINATOR
Total Positions	5	5
Police Department		
	1 POLICE AIDE	POLICE AIDE
	2 POLICE AIDE	POLICE AIDE
	3 POLICE AIDE (VACANT)	POLICE AIDE
	4 POLICE AIDE	POLICE AIDE
	5 RESERVE POLICE OFFICER	RESERVE POLICE OFFICER
	6 PHOTO ENFORCEMENT OFFICER	PHOTO ENFORCEMENT OFFICER
	7 EMERGENCY SERVICES COORDINATOR	EMERGENCY SERVICES COORDINATOR
Total Positions	7	7
Part-Time Grand Total	20 (2 Frozen)	23